

Interim Financial Report

For The Half-Year Ended 31 December 2011



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Competent persons statement

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 (Gold Road or the Company), 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 Gold Mineral Resource estimates are based on geostatistical modelling by Ravensgate using sample information and geological interpretation supplied by Gold Road. The Mineral Resource estimates were undertaken by Don Maclean, a Principal Consultant. Mr Maclean is the competent person responsible for the Resource and is a Member of the Australasian Institute of Geoscientists and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he has undertaken 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 Maclean consents to the inclusion in this report of the matters based on this information in the form and context in which it appears.



Directors' Report

The Directors present their interim report on Gold Road Resources Limited ("Gold Road" or "the Company") for the half-year ended 31 December 2011.

Directors

The following persons were directors of Gold Road Resources Limited during the half-year and up to the date of this report. Directors were in office for the entire period unless otherwise stated.

Ian Murray(Executive Chairman)Ziggy Lubieniecki(Executive Director)Russell Davis(Non-executive Director)Kevin Hart(Non-executive Director)Martin Pyle(Non-executive Director)

David Woodall (Non-executive Director – appointed 20 February 2012)

Company Secretary

Kevin Hart

Review of Operations

The net loss after income tax for the half-year was \$1,408,826 (31 December 2010: \$1,784,863).

At the end of the half-year the Company had \$22,994,495 (30 June 2011: \$9,685,631) in cash and at call deposits. Capitalised mineral exploration and evaluation expenditure is \$17,871,102 (30 June 2011: \$10,801,313).

Review of Exploration

Gold Road continued to accelerate exploration of its wholly-owned, 5,000 square kilometre Yamarna Gold Belt in Western Australia during the period, which Gold Road believes is a major new gold region.

During the half year more than 30,000 metres of diamond and RC drilling was carried out across the company's more advanced projects including Central Bore, Justinian, Attila, Central Bore North, Central Bore South and Hann. In addition more than 77,000 metres of RAB and auger drilling was carried out across the new gold targets including Khan North, Tobin Hill, VTEM, Tatar, Dorothy Hills and the Western Ultramafics projects

At Tobin Hill, located approximately 5 km southeast of the Central Bore gold deposit, the Company discovered the Koopman's Find high-grade gold patch at surface during a regional auger drilling program. At the Dead Dog Prospect, also within the Tobin Hill area, results from a RAB drilling program delineated a 300 meter gold anomaly with grades up to 15g/t gold over one metre. Follow up exploration for the Tobin Hill area is planned during 2012.



Review of Exploration (continued)

On 10 February 2012 the company announced the updated JORC resource estimate and results of a Scoping Study for the Central Bore Project.

The combined total resource for the Central Bore Project is **519,000 tonnes at 9.1 g/t Au for a** total of 152,323 ounces (refer to Table 1)

The key finding of the Scoping Study, which was based on the March 2011 resource estimate for Central Bore, was that a low capex 'truck and treat' operation had the potential to create a strong return on investment of up to 600%. The Scoping Study, completed by Optiro Pty Limited was based on a toll treatment processing option for the Central Bore Project. The main outcome of the Scoping Study was that it confirmed the financial and technical viability of mining Central Bore as a stand-alone "truck and treat" operation at a gold price of \$AUD1,600 and current industry cost parameters. The study also considered an on site milling option for Central Bore which required a larger capital investment, reduced the operating expenditure by eliminating the trucking cost and generated a higher estimated net (undiscounted before tax) cash flow, and a return on investment of up to 211%.

Production plans are focused on Central Bore and a feasibility study is underway. The Company is also investigating incorporating resources from within the 33km long Attila Trend into the plans, with infill drilling of its higher grade zones underway to identify resources that could supplement production and support the establishment of a larger on site treatment option. The objective being to move the Company into production quickly and use the resultant cash flow to fund ongoing exploration.

Table 1: Summary of Central Bore February 2012 Measured, Indicated and Inferred Resources at varying Au cut-off grades.

	Cut- Off (g/t Au)	Tonnes	Au (g/t)	Au (oz)
Measured	1.0	21,863	22.4	15,710
	2.5	21,863	22.4	15,710
	5.0	21,863	22.4	15,710
Indicated	1.0	444,210	8.9	127,719
	2.5	391,444	9.9	124,579
	5.0	223,184	14.6	104,424
Inferred	1.0	52,687	5.3	8,893
	2.5	36,629	6.7	7,891
	5.0	24,668	8.0	6,319
TOTALS	1.0	518,761	9.1	152,323
	2.5	449,936	10.2	148,185
	5.0	269,715	14.6	126,455



Review of Exploration (continued)

Exploration and Development Plans for 2012

Gold Road is planning to execute and complete the following activities during 2012:

- Planned drilling in 2012 to include:
 - RC drilling at the Attila Trend and Hann,
 - Diamond drilling at Central Bore, Justinian, the Attila Trend, Dorothy Hills and
 - RAB and then potentially RC drilling at Tobin Hill, Dorothy Hills, Khan North, Elvis and Attila southern extension.
- Progression of environmental and hydrological studies.
- Completion of Central Bore feasibility studies

Corporate Highlights for the half-year ended 31 December 2011

During the half year period end 31 December the Company successfully completed a share placement and Share Purchase Plan to raise approximately \$23.2 million before costs from the issue of 72,563,130 ordinary fully paid shares at 32 cents each.

On 20 February 2012 the Company announced the appointment of Mr David Woodall as a Non Executive Director. Mr Woodall is a mining engineer with more than 28 years' industry experience with a proven track-record in advancing exploration projects into production, Mr Woodall's career has included development of numerous gold, base metal and iron ore mines.

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under Section 307C of the Corporations Act is set out on page 6.

This report is made in accordance with a resolution of the Directors.

DATED at Perth this 13th day of March 2012.

Ian Murray

Executive Chairman



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13 March 2012

The Directors

Gold Road Resources Limited 22 Altona Street WEST PERTH WA 6005

Dear Sirs

RE: **GOLD ROAD RESOURCES LIMITED**

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Gold Road Resources Limited.

As Audit Director for the review of the financial statements of Gold Road Resources Limited for the period ended 31 December 2011, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours faithfully

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LIMITED (Trading as Stantons International)

(An Authorised Audit Company)

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Martin Michalik Director





Condensed Statement of Comprehensive Income For the half-year ended 31 December 2011

	Note	31 December 2011	31 December 2010 \$
Povonuo	More	·	
Revenue		387,763	81,857
Total revenue		387,763	81,857
Employee expenses		(1,227,152)	(291,264)
Employee expenses recharged to exploration		925,394	276,512
Equity based remuneration expense	2	(131,835)	(716,333)
Director's fees		(58,750)	(76,148)
Depreciation expense	2	(140,533)	(30,143)
Corporate expenses		(485,783)	(412,846)
Legal costs		(68,835)	(9,383)
Insurance		(33,360)	(13,340)
Travel expenses		(259,792)	(95,930)
Office expenses		(223,923)	(66,588)
Other expenses from ordinary activities		(112,720)	(117,637)
Exploration costs recouped/(written off)		20,700	(313,620)
Loss before income tax	2	(1,408,826)	(1,784,863)
Income tax expense		-	
Loss for the period		(1,408,826)	(1,784,863)
Other comprehensive income for the period		-	-
Total comprehensive loss for the period		(1,408,826)	(1,784,863)
Basic loss per share (cents)		(0.43)	(0.80)
Diluted loss per share (cents)		(0.43)	(0.80)

The above statement of comprehensive income should be read in conjunction with the accompanying notes.



Condensed Statement of Financial Position As At 31 December 2011

	Note	31 December 2011	30 June 2011
		\$	\$
Current assets Cash and cash equivalents Trade and other receivables Prepayments	5	22,994,495 634,816 43,704	9,685,631 791,466 11,478
Total current assets		23,673,015	10,488,575
Non- current assets			
Property, plant and equipment Investment in subsidiary Other financial assets – Security deposits		1,711,659 598 69,227	1,183,014 598 68,227
Capitalised mineral exploration and evaluation expenditure		17,871,102	10,801,313
Total non-current assets		19,652,586	12,053,152
Total assets		43,325,601	22,541,727
Current liabilities			
Trade and other payables Provisions		1,098,174 110,548	1,271,002 60,183
Total current liabilities		1,208,722	1,331,185
Total liabilities		1,208,722	1,331,185
Net assets		42,116,879	21,210,542
Equity			
Contributed equity Shares to be issued	4 4	53,803,866	31,227,681 392,856
Accumulated losses Equity remuneration reserve		(14,056,424) 2,369,437	(12,647,598) 2,237,603
Total equity		42,116,879	21,210,542

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



Condensed Statement of Changes in Equity For the half-year ended 31 December 2011

	Ordinary Shares \$	Accumulated losses	Equity Remuneration Reserve \$	Total \$
Balance as at 1 July 2011	31,620,537	(12,647,598)	2,237,603	21,210,542
Loss for the period Other comprehensive income for the period Total comprehensive loss for the period	- -	(1,408,826) - (1,408,826)	- -	(1,408,826) - (1,408,826)
Movement in equity remuneration reserve	-	-	131,834	131,834
Transactions with equity holders in their capacity as equity holders: Contributions of equity Transaction costs of equity issued	23,259,702 (1,076,373)	<u>.</u>	Ī	23,259,702 (1,076,373)
Balance at 31 December 2011	53,803,866	(14,056,424)	2,369,437	42,116,879

	Ordinary Shares \$	Accumulated losses	Equity Remuneration Reserve \$	Total \$
Balance as at 1 July 2010	15,142,361	(9,617,667)	1,168,971	6,693,665
Loss for the period Other comprehensive income for the period Total comprehensive loss for the period	- - -	(1,784,863) - (1,784,863)	- -	(1,784,863) - (1,784,863)
Movement in equity remuneration reserve	-	-	716,333	716,333
Transactions with equity holders in their capacity as equity holders: Contributions of equity Transaction costs of equity issued	12,892,476 (663,918)	- -	- -	12,892,476 (663,918)
Shares to be issued	36,750	-	-	36,750
Balance at 31 December 2010	27,407,669	(11,402,530)	1,885,304	17,890,443

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



Condensed Statement of Cash Flows For the half-year ended 31 December 2011

Note	е	31 December 2011 \$	31 December 2010 \$
Cash flows from operating activities			
Interest received		204,010	45,882
Payments to suppliers and employees		(1,463,400)	(758,885)
Net cash (used in) operating activities		(1,259,390)	(713,003)
Cash flows from investing activities			
Payments for exploration and evaluation		(7,074,438)	(2,251,969)
Payments for plant and equipment		(696,148)	(174,070)
Proceeds from disposal of plant and equipment		16,364	-
Payments for security deposits		(1,000)	(10,132)
Net cash (used in) investing activities		(7,755,222)	(2,436,171)
Cash flows from financing activities			
Proceeds from issue of shares		23,399,849	12,929,226
Payments for share issue costs		(1,076,373)	(663,918)
Net cash provided by financing activities		22,323,476	12,265,308
Net increase in cash and cash equivalents held		13,308,864	9,116,134
Cash and cash equivalents at the beginning of the period		9,685,631	1,769,715
Cash and cash equivalents at the end of the period	5	22,994,495	10,885,849

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



Condensed Notes to the Financial Statements For the half-year ended 31 December 2011

Note 1 Summary of significant accounting policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the financial periods presented unless otherwise stated.

(a) Basis of preparation

The interim financial statements are a general purpose financial report prepared in accordance with the requirements of the Corporations Act 2001, applicable accounting standards including AASB 134 'Interim Financial Reporting', Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'). Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'.

This condensed half-year report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Company as in the full financial report.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2011 and any public announcements made by Gold Road Resources Limited during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except as set out below.

The interim report has been prepared on a historical cost basis. Cost is based on the fair value of the consideration given in exchange for assets.

The company is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted.

For the purpose of preparing the interim report, the half-year has been treated as a discrete reporting period.

The interim financial statements were approved by the Board of Directors on 13th March 2012.



Condensed Notes to the Financial Statements For the half-year ended 31 December 2011

Note 1 Summary of significant accounting policies (continued)

(b) Adoption of new and revised accounting standards

In the half year ended 31 December 2011, 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 annual reporting periods beginning on or after 1 July 2011. It has been determined by the Company that, there is no impact, material or otherwise, of the new and revised standards and interpretations on its business and therefore no change is necessary to Company accounting policies.

The Company has also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 31 December 2011. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change necessary to Company accounting policies

No retrospective change in accounting policy or material reclassification has occurred requiring the inclusion of a third Statement of Financial Position as at the beginning of the comparative financial period, as required under AASB 101.



Condensed Notes to the Financial Statements For the half-year ended 31 December 2011

Note 2 Loss before income tax

Loss before income tax includes the following specific expenses:

	31	31
	December	December
	2011	2010
	\$	\$
Depreciation	·	·
Plant and equipment	21,024	9,326
Office equipment	15,406	5,058
Vehicles	18,897	2,754
Camp buildings	85,206	13,005
7. P. 1. 9.		,
Rental expenses on operating leases – minimum		
lease payments	64,869	31,022
iodos paymome	,	0.,022
Exploration expenditure recouped/(written off)	(20,700)	313,620
Exploration experiation recouped/written on/	(20,700)	010,020
Equity based remuneration expense	131,835	716,333
Equity based remuneration expense	131,033	1 10,333

Note 3 Share based payments

Share based compensation payments are made available to directors, employees and consultants.

The fair value of the share based payments granted is estimated as at the date of the grant using the Black-Scholes Model taking into account the terms and conditions upon which the payments were granted.

During the half year reporting period the following options were issued to employees.

Number of Options	Exercise price	Expire
46,000	95.3 cents each	30 June 2015
324,000	54.8 cents each	31 October 2015

The fair value of the 95.3 cents options was 27 cents each at the grant date and the options vested immediately.

The fair value of the 54.8 cents options was 16.4 cents each at the grant date and the options vested immediately.



Condensed Notes to the Financial Statements For the half-year ended 31 December 2011

Note 3 Share based payments (continued)

During the period the Company issued 1,100,000 Performance Rights to Executive directors.

The grant of these Performance Rights is subject to recipients remaining employed by the Company up to the Test Date and the 10 day VWAP of trading in the shares up to the relevant Test Date being at least:

- 47 cents per Share in relation to 550,000 Performance Rights which are tested and vest on 30 November 2012; and
- 59 cents per Share in relation to 550,000 Performance Rights which are tested and vest on 30 November 2013.

The Performance Rights which have been valued as if they were options were valued at 27.2 cents each for the "47 cents per Share" Performance Rights and 23.8 cents each for the "59 cents per Share" Performance Rights.

Note 4 Contributed equity

Note 4 Continuated equity					
		31 December	30 June	31 December	30 June
		2011	2011	2011	2011
		No.	No.	\$	\$
Share capital					
Issued share capital		389,950,665	311,475,291	53,803,866	31,227,681
		2011	2011	2011	2011
		No.	No.	\$	\$
Share movements during the period	od				
	Issue price				
Balance brought forward		311,475,291	195,843,333	31,227,681	15,142,361
Placement	\$0.085	-	29,000,000	-	2,465,000
Placement	\$0.32	47,563,130	-	15,220,202	-
Placement	\$0.34	-	26,500,000	-	9,010,000
Share Purchase Plan	\$0.32	25,000,000	-	8,000,000	-
Listed Options exercised	\$0.07	5,612,244	51,431,958	392,856	3,600,238
Unlisted Options exercised	\$0.07	-	700,000	-	49,000
Unlisted Options exercised	\$0.095	100,000	-	9,500	-
Unlisted Options exercised	\$0.15	200,000	500,000	30,000	75,000
Unlisted Options exercised	\$0.20	-	6,500,000	-	1,300,000
Unlisted Options exercised	\$0.25	-	1,000,000	-	250,000
Less: costs related to shares is	ssued	-	-	(1,076,373)	(663,918)
Balance at the end of the					
period		389,950,665	311,475,291	53,803,866	31,227,681



Condensed Notes to the Financial Statements For the half-year ended 31 December 2011

Note 4 Contributed equity (continued)

Shares to be issued	31 December 2011	30 June 2011	31 December 2011	30 June 2011
Shares to be issued in respect of	No.	No.	\$	\$
5,612,244 options exercised \$0.07	-	5,612,244	-	392,856
	-	5,612,244	-	392,856

Note 5 Cash and cash equivalents

For the purpose of the half-year cash flow statement, cash and cash equivalents are comprised of the following:

31 December	30 June
2011	2011
\$	\$
22,994,495	9,685,631

Cash at bank and in hand

Note 6 Segment information

Operating segments are identified and segment information disclosed on the basis of internal reports that are regularly provided to, or reviewed by, the Company's chief operating decision maker which, for the Company, is the Board of Directors. In this regard, such information is provided using similar measures to those used in preparing the statement of comprehensive income and statement of financial position.

Business segments

The Company is involved in the mineral exploration sector.

Geographical segments

The Company is organised on a regional basis with exploration and development interests within Western Australia.

Note 7 Dividends

No dividends were paid or proposed during the period.

Note 8 Contingencies

(i) Contingent liabilities

There has been no change in contingent liabilities since the last annual reporting date.

(ii) Contingent assets

There were no material contingent assets as at the reporting dates.



Condensed Notes to the Financial Statements For the half-year ended 31 December 2011

Note 9 Events occurring after the balance sheet date

There has not arisen in the interval between the end of the period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company to affect substantially the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial years.



Directors' Declaration

In the opinion of the Directors of Gold Road Resources Limited ("the Company")

- (a) the interim financial statements and notes set out on pages 7 to 16 are in accordance with the Corporations Act 2001, including:
 - (i) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001; and
 - (ii) giving a true and fair view of the financial position of the company as at 31 December 2011 and of its performance for the half-year ended on that date; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.

Signed at Perth this 13th day of March 2012.

lan Murray

Executive Chairman

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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF GOLD ROAD RESOURCES LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Gold Road Resources Limited, which comprises the condensed statement of financial position as at 31 December 2011, the condensed statement of comprehensive income, condensed statement of changes in equity, and condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of Gold Road Resources Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standards on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the Company's financial position as at 31 December 2011 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Gold Road Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Whilst we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

Our review did not involve an analysis of the prudence of business decisions made by the directors or management.



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Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, has been provided to the directors of Gold Road Resources Limited on 13 March 2012.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Gold Road Resources Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Company's financial position as at 31 December 2011 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD

(Trading as Stantons International)

(An Authorised Audit Company)

alone International Audit & Consulting the

would

Martin Michalik Director

West Perth, Western Australia 13 March 2012