



AUSTRALIA

GOR AU Outperform

Price (at 05:10, 05 Feb 2016 GMT) A\$0.40

Valuation A\$ 0.72

- DCF (WACC 10.0%)

12-month target A\$ 0.70

12-month TSR % +75.0

Volatility Index Very High

GICS sector Materials

Market cap A\$m 280

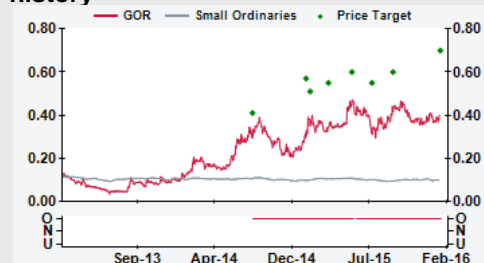
30-day avg turnover A\$m 0.2

Number shares on issue m 699.5

Investment fundamentals

Year end 30 Jun		2015A	2016E	2017E	2018E
Revenue	m	0.0	0.0	0.0	0.0
EBIT	m	-4.4	-10.0	-13.2	-16.7
Reported profit	m	-3.9	-6.2	-9.1	-23.1
Adjusted profit	m	-3.9	-6.2	-9.1	-23.1
Gross cashflow	m	-3.1	-0.2	-3.0	-16.8
CFPS	¢	-0.5	0.0	-0.3	-1.4
CFPS growth	%	nfm	94.2	-712.9	-455.8
EPS adj	¢	-0.7	-0.9	-0.8	-1.9
EPS adj growth	%	nfm	-30.7	13.9	-153.1
Total DPS	¢	0.0	0.0	0.0	0.0
Total div yield	%	0.0	0.0	0.0	0.0
ROA	%	-6.6	-10.7	-4.8	-2.9
ROE	%	-6.0	-7.0	-5.0	-8.7
EV/EBITDA	x	-49.8	-57.5	-60.3	-41.3
Net debt/equity	%	-54.0	-15.6	-18.8	111.8
P/BV	x	2.5	3.3	1.7	1.9

GOR AU vs Small Ordinaries, & 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, February 2016
(all figures in AUD unless noted)

Analyst(s)

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8 February 2016

Macquarie Securities (Australia) Limited

Gold Road Resources

Robust PFS for Gruyere

Event

- GOR has released a robust final PFS for Gruyere.

Impact

- Improved production metrics.** As previously outlined in its earlier PFS Stage 1 the finalised PFS envisages a 7.5Mtpa open pit with conventional CIL gold recovery. However the PFS details a number of improvements on earlier work and the assumptions we previously used in our modelling, including higher gold production, lower capex and a modest increase in mine life. This has however come at the cost of a marginally higher strip ratio which is now expected to average 3.0:1.
- Pre-production capex lower than our expectation.** Pre-production capital cost of the project has been estimated at A\$455m (\$ 2015) this excludes costs for a 40MW power plant which is expected to be provided by a third party under a power supply agreement.
- Operating costs below A\$1,000/oz.** Operating costs are comparable those of some of the leading Australian open pit operations. GOR expects to produce gold for an average cash cost of A\$912/oz and an all-in sustaining cost of A\$960/oz. We model an average of cash cost of \$917/oz for the mine but based on our knowledge of current A\$/t rates we believe that once in production Gruyere could negotiate a substantial improvement on the LOM average of ~A\$4.50/t used in the PFS. Given the size of the operation we believe that sustaining capital requirements will be higher than that presented by GOR and hence model an ASIC of A\$992/oz.

Earnings and target price revision

- Incorporating the results of the PFS into our modelling results in a significant uplift to our long term earnings forecasts, however we note that we do not expect GOR to generate meaningful earnings until at least FY19. Lower than expected capital costs along with an improvement in costs and a modest increase in mine life results in a 17% lift in our target price to \$0.70/sh. We also note that at current A\$ spot gold price of A\$1,630/oz our valuation of GOR is \$0.66/sh.

Price catalyst

- 12-month price target: A\$0.70 based on a DCF methodology.
- Catalyst: GOR expects to complete its DFS by the end of the calendar year to enable project financing to be finalised in early 2017.

Action and recommendation

- Maintain Outperform.** Our confidence in GOR's Gruyere project continues to grow. The deposit looks capable of delivering a robust mine comparable to a number of strongly cash generative peer assets. The company's capabilities continue to expand in line with project demands and whilst funding remains a key component we believe Gruyere will become a significant operation.

Robust PFS for Gruyere

- GOR has released the final outcomes of its Pre Feasibility Study for the Gruyere deposit in the Yamarna belt of WA's Eastern Goldfields. The study is in our view robust and presents a future operation comparable to the leading open pit mines in the Australian gold industry.

Key study outcomes

- As previously outlined in its earlier PFS Stage 1 option study the finalised PFS envisages a 7.5Mtpa open pit with conventional CIL gold recovery. However the PFS details a number of improvements on earlier work and the assumptions we previously used in our modelling, including higher gold production, lower capex and a modest increase in mine life.

Fig 1 Key study outcomes

Element	PFS outcome
Project life (years)	12
Annual production (kozpa)	265
Recovery (%)	92
Strip ratio (w:o)	3:1
Cash cost (A/oz)	912
AISC (A/oz)	960
Capital cost (A\$m)	455
Sustaining capital (A\$m)	140

Source: GOR, Macquarie Research, February 2016

- Optimisation of the mine schedule indicates an annualised throughput of up to 8.8Mt can be achieved in oxide material lifting gold production in years 1 and 2 to 292koz and 318koz respectively. A grade boost from deeper high-grade in later years lifts average annual gold production to 265kozpa. This has however come at the cost of a marginally higher strip ratio. The options study estimated a range of 1.9:1 to 2.7:1 with the PFS estimating a Life of Mine average of 3.0:1.

Fig 2 Modelled Gruyere production and costs

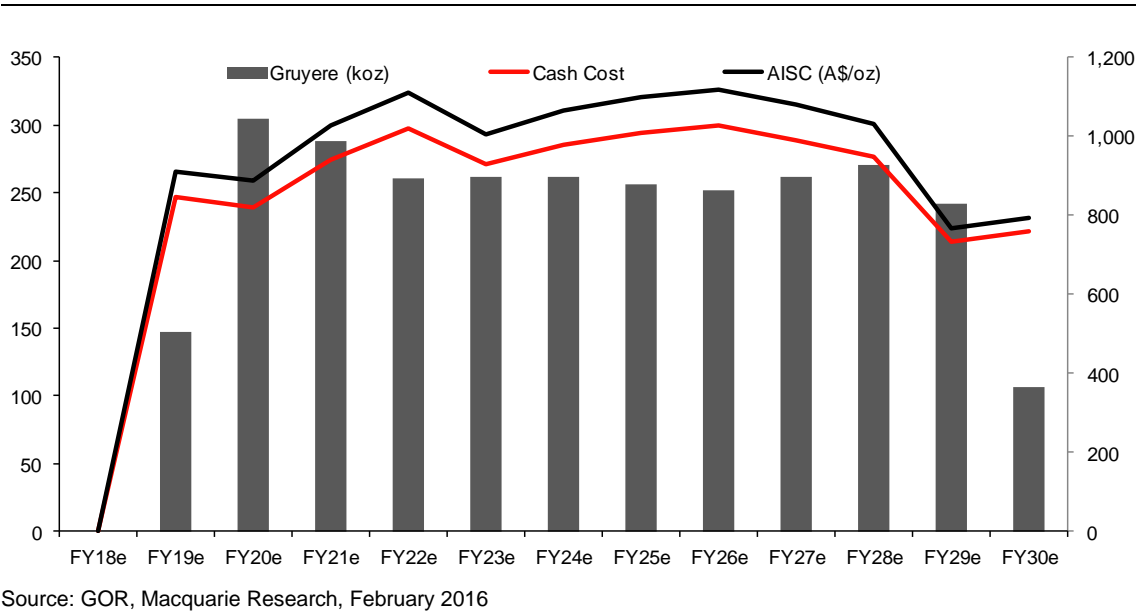
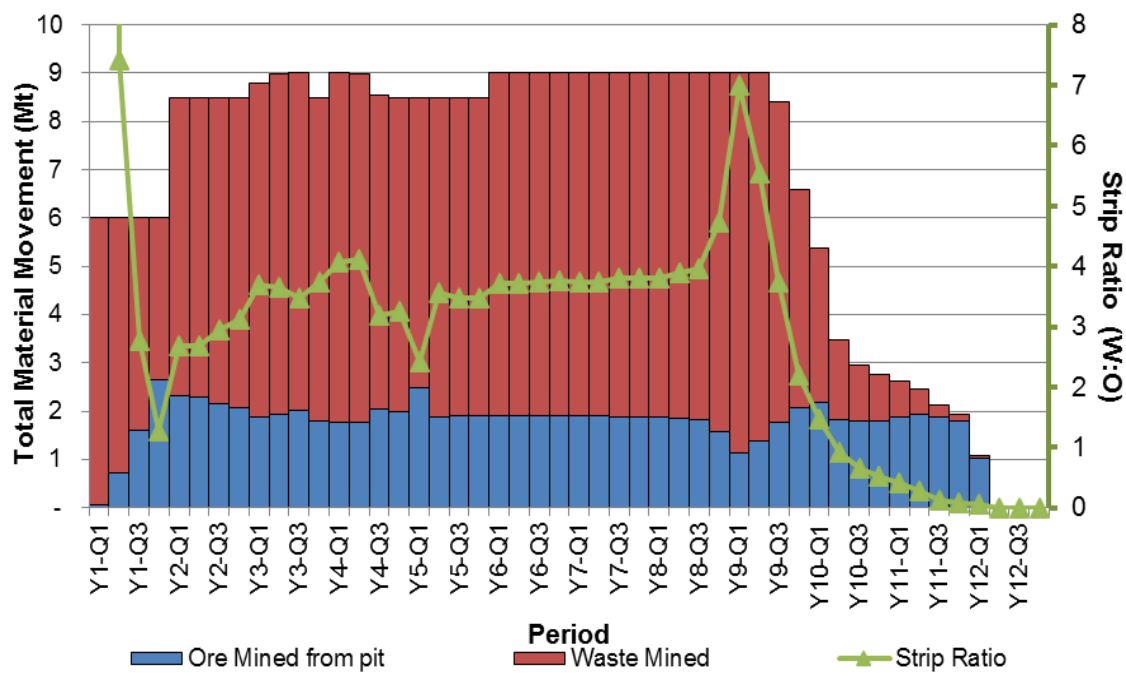


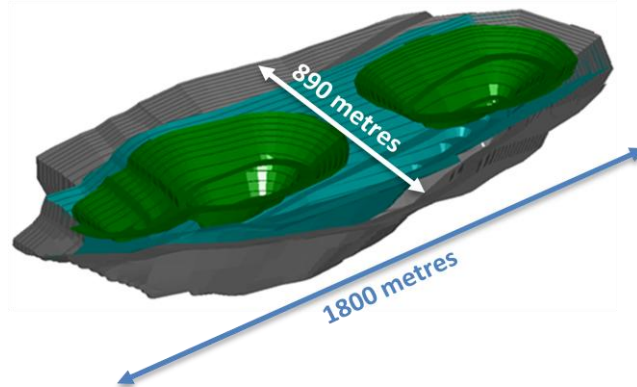
Fig 3 Forecast material movements and strip ratio



Source: GOR, Macquarie Research, February 2016

- Mining is expected to be completed by a contractor with mine planning and technical supervision provided by GOR. The open pit will be completed in four stages. Two independent starter pits will be mined in Stages 1 and 2 which will be combined in Stage 3 and followed by a cutback in Stage 4 to the final mine design.

Fig 4 Gruyere will be mined in 4 stages



Source: GOR, Macquarie Research, February 2016

- Processing will be via a primary crushing followed by a SAG and Ball mill. Gruyere’s gold is free milling and approximately 40% of gold is expected to be recovered in a gravity circuit. The remainder will be processed through a hybrid CIL. Residence times are expected to be quick with up to 80% of gold leached in the first four hours.
- Fresh ore at Gruyere is moderately hard with an average Bond Work Index of. GOR has evaluated a number of crushing options including HPGR but has opted for a more versatile conventional crushing circuit in anticipation of additional ore sources being developed over time. The plant design has taken into account the potential to add more capacity should it prove necessary.

Comparable to operating peers

- We believe that Gruyere is comparable to a number of existing operating assets in Australia. Based on the results of the PFS, were it in production today, we believe the mine would be generating similar margins to those of EVN's Cowal and RRL's Duketon operations.

Fig 5 Gruyere is comparable with existing production peers

	Gruyere	Duketon (FY16 guidance)	Tropicana
Reserves	81.1	54.3	53.3Mt
Grade	1.22	1.02	2.08
Resources	128.4	162.3	115.7Mt
Grade	1.36	0.92	2.03
Throughput	7.5Mtpa	10Mtpa	5.8Mtpa
Mine life	11	3 - 7 years	~9 on current reserves
LoM Strip ratio	3	4.2	6
LoM TMM	~370Mt		~410Mt
Grind size	125µm		75µm
Recovery	91-93%	91%	91%
Ave gold production	265kozpa	290kozpa	~390kozpa
AISC	A\$960	A\$1,020	~A\$850/oz
Capex	\$455m	~\$460m	~\$930m

Source: GOR, Macquarie Research, February 2016

- Capital cost of the project has been estimated at A\$455m (\$ 2015) including all mine development, processing plant, infrastructure including a camp and airstrip and other pre-production costs. The estimate excludes capital for a power plant which is expected to be provided by a third party under a power supply agreement.

Fig 6 Gruyere capital estimates

Key capital item	A\$m
Process plant and TSF	180
Site and infrastructure	89
Mine development	33
Equipment	13
Indirect EPC costs	80
Owners costs	25
Contingency	35
Total	455

Source: GOR, Macquarie Research, February 2016

Power supply agreement could be a significant contract

- GOR's option study recommended a 40MW gas-fired power station for Gruyere. The company envisages a power supply agreement that includes both the provision of the power station and the construction of the necessary pipeline under a Build Own Operate (BOO) model combined with the supply of gas for the life of the mine. Such a contract would be substantial. Based on the recently completed Goldfields pipeline to Anglo/IGO's Tropicana mine we estimate a capital cost of \$80m for the pipeline. We estimate that at an average price of 21¢/KWh a gas supply contract over a ten year period could total in the region of ~A\$700m.

Operating costs below A\$1,000/oz

- Operating costs are comparable those of similar Australian operations. GOR expects to produce gold for an average cash cost of A\$917/oz and an all-in sustaining cost of A\$960/oz. We model an average of cash cost of \$913/oz for the mine but based on our knowledge of current A\$/t rates we believe that once in production Gruyere could negotiate a substantial improvement on the LOM average of ~A\$4.50/t used in the PFS. Given the size of the operation we do however believe that sustaining capital requirements will be higher than those presented by GOR and hence model an ASIC of A\$992/oz.

Fig 7 Feasibility operating costs estimate

	A\$/oz	Unit cost (A\$/t)
Mining	384	4.52
Processing	445	15.72
Transport & refining	2	0.07
G&A	30	1.06
Royalties	50	1.77
Rehab levy	2	0.07
Total	913	32.26

Source: GOR, Macquarie Research, February 2016

3.2Moz Maiden Reserve

- GOR has announced a Maiden reserve for Gruyere. A Proved and Probable reserve of 81.1Mt at a grade of 1.22g/t gold for 3.17Moz has been estimated using an A\$1,400/oz gold price and cut-off grade of 0.5g/t.

Fig 8 3.2Moz Maiden Reserve

Reserves		Tonnes	Au (g/t)	Au (oz)
Gruyere -Open Pit	Proved	1,600,000	1.32	70,000
Gruyere -Open Pit	Probable	79,600,000	1.21	3,110,000
Gruyere -Open Pit	Total	81,200,000	1.22	3,180,000

Source: GOR, Macquarie Research, February 2016

- Of the 3.2Mt reserve 98% is classified as Probable and accounts for 87% of the Measured and Indicated component of the resource tonnes and 78.5% of M&I ounces. The PFS assumes a mineable inventory of ~82Mt and as such is all derived from the reserve and M&I component of the resource.

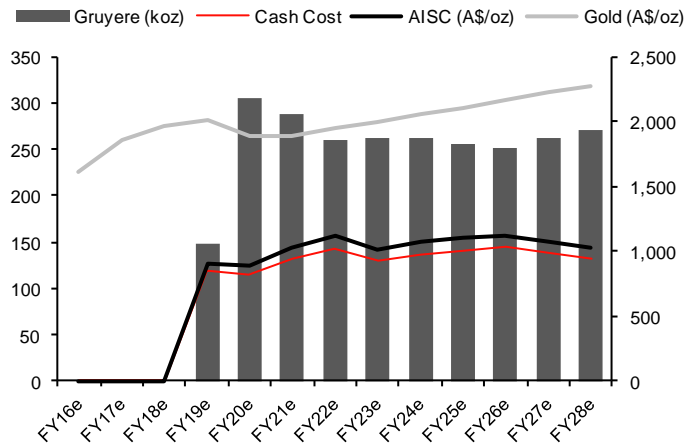
Fig 9 PFS mining inventory is derived solely from M&I resources

Resources		Tonnes	Au (g/t)	Au (oz)
Gruyere - In Pit	Measured	1,580,000	1.38	70,000
Gruyere - In Pit	Indicated	93,480,000	1.35	4,050,000
Gruyere - In Pit	Inferred	33,320,000	1.40	1,500,000
Gruyere - In Pit	Total	128,380,000	1.36	5,620,000

Source: GOR, Macquarie Research, February 2016

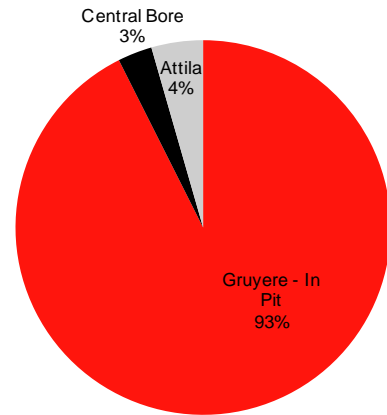
- We understand that GOR intends to release a further update to its resources in the coming months. Results from recent close spaced drilling in the oxide and saprolite zones has led GOR's geologist to revise their interpretation of mineralisation controls in the near surface environment. We expect this to result in a modest reduction in ounces within the oxide zone although we also expect there to be an uplift in ounces in the underlying saprolite zone.

Fig 10 Gruyere production and cost forecasts



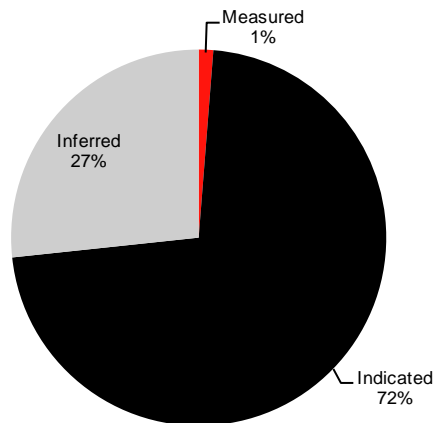
Source: GOR, Macquarie Research, February 2016

Fig 11 Resources by deposit



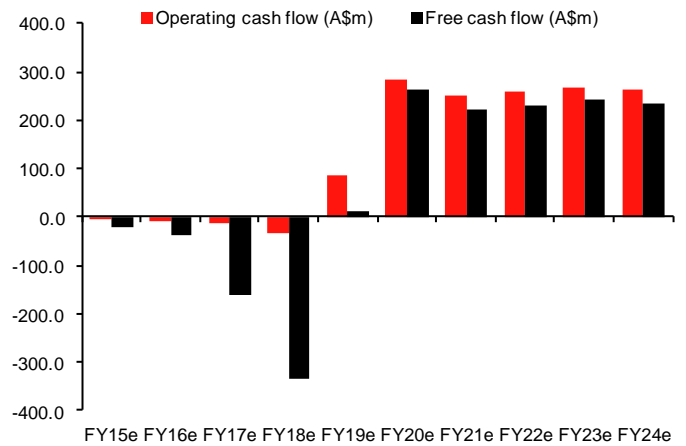
Source: GOR, Macquarie Research, February 2016

Fig 12 Gruyere Resources by classification



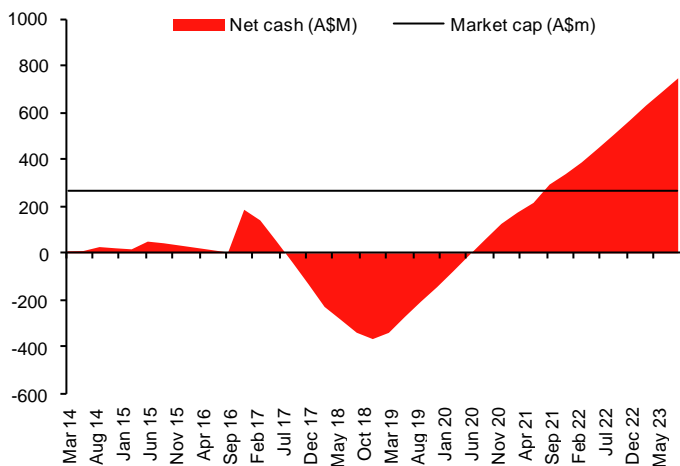
Source: GOR, Macquarie Research, February 2016

Fig 13 GOR cash flow outlook



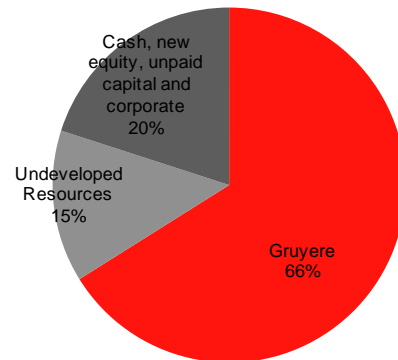
Source: GOR, Macquarie Research, February 2016

Fig 14 GOR net cash vs market capitalisation



Source: GOR, Macquarie Research, February 2016

Fig 15 GOR NPV by project



Source: GOR, Macquarie Research, February 2016

Fig 16 GOR summary model

Gold Road Resources							
ASX: GOR	Price: (A\$ps)	0.40		Year end: Jun		Rating: Outperform	Up/dn
	Mkt cap: (A\$m)	280		Diluted shares (m)		699.5	Target: 0.70 75%

ASSUMPTIONS		FY13	FY14	FY15	FY16e	FY17e	FY18e	FY19e
Exchange Rate	A\$/US\$	1.01	0.91	0.84	0.70	0.63	0.64	0.68
Spot Gold	(US\$/oz)	1,604	1,295	1,223	1,124	1,178	1,263	1,375
Spot Gold	(A\$/oz)	1,582	1,417	1,463	1,599	1,862	1,969	2,018

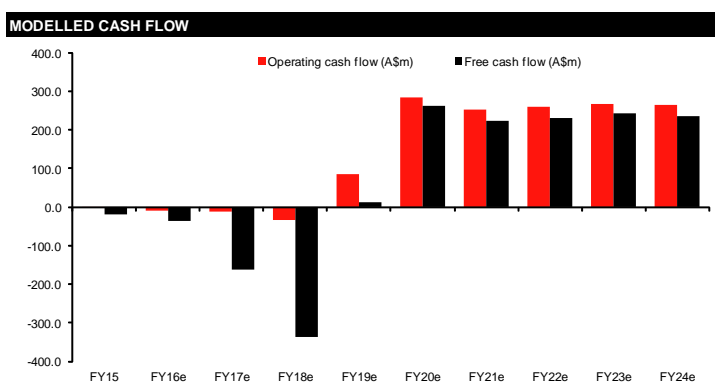
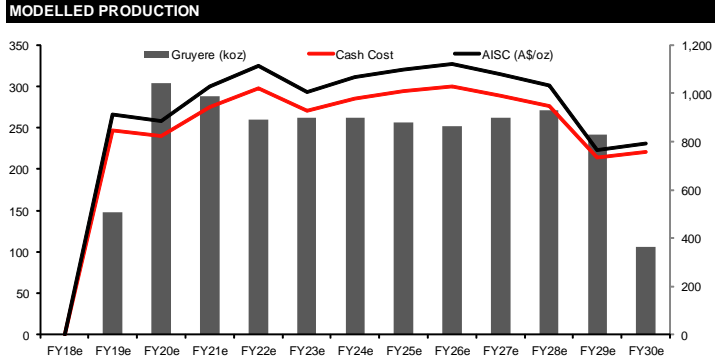
RATIO ANALYSIS		FY13	FY14	FY15	FY16e	FY17e	FY18e	FY19e
Diluted share capital	m	494.1	476.2	578.9	709.7	1,209.7	1,209.7	1,209.7
EPS (diluted and pre sig. items)	A¢	-4.6	0.1	-0.7	-0.9	-0.9	-1.9	5.5
P/E	x	-8.6x	464.9x	-59.7x	-45.6x	-46.9x	-21.0x	7.2x
CFPS	A¢	(0.4)	0.2	(0.4)	(1.3)	(1.1)	(2.7)	6.9
P/CF	x	-105.1x	165.6x	-98.0x	-32.0x	-37.1x	-14.7x	5.8x
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	7.7x	5.3x	2.5x	3.3x	1.7x	1.9x	1.5x
R.O.E. (pre sig items)	%	-88%	1%	-4%	-7%	-3%	-9%	21%
R.O.A. (pre sig items)	%	-87%	-7%	-5%	-11%	-3%	-2%	8%
Interest Cover	x	65.3x	8.4x	7.9x	9.0x	70.3x	-1.0x	4.4x
EBITDA per share	A\$ps	-0.05	-0.01	-0.01	-0.01	-0.01	-0.01	0.13
EV/EBITDA	x	-11.4x	-93.2x	-57.7x	-26.6x	-17.2x	-33.8x	3.5x

EARNINGS		FY13	FY14	FY15	FY16e	FY17e	FY18e	FY19e
Sales Revenue	A\$m	0	0	0	0	0	0	298
Other Revenue	A\$m	0	0	0	0	0	0	0
Total Revenue	A\$m	0	0	0	0	0	0	298
Operating Costs	A\$m	0	0	0	0	0	0	(125)
Operational EBITDA	A\$m	0	0	0	0	0	0	173
Exploration Expense/Write-offs	A\$m	(20)	(0)	(0)	(6)	(6)	(6)	(6)
Corporate & Other Costs	A\$m	(4)	(3)	(4)	(4)	(7)	(10)	(11)
EBITDA	A\$m	(24)	(3)	(4)	(10)	(13)	(17)	156
D&A	A\$m	0	0	(0)	0	0	0	(32)
EBIT	A\$m	(24)	(3)	(4)	(10)	(13)	(17)	124
Net Interest	A\$m	0	0	1	1	0	(16)	(28)
Profit Before Tax	A\$m	(23)	(3)	(4)	(9)	(13)	(33)	96
Tax Expense	A\$m	1	3	0	3	4	10	(29)
Minorities	A\$m	0	0	0	0	0	0	0
Adjusted NPAT	A\$m	(23)	0	(4)	(6)	(9)	(23)	67
Significant Items (post tax)	A\$m	0	0	0	0	0	0	0
Reported NPAT	A\$m	(23)	0	(4)	(6)	(9)	(23)	67

CASHFLOW		FY13	FY14	FY15	FY16e	FY17e	FY18e	FY19e
Net Profit	A\$m	-23	0	-4	-6	-9	-23	67
Interest/Tax/D&A	A\$m	9	(17)	2	(3)	(4)	(10)	61
Working Capital/other	A\$m	12	17	0	0	0	0	(44)
Net Operating Cashflow	A\$m	(2)	1	(2)	(9)	(13)	(33)	84
Capex	A\$m	(10)	(13)	(17)	(28)	(148)	(303)	(72)
Investments	A\$m	0	0	0	0	0	0	0
Sale of PPE and Other	A\$m	1	3	(0)	0	0	0	0
Free cash flow	A\$m	(11)	(9)	(19)	(36)	(161)	(336)	12
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	0	200	0	0
Other	A\$m	0	0	0	0	0	0	0
Net Financing Cashflow	A\$m	7	10	59	0	355	230	0
Net change in cash	A\$m	(4)	1	40	(36)	194	(106)	12

BALANCE SHEET		FY13	FY14	FY15	FY16e	FY17e	FY18e	FY19e
Cash	A\$m	9	10	50	13	207	101	113
PP&E & Mine Development	A\$m	1	1	1	29	177	480	520
Exploration	A\$m	17	27	44	48	55	65	75
Total Assets	A\$m	27	39	96	91	465	672	1,575
Debt	A\$m	0	0	0	0	155	385	385
Total Liabilities	A\$m	1	3	4	5	188	418	1,254
Total Net Assets / Equity	A\$m	26	36	92	86	277	254	321
Net Debt / (Cash)	A\$m	(9)	(10)	(50)	(13)	(52)	284	272
Gearing (net debt/(nd + equity))	%	(53%)	(36%)	(118%)	(19%)	(23%)	53%	46%
Gearing (net debt/equity)	%	(35%)	(27%)	(54%)	(16%)	(19%)	112%	85%

ATTRIBUTABLE MINE OUTPUT		FY18e	FY19e	FY20e	FY21e	FY22e	FY23e	FY24e
Gold production (equity)								
Gruyere	(koz)	-	147.4	304.5	288.6	260.2	262.2	262.2
Total	(koz)	-	147.4	304.5	288.6	260.2	262.2	262.2
Cash costs								
Gruyere	(A\$/oz)	-	847	821	943	1,019	930	980
AISC Cash Costs								
Gruyere	(A\$/oz)	-	912	887	1,029	1,113	1,007	1,067
AISC Cash Costs								
Gruyere	(A\$/oz)	-	912	887	1,029	1,113	1,007	1,067
Operational EBITDA Contribution (pre hedging)								
Gruyere	A\$m	-	173	326	273	242	281	282



RESERVES AND RESOURCES (ATTRIBUTABLE)			
Reserves			
Project		Mt	g/t koz
Gruyere		81.2	1.2 3,180
Attila - Central Bore		0.0	0.0 0
Total		81.2	1.2 3,180
Resources			
Project		Mt	g/t koz
Gruyere		128.4	1.36 5,620
Attila - Central Bore		5.9	2.36 450
Total		134.3	1.41 6,070

EQUITY DCF VALUATION		Macquarie forecasts		Spot prices	
Projects		A\$m	A\$ps	A\$m	A\$ps
Gruyere		577	0.48	494	0.41
Undeveloped Resources & exploration		122	0.10	115	0.10
Unpaid capital & new equity		201	0.17	201	0.17
Forwards		0	0.00	0	0.00
Corporate		(49)	(0.04)	(49)	(0.04)
Net cash (debt)		23	0.02	23	0.02
Net Equity Value (@ 10% WACC)		873	0.72	784	0.66
Price Target			0.70		0.66

Source: GOR, Macquarie Research, February 2016

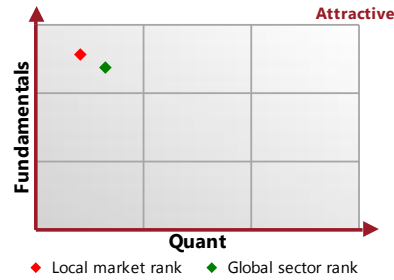
Macquarie Quant View

The quant model currently holds a strong 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 its investments to earnings as proxied by ratios such as ROE, ROA etc.

844/1073

Global rank in Materials

% of BUY recommendations 100% (4/4)
Number of Price Target downgrades 1
Number of Price Target upgrades 0

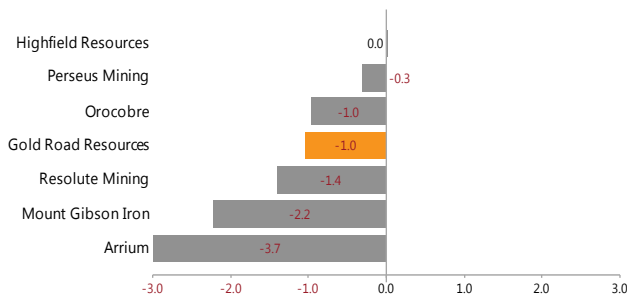


Displays where the company's ranked based on the fundamental consensus Price Target and Macquarie's Quantitative Alpha model.

Two rankings: Local market (Australia & NZ) and Global sector (Materials)

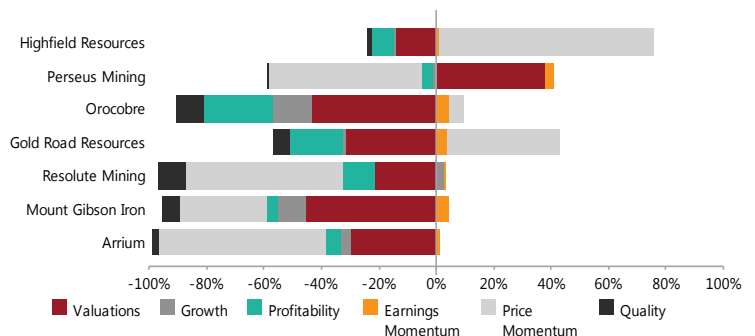
Macquarie Alpha Model ranking

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



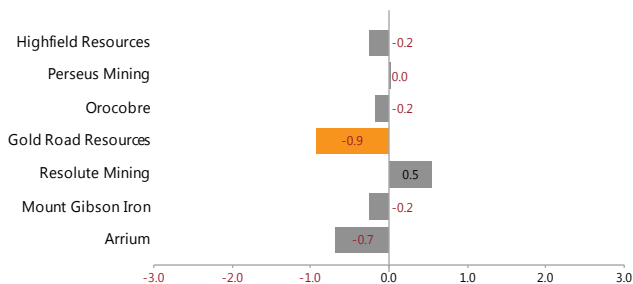
Factors driving the Alpha Model

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



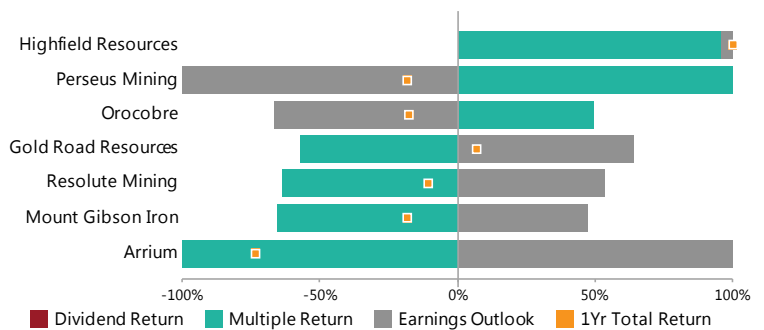
Macquarie Earnings Sentiment Indicator

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.



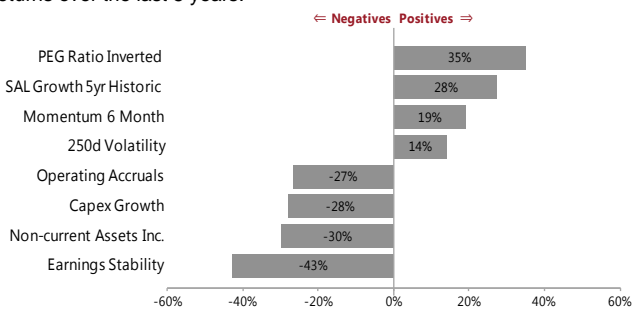
Drivers of Stock Return

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



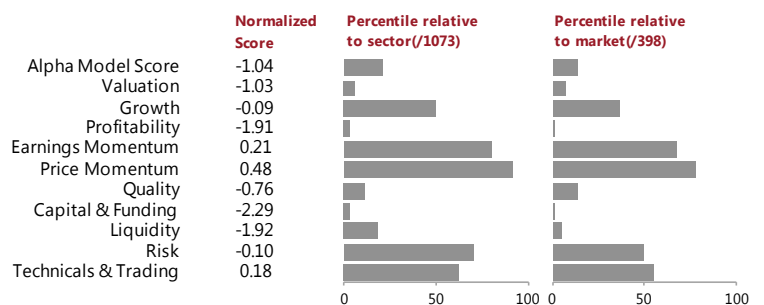
What drove this Company in the last 5 years

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)

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 December 2015

	AU/NZ	Asia	RSA	USA	CA	EUR	
Outperform	50.68%	61.04%	53.16%	47.90%	65.22%	43.59%	(for global coverage by Macquarie, 5.33% of stocks followed are investment banking clients)
Neutral	31.51%	24.66%	34.18%	47.70%	29.71%	34.62%	(for global coverage by Macquarie, 5.02% of stocks followed are investment banking clients)
Underperform	17.81%	14.30%	12.66%	4.39%	5.07%	21.79%	(for global coverage by Macquarie, 3.78% of stocks followed are investment banking clients)

GOR AU vs Small Ordinaries, & rec history



(all figures in AUD 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, February 2016

12-month target price methodology

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

Important disclosure information regarding the subject companies covered in this report is available at www.macquarie.com/research/disclosures.

Date	Stock Code (BBG code)	Recommendation	Target Price
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.

Analyst certification:

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