



ABN 13 109 289 527

**GOLD  
ROAD**  
RESOURCES  
LIMITED

## Annual Report 2015



# **GOLD ROAD**

**RESOURCES**

ABN 13 109 289 527  
2015 ANNUAL FINANCIAL STATEMENTS

## **CORPORATE DIRECTORY**

Gold Road Resources Limited  
(Gold Road or the 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

### **COMPANY SECRETARY**

Kevin Hart

### **REGISTERED & PRINCIPAL OFFICE**

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### **ASX CODE**

GOR

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### **STOCK EXCHANGE**

ASX Limited  
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152-158 St Georges Terrace  
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## **CONTENTS**

CHAIRMAN'S REPORT .....	4
REVIEW OF OPERATIONS .....	10
SCHEDULE OF INTERESTS IN MINING TENEMENTS ...	23
<b>FINANCIALS</b> .....	<b>25</b>
DIRECTORS' REPORT .....	26
REVIEW OF ACTIVITIES .....	30
REMUNERATION REPORT (AUDITED) .....	32
AUDITOR'S INDEPENDENCE DECLARATION .....	47
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME .....	48
STATEMENT OF FINANCIAL POSITION .....	49
STATEMENT OF CHANGES IN EQUITY .....	50
STATEMENT OF CASH FLOWS .....	51
NOTES TO THE FINANCIAL STATEMENTS .....	52
DIRECTORS' DECLARATION .....	75
INDEPENDENT AUDIT REPORT .....	77
ASX SHAREHOLDER INFORMATION .....	78



# Highlights in 2015

## **GRUYERE CONFIRMED AS AUSTRALIA'S LARGEST UNDEVELOPED GOLD PROJECT**

- Mineral Resource increased 46% to 5.62 million ounces gold
- WA State Government Exploration Incentive Scheme injects A\$200,000 for exploration
- Mineralisation extends to at least twice known depth of current Resource
- Intersected mineralisation 1,150 metres below surface with 1,700 metre deep diamond hole

## **LARGE GOLD PRODUCTION POTENTIAL CONFIRMED**

- Scoping Study demonstrates positive Project economics
- Stage 1 Pre-Feasibility Study (Options Study) identifies 7.5Mtpa operation with a 10 to 15 year mine life as optimal
- Potential average gold production of approximately 250,000 ounces per annum for 2.5 to 3.7 million ounces total gold recovered

## **STRONG MARKET SUPPORT**

- A\$63.1 million raised
- New institutional shareholders support
- Listed in ASX All Ordinaries Index in March 2015
- Entry into ASX300 Index in September 2015
- Industry recognition—multiple exploration awards

## **SUCCESSFUL EXPLORATION STRATEGY**

- Identified more than 30 new gold prospects
- Varying levels of Gold mineralisation intersected in all Camp Targets tested
- 154,000 metres of drilling completed across six Camp Targets
- Sumitomo achieves 30% interest in South Yamarna JV following A\$5 million exploration expenditure

# Unlocking the potential

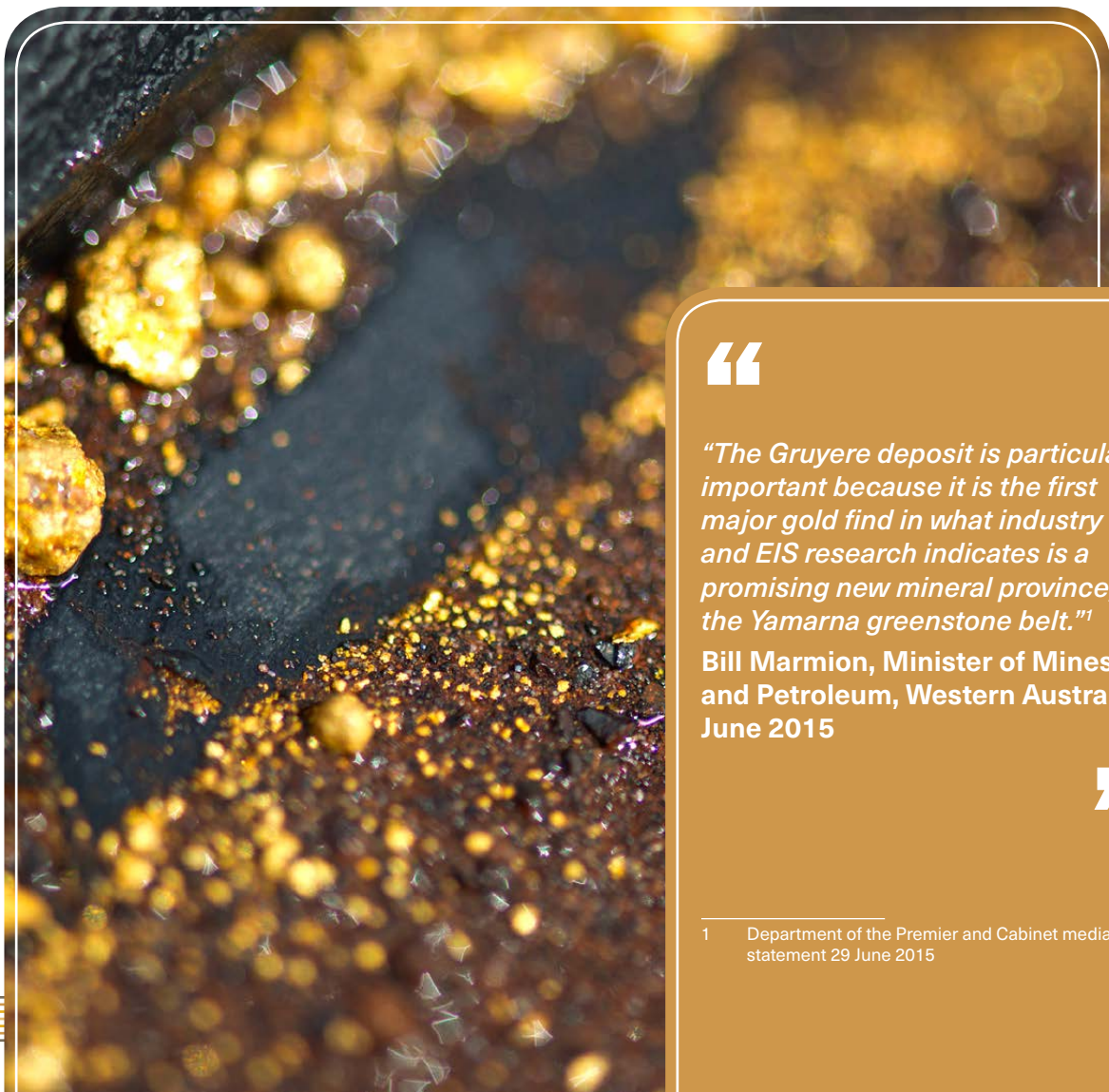
## FIRST TO EXPLORE AND DEVELOP THE YAMARNA BELT: AUSTRALIA'S NEXT MAJOR GOLD REGION

Gold Road is exploring and developing the Yamarna Belt, a major new gold region with tenements covering approximately 5,000 square kilometres on the eastern edge of the Yilgarn Craton. Gold Road currently owns 100% of the northern part of Yamarna, covering approximately 2,100 square kilometres and 70% of the southern part of Yamarna, which covers approximately 2,900 square kilometres.

Geologically similar to the prolific Kalgoorlie Gold Belt and immediately north of the 8 million ounce Tropicana Gold Deposit, the historically under-explored Yamarna Belt has a current Mineral Resource of 6.1 million ounces of gold across three wholly-owned gold projects, Gruyere, Central Bore and Attila-Alaric.

Our targeted exploration strategy centres on ten 'Gold Camp Scale Targets' (**Camp Targets**) each of which has a 15 to 25 kilometre strike length and multiple prospects and targets. This strategy has led to several gold discoveries since 2009, including the world-class Gruyere Deposit.

Exploration of the first Camp Target yielded the discovery of our 5.62 million ounce Gruyere Deposit in 2013—already one of the top ten largest gold resources discovered in the prolific Yilgarn Craton of Western Australia, and one of the most significant gold discoveries made in Australia in the last decade. We believe this is a convincing demonstration of the potential of this region when explored systematically.



“

*“The Gruyere deposit is particularly important because it is the first major gold find in what industry and EIS research indicates is a promising new mineral province, the Yamarna greenstone belt.”<sup>1</sup>*

**Bill Marmion, Minister of Mines and Petroleum, Western Australia, June 2015**

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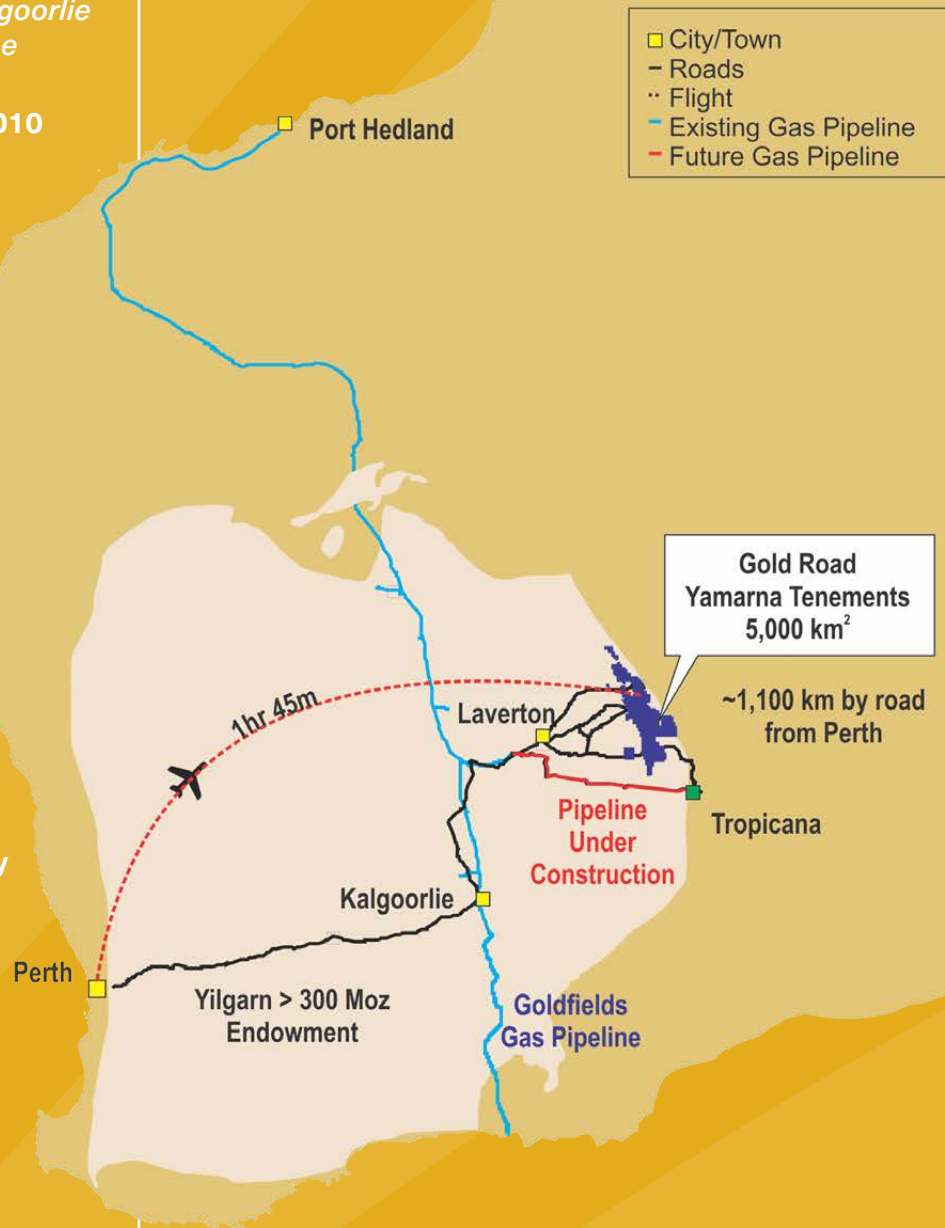
<sup>1</sup> Department of the Premier and Cabinet media statement 29 June 2015

# Company snapshot

*"Yamarna Terrane appears to form an extensional basin, filled with rocks similar in age and character to those in the Kalgoorlie Terrane. Exploration strategies effective in the Kalgoorlie Terrane may prove best for the Yamarna Terrane."*

GSWA Field Note October 2010

Gold Road and Sumitomo Metal Mining Oceania Pty Ltd (a subsidiary of Sumitomo Metal Mining Co. Limited) (Sumitomo) established an exploration joint venture in 2013 allowing for Sumitomo to earn up to a 50% interest in Gold Road's South Yamarna tenements (covering approximately 2,900 square kilometres). In March 2015, Sumitomo achieved the first expenditure milestone, giving them a 30% interest in the South Yamarna Joint Venture.





# Chairman's Report

## Dear Shareholders

It gives me great pleasure to bring you our Company's Annual Report for 2015.

**Gruyere is one of the standout gold projects in Australia.** A world-class discovery, it is Australia's largest undeveloped gold project and has put Gold Road's Yamarna greenstone belt firmly on the map as an important, under-explored gold region.

The total Mineral Resource for Gruyere is now 5.62 million ounces of gold, bringing Yamarna's total gold inventory to 6.1 million ounces. We reported this upgraded Resource less than two years from initial discovery, growing the deposit into one of the largest in Australia and confirming Gold Road as one of only a handful of companies with a gold Resource in excess of six million ounces.

Excitingly, the potential size and scale of the Gruyere Project magnified considerably in August 2015 when mineralisation was intersected at almost twice the current known depth, thanks to a 1,700 metre deep stratigraphic hole, co-funded by the State Government of Western Australia's Exploration Incentive Scheme (EIS). The government's support is helping us to define the size of what

we, believe could be the biggest gold find in Western Australian in the last decade.

**We are quickly progressing the Project towards production.** Having completed a Scoping Study in January 2015 we immediately commenced a two-stage Pre-Feasibility Study (PFS) to accurately gauge the viability of the Project. The Stage 1 Option Study was completed on-time in August 2015 and further substantiated Gruyere as a robust, low-cost project with significant upside. The key findings identified an expected production rate of 7.5Mtpa over a 10 to 15 year mine life with gas delivered by pipeline as the preferred power source.

It is a testament to the skills of our team and the high prospectivity of the Yamarna Belt that we progressed from discovery to Stage 1 delivery of the PFS in 22 months. This is a clear demonstration of the potential of the Company and the belt to deliver results both rapidly and efficiently. We don't know how many more Gruyere-like deposits there are on Yamarna, but our mission is to build a pipeline of gold projects across the region to continue to create value for our shareholders. The development of Gruyere is an important step in achieving this aim.







Completion (Stage 2) of the PFS and the Definitive Feasibility Study (DFS) are already fully funded via a strongly supported capital raising which we completed in June this year. The DFS will commence following completion of a positive PFS early next year and be completed through 2016. Activities will include an additional 22,000 metres of drilling to further strengthen our knowledge of the existing ore-body and increase the confidence in the portion of the Mineral Resource which would

be mined in the first two years of operation. Our strong financial position will allow us to move the Project quickly towards production and maintain our timetable towards mining operations commencing in 2018.

**Exploration is fundamental to Gold Road** and key to generating long-term value for our shareholders as we continue to prove up Yamarna as Western Australia's most exciting new gold region. In the last year we drilled 154,000 metres on six of our ten Camp Targets, finding various grades of gold across all locations and identifying more than 30 new prospects. This high strike-rate of success demonstrates the strength of our regional exploration strategy, which focuses on high-priority targets for systematic exploration.

Over the next 12 months we aim to further ramp up regional exploration with a fully funded A\$10 to A\$12 million program which includes 118,500 metres of drilling across our 100% owned northern Camp Targets: Dorothy Hills (located close to Gruyere), Sun River-Wanderrie and Pacific Dunes-Corkwood.

“

*“...transition(ing) Gruyere from a standout gold discovery to a potentially robust gold mining project”<sup>2</sup>*

**Ian Murray, Gold Road Resources,  
January 2015**

”

<sup>2</sup> ASX announcement dated 27 January 2015



In March 2015, our South Yamarna JV partner Sumitomo achieved their first milestone expenditure commitment of A\$5 million, which enabled Sumitomo to earn a 30% interest in the Joint Venture. Sumitomo has committed an additional A\$2.9 million for the regional exploration in 2015. We had some very encouraging results at two of the South Yamarna Camp Targets, with the first diamond holes at Smokebush Dolerite intersecting high-grade gold.

**Since last August, Gold Road has raised approximately A\$63 million**, including a recent A\$39.3 million oversubscribed placement to new and existing institutional and sophisticated investors. Given the current uncertainty in global financial and commodity markets, we believe our strong investor backing demonstrates the market's understanding of the prospectivity of Yamarna and support for our strategy of moving Gruyere into production quickly to build a platform on which to further explore the region.

Over the year I was very pleased that Gold Road attracted a wealth of talented people into our growing Company including geologists and

field assistants; Mr Sim Lau as Development Manager and other key members of the Owner's Team for our Gruyere Project; and Ms Natalie Lund as Financial Controller. I would like to thank the whole team for their outstanding efforts.

I would also like to take this opportunity to thank Mr Ziggy Lubieniecki for his tireless enthusiasm, knowledge and experience which were pivotal in realising the potential of Yamarna. Although Ziggy retired in December last year, he remains central to the Company as an advisor and consultant. We welcomed Mr Justin Osborne to the Board as an Executive Director in January this year and his disciplined and systematic approach to exploring and proving up mineral systems is a great asset to the Board.

Our work on Gruyere has led to industry recognition through four prestigious mining awards: the 2015 AMEC Prospector Award, 2014 Mines and Money London Explorer of the Year award, the 2014 Gold Mining Journal Explorer of the Year award and Deloitte's WA Index 2015 Future Reshaper Award. Along with our proud support of the Heart of Gold





campaign by the Gold Royalties Response Group (**GRRG**) which celebrates the economic and social contribution the gold industry makes to WA, these awards help us to showcase WA's gold industry to a global audience.

I would like to thank my Executive Team as well as Gold Road's Non-executive Directors for their support and guidance as we, as a team, steer Gold Road to its intended destination.

On behalf of the Board I would like to welcome our new shareholders as well as thank our existing loyal shareholders, our stakeholders, contractors and suppliers for their ongoing support. I would also like to thank the traditional owners, both Yilka and Cosmo Newberry, for their ongoing support with heritage surveys, site preparation and rehabilitation works which enables the continuation of our exploration activities. Finally, I would like to thank the Royal Flying Doctor Service for its assistance in regional areas.

I believe that Gold Road has emerged as one of the best known and respected gold exploration companies in Australia and I look forward to the upcoming year and our continued development of Yamarna.



Ian Murray  
**Executive Chairman**



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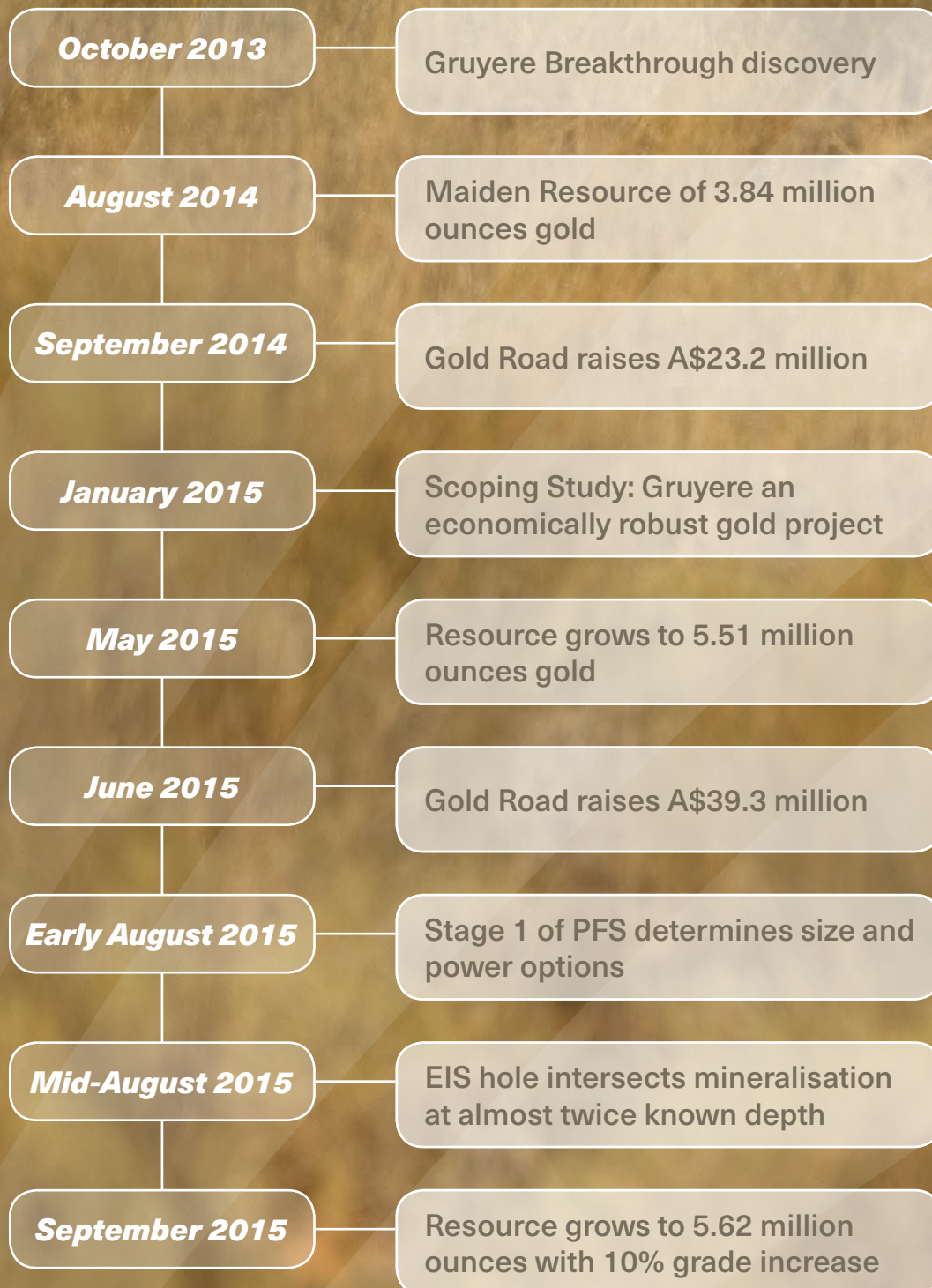
*“EIS [drilling] is helping redefine the size of what could be the biggest Western Australian gold find in a decade.”<sup>3</sup>*

**Ministry for Mines and Petroleum,  
June 2015**

”

<sup>3</sup> Department of the Premier and Cabinet media statement 29 June 2015

# Gruyere Project Timeline





“

*“The intersection with the Gruyere Porphyry at almost twice the current known depth of mineralisation demonstrates the potential size and scale of the Gruyere mineralised system.”*

Justin Osborne, Executive Director,  
August 2015

”

**Q1 2016**

PFS due for completion

**H2 2016**

DFS due for completion

**H1 2017**

Funding and FEED due  
for completion

**H2 2017**

Construction due to commence

**H1 2018**

Operations due to commence

**H2 2018**

First gold pour anticipated





# Review of Operations

**THE GRUYERE PROJECT (100% GOLD ROAD)**

## 2015 PROJECT HIGHLIGHTS

- Resource of 5.62 million ounces of gold, an increase of 46% since Maiden Resource announced in August 2014<sup>4</sup>
- Production currently planned to commence in 2018
- Significant upside potential with mineralised porphyry intersected at 1,150 metres below surface—almost twice the depth of the current resource—and remains open at depth<sup>5</sup>
- 67,665 metres of RC and diamond drilling completed since discovery
- Excellent grade and geological continuity allows confident infill and extensional drill programs
- Good understanding of geology and mineralisation controls
- Scoping Study shows robust economics
- Stage 1 of PFS identifies optimal size and power options
- PFS on track for completion in March 2016 quarter
- DFS fully funded and set to commence following PFS in early 2016
- Low cost of gold discovery at A\$2.00 per Mineral Resource ounce
- WA State Government co-funded EIS 1,700 metre stratigraphic hole

<sup>4</sup> ASX announcement dated 16 September 2015

<sup>5</sup> ASX Announcement dated 10 August 2015, Appendix 2 for full information



From initial discovery in October 2013 to a Resource of 5.62 million ounces in only 23 months, Gold Road's Gruyere Project has grown rapidly to become one of the most significant gold discoveries in Australia this decade.

Situated on the central part of the South Dorothy Hills Trend, Gruyere was discovered when the first RC drilling program over the area intersected gold mineralisation at very shallow depths. The deposit has a strike length of over 2,000 metres with mineralisation extending from surface to a depth of 1,230 metres down dip and an average width of 90 metres.

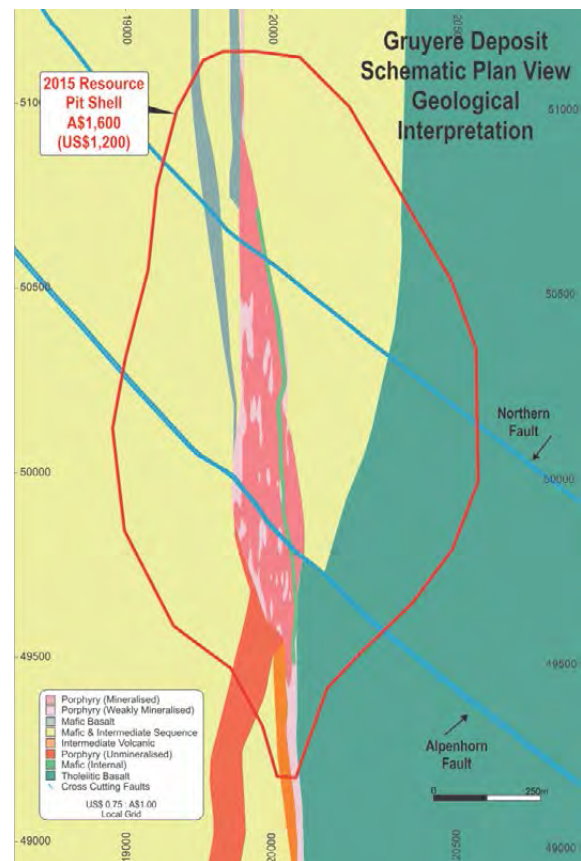
## GROWING RESOURCE

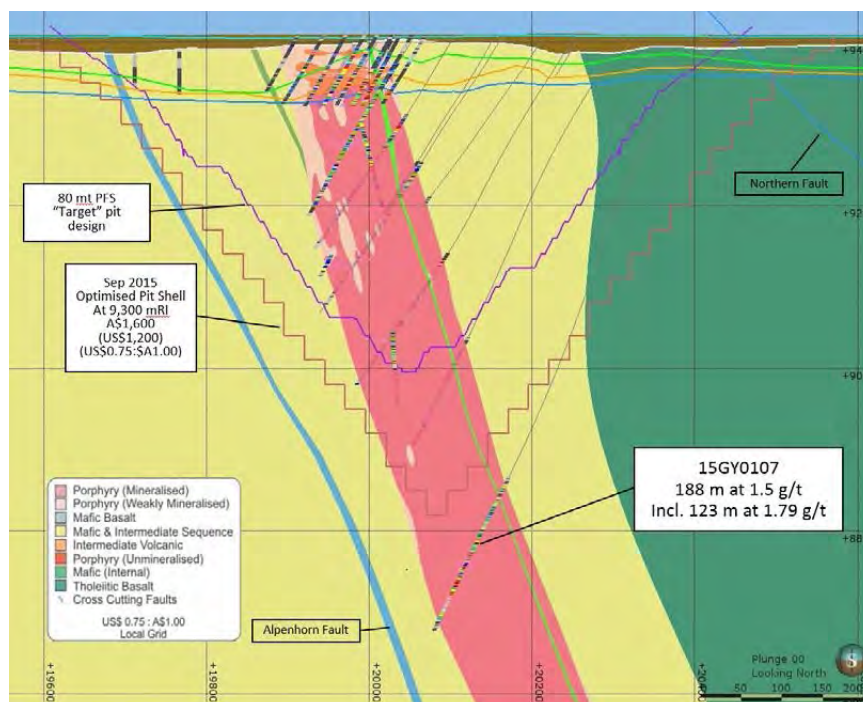
Gold Road increased the size, scope and viability of the Gruyere Gold Project in the last financial year, and aims to move into production as soon as practically possible.

Gold Road has updated the Gruyere Mineral Resource twice since the Maiden Resource was released in August 2014. In May 2015 the Company announced a 44% increase to the Maiden Mineral Resource, growing the contained gold to **5.51 million ounces**. This was followed by an update in September 2015, which further increased the Mineral Resource to 128.4 million tonnes at 1.36 g/t Au for **5.62 million ounces of gold**. This represents an increase of 46% of gold and an increase in grade of 11% from the Maiden Resource and brings Yamarna's total gold Resources to 6.1 million ounces. A total of 74% of gold ounces are within the Measured and Indicated categories, providing Gold Road with greater confidence for operational planning.

The updated Mineral Resource estimate for Gruyere was based on 67,665 metres of Diamond and RC drilling completed in drilling programmes since discovery in October 2013 and August 2015.

The Company's discovery cost for Gruyere of A\$2.00 per ounce of gold, is well below international averages and helps support the potential economic strength of the Project and the efficiency of our exploration performance.





## POSITIVE PROJECT STUDIES

Gold Road completed a Scoping Study in January this year and the first part of a two-stage PFS in August. Both studies confirm the potential of the Gruyere Project to be a robust, long life gold operation.

The Company has been very encouraged by the strength of the possible cash flow generating capacity of the Project, which was estimated to be in excess of A\$550 million in the Scoping Study (using a gold price of A\$1,350 per ounce).

Gruyere has a very low waste to ore strip-ratio and excellent metallurgical characteristics (high gold extraction rates at coarse grind sizes) which contribute to the attractiveness of the Project, and its competitiveness with undeveloped peer projects around the world. These factors counter Gruyere's relative low-grade, and provide a strong economic base for the Project to be developed into a long life gold operation.

The size and scale of the Mineral Resource allows for a possible mine life in excess of 10 years, with strong potential for extensions to mineralisation highlighted by the recent deep drilling. Importantly, the long mine life provides Gold Road with the opportunity to make additional discoveries across Yamarna, which may enhance and prolong production on the prospective Yamarna Belt into the future.



## STAGE 1 OF PFS COMPLETED - RECOMMENDED PROJECT OPTIONS<sup>6</sup>

Part 1 of the PFS focused on the size and scale of the potential gold operation, and power-supply options. Permitting, Native Title agreements, project finance and further exploration works are currently being completed in parallel with the studies, with a focus on technical excellence, diligence, and value enhancement for all stakeholders.

## KEY OUTCOMES OF THE PFS STAGE 1<sup>7</sup>

### PROPOSED OPTIONS

Based on May 2015 Mineral Resource estimate for Gruyere and A\$1,400 per ounce gold price

The remainder of the PFS will optimise the mine design and schedules using the updated Mineral Resource, and model the capital and operating costs based on the selected production rate and power generation system selected in Stage 1. The PFS is scheduled for completion in the March 2016 quarter.

<b>Mining Operations</b>	<ul style="list-style-type: none"> <li>• Single large scale open pit mine at Gruyere</li> <li>• Conventional drill, blast, load and haul open pit mining methods</li> <li>• Potential conversion of 51% to 75% of Mineral Resource</li> <li>• 80 to 98% of PFS gold inventory in Measured &amp; Indicated Resource categories<sup>8</sup></li> <li>• Average life of mine strip ratio (including pre-strip) of 1.9 to 2.7 : 1</li> <li>• Average Operating strip ratio (excluding pre-strip) of 1.7 to 2.5 : 1</li> </ul>
<b>Ore Processing and Production</b>	<ul style="list-style-type: none"> <li>• Conventional 7.5Mtpa gravity/CIL processing facility</li> <li>• Primary crushing, SAG &amp; Ball Mill with Pebble Crushing (SABC)</li> <li>• Grind size range between 106µm to 150µm</li> <li>• Estimated average gold metallurgical recovery of 89% to 93%</li> <li>• Average gold production of 250,000 ounces recovered per annum</li> <li>• 10 to 15 year initial life of mine for 2.5 to 3.7 Moz total gold recovered</li> </ul>
<b>Power Supply</b>	<ul style="list-style-type: none"> <li>• Third party built, owned and operated gas power station, supplied by pipeline</li> <li>• 40MW capacity</li> <li>• Other supplementary power sources (renewable energy) being investigated.</li> </ul>
<b>Water Supply</b>	<ul style="list-style-type: none"> <li>• Water supply borefield design comprises ~30 bores</li> <li>• Water sourced from seven existing bores 25 kilometres south-west of Gruyere and a series of new bores located in same area</li> <li>• Four new bores drilled and successfully tested this year</li> <li>• Water for construction, potable use and elution circuits could be sourced from a second tributary channel 15 kilometres south of Gruyere</li> </ul>
<b>Tailings Storage Facility</b>	<ul style="list-style-type: none"> <li>• Integrated Waste Landform using waste material mined from the pit to form the Tailings Storage Facility</li> </ul>
<b>Site Accommodation</b>	<ul style="list-style-type: none"> <li>• A ~300 person accommodation village planned</li> <li>• Located ~four kilometres from the plant site.</li> </ul>

6 ASX announcement dated 3 August 2015 for full information

7 ASX announcement dated 3 August 2015, Appendix 1 "Forward Looking and Cautionary Statements

8 ASX announcement dated 28 May 2015, Gruyere Updated Resource



## THE BIG CHEESE

In August 2015, drill hole 15EIS001 successfully intersected the Gruyere Porphyry at 1,150 metres below surface with a drill intercept of 92.5 metres at 0.62 g/t Au from 1,390 metres. The intersection was close to true width and resulted in a mineralised dip extent on the drilled section of 1,230 metres. The significant extension to mineralisation, along with completion of a conceptual underground mining study which indicated that the Gruyere Deposit has underground mining potential assuming large scale mining methods, suggests that significant resource upside remains.

The Western Australian State Government co-funded EIS hole was completed at a total cost of \$660,000. The support and funding from the government has helped us to assess how big the Gruyere Deposit might really be, and provided important new stratigraphic information vital to our regional exploration efforts.

*In 2013 Gold Road split its approximately 5,000 square kilometre Yamarna belt into northern and southern projects following a Joint Venture agreement with Sumitomo. North Yamarna is wholly-owned by Gold Road and covers approximately 2,100 square kilometres, with the South Yamarna JV covering approximately 2,900 square kilometres which is 70% owned by Gold Road and 30% Sumitomo.*

North Yamarna contains six of Gold Road's ten Camp Targets, three of which have been the focus of exploration over the last 12 months:

- South Dorothy Hills Camp Target (Camp #1)
- Pacific Dunes-Corkwood Camp Target (Camp #3)
- Sun River-Wanderrie Camp Target (Camp #4)

Almost 99,000 metres of RAB, Aircore and RC drilling have been completed across these three areas, including first pass reconnaissance drilling and follow up programs on some identified gold prospects.

“

*Our aim is to transition Gruyere from a standout gold discovery into a robust gold mining project”*

**Ian Murray, Gold Road Chairman**

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## 2015 EXPLORATION RESULTS

### SOUTH DOROTHY HILLS-TOTO (CAMP #1)

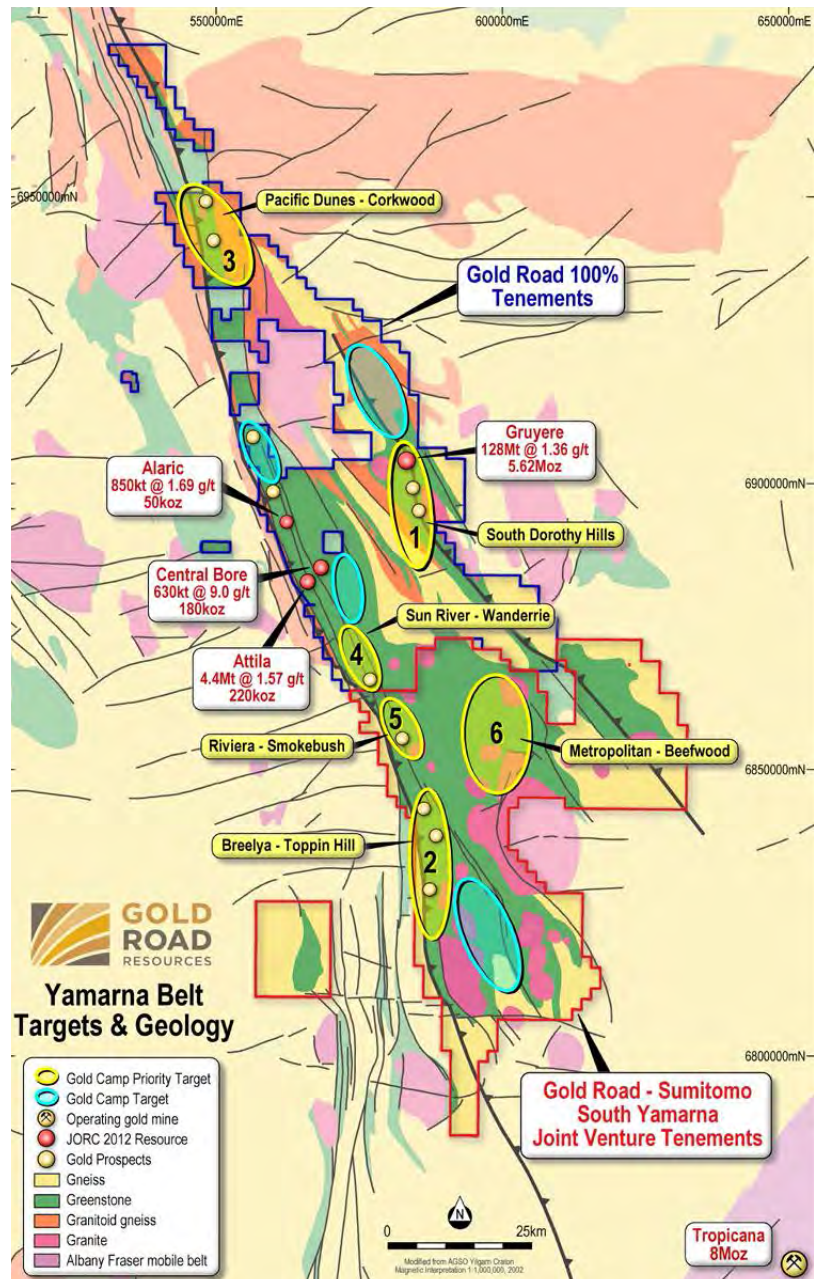
At Toto, RC drilling (63 holes for 8,188 metres) tested for bedrock gold mineralisation below Aircore anomalies identified in the September 2014 quarter. Gold mineralisation was low-grade, and with higher priority targets there are currently no immediate plans to conduct additional drilling at Toto.

### SUN RIVER-WANDERRIE (CAMP #4)

Sun River-Wanderrie is situated approximately 35 kilometres south-south-west of the Gruyere Deposit. It has a 10 kilometre strike length and covers 100 square kilometres. A total of 16 targets were identified using the latest geological interpretation, Aircore and RC drilling results, and geophysics, with results ranked for follow-up drill testing.

The first Aircore drilling program, completed in December 2014, identified high-grade gold at two separate locations. A follow-up RC drilling program identified significant bedrock gold mineralisation in the June 2015 quarter. Additional Aircore drilling, continuing into the September 2015 quarter, has defined a 5.5 kilometre long zone of continuous gold anomalism with current drilling identifying areas to conduct further bedrock testing. Best drill intercepts included:

- **Aircore:** 4 metres at 15.46 g/t Au from 44 metres
- **RC:** 6 metres at 2.99 g/t Au from 91 metres, and 2 metres at 2.91 g/t Au from 110 metres
- **Diamond:** 10.5 metres at 1.55 g/t Au (including 2.25 meters at 4.01 g/t Au)



### PACIFIC DUNES-CORKWOOD (CAMP #3)

Six large gold anomalies with a combined strike of 25 kilometres were identified during an Aircore drilling program (642 holes for 25,107 metres) in the September 2014 quarter. Drilling was completed on broad 800 metre spaced drill lines across a total strike length of 12 kilometres<sup>9</sup>. Prioritised follow-up infill Aircore drilling will focus on defining discrete gold targets for potential RC drill testing in the December 2015 quarter.

<sup>9</sup> ASX announcement dated 27 October 2014







# 2015 Exploration Timeline

## SEPTEMBER 2014

**Toto Prospect** (located on **Dorothy Hills** Camp Target (#1)): Aircore drilling identified six bedrock gold targets

## OCTOBER 2014

**Pacific Dunes-Corkwood** Camp Target (#3): two major gold trends delineated with Aircore drilling, hosting six large gold anomalies with a combined 25 kilometre strike length

## DECEMBER 2014

**Sun River-Wanderrie** Camp Target (#4): High-grade gold mineralisation found at two locations showing potential for mineralised gold trends. Grades up to 15.46 g/t Au

## DECEMBER 2014

**Toto** (#1): RC drill testing of Aircore anomalies identified large low-grade gold system. Follow up testing will be completed in the future

## MAY TO JULY 2015

**Sun River-Wanderrie** Camp Target (#4): RC and diamond drilling intersects gold. Grades up to 4.01 g/t Au. Mineralised zone open to northwest

## AUGUST TO SEPTEMBER 2015

**South Dorothy Hills** Camp Target (#1): First Aircore programme completed at Monteith target. Assays pending

## FY2016 OUTLOOK: RAMPING UP EXPLORATION TO FIND THE NEXT GRUYERE

Over the next 12 months Gold Road aims to ramp up exploration significantly across its high-priority North Yamarna Camp Targets with more than 90,000 metres of drilling ear-marked. This A\$10–A\$12 million fully-funded program will include initial reconnaissance and follow-up drilling on defined gold anomalies.

A total of 41,500 metres will be completed at the Dorothy Hills South Camp Target, located close to the world-class Gruyere Project, including almost 20,000 metres of first pass reconnaissance Aircore drilling already completed on the Monteith Target. Approximately 36,500 metres of RC drilling will focus on follow-up testing of anomalies found at Sun River-Wanderrie and Pacific Dunes-Corkwood Camp Targets during 2014, and 14,500 metres of Aircore drilling on other areas including further reconnaissance drilling at identified targets.

Gold mineralisation has been found within every Camp Target explored to date—demonstrating the effectiveness of Gold Road's exploration strategy.

# SOUTH YAMARNA JOINT VENTURE (70% GOLD ROAD, 30% SUMITOMO)

## PARTNERING TO UNLOCK THE POTENTIAL OF SOUTH YAMARNA

In 2013 Gold Road established an exploration joint venture with Sumitomo for Sumitomo to earn up to a 50% interest in Gold Road's South Yamarna tenements, an area covering approximately 2,900 square kilometres.

In March 2015 Sumitomo achieved the first expenditure milestone, giving them a 30% interest in the South Yamarna Joint Venture.

South Yamarna contains four of the ten Camp Targets, three of which have been the focus of exploration over the last 12 months:

- Riviera-Smokebush Camp Target (#5)
- Breelya-Toppin Hill Camp Target (#2)
- Metropolitan-Beefwood Camp Target (#6)

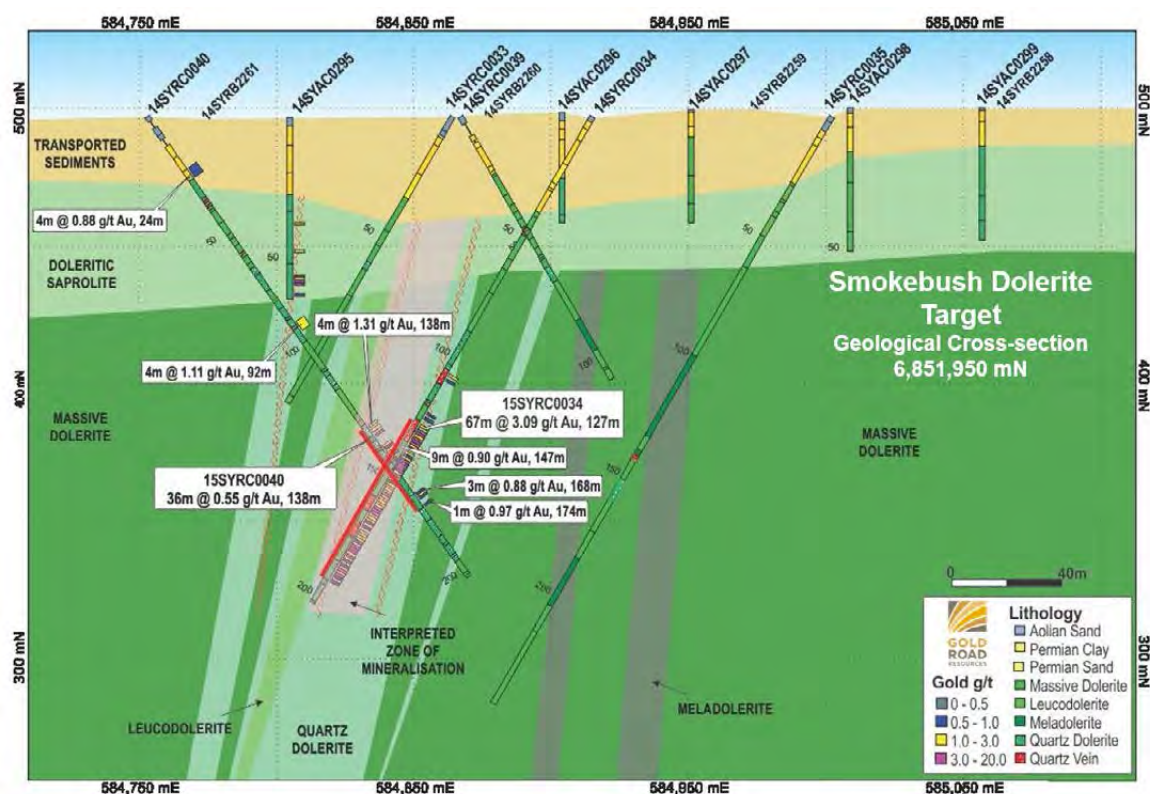
Almost 26,180 metres of interface RAB, Aircore and RC drilling have been completed across these three areas, as well as 324 metres of diamond drilling.

## 2015 EXPLORATION RESULTS

### RIVIERA-SMOKEBUSH (CAMP #5)

Gold mineralisation and a significant mineralised structure was confirmed at Riviera-Smokebush through RC and diamond drilling programs completed during 2015.

The first two diamond holes were completed in June 2015, with both successfully intersecting the shear zone. A larger follow-up program will determine the greater potential of the Smokebush mineralised system. This comprised a combination of both RC and diamond drilling, which commenced in the September 2015 quarter, and included a 700 metre deep EIS diamond hole.





# 2015 South Yamarna Exploration Timeline

## SEPTEMBER 2014

**Toppin Hill South:** Second round of RC drilling completed with high-grade results up to 16.1 g/t Au

## SEPTEMBER 2014

**Riviera-Smokebush:** First pass widespread RAB drilling program identified multiple areas with prospective gold geochemistry

## DECEMBER 2014

**Riviera-Smokebush:** Aircore drilling identified two new targets with grades more than 1.0 g/t Au over strike lengths of 800–1,600 metres

## MARCH 2015

**Smokebush Dolerite target:** RC drilling intersects high-grade mineralisation with over 800 metre strike length and 25 metre wide shear zone identified. Grades up to 3.03 g/t Au. “Extremely exciting first test of a new target zone. Scale and grade of the mineralisation hosted within a highly prospective geological unit is very significant”

## MAY 2015

**Smokebush Dolerite target:** RC drilling confirms broad zone of mineralisation. Grades up to 3.54 g/t Au over 67 metres in an extended drill hole. First diamond holes drilled

## JUNE 2015

**Smokebush Dolerite target:** Diamond holes completed confirming multiple narrow high grade veins in a broad shear zone. Grades up to 13.37 g/t Au

## FY2016 OUTLOOK: PROVING UP YAMARNA SOUTH

Gold Road and Sumitomo are progressing a A\$2.9 million drilling programme for the 2015 calendar year with Sumitomo likely to achieve its final earn-in milestone for a 50% interest in the project area during 2016. This program includes a significant follow-up program to assess the greater potential of the Smokebush Camp mineralised system. A second stage of diamond drilling will be completed by November 2015. This program is designed to further understand the geological framework of the prospect area, including deep stratigraphic drill holes at Smokebush (700 metres) and Toppin Hill (500 metres), with a contribution from the Western Australian Government EIS of \$150,000 approved to support this programme.

Results from further regional reconnaissance programs will be assessed to identify areas for follow-up drilling.

# Mineral Resource Statement

The Company's Mineral Resource Statement has been compiled in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code 2012 Edition) and Chapter 5 of the ASX Listing Rules and ASX Guidance Note 31. The Company has no Ore Reserve estimates. The JORC 2012 Mineral Resources for the Yamarna Belt stand at 6.07 Moz Au, an increase of 51% from 2014. Growth of the Gruyere Mineral Resource to 5.62 Moz is the headlining feature of the Mineral Resource Statement. No changes were made to the

Central Bore Mineral Resource. Approximately 25% of the existing JORC 2004 compliant Mineral Resources at Attila Trend were upgraded to JORC 2012 compliance. The remainder of the existing JORC 2004 Mineral Resources at Justinian and Attila Trend did not meet the Company's current potential economic hurdles to qualify as a JORC 2012 compliant Mineral Resource and were removed from the Mineral Resource Statement.

**TABLE 2: RESOURCE COMPARISON 2014–2015 (Total Measured, Indicated, Inferred)**

JORC 2012 Resources	2015			2014		
Deposit (cut-off grade)	Tonnes (000's)	Grade (g/t Au)	Gold (000's ounces)	Tonnes (000's)	Grade (g/t Au)	Gold (000's ounces)
Gruyere (0.7 g/t Au)	128,381	1.36	5,616	96,930	1.23	3,838
Central Bore (1.0 g/t Au)	632	9.0	183	632	9.0	183
Attila Trend (0.7 g/t Au)	5,301	1.59	270			
<b>Total</b>	<b>134,313</b>	<b>1.41</b>	<b>6,070</b>	<b>97,562</b>	<b>1.3</b>	<b>4,021</b>
JORC 2004 Resources	2015			2014		
Deposit (cut-off grade)	Tonnes (000's)	Grade (g/t Au)	Gold (000's ounces)	Tonnes (000's)	Grade (g/t Au)	Gold (000's ounces)
Attila Trend (0.5 g/t Au)				25,527	1.29	1,060
Justinian (1.0 g/t Au)				182	3.1	18
<b>Total</b>				<b>25,709</b>	<b>1.3</b>	<b>1,078</b>

**Notes:**

- All figures are rounded to reflect appropriate levels of confidence. Apparent differences may occur due to rounding.
- Gruyere and Attila Trend Mineral Resources reported at 0.7 g/t Au cut-off, constrained with an A\$1,600/oz Au optimised pit shell on parameters derived from an ongoing Pre-Feasibility Study.
- Central Bore Mineral Resources reported at 1.0 g/t Au cut-off (refer 2014 Annual Report).
- JORC 2004 Mineral Resources reported at 0.5 g/t Au for Attila Trend and 1.0 g/t Au cut-off for Justinian (refer 2014 Annual Report).



Details of the updated Mineral Resources for the Gruyere and Attila Trend deposits were announced to the ASX on 16 September 2015. The Mineral Resource was estimated based on assays received up to 10 August 2015.

The Company governs its activities in accordance with industry best practice. The Gruyere and Attila Trend (Attila and Alaric Deposits) Mineral Resources (Tables 4 and 5) were subject to internal geological peer review and validation, and documented handover meetings with the Business Development team for resource evaluation. Regular external peer review was conducted by Optiro consultants, which also performed a database audit, and provided an endorsement letter outlining its confidence in the estimates. In line with industry best practice the Gruyere and Attila Trend Mineral Resources were constrained within an optimised pit shell. Resource Classification was defined through a combination of geological confidence levels, measured estimation quality, drill spacing, and observed grade behaviour.

**TABLE 3: MINERAL RESOURCE GRUYERE**  
(September 2015, 0.7 g/t Au cut-off,  
A\$1,600/oz optimised pit shell)

Category	Tonnes (000's)	Grade (g/t Au)	Gold (000's ounces)
Measured	1,585	1.41	72
Indicated	93,485	1.35	4,050
Inferred	33,312	1.40	1,495
<b>Total</b>	<b>128,381</b>	<b>1.36</b>	<b>5,616</b>

*Note: All figures are rounded to reflect appropriate levels of confidence. Apparent differences may occur due to rounding.*

**TABLE 4: MINERAL RESOURCE ATTILA**  
**TREND** (September 2015, 0.7 g/t Au cut-off,  
A\$1,600/oz optimised pit shell)

Deposit	Category	Tonnes (000's)	Grade (g/t Au)	Gold (000's ounces)
<b>Attila</b>	Measured	274	1.82	16
	Indicated	3,516	1.55	175
	Inferred	661	1.55	33
	<b>Total</b>	<b>4,451</b>	<b>1.57</b>	<b>224</b>
<b>Alaric</b>	Measured	387	2.05	26
	Indicated	337	1.23	13
	Inferred	126	1.84	7
	<b>Total</b>	<b>850</b>	<b>1.69</b>	<b>46</b>
<b>Total</b>	Measured	661	1.96	42
	Indicated	3,852	1.52	189
	Inferred	787	1.59	40
	<b>Total</b>	<b>5,301</b>	<b>1.59</b>	<b>270</b>

*Note: All figures are rounded to reflect appropriate levels of confidence. Apparent differences may occur due to rounding.*

The Mineral Resource for Central Bore has been compiled by independent consultants Ravensgate, in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code 2012 Edition). The Central Bore (Imperial and Senate Shoots) Mineral Resource (Table 5) is based on an underground operation, underpinned by Pre-Feasibility Studies covering underground mining, metallurgy, economics, permitting and environmental factors. The Central Bore Mineral Resource was subject to internal geological peer review and validation, and handover meetings with the Business Development team. Reviews and an independent estimation of the Mineral Resource by external consultants Optiro resulted in comparable estimates.

**TABLE 5: MINERAL RESOURCE CENTRAL BORE (December 2013, 1.0 g/t Au cut-off)**

Shoot	Category	Tonnes (000's)	Grade (g/t Au)	Gold (000's ounces)
Imperial	Measured	43	26.6	37
	Indicated	63	29.1	59
	Inferred	48	10.8	17
	<b>Total</b>	<b>154</b>	<b>22.7</b>	<b>112</b>
Senate	Measured	0	0.0	0
	Indicated	337	5.3	57
	Inferred	140	3.0	14
	<b>Total</b>	<b>478</b>	<b>4.6</b>	<b>71</b>
<b>Total</b>	Measured	43	26.5	37
	Indicated	400	9.0	116
	Inferred	188	5.0	31
	<b>Total</b>	<b>632</b>	<b>9.0</b>	<b>183</b>

Notes: All figures are rounded to reflect appropriate levels of confidence. Apparent differences may occur due to rounding.

## NOTES

The Mineral Resources Statement is based on, and fairly represents, information and supporting documentation prepared by the respective competent persons named below.

The Mineral Resources Statement as a whole has been approved by Mr Justin Osborne. Mr Osborne is a holder of shares and options in, and is an Executive Director and a full-time employee of Gold Road, 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 currently 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 has approved the Mineral Resources Statement as a whole and consents to its inclusion in the Annual Report in the form and context in which it appears.

The information in this report which relates to Exploration Results 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 (FAusIMM 209333). 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 information in this report that relates to the Mineral Resource Estimation for Gruyere is based on information compiled by Mr Justin Osborne, Executive Director for Gold Road and Mr John Donaldson, Principal Resource Geologist 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 (FAusIMM 209333). Mr Donaldson is an employee of Gold Road as well as a shareholder, and is a Member of the Australian Institute of Geoscientists and a Registered Professional Geoscientist (MAIG RPGeo Mining 10147). Messrs Osborne and Donaldson have 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 Competent Persons as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Messrs Osborne and Donaldson consent to the inclusion in the report of the matters based on this information in the form and context in which it appears.

The information in this report that relates to the Mineral Resource Estimation for Attila Trend is based on information compiled by Mr Justin Osborne, Executive Director for Gold Road, Mr John Donaldson, Principal Resource Geologist for Gold Road and Mrs Jane Levett, Senior Resource Geologist 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 (FAusIMM 209333). Mr Donaldson is an employee of Gold Road as well as a shareholder, and is a Member of the Australian Institute of Geoscientists and a Registered Professional Geoscientist (MAIG RPGeo Mining 10147). Mrs Levett is a part time employee of Gold Road, and is a Member of the Australasian Institute of Mining and Metallurgy and a Chartered Professional (MAusIMM CP 112232). Messrs Osborne and Donaldson and Mrs Levett have 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 Competent Persons as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Messrs Osborne and Donaldson and Mrs Levett consent to the inclusion in the report of the matters based on this information in the form and context in which it appears.

The information in this report that relates to the Mineral Resource Estimation for Central Bore is based on geostatistical modelling by Ravensgate using sample information and geological interpretation supplied by Gold Road. The Mineral Resource estimates were undertaken by Mr Craig Harvey, previously Principal Consultant at Ravensgate and Mr Neal Leggo, Principal Consultant at Ravensgate. Messrs Harvey and Leggo are both Members of the Australian Institute of Geoscientists. Messrs Harvey and Leggo have sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking 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." Messrs Harvey and Leggo consent 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.



# Schedule of Interests in Mining Tenements

**AS AT 31 AUGUST 2015**

Tenement Number	Location	Status	Tenement Number	Location	Status
<b>Exploration Licences</b>			<b>Mining Licences</b>		
E38/0361	Yamarna	Granted	M38/435	Yamarna	Granted
E38/1083	Yamarna	Granted	M38/436	Yamarna	Granted
E38/1386	Yamarna	Granted	M38/437	Yamarna	Granted
E38/1388	Yamarna	Granted	M38/438	Yamarna	Granted
E38/1858	Yamarna	Granted	M38/439	Yamarna	Granted
E38/1931	Yamarna	Granted	M38/788	Yamarna	Granted
E38/1932	Yamarna	Granted	M38/814	Yamarna	Granted
E38/1964	Yamarna	Granted	M38/841	Yamarna	Granted
E38/2178	Yamarna	Granted	M38/1178	Yamarna	Application
E38/2235	Yamarna	Granted	M38/1179	Yamarna	Application
E38/2236	Yamarna	Granted	M38/1255	Yamarna	Application
E38/2249	Yamarna	Granted	M38/1267	Yamarna	Application
E38/2250	Yamarna	Granted			
E38/2291	South Yamarna JV*	Granted			
E38/2292	South Yamarna JV*	Granted	<b>Prospecting Licences</b>		
E38/2293	South Yamarna JV*	Granted	P38/3337	Yamarna	Granted
E38/2294	South Yamarna JV*	Granted	P38/3338	Yamarna	Granted
E38/2319	Yamarna	Granted	P38/3344	Yamarna	Granted
E38/2320	Yamarna	Granted	P38/3345	Yamarna	Granted
E38/2325	Yamarna	Granted	P38/3346	Yamarna	Granted
E38/2326	Yamarna	Granted	P38/3350	Yamarna	Granted
E38/2327	Yamarna	Granted	P38/3352	Yamarna	Granted
E38/2355	South Yamarna JV*	Granted	P38/3824	Yamarna	Granted
E38/2356	Yamarna	Granted	P38/3869	Yamarna	Granted
E38/2362	Yamarna	Granted	P38/3870	Yamarna	Granted
E38/2363	South Yamarna JV*	Granted	P38/3887	Yamarna	Granted
E38/2415	Yamarna	Granted	P38/3895	Yamarna	Granted
E38/2427	South Yamarna JV*	Granted	P38/3896	Yamarna	Granted
E38/2446	Yamarna	Granted	P38/4149	Yamarna	Granted
E38/2447	Yamarna	Granted	P38/4150	Yamarna	Granted
E38/2507	South Yamarna JV*	Granted	P38/4151	Yamarna	Granted
E38/2735	Yamarna	Granted			
E38/2766	Yamarna	Granted			

Tenement Number	Location	Status	Tenement Number	Location	Status
Exploration Licences			Miscellaneous Licences		
E38/2794	Yamarna	Granted	L38/180	Yamarna	Granted
E38/2797	Yamarna	Granted	L38/186	Yamarna	Granted
E38/2798	Yamarna	Granted	L38/210	Yamarna	Granted
E38/2836	Yamarna	Granted	L38/211	Yamarna	Granted
E38/2860	Yamarna	Granted	L38/227	Yamarna	Application
E38/2902	South Yamarna JV*	Granted	L38/229	Yamarna	Application
E38/2913	Yamarna	Granted	L38/230	Yamarna	Application
E38/2917	South Yamarna JV*	Granted	L38/233	Yamarna	Granted
E38/2930	South Yamarna JV*	Granted	L38/235	Yamarna	Application
E38/2931	Yamarna	Granted	L38/236	South Yamarna JV*	Application
E38/2932	Yamarna	Application	L38/237	Yamarna	Application
E38/2944	South Yamarna JV*	Granted	L38/240	Yamarna	Application
E38/2964	Yamarna	Application	L38/241	Yamarna	Application
E38/2965	Yamarna	Granted			
E38/2966	Yamarna	Granted			
E38/2967	Yamarna	Granted			
E38/2968	Yamarna	Granted			
E38/2987	Yamarna	Application			
E38/3041	Yamarna	Application			
E38/3046	Yamarna	Application			
E38/3047	Yamarna	Application			
E38/3048	Yamarna	Application			
E38/3076	Yamarna	Application			
E38/3077	Yamarna	Application			

\* The tenements comprising the South Yamarna JV are subject to conditions allowing an earn-in to maximum 50% by Sumitomo Metal Mining Oceania Pty Ltd.





GOLD ROAD RESOURCES

# Financials

2015



# Directors' Report

The Directors present their report on Gold Road Resources Limited (**Gold Road** or **Company**) for the year ended 30 June 2015.

## DIRECTORS

The names and details of the Directors of Gold Road during the financial year and until the date of this report, unless otherwise indicated, are:

Ian Murray	Executive Chairman
Justin Osborne	Executive Director (Appointed 1 January 2015)
Russell Davis	Non-executive Director
Martin Pyle	Non-executive Director
Timothy Netscher	Non-executive Director
Ziggy Lubieniecki	Executive Director (Resigned 31 December 2014)

## IAN MURRAY

### EXECUTIVE CHAIRMAN

Mr Murray was appointed on 15 October 2007 as Non-executive Director and on 12 February 2008 as Executive Chairman.

Mr Murray is a qualified Chartered Accountant with more than 18 years' corporate experience in the publicly-listed resources sector.

Between 1997 and 2005 he held positions including Chief Financial Officer and Chief Executive Officer with DRDGOLD Ltd. Mr Murray oversaw DRDGOLD's major acquisitions, restructures and stock exchange listings which grew the Company from a small, lease-bound South African miner into a globally listed multi-mine gold company producing over one million ounce of gold per annum at its peak. During this time he also served on the board as a Non-executive Director of South African gold refinery Rand Refinery Limited and the internet based commodity investment platform GoldMoney.com. He has not held any other directorships in public listed companies in the past three years.

Mr Murray holds a Bachelor of Commerce degree and a Post Graduate Diploma in Accounting from the University of Cape Town. He also holds the Advanced Taxation certificate from the University of South Africa. Mr Murray is an Associate of the Chartered Institute of Management Accountants; a member of both the South African Institute of Chartered Accountants and the Institute of Chartered Accountants Australia.

Mr Murray is 49 years of age.

## JUSTIN OSBORNE

### EXECUTIVE DIRECTOR

Mr Osborne joined the Company in October 2013 and was appointed Executive Director on 1 January 2015.

Mr Osborne brings to Gold Road a wealth of exploration experience in multiple commodities including gold, copper and base metals. He has over 25 years of field and management experience covering all aspects of the mining and exploration process in Australia and internationally through senior positions held with Gold Fields Ltd and WMC Resources Ltd.

Previously Mr Osborne was Vice President Development Strategy – Growth and International Projects at Gold Fields Ltd and was responsible for actively seeking mining and exploration opportunities globally. He played an instrumental role in the discovery of the Damang Superpit project in Ghana which yielded potential resource in excess of 6 million ounces within 2 years and the first ever near mine exploration activities at the Cerro Corona mine in Peru that contributed to reserve growth of over 1 million ounces. Prior to that Mr Osborne was Mineral Resource Manager at the St Ives Gold Mine, making the discoveries of the Athena and Hamlet deposits among other significant Reserve additions.

Mr Osborne is a Fellow of the Australasian Institute of Mining and Metallurgy, a Member of the Australian Institute of Company Directors, and holds a Bachelor of Science, Honours (First Class) from La Trobe University of Victoria.

Mr Osborne is 48 years of age.



## **RUSSELL DAVIS**

### ***NON-EXECUTIVE DIRECTOR AND CHAIRMAN OF AUDIT COMMITTEE***

Mr Davis was a founding director of Gold Road and appointed on 28 May 2004. He served as Executive Exploration Director to 1 January 2008 and subsequently as a Non-executive Director. He is also a member of the Nomination and Remuneration Committees.

Mr Davis is a geologist with over 25 years' experience in mineral exploration, management, property acquisition, mining and development. He has worked on the exploration and development of a range of commodities for a number of international and Australian companies, holding senior positions including Chief Mine Geologist, Exploration Manager and Regional Manager. Mr Davis was responsible for acquiring the projects held by Gold Road. Mr Davis is currently Chairman of Hammer Metals Limited and also served as Managing Director of Syndicated Metals Limited from 15 August 2005 to 19 March 2012.

Mr Davis holds a Bachelor of Science (Honours) and an MBA. He is a Member of the Australasian Institute of Mining and Metallurgy and a Fellow of the Financial Services Institute of Australasia.

Mr Davis is 57 years of age.

## **MARTIN PYLE**

### ***NON-EXECUTIVE DIRECTOR AND CHAIRMAN OF REMUNERATION COMMITTEE***

Mr Pyle was appointed on 22 June 2010 as Non-executive Director. He is also a member of the Audit and Nomination Committees.

Mr Pyle is a mining industry consultant with over 25 years' experience in the resources industry in Australia. His previous roles have included Corporate Finance Executive with prominent east and west coast broking firms where he was responsible for the generation and execution of resources-related equity raisings, mergers and acquisitions, corporate advisory and research.

Most recently he has provided corporate advisory services to a number of junior resource companies and is Managing Director of Aurora Minerals Limited and Executive Director of Peninsula Mines Limited. In the past three years, Mr Pyle also served as a Director of Golden Rim Resources Limited from 18 July 2014 to 1 May 2015, a Director of Tanami Gold NL from 15 to 20 April 2013 and Non-executive Chairman of Midwinter Resources Limited from 16 June 2010 to 3 October 2013. Mr Pyle holds a Bachelor of Science (First Class Honours – Geology) and an MBA.

Mr Pyle is 50 years of age.

## **TIMOTHY NETSCHER**

### ***NON-EXECUTIVE DIRECTOR AND CHAIRMAN OF NOMINATION COMMITTEE***

Mr Netscher was appointed on 1 September 2014 as Non-executive Director. He is also a member of the Audit and Remuneration Committees.

Mr Netscher has considerable broad-based experience working as a senior executive in the international mining industry for more than 40 years. He has had a distinguished career holding senior executive roles with Gindalbie Metals Limited, Newmont Mining, Vale Australia, Pt Inco, BHP Billiton and Impala Platinum, giving him extensive operational, project development and business development experience.

Mr Netscher is a highly experienced public company director and is currently Non-executive Chairman of St Barbara Limited and Deep Yellow Ltd and Non-executive Director of Western Areas Limited and Non-executive Director of the unlisted Aquila Resources Pty Limited. During the past three years, Mr Netscher has also served as a Director of Aquila Resources Limited from October 2013 to June 2014, Bullabulling Gold Limited from 20 August 2012 to 31 May 2013, Industree Limited from 19 February 2009 to 30 November 2012 and Gindalbie Metals Limited from October 2010 to October 2013, during which time he was Managing Director from May 2011 to October 2013.

Mr Netscher holds a Bachelor of Science – Chemical Engineering, a Bachelor of Commerce and an MBA. He is a Fellow of the Institution of Chemical Engineers, a Member of the Australian Institute of Company Directors and a Chartered Engineer.

Mr Netscher is 65 years of age.

## Directors' Report cont.

### ZIGGY LUBIENIECKI

#### EXECUTIVE DIRECTOR

Mr Lubieniecki joined the Company in June 2007 and was appointed Executive Director on 13 December 2010. Mr Lubieniecki resigned as an Executive Director on 31 December 2014.

Mr Lubieniecki is a geologist with more than 25 years' experience in exploration, mining, management, property acquisition, and company listings. He holds a Bachelor of Applied Science from the Royal Melbourne Institute of Technology.

Mr Lubieniecki has held senior positions including Chief Mine Geologist for Plutonic and Exploration Manager for Australian Platinum Mines. In recent years, Mr Lubieniecki has been responsible for proving up the Thatcher Soak uranium deposit and the discovery of the Gruyere and Central Bore Project for Gold Road. He has not held any other directorships in public listed companies in the past three years.

Mr Lubieniecki is 63 years of age.

### KEVIN HART

#### COMPANY SECRETARY

Mr Hart is a Chartered Accountant and was appointed to the position of Company Secretary on 4 August 2006 and Non-executive director from 17 May 2007 until 30 June 2013. He has over 25 years' experience in accounting and the management and administration of public listed entities in the mining and exploration industry.

He is currently a partner of Endeavour Corporate, an advisory firm which specialises in the provision of Company Secretarial services to ASX listed entities. Mr Hart currently also serves on the board of Alloy Resources Limited and has not held any other directorships in public listed companies in the past three years. Mr Hart holds a Bachelor of Commerce degree from the University of Western Australia.

Mr Hart is 53 years of age.

### DIRECTORS' AND EXECUTIVES' INTERESTS

As at the date of this report, the Directors' and Specified Executive's interests in shares, unlisted Options and Performance Rights of the Company are as follows:

	Interests in Ordinary Shares	Interests in Unlisted Options	Interests in Performance Rights
<i>Directors</i>			
I Murray	11,048,712	3,300,000	1,300,000
J Osborne	1,234,091	3,000,000	486,111
R Davis	7,072,431	500,000	-
M Pyle	2,308,220	-	-
T Netscher	-	500,000	-
Z Lubieniecki*	2,537,767	3,700,000	-
<i>Specified Executives</i>			
K Hart	-	500,000	-
G Murray	1,476,763	350,000	442,361

\* Holding at date of resignation 31 December 2014



## DIRECTORS' MEETINGS

The number of meetings of the Company's Directors (including meetings of Committees of Directors) held during the year ended 30 June 2015 and the number of meetings attended by each Director were:

Director	Board of Directors' Meetings		Audit Committee Meetings		Remuneration Committee Meetings		Nomination Committee Meetings	
	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended
I Murray	6	6	No	-	No	-	No	-
J Osborne**	3	3	No	-	No	-	No	-
R Davis	6	6	1	1	1	1	1	1
M Pyle	6	6	1	1	1	1	1	1
T Netscher	5	5	1	1	1	1	1	1
Z Lubieniecki*	3	3	No	-	No	-	No	-

\* Resigned 31 December 2014

\*\* Appointed 1 January 2015

During the year ended 30 June 2015, the Audit, Nomination and Remuneration Committees were reformed.

## PRINCIPAL ACTIVITIES

The principal activities of the Company during the financial year consisted of mineral exploration in Western Australia. There were no significant changes in these activities during the financial year.

## RESULTS OF OPERATIONS

The net loss after income tax for the financial year was \$3,879,565 (2014 profit: \$409,753).

For the current year, there was no income tax benefit in respect of research and development tax incentives (2014: \$2,963,408). The 2015 claim will be received in the next financial year. The loss before income tax for the financial year was \$3,879,565 (2014: \$2,553,655). Included in the loss before income tax was a write-off of capitalised exploration and evaluation expenditure totalling \$342,041 (2014: \$3,605).

## DIVIDENDS

No dividend has been paid since the end of the previous financial year and no dividend is recommended for the current year. No dividend was paid during the previous financial year.

## Directors' Report cont.

### REVIEW OF ACTIVITIES

#### EXPLORATION

A detailed review of the Company's activities during the financial year is set out in the section titled "Review of Operations" in this Report.

#### FINANCIAL POSITION

At the end of the financial year the Company had \$49,799,678 (2014: \$9,665,211) in cash and at call deposits. Capitalised mineral exploration and evaluation expenditure is \$43,997,859 (2014: \$27,259,412). Mineral exploration and evaluation expenditure incurred during the year for the Company before any write-offs was \$17,080,488 (2014: \$10,701,512).

Expenditure was principally focused on the Company's Yamarna Projects and in particular the Gruyere discovery.

### SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

On 26 September 2014 the Company completed a Share Placement that raised \$23,193,856 before capital raising costs, from the issue of 77,312,853 ordinary shares at 30 cents each. On 2 June 2015 the Company completed a Share Placement that raised \$39,275,620 before capital raising costs, from the issue of 89,262,773 ordinary shares at 44 cents each.

### OPTIONS AND PERFORMANCE SHARE RIGHTS OVER UNISSUED CAPITAL

#### UNLISTED OPTIONS

At the date of this report there were 11,031,000 (2014: 15,722,000) vested and 2,000,000 (2014: 3,000,000) unvested Options over unissued shares.

As at the date of this report unissued ordinary shares of the Company under unlisted Options are:

Number of Options outstanding	Exercise price	Expiry date
400,000	9.5 cents	30 September 2015
400,000	10.7 cents	30 September 2015
400,000	12.8 cents	30 September 2015
53,000	54.8 cents	31 October 2015
310,000	48 cents	31 December 2015
558,000	47.3 cents	31 March 2016
1,300,000	10.5 cents	30 October 2015
3,000,000	13 cents	14 October 2017
6,000,000	13 cents	19 November 2015
110,000	20 cents	30 September 2016
500,000	33.5 cents	21 November 2016
<b>13,031,000</b>	<b>Total Options on Issue</b>	

During the year ended 30 June 2015, 500,000 (2014: 12,020,000) Options were issued pursuant to the terms of the Company's Incentive Option Plan to employees and Directors of the Company.

During the year ended 30 June 2015, 1,500,000 (2014: 1,800,000) vested Options were converted, resulting in the issuing of 1,195,939 (2014: 1,800,000) ordinary shares.

During the year ended 30 June 2015, 4,546,000 (2014: nil) Options expired. A further 145,000 (2014: 631,666) Options were cancelled.

Since the balance date to the date of this report no Options have been issued, exercised, cancelled or have reached expiry. These unlisted Options do not entitle the holder to participate in any share issue of the Company or any other body corporate.

The holders of unlisted Options are not entitled to any voting rights until the Options are exercised into ordinary shares.



## PERFORMANCE SHARE RIGHTS

At the date of this report, there were 60,000 (2014: nil) vested and 3,561,250 (2014: 3,767,777) unvested Performance Share Rights to acquire ordinary shares on issue.

As at the date of this report unissued ordinary shares of the Company under Performance Share Rights are:

Outstanding	Vesting Date	Expiry date
60,000	31 March 2015	31 March 2016
80,000	31 December 2015	31 December 2016
1,300,000*	30 June 2017	30 June 2018
1,181,250	30 June 2017	30 June 2018
300,000	31 December 2015	28 February 2018
700,000	30 September 2016	28 February 2018
<b>3,621,250</b>	<b>Total Performance Share Rights</b>	

\* Represent Performance Share Rights issued to Executive Directors. The key vesting conditions and performance hurdles are that the holders must remain employed until 30 June 2017, 50% of the Performance Rights will vest and convert over a three year measurement period to 30 June 2017 based on meeting Shareholder Return Hurdles, and 50% will vest on meeting a Company Hurdle by 30 June 2017.

During the year ended 30 June 2015, 3,967,361 (2014: 368,791) Performance Share Rights were issued pursuant to the terms of the Company's Performance Share Rights Plan to employees and Executive Directors of the Company.

During the year ended 30 June 2015, 1,921,666 (2014: 1,143,791) ordinary shares were issued on the exercise of vested Performance Share Rights. On the exercise of Performance Share Rights, ordinary shares are issued for nil consideration.

During the year ended 30 June 2015, nil (2014: 1,975,000) Performance Share Rights expired. A further 486,111 (2014: 185,000) Performance Share Rights were cancelled.

Since the balance date to the date of this report, 271,355 Performance Share Rights have been issued and 271,355 ordinary shares were issued on the exercise of vested Performance Share Rights. No Performance Share Rights have been cancelled or have expired during that period.

None of the Performance Share Rights on issue entitle the holder to participate in any share issue of the Company or any other body corporate.

## MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

Other than the matter below, there has not arisen in the interval between the end of the year and the date of this report any other item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company to affect substantially the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial years.

On 1 July 2015 the Company completed a share purchase plan of 1,295,503 ordinary fully paid shares at 44 cents each to raise \$570,000, before capital raising costs.

## LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

Likely developments in the operations of the Company are included elsewhere in this Report. Disclosure of any further information has not been included in this report because, in the reasonable opinion of the Directors to do so would be likely to prejudice the business activities of the Company and is dependent upon the results of the future exploration and evaluation activities.

## ENVIRONMENTAL REGULATION AND PERFORMANCE

The Company holds various exploration licences to regulate its exploration activities in Australia. These licences include conditions and regulations with respect to the rehabilitation of areas disturbed during the course of its exploration activities.

So far as the Directors are aware, all exploration activities have been undertaken in compliance with all relevant environmental regulations.

# Remuneration Report (Audited)

The remuneration report is set out under the following main headings:

- a. Key management personnel
- b. Principles used to determine the nature and amount of remuneration
- c. Details of remuneration
- d. Service agreements
- e. Other transactions with key management personnel
- f. Share-based compensation

## A. KEY MANAGEMENT PERSONNEL

Key management personnel have authority and responsibility for planning, directing and controlling the activities of the Company. Key management personnel comprise the directors of the Company and certain senior executives.

### Directors disclosed in this report include:

- i. Executive Chairman  
Ian Murray (appointed Executive Chairman 12 February 2008)
- ii. Executive Director  
Justin Osborne (appointed Exploration Manager 14 October 2013, appointed Executive Director 1 January 2015)
- iii. Non-executive Director  
Russell Davis (appointed 28 May 2004, became Non-executive Director on 1 January 2008)
- iv. Non-executive Director  
Martin Pyle (appointed 22 June 2010)
- v. Non-executive Director  
Timothy Netscher (appointed 1 September 2014)
- vi. Executive Director  
Ziggy Lubieniecki (appointed General Manager 1 August 2009, appointed Executive Director 13 December 2010, resigned 31 December 2014)

### Executives disclosed in this report include:

- i. Company Secretary  
Kevin Hart (appointed Company Secretary 4 August 2006, appointed Non-executive Director 17 May 2007, resigned as Non-executive Director 30 June 2013)
- ii. Business Development Manager  
Gordon Murray (appointed 5 September 2011)

## **B. PRINCIPLES USED TO DETERMINE THE NATURE AND AMOUNT OF REMUNERATION**

The objective of the Company's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with achievement of strategic objectives and the creation of value for shareholders, and conforms to market practice for delivery of reward. The Board aims to ensure that executive reward satisfies the following key criteria for good reward governance practices:

- Competitiveness and reasonableness;
- Acceptability to shareholders;
- Performance linkage/alignment of executive compensation;
- Transparency; and
- Capital management.

The framework provides a mix of fixed and variable pay, and a blend of short and long term incentives.

### ***CHANGES TO REMUNERATION FOR THE 2015 YEAR***

In June 2014 the Board undertook a review of the Company's remuneration practices and arrangements with respect to the Company's short term (**STI**) and long term (**LTI**) incentive frameworks.

This review resulted in significant changes to the STI and LTI remuneration structure with the new structure taking effect in the year ended 30 June 2015.

### ***REMUNERATION COMMITTEE***

With the Board increasing from 1 September 2014 to two Executive Directors and three Non-executive Directors, the Remuneration Committee reformed during the second half of the 2015 financial year with no member being able to deliberate or consider such matter in respect of their own remuneration.

The Remuneration Committee has adopted a formal Charter which provides a framework for the consideration of remuneration matters.

The Remuneration Committee assesses the appropriateness of the nature and amount of executive remuneration on a periodic basis by reference to:

- the status of the Company and the stage of development of its assets;
- the skill sets required of the Directors and Executives;
- trends in comparative ASX listed companies; and
- the need for a balance between fixed remuneration and non-cash, long and short term incentive remuneration.

The process includes a review of the Company and individual performances, broad market remuneration data and relevant comparative remuneration externally and internally.

The Remuneration Committee may from time to time obtain external advice from independent consultants who will provide no other services to the Company.

### ***2014 ANNUAL GENERAL MEETING VOTING***

Gold Road received 85.6% of 'yes' votes on its Remuneration Report Resolution for the 2014 financial year (2013 – 92.5% 'yes' vote).

The Company did not receive any specific feedback at the AGM on its remuneration practices.



## Remuneration Report cont.

### **NON-EXECUTIVE DIRECTORS**

The Company's policy is to remunerate Non-executive Directors, at rates comparable to other ASX listed companies in the same industry, for their time, commitment and responsibilities.

Non-executive remuneration is not linked to the performance of the Company, however to align Directors' interests with shareholders' interests, remuneration may be provided to Non-executive Directors in the form of equity based long term incentives.

1. Fees payable to Non-executive Directors are set within the aggregate amount approved by shareholders at the Company's Annual General Meeting;
2. Non-executive Directors' fees are payable in the form of cash and superannuation benefits;
3. Non-executive superannuation benefits are limited to statutory superannuation entitlements;
4. Participation in equity based remuneration schemes by Non-executive Directors is subject to consideration and approval by the Company's shareholders; and
5. Directors' fees cover all main Board activities. With the establishment of Board Committees during the 2015 financial year Non-executive Director fees will, from 1 July 2015, comprise a fee of \$65,400 per annum (including superannuation) and for those Non-executive Directors serving as Chairman of a Board Committee a fee of \$9,600 per annum (including superannuation) will apply in addition to the base fee.

The maximum Non-executive Directors fees payable in aggregate are currently set at \$350,000 per annum.

### **EXECUTIVE PAY**

A combination of the following comprises the executive's total remuneration:

- Base pay and benefits, including superannuation;
- Short term performance incentives; and
- Long term incentives through participation in the Gold Road Resources Limited Employee Incentive Plan (the **Plan**).

### **BASE PAY**

Base pay is structured as a total employment cost package which may be delivered as a combination of cash and prescribed non-financial benefits at the executives' discretion.

Executives are offered a competitive base pay that comprises the fixed component of pay and rewards. Base pay for executives is reviewed annually to ensure the executive's pay is competitive with the market. An executive's pay is also reviewed on promotion.

There are no guaranteed base pay increases included in any executives' contracts.

### **SUPERANNUATION**

Superannuation benefits are paid to complying superannuation funds nominated by the executives. The Company superannuation contribution rate is capped at the maximum superannuation contribution base of ordinary time earnings, which for the 2015 financial year was \$18,783.40. The maximum superannuation contribution base is reviewed and indexed annually by the Australian Taxation Office. The maximum superannuation contribution base will increase to \$19,307 for the 2016 financial year.

### **SHORT TERM INCENTIVES (STI)**

Short term incentives are usually in the form of cash bonuses and performance share rights to Executive Directors and other Executives. Payment of cash bonuses are entirely discretionary with the majority of the cash bonuses calculated based on achievement of Key Performance Indicators (**KPIs**). The actual KPIs, weightings and priorities are agreed annually with the Remuneration Committee so as to ensure they remain relevant and appropriate to the Company and the Executives and are reviewed periodically to ensure they are linked to the strategic and operational plans of the Company, including budgets agreed for each financial year.

On an annual basis, after consideration of performance against KPIs, the Board determines the amount, if any, to be paid.

### 2015 SHORT TERM INCENTIVES

The 2015 STI Plan is based on set percentages of base salary, with performance assessed against a mix of personal and corporate objectives, over a twelve month period.

	Executive Chairman	Executive Director	Other Key Management Personnel
Maximum STI as a percentage of base salary	50%	25%	25%
Aligned to Corporate KPI	90%	80%	80%
Aligned to Personal KPI	10%	20%	20%

### CORPORATE KPIS

STIs for 2015 were set in June 2014 and are to be paid in a combination of equity securities and cash at the Board's discretion. For the 2015 financial year 50% of the STI is payable in cash and 50% in performance rights.

The number of performance rights to be granted is determined by dividing the 50% of the STI earned by 22.2 cents being the higher of:

1. the most recent capital raising prior to 1 July 2014; or
2. the 30 day VWAP for the period to 1 July 2014.

The payment of the STI is totally within the Board's absolute discretion (which cannot be unreasonable). The Board can decide to not pay or reduce the STI in the event that market conditions and commodity prices have deteriorated or key corporate objectives in the period had not been met.

The 2015 STI performance measures broadly included:

- a. Completion of the Gruyere mineral resource.
- b. A new discovery with the potential for greater than 500,000 ounces.
- c. Completion of positive economic studies including the Gruyere scoping study and mining lease applications.
- d. Submission of the Gruyere Mining lease application.
- e. The Company being adequately funded to achieve exploration and development objectives.

In the event of a change of control STI entitlements are to be paid pro-rata.

### PERSONAL KPIS

A "Good" personal performance rating is required for participation.

Individual performance is determined based on performance review and rating processes including Occupational Health Safety and Environment record.

### KEY MANAGEMENT PERSONNEL STI PAYMENTS FOR FINANCIAL YEAR 2015

The Remuneration Committee is responsible for determining the STI to be paid based on an assessment of whether the KPI's have been met.

Based on the achievements for financial year 2015 the Remuneration Committee determined that the Key Management Personnel achieved between 89% and 90% of their targeted STI.

For financial year 2015 the achieved KPI's resulted in Key Management Personnel earning the following STI amounts:

Name	Target STI	STI earned	STI forfeited
Ian Murray <sup>1</sup>	\$187,258	\$167,034	\$20,224
Justin Osborne <sup>2</sup>	\$66,039	\$58,907	\$7,132
Gordon Murray	\$59,293	\$53,451	\$5,842

<sup>1</sup> 50% of the STI earned is payable by the issue of 376,203 performance rights, the issue of which is subject to shareholder approval at the 2015 Annual General Meeting.

<sup>2</sup> 50% of the STI earned is payable by the issue of 132,673 performance rights, the issue of which is subject to shareholder approval at the 2015 Annual General Meeting.

## Remuneration Report cont.

### LONG-TERM INCENTIVES (LTI)

Long term incentives are provided via the Gold Road Employee Incentive Plan.

The plan was approved by shareholders at the Annual General Meeting held on 18 November 2013.

### 2015 LONG TERM INCENTIVES

In June 2014, the Board approved a more structured framework for the Company's Long Term Remuneration Policy for executives based on the following key principles:

- The vesting of long term incentives will be subject to performance measured against long term internal Company hurdles and shareholder return hurdles, measured at the end of a minimum three year period, where the holder must still be an employee.
- Long term incentives are to be granted annually, and will be subject to a percentage threshold amount of base remuneration. The percentage threshold is to be reviewed at each grant, and determined based on market and peer group practice for the financial year ended 30 June 2015. The grants were made in the form of Performance Rights.

	Executive Chairman	Executive Director	Other Key Management Personnel
Maximum LTI as a percentage of base salary	65%	35%	35%
Aligned to Total shareholder return vesting hurdle	50%	50%	50%
Aligned to Company vesting hurdle	50%	50%	50%
Term vesting at completion	3 years	3 years	3 years

The market value used by the Company, for the purposes of calculating the quantity of Performance Rights that may be converted to shares was set at \$0.18 being the 30 day volume weighted average price at the date the Board considered the grant of the long term incentive on 17 June 2014.

Incentives granted under the Employee Incentive Plan automatically vest in the event of a change in control of the Company, including where a takeover bid is made for the Company and the bidder acquires more than 50% of the Company, shareholders approve a scheme of arrangement, or in any other case where a person obtains voting power in the Company which the Board determines (acting in good faith and in accordance with their fiduciary duties) is sufficient to control the composition of the Board.

The Board also has the discretion to permit the exercise of Incentives in other limited circumstances, such as where a resolution is passed approving the disposal of the Company's main undertaking.

The quantum of LTI grants made during FY 2015 was as follows:

Name	Target LTI	Number of Performance Rights issued	Fair value per Performance Right at grant date
Ian Murray*	\$234,000	1,300,000	\$237,965
Justin Osborne	\$87,500	486,111	\$87,622
Gordon Murray	\$79,625	442,361	\$79,736

\* Shareholders approved the issue of the performance rights pursuant to the company's Employee Incentive Plan at the general meeting held on 30 July 2014

The LTI's vest on 30 June 2017 subject to the vesting conditions and expire on 30 June 2018.

At the meeting held on 30 July 2014 shareholders approved the issue of 486,111 performance rights to the then technical Director Mr Ziggy Lubieniecki. These rights were cancelled on Mr Lubieniecki's resignation as a director and full time employee of the company on 31 December 2014.



### TOTAL SHAREHOLDER RETURN VESTING HURDLE

The shareholder returns performance vesting condition requires an assessment of how the Company's share price has performed along the performance measurement period (a three year period) relative to the S&P/ASX Ordinaries Gold Index (ASX Code XGD).

Company performance relative to Index	Percentage of Performance Rights eligible for vesting over three year measurement period (being 1 July 2014 to 30 June 2017)
75th–100th (or greater) Percentile	100%
50th–75th Percentile	50%
0–50th Percentile	0%

### COMPANY VESTING HURDLE

The 50% internal Company vesting hurdle at completion of the three year measurement period as allocated are as follows:

- The Company has substantially funded and completed permitting for gold mine development at Yamarna – 25%.
- First gold production has commenced – 25%.

## C. DETAILS OF REMUNERATION

Details of the nature and amount of each element of the emoluments of each key management personnel of the Company for the years ended 30 June 2015 and 30 June 2014 are set out in the following tables:

### YEAR 2015

Directors	Salaries & Fees \$	Superannuation Contributions \$	Other Benefits \$	Value of Options & Performance Share Rights \$	Total \$	Performance Related %
<i>Directors</i>						
I Murray	374,517	19,472	89,959	74,559	558,507	28%
J Osborne**	264,157	20,729	31,074	52,746	368,706	22%
R Davis	67,500	-	7,131	-	74,631	-
M Pyle	65,808	1,692	7,131	-	74,631	-
T Netscher***	58,333	-	7,131	33,410	98,874	34%
Z Lubieniecki*	127,946	21,633	284,816	-	434,395	65%
<i>Specified Executives</i>						
K Hart	92,138	-	-	-	92,138	-
G Murray	239,692	21,102	24,407	19,750	304,951	14%
<b>Total</b>	<b>1,290,091</b>	<b>84,628</b>	<b>451,649</b>	<b>180,465</b>	<b>2,006,833</b>	<b>30%</b>

\* Resigned 31 December 2014

\*\* Appointed 1 January 2015

\*\*\* Appointed 1 September 2014

## Remuneration Report cont.

### YEAR 2014

Directors	Salaries & Fees \$	Superannuation Contributions \$	Other Benefits \$	Value of Options & Performance Share Rights \$	Total \$	Performance Related %
<i>Directors</i>						
I Murray	292,645	25,000	4,690	178,235	500,570	36%
Z Lubieniecki	199,432	35,000	4,690	117,941	357,063	33%
R Davis	46,750	-	4,690	13,436	64,876	21%
M Pyle	45,383	1,367	4,690	13,436	64,876	21%
<i>Specified Executives</i>						
K Hart	89,346	-	-	13,436	102,782	13%
G Murray	231,545	19,502	-	34,536	285,583	12%
J Osborne#	155,511	14,385	-	46,120	216,016	21%
<b>Total</b>	<b>1,060,612</b>	<b>95,254</b>	<b>18,760</b>	<b>417,140</b>	<b>1,591,766</b>	<b>26%</b>

# Appointed 1 January 2015

Subsequent to the end of the 2015 financial year, 120,386 Performance Rights Shares were granted to Mr Gordon Murray as an STI payment, valued at \$28,231. Subject to shareholder approval, the Executive Directors, Mr Ian Murray and Mr Justin Osborne may be granted 376,203 and 132,673 Performance Rights Shares respectively. These Performance Rights Shares would have had a fair value of \$159,886 and \$56,386 if granted at 30 June 2015.

## **D. SERVICE AGREEMENTS**

Remuneration and other terms of employment for the Executive Directors are formalised in service agreements. The agreement provides for the provision of performance-related cash bonuses and participation, when eligible, in the Plan. Other major provisions of the agreements relating to remuneration are set out below.

The contracts may be terminated early by either party with notice as set out in the service agreement, subject to termination payments as detailed below.

### ***IAN MURRAY, EXECUTIVE CHAIRMAN***

- Term of agreement – no fixed term, commenced 1 October 2011.
- Termination notice – 4 months' notice by individual and 12 months' notice by Company.
- Total Remuneration Package (TRP), exclusive of superannuation, of \$360,000 increased to \$495,000 from 1 July 2015 to be reviewed annually. Once maximum superannuation contribution exceeded, the remaining TRP was paid directly to Mr Murray.
- Participation in short term and long term incentive remuneration programs.

### ***JUSTIN OSBORNE, EXECUTIVE DIRECTOR (APPOINTED 1<sup>ST</sup> JANUARY 2015 – PREVIOUSLY EXPLORATION MANAGER)***

- Term of agreement – no fixed term, commenced 14 October 2013.
- Termination notice – 4 months' notice by individual and 12 months' notice by Company.
- Base salary exclusive of superannuation of \$273,973 increased to \$350,000 from 1 July 2015 to be reviewed annually.
- Participation in short term and long term incentive remuneration programs.

### ***ZIGGY LUBIENIECKI, TECHNICAL DIRECTOR (RESIGNED 31<sup>ST</sup> DECEMBER 2014)***

- Term of agreement – no fixed term, commenced 13 December 2010.
- Termination notice – 1 months' notice by individual and 1 months' notice by Company.
- Base salary exclusive of superannuation of \$250,000 to be reviewed annually.
- Participation in short term and long term incentive remuneration programs.

### ***GORDON MURRAY, BUSINESS DEVELOPMENT MANAGER***

- Term of agreement – no fixed term, commenced 15 September 2011.
- Termination notice – 1 months' notice by individual and 1 months' notice by Company.
- Base salary exclusive of superannuation of \$250,000 increased to \$260,992 from 1 July 2015 to be reviewed annually.
- Participation in short term and long term incentive remuneration programs.

## **E. OTHER TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL**

Mr Kevin Hart has an interest as a Partner in a Chartered Accounting firm, Endeavour Corporate. This firm provides company secretarial and accounting services to the Company in the ordinary course of business. The value of transactions in the financial year ended 30 June 2015 amounted to \$139,885 of which \$47,747 comprised accounting services and \$92,138 comprised company secretarial fees. (2014: \$74,900).

Subsequent to his resignation Mr Ziggy Lubieniecki provided geological services to the company through his company, Silver Asset Pty Ltd. The value of transactions in the financial year ended 30 June 2015 amounted to \$46,000.

Terms and conditions were not more favourable than those available, or which might reasonably be expected to be available for a similar transaction to unrelated parties on an arms-length basis.



## Remuneration Report cont.

### F. SHARE-BASED COMPENSATION

#### OPTIONS AND PERFORMANCE SHARE RIGHTS

Options over shares in Gold Road are granted under the Plan which was approved by shareholders at an Annual General Meeting of shareholders of the Company held on 18 November 2013.

The Plan is designed to provide long term incentives for executives to deliver long term shareholder returns, and participation in the future growth of the Company. Under the Plan participants are granted Options which typically vest on issue with a strike price as determined at the discretion of the Board. The Plan allows the Company to issue free Options to an eligible person. The Options are exercisable at a fixed price in accordance with the Plan. The Options of any participant in the scheme lapse where the relevant person ceases to be an employee or director of, or vendor services to the Company.

Performance Share Rights to be issued under the Plan have varying vesting periods as determined by the Board at the date of grant except under certain circumstances whereby Performance Share Rights may be capable of exercise prior to the expiry of the vesting period. Participation in the Plan is at the Board's discretion and no individual has a contractual right to participate in the Plan or to receive any guaranteed benefits. The Performance Share Rights of any participant in the scheme lapse where the relevant person ceases to be an employee or director of, or vendor services to the Company.

During the year ended 30 June 2015, 500,000 (2014: 10,500,000) Options were issued pursuant to the terms of the Plan to Directors of the Company.

	Granted No.	Grant Date	Fair value at grant date	Expiry date	Vesting date
<i>Directors</i>					
T Netscher	500,000*	18 November 2014	6.68 cents	21 November 2016	18 November 2014

\* Refer to Note 19(d)(iii)

During the year ended 30 June 2015, 2,714,585 (2014: 55,513) Performance Share Rights were issued pursuant to the terms of the Plan to Key Management Personnel of the Company.

	Granted No.	Grant Date	Fair value at grant date	Expiry date	Vesting date
<i>Directors</i>					
I Murray	650,000	30 July 2014	15.26 cents <sup>#</sup>	30 June 2018	30 June 2017
	650,000	30 July 2014	21.35 cents <sup>##</sup>	30 June 2018	30 June 2017
J Osborne	243,056	27 October 2014	15.4 cents <sup>#</sup>	30 June 2018	30 June 2017
	243,056	27 October 2014	20.65 cents <sup>##</sup>	30 June 2018	30 June 2017
Z Lubieniecki*	243,056	30 July 2014	15.26 cents	30 June 2018	30 June 2017
	243,055	30 July 2014	21.35 cents	30 June 2018	30 June 2017
<i>Specified Executives</i>					
G Murray	221,181	27 October 2014	14.7 cents <sup>#</sup>	30 June 2018	30 June 2017
	221,181	27 October 2014	19.72 cents <sup>##</sup>	30 June 2018	30 June 2017

\* These performance right shares were subsequently cancelled on resignation on 31 December 2014;

<sup>#</sup> Relates to market hurdles;

<sup>##</sup> Relates to Company hurdles

The assessed fair value at grant date of Options and Performance Share Rights granted to individuals are allocated evenly over the period from grant date to vesting date.

Fair values of Options at grant date of Options are determined using a Black-Scholes pricing model that takes into account the exercise price, the term of the instrument, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the instrument. Refer to Note 19(d)(vii) for details of inputs used.

Performance Share Rights are valued at the underlying market value at grant date of the ordinary shares over which they are granted, discounted for a lack of negotiability. Performance Share Rights allocated to Executive Directors and Heads of Departments as part of the LTIs, had their values verified using a Monte Carlo simulation for options with market based vesting conditions and a Black Scholes pricing model for options with non-market based vesting conditions.

No Options have been granted to Key Management Personnel since the end of the financial year. Subsequent to the end of the financial year, 120,386 Performance Share Rights were issued to Gordon Murray as STIs. No other Performance Share Rights have been granted to Key Management Personnel since the end of the financial year.

#### EXERCISE OF OPTIONS GRANTED AS COMPENSATION

During the reporting period, 764,345 ordinary shares were issued on the cashless exercise of 1,000,000 Options previously granted as compensation to Key Management Personnel.

No shares have been issued on the exercise of Options previously granted as compensation to Directors or Specified Executives since the end of the financial year.

#### CONVERSION OF PERFORMANCE SHARE RIGHTS GRANTED AS COMPENSATION

During the reporting period, the following shares were issued on the conversion of Performance Share Rights previously granted as compensation to Directors or Specified Executives.

	Issued No.	Issue Date	Exercise Price of Rights	Expiry date of Rights	Vesting date of Rights
<i>Directors</i>					
I Murray	800,000	10 December 2012	Nil	30 November 2014	30 November 2014
Z Lubieniecki	625,000	10 December 2012	Nil	30 November 2014	30 November 2014
<i>Specified Executives</i>					
G Murray	153,333	30 September 2012	Nil	28 September 2015	28 September 2014

No shares have been issued on the exercise of Performance Share Rights previously granted as compensation to Directors or Specified Executives since the end of the financial year.

#### ANALYSIS OF SHARES, OPTIONS AND RIGHTS OVER EQUITY INSTRUMENTS GRANTED AS COMPENSATION

Details of vesting profiles of the Options granted as remuneration to each key management person of the Company are detailed below.

	Balance at start of the year	Granted during the year	Exercised during the year	Other changes during the year*	Balance at the end of the year/ date of resignation	Vested and exercisable at the end of the year/ date of resignation
<i>Directors</i>						
I Murray	5,300,000	-	-	(2,000,000)	3,300,000	3,300,000
J Osborne**	3,000,000	-	-	-	3,000,000	1,000,000
R Davis	1,000,000	-	-	(500,000)	500,000	500,000
M Pyle	500,000	-	-	(500,000)	-	-
T Netscher	-	500,000	-	-	500,000	500,000
Z Lubieniecki*	3,700,000	-	-	-	3,700,000	3,700,000
<i>Specified Executives</i>						
K Hart	1,000,000	-	-	(500,000)	500,000	500,000
G Murray	1,350,000	-	(1,000,000)	-	350,000	350,000

\* Resigned 31 December 2014

\*\* Appointed 1 January 2015

# Other changes during the year comprise the expiry of Options.

## Remuneration Report cont.

Details of vesting profiles of the Performance Share Rights granted as remuneration to each key management person of the Company are detailed below.

	Balance at start of the year	Granted during the year	Exercised during the year	Other changes during the year <sup>#</sup>	Balance at the end of the year/ date of resignation	Vested and exercisable at the end of the year/ date of resignation
<i>Directors</i>						
I Murray	800,000	1,300,000	(800,000)	-	1,300,000	-
J Osborne**	-	486,111	-	-	486,111	-
R Davis	-	-	-	-	-	-
M Pyle	-	-	-	-	-	-
T Netscher	-	-	-	-	-	-
Z Lubieniecki*	625,000	486,111	(625,000)	(486,111)	-	-
<i>Specified Executives</i>						
K Hart	-	-	-	-	-	-
G Murray	153,333	442,361	(153,333)	-	442,361	-

\* Resigned 31 December 2014

\*\* Appointed 1 January 2015

<sup>#</sup> Other changes during the year comprise the forfeiture of Performance Share Rights.

Details of Shares held at reporting date by each key management person of the Company are detailed below.

	Balance at start of the year	Received during the year on exercise of Options or Rights	Other changes during the year <sup>#</sup>	Balance at the end of the year/date of resignation
<i>Directors</i>				
I Murray	10,848,712	800,000	(600,000)	11,048,712
J Osborne**	1,100,000	-	100,000	1,200,000
R Davis	7,072,431	-	-	7,072,431
M Pyle	2,308,220	-	-	2,308,220
T Netscher	-	-	-	-
Z Lubieniecki*	1,912,767	625,000	-	2,537,767
<i>Specified Executives</i>				
K Hart	-	-	-	-
G Murray	559,085	917,678	-	1,476,763

\* Resigned 31 December 2014

\*\* Appointed 1 January 2015

<sup>#</sup> Other changes during the year comprise the expiry of Options and market trades.



## ANALYSIS OF OPTIONS AND PERFORMANCE SHARE RIGHTS HELD AT REPORTING DATE

Details of Options held at reporting date by each key management person of the Company are detailed below.

	Grant Date	Number Granted	Fair Value of Options granted	Vest Date	No of Options vested during the year	Vested %	Number of Options forfeited	Value at date of forfeit	Forfeited %
<i>Directors</i>									
I Murray	18/11/13	3,300,000	\$88,676	18/11/13	-	100	-	-	-
J Osborne**	30/10/13	1,000,000	\$36,556	14/10/14	1,000,000	100	-	-	-
	30/10/13	1,000,000	\$36,556	14/10/15	-	-	-	-	-
	30/10/13	1,000,000	\$36,556	14/10/16	-	-	-	-	-
R Davis	18/11/13	500,000	\$13,436	18/11/13	500,000	100	-	-	-
M Pyle	-	-	-	-	-	-	-	-	-
T Netscher	18/11/14	500,000	\$33,410	18/11/14	500,000	100	-	-	-
Z Lubieniecki*	17/09/10	333,333	\$26,296	17/09/11	-	100	-	-	-
	17/19/10	333,333	\$22,356	17/09/12	-	100	-	-	-
	17/09/10	333,334	\$21,795	17/09/13	-	100	-	-	-
	27/04/11	1,000,000	\$272,400	13/05/11	-	100	-	-	-
	18/11/13	1,700,000	\$45,681	18/11/13	-	100	-	-	-
<i>Specified Executives</i>									
K Hart	18/11/13	500,000	\$13,436	18/11/13	-	100	-	-	-
G Murray	06/01/12	223,000	\$27,420	06/01/12	-	100	-	-	-
	28/03/12	127,000	\$15,046	28/03/12	-	100	-	-	-

\* Resigned 31 December 2014

\*\* Appointed 1 January 2015

## Remuneration Report cont.

Details of Performance Share Rights held at reporting date by each key management person of the Company are detailed below:

	Grant Date	Number Granted	Fair Value of Performance Share Rights granted	Vest Date	No of Performance Share Rights vested during the year	Vested %	Number of rights forfeited	Value at date of forfeit	Forfeited %
<i>Directors</i>									
I Murray	30/07/14	1,300,000	\$237,965	30/06/17	-	-	-	-	-
J Osborne*	27/10/14	486,111	\$87,622	30/06/17	-	-	-	-	-
R Davis	-	-	-	-	-	-	-	-	-
M Pyle	-	-	-	-	-	-	-	-	-
T Netscher	-	-	-	-	-	-	-	-	-
<i>Specified Executives</i>									
K Hart	-	-	-	-	-	-	-	-	-
G Murray	27/10/14	442,361	\$79,736	30/07/17	-	-	-	-	-

\* Appointed 1 January 2015

Subsequent to the end of the 2015 financial year, 120,386 Performance Rights Shares were granted to Mr Gordon Murray as a STI payment, valued at \$28,231. Subject to shareholder approval, the Executive Directors, Mr Ian Murray and Mr Justin Osborne may be granted 376,203 and 132,673 Performance Rights Shares respectively. These Performance Rights Shares would have had a fair value of \$159,886 and \$56,386 if granted at 30 June 2015.

The movement during the reporting period, by fair value, of Options over ordinary shares in the Company held by each key management person and granted as part of remuneration is as follows:

	Fair Value of Options granted during the year (a)	Fair Value of Options exercised during the year (b)
<i>Directors</i>		
I Murray	-	-
J Osborne**	-	-
R Davis	-	-
M Pyle	-	-
T Netscher	\$33,410	-
Z Lubieniecki*	-	-
<i>Specified Executives</i>		
K Hart	-	-
G Murray	-	\$20,210

\* Resigned 31 December 2014

\*\* Appointed 1 January 2015

The movement during the reporting period, by fair value, of Performance Share Rights over ordinary shares in the Company held by each key management person and granted as part of remuneration is as follows:

	Fair Value of Performance Share Rights granted during the year (a)	Value of Performance Share Rights exercised during the year (b)
<i>Directors</i>		
I Murray	\$237,965	\$78,400
J Osborne**	\$87,622	-
R Davis	-	-
M Pyle	-	-
T Netscher	-	-
Z Lubieniecki*	\$88,983 <sup>#</sup>	\$61,250
<i>Specified Executives</i>		
K Hart	-	-
G Murray	\$79,736	\$16,744

\* Resigned 31 December 2014

\*\* Appointed 1 January 2015

<sup>#</sup> Subsequently cancelled on resignation

#### ANALYSIS OF OPTIONS AND RIGHTS OVER EQUITY INSTRUMENTS GRANTED AS COMPENSATION

- The value of Options or Performance Share Rights granted in the year is the fair value calculated at grant date. The total value is included in the tables above. This amount is allocated to remuneration over the vesting period.
- The value of Options or Performance Share Rights exercised during the year is calculated as the closing market price of the Company's shares on the date of exercise or conversion after deducting the price paid to exercise or convert.

#### COMPANY PERFORMANCE

The table below shows the performance of the Company as measured by share price and change in market capitalisation.

	30 June 2015	30 June 2014	30 June 2013	30 June 2012	30 June 2011
	\$	\$	\$	\$	\$
Share Price	0.425	0.29	0.043	0.17	0.60
Market capitalisation	291,172,716	149,471,522	19,579,292	66,302,663	186,885,175

#### THIS IS THE END OF THE REMUNERATION REPORT



## Directors' Report cont.

### OFFICERS' INDEMNITIES AND INSURANCE

Subsequent to the end of the financial year, the Company paid an insurance premium to insure certain officers of the Company. The officers of the Company covered by the insurance policy include the Directors named in this report.

The Directors and Officers Liability insurance provides cover against all costs and expenses that may be incurred in defending civil or criminal proceedings that fall within the scope of the indemnity and that may be brought against the officers in their capacity as officers of the Company. The insurance policy does not contain details of the premium paid in respect of individual officers of the Company. Disclosure of the nature of the liability cover and the amount of the premium is subject to a confidentiality clause under the insurance policy.

The Company has not provided any insurance for an auditor of the Company.

### PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the Corporations Act 2001.

### CORPORATE GOVERNANCE

The 2015 Corporate Governance Statement is available on the Company's website at [www.goldroad.com.au](http://www.goldroad.com.au).

### NON-AUDIT SERVICES

The Company's auditor, Stantons International Audit & Consulting Pty Ltd, did not provide any non-audit services during the year.

Total remuneration paid to Stantons International Audit & Consulting Pty Ltd during the financial year:

2015	2014
\$	\$
37,611	27,625

Audit and review of the Company's financial statements

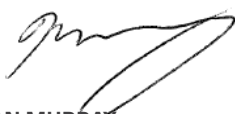
A copy of the Auditor's Independence Declaration as required under Section 307C of the Corporations Act is set out on page 47.

### AUDITOR

Stantons International Audit & Consulting Pty Ltd continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of the Directors.

DATED at Perth this 30<sup>th</sup> day of September 2015.



**IAN MURRAY**  
Executive Chairman

Stantons International Audit and Consulting Pty Ltd  
trading as

**Stantons International**  
Chartered Accountants and Consultants

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www.stantons.com.au

30 September 2015

Board of Directors  
Gold Road Resources Limited  
Level 2, 26 Colin Street  
West Perth WA 6005

Dear Sirs

**RE: GOLD ROAD RESOURCES LIMITED**

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Gold Road Resources Limited.

As Audit Director for the audit of the financial statements of Gold Road Resources Limited for the year ended 30 June 2015, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours faithfully

**STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD**  
(Trading as Stantons International)  
(An Authorised Audit Company)



**Martin Michalik**  
Director

Liability limited by a scheme approved  
under Professional Standards Legislation

Member of Russell Bedford International



# Statement of Profit or Loss and Other Comprehensive Income

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015

	Note	30 June 2015 \$	30 June 2014 \$
Revenue	6	1,005,005	776,714
<b>Total revenue</b>		<b>1,005,005</b>	<b>776,714</b>
Employee expenses		(4,104,435)	(2,450,530)
Employee expenses recharged to exploration		2,865,354	1,704,402
Equity based remuneration expense	20	(310,082)	(493,203)
Non-executive directors' fees		(125,833)	(46,750)
Depreciation expense	7	(453,161)	(415,895)
Accounting and corporate advisory expenses		(669,933)	(523,204)
Compliance costs		(363,547)	(268,525)
Operating lease expenses		(164,977)	(144,442)
Legal costs		(85,990)	(34,343)
Insurance		(79,688)	(66,785)
Travel expenses		(55,572)	(25,368)
Advertising		(20,677)	(1,772)
Recruitment expenses		(53,929)	(17,080)
Office expenses		(787,980)	(495,655)
Other expenses from ordinary activities		(132,079)	(47,614)
Exploration costs written off and expensed	16	(342,041)	(3,605)
<b>(Loss) before income tax</b>		<b>(3,879,565)</b>	<b>(2,553,655)</b>
Income tax benefit	8	-	2,963,408
<b>Profit/(loss) for the year</b>	21(b)	<b>(3,879,565)</b>	<b>409,753</b>
Other comprehensive income for the year		-	-
Items that will not be reclassified subsequently to profit or loss		-	-
Items that may be reclassified subsequently to profit or loss		-	-
<b>Total comprehensive income/(loss) for the year attributed to members of the Company</b>		<b>(3,879,565)</b>	<b>409,753</b>
Basic profit/(loss) per share (cents)	32	(0.67)	0.09
Diluted profit/(loss) per share (cents)	32	(0.67)	0.09

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.



# Statement of Financial Position

## AS AT 30 JUNE 2015

	Note	30 June 2015 \$	30 June 2014 \$
<b>Current assets</b>			
Cash and cash equivalents	9	49,799,678	9,665,211
Trade and other receivables	10	500,261	399,654
Security deposits	11	173,335	64,256
Prepayments	12	56,120	95,617
Inventories		106,323	41,049
<b>Total current assets</b>		<b>50,635,717</b>	<b>10,265,787</b>
<b>Non-current assets</b>			
Property, plant and equipment	13	1,369,105	1,252,850
Investment in subsidiary	14	598	598
Other financial assets	15	144,306	35,227
Capitalised mineral exploration and evaluation expenditure	16	43,997,859	27,259,412
<b>Total non-current assets</b>		<b>45,511,868</b>	<b>28,548,087</b>
<b>Total assets</b>		<b>96,147,585</b>	<b>38,813,874</b>
<b>Current liabilities</b>			
Trade and other payables	17	3,664,457	2,397,735
Provisions	18	221,191	161,338
<b>Total current liabilities</b>		<b>3,885,648</b>	<b>2,559,073</b>
<b>Non-current liabilities</b>			
Provisions	18	117,783	38,392
<b>Total non-current liabilities</b>		<b>117,783</b>	<b>38,392</b>
<b>Total liabilities</b>		<b>4,003,431</b>	<b>2,597,465</b>
<b>Net assets</b>		<b>92,144,154</b>	<b>36,216,409</b>
<b>Equity</b>			
Contributed equity	19(b)	129,925,422	70,428,194
Equity remuneration reserve	21(a)	3,922,572	3,612,490
Accumulated losses	21(b)	(41,703,840)	(37,824,275)
<b>Total equity</b>		<b>92,144,154</b>	<b>36,216,409</b>

The above statement of financial position should be read in conjunction with the accompanying notes.

# Statement of Changes in Equity

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015

	Ordinary Shares	Accumulated Losses	Equity Remuneration Reserve	Total
	\$	\$	\$	\$
<b>Balance as at 1 July 2014</b>	<b>70,428,194</b>	<b>(37,824,275)</b>	<b>3,612,490</b>	<b>36,216,409</b>
(Loss) for the year	-	(3,879,565)	-	(3,879,565)
Other comprehensive income for the year	-	-	-	-
Total comprehensive (loss) for the year	-	(3,879,565)	-	(3,879,565)
Movement in equity remuneration reserve	-	-	310,082	310,082
Transactions with equity holders in their capacity as equity holders:				
Contributions of equity	62,502,476	-	-	62,502,476
Transaction costs of equity issued	(3,005,248)	-	-	(3,005,248)
<b>Balance as at 30 June 2015</b>	<b>129,925,422</b>	<b>(41,703,840)</b>	<b>3,922,572</b>	<b>92,144,154</b>

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014

	Ordinary Shares	Accumulated Losses	Equity Remuneration Reserve	Total
	\$	\$	\$	\$
<b>Balance as at 1 July 2013</b>	<b>60,827,079</b>	<b>(38,234,028)</b>	<b>3,119,287</b>	<b>25,712,338</b>
Profit for the year	-	409,753	-	409,753
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	409,753	-	409,753
Movement in equity remuneration reserve	-	-	493,203	493,203
Transactions with equity holders in their capacity as equity holders:				
Contributions of equity	10,225,000	-	-	10,225,000
Transaction costs of equity issued	(623,885)	-	-	(623,885)
<b>Balance as at 30 June 2014</b>	<b>70,428,194</b>	<b>(37,824,275)</b>	<b>3,612,490</b>	<b>36,216,409</b>

The above statement of changes in equity should be read in conjunction with the accompanying notes.

# Statement of Cash Flows

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015

	Note	2015 \$	2014 \$
<b>Cash flows from operating activities</b>			
Interest received		495,368	348,855
Interest paid		-	(126)
Farm-in agreement management fees		437,403	432,852
Research and development tax benefit		-	2,963,408
Payments to suppliers and employees		(3,295,651)	(2,594,810)
<b>Net cash flows (used in) / from operating activities</b>	31	<b>(2,362,880)</b>	1,150,179
<b>Cash flows from investing activities</b>			
Payments for exploration and evaluation including Farm-in spend		(19,392,585)	(13,053,879)
JV Farm-in contributions received		3,066,654	3,253,715
Payments for plant and equipment		(569,416)	(208,440)
Proceeds from sale of plant and equipment		4,545	-
(Payments for) / receipts from other financial assets		(109,079)	49,035
<b>Net cash flows (used in) investing activities</b>		<b>(16,999,881)</b>	(9,959,569)
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares		62,502,476	10,225,000
Transaction costs on issue of shares		(3,005,248)	(623,885)
<b>Net cash flows from financing activities</b>		<b>59,497,228</b>	9,601,115
<b>Net increase in cash and cash equivalents</b>		<b>40,134,467</b>	791,725
<b>Cash and cash equivalents at the beginning of the financial year</b>		<b>9,665,211</b>	8,873,486
<b>Cash and cash equivalents at the end of the financial year</b>	9	<b>49,799,678</b>	9,665,211

The above statement of cash flows should be read in conjunction with the accompanying notes.

# Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015

## NOTE 1 BASIS OF PREPARATION OF THE FINANCIAL REPORT

The following is a summary of the significant accounting policies adopted by Gold Road in the preparation of these financial statements. These policies have been consistently applied to all years presented, unless otherwise stated.

### a. Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards (AASB) and the Corporations Act 2001. The financial report also complies with the IFRS and interpretations adopted by the International Accounting Standards Board.

### b. Adoption of New and Revised Standards

In the financial year ended 30 June 2015, the Company has reviewed all of the new and revised Standards and interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2014. It has been determined by the Company that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business.

## NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

The Company has also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the year ended 30 June 2015. As a result of this review the Company has determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on the Company's business and, therefore, no changes are necessary to Company accounting policies.

### c. Report basis and conventions

These financial statements have been prepared under the historical cost convention, and on an accruals basis.

### d. Critical accounting estimates

The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

### e. Going concern

The financial statements have been prepared on a going concern basis which contemplates the continuity of normal business activities and the realization of assets and discharge of liabilities in the ordinary course of business. The ability of the Company to continue to adopt the going concern assumption will depend on future successful capital raisings, the successful exploration and subsequent exploitation of the Company's tenements and/or sale of non-core assets. The Directors are confident of securing funds if and when necessary to meet the Company's obligations as and when they fall due.

## NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### a. Basis of consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent and all of the subsidiaries. Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of the subsidiaries is provided in Note 14.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between Group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.



Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as "non-controlling interests". The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary's net assets on liquidation at either fair value or at the non-controlling interests' proportionate share of the subsidiary's net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of comprehensive income.

In the Company's financial statements, investments in subsidiaries are carried at cost. Consolidated financial statements have not been prepared as disclosed in Note 14.

#### **b. Segment reporting**

Operating segments are identified and segment information disclosed, where appropriate, on the basis of internal reports reviewed by the Company's Board of Directors, being the Company's Chief Operating Decision Maker, as defined by AASB 8.

#### **c. Revenue recognition and receivables**

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, allowances and amounts collectable on behalf of third parties.

#### *Interest income*

Interest income is recognised on a time proportion basis as it accrues.

#### **d. Leases**

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases (Note 27(b)). Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of profit or loss and other comprehensive income on a straight line basis over the period of the lease. Leases in terms of which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to the asset.

#### **e. Income tax**

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to the temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary timing differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantially enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to those timing differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

#### **f. Impairment of assets**

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units). Non-financial assets, other than goodwill, that suffered an impairment, are reviewed for possible reversal of the impairment at each reporting date.

## Notes to the Financial Statements cont.

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015

### g. Cash and cash equivalents

For cash flow statement presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

### h. Fair value of measurements

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

### i. Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation and any impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of profit or loss and other comprehensive income during the financial period in which they are incurred.

Depreciation of property, plant and equipment is calculated using the straight line and written down value methods to allocate their cost, net of residual values, over their estimated useful lives, as follows:

Office equipment	5 – 7 years
Office furniture	10 – 15 years
Field equipment	5 – 10 years
Computer equipment	2 – 3 years
Vehicles	8 years
Buildings	5 – 10 years

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2(f)).

**j. Mineral exploration and evaluation expenditure**

Mineral exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are carried forward only if they relate to an area of interest for which rights of tenure are current and in respect of which:

- such costs are expected to be recouped through the successful development and exploitation of the area of interest, or alternatively by its sale; or
- exploration and/or evaluation activities in the area have not reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active or significant operations in, or in relation to, the area of interest are continuing.

In the event that an area of interest is abandoned or if the Directors consider the expenditure to be of reduced value, accumulated costs carried forward are written off in the year in which that assessment is made. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

**k. Trade and other payables**

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. The amounts are unsecured and usually paid within 30 days of recognition.

**l. Trade and other receivables**

Receivables are recognised and carried at original invoice amount less a provision for any uncollectible debts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written-off as incurred.

**m. Employee benefits**

**i. Wages, salaries and annual leave**

Liabilities for wages and salaries, including non-monetary benefits, and annual leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

**ii. Long service leave**

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future salaries, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

**iii. Share-based payments**

Share-based compensation payments are made available to directors and employees.

The fair value of Options at grant date is independently determined using a Black-Scholes pricing model that takes into account the exercise price, the term of the instrument, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free rate for the term of the instrument.

The fair value of Performance Share Rights are valued at the underlying market value at grant date of the ordinary shares over which they are granted, discounted for a lack of negotiability.

The grant date fair value of instrument granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the instrument. The amount recognised as an expense is adjusted to reflect the actual number of instruments that vest, except for those that fail to vest due to market conditions not being met.

The fair value of the instruments granted is adjusted to reflect market vesting conditions. Non-market vesting conditions are included in assumptions about the number of instruments that are expected to become exercisable. At each reporting date, the entity revises its estimate of the number of instruments that are expected to become exercisable. The employee benefit expense recognised each period takes into account the most recent estimate.

Upon the exercise of Option and Performance Share Rights, the balance of the share based payments reserve relating to those Options is transferred to share capital and the proceeds received, net of any directly attributable transaction costs, are credited to share capital.

**n. Contributed equity**

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or Options are shown in equity as a deduction, net of tax, from the proceeds.

## Notes to the Financial Statements cont.

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015

### **o. Earnings per share**

#### **i. Basic earnings per share**

Basic earnings per share is calculated by dividing the earnings attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

#### **ii. Diluted earnings per share**

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

### **p. Goods and service tax (GST)**

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as a part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the taxation authority, are presented as operating cash flow.

### **q. Comparative figures**

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

### **r. Inventories**

Inventories are valued at the lower of weighted average cost and net realisable value. Inventory values do not include direct labour costs. These are written off to the statement of profit or loss and other comprehensive income in the year in which they are incurred.

### **s. Financial Instruments**

#### *Initial recognition and measurement*

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately.

#### *Classification and subsequent measurement*

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost.

*Amortised cost* is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the *effective interest method*.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) over the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.



The Group does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of Accounting Standards specifically applicable to financial instruments.

i. Financial assets at fair value through profit or loss

Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by Key Management Personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying amount being included in profit or loss.

ii. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

iii. Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Group's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

iv. Available-for-sale investments

Available-for-sale investments are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with any remeasurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are classified as non-current assets when they are expected to be sold after 12 months from the end of the reporting period. All other available-for-sale financial assets are classified as current assets.

v. Financial liabilities

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

# Notes to the Financial Statements cont.

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015

## NOTE 3 FINANCIAL RISK MANAGEMENT

The Company has exposure to a variety of risks arising from its use of financial instruments. This note presents information about the Company's exposure to the specific risks, and the policies and processes for measuring and managing those risks. Further quantitative disclosures are included throughout this financial report. The Board of Directors has overall responsibility for the risk management framework.

### a. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from transactions with customers and investments.

#### i. Trade and other receivables

The Company has no investments and the nature of the business activity does not result in trade receivables. The receivables that the Company recognises through its normal course of business are short term in nature and the most significant (in quantity) is the receivable from the Australian Taxation Office and interest receivable. The risk of non-recovery of receivables from this source is considered to be negligible.

#### ii. Cash deposits

The Company's primary banker is Westpac Bank Limited. At reporting date all operating accounts are with this bank. The Company also has funds held on deposit with Westpac Bank. The Directors believe any risk associated with both banks are mitigated by their size and reputation. Except for this matter the Company currently has no significant concentrations of credit risk.

### b. Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company manages its liquidity risk by monitoring its cash reserves and forecast spending. Management is cognisant of the future demands for liquid finance resources to finance the Company's current and future operations, and consideration is given to the liquid assets available to the Company before commitment is made to future expenditure or investment.

### c. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising any return.

#### i. Currency risk

The Company is not exposed to any currency risk as it only transacts in the functional currency of the Company, the Australian dollar (AUD).

#### ii. Interest rate risk

As the Company has significant interest bearing assets, the Company's income and operating cash flows are exposed to changes in market interest rates. The assets are short term interest bearing deposits, and no financial instruments are employed to mitigate risk. (Note 22 – Financial Instruments).

### d. Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors capital expenditure and cash flows as mentioned in Note 3(b).

## NOTE 4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

### a. Accounting for capitalised exploration and evaluation expenditure

The Company's accounting policy is stated at Note 2(j). There is some subjectivity involved in the carrying forward as capitalised costs or writing off to the statement of profit or loss and other comprehensive income exploration and evaluation expenditure. However management give due consideration to areas of interest on a regular basis and are confident that decisions to either write off or carry forward such expenditure reflect fairly the prevailing situation.

### b. Accounting for share-based payments

The Company's accounting policy is stated at Note 2(m). The value of these payments are based on reasonable estimates using a recognised pricing model.

### c. Deferred taxation

Deferred tax assets are recognised for deductible temporary differences when management considers that it is probable that future taxable profits will be available to utilise those temporary differences.

## NOTE 5 SEGMENT INFORMATION

The Company operates predominantly in the mineral exploration industry in Australia. For management purposes, the Company is organised into one main operating segment which involves the exploration of minerals in Australia. All of the Company's activities are interrelated and discrete financial information is reported to the Board (Chief Operating Decision Maker) as a single segment. Accordingly, all significant operating decisions are based upon analysis of the Company as one segment. The financial results from this segment are equivalent to the financial statements of the Company as a whole.

## NOTE 6 REVENUE AND OTHER INCOME

	2015 \$	2014 \$
<i>Other revenue</i>		
Interest received	563,057	343,862
Joint venture management and asset recoupment fees	437,403	432,852
Profit on disposal of assets	4,545	-
	1,005,005	776,714

## NOTE 7 EXPENSES

	2015 \$	2014 \$
Loss before income tax includes the following specific expenses:		
Depreciation:		
Plant and equipment	67,696	59,905
Office and computer equipment	79,658	67,184
Vehicles	58,036	42,919
Camp buildings	247,771	245,887
	453,161	415,895

# Notes to the Financial Statements cont.

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015

## NOTE 8 INCOME TAX

### a. Income tax recognised in profit and loss

The major components of tax expense are:

Adjustments recognised in the current year in relation to the current tax

	2015 \$	2014 \$
R&D tax offset	-	2,963,408
Total tax benefit	-	2,963,408

The prima facie income tax expense on pre-tax accounting result from operations reconciles to the income tax provided in the financial statements as follows:

Accounting loss before tax from continuing operations	(3,879,565)	(2,553,655)
Income tax expense/(benefit) calculated at 30% (2014 – 30%)	(1,163,870)	(766,097)
Non-deductible expenses	429,562	304,402
Capital raising costs	(329,717)	(156,245)
Exploration costs	(5,021,534)	(3,210,454)
R&D tax incentives	-	(2,963,408)
Tax losses and deferred tax balances not recognised	6,085,559	3,828,394
Income tax benefit reported in the consolidated statement of profit or loss and other comprehensive income	-	(2,963,408)

### b. Unrecognised deferred tax balances

Deferred tax assets comprise:

Tax losses carried forward	22,138,192	18,432,338
Other deferred tax benefits	1,314,083	553,180
	23,452,275	18,985,518

Deferred tax liabilities comprise:

Exploration expenditure capitalised	13,199,358	8,177,824
Other deferred tax balances	33,671	42,049
	13,233,029	8,219,873

Income tax benefit not recognised directly in equity during the year:

Capital raising costs	910,924	335,141
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Potential deferred tax assets attributable to tax losses and capital losses carried forward have not been brought to account because the Directors do not believe it is appropriate to regard realisation of the future tax benefit as probable. The Company has total estimated tax losses at 30 June 2015 of \$73,793,972 (2014: \$61,441,125).



**NOTE 9      CURRENT ASSETS – CASH AND CASH EQUIVALENTS**

	2015 \$	2014 \$
Cash at bank and on hand	49,799,678	9,665,211

Included in the cash balance at 30 June 2015 is \$891,576 (2014: \$606,509) in funds received from farm-in participant but not applied to farm-in expenditure at balance date.

**NOTE 10      CURRENT ASSETS – TRADE AND OTHER RECEIVABLES**

	2015 \$	2014 \$
GST recoverable	324,995	289,885
Interest receivable	112,236	44,547
Other receivables	63,030	65,222
	500,261	399,654

All receivables are receivable within 30 days and there are no impaired amounts.

**NOTE 11      CURRENT ASSETS – SECURITY DEPOSITS**

	2015 \$	2014 \$
Westpac – credit card facility	60,001	60,001
Other	113,334	4,255
	173,335	64,256

**NOTE 12      CURRENT ASSETS – PREPAYMENTS**

	2015 \$	2014 \$
Prepaid expenses	56,120	95,617

# Notes to the Financial Statements cont.

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015

## NOTE 13 NON-CURRENT ASSETS – PROPERTY, PLANT AND EQUIPMENT

	2015 \$	2014 \$
<i>Plant and equipment</i>		
At cost	716,678	584,411
Accumulated depreciation	(271,084)	(203,388)
	445,594	381,023
<i>Office and computer equipment</i>		
At cost	515,864	408,341
Accumulated depreciation	(329,407)	(249,749)
	186,457	158,592
<i>Motor vehicles</i>		
At cost	515,924	379,288
Accumulated depreciation	(187,670)	(148,218)
	328,254	231,070
<i>Camp buildings</i>		
At cost	1,416,293	1,241,887
Accumulated depreciation	(1,007,493)	(759,722)
	408,800	482,165
	1,369,105	1,252,850
Reconciliation		
<i>Plant and equipment</i>		
Net book value at start of the year	381,023	397,011
Items reclassified	-	-
Additions	132,267	43,917
Depreciation	(67,696)	(59,905)
Net book value at end of the year	445,594	381,023
<i>Office and computer equipment</i>		
Net book value at start of the year	158,592	102,644
Items reclassified	-	-
Additions	107,523	123,132
Depreciation	(79,658)	(67,184)
Net book value at end of the year	186,457	158,592
<i>Motor vehicles</i>		
Net book value at start of the year	231,070	232,598
Additions	155,220	41,391
Disposals	-	-
Depreciation	(58,036)	(42,919)
Net book value at end of the year	328,254	231,070

	2015 \$	2014 \$
<i>Camp buildings</i>		
Net book value at start of the year	482,165	728,052
Items reclassified	-	-
Additions	174,406	-
Depreciation	(247,771)	(245,887)
Net book value at end of the year	408,800	482,165
	1,369,105	1,252,850

No items of property, plant and equipment have been pledged as security by the Company.

#### NOTE 14 NON-CURRENT ASSETS – INVESTMENT IN SUBSIDIARY

During the 2007 year, Gold Road acquired 100% of Thatcher's Soak Uranium Pty Ltd for \$598. The Company was incorporated in Western Australia on 22 March 2007.

The subsidiary company had no material assets or liabilities at the reporting date and in addition had no revenue or expenses since incorporation.

Consolidated financial statements have not been prepared as the Directors consider to do so would be immaterial to the reporting entity's net assets at the reporting date and its result and cash flows for the year.

#### NOTE 15 NON-CURRENT ASSETS – OTHER FINANCIAL ASSETS

	2015 \$	2014 \$
Security bonds	144,306	35,227

Included in the above bonds are deposits over offices for corporate premises.

#### NOTE 16 NON-CURRENT ASSETS – CAPITALISED MINERAL EXPLORATION AND EVALUATION EXPENDITURE

	2015 \$	2014 \$
<i>In the exploration and evaluation phase</i>		
Cost brought forward	27,259,412	16,561,505
Exploration expenditure during the year	17,080,488	10,701,512
Exploration expenditure written off	(342,041)	(3,605)
Cost carried forward	43,997,859	27,259,412

The recoverability of the carrying amount of the exploration and evaluation assets is dependent upon successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

In reviewing the 2015 capitalised exploration and expenditure carried forward and the appropriateness of continuing to carry forward costs in relation to certain projects within the Yamarna project area, the Company considered market conditions at that date including the fall in the gold price, market capitalisation, the results of recent studies undertaken and where active and significant exploration expenditures are ongoing. As a result of this review, the Company made no impairment charge in the 2015 financial year.

## Notes to the Financial Statements cont.

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015

### NOTE 17 CURRENT LIABILITIES – TRADE AND OTHER PAYABLES

	2015 \$	2014 \$
Trade payables	1,767,990	1,264,159
Accruals and other payables	1,004,891	527,067
Funds from farmee held in advance	891,576	606,509
Trade and other payables	3,664,457	2,397,735

### NOTE 18 PROVISIONS

	2015 \$	2014 \$
Current – Employee entitlements	221,191	161,338
Non-current – Employee entitlements	117,783	38,392

### NOTE 19 CONTRIBUTED EQUITY

#### a. Ordinary shares

The Company is a public company limited by shares. The Company was incorporated in Perth, Western Australia.

The Company's shares are limited whereby the liability of its members is limited to the amount (if any) unpaid on the shares respectively held by them.

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

	2015 No.	2014 No.	2015 \$	2014 \$
<b>b. Share capital</b>				
Issued share capital	685,112,273	515,419,042	129,925,422	70,428,194



**c. Share movements during the year**

		2015 No.	2014 No.	2015 \$	2014 \$
<i>Issue price</i>					
Balance brought forward		515,419,042	455,332,394	70,428,194	60,827,079
Placement	\$0.30	77,312,853	-	23,193,856	-
Placement	\$0.44	89,262,773	-	39,275,620	-
Share Purchase Plan	\$0.175	-	57,142,857	-	10,000,000
Unlisted Options exercised	\$0.095	100,000	-	9,500	-
Unlisted Options exercised*	\$0.107	65,797	-	-	-
Unlisted Options exercised	\$0.107	100,000	700,000	10,700	70,000
Unlisted Options exercised*	\$0.128	65,797	-	-	-
Unlisted Options exercised	\$0.128	100,000	500,000	12,800	65,000
Unlisted Options exercised	\$0.15	-	600,000	-	90,000
Unlisted Options exercised*	\$0.105	764,345	-	-	-
Performance Share Rights exercised	\$0.00	80,000	527,124	-	-
Performance Share Rights exercised	\$0.00	213,333	313,334	-	-
Performance Share Rights exercised	\$0.00	1,425,000	80,000	-	-
Performance Share Rights exercised	\$0.00	203,333	223,333	-	-
Less: costs related to shares issued		-	-	(3,005,248)	(623,885)
At the end of the year		685,112,273	515,419,042	129,925,422	70,428,194

\*Cashless exercise of options

**d. Share Options**

i. Options movements during the year

The following table illustrates the number (No.) of, and movements in, share Options during the year:

	2015 No.	2014 No.
Outstanding at the beginning of the year	18,722,000	9,133,666
Unlisted Options granted (ii)	500,000	12,020,000
Unlisted Options exercised (iii)	(1,500,000)	(1,800,000)
Forfeited during the year	(145,000)	(631,666)
Unlisted Options expired during the year	(4,546,000)	-
Outstanding at the end of the year (iv)	13,031,000	18,722,000
Exercisable at the end of the year	11,031,000	15,722,000

## Notes to the Financial Statements cont.

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015

### ii. Unlisted Options granted during the year

Number of Options granted	Exercise price	Expiry date
500,000	33.5 cents	21 November 2016
<b>500,000</b>	<b>Total Options granted</b>	

### iii. Unlisted Options exercised during the year

Number of Options exercised	Exercise price	Expiry date
100,000	9.5 cents	30 September 2015
200,000	10.7 cents	30 September 2015
200,000	12.8 cents	30 September 2015
1,000,000	10.5 cents	30 October 2015
<b>1,500,000</b>	<b>Total Options exercised</b>	

### iv. Options outstanding at year end

Number of Options outstanding	Exercise price	Expiry date
400,000	9.5 cents	30 September 2015
400,000	10.7 cents	30 September 2015
400,000	12.8 cents	30 September 2015
53,000	54.8 cents	31 October 2015
310,000	48 cents	31 December 2015
558,000	47.3 cents	31 March 2016
1,300,000	10.5 cents	30 October 2015
3,000,000	13 cents	14 October 2017
6,000,000	13 cents	19 November 2015
110,000	20 cents	30 September 2016
500,000	33.5 cents	21 November 2016
<b>13,031,000</b>	<b>Total Options on Issue</b>	

### v. Weighted average remaining contractual life

The weighted average remaining contractual life for the unlisted share Options outstanding as at 30 June 2015 is 0.88 years (2014: 1.42 years).

### vi. Weighted average fair value

The weighted average fair value of the unlisted Options granted during the year was 6.68 cents (2014: 2.83 cents).

### vii. Option pricing model

The fair value of the equity-settled instruments granted is estimated as at the date of the grant using the Black-Scholes Model taking into account the terms and conditions upon which the instruments were granted.

The following table lists the inputs to the models used for Options issued in the years ended 30 June 2015 and 30 June 2014:

	30 June 2015	30 June 2014
Expected volatility (%)	88.99	97.61 – 113.84
Risk-free interest rate (%)	2.54	2.68 – 3.08
Expected life of option (years)	2.0	2.0 – 4.0
Option exercise price (\$)	0.335	0.105 – 0.20
Underlying share price at measurement date (\$)	0.24	0.068 – 0.135

**e. Performance Share Rights**

i. Performance Share Rights movements during the year

The following table illustrates the number (No.) of, and movements in, Performance Share Rights during the year:

	2015 No.	2014 No.
Outstanding at the beginning of the year	2,061,666	4,996,666
Performance Share Rights granted (ii)	3,967,361	368,791
Performance Share Rights exercised (iii)	(1,921,666)	(1,143,791)
Forfeited during the year (iv)	(486,111)	(185,000)
Performance Share Rights expired during the year	-	(1,975,000)
Outstanding at the end of the year	3,621,250	2,061,666
Exercisable at the end of the year	60,000	-

ii. Performance Share Rights granted during the year:

Number of Performance Share Rights issued	Fair value at grant date*	Grant date	Vesting date	Expiry date
893,055	\$0.1526126 <sup>#</sup>	30 July 2014	30 June 2017	30 June 2018
893,056	\$0.213535 <sup>##</sup>	30 July 2014	30 June 2017	30 June 2018
590,625	\$0.154154 <sup>#</sup>	27 October 2014	30 June 2017	30 June 2018
590,625	\$0.2065 <sup>##</sup>	27 October 2014	30 June 2017	30 June 2018
300,000	\$0.252	3 March 2015	31 December 2015	28 February 2018
700,000	\$0.252	3 March 2015	30 September 2016	28 February 2018
<b>3,967,361</b>	<b>Total granted during the year</b>			

\* Refer to Note 19(e)(vii)

<sup>#</sup> Relates to market hurdles

<sup>##</sup> Relates to Company hurdles.

## Notes to the Financial Statements cont.

### FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015

#### iii. Performance Share Rights exercised during the year:

Number of Performance Share Rights exercised	Vesting date	Expiry date
80,000	10 August 2014	10 August 2015
213,333	28 September 2014	28 September 2015
1,425,000	30 November 2014	30 November 2014
123,333	31 December 2014	31 December 2015
80,000	31 December 2014	31 December 2016
<b>1,921,666</b>	<b>Total exercised during the year</b>	

#### iv. Performance Share Rights forfeited during the year:

Number of Performance Share Rights forfeited	Grant date	Vesting date	Expiry date
486,111	18 November 2014	30 June 2017	30 June 2018
<b>486,111</b>	<b>Total forfeited during the year</b>		

#### v. As at the balance date unissued ordinary shares of the Company under Performance Share Rights are:

Outstanding	Vesting Date	Expiry date
60,000	31 March 2015	31 March 2016
80,000	31 December 2015	31 December 2016
1,300,000*	30 June 2017	30 June 2018
1,181,250	30 June 2017	30 June 2018
300,000	31 December 2015	28 February 2018
700,000	30 September 2016	28 February 2018
<b>3,621,250</b>	<b>Total Performance Share Rights on issue</b>	

\* Represent Performance Share Rights issued to Directors. The grant of these Performance Share Rights is subject to the recipients remaining employed by the Company up to the Vesting Date on 30 June 2017 and strategic Company and Shareholder hurdles being met.

#### vi. Weighted average remaining contractual life

The weighted average remaining contractual life for the Performance Share Rights outstanding as at 30 June 2015 is 2.84 years (2014: 0.80 years).

#### vii. Weighted average fair value

The weighted average fair value of the Performance Share Rights granted during the year was 28.07 cents (2014: 5.02 cents).

#### viii. Performance Share Rights pricing model

Performance Share Rights are valued at the underlying market value at grant date of the ordinary shares over which they are granted, discounted for a lack of negotiability. Performance Share Rights allocated to Executive Directors and Heads of Departments during the 2015 financial year as part of the LTIs, had their values verified using a Monte Carlo simulation for options with market based vesting conditions and a Black Scholes pricing model for options with non-market based vesting conditions.



## NOTE 20 SHARE-BASED PAYMENTS

### a. Recognised share-based payment expenses

The expense recognised for services received during the year is shown in the table below:

	2015 \$	2014 \$
Expenses arising from equity settled share-based payment transactions		
Recognised in Statement of Profit or Loss and other Comprehensive Income	310,082	493,203
Recognised in Equity	-	-
	310,082	493,203

### b. Types of share-based payment plans

#### *Incentive Option Plan*

The Company has a formal option plan for the issue of options to employees, directors and consultants, which was approved by shareholders at the Company's Annual General Meeting on 18 November 2013. Options are granted free of charge and are exercisable at a fixed price in accordance with the terms of the grant. Options over unissued shares are issued under the terms of the Plan at the discretion of the Board.

#### *Performance Share Rights Plan*

The Company has a formal plan for the issue of Performance Share Rights to employees, which was approved by shareholders at the Company's Annual General Meeting on 18 November 2013. Performance Share Rights are granted free of charge and are exercisable into ordinary fully paid shares in accordance with the terms of the grant. Performance Share Rights are issued to employees under the terms of the Plan at the discretion of the Board.

Refer to Note 19 for movements in Options and Performance Share Rights during the year.

## NOTE 21 RESERVES AND ACCUMULATED LOSSES

### a. Equity remuneration reserve

Balance brought forward at 1 July	3,612,490	3,119,287
Transfer to equity remuneration reserve in respect of Options and Performance Share Rights issued	310,082	493,203
Balance carried forward at 30 June	3,922,572	3,612,490

The equity remuneration reserve is used to recognise the fair value of Options and Performance Share Rights issued but not exercised.

### b. Accumulated losses

Balance brought forward at 1 July	(37,824,275)	(38,234,028)
(Loss) / profit for the year	(3,879,565)	409,753
Balance carried forward at 30 June	(41,703,840)	(37,824,275)

## Notes to the Financial Statements cont.

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015

### NOTE 22 FINANCIAL INSTRUMENTS

#### a. Credit risk

The Directors do not consider that the Company's financial assets are subject to anything more than a negligible level of credit risk, and as such no disclosures are made. Refer to Note 3(a).

#### b. Impairment losses

The Directors do not consider that any of the Company's financial assets are subject to impairment at the reporting date. No impairment expense or reversal of impairment charge has occurred during the financial year.

#### c. Liquidity risk

The following are the contractual maturities of financial assets and liabilities, including estimated interest payments and excluding the impact of netting agreements. Refer to Note 3(b).

##### Company

30 June 2015

	Carrying amount	Contractual cash flows	6 months or less	6 months or more
	\$	\$	\$	\$
Financial assets	50,617,580	50,617,580	50,473,274	144,306
Financial liabilities	(3,664,457)	(3,664,457)	(3,664,457)	-

##### Company

30 June 2014

	Carrying amount	Contractual cash flows	6 months or less	6 months or more
	\$	\$	\$	\$
Financial assets	10,164,348	10,164,348	10,129,121	35,227
Financial liabilities	(2,397,735)	(2,397,735)	(2,397,735)	-

#### d. Currency risk

The Company does not have any exposure to foreign currency risk. Refer to Note 3(c)(i).

#### e. Interest rate risk

At the reporting date the interest profile of the Company's interest-bearing financial instruments was as follows (refer to Note 3(c)(ii)):

	Company Carrying amount	
	2015	2014
	\$	\$
<b>Fixed rate instruments</b>		
Financial assets	-	-
Financial liabilities	-	-
<b>Variable rate instruments</b>		
Financial assets	50,003,943	9,744,244

Cash balances during the year attracted a weighted average interest rate of 3.11% (2014: 3.27%).

**f. Fair value sensitivity analysis for fixed rate instruments**

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Company does not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore a change in interest rates at the reporting date would not affect profit or loss.

**g. Cash flow sensitivity analysis for variable rate instruments**

A change of 100 basis points in interest rates at the reporting date would have increased / (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant. The 100 basis points sensitivity is based on reasonable possible change over the financial year using the observed range for the historic 2 years.

	Profit or loss		Equity	
	100bp increase \$	100bp Decrease \$	100bp Increase \$	100bp Decrease \$
<b>30 June 2015</b>				
Variable rate instruments	500,039	500,039	500,039	500,039
<b>30 June 2014</b>				
Variable rate instruments	97,442	97,442	97,442	97,442

**h. Fair values**

*Fair values versus carrying amounts*

The fair values of financial assets and liabilities approximate their carrying values due to their short term nature.

**NOTE 23 DIVIDENDS**

No dividends were paid or proposed during the financial year.

The Company has no franking credits available as at 30 June 2015.

**NOTE 24 KEY MANAGEMENT PERSONNEL DISCLOSURES**

**a. Directors**

The following persons were directors of Gold Road during the financial year:

- i. Executive Chairman  
Ian Murray (appointed Executive Chairman 12 February 2008)
- ii. Executive Director  
Justin Osborne (appointed Exploration Manager 14 October 2013, appointed Executive Director on 1 January 2015)
- iii. Non-executive Director  
Russell Davis (appointed 28 May 2004, became Non-executive Director on 1 January 2008)
- iv. Non-executive Director  
Martin Pyle (appointed 22 June 2010)
- v. Non-executive Director  
Timothy Netscher (appointed 1 September 2014)
- vi. Executive Director  
Ziggy Lubieniecki (appointed General Manager 1 August 2009, appointed Executive Director on 13 December 2010, Resigned 31 December 2014)

# Notes to the Financial Statements cont.

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015

## b. Other Key Management Personnel

Other persons employed by or contracted to the Company during the financial year, having responsibility for planning, directing and controlling the activities of the Company:

- i. Company Secretary  
Kevin Hart (appointed Company Secretary 4 August 2006, appointed Non-executive Director 17 May 2007, resigned as Non-executive Director 30 June 2013)
- ii. Business Development Manager  
Gordon Murray (appointed 5 September 2011)

## c. Compensation for key management personnel

	Company Carrying amount	
	2015 \$	2014 \$
Short-term employee benefits	1,290,091	1,060,612
Post-employee benefits	84,628	95,254
Other benefits	451,649	18,760
Share-based payments	180,465	417,140
Total compensation	2,006,833	1,591,766

## d. Equity instrument disclosures relating to key management personnel

Details regarding equity instrument disclosures for key management personnel are shown in the remuneration report.

## e. Loans made to key management personnel

No loans were made to a director of Gold Road or any other key personnel, including personally related entities during the reporting period.

## f. Other transactions with key management personnel

Mr Kevin Hart has an interest as a Partner in a Chartered Accounting firm, Endeavour Corporate. This firm provides company secretarial and accounting services to the Company in the ordinary course of business. The value of transactions in the financial year ended 30 June 2015 amounted to \$139,885 of which \$47,748 comprised accounting services and \$92,137 comprised company secretarial fees. (2014: \$74,900).

Subsequent to his resignation Mr Ziggy Lubieniecki provided geological services to the Company through his company, Silver Asset Pty Ltd. The value of transactions in the financial year ended 30 June 2015 amounted to \$46,000.

Terms and conditions were not more favourable than those available, or which might reasonably be expected to be available for a similar transaction to unrelated parties on an arms-length basis.

## NOTE 25 REMUNERATION OF AUDITORS

	2015 \$	2014 \$
Audit and review of the Company's financial statements	37,611	27,625
	37,611	27,625

## NOTE 26 CONTINGENCIES

### a. Contingent liabilities

There were no material contingent liabilities noted or provided for in the financial statements of the Company as at 30 June 2015 other than:

#### *Native Title and Aboriginal Heritage*

Native title claims have been made with respect to areas which include tenements in which the Company has an interest. The Company is unable to determine the prospects for success or otherwise of the claims and, in any event, whether or not and to what extent the claims may significantly affect the Company or its projects. Agreement is being or has been reached with various native title claimants in relation to Aboriginal Heritage issues regarding certain areas in which the Company has an interest.

### b. Contingent assets

There were no material contingent assets as at 30 June 2015.

## NOTE 27 COMMITMENTS

### a. Exploration

The Company has certain obligations to perform minimum exploration work on mineral leases held. These obligations may vary over time, depending on the Company's exploration programmes and priorities. As at reporting date, total exploration expenditure commitments on tenements held by the Company have not been provided for in the financial statements and for which the annual commitment amounts to \$2,935,120 (2014: \$2,627,747). These obligations are also subject to variation by farm-out arrangements or sale of the relevant tenements. Tenements with commitments of \$1,173,500 are subject to an earn-in agreement as disclosed in Note 29.

### b. Operating lease commitments

Commitments for minimum lease payments in relation to non-cancellable operating leases are as follows:

	2015 \$	2014 \$
Within one year	191,995	99,020
Later than one year but not later than five years	500,040	7,570
Later than five years	-	-
	692,035	106,590

### c. Remuneration Commitments

In the event that the Company terminates all of the Key Management Personnel employment agreements, there is a requirement to give termination notice by the Company. Should the services of the Key Management Personnel not be required during the termination notice periods the cost to the Company would be \$866,749 (2014: \$420,624).

## NOTE 28 RELATED PARTY TRANSACTIONS

There were no related party transactions during the year, other than disclosed at Note 24(f).

## NOTE 29 JOINT VENTURE

On 14 May 2013, the Company entered into the South Yamarna Farm-in and Joint Venture Agreement with Sumitomo Metal Mining Oceania Pty Ltd (**SMMO**), a subsidiary of Sumitomo Metal Mining Co. Limited, the terms of which include Sumitomo Metal Mining spending up to \$8 million on exploration over the period to 31 December 2016 to earn up to a 50% interest in the tenements that are the subject of the agreement. As at 30 June 2015, SMMO has spent a project to date total of \$5,618,673 on the farm-in agreement.

## NOTE 30 EVENTS OCCURRING AFTER THE REPORTING DATE

Other than the matter below, there has not arisen in the interval between the end of the year and the date of this report any other item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company to affect substantially the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial years.

On 1 July 2015, the Company completed a share purchase plan of 1,295,503 ordinary fully paid shares at 44 cents each to raise \$570,000, before capital raising costs.



## Notes to the Financial Statements cont.

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015

### NOTE 31 RECONCILIATION OF PROFIT/(LOSS) AFTER TAX TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES

	2015 \$	2014 \$
(Loss) / profit from ordinary activities after income tax	(3,879,565)	409,753
Depreciation	453,161	415,895
Exploration expenditure written off	342,041	3,605
Share based payments expense	310,082	493,203
Profit on disposal of assets	(4,545)	-
<i>Change in operating assets and liabilities:</i>		
(Increase) / Decrease in accrued interest receivable	(67,689)	4,993
(Increase) in other operating receivables	(77,386)	(136,912)
Increase in leave provisions	139,244	59,315
Increase / (Decrease) in operating trade and other payables	421,777	(99,673)
Net cash (outflow) / inflow from operating activities	(2,362,880)	1,150,179

During the year, there were no non-cash investing or financing activities.

### NOTE 32 EARNINGS PER SHARE

	2015 Cents	2014 Cents
<b>a. Basic earnings per share</b>		
(Loss) / profit attributable to ordinary equity holders of the Company	(0.67)	0.09
<b>b. Diluted earnings per share</b>		
(Loss) / profit attributable to ordinary equity holders of the Company	(0.67)	0.09
<b>c. (Loss) / profit used in calculation of basic and diluted loss per share</b>		
(Loss) / profit for the year	\$ (3,879,565)	\$ 409,753
<b>d. Weighted average number of shares used as the denominator</b>		
Weighted average number of shares used as the denominator in calculating basic earnings per share	No. 578,859,153	No. 471,005,463
Weighted average number of shares used as the denominator in calculating diluted earnings per share	578,859,153	476,229,827

# Directors' Declaration

In the opinion of the Directors of Gold Road Resources Limited (the **Company**):

- a. the financial statements, notes and the additional disclosures included in the Directors' Report designated as audited of the Company are in accordance with the Corporations Act 2001, including:
  - i. complying with Accounting Standards and the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
  - ii. giving a true and fair view of the financial position of the Company as at 30 June 2015 and of its performance, as represented by the results of its operations, changes in equity and cash flows, for the financial year ended on that date.
- b. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The Directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the Chief Executive Officer and Chief Financial Officer for the financial year ended 30 June 2015.

The directors draw attention to Note 1(a) to the financial statements, which include a statement of compliance with International Financial Reporting Standards.

This declaration is made in accordance with a resolution of the Directors.

On behalf of the Board



**IAN MURRAY**

Executive Chairman

Signed at Perth this 30<sup>th</sup> day of September 2015.

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF  
GOLD ROAD RESOURCES LIMITED**

**Report on the Financial Report**

We have audited the accompanying financial report of Gold Road Resources Limited, which comprises the statement of financial position as at 30 June 2015, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

*Directors' responsibility for the Financial Report*

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In note 1(a), the directors also state, in accordance with Australian Accounting Standard AASB 101 Presentation of Financial Statements, that the financial statements comply with International Financial Reporting Standards.

*Auditor's Responsibility*

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Independence*

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

*Opinion*

In our opinion:

- (a) the financial report of Gold Road Resources Limited is in accordance with the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the company's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001; and
- (b) the financial report of the Company also complies with International Financial Reporting Standards as disclosed in note 1(a).

**Report on the Remuneration Report**

We have audited the remuneration report included in pages 32 to 45 of the directors' report for the year ended 30 June 2015. The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

*Opinion*

In our opinion the remuneration report of Gold Road Resources Limited for the year ended 30 June 2015 complies with section 300A of the *Corporations Act 2001*.

**STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD**  
(Trading as Stantons International)  
(An Authorised Audit Company)

*Stantons International Audit & Consulting Pty Ltd*



**Martin Michalik**  
Director

West Perth, Western Australia  
30 September 2015

# ASX Shareholder Information

Pursuant to the Listing Requirements of the Australian Stock Exchange Limited, the shareholder information set out below was applicable as at 30 September 2015.

## a. Distribution of Equity Securities

Analysis of numbers of shareholders and option holders by size of holding:

Distribution	Number of shareholders
1 – 1,000	312
1,001 – 5,000	1,213
5,001 – 10,000	933
10,001 – 100,000	2,466
More than 100,000	616
<b>TOTALS</b>	<b>5,540</b>

There were 323 shareholders holding less than a marketable parcel of ordinary shares.

## b. Substantial Shareholders

An extract of the Company's Register of Substantial Shareholders (who holds 5% or more of the issued capital) is set out below:

Shareholder Name	Issued Ordinary Shares	
	Number of shares	Percentage of shares
Resource Capital Funds Management	67,523,128	9.8%
Platypus Asset Management	57,533,778	8.4%
Van Eck Associates Corporation	40,101,078	5.8%



**c. Twenty Largest Shareholders**

The names of the twenty largest holders of ordinary shares are listed below:

Shareholder Name	Ordinary Shares	
	Number	Percentage of Issued
HSBC Custody Nominees Australia Ltd*	127,014,545	18.44%
J P Morgan Nominees Australia Ltd^	82,136,597	11.93%
Merrill Lynch Australia Nominees Pty Ltd^	68,568,103	9.96%
CG Nominees Australia Pty Ltd	29,401,223	4.27%
BNP Paribas Nominees Pty Ltd	11,968,420	1.74%
Robert James Brooks	11,021,505	1.60%
National Health Recovery	8,800,000	1.28%
National Nominees Ltd	8,723,196	1.27%
Russell John Davis^	7,072,431	1.03%
Ian and Karen Murray	6,141,305	0.89%
Zenith Pacific Ltd^	6,000,000	0.87%
Citicorp Nominees Pty Ltd	5,036,436	0.73%
Forsyth Barr Custodians Ltd	5,031,860	0.73%
Asarco Exploration Co. Inc	5,000,000	0.73%
Kurraba Investment Pty Ltd	4,478,143	0.65%
Independence Group NL	4,405,136	0.64%
Oxiana V Brooks	4,082,402	0.59%
Helen MA Pty Ltd	3,667,215	0.53%
Zbigniew Lubieniecki	3,537,767	0.51%
George & J Romanitotis	3,506,837	0.51%
Total	405,593,121	58.90%

\* Includes 4,907,407 ordinary shares held by Troyleigh Investments Pty Ltd (an entity related to Mr Ian Murray, Executive Chairman) representing 0.71% of total issued shares.

^ denotes merged holders

**d. Voting Rights**

In accordance with the Company's Constitution, voting rights in respect of ordinary shares are on a show of hands whereby each member present in person or by proxy shall have one vote and upon a poll, each share will have one vote.





**GOLD  
ROAD**  
RESOURCES

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