



Economic Viability of Mining at Yamarna Confirmed

- **Scoping Study confirms economic viability of mining at Yamarna:**
 - **Estimated production of 190,000 ounces over an initial life of 4 years**
 - **Processing rate of 400,000tpa**
 - **Discounted pre-tax net cash return of \$47M; IRR of 42%**
 - **\$62.8M capital outlay, with payback in less than 2 years**
 - **Underground and open pit mining across three mines**
 - **Operational activity planned to commence in mid-2014 with gold production to commence late 2014**
 - **Strong expansion potential; all three mines open at depth**
- **Cash flow from production to be used to accelerate exploration of the 5,000km² Yamarna Gold Belt**

Gold Road Resources Limited (**Gold Road** or the **Company**) (ASX: GOR) is pleased to announce a Scoping Study for its 100%-owned Yamarna Gold Belt, located in the eastern Goldfields of Western Australia has confirmed the robust economics of the Belt's first planned mining operation.

The Scoping Study, completed by Optiro Pty Limited, was based on two open pits, **Attila South** and **Alaric**, mining to a depth of 60 and 45 metres respectively, on the 33 kilometre Attila Trend and an underground operation at **Central Bore** initially mining the top 250 metres of a resource known to extend to a minimum of 420 metres (see Figure 1). All three deposits are open at depth, and Alaric 3 and Attila South remain open north and south.

The three mines combine to feed a treatment plant with a processing rate of **400,000 tonnes per annum**, producing **190,000** ounces of gold over an initial life of four years. This plant is upgradable to 800,000 tonnes per annum.

Gold Road Executive Chairman Ian Murray said the studies underpinned Company's strategy of becoming a self-funded explorer.

"The Scoping Study is a great result for the project and a crucial milestone on our pathway to production to fund the highly prospective Yamarna Belt," Mr Murray said.

"It demonstrates the strong potential profitability of the operation and provides a solid platform for the feasibility studies.

ASX Code: GOR

ABN 13 109 289 527

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Scoping Study Key Outcomes

Gold Road aims to use the cash flow generated from future production to fund the systematic exploration of the Yamarna Belt – a ~5,000km² under-explored greenstone belt which has strong potential to be a multi-million ounce gold camp.

Processing rate	400 ktpa
Gold production	47,500 oz pa (average)
Pre-production capital	\$62.8 million
Discounted net cash return at a discount rate of 8%	\$47 million (\$39 million post tax)
Cash-flow before capital (pre-tax)	\$132.7. million
Cash-flow after capital (pre-tax)	\$67.7 million
Operating costs (average over current life)	\$806 per ounce
Total costs including capital (average over current life)	\$1,248 per ounce.
IRR	42% (37% post tax)
ROI	89% (77% post tax)
Initial mine life	4 years

Mining

Central Bore underground mine will provide high margin gold production with an estimated mining rate of **100,000 tonnes per annum** at an average grade of **9.4g/t at an estimated cash cost of \$600/oz**. Mining will achieve higher grades during the early stages of the underground production with the grade decreasing at a later stage of mining. The high grade ore shoot is open at depth and will be drill tested in 2012/2013 with a view to extending mine life below the current 250m limit (see Figure 1). The mining method is conventional contract operation utilising narrow vein long hole open stoping methods.

Alaric 3 and Attila South open pits will be mined consecutively at a rate of approximately **300,000 tonnes per annum** at a grade of **1.9g/t**. Some of this feed rate is achieved through stockpile management. Some of these pits may have long-term underground potential.

Flora, fauna, hydrological studies across the three deposits are complete with no production roadblocks found.

Mine Life

The project has an initial five year operating life, with gold production occurring over an initial four years. The first year of the operating schedule is dedicated to the project setup with commencement of mining and initial production at the Attila South pit, development of the Central Bore box cut and decline and establishment of the treatment plant, as well as all the required surface support facilities. Production from the underground mine and the treatment plant commences in the second year of the operating schedule continuing for the remaining four years.

First gold production is forecast in late 2014.

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Pre-production Capital

The pre-production capital of \$62.8 million includes:

	\$m
Process Plant	40.0
Mine Camp	10.0
Underground development	6.8
Surface infrastructure	4.0
Open pit pre-stripping	1.0
Environmental Bond	1.0

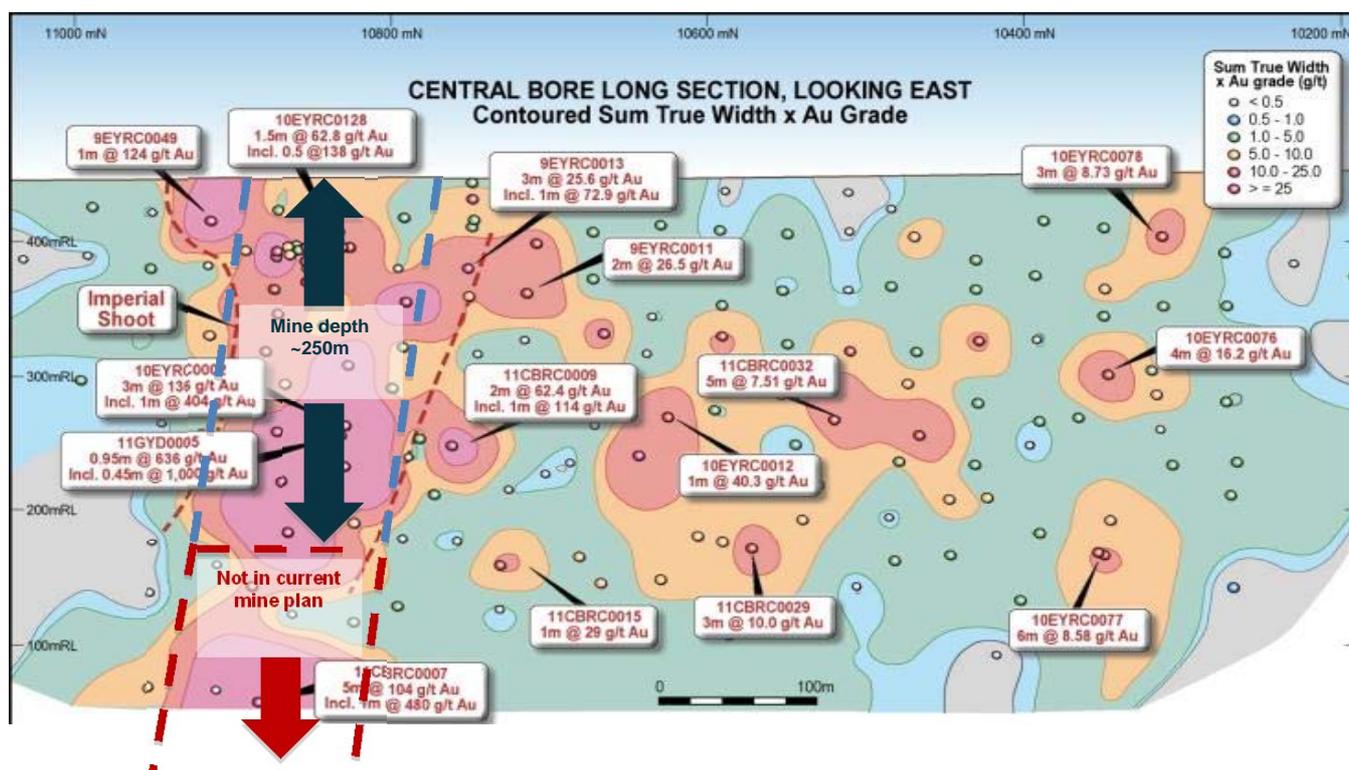


Figure 1: Central Bore long section, showing mining of top 250m

Key Input Parameters

The following key input parameters were used:

- Gold price of A\$1,600 per ounce
- Treatment plant recovery 97%; underground mining dilution 50% and mining recovery 90%
- Open pit mining dilution 10% and mining recovery 97%
- Mining costs for open pit and underground are based on applicable contractors rates
- All of the other costs are owner operator costs based on a first principles workup
- JORC Resource as published on 3 September 2012

The Scoping Study by its nature provides preliminary estimates that are not as reliable or certain as a Pre-feasibility or Feasibility study outcomes. The estimates used in the scoping study are subject to completion of resource drill out and more comprehensive studies that include, detailed mine designs, metallurgical testwork, site construction and detailed capital and operating cost analysis.

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Future Development / Upside Potential

- Deeper drilling on the high grade Imperial Shoot at Central Bore below the current 250m mining limit to expand the underground mine life
- The Attila trend contains a series of deposits along a 30km strike length – there is strong potential for more open pits along Attila Trend.
- Alaric 3 has underground potential, which is currently being examined.
- Prefeasibility to commence on process plant feed sources, size, flowsheet and build methodology
- As part of the Project's feasibility studies, Gold Road is also investigating a 100,000 tonnes per annum standalone modular plant operation to treat the high-grade Central Bore Project alone. Early indications show a much reduced capex with total gold production around 35,000 ounces per annum. Production could be accelerated by ~6 months and payback would be achieved within 12 months.

Table of Consultants

- **Flora Studies:** Botanical Consulting
- **Fauna Studies:** Keith Lindbeck & Associates
- **Hydrological Studies:** Pennington Scott
- **Geotechnical Assessments:** Dempers & Seymour Pty Ltd
- **Process Plant Scoping Study:** Mineral Engineering Technical Services Pty Ltd (METS)

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About Gold Road Resources Limited

Gold Road Resources Limited is a gold exploration company which owns tenements covering over 5,000 square kilometres of the Yamarna greenstone belt. The Yamarna Belt is located approximately 150km east of Laverton on the eastern edge of the Yilgarn Craton.

In recognition of the success of the exploration programs at the Yamarna Belt, Gold Road is the winner of the Emerging Company 2011 award (Diggers & Dealers Conference), the Excellence in Exploration & Discovery 2011 award (Mines & Money Australia) and both the Resource Stocks Explorer of the Year and People's Choice awards.

The Yamarna Belt, adjacent to the 500 kilometre long Yamarna shear zone, is a historically under-explored region that is highly prospective for gold mineralisation and hosts a number of significant new discoveries. It lies north of the recently discovered 5 million ounce Tropicana deposit owned jointly by AngloGold-Ashanti / Independence.

Gold Road is progressing two key gold trends, together with two recently discovered trends, on the Yamarna Belt:

- **Attila Trend**, which includes Attila, Alaric, Khan and Khan North Projects and extends for over 33 kilometres and hosts a significant JORC resource.
- **Central Bore Area** is a 6km² area east of the southern extent of the Attila Trend which has delivered six new discoveries in 24 months. Key projects in the area include:
 - **Central Bore Project** - gold mineralisation over a strike length of 800 metres and from surface to a depth of 440 metres; assay results of up to 1,000 g/t Au, remains open to the north, south and depth; hosts a significant JORC resource.
 - **Justinian Project** – 200 metres east of the Central Bore Project, 600 metres long, wider structure than Central Bore, with intercepts up to 7m @ 27 g/t Au.
 - **Central Bore North** - 500 metres north of the Central Bore Project's high-grade Imperial Shoot.
 - **Central Bore South** – 500 metre long mineralised structure south of the cross cutting Lubieniecki dyke.
 - **Byzantium Project** – 500 metres west of the Central Bore Project, 1 kilometre long, VMS style base metal prospect.
 - **Hann Project** – 2.4 kilometres west of the Central Bore Project, 4.3 kilometres long, three parallel gold anomalies.
- **Tobin Hill** – 5.5 kilometres south-east of the Central Bore Project, 1.5 kilometre gold anomaly.
- **Dorothy Hills** – 23 kilometres north-east of the Central Bore Project, two gold anomalies, 1.4 and 1.8 kilometres long.

NOTES:

The information in this report which relates to Exploration Results or Mineral Resources is based on information compiled by Ziggy Lubieniecki, the Technical Director of Gold Road Resources Limited, who is a Member of the Australasian Institute of Mining and Metallurgy and a Member of the Australian Institute of Geoscientists. Mr Lubieniecki has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Lubieniecki consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

The information in this report which relates to the Scoping Study are based on a report prepared by Optiro using information supplied by Gold Road. The Scoping Study was undertaken by Steve O'Dea and Andrew Law of Optiro. Mr Law is a Director of Optiro and a Fellow of the Australasian Institute of Mining and Metallurgy and Mr O'Dea is a Principle Mining Engineer of Optiro and a Member of the Australasian Institute of Mining and Metallurgy. Mr O'Dea and Mr Law consent to the inclusion in this report of the matters based on this information in the form and context in which it appears.

Forward-Looking Statement

Certain statements made in this announcement, including, without limitation, those concerning the Scoping Study, contain or comprise certain forward-looking statements regarding Gold Road Resources Limited's exploration operations, economic performance and financial condition. Although Gold Road believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct. Accordingly, results could differ materially from those set out in the forward-looking statements as a result of, among other factors, changes in economic and market conditions, success of business and operating initiatives, changes in the regulatory environment and other government actions, fluctuations in metals prices and exchange rates and business and operational risk management. Gold Road undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after today's date or to reflect the occurrence of unanticipated events.