



GOLD ROAD RESOURCES LIMITED

ABN 13 109 289 527

2014 ANNUAL FINANCIAL STATEMENTS

CORPORATE DIRECTORY

Gold Road Resources Limited (**Gold Road** or the **Company**)

DIRECTORS

Mr I Murray	Executive Chairman
Mr Z Lubieniecki	Executive Director - Technical
Mr R Davis	Non-executive Director
Mr T Netscher	Non-executive Director
Mr M Pyle	Non-executive Director

COMPANY SECRETARY

Kevin Hart

REGISTERED & PRINCIPAL OFFICE

22 Altona Street
West Perth WA 6005
Australia
Phone: +61 8 9200 1600
Fax: +61 8 9481 6405
Email: perth@goldroad.com.au
Web Site: www.goldroad.com.au

POSTAL ADDRESS

PO Box 1157
West Perth WA 6872
Australia

ASX CODE

GOR

AUDITOR

Stantons International
Level 2, 1 Walker Avenue
West Perth WA 6005
Australia
Telephone: +61 8 9481 3188
Facsimile: +61 8 9321 1204

SHARE REGISTRY

Security Transfer Registrars Pty Ltd
770 Canning Highway
Applecross WA 6153
Australia
Telephone: +61 8 9315 2333
Facsimile: +61 8 9315 2233

STOCK EXCHANGE

ASX Limited
Level 40, Central Park
152-158 St George's Terrace
Perth WA 6000
Australia

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Review of Operations

Targeting World-Class Deposits

VISION

Unlocking Yamarna's gold endowment

MISSION

Creating value for our shareholders, people and the community by discovering gold that can be mined profitably

Company Highlights

- Ownership of almost the entire Yamarna Belt, tenements covering ~5,000km²
- Yamarna Belt is an historically under-explored region, highly prospective for gold
- First company to systematically explore the belt
- Pipeline of more than 100 gold prospects and grades up to 2,500 g/t gold
- Identification of ten high-priority Gold Camp Scale Targets - six prioritised for exploration in 2014

Highlights for the 2014 Financial Year

- World class gold discovery within the first high priority camp tested, along Dorothy Hills Trend - the Gruyere gold deposit
- Gruyere combines with existing resources to boost total gold to 5.1 million ounces
- Further breakthrough on Dorothy Hills Trend - the Toto anomaly
- Dorothy Hills mineralisation confirms potential for the Trend to host further significant gold deposits
- Significant discovery in South Yamarna JV area, within the second high-priority camp tested - the Minnie Hill South discovery
- Regional drilling programmes commenced on the third and fourth high-priority Gold Camp Targets - Riviera - Smokebush within the South Yamarna JV area and Pacific Dunes - Corkwood within North Yamarna
- Successful Share Placement raised A\$10 million - March 2014
- Appointment of Justin Osborne as Exploration Manager

Unlocking the Potential

The Yamarna Belt is located in the world-class Yilgarn Craton in Western Australia, which currently provides over half of Australia's annual gold production. The Belt's cover, conditions and remote location have combined to make it one of the most historically under-explored greenstone belts in Western Australia.

Our exploration strategy and fundamental objective of boosting shareholder value combine to ensure that we strive to increase the confidence, resource base and search for new gold discoveries.

Exploration Strategy

The Yamarna Greenstone Belt, approximately 1,200 kilometres north-east of Perth, is the eastern most known greenstone belt of the Archaean Yilgarn Craton. It is the dominant host for gold mineralisation and production in Australia, and is recognised world-wide as a pre-eminent gold district. Trending north-west to south-east, the Yamarna greenstone belt has a strike length in excess of 200 kilometres and width of up to 35 kilometres.

The Gold Road tenement package covers an area of approximately 5,000km², which includes almost all of the Yamarna Belt where overburden cover conditions are not excessively deep. The southern part of the tenement holding (~2,900km²) is under an earn-in Joint Venture with Sumitomo (**South Yamarna JV**).

Gruyere discovery

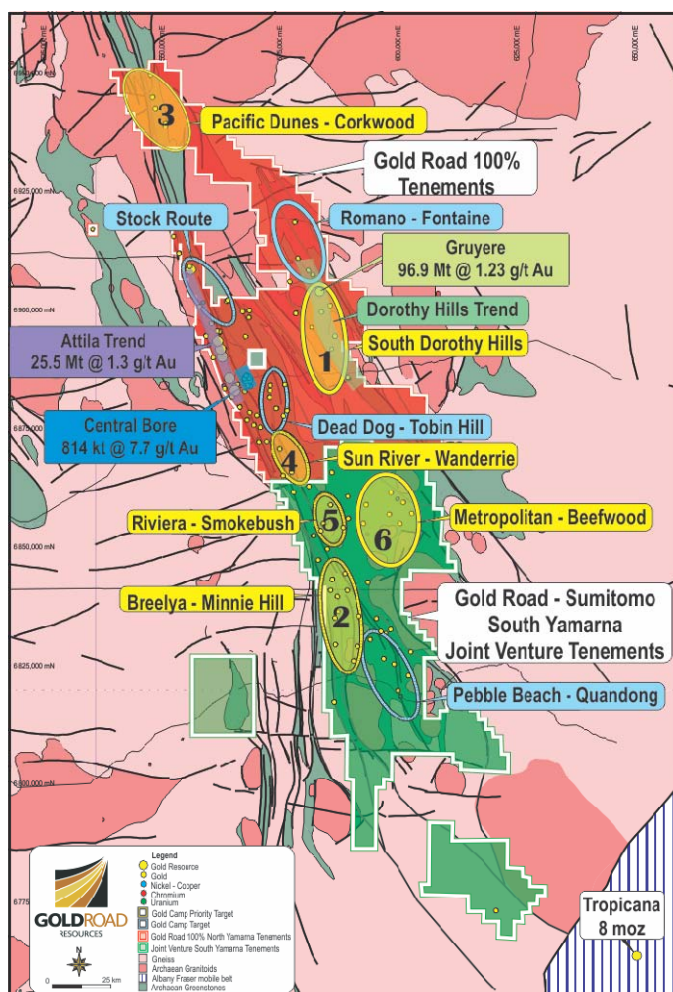
In October 2013 the Gruyere gold deposit was discovered on the Dorothy Hills Trend at Yamarna. The resource for Gruyere together with the existing mineralisation at Attila-Alaric-Khan North and the high-grade Central Bore deposit combine for a total gold **Mineral Resource of 5.1 million ounces**.

High-grade Gold Camp Targets

Gold Road is prioritising exploration of six of its ten Gold Camp Targets on the Yamarna Belt. These targets comprise:

- South Dorothy Hills
- Breelya - Minnie Hill
- Pacific Dunes - Corkwood
- Sun River - Wanderrie
- Riviera - Smokebush
- Metropolitan - Beefwood

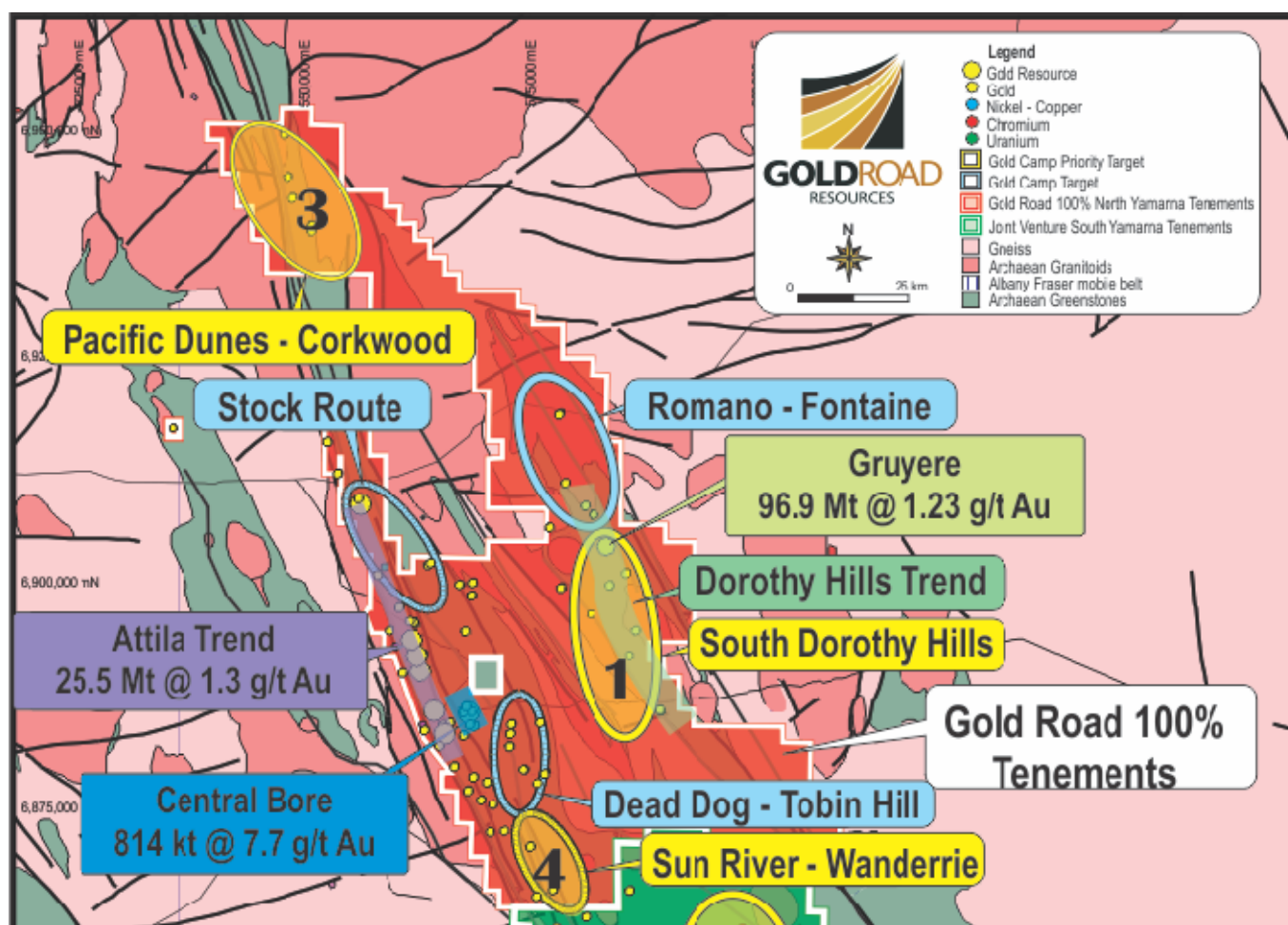
Identified in 2012/2013 through interpretation of various geological and geophysical data sets, each target has a 15 to 25 kilometre strike length and an area of approximately 80 to 120km². Initial exploration of these targets has been very encouraging.



NORTH YAMARNA

During the year, the first Gold Camp Target tested was the **South Dorothy Hills Trend** which yielded the Gruyere and YAM14 gold discoveries, and identified three exciting new targets at Toto. The Gruyere and YAM14 discoveries, approximately nine kilometres apart and on the same structural trend, are located approximately 25 kilometres north-east of the Central Bore Project. They exhibit two different mineralisation styles not seen before in the Yamarna Belt, and confirm the potential for the Dorothy Hills Trend to host further significant gold deposits. The Toto targets display similar signatures to both Gruyere and YAM14 providing significant scope to realise further discoveries.

Regional reconnaissance drilling was completed on the second Gold Camp Target, **Pacific Dunes - Corkwood** which is the northern most target on Gold Road's Yamarna tenement package. A program of approximately 20,000 metres of Aircore drilling covered the entire 13 kilometre strike length of the Yamarna Shear Zone with an 800 metre by 100 metre drilling grid. Assays for the programme are pending.



Gruyere Resource Development

Highlights:

- Maiden Mineral Resource announced 4 August 2014
- Resource 96.9 million tonnes @ 1.23 g/t for 3.84 million ounces of gold
- 41% of Resource is Measured and Indicated
- 2,200 metre strike length of gold mineralisation
- Horizontal width from 7 metres to 190 metres (average 90 metres)
- From 1 metre below surface to more than 600 metres depth, which remains open
- 38,100 metres drilled, comprised of:
 - 176 RC holes (21,088 metres)
 - 22 Diamond holes (5,495 metres)
 - 32 Diamond holes with RC pre-collars (6,084 metres diamond, 5,291 metres RC)
- Maximum 7 drill rigs on site - 2 x RC (Raglan Drilling), 5 x Diamond (Terra Drilling / WD Drilling)
- Approximately 31,000 assays (Intertek Genalysis)
- Approximately 100 oz/metre drilled and 124 oz/sample assayed
- Exploration spend of approximately A\$7 million
- All at less than A\$2/oz discovery cost

Gruyere was discovered in the first RC drilling programme (8 holes for 609 metres) completed in September 2013 which intersected gold mineralisation at very shallow depths. Located in the central part of the Dorothy Hills Trend, which is a greenstone sub-basin in the north-eastern part of the Yamarna Greenstone Belt, Gruyere represents the first gold discovery outside of the main Yamarna Shear on the Yamarna Belt.

The Company announced the JORC Maiden Mineral Resource in August 2014 - only 10 months after initial discovery. **The Mineral Resource measures 96.93 million tonnes at 1.23 g/t for 3.84 million ounces of gold** and is based on a total of 38,000 metres of drilling (11,600 metres of diamond and 26,400 metres of RC).

Gold mineralisation at Gruyere is predominantly hosted within the Gruyere Tonalite which is a porphyry intrusive that has been emplaced along the north-west striking Dorothy Hills Shear Zone. The Gruyere Tonalite varies in horizontal width from 7 to 190 metres, dips steeply to the east and is variably mineralised. It has been drilled to depths of 600 metres below surface and remains open below that. The tonalite has intruded a mafic and intermediate sequence with a tholeiitic basalt in the hanging wall to the south-east.

Mineralisation has developed in the tonalite in response to a reverse-dextral shearing structural event. The tonalite, which is more competent and brittle with respect to the more ductile host rocks, suffered increased cracking and fracturing compared to adjacent rock types. This created an increased permeability allowing gold bearing mineralising fluids to flow through the rock mass.

Higher-grade mineralisation is associated with increased deformation, quartz veining and alteration. The higher-grade alteration assemblage includes albite-sericite-quartz, with dominant accessory sulphides including pyrite-pyrrhotite-arsenopyrite with sphalerite-molybdenite also present in higher-grade areas. Visible free gold is observed in quartz veins, vein margins, and with mafic minerals in fracture infill.

A selection of the best intersections recorded from the Gruyere drilling campaign (refer ASX announcements between 14 October 2013 and 4 August 2014) include mineralised intercepts showing extraordinary continuity, such as:

- 653.2 metres at 1.13 g/t Au from 16 metres (14GYDD0008)
- 302 metres at 1.31 g/t Au from 139 metres (14GYDD0012B)
- 340 metres at 1.54 g/t Au from 135 metres (14GYDD0013B)
- 169 metres at 2.15 g/t Au from 63 metres (14GYDD0020)
- 238 metres at 1.21 g/t Au from 41 metres (14GYDD0018)

Structurally controlled higher-grade zones are also present within the Gruyere Deposit, as illustrated by the following intersections:

- 24 metres at 5.01 g/t Au from 174 metres (14GYDD0004)
- 9 metres at 4.21 g/t Au from 390 metres (14GYDD0013B)
- 6.7 metres at 5.61 g/t Au from 121.8 metres (14GYDD0046)
- 10 metres at 5.94 g/t Au from 36 metres (14GYRC0033A)
- 14 metres at 7.71 g/t Au from 125 metres (14GYRC0124)

The Gruyere Mineral Resource, which includes Measured and Indicated resource categories (41% of the Resource gold ounces) as well as Inferred classified material, is reported at a 0.70 g/t Au cut-off constrained within an A\$1,550/oz optimised pit shell (table 1 below). Gold Road considers it best practice to constrain the Resource using a selected pit shell to demonstrate potential economic viability, which is in line with practices employed by the majority of gold mining companies. Sensitivity to the gold price selected is also illustrated in table 2 below.

Table 1: Summary Mineral Resource tabulation for Gruyere Deposit, Dorothy Hills Trend - August 2014

Resource Category	Tonnes (Mt)	Grade (g/t Au)	Metal (koz Au)
Measured	1.43	1.36	62
Indicated	38.76	1.22	1,515
Total Measured & Indicated	40.19	1.22	1,578
Inferred	56.74	1.24	2,260
Total MI&I Resource	96.93	1.23	3,838

Notes:

The Resource is reported at a lower cut-off grade of 0.70 g/t Au

The Resource is constrained with an A\$1,550/oz optimised pit shell based on parameters derived from an ongoing Scoping Study

All figures pre-rounded to reflect appropriate levels of confidence. Apparent differences may occur due to rounding.

Table 2: Gruyere Mineral Resource at 0.70 g/t cut-off by Resource Category
Varying with constraining gold price pit shells \pm 10% Resource A\$1,550 per ounce Shell

Constraining Pit shell gold price A\$/oz	Measured			Indicated			Inferred			Total MI&I		
	Tonnes (Mt)	Grade (g/t Au)	Ounces (koz)	Tonnes (Mt)	Grade (g/t Au)	Ounces (koz)	Tonnes (Mt)	Grade (g/t Au)	Ounces (koz)	Tonnes (Mt)	Grade (g/t Au)	Ounces (koz)
\$1,400	1.43	1.36	62	38.28	1.22	1,499	26.59	1.24	1,062	66.29	1.23	2,623
\$1,550	1.43	1.36	62	38.76	1.22	1,515	56.74	1.24	2,260	96.93	1.23	3,838
\$1,700	1.43	1.36	62	38.93	1.22	1,521	60.26	1.24	2,412	100.62	1.23	3,995

Gold Road will continue with its efforts to grow the Gruyere Mineral Resource, to find additional gold mineralisation along the Dorothy Hills Trend and to test the other Gold Camp Targets with the aim of unlocking the full gold potential within the Yamarna Belt.

Gruyere Project Development

Based on successful initial technical testwork, Gold Road has commenced with the Gruyere Scoping Study.

The results of this testwork demonstrated the Gruyere mineralisation host rock (Gruyere Tonalite) exhibits rock properties amenable to conventional crushing and grinding circuits with no considered major risk or flaws.

Initial aspects of the Scoping Study, including metallurgical test work, geotechnical studies, environmental studies, and mining assessments have already commenced and the Company aims to have the Gruyere Scoping Study completed by the March 2015 quarter.

Study Element	Status
Scoping Study Underway	GR Engineering engaged to complete Scoping Study
Metallurgical	Total recoveries of ~94% to 98% at 75 to 125µm grind Gravity recoveries from ~50% to 69% Rapid leach kinetics – 4 to 8 hours
Environmental	Level 1 Flora and Fauna Survey field work complete
Geotechnical –Report Complete	Pit Slope Angles: 32° oxide, 40° transitional, 50° fresh rock.
Hydrological	Production water bores developed and licenced
Native Title	Central Bore Draft Mining Agreement in progress
Mining Engineering	Conceptual Operating and Capital cost structures under review
Mine Optimisation and Scheduling	Mining parameters under review First pass optimisations complete.

Toto Prospect

In the June 2014 quarter a new gold geochemical anomaly, measuring three kilometres by 1.5 kilometres was identified on the Dorothy Hills Trend. The Toto Prospect is located only three kilometres south of the Gruyere Deposit. Following regional Rotary Air Blast (**RAB**) Interface and Aircore drilling programmes three new bedrock targets have now been defined (ASX announcement dated 1 September 2014). The three targets have a combined six kilometres of strike extent and follow up RC drill testing commenced in the September 2014 quarter, aiming to identify economic bedrock mineralisation that might support further resource drilling programmes in the greater Gruyere project area.

The identification of these three targets at Toto further demonstrates the high prospectivity of the Dorothy Hills Trend and enhances the possibility of further discoveries within the larger untested area.

Pacific Dunes – Corkwood Camp

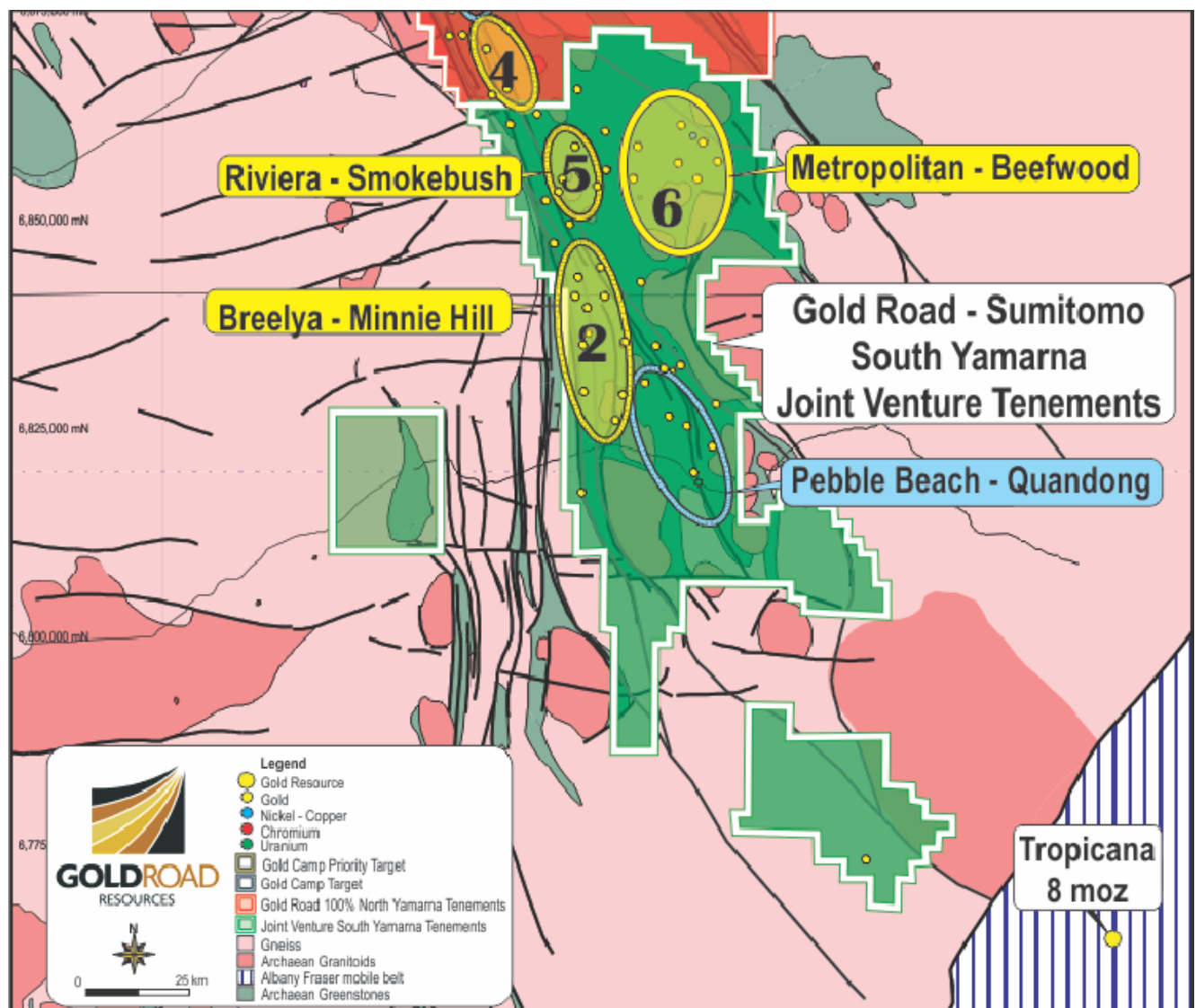
Regional reconnaissance drilling was completed on the second Gold Camp Target, **Pacific Dunes - Corkwood** which is the northern most target on Gold Road's Yamarna tenement package. A program of approximately 20,000 metres of Aircore drilling covered the entire 13 kilometre strike length of the Yamarna Shear Zone with an 800 metre by 100 metre drilling grid. Assays for the programme are pending.

SOUTH YAMARNA JV

Gold Road announced in May 2013 an exploration joint venture with Sumitomo Metal Mining Oceania Pty Ltd (**Sumitomo**) (a subsidiary of Sumitomo Metal Mining Co. Limited) for Sumitomo to earn up to a 50% interest in Gold Road's South Yamarna tenements, an area covering ~2,900km² by funding A\$8 million of exploration activities over the period to 31 December 2016.

Earn-In Joint Venture

- Covers ~2,900 km² of the South Yamarna tenements
- Gold Road acts as Manager of the Earn-In JV
- Minimum spend \$3.5 million by end 2014 - achieved by August 2014
- A\$5 million spend for 30% interest; A\$8 million spend for 50% interest
- Exploration activities commenced in May 2013



The second new discovery made by Gold Road during the year was the **Minnie Hill South Prospect** which is situated in the **Breelya - Minnie Hill Camp Target**. This was only the second of the six high-priority Gold Camp Targets identified in 2012/2013 to be tested, and the first to be tested within the South Yamarna JV Project area.

During the year a maiden RC drilling programme comprising of 1,183 metres, and follow-up programme of an additional 5,676 metres was completed at Breelya - Minnie Hill which yielded the Minnie Hill South discovery. This discovery, hosted with a highly prospective differentiated dolerite unit, highlights the prospectivity of the Yamarna Belt with gold mineralisation now found in a wide variety of rock types and structural associations.

In the June 2014 quarter, regional drilling programmes commenced on the third high-priority Gold Camp Target to be tested, **Riviera - Smokebush**, also located within the South Yamarna JV area. Initial RAB Interface drilling tested high-priority Structural and Redox Targets associated with interpreted major splay structures off the Yamarna Shear zone. This programme successfully identified multiple geochemical anomalies measuring between two to eight square kilometres. These anomalies will be followed up with Aircore drilling programmes testing for bedrock gold mineralisation indicative of major gold systems. Activity will then focus on completing similar programmes on the next high-priority Gold Camp Target, **Metropolitan - Beefwood** to the east of Riviera - Smokebush within the South Yamarna JV area.

Minnie Hill South Discovery

Highlights

- April 2014 RC drilling program successfully intersected high-grade gold mineralisation in a highly prospective differentiated dolerite host unit
- Five out of six holes drilled intersected significant gold mineralisation
- Highest grade intersection of 12 metres at 4.65 g/t Au from 135 metres associated with a quartz-sulphide shear zone (14SYRC0002).
- Follow-up 23 hole 5,676 metre RC drilling program completed in July 2014
- Mineralised zone has a strike length of 800 metres, dip extent of 250 metres and remains open in all directions
- Program confirms the previously reported high-grade intercepts and successful extension of the mineralised structure

The second new discovery during the year was the **Minnie Hill South Prospect** which is situated in the Breeyla - Minnie Hill high-priority Gold Camp Target.

The Minnie Hill South RC drilling programme completed in April 2014 was designed to test for bedrock gold mineralisation in follow-up to significant Aircore intersections that were drilled in late 2013. The RC drilling successfully intersected high-grade gold mineralisation in a highly favourable differentiated dolerite host unit (ASX announcements dated 29 May and 2 September 2014). Five out of six holes drilled intersected significant gold mineralisation with a best grade intersection of 12 metres at 4.65 g/t Au from 135 metres associated with a quartz-sulphide shear zone (14SYRC0002). A follow-up RC programme in July 2014 comprising 23 holes and 5,676 metres aimed to intersect the mineralised structure along strike and down dip of the established high-grade results, and successfully returned gold mineralisation in 12 of the 23 drill holes. The mineralised structure has now been defined over a strike length of 800 metres with a down dip extent of more than 250 metres which remains open.

Best gold intercepts from all RC drilling include:

- 12 metres at 4.65 g/t Au from 135 metres; including 4 metres at 8.29 g/t Au from 136 metres, (14SYRC0002)
- 4 metres at 2.67 g/t Au from 103 metres; including 2 metres at 4.59 g/t Au from 106 metres, (14SYRC0001)
- 1 metre at 2.66 g/t Au from 89 metres, 4 metres at 2.72 g/t Au from 113 metres; including 1 metre at 8.99 g/t Au from 116 metres, and 1 metre at 3.72 g/t Au from 122 metres, (14SYRC0004)
- 1 metre at 16.1 g/t Au from 173 metres and 7 metres at 1.10 g/t Au from 196 metres (14SYRC0007)
- 6 metres at 3.11 g/t Au from 222 metres; including 1 metre at 12.0 g/t Au from 222 metres (14SYRC0021)
- 6 metres at 2.67 g/t Au from 164 metres; including 1 metre at 9.14 g/t Au from 168 metres (14SYRC0024)
- 3 metres at 2.94 g/t Au from 127 metres; including 1 metre at 5.82 g/t Au from 129 metres (14SYRC0023)
- 5 metres at 2.03 g/t Au from 211 metres; including 1 metre at 5.03 g/t Au from 211 metres (14SYRC0008)

The next phase of work will focus on further defining the internal zonation of the dolerite unit utilising detailed geochemical and petrological sampling. It is expected that this work will help identify the most favourable zones within the dolerite for hosting high-grade gold mineralisation, enabling those most prospective units to be specifically targeted during future drilling campaigns. A diamond drill hole designed to intersect the entire stratigraphic sequence and dolerite zonation will also be considered for drilling in late 2014 to provide some drill core to assist with these studies.

FUTURE WORK

In 2014/2015 Gold Road will continue with its active cost effective Regional Exploration Programme as well as continued expansion and development of the Gruyere Deposit. The Regional Exploration Program will continue to test the six prioritised Gold Camp Scale Targets, adding to the work initiated this year, as well as to start testing the next four Gold Camp Scale Targets. The Gold Road exploration team will be expanded to three focussed teams each advancing or testing:

- Dorothy Hills Trend (including the Gruyere Deposit, Toto anomalies and the testing of the extended Dorothy Hills Trend)
- North Yamarna (including Pacific Dunes - Corkwood and Sun River - Wanderrie; as well as Stock Route, Romano - Fountaine and Dead Dog - Tobin Hill)
- South Yamarna (including Breelya - Minnie Hill, Riviera - Smokebush and Metropolitan - Beefwood; as well as Pebble Beach - Quandong)

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 and 2004 Editions) 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 at its Yamarna Belt stand at 4.02 Moz Au, while the JORC 2004 Mineral Resources have decreased by 0.18 Moz Au to a total of 1.08 Moz Au. Discovery, definition and calculation of the 3.84 Moz Au maiden Mineral Resource for the Gruyere deposit is the headlining feature of the Mineral Resource Statement. Also, the 0.18 Moz Au Central Bore Mineral Resource was upgraded from JORC 2004 to JORC 2012 compliance with no change to the tonnage or grade. A comparison of the 2014 Resources compared to the 2013 Resources is given in Table 3.

Table 3: Resource comparison 2013 - 2014 (total Measured, Indicated, Inferred)

JORC 2012 Resources	2014			2013		
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) *	96,930	1.23	3,838			
Central Bore (1.0 g/t Au)	632	9.0	183			
Total	97,562	1.3	4,021			

JORC 2004 Resources	2014			2013		
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	25,527	1.29	1,060
Central Bore (1.0 g/t Au)				632	9.0	183
Justinian (1.0 g/t Au)	182	3.1	18	182	3.1	18
Total	25,709	1.3	1,078	26,341	1.5	1,261

Notes:

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

The Gruyere Resource is reported at a lower cut-off grade of 0.70 g/t Au

The Central Bore and Justinian Resources are reported at a lower cut-off grade of 1.0 g/t Au

The Attila Trend Resources are reported at a lower cut-off grade of 0.5 g/t Au

* The Gruyere Resource is constrained with an AU\$1,550/oz optimised pit shell based on parameters derived from an ongoing Scoping Study

In 2013 Central Bore and Justinian were quoted together as 814,000t @ 7.7 g/t Au for 201,000 oz Au

Details of the maiden Mineral Resource for the Gruyere deposit were announced to the ASX on 4 August 2014. The Mineral Resource was estimated based on drilling activities completed prior to 30 June 2014.

The Company governs its activities in accordance with industry best practice. The Gruyere Mineral Resource was subject to internal geological peer review and validation, and documented handover meetings with the Business Development team for resource evaluation. Staged external peer review was conducted by Optiro consultants, who also performed a database audit, and provided an endorsement letter outlining their confidence in the estimate. In line with industry best practice the Gruyere Mineral Resource was constrained within an A\$1,550 optimised pit shell (Table 4). Resource Classification was defined through a combination of geological confidence levels, measured estimation quality, drill spacing, and observed grade behavior.

Table 4: Mineral Resource Gruyere (August 2014, 0.7 g/t Au cut-off, A\$1,550 optimised pit shell)

Category	Tonnes (000's)	Grade (g/t Au)	Gold (000's ounces)
Measured	1,430	1.36	62
Indicated	38,760	1.22	1,515
Inferred	56,740	1.24	2,260
Total	96,930	1.23	3,838

Notes:

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, 2012 Edition (JORC 2012). The Mineral Resource numbers are the same as the JORC 2004 Mineral Resource which was released to the ASX on 8 April 2013, in combination with the Mineral Resource for Justinian. The Central Bore Mineral Resource 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.

The Mineral Resource for Central Bore, split up in the high-grade Imperial Shoot and the along-strike Senate zone, is shown in Table 5.

Table 5: Mineral Resource Central Bore (December 2013, 1.0 g/t Au cut-off)

Ore Shoot	Category	Tonnes (000's)	Grade (g/t Au)	Gold (000's ounces)
Imperial	Measured	43	26.6	36.7
	Indicated	63	29.1	58.8
	Inferred	48	10.8	16.8
	Total	154	22.7	112.2
Senate	Measured	-	-	-
	Indicated	337	5.3	57
	Inferred	140	3.0	13.7
	Total	478	4.6	70.8
Total	Measured	43	26.6	36.7
	Indicated	400	9.0	115.8
	Inferred	189	5.0	30.5
	Total	632	9.0	183

The Mineral Resource estimates for the Attila Trend (Table 6) and the Justinian deposit (Table 7), have been compiled by independent consultants Ravensgate, in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2004 Edition (JORC 2004). The Mineral Resources are unchanged since the 2013 Annual Report.

Both resource estimates are open pit resources, unconstrained by pit shells. The resources were subject to internal geological peer review and validation, and handover meetings with the business development team.

Table 6: Mineral Resources Attila Trend (September 2012, 0.5 g/t Au cut-off)

Category	Tonnes (000's)	Grade (g/t Au)	Gold (000's ounces)
Measured	8,382	1.44	389
Indicated	9,360	1.24	37
Inferred	7,785	1.19	298
Total	25,527	1.29	1,060

Table 7: Mineral Resources Justinian (Dec 2012, 1.0 g/t Au cut-off)

Category	Tonnes (000's)	Grade (g/t Au)	Gold (000's ounces)
Measured	-	-	-
Indicated	28	3.9	3.5
Inferred	154	2.9	14.6
Total	182	3.1	18.1

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 the Exploration Manager and a full-time employee of, the Company, 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, Exploration Manager for Gold Road Resources Ltd. 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 (Member 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, Exploration Manager for Gold Road Resources Ltd and Mr John Donaldson, Principal Resource Geologist for Gold Road Resources Ltd. 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 (Member 209333). Mr Donaldson is a fixed-term contract employee of Gold Road as well as a shareholder, and is a Member of the Australian Institute of Geoscientists and Registered Professional Geoscientist (MAIG RGeo Mining 10,147). 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 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.

Competent Person's Statement for Mineral Resource Estimates included in this report that were previously reported pursuant to JORC 2004:

The Mineral Resource estimates for the Attila Trend and Justinian are prepared in accordance with the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves", 2004 Edition (JORC 2004). Gold Road is not aware of any new information or data that materially affects the information included in the relevant market announcement. In the case of estimates of Mineral Resources, the Company confirms that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

The information in this report that relates to the Mineral Resource Estimation for the Attila Trend and Justinian is based on geostatistical modelling by Ravensgate using sample information and geological interpretation supplied by Gold Road. The Mineral Resource estimates for Attila Trend and Justinian were undertaken respectively by Mr Stephen Hyland, Principal Consultant and Director at Ravensgate, and Mr Craig Harvey, previously Principal Consultant at Ravensgate. Mr Stephen Hyland is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Craig Harvey is a Member of the Australian Institute of Geoscientists. Messrs Hyland and Harvey 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 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Messrs Hyland and Harvey consent to the inclusion in the report of the matters based on this information in the form and context in which it appears.

SCHEDULE OF INTERESTS IN MINING TENEMENTS

as at 31 August 2014

Tenement Number	Registered Title Holder	Status	Tenement Number	Registered Title Holder	Status
Exploration Licences			Exploration Licences		
E38/0361	Gold Road Resources	Granted	E38/2966	Gold Road Resources	Application
E38/1083	Gold Road Resources	Granted	E38/2967	Gold Road Resources	Application
E38/1097	Gold Road Resources	Granted	E38/2968	Gold Road Resources	Application
E38/1386	Gold Road Resources	Granted	E39/1554	Gold Road Resources	Granted
E38/1388	Gold Road Resources	Granted	E39/1555	Gold Road Resources	Granted
E38/1858	Gold Road Resources	Granted	Mining Leases		
E38/1931	Gold Road Resources	Granted	M38/435	Gold Road Resources	Granted
E38/1932	Gold Road Resources	Granted	M38/436	Gold Road Resources	Granted
E38/1964	Gold Road Resources	Granted	M38/437	Gold Road Resources	Granted
E38/2178	Gold Road Resources	Granted	M38/438	Gold Road Resources	Granted
E38/2235	Gold Road Resources	Granted	M38/439	Gold Road Resources	Granted
E38/2236	Gold Road Resources	Granted	M38/788	Gold Road Resources	Granted
E38/2249	Gold Road Resources	Granted	M38/814	Gold Road Resources	Granted
E38/2250	Gold Road Resources	Granted	M38/841	Gold Road Resources	Granted
E38/2291	Gold Road Resources	Granted	M38/1178	Gold Road Resources	Application
E38/2292	Gold Road Resources	Granted	M38/1179	Gold Road Resources	Application
E38/2293	Gold Road Resources	Granted	M38/1255	Gold Road Resources	Application
E38/2294	Gold Road Resources	Granted	Prospecting Licences		
E38/2319	Gold Road Resources	Granted	P38/3337	Gold Road Resources	Granted
E38/2320	Gold Road Resources	Granted	P38/3338	Gold Road Resources	Granted
E38/2325	Gold Road Resources	Granted	P38/3344	Gold Road Resources	Granted
E38/2326	Gold Road Resources	Granted	P38/3345	Gold Road Resources	Granted
E38/2327	Gold Road Resources	Granted	P38/3346	Gold Road Resources	Granted
E38/2355	Gold Road Resources	Granted	P38/3350	Gold Road Resources	Granted
E38/2356	Gold Road Resources	Granted	P38/3352	Gold Road Resources	Granted
E38/2362	Gold Road Resources	Granted	P38/3824	Gold Road Resources	Granted
E38/2363	Gold Road Resources	Granted	P38/3869	Gold Road Resources	Granted
E38/2415	Gold Road Resources	Granted	P38/3870	Gold Road Resources	Granted
E38/2427	Gold Road Resources	Granted	P38/3887	Gold Road Resources	Granted
E38/2446	Gold Road Resources	Granted	P38/3895	Gold Road Resources	Granted
E38/2447	Gold Road Resources	Granted	P38/3896	Gold Road Resources	Granted
E38/2507	Gold Road Resources	Granted	P38/4149	Gold Road Resources	Application
E38/2735	Gold Road Resources	Granted	P38/4150	Gold Road Resources	Application
E38/2766	Gold Road Resources	Granted	P38/4141	Gold Road Resources	Application
E38/2794	Gold Road Resources	Granted	Miscellaneous Licences		
E38/2797	Gold Road Resources	Granted	L38/180	Gold Road Resources	Granted
E38/2798	Gold Road Resources	Granted	L38/186	Gold Road Resources	Granted
E38/2836	Gold Road Resources	Granted	L38/210	Gold Road Resources	Granted
E38/2860	Gold Road Resources	Application	L38/211	Gold Road Resources	Granted
E38/2902	Gold Road Resources	Application	L38/227	Gold Road Resources	Application
E38/2913	Gold Road Resources	Application	L38/229	Gold Road Resources	Application
E38/2917	Gold Road Resources	Application	L38/230	Gold Road Resources	Application
E38/2930	Gold Road Resources	Application			
E38/2931	Gold Road Resources	Application			
E38/2932	Gold Road Resources	Application			
E38/2944	Gold Road Resources	Application			
E38/2964	Gold Road Resources	Application			
E38/2965	Gold Road Resources	Application			

CORPORATE GOVERNANCE STATEMENT

The Directors of Gold Road support the establishment and on-going development of good corporate governance for the Company.

Gold Road has adopted systems of control and accountability as the basis for the administration of corporate governance. These policies and procedures are summarised below. The Board of the Company is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs.

The Board and management are committed to corporate governance and, to the extent they are applicable to the Company, have adopted the Eight Essential Corporate Governance Principles and each of the Best Practice Recommendations as published by ASX Corporate Governance Council (**ASX Principles and Recommendations**).

Further information about the Company's corporate governance practices is set out on the Company's website at www.goldroad.com.au. In accordance with the recommendations of ASX, information published on the Company's website includes:

- Board Charter
- Nomination Committee Charter
- Audit Committee Charter
- Remuneration Committee Charter
- Policy and Procedure for Selection and Appointment of New Directors
- Code of Conduct
- Policy for Dealing in the Company's Securities
- Continuous Disclosure Policy
- Shareholder Communications Policy
- Company's Risk Management Policy
- Diversity Policy

This Statement sets out the corporate governance practices in place during the course of the financial year and as at the date of this report which comply with the recommendations of the Corporate Governance Council unless otherwise stated.

CORPORATE GOVERNANCE COUNCIL PRINCIPLE 1

Lay Solid Foundations for Management and Oversight

Role of the Board of Directors

The role of the Board is to build long term sustainable value for its security holders whilst respecting the interests of its stakeholders.

In order to fulfil this role, the Board is responsible for the overall corporate governance of the Company, including formulating its strategic direction, setting remuneration and monitoring the performance of Directors and Senior Executives. The Board relies on Senior Executives to assist in approving and monitoring expenditure, ensuring the integrity of internal controls and management information systems, and monitoring and approving financial and other reporting.

In complying with Recommendation 1.1 of the Corporate Governance Council, the Company has adopted a Board Charter which clarifies the respective roles of the Board and senior management and assists in decision making processes. A copy of the Board Charter and the responsibilities of senior executives and management are available on the Company's website.

Board Processes

An agenda for Board meetings has been determined to ensure certain standing information is addressed and other items which are relevant to reporting deadlines and/or regular review are scheduled when appropriate. The agenda is regularly reviewed by the Executive Chairman and the Company Secretary.

Evaluation of Senior Executive Performance

The Company has complied with Recommendation 1.2 of the Corporate Governance Council. The Executive Chairman currently conducts annual performance appraisal meetings with senior executives incorporating a formal appraisal form and review of each individual's performance and contribution during the year. The Executive Chairman's performance is assessed by the independent Non-executive Directors.

CORPORATE GOVERNANCE COUNCIL PRINCIPLE 2

Structure the Board to Add Value

Board Composition

The Constitution of the Company provides that the number of Directors shall not be less than three. There is no requirement for any shareholding qualification.

The membership of the Board, its activities and composition is subject to periodic review. The criteria for determining the identification and appointment of a suitable candidate for the Board shall include the quality of the individual, background of experience and achievement, compatibility with other Board members, credibility within the scope of activities of the Company, intellectual ability to contribute to Board duties and physical ability to undertake Board duties and responsibilities.

Directors are initially appointed by the Board and are subject to re-election by shareholders at the next general meeting. In any event, one third of the Directors are subject to re-election by shareholders at each general meeting.

The Board, from 1 July 2013, was comprised of four members, two Non-executive Directors and two Executive Directors. The Non-executive Directors were Mr Russell Davis and Mr Martin Pyle

The Board has assessed the independence of the Directors in accordance with the definition contained within the ASX Corporate Governance Guidelines and has concluded that for the financial year ended 30 June 2014 although the two Non-executive Directors are considered independent, the majority of the Board was not independent. As a result of the Board reduction on 1 July 2013, the Company did not comply with Recommendation 2.1 of the Corporate Governance Council. Subsequent to the end of the financial year Mr Timothy Netscher has been appointed to the board as an independent Non-executive director, as such from 1 September 2014 the board has a majority of independent directors.

Independent Chairman

The Chairman is an Executive of the Company and is therefore not an independent Chairman. As such Recommendation 2.2 of the Corporate Governance Council has not been complied with. The Board however believes that Mr Murray is the most appropriate person for the position as Chairman because of his industry experience and proven track record as a public company Director.

The Board from 1 September 2014 with the appointment of Mr Tim Netscher has three independent Non-executive Directors including Mr Martin Pyle and Mr Russell Davis. The Board considers both its structure and composition are appropriate given the size of the Company and its current scale of operation.

Roles of Chairman and Chief Executive Officer

The roles of Chairman and Chief Executive Officer are not exercised by different individuals, and as such the Company does not comply with Recommendation 2.3 of the Corporate Governance Council. The Executive Chairman of the Company is currently exercising both these roles. Due to the size of the Company and Mr Murray's experience, the Board is of the opinion that Mr Murray has the capacity to fulfil both these roles at the present time.

A profile of each Director, including their skills, experience and relevant expertise, and the date each Director was appointed to the Board is set out in the Directors' Report.

Nomination Committee

The Board does not have a separate Nomination Committee comprising of a majority of independent Directors and as such does not comply with Recommendation 2.4 of the Corporate Governance Council. The selection and appointment process for Directors is carried out by the full Board. The Board considers that given the importance of Board composition it is appropriate that all members of the Board partake in such decision making.

A copy of the Nomination Committee Charter and the Policy and Procedure for Selection and Appointment of New Directors is available on the Company's website.

Evaluation of Board Performance

The Company has a formal process for the evaluation of the performance of the Board and as such, does comply with Recommendation 2.5 of the Corporate Governance Council. The Board undertakes an annual formal review of its performance. The process includes the completion of individual questionnaires focussed on Board processes, effectiveness and structure as well as the effectiveness and contribution made by each Director. The responses are collated and discussed with a view to considering recommendations for improvement.

Education

All Directors are encouraged to attend professional education courses relevant to their roles.

Independent Professional Advice and Access to Information

Each Director has the right to access all relevant information in respect to the Company and to make appropriate enquiries of senior management. Each Director has the right to seek independent professional advice on matters relating to him as a Director of the Company at the Company's expense, subject to prior approval of the Chairman which shall not be unreasonably withheld.

CORPORATE GOVERNANCE COUNCIL PRINCIPLE 3

Promote Ethical and Responsible Decision Making

Code of Conduct

The Board believes in and supports ethical and responsible decision making. It is expected that all Directors, managers and employees observe the highest standards of integrity, objectivity and business ethics in conducting its business, striving at all times to enhance the reputation and performance of the Company in respect of legal and other obligations to all legitimate stakeholders.

Accordingly, the Board acknowledges the rights of stakeholders and has adopted a Code of Conduct.

The Board has adopted a Code of Conduct that applies to all employees, executives and Directors of the Company and as such complies with Recommendation 3.1 of the Corporate Governance Council. This Code addresses expectations for conduct in the following areas:

- Responsibility to shareholders;
- Integrity and honesty;
- Respect for laws;
- Conflicts of interests;
- Protection of assets;
- Confidential information;
- Employment practices;
- Respect for the community;
- Respect for individuals;
- Fair trading and dealing;
- Compliance with Code of Conduct; and
- Periodic review of the Code.

A copy of the Company's Code of Conduct is available on the Company's website.

Diversity Policy

The Board has implemented a Diversity Policy in line with Corporate Governance guidelines. The Company believes that the promotion of diversity on its Board, in senior management and within the organisation generally is good practice and adds to the strength of the Company.

The policy affirms existing employment arrangements which seek to attract and retain people by promoting an environment where employees are treated with fairness and respect and have equal access to opportunities as they arise. Diversity within the workforce includes such factors as religion, race, ethnicity, language, gender, disability and age.

The Board has adopted a diversity policy that details the purpose of the policy and the employee selection and appointment guidelines, consistent with the recommendations of the Corporate Governance Council. The Board believes that the adoption of an efficient diversity policy has the effect of broadening the employee recruitment pool, supporting employee retention, including different perspectives and is socially and economically responsible governance practice.

The Company employs new employees and promotes current employees on the basis of performance, ability and attitude. The Board is continually reviewing its practices with a focus on ensuring that the selection process at all levels within the organisation is formal and transparent and that the workplace environment is open, fair and tolerant.

The Company, in keeping with the recommendations of the Corporation Governance Council provides the following information regarding the proportion of gender diversity in the organisation as at 30 June 2014:

	Number of females	Total number of persons employed
Females employed in the Company as a whole	8	21
Females employed in the Company in Senior positions	3	21
Females appointed as a Director of the Company	Nil	4

The recommendations of the Corporate Governance Council relating to reporting requires a Board to set measurable objectives for achieving diversity within the organisation, and to report against them on an annual basis. The Company has implemented measurable objectives as follows:

Measurable Objective	Objective Satisfied	Comment
Adoption and promotion of a Formal Diversity Policy	Yes	The Company has adopted a formal diversity policy which has been made publicly available via the Company's website.
To ensure Company policies are consistent with and aligned with the goals of the Diversity Policy	Yes	The Company's selection, remuneration and promotion practices are merit-based and as such are consistent with the goals of the Company's Diversity Policy.
To provide flexible work and salary arrangements to accommodate family commitments, study and self-improvement goals, cultural traditions and other personal choices of current and potential employees.	Yes	The Company will, where considered reasonable, and without prejudice, accommodate requests for flexible working arrangements.
To implement clear and transparent policies governing reward and recognition practices.	Yes	The Company grants reward and promotion based on merit and responsibility as part of its annual and on-going review processes.
To provide relevant and challenging professional development and training opportunities for all employees.	Yes	The Company seeks to continually encourage self-improvement in all employees, irrespective of seniority, ability or experience, through external and internal training courses, regular staff meetings and relevant on job mentoring.

Gender Diversity

The Company has not implemented specific measurable objectives regarding the proportion of females to be employed within the organisation or implemented requirements for a proportion of female candidates for employment and Board positions. The Board considers that the setting of quantitative gender based measurable targets is not consistent with the merit and ability based policies currently implemented by the Company.

The Board will consider the future implementation of gender based diversity measurable objectives when more appropriate to the size and nature of the Company's operations.

Security Trading Policy

The Board has committed to ensuring that the Company, its Directors and executives comply with their legal obligations as well as conducting their business in a transparent and ethical manner. The Board has adopted a policy on dealing in the Company's securities by Directors, officers and employees which prohibits dealing in the Company's securities when those persons possess inside information and as such complies with Recommendation 3.2 of the Corporate Governance Council. Further, in keeping with Listing Rule Amendments, additional restrictions are placed on trading by relevant persons including Directors, key management personnel and employees. The policy also provides that notification of intended trading should be given to the Chairman prior to trading. A copy of the Policy for dealing in Company Securities is available on the Company's website.

The law prohibits insider trading and the Corporations Act and the ASX Listing Rules require disclosure of any trading undertaken by Directors or their related entities in the Company's securities.

CORPORATE GOVERNANCE COUNCIL PRINCIPLE 4

Safeguarding Integrity in Financial Reporting

Audit Committee

The Board does not have a separate Audit Committee with a composition as suggested by Recommendations 4.1 and 4.2 of the Corporate Governance Council. The full Board carries out the function of the Audit Committee. As such the Company currently does not meet recommendations 4.1 and 4.2 of the Corporate Governance Council. In the absence of a formal Audit Committee Non-executive Directors of the Company are available for correspondence with the auditors of the company.

The Board has adopted and operates under the Audit Committee Charter which complies with Recommendation 4.3 of the Corporate Governance Council. The responsibilities of the Audit Committee (the full Board) include the appointment, compensation and oversight of the independent auditor and the review of the published financial reports.

External audit recommendations, internal control matters and any other matters arising from the half-year audit review and the annual statutory audit are discussed directly between the Board and the audit engagement Partner.

External Auditors

The Company's policy is to appoint external auditors who clearly demonstrate quality and independence. Performance of the external auditor is reviewed annually by the Board. Auditor rotation is required by the Corporations Act 2001. The external auditor is requested to attend the annual general meeting and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the audit report.

Financial Reporting

The Board relies on senior executives to monitor the internal controls within the Company. Financial performance is monitored on a regular basis by the Executive Chairman and Company Secretary who report to the Board at the scheduled Board meetings.

CORPORATE GOVERNANCE COUNCIL PRINCIPLE 5

Make Timely and Balanced Disclosure

Timely and Balanced Disclosure

The Board is committed to the promotion of investor confidence by providing full and timely information to all security holders and market participants about the Company's activities and to comply with the continuous disclosure requirements contained in the Corporations Act 2001 and the ASX Listing Rules.

The Company has adopted formal written policies and procedures, designed to ensure compliance with the ASX Listing Rule requirements, in accordance with Recommendation 5.1 of the Corporate Governance Council. A copy of the Continuous Disclosure Policy is available on the Company's website.

Continuous disclosure is discussed at all regular Board meetings and on an on-going basis. The Board ensures that all activities are reviewed with a view to the necessity for disclosure to security holders.

In accordance with ASX Listing Rules, the Company Secretary is appointed as the Company's disclosure officer.

CORPORATE GOVERNANCE COUNCIL PRINCIPLE 6

Respect the Rights of Shareholders

Communications

The Board fully supports security holder participation at general meetings as well as ensuring that communications with security holders are effective and clear. This has been incorporated into a formal shareholder communication strategy, and so complies with Recommendation 6.1 of the Corporate Governance Council.

A copy of the Shareholder Communications Policy is available on the Company's website.

In addition to electronic communication via the ASX web site, the Company publishes all ASX releases including Annual and Half-Yearly financial statements on the Company's website at www.goldroad.com.au.

Shareholders are able to pose questions on the audit process and the financial statements directly to the independent auditor who attends the Company's Annual General Meeting for that purpose.

CORPORATE GOVERNANCE COUNCIL PRINCIPLE 7

Recognise and Manage Risk

Risk Management Policy

The Board has implemented a formal risk management policy and has therefore complied with Recommendation 7.1 of the Corporate Governance Council. The Board delegates day-to-day management of risk to the Executive Chairman, Company Secretary and Senior Executives who are responsible for implementing and maintaining a framework of control and accountability systems to enable risk to be assessed and managed. A copy of the Company's Risk Management Policy is available on the Company's website.

Risk Management and the Internal Control System

The Executive Chairman and Company Secretary, with the assistance of senior executives as required, have responsibility for identifying, assessing, treating and monitoring risks and reporting to the Board on risk management.

In order to implement risk management strategies, it was considered important that the Company establish an internal control regime in order to:

- Assist the Company to achieve its strategic objectives;
- Safeguard the assets and interests of the Company and its stakeholders; and
- Ensure the accuracy and integrity of external reporting.

Key identified risks to the business are monitored on an on-going basis as follows:

- **Business risk management**

The Company manages its activities within budgets and operational and strategic plans.

- **Internal controls**

The Board has implemented internal control processes typical for the Company's size and stage of development. It requires the senior executives to ensure the proper functioning of internal controls and in addition it obtains advice from the external auditors as considered necessary.

- **Financial reporting**

Directors approve an annual budget for the Company and regularly review performance against budget at Board Meetings.

- **Operations review**

Members of the Board regularly visit the Company's exploration project areas, reviewing development activities, geological practices, environmental and safety aspects of operations.

- **Environment and safety**

The Board has adopted an Occupational Health and Safety Policy and Environmental Policy through which all employees and contractors are inducted.

The Company is committed to ensuring that sound environmental management and safety practices are carried out in its exploration activities. Significant resources have been focussed on establishing and maintaining a culture of best practice through the implementation of an Occupational Health and Safety Plan and an Environmental Management Plan.

The Company's risk management strategy is evolving and will be an on-going process and it is recognised that the level and extent of the strategy will develop with the growth and change in the Company's activities.

Risk Reporting

As the Board has responsibility for the monitoring of risk management, it has not required a formal report regarding the material risks and whether those risks are managed effectively, therefore not complying with Recommendation 7.2 of the Corporate Governance Council. The Board believes that the Company is currently effectively communicating its significant and material risks to the Board and its affairs are not of sufficient complexity to justify the implementation of a more formal system for identifying, assessing, monitoring and managing risk in the Company.

The Board is seeking to improve and formalise the Company's risk management of internal control systems.

The Company does not have an internal audit function.

Executive Chairman and Company Secretary Written Statement

The Board requires the Executive Chairman and the Company Secretary provide a written statement that the financial statements of the Company present a true and fair view, in all material aspects, of the financial position and operational results and have been prepared in accordance with Australian Accounting Standards and the Corporations Act. The Board also requires that the Executive Chairman and Company Secretary provide sufficient assurance that the declaration is founded on a sound system of risk management and internal control, and that the system is working effectively.

The declarations have been received by the Board, in accordance with Recommendation 7.3 of the Corporate Governance Council.

CORPORATE GOVERNANCE COUNCIL PRINCIPLE 8

Remunerate Fairly and Responsibly

The Company's remuneration policy is to ensure that the remuneration package properly reflects the person's duties and responsibilities and that remuneration is competitive in attracting, retaining and motivating people of the highest quality.

Disclosure of the details of the nature and amount of each element of Directors', including Non-executive Directors, and Executive's remuneration is included in the financial statements.

Remuneration Committee

The Board currently does not have a separate Remuneration Committee and as such the Company does not currently meet recommendation 8.1 of the Corporate Governance Council.

Remuneration arrangements for Directors are determined by the full Board. The Board is also responsible for setting performance criteria, performance monitors, equity incentive schemes, superannuation entitlements, retirement and termination benefits and professional indemnity and liability insurances.

The Board considers that the Company is currently effectively served by the full Board acting as a whole in remuneration matters. The Board ensures that no Director participates in deliberations regarding their own remuneration or related issues.

Distinguish Between Executive and Non-executive Remuneration

The Company does distinguish between the remuneration policies of its Executive and Non-executive Directors in accordance with Recommendation 8.2 of the Corporate Governance Council.

Executive Directors receive salary packages which may include performance based components, designed to reward and motivate, including the granting of Options and Performance Share Rights, subject to shareholder approval and with vesting conditions relating to continuity of engagement.

Non-executive Directors receive fees agreed on an annual basis by the Board, within total Non-executive remuneration limits voted upon by shareholders at Annual General Meetings. Share options which have been issued to Non-executive Directors were subject to shareholder approval. The grant of the options was considered appropriate by the Board to retain high quality and well-credentialed Non-executive Directors.

The Board ensures that all matters of remuneration will continue to be in accordance with Corporations Act requirements, by ensuring that none of the Directors participate in any deliberations regarding their own remuneration or related issues. To the extent that additional executives are appointed in the future and the scope of the Company's activities expands, the Company will reconsider whether a change in the structure of executive remuneration is appropriate.

DIRECTORS' REPORT

The Directors present their report on Gold Road Resources Limited (**Gold Road** or **Company**) for the year ended 30 June 2014.

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
Ziggy Lubieniecki	Executive Director - Technical
Russell Davis	Director (Non-executive)
Martin Pyle	Director (Non-executive)
Timothy Netscher	Director (Non-executive)

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 17 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 1 moz 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. Mr Murray also served on the board of Metaliko Resources Limited (resigned 28 June 2012). 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 48 years of age.

ZIGGY LUBIENIECKI

Executive Director

Mr Lubieniecki joined the Company in June 2007 and was appointed Executive Director on 13 December 2010.

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 62 years of age.

RUSSELL DAVIS

Non-executive Director

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.

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 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 56 years of age.

MARTIN PYLE

Non-executive Director

Mr Pyle was appointed on 22 June 2010 as Non-executive Director.

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, Non-executive Director of Peninsular Mines Limited and Non-executive Director of Golden Rim Resources Limited. In the past three years, Mr Pyle also served as a Director of Syndicated Metals Limited from May 2010 to November 2011, 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 49 years of age.

TIMOTHY NETSCHER

Non-executive Director

Mr Netscher was appointed on 1 September 2014 as Non-executive Director.

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 Deep Yellow Ltd, Non-executive Director of Aquila Resources Ltd, St Barbara Mines Ltd and Western Areas Limited. During the past three years, Mr Netscher has also served as a Director of 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.

Mr Netscher is 64 years of age.

KEVIN R 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 on 17 May 2007. 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 52 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
Directors			
I Murray	10,648,712	5,300,000	2,100,000
Z Lubieniecki	1,912,767	3,700,000	1,111,111
R Davis	7,072,431	1,000,000	-
M Pyle	2,308,220	500,000	-
T Netscher	-	-	-
Specified Executives			
K Hart	-	1,000,000	-
G Murray	559,085	1,350,000	153,333
J Osborne	1,100,000	3,000,000	-

DIRECTORS' MEETINGS

The number of meetings of the Company's Directors (including meetings of Committees of Directors) held during the year ended 30 June 2014 and the number of meetings attended by each Director were:

Director	Board of Directors' Meetings	
	Eligible to attend	Attended
I Murray	5	5
Z Lubieniecki	5	5
R Davis	5	5
M Pyle	5	5
T Netscher*	-	-

* Appointed after 30 June 2014

During the year ended 30 June 2014, the full Board carried out the functions of the Audit and Remuneration Committees.

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 profit after income tax for the financial year was \$409,753 (2013: loss \$22,693,404).

Included in the net profit after income for the current year is an income tax benefit of \$2,963,408 (2013: \$618,494) in respect of research and development tax incentives received in the current year for 2012 and 2013 claims. The loss before income tax for the financial year was \$2,553,655 (2013: \$23,311,898). Included in the 2013 loss before income tax was a write-off of capitalised exploration and evaluation expenditure totalling \$19,854,857.

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.

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 \$9,665,211 (2013: \$8,873,486) in cash and at call deposits. Capitalised mineral exploration and evaluation expenditure is \$27,259,412 (2013: \$16,561,505). Mineral exploration and evaluation expenditure incurred during the year for the Company before any write-offs was \$10,701,512 (2013: \$8,036,991).

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

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

On 27 March 2014 the Company completed a Share Placement that raised \$10,000,000 before capital raising costs, from the issue of 57,142,857 ordinary shares at 17.5 cents each.

OPTIONS AND PERFORMANCE SHARE RIGHTS OVER UNISSUED CAPITAL

Unlisted Options

At the date of this report there were 15,722,000 (2013: 9,133,666) vested and 3,000,000 (2013: nil) 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
3,500,000	61.5 cents	31 October 2014
1,000,000	97.5 cents	30 April 2015
72,000	70.5 cents	31 May 2015
500,000	9.5 cents	30 September 2015
600,000	10.7 cents	30 September 2015
600,000	12.8 cents	30 September 2015
53,000	54.8 cents	31 October 2015
310,000	48 cents	31 December 2015
567,000	47.3 cents	31 March 2016
2,300,000	10.5 cents	30 October 2015
3,000,000	13 cents	14 October 2017
6,000,000	13 cents	19 November 2015
110,000	14 cents	30 September 2016
110,000	20 cents	30 September 2016
18,722,000	Total Options on Issue	

During the year ended 30 June 2014, 12,020,000 (2013: nil) 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 2014, 1,800,000 (2013: 133,334) ordinary shares were issued on the exercise of vested Options.

During the year ended 30 June 2014, nil (2013: 8,700,000) Options expired. A further 631,666 (2013: 179,000) 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 Nil (2013: 333,334) vested and 3,767,777 (2013: 4,498,332) 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
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
60,000	31 March 2015	31 March 2016
80,000	31 December 2014	31 December 2016
80,000	31 December 2015	31 December 2016
1,786,111**	30 June 2017	30 June 2018
3,767,777	Total Performance Share Rights	

* 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 Test Date and the 60 day VWAP of trading in the shares up to the relevant Test Date being at least 28 cents per Share in relation to 1,425,000 Performance Share Rights which are tested and vest on 30 November 2014.

** Represent Performance 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 2014, 368,791 (2013: 5,156,820) Performance Share Rights were issued pursuant to the terms of the Company's Performance Share Rights Plan to employees and Directors of the Company.

During the year ended 30 June 2014, 1,143,791 (2013: 870,154) ordinary shares were issued on the exercise of vested Performance Share Rights.

During the year ended 30 June 2014, 1,975,000 (2013: 550,000) Performance Share Rights expired. A further 185,000 (2013: 540,000) Performance Share Rights were cancelled.

Since the balance date to the date of this report, 1,786,111 Performance Share Rights have been issued and 80,000 ordinary shares were issued on the exercise of vested Performance Share Rights. No Performance Share Rights have expired or been cancelled 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

There has not arisen in the interval between the end of the period and the date of this report any 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.

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) Principles used to determine the nature and amount of remuneration
- (b) Details of remuneration
- (c) Service agreements
- (d) Share-based compensation
- (e) Additional information

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

Directors disclosed in this report include:

- (i) Executive Chairman
Ian Murray (appointed Executive Chairman 12 February 2008)
- (ii) Executive Director
Ziggy Lubieniecki (appointed General Manager 1 August 2009, appointed Executive Director 13 December 2010)
- (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)

Executives disclosed in this report include:

- (i) Kevin Hart - Company Secretary
(appointed Company Secretary 4 August 2006, appointed Non-executive Director 17 May 2007, resigned as Non-executive Director 30 June 2013)
- (ii) Gordon Murray – Business Development Manager
(appointed 5 September 2011)
- (iii) Justin Osborne – Exploration Manager
(appointed 14 October 2013)

(a) 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 ensures 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 has resulted in significant changes to the STI and LTI remuneration structure taking effect in the year ended 30 June 2015. The key outcomes of this review are set out under the short term and long term incentives below:

Remuneration Committee

With the Board reduction from 1 July 2013 to two Executive Directors and two Non-executive Directors, the full Board carried out the function of the Remuneration Committee during the year with no member deliberating or considering such matter in respect of their own remuneration.

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

The Board assesses the appropriateness of the nature and amount of remuneration of Executives 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 Board may from time to time obtain external advice from independent consultants who will provide no other services to the Company.

2013 Annual General Meeting Voting

Gold Road Resources Limited received a 92.5% of 'yes' votes on its Remuneration Report Resolution for the 2013 financial year (2012 - 89% 'yes' vote).

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

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; and
4. Participation in equity based remuneration schemes by Non-executive Directors is subject to consideration and approval by the Company's shareholders.
5. Directors' fees cover all main Board activities.

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. During the year ended 30 June 2014, the Company contribution rate was 9.25% of ordinary time earnings.

Short term incentives (STI)

Short term incentives are usually in the form of cash bonuses to executive directors and other executives. Payment of cash bonuses are entirely discretionary with the majority of the cash bonuses calculated based on Key Performance Indicators (KPIs). The actual KPIs, weightings and priorities are agreed annually with the Board so as to ensure they remain relevant and appropriate to the Company and the Executives and are reviewed periodically to ensure it is 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 percentage of base salary with performance assessed against a mix of personal and corporate objectives, over a twelve month period.

	Executive Chairman	Technical Director	Other KMP's
STI as a percentage of base salary	50%	25%	25%
Corporate KPI	90%	80%	80%
Personal KPI	10%	20%	20%

Corporate KPIs

Short term incentives 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

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 objectives in the period not met.

The 2015 STI performance measures broadly include:

- Completion of the Gruyere mineral resource.
- A new discovery with the potential for greater than 500,000 ounces.
- Completion of positive economic studies including the Gruyere scoping study and mining lease applications.
- Submission of the Gruyere Mining lease application.
- 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 satisfactory 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.

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.
- Holders must remain employed at the applicable test date which is 30 June 2017.
- Vesting will be measured at the end of a minimum three year period.
- 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	Technical Director	Other KMP's
LTI as a percentage of base salary	65%	35%	35%
Total shareholder return vesting hurdle	50%	50%	50%
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 has been 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.

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.

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).

50% of the Performance Rights will vest and convert into shares over the three year measurement period (being 1 July 2014 to 30 June 2017) based on the Company's total shareholder return compared to the change in the ASX All Ordinaries Gold Index (ASX Code XGD) over that same period. The portion of Performance Rights that will vest will be 50% of the relevant grant at the 50th percentile and 100% of the relevant grant at or above the 75th percentile (**Shareholder Return Hurdle**).

Company vesting hurdle

The 50% internal Company vesting hurdle at completion of the 3 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%.

(b) 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 2014 and 30 June 2013 are set out in the following tables:

YEAR 2014

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

[#] Appointed 14 October 2013

The Directors of the Company agreed to a temporary reduction of 20% in their salaries and fees effective from 1 January 2013 to 31 March 2014 to assist in reducing cash costs during that period.

YEAR 2013

	Salaries & Fees \$	Superannuation Contributions \$	Other Benefits \$	Value of Options & Performance Share Rights \$	Total \$	Performance Related %	Remuneration consisting of Options & Performance Share Rights %
Directors							
I Murray	305,249	34,897	3,867	144,507	488,520	30%	30%
Z Lubieniecki	231,038	26,645	3,867	126,098	387,648	33%	33%
R Davis	49,500	-	3,867	-	53,367	-	-
M Pyle	52,675	1,825	3,867	-	58,367	-	-
K Hart [#]	49,500	-	3,867	-	53,367	-	-
D Woodall [#]	43,900	3,951	3,867	-	51,718	-	-
Total	731,862	67,318	23,202	270,605	1,092,987	25%	25%

[#] Resigned as Non-executive Director on 30 June 2013

(c) 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.
- Base salary exclusive of superannuation of \$360,000 to be reviewed annually.
- Participation in short term and long term incentive remuneration programs.

Ziggy Lubieniecki, Technical Director

- 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 \$227,500 to be reviewed annually.
- Participation in short term and long term incentive remuneration programs.

Justin Osborne, Exploration 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 to be reviewed annually.
- Participation in short term and long term incentive remuneration programs.

(d) 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 2014 amounted to \$74,900 (2013: \$127,722, of which \$71,565 comprised accounting services and \$56,157 comprised company secretarial fees).

During the year, Martin Pyle Consulting, a company controlled by Mr Martin Pyle, provided corporate and strategic advice services to the company. The value of transactions in the financial year ended 30 June 2014 amounted to \$nil (2013: \$1,300).

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.

(e) 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 2014, 10,500,000 (2013: nil) Options were issued pursuant to the terms of the Plan to Directors and Specified Executives of the Company.

	Granted No.	Grant Date	Fair value at grant date	Expiry date	Vesting date
Directors					
I Murray	3,300,000	18 Nov 2013	2.69 cents	19 Nov 2015	18 Nov 2013
Z Lubieniecki	1,700,000	18 Nov 2013	2.69 cents	19 Nov 2015	18 Nov 2013
R Davis	500,000	18 Nov 2013	2.69 cents	19 Nov 2015	18 Nov 2013
M Pyle	500,000	18 Nov 2013	2.69 cents	19 Nov 2015	18 Nov 2013
Specified Executives					
K Hart	500,000	18 Nov 2013	2.69 cents	19 Nov 2015	18 Nov 2013
G Murray	1,000,000	7 Oct 2013	2.02 cents	30 Oct 2015	07 Oct 2013
J Osborne	1,000,000	30 Oct 2013	3.66 cents	14 Oct 2017	14 Oct 2014
J Osborne	1,000,000	30 Oct 2013	3.66 cents	14 Oct 2017	14 Oct 2015
J Osborne	1,000,000	30 Oct 2013	3.66 cents	14 Oct 2017	14 Oct 2016

During the year ended 30 June 2014, 55,513 (2013: 2,850,000) Performance Share Rights were issued pursuant to the terms of the Plan to Specified Executives of the Company.

	Granted No.	Grant Date	Fair value at grant date	Expiry date	Vesting date
Specified Executives					
G Murray*	55,513	12 July 2013	3.28 cents	25 July 2016	12 July 2013

* The grant of these Performance Share Rights was in relation to a sacrifice of salary.

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) 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.

The following Performance Share Rights have been granted to Directors or Specified Executives since the end of the financial year.

	Granted No.	Grant Date	Exercise Price	Expiry date	Vesting date
Directors					
I Murray	1,300,000	30 July 2014	-	30 June 2018	30 June 2017
Z Lubieniecki	486,111	30 July 2014	-	30 June 2018	30 June 2017

No Options have been granted to Directors or Specified Executives since the end of the financial year.

Exercise of Options granted as compensation

During the reporting period, the following shares were issued on the exercise of Options previously granted as compensation to Directors or Specified Executives.

	Issued No.	Issue Date	Exercise Price of Options	Expiry date of Options	Vesting date of Options
Directors					
Z Lubieniecki	600,000	18 June 2014	15 cents	30 June 2014	30 June 2011
Z Lubieniecki	700,000	20 June 2014	10 cents	30 June 2014	30 June 2012
M Pyle	500,000	18 June 2014	13 cents	19 Nov 2015	18 Nov 2013

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
Specified Executives					
G Murray	153,333	7 October 2013	Nil	28 Sept 2015	28 Sept 2013
G Murray	55,513	25 July 2013	Nil	25 July 2016	25 July 2013

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 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	Vested and exercisable at the end of the year
Directors						
I Murray	2,000,000	3,300,000	-	-	5,300,000	5,300,000
Z Lubieniecki	3,300,000	1,700,000	(1,300,000)	-	3,700,000	3,700,000
R Davis	500,000	500,000	-	-	1,000,000	1,000,000
M Pyle	500,000	500,000	(500,000)	-	500,000	500,000
Specified Executives						
K Hart	500,000	500,000	-	-	1,000,000	1,000,000
G Murray	350,000	1,000,000	-	-	1,350,000	1,350,000
J Osborne	-	3,000,000	-	-	3,000,000	-

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

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*	Balance at the end of the year	Vested and exercisable at the end of the year
Directors						
I Murray	1,900,000	-	-	(1,100,000)	800,000	-
Z Lubieniecki	1,500,000	-	-	(875,000)	625,000	-
R Davis	-	-	-	-	-	-
M Pyle	-	-	-	-	-	-
Specified Executives						
K Hart	-	-	-	-	-	-
G Murray	306,666	55,513	(208,846)	-	153,333	-
J Osborne	-	-	-	-	-	-

* Other changes during the year comprise the expiry of Performance Share Rights.

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

Directors/ Executives	Balance at start of the year	Received during the year on exercise of Options or Rights	Other changes during the year*	Balance at the end of the year
I Murray	10,798,011	-	50,701	10,848,712
Z Lubieniecki	1,101,000	1,300,000	(488,233)	1,912,767
R Davis	7,072,431	-	-	7,072,431
M Pyle	2,158,220	500,000	(350,000)	2,308,220
K Hart	-	-	-	-
G Murray	153,334	405,751	-	559,085
J Osborne	-	-	1,100,000	1,100,000

* Other changes during the year comprised the purchase or sale of shares.

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

	Grant Date	Number Granted	Value of Options granted	Vest Date	No of Options vested during the year	Vested %	Number of Options forfeited	Value at date of forfeit	Forfeited %
Directors									
I Murray	29/11/10	2,000,000	\$347,522	30/11/10	-	100	-	-	-
	18/11/13	3,300,000	\$88,676	18/11/13	3,300,000	100	-	-	-
Z Lubieniecki	17/09/10	333,333	\$26,296	17/09/11	-	100	-	-	-
	17/09/10	333,333	\$22,356	17/09/12	-	100	-	-	-
	17/09/10	333,334	\$21,795	17/09/13	333,334	100	-	-	-
	27/04/11	1,000,000	\$272,400	13/05/11	-	100	-	-	-
	18/11/13	1,700,000	\$45,681	18/11/13	1,700,000	100	-	-	-
R Davis	29/11/10	500,000	\$86,880	30/11/10	-	100	-	-	-
	18/11/13	500,000	\$13,436	18/11/13	500,000	100	-	-	-
M Pyle	18/11/13	500,000	\$13,436	18/11/13	500,000	100	-	-	-
Specified Executives									
K Hart	29/11/10	500,000	\$86,880	30/11/10	-	100	-	-	-
	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	-	-	-
	07/10/13	1,000,000	\$20,210	07/10/13	1,000,000	100	-	-	-
J Osborne	30/10/13	1,000,000	\$36,556	14/10/14	-	-	-	-	-
J Osborne	30/10/13	1,000,000	\$36,556	14/10/15	-	-	-	-	-
J Osborne	30/10/13	1,000,000	\$36,556	14/10/16	-	-	-	-	-

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

	Grant Date	Number Granted	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 %
Directors									
I Murray	21/11/12	800,000	\$78,400	30/11/14	-	-	-	-	-
Z Lubieniecki	21/11/12	625,000	\$61,250	30/11/14	-	-	-	-	-
Specified Executives									
G Murray	17/09/12	153,333	\$16,744	28/09/14	-	-	-	-	-

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

	Value of Options granted during the year (a)	Value of Options exercised during the year (b)	Value of Options lapsed during the year (c)
Directors			
I Murray	\$88,676	-	-
Z Lubieniecki	\$45,681	\$107,500	-
R Davis	\$13,436	-	-
M Pyle	\$13,436	\$32,500	-
Specified Executives			
K Hart	\$13,436	-	-
G Murray	\$20,210	-	-
J Osborne	\$109,668	-	-

The movement during the reporting period, by 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:

	Value of Performance Share Rights granted during the year (a)	Value of Performance Share Rights exercised during the year (b)	Value of Performance Share Rights lapsed during the year (c)
Directors			
I Murray	-	-	-
Z Lubieniecki	-	-	-
Specified Executives			
G Murray	\$1,826	\$12,980	-

- (a) 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.
- (b) 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.
- (c) The value of Options or Performance Share Rights that lapsed during the year represents the benefit foregone and is calculated at the date of lapse using either the Black-Scholes model for options, or market price for Performance Share Rights, and assumes the performance criteria had been achieved.

Company performance

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

	30 June 2014	30 June 2013	30 June 2012	30 June 2011	30 June 2010
	\$	\$	\$	\$	\$
Share Price	0.29	0.043	0.17	0.60	0.10
Market capitalisation	149,471,522	19,579,292	66,302,663	186,885,175	19,584,333

THIS IS THE END OF THE REMUNERATION REPORT

OFFICER'S 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

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors of the Company support and have adhered to the principles of corporate governance to the extent they are available to the Company given the size of its operations. For further details please refer to the corporate governance section contained elsewhere in this report.

NON-AUDIT SERVICES

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

Total remuneration paid to Stantons International during the financial year:

	2014	2013
	\$	\$
Audit and review of the Company's financial statements	27,625	26,625

A copy of the Auditor's Independence Declaration as required under Section 307C of the Corporations Act is set out on page 38.

Auditor

Stantons International 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 25th day of September 2014.


IAN MURRAY
Executive Chairman

25 September 2014

Board of Directors
Gold Road Resources Limited
22 Altona 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 2014, 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

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the financial year ended 30 June 2014

	Note	30 June 2014 \$	30 June 2013 \$
Revenue	6	776,714	426,228
Total revenue		776,714	426,228
Employee expenses		(2,450,530)	(3,022,175)
Employee expenses recharged to exploration		1,704,402	2,004,913
Equity based remuneration expense	20	(493,203)	(440,474)
Non-executive directors' fees		(46,750)	(99,000)
Depreciation expense	7	(415,895)	(410,801)
Accounting and corporate advisory expenses		(523,204)	(599,120)
Compliance costs		(268,525)	(380,576)
Operating lease expenses		(144,442)	(130,497)
Legal costs		(34,343)	(181,620)
Insurance		(66,785)	(105,820)
Travel expenses		(25,368)	(55,088)
Advertising		(1,772)	(14,943)
Recruitment expenses		(17,080)	(3,415)
Office expenses		(495,655)	(414,126)
Other expenses from ordinary activities		(47,614)	(30,527)
Exploration costs written off and expensed	16	(3,605)	(19,854,857)
(Loss) before income tax		(2,553,655)	(23,311,898)
Income tax benefit	8	2,963,408	618,494
Profit/(loss) for the year	21(b)	409,753	(22,693,404)
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		-	-
Total comprehensive income/(loss) for the year attributed to members of the Company		409,753	(22,693,404)
Basic profit/(loss) per share (cents)	32	0.09	(5.47)
Diluted profit/(loss) per share (cents)	32	0.09	(5.47)

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 2014

	Note	30 June 2014 \$	30 June 2013 \$
Current assets			
Cash and cash equivalents	9	9,665,211	8,873,486
Trade and other receivables	10	399,654	56,087
Security deposits	11	64,256	66,645
Prepayments	12	95,617	18,122
Inventories		41,049	-
Total current assets		10,265,787	9,014,340
Non-current assets			
Property, plant and equipment	13	1,252,850	1,460,305
Investment in subsidiary	14	598	598
Other financial assets	15	35,227	84,262
Capitalised mineral exploration and evaluation expenditure	16	27,259,412	16,561,505
Total non-current assets		28,548,087	18,106,670
Total assets		38,813,874	27,121,010
Current liabilities			
Trade and other payables	17	2,397,735	1,268,257
Provisions	18	161,338	122,130
Total current liabilities		2,559,073	1,390,387
Non-current liabilities			
Provisions	18	38,392	18,285
Total non-current liabilities		38,392	18,285
Total liabilities		2,597,465	1,408,672
Net assets		36,216,409	25,712,338
Equity			
Contributed equity	19(b)	70,428,194	60,827,079
Equity remuneration reserve	21(a)	3,612,490	3,119,287
Accumulated losses	21(b)	(37,824,275)	(38,234,028)
Total equity		36,216,409	25,712,338

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 2014

	Ordinary Shares	Accumulated Losses	Equity Remuneration Reserve	Total
	\$	\$	\$	\$
Balance as at 1 July 2013	60,827,079	(38,234,028)	3,119,287	25,712,338
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)
Balance as at 30 June 2014	70,428,194	(37,824,275)	3,612,490	36,216,409

For the financial year ended 30 June 2013	Ordinary Shares	Accumulated Losses	Equity Remuneration Reserve	Total
	\$	\$	\$	\$
Balance as at 1 July 2012	53,803,866	(15,540,624)	2,678,813	40,942,055
(Loss) for the year	-	(22,693,404)	-	(22,693,404)
Other comprehensive income for the year	-	-	-	-
Total comprehensive (loss) for the year	-	(22,693,404)	-	(22,693,404)
Movement in equity remuneration reserve	-	-	440,474	440,474
Transactions with equity holders in their capacity as equity holders:				
Contributions of equity	7,087,923	-	-	7,087,923
Transaction costs of equity issued	(64,710)	-	-	(64,710)
Balance as at 30 June 2013	60,827,079	(38,234,028)	3,119,287	25,712,338

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 2014

	Note	2014 \$	2013 \$
Cash flows from operating activities			
Interest received		348,855	391,143
Interest paid		(126)	(5,210)
Farm-in agreement management fees		432,852	63,854
Research and development tax benefit		2,963,408	618,494
Payments to suppliers and employees		(2,594,810)	(2,948,612)
Net cash flows from/ (used in) operating activities	31	1,150,179	(1,880,331)
Cash flows from investing activities			
Payments for exploration and evaluation including Farm-in spend		(13,053,879)	(9,786,198)
JV Farm-in contributions received		3,253,715	751,748
Payments for plant and equipment		(208,440)	(47,589)
Proceeds from sale of plant and equipment		-	-
Receipts/(payments) for other financial assets		49,035	(13,291)
Net cash flows (used in) investing activities		(9,959,569)	(9,095,330)
Cash flows from financing activities			
Proceeds from issue of shares		10,225,000	7,087,923
Transaction costs on issue of shares		(623,885)	(64,710)
Net cash flows from financing activities		9,601,115	7,023,213
Net increase/(decrease) in cash and cash equivalents		791,725	(3,952,448)
Cash and cash equivalents at the beginning of the financial year		8,873,486	12,825,934
Cash and cash equivalents at the end of the financial year	9	9,665,211	8,873,486

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 2014

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 2014, 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 2013. 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. The Company has amended its accounting policy on the Basis of Consolidation in line with changes to AASB 10 "Consolidated Financial Statements" and AASB 12 "Disclosure of Interests in Other Entities". However, these amendments have not impacted on the measurement of any of the reported amounts or disclosures in these financial statements.

New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations issued by the AASB which are not yet mandatorily applicable to the Company have not been applied in preparing these financial statements. Those which may be relevant to the Company are set out below. The Company does not plan to adopt these standards early.

- *AASB 9 Financial Instruments* and associated Amending Standards (applicable for annual reporting period commencing 1 January 2017).

AASB 9 (2009) introduces new requirements for the classification and measurement of financial assets. Under AASB 9, financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. The 2010 revisions introduce additional changes relating to financial liabilities.

The Standard will be applicable retrospectively (subject to the comment on hedge accounting below) and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments and simplified requirements for hedge accounting.

Key changes made to this standard that may affect the Company on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. AASB 9 also introduces a new model for hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to hedges of non-financial items. Should the entity elect to change hedge policies in line with the new hedge accounting requirements of AASB 9, the application of such accounting would be largely prospective.

Although the directors anticipate that the adoption of AASB 9 may have an impact on the Company's financial instruments, including hedging activity, it is impractical at this stage to provide a reasonable estimate of such impact.

- Other standards not yet applicable

These standards are not expected to have a material impact on the entity in the current or future reporting periods.

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 1031 'Materiality' (2013)	1 January 2014	30 June 2015
AASB 2012-3 'Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities'	1 January 2014	30 June 2015
AASB 2013-3 'Amendments to AASB 136 - Recoverable Amount Disclosures for Non-Financial Assets'	1 January 2014	30 June 2015
AASB 2013-4 'Amendments to Australian Accounting Standards - Novation of Derivatives and Continuation of Hedge Accounting	1 January 2014	30 June 2015
AASB 2013-5 'Amendments to Australian Accounting Standards - Investment Entities	1 January 2014	30 June 2015
AASB 2013-9 'Amendments to Australian Accounting Standards - Conceptual Framework, Materiality and Financial Instruments'	1 January 2014	30 June 2015

(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 (GWR Group Limited) 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). 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.

(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	10 years
Computer equipment	2 - 3 years
Vehicles	8 years
Buildings	5 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.

(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.

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

	2014 \$	2013 \$
<i>Other revenue</i>		
Interest received	343,862	362,374
Joint venture management and asset recoupment fees	432,852	63,854
	776,714	426,228

NOTE 7 EXPENSES

	2014 \$	2013 \$
Loss before income tax includes the following specific expenses:		
Depreciation:		
Plant and equipment	59,905	44,918
Office equipment	67,184	70,844
Vehicles	42,919	40,116
Camp buildings	245,887	254,923

NOTE 8 INCOME TAX

	2014 \$	2013 \$
(d) 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		
R&D tax offset	2,963,408	618,494
Total tax benefit	2,963,408	618,494
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	(2,553,655)	(23,311,898)
Income tax expense/(benefit) calculated at 30% (2013 – 30%)	(766,097)	(6,993,570)
Non-deductible expenses	304,402	240,290
Capital raising costs	(156,245)	(128,607)
Exploration costs	(3,210,454)	3,545,360
R&D tax incentives	(2,963,408)	(618,494)
Tax losses and deferred tax balances not recognised	3,828,394	3,336,527
Income tax benefit reported in the consolidated statement of profit or loss and other comprehensive income	(2,963,408)	(618,494)
(e) Unrecognised deferred tax balances		
Deferred tax assets comprise:		
Tax losses carried forward	18,432,338	14,816,571
Other deferred tax benefits	553,180	402,627
	18,985,518	15,219,198
Deferred tax liabilities comprise:		
Exploration expenditure capitalised	8,177,824	4,968,452
Other deferred tax balances	42,049	5,437
	8,219,873	4,973,889
Income tax benefit not recognised directly in equity during the year:		
Capital raising costs	335,141	304,221

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 2014 of \$61,441,125 (2013: \$49,388,571).

NOTE 9 CURRENT ASSETS – CASH AND CASH EQUIVALENTS

	2014	2013
	\$	\$
Cash at bank and on hand	9,665,211	8,873,486

Included in the cash balance at 30 June 2014 is \$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

	2014	2013
	\$	\$
GST recoverable	289,885	3,130
Interest receivable	44,547	49,541
Other receivables	65,222	3,416
	399,654	56,087

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

NOTE 11 CURRENT ASSETS – SECURITY DEPOSITS

	2014	2013
	\$	\$
Westpac – credit card facility	60,001	60,001
Other	4,255	6,644
	64,256	66,645

NOTE 12 CURRENT ASSETS – PREPAYMENTS

	2014	2013
	\$	\$
Prepaid expenses	95,617	18,122

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

	2014 \$	2013 \$
<i>Plant and equipment</i>		
At cost	584,411	540,494
Accumulated depreciation	(203,388)	(143,483)
	381,023	397,011
<i>Office equipment</i>		
At cost	408,341	285,209
Accumulated depreciation	(249,749)	(182,565)
	158,592	102,644
<i>Motor vehicles</i>		
At cost	379,288	337,897
Accumulated depreciation	(148,218)	(105,299)
	231,070	232,598
<i>Camp buildings</i>		
At cost	1,241,887	1,241,887
Accumulated depreciation	(759,722)	(513,835)
	482,165	728,052
	1,252,850	1,460,305
Reconciliation		
<i>Plant and equipment</i>		
Net book value at start of the year	397,011	411,166
Items reclassified	-	(8,084)
Additions	43,917	38,847
Depreciation	(59,905)	(44,918)
Net book value at end of the year	381,023	397,011
<i>Office equipment</i>		
Net book value at start of the year	102,644	181,559
Items reclassified	-	(16,814)
Additions	123,132	8,743
Depreciation	(67,184)	(70,844)
Net book value at end of the year	158,592	102,644
<i>Motor vehicles</i>		
Net book value at start of the year	232,598	272,714
Additions	41,391	-
Disposals	-	-
Depreciation	(42,919)	(40,116)
Net book value at end of the year	231,070	232,598
<i>Camp buildings</i>		
Net book value at start of the year	728,052	958,077
Items reclassified	-	24,898
Additions	-	-
Depreciation	(245,887)	(254,923)
Net book value at end of the year	482,165	728,052
	1,252,850	1,460,305

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

	2014	2013
	\$	\$
Security bonds	35,227	84,262

Included in the 2013 balance are bonds held as security for environmental bonds over tenements on which the Company has worked or is currently working. Such bonds are no longer required due to the operation of the Mining Rehabilitation Fund managed by the Department of Mines and Petroleum.

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

	2014	2013
	\$	\$
<i>In the exploration and evaluation phase</i>		
Cost brought forward	16,561,505	28,379,371
Exploration expenditure during the year	10,701,512	8,036,991
Exploration expenditure written off	(3,605)	(19,854,857)
Cost carried forward	27,259,412	16,561,505

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 2013 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 an impairment charge \$19,854,857 in the 2013 financial year.

NOTE 17 CURRENT LIABILITIES – TRADE AND OTHER PAYABLES

	2014	2013
	\$	\$
Trade payables	1,264,159	632,789
Accruals and other payables	527,067	188,227
Funds from farmee held in advance	606,509	447,241
Trade and other payables	2,397,735	1,268,257

NOTE 18 PROVISIONS

	2014	2013
	\$	\$
Current – Employee entitlements	161,338	122,130
Non-current – Employee entitlements	38,392	18,285

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.

	2014	2013	2014	2013
	No.	No.	\$	\$
(b) Share capital				
Issued share capital	515,419,042	455,332,394	70,428,194	60,827,079

	2014	2013	2014	2013
	No.	No.	\$	\$
(c) Share movements during the year				
	<i>Issue price</i>			
Balance brought forward	455,332,394	390,015,665	60,827,079	53,803,866
Placement	\$0.32	-	-	-
Share Purchase Plan	\$0.175	57,142,857	10,000,000	-
Share Purchase Plan	\$0.11	-	-	7,074,456
Unlisted Options exercised	\$0.095	-	-	6,333
Unlisted Options exercised	\$0.107	-	-	7,134
Unlisted Options exercised	\$0.10	700,000	70,000	-
Unlisted Options exercised	\$0.13	500,000	65,000	-
Unlisted Options exercised	\$0.15	600,000	90,000	-
Performance Share Rights exercised	\$0.00	527,124	-	-
Performance Share Rights exercised	\$0.00	313,334	-	-
Performance Share Rights exercised	\$0.00	80,000	-	-
Performance Share Rights exercised	\$0.00	223,333	-	-
Performance Share Rights exercised	\$0.00	-	-	-
Less: costs related to shares issued	-	-	(623,885)	(64,710)
At the end of the year	515,419,042	455,332,394	70,428,194	60,827,079

(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:

	2014	2013
	No.	No.
Outstanding at the beginning of the year	9,133,666	18,146,000
Unlisted Options granted (ii)	12,020,000	-
Unlisted Options exercised (iii)	(1,800,000)	(133,334)
Forfeited during the year	(631,666)	(179,000)
Unlisted Options expired during the year	-	(8,700,000)
Outstanding at the end of the year (iv)	18,722,000	9,133,666
Exercisable at the end of the year	15,722,000	8,400,334

NOTE 19 CONTRIBUTED EQUITY (CONT.)

(ii) Unlisted Options granted during the year

Number of Options granted	Exercise price	Expiry date
2,300,000	10.5 cents	30 October 2015
3,000,000	13 cents	14 October 2017
6,500,000	13 cents	19 November 2015
110,000	14 cents	30 September 2016
110,000	20 cents	30 September 2016
12,020,000	Total Options granted	

(iii) Unlisted Options exercised during the year

Number of Options exercised	Exercise price	Expiry date
700,000	10 cents	30 June 2014
600,000	15 cents	30 June 2014
500,000	13 cents	19 November 2015
1,800,000	Total Options exercised	

(iv) Options outstanding at year end

Number of Options outstanding	Exercise price	Expiry date
3,500,000	61.5 cents	31 October 2014
1,000,000	97.5 cents	30 April 2015
72,000	70.5 cents	31 May 2015
500,000	9.5 cents	30 September 2015
600,000	10.7 cents	30 September 2015
600,000	12.8 cents	30 September 2015
53,000	54.8 cents	31 October 2015
310,000	48 cents	31 December 2015
567,000	47.3 cents	31 March 2016
2,300,000	10.5 cents	30 October 2015
3,000,000	13 cents	14 October 2017
6,000,000	13 cents	19 November 2015
110,000	14 cents	30 September 2016
110,000	20 cents	30 September 2016
18,722,000	Total Options on Issue	

(v) Weighted average remaining contractual life

The weighted average remaining contractual life for the unlisted share Options outstanding as at 30 June 2014 is 1.42 years (2013: 1.72 years).

(vi) Weighted average fair value

The weighted average fair value of the unlisted Options granted during the year was 2.83 cents (2013: nil 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 2014 and 30 June 2013:

	30 June 2014	30 June 2013
Expected volatility (%)	97.61 - 113.84	-
Risk-free interest rate (%)	2.68 - 3.08	-
Expected life of option (years)	2.0 - 4.0	-
Option exercise price (\$)	0.105 - 0.20	-
Underlying share price at measurement date (\$)	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:

	2014	2013
	No.	No.
Outstanding at the beginning of the year	4,996,666	1,800,000
Performance Share Rights granted (ii)	368,791	5,156,820
Performance Share Rights exercised (iii)	(1,143,791)	(870,154)
Forfeited during the year	(185,000)	(540,000)
Performance Share Rights expired during the year	(1,975,000)	(550,000)
Outstanding at the end of the year	2,061,666	4,996,666
Exercisable at the end of the year	-	418,334

(ii) Performance Share Rights granted during the year:

Number of Performance Share Rights issued	Fair value at grant date*	Vesting date	Expiry date
128,791	\$0.033	25 July 2013	25 July 2016
80,000	\$0.059	31 December 2013	31 December 2016
80,000	\$0.059	31 December 2014	31 December 2016
80,000	\$0.059	31 December 2015	31 December 2016
368,791	Total granted during the year		

* Refer to note 19(e)(vii)

(iii) Performance Share Rights exercised during the year:

Number of Performance Share Rights exercised	Vesting date	Expiry date
65,000	31 March 2013	31 March 2015
30,000	30 June 2012	30 June 2015
90,000	28 September 2012	28 September 2015
110,000	31 March 2013	31 March 2016
128,791	25 July 2013	25 July 2016
80,000	10 August 2013	10 August 2015
213,333	28 September 2013	28 September 2015
123,334	31 December 2012	31 December 2015
123,333	31 December 2013	31 December 2015
80,000	31 December 2013	31 December 2016
40,000	31 March 2014	31 March 2015
60,000	31 March 2014	31 March 2016
1,143,791	Total exercised during the year	

NOTE 19 CONTRIBUTED EQUITY (CONT.)

(iv) As at the balance date unissued ordinary shares of the Company under Performance Share Rights are:

Outstanding	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
60,000	31 March 2015	31 March 2016
80,000	31 December 2014	31 December 2016
80,000	31 December 2015	31 December 2016
2,061,666	Total Performance Share Rights on issue	

* 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 Test Date and the 60 day VWAP of trading in the shares up to the relevant Test Date being at least 28 cents per Share in relation to 1,425,000 Performance Share Rights which are tested and vest on 30 November 2014.

(v) Weighted average remaining contractual life

The weighted average remaining contractual life for the Performance Share Rights outstanding as at 30 June 2014 is 0.80 years (2013: 1.33 years).

(vi) Weighted average fair value

The weighted average fair value of the Performance Share Rights granted during the year was 5.02 cents (2013: 11.4).

(vii) 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.

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:

	2014 \$	2013 \$
Expenses arising from equity settled share-based payment transactions		
▪ Recognised in Statement of Profit or Loss and other Comprehensive Income	493,203	440,474
▪ Recognised in Equity	-	-
	493,203	440,474

(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

	2014 \$	2013 \$
(a) Equity remuneration reserve		
Balance brought forward at 1 July	3,119,287	2,678,813
Transfer to equity remuneration reserve in respect of Options issued	493,203	440,474
Balance carried forward at 30 June	<u>3,612,490</u>	<u>3,119,287</u>

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

(b) Accumulated losses		
Balance brought forward at 1 July	(38,234,028)	(15,540,624)
Profit/(loss) for the year	409,753	(22,693,404)
Balance carried forward at 30 June	<u>(37,824,275)</u>	<u>(38,234,028)</u>

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 liabilities, including estimated interest payments and excluding the impact of netting agreements. Refer to Note 3(b).

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)	-

Company**30 June 2013**

	Carrying amount \$	Contractual cash flows \$	6 months or less \$	6 months or more \$
Financial assets	9,080,480	9,080,480	8,996,218	84,262
Financial liabilities	(1,268,257)	(1,268,257)	(1,268,257)	-

(d) Currency risk

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

(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)):

	Company Carrying amount	
	2014 \$	2013 \$
Fixed rate instruments		
Financial assets	-	-
Financial liabilities	-	-
Variable rate instruments		
Financial assets	9,744,244	8,941,066

Cash balances during the year attracted a weighted average interest rate of 3.27% (2013: 4.56%).

NOTE 22 FINANCIAL INSTRUMENTS (CONT.)**(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
	\$	\$	\$	\$
30 June 2014				
Variable rate instruments	97,442	97,442	97,442	97,442
30 June 2013				
Variable rate instruments	89,411	89,411	89,411	89,411

(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 2014.

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
Ziggy Lubieniecki (appointed General Manager 1 August 2009, appointed Executive Director on 13 December 2010)
- (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)

(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) Kevin Hart - Company Secretary
(appointed Company Secretary 4 August 2006, appointed Non-executive Director 17 May 2007, resigned as Non-executive Director 30 June 2013)
- (ii) Gordon Murray - Business Development Manager
(appointed 5 September 2011)
- (iii) Justin Osborne - Exploration Manager
(appointed 14 October 2013)

NOTE 24 KEY MANAGEMENT PERSONNEL DISCLOSURES (CONT.)
(c) Compensation for key management personnel

	Company Carrying amount	
	2014	2013
	\$	\$
Short-term employee benefits	1,060,612	731,862
Post-employee benefits	95,254	67,318
Other benefits	18,760	23,202
Share-based payments	417,140	270,605
Total compensation	1,591,766	1,092,987

(d) Equity instrument disclosures relating to key management personnel
(i) Option holdings

The number of Options over ordinary shares in the Company held during the financial year by each director of Gold Road and other key management personnel of the Company are set out below.

YEAR 2014

Directors/ Executives	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	Vested and exercisable at the end of the year
I Murray	2,000,000	3,300,000	-	-	5,300,000	5,300,000
Z Lubieniecki	3,300,000	1,700,000	(1,300,000)	-	3,700,000	3,700,000
R Davis	500,000	500,000	-	-	1,000,000	1,000,000
M Pyle	500,000	500,000	(500,000)	-	500,000	500,000
K Hart	500,000	500,000	-	-	1,000,000	1,000,000
G Murray	350,000	1,000,000	-	-	1,350,000	1,350,000
J Osborne	-	3,000,000	-	-	3,000,000	3,000,000

YEAR 2013

Directors/ Executives	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	Vested and exercisable at the end of the year
I Murray	6,000,000	-	-	(4,000,000)	2,000,000	2,000,000
Z Lubieniecki	3,800,000	-	-	(500,000)	3,300,000	2,966,667
R Davis	1,500,000	-	-	(1,000,000)	500,000	500,000
M Pyle	800,000	-	-	(300,000)	500,000	500,000
K Hart	1,500,000	-	-	(1,000,000)	500,000	500,000
D Woodall	-	-	-	-	-	-

* Other changes during the year comprised the expiry of Options

(ii) Performance Share Rights

The number of Performance Share Rights over ordinary shares in the Company held during the financial year by each director of Gold Road and other key management personnel of the Company are set out below.

YEAR 2014

Directors/ Executives	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	Vested and exercisable at the end of the year
I Murray	1,900,000	-	-	(1,100,000)	800,000	-
Z Lubieniecki	1,500,000	-	-	(875,000)	625,000	-
R Davis	-	-	-	-	-	-
M Pyle	-	-	-	-	-	-
K Hart	-	-	-	-	-	-
G Murray	306,666	55,513	(208,846)	-	153,333	-
J Osborne	-	-	-	-	-	-

* Other changes during the year comprised Performance Share Rights that expired.

NOTE 24 KEY MANAGEMENT PERSONNEL DISCLOSURES (CONT.)**YEAR 2013**

Directors/ Executives	Balance at start of the year	Granted during the year	Exercised during the year	Expired during the year	Balance at the end of the year	Vested and exercisable at the end of the year
I Murray	600,000	1,600,000	-	(300,000)	1,900,000	-
Z Lubieniecki	500,000	1,250,000	-	(250,000)	1,500,000	-
R Davis	-	-	-	-	-	-
M Pyle	-	-	-	-	-	-
K Hart	-	-	-	-	-	-
D Woodall	-	-	-	-	-	-

(iii) Share holdings

The number of shares in the Company held during the financial year by each director of Gold Road and other key management personnel of the Company, including their personally related parties are set out below. There were no shares granted during the reporting period as compensation.

YEAR 2014

Directors/ Executives	Balance at start of the year	Received during the year on exercise of Options or Rights	Other changes during the year*	Balance at the end of the year
I Murray	10,798,011	-	50,701	10,848,712
Z Lubieniecki	1,101,000	1,300,000	(488,233)	1,912,767
R Davis	7,072,431	-	-	7,072,431
M Pyle	2,158,220	500,000	(350,000)	2,308,220
K Hart	-	-	-	-
G Murray	153,334	405,751	-	559,085
J Osborne	-	-	1,100,000	1,100,000

* Other changes during the year comprised the purchase or sale of shares.

YEAR 2013

Directors/ Executives	Balance at start of the year	Received during the year on exercise of Options or rights	Other changes during the year	Balance at the end of the year
I Murray	10,661,648	-	136,363	10,798,011
Z Lubieniecki	1,101,000	-	-	1,101,000
R Davis	6,936,068	-	136,363	7,072,431
M Pyle	2,021,857	-	136,363	2,158,220
K Hart	-	-	-	-
D Woodall	-	-	-	-

(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 2014 amounted to \$74,900 (2013: \$127,722).

During the financial year ended 30 June 2013, Martin Pyle Consulting, a company controlled by Mr Martin Pyle, provided corporate and strategic advice services to the company. The value of transactions in the financial year ended 30 June 2013 amounted to \$1,300. There were no transactions in the current year.

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

Audit and review of the Company's financial statements

2014	2013
\$	\$
27,625	26,625
27,625	26,625

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 2014 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 2014.

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 \$2,627,747 (2013: \$2,283,234). These obligations are also subject to variation by farm-out arrangements or sale of the relevant tenements. Tenements with commitments of \$950,500 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:

	2014	2013
	\$	\$
Within one year	99,020	89,000
Later than one year but not later than five years	7,570	-
Later than 5 years	-	-
	106,590	89,000

(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 \$420,624 (2013: \$350,833).

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 2014, SMMO has spent a project to date total of \$3,089,957 on the farm-in agreement.

NOTE 30 EVENTS OCCURRING AFTER THE REPORTING DATE

There has not arisen in the interval between the end of the year and the date of this report any 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.

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

	2014	2013
	\$	\$
Profit/(loss) from ordinary activities after income tax	409,753	(22,693,404)
Depreciation	415,895	410,801
Exploration expenditure written off	3,605	19,854,857
Share based payments expense	493,203	440,474
<i>Change in operating assets and liabilities:</i>		
Decrease in accrued interest receivable	4,993	28,768
(Increase) in other operating receivables	(136,912)	(9,189)
Increase/(Decrease) in leave provisions	59,315	(15,972)
(Decrease)/Increase in operating trade and other payables	(99,673)	103,334
Net cash inflow/(outflow) from operating activities	1,150,179	(1,880,331)

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

NOTE 32 EARNINGS PER SHARE

	2014	2013
	Cents	Cents
(a) Basic earnings per share		
Profit/(loss) attributable to ordinary equity holders of the Company	0.09	(5.47)
(b) Diluted earnings per share		
Profit/(loss) attributable to ordinary equity holders of the Company	0.09	(5.47)
(c) Profit/(loss) used in calculation of basic and diluted loss per share		
Profit/(loss) for the year	\$ 409,753	\$ (22,693,404)
(d) Weighted average number of shares used as the denominator		
Weighted average number of shares used as the denominator in calculating basic earnings per share	471,005,463	414,662,473
Weighted average number of shares used as the denominator in calculating diluted earnings per share	476,229,827	414,662,473

(e) Information concerning the classification of securities

Options and Performance Share Rights

Options and Performance Share Rights to acquire ordinary shares granted by the Company and not exercised at the reporting date are considered to be potential ordinary shares and have been included in the determination of diluted earnings per share to the extent to which they are dilutive. At year end, 4,866,668 (2013: nil) Options and 1,663,332 (2013: nil) Performance Share Rights were considered to be dilutive. The Options Performance Share Rights have not been included in the determination of basic earnings per share. Refer to Note 19 for details of the Options and Performance Share Rights issued.

DIRECTORS' DECLARATION

In the opinion of the Directors of Gold Road:

- (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 2014 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.

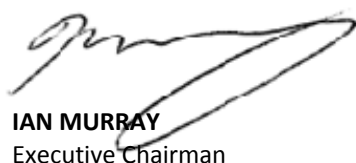
The Directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the Chief Executive Officer and Chief Financial Officer for the financial year ended 30 June 2014.

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

Signed at Perth this 25th day of September 2014.



IAN MURRAY
Executive Chairman

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 2014, 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 2014 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 28 to 36 of the directors' report for the year ended 30 June 2014. 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 2014 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
25 September 2014