DORAY MINERALS LIMITED

ASX Announcement

16 July 2014

DORAY ACQUIRES HIGHLY PROSPECTIVE GNAWEEDA PROJECT, EXPANDS NORTHERN MURCHISON FOOTPRINT

- **Doray to purchase majority interest in the Gnaweeda Gold Project, 10km from its Andy Well Gold Mine**
- **Several high quality, walk-up drill targets identified for testing**
- **High-grade drill intercepts from historic exploration include:**
  - **3m @ 23.4g/t Au from 17 metres down hole (GNRC007 – Turnberry Prospect)**
  - **10m @ 18.5g/t Au from 113 metres down hole (BN003 – Bunarra Prospect)**
- **Acquisition expands Doray's project footprint within trucking distance of Andy Well**

Doray Minerals Limited (**ASX: DRM**, Doray, the Company) is pleased to announce it has executed an agreement with Archean Star Resources Australia Pty Ltd (Archean Star), a subsidiary of TSX-V listed Transatlantic Mining Corporation, to purchase a majority interest in the Gnaweeda Gold Project (Gnaweeda or the Project), located in the Northern Murchison region of Western Australia. The Gnaweeda tenements are located approximately 10 kilometres south-east of Doray's high-grade Andy Well Gold Mine (Figure 1), which is currently in production.

Gnaweeda is an advanced, high-grade exploration project with existing walk-up drill targets based on previously identified high-grade gold mineralisation. The Project tenements cover almost the entire Gnaweeda greenstone belt, the next greenstone belt east of the Meekatharra belt.

Doray's Managing Director, Mr Allan Kelly, explained that the Project purchase significantly increased the company's land position in the Northern Murchison and added another advanced high-grade exploration project to its project pipeline.

"A bit like Andy Well, Gnaweeda has been relatively underexplored despite some pretty exciting historical drill results. The game changer for Gnaweeda will be the ability to leverage off the existing mining and processing infrastructure at Andy Well," Mr Kelly said.

"Doray believes that with systematic exploration, the Project could provide additional high-grade ore sources for Andy Well in the near future".

The project tenements are subject to a series of existing Joint Venture Agreements between Archean Star, Teck Cominco Australia Pty Ltd (Teck) and Chalice Gold Mines Ltd (Chalice), whereby Archean Star has earned 100% of Teck's interest in the Project, being an 88% interest in the two main tenements (Chalice 12%) and a 100% interest in the remainder. Teck retains a clawback right to 75% of the project in the event of the delineation of a JORC-compliant Resource in excess of one million ounces of contained gold, or, should Teck not elect to clawback, a 10% Net Profit Interest.

In consideration for Archean Star's interest in the project tenements, Doray will make an AUD$500,000 cash payment to the Canadian company. A further AUD$500,000 payment will be payable to Archean Star upon the declaration of a JORC-compliant Mineral Resource in excess of 150,000 ounces of contained gold at Gnaweeda. Milestone payments, each of AUD$250,000, will be payable upon production increments of 50,000 ounces from the project, to a maximum of AUD$1.0 million. The Agreement remains conditional upon satisfaction of several items, including the waiving of an existing third-party first right of refusal.

The Gnaweeda Gold Project

The Gnaweeda Project covers a largely buried greenstone belt located to the east of the Meekatharra-Mt Magnet Greenstone Belt (Figure 1).

Exploration for gold mineralisation at the Project has been carried out by various companies since the mid-1980s, including Dominion Mining Ltd, Newcrest Mining Ltd, Helix Resources Ltd, Teck and Archean Star, with most explicitly targeting a stand-alone gold operation. The recent commissioning of Doray's nearby Andy Well Gold Mine has significantly altered the strategic importance of the Gnaweeda Project. Several existing prospects have been identified and will be targeted by Doray's exploration team in the near term, with a view to delineating potential satellite mining operations for the Andy Well project.

To date, extensive gold mineralisation has been identified by previous explorers at two main prospects:

- Turnberry - St Annes; and
- Bunarra.

It should be noted that, for the purposes of reporting according to the JORC Code (2012), all drill and sample data discussed are based on historic exploration records. Doray has not completed full validation of these records and this process is ongoing. Work by Doray in the next 12 months will focus on both confirming and upgrading these previously identified prospects.

Turnberry – St Annes

At the Turnberry and St Annes Prospects exploration has focused on an area where a significant and extensive supergene gold blanket is developed in the saprolite profile. Mineralisation at Turnberry is hosted within mafic schistose rocks intruded by narrow porphyry dykes, adjacent to the contact with a shale unit within what is termed the Boundary Shear Zone.

Significant historical drilling results returned from the Turnberry prospect include:

- **3m @ 23.4g/t Au from 17mdh (GNRC007)**
- **6m @ 11.9g/t Au from 168mdh (GNRC009)**
- **3m @ 12.8g/t Au from 48mdh (GNRC003)**
- **5m @ 5.9g/t Au from 82mdh (GNRC008)**
- **14m @ 6.0g/t Au from 60mdh (GWL2-8)**

Historic drilling results at Turnberry-St Annes are illustrated in Figure 2, with significant historic intercepts tabulated in Table 1.

Doray believes that the Turnberry – St Annes prospects have not been adequately explored for deposits of a size and grade that Doray is successfully mining at the nearby Andy Well Gold Project. In addition, the most prospective zone at Turnberry, the “northern zone”, is essentially open in all directions.

Upon completion of the Sale Agreement, Doray intends to compile and validate these historic intercepts and recommence drilling to determine continuity and extensions to the known mineralisation.

Bunarra

The Bunarra Prospect area is centred around the historic Bunarra workings (Figure 3).

Gold mineralisation at Bunarra is interpreted to be almost entirely associated with quartz-tourmaline veins, arsenopyrite and pyrite (QTAP assemblage) within a gabbro host rock. Visible gold has been observed within quartz-chlorite-fluorite veins at Bunarra Central.

Significant historical drilling results returned from the Bunarra prospect include:

- **10m @ 18.5g/t Au from 113mdh (BN003), including 4m @ 39.8g/t Au**
- **6m @ 5.9g/t Au from 30mdh (BBP11)**
- **3m @ 4.1g/t Au from 24mdh (BBP2)**

Historic drilling results at Bunarra are illustrated in Figure 3, with significant historic intercepts tabulated in Table 2.

Upon completion of the Sale Agreement, Doray intends to validate these historic intercepts and test for oblique, narrow vein, high-grade gold bearing structures, similar to those currently being mined at the Andy Well Gold Project.

-ENDS-

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About Doray Minerals Limited

Doray Minerals Limited (**ASX: DRM**) is Western Australia's newest high-grade and low-cost gold producer. The Company began mining its high-grade Wilber Lode deposit at the Andy Well Gold Project in the northern Murchison region of Western Australia in November 2012 and commenced gold production in August 2013, approximately 3.5 years after the initial discovery.

Doray has a strategic portfolio of gold exploration properties within Western Australia and South Australia and each presents multiple discovery opportunities. The Company's Board and management team has expertise in discovery, development and production.

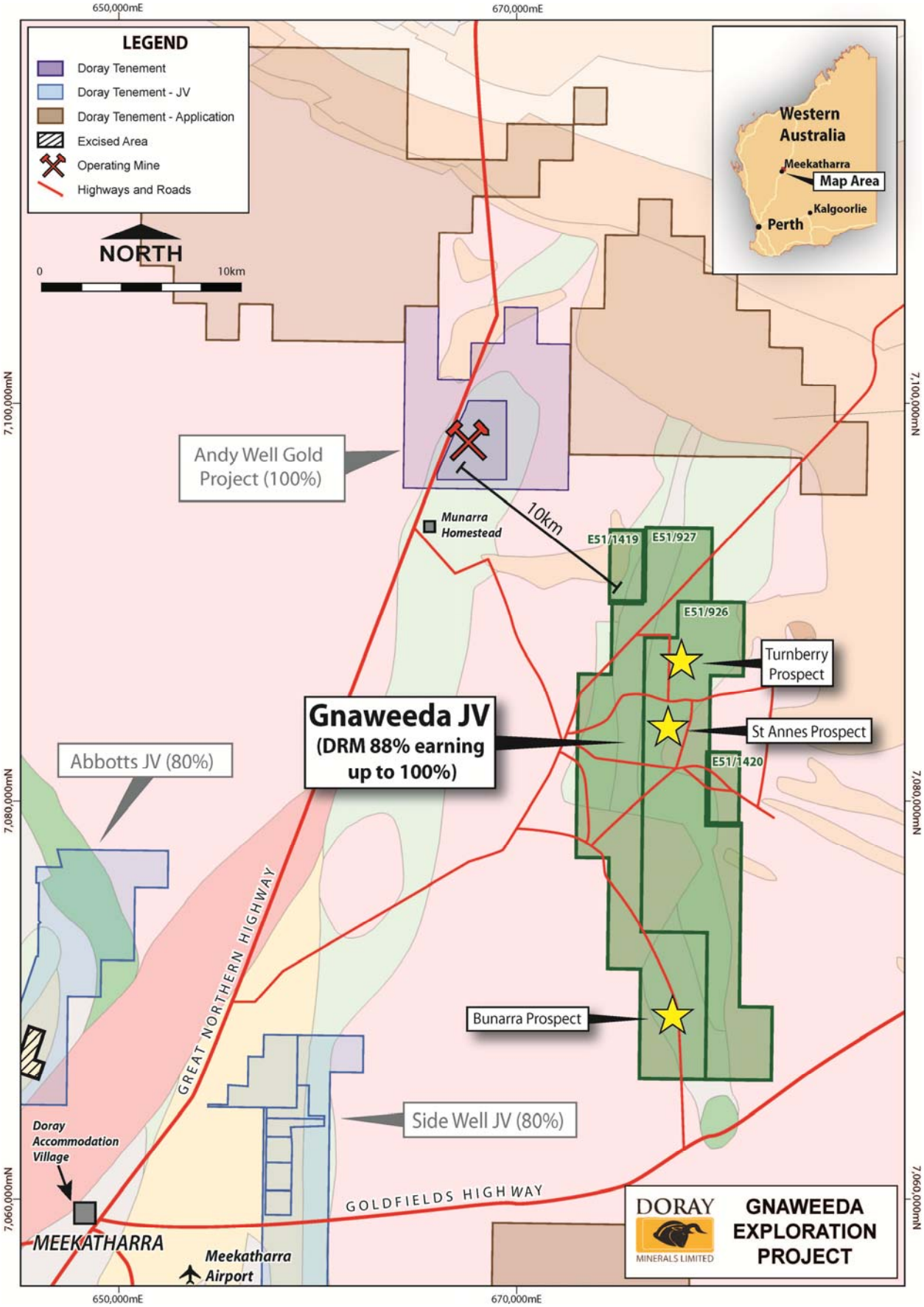

Figure 1. Location and geology of the Gnaweeda Gold Project in relation to the Andy Well Gold Project and other Doray exploration projects.

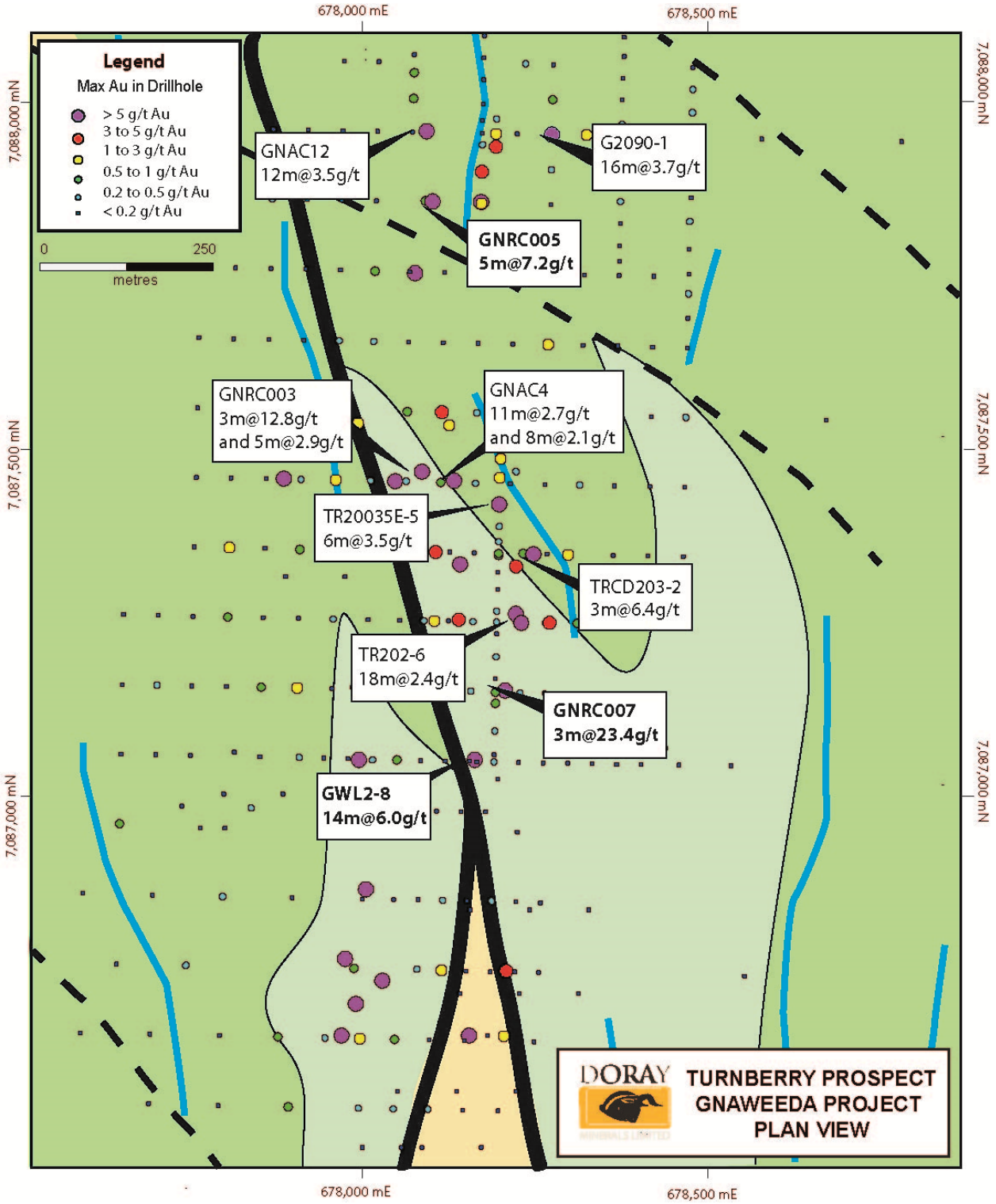

Figure 2. Plan view of Turnberry prospect showing historic drilling with selected significant intercepts. Note these historic intercepts are yet to be fully validated by Doray.

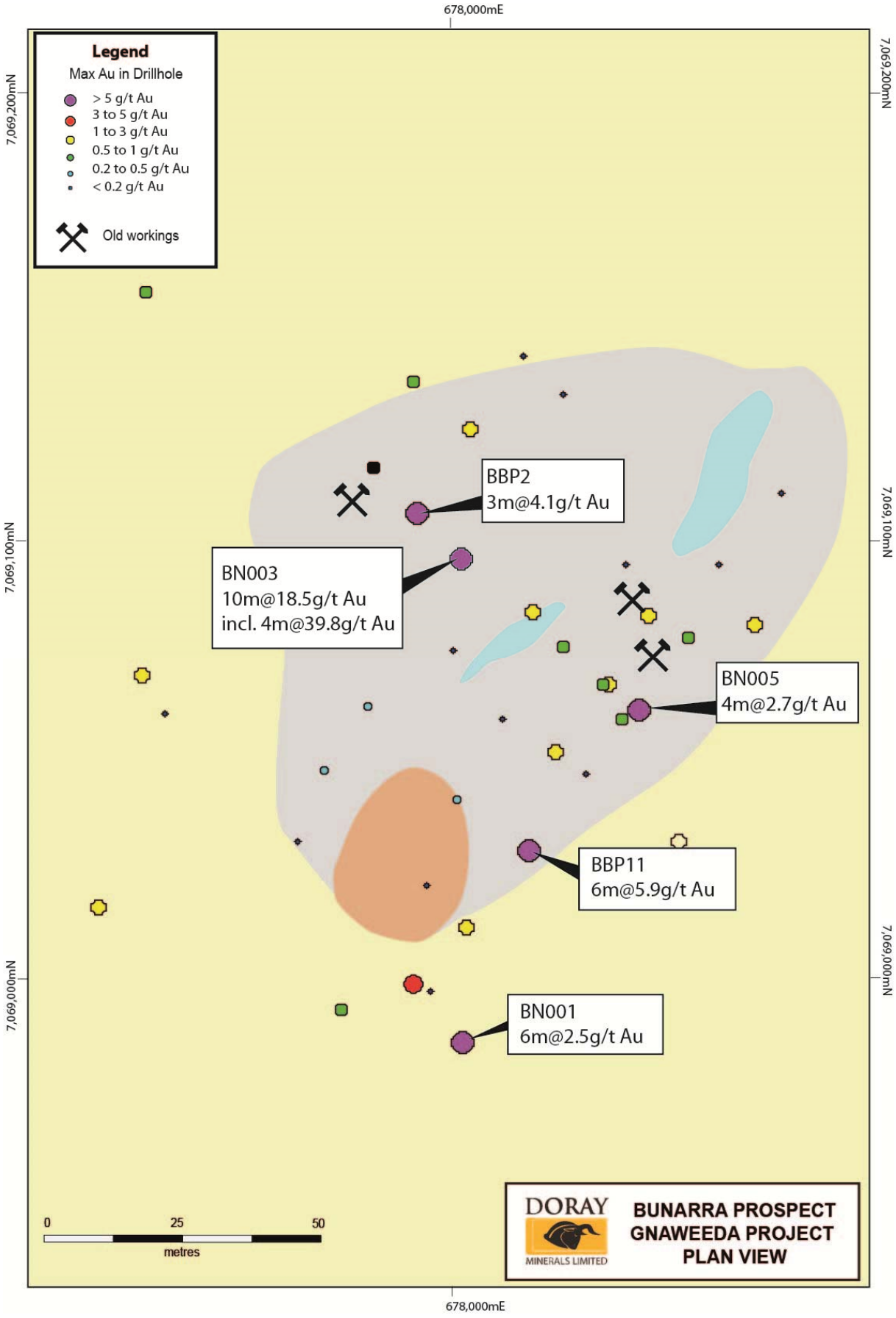

Figure 3. Plan view of Bunarra prospect showing historic drilling with selected significant intercepts. Note these intercepts are yet to be fully validated by Doray.

Appendices

Table 1. Significant historic drillhole intercepts – Turnberry/St Annes Prospect (Intervals >3m @ 2g/t Au with maximum 2m internal dilution)

Hole ID	Easting (MGA 50)	Northing (MGA 50)	RL	Dip /Azimuth	Total Depth (m)	From (m)	To (m)	Interval (m)	Au Grade (g/t)
GNRC007	678200	7087135	516	-60/090	253	17	20	**3**	**23.4**
GNRC003 and	678080	7087450	516	-60/084	322	48	51	**3**	**12.8**
GNRC003	678080	7087450	516	-60/084	322	251	256	5	2.9
GNRC009	677965	7086640	516	-60/090	252	168	174	**6**	**11.9**
GNRC005	678070	7087735	516	-60/090	300	277	282	**5**	**7.2**
TRCD203-2	678240	7087332	518	-60/090	204.29	142	145	**3**	**6.4**
GWL2-8	678156	7087036	515	-90/000	72	58	72	**14**	**6.0**
GNRC008	677970	7086750	516	-60/090	286	82	87	**5**	**5.9**
G2090-1	678267	7087933	513	-60/180	68	52	68	**16**	**3.7**
TB006 and	677985	7086686	515	-60/090	326.90	67	73	6	3.6
TB006	677985	7086686	515	-60/090	326.90	104	110	6	3.6
TR20035E-5	678191	7087403	516	-60/180	62	38	44	6	3.5
GNAC12	678095	7087837	515	-60/090	200	167	179	13	3.5
GNAC13	678023	7086719	516	-60/090	160	134	138	4	3.3
GNRC001	678000	7086850	516	-60/090	258	232	236	4	3.1
GNAC082	676700	7075350	534	-90/000	80	75	79	4	2.9
GNAC4 and	678127	7087437	517	-60/090	166	106	117	11	2.7
GNAC4	678127	7087437	517	-60/090	166	144	152	8	2.1
TR2000E-12	678166	7087880	515	-60/180	89	24	30	6	2.5
TRC204-1	678042	7087436	516	-60/000	203	90	93	3	2.4
TR202-6	678223	7087232	515	-60/270	80	40	58	18	2.4
GNRC002	678215	7087245	516	-60/080	298	216	225	9	2.1
TRCD204-2	677882	7087440	513	-60/090	367	293	297	4	2.0

Note – Intervals presented above are down hole and do not represent true widths.

Table 2. Significant historic drillhole intercepts – Bunarra Prospect (Intervals >3m @ 2g/t Au with maximum 2m internal dilution)

Hole ID	Easting (MGA 50)	Northing (MGA 50)	RL	Dip /Azimuth	Total Depth (m)	From (m)	To (m)	Interval (m)	Au Grade (g/t)
BN003	678030	7069046	565	-60/315	154.2	113	123	**10**	**18.5**
BBP11	678017	7069028	565	-60/315	45	30	36	**6**	**5.9**
BN001	678002	7068983	565	-55/315	89.7	78	84	6	2.5
BN005	678042	7069061	564	-60/310	263	145	149	4	2.7
BBP2	677992	7069107	565	-60/315	45	24	27	3	4.1

Note – Intervals presented above are downhole and do not represent true widths.

Competent Person Statements

The information in this announcement that relates to Exploration Results is based on information compiled by Brad Drabsch. Mr Drabsch is a full time employee of Doray Minerals Ltd and is a Member of the Australasian Institute of Geoscientists (AIG). Mr Drabsch 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 Drabsch 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 Drabsch consents to the inclusion of information in this announcement in the form and context in which it appears.

JORC Code 2012 Edition Summary (Table 1) – Gnaweeda Gold Project

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.*	• All data presented herein is historic and Doray is yet to complete a full validation of the nature and quality of the sampling undertaken. At present, data is taken on face value.
	• *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.*	• All data presented herein is historic and Doray is yet to complete a full validation of the nature and quality of the sampling undertaken. At present, data is taken on face value.
	• *Aspects of the determination of mineralisation that are Material to the Public Report.*	• All references to mineralization are taken from reports and documents prepared by previous explorers and have been taken at face value.
	• *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• All data presented herein is historic and Doray is yet to complete a full validation of the nature and quality of the sampling undertaken. At present, data is taken on face value and is assumed to have been performed to industry standard, with percussion samples collected on 1m intervals and composited, and diamond core sampled on geological intervals.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Various drill types have been used historically including RAB, Aircore, RC and Diamond. At this time hole diameters and detailed information regarding drilling has not been compiled.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.*	• Doray is yet to complete validation of the data to determine whether this information has been collected in full.
	• *Measures taken to maximise sample recovery and ensure representative nature of the samples.*	• Doray is yet to complete validation of the data to determine whether this information has been collected in full.
	• *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• Doray is yet to complete validation of the data to determine whether this information has been collected in full.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate*	• All holes have been geologically logged however the quality and level of detail is yet to be verified.

Criteria	JORC Code explanation	Commentary
	Mineral Resource estimation, mining studies and metallurgical studies.	
	• *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.*	• All holes have been geologically logged however the quality and level of detail is yet to be verified.
	• *The total length and percentage of the relevant intersections logged.*	• All holes have been geologically logged however the quality and level of detail is yet to be verified.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.*	• It is believed that core has been sawn and sampled according to industry standard (half core) however this is yet to be validated.
	• *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.*	• Various sampling methods have been employed historically for non-core drilling however the exact nature of this sampling is yet to be fully verified.
	• *For all sample types, the nature, quality and appropriateness of the sample preparation technique.*	• It is assumed that all sampling has been undertaken to "industry standard" however this is yet to be verified.
	• *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.*	• It is assumed that all sampling has been undertaken to "industry standard" however this is yet to be verified.
	• *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.*	• It is assumed that all sampling has been undertaken to "industry standard" however this is yet to be verified.
	• *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• It is assumed that all sampling has been undertaken to "industry standard" however this is yet to be verified.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*	• It is assumed that all assaying has been appropriate to mineralization in the Project however this is yet to be fully verified.
	• *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.*	• These tools have not been utilized.
	• *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• It is assumed that all quality control procedures have been appropriate however this is yet to be fully verified.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.*	• Significant intervals have been taken from historic databases and are assumed correct however these data are yet to be fully verified.
	• *The use of twinned holes.*	• Doray is yet to twin any holes from the historic work.

Criteria	JORC Code explanation	Commentary
	• *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.*	• It is assumed that previous workers collected all data according to "industry best practice" at the time of collection however this is yet to be fully verified.
	• *Discuss any adjustment to assay data.*	• No adjustments made to assay data.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.*	• It is assumed that previous workers collected this information accurately however this is yet to be fully verified.
	• *Specification of the grid system used.*	• MGA 94 Zone 50 has been used.
	• *Quality and adequacy of topographic control.*	• The local topography in the area is flat and nominal RL's or RL's taken from handheld GPS are assumed to have been used historically.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.*	• Various drill spacing has been used at various prospects with examples of the drill spacing shown in the diagrams in this report.
	• *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.*	• Not applicable as a Mineral Resource or Ore Reserve is not determined.
	• *Whether sample compositing has been applied.*	• Not applicable as a Mineral Resource or Ore Reserve is not determined.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*	• The orientation of controlling structures has not been fully determined and a variety of drill orientations have been used historically.
	• *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• N/A
Sample security	• *The measures taken to ensure sample security.*	• Due to the historic nature of the data, this has not and may not be determinable.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• Doray has not performed any audits at this time.

Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• Doray has reached conditional agreement to purchase the interest of Archean Star Resources Australia Pty Ltd in the Project. This interest entails 100% of P51/2652, E51/1419 and E51/1420, and 88% of E51/926 and E51/927, which are in JV with Chalice Gold Mines Ltd. • Chalice are diluting from an initial 30% interest (and currently hold 12% interest) in E51/926 and E51/927 to a 0.5% NSR. • Teck Cominco retains the right to claw-back 75% of Archean Star's interest through the expenditure of $7.5M within 4 years upon the discovery of 1M ozs Au. Should Teck elect not to claw-back, Teck are entitled to a 10% NPI (Net Profit Interest). • An additional 1% NSR is payable to J.A. Bunting and Associates Pty Ltd. • The Project is covered by Doray's Meekatharra North Project Deed with the Yugunga-Nya People. • No other issues are known of affecting security of tenure or impediments to obtaining a license to operate in the area.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Previous exploration has been completed on the Project by Dominion Mining Ltd, Newcrest Mining Ltd, Helix Resources Ltd, Teck and Archean Star. However, previous exploration has been focused on stand-alone gold mining operations.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• Project scale geology consists of Archean greenstone lithologies. These are cross cut by east-west striking Proterozoic dolerite dykes. Mineralisation observed to date consists of shear hosted mineralisation within mafic rocks, and quartz-tourmaline veins hosted within gabbroic rocks.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* o *easting and northing of the drill hole collar* o *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* o *dip and azimuth of the hole* o *down hole length and interception depth* o *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	• Summary of all significant historic drillhole data is attached to this release. These data pertain to all holes drilled that have returned a best Au assay intercept of greater than 3m @ 2g/t Au at the Turnberry-St Annes and Bunarra prospects. • There is additional historic reconnaissance drilling across other areas on the Project which have not been detailed in this announcement, due to the opinion that it is not relevant to the gold mineralisation discussed. Doray is yet to validate and determine the effectiveness of most of this reconnaissance drilling.

Criteria	JORC Code explanation	Commentary
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• No top-cuts have been applied when reporting results. • Intercepts are reported for those intervals greater than 3m @ 2.0g/t Au, with maximum 2m internal dilution. • No repeat assays have been utilized in averaging of reported assays. • All assays are based on a historical database, and have been treated on face value. No validation or check assaying has been carried out by Doray.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• Drilling has been undertaken on various drill orientations, and thus does not represent true width intersections. Future work by Doray will involve validation and re-interpretation of historic results and the drilling of additional holes to determine the orientation of mineralisation and thus true widths
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Refer to plan attached
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• All holes drilled are reported that have results greater than 3m @ 2.0g/t Au (minimum 2m internal dilution) for the Turnberry-St Annes and Bunarra prospects. Other historic drilling exists at these prospects as illustrated in the attached plans. Other regional shallow drilling has historically been undertaken at other areas in the Project, but are not considered relevant to this announcement.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• Only regional aeromagnetic data have been collected at the project. Doray is yet to validate the effectiveness and suitability of these surveys.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Doray will undertake extensive validation and field confirmation of historic drill and sampling data at the various prospects. Once complete, it is planned that Doray will identify targets for potential mineralisation suitable for mining at processing at its nearby Andy Well Project and undertake drilling programmes to test these targets.