ASX Announcement

ASX Code GOR

ABN 13 109 289 527

COMPANY DIRECTORS

Tim Netscher
Chairman

Duncan Gibbs
Managing Director & CEO

Justin Osborne
Executive Director, Discovery & Growth

Brian Levet
Non-Executive Director

Sharon Warburton
Non-Executive Director

Maree Arnason
Non-Executive Director

Denise McComish
Non-Executive Director

Hayden Bartrop
Company Secretary

CONTACT DETAILS

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9 September 2021

Company Announcements Platform
ASX Limited
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam,

Gold Road Resources Interim Financial Report – 30 June 2021

Enclosed is a copy of Gold Road Resources Interim Financial Report as at 30 June 2021.

This release has been authorised by the Board of Directors.

Yours faithfully
Gold Road Resources Limited

Hayden Bartrop
Company Secretary

For further information, please visit www.goldroad.com.au or contact:

Gold Road Resources
Duncan Gibbs
Managing Director & CEO

Duncan Hughes
Manager – Corporate Development & Investor Relations

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Gold Road Resources Limited

Consolidated Interim Financial Report

For the six months ended 30 June 2021

Contents

GLOSSARY

Abbreviation	Term
$	All dollar amounts are in Australian dollars
Gold Road, the **Company** or **the Group**	Gold Road Resources Limited and all its wholly owned subsidiaries
Gold Fields	Gold Fields Limited and its subsidiaries
Gruyere	Gruyere Gold Mine
Gruyere JV	Gruyere Joint Venture
Gruyere Project	Gruyere Gold Project
Cygnus	Cygnus Gold Limited
RC	Reverse Circulation
the **Board**	Board of Directors of Gold Road

Directors' Report

The Directors present their interim report on Gold Road Resources Limited (**Gold Road** or the **Company**), which comprise the Company and the entities it controlled during the period and its share of Joint Operations for the six months ended 30 June 2021.

Directors

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

Timothy Netscher	Non-executive Chairman
Duncan Gibbs	Managing Director and Chief Executive Officer (**CEO**)
Justin Osborne	Executive Director – Discovery and Growth (resigned as Director on 3 June 2021)
Sharon Warburton	Non-executive Director (retiring on 30 September 2021)
Brian Levet	Non-executive Director
Maree Arnason	Non-executive Director
Denise McComish	Non-executive Director (appointed on 7 September 2021)

Company Secretary

Hayden Bartrop	Company Secretary, General Manager – Corporate Development & Legal

Operating and Financial Overview

The overview of the Group's operations, including a discussion of production and exploration activities are contained on pages 2 to 7 of this interim report.

Profit or Loss

The Group achieved a consolidated net profit after tax for the half-year of $19.1 million (30 June 2020: $23.4 million). EBITDA[1] for the period was $59.6 million (30 June 2020: $61.0 million).

Gold sales revenue of $129.6 million (30 June 2020: $135.1 million) was generated from the sale of 60,525 ounces (30 June 2020: 60,400 ounces) at an average gold price of $2,142 per ounce (30 June 2020: $2,237 per ounce). At 30 June 2021, the Group's hedge book totalled 51,980 ounces at an average price of $1,874 per ounce with monthly deliveries through to November 2022.

Total cost of sales inclusive of amortisation and depreciation was $80.9 million (30 June 2020: $74.8 million), producing a gross profit from operations of $48.7 million (30 June 2020: $60.3 million). The decrease in gross profit compared to the prior period reflects the lower average gold price and an increase in process plant maintenance operating costs.

Exploration costs expensed and written off during the period were $14.8 million (30 June 2020: $11.1 million), reflecting the increased 2021 exploration budget compared to the prior year.

Corporate and technical service costs for the period totalled $9.9 million (30 June 2020: $6.8 million), which included expenses related to the corporate office, compliance and operational support. The increase in costs is the result of expanding Gold Road's exploration technical capability, and corporate advisory expenses associated with the unsuccessful bid for IGO's 30% interest in the Tropicana Joint Venture.

Fair value gain on derivatives for the period totalled $6.6 million (30 June 2020: $6.1 million loss).

Finance income of $0.2 million (30 June 2020: $0.3 million) relates to interest earned on cash at bank and on deposit. Finance expenses of $3.9 million (30 June 2020: $4.3 million) principally relates to costs of borrowing and interest charged on leases.

Income tax expense for the period totalled $7.7 million (30 June 2020: $9.3 million).

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[1] EBITDA is an unaudited non-IFRS measure, representing earnings before finance income, finance expenses, income tax, depreciation and amortisation expense. A reconciliation of consolidated net profit after tax to EBITDA is included on page 3 of the Directors' Report

Reconciliation of consolidated net profit after tax to EBITDA

	6 months ended 30 June 2021 $'000	6 months ended 30 June 2020 $'000
Consolidated net profit after tax	19,144	23,407
Finance income	(187)	(289)
Finance expenses	3,929	4,262
Income tax expense	7,680	9,282
Depreciation & amortisation	29,022	24,318
EBITDA (unaudited)	59,588	60,980

Financial Position

The net assets of the Group increased by $7.7 million for the six months ended 30 June 2021, further analysed below:

(a) Cash and cash equivalents decreased to $124.4 million (31 December 2020: $126.4 million).

(b) Inventories of $29.8 million (31 December 2020: $23.4 million) increased as a result of building up gold in circuit and on hand, and warehouse consumables.

(c) Property, plant and equipment of $339.2 million (31 December 2020: $333.9 million) increased as a result of expenditure associated with deferred stripping, partially offset by depreciation and amortisation.

(d) Right-of-use assets of $112.4 million (31 December 2020: $117.4 million) decreased as a result of depreciation expense.

(e) Lease liabilities of $112.0 million (31 December 2020: $116.0 million) decreased reflecting the repayment of lease liabilities.

Cash Flows

Cash and cash equivalents decreased during the period by $2.0 million to $124.4 million (31 December 2020: $126.4 million).

Net cash inflow from operating activities for the period was $46.3 million (30 June 2020: $59.6 million). The decrease reflects lower receipts from sales, an increase in supplier payments and the payment of income tax relating to the year ended 31 December 2020.

Net cash outflow used in investing activities amounted to $30.3 million (30 June 2020: $27.7 million). During the period there was an increase in payments for property, plant and equipment (including mine development).

Net cash outflow from financing activities totalled $18.1 million (30 June 2020: $59.7 million) which included lease repayments of $4.9 million (30 June 2020: $4.2 million) and payment of dividends of $13.2 million (30 June 2020: Nil). There were no changes in borrowings during the period, with no debt drawn.

Review of Operations

The Gruyere Project is a 50:50 joint venture between Gold Road and Gold Fields, and is managed by Gruyere Management Pty Ltd, a wholly owned subsidiary of Gold Fields.

Gruyere celebrated 2 years of gold production on 30 June 2021, having produced 476,648 ounces (100% basis) since first pouring gold on 30 June 2019. This was delivered at an average All-in Sustaining Cost (**AISC**)[2] of A$1,307 per attributable ounce to Gold Road[3].

In February 2021, Gold Road released a 3-year production outlook that shows a 35% to 50% increase in annual production to a sustainable circa 350,000 ounces per annum by 2023. The 3-Year Mine Outlook depicts an improving trend with higher head grades and increased throughput combining for a favourable impact on production and AISC. This enhanced production outlook requires minimal capital expenditure.

COVID-19

The Company wishes to thank all Gold Road and Gruyere employees, contractors and suppliers for their diligence and excellent performance through the global COVID-19 crisis.

Gruyere and Gold Road management continue to proactively adopt the COVID-19 Framework protocols agreed between the mining industry and Western Australian Government at the outset of the pandemic.

As a result of this, to date there have been no material production impacts from the COVID-19 crisis. However, implementation of health screening of personnel, modifying shift and roster arrangements, increased and enhanced cleaning, sanitation, and hygiene measures as well as altered work practices to ensure physical distancing, resulted in a minor financial cost increase to Gruyere and Gold Road.

The risks of further waves of community transmission, lockdowns - including mining operations, and disruption to global supply chains remains, and could evolve quite rapidly. Gold Road remains in a strong financial position and continually assesses the measures it has in place to protect its business and stakeholders.

Mining

Over the six months to 30 June 2021, Gruyere mined a total of 4.5 Mt of ore at an average grade of 0.96 g/t for 139,937 contained ounces (100% basis). The transition of mining contractor ownership from Downer to MACA was completed smoothly. Total material movement and the rate of ore mining increased into the June quarter. The lower mine grade over the 6 months reflects mining of lower grade ore in the southern end of the Stage 2 pit. The mined grade is expected to lift in the second half of 2021 as mining advances through the Stage 2 pit with higher grade zones in the northern and deeper sections of the pit. At 30 June 2021, ore stockpiles totalled 3.8 Mt at 0.72 g/t Au.

Processing

Total ore processed for the six months to 30 June 2021 was 4.1 Mt at a head grade of 1.02 g/t Au, and a gold recovery of 90.5% for 119,345 ounces of gold produced (100% basis). Production rates were reduced during the June quarter, owing to a torn mill feed conveyor belt, which resulted in temporary repairs and reduced processing rates. Following the shutdown of the milling circuit to replace the conveyor belt, a torque limiting coupling on the ball mill failed. Repairs to the ball mill coupling were completed and the root cause of the coupling failure was investigated and rectified. Plant utilisation for the 6 months remained low at 82% reflecting the disrupted plant operations and remains a key focus for improvement at the operation.

The journey of plant reliability and consistency of plant throughput towards industry best practice will continue. The Pebble Crushing Circuit was upgraded in the March quarter, and Gruyere is now better positioned to increase plant throughput. A successful programme of mine to mill optimisation (blending oxide stockpiled ore with fresh rock mined ore and higher intensity blasting in fresh rock ore) continued to support increased throughput rates.

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[2] All-in Sustaining Cost (AISC) is an unaudited non-IFRS measure
[3] Refer to ASX announcement dated 28 July 2021. AISC reported since commercial production was declared on 30 September 2019

Operation (100% basis)	Unit	June 2021 Qtr	March 2021 Qtr	1H21
Ore Mined	kt	2,602	1,946	4,548
Waste Mined	kt	7,421	6,325	13,746
Strip Ratio	w:o	2.85	3.25	3.02
Grade	g/t	0.87	1.07	0.96
Ore milled	kt	1,986	2,116	4,102
Head Grade	g/t	0.92	1.12	1.02
Recovery	%	89.8	91.2	90.5
Gold Produced**	oz	53,132	66,213	119,345
Cost Summary* **				
Mining	A$/oz	135	100	116
Processing	A$/oz	702	561	624
G&A	A$/oz	156	132	143
Ore Stock & GIC Movements	A$/oz	(63)	(24)	(41)
By-product Credits	A$/oz	(5)	(2)	(3)
Cash Cost	**A$/oz**	**924**	**767**	**837**
Royalties, Refining, Other	A$/oz	85	76	80
Rehabilitation*	A$/oz	19	14	16
Sustaining Leases	A$/oz	129	102	114
Sustaining Capital & Exploration	A$/oz	502	427	460
All-in Sustaining Costs	**A$/oz**	**1,659**	**1,386**	**1,508**

**Rehabilitation includes accretion and amortisation. ** Gold produced rather than recovered.*
**** Cost per ounce reported against gold ounces produced during the period and either sold or held as dore/bullion during the period.*

Resources, Reserves and Deeper Drilling at Gruyere

In February 2021, Gold Road reported a 50% attributable Maiden Underground Inferred Mineral Resource of 18.5 million tonnes at 1.47 g/t Au for a total of 0.87 million ounces of gold from beneath the December 2020 Gruyere Open Pit Resource of 156 million tonnes at 1.34 g/t Au for 6.71 million ounces[4]. Gold Road's attributable Mineral Resources increased by 20% from 3.61 million ounces to 4.53 million ounces (after mining depletion) largely through the addition of the 50% owned Gruyere Maiden Inferred Underground Mineral Resource[4].

Progress continues towards an updated Gruyere Ore Reserve, expected in the second half of 2021. Geotechnical studies indicate the potential to steepen fresh rock open pit slopes by up to 4 degrees. The steeper pit slopes are anticipated to support growth of the open pit Ore Reserve.

A diamond drill programme of approximately 12,000 metres commenced in April 2021 with two diamond rigs operating. The programme is targeting the full 2 kilometre strike extent of the Gruyere Porphyry, up to 600 metres down-dip of the current Open Pit Ore Reserve. The drill programme is designed as widely spaced holes to assess the continuity, widths and grades of the mineralisation below the currently defined Underground Mineral Resource. The first two holes have returned encouraging results of 105 metres at 1.12 g/t Au from 1,026 metres and 47 metres at 1.61 g/t Au from 957 metres[5]. These results have led to the decision to continue with a second phase of deep drilling at Gruyere.

[4] Refer to ASX announcement dated 15 February 2021
[5] Refer to ASX announcement dated 28 July 2021

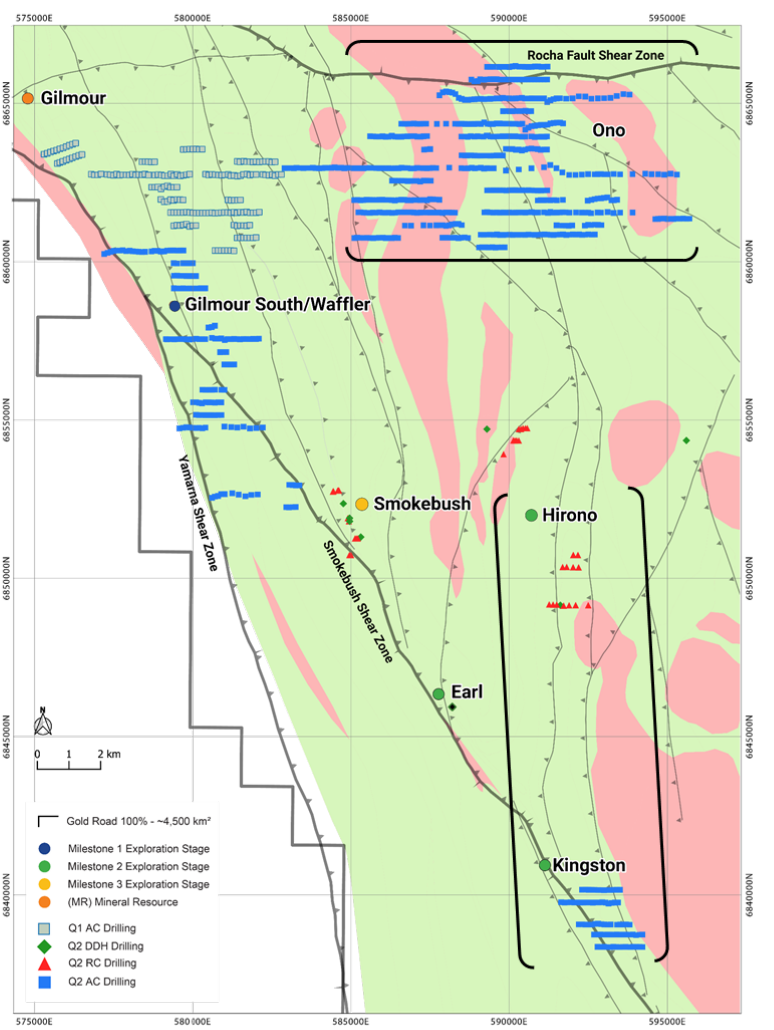
Review of Exploration

The 2021 exploration programme is prioritised towards discoveries on the Yamarna Greenstone Belt.

For the six months to 30 June 2021, Gold Road spent a total of $16.0 million (30 June 2020: $11.8 million) including $11.3 million on exploration at Yamarna, $2.0 million on the Cygnus Joint Venture, $1.2 million on exploration at the Gruyere JV and $1.5 million on exploration technical services and Project Generation. Of the total, amounts expensed and written off was $14.8 million (30 June 2020: $11.1 million) and amounts capitalised was $1.2 million (30 June 2020: $0.7 million).

Gold Road's exploration strategy is directed at delivering economic value-adding gold deposits that can be developed as standalone mining operations, creating shareholder value through organic growth. During the period, Gold Road had up to five drill rigs operating at Yamarna and up to two drill rigs operating at Yandina as the Company continues to actively explore for a meaningful discovery.

An ongoing programme of aircore drilling at Yamarna continued to generate follow-up targets at Gilmour South, Waffler, Hirono, Kingston and Ono.



Drilling completed at Yamarna during the first half of 2021

Drilling to test for extensions of mineralisation at the Smokebush prospect intersected favourable geology with a number of holes intersecting quartz veining and visible gold. Assay results are pending. A diamond hole designed to test the Smokebush Shear zone at the Earl target returned an encouraging intersection of 3.8 metres at 2.35 g/t Au from 228 metres[6]. This single hole will be followed up with further drilling in the next quarter. Results from Smokebush, Earl, Gilmour South and Waffler establishes the Smokebush Shear as a highly prospective zone along its entire 30 kilometre length from Gilmour to Kingston. Follow-up work is planned in the second half of 2021.

[6] Refer to ASX announcement dated 28 July 2021

The following table outlines drilling metres completed over the six months to 30 June 2021.

Drill Type/ Project	Yamarna	Gruyere	Cygnus	Total
Aircore	66,808	-	8,458	75,266
RC	10,516	1,320	-	11,836
Diamond	5,278	-	2,428	7,706
Total Metres	**82,602**	**1,320**	**10,886**	**94,808**

Events Occurring After Balance Date

Subsequent to the period ended 30 June 2021:

On 8 September 2021 the Directors determined to pay a dividend of 0.5 cents per fully paid ordinary share, fully franked. The aggregate amount of the proposed dividend is expected to be paid on 28 October 2021 out of retained earnings at 30 June 2021, and has not been recognised as a liability at the end of the year.

Other than as noted above, there has not arisen in the interval between the six months ended 30 June 2021 and the date of this report any other item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect substantially the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

Auditors Independence Declaration

A copy of the Auditor's Independence Declaration as required under Section 307C of the *Corporations Act 2001* is set out on page 8. This report is made in accordance with a resolution of the Directors.

DATED at Perth this 8th day of September 2021.

T. G. Netscher.

Tim Netscher
Non-executive Chairman

Auditor's Independence Declaration

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

Limited for the half-year ended 30 June 2021 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and

ii. no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

KPMG

Graham Hogg
Partner
Perth
8 September 2021

Consolidated Interim Financial Statements

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2021

	Notes	6 months ended 30 June 2021 $'000	6 months ended 30 June 2020 $'000
Sales revenue	4(a)	129,627	135,115
Cost of sales	5(a)	(80,910)	(74,842)
Gross profit		48,717	60,273
Other income		(74)	332
Fair value gain on derivatives	4(b)	6,574	-
Total other income		6,500	332
Exploration expenditure	5(b)	(14,761)	(11,085)
Corporate and technical services	5(c)	(9,890)	(6,770)
Fair value loss on derivates	4(b)	-	(6,088)
Profit before finance and income tax		30,566	36,662
Finance income		187	289
Finance expenses	5 (d)	(3,929)	(4,262)
Profit before income tax		26,824	32,689
Income tax expense		(7,680)	(9,282)
Profit for the period		19,144	23,407
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Changes in the fair value of financial assets at fair value through OCI		-	12,533
Income tax on other comprehensive income		-	(3,760)
Other comprehensive profit net of tax		19,144	8,773
Total comprehensive profit for the period attributed to owners of the Company		19,144	32,180
Earnings per share for profit attributable to the ordinary equity holders of the Company:		Cents	Cents
Basic profit per share		2.17	2.66
Diluted profit per share		2.16	2.65

The above Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Condensed Consolidated Statement of Financial Position

As at 30 June 2021

	Notes	30 June 2021	31 December 2020
ASSETS		$'000	$'000
Current assets			
Cash and cash equivalents	6	124,381	126,387
Trade and other receivables	10	2,832	6,671
Other financial assets		834	874
Inventories	11	29,794	23,376
Total current assets		157,841	157,308
Non-current assets			
Property, plant and equipment	8	339,189	333,886
Right-of-use lease assets	9	112,403	117,411
Exploration and evaluation	7	18,247	16,972
Other financial assets		1,124	1,541
Total non-current assets		470,963	469,810
TOTAL ASSETS		628,804	627,118
LIABILITIES			
Current liabilities			
Trade and other payables	12	33,143	29,378
Current tax liabilities		3,383	7,336
Provisions	13	2,970	2,709
Lease liabilities	14	9,930	9,695
Other financial liabilities	15	2,221	8,174
Total current liabilities		51,647	57,292
Non-current liabilities			
Deferred tax liabilities		18,086	14,163
Provisions	13	26,014	25,441
Lease liabilities	14	102,085	106,287
Other financial liabilities	15	3,809	4,468
Total non-current liabilities		149,994	150,359
TOTAL LIABILITIES		201,641	207,651
Net assets		427,163	419,467
EQUITY			
Contributed equity	16	203,949	203,949
Reserves		4,285	3,622
Retained earnings		218,929	211,896
TOTAL EQUITY		427,163	419,467

The above Condensed Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2021

	Contributed Equity $'000	Equity Remuneration Reserve $'000	Fair Value Reserve $'000	Retained Earnings $'000	Total $'000
Balance as at 1 January 2021	203,949	3,622	-	211,896	419,467
Profit for the period	-	-	-	19,144	19,144
Other comprehensive profit for the period	-	-	-	-	-
Total comprehensive profit for the period	-	-	-	19,144	19,144
Payment of Dividends	-	-	-	(13,213)	(13,213)
Equity settled Share Based Payments	-	1,408	-	-	1,408
Transfer from Equity Remuneration Reserve	-	(1,102)	-	1,102	-
Tax effect on Share Based Payments	-	357	-	-	357
Balance as at 30 June 2021	203,949	4,285	-	218,929	427,163

	Contributed Equity $'000	Equity Remuneration Reserve $'000	Fair Value Reserve $'000	Retained Earnings $'000	Total $'000
Balance as at 1 January 2020	203,949	2,661	(580)	130,102	336,132
Profit for the period	-	-	-	23,407	23,407
Other comprehensive profit for the period	-	-	8,773	-	8,773
Total comprehensive profit for the period	-	-	8,773	23,407	32,180
Equity settled Share Based Payments	-	1,490	-	-	1,490
Transfer from Equity Remuneration Reserve	-	(977)	-	977	-
Tax effect on Share Based Payments	-	(310)	-	-	(310)
Balance as at 30 June 2020	203,949	2,864	8,193	154,486	369,492

The above Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2021

	Notes	6 months ended 30 June 2021 $'000	6 months ended 30 June 2020 $'000
Cash flows from operating activities			
Receipts from customers		133,528	135,115
Interest received		200	289
Interest and fees paid - lease liabilities		(2,057)	(2,189)
Interest and fees paid - borrowings		(1,284)	(1,214)
Payments to suppliers and employees		(66,555)	(62,254)
Payments for exploration and evaluation expensed		(10,139)	(10,188)
Income tax paid		(7,353)	-
Net cash inflow from operating activities		46,340	59,559
Cash flows from investing activities			
Payments for exploration and evaluation capitalised		(1,275)	(644)
Payments for property, plant and equipment		(28,985)	(17,731)
Proceeds from disposal of property, plant and equipment		2	17
Acquisitions of investments in listed securities		-	(9,259)
Net cash outflow from investing activities		(30,258)	(27,617)
Cash flows from financing activities			
Lease repayments		(4,875)	(4,234)
Proceeds from borrowings		-	50,000
Repayment of borrowings		-	(105,419)
Payment of dividends		(13,213)	-
Net cash outflow from financing activities		(18,088)	(59,653)
Cash and cash equivalents at the beginning of the period		126,387	101,332
Net decrease in cash and cash equivalents		(2,006)	(27,711)
Cash and cash equivalents at the end of the period	6	124,381	73,621

The above Condensed Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

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Notes to the Consolidated Interim Financial Statements

For the six months ended 30 June 2021

CORPORATE INFORMATION AND BASIS OF PREPARATION

NOTE 1 CORPORATE INFORMATION

The interim financial statements cover the consolidated group comprising Gold Road Resources Limited and its subsidiaries, together referred to as Gold Road, the Company or the Group.

Gold Road is a company incorporated and domiciled in Australia, limited by shares, and is a for profit entity whose shares are publicly traded on the ASX.

NOTE 2 BASIS OF PREPARATION

The Consolidated Interim Financial Statements were authorised for issue in accordance with a Resolution of the Directors on 8 September 2021.

These Consolidated Interim Financial Statements for the six months ended 30 June 2021 have been prepared in accordance with the *Corporations Act 2001* and Australian Accounting Standard (AASB) 134: *Interim Financial Reporting*. As such they do not include the full disclosures of the type normally included in an annual financial report and, therefore, it is recommended these Consolidated Interim Financial Statements be read in conjunction with the financial statements of the Group for the year ended 31 December 2020.

(a) Historical cost convention

The Consolidated Interim Financial Statements have been prepared under the historical cost convention, and on an accruals basis, except for derivative financial assets/liabilities and certain other financial assets and liabilities which are required to be measured at fair value.

(b) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operations – the functional currency. The Consolidated Interim Financial Statements are presented in Australian dollars, which is the functional currency of each of the Group's subsidiaries and its presentation currency.

(c) Rounding of amounts

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and in accordance with that Instrument, all financial information presented in Australian dollars has been rounded to the nearest thousand unless otherwise stated.

(d) Critical account estimates

The preparation of financial statements requires the use of certain estimates, judgements and assumptions that affect the application of the Group's accounting policies. Actual results may differ from these estimates and application of different assumptions and estimates may have a significant impact on the Group's net assets and financial results.

As the COVID-19 pandemic continues to impact Australia and the world, the Group's focus remains on keeping its people well, and maintaining safe and reliable operations. The Group has considered the impact of COVID-19 on each of its significant accounting judgements and estimates, and management will continue to monitor the increased level of uncertainty of future cash flow forecasts.

The significant judgements made by the Group in applying the Group's accounting policies and the key sources of estimation were the same as those described in the Group's previous Consolidated Financial Statements, for the year ended 31 December 2020.

(e) Accounting Policies

The Consolidated Interim Financial Statements have been prepared in accordance with the same accounting policies adopted in the Group's previous Consolidated Financial Statements for the year ended 31 December 2020.

FINANCIAL PERFORMANCE

NOTE 3 SEGMENT INFORMATION

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Group's Board of Directors, being the Group's Chief Operating Decision Maker (**CODM**), in assessing performance and in determining the allocation of resources. An operating segment is a component of the Group that engages in business activities which may earn revenue and incur expenditure, and separate financial information is available that is evaluated regularly by the CODM. These are measured in the same way as in the financial statements.

The following have been identified as individual operating segments:

(a) Development and Production

All operating segments within Australia will be one reportable segment being Development and Production, consisting of the Gruyere joint operation with Gold Fields. Exploration activities on Gruyere JV tenements are included in the Exploration segment.

(b) Exploration

The Exploration segment includes the activities on all mineral exploration tenements, including all joint venture tenements.

(c) Unallocated

Unallocated items comprise corporate which includes those expenditures supporting the business during the period, and items that cannot be directly attributable to the Development and Production or Exploration segments.

The segment information for the reportable segments for the six months ended 30 June 2021 is as follows:

	Development and Production		Exploration		Unallocated		Total	
	$'000 30 June 2021	$'000 30 June 2020	**$'000 30 June 2021**	$'000 30 June 2020	**$'000 30 June 2021**	$'000 30 June 2020	**$'000 30 June 2021**	$'000 30 June 2020
Segment revenue	**129,627**	135,115	**-**	-	**-**	-	**129,627**	135,115
Segment profit/(loss) before tax	**52,935**	52,056	**(14,761)**	(11,085)	**(11,350)**	(8,282)	**26,824**	32,689
Income tax (expense)/benefit	**-**	-		-	**(7,680)**	(9,282)	**(7,680)**	(9,282)
	30 June 2021	31 December 2020	**30 June 2021**	31 December 2020	**30 June 2021**	31 December 2020	**30 June 2021**	31 December 2020
Capital expenditure additions	**28,564**	40,264	**1,936**	5,788	**150**	375	**30,650**	46,427
Segment assets	**485,699**	483,672	**24,674**	22,972	**118,431**	120,474	**628,804**	627,118
Segment liabilities	**(168,618)**	(180,871)	**(7,453)**	(2,728)	**(25,570)**	(24,052)	**(201,641)**	(207,651)

NOTE 4 REVENUE

(a) Revenue from contracts with customers

	6 months ended 30 June 2021 $'000	6 months ended 30 June 2020 $'000
Gold revenue	129,627	135,115
Total revenue from continuing operations	129,627	135,115

(b) Fair value gain/(loss) on derivatives

	6 months ended 30 June 2021 $'000	6 months ended 30 June 2020 $'000
Fair value gain/(loss) on derivatives	6,574	(6,088)
Total income/(expense) from continuing operations	6,574	(6,088)

Gold forward sales

At the reporting date, the Group has gold forward sales contracts totalling 51,980 ounces denominated in Australian dollars which are held to be delivered at an average price of $1,874 per ounce. Of these, 10,000 ounces are adjusted for the mark-to-market valuation through the profit or loss, performed at each reporting period and which are held to be delivered at an average price of $1,760 per ounce.

For details of the remaining 41,980 ounces of gold forward sales contracts accounted for using the 'own use exemption' under AASB 9: *Financial Instruments*, refer to Note 20.

Put options

At the reporting date, the Group has 5,000 ounces of Australian dollar denominated gold put options with a maturity date of September 2021 and a strike price of $1,800 per ounce. These are accounted for as derivatives (fair value through profit or loss).

NOTE 5 EXPENSES

(a) Cost of sales

	6 months ended 30 June 2021 $'000	6 months ended 30 June 2020 $'000
Costs of production	(52,175)	(49,563)
Royalties & other selling costs	(4,786)	(5,364)
Depreciation & amortisation expense	(28,359)	(23,936)
Changes in inventory	4,410	4,021
	(80,910)	(74,842)

(b) Exploration expenditure expensed

	6 months ended 30 June 2021 $'000	6 months ended 30 June 2020 $'000
Costs expensed in relation to areas of interest in the exploration and evaluation phase	(14,761)	(11,085)
	(14,761)	(11,085)

(c) Corporate and technical services

	6 months ended 30 June 2021 $'000	6 months ended 30 June 2020 $'000
Administration and technical services	(3,850)	(2,076)
Employee benefits expense	(3,969)	(2,822)
Equity based remuneration expense	(1,408)	(1,490)
Depreciation expense	(663)	(382)
	(9,890)	(6,770)

(d) Finance expenses

	6 months ended 30 June 2021 $'000	6 months ended 30 June 2020 $'000
Interest and finance charges	(1,146)	(1,223)
Amortisation of debt establishment fees	(418)	(649)
Lease interest	(2,221)	(2,189)
Provisions: unwinding of discount	(144)	(201)
	(3,929)	(4,262)

OPERATING ASSETS AND LIABILITIES

NOTE 6 CASH AND CASH EQUIVALENTS

	30 June 2021 $'000	31 December 2020 $'000
Cash at bank	124,381	96,387
Short term deposits	-	30,000
Cash and cash equivalents	124,381	126,387

(a) Cash at Bank – Gruyere JV

Included in Cash at bank of $124.381 million (31 December 2020: $126.387 million) is $9.596 million representing the Company's share of cash at bank held in the Gruyere JV.

NOTE 7 EXPLORATION AND EVALUATION

	30 June 2021 $'000	31 December 2020 $'000
In the exploration and evaluation phase		
Opening balance	16,972	16,764
Exploration expenditure written off during the period	-	(1,432)
Exploration expenditure capitalised during the period	1,275	1,640
Closing balance	18,247	16,972

NOTE 8 PROPERTY, PLANT AND EQUIPMENT

	Plant and Equipment $'000	Buildings $'000	Mine Development Assets $000	Assets Under Construction $'000	Total $'000
30 June 2021					
Opening net book value	248,202	1,161	77,725	6,798	333,886
Additions	728	84	22,644	4,911	28,367
Transfer from assets under construction	4,711	-	-	(4,711)	-
Movement in rehabilitation asset	-	-	250	-	250
Depreciation & amortisation	(12,105)	(132)	(10,985)	-	(23,222)
Disposals	(92)	-	-	-	(92)
Net book value	241,444	1,113	89,634	6,998	339,189
30 June 2021					
Cost	284,345	3,631	121,281	6,998	416,255
Accumulated depreciation	(42,901)	(2,518)	(31,647)	-	(77,066)
Closing net book value	241,444	1,113	89,634	6,998	339,189
31 December 2020					
Opening net book value	262,214	467	64,463	3,420	330,564
Additions	3,634	889	29,333	9,269	43,125
Movement in rehabilitation asset	-	-	(1,230)	-	(1,230)
Transfer from assets under construction	5,890	-	-	(5,890)	-
Depreciation & amortisation	(23,520)	(195)	(14,842)	-	(38,557)
Disposals	(16)	-	-	-	(16)
Net book value	248,202	1,161	77,724	6,799	333,886
31 December 2020					
Cost	279,390	3,547	98,386	6,799	388,122
Accumulated depreciation	(31,188)	(2,386)	(20,662)	-	(54,236)
Closing net book value	248,202	1,161	77,724	6,799	333,886

Non-current assets pledged as security

Under the Gruyere Joint Venture Agreement, each party's obligations are secured by first ranking securities over each party's share in the assets in the Gruyere Project.

The borrowings under the Finance Facilities are secured by first ranking securities over the assets of the Group or second ranking securities in respect of assets in the Gruyere Project.

NOTE 9 RIGHT-OF-USE ASSETS

	Right of Use Assets 30 June 2021 $'000	Right of Use Assets 31 December 2020 $'000
Opening net book value	117,411	125,559
Additions	909	2,891
Transfer to plant & equipment	(149)	-
Depreciation & amortisation	(5,768)	(11,039)
Net book value	112,403	117,411
Cost	133,144	132,629
Accumulated depreciation	(20,741)	(15,218)
Closing net book value	112,403	117,411

NOTE 10 TRADE AND OTHER RECEIVABLES

	30 June 2021 $'000	31 December 2020 $'000
Interest receivable	-	13
Prepayments	789	1,169
Revenue receivables	-	3,900
Other receivables	2,043	1,589
Trade and other receivables	2,832	6,671

NOTE 11 INVENTORIES

	30 June 2021 $'000	31 December 2020 $'000
Ore stockpiles	8,746	7,667
Gold in circuit and on hand	6,880	3,549
Consumable supplies and spares	14,168	12,160
Inventories at cost	29,794	23,376

NOTE 12 TRADE AND OTHER PAYABLES

	30 June 2021 $'000	31 December 2020 $'000
Trade payables	18,842	11,459
Accruals and other payables	14,301	17,919
Trade and other payables	33,143	29,378

NOTE 13 PROVISIONS

	30 June 2021			31 December 2020		
	Current $'000	Non-current $'000	Total $'000	Current $'000	Non-current $'000	Total $'000
Employee entitlements	2,970	1,452[1]	4,422	2,709	1,218	3,927
Rehabilitation	-	24,562	24,562	-	24,223	24,223
Provisions	2,970	26,014	28,984	2,709	25,441	28,150

1. *Represents long service leave entitlements expected to be settled beyond 12 months of the reporting date.*

Rehabilitation costs include the dismantling and removal of mining plant, equipment and building structures, waste removal and restoration of the site in accordance with the requirements of the mining permits. Such costs are determined using estimates of future costs, current legal requirements and technology.

The provision for rehabilitation has been recorded initially as a liability at fair value, assuming a risk free nominal discount rate of 2.5% at 30 June 2021 (31 December 2020: 2.5%) and an inflation factor of 2.5% (31 December 2020: 2.5%).

CAPITAL AND FINANCIAL RISK MANAGEMENT

NOTE 14 LEASE LIABILITIES

	30 June 2021 $'000	31 December 2020 $'000
Lease liabilities - current	9,930	9,695
Lease liabilities - non-current	102,085	106,287
	112,015	115,982

The lease liabilities relate to the gas pipeline, power facilities, mine infrastructure and equipment contracts, and office premises.

NOTE 15 OTHER FINANCIAL LIABILITIES

	30 June 2021 $'000	31 December 2020 $'000
Gold forward sales contracts – current	2,221	8,174
Gold forward sales contracts – non-current	3,809	4,468
	6,030	12,642

NOTE 16 CONTRIBUTED EQUITY

Share capital

	30 June 2021 No.	31 December 2020 No.	30 June 2021 $'000	31 December 2020 $'000
Ordinary shares	880,880,638	879,924,748	203,949	203,949
Total share capital	880,880,638	879,924,748	203,949	203,949

(a) Movements in ordinary shares

	Number of shares	Total $'000
Opening balance at 1 January 2021	879,924,748	203,949
Performance Rights exercised	955,890	-
Closing balance at 30 June 2021	880,880,638	203,949

(b) Ordinary shares

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. Ordinary shares have no par value and the Company does not have a limited amount of authorised capital. 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.

(c) Performance Rights

Information relating to the Employee Incentive Plan, including details of Performance Rights granted, exercised and cancelled/forfeited during the six month period and Performance Rights outstanding at the end of the reporting period, is set out in Note 18.

NOTE 17 DIVIDENDS

The following dividends were determined and paid by the Company.

	30 June 2021 $'000	31 December 2020 $'000
1.5 cents per qualifying ordinary share	13,213	-
	13,213	-

OTHER INFORMATION

NOTE 18 SHARE-BASED PAYMENTS

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

The following table illustrates the number of, and movements in, Performance Rights during the period.

	30 June 2021 No.	31 December 2020 No.
Outstanding at the beginning of the period	6,825,017	5.219,037
Performance Rights granted (i)	2,804,588	2,828,006
Performance Rights exercised (ii)	(955,890)	(1,022,899)
Performance Rights cancelled	(517,361)	-
Performance Rights forfeited	(1,440,406)	(199,127)
Outstanding at the end of the period (iii)	6,715,948	6,825,017

(i) Performance Rights granted during the six month period ended 30 June 2021.

Number of Performance Rights Granted	Incentive Plan	Fair Value at Grant Date	Grant Date	Performance Period End Date
438,545	STI 2020	1.205	29 January 2021	31 December 2020[1]
140,748	Employee Retention 2021 - 2022[2]	1.180	1 March 2021	1 December 2021
140,764	Employee Retention 2021 - 2022[2]	1.180	1 March 2021	1 December 2022
1,535,966	LTI 2021 – 2023[3]	1.470	27 May 2021	31 December 2023
548,565	LTI 2021 – 2023[4]	1.206	27 May 2021	31 December 2023
2,804,588				Total Performance Rights granted during the period

1. *Subsequent to the performance period end date, the Board determines the number of Performance Rights that vest*
2. *Performance Rights granted subject to non-KMPs remaining an employee at the performance end date*
3. *Performance Rights granted subject to non-market based performance conditions had their values verified using a Black-Scholes pricing model*
4. *Performance Rights granted subject to market based performance conditions had their values verified using the Monte Carlo simulation*

(ii) Performance Rights exercised during the six month period ended 30 June 2021.

Number of Performance Rights Exercised	Incentive Plan	Grant Date	Performance Period End Date	Vesting Date
438,545	STI 2020	29 January 2021	31 December 2020	29 January 2021
218,865	LTI 2017 - 2020	17 November 2017	31 December 2020	29 January 2021
298,480	LTI 2018 - 2020	25 May 2018	31 December 2020	29 January 2021
955,890				Total Performance Rights outstanding at the end of the six month period

(iii) As at the balance date, unvested Performance Rights over unissued ordinary shares of the Company are:

Outstanding	Incentive Plan	Grant Date	Performance Period End Date[1]
425,101	Employee Retention 2018 - 2021	24 July 2018	1 July 2021
926,671	LTI 2019 – 2021	29 May 2019	31 December 2021
1,127,209[2]	LTI 2019 – 2021	29 May 2019	31 December 2021
1,244,635	LTI 2020 – 2022	28 May 2020	31 December 2022
634,704[3]	LTI 2020 – 2022	28 May 2020	31 December 2022
136,541	Employee Retention 2021 - 2022	1 March 2021	1 December 2021
136,556	Employee Retention 2021 - 2022	1 March 2021	1 December 2022
1,486,336[4]	LTI 2021 - 2023	27 May 2021	31 December 2023
598,195	LTI 2021 - 2023	27 May 2021	31 December 2023
6,715,948			Total Performance Rights outstanding at the end of the six month period

1. *Subsequent to the end of the performance period end date, the Board determines the number of Performance Rights that vest*
2. *Represents Performance Rights issued to Executive Directors. The key vesting conditions and performance conditions are that the holders must remain employed until 31 December 2021. Of these Performance Rights, 35% of the Performance Rights will vest and convert over a three year measurement period to 31 December 2021 based on meeting market based performance criteria, and 68.7% will vest on meeting non-market performance conditions by 31 December 2021 (which includes provision for a stretch of 125% of the 15% EPS metric resulting in a stretch weighting of 18.7% for this metric). Mr Osborne ceased employment on 1 July 2021, accordingly Performance Rights granted to him under the LTI 2020 – 2022 tranche were reduced by 1/6th, reflecting the reduced term of employment.*
3. *Represents Performance Rights issued to the Executive Director. The key vesting conditions and performance conditions are that the holder must remain employed until 31 December 2022. Of these Performance Rights, 25% will vest and convert over a three year measurement period to 31 December 2022 based on meeting market based performance criteria, 116.25% will vest on meeting non-market performance conditions by 31 December 2022 (which includes provision for a stretch of 125% of the 25% EPS metric resulting in a stretch target of 31.25%, provision for a stretch of 200% of the 25% Growth metric and provision for stretch of 140% of the 25% Gruyere optimisation metric)*
4. *Represents Performance Rights issued to the Executive Director. The key vesting conditions and performance conditions are that the holder must remain employed until 31 December 2023. Of these Performance Rights, 37.5% will vest and convert over a three year measurement period to 31 December 2023 based on meeting market based performance criteria (which includes provision for a stretch of 125%), 105% will vest on meeting non-market performance conditions by 31 December 2023 (which includes provision for a stretch of 200% of the 25% Growth metric and provision for stretch of 140% of the 25% Gruyere optimisation metric)*

UNRECOGNISED ITEMS

NOTE 19 CONTINGENCIES

Guarantees

The Group has guarantees in relation to its joint venture commitments in favour of various service providers with respect to the supply of electricity and development of associated infrastructure for the joint venture. The Group's portion of these commitments at 30 June 2021 was $18.75 million with various financial institutions (31 December 2020: $27.5 million).

NOTE 20 COMMITMENTS

(a) Exploration expenditure commitments

In order to maintain current rights of tenure to exploration tenements the Group has certain obligations to perform minimum exploration work on mineral leases held. These obligations may vary over time, depending on the Group's exploration programmes and priorities. These obligations are not provided for in the financial report and are payable:

	30 June 2021 $'000	31 December 2020 $'000
Within one year	5,630	5,638
	5,630	5,638

(b) Gold delivery commitments

	Gold for physical delivery oz[1]	Contracted sales price $oz	Value of committed sales $'000
Within one year	31,800	1,900	60,431
Later than one year but not later than five years	10,180	1,902	19,365
	41,980	1,901	79,797

1. *Forward contract derivatives accounted for using the 'own use exemption'. Refer Note 4.*

NOTE 21 SIGNIFICANT EVENTS AFTER THE BALANCE DATE

Subsequent to the period ended 30 June 2021:

On 8 September 2021 the Directors determined to pay a dividend of 0.5 cents per fully paid ordinary share, fully franked. The aggregate amount of the proposed dividend is expected to be paid on 28 October 2021 out of retained earnings at 30 June 2021 and has not been recognised as a liability at the end of the year.

Other than as noted above, there has not arisen in the interval between the six months ended 30 June 2021 and the date of this report any other item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect substantially the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

Directors' Declaration

In the opinion of the Directors of Gold Road Resources Limited:

(a) the Consolidated Interim Financial Statements and Notes that are set out on pages 9 to 22, are in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Group's consolidated financial position as at 30 June 2021 and of its performance, for the six month financial period ended on that date; and

(ii) complying with Australian Accounting Standards AASB 134: *Interim Financial Reporting,* the *Corporations Regulations 2001;* and

(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.

Signed in accordance with a resolution of the Directors, on behalf of the Board.

Signed at Perth this 8th day of September 2021.

T. G. Netscher

Tim Netscher
Non-executive Chairman

KPMG

Independent Auditor's Review Report

To the shareholders of Gold Road Resources Limited

Conclusion

We have reviewed the accompanying ***Interim Financial Report*** of Gold Road Resources Limited.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Interim Financial Report of Gold Road Resources Limited is not in accordance with the *Corporations Act 2001*, including:

- Giving a true and fair view of the ***Group's*** financial position as at 30 June 2021 and of its performance for the half-year ended on that date; and
- Complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The ***Interim Financial Report*** comprises:

- Condensed consolidated statement of financial position as at 30 June 2021;
- Condensed consolidated statement of profit or loss and other comprehensive income, Condensed consolidated statement of changes in equity and Condensed consolidated statement of cash flows for the half-year ended on that date;
- Notes comprising a summary of significant accounting policies and other explanatory information; and
- The Directors' declaration.

The ***Group*** comprises Gold Road Resources Limited (the Company) and the entities it controlled at the Half year's end or from time to time during the Half-year.

Responsibilities of the Directors for the Interim Financial Report

The Directors of the Company are responsible for:

- The preparation of the Interim 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 Interim Financial Report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the review of the Interim Financial Report

Our responsibility is to express a conclusion on the Interim Financial Report based on our review. We conducted our review in accordance with *Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the Interim Financial Report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 30 June 2021 and its performance for the half-year ended on that date; and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Gold Road Resources Limited, *ASRE 2410* requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a Half-year Financial Report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with *Australian Auditing Standards* and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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

KPMG

KPMG

Graham Hogg
Partner
Perth
8 September 2021

Corporate Directory

ASX Code: GOR

DIRECTORS

Tim Netscher	Non-executive Chairman
Duncan Gibbs	Managing Director and CEO
Justin Osborne	Executive Director - Discovery and Growth (resigned on 3 June 2021)
Sharon Warburton	Non-executive Director (retiring on 30 September 2021)
Brian Levet	Non-executive Director
Maree Arnason	Non-executive Director
Denise McComish	Non-executive Director (appointed on 7 September 2021)

COMPANY SECRETARY

Hayden Bartrop

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