

# Yamarna Exploration and Gruyere Project Update

ASX Code GOR

ABN 13 109 289 527

## Highlights

- **Planned 280,000 metres of exploration drilling awarded to DDH1 and Ranger as part of 2017 exploration programme**
- **Commissioned 288-room Gruyere Village Stage 1 with first meal served under Camp Management Services Contract awarded to Compass Group**
- **Preferred tenderers confirmed for major Gruyere contracts including Bulk Earthworks, EPC and Power Supply**
- **Construction of the Anne Beadell borefield commenced to support early construction activities and supply of potable water to camp**

Gold Road Resources Limited (**Gold Road** or the **Company**) is pleased to provide an update on the roll-out of its 2017 Yamarna exploration programme and project development activities at the Gruyere Gold Project (the **Project**), a 50:50 Joint Venture with Gold Fields Ltd (**Gold Fields**), to form the Gruyere Joint Venture (**Gruyere JV**).

## Exploration Update

As part of the ramp-up of its prioritised A\$30 million greenfields exploration budget for 2017, Gold Road has completed the tendering process to select drilling companies to conduct this year's drilling on its 100% owned North Yamarna Project, the Gruyere JV Project and the South Yamarna Joint Venture Project (50% Sumitomo Metal Mining Oceania). Following a competitive process two significant drilling contracts have been awarded to proven Western Australian operators DDH1 Drilling (**DDH1**) and Ranger Drilling Services (**Ranger**).

DDH1 has been awarded the contract to supply all diamond drilling services. This includes the regional greenfields exploration diamond drilling across all three projects and deep diamond drilling currently in progress assessing the underground potential of the Gruyere deposit. The 2017 programme, approximately 35,000 metres of diamond drilling in total, includes 14,000 metres of deep diamond drilling at Gruyere. Since starting in 2006 DDH1 has established itself as an innovative and successful drilling company with operations throughout Australia. With an excellent safety record DDH1 is regarded as one of Australia's premier deep directional drilling specialists.

Ranger has been awarded the percussion drilling contract which includes all Reverse Circulation (**RC**) and aircore drilling services. This contract will cover aspects of the 2017 programme focussed on regional greenfields drilling (RC and aircore) and resource drilling of existing and identified resources. The 2017 budget includes approximately 77,000 metres of RC drilling and 160,000 metres of aircore drilling. Ranger, established in 2006, has a proven track record in drilling excellence and safety, and is a community engaged company that supports several community focussed initiatives in areas where they are active.

### COMPANY DIRECTORS

Tim Netscher  
**Chairman**

Ian Murray  
**Managing Director & CEO**

Justin Osborne  
**Executive Director,  
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### CONTACT DETAILS

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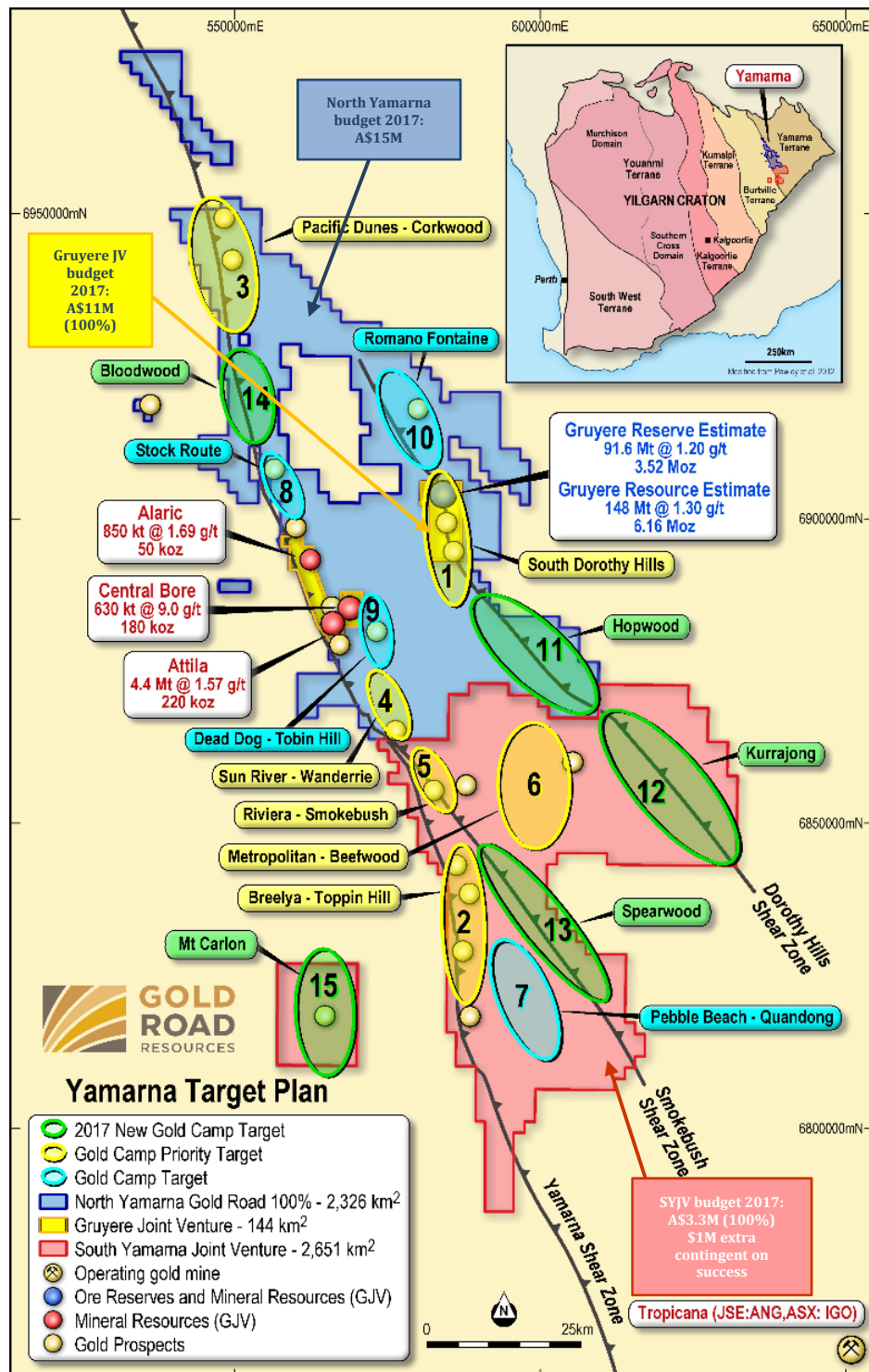
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Gold Road, Executive Director – Exploration & Growth, Justin Osborne said: “Gold Road is very pleased to have engaged DDH1 and Ranger to support our exploration team in carrying out Australia’s largest greenfields exploration programme in 2017.”

“We look forward to developing strong safety focussed relationships with both companies and the scale of the contracts awarded reflects our confidence in the proven experience of DDH1 and Ranger to be able to deliver on our expectation of sustainable and safe drilling services in support of our aggressive exploration ambitions.”



Yamarna tenements showing exploration budget spend by Project area and Camp Scale Targets

## Project Update

The Early Works programme, which commenced in December 2016, has now been completed with the commissioning of the Gruyere Village Stage 1, mobilisation of the Gruyere Village Stage 2 works, commencing construction of the Anne Beadell borefield and installation of early monitoring and dewatering bores at Gruyere.

The Gruyere JV Project Team has progressed through the major tendering process to settle on preferred tenderers for the major works packages, including Camp Management Services; Bulk Earthworks; Engineering, Procurement and Construction (EPC); and Power Supply contracts.

The first of these contracts was awarded to Compass Group Remote Hospitality Services Pty Ltd (**Compass**) for Camp Management Services in February 2017.

## Community

Gold Road and Gold Fields are strong supporters of local community engagement.

Desert Sands, a locally based business, were awarded a contract for earthworks which included ground works for the Gruyere Village Stage 1, upgrading of existing roads and tracks and installation of new tracks as part of the Early Works Programme.

Compass are also in the final stages of employing a number of people drawn from local communities as part of their commitment to local engagement.

Gold Road Managing Director and CEO, Ian Murray said *“Gruyere is a low cost, long life gold mine which has the potential to provide significant benefits to a wide range of stakeholders. The Gruyere JV have selected contractors who are aligned with our commitment to local community engagement. As a pre-requisite for contract award all of our contractors are required to identify and provide employment and contracting opportunities for our local communities. With our JV partner, we look forward to completing construction and producing gold bars.”*

## Accommodation Village

The 288-room Gruyere Village Stage 1 was commissioned on 22 March with the first meal being served by the Compass team.

Following commissioning of the 288-room Gruyere Village Stage 1, Desert Sands has completed the bulk earthworks for the Gruyere Village Stage 2 works and McNally Group Contracting Pty Ltd have mobilised their team to commence installation of the additional 360 rooms in April 2017. The complete 648-room Gruyere Village is expected to be ready for occupancy towards the end of May 2017.

## Borefields

GR Engineering Services Limited (**GRES**) was awarded the contract in January 2017 to design, supply and install the Anne Beadell borefield pipelines and associated infrastructure. Commencement of construction of the Anne Beadell borefield is under way. On completion, this borefield will secure water supply for the construction works and provide potable water for the Gruyere Village.



Gruyere Village Stage 1



Gruyere JV partners Board and Executives with the Compass team  
at a site visit to the recently commissioned Gruyere Village Stage 1



## EPC, Bulk Earthworks and Power Supply

The preferred contractors for the EPC, Bulk Earthworks and Power Supply contracts have been notified, with the contracts to be finalised and executed in April.

### EPC

The preferred contractor for the EPC contract has been named as the Amec Foster Wheeler Cimtec Joint Venture (**ACJV**). The EPC contract scope of work covers the detailed design, procurement and installation of the process plant, administration office, workshop, warehouse as well as the main water pipelines and powerlines to the borefield.

ACJV has commenced work on early project setup activities and are also working closely with the Project Team to finalise detailed management and mobilisation plans, ahead of contract award, also expected later in April.

The Project Team has completed the evaluation of the Grinding Mill options and has selected the FL Schmidt 26' x 35.5' Ball Mill with 15MW motors which was partially manufactured for Gold Fields prior to the cancellation of the Tarkwa Expansion Project 6 (**TEP6**) in Ghana. Availability of the TEP6 Ball Mill has been a major win for the Project, because apart from having cost benefits, also de-risks the manufacturing delivery period of the Ball Mill.

Purchase orders for the SAG Mill and Primary Crusher are currently being finalised and will be awarded during April 2017.

### Bulk Earthworks

MACA Civil Pty Ltd (**MACA**) has been confirmed as the preferred Bulk Earthworks contractor for developing the main access road, borefield access tracks, airstrip, process plant earthworks and tailings storage facility. Parent company MACA Ltd is a Tier 1 mining, civil construction and road infrastructure company.

The Project Team and MACA continue to work on the detailed management and mobilisation plans, ahead of contract award, expected later in April.

### Power Supply

The preferred Power Supply contractor will construct the ~225 kilometre gas pipeline from the existing Eastern Goldfields Pipeline to Gruyere, as well as build the critical power station infrastructure for the Project. The Power Supply is structured as a Build, Own and Operate contract for the pipeline and power station, with the preferred contractor currently working on the detailed design for both pieces of infrastructure, ahead of final contract award later in April.

The Gruyere JV will separately undertake negotiations for the Project gas supply in due course.

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

#### Gold Road Resources

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#### Media and Broker Enquiries

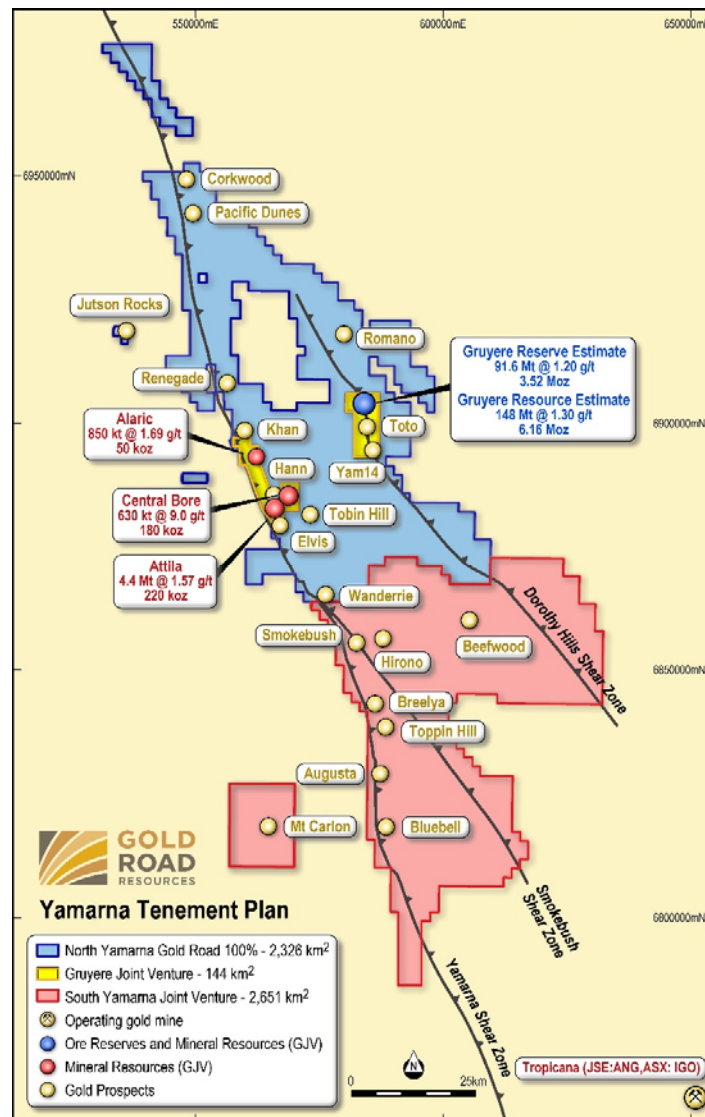
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## About Gold Road

Gold Road is pioneering development of Australia's newest goldfield, the Yamarna Belt, 200 kilometres east of Laverton in Western Australia. The Company holds interests in tenements covering 6,300 square kilometres in the region, which is historically underexplored and highly prospective for gold mineralisation. The Yamarna leases contain a gold resource of 6.6 million ounces, including 6.2 million ounces at the Gruyere deposit, of which the Company owns 50%.

The Feasibility Study for Gruyere, which was completed in October 2016, indicated the Project's 3.5 million ounce Reserve could support average annualised production of 270,000 ounces for 13 years (ASX announcement dated 19 October 2016). In November 2016, Gold Road entered into a 50:50 joint venture with Gold Fields Ltd for the Gruyere Gold Project, with commencement of Project construction in January 2017.

Gold Road continues to explore for similar-scale deposits on its 100%-owned North Yamarna tenements, its 50% owned Gruyere Project Joint Venture tenements (with Gold Fields Ltd) and its 50% owned South Yamarna Joint Venture tenements in conjunction with Sumitomo Metal Mining Oceania (a subsidiary of Sumitomo Metal Mining Co. Limited).



## Competent Persons Statements

The information in this report which relates to Exploration Results or Mineral Resources is based on information compiled by Mr Justin Osborne. The information in this report which relates to Exploration Results is based on information compiled by Mr Justin Osborne, Executive Director for Gold Road. Mr Osborne is an employee of Gold Road, as well as a shareholder and share option holder, and is a Fellow of the Australasian Institute of Mining and Metallurgy (FAusIMM 209333). Mr Osborne has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Osborne consents to the inclusion in the report of the matters based on this information in the form and context in which it appears

### Mineral Resources

The information in this report that relates to the Mineral Resource Estimation for **Gruyere** is based on information compiled by Mr Justin Osborne, Executive Director – Exploration and Growth for Gold Road and Mr John Donaldson, Geology Manager for Gold Road.

The information in this report that relates to the Mineral Resource Estimation for Attila Trend is based on information compiled by Mr Justin Osborne, Executive Director for Gold Road, Mr John Donaldson, Geology Manager for Gold Road and Mrs Jane Levett, Senior Resource Geologist for Gold Road.

- **Mr Justin Osborne** is an employee of Gold Road, as well as a shareholder and share option holder, and is a Fellow of the Australasian Institute of Mining and Metallurgy (FAusIMM 209333)
- **Mr John Donaldson** is an employee of Gold Road as well as a shareholder, and is a Member of the Australian Institute of Geoscientists and a Registered Professional Geoscientist (MAIG RPGeo Mining 10147)
- **Mrs Jane Levett** is an employee of Gold Road, and is a Member of the Australasian Institute of Mining and Metallurgy and a Chartered Professional (MAusIMM CP 112232)

Messrs Osborne and Donaldson and Mrs Levett have sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as Competent Persons as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Messrs Osborne and Donaldson and Mrs Levett consent to the inclusion in the report of the matters based on this information in the form and context in which it appears.

The information in this report that relates to the Mineral Resource Estimation for **Central Bore** is based on geostatistical modelling by Ravensgate using sample information and geological interpretation supplied by Gold Road. The Mineral Resource estimates were undertaken by **Mr Craig Harvey**, previously Principal Consultant at Ravensgate and **Mr Neal Leggo**, Principal Consultant at Ravensgate.

Messrs Harvey and Leggo are both Members of the Australian Institute of Geoscientists. Messrs Harvey and Leggo have sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves." Messrs Harvey and Leggo consent to the inclusion in the report of the matters based on this information in the form and context in which it appears.

### Ore Reserves

The information in this report that relates to the Ore Reserve for **Gruyere** is based on information compiled by David Varcoe. **Mr David Varcoe** is an employee of AMC Consultants and is a Member of the Australasian Institute of Mining and Metallurgy (MAusIMM).

Mr Varcoe has sufficient experience that is relevant to the style of mineralisation and type of deposits under consideration and to the activity currently being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Varcoe consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

### New Information or Data

Gold Road confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of estimates of Mineral Resources 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 changes from the original market announcement.

## Mineral Resource Estimate for the Yamarna Leases

Project Name / Category	Gruyere Project Joint Venture 100% basis			Gold Road 50%		
	Tonnes (Mt)	Grade (g/t Au)	Contained Metal (Moz Au)	Tonnes (Mt)	Grade (g/t Au)	Contained Metal (Moz Au)
<b>Gruyere Total (0.5 g/t Au)</b>	<b>147.71</b>	<b>1.30</b>	<b>6.16</b>	<b>73.85</b>	<b>1.30</b>	<b>3.08</b>
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
<b>Central Bore Total (1.0 g/t Au)</b>	<b>0.63</b>	<b>9.02</b>	<b>0.18</b>	<b>0.32</b>	<b>9.02</b>	<b>0.09</b>
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
<b>Attila Trend Total (0.7 g/t Au)</b>	<b>5.30</b>	<b>1.59</b>	<b>0.27</b>	<b>2.65</b>	<b>1.59</b>	<b>0.14</b>
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
<b>Total</b>	<b>153.64</b>	<b>1.34</b>	<b>6.61</b>	<b>76.82</b>	<b>1.34</b>	<b>3.31</b>
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 Project Joint Venture is a 50:50 joint venture between Gold Road and Gruyere Mining Company Pty Limited, a wholly owned Australian subsidiary of Gold Fields Ltd.
- Gruyere Mineral Resource reported at 0.5 g/t Au cut-off, constrained within an A\$1,700/oz Au optimised pit shell based on mining and processing parameters from the PFS 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 A\$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

## Ore Reserve Statement for the Gruyere Project

Category	Gruyere Project Joint Venture 100% basis			Gold Road 50%		
	Tonnes (Mt)	Grade (g/t Au)	Contained Metal (Moz Au)	Tonnes (Mt)	Grade (g/t Au)	Contained Metal (Moz Au)
<b>Total</b>	<b>91.57</b>	<b>1.20</b>	<b>3.52</b>	<b>45.78</b>	<b>1.20</b>	<b>1.76</b>
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 Project Joint Venture is a 50:50 joint venture between Gold Road and Gruyere Mining Company Pty Limited, a wholly owned Australian subsidiary of Gold Fields Ltd
- Gold Road holds an uncapped 1.5% net smelter return royalty on Gold Fields Ltd's share of production from the Gruyere Project Joint Venture once total gold production exceeds 2 million ounces
- The Ore Reserve is evaluated using a gold price of A\$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