

SPEC BUY

Current Price \$0.37
Target Price \$0.60

Ticker:	GOR	
Sector:	Materials	
Shares on Issue (m):	594.9	
Market Cap (\$m):	220.1	
Cash Estimate (\$m):	21.3	
Enterprise Value (\$m):	198.8	
52 wk High/Low:	\$0.40	\$0.11
12m Av Daily Vol (m):	1.66	

Mineral Inventory (100% basis)

	Mt	g/t	Moz
Reserves	-	-	-
Resources	123.2	1.3	5.1
			\$/oz
EV / Reserve			-
EV / Resource			39

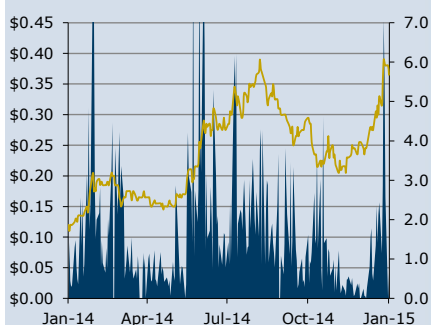
Directors:

Ian Murray	Executive Chairman
Justin Osborne	Executive Director
Russell Davis	Non-Executive Director
Martin Pyle	Non-Executive Director
Kevin Hart	Company Secretary

Substantial Shareholders:

Van Eck	8.3%
Minco	7.2%
RCF	5.2%

Share Price Graph



Tuesday, 24 March 2015

Gold Road Resources

Smoke signals

Analysts | Patrick Chang | Matthew Keane

Quick Read

Gold Road (GOR) released an intersection of 59m @ 3.0g/t (GOR estimated true width ~20m) from 127m from its RC drilling program at Smokebush Dolerite. This target sits within the Southern Yamarna JV (Sumitomo earning 50%). Although early stage and further drilling is required, the ore grade intersection validates regional prospectivity and the effectiveness of GOR's exploration approach. The stock is catalyst rich and well-funded (A\$21m at 31st December). With ~5 rigs drilling at Gruyere and deposit remaining open, Argonaut anticipates Resource upgrades which could translate to boosted production and AISC parameters in the upcoming PFS. Gruyere's potential scale, geometry, long life, and favourable metallurgical properties, combined with a low sovereign risk jurisdiction, will ensure the asset attracts market and corporate attention.

Event & Impact | Positive

An impressive hit: A modest RC drilling program at the Smokebush Dolerite target, located within the Smokebush Camp Target (Sumitomo earning 50%) returned an impressive intersection of 59m @ 3.0g/t. Whilst early stage and further drilling required, the structure has been followed NS (on three lines) over a strike of 800m. Follow up drilling has been planned to commence in April.

Significant host: The mineralisation is hosted within sheared sulphide-lode structures within a differentiated dolerite. This geological setting is well understood and this type of rock hosts prolific multi-million ounce deposits in other better explored WA goldfields including Fimiston (Superpit), Jundee and St Ives. Given improved structural understanding following the RC program, the drilling orientation appears sub-optimal, and a program incorporating west-east drill holes could unveil a well mineralised dolerite unit featuring multiple parallel lodes.

Gruyere likely to be bigger and better: The ongoing drilling campaign (3 diamond, 2 RC rigs) at Gruyere is anticipated to expand the 3.8Moz deposit. This drilling program will test extensions of the mineralisation and target previously poorly drilled area. A successful program will support the case for a larger scale operation, further improving the project's economics and appeal.

Regional targets pipeline: The Company is cashed up (A\$21m at 31st December) and newsflow rich with a high intensity exploration program underway. Targets to be tested in CY15 include; Sun River – Wanderrie, Pacific Dunes – Corkwood, Dorothy Hills and the southern Yamarna JV targets including Smokebush Dolerite.

Recommendation

SPECULATIVE BUY recommendation and A\$0.60 target price maintained.

Smoke signals

Early success

A modest RC program has delivered...

A modest RC drilling program consisting of nine RC holes for a total of 1,380m at the Smokebush Dolerite target, located within the Smokebush Camp Target (Sumitomo earning 50%) returned an impressive intersection of 59m @ 3.0g/t from 127m (estimated true width ~20m), ending in mineralisation.

...an impressive intersection of 59m @ 3.0g/t at Smokebush...

Whilst early stage and further drilling required, the structure has been followed NS (on three lines) over a strike of 800m.

A welcome host

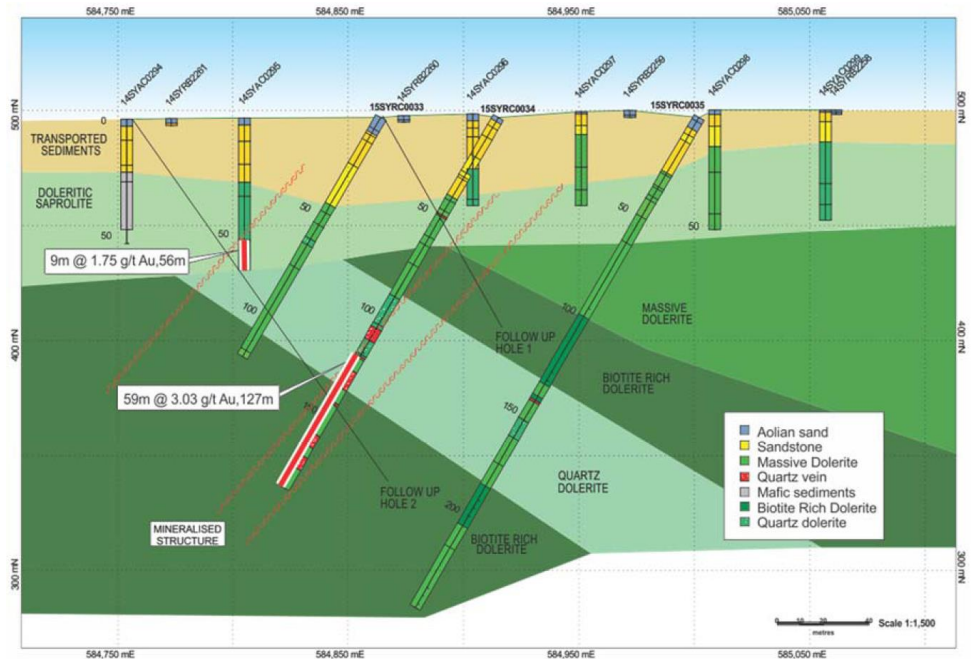
The mineralisation is hosted within sheared sulphide-lode structures within a differentiated dolerite.

...hosted in a differentiated dolerite unit

This geological setting is well understood and this type of rock hosts prolific multi-million ounce deposits in other better explored WA goldfields including Fimiston (Superpit), Jundee and St Ives.

Similar rock hosts multi-Moz deposits in other better explored WA belts...

Figure 1: Smokebush drilling, cross section, looking north



...including the Superpit, Jundee and St Ives

Source: GOR

Further drilling planned

Given improved structural orientation understanding, the early drilling orientation appears sub-optimal, and a program incorporating west-east drill holes could unveil a well mineralised dolerite unit featuring multiple parallel lodes.

Follow up drilling planned

A follow up RC drilling program has been planned to drill in the opposite direction in April.

Uncovering Yamarna

Solid exploration pipeline

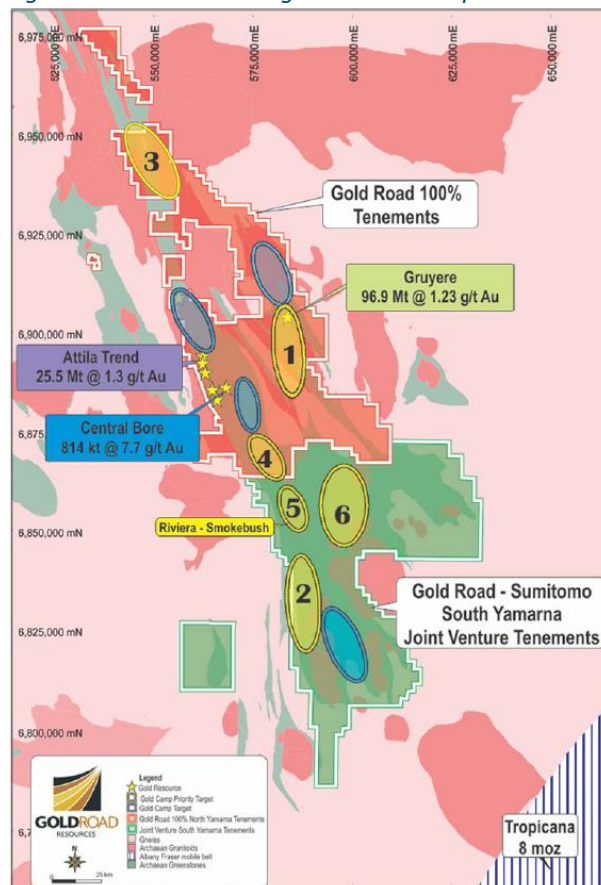
Argonaut is bullish on the pipeline of prospects to be tested...

Argonaut is bullish on the pipeline of prospects to be tested in CY15. Targets include:

- Gruyere extensions (H1 CY15)
- Dorothy Hills Regional, including Gruyere Corridor (H1, H2 CY15)
- Sun River – Wanderrie (H1, H2 CY15)
- Pacific Dunes – Corkwood (H2, CY15)
- Riviera - Smokebush (Sumitomo JV, H1 CY15)
- Metropolitan – Beefwood (Sumitomo JV, H1, H2 CY15)

...throughput CY15...

Figure 2: Structural analogues to better explored belts



...including Dorothy Hills trend, Sun River – Wanderrie...

...and Riviera - Smokebush

Source: GOR

Yamarna is a highly prospective belt capable of hosting Moz deposits

Argonaut considers the Yamarna belt to be highly prospective due to the presence of all critical elements required for the formation of mesothermal lode deposits, including:

- The Age - recent dating suggesting Yamarna is late Archean similar to other greenstone belts in Western Australia
- The Rocks - sequence of metamorphosed ultramafic/mafic/intermediate and sedimentary rocks
- The Mineralisation controls - presence of structural controls similar to other belts

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Important Disclosure

Argonaut acted as Sole Lead Manager & Exclusive Bookrunner to the Placement that raised \$23.3M in September 2014 and received fees commensurate with this service. Argonaut acted as Joint Lead Manager to the Placement that raised \$10M in March 2014 and received fees commensurate with this service. Argonaut currently holds or controls 150,000 GOR shares.

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