TRANSFORMATIONAL HALF-YEAR RESULT SETS GOLD ROAD FOR FUTURE GROWTH

ASX Code GOR

ABN 13 109 289 527

COMPANY DIRECTORS

Tim Netscher
Chairman

Ian Murray
Managing Director & CEO

Justin Osborne
Executive Director, Exploration & Growth

Martin Pyle
Non-Executive Director

Sharon Warburton
Non-Executive Director

Kevin Hart
Company Secretary

CONTACT DETAILS

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Highlights

- **Net profit before tax for the period was A$313.4 million**
- **Net profit after tax for the period of A$232.5 million**
- **Earnings result of 26.57 cents per share**
- **Total cash, term deposits and short term receivables of A$434.2 million**
- **Fully-funded for 2017 accelerated exploration programme and Gruyere Joint Venture commitments**
- **Funding and construction of flagship Gruyere Project significantly de-risked**

Well-funded mid-tier gold development and exploration company, Gold Road Resources Limited (**Gold Road** or the **Company**), is pleased to release results for the half-year ended 31 December 2016. The A$350 million Joint Venture transaction with Gold Fields Limited (**Gold Fields**) over the Gruyere Gold Project (**Gruyere**) has positioned the Company for future growth through its gold production and accelerated exploration programme.

This milestone half-year result for Gold Road was achieved primarily through the successful completion of the transaction with Gold Fields for the development of Gruyere under a 50:50 Joint Venture with Gold Fields as Project Manager, which resulted in a diluted earnings per share of 26.57 cents compared to a loss per share of 0.38 cents in the 2015 corresponding period.

The Company posted a net profit for the half-year, before tax, of A$313.4 million, which included the gain from the sale of the Gruyere tenements of A$314.3 million as well as the profit on closure of forward sales contracts of A$11.9 million. The profit after tax for the period was A$232.5 million.

At the end of the first half, Gold Road had a total current cash, term deposits and receivable of $434.2 million, up almost 500% on the 30 June 2016 position. This provides a strategic surplus over and above the Company's contributions to the Gruyere development budget, which was A$514 million in the Feasibility Study (ASX announcement dated 19 October 2016), and its accelerated greenfields exploration budget commitment of A$22 million for 2017.

Gold Road Managing Director and CEO Ian Murray said: *"The first half of the 2017 financial year was transformational for Gold Road. The decision to partner with Gold Fields on Gruyere has not only fast-tracked and de-risked that low-cost and long-life gold deposit towards production, but also allowed us to accelerate our evaluation of the broader Yamarna tenement holding - committing A$22 million to doing what we do best, greenfields exploration."*

"Our strengthened balance sheet will not change Gold Road's disciplined and systematic approach to exploration, but it will allow us to pursue multiple high-priority targets across both our 100% owned and joint venture tenements, where we are targeting the discovery of additional standalone deposits in the current financial year. We have secured the dominant land position on the Yamarna Greenstone Belt as a result of our early mover status in the region, which we will fully leverage to our advantage."

"The current strength of our balance sheet will allow us to easily fund our share of the Gruyere development as well as evaluate our highly prospective tenement package which will underpin the continued growth of Gold Road into a cash generative mid-tier gold development and exploration company."

The transition of the Gold Road Project Team to the Project Manager, Gold Fields, was completed in the March 2017 quarter without interruption to the Early Works programme, which commenced in the December 2016 quarter with the relocation and construction of the 300-person construction camp and associated works.

The total exploration budget across the Yamarna Greenstone Belt for 2017 will be A$30 million, including contributions from joint venture partners, with Gold Road committing A$15 million for exploration on its 100% owned North Yamarna tenements; A$5.5 million for exploration on the Gruyere JV tenements (50% Gold Fields); and up to A$2 million for exploration on the South Yamarna Joint Venture tenements (50% Sumitomo Metal Mining Oceania Pty Limited).

The exploration programme commenced in the March 2017 quarter, with a Reverse Circulation and diamond drilling campaign focused on the high priority Ibanez Prospect located in the north-eastern part of the Pacific Dunes-Corkwood Camp Scale Target, within the Company's 100% owned North Yamarna tenements, approximately 55 kilometres north-west of the Gruyere Deposit.

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

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(ABN 13 109 289 527)

Consolidated Interim Financial Report

For The Half-Year Ended

31 December 2016

Contents

Directors' Report

The Directors present their consolidated interim financial report on Gold Road Resources Limited (**Gold Road** or the **Company**), which comprise the Company and the entities it controlled during the period and as at 31 December 2016 and its share of all Joint Operations for the half-year ended 31 December 2016 (the **Group**).

The Company is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted.

Directors

The following persons were Directors of Gold Road during the half-year and up to the date of this report. Directors were in office for the entire period unless otherwise stated.

Tim Netscher	Non-executive Chairman
Ian Murray	Managing Director and Chief Executive Officer
Justin Osborne	Executive Director – Exploration and Growth
Martin Pyle	Non-executive Director
Sharon Warburton	Non-executive Director

Company Secretary

Kevin Hart

1. Review of Operations

The net profit before income tax for the half-year was $313,389,765 (31 December 2015: loss $3,696,761). Included in the profit before income tax are the following items:

- gain on sale of the Gruyere tenements of $314,297,892 (31 December 2015: nil)
- profit on closure of forward sales contracts of $11,915,750 (31 December 2015: nil); and
- write-off of exploration expenditure of $7,324,404 (31 December 2015: $1,374,595).

Profit after tax for the half-year was $232,524,485 (31 December 2015: loss $2,617,040).

At the end of the half-year the Company had current assets comprising cash, term deposits and current receivables of $434,196,751 (30 June 2016: $91,488,451). This comprised cash and at call deposits of $190,271,176 (30 June 2016: $90,661,364), term deposits with maturity profiles no less than 12 months of $147,000,000 (30 June 2016: nil) and current receivables of $96,925,575 (30 June 2016: $827,087). Capitalised mineral exploration and evaluation expenditure was $22,743,429 (30 June 2016: $68,871,733).

Gruyere Project Joint Venture

The half-year was a milestone period for the Gruyere Gold Project (the **Project**), with Gold Road announcing it had entered into a transaction to sell a 50% interest in the Project (including the Central Bore, Attila and Alaric deposits and the YAM14 and Toto Prospects, in total comprising 144 km^2). The 50% interest in the Project was sold to a wholly-owned Australian subsidiary of Gold Fields Limited (**Gold Fields**) to form the Gruyere Joint Venture (**Gruyere JV**), with Gold Fields being appointed Project Manager (ASX announcements dated 7 November and 14 December 2016).

Under the terms of the Gruyere JV, Gold Road received $250 million in cash consideration from Gold Fields and will receive an uncapped 1.5% net smelter return (**NSR**) royalty on Gold Field's share of production from the Gruyere JV tenements once total gold production exceeds two million ounces. In addition, Gold Fields will pay a further $100 million to Gold Road by funding Gold Road's share of the initial cash calls during the Project's construction phase. Gold Fields will also assume liability for up to a 10% overrun on the Gruyere JV initial development programme and budget of $514 million, subject to certain exceptions.

The $350 million proceeds secure the production pathway for the Gruyere gold deposit. The Gruyere JV is committed to the Project construction schedule with early works activities commencing on schedule in the December 2016 quarter.

The completion of the transaction places Gold Road in a strong financial position, being fully funded for its share of construction capital for the development of the Project, as well as enabling Gold Road to accelerate exploration programmes across its highly prospective 100% owned North Yamarna tenements, and the 50% owned tenements on the Gruyere and South Yamarna Joint Ventures.

The transition of the Project Team to the Project Manager, Gold Fields, was completed as planned in the March 2017 quarter. The transition process progressed smoothly without interruption or impact on the construction schedule.

Gruyere Project Feasibility Study

On 19 October 2016, preceding the commencement of the Gruyere JV, Gold Road announced the results of the Feasibility Study (**FS**) (ASX announcement dated 19 October 2016) for the development of the Gruyere Project. The FS confirmed the Gruyere Project as one of the longest life, lowest cost, undeveloped gold deposits in the world, with an updated Ore Reserve of 3.52 million ounces, supporting average gold production of 270,000 ounces per year over a 13-year Life of Mine (**LOM**).

The FS was limited to investigating the technical and economic viability of an open pit operation at Gruyere. There remains potential for LOM extensions through transitioning the open pit operation into an underground mine at depth. The FS was also limited to processing ore from the Gruyere Deposit only and excluded the potential of processing ores from other satellite deposits, such as the Attila and Alaric Open Pit resources which have been subject to recent exploration success.

Based on the positive FS outcome, the Gold Road Board approved the FS and recommended progressing the Gruyere Project to the construction phase. After considering alternative financing options, the Board decided that development through the Gruyere JV with Gold Fields would be the most appropriate and beneficial option for Gold Road shareholders.

Review of Exploration

North Yamarna

A programme of Reverse Circulation (**RC**) drilling was completed at the Ibanez Prospect located in the north-eastern part of the Pacific Dunes-Corkwood Camp Scale Target, approximately 55 kilometres north-west of the Gruyere Deposit (ASX announcement dated 17 January 2017). The drilling aimed to confirm bedrock gold mineralisation associated with a 2.5 kilometre aircore anomaly identified in 2014 and 2015. Best intersections included 19 metres at 2.52 g/t Au from 94 metres, including 3 metres at 13.41 g/t Au from 95 metres and 1 metre at 36.67 g/t Au from 95 metres, 4 metres at 3.72 g/t Au from 64 metres and 4 metres at 2.17 g/t Au from 56 metres.

A programme of follow-up RC drilling was completed at the Santana and Satriani prospects, located within the Sun River-Wanderrie Camp Scale Target approximately 35 kilometres south-west of the Gruyere Deposit (ASX announcement dated 17 January 2017). The programme was designed to follow-up high-grade east-dipping bedrock mineralisation confirmed within the five kilometre long Supergroup Anomaly that represents the southern continuation of the Attila-Alaric Trend. Best bedrock intersections from Santana included 7 metres at 1.85 g/t Au from 141 metres, including 4 metres at 2.72 g/t Au from 142 metres and 8 metres at 3.12 g/t Au from 234 metres, including 2 metres at 8.24 g/t Au from 234 metres. Bedrock RC drilling at Satriani intersected low-grade gold mineralisation only and no further drilling is planned in the medium term.

Gruyere JV Exploration

As part of Gold Road's efforts to better understand the potential for a bulk underground mining operation below the planned Gruyere open pit, a deep diamond hole and an up-dip wedge were drilled (ASX announcement dated 14 September 2016). The parent hole intersected 87 metres at 1.66 g/t Au from 737 metres within a mineralised porphyry intersection of 172 metres at 1.27 g/t Au from 652 metres. The wedge intersected 85 metres at 1.53 g/t Au from 699 metres within a mineralised porphyry intersection of 146 metres at 1.38 g/t Au from 638 metres. A gated diamond drilling programme has been planned for 2017, with the aim of infilling and extending the high-grade zone to the point where an inferred resource can be established.

An RC and diamond resource drilling programme at YAM14 (eight kilometres to the south of the proposed Gruyere JV processing facility), successfully infilled and extended the weathered mineralisation over a strike length greater than 300 metres (ASX announcement dated 10 October 2016). High-grade mineralisation was confirmed, including 4 metres at 5.07 g/t Au from 18 metres and 4 metres at 3.56 g/t Au from 89 metres. Extensions to primary mineralisation were confirmed at depth in RC drilling, and the mineralisation footprint extended a further 400 metres north along strike in regional aircore drilling.

At Alaric (24 kilometres south-west of Gruyere) RC and diamond resource drilling was also completed. Best intersections below the existing 50,000 ounce open pit Mineral Resource returned from the Main Shear zone included 3 metres at 21.9 g/t Au from 156 metres, 3 metres at 6.0 g/t Au from 122 metres and 2 metres at 6.2 g/t Au from 132 metres (ASX announcement dated 17 October 2016).

A similar drilling programme was conducted at Attila (27 kilometres south-west of Gruyere) with significant extensions to mineralisation confirmed outside the existing 220,000 ounce open pit Mineral Resource. High-grade mineralisation intersected on the Main Shear included 9 metres at 4.3 g/t Au from 130 metres and 9 metres at 3.5 g/t Au from 160 metres (ASX announcement dated 1 November 2016).

Geological work is ongoing at the deposits, with additional resource drilling required to follow-up on the identified extensions. The aim is to complete a Maiden Mineral Resource for YAM14 and updated Mineral Resources for Attila and Alaric and assess the open pit potential of each (and the underground potential of Alaric) as part of a Pre-Feasibility Study during 2017.

South Yamarna Joint Venture

In the Riviera-Smokebush Camp Scale Target area, three RC holes at Smokebush intersected gold mineralisation greater than 1g/t, with a best result of 19 metres at 3.17 g/t from 55 metres (ASX Announcement dated 17 January 2017). At Riviera aircore drilling designed to following up existing anomalies returned only one hole with a grade greater than 100 ppb (ASX Announcement dated 21 February 2017).

Bedrock gold mineralisation was confirmed at the Hirono Prospect with RC drilling returning 55 metres at 0.23 g/t Au from 142 metres, including 17 metres at 0.40 g/t Au from 142 metres (ASX Announcement dated 21 February 2017). The drilling was planned to follow up a regional aircore programme which returned 19 metres at 1.06 g/t Au from 62 metres (ASX Announcement dated 20 September 2016).

Aircore drilling programmes were also completed at the Breelya-Toppin Hill Camp Scale Target (ASX Announcement dated 21 February 2017). Significant gold anomalies were identified at Yaffler South, 22 metres at 0.38 g/t Au from 44 metres, including 4 metres at 1.24 g/t Au from 46 metres, and Kingston North, 4 metres at 0.74 g/t Au from 54 metres, including 2 metres at 1.29 g/t Au from 56 metres. These anomalies will require follow up with further aircore to refine anomalies and RC testing of bedrock mineralisation.

Exploration and Development Plans for Calendar Year 2017

Following completion of the Gruyere JV transaction with Gold Fields in December 2016, the Company has refocussed activities on its core strength of discovering gold deposits on the Yamarna Greenstone Belt. With the receipt of funds from Gold Fields in December 2016 the Company will allocate in 2017:

- $15 million for exploration across the 100% owned North Yamarna tenements;
- In excess of $5 million expenditure expected for exploration across the Gruyere JV tenements held 50:50 with Gold Fields (with Gold Fields contributing an equal amount); and

- $2 million for exploration on the South Yamarna Joint Venture (**SYJV**) tenements held 50:50 with Sumitomo Metal Mining Oceania Pty Limited (**Sumitomo**) (with Sumitomo contributing an equal amount).

Events Occurring After Balance Date

In the interval between the end of the period and the date of this report no item, transaction or event of a material and unusual nature has arisen which is likely, in the opinion of the Directors of the Company, to substantially affect the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial years.

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under Section 307C of the Corporations Act is set out on page 9.

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

DATED at Perth this 7th day of March 2017.

Tim Netscher
Non-executive Chairman

Ore Reserve and Mineral Resources

New Information or Data

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

Table 1: Mineral Resource Estimate for the Yamarna Leases

	Gruyere JV 100% basis			Gold Road 50%		
Project Name / Category	**Tonnes (Mt)**	**Grade (g/t Au)**	**Contained Metal (Moz Au)**	**Tonnes (Mt)**	**Grade (g/t Au)**	**Contained Metal (Moz Au)**
Gruyere Total (0.5 g/t Au)	**147.71**	**1.30**	**6.16**	**73.85**	**1.30**	**3.08**
Measured	13.86	1.18	0.53	6.93	1.18	0.26
Indicated	91.12	1.29	3.79	45.56	1.29	1.89
Inferred	42.73	1.35	1.85	21.36	1.35	0.92
Central Bore Total (1.0 g/t Au)	**0.63**	**9.02**	**0.18**	**0.32**	**9.02**	**0.09**
Measured	0.04	26.55	0.04	0.02	26.55	0.02
Indicated	0.40	9.01	0.12	0.20	9.01	0.06
Inferred	0.19	5.04	0.03	0.09	5.04	0.02
Attila Trend Total (0.7 g/t Au)	**5.30**	**1.59**	**0.27**	**2.65**	**1.59**	**0.14**
Measured	0.66	1.96	0.04	0.33	1.96	0.02
Indicated	3.85	1.52	0.19	1.93	1.52	0.09
Inferred	0.79	1.59	0.04	0.39	1.59	0.02
Total	**153.64**	**1.34**	**6.61**	**76.82**	**1.34**	**3.31**
Measured	14.57	1.29	0.60	7.28	1.29	0.30
Indicated	95.37	1.33	4.09	47.69	1.33	2.05
Inferred	43.70	1.37	1.92	21.85	1.37	0.96

Notes:

- *All Mineral Resources are completed in accordance with the 2012 JORC Code*
- *The Gruyere JV is a 50:50 joint venture between Gold Road and Gruyere Mining Company Pty Limited, a wholly owned Australian subsidiary of Gold Fields.*
- *Gruyere Mineral Resource reported at 0.5 g/t Au cut-off, constrained within an $1,700/oz Au optimised pit shell based on mining and processing parameters from the Pre-Feasibility Study and geotechnical parameters from the previous Mineral Resource estimate (ASX announcement dated 22 April 2016)*
- *Central Bore Mineral Resource reported at 1.0 g/t Au cut-off (2014 Annual Report)*
- *Attila Trend (Attila and Alaric) Mineral Resource reported at 0.7 g/t Au cut-off, constrained within an $1,600/oz Au optimised pit shell (ASX announcement dated 16 September 2015)*
- *All figures are rounded to reflect appropriate levels of confidence. Apparent differences may occur due to rounding*
- *Mineral Resources are inclusive of Ore Reserves*

Table 2: Ore Reserve Statement for the Gruyere JV

	Gruyere JV 100% basis			Gold Road 50%		
Category	**Tonnes (Mt)**	**Grade (g/t Au)**	**Contained Metal (Moz Au)**	**Tonnes (Mt)**	**Grade (g/t Au)**	**Contained Metal (Moz Au)**
Total	**91.57**	**1.20**	**3.52**	**45.78**	**1.20**	**1.76**
Proved	14.87	1.09	0.52	7.44	1.09	0.26
Probable	76.70	1.22	3.00	38.35	1.22	1.50

Notes:

- *The Ore Reserve is completed in accordance with the 2012 JORC Code*
- *The Gruyere JV is a 50:50 joint venture between Gold Road and Gruyere Mining Company Pty Limited, a wholly owned Australian subsidiary of Gold Fields*
- *Gold Road holds an uncapped 1.5% net smelter return royalty on Gold Fields share of production from the Gruyere JV once total gold production exceeds 2 million ounces*
- *The Ore Reserve is evaluated using a gold price of $1,500/oz (ASX announcement dated 19 October 2016)*
- *The Ore Reserve is evaluated using variable cut off grades: Oxide 0.35 g/t Au, Transitional 0.39 g/t Au and Fresh 0.43 g/t Au*
- *Ore block tonnage dilution averages 3.2%; Ore block gold loss is estimated at 1.4%*
- *All figures are rounded to reflect appropriate levels of confidence. Apparent differences may occur due to rounding*

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

To the Directors of Gold Road Resources Limited

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 31 December 2016 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

Denise McComish
Partner

Perth

7 March 2017

Consolidated Interim Statement of Profit or Loss and Other Comprehensive Income

For the half-year ended 31 December 2016

		31 December 2016	31 December 2015
Other income	**Note**	**$**	$
Gain on sale of Gruyere tenements (net of transaction costs)	**2**	**314,297,892**	-
Closure of Forward Sales Contracts	**2**	**11,915,750**	-
Other	**2**	**1,428,461**	846,846
Total other income		**327,642,103**	846,846
Employee expenses		**(1,916,605)**	(788,274)
Equity based remuneration expense		**(635,811)**	(494,752)
Non-executive Directors fees		**(179,000)**	(75,000)
Depreciation expense		**(314,270)**	(266,474)
Corporate expenses		**(1,770,543)**	(1,149,014)
Legal costs		**(1,028,844)**	(92,951)
Travel expenses		**(423,099)**	(56,857)
Other expenses from ordinary activities		**(659,762)**	(245,690)
Exploration assets impaired		**(7,324,404)**	(1,374,595)
Profit/(Loss) before income tax		**313,389,765**	(3,696,761)
Income tax (expense) / benefit	**4**	**(80,865,280)**	1,079,721
Profit/(Loss) for the period		**232,524,485**	(2,617,040)
Other comprehensive income for the period		**-**	-
Total comprehensive profit/(loss) for the period		**232,524,485**	(2,617,040)
Basic earnings/(loss) per share (cents)		**26.74**	(0.38)
Diluted earnings/(loss) per share (cents)		**26.57**	(0.38)

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

Consolidated Interim Statement of Financial Position
As at 31 December 2016

	Note	31 December 2016 $	30 June 2016 $
Current assets			
Cash and cash equivalents	6	190,271,176	90,661,364
Term Deposits	6	147,000,000	-
Trade and other receivables	7	96,925,575	827,087
Other financial assets – security deposits		60,001	64,256
Prepayments		264,504	346,567
Inventories		45,046	50,749
Total current assets		434,566,302	91,950,023
Non-current assets			
Mine Development	9	26,190,755	-
Property, plant and equipment		1,899,647	1,912,515
Other assets		109,677	109,677
Capitalised mineral exploration and evaluation expenditure	8	22,743,429	68,871,733
Total non-current assets		50,943,508	70,893,925
Total assets		485,509,810	162,843,948
Current liabilities			
Trade and other payables		13,288,775	5,031,905
Provision – Current tax	4	69,079,241	-
Provision – Employee entitlements		479,043	412,272
Total current liabilities		82,847,059	5,444,177
Non-current liabilities			
Provision – Deferred tax	4	11,786,039	-
Provision – Employee entitlements		191,412	182,267
Total non-current liabilities		11,977,451	182,267
Total liabilities		94,824,510	5,626,444
Net assets		390,685,300	157,217,504
Equity			
Contributed equity	5	203,529,275	203,221,775
Retained earnings/(accumulated losses)		181,595,512	(50,928,973)
Equity remuneration reserve		5,560,513	4,924,702
Total equity		390,685,300	157,217,504

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

Consolidated Interim Statement of Changes in Equity

For the half-year ended 31 December 2016

	Contributed Equity $	Retained Earnings/(Acc. Losses) $	Equity Remuneration Reserve $	Total $
Balance as at 1 July 2016	**203,221,775**	**(50,928,973)**	**4,924,702**	**157,217,504**
Profit for the period	**-**	**232,524,485**	**-**	**232,524,485**
Other comprehensive income for the period	**-**	**-**	**-**	**-**
Total comprehensive gain for the period	**-**	**232,524,485**	**-**	**232,524,485**
Movement in equity remuneration reserve	**-**	**-**	**635,811**	**635,811**
Transactions with equity holders in their capacity as equity holders:				
Contributions of equity	**307,500**	**-**	**-**	**307,500**
Transaction costs of equity issued	**-**	**-**	**-**	**-**
Balance at 31 December 2016	**203,529,275**	**181,595,512**	**5,560,513**	**390,685,300**

	Contributed Equity $	Accumulated Losses $	Equity Remuneration Reserve $	Total $
Balance as at 1 July 2015	129,925,422	(41,703,840)	3,922,572	92,144,154
Loss for the period	-	(2,617,040)	-	(2,617,040)
Other comprehensive income for the period	-	-	-	-
Total comprehensive loss for the period	-	(2,617,040)	-	(2,617,040)
Movement in equity remuneration reserve	-	-	494,752	494,752
Transactions with equity holders in their capacity as equity holders:				
Contributions of equity	901,000	-	-	901,000
Transaction costs of equity issued	(1,866)	-	-	(1,866)
Balance at 31 December 2015	130,824,556	(44,320,880)	4,417,324	90,921,000

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

Consolidated Interim Statement of Cash Flows

For the half-year ended 31 December 2016

	Note	31 December 2016 $	31 December 2015 $
Cash flows from operating activities			
Interest received		**1,109,825**	509,397
Farm-in agreement management fees		**85,475**	236,481
Research and development tax benefit		**-**	1,079,721
Payments to suppliers and employees		**(6,186,881)**	(2,561,027)
Net cash (used in) operating activities		**(4,991,581)**	(735,428)
Cash flows from investing activities			
Payments made for exploration and evaluation expenditure		**(16,219,133)**	(13,449,416)
Payments for development expenditure		**(3,025,707)**	-
SYJV Farm-in contributions received		**-**	807,212
Gruyere JV contribution received		**6,212,422**	-
Recoupment of development costs under Gruyere Sale		**2,916,311**	-
Payments for plant and equipment		**(312,576)**	(465,596)
Payments for tenement acquisition		**(193,174)**	-
Refund of security deposits		**-**	144,306
Proceeds from sale of tenements		**250,000,000**	-
Investments in term deposits	6	**(147,000,000)**	-
Net cash from / (used in) investing activities		**92,378,143**	(12,963,494)
Cash flows from financing activities			
Proceeds from exercise of options		**307,500**	901,000
Proceeds from closure of Forward Sales		**11,915,750**	-
Transaction cost on issue of shares		**-**	(1,866)
Net cash from financing activities		**12,223,250**	899,134
Net increase/(decrease) in cash and cash equivalents held		**99,609,812**	(12,799,788)
Cash and cash equivalents at the beginning of the period		**90,661,364**	49,799,678
Cash and cash equivalents at the end of the period	6	**190,271,176**	36,999,890

Cash, cash equivalents and term deposits total $337,271,176 at 31 December 2016 (31 December 2015: $36,999,890). The above consolidated interim statement of cash flows should be read in conjunction with the accompanying consolidated notes.

Note 1 Summary of significant accounting policies

(a) Basis of preparation

The consolidated interim financial statements are a general purpose financial report prepared in accordance with the requirements of the Corporations Act 2001, applicable accounting standards including AASB 134 'Interim Financial Reporting', Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board (**AASB**).

This consolidated interim half-year report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Company as in the full financial report.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2016 and any public announcements made by Gold Road during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except as set out below.

The interim report has been prepared on a historical cost basis. Cost is based on the fair value of the consideration given in exchange for assets.

The Company is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted.

For the purpose of preparing the interim report, the half-year has been treated as a discrete reporting period.

The interim financial statements were approved by the Board of Directors on 7th March 2017.

(b) Accounting Policies

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements.

Derivatives

When a derivative financial instrument is not designated in a hedge relationship that qualifies for hedge accounting, all changes in its fair value are recognised immediately in profit or loss.

Note 1 Summary of significant accounting policies (continued)

Investment in joint operations

A joint operation is an arrangement in which the parties with joint control have rights to the assets and obligations for the liabilities relating to that arrangement. In respect of its interest in a joint operation, a joint operator must recognise all of its assets, liabilities, revenues and expenses, including its relative share of jointly controlled assets, liabilities, revenue and expenses.

Mineral properties under development

Development expenditure relates to costs incurred to access a mineral resource. It represents those costs incurred after the technical feasibility and commercial viability of the extraction of mineral resources in a particular area of interest is demonstrated and the identified mineral reserve is being prepared for production.

Capitalised development expenditure includes:

- Reclassified exploration and evaluation assets
- Direct costs of construction
- An appropriate allocation of overheads and borrowing costs during the development phase

Capitalisation of development expenditure ceases once the mineral property is capable of commercial production, at which point it will be transferred to “Mine Properties”.

Amortisation and depreciation of capitalised mine development costs is provided on the unit-of-production method, resulting in an amortisation charge proportional to the depletion of the economically recoverable mineral resources. Capitalised costs are amortised from the commencement of commercial production.

Adoption of New and Revised Accounting Standards

In the half-year ended 31 December 2016, 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 2016. Those which may be relevant to the Company are set out below. The Company does not plan to adopt these standards early.

Note 1 Summary of significant accounting policies (continued)

AASB 15 Revenue from Contracts with Customers

AASB 15 establishes a comprehensive framework for determining whether, how much, and when revenue is recognised. It replaces existing revenue recognition guidance, including IAS 18 Revenue, IAS 11 Construction contracts, IFRIV 13 Customer Loyalty Programmes. AASB 15 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted. The Company is assessing the potential impact on its consolidated financial statements resulting from the application of AASB 15.

AASB 16 Leases

AASB 16 removes the classification of leases as either operating or financing leases - for the lessee - effectively treating all leases as financial leases. Short term leases (less than 12 months) and leases of low value assets are exempt from the lease accounting requirements. Furthermore, there are changes in accounting over the life of the lease as a front-loaded pattern of expense will be recognised for most leases, even when a constant annual rental is paid. Lessor accounting remains similar to current practice. AASB 16 is effective for periods commencing 1 July 2019, with early adoption permitted. The Company has not yet determined the extent of the impact of this standard.

AASB 9 Financial Instruments

AASB 9, published in July 2014, replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. AASB 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and a new general hedge accounting requirements. It also carries forward the guidance on recognition and de-recognition of financial instruments from IAS 39. AASB 9 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted. The Company is assessing the potential impact on its consolidated financial statements resulting from the application of AASB 9.

(c) Critical account estimates and judgements

The directors make estimates and judgements in the preparation of the financial report that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In preparing this interim financial report, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were consistent with those applied to the financial statements for the year ended 30 June 2016.

Note 2 Other income

Under the terms of the Gruyere Sale agreement, Gold Road received $250 million in cash consideration from Gold Fields and will receive an uncapped 1.5% NSR royalty on Gold Field's share of production from the Gruyere JV tenements once total gold production exceeds two million ounces. In addition, Gold Fields will pay a further $100 million to Gold Road by funding Gold Road's share of the initial cash calls during the construction phase.

The carrying value of the assets sold to Gold Fields totalled $30,211,352. After allowing for transaction costs, the Company generated a pre-tax profit of $314,297,892 on the sale of 50% of the Gruyere Project.

During the six month financial period ending 31 December 2016 Gold Road closed out its forward gold sales position recognising a gain of $11,915,750 before tax (2015: $nil). Additionally, $1,428,461 (2015: $846,846) in interest and other revenue were received.

Note 3 Share based payments

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

The fair value of the options 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 payments were granted. Performance Share Rights allocated to Executive Directors during the half-year reporting period as part of the Long Term Incentives, were valued using a Monte Carlo simulation for rights with market based vesting conditions and a Black Scholes pricing model for rights with non-market based vesting conditions.

Options

During the half-year reporting period nil Options were issued to employees and directors.

During the half-year reporting period nil Options expired and 860,000 Options were exercised (of which 110,000 were cashless exercises resulting in the issue of 74,699 shares).

The grant of Options is subject to recipients remaining employed by the Company to vesting date, and are exercisable at exercise prices as determined by the Board.

Performance Share Rights

During the half-year reporting period the following Performance Share Rights were issued to employees.

Date of Grant	Number of Performance Share Rights	Exercise Price	Expiry Date	Vesting Date	Fair Value at Grant Date
01 July 2016	236,870	-	30 June 2017	01 July 2016	$0.680 each
01 July 2016	331,142	-	30 June 2020	30 June 2019	$0.491 each
01 July 2016	331,147	-	30 June 2020	30 June 2019	$0.575 each
19 Oct 2016	408,401	-	30 June 2018	30 June 2017	$0.575 each
19 Oct 2016	627,048	-	30 June 2020	30 June 2019	$0.382 each
19 Oct 2016	627,049	-	30 June 2020	30 June 2019	$0.575 each
16 Nov 2016	54,644	-	16 Nov 2017	16 Nov 2016	$0.655 each
16 Dec 2016	261,537	-	16 Dec 2017	16 Dec 2016	$0.560 each

The conditions of these Performance Share Rights are subject to the discretion of the Board under certain circumstances. On exercise of the Performance Share Rights no consideration is payable.

During the half-year reporting period 1,400,340 Performance Share Rights were converted to shares for nil consideration upon vesting.

Note 4 Income Tax

	31 December 2016 $	31 December 2015 $
INCOME TAX		
Major components of income tax are:		
Income statement		
Current income tax		
Current income tax charge/(benefit)	**69,079,241**	(1,079,721)
Adjustments in respect of current income tax of previous years	**-**	-
Recognised deferred income tax		
Relating to origination and reversal of temporary differences	**11,786,039**	-
Income tax expense/(benefit) reported in the profit or loss	**80,865,280**	(1,079,721)
A reconciliation between tax expense and the product of accounting profit before income tax multiplied by the Group's applicable income tax rate is as follows:		
Accounting profit/(loss) before income tax	**313,389,765**	(3,696,761)
At the Group's statutory income tax rate of 30% (2016: 30%)	**94,016,929**	(1,109,028)
Expenditure not deductable for income tax purposes	**587,489**	149,366
Deferred tax asset not brought to account	**-**	959,662
Government grants exempted from tax	**-**	(1,079,721)
Recognition of previously unrecognised tax losses and temporary differences	**(13,739,138)**	-
Aggregate income tax expense/(benefit)	**80,865,280**	(1,079,721)

Note 4 Income Tax (continued)

	Financial Position	
	31 December 2016 $	30 June 2016 $
Deferred tax assets and liabilities are attributable to the following:		
Deferred tax liabilities		
Interest receivable	**(138,653)**	(94,636)
Exploration and development expenditure	**(13,227,897)**	(20,518,278)
Gross deferred income tax liabilities	**(13,366,550)**	(20,612,914)
Deferred tax assets		
Provisions and accruals	**205,637**	245,712
Superannuation payable	**25,418**	-
Section 40-880 expenditure	**1,349,456**	1,581,186
Tax losses	**-**	32,811,704
Gross deferred income tax assets	**1,580,511**	34,638,602
Net deferred tax (liability)/asset	**(11,786,039)**	14,025,688
Net deferred tax asset not brought to account	**-**	(14,025,688)
	(11,786,039)	-

Note 5 Contributed equity

		6 Months to 31 December 2016 No.	12 Months to 30 June 2016 No.	6 Months to 31 December 2016 $	12 Months to 30 June 2016 $
(a) Share capital					
Issued share capital		**871,110,810**	868,885,771	**203,529,275**	203,221,775

(b) Share movements during the period	*Issue price*	**2016 No.**	2016 No.	**2016 $**	2016 $
Balance brought forward		**868,885,771**	685,112,273	**203,221,775**	129,925,422
Placement	$0.440	-	168,057,915	-	73,945,482
Share Purchase Plan	$0.440	-	1,295,503	-	570,000**
Shares issued as consideration^	$0.370	-	6,036,206	-	2,233,396
Shares issued as consideration^^	$0.570	-	320,773	-	182,840
Unlisted Options exercised*	$0.095	-	49,476	-	-
Unlisted Options exercised	$0.095	-	333,333	-	31,667
Unlisted Options exercised*	$0.105	-	929,511	-	-
Unlisted Options exercised*	$0.107	-	47,305	-	-
Unlisted Options exercised	$0.107	-	333,333	-	35,667
Unlisted Options exercised*	$0.128	-	43,506	-	-
Unlisted Options exercised	$0.128	-	333,334	-	42,666
Unlisted Options exercised*	$0.130	-	3,032,688	-	-
Unlisted Options exercised	$0.130	-	1,700,000	-	221,000
Unlisted Options exercised*	$0.200	**74,699**	-	-	-
Unlisted Options exercised	$0.335	**500,000**	-	**167,500**	-
Unlisted Options exercised*	$0.473	-	21,384	-	-
Unlisted Options exercised	$0.473	-	19,000	-	8,987
Unlisted Options exercised	$0.560	**250,000**	-	**140,000**	-
Performance Share Rights exercised	$0.000	**1,400,340**	1,220,231	-	-
Less: costs related to shares issued		-	-	-	(3,975,352)
Balance at the end of the period		**871,110,810**	868,885,771	**203,529,275**	203,221,775

**Cashless exercise of Options; **Rounded value due to Share Purchase Plan conditions of purchase; ^ Asarco royalty termination; ^^ Indigenous Services Australia services agreement.*

Note 6 Cash, cash equivalents and term deposits

For the purpose of the half-year statement of cash flows cash, and cash equivalents and term deposits are comprised of the following:

	31 December 2016 $	30 June 2016 $
Cash at bank	**11,279,814**	18,110,364
Short term deposits (classified as cash or cash equivalents)	**178,991,362**	72,551,000
Cash and cash equivalents	**190,271,176**	90,661,364
Term deposits	**147,000,000**	-
Cash, cash equivalents and term deposits	**337,271,176**	90,661,364

Term deposits that are not expected to be required for short term commitments are recognised separately from cash and cash equivalents.

Note 7 Trade and other receivables

The $100 million Gold Fields will pay to fund Gold Road's share of the initial cash calls during the construction phase has been recognised as other receivables.

	31 December 2016 $	30 June 2016 $
Gold Fields Consideration	**100,000,000**	-
December Cash Call – Gold Road Portion	**(6,212,422)**	-
Gruyere JV Receivable	**1,512,854**	
Other	**1,625,143**	827,087
	96,925,575	827,087

Note 8 Non-current assets – Capitalised mineral exploration and evaluation expenditure

	31 December 2016 $	30 June 2016 $
In the exploration and evaluation phase		
Cost brought forward	**68,871,733**	43,997,859
Exploration expenditure during the period	**14,854,310**	29,794,455
Exploration expenditure impaired	**(7,324,404)**	(4,920,581)
Transfer to Mine Development assets (Note 9)	**(23,446,858)**	-
Sale of 50% of Gruyere JV assets (Note 2)	**(30,211,352)**	-
Closing balance	**22,743,429**	68,871,733

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 capitalised exploration and expenditure carried forward and the appropriateness of continuing to carry forward these costs in relation to certain projects, the Company considered the results of recent studies undertaken and where active and significant exploration expenditure is ongoing. As a result of this review, the Company recognised an impairment charge of $7,324,404 in the current period.

Note 9 Mining development expenditure

	31 December 2016 $	30 June 2016 $
In mining development		
Opening balance	**-**	-
Transfer from capitalised mineral exploration and evaluation (Note 8)	**23,446,858**	-
Gruyere Construction Project	**2,732,722**	-
Other Capital Projects	**11,175**	-
Closing balance	**26,190,755**	-

The "Transfer from capitalised mineral exploration and evaluation" costs reflects the carrying amount of the Gruyere tenements previously held in the capitalised exploration and evaluation expenditure account which have been transferred to development following the Board's decision to proceed with the development of Gruyere through the completion of Sale and the Gruyere Joint Venture Agreements with Gold Fields. The "Gruyere Construction Project" reflects Gold Road's 50% share of Gruyere JV construction costs for the period.

Note 10 Investment in joint operations

Name of Operation	Principal Activity		Ownership Interest	
			31 Dec 2016	31 Dec 2015
Gruyere	Gold Mine Development	Joint Operation	50%	-

The Group has a 50% interest in the Gruyere JV operation which commenced in December 2016. The Gruyere Joint Venture is treated as a joint operation and Gold Road has included in the consolidated financial statements its share of assets, liabilities, revenue and expenses.

The principal place of business of the joint operation is Australia.

Note 11 Segment information

Operating segments are identified and segment information disclosed on the basis of internal reports that are regularly provided to, or reviewed by, the Company's chief operating decision maker which, for the Company, is the Board of Directors. In this regard, such information is provided using similar measures to those used in preparing the statement of profit or loss and comprehensive income and statement of financial position.

Business segments

The Company is involved in the minerals exploration and development sector.

Geographical segments

The Company is organised on a regional basis with exploration and development interests within Australia.

Note 12 Dividends

No dividends were paid or proposed during the period.

Note 13 Contingencies

(i) Contingent liabilities

There were no material contingent liabilities as at the reporting date.

(ii) Contingent assets

There are no other material contingent assets as at the reporting date.

Note 14 Events occurring after the balance sheet date

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.

GOLD ROAD RESOURCES

Directors' Declaration

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

(a) the consolidated interim financial statements and notes set out on pages 10 to 24 are in accordance with the Corporations Act 2001, including:

   (i) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001; and

   (ii) giving a true and fair view of the financial position of the company as at 31 December 2016 and of its performance for the half-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.

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

Signed at Perth this 7th day of March 2017.

Tim Netscher
Non-executive Chairman

Independent Auditor's Review Report

To the shareholders of Gold Road Resources Limited

Report on the Interim Financial Report

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 is not in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the ***Group's*** financial position as at 31 December 2016 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:

- Consolidated interim statement of financial position as at 31 December 2016.
- Consolidated interim statement of profit or loss and other comprehensive income, Consolidated interim statement of changes in equity and Consolidated interim statement of cash flows for the half-year ended on that date
- Notes 1 to 14 comprising a summary of significant accounting policies and other explanatory information
- The Directors' Declaration.

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

Other Matter

The consolidated financial statements of the Company as at and for the year ended 30 June 2016 were audited by another auditor who expressed an unmodified opinion on those statements on 13 September 2016.

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*
- 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 responsibility 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 31 December 2016 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 an Interim 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

Denise McComish
Partner

Perth

7 March 2017