

## GRUYERE GOLD PROJECT TO BE DEVELOPED IN JOINT VENTURE WITH GOLD FIELDS LTD

### Highlights

- **Gold Road has agreed to enter into a 50:50 joint venture with a wholly owned Australian subsidiary of Gold Fields Limited for the development and operation of the Gruyere Gold Project in Western Australia**
- **Purchase consideration comprises A\$350 million in cash payments and an uncapped 1.5% net smelter return royalty after production of 2 million ounces**
- **Gold Road retains >50% economic interest in the Gruyere Joint Venture through the 50% direct ownership and the 1.5% net smelter royalty**
- **Gold Fields to fund up to 10% of cost overruns on the Gruyere development budget and provide funding support for any project-level guarantee requirements**
- **This transaction fully funds Gold Road for development of Gruyere and to accelerate exploration activities across both its 100%-owned North Yamarna tenements and the 50%-owned South Yamarna tenements**
- **Gold Road retains exposure to 50% of the gold production and cash flow from Gruyere together with the 1.5% net smelter return royalty, 50% ownership of the Gruyere JV tenements, 100% ownership of North Yamarna and 50% of South Yamarna**
- **Joint Venture is committed to progressing to the project construction phase early in 2017**
- **Transaction subject to FIRB and related approvals**

### Transaction Overview

Gold Road Resources Limited (**Gold Road** or the **Company**) is pleased to announce it has formed a 50:50 joint venture with a wholly owned Australian subsidiary of Gold Fields Limited (**Gold Fields**) for the development and operation of the Gruyere Gold Project (including the Central Bore, Attila and Alaric deposits and the YAM14 and Toto Prospects, in total comprising 144 km<sup>2</sup>) (**Gruyere Joint Venture** or **GJV**), located approximately 200 kilometres east of Laverton in Western Australia. Gold Road will retain 100% ownership of the remaining North Yamarna tenements, an area of approximately 2,300 km<sup>2</sup>.

Under the transaction, Gold Fields will purchase a 50% interest in the Gruyere Gold Project from Gold Road for aggregate consideration comprising:

- Cash consideration of A\$350 million, comprising A\$250 million payable on completion of the transaction and A\$100 million contributed by Gold Fields to fund Gold Road's initial cash calls during the construction phase
- An uncapped 1.5% net smelter return royalty (**NSR Royalty**) on Gold Fields' share of production from the Gruyere Joint Venture tenements once total gold production exceeds 2 million ounces

ASX Code GOR

ABN 13 109 289 527

#### COMPANY DIRECTORS

Tim Netscher  
**Chairman**

Ian Murray  
**Managing Director & CEO**

Justin Osborne  
**Executive Director,  
Exploration & Growth**

Martin Pyle  
**Non-Executive Director**

Sharon Warburton  
**Non-Executive Director**

Kevin Hart  
**Company Secretary**

#### CONTACT DETAILS

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- An assumed liability by Gold Fields for up to a 10% overrun on the Gruyere initial development program and budget of A\$507 million, subject to certain exceptions such as overruns due to a force majeure event and agreed scope changes
- Funding support by Gold Fields for any project-level bonding or guarantee requirements, to the extent required under the Gruyere Joint Venture

The highly experienced Gold Road Owner's team established over the past 18 months will be retained as part of the team to develop the Gruyere Gold Project under the management and leadership of Gold Fields. The development program and capital budget have been agreed and the Gruyere Joint Venture is committed to progressing the project to construction phase, including finalisation of EPC, Bulk Earthworks and Power Supply contracts, the purchase of long lead time items and continuing Front End Engineering and Design.

Following the completion of the transaction, Gold Road will be in a very strong financial position, being fully funded for its share of construction capital for the development of the Gruyere Gold Project and to accelerate exploration programs across its highly prospective 50% owned Gruyere JV tenements, 100%-owned North Yamarna tenements and 50%-owned South Yamarna Joint Venture tenements. The financial flexibility afforded by the transaction may also enable the Company to consider future capital management initiatives.

## Benefits to Gold Road Shareholders

Following the approval and release of the Gruyere Feasibility Study on 19 October 2016 and after careful consideration of various financing strategies, including attractive debt and equity proposals, the Board of Gold Road has determined that the Gruyere Joint Venture is highly compelling on many fronts and represents the best path to maximise value for Gold Road shareholders. The Joint Venture option:

- Realises A\$350 million in cash at an attractive pre-development valuation and provides further long-term upside exposure via an uncapped 1.5% NSR Royalty over Gold Fields' share of future gold production at Gruyere, once total mine production exceeds 2 million ounces.
- Delivers >50% economic interest in the Gruyere Joint Venture through the combination of 50% direct ownership and the 1.5% NSR Royalty
- Offers significant exploration upside. Given the identified potential for the Gruyere Deposit to extend significantly at depth and recent exploration and extensional success at the YAM14, Attila South and Alaric Deposits, the combination of the 50% direct ownership and the NSR Royalty provides additional long term upside exposure to new discoveries and future gold production
- De-risks development through the introduction of an experienced partner with a demonstrated track record of developing and operating open-pit gold projects in Australia and internationally, combined with a conditional 10% capital cost overrun allowance and a commitment by Gold Fields to support the funding of any project-level guarantees or bonding requirements
- Significant and long life lower risk gold production, with growth. Gold Road maintains ownership and ongoing exposure to 50% of gold production and strong forecast cash flow generation from Gruyere over its current 13 year mine life, together with 50% of any new discoveries on the Gruyere JV tenements, 100% of new discoveries within the North Yamarna exploration areas and 50% of new discoveries within the South Yamarna tenements, which are held in joint venture with Sumitomo Metal Mining Oceania Pty Limited
- Fully funds Gold Road for its 50% share of the Gruyere Gold Project development capital and continued accelerated exploration activities across the highly prospective Yamarna Belt without needing to raise new funds via debt or equity markets

- Allows Gold Road to focus and deliver on its proven core strength of discovering and developing gold projects on its highly prospective 50% owned Gruyere JV tenements, 100% owned North Yamarna and 50% owned South Yamarna belts while Gold Fields, with its proven track-record of constructing and operating gold mines, leads the construction and operational phases of the 50% owned world-class Gruyere Gold Project
- Allows Gold Fields, with a proven history and track record in exploiting underground gold deposits, to provide a significant competitive advantage in evaluating and possibly exploiting the significant depth extensions at the Gruyere Deposit
- Delivers a significant premium for shareholders. The A\$350 million in cash payments (pre-tax), together with a conservative estimate on the NSR Royalty valuation and consensus broker valuation for the North Yamarna and South Yamarna exploration potential, implies a see-through value at a significant premium to Gold Road's current share price
- Exposes the Gruyere Gold Project to Gold Fields' considerable operational and financial strength including supply chain efficiencies, supplier purchasing power, and access to leading systems and capabilities in mining geology, geotechnical and metallurgical disciplines
- Will establish a Regional Co-operation Memorandum of Understanding (**Regional MoU**) that secures reasonable access to the processing plant and extensive site infrastructure, including the bore field and pipeline, to be developed at Gruyere, thereby enhancing the options available for any future discoveries made by Gold Road across its 100% owned North Yamarna and 50% owned South Yamarna tenements

## Formation of a Strategic Partnership

Under the terms of the Joint Venture Agreement and Regional MoU:

- Gold Fields and Gold Road will establish a 50:50 unincorporated joint venture to develop and operate the Gruyere Gold Project, with both parties assuming responsibility for their respective share of post-Feasibility Study expenditure
- Gold Road will continue to manage the Gruyere Gold Project during a transition period of up to 6 months post completion, after which Gold Fields will become the Manager on a 'no profit / no loss' basis
- Gold Road will continue to manage exploration activities on a 'no profit / no loss' basis on the JV tenements on all projects up to a development decision
- All of the existing Gruyere Owner's team will be transferred to the Gruyere Joint Venture management entity, with Gold Road able to second up to five employees to the development or production teams
- A Management Committee, together with Technical and Steering Committees, will be formed during the development and commissioning stages of the Gruyere Joint Venture. The committees will be responsible for providing oversight of the Manager and approving key decisions including business plans and budgets
- Gold Road and Gold Fields will initially have the right to appoint three representatives each to the respective committees. The initial Chairperson will be appointed by Gold Road during the transition period, after which the right to nominate the Chairperson will rotate every 12 months unless changed by supermajority vote. The Chairperson will not hold a casting vote
- Pre-emptive rights will exist in relation to the transfer of all or part of a Joint Venturer's interest to a non-affiliated party, except in relation to a change of control at the listed parent company level

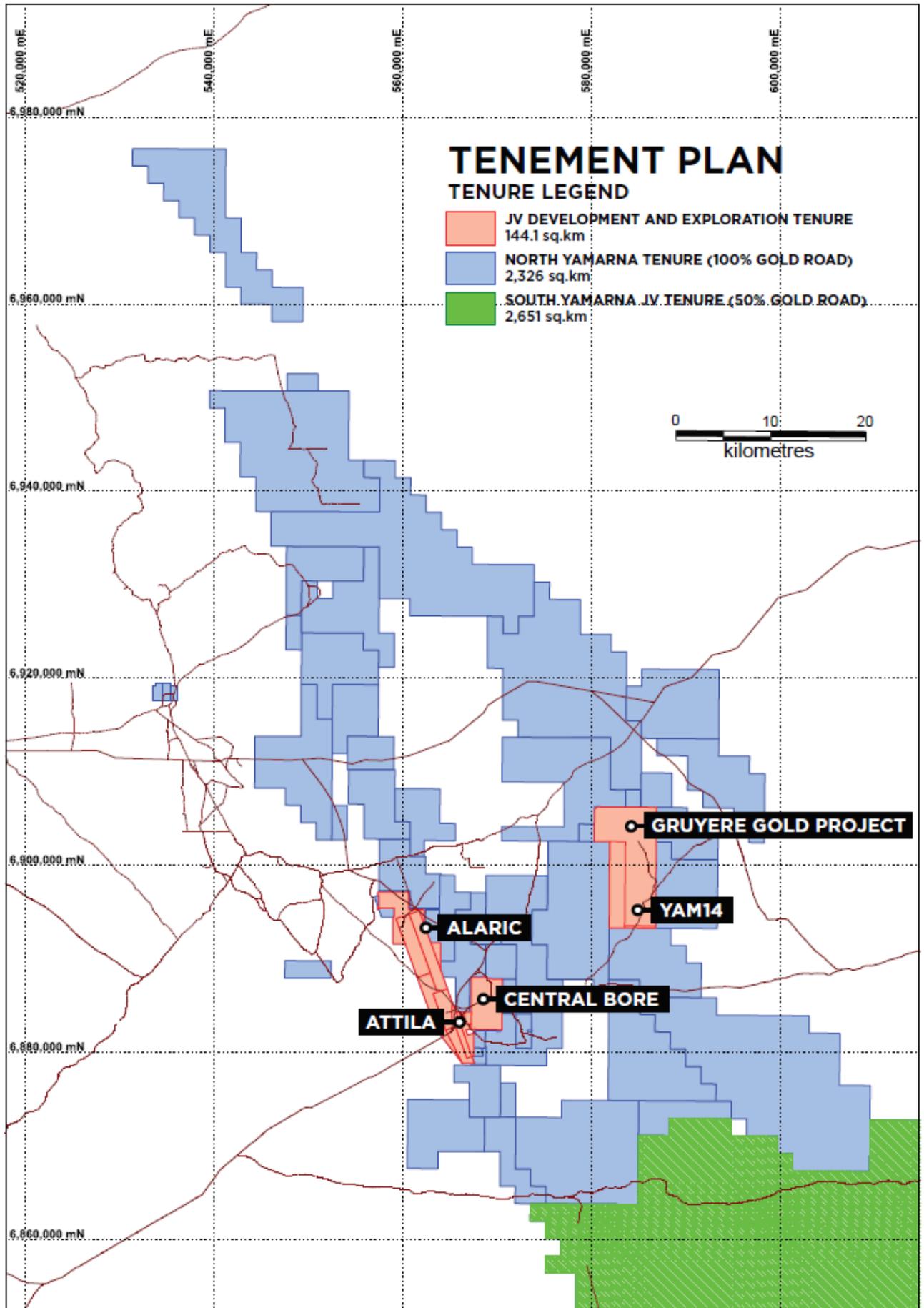


Figure 1: Gruyere Joint Venture Tenement Map

## Commentary

Gold Road's Managing Director and CEO, Ian Murray said: *"We are very pleased to have concluded a highly accretive transaction for shareholders, and to have Gold Fields as our chosen joint venture partner, and with who we look forward to having a long and successful partnership. The highly experienced Owner's Team that we have established over the past 18 months will be the Team that will develop the Gruyere Gold Project under the guidance and leadership of Gold Fields. This partnership further strengthens our strong balance sheet, allows us to significantly de-risk the Gruyere Gold Project, and enables us to pursue our growth plans much sooner than we may have under alternative funding options."*

Nick Holland, CEO of Gold Fields commented: *"Australia is a key part of our business and our largest cash generator and this deal enhances our portfolio and expands our exposure to a new and emerging goldfield in Western Australia. We are excited about partnering with Gold Road and are hopeful this is the start of a multi-decade, mutually beneficial relationship and see significant potential synergies in resourcing, intellectual property, procurement and technical skills"*.

## Additional Information

Completion of the transaction is targeted for December 2016 and is subject to the satisfaction of a number of conditions precedent, including approval from the Foreign Investment Review Board, Ministerial consent from the Western Australian Department of Mines and Petroleum and non-objection or consent being obtained under the Native Title Agreement.

Treadstone Resource Partners acted as strategic and financial adviser to Gold Road. Corrs Chambers Westgarth was engaged as legal adviser.

## Shareholder Conference Call

The Company will be hosting two conference calls on Monday, 7 November 2016 to discuss the transaction. To listen in live, please dial the originating country's dial in number listed below and enter the associated call's conference ID.

**Time:** 2.00pm AWST (Perth) / 5.00pm AEDT (Sydney, Melbourne) / 2.00pm HKT SGT (Hong Kong, Singapore)  
**Conference ID:** 1485 2526

**Time:** 10.00pm AWST (Perth) / 9.00am EST (New York, Toronto) / 6.00am PST (San Francisco, Vancouver) / 2.00pm GMT (London)  
**Conference ID Code:** 1485 3398

**Australia Toll Free:** 1800 123 296 / **International:** +61 2 8038 5221

**Canada Toll Free:** 1855 5616 766

**China Toll Free:** 4001 203 085 / 8008 702 411

**Hong Kong Toll Free:** 800 908 865

**India Toll Free:** 1800 3010 6141

**Japan Toll Free:** 0120 477 087

**New Zealand Toll Free:** 0800 452 782

**Singapore Toll Free:** 800 616 2288

**United Kingdom Toll Free:** 0808 234 0757

**US Toll Free:** 1855 293 1544

## About Gold Road Resources

Gold Road Resources is pioneering development of Australia's newest goldfield, the Yamarna Belt, 200 km east of Laverton in Western Australia. The Company holds tenements covering 5,000 km<sup>2</sup> in the region, which is historically underexplored and highly prospective for gold mineralisation. These tenements contain a gold resource of 6.6 million ounces, including 6.2 million ounces at the Gruyere deposit, which Gold Road discovered in 2013.

The Feasibility Study for Gruyere, which was completed in October 2016, indicated the Project's 3.5 million ounce reserve could support average annualised production of 270,000 ounces for 13 years. While progressing Gruyere towards first production, Gold Road continues to explore for similar-scale deposits on its own on its North Yamarna tenements and in conjunction with joint venture partners, Sumitomo Metal Mining Oceania (a subsidiary of Sumitomo Metal Mining Co. Limited), on its South Yamarna tenements.

For further information, please visit [www.goldroad.com.au](http://www.goldroad.com.au) or contact:

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## About Gold Fields

Gold Fields is a significant producer of gold with attributable annualised production of approximately 2.0 million gold equivalent ounces from six operating mines in Australia, Ghana, Peru and South Africa. Gold Fields has been operating in Australia since 2001 and currently owns the Agnew, Darlot, Granny Smith and St Ives gold mines.

Gold Fields has total managed gold-equivalent Mineral Reserves of 64 million ounces and Mineral Resources of 155 million ounces. Gold Fields is listed on the JSE Limited (primary listing), the New York Stock Exchange (NYSE), NASDAQ Dubai Limited, Euronext in Brussels (NYX) and the Swiss Exchange (SWX).

More information can be found at <https://www.goldfields.com/>

# Appendix 1

## JORC 2012 Mineral Resource tabulation for the Yamarna Leases

Project Name	Tonnes (Mt)	Grade (g/t Au)	Contained Metal (Moz Au)
<b>Gruyere (0.5 g/t)</b>	<b>147.71</b>	<b>1.30</b>	<b>6.16</b>
Measured	13.86	1.18	0.53
Indicated	91.12	1.29	3.79
Inferred	42.73	1.35	1.85
<b>Central Bore (1.0 g/t)</b>	<b>0.63</b>	<b>9.0</b>	<b>0.18</b>
Measured	0.04	26.5	0.04
Indicated	0.40	9.0	0.12
Inferred	0.19	5.0	0.03
<b>Attila Trend (0.7 g/t)</b>	<b>5.30</b>	<b>1.59</b>	<b>0.27</b>
Measured	0.66	1.96	0.04
Indicated	3.85	1.52	0.19
Inferred	0.79	1.59	0.04
<b>Total</b>	<b>153.64</b>	<b>1.34</b>	<b>6.61</b>

### Notes:

- All Mineral Resources are completed in accordance with the 2012 JORC Code
- Gruyere Mineral Resource reported at 0.5 g/t Au cut-off, constrained within an A\$1,700/oz Au optimised pit shell based on mining and processing parameters from the PFS and geotechnical parameters from the previous Mineral Resource estimate (ASX announcement dated 22 April 2016)
- Attila Trend (Attila and Alaric) Mineral Resource reported at 0.7 g/t Au cut-off, constrained within an A\$1,600/oz Au optimised pit shell (ASX announcement dated 16 September 2015)
- Central Bore Mineral Resource reported at 1.0 g/t Au cut-off (2014 Annual Report)
- All figures are rounded to reflect appropriate levels of confidence. Apparent differences may occur due to rounding
- Gruyere, Central Bore and Attila Trend are wholly owned by Gold Road Resources Limited

## Gruyere Project Ore Reserves Statement

Ore Reserve Category	Tonnes (Mt)	Grade (g/t Au)	Contained Gold (Moz)
Proved	14.9	1.09	0.52
Probable	76.7	1.22	3.00
<b>Total Ore Reserve</b>	<b>91.6</b>	<b>1.20</b>	<b>3.52</b>

### Notes:

- The Ore Reserve are completed in accordance with the 2012 JORC Code
- The Ore Reserve is evaluated using a gold price of A\$1,500/oz (ASX announcement dated 19 October 2016)
- The Ore Reserve is evaluated using variable cut off grades: Oxide 0.35 g/t Au, Transitional 0.39 g/t Au and Fresh 0.43 g/t Au
- Ore block tonnage dilution averages 3.2%; Ore block gold loss is estimated at 1.4%
- All figures are rounded to reflect appropriate levels of confidence. Apparent differences may occur due to rounding
- A total of 407 kt at 0.87 g/t Au for 11.4 koz at 0.5 g/t Au cut-off of Inferred Mineral Resource associated with the dispersion blanket Domain is contained within the FS pit design (with the majority located within Stage 2). This oxide material has not been included in the optimisation, the Ore Reserve estimate nor the FS processing schedule and presents potential upside subject to further definition with RC drilling

Gold Road confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of estimates of Mineral Resources and Ore Reserves that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not materially changes from the original market announcement