

Quarterly Activities Report

for the period ended 30 June 2011

ASX Code: DRM

Level 3, 41-43 Ord St
West Perth
Western Australia 6005
T: +61 9226 0600
F: +61 9226 0633

Email:

info@dorayminerals.com.au
www.dorayminerals.com.au

Capital Structure

74.78M Shares
(14.43M unlisted Options)

Board of Directors

Brett Fraser
Non-Executive Chairman

Allan Kelly
Managing Director

Heath Hellewell
Technical Director

Jay Stephenson
Non-Executive Director

Peter Alexander
Non-Executive Director

Leigh Junk
Non-Executive Director

About Doray Minerals

Minerals explorer Doray Minerals Limited listed on the ASX in February 2010 and was one of ASX's best performing IPOs in 2010 based on results from the Andy Well gold project in Western Australia.

Doray has a strategic portfolio of gold properties within WA and South Australia, and each presents Doray with multiple discovery opportunities heading into 2011.

SUCCESSFUL DRILLING THROUGHOUT JUNE QUARTER

Doray Minerals Ltd (ASX: DRM) is pleased to present shareholders with the Company's Quarterly Activities Report for the period ended 30 June 2011.

During the quarter, Doray continued to accelerate its drilling program at the Company's Andy Well gold project, located 45km north of Meekatharra in WA, with ongoing successful high-grade results.

In summarising the quarter, Doray's Managing Director, Mr Allan Kelly, said the potential of the Company was clearly evident through the progress made during the June quarter.

"As 2011 progresses, we continue to see high-grade gold results from drilling at Wilber, Wilber South and Judy zones indicating potential for additional high-grade resources at Andy Well," Mr Kelly said.

The Company recommenced drilling at Andy Well in April with a planned program of diamond drilling at the Wilber Lode, RC drilling at Wilber South, Jude and Western target zones, and first pass aircore drilling of a number of target zones across the larger project area.

In early June, drilling updates showed high-grade results at Wilber and the intersecting of quartz lode with visible gold in several holes.

Drilling throughout June has been positive at Andy Well. Drilling has increased both depth and strike extents of the high-grade Wilber Lode, including an increase in the total depth extent by over 50%, having the potential to add significantly to the inferred resource.

In addition, high-grade gold results at Wilber South and Judy Zones indicate potential for additional high-grade resources at Andy Well.

Mr Kelly said that results from the drill hole located close to the southern end of the current Wilber Lode resource indicated the potential for Wilber and Wilber South to join up at depth, giving a potential combined strike length of approximately 500m from the northern edge of the Wilber Lode to the southern end of Wilber South.

"These results are extremely important for Doray as they show that the Wilber Lode continues with consistent thickness at depth well beyond the current resource and also potentially extends further to the south, towards the Wilber south mineralisation.

"We have only scratched the surface in determining the true scale of the opportunity at Wilber and the wider Andy Well property. These results have the potential to add significantly to the current Wilber Lode inferred resource and gives us confidence that Andy Well has the potential to be a significant high-margin gold producer," Mr Kelly said.

Doray strengthened its leadership by appointing Mr Peter Alexander and Mr Leigh Junk to the Board as Non-Executive Directors during the quarter. The new Directors bring significant operational experience to help guide the Company towards production.

HIGHLIGHTS

- Diamond drilling extends depth of Wilber Lode by over 50%
- Development work continues at Andy Well
- RC drilling intersects high-grade gold mineralisation at Wilber South and Judy
- First pass aircore drilling at Side Well completed
- Aircore drilling commences testing various targets at Abbotts
- Doray makes key appointments to Board
- Extensive 145,000m drilling budget approved for 2011-12

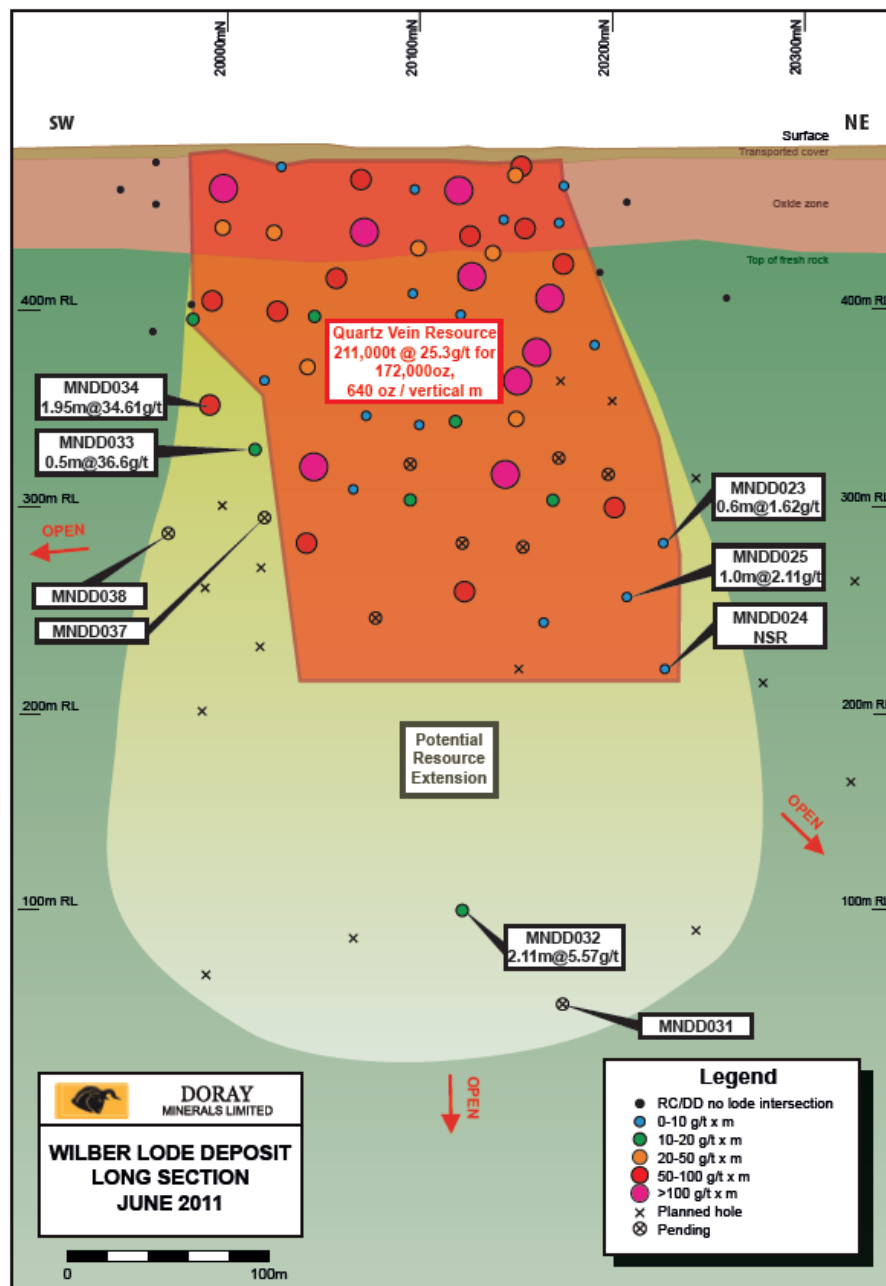


Figure 1. Long section of Wilber Lode showing recent results.

1. ANDY WELL GOLD PROJECT (Doray 80%)

1.1. Project Development

Drilling

Infill diamond drilling of the Wilber Lode resource commenced during the quarter, with the aim of upgrading the existing inferred resource between 250m and 370mRL to indicated status.

Significant results from this infill drilling programme so far include:

- **MNDD018 - 0.8m @ 34.5g/t from 157.05 to 157.85m**
- MNDD019 - 1.34m @ 5.13g/t from 160.03 to 161.37m, including **0.34m @ 13.5g/t**
- **MNDD020 - 3.5m @ 22.9g/t from 137 to 140.5m, including 0.8m @ 89.6g/t**
- **MNDD021 - 3.2m @ 4.19g/t from 211 to 214.2m**

In addition, a series of diamond holes aimed at defining the northern boundary of the resource and testing for extensions to the south and at depth were also commenced. So far, the current programme has managed to increase the known depth extent of the Wilber Lode from 220m to 360m below surface and has also increased the known strike extent of the deposit by approximately 30m to the south.

Significant results from this extensional drilling programme to date include:

- **MNDD032 - 2.11m @ 5.57g/t from 391.29 to 393.4m, including 1.01m @ 11.0g/t**
- **MNDD033 - 0.51m @ 36.60g/t from 155.21 to 155.72m**
- **MNDD034 - 1.95m @ 34.61g/t from 152.15 to 154.1m, including 1.1m @ 52.43g/t**

This drilling has confirmed the very consistent nature of the Wilber Lode and the likely position of the northern edge of the Wilber Lode, and also increased the likelihood that the Wilber Lode quartz vein connects with the Wilber South prospect further south. Further drilling over the upcoming quarter will continue to test extensions of the Wilber Lode to the south and at depth.

Mining Studies

A number of activities related to the proposed development of the Andy Well project continued or were commenced during the quarter, including:

- Metallurgical testwork was completed on a number of samples from oxide, transitional and fresh zones and across a range of grades. Exceptionally high gravity recoveries averaging >85% were achieved from transitional and fresh quartz vein whilst total recoveries across all zones averaged >97%. Moderate Bond Work indices for both rod mill and ball mill were also obtained. Further testwork was completed testing the potential to employ coarser grind sizes given the excellent gravity recovery from the initial testwork.
- Conceptual mine designs were developed during the quarter, based on the current Wilber Lode resource. Options being considered include a small starter pit followed by underground mining, and an underground only option comprising a box cut and decline. As a result, several geotechnical holes were planned to test ground conditions in proximity to where a potential underground portal could be established.
- Preliminary studies as to potential processing infrastructure commenced with a number of options being examined.
- Various environmental, hydrological and geotechnical studies continued through the quarter along with preliminary waste rock characterization studies.
- Discussions commenced with the Shire of Meekatharra and Main Roads respectively in regards to accommodation and potential highway realignment.

The current development work being carried out is based around the existing Wilber Lode resource, however the final decisions in regards to processing infrastructure and mine planning will be depend on the ultimate size of the combined Wilber-Wilber South resource.

1.2. Exploration

Drilling to the south of the Wilber Lode resource tested the Wilber South and Judy zones during the quarter resulting in some significant high grade intersections that appear to suggest that the Wilber South prospect is actually the southern continuation of the Wilber Lode (Figure 2).

Significant results from recent drilling include:

- **MNRC054 - 1m @ 21.3g/t from 81-82m**
- MNRC060 - 2m @ 4.48g/t from 72-74m
- MNRC061 - 1m @ 8.92g/t from 46-47m
- MNRC068 – 1m @ 7.68g/t from 83-84m
- **MNRC069 - 2m @ 32.6/t from 48-52m**

The drilling confirms similar grades and thicknesses at Wilber South to those seen within the Wilber Lode. Drilling will continue over the upcoming quarter with the aim of testing below the existing Wilber South mineralisation and further north towards the Wilber Lode resource.

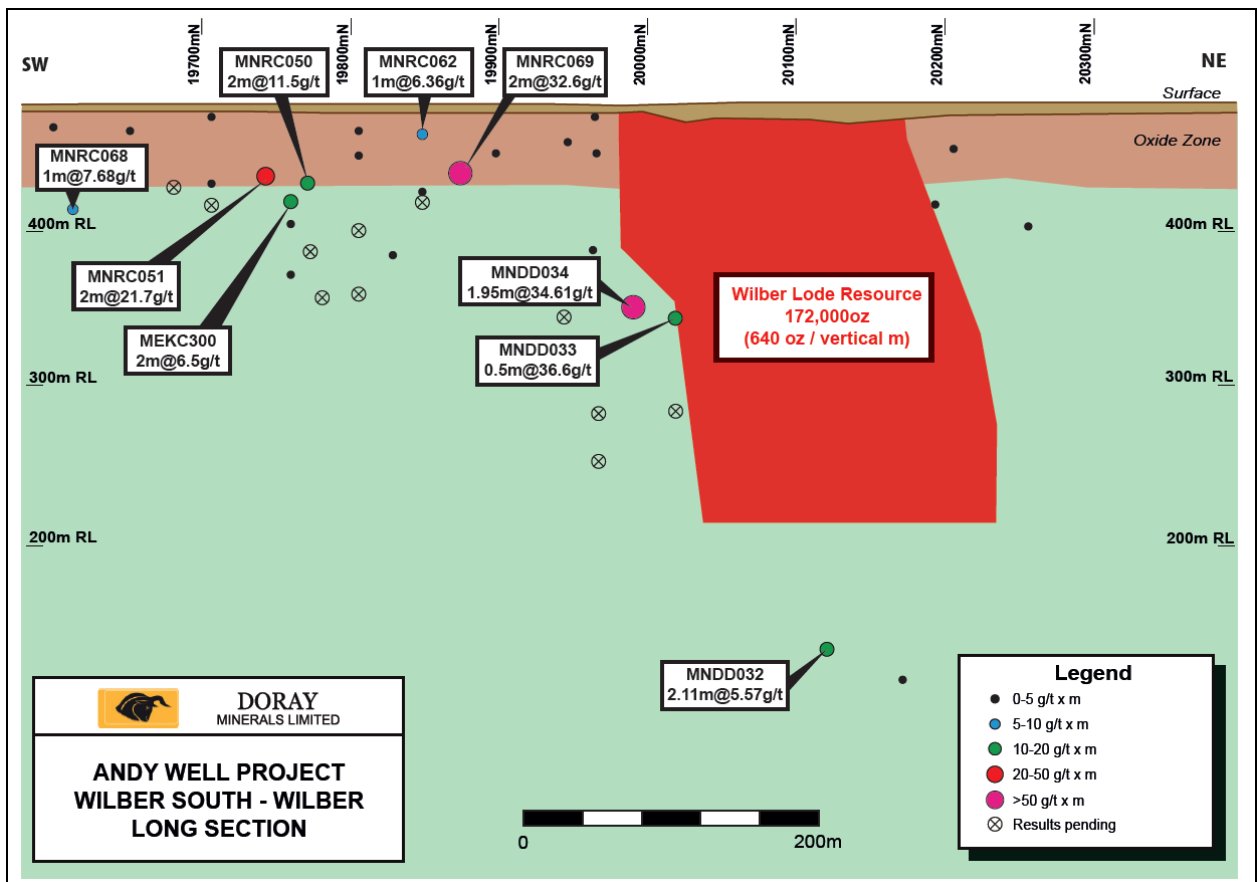


Figure 2 . Wilber South - Wilber long section showing recent drill results and drill holes with results pending outside the current Wilber Lode resource.

2. MURCHISON REGION EXPLORATION

Doray currently holds a strategic land position of approximately 1,500 km² in the Murchison goldfields region of WA. Doray's tenements cover major mineralised structures along strike from world-class gold deposits (Figure 3.). Each of Doray's projects provides multiple opportunities for discovery of an economic gold deposit.

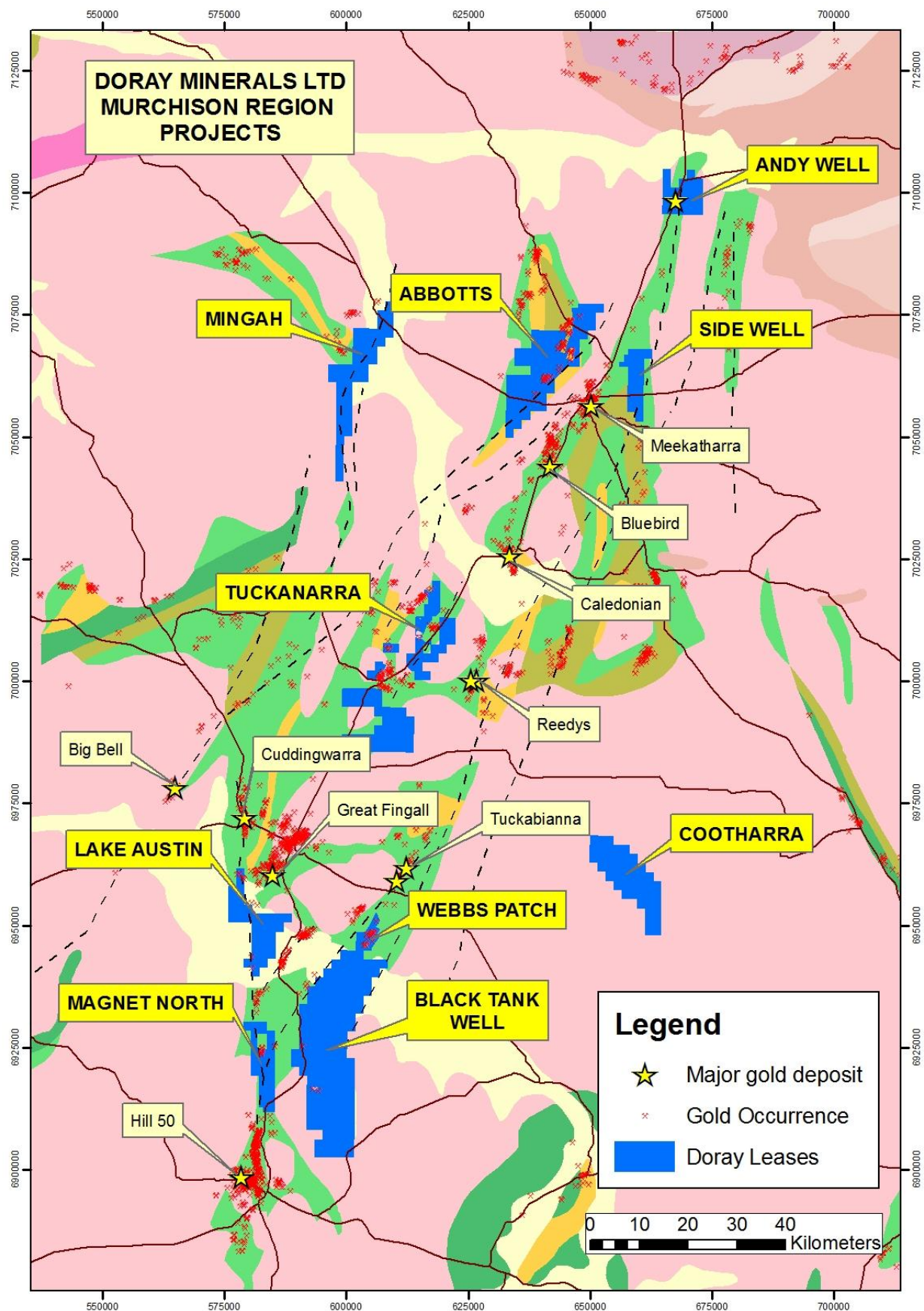


Figure 3. Murchison region showing location of Doray projects and major gold deposits

2.1. Side Well (Doray 80%)

Aircore drilling at the Side Well project, near Meekatharra, was completed during the quarter, with a total of 188 holes drilled targeting two prospects on either side of the Meekatharra greenstone belt.

2.2. Tuckanarra (Doray 100%)

Preparations were made for drill testing of the “Kingfield” target by the end of 2011, including completion of heritage surveys and obtaining relevant approvals from the DMP.

2.3. Magnet North (Doray 80%)

No field work performed during the quarter.

2.4. Abbots (Doray 80%)

Aircore drilling commenced at the Abbots project late in the quarter. The programme will test a number of targets along the 30km of strike of the highly prospective Abernethy Shear Zone, which hosts a number of historic gold workings and prospects along with several coherent lag gold anomalies Figure 4.

Key areas of interest include:

- **Abernethy South** - Contains a 1km long zone of supergene gold mineralisation overlying a mineralised tonalite body within a flexure in the Abernethy Shear Zone. Several high grade gold intersections including **6m @ 11.96g/t**, **6m @ 3.80g/t** and **1m @ 10.72g/t**, related to the tonalite, and an isolated intersection of **10m @ 41.83g/t including 2m @ 195g/t** within aircore hole ABNI143;
- **Airstrip** - An 1800m long NE-trending zone of mineralisation associated with a mineralised tonalite and dolerite intrusives approximately 2km north of Abernethy South, and with 50% of drilling less than 100m deep; and
- **Gascoyne Road** - two lines of historic first pass aircore drilling 500m apart, where holes intersected **2m @ 2.15g/t** and **2m @ 4.3g/t**, and which have not been followed up.

Similar to Andy Well, the Abbots project has seen minimal systematic gold exploration since the late 1990's, when WMC held the project. As discussed in Doray's IPO Prospectus, Abbots is a priority project within the Company's Murchison region portfolio and provides multiple opportunities for a significant gold discovery.

The drilling programme will initially focus on targets between the Gascoyne Road and Airstrip prospects.

3. SOUTHERN YILGARN, WA

Given the increased focus on Andy Well and the wider Murchison region projects, the company divested its 80% interest in the Lake Magenta project back to the JV partner, JML Resources Pty Ltd, during the quarter.

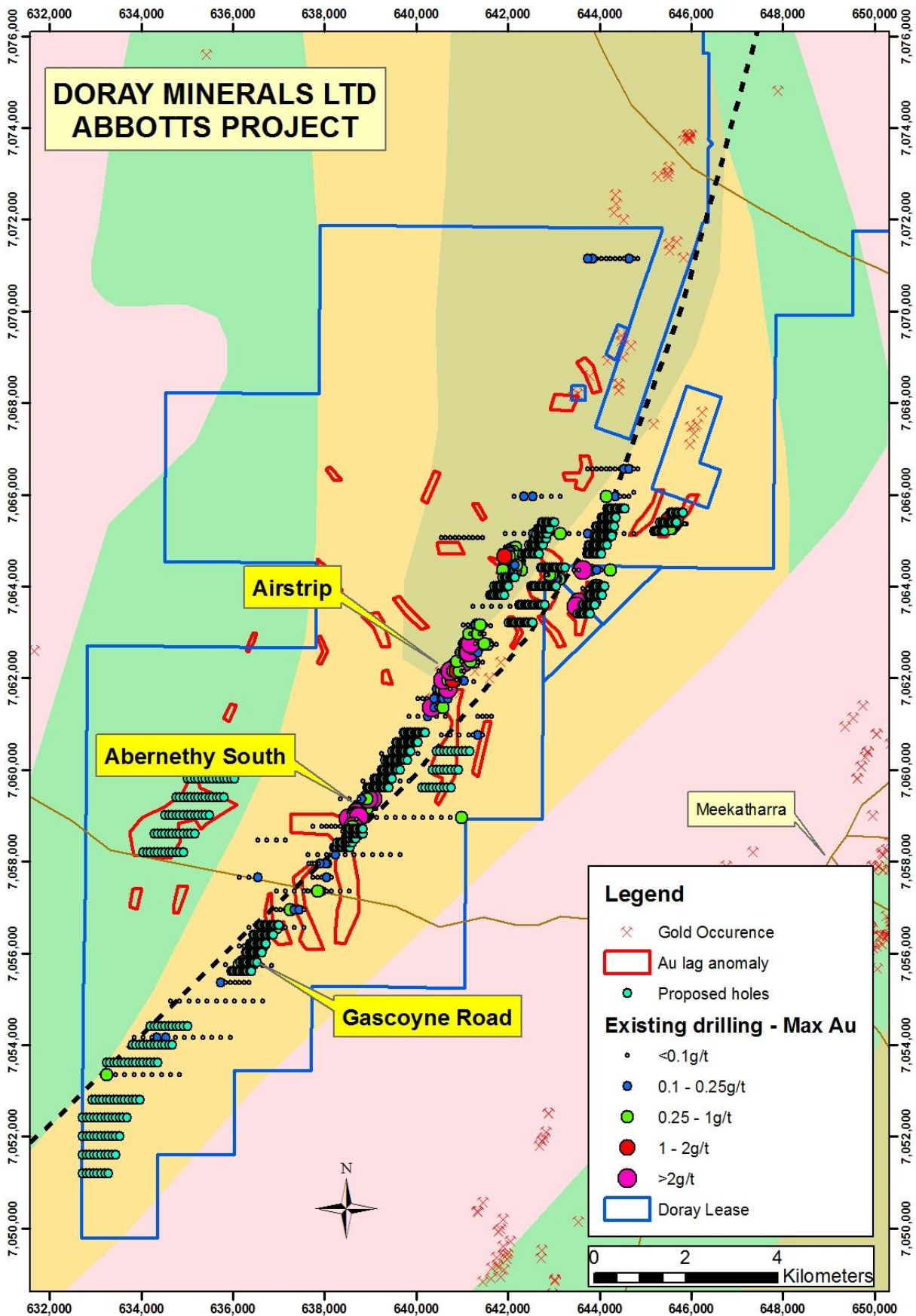


Figure 4 . Abbotts project showing historic and phase 1 aircore drilling.

4. CENTRAL GAWLER, SOUTH AUSTRALIA

4.1. Nuckulla Hill (Doray 100%)

A reconnaissance field trip was conducted during quarter with the aim to field check some of the structural targets identified from the detailed aeromagnetic survey. The Company has committed a budget for a first pass drilling programme during the 2011-12 financial year, pending all relevant approvals.

Two new Exploration Licenses were applied for, increasing the Doray's 100% ownership of the highly prospective Yarlbrinda Shear Zone to over 100km.

4.2. Hicks-Kingoonya (Doray 100%)

During the quarter, a detailed aeromagnetic survey was flown over the Kingoonya and Hicks projects, within the mineralised Labyrinth shear zone. A reconnaissance field visit was also conducted during the quarter.

4.3. Harris Bluff (Doray - 49%, Venture Minerals Ltd - 51%, earning 75%)

No field work was performed during the quarter either by Venture Minerals or Mega Hindmarsh.

5. CORPORATE

5.1. Board Appointments

During the quarter, Doray announced that it had invited Peter Alexander and Leigh Junk to join the Board, bringing with them significant development and operations experience.

Peter Alexander is a geologist by profession and has over 30 years experience in mineral exploration and mining in Australia and overseas. Peter was Managing Director and Chief Executive Officer of Dominion Mining Ltd from 1997 until his retirement in January 2008, at which time he continued as a Non-Executive Director until the takeover by Kingsgate Consolidated in 2010. Peter is currently a Non-Executive Director of Kingsgate.

Peter managed the startup and operation of Dominion's Challenger gold mine in South Australia and, under Peter's management, Dominion won the Gold Mining Journal's "Gold Miner of the Year" three years in succession.

Leigh Junk is a mining engineer with 19 years experience in mine planning involving feasibility studies, project evaluation, production scheduling and mine design with several mining companies throughout Western Australia, including Pilbara Manganese Pty Ltd, WMC Resources Ltd. and Mincor Operations Pty Ltd.

Leigh, along with his brother Ian, was recipient of the "Goldfields Business of the Year Award" in 2003 for their company Donegal Resources and the 2003 Ernst & Young "Young Entrepreneur of the Year Award". Mr. Junk is also a Director of Sentosa Mining Limited, the Goldfields Credit Union and of TSX-Venture listed Brilliant Mining.

5.2. Financial

Doray's cash position at 30 June 2011 was \$19.981M, including term deposits totaling \$18M.

During the quarter, the Board approved a budget for 2011-12 of \$18.6M comprising just over \$16M in exploration and development activities. The major component of the upcoming budget is a drilling programme totaling 145,000 meters of drilling across the Company's various Murchison and South Australian projects.

5.3. Business Development

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

6. TENEMENT HOLDINGS

	Project	Tenement
Tenements Granted		
Tenements Acquired/ Applied for	Nuckulla Hill (100%)	ELA74/11 ELA114/11
Tenements Relinquished	Lake Magenta (80%)	E70/3619

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.