

For personal use only

DORAY



MINERALS LIMITED

ACN: 138 978 631

ANNUAL REPORT

30 JUNE 2015

DORAY MINERALS LIMITED
ANNUAL REPORT 30 JUNE 2015

CONTENTS

	Page
Corporate Directory	2
Chairman's Letter	3
Managing Director's Letter	5
Operations Review	6
Corporate Governance Statement	33
Directors' Report	41
Statement of Profit or Loss and Other Comprehensive Income	56
Statement of Financial Position	57
Statement of Changes in Equity	58
Statement of Cash Flows	59
Notes to the Financial Statements	60
Directors' Declaration	97
Auditor's Independence Declaration	98
Independent Audit Report to the Members of Doray Minerals Limited	99
Shareholder Information	101
Tenement Schedule	103

For personal use only

**DORAY MINERALS LIMITED
ANNUAL REPORT 30 JUNE 2015**

CORPORATE DIRECTORY

DIRECTORS:

Peter Lester	Non-Executive Chairman
Allan Kelly	Managing Director
Peter Alexander	Non-Executive Director
Jay Stephenson	Non-Executive Director
Leigh Junk	Non-Executive Director
Allan Brown	Non-Executive Director

COMPANY SECRETARY:

Iain Garrett

PRINCIPAL AND REGISTERED OFFICE:

Level 3, 41-43 Ord Street
West Perth WA 6005

Telephone (08) 9226 0600
Facsimile (08) 9226 0633

Website www.dorayminerals.com.au

SHARE REGISTRY:

Computershare Investor Services Pty Ltd
Level 11
172 St George's Terrace
PERTH, WA 6000

Telephone 1300 557 010
Facsimile (08) 9323 2033

AUDITORS:

Nexia Perth Audit Services Pty Ltd
Level 3
88 William Street
GPO Box 2570
PERTH, Western Australia 6001

Telephone (08) 9463 2463
Facsimile (08) 9463 2499

HOME EXCHANGE:

ASX Limited
Level 40, Central Park
152-158 St George's Terrace
PERTH, WA 6000

ASX Code: DRM

For personal use only

DORAY MINERALS LIMITED
ANNUAL REPORT 30 JUNE 2015

CHAIRMAN'S LETTER

Dear Shareholder,

On behalf of the Board of Directors of Doray Minerals Ltd, it is my pleasure to present the 2015 Annual Report.

As your newly appointed Non-Executive Chairman, I would like to acknowledge the efforts of my predecessor Mr Peter Alexander in guiding the Company through another year of significant achievements and productivity. Peter remains on the Board as a Non-Executive Director and I look forward to taking the helm of a Board so dedicated in continuing Doray's growth for the benefit of all shareholders.

The past twelve months have proven fruitful for the Company as it cemented itself as a high-grade, profitable, gold producer at the Andy Well Gold Project.

Your Company achieved production and cost guidance for the second consecutive year at Andy Well with 88,736 ounces produced at a head grade of 9.15g/t gold, with a cash operating cost (C1) of A\$607 per ounce and All In Sustaining Cost (AISC) of A\$1,165 per ounce. It is worth noting that the 88,736 ounces produced was at the upper end of the increased guidance of 85-90,000 ounces – an excellent result.

Doray generated high margins throughout the year, in part due to the Company's successful hedging strategy which reduced the impact of the volatility in the spot gold price on earnings. At 30 June 2015, Doray had approximately 57,883 ounces hedged from January 2015 until December 2016 at a weighted average price of A\$1,537 per ounce. As part of this strategy, we will continue to evaluate opportunities to hedge future gold production to insulate revenue while the company is constructing the new Deflector project.

Doray's impressive cost and production results are significant achievements and a credit to all personnel involved in the Andy Well Gold Project.

On the corporate front, the takeover of Mutiny Gold Ltd with the Deflector Gold and Copper Project, was another major achievement during the period, providing operational diversification for Doray and further potential for exploration success.

Deflector is a robust, high-grade, low-cost project with substantial upside. Doray aims to be in production in late 2016, upon which the Company will become a multi-mine, high-grade, gold producer targeting 160koz production per annum (AuEq) with average AISC of less than A\$1,000/ounce between Deflector and Andy Well. Site works have already commenced at Deflector.

The Project has a current mine life of six years and significant exploration potential within the under-explored, seven kilometre long, Deflector Corridor. Doray is currently undertaking a project-wide data compilation and review, with a view to generating near-mine exploration targets for testing.

Exploration remains a priority for Doray and provides multiple discovery opportunities across its entire project portfolio. The Company is building a footprint of projects within trucking distance of the Andy Well processing plant as demonstrated at its Gnaweeda Project, which has delivered high-grade drill results, located just 15 kilometres south east of Andy Well.

Doray had early exploration success at the Horse Well JV Project this year, where the presence of a major mineralised structure at 'Dusk 'til Dawn' was confirmed. Doray also signed a strategic farm-in agreement with Iluka Resources to explore its Central and Western Gawler Craton tenement portfolio in South Australia.

Doray continues exploration at Andy Well and has defined a Resource at the Suzie Lode, representing the Company's third high-grade gold Resource at the project. In addition, extensional drilling at the Wilber and Judy lodes has discovered high-grade gold at depth, providing potential ounces for extensions to mine life.

DORAY MINERALS LIMITED
ANNUAL REPORT 30 JUNE 2015

CHAIRMAN'S LETTER

With so much activity at Andy Well, safety must remain a priority at all times. I am pleased to report that the Project has achieved 659 consecutive days LTI-free with no mining-related LTI's since construction and mining commenced in November 2012. It is a credit to the workforce and management and I encourage all who work on Doray's projects to remain focused on maintaining this excellent safety record.

Doray is focused on reaching production targets at Andy Well, delivering strong financial results, completing construction at Deflector, accelerating exploration, and reaping rewards for all shareholders. Given the volatile commodity and equity markets, the year ahead will no doubt have its challenges, but with the experience of the Company's Board and management team I am confident it will be just as rewarding, if not more so, than the previous year.

On behalf of the Board, I would like to thank Managing Director, Mr Allan Kelly, the management team, all staff, and contractors for their efforts during the past year.

I would also like to thank shareholders for their ongoing support as we work towards building a leading Australian, multi-mine, gold company. As Non-Executive Chairman, I look forward to participating and assisting in the success of your Company throughout the busy and rewarding year ahead.

Yours sincerely,



Peter Lester
Non-Executive Chairman

For personal use only

**DORAY MINERALS LIMITED
ANNUAL REPORT 30 JUNE 2015**

MANAGING DIRECTOR'S LETTER

Dear Fellow Shareholder,

The 2014-15 year has been another busy one for our Company, with significant results achieved on a number of fronts.

Production from Andy Well met upgraded guidance, with 88,736 ounces produced during the year and, for the second year in a row, the Project has exceeded production as predicted in the Bankable Feasibility Study.

Our operations team at Andy Well successfully transitioned the mining methods employed on site to suit the prevailing ground conditions, and achieved consistent month on month reductions in operating and total costs. At the same time, they achieved a substantial increase to the size of the high-grade Wilber Stage 2 open pit, and outlined a third high-grade open pit at Suzie.

Corporately, the most significant event for the Company since the discovery of Andy Well and the subsequent decision to bring it into production was the successful takeover of Mutiny Gold Limited, which owned the high-grade Deflector Gold-Copper Project, approximately 170km east of Geraldton and approximately 400km south of Andy Well.

Following completion of the takeover and completion of a detailed review of the Project, the Board of Doray made the decision to proceed with the construction and development of the Project, pending completion of funding. At the time of the AGM, this should have all been completed and construction of the new purpose-built processing plant well underway.

The purchase of Deflector achieves a step-change for Doray and doubles our production, reduces our single asset risk and average cost profile and increases our mine life. In addition, since completing the takeover and delving further into the large amount of historical data, we are getting very excited about the significant exploration upside that the Project possesses.

Following refinancing of our existing Andy Well debt facility, we have been able to ramp up our exploration programmes, from the in-mine and near-mine level to the more grassroots projects.

Given our strong cash flows and track record of exploration success, we have been able to negotiate a number of Joint Venture agreements over highly prospective projects in WA and South Australia.

To date, we have seen results from each of the Gnaweeda, Horse Well and Western Gawler Projects that more than justify our decision to enter into these projects. We have a significantly larger exploration budget for the upcoming year and at the date of writing this letter, we have drill rigs active on most of these projects with plans for drilling on the remainder.

It is going to be a very exciting year for our Company as we continue profitable production from Andy Well, bring Deflector into production and progress our exploration portfolio.

I'd like to thank the Board for their guidance through this very significant year in the short history of our Company; my management team, Doray staff and contractors for all their hard work over the last 12 months; and also thank our Shareholders for your continued support.

Yours sincerely,



**Allan Kelly
Managing Director**

OVERVIEW - ANDY WELL GOLD PROJECT

The Andy Well Gold Project is located approximately 45km north of Meekatharra, in the northern Murchison region of Western Australia and is the first new gold operation in the Murchison in over 10 years. Doray commenced mining and site works in November 2012 with first gold production in August 2013, approximately 3.5 years after the initial discovery of the high-grade Wilber Lode gold deposit by Doray in March 2010. The Andy Well Gold Project was officially opened by the Mines Minister, Hon. Bill Marmion MLA, on 27 November 2013.

The Company targeted production of between 85,000 and 90,000 ounces from Wilber in the current financial year and achieved the top end of guidance by producing 88,736 ounces. The first two years of production have exceeded Banking Feasibility Study ("BFS") estimates.

Cash operating costs (C1) for the full year were A\$607/oz. The average All-In Sustaining Cost (AISC) for the 2014-15 financial year was A\$1,165/oz compared with an average gold price received of A\$1,495/oz, resulting in an average margin of approximately A\$330/oz across the 88,736 ounces produced.

During the year, Doray announced a maiden high-grade Resource for the Suzie Zone which is located parallel to the operating Wilber Lode underground mine and the Judy Lode. This is the third high-grade gold Resource defined by Doray at Andy Well.

The high-grade Wilber Stage 2 open pit and the Suzie Zone open pit were both commenced during the financial year with the Stage 2 open pit exceeding expectations.

Doray completed the compulsory acquisition of Mutiny Gold Limited (ASX:MYG, "Mutiny") during the year with the off-market takeover offer going unconditional in mid-January 2015 and the acquisition being completed in mid-March 2015. The Doray Board approved the development of the Deflector Gold Project ("Deflector") in May 2015, following the completion of a detailed review of the project. After successful construction and commissioning of Deflector, Doray will become a multi-mine high-grade gold producer with the Group targeting 160,000 ounces production per annum (gold equivalent) with an average AISC of less than A\$1,000/oz between Deflector and Andy Well.

Doray confirmed that it negotiated a reduced payout of the existing loan to Sandstorm Gold Ltd, in exchange for early repayment, which terminated the Metal Purchase Agreement over Deflector.

Exploration results during the year continued to demonstrate the high prospectivity of the Group's near mine and regional project portfolio. Extensional drilling of the Wilber Lode provided numerous high-grade results and confirmed the continuation of high-grade mineralisation at significant depths below the current mine design and Mineral Resource boundary.

The maiden drilling programme at the Company's 88% owned Gnaweeda Project returned strong results from the Turnberry Prospect. This prospect is less than 15km from the Andy Well processing plant and therefore provides the potential for additional high-grade ore source.

During the year, Doray also signed a strategic Farm-in Agreement with Iluka Resources Ltd (Iluka) to explore its Central and Western Gawler Craton tenement portfolio in South Australia. Doray will have the right to earn up to 80% of any 'gold resources' discovered within the project area with Iluka retaining rights to discoveries of other commodities made by the Company, unless it elects not to do so.

Safety

The Company's excellent safety record has continued. The Andy Well Gold Project has had no mining-related no Lost Time Injuries ("LTI's") since the commencement of construction and mining in November 2012 and had achieved 659 consecutive days without an LTI to 30 June 2015.

MINING

a) Wilber Lode Underground Gold Mine

Activity during the year focused on the mining and processing of ore from the high-grade Wilber Lode underground gold mine and the Wilber Stage 2 Open Pit.

Doray achieved a significant production milestone during the year, producing its 100,000th ounce since commencement of production in August 2013.

Doray has successfully implemented alternative mining methods to minimise stoping dilution and to suit the local ground conditions. These methods include sub-level benching with in-situ and/or cemented rock fill (“CRF”) sill pillars and/or progressive backfill using the “Avoca” mining method. Mine grade, head grade and gold production improved throughout the year with a resulting improvement in costs and profit margin.

UNDERGROUND	Units	Sept Qtr	Dec Qtr	Mar Qtr	Jun Qtr	FY2015
Underground Ore Mined	t	77,735	80,459	90,693	101,282	350 169
Underground Ore Grade	g/t	7.41	8.21	8.36	9.03	8.31
Contained gold	oz	18,531	21,245	24,373	29,407	93,556

Table 1. Summary of Wilber Lode Open Pit and Underground Ore mined during FY15 as reconciled through the processing plant

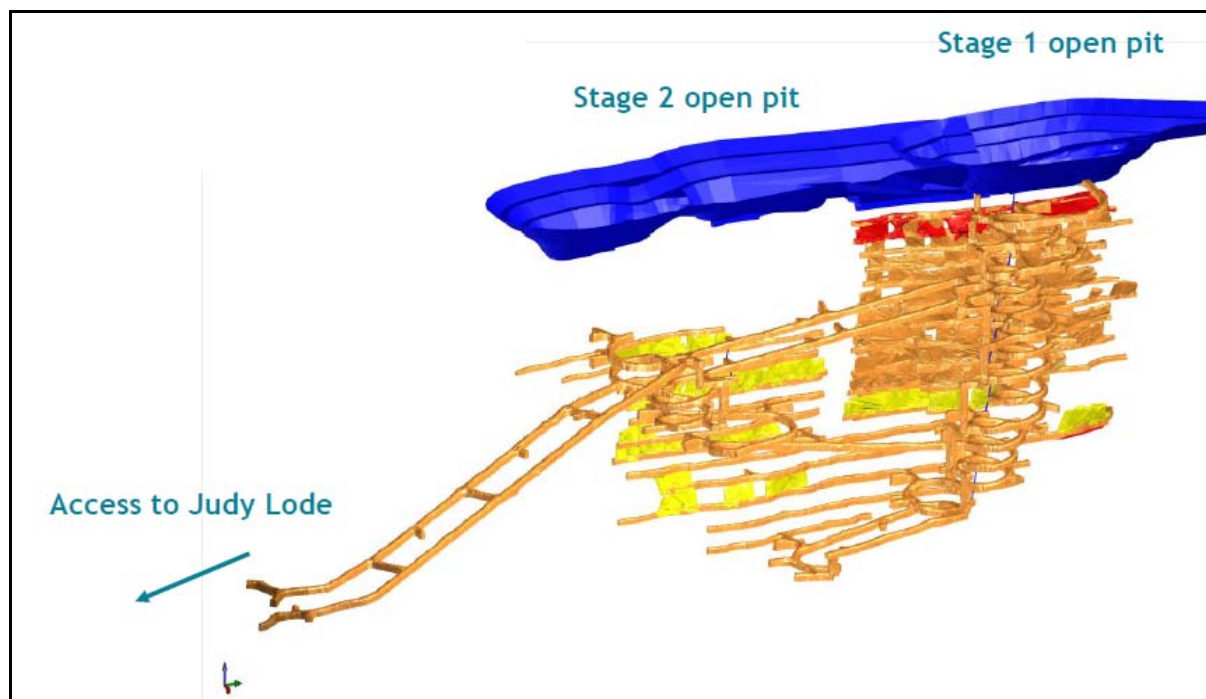


Figure 1. Wilber Lode development at the end of June 2015, showing progression of twin access drives towards the Judy Lode

For personal use only

OPERATIONS REVIEW

b) Open Pit Mining – Wilber Lode Stage 2 Open Pit

The Wilber gold lode encroached upon the Great Northern Highway road reserve. Mining of the lode was designed for extraction in two stages with the first stage outside of the road reserve. The first stage also allowed portal access for underground extraction of the Wilber lode.

Following a realignment of the road in the first half of the year, the Company started and progressed the mining of the Wilber Lode Stage 2 open pit and, by the end of the financial year, was close to completion at the southern end of the pit. The northern end progressed with high grade of over 19g/t as the pit deepened to its base remaining to be mined.

A total of 44,559 tonnes of open pit ore at 13.51g/t was mined in the year. Recovery of gold for the levels mined exceeded the BFS open pit Reserves and a total of 19,350oz was recovered from the open pit by year end.

Table 2. Summary of Wilber Lode Stage 2 Open Pit mining

OPEN PIT	Units	Mar Qtr	June Qtr	FY2015
Volume mined	bcm	500,685	602,440	1,103,125
Open Pit Ore Mined	t	12,582	31,977	44,559
Open Pit Ore Grade	g/t	16.05	12.51	13.51
Contained gold	oz	6,491	12,859	19,350

c) Open Pit Mining – Suzie Lode Open Pit

Following receipt of final approvals, the area was cleared, a road established to the ROM pad and mining had commenced by the end of the year. This pit is being mined concurrently with the remainder of the Wilber Lode Stage 2 pit to allow the mining contractor maximum flexibility and efficiency in their schedule.

d) Future open Pit Mining

The gold lodes currently being mined, Wilber and Judy, have no outcrop or surface expression but gold mineralisation for both started being mined within ten metres from surface.

More potential gold veins have been identified since the beginning of mining at Andy Well through a 1km long hole drilled underground horizontally at a depth of 86 metres below surface. These represent possible open pits as well as underground targets yet to be explored. Additional sources of ore from future open pits allow options of flexibility between multiple ore sources and possible expansion of gold production for the processing plant.

The acquisition of nearby tenements has increased the exploration opportunities to provide supplementary ore feed to the Andy Well treatment plant.

For personal use only

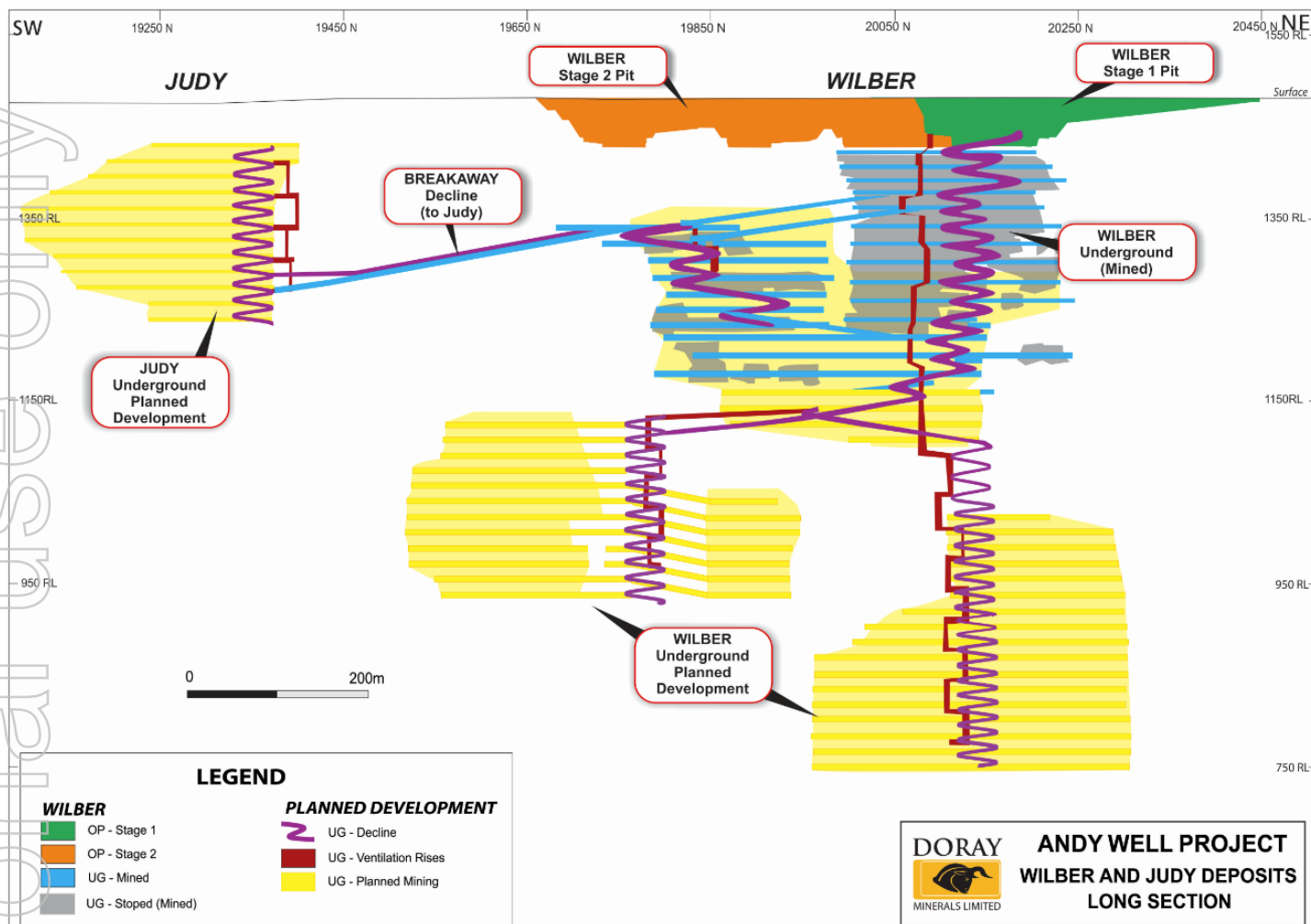


Figure 2. Andy Well Preliminary Mine Plan showing future production areas

PROCESSING AND GOLD PRODUCTION

A total of 309,542 tonnes were milled at a reconciled head grade of 9.15g/t Au producing a total of 88,736 ounces of gold during the financial year. The treatment plant achieved availability of 98.7% and averaged a gold recovery of 97.5% of cyanide recoverable gold.

Monthly cash operating costs (C1) and total costs (AISC) have seen consistent improvement since July 2014 (Figure 3).

Cash Operating Cost (C1) for the full year was \$607/oz, with AISC of A\$1,165/oz.

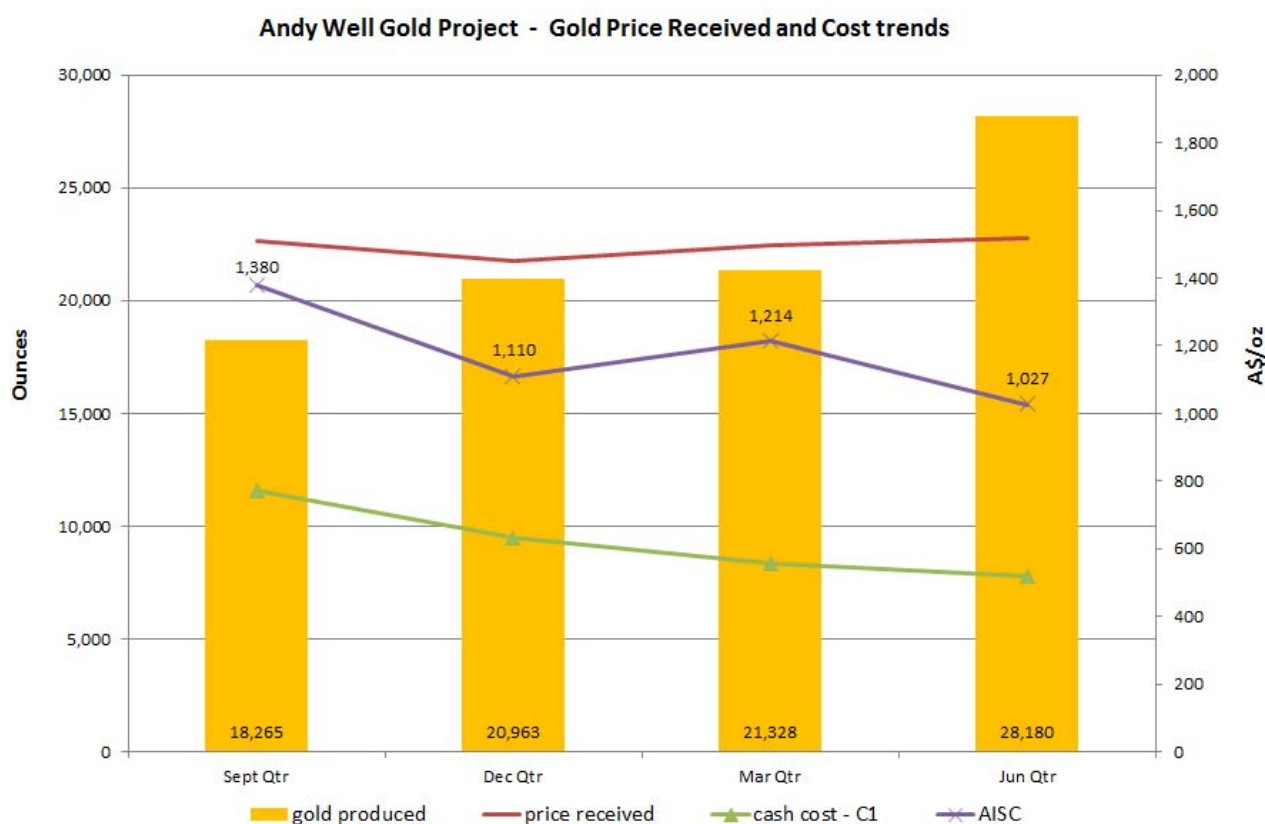


Figure 3. Quarterly production and costs showing improvement in C1 and AISC since July 2014

During the year, the Company provided an update of its production and cost guidance for the 2015 financial year following a significant increase in the size of the high-grade Wilber Stage 2 open pit mining inventory and improved operating results since August 2014.

Following the completion of grade control drilling, the Company announced a 67% increase in the size of the high-grade Stage 2 open pit at Andy Well, to approximately 23,500 ounces @ 16.1g/t Au (see ASX release dated 7 January 2015) compared with that previously quoted in the July 2012 BFS (approximately 14,000 ounces @ 15.3g/t). Gold production guidance from Andy Well was increased to be in the range of 85,000 to 90,000 ounces for the 2015 financial year (previously 77,000 to 85,000 ounces). Full year cash operating costs (C1) were re-evaluated to be in the range of A\$600-700/oz (previously A\$700-800/oz).

In September 2014, the Company announced an updated Resource and Reserve Statement for the Andy Well Project as at 30 June 2014 (refer to ASX release dated 25 September 2014), increasing the Resource Inventory at Andy Well by 75,000 ounces, replacing the depletion of mining over the past 12 months. Additionally, the high-grade Judy Lode Resource was converted into an initial Ore Reserve and replaced the first year of underground production from the Wilber Lode. The additional high-grade Stage 2 open pit ounces (9,500 ounces @ 17.4g/t) were added to the Andy Well Ore Reserve inventory (see ASX release dated 7 January 2015).

DORAY MINERALS LIMITED
ANNUAL REPORT 30 JUNE 2015

OPERATIONS REVIEW

Table 3. Summary of Wilber Lode Production for FY2015

	Units	Sept Qtr	Dec Qtr	Mar Qtr	June Qtr	FY2015
Ore processed	tonnes	73,835	74,517	80,091	81,099	309,542
Head grade	g/t	7.82	8.98	8.58	11.10	9.15
Recovery	%	98.1	97.9	97.1	97.3	97.5
Gold recovered	oz	18,203	21,054	21,459	28,146	88,863
GIC change	oz	-62	89	131	-34	124
Gold produced	oz	18,265	20,963	21,328	28,180	88,736
Cash Operating Costs	A\$M	14.1	13.3	11.8	14.6	53.8
Cash Operating Cost (C1) ¹	A\$/oz	773	633	556	518	607
Royalties	A\$M	1.2	0.9	1.0	1.3	4.4
C1 plus royalties	A\$/oz	840	675	601	565	656
Depreciation/Amortisation	A\$M	9.2	10.1	8.5	9.0	36.7
All-in Sustaining Cost (AISC) ²	A\$/oz	1,384	1,110	1,214	1,027	1,165
Gold sold	oz	18,962	21,584	19,760	29,131	89,434
Revenue from gold sales	A\$M	28.6	31.3	29.6	44.3	133.7
Average price received	A\$/oz	1,508	1,450	1,496	1,520	1,495
Average margin	A\$/oz	124	340	282	493	330

¹ - Includes mining, processing, site admin and refining costs less silver credits

² - As per World Gold Council guidelines

Heritage

Areas within the mining lease of aboriginal heritage interest were cleared in agreement with the Native Title claimants and regulatory authority. Some significant heritage areas remain undisturbed but these areas are not close to the high activity areas of the mine.

As outlined within the Native Title Agreement, discussions were initiated for Native Title claimants to provide cross-cultural awareness presentations on site. Discussions were also initiated with a local indigenous service company to help with liaison during future discussions with Native Title claimants.

Accommodation Village

The workforce for the Andy Well mine is accommodated within a new village comprising 136 en-suited rooms with recreational and living facilities located within the regional town of Meekatharra in order to support the facilities and local businesses within this regional centre of the mid-West.

CaterCare Services provide full catering and cleaning services at both the village and minesite. An air charter company, Ad Astral Aviation, operates five flights per week from Perth to ferry personnel to and from Meekatharra.

DEFLECTOR GOLD-COPPER PROJECT

Takeover of Mutiny Gold Ltd

On 28th October 2014, Doray announced that it had reached agreement with the Board of Mutiny Gold Ltd (ASX: MYG, "Mutiny") to merge the two companies via a unanimously recommended off-market Takeover Offer for Mutiny by Doray, thereby creating a leading, mid-tier high-grade West Australian gold producer and explorer with an existing production asset at Andy Well and a development-ready asset at the high-grade Deflector gold-copper-silver project in the southern Murchison.

Given the similarities in nature and scale between the proposed Deflector operations and those at Andy Well, Doray believes that it has the skills, recent experience and track record to secure the required funding and bring the Deflector project into production as expeditiously as possible.

Doray declared the Offer unconditional on 15 January 2015 and compulsory acquisition was announced on 4 February 2015 once 90% relevant interest in Mutiny had been achieved. Compulsory acquisition was completed on 12 March 2015.

Deflector Project Review and Approval

Following a comprehensive internal review, on 19 May 2015 the Board of Doray formally approved the development of the 100%-owned Deflector Gold-Copper Project ("Deflector") in the southern Murchison region of Western Australia, subject to completion of funding requirements and final approvals.

Following construction and commissioning of Deflector, Doray will become a multi-mine high-grade gold producer with the Company targeting 160,000 ounces production per annum with average All-In Sustaining Costs (AISC) of less than A\$1,000/oz between Deflector and the Company's existing Andy Well gold operation.

The review capitalised on Doray's recent experience in the design, construction and operation of the Andy Well Gold Project and covered the following areas:

- Construction costs and timing
- Open pit and underground mining costs and schedule
- Processing plant design
- Site infrastructure and layout, including accommodation village
- Status of permitting and approvals
- Copper-gold concentrate offtake

The review reconfirmed the Company's assessment that the Deflector Project will be a high-grade, low-cost gold project with robust financials and significant upside.

Mining

Mining at Deflector will initially comprise open pit mining, transitioning to an underground operation during mid-2016.

The Western and Central Lodes at Deflector are steep mineralised structures dipping between 80° to 90°, typically 1m to 5m wide and hosted within a competent basalt host. The total strike length of the orebody is about 850m.

Open pit mining will occur in stages, initially focusing on mining the narrower Central lode pit. Underground access will be gained through a portal established in the Central lode pit at a depth of 35m below surface. Mining of the wider Western lode pit and the smaller northern pit on the Central lode will then continue to a maximum depth of 85m, concurrent with underground mining.

OPERATIONS REVIEW

Following the establishment of the portal, underground mining will be carried out utilising a conventional sub-level long-hole open stope mining method at 20m sub-level intervals. Underground ore access will be gained via a 5.3m x 5.5m decline to mine 4m x 4m ore development drives and 3.2m x 4m drives to suit lode widths.

The decline and level access development is located centrally between the Western and Central orebodies. Underground mining is currently planned to 270m vertical metres below a 15m crown pillar, limited only by current drilling depth.



Figure 4. Murchison region geology showing location of Deflector in relation to existing Doray projects, including the Andy Well Gold Project

Table 4. Summary of mining and processing parameters

Physicals	
Open Pit Mining	
Total movement (bcm)	1.79M
Ore tonnes (t)	348,258
Grade (Au g/t, Cu %)	5.5g/t, 1.63%
Ounces mined (oz)	61,972
Underground Mining	
Ore tonnes (t)	2,301,051
Grade (Au g/t, Cu %)	4.7g/t, 0.6%
Ounces mined (oz)	348,592
Total Mining	
Ore tonnes (t)	2,649,308
Grade (Au g/t, Cu %)	4.8g/t, 0.7%
Ounces mined (oz)	410,564
Processing	
Tonnes processed	2,649,308t
Average Mill throughput	454,000/yr
LOM Average head grade (Au g/t, Cu %)	4.8g/t, 0.7%
Metallurgical recovery – Primary Ore (Au, Cu)	89.5%, 93%
Average annualised production (Au/ Au Eq)	61koz / 74.5koz
Total recovered Au ounces	355,452
Total recovered Cu tonnes	14,279
Mine life	Approx. 6 years

Note: Life of Mine inventories are based on those previously disclosed by MYG in the ASX Release dated 4th August 2014. Open Pit inventories are as previously stated. Underground inventories have been altered by the addition of 30% unplanned dilution to stoping at 0.0g/t Au and 0% Cu grade.

The top-down mining method employed, retreating to a centrally located access cross-cut allows stoping to commence as soon as level development has been completed. Any ore remaining within a stope is then able to be extracted from a lower level, ensuring minimised ore loss due to mining.

Rock mass characteristics assessed by two specialist geotechnical consultants evaluate the basalt host rock to be competent and have high strength (Uniaxial Compressive Strength averaging 250MPa). Full depth rib pillars will be left at appropriate intervals in accordance with geotechnical recommendations.

For personal use only

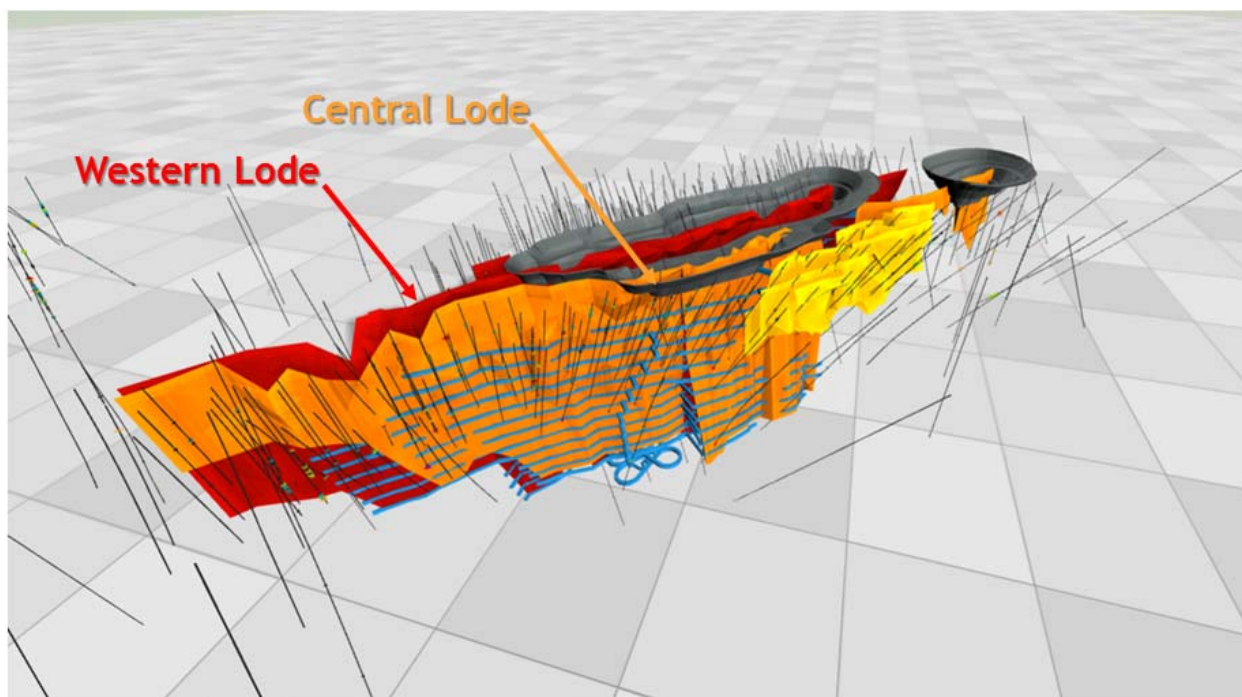


Figure 5. Isometric view of proposed Deflector open pits and underground development

Processing and Production

Doray will construct a new processing plant at Deflector which is specifically designed to suit the metallurgy of the orebody. The plant, to be built by GR Engineering Services (“GRES”), will comprise:

- Three stage crushing and screening
- Ball mill
- Gravity circuit
- Elution circuit and gold room
- Flotation circuit

The fit-for-purpose plant will be built adjacent to the orebody to minimise mine haulage costs from the open pits and underground.

Ore throughput to the plant will average 454Ktpa with expected average recoveries of 89.5% for Au and 93% for Cu from the primary ore, which provides 82% of total ore feed to the plant.

Table 5. Processing Plant Recoveries

	Oxide	Transitional	Fresh
Au	78.0%	92.0%	89.5%
Cu	65.0%	81.0%	93.0%

Based on the above recoveries, the project will produce approximately 61,000 ounces of gold per annum or approximately 74,500 ounces per annum on a gold-equivalent basis.

For personal use only

OPERATIONS REVIEW

Site Infrastructure and Accommodation Village

Doray will utilise the existing tailings storage facility (TSF) located at the Gullewa mine site, with tailings to be transferred from the new Deflector plant via a purpose built pipeline. Two further pipelines will supply raw water of very good quality (<5,000TDS) from an existing bore field supplemented by a pipeline recycling water from the existing TSF for use in the processing plant.

Site offices, workshop and stores will be located in close proximity to the mine, along with the power station, fuel farm and underground mining contractor facilities.

The Company plans to construct a new accommodation village approximately 1km of the mine, minimising the level of traffic on the Deflector access road and integrating medical services and administrative management of the mine site and village.

Project Upside Opportunities

Doray believes there is substantial upside to the Project through further optimisation of mining, development and processing once underway.

Doray has taken a relatively conservative approach to mining dilution whilst stoping, based on recent experience at Andy Well. There is potential to reduce the overall dilution, which would have a significant positive effect on the project financials.

It is anticipated that the rougher-concentrate tailings will contain some residual gold. After depletion of oxide and transition ore, a section of the flotation circuit will be redundant when treating only primary ore. Potentially either a further concentrate of pyrite containing gold may be able to be produced utilising these tanks, or the installation of a small CIP plant might be able to extract more gold. Once a suitable sample of these tailings is available from the plant, testwork will be undertaken to establish if these or other options are viable.

Doray considers the Deflector Project to have significant exploration potential, enabling the company to capitalise on the investment in the Deflector processing infrastructure. Doray is currently undertaking a project wide data compilation and review, with a view to generating near-mine exploration targets for testing. Targets encompass exploration for both Deflector style Au-Cu mineralisation, as well as traditional Archean Au mineralisation as present at the nearby Gullewa workings.

Since taking control of the project, Doray has been developing a coherent geological model of the mineralisation at Deflector, as well as validating historic data from previous mining operations at Gullewa. Recent work on the Deflector orebody has highlighted the applicability of electro-magnetic geophysical techniques (EM), and as such, a heli-VTEM survey is planned for the upcoming weeks. This survey is designed to cover a 10.5km x 3.5km corridor of the geological sequence that hosts the Deflector deposit, with an aim of delineating conductive bodies that represent massive sulphide hosted Au-Cu mineralisation similar to Deflector.

In addition to target generation work underway, drilling completed at Deflector during 2014 discovered a new zone of mineralisation located ~350m to the southwest of the proposed Deflector development. Results received include 3.08m @ 9.9g/t Au and 7.5% Cu (14DEFDD015). This new zone of mineralisation has not yet been subject to any follow up drilling.

OPERATIONS REVIEW

Development Timeline

The critical path to commencement of production is the installation of the processing plant, which is scheduled to commence July 2015. Detailed final design work is advanced, long lead delivery items have been identified and an order has been placed for the ball mill to enable plant commissioning, followed by the start of production, during Q4 FY16.

The village will be built concurrently with earthworks for the plant foundations. A small existing camp 7km from Deflector will be used during this initial construction period and will be retained as overflow capacity for specific periods such as mill relining or exploration drilling campaigns.

Open pit mining is scheduled to commence in February 2016 to provide initial ore feed for the mill, with underground mining to commence in June 2016 to access underground ore.

Copper-Gold Concentrate Offtake Agreements

Doray is currently in discussions with a number of potential purchasers of the high grade copper-gold-silver concentrate which will be produced from Deflector.

The response from these companies has been very positive and several draft agreements have been received for review and discussion.

GROWTH

Doray has a highly prospective exploration tenement portfolio covering a total of approximately 26,000km² in both Western Australia (WA) and South Australia (SA), through both its 100% owned and active Joint Venture earn-in projects.

Doray's Growth Strategy is focussed around building Resource and Reserve inventories within haulage distance of its established mining infrastructure, as well as exploring for new stand-alone gold operations within prospective mineralised provinces. During the year, active exploration was undertaken in the northern Murchison region within 100km of the Andy Well Project, as well as regional exploration at the Horse Well JV northeast of Wiluna in Western Australia and at the Nuckulla Hill Project in South Australia.

In addition, the Company actively monitors potential joint venture and acquisition opportunities on both a project and corporate scale. This resulted in not only the successful takeover of Mutiny Gold Ltd, but also the purchase of the Gnaweeda JV from Archean Star Resources Australia Pty Ltd located within 15km of Andy Well, as well as the signing of the Farm-in agreement with Iluka Resources Ltd to explore for gold deposits within its entire Eucla Basin tenement portfolio in South Australia.

Andy Well Project – Near Mine Exploration

The Andy Well project centres around Doray's tenement holdings in the northern Murchison within 100km radius of the Andy Well Processing facility (see Figure 6).

Mineralisation at the Andy Well mine consists of a series of parallel shear zone hosted quartz lodes, within a series of high magnesium basalt lodes. Mining is currently active on the Wilber Lode, with preparations being made to commence mining on the Judy and Suzie lodes during FY2016 (see Figure 7).

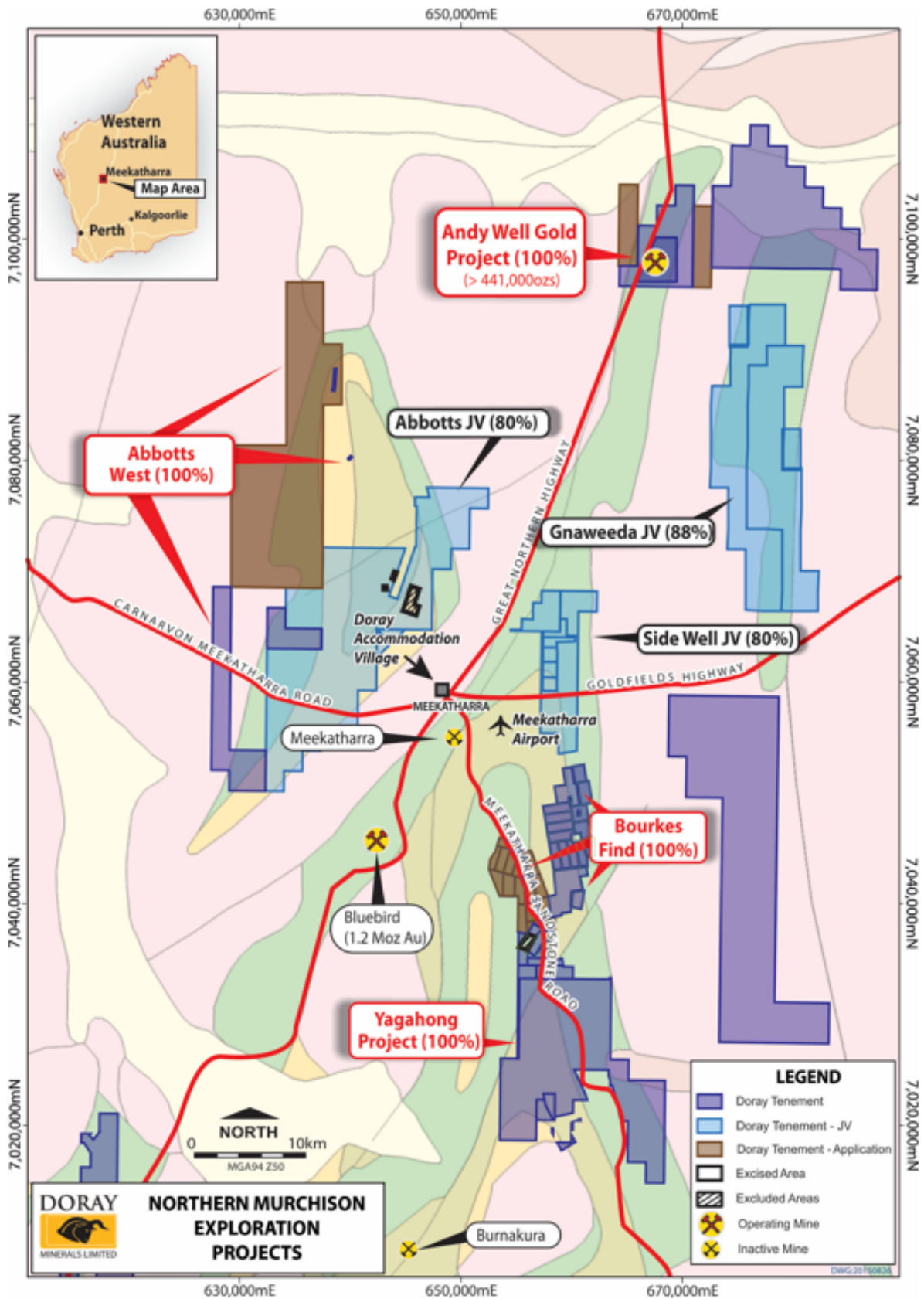


Figure 6. Andy Well Near-Mine Exploration Projects

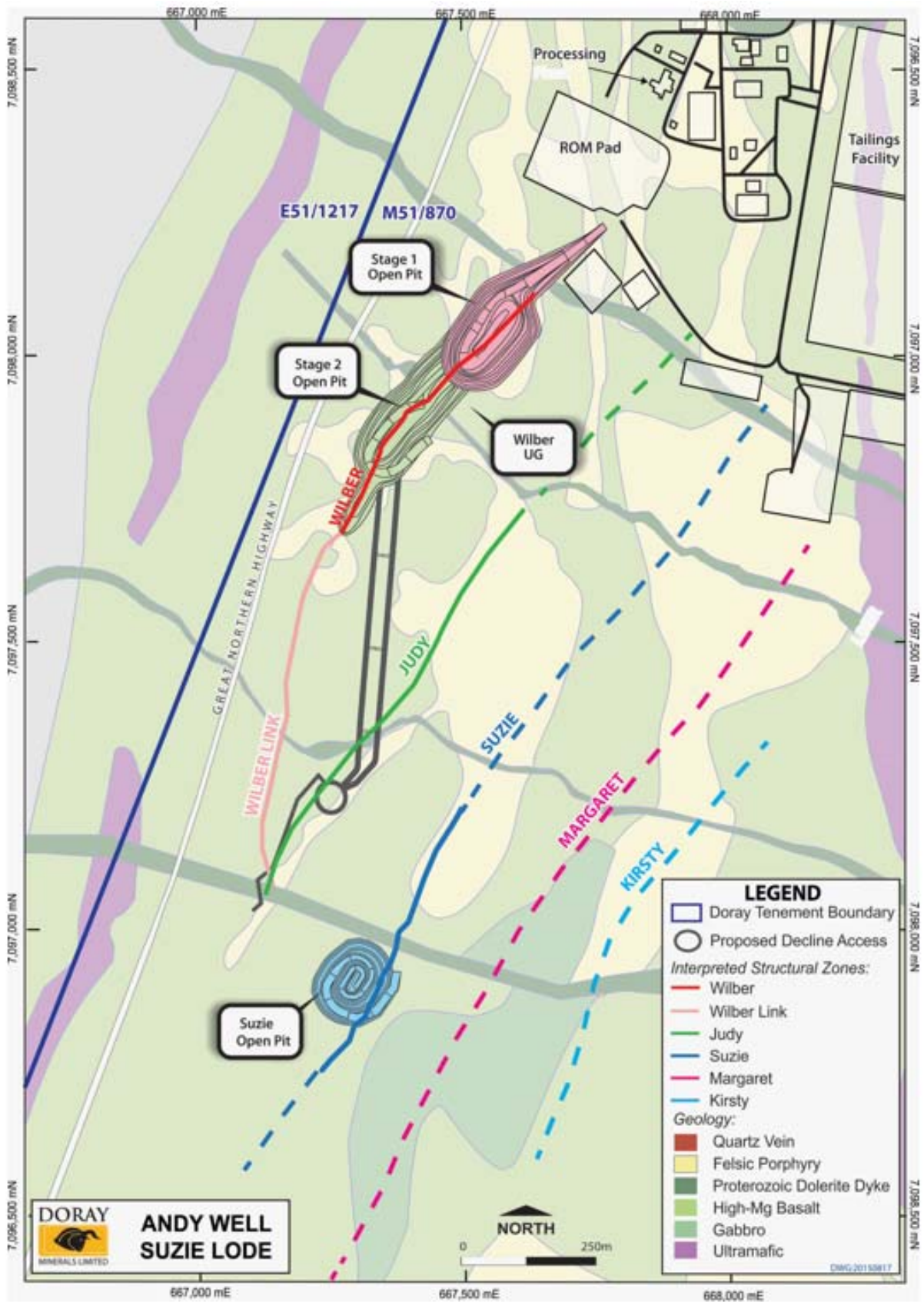


Figure 7. Andy Well Project location diagram illustrating the relevant positions of gold lodes

OPERATIONS REVIEW

Wilber Deeps Extension

During the year, Doray drilled a six hole diamond drilling programme aimed at increasing the depth of data coverage below the current Resource and mine plan for the Wilber Lode deposit. This programme was designed to test three identified depth extension target zones below the current Resource with two holes each, testing a total depth of approximately 250m below previous drilling, or greater than 700m below surface.

Five of the six holes drilled were successful in intersecting the Wilber Lode quartz vein, with the sixth intersecting a late stage dolerite dyke (MNDD156W1). Of the five holes that intersected the lode, three had coarse gold visible in the core (MNDD154, MNDD157 and MNDD159) (see ASX release dated 12 November 2014). Assays from these holes include:

- **0.9m @ 57.0 g/t Au** (MNDD159)
- **0.5m @ 10.1 g/t Au** (MNDD157)
- **0.8m @ 6.4 g/t Au** (MNDD154)

The remaining two holes intersected the target structure but had minimal quartz veining present (MNDD153 and MNDD158). These observations are consistent with geological mapping underground at Wilber, whereby the lode frequently has gold visible in the quartz, but occasionally pinches out along the host shear zone. All holes intersected host geology and structures as predicted from mining and previous drilling information.

These results provided confidence that the mineralised system at Wilber persists to depths well below the base of current mine plans. As such, Doray embarked on a systematic drillout from underground in order to extend the depth of the next Wilber Mineral Resource estimate. This programme, consisting of 36 holes for 9,455m was completed from several drill platforms underground utilising up to two drill rigs. All holes were drilled NQ2 size.

Drilling was successful in intersecting Wilber-style mineralisation throughout the programme, confirming continuity of mineralisation below the current base of mine design (Refer to ASX release dated 18 May 2015). Significant results received include:

- **0.9m @ 155.2g/t Au** (WBUG0782)
- **0.6m @ 52.2g/t Au** (WBUG0785A)
- **0.7m @ 55.9g/t Au** (WBUG0753)
- **0.5m @ 130.7g/t Au** (WBUG0757)
- **2.1m @ 21.2g/t Au** (WBUG0751)
- **0.6m @ 25.7g/t Au** (WBUG0815)

Significantly, strong mineralisation was intersected on the northern end of the deposit at depth (**WBUG0785 – 1.5m @ 14.1g/t Au**).

These results appear to suggest an overall steep northerly plunge to the vein orientation. Due to the position of current drill platforms, this apparent northerly extension to mineralisation at depth was unable to be tested adequately with this drill programme. These extensions to mineralisation will be drilled from suitable platforms to be available during FY2016.

Following the completion of this programme, an underground diamond drill rig has continued at the Wilber underground mine to test further extensions to high-grade gold mineralisation at the Wilber, Judy and Suzie zones as suitable drill positions become available. It is intended that this underground Resource extensional drilling will continue on an ongoing basis throughout FY2016.

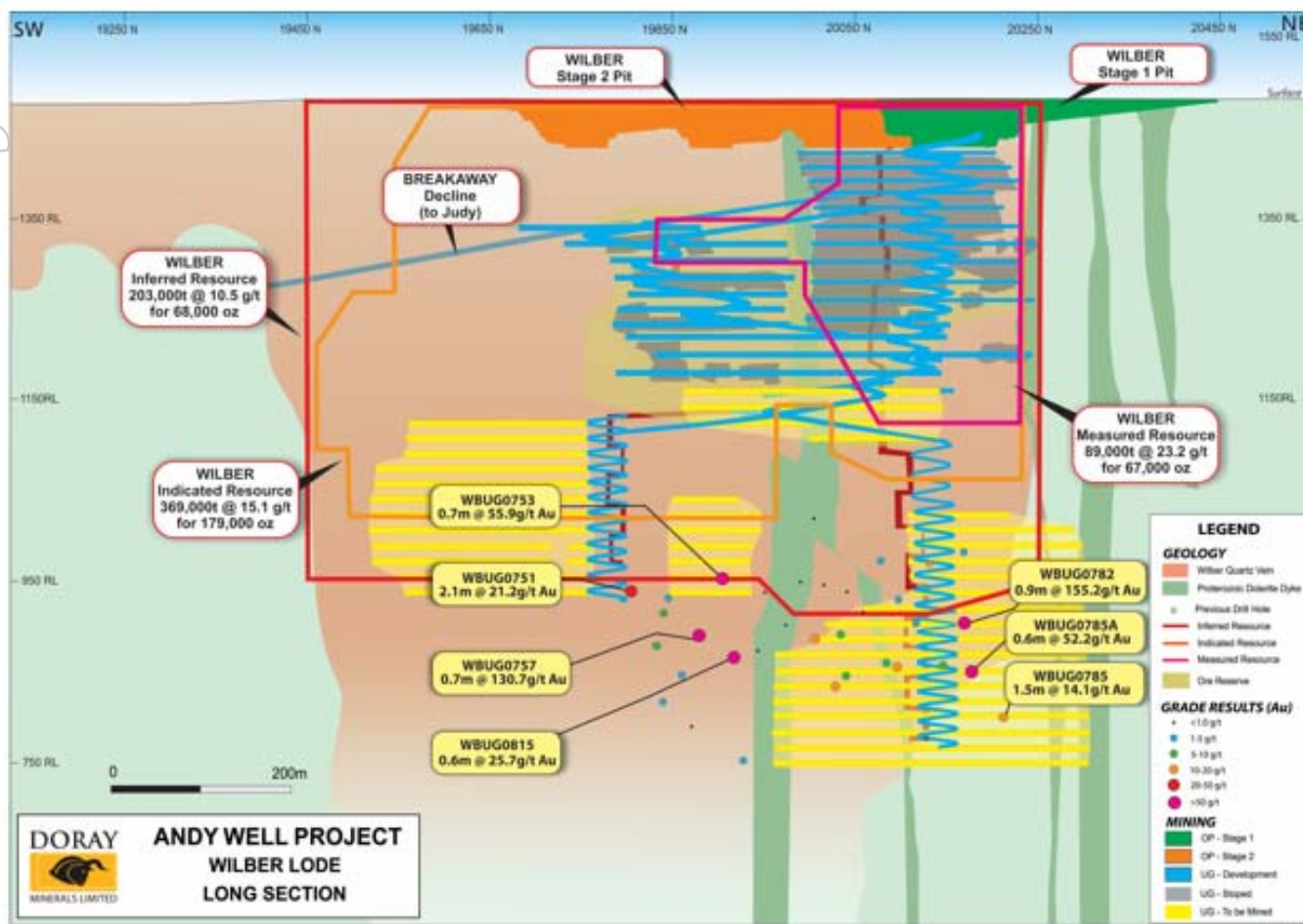


Figure 8. Long section view of the Wilber Lode illustrating the recently completed Wilber extensional diamond drilling, with existing Mineral Resource boundaries, previous drilling and current mine design and Ore Reserve

Judy Lode Depth Extensional Drilling

Following the successful drilling of the six step-out diamond holes deep beneath the Wilber Lode as detailed above, the Company took the opportunity to extend one of the holes (MNDD158) a further 300 metres to intersect the Judy Lode at approximately 800 metres below surface. This intersection is a step-out of approximately 600 metres below the previous extent of drilling within the Judy North area (Figure 9).

The hole was successful in intersecting the Judy Lode at the interpreted position and encountered a bifurcated quartz vein with abundant visible gold hosted in high-magnesium basalt. Assays of the Judy Lode vein returned gold results including **0.5m @ 17.3g/t Au** from 1104.95mdh (see ASX release dated 11 December 2014).

Importantly, at this depth, the Judy Lode is contained in high-magnesium basalt which is the dominant host rock for the high-grade Wilber Lode and Judy South deposits. This is in contrast to the overlying lower-grade Judy North Resource, which is hosted in altered porphyry. The change in geology at depth indicates the potential below some of the previously drilled porphyry-hosted structures which host lower and/or variable grade gold mineralisation.

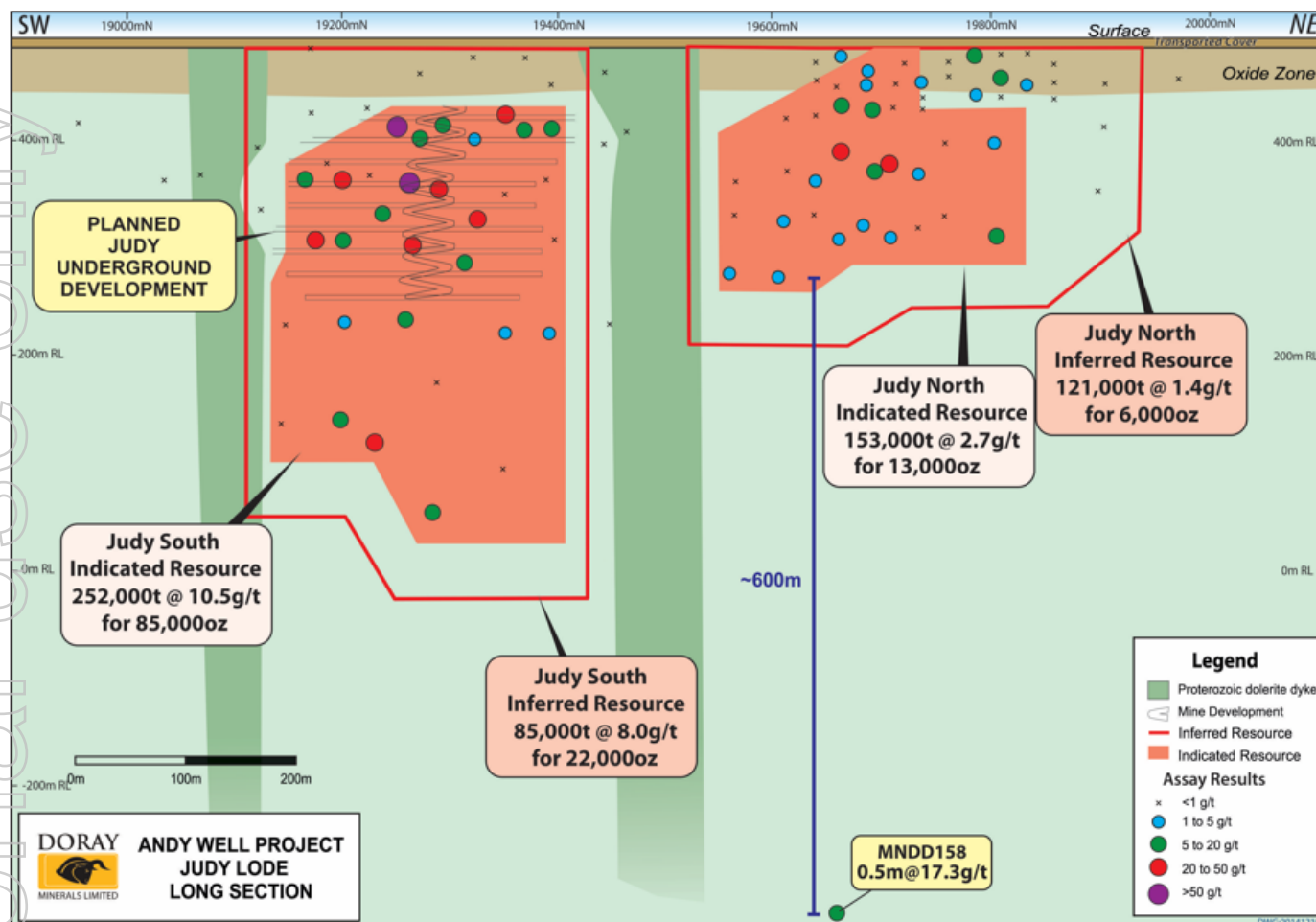


Figure 9. Long Section of the Judy Lode, highlighting the MNDD158 intersection with previous drilling and current Mineral Resource outlines

Suzie Lode

The Suzie Zone is the third high-grade gold deposit to be discovered by Doray at Andy Well and is located parallel to the Wilber Lode, currently being mined, and the Judy Lode, which contains a second high-grade gold Reserve.

During the year, five diamond holes were drilled to target the down dip extension of the Suzie Zone mineralisation and following up on a previous RC intersection of 3m@25.9g/t Au including 1m@58.8g/t Au (previously reported in the June 2014 Quarterly report). All 5 holes successfully intersected the targeted Suzie structure with significant results including:

- 0.5m@20.65g/t Au (MNDD148)
- 0.5m@7.89g/t Au (MNDD150)
- 0.8m@3.89g/t Au (MNDD149)

Following this diamond drilling, a programme of shallow RC drilling was undertaken at Suzie to test for mineralisation amenable to small-scale open pit mining.

A total of 26 RC holes were drilled for 1,275m on approximately 25m spaced sections. The RC programme was successful in highlighting several zones of shallow high-grade gold mineralisation hosted in oxidised bedrock (see the ASX release dated 11 December 2014).

OPERATIONS REVIEW

Significant results received include:

- **2m @ 76.0g/t Au** (MNRC352)
- **1m @ 47.4g/t Au** (MNRC355)
- 1m @ 14.0g/t Au (MNRC356)
- 2m @ 11.1g/t Au (MNRC347)

During the year, Doray released an initial Mineral Resource for the Suzie Zone. The Indicated and Inferred Resource for the Suzie Zone comprises **468,000t @ 8.1g/t Au for 123,000 contained ounces** (see Table 6) and increased the Andy Well Resource inventory to over 500,000 ounces from the three deposits defined to date (see Table 7). Details of the Resource estimation approach and Competent Person statement are summarised in the ASX release dated 25 February 2015.

Following on from this calculation of the maiden Mineral Resource at Suzie, engineering evaluation work is underway to evaluate the potential for small scale open pit mining, scheduled to complement the current Stage 2 open pit campaign at Wilber. In anticipation of a positive outcome from those studies, Doray has commenced required permitting for open pit mining at Suzie. In addition, further evaluation work will be undertaken to evaluate the potential for underground mining of the deeper sections of the Suzie Lode.

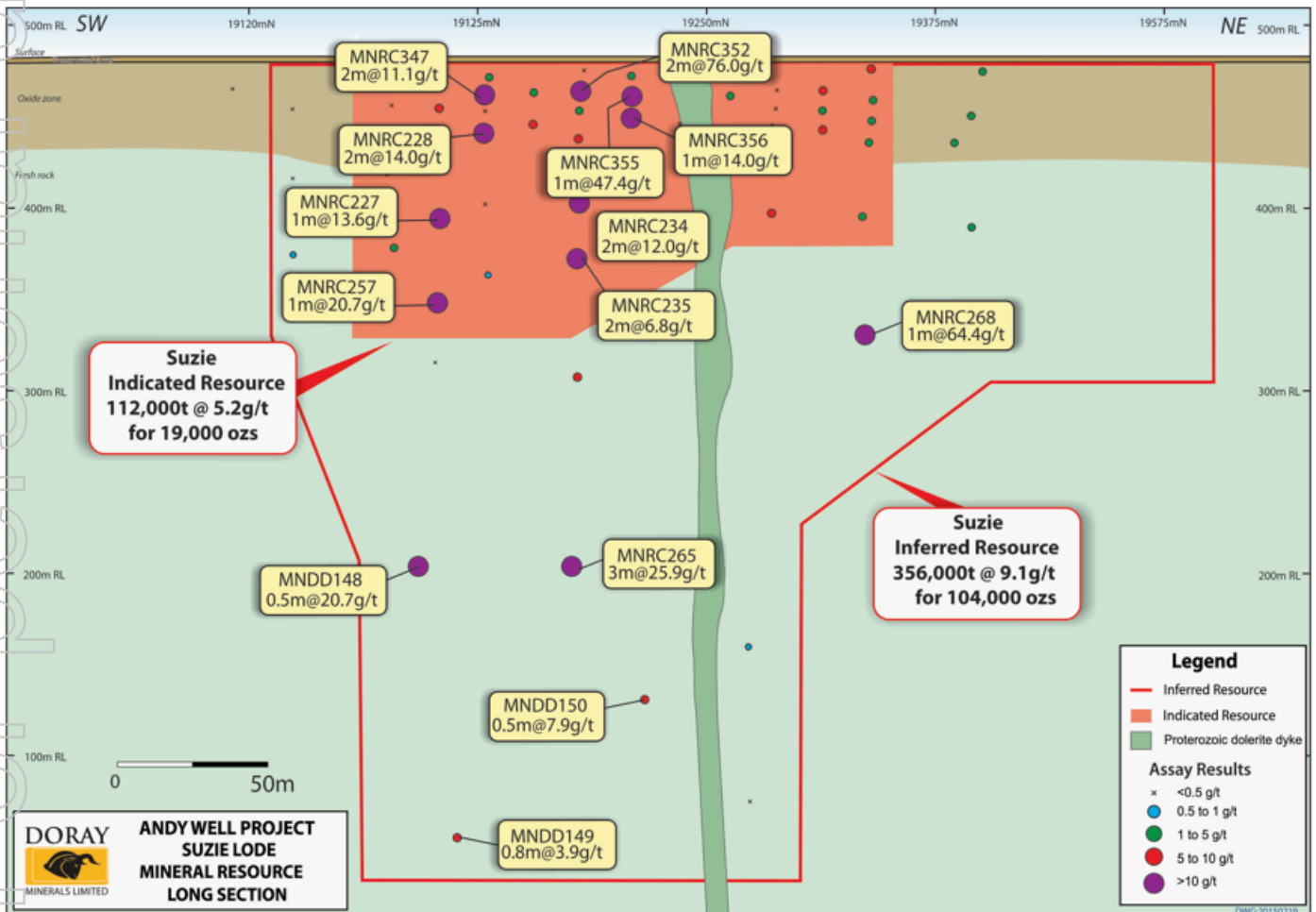


Figure 10. Long section of the Suzie Lode, showing the Resource outline and highlighting significant drilling results

DORAY MINERALS LIMITED
ANNUAL REPORT 30 JUNE 2015

OPERATIONS REVIEW

Table 6. Andy Well Project, Suzie Lode Mineral Resource Inventory

	Indicated			Inferred			Total		
	Tonnes	Grade (g/t)	Ounces	Tonnes	Grade (g/t)	Ounces	Tonnes	Grade (g/t)	Ounces
Suzie	112,000	5.2	19,000	356,000	9.1	104,000	468,000	8.1	123,000
Total Suzie	112,000	5.2	19,000	356,000	9.1	104,000	468,000	8.1	123,000

Note: Resources quoted above 0.1g/t Au lower cutoff. Upper cut applied to data of 60g/t Au. Rounding errors may occur.

Table 7. Andy Well Project, Combined Mineral Resource Inventory

	Measured			Indicated			Inferred			Total		
	Tonnes	Grade (g/t)	Ounces	Tonnes	Grade (g/t)	Ounces	Tonnes	Grade (g/t)	Ounces	Tonnes	Grade (g/t)	Ounces
Andy Well - Wilber	89,000	23.2	67,000	386,000	15.2	189,000	203,000	10.5	68,000	679,000	14.8	324,000
Andy Well - Judy	-	-	-	405,000	7.6	99,000	206,000	4.1	27,000	611,000	6.4	126,000
Andy Well - Suzie	-	-	-	112,000	5.2	287,000	356,000	9.1	104,000	468,000	8.1	123,000
TOTAL RESOURCE	89,000	23.2	67,000	903,000	10.5	306,000	765,000	8.1	199,000	1,758,000	10.1	572,000

Note: Wilber Lode includes Resources as at 30th June 2014 and additional Stage 2 Open Pit Resources detailed 7th January 2015. Judy Lode includes Resources as at 30th June 2014. Wilber Lode reported above 0.1g/t Au. Judy Lode reported above 0.0g/t Au. Suzie Lode reported above 0.1g/t Au. Rounding Errors may occur. All Mineral Resources are inclusive of those used to determine Ore Reserves.

Gnaweeda JV Project

During the year, Doray executed an agreement to purchase a majority interest in the Gnaweeda Gold Project JV ("Gnaweeda"), located in the Northern Murchison region of Western Australia. Doray purchased 88% of the project for \$500,000 and has the right to earn up to 100% of the project (see ASX release 16 July 2014).

The Gnaweeda Project covers a largely buried greenstone belt located approximately 10 kilometres south-east of Doray's high-grade Andy Well Gold Mine (Figure 7), which is currently in production.

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".

DORAY MINERALS LIMITED
ANNUAL REPORT 30 JUNE 2015

OPERATIONS REVIEW

Following completion of the Gnaweeda purchase, the company embarked on a RC drilling programme at the Turnberry prospect, in order to follow up on high grade intercepts reported by previous operators of the project. A total of 8 RC holes were drilled for 1,404m, targeting mineralisation intersected by previous explorers. This previous drilling at Turnberry was considered to be either too shallow, or not systematic enough to confirm geological controls to mineralisation. Doray's drilling was targeted below these sporadic previous intersections, to test the concept of a simple steep-dipping shear zone. This interpretation was based on re-logging of existing drill core and re-interpretation of geophysical datasets by Doray staff. Drilling aimed to test this interpretation along a strike length of approximately 120m.

Significant results returned include:

- **1m @ 37.2g/t Au** (TBRC002)
- **1m @ 12.2g/t Au** (TBRC003)
- **5m @ 17.4g/t Au** (TBRC005)
- **4m @ 17.9g/t Au** (TBRC007)
- **2m @ 5.8g/t Au** (TBRC008)

(Refer to ASX announcement dated 11 June 2015)

It is anticipated that follow-up RC drilling and exploration field work will be completed at Turnberry early in the 2016 financial year.

Abbotts Project

Regional-scale, broad spaced aircore drilling across numerous previously untested or poorly tested structural targets within the Abbotts Project area is ongoing with several significant intervals returned this Quarter. To date, 416 holes have been completed for a total of 25,586 m, constituting approximately 90% of the first pass program. Infill drilling will follow once all results are returned, compiled and interpreted.

Table 8 below shows the best of the intervals returned from the Jasper Star, Garden Gully and Abbotts North areas. No results of significance were returned from Abbotts South or Abbotts West.

Table 8. Significant intercepts from the Abbotts Project aircore drilling programme

Hole ID	Easting	Northing	RL	Dip /Azimuth	Total Depth (m)	From (m)	To (m)	Interval (m)	Au Grade (g/t)
JSAC013	643850	7068900	500	-60/090	102	56	57	1	12.35
JSAC014	643750	7068900	500	-60/090	102	88	90	2	2.69
JSAC066	642620	7067907	500	-60/090	89	68	74	6	1.42
					<i>Including</i>	68	70	2	3.63
JSAC097	644590	7069902	500	-60/090	67	45	46	1	1.15
GGAC028	645855	7069305	500	-60/090	92	24	26	2	5.07
ANAC017	640051	7069303	500	-60/270	100	84	85	1	1.08
ANAC018	640161	7069298	500	-60/270	97	47	48	1	1.81
						64	65	1	3.09
						83	89	6	3.03
					<i>Including</i>	86	89	3	5.46
ANAC041*	640177	7069300	500	-60/270	127	84	92	8	2.06

Deflector Project – Near Mine Exploration

Following completion of the Mutiny Gold Ltd acquisition, work at Deflector concentrated on target generation in the “Deflector Corridor”, as well as sterilisation drilling required prior to infrastructure construction.

Target generation work consisted of database compilation of all historic drill data and generation of a coherent geological interpretation for the Deflector Corridor, as well as the flying of a helicopter VTEM survey. The VTEM survey was flown over a corridor of 10km x 3km covering the stratigraphy that hosts the Deflector orebodies, and is designed to highlight other potential occurrences of massive sulphide mineralisation such as that found at Deflector.

At the end of the year, the survey was complete and final processing of the data was nearing completion. It is expected that targets generated by this survey will require drill testing in the 2016 financial year.

WA Regional Exploration – Horse Well JV (Doray Earning up to 80%)

In May 2014, Doray signed a farm-in Agreement with ASX listed Alloy Resources Ltd (ASX:AYR) to earn up to 80% in the Horse Well project east of Wiluna.

Dusk til Dawn Prospect

Diamond hole ACDD001, was collared between two previously drilled RC holes in order to increase the understanding of the style and nature of alteration, mineralisation and structure within the Dusk til Dawn system and to inform the subsequent aircore drilling program.

ACDD001 intersected an “envelope” of highly anomalous gold along much of its length with a semi-continuous interval of 120m @ 0.60 g/t Au being returned from 105-225m.

Mineralisation was accompanied by strong shearing and potassic alteration including biotite, feldspar, quartz and pyrite and was hosted in both the meta-sedimentary package and also the accompanying granitic intrusives, similar to the Crack of Dawn prospect to the south.

Structural data from ACDD001 indicates that the hole was drilled oblique (approximately 045°) to a major gold bearing shear that could be a feeder to a significant gold deposit along the granite contact further to the northwest. The structure is at least 50m in true thickness, has a northwest strike and sub-vertical dip.

Further details can be found in the ASX release dated 10/09/2014.

Following the drilling of ACDD001, an aircore programme testing, along strike from ACDD001 to the northwest was completed. This program was part-funded through an Exploration Incentive Scheme (EIS) grant from the Western Australian Government. Three lines were completed immediately northwest of ACDD001 at approximately 200m intervals with holes collared “top to tail” along the lines in order to achieve 100% drill coverage. A total of 64 holes were drilled for 2908m.

Many of the holes intersected strongly foliated intermediate volcanics adjacent to the granite contact, with significant pyrite, biotite and silica alteration observed. An intersection of **8m @ 7.99 g/t Au** was returned from hole DDAC054 (60m – 68m) from within weathered intermediate volcanics adjacent to a granite contact. Bottom of hole chips from DDAC054 and adjacent holes indicated a zone of strong shearing. This mineralisation is consistent with other observations from Dusk til Dawn and occurs immediately along strike to the northwest from the significant interval in ACDD001.

OPERATIONS REVIEW

The anomalous interval from DDAC054 was re-assayed at 1m intervals and returned **4m @ 12.7 g/t Au** from 62m, including (see ASX announcement 10 December 2014):

- **1m @ 10g/t Au** from 62m and **2m @ 20.37g/t Au** from 64m.

DDAC054 terminated in sheared intermediate volcanic rocks with a bottom of hole interval of **7m @ 0.44 g/t Au** returned.

Two other holes intersected what appears to be a parallel zone approximately 250m west of the main zone. DDAC044 and DDAC062 returned intervals of **8m @ 1.11 g/t Au** and **8m @ 1.29 g/t Au** respectively (from 36m – 44m and from 44m – 52m).

Follow-up RC drilling targeted the structure between holes ACDD001 and DDAC054 with two holes drilled towards the south west (azimuth 225 degrees), aiming to intersect the interpreted Dusk til Dawn mineralised shear structure at right angles for the first time (Figure 11).

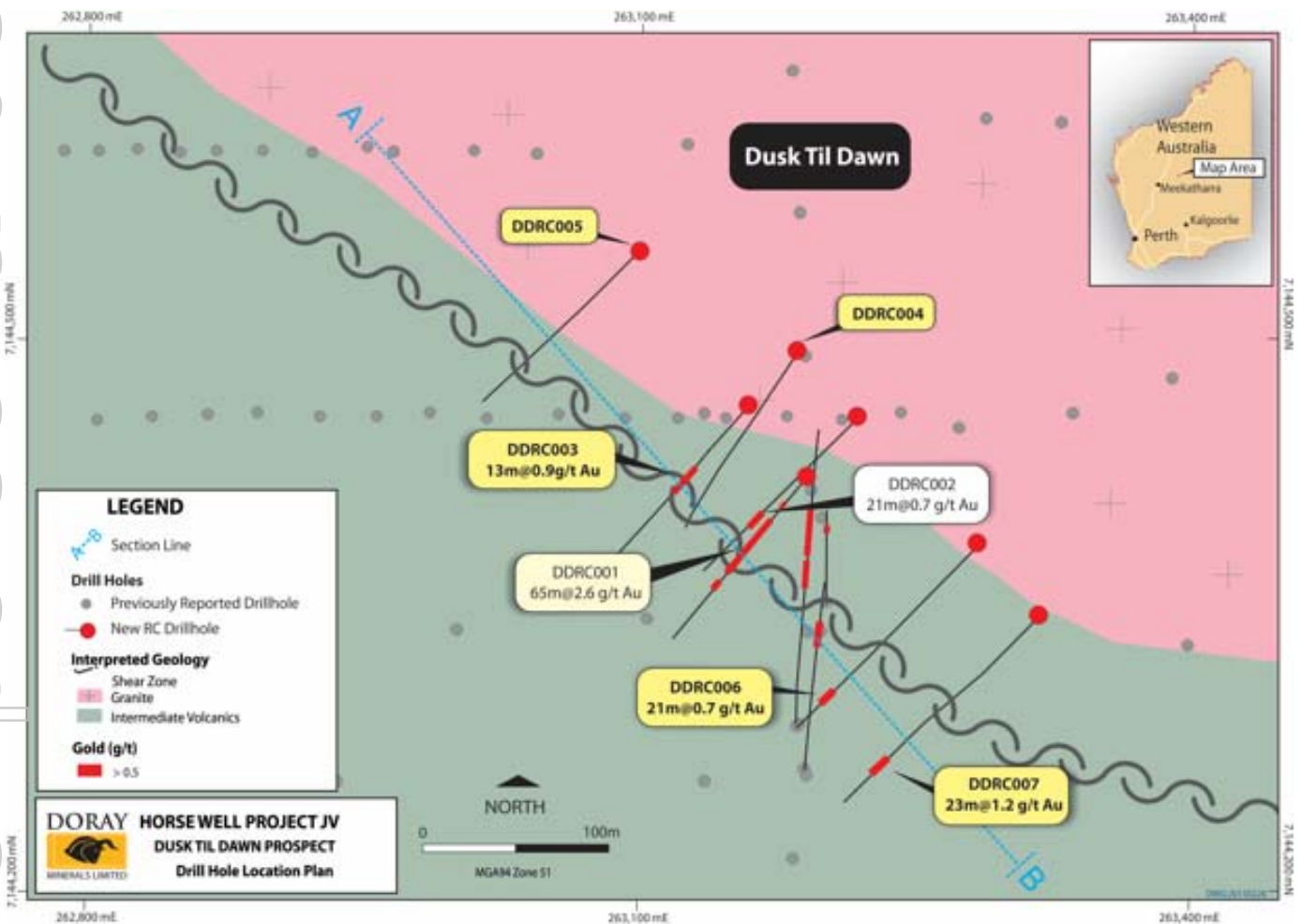


Figure 11. Horse Well JV, Dusk til Dawn Prospect – RC drilling plan

DDRC001 intersected a wide zone of alteration and mineralisation and returned **65m @ 2.6g/t Au** from 50m, including a zone of high-grade gold in oxide material which returned **13m @ 8.17g/t Au** from 50m.

DDRC002, collared approximately 50m to the NE of DDRC001, intersected the Dusk til Dawn shear approximately 55m down dip and returned **21m @ 0.7 g/t Au** from 140m.

OPERATIONS REVIEW

High-grade gold mineralisation has so far been confirmed from DDAC054, at the northern end, towards **ACDD001, ACDR002 and 003** at the southern end with the NW-SE trending mineralised structure interpreted to continue further along strike in both directions and at depth.

During the Quarter, RC drilling was completed at the Dusk 'til Dawn Prospect, part of the Horse Well JV between Doray and Alloy Resources Ltd ("Alloy"). This drilling aimed to follow-up previous intersections within the mineralised Dusk til Dawn structure, including **65m @ 2.6g/t Au** in DDRC001 (see ASX release 10th December 2014).

Holes were drilled along strike to the north-west and south-east, testing the potential for a south-easterly plunging orebody. A total of 5 holes for 930m were drilled. All holes intersected the structure, which appears to host gold mineralisation over at least 300m of down-plunge length (see Figure 12). Assay results received confirmed the south east plunge and the presence of wide zones of moderate grade Au mineralisation.

Holes DDRC006 and DDRC007 intersected what is interpreted to represent a down-plunge extension. Significant results returned from the RC programme include:

- **23m @ 1.2g/t Au** (DDRC007)
- **13m @ 0.9g/t Au** (DDRC003)
- **21m @ 0.7g/t Au** (DDRC006)

Details of all results from this drilling are included in the Alloy Resources Ltd ASX release dated 12 March 2015.

Doray is currently planning further RC drilling at Dusk 'til Dawn, as well as reconnaissance aircore drilling over other targets at the Horse Well JV.

During the year, Doray also advised Alloy that it had met the first expenditure milestone of \$900,000 and intended to take over formal management of the JV. The next JV milestone is an additional \$1 million of expenditure within 12 months, at which time Doray will earn 60% of the Project.

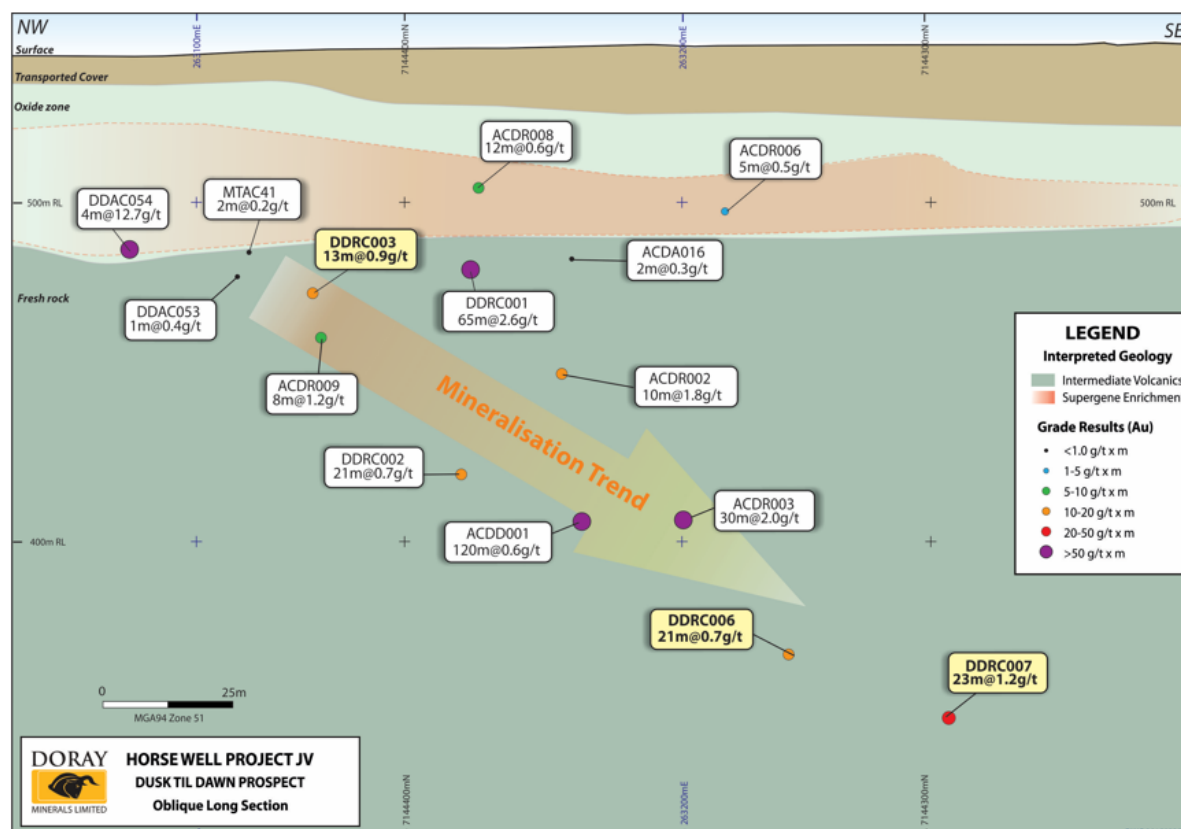


Figure 12. Horse Well JV, Dusk til Dawn Prospect – RC drilling oblique long section

For personal use only

OPERATIONS REVIEW

SA Regional Exploration – Nuckulla Hill Project

During the year, Doray completed surface geochemical sampling on all areas of regolith deemed amenable within the Nuckulla Hill Project area. Sampling involved the collection of fine fraction material from approximately 100mm – 200mm below the surface. This work followed on from orientation studies completed during 2013 to determine the effectiveness of this method of sampling in the region.

Samples were initially collected on a nominal 400m x 100m grid with areas of anomalism infilled, typically to 100m x 50m. The material was sieved in the field (however, where the sample was wet due to rain, samples were sieved by Genalysis at the Adelaide Sample Prep facility) and the samples analysed by a proprietary method by Genalysis Laboratory Services in Perth.

Two significant anomalies have been defined as a result:

The **Bluebush** Prospect soil anomaly (Figure 13) is approximately 150m x 1400m N-S and is located within a flexure in the same structure that hosts the Bimba Prospect 8km to the north. The Bluebush anomaly peaks at approximately 7-10 times background (7.89 ppb Au). A single N-S line of shallow RAB drilling was completed by previous workers in the vicinity of the southern end of the Bluebush anomaly. This drilling targeted a magnetic feature and does not directly test the soil anomaly.

The **Mulga** Prospect soil anomaly (Figure 13) is situated approximately 4km to the south and along strike from Bluebush. The anomaly is approximately 250m x 600m, peaks at 10 – 12 times background (up to 8.9 ppb Au) and is truncated to the south, at its widest point, by overlapping aeolian sand dunes.

Following the identification of these two anomalies, an aircore drilling programme was completed in order to test the potential bedrock source of anomalism. A total of 93 holes were drilled for 4648m. Drilling intersected a variable package of sedimentary and granitic rock types, with variable amounts of shearing and quartz veining. Moderate low-level anomalous Au was returned from several holes, however no coherent zone of mineralisation was defined.

SA Regional Exploration – Western Gawler Farm-in Agreement (Doray earning up to 80%)

During the Year, the Company announced that it had signed a strategic Farm-in Agreement with Iluka Resources Ltd (“Iluka”) to explore its highly prospective and virtually unexplored (for precious metals) Western Gawler Craton tenement portfolio in South Australia (Figure 14).

Doray will explore the Farm-in Project area for large-scale, granite-hosted and/or shear-hosted gold mineralisation and will have the right to earn up to 80% of any “Gold Resources” discovered within the project area. Iluka retains the rights to discoveries of other commodities made by the Company, unless it elects not to do so.

The Farm-in Project area comprises approximately 21,000 square kilometres of exploration licences and applications overlying the Western Gawler Craton and incorporates one of the last underexplored Archaean/Proterozoic boundaries in Australia, with similarities to the Yilgarn Craton/Albany-Fraser Province boundary on the western side of the Eucla Basin in Western Australia, which hosts the Tropicana Gold Project and the recent Nova-Bollinger nickel discovery.

Iluka had previously drilled a number of shallow holes intersecting basement geology below the prospective heavy mineral sands stratigraphy. The end of hole samples from these holes have never been assayed, however the dataset gives useful information about cover depth across the project area.

Doray identified a number of priority holes overlying structural targets and assayed the end-of-hole samples for gold and pathfinder elements. These drill samples were examined at Iluka’s Adelaide and Ceduna storage sites, with selected intervals sampled for multi-element analysis. Following receipt of these assay data, they will be interrogated and utilised, along with other existing datasets, in the development of conceptual targets for initial reconnaissance drilling in the 2016 financial year.

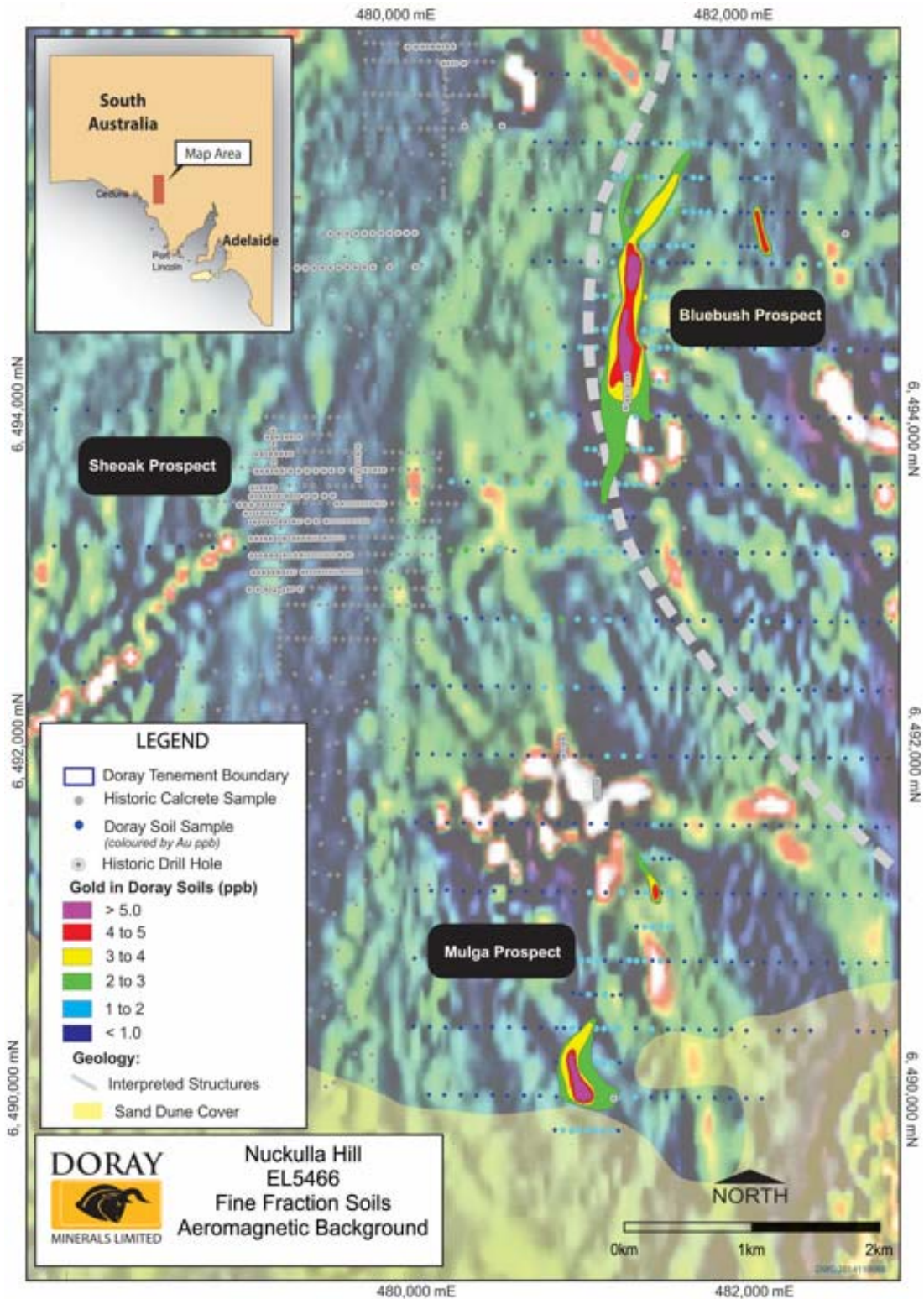


Figure 13. Nuckulla Project – Bluebush and Mulga Prospect soil anomalies

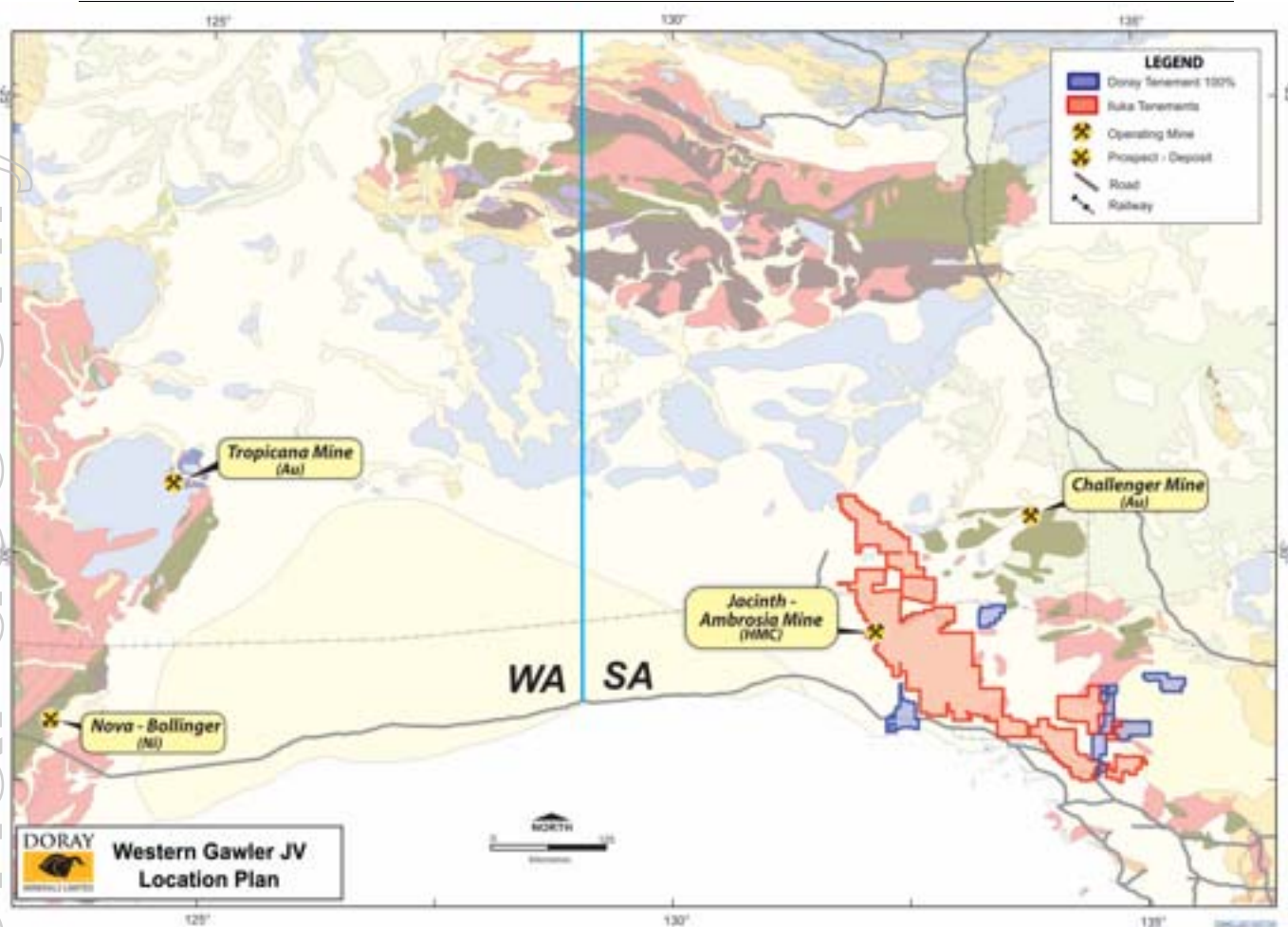


Figure 14. Western Gawler JV – Tenement location diagram

Mineral Resource Inventory

The Doray Mineral Resource Inventory, as at 30th June 2014, is detailed in the table below. Relevant Resource estimation parameters and JORC Table 1 attachments are detailed in the ASX releases dated 25 September 2014, 7 January 2015 and 25 February 2015.

Table 9. Doray Minerals Ltd, Mineral Resource Inventory

	Measured			Indicated			Inferred			Total		
	Tonnes	Grade (g/t)	Ounces	Tonnes	Grade (g/t)	Ounces	Tonnes	Grade (g/t)	Ounces	Tonnes	Grade (g/t)	Ounces
Andy Well	89,000	23.2	67,000	903,000	10.5	306,000	765,000	8.1	199,000	1,758,000	10.1	572,000
Deflector	1,164,000	6.0	223,000	1,043,000	7.3	246,000	658,000	5.8	122,000	2,865,000	6.4	591,000
TOTAL RESOURCE	1,253,000	7.2	290,000	1,946,000	8.8	552,000	1,423,000	7.0	321,000	4,623,000	7.8	1,163,000

Note: Andy Well Resources includes Resources as at 30th June 2014 and additional Wilber Stage 2 Open Pit Resources detailed 7th January 2015. Deflector reported above 0.5g/t Au. Rounding Errors may occur. All Mineral Resources are inclusive of those used to determine Ore Reserves.

Competent Persons Statement

The information in this report that relates to Ore Reserves is based on information compiled by Peter Bamford. Mr Bamford is a full-time employee of Doray Minerals Ltd and is a Fellow of the Australasian Institute of Mining and Metallurgy (AusIMM). Mr Bamford 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 Bamford 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 Bamford consents to the inclusion of information in this report in the form and context in which it appears. Mr Bamford holds shares and options in Doray Minerals Ltd.

The information in this report that relates to Exploration Results and Mineral Resources 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 report in the form and context in which it appears. Mr Cossom holds shares and options in Doray Minerals Ltd.

Corporate

On 1 September 2014, the Group appointed Mr Peter Lester to the Board as a Non-Executive Director.

On 15 January 2015, the Company declared the Takeover Offer for Mutiny unconditional following the achievement of over 75% relevant interest in Mutiny.

On 29 January 2015, the Company announced that it had agreed to a refinancing and restructure of its project finance facility with the Commonwealth Bank of Australia to Westpac Banking Corporation to enable improved access to cash flow from its high-grade Andy Well Gold Project in Western Australia for exploration and business development activities. As part of the refinancing and restructure, Westpac paid out the \$17 million outstanding balance of the existing project finance facility and provided an additional \$6 million to assist with costs relating to the takeover of Mutiny Gold Ltd (Mutiny) and expenses relating to commencement of the high-grade Stage 2 open pit.

On 26 February 2015, the Company appointed Mr Allan Brown to the Board as a Non-Executive Director.

On 19 March 2015, the Company announced the appointment of PCF Capital Group (PCF) as Doray's advisor to assess financing alternatives and securing funding for the construction of its 100% owned Deflector Gold Copper Project.

On 27 May 2015, the Company announced that it reached agreement with Sandstorm Gold Limited (Sandstorm) to terminate the Metal Purchase Agreement (MPA) over Doray's 100% owned Deflector Gold Project. Sandstorm agreed to a reduced payout figure of USD\$7 million (from USD\$7.8 million) and terminated any and all rights related to the MPA over Deflector.

On 16 June 2015 Doray confirmed that it had repaid the loan to Sandstorm in full and terminated the MPA. Doray extended the existing Andy Well Project Finance facility with Westpac Banking Corporation (Westpac) by A\$7.8 million to cover the payment to Sandstorm.

On 30 June 2015, the Company announced the appointment of Mr Peter Lester as Non-Executive Chairman of Doray from 1 July 2015, replacing former Non-Executive Chairman, Mr Peter Alexander, who will remain on the Board as a Non-executive Director.

CORPORATE GOVERNANCE STATEMENT

For the framework of how the Board of Directors of Doray Minerals Limited (“Company”) carries out its duties and obligations, the Board has considered the eight principles of corporate governance as set out in the ASX Good Corporate Governance and Best Practice Recommendations.

The essential corporate governance principles are:

- 1 Lay solid foundations for management and oversight;
- 2 Structure the Board to add value;
- 3 Act ethically and responsibly;
- 4 Safeguard integrity in financial reporting;
- 5 Make timely and balanced disclosure;
- 6 Respect the rights of shareholders;
- 7 Recognise and manage risk;
- 8 Remunerate fairly and responsibly.

1. Lay solid foundations for management and oversight.

Recommendation 1.1: *A listed entity should disclose:*
(a) the respective roles and responsibilities of its board and management; and
(b) those matters expressly reserved to the board and those delegated to management.

Roles and Responsibilities:

The Board is responsible for:

- providing leadership and setting the strategic objectives of the entity;
- appointing the chair;
- appointing, and when necessary replacing, the Managing Director;
- approving the appointment, and when necessary replacement, of other senior executives;
- overseeing management’s implementation of the entity’s strategic objectives and its performance generally;
- approving operating budgets and major capital expenditure;
- overseeing the integrity of the entity’s accounting and corporate reporting systems, including the external audit;
- overseeing the entity’s process for making timely and balanced disclosure of all material information concerning the entity that a reasonable person would expect to have a material effect on the price or value of the entity’s securities;
- ensuring that the entity has in place an appropriate risk management framework and setting the risk appetite within which the board expects management to operate;
- approving the entity’s remuneration framework; and
- monitoring the effectiveness of the entity’s governance practices.

Management is responsible for implementing the strategic objectives, with the risk parameters set by the Board, and for all other day to day running of the Group. It is also responsible for providing the Board with accurate, timely and clear information.

Recommendation 1.2: *A listed entity should:*
(a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and
(b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.

The Board ensures that appropriate checks are undertaken before it appoints a person, or puts forward to security holders a new candidate for election, as a director.

CORPORATE GOVERNANCE STATEMENT

Recommendation 1.3: *A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.*

Written agreements are in place with each director and senior executive setting out the terms of their appointment.

Recommendation 1.4: *The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the Board.*

The role of the company secretary includes:

- advising the board and its committees on governance matters;
- monitoring that board and committee policy and procedures are followed;
- coordinating the timely completion and despatch of board and committee papers;
- ensuring that the business at board and committee meetings is accurately captured in the minutes; and
- helping to organise and facilitate the induction and professional development of directors.

Each director is able to communicate directly with the company secretary and vice versa. The decision to appoint or remove the company secretary is made by the Board.

Recommendation 1.5: *A listed entity should:*

(a) have a diversity policy which includes requirements for the Board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;

(b) disclose that policy or a summary of it; and

(c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them, and either:

(1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or

(2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.

The Company believes that the promotion of diversity on its Board, in senior management and within the organisation generally broadens the pool for recruitment of high quality Directors and employees; is likely to support employee retention; through the inclusion of different perspectives, is likely to encourage greater innovation; and is socially and economically responsible governance practice.

The Company is in compliance with the ASX Corporate Governance Council's Principles & Recommendations on Diversity. The Board of Directors is responsible for adopting and monitoring the Company's diversity policy. The policy sets out the beliefs and goals and strategies of the Company with respect to diversity within the Company. Diversity within the Company means all the things that make individuals different to one another including gender, ethnicity, religion, culture, language, sexual orientation, disability and age. It involves a commitment to equality and to treating of one another with respect.

The Company is dedicated to promoting a corporate culture that embraces diversity. The Company believes that diversity begins with the recruitment and selection practices of its Board and its staff. Hiring of new employees and promotion of current employees are made on the basis of performance, ability and attitude.

The Company reports annually on its gender diversity profile. Currently there are women employees in the whole organisation but not in senior executive positions or on the Board. Given the present size of the Company, there are no plans to establish measurable objectives for achieving gender diversity at this time. The need for establishing and assessing measurable objectives for achieving gender diversity will be re-assessed as the size of the Company increases.

The Company employs the following number of women in the following categories within its workforce:

	Number	Percentage
Women on the Board of Directors	-	0%
Women in Senior Executive Positions	-	0%
Women Employees	24	22%

Recommendation 1.6: A listed entity should:

- (a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and
- (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.

The board annually reviews the performance of the board, its committees and individual directors are reviewed on a periodic basis.

Recommendation 1.7: A listed entity should:

- (a) have and disclose a process for periodically evaluating the performance of its senior executives; and
- (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.

A formal performance review is undertaken with each of the Company's senior executives on an annual basis to review their performance over the preceding 12 month period and to set an action plan for the following 12 months. This process took place during the year ended 30 June 2015.

2. Structure the Board to add value.

Recommendation 2.1: The board of a listed entity should:

(a) have a nomination committee which:

- (1) has at least three members, a majority of whom are independent directors; and
- (2) is chaired by an independent director, and disclose:
- (3) the charter of the committee;
- (4) the members of the committee; and
- (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or

(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.

Recommendation 2.2: A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.

Recommendation 2.3: A listed entity should disclose:

- (a) the names of the directors considered by the board to be independent directors;
- (b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and
- (c) the length of service of each director.

Recommendation 2.4: *A majority of the board of a listed entity should be independent directors.*

Recommendation 2.5: *The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.*

Recommendation 2.6: *A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.*

Membership

The Board's membership and structure is selected to provide the Company with the most appropriate direction in the areas of business controlled by the Company. The Board currently consists of six members: a Non-Executive Chairman, a Managing Director, and four Non-Executive Directors. The Non-Executive Chairman and Non-Executive Directors are considered independent.

Chairman and Managing Director

The Company has a Non-Executive Chairman and a Managing Director.

Nomination Committee

The Company has a formal charter for the Nomination Committee, however, no Committee has been appointed to date. The Board as a whole deals with areas that would normally fall under the charter of the Nomination Committee. These include matters relating to the renewal of Board members and Board performance. Refer to the table of departure from best practice recommendations.

Skills

The Directors bring a range of skills and backgrounds to the Board including geological, mining, accountancy, finance, marketing, and stockbroking.

Experience

The Directors have considerable experience in business at both operational and corporate levels.

Meetings

The Board meets when it considers it necessary to meet.

Independent professional advice

Each Director has the right to seek independent professional advice at the Company's expense for which the prior approval of the Chairman is required, and is not unreasonably withheld.

3. Act ethically and responsibly.

Recommendation 3.1: *A listed entity should:*
(a) have a code of conduct for its directors, senior executives and employees; and
(b) disclose that code or a summary of it.

The Company is committed to its Directors and employees maintaining high standards of integrity, and ensuring that activities are in compliance with the letter and spirit of both the law and Company policies. Each staff member is issued with the Company's Policies and Procedures at the beginning of their employment with the Company.

4. Safeguard integrity in financial reporting.

Recommendation 4.1: *The board of a listed entity should:*

(a) have an audit committee which:

(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and

(2) is chaired by an independent director, who is not the chair of the board, and disclose:

(3) the charter of the committee;

(4) the relevant qualifications and experience of the members of the committee; and

(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or

(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.

Recommendation 4.2: *The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.*

Recommendation 4.3: *A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.*

Audit Committee

The Company has a formal charter for an Audit Committee. The Audit Committee comprises independent directors, as Committee members. The Board as a whole deals with areas that would normally fall under the charter of the Audit Committee.

Integrity of Company's Financial Condition

The Company's Chief Financial Officer will report in writing to the Board that the financial statements of the Company for the half and full financial year present a true and fair view, in all material respects, of the Company's financial condition and operational results in accordance with relevant accounting standards.

External Auditor

The Company's auditor will be in attendance at the Annual General Meeting, and will also be available to answer questions from shareholders about the conduct of the audit and the preparation and content of the auditor's report.

CORPORATE GOVERNANCE STATEMENT

5. Make timely and balanced disclosure.

Recommendation 5.1: *A listed entity should:*

- (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and*
- (b) disclose that policy or a summary of it.*

Being a listed entity on the Australian Securities Exchange (ASX), the Company has an obligation under the ASX Listing Rules to maintain an informed market with respect to its securities. Accordingly, the Company advises the market of all information required to be disclosed under the Listing Rules which the Board believes would have a material effect on the price of the Company's securities.

The Company Secretary has been appointed as the person responsible for communication with the ASX. This role includes responsibility for ensuring compliance with the continuous disclosure requirements of the ASX Listing Rules, and overseeing and co-ordinating information disclosure to the ASX, analysts, brokers, shareholders, the media, and the public.

All shareholders have access to the annual report on the Company's website. Shareholders who have elected to receive a hardcopy will do so.

6. Respect the rights of shareholders.

Recommendation 6.1: *A listed entity should provide information about itself and its governance to investors via its website.*

Recommendation 6.2: *A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.*

Recommendation 6.3: *A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.*

Recommendation 6.4: *A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.*

The Company is committed to keeping shareholders fully informed of significant developments. In addition to public announcements of its financial statements and significant matters, the Company will provide the opportunity for shareholders to question the Board and management about its activities at the Company's Annual General Meeting.

7. Recognise and manage risk.

Recommendation 7.1: *The board of a listed entity should:*

- (a) have a committee or committees to oversee risk, each of which:*

- (1) has at least three members, a majority of whom are independent directors; and*

- (2) is chaired by an independent director, and disclose:*

- (3) the charter of the committee;*

- (4) the members of the committee; and*

- (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or*

- (b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.*

CORPORATE GOVERNANCE STATEMENT

Recommendation 7.2: *The board or a committee of the board should:*

- (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and*
- (b) disclose, in relation to each reporting period, whether such a review has taken place.*

Recommendation 7.3: *A listed entity should disclose:*

- (a) if it has an internal audit function, how the function is structured and what role it performs; or*
- (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.*

Recommendation 7.4: *A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.*

The Board oversees the Company's risk profile. The financial position of the Company and matters of risk are considered by the Board on a regular basis. The Board is responsible for ensuring that controls and procedures to identify, analyse, assess, prioritise, monitor, and manage risk are in place, being maintained and adhered to.

The Chief Financial Officer and Managing Director have stated in writing to the Board that:

- The statement given in accordance with best practice recommendation 4 (the integrity of corporate reporting) is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board.
- The Company's risk management and internal compliance and control system is operating efficiently and effectively in all material respects.

8. Remunerate fairly and responsibly.

Recommendation 8.1: *The board of a listed entity should:*

(a) have a remuneration committee which:

- (1) has at least three members, a majority of whom are independent directors; and*
- (2) is chaired by an independent director, and disclose:*
- (3) the charter of the committee;*
- (4) the members of the committee; and*
- (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or*

(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.

Recommendation 8.2: *A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.*

Recommendation 8.3: *A listed entity which has an equity-based remuneration scheme should:*

- (a) have a policy on whether participants are permitted to enter into transactions which limit the economic risk of participating in the scheme; and*
- (b) disclose that policy or a summary of it.*

CORPORATE GOVERNANCE STATEMENT

Principles used to determine the nature and amount of remuneration

The objective of the Company's remuneration framework is to ensure reward for performance is competitive and appropriate to the results delivered. The framework aligns executive reward with the creation of value for shareholders, and conforms to market best practice.

Remuneration Committee

The Company has a formal charter for the Remuneration Committee. The Remuneration Committee has Peter Alexander, Leigh Junk and Jay Stephenson as Committee members, with Peter Alexander as Chair.

Directors' Remuneration

Further information on Directors' and Executives' remuneration is set out in the Directors' Report.

A summary of the Company's Share Trading Policy is included on the Company's website.

Departure from Best Practice Recommendations

From the Company's incorporation, the Company has complied with each of the eight Corporate Governance Principles and Best Practice Recommendations published by the ASX Corporate Governance Council, other than those items in the departure table below.

Recommendation Reference – ASX Guidelines	Notification of Departure	Explanation for Departure
2.1	A separate Nomination Committee has not been formed	The Board considers that the Company is not currently of a size to justify the formation of a Nomination Committee. The Board as a whole undertakes the process of reviewing the skill base and experience of existing Directors to enable identification of attributes required in Directors.

DORAY MINERALS LIMITED
ANNUAL REPORT 30 JUNE 2015

DIRECTORS' REPORT

Your Directors present their report on Doray Minerals Limited ("the Company") for the year ended 30 June 2015.

Directors

The following persons were Directors of the Company during or since the end of the financial year:

Mr Peter Lester	Non-Executive Chairman (appointed as Director on 1 September 2014 and as Chairman on 1 July 2015)
Mr Allan Kelly	Managing Director
Mr Peter Alexander	Non-Executive Director (resigned as Non-Executive Chairman on 1 July 2015)
Mr Jay Stephenson	Non-Executive Director
Mr Leigh Junk	Non-Executive Director
Mr Allan Brown	Non-Executive Director (appointed 26 February 2015)

Company Secretary

Mr Iain Garrett

Principal Activity

The principal activity of the Group during the year was the production of gold and exploration.

Results of Operations

The profit of the Group for the year after tax amounted to \$19,002,000 (2014: loss \$5,648,000).

Significant Changes in the State of Affairs

There have been no other significant changes in the nature of the Company's activities during the year other than those matters that are disclosed in this report.

Dividends

No dividends were declared or paid during the period and the Directors do not recommend the payment of a dividend.

Indemnities

The Company has taken out an insurance policy to cover its Directors and Officers to indemnify them against any claims and negligence. The Company has agreed to indemnify the current Directors and Officers for all liabilities to another person, except where the liability arises out of conduct involving a lack of good faith. The agreement stipulates that the Company shall meet the full amount of any such liabilities, including costs and expenses.

The Company has not entered into any arrangements to indemnify its auditor's.

Significant events after the reporting date

On 4 August 2015, the Company announced the commencement of site works at the Deflector Gold Project in the southern Murchison region of Western Australia.

On 17 August 2015, the Company announced the expiry of 8,907,089 listed options exercisable at \$0.475 on or before 15 August 2015.

On 31 August 2015, the Company announced that it had secured debt and equity funding to enable the construction and development of the Company's 100% owned Deflector Gold Project in the southern Murchison Region of Western Australia. The financing comprises new corporate finance facilities with Westpac Banking Corporation, a recently completed equity placement of \$13.8 million and a fully underwritten non-renounceable entitlement issue to raise approximately \$12.9 million. The facilities require additional hedging to be put in place. Doray has therefore negotiated a window to execute this hedging to take advantage of increases in the AUD gold price and has recently added an additional 30,000 ounces at an average forward price of approximately A\$1,610/oz.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

Proceedings on behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of these proceedings.

The Company was not a party to any such proceedings during the period.

For personal use only

**DORAY MINERALS LIMITED
ANNUAL REPORT 30 JUNE 2015**

DIRECTORS' REPORT

Information on Directors

Mr Peter Lester	Non-Executive Chairman – appointed as Non-Executive Director on 1 September 2014 and appointed as Chairman on 1 July 2015
Qualifications	B.E. (Mining), MAusIMM, MAICD
Experience	Mr Lester is a mining engineer by profession with over 40 years' experience in the mining industry and joined the Board of Doray in September 2014. He has held roles in operations, project management, corporate and financial advisory services and business development with more recent responsibilities including feasibility studies, acquisitions, capital raising and takeovers.
Interest in shares and options	Shares <i>Nil</i> Options <i>Nil</i>
Special Responsibilities	Member of Audit Committee and Chair of Remuneration Committee
Directorships held in listed entities	Mr Lester is currently a Non-Executive Director of White Rock Minerals Ltd (ASX) and Nord Gold N.V. (LSE). He has held senior executive positions with North Ltd, Newcrest Mining Ltd, Oxiana Ltd, Toro Energy Ltd, Castlemaine Goldfields Ltd, Chesser Resources Ltd, Accessio Resources Pty Ltd and most recently with Citadel Resource Group Ltd as an Executive Director.

Mr Allan Kelly	Managing Director from 20 August 2009									
Qualifications	BSc (Hons), Grad Cert Bus, FAAG MAIG									
Experience	<p>Mr Kelly graduated from Curtin University with an honours degree in geology and has over 20 years' experience in mineral exploration geology, geochemistry and project management throughout Australia and the Americas.</p> <p>Prior to successfully listing Doray Minerals Ltd as Managing Director and major shareholder, Mr Kelly was directly involved in the targeting and early stage exploration of a number of gold, nickel, IOCG and uranium properties in Australia, Alaska and Canada and previously held senior exploration positions with WMC and Avoca Resources Ltd from its inception in 2002.</p> <p>Since listing on the ASX in early 2010, Mr Kelly has guided Doray Minerals Limited through its initial exploration success, various capital raisings and towards development and production from the high grade Andy Well Gold Project. He first worked at Andy Well with WMC in the mid 1990's and, in 2009, had the opportunity to negotiate terms on several former WMC properties in the Murchison, including Andy Well, as part of Doray's listing. Doray Minerals was recognised as the most successful IPO of 2010 and, in 2011, was named "Gold Explorer of the Year" by the Gold Mining Journal. Mr Kelly was jointly awarded the Association of Mining and Exploration Companies' Prospector of the Year award for 2014 with fellow founding director, Heath Hellewell.</p> <p>Mr Kelly is a Fellow and former Councillor of the Association of Applied Geochemistry and is a member of the Australian Institute of Geoscientists.</p>									
Interest in shares and options	<table> <tr> <td>Shares</td> <td><i>Direct holding</i></td> <td><i>6,734,400</i></td> </tr> <tr> <td></td> <td><i>Indirect holding</i></td> <td><i>4,834,233</i></td> </tr> <tr> <td>Performance Rights</td> <td><i>Direct holding</i></td> <td><i>385,424</i></td> </tr> </table>	Shares	<i>Direct holding</i>	<i>6,734,400</i>		<i>Indirect holding</i>	<i>4,834,233</i>	Performance Rights	<i>Direct holding</i>	<i>385,424</i>
Shares	<i>Direct holding</i>	<i>6,734,400</i>								
	<i>Indirect holding</i>	<i>4,834,233</i>								
Performance Rights	<i>Direct holding</i>	<i>385,424</i>								
Special Responsibilities	None									
Directorships held in other listed entities	None									

**DORAY MINERALS LIMITED
ANNUAL REPORT 30 JUNE 2015**

DIRECTORS' REPORT

Information on Directors

Mr Peter Alexander	Non-Executive Director from 5 May 2011, Chairman from 16 November 2011
Qualifications	ASS APPL Geol
Experience	Mr Alexander is a geologist by profession and has over 30 years' experience in mineral exploration and mining in Australia and overseas. Mr Alexander was Managing Director and Chief Executive Officer of Dominion Mining Ltd from 1997 until his retirement in January 2008, at which time he continued as a Non-Executive Director until the takeover by Kingsgate Consolidated in 2010. Mr Alexander managed the start-up and operation of Dominion's Challenger gold mine in South Australia and, under Peter's management, Dominion won the Gold Mining Journal's "Gold Miner of the Year" three years in succession.
Interest in shares and options	Shares <i>Indirect holding</i> 24,000
Special Responsibilities	Member of Audit Committee (stepped down 30 June 2015) and Remuneration Committee
Directorships held in listed entities	Mr Alexander is currently a Non-Executive Director of Kingsgate Consolidated Limited and Caravel Minerals Limited and was recently a Non-Executive Director of Fortunis Resources Limited (resigned 29 June 2015).

Mr Jay Stephenson	Non-Executive Director from 20 August 2009
Qualifications	MBA, FCPA, CMA, FCIS, MAICD
Experience	Mr Stephenson has been involved in business development for over 24 years including approximately 17 years as Director, Chief Financial Officer and Company Secretary for various listed and unlisted entities in resources, manufacturing, wine, hotels and property. He has been involved in business acquisitions, mergers, initial public offerings, capital raisings, business restructuring as well managing all areas of finance for companies.
Interest in shares and options	Shares <i>Direct holding</i> 912,500 <i>Indirect holding</i> 116,272 Options <i>Nil</i>
Special Responsibilities	Chair of Audit Committee and member of Remuneration Committee
Directorships held in listed entities	Mr Stephenson is currently Chairman of Yonder & Beyond Group Limited, Non-Executive Director of Drake Resources Limited, Strategic Minerals Corporation NL, Nickelore Limited, and Parmelia Resources Limited as well as Company Secretary for a number of ASX listed resource and industrial companies. Additional directorships held during the previous 3 years include Parker Resources Limited (resigned 14 December 2012), Spencer Resources Limited (resigned 20 January 2014) and Aura Energy Limited (resigned 13 July 2013)

DORAY MINERALS LIMITED
ANNUAL REPORT 30 JUNE 2015

DIRECTORS' REPORT

Information on Directors

Mr Leigh Junk	Non-Executive Director from 5 May 2011
Qualifications	Dip Surv, Grad Dip Min Eng, MSc Min Econ
Experience	<p>Mr Junk is a Mining Engineer with 22 years' experience. He was the executive responsible for project evaluation, feasibility studies, production scheduling and mine design with several mining companies throughout Western Australia, including Pilbara Manganese Pty Ltd, WMC Resources Ltd and Mincor Operations Pty Ltd. Mr Junk started his own mining company Donegal Resources Pty Ltd in 2000 which was successful in purchasing and recommissioning several Nickel operations in Kambalda W.A. The company was later sold to Canadian miner Brilliant Mining Corp.</p> <p>Mr Junk was the recipient of the 2003 Ernst & Young "Young Entrepreneur of the Year Award" and the 2007 W.A Business News "40 Under 40 Award". Over the last 10 years Mr Junk has been a Director of several public companies in the Mining and Financial sectors in Australia and Canada.</p>
Interest in shares and options	Shares <i>Indirect holding</i> 60,000
Special Responsibilities	Member of Audit Committee and Remuneration Committee (Chairman, effective 1 July 2015)
Directorships held in listed entities	Directorships held during the previous 3 years include Sentosa Mining Limited (resigned 22 May 2014), Goldfields Money Limited (resigned 15 November 2013) and Aura Energy Limited (resigned 13 July 2013).

Mr Allan Brown	Non-Executive Director from 26 February 2015
Qualifications	BSc (Hons) Metallurgy, FAusIMM, MICA
Experience	<p>Mr Brown is a metallurgist with over 40 years' experience in a mining and metallurgy project development and management.</p> <p>Mr Brown was the Resident mine manager of the Golden Grove Copper- Zinc mine from 1988 through to 1992 for Murchison Zinc. Other significant experience in Australian operations includes Wiluna gold, Sally Malay nickel, Argyle diamonds and Cobar base metals. Following the formation of Allan R.G. Brown and Associates in 1988, a metallurgical consulting business, he has provided consulting services to numerous companies around the world including Sweden, Finland, Uganda and China specialising in mineral processing associated with bacterial oxidisation, refractory gold, complex base metals and diamonds.</p> <p>Mr Brown has a BSc (Hons) in Metallurgy from the University of NSW, is a fellow of the Australian Institute of Mining and Metallurgy, a Chartered Professional (Metallurgy) and a Member of the Mineral Industry Consultants Association.</p>
Interest in shares and options	Shares <i>Direct holding</i> 31,288 <i>Indirect holding</i> 362,143 Options <i>Direct holding</i> 255,260
Special Responsibilities	Member of Audit Committee (from 1 July 2015)
Directorships held in listed entities	Mr Brown was the Non-Executive Chairman of Mutiny Gold Limited until it was taken over by Doray Minerals.

For personal use only

**DORAY MINERALS LIMITED
ANNUAL REPORT 30 JUNE 2015**

DIRECTORS' REPORT

Directors' Meetings

The number of Directors' meetings and meetings of Committees of Directors held during the year and the number of meetings attended by each of the Directors of the Company during the year are:

Name	Directors' Meetings		Committee Meetings			
	Number attended	Number eligible to attend	Remuneration Committee		Audit Committee	
			Number attended	Number eligible to attend	Number attended	Number eligible to attend
Mr Peter Alexander	12	12	4	4	2	2
Mr Allan Kelly	12	12	-	-	-	-
Mr Peter Lester	10	11	-	-	-	-
Mr Jay Stephenson	12	12	4	4	2	2
Mr Leigh Junk	11	12	3	4	1	2
Mr Allan Brown	5	5	-	-	-	-

Directors' Shareholdings, Contracts, and Benefits

The interest of each Director in the share capital of the Company at the date of this report and as contained in the register of Directors' shareholdings of the Company is shown in the Remuneration Report.

Since the end of the financial year no Director of the Company has received, or become entitled to receive, a benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors shown in the accounts) by reason of a contract made by the Company with the Director or with a firm of which the Director is a member, or a company in which the Director has a substantial financial interest, other than as disclosed in the Remuneration Report.

REMUNERATION REPORT (AUDITED)

(a) Principles used to determine the nature and amount of remuneration

The following report determines the principles used to determine the nature and amount of employee remuneration. The Board is responsible for determining and reviewing compensation arrangements for the Directors and Key Management Personnel. The role also includes responsibility for share option schemes, superannuation entitlements, retirement and termination entitlements, fringe benefit policies, liability insurance policies and other terms of employment.

The Board will review the arrangements having regard to performance, relevant comparative information and at its discretion may obtain independent expert advice on the appropriateness of remuneration packages. Remuneration packages are set at levels intended to attract and retain Key Management Personnel capable of managing the Company's activities.

Non-Executive Directors' Remuneration

The Company's policy is to remunerate Non-Executive Directors at market rates for time, commitment and responsibilities. Fees for Non-Executive Directors are not linked to the performance of the Company.

Non-Executive Directors are remunerated by way of fees (in the form of cash and/or superannuation benefits) and are not provided with retirement benefits other than statutory superannuation entitlements.

Executive Directors' Remuneration

Executive Directors' pay and reward consists of a competitive level of base pay which is reviewed annually and performance incentives to ensure that:

- a) remuneration packages involve a balance between fixed and incentive pay, reflecting short and long term performance objectives;
- b) a proportion of remuneration is structured in a manner designed to link reward to corporate and individual performances; and
- c) recommendations are made to the Board with respect to the quantum of incentive payments to be paid by the Remuneration Committee.

Short-term Incentives

An executive short-term incentive ("STI") scheme was implemented from 1 January 2015. The STI will be paid in the form of a cash payment with the structure as follows:

Max opportunity	MD: up to 50% of base salary; Other executives: up to between 10% and 25% of base salary depending on position; of which:	
Performance Metrics	The STI metrics are based on the following: MD and Senior Personnel - 25% Board discretion/75% Company hurdles (see below) Other Discretionary Personnel - 40% MD discretion/60% Company hurdles (see below)	
Hurdle	Description	Weighting
Compliance	Zero unreported incidents, and of all reported incidents, 100% of the incidents reported are closed out as a workplace investigation.	20%
Finance	Achievement of Project Finance for the development of the Deflector Project	20%
Resources	Addition to the Company mineable resources; or All mined resources (in the STI period) replaced with identified resources.	20%
Corporate	Development of the Deflector Project has commenced.	20%
Operations	Andy Well Mine production and costs are achieved in line with approved Budget.	20%

For personal use only

DORAY MINERALS LIMITED
ANNUAL REPORT 30 JUNE 2015

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED)

Long-term Incentive Payments – Executive Director

Commencing 1 July 2012 the Company implemented a Long Term Incentive (“LTI”) scheme to assist in the incentivisation and retention of experienced, qualified executives and is marked against the results of similar ASX listed gold companies. The payment is capped at a percentage of the executives base salary and is paid in share rights vesting after three years. 25% of the shares are guaranteed to vest and 75% will be at risk. The proportion of the at-risk rights that vest will be determined by how the company has performed on a Total Shareholder Return (“TSR”) basis against a comparator group of companies.

The executive pay and reward framework has three components:

- base pay and benefits;
- long-term incentives through Directors options; and
- other remuneration such as superannuation.

The combination of these comprises the total remuneration payable to the Company’s Key Management Personnel.

The following Performance Rights (“Rights”) were issued to Executive Directors during the financial year and are subject to vesting conditions:

Executive Director	Balance at 30 June 2014	No. granted during the year	No. vested during the year	No. cancelled during the year	Balance at 30 June 2015
Allan Kelly	116,626	268,798	-	-	385,424

This Scheme has since been replaced by the Long-term Incentive Plan for Senior Executives.

Long-term Incentive Plan – Senior Executives

From 1 January 2015 the Company implemented a Long Term Incentive (“LTI”) scheme to assist in the incentivisation and retention of experienced, qualified executives. The LTI is in the form of Performance Rights and all of the Performance Rights granted will be at risk. Eligibility to achieve the Performance Rights under this Plan will be assessed by the following hurdles (“Hurdles”):

- Hurdle 1: 50% of the Rights will be based on the TSR measure which is averaged over the 3 years and measured against nominated Peer Companies; and
- Hurdle 2: 50% of the Performance Rights will be assessed against a Company measure which is based on performance and resource criteria.

The Performance Rights issued under the plan are subject to approval by the shareholders at the Company’s next Annual General Meeting.

The structure of the LTI scheme is as follows:

Position	LTI (as a % of base salary)	Hurdle
Managing Director (MD)	Up to 100%	50% TSR (performance against nominated peer group) 50% Internal Measure (160,000oz production at cost per oz in lowest quartile of peer group; and the Group has 2.5m oz of resources)
Senior company personnel/KMP’s	Up to 50%	
Senior operational personnel	Up to 25%	40% TSR (as above) 60% Internal Measure (as above)
Discretionary key personnel	Up to 20%	30% TSR (as above) 70% Internal Measure (as above)

For personal use only

DORAY MINERALS LIMITED
ANNUAL REPORT 30 JUNE 2015

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED)

(b) Details of remuneration

Details of the nature and amount of each element of the emoluments of each of the Key Management Personnel ("KMP") of the Company (including the Directors) for the year ended 30 June 2015 and 30 June 2014 are set out in the following table:

Name	Year	FIXED REMUNERATION			PERFORMANCE RELATED			Total Performance Related \$
		Salary and fees \$	Super- annuation \$	Other Payments \$	Total Fixed Remuner- ation \$	Short-term Incentive Bonus \$	Share- based Payments \$	
Directors:								
Mr Peter Alexander	2015	90,000	8,550	-	98,550	-	-	-
	2014	84,997	7,862	-	92,859	-	-	-
Mr Allan Kelly (a)	2015	450,000	50,446	-	500,446	81,000	162,741*	243,741
	2014	415,000	46,894	-	461,894	90,090	9,600	99,690
Mr Jay Stephenson	2015	60,000	5,700	-	65,700	-	-	-
	2014	58,333	5,396	-	63,729	-	-	-
Mr Leigh Junk	2015	60,000	5,700	-	65,700	-	-	-
	2014	58,333	5,396	-	63,729	-	-	-
Mr Peter Lester (b)	2015	50,000	4,750	-	54,750	-	-	-
Mr Allan Brown (c)	2015	20,000	1,900	-	21,900	-	-	-
Mr Heath Hellewell (d)	2014	360,000	37,618	16,479	414,097	45,000	-	-
Key Management:								
Mr Jon Latto	2015	325,000	30,875	-	355,875	-	24,247*	24,247
	2014	243,462	14,813	-	258,275	-	21,820	21,820
Mr Mark Cossom	2015	276,670	26,284	-	302,954	-	28,085*	28,085
	2014	252,502	23,356	-	275,858	-	37,865	37,865
Mr Peter Bamford	2015	360,000	34,200	-	394,200	-	38,074*	38,074
	2014	340,836	31,527	-	372,363	-	28,520	28,520
	2015	1,691,670	168,405	-	1,860,075	81,000	253,147	334,147
	2014	1,813,463	172,862	16,479	2,002,804	135,090	97,805	187,895

(a) Mr Kelly is paid an annual performance bonus at the Board's discretion.

(b) Mr Lester was appointed as a Non-Executive Director on 1 September 2014.

(c) Mr Allan Brown was appointed as a Non-Executive Director on 26 February 2015.

(d) Mr Heath Hellewell resigned as an Executive Director effective 30 June 2014. \$16,479 was paid out as unused annual leave on termination.

* - The Share Based Payments charges in 2015 comprise a valuation for Performance Rights ("Rights") issued under the Company's Long-term Incentive Plan and are subject to approval by the shareholders at the Company's next Annual General Meeting. The Rights granted and expensed by KMP are as follows:

	Rights Granted and subject to approval (Number)	Expensed in the year \$
Mr Allan Kelly	902,708	135,785
Mr Mark Cossom	265,798	24,247
Mr Peter Bamford	361,083	28,085
Mr Jon Latto	325,977	38,074
	1,855,566	226,191

The fair value of each Performance Right, based on the hurdles per the LTI scheme, are \$0.42 (TSR hurdle) and \$0.485 (Internal Measure).

DORAY MINERALS LIMITED
ANNUAL REPORT 30 JUNE 2015

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED)

(c) Equity Instruments Disclosure Relating to Key Management Personnel:

The number of shares and options held by Directors and Key Management Personnel of the Company, including their personally related parties, are set out below:

SHARES

2015 Name	Balance at 1 July 2014	Granted as compensation	Options Exercised	Bought & (Sold)/ Transferred	Balance at 30 June 2015
Mr Peter Alexander <i>Indirect</i> ¹	24,000	-	-	-	24,000
Mr Allan Kelly <i>Direct</i>	7,368,107	-	-	(633,707)	6,734,400
<i>Indirect</i> ²	2,875,526	-	1,250,000	708,707	4,834,233
Mr Peter Lester	-	-	-	-	-
Mr Jay Stephenson <i>Direct</i>	-	-	1,000,000	(87,500)	912,500
<i>Indirect</i> ³	28,772	-	-	87,500	116,272
Mr Leigh Junk <i>Indirect</i> ⁴	60,000	-	-	-	60,000
Mr Allan Brown <i>Direct</i> ⁵	-	-	-	31,288	31,288
<i>Indirect</i> ⁵	-	-	-	362,143	362,143
Mr Mark Cossom <i>Direct</i>	5,000	-	-	-	5,000
Mr Peter Bamford <i>Direct</i>	105,227	-	-	-	105,227
<i>Indirect</i>	525,200	-	-	-	525,200
Total ⁶	10,991,832	-	2,250,000	468,431	13,710,263

SHARES

2014 Name	Balance at 1 July 2013	Granted as compensation	Options Exercised	Bought & (Sold)/ Transferred	Balance at 30 June 2014
Mr Peter Alexander <i>Indirect</i>	24,000	-	-	-	24,000
Mr Allan Kelly <i>Direct</i>	7,584,156	-	-	(216,049)	7,368,107
<i>Indirect</i>	2,659,477	-	-	216,049	2,875,526
Mr Heath Hellewell ⁶ <i>Direct</i>	31,829	-	-	-	31,829
<i>Indirect</i> ³	5,045,836	-	-	-	5,045,836
Mr Jay Stephenson <i>Indirect</i>	76,116	-	-	(47,344)	28,772
Mr Leigh Junk <i>Indirect</i>	60,000	-	-	-	60,000
Mr Mark Cossom <i>Direct</i>	45,000	-	-	(40,000)	5,000
Mr Peter Bamford <i>Direct</i>	105,227	-	-	-	105,227
<i>Indirect</i>	525,200	-	-	-	525,200
Total	16,156,841	-	-	(87,344)	16,069,497

**DORAY MINERALS LIMITED
ANNUAL REPORT 30 JUNE 2015**

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED)

(c) Equity Instruments Disclosure Relating to Key Management Personnel (continued):

- ¹ These shares are held by Suzanne Alexander, spouse of Mr Peter Alexander.
- ² These shares are held by the following personally related parties of Mr Allan Kelly:
- XGS Exploration Geochemistry Services Pty Ltd
 - Debnal Pty Ltd
- Includes the transfer from Direct holding to Indirect holding of 633,707 shares (2014: 216,049 shares).
- ³ These shares are held by the following personally related parties of Mr Jay Stephenson:
- Almamater Pty Ltd
 - Pazzia Pty Ltd
 - Wolfstar Group Pty Ltd
- ⁴ These shares are held by the following personally related party of Mr Leigh Junk:
- Jolee Corporation Pty Ltd
- ⁵ These shares were Mutiny Gold shares and were converted into Doray shares at a ratio of 9.5:1 upon the completion of the acquisition of Mutiny Gold during the year. The indirect shares are held by the following related parties of Mr Allan Brown:
- Mr Allan Brown and Mrs Jennie Brown atf A&J Brown No 2 Superfund a/c
 - Mrs Jennie Brown
 - Trinity Management Pty Ltd atf Mutiny Gold Employee a/c
 - Trinity Management Pty Ltd atf A Brown a/c
- ⁶ Mr Heath Hellewell resigned as an Executive Director on 30 June 2014. His shareholding is excluded from the opening balance at 1 July 2014.

**OPTIONS
2015**

Name	Balance at 1 July 2014	Granted as compensation	Received during the period	Net other change	Balance at 30 June 2015
Mr Allan Kelly <i>Indirect</i> ¹	1,250,000	-	-	(1,250,000)	-
Mr Jay Stephenson <i>Direct</i> ²	1,000,000	-	-	(1,000,000)	-
Mr Allan Brown <i>Direct</i> ³	-	-	-	255,260	255,260
Mr Mark Cossom ⁴	647,500	-	-	(345,000)	302,500
Mr Peter Bamford ⁵	522,000	-	-	(200,000)	322,000
Mr Jon Latto ⁶	100,000	-	-	-	100,000
Total	3,519,500	-	-	(2,539,740)	979,760

- ¹ These options were exercised at 20 cents on 23 December 2014 (DRM closing share price was \$0.39).
- ² These options were exercised at 20 cents on 25 August 2014 (DRM closing share price was \$0.64).
- ³ These options were Mutiny Gold shares and were converted into Doray unlisted options at a ratio of 9.5:1 upon the completion of the acquisition of Mutiny Gold during the year.
- ⁴ 150,000 options at \$1.14 expired on 14 September 2014. 195,000 options at \$1.10 expired on 20 November 2014.
- ⁵ 200,000 options at \$1.10 expired on 20 November 2014.
- ⁶ 100,000 options were issued to Mr Latto on 9 September 2013 for no consideration per the terms and conditions of his employment contract and were restricted for 3 months at the Company's discretion. These options are exercisable at \$1.03 each on or before 9 September 2017.

**DORAY MINERALS LIMITED
ANNUAL REPORT 30 JUNE 2015**

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED)

(c) Equity Instruments Disclosure Relating to Key Management Personnel (continued):

PERFORMANCE RIGHTS

2015

Name	Balance at 1 July 2014	Granted as compensation	Granted and subject to approval¹	Net other change	Balance at 30 June 2015
Mr Allan Kelly	116,626	268,798	902,708	-	1,288,132
Mr Mark Cossom	-	-	265,798	-	265,798
Mr Peter Bamford	-	-	361,083	-	361,083
Mr Jon Latto	-	-	325,977	-	325,977
Total	116,626	268,798	1,855,566	-	2,240,990

¹ These Performance Rights are subject to approval by the shareholders at the Company's next Annual General Meeting.

OPTIONS

2014

Name	Balance at 1 July 2013	Granted as compensation	Received during the period	Net other change	Balance at 30 June 2014
Mr Peter Alexander <i>Direct</i> ²	1,000,000	-	-	(1,000,000)	-
Mr Allan Kelly <i>Indirect</i> ¹	1,250,000	-	-	-	1,250,000
Mr Jay Stephenson <i>Direct</i>	1,000,000	-	-	-	1,000,000
Mr Leigh Junk <i>Indirect</i> ²	1,000,000	-	-	(1,000,000)	-
Mr Mark Cossom ³	520,000	127,500	-	-	647,500
Mr Peter Bamford ³	350,000	172,000	-	-	522,000
Mr Grant Dyker ⁴	100,000	-	-	(100,000)	-
Mr Jon Latto ⁵	-	100,000	-	-	100,000
Total	5,220,000	399,500	-	(2,100,000)	3,519,500

(d) Executive Directors' and Officer's employment agreements

The Company has entered into service agreements with the following Executives and Officers on the following material terms and conditions:

Managing Director

Mr Kelly is engaged by the Company under an Executive Service Agreement to provide services to the Company in the capacity of Managing Director. Mr Kelly is paid an annual salary of \$450,000 per annum plus superannuation. Mr Kelly will also be reimbursed reasonable expenses.

The Service Agreement continues for a period of 2 years commencing from 1 July 2014, unless otherwise extended or terminated in accordance with its terms. Mr Kelly will have an annual pay review and the Company may pay a performance-based bonus over and above the base salary.

The Service Agreement has a termination notice of 6 months and a 12 months' severance payment.

REMUNERATION REPORT (AUDITED)

General Manager - Growth

Mr Mark Cossom is employed by the Company under an employment contract in the capacity of General Manager - Growth and is paid an annual salary of \$300,000 per annum plus superannuation (increased from \$265,000 per annum effective 1 March 2015). The employment contract was approved during the year. Mr Cossom is also reimbursed reasonable expenses.

Mr Cossom's employment contract continues until it is replaced or until it is terminated in accordance with its terms. Mr Cossom will have an annual pay review. The employment contract has a termination notice of 3 months and a 6 months' severance payment.

General Manager - Operations

Mr Bamford is employed by the Company under an employment contract in the capacity of General Manager - Operations and is paid an annual salary of \$360,000 per annum plus superannuation. Mr Bamford will also be reimbursed reasonable expenses.

The employment contract continues until it is replaced or until it is terminated in accordance with its terms. Mr Bamford will have an annual pay review. The employment contract has a termination notice of 3 months and a 6 months' severance payment.

Chief Financial Officer

Mr Jon Latto is employed by the Company under an employment contract in the capacity of Chief Financial Officer effective 9 September 2013 on an annual salary of \$325,000 per annum plus superannuation. Mr Latto is also reimbursed reasonable expenses.

The employment contract continues until it is replaced or until it is terminated in accordance with its terms. Mr Latto will have an annual pay review. The employment contract has a termination notice of 3 months and a 6 months' severance payment.

This concludes the audited Remuneration Report.

DORAY MINERALS LIMITED
ANNUAL REPORT 30 JUNE 2015

DIRECTORS' REPORT

Environmental Regulation

The Group holds various exploration licences to regulate its mining and exploration activities in Australia. These licences include conditions and regulations with respect to rehabilitation of areas disturbed during the course of mining and exploration activities. However the Board believes that it has adequate systems in place for the management of its environmental requirements and is not aware of any breach of environmental requirements as they apply to the Group.

Loans to Directors

As at 30 June 2015, there are no outstanding loans to Directors. No other loans have been made to Directors of the Company and the specified executives of the Company, including their personally-related entities.

Shares under option

Unissued ordinary shares of Doray Minerals Limited under option at the date of this report are as follows:

Expiry date	Exercise Price	Number under option
31 October 2015	\$1.65	175,000
12 December 2015	\$2.03	50,000
19 December 2015	\$0.83	2,959,413
28 February 2016	\$1.93	150,000
1 March 2016	\$2.00	195,000
3 April 2016	\$0.321	1,052,631
10 April 2016	\$1.79	150,000
26 February 2017	\$0.73	2,984,543
9 September 2017	\$1.03	100,000
31 December 2017	\$1.425	80,420
31 December 2017	\$1.90	95,788
31 December 2017	\$2.375	111,578
31 December 2017	\$2.85	111,578
31 December 2017	\$3.325	111,156
		8,327,107

No option holder has any right under the options to participate in any other share issue of the Company or of any other entity.

Shares issued on the exercise of options

During the year ended 30 June 2015, a total of 3,682,488 options were exercised to purchase 3,682,488 fully paid ordinary shares at \$0.20 per share.

Non-audit services

The Board of Directors is satisfied that the provision of non-audit services by Nexia Perth Audit Services Pty Ltd during the period is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. \$23,000 of non-audit service fees were incurred for the year ended 30 June 2015 (\$nil: 30 June 2014).

**DORAY MINERALS LIMITED
ANNUAL REPORT 30 JUNE 2015**

DIRECTORS' REPORT

Auditors' independence declaration

The auditor's independence declaration for the year ended 30 June 2015 has been received and can be found on page 98 of the annual report.

Rounding off of amounts

The company is a company of the kind referred to in ASIC Class Order 98/100, dated 10 July 1998, and in accordance with that Class Order amounts in the directors' report and the financial statements are rounded off to the nearest thousand dollars, unless otherwise indicated.

Signed in accordance with a resolution of the Board of Directors.



Peter Lester
Chairman of the Board of Directors
Dated this 10th day of September 2015

For personal use only

DORAY MINERALS LIMITED
ANNUAL REPORT 30 JUNE 2015

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 \$'000	2014 \$'000
Revenue from sale of goods		134,062	110,574
Mining and processing costs		(55,323)	(37,218)
Depreciation and amortisation		(37,097)	(38,518)
Royalty expense		(4,408)	(3,407)
Exploration and evaluation expenditure written off	10	(3,704)	(382)
Gross profit		33,530	31,049
Corporate and other expenses		(7,106)	(5,080)
Results from operating activities		26,424	25,969
Financial income		573	605
Financial expense		(2,206)	(3,053)
Net financing (expense)/ income		(1,633)	(2,448)
Results from operating and financing activities		24,791	23,521
Impairment charge		-	(32,004)
Profit/(loss) before income tax	4	24,791	(8,483)
Income tax (expense)/benefit	16	(5,789)	2,835
Net profit/(loss) for the year		19,002	(5,648)
Other comprehensive (loss)/income			
Items that may subsequently be reclassified to profit or loss			
Financial asset – gold hedge			
Effect of mark-to-market valuation of gold hedges		(5,835)	(6,390)
Income tax benefit		1,750	1,917
Effective portion of changes in fair value of cash flow hedges		(4,085)	(4,473)
Total items that may subsequently be reclassified to profit or loss		(4,085)	(4,473)
Other comprehensive income for the year, net of income tax		(4,085)	(4,473)
Total comprehensive profit/(loss) for the period		14,917	(10,121)
		Cents	Cents
Basic profit/(loss) per share attributable to ordinary equity holders	22	9.65	(3.78)
Diluted profit/(loss) per share attributable to ordinary equity holders	22	9.12	(3.78)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

DORAY MINERALS LIMITED
ANNUAL REPORT 30 JUNE 2015

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2015

	Note	2015 \$'000	2014 \$'000
ASSETS			
Current Assets			
Cash and cash equivalents	5	24,467	15,656
Trade and other receivables	6	1,751	921
Inventories	7	9,106	6,070
Financial asset – gold hedge	15	-	4,728
Non-current assets held for sale	8	1,105	-
Prepayments		190	41
Total Current Assets		36,619	27,416
Non-Current Assets			
Trade and other receivables	6	61	-
Property, plant and equipment	9	49,778	56,824
Exploration assets	10	25,601	10,697
Mine development asset	11	66,923	13,879
Deferred tax assets	16	5,723	5,953
Total Non-Current Assets		148,086	87,353
TOTAL ASSETS		184,705	114,769
LIABILITIES			
Current Liabilities			
Trade and other payables	12	18,296	20,160
Provisions	13	2,321	1,298
Borrowings	14	15,030	14,664
Financial liability – gold hedge	15	1,107	-
Total Current Liabilities		36,754	36,122
Non-Current Liabilities			
Provisions	13	5,482	1,222
Borrowings	14	7,191	698
Total Non-Current Liabilities		12,673	1,920
TOTAL LIABILITIES		49,427	38,042
NET ASSETS		135,278	76,727
EQUITY			
Issued capital	17	132,242	90,412
Reserves	18	4,529	6,810
Accumulated profit/(losses)		(1,493)	(20,495)
TOTAL EQUITY		135,278	76,727

The above statement of financial position should be read in conjunction with the accompanying notes.

DORAY MINERALS LIMITED
ANNUAL REPORT 30 JUNE 2015

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2015

	Note	Issued Capital \$'000	Reserves \$'000	Accumulated Losses \$'000	Total \$'000
At 1 July 2013		73,947	10,838	(14,847)	69,938
Comprehensive loss					
Net loss for the year		-	-	(5,648)	(5,648)
Total other comprehensive income		-	(4,473)	-	(4,473)
Total comprehensive loss		-	(4,473)	(5,648)	(10,121)
Transactions with owners recorded directly in equity					
Issue of shares		17,078	-	-	17,078
Share issue costs	17	(613)	-	-	(613)
Share based payments	18	-	445	-	445
Total contributions by and distributions to owners		16,465	445	-	16,910
At 30 June 2014		90,412	6,810	(20,495)	76,727
At 1 July 2014		90,412	6,810	(20,495)	76,727
Comprehensive loss					
Net profit for the year		-	-	19,002	19,002
Total other comprehensive income	18	-	(4,085)	-	(4,085)
Total comprehensive loss		-	(4,085)	19,002	14,917
Transactions with owners recorded directly in equity					
Issue of shares		736	-	-	736
Share issue costs	17	(298)	-	-	(298)
Business Acquisition	30	41,392	1,180	-	42,572
Share based payments	18	-	624	-	624
Total contributions by and distributions to owners		41,830	1,804	-	43,634
At 30 June 2015		132,242	4,529	(1,493)	135,278

The above statement of changes in equity should be read in conjunction with the accompanying notes.

DORAY MINERALS LIMITED
ANNUAL REPORT 30 JUNE 2015

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 \$'000	2014 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers – gold sales		134,138	110,555
Payments to suppliers and employees		(76,508)	(50,293)
Interest paid		(2,206)	(3,053)
Interest received		573	561
Net cash inflow from operating activities	23	55,997	57,770
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(1,572)	(2,656)
Payments for exploration and evaluation assets		(9,193)	(5,834)
Payments for mine development asset		(32,453)	(30,364)
Payments for joint venture interests		(4,000)	(4,100)
Net cash outflow from investing activities		(47,218)	(42,954)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from share issue		-	17,029
Proceeds from borrowings		32,028	-
Repayments of borrowings		(50,383)	(20,000)
Transfer from/(to) Debt Service Reserve Account		17,087	(21,149)
Proceeds from exercise of options		736	50
Cash acquired in business acquisition	30	564	-
Capital raising costs paid		-	(790)
Net cash inflow/(outflow) from financing activities		32	(24,860)
Net (decrease)/increase in cash and cash equivalents		8,811	(10,044)
Cash and cash equivalents at the beginning of the year		15,656	25,700
Cash and cash equivalents at the end of the year	5	24,467	15,656

The above statement of cash flows should be read in conjunction with the accompanying notes.

For personal use only

DORAY MINERALS LIMITED
ANNUAL REPORT 30 JUNE 2015

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE: 1. REPORTING ENTITY

Doray Minerals Limited (the "Company") is a company limited by shares, incorporated and domiciled in Australia. The consolidated financial statements of the Company as at and for the year ended 30 June 2015 comprise the Company and its subsidiaries (the "Group").

The following is a summary of the material accounting policies adopted by the Company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

NOTE: 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

Historical cost convention

These financial statements have been prepared under the historical cost convention except for derivative financial instruments which are measured at fair value.

Financial Position

The financial report has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

The Group has derived a net profit of \$19,002,000 (2014: loss of \$5,648,000) for the year ended 30 June 2015.

As at 30 June 2015 the Group has net current liabilities of \$135,000 (2014: net current liabilities of \$8,706,000) which includes cash and cash equivalents of \$24,467,000, trade and other receivables of \$1,751,000, inventories of \$9,106,000, a gold hedge financial liability of \$1,107,000, trade payables of \$18,296,000 and borrowings of \$15,030,000. The payment of trade payables, borrowings and forecast operational and capital expenditure arising from the mining operations at the Andy Well Gold Project are expected to be met from existing cash resources and operational cash flows based on a forecast cash flow prepared by management. Any shortfalls experienced in the near term will be covered by the raising or restructuring of debt.

In August 2015, the Group announced that Westpac Banking Corporation had confirmed credit approval for facilities totalling \$90 million (including a \$5 million contingency facility) which will include:

- the balance of Doray's existing project finance facility of approximately \$25.4 million as at 30 June 2015; and
- \$60 - \$65 million (including the contingency facility) to fund the construction and development of Deflector.

This restructuring has removed the need for the Group to make any debt repayments until 30 September 2016.

The Group has commenced documentation associated with this \$90 million facility with financial close expected towards the end of September 2015, subject to a number of terms and conditions typical of a facility of this nature, including completion of the placement and entitlements issue announced to the ASX on 31 August 2015.

As at 30 June 2015, the Group disclosed \$18.4 million of borrowings as Current Liabilities, whereby under the terms of the refinanced loan this would have been classified as Non-Current Liabilities.

Based on the reasons above, the directors believe it is appropriate that the financial report be prepared on a going concern basis.

Functional and presentation currency

Both the functional and presentation currency of the Company is the Australian Dollar.

DORAY MINERALS LIMITED
ANNUAL REPORT 30 JUNE 2015

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE: 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Rounding off of amounts

The company is a company of the kind referred to in ASIC Class Order 98/100, dated 10 July 1998, and in accordance with that Class Order amounts in the financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

ADOPTION OF NEW AND REVISED STANDARDS

Changes in accounting policies on initial application of Accounting Standards

In the year ended 30 June 2015, the Company has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for the current annual reporting period.

New and revised Standards and amendments thereof and Interpretations effective for the current annual reporting period that are relevant to the Group include:

- AASB 2013-4 'Amendments to Australian Accounting Standards – Novation of Derivatives and Continuation of Hedge Accounting'
- AASB 2012-3 'Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities'
- AASB 2013-3 'Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets'
- AASB 2014-1 'Amendments to Australian Accounting Standards'
 - Part A: 'Annual Improvements 2010-2012 and 2011-2013 Cycles'
 - Part C: 'Materiality'
- Interpretation 21 'Levies'

Impact of the application of AASB 2013-4 'Novation of Derivatives and Continuation of Hedge Accounting'

The amendment permits hedge accounting to be continued when a derivative is novated in certain circumstances. The application of this amendment does not have any material impact on the disclosures in the Group's consolidated financial statements.

Impact of the application of AASB 2012-3 'Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities'

The Group has applied the amendments to AASB 132 for the first time in the current year. The amendments to AASB 132 clarify the requirements relating to the offset of financial assets and financial liabilities. Specifically, the amendments clarify the meaning of 'currently has a legally enforceable right of set-off' and 'simultaneous realisation and settlement'.

The amendments have been applied retrospectively. The Group has assessed whether certain of its financial assets and financial liabilities qualify for offset based on the criteria set out in the amendments and concluded that the application of the amendments does not have any material impact on the amounts recognised in the Group's condensed consolidated financial statements.

Impact of the application of AASB 2013-3 'Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets'

The Group has applied the amendments to AASB 136 for the first time in the current year. The amendments to AASB 136 remove the requirement to disclose the recoverable amount of a cash-generating unit (CGU) to which goodwill or other intangible assets with indefinite useful lives had been allocated when there has been no impairment or reversal of impairment of the related CGU. Furthermore, the amendments introduce additional disclosure requirements applicable to when the recoverable amount of an asset or a CGU is measured at fair value less costs of disposal. These new disclosures include the fair value hierarchy, key assumptions and valuation techniques used which are in line with the disclosure required by AASB 13 'Fair Value Measurements'.

For personal use only

NOTE: 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impact of the application of AASB 2013-3 'Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets'

The Group has applied the amendments to AASB 136 for the first time in the current year. The amendments to AASB 136 remove the requirement to disclose the recoverable amount of a cash-generating unit (CGU) to which goodwill or other intangible assets with indefinite useful lives had been allocated when there has been no impairment or reversal of impairment of the related CGU. Furthermore, the amendments introduce additional disclosure requirements applicable to when the recoverable amount of an asset or a CGU is measured at fair value less costs of disposal. These new disclosures include the fair value hierarchy, key assumptions and valuation techniques used which are in line with the disclosure required by AASB 13 'Fair Value Measurements'.

The application of these amendments does not have any material impact on the disclosures in the Group's consolidated financial statements.

Impact of the application of AASB 2014-1 'Amendments to Australian Accounting Standards'

- **Part A: 'Annual Improvements 2010-2012 and 2011-2013 Cycle'**

The Annual Improvements 2010-2012 Cycle include a number of amendments to various AASBs, which are summarised below.

The amendments to AASB 2(i) change the definitions of 'vesting condition' and 'market condition'; and (ii) add definitions for 'performance condition' and 'service condition' which were previously included within the definition of 'vesting condition'. The amendments to AASB 2 are effective for share-based payment transactions for which the grant date is on or after 1 July 2014.

The amendments to AASB 3 clarify that contingent consideration that is classified as an asset or a liability should be measured at fair value at each reporting date, irrespective of whether the contingent consideration is a financial instrument within the scope of AASB 9 or AASB 139 or a non-financial asset or liability. Changes in fair value (other than measurement period adjustments) should be recognised in profit and loss. The amendments to AASB 3 are effective for business combinations for which the acquisition date is on or after 1 July 2014.

The amendments to AASB 8 (i) require an entity to disclose the judgements made by management in applying the aggregation criteria to operating segments, including a description of the operating segments aggregated and the economic indicators assessed in determining whether the operating segments have 'similar economic characteristics'; and (ii) clarify that a reconciliation of the total of the reportable segments' assets to the entity's assets should only be provided if the segment assets are regularly provided to the chief operating decision-maker.

The amendments to the basis for conclusions of AASB 13 clarify that the issue of AASB 13 and consequential amendments to AASB 139 and AASB 9 did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amounts without discounting, if the effect of discounting is immaterial. As the amendments do not contain any effective date, they are considered to be immediately effective.

The amendments to AASB 116 and AASB 138 remove perceived inconsistencies in the accounting for accumulated depreciation/amortisation when an item of property, plant and equipment or an intangible asset is revalued. The amended standards clarify that the gross carrying amount is adjusted in a manner consistent with the revaluation of the carrying amount of the asset and that accumulated depreciation/amortisation is the difference between the gross carrying amount and the carrying amount after taking into account accumulated impairment losses.

DORAY MINERALS LIMITED
ANNUAL REPORT 30 JUNE 2015

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE: 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The amendments to AASB 124 clarify that a management entity providing key management personnel services to a reporting entity is a related party of the reporting entity. Consequently, the reporting entity should disclose as related party transactions the amounts incurred for the service paid or payable to the management entity for the provision of key management personnel services. However, disclosure of the components of such compensation is not required.

Impact of the application of Interpretation 21 'Levies'

The interpretation provides further guidance in accounting for Levies. The interpretation does not have any material impact on the disclosures in the Group's consolidated financial statements.

STANDARDS AND INTERPRETATIONS ON ISSUE NOT YET ADOPTED

At the date of authorisation of the financial statements, the Standards and Interpretations that were issued but not yet effective are listed below:

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 9 'Financial Instruments', and the relevant amending standards	1 January 2018	30 June 2019
AASB 15 'Revenue from Contracts with Customers' and AASB 2014-5 'Amendments to Australian Accounting Standards arising from AASB 15'	1 January 2017	30 June 2018
AASB 2014-3 'Amendments to Australian Accounting Standards- Accounting for Acquisitions of Interests in Joint Operations'	1 January 2016	30 June 2017
AASB 2014-4 'Amendments to Australian Accounting Standards - Clarification of Acceptable Methods of Depreciation and Amortisation'	1 January 2016	30 June 2017
AASB 2014-9 'Amendments to Australian Accounting Standards- Equity Method in Separate Financial Statements'	1 January 2016	30 June 2017
AASB 2014-10 'Amendments to Australian Accounting Standards- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture'	1 January 2016	30 June 2017
AASB 2015-1 'Amendments to Australian Accounting Standards- Annual Improvements to Australian Accounting Standards 2012-2014 Cycle'	1 January 2016	30 June 2017
AASB 2015-2 'Amendments to Australian Accounting Standards- Disclosure Initiative: Amendments to AASB 101'	1 January 2016	30 June 2017
AASB 2015-3 'Amendments to Australian Accounting Standards arising from the withdrawal of AASB 1031 Materiality'	1 July 2015	30 June 2016
AASB 2015-5 'Amendments to Australian Accounting Standards -Investment Entities: Applying the Consolidation Exception'	1 January 2016	30 June 2017

For personal use only

DORAY MINERALS LIMITED
ANNUAL REPORT 30 JUNE 2015

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE: 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Group does not anticipate the early adoption of any of the above Australian Accounting Standards, and has not assessed the full impact of these amendments at the date of this report.

Statement of Compliance

The financial statements comply with International Financial Reporting Standards (IFRS).

The financial statements were authorised for issue by the Board of Directors on 10 September 2015.

Critical Accounting Estimates and Judgements

The application of accounting policies requires the use of judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions are recognised in the period in which the estimate is revised if it affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Mine rehabilitation and site restoration provision

The Consolidated Entity assesses its mine rehabilitation and site restoration provision at each balance date in accordance with accounting policy note 2(i). Significant judgement is required in determining the provision for mine rehabilitation and site restoration as there are many transactions and other factors that will affect the ultimate liability payable to rehabilitate and restore the mine sites and related assets. Factors that will affect this liability include future development, changes in technology, price increases and changes in interest rates. When these factors change or become known in the future, such differences will impact the site restoration provision and asset in the period in which they change or become known.

Units of production method of amortisation

The Consolidated Entity amortises mine properties in production on a units of production basis over economically recoverable reserves and resources. These calculations require the use of estimates and assumptions. Significant judgement is required in assessing the available reserves and resources under this method. Factors that must be considered in determining reserves and resources are the complexity of metallurgy, product prices, foreign exchange rates, cost structures and future developments. When these factors change or become known in the future, such differences will impact amortisation expense and the carrying value of mine property assets.

Determination of ore reserves and mineral resource

The Consolidated Entity estimates its ore reserves and mineral resources based on information compiled by competent persons in accordance with the Australian Code for Reporting of Mineral Resources and Ore Reserves December 2012 (the JORC code). Reserves and where applicable resources determined in this way are used in the calculation of amortisation and impairment charges, the assessment of mine lives and for forecasting the timing of the payment of restoration costs. When a change in estimated recoverable gold ounces contained in proved and probable ore reserves, and where applicable, resources, is made, amortisation and depreciation is accounted for prospectively.

DORAY MINERALS LIMITED
ANNUAL REPORT 30 JUNE 2015

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE: 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of exploration and evaluation assets

The ultimate recoupment of the value of exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale, of the underlying mineral exploration properties. The Consolidated Entity undertakes at least on an annual basis, a comprehensive review of indicators of impairment of these assets. There is significant estimation and judgement in determining the inputs and assumptions used in determining the recoverable amounts where there are impairment indicators.

The key areas of estimate and judgement that are considered in this review include:

- recent drilling results and reserves and resource estimates;
- environmental issues that may impact underlying tenements;
- the estimated market value of assets at the review date;
- fundamental economic factors such as the gold price, exchange rates and current and anticipated operating costs in the industry; and

Information used in the review process is tested against externally available information as appropriate.

Recognition of deferred tax assets for unused tax losses

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Estimation of stamp duty

Stamp duty relating to the purchase of the 20% interest in Andy Well has been provided for based on a best estimate by the Group's advisors. The relevant law is complex and its application is dependent on individual details of the transaction. Therefore the actual charge when advised by the State Government may be different.

For personal use only

DORAY MINERALS LIMITED
ANNUAL REPORT 30 JUNE 2015

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE: 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Basis of Consolidation

Subsidiaries are entities controlled by the Group. The financial statements of entities controlled by the Group are included in the consolidated financial statements from the date control commences until the date control ceases. The Company has control over another entity when it is exposed to variable returns from that entity and has the power to affect those returns.

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group balances, are eliminated in preparing the consolidated financial statements.

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value.

(c) Income Tax

The charge for current income tax expenses is based on the profit for the period adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the statement of profit or loss and other comprehensive income except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

The Company and its wholly-owned subsidiaries are part of a tax-consolidated group. As a consequence, all members of the tax-consolidated group are taxed as a single entity. The head entity within the tax-consolidated group is Doray Minerals Limited

NOTE: 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Property, Plant and Equipment including Mine Development Asset

Items of property, plant and equipment and mine development assets are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located and capitalised borrowing costs. Cost also may include transfers from other comprehensive income of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within other income in profit or loss. When revalued assets are sold, the amounts included in the revaluation reserve are transferred to retained earnings. The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised.

The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(e) Depreciation

Land is not depreciated. Depreciation on other assets is calculated on a straight line basis at rates calculated to allocate the cost less the estimated residual value over the estimated useful life of each asset.

Class of Fixed Asset	Useful Life
Motor Vehicles	4 years
Plant and Equipment	3 – 4 years
IT software	3 – 5 years
Buildings	7 years
Mine development costs	Units of production

The assets' carrying values are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

NOTE: 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Financial Instruments

Non-Derivative Financial Instruments

Recognition

The Group initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses. Loans and receivables comprise trade and other receivables.

Derivative Instruments and Hedge Accounting

Derivative Instruments

Derivative instruments are recorded at fair value on the consolidated statement of financial position and classified based on contractual maturity. Derivative instruments are classified as either hedges of the fair value of recognised assets or liabilities or of firm commitments ("fair value hedges"), hedges of highly probable forecast transactions ("cash flow hedges") or non-hedge derivatives. Derivatives designated as either a fair value or cash flow hedge that are expected to be highly effective in achieving offsetting changes in fair value or cash flows are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated. Derivative assets and derivative liabilities are shown separately in the statement of financial position unless there is a legal right to offset and the intent to settle on a net basis.

Fair Value Hedges

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the consolidated statement of profit or loss and other comprehensive income, together with any changes in the fair value of the hedged asset or liability or firm commitment that is attributable to the hedged risk.

NOTE: 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Financial Instruments (continued)

Cash Flow Hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in equity. The gain or loss relating to the ineffective portion is recognised in the consolidated statement of profit or loss and other comprehensive income. Amounts accumulated in equity are transferred to the consolidated statement of profit or loss and other comprehensive income in the period when the forecasted transaction impacts earnings.

When the forecasted transaction that is hedged results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously deferred in equity are transferred from equity and included in the measurement of the initial carrying amount of the asset or liability. When a derivative designated as a cash flow hedge expires or is sold and the forecasted transaction is still expected to occur, any cumulative gain or loss relating to the derivative that is recorded in equity at that time remains in equity and is recognised in the consolidated statement of profit or loss and other comprehensive income when the forecasted transaction occurs. When a forecasted transaction is no longer expected to occur, the cumulative gain or loss that was recorded in equity is immediately transferred to the consolidated statement of profit or loss and other comprehensive income.

(g) Impairment

Non-financial assets

The carrying amounts of the Group's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit" or "CGU").

Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

The Group's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

NOTE: 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Impairment (continued)

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Financial assets (including receivables)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Company on terms that the Company would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

The Group considers evidence of impairment for receivables at a specific asset level. All receivables are individually assessed for specific impairment.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

(h) Employee Benefits

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Other long-term employee benefits

Provision is made for the liability due to employee benefits arising from services rendered by employees to the reporting date. Employee benefits expected to be settled wholly within one year together with benefits arising out of wages and salaries, sick leave and annual leave which will be settled after one year, have been measured at their nominal amount. Other employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Contributions made to defined contribution employee superannuation funds are charged as expenses when incurred.

NOTE: 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provision for site restoration and rehabilitation

In accordance with the Group's environmental policy and applicable legal requirements, a provision for site restoration and rehabilitation in respect of disturbed land is recognised when the land is disturbed.

The provision is the best estimate of the present value of the expenditure required to settle the restoration and rehabilitation obligation at the reporting date, based on current legal requirements and technology. Future restoration and rehabilitation costs are reviewed annually and any changes are reflected in the present value of the restoration and rehabilitation provision at the end of the reporting period. The unwinding of the effect of discounting on the provision is recognised as a finance cost.

(j) Cash and Cash Equivalents

Cash and short-term deposits in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less plus bank overdrafts. Bank overdrafts are shown on the statement of financial position as current liabilities under borrowings.

(k) Finance Income and Finance Costs

Finance income comprises interest income on funds invested (including available-for-sale financial assets), dividend income, gains on the disposal of available-for-sale financial assets, changes in the fair value of financial assets at fair value through profit or loss, and gains on hedging instruments that are recognised in profit or loss. Interest income is recognised as it accrues in profit or loss, using the effective interest method. Dividend income is recognised in profit or loss on the date that the Company's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

(l) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of goods and services tax, except:

- i) Where the amount of GST incurred is not recoverable from the Australian Tax Office, it is recognised as part of the cost of the acquisition of an asset or as part of an item of expenditure.
- ii) Receivables and payables are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(m) Exploration and Evaluation Assets

Exploration and evaluation assets, including costs of acquiring licenses, are capitalised as exploration and evaluation assets on an area of interest basis. Costs of acquiring licences which are pending the approval of the Department of Mines and Petroleum as at the date of reporting are capitalised as exploration and evaluation cost if in the opinion of the Directors it is virtually certain the Company will be granted the licences.

DORAY MINERALS LIMITED
ANNUAL REPORT 30 JUNE 2015

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE: 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Exploration and Evaluation Assets (continued)

Exploration and evaluation assets are only recognised if the rights of tenure to the area of interest are current and either:

- i) The expenditures are expected to be recouped through successful development and exploitation of the area of interest, or
- ii) Activities in the area of interest have not at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are assessed for impairment when:

- i) Sufficient data exists to determine technical feasibility and commercial viability, and
- ii) Facts and circumstances suggest that the carrying amount exceeds the recoverable amount (see impairment accounting policy in Note 2(g)). For the purposes of impairment testing, exploration and evaluation assets are allocated to cash-generating units to which exploration activity relates. The cash generating unit shall not be larger than the area of interest.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified from Intangible assets to mining property and development assets within property, plant and equipment.

(n) Ordinary Shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

(o) Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that is transferred to the Company, are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

NOTE: 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) Share-based Payment Transactions

When the Company provides payment to service providers and related parties in the form of share-based compensation, whereby services are rendered in exchange for shares or rights over shares ('equity-settled transactions'), the cost of these equity-settled transactions is measured by reference to the fair value of the instruments at the date at which they are granted. The fair value is determined using an appropriate option valuation model for services provided by employees or where the fair value of the shares received cannot be reliably estimated.

For goods and services received where the fair value can be determined reliably the goods and services and the corresponding increase in equity are measured at that fair value.

The fair value of the options granted is adjusted to reflect market vesting conditions, but excludes the impact of any non-market vesting conditions. Non market vesting conditions are included in assumptions about the number of options that are expected to become exercisable.

At each balance sheet date, the entity revises its estimates of the number of options granted subject to non-market vesting conditions that are expected to become exercisable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant parties become fully entitled to the award ('vesting date').

(q) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(r) Stripping Costs

During the development of a mine, before production commences, stripping costs, being the process of mining overburden and waste materials to access ore from which minerals can be extracted economically, are capitalised as part of the investment in construction of the mine and are subsequently amortised over the life of the mine on a units of production basis.

(s) Inventories

Inventories are valued at the lower of cost and net realisable value. Costs, including an appropriate portion of fixed and variable overhead expenses, are assigned to inventory on hand by the method most appropriate to each particular class of inventory, with the majority being valued on a first in first out basis.

Net realisable value represents the estimated selling price less all estimated costs of completion and costs necessary to make the sale.

NOTE: 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(t) Research and Development Grants

Research and Development grants that are receivable as compensation for expenses already incurred are recognised in profit or loss in the period in which they become receivable.

Research and Development Grants that relate to assets are included in the carrying amount of the asset. The grant is recognised in profit or loss over the life of the asset as a reduced depreciation expense.

(u) Non-current assets held for sale

Assets and disposal Groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

When the Group is committed to a sale plan involving disposal of an investment, or a portion of an investment, in an associate or joint venture, the investment portion of the investment that will be disposed of is classified as held for sale when the criteria described above are met, and the Group discontinues the use of the equity method in relation to the portion that is classified as held for sale. Any retained portion of an investment in an associate or a joint venture that has not been classified as held for sale continues to be accounted for using the equity method. The Group discontinues the use of the equity method at the time of disposal when the disposal results in the Group losing significant influence over the associate or joint venture.

After the disposal takes place, the Group accounts for any retained interest in the associate or joint venture in accordance with AASB 13 unless the retained interest continues to be an associate or a joint venture, in which case the Group uses the equity method.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

(v) Revenue

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable. Revenue is recognised when the significant risk and rewards of ownership have been transferred to the buyer and the associated costs can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably.

Gold and Silver Bullion Sales

Revenue from gold and silver bullion sales is brought to account when the significant risks and rewards of ownership have transferred to the buyer and selling prices are known or can be reasonably estimated.

DORAY MINERALS LIMITED
ANNUAL REPORT 30 JUNE 2015

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE: 3. DETERMINATION OF FAIR VALUES

Trade and other receivables

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date.

Non-derivative financial liabilities

Fair value is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

Share-based payment transactions

The Company has provided payment to service providers and related parties in the form of share-based compensation, whereby services are rendered in exchange for shares or rights over shares ('equity-settled transactions'). The cost of these equity-settled transactions is measured by reference to the fair value at the date at which they are granted. The fair value is determined using an appropriate option valuation model for services provided by employees or where the fair value of the shares received cannot be reliably estimated.

For goods and services received where the fair value can be determined reliably the goods and services and the corresponding increase in equity are measured at that fair value.

Derivative Instruments

Derivative instruments are recorded at fair value on the consolidated statement of financial position and classified based on contractual maturity. Derivative instruments are classified as either hedges of the fair value of recognised assets or liabilities or of firm commitments ("fair value hedges"), hedges of highly probable forecast transactions ("cash flow hedges") or non-hedge derivatives. Derivatives designated as either a fair value or cash flow hedge that are expected to be highly effective in achieving offsetting changes in fair value or cash flows are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated. Derivative assets and derivative liabilities are shown separately in the statement of financial position unless there is a legal right to offset and the intent to settle on a net basis.

For personal use only

DORAY MINERALS LIMITED
ANNUAL REPORT 30 JUNE 2015

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE: 4. PROFIT/(LOSS) BEFORE INCOME TAX

Significant Expenses	Note	2015	2014
		\$'000	\$'000
The following significant items are relevant in explaining the financial performance:			
Audit fees		162	56
Depreciation	9	10,707	10,612
Amortisation	11	26,390	27,906
Share-based payments expensed	18	624	445
Exploration expenditure written-off	10	3,704	382
Employee benefits expense		12,833	10,237
Rent and utilities		1,017	565
Impairment charge		-	32,004

NOTE: 5. CASH AND CASH EQUIVALENTS

	2015	2014
	\$'000	\$'000
Cash at bank and in hand	24,467	15,656
Total cash and cash equivalents in the Statement of Cash Flows	24,467	15,656

NOTE: 6. TRADE AND OTHER RECEIVABLES

	2015	2014
	\$'000	\$'000
Current		
Trade and other receivables	901	6
GST receivable	850	915
	1,751	921
Non-Current		
Other receivables	61	-
	61	-

NOTE: 7. INVENTORIES

	2015	2014
	\$'000	\$'000
Current		
Ore stockpiles	4,752	787
Gold in circuit	333	328
Bullion on hand	2,304	3,659
Store consumables, fuel and reagents	1,717	1,296
	9,106	6,070

DORAY MINERALS LIMITED
ANNUAL REPORT 30 JUNE 2015

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE: 8. NON-CURRENT ASSETS HELD FOR SALE

	2015 \$'000	2014 \$'000
Exploration asset held for sale	1,105	-
	<u>1,105</u>	<u>-</u>

On 14 November 2014, Mutiny Gold Ltd, which was subsequently acquired by the Company, and its JV partners agreed to sell the White Well tenement in WA's Tuckabianna region to a private consortium for \$1.3 million. The Group's JV partners' entitlement is 15% of the proceeds. The agreement provides for the receipt of funds by instalments with a completion date of 23 November 2015.

NOTE: 9. PROPERTY, PLANT AND EQUIPMENT

	2015 \$'000	2014 \$'000
Land and buildings	9,295	8,931
Accumulated depreciation	(1,976)	(944)
	<u>7,319</u>	<u>7,987</u>
Plant and equipment	60,843	57,639
Accumulated depreciation	(18,994)	(9,640)
	<u>41,849</u>	<u>47,999</u>
Motor vehicles	1,602	1,509
Accumulated depreciation	(992)	(671)
	<u>610</u>	<u>838</u>
Total property, plant and equipment at cost	71,740	68,079
Total accumulated depreciation	(21,962)	(11,255)
	<u>49,778</u>	<u>56,824</u>

Movements in carrying amounts during the year

	Land and buildings \$'000	Plant and equipment \$'000	Motor vehicles \$'000	Total \$'000
Carrying amount at 1 July 2013	858	1,314	1,152	3,324
Additions	5	2,586	139	2,730
Transfer from mine development	7,851	53,531	-	61,382
Depreciation charge	(727)	(9,432)	(453)	(10,612)
Carrying amount at 30 June 2014	<u>7,987</u>	<u>47,999</u>	<u>838</u>	<u>56,824</u>
Carrying amount at 1 July 2014	7,987	47,999	838	56,824
Additions	364	3,150	93	3,607
Acquired on Business Acquisition	-	54	-	54
Depreciation charge	(1,032)	(9,354)	(321)	(10,707)
Carrying amount at 30 June 2015	<u>7,319</u>	<u>41,849</u>	<u>610</u>	<u>49,778</u>

DORAY MINERALS LIMITED
ANNUAL REPORT 30 JUNE 2015

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE: 10. EXPLORATION AND EVALUATION ASSETS

	2015	2014
	\$'000	\$'000
Exploration at cost		
Balance at the beginning of the year	10,697	4,848
Exploration of tenements	9,313	6,328
Acquired on Business Combination (note 30)	48,718	-
Exploration expenditure written off	(3,704)	(382)
Transfer to Mine Development assets	(39,423)	-
Amortisation	-	(97)
Balance at the end of the year	<u>25,601</u>	<u>10,697</u>

A regular review is undertaken of each area of interest within the exploration and evaluation asset to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. Exploration and evaluation assets are assessed for write down if the exploration expenditures are not expected to be recouped through successful development or exploitation of the area of interest or by its sale, which resulted in a write off of \$3,704,000 on exploration and evaluation assets for the year ended 30 June 2015 (2014: \$382,000).

NOTE: 11. MINE DEVELOPMENT ASSETS

	2015	2014
	\$'000	\$'000
Mine Development Assets		
Balance at the beginning of the year	13,879	97,504
Transfer to property, plant and equipment	-	(61,382)
Additions	37,568	37,570
Acquired on Business Combination (note 30)	2,443	-
Transfer from Exploration and Evaluation assets	39,423	-
Amortisation	(26,390)	(27,809)
Impairment	-	(32,004)
Balance at the end of the year	<u>66,923</u>	<u>13,879</u>

The transfer from exploration and evaluation assets relates to the reported costs of the Deflector exploration and evaluation costs which were reclassified to mine development assets following the Board's decision to proceed with its development.

NOTE: 12. TRADE AND OTHER PAYABLES

	2015	2014
	\$'000	\$'000
Current		
Creditors	14,088	8,535
Accruals	3,700	7,055
Other payables	508	4,570
	<u>18,296</u>	<u>20,160</u>

DORAY MINERALS LIMITED
ANNUAL REPORT 30 JUNE 2015

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE: 13. PROVISIONS

	2015	2014
	\$'000	\$'000
Current		
Annual leave provision	1,068	640
Provision for stamp duty	658	658
Deferred income	595	-
	<u>2,321</u>	<u>1,298</u>
Number of employees at year end	111	94
Employee benefits		
Balance at the beginning of the year	640	260
Additional provisions	476	439
Amounts used	(48)	(59)
Balance at the end of the year	<u>1,068</u>	<u>640</u>
Non-Current		
Provision for rehabilitation	5,482	1,222
	<u>5,482</u>	<u>1,222</u>
Rehabilitation provision		
Balance at the beginning of the year	1,222	1,186
Acquired on Business Combination (note 30)	2,443	-
Additional provisions	1,780	-
Unwinding of discount	37	36
Balance at the end of the year	<u>5,482</u>	<u>1,222</u>

NOTE: 14. BORROWINGS

	2015	2014
	\$'000	\$'000
Current		
Finance lease liabilities	640	743
Insurance premium funding	52	70
Bank loans	18,400	35,000
Debt Service Reserve	(4,062)	(21,149)
	<u>15,030</u>	<u>14,664</u>
Non-Current		
Finance lease liabilities	164	698
Bank loans	7,027	-
	<u>7,191</u>	<u>698</u>

The bank loan is secured over the assets of the Andy Well Project. Under the term of the bank loan agreement, the Group is required to maintain cash on deposit in a Debt Service Reserve Account which amounted to \$4,062,000 at 30 June 2015. The cash cannot be withdrawn or used by the Group for liquidity purposes whilst the borrowing is outstanding. For the periodic repayments of the borrowings, the Group and the lender intend to net settle. As a result, the Group's borrowings have been presented net of the cash on deposit, as the requirements under Australian Accounting Standards to offset have been met.

DORAY MINERALS LIMITED
ANNUAL REPORT 30 JUNE 2015

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE: 15. FINANCIAL (LIABILITY)/ASSET – GOLD HEDGE

	2015 \$'000	2014 \$'000
Derivative financial instrument	<u>(1,107)</u>	<u>4,728</u>

Doray has undertaken a gold hedging programme, over approximately 50% of production from the Andy Well Gold Project. The hedging programme has been in place since 2013 with additional hedging being put in place in 2014 and 2015. At 30 June 2015 the Company has 57,883 ounces hedged at an average price of A\$1,537 per ounce out to December 2016.

NOTE: 16. INCOME TAX

	2015 \$'000	2014 \$'000
<u>Tax recognised in profit or loss</u>		
Current tax expense		
Current year	-	-
Deferred tax expense recognised in profit or loss		
Origination and reversal of temporary differences	6,081	(2,408)
Adjustments in respect of prior year deferred income tax	(292)	(427)
Total income tax (benefit)/expense in profit or loss	<u>5,789</u>	<u>(2,835)</u>
Tax (benefit)/expense recognised in other comprehensive income		
Cash flow hedges	<u>(1,750)</u>	<u>(1,917)</u>
Tax benefit recognised directly in equity		
Share-raising costs	<u>152</u>	<u>(263)</u>

(i) Numerical reconciliation between tax expense and pre-tax net loss:

	2015 \$'000	2014 \$'000
Profit/(loss) before income tax	<u>24,791</u>	<u>(8,483)</u>
Income tax expense/(benefit) using the domestic corporation tax rate of 30%	7,437	(2,545)
Increase/(decrease) in income tax expense due to:		
Non-deductible expenses	197	137
Benefit of forming tax consolidation group	(1,188)	-
Adjustments in respect of previous deferred income tax	(293)	(427)
Amortisation of capital raising costs	(364)	-
Income tax benefit reported in the Statement of Profit or Loss and Other Comprehensive Income	<u>5,789</u>	<u>(2,835)</u>

There are no unrecognised tax assets as at the balance sheet date.

DORAY MINERALS LIMITED
ANNUAL REPORT 30 JUNE 2015

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE: 16. INCOME TAX (CONTINUED)

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	30 June 2015 \$'000	30 June 2014 \$'000	30 June 2015 \$'000	30 June 2014 \$'000	30 June 2015 \$'000	30 June 2014 \$'000
Trade and other receivables	-	-	72	-	72	-
Inventories	-	-	52	55	52	55
Hedge assets	(332)	-	-	1,418	(332)	1,418
Property, Plant and Equipment	-	(3)	9	5	9	2
Exploration	(1,529)	(33,498)	9,639	32,608	8,110	(890)
Mine development asset	(3,750)	-	1,179	-	(2,571)	-
Investments	(179)	-	179	-	-	-
Trade and other payables	(227)	(34)	-	-	(227)	(34)
Provisions	(2,143)	(583)	-	-	(2,143)	(583)
Borrowing costs	(21)	(105)	-	-	(21)	(105)
Capital raising costs - P&L	(217)	(73)	-	-	(217)	(73)
Capital raising costs - Equity	(1,058)	(683)	-	-	(1,058)	(683)
Tax losses	(7,397)	(5,060)	-	-	(7,397)	(5,060)
<i>Tax (assets) liabilities</i>	(16,853)	(40,039)	11,130	34,086	(5,723)	(5,953)
Set off of tax	11,130	34,086	(11,130)	(34,086)	-	-
Net tax (assets)/liabilities	(5,723)	(5,953)	-	-	(5,723)	(5,953)

Movement in temporary differences during the year

	Balance	Recognised In Income \$'000	Recognised In Equity \$'000	Balance	Recognised In Income \$'000	Recognised In Equity \$'000	Acquisition of Deflector \$'000	Balance
	30 June 2013 \$'000			30 June 2014 \$'000				30 June 2015 \$'000
Trade and other receivables	-	-	-	-	72	-	-	72
Inventories	19	36	-	55	(3)	-	-	52
Hedge assets	3,335	-	(1,917)	1,418	-	(1,750)	-	(332)
Property, Plant and Equipment	4	(2)	-	2	7	-	-	9
Exploration	6,850	(3,642)	-	3,209	3,399	-	1,502	8,110
Mine Development	-	(4,098)	-	(4,099)	1,060	-	468	(2,571)
Trade and other payables	(26)	(8)	-	(34)	(193)	-	-	(227)
Provisions	(434)	(150)	-	(584)	(814)	-	(745)	(2,143)
Borrowing costs	(190)	85	-	(105)	84	-	-	(21)
Capital raising costs - P&L	(97)	24	-	(73)	42	-	(186)	(217)
Capital raising costs - Equity	(711)	291	(262)	(682)	-	151	(527)	(1,058)
Foreign exchange	-	-	-	-	512	-	(512)	-
Tax losses	(9,689)	4,629	-	(5,060)	1,623	-	(3,960)	(7,397)
	(939)	(2,835)	(2,179)	(5,953)	5,789	(1,599)	(3,960)	(5,723)

DORAY MINERALS LIMITED
ANNUAL REPORT 30 JUNE 2015

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE: 17. ISSUED CAPITAL

	2015 Shares	2015 \$'000	2014 Shares	2014 \$'000
Issued and paid up capital				
<i>Ordinary shares</i>				
- Fully paid	239,701,786	138,279	163,401,768	94,505
- Capital raising costs (net of tax)	-	(4,289)	-	(4,093)
Total issued and paid up capital	239,701,786	133,990	163,401,768	90,412

Movements in ordinary shares issued

	Number of Shares	Issue Price \$	Total \$'000
Balance at 1 July 2013	141,866,768		73,947
23 Dec 2013	Options exercised at 20 cents 25,000	0.200	5
20 Feb 2014	Options exercised at 20 cents 150,000	0.200	30
21 Feb 2014	Shares Issued at 80 cents 21,285,000	0.800	17,028
11 June 2014	Options exercised at 20 cents 75,000	0.200	15
	163,401,768		91,025
Less: Capital raising costs during the year	-		(613)
Balance at 30 June 2014	163,401,768		90,412
Balance at 1 July 2014	163,401,768		90,412
10 July 2014	Options exercised at 20 cents 150,000	0.200	30
14 July 2014	Options exercised at 20 cents 1,000,000	0.200	200
25 July 2014	Options exercised at 20 cents 116,244	0.200	23
5 Aug 2014	Options exercised at 20 cents 91,244	0.200	18
25 Aug 2014	Options exercised at 20 cents 1,025,000	0.200	205
1 Sept 2014	Options exercised at 20 cents 50,000	0.200	10
23 Dec 2014	Options exercised at 20 cents 1,250,000	0.200	250
22 Jan – 12 Mar 2015	Shares issued (9.5:1 conversion) 72,617,530	0.570	41,392
	239,701,786		132,540
Less: Capital raising costs during the year	-		(298)
Balance at 30 June 2015	239,701,786		132,242

Ordinary shareholders are entitled to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. Every ordinary shareholder present at a meeting in person or by proxy is entitled to one vote on a show of hands or by poll.

Capital risk management

The Group's objective is to maintain a strong capital base so as to sustain the business through exploration, development and production, through a balance of debt and equity funds.

The capital structure of the Company consists of equity comprising issued capital and reserves.

The Company is not subject to any externally imposed capital requirements.

DORAY MINERALS LIMITED
ANNUAL REPORT 30 JUNE 2015

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE: 18. RESERVES

	2015	2014
	\$'000	\$'000
Options reserve	5,215	3,490
Performance rights reserve	87	10
Cash flow hedge reserve – gold hedge	(773)	3,310
Total reserves	4,529	6,810

Nature and purpose of reserves

a) Options reserve

The options reserve is used to recognise the fair value of options on their issue date.

b) Cash flow hedge reserve – gold hedge

The fair value reserve in respect of the gold hedge is used to record the change in fair value of the effective portion of the financial instrument derivatives used for cash flow hedging net of tax.

Movements in UNLISTED OPTIONS issued

	Number	Option Price	Total
	of Options	\$	\$'000
Balance at 1 July 2013	9,434,988		3,055
Charge on options issued in prior periods			131
9 Sept 2013 Employee options issued	100,000	0.2182	22
12 Sept 2013 Cancellation of options	(156,700)	-	-
4 Oct 2013 Cancellation of options	(100,000)	-	-
19 Dec 2013 Employee options issued	3,857,413	0.1384	282
23 Dec 2013 Exercise of options at \$0.20	(25,000)	-	-
31 Dec 2013 Expiry of options	(2,000,000)	-	-
20 Feb 2014 Exercise of options at \$0.20	(150,000)	-	-
31 Mar 2014 Expiry of options	(86,750)	-	-
11 June 2014 Exercise of options at \$0.20	(75,000)	-	-
30 June 2014 Expiry of options	(340,750)	-	-
Balance at 30 June 2014	10,458,201		3,490
Balance at 1 July 2014	10,458,201		3,490
Charge on options issued in prior periods/business acquisition			1,383
10 July 2014 Exercise of options at \$0.20	(150,000)	-	-
14 July 2014 Exercise of options at \$0.20	(1,000,000)	-	-
25 July 2014 Exercise of options at \$0.20	(116,244)	-	-
5 Aug 2014 Exercise of options at \$0.20	(91,244)	-	-
25 Aug 2014 Exercise of options at \$0.20	(1,025,000)	-	-
1 Sept 2014 Exercise of options at \$0.20	(50,000)	-	-
15 Sept 2014 Expiry of options	(150,000)	-	-
30 Sept 2014 Expiry of options	(221,500)	-	-
21 Nov 2014 Expiry of options	(1,868,800)	-	-
23 Dec 2014 Exercise of options at \$0.20	(1,250,000)	-	-
31 Dec 2014 Expiry of options	(53,500)	-	-
22 Jan 2015 Options issued (9.5:1 conversion)	1,563,151	-	-
10 Mar 2015 Employee options issued	3,057,124	0.1119	342
30 Mar 2015 Expiry of options	(318,096)	-	-
30 June 2015 Expiry of options	(399,485)	-	-
Balance at 30 June 2015	8,384,607		5,215

For personal use only

DORAY MINERALS LIMITED
ANNUAL REPORT 30 JUNE 2015

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE: 18. RESERVES (CONTINUED)

Movements in PERFORMANCE RIGHTS issued

	Number of Rights	Fair Value of Rights/Options \$	Total \$'000
Balance at 1 July 2014	116,626		10
19 Dec 2013 Performance Rights issued	268,798	0.29	77
Balance at 30 June 2015	385,424		87

LISTED OPTIONS

During the year, 8,907,089 Listed Options were issued as consideration for listed options of Mutiny Gold Limited acquired under the Takeover Bid. The Listed Options of Mutiny Gold were converted at 9.5:1 Doray Listed Option and are exercisable at a price of \$0.475 on or before 5.00pm (WST) on 15 August 2015.

Inputs for measurement of grant date fair values

The grant date fair value of all share-based payment plans, excluding performance rights, was measured based on the Black and Scholes formula. Expected volatility is estimated by considering historic average share price volatility. The performance rights were valued using a Monte Carlo methodology. The inputs used in the measurement of the fair values at grant date of the share-based payment plans are the following:

Share option and performance rights plans 2015

	Key Management Personnel	Employees
Fair value and assumptions	Rights	Options
Number granted	268,798	3,083,100
Grant date	28/11/11	26/02/15
Fair value at grant date	\$0.3500	\$0.1119
Share price at grant date	\$0.6300	\$0.4850
Exercise price	\$0.0000	\$0.7300
Expected volatility (weighted average volatility)	59%	63%
Life	2.59 years	2 years
Expected dividends	-	-
Risk-free interest rate (based on government bonds)	3.03%	2.42%

Employee expenses	2015 \$'000	2014 \$'000
Share options granted to Key Management Personnel	20	61
Share options granted to employees	267	374
Performance rights granted to Key Management Personnel	305	10
Performance rights granted to employees	32	-
Total share-based payment expense recognised	624	445

DORAY MINERALS LIMITED
ANNUAL REPORT 30 JUNE 2015

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE: 18. RESERVES (CONTINUED)

The number and weighted average exercise prices of share options are as follows:

	Weighted average exercise price 2015	Number of options 2015	Weighted average exercise price 2014	Number of options 2014
Outstanding at the beginning of the year	\$0.76	10,458,201	\$1.08	9,434,988
Forfeited during the year	\$1.10	(725,000)	\$1.10	(678,950)
Exercised during the year	\$0.20	(3,682,488)	\$0.20	(250,000)
Expired during the year	\$1.11	(2,213,800)	\$2.37	(2,000,000)
Granted during the year	\$0.73	2,984,543	\$0.84	3,952,163
Acquired at Business Acquisition	\$1.02	1,563,151	-	-
Outstanding at the end of the year	\$0.92	8,384,607	\$0.76	10,458,201
Exercisable at the end of the year	\$0.66	5,400,064	\$0.72	6,876,288

The unlisted options outstanding at 30 June 2015 have an exercise price in the range of \$0.73 to \$3.325 (2014: \$0.20 to \$2.08) and a weighted average contractual life of 1.09 years (2014: 0.87 years).

The weighted average share price at the date of exercise for share options exercised in 2015 was \$0.92 (2014: \$0.82).

At 30 June 2015, options over unissued shares are as follows:

Expiry date	Exercise Price	Number under option
31 October 2015	\$1.65	175,000
12 December 2015	\$2.03	50,000
19 December 2015	\$0.83	3,016,913
28 February 2016	\$1.93	150,000
1 March 2016	\$2.00	195,000
3 April 2016	\$0.321	1,052,631
10 April 2016	\$1.79	150,000
26 February 2017	\$0.73	2,984,543
9 September 2017	\$1.03	100,000
31 December 2017	\$1.425	80,420
31 December 2017	\$1.90	95,788
31 December 2017	\$2.375	111,578
31 December 2017	\$2.85	111,578
31 December 2017	\$3.325	111,156
		8,384,607

DORAY MINERALS LIMITED
ANNUAL REPORT 30 JUNE 2015

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE: 18. RESERVES (CONTINUED)

Movements in Cash Flow Hedge Reserve

	Total \$'000
Balance at 1 July 2014	3,310
Mark to Market revaluation of hedgebook	(4,083)
Balance at 30 June 2015	(773)

As at 30 June 2015 the Group had 57,883 ounces hedged at an average hedge price of A\$1,537/oz comprising approximately 46% of the forecast Andy Well production out to December 2016.

NOTE: 19. SEGMENT REPORTING

The accounting policies used by the Company in reporting segments are consistent with the measurement principles of Australian Accounting Standards adopted in these financial statements.

The financial information presented to the directors is organised to show financial information for the Group and is not further disaggregated. Hence the Group as a whole represents one operating segment. The Group's operations are based in Australia. Its revenues are solely generated from customers within Australia.

NOTE: 20. CONTINGENT ASSETS AND LIABILITIES

Per the terms of the Share Sale Agreement between the Company and the vendor of Murchison Resources Pty Ltd for the purchase of the remaining 20% interest in the Andy Well Gold Project, the Company will pay a 1% Net Smelter Royalty on production from the acquired tenements in excess of 262,246 ounces of gold. If the Group were to produce 500,000 ounces of gold from the Project, it would have to pay approximately \$3,600,000 in royalties to the vendors of Murchison Resources Pty Ltd (assuming a gold price of A\$1,520). The royalty is contingent on the Project producing in excess of 262,246 ounces of gold and has therefore not been recognised as a liability at the reporting date.

There are no other contingent assets or liabilities at year end.

NOTE: 21. COMMITMENTS

Exploration Expenditure Commitments

In order to maintain the current rights of tenure to mining tenements, the Group has the following exploration expenditure requirements up until the expiry of the leases. These obligations, which are subject to renegotiation upon expiry of the leases, are not provided for in the financial statements and are payable as follows:

	2015 \$'000	2014 \$'000
Not longer than one year	5,103	2,472
Longer than one year, but not longer than five years	-	-
Longer than five years	-	-
Total	5,103	2,472

DORAY MINERALS LIMITED
ANNUAL REPORT 30 JUNE 2015

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE: 21. COMMITMENTS (CONTINUED)

If the Group decides to relinquish certain leases and/or does not meet the obligations, assets recognised in the Statement of Financial Position may require review to determine the appropriateness of carrying values. The sale, transfers or farm-out of exploration rights to third parties will reduce or extinguish the above obligations.

On 17 November 2014, the Company announced that it had signed a strategic Farm-in Agreement with Iluka Resources Ltd ("Iluka") to explore its highly prospective and virtually unexplored (for precious metals) Central and Western Gawler Craton tenement portfolio in South Australia. The Joint Venture Terms require Doray to spend up to \$7 million over a 6 year period to earn up to 80% interest in any Gold Resources within the Farm-in area. If Doray elects to withdraw prior to the expenditure of a total of \$7m before the 6th anniversary of the Farm-in period, Doray forfeits all interest earned and retains no residual rights.

	2015	2014
	\$'000	\$'000
Finance Leases		
Included in the financial statements (note 14) as:		
Current borrowings	640	743
Non-current borrowings	164	698
	<u>804</u>	<u>1,441</u>
Finance Lease Commitments		
Lease Payments	841	1,548
Less: Future Interest Charges	(37)	(107)
	<u>804</u>	<u>1,441</u>
Not longer than one year	640	743
Longer than one year, but not longer than five years	201	805
Longer than five years	-	-
Total	<u>841</u>	<u>1,548</u>
Operating Lease Commitments		
Minimum operating lease commitments contracted for but not capitalised in the financial statements are payable as follows:		
Not longer than one year	978	1,116
Longer than one year, but not longer than five years	1,720	2,612
Longer than five years	-	-
Total	<u>2,698</u>	<u>3,728</u>
Capital Expenditure commitments		
Infrastructure	<u>1,455</u>	<u>4,750</u>

DORAY MINERALS LIMITED
ANNUAL REPORT 30 JUNE 2015

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE: 22. BASIC AND DILUTED EARNINGS/(LOSS) PER SHARE

(i) Basic earnings per share

Basic earnings per share are calculated by dividing the profit/(loss) attributable to equity holders of the Company by the weighted average of ordinary shares outstanding during the period.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with the dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

a. Reconciliation of earnings to profit/(loss)

	2015	2014
	\$'000	\$'000
Net profit/(loss) attributable to ordinary equity holders	19,002	(5,648)
Earnings used to calculate basic and diluted EPS	19,002	(5,648)

b. Weighted average number of ordinary shares outstanding during the period used to calculate basic and diluted EPS

Weighted average number of ordinary shares outstanding during the period used in calculating:

Basic EPS	196,934,170	149,459,686
Diluted EPS	208,451,039	149,459,686

NOTE: 23. CASH FLOW INFORMATION

Reconciliation of cash flows from operating activities to profit/(loss) after income tax:

	2015	2014
	\$'000	\$'000
Profit/(loss) after income tax	19,002	(5,648)
Non-cash flows in loss		
- Depreciation	10,707	10,612
- Amortisation	26,390	27,906
- Share-based payment expense	624	445
- Annual leave expense	280	364
- Impairment expense	-	32,004
- Exploration expenditure written off	3,704	382
	60,707	66,065
Changes in assets and liabilities:		
- (Increase)/decrease in trade and other receivables	(891)	(470)
- (Increase)/decrease in prepayments	(149)	(41)
- (Increase)/decrease in inventories	(3,036)	(2,898)
- (Increase)/decrease in deferred tax assets	(2,189)	(5,014)
- (Increase)/decrease in non-current assets held for sale	(1,105)	-
- Increase/(decrease) in trade and other payables	(2,623)	(946)
- Increase/(decrease) in provisions	5,283	1,074
Cash inflow from operating activities	55,997	57,770

DORAY MINERALS LIMITED
ANNUAL REPORT 30 JUNE 2015

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE: 24. RELATED PARTY TRANSACTIONS

Doray Minerals Limited has advanced the following funds to its subsidiaries by way of intergroup loans:

	2015	2014
	\$'000	\$'000
Andy Well Mining Pty Ltd	70,695	40,962
Murchison Resources Pty Ltd	11	225
Meehan Minerals Pty Ltd	41	41
Deflector Mining Limited	2,407	-
	73,154	41,228

The amounts outstanding will be settled in cash. No guarantees have been given or received in respect of the advances.

Transactions and balances between the Company and its subsidiaries were eliminated in the preparation of consolidated financial statements of the Group.

Transactions with Directors and their related entities are disclosed in the Remuneration Report.

NOTE: 25. KEY MANAGEMENT PERSONNEL DISCLOSURES

(a) Directors and Key Management Personnel

Names and positions held of Directors and other Key Management Personnel in office during the year were:

Mr Peter Alexander	Non-Executive Chairman
Mr Peter Lester	Non-Executive Director (appointed 1 September 2015)
Mr Allan Kelly	Managing Director
Mr Jay Stephenson	Non-Executive Director
Mr Leigh Junk	Non-Executive Director
Mr Allan Brown	Non-Executive Director (appointed 26 February 2015)
Mr Mark Cossom	General Manager - Growth
Mr Peter Bamford	General Manager – Operations
Mr Jon Latto	Chief Financial Officer

(b) Key Management Personnel Compensation

	2015	2014
	\$'000	\$'000
Short term employee benefits	1,773	1,948
Post-employment benefits	168	173
Equity	253	98
Other payments	-	17
	2,194	2,236

Other transactions with Directors

There were no loans made to Directors during the financial year 30 June 2015.

DORAY MINERALS LIMITED
ANNUAL REPORT 30 JUNE 2015

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE: 26. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (including fair value interest rate risk and price risk), credit risk, commodity price risk, liquidity risk and cash flow interest rate risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

The fair value of the Group's financial assets and liabilities approximate their fair value.

The Group holds the following financial instruments:

	2015	2014
	\$'000	\$'000
Financial assets		
Cash and cash equivalents	24,467	15,656
Trade and other receivables	901	6
Derivative financial assets	-	4,728
	25,368	20,390
Financial liabilities		
Trade and other payables	18,296	20,160
Borrowings	22,221	15,362
Derivative financial liabilities	1,107	-
	41,624	35,522

(a) Market risk

(i) Price risk

The Group's derivative financial assets are currently exposed to commodity price risk, namely a change in the Australian Dollar gold price, which act to offset any change in the future cash flows from the sale of gold.

(ii) Fair value interest rate risk

Refer to (d) below.

(b) Credit risk

Credit exposure represents the extent of credit related losses that the Group may be subject to on amounts to be received from financial assets. Credit risk arises principally from receivables on the sale of gold to Perth Mint or banks, bank deposits and derivative financial assets. The objective of the Group is to minimise the risk of loss from credit risk through dealings with banks which have a minimum AA- credit rating with Standard & Poor's. The Group's maximum credit risk is limited to the carrying value of its financial assets as indicated on the statement of financial position.

The credit quality of the financial assets was high during the period. The table below details the credit quality of the financial assets at the end of the period:

	Credit	2015	2014
	Quality	\$'000	\$'000
Financial assets			
Interest-bearing deposit	High	24,467	15,656
Derivative financial instrument	High	-	4,728
		24,467	20,384

No impairment losses have been recorded on the amounts receivable from third parties at 30 June 2015.

DORAY MINERALS LIMITED
ANNUAL REPORT 30 JUNE 2015

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE: 26. FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The objective of the Group is to maintain sufficient liquidity to meet commitments under normal and stressed conditions.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, and the availability of funding through an adequate amount of committed credit facilities. The Group aims to maintain flexibility in funding by maintaining adequate reserves of liquidity.

The Group did not have access to any undrawn borrowing facilities at the reporting date.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting arrangements.

\$'000	Carrying Amount	Contractual Cash flows	< 3 months	3-6 months	6-12 months
Trade and other payables and borrowings:					
At 30 June 2015	40,518	40,518	18,478	9,782	12,258
At 30 June 2014	35,522	35,522	18,160	4,288	13,074

(d) Interest rate risk

From time to time the Group has significant interest bearing assets, but they are as a result of the timing of equity raising and capital expenditure rather than a reliance on interest income. The interest rate risk arises on the rise and fall of interest rates.

The Group's interest rate profile is set out below:

\$'000	Floating interest rate	Non- interest bearing	Fixed rate	2015 Total	Floating interest rate	Non- interest bearing	Fixed rate	2014 Total
Financial Assets								
Cash and cash equivalents	24,467	-	-	24,467	15,656	-	-	15,656
	24,467	-	-	24,467	15,656	-	-	15,656
Weighted average interest rate	2.88%				3.06%			
Financial Liabilities								
Trade and other creditors	-	18,296	-	18,296	-	20,160	-	20,160
Finance lease liabilities	-	-	804	804	-	-	1,441	1,441
Insurance Premium	-	-	52	52	-	-	70	70
Bank loans	25,427	-	-	25,427	13,851	-	-	13,851
	25,427	18,296	856	44,579	13,851	20,160	1,511	35,522
Weighted average interest rate	5.54%				5.94%			

DORAY MINERALS LIMITED
ANNUAL REPORT 30 JUNE 2015

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE: 26. FINANCIAL RISK MANAGEMENT (CONTINUED)

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate instruments at fair value through profit or loss and therefore a change in interest rates at period end would not affect profit or loss.

Fair value measurements recognised in the statement of financial position

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

30 June 2015

\$'000	Level 1	Level 2	Level 3	Total
Derivative Financial Liability	-	(1,107)	-	(1,107)
Total	-	(1,107)	-	(1,107)

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased or decreased the Group's profit or loss by \$9,600 (2014: \$18,050).

(e) Net fair value of financial assets and liabilities

The net fair value of cash and cash equivalents and short term non-interest bearing monetary assets and financial liabilities approximates their carrying values.

(f) Gold price and foreign exchange risk

Gold price risk arises from the risk of an adverse effect on current or future earnings resulting from fluctuations in the price of gold. The Group will have transactional foreign exchange exposures, which will arise from sales or purchases by the group in currencies other than the group's functional currency. The gold market is predominately priced in US dollars which exposes the group to the risk that fluctuations in the Australian dollar/US dollar exchange rate may also have an adverse effect on current or future earnings. The Group is also exposed to certain by-product commodity price risk, namely silver.

Doray has undertaken a gold hedging programme, comprising approximately 46% of production from the Andy Well Gold Project. The hedging programme has been in place since 2013 with additional hedging being put in place in 2014 and 2015. At 30 June 2015 the Company has 57,883 ounces hedged at an average price of A\$1,537 per ounce out to December 2016. A A\$100 per ounce increase in the spot price of gold with all other variables being held constant at period end would have increased profit by \$5,788,300 and vice versa.

The Group has designated these contracts as cash flow hedges. In the period there was no ineffectiveness in respect of these hedges.

**DORAY MINERALS LIMITED
ANNUAL REPORT 30 JUNE 2015**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

NOTE: 27. SUBSIDIARIES

Subsidiaries	Ownership Interest	
	2015	2014
Doray Gold Operations Pty Ltd	100%	100%
Andy Well Mining Pty Ltd	100%	100%
Meehan Minerals Pty Ltd	100%	100%
Murchison Resources Pty Ltd	100%	100%
Deflector Mining Limited (previously Mutiny Gold Limited)	100%	0%
MYG Tenement Holdings SPV Pty Ltd	100%	0%
MYG Tenement Holdings Pty Ltd	100%	0%
Brandy Hill SPV Pty Ltd	100%	0%
Brandy Hill Pty Ltd	100%	0%
Central Infrastructure SPV Pty Ltd	100%	0%
Central Infrastructure Pty Ltd	100%	0%
Deflector Gold SPV Pty Ltd	100%	0%
Deflector Gold Pty Ltd	100%	0%
Gullewa Gold Project SPV Pty Ltd	100%	0%
Gullewa Gold Project Pty Ltd	100%	0%

NOTE: 28. AUDITOR'S REMUNERATION

Details of the amounts paid to the auditor of the Group, Nexia Perth Audit Services Pty Ltd and its related practices for audit and non-audit services provided during the period are set out below.

	2015	2014
	\$'000	\$'000
Auditors Services		
Audit and review of financial reports (Nexia Perth Audit Services Pty Ltd)	139	56
Other Services		
Business combination reviews (Nexia Perth Audit Services Pty Ltd)	23	-
	162	-

DORAY MINERALS LIMITED
ANNUAL REPORT 30 JUNE 2015

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE: 29. PARENT ENTITY INFORMATION

(a) Information relating to Doray Minerals Limited

Results of the parent entity	2015 \$'000	2014 \$'000
Profit/(loss) for the period	(7,457)	(13,300)
Other comprehensive income for the year	-	-
Total comprehensive income for the year	(7,457)	(13,300)

Financial position of the parent entity at year end

Current assets	237	8,208
Non-current assets	114,246	74,598
Total assets	114,463	82,806
Current liabilities	1,624	6,079
Non-current liabilities	-	-
Total liabilities	1,624	6,079
Net assets	112,839	76,727
Issued capital	132,242	90,412
Reserves	5,247	3,508
Accumulated losses	(24,650)	(17,193)
Total equity	112,839	76,727

(b) Details of any guarantees entered into by parent entity in relation to the debts of subsidiaries

Doray Minerals Limited, together with Doray Gold Operations Pty Ltd, act as guarantors of Andy Well Pty Ltd's bank borrowings.

(c) Details of any contingent liabilities of the parent

Per the terms of the Share Sale Agreement between Doray and the vendor of Murchison Resources Pty Ltd for the purchase of the remaining 20% interest in the Andy Well Gold Project, Doray will pay a 1% Net Smelter Royalty on production from the acquired tenements in excess of 262,246 ounces of gold. If Doray were to produce 500,000 ounces of gold from the Project, it would have to pay approximately \$3,600,000 in royalties to the vendors of Murchison Resources Pty Ltd. The royalty is contingent on the Project producing in excess of 262,246 ounces of gold and has therefore not been booked.

(d) Details of any contractual commitments by the parent entity for the acquisition of plant and equipment

There are no contractual commitments by the parent entity for the acquisition of plant and equipment.

(e) Tax Consolidation

The Group and its 100%-controlled entities have formed a tax consolidation group.

DORAY MINERALS LIMITED
ANNUAL REPORT 30 JUNE 2015

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE: 30. BUSINESS COMBINATION

On 15 January 2015, the Company declared the Takeover Offer for Mutiny Gold Limited ("Mutiny", ASX: MYG) unconditional following the acceptance of over 75% of the relevant interest in Mutiny. The acquisition was an off-market takeover offer for all of the ordinary shares and options of Mutiny with one new Doray share/option offered for every 9.5 Mutiny shares/options. The Group completed compulsory acquisition of Mutiny on 12 March 2015 and now holds 100% of the company.

Details of the purchase consideration are as follows:

	\$'000
Ordinary Shares	41,392
Listed Options	846
Unlisted Options	334
	<hr/>
Fair Value of Securities	42,572
Less: Capital raising costs	(102)
Total purchase consideration	<hr/> <hr/>

The fair value of the 72,167,530 shares issued in lieu of the consideration paid for Mutiny was based on the market value of Doray shares at the date the Offer went unconditional, being \$0.57 per share on 15 January 2015. The fair value of the listed and unlisted options was calculated using the Black Scholes model. Issue costs of \$102,000 which were directly attributable to the issue of the shares have been netted against the deemed proceeds.

The assets and liabilities recognised as a result of the acquisition are as follows:

	\$'000
Cash and cash equivalents	564
Trade receivables	376
Non-current asset held for sale	1,105
Non-current receivables	54
Property, plant and equipment	55
Other assets	141
Mine development asset	2,443
Deferred tax asset	3,960
Exploration and evaluation assets	48,718
Deferred Income	(170)
Trade and other payables	(1,836)
Provisions	(3,077)
Borrowings	(9,846)
Contingent liabilities	(17)
Net assets acquired	<hr/> <hr/>

The goodwill is attributable to the fair value uplift of the exploration and evaluation asset.

There were no acquisitions in the year ending 30 June 2014.

Revenue and profit contribution

The acquired business did not contribute revenue to the group for the period 15 January 2015 to 30 June 2015 and contributed net losses of \$1,079,000 during this period.

If the acquisition had occurred on 1 July 2014, consolidated pro-forma revenue and losses for the year ended 30 June 2015 would have been \$nil and \$6,296,000 respectively.

DORAY MINERALS LIMITED
ANNUAL REPORT 30 JUNE 2015

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE: 31. SIGNIFICANT EVENTS AFTER THE REPORTING DATE

On 4 August 2015, the Company announced the commencement of site works at the Deflector Gold Project in the southern Murchison region of Western Australia.

On 17 August 2015, the Company announced the expiry of 8,907,089 listed options exercisable at \$0.475 on or before 15 August 2015.

On 31 August 2015, the Company announced that it had secured debt and equity funding to enable the construction and development of the Company's 100% owned Deflector Gold Project in the southern Murchison Region of Western Australia. The financing comprises new corporate finance facilities with Westpac Banking Corporation, a recently completed equity placement of \$13.8 million and a fully underwritten non-renounceable entitlement issue to raise approximately \$12.9 million. The facilities require additional hedging to be put in place. Doray has therefore negotiated a window to execute this hedging to take advantage of increases in the AUD gold price and has recently added an additional 30,000 ounces at an average forward price of approximately A\$1,610/oz.

No other matters or circumstances have arisen since the end of the financial period which significantly affected or could significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

For personal use only

DORAY MINERALS LIMITED
ANNUAL REPORT 30 JUNE 2015

DIRECTORS' DECLARATION

- 1 In the opinion of the Directors of Doray Minerals Limited ('the Group'):
 - (a) the financial statements and notes as set out on pages 56 to 96, and the Remuneration Report in the Directors' Report as set out on pages 47 to 53, are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Group's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001;
 - (b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 2(a); and
 - (c) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.
- 2 The Directors have been given the declarations required by Section 295A of the *Corporations Act 2001* from the Chief Executive Officer and Chief Financial Officer for the year ended 30 June 2015.

Signed in accordance with a resolution of the Directors:

Dated at Perth on 10th of September 2015.



Peter Lester
Chairman of the Board of Directors

Auditor's independence declaration under section 307C of the Corporations Act 2001

To the directors of Doray Minerals Limited

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2015 there has been:

- (i) no contraventions of the auditor's independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

NPAS

Nexia Perth Audit Services Pty Ltd

Amar Nathwani

Amar Nathwani
Director

10 September 2015
Perth

For personal use only

Independent auditor's report to the members of Doray Minerals Limited

Report on the financial report

We have audited the accompanying financial report of Doray Minerals Limited which comprises the consolidated statement of financial position as at 30 June 2015, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies, other explanatory information and the directors' declaration of the Consolidated Entity comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the Company are responsible for the preparation and fair presentation of the financial report that gives a true and fair view in accordance with the Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In Note 2(a), the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial report, comprising the financial statements and notes, complies with *International Financial Reporting Standards* as issued by the International Accounting Standards Board.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Doray Minerals Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

- (a) the financial report of Doray Minerals Limited is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- (b) the consolidated financial report also complies with International Financial Reporting Standards as disclosed in Note 2(a).

Report on the remuneration report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2015. The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with Section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the remuneration report of Doray Minerals Limited for the year ended 30 June 2015 complies with Section 300A of the *Corporations Act 2001*.

NPAS

Nexia Perth Audit Services Pty Ltd

Amar Nathwani

Amar Nathwani
Director

10 September 2015
Perth

DORAY MINERALS LIMITED
ANNUAL REPORT 30 JUNE 2015

ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES

The following additional information is required by the Australian Securities Exchange Ltd in respect of listed public companies only.

Shareholding as at 7 September 2015

Distribution of Shareholders

Range	Number of Shares	Number of Holders
1 – 1,000	314,632	600
1,001 – 5,000	4,641,845	1,645
5,001 – 10,000	6,588,351	852
10,001 – 100,000	47,484,400	1,630
100,001 – and over	215,158,196	232
	274,187,424	4,959

The number of shareholdings held in less than marketable parcels is 783.

Voting Rights

The voting rights attached to each class of equity security are as follows:

Ordinary shares

- Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

20 Largest Shareholders — Ordinary Shares as at 7 September 2015

Name	Number of Ordinary Fully Paid Shares Held	% Held of Issued Ordinary Capital
1. HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	30,838,970	11.25
2. J P MORGAN NOMINEES AUSTRALIA LIMITED	24,273,051	8.85
3. CITICORP NOMINEES PTY LIMITED	23,364,286	8.52
4. NATIONAL NOMINEES LIMITED	21,973,799	8.01
5. LION SELECTION GROUP LIMITED	7,304,394	2.66
6. MR ALLAN KELLY <KELLY FAMILY A/C>	6,724,400	2.45
7. AUSDRILL INTERNATIONAL PTY LTD	6,432,748	2.35
8. PAKSIAN PTY LTD	4,000,000	1.46
9. XGS PTY LTD <HENSMAN INVESTMENT A/C>	3,750,000	1.37
10. KINGARTH PTY LTD	3,157,894	1.15
11. CS FOURTH NOMINEES PTY LTD	2,932,373	1.07
12. MR WALTER SCOTT WILSON + MRS MARIA ANDREA WILSON	2,800,000	1.02
13. MR DAVID GEORGE METFORD <STL SUPER FUND A/C>	2,500,000	0.91
14. YARANDI INVESTMENTS PTY LTD <GRIFFITH FAMILY NO 2 A/C>	2,445,715	0.89
15. GR ENGINEERING SERVICES LTD	2,436,048	0.89
16. GEARED INVESTMENTS PTY LTD <INVESTMENT A/C>	2,264,796	0.83
17. FINANCE ASSOCIATES PTY LTD <SUPER FUND A/C>	1,825,000	0.67
18. NATIONAL NOMINEES LIMITED <DB A/C>	1,770,000	0.65
19. MUTINY GOLD LIMITED <DISSENTERS A/C>	1,713,862	0.63
20. CITICORP NOMINEES PTY LIMITED <COLONIAL FIRST STATE INV A/C>	1,634,506	0.60
	154,141,842	56.22

For personal use only

DORAY MINERALS LIMITED
ANNUAL REPORT 30 JUNE 2015

ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES

The name of the Company Secretary is Iain Garrett.

The address of the principal registered office in Australia is Level 3, 41-43 Ord Street, West Perth WA 6005.
Telephone (08) 9226 0600.

Registers of securities are held at the following address

Computershare Registry Services

Level 11

172 St George's Terrace

PERTH, WA 6000

Stock Exchange Listing

Quotation has been granted for all the ordinary shares of the Group on all Member Exchanges of ASX Limited.

Unquoted Securities

Options over Unissued Shares

A total of 8,327,107 options are on issue of which 255,260 options are on issue to Directors.

Use of Funds

The Group has used its funds in accordance with its initial business objectives.

For personal use only

DORAY MINERALS LIMITED
ANNUAL REPORT 30 JUNE 2015

TENEMENT SCHEDULE AS AT 30 JUNE 2015

Lease	Status	Project	Name	Expiry Date	Ownership
Western Australia					
E51/1334	Granted	WA_Abbotts	Abernathy	21/07/2015	Doray 80%
P51/2578	Granted	WA_Abbotts	Granite Well 1	6/09/2017	Doray 80%
P51/2579	Granted	WA_Abbotts	Granite Well 2	6/09/2017	Doray 80%
E51/1217	Granted	WA_Andy Well	Breakaway Bore	21/01/2018	Doray 100%
M51/870	Granted	WA_Andy Well	Mine	26/04/2033	Doray 100%
E51/1407	Granted	WA_Side Well	Red Tank Well	25/03/2017	Doray 80%
P51/2573	Granted	WA_Side Well	Sherwood 1	20/05/2017	Doray 80%
P51/2574	Granted	WA_Side Well	Sherwood 2	20/05/2017	Doray 80%
P51/2575	Granted	WA_Side Well	Sherwood 3	20/05/2017	Doray 80%
P51/2576	Granted	WA_Side Well	Sherwood 4	20/05/2017	Doray 80%
P51/2577	Granted	WA_Side Well	Sherwood 5	20/05/2017	Doray 80%
E51/1218	Granted	WA_Side Well	Five Mile East	21/01/2018	Doray 80%
M51/390	Granted	WA_Abbotts_West	Mt Vranizan	11/03/2033	Doray 100%
E51/1277	Granted	WA_Abbotts_West	Mt Opal	30/06/2016	Doray 100%
E51/1278	Granted	WA_Abbotts_West	Clarke Pool	30/06/2016	Doray 100%
M51/567	Granted	WA_Abbotts_West	Crescent	1/05/2033	Doray 100%
M51/530	Granted	WA_Meekatharra_East	Bourkes North	7/02/2016	Doray 100%
M51/565	Granted	WA_Meekatharra_East	Tal Val	3/04/2017	Doray 100%
M51/831	Granted	WA_Meekatharra_East	Golden Bracelet	17/11/2031	Doray 100%
M51/848	Granted	WA_Meekatharra_East	Fishers East	17/11/2031	Doray 100%
P51/2846	Granted	WA_Bourkes_Find	Bourkes Find North	28/12/2018	Doray 100%
P51/2847	Granted	WA_Bourkes_Find	Bourkes Find North	28/12/2018	Doray 100%
P51/2848	Granted	WA_Bourkes_Find	Bourkes Find North	28/12/2018	Doray 100%
P51/2849	Granted	WA_Bourkes_Find	Bourkes Find North	28/12/2018	Doray 100%
P51/2850	Granted	WA_Bourkes_Find	Bourkes Find North	28/12/2018	Doray 100%
P51/2851	Granted	WA_Bourkes_Find	Bourkes Find North	28/12/2018	Doray 100%
P51/2852	Granted	WA_Bourkes_Find	Bourkes Find North	28/12/2018	Doray 100%
P51/2853	Granted	WA_Bourkes_Find	Bourkes Find North	28/12/2018	Doray 100%
P51/2854	Granted	WA_Bourkes_Find	Bourkes Find North	28/12/2018	Doray 100%
P51/2855	Granted	WA_Bourkes_Find	Bourkes Find North	28/12/2018	Doray 100%
P51/2856	Granted	WA_Bourkes_Find	Bourkes Find North	28/12/2018	Doray 100%
P51/2857	Granted	WA_Bourkes_Find	Bourkes Find North	28/12/2018	Doray 100%
P51/2858	Granted	WA_Bourkes_Find	Bourkes Find North	28/12/2018	Doray 100%
P51/2892	Application	WA_Bourkes_Find	Bourkes Find West	-	Doray 100%
P51/2893	Application	WA_Bourkes_Find	Bourkes Find West	-	Doray 100%
P51/2894	Application	WA_Bourkes_Find	Bourkes Find West	-	Doray 100%

For personal use only

DORAY MINERALS LIMITED
ANNUAL REPORT 30 JUNE 2015

Lease	Status	Project	Name	Expiry Date	Ownership
P51/2895	Application	WA_Bourkes_Find	Bourkes Find West	-	Doray 100%
P51/2896	Application	WA_Bourkes_Find	Bourkes Find West	-	Doray 100%
P51/2897	Application	WA_Bourkes_Find	Bourkes Find West	-	Doray 100%
P51/2898	Application	WA_Bourkes_Find	Bourkes Find West	-	Doray 100%
P51/2899	Application	WA_Bourkes_Find	Bourkes Find West	-	Doray 100%
P51/2900	Application	WA_Bourkes_Find	Bourkes Find West	-	Doray 100%
P51/2901	Application	WA_Bourkes_Find	Bourkes Find West	-	Doray 100%
P51/2902	Application	WA_Bourkes_Find	Bourkes Find West	-	Doray 100%
P51/2903	Application	WA_Bourkes_Find	Bourkes Find West	-	Doray 100%
P51/2904	Application	WA_Bourkes_Find	Bourkes Find West	-	Doray 100%
P51/2905	Application	WA_Bourkes_Find	Bourkes Find West	-	Doray 100%
E51/960	Granted	WA_Yagahong	Marsh Bore	13/09/2016	Doray 100%
P51/2667	Granted	WA_Yagahong	New Australia West	22/07/2016	Doray 100%
P51/2668	Granted	WA_Yagahong	Yorkes Bore	22/07/2016	Doray 100%
P51/2669	Granted	WA_Yagahong	Yorkes Bore South	22/07/2016	Doray 100%
P51/2670	Granted	WA_Yagahong	Road Mill	22/07/2016	Doray 100%
P51/2671	Granted	WA_Yagahong	Sandstone Road	22/07/2016	Doray 100%
P51/2672	Granted	WA_Yagahong	Sandstone Road East	22/07/2016	Doray 100%
P51/2673	Granted	WA_Yagahong	Star Bore	22/07/2016	Doray 100%
P51/2674	Granted	WA_Yagahong	Star Bore West	22/07/2016	Doray 100%
P51/2675	Granted	WA_Yagahong	McDonald Well	22/07/2016	Doray 100%
P51/2676	Granted	WA_Yagahong	Polelle Station	22/07/2016	Doray 100%
P51/2677	Granted	WA_Yagahong	Marsh Bore West	22/07/2016	Doray 100%
P51/2705	Granted	WA_Yagahong	Albury Heath East	22/07/2016	Doray 100%
P51/2706	Granted	WA_Yagahong	Albury Heath North	22/07/2016	Doray 100%
P51/2707	Granted	WA_Yagahong	Albury Heath West	22/07/2016	Doray 100%
P51/2712	Granted	WA_Yagahong	Polelle East 1	22/07/2016	Doray 100%
P51/2713	Granted	WA_Yagahong	Polelle East 2	22/07/2016	Doray 100%
P51/2832	Granted	WA_Meeka_East	Bourkes South	1/10/2018	Doray 100%
P51/2891-2905	Application	WA_Meeka_East	Bourkes	-	Doray 100%
E51/1577	Granted	WA_Gnaweeda	Gnaweeda South	7/10/2019	Doray 100%
P51/2652	Granted	WA_Gnaweeda	Gnaweeda	14/7/2015	Doray 88%
E51/1419	Granted	WA_Gnaweeda	Gnaweeda	12/06/2016	Doray 88%
E51/1420	Granted	WA_Gnaweeda	Gnaweeda	12/06/2016	Doray 88%
E51/926	Granted	WA_Gnaweeda	Gnaweeda North	30/07/2015	Doray 88%
E51/927	Granted	WA_Gnaweeda	Gnaweeda North	30/07/2015	Doray 88%
E51/1625	Application	WA_Gnaweeda	Gnaweeda North	-	Doray 100%

For personal use only

DORAY MINERALS LIMITED
ANNUAL REPORT 30 JUNE 2015

Lease	Status	Project	Name	Expiry Date	Registered Holder or Applicant
E51/1626	Application	WA_Gnaweeda	Gnaweeda North	-	Doray 100%
E51/1596	Granted	WA_Andy_Well_North	Poplar	7/10/2019	Doray 100%
E51/1609	Application	WA_Abbotts_West	West Abbotts	-	Doray 100%
E09/2034	Granted	WA_Carnarvon_Sands	Carnarvon	15/06/2019	Meehan 100%
E80/4821	Granted	WA_Pollock_Hill	Mt Webb Nth	22/10/2019	Meehan 100%
E80/4822	Granted	WA_Pollock_Hill	Lake Mackay West	22/10/2019	Meehan 100%
E80/4823	Granted	WA_Pollock_Hill	Mt Webb	22/10/2019	Meehan 100%
M20/54	Granted	WA_White Well	White Well	18/05/2029	George Francis Lee/ Mutiny Gold 70%
P20/2190	Granted	WA_White Well	White Well	20/06/2016	George Francis Lee/ Mutiny Gold 70%
E15/1025	Granted	WA_Widgie South	Widgie	21/08/2018	Mutiny Gold Ltd 100%
E59/1240	Granted	WA_Gullewa	Gullewa Exploration	9/07/2017	Brandy Hill Iron Pty Ltd 100%
E59/1241	Granted	WA_Gullewa	Gullewa Exploration	4/8/2017	Gullewa Gold Project Pty Ltd 100%
E59/1242	Granted	WA_Gullewa	Gullewa Exploration	9/7/2017	Gullewa Gold Project Pty Ltd 100%
E59/1274	Granted	WA_Gullewa	Gullewa Exploration	19/11/2017	Brandy Hill Iron Pty Ltd 100%
L59/35	Granted	WA_Gullewa	Rocksteady Haul Road	24/10/2019	Central Infrastructure Pty Ltd 100%
L59/49	Granted	WA_Gullewa	Deflector Haul Road Pipeline	1/03/2021	Deflector Gold 100%
L59/50	Granted	WA_Gullewa	GPB Road	1/03/2021	Central Infrastructure Pty Ltd 100%
L59/70	Granted	WA_Gullewa	Shire Road	18/09/2031	Central Infrastructure Pty Ltd 100%
L59/71	Granted	WA_Gullewa	Deflector Haul Road	18/09/2031	Deflector Gold 100%
L59/64	Granted	WA_Gullewa	Water Discharge pipe	17/04/2033	Deflector Gold 100%
M59/49	Granted	WA_Gullewa	Gullewa Townsite	18/03/2029	Central Infrastructure Pty Ltd 100%
M59/68	Granted	WA_Gullewa	Cagacaroon (Golden Stream)	8/12/2029	Gullewa Gold Project Pty Ltd 100%
M59/132	Granted	WA_Gullewa	Nungarra (Shannadoah)	25/01/2031	Gullewa Gold Project Pty Ltd 100%
M59/133	Granted	WA_Gullewa	Brandy Hill	1/12/2030	Brandy Hill Iron Pty Ltd 100%
M59/224	Granted	WA_Gullewa	Brandy Hill	1/07/2033	Brandy Hill Iron Pty Ltd 100%
M59/294	Granted	WA_Gullewa	Michaelangelo	6/12/2035	Central Infrastructure Pty Ltd 100%
M59/335	Granted	WA_Gullewa	Michaelangelo	17/10/2015	Gullewa Gold Project Pty Ltd 100%
M59/336	Granted	WA_Gullewa	Michaelangelo	17/10/2015	Gullewa Gold Project Pty Ltd 100%
M59/356	Granted	WA_Gullewa	Shaft Well	5/12/2015	Gullewa Gold Project Pty Ltd 100%
M59/391	Granted	WA_Gullewa	Rocksteady	6/02/2017	Gullewa Gold Project Pty Ltd 100%
M59/392	Granted	WA_Gullewa	Michaelangelo	6/02/2017	Gullewa Gold Project Pty Ltd 100%
M59/442	Granted	WA_Gullewa	Deflector	4/11/2018	Deflector Gold 100%

For personal use only

DORAY MINERALS LIMITED
ANNUAL REPORT 30 JUNE 2015

Lease	Status	Project	Name	Expiry Date	Registered Holder or Applicant
M59/507	Granted	WA_Gullewa	Monarch	13/12/2019	Central Infrastructure Pty Ltd 100%
M59/522	Granted	WA_Gullewa	Gullewa Camp	8/03/2022	Central Infrastructure Pty Ltd 100%
M59/530	Granted	WA_Gullewa	Deflector	27/08/2022	Gullewa Gold Project Pty Ltd 100%
M59/531	Granted	WA_Gullewa	Caldwell	2/05/2022	Gullewa Gold Project Pty Ltd 100%
M59/2130	Application	WA_Gullewa	Dan Well	-	Gullewa Gold Project Pty Ltd 100%
South Australia					
EL5466	Granted	SA_Nuckulla Hill	Nuckulla Hill	24/08/2017	Doray 100%
EL5552	Granted	SA_Nuckulla Hill	Lake Gardner	23/12/2016	Doray 100%
EL4473 (re-applicn ELA2014/271)	Re- application	SA_Nuckulla Hill	Nuckulla Hill	26/04/2015	Doray 100%
EL4846	Granted	SA_Nuckulla Hill	Pimba	17/04/2014	Doray 100%
EL4847	Granted	SA_Nuckulla Hill	Streaky Bay	17/04/2014	Doray 100%
EL5295	Granted	SA_Nuckulla Hill	Toondulya	26/06/2015	Doray 100%
EL5310	Granted	SA_Nuckulla Hill	Narlaby Tank	23/07/2015	Doray 100%
EL5511	Granted	SA_Fowlers_Bay	Fowlers Bay	26/11/2016	Doray 100%
ELA2014/250	Application	SA_Central Gawler	Kalanbi	-	Doray 100%
EL5620	Granted	SA_Nuckulla Hill	Mt John	20/5/2020	Doray 100%
EL4788	Granted	SA_Harris_Bluff	Harris Bluff	18/10/2013	Doray / Venture Minerals Ltd 49% (Diluting to 10%)
EL5457	Granted	SA_Kokatha	Kokatha	31/07/2016	Doray 100%

For personal use only