

DEFLECTOR DELIVERS ANOTHER SOLID QUARTER

Doray Minerals Limited (“Doray” or “the Company”) is pleased to announce its Quarterly Activities Report for the period ended 30 June 2018.

HIGHLIGHTS

Deflector Gold Copper Mine

- FY18 gold production of **64,593** ounces, at the very top end of the ramp-up year guidance (60,000 – 65,000 ounces)
- FY18 copper production of **3,413** tonnes, well above guidance (2,400 – 2,800 tonnes)
- FY18 All-in Sustaining Costs of **\$1,190/oz**, well below guidance (\$1,250 – \$1,350/oz)
- June 2018 Quarter production of **18,467** ounces of gold and **818** tonnes of copper at an AISC of **\$1,196/oz**
- **Mineral Resources increased 34%** after mining depletion to 762,000 ounces of gold, with the average grade increasing by **38% to 8.6g/t of gold**
- **Ore Reserves increased 4%** after mining depletion to 250,000 ounces of gold, with the average grade increasing by **6% to 5.0g/t of gold**
- FY19 gold production guidance of **80,000 – 85,000** ounces, an increase of 30% at a significantly lower AISC of **\$1,050 – \$1,150/oz**

Corporate

- Cash and equivalents increased to **\$30.7M**
- Net cash position increased to **\$10.2M**

ASX ANNOUNCEMENT

27 July 2018

Issued Capital as at

30 June 2018

446.7m shares outstanding

52 Week Share Price

Range to 30 June 2018

\$0.16 - \$0.345

Market Capitalisation as at

30 June 2018

\$138m (@\$0.31)

BOARD

Julius Matthys

Non-Executive Chairman

Leigh Junk

Managing Director

Peter Alexander

Non-Executive Director

Jay Stephenson

Non-Executive Director

SUBSTANTIAL SHAREHOLDERS

as at 30 June 2018

Perennial Value Mgt – 12%

Ruffer Gold Fund – 10%

Paradice Investment Mgt – 8%

Sun Valley Gold – 7%

REGISTERED OFFICE

Level 1, 1292 Hay Street
West Perth WA 6005

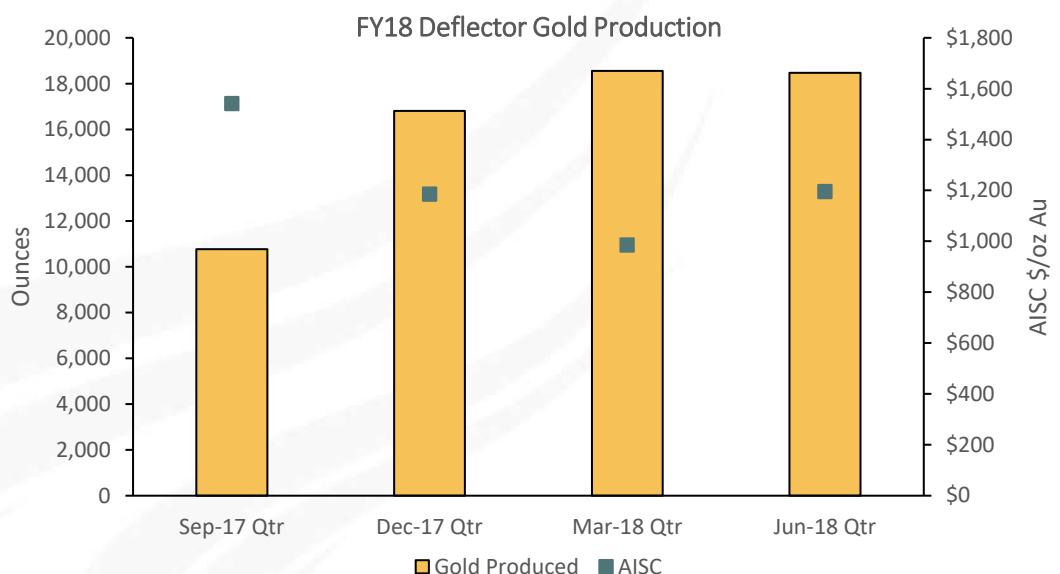


Chart 1: Deflector Gold Production FY18

Reflecting on Deflector’s first full year of processing solely underground ore, Doray’s Managing Director, Leigh Junk said, “Deflector completed another solid quarter of production in June which capped off a year that achieved or exceeded all production and financial expectations. This result combined with the exciting in-mine exploration discoveries made during the year highlights Deflector as a quality operation with enormous upside potential.

We are looking forward to the 2019 financial year in which we forecast gold production at Deflector to increase by 30% and our exploration investment to increase by 67%.”

PHYSICALS	UNITS	SEP-17 QTR	DEC-17 QTR	MAR-18 QTR	JUN-18 QTR	FY18
Gold Produced						
Bullion	oz	7,540	13,059	13,791	12,257	46,647
Concentrate	oz	3,225	3,751	4,760	6,210	17,946
Sub Total	oz	10,765	16,810	18,551	18,467	64,593
Concentrate Produced	dmt	3,618	4,061	4,309	3,914	15,902
Contained Copper	t	796	833	966	818	3,413
Payable Copper	t	768	794	920	779	3,261
Gold Payable	oz	10,684	16,703	18,432	18,299	64,118
REVENUE						
Bullion sales	\$M	12.1	19.0	23.1	19.8	74.0
Average Price Received - Bullion	\$/oz	1,641	1,637	1,633	1,576	1,620
Concentrate sales	\$M	12.6	14.2	15.6	15.5	57.9
Total	\$M	24.7	33.2	38.7	35.3	131.9

Table 1. Deflector Key Production Physicals and Revenue Statistics

DEFLECTOR GOLD COPPER MINE

Safety

The Deflector site had zero recorded Lost Time Injuries (LTI) for the Quarter, recording 217 LTI free days as at 30 June 2018.

The site continues to make significant progress operating under a revised Safety Management System and associated strategies which include management plans, tools and employee training focussed on the mitigation of key operating risks to ensure sustained safety in the workplace.

Mining

Mining operations progressed to plan during the June Quarter with total ounces mined rising 7% on the previous Quarter. The ounces mined run-rate has increased Quarter-on-Quarter through FY18 providing a solid basis to achieve the issued FY19 guidance (refer to [ASX Release 20 June 2018](#)). Capital development was reduced in line with operational needs as extensions to both the primary ventilation and high voltage electrical circuits were completed, providing unrestricted operating development in the lower mine horizons.

The initial 1120mRL level Da Vinci lodes development was completed late in the Quarter allowing for commencement of the planned underground resource definition drilling program which should see an economic mining evaluation of the area completed in the December 2018 Quarter.

Stoping ore contribution of 68,988t @ 4.6g/t gold and 0.9% copper was consistent during the Quarter comprising almost 50% of the total underground ore supply. Ore development delivered strong results over the Quarter producing 73,787t @ 5.2g/t gold and 0.4% copper. This grade remains high with contribution from several high-grade headings such as the Link Splay and Da Vinci lode structures.

Two mobile diamond drilling rigs were utilised underground in the Quarter, alternating between grade control and resource development drilling duties at Da Vinci.

Key mining statistics for the Quarter and Financial Year are shown in Table 2.

MINING	UNITS	SEP-17 QTR	DEC-17 QTR	MAR-18 QTR	JUN-18 QTR	FY18
Ore mined	t	131,602	122,567	126,608	142,775	523,549
Gold grade	g/t	3.1	4.8	5.1	4.9	4.5
Copper grade	%	0.6	0.9	0.9	0.7	0.7
Gold mined	oz	12,971	18,952	20,876	22,364	75,161
Copper mined	t	736	1,042	1,159	954	3,889
Capital development	m	501	350	619	399	1,869
Operating development	m	1,437	1,202	798	1,377	4,814

Table 2. Summary of mining physicals

Underground capital mine development advanced 399m with the decline face reaching 1046mRL, 234m below surface and 194m below the portal by the end of the Quarter, as can be seen below in the as-built long-section of the mine.

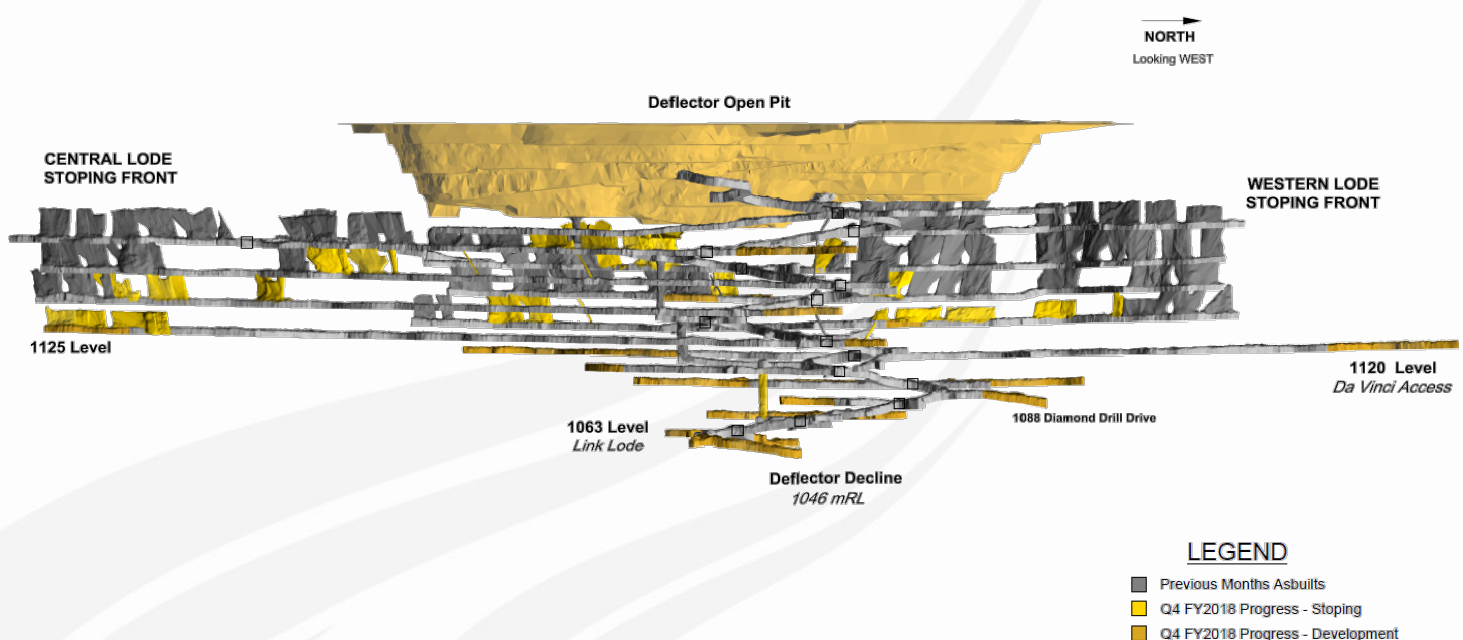


Figure 1. Deflector mining progress as at 30 June 2018

Processing

The Deflector processing plant continued to operate at the high levels of throughput seen over the past two Quarters, setting a new project-to-date record of 142,513 tonnes. Lower mechanical availability of 91.1% reflects two shutdowns for a mill reline and fine ore bin wear liner replacement, completed along with other associated tasks. It was pleasing that record mill throughput was achieved with this lower availability. This provides confidence that the throughput rate budgeted for FY19 (which is around current levels) is achievable. A whole-of-plant metallurgical survey was undertaken during the Quarter which will provide robust baseline data for various optimisation projects throughout FY19, including improving overall gold recovery.

Quarterly gold production was consistent at 18,467 ounces of gold. Of the total gold recovered, 66% was extracted via the gravity circuit and reported to bullion with the remaining 34% recovered in concentrate. Four shipments totalling 3,512t of gold-copper concentrate were exported over the Quarter at an average grade of 38.4g/t gold and 21.1% copper.

Key Deflector processing statistics for the Quarter and Financial Year are shown in Table 3.

PROCESSING	UNITS	SEP-17 QTR	DEC-17 QTR	MAR-18 QTR	JUN-18 QTR	FY18
Ore Milled	t	125,054	141,939	140,454	142,513	549,960
Gold Grade	g/t	3.1	4.3	4.7	4.6	4.20
Copper Grade	%	0.7	0.7	0.8	0.7	0.7
Gold Recovery	%	86.9	86.6	86.3	87.8	86.9
Copper Recovery	%	87.1	84.6	82.2	85.4	84.6
Gold Produced	oz	10,765	16,810	18,551	18,467	64,593
Copper Produced	t	796	833	966	818	3,413
Concentrate Shipped	dmt	3,712	3,728	4,663	3,512	15,615
Gold Grade	g/t	28.8	25.0	30.8	38.4	30.6
Copper Grade	%	22.6	20.1	21.1	21.1	21.2

Table 3. Summary of Deflector processing physicals

Deflector - Processing Physical Statistics

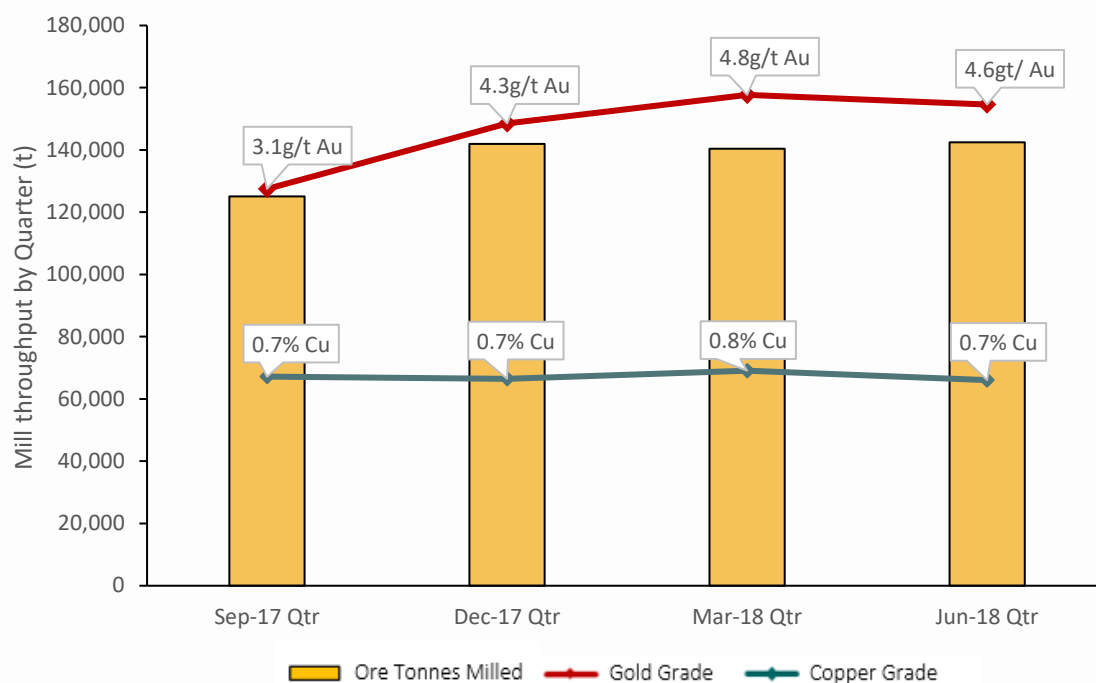


Chart 2. Key processing statistics

	A\$000	A\$/t	A\$/oz
Mining	14,120	99	771
Processing & Refining	6,438	45	352
Site Services	2,150	15	117
Net By-Product Credits	(4,911)	(34)	(268)
C1 - NET DIRECT CASH COST	17,797	125	972
Royalties	1,397	10	76
Corporate G&A	440	3	24
Sustaining Exploration	156	1	9
Sustaining Capital Expenditure	2,104	15	195
ALL-IN-SUSTAINING COST (AISC)	21,894	154	1,196

Table 4. Summary of cost performance for June 2018 Quarter

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

Deflector In-Mine Exploration

During the Quarter, the Company announced results from underground drilling on a newly identified lode within the Deflector mineralised system, named the Link Lode (refer to [ASX Release 7 June 2018](#)).

Mining activities delineated the Link Lode which is a significant mineralised structure within the Deflector system. Sections of this lode were previously interpreted as small discontinuous structures splaying off the Western Zone and Central Lode in the 2017 Deflector Mineral Resource estimate. The geological significance and continuity of this structure was not immediately recognised due to a data shadow in the pre-mining surface drilling data as a result of the orientation of the Western Zone and Central Lode (see Figure 2).

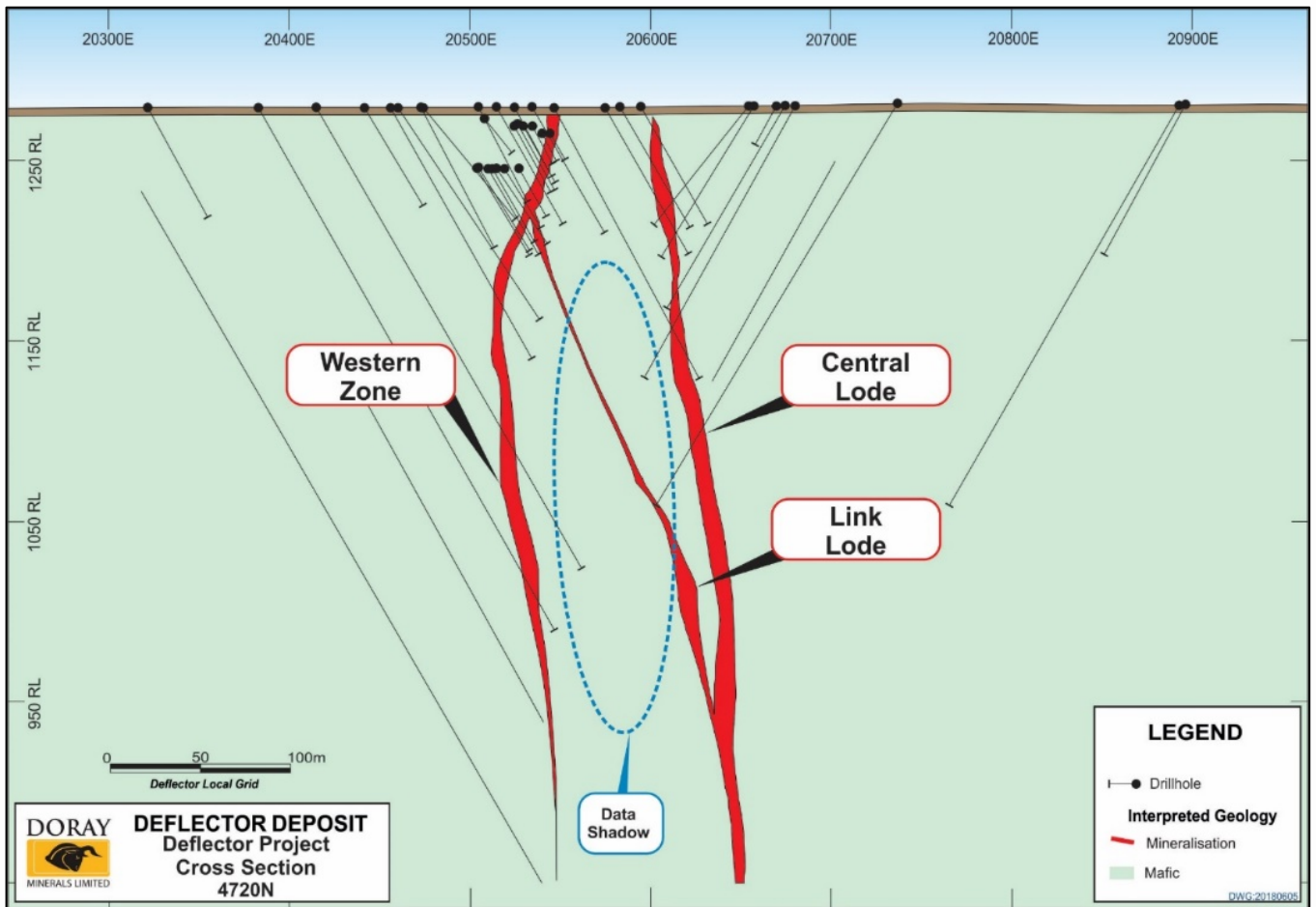


Figure 2. Representative cross section illustrating the data shadow effect created by the orientation of drilling to test the Western Zone and Central Lode, and the relative position of the Link Lode

The Link Lode has been successfully exposed on a number of underground levels and with grade control diamond drill holes. To date, it has been extremely continuous along a strike length of approximately 250m and 300m down dip. Whilst the lode is narrow, it is consistently host to extremely high-grade gold and copper mineralisation, with diluted face grades commonly in excess of the average run of mine grade. This structure is significant given its high-grade tenor and close proximity to existing mine development.

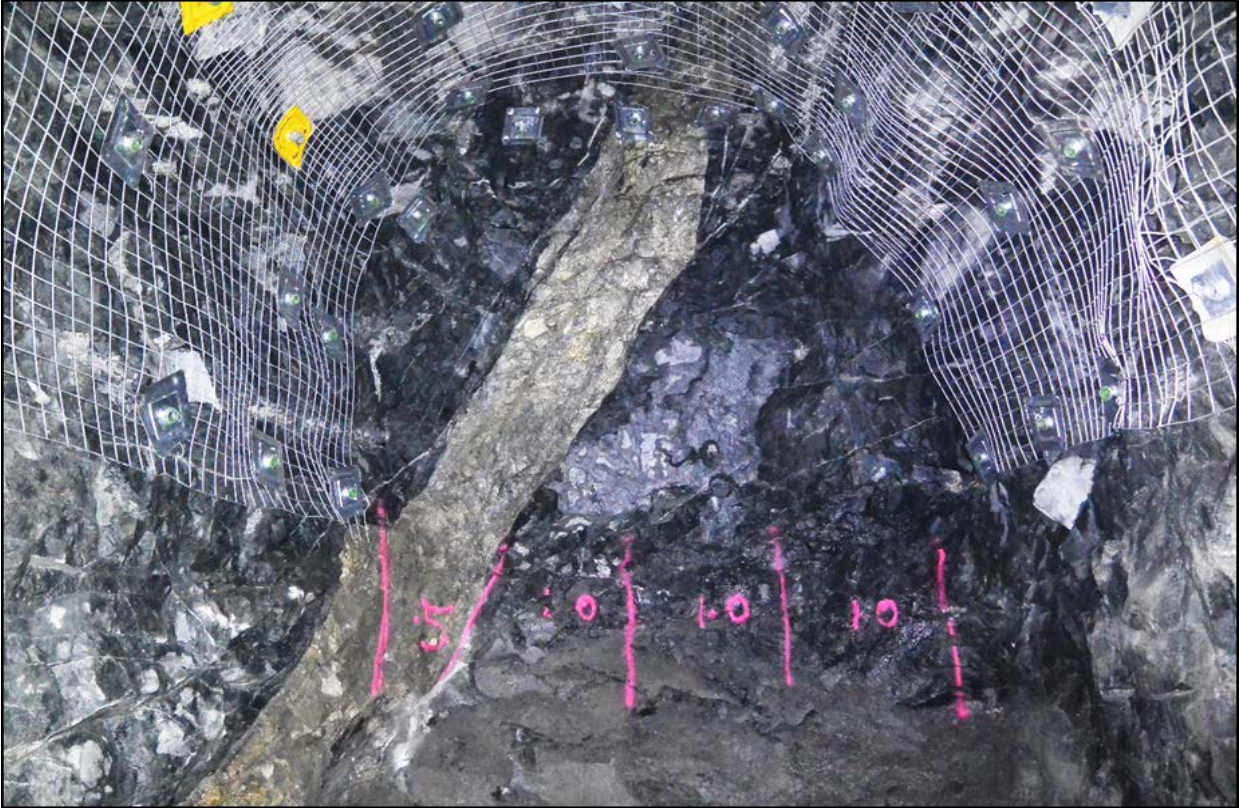


Figure 3. Link Lode, typical ore development face photograph, from the Deflector 1120mRL Level

The Link Lode strikes approximately 040° and dips 70° to the south-east. Mineralisation presents as massive pyrite+chalcopyrite sulphide with minor quartz vein development within the host structure (see Figure 3). To date this structure has only been targeted by grade control drilling within the mine. Significant intersections returned to date include:

- DFGC0081 - **0.6m @ 299g/t Au and 3.3% Cu** (true width approximately 0.6m) from 77.9mdh
- DFGC0017 - **0.6m @ 219g/t Au and 10.5% Cu** (true width approximately 0.6m) from 35.9mdh
- DFGC0056 - **0.8m @ 188g/t Au and 3.1% Cu** (true width approximately 0.8m) from 69.1mdh
- DFGC0132 - **4.7m @ 126g/t Au and 3.6% Cu** (true width approximately 1.9m) from 95.3mdh
- DFGC0031 - **0.9m @ 121g/t Au and 0.6% Cu** (true width approximately 0.9m) from 120.7mdh
- DFGC0074 - **0.6m @ 107g/t Au and 1.7% Cu** (true width approximately 0.6m) from 59.1mdh
- DFGC0055 - **1.0m @ 98.4g/t Au and 3.4% Cu** (true width approximately 0.9m) from 75.6mdh
- DFGC0039 - **1.2m @ 94.9g/t Au and 2.2% Cu** (true width approximately 1.0m) from 17.8mdh
- DFGC0091 - **0.3m @ 89.4g/t Au and 0.3% Cu** (true width approximately 0.3m) from 66.3mdh
- DFGC0038 - **0.8m @ 75.3g/t Au and 5.2% Cu** (true width approximately 0.8m) from 14.2mdh
- DFGC0046 - **0.3m @ 71.6g/t Au and 2.1% Cu** (true width approximately 0.2m) from 15.2mdh

** It should be noted that due to current drill coverage being grade control in nature, data distribution is not regularised throughout the mineralised structure.*

The position of the Link Lode with respect to the other orebodies within the Deflector gold copper deposit is illustrated in Figure 4. As highlighted in Figure 5, there is a lack of data up-plunge of the current drilled area of the Link Lode, presenting an immediate in-mine exploration objective as all infrastructure and access is in place. The Link Lode remains open down plunge to the north.

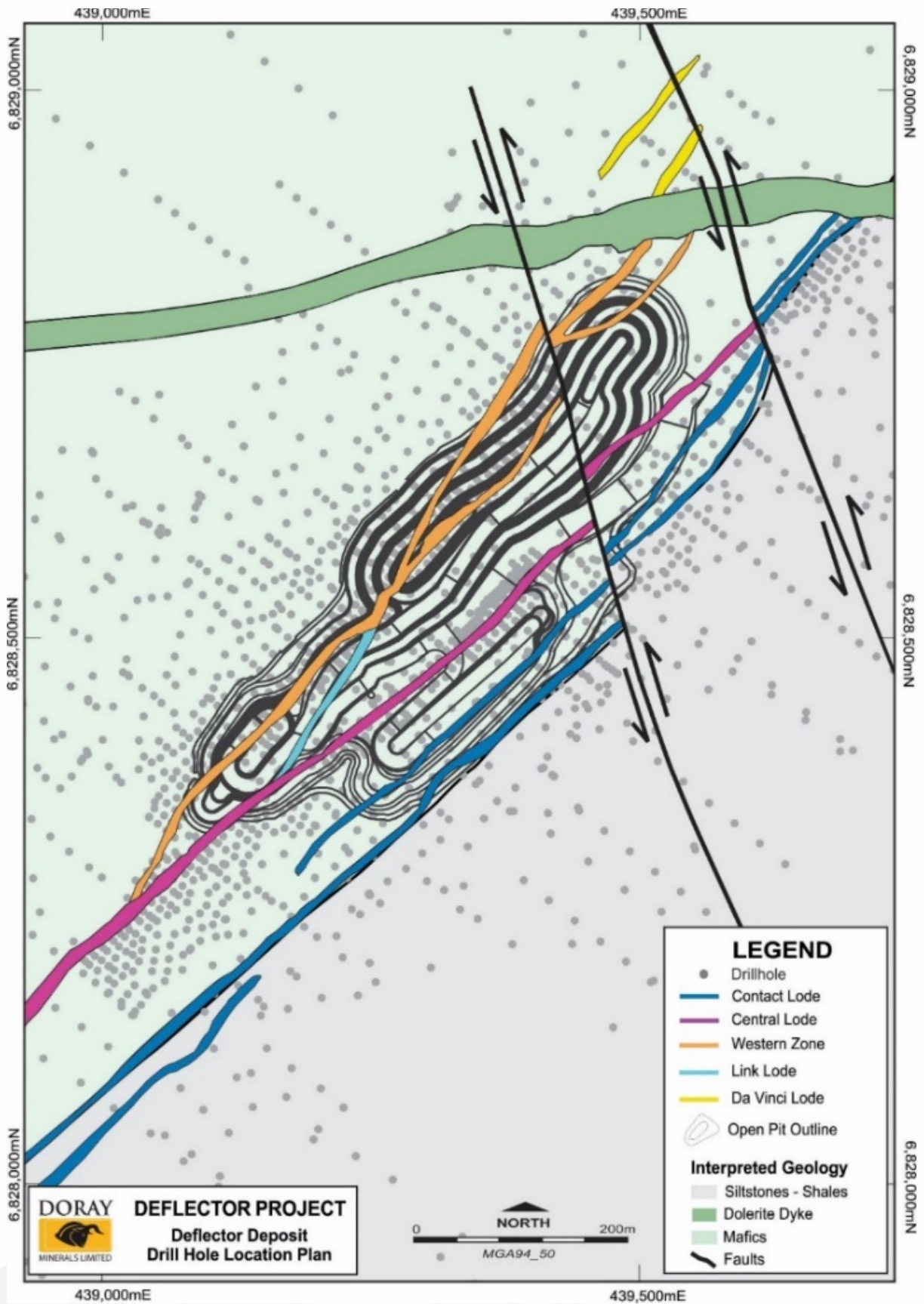


Figure 4. Deflector orebody diagram highlighting current interpretation including the Link Lode

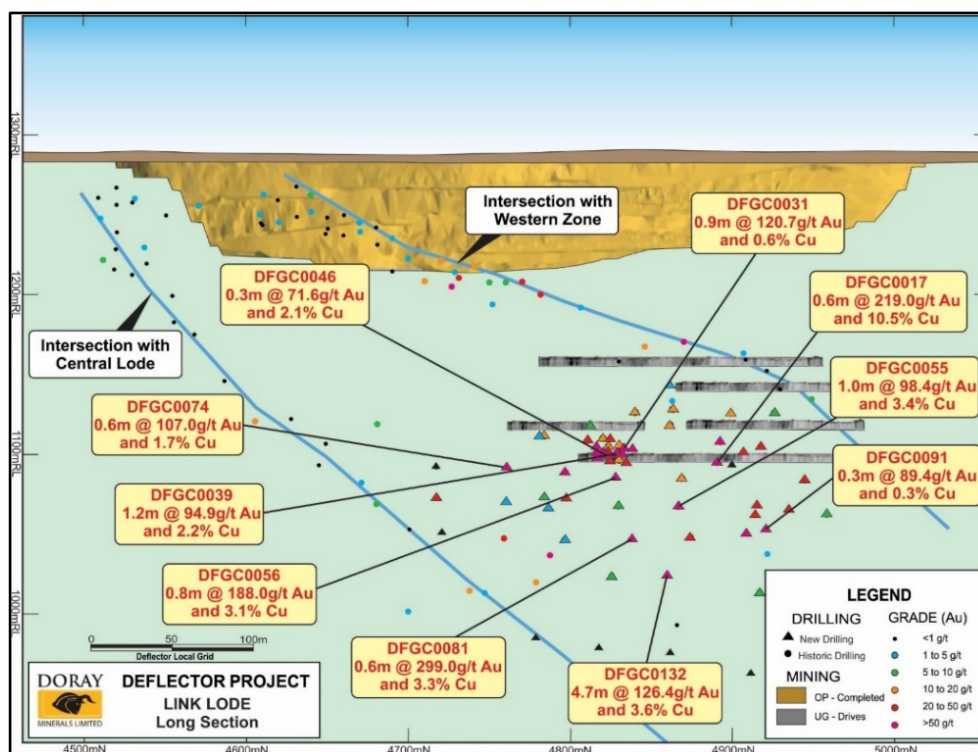


Figure 5. Link Lode long section with grade control drill intercepts and current ore drive development

Da Vinci Exploration

During the Quarter exploration and evaluation work continued on the Da Vinci zone with results of the second stage infill drilling programme released (refer to [ASX Release 17 April 2018](#)).

A total of seven RC holes for 1,642m and four diamond drill holes for 1,697m were drilled following the successful Stage 1 programme announced in January 2018. The aim of this combined programme was to infill the Da Vinci discovery on a nominal 40m x 20m data spacing, to a depth of approximately 300m below surface. Several significant intersections were returned, including:

- DVRC029 – **4m @ 10.2g/t Au** (NSA Cu) from 50m, incl. **1m @ 33.3g/t Au** (NSA Cu)
- DVRC030 – **2m @ 12.5g/t Au** (NSA Cu) from 101m and;
4m @ 12.6g/t Au (NSA Cu) from 112m, incl. **1m @ 39.7g/t Au** (NSA Cu)
- DVDD006 – **0.3m @ 44.8g/t Au and 0.1% Cu** from 272.6m
- DVDD007 – **1m @ 12.5g/t Au and 0.1% Cu** from 202.4m
- DVDD009 – **0.7m @ 33.9g/t Au** (NSA Cu) from 185.8m; and
1.8m @ 5.1g/t Au (NSA Cu) from 282.7m

Drilling was largely successful in confirming the interpretation of two separate zones of mineralisation at Da Vinci. Mineralisation is characterised as a quartz-massive sulphide vein, developed within a basalt host sequence. Copper mineralisation is present as chalcopyrite.

In addition, during the Quarter, underground exploration development along the eastern and western Da Vinci Lodes was completed. These underground workings exposed the mineralised structure, demonstrating similar characteristics to the Western Zone. Mineralisation is characterised by a single structural feature with brecciated quartz-sulphide veining and variable levels of massive sulphide (chalcopyrite+pyrite±pyrrhotite) development. Upon completion of this development, an intense underground diamond drilling programme was completed, with results still pending at the end of the Quarter. This infill programme will be utilised for a re-estimation of the Da Vinci Lodes allowing for detailed mining studies to be carried out.

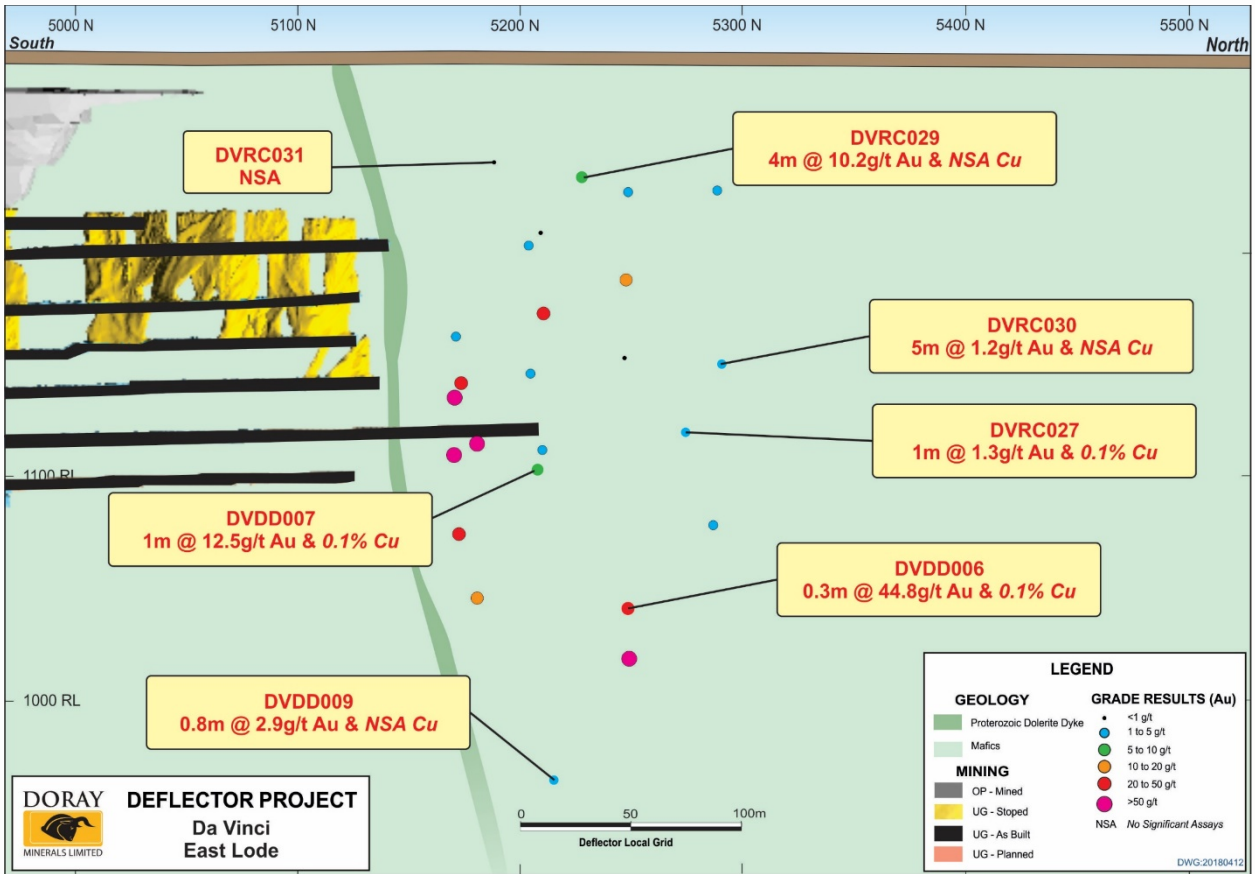


Figure 6. Da Vinci Eastern Lode long section

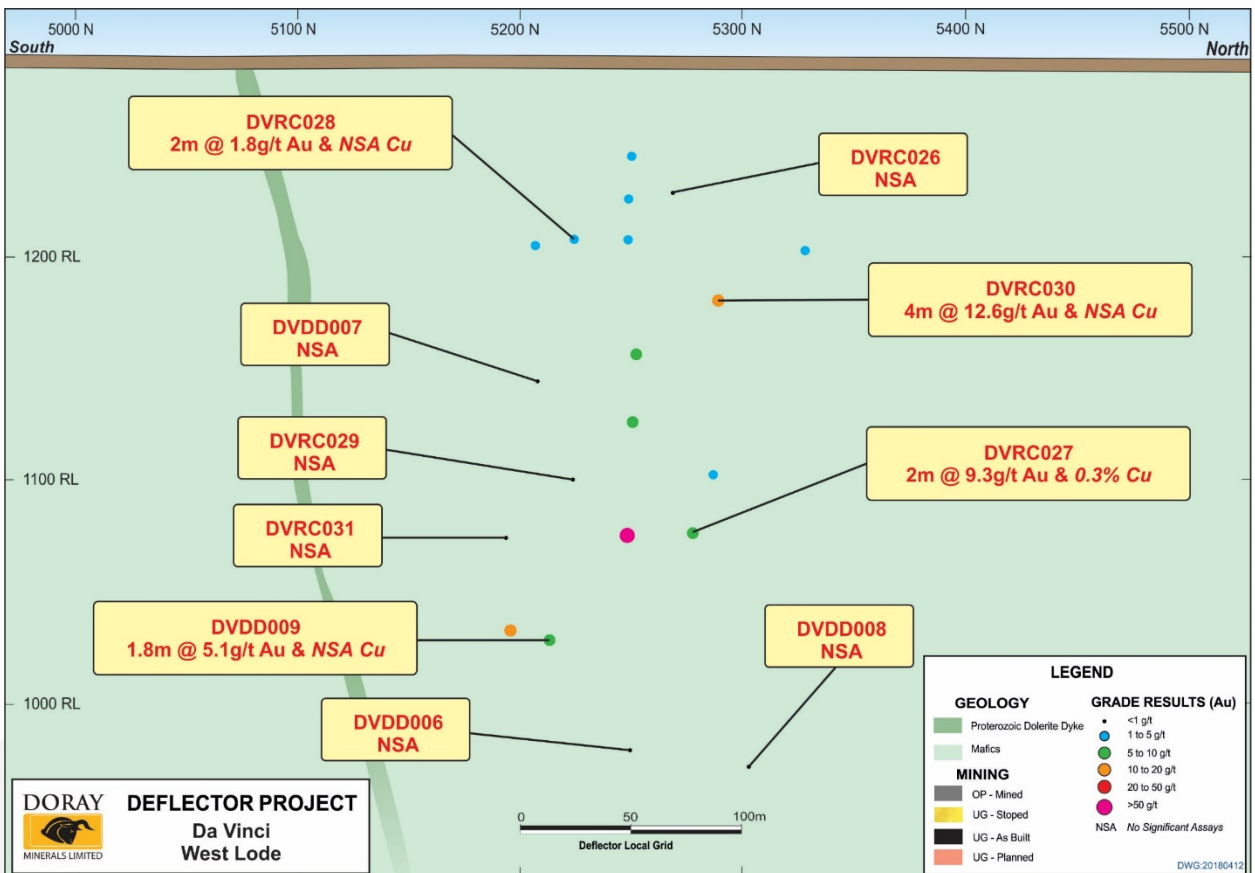


Figure 7. Da Vinci Western Lode long section

Mineral Resource and Ore Reserve as at 30 June 2018

Subsequent to the end of the Quarter, Doray released an updated Mineral Resource and Ore Reserve statement as at 30 June 2018 (refer to [ASX Release 11 July 2018](#)). Both Mineral Resources and Ore Reserves at the Deflector Gold Copper Mine were positively impacted by new discoveries proximal to underground operations during the previous financial year, particularly the Link Lode (see Chart 3).

The Deflector Mineral Resource also includes the maiden estimation of the Da Vinci discovery, with an average grade of 13.5g/t of gold, which does not yet incorporate the current mine development and significant underground diamond drilling program completed during the Quarter.

While overall Mineral Resource tonnages remain similar to FY2018, a global increase in the grade of the Deflector orebodies has resulted in a significant increase in contained gold, after depletion from mining over the preceding 12 months. In addition, the grade of the Ore Reserve has increased by 6% to 5.0g/t of gold reflecting the improvement in the quality of the underlying Mineral Resource and the continuing refinement of underground mining practices.

The Deflector Mineral Resource is summarised in Tables 5 and 6, with Ore Reserves summarised in Tables 7 and 8.

Deflector Gold Mineral Resource Reconciliation 30 June 2018

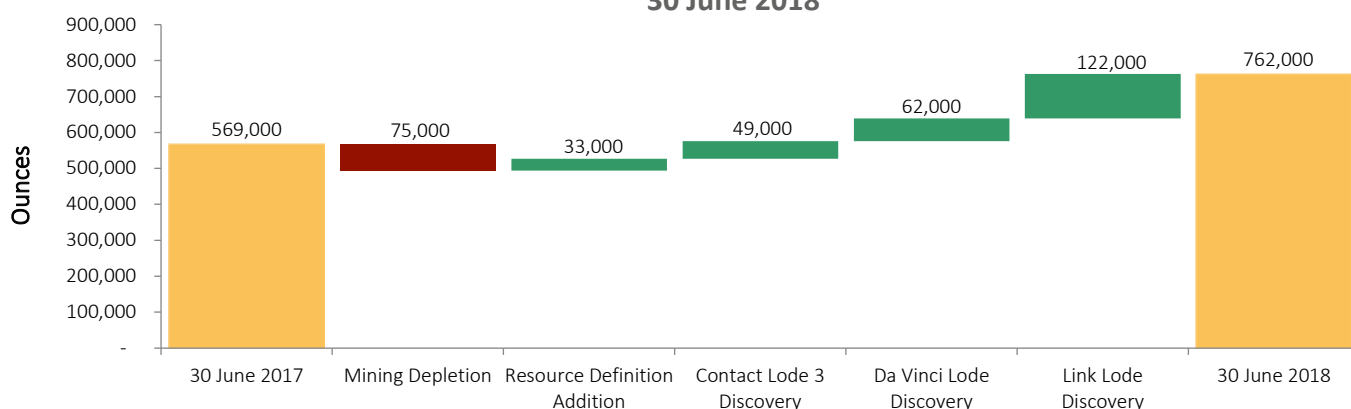


Chart 3: Deflector Mineral Resource estimate reconciliation

GOLD	MEASURED			INDICATED			INFERRED			TOTAL		
	PROJECT	Tonnes (kt)	Au Grade (g/t)	Au Ounces	Tonnes (kt)	Au Grade (g/t)	Au Ounces	Tonnes (kt)	Au Grade (g/t)	Au Ounces	Tonnes (kt)	Au Grade (g/t)
Western Zone	195	8.7	55,000	329	11.2	119,000	31	7.5	7,000	555	10.1	181,000
Central Lode	177	7.2	41,000	169	8.6	47,000	154	10.4	52,000	500	8.7	139,000
Link Lode	32	21.9	23,000	93	29.1	87,000	64	5.8	12,000	190	20.0	122,000
Contact Lodes	35	5.8	6,000	445	4.6	66,000	278	3.8	34,000	758	4.4	107,000
Western Zone Splays	-	-	-	-	-	-	587	7.9	149,000	587	7.9	149,000
Da Vinci	-	-	-	-	-	-	143	13.5	62,000	143	13.5	62,000
Stockpiles	13	5.0	2,000	-	-	-	-	-	-	13	5.0	2,000
TOTAL RESOURCE	453	8.7	127,000	1,037	9.6	319,000	1,257	7.8	316,000	2,746	8.6	762,000

Table 5. Deflector - Gold Mineral Resource Estimate as at 30 June 2018

Notes:

- o Mineral Resources are inclusive of those modified to estimate Ore Reserves. Rounding errors may occur.
- o Ore tonnes and ounce data is rounded to the nearest thousand.
- o Mineral Resources reported above 1.0g/t Au lower cut-off.

COPPER	MEASURED			INDICATED			INFERRED			TOTAL		
	PROJECT	Tonnes (kt)	Cu Grade (%)	Cu Tonnes	Tonnes (kt)	Cu Grade (%)	Cu Tonnes	Tonnes (kt)	Cu Grade (%)	Cu Tonnes	Tonnes (kt)	Cu Grade (%)
Western Zone	195	1.6	3,100	329	0.6	2,000	31	0.3	100	555	0.9	5,200
Central Lode	177	0.8	1,300	169	0.6	1,000	154	0.2	400	500	0.6	2,800
Link Lode	32	2.5	800	93	1.1	1,000	64	0.8	500	190	1.2	2,300
Contact Lodes	35	0.6	200	445	0.2	900	278	0.2	400	758	0.2	1,500
Western Zone Splays	-	-	-	-	-	-	587	0.6	3,500	587	0.6	3,500
Da Vinci	-	-	-	-	-	-	143	0.4	600	143	0.4	600
Stockpiles	13	0.7	100	-	-	-	-	-	-	13	0.7	100
TOTAL RESOURCE	453	1.2	5,500	1,037	0.5	4,900	1,257	0.4	5,500	2,746	0.6	16,000

Table 6. Deflector - Copper Mineral Resource estimate as at 30 June 2018

Notes:

- o Mineral Resources are inclusive of those modified to estimate Ore Reserves. Rounding errors may occur.
- o Ore tonnes data is rounded to the nearest thousand and copper tonnes to the nearest hundred.
- o Deflector Copper Mineral Resource reported above 1.0g/t Au lower cut-off.

GOLD	PROVED			PROBABLE			TOTAL		
	LOCATION	Tonnes (kt)	Au Grade (g/t)	Au Ounces	Tonnes (kt)	Au Grade (g/t)	Au Ounces	Tonnes (kt)	Au Grade (g/t)
Underground	280	4.2	39,000	1,100	5.3	190,000	1,400	5.1	230,000
Open Pit	-	-	-	170	3.8	21,000	170	3.8	21,000
Surface Stockpiles	13	5.0	2,100	-	-	-	13	5.0	2,100
TOTAL RESERVE	300	4.3	41,000	1,300	5.1	210,000	1,600	5.0	250,000

Table 7. Deflector - Gold Ore Reserves as at 30 June 2018

Notes:

- o All data rounded to two significant figures. Rounding errors may occur.

COPPER	PROVED			PROBABLE			TOTAL		
LOCATION	Tonnes (kt)	Cu Grade (%)	Cu Tonnes	Tonnes (kt)	Cu Grade (%)	Cu Tonnes	Tonnes (kt)	Cu Grade (%)	Cu Tonnes
Underground	280	0.5	1,400	1,100	0.3	2,900	1,400	0.3	4,300
Open Pit	-	-	-	170	0.3	570	170	0.3	570
Surface Stockpiles	13	0.7	90	-	-	-	13	0.7	90
TOTAL RESERVE	300	0.5	1,500	1,300	0.3	3,500	1,600	0.3	5,000

Table 8. Deflector - Copper Ore Reserves as at 30 June 2018

Notes:

- o All data rounded to two significant figures. Rounding errors may occur.

Corporate/Finance

Quarterly Cash and Equivalents Balances

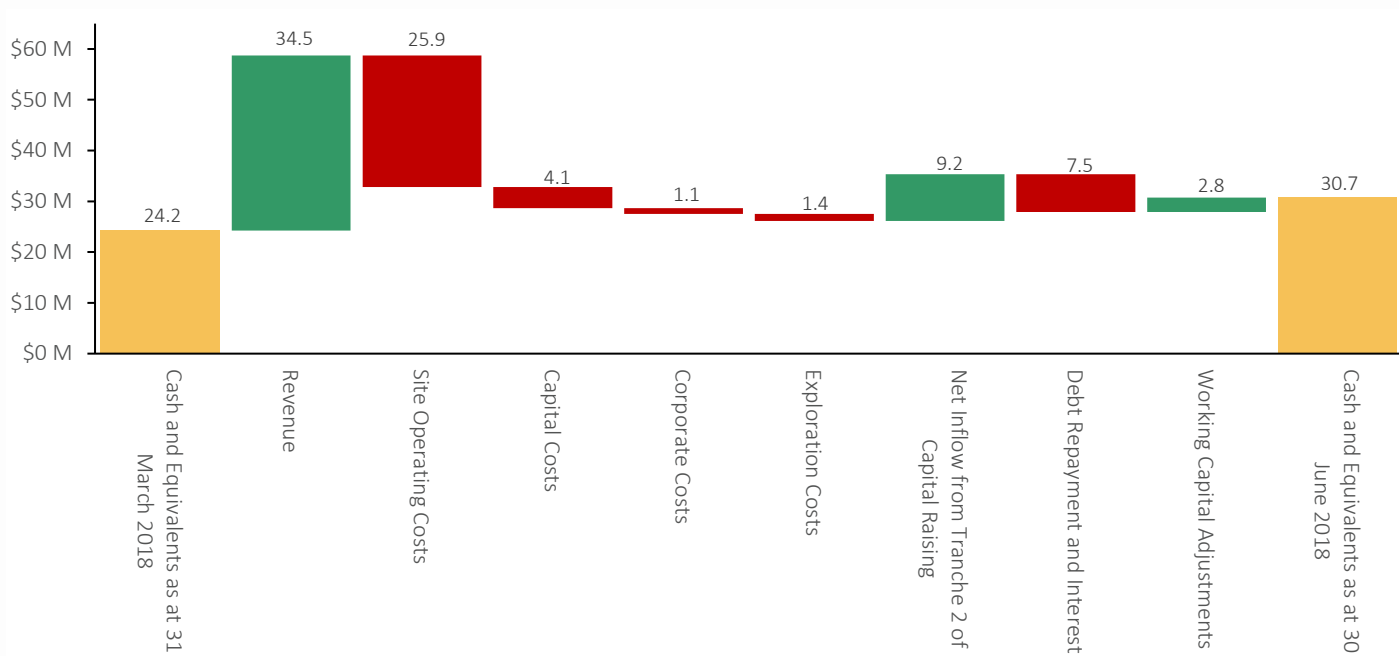
Doray's cash and equivalents position at 30 June 2018 is shown in Table 9.

Item	A\$M
Cash and Equivalents	24.8
Gold on Hand and in Circuit	2.2*
Concentrate on Hand	3.5*
Listed Investments	0.2
Total Cash and Equivalents	30.7
Debt Balance	(20.5)
Net Cash/(Debt)	10.2

Table 9. Summary of cash, equivalents and debt at 30 June 2018

- o NOTES: *Based on estimated receipt values

During the Quarter the Company repaid \$7 million under its finance facility with Westpac Banking Corporation, reducing the debt balance to \$20.5 million as at 30 June 2018.



Graph 4. Quarterly Cash Flow Waterfall Chart

Hedging

As at 30 June 2018 the Company had 34,088oz of gold hedged at an average price of A\$1,601/oz to September 2019.

-ENDS-

For further information, please contact:

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.