

INVESTOR UPDATE – AUGUST 2014

For personal use only



# Doray Minerals Limited

**A high-grade gold producer with substantial upside**

**DORAY**



MINERALS LIMITED

# Disclaimer - Forward Looking Statements

This presentation is not a prospectus nor an offer for securities in any jurisdiction nor a securities recommendation. The information in this presentation is an overview and does not contain all information necessary for investment decisions. In making investment decisions in connection with any acquisition of securities, investors should rely on their own examination of Doray Minerals Ltd and consult their own legal, business and/or financial advisers.

The information contained in this presentation has been prepared in good faith by Doray Minerals Ltd, however no representation or warranty expressed or implied is made as to the accuracy, correctness, completeness or adequacy of any statements, estimates, opinions or other information contained in this presentation. To the maximum extent permitted by law, Doray Minerals Ltd, its directors, officers, employees and agents disclaim liability for any loss or damage which may be suffered by any person through the use or reliance on anything contained in or omitted from this presentation.

Certain information in this presentation refers to the intentions of Doray Minerals Ltd, but these are not intended to be forecasts, forward looking statements or statements about future matters for the purposes of the Corporations Act or any other applicable law. The occurrence of events in the future are subject to risks, uncertainties and other factors that may cause Doray Minerals Ltd's actual results, performance or achievements to differ from those referred to in this presentation. Accordingly, Doray Minerals Ltd, its directors, officers, employees and agents do not give any assurance or guarantee that the occurrence of the events referred to in the presentation will actually occur as contemplated.



# Doray Minerals - Key Advantages

For personal use only

## Grade

- **Andy Well Gold Project amongst highest grade and highest margin gold operations in Australia over the last 12 months**
- **Wilber Lode underground gold mine:**
  - **BFS underground mining inventory 262koz @ 11.4g/t\***
  - **2014FY head grade 10.8g/t**
- **Judy Lode - 2<sup>nd</sup> high-grade gold discovery**
  - **Maiden Ore Reserve 58koz @ 8.8g/t\***
  - **Mining Inventory 65koz - replaces first year Wilber production**
- **Suzie Zone - 3<sup>rd</sup> high-grade gold discovery**

## Margin

- **Very high gravity/total recoveries**
- **Average margin A\$462/oz for 77koz production in 2014FY**
- **Margins further enhanced by hedging**

## Upside

- **Consistent overcall on ounces recovered to date**
- **Wilber Lode continues at depth for at least 160m**
- **Indications of potential additional lodes (eg Suzie/Margaret/Kirsty)**
- **Strategic exploration portfolio in WA and South Australia**
- **Significantly undervalued relative to peers**

\* See appendices

For personal use only



# Andy Well Gold Project

A new high-grade gold operation

DORAY

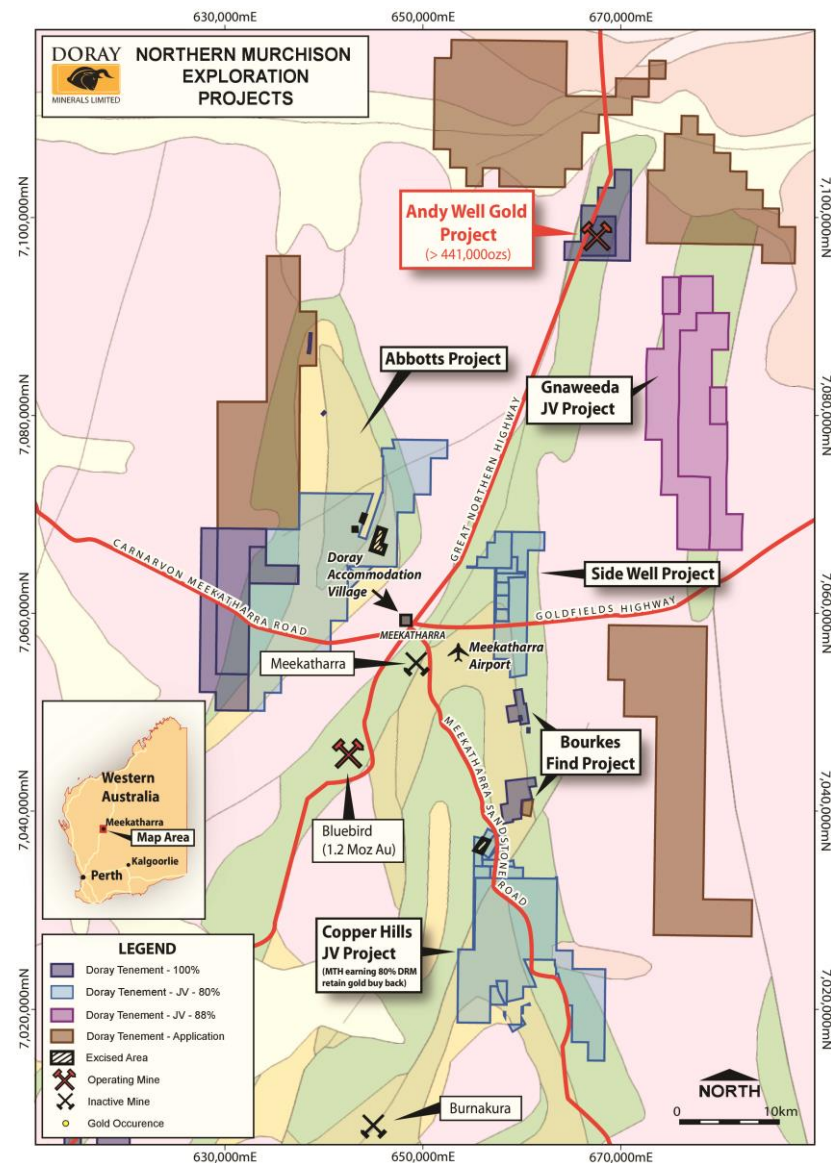


MINERALS LIMITED

# Andy Well Gold Project

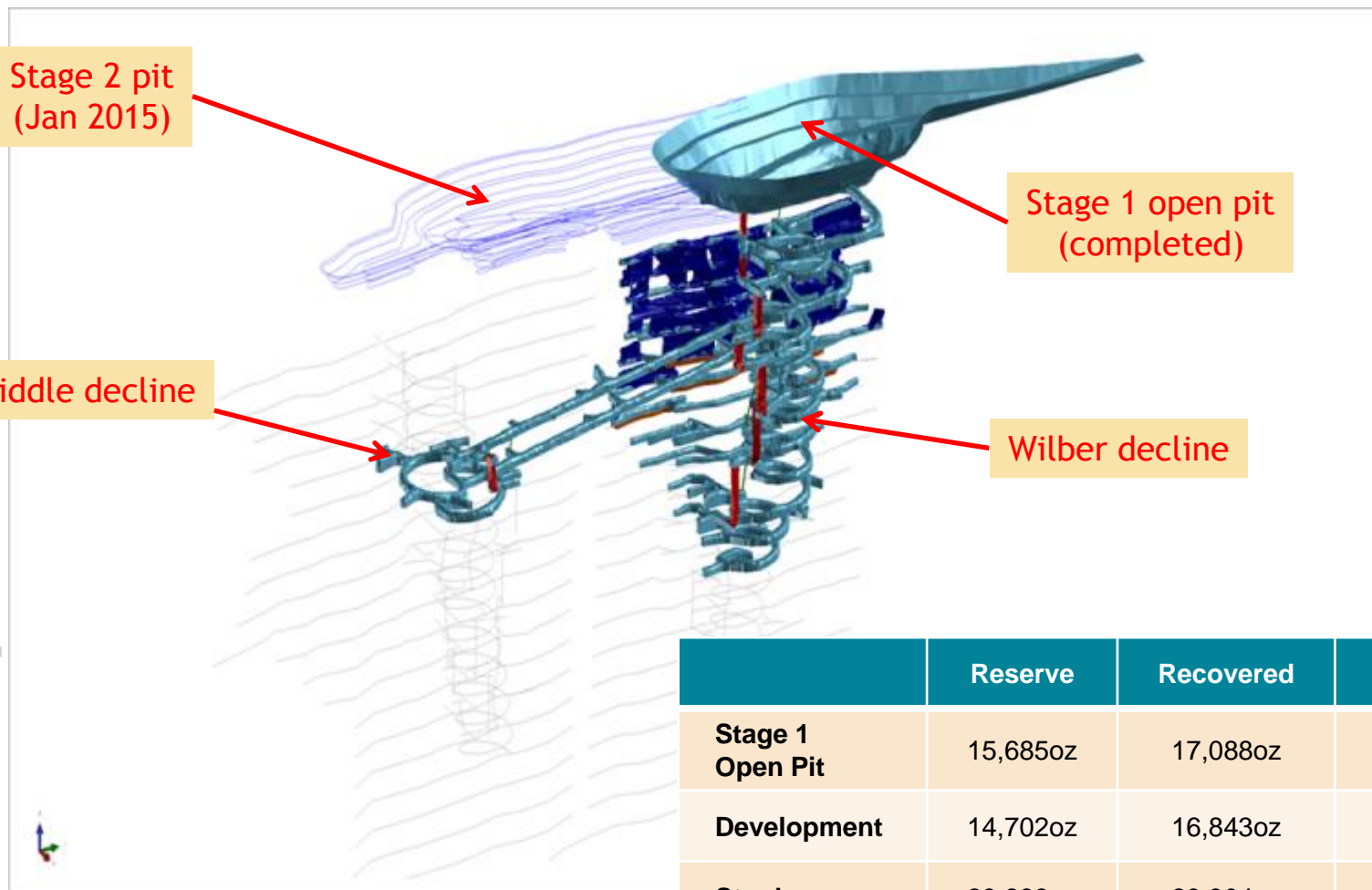
## A new high-grade gold operation

- Standalone, high-grade underground gold mine and processing plant
- 45km north of historic gold mining town of Meekatharra, Western Australia
- First new gold operation in the Murchison region in over 10 years
  - Wilber Lode Discovery - March 2010
  - Maiden Resource - Feb 2011
  - Decision to Mine - July 2012
  - Mining commenced - Nov 2012
  - First gold pour - Aug 2013
- 3 high-grade discoveries in 3 years



# Wilber Lode Progress (at 30 June)

For personal use only



	Reserve	Recovered	Reconciliation
<b>Stage 1 Open Pit</b>	15,685oz	17,088oz	<b>109%</b>
<b>Development</b>	14,702oz	16,843oz	<b>114.6%</b>
<b>Stoping</b>	29,288oz	29,304oz	<b>100.1%</b>

# 2014FY Summary

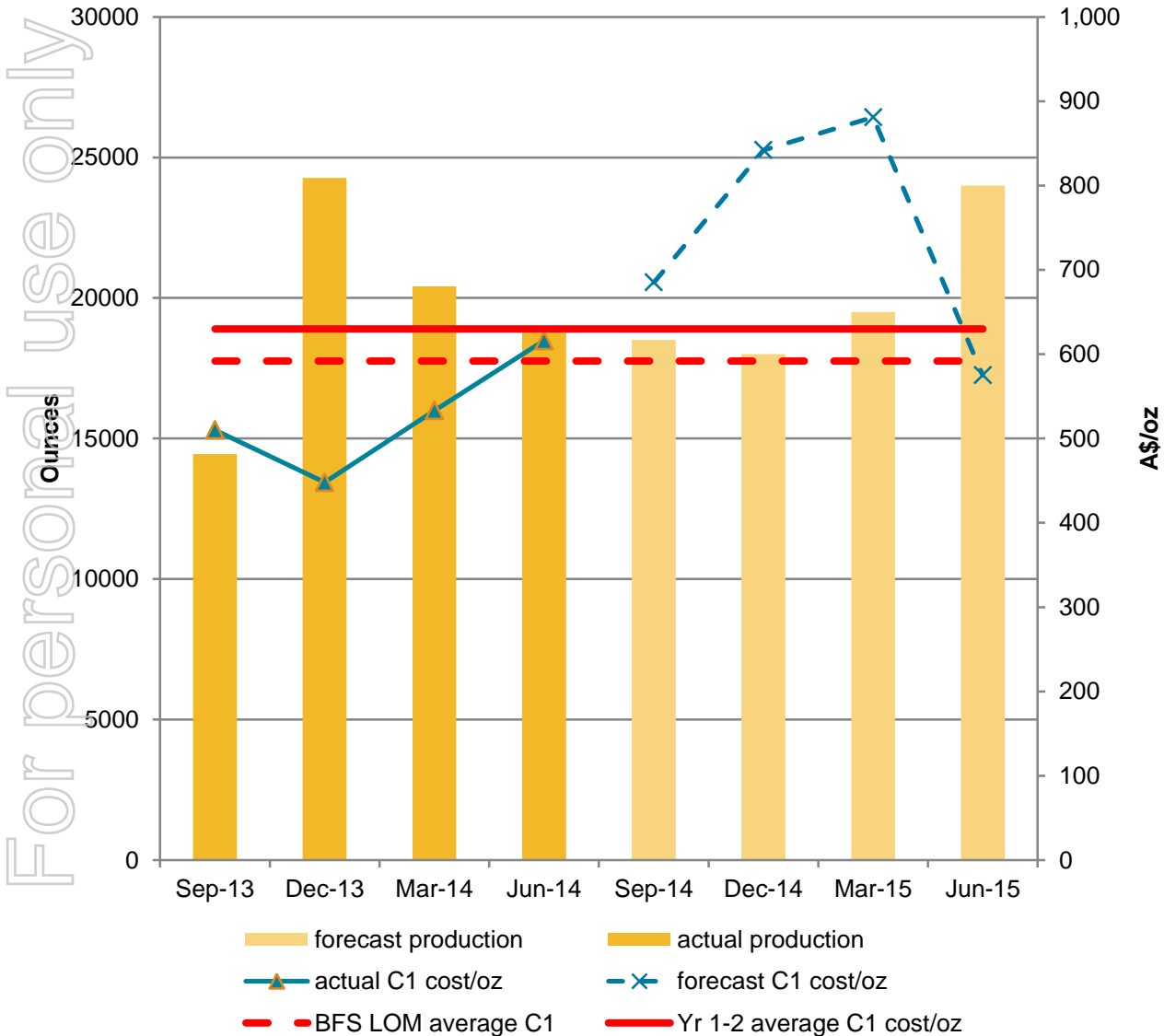
For personal use only

	2014FY Guidance	2014FY	2015FY Guidance
Gold Produced	75-80koz	<b>76,785oz*</b>	77-83koz
Head Grade		<b>10.8g/t</b>	
Cash Operating Cost (C1)	A\$480-530	<b>A\$522/oz</b>	A\$700-800
Gold Sold		73,208oz	
Revenue		\$110.3M	
Average gold price received		<b>\$1,506/oz</b>	
Average margin		<b>\$462/oz</b>	

\* Includes stage 1 open pit stockpiles



# Production and Costs on track



## Production and costs in line with July 2012 BFS

- Quarterly cost profile reflects grade distribution and mine scheduling.
- Year 1-2 gold production, operating costs and cash flows as forecast in BFS.

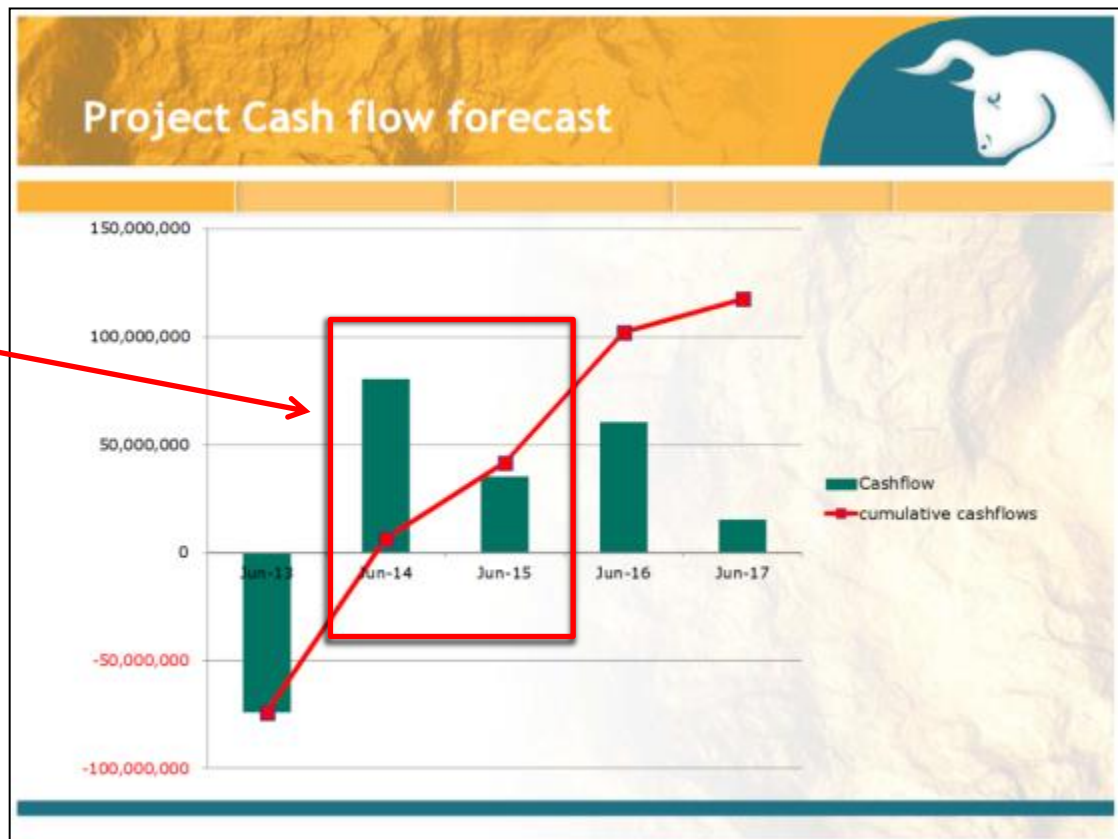


# Production and Costs on track

For personal use only

## Production and costs in line with July 2012 BFS

- Year 1-2 gold production, operating costs and cash flows as forecast in BFS.



BFS Presentation, July 2012  
(Gold price AUD\$1600/oz)

For personal use only



# Growing the Mine Life

Unlocking a new high-grade gold camp

DORAY

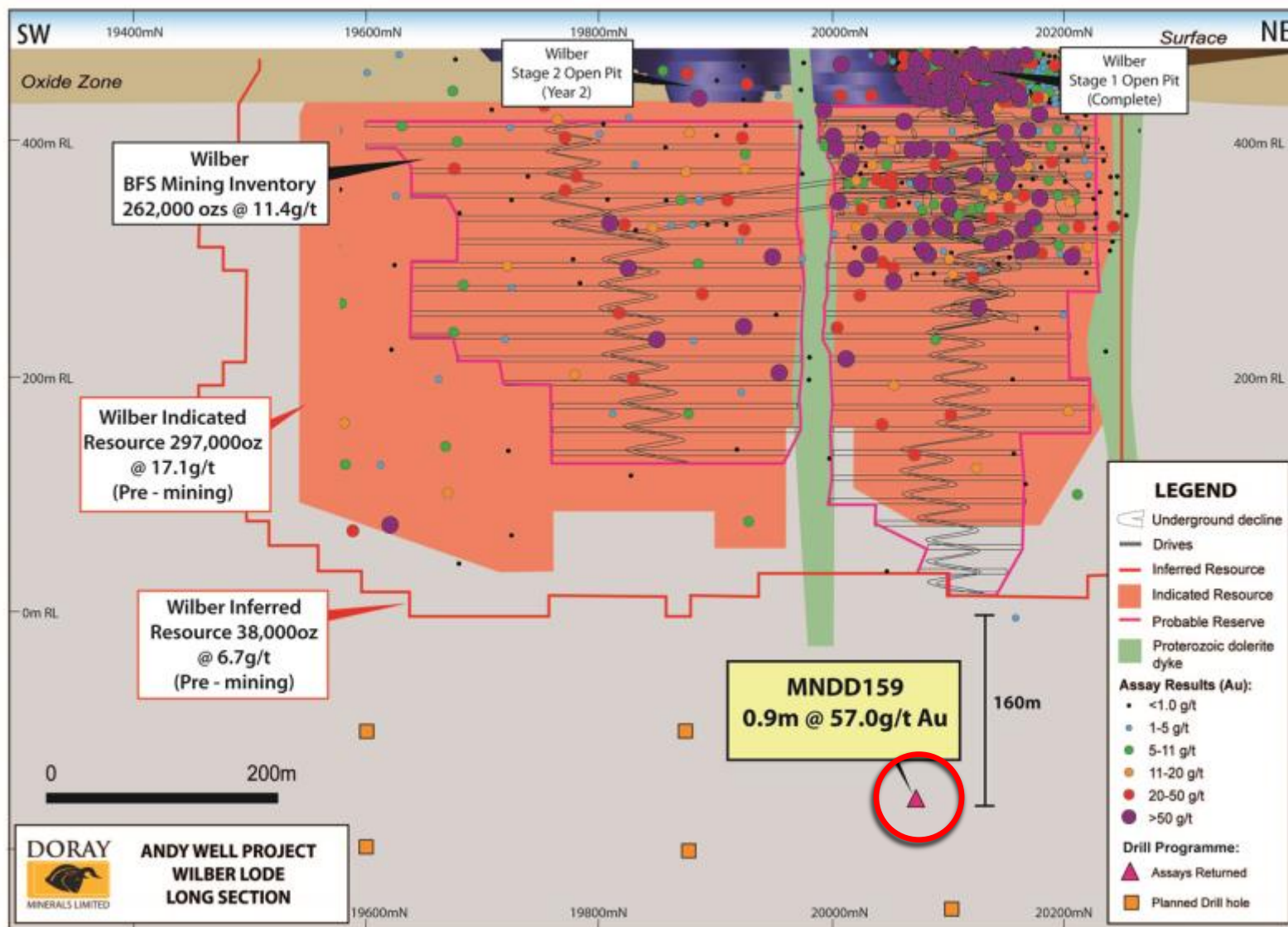


MINERALS LIMITED

ASX:DRM

# Wilber Lode Extensional Drilling

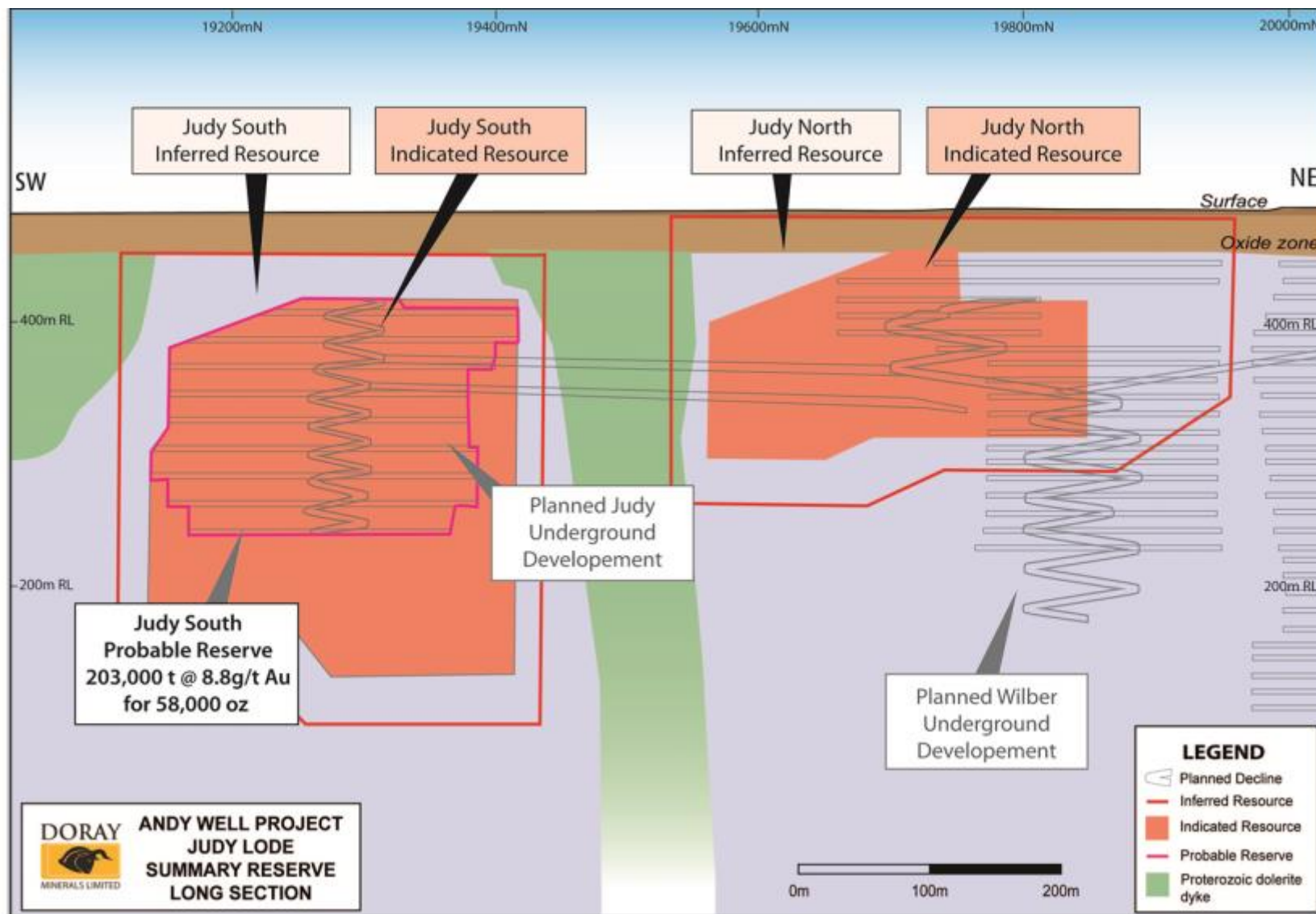
For personal use only



\* See ASX Announcement 6 August 2014

# Judy Lode Reserve

For personal use only

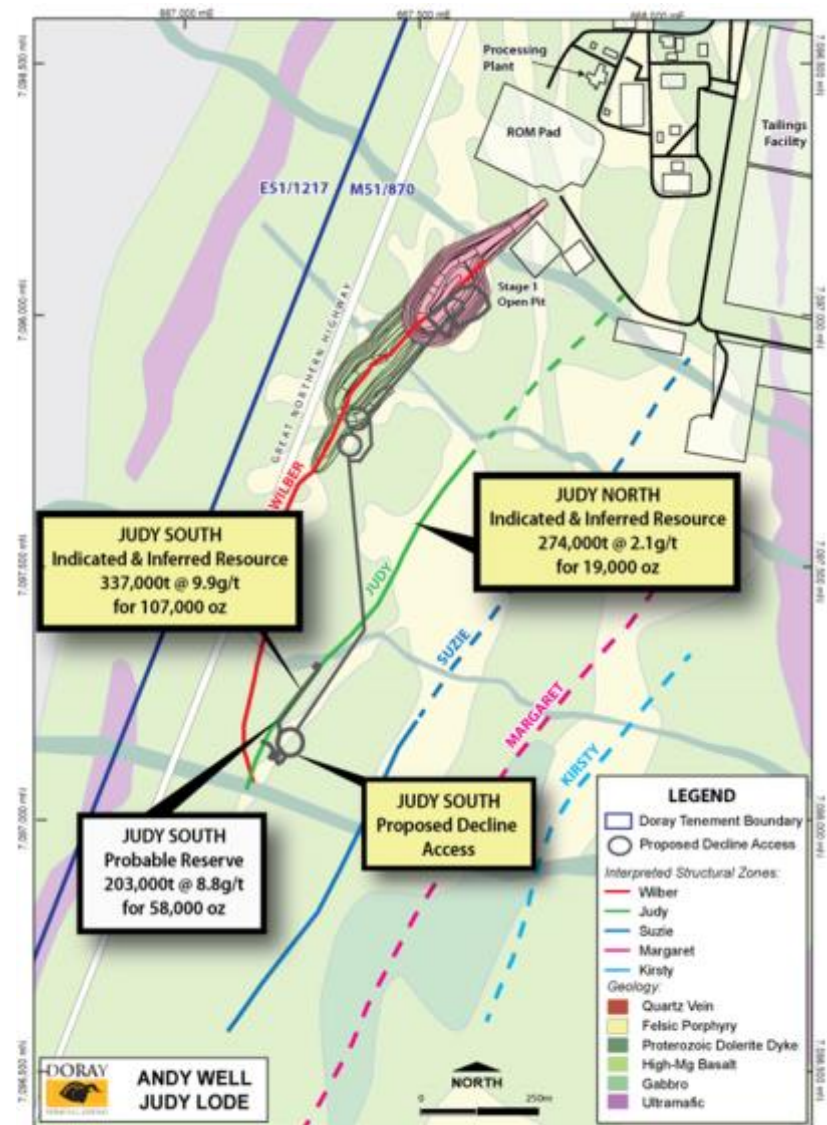


\* See ASX Announcement 6 August 2014

# Judy Lode Reserve

## High-grade Judy Lode Reserve replaces first year production

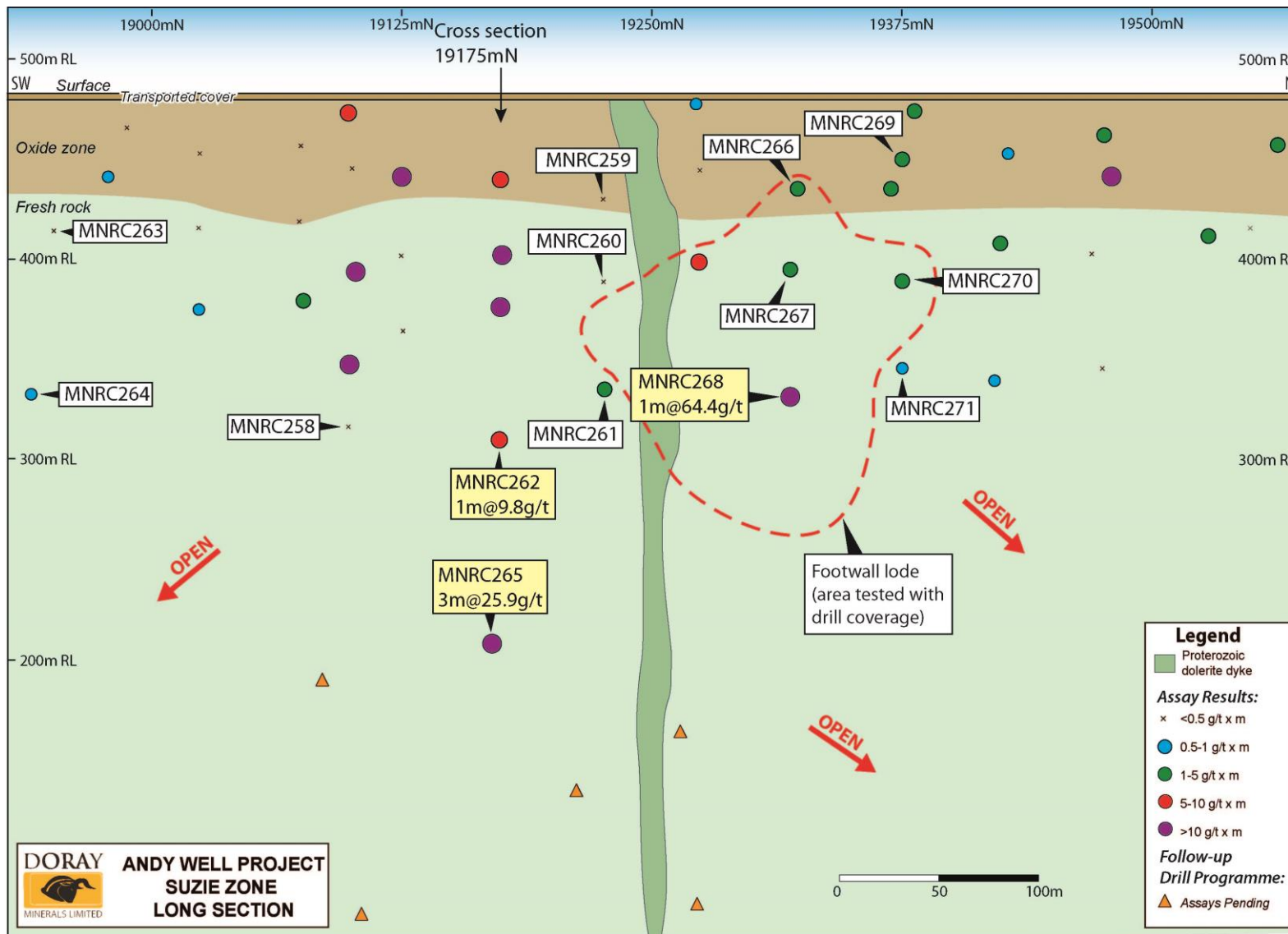
- Judy Lode Ore Reserve
  - 203,000t @ 8.8g.t Au (58,000oz)\*
- Judy Lode Mining Inventory 65koz
  - Reserve plus Inferred Resource proximal to mine design
- Quartz lode in basalt
- 68% conversion rate from Judy Lode Indicated Resource
- Planned access from Wilber Lode middle decline



\* See ASX Announcement 6 August 2014

# Suzie Zone - 3rd high-grade gold discovery

For personal use only



For personal use only



# Exploration

Building on our success...

DORAY



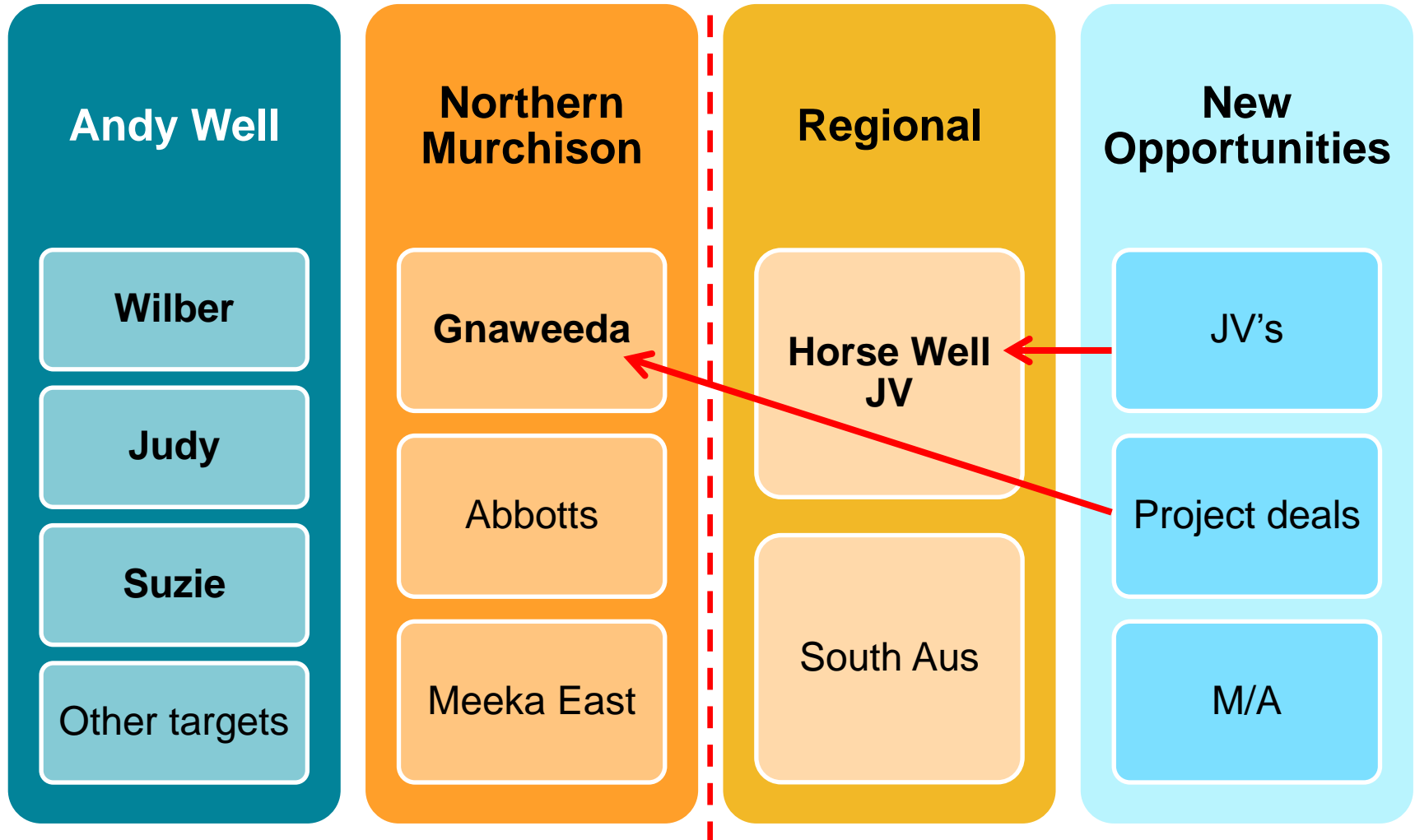
MINERALS LIMITED

# Growth Strategy

Leverage off Andy Well infrastructure

New standalone opportunities

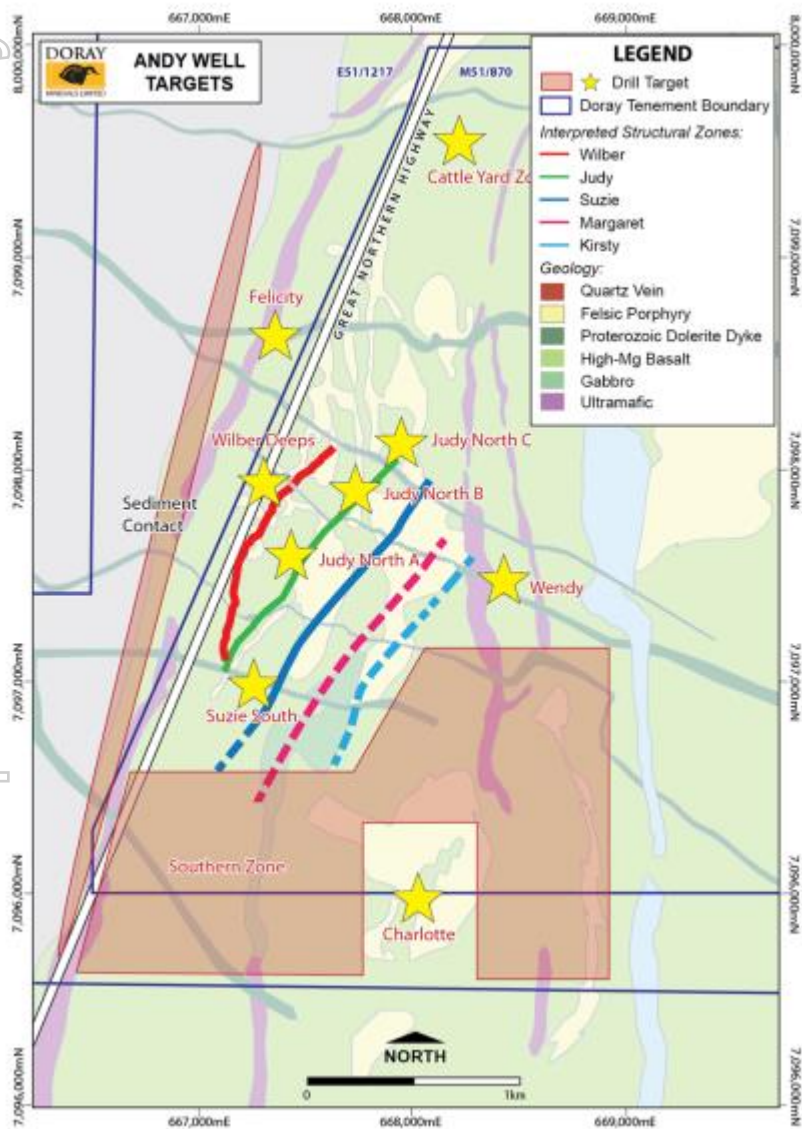
For personal use only





# Andy Well Exploration

For personal use only

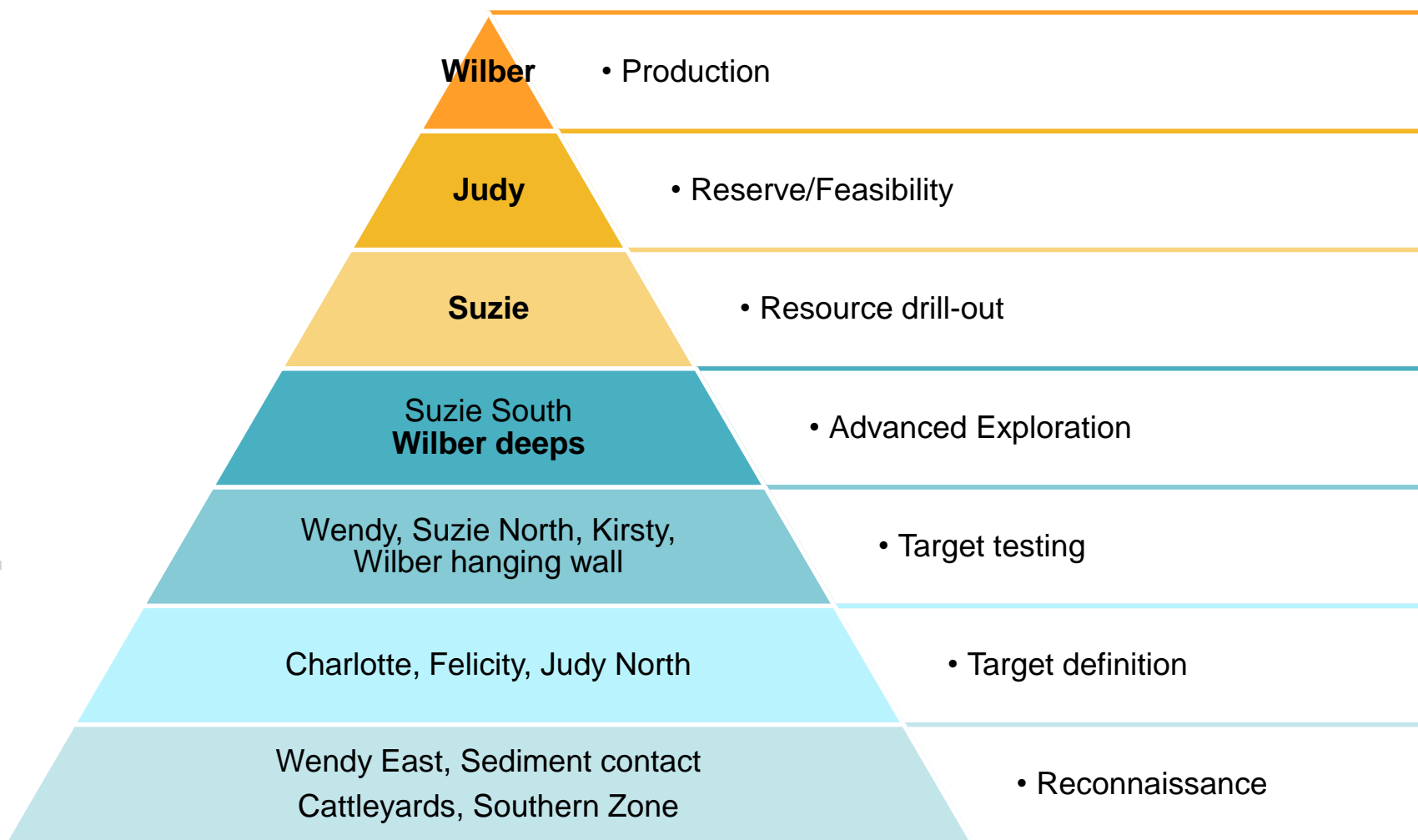


## A new high-grade gold camp

- Near-mine exploration provides rapid return on investment
- Numerous mineralised structures identified beneath shallow cover - **3 discoveries in 3 years**
- Lack of historical deep drilling
- Key targets:
  - Wilber Lode depth extensions
  - Judy Lode resource extensions
  - Suzie Zone
  - Margaret Zone
  - Kirsty Zone
- Exploration ramp up following commencement of production and recent capital raising
- SAM survey completed

# Andy Well - developing a prospect pipeline

For personal use only



# Northern Murchison

## Gnaweeda Gold Project JV

(Doray 88%, increasing to 100%)

■ Strategic land package with historic high-grade drill intercepts within trucking distance of Andy Well

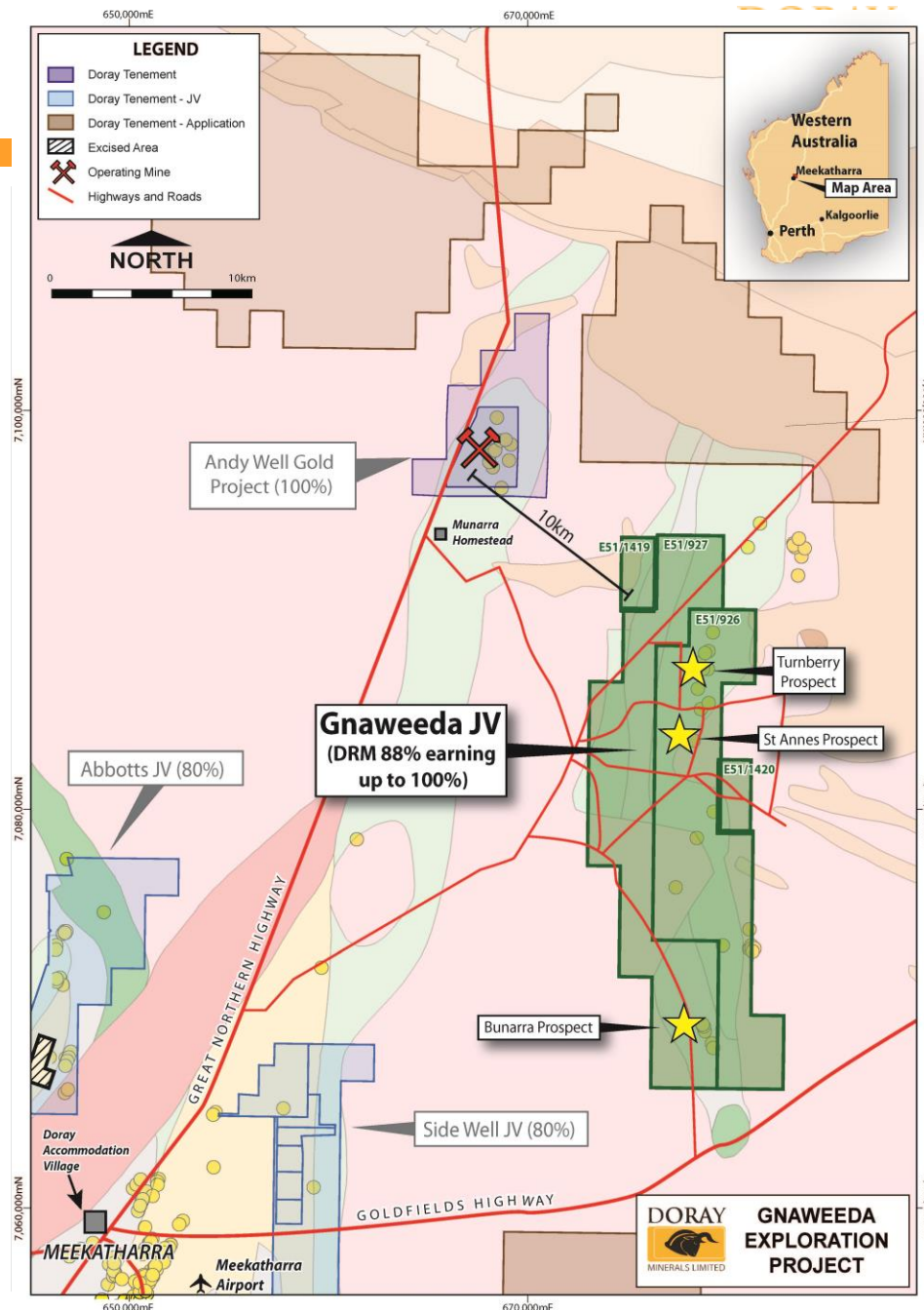
■ Turnberry - St Annes

- 3m @ 23.4g/t Au (GNRC007)
- 6m @ 11.9g/t Au (GNRC009)
- 3m @ 12.8g/t Au (GNRC003)
- 5m @ 5.9g/t Au (GNRC008)
- 14m @ 6.0g/t Au (GWL2-8)

■ Bunarra

- 10m @ 18.5g/t Au (BN003), including 4m @ 39.8g/t Au
- 6m @ 5.9g/t Au (BBP11)

Refer to ASX Announcement dated 16 July 2014



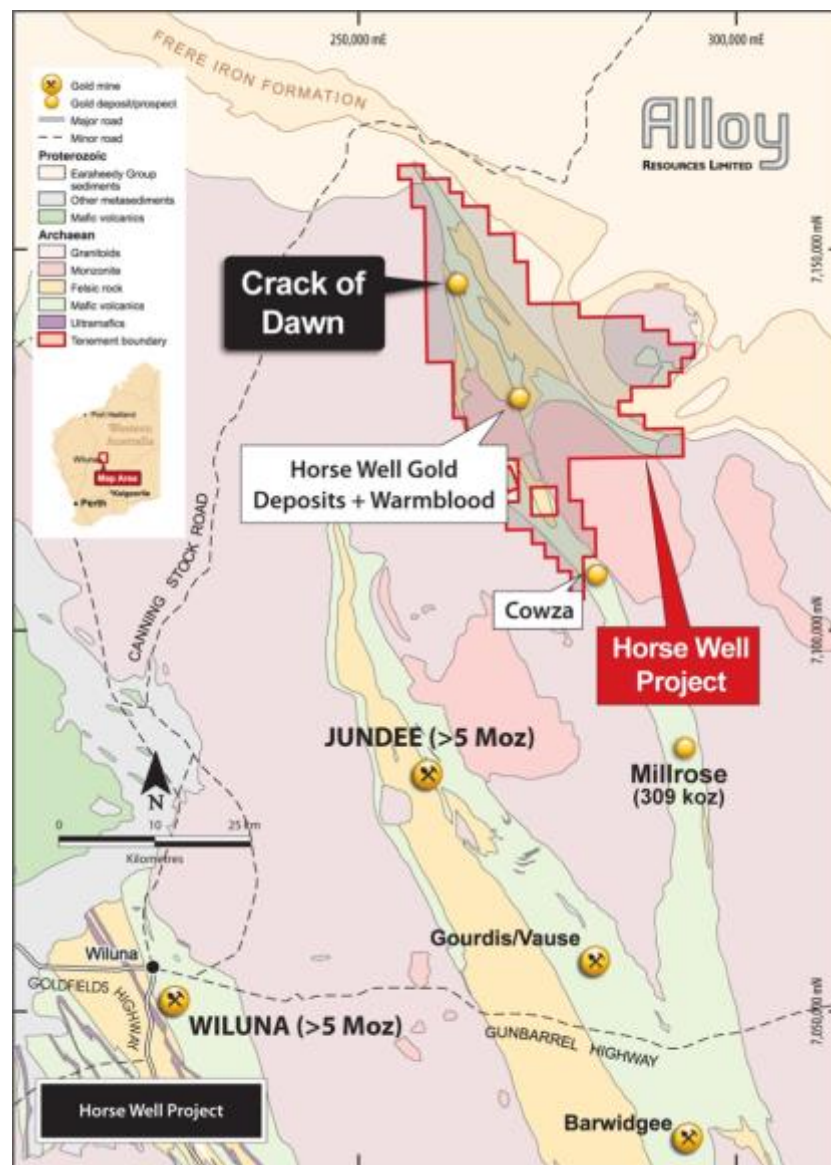
**DORAY** MINERALS LIMITED  
**GNaweEDA** EXPLORATION PROJECT

# Horse Well JV

## The next Yandal Belt?

- New JV farm-in agreement with Alloy Resources Ltd (ASX:AYR)
- Similar geology and structural settings to multi-million ounce Yandal Belt with Nimary-Jundee and Granny Smith deposit analogues
- Low-risk entry to highly prospective greenfields gold project
- Minimum spend \$900K then:
  - \$1M to earn 60%
  - \$2M to earn 80%
- EIS funding received

Refer to ASX Announcement dated 23 May 2014

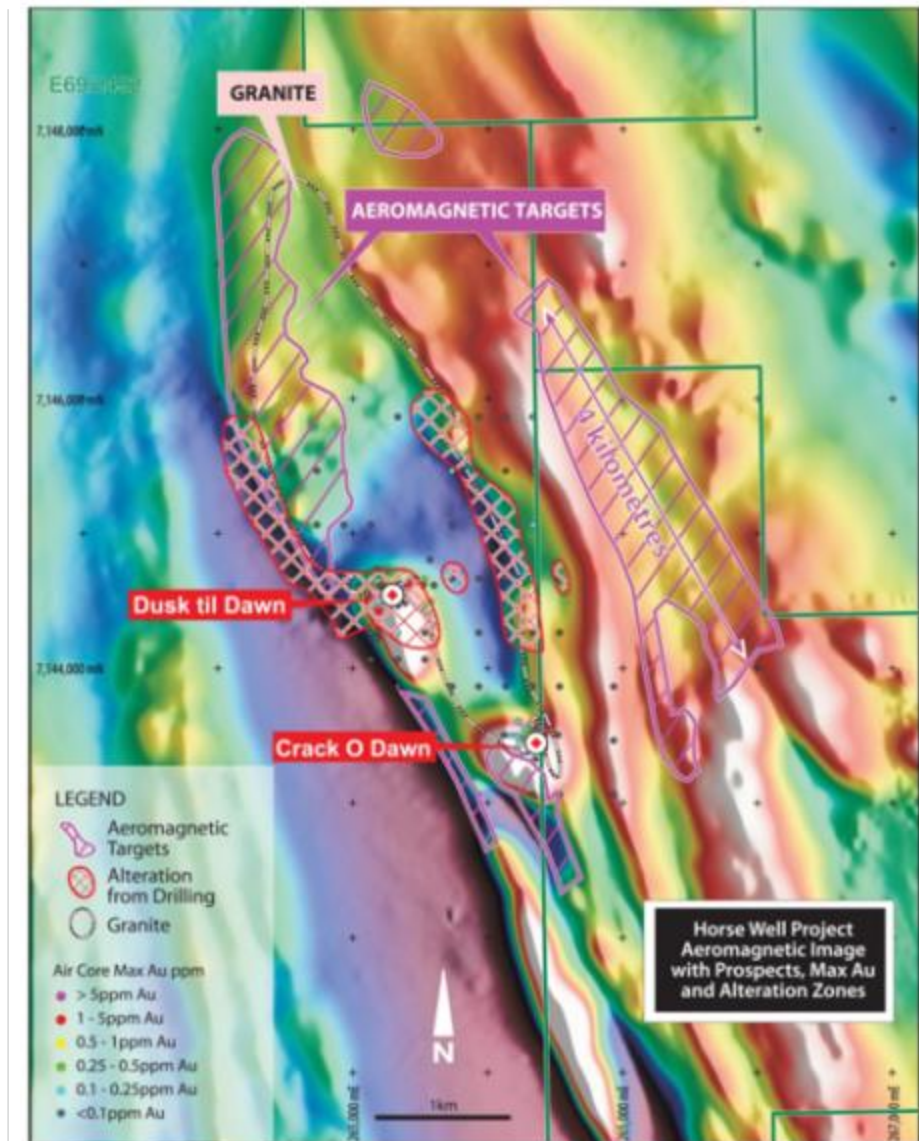


# Horse Well JV

For personal use only

## The next Yandal Belt?

- Limited exploration history - extensive shallow cover
- Crack of Dawn
  - 11m @ 3.5g/t Au
- Dusk til Dawn
  - 30m @ 2.0g/t Au
- Drilling to commence in 2<sup>nd</sup> half of CY2014



Refer to ASX Announcement dated 23 May 2014

For personal use only



# Corporate

DORAY



MINERALS LIMITED

# Corporate Snapshot

## ASX Code : DRM

Shares on Issue	164.7M
Options (\$0.20 - \$2.08)	9.4M
12 Month Share Price	\$0.35 - \$1.10
<b>Market Cap (@\$0.60)</b>	<b>\$98M</b>
Cash and gold (June 2014)	\$21.4M
Debt (June 2014)	\$13.9M
<b>Enterprise Value</b>	<b>\$91M</b>
# of shareholders	3,290

## Substantial Shareholders

Directors / Management	6.6%
Australian Institutions	45%
• Colonial	6.6%
• SG Hiscock	7.0%
• Renaissance Asset Mgt	5.6%
<b>Top 20 Shareholders</b>	<b>65%</b>

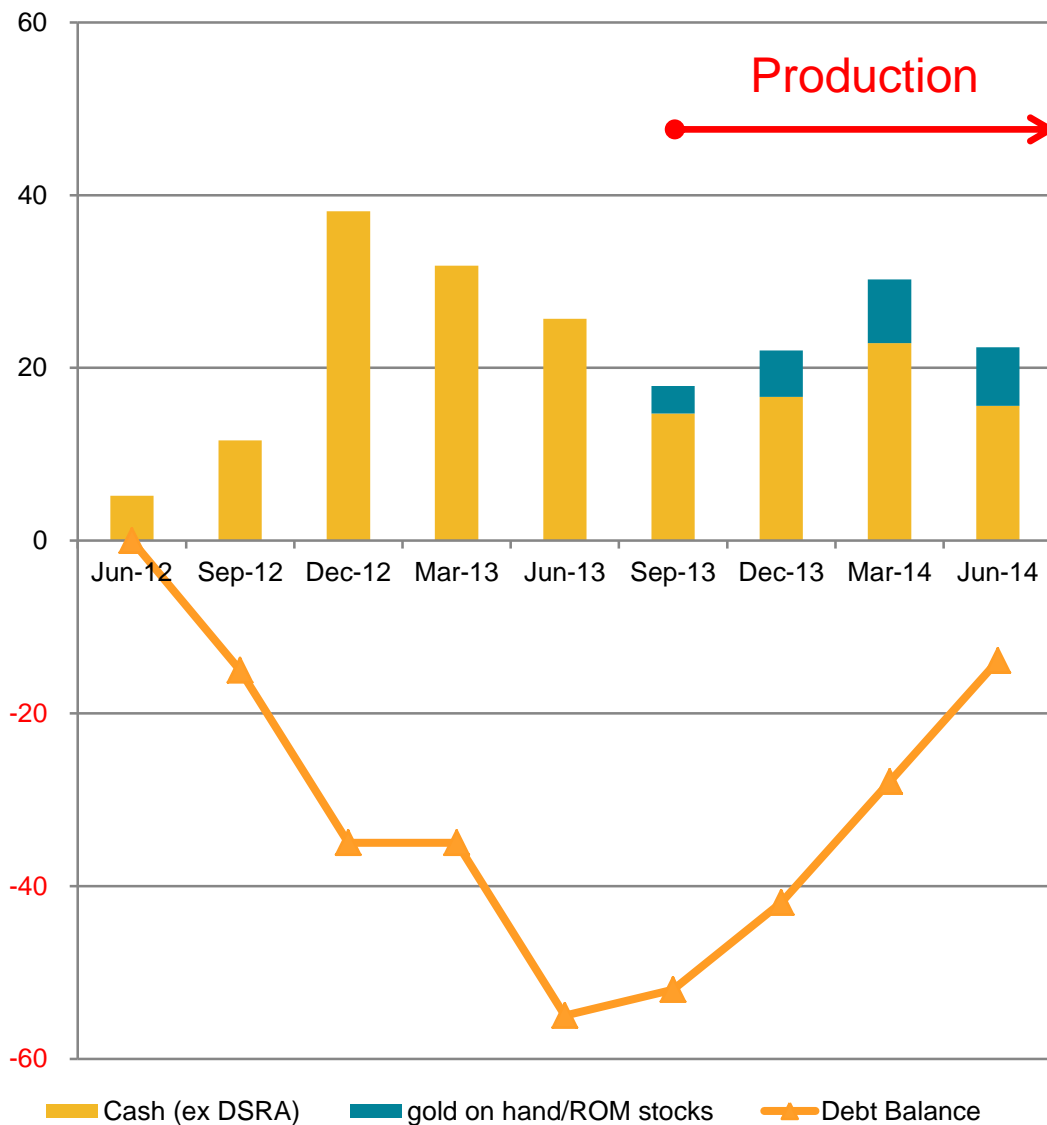


## Analyst Coverage

Argonaut	GMP
Black Swan	Macquarie
Commsec	Patersons
Evans and Partners	RFC Ambrian

# Strengthening the Balance Sheet

For personal use only



## Rapid Debt reduction

- Debt reduced by \$41M (approx. 75%) to date
- \$14M remaining until Sept 15
- Low interest rate margin

## Hedging Programme

- 45koz @ A\$1,620/oz (to Sept 14)
- 39koz @ A\$1,505/oz (Oct 14 - Sept 15)
- 2015FY - 45% of production hedged @ A\$1,547/oz



# Experienced Board/Management

## Board

<b>Peter Alexander</b>	Non-Executive Chairman – Geologist
<b>Allan Kelly</b>	Managing Director – Geologist (AMEC “Prospector Award”, 2014)
<b>Jay Stephenson</b>	Non Executive Director – Accountant
<b>Leigh Junk</b>	Non Executive Director - Mining Engineer

## Management Team

<b>Peter Bamford</b>	General Manager, Operations
<b>Peter Sperring</b>	Operations Manager, Andy Well Gold Project
<b>Mark Cossom</b>	Business Development Manager
<b>Brad Drabsch</b>	Exploration Manager
<b>Jon Latto</b>	Chief Financial Officer
<b>Iain Garrett</b>	Company Secretary/Financial Controller

## Doray Minerals is a high-grade gold producer with substantial upside

- Successfully made the transition from explorer and developer to high-grade gold producer
- Met 1<sup>st</sup> year guidance figures for costs and production at Andy Well and forecasting 2<sup>nd</sup> year figures in line with the BFS
- Established the first new gold mining operation in the Murchison in over 10 years and one of the highest margin gold projects in Australia over the past year.
- Significantly reduced its debt, placing Doray in a strong financial position moving into the 2<sup>nd</sup> year of production.
- Replaced the 1<sup>st</sup> year's production with recent exploration success at Andy Well.
- Provided strong indications of further extensions to the mine life
- Lead by an experienced Board and Management Team with a track record of delivery
- Well-funded for future exploration programmes and poised to take advantage of current market conditions.
- Unmatched leverage to increasing gold price, extensions to mine life at Andy Well and further exploration success.

For personal use only



# Thank you

[www.dorayminerals.com.au](http://www.dorayminerals.com.au)

DORAY



MINERALS LIMITED

ASX:DRM

# Appendices

## Wilber Lode Ore Reserve Inventory - 30 June 2013

Reserve	Proven			Probable			Total		
	Tonnes	Grade (g/t)	Ounces	Tonnes	Grade (g/t)	Ounces	Tonnes	Grade (g/t)	Ounces
Open Pit Stage 2	-	-	-	28,000	15.3	13,000	28,000	15.3	13,000
Wilber Underground	-	-	-	600,000	11.4	220,000	600,000	11.4	220,000
HG stockpiles	36,000	12.0	14,000				36,000	12.0	14,000
MG stockpiles	12,000	2.0	1,000				12,000	2.0	1,000
LG stockpiles	35,000	0.7	1,000				35,000	0.7	1,000
<b>TOTAL WILBER LODE RESERVE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>733,000</b>	<b>10.6</b>	<b>250,000</b>	<b>733,000</b>	<b>10.6</b>	<b>250,000</b>

## Judy Lode Ore Reserve Inventory - 31 July 2014

Reserve	Proven			Probable			Total		
	Tonnes	Grade (g/t)	Ounces	Tonnes	Grade (g/t)	Ounces	Tonnes	Grade (g/t)	Ounces
Judy South	-	-	-	203,000	8.8	58,000	203,000	8.8	58,000
<b>Total Judy</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>203,000</b>	<b>8.8</b>	<b>58,000</b>	<b>203,000</b>	<b>8.8</b>	<b>58,000</b>

Note: Open Pit Reserves are based on a nominal 1.4g/t Au lower cut-off grade. Stockpiles are based on grade control claimed grade and survey pickup. Rounding errors may occur.

# Appendices

## Wilber Lode Mineral Resource Inventory - 30 June 2013

	Measured			Indicated			Inferred			Total		
	Tonnes	Grade g/t	Ounces	Tonnes	Grade g/t	Ounces	Tonnes	Grade g/t	Ounces	Tonnes	Grade g/t	Ounces
<b>Wilber Lode</b>	-	-	-	569,000	15.4	281,000	174,000	6.7	38,000	743,000	13.3	318,000
<b>HG stockpiles</b>	36,000	12.0	14,000	-	-	-	-	-	-	36,000	12.0	14,000
<b>MG stockpiles</b>	12,000	2.0	1,000	-	-	-	-	-	-	12,000	2.0	1,000
<b>LG stockpiles</b>	35,000	0.7	1,000	-	-	-	-	-	-	35,000	0.7	1,000
<b>TOTAL WILBER LODGE</b>	<b>83,000</b>	<b>5.8</b>	<b>16,000</b>	<b>569,000</b>	<b>15.4</b>	<b>281,000</b>	<b>174,000</b>	<b>6.7</b>	<b>38,000</b>	<b>1,219,000</b>	<b>11.2</b>	<b>441,000</b>

## Judy Lode Mineral Resource Inventory - 31 June 2014

	Measured			Indicated			Inferred			Total		
	Tonnes	Grade g/t	Ounces	Tonnes	Grade g/t	Ounces	Tonnes	Grade g/t	Ounces	Tonnes	Grade g/t	Ounces
<b>Judy South</b>	-	-	-	252,000	10.5	85,000	85,000	8.0	22,000	<b>337,000</b>	<b>9.9</b>	<b>107,000</b>
<b>Judy North</b>	-	-	-	153,000	2.7	13,000	121,000	1.4	6,000	<b>274,000</b>	<b>2.1</b>	<b>19,000</b>
<b>TOTAL JUDY LODGE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>405,000</b>	<b>7.6</b>	<b>99,000</b>	<b>206,000</b>	<b>4.1</b>	<b>27,000</b>	<b>611,000</b>	<b>6.4</b>	<b>126,000</b>

Note: No lower cut-off applied to Wilber and Judy lodes, 0.5g/t lower cut-off applied to "Shear Zone". Upper cut-off applied as follows: Shear Zone - 3g/t, Wilber Lodes - 10g/t and 75g/t, Judy Lode 75g/t. Rounding errors may occur. All Mineral Resources are inclusive of those used to determine Ore Reserves.

## COMPETENT PERSONS STATEMENT

The information in this announcement that relates to Exploration Results is based on information compiled by Mark Cossom. Mr Cossom is a full-time employee of Doray Minerals Ltd and is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM). Mr Cossom has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activities which he is undertaking. This qualifies Mr Cossom as a “Competent Person” as defined in the 2012 edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’. Mr Cossom consents to the inclusion of information in this announcement in the form and context in which it appears.

The information in this announcement that relates to Mineral Resources is based on information compiled by Mark Cossom. The information in this announcement that relates to Ore Reserves is based on information compiled by Peter Bamford. Mr Cossom and Mr Bamford are full-time employees of Doray Minerals Ltd and are a Member and Fellow of the Australasian Institute of Mining and Metallurgy (AusIMM) respectively. Both Mr Cossom and Mr Bamford have sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activities which they are undertaking. This qualifies Mr Cossom and Mr Bamford as “Competent Persons” as defined in the 2004 edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’. Mr Cossom and Mr Bamford both consent to the inclusion of information in this announcement in the form and context in which it appears.

The information that refers to Ore Reserves and Mineral Resources in this announcement was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since last reported.

The Competent Person Statements relating to the Judy Lode Resource and Reserve are contained in an appendix to the ASX announcement released on 6 August 2014.