

GOR.AU

14 November 2011
 Gold, Uranium
 Australia (WA)
 Advanced Exploration, Transition to Producer.
 Exchanges: ASX:GOR

Gold Road Resources Limited

A\$ 0.35

Multi award-winning Gold Road should be in production in early 2013, less than four years after the spectacular Central Bore high grade discovery ignited interest in the high grade potential of its extensive Yamarna Greenstone Belt tenements.

Capital Profile

| | |
|--|--------------|
| Share price (A\$) | 0.35 |
| 52 week range (A\$/share) | 0.27 to 0.84 |
| Number of shares (m) | 389.7 |
| Options and warrants (m) | 17.7 |
| Convertible notes (m) | 0.0 |
| Fully diluted (m) | 407.4 |
| Market capitalisation (undiluted) (A\$m) | 134.4 |
| Debt (A\$m) - Dec 11F | 0.0 |
| Enterprise value (A\$m) | 134.4 |
| Major shareholders: HSBC Noms (13.7%), Directors (5.7%), Perth Select Seafoods (3.1%), JP Morgan Noms (2.4%) | |
| Avg monthly volume (m) | 39 |
| Cash (A\$m) - Dec 11F | 22.1 |
| Price/Cash (x) | 6.1 |
| Price/Book (x) | 3.1 |
| ASX-listed options: | No |

Investment Points

GOR holds a strategic position (~5,000km²) in under-explored Yamarna greenstone belt E Goldfields, WA. Exploration & Dev't budget increased to ~A\$24mpa.

Cashed up after recent SPP (heavily oversubscribed) and placement raised A\$23m to fund CY12 intensive exploration and development initiatives.

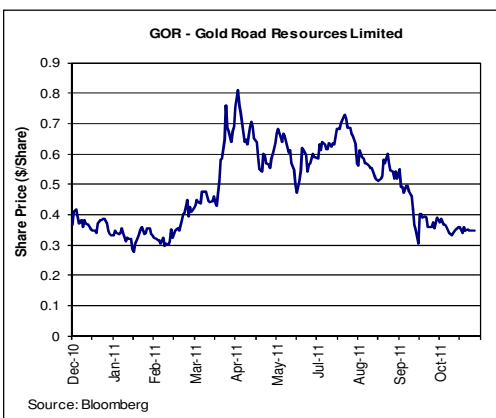
Total Yamarna resource 1.07Moz, likely to continue to increase with aggressive 150,000m p.a. drilling.

Central Bore high grade resource - 150kz at 7.86g/t, resource upgrade imminent and scoping study for production underway.

Cluster of multiple parallel high grade zones discovered in just 6km² around Central Bore.

New Justinian zone at least 500m long. Initial JORC resource expected early 1Q12.

With GOR likely to achieve first cashflow early 2013, supported by on-going aggressive exploration programs, we maintain our six month target range of A\$0.56 to A\$0.64/share.



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Production and Financial Forecasts

| YEAR END: June | Sep-11a | Dec-11F | 2011a | 2012F | 2013F |
|--|---------|---------|--------|---------|---------|
| Exploration and development (A\$m) | 3.62 | 4.80 | 6.06 | 20.42 | 24.00 |
| Corporate (A\$m) | 0.73 | 0.60 | 2.02 | 2.53 | 2.60 |
| Exploration/(Expl.+ Corporate) (%) | 83 | 89 | 75 | 98 | 108 |
| Funding duration at current burn (years) | - | - | 1.2 | 0.4 | -0.6 |
| Shares on issue (pr end) (m shares) | 317.1 | 389.7 | 311.5 | 389.7 | 389.7 |
| Drilling - RAB (m) * | 35,000 | 30,000 | 97,000 | 125,000 | 120,000 |
| Drilling - RC/Diamond (m) * | 12,000 | 12,000 | 41,000 | 48,000 | 48,000 |
| Land holding ('000 ha) | 500 | 500 | 500 | 500 | 500 |
| Tenement costs (\$k per year) | - | - | - | - | - |
| Capital raisings (A\$m) | 0.14 | 23.00 | 17.00 | 23.14 | 0.00 |
| Funding from JV partners (A\$m) | 0 | 0 | 0 | 0 | 0 |
| Cash (A\$m) | 5.1 | 22.1 | 9.8 | 9.5 | -17.0 |
| Cash backing (Ac/share) | 1.6 | 5.7 | 3.1 | 2.7 | -5.2 |
| Net asset backing (Ac/share) | 6.7 | 11.0 | 6.8 | 11.9 | 12.3 |

* Drilling metres for FY2011 is estimated.

Company Comment

Overview: GOR listed on the ASX July '06 as Eleckra Mines Ltd. Its focus is the Yamarna greenstone belt where it has now established >1Moz gold resources, and a 6.2mlb shallow calcare U₃O₈ resource.

Yamarna Project (WA): GOR's exploration focus is on the under explored remote Yamarna greenstone belt - a regional scale mineralised trend considered potentially to be WA's fifth major greenstone belt. GOR has massively increasing its drilling programs from 37,000m CY10 to >150,000m in CY11.

Central Bore ("CB"): Discovered in 2009. CB is a linear steeply dipping high grade carbonate narrow vein system. Current JORC resource 595kt @ 7.9g/t for 150kz along an 800m strike length, to a depth of ~400m. The resource should expand - being open at depth (with grades increasing) and may extend up to 2km to the north (2km **CB North** anomaly, yet to be RC drilled) and south (**CB South** ~500m mineralised zone, recent RAB drilling produced enticing 3m @ 5.2g/t from 27m). The fourth CB RC campaign (50 holes, 15,000m, on 40mx40m centres), aiming to upgrade the current resource with a view to progressing towards production, was completed Oct '11. Updated resource expected late 2011.

Justinian (200m E of CB), is a high grade discovery (e.g.7m @ 27.2g/t incl. 1m @ 102g/t) indicating similar but broader mineralised zones than CB. Potential strike length of at least 500m. A 4,641m RC drilling campaign was completed Aug '11, second phase drilling now underway. Initial Justinian JORC resource expected 1Q12. The **Hann anomaly** (2.4km W of CB) is 4.3km length. Recent RAB style shallow drilling (8,000m RC) in 2Q11 tested 2.5km of strike, confirmed mineralisation over a 660m strike length (best 2M @ 9.57g/t).

Attila Resource (3.7km W of CB): The 'original' resource - 917koz @ 1.44g/t occurs in multiple zones along a 33km strike length. GOR has recently completed its first RC drilling program (28 holes) identifying high grade shoots in the gaps in the current resource. Best recent intercept 4m @ 10.61g/t. Excellent potential to prove up higher grade zones and increase overall resource size and grade.

Other Zones: RAB drilling commenced at **Khan North** (33km NW of Attila) has identified two 800m anomalous zones. More RAB in 4Q11 will precede RC drilling 1H12. At **Tobin Hill** (SE of CB) a recent second RAB campaign identified "spotty anomalies" with clues to a possible in situ resource.

Transition to Producer: GOR now has production seriously in focus, having formed a discrete Business Development team working alongside the Exploration team. A mining lease has been applied for at central Bore, and a scoping study looking at potential production options from Central Bore and Attila is underway (due 4Q11). The most likely scenario is for the establishment of a box cut then small adit to access Central Bore ore in early 2103, with initial cashflow derived from the "truck and treat" option - possibly trucking ore to Barrick's Granny Smith operation or A1 Minerals' Brightstar operation, both near Laverton - **see box on next page**. Subject to proving up additional high grade resources, we would expect to see GOR build a stand-alone treatment plant at Central Bore by late 2013.

Corporate: GOR is now fully funded for CY12 exploration (~A\$18m) as well as the Scoping/Feasibility studies for production, after a recent placement and oversubscribed SPP at A\$0.32 raised A\$23m.

Investment Comment: After absorbing the recent major capital raising, we maintain our medium term share price target of A\$0.56/share with upside to A\$0.64/share with further exploration success.

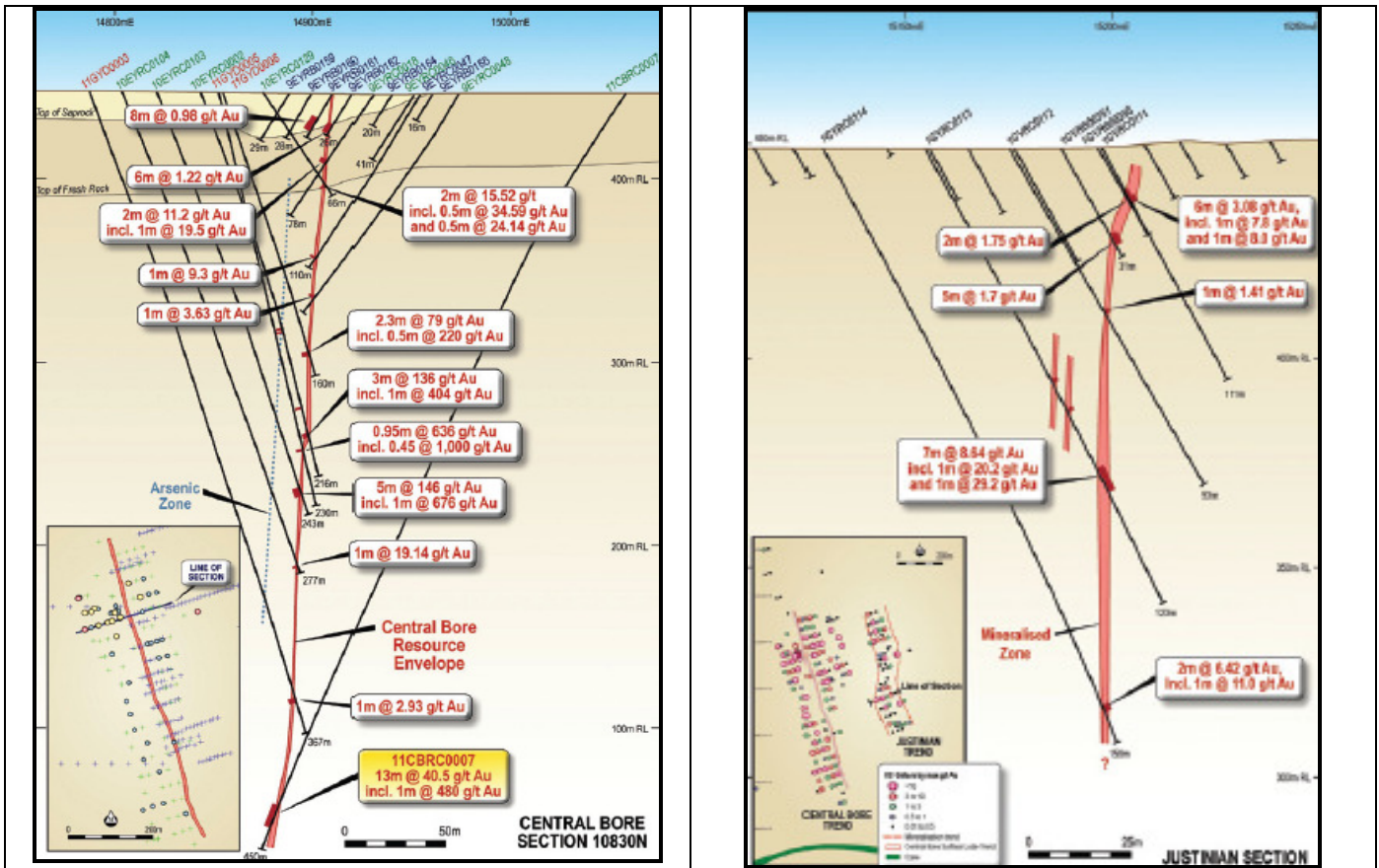
Reserves and Resources/Mineralised Material

| Code for reporting mineral resources - Australian: | | (JORC) | | | | | | |
|---|--------------------|----------------|--------|---------------------------------|-------------|----------------------------------|-----------------------------------|--|
| Gold | Classification | Project Equity | Ore Mt | Au g/t | Cut Off g/t | Au t | Au koz | Au Equity koz |
| Reserves | | | | | | | | |
| Resources | | | | | | | | |
| Yamarna - Attila | Meas., Ind. & Inf. | 100% | 19.82 | 1.44 | 0.50 | 28.5 | 917 | 917 |
| Yamarna - Central Bore | Meas., Ind. & Inf. | 100% | 0.60 | 7.86 | 1.00 | 4.7 | 150 | 150 |
| Total Resources | | | 20.4 | 1.63 | | 33.2 | 1,067 | 1,067 |
| Mineralised Material (est., non compliant with JORC) | | | | | | 0.0 | 0.0 | 0.0 |
| | | Project Equity | Mt | U ₃ O ₈ % | Cut Off ppm | U ₃ O ₈ kt | U ₃ O ₈ mlb | U ₃ O ₈ Eqty mlb |
| Uranium Resources | | | | | | | | |
| Thatcher Soak | Inferred | 100% | 16.1 | 0.017 | 100 | 2.7 | 6.2 | 6.2 |

Key Projects

| Project | Ownership/Option | Metal | JV Partner | Target Type | Process Route | Project Status | Location |
|-------------------------|------------------|-------|------------|-------------|---------------|----------------|----------|
| Yamarna - Central Bore | 100% | Au | none | h.g.vein | gravity/CIP | Proj. Dev't | Aus (WA) |
| Yamarna - Attila | 100% | Au | none | ox/sulp | heap leach | Adv. Expl. | Aus (WA) |
| Yamarna - Gold regional | 100% | Au | none | ox/sulp | na | Early Expl. | Aus (WA) |
| Golden Sands | 100% | Au,U | none | ox/sulp | na | Early Expl. | Aus (WA) |
| Yamarna: Thatcher Soak | 100% | U | none | Calcrete | Alk. Leach | Adv. Expl. | Aus (WA) |

Central Bore (LH graphic) and Justinian (RH graphic) are parallel steeply dipping high grade vein systems open at depth, and 200m apart. They will probably be mined via an adit after an initial box cut, and are likely to provide the initial ore sources for the commencement of production.



As the Scoping Study for the commencement of mining progresses, GOR will increasingly be seen as an emerging gold producer with strong exploration potential likely to drive increases in its resource base. We have reviewed below some near-term production options for the Company.

| STAGE | PRODUCTION OPTION | DETAIL | COMMENT |
|---|---|--|--|
| Central Bore & Justinian - narrow vein small scale underground mining | | | |
| Stage 1 early 2013 | Mine high grade and truck to Laverton (Granny Smith, Brightstar?). | Likely fast track low capex option to generate cashflow. Supported by current Central Bore Resource. | GENERATING EARLY CASHFLOW. 100ktpa ore trucked @ 8g/t head grade would produce ~25kozpa contained gold, moderate opex. |
| Stage 2 late 2013? | Mine high grade, gravity separation, intensive leach. | Subject to defining further high grade ore. Capex for 200ktpa plant of order of A\$25m? | BECOMING A LOW COST PRODUCER. 200ktpa @ 8g/t head grade would produce ~50kozpa, low opex. |
| Combined larger scale Attila (open cut), Central Bore, Justinian treatment plant. | | | |
| Future? | Underground mining of high grade and blend with Attila open cut ore in large scale plant. | Large scale (1-2mtpa?) gravity/CIL ore treatment plant. Particularly attractive if on-going drilling of Attila resource produces higher grade zones. | MAJOR POTENTIAL FOR PRODUCTION EXPANSION. A 2mtpa operation with blended grades ~2-3g/t would produce >100kozpa, low-moderate opex. |
| Separate Attila development - heap leach in parallel with Stage 2 | | | |
| Future? | Possible heap leach operation? | Stand alone heap leach operation could be established in parallel with Stage 2 Central Bore development. | IF ATTIILA REMAINS A LOW GRADE RESOURCE. 1mtpa heap leach @ 1.5g/t would produce additional ~35kozpa, moderate opex. |
| COMMENTS | | | |
| These development options are based on RCR conceptual analysis. They have been presented to illustrate a range of possible options. Development options beyond Stage 1 will be 'underwritten' with continued exploration success proving up additional high grade ore in the numerous parallel zones identified near Central Bore, and in the Attila trend. | | | |

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