



ASX/Media Announcement

5 December 2011

90% INCREASE TO HIGH GRADE ANDY WELL RESOURCE

- **691,000t @ 14.8g/t for 329,000ozs¹** (Indicated & Inferred quartz vein resource)
- **Increase of 90% from February 2011 maiden resource**
- **Wilber Lode deposit remains open**

Doray Minerals Ltd (ASX: DRM, Doray) is pleased to advise that, following an extensive programme of RC and Diamond drilling, the Company has today announced a substantial increase to the very high-grade Wilber Lode resource at the Andy Well gold project (Doray 80%).

The combined Inferred and Indicated resource for the Wilber Lode and two associated quartz vein lodes now totals:

691,000t @ 14.8g/t for a total of 329,000 contained ounces¹

The updated resource represents an increase of over 90% from the maiden high grade resource announced in February 2011 (311,000t @ 17.5g/t), less than 12 months after the discovery of the deposit.

The resource has now been defined to a depth of approximately 480m below the surface and remains open at depth (Figure 1). Importantly, the Wilber Lode resource includes all contained material within the quartz vein, with no lower cutoff used. In addition, the previously published oxide shear zone resource has been re-estimated to 115,000t @ 0.7g/t for 3,000oz. This shear zone resource is found immediately adjacent to and surrounding the Wilber Lode and is limited to the oxide zone. The combined Andy Well resource, including all quartz vein and shear zone domains now totals 806,000t @ 12.8g/t for a total of 332,000 ounces. Details of the resource are outlined in the attached Appendix.

Doray's Managing Director, Mr Allan Kelly, said the resource upgrade reinforced the significant upside potential of the Andy Well project.

"Our recent drilling campaigns have continued to deliver a stream of high grade gold intersections from Wilber over the last nine months. The substantially increased resource confirms the Wilber Lode as a very significant high grade gold deposit and, more importantly, gives Doray the added confidence to push ahead with our current development activities. We believe that further drilling has the potential to again increase this resource," Mr Kelly said.

Drilling continues at Andy Well with:

- diamond drilling of a number of additional holes at Wilber to lift the status of the inferred resources and continue to test the extents of the open ended resource;
- RC drilling to test the potential for extensions to the Wilber Lode, as well as a number of nearby additional targets; and
- aircore drilling of a number of other high priority targets.

A number of activities in the Andy Well feasibility study are progressing on schedule and an update will be provided to the market early in the New Year.

¹ 80% Attributable to Doray Minerals Ltd

Murchison Exploration Update

Drilling programmes to follow-up high grade gold results from Side Well and Abbots are scheduled for after the Christmas-New Year break.

-ENDS-

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About Doray Minerals

Minerals explorer **Doray Minerals Limited** (ASX: DRM) listed on the ASX in February 2010 and was one of Australia's best performing IPOs in 2010 based on results from the high grade Andy Well gold project in Western Australia. The company is currently focussed on advancing Andy Well towards development and subsequent production.

Doray has a strategic portfolio of gold properties within WA and South Australia, and each presents Doray with multiple discovery opportunities.

About Andy Well

The Andy Well gold project (Doray 80%) is located approximately 45km north of Meekatharra, in Western Australia's Murchison Region. In March 2010, Doray announced the discovery of the very high-grade Wilber Lode, a quartz gold lode within sheared basalt, adjacent to the Great Northern Highway.

In February 2011, Doray announced a maiden high-grade JORC-compliant gold resource for the Wilber Lode, the grade of which made it one of the highest grade gold deposits in Australia.

The Company is currently completing an extensive drilling campaign along with a number of other development-related activities designed to bring the project into production as quickly as possible. The drilling aims to increase the size of the Wilber Lode resource as well as testing for additional mineralisation across a number of other nearby targets.

Competent Person Statement

The information in this announcement that relates to Mineral Resources is based on information compiled by Mark Cossom and Mark Zammit.

Mr. Cossom is a Member of the Australasian Institute of Mining and Metallurgy, whilst Mr. Zammit is a Member of the Australian Institute of Geoscientists. Mr. Cossom is a full time employee of Doray Minerals Ltd, whilst Mr Zammit is a full time employee of Cube Consulting. Mr. Cossom and Mr. Zammit have sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity which they are undertaking. This qualifies Mr. Cossom and Mr Zammit as "Competent Persons" as defined in the 2004 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.

Mr. Cossom and Mr. Zammit consent to the inclusion of information in this announcement in the form and context in which it appears.

APPENDICES

Table 1. Andy Well Resource Inventory

| | Indicated | | | Inferred | | | Total | | | Doray 80% |
|---------------------------------|----------------|-------------|----------------|----------------|-------------|---------------|----------------|-------------|----------------|----------------|
| | Tonnes | Grade (g/t) | Ounces | Tonnes | Grade (g/t) | Ounces | Tonnes | Grade (g/t) | Ounces | Ounces |
| Wilber Lode Quartz Vein | 394,000 | 19.8 | 251,000 | 270,000 | 8.6 | 75,000 | 664,000 | 15.2 | 326,000 | 260,800 |
| Footwall 1 Quartz Vein | | | | 22,000 | 3.6 | 2,000 | 22,000 | 3.6 | 2,000 | 1,600 |
| Footwall 2 Quartz Vein | | | | 5,000 | 4.9 | 1,000 | 5,000 | 4.9 | 1,000 | 800 |
| Sub Total for Quartz veins | 394,000 | 19.8 | 251,000 | 297,000 | 8.1 | 78,000 | 691,000 | 14.8 | 329,000 | 263,200 |
| Shear Zone | 115,000 | 0.7 | 3,000 | | | | 115,000 | 0.7 | 3,000 | 2,400 |
| TOTAL ANDY WELL RESOURCE | 509,000 | 15.5 | 254,000 | 297,000 | 8.1 | 78,000 | 806,000 | 12.8 | 332,000 | 265,600 |

Note: No lower cutoff applied

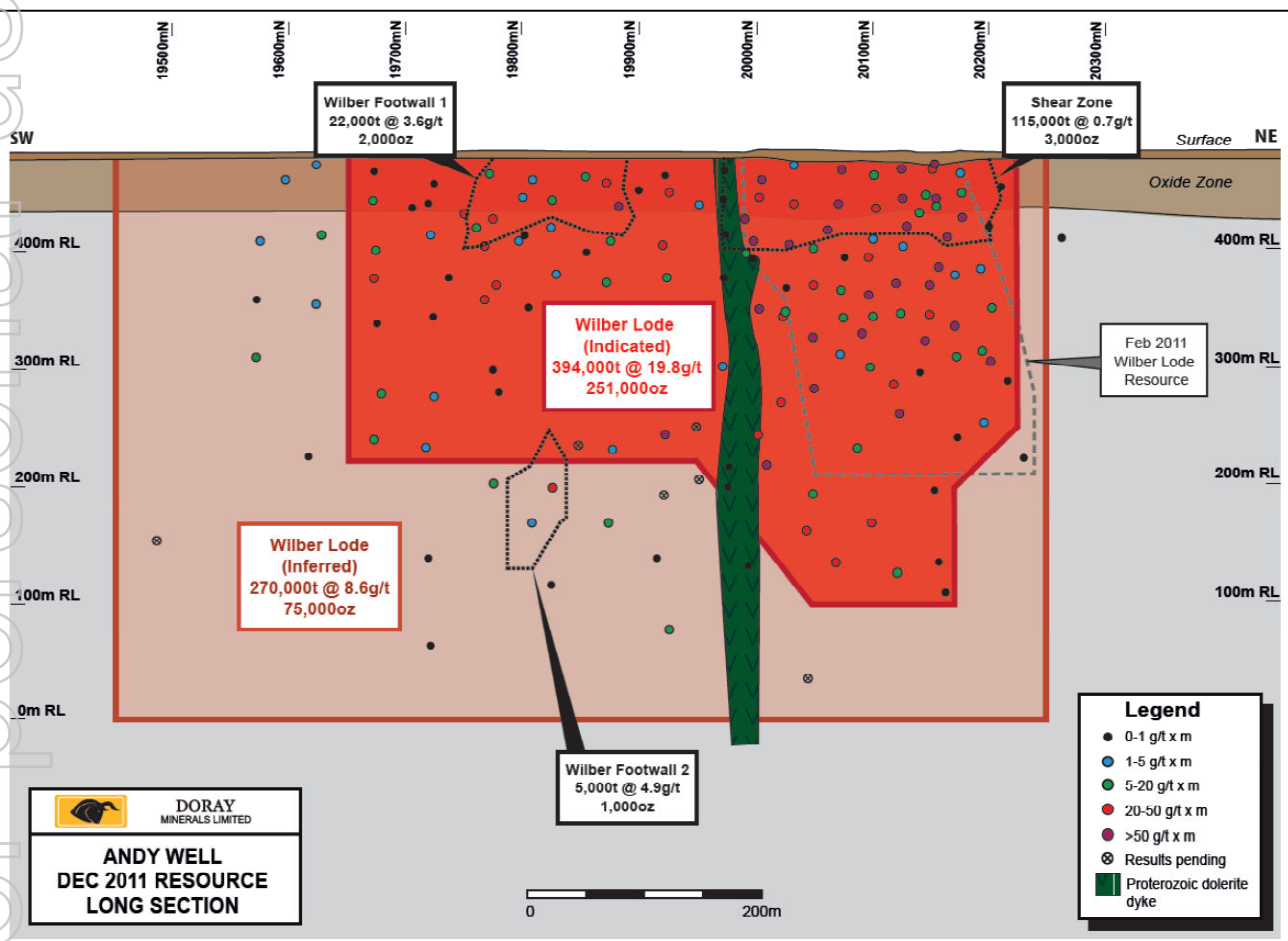


Figure 1. Schematic N-S Long Section of Wilber Lode resource with grade domains and classification.

Resource Estimation Summary

The resource estimate is based on a compilation of 72 Reverse Circulation and 88 HQ-Diamond drill holes completed to date on the Wilber Lode by Doray Minerals Ltd, as well as 4 holes previously drilled by WMC Resources Ltd.

Drill spacing was a nominal 20m spacing on 25m spaced sections within the previously announced January 2011 resource area, and a nominal 50m x 50m within the extensional areas below and to the south of that previous resource area. All Doray drilling has been geologically logged, with samples collected by either cone or riffle splitting of RC chips on 1m intervals down hole, or HQ-sized half core split samples for diamond drilling, with a minimum sample width of 0.5m and a maximum sample width of 1.5m. Samples were submitted to either Genalysis Laboratories or SGS Laboratories in Perth and analysed for Au by either: aqua regia; or 50g fire assay digest with an AAS determination (Genalysis); or a 30g fire assay with AAS determination (SGS). All assays were required to conform to Doray Minerals QA/QC guidelines as well as internal laboratory QA/QC guidelines. All holes have been located by RTK GPS on surface, as well as down-hole gyro and multi-shot reflex tool surveys.

Four grade domains have been interpreted from the geological and assay data received. The "Wilber Quartz Vein" was interpreted based on logged intervals in drill holes, irrespective of assay grade. Two secondary quartz vein splay lodes have also been interpreted. A minimum downhole length of 0.5m was interpreted, with a nominal average true width of intercepts estimated to be 1m. Additionally, geological domains were created for transported material, as well as oxide and transitional weathering domains. A Shear Zone domain was created encompassing mineralization present within the oxide zone, immediately adjacent to the Wilber Lode. This domain was based on a nominal 0.5g/t grade boundary, and appears to be due to remobilization of gold from the Wilber Zone within the weathered profile. A geological domain was also created for the cross-cutting, late stage Proterozoic dolerite dyke, which was used to deplete the model as this dyke is interpreted to post-date, and thus stope-out mineralisation. All domains were interpreted in 3-dimensions utilising Surpac Software, and wire-framed into either solid 3dm's for grade domains, or dtm surfaces for transported and weathered domains.

Statistical analysis, grade interpolation and block modelling were undertaken by Mr Mark Zammit of Cube Consulting, in consultation with Doray Minerals staff. Grade domain data were extracted from the database and composited to 1m down-hole composites for the Shear Zone domain, and length-weighted total intercept composites for the 3 Quartz Vein domains. Data were statistically analysed for the selection of appropriate top cuts, with a 3g/t top-cut applied to the Shear Zone domain, a 10g/t top-cut applied to Footwall Quartz Vein domain composites, and 75g/t top-cut for all Wilber Quartz Vein domain data. Geostatistical analysis of semi-variograms generated from the composite data was undertaken to provide both search neighbourhood as well as kriging parameters for grade interpolation.

A block model was created for the Wilber Zone, with a block size of 2m x 20m x 20m (x, y, z) selected based on Qualitative Kriging Neighbourhood Analysis to identify the optimal block size. Bulk density values were assigned to the model based on ore-zone and weathering domains. Bulk density values were generated by statistical analysis of down-hole Gamma probe data collected from 6 holes across the deposit area, with values collected every 10cm down hole. These Gamma data were also checked against several values obtained by water displacement method from across the fresh-rock domain, in order to validate the detailed data.

Grade was interpolated by 3-dimensional Ordinary Kriging for Shear Zone domain data, and for the Wilber Quartz Lode and Footwall 1 quartz lode domains via 2-dimensional Ordinary Kriging of an accumulation variable incorporating mineralised vein horizontal width and cut intercept grade. The footwall 2 quartz lode domain was estimated by direct assignment of a polygonal average grade. Several check runs were completed utilising different top-cuts and estimation parameters as validation checks of the grade estimate. The model was also validated by visual inspection of both the block model fill against the raw assay data, as well as the generation and inspection of grade-tonnage curves, and composite vs block grade data by both elevation and northings through the deposit. Model classification for both Indicated and Inferred (in accordance with the JORC Code 2004) was based on data density, as well as analysis of slope of regression block statistics throughout the model.