



14 December 2010

Dear Shareholder

On 14 December 2010 the Board announced an \$18.0 million placement (**Placement**) and Shareholder Share Purchase Plan (**Plan**), capped at \$3.0 million.

Invitation to Participate in Shareholder Share Purchase Plan

The Board of Directors of Doray Minerals Limited (**Doray Minerals** or **Company**) has approved the introduction of the Plan.

Shareholders Eligible to Participate in the Plan

The right to participate in the Offer under the Plan is available exclusively to shareholders who are registered as holders of fully paid ordinary shares in the capital of Doray Minerals (**Shares**) at 5:00pm (WST) on the Record Date of **13 December 2010** and whose registered address is in Australia (**Eligible Shareholders**).

Share Purchase Plan

The Board is pleased to offer to all Eligible Shareholders an opportunity to participate in the Plan. Details of the Offer are set out in this letter and the enclosed Terms and Conditions together with an Entitlement and Acceptance Form.

The Plan entitles Eligible Shareholders in the Company, irrespective of the size of their shareholding, to purchase up to \$15,000 worth of Shares at \$1.30 per Share, a price equal to a **16% discount** to the volume weighted average market price of the Company's shares on ASX during the 5 trading days immediately prior to the announcement date of the offer, being 14 December 2010, free of brokerage and commission (**Offer**).

The volume weighted average market price of the Shares on Australian Stock Exchange Limited (**ASX**) during the 5 trading days immediately prior to 14 December 2010 was \$1.55.

Current Projects

Details of the Company's current activities are set out in the announcements made by Doray Minerals to the ASX and are available from the ASX or the Company's website at www.dorayminerals.com.au.

The funds raised under the Plan, and the Placement announced on 14 December 2010, are intended to be primarily used by the Company for continued development of the Andy Well project, including delineation of the Wilber Lode, development of the Webbs Patch project and potentially other additional deposits, as well as systematic exploration of a number of projects in Doray's highly prospective Murchison portfolio, general corporate purposes and potential future acquisitions.

Subscription and Application Procedure

If you would like to participate in the Offer, please return your completed Entitlement and Acceptance Form (enclosed), together with your cheque for the subscription monies for the Shares you wish to acquire to Computershare Investor Services, on or before the **Closing Date of 5:00pm (WST) on 17 January 2011**.

The number of Shares to which you are entitled will be calculated by dividing the subscription amount you have elected by the purchase price of \$1.30 per Share.

Eligible Shareholders may apply for a specified number of Shares under one of the following alternatives:

Amount Payable	Shares Applied For
\$2,015.00	1,550
\$5,005.00	3,850
\$10,010.00	7,700
\$14,999.40	11,538

Please note the maximum investment per shareholder is \$14,999.40 and the minimum investment is \$2,015.00.

The maximum investment any shareholder may apply for will remain \$14,999.40 even if a shareholder receives more than one Offer (whether in respect of a joint holding or because the shareholder has more than one holding under a separate account).

Acceptance of Risk Factors

On the trading day immediately prior to the announcement date of the Offer, the closing price of the Shares traded on ASX was \$1.575. The market price of the Shares in the Company may rise and fall between the date of the Offer and the date that any Shares are allotted to you as a result of your acceptance of this Offer. This means that the subscription price you pay for the Shares may exceed the market price of the Shares at the date of allotment of Shares under this Offer.

By accepting the Offer and applying for Shares under the Plan, each Eligible Shareholder will be acknowledging that although the purchase price is at a discount to the market price immediately prior to the announcement, Shares are a speculative investment and the price of Shares on ASX may change between the date of the Company announcing its intention to make an Offer and the date of issue of Shares under that Offer and that the price and/or value and/or number of the Shares received under the Plan may rise or fall accordingly.

The Board recommends that you obtain your own financial advice in relation to the Offer and consider price movements of Shares in the Company prior to accepting this Offer.

Additional Information and Important Dates

The Offer cannot be transferred and the Directors of the Company reserve the right to reject any application over \$14,999.40. Shares allotted under the Plan will be issued no later than 5 business days after the Closing Date of the Offer. Application for quotation on ASX of the new Shares will be made immediately following the issue of those Shares.

The maximum number of Shares that may be issued pursuant to this Offer is 2,307,692. In the event of an oversubscription by the Closing Date the Directors may, in their absolute discretion, scale-back any application.

If the Company rejects or scales-back an application or purported application, the Company will promptly return to the shareholder the relevant application monies, without interest.

Indicative Timetable

Record Date (5:00pm WST)	13 December 2010
Announcement Date of Plan	14 December 2010
Opening Date of Offer	21 December 2010
Closing Date of Offer	17 January 2011
Issue of Shares under the Plan	24 January 2011
Dispatch date for holding statements	25 January 2011
Quotation of Shares on ASX	27 January 2011

These dates are indicative only. The Company may vary the dates and times of the Offer without notice. Accordingly, shareholders are encouraged to submit their Entitlement and Acceptance Forms as early as possible.

Should you wish to discuss any information contained in this letter further, do not hesitate to contact the Company Secretary on +61 8 6468 0388.

Yours faithfully

ALLAN KELLY
MANAGING DIRECTOR
DORAY MINERALS LIMITED

DORAY MINERALS LIMITED

ABN 48 138 978 631

Shareholder Share Purchase Plan - Terms and Conditions

Purpose

The purpose of the Shareholder Share Purchase Plan (the Plan) is to offer shareholders of Doray Minerals Limited (Doray Minerals) the opportunity to acquire additional fully paid ordinary shares in the Company (Doray Minerals Shares) up to a maximum of \$14,999.40 (when combined with any shares issued under any share purchase plan in the 12 months preceding the date of the Plan) at a discount to the volume weighted average market price of Doray Minerals Shares on the financial market operated by ASX Limited (ASX) without the need to pay brokerage costs and without the need for Doray Minerals to issue a Prospectus, upon such terms and conditions as the Board of Directors of Doray Minerals, in its absolute discretion, sees fit.

Shareholders eligible to participate

Eligible shareholders of Doray Minerals Shares that are registered with an Australian address at the relevant record date may participate in the Plan. Due to foreign securities laws, it is not practical for shareholders resident in other countries to be offered the opportunity to participate in the Plan.

Participation in the Plan is optional and is subject to these terms and conditions. Offers made under the Plan are non-renounceable (i.e. eligible shareholders may not transfer their rights to any Doray Minerals Shares offered under the Plan).

An offer may, at the discretion of the Directors of Doray Minerals, be made under the Plan once a year. The maximum amount, which any shareholder may subscribe for in any consecutive 12 month period, is A\$15,000. The Directors of Doray Minerals may also determine in their discretion the minimum amount for participation, the multiple of Doray Minerals Shares to be offered under the Plan and the period the offer is available to eligible shareholders.

Price of Doray Minerals Shares

The price of Doray Minerals Shares to be issued under the Plan will be \$1.30 per Share.

Applications and Notices

At the discretion of the Directors of the Company, Doray Minerals will send eligible shareholders a letter of offer and acceptance procedures, inviting them to subscribe for Doray Minerals Shares under the Plan, and accompanied by the terms and conditions of the Plan and an entitlement & acceptance form. Applications will not be accepted after the closing date of an offer. Over subscriptions to an offer may be refunded without interest.

Notices and statements made by Doray Minerals to participants may be given in any manner prescribed by its Constitution.

Underwriting

The Plan is not underwritten.

Issue of Doray Minerals Shares

Doray Minerals Shares to be issued under the Plan will be issued as soon as reasonably practicable after the closing date specified by the Directors of Doray Minerals in the relevant offer.

Doray Minerals Shares issued under the Plan will rank equally in all respects with all other fully paid ordinary shares in Doray Minerals from the date of issue.

Shareholding statements or CHESS notification will be issued in respect of all Doray Minerals Shares issued under the Plan. The Company will, promptly after the issue of Doray Minerals Shares under the Plan, make application for those Doray Minerals Shares to be listed for quotation on the official list of ASX.

Modification and Termination of the Plan

Doray Minerals may modify or terminate the Plan at any time.

Doray Minerals will notify ASX of any modification to, or termination of, the Plan. The omission to give notice of any modification to, or termination of, the Plan or the failure of ASX to receive such notice will not invalidate the modification or termination.

Without limiting the above, Doray Minerals may issue to any person fewer Doray Minerals Shares than the person applied for under the Plan if the issue of the Doray Minerals Shares applied for would contravene any applicable law or the Listing Rules of ASX.

Dispute Resolution

Doray Minerals may, in any manner it thinks fit, settle any difficulties, anomalies or disputes which may arise in connection with or by reason of the operation of the Plan, whether generally or in relation to any participant, application or Doray Minerals Shares. The decision of Doray Minerals in this respect will be conclusive and binding on all shareholders and other persons to whom that determination relates.

Doray Minerals reserves the right to waive strict compliance with any provision of these terms and conditions. The powers of Doray Minerals under these conditions may be exercised by the Directors of Doray Minerals or any delegate of the Directors of Doray Minerals.

Questions and Contact Details

If you have any questions regarding the Plan or how to deal with this Offer, please contact your stockbroker or professional adviser or Company Secretary on +61 8 6468 0388.
