



## Gold Road Resources Ltd GOR

### 85,000 METRES OF GOLD DRILLING THROUGHOUT 2011

#### Capital Structure

ASX Code	<b>GOR</b>
Shares	279 m.
Options	55 m. mostly @ 7cts
Share Price	\$ 0.440
Market Cap	\$ 123 m.
Cash (est)	\$ 10 m.

#### Board & Management

Ian Murray	Executive Chairman
Ziggy Lubieniecki	Executive Director
Russell Davis	Non Exec. Director
Kevin Hart	Non Exec. Director
Martin Pyle	Non Exec. Director

#### Opinion\*

Establishment of a high grade gold Resource at the Central Bore project changes Gold Road's project development paradigm. Discovery of additional look-a-like targets where high grade RC gold intercepts have been recorded under geochemical soil anomalism opens up Gold Road's project area for discovery of additional high grade mineralisation, which could potentially support standalone mining and processing.

A discovered gold endowment of over 1 million ounces on its Yamarna Belt, provides Gold Road with a strong base to move towards commercial gold production. Given the large number of prospects that Gold Road has established, there is a clear likelihood that over time, the company will continue to expand its gold Resources at Yamarna.

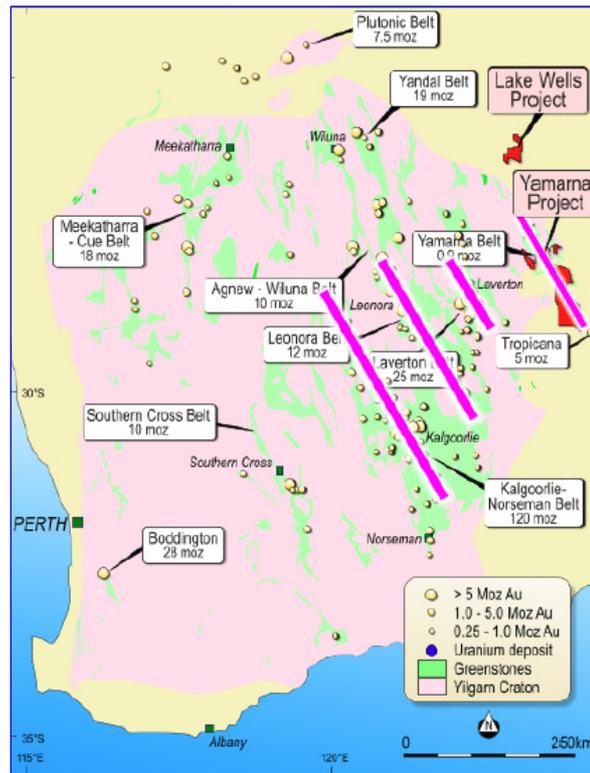
Peter Strachan.

\*No recommendation is offered for commissioned research.

#### Investment Drivers

- ◆ Gold Road has established a gold Resource of over 1 million ounces at its 100% held Yamarna leases and is now finding much higher grade occurrences on the periphery of its mineralised shear than previous average Resource grades on the main shear zone.
- ◆ The high grade Central Bore gold discovery has a maiden Resource containing 150Koz at an average grade of 7.9g/t Au in a narrow vein deposit. Nearby occurrences along strike and at the adjacent Justinian deposit will build on this total as drilling progresses.
- ◆ Several geochemical gold anomalies have been outlined where early drilling has shown promising high grade gold mineralisation. Based on this encouragement and its discovery rate so far, the company plans a very active drilling programme, doubling target metres drilled to 85,000 metres in 2011 and ensuring ample news flow.
- ◆ Geochemical survey and drilling of at the Byzantium prospect shows potential for a VMS style gold and base metal mineralisation.
- ◆ Heap or dump leach processing is planned for the oxide component of existing gold Resources, totalling 749,000 ounces at an average grade of 1.78g/t in several deposits along the Yamarna Shear. Metallurgical studies indicate reasonable gold recovery dynamics. Higher grade gold zones could support a toll treatment option at the Granny Smith mill, 150 km southwest, or ultimately at a stand-alone processing option.

#### GOR - Major Project Location



Source: Gold Road

#### Share Price

GOR - GOLD ROAD RES LTD



Company controls an entire proven gold province

Permits extend south towards Anglo's Tropicana Deposit

1,067Koz of Resources @ 1.63 g/tAu

Large exploration upside

### Introduction

Gold Road's permits dominate the entire Yamarna Shear Zone, located in the remote eastern portion of WA's Yilgarn Craton. The Yamarna Shear Zone is a major deep-seated mineralising feature stretching about 500 kilometres in a roughly north-south orientation and running south. The southern boundary of these tenements is about 25 kilometres north of the +5 moz Tropicana and Havana deposits. Gold anomalism is known within the Yamarna Shear Zone over 150kms from the Pacific Dunes prospect in the north, through Attila-Alaric-Khan North to the Breelya, Augusta and Bluebell prospects in the southern end of the project area. This mantle-tapping shear is similar to other major systems located to the west, including the Laverton Shear Zone, with over 25 million ounces of discovered gold and the 12 million ounce, Leonora Shear Zone.

During 2010, the company recorded several gold discoveries around its high grade, Central Bore deposit and is now funded to undertake vigorous drilling activity during 2011.

### Gold

The company's total estimated gold Resource amounts to 1.067 million ounces within 20.4 million tonnes of mineralisation. Recent Resource additions on the periphery of the main Yamarna Shear Zone at **Central Bore** has a different character and much higher grade than mineralisation previously outlined in the centre of the Yamarna Shear Zone.

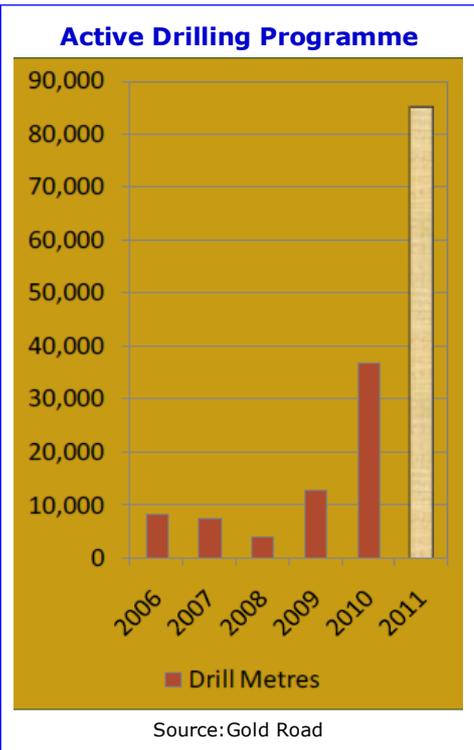
Metallurgical studies indicate recoveries averaging 93% from this ore type using conventional processing. The low grade oxide portion of this mineralisation holds potential to support a dump leach operation. Metallurgical tests on the recovery dynamics of selected oxide ore samples support the potential for a dump or heap leach operation.

With an estimated \$10 million of net cash, Gold Road is now cranking up its drilling programmes and has expanded its geological team to assist with the management of a 2-3 rig programme. Work was halted in March '11 after heavy rain on the field restricted access. Drying roads should enable work to recommence by mid April.

Central Bore is located adjacent to the main Yamarna tectonic zone. The distinguishing feature of Central Bore is its relatively high gold grade, with intersections during 2010 such as **4 metres grading 60.9 g/t Au** from 64 metres and **3 metres grading 25.6 g/t Au** from 75 metres depth, showing clear potential for a shallow, high grade gold resource.

Yamarna Mineral Resource Summary			
Project Area (cut-off)	000t	Grade g/t Au	Ounces
<b>Central Bore (1.0g/t)</b>	<b>595</b>	<b>7.86</b>	<b>150,300</b>
Inferred	238	4.78	36,600
Indicated	333	9.43	101,000
Measured	24	16.67	12,700
<b>Attila (0.5g/t)</b>	<b>19,817</b>	<b>1.44</b>	<b>917,000</b>
Inferred	7,117	1.41	322,000
Indicated	6,251	1.36	273,000
Measured	6,449	1.55	322,000
<b>TOTAL</b>	<b>20,412</b>	<b>1.63</b>	<b>1,067,300</b>

Source: Gold Road



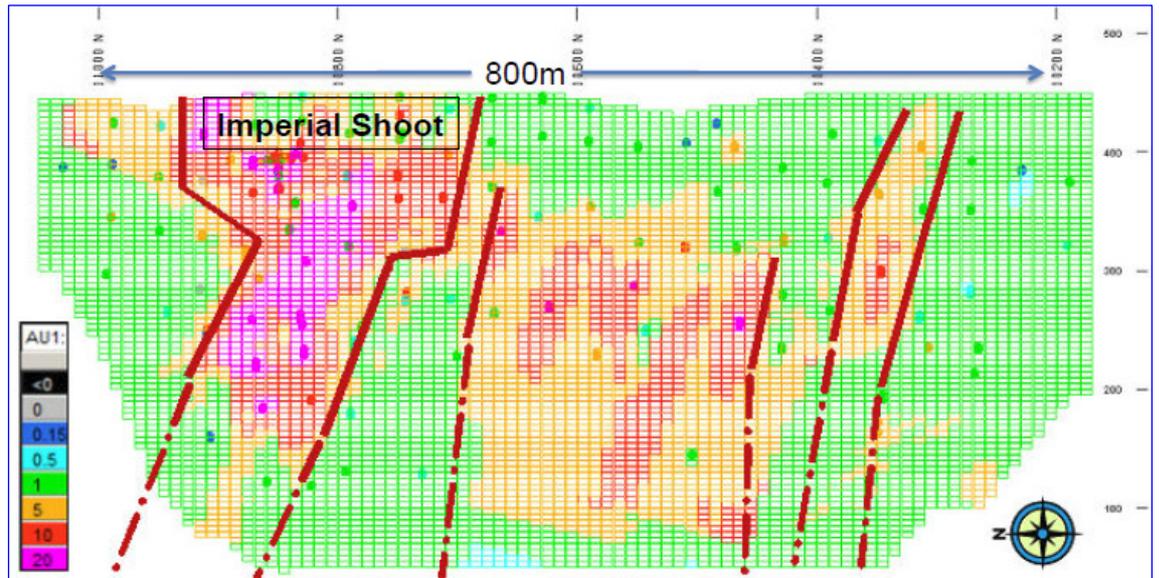
### Central Bore - high grade gold

Recent drilling at Central Bore continues to produce some spectacular results including:-

- **5m @ 146 g/t Au** from 226 m including **1 m @ 845 g/t Au**
- **6 m @ 35 g/t Au** from 237 m including **1 m @ 182 g/t Au**
- **1 m @ 76.9 g/t Au** from 72.5 m including **0.5 m @ 152 g/t Au**
- **1.5 m @ 62.8 g/t Au** from 56 m including **0.5 m @ 138 g/t Au & 0.5 m @ 48.9 g/t Au**
- **2 m @ 16.6 g/t Au** from 61 m including **0.5 m @ 60.9 g/t Au**
- **0.95 m @ 636 g/t Au** from 196.55 m including **0.45 m @ 1,000 g/t Au**
- **0.8 m @ 225 g/t Au** from 279.2 m including **0.45 m @ 400 g/t Au**
- **1.5 m @ 79 g/t Au** from 200 m including **0.5 m @ 220 g/t Au**
- **2.3 m @ 79 g/t Au** from 145 m including **0.5 m @ 220 g/t Au**

The company is examining mining methods and estimating costs in order to be able to wrap an ore Reserve around the Resources and mineralisation it has outlined. Given the narrow vein nature of Central Bore, care will be needed to convert it into a Reserve, but the discovery of additional high grade mineralisation at the Justinian deposit, 200 metres to the west of Central Bore is likely to reduce capital and operating cost estimates across the field. Tests show that while the gold is finely dispersed, a high proportion will be recovered in a gravity processing circuit reducing operating costs and enhancing overall recovery.

**Central Bore – Long Section**



Source: Gold Road

**150.3Koz at Central Bore**

Central Bore has been drilled along ~800 metres of strike-length to depths of over 300 metres and RAB drilling results show a 1.1 kilometre mineralised extension to north and a 1.2 kilometre extension to south. While the orebody outcrops, its narrow form will most likely be more suited to small scale underground mining techniques. At Central Bore, a maiden Resource estimate of 595,000 tonnes grading 7.86 g/t Au for 150,300 oz Au includes a high grade core of 77,000 tonnes grading 23.1g/t Au for 57,100 oz Au in the Imperial Shoot.

**Justinian Zone adds tonnes**

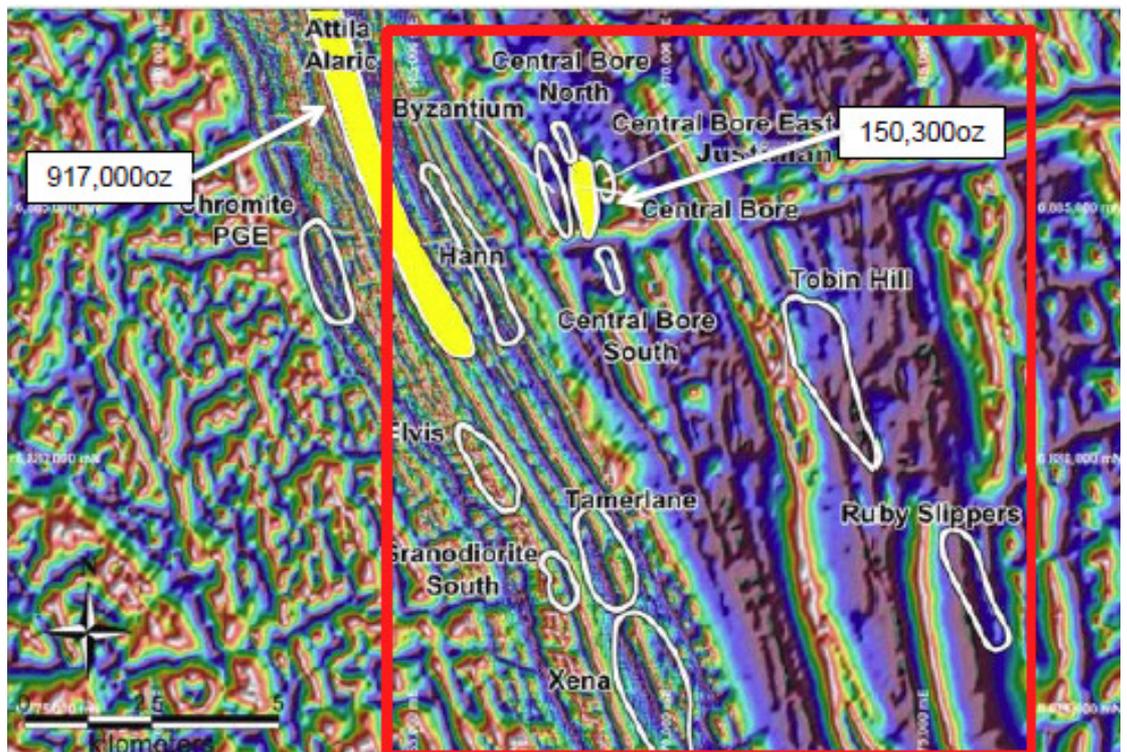
At the adjacent Justinian prospect, higher grade RC drill intersections have included:-

- **7 m @ 27.2 g/t Au** from 69 m including 1 m @ 102 g/t Au & 72 g/t Au

Hole 10EYRC0116, intersected continuous gold over 67 metres with three zones of elevated gold grades:

- **3 m @ 7.4 g/t Au** from 42 m including **1 m @ 18 g/t Au**
- **5 m @ 2.5 g/t Au** from 50 m
- **8 m @ 4 g/t Au** from 63 m including **1 m @ 10.3 g/t Au**

**Prospect Map**



Source: Gold Road

**++Juicy targets to drill**

### More RC drilling required understand mineralisation

Many of the gold occurrences that Gold Road has outlined by augur or RAB drilling will receive RC and diamond core drilling during 2011. This work is required to gain more detailed knowledge of the shape and orientation as well as average grade of each target, along with metallurgical and geotechnical characteristics of surrounding rocks. All this work during 2011 is expected to add to ore Resources in the target area.

Mineralisation along the main shear zone tends to be associated with cross-cutting physical features creating dilation or jogs within banded ironstone formations which host gold mineralisation. However, gold is found in all types of rock formations within the shear zone. Once prospective zones are identified by geophysical mapping, geochemical assessment is undertaken by shallow RAB drilling.

### Spending ~\$9 million this year

Follow-up geochemical soil sampling work has outlined additional gold anomalies along 2.8 kilometres of strike at **Hann**, where drilling has shown gold and base metal mineralisation, close to Central Bore and 1.1 kilometres east of the Attila gold deposit. Channel soil sampling done over certain Hann gold anomalies has produced spectacular grades up to 361 g/t Au and including 19 g/t Au, 16 g/t Au, 8.4 g/t Au, 3.5 g/t Au, 2.3 g/t Au, 2.1 g/t Au, 1.6 g/t Au, 1.3 g/t Au, 1.1 g/t Au and 1.0 g/t Au, each over 1 metre sample intervals, so deeper drilling is eagerly anticipated.

The **Tobin Hill** prospect looks similar to Central Bore, showing gold in geochemical sampling over a non-magnetic host. This and other targets where metal detecting has uncovered small gold nuggets on ground with low magnetic response, will form the basis of an exciting drilling programme, once tracks dry out sufficiently to move rigs around.

Positive metallurgical test results support a project to process the company's 19.8 million tonnes of low grade Yamarna ore via a profitable dump or heap leach operation on site however, the discovery of higher grade mineralisation could lead to profitable processing of ore via a large-scale CIP plant, funded at least in part by toll processing of initial high grade mineralisation.

## Uranium

### 6.2 mlb of U<sub>3</sub>O<sub>8</sub>

Gold Road owns a part of the shallow low grade Thatcher Soak, calcrete uranium deposit, along with additional uranium targets on its Yamarna Greenstone Belt. Gold Road's portion of the deposit has a resource of 16.1 mt grading 174 ppm U<sub>3</sub>O<sub>8</sub>, containing 6.2 million pounds of uranium oxide. Neighbouring permit holder Uranex has indicated that it intends to sell its interest in the project. An interested buyer will most likely want to talk with Gold Road before purchasing that interest and negotiations could prove beneficial to Gold Road shareholders.

### Uranex selling its interest

At a uranium oxide price of US\$60/lb, Thatcher Soak mineralisation has an insitu value of around A\$25/tonne, which would provide a challenge for commercial production, but higher grade zones show potential to treat pockets of mineralisation with an insitu value of over A\$70 per tonne.

### Exploration appeal on edge of the Craton...

Gold Road holds other uranium-prospective tenement comprising the Lake Wells and Lake Rason, where it plans systematic exploration programme during 2011. Parts of Gold Road's southern, Golden Sands permit area, sit within the Officer Basin and hold potential for both calcrete and Mulga Rock type sandstone/lignite and unconformity-associated uranium targets within the Lake Rason and Lake Wells paleo drainage systems. The tenements are also considered to be highly prospective for uranium mineralisation.

### ...and sedimentary basin

The company plans to conduct field checks of radiometric anomalism during 2010.

## Valuation

Gold Road currently trades with a market capitalisation of about \$114 per ounce of gold in Resources. Previously, the company's low grade mineralisation and remote location have worked against its valuation. Recent discovery of higher grade deposits along the company's exploration leases have lowered risks associated with grade and its expanding resource base is lowering the risks associated with sparse infrastructure.

Strachan Corporate is confident that Gold Road will continue to find more gold mineralisation at Yamarna and that it's ranking will continue to improve.

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