

2018

ANNUAL REPORT



**GOLD
ROAD**
RESOURCES

Contents

Chairman's Letter	1
01 ENVIRONMENTAL, SOCIAL & GOVERNANCE	2
Our People	2
Mental Health Initiative	3
Vital Behaviours	3
Environment	5
Community	6
Governance	8
Material Business Risks	9
Managing Director's Report	11
02 OPERATIONS	12
Gruyere Development	13
Yamarna Gold Discovery	16
2019 Outlook	21
Annual Mineral Resource and Ore Reserve Statement - December 2018	22
Tenement Schedule	26
03 FINANCIAL REPORT	28
Directors' Report	30
Remuneration Report	36
Auditor's Independence Declaration	47
Consolidated Financial Statements	48
Consolidated Statement of Profit or Loss and Other Comprehensive Income	48
Consolidated Statement of Financial Position	49
Consolidated Statement of Changes in Equity	50
Consolidated Statement of Cash Flows	51
Notes to the Consolidated Financial Statements	53
Directors' Declaration	82
Independent Auditor's Report	83
04 SHAREHOLDER INFORMATION	87
Corporate Directory	89



Chairman's Letter

Dear Shareholder,

It is my pleasure to present our Annual Report to you, at a time when your Company and our joint venture partner, Gold Fields, stand at the threshold of producing first gold from the Gruyere Project. Achieving this milestone will mark the culmination of our rapid and successful transition from the ranks of junior explorer into a mid-tier gold producer.

As announced in December¹, the updated Gruyere mine plan now delivers increased life-of-mine average annual production of approximately 300,000 ounces (100% basis). This classifies Gruyere as a global Tier 1 gold mine, based on scale of annual production, mine life exceeding 10 years, ore reserves greater than 3.6 million ounces and production costs at the lower end of the global industry cost curve.

The discovery of a high-quality gold mine lies at the heart of what gold exploration companies aspire to. Few achieve this rare goal and even fewer can lay claim to a significant stake in a new world-class mine development such as Gruyere. It takes a special team effort and outstanding organisational culture to deliver what Gold Road is on the cusp of delivering. Furthermore, the recent discovery at Gilmour highlights the potential of our team to continue discovering gold deposits which generate further shareholder value.

Your Board is incredibly proud of the effort that the Company's leadership and employees have invested in developing Gold Road into a well-run and well-regarded ASX listed mining company and employer. Importantly, I am particularly proud of your Company's reputation in the communities in which we work, reflecting how seriously Gold Road invests in our social licence to operate.

Your Company owes a considerable part of its success to the leadership of Ian Murray, who retired as Managing Director and CEO in September and handed over the reins to Duncan Gibbs in an orderly and considered transition, with Ian remaining an Executive Director of the Company until his retirement on 1 January 2019.

Ian's achievements during his decade-long role as a leader at Gold Road, during which time Gruyere was discovered and its full potential realised, were deservedly and extensively acknowledged at the time of his retirement.

Ian leaves with our best wishes as he focuses on the next chapter in his career, both as a Non-executive Director and as a continuing and tireless advocate of the mining industry.

In Duncan, a proven mine developer and operator, we believe we have found the ideal successor to lead Gold Road through our next chapter of growth, which is already being demonstrated as we complete the construction of Gruyere and commence the all-important commissioning and start-up phase.

In conclusion, the Board and I wish to thank you, our shareholders, for your ongoing support of Gold Road. We enter 2019 in a strong position – financially and operationally – and look forward to shortly celebrating with you the production of first gold from Gruyere and establishing ourselves as Australia's newest mid-tier gold producer.

Tim Netscher
Non-executive Chairman

¹ ASX announcement dated 6 December 2018

01 ENVIRONMENTAL, SOCIAL & GOVERNANCE

Our People

Our people are the key to Gold Road's ongoing success. We believe in fostering an organisational culture that values diversity and inclusiveness and provides an environment which enables both personal and professional development.



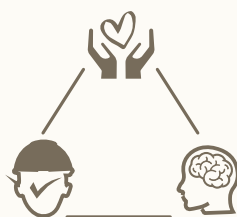
This is a journey that fosters continuous development and individual improvement, and one that Gold Road is deeply committed to.

The health, safety and wellbeing of our people is paramount and remains front and centre of everything we do at Gold Road. Our approach is best reflected in Gold Road's Company Values, which drive the way we go about our business.

During 2018, Gold Road developed Culture and Engagement surveys with all employees, which were conducted in the March and December quarters. Several actions were initiated in response to the surveys, including establishing a dedicated environmental team for exploration activities and expanding our waste management and recycling initiatives.



OUR CORE VALUES



We care for the wellbeing of all



We act with integrity



We deliver



We innovate to improve



We work as one team

Mental Health Initiative



Gold Road achieves gold in mental health initiative

Each year, one in five Australians will experience a mental illness. Throughout our lifetime, mental health illness will therefore impact many of us either directly or indirectly.

In December 2017, the Company embarked on a journey to increase our mental health awareness and leadership capability. We initiated a programme of Mental Health First Aid training for all employees which saw an initial group of Gold Road staff being certified.

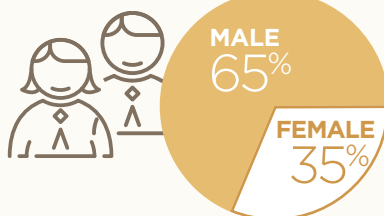
By the end of 2018, almost 100% of Gold Road leaders and 80% of our employees were trained in Mental Health First Aid. On the back of this training programme we can proudly report that Gold Road became the first organisation in the mining industry to achieve Gold Accreditation from Mental Health First Aid Australia.

The implementation of more family-friendly rosters and the incorporation of mindfulness into our work day, demonstrate further examples of our commitment to optimising the health and wellbeing of our people. The contribution and participation from our staff, emphasises our collective and unified efforts to create a healthier and safer workplace for all.



FIFO WELLBEING

- Mental Health First Aid
- Change to family friendly rosters
- September Activity and Fund Raiser
- Corporate Triathlon



PEOPLE CAPABILITY

- Au+ leader development programme
- Sustaining gender diversity and inclusiveness through organisational culture



HSE PERFORMANCE

- Further enhancements of the Vital Behaviours Programme
- Implementation of Life Critical Risks
- Improvement to HSE Auditing and Inspection Systems

Vital Behaviours

In 2018, the Company embraced and expanded the deployment of the Vital Behaviours Influencer Model across non-operational business functions to assist with delivering those functions' strategic objectives. This included implementing the Vital Behaviours programme to the management support teams of Gold Road's drilling contract partners and their operational personnel.

By the end of the year, the Vital Behaviours programme had become an integral part of the Gold Road organisation. Gold Road's Vital Behaviours for Health and Safety are **Speak Up, Follow Procedures, Support Safe Teamwork, and Seeking Hazards.**

Critical Risk Management

In 2018, we formalised our approach to Critical Risk Management with the identification of high risk tasks involving Life Critical Risks. These are the areas of risk where there is a realistic chance that a fatality or life changing injury can occur. Ten Life Critical Risk standards were developed with supporting resources to appropriately manage the risks.

The focus in 2019 will be to embed our Life Critical Risks management programme throughout our workforce and link them to our Vital Behaviours. This will ensure that our HSE systems are supported through effective health and safety behaviours. We will work closely with our new drill contractor to ensure that the Life Critical Risks applicable to their drilling activities and operations are understood and embedded within their drill teams.

LIFE CRITICAL RISKS



**1. VEHICLES
& MOVING
EQUIPMENT**



2. REMOTE WORK



**3. ROTATING &
MOVING
MACHINERY**



**4. FALL
PREVENTION
& PROTECTION**



5. ELECTRICITY



**6. LIFTING &
SUPPORTING LOADS**



**7. HIGH
PRESSURE
FLUIDS & GASSES**



**8. TYRES, WHEEL
& RIMS**

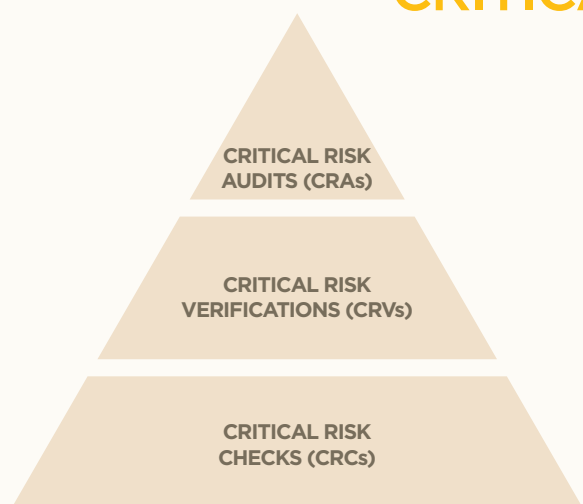


9. AVIATION



**10. CONFINED
SPACES**

CRITICAL RISK MANAGEMENT



Auditing Life Critical Risk standards to ensure they are adequate and implemented

Senior Personnel

- Executive
- Managers
- Superintendents
- Supervisors



Verifying in field using check lists that ensure critical controls are in place and effective

Senior Personnel

- Executive
- Managers
- Superintendents
- Supervisors
- Senior Geo/Field Tech



Ensuring that critical controls are known, and in place prior to commencing a task involving one or more Life Critical Risks

Frontline Workers



Environment

Reinforcing Gold Road's environmental objectives, there were no significant environmental incidents reported in 2018. Gold Road continued to improve its environmental and data management capability to ensure ongoing environmental compliance.

Our exploration team changed to personal food containers and 'keep cups' to replace the plastic disposable food containers and coffee cups that were in use.

We estimated these two small simple changes saved around 1.12 tonnes of plastic and 286 kilograms of coffee cups, preventing a total of 1.4 tonnes of waste from going to landfill.

In late 2018, we invested in a garbage compactor, which enables us to reduce the area occupied by our waste as well as allow for recyclable items to be cost-effectively transported offsite for recycling.



Community

Gold Road places a strong emphasis on the way we engage with the communities in which we operate. This focuses on our engagement with the Yilka people, on whose land we are exploring and developing Gruyere; enabling staff development through community focused programmes and supporting causes, and not-for-profit organisations whose values align with those of Gold Road.

The past year proved a busy one for Gold Road, with a broad ranging community engagement effort. Feedback from our staff made it clear that they value the extent and diversity of our community engagement and want the Company to continue our investment of time and money into these critical activities.



Mental Health First Aid training



Corporate Triathlon



RMDH Lovin From The Oven



East Waikiki Students
Primary Resources Day

Highlights of Gold Road's engagements in 2018 included:

Ronald McDonald House

Gold Road staff volunteered to spend a day cooking and baking their favourite treats for the families staying at Ronald McDonald House. This is a home away from home for regional WA families with sick children receiving hospital treatment in Perth.

Primary Resources Day

Gold Road was one of five organisations to take part in the inaugural Earth Science WA Primary Resources Day, held at Safety Bay Senior High School. The day provided the East Waikiki year 5 students with an insight into mining-related processes and work areas such as geology, safety, environment, gold panning, froth flotation and mill efficiency.

Dreamtime at the G

In May, Gold Road took 10-year-old Zali Ryder, of Yilka descent from the remote Cosmo Newberry community, and her mother Enza to Melbourne to attend the AFL Indigenous Round showpiece “Dreamtime at the G” match between Richmond and Essendon. Zali was lucky enough to be invited by the Richmond Football Club to accompany the team onto the historic MCG as their mascot for the game.



Zali - Dreamtime Game Mascot

NAIDOC Day

Around 120 representatives from Gruyere’s construction and operations crews and Gold Road’s exploration teams participated in a Community NAIDOC day hosted by members of the Yilka and Cosmo Newberry communities in the bush near the Gruyere Project.



NAIDOC day at Yamarna



Girls for Glory



Tracbar Dundee Vintage Citroen Rally

OzHarvest

Gold Road staff volunteered their time to assist OzHarvest, which collects quality excess food from commercial outlets and delivers it to various charities around Perth.

Gold Industry Group

The Company is an active member of the Gold Industry Group, which champions gold and the gold industry through activities including the popular #heartofgold discovery trails in Perth and Kalgoorlie and the Women in Gold event series.

Governance

Gold Road is committed to the highest standards of corporate governance, in line with the Company's steadfast belief that excellence in corporate governance creates a corporate culture that values integrity and ethical behaviour and reduces risk to the business.

The Company has introduced systems of control and accountability to administer and guide its corporate governance performance.

The framework of the Company's approach to corporate governance is based on the 3rd edition of the principles set out by the ASX Corporate Governance Council.

A full copy of Gold Road's Corporate Governance Statement is available on the Company's website at goldroad.com.au.

Board

Tim Netscher Non-executive Chairman	Duncan Gibbs Managing Director and CEO	Justin Osborne Executive Director, Exploration and Growth	Sharon Warburton Non-executive Director	Brian Levet Non-executive Director
--	---	--	--	---

Board Committees

Audit and Risk Committee	Executive Health, Safety and Environment Committee	Investment Committee	Remuneration and Nomination Committee
--------------------------	---	----------------------	--

Charters

Audit and Risk Committee Charter	Board Charter	Community Management Committee Charter (Gruyere JV)	Executive Health and Safety Committee Charter	Investment Committee Charter	Remuneration and Nomination Committee Charter
-------------------------------------	---------------	--	---	---------------------------------	---

Corporate Governance Policies

Anti-Corruption and Compliance Policy	Continuous Disclosure Policy	Corporate Code of Conduct	Director Related Entities	Environmental Policy	Health, Safety and Wellbeing Policy
Remuneration Policy	Risk Management Policy	Securities Trading Policy	Shareholder Communications Policy	Whistleblower Policy	

Material Business Risks

The Company, through its normal business management and the development of its strategy, is exposed to different types of risks that could adversely affect the Company's financial position, prospects or reputation.

Gold Road has a risk register which ranks all risks across the business on likelihood and severity of consequences across several categories including Financial, People, Environment, Social/Cultural Heritage, Legal and Compliance, and Reputation. For each risk the relevant controls are documented and an assessment of the controls to mitigate the risk is undertaken.

As part of the risk management system the risk register controls and effectiveness of the controls is evaluated annually.

The highest ranked residual business risks are continually monitored by the Audit and Risk Committee and periodically reviewed by the Board. The Board is also kept up-to-date on emerging risks and common risks impacting the resources industry.

Gruyere

The Gruyere JV is a key contributor to ongoing cash flow and the Company could be adversely impacted if the Gruyere Project does not deliver expected outcomes. There is a high level of confidence in the Mineral Resource and Ore Reserve modelling that has been undertaken due to high quality and well audited resource modelling, and the extensive grade-control drilling programme completed during Feasibility Studies, which validates the resource and underpins the first two years of production. The Company undertook a full suite of development studies and engaged highly competent technical advisors for the studies and engineering.

The Gruyere Project represents a \$621 million (+/-2%)² capital investment and carries with it the inherent commissioning, ramp-up and fit for purpose risk as construction nears its completion.

There continues to be a high level of focus on managing the Gruyere JV and our strategy is for an integrated and collaborative approach to all aspects of the Gruyere Project and operations. Various governance and management committees, representing both joint venture parties, regularly meet to oversee the Gruyere Project.

Gold Price

We may be adversely affected by fluctuations in gold price. As a means of protecting against the downside risk of a falling gold price, we use Australian dollar denominated gold forward sales contracts on a proportion of future gold sales. This, along with ongoing monitoring and analysis of commodity and currency markets, downside scenario analysis and contingency planning ensures we are in a position to adequately manage operating margins and cash flows.

Adverse Tax Changes

The Company is exposed to adverse tax changes. It is worth noting that the current West Australian Labor government has made two attempts to increase the gold royalty. There is no guarantee that it will not try to do so again.

Land Access

We work closely with our stakeholders to enable access to our highly prospective exploration tenement holding. In doing so, we may be exposed to delays or onerous conditions in obtaining the necessary access agreements to support exploration, development and mining activities. We are heavily focused on achieving outcomes that support our strategy, including delivering sustainable and long term benefits to our local stakeholders. We have established key performance indicators related to land access for high priority targets, and a management committee will oversee community and land access related matters. We also established a dedicated role of Land Access Senior Geologist to focus due attention to this critical business area.

Health, Safety and Environment

We recognise the importance of maintaining both a strategic, operational and tactical focus on health, safety and environment to ensure that we do not harm our people or the environment in which we work. This extends to the Gruyere JV where we value alignment with our JV partner on the desired health, safety and environmental culture of the Gruyere Project and future Operations. A sustainable value-based health, safety and environmental culture is core to Gold Road. Operational health, safety and environmental leadership is recognised as an integral component to embedding our desired culture and a number of programmes have been developed in support of this, including our Vital Behaviours and Safety Leadership programmes. We are committed to continuous improvement in relation to the management of our health, safety and environment and its performance.

Business Growth

In pursuing growth opportunities through discovery, acquisition or other means, we may be exposed to a loss of company value. We ensure appropriate technical and financial discipline is applied to our exploration activities. We recognise the importance of appropriately evaluating identified investment opportunities by applying strong governance and well defined investment criteria, with accompanying hurdles to put us in the best position to achieve success.

Opportunistic Takeover

The Board does not believe that our current share price reflects the underlying value of the Company and therefore any change of control premium is unlikely to reflect the inherent long-term value of the Company.

Ethical Conduct

Conducting business in an ethical manner is part of Gold Road's culture. These expectations extend to all contractors and suppliers, where we may be exposed to impacts of unethical conduct. Starting with the Board, significant effort is invested into instilling a culture of high ethical standards throughout the organisation.

² ASX announcement dated 30 July 2018





Managing Director's Report

I am delighted to present my first report as Managing Director and CEO since joining in September. I arrived to find a company that is in great shape as we begin in earnest our transition to becoming Australia's next mid-tier gold producer.

My 30 years of experience in the mining industry commenced in exploration and spans project studies, mine development, open pit and underground operational management and executive roles. Of key relevance to Gold Road was my role at the Tropicana Gold Mine, where I led the team that made the discovery of the 8 million ounce gold deposit. Tropicana is one of only two multi-million ounce virgin gold discoveries in Australia this century, the other being Gruyere. Following the discovery, I was appointed as the studies manager and then the initial General Manager of the operation through construction, commissioning and optimisation phases of the mine. I believe this experience will prove invaluable as your Company looks to commission and optimise Gruyere with our partners, while aspiring to discover and develop additional deposits on its 100% owned exploration package across the Yamarna Greenstone Belt.

I was attracted to Gold Road by a simple proposition – this is a great Company! Gold Road has a unique position with a 50% interest in the world-class Gruyere mine and an outstanding exploration portfolio centred on the under-explored Yamarna Greenstone Belt. Your Company has low levels of debt and has plans to generate strong cash flow from Gruyere. Combined with the Gold Road team, we have all the ingredients required to create wealth for shareholders. My experience in developing mines has taught me that a successful start-up of a world-class gold mine can deliver sustainable value for all stakeholders. This is something I am deeply committed to, and why I was so thrilled to have been given the opportunity to lead Gold Road.

As our Chairman commented, Gold Road is well positioned to join the ranks of mid-tier Australian gold producers. All your Company's efforts are currently focused

on working with our Gruyere JV partner, Gold Fields, to deliver a safe and successful mine start-up before achieving steady-state production at this world-class gold mine.

The Consolidated Financial Statements have been prepared incorporating retrospective application of a voluntary change in accounting policy adopted on 1 January 2018 relating to the exploration and evaluation expenditure. The change in accounting policy, which is explained in the Financial Statements, better aligns the Group's accounting policy with that of other mid-tier gold producers.

The net loss before income tax for the year ended 31 December 2018 was \$33.6 million. Included in the loss before income tax is exploration expenditure expensed, in line with the change in accounting policy, of \$19.3 million.

The significant exploration potential of the Yamarna Belt, combined with the well-funded and successful exploration team at Gold Road, provide the platform for the next stage of the Company's value-creating growth. Our vision, in addition to optimising Gruyere, is to build a resource and reserve base to support a new low-cost standalone mining operation with the aim of transforming Gold Road into a mid-tier S&P-ASX200 company.

Recent exploration results in the Southern Project Area, particularly at Gilmour and other advanced prospects such as Smokebush and Toppin Hill, are very exciting and provide us with the opportunity to start building up a resource base on our 100% owned tenements during 2019.

I thank the Gold Road team for their commitment and enthusiasm for your Company. I also thank you, our shareholders, for your support and look forward to meeting many more of you at our upcoming AGM.

Duncan Gibbs
Managing Director and CEO

02 OPERATIONS



Gruyere Development (50%)



300K
OUNCES

Average annual
gold production*



12
YEARS

Project mine life*



8.2
MTPA

Throughput rate
(fresh ore)*



3.92M
OUNCES

Ore Reserve*

*100% basis

The past year has seen significant progress in the development of the 6.6 million ounce Gruyere Project as the Gruyere JV (Gold Road 50%, operator Gold Fields 50%) moves toward the June 2019 quarter target for first production.

The Total Recordable Injury Frequency Rate (TRIFR) for the Gruyere Project at the end of 2018 stood at 3.8. The ongoing management of safety and wellbeing is the Gruyere JV's top priority. Efforts continue to further reduce the incident rate as construction draws to a close and to carry forward the positive momentum into commissioning and start-up. Much credit for the strong safety performance goes to the efforts of the Gruyere team and the key contractors, including the Wood Group (formerly Amec Foster Wheeler) Civmec JV, MACA, APA Group, Clark Energy, Nacap, Compass/ESS and Downer EDI Mining Pty Ltd.

An Updated Mine Plan was announced in December 2018³, confirming Gruyere as a global Tier 1 gold mine with a long life and forecast high margins based on life-of-mine average annual production of 300,000 ounces (up from 270,000 ounces per annum as per the 2016 Feasibility Study⁴).

Gruyere's mill processing capability has increased from 7.5 Mtpa to 8.2 Mtpa as a consequence of the opportunistic procurement of larger mills. Average All-in Sustaining Costs (AISC) are forecast to be \$1,025 per ounce with average All-in Costs (AIC) forecast to be \$1,030 per ounce over Gruyere's 12 year mine life.

The ore for the first two years of production has been subject to a grade-control drilling programme, which provides the Gruyere JV with greater confidence in the Ore Reserve in the early years of production.

Construction costs incurred to the end of 2018 remain on track and in-line with the \$621 million (+/-2%) final forecast capital cost estimate (100% basis), as updated in July 2018 to reflect the impact of force majeure costs, agreed scope changes, tailings storage facility design changes and increased provisional costs of certain equipment because of price inflation⁵.

Gold Road's share of this final forecast capital cost estimate is \$284 million, based on the joint venture agreement with Gold Fields. Under the terms of the joint venture agreement, Gold Fields will fund the first \$50.7 million of cost overruns within the revised budget. Gold Road remains fully funded to first gold production.

³ ASX announcement dated 6 December 2018

⁴ ASX announcement dated 19 October 2016

⁵ ASX announcement dated 30 July 2018

The Gruyere JV has substantially recruited the Operations Team in preparation for Gruyere's first gold and ramp-up to commercial production. A high level of interest was received in employment opportunities, reflecting the family friendly roster, attractive accommodation and recreational facilities, the rewarding challenges of starting a new operation and the long life of the operation. Particular focus is being placed on providing employment and contracting opportunities for the local community, e.g. labour hire, miscellaneous works, provision of minor and major plant, in order to expand the scope of local participation.

The Gruyere JV sits within the Yilka and Sullivan Edwards native title determination area. The Yilka people and the Sullivan Edwards families are the traditional owners of the land, with many of their members residing in the nearby Cosmo Newberry community. The JV partners have implemented a number of projects with Yilka, including the provision of cultural awareness training for Gruyere employees and contractors.

Downer commenced mining operations in early November 2018. Mining, with a single excavator and truck fleet, initially focused on completing the pre-strip and second-stage ROM pad development.





First ore was mined in January 2019 in line with the mining schedule. The Gruyere JV expects mining rates to peak at approximately 60 Mtpa in 2023 and average 35 Mtpa over the mine life.

At year end overall construction completed on the Gruyere Project was at 88.2%. A key milestone in the construction was the completion of the 198 kilometre Yamarna Gas Pipeline and commissioning of the Gruyere Power Station, which supplied first electricity to the Gruyere Village in November 2018.

During the year there were no reportable environmental incidents as construction of the Gruyere process plant and associated infrastructure continued.

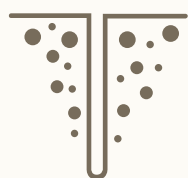
Part way through the year, Gruyere and Compass/ESS (the Village Management contractor) introduced a number of recycling initiatives, which resulted in more than 15 tonnes of cardboard,

aluminium and steel cans being diverted from landfill. Proceeds from the recycled products were donated to the Perth Children's Hospital Foundation.

Throughout the year, Gruyere developed cyanide risk management strategies to meet the International Cyanide Management Code's (ICMC) 9 Principles and 31 Standards of Practice. A pre-operational certification audit was undertaken in accordance with the ICMC protocol ahead of Gruyere progressing to full certification in 2019.

In addition to the ICMC, Gruyere began working on a framework which will align its energy and environmental risk management and practices to ISO 50001 – Energy Management and ISO 14001 – Environmental Management.

Yamarna Gold Discovery



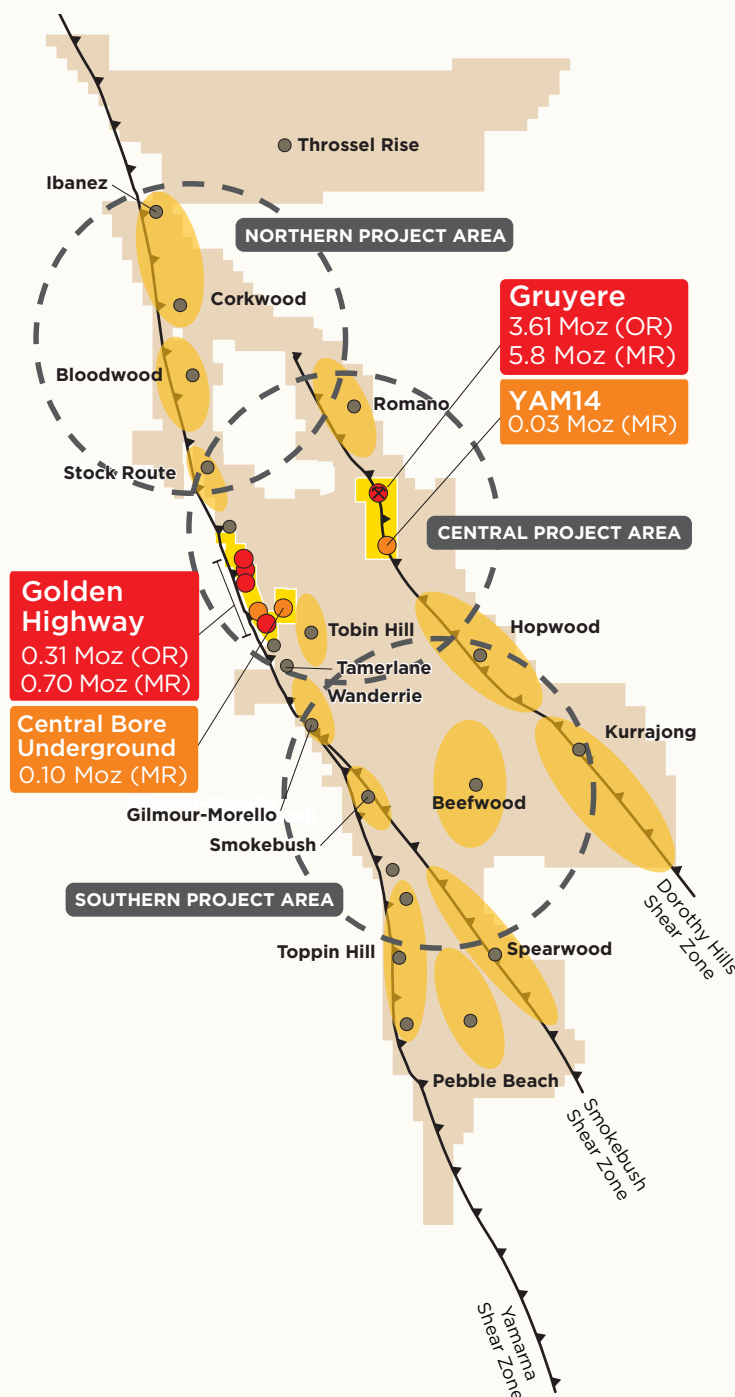
2,840
HOLES

Drilled in 2018



147,000
METRES

Drilled in 2018



The Yamarna Terrane is located 200 kilometres east of Laverton in Western Australia. The Company holds interests in tenements covering approximately 6,000 square kilometres and a strike length in excess of 180 kilometres, providing access to one of the most highly prospective yet under-explored greenstone belts in Western Australia.

The \$20 million 2018 exploration programme (100% basis) delivered significant results across the Yamarna Terrane which incorporates the Yamarna and Dorothy Hills Greenstone Belts. Gold Road completed 2,840 diamond, RC and aircore drill holes, for an aggregate total of 147,000 metres. Although overall Yamarna expenditure was 15% lower than budgeted, the full scope of the exploration programme was achieved efficiently and effectively, with the desired outcomes.

The primary focus of Gold Road's exploration activities continues to be the discovery of multi-million ounce deposits or clusters of deposits that can underpin a new stand-alone gold mine development. Gold Road divides its Yamarna exploration activities into three main areas:

- **Central Project Area (100% and 50%)** – incorporates the Gruyere JV tenements and Gold Road tenements within a 25 kilometre haulage radius from the Gruyere process plant, primarily focusing on the Gruyere to YAM14 and Golden Highway Deposits
- **Northern Project Area (100%)** – includes the Corkwood (Ibanez), Bloodwood and Stock Route Camp Scale Target areas
- **Southern Project Area (100%)** – includes the Wanderrie (Gilmour), Smokebush, Toppin Hill and Hopwood Camp Scale Target areas

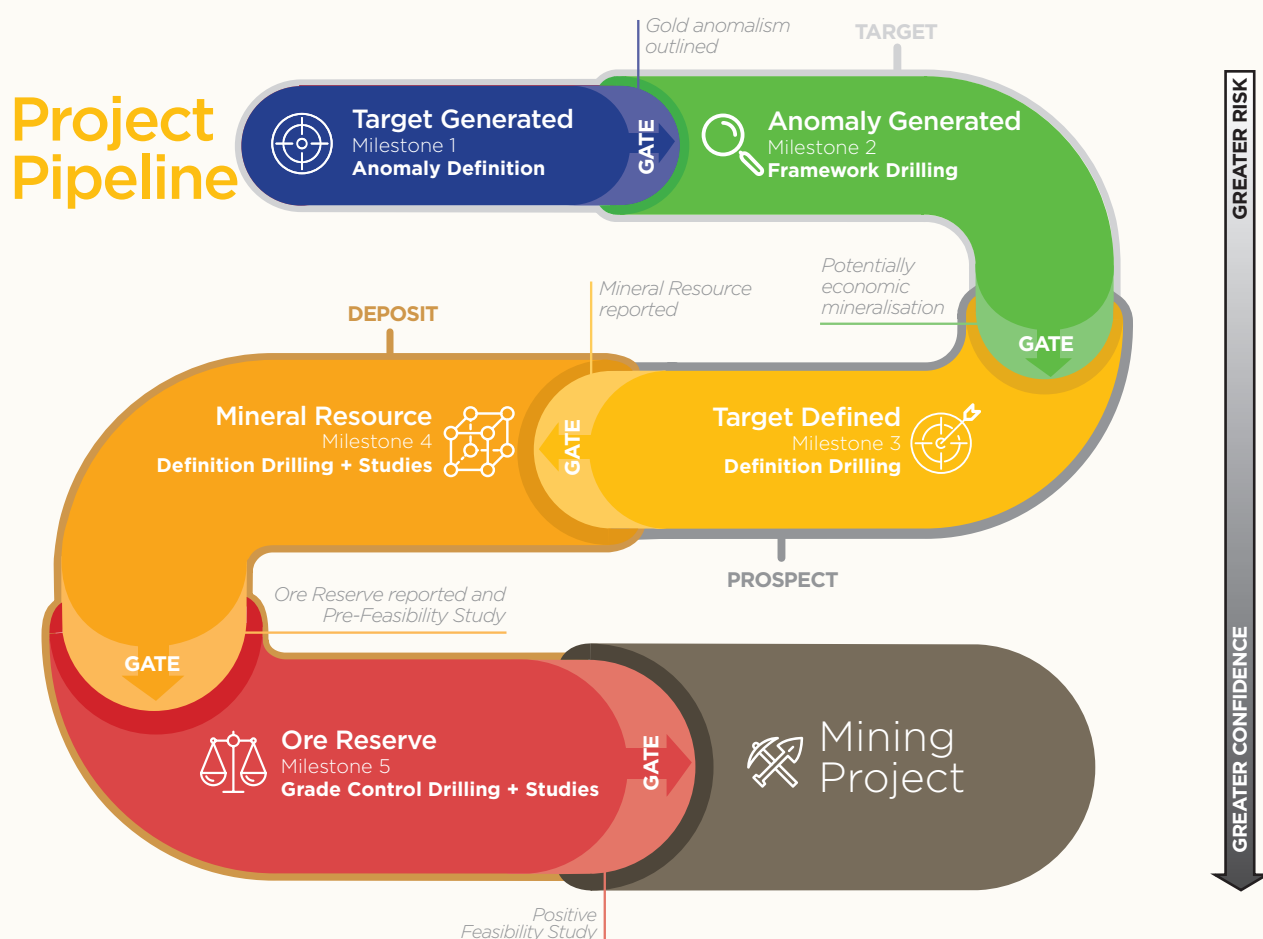
In the Central Project Area, the main effort is on the enhancement and sustainability of the Gruyere Project through discovery of satellite ore reserves on the JV tenements.

In the Northern and Southern Project Areas, our focus is on discovery success that could support stand-alone mining operations. With the development of the Gruyere Project, options are also available through the JV to monetise small high-grade discoveries thereby reducing the risk of finding 'stranded resources' which may not otherwise be profitable to develop.

Gold Road commenced 2018 with the stretch target of drill testing the 10 highest-ranked bedrock targets (Milestone 3) across the Northern and Southern Project Areas and

completing reconnaissance drilling on at least two brand new Camp Scale Target areas. By year end, the Discovery Team had successfully tested all priority bedrock (Milestone 3) targets leading to the discovery of continuous high-grade mineralisation at the Gilmour Deposit in the Southern Project Area.

Elsewhere across the extensive Yamarna tenement holding, Gold Road successfully tested several Milestone 2 and 3 targets confirming primary high-grade shear hosted gold mineralisation along the strike length of the Yamarna Shear Zone. This included promising intercepts at projects such as Ibanez and Stock Route (Northern Project Area), and Smokebush, Yaffler South and Toppin Hill (Southern Project Area).



Detailed analysis and interpretation of exploration data collected through 2018, combined with the existing database, increased our understanding of the geology and mineralising controls across the Yamarna Terrane. Analysis of all available data allowed for improved ranking and targeting of projects, and replenishment of the Project Pipeline with new targets based on both empirical data and conceptual ideas.

Following review and ranking of the Project Pipeline, an updated project list has been compiled by Milestone stage. A focus on Milestone 3 activity resulted in several Yamarna projects progressing to Milestone 4 for the first time which can now be assessed by resource-level drilling programmes. The total Project Pipeline now has 163 targets identified representing an 18% increase on this time last year.

 Milestone 1 69 +15 change*	 Milestone 2 68 +23 change*	 Milestone 3 18 -15 change*	 Milestone 4 3 No Net change*	 Milestone 5 5 +2 change*
Total: 163 Targets +23 Change*				
*change from 2017				

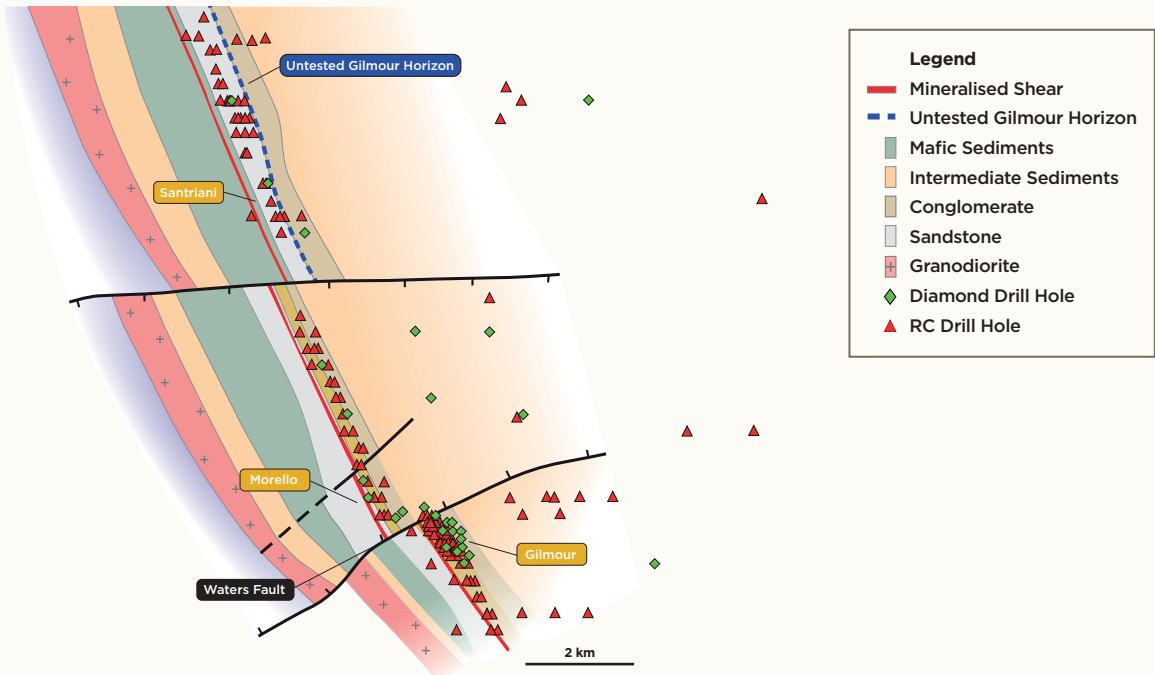
Southern Project Area



Approximately 70% of the 2018 exploration budget was dedicated to the Southern Project Area. Of the high-priority milestone targets tested, the consistent high-grade drill results from the Gilmour-Morello Project are the most exciting. The progress made on the Gilmour Deposit in defining high-grade mineralisation over encouraging strike and dip extent has elevated it to highest priority for 2019. Exploration at Gilmour-Morello will commence with step-out framework drilling aiming at scoping the larger scale potential of the mineralised system, with the objective of delivering a maiden Mineral Resource in 2019. If this can be achieved it will be a significant landmark for Gold Road as a first new resource discovered on the Yamarna Terrane since Gruyere.

Best intersections at Gilmour included 4 metres at 19.61 g/t Au from 111 metres; 8.14 metres at 7.11 g/t Au from 261 metres; 0.62 metres at 117.78 g/t Au from 340.55 metres; 1.78 metres at 29.68 g/t Au from 290 metres; and 19 metres at 2.78 g/t Au from 63 metres.

Drilling on the Gilmour Shear has so far defined gold mineralisation over a 500 metre strike length, a dip extent of 300 metres, and remains open both along strike and at depth. High-grade coarse gold mineralisation is associated with a continuous laminated quartz vein (0.3 to 1.1 metres in width) and mineralised halo (shearing and alteration) as part of the Gilmour Shear for an overall average width of 4 metres downhole.



The target areas prioritised for immediate testing now include:

- extensions to depth and strike of the Gilmour Shear
- additional high-grade shoots along the Morello Shear
- additional parallel structures to the Gilmour and Morello Shears
- additional mineralisation hosted in the east-west trending Waters Fault.

The understanding of the Gilmour mineralisation will be used to refine exploration along the 14 kilometre Wanderrie Supergroup Trend, and the greater Yamarna Greenstone Belt more generally.

Several rounds of drilling were completed on the Smokebush project targeting previously intersected high-grade mineralisation. Although diamond drilling improved the geological understanding of the high-grade dolerite hosted mineralisation, it also demonstrated complicated short scale variability in the lode structures.

The best intersection in 2018 was 56.25 metres at 1.95 g/t Au from 98.75 metres including 5.41 metres at 4.22 g/t Au from 133.65 metres and 7.73 metres at 5.45 g/t Au from 144 metres. Prior to further activity, the project will be modelled and the mining economics evaluated, with follow-up drilling dependent on positive economic indicators.

An RC drill programme concluded in mid-2018 along the Tamerlane project's 8 kilometre strike length intercepted 3 metres at 34.07 g/t Au from 111 metres including 1 metre at 98.56 g/t Au from 111 metres. Follow-up diamond and RC drill testing will be prioritised in 2019.

Further testing of the Toppin Hill and Breelya Prospects along the 10 kilometre strike length continued to deliver high-grade bedrock intersections such as 2 metres at 12.04 g/t Au from 124 metres at Toppin Hill and 8 metres at 2.77 g/t Au from 179 metres at Breelya. There is sufficient data to produce a preliminary conceptual geological model for economic assessment to determine if further follow-up infill drilling will be completed in 2019.

Northern Project Area

ROMANO II

BLOODWOOD ▶

IBANEZ II
STOCK ROUTE ▶

With much of the 2018 exploration programme focused on the Southern Project Area, Gold Road concentrated activity in the Northern Project Area on the advanced Ibanez and Stock Route (Milestone 2) Prospects.

At Ibanez, a three hole diamond programme intersected visible gold and high-grade mineralisation over narrow widths with variable geometries. Best intersections included 1.5 metres at 18.32 g/t Au from 134.08 metres and 2 metres at 10.89 g/t Au from 181 metres as well as 3 metres at 6.38 g/t Au from 180 metres. Future work will include interpretation of the geological model followed by economic evaluation. The results will then be used to re-rank Ibanez relative to other targets prior to the planning of any further drilling.

A four hole RC programme at the Stock Route Deposit intersected anomalous bedrock gold mineralisation relating to shears intersecting a granite-intrusive complex. Significant intersections included 2 metres at 3.92 g/t Au from 92 metres including 1 metre at 7.01 g/t Au from 92 metres. Further early stage drilling is planned which will include diamond drilling to establish a more detailed understanding of the mineralisation at Stock Route.

At Bloodwood, Gold Road completed a 279 hole aircore programme ahead of planned follow-up RC and diamond drilling. The aircore drilling defined a 5 kilometre long anomaly with a best intersection of 4 metres at 9.53 g/t Au from 20 metres resulting in a new Bloodwood Milestone 2 target. Given the size and continuity of the anomaly, this project has been prioritised for follow-up drill testing in the first half of 2019.

Central Project Area, including Gruyere JV (50%)



In the Central Project Area exploration was focused on Mineral Resource and Ore Reserve development of the Golden Highway Deposits (Gruyere JV tenements). Diamond and RC drilling focused on infill and extension work on the Argos, Montagne and Orleans Deposits which now host a combined 267,000 ounce Mineral Resource (100% basis).

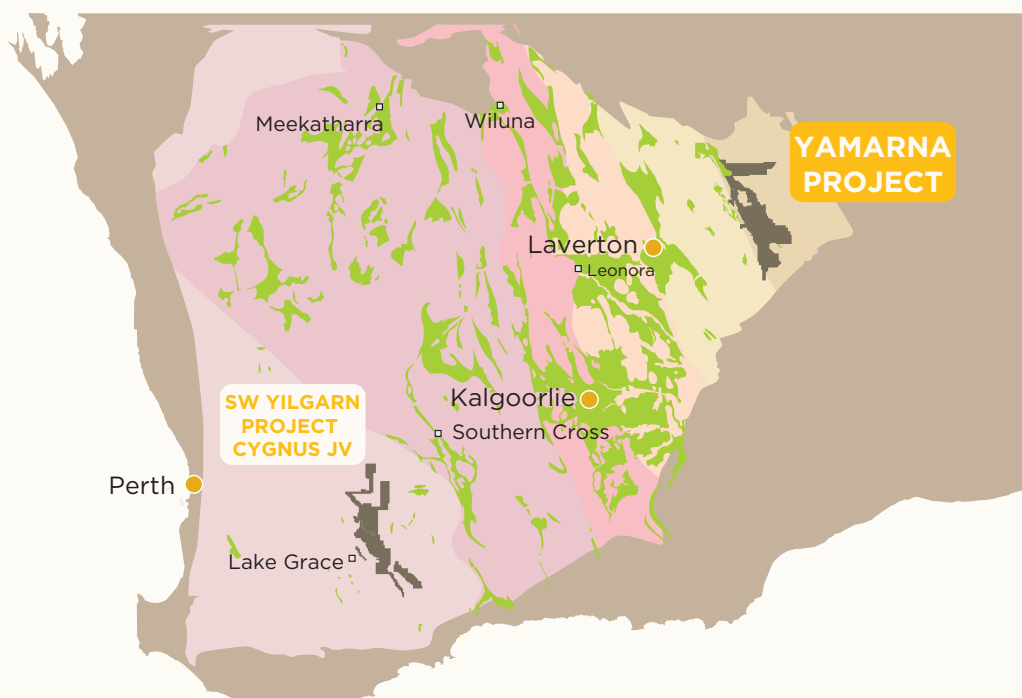
Pre-Feasibility Studies were also completed at Argos and Montagne, which resulted in the declaration of maiden Ore Reserves totalling 83,800 ounces (100% basis). The total Ore Reserve for the Golden Highway now stands at 310,000 ounces (100% basis) which will provide flexibility to the Gruyere Mine Plan.

Cygnus JV

Gold Road signed two earn-in joint venture agreements with Cygnus in late 2017 covering approximately 3,400 square kilometres of the Wadderin and Lake Grace greenfields exploration projects in the south-west of Western Australia. The earn-in agreements allow Gold Road to secure up to a 75% interest in these two areas.

Gold Road also established the Yandina Project (1,600 square kilometres) in joint venture with Cygnus with an immediate 75% ownership.

Activity in 2018 focused on gravity surveys and surface soil sampling ahead of a campaign of aircore and RC drilling that commenced in the first quarter 2019.





2019 Outlook

Gold Road has an approved total exploration budget of \$20 million across the project areas, of which \$17 million will be allocated to the Company's 100% owned Yamarna tenements, \$1.5 million to the Gruyere JV (100% basis) and \$1.5 million to the Cygnus JV (under the sole-funding earn-in process). This budget commitment confirms the Yamarna exploration programme as one of the largest of its kind in Australia, and Gold Road as one of the most active greenfields gold explorers globally.

The 2019 programme has been planned to include 40,000 to 50,000 metres of RC and diamond drilling, and approximately 75,000 metres of aircore drilling as well as geophysics across approximately 200 square kilometres of unexplored tenure.

The priority focus for 2019 will be to define the full extent of the mineralised system on the Gilmour-Morello Project prior to infill drilling at Gilmour in support of a maiden Mineral Resource.

Annual Mineral Resource and Ore Reserve Statement - December 2018

Yamarna Ore Reserve Estimate

The Annual Ore Reserve⁶ has been compiled in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code 2012 Edition), Chapter 5 of the ASX Listing Rules and ASX Guidance Note 31.

The Ore Reserves are reported on a 100% basis (Tables 1 and 2), and are derived from Gruyere, and the Golden Highway Deposits which include Attila, Alaric, Argos and Montagne, all of which are within the Gruyere JV tenements. The Ore Reserve totals 97.20 million tonnes at 1.25 g/t Au for 3.92 million ounces of gold. The Ore Reserve increased by 176,000 ounces (+5%) from the previous Ore Reserve at December 2017. The Gruyere estimate is based on ongoing operational studies, while the Golden Highway estimate is based on Pre-Feasibility Studies (PFS) completed by Gold Road. Ore Reserves are constrained within and reported at a \$1,600 per ounce gold price based on an optimised mine design.

The Ore Reserves are estimated from their respective Mineral Resources after consideration of the level of confidence and by taking account of material and relevant modifying factors. The Proved Ore Reserve estimate is based on the Measured Mineral Resources.

The Probable Ore Reserve estimate is based on the Indicated Mineral Resources. No Inferred Mineral Resources have been included in the Ore Reserve.

Following modifications to the mine design submitted for the operational plan, and updates to the geology and grade model, the Ore Reserve at Gruyere has increased by 46,500 ounces at 5% higher grade. Grade control drilling completed in 2017 converted 79,000 ounces to the Proved category with minimal variance from the Probable estimate previously reported.

The Golden Highway Ore Reserves are within economic trucking distance of the Gruyere process plant and provide a source of supplementary mill feed during Gruyere's mine life. Maiden Ore Reserves are declared for the Montagne and Argos Deposits containing a total of 66,100 ounces and 17,700 ounces of gold respectively within new open pit designs. The existing Ore Reserves at Attila and Alaric have increased by 17,800 and 27,900 ounces of gold respectively, following modifications to the mine design incorporating reductions to mining and processing costs.

The additional Ore Reserves from Gruyere and the Golden Highway will be available for future life-of-mine updates beyond the Gruyere Mine Plan published in December 2018⁷.

Table 1: Ore Reserve comparison to December 2017 (total Proved and Probable)

Project Name	Ore Reserve - December 2018			Previous Ore Reserve - December 2017		
	Tonnes (Mt)	Grade (g/t Au)	Contained Metal (Moz Au)	Tonnes (Mt)	Grade (g/t Au)	Contained Metal (Moz Au)
Gruyere	90.65	1.24	3.61	93.76	1.18	3.56
Attila	3.61	1.54	0.18	3.21	1.55	0.16
Alaric	0.99	1.44	0.05	0.38	1.49	0.02
Golden Highway	1.50	1.37	0.07	-	-	-
Argos	0.44	1.26	0.02	-	-	-
Total	6.54	1.46	0.31	3.59	1.55	0.18
Total 100% Basis	97.20	1.25	3.92	97.35	1.20	3.74
Gold Road Attributable	48.60	1.25	1.96	48.68	1.20	1.87

⁶ ASX announcement dated 19 February 2019

⁷ ASX announcement dated 6 December 2018

Table 2: Ore Reserve Estimate - December 2018

Project Name		Gruyere 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)
Gruyere	Proved	16.84	1.11	0.60	8.42	1.11	0.30
	Probable	73.81	1.27	3.01	36.91	1.27	1.50
	Total	90.65	1.24	3.61	45.33	1.24	1.80
Golden Highway	Proved	0.32	1.67	0.02	0.16	1.67	0.01
	Probable	6.22	1.45	0.29	3.11	1.45	0.15
	Total	6.54	1.46	0.31	3.27	1.46	0.15
Total	Proved	17.16	1.13	0.62	8.58	1.13	0.31
	Probable	80.03	1.28	3.30	40.02	1.28	1.65
	Total	97.20	1.25	3.92	48.60	1.25	1.96

Notes: (Tables 1 and 2)

- All Ore Reserves are completed in accordance with the JORC Code 2012 Edition
- All figures are rounded to reflect appropriate levels of confidence. Apparent differences may occur due to rounding
- The Gruyere JV is a 50:50 joint venture between Gold Road and Gruyere Mining Company Pty Ltd, a wholly owned Australian subsidiary of Gold Fields Limited. Figures are reported on a 100% basis unless otherwise specified, 50% is attributable to Gold Road
- Gold Road holds an uncapped 1.5% net smelter return royalty on Gold Field's share of production from the Gruyere JV once total gold production exceeds 2 million ounces
- The Ore Reserves are constrained within a \$1,600/oz mine design derived from mining, processing and geotechnical parameters as defined by PFS and operational studies
- The Ore Reserve is evaluated using variable cut-off grades: Gruyere - 0.30 g/t Au, Attila - 0.65 g/t Au (fresh), 0.58 g/t Au (transition), 0.53 g/t Au (oxide). Alaric - 0.59 g/t Au (fresh), 0.56 g/t Au (transition), 0.53 g/t Au (oxide), Montagne - 0.64 g/t Au (fresh), 0.60 g/t Au (transition), 0.58 g/t Au (oxide), Argos - 0.66 g/t Au (fresh), 0.64 g/t Au (transition), 0.59 g/t Au (oxide)
- Ore block tonnage dilution averages and gold loss estimates: Gruyere - 4.9% and 0.4%. Attila - 14% and 3%. Alaric - 20% and 6%. Montagne - 9% and 7%. Argos - 10% and 12%
- All dollar amounts are in Australian dollars unless otherwise stated

Mineral Resource Estimate

The Annual Mineral Resource⁸ has been compiled in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code 2012 Edition), Chapter 5 of the ASX Listing Rules and ASX Guidance Note 31.

The Mineral Resource as at December 2018 stands at 155.37 million tonnes at 1.32 g/t Au for 6.61 million ounces, an increase of 2% from the Mineral Resource reported at December 2017 (Tables 3 and 4). The Mineral Resource is derived from the Gruyere Deposit, the Golden Highway Deposits, YAM14 and Central Bore, all of which are within

the Gruyere JV tenements. Mineral Resources are reported on a 100% basis and are constrained within optimised pit shells or underground stope shapes based on a \$1,850 per ounce gold price, deposit-specific modifying factors and cut-off grades. The Gruyere Mineral Resource decreased by 1.7% to 139.56 million tonnes at 1.29 g/t Au for 5.78 million ounces due to changes to the geology model and estimation methodology.

Central Bore has been re-instated as a Mineral Resource following detailed re-interpretation of the geology, and appropriate consideration of the potential for economic extraction utilising underground Mineable Stope Optimisation software.

Table 3: Mineral Resource comparison to December 2017 (total Measured, Indicated and Inferred categories)

Project Name		Mineral Resource - December 2018			Previous Mineral Resource - December 2017		
		Tonnes (Mt)	Grade (g/t Au)	Contained Metal (Moz Au)	Tonnes (Mt)	Grade (g/t Au)	Contained Metal (Moz Au)
Gruyere		139.56	1.29	5.78	143.46	1.27	5.88
YAM14		0.85	1.21	0.03	0.87	1.21	0.03
Central Bore		0.24	13.05	0.10	-	-	-
	<i>Attila</i>	5.95	1.62	0.31	5.58	1.65	0.30
	<i>Orleans</i>	1.01	1.64	0.05	-	-	-
Golden Highway	<i>Argos</i>	2.17	1.20	0.08	1.92	1.27	0.08
	<i>Montagne</i>	3.21	1.26	0.13	2.97	1.34	0.13
	<i>Alaric</i>	2.38	1.53	0.12	1.85	1.57	0.09
	Total	14.72	1.47	0.70	12.32	1.50	0.60
Total 100% Basis		155.37	1.32	6.61	156.65	1.29	6.51
Gold Road Attributable		77.69	1.32	3.31	78.32	1.29	3.25

8 ASX announcement dated 19 February 2019

The Mineral Resource totals 241,500 tonnes at 13.05 g/t Au for 101,300 ounces and is constrained inside optimised stopes assuming a 1.5 metre minimum width and a 3.5 g/t Au cut-off. Due to the narrow nature of the high-grade mineralisation, Gold Road considers it appropriate to report the diluted grade for this Deposit.

The Mineral Resource for YAM14 remains materially unchanged at 853,500 tonnes at 1.21 g/t Au for 33,300 ounces following optimisation with only minor changes to modifying factors. YAM14 is a deeply weathered, shallow open pit position that could potentially provide supplementary feed to the Gruyere process plant, which is situated 8 kilometres north of the Deposit.

The Mineral Resource for the Golden Highway Deposits, approximately 25 kilometres to the west of Gruyere, increased by 99,300 ounces to 695,100 ounces as follows:

- Attila Mineral Resource increased 5% (15,100 ounces) to 5.95 million tonnes at 1.62 g/t Au for 310,900 ounces, based on updated modifying factors
- Alaric Mineral Resource increased 26% (23,900 ounces) to 2.38 million tonnes at 1.53 g/t Au for 117,200 ounces based on updated modifying factors
- Argos Mineral Resource increased 7% (5,500 ounces) to 2.17 million tonnes at 1.20 g/t Au for 83,800 ounces based on updated modifying factors and additional drilling
- Montagne Mineral Resource increased 1% (1,700 ounces) to 3.21 million tonnes at 1.26 g/t Au for 130,100 ounces based on updated modifying factors and additional drilling
- Orleans Mineral Resource added 1.01 million tonnes at 1.64 g/t Au for 53,100 ounces based on additional drilling and a new resource estimate

Table 4: Mineral Resource Estimate – December 2018

Project Name /Category		Gruyere 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)
Gruyere	Measured	16.44	1.17	0.62	8.22	1.17	0.31
	Indicated	88.53	1.30	3.71	44.26	1.30	1.85
	Measured and Indicated	104.97	1.28	4.32	52.49	1.28	2.16
	Inferred	34.59	1.31	1.46	17.30	1.31	0.73
	Total	139.56	1.29	5.78	69.78	1.29	2.89
Golden Highway + YAM14	Measured	0.29	1.99	0.02	0.14	1.99	0.01
	Indicated	11.33	1.48	0.54	5.67	1.48	0.27
	Measured and Indicated	11.62	1.50	0.56	5.81	1.50	0.28
	Inferred	3.95	1.33	0.17	1.98	1.33	0.08
	Total	15.57	1.46	0.73	7.78	1.46	0.36
Central Bore	Measured	-	-	-	-	-	-
	Indicated	-	-	-	-	-	-
	Measured and Indicated	-	-	-	-	-	-
	Inferred	0.24	13.05	0.10	0.12	13.05	0.05
	Total	0.24	13.05	0.10	0.12	13.05	0.05
Total	Measured	16.73	1.18	0.64	8.37	1.18	0.32
	Indicated	99.86	1.32	4.25	49.93	1.32	2.12
	Measured and Indicated	116.59	1.30	4.88	58.29	1.30	2.44
	Inferred	38.78	1.39	1.73	19.39	1.39	0.86
	Total	155.37	1.32	6.61	77.69	1.32	3.31

Notes: (Tables 3 and 4)

- All Mineral Resources are completed in accordance with the JORC Code 2012 Edition
- All figures are rounded to reflect appropriate levels of confidence. Apparent differences may occur due to rounding
- Mineral Resources are inclusive of Ore Reserves
- The Gruyere JV is a 50:50 joint venture between Gold Road and Gruyere Mining Company Pty Ltd, a wholly owned Australian subsidiary of Gold Fields Limited. Figures are reported on a 100% basis unless otherwise specified, 50% is attributable to Gold Road
- All Open Pit Mineral Resources are reported at various cut-off grades allowing for processing costs, recovery and haulage to the Gruyere mill. Gruyere - 0.30 g/t Au. Attila, Argos, Montagne, Orleans, and Alaric - 0.50 g/t Au. YAM14 - 0.40 g/t Au
- All Open Pit Mineral Resources are constrained within a \$1,850/oz optimised pit shell derived from mining, processing and geotechnical parameters from ongoing PFS and operational studies
- Underground Mineral Resources at Central Bore are constrained within a 1.5m wide optimised stope with a 3.5 g/t Au cut-off reflective of a \$1,850/oz gold price
- All dollar amounts are in Australian dollars unless otherwise stated

Competent Persons Statements

Exploration Results

The information in this report which relates to Exploration Results is based on information compiled by Mr Justin Osborne, Executive Director-Exploration and Growth for Gold Road. Mr Osborne is an employee of Gold Road, and a Fellow of the Australasian Institute of Mining and Metallurgy (FAusIMM 209333). Mr Osborne is a shareholder and a holder of Performance Rights. 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 Mark Roux. Mr Roux is an employee of Gold Fields Australia, is a Member of the Australasian Institute of Mining and Metallurgy (MAusIMM 324099) and is registered as a Professional Natural Scientist (400136/09) with the South African Council for Natural Scientific Professions. Mr Justin Osborne, Executive Director-Exploration and Growth for Gold Road and Mr John Donaldson, General Manager Geology for Gold Road have endorsed the Mineral Resource for Gruyere on behalf of Gold Road.

- Mr Osborne is an employee of Gold Road and a Fellow of the Australasian Institute of Mining and Metallurgy (FAusIMM 209333). Mr Osborne is a shareholder and a holder of Performance Rights.
- Mr Donaldson is an employee of Gold Road and a Member of the Australian Institute of Geoscientists and a Registered Professional Geoscientist (MAIG RPGeo Mining 10147). Mr Donaldson is a shareholder and a holder of Performance Rights.

The information in this report that relates to the Mineral Resource estimation for Attila, Orleans, Argos, Montagne, Alaric, YAM14 and Central Bore is based on information compiled by Mr Justin Osborne, Executive Director-Exploration and Growth for Gold Road, Mr John Donaldson, General Manager Geology for Gold Road and Mrs Jane Levett, Principal Resource Geologist for Gold Road.

- Mrs 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 Roux, 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 Roux, 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.

Ore Reserves

The information in this report that relates to the Ore Reserve estimation for Gruyere is based on information compiled by Mr Daniel Worthy. Mr Worthy was an employee of Gruyere Mining Company Pty Ltd and a Member of the Australasian Institute of Mining and Metallurgy (MAusIMM 208354). Mr Max Sheppard, Principal Mining Engineer for Gold Road has endorsed the Ore Reserve estimation for Gruyere on behalf of Gold Road.

- Mr Sheppard is an employee of Gold Road and is a Member of the Australasian Institute of Mining and Metallurgy (MAusIMM 106864).

The information in this report that relates to the Ore Reserve estimation for Attila, Argos, Montagne and Alaric, is based on information compiled by Mr Max Sheppard, Principal Mining Engineer for Gold Road.

Mr Worthy and Mr Sheppard have 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 Worthy and Mr Sheppard consent to the inclusion in this announcement of the matters based on this 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 changed from the original market announcement.

Tenement Schedule

EXPLORATION LICENCES

Number	Tenement Holder	Status
E38/1083	Yamarna	Granted
E38/1388	Yamarna	Granted
E38/1858	Yamarna	Granted
E38/1931	Yamarna	Granted
E38/1964	Gruyere JV^	Granted
E38/2178	Yamarna	Granted
E38/2235	Yamarna	Granted
E38/2236	Yamarna	Granted
E38/2249	Yamarna	Granted
E38/2250	Yamarna	Granted
E38/2291	Yamarna	Granted
E38/2292	Yamarna	Granted
E38/2293	Yamarna	Granted
E38/2294	Yamarna	Granted
E38/2319	Yamarna	Granted
E38/2325	Yamarna	Granted
E38/2326	Yamarna	Granted
E38/2355	Yamarna	Granted
E38/2356	Yamarna	Granted
E38/2362	Yamarna	Granted
E38/2363	Yamarna	Granted
E38/2415	Yamarna	Granted
E38/2427	Yamarna	Granted
E38/2446	Yamarna	Granted
E38/2447	Yamarna	Granted
E38/2507	Yamarna	Granted
E38/2513	Yamarna	Granted
E38/2529	Yamarna	Granted
E38/2531	Yamarna	Granted
E38/2735	Yamarna	Granted
E38/2766	Yamarna	Granted
E38/2794	Yamarna	Granted
E38/2797	Yamarna	Granted
E38/2798	Yamarna	Granted
E38/2836	Yamarna	Granted
E38/2860	Yamarna	Granted
E38/2902	Yamarna	Granted
E38/2913	Yamarna	Granted
E38/2917	Yamarna	Granted
E38/2930	Yamarna	Granted
E38/2931	Yamarna	Granted
E38/2932	Yamarna	Granted
E38/2944	Yamarna	Granted
E38/2964	Yamarna	Granted
E38/2965	Yamarna	Granted

Number	Tenement Holder	Status
E38/2966	Yamarna	Granted
E38/2967	Yamarna	Granted
E38/2968	Yamarna	Granted
E38/2987	Yamarna	Granted
E38/3041	Yamarna	Granted
E38/3104	Yamarna	Granted
E38/3105	Yamarna	Granted
E38/3106	Yamarna	Granted
E38/3107	Yamarna	Granted
E38/3207	Yamarna	Granted
E38/3221	Yamarna	Granted
E38/3222	Yamarna	Granted
E38/3223	Yamarna	Granted
E38/3248	Yamarna	Granted
E38/3262	Yamarna	Granted
E38/3266	Yamarna	Granted
E38/3267	Yamarna	Granted
E38/3268	Yamarna	Granted
E38/3269	Yamarna	Application
E38/3275	Yamarna	Granted
E38/3276	Yamarna	Granted
E38/3284	Yamarna	Granted
E38/3285	Yamarna	Granted
E38/3287	Yamarna	Granted
E38/3334	Yamarna	Application
E70/4853	Cygnus JV#	Granted
E70/4855	Cygnus JV#	Granted
E70/4911	Cygnus JV#	Granted
E70/4939	Cygnus JV#	Granted
E70/4989	Cygnus JV#	Granted
E70/4990	Cygnus JV#	Granted
E70/4991	Cygnus JV#	Granted
E70/5017	Cygnus JV#	Granted
E70/5018	Cygnus JV#	Granted
E70/5019	Cygnus JV#	Granted
E70/5020	Cygnus JV#	Granted
E70/5021	Cygnus JV#	Granted
E70/5098	Cygnus JV#	Granted
E70/5099	Cygnus JV#	Granted
E70/5100	Cygnus JV#	Granted
E70/5101	Cygnus JV#	Granted
E70/5230	Cygnus JV#	Application
E70/5231	Cygnus JV#	Application
E70/5232	Cygnus JV#	Application

MISCELLANEOUS LICENCES

Tenement		
Number	Holder	Status
L38/180	Gruyere JV^	Granted
L38/186	Gruyere JV^	Granted
L38/210	Gruyere JV^	Granted
L38/211	Gruyere JV^	Granted
L38/227	Gruyere JV^	Granted
L38/230	Gruyere JV^	Granted
L38/233	Gruyere JV^	Granted
L38/235	Gruyere JV^	Granted
L38/236	Yamarna	Granted
L38/237	Gruyere JV^	Granted
L38/250	Gruyere JV^	Granted
L38/251	Gruyere JV^	Granted
L38/252	Gruyere JV^	Granted
L38/253	Gruyere JV^	Granted
L38/254	Gruyere JV^	Granted
L38/255	Gruyere JV^	Granted
L38/256	Gruyere JV^	Granted
L38/259	Gruyere JV^	Granted
L38/260	Gruyere JV^	Granted
L38/266	Gruyere JV^	Granted
L38/267	Gruyere JV^	Granted
L38/268	Gruyere JV^	Granted
L38/269	Gruyere JV^	Granted
L38/270	Gruyere JV^	Granted
L38/271	Gruyere JV^	Granted
L38/272	Gruyere JV^	Granted
L38/273	Gruyere JV^	Granted
L38/274	Gruyere JV^	Granted
L38/275	Gruyere JV^	Granted

Tenement		
Number	Holder	Status
L38/276	Gruyere JV^	Granted
L38/278	Gruyere JV^	Granted
L38/279	Gruyere JV^	Granted
L38/280	Gruyere JV^	Granted
L38/281	Gruyere JV^	Granted
L38/282	Gruyere JV^	Granted
L38/283	Gruyere JV^	Granted
L38/284	Gruyere JV^	Granted
L38/285	Gruyere JV^	Granted
L38/286	Gruyere JV^	Granted
L38/293	Gruyere JV^	Granted
L38/294	Gruyere JV^	Granted
L38/295	Gruyere JV^	Granted
L38/296	Gruyere JV^	Granted
L38/297	Gruyere JV^	Granted
L38/298	Gruyere JV^	Granted
L38/299	Gruyere JV^	Granted
L38/300	Gruyere JV^	Granted
L38/301	Gruyere JV^	Granted
L38/302	Gruyere JV^	Granted
L38/303	Gruyere JV^	Granted
L38/304	Gruyere JV^	Granted
L38/305	Gruyere JV^	Granted
L38/306	Gruyere JV^	Granted
L38/307	Gruyere JV^	Granted
L38/309	Gruyere JV^	Granted
L38/310	Gruyere JV^	Granted
L38/311	Yamarna	Granted

MINING LICENCES

Tenement		
Number	Holder	Status
M38/435	Gruyere JV^	Granted
M38/436	Gruyere JV^	Granted
M38/437	Gruyere JV^	Granted
M38/438	Gruyere JV^	Granted
M38/439	Gruyere JV^	Granted
M38/788	Gruyere JV^	Granted
M38/814	Gruyere JV^	Granted

Tenement		
Number	Holder	Status
M38/841	Gruyere JV^	Granted
M38/1178	Gruyere JV^	Granted
M38/1179	Gruyere JV^	Granted
M38/1255	Gruyere JV^	Granted
M38/1267	Gruyere JV^	Granted
M38/1279	Gruyere JV^	Application

PROSPECTIVE LICENCES

Tenement		
Number	Holder	Status
P38/3869	Yamarna	Granted
P38/3870	Yamarna	Granted
P38/3887	Yamarna	Granted
P38/3896	Yamarna	Granted
P38/4193	Yamarna	Granted
P38/4194	Yamarna	Granted
P38/4196	Yamarna	Granted
P38/4197	Yamarna	Granted

Tenement		
Number	Holder	Status
P38/4198	Yamarna	Granted
P38/4399	Yamarna	Granted
P38/4400	Yamarna	Granted
P38/4401	Yamarna	Granted
P38/4436	Yamarna	Granted
P38/4478	Yamarna	Application

Notes : Gold Road is 100% owner of all the Yamarna tenements listed, and 50% owner of the Gruyere Joint Venture (Gruyere JV^) (50% held by Gold Fields Ltd) and holds an earn-in interest in the Cygnus tenements through the joint venture agreements (Cygnus JV#). Tenement listing as at 28 February 2019.

03 FINANCIAL REPORT





Directors' Report

The Directors present their report on Gold Road for the year ended 31 December 2018.

DIRECTORS

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

Timothy Netscher	Non-executive Chairman
Duncan Gibbs	Managing Director and CEO (Appointed 17 September 2018)
Ian Murray	Managing Director and CEO (ceased as Managing Director and CEO on 17 September 2018, continued as Executive Director until retirement on 1 January 2019)
Justin Osborne	Executive Director - Exploration and Growth
Sharon Warburton	Non-executive Director
Brian Levet	Non-executive Director

TIMOTHY NETSCHER

Non-executive Chairman

Mr Netscher was appointed on 1 September 2014 as Non-executive Director and as Non-executive Chairman on 1 July 2016. He is also a member of the Audit & Risk Committee and the Remuneration & Nomination Committee.

Mr Netscher is an experienced international mining executive with extensive operational, project development, transactional and sustainability experience gained in senior executive and board roles over many years. His key executive positions during the past 25 years included Managing Director and CEO of Gindalbie Metals Ltd, Senior Vice President Asia Pacific Region of Newmont Inc., Managing Director of Vale Coal Australia, President of P T Inco and Executive Director of Refining & New Business at Impala Platinum Ltd. Mr Netscher's experience covers a wide range of resources including nickel, coal, iron ore, uranium and gold in Africa, Asia and Australia.

Mr Netscher is a highly experienced public company director and holds a Bachelor of Science - Chemical Engineering, a Bachelor of Commerce and an MBA. He is a Fellow of the Institution of Chemical Engineers, a Member of the Australian Institute of Company Directors and a Chartered Engineer.

Other Current Directorships:	Non-executive Chairman St Barbara Limited Non-executive Director Western Areas Limited
Former Directorships (in last 3 years):	Non-executive Chairman Deep Yellow Limited (January 2013 to December 2015) Non-executive Chairman Toro Energy Limited (November 2015 to September 2016)

DUNCAN GIBBS***Managing Director and CEO*** (Appointed 17 September 2018)

Mr Gibbs was appointed on 17 September 2018 as Managing Director and Chief Executive Officer.

Mr Gibbs joins Gold Road with over 30 years of field and management experience covering all aspects of the mining and exploration process in Australia through senior and executive positions held with AngloGold Ashanti, Acacia and Shell/Billiton.

Previously Mr Gibbs held management and executive roles at AngloGold Ashanti including most recently General Manager at Sunrise Dam where he led the well-publicised turnaround of one of the largest underground gold mines in Australia.

Prior to this Mr Gibbs headed the AngloGold Ashanti, Australasia Exploration team to the >8 Moz Tropicana discovery and acquired the dominant ground position in a new Australian gold province. As Tropicana evolved, he managed the prefeasibility and feasibility study teams for the project as the Vice President, and later on was appointed General Manager of Tropicana Gold Mine following project approval by the JV partners and regulators in late 2010.

Mr Gibbs is a member of the Australasian Institute of Mining and Metallurgy, Graduate of the Australian Institute of Company Directors, and holds a Bachelor of Science (Honours), Geology.

Other Current Directorships: None

Former Directorships (in last 3 years): None

IAN MURRAY***Managing Director and CEO*** (ceased as Managing Director and CEO on 17 September 2018, continued as Executive Director until retirement effective from 1 January 2019)

Mr Murray was appointed on 15 October 2007 as Non-executive Director and on 12 February 2008 as Executive Chairman. On 1 July 2016 Mr Murray stepped down as Executive Chairman and was appointed Managing Director and Chief Executive Officer. Mr Murray ceased as Managing Director and Chief Executive Officer on 17 September 2018 and continued as Executive Director until retirement on 1 January 2019.

Mr Murray is a qualified Chartered Accountant with more than 20 years' corporate experience in the publicly listed resources sector.

Between 1997 and 2005 he held positions including Chief Financial Officer and Chief Executive Officer with DRDGOLD Ltd. Mr Murray oversaw DRDGOLD's major acquisitions, restructures and stock exchange listings which grew the company from a small, lease-bound South African miner into a globally listed multi-mine gold company producing over one million ounces of gold per annum at its peak. During this time, he also served as a Non-executive Director of South African gold refinery Rand Refinery Limited and the internet based commodity investment platform GoldMoney.com.

Mr Murray holds a Bachelor of Commerce degree and a Post Graduate Diploma in Accounting from the University of Cape Town. He also holds the Advanced Taxation Certificate from the University of South Africa. Mr Murray is a member of the South African Institute of Chartered Accountants and Chartered Accountants Australia and New Zealand.

Other Current Directorships: None

Former Directorships (in last 3 years): Non-executive Chairman Gascoyne Resources Limited (8 October 2018 to 24 October 2018)

JUSTIN OSBORNE***Executive Director - Exploration and Growth***

Mr Osborne joined the Company in October 2013 and was appointed Executive Director - Exploration and Growth on 1 January 2015.

Mr Osborne brings to Gold Road a wealth of exploration experience in multiple commodities including gold, copper and base metals. He has over 30 years of field and management experience covering all aspects of the mining and exploration process in Australia and internationally through senior positions held with Gold Fields Ltd and WMC Resources Ltd amongst others. Mr Osborne commenced with Gold Road in 2013 and played a pivotal role in the rapid and effective resource development of the world class Gruyere Deposit which is now in development.

Previously Mr Osborne held numerous executive roles on the exploration executive team of Gold Fields Ltd, including Vice President Development Strategy - Growth and International Projects, and General Manager Near Mine Exploration covering all international mining operations. He initiated the development of the Damang Superpit project in Ghana, which delineated potential resources in excess of 6 Moz within two years, and had considerable discovery success as Mineral Resource Manager at the St Ives Gold Mine, making the discoveries of the Athena and Hamlet Deposits among other significant reserve additions.

He is a Fellow of the Australasian Institute of Mining and Metallurgy, a Member of the Society of Economic Geologists, a Member of the Australian Institute of Company Directors, and holds a Bachelor of Science, Honours (First Class) from La Trobe University of Victoria.

Other Current Directorships: None

Former Directorships (in last 3 years): None

SHARON Warburton***Non-executive Director***

Ms Warburton was appointed on 9 May 2016 as Non-executive Director. She is Chair of the Audit & Risk Committee and a member of the Remuneration & Nomination Committee.

Ms Warburton has extensive experience in the mining, infrastructure and construction sectors. She gained substantial operational, commercial and risk management experience in the global resources sector through her time as an executive at Rio Tinto. She has also previously held senior executive positions at Brookfield Multiplex, ALDAR Properties PJSC, Multiplex, and Citigroup.

She is a Director of not-for-profit organisation Perth Children's Hospital Foundation and formerly the Chairman of the Northern Australia Infrastructure Facility and a former Director of Western Power.

Ms Warburton is regarded as a financial, governance and remuneration expert and is a Fellow of the Institute of Chartered Accountants Australia and New Zealand and Australian Institute of Building. She is a Graduate of the Australian Institute of Company Directors, a member of Chief Executive Women and a part-time member of the Australian Takeovers Panel.

She holds a Bachelor of Business (Accounting and Business Law) from Curtin University.

Other Current Directorships: Co-Deputy Chairman Fortescue Metals Group Limited
Non-executive Director NEXTDC Limited
Non-executive Director WorleyParsons Limited

Former Directorships (in last 3 years): Non-executive Director Wellard Limited (November 2015 to August 2016)

BRIAN LEVET***Non-executive Director***

Mr Levet was appointed on 1 August 2017 as Non-executive Director. Mr Levet is a member of the Audit & Risk Committee and Chairman of the Remuneration & Nomination Committee.

Mr Levet has worked for Rio Tinto Rhodesia, Zimbabwe Iron and Steel Corporation and Newmont Mining Corporation in exploration, project start-up and operational roles. Mr Levet retired from Newmont Mining Corporation in 2011 as Group Executive for Exploration.

Mr Levet holds a Bachelor of Science (Geology) from the University of London and brings over 40 years of diversified mineral industry experience to the Company.

Other Current Directorships: Non-executive Director EMX Royalty Corporation (TSX-V)

Former Directorships (in last 3 years): None

CAROL MARINKOVICH***Joint Company Secretary***

Mrs Marinkovich was appointed Company Secretary on 16 May 2017.

Mrs Marinkovich has over 20 years' experience in the mining industry. She has extensive experience in Company Secretary and Corporate Governance Practices both within Australia and internationally, including Sundance Resources Ltd in Western Australia and has worked for other junior mining companies, both listed and unlisted.

Mrs Marinkovich is a Member of the Governance Institute of Australia and the Institute of Chartered Secretaries and Administrators.

HAYDEN BARTROP***Joint Company Secretary, Legal Counsel and Business Development***

Mr Bartrop is a lawyer with more than 15 years' experience in the gold industry in legal, commercial and business development roles. He joined Gold Road in March 2016 and was appointed joint Company Secretary on 31 May 2017.

Mr Bartrop is responsible for the legal and company secretarial functions and identifying business development opportunities for the future growth of the Company.

Mr Bartrop was Director of Legal and Business Development at Barrick Gold Corporation, he also held several other roles in the Australia Pacific region with Barrick Gold Corporation, including Manager of Growth and Business Development, Legal Counsel and Contracts Superintendent.

Mr Bartrop holds an MBA (High Distinction), Bachelor of Law and Bachelor of Commerce (Finance and Banking).

DIRECTORS' AND EXECUTIVES' INTERESTS

As at the date of this report, the Directors' interests in shares, and Performance Rights of the Company are as follows:

Directors	Interests in Ordinary Shares	Interests in Performance Rights
D Gibbs ¹	40,000	-
J Osborne	4,665,410	1,288,899
T Netscher	765,000	-
S Warburton	40,000	-
B Levet	100,000	-

¹ Appointed 17 September 2018

DIRECTORS' MEETINGS

The number of meetings of the Company's Directors (including meetings of Committees of Directors) held during the year ended 31 December 2018 and the number of meetings attended by each Director were:

Director	Board of Directors' Meetings		Audit & Risk Committee Meetings		Remuneration & Nomination Committee Meetings	
	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended
D Gibbs ¹	1	1	1	1	1	1
I Murray (retired) ²	7	7	3	3	3	3
J Osborne	7	7	4	4	-	-
T Netscher	7	7	4	4	4	4
S Warburton	7	7	4	4	4	4
B Levet	7	7	4	4	4	4

¹ Appointed 17 September 2018

² Retired 1 January 2019

NATURE OF OPERATIONS AND PRINCIPAL ACTIVITIES

The principal activities of the Group during the financial year consisted of mineral exploration and development of the Gruyere Project in Western Australia.

Apart from the above, or as noted elsewhere in this report, no significant changes in the state of affairs of the Group occurred during the year ended 31 December 2018.

OPERATING AND FINANCIAL OVERVIEW

The overview of the Group's operations, including a discussion of development and exploration activities are contained on pages 12 to 25 of this Annual Report.

The Consolidated Financial Statements have been prepared incorporating retrospective application of a voluntary change in accounting policy adopted on 1 January 2018 relating to the exploration and evaluation expenditure.

The net loss before income tax for the year ended 31 December 2018 was \$33.588 million (restated six months ended 31 December 2017: \$10.929 million loss). Included in the loss before income tax is exploration expenditure expensed of \$19.282 million (restated six months ended 31 December 2017: \$9.454 million).

Loss after tax for the year ended 31 December 2018 was \$23.851 million (restated six months ended 31 December 2017: \$7.748 million loss).

At the end of the year the Company had total current assets of \$58.769 million (restated 31 December 2017: \$256.854 million) which includes cash and cash equivalents of \$43.957 million (31 December 2017: \$236.799 million), and current receivables of \$13.405 million (31 December 2017: \$19.218 million).

Exploration and evaluation assets at the end of the year was \$13.042 million (restated 31 December 2017: \$3.682 million) and the expenditure capitalised during the year was \$9.360 million (restated six months ended 31 December 2017: \$2.379 million). Property, plant and equipment at the end of the year was \$411.749 million (31 December 2017: \$130.553 million) and the expenditure incurred during the year relating to assets under construction was \$157.733 million (six months ended 31 December 2017: \$47.226 million).

Dividends

No dividend was paid during the financial year. No dividend has been paid or recommended since the end of the financial year to the date of this report.

Performance Rights Over Unissued Capital

At the date of this report, there are 4,608,807 (26 March 2018: 5,142,404) unvested Performance Rights to acquire ordinary shares as follows:

Outstanding ¹	Performance Period End Date ²	Expiry Date
1,337,430	30 June 2019	30 June 2020
875,464	31 December 2020	31 December 2021
1,193,940	31 December 2020	31 December 2021
425,101	1 July 2021	1 July 2022
252,811	30 June 2019	30 June 2020
252,811	30 June 2020	30 June 2021
271,250	31 December 2018	31 December 2019
4,608,807	Total Performance Rights outstanding	

¹ None of the Performance Rights on issue entitles the holder to participate in any share issue of the Company or any other body corporate

² Subsequent to the performance period end date, the Board determines the number of Performance Rights that vest

Since 31 December 2018 to the date of this report, 503,923 Performance Rights have been granted, 207,707 Performance Rights have been exercised and 1,812,331 Performance Rights have been forfeited.

The following changes in Performance Rights occurred during the year:

	12 months ended 31 December 2018	6 months ended 31 December 2017
Granted	3,281,269	1,603,492
Exercised	407,875	1,882,958
Cancelled	-	127,431
Forfeited	1,616,761	389,727

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

Subsequent to the year ended 31 December 2018, the Company made a \$30 million drawdown under the Facility Agreement. The balance undrawn totals \$117 million.

Other than as noted above, there has not arisen in the interval between the end of the year 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.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

There are no likely developments of which the Directors are aware which could be expected to significantly affect the results of the Group's operations in subsequent financial years not otherwise disclosed in the Nature of Operations and Principal Activities, Operating and Financial Overview or the Significant Events after the Balance Date sections of the Directors' Report.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Company holds various exploration licences to regulate its exploration activities in Australia. These licences include conditions and regulations with respect to the rehabilitation of areas disturbed during the course of its exploration activities.

So far as the Directors are aware, all exploration activities have been undertaken in compliance with all relevant environmental regulations.

Remuneration Report

From the Remuneration & Nomination Committee Chair.

On behalf of the Directors of Gold Road, I am pleased to present the Remuneration Report for the year ended 31 December 2018.

Our Remuneration Report is designed to provide you, our shareholders, with information on the Remuneration & Nomination Committee's (the **Committee**) activities undertaken during the year, details of remuneration paid to Key Management Personnel (**KMP**) in the year and demonstrate how reward outcomes link to Company strategy, performance and value to shareholders.

Brian Levet

Remuneration & Nomination Committee Chair

REMUNERATION REPORT CONTENTS

This report covers the following key sections:

- Remuneration & Nomination Committee
- Summary of Remuneration Activities
- Key Management Personnel
- Remuneration Principles
- Remuneration Structure - Non-executive Directors
- Remuneration Structure - Executive KMPs
- Service Agreements
- Details of Remuneration
- Share-based Compensation
- Analysis of Performance Rights Over Equity Instruments Granted as Compensation

REMUNERATION & NOMINATION COMMITTEE

The Committee is made up of the following independent Non-executive Directors:

Brian Levet	Chairman
Timothy Netscher	Member
Sharon Warburton	Member

No member is able to deliberate or consider any matter in respect of their own remuneration. The Committee reviews and determines remuneration policy, principles and structure annually and has adopted a formal Charter, which provides a framework for the consideration of remuneration matters, recognising the need to attract, review and retain high calibre individuals.

The process includes a review of the Company and individual performances in line with strategic objectives, an intent to identify and correct any pay gap issues and gender bias, broad market remuneration data, and relevant comparative Company and peer remuneration.

Remuneration recommendations for non-KMPs are delegated to the Managing Director. The process includes a review within the parameters of Board approved Company-wide remuneration principles, approved remuneration levels, job performance, demonstrated behaviours aligned to the Company values and gender bias and/or pay gap principles.

The Committee may from time to time obtain external advice from independent consultants who will provide no other services to the Company. All remuneration reports are commissioned and received directly by the Committee. No advice has been sought during the year.

SUMMARY OF REMUNERATION ACTIVITIES

The following table outlines the summary of incentives to Executive KMPs at the end of the year:

Incentive Plan	Vested	Issued Subject to Vesting Conditions		Subject to Shareholder Approval	
Short Term Incentive (STI)	2017		2018		2019
Long Term Incentive (LTI)	2015-2018	2016-2019	2017-2020	2018-2020	2019-2021

New hurdles and Key Performance Indicators (KPIs) were established for the 2018 STI, which covers the 12 months to 31 December 2018, that were appropriately based on the revised structure for the Gruyere JV, and Gold Road's strategic objectives and operational goals for 2018.

The 2018 STI and 2018-2020 LTI were approved by the Board and shareholder approval was obtained at the AGM held on 25 May 2018.

In January 2019 the Board assessed the 2018 STI and 2015-2018 LTI performance and achievement. The 2018 STI resulted in an 86% achievement of the maximum entitlement. During the period of the 2015-2018 LTI, although progress in the construction of the Gruyere Project and resource drilling was made, the performance criteria was not achieved. Consequently, no 2015-2018 LTI performance rights vested.

The maximum of the Non-executive Director's remuneration pool remained at \$700,000 per annum. Total remuneration paid to Non-executive Directors for the year was well within this maximum and there was no increase to individual Non-executive Director fees during 2018.

KEY MANAGEMENT PERSONNEL (AUDITED)

KMPs have authority and responsibility for planning, directing and controlling the activities of the Company. KMPs comprise only the Directors of the Company.

Directors and Executive KMPs disclosed in this report include:

Directors	Role
T Netscher	Non-executive Chairman
S Warburton	Non-executive Director
B Levet	Non-executive Director

Executive KMPs	Role
D Gibbs	Managing Director and CEO (appointed 17 September 2018)
I Murray (retired)	Managing Director and CEO (ceased as Managing Director and CEO on 17 September 2018, continued as Executive Director until 1 January 2019)
J Osborne	Executive Director - Exploration and Growth

REMUNERATION PRINCIPLES (AUDITED)

The principles of Gold Road's remuneration structure are focused on motivating and rewarding individuals and teams for sustainable delivery of shareholder value.

The objective of the Company's Executive KMP reward framework is to ensure that reward for performance is competitive and appropriate for the results delivered. The framework aligns both Executive KMP and non-KMP reward with the achievement of strategic objectives and the creation of value for shareholders.

The remuneration framework provides a mix of fixed base and variable remuneration, which incorporates a blend of short and long term incentives. There is a deliberate emphasis on lower fixed base and higher variable results-based remuneration to ensure that management focus is aligned with that of shareholders and to keep base remuneration within the third quartile of market rates for the Mining Industry (Gold Sector).

REMUNERATION STRUCTURE - NON-EXECUTIVE DIRECTORS (AUDITED)

The Company's policy is to remunerate Non-executive Directors, at rates comparable to other ASX listed companies in the same industry, for their time, commitment and responsibilities. From 1 July 2016, the Chairman's fees were determined independently to the fees of Non-executive Directors and based on comparatively sized ASX listed companies. There was no increase in Non-executive Directors' fees during the year.

Non-executive Director remuneration is delivered as a cash payment and is not linked to the performance of the Company. However, to align Directors' interests with shareholders' interests, remuneration may be provided to Non-executive Directors in the form of equity based long term incentives.

The maximum Non-executive Directors' fees payable in aggregate is \$700,000 per annum. Non-executive Directors' fees will continue to be benchmarked on an annual basis.

The following table outlines the annual remuneration payable to Non-executive Directors, inclusive of all committee activities and superannuation.

Role	Directors Fee
Non-executive Chairman	\$158,000
Non-executive Director	\$100,000

REMUNERATION STRUCTURE - EXECUTIVE KMPs (AUDITED)

Executive KMPs total remuneration is made up of:

- Fixed base remuneration comprising cash and non-monetary benefits, including superannuation
- Variable remuneration comprising STIs and LTIs through participation in the Gold Road Resources Limited Employee Incentive Plan (the **Plan**).

Gold Road's remuneration objectives effectively align the interests of its Executive KMPs with the interests of the Company and its shareholders.

This has been achieved by ensuring that a significant proportion of Executive's remuneration is 'at risk' in the form of STI and LTI components. STI awards are linked to the value drivers of the Gruyere Project, discovery and growth through targeted exploration, business development and key enabling drivers of Leadership and Culture, Health, Safety and Environment (**HSE**) and stakeholder relations (including, but not limited to Native Title). LTI awards are linked to both Company milestones, as well as total shareholder return (**TSR**) that is relative to a comparator group of similar companies.

	Fixed Base Remuneration	Superannuation	Total Fixed Remuneration ¹	LTI maximum % of base	STI maximum % of base
D Gibbs	\$450,000 ²	\$20,531	\$470,531	100% ³	65% ³
I Murray (retired)	\$513,333	\$20,531	\$533,864	100% ⁴	65%
J Osborne	\$406,600	\$20,531	\$427,131	65%	42.5%

¹ Total fixed remuneration comprises annual salary and superannuation

² Fixed base remuneration reflects the annual salary to be earned (D Gibbs commenced 17 September 2018)

³ D Gibbs was not eligible for inclusion in the 2018 STI or any of the following LTIs: 2015-2018, 2016-2019, 2017-2020 and 2018-2020

⁴ I Murray retired on 1 January 2019, resulting in the partial forfeiture (137,978 Performance Rights) relating to the 2016-2019 LTI, and full forfeiture of the following LTIs: 2017-2020 and 2018-2020

FIXED BASE REMUNERATION

Fixed base remuneration for Executive KMPs is reviewed annually and on promotion, with any changes approved by the Board. There are no guaranteed fixed base remuneration increases included in the Executive KMPs contracts.

Superannuation benefits are paid to complying superannuation funds nominated by the Executive KMPs capped at the maximum superannuation contribution base of ordinary time earnings, which for the financial year ending 30 June 2019 is \$20,531.

VARIABLE REMUNERATION

Variable remuneration is structured as a combination of cash and Performance Rights as follows:

STIs	LTIs
Cash (50%)	-
Performance Rights (50%)	Performance Rights (100%)

Executive KMPs' variable remuneration is calculated based on an assessment of performance against KPIs for both the Company and the individual. The actual KPIs, weightings and priorities are approved annually by the Board to ensure that they remain relevant and appropriate to the individuals and the Company.

SHORT TERM INCENTIVES

The Committee is responsible for recommending to the Board the STI to be paid based on an assessment of whether KPIs have been met and pro-rated for time in the role.

The payment of STIs is within the Board's absolute discretion (which cannot be unreasonable) and paid in a combination of 50% cash and 50% Performance Rights (or any other combination the Board approves). The Board can decide to not pay, or to reduce, the STI in the event that market conditions and commodity prices have deteriorated or key corporate objectives in the period have not been met. If there is a change of control, the Board, in its absolute discretion, may determine whether incentives will vest, up to the maximum amount held.

2018 SHORT TERM INCENTIVE

The 2018 STI was based over a 12 month period to 31 December 2018 on set percentages of fixed base remuneration, with performance assessed against a mix of personal and corporate KPIs as follows:

Executive KMP Incentive Structure ³	I Murray (retired)	J Osborne
Maximum STI as a percentage of base salary	65%	42.5%
Aligned to Corporate KPI	90%	90%
Aligned to Personal KPI	10%	10%
Target 2018 STI¹	\$333,666	\$172,805
50% Cash Component	\$166,833	\$86,403
50% Granted Performance Rights (Qty)	240,048	124,320
Achieved Result 2018 STI		
Corporate KPI result	86%	86%
Personal KPI result	89%	89%
Total weighted result	86%	86%
STI earned as a percentage of fixed base remuneration	56%	37%
Paid as Cash	\$144,356	\$159,743
Vested Performance Rights (Qty)	207,707	- ²

¹ STI approved at the AGM held on 25 May 2018

² The Board exercised its discretion to pay Mr Osborne's vested Performance Rights of 107,571 in equivalent cash consideration of \$84,981

³ Mr Gibbs was not eligible for the 2018 STI

The maximum number of Performance Rights to be granted is determined by dividing 50% of the STI earned by \$0.695, being the higher of the 30 day Volume Weighted Average Price (VWAP) for the period to 1 January 2018 and the most recent capital raising prior to 1 January 2018 (being the May 2016 share placement and entitlement issue at \$0.44).

The following KPIs, with appropriate personal weightings, were approved by the Board and shareholder approval was obtained at the AGM held on 25 May 2018 for the period 1 January 2018 to 31 December 2018.

2018 KPI	KPI Criteria	Why this KPI was chosen	Achievement ¹
Health, Safety & Environment²	Lead indicators: Fully implement the behaviour-based safety system (Vital Behaviours) across the whole company with all Gold Road leaders undertaking Mental Health First Aid certification. Environmental focus areas included rehabilitation and environmental initiatives and improvements. Lag indicator: Achieving an improved annual average TRIFR than was achieved in the previous year (current hurdle set at 9.5).	Motivate and reward the continued focus and commitment to HSE leadership, HSE systems and HSE behaviours.	Between threshold and target. TRIFR at 31 December 2018 was 11.4 ³ .
Leadership and Culture	Achieving Board set leadership and organisational culture improvement targets.	Motivate and reward the focus on people leadership and cultural improvement as enablers for success.	Between threshold and target.
Discovery	Achieving Board set growth targets for maintaining the discovery pipeline and testing of new targets.	Motivate and reward economic gold discovery.	Target achieved.
Business Development	Achieving Board set growth targets, including the acquisition of 100% ownership of South Yamarna tenements.	Motivate and reward timely delivery of key growth initiatives and activities.	Target achieved.
Gruyere Project	Through the year of non-chairpersonship, continue to positively influence both the short-term operational development plan and long-term strategic plan with Joint Venture Partner	Motivate and reward unlocking the further potential of the Gruyere JV.	Between threshold and target.
Native Title / External Relations	Proactive relationship, enabling access to drilling areas, ensuring exploration pipeline is continued. Continued professional relations and compliance with agreements.	Motivate and reward the continued focus on access to land and beneficial relationships with traditional owners.	Stretch achieved.

2018 KPI	KPI Criteria	Why this KPI was chosen	Achievement ¹
Personal	Includes leadership team performance and demonstrated behaviours aligned to Company values.	Motivate and reward executives and senior management in the execution of strategic value-adding drivers.	Between threshold and target.

- 1 Subsequent to the performance period end date, the Board assesses achievement of the criteria, and number of Performance Rights that vest
- 2 In the event of a fatality and/or Life Changing Injury occurring within 100% Gold Road owned and operated operations no STI will be payable. There were zero fatalities and Life Changing Injuries
- 3 There were two Recordable Injuries in 2018, which was the same number that occurred in 2017. The TRIFR increased due to less person hours worked during 2018

LONG-TERM INCENTIVES

The Company's LTI framework for Executive KMPs is based on the following key principles:

- LTIs are to be granted annually on set percentages of fixed base remuneration.
- The vesting of LTIs will be subject to performance measured against long term internal corporate hurdles and TSR hurdles, measured at the end of the performance period.

The key features of the LTI framework for Executive KMPs is detailed below:

Feature	Description			
Grants	2015-2018 LTI (measured to 31 December 2018)	2016-2019 LTI (measured to 30 June 2019)	2017-2020 LTI (measured to 31 December 2020)	2018-2020 LTI (measured to 31 December 2020)
Instrument	Grants are made in the form of Performance Rights which are issued in accordance with the relevant approved Plan. The LTIs currently approved are provided in a separate table below.			
Grant frequency	Grants are made on an annual basis but are subject to the Board's discretion.			
Target quantum	The percentage threshold and remuneration levels are reviewed at each grant and determined based on market and peer group practice for the relevant period.			
	Managing Director and CEO: 100% Executive Director: 50%	Managing Director and CEO: 100% Executive Director: 65%	Managing Director and CEO: 100% Executive Director: 65%	Managing Director and CEO: 100% Executive Director: 65%
Performance conditions (Vesting Hurdles)	The Company has selected TSR and Company Strategic Vesting Hurdles to align the interests of executives with the long-term interests of its shareholders.			
	TSR (50%) Company (50%)	TSR (50%) Company (50%)	TSR (50%) Company (50%)	TSR (50%) Company (50%)
Performance period and vesting ¹	3.5 years	3 years	3.5 years	3 years
Exercise	Participants are able to exercise their vested Performance Rights into Company shares. The Board may also, in its absolute discretion, permit the exercise of incentives (irrespective of whether the relevant vesting conditions have been met) during such period as the Board determines where: (a) the Company passes a resolution for voluntary winding up; (b) an order is made for the compulsory winding up of the Company; or (c) the Company passes a resolution in accordance with Listing Rule 11.2 to dispose of its main undertaking.			
Change of control	Incentives granted under the 2013 Plan and the revised 2016 Plan immediately vest in the event of: (a) a change in control of the Company, including where a takeover bid is made for the Company and the bidder acquires more than 50% of the ordinary shares in the Company; (b) shareholders approve a scheme of arrangement, or (c) in any other case where a person obtains voting power in the Company which the Board determines (acting in good faith and in accordance with their fiduciary duties) is sufficient to control the composition of the Board. Incentives granted under the 2017 Plan allows the Board at its absolute discretion, to determine the manner in which any or all of the incentives vest, including having regard to the performance of the Company against targets in the vesting conditions at that time, the period of time that has elapsed between the grant date and the date of the change of control event and the circumstances of the change of control event.			
Board Discretion and Clawback	In the event of serious misconduct or a material misstatement in the Group's financial statements, the Board has the discretion to reduce, cancel or clawback any unvested short term or long term incentives.			

- 1 Performance periods are typically 3 years, however the 2015-2018 LTI performance period was extended to 3.5 years to align with the development profile of the Gruyere Project, and the 2017-2020 LTI was extended to 3.5 years to align with a change to the Company's financial year end date from 30 June to 31 December

The LTIs currently approved are:

LTI Plan	Performance Period	Status	Relevant Plan
2015-2018 LTI ¹	3.5 years	Unvested	Plan approved 2013
2016-2019 LTI	3 years	Unvested	Plan approved 2016
2017-2020 LTI	3.5 years	Unvested	Plan approved 2017
2018-2020 LTI	3 years	Unvested	Plan approved 2017

- 1 Subsequent to year end, all Performance Rights under this Plan were forfeited

Details of Executive KMPs LTIs on issue at the end of the year are summarised below.

Details	2015-2018 LTI		2016-2019 LTI		2017-2020 LTI		2018-2020	
	Performance Rights	Fair value of Performance Rights at grant date ¹	Performance Rights	Fair value of Performance Rights at grant date ¹	Performance Rights	Fair value of Performance Rights at grant date ¹	Performance Rights	Fair value of Performance Rights at grant date ¹
I Murray (retired)	1,125,000	\$356,063	689,890 ²	\$330,113	Nil ³	-	Nil ³	-
J Osborne	397,727	\$125,880	426,229	\$203,951	374,826	\$213,088	380,273	\$214,284
Value used to determine the number of Performance Rights to be granted	\$0.44 being the higher of most recent capital raising prior to 1 July 2015, or the Company's 30 day VWAP for the period to 1 July 2015		\$0.61 being the higher of the Company's 30 day VWAP for the period to 1 July 2016 and the most recent capital raising price prior to that date (being the May 2016 share placement and entitlement issue at \$0.44)		\$0.705 being the higher of the Company's 30 day VWAP for the period to 1 July 2017 and the most recent capital raising price prior to that date (being the May 2016 share placement and entitlement issue at \$0.44)		\$0.695 being the higher of the Company's 30 day VWAP for the period to 1 July 2018 and the most recent capital raising price prior to that date (being the May 2016 share placement and entitlement issue at \$0.44)	
Performance period	3.5 years to 31 December 2018		3 years to 30 June 2019		3.5 years to 31 December 2020		3 years to 31 December 2020	
Vesting hurdle - TSR (50% weighting) The TSR vesting condition requires an assessment of how the Company's TSR, including dividends paid to shareholders, has performed over the measurement period:	Relative to the S&P/ASX All Ordinaries Gold Index (ASX Code: XGD)		Relative to a nominated peer group over the same period.		Relative to a nominated peer group over the same period.		Relative to a nominated peer group over the same period.	
Vesting hurdle - Company (50% weighting) The Company strategic vesting condition requires an assessment of the achievement of performance against pre-set Company objectives	- Construction is completed (pre-commissioning) for the Gruyere Project - The Yamarna JORC Mineral Resource is at least 8 million ounces of gold		- Gold Production - achievement of 30 days consistent throughput (including tonnage, grade recovery and costs) within Board approved budget and parameters - Discovery or acquisition - a greenfields discovery of a deposit of greater than 1 million ounces contained gold, or an equivalent (as determined by the Board) sized acquisition		- Discovery of new Mineral Resources exceeding 1 million ounces as reported in accordance with JORC and ASX listing requirements. - Dependant on the first hurdle: completing Pre-feasibility Study/ies including reporting of an Ore Reserve.		- The second discovery of a deposit of greater than 1 million ounces contained gold, or an equivalent (as determined by the Board), maiden Mineral Resource declared or subsequent upgrade confirming greater than 1 million ounces contained gold, Concept Study and Scoping Study completed confirming adequate economics - Dependant on the first hurdle: Pre-feasibility Study completed, Maiden Ore Reserve declared, Project Team identified and Native Title agreement in place.	

¹ Performance Rights allocated to Executive KMPs under the LTIs, had their values verified using a combination of a Monte Carlo simulation (for those with market hurdles), and a Black-Scholes pricing model (for those with Company hurdles)

² In January 2019, the Board exercised its discretion (as per the Plan rules) to allow Mr Murray to remain eligible for a pro-rata (5/6th) of the granted 2016-2019 LTI Performance Rights, resulting in 689,890 2016-2019 LTI

³ Performance Rights remaining granted and subject to vesting conditions, and 137,978 being forfeited

Performance Rights issued under the 2017-2020 and 2018-2020 forfeited on retirement

2015-2018 LONG TERM INCENTIVE (MEASURED TO 31 DECEMBER 2018)

The quantum of 2015-2018 LTI grants to have met the vesting conditions calculated on 1 January 2019 is as follows:

Executive KMPs	Performance Rights Granted	% Earned	% Fixed Remuneration Achieved	Shares Vested	Value of Shares Vested
I Murray (retired)	1,125,000	0%	0%	0%	-
J Osborne	397,727	0%	0%	0%	-

The results of performance against the vesting hurdles (set in 2015) for the 2015-2018 LTI were as follows:

1. Company strategic hurdle (total 50%)

Project Construction and commissioning (25%)

0% vested as the Company strategic hurdle for Project construction and pre-commissioning to be completed was not achieved.

Yamarna JORC Resource (25%)

0% vested as the 8 million ounce JORC Resource was not achieved. A 6.61 million ounce JORC Resource was achieved and the Yamarna exploration pipeline maintained.

2. Total shareholder return hurdle (total 50%)

The LTIs were measured against TSR versus the ASX Gold Index (ASX Code: XGD) that includes gold producers that all outperformed in the period relative to gold developers. The Company's performance was 46.6% and therefore below the 50th percentile, consequently no 2015-2018 LTI performance rights vested.

SERVICE AGREEMENTS (AUDITED)

Remuneration and other terms of employment for the Executive KMPs are formalised in Service Agreements (**agreements**). The agreements provide for the provision of performance related cash and share-based incentives. Other major provisions of the agreements relating to remuneration are set out below.

The agreements may be terminated early by either party with notice as set out in the agreements, subject to termination payments as detailed below.

On 17 September 2018, Mr Gibbs was appointed as Managing Director and CEO for no fixed term and has a six month notice period. Mr Gibbs was provided with an offer of 275,000 onboarding Performance Rights to compensate him for the forfeiture of incentives by resigning from his previous employer (subject to shareholder approval at the 2019 AGM). Mr Gibbs was also ineligible for any pro-rata incentives in 2018.

Executive KMPs	Role	Term of agreement	Termination notice period	Fixed base salary excluding super
D Gibbs	Managing Director and CEO	No fixed term, commenced 17 September 2018	6 months by individual, or 6 months by Company	From 17 September 2018, \$450,000 and reviewed annually
I Murray ¹ (retired)	Managing Director and CEO (retired ¹)	No fixed term, commenced 1 October 2011	4 months by individual, or 12 months by Company	From 1 July 2017, \$513,333 and reviewed annually
J Osborne	Executive Director – Exploration and Growth	No fixed term, commenced 14 October 2013	4 months by individual, or 12 months by Company	From 1 July 2017, \$406,600 and reviewed annually

¹ I Murray ceased as Managing Director and CEO on 17 September 2018 and continued as an Executive Director until his retirement on 1 January 2019

DETAILS OF REMUNERATION (AUDITED)

The following table shows details of the remuneration expense recognised for KMPs for the current financial year and previous period measured in accordance with the requirements of the accounting standards.

Year ended 31 December 2018

Directors	Salaries and Fees \$	Superannuation Contributions \$	Cash Benefits (STI) ¹ \$	Performance Rights (STI) ¹ \$	Performance Rights (LTI) \$	Performance Rights (Other) \$	Total \$	At Risk %
D Gibbs	130,574	5,225	-	-	-	38,990 ²	174,789	-
I Murray (retired)	510,355	20,290	144,356	178,182	(66,653) ³	-	786,530	32
J Osborne	436,765	20,290	74,762	70,261 ⁴	173,444	-	775,522	43
B Levet	91,324	8,676	-	-	-	-	100,000	-
T Netscher	158,000	-	-	-	-	-	158,000	-
S Warburton	91,324	8,676	-	-	-	-	100,000	-
Total	1,418,342	63,157	219,118	248,443	106,791	38,990	2,094,841	

¹ STI benefits are an accrual of the 2018 STI

² Onboarding Performance Rights have been accrued and are subject to shareholder approval

³ Reversal of forfeited non-market based Performance Rights previously expensed, as a result of retirement

⁴ Subsequent to year end, the Board exercised its discretion to pay Mr Osborne's vested STI Performance Rights in a cash consideration of \$84,981

6 month period ended 31 December 2017

Directors	Salaries and Fees \$	Superannuation Contributions \$	Cash Benefits (STI) ¹ \$	Performance Rights (STI) ¹ \$	Performance Rights (LTI) ³ \$	Total \$	At Risk %
I Murray	256,666	10,024	42,590	25,694	156,400	491,374	46
J Osborne	203,300	10,024	22,057	13,307	75,913	324,601	34
B Levet ²	38,052	3,615	-	-	-	41,667	-
T Netscher	79,000	-	-	-	-	79,000	-
S Warburton	45,662	4,338	-	-	-	50,000	-
Total	622,680	28,001	64,647	39,001	232,313	986,642	

¹ STI benefits are an accrual of the 2017 STI for the six months ended 31 December 2017

² Appointed 1 August 2017

³ LTI benefits reflect the fair value expensed over the performance period

SHARE-BASED COMPENSATION (AUDITED)**Performance Rights**

Performance Rights over shares in Gold Road are granted under the Plan.

Performance Rights to be issued under the Plan have varying vesting periods as determined by the Board at the date of grant except under certain circumstances whereby Performance Rights may be capable of exercise prior to the expiry of the vesting period. Participation in the Plan is at the Board's discretion and no individual has a contractual right to participate in the Plan or to receive any guaranteed benefits.

In circumstances where a participant ceases to be employed or engaged by the Company at the end of the relevant performance period, the Board may decide that some or all of that person's incentives will not be forfeited.

Equity instruments granted as compensation during the Year ended 31 December 2018

During the year ended 31 December 2018, 1,370,690 Performance Rights were granted in accordance with STIs and LTIs pursuant to the terms of the Plan to Executive KMPs of the Company.

Performance Rights granted

Director	Incentive Plan	Number Granted	Grant Date	Fair Value at Grant Date	Performance Period End Date ¹	Expiry Date
I Murray (retired)	2017 STI	165,893	16 February 2018	81.0 cents	31 December 2017	31 December 2018
	2018-2020 LTI	369,305	25 May 2018	38.2 cents ²	31 December 2020	31 December 2021
	2018-2020 LTI	369,304	25 May 2018	74.5 cents ³	31 December 2020	31 December 2021
J Osborne	2017 STI	85,915	16 February 2018	81.0 cents	31 December 2017	31 December 2018
	2018-2020 LTI	190,137	25 May 2018	38.2 cents ²	31 December 2020	31 December 2021
	2018-2020 LTI	190,136	25 May 2018	74.5 cents ³	31 December 2020	31 December 2021

¹ Subsequent to the performance period end date, the Board determines the number of Performance Rights that vest

² Relates to LTI market hurdles. Performance Rights allocated to Executive KMPs under the LTIs, had their values verified using a Monte Carlo simulation

³ Relates to LTI Company hurdles. Performance Rights allocated to Executive KMPs under the LTIs, had their values verified using a Black-Scholes pricing model

Subsequent to 31 December 2018, the following Performance Rights were granted.

Directors	Incentive Plan	Number Granted	Grant Date	Fair Value at Grant Date	Expiry Date	Performance Period End Date ¹
I Murray (retired)	2018 STI	207,707	31 January 2019	77.0 cents ²	31 December 2019	31 December 2018
J Osborne	2018 STI	- ³	31 January 2019	77.0 cents ²	31 December 2019	31 December 2018

¹ Subsequent to the performance period end date, the Board determines the number of Performance Rights that vest

² Performance Rights are valued at the underlying market value at grant date of the ordinary shares over which they are granted

³ The Board exercised its discretion to pay Mr Osborne's vested Performance Rights of 107,571 in equivalent cash consideration of \$84,981

The assessed fair value at grant date of Performance Rights granted to individuals are expensed evenly over the performance period of the relevant incentive.

ANALYSIS OF SHARE OPTIONS AND PERFORMANCE RIGHTS OVER EQUITY INSTRUMENTS GRANTED AS COMPENSATION

Conversion of Performance Rights granted as compensation

During the year, the following shares were issued on the conversion of Performance Rights previously granted as compensation to Executive KMPs.

Directors	Performance Rights converted	Shares Issued	Share Issue Date	Exercise Price of Performance Rights	Vesting Date of Performance Rights	Expiry Date of Performance Rights
I Murray (retired)	165,893	165,893	16 February 2018	Nil	16 February 2018	31 December 2018
J Osborne	85,915	85,915	16 February 2018	Nil	16 February 2018	31 December 2018

Performance Rights granted as compensation

The movement during the year to 31 December 2018, by fair value, of Performance Rights over ordinary shares in the Company held by Executive KMPs and granted as part of remuneration is as follows:

Executive KMPs	Granted During the Year ¹ (\$)	Exercised During the Year ² (\$)
I Murray (retired)	416,206	134,373
J Osborne	214,284	69,591

¹ The value of Performance Rights granted in the year is the fair value calculated at grant date. The total value is included in the tables above. This amount is allocated to remuneration over the vesting period

² The value of Performance Rights exercised during the year is calculated as the closing market price of the Company's shares on the date of exercise

Details of the Performance Rights granted as remuneration to Executive KMPs of the Company are detailed below.

Executive KMPs	Balance at Start of the Year	Granted During the Year	Exercised During the Year	Other Changes During the Year	Balance at the End of the Year	Vested and Exercisable at the End of the Year
I Murray (retired)	2,680,896	904,502	(165,893)	(1,604,615)	1,814,890	-
J Osborne	1,198,782	466,188	(85,915)	-	1,579,055	-

Equity holdings by Key Management Personnel

Details of Performance Rights held at 31 December 2018 by Executive KMPs of the Company are detailed in the table below.

Executive KMPs	Incentive Plan	Grant Date	Performance Rights Granted	Performance Period End Date ¹	Performance Rights Vested During the Year	Vested %
I Murray (retired)	2015-2018 LTI	24 November 2015	1,125,000 ²	31 December 2018	-	-
	2016-2019 LTI	19 October 2016	689,890	30 June 2019	-	-
J Osborne	2015-2018 LTI	24 November 2015	397,727 ²	31 December 2018	-	-
	2016-2019 LTI	19 October 2016	426,229	30 June 2019	-	-
	2017-2020 LTI	17 November 2017	374,826	31 December 2020	-	-
	2018-2020 LTI	25 May 2018	380,273	31 December 2020	-	-

¹ Subsequent to the performance period end date, the Board determines the number of Performance Rights that vest

² Subsequent to year end, these Performance Rights were forfeited

Details of shares held at 31 December 2018 by KMPs of the Company are detailed below.

Directors	Balance at Start of the Year	Received During the Year on Exercise of Share Options or Performance Rights	Other Changes During the Year ¹	Balance at the End of the Year
D Gibbs	-	-	40,000	40,000
I Murray (retired)	13,754,616	165,893	(1,432,356)	12,488,153
J Osborne	4,515,495	85,915	64,000	4,665,410
B Levet	-	-	100,000	100,000
T Netscher	765,000	-	-	765,000
S Warburton	40,000	-	-	40,000

¹ Other changes during the period comprise market trades

Company performance

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

	31 December 2018 \$	31 December 2017 \$	30 June 2017 \$	30 June 2016 \$	30 June 2015 \$
Share price	0.650	0.700	0.670	0.655	0.425
Market capitalisation	570,373,878	613,963,280	584,413,510	569,120,180	291,172,716

THIS IS THE END OF THE REMUNERATION REPORT

OFFICERS' INDEMNITIES AND INSURANCE

Since the end of the previous financial year, the Company paid an insurance premium to insure certain officers of the Company. The officers of the Company covered by the insurance policy include the Directors named in this report.

The Directors and Officers Liability insurance provides cover against all costs and expenses that may be incurred in defending civil or criminal proceedings that fall within the scope of the indemnity and that may be brought against the officers in their capacity as officers of the Company. The insurance policy does not contain details of the premium paid in respect of individual officers of the Company. Disclosure of the nature of the liability cover and the amount of the premium is subject to a confidentiality clause under the insurance policy.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001*.

ROUNDING OF AMOUNTS

The Company is of a kind referred to in ASIC Instrument 2016/191 dated 24 March 2016 and in accordance with that Instrument, amounts in the Financial Statements and Directors' Report have been rounded to the nearest thousand dollars, unless otherwise stated.

CORPORATE GOVERNANCE

The 31 December 2018 Corporate Governance Statement is available on the Company's website at www.goldroad.com.au.

AUDIT AND NON-AUDIT SERVICES

During the year the following fees were paid or payable for services provided by the auditor of the parent entity, its related practices and non-related audit firms:

	12 months ended 31 December 2018 \$	6 months ended 31 December 2017 \$
Audit and other assurance services		
Audit and review of financial statements	89,510	54,094
Audit of joint operation	37,500	20,830
Total remuneration for audit and other assurance services	127,010	74,924
Taxation services		
Tax advice and related services	80,423	17,500
Total remuneration for taxation services	80,423	17,500
Other services		
Consulting and other services	68,568	19,469
Total remuneration for other services	68,568	19,469
Total remuneration of KPMG	276,001	111,893

It is the Company's policy to employ KPMG on assignments additional to their statutory audit duties where their expertise and experience with the Company are important. These assignments are principally tax advice and consulting services, or where KPMG is awarded assignments on a competitive basis.

KPMG continues in office in accordance with section 327 of the *Corporations Act 2001*.

A copy of the Auditor's Independence Declaration as required under Section 307C of the *Corporations Act 2001* is set out on page 47.

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

DATED at Perth this 22nd day of March 2019.



Tim Netscher
Non-executive Chairman

Auditor's Independence Declaration



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 audit of Gold Road Resources Limited for the financial year ended 31 December 2018 there have been:

- i. No contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. No contraventions of any applicable code of professional conduct in relation to the audit.

A stylized, handwritten signature of the KPMG firm in blue ink.

KPMG

A handwritten signature of Denise McComish in blue ink.

Denise McComish
Partner

Perth

22 March 2019

Consolidated Financial Statements

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2018

	Notes	12 months ended 31 December 2018 \$'000	Restated* 6 months ended 31 December 2017 \$'000
Other income			
Other		204	159
Fair value gain on derivatives	4(b)	-	506
Total other income		204	665
Exploration expenditure expensed	4(a)	(19,282)	(9,454)
Employee expenses		(4,363)	(1,526)
Equity based remuneration expense	21	(1,064)	(326)
Depreciation expense		(684)	(301)
Corporate advisory expenses		(1,595)	(1,433)
Fair value loss on derivatives	4(b)	(7,215)	-
Other expenses from ordinary activities		(2,612)	(1,507)
Loss before finance and income tax		(36,611)	(13,882)
Finance income		3,850	2,953
Finance expenses		(827)	-
Loss before income tax		(33,588)	(10,929)
Income tax benefit	17	9,737	3,181
Loss for the year/period		(23,851)	(7,748)
Other comprehensive expenses for the year/period		(506)	-
Total comprehensive loss for the year/period attributed to owners of the Company		(24,357)	(7,748)
Earnings per share for loss attributable to the ordinary equity holders of the Company:		Cents	Cents
Basic loss per share	5(a)	(2.72)	(0.89)
Diluted loss per share	5(b)	(2.72)	(0.89)

**The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes and reflects the retrospective application of a change to the accounting policy for exploration and evaluation costs. Refer to Note 4(a) for further information.*

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2018

	Notes	31 December 2018 \$'000	Restated* 31 December 2017 \$'000	Restated* 30 June 2017 \$'000
ASSETS				
Current assets				
Cash and cash equivalents	6	43,957	236,799	151,315
Term deposits		-	-	103,760
Trade and other receivables	9	13,405	19,218	55,924
Other financial assets		187	752	247
Inventories		1,220	85	86
Total current assets		58,769	256,854	311,332
Non-current assets				
Exploration and evaluation	7	13,042	3,682	1,303
Property, plant and equipment	8	411,749	130,553	76,343
Trade and other receivables	9	1,717	-	-
Other financial assets		245	-	155
Deferred tax asset		9,826	89	-
Total non-current assets		436,579	134,324	77,801
TOTAL ASSETS		495,348	391,178	389,133
LIABILITIES				
Current liabilities				
Trade and other payables	10	11,605	17,857	12,435
Provisions	11	607	528	618
Interest bearing liabilities	13	6,573	-	-
Other financial liabilities		1,317	-	-
Current tax liabilities		-	-	397
Total current liabilities		20,102	18,385	13,450
Non-current liabilities				
Deferred tax liabilities	17	-	-	3,092
Provisions	11	19,871	10,534	3,190
Interest bearing liabilities	13	111,016	-	-
Other financial liabilities		5,393	-	-
Total non-current liabilities		136,280	10,534	6,282
TOTAL LIABILITIES		156,382	28,919	19,732
Net assets		338,966	362,259	369,401
EQUITY				
Contributed equity	14	203,949	203,949	203,669
Reserves	15	1,314	1,086	6,068
Retained earnings	15(c)	133,703	157,224	159,664
TOTAL EQUITY		338,966	362,259	369,401

*The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes and reflects the retrospective application of a change to the accounting policy for exploration and evaluation costs. Refer to Note 4(a) for further information.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2018

	Contributed Equity \$'000	Equity Remuneration Reserve ¹ \$'000	Fair Value Reserve \$'000	Retained Earnings \$'000	Total \$'000
Balance as at 1 January 2018	203,949	1,086	-	157,224	362,259
Loss for the year	-	-	-	(23,851)	(23,851)
Other comprehensive expense for the year	-	-	(506)	-	(506)
Total comprehensive loss for the year	-	-	(506)	(23,851)	(24,357)
Transfer from Equity Remuneration Reserve	-	(330)	-	330	-
Movement in Equity Remuneration Reserve	-	1,064	-	-	1,064
Balance as at 31 December 2018	203,949	1,820	(506)	133,703	338,966

	Contributed Equity \$'000	Equity Remuneration Reserve \$'000	Fair Value Reserve \$'000	Restated* Retained Earnings \$'000	Restated* Total \$'000
Balance as at 1 July 2017, as previously reported	203,669	6,068	-	178,888	388,625
Impact of restatement	-	-	-	(19,224)	(19,224)
Balance as at 1 July 2017	203,669	6,068	-	159,664	369,401
Loss for the period	-	-	-	(7,748)	(7,748)
Total comprehensive loss for the period	-	-	-	(7,748)	(7,748)
Transfer from 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	-	157,224	362,259

1 The Equity Remuneration Reserve relates to Performance Rights and Share Options granted by the Company to Directors and employees. Further information about the share-based payments is set out in Note 21

**The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes and reflects the retrospective application of a change to the accounting policy for exploration and evaluation costs. Refer to Note 4(a) for further information.*

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2018

	Notes	12 months ended 31 December 2018 \$'000	Restated* 6 months ended 31 December 2017 \$'000
Cash flows from operating activities			
Interest received		5,169	3,406
Interest and fees paid		(517)	-
Management fees received		220	169
Payments to suppliers and employees		(7,951)	(4,004)
Payments for exploration and evaluation expensed		(18,078)	(9,454)
Income tax paid		-	(397)
Net cash outflow from operating activities	6(b)	(21,157)	(10,280)
Cash flows from investing activities			
Payments for exploration and evaluation		(19,924)	(10,683)
Payments for exploration and evaluation included in operating cash flows		18,078	9,454
Payments for assets under construction		(176,580)	(40,151)
Gruyere JV deferred contributions received		14,445	34,368
Payments for plant and equipment		(827)	(496)
Transfers from security deposits		60	154
Transfer from term deposits		-	103,760
Payments for tenement acquisitions		(7,361)	(172)
Investments in shares		-	(750)
Net cash (outflow)/inflow from investing activities		(172,109)	95,484
Cash flows from financing activities			
Proceeds from exercise of share Options		-	280
Proceeds from borrowings		3,000	-
Transaction costs related to loans and borrowings		(2,576)	-
Net cash inflow from financing activities		424	280
Cash and cash equivalents at the beginning of the year/period		236,799	151,315
Net (decrease)/increase in cash and cash equivalents		(192,842)	85,484
Cash and cash equivalents at the end of the year/period	6	43,957	236,799

**The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes and reflects the retrospective application of a change to the accounting policy for exploration and evaluation costs. Refer to Note 4(a) for further information.*

INDEX**Note No.****Corporate information and basis of preparation**

- | | |
|---|-----------------------|
| 1 | Corporate information |
| 2 | Basis of preparation |

Financial performance

- | | |
|---|---------------------|
| 3 | Segment information |
| 4 | Expenses |
| 5 | Earnings per share |

Operating assets and liabilities

- | | |
|----|-------------------------------|
| 6 | Cash and cash equivalents |
| 7 | Exploration and evaluation |
| 8 | Property, plant and equipment |
| 9 | Trade and other receivables |
| 10 | Trade and other payables |
| 11 | Provisions |

Capital and financial risk management

- | | |
|----|--------------------------------|
| 12 | Financial risk management |
| 13 | Interest bearing liabilities |
| 14 | Contributed equity |
| 15 | Reserves and retained earnings |
| 16 | Dividends |

Other information

- | | |
|----|-------------------------------------|
| 17 | Income tax and deferred tax |
| 18 | Interests in other entities |
| 19 | Parent entity financial information |
| 20 | Related party transactions |
| 21 | Share-based payments |
| 22 | Remuneration of auditors |
| 23 | New standards and interpretations |

Unrecognised items

- | | |
|----|---|
| 24 | Contingencies |
| 25 | Commitments |
| 26 | Significant events after the balance date |

Notes to the Consolidated Financial Statements

For the year ended 31 December 2018

Corporate Information and Basis of Preparation

NOTE 1 CORPORATE INFORMATION

The 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 financial statements were authorised for issue in accordance with a Resolution of the Directors on 22 March 2018.

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*.

(a) Compliance with International Financial Reporting Standards

The Consolidated Financial Statements of the Group also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

(b) Historical cost convention

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

(c) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates - the functional currency. The Consolidated Financial Statements are presented in Australian dollars, which is Gold Road's functional and presentation currency.

(d) 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.

(e) Change of financial year end in comparative period

The financial year of the Company changed from 30 June to 31 December in the comparative period to align the year end date of the Gruyere Joint Venture, and Gruyere Joint Venture partner. This improved the efficiency of the Company's financial reporting and planning cycles. Accordingly, the comparative figures for these financial statements cover the six months 1 July 2017 to 31 December 2017. The results for the current year are therefore not directly comparable with the results for the prior period.

(f) Critical accounting 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.

Estimates and assumptions are reviewed on an ongoing basis and are based on the latest available information at each reporting date. Revisions to accounting estimates are recognised in the period in which the estimate is revised. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are found in the following notes.

Note 4(a), Note 7	Exploration and evaluation
Note 11	Rehabilitation provision
Note 17	Income tax and deferred tax

Financial Performance

NOTE 3 SEGMENT INFORMATION

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

The following have been identified as individual operating segments:

(a) Development and Production

All operating segments within Australia will be one reportable segment being Development and Production, which consists of the joint Gruyere operation with Gold Fields which 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 and the Gruyere JV tenements.

(c) Unallocated

Unallocated items comprise items that cannot be directly attributed to the development and production or exploration segments and corporate which includes those expenditures supporting the business during the year.

The segment information for the reportable segments for the year ended 31 December 2018 is as follows:

12 months ended 31 December 2018	Development and			
	Production	Exploration	Unallocated	Total
	\$'000	\$'000	\$'000	\$'000
Segment loss before tax	(7,368)	(19,282)	(6,938)	(33,588)
Income tax benefit	-	-	9,737	9,737
Capital expenditure additions	281,060	9,360	828	291,248
Segment assets	431,100	13,042	51,206	495,348
Segment liabilities	(152,749)	(6)	(3,627)	(156,382)

6 months ended 31 December 2017	Development and	Restated		Restated
	Production	Exploration	Unallocated	Total
	\$'000	\$'000	\$'000	\$'000
Segment loss before tax	-	(9,454)	(1,475)	(10,929)
Income tax benefit	-	-	3,181	3,181
Impairment of assets	-	-	-	-
Capital expenditure additions	54,018	2,380	493	56,891
Segment assets	138,130	3,698	249,350	391,178
Segment liabilities	(26,519)	(865)	(1,535)	(28,919)

Recognition and measurement

Operating segments are identified and segment information disclosed, where appropriate, on the basis of internal reports reviewed by the Board of Directors, being the Company's CODM, as defined by AASB 8.

NOTE 4 EXPENSES

(a) Exploration expenditure expensed

	12 months ended 31 December 2018 \$'000	Restated 6 months ended 31 December 2017 \$'000
Costs expensed in relation to areas of interest in the exploration and evaluation phase	(19,282)	(9,454)
	(19,282)	(9,454)

Change in Accounting Policy

The Consolidated Financial Statements have been prepared incorporating retrospective application of a voluntary change in accounting policy relating to the exploration and evaluation expenditure. The new accounting policy was adopted on 1 January 2018 and has been applied retrospectively. The Directors believe that the change in accounting policy will provide more relevant and reliable information to users of the Consolidated Financial Statements. Both the previous and the new accounting policy are compliant with AASB 6: Exploration for and Evaluation of Mineral Resources (refer to Note 7 for further information).

The Group previously accounted for exploration and evaluation expenditure relating to an area of interest by carrying forward that expenditure where no impairment trigger exists.

The impact of the change in accounting policy on the Consolidated Statement of Profit or Loss, Consolidated Statement of Financial Position and Consolidated Statement of Cash Flow is included below:

	31 December 2017 (\$'000)			1 July 2017 (\$'000)		
	Previous Policy	Adjustment	Restated	Previous Policy	Adjustment	Restated
Consolidated Statement of Financial Position (extract)						
Exploration and evaluation	38,669	(34,987)	3,682	28,765	(27,462)	1,303
Deferred tax asset/(liability)	(10,407)	10,496	89	(11,330)	8,238	(3,092)
Total assets	426,076	(34,898)	391,178	416,595	(27,462)	389,133
Net assets	386,750	(24,491)	362,259	388,625	(19,224)	369,401
Retained earnings	181,715	(24,491)	157,224	178,888	(19,224)	159,664
Total equity	386,750	(24,491)	362,259	388,625	(19,224)	369,401
Consolidated Statement of Profit and Loss and Other Comprehensive Income (extract)						
Exploration expenditure impaired	(1,929)	1,929	-			
Exploration expenditure expensed	-	(9,454)	(9,454)			
Loss before income tax	(3,404)	(7,525)	(10,929)			
Income tax benefit	923	2,258	3,181			
Loss for the year	(2,481)	(5,267)	(7,748)			
Loss per share						
Basic and diluted share price	(0.28)	(0.61)	(0.89)			
Consolidated Statement of Cash Flows (extract)						
Payments for exploration and evaluation expensed	-	(9,454)	(9,454)			
Net cash outflow from operating activities	(826)	(9,454)	(10,280)			
Payments for exploration and evaluation capitalised	(10,683)	9,454	(1,229)			
Net cash inflow from investing activities	86,030	9,454	95,484			

The Group now accounts for exploration and evaluation activities by applying the following policy.

Recognition and measurement

Accounting for exploration and evaluation expenditures is assessed separately for each “area of interest”. Each “area of interest” is an individual geological area which is considered to constitute a favourable environment for the presence of a mineral deposit or has been proved to contain such a deposit.

Exploration and evaluation expenditure relating to an area of interest is capitalised when either of the following criteria has been met:

- A Mineral Resource has been defined; or
- The Group has determined that there is a reasonable expectation that Mineral Resources will be defined.

If the criterion is not met, exploration and evaluation expenditure is expensed.

The exception to this treatment is the acquisition of an exploration and evaluation asset through an asset acquisition or business combination which will be recognised as an asset on acquisition and only future exploration and evaluation spend on the area of interest acquired will be subject to the above criteria.

Where a decision has been made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then transferred to mine development.

Any gain or loss on disposal of an area of interest is recognised in profit or loss.

(b) Fair value loss on derivatives

Fair value (loss)/gain on derivatives

12 months ended 31 December 2018	6 months ended 31 December 2017
\$'000	\$'000
(7,215)	506
(7,215)	506

Gold Forward Sales

The Group executed gold forward sales contracts totalling 100,000 ounces, denominated in Australian dollars, of which 70,000 ounces are adjusted for the mark-to-market valuation performed at each reporting period.

Recognition and measurement

Derivatives

Derivatives are classified as held for trading and accounted for at fair value through profit or loss unless they are accounted for using the ‘own use exemption’. They are presented as current assets or liabilities if they are expected to be settled within 12 months after the end of the reporting period.

At the reporting date, the Group had executed 100,000 ounces of Australian dollar denominated gold forward sales contracts which were held to be delivered over the next 39 months at an average of \$1,801 per ounce. Gold forward sales contracts totalling 30,000 ounces are accounted for using the ‘own use exemption’ under AASB 9 *Financial Instruments* where all associated revenue is recognised in the profit or loss on the delivery date. A mark-to-market valuation is performed on the remaining undelivered ounces, where any changes in the fair value are recognised in profit or loss.

NOTE 5 EARNINGS PER SHARE

	12 months ended 31 December 2018 Cents	Restated 6 months ended 31 December 2017 Cents
(a) Basic earnings per share		
Loss attributable to ordinary equity holders of the Company	(2.72)	(0.89)
(b) Diluted earnings per share		
Loss attributable to ordinary equity holders of the Company	(2.72)	(0.89)
(c) Loss used in calculation of basic and diluted loss per share	\$'000	\$'000
Loss for the financial year/ period	(23,851)	(7,748)
(d) Weighted average number of shares used as the denominator	No.	No.
Weighted average number of shares used as the denominator in calculating basic earnings per share	877,444,647	874,819,164
<i>Adjustments for calculation of diluted earnings per share:</i>		
Performance Rights ¹	-	-
Share Options	-	-
Weighted average number of shares used as the denominator in calculating diluted earnings per share	877,444,647	874,819,164

¹ There were 6,017,351 Performance Rights outstanding at 31 December 2018 (31 December 2017: 4,760,718) which were excluded from the diluted weighted-average number of ordinary shares calculation because their effect would have been anti-dilutive

Recognition and measurement**(i) Basic earnings per share**

Basic earnings per share is calculated by dividing the earnings attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the year, adjusted for bonus elements in ordinary shares issued during the year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Operating Assets and Liabilities**NOTE 6 CASH AND CASH EQUIVALENTS**

	31 December 2018 \$'000	31 December 2017 \$'000
Cash at bank	33,956	23,796
Short term deposits (classified as cash or cash equivalents)	10,001	213,003
Cash and cash equivalents	43,957	236,799

(a) Cash at Bank - Gruyere JV

Included in cash at bank of \$33,956,000 is \$3,046,000 representing the Company's share of cash at bank held in the Gruyere JV.

(b) Cash flows from operating activities reconciliation

	12 months ended 31 December 2018 \$'000	Restated 6 months ended 31 December 2017 \$'000
Loss from ordinary activities after income tax	(23,851)	(7,748)
Depreciation	684	301
Share based payments expense	1,064	326
Fair value loss/(gain) on derivatives	7,215	(506)
Loss on disposal of assets	7	-
Rehabilitation accretion	281	-
<i>Change in operating assets and liabilities:</i>		
Decrease in accrued interest receivable	1,318	452
Decrease in other operating receivables	664	152
Increase/(decrease) in employee entitlements	82	(37)
Increase in operating trade and other payables	1,116	358
Decrease in income tax liability	-	(397)
Decrease in deferred tax liability	(9,737)	(3,181)
Net cash outflow from operating activities	(21,157)	(10,280)

Recognition and measurement

For cash flow statement presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

NOTE 7 EXPLORATION AND EVALUATION

	31 December 2018 \$'000	Restated 31 December 2017 \$'000
<i>In the exploration and evaluation phase</i>		
Opening balance	3,682	1,303
Exploration acquisitions during the year/period	7,506	-
Exploration expenditure during the year/period	1,854	2,379
Closing balance	13,042	3,682

Recognition and measurement

Accounting for exploration and evaluation expenditures is assessed separately for each "area of interest". Each "area of interest" is an individual geological area which is considered to constitute a favourable environment for the presence of a mineral deposit or has been proved to contain such a deposit.

Exploration and evaluation expenditure relating to an area of interest is capitalised when either of the following criteria has been met:

- A Mineral Resource has been defined; or
- The Group has determined that there is a reasonable expectation that Mineral Resources will be defined.

If the criterion is not met, exploration and evaluation expenditure is expensed.

The exception to this treatment is the acquisition of an exploration and evaluation asset through an asset acquisition or business combination which will be recognised as an asset on acquisition and only future exploration and evaluation spend on the area of interest acquired will be subject to the above criteria.

Where a decision has been made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then transferred to mine development.

Any gain or loss on disposal of an area of interest is recognised in profit or loss.

The impact of the change in accounting policy is set out in Note 4(a).

Critical accounting estimates and judgements

(i) Determination of Mineral Resources and Ore Reserves

The Group estimates its Mineral Resources and Ore Reserves in accordance with the Joint Ore Reserves Committee Australasian Code of Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). The information on Mineral Resources and Ore Reserves is prepared by or under the supervision of Competent Persons as defined in the JORC Code. The amounts presented are based on the Mineral Resources and Ore Reserves determined under the JORC Code.

There are numerous uncertainties inherent in estimating the Mineral Resources and Ore Reserves and assumptions that are valid at the time of estimation may change significantly when new information becomes available.

Changes in the forecast prices of commodities, exchange rates, production costs or recovery rates may change the economic status of Ore Reserves and may ultimately result in the Ore Reserves being restated. Such changes in Ore Reserves could impact on depreciation and amortisation rates, asset carrying values, impairment assessments and provisions.

(ii) Impairment of capitalised exploration and evaluation expenditure

Capitalised mineral exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest and are assessed for indicators of impairment during each reporting period.

In the event that an area of interest is abandoned or if the Directors consider the expenditure to be of reduced value, accumulated costs carried forward are written down to recoverable amount in the year in which that assessment is made.

For the purposes of impairment testing, exploration and evaluation assets are allocated to cash-generating units to which the exploration activity relates. The cash-generating unit is not larger than the area of interest.

The future recoverability of capitalised exploration and evaluation expenditure is dependent upon a number of factors, including whether the Group decides to exploit the related lease itself or, if not, whether it expects to successfully recover the related exploration and evaluation asset through sale.

Factors that could impact future recoverability include the level of Ore Reserves and Mineral Resources, future technological changes which could impact the cost of mining, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

To the extent that capitalised exploration and evaluation expenditure is determined not to be recoverable in the future, an impairment expense is recognised in the period in which the determination is made.

NOTE 8 PROPERTY, PLANT AND EQUIPMENT

	Plant and Equipment \$'000	Buildings \$'000	Lease Assets \$000	Mine Development Assets \$000	Assets Under Construction \$'000	Total \$'000
31 December 2018						
Opening net book value	1,230	702	-	34,425	94,196	130,553
Additions	531	39	115,535	-	157,733	273,838
Transfer to plant and equipment	259	-	-	(259)	-	-
Movement in rehabilitation asset	-	-	-	8,049	-	8,049
Disposals	(7)	-	-	-	-	(7)
Depreciation charge	(430)	(254)	-	-	-	(684)
Net book value	1,583	487	115,535	42,215	251,929	411,749
31 December 2018						
Cost	3,340	2,467	115,535	42,215	251,929	415,486
Accumulated depreciation	(1,757)	(1,980)	-	-	-	(3,737)
Closing net book value	1,583	487	115,535	42,215	251,929	411,749
31 December 2017						
Opening net book value	972	768	-	27,873	46,730	76,343
Additions	435	58	-	-	47,226	47,719
Transfer to assets under construction	-	-	-	(240)	240	-
Movement in rehabilitation asset	-	-	-	6,792	-	6,792
Depreciation charge	(177)	(124)	-	-	-	(301)
Closing net book value	1,230	702	-	34,425	94,196	130,553
At 31 December 2017						
Cost	2,727	2,428	-	34,425	94,196	133,776
Accumulated depreciation	(1,497)	(1,726)	-	-	-	(3,223)
Net book value	1,230	702	-	34,425	94,196	130,553

“Finance lease assets” relates to the gas pipeline, power facilities and mine infrastructure contracts which commenced during the year.

“Assets under construction” reflects Gold Road’s 50% share of Gruyere JV construction costs for the year.

“Mine development assets” consists of capitalised mineral exploration and evaluation expenditure transferred to mine development phase. Mine development assets also include the rehabilitation asset.

Non-current assets pledged as security

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

The borrowings under the Finance Facilities are secured by first ranking securities over the assets of the Group or second ranking securities in respect of assets in the Gruyere Project, as disclosed in Note 13.

Recognition and measurement**(i) Property, plant and equipment**

Property, plant and equipment is stated at historical cost less depreciation and any impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the assets.

Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the profit or loss during the financial period in which they are incurred.

Depreciation of property, plant and equipment is calculated using the straight line and written down value methods to allocate their cost, net of residual values, over their estimated useful lives, as follows:

Plant and equipment	2 - 15 years
Buildings	5 - 10 years
Lease assets	5 - 15 years

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

(ii) Assets under construction

The cost of assets under construction includes the cost of materials and direct labour and any other costs directly attributable to bringing an asset to a working condition ready for its intended use. Borrowing costs related to the acquisition or construction of qualifying assets are capitalised. Upon commissioning, which is the date when the asset is in the location and condition necessary for it to be capable of operating in the manner intended by management, the assets are transferred into property, plant and equipment or development assets, as appropriate.

(iii) Lease assets

The property, plant and equipment acquired under finance leases are depreciated over the asset's useful life, or the lease term if shorter where there is no reasonable certainty that the Group will obtain ownership by the end of the lease term. Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight line basis over the period of the lease.

(iv) Mine development assets

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 Ore Reserve is being prepared for production.

Capitalised development expenditure includes:

- Reclassified exploration and evaluation assets; and
- Mine closure and rehabilitation assets.

Mine development costs are deferred until commercial production commences, at which time they are amortised on a unit of production basis over mineable reserves.

Amortisation of capitalised mine development costs is provided on the unit of production method. Capitalised costs are amortised from the commencement of commercial production.

(v) Impairment of assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units). Non-financial assets, other than goodwill, that suffered an impairment, are reviewed for possible reversal of the impairment at each reporting date.

NOTE 9 TRADE AND OTHER RECEIVABLES

	31 December 2018 \$'000	31 December 2017 \$'000
Current		
Deferred consideration receivable	-	14,445
Interest receivable	12	1,330
Prepayments	9,409	190
Other receivables	3,984	3,253
Trade and other receivables	13,405	19,218
Non-Current		
Prepayments	1,717	-
Trade and other receivables	1,717	-

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 Project. At 31 December 2018 deferred consideration has been received in full.

Prepayments include \$1.717 million 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.

Recognition and measurement

Receivables are recognised and carried at original invoice amount less a provision for any uncollectible debts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written-off as incurred.

NOTE 10 TRADE AND OTHER PAYABLES

	31 December 2018 \$'000	31 December 2017 \$'000
Trade payables	4,315	11,622
Accruals and other payables	7,290	6,235
Trade and other payables	11,605	17,857

The carrying amounts of trade and other payables are assumed to be the same as their fair values, due to their short term nature.

Recognition and measurement

These amounts represent liabilities for goods and services provided to the Group prior to the end of the year which are unpaid. The amounts are unsecured and usually paid within 30 days of recognition.

NOTE 11 PROVISIONS

	31 December 2018			31 December 2017		
	Current \$'000	Non-current \$'000	Total \$'000	Current \$'000	Non-current \$'000	Total \$'000
Employee entitlements	607	1,750	2,357	528	743	1,271
Rehabilitation	-	18,121	18,121	-	9,791	9,791
Provisions	607	19,871	20,478	528	10,534	11,062

(a) Information about individual provisions and significant estimates

(i) Employee entitlements

The provision for employee benefits relates to the Group's liability for long service leave and annual leave.

(ii) Rehabilitation

The provision for rehabilitation relates to the mine closure and rehabilitation obligations with respect to Gruyere and have been recorded initially as a liability at fair value, assuming a risk-free discount rate of 2.44% at 31 December 2018 (31 December 2017: 2.87%) and an inflation factor of 2.5% (31 December 2017: 2.5%). Although the ultimate amount to be incurred is uncertain, management has, at 31 December 2018, estimated the asset retirement cost of work completed to date using a mine life of 12 years and a total undiscounted estimated cash flow of \$26,546,000 (31 December 2017: \$16,348,000).

(b) Movements in provisions

Movements in each class of provision during the year are set out below:

	Employee Entitlements \$'000	Rehabilitation \$'000	Total \$'000
Opening balance	1,271	9,791	11,062
Additional provisions recognised	1,573	8,330	9,903
Amounts used during the year	(487)	-	(487)
Closing balance	2,357	18,121	20,478

Recognition and measurement

(i) Wages, salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits, and annual leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future salaries, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(iii) Rehabilitation

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

When an obligation arises to decommission or restore a site to a certain condition after abandonment as a result of bringing the assets to its present location, the costs of rehabilitation are recognised in full at present value as a non-current liability, and an equivalent amount is capitalised as a part of the cost of the asset.

The capitalised cost is amortised over the life of the project and the provision is accreted periodically as the discounting of the liability unwinds. The unwinding of the discount is recorded as a finance cost.

Any changes in the estimates for the costs or other assumptions against the cost of relevant assets are accounted for on a prospective basis.

Critical accounting estimates and judgements

The Group assesses its mine rehabilitation provision annually. Significant judgement is required in determining the provision for mine rehabilitation and closure as there are many factors that will affect the ultimate liability payable to rehabilitate the mine sites, including future disturbances caused by further development, changes in technology, changes in regulations, price increases, changes in timing of cash flows which are based on life of mine plans and changes in discount rates. When these factors change or become known in the future, such differences will impact the mine rehabilitation provision in the period in which the change becomes known.

Capital and Financial Risk Management

NOTE 12 FINANCIAL RISK MANAGEMENT

Risk management is carried out at a corporate level under policies approved by the Board who maintain overall responsibility for the establishment and oversight of the risk management framework. The Audit & Risk Committee is responsible for developing and monitoring risk management policies. The Committee reports regularly to the Board on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Group's activities expose it to a variety of financial risks: market risk (including interest rate risk and commodity price risk), credit risk and liquidity risk. The Group's exposure to these risks and how these risks could affect the Group's future financial performance is detailed below.

(a) Categories of financial instruments

	31 December 2018 \$'000	31 December 2017 \$'000
Financial assets		
Cash and cash equivalents	43,957	236,799
Trade and other receivables	1,614	17,712
Other financial assets	432	752
Financial liabilities		
Trade and other payables	11,605	17,857
Interest bearing liabilities	117,589	-
Other financial liabilities	6,710	-

(b) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and commodity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising any return.

(i) Foreign exchange risk

At reporting date, the Group has minimal exposure to foreign currency risk. The Group's operations are all located within Australia and material transactions are denominated in Australian dollars, the Group's functional currency.

(ii) Interest rate risk

The Group's income and operating cash flows are exposed to changes in market interest rates in respect of interest bearing assets. These assets are a combination of cash balances on hand which earn interest at variable interest rate and interest bearing term deposits which mitigate variable interest rate risk.

At the reporting date the interest profile of the Group's interest bearing financial instruments was as follows:

	31 December 2018 \$'000	31 December 2017 \$'000
Fixed rate instruments		
Cash at bank – on deposit	10,001	213,249
Finance lease liabilities	(115,375)	-
Variable rate instruments		
Cash at bank	34,143	23,796
Borrowings	(2,214)	-

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

A sensitivity analysis has not been disclosed in relation to the variable interest rate cash at bank and borrowings as the results have been determined to be immaterial to the Consolidated Statement of Profit or Loss and Other Comprehensive Income for both the current year and prior period.

(iii) Commodity price risk

At the reporting date, the Group had executed 100,000 ounces of Australian dollar denominated gold forward sales contracts which were held to be delivered over the next 39 months at an average of \$1,801 per ounce. Gold forward sales contracts totalling 30,000 ounces is accounted for using the 'own use exemption' under AASB 9 *Financial Instruments* where all associated revenue is recognised in profit or loss on the delivery date. A mark-to-market valuation is performed on the remaining undelivered ounces, where any changes in the fair value are recognised in profit or loss.

The following table reflects the impact on loss after tax of a 10% change in the Australia dollar gold price which was \$1,817 per ounce at 31 December 2018 (31 December 2017: \$1,669 per ounce):

	31 December 2018		31 December 2017	
	10% Increase	10% Decrease	10% Increase	10% Decrease
	\$'000	\$'000	\$'000	\$'000
(Increase)/decrease in loss after tax	(8,903)	8,903	(2,902)	2,902

Other than as detailed above, at reporting date the Group has no exposure to the risk of fluctuations in the prevailing market prices for gold as the Gruyere JV is not yet in production.

(c) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from cash at bank and deposits. The carrying amount of financial assets represents the maximum credit exposure.

The Group has adopted the policy of dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. Cash is deposited only with institutions approved by the Board. The Group has determined that it currently has no significant exposure to credit risk as at reporting date.

(i) Cash and cash equivalents

At the reporting date, the Group held significant cash and cash equivalents. The cash and cash equivalents are held with bank and financial institution counterparties, all of which have investment grade ratings as determined by a reputable credit rating agency e.g. Standard & Poor's.

(ii) Trade and other receivables

The Group's trade and other receivables at the reporting date relates to loan facility establishment fees classified as transaction costs, GST receivable from the Australian Taxation Office and interest receivable. The risk of non-recovery of receivables from these sources is considered to be minimal.

In determining the recoverability of trade and other receivables, the Group performs a risk analysis considering the type and age of the outstanding receivable and the creditworthiness of the counterparty. If appropriate, an impairment loss will be recognised in profit or loss. The Group does not have any impaired Trade and Other Receivables as at 31 December 2018 (31 December 2017: nil).

(d) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group manages liquidity risk by monitoring immediate and forecasted cash requirements and ensures adequate cash reserves are maintained to pay debts as and when due.

The Group manages its liquidity risk by monitoring its cash reserves and forecast spending. Management is cognisant of the future demands for liquid financial resources to finance the Group's current development activities and future operations, and consideration is given to the liquid assets available to the Group before commitment is made to future expenditure or investment.

(i) Financing arrangements

During the year, Gold Road achieved financial close of the 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 31 December 2018, \$3 million of the facility has been drawn.

(ii) Maturities of financial liabilities

The tables below analyse the Group's financial liabilities into relevant maturity groupings based on their contractual maturities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Contractual maturities of financial liabilities

	Less than one year \$'000	Between one and five years \$'000	More than five years \$'000	Contractual cash flows \$'000	Carrying amount \$'000
31 December 2018					
Trade payables	4,315	-	-	4,315	4,315
Accruals and other payables	7,290	-	-	7,290	7,290
Borrowings	-	3,144	-	3,144	2,214
Finance lease liability	10,611	53,592	83,032	147,235	115,375
Other financial liabilities	1,317	5,392	-	6,709	6,710
	23,533	62,128	83,032	168,693	135,904
31 December 2017					
Trade payables	11,622	-	-	11,622	11,622
Accruals and other payables	6,235	-	-	6,235	6,235
	17,857	-	-	17,857	17,857

(e) Capital management

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to maintain future exploration and development of its projects.

The Group monitors the adequacy of capital by analysing cash flow forecasts for each of its operating segments. Appropriate capital levels are maintained to ensure that all approved expenditure programs are adequately funded.

(f) Dividends

No dividends were paid or proposed during the year.

Recognition and measurement*Recognition and initial measurement*

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Classification and subsequent measurement

(i) Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost, fair value through other comprehensive income (**FVOCI**); or fair value through profit or loss (**FVTPL**). Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income (**OCI**). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

(ii) Financial assets – Subsequent measurement and gains and losses

Financial assets at fair value through profit or loss

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Equity investments at fair value through other comprehensive income

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

(iii) Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Any gain or loss on derecognition is also recognised in profit or loss.

Derecognition

(i) Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

(ii) Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

Derivative financial instruments

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

Fair value measurements

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

AASB 13 *Fair Value Measurement* requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1 - Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 - Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 - Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

The Group would change the categorisation within the fair value hierarchy only in the following circumstances:

- (i) if a market that was previously considered active (Level 1) became inactive (Level 2 or Level 3) or vice versa; or
- (ii) if significant inputs that were previously unobservable (Level 3) became observable (Level 2) or vice versa.

When a change in the categorisation occurs, the Group recognises transfers between levels of the fair value hierarchy (i.e. transfers into and out of each level of the fair value hierarchy) on the date the event or change in circumstances occurred.

The fair value of gold forward sales contracts would be recognised as a Level 2 in the fair value hierarchy, using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates.

NOTE 13 INTEREST BEARING LIABILITIES

	31 December 2018 \$'000	31 December 2017 \$'000
Current		
Finance lease liabilities	6,573	-
Interest bearing liabilities - current	6,573	-
Non-Current		
Borrowings	2,214	-
Finance lease liabilities	108,802	-
Interest bearing liabilities – non-current	111,016	-

During the year, Gold Road achieved financial close of the 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 31 December 2018, \$3 million of the Working Capital Facility has been drawn. The borrowings under the Finance Facilities are secured by first ranking securities over the assets of the Group or second ranking securities in respect of assets in the Gruyere Project, as disclosed in Note 8.

The finance lease liabilities relate to the gas pipeline, power facilities and mine infrastructure contracts which commenced during the year.

Finance lease liabilities are payable as follows:

	Future minimum lease payments		Interest		Present value of minimum lease payments	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Less than one year	10,611	-	4,038	-	6,573	-
Between one and five years	53,592	-	16,059	-	37,533	-
More than five years	83,032	-	11,763	-	71,269	-
	147,235	-	31,860	-	115,375	-

Recognition and measurement

- (i) Finance leases

Leases of property, plant and equipment, where the Group has substantially all the risks and rewards of ownership, are classified as finance leases. Finance leases are capitalised at inception of the lease at the lower of the fair value of the leased property and the present value of the minimum future lease payments. The corresponding rental obligations, net of finance charges, are included in interest bearing liabilities. Each lease payment is allocated between the liability and finance charges so as to achieve a constant interest rate on the finance balance outstanding. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability each period.

(ii) Borrowings

Interest bearing borrowings are initially measured at fair value, net of directly attributable transaction costs. After initial recognition, interest-bearing borrowings are subsequently measured at amortised cost using the effective interest rate method.

NOTE 14 CONTRIBUTED EQUITY

(a) Share capital

	31 December 2018 No.	31 December 2017 No.	31 December 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

(b) Movements in ordinary shares during the year

	Number of shares (thousands)	Total \$'000
Opening balance	877,090	203,949
Performance Rights exercised	408	-
Closing balance	877,498	203,949

(c) 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.

(d) Performance Rights

Information relating to the Plan, including details of Performance Rights issued, exercised and lapsed during the year and Performance Rights outstanding at the end of the financial year, is set out in Note 21.

Recognition and measurement

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

NOTE 15 RESERVES AND RETAINED EARNINGS

	31 December 2018 \$'000	31 December 2017 \$'000
(a) Equity remuneration reserve		
Opening balance	1,086	6,068
Transfer to retained earnings	(330)	(5,308)
Net movements in Share Options and Performance Rights	1,064	326
Closing balance	1,820	1,086

Nature and purpose of Equity Remuneration Reserves

The equity remuneration reserve is used to recognise the cumulative expense recognised in respect of Share Options and Performance Rights granted. Refer to Note 21 for further information.

(b) Fair value reserve

	31 December 2018 \$'000	31 December 2017 Restated \$'000
Opening balance	-	-
Transfer to fair value reserve	(506)	-
Closing balance	(506)	-

Nature and purpose of Fair Value Reserve

The fair value reserve is used to recognise the cumulative change in fair value of investments measured at fair value through other comprehensive income.

(c) Retained earnings
Opening balance
Loss for the year/ period
Transfer from equity remuneration reserve
Closing balance

31 December 2018	Restated 31 December 2017
\$'000	\$'000
157,224	159,664
(23,851)	(7,748)
330	5,308
133,703	157,224

NOTE 16 DIVIDENDS

No dividends were paid or proposed during the year.

Franking credits available to shareholders of Gold Road for subsequent financial years is \$70,618,000 (31 December 2017: \$70,618,000). The ability to utilise the franking credits is dependent upon the ability to declare dividends.

Other Information

NOTE 17 INCOME TAX AND DEFERRED TAX

(a) Income tax (benefit)/expense
Current tax
Deferred tax

31 December 2018	Restated 31 December 2017
\$'000	\$'000
-	-
(9,737)	(3,181)
(9,737)	(3,181)

(b) Numerical reconciliation of income tax (benefit)/expense to prima facie tax payable

Loss before income tax
Income tax benefit calculated at 30% (December 2017: 30%)

(33,588)	(10,929)
(10,076)	(3,279)

Non-deductible expenses
Other
Income tax (benefit)/expense

333	98
6	-
(9,737)	(3,181)

Deferred Tax Assets and Liabilities

(c) Recognised deferred tax balances
Deferred tax assets
Deferred tax liabilities
Net deferred tax assets

Composition of deferred tax liabilities and assets:

Deferred tax liabilities

Exploration expenditure
Mine development expenditure
Other deferred tax liabilities
Gross deferred tax liabilities
Set-off of deferred tax assets
Net deferred tax liabilities

31 December 2018	Restated 31 December 2017
\$'000	\$'000
28,958	7,702
(19,132)	(7,613)
9,826	89
(1,787)	(1,050)
(17,168)	(6,411)
(177)	(152)
(19,132)	(7,613)
19,132	7,702
-	89

Deferred tax assets

Provisions, trade and other payables
Expenses deductible over time
Tax losses carried forward
Gross deferred tax assets
Set off of deferred tax assets
Net deferred tax assets

31 December 2018	31 December 2017
\$'000	\$'000
7,836	470
565	979
20,557	6,253
28,958	7,702
(19,132)	(7,702)
9,826	-

(d) Unrecognised deferred tax balances
--

Composition of deferred tax assets not recognised during the year:

Temporary differences
Gross deferred tax assets unrecognised

1,200	1,200
1,200	1,200

Tax Losses

Effective 1 January 2017, the Company made an election to form a tax consolidated group, comprising all of its wholly owned subsidiaries. The Company and its wholly owned Australian resident entities are part of a tax-consolidated group. As a consequence all members of the tax-consolidated group are taxed as a single entity. The head entity within the tax-consolidated group is Gold Road Resources Limited.

At 31 December 2018 the Company had tax losses of \$68,522,000 (31 December 2017: \$20,844,000) which were recognised in full as a deferred tax asset.

Recognition and measurement

(i) Income tax

The income tax expense or benefit for the year is the tax payable or receivable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to the temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

(ii) Deferred tax

Deferred tax assets and liabilities are recognised for temporary timing differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantially enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to those timing differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

Critical accounting estimates and judgements

The Group is subject to income taxes in Australia. Significant judgement is required in determining the provision for income taxes. There are certain transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Group estimates its tax liabilities based on the Group's understanding of the tax law. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

Deferred tax assets are recognised for tax losses and deductible temporary differences to the extent management considers that it is probable that future taxable profits will be available to utilise those tax losses and temporary differences.

NOTE 18 INTERESTS IN OTHER ENTITIES**(a) Subsidiaries**

The Group's subsidiaries at 31 December 2018 are set out below. The Consolidated Financial Statements incorporate the assets, liabilities and results of the following principal subsidiaries:

Name	Principal place of business	Ownership interest	
		31 December 2018	31 December 2017
		%	%
Gold Road (Gruyere) Pty Ltd	Australia	100	100
Gold Road (Gruyere Holdings) Pty Ltd	Australia	100	100
Gold Road (North Yamarna) Pty Ltd	Australia	100	100
Gold Road (North Yamarna Holdings) Pty Ltd	Australia	100	100
Gold Road (South Yamarna) Pty Ltd	Australia	100	100
Gold Road (South Yamarna Holdings) Pty Ltd	Australia	100	100
Gold Road (Projects) Pty Ltd	Australia	100	100

The above subsidiaries have share capital consisting solely of ordinary shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

(b) Joint operations

Name	Principal activity	Principal place of business	Ownership interest	
			31 December 2018	31 December 2017
			%	%
Gruyere Unincorporated Joint Venture	Exploration & Development	Australia	50	50
South Yamarna Unincorporated Joint Venture	Exploration	Australia	-	50
Yandina Unincorporated Joint Venture	Exploration	Australia	75	-

(i) Gruyere Joint Venture

On 13 December 2016, the Company entered into the Gruyere JV with a wholly owned subsidiary of Gold Fields with the objective of developing and operating the Gruyere Project in Western Australia. The joint venture is a contractual arrangement between participants for the sharing of costs and outputs. It does not in itself generate revenue and profit and is not structured through a separate vehicle. Management have classified the arrangement as a joint operation and the Group recognises its direct right to the jointly held assets, liabilities, revenues and expenses. Gold Fields was appointed manager of the joint venture from 1 February 2017, and Gold Road being delegated responsibility for managing all exploration activities.

(ii) South Yamarna Joint Venture

On 5 February 2018, the Group announced it had signed a Sale Agreement to acquire Sumitomo's 50% interest in the South Yamarna Joint Venture for \$7 million. Completion of the Sale Agreement occurred on 4 May 2018.

(iii) Yandina Joint Venture

On 16 March 2018 the Group entered into the Yandina Joint Venture with Cygnus, on a 75% Gold Road and 25% Cygnus ownership basis. Cygnus is currently manager of the joint venture.

(iv) Wadderin Earn-in and Joint Venture

On 9 October 2017, the Group entered into the Wadderin Earn-in Agreement with Cygnus, the terms of which include:

- the Group can earn a 51% interest in the tenements that are the subject of the agreement by spending \$1.6 million within 30 months
- after the initial earn-in, the Group can elect to earn a further 24% interest (75% in total) by spending a further \$900,000 (\$2.5 million in aggregate) over a further 18 months (4 years in aggregate)
- the Group can withdraw from the earn-in after spending a minimum of \$900,000 within 18 months

- Cygnus will act as manager of the project until the Group earns a 51% interest.

The Group has contributed \$552,199 towards the earn-in at 31 December 2018.

(v) Lake Grace Earn-in and Joint Venture

On 9 October 2017, the Group entered into the Lake Grace Earn-in Agreement with Cygnus, the terms of which include:

- the Group can earn a 51% interest in the tenements that are the subject of the agreement by spending \$700,000 within 30 months
- after the initial earn-in, the Group can elect to earn a further 24% interest (75% in total) by spending a further \$500,000 (\$1.2 million in aggregate) over a further 18 months (4 years in aggregate)
- the Group can withdraw from the earn-in after spending a minimum of \$400,000 within 18 months.
- Cygnus will act as manager of the project until the Group earns a 51% interest.

The Group has contributed \$557,266 towards the earn-in at 31 December 2018.

Recognition and measurement

(i) Basis of consolidation

The financial statements incorporate, where considered material, all of the assets, liabilities and results of the parent and all of the subsidiaries. Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between Group entities are fully eliminated on consolidation.

(ii) Joint arrangements

Under AASB 11 *Joint Arrangements* investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. A joint operation is a joint arrangement in which the parties with joint control have rights to the assets and obligations for the liabilities relating to that arrangement.

(iii) Joint operations

The Group recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings.

NOTE 19 PARENT ENTITY FINANCIAL INFORMATION

The following details information relating to the parent entity, Gold Road Resources Limited, at 31 December 2018.

(a) Result of parent entity

	12 months ended 31 December 2018 \$'000	6 months ended 31 December 2017 \$'000
Profit for the year/period	30,257	345,359
Other comprehensive income	-	-
Total comprehensive income for the year/period	30,257	345,359

(b) Financial position of parent entity

	31 December 2018	31 December 2017
	\$'000	\$'000
Current assets	38,979	232,649
Total assets	792,130	738,863
Current liabilities	2,800	601
Total liabilities	42,471	4,274

(c) Total equity of parent entity

	31 December 2018	31 December 2017
	\$'000	\$'000
Contributed equity	203,949	203,949
Reserves	1,820	1,085
Retained earnings	543,620	529,555
Total equity	749,389	734,589

(d) Group restructure

On 1 July 2017, the Group completed a restructure that resulted in the Company selling its interest in the Gruyere JV, North Yamarna Tenements, and South Yamarna JV to its wholly owned subsidiaries Gold Road (Gruyere) Pty Ltd, Gold Road (North Yamarna) Pty Ltd and Gold Road (South Yamarna) Pty Ltd respectively for consideration resulting in a gain on sale of \$363 million.

The restructure had no impact on the consolidated financial result of the Group.

(e) Guarantees entered into by the parent entity

Refer to Note 24(a). The Company has provided a parent company guarantee to its wholly owned subsidiary Gold Road (Projects) Pty Ltd for its obligations under the Waddarin Earn-in Joint Venture Agreement and the Lake Grace Earn-in Joint Venture Agreement.

(f) Contingent liabilities of the parent entity

Other than as disclosed in Note 24(a), the parent entity has no contingent liabilities as at 31 December 2018.

(g) Contractual commitments for the acquisition of property, plant or equipment

The parent entity has no contractual commitments for the acquisition of property, plant or equipment as at 31 December 2018.

NOTE 20 RELATED PARTY TRANSACTIONS

(a) Parent entities

The ultimate parent entity within the Group is Gold Road Resources Limited.

(b) Subsidiaries

Interests in subsidiaries are set out in Note 18.

(c) Compensation for Key Management Personnel

	12 months ended 31 December 2018	6 months ended 31 December 2017
	\$	\$
Short-term employee benefits	1,637,460	687,327
Post-employment benefits	63,157	28,002
Share-based payments	394,224	271,313
Total compensation	2,094,841	986,642

Detailed remuneration disclosures are provided in the Remuneration Report on pages 36 to 45.

(d) Transactions with other related parties

The following transactions occurred with related parties:

	31 December 2018	31 December 2017
	\$	\$
Management fees received	203,790	159,174

(e) Outstanding balances

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

	31 December 2018	31 December 2017
	\$	\$
<i>Current receivables</i>		
Deferred consideration receivable - Gold Fields (refer to Note 9)	-	14,445,000
Other receivables – Cygnus	-	750,000
Other receivables – Gruyere Management Pty Ltd	52,205	248,000
<i>Current payables</i>		
Other payables - Gruyere Management Pty Ltd	-	16,000

Other current receivables and the current payables have no formal repayment terms. Each party's obligations are secured over the assets in the Gruyere Project.

(f) Loans made to related parties

No loans were made to related parties, Directors or any other senior personnel, including personally related entities during the reporting period.

(g) Terms and conditions

All related party transactions were made on normal commercial terms and conditions and at market rates.

There is no allowance account for impaired receivables in relation to any outstanding balances, and no expense has been recognised in respect of impaired receivables due from related parties.

NOTE 21 SHARE-BASED PAYMENTS

(a) Expenses arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised during the year were as follows:

	12 months ended 31 December 2018	6 months ended 31 December 2017
	\$'000	\$'000
Expenses arising from equity settled share-based payment transactions	1,064	326
	1,064	326

(b) Types of share-based payment plans

The Plan was established and approved by shareholders at the AGM held on 18 November 2013, and was amended and approved by shareholders at the AGM held on 17 November 2017. The Plan provides for Share Options and Performance Rights as detailed below.

(i) Share Options

The Plan is designed to provide long term incentives for executives to deliver long term shareholder returns, and participation in the future growth of the Company. Under the Plan participants are granted Share Options which typically vest on issue with a strike price as determined at the discretion of the Board. The Plan allows the Company to issue free Share Options to an eligible person. The Share Options are exercisable at a fixed price in accordance with the Plan. Unless the Board determines otherwise in its absolute discretion, the Share Options of any participant in the scheme will lapse where the relevant person ceases to be an employee or Director of the Company.

(ii) Performance Rights

Performance Rights to be issued under the Plan have varying vesting periods as determined by the Board at the date of grant except under certain circumstances whereby Performance Rights may be capable of exercise prior to the expiry of the vesting period. Participation in the Plan is at the Board's discretion and no individual has a contractual right to participate in the Plan or to receive any guaranteed benefits. Unless the Board determines otherwise in its absolute discretion, the Performance Rights of any participant in the scheme lapse where the relevant person ceases to be an employee or Director of the Company.

(c) Share Options

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, Share Options issued during the year:

	31 December 2018		31 December 2017	
	WAEP (cents)	No.	WAEP (cents)	No.
Outstanding at the beginning of the year/period	-	-	19.14	3,500,000
Share Options exercised	-	-	19.14	(3,500,000)
Outstanding at the end of the year/period	-	-	-	-
Vested and exercisable at the end of the year/period	-	-	-	-

(d) Performance Rights

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

	31 December 2018	31 December 2017
	No.	No.
Outstanding at the beginning of the year/ period	4,760,718	5,557,341
Performance Rights granted (i)	3,281,269	1,603,492
Performance Rights exercised (ii)	(407,875)	(1,882,958)
Forfeited during the year/period	(1,616,761)	(517,157)
Outstanding at the end of the year/period (iii)	6,017,351	4,760,718
Vested and exercisable at the end of the year/period	-	-

(i) Performance Rights granted during the year

Number of Performance Rights Granted	Incentive Plan	Fair Value at Grant Date	Grant Date	Performance Period End Date ³	Expiry Date
381,686	2017 STI ¹	\$0.810 ¹	16 February 2018	31 December 2017	31 December 2018
26,189	2017 STI ¹	\$0.800 ¹	19 March 2018	31 December 2017	31 December 2018
966,279	2018-2020 LTI ²	\$0.382 ²	25 May 2018	31 December 2020	31 December 2021
966,270	2018-2020 LTI ¹	\$0.745 ¹	25 May 2018	31 December 2020	31 December 2021
425,101	Retention ³	\$0.720 ¹	24 July 2018	1 July 2021	1 July 2022
257,872	Retention ³	\$0.720 ¹	22 July 2018	30 June 2019	30 June 2020
257,872	Retention ³	\$0.720 ¹	22 July 2018	30 June 2020	30 June 2021
3,281,269	Total Performance Rights granted during the year				

¹ Performance Rights granted subject to non-market based performance conditions

² Performance Rights granted subject to market based performance conditions

³ Performance Rights granted subject to remaining an employee at the performance period end date

⁴ Subsequent to the performance period end date, the Board determines the number of Performance Rights that vest

(ii) Performance Rights exercised during the year

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		

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

Outstanding	Grant Date	Performance Period End Date ¹	Expiry Date
159,091 ²	24 November 2015	31 December 2018	31 December 2019
1,522,727 ²	24 November 2015	31 December 2018	31 December 2019
221,311	1 July 2016	30 June 2019	30 June 2020
1,116,119 ³	19 October 2016	30 June 2019	30 June 2020
500,638	17 November 2017	31 December 2020	31 December 2021
374,826 ⁴	17 November 2017	31 December 2020	31 December 2021
813,667	25 May 2018	31 December 2020	31 December 2021
380,273 ⁴	25 May 2018	31 December 2020	31 December 2021
425,101	24 July 2018	1 July 2021	31 December 2022
251,799	22 July 2018	30 June 2019	30 June 2020
251,799	22 July 2018	30 June 2020	30 June 2021
6,017,351	Total Performance Rights outstanding		

¹ Subsequent to the end of the performance period end date, the Board determines the number of Performance Rights that vest

² Subsequent to the year end, these Performance Rights were forfeited

³ Represents Performance Rights issued to Executive Directors. The key vesting conditions and performance conditions are that the holders must remain employed until 30 June 2019, 50% of the Performance Rights will vest and convert over a three year measurement period to 30 June 2019 based on meeting market based performance criteria, and 50% will vest on meeting non-market performance conditions by 30 June 2019

⁴ Represents Performance Rights issued to Executive Directors. The key vesting conditions and performance conditions are that the holders must remain employed until 31 December 2020, 50% of the Performance Rights will vest and convert over a three year measurement period to 31 December 2020 based on meeting market based performance criteria, and 50% will vest on meeting non-market performance conditions by 31 December 2020

- (iv) Weighted average remaining contractual life

The weighted average remaining contractual life for the Performance Rights outstanding as at 31 December 2018 is 2.06 years (31 December 2017: 2.83 years).

- (v) Weighted average fair value

The weighted average fair value of the Performance Rights granted during the year was 63.89 cents.

- (vi) Fair value of Performance Rights granted

The fair value of Performance Rights allocated as part of the STIs are valued by multiplying the underlying market value at grant date of the ordinary shares over which they are granted. The fair value of Performance Rights allocated as part of the LTIs are valued using a Monte Carlo simulation for rights with market based vesting conditions and Black-Scholes pricing model for rights with non-market based vesting conditions.

The following table lists the inputs to the models used for Performance Rights granted as LTIs during the year ended 31 December 2018:

	Tranche A ¹	Tranche B ²
Underlying share price at measurement date	\$0.745	\$0.745
Exercise price	nil	nil
Grant date	25 May 2018	25 May 2018
Expiry date	31 December 2021	31 December 2021
Life of the Rights (years)	3.00	3.00
Vesting period (years)	2.61	2.61
Volatility	55%	n/a
Risk-free rate	2.16%	2.16%
Value per Right	\$0.382	\$0.745

¹ Performance Rights granted subject to market based performance conditions

² Performance Rights granted subject to non-market based performance conditions

The expected price volatility is based on the historic volatility (based on the remaining life of the Performance Right), adjusted for any expected changes to future volatility due to publicly available information.

Recognition and measurement

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

The fair value of Share Options at grant date is determined using a Black-Scholes pricing model that takes into account the exercise price, the term of the instrument, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free rate for the term of the instrument.

The fair value of Performance Rights allocated as part of the STIs are valued by multiplying the underlying market value at grant date of the ordinary shares over which they are granted. The fair value of Performance Rights allocated as part of the LTIs are valued using a Monte Carlo simulation for rights with market based vesting conditions and Black-Scholes pricing model for rights with non-market based vesting conditions.

The grant date fair value of any instrument granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the instrument. The amount recognised as an expense is adjusted to reflect the actual number of instruments that vest, however no adjustment is made where the rights fail to vest due to market conditions not being met.

The fair value of the instruments granted is adjusted to reflect market vesting conditions. Non-market vesting conditions are included in assumptions about the number of instruments that are expected to become exercisable. At each reporting date, the Company revises its estimate of the number of instruments that are expected to become exercisable. The employee benefit expense recognised each period takes into account the most recent estimate.

NOTE 22 REMUNERATION OF AUDITORS

During the year the following fees were paid or payable for services provided by the auditor of the parent entity, its related practices and non-related audit firms:

	12 months ended 31 December 2018 \$	6 months ended 31 December 2017 \$
(a) Audit and other assurance services		
Audit and review of financial statements	89,510	54,094
Audit of joint operation	37,500	20,830
Total remuneration for audit and other assurance services	127,010	74,924
(b) Taxation services		
Tax advice and related services	80,423	17,500
Total remuneration for taxation services	80,423	17,500
(c) Other services		
Consulting and other services	68,568	19,469
Total remuneration for other services	68,568	19,469
Total remuneration of KPMG	276,001	111,893

It is the Group's policy to employ KPMG on assignments additional to their statutory audit duties where their expertise and experience with the Group are important. These assignments are principally tax advice and consulting services, or where KPMG is awarded assignments on a competitive basis.

NOTE 23 NEW STANDARDS AND INTERPRETATIONS

(a) Adopted

- (i) AASB 9: Financial Instruments (applicable to annual reporting periods commencing on or after 1 January 2018).

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.

There has been no effect of adoption of AASB 9 on the carrying amounts of financial assets at 1 January 2018.

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. Unlike AASB 139, the accumulated fair value reserve related to these investments will never be reclassified to profit or loss.

(ii) AASB 15: Revenue from Contracts with Customers (applicable to annual reporting periods commencing 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. Under this transition approach, the adoption of AASB 15 has not had any impact on the Group's financial statements.

(b) Not yet adopted

The following new standard issued by the AASB, which is not yet mandatorily applicable to the Group, has not been applied in preparing these financial statements:

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.

On adoption of AASB 16, mining equipment supplied under the mining services contract is expected to be identified as a lease, however it is not considered a lease under the existing standard. The Company intends to adopt the "grandfather" provisions which allow the Group to account for the services as a supply contract.

Unrecognised Items

NOTE 24 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 31 December 2018. The total of these guarantees at 31 December 2018 was \$187,000 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 31 December 2018 was \$37,500,000 with various financial institutions (31 December 2018: \$37,500,000).

There were no other material contingent liabilities noted or provided for in the financial statements of the Group as at 31 December 2018.

NOTE 25 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:

	31 December 2018 \$'000	31 December 2017 \$'000
Within one year	5,261	3,638
	5,261	3,638

(b) Non-cancellable operating lease commitments

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

	31 December 2018 \$'000	31 December 2017 \$'000
Within one year	193	346
Later than one year but not later than five years	-	187
	193	533

(c) Commitments in respect of joint ventures

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

	31 December 2018 \$'000	31 December 2017 \$'000
Within one year	36,373	146,669
Later than one year but not later than five years	44,635	35,937
Later than 5 years	64,948	70,675
	145,956	253,281

The commitments relate to Gruyere Project contracts to operate the power station, gas pipeline and compressor station; engineer, procure and construct the process plant and associated infrastructure, and minimum termination payment obligations on the mining services contract.

Refer to Note 18 for further joint operation information.

(d) Gold delivery commitments

	Gold for physical delivery oz	Contracted sales price \$oz	Value of committed sales \$'000
Within one year	-	-	-
Later than one year but not later than five years	30,000	1,833	54,990
	30,000	1,833	54,990

Recognition and measurement

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the profit or loss and other comprehensive income on a straight line basis over the period of the lease. Leases in terms of which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to the asset.

NOTE 26 SIGNIFICANT EVENTS AFTER THE BALANCE DATE

Subsequent to the year ended 31 December 2018, the Company made a \$30 million drawdown under the Facility Agreement. The balance undrawn totals \$117 million.

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

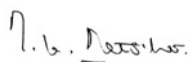
Directors' Declaration

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

- (a) the Consolidated Financial Statements and Notes that are set out on pages 48 to 81 and the Remuneration Report on pages 36 to 45 in the Directors' Report, are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Group's financial position as at 31 December 2017 and of its performance, for the financial year ended on that date; and
 - (ii) complying with Australian Accounting Standards and 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.
- (c) The Directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the Managing Director and CEO, and General Manager - Finance for the year ended 31 December 2018.
- (d) The Directors draw attention to Note 2 to the Consolidated Financial Statements, which includes a statement of compliance with International Financial Reporting Standards.

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

Signed at Perth this 22nd day of March 2019.



Tim Netscher
Non-executive Chairman

Independent Auditor's Report



Independent Auditor's Report

To the shareholders of Gold Road Resources Limited

Report on the audit of the Financial Report

Opinion

We have audited the **Financial Report** of Gold Road Resources Limited (the Company).

In our opinion, the accompanying Financial Report of the Company is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the **Group's** financial position as at 31 December 2018 and of its financial performance for the year ended on that date; and
- complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The **Financial Report** comprises:

- Consolidated statement of financial position as at 31 December 2018
- Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity, and Consolidated statement of cash flows for the year then ended
- Notes including a summary of significant accounting policies
- Directors' Declaration.

The **Group** consists of the Company and the entities it controlled at year's end or from time to time during the financial year.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with the Code.

Key Audit Matters

The **Key Audit Matters** we identified are:

- Accounting for exploration and evaluation expenditure
- Capitalisation of property, plant and equipment

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Report of the current period.

These matters were addressed in the context of our audit of the Financial Report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Accounting for exploration and evaluation expenditure

Carrying value of capitalised exploration and evaluation expenditure (\$13.042 million)
 Exploration expenditure expensed (\$19.282 million)
 Refer to Notes 4(a) and 7 to the Financial Report

The key audit matter	How the matter was addressed in our audit
Accounting for exploration and evaluation expenditure (E&E) is a key audit matter due to: • The significance of exploration activity to the Group's business • The amount of judgement required by us in evaluating the Group's change in accounting policy for exploration and evaluation and the impact of the change. The change in accounting policy resulted in the Group expensing \$19.282 million of costs in the current year, and an adjustment of \$34.987 million to reduce E&E expenditure previously capitalised at 31 December 2017, and • The greater level of audit effort required to evaluate the Group's application of the requirements of AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i>, in particular conditions allowing the capitalisation of relevant expenditure and the assessment of the presence of impairment indicators. In assessing the conditions allowing capitalisation of relevant expenditure, and the presence of impairment indicators, we focused on: • Documentation available regarding rights to tenure, via licensing, and compliance with relevant conditions, to maintain current rights to an area of interest and the Group's intention to continue the relevant E&E activities • Results from latest activities regarding the existence or otherwise of economically recoverable reserves/commercially viable quantity of gold reserves, and • The Group's determination of whether the E&E are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale.	Our audit procedures in relation to the change in the E&E accounting policy included: • We evaluated the Group's rationale for the change in accounting policy using the criteria in the accounting standards • We assessed the Group's determination of the impact of the change in accounting policy. This involved testing a sample of adjustments, selected by area of interest, for consistency to underlying records and the Group's new exploration accounting policy, and • We assessed the disclosures in the financial report against the requirements of the accounting standards. Our audit procedures in relation to the assessment of the conditions allowing capitalisation of relevant expenditure and the presence of impairment indicators included: • We tested the Group's additions to E&E for the year by evaluating a statistical sample of recorded expenditure for consistency to underlying records, the capitalisation requirements of the Group's accounting policy and the requirements of the accounting standard • For each area of interest, we assessed the Group's current rights to tenure by checking the ownership of the relevant licence to government registries and evaluating agreements in place with other parties • We evaluated Group documents, such as minutes of Board meetings, for consistency with their stated intentions for continuing E&E in certain areas. We corroborated this through interviews with key operational and finance personnel, and • We analysed the Group's determination of recoupment through successful development and exploitation of the area. We did this by evaluating the Group's documentation of planned future/continuing activities including work programmes and project and corporate budgets for a sample of areas.



Capitalisation of property, plant and equipment

Property, plant and equipment (\$411.749 million)
Refer to Notes 8 and 18 to the Financial Report

The key audit matter

The Group holds a 50% interest in the Gruyere Unincorporated Joint Venture (the Joint Venture). The Joint Venture is in the development phase. The Group accounts for its investment in the Joint Venture as a joint operation, recognising its direct share of jointly held assets and liabilities. Joint venture development expenditure is capitalised to property, plant and equipment.

The capitalisation of property, plant and equipment has been identified as a key audit matter due to:

- The financial significance of the amounts capitalised. During the year ended 31 December 2018, \$273.838 million was capitalised to property, plant and equipment. The carrying value of property, plant and equipment at year end was \$411.749 million, and
- The financial reporting risks that arise from the capitalisation of costs which includes the risk of incorrectly capitalising costs not directly attributable to the Gruyere Project.

How the matter was addressed in our audit

Our audit procedures included:

- We evaluated the Joint Venture's processes and controls in place with respect to the approval of additions to property, plant and equipment
- We tested the additions to the Joint Venture property, plant and equipment for the year by evaluating a statistical sample of recorded expenditure for consistency to underlying records and Gruyere project activities
- We compared the Group's share of property, plant and equipment to the audited financial information of the Joint Venture, and
- We assessed the disclosures in the financial report against the requirements of the accounting standards.

Other Information

Other Information is financial and non-financial information in Gold Road Resources Limited's reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.



Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error
- assessing the Group's ability to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf. This description forms part of our Auditor's Report.

Report on the Remuneration Report

Opinion

In our opinion, the Remuneration Report of Gold Road Resources Limited for the year ended 31 December 2018, complies with *Section 300A* of the *Corporations Act 2001*.

Directors' responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with *Section 300A* of the *Corporations Act 2001*.

Our responsibilities

We have audited the Remuneration Report included in the Directors' report on pages 37 to 45 for the year ended 31 December 2018.

Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with *Australian Auditing Standards*.

KPMG

Denise McComish
Partner

Perth

22 March 2019

04 SHAREHOLDER INFORMATION

Pursuant to the Listing Requirements of the Australian Stock Exchange Limited, the shareholder information set out below was applicable as at 28 February 2019.

Distribution of Equity Securities

Analysis of numbers of shareholders and Performance Rights holders by size of holding:

Distribution	Number of shareholders	Performance Rights holders
1 -1,000	667	-
1,001 -5,000	1898	-
5,001 - 10,000	1,242	-
10,001 -100,000	2,668	3
More than 100,000	580	7
TOTALS	7,055	10

There were 274 shareholders holding less than a marketable parcel of ordinary shares.

Substantial Shareholders

An extract of the Company's Register of Substantial Shareholders (who hold 5% or more of the issued capital) is set out below:

Shareholder Name	Issued Ordinary Shares	
	Number of shares	Percentage of shares
Gold Fields Group	87,117,909	9.93%
Sun Valley Gold	80,296,707	9.15%
BlackRock Group	48,003,833	5.46%

Twenty Largest Shareholders

The names of the twenty largest holders of ordinary shares are listed below:

Shareholder Name	Ordinary Shares	
	Number	Percentage of Issued
HSBC Custody Nominees (Australia) Limited*	225,188,550	25.66%
Citicorp Nominees Pty Limited	125,171,036	14.26%
J P Morgan Nominees Australia Pty Limited*	91,736,976	10.45%
Gruyere Holdings Pty Ltd	74,284,070	8.46%
HSBC Custody Nominees (Australia) Limited-GSCO ECA	17,134,827	1.95%
Belike Nominees Pty Limited <Share Plan A/C>	12,833,839	1.46%
Asarco Exploration Company Inc	11,036,206	1.26%
Mr Robert James Brooks*	10,530,299	1.20%
BNP Paribas Noms Pty Ltd <DRP>	7,559,083	0.86%
Kurraba Investments Pty Ltd	6,600,001	0.75%
Zenith Pacific Limited*	5,300,000	0.60%
National Nominees Limited	4,709,030	0.54%
National Health Recovery Agents Pty Ltd	4,550,000	0.52%
Mrs Oxana Vyacheslavovna Brooks	4,490,642	0.51%
Janet Tunjic Pty Ltd <Tunoz Family A/C>	2,959,734	0.34%
Weeroona Funds Pty Ltd <Baratops Super Fund A/C>	2,875,900	0.33%
Haifa Pty Ltd	2,857,583	0.33%
Mrs Audrey Grace Gobbart	2,750,000	0.31%
Nicholas Theobald Sibley + Sally Gay Sibley	2,500,000	0.28%
Mr Zbigniew Lubieniecki	2,422,527	0.28%
HSBC Custody Nominees (Australia) Limited	225,188,550	25.66%
Total	617,490,303	70.35%

*Denotes merged holders

Voting Rights

In accordance with the Company's Constitution, voting rights in respect of ordinary shares are on a show of hands whereby each member present in person or by proxy shall have one vote and upon a poll, each share will have one vote.

ASX Announcements 2018

19 December 2018	Yamarna Exploration Update - More Visible Gold at Gilmour
06 December 2018	Gruyere Project Updated Mine Plan
19 November 2018	High Grade Drill Results from Gilmore Deposit
26 October 2018	September Quarterly Activities & Cashflow Report
15 October 2018	Gruyere Project Update
20 September 2018	Yamarna Exploration Update
11 September 2018	Half Year Accounts
15 August 2018	CEO Transition at Gold Road to Build for the Future
30 July 2018	Quarterly Activities & Cashflow Report - June 2018
30 July 2018	Gruyere Gold Project Update
09 July 2018	Yamarna Exploration Update - July 2018
28 May 2018	Results of AGM
28 May 2018	AGM Presentation
10 May 2018	Financial Close of Financing Facilities
07 May 2018	Drilling Confirms High-Grade Gold in Southern Yamarna
27 April 2018	March 2018 Quarterly Activities and Cashflow Report
23 April 2018	Gruyere Gold Project - Construction Update
17 April 2018	2018 Notice of Annual General Meeting/Proxy Form
05 April 2018	Yamarna Exploration Update - April 2018
29 March 2018	Change of Share Registry
27 March 2018	Corporate Governance Statement 2018
27 March 2018	Annual Report to Shareholders
26 February 2018	Gold Road Secures Finance Facilities
21 February 2018	Yamarna Ore Reserves and Mineral Resources
05 February 2018	Acquisition of 100% of South Yamarna Project
29 January 2018	December Quarterly Reports
18 January 2018	Gruyere Gold Project Development Update

Glossary

\$	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
Cygnus	Cygnus Gold Limited
Yamarna Greenstone Belt	Yamarna and Dorothy Hills Greenstone Belts which sit within the Yamarna Terrane
RC	Reverse Circulation
the Board	Board of Directors of Gold Road
AGM	Annual General Meeting

Corporate Directory

DIRECTORS

Tim Netscher

Non-executive Chairman

Duncan Gibbs

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)

REGISTERED & PRINCIPAL OFFICE

Level 2, 26 Colin Street
West Perth WA 6005
Australia

Telephone: +61 8 9200 1600

Email: perth@goldroad.com.au

Website: www.goldroad.com.au

POSTAL ADDRESS

PO Box 1157
West Perth WA 6872
Australia

AUDITOR

KPMG

235 St Georges Terrace
Perth WA 6000 Australia

SHARE REGISTRY

Computershare Investor Services Pty Ltd

Level 1, 172 St Georges Terrace
Perth WA 6000
Australia

STOCK EXCHANGE

ASX Limited

Level 40, Central Park
152 – 158 St Georges Terrace
Perth WA 6000 Australia



**GOLD
ROAD**
RESOURCES

**UN
LOCK
ING**
POTENTIAL