



DORAY SIGNS LANDMARK EXPLORATION FARM-IN AGREEMENT WITH ILUKA RESOURCES IN SOUTH AUSTRALIA

- **Doray signs gold exploration Farm-in Agreement with Iluka in South Australia**
- **Doray can earn up to 80% of any gold discovery by spending \$7M within 6 years with minimum \$1M commitment in year 1 to earn a 20% interest**
- **Major terrane-bounding structures within the project area with no previous exploration for precious metals**
- **Proprietary regional datasets provide opportunities to generate targets for immediate follow-up**
- **Iluka and Doray to continue to share key datasets as exploration progresses**

Doray Minerals Limited (ASX: DORAY, “Doray”, “the Company”) is pleased to announce that it has 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.

Doray will have the right to earn up to 80% of any “Gold Resources”¹ 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.

The Farm-in Project area comprises approximately 21,000 square kilometres of exploration licences and applications overlying the Central and Western Gawler Craton (Figure 1) and incorporates one of the last underexplored Archaean/Proterozoic boundaries in Australia, with similarities to the Yilgarn Craton/Albany-Fraser Province juxtaposition on the western side of the Eucla Basin in Western Australia. The Albany-Fraser Province hosts the Tropicana Gold Project (>7.7 Moz Au Resource, AngloGold Ashanti/Independence Group JV) and the recent Nova-Bollinger nickel discovery (>325kt Ni and 134kt Cu Resource, Sirius Resources). Doray will explore the Farm-in Project area for large-scale, granite and/or shear hosted gold mineralisation.

Doray’s Managing Director, Allan Kelly, said that the exploration Farm-in with Iluka represented a strategic first-mover opportunity for Doray, given the size of the landholding and the highly prospective and underexplored geology it covers.

“We are very pleased that Iluka has recognised the potential that a collaboration with Doray represents for them. Our enthusiastic and proven exploration approach will see the Project area explored efficiently and effectively and we now look forward to commencing this exciting opportunity.”

¹ “Gold Resource” is defined as a Resource where the economic value of the Gold in the Resource is greater than 80% of the total economic value of the Resource.



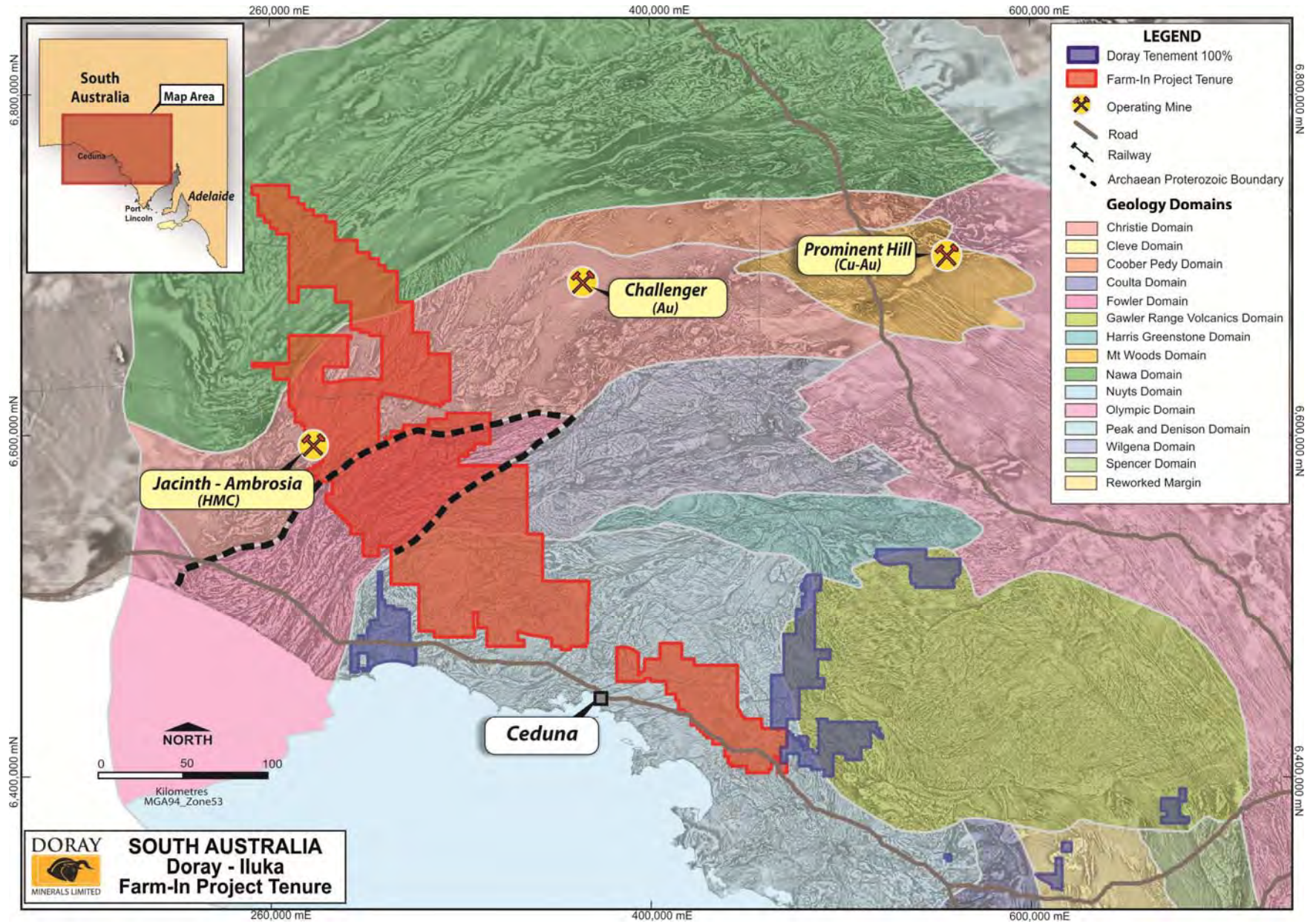


Figure 1. Location of Iluka Farm-In Project area and existing Doray tenements in South Australia.

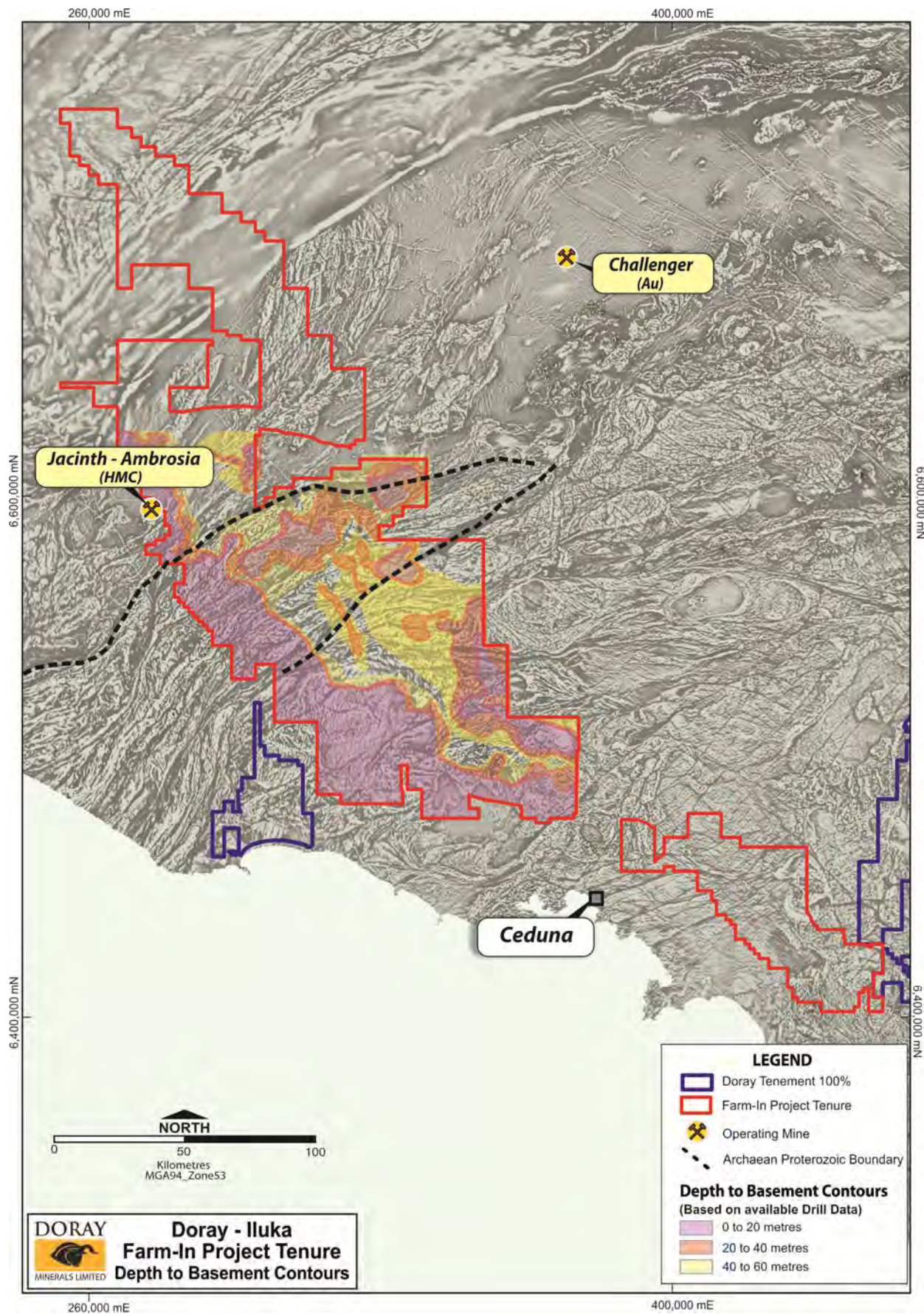


Figure 2. Depth to basement contours (where drill data from Iluka is available) suggest sand cover is not prohibitively deep.



Exploration Targets

The Farm-In Project covers an area of tenure of over 21,000 square kilometres with basement geology comprised of units of the Gawler Craton ranging in age from Archaean to Proterozoic. Figure 1 illustrates the extent of the Farm-In Project, the various geological domains of the region and some of the major bounding structures that separate them.

Doray is targeting two main styles of gold mineralisation that have the potential to deliver major, large-scale gold deposits:

Granite-related gold deposits - Rocks ascribed to the Hiltaba Suite (~ 1600 Ma – 1575 Ma), known to be directly related to the generation of the giant Olympic Dam Deposit, occur sporadically throughout all geological domains of the Project. The interaction of fluids derived from the Hiltaba aged intrusions and country rocks is considered by Doray to be a prime mechanism for gold mineralisation. The identification of regions where Hiltaba aged intrusions are located present high quality targets. Granites and gneisses of the Tunkillia Suite (1690 Ma – 1670 Ma) are also present within the Project area. Tunkillia Suite rocks are known to host the ~ 880,000 oz Tunkillia gold deposit towards the eastern margin of the Nuyts Domain and also the Nuckulla Hill gold prospects currently being explored by Doray.

Tropicana-style deposits - The Farm-In Project area incorporates approximately 150km of strike length of Archean –Proterozoic boundary (Fowler Domain-Christie Domain and Fowler Domain-Wilgena Domain) (Figure 1). The Fowler Domain is dominated by meta-sedimentary sequences that are expressed as gneisses, mafic and ultramafic rocks not dissimilar to those within the Albany Fraser Orogen, host to the Tropicana Gold Deposit. The major crustal sutures that bound these domains, in particular the second and third order structures emanating from them, provide excellent targets for shear hosted gold deposits.

Proprietary datasets and sample libraries

Doray has negotiated with Iluka to utilise a number of key datasets that Iluka has at its disposal.

Bottom-of-hole basement samples - Iluka has routinely collected bottom-of-hole drill samples during its exploration for mineral sands. These samples have been logged and a large number (approximately 2000) from across the project area represent samples of what is considered basement rock (or weathered versions of basement rock). In addition to these samples allowing for a relatively detailed interpretation of depth-of-cover to be produced (Figure 2), Iluka will make these samples available to Doray for re-logging and assay. This dataset will be invaluable in guiding the initial phase of exploration.

Iluka has already undertaken a programme of hand-held XRF analysis of these samples, with these data also being made available to Doray.

Ultra-Detailed Magnetics - Much of the project area has been the subject of ultra-detailed aeromagnetic surveying by Iluka. Magnetic data has been collected at a line spacing as close as 20m. This dataset has also been made available to Doray and will greatly assist in the delineation of structures and geological units within the project.

Exploration Strategy

The nature of the sand cover across the project area necessitates the use of drilling as the primary exploration tool, once targeting based upon remote sensing data interpretation and available bottom-of-



hole geochemistry has been completed. Doray is currently in negotiation with a drilling contractor to operate a drill-rig suitable for efficient drilling in the sand dune environs of the Eucla Basin with drilling anticipated to commence on priority target areas in CY2015.

Key Joint Venture Terms

- Doray to spend the following to earn interest in any Gold Resources¹ within the Farm-in area:
 - \$1 million in year 1 to earn a 20% interest (Doray cannot withdraw before this time)
 - \$1 million in year 2 to earn 30% interest
 - \$1 million in year 3 to earn 40% interest
 - \$1.33 million per year during years 4,5 and 6 to earn an 80% interest and formation of a formal Joint Venture
 - Should Doray spend a total of \$7 million at any point during the maximum 6 year period, Doray automatically earns 80% and triggers a formal Joint Venture
- 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.
- If Doray discovers a Non-Gold prospect, Iluka may elect to analyse, explore for and prove the prospect. If Iluka does not make that election Doray may drill out the prospect. Where Doray elects to drill out the prospect and a Mineral Resource is ultimately determined to be a Non-Gold Resource, Iluka may elect to retain 100% interest in that Non-Gold Resource by paying Doray the equivalent of three times the value of the Exploration expenditure to define that Non-Gold Resource. If Iluka elects not to participate in a buy back, the Non-Gold Resource will be treated, for the purposes of the agreement, as a Gold Resource with Joint Venture terms applied as such.
- Doray agrees to Free Carry Iluka through to a Decision to Mine on any Gold Resource¹ discovered during the Joint Venture Period. Should Iluka:
 - elect not to contribute to the development of a Gold Resource¹ following a Decision to Mine; or
 - initially elect to contribute to the development of a Gold Resource¹ following a Decision to Mine, Iluka and Doray must contribute to the Joint Venture in proportion to their respective Joint Venture Interests in that Gold Resource. If either Doray or Iluka elects not to contribute, its Joint Venture Interest will dilute using a standard industry dilution formula. If Iluka's Joint Venture Interest dilutes to 5%, Iluka's interest in that Gold Resource will dilute to a 2% Net Smelter Royalty on all Precious Metals and Base Metals produced from that Gold Resource
- Doray also pays a 2% Net Smelter Royalty on all Precious Metals and Base Metals, and a 2% Gross Revenue Royalty on other Minerals, produced from any mining lease granted or acquired by Doray or any of its affiliates within an agreed Area of Influence.
- Iluka to retain full tenement management responsibility during the Farm-In period, including minimum expenditure commitments for all Farm-In Project tenements.
- The agreement is conditional on the Consent of the South Australian Minister for Mineral Resources and Energy.

-ENDS-

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About Doray Minerals Limited

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

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

