



Quarterly Activities Report

for the period ended 31 December 2011

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Capital Structure

75.38M Shares
(16.65M unlisted Options)

Board of Directors

Peter Alexander
Non-Executive Chairman
Allan Kelly
Managing Director
Heath Hellewell
Technical Director
Jay Stephenson
Non-Executive Director
Leigh Junk
Non-Executive Director

About Doray Minerals

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 through 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.

WILBER LODGE RESOURCE UPGRADE AND "GOLD EXPLORER OF THE YEAR" AWARD CAP OFF A YEAR OF ACHIEVEMENTS

HIGHLIGHTS

- 90% increase to high grade Wilber Lodge resource
- Development activities continue at Andy Well
- High-grade gold results from Andy Well, Side Well and Abbots
- Doray named 2011 "Gold Explorer of the Year"

Doray Minerals Ltd (ASX: DRM) is pleased to present shareholders with the Company's Quarterly Activities Report for the period ended 31 December 2012.

The highlight of the quarter was the announcement of a 90% increase to the high-grade Wilber Lodge resource, at the Company's 80%-owned Andy Well gold project, in the Murchison region of Western Australia.

The new combined Wilber Lodge resource totals **806,000t @ 12.8g/t for a total of 332,000 ounces**, including the high-grade Wilber Lodge resource of **664,000t @ 15.2g/t for 326,000 ounces**, two smaller footwall lodes and an oxide resource, and has now been defined down to a depth of at least 480m below surface.

Drilling at Andy Well during the quarter continued to produce high grade results from both RC and diamond holes and a number of additional targets are now in the process of being tested.

Development activities continued during the quarter with design contracts awarded for the process plant, site infrastructure and the proposed accommodation village in Meekatharra.

Regional exploration drilling at the Side Well and Abbots properties also produced high grade results, which will be followed up in 2012.

Towards the end of the quarter, Doray was named by the Gold Mining Journal as 2011 "Gold Explorer of the Year".

Doray's Managing Director, Allan Kelly, said it was a great honour for the Company to receive such an award and capped off a remarkable year of achievements for the Company.

"The Award is a great credit to our exploration and development teams. We now have the opportunity to go from listing and discovery to production at Andy Well in just on three years. If we can achieve this it will be a remarkable result for shareholders, but it is also just the beginning of the story for the Company, with a pipeline of highly prospective exploration properties in both the Murchison and South Australia," said Mr Kelly.

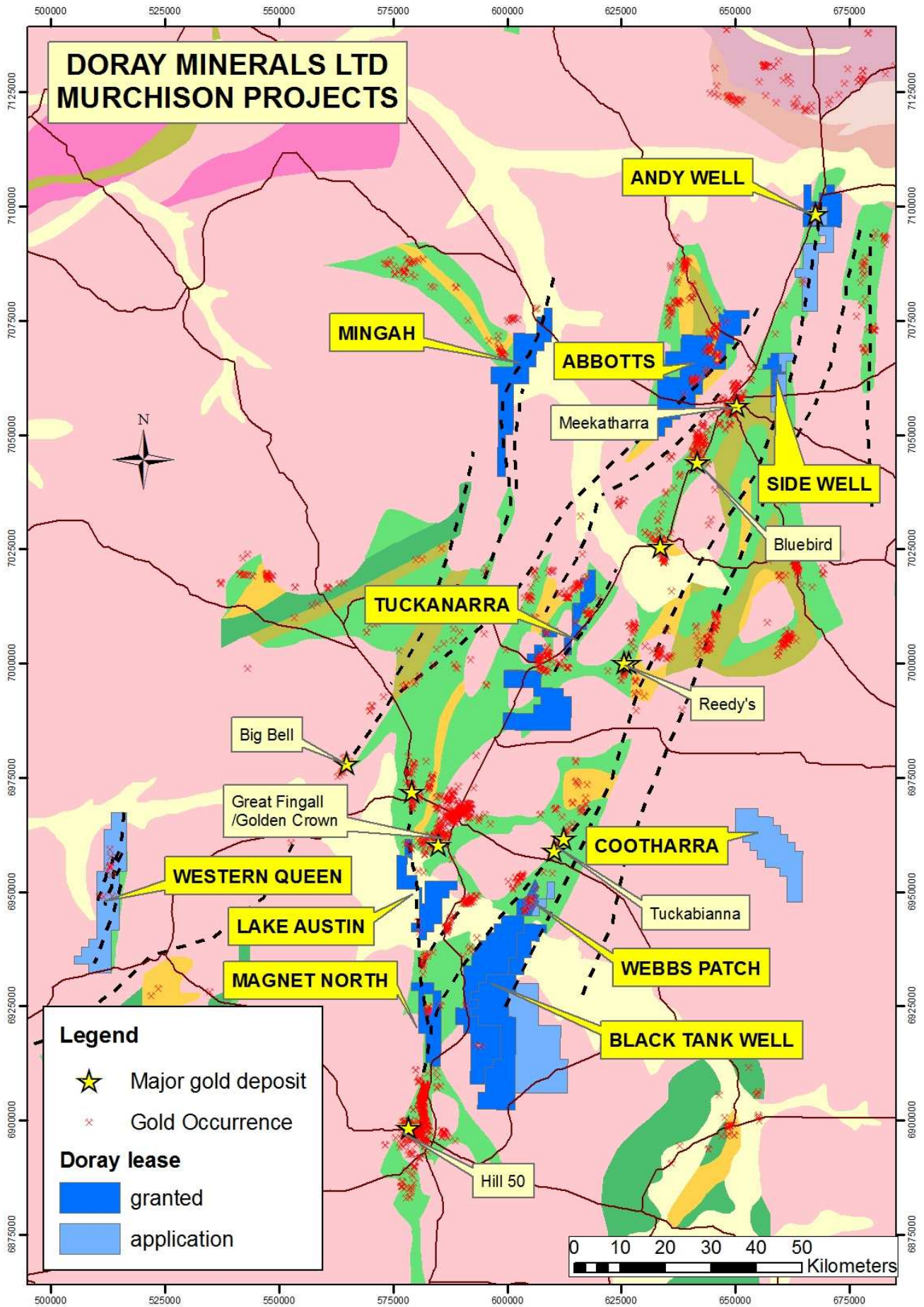


Figure 1. Murchison region, showing Doray projects and major gold deposits.

1. ANDY WELL GOLD PROJECT (Doray 80%)

1.1. Resource Upgrade

During the quarter, the Company announced a substantial increase to the very high-grade Wilber Lode resource at the Andy Well gold project (Doray 80%), following an extensive programme of RC and Diamond drilling.

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

This 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, and a 150% increase to the indicated portion of the resource.

The Wilber Lode resource has now been defined to a depth of approximately 480m below the surface and remains open at depth (Figure 2). The above resource number is a total resource for the Wilber Lode and two associated footwall lodes only. No lower cut-off has been utilized, and thus this represents all contained material within these three quartz veins.

In addition, the previously estimated oxide “shear zone” resource has been revised to 115Kt @ 0.7g/t for 3,000 ounces. This shear zone resource is located immediately adjacent to 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 with details of the resource outlined in Table 1.

Table 1. Wilber Lode resource classification

	Indicated			Inferred			Total			Doray 80%
	Tonnes	Grade (g/t)	Ounces	Tonnes	Grade (g/t)	Ounces	Tonnes	Grade (g/t)	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	<u>509,000</u>	<u>15.5</u>	<u>254,000</u>	<u>297,000</u>	<u>8.1</u>	<u>78,000</u>	<u>806,000</u>	<u>12.8</u>	<u>332,000</u>	<u>265,600</u>

Note: No lower cutoff applied to Wilber and Footwall lodes, 0.5g/t lower cutoff applied to “Shear Zone”. Upper cutoff applied as follows: Shear Zone - 3g/t, Footwall lodes - 10g/t, Wilber Lode - 75g/t.

¹ 80% attributable to Doray Minerals Ltd

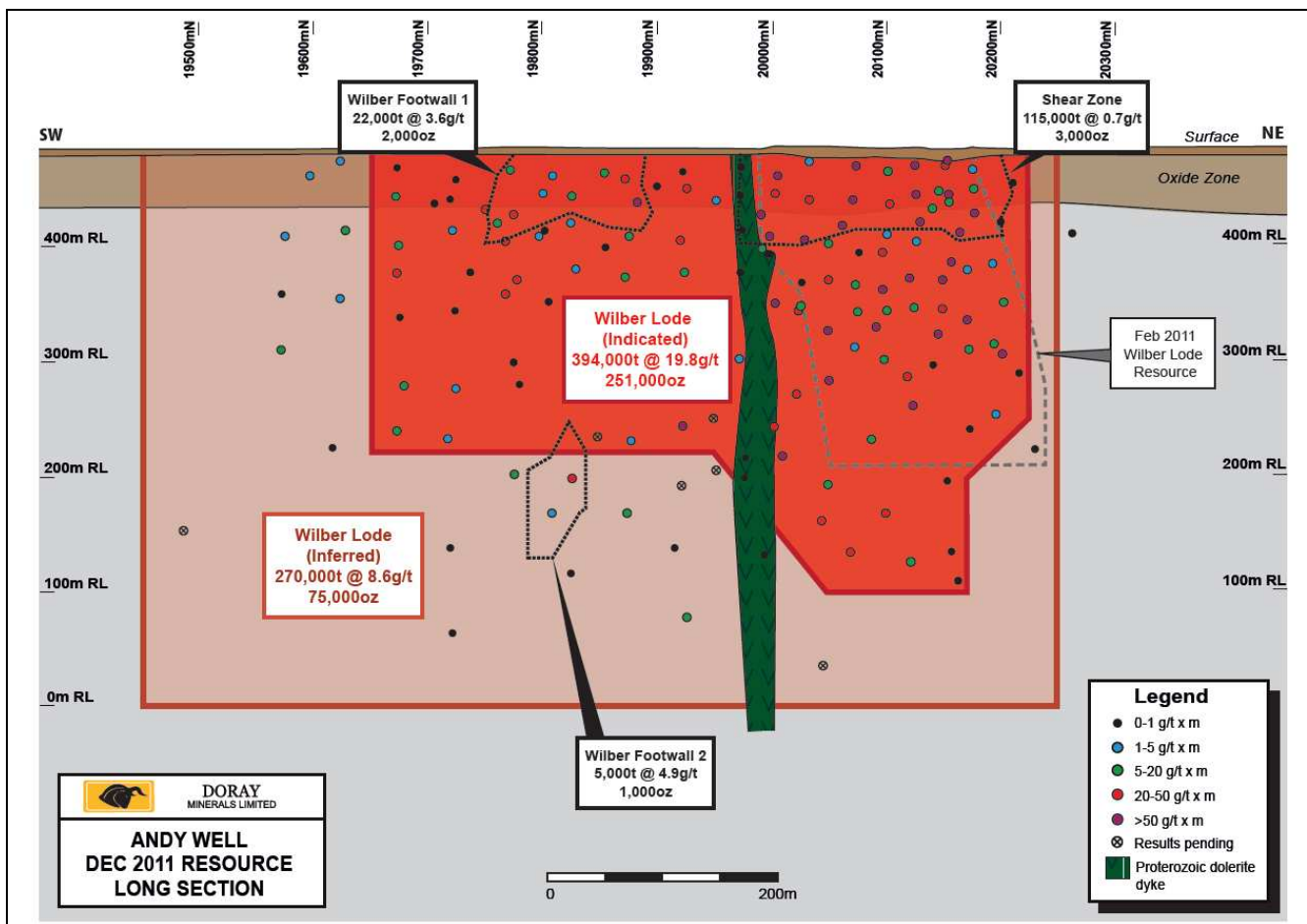


Figure 2. Long section of Wilber Lode resource, showing comparison with Feb 2011 resource outline.

1.2. Mining Studies

Evaluation and baseline survey work was ongoing during the quarter, in support of progressing the project through a Bankable Feasibility Study and project permitting phase in 2012. These activities included crucial items to this development timetable, including:

- Negotiations ongoing and progressing well with the Yugunga-Nya Native Title Claimant group, working toward granting of MLA 51/870
- Updated mining evaluation of the December 2011 resource estimate is underway. Mining is envisioned to entail a small open pit to enable underground portal establishment, followed by mining utilizing narrow vein mechanized mining techniques, as per the results of the internal scoping and evaluation study
- Definitive engineering design and cost estimation work has commenced on a 160Ktpa gravity/CIP processing plant
- Detailed engineering work has commenced on a Tails Storage Facility (TSF) and Process Water Storage Facility (WSF)
- Detailed Engineering work was completed on a 103 person accommodation village for construction in the Town of Meekatharra, as well as site Administration and ablution buildings. This work was used for a tender process for the construction contract, which closed at the end of the December quarter. These tenders will be evaluated for award at the end of the March Quarter
- An in principle agreement has been reached with the Shire of Meekatharra for lease of land zoned for an Accommodation Village within the Town
- All environmental baseline and assessment work has been completed and is currently being compiled for submission of required operating licenses and approvals
- Detailed geotechnical and hydrological studies were finalized for the quarter, enabling modeling of geotechnical conditions and mine dewatering conditions for use in the mine planning process
- The commencement of recruitment of key staff for the construction and operational phases of the project.

1.3. Andy Well Exploration

Aircore drilling commenced during the quarter, testing a number of priority one targets, including the site of the proposed tailings dam. Heritage surveys have also been completed for subsequent drilling programmes.

RC drilling continues on a number of extensional targets in the immediate Wilber vicinity.

2. MURCHISON REGION EXPLORATION

Doray currently holds a strategic land position of approximately 1,700 km² in the Murchison goldfields region of WA. Doray's tenements cover major mineralised structures along strike from major gold deposits. Each of Doray's projects provides multiple opportunities for discovery of an economic gold deposit.

2.1. Side Well (Doray 80%)

Aircore drilling at the Side Well project outlined two areas of significant gold mineralisation beneath shallow transported soil cover, at the Matilda and Side Well prospects (Figure 3).

The Matilda prospect is characterized by an apparent structural offset in a magnetic BIF/mafic unit along strike from the Meekatharra gold camp. Previous first pass drilling by Doray returned results up to **3m @ 35.5g/t, including 1m @ 104g/t** in MNAC0463. There is no previous effective exploration of this prospect, and the mineralisation remains open to the north and south for as much as 2km.

At the Side Well prospect, on the eastern side of the Meekatharra Greenstone Belt, a number of previous holes completed by Doray returned results in the 1-2g/t range with intersections up to **5m @ 6.69g/t** in MNAC0454, along with elevated copper and zinc.

Follow-up RC drilling commenced at both the Matilda and Side Well prospects late in the December quarter and results are pending.

2.2. Tuckanarra (Doray 100%)

The company's first drilling campaign for this project was completed during the quarter. Aircore drilling tested the Kingfield target, with depth of weathering shallower than expected resulting in blade refusal of less than 10m for several holes.

Given the shallow weathering, detailed geological mapping will be carried out prior to further drilling.

2.3. Abbots (Doray 80%)

The maiden drilling campaign at Abbots was completed during the quarter, targeting the area between the historic Abernethy South and Airstrip prospects.

As previously reported at Abernethy South, high grade mineralisation, **1m @ 27g/t** in ABAC0045, was encountered in one hole along strike from a historical high grade intersection of 2m @ 195g/t. Further to the north, aircore drilling outlined a zone of coherent mineralisation over approximately 1600m, and now referred to as the "Kingswood" prospect. Significant final results from 1m samples within this zone include:

- ABAC0076 - 6m @ 2.03g/t
- ABAC0099 - 6m @ 4.22g/t
- ABAC0100 - 4m @ 2.85g/t
- **ABAC0110 - 3m @ 63.4g/t, including 2m @ 89.5g/t**

Combined with the Abernethy South and Airstrip prospects, the drilling outlines a coherent zone of mineralisation over a strike length of approximately 5.5km, based on shallow and wide spaced drilling completed so far (Figure 4.). Higher grades appear to be associated with deeper weathering along the main Abernethy Shear Zone and/or secondary fault structures.

Follow up aircore and deeper RC drilling has been planned for the March 2012 quarter.

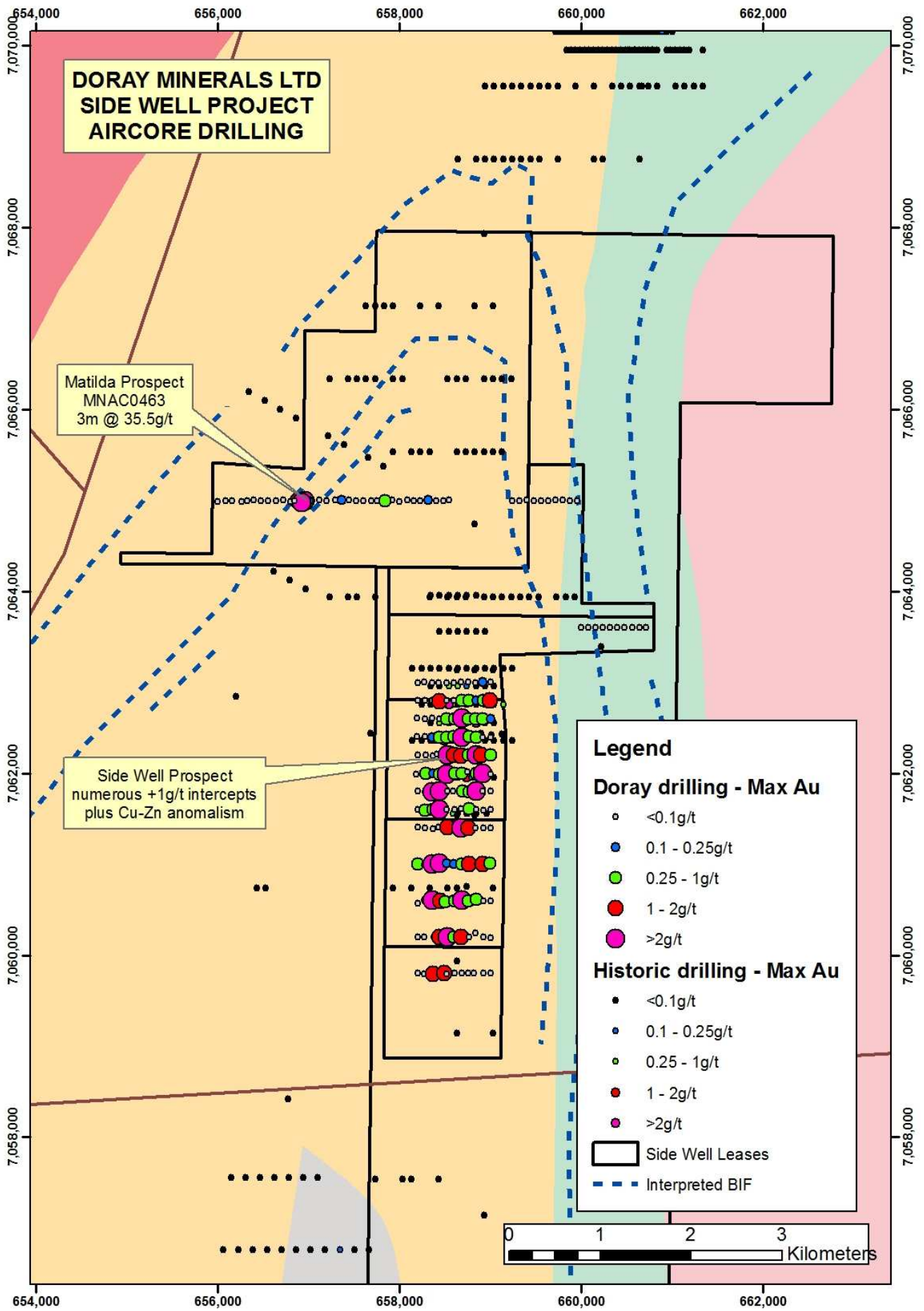


Figure 3. Side Well project, highlighting results of recent drilling.

2.4. Webbs Patch/Black Tank Well (Doray 100%)

Compilation of historic data was completed during the quarter with orientation and follow up surface geochemical programmes were planned.

Orientation soil and deflation lag sampling commenced at Black Tank Well and follow up RC drilling has been planned for Webbs Patch in the first half of 2012. The proposed RC program will follow up high grade mineralisation identified by Doray within a footwall zone to the "Brilliant" prospect.

2.5. Magnet North/Lake Austin (Doray 80%)

Compilation of historical data continued during the quarter and first pass geochemical sampling programmes have been planned. Orientation sampling has been conducted, in combination with surveys at Black Tank Well.

3. CENTRAL GAWLER, SOUTH AUSTRALIA

No exploration activity during the September quarter.

4. CORPORATE

4.1. Financial

Doray's cash position at 31 December 2011 was \$11.8 million.

4.2. Business Development

During the quarter, Doray evaluated a number of strategic opportunities including in the Murchison region and in South Australia.

5. TENEMENT HOLDINGS

	Project	Tenement
Tenements Granted		-
Tenements Acquired/ Applied for	Andy Well Black Tank Well	E51/1515 E58/422
Tenements Relinquished		-

Competent Person Statement

The information in this announcement that relates to Exploration Results and Mineral Resources is based on information compiled by Heath Hellewell, Allan Kelly and Mark Cossom.

Mr. Hellewell and Mr. Kelly are both members of the Australian Institute of Geoscientists, whilst Mr. Cossom is a Member of the Australasian Institute of Mining and Metallurgy, and all 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. Hellewell, Mr. Kelly and Mr. Cossom as "Competent Persons" as defined in the 2004 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.

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

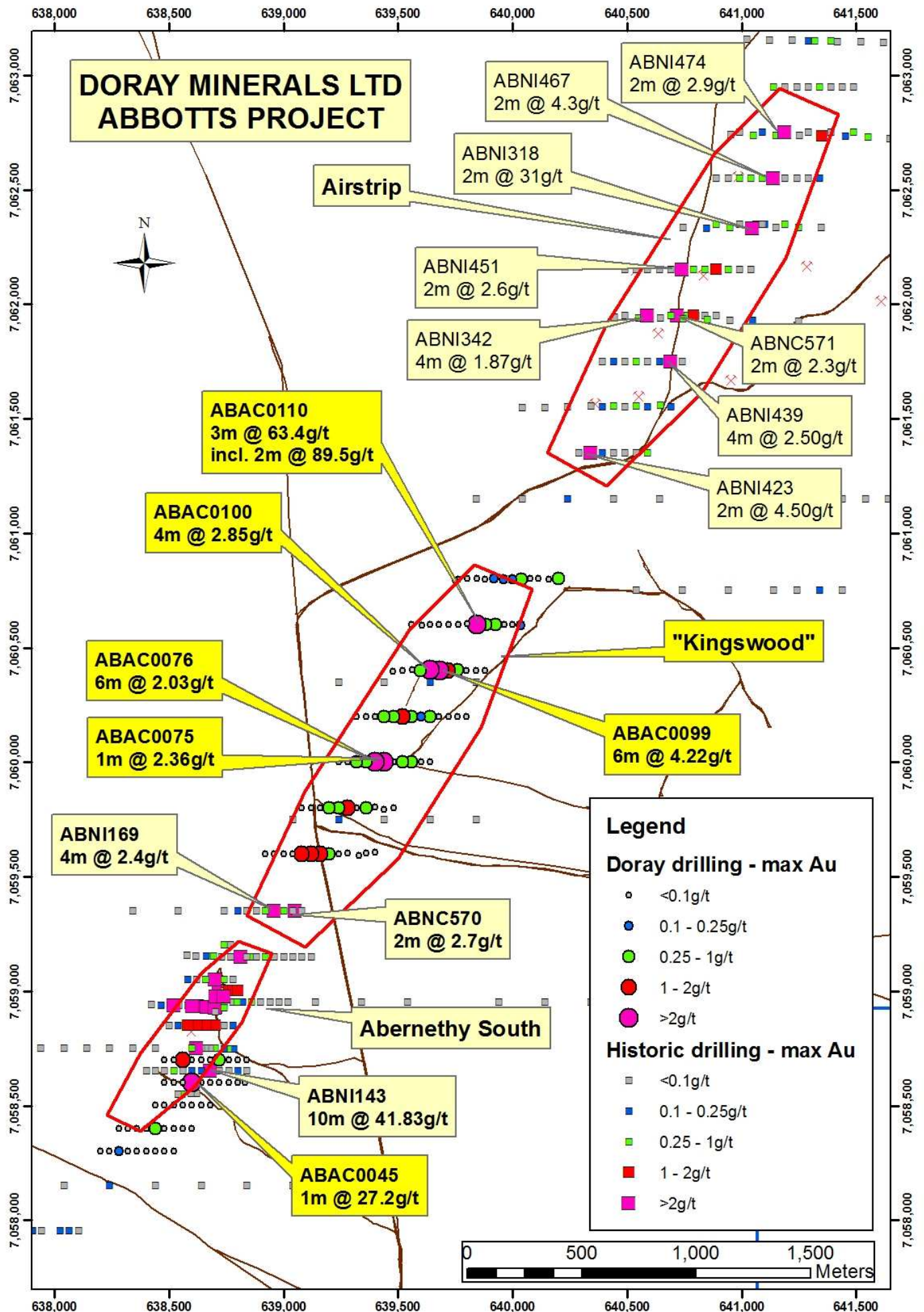


Figure 4. Central portion of Abbots project, highlighting significant recent and historical results,