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## DORAY MINERALS LIMITED

ACN 138 978 631

## NOTICE OF ANNUAL GENERAL MEETING

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**TIME:** 11:00am (WST)

**DATE:** 30 November 2010

**PLACE:** QV1 Conference Centre  
Level 2  
250 St Georges Terrace  
PERTH WA 6000

An electronic copy of the Doray Minerals Limited 2010 Annual Report can be found at [www.dorayminerals.com.au](http://www.dorayminerals.com.au).

*This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.*

*Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (08) 6468 0388.*

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**TIME AND PLACE OF MEETING AND HOW TO VOTE**

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**VENUE**

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The Annual General Meeting of the Shareholders of Doray Minerals Limited to which this Notice of Meeting relates will be held at 11:00am (WST) on 30 November 2010 at:

QV1 Conference Centre  
Level 2  
250 St Georges Terrace  
PERTH WA 6000

**YOUR VOTE IS IMPORTANT**

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The business of the Annual General Meeting affects your shareholding and your vote is important.

**VOTING IN PERSON**

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To vote in person, attend the Annual General Meeting on the date and at the place set out above.

**VOTING BY PROXY**

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To vote by proxy, please complete and sign the proxy form enclosed and send the proxy form:

- (a) by post to Doray Minerals Limited, Unit 6, 34 York Street, North Perth, Western Australia 6006; or
- (b) by facsimile to the Company on facsimile number +61 8 9228 0704,

so that it is received not later than 11:00am (WST) on 28 November 2010.

**Proxy forms received later than this time will be invalid.**

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## NOTICE OF ANNUAL GENERAL MEETING

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Notice is given that the Annual General Meeting of Shareholders of Doray Minerals Limited will be held at 11:00am (WST) on 30 November 2010 at QV1 Conference Centre, Level 2, 250 St Georges Terrace, Perth WA 6000.

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the Annual General Meeting. The Explanatory Statement and the proxy form are part of this Notice of Meeting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the General Meeting are those who are registered Shareholders of the Company at the close of business on 28 November 2010.

Terms and abbreviations used in this Notice of Meeting and Explanatory Statement are defined in the Glossary.

### AGENDA

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#### ORDINARY BUSINESS

##### Reports and Accounts

To receive and consider the financial statements of the Company for the year ended 30 June 2010 together with the declaration of the directors, the directors' report, the remuneration report and auditor's report.

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#### 1. RESOLUTION 1 – ADOPTION OF THE REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

*"That, for the purposes of Section 250R(2) of the Corporations Act and for all other purposes, approval is given to the adoption of the Remuneration Report as contained in the Company's annual financial report for the year ended 30 June 2010."*

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#### 2. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR JAY STEPHENSON

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That for the purpose of clause 11.3 of the Constitution, and for all purposes, Mr Jay Stephenson, a Director, retires and, being eligible, is re-elected as a Director."*

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#### 3. RESOLUTION 3 – GRANT OF OPTIONS TO MR ALLAN KELLY

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, for the purposes of ASX Listing Rule 10.11, Section 208 of the Corporations Act and for all other purposes, approval is given for the Directors to grant to Mr Allan Kelly (or his nominee) 1,000,000 options to be issued on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by Mr Kelly (or his nominee) or any of his associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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4. **RESOLUTION 4 – GRANT OF OPTIONS TO MR HEATH HELLEWELL**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of ASX Listing Rule 10.11, Section 208 of the Corporations Act and for all other purposes, approval is given for the Directors to grant to Mr Heath Hellewell (or his nominee) 1,000,000 options to be issued on the terms and conditions set out the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by Mr Hellewell (or his nominee) or any of his associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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5. **RESOLUTION 5 – GRANT OF OPTIONS TO MR BRETT FRASER**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of ASX Listing Rule 10.11, Section 208 of the Corporations Act and for all other purposes, approval is given for the Directors to grant to Mr Brett Fraser (or his nominee) 650,000 options to be issued on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by Mr Fraser (or his nominee) or any of his associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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6. **RESOLUTION 6 – GRANT OF OPTIONS TO MR JAY STEPHENSON**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of ASX Listing Rule 10.11, Section 208 of the Corporations Act and for all other purposes, approval is given for the Directors to grant to Mr Jay Stephenson (or his nominee) 650,000 options to be issued on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by Mr Stephenson (or his nominee) or any of his associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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7. **RESOLUTION 7 – RATIFICATION OF PRIOR ISSUE OF SHARES FOR THE ACQUISITION OF THE WEBBS PATCH PROJECT**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the allotment and issue of 500,000 Shares on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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**8. RESOLUTION 8 – RATIFICATION OF PRIOR ISSUE OF SHARES FOR THE PLACEMENT TO SOPHISTICATED INVESTORS**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the allotment and issue of 6,666,667 Shares on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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**9. RESOLUTION 9 – RATIFICATION OF PRIOR ISSUE OF SHARES FOR THE ACQUISITION OF THE BLACK TANK WELL AND TUCKANARRA GOLD PROJECTS IN THE MURCHISON REGION OF WESTERN AUSTRALIA**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the allotment and issue of 200,000 Shares on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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**DATED: 27 October 2010**

**BY ORDER OF THE BOARD**

**JAY STEPHENSON  
COMPANY SECRETARY**

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## EXPLANATORY STATEMENT

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This Explanatory Statement has been prepared for the information of the Shareholders of the Company in connection with the business to be conducted at the Annual General Meeting to be held at QV1 Conference Centre, Level 2, 250 St Georges Terrace, Perth WA 6000, at 11:00am (WST) on 30 November 2010.

This purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

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### 1. FINANCIAL STATEMENTS AND DIRECTORS' REPORTS

In accordance with the Company's Constitution, the business of the meeting will include receipt and consideration of the Company's Financial Report and reports of directors and auditors for the year ended 30 June 2010.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at [www.dorayminerals.com.au](http://www.dorayminerals.com.au).

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### 2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the Directors of the Company.

The Remuneration Report is set out in the Directors' Report in the Company's 2010 Annual Report. The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the Meeting.

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### 3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR

Clause 11.3 of the Constitution requires that one-third of the Directors must retire from office by rotation at each annual general meeting.

The Company currently has 4 Directors and accordingly one must retire. Director who retires under clause 11.3 of the Constitution is eligible for re-election.

Mr Jay Stephenson retires in accordance with clause 11.3 of the Constitution and seeks re-election.

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### 4. RESOLUTIONS 3, 4, 5 AND 6 – GRANT OF OPTIONS TO MESSRS ALLAN KELLY, HEATH HELLEWELL, BRETT FRASER AND JAY STEPHENSON

The Company has agreed, subject to obtaining Shareholders approval, to grant a total of 3,300,000 Options (**Director Options**) to Messrs Allan Kelly, Heath Hellewell, Brett Fraser and Jay Stephenson (**Related Parties**) on the terms and conditions set out in Annexure A to this Explanatory Statement.

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- a) obtain the approval of the public company's members in the manner set out in Sections 217 to 227 of the Corporations Act; and
- b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in Sections 210 to 216 of the Corporations Act.

In addition, ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party (or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained) unless an exception in ASX Listing Rule 10.12 applies.

The issue of the Director Options to the Related Parties requires the Company to obtain Shareholder approval because the grant of Director Options constitutes giving a financial benefit and as Directors, each of Messrs Kelly, Hellewell, Fraser and Stephenson are related parties of the Company.

It is the view of the Directors that the exceptions set out in Sections 210 to 216 of the Corporations Act and ASX Listing Rule 10.12 do not apply in the current circumstances. Accordingly, Shareholder approval is sought for the grant of the Director Options to each Related Party.

#### 4.1 Shareholder Approval (Chapter 2E of the Corporations Act and Listing Rule 10.11)

Pursuant to and in accordance with the requirements of Sections 217 to 227 of the Corporations Act and ASX Listing Rule 10.13, the following information is provided in relation to the proposed issue of Shares:

- a) the related parties are Messrs Kelly, Hellewell, Fraser and Stephenson and they are related parties by virtue of being Directors;
- b) the maximum number of Director Options (being the nature of the financial benefit being provided) to be granted to the Related Parties is:
  - i. 1,000,000 Director Options to Mr Allan Kelly;
  - ii. 1,000,000 Director Options to Mr Heath Hellewell;
  - iii. 650,000 Director Options to Mr Brett Fraser;
  - iv. 650,000 Director Options to Mr Jay Stephenson
- c) the Director Options will be granted to the Related Parties no later than 1 month after the date of the General Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the Director Options will be issued on one date;
- d) the Director Options will be granted for nil cash consideration, accordingly no funds will be raised. Any funds raised on the exercise of the Director Options will be used for working capital purposes;
- e) the terms and conditions of the Director Options are set out in Annexure A;
- f) the value of the Director Options, and the pricing methodology is set out in Annexure B;
- g) the existing relevant interests of each of the Related Parties in securities of the Company are set out below:

Related Party	Shares	Options
Mr Allan Kelly	9,040,000	4,250,000
Mr Heath Hellewell	4,046,829	2,000,000
Mr Brett Fraser	95,000	1,000,000
Mr Jay Stephenson	55,000	1,000,000
<b>Total</b>	<b>13,236,829</b>	<b>8,250,000</b>

Note: All options are exercisable at 20 cents on or before 3 September 2014

- h) the remuneration and emoluments from the Company to the Related Parties for the previous financial year and the proposed remuneration and emoluments for the current financial year are set out below:

Related Party	Current Financial Year Remuneration	Previous Financial Year Remuneration
Mr Allan Kelly	\$236,000	\$125,882
Mr Heath Hellewell	\$160,000	\$92,764
Mr Brett Fraser	\$95,000	\$20,834
Mr Jay Stephenson	\$85,000	\$37,500

- i) At present there are 55,276,667 Shares and 14,328,500 options on issue. If all of the Director Options granted to the Related Parties are exercised, a total of 3,300,000 additional Shares would be allotted and issued.

This will increase the number of Shares on issue from 55,276,667 to 58,576,667 (assuming that no other Options are exercised and no other Shares issued) with the effect that the shareholding of existing Shareholders would be diluted as follows:

Related Party	Issued Shares as at the date of this Notice of Meeting	Director Options to be issued	Total Issued Shares upon exercise of all Director Options	Dilutionary effect upon exercise of Director Options
Mr Allan Kelly	55,276,667	1,000,000	56,276,667	1.78%
Mr Heath Hellewell	55,276,667	1,000,000	56,276,667	1.78%
Mr Brett Fraser	55,276,667	650,000	55,926,667	1.16%
Mr Jay Stephenson	55,276,667	650,000	55,926,667	1.16%
<b>Total</b>	<b>55,276,667</b>	<b>3,300,000</b>	<b>58,576,667</b>	<b>5.63%</b>

The market price for Shares during the term of the Director Options would normally determine whether or not the Director Options are exercised. If, at any time any of the Director Options are exercised and the Shares are trading on ASX at a price that is higher than the exercise price of the Director Options, there may be a perceived cost to the Company.

The Board resolved to issue the Director Options to Messrs Kelly, Hellewell, Fraser and Stephenson subject to Shareholder approval, on the terms and conditions set out in Annexure A. As at the date of this Notice of Meeting, the share price is trading on ASX below the exercise price of the Director Options. The grant of the Director Options to Messrs Kelly, Hellewell, Fraser and Stephenson is intended to align their interests with the Company and its Shareholders;

- j) the trading history of the Shares on the ASX in the 12 months before the date of this Notice of General Meeting is set out below:

	Price	Date
Lowest	\$0.16	18 February 2010
Highest	\$1.10	7 April 2010
Last	\$0.89	14 October 2010

- k) the primary purpose of the grant of Director Options to Mr Kelly is to provide a market linked incentive package in his capacity as a Director and for future performance by him in his role. The Board (other than Mr Kelly) considered the extensive experience and reputation of Mr Kelly within the industry when considering the grant of the Director Options to Mr Kelly. The Board considers the

issue of the Director Options to Mr Kelly to be reasonable, given the necessity to attract the highest calibre of professionals to the Company whilst maintaining the Company's cash reserves. Other than as set out in this Explanatory Statement, the Board does not consider that there are any significant opportunity costs to the Company, taxation consequences, or benefits foregone by the Company in issuing the Director Options upon the terms proposed;

- l) the primary purpose of the grant of Director Options to Mr Hellewell is to provide a market linked incentive package in his capacity as a Director and for future performance by him in his role. The Board (other than Mr Hellewell) considered the extensive experience and reputation of Mr Hellewell within the industry when considering the grant of the Director Options to Mr Hellewell. The Board considers the issue of the Director Options to Mr Hellewell to be reasonable, given the necessity to attract the highest calibre of professionals to the Company whilst maintaining the Company's cash reserves. Other than as set out in this Explanatory Statement, the Board does not consider that there are any significant opportunity costs to the Company, taxation consequences, or benefits foregone by the Company in issuing the Director Options upon the terms proposed;
- m) the primary purpose of the grant of Director Options to Mr Fraser is to provide a market linked incentive package in his capacity as a Director and for future performance by him in his role. The Board (other than Mr Fraser) considered the extensive experience and reputation of Mr Fraser within the industry when considering the grant of the Director Options to Mr Fraser. The Board considers the issue of the Director Options to Mr Fraser to be reasonable, given the necessity to attract the highest calibre of professionals to the Company whilst maintaining the Company's cash reserves. Other than as set out in this Explanatory Statement, the Board does not consider that there are any significant opportunity costs to the Company, taxation consequences, or benefits foregone by the Company in issuing the Director Options upon the terms proposed;
- n) the primary purpose of the grant of Director Options to Mr Stephenson is to provide a market linked incentive package in his capacity as a Director and for future performance by him in his role. The Board (other than Mr Stephenson) considered the extensive experience and reputation of Mr Stephenson within the industry when considering the grant of the Director Options to Mr Stephenson. The Board considers the issue of the Director Options to Mr Stephenson to be reasonable, given the necessity to attract the highest calibre of professionals to the Company whilst maintaining the Company's cash reserves. Other than as set out in this Explanatory Statement, the Board does not consider that there are any significant opportunity costs to the Company, taxation consequences, or benefits foregone by the Company in issuing the Director Options upon the terms proposed;
- o) The Board acknowledges that the grant of Director Options to Mr Fraser and Mr Stephenson is contrary to Recommendation 8.2 of the ASX Corporate Governance Principles and Recommendations. However, the Board considers the grant of Director Options to Mr Fraser and Mr Stephenson reasonable in the circumstances, given the necessity to attract the highest calibre of professional to the Company, whilst maintaining the Company's cash reserves.
- p) Mr Kelly declines to make a recommendation to Shareholders in relation to Resolution 3 due to his material interest in the outcome of Resolution 3. The other Directors, who do not have a material interest in the outcome of Resolution 3, recommend that Shareholders vote in favour of Resolution 3. The Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolution 3;

- q) Mr Hellewell declines to make a recommendation to Shareholders in relation to Resolution 4 due to his material interest in the outcome of Resolution 4. The other Directors, who do not have a material interest in the outcome of Resolution 4, recommend that Shareholders vote in favour of Resolution 4. The Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolution 4.
- r) Mr Fraser declines to make a recommendation to Shareholders in relation to Resolution 5 due to his material interest in the outcome of Resolution 5. The other Directors, who do not have a material interest in the outcome of Resolution 5, recommend that Shareholders vote in favour of Resolution 5. The Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolution 5;
- s) Mr Stephenson declines to make a recommendation to Shareholders in relation to Resolution 6 due to his material interest in the outcome of Resolution 6. The other Directors, who do not have a material interest in the outcome of Resolution 6, recommend that Shareholders vote in favour of Resolution 6. The Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolution 6.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Director Options to the Related Parties as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Director Options to the Related Parties (and any issue of Shares on exercise of those Director Options) will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

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## **5. RESOLUTION 7 – RATIFICATION OF PRIOR ISSUE OF SHARES FOR THE ACQUISITION OF THE WEBBS PATCH PROJECT**

### **5.1 General**

On 26 March 2010, the Company announced that it entered into an agreement with Hayjae Enterprise Pty Ltd to purchase 100% of Hayjae's Webb Patch Project in the Murchison region of Western Australia. The consideration for the acquisition was 500,000 fully paid shares in the Company. On 26 March 2010, the Company issued 500,000 ordinary fully paid Shares for the acquisition of the Webbs Patch Project (**Hayjae Shares**) in Western Australia.

The shareholders of Hayjae Enterprise Pty Ltd are not related parties of the Company.

Resolution 7 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of a total of 500,000 Hayjae Shares.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

## 5.2 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the ratification of the issue of the Shares and Options:

- (a) 500,000 Hayjae Shares were allotted;
- (b) the Webbs Patch Shares have been issued for the acquisition of 100% of the Hayjae Project;
- (c) the Hayjae Shares issued were all fully paid ordinary shares in the capital of the Company;
- (d) the Hayjae Shares were allotted and issued to shareholders of Hayjae Enterprise Pty Ltd ; and
- (e) no funds were raised as the Shares were issued in satisfaction of the consideration owing for the acquisition of the Hayjae Project.

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## 6. RESOLUTION 8 – RATIFICATION OF PRIOR ISSUE OF SHARES FOR THE PLACEMENT TO SOPHISTICATED INVESTORS

### 6.1 General

On 21 April 2010, the Company issued 6,666,667 ordinary fully paid Shares (**Placement Shares**) at an issue price of \$0.60 per Share to raise \$4,000,000 to sophisticated and exempt investors pursuant to section 708 of the Corporation Act.

The subscribers pursuant to the issues were not related parties of the Company.

A summary of ASX Listing Rules 7.1 and 7.4 is set out in section 5.1 above.

Resolutions 8 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of a total of 6,666,667 Shares.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

### 6.2 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the ratification of the issue of the Placement Shares:

- (a) 6,666,667 Placement Shares were allotted;
- (b) the issue price was \$0.60 per Placement Share;
- (c) the Placement Shares issued were all fully paid ordinary shares in the capital of the Company; and
- (d) the Placement Shares were allotted and issued to sophisticated investors pursuant to section 708 of the Corporation Act.
- (e) the funds raised from the issue are being used to fast-track the exploration programme at Andy Well, including Wilber Lode along with other targets.

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**7. RESOLUTION 9 – RATIFICATION OF PRIOR ISSUE OF SHARES FOR THE ACQUISITION OF THE BLACK TANK WELL AND TUCKANARRA GOLD PROJECTS IN THE MURCHISON REGION OF WESTERN AUSTRALIA**

**7.1 General**

On 26 August 2010, the Company announced that it entered into an agreement with Aspire Mining Limited to purchase 100% of its "Black Tank Well" and "Tuckanarra" gold projects in the Southern-Central Murchison region of Western Australia. The consideration for the acquisition was 200,000 fully paid shares in the Company. On 31 August 2010, the Company issued 200,000 ordinary fully paid Shares for the acquisition of the Black Tank Well and Tuckanarra gold projects (**Aspire Shares**) in Western Australia.

Aspire Mining Limited is not a related party of the Company.

A summary of ASX Listing Rule 7.4 is set out in section 5.1 above.

Resolutions 9 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of a total of 200,000 Aspire Shares.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

**7.2 Technical information required by ASX Listing Rule 7.4**

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the ratification of the issue of the Shares and Options:

- (a) 200,000 Aspire Shares were allotted;
- (b) the Shares have been issued for the acquisition of 100% of the Black Tank Well and Tuckanarra gold projects in the Murchison region of Western Australia;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company;
- (d) the Shares were allotted and issued to Aspire Mining Limited; and
- (e) no funds were raised as the Aspire Shares were issued in satisfaction of the consideration owing for the acquisition of Black Tank Well and Tuckanarra gold projects.

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**8. ENQUIRIES**

Shareholders are requested to contact Jay Stephenson on (+61 8) 6468 0388 if they have any queries in respect of the matters set out in these documents.

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## GLOSSARY

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**\$** means Australian dollars.

**Annual General Meeting** or **Meeting** means the meeting convened by the Notice.

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited.

**ASX Listing Rules** means the Listing Rules of ASX.

**Board** means the current board of directors of the Company.

**Business Day** means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

**Company** means Doray Minerals Limited (ACN 138 978 631).

**Constitution** means the Company's constitution.

**Corporations Act** means the Corporations Act 2001 (Cth).

**Director Option** means an Option granted pursuant to Resolutions 3, 4, 5 and 6 with the terms and conditions set out in Annexure A.

**Directors** means the current directors of the Company.

**Explanatory Statement** means the explanatory statement accompanying the Notice.

**Notice** or **Notice of Meeting** or **Notice of Annual General Meeting** means this notice of annual general meeting including the Explanatory Statement and the Proxy Form.

**Option** means an option to acquire a Share with the terms and conditions set out in Annexure A.

**Optionholder** means a holder of an Option or Director Option as the context requires.

**Proxy Form** means the proxy form accompanying the Notice.

**Resolutions** means the resolutions set out in the Notice of Meeting, or any one of them, as the context requires.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a holder of a Share.

**WST** means Western Standard Time as observed in Perth, Western Australia.

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## ANNEXURE A – TERMS AND CONDITIONS OF DIRECTOR OPTIONS

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The Director Options entitle the holder to subscribe for Shares on the following terms and conditions:

- (a) Each Director Option gives the Optionholder the right to subscribe for one Share. To obtain the right given by each Director Option, the Optionholder must exercise the Director Options in accordance with the terms and conditions of the Director Options.
  - (b) The Director Options will expire at 5:00 pm (WST) on 31 December 2012 (**Expiry Date**). Any Director Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
  - (c) The amount payable upon exercise of:
    - a. 50% of the Director Options will be at an exercise price equal to 130% of the ASX 5 day volume weighted average price per Doray Share prior to the Meeting Date; and
    - b. 50% of the Director Options will be at an exercise price equal to 160% of the ASX 5 day volume weighted average price per Doray Share prior to the Meeting Date; (**Exercise Price**)
  - (d) The Director Options held by each Optionholder may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion.
  - (e) An Optionholder may exercise their Director Options by lodging with the Company, before the Expiry Date:
    - (i) a written notice of exercise of Director Options specifying the number of Director Options being exercised; and
    - (ii) a cheque or electronic funds transfer for the Exercise Price for the number of Director Options being exercised;
- (Exercise Notice).**
- (f) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
  - (g) Within 10 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will allot the number of Shares required under these terms and conditions in respect of the number of Director Options specified in the Exercise Notice.
  - (h) The Director Options will vest 12 months after the issue date.
  - (i) The Director Options are not transferable.
  - (j) All Shares allotted upon the exercise of Director Options will upon allotment rank pari passu in all respects with other Shares.
  - (k) The Company will not apply for quotation of the Director Options on ASX. However, the Company will apply for quotation of all Shares allotted pursuant to the exercise of Director Options on ASX within 10 Business Days after the date of allotment of those Shares.
  - (l) If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

- (m) There are no participating rights or entitlements inherent in the Director Options and Optionholders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Director Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 7 Business Days after the issue is announced. This will give Optionholders the opportunity to exercise their Director Options prior to the date for determining entitlements to participate in any such issue.
- (n) In the event the Company proceeds with a pro rata issue (except a bonus issue) of securities to Shareholders after the date of issue of the Director Options, the exercise price of the Director Options will be reduced in accordance with the formula set out in ASX Listing Rule 6.22.2.
- (o) In the event the Company proceeds with a bonus issue of securities to Shareholders after the date of issues of the Director Options, the number of securities over which a Director Option is exerciseable may be increased by the number of securities which the Optionholder would have received if the Director Option had been exercised before the record date for the bonus issue.

## ANNEXURE B – ESTIMATED VALUATION OF DIRECTOR OPTIONS

The Director Options to be issued to the Related Parties pursuant to Resolutions 3, 4, 5 and 6 have been valued by the Black & Scholes option model.

Using the theoretical Black & Scholes option model and based on the assumptions set out below, the Director Options were ascribed a value range, as follows:

<b>Assumptions:</b>		
Valuation date	16 October 2010	
Estimated Grant Date	15 December 2010	
Market price of Shares	\$0.865	
Exercise price*	130% of ASX 5 day VWAP	160% of ASX 5 day VWAP
Expiry date	31 December 2012	31 December 2012
Risk free interest rate	4.843%	4.885%
Volatility	68%	68%
<b>Indicative value per Director Option</b>	27.8 cents	22.6 cents
<b>Total Value of Director Options</b>		
- Allan Kelly	139,000	113,000
- Heath Hellewell	139,000	113,000
- Brett Fraser	90,350	73,450
- Jay Stephenson	90,350	73,450

\* The actual price of the options will be determined on the Meeting date when it will be based on 130% and 160% of the ASX 5 day volume weighted average price per Doray Share prior to the Meeting Date.

Note: The valuation ranges noted above are not necessarily the market prices that the Director Options could be traded at and they are not automatically the market prices for taxation purposes.

# PROXY FORM

**APPOINTMENT OF PROXY  
DORAY MINERALS LIMITED  
ACN 138 978 631**

## ANNUAL GENERAL MEETING

I/We

of

being a Member of Doray Minerals Limited entitled to attend and vote at the Meeting, hereby

Appoint

Name of proxy

OR

Mark this box if you wish to appoint the Chairman of the Meeting as your proxy

or failing the person so named or, if no person is named, the Chairman of the Meeting or the Chairman's nominee, to vote in accordance with the following directions or, if no directions have been given, as the proxy sees fit at the Annual General Meeting to be held at 11:00am (WST), on 30 November 2010 at Level 2, 250 St Georges Terrace, WA 6000, and at any adjournment thereof.

If no directions are given, the Chairman will vote in favour of all the resolutions.

If the Chair of the Annual General Meeting is appointed as your proxy, or may be appointed by default, and you do **not** wish to direct your proxy how to vote as your proxy in respect of **Resolutions 3 to 9** please place a mark in this box.

By marking this box, you acknowledge that the Chair of the Annual General Meeting may exercise your proxy even if he has an interest in the outcome of Resolutions 3 to 9 and that votes cast by the Chair of the Annual General Meeting for Resolutions 3 to 9 other than as proxy holder will be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chair will not cast your votes on Resolutions 3 to 9 and your votes will not be counted in calculating the required majority if a poll is called on Resolutions 3 to 9.

### Voting on Business of the Annual General Meeting

	FOR	AGAINST	ABSTAIN
Resolution 1 – Adoption of the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 – Re-election of Mr Jay Stephenson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 – Grant of Options to Mr Allan Kelly	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 – Grant of Options to Mr Heath Hellewell	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 – Grant of Options to Mr Brett Fraser	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6 – Grant of Options to Mr Jay Stephenson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7 – Ratification of Prior Issue Shares – Webbs Patch Project	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8 – Ratification of Prior Issue Shares – Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9 – Ratification of Prior Issue Shares – Murchison Projects	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If you mark the abstain box for a particular item, you are directing your proxy not to vote on that item on a show of hands or on a poll and that your shares are not to be counted in computing the required majority on a poll.

Signature of Member(s): \_\_\_\_\_

Date: \_\_\_\_\_

Individual or Member 1

Member 2

Member 3




Sole Director/Company Secretary

Director

Director/Company Secretary

Contact Name: \_\_\_\_\_ Contact Ph (daytime): \_\_\_\_\_

**DORAY MINERALS LIMITED**  
**ACN 138 978 631**

**Instructions for Completing 'Appointment of Proxy' Form**

1. **(Appointing a Proxy):** A member entitled to attend and vote at a Meeting is entitled to appoint not more than two proxies to attend and vote on their behalf. The appointment of a second proxy must be done on a separate copy of the Proxy Form. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights. If a member appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes. A duly appointed proxy need not be a member of the Company.
2. **(Direction to vote):** A member may direct a proxy how to vote by marking one of the boxes opposite each item of business. Where a box is not marked the proxy may vote as they choose. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing instructions):**
  - **(Individual):** Where the holding is in one name, the member must sign.
  - **(Joint Holding):** Where the holding is in more than one name, all of the members should sign.
  - **(Power of Attorney):** If you have not already provided the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.
  - **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual members from attending the Meeting in person if they wish. Where a member completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that member is suspended while the member is present at the Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
  - (a) post to Doray Minerals Limited, Unit 6, 34 York Street, North Perth, Western Australia 6006; or
  - (b) facsimile to the Company on facsimile number +61 8 9228 0704;

so that it is received not later than 11:00am (WST) on 28 November 2010.

**Proxy forms received later than this time will be invalid.**