



Doray Minerals Ltd
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3 October 2012

Dear Shareholder

Doray Minerals Limited - notice to eligible shareholders – 1 for 5 non-renounceable entitlement issue

On 28 September 2012, Doray Minerals Limited ACN 138 978 631 (“Doray” or “Company”) announced it has received firm commitments from institutional investors for a placement of approximately 41 million fully paid ordinary shares in the issued capital of the Company (“Shares”) at 75 cents per Share to raise approximately \$30.8 million (before costs) (“Placement”), and a fully underwritten one-for-five (1:5) non-renounceable pro rata entitlement issue to existing eligible Shareholders to raise up to approximately A\$12.2 million (before costs) at an offer price of 75 cents per share (“Entitlement Issue”).

The Placement is being made in two tranches: the first tranche of approximately 12,243,978 Shares under the Company’s 15% annual issuing capacity for the purposes of ASX Listing Rule 7.1, and the second tranche of approximately 28,764,050, which will be subject to shareholder approval.

The Shares the subject of the first tranche are expected to be admitted to trading on the ASX on 11 October 2012 and the Shares the subject of the second tranche are expected to be admitted to trading on 1 November 2012. Shares issued pursuant to the Placement will not qualify for Entitlement Issue Shares.

Following the completion of the Placement and Entitlement Offer (“the capital raising”), the Company will be fully funded for all budgeted construction, mining, exploration and corporate expenses to be incurred prior to commencement of gold production from the Company’s high grade Andy Well Gold Project, which is currently scheduled for mid 2013. The capital raising will also cover the first payment for purchase of a 20% interest in the Andy Well Gold Project held by Murchison Resources Pty Ltd and provide the Company with working capital.

The Offer is fully underwritten by Blackswan Corporate Pty Ltd and Bell Potter Securities Limited (“Underwriters”). The Company must pay the Underwriters an underwriting fee of 3.85% of the total amount raised pursuant to the Entitlement Issue. The Company must also reimburse the Underwriters for costs incidental to the Entitlement Issue up to in aggregate \$10,000.

Shares that are not subscribed for under the Entitlement Issue (“Shortfall Shares”) may be issued to sophisticated or institutional investors at the discretion of the Directors of Doray in consultation with the Underwriters and in accordance with the underwriting agreement between the Company and the Underwriters. Shares will only be issued if the Entitlement Issue is undersubscribed and will only be issued to the extent necessary to make up any shortfall in subscriptions.

Blackswan Equities Limited, Bell Potter Securities Limited and Casimir Capital L.P. are acting as Joint Lead Managers to the Placement and Entitlement Issue.

Entitlement Issue and Offer Document

The Entitlement Issue will be made to Eligible Shareholders without disclosure under Part 6D.2 of the Corporation Act 2001 (Cth) ("Corporation Act") pursuant to section 708AA of the Corporations Act.

The Company released an Offer Document for the Entitlement Issue to ASX on 2 October 2012. A copy of the Offer Document will be available on ASX's website www.asx.com.au and Doray's website www.dorayminerals.com.au.

The Entitlement Issue is non-renounceable, which means that entitlements to participate in the Entitlement Issue cannot be sold. Therefore, to the extent that an Eligible Shareholder does not take up all or part of their entitlement under the Entitlement Issue, that entitlement (or the relevant proportion not taken up) will lapse and the Shares the subject of that entitlement (or relevant proportion not taken up), as well as those Shares which would have been offered to ineligible shareholders if they had been eligible to participate in the Entitlement Issue, will constitute Shortfall Shares that may be allotted at the discretion of the Underwriters.

Shares issued pursuant to the Entitlement Issue will rank equally with all fully paid ordinary shares in the capital of the Company already on issue. Following completion of the Entitlement Issue, the Company will have issued approximately 16,325,305 Shares (assuming no Doray options to acquire Shares ("Options") are exercised prior to the Record Date).

For the purposes of calculating each Eligible Shareholders' entitlement, fractions of entitlements have been rounded up to the nearest whole number of Shares.

Eligible Shareholders

A person will be eligible to participate in the Entitlement Issue if:

- (a) the person was a registered holder of Doray shares at 7:00pm (AEST) on 10 October 2012; and
- (b) the person's registered address is in Australia, its external territories or New Zealand.

To the extent that a person holds Shares on behalf of another person resident outside Australia or New Zealand, it is that person's responsibility to ensure that any acceptance complies with all applicable foreign laws.

Indicative timetable for the Entitlement Issue and Placement

Event	Date
Execution of Underwriting Agreement Company announces capital raising Notice of Meeting sent to shareholders Notice of Entitlement Issue sent to optionholders	28 September 2012
Lodgement of Offer Document with ASX	2 October 2012
Notice of Entitlement Issue sent to shareholders	3 October 2012

Ex Date	4 October 2012
Record Date for determining shareholder entitlements	7:00 PM (AEST) on 10 October 2012
Shares issued under Tranche 1 of the Placement	11 October 2012
Offer Document despatched to shareholders Opening date of Entitlement Issue offer	16 October 2012
Closing date of Entitlement Issue offer ("Closing Date")	5:00 PM (AWST) on 30 October 2012
General Meeting held	30 October 2012
Securities quoted on a deferred settlement basis	31 October 2012
Shares issued under Tranche 2 of the Placement	1 November 2012
Notify ASX of under-subscriptions	2 November 2012
Entitlement Issue Shares entered into Shareholders' security holdings Entitlement Issue Despatch date	8 November 2012

* The timetable is subject to change. Subject to the ASX Listing Rules, the Directors of Doray reserve the right to withdraw or vary the timetable for the Entitlement Issue without notice. In particular, the Directors of Doray reserve the right to extend the Closing Date for the Entitlement Issue to accept late applications either generally or in particular cases or to withdraw the Entitlement Issue without prior notice. The Company will apply for quotation of new securities following allotment and commencement of quotation of new securities is subject to confirmation from the ASX.

Actions required of Eligible Shareholders

There are a number of actions Eligible Shareholders may take:

- You may wish to accept all of your rights to subscribe for Shares pursuant to the Offer Document ("Entitlement"). To take up your Entitlement, you will need to ensure your application money for the Entitlement you wish to take up is received by Computershare Investor Services Pty Limited ("Share Registry") by no later than 5:00pm (AWST) on 30 October 2012, by completing and returning your Entitlement and Acceptance Form together with your cheque, drawn on an Australian bank or bank draft made payable in Australian currency, for the amount indicated on the Entitlement and Acceptance Form or making a payment by BPAY in accordance with the instructions on your Entitlement and Acceptance Form.
- You may wish to accept part of your Entitlement. To take up part of your Entitlement you will need to ensure your application money for the Entitlements you wish to take up is received by the Share Registry by no later than 5:00pm (AWST) on 30 October 2012, by completing and returning your Entitlement and Acceptance Form by filling in the number of Shares you wish to accept in the space provided on the Entitlement and Acceptance Form together with your cheque, drawn on an Australian bank or bank draft made payable in Australian currency, for the amount indicated on the Entitlement and Acceptance Form or making a payment by BPAY in accordance with the instructions on your Entitlement and Acceptance Form (at \$0.75 per Share).

- You may do nothing. If you choose to do nothing with your Entitlements, while you will continue to hold the same number of Shares, your interest in the Company will be diluted and you will receive no value for your Entitlement.

If you have any queries concerning the Entitlement Issue, or the action you are required to take to subscribe for Shares, please contact the Share Registry on 1300 850 505 (within Australia) or +61 (03) 9415 4000 (outside Australia).

Yours sincerely

A handwritten signature in black ink, appearing to be 'AK', written in a cursive style.

Allan Kelly
Managing Director