Gold Road Resources Limited

Consolidated Interim Financial Report

For the six months ended 30 June 2018

Contents

GLOSSARY

Abbreviation	Term
$	All dollar amounts are in Australian dollars
Gold Road, the Company or the Group	Gold Road Resources Limited and its subsidiaries
Gold Fields	Gold Fields Limited and its subsidiaries
Gruyere JV	Gruyere Project Joint Venture
Gruyere Project	Gruyere Gold Project (ASX code: CY5)
Cygnus	Cygnus Gold Limited
Yamarna Greenstone Belt	Yamarna and Dorothy Hills Greenstone Belts which sit within the Yamarna Terrane
Sumitomo	Sumitomo Metal Mining Oceania Pty Ltd
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 2018, and the review report thereon.

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
Ian Murray	Managing Director and Chief Executive Officer (**CEO**)
Justin Osborne	Executive Director - Exploration and Growth
Sharon Warburton	Non-executive Director
Brian Levet	Non-executive Director

Company Secretary

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

Review of Operations and Financial Results

The net loss before income tax for the six months ended 30 June 2018 was $3.0 million (six months ended 31 December 2017: $3.4 million loss). Included in the loss before income tax is the impairment of exploration expenditure of $0.5 million (six months ended 31 December 2017: $1.9 million).

Loss after tax for the six months ended 30 June 2018 was $2.3 million (six months ended 31 December 2017: $2.5 million loss).

At the end of the six month period the Company had total current assets of $163.7 million (31 December 2017: $256.9 million) which includes cash and cash equivalents of $160.4 million (31 December 2017: $236.8 million), and current receivables of $2.5 million (31 December 2017: $19.2 million).

Capitalised mineral exploration and evaluation expenditure at the end of the period is $54.4 million (31 December 2017: $38.7 million) and the expenditure incurred during the six month period, before any impairment charges, is $16.2 million. Property, plant and equipment at the end of the period is $207.8 million (31 December 2017: $130.6 million) and the expenditure incurred during the six month period is $74.2 million relating to assets under construction but excluding the increase in the rehabilitation asset.

REVIEW OF DEVELOPMENT

Despite disruptive above-average rainfall in February 2018, there was significant progress in construction at the Gruyere Project. Gruyere's development is being managed by Gruyere Management Pty Ltd, a wholly owned subsidiary of Gold Fields. As at 31 August 2018, overall project engineering and construction was 95% and 68% complete, respectively, with EPC construction 49% complete, with the Gruyere Project forecast first gold production in the June 2019 quarter.

All long-lead items for the Gruyere process plant, including SAG and Ball mills, have been transported to site from Perth with installation well underway by the EPC contractor, Amec Foster Wheeler Civmec Joint Venture.

The 198 kilometre Yamarna Gas Pipeline was completed in June ahead of schedule. Integrity testing and commissioning of the 45 MW Gruyere Power Station is in progress and expected to be completed in the September 2018 quarter.

During the period, MACA Limited completed the main bulk earthworks package and is now busy with a second package of work, largely associated with the lining of the TSF.

Construction of Downer EDI's mining and workshop facilities are nearing completion ahead of the scheduled mining workforce mobilisation in the December 2018 quarter. Downer EDI, which was awarded a five-year mining services contract, is anticipating completing pre-strip activities and commencing mining ore on the Gruyere open pit in early 2019.

Process Plant

Milling, Screens, Building and Thickener Area

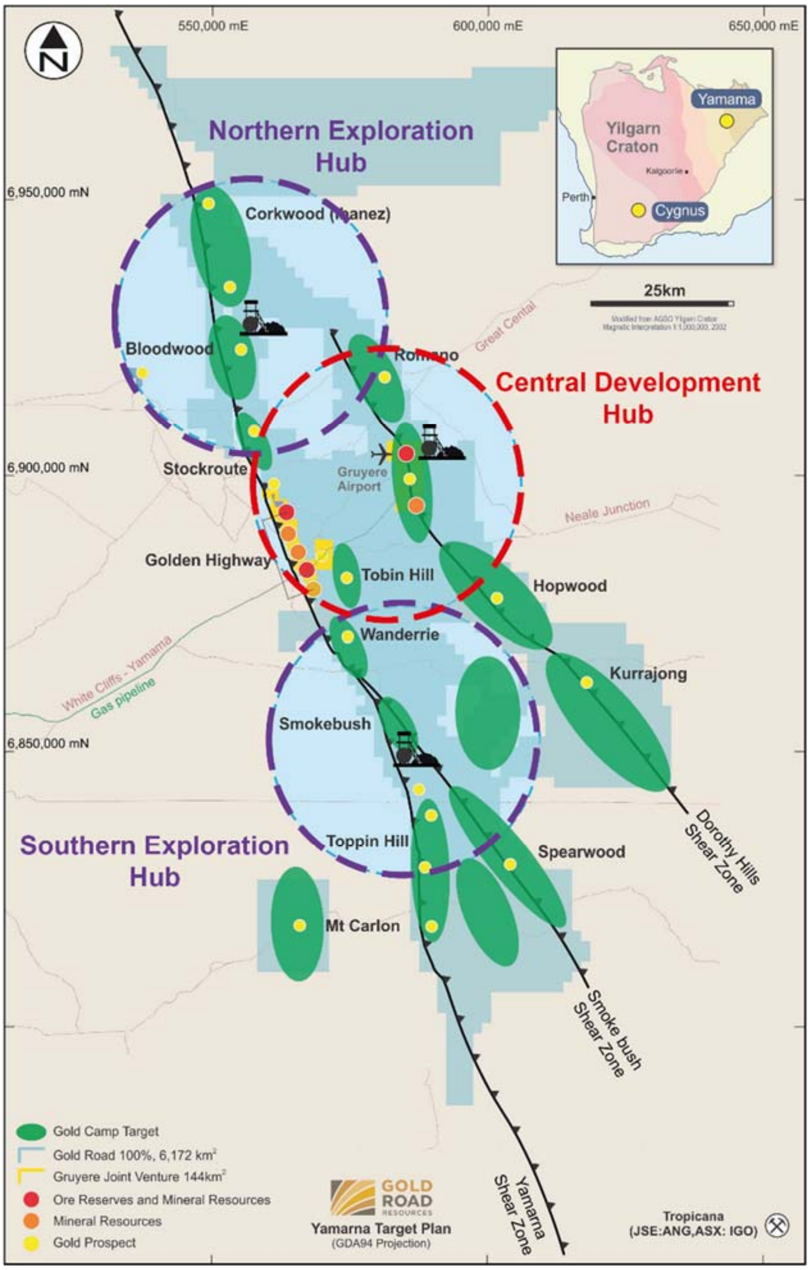
Conveyor Transfer Station

SAG and Ball Mills

Coarse Ore Stockpile Cover Frame

Review of Exploration

In early February 2018, Gold Road consolidated its ownership of the Yamarna Belt by acquiring Sumitomo Metal Mining Oceania Pty Ltd's 50% interest in the South Yamarna Project for $7 million[1]. As a result of the South Yamarna transaction, the Company now owns 100% of an approximate 6,000 square kilometre tenement package in the Yamarna region. The Gruyere JV, a 50:50 joint venture with Gold Fields Limited, holds approximately 144 square kilometres in the region.



During the interim reporting period ended 30 June 2018, the Gold Road exploration team completed its annual Yamarna exploration targeting, which formed the basis of the Company's $23 million budgeted exploration programme for 2018[2]. The highest-ranked prospects across Gold Road's 100% owned Yamarna tenements have been allocated a budget of $17 million prioritised on prospectivity and geological merits of targets. The Gruyere JV was allocated $6 million[3] to focus on resource definition drilling to develop additional high-margin satellite deposits to supplement the Gruyere mine schedule.

Exploration and development at Yamarna is focussed around three hubs. At the Central Development Hub - Gruyere and the Golden Highway, Gold Road is focussed on reserve growth to complement the Gruyere Mine Plan and construction of the Gruyere Project. The 100% owned Northern and Southern Exploration Hubs define clusters of highly prospective targets that Gold Road envisages could conceptually support future stand-alone production centres that remain the focus of greenfields exploration.

At the Lake Grace and Wadderin Earn-in JV Projects in southwest Western Australia, where Gold Road can earn up to a 75% interest by funding Cygnus' early stage exploration work, first-pass surface sampling and ground gravity surveys over high-ranking targets was completed. Follow-up aircore and RC drilling is planned for later this year[4].

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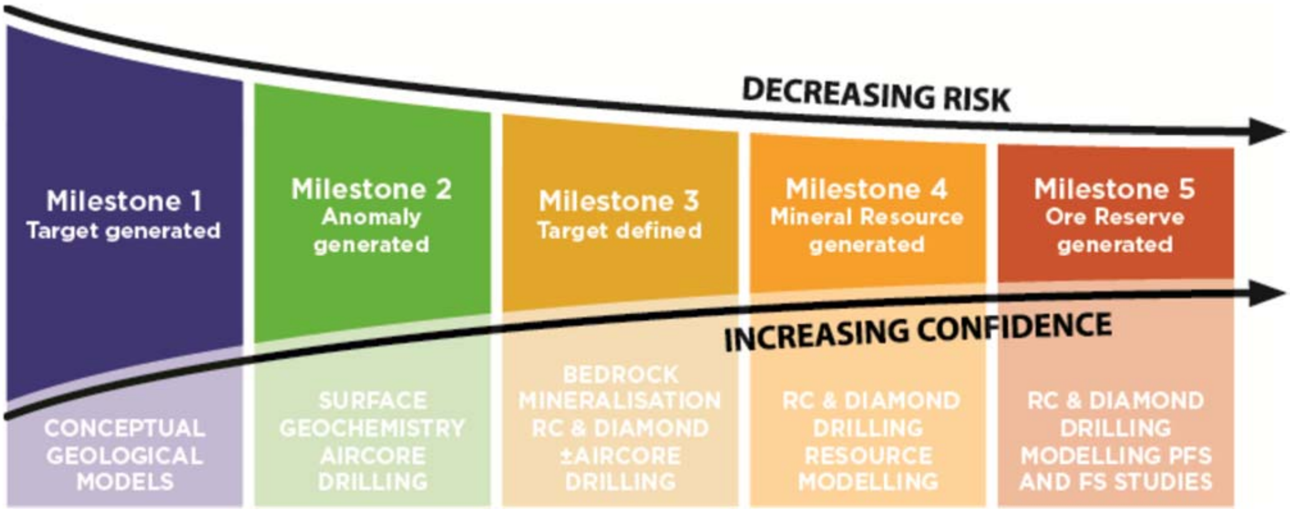
[1] ASX announcement dated 5 February 2018
[2] ASX announcement dated 5 April 2018
[3] 100% basis – Gold Road's share $3 million
[4] Cygnus ASX announcement dated 7 August 2018

Yamarna (100% Gold Road)

Commencement of drilling was affected by above-average rainfall in February 2018, which restricted access to some of the Northern Exploration Hub tenements including Ibanez, one of the higher priority targets.

Four drill rigs – one diamond, one RC and two aircore – were mobilised in March and commenced drilling on a number of priority Milestone 1 (early stage conceptual) and Milestone 3 (advanced bed rock intersections) targets. After six months into the 2018 exploration programme, the Company successfully completed bedrock drill testing on 11 Milestone 3 targets with very encouraging drill results returned from the Southern Exploration Hub at Smokebush and Gilmour in particular, which will be the focus of further activity through the remainder of 2018.



In the Southern Exploration Hub, high-grade gold mineralisation was intersected at both the Smokebush and Wanderrie Camps, and new gold anomalies defined at Tamerlane. At Smokebush, diamond and RC drilling extended the strike length to more than 1.3 kilometres of high-grade gold mineralisation, with intersections including 56.25 metres at 1.91 g/t Au from 98.75 metres, including 7.73 metres at 5.45 g/t Au from 144 metres[5]. At Wanderrie, diamond drilling confirmed the existence of high-grade mineralised shear zones on the Gilmour-Morello prospect at the south end of the 14 kilometre long Supergroup Trend. Intersections included 10.53 metres at 4.19 g/t Au from 165 metres[6].

In the Northern Exploration Hub, follow-up drilling was completed at the high grade Ibanez target with assays pending. In addition, the early stage conceptual Milestone 1 targets of Romano (along strike to the north of Gruyere) and Bloodwood (along strike to the north of the Golden Highway) received first pass aircore drill testing with assays pending.

Gruyere Project (50% Gold Road)

The exploration focus on the Gruyere JV tenements has been on pre-feasibility RC infill drilling at the Golden Highway deposits to identify high-grade mineralisation and potential extensions. Best intersections include 4 metres at 51.29 g/t Au from 9 metres and 19 metres at 5.16 g/t Au from 34 metres[7]. Pre-feasibility metallurgical and geotechnical studies and subsequent mine design work was initiated as the basis for potential maiden Ore Reserve estimates at the Montagne and Argos deposits.

[5] ASX announcement dated 9 July 2018
[6] ASX announcement dated 7 July 2018
[7] ASX announcement dated 7 July 2018

Events Occurring After Balance Date

Subsequent to the six months ended 30 June 2018, the Gruyere JV partners announced a revision of Gruyere Project's capital development budget to $621 million (100% basis, level of accuracy range -2% / +2%)[8].

Gold Road anticipates funding a total share of the capital development budget of $284 million. The remainder of the increased capital cost is to be funded by Gold Fields under the terms of the Joint Venture Agreement, which was negotiated as part of Gold Fields' acquisition of a 50% interest in the Gruyere Project in 2016[9].

On 15 August 2018, the Company announced the pending retirement of Ian Murray as Managing Director and CEO, and the appointment of his successor, Duncan Gibbs, effective from 17 September 2018. Mr Murray will remain an Executive Director and assist Mr Gibbs in the handover until the end of 2018.

Other than as noted above, there has not arisen in the interval between the six months ended 30 June 2018 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 10th day of September 2018

Tim Netscher
Non-executive Chairman

[8] ASX announcement dated 30 July 2018
[9] ASX announcement dated 7 November 2016

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 30 June 2018 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

Denise McComish
Partner

Perth

10 September 2018

Consolidated Financial Statements

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2018

	Notes	6 months ended 30 June 2018 $'000	6 months ended 31 December 2017 $'000
Other income			
Other		360	665
Total other income		360	665
Employee expenses		(1,810)	(1,526)
Equity based remuneration expense		(814)	(326)
Non-executive Directors' fees		(179)	(171)
Depreciation expense		(328)	(301)
Consultants and corporate advisory expenses		(816)	(1,193)
Legal costs		(34)	(240)
Operating lease expenses		(194)	(174)
Other expenses from ordinary activities		(1,005)	(1,162)
Exploration expenditure impaired		(459)	(1,929)
Loss before finance and income tax		(5,279)	(6,357)
Finance income		2,513	2,953
Finance expenses		(277)	-
Loss before income tax		(3,043)	(3,404)
Income tax benefit		729	923
Loss for the period		(2,314)	(2,481)
Other comprehensive loss			
Items that will not be reclassified to profit or loss			
Equity instruments at FVOCI – net change in fair value	12	(244)	-
Total comprehensive loss for the period attributed to owners of the Company		(2,558)	(2,481)
Earnings per share for profit attributable to the ordinary equity holders of the Company:		Cents	Cents
Basic loss per share		(0.29)	(0.28)
Diluted loss per share		(0.29)	(0.28)

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 2018

	Notes	30 June 2018	31 December 2017
ASSETS		$'000	$'000
Current assets			
Cash and cash equivalents	4	160,449	236,799
Trade and other receivables	7	2,450	19,218
Other financial assets	12	247	752
Current tax assets		399	-
Inventories		143	85
Total current assets		163,688	256,854
Non-current assets			
Capitalised mineral exploration and evaluation expenditure	5	54,372	38,669
Property, plant and equipment	6	207,834	130,553
Trade and other receivables	7	2,576	-
Other financial assets		1,271	-
Total non-current assets		266,053	169,222
TOTAL ASSETS		429,741	426,076
LIABILITIES			
Current liabilities			
Trade and other payables		20,426	17,857
Provisions	8	697	528
Total current liabilities		21,123	18,385
Non-current liabilities			
Deferred tax liabilities		9,678	10,407
Provisions	8	13,934	10,534
Total non-current liabilities		23,612	20,941
TOTAL LIABILITIES		44,735	39,326
Net assets		385,006	386,750
EQUITY			
Contributed equity	9	203,949	203,949
Reserves		1,570	1,086
Retained earnings		179,487	181,715
TOTAL EQUITY		385,006	386,750

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 2018

	Ordinary Shares $'000	Equity Remuneration Reserve $'000	Retained Earnings $'000	Total $'000
Balance as at 1 January 2018	203,949	1,086	181,715	386,750
Loss for the period	-	-	(2,314)	(2,314)
Other comprehensive loss for the period	-	-	(244)	(244)
Total comprehensive loss for the period	-	-	(2,558)	(2,558)
Transfer from Equity Remuneration Reserve	-	(330)	330	-
Movement in Equity Remuneration Reserve	-	814	-	814
Balance as at 30 June 2018	203,949	1,570	179,487	385,006

	Ordinary Shares $'000	Equity Remuneration Reserve $'000	Retained Earnings/ (Accumulated Losses) $'000	Total $'000
Balance as at 1 July 2017	203,669	6,068	178,888	388,625
Loss for the period	-	-	(2,481)	(2,481)
Other comprehensive income for the period	-	-	-	-
Total comprehensive loss for the period	-	-	(2,481)	(2,481)
Transfer to Equity Remuneration Reserve	-	(5,308)	5,308	-
Movement in Equity Remuneration Reserve	-	326	-	326
Transactions with equity holders in their capacity as equity holders:				
Exercise of share Options	280	-	-	280
Balance as at 31 December 2017	203,949	1,086	181,715	386,750

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 2018

	Notes	30 June 2018 $'000	31 December 2017 $'000
Cash flows from operating activities			
Interest received		3,075	3,406
Management fees received		102	169
Payments to suppliers and employees		(4,178)	(4,004)
Income tax paid		-	(397)
Net cash outflow from operating activities		(1,001)	(826)
Cash flows from investing activities			
Payments for exploration and evaluation expenditure		(7,296)	(10,683)
Payments for assets under construction		(71,997)	(40,151)
Gruyere JV contributions received		14,445	34,368
Payments for plant and equipment		(564)	(496)
Transfers from security deposits		-	154
Transfer from term deposits		-	103,760
Payments for tenement acquisition		(7,361)	(172)
Subscription for shares in Cygnus		-	(750)
Net cash (outflow)/inflow from investing activities		(72,773)	86,030
Cash flows from financing activities			
Transaction costs related to loans and borrowings		(2,576)	-
Proceeds from exercise of share Options		-	280
Net cash (outflow)/inflow from financing activities		(2,576)	280
Cash and cash equivalents at the beginning of the period		236,799	151,315
Net decrease in cash and cash equivalents		(76,350)	85,484
Cash and cash equivalents at the end of the period	4	160,449	236,799

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 Financial Statements

For the six months ended 30 June 2018

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 Australian Securities Exchange.

NOTE 2 BASIS OF PREPARATION

The interim financial statements were authorised for issue in accordance with a Resolution of the Directors on 10th September 2018.

These Consolidated Interim Financial Statements for the six months ended 30 June 2018 have been prepared in accordance with the Corporations Act 2001 and Australian Accounting Standard 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 six months ended 31 December 2017.

(a) Historical cost convention

The Consolidated Interim Financial Statements have been prepared under the historical cost convention, and on an accruals basis.

(b) Functional and presentation currency

The Consolidated Interim Financial Statements are presented in Australian dollars, which is Gold Road's functional and 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) Change of financial year end

The financial year of the Company has changed from 30 June to 31 December to align the year end date of the Gruyere JV, and our Gruyere JV partner. Accordingly, comparative figures for these financial statements cover the six month period from 1 July 2017 to 31 December 2017.

(e) 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.

(f) Accounting Policies

Except as described below, 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 six months ended 31 December 2017.

Adoption of New and Revised Accounting Standards

The Company has reviewed all new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for annual reporting periods beginning on or after 1 January 2018.

AASB 15 *Revenue from Contracts with Customers* establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaced AASB 118 *Revenue,* AASB 111 *Construction Contracts* and related interpretations.

The Group has adopted AASB 15 using the cumulative effect method to contracts that are not completed contracts at the date of initial application (1 January 2018). Under this transition approach, the adoption of AASB 15 has not had any impact on the Group's interim financial statements.

AASB 9 *Financial Instruments* sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces AASB 139 *Financial Instruments: Recognition and Measurement*.

AASB 9 largely retains the existing requirements in AASB 139 for the classification and measurement of financial liabilities. However, it eliminates the previous AASB 139 categories for financial assets of held to maturity, loans and receivables and available for sale.

The effect of adoption of AASB 9 on the carrying amounts of financial assets at 1 January 2018 relates solely to the new impairment requirement, as described further below.

As disclosed in Note 12, the Group holds equity securities which represents investments that the Group intends to hold for the long term for strategic purposes. As permitted by AASB 9, the Group has designated these investments as measured at fair value through other comprehensive income (FVOCI). Unlike AASB 139, the accumulated fair value reserve related to these investments will never be reclassified to profit or loss.

There is no impact to the carrying amount of financial assets at 30 June 2018 on adoption of AASB 9.

The changes in accounting policies will be reflected in the Group's consolidated financial statements as at and for the year ending 31 December 2018.

Early Adoption of New and Revised Accounting Standards

The Company has not elected early adoption of any new standards or amendments during the current reporting period.

FINANCIAL PERFORMANCE

NOTE 3 SEGMENT INFORMATION

The following have been identified as individual operating segments:

(a) Gruyere JV

The Gruyere JV consists of the joint operation with Gold Fields over specified mineral exploration and mine development tenements within the Dorothy Hills Trend on the Yamarna Greenstone Belt. The Gruyere JV is currently in development. Exploration activities on joint venture tenements are included in the Exploration segment.

(b) Exploration

The Exploration segment includes the activities on all mineral exploration tenements, including the Gruyere JV tenements.

(c) Unallocated

Unallocated items comprise items that cannot be directly attributed to the Gruyere JV or exploration segments and corporate costs which includes those expenditures supporting the business during the period.

The segment information for the reportable segments for the six months ended 30 June 2018 is as follows:

6 months ended 30 June 2018	Gruyere JV $'000	Exploration $'000	Unallocated $'000	Total $'000
Segment loss before tax	-	(459)	(2,584)	(3,043)
Income tax benefit	-	-	729	729
Impairment of assets	-	459	-	459
Capital expenditure additions	76,841	16,162	773	93,776
Segment assets	208,982	54,372	166,387	429,741
Segment liabilities	(31,407)	(1,937)	(11,391)	(44,735)

6 months ended 31 December 2017	Gruyere JV $'000	Exploration $'000	Unallocated $'000	Total $'000
Segment loss before tax	-	(1,929)	(1,475)	(3,404)
Income tax benefit	-	-	923	923
Impairment of assets	-	1,929	-	1,929
Capital expenditure additions	54,018	11,833	493	66,344
Segment assets	138,130	38,685	249,261	426,076
Segment liabilities	(27,960)	(1,093)	(10,273)	(39,326)

OPERATING ASSETS AND LIABILITIES

NOTE 4 CASH, CASH EQUIVALENTS AND TERM DEPOSITS

	30 June 2018 $'000	31 December 2017 $'000
Cash at bank	16,446	23,796
Short term deposits (classified as cash or cash equivalents)	144,003	213,003
Cash and cash equivalents	160,449	236,799

(a) Cash at Bank – Gruyere JV

Included in Cash at bank of $16,446,000 is $2,445,000 representing the Company's share of cash at bank held in the Gruyere JV.

NOTE 5 CAPITALISED MINERAL EXPLORATION AND EVALUATION EXPENDITURE

	30 June 2018 $'000	31 December 2017 $'000
In the exploration and evaluation phase		
Opening balance	38,669	28,765
Exploration and evaluation expenditure during the period	16,162	11,833
Exploration expenditure impaired	(459)	(1,929)
Closing balance	54,372	38,669

In reviewing the appropriateness of the capitalised mineral exploration and evaluation expenditure carried forward, the Company considered the results of recent studies undertaken and where active and significant exploration expenditure is ongoing. The Group recognised total impairment charge of $459,000 in the current period, comprising:

- $246,000 impairment in relation to capitalised mineral exploration expenditure on tenements which are not expected to be recouped through successful development and exploitation at the current and forecast gold price; and
- $213,000 of capitalised costs carried forward on tenements which were surrendered.

Exploration and evaluation expenditure includes $7.4 million (including transaction costs) for the acquisition of Sumitomo Metal Mining Oceania Pty Ltd's 50% interest in the South Yamarna Project.

NOTE 6 PROPERTY, PLANT AND EQUIPMENT

Non-current	Plant and Equipment $'000	Office and Computer Equipment $'000	Motor Vehicles $'000	Camp Buildings $'000	Assets Under Construction $'000	Mine Development Assets $000	Total $'000
Period ended 30 June 2018							
Opening net book amount	596	283	351	702	94,196	34,425	130,553
Additions	72	129	273	39	74,187	-	74,700
Reclassification to/(from)	-	259	-	-	-	(259)	-
Increase in rehabilitation asset	-	-	-	-	-	2,913	2,913
Disposals	(3)	(2)	-	-	-	-	(5)
Depreciation charge	(55)	(96)	(49)	(127)	-	-	(327)
Closing net book amount	610	573	575	614	168,383	37,079	207,834
At 30 June 2018							
Cost or fair value	1,154	1,337	965	2,467	168,383	37,079	211,385
Accumulated depreciation	(544)	(764)	(390)	(1,853)	-	-	(3,551)
Net book amount	610	573	575	614	168,383	37,079	207,834
Period ended 31 December 2017							
Opening net book amount	475	248	249	768	46,730	27,873	76,343
Additions	174	117	144	58	47,226	-	47,719
Reclassification to/(from)	-	-	-	-	240	(240)	-
Movement in rehabilitation asset	-	-	-	-	-	6,792	6,792
Depreciation charge	(53)	(82)	(42)	(124)	-	-	(301)
Closing net book amount	596	283	351	702	94,196	34,425	130,553
At 31 December 2017							
Cost or fair value	1,085	950	692	2,428	94,196	34,425	133,776
Accumulated depreciation	(489)	(667)	(341)	(1,726)	-	-	(3,223)
Net book amount	596	283	351	702	94,196	34,425	130,553

NOTE 7 TRADE AND OTHER RECEIVABLES

	30 June 2018 $'000	31 December 2017 $'000
Current		
Deferred consideration receivable	-	14,445
Interest receivable	768	1,330
Prepayments	346	190
Other receivables	1,336	3,253
Trade and other receivables	2,450	19,218
Non-Current		
Prepayments	2,576	-
Trade and other receivables	2,576	-

The deferred consideration relates to the $100,000,000 consideration payable to Gold Road by Gold Fields under the terms of the Gruyere Sale Agreement, to fund the initial cash calls during the construction phase. This amount is reduced by cash calls, or recharges, made by Gold Fields on a monthly basis for expenditure on the Gruyere JV. At 30 June 2018 deferred consideration has been called in full, leaving a balance of nil.

Non-current prepayments relates to loan facility establishment fees that are classified as transaction costs and will be deducted from the amount of the loan when it is drawn down. In May 2018, Gold Road achieved financial close of finance facilities including a $100 million Revolving Corporate Facility, a $50 million Working Capital Facility and a Gold Hedging Arrangement with a syndicate comprising ING Bank Australia, National Australia Bank and Société Générale Hong Kong. At 30 June 2018, the facilities remained undrawn.

NOTE 8 PROVISIONS

	30 June 2018			31 December 2017		
	Current $'000	Non-current $'000	Total $'000	Current $'000	Non-current $'000	Total $'000
Employee entitlements	697	1,089	1,786	528	743	1,271
Rehabilitation	-	12,845	12,845	-	9,791	9,791
	697	13,934	14,631	528	10,534	11,062

CAPITAL AND FINANCIAL RISK MANAGEMENT

NOTE 9 CONTRIBUTED EQUITY

Share capital

	30 June 2018 No.	31 December 2017 No.	30 June 2018 $'000	31 December 2017 $'000
Ordinary shares	877,498,274	877,090,400	203,949	203,949
Total share capital	877,498,274	877,090,400	203,949	203,949

(a) Movements in ordinary shares

	Number of shares (thousands)	Total $'000
Opening balance at 1 January 2018	877,090	203,949
Performance Rights exercised	408	-
Closing balance at 30 June 2018	877,498	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 Gold Road Resources Limited Employee Incentive Plan (the **Plan**), including details of Performance Rights issued, exercised and lapsed during the six month period and Performance Rights outstanding at the end of the reporting period, is set out in Note 11.

NOTE 10 DIVIDENDS

No dividends were paid or proposed during the six month period.

OTHER INFORMATION

NOTE 11 SHARE-BASED PAYMENTS

Share-based compensation payments are made available to directors and employees. The Plan provides for both share Options and Performance Rights.

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

	30 June 2018 No.	31 December 2017 No.
Outstanding at the beginning of the period	4,760,718	5,557,341
Performance Rights granted (i)	2,340,424	1,603,492
Performance Rights exercised (ii)	(407,875)	(1,882,958)
Forfeited during the period	-	(517,157)
Outstanding at the end of the period (iii)	6,693,267	4,760,718
Vested and exercisable at the end of the period	-	-

(i) Performance Rights granted during the six month period ended 30 June 2018

Number of Performance Rights Granted[2]	Fair Value at Grant Date	Grant Date	Expiry Date
381,686	$0.810[1]	16 February 2018	31 December 2018
26,189	$0.800[1]	19 March 2018	31 December 2018
966,279	$0.382[3]	25 May 2018	31 December 2021
966,270	$0.745[4]	25 May 2018	31 December 2021
2,340,424	**Total Performance Rights granted during the period**		

1. 2017 STI *Performance Rights granted subject to non-market based performance conditions.*
2. 2018 STI Performance Rights have been provisionally expensed in accordance with the accounting standards from the commencement of the performance period.
3. Relates to LTI market hurdles. Performance Rights were valued using a Monte Carlo simulation.
4. Relates to LTI Company hurdles. Performance Rights were valued using a Black-Scholes pricing model.

(ii) Performance Rights exercised during the six month period ended 30 June 2018

Number of Performance Rights Exercised	Grant Date	Vesting Date	Expiry Date
381,686	16 February 2018	16 February 2018	31 December 2018
26,189	19 March 2018	19 March 2018	31 December 2018
407,875	**Total Performance Rights exercised during the six month period**		

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

Outstanding[2]	Grant Date	Performance Period End Date[1]	Expiry Date
1,681,818	24 November 2015	31 December 2018	31 December 2019
221,311	1 July 2016	30 June 2019	30 June 2020
1,254,097	19 October 2016	30 June 2019	30 June 2020
1,603,492	17 November 2017	31 December 2020	31 December 2021
1,932,549	25 May 2018	31 December 2020	31 December 2021
6,693,267	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. *2018 STI Performance Rights have been provisionally expensed in accordance with the accounting standards from the commencement of the performance period. The Number of Performance Rights available to be granted is 656,634 for FY18.*

NOTE 12 OTHER FINANCIAL ASSETS

Included in other financial assets is the acquisition of 3,750,000 shares for $0.20 each for a total cost of $750,000 in Cygnus. At 30 June 2018, the Group recognised a reduction in the market value of the Cygnus investment of $244,000 in other comprehensive income.

NOTE 13 NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

New standards, amendments to standards and interpretations issued by the AASB which are not yet mandatorily applicable to the Group have not been applied in preparing these financial statements. Those that may be relevant to the Group are set out below.

(i) AASB 16: Leases (applicable to annual reporting periods commencing on or after 1 January 2019).

AASB 16 provides a new lessee accounting model which will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed.

Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. A lessee measures right-of-use assets similarly to other non-financial assets and lease liabilities similarly to other financial liabilities. Assets and liabilities arising from a lease are initially measured on a present value basis. The only exceptions are short term and low-value leases. The accounting for lessors will not significantly change.

It is expected the standard will affect primarily the accounting for the Group's operating leases. The Group is in the process of determining to what extent these changes will result in the recognition of an asset and a liability for future payments and how this will affect the Group's profit and classification of cash flows.

UNRECOGNISED ITEMS

NOTE 14 CONTINGENCIES

(a) Contingent liabilities

Guarantees

The Company has provided bank guarantees in favour of various service providers in respect to contractual obligations and leased premises at 30 June 2018. The total of these guarantees at 30 June 2018 was $247,000 with various financial institutions (31 December 2017: $247,000).

The Group also 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 2018 was $37,500,000 with various financial institutions (31 December 2017: $37,500,000).

There were no other material contingent liabilities noted or provided for in the financial statements of the Group as at 30 June 2018.

NOTE 15 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 2018	31 December 2017
	$'000	$'000
Within one year	4,556	3,638
	4,556	3,638

(b) Non-cancellable operating lease commitments

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

	30 June 2018	31 December 2017
	$'000	$'000
Within one year	356	346
Later than one year but not later than five years	15	187
	371	533

(c) Commitments in respect of joint ventures

The Group has the following commitments in relation to joint operation requirements:

	30 June 2018	31 December 2017
	$'000	$'000
Within one year	103,678	146,669
Later than one year but not later than five years	46,035	35,937
Later than 5 years	70,675	70,675
	220,388	253,281

NOTE 16 SIGNIFICANT EVENTS AFTER THE BALANCE DATE

Subsequent to the six months ended 30 June 2018, the Gruyere JV partners announced a revision of the Gruyere Project's capital development budget to $621 million (100% basis, level of accuracy range -2% / +2%)[10].

Gold Road estimates funding a total share of the capital development budget of $284 million. The remainder of the increased capital cost is to be funded by Gold Fields under the terms of the Joint Venture Agreement, which was negotiated as part of Gold Fields' acquisition of a 50% interest in the Gruyere Project in 2016[11].

On 15 August 2018, the Company announced the pending retirement of Ian Murray as Managing Director and Chief Executive Officer, and the appointment of his successor, Duncan Gibbs, effective from 17 September 2018. Mr Murray will remain an Executive Director and assist Mr Gibbs in the handover until the end of 2018.

Other than as noted above, there has not arisen in the interval between the interim period ended 30 June 2018 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.

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[10] ASX announcement dated 30 July 2018
[11] ASX announcement dated 7 November 2016

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:

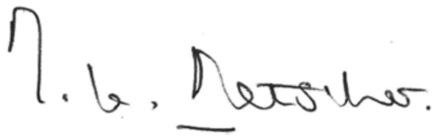
  (i) giving a true and fair view of the Group's consolidated financial position as at 30 June 2018 and of its performance, for the six month financial period ended on that date; and

  (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 10th day of September 2018



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 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 2018 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 2018
- 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
- 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*
- 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 30 June 2018 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

Denise McComish
Partner

Perth

10 September 2018

Corporate Directory

ASX Code: GOR

DIRECTORS

Tim Netscher	Non-executive Chairman
Ian Murray	Managing Director and CEO
Justin Osborne	Executive Director - Exploration and Growth
Sharon Warburton	Non-executive Director
Brian Levet	Non-executive Director

COMPANY SECRETARY

Carol Marinkovich (joint)
Hayden Bartrop (joint)

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