



30 August 2022

Company Announcements Platform  
ASX Limited  
20 Bridge Street  
SYDNEY NSW 2000

Dear Sir/Madam,

**Gold Road Resources Interim Financial Report – 30 June 2022**

Enclosed is a copy of Gold Road Resources Interim Financial Report as at 30 June 2022.

This release has been authorised by the Board of Directors.

Yours faithfully  
**Gold Road Resources Limited**

**Hayden Bartrop**  
**Company Secretary**

.....  
**ASX** Code GOR  
.....

**ABN** 13 109 289 527  
.....

**COMPANY DIRECTORS**

Tim Netscher  
**Chairman**

Duncan Gibbs  
**Managing Director & CEO**

Brian Levet  
**Non-Executive Director**

Maree Arnason  
**Non-Executive Director**

Denise McComish  
**Non-Executive Director**

Hayden Bartrop  
**Company Secretary**

.....  
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Gold Road Resources Limited

## Consolidated Interim Financial Report

For the six months ended 30 June 2022

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## GLOSSARY

Abbreviation	Term
\$	All dollar amounts are in Australian dollars
DGO	DGO Gold Limited
Gold Road, the Company or the Group	Gold Road Resources Limited and all its wholly owned subsidiaries
Gold Fields	Gold Fields Limited and its subsidiaries
Gruyere	Gruyere Gold Mine
Gruyere JV	Gruyere Joint Venture
Gruyere Project	Gruyere Gold Project
NCI	Non-controlling interests
RC	Reverse Circulation
the Board	Board of Directors of Gold Road

# Directors' Report

The Directors present their interim report on Gold Road Resources Limited (**Gold Road** or the **Company**), which comprise the Company and the entities it controlled during the period and its share of Joint Operations for the six months ended 30 June 2022.

## Directors

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

Timothy Netscher	Non-executive Chairman
Duncan Gibbs	Managing Director and Chief Executive Officer ( <b>CEO</b> )
Brian Levet	Non-executive Director
Maree Arnason	Non-executive Director
Denise McComish	Non-executive Director

## Company Secretary

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

## Operating and Financial Overview

The overview of the Group's operations, including a discussion of production and exploration activities are contained on pages 2 to 8 of this interim report.

### *Profit or Loss*

The Group achieved a consolidated net profit after tax for the half-year of \$39.9 million (30 June 2021: \$19.1 million). EBITDA<sup>1</sup> for the period was \$100.0 million (30 June 2021: \$59.6 million).

Gold sales revenue of \$196.5 million (30 June 2021: \$129.6 million) was generated from the sale of 79,606 ounces (30 June 2021: 60,525 ounces) at an average gold price of \$2,443 per ounce (30 June 2021: \$2,142 per ounce). At 30 June 2022, the Group's hedge book totalled 15,980 ounces at an average price of \$1,832 per ounce with monthly deliveries through to November 2022.

Total cost of sales inclusive of amortisation and depreciation was \$113.8 million (30 June 2021: \$80.9 million), producing a gross profit from operations of \$82.7 million (30 June 2021: \$48.7 million). The increase in gross profit compared to the prior period reflects the increase in gold sales and the higher average gold price received for sales.

Exploration costs expensed and written off during the period were \$12.9 million (30 June 2021: \$14.8 million), a slight decrease from 2021 reflecting the lower 2022 exploration budget and a minor delay in recommencing site activities in the new year.

Corporate and technical service costs for the period totalled \$10.0 million (30 June 2021: \$9.9 million), which included expenses related to the corporate office, compliance and operational support.

Fair value loss on derivatives for the period totalled \$0.6 million (30 June 2021: \$6.6 million gain).

Finance income of \$0.3 million (30 June 2021: \$0.2 million) relates to interest earned on cash at bank and on deposit. Finance expenses of \$4.0 million (30 June 2021: \$3.9 million) principally relates to costs of borrowing and interest charged on leases. On 13 July 2022, Gold Road cancelled a \$100 million Revolving Corporate Facility (Tranche A). Gold Road retains the \$150 million Tranche B Revolving Corporate Facility, which remains undrawn, and expires in September 2024.

Income tax expense for the period totalled \$15.7 million (30 June 2021: \$7.7 million).

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<sup>1</sup> EBITDA is an unaudited non-IFRS measure, representing earnings before finance income, finance expenses, income tax, depreciation and amortisation expense. A reconciliation of consolidated net profit after tax to EBITDA is included on page 3 of the Directors' Report

## Reconciliation of consolidated net profit after tax to EBITDA

	6 months ended 30 June 2022 \$'000	6 months ended 30 June 2021 \$'000
Consolidated net profit after tax	39,943	19,144
Finance income	(268)	(187)
Finance expenses	3,986	3,929
Income tax expense	15,659	7,680
Depreciation & amortisation	40,673	29,022
<b>EBITDA (unaudited)</b>	<b>99,993</b>	<b>59,588</b>

## Financial Position

The net assets of the Group increased by \$279.6 million for the six months ended 30 June 2022, further analysed below:

- Cash and cash equivalents increased to \$160.3 million (31 December 2021: \$131.5 million).
- Inventories of \$45.8 million (31 December 2021: \$36.8 million) increased as a result of building up ore stockpiles, and warehouse consumables.
- Financial assets at fair value of \$173.7 million (31 December 2021: \$nil) increased as a result of the acquisition of DGO Limited (DGO). This \$173.7 million consists of equity securities held in various listed entities by DGO, in particular investments in De Grey Mining Ltd, Dacian Gold Ltd and Yandal Resources Ltd.
- Property, plant and equipment of \$336.2 million (31 December 2021: \$346.7 million) decreased as a result of depreciation and amortisation, offset by expenditure associated with deferred stripping.
- Right-of-use assets of \$113.8 million (31 December 2021: \$115.0 million) decreased as a result of depreciation expense, offset by CPI adjustments.
- Exploration and evaluation of \$39.9 million (31 December 2021: \$17.4 million) increased mainly as a result of the acquisition of DGO.
- Lease liabilities of \$115.4 million (31 December 2021: \$115.6 million) decreased reflecting the repayment of lease liabilities, offset by CPI adjustments.

## Cash Flows

Cash and cash equivalents increased during the period by \$28.8 million to \$160.3 million (31 December 2021: \$131.5 million).

Net cash inflow from operating activities for the period was \$69.5 million (30 June 2021: \$46.3 million). The increase reflects higher receipts from sales, balanced against an increase in supplier payments and an increase in income tax payments.

Net cash outflow used in investing activities amounted to \$23.4 million (30 June 2021: \$30.3 million). The decrease during the period relates to payments for property, plant and equipment (including mine development).

Net cash outflow from financing activities totalled \$17.3 million (30 June 2021: \$18.1 million) which included lease repayments of \$5.4 million (30 June 2021: \$4.9 million), a dividend payment of \$3.7 million (30 June 2021: \$13.2 million) and repayment of a DGO finance facility of \$8.2 million (30 June 2021: \$nil).

## Review of Operations

The Gruyere Project is a 50:50 joint venture between Gold Road and Gold Fields, and is managed by Gruyere Management Pty Ltd, a wholly owned subsidiary of Gold Fields.

Gruyere celebrated 3 years of gold production on 30 June 2022, having produced 760,644 ounces (100% basis) since first pouring gold on 30 June 2019. This was delivered at an average All-in Sustaining Cost (AISC)<sup>2</sup> of A\$1,373 per attributable ounce to Gold Road<sup>3</sup> for the period.

In January 2022, Gold Road released annual guidance for 2022 of 150,000 to 170,000 attributable ounces at an attributable AISC of between A\$1,270 to A\$1,470 per ounce. This guidance is in line with Gruyere's production outlook that shows an increase in annual production to a sustainable circa 350,000 ounces per annum (175,000 ounces attributable) by 2023.

## COVID-19

The Company wishes to thank all Gold Road and Gruyere employees, contractors and suppliers for their diligence and excellent performance through the global COVID-19 crisis.

The half year saw considerable challenges across the mining sector in Western Australia. Gruyere and Gold Road were impacted by a number of COVID-19 related labour force interruptions, as well as ongoing supply chain impacts that are being experienced globally. However, despite this difficult operating environment, there was no material impact on gold production during the reporting period. The tight labour market and associated cost and supply chain pressure in Western Australia continues to present a challenge for the mining sector as a whole.

## Mining

Over the six months to 30 June 2022, Gruyere mined a total of 5.3 Mt of ore at an average grade of 1.14 g/t for 193,793 contained ounces (100% basis). Total material movement and the rate of ore mining continued to advance ahead of process plant requirements with ore stockpiles growing to 5.9 Mt at 0.74 g/t Au. Mined grades lifted to record highs as mining advanced through higher grade zones in the deeper sections of the Stage 2 pit, along with the mining of higher grade oxide and fresh ore from the Stage 3 pit.

## Processing

Total ore processed for the six months to 30 June 2022 was a record 4.6 Mt at a record head grade of 1.20 g/t Au, and a gold recovery of 91.1% for a record 156,811 ounces of gold produced (100% basis). Production rates steadily increased during 2022 as expected, largely due to improving head grades and an improvement in plant utilisation owing to reduced scheduled and unscheduled maintenance downtime.

The journey of plant reliability and consistency of plant throughput towards industry best practice will continue.

AISC per ounce continued to fall over the half year, averaging A\$1,376 per ounce (1H 2021: A\$1,508 per ounce). The improvement was largely due to the increase in produced ounces over the period, and was achieved despite ongoing industry wide inflationary cost pressures.

## Gruyere JV Exploration

The final 4 of 13 diamond drill results from the 2021 Gruyere framework drilling program were returned during the March quarter. Mineralisation has been defined over a +1,100 metre strike length down to approximately 500 metres below the open pit Ore Reserve and offers potential for further resource expansion beneath Gruyere.

Gruyere JV exploration efforts in 2022 are focused on the Golden Highway, located approximately 25 kilometres west of Gruyere. Drilling is underway to better define and potentially extend known Ore Reserves of 0.3 million ounces at Golden Highway, with a view to optimising their inclusion within the overall Gruyere mine plan.

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<sup>2</sup> All-in Sustaining Cost (AISC) is an unaudited non-IFRS measure

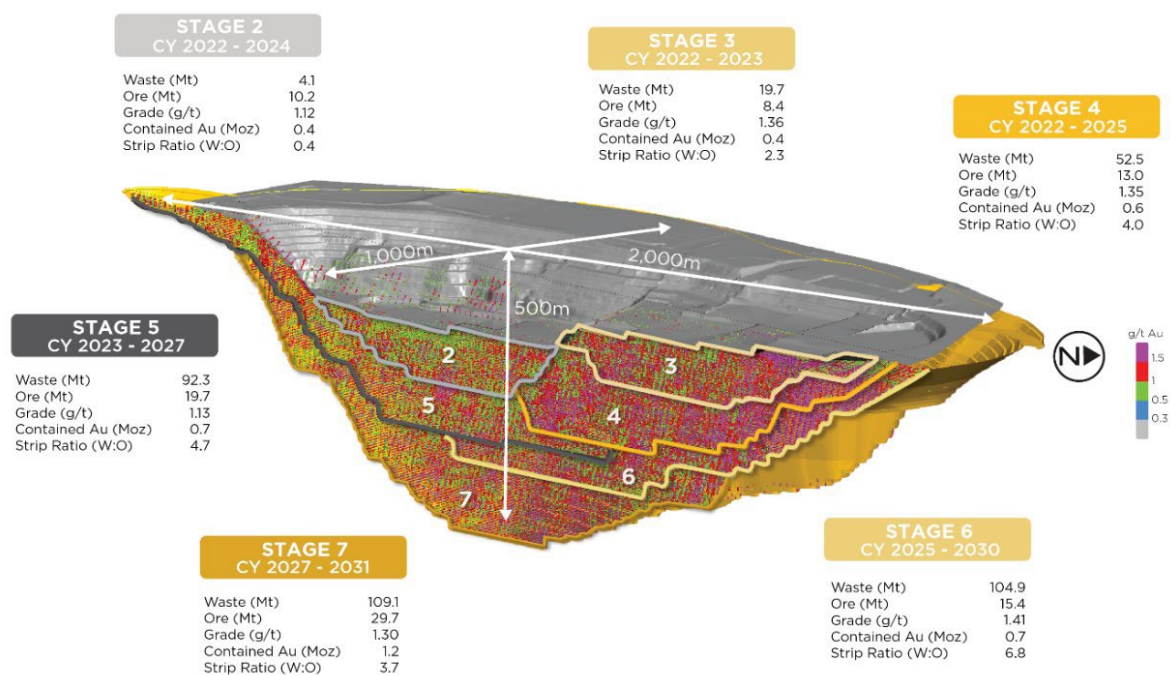
<sup>3</sup> ASX announcement dated 28 July 2021. AISC reported since commercial production was declared on 30 September 2019

Operation (100% basis)	Unit	June 2022 Qtr	March 2022 Qtr	1H 2022
Ore Mined	kt	2,672	2,637	5,309
Waste Mined	kt	6,753	7,544	14,297
Strip Ratio	w:o	2.53	2.86	2.69
Grade	g/t	1.19	1.08	1.14
Ore milled	kt	2,412	2,142	4,554
Head Grade	g/t	1.22	1.17	1.20
Recovery	%	91.3	91.0	91.1
Gold Produced**	oz	85,676	71,135	156,811
<b>Cost Summary***</b>				
Mining	A\$/oz	260	164	217
Processing	A\$/oz	541	657	594
G&A	A\$/oz	138	154	145
Ore Stock & GIC Movements	A\$/oz	(98)	(5)	(56)
By-product Credits	A\$/oz	(3)	(2)	(3)
<b>Cash Cost</b>	<b>A\$/oz</b>	<b>838</b>	<b>968</b>	<b>897</b>
Royalties, Refining, Other	A\$/oz	91	85	88
Rehabilitation*	A\$/oz	15	16	16
Sustaining Leases	A\$/oz	86	102	93
Sustaining Capital	A\$/oz	220	355	282
<b>All-in Sustaining Costs</b>	<b>A\$/oz</b>	<b>1,250</b>	<b>1,526</b>	<b>1,376</b>

\*Rehabilitation includes accretion and amortisation. \*\* Gold produced rather than recovered. \*\*\* Cost per ounce reported against gold ounces produced during the period.

## Resources and Reserves at Gruyere

In February 2022, Gold Road reported a 10% increase to the Gruyere JV Open Pit Mineral Resource<sup>4</sup> after mining depletion, and an overall increase of +28% to the Gruyere JV Ore Reserves (Gruyere and Golden Highway Ore Reserves) resulting from the inclusion of Indicated Mineral Resources and application of steeper geotechnical slopes. The Gruyere Ore Reserve incorporates a seven-stage mine plan.



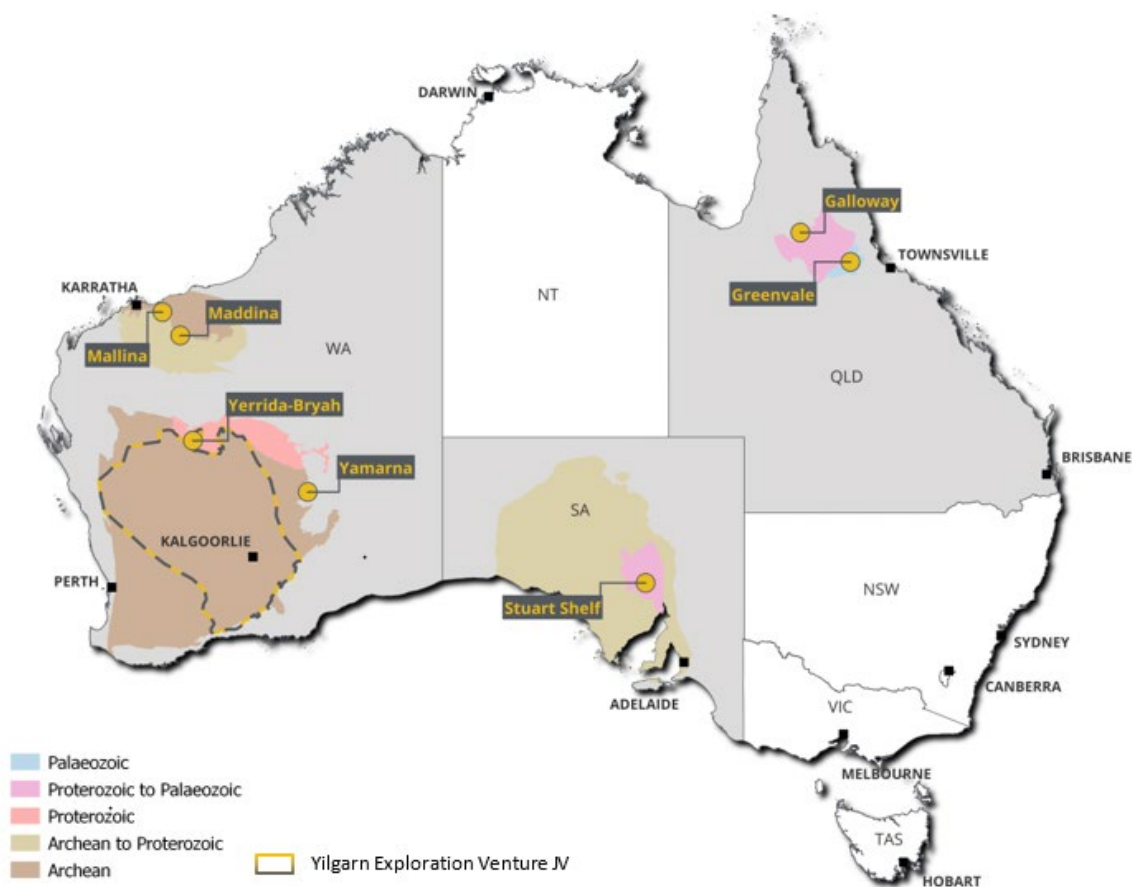
Gruyere Mine Stages 2 to 7, as per December 2021 Ore Reserves (100% basis)

<sup>4</sup> Comprising the Gruyere, YAM14 and Golden Highway open pits and the Central Bore underground

## Review of Regional Exploration

Gold Road's exploration strategy remains directed at delivering economic gold deposits that can be developed as standalone mining operations, creating shareholder value through organic growth.

Following the acquisition of DGO and its diverse exploration portfolio, Gold Road now holds a total of ~21,500 square kilometres of exploration tenure across Western Australia, South Australia, and Queensland. The integration of these exploration projects provides Gold Road with additional optionality on discovery success across several highly prospective terranes, in alignment with the exploration strategy and exploration budget.



Map showing location of Gold Road's exploration projects over key geological terranes following the acquisition of DGO in June 2022

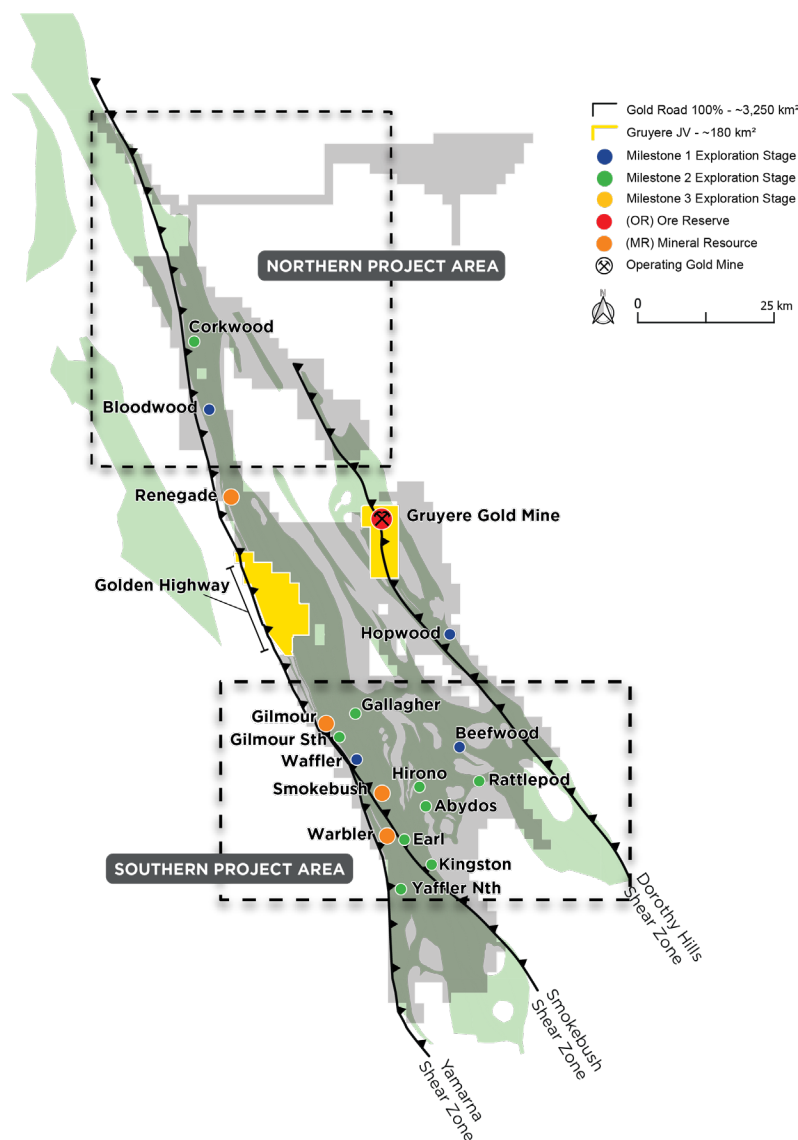
### Yamarna (100% Gold Road)

During the six months to 30 June 2022, exploration activities continued to prioritise key targets within the Southern Project Area, a demonstrably prospective region of the Yamarna Greenstone Belt, which exhibits the fundamental geological elements required for hosting major gold deposits, such as fertile regional structures, prospective host rocks and local structural complexity.

Gold Road's 100% owned Yamarna Mineral Resource increased by 0.21 million ounces, or 70%, to 6.4 million tonnes at 2.44 g/t Au for 0.51 million ounces during the March quarter<sup>5</sup>. The Mineral Resource is constrained within optimised open pit shells and underground stope shape areas, based on a A\$2,200 per ounce gold price assumption with deposit-specific modifying factors and cut-off grades. When incorporated with an Attributable Mineral Resource from the Gruyere JV of 4.23 million ounces, Gold Road's total Attributable Mineral Resources total 102.82 million tonnes at 1.43 g/t Au for 4.73 million ounces.

<sup>5</sup> ASX announcement dated 31 January 2022





Map showing regional geological framework, priority Southern Project Area and key prospects for 2022<sup>6</sup>

In the first half of 2022, exploration activities continued with up to four drill rigs active at Yamarna and Golden Highway. A combination of 33,697 metres of Aircore, 20,645 metres of RC and 5,392 metres of diamond drilling were completed for a total of 59,734 metres across the Yamarna exploration project.

Gold Road's Yamarna Exploration Drilling Metrics for the June 2022 quarter

Drill Type	Yamarna	Total
Aircore	33,697	33,697
RC	20,645	20,645
Diamond	5,392	5,392
<b>Total Metres</b>	<b>59,734</b>	<b>59,734</b>

Aircore drilling across the Southern Project Area continues to delineate and expand several multi-kilometre gold-in-regolith anomalies coincident with targeted fertile structural fluid pathways. Exploration programs were successfully completed at Abydos, Gilmour South, Warbler, Earl, Kingston and Waffler. Assay results continue to be received, with turnaround currently at the six-to-eight week mark. Advanced RC and diamond follow up drill testing of these targets is progressing well.

<sup>6</sup> Gold Road exploration milestones are shown in Appendix 2. Tenement plan as at the 28 July 2022.

## DGO Gold Ltd Transaction

During the period ended 30 June 2022, Gold Road successfully closed a recommended takeover offer for DGO of 2.25 Gold Road shares for every 1 DGO share held, with a relevant interest in 97.86% of DGO's shares<sup>7</sup> at 30 June 2022. Gold Road subsequently completed the compulsory acquisition process for the remaining DGO shares on issue on 4 August 2022. As a result of the successful takeover of DGO, Gold Road has now acquired a portfolio of prospective exploration and mining assets which includes:

- a ~14.4% shareholding in ASX listed De Grey Mining Ltd (the owner of the 10.6 million ounce Mallina Gold Resource in Western Australia);
- a ~6.1% shareholding<sup>8</sup> in ASX listed Dacian Gold Ltd (the owner of the Mt Morgans gold mine), which is currently under a recommended takeover offer from ASX listed Genesis Minerals Ltd;
- a ~20.1% shareholding in ASX listed Yandal Resources Ltd (an exploration company focused on the Yandal Greenstone belt); and
- a diverse portfolio of exploration tenements in the Pilbara, Yilgarn, Bryah-Yerrida and Stuart Shelf provinces.

## Events Occurring After Balance Date

Subsequent to the period ended 30 June 2022:

On 13 July 2022, Gold Road cancelled a \$100 million tranche (Tranche A) of its Revolving Corporate Facility.

On 4 August 2022, Gold Road completed the takeover of DGO Gold Ltd. At close of the takeover offer period on 30 June 2022, Gold Road had a relevant interest in 97.86% of DGO shares. Following completion of the compulsory acquisition process, Gold Road now has a relevant interest in 100% of DGO shares.

On 22 August 2022, Gold Road increased its shareholding in De Grey Mining Ltd to 19.99% through a combination of share acquisitions and a derivative transaction via an equity collar agreement.

On 29 August 2022, the Directors determined the payment of a dividend of 1.0 cent per fully paid ordinary share, fully franked. The aggregate amount of the proposed dividend is expected to be paid on 4 October 2022 out of retained earnings at 30 June 2022, and has not been recognised as a liability at the end of the period.

Other than as noted above, there has not arisen in the interval between the six months ended 30 June 2022 and the date of this report any other item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect substantially the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

## Auditors Independence Declaration

A copy of the Auditor's Independence Declaration as required under Section 307C of the *Corporations Act 2001* is set out on page 9. This report is made in accordance with a resolution of the Directors.

DATED at Perth this 29th day of August 2022.



**Tim Netscher**  
Non-executive Chairman

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<sup>7</sup> ASX announcements dated 1 July 2022 and 24 June 2022

<sup>8</sup> Updated to reflect Dacian placement and issue of shares on 12 July 2022



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

To the Directors of Gold Road Resources Limited

I declare that, to the best of my knowledge and belief, in relation to the review of Gold Road Resources Limited for the half-year ended 30 June 2022 there have been:

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

A handwritten signature of 'KPMG' in blue ink.

KPMG

A handwritten signature in blue ink, appearing to read 'G. Hogg'.

Graham Hogg  
*Partner*  
Perth  
29 August 2022

# Consolidated Interim Financial Statements

## Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2022

	Notes	6 months ended 30 June 2022 \$'000	6 months ended 30 June 2021 \$'000
Sales revenue	4(a)	196,546	129,627
Cost of sales	5(a)	(113,800)	(80,910)
<b>Gross profit</b>		<b>82,746</b>	<b>48,717</b>
Other income		64	(74)
Fair value gain on derivatives	4(b)	-	6,574
<b>Total other income</b>		<b>64</b>	<b>6,500</b>
Exploration expenditure	5(b)	(12,884)	(14,761)
Corporate and technical services	5(c)	(9,990)	(9,890)
Fair value loss on derivatives	4(b)	(616)	-
<b>Profit before finance and income tax</b>		<b>59,320</b>	<b>30,566</b>
Finance income		268	187
Finance expenses	5 (d)	(3,986)	(3,929)
<b>Profit before income tax</b>		<b>55,602</b>	<b>26,824</b>
Income tax expense		(15,659)	(7,680)
<b>Profit for the period</b>		<b>39,943</b>	<b>19,144</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
Changes in the fair value of financial assets at fair value		(31,616)	-
Income tax on other comprehensive income		9,485	-
<b>Other comprehensive profit net of tax</b>		<b>(22,131)</b>	<b>-</b>
<b>Total comprehensive profit for the period attributed to owners of the Company</b>		<b>17,812</b>	<b>19,144</b>
<b>Earnings per share for profit attributable to the ordinary equity holders of the Company:</b>		<b>Cents</b>	<b>Cents</b>
Basic profit per share		4.52	2.17
Diluted profit per share		4.49	2.16

The above Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

## Condensed Consolidated Statement of Financial Position

As at 30 June 2022

	Notes	30 June 2022 \$'000	31 December 2021 \$'000
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	6	160,272	131,512
Receivables and other assets	10	5,220	3,496
Other financial assets		676	834
Inventories	11	45,757	36,780
<b>Total current assets</b>		<b>211,925</b>	<b>172,622</b>
<b>Non-current assets</b>			
Property, plant and equipment	8	336,177	346,709
Right-of-use assets	9	113,810	114,974
Exploration and evaluation	7	39,919	17,378
Financial assets at fair value	14	173,677	-
Other financial assets		448	711
Deferred tax assets	21	39,832	-
<b>Total non-current assets</b>		<b>703,863</b>	<b>479,772</b>
<b>TOTAL ASSETS</b>		<b>915,788</b>	<b>652,394</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	12	37,323	30,538
Current tax liabilities		3,032	5,526
Provisions	13	4,313	2,543
Lease liabilities	15	11,490	10,738
Other financial liabilities	16	5,324	4,708
<b>Total current liabilities</b>		<b>61,482</b>	<b>54,053</b>
<b>Non-current liabilities</b>			
Deferred tax liabilities	21	-	22,783
Provisions	13	29,279	29,196
Lease liabilities	15	103,939	104,878
Other financial liabilities		-	-
<b>Total non-current liabilities</b>		<b>133,218</b>	<b>156,857</b>
<b>TOTAL LIABILITIES</b>		<b>194,700</b>	<b>210,910</b>
<b>Net assets</b>		<b>721,088</b>	<b>441,484</b>
<b>EQUITY</b>			
Contributed equity	17	421,768	204,576
Reserves		29,702	2,821
Retained earnings		269,618	234,087
<b>TOTAL EQUITY</b>		<b>721,088</b>	<b>441,484</b>

The above Condensed Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

## Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2022

	Contributed Equity \$'000	Equity Remuneration Reserve \$'000	Fair Value Reserve \$'000	Non- Controlling Interests Reserve \$'000	Gain on acquisition Reserve \$'000	Retained Earnings \$'000	Total \$'000
<b>Balance as at 1 January 2022</b>	204,576	2,821	-	-	-	234,087	441,484
Profit for the period	-	-	-	-	-	39,943	39,943
Other comprehensive profit for the period	-	-	(22,131)	-	-	-	(22,131)
<b>Total comprehensive profit for the period</b>	-	-	(22,131)	-	-	39,943	17,812
Shares issued for the acquisition of DGO	216,506	-	-	-	-	-	216,506
Non-controlling interest arising on acquisition of DGO - refer note 20	-	-	-	10,617	-	-	10,617
Gain on DGO acquisition relating to deferred tax - refer note 21	-	-	-	-	37,136	-	37,136
Payment of Dividends	-	-	-	-	-	(3,726)	(3,726)
Dividends reinvested	686	-	-	-	-	(686)	-
Equity settled Share Based Payments	-	1,386	-	-	-	-	1,386
Tax effect on Share Based Payments	-	(127)	-	-	-	-	(127)
<b>Balance as at 30 June 2022</b>	<b>421,768</b>	<b>4,080</b>	<b>(22,131)</b>	<b>10,617</b>	<b>37,136</b>	<b>269,618</b>	<b>721,088</b>

	Contributed Equity \$'000	Equity Remuneration Reserve \$'000	Fair Value Reserve \$'000	Non- Controlling Interests Reserve \$'000	Gain on acquisition Reserve \$'000	Retained Earnings \$'000	Total \$'000
<b>Balance as at 1 January 2021</b>	203,949	3,622	-	-	-	211,896	419,467
Profit for the period	-	-	-	-	-	19,144	19,144
Other comprehensive profit for the period	-	-	-	-	-	-	-
<b>Total comprehensive profit for the period</b>	-	-	-	-	-	19,144	19,144
Payment of Dividends	-	-	-	-	-	(13,213)	(13,213)
Equity settled Share Based Payments	-	1,408	-	-	-	-	1,408
Transfer from Equity Remuneration Reserve	-	(1,102)	-	-	-	1,102	-
Tax effect on Share Based Payments	-	357	-	-	-	-	357
<b>Balance as at 30 June 2021</b>	<b>203,949</b>	<b>4,285</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>218,929</b>	<b>427,163</b>

The above Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

## Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2022

	Notes	6 months ended 30 June 2022 \$'000	6 months ended 30 June 2021 \$'000
<b>Cash flows from operating activities</b>			
Receipts from customers		196,546	133,528
Interest received		318	200
Interest and fees paid – lease liabilities		(2,057)	(2,057)
Interest and fees paid – borrowings		(1,261)	(1,284)
Payments to suppliers and employees		(93,272)	(66,555)
Payments for exploration and evaluation expensed		(12,788)	(10,139)
Income tax paid		(18,022)	(7,353)
<b>Net cash inflow from operating activities</b>		<b>69,464</b>	<b>46,340</b>
<b>Cash flows from investing activities</b>			
Payments for exploration and evaluation capitalised		(808)	(1,275)
Payments for property, plant and equipment		(22,775)	(28,985)
Payments for tenement acquisition		(7)	-
Proceeds from sale of investments		4	-
Proceeds from disposal of tenements		54	-
Proceeds from disposal of property, plant and equipment		11	2
Net cash acquired through DGO acquisition		117	-
<b>Net cash outflow from investing activities</b>		<b>(23,404)</b>	<b>(30,258)</b>
<b>Cash flows from financing activities</b>			
Lease repayments		(5,413)	(4,875)
Repayment of borrowings		(8,160)	-
Payment of dividends		(3,726)	(13,213)
<b>Net cash outflow from financing activities</b>		<b>(17,299)</b>	<b>(18,088)</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>131,512</b>	<b>126,387</b>
Net decrease in cash and cash equivalents		28,760	(2,006)
<b>Cash and cash equivalents at the end of the period</b>	6	<b>160,272</b>	<b>124,381</b>

The above Condensed Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.



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# Notes to the Consolidated Interim Financial Statements

For the six months ended 30 June 2022

## CORPORATE INFORMATION AND BASIS OF PREPARATION

### Note 1 Corporate Information

The interim financial statements cover the consolidated group comprising Gold Road Resources Limited and its subsidiaries, together referred to as Gold Road, the Company or the Group.

Gold Road is a company incorporated and domiciled in Australia, limited by shares, and is a for profit entity whose shares are publicly traded on the ASX.

### Note 2 Basis of preparation

The Consolidated Interim Financial Statements were authorised for issue in accordance with a Resolution of the Directors on 29 August 2022.

These Consolidated Interim Financial Statements for the six months ended 30 June 2022 have been prepared in accordance with the *Corporations Act 2001* and Australian Accounting Standard (AASB) 134: *Interim Financial Reporting*. As such they do not include the full disclosures of the type normally included in an annual financial report and, therefore, it is recommended these Consolidated Interim Financial Statements be read in conjunction with the financial statements of the Group for the year ended 31 December 2021.

#### (a) Historical cost convention

The Consolidated Interim Financial Statements have been prepared under the historical cost convention, and on an accruals basis, except for derivative financial assets/liabilities and certain other financial assets and liabilities which are required to be measured at fair value.

#### (b) 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 operations – the functional currency. The Consolidated Interim Financial Statements are presented in Australian dollars, which is the functional currency of each of the Group's subsidiaries.

#### (c) Rounding of amounts

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and in accordance with that Instrument, all financial information presented in Australian dollars has been rounded to the nearest thousand unless otherwise stated.

#### (d) Critical account estimates

The preparation of financial statements requires the use of certain estimates, judgements and assumptions that affect the application of the Group's accounting policies. Actual results may differ from these estimates and application of different assumptions and estimates may have a significant impact on the Group's net assets and financial results.

As the COVID-19 pandemic continues to impact Australia and the world, the Group's focus remains on keeping its people well, and maintaining safe and reliable operations. The Group has considered the impact of COVID-19 on each of its significant accounting judgements and estimates, and management will continue to monitor the increased level of uncertainty of future cash flow forecasts.

The significant judgements made by the Group in applying the Group's accounting policies and the key sources of estimation were the same as those described in the Group's previous Consolidated Financial Statements, for the year ended 31 December 2021.

(e) Accounting Policies

The Consolidated Interim Financial Statements have been prepared in accordance with the same accounting policies adopted in the Group's previous Consolidated Financial Statements for the year ended 31 December 2021.

## 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 are one reportable segment being Development and Production, consisting of the Gruyere joint operation with Gold Fields. Exploration activities on Gruyere JV tenements are included in the Exploration segment.

(b) Exploration

The Exploration segment includes the activities on all mineral exploration tenements, including all joint venture tenements.

(c) Investment

The Investment segment includes the activities on equity securities investment.

(d) Unallocated

Unallocated items comprise corporate which includes those expenditures supporting the business during the period, and items that cannot be directly attributable to the Development and Production or Exploration segments or Investment.

The segment information for the reportable segments for the six months ended 30 June 2022 is as follows:

	Development and Production \$'000	Exploration \$'000	Investment \$'000	Unallocated \$'000	Total \$'000
<b>30 June 2022</b>					
Segment revenue	196,546	-	-	-	196,546
Segment profit/(loss) before tax	79,755	(12,884)	-	(11,269)	55,602
Income tax expense	-	-	-	(15,659)	(15,659)
Capital expenditure additions	27,240	1,565	-	98	28,903
Segment assets	497,707	50,317	183,161	184,603	915,788
Segment liabilities	(181,225)	(3,360)	-	(10,115)	(194,700)
	Development and Production \$'000	Exploration \$'000	Investment \$'000	Unallocated \$'000	Total \$'000
<b>30 June 2021</b>					
Segment revenue	129,627	-	-	-	129,627
Segment profit/(loss) before tax	52,935	(14,761)	-	(11,350)	26,824
Income tax expense	-	-	-	(7,680)	(7,680)
<b>31 December 2021</b>					
Capital expenditure additions	69,099	3,513	-	244	72,856
Segment assets	502,994	25,477	-	123,923	652,394
Segment liabilities	(178,528)	(1,274)	-	(31,108)	(210,910)

## Note 4 Revenue

### (a) Revenue from contracts with customers

Gold revenue  
Total revenue from continuing operations

6 months ended 30 June 2022	6 months ended 30 June 2021
\$'000	\$'000
196,546	129,627
<b>196,546</b>	<b>129,627</b>

### (b) Fair value gain/(loss) on derivatives

Fair value gain/(loss) on derivatives  
Total income/(expense) from continuing operations

6 months ended 30 June 2022	6 months ended 30 June 2021
\$'000	\$'000
(616)	6,574
<b>(616)</b>	<b>6,574</b>

### Gold forward sales

At the reporting date, the Group has gold forward sales contracts totalling 15,980 ounces denominated in Australian dollars which are held to be delivered at an average price of \$1,832 per ounce. Of these, 5,800 ounces are adjusted for the mark-to-market valuation through the profit or loss, performed at each reporting period and which are held to be delivered at an average price of \$1,709 per ounce.

For details of the remaining 10,180 ounces of gold forward sales contracts accounted for using the 'own use exemption' under AASB 9: *Financial Instruments*, refer to Note 23.

## Note 5 Expenses

### (a) Cost of sales

Costs of production  
Royalties & other selling costs  
Depreciation & amortisation expense  
Changes in inventory

6 months ended 30 June 2022	6 months ended 30 June 2021
\$'000	\$'000
(74,550)	(52,175)
(6,897)	(4,786)
(39,811)	(28,359)
7,458	4,410
<b>(113,800)</b>	<b>(80,910)</b>

### (b) Exploration expenditure expensed

Costs expensed in relation to areas of interest in the exploration and evaluation phase

6 months ended 30 June 2022	6 months ended 30 June 2021
\$'000	\$'000
(12,884)	(14,761)
<b>(12,884)</b>	<b>(14,761)</b>

### (c) Corporate and technical services

Administration and technical services  
Employee benefits expense  
Equity based remuneration expense  
Depreciation expense

6 months ended 30 June 2022	6 months ended 30 June 2021
\$'000	\$'000
(2,794)	(3,850)
(4,948)	(3,969)
(1,386)	(1,408)
(862)	(663)
<b>(9,990)</b>	<b>(9,890)</b>

### (d) Finance expenses

Interest and finance charges  
Amortisation of debt establishment fees  
Lease interest  
Provisions: unwinding of discount

6 months ended 30 June 2022	6 months ended 30 June 2021
\$'000	\$'000
(1,260)	(1,146)
(418)	(418)
(2,057)	(2,221)
(251)	(144)
<b>(3,986)</b>	<b>(3,929)</b>

## OPERATING ASSETS AND LIABILITIES

### Note 6 Cash and cash equivalents

Cash at bank  
Short term deposits  
Cash and cash equivalents

30 June 2022 \$'000	31 December 2021 \$'000
160,272	131,512
-	-
160,272	131,512

Cash at Bank – Gruyere JV

Included in Cash at bank of \$160.272 million (31 December 2021: \$131.512 million) is \$9.342 million representing the Company's share of cash at bank held in the Gruyere JV.

### Note 7 Exploration and evaluation

*In the exploration and evaluation phase*

#### Opening balance

Exploration acquisition through DGO acquisition  
Exploration expenditure written off during the period  
Exploration expenditure capitalised during the period

#### Closing balance

30 June 2022 \$'000	31 December 2021 \$'000
17,378	16,972
21,732	-
-	-
809	406
39,919	17,378

### Note 8 Property, plant and equipment

	Plant and Equipment \$'000	Buildings \$'000	Mine Development Assets \$'000	Assets Under Construction \$'000	Total \$'000
<b>30 June 2022</b>					
Opening net book value	234,503	2,084	103,832	6,290	346,709
Additions	763	91	20,136	1,921	22,911
Additions through DGO acquisition	605	-	-	-	605
Transfer from assets under construction	4,688	-	-	(4,688)	-
Movement in rehabilitation asset	-	-	250	-	250
Depreciation & amortisation	(13,044)	(157)	(21,096)	-	(34,297)
Disposals	(1)	-	-	-	(1)
<b>Net book value</b>	<b>227,514</b>	<b>2,018</b>	<b>103,122</b>	<b>3,523</b>	<b>336,177</b>
<b>30 June 2022</b>					
Cost	296,702	4,790	169,311	3,523	474,326
Accumulated depreciation	(69,188)	(2,772)	(66,189)	-	(138,149)
<b>Closing net book value</b>	<b>227,514</b>	<b>2,018</b>	<b>103,122</b>	<b>3,523</b>	<b>336,177</b>
<b>31 December 2021</b>					
Opening net book value	248,202	1,161	77,724	6,799	333,886
Additions	2,198	1,152	47,262	9,017	59,629
Movement in rehabilitation asset	-	-	3,276	-	3,276
Transfer from assets under construction	9,526	-	-	(9,526)	-
Depreciation & amortisation	(24,899)	(229)	(24,430)	-	(49,558)
Disposals	(524)	-	-	-	(524)
<b>Net book value</b>	<b>234,503</b>	<b>2,084</b>	<b>103,832</b>	<b>6,290</b>	<b>346,709</b>
<b>31 December 2020</b>					
Cost	290,445	4,699	148,924	6,290	450,358
Accumulated depreciation	(55,942)	(2,615)	(45,092)	-	(103,649)
<b>Closing net book value</b>	<b>234,503</b>	<b>2,084</b>	<b>103,832</b>	<b>6,290</b>	<b>346,709</b>

### 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.

## Note 9 Right-of-use assets

	30 June 2022 \$'000	31 December 2021 \$'000
Opening net book value	114,974	117,411
Additions	4,933	9,693
Additions through DGO acquisition	279	-
Transfer to plant & equipment	-	(148)
Depreciation & amortisation	(6,376)	(11,982)
<b>Net book value</b>	<b>113,810</b>	<b>114,974</b>
Cost	147,227	142,174
Accumulated depreciation	(33,416)	(27,200)
<b>Closing net book value</b>	<b>113,810</b>	<b>114,974</b>

## Note 10 Receivables and other assets

	30 June 2022 \$'000	31 December 2021 \$'000
Prepayments	729	1,351
GST and other receivables	4,491	2,145
Receivables and other assets	<b>5,220</b>	<b>3,496</b>

## Note 11 Inventories

	30 June 2022 \$'000	31 December 2021 \$'000
Ore stockpiles	24,085	16,226
Gold in circuit and on hand	3,836	4,237
Consumable supplies and spares	17,836	16,317
Inventories at cost	<b>45,757</b>	<b>36,780</b>

## Note 12 Trade and other payables

	30 June 2022 \$'000	31 December 2021 \$'000
Trade payables	12,630	13,488
Accruals and other payables	24,693	17,050
Trade and other payables	<b>37,323</b>	<b>30,538</b>

## Note 13 Provisions

	30 June 2022			31 December 2021		
	Current \$'000	Non-current \$'000	Total \$'000	Current \$'000	Non-current \$'000	Total \$'000
Employee entitlements	4,313	1,048 <sup>1</sup>	5,361	2,543	1,466 <sup>1</sup>	4,009
Rehabilitation	-	28,231	28,231	-	27,730	27,730
Provisions	<b>4,313</b>	<b>29,279</b>	<b>33,592</b>	<b>2,543</b>	<b>29,196</b>	<b>31,739</b>

1. Represents long service leave entitlements expected to be settled beyond 12 months of the reporting date.

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.

## CAPITAL AND FINANCIAL RISK MANAGEMENT

### Note 14 Financial assets at fair value

	30 June 2022 \$'000	31 December 2021 \$'000
Quoted shares – Yandal Resources Ltd	3,505	-
Quoted shares – Dacian Gold Ltd	6,092	-
Quoted shares – SensOre Ltd	200	-
Quoted shares – De Grey Mining Ltd	163,880	-
Financial assets at fair value	173,677	-

#### Recognition and measurement

The Group designated the above investments as equity securities at Fair Value through Other Comprehensive Income (**FVOCI**) because these equity securities represent investments that the Group intends to hold long term for strategic purposes.

Fair value movements continue to be recognised in equity through other comprehensive income and are not eligible for recycling through profit or loss upon realisation of the asset.

Dividends on FVOCI equity securities are recognised in profit or loss when the Group's right to receive the dividends is established.

When measuring the fair value of these assets, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

### Note 15 Lease liabilities

	30 June 2022 \$'000	31 December 2021 \$'000
Lease liabilities - current	11,490	10,738
Lease liabilities - non-current	103,939	104,878
	115,429	115,616

The lease liabilities relate to the gas pipeline, power facilities, mine infrastructure and equipment contracts, and office premises.

### Note 16 Other financial liabilities

	30 June 2022 \$'000	31 December 2021 \$'000
Gold forward sales contracts – current	5,324	4,708
Gold forward sales contracts – non-current	-	-
	5,324	4,708

### Note 17 Contributed equity

#### Share capital

	30 June 2022 No.	31 December 2021 No.	30 June 2022 \$'000	31 December 2021 \$'000
Ordinary shares	1,065,648,613	881,915,318	421,768	204,576
<b>Total share capital</b>	<b>1,065,648,613</b>	<b>881,915,318</b>	<b>421,768</b>	<b>204,576</b>

#### (a) Movements in ordinary shares

	Number of shares	Total \$'000
Opening balance at 1 January 2022	881,915,318	204,576
Dividend Reinvestment Plan	436,382	686
Performance rights exercised	1,359,817	-
Consideration for the acquisition of DGO	181,937,096	216,506
<b>Closing balance at 30 June 2022</b>	<b>1,065,648,613</b>	<b>421,768</b>

(b) Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote. Ordinary shares have no par value and the Company does not have a limited amount of authorised capital. The Company's shares are limited whereby the liability of its members is limited to the amount (if any) unpaid on the shares respectively held by them.

(c) Performance Rights

Information relating to the Employee Incentive Plan, including details of Performance Rights granted, exercised and cancelled/forfeited during the six month period and Performance Rights outstanding at the end of the reporting period, is set out in Note 19.

## Note 18 Dividends

The following dividends were determined and paid by the Company.

	30 June 2022 \$'000	31 December 2021 \$'000
2020 final dividend: \$0.015	-	13,213
2021 interim dividend: \$0.005	-	4,406
2021 final dividend: \$0.005	4,412	-
	<b>4,412</b>	<b>17,619</b>

Subsequent to 30 June 2022, the Directors determined to pay a dividend of 1.0 cent per fully paid ordinary share, fully franked for an amount of \$10.6 million. The aggregate amount of the proposed dividend is expected to be paid on 4 October 2022 out of retained earnings at 30 June 2022, and has not been recognised as a liability at the end of the period.

Franking credits available to Gold Road shareholders as at 30 June 2022 were \$85.8 million (31 December 2021: \$66.0 million), which are available for distribution subject to the Board determining to pay dividends with franking credits attached. The impact on the dividend franking account of dividends determined after the balance sheet date but not recognised as a liability is to reduce it by \$4.6 million (2021: \$1.9 million).

## OTHER INFORMATION

### Note 19 Share-based payments

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

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

	30 June 2022 No.	31 December 2021 No.
Outstanding at the beginning of the period	6,405,445	6,825,017
Performance Rights granted (i)	2,525,462	3,075,261
Performance Rights exercised (ii)	(1,359,817)	(1,496,268)
Performance Rights cancelled	(160,062)	(517,361)
Performance Rights forfeited	(1,209,741)	(1,481,204)
<b>Outstanding at the end of the period (iii)</b>	<b>6,201,287</b>	<b>6,405,445</b>

(i) Performance Rights granted during the six month period ended 30 June 2022.

Number of Performance Rights Granted	Incentive Plan	Fair Value at Grant Date	Grant Date	Performance Period End Date
453,230	2021 STI	1.540	21 January 2022	31 December 2021 <sup>1</sup>
22,046	Retention <sup>2</sup>	1.460	1 February 2022	1 December 2022
1,510,667	2022 – 2024 LTI <sup>3</sup>	1.336	31 May 2022	31 December 2024
539,519	2022 – 2024 LTI <sup>4</sup>	0.736	31 May 2022	31 December 2024
<b>2,525,462</b>			<b>Total Performance Rights granted during the period</b>	

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

2. Performance Rights granted subject to non-KMPs remaining an employee at the performance end date

3. Performance Rights granted subject to non-market based performance conditions had their values verified using a Black-Scholes pricing model

4. Performance Rights granted subject to market based performance conditions had their values verified using the Monte Carlo simulation



(ii) Performance Rights exercised during the six month period ended 30 June 2022.

Number of Performance Rights Exercised	Incentive Plan	Grant Date	Performance Period End Date	Vesting Date
453,230	2021 STI	21 January 2022	31 December 2021	21 January 2022
903,989	2019-2021 LTI	29 May 2019	31 December 2021	21 January 2022
2,598	Retention	1 March 2021	31 December 2021	14 January 2022
<b>1,359,817</b>	<b>Total Performance Rights outstanding at the end of the six month period</b>			

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

Outstanding	Incentive Plan	Grant Date	Performance Period End Date <sup>1</sup>
1,151,080	2020-2022 LTI	29 May 2020	31 December 2022
634,704 <sup>2</sup>	2020-2022 LTI	29 May 2020	31 December 2022
91,094	Retention	1 March 2021	1 December 2022
30,933	Retention	5 July 2021	1 December 2022
59,846	Retention	7 October 2021	1 December 2022
1,398,203	2021 – 2023 LTI	27 May 2021	31 December 2023
598,195 <sup>3</sup>	2021 – 2023 LTI	27 May 2021	31 December 2023
165,000	On-boarding	22 December 2021	1 January 2024
22,046	Retention	1 February 2022	1 December 2022
1,507,450	2022 – 2024 LTI	31 May 2022	31 December 2024
542,736 <sup>4</sup>	2022 – 2024 LTI	31 May 2022	31 December 2024
<b>6,201,287</b>	<b>Total Performance Rights outstanding at the end of the six month period</b>		

1. Subsequent to the end of the performance period end date, the Board determines the number of Performance Rights that vest
2. Represents Performance Rights issued to the Executive Director. The key vesting conditions and performance conditions are that the holder must remain employed until 31 December 2022. Of these Performance Rights, 25% will vest and convert over a three year measurement period to 31 December 2022 based on meeting market based performance criteria, 116.3% will vest on meeting non-market performance conditions by 31 December 2022 (which includes provision for a stretch of 125% of the 25% EPS metric resulting in a stretch target of 31.3%, provision for a stretch of 200% of the 25% Growth metric resulting in a stretch weighting of 50% and provision for stretch of 140% of the 25% Gruyere optimisation metric resulting in a stretch weighting of 35%)
3. Represents Performance Rights issued to the Executive Director. The key vesting conditions and performance conditions are that the holders must remain employed until 31 December 2023. Of these Performance Rights, 26% of the Performance Rights will vest and convert over a three year measurement period to 31 December 2023 based on meeting market based performance criteria (which includes provision for a stretch of 125% of the 30% market based metric resulting in a stretch weighting of 18%), 74% will vest on meeting non-market performance conditions by 31 December 2023 (which includes provision for a stretch of 200% of the 25% Growth metric resulting in a stretch weighting of 59%, and provision for stretch of 140% of the 25% Gruyere optimisation metric resulting in a stretch weighting of 24%)
4. Represents Performance Rights issued to the Executive Director. The key vesting conditions and performance conditions are that the holders must remain employed until 31 December 2024. Of these Performance Rights, 26% of the Performance Rights will vest and convert over a three year measurement period to 31 December 2023 based on meeting market based performance criteria (which includes provision for a stretch of 125% of the 30% market based metric resulting in a stretch weighting of 18%), 74% will vest on meeting non-market performance conditions by 31 December 2024 (which includes provision for a stretch of 200% of the 25% Growth metric resulting in a stretch weighting of 59%, and provision for stretch of 140% of the 25% Gruyere optimisation metric resulting in a stretch weighting of 24%)

## Note 20 Acquisition of DGO Gold Limited

As at 30 June 2022 Gold Road has acquired a 97.86% interest in the DGO. All consideration is in the form of Gold Road ordinary fully paid shares issued at a ratio of 2.25 Gold Road shares for each DGO share. The DGO acquisition had an acquisition date for accounting purposes of 15 June 2022.

Consideration paid for DGO	\$'000
Purchase cost (including transaction costs) at 30 June 2022	231,655
Less: Gold Road transaction cost	(4,522)
Cash acquired on acquisition	(117)
Shares issued as consideration at 30 June 2022	(216,506)
Shares to be issued as consideration to non-controlling interest	(10,617)
Shares to be issued for DGO cancelled options	(10)
<b>Net of cash acquired at 15 June 2022</b>	<b>(117)</b>

The group has determined that the transaction does not constitute a business combination in accordance with AASB 3 Business Combinations. The acquisition of the net assets has therefore been accounted for, as an asset acquisition. When an asset acquisition does not constitute a business combination, the assets and liabilities are allocated a carrying amount based on their relative fair values in an asset purchase transaction.

The value of the assets acquired and liabilities assumed has been allocated on a Fair Value basis. Details of the purchase consideration and the net assets acquired are as follows:

<b>Net assets acquired</b>	<b>\$'000</b>
Cash and cash equivalents	117
Receivables and other assets	547
Property, plant and equipment	605
Right-of-use lease assets	279
Exploration and evaluation	21,732
Financial assets at fair value	205,292
Deferred tax assets	16,250
<b>Total assets</b>	<b>244,822</b>
Trade and other payables	(4,660)
Provisions	(54)
Borrowings	(8,160)
Lease liabilities	(293)
<b>Total liabilities</b>	<b>(13,167)</b>
<b>Total purchase consideration</b>	<b>231,655</b>

The transaction has been recorded at 100% due to the company reaching the compulsory acquisition stage and having commenced this at half year end. The issue of company shares for the remaining DGO shares outstanding at half year will be recorded through equity as the transaction completes to 100%. This is represented as a non-controlling interest reserve in the statement of changes in equity. The additional tax impact arising on tax consolidation is set out in Note 21.

## Note 21 Deferred tax assets and liabilities

	<b>30 June 2022 \$'000</b>	<b>31 December 2021 \$'000</b>
<b>Deferred tax assets</b>		
Deferred tax assets arising from:		
Tax losses acquired in DGO acquisition	16,250	-
Recognition of fair value uplift for tax purposes relating to tax consolidation	37,136	-
Fair value of financial assets through OCI	9,485	-
Provision for redundancy in DGO	170	-
Gross deferred tax assets	63,041	-
Set-off of deferred tax liabilities	(23,209)	-
Net deferred tax assets	39,832	-
<b>Deferred tax liabilities</b>		
Deferred tax liabilities arising from Gold Road operations	(23,209)	(22,783)
Gross deferred tax liabilities	(23,209)	(22,783)
Set-off of deferred tax assets	23,209	-
Net deferred tax liabilities	-	(22,783)

Included in the deferred tax assets of \$39.8 million (31 December 2021: \$22.8 million liabilities) are \$16.3 million in tax losses acquired in DGO acquisition and \$37.1 million relating to the recognition of the provisional fair value uplift for tax purposes relating to tax consolidation of DGO.

## UNRECOGNISED ITEMS

### Note 22 Contingencies

#### Guarantees

The Group has guarantees in relation to its joint venture commitments in favour of various service providers with respect to the supply of electricity and development of associated infrastructure for the joint venture. The Group's portion of these commitments at 30 June 2022 was \$18.75 million with various financial institutions (31 December 2021: \$18.75 million).

## Note 23 Commitments

### (a) Exploration expenditure commitments

In order to maintain current rights of tenure to exploration tenements the Group has certain obligations to perform minimum exploration work on mineral leases held. These obligations may vary over time, depending on the Group's exploration programmes and priorities. These obligations are not provided for in the financial report and are payable:

	30 June 2022 \$'000	31 December 2021 \$'000
Within one year	8,642	5,765
	<u>8,642</u>	<u>5,765</u>

Included in the exploration expenditure commitment is \$4.2 million as a result of DGO acquisition.

### (b) Gold delivery commitments

	Gold for physical delivery oz <sup>1</sup>	Contracted sales price \$/oz	Value of committed sales \$'000
Within one year	15,980	1,832	29,280
Later than one year but not later than five years	-	-	-
	<u>15,980</u>	<u>1,832</u>	<u>29,280</u>

1. Forward contract derivatives accounted for using the 'own use exemption'. Refer Note 4.

## Note 24 Significant events after the balance date

Subsequent to the period ended 30 June 2022:

On 13 July 2022, Gold Road cancelled a \$100 million tranche (Tranche A) of its Revolving Corporate Facility.

On 4 August 2002, Gold Road completed the takeover of DGO Gold Limited. At close of the takeover offer period on 30 June 2022, Gold Road had a relevant interest in 97.86% of DGO shares. Following completion of the compulsory acquisition process, Gold Road now has a relevant interest in 100% of DGO shares.

On 22 August 2022, Gold Road increased its shareholding in De Grey Mining Ltd to 19.99% through a combination of share acquisitions and a derivative transaction via an equity collar agreement.

On 29 August 2022, the Directors determined the payment of a dividend of 1.0 cent per fully paid ordinary share, fully franked. The aggregate amount of the proposed dividend is expected to be paid on 4 October 2022 out of retained earnings at 30 June 2022, and has not been recognised as a liability at the end of the period.

Other than as noted above, there has not arisen in the interval between the six months ended 30 June 2022 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 Interim Financial Statements and Notes that are set out on pages 16 to 25, are in accordance with the Corporations Act 2001, including:
  - (i) giving a true and fair view of the Group's consolidated financial position as at 30 June 2022 and of its performance, for the six month financial period ended on that date; and
  - (ii) complying with Australian Accounting Standards AASB 134: *Interim Financial Reporting*, the *Corporations Regulations 2001*; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

Signed at Perth this 29th day of August 2022.



Tim Netscher  
Non-executive Chairman



# Independent Auditor's Review Report

To the shareholders of Gold Road Resources Limited

## Conclusion

We have reviewed the accompanying **Interim Financial Report** of Gold Road Resources Limited.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Interim Financial Report of Gold Road Resources Limited does not comply with the *Corporations Act 2001*, including:

- Giving a true and fair view of the **Group's** financial position as at 30 June 2022 and of its performance for the half-year ended on that date; and
- Complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The **Interim Financial Report** comprises:

- Condensed consolidated statement of financial position as at 30 June 2022;
- Condensed consolidated statement of profit or loss and other comprehensive income, Condensed consolidated statement of changes in equity and Condensed consolidated statement of cash flows for the Half-year ended on that date;
- Notes comprising a summary of significant accounting policies and other explanatory information; and
- The Directors' Declaration.

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

## Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of 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 (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with these requirements.



## Responsibilities of the Directors for the Interim Financial Report

The Directors of the Company are responsible for:

- The preparation of the Interim Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*; and
- Such internal control as the Directors determine is necessary to enable the preparation of the Interim Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

## Auditor's responsibilities for the review of the Interim Financial Report

Our responsibility is to express a conclusion on the Interim Financial Report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the Interim Financial Report does not comply with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 30 June 2022 and its performance for the half year ended on that date, and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

KPMG

Graham Hogg  
Partner  
Perth  
29 August 2022

# Corporate Directory

ASX Code: GOR

## DIRECTORS

Tim Netscher	Non-executive Chairman
Duncan Gibbs	Managing Director and CEO
Brian Levet	Non-executive Director
Maree Arnason	Non-executive Director
Denise McComish	Non-executive Director

## COMPANY SECRETARY

Hayden Bartrop

## REGISTERED & PRINCIPAL OFFICE

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Perth WA 6000  
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Perth WA 6000  
Australia

## STOCK EXCHANGE

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