

## Quarterly Report

For the period ending 31 December 2015

### Highlights

#### Solid progress on Gruyere Pre-Feasibility Study

- Gruyere PFS remains on track for completion in the March 2016 quarter
- Recent work focused on completing technical assessment and financial valuation

#### North Yamarna regional exploration programs yield encouraging results

- Aircore drilling along 5.2 kilometre Supergroup anomaly at Sun River-Wanderrie Camp Scale Target identifies six new targets for high priority follow-up RC drilling
- RC drilling identifies high-grade gold in bedrock at Pacific Dunes-Corkwood Camp Scale Target

#### Toppin Hill EIS drilling confirms significant gold mineralisation in South Yamarna Project

- First co-funded diamond drill hole at Toppin Hill Dolerite Prospect intersects significant gold mineralisation

#### Board approves 2016 exploration budget of more than \$10 million

ASX Code GOR

ABN 13 109 289 527

#### COMPANY DIRECTORS

Ian Murray

**Executive Chairman**

Justin Osborne

**Executive Director**

Russell Davis

**Non-Executive Director**

Tim Netscher

**Non-Executive Director**

Martin Pyle

**Non-Executive Director**

Kevin Hart

**Company Secretary**

#### CONTACT DETAILS

Principal & Registered Office  
Level 2, 26 Colin Street  
West Perth WA 6005

[www.goldroad.com.au](http://www.goldroad.com.au)  
[perth@goldroad.com.au](mailto:perth@goldroad.com.au)

T +61 8 9200 1600  
F +61 8 9481 6405



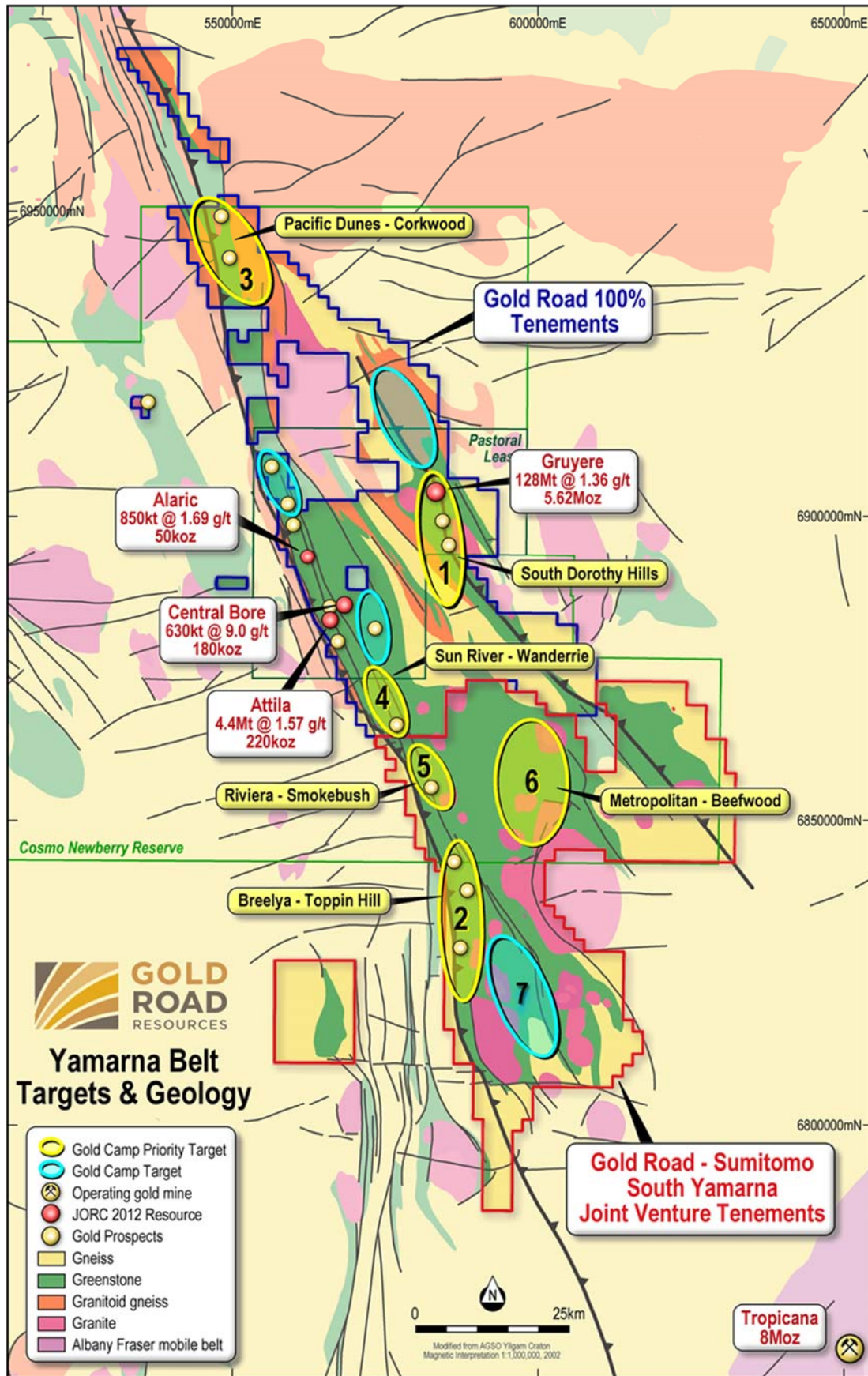


Figure 1: Gold Road tenements - showing geology, Camp Scale Targets, JORC 2012 Mineral Resources and gold prospects

## **EXPLORATION and DEVELOPMENT**

### **Dorothy Hills Project (Gold Road 100%)**

#### **Gruyere Pre-Feasibility Study**

Progressing the Gruyere Pre-Feasibility Study (**PFS**) towards completion was the main priority for Gold Road during the December 2015 quarter.

The second and final stage of the PFS has focused on completion of relevant technical work and economic valuation and follows the delivery of the first stage results in August 2015. As previously reported, the first stage of the PFS determined that the best go-forward case was a large-scale open-pit mine utilising a conventional 7.5 Mtpa gravity/carbon-in-leach processing facility powered by a pipeline-supplied, gas-fired power generation plant, for an initial life-of-mine of 10 to 15 years.

Certain technical work in anticipation of progression to a feasibility study on Gruyere was started during the quarter, including geotechnical and hydrological drilling and some advanced metallurgical testwork.

The target date for completion of the PFS was the March 2016 quarter and it is currently on track.

#### **South Dorothy Hills Regional Camp Scale Target (Camp #1 in Figure 1)**

During the quarter a 1,476 metre Reverse Circulation (**RC**) drilling programme was carried out at the Montieth prospect targeting structural targets and anomalism identified in the 2015 Aircore programme. The programme did not intersect significant bedrock gold mineralisation and the prospect has been downgraded as a result.

During 2016 work will commence with broad-scale regional Aircore testing of the eastern stratigraphy of the South Dorothy Hills Camp Target. The Toto and YAM14 Projects will be also appraised for further work.

### **North Yamarna Project (Gold Road 100%)**

#### **Sun River-Wanderrie Camp Scale Target (Camp #4 in Figure 1)**

Assay results from a two-stage infill Aircore programs testing gold anomalism at the Sun River-Wanderrie Camp Scale Target were received during the quarter, showing multiple intersections of greater than 1.0 g/t Au and extending the strike length of the Supergroup Anomaly at Wanderrie from 2.4 kilometres to 5.2 kilometres.

From the results, five gold targets have been selected for high priority follow-up RC drilling (Figure 2). The RC program comprising 2,500 metres of drilling is expected to start in the March 2016 quarter, while further Aircore drilling is planned during the year to test the extension of the Supergroup mineralised trend into the southern fault-offset continuation of the Yamarna Shear Zone. There also remains multiple untested targets from the 2014 Aircore program that will be followed up during 2016.

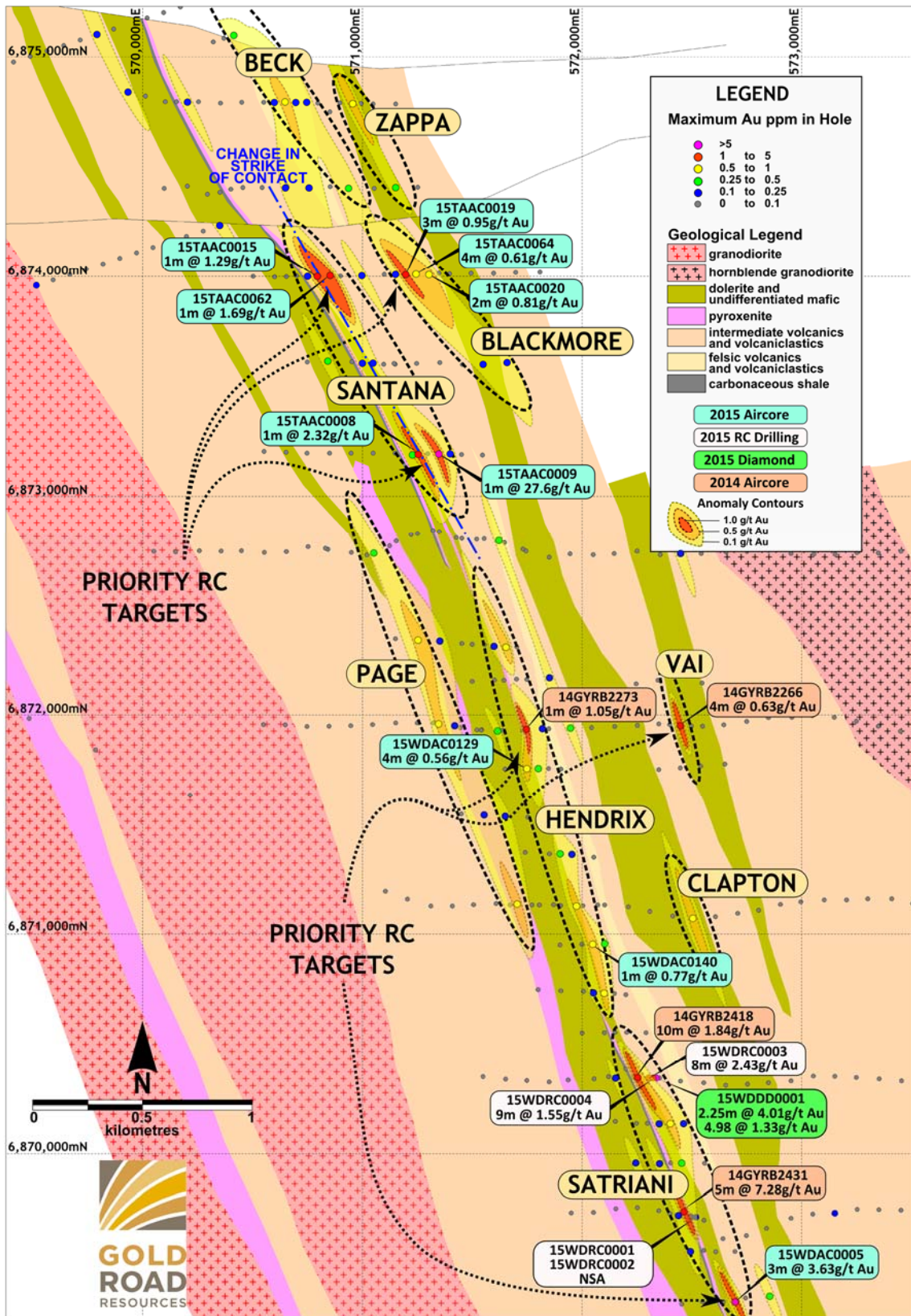


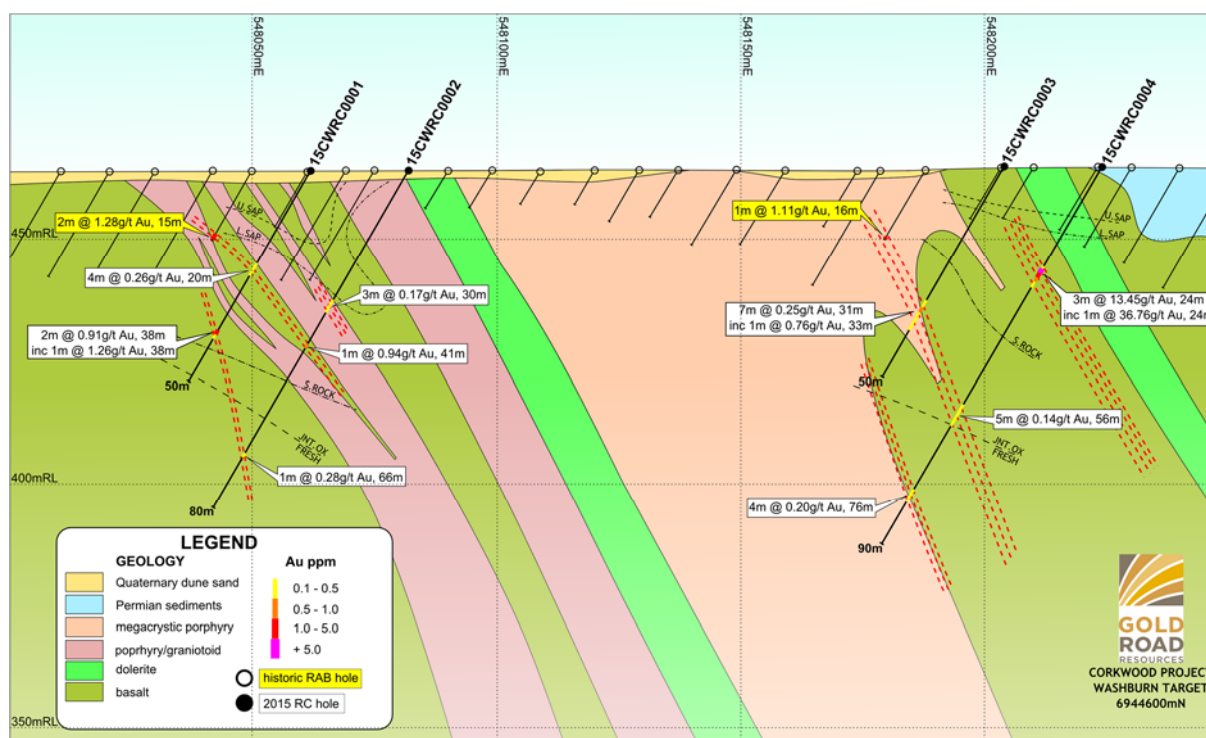
Figure 2: Sun River - Wanderrie Camp - Supergroup Anomaly with individual targets. Plan showing interpreted geology, maximum gold in-hole contours, and significant intersections from current and previous drilling programs (0.5 g/t Au cut-off). Priority RC targets identified, to be tested in March 2016 quarter are shown.

### Pacific Dunes-Corkwood Camp Scale Target (Camp #3 in Figure 1)

The first RC drill program undertaken at the Pacific Dunes-Corkwood Camp Scale Target (**Corkwood**), approximately 50 kilometres to the north-west of the Gruyere Deposit, has returned assays indicating significant high-grade bedrock gold mineralisation. The drilling program focused on the Washburn target, with best intersections of 3 metres at 13.45 g/t Au from 24 metres; including 1 metre at 36.76 g/t Au from 24 metres (15CWRC0004 – see Figure 3) and 3 metres at 2.47 g/t Au from 72 metres (15CWRC0007).

A follow-up infill Aircore program to provide increased definition of the Rickenbacker and Ibanez targets at Corkwood was also undertaken. This program confirmed a 2.5 kilometre gold anomaly at Ibanez (Figure 4), however the program did not intersect significant gold mineralisation at the Rickenbacker target.

Planned work at Corkwood includes follow-up Aircore drilling to define the broader extent of the Washburn anomalism, and RC and Diamond drilling to better define the identified bedrock gold mineralisation. RC drilling will be planned to test for bedrock mineralisation at the Ibanez target. Follow-up Aircore drill testing of the Stratocaster and Mesaboogie is planned and further Aircore drilling will be conducted at Ibanez over the course of 2016.



**Figure 3:** Washburn Target Cross Section 6944600 N, illustrating mineralisation at 0.1 g/t Au cut-off. Note close association with interpreted shear zones and intrusive contacts. The high-grade intersection in 15CWRC0004 is associated with a shear zone in basalt.

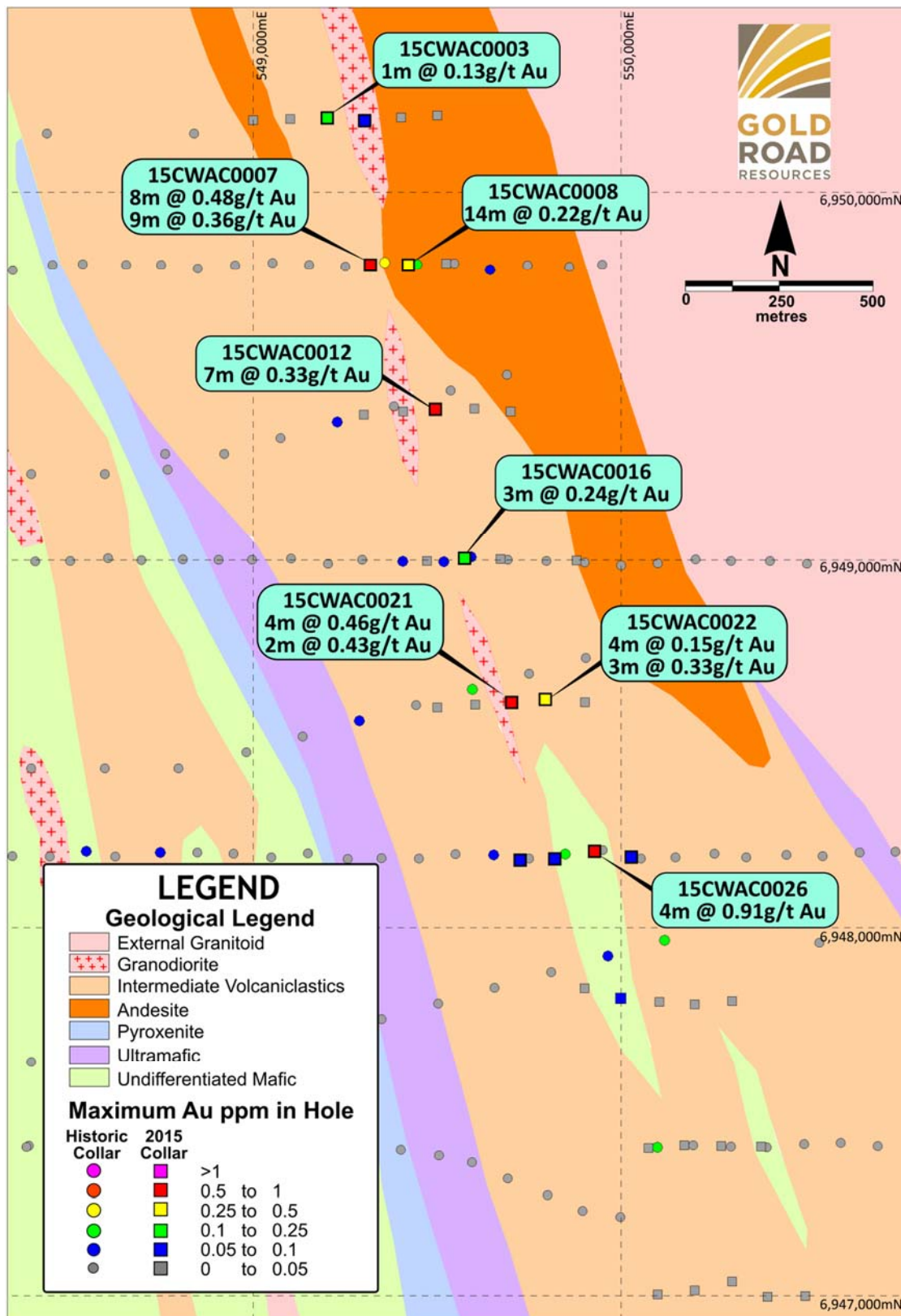


Figure 4. Pacific Dunes – Corkwood Camp - Ibanez target Aircore drilling results displayed with interpreted geology and significant down-hole intersections at a 0.1 g/t Au cut-off.

## South Yamarna Project (Sumitomo earning up to 50%)

### Breelya-Toppin Hill Camp Scale Target (Camp #2 in Figure 1)

During the quarter, the first diamond hole was drilled at the Toppin Hill Dolerite Prospect to a depth of 501.1 metres. This hole, co-funded by the Western Australian Government Exploration Incentive Scheme, successfully confirmed mineralisation identified in previous RC drilling with an intersection of 9.14 metres at 3.48 g/t Au from 143 metres, including 3.48 metres at 6.44 g/t Au from 143.82 metres.

Comprehensive geochemical sampling, downhole geophysical surveying and structural analysis is being completed to produce a structural and geological model for the Toppin Hill Dolerite and assist in targeting follow-up drilling. Along with the Smokebush Dolerite, Toppin Hill will be a key focus of the South Yamarna Joint Venture (SYJV) (Sumitomo Metal Mining Oceania earning up to 50%) in 2016.

### 2016 Plans

The 2016 SYJV exploration programme on the Joint Venture targets will commence with RC and Diamond drill testing of the Smokebush Dolerite, Yaffler and Toppin Hill Prospects. The continuation of early-stage testing of regional targets will be conducted later in 2016.

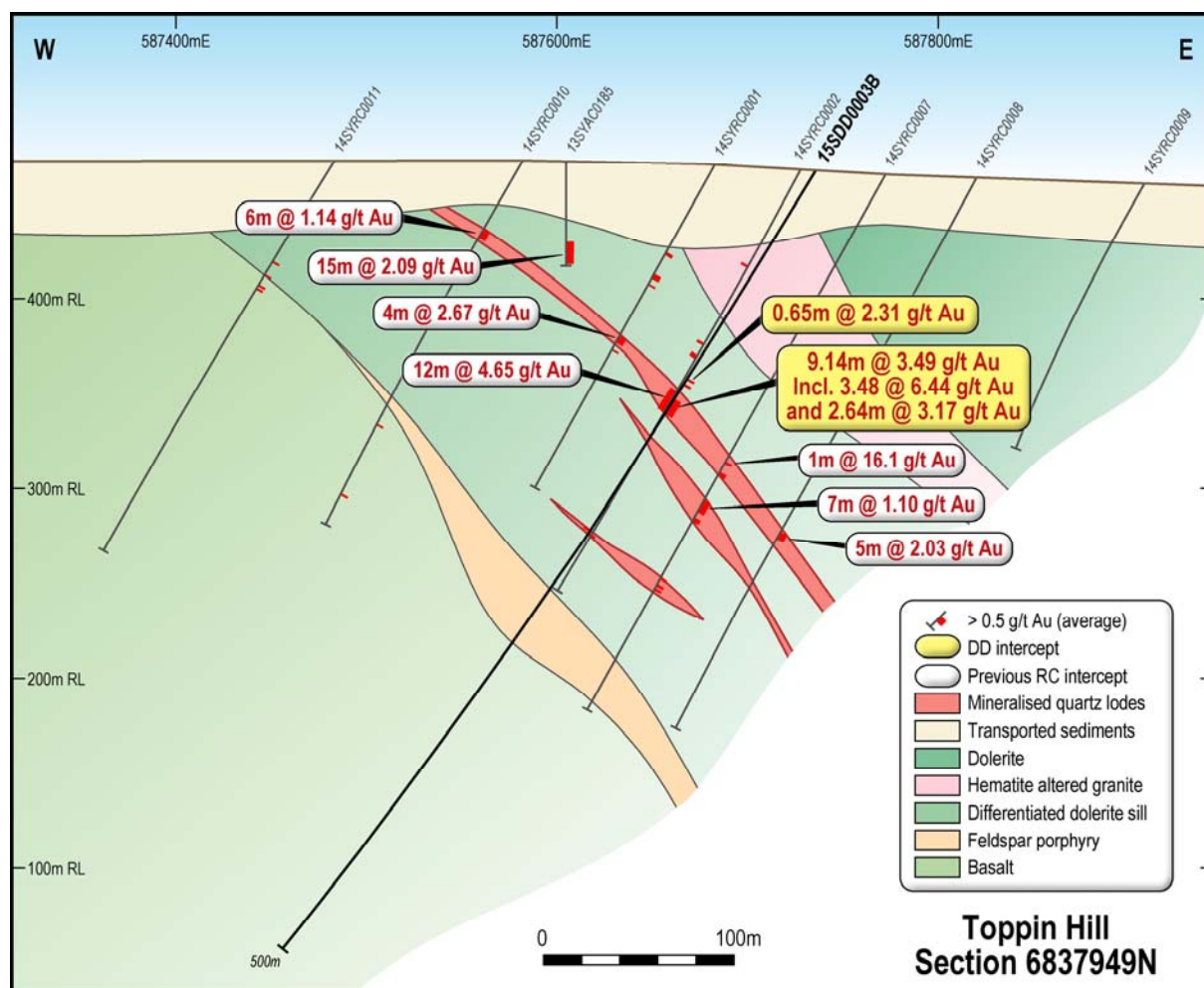


Figure 5. Toppin Hill West-East section on 6837949mN showing previous RC drilling and EIS diamond hole results.

## **MARCH 2016 QUARTER – PLANNED WORK**

### **North Yamarna Project**

#### **Gruyere Project**

- Completion and delivery of PFS
- Completion of resource model update incorporating grade control RC drilling
- Aircore drill test of north-south structural feature west of Gruyere – 2,000 metres

#### **South Dorothy Hills Regional (Camp #1)**

- Commence broad-scale regional Aircore testing of eastern part of South Dorothy Hills – 3,000 metres
- Review Monteith results in consideration of further work.

#### **Sun River – Wanderrie (Camp #4)**

- Wanderrie Supergroup RC program – 2,500 metres
- Aircore testing of 2014 Aircore anomalies – 2,000 metres
- Heritage clearances in preparation of first pass Aircore testing of southern continuation of Supergroup Anomaly trend

#### **Pacific Dunes - Corkwood (Camp #3)**

- RC program testing Washburn bedrock gold mineralisation - 2,500 metres
- Follow-up Aircore drilling at Washburn and northern extensions – 3,000 metres

### **South Yamarna Project**

#### **Riviera-Smokebush Project (Camp #5)**

- RC drill testing the northern strike extension of Smokebush Dolerite – 2,500 metres
- RC drill testing of >1 g/t Au Aircore targets at Yaffler – 2,850 metres



## CORPORATE

### Appointments

During the quarter, Mr Wayne Foote commenced his employment with the Company as General Manager - Operations.

Subsequent to the quarter's end, Mr Clayton Davy's was appointed to the position of Acting Exploration Manager.

### Share Capital

As at 31 December 2015, the Company had 693,481,617 shares, 5,652,853 performance rights and 5,168,000 unlisted options on issue with various strike prices.

### Cash Reserves

As at 31 December 2015, the Company had A\$36.9M in cash and equivalents on hand.

During the quarter, the Gold Road Board approved an exploration budget of more than A\$10M for the 2016 calendar year.

The Company retains the financial capacity to fund completion of a feasibility study on the Gruyere Project.

### Termination of the Asarco Royalty

Subsequent to the end of the December quarter the Company has issued 6,036,206 ordinary fully paid shares to Asarco Exploration Company Inc ('Asarco') being settlement in respect of the termination of the Asarco Announcement and Net Smelter Royalty ('NSR') attaching to certain North Yamarna tenements including the Gruyere Project.

The Asarco royalty included the payment of A\$1 million on announcement of a reserve greater than 400,000 ounces and a NSR of 1% on gold produced from the North Yamarna tenements over and above 400,000 ounces, capped at a maximum payment of \$500,000 per annum.

The share issue was completed within the Company's 15% placement capacity under ASX Listing Rule 7.1.

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

#### Gold Road

Ian Murray  
Executive Chairman  
Telephone: +61 8 9200 1600

#### Media and Broker Enquiries

Luke Forrestal - [lforrestal@canningspurple.com.au](mailto:lforrestal@canningspurple.com.au)  
Annette Ellis - [aellis@canningspurple.com.au](mailto:aellis@canningspurple.com.au)  
Cannings Purple  
Tel: +61 8 6314 6303

## About Gold Road Resources

Gold Road is pioneering development of Australia’s newest goldfield, the Yamarna Belt located 150 kilometres east of Laverton in Western Australia. The Company holds tenements covering approximately 5,000 square kilometres in the region, which is historically underexplored and highly prospective for gold mineralisation.

These tenements contain a gold resource of 6.1 million ounces, including 5.6 million ounces at the Gruyere Deposit, which Gold Road discovered in 2013 and is currently the focus of development studies. While progressing the Gruyere Deposit towards first production, Gold Road continues to explore for similar-scale deposits on its own across the Company’s North Yamarna tenements and in conjunction with joint venture partner, Sumitomo Metal Mining Oceania (a subsidiary of Sumitomo Metal Mining Co. Limited), on its South Yamarna tenements.

### NOTES:

The information in this report which relates to Exploration Results or Mineral Resources is based on information compiled by Mr Justin Osborne, Executive Director for Gold Road. Mr Osborne is an employee of Gold Road, as well as a shareholder and share option holder, and is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Osborne has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Mr Osborne consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

The Company 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 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 changed from the original market announcement.

JORC 2012 Mineral Resource tabulation for the Yamarna Leases – refer AX announcement 16 September 2015

Project Name	Tonnes (Mt)	Grade (g/t Au)	Contained Metal (Moz Au)
<b>Gruyere (0.7 g/t)</b>	<b>128.38</b>	<b>1.36</b>	<b>5.62</b>
Measured	1.58	1.41	0.07
Indicated	93.48	1.35	4.05
Inferred	33.31	1.4	1.49
<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	0.4	9	0.12
Inferred	0.19	5	0.03
<b>Attila Trend (0.7 g/t)</b>	<b>5.3</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>134.31</b>	<b>1.41</b>	<b>6.07</b>

### Notes:

- All Mineral Resources are reported to JORC 2012 standards
- Gruyere and Attila Trend (Attila and Alaric) Mineral Resource reported at 0.70 g/t Au cut-off, constrained with A\$1,600/oz Au optimised pit shells on parameters derived from an ongoing PFS.
- Central Bore Mineral Resource reported at 1.0 g/t Au cut-off (refer 2014 Annual Report).
- All figures are rounded to reflect appropriate levels of confidence. Apparent differences may occur due to rounding.

## Appendix 5B

### Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

**Gold Road Resources Limited**

ABN

**13 109 289 527**

Quarter ended ("current quarter")

**31 December 2015**

Consolidated statement of cash flows

<b>Cash flows related to operating activities</b>		Current quarter A\$'000	Year to date (6 months) A\$'000
1.1	Receipts from product sales and related debtors		
1.2	Payments for (a) exploration & evaluation (including JV Farm-in)	(6,397)	(13,449)
	(b) development		
	(c) production		
	(d) administration	(786)	(2,452)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	337	509
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Other - JV management fees	116	236
	- R&D Rebate (Tax refund)	-	1,080
	<b>Net Operating Cash Flows</b>	<b>(6,730)</b>	<b>(14,076)</b>
<b>Cash flows related to investing activities</b>			
1.8	Payment for purchases of: (a) prospects		
	(b) equity investments		
	(c) other fixed assets	(4)	(465)
1.9	Proceeds from sale of: (a) prospects		
	(b) equity investments		
	(c) other fixed assets	-	-
1.10	Loans to other entities		
1.11	Security Deposit	-	35
1.12	Other - JV Farm-in contributions received	446	807
	<b>Net investing cash flows</b>	<b>442</b>	<b>377</b>
1.13	Total operating and investing cash flows (carried forward)	<b>(6,288)</b>	<b>(13,699)</b>
<b>Cash flows related to financing activities</b>			
1.14	Proceeds from issues of shares, options, etc.	221	901
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Options exercise clearing		
1.19	Other - Share issue expense	-	(2)
	<b>Net financing cash flows</b>	<b>221</b>	<b>899</b>
	<b>Net increase (decrease) in cash held</b>	<b>(6,067)</b>	<b>(12,800)</b>
1.20	Cash at beginning of quarter/year to date	43,066	49,799
1.22	<b>Cash at end of quarter</b>	<b>36,999</b>	<b>36,999</b>

## Mining exploration entity and oil and gas exploration entity quarterly report

Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities

		Current quarter A\$'000
1.23	Aggregate amount of payments to the parties included in item 1.2	254
1.24	Aggregate amount of loans to the parties included in item 1.10	-
1.25	Explanation necessary for an understanding of the transactions	
Note 1.23 – Directors Fees and Remuneration of Directors		

## Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

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2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Expenditure for the quarter of \$601,380 (\$1,284,851 YTD) incurred by other entities under joint venture farm-in agreement on projects held by the company has been included at 1.2(a).
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## Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available A\$'000	Amount used A\$'000
3.1	Loan facilities		
3.2	Credit standby arrangements		

## Estimated cash outflows for next quarter

		A\$'000
4.1	Exploration and evaluation	8,400
4.2	Development	-
4.3	Production	-
4.4	Administration	1,300
<b>Total</b>		<b>9,700</b>

## Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

		Current quarter A\$'000	Previous quarter A\$'000
5.1	Cash on hand and at bank	3,999	5,066
5.2	Deposits at call	33,000	38,000
5.3	Bank overdraft		
5.4	Other (provide details)		
<b>Total: cash at end of quarter (item 1.22)</b>		<b>36,999</b>	<b>43,066</b>

## Mining exploration entity and oil and gas exploration entity quarterly report

## Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter	
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed	P38/3345	Registered Applicant	100%	0%
		P38/3344	Registered Applicant	100%	0%
		P38/3338	Registered Applicant	100%	0%
		P38/3337	Registered Applicant	100%	0%
		P38/3350	Registered Applicant	100%	0%
		P38/3346	Registered Applicant	100%	0%
6.2	Interests in mining tenements and petroleum tenements acquired or increased	L38/237	Registered Applicant	0%	100%
		L38/236	Registered Applicant	0%	100%
		E38/2964	Registered Applicant	0%	100%

## Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	<b>Preference securities</b>			
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions			
7.3	<b>+Ordinary securities</b>	693,481,617	693,481,617	Fully Paid
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	4,732,687	4,732,687	Fully Paid
7.5	<b>+Convertible debt securities</b> (description)			
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted			

+ See chapter 19 for defined terms.

## Mining exploration entity and oil and gas exploration entity quarterly report

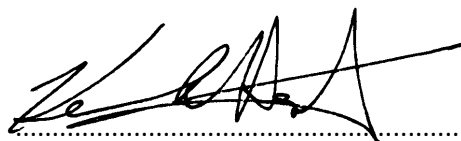
	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.7 <b>Options</b> (description and conversion factor)	558,000 3,000,000 110,000 500,000 1,000,000		<i>Exercise price</i> 47.3 cents each 13 cents each 20 cents each 33.5 cents each 56 cents each	<i>Expiry date</i> 31 Mar 2016 14 Oct 2017 30 Sept 2016 21 Nov 2016 24 Nov 2017
7.8 Issued during quarter				
7.9 Exercised during quarter	6,000,000		13 cents each	19 Nov 2015
7.10 Expired/cancelled during quarter	53,000		54.8 cents each	31 Oct 2015
7.11 <b>Performance Rights</b> (totals only)	60,000 80,000 1,300,000 1,181,250 300,000 700,000 508,876 1,522,727			<i>Vesting Date</i> 31 Mar 2015 31 Dec 2015 30 June 2017 30 June 2017 31 Dec 2015 30 Sep 2016 30 Jun 2016 31 Dec 2019
7.12 Issued during quarter	508,876 1,522,727			30 Jun 2016 31 Dec 2019
7.13 Exercised during quarter				
7.14 Expired/cancelled during quarter				

## Mining exploration entity and oil and gas exploration entity quarterly report

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:



(Company secretary)

Date: 29 January 2016

Print name: KEVIN HART

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.