

Gold Road Resources Limited (ASX:GOR)

SPECULATIVE BUY

VALUATION: N/A

SHARE PRICE: A\$0.185

COMPANY DATA

ASX Code	GOR
Market Cap (fully diluted, A\$m)	75.8
Shares on Issue (m)	390.0
Options on Issue (m)	19.9
52 Week Hi Lo (A\$)	\$0.14-\$0.60
Cash at Bank (30 Jun 2012, A\$m)	12.9

RESOURCES

Project	Mt	g/t	ozs Au
Central Bore			
Measured	0.022	22.5	16,000
Indicated	0.444	8.90	128,000
Inferred	0.053	5.25	9,000
Total	0.519	9.13	153,000
Attila Trend			
Measured	8.382	1.44	389,000
Indicated	9.360	1.24	373,000
Inferred	7.785	1.19	298,000
Total	25.527	1.29	1,060,000
TOTAL	26.046	1.45	1,213,000

SHARE PRICE PERFORMANCE



BOARD

Mr Ian Murray	Executive Chairman
Mr Ziggy Lubieniecki	Executive Director
Mr Russell Davis	Non-Executive Director
Mr Kevin Hart	Non-Executive Director
Mr Martin Pyle	Non-Executive Director
Mr David Woodall	Non-Executive Director

MAJOR SHAREHOLDER

HSBC Nominees	10.1 %
Directors	6.9 %
JP Morgan Nominees	3.2 %

Gold Road announces increased gold resources at Attila at higher confidence levels – 72% of resources now in measured and indicated categories.

RECOMMENDATION

The increased resource and higher resource confidence level at Attila are steps in the right direction. A positive scoping study, expected to be released soon, is likely to be followed by a full feasibility study which, if successful, could see Gold Road in production by late 2014.

We continue to recommend Gold Road as a Speculative Buy. The unexplored Yamarna Belt provides almost unparalleled exploration upside for a gold explorer in Australia. Positive cash flow, even from a relatively modest operation, would allow the systematic exploration of the region.

KEY POINTS

- Gold Road today announced a 16% increase in the Attila Trend gold resource. The resource is now 1,060,000 ozs (25.527Mt at 1.29g/t), up from 917,000 ounces (19.817 at 1.44g/t). Mineralisation is still open at depth and along strike and significant potential to increase the resource remains.
- More importantly, resources in the measured and indicated categories have risen to 762,000 ounces or 72% of total resources. This compares with 595,000 ounces or 65% of total resources previously.
- The geological modelling and mineral resource estimation of the Attila Trend was independently conducted by Ravensgate Mineral Industry Consultants. Comprehensive details of the methodology used have been reported.
- The extensional and infill drilling program was designed to identify additional higher grade resources to supplement ore from the high grade Central Bore area, increase the overall resource and to increase the confidence levels of the resource for mine planning purposes. These objectives appear to have been largely achieved.
- The company has completed a comprehensive in-house scoping study to establish the viability of producing 45,000-50,000 ounces of gold annually from a combination of high grade Central Bore underground ore, supplemented by higher grade shallow, open-pit ore along the Attila Trend. This study is now being independently reviewed by Optiro.
- While the overall grade at Attila is low (~1.34g/t for measured and indicated resources), two starter pits, with tonnages and grades of 194,000t at 2.82g/t and 883,000t at 1.93g/t respectively based on the 2008 resource model, have already been identified. The former, at Alaric 3, is expected to have a waste:ore ratio of <3:1.

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