



**GOLD**  
**ROAD**  
RESOURCES

(ABN 13 109 289 527)

## **Interim Financial Report**

**For The Half-Year Ended**  
**31 December 2015**

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## Directors' Report

The Directors present their interim report on Gold Road Resources Limited ("Gold Road" or "the Company") for the half-year ended 31 December 2015.

### Directors

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

Ian Murray	(Executive Chairman)
Justin Osborne	(Executive Director)
Russell Davis	(Non-executive Director)
Tim Netscher	(Non-executive Director)
Martin Pyle	(Non-executive Director)

### Company Secretary

Kevin Hart

## 1. Review of Operations

The net loss before income tax for the half-year was \$3,696,761 (31 December 2014: \$1,940,143). Included in the loss before income tax is a write off of exploration expenditure of \$1,374,595 (31 December 2014: \$342,041). Total loss after tax for the half year was \$2,617,040 (31 December 2014: loss \$1,940,143) after bringing to account a research and development tax benefit of \$1,079,721.

At the end of the half-year the Company had \$36,999,890 (30 June 2015: \$49,799,678) in cash and at call deposits. Capitalised mineral exploration and evaluation expenditure is \$55,270,107 (30 June 2015: \$43,997,859).

### Review of Exploration

During the half year, Gold Road updated the Maiden JORC 2012 Mineral Resource estimate for the Gruyere Deposit on the Dorothy Hills Trend at Yamarna, Western Australia, to be 128 million tonnes at 1.36 g/t Au for a total of 5.62 million ounces of gold (Table 1). The Gold Road total Mineral Resources stand at 6.07 million ounces of gold, being 134.31 million tonnes at 1.41 g/t Au. The Mineral Resource was based on an update to Gruyere utilising the 68 kilometres of previously reported drilling and an update of the Attila Trend (Attila and Alaric) Mineral Resources to JORC 2012 standards based on existing drilling (1993 – 2012) (refer to ASX release dated 16 September 2015).



### ***Drilling***

A Western Australian Government Exploration Incentive Scheme (EIS) co-funded deep diamond drill hole was completed in September 2015 to a final depth of 1,701.6 metres. The drill hole successfully intersected the Gruyere Porphyry with an intersection of 92.5 metres at 0.62 g/t Au from 1,390 metres (57 gram.metres) (refer to ASX announcement dated 8 September 2015). The EIS drill hole results and the recent positive conceptual underground mining studies provided Gold Road with the encouragement to further target Gruyere at depth.

A Reverse Circulation (RC) drilling programme conducted during the half-year at the Pacific Dunes-Corkwood Camp Scale Target was drilled targeting historic RAB mineralisation. The programme successfully intersected bedrock gold mineralisation at the Washburn target, with a best down-hole intersection of 3 metres at 13.45 g/t Au from 24 metres. A follow up Aircore drilling programme is planned to better define the greater extent of gold anomalism, and additional RC and Diamond drilling is planned to define the identified bedrock gold mineralisation at the Washburn Target.

During the period, Gold Road completed a follow-up Aircore drilling programme at the Sun River-Wanderrie Gold Camp Scale Target to better define the identified Supergroup Anomaly gold mineralisation. The programme was successful, with multiple holes returning intersections greater than 1.0 g/t Au and extending the existing 2.4 kilometre Supergroup Anomaly to a strike length of 5.2 kilometres. RC drilling is planned to commence in the March 2016 quarter.

Aircore drilling highlights:

**1 metre @ 27.63 g/t Au** from 49 metres (15TAAC0009)

**1 metre @ 9.66 g/t Au** from 61 metres (15WDAC0005)

**1 metre @ 2.32 g/t Au** from 76 metres (15TAAC0008)

Activity on the South Yamarna Joint Venture (SYJV) with Sumitomo Metals Mining Oceania (currently earning in to 50%) during the half-year period consisted of Diamond drilling at the Smokebush Dolerite Prospect and the Toppin Hill Dolerite Prospect. A five-hole diamond drilling programme completed at the Smokebush Dolerite Prospect, located within the Riviera-Smokebush Camp Scale Target, intersected a best result of 6.76 metres at 31.13 g/t Au from 167.71 metres in 15SYDD0008.

At the Breelya-Toppin Hill Camp Scale Target (SYJV) another Western Australian Government EIS co-funded diamond drill hole was completed testing the Toppin Hill Dolerite Prospect. The Diamond drill hole was drilled to a depth of 501.1 metres, and successfully confirmed mineralisation previously identified in RC drilling (refer to ASX announcement dated 29 May 2014) with an intersection of 9.14 metres at 3.48 g/t Au from 143 metres, including 3.48 metres at 6.44 g/t Au from 143.82 metres.

### **Review of Gruyere Development**

The Pre-Feasibility Study (PFS) Stage 1 for Gruyere was completed in August 2015 (refer to ASX announcement dated 3 August 2015). The Stage 1 Study focussed on Option Studies, which determined that the best go-forward case to complete the PFS is a large-scale open-pit mine utilising a conventional 7.5 Mtpa gravity / Carbon-In-Leach (CIL) processing powered by a pipeline-supplied gas-fired power generation plant.

During the half-year a 14,500 metre RC drilling grade control programme was completed on the upper part of the Gruyere Deposit. The programme was drilled to a 25 metre by 25 metre drill spacing and will allow the first two years of production to be classified as a Measured Resource. The updated Mineral resource, incorporating this drilling, is expected to be released to the market in the June 2016 quarter.

On 8 February 2016 the Company announced the completion of the Gruyere PFS and a maiden ore reserve of 3.17 million ounces (Table 2) supporting average annual gold production of 265,000 ounces over an initial 12 year project life. The PFS confirmed the Gruyere project as one of Australia's best undeveloped gold deposits and approval was given to progress the Gruyere Project to Feasibility. The Feasibility Study is planned for completion in December 2016 quarter.

### **Exploration and Development Plans for CY 2016**

Gold Road is planning to execute and complete the following activities during CY 2016:

- Commencement and completion of Gruyere Feasibility Study;
- Continuation of RAB/RC drilling programs at the Pacific Dunes-Corkwood and Sun River-Wanderrie camp scale targets; and
- Continuation of drill testing Smokebush and other targets within the SYJV with Sumitomo Metals Mining Oceania.

### **Events Occurring After Balance Date**

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

On 25 January 2016, the Company issued 6,036,206 ordinary fully paid shares to Asarco Exploration Company Inc ('Asarco'), being settlement in respect of the termination of the Asarco Announcement and Net Smelter Royalty attaching to certain North Yamarna tenements including the Gruyere Project.



### **Auditor's Independence Declaration**

A copy of the Auditor's Independence Declaration as required under Section 307C of the Corporations Act is set out on page 7.

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

DATED at Perth this 10<sup>th</sup> day of March 2016.

A handwritten signature in black ink, appearing to read "Ian Murray".

**Ian Murray**

**Executive Chairman**

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

**Table 1. JORC 2012 Mineral Resource tabulation for the Yamarna Leases – 16 September 2015**

Project Name	Tonnes (Mt)	Grade (g/t Au)	Contained Metal (Moz Au)
<b>Gruyere (0.7 g/t)</b>	<b>128.38</b>	<b>1.36</b>	<b>5.62</b>
Measured	1.58	1.41	0.07
Indicated	93.48	1.35	4.05
Inferred	33.31	1.4	1.49
<b>Central Bore (1.0 g/t)</b>	<b>0.63</b>	<b>9.0</b>	<b>0.18</b>
Measured	0.04	26.5	0.04
Indicated	0.4	9	0.12
Inferred	0.19	5	0.03
<b>Attila Trend (0.7 g/t)</b>	<b>5.3</b>	<b>1.59</b>	<b>0.27</b>
Measured	0.66	1.96	0.04
Indicated	3.85	1.52	0.19
Inferred	0.79	1.59	0.04
<b>Total</b>	<b>134.31</b>	<b>1.41</b>	<b>6.07</b>

**Notes:**

All Mineral Resources are reported to JORC 2012 standards  
Gruyere and Attila Trend (Attila and Alaric) Mineral Resource reported at 0.70 g/t Au cut-off, constrained with A\$1,600/oz Au optimised pit shells on parameters derived from an ongoing PFS.  
Central Bore Mineral Resource reported at 1.0 g/t Au cut-off (refer 2014 Annual Report).  
All figures are rounded to reflect appropriate levels of confidence. Apparent differences may occur due to rounding.

**Table 2: Gruyere Ore Reserves Statement – 8 February 2016**

Ore Reserve Category	Tonnes (Mt)	Grade (g/t)	Contained Gold (Moz)
Proved	1.6	1.32	0.07
Probable	79.6	1.21	3.11
<b>Total Ore Reserve</b>	<b>81.1</b>	<b>1.22</b>	<b>3.17</b>

**Notes:**

The Ore Reserve conforms with and uses JORC 2012 definitions  
The Ore Reserve is evaluated using a gold price of A\$1,400/oz  
The Ore Reserve is evaluated using an average cut-off grade of 0.5 g/t  
Ore block dilution averages 4.3%, Ore block ore loss is estimated at 3.4%  
All figures are rounded to reflect appropriate levels of confidence. Apparent differences may occur due to rounding

10 March 2016

The Directors

Gold Road Resources Limited  
Level 2, 26 Colin Street  
WEST PERTH WA 6005

Dear Sirs

**RE: GOLD ROAD RESOURCES LIMITED**

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Gold Road Resources Limited.

As Audit Director for the review of the financial statements of Gold Road Resources Limited for the period ended 31 December 2015, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours faithfully

**STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LIMITED**  
**(Trading as Stantons International)**  
**(An Authorised Audit Company)**



**Martin Michalik**  
**Director**



**Statement of Profit or Loss and Other Comprehensive Income**

For the half-year ended 31 December 2015

		31 December 2015	31 December 2014
	Note	\$	\$
Revenue		846,846	489,675
<b>Total revenue</b>		<b>846,846</b>	<b>489,675</b>
Employee expenses		(2,386,965)	(1,803,182)
Employee expenses recharged to exploration		1,598,691	1,358,407
Equity based remuneration expense	2	(494,752)	(168,139)
Director's fees		(75,000)	(55,833)
Depreciation expense	2	(266,474)	(222,093)
Corporate expenses		(868,316)	(508,103)
Legal costs		(92,951)	(28,513)
Insurance		(64,765)	(39,350)
Travel expenses		(56,857)	(25,167)
Office expenses		(367,800)	(536,583)
Other expenses from ordinary activities		(93,823)	(59,221)
Exploration costs written off	2	(1,374,595)	(342,041)
<b>Profit/(Loss) before income tax</b>	2	<b>(3,696,761)</b>	<b>(1,940,143)</b>
Income tax benefit		1,079,721	-
<b>Profit/(Loss) for the period</b>		<b>(2,617,040)</b>	<b>(1,940,143)</b>
Other comprehensive income for the period		-	-
<b>Total comprehensive profit/(loss) for the period</b>		<b>(2,617,040)</b>	<b>(1,940,143)</b>
Basic earnings/(loss) per share (cents)		(0.38)	(0.35)
Diluted earnings/(loss) per share (cents)		(0.38)	(0.35)

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

**Statement of Financial Position**  
**As at 31 December 2015**

	Note	31 December 2015 \$	30 June 2015 \$
<b>Current assets</b>			
Cash and cash equivalents	5	36,999,890	49,799,678
Trade and other receivables		281,533	500,261
Other financial assets – security deposits		4,255	173,335
Prepayments		80,507	56,120
Inventories		65,386	106,323
<b>Total current assets</b>		<b>37,431,571</b>	<b>50,635,717</b>
<b>Non-current assets</b>			
Property, plant and equipment		1,568,227	1,369,105
Investment in subsidiary		598	598
Other financial assets – security deposits		169,080	144,306
Capitalised mineral exploration and evaluation expenditure	6	55,270,107	43,997,859
<b>Total non-current assets</b>		<b>57,008,012</b>	<b>45,511,868</b>
<b>Total assets</b>		<b>94,439,583</b>	<b>96,147,585</b>
<b>Current liabilities</b>			
Trade and other payables		3,064,135	3,664,457
Provisions		297,149	221,191
<b>Total current liabilities</b>		<b>3,361,284</b>	<b>3,885,648</b>
<b>Non-current liabilities</b>			
Provisions		157,299	117,783
<b>Total non-current liabilities</b>		<b>157,299</b>	<b>117,783</b>
<b>Total liabilities</b>		<b>3,518,583</b>	<b>4,003,431</b>
<b>Net assets</b>		<b>90,921,000</b>	<b>92,144,154</b>
<b>Equity</b>			
Contributed equity	4	130,824,556	129,925,422
Accumulated losses		(44,320,880)	(41,703,840)
Equity remuneration reserve		4,417,324	3,922,572
<b>Total equity</b>		<b>90,921,000</b>	<b>92,144,154</b>

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



**Statement of Changes in Equity**  
For the half-year ended 31 December 2015

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

	Contributed Equity \$	Accumulated Losses \$	Equity Remuneration Reserve \$	Total \$
<b>Balance as at 1 July 2014</b>	<b>70,428,194</b>	<b>(37,824,275)</b>	<b>3,612,490</b>	<b>36,216,409</b>
Loss for the period	-	(1,940,143)	-	(1,940,143)
Other comprehensive income for the period	-	-	-	-
Total comprehensive loss for the period	-	(1,940,143)	-	(1,940,143)
Movement in equity remuneration reserve	-	-	168,139	168,139
Transactions with equity holders in their capacity as equity holders:				
Contributions of equity	23,226,856	-	-	23,226,856
Transaction costs of equity issued	(1,163,343)	-	-	(1,163,343)
<b>Balance at 31 December 2014</b>	<b>92,491,707</b>	<b>(39,764,418)</b>	<b>3,780,629</b>	<b>56,507,918</b>

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



**Statement of Cash Flows**  
**For the half-year ended 31 December 2015**

	Note	31 December 2015 \$	31 December 2014 \$
<b>Cash flows from operating activities</b>			
Interest received		509,397	132,912
Farm-in agreement management fees		236,481	229,803
Research and development tax benefit		1,079,721	-
Payments to suppliers and employees		(2,561,027)	(1,998,477)
<b>Net cash (used in) operating activities</b>		<b>(735,428)</b>	<b>(1,635,762)</b>
<b>Cash flows from investing activities</b>			
Payments for exploration and evaluation		(13,449,416)	(9,634,855)
JV Farm-in contributions received		807,212	1,078,798
Payments for plant and equipment		(465,596)	(251,163)
Payments for security deposits		144,306	-
<b>Net cash (used in) investing activities</b>		<b>(12,963,494)</b>	<b>(8,807,220)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares		901,000	23,226,856
Transaction cost on issue of shares		(1,866)	(1,163,343)
<b>Net cash from financing activities</b>		<b>899,134</b>	<b>22,063,513</b>
<b>Net (decrease)/increase in cash and cash equivalents held</b>		<b>(12,799,788)</b>	<b>11,620,531</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>49,799,678</b>	<b>9,665,211</b>
<b>Cash and cash equivalents at the end of the period</b>	5	<b>36,999,890</b>	<b>21,285,742</b>

The above statement of cash flows should be read in conjunction with the accompanying condensed notes.

**Condensed Notes to the Financial Statements  
For the half-year ended 31 December 2015**

**Note 1 Summary of significant accounting policies**

**(a) Basis of preparation**

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

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

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2015 and any public announcements made by Gold Road during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

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

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

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

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

The interim financial statements were approved by the Board of Directors on 10th March 2016.

**(b) Accounting Policies**

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements, except in relation to some of the matters discussed at Note 1(c) below.

**(c) Adoption of New and Revised Accounting Standards**

In the half year ended 31 December 2015, the Company has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2015. It has been determined by the Company that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and therefore no change is necessary to Company accounting policies.



**Condensed Notes to the Financial Statements  
For the half-year ended 31 December 2015**

**Note 1 Summary of significant accounting policies (continued)**

No retrospective change in accounting policy or material reclassification has occurred requiring the inclusion of a third Statement of Financial Position as at the beginning of the comparative financial point, as required under AASB 101.

**Note 2 Profit/(Loss) before income tax**

Profit/(Loss) before income tax includes the following specific expenses:

	<b>31 December 2015</b>	31 December 2014
	<b>\$</b>	<b>\$</b>
Depreciation		
Plant and equipment	<b>37,075</b>	33,766
Office equipment	<b>55,899</b>	39,376
Vehicles	<b>35,579</b>	26,007
Camp buildings	<b>137,921</b>	122,944
	<b>266,474</b>	222,093
Rental expenses on operating leases – minimum lease payments	<b>87,102</b>	92,643
Exploration expenditure written off	<b>1,374,595</b>	342,041
Equity based remuneration expense	<b>494,752</b>	168,139



**Condensed Notes to the Financial Statements  
For the half-year ended 31 December 2015**

**Note 3 Share based payments**

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

The fair value of the share based payments granted is estimated as at the date of the grant using the Black Scholes Model, taking into account the terms and conditions upon which the payments were granted. Performance Share Rights allocated to Executive Directors during the 2016 financial year as part of the LTIs, had their values verified using a Monte Carlo simulation for options with market based vesting conditions and a Black Scholes pricing model for options with non-market based vesting conditions.

During the half-year reporting period the following options were issued to employees and directors.

Date of Grant	Number of Options	Exercise Price	Expiry Date	Vesting Date	Fair Value at Grant Date
24 Nov 2015	1,000,000	56c each	24 Nov 2017	24 Nov 2015	\$0.0563 each

During the half-year reporting period 363,000 Share Options expired and 8,500,000 Share Options were exercised (of which 5,800,000 were cashless exercises).

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

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

Date of Grant	Number of Performance Share Rights	Exercise Price	Expiry Date	Vesting Date	Fair Value at Grant Date
31 July 2015	120,386	-	31 July 2016	31 July 2015	\$0.335 each
31 July 2015	70,315	-	31 July 2016	31 July 2015	\$0.335 each
31 July 2015	41,075	-	31 July 2016	31 July 2015	\$0.335 each
31 July 2015	39,579	-	31 July 2016	31 July 2015	\$0.335 each
24 Nov 2015	376,203	-	30 June 2016	24 Nov 2015	\$0.365 each
24 Nov 2015	132,673	-	30 June 2016	24 Nov 2015	\$0.365 each
24 Nov 2015	562,500	-	31 Dec 2019	31 Dec 2018	\$0.268 each
24 Nov 2015	562,500	-	31 Dec 2019	31 Dec 2018	\$0.365 each
24 Nov 2015	198,863	-	31 Dec 2019	31 Dec 2018	\$0.268 each
24 Nov 2015	198,864	-	31 Dec 2019	31 Dec 2018	\$0.365 each

The grant of these Performance Share Rights is subject to recipients remaining employed by the Company to vesting date. On exercise of the Performance Share Rights no consideration is payable.

During the half-year reporting period 271,355 Performance Share Rights were converted to shares for nil consideration upon vesting.

**Condensed Notes to the Financial Statements**  
**For the half-year ended 31 December 2015**

**Note 4 Contributed equity**

		<b>6 Months to 31 December 2015</b>	<b>12 Months to 30 June 2015</b>	<b>6 Months to 31 December 2015</b>	<b>12 Months to 30 June 2015</b>
		<b>No.</b>	<b>No.</b>	<b>\$</b>	<b>\$</b>
<b>(a) Share capital</b>					
Issued share capital		<b>693,481,617</b>	685,112,273	<b>130,824,556</b>	129,925,422
		<b>2015 No.</b>	<b>2015 No.</b>	<b>2015 \$</b>	<b>2015 \$</b>
<b>(b) Share movements during the period</b>					
	<i>Issue price</i>				
Balance brought forward		<b>685,112,273</b>	515,419,042	<b>129,925,422</b>	70,428,194
Placement	\$0.300	-	77,312,853	-	23,193,856
Placement	\$0.440	-	89,262,773	-	39,275,620
Unlisted Options exercised	\$0.095	-	100,000	-	9,500
Share Purchase Plan	\$0.440	<b>1,295,503</b>	-	<b>570,000**</b>	-
Unlisted Options exercised*	\$0.107	<b>47,305</b>	65,797	-	-
Unlisted Options exercised	\$0.107	<b>333,333</b>	100,000	<b>35,666</b>	10,700
Unlisted Options exercised*	\$0.128	<b>43,506</b>	65,797	-	-
Unlisted Options exercised	\$0.128	<b>333,334</b>	100,000	<b>42,667</b>	12,800
Unlisted Options exercised*	\$0.095	<b>49,477</b>	-	-	-
Unlisted Options exercised	\$0.095	<b>333,333</b>	-	<b>31,667</b>	-
Unlisted Options exercised*	\$0.105	<b>929,511</b>	764,345	-	-
Unlisted Options exercised*	\$0.130	<b>3,032,687</b>	-	-	-
Unlisted Options exercised	\$0.130	<b>1,700,000</b>	-	<b>221,000</b>	-
Performance Share Rights exercised	\$0.000	<b>271,355</b>	1,921,666	-	-
Less: costs related to shares issued		-	-	<b>(1,866)</b>	(3,005,248)
Balance at the end of the period		<b>693,481,617</b>	685,112,273	<b>130,824,556</b>	129,925,422

\*Cashless exercise of options; \*\*Rounded value due to SPP conditions of purchase.



**Condensed Notes to the Financial Statements  
For the half-year ended 31 December 2015**

**Note 5 Cash and cash equivalents**

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

	<b>31 December 2015</b>	<b>30 June 2015</b>
	\$	\$
Cash at bank and in hand	<b>36,999,890</b>	<b>49,799,678</b>

Included in the cash balance at 31 December 2015 is \$177,457 (2014: \$103,798) in funds received from farm-in participant but not applied to farm-in expenditure at balance date.

**Note 6 Non-current assets – Capitalised mineral exploration and evaluation expenditure**

	<b>31 December 2015</b>	<b>30 June 2015</b>
	\$	\$
<i>In the exploration and evaluation phase</i>		
Cost brought forward	<b>43,997,859</b>	27,259,412
Exploration expenditure during the half year	<b>12,646,843</b>	17,080,488
Exploration expenditure written off	<b>(1,374,595)</b>	(342,041)
Cost carried forward	<b>55,270,107</b>	43,997,859

The recoverability of the carrying amount of the exploration and evaluation assets is dependent upon successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

**Note 7 Segment information**

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

*Business segments*

The Company is involved in the mineral exploration sector.

*Geographical segments*

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

**Note 8 Dividends**

No dividends were paid or proposed during the period.



**Condensed Notes to the Financial Statements  
For the half-year ended 31 December 2015**

**Note 9 Contingencies**

*(i) Contingent liabilities*

The Asarco Exploration Company Inc ('Asarco') royalty includes the Asarco Announcement and Net Smelter Royalty ('NSR') and applies to certain North Yamarna tenements including the Gruyere Project. The terms of the Asarco royalty includes the payment of \$1 million on the announcement of a reserve greater than 400,000 ounces and a NSR of 1% on gold produced from the North Yamarna tenements over and above 400,000 ounces, capped at a maximum payment of \$500,000 per annum. There are no other contingent liabilities as at the reporting date.

*(ii) Contingent assets*

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

**Note 10 Events occurring after the balance sheet date**

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

On 25 January 2016, the Company issued 6,036,206 ordinary fully paid shares to Asarco Exploration Company Inc ('Asarco'), being settlement in respect of the termination of the Asarco Announcement and Net Smelter Royalty attaching to certain North Yamarna tenements including the Gruyere Project.

## Directors' Declaration

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

- (a) the interim financial statements and notes set out on pages 9 to 18 are in accordance with the Corporations Act 2001, including:
  - (i) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001; and
  - (ii) giving a true and fair view of the financial position of the company as at 31 December 2015 and of its performance for the half-year ended on that date.
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

Signed at Perth this 10<sup>th</sup> day of March 2016.



**Ian Murray**  
Executive Chairman

**INDEPENDENT AUDITOR'S REVIEW REPORT  
TO THE MEMBERS OF  
GOLD ROAD RESOURCES LIMITED**

**Report on the Half-Year Financial Report**

We have reviewed the accompanying half-year financial report of Gold Road Resources Limited, which comprises the statement of financial position as at 31 December 2015, the statement of profit or loss and other comprehensive income, statement of changes in equity, and statement of cash flows for the half-year ended on that date, condensed notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

*Directors' Responsibility for the Half-Year Financial Report*

The directors of Gold Road Resources Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

*Auditor's Responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standards on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Company's financial position as at 31 December 2015 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Gold Road Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Whilst we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

Our review did not involve an analysis of the prudence of business decisions made by the directors or management.



*Independence*

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, has been provided to the directors of Gold Road Resources Limited on 10 March 2016.

*Conclusion*

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

- (a) giving a true and fair view of the Company's financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

**STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD**  
**(Trading as Stantons International)**  
**(An Authorised Audit Company)**

*Stantons International Audit & Consulting Pty Ltd*



**Martin Michalik**  
**Director**

West Perth, Western Australia  
10 March 2016