



ASX RELEASE

24 April 2018

Issued Capital as at
31 March 2018

410.9m shares outstanding

52 Week Share Price Range to
31 March 2018

\$0.16 - \$0.375

Market Capitalisation as at
31 March 2018

\$119m (@\$0.29)

BOARD

Julius Matthys
Non-Executive Chairman

Leigh Junk
Managing Director

Peter Alexander
Non-Executive Director

Jay Stephenson
Non-Executive Director

Substantial Shareholders
as at 31 March 2018

Ruffer Gold Fund

Sun Valley Gold

Perennial Value

Paradise Investment Mgt

Registered Office

Level 1, 1292 Hay Street
West Perth WA 6005

For further details contact:

Leigh Junk
Managing Director
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DEFLECTOR DELIVERS RECORD QUARTERLY RESULTS

DEFLECTOR GOLD COPPER MINE

- Record Quarterly gold production of 18,551oz at AISC of \$986/oz and C1 cash cost of \$717/oz
- Record Quarterly copper production from underground of 966t
- New lode discovered south of the Deflector Mineral Resource area

DA VINCI GOLD COPPER EXPLORATION

- Underground development commenced

CORPORATE

- Cash and equivalents of \$24.2M
- Debt reduced to \$27.5M following repayment of \$20M during the Quarter
- Net debt reduced to \$3.3M
- Successfully raised \$25M through a two tranche placement to reduce debt and accelerate exploration and underground development activities at the Deflector mine (tranche 1 funds of \$14.2M received at end of February with the remaining funds from tranche 2 received in April).

Doray Minerals Limited (ASX:DRM) (“Doray” or “the Company”) is pleased to present its Quarterly Activities Report for the period ended 31 March 2018.

Managing Director Mr Leigh Junk said Deflector had delivered another outstanding Quarter with record production of 18,551 ounces of gold and 966 tonnes of copper for an AISC of \$986 per ounce.

“This quarterly production at Deflector represents an annualised rate in the order of 75,000 ounces of gold plus copper credits, which provide approximately 25% additional revenue. This overall performance is exceeding expectation on all metrics and is a significant improvement from what was contemplated in the Life of Mine model.

These impressive results are further strengthened by our exploration success at Da Vinci and new discoveries within the Deflector mine.

We have successfully executed the turnaround strategy and Doray is now in the strongest position that it has been in recent years with its cash and debt positions” he said.

Graph 1. Deflector Quarterly Production and All-In Sustaining Costs (“AISC”)

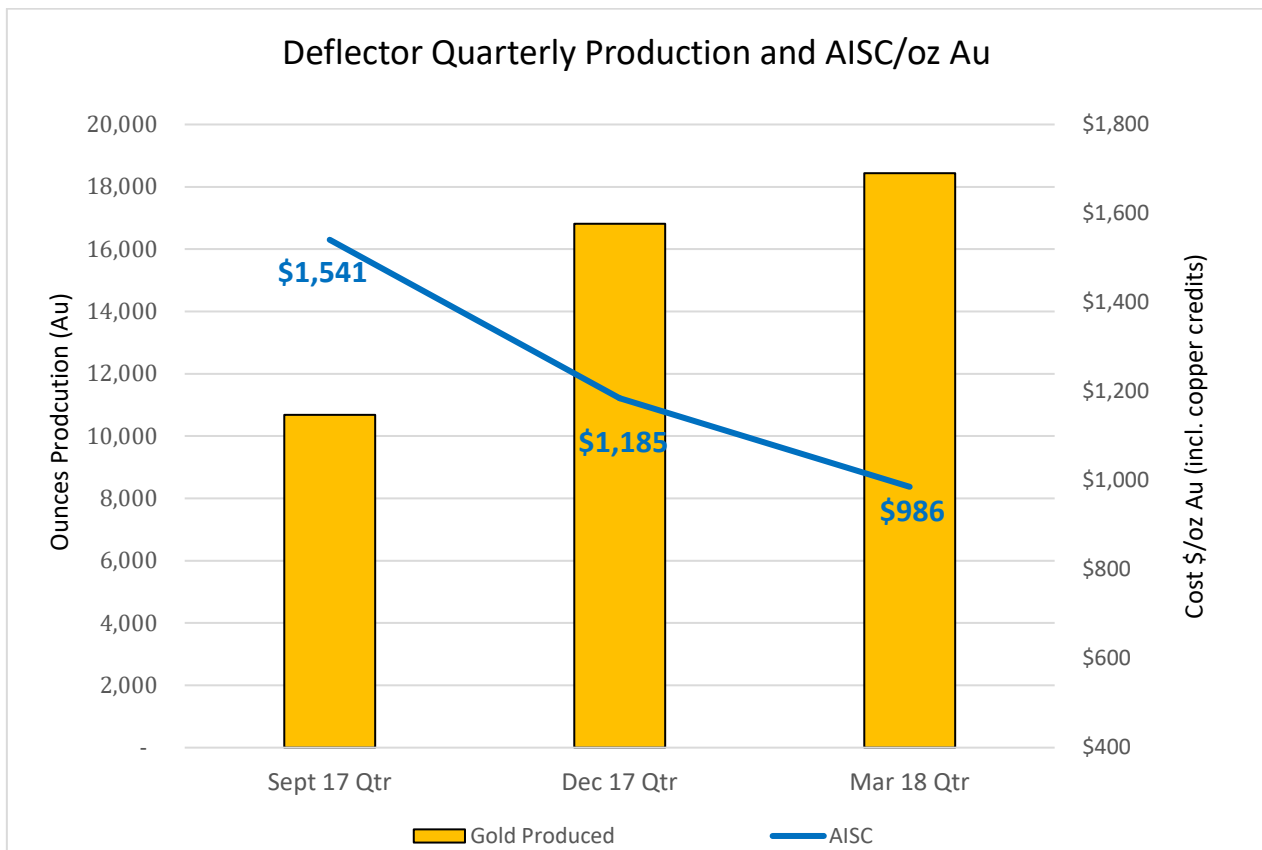


Table 1. Key Production Physicals and Revenue Statistics

Physicals	Units	Deflector
Gold Produced		
- Bullion	oz	13,791
- Concentrate	oz	4,760
Sub Total	oz	18,551
Gold Payable	oz	18,432
Concentrate Produced	dmt	4,309
- Contained Copper	t	966
- Payable Copper	t	920
Gold Sold (Bullion & Concentrate)	oz	18,240
Revenue		
Bullion sales	\$M	23.1
Average Price Received - Bullion	\$/oz	1,633
Concentrate sales	\$M	15.6
Total	\$M	38.7

1. DEFLECTOR GOLD COPPER PROJECT

1.1. Safety

The Deflector site was Lost Time Injury (LTI) free for the Quarter and totalled 114 LTI free days at 31 March 2018.

A comprehensive whole-of-mine risk assessment was undertaken to underpin the development of a suite of site wide management plans focussed on mitigating key operating risks.

1.2. Mining

The mining operations progressed to plan during the March Quarter. Capital development was accelerated in preparation for the next stage of permanent infrastructure comprising extensions to the primary ventilation and high voltage electrical circuits. In addition, a long term underground diamond drilling platform was developed to expedite definition of the southern portion of the ore zone.

Access to the Da Vinci lode was gained in early March (see ASX release dated 28 March 2018) by developing through the dolerite dyke that separates Da Vinci from the Western Zone of Deflector. High-grade ore was intersected as modelled and returned an average development grade of 11.4g/t Au and 0.6% Cu over the length of the eastern lode before terminating as expected at the Karai Fault. The ore zone correlated closely with the wider true-widths returned from some of the nearby diamond drill intersections. Development will continue in order to access the ore in the western Da Vinci Lode and establish diamond drilling platforms required to undertake a systematic drill programme.

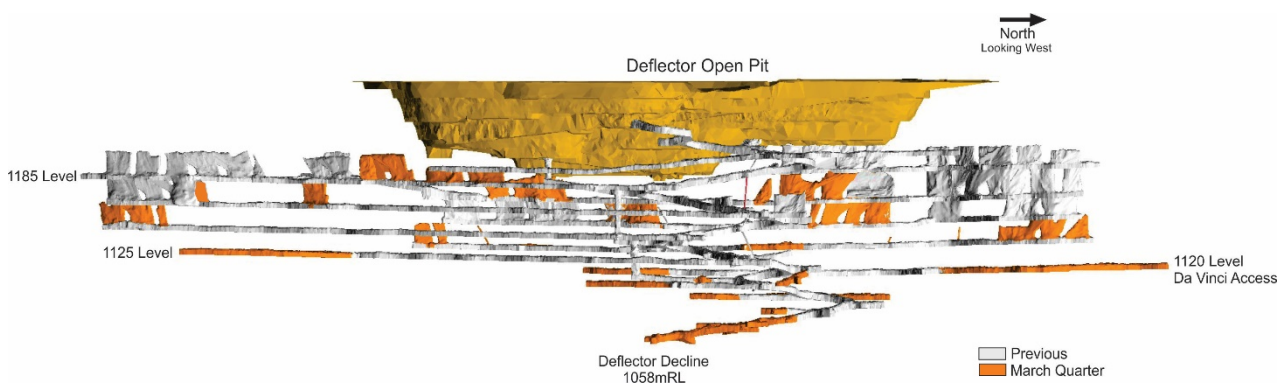
Stoping ore contribution rose again during the Quarter to comprise approximately 60% of the total underground ore supply. Ore driving produced 51,749t @ 6.1g/t Au and 0.7% Cu. This grade was significantly higher than previous quarters due to several high-grade headings such as the Link Splay and Da Vinci lode structures, which bodes well for future stoping.

Key mining statistics for the Quarter are shown below.

Table 2. Summary of mining physicals for March 2018 Quarter

Mining	Units	Total
Ore mined	t	126,608
Gold grade	g/t	5.1
Copper grade	%	0.9
Ounces mined	oz	20,876
Copper mined	t	1,159
Capital development	m	619
Operating development	m	798

Underground capital mine development advanced 619m with the decline face reaching 1,058mRL, 222m below surface and 182m below the portal by the end of the Quarter as can be seen below in the as-built long-section of the mine.

**Figure 1.** Deflector mining progress as at the end of the March 2018

1.3. Processing

The Deflector processing plant continued to operate at the high levels of throughput established last Quarter. Mechanical availability of 96.1% reflects continuing improvements and is a new project-to-date record.

High feed grade coupled with the high throughput of approximately 25% above nameplate capacity culminated in record quarterly gold production of 18,551 oz Au. Of the total gold recovered, 74.3% reported to bullion with the remaining 25.7% captured in concentrate. Six shipments totalling 4,663t of gold-copper concentrate were exported over the Quarter at an average grade of 30.8g/t Au and 21.1% Cu.

Key processing statistics for the Quarter are shown below in Table 3.

Table 3. Summary of processing physicals for March 2018 Quarter

Processing	Units	Total
Ore Milled	t	140,454
Gold Grade	g/t	4.7
Copper Grade	%	0.8
Gold Recovery	%	86.3
Copper Produced	t	966
Copper Recovery into Concentrate	%	82.2
Concentrate Shipped	dmt	4,663
- Gold Grade	g/t	30.8
- Copper Grade	%	21.1

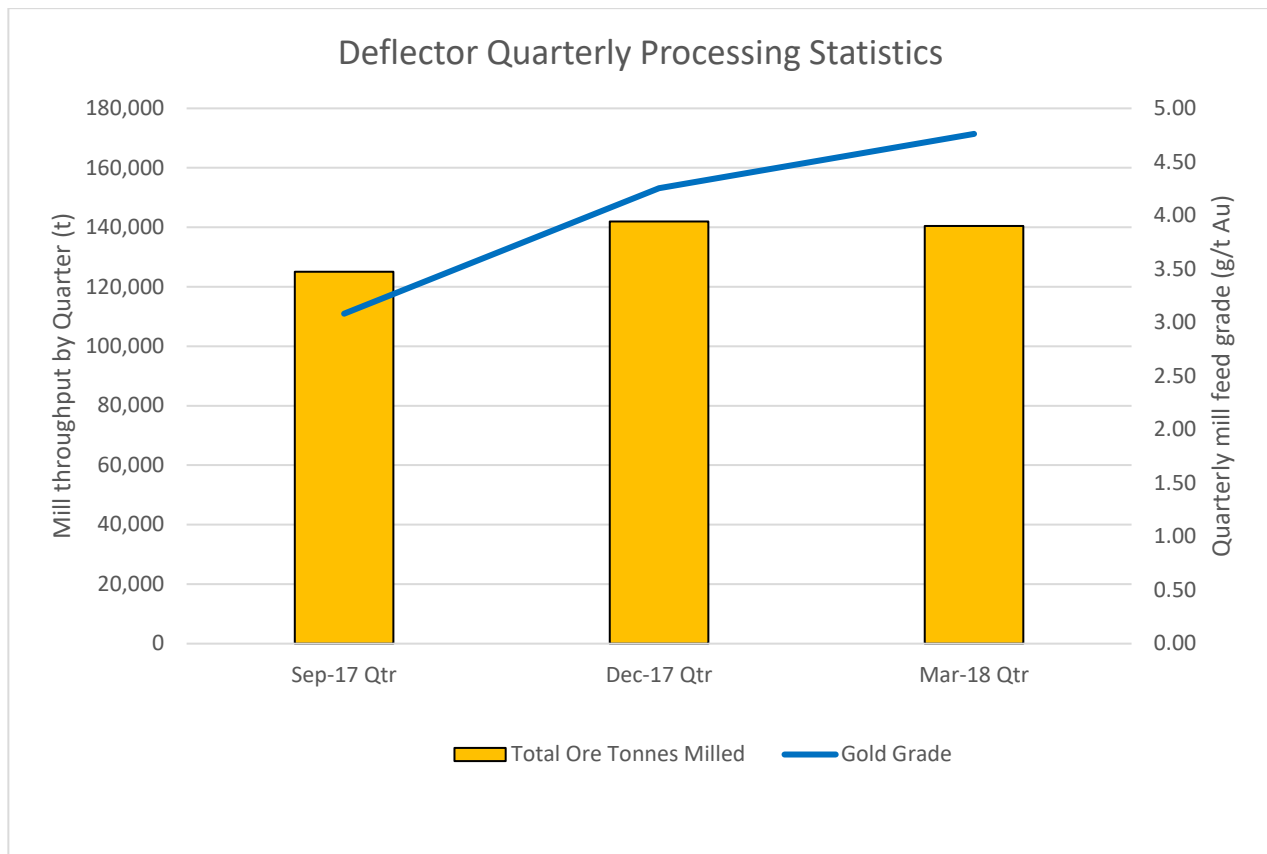
Graph 2. Key processing statistics Chart

Table 4. Summary of Cost Performance for March 2018 Quarter

	A\$000	A\$/t	A\$/oz
Mining	12,008	95	651
Processing & Refining	5,453	43	296
Site Services	2,302	18	125
Net By-Product Credits	(6,554)	(52)	(356)
C1 – Net Direct Cash Cost	13,208	104	717
Depreciation	2,134	17	116
Amortisation	3,888	31	211
C2 – Production Cost	19,231	152	1,043
Royalties	1,437	11	78
Net Bank Interest	577	5	31
Allocated Costs	50	0	3
C3 – Fully Allocated Cost	21,296	168	1,155
All-In Sustaining Costs			
Mining	12,008	95	651
Processing and Refining	5,453	43	296
Site Services	2,302	18	125
Mining Operating Costs	19,763	156	1,072
Net By-Product Credits	(6,554)	(52)	(356)
Royalties	1,437	11	78
Corporate G&A	681	5	37
Sustaining Exploration	220	2	12
Sustaining Capital Expenditure	2,620	21	142
All-In-Sustaining Cost (AISC)	18,168	143	986

*All Deflector AISC and C1 numbers in this report are inclusive of copper credits

1.4. Deflector Extensional Exploration

During the Quarter, the Company announced results from a RC drilling programme that successfully outlined a new zone of mineralisation within the southern extents of the Contact Lodes (see ASX release dated 20 March 2018). This programme was designed to follow up on previous drilling which had intersected high grade mineralisation approximately 300m south of the existing Contact Lode interpretation.

This programme was successful in not only intersecting the Contact Lode #2 mineralisation, but also in the delineation of a new mineralised position, designated the Contact Lode #3, located to the east of Contact Lode #2. Mineralisation in this new Contact Lode #3 was intersected over a strike length of 150m and to a depth of approximately 180m below surface, and is open in all directions. This new lode is located approximately 120m from existing and planned underground workings. Assaying returned some significant intersections from this new lode, including:

- DERC0292 – **6m @ 17.1g/t Au and 0.7% Cu** from 202m
- DERC0281 – **3m @ 21.4g/t Au (NSA* Cu)** from 71m
- DERC0288 – **3m @ 18.6g/t Au and 0.2% Cu** from 174m
- DERC0287 – **2m @ 6.9g/t Au and 0.1% Cu** from 125m
- DERC0291 – **2m @ 9.6g/t Au (NSA Cu)** from 73m

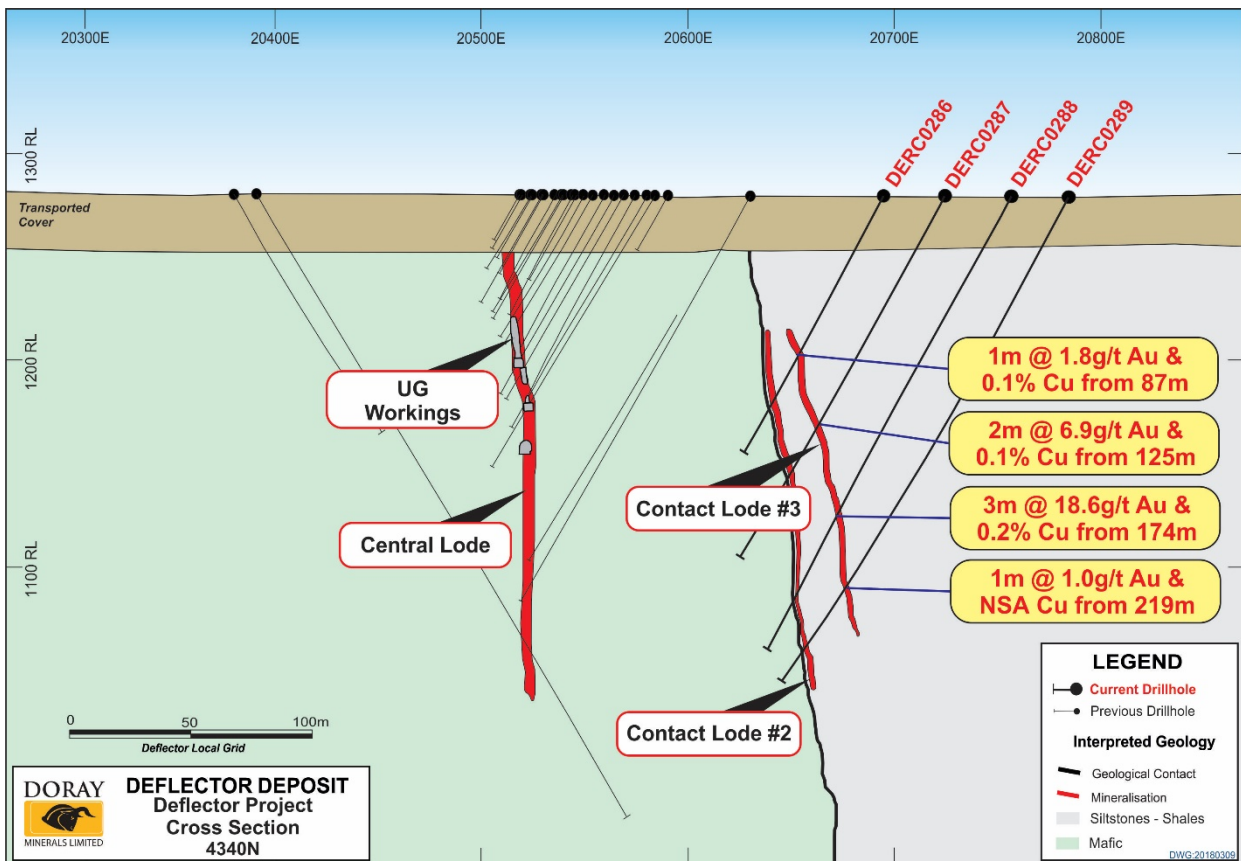


Figure 2. Deflector Gold Copper Mine cross section 4340mN, illustrating the location of the Contact Lode #3 with respect to the main Deflector Central Lode and the basalt-sediment contact

In addition, during the Quarter a surface diamond drilling programme was completed, infilling areas of the Deflector Central Lodes and Western Zone to allow for Inferred Mineral Resources to be upgraded to Indicated (see ASX release dated 20 March 2018). Results from this drilling were largely in line with the existing interpretation of controls on mineralisation. Significant intersections were returned from the high grade plunge in the south end of the Deflector orebodies. Multiple high grade results were also returned from the Contact Lodes that sit to the east of the currently mined Central Lode and Western Zone.

Significant intersections include:

- DEDD068 – **3.0m @ 30.5g/t Au and 0.4% Cu** from 342.0m (Central Lode)
- DEDD070 – **3.5m @ 39.3g/t Au and 0.3% Cu** from 307.2m (Central Lode)
- DEDD067 – **4.2m @ 5.0g/t Au** (No Significant Assay Cu) from 348.4m (Central Lode)
- DEDD065 – **0.3m @ 4.4g/t Au and 0.2% Cu** from 200.3m (Central Lode)
- DEDD066 – **0.6m @ 10.4g/t Au and 0.3% Cu** from 169.6m (Contact Lode #1)
- DEDD064 – **0.3m @ 62.6g/t Au and 0.9% Cu** from 154.2m (Contact Lode #2)
- DEDD059 – **0.9m @ 12.2g/t Au and 0.1% Cu** from 280.8m (Contact Lode #2)

In addition, two holes targeting depth extensions of the Western Zone returned strong intersections from hangingwall splays and subsidiary structures located to the west of the main Deflector Western Zone.

Significant intersections returned include:

- DEDD046a – **1.2m @ 31.5g/t Au and 0.2% Cu** from 411m (Western Zone)
- DEDD048 – **7.3m @ 3.0g/t Au and 0.1% Cu** from 459m (Western Zone)

1.5. Da Vinci Exploration

During the Quarter exploration and evaluation work continued on the Da Vinci zone with the focus on understanding this new discovery for eventual full-scale mine production.

As discussed above, during the Quarter underground access to the Da Vinci lodes was gained via extension of the 1120mRL development drive from the Deflector gold copper mine (see ASX release dated 28 March 2018). As expected, mineralisation is visually consistent with that observed in the Western Zone of Deflector. Mining has revealed a strongly mineralised quartz-massive sulphide (pyrite \pm chalcopyrite) lode located within a steeply dipping structure, demonstrating high tenor gold and copper grades, with significant associated stringer-type mineralisation. This correlates closely with the wider true-widths returned from some of the nearby diamond drill intersections. To date, development face grades have been encouraging, averaging 11.4g/t Au and 0.6% Cu.

The ongoing exploratory campaign will continue development on both the eastern and western lodes at Da Vinci on this 1120mRL level to further expose the lodes and provide suitable drilling platforms. Once complete, a diamond drill rig will drill the two main structures and any incidental splays encountered to a density expected to enable the estimation of an Indicated Mineral Resource. The underground development will also allow the mineralised zone to be geologically and geotechnically mapped. Following collection of these data, a Pre-Feasibility Study will evaluate the potential of full-scale mining of Da Vinci. This study could potentially result in a strategic re-evaluation of the access design and production assumptions used for the entire Deflector mining operation, which is now approaching an economic strike length of one kilometre.

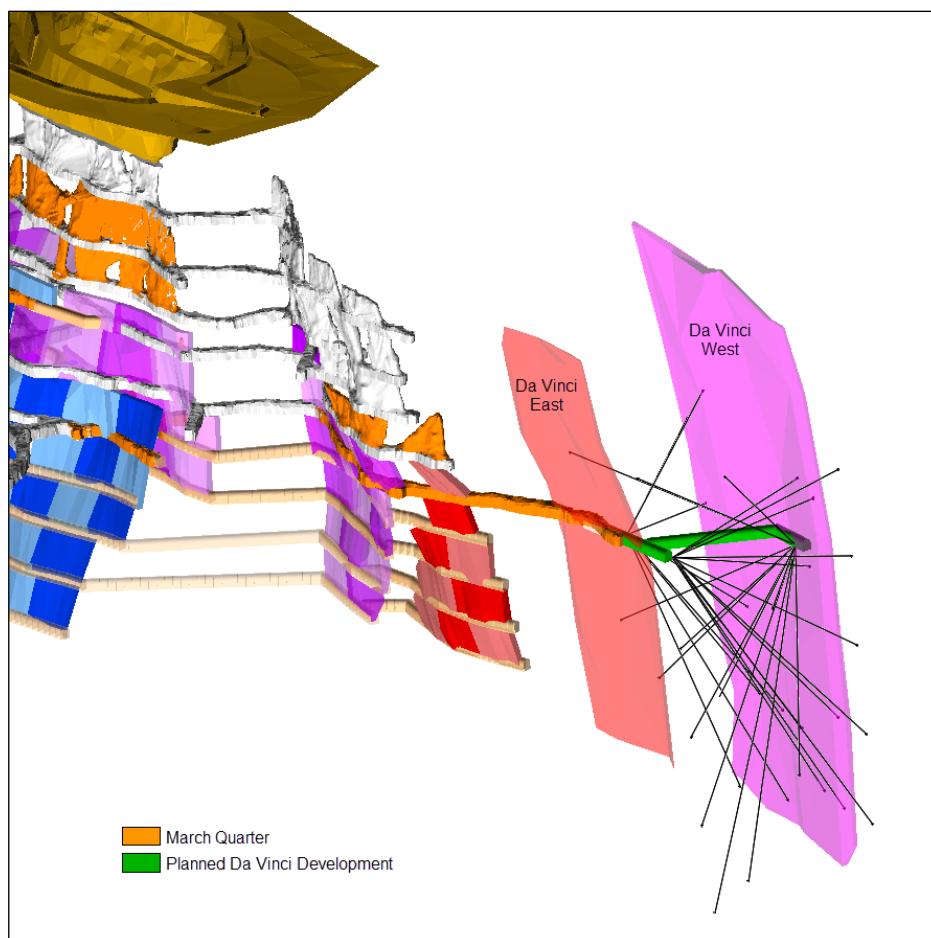


Figure 3. Da Vinci development with conceptual interpretations and drilling programme

2. CORPORATE/FINANCE

2.1. Quarterly Cash and Equivalents Balances

Doray's cash and equivalents position at 31 March 2018 is shown below in Table 5.

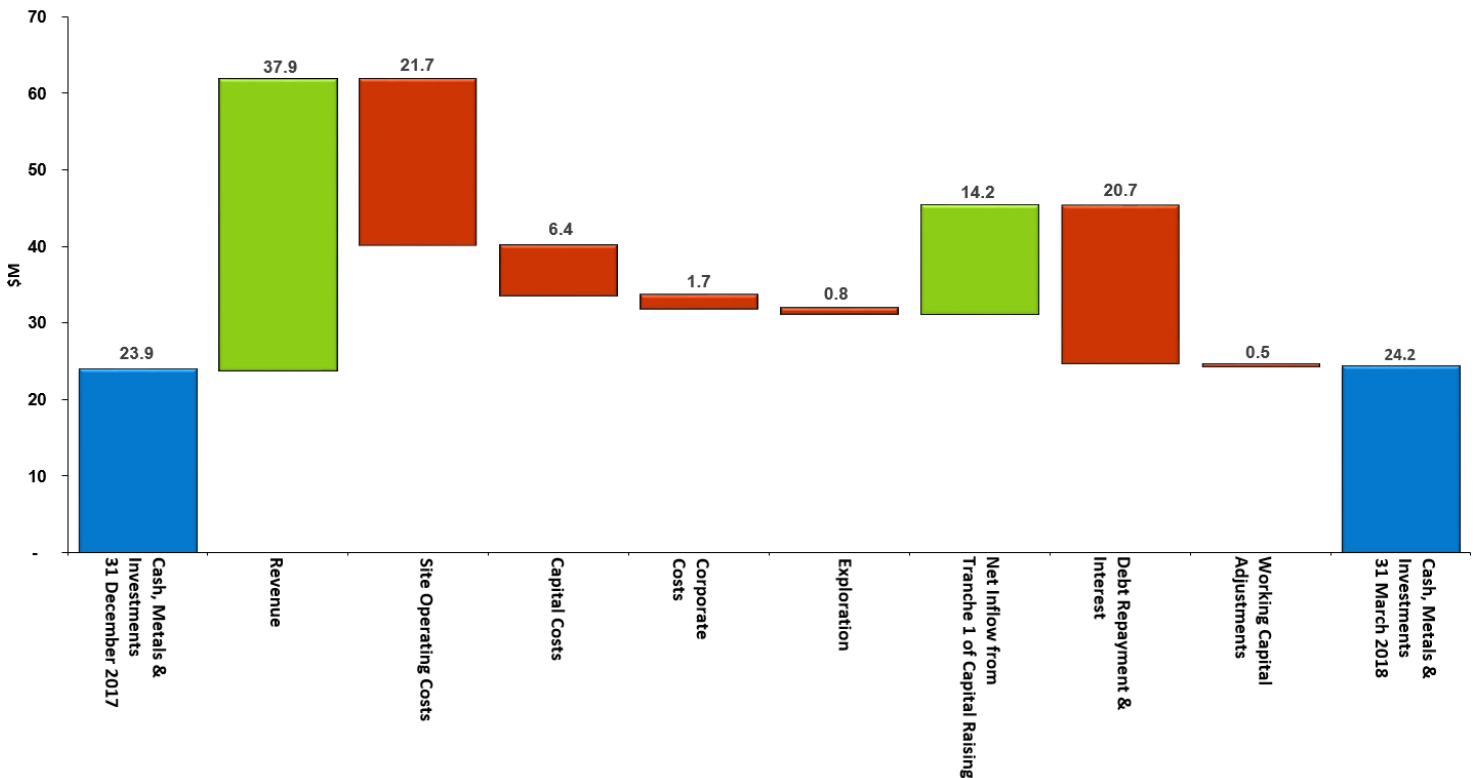
Table 5. Summary of cash, equivalents and debt at 31 March 2018

Item	A\$M
Cash	16.9
Gold on Hand	4.2*
Concentrate on Hand	2.8*
Listed Investments	0.3
Total Cash and Equivalents	24.2
Debt Balance	(27.5)
Net Cash/(Debt)	(3.3)

*Based on estimated receipt values

During the Quarter the Company repaid \$20 million under its finance facility with Westpac Banking Corporation, reducing the debt balance to \$27.5 million as at 31 March 2018.

Graph 3. Quarterly Cash Flow Waterfall Chart



2.2. Hedging

As at 31 March 2018 the Company had 43,359oz of gold hedged at an average price of A\$1,585/oz to September 2019.



Leigh Junk
Managing Director
Doray Minerals Ltd

Competent Person Statements

The information in this announcement regarding Exploration Results, Mineral Resources or Ore Reserves has been extracted from various Doray ASX announcements and are available on the Company's website at www.dorayminerals.com.au or through the ASX website at www.asx.com.au (using ticker code "DRM").

Doray confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the estimates in that market announcement continue to apply and have not materially changed. Doray confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.