

DORAY TO SELL ANDY WELL AND GNAWEEDA GOLD PROJECTS TO WESTGOLD FOR \$15 MILLION

Doray Minerals Limited (“Doray” or “the Company”) (ASX: DRM) is pleased to announce that it has signed a binding Term Sheet (“Term Sheet”) to divest the Andy Well and Gnaweeda Gold Projects (together, “Gold Projects”) to Westgold Resources Ltd (“Westgold”) (ASX: WGX). This Term Sheet replaces the proposed transaction with Galane Australia Pty Ltd (“Galane”).

HIGHLIGHTS

- **Westgold to pay up to \$15 million in cash and shares, including \$9 million on completion, for the Andy Well and Gnaweeda Gold Projects on the following terms:**
 - \$2.5 million cash and \$6.5 million in Westgold shares on completion, expected in February 2019;
 - \$2 million cash following production by Westgold of 100,000 ounces from the Gold Projects;
 - \$2 million cash following production by Westgold of 250,000 ounces from the Gold Projects; and
 - \$2 million cash following production by Westgold of 500,000 ounces from the Gold Projects.
- **The agreement with Westgold does not impact on Doray’s agreed merger, via a Scheme of Arrangement, with Silver Lake Resources (“Silver Lake”) (ASX: SLR) - refer to ASX announcement [14 November 2018](#)**

The sale of the Andy Well and Gnaweeda projects to Westgold will deliver greater value for Doray shareholders and transfers ownership to a highly experienced, significant ASX listed gold mining company. This new agreement is structured to deliver upfront and milestone payments to Doray, providing shareholders with exposure to the potential upside performance of the Gold Projects.

This Term Sheet with Westgold replaces an earlier announced agreement with Galane which has now been terminated. Doray’s Board of Directors believe that this is a superior outcome for Doray shareholders.

Commenting on the Term Sheet with Westgold, Doray Minerals’ Managing Director Leigh Junk said:

“Doray is delighted to have signed this Term Sheet with another well-regarded West Australian gold producer. We have full confidence in Westgold delivering future value for all stakeholders from Andy Well and Gnaweeda, which are complementary to their existing large-scale Murchison operations.”

Andy Well retains an underground Mineral Resource of more than 500,000oz at 8.6g/t Au. The nearby Gnaweeda exploration project has a Mineral Resource of 322,000oz at 1.8g/t Au. It has been Doray’s view that Andy Well and Gnaweeda are best suited for new owners who can give the assets the strategic, operational and financial focus required to make them a success.

The Term Sheet provides for the sale of Doray's 100% owned subsidiary, Andy Well Mining Pty Ltd, to Westgold. Completion of the transactions under the Term Sheet remains subject to standard conditions including:

- the satisfactory completion of due diligence by Westgold;
- the transfer of any tenements comprising the Gold Projects currently held by Doray to Andy Well Mining Pty Ltd; and
- the receipt of any necessary third party consents.

Westgold will pay a deposit of \$250,000 within seven business days and subject to the satisfaction of the conditions precedent, settlement of the transaction is expected to occur in February 2019, when the balance of the \$2.5 million cash instalment and issue of \$6.5 million in Westgold shares will be due. The Westgold shares will be issued at a deemed issue price being the 30 day volume weighted average price up to the date of execution and will be subject to a voluntary 12-month escrow period, subject to customary exceptions. Westgold will make further deferred instalment payments each of \$2 million cash to Doray upon cumulative production by Westgold of 100,000 ounces; 250,000 ounces; and 500,000 ounces from Andy Well and/or Gnaweeda.

As required by the scheme implementation deed for the merger with Silver Lake, Silver Lake has consented to the execution of the Term Sheet. Doray and Silver Lake have agreed minor amendments to the scheme implementation deed to reflect the termination of the previous agreement with Galane and the new agreement with Westgold.

Doray was advised in the divestment process by PCF Capital Group.

ENDS

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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.