



DEFLECTOR PROJECT PROGRESSING ON SCHEDULE - OPEN PIT MINING CONTRACTOR MOBILISED

- **Deflector Project on track for mid-2016 production start-up**
- **Open pit mining contractor mobilised to site for TSF refurbishment**
- **Processing plant construction on schedule for commissioning in May 2016**
- **Key site-based operations staff recruited**

Doray Minerals Limited (ASX:DRM, Doray) is pleased to provide a further update on construction and development progress at the Company's 100% owned Deflector Gold Project (Deflector) in the southern Murchison region of Western Australia.

Construction and development activities at Deflector are continuing on schedule and on budget with the next major milestones being:

- Commissioning of the new purpose-built 480ktpa gravity/flotation processing plant – May 2016
- Commencement of underground mining – June 2016
- Commencement of production - June 2016

The Deflector Gold Project is a high-grade/low-cost gold-copper deposit with an initial mine life of six years and significant exploration potential. Doray is utilising its recent experience from the Andy Well Gold Project to optimise the construction, development and operation of Deflector.

Following construction and commissioning of Deflector in mid-2016, Doray is forecasting combined production from Andy Well and Deflector of 140,000 ounces¹ per annum (plus copper and silver) and is targeting an average all-in sustaining cost (AISC) of less than A\$1,000/oz (after by-product credits).

Open pit mining contractor mobilised to site

As previously advised, Doray recently provided MACA Ltd (ASX:MLD, "MACA") with a letter of intent to award them the open pit mining contract at Deflector.

MACA have recently mobilised to Deflector and have commenced refurbishment of the existing tailings storage facility at Gullewa, which will be used for the Deflector Project, and have begun preparing for commencement of open pit mining in February.

Processing plant construction on schedule and on budget

Construction activities are continuing at the processing plant and site admin areas.

The fine ore bin is complete and erection of structural steel is well advanced within the crushing, conveyor, mill and flotation areas. Piping and electrical works are in progress to the crushing area and workshop stores.

¹The Company will provide production guidance in terms of actual gold ounces produced. Depending on prevailing copper and silver prices, gold equivalent ounces (Au Eq) are expected to range between 150,000 -160,000 ounces as per previous guidance.



Installation of various site buildings is advanced, including the admin office, mill office, crib room, on-site laboratory, workshop, reagent and general stores buildings.

A number of major items of plant including the new ball mill shell have been delivered to site. Remaining items, including the flotation cells and concentrate filter press are expected to be delivered to site during January and February respectively.

The new 134 person village near to the Deflector site was effectively completed during December and is now operational.

Project development is slightly ahead of schedule to start commissioning of the crushing circuit from April 2016 with full commissioning during May 2016.

Costs incurred to the end of December were \$44.3M and are lower than budgeted relative to progress on site to date. Remaining costs to be incurred prior to the commencement of production are anticipated to be within budget.



Figure 1. Primary crusher, ROM bin and apron feeder installed.





Figure 2. Crushing tower with secondary and tertiary crushers installed.



Figure 3. Crushing circuit screen installed.





Figure 4. Mill plinth with gravity circuit tower and mill control room installed.



Figure 5. New ball mill shell delivered to site.





Figure 6. Mill control room installed with flotation circuit steelwork underway.



Figure 7. Concentrate thickener and concentrate bin.



Key Deflector Site-based Staff Recruited

The Company advises that it has recently appointed a number of key site-based staff for the Deflector Project including Quarry Manager, Chief Mine Geologist and Underground Mine Manager.

Recruitment for various other site-based roles is currently underway.

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About Doray Minerals Limited

Doray Minerals Limited is an Australian gold producer, developer and explorer with two high-grade Western Australian gold assets: the operating Andy Well Gold Project (Andy Well); and the Deflector Gold Project (Deflector), which is due to commence production in mid-2016, following completion of development and construction.

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 a proven track record in discovery, development, and production.

