

## RESULTS FOR THE HALF YEAR ENDED 31 DECEMBER 2018

Doray Minerals Limited (Doray or the Company) (ASX: DRM) is pleased to report the Company's financial results for the half-year ended 31 December 2018.

### HIGHLIGHTS

- Gross profit of \$9.0 million, an increase of 401% compared to a loss of \$3.0 million in 1H 2018
- Net loss of \$0.2 million, an improvement of 97% compared to a loss of \$8.0 million in 1H 2018, primarily due to an impairment realised on the Andy Well and Gnaweeda Gold Projects
- Debt reduced by a further \$11 million in the period to \$9.5 million
- Solid half-year production of 38,627 ounces of gold and 1,295 tonnes of copper places Doray on track to meet full-year production guidance
- Merger proposed with Silver Lake Resources Limited to create a new mid-tier multi-asset West Australian gold producer
- Executed a binding term sheet with Westgold Resources Ltd to divest the Andy Well and Gnaweeda Gold Projects for up to \$15 million in cash and shares

Commenting on the half-year results, Doray Minerals' Managing Director Leigh Junk said:

"The half-year results show a marked improvement and demonstrate that we have delivered on our targets, driven by solid gold and copper production at Deflector, a focus on costs and a priority on debt reduction.

"We look forward to concluding the agreed merger with Silver Lake via a Scheme of Arrangement, which the Independent Expert concluded was fair and reasonable and in the best interests of Doray Shareholders, in the absence of a Superior Proposal."

### **Half-year results commentary**

Doray's half-year results for the period ended 31 December 2018 continued to illustrate the significant improvement at its Deflector Gold Copper Mine. Revenue from operations during the period totalled \$77.2 million on production of 38,627 ounces of gold and 1,295 tonnes of copper. Production remains on track to meet full-year guidance of 80,000 - 85,000 ounces of gold and 2,250 - 2,750 tonnes of copper.

Gross profit improved by 401% to \$9 million at 31 December 2018, from a loss of \$3 million in the prior corresponding period ending 31 December 2017.

The Company incurred an impairment charge of \$4.6 million on re-valuing the Andy Well and Gnaweeda Gold Projects to their fair value less costs of sale following the offer from Westgold Resources Limited announced on 24 December 2018. This impairment charge resulted in the Company reporting a net loss as at 31 December 2018 of \$0.2 million.

Doray's cash position at 31 December was \$18 million. During this period the Company repaid \$11 million in debt to Westpac Banking Corporation, resulting in gross debt being reduced to \$9.5 million as at 31 December 2018. In addition, during the period Doray invested \$4.8 million in exploration, primarily focussed on the immediate Mineral Resource extensions at Deflector as well as testing several near-mine exploration targets.

The agreed merger with Silver Lake Resources Limited, via a scheme of arrangement announced to the ASX on 14 November 2018, will be put to a Doray shareholder vote at a scheme meeting on 22 March 2019. Should Doray shareholders approve the scheme, the implementation date will be 5 April 2019.

Full details on the half-year financial performance are included in the Appendix 4D and Consolidated Interim Financial Report.

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