



## AUSTRALIA

GOR AU Outperform

Price (at 06:11, 21 Apr 2016 GMT) A\$0.49

Valuation A\$ 0.72

- DCF (WACC 10.0%)

12-month target A\$ 0.70

12-month TSR % +44.3

Volatility Index High

GICS sector Materials

Market cap A\$m 339

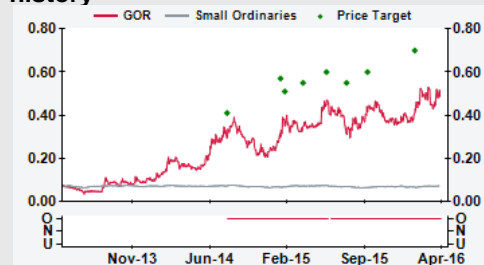
30-day avg turnover A\$m 1.2

Number shares on issue m 700.0

## Investment fundamentals

Year end 30 Jun		2015A	2016E	2017E	2018E
Revenue	m	0.0	0.0	0.0	0.0
EBIT	m	-4.4	-9.5	-13.2	-16.7
Reported profit	m	-3.9	-5.8	-9.0	-23.0
Adjusted profit	m	-3.9	-5.8	-9.0	-23.0
Gross cashflow	m	-3.1	-1.1	-2.9	-16.8
CFPS	¢	-0.5	-0.2	-0.2	-1.4
CFPS growth	%	nfmf	69.9	-51.8	-469.0
EPS adj	¢	-0.7	-0.8	-0.7	-1.9
EPS adj growth	%	nmf	-21.4	8.2	-154.5
Total DPS	¢	0.0	0.0	0.0	0.0
Total div yield	%	0.0	0.0	0.0	0.0
ROA	%	-6.6	-10.1	-4.7	-2.9
ROE	%	-6.0	-6.4	-4.9	-8.6
EV/EBITDA	x	-66.8	-61.7	-76.4	-52.3
Net debt/equity	%	-54.0	-19.9	-20.2	109.3
P/BV	x	3.0	3.9	2.1	2.3

## GOR AU vs Small Ordinaries, &amp; rec history



Note: Recommendation timeline - if not a continuous line, then there was no Macquarie coverage at the time or there was an embargo period.

Source: FactSet, Macquarie Research, April 2016

(all figures in AUD unless noted)

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22 April 2016

Macquarie Securities (Australia) Limited

## Gold Road Resources

## Gruyere now 6.2Moz

## Event

- GOR has released a substantial upgrade to the resource estimate for its Gruyere gold development project. Gruyere is now estimated to contain an impressive 6.2Moz of gold.

## Impact

- Gruyere Resource increase to 6.2Moz.** After completing a ~15,000m infill drilling campaign in late 2015, GOR has re-estimated the Gruyere resource. The resource now stands at an impressive 148Mt at 1.3g/t for 6.16Moz making it one of the largest undeveloped gold resources globally.
- Refinements in estimation and improved confidence.** Infill drilling has now closed the drill spacing across the deposit to 25m x 25m to a depth of ~100m from surface providing comprehensive data for the planned Stage 1 and Stage 2 pits. Overall confidence in the estimate continues to improve, supporting a substantial increase in higher confidence measured material, now estimated at 13.4Mt at 1.18g/t.
- Further optimisation likely in Feasibility Study.** GOR released what we consider a [robust PFS for Gruyere](#) in February and provided an update on recent study work at Gruyere in its quarterly report. The project remains on track with engineering consultants engaged for the design of the process plant, mine planning and other infrastructure. All metallurgical work has now been completed to FS level as has much of the geotechnical study and modelling. In our view, there are a number of areas where the FS is likely to deliver improvements on the PFS including steeper pit walls, improved scheduling, reduced mining contractor rates and improved costs for both the process plant and also improved power provision cost estimates.
- Exploration continues across the portfolio.** GOR continues to explore across its large tenement holding. Sumitomo achieved its \$8m 50% earn-in for the South Yamarna JV during the quarter. GOR reported \$28.7m in cash at the end of the quarter having spent \$21.1m on exploration, evaluation of Gruyere and JV expenses in the nine months YTD.

## Earnings and target price revision

- No change

## Price catalyst

- 12-month price target: A\$0.70 based on a DCF methodology.
- Catalyst: Progress at Gruyere and its ongoing regional exploration programmes are both likely to provide positive catalysts for GOR.

## Action and recommendation

- Maintain Outperform.** At 6.2Moz, Gruyere is now one of the largest undeveloped gold resources globally. GOR is rapidly advancing its study work at the project with an expectation of making an investment decision in late 2016 or early 2017 and first production in FY18. We expect Gruyere to produce ~260kozpa at an AISC of A\$1,050/oz for at least 10 years.

## Gruyere resource upgrade and quarterly update

### Gruyere resource increases 10% to 6.16Moz.

- After completing a ~15,000m infill drilling campaign in late 2015 GOR has re-estimated the Gruyere resource. The resource now stands at an impressive 148Mt at 1.3g/t for 6.16Moz making it one of the largest undeveloped gold resources globally.
- Infill drilling has now closed the drill spacing across the deposit to 25mx25m to a depth of ~100m from surface providing comprehensive data for the planned Stage 1 and Stage 2 pits. Overall confidence in the estimate continues to improve with the new drilling data reconciling well with the previous model and a substantial increase in higher confidence Measured material, which stands at 13.4Mt at 1.18g/t.

**Fig 1 Changes to the Gruyere resource**

Gruyere Category	Resource			Change on 2015 Resource %		
	Tonnes	Au (g/t)	Au (oz)	Tonnes	Au (g/t)	Au (oz)
Measured	13.86	1.18	0.53	775%	-16%	6%
Indicated	91.12	1.29	3.79	-3%	-4%	-6%
Inferred	42.73	1.35	1.85	28%	-4%	24%
<b>Total</b>	<b>147.71</b>	<b>1.30</b>	<b>6.17</b>	<b>15%</b>	<b>-5%</b>	<b>10%</b>

Source: Company data, Macquarie Research, April 2016

### Tonnes up 15%, grade down 5% metal up 10%

- The new resource estimate has been constrained using an A\$ gold price of A\$1,700/oz, 6.25% higher than the previous A\$1,600/oz and using a lower cut-off grade of 0.5g/t vs 0.7g/t.
- The changes in GOR's assumptions have been driven by the continuing strength in the A\$ gold prices and a re-evaluation of mining metrics as part of the ongoing study work. Using a A\$1,700/oz gold price to constrain a resource is still in our view a relatively conservative approach. The principle reason behind lowering the cut-off grade to 0.5g/t was to bring the resource estimate in line with the estimation parameters used for the reserve estimate.
- Based on GOR's sensitivity analysis of the new estimate an A\$100/oz change in the gold price drives a ~5% change in contained ounces.

**Fig 2 Gruyere resource estimate gold price sensitivity**

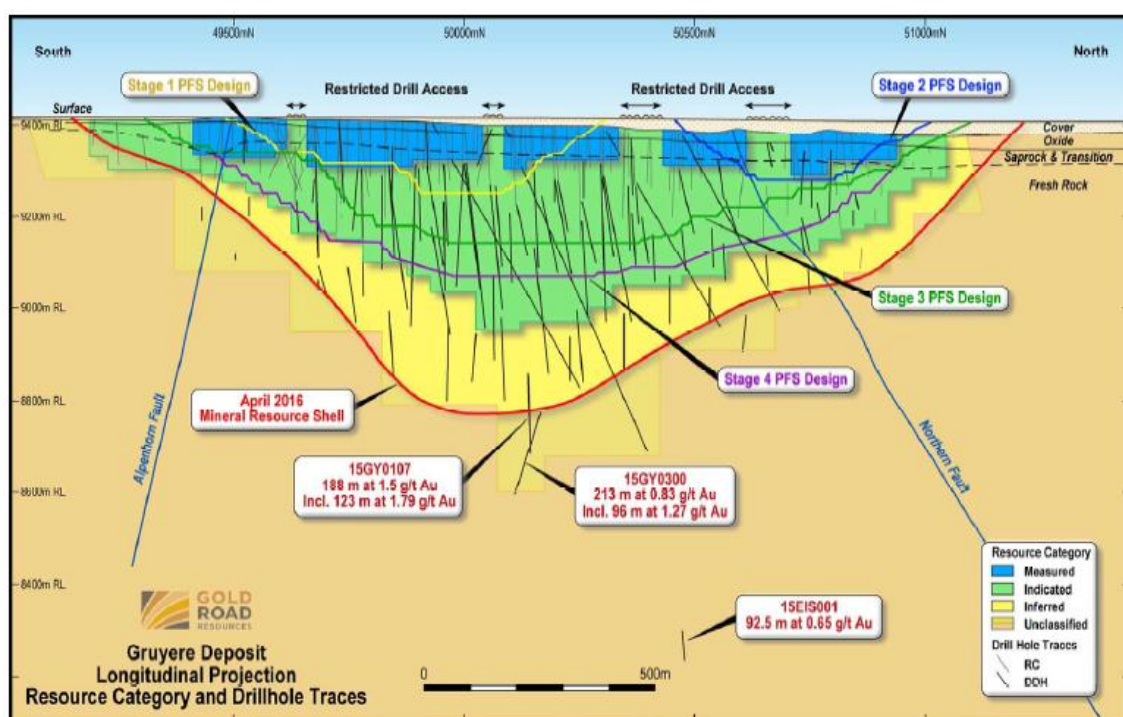
Gold price (A\$/oz)	Total M, I & I			M, I & I Change from A\$1,700	
	Tonnes (Mt)	Grade (g/t Au)	Ounces (koz Au)	Ounces (koz Au)	Ounces (%)
\$1,500	134.75	1.30	5,621	-540	-9%
<b>\$1,700</b>	<b>147.71</b>	<b>1.30</b>	<b>6,160</b>		
\$1,900	160.88	1.29	6,693	533	9%

Source: Company data, Macquarie Research, April 2016

### Refinements in estimation and improved confidence.

- The Gruyere resource estimate is based on a substantial data set from a total of 87,066m of drilling in 470 drill holes. Seventy percent of the resource is now classified as Measured (9%) and Indicated (61%).
- Drilling density is highest in the near surface with the Measured component of 13.9Mt constrained within the top 100m of the resource. This will obviously be the first material to be mined and GOR has focused on refining its geological interpretation of this zone and its interface with the underlying primary ore.

Fig 3 Gruyere long section showing planned pit stages



Source: Company data, Macquarie Research, April 2016

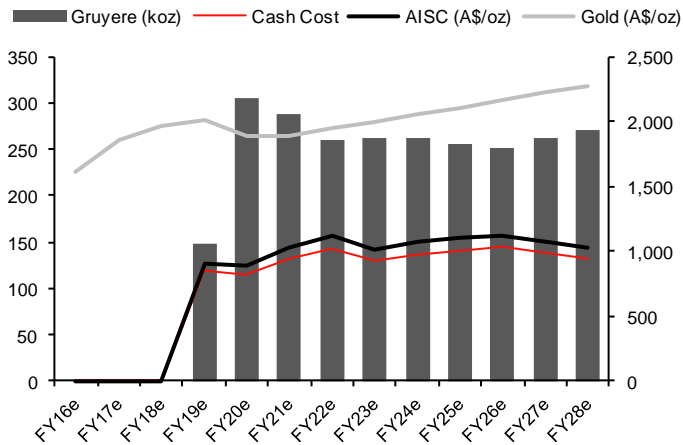
### Further optimisation likely in Feasibility Study

- GOR released what we consider a [robust PFS for Gruyere](#) in February and provided an update on recent study work at Gruyere in its quarterly report. The project remains on track with engineering consultants engaged for the design of the process plant, mine planning and other infrastructure. All metallurgical work has now been completed to FS level as has much of the geotechnical modelling.
- Environmental surveying and permitting is being progressed. Native Title negotiations have reached an in-principal agreement on all the commercial terms for a Native Title Agreement, the key pre-requisite for the granting of a mining licence.
- Tenders have been requested for the BOO gas fired power plant, including the provision of gas. We understand that a number of parties have expressed interest; final tenders are expected in the 4QFY16.
- In our view, there are a number of areas where the FS is likely to deliver improvements on the PFS including steeper pit walls, improved scheduling, reduced mining contractor rates and improved costs for both the process plant and also improved power provision cost estimates.

### Exploration continues across the portfolio

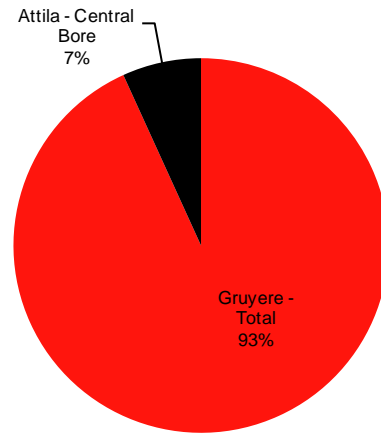
- GOR continues to explore across its large tenement holding. Sumitomo Metal Mining (5713 JP, ¥1,292, Outperform, TP: ¥1,300, Polina Diyachkina) achieved its \$8m 50% earn-in for the South Yamarna JV during the quarter.
- Recent drilling, including regional aircore programmes has focused on the Sun River-Wanderrie and South Dorothy Hills camps on GOR's 100% owned ground. Work on the South Yamarna JV has concentrated on the dolerite targets at Riviera and Smokebush.
- GOR reported \$28.7m in cash at the end of the quarter having spent \$21.1m on exploration, evaluation of Gruyere and JV expenses in the nine months of the year to date.

**Fig 4 Gruyere production and cost forecasts**



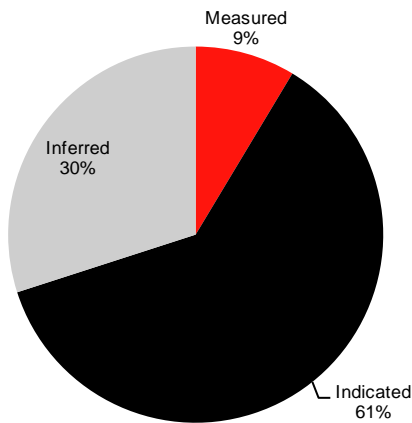
Source: Company data, Macquarie Research, April 2016

**Fig 5 Resources by deposit**



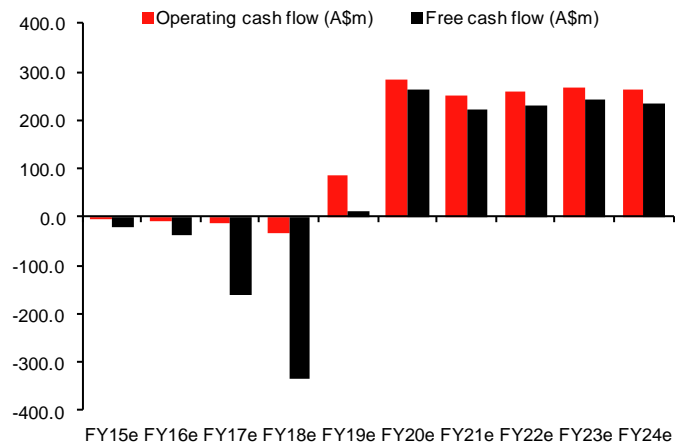
Source: Company data, Macquarie Research, April 2016

**Fig 6 Gruyere Resources by classification**



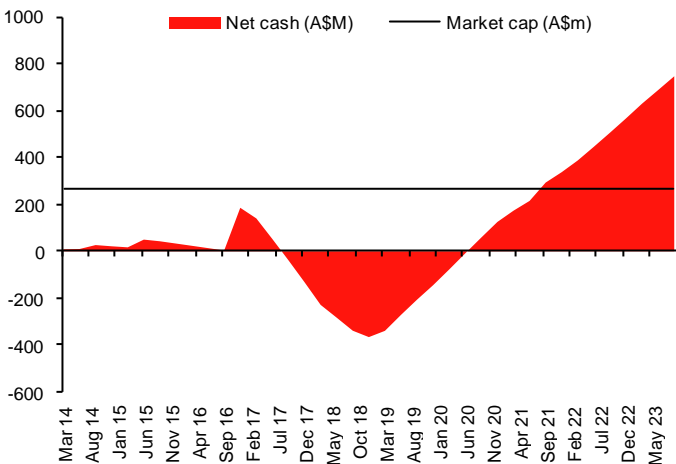
Source: Company data, Macquarie Research, April 2016

**Fig 7 GOR cash flow outlook**



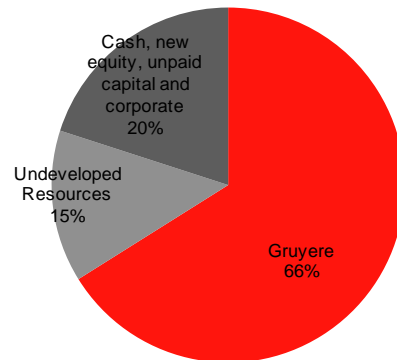
Source: Company data, Macquarie Research, April 2016

**Fig 8 GOR net cash vs market capitalisation**



Source: Company data, Macquarie Research, April 2016

**Fig 9 GOR NPV by project**



Source: Company data, Macquarie Research, April 2016

Fig 10 GOR summary model

Gold Road Resources										
ASX: GOR	Price: (A\$ps)	0.49		Year end: Jun				Rating: Outperform	Up/dn	
	Mkt cap: (A\$m)	343		Diluted shares (m)				699.5	Target: 0.70	43%

ASSUMPTIONS		FY13	FY14	FY15	FY16e	FY17e	FY18e	FY19e
Exchange Rate	A\$/US\$	1.01	0.91	0.84	0.73	0.68	0.65	0.68
Spot Gold	(US\$/oz)	1,604	1,295	1,223	1,156	1,218	1,275	1,363
Spot Gold	(A\$/oz)	1,582	1,417	1,463	1,595	1,794	1,958	2,000

RATIO ANALYSIS		FY13	FY14	FY15	FY16e	FY17e	FY18e	FY19e
Diluted share capital	m	494.1	476.2	578.9	710.3	1,210.3	1,210.3	1,210.3
EPS (diluted and pre sig. items)	A¢	-4.6	0.1	-0.7	-0.8	-0.8	-1.9	5.4
P/E	x	-10.6x	569.5x	-73.1x	-60.2x	-58.1x	-25.8x	9.1x
CFPS	A¢	(0.4)	0.2	(0.4)	(0.7)	(1.1)	(2.7)	6.7
P/CF	x	-128.8x	202.9x	-120.0x	-66.2x	-45.9x	-18.0x	7.3x
DPS	A¢	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Dividend yield	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Franking Level	%	100%	100%	100%	100%	100%	100%	100%
Book value per share	x	0.05	0.08	0.16	0.12	0.23	0.21	0.27
P/Book value	x	9.4x	6.4x	3.1x	4.0x	2.1x	2.3x	1.8x
R.O.E. (pre sig items)	%	-88%	1%	-4%	-7%	-3%	-9%	20%
R.O.A. (pre sig items)	%	-87%	-7%	-5%	-10%	-3%	-2%	12%
Interest Cover	x	65.3x	8.4x	7.9x	7.2x	42.6x	-1.0x	4.3x
EBITDA per share	A\$ps	-0.05	-0.01	-0.01	-0.01	-0.01	-0.01	0.13
EV/EBITDA	x	-14.1x	-115.0x	-73.4x	-35.1x	-21.7x	-37.3x	4.0x

EARNINGS		FY13	FY14	FY15	FY16e	FY17e	FY18e	FY19e
Sales Revenue	A\$m	0	0	0	0	0	0	295
Other Revenue	A\$m	0	0	0	0	0	0	0
<b>Total Revenue</b>	<b>A\$m</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>295</b>
Operating Costs	A\$m	0	0	0	0	0	0	(125)
<b>Operational EBITDA</b>	<b>A\$m</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>171</b>
Exploration Expense/Write-offs	A\$m	(20)	(0)	(0)	(4)	(6)	(6)	(6)
Corporate & Other Costs	A\$m	(4)	(3)	(4)	(5)	(7)	(10)	(11)
<b>EBITDA</b>	<b>A\$m</b>	<b>(24)</b>	<b>(3)</b>	<b>(4)</b>	<b>(9)</b>	<b>(13)</b>	<b>(17)</b>	<b>154</b>
D&A	A\$m	0	0	(0)	(0)	0	0	(32)
<b>EBIT</b>	<b>A\$m</b>	<b>(24)</b>	<b>(3)</b>	<b>(4)</b>	<b>(10)</b>	<b>(13)</b>	<b>(17)</b>	<b>122</b>
Net Interest	A\$m	0	0	1	1	0	(16)	(28)
<b>Profit Before Tax</b>	<b>A\$m</b>	<b>(23)</b>	<b>(3)</b>	<b>(4)</b>	<b>(8)</b>	<b>(13)</b>	<b>(33)</b>	<b>93</b>
Tax Expense	A\$m	1	3	0	2	4	10	(28)
Minorities	A\$m	0	0	0	0	0	0	0
<b>Adjusted NPAT</b>	<b>A\$m</b>	<b>(23)</b>	<b>0</b>	<b>(4)</b>	<b>(6)</b>	<b>(9)</b>	<b>(23)</b>	<b>65</b>
Significant Items (post tax)	A\$m	0	0	0	0	0	0	0
<b>Reported NPAT</b>	<b>A\$m</b>	<b>(23)</b>	<b>0</b>	<b>(4)</b>	<b>(6)</b>	<b>(9)</b>	<b>(23)</b>	<b>65</b>

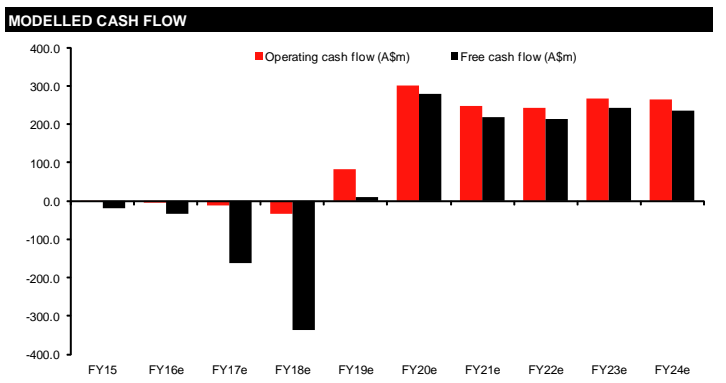
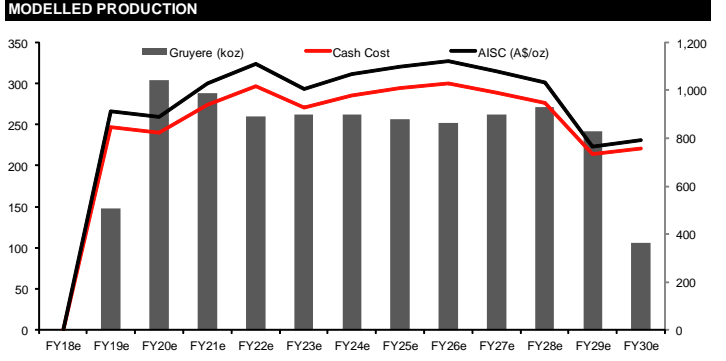
  

CASHFLOW		FY13	FY14	FY15	FY16e	FY17e	FY18e	FY19e
<b>Net Profit</b>	<b>A\$m</b>	<b>-23</b>	<b>0</b>	<b>-4</b>	<b>-6</b>	<b>-9</b>	<b>-23</b>	<b>65</b>
Interest/Tax/D&A	A\$m	9	(17)	2	(14)	(4)	(10)	60
Working Capital/other	A\$m	12	17	0	15	0	0	(44)
<b>Net Operating Cashflow</b>	<b>A\$m</b>	<b>(2)</b>	<b>1</b>	<b>(2)</b>	<b>(5)</b>	<b>(13)</b>	<b>(33)</b>	<b>82</b>
Capex	A\$m	(10)	(13)	(17)	(29)	(148)	(303)	(72)
Investments	A\$m	0	0	0	0	0	0	0
Sale of PPE and Other	A\$m	1	3	(0)	1	0	0	0
<b>Free cash flow</b>	<b>A\$m</b>	<b>(11)</b>	<b>(9)</b>	<b>(19)</b>	<b>(33)</b>	<b>(161)</b>	<b>(336)</b>	<b>10</b>
Dividends Paid	A\$m	0	0	0	0	0	0	0
Debt	A\$m	0	0	0	0	155	230	0
Equity Issuance	A\$m	7	10	59	1	200	0	0
Other	A\$m	0	0	0	0	0	0	0
<b>Net Financing Cashflow</b>	<b>A\$m</b>	<b>7</b>	<b>10</b>	<b>59</b>	<b>1</b>	<b>355</b>	<b>230</b>	<b>0</b>
<b>Net change in cash</b>	<b>A\$m</b>	<b>(4)</b>	<b>1</b>	<b>40</b>	<b>(32)</b>	<b>194</b>	<b>(106)</b>	<b>10</b>

BALANCE SHEET		FY13	FY14	FY15	FY16e	FY17e	FY18e	FY19e
Cash	A\$m	9	10	50	17	211	106	115
PP&E & Mine Development	A\$m	1	1	1	17	165	468	508
Exploration	A\$m	17	27	44	57	64	74	84
<b>Total Assets</b>	<b>A\$m</b>	<b>27</b>	<b>39</b>	<b>96</b>	<b>92</b>	<b>466</b>	<b>673</b>	<b>993</b>
Debt	A\$m	0	0	0	0	155	385	385
<b>Total Liabilities</b>	<b>A\$m</b>	<b>1</b>	<b>3</b>	<b>4</b>	<b>4</b>	<b>187</b>	<b>417</b>	<b>672</b>
<b>Total Net Assets / Equity</b>	<b>A\$m</b>	<b>26</b>	<b>36</b>	<b>92</b>	<b>88</b>	<b>279</b>	<b>256</b>	<b>321</b>
Net Debt / (Cash)	A\$m	(9)	(10)	(50)	(17)	(56)	279	270
Gearing (net debt/(nd + equity))	%	(53%)	(36%)	(118%)	(25%)	(25%)	52%	46%
Gearing (net debt/equity)	%	(35%)	(27%)	(54%)	(20%)	(20%)	109%	84%

ATTRIBUTABLE MINE OUTPUT		FY18e	FY19e	FY20e	FY21e	FY22e	FY23e	FY24e
<b>Gold production (equity)</b>								
Gruyere	(koz)	-	147.4	304.5	288.6	260.2	262.2	262.2
<b>Total</b>	<b>(koz)</b>	<b>-</b>	<b>147.4</b>	<b>304.5</b>	<b>288.6</b>	<b>260.2</b>	<b>262.2</b>	<b>262.2</b>
<b>Cash costs</b>								
Gruyere	(A\$/oz)	-	846	824	941	1,017	930	980
<b>AISC Cash Costs</b>								
Gruyere	(A\$/oz)	-	911	889	1,028	1,110	1,007	1,067
<b>AISC Cash Costs</b>	<b>(A\$/oz)</b>	<b>-</b>	<b>911</b>	<b>889</b>	<b>1,028</b>	<b>1,110</b>	<b>1,007</b>	<b>1,067</b>
<b>Operational EBITDA Contribution (pre hedging)</b>								
Gruyere	A\$m	-	171	343	265	227	281	282



RESERVES AND RESOURCES (ATTRIBUTABLE)			
<b>Reserves</b>			
Project		Mt	g/t koz
Gruyere		81.2	1.2 3,180
Attila - Central Bore		0.0	0.0 0
<b>Total</b>		<b>81.2</b>	<b>1.2 3,180</b>
<b>Resources</b>			
Project		Mt	g/t koz
Gruyere		147.7	1.30 6,170
Attila - Central Bore		5.9	2.36 450
<b>Total</b>		<b>153.6</b>	<b>1.34 6,620</b>
	EV/Reserve (A\$/oz)	99	EV/Resource (A\$/oz) 48

EQUITY DCF VALUATION		Macquarie forecasts		Spot prices	
Projects		A\$m	A\$ps	A\$m	A\$ps
Gruyere		574	0.47	494	0.41
Undeveloped Resources & exploration		131	0.11	115	0.10
Unpaid capital & new equity		202	0.17	201	0.17
Forwards		0	0.00	0	0.00
Corporate		(49)	(0.04)	(49)	(0.04)
Net cash (debt)		27	0.02	23	0.02
<b>Net Equity Value (@ 10% WACC)</b>		<b>885</b>	<b>0.73</b>	<b>784</b>	<b>0.66</b>
<b>Price Target</b>			<b>0.70</b>		<b>0.66</b>

Source: Company data, Macquarie Research, April 2016



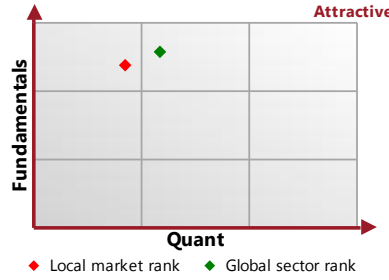
## Macquarie Quant View

The quant model currently holds a marginally negative view on Gold Road Resources. The strongest style exposure is Price Momentum, indicating this stock has had strong medium to long term returns which often persist into the future. The weakest style exposure is Profitability, indicating this stock is not efficiently converting investments to earnings; proxied by ratios like ROE or ROA.

**653/1068**

Global rank in Materials

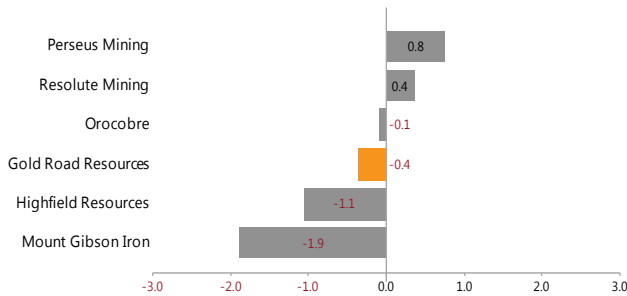
**% of BUY recommendations** 100% (4/4)  
**Number of Price Target downgrades** 0  
**Number of Price Target upgrades** 0



Displays where the company's ranked based on the fundamental consensus Price Target and Macquarie's Quantitative Alpha model. Two rankings: Local market (Australia & NZ) and Global sector (Materials)

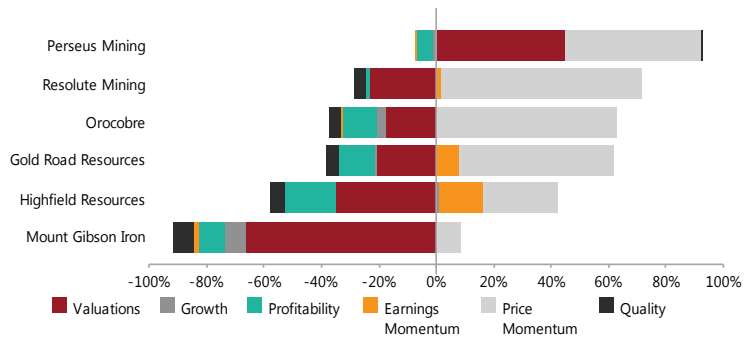
## Macquarie Alpha Model ranking

A list of comparable companies and their Macquarie Alpha model score (higher is better).



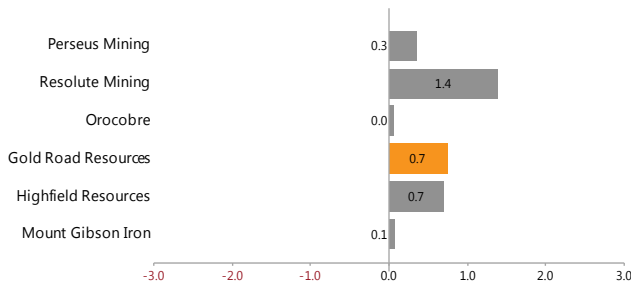
## Factors driving the Alpha Model

For the comparable firms this chart shows the key underlying styles and their contribution to the current overall Alpha score.



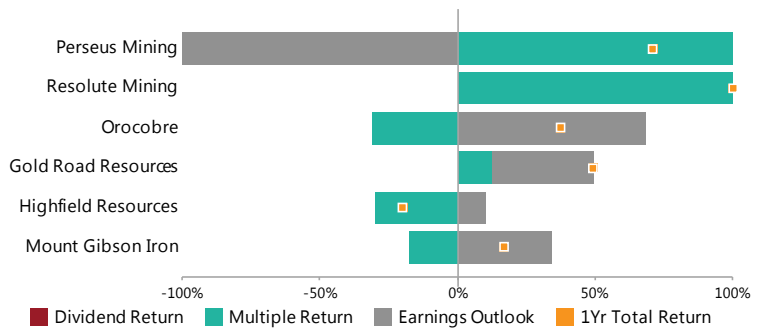
## Macquarie Earnings Sentiment Indicator

The Macquarie Sentiment Indicator is an enhanced earnings revisions signal that favours analysts who have more timely and higher conviction revisions. Current score shown below.



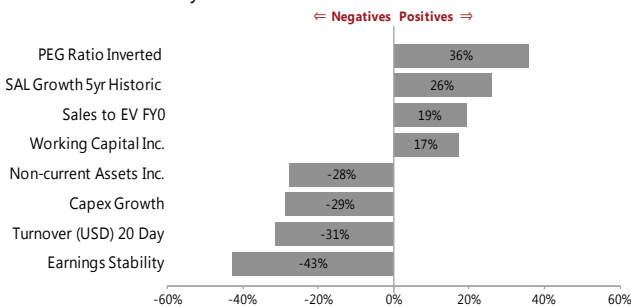
## Drivers of Stock Return

Breakdown of 1 year total return (local currency) into returns from dividends, changes in forward earnings estimates and the resulting change in earnings multiple.



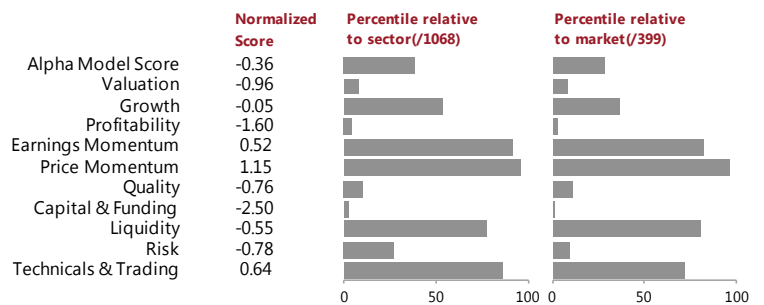
## What drove this Company in the last 5 years

Which factor score has had the greatest correlation with the company's returns over the last 5 years.



## How it looks on the Alpha model

A more granular view of the underlying style scores that drive the alpha (higher is better) and the percentile rank relative to the sector and market.



Source (all charts): FactSet, Thomson Reuters, and Macquarie Research. For more details on the Macquarie Alpha model or for more customised analysis and screens, please contact the Macquarie Global Quantitative/Custom Products Group ([cpq@macquarie.com](mailto:cpq@macquarie.com))

Important disclosures:

**Recommendation definitions**

**Macquarie - Australia/New Zealand**

Outperform – return >3% in excess of benchmark return  
 Neutral – return within 3% of benchmark return  
 Underperform – return >3% below benchmark return

Benchmark return is determined by long term nominal GDP growth plus 12 month forward market dividend yield

**Macquarie – Asia/Europe**

Outperform – expected return >+10%  
 Neutral – expected return from -10% to +10%  
 Underperform – expected return <-10%

**Macquarie – South Africa**

Outperform – expected return >+10%  
 Neutral – expected return from -10% to +10%  
 Underperform – expected return <-10%

**Macquarie - Canada**

Outperform – return >5% in excess of benchmark return  
 Neutral – return within 5% of benchmark return  
 Underperform – return >5% below benchmark return

**Macquarie - USA**

Outperform (Buy) – return >5% in excess of Russell 3000 index return  
 Neutral (Hold) – return within 5% of Russell 3000 index return  
 Underperform (Sell) – return >5% below Russell 3000 index return

**Volatility index definition\***

This is calculated from the volatility of historical price movements.

**Very high-highest risk** – Stock should be expected to move up or down 60–100% in a year – investors should be aware this stock is highly speculative.

**High** – stock should be expected to move up or down at least 40–60% in a year – investors should be aware this stock could be speculative.

**Medium** – stock should be expected to move up or down at least 30–40% in a year.

**Low-medium** – stock should be expected to move up or down at least 25–30% in a year.

**Low** – stock should be expected to move up or down at least 15–25% in a year.

\* Applicable to Asia/Australian/NZ/Canada stocks only

**Recommendations** – 12 months

**Note:** Quant recommendations may differ from Fundamental Analyst recommendations

**Financial definitions**

All "Adjusted" data items have had the following adjustments made:

Added back: goodwill amortisation, provision for catastrophe reserves, IFRS derivatives & hedging, IFRS impairments & IFRS interest expense  
 Excluded: non recurring items, asset revals, property revals, appraisal value uplift, preference dividends & minority interests

**EPS** = adjusted net profit / epowa\*

**ROA** = adjusted ebit / average total assets

**ROA Banks/Insurance** = adjusted net profit / average total assets

**ROE** = adjusted net profit / average shareholders funds

**Gross cashflow** = adjusted net profit + depreciation

\*equivalent fully paid ordinary weighted average number of shares

All Reported numbers for Australian/NZ listed stocks are modelled under IFRS (International Financial Reporting Standards).

**Recommendation proportions – For quarter ending 31 March 2016**

	AU/NZ	Asia	RSA	USA	CA	EUR	
Outperform	50.34%	59.09%	46.67%	44.76%	60.66%	46.12%	(for global coverage by Macquarie, 3.72% of stocks followed are investment banking clients)
Neutral	34.14%	25.66%	32.00%	49.90%	30.33%	35.10%	(for global coverage by Macquarie, 4.79% of stocks followed are investment banking clients)
Underperform	15.52%	15.26%	21.33%	5.33%	9.02%	18.78%	(for global coverage by Macquarie, 2.31% of stocks followed are investment banking clients)

**GOR AU vs Small Ordinaries, & rec history**



(all figures in AUD currency unless noted)

**5713 JP vs TOPIX, & rec history**



(all figures in JPY currency unless noted)

Note: Recommendation timeline – if not a continuous line, then there was no Macquarie coverage at the time or there was an embargo period.

Source: FactSet, Macquarie Research, April 2016

**12-month target price methodology**

GOR AU: A\$0.70 based on a DCF methodology

5713 JP: ¥1,300 based on a PER methodology

**Company-specific disclosures:**

**GOR AU:** MACQUARIE CAPITAL (AUSTRALIA) LIMITED or one of its affiliates managed or co-managed a public offering of securities of Gold Road Resources Ltd in the past 12 months, for which it received compensation. Macquarie and its affiliates collectively and beneficially own or control 1% or more of any class of Gold Road Resources Limited's equity securities.

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Date	Stock Code (BBG code)	Recommendation	Target Price
08-Feb-2016	GOR AU	Outperform	A\$.70
24-Sep-2015	GOR AU	Outperform	A\$.60
25-Jul-2015	GOR AU	Outperform	A\$.55
28-May-2015	GOR AU	Outperform	A\$.60
21-Mar-2015	GOR AU	Outperform	A\$.55
27-Jan-2015	GOR AU	Outperform	A\$.51
15-Jan-2015	GOR AU	Outperform	A\$.57
13-Aug-2014	GOR AU	Outperform	A\$.41

**Target price risk disclosures:**

**GOR AU:** Any inability to compete successfully in their markets may harm the business. This could be a result of many factors which may include geographic mix and introduction of improved products or service offerings by competitors. The results of operations may be materially affected by global economic conditions generally, including conditions in financial markets. The company is exposed to market risks, such as changes in interest rates, foreign exchange rates and input prices. From time to time, the company will enter into transactions, including transactions in derivative instruments, to manage certain of these exposures.

**5713 JP:** Any inability to compete successfully in their markets may harm the business. This could be a result of many factors which may include geographic mix and introduction of improved products or service offerings by competitors. The results of operations may be materially affected by global economic conditions generally, including conditions in financial markets. The company is exposed to market risks, such as changes in interest rates, foreign exchange rates and input prices. From time to time, the company will enter into transactions, including transactions in derivative instruments, to manage certain of these exposures.

**Analyst certification:**

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