
GOLD
ROAD
RESOURCES
2017
ANNUAL
REPORT
For the six months ended 31 December 2017

ASX | GOR

CONTENTS

GLOSSARY

$	All dollar amounts are in Australian dollars
Gold Road, the **Company** or **the Group**	Gold Road Resources Limited and its subsidiaries
Gold Fields	Gold Fields Limited and its subsidiaries
Gruyere JV	Gruyere Project Joint Venture
Gruyere Project	Gruyere Gold Project
Cygnus	Cygnus Gold Limited
Yamarna Greenstone Belt	Yamarna and Dorothy Hills Greenstone Belts which sit within the Yamarna Terrane
RC	Reverse Circulation
the **Board**	Board of Directors of Gold Road
AGM	Annual General Meeting

CHAIRMAN'S LETTER

Dear Shareholder,

It is my pleasure to be addressing you again, even though only six months have passed since my last update. This Annual Report marks a strategic shift by your Company to change its financial year end from 30 June to 31 December. This decision, taken by your Board, will align Gold Road's reporting schedule with that of our 50:50 Gruyere JV partner, Gold Fields.

Notwithstanding that this Annual Report covers only six months, much has happened during this period as Gruyere's development has advanced and our industry-leading greenfields exploration programme continued apace.

Regarding progress of the Gruyere Project, at year end, overall construction progress stood at approximately 32%. Our project team has achieved a number of significant milestones and has overcome a number of obstacles, the most recent being the previously reported rain events which have occurred subsequent to year end.

If further abnormal weather events occur, they could cumulatively impact the project schedule but at the time of writing, I am able to report that Gruyere's construction is progressing on budget and scheduled for first gold at the end of first quarter of 2019[1].

The Gruyere JV, entered into with Gold Fields in November 2016, is a perfect example of your Company's culture of innovatively delivering shareholder value. The Gruyere JV has unlocked a pathway for us to deliver this large project in a reduced-risk and financially conservative manner, suited to your Company's financial resources. As at the end of 2017, $94 million had been invested by Gold Road in the construction of the Gruyere Project, with all of Gold Road's share being funded by Gold Fields as per the terms of the Gruyere JV Agreement. From January 2018 Gold Road has been funding its share of the ongoing Gruyere capital investment from the remaining receivable from Gold Fields as well as from its cash reserves.

1. As part of normal process, the Gruyere JV is currently undertaking a detailed review of the Gruyere Project cost estimate and the schedule to produce a Definitive Estimate following completion of 80% of engineering work and award of all major contracts and packages. The results will be finalised and announced in the June quarter 2018

As part of ensuring that Gold Road has sufficient funding to successfully address its growth objectives, while funding its share of the large-scale Gruyere Project, subsequent to year end, the Company concluded Revolving Corporate and Working Capital Facilities totalling $150 million[2].

Turning to our exploration activities, in 2017 Gold Road spent $24 million (100% basis) on greenfields exploration across the Yamarna Greenstone Belt, while your Board has approved $23 million (100% basis) in exploration expenditure in 2018 which includes an allocation to continue the development of higher margin Ore Reserves on the Gruyere JV. We continue to believe that adopting a disciplined approach to investing in exploration, particularly our highly prospective tenements on the Yamarna Greenstone Belt, offers the best value proposition for our shareholders.

To that end, Gold Road recently made two strategic investments:

- We entered a new high-quality exploration area through an earn-in joint venture with Cygnus. The transaction, executed in October 2017, will enable Gold Road to earn a 75 per cent interest in Cygnus' Wadderin and Lake Grace projects in Western Australia's south-west over the next four years. Cygnus successfully listed on the ASX on 15 January 2018, with Gold Road as a substantial shareholder. We believe that by working with the well-credentialed Cygnus exploration team we have the potential to open up a new gold belt in Western Australia's relatively under explored south-west.
- On 5 February 2018, we announced the acquisition of Sumitomo Metal Mining Oceania Pty Ltd's 50% share in the South Yamarna Joint Venture for $7 million, thereby consolidating Gold Road's ownership of the majority of the Yamarna Greenstone Belt. I would like to thank Sumitomo for its significant support since 2013.

Gold Road ended 2017 in a strong financial position, which has been further enhanced by the Revolving Corporate and Working Capital Facilities mentioned above.

I also want to highlight Gold Road's commitment to industry-leading standards in health, safety and community engagement. This commitment starts with ensuring the safety and wellbeing of our hard-working staff and contract partners at Gold Road, whom I once again sincerely thank for their ongoing efforts in making us a winning company.

In conclusion and on behalf of the Board, I wish to thank you, our shareholders, for your ongoing support of Gold Road. This year is shaping as another exciting one as Gold Road pursues its twin goals of achieving exploration success and successfully completing the development of the Gruyere Project. I look forward to updating you further at our Annual General Meeting.

Tim Netscher
Non-Executive Chairman

2. ASX announcement dated 26 February 2018

MANAGING DIRECTOR'S REPORT

03

I am delighted to be able to report to you on the progress your Company made in the period ended 31 December 2017. As your Chairman has explained, this Annual Report covers only a six month period as we transition from a 30 June year end to 31 December, though I want to take this opportunity to recap your Company's significant achievements in 2017.

In late December, the Gruyere JV announced the award of a $400 million, five-year mining services contract to Downer EDI Ltd[3]. This was the last major piece of Gruyere Project work submitted for tender as the focus starts shifting to project start-up at the end of 2018.

Your Company's decision to develop the Gruyere Project with Gold Fields has been globally recognised. In November, Gold Road was awarded the Small-Cap Deal of the Year Award at Mines & Money London's Achievement Awards. This followed on from Gold Road receiving the Dealer Award at the Diggers & Dealers Mining Forum in Kalgoorlie in August, Deal of the Year recognition from MiningNews.Net in its inaugural award series in July, and the Best Asia-Pacific Mining Deal of the Year Award at Mines & Money Asia in April.

In November 2017, Gold Road entered into an unsecured 200,000 ounce Gold Forward Sales Facilities with two major banks[4]. The total hedge book at 23 March 2018 was 65,000 ounces at a weighted average forward price of $1,718 per ounce for delivery in June 2018. The intention is to roll these existing gold hedges forward to match future gold production under the new Gold Hedging Facility linked to the Revolving Corporate and Working Capital Facilities.

Gold Road's vision is Unlocking Potential with our immediate focus on the Yamarna Greenstone Belt. We successfully completed a $24 million (100% basis) exploration program across the North Yamarna, South Yamarna and Gruyere JV project areas for calendar 2017 as part of our aggressive but disciplined approach to greenfields exploration. As announced in December[5], diamond and RC drilling campaigns successfully delivered high-grade bedrock intersections to improve our understanding of the Yamarna Greenstone Belt while aircore drilling generated new gold anomalies along strike, providing further targets for follow-up in 2018. Highlights included:

- Increasing the Yamarna Ore Reserve to 3.74 million ounces with the addition of Attila-Alaric open pit Maiden Ore Reserves[6]
- Increasing the Attila-Alaric Trend Mineral Resource to 596,000 ounces, within trucking distance (25 kilometres) of the Gruyere Project
- Declaring a Maiden Mineral Resource at YAM14 of 34,000 ounces within 8 kilometres of the Gruyere Project
- Improving our understanding of the highly prospective and emerging Corkwood and Wanderrie camps in the North Yamarna project area, and
- Concluding the $7 million deal with Sumitomo Metal Mining Oceania Pty Ltd to acquire its 50% share of South Yamarna[7].

3. ASX announcement dated 20 December 2017
4. ASX announcement dated 20 November 2017
5. ASX announcement dated 19 December 2016
6. ASX announcement dated 21 February 2017
7. ASX announcement dated 5 February 2018

In October, Gold Road signed a joint venture agreement to earn into Cygnus' Wadderin and Lake Grace projects in Western Australia's south-west[8]. This transaction allows us to apply our exploration expertise to these under explored but highly prospective greenstone belts.

We believe the best use of Gold Road's cash reserves is in the exploration for new gold discoveries, which we are committed to do with strict financial discipline. While we pride ourselves on our exploration expertise, we have a continual focus on the efficient and effective use of our valuable shareholders' funds, and on execution of exploration programmes we have confidence will add value to our overall drive for discovery. This discipline is best demonstrated by the fact that our actual 2017 exploration expenditure was reduced from the original budget by almost 20% without impacting the quality of our efforts.

Gold Road ended the year in a strong financial position with current cash, term deposits and receivables of $257 million compared with $311 million at 30 June 2017. A net loss after tax for the six months ended 31 December 2017 of $2.5 million was reported, compared to a net profit after tax for the 12 months ended 30 June 2017 of $230 million, resulting in a diluted loss per share of 0.3 cents for the six months ended 31 December 2017, compared to diluted earnings per share of 26.1 cents for the 12 months ended 30 June 2017.

As Gold Road continues its evolution from start-up gold explorer into a significant and sustainable Australian gold company, management is ensuring we adopt the highest quality health, safety and environmental practices. I urge you to read the People, Community and Environment section in this Annual Report. A highlight was the implementation across the Company in 2017 of the Vital Behaviours programme, a behaviour-based safety system that forms a Key Performance Indicator for Gold Road's leadership team, and which provides our workforce with important new skills focussed on improving both our safety standards and work performance in general. This is a clear reflection of our commitment to prioritising the health, safety and wellbeing of our employees.

I thank the Gold Road team for their ongoing commitment and enthusiasm for your Company. I also thank you, our shareholders, for your ongoing support.

Ian Murray
Managing Director & Chief Executive Officer

8. ASX announcement dated 10 October 2018

PEOPLE, COMMUNITY & ENVIRONMENT

05

People

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

In 2018, 15 current and emerging Gold Road leaders will participate in the inaugural **Au+ Advance and Uplift** 'Leader Development' Programme. This is an accredited programme that covers learning and development in:

- Communication
- Financial Management
- Operational Management
- People Management
- Health, Safety and Environmental Leadership
- Leading Self and Leading Teams
- Risk Management
- Inclusion and Diversity.

In 2018, the Company's Six Pillar People Strategy will continue to enhance our organisational learning and development to enable our people to unlock their and Gold Road's potential. The Six Pillars are:

- Organisational Culture
- Leader Development
- Optimising Performance
- Talent and Succession
- Organisational Learning
- Diversity.

Gold Road believes the benefits of a diversified workforce are integral to building and maintaining a positive workplace culture. In 2017, our employment strategy focussed on gender diversity across the workforce, achieving an increase in female diversity by 3.6%. Continuing into 2018, Gold Road will broaden its diversity through non-traditional employment pathways into operational positions. Gold Road also continues to support the next generation of workers in Western Australia by employing three university graduates - two geologists and an environmental advisor in 2017. Gold Road intends to further its support of graduates in 2018.

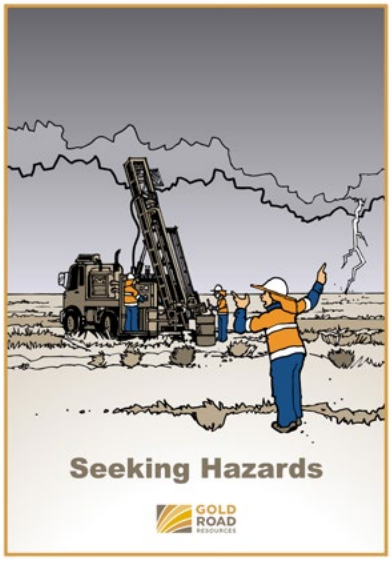
Health and Safety

The health, safety and wellbeing of our people is paramount to Gold Road and is front and centre of everything we do. The Company is dedicated to the continual improvement of our health and safety culture. Every Gold Road employee and contractor is entitled to operate in a safe workplace and return home from work fit and healthy at the end of each shift. During the year, Gold Road launched the 'Vital Behaviours' programme to enhance our health and safety culture beyond *compliance* towards *commitment*.

The Vital Behaviours programme is designed to identify those crucial moments where our vital behaviours are critical to ensuring a safe outcome and the elimination of fatalities and life-changing injuries from our workplace.

Commitment from our people is essential to the success of this programme. Our exploration team was the first to embrace the model. Based on team members' collective stories and experiences, they identified and developed their own Vital Behaviours - *Speak Up, Support Safe Teamwork, Seeking Hazards and Follow Procedures.*

In 2018, Gold Road will expand the deployment of the Vital Behaviours influencer model across non-operational business functions to assist in delivering their respective strategic objectives.



Corporate Governance

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

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

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

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

Community

A core value at Gold Road is the relationship with the communities within areas it operates. It is recognised and appreciated that Gold Road's ability to operate successfully relies on a strong and mutually beneficial relationship with all members of the Company's extended community. For Gold Road, the term "community" encompasses a wide group of people, from employees and contractors to residents and businesses in the regions where we operate. The Company is committed to treating all with equal respect and support, respecting heritage and cultural values, and maximising opportunities for all to benefit from Gold Road's ambitions to build a sustainable, long-life business.

The Company is proud of its engagement and involvement with the Yilka people, the recognised Native Title Claim group upon whose land Gold Road's Yamarna operations are based, and the mutually beneficial flow-on effects generated by a sharing of culture and values, and employment opportunities.

Environment

Consistent with Gold Road's Environmental Policy, there were no significant environmental incidents in 2017. Gold Road continued to improve its environmental and data management capability to ensure continued environmental legal compliance.

With aspirations to develop a more sustainable exploration project, Gold Road commissioned a scoping study to identify opportunities across our exploration and corporate operations for renewable energy, improved recycling, and improved waste management aimed at minimising our environmental footprint. A number of recommendations from the scoping study are being assessed and prioritised for implementation in 2018 and 2019.

08 REVIEW OF OPERATIONS

Exploration

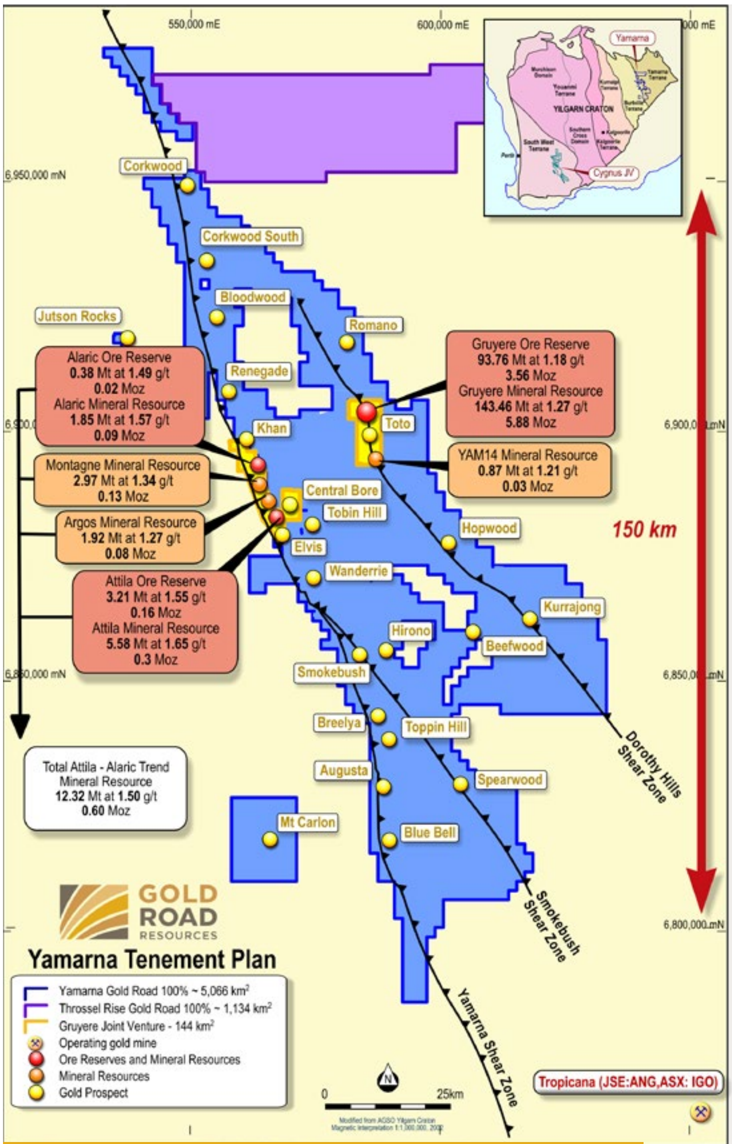
In 2017, whilst developing the Gruyere Project, Gold Road embarked on a $30 million (100% basis) budgeted exploration drilling campaign across its approximately 6,000 square kilometres on the Yamarna Greenstone Belt, 200 kilometres east of Laverton in Western Australia.

The Company has a clear ambition to discover additional multi-million ounce deposits or clusters of deposits that justify a stand-alone mine development within the highly prospective but under explored Yamarna Greenstone Belt.

Exploration expenditure for 2017 was $24 million (100% basis), representing a 20% reduction on the budget without impacting the quality of the exploration effort, highlighting Gold Road's commitment to fiscal discipline.

The 2017 programme delivered significant exploration results across all project areas and broadened Gold Road's understanding of the mineralisation and the prospectivity of the Yamarna Greenstone Belt. A total of 2,492 diamond, RC and aircore holes, for an aggregate of 174,353 metres, were drilled. Gold Road continues to work closely with the contracted drillers (DDH1 and Ranger) and recognises their ongoing commitment to the Yamarna exploration strategy while maintaining the highest standards of safety management.

Exploration results in 2017 were impressive, confirming the Ibanez and Gilmore-Morello prospects as high-priority targets in the North Yamarna project area (Gold Road 100%),



Map showing Yamarna Tenements 100% Gold Road (blue), Gruyere JV project area (yellow) and current Mineral Recourses and Ore Reserves increasing the Yamarna Ore Reserve to 3.74 million ounces, upgrading the Attila-Alaric Trend Mineral Resources to 596,000 ounces and declaring a Maiden Mineral Resource at YAM14 of 34,000 ounces.

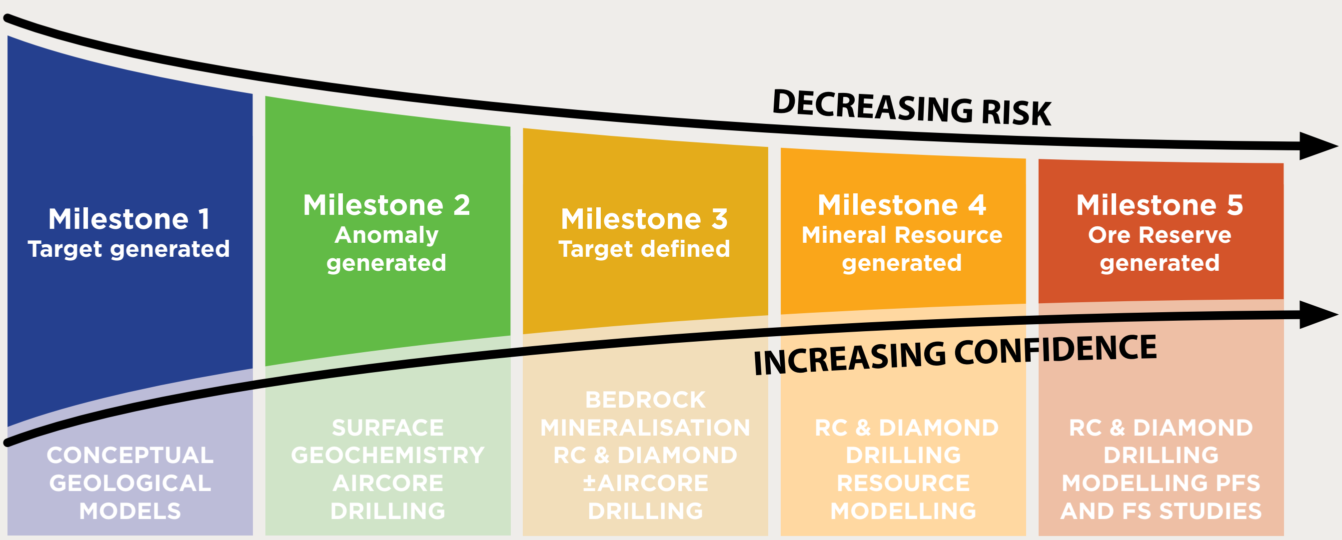
In the six months ended 31 December 2017 exploration highlights included:

- **North Yamarna:** High-grade intersections at Ibanez (Corkwood Camp) and Gilmour-Morello (Wanderrie Camp), both advancing in Gold Road's Exploration Project Pipeline
- **South Yamarna:** Drilling continued to deliver gold intersections from existing and newly discovered areas of bedrock mineralisation, with a particular focus on Yaffler South late in the year
- **Gruyere JV:** Pre-feasibility mining studies completed on the Attila and Alaric deposits resulted in declaration of Maiden Ore Reserves, while consistent mineralised intercepts infilled and extended historic drilling at the Montagne and Argos deposits allowing declaration of new Mineral Resources.

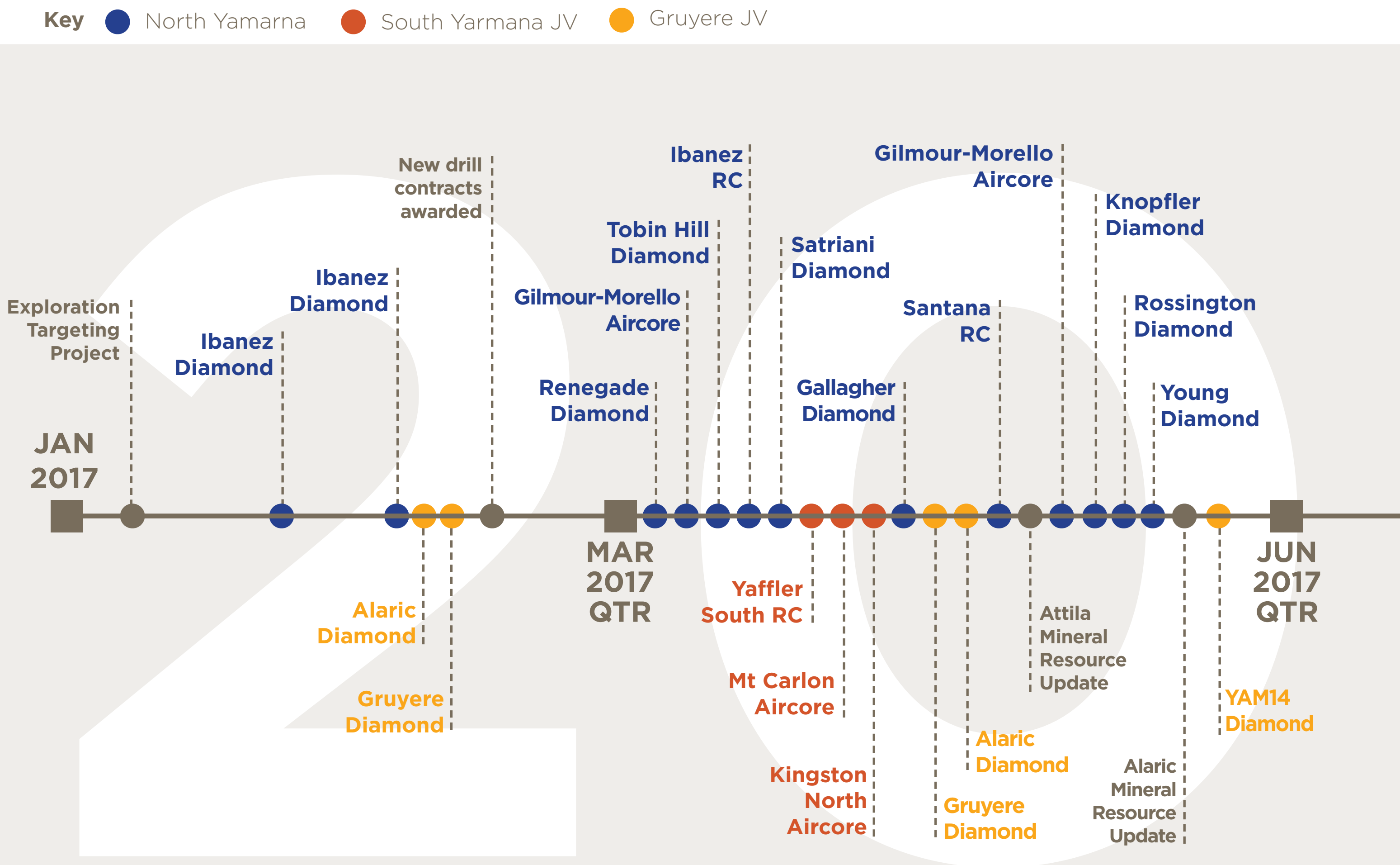
Gold Road broadened its greenfields exploration focus into Western Australia's south-west through a joint venture transaction to earn up to 75% of Cygnus' Wadderin and Lake Grace gold exploration projects[9]. Both projects are in a largely under explored region of the prolific Yilgarn Craton and will enable Gold Road to utilise and expand its proven exploration expertise. Gold Road's earn-in commitment over an anticipated four years is capped at $3.7 million to achieve 75% ownership over the two projects, with a minimum spend of $1.3 million. In addition, Gold Road invested $750,000 in Cygnus' initial public offering, which was priced at 20 cents per share. Cygnus listed on the ASX on 15 January 2018, with Gold Road emerging as a 6.18% shareholder.

Full advantage was taken of the summer field break to compile and verify new data and interrogate the extensive geological database. The Yamarna Exploration Project Pipeline was updated and refined to prioritise geological targets and set the work schedules for the 2018 drilling campaign. Gold Road's Yamarna exploration budget for 2018 is set at $23 million (100% basis).

9. ASX announcement dated 10 October 2017



Project Pipeline

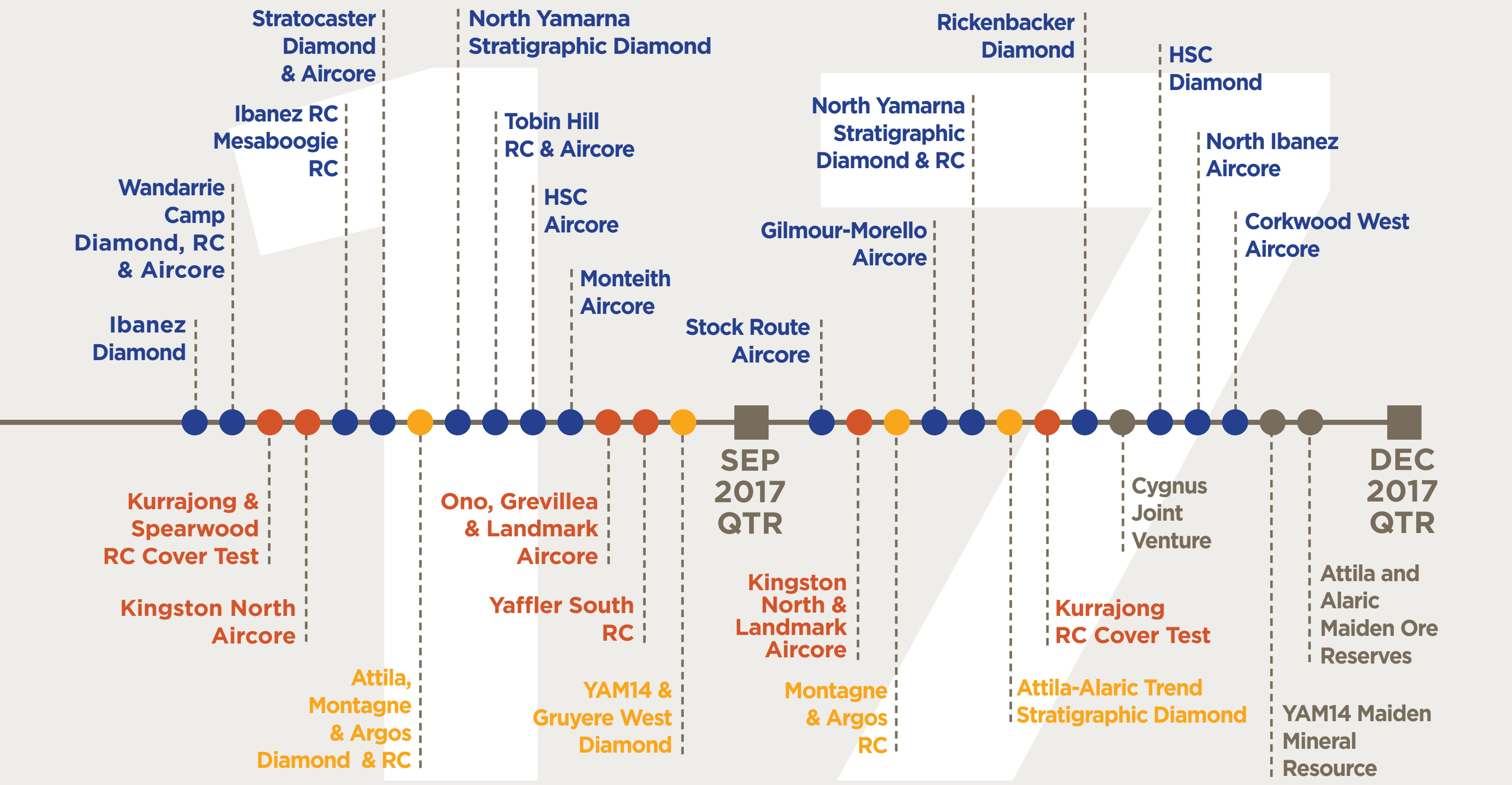


MAR 2017 QTR

Drill Type	No. of Holes	Total Metres
Diamond	3	835
RC	-	-
Aircore	-	-
Total	**3**	**835**

JUN 2017 QTR

Drill Type	No. of Holes	Total Metres
Diamond	35	11,828
RC	54	11,406
Aircore	360	11,970
Total	**449**	**35,204**



SEP 2017 QTR

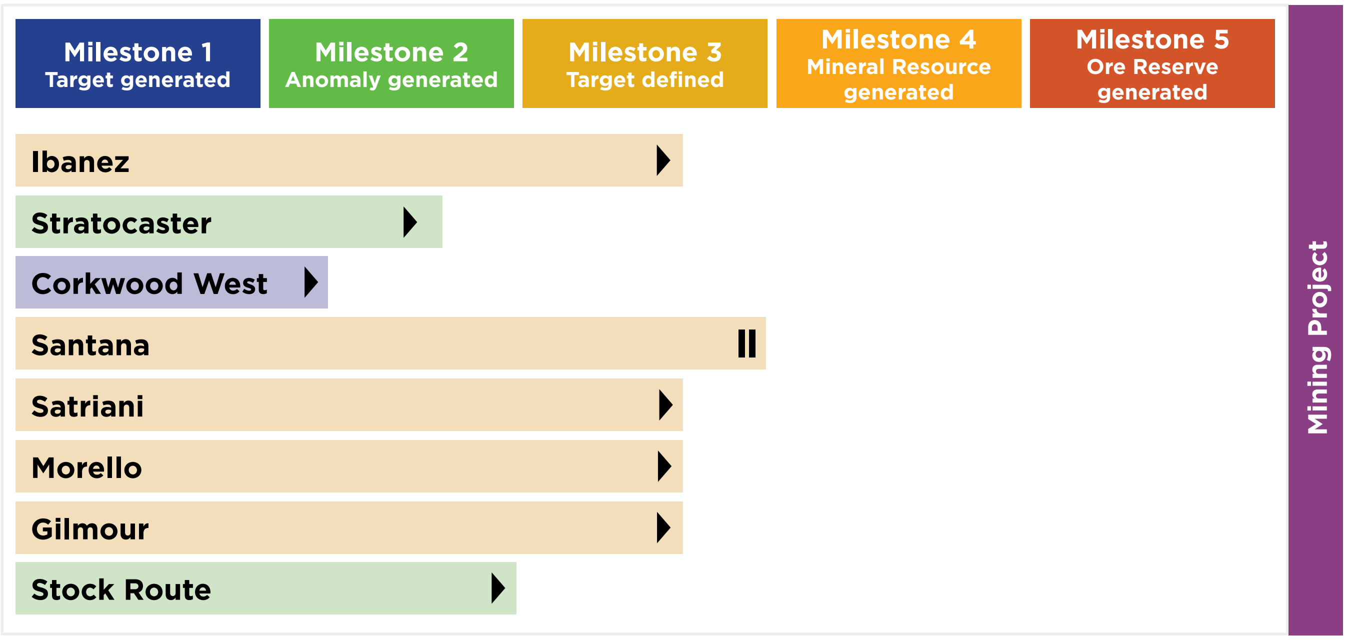
Drill Type	No. of Holes	Total Metres
Diamond	132	24,246
RC	42	9,583
Aircore	918	47,460
Total	**1,092**	**81,289**

DEC 2017 QTR

Drill Type	No. of Holes	Total Metres
Diamond	21	5,534
RC	226	19,658
Aircore	701	31,833
Total	**948**	**57,025**

Extensive drilling campaigns totalling approximately $16.5 million (budget: $18.5 million) across the North and South Yamarna Project areas in 2017 successfully delivered significant high-grade bedrock gold intersections enhancing Gold Road's understanding of these project areas.

NORTH YAMARNA (100%)



Exploration success in the North Yamarna project area included high-grade intercepts at the Wanderrie Camp (approximately 35 kilometres south-west of Gruyere) and significant bedrock drilling results at the Corkwood Camp (approximately 55 kilometres north-west of Gruyere). At the start of 2017 Gold Road was able to confirm an extension of the bedrock gold mineralisation at Ibanez (Corkwood Camp) to over 1.2 kilometres of strike, and identify multiple mineralised positions along the full 12 kilometres of strike of the Wanderrie Supergroup Trend.

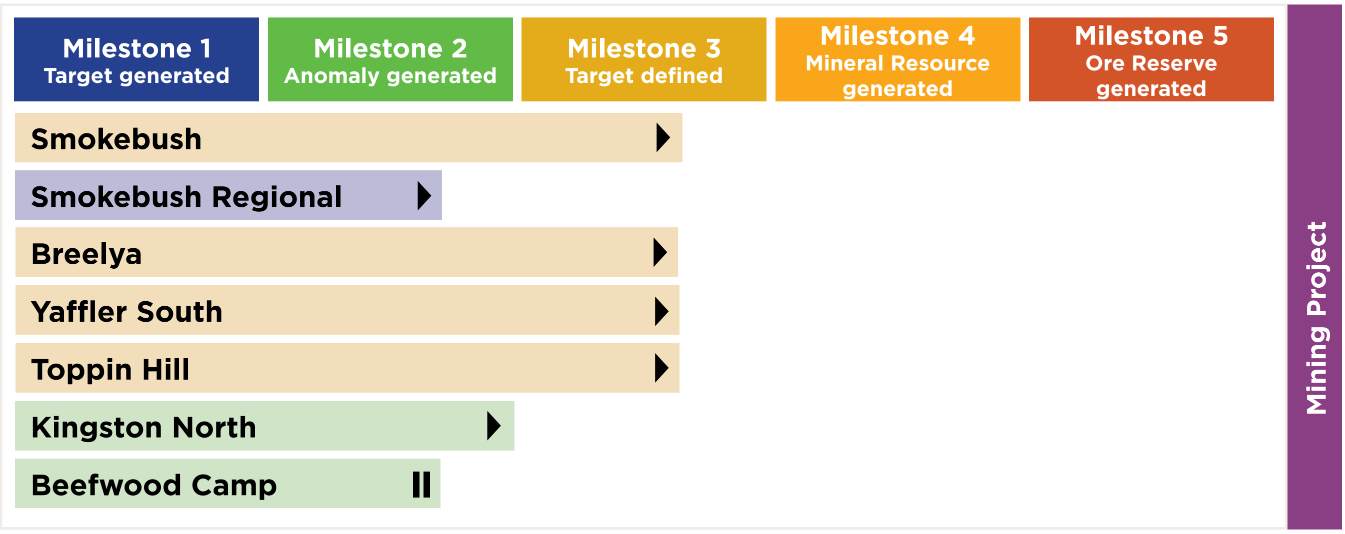
More than 23 bedrock targets were tested by 1,718 diamond, RC and aircore drill holes for an aggregate of 110,076 metres in 2017. Over 60% of the diamond and RC holes returned economically encouraging intercepts allowing 15 targets to advance to the next-stage of drilling, while new and infill aircore programmes identified several new anomalies which are being rated for follow-up drilling.

Drilling highlights for the six months ended 31 December 2017 include:

- **Gilmour-Morello (Wanderrie):** drilling of bedrock mineralisation intersected 5 metres at 12.52 g/t Au from 143 metres, including 3 metres at 20.52 g/t Au from 143 metres (17WDRC0057)
- **Satriani (Wanderrie):** drilling of bedrock mineralisation intersected 12 metres at 1.17 g/t Au from 60 metres (17WDRC0090) and 2 metres at 14.74 g/t Au from 73 metres (17WDRC0033)
- **Stratocaster (Corkwood):** a new 3.5 kilometre long anomaly at a 0.1 g/t Au cut-off was identified, including an intersection of 12 metres at 0.19 g/t Au from 40 metres (17CWAC0357).

Gold Road completed an extensive regional reconnaissance aircore programme to test a number of Milestone 1 targets including the Hann Structural Corridor (co-funded with Exploration Incentive Scheme contributions), Stock Route, McKinley, and Tobin Hill Regional. The programme proved successful in identifying several new gold anomalies and enhancing Gold Road's understanding of the structure, stratigraphy and alteration at Yamarna.

SOUTH YAMARNA (100% EFFECTIVE FROM 1 JANUARY 2018)



Exploration campaigns in 2017 included 490 RC and aircore holes for an aggregate of 24,604 metres identifying five Camp Scale Targets with multiple mineralised anomalies.

The priority in 2017 centred on the Smokebush Camp (Milestone 3), focussing on bedrock testing of the Yaffler South prospect identifying gold mineralisation in a shear system extending for 2 kilometres in strike. At the Spearwood Camp (Milestones 1 and 2) results from drilling suggest the gold mineralisation is related to the north-west trending Smokebush shear system which will be followed up in 2018.

Best intersections for the six months ended 31 December 2017 included:

- **Yaffler South (Smokebush):** RC drilling intersected 2 metres at 4.34 g/t Au from 142 metres (SYRC0113), 2 metres at 2.10 g/t Au from 152 metres (17SYRC0122) and 2 metres at 1.88 g/t Au from 227 metres (17SYRC0123)
- **Kingston North (Spearwood):** aircore drilling returned intersects including 12 metres at 1.60 g/t Au from 60 metres, including 4 metres at 4.63 g/t Au from 60 metres (17SYAC1183) and 12 metres at 0.38 g/t Au from 72 metres, including 4 metres at 1.00 g/t Au from 80 metres (17SYAC0961).

In February 2018, Gold Road concluded a $7 million transaction with Sumitomo Metal Mining Oceania Pty Ltd to acquire its 50% stake in South Yamarna[10]. This returns 100% ownership of South Yamarna to Gold Road, enabling the Company to focus exploration across the entire Yamarna Greenstone Belt as a single project area, with the option of giving priority to the best ranked targets at all times. Gold Road is appreciative of the support and commitment of Sumitomo as a partner since 2013.

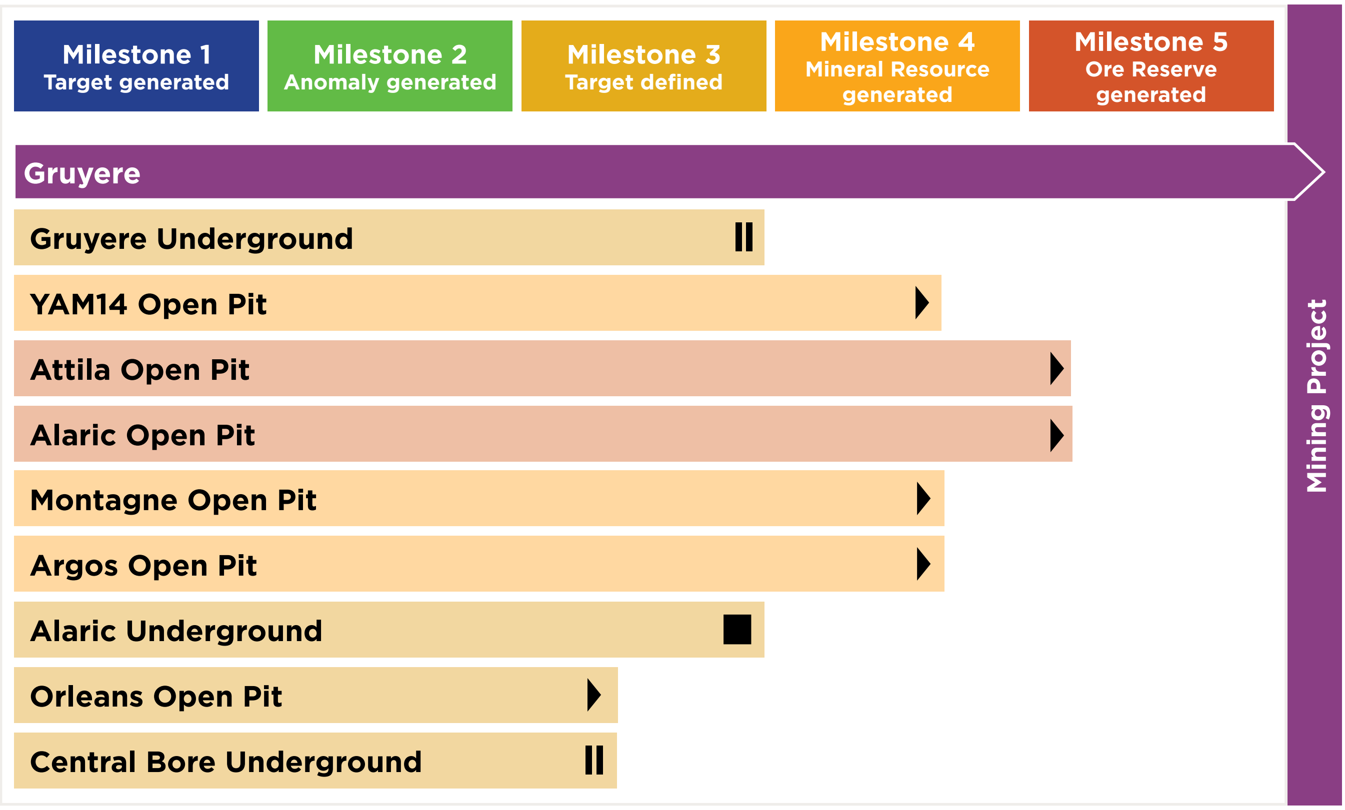
YAMARNA EXPLORATION OUTLOOK FOR 2018

Gold Road has allocated a $17 million budget for exploration over its 100% owned Yamarna tenements in 2018. Exploration activities will commence with drill testing, and preliminary geological modelling and economic evaluations of the highest ranked advanced prospects across the combined area.

With good progress being made on land access to new exploration tenements, Gold Road remains on track to complete systematic aircore drilling across new Camp Scale Targets over the next two years, with priority areas to be tested throughout 2018.

10. ASX announcement dated 5 February 2018

GRUYERE JV (50%)



Exploration activity on the 50% owned Gruyere JV (approximately 144 square kilometres) in 2017 focussed on delivering Resource and Reserve growth by testing the depth potential below the known Gruyere Resource and by expanding the resource base along the 'Golden Highway' and at YAM14.

The 'Golden Highway' is a 14-kilometre long and up to 90 metres wide zone of anomalous gold comprising grades greater than 0.1 g/t Au that defines the Attila-Alaric Trend (Milestone 4). It is located strategically within a 25 kilometre haulage radius from the Gruyere Process Plant.

Drilling in 2017 along the 'Golden Highway' and Gruyere, included 298 diamond and RC holes for 39,673 metres, which continued to identify new prospects. In addition to declaring new Mineral Resources for the Argos and Montagne deposits, activity confirmed potential at the Orleans prospect, which will be assessed for follow-up drilling in 2018. The Attila-Alaric Trend has now delivered 596,000 ounce in Mineral Resources, with significant upside remaining.

Extensive diamond and RC infill drilling and comprehensive metallurgical test work completed through 2017 allowed the completion of positive Pre-Feasibility Studies into the open pit mining of the Attila and Alaric deposits, resulting in the declaration of a combined Maiden Ore Reserve of 179,000 ounces.

A Maiden Mineral Resource of 34,000 ounces was also declared at YAM14, located approximately 8 kilometres south of Gruyere, adding potential ore feed for the Gruyere Project.

The Gruyere JV had an initial $11 million budget for exploration work in 2017. A staged disciplined approach resulted in actual expenditure of $8 million, with an extensive second phase of deep-drilling at Gruyere being cancelled after the first phase did not deliver expected results.

Highlights for the six months ended 31 December 2017 included:

- **Montagne:** 8.47 metres at 15.38 g/t Au from 56 metres (17ALDD0011) and 2.12 metres at 14.17 g/t Au from 140 metres (17ALDD0018)
- **Argos:** 10 metres at 3.83 g/t Au from 165 metres (17ALRCO206)
- **Alaric:** 5 metres at 6.95 g/t Au from 51 metres (17 ALRC0215)
- **Gruyere:** 40 metres at 2.51 g/t Au from 417 metres (17GY0336)
- **YAM14:** 11 metres at 2.46 g/t Au from 85 metres (17DHDD0014).

The Gruyere JV also completed a single diamond drill hole (17GY0338) at Gruyere West, 650 metres west of the Gruyere Deposit targeting an Induced Polarisation (IP) conductor co-incident with a discrete gravity low interpreted to represent a possible Gruyere-like intrusive body. Although the hole failed to intersect significant gold mineralisation, it returned an intersect of 0.25 metres at 0.69% Pb and 25.22% Zn in a broad alteration zone. The Gruyere JV will further assess the significance of this base metal mineralisation in 2018.

The Gruyere JV exploration budget for 2018 is $6 million on a 100% basis.

Development

GRUYERE GOLD PROJECT (50%)

The past year has been transformational for the 5.9 million ounce Gruyere Project as development began and the footprint of this world-class gold mine took shape. After signing the Gruyere JV with Gold Fields in late 2016, construction started at the beginning of 2017. The project team has achieved a number of significant milestones, overcoming several obstacles the most recent being the previously reported rain events which have occurred subsequent to year end. By the end of the year, engineering work was 72% complete and overall construction advanced to approximately 32%.

The Gruyere Project is scheduled to deliver first gold by the end of the first quarter 2019[11].

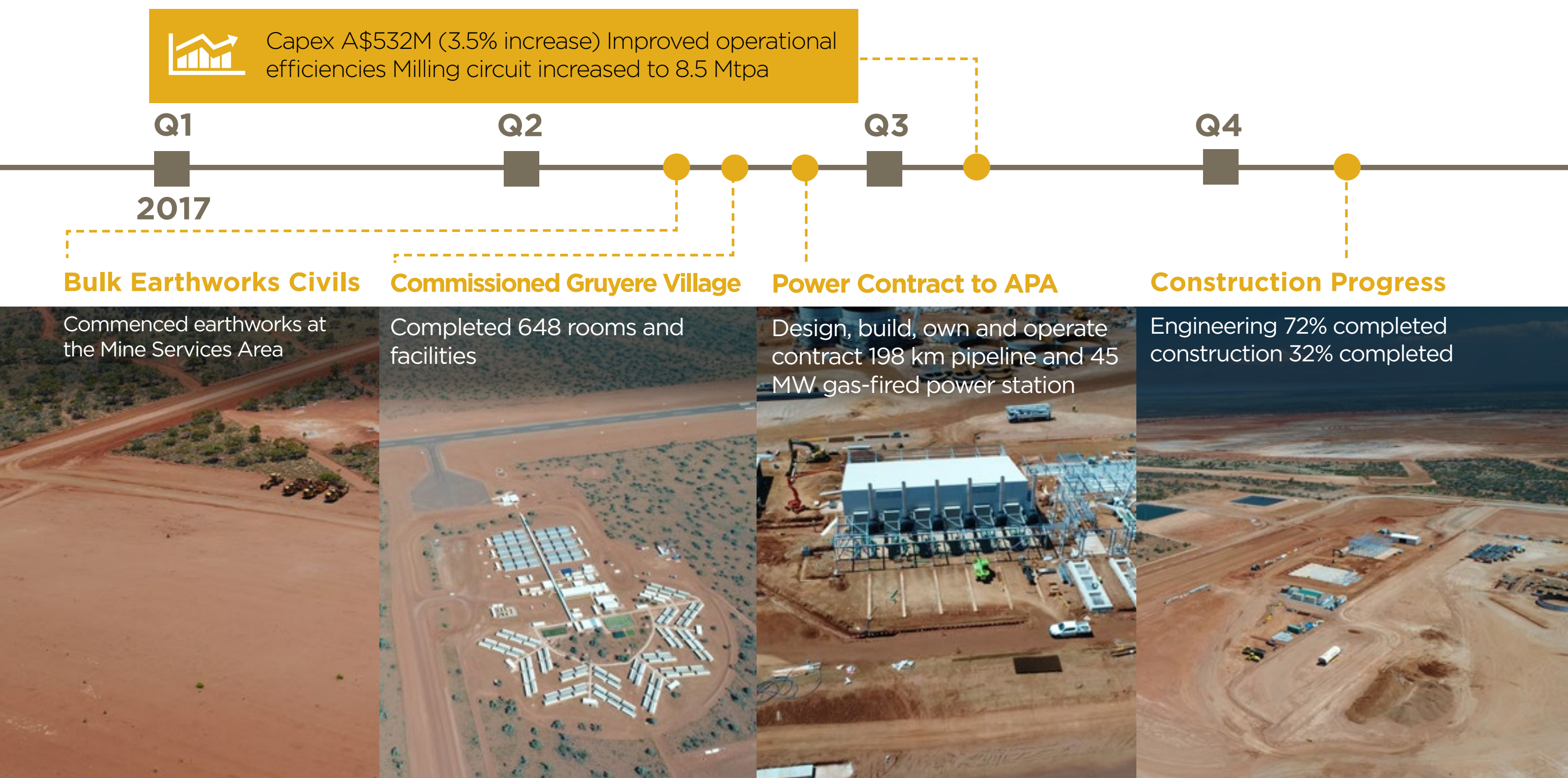
Construction costs incurred to the end of 2017 remain on track and are in-line with the project capital budget of $532 million[12]. Total capital committed and priced was $477 million with $188 million spent as at 31 December 2017 (100% basis). A total project capital of $311 million has been budgeted for 2018 (100% basis).

In the 2019 calendar year Gruyere is expected to produce between 170,000 and 230,000 ounces. Once steady state production is achieved the annual production should average 270,000 ounces.

The award of a $400 million, five-year mining services contract to Downer EDI Mining Pty Ltd (Downer) was announced in December 2017. The contract award was the culmination of a highly competitive tender process. Construction of mining infrastructure commenced in the March 2018 quarter and mining activities are scheduled to begin in the December 2018 quarter. At the peak of the mining services contract, Downer expects to deploy 170 personnel at Gruyere charged with moving approximately 31 million tonnes of material per year to produce on average 270,000 ounces of gold annually.

11. As part of normal process, the Gruyere JV is currently undertaking a detailed review of the Gruyere Project cost estimate and the schedule to produce a Definitive Estimate following completion of 80% of engineering work and award of all major contracts and packages. The results will be finalised and announced in the June quarter 2018

12. Level of accuracy range of -5% +10%. Refer to footnote 11 above regarding current detailed review of the construction cost estimate by Gruyere JV



The cost of the Gruyere mining contract is in line with the Gruyere Feasibility Study[13]. The contract marked the final substantial tender to be awarded by the Gruyere JV as part of Gruyere's development activities.

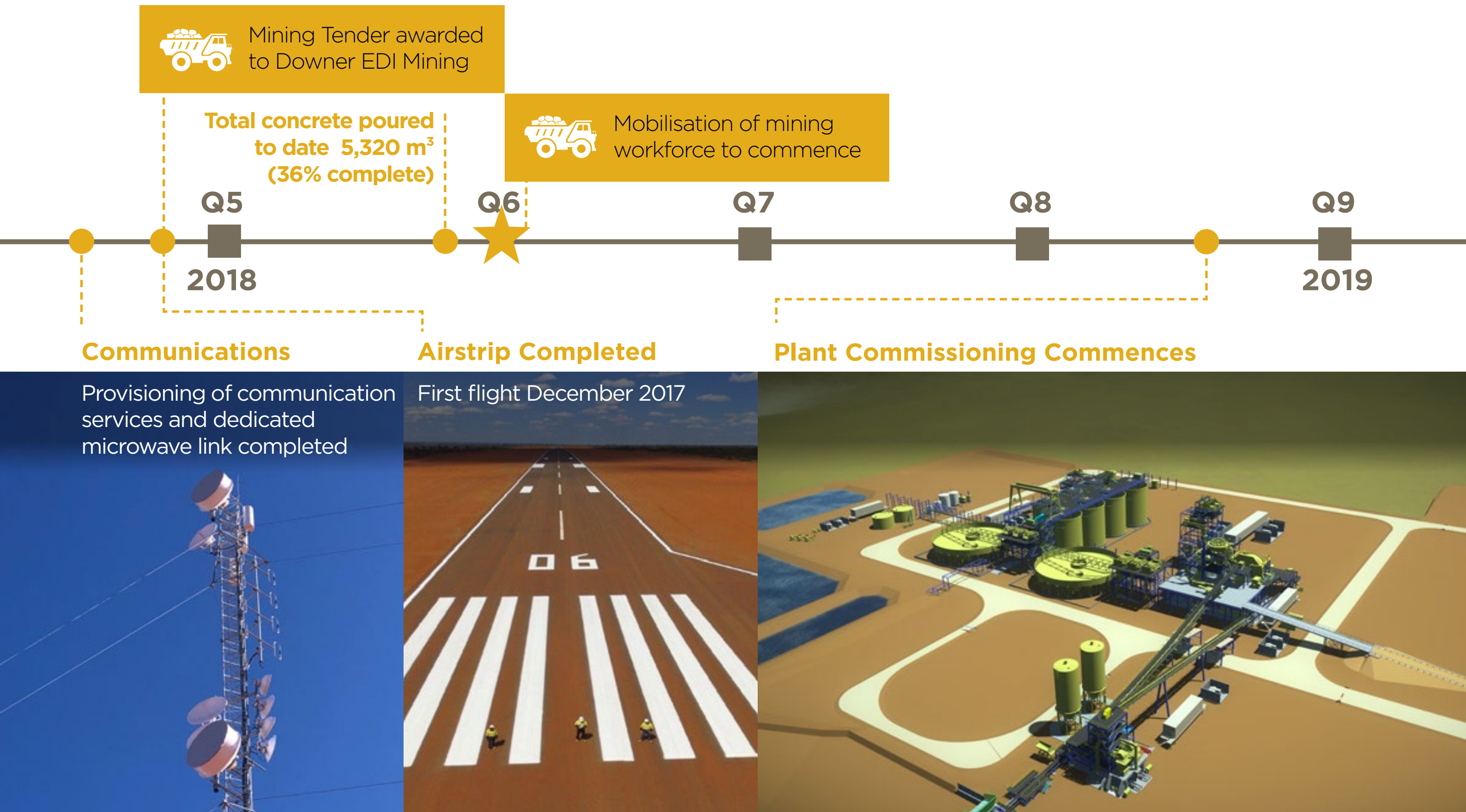
Gruyere Project milestones achieved over the past year included:

- Installation and establishment of the 648 room Gruyere Village by McNally Construction which was opened by the Hon. Bill Johnston, Minister for Mines in August 2017
- Construction of the Anne Beadell borefield, the main water supply for the Gruyere Village and early earthworks by GR Engineering Services and Desert Sands
- Completion by MACA of the Gruyere airstrip, Gruyere main access road, clearing for the Stage 1 Pit and Tailings Storage Facility, and commencement of the Yeo borefield which will provide water for mine operations
- Commencement of the gas pipeline civil works by APA Group. Structural works and installation of the gas engines and generators for the 45 megawatt gas-fired power station by Clarke Energy
- Progress by the Amec Foster Wheeler Civmec Joint Venture (**ACJV**) on construction of the Gruyere Process Plant and other infrastructure.

In December 2017 APA Group received final approval from the WA Department of Mines, Industry Regulation and Safety to construct the 198 kilometre Yamarna Gas Pipeline.

Following a tender process, APA Group appointed Nacap Australia Pty Ltd as its construction contractor. Nacap has established a temporary 200 person construction camp along the pipeline route and mobilised its workforce in early 2018. Construction of the pipeline is expected to be completed in the June 2018 quarter.

13. ASX announcement dated 19 October 2016



Material Business Risks

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

The most important business risks are constantly monitored by the Audit and Risk Committee and periodically reviewed by the Board.

Gruyere

The Gruyere JV is a key contributor to future cash flow and the Company could be adversely impacted if the Gruyere Project does not deliver expected outcomes. We have a good level of confidence in the Mineral Resource and Ore Reserve modelling that has been undertaken due to the best-in-class techniques that have been applied in its development, and the extensive grade control drilling program that has taken place. The Company has also undertaken the full suite of development studies and engaged highly competent technical advisors to for the studies and engineering.

The Gruyere Project represents a $532 million[14] capital investment and carries with it the inherent schedule, cost overruns and fit-for-purpose risk.

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

Land Access

We are working with our stakeholders to enable access to highly prospective land. In doing so, we may be exposed to delays or onerous conditions in obtaining the necessary access agreements to support exploration and development activities. We are heavily focused on achieving outcomes that support our strategy, including delivering sustainable and long term benefits to our local stakeholders. We have established a corporate Key Performance Indicator related to land access, and a management committee will oversee community and land access related matters.

Gold Price

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

Adverse Tax Changes

The Company is exposed to adverse tax and royalty changes. The current Western Australia Labor government made two attempts in 2017 to increase the gold royalty, which were defeated. There is no guarantee they will not try to do so again.

Health, Safety and Environment

We recognise the importance of maintaining both a strategic, operational and tactical focus on health, safety and environment to ensure that we do not harm our people or the environment. This extends to the Gruyere JV where we value alignment with our joint venture partner on the desired health, safety and environmental culture. A sustained values based health, safety and environmental culture is core to Gold Road. A number of programs have been developed to support this, including our Vital Behaviours and safety leadership programs. We are committed to continuous improvement in relation to our health, safety and environmental management and its performance.

Business Growth

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

Ethical Conduct

Conducting business in an ethical manner is part of Gold Road's culture. These expectations extend to all contractors and suppliers, where we may be exposed to impacts of unethical conduct. Our contractor and supplier management framework requires appropriate due diligence to be undertaken and outlines required performance management controls.

14. Level of accuracy range of -5% +10%. Refer to footnote 11 above regarding current detailed review of the construction cost estimate by Gruyere JV

YAMARNA MINERAL RESOURCE AND ORE RESERVE STATEMENT DECEMBER 2017

19

Mineral Resource Estimate

The Company's Mineral Resource Statement[15] has been compiled in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code 2012 Edition), Chapter 5 of the ASX Listing Rules and ASX Guidance Note 31. The Company has changed its financial year end to 31 December and this statement is for the period ended 31 December 2017. The Mineral Resource (on a 100% basis) as at December 2017 for the Yamarna Greenstone Belt stands at 6.51 million ounces gold, a decrease of 4% from the Mineral Resource reported at 30 June 2017. Under the Gruyere JV, Gold Road owns 50% of the current total Yamarna Mineral Resource, or a total representative Mineral Resource of 78.32 million tonnes at an average grade of 1.29 g/t Au, for 3.25 million ounces of gold.

Responsibility for the Gruyere Mineral Resource estimate transitioned from Gold Road to Gold Fields as Manager of the Gruyere JV during the period. Gold Road Competent Persons maintained a detailed peer review process with its JV partner. The Gruyere Mineral Resource decreased by 4.6% to 5.88 million ounces due to new drilling at depth which intersected lower-grade mineralisation in the vicinity of the base of the Mineral Resource pit shell, changes to mining cost assumptions and updated geotechnical parameters compared to the previous Mineral Resource evaluation.

A Maiden Mineral Resource for the YAM14 deposit was declared at 34,000 ounces. YAM14 is a deeply weathered, shallow open pit position, with potential strike extensions to be tested, that could provide supplementary feed to the Gruyere Mill (in construction) 8 kilometres to the north.

The Mineral Resource for the Attila-Alaric Trend satellite deposits, 25 kilometres to the east of Gruyere, increased by 175,000 ounces to 596,000 ounces due to the addition of new estimates for the Montagne and Argos deposits (historically reported as Alaric 2 and Alaric 1 respectively) prepared in accordance with the JORC Code 2012 Edition.

Lower metallurgical recoveries from new studies completed as part of the Attila-Alaric Pre-Feasibility Study have been applied to the Mineral Resource evaluation of these deposits. At Attila, the largest of the deposits, this has resulted in a loss of 31,600 ounces and a resulting Mineral Resource of 5.6 million tonnes at 1.65 g/t Au for 295,800 ounces.

Central Bore (previously 183,000 ounces) has been removed from Mineral Resource status as the previously applied 1.0 g/t Au cut-off is deemed too low for potential economic underground extraction. The very high gold grades present at Central Bore retain its status as a viable future exploration prospect, and further assessment is expected to be completed at a future date.

The Company governs its activities in accordance with industry best practice. The Gruyere Mineral Resource estimate was compiled by Gold Fields Competent Persons and reviewed by Gold Road Competent Persons. The Attila-Alaric Trend (Attila, Argos, Montagne and Alaric deposits) and YAM14 Mineral Resources were compiled by Gold Road Competent Persons and reviewed by Gold Fields Competent Persons. All Mineral Resources were subject to internal geological peer review and validation, and documented handover meetings with the internal mining team for resource evaluation.

15. Refer ASX announcement dated 21 February 2018 for further details pertaining to this Mineral Resource statement

In line with industry best practice the Mineral Resources were constrained within optimised pit shells based on a $1,850/oz gold price and appropriate modifying factors. Resource Classification was defined through a combination of geological confidence levels, measured estimation quality, drill spacing, and observed grade behaviour.

Table 1: Yamarna Mineral Resource comparison to previous (total Measured, Indicated and Inferred)

	Mineral Resource December 2017			Previous Mineral Resource June 2017		
Project Name	Tonnes (Mt)	Grade (g/t Au)	Contained Metal (Moz Au)	Tonnes (Mt)	Grade (g/t Au)	Contained Metal (Moz Au)
Gruyere	143.46	1.27	5.88	147.71	1.30	6.16
Attila	5.58	1.65	0.30	6.57	1.55	0.33
Alaric	1.85	1.57	0.09	1.92	1.51	0.09
Montagne	2.97	1.34	0.13	-	-	-
Argos	1.92	1.27	0.08	-	-	-
YAM14	0.87	1.21	0.03	-	-	-
Central Bore	-	-	-	0.63	9.02	0.18
TOTAL	156.65	1.29	6.51	156.83	1.34	6.76

Table 2: Yamarna Mineral Resource on 100% basis and Gold Road's 50% share - December 2017

		Gruyere Project Joint Venture (100% basis)			Gold Road - 50%		
Project Name	Category	Tonnes (Mt)	Grade (g/t Au)	Contained Metal (Moz Au)	Tonnes (Mt)	Grade (g/t Au)	Contained Metal (Moz Au)
Gruyere	Measured	14.06	1.16	0.53	7.03	1.16	0.26
	Indicated	91.52	1.27	3.73	45.76	1.27	1.87
	Measured & Indicated	**105.58**	**1.25**	**4.26**	**52.79**	**1.25**	**2.13**
	Inferred	37.88	1.33	1.62	18.94	1.33	0.81
	TOTAL (0.5 g/t Au)	**143.46**	**1.27**	**5.88**	**71.73**	**1.27**	**2.94**
Attila + Alaric + Montagne + Argos + YAM14	Measured	0.29	1.99	0.02	0.14	1.99	0.01
	Indicated	7.11	1.63	0.37	3.56	1.63	0.19
	Measured & Indicated	**7.40**	**1.64**	**0.39**	**3.70**	**1.64**	**0.20**
	Inferred	5.79	1.28	0.24	2.89	1.28	0.12
	TOTAL (0.45 g/t Au)	**13.19**	**1.48**	**0.63**	**6.59**	**1.48**	**0.31**
Total	Measured	14.35	1.18	0.54	7.17	1.18	0.27
	Indicated	98.63	1.29	4.10	49.31	1.29	2.05
	Measured & Indicated	**112.98**	**1.28**	**4.65**	**56.49**	**1.28**	**2.32**
	Inferred	43.67	1.32	1.86	21.83	1.32	0.93
	TOTAL	**156.65**	**1.29**	**6.51**	**78.32**	**1.29**	**3.25**

Notes (Tables 1 and 2)

- All Mineral Resources are completed in accordance with the JORC Code 2012 Edition
- All figures are rounded to reflect appropriate levels of confidence. Apparent differences may occur due to rounding
- All dollar amounts are in Australian dollars
- Mineral Resources are inclusive of Ore Reserves
- All Mineral Resources are reported at various cut-off grades according to material type, metallurgical recovery and distance to the Gruyere Mill (in construction). Gruyere: 0.34 g/t Au (fresh), 0.30 g/t Au (transition), 0.29 g/t Au (Oxide); Attila, Argos, Montagne and Alaric: 0.50 g/t Au; and YAM14: 0.40 g/t Au (ASX announcement dated 21 February 2018)
- All Mineral Resources are constrained within a $1,850/oz optimised pit shell derived from mining, processing and geotechnical parameters from ongoing Pre-Feasibility Studies and operational studies (ASX announcement dated 21 February 2018)
- Central Bore previous Mineral Resource reported at 1.0 g/t Au cut-off (2014 Annual Report)
- The Gruyere JV is a 50:50 joint venture between Gold Road and Gruyere Mining Company Pty Ltd a wholly owned Australian subsidiary of Gold Fields. Figures are reported on a 100% basis unless otherwise specified

Yamarna Ore Reserve Estimate

The Ore Reserve for Yamarna is reported according to the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code 2012 Edition), Chapter 5 of the ASX Listing Rules and ASX Guidance Note 31. The Ore Reserve comprises the Gruyere Deposit, and Maiden declarations for the Attila and Alaric open pit deposits based on a recently completed Pre-Feasibility Study. The reported Ore Reserves are estimated from their respective Mineral Resources after consideration of the level of confidence in the Mineral Resource and taking account of material and relevant modifying factors. The Proved Ore Reserve estimate is based on the Mineral Resources classified as Measured. The Probable Ore Reserve estimate is based on the Mineral Resources classified as Indicated. No Inferred Mineral Resources have been included in the Ore Reserve.

Responsibility for the Gruyere Ore Reserve estimate transitioned from Gold Road to Gold Fields as Manager of the Gruyere JV during the period ended 31 December 2017. Gold Road Competent Persons maintained a detailed peer review process with its JV partner. The Attila and Alaric Ore Reserves were compiled and reviewed internally by Gold Road Competent Persons and reviewed by Gold Fields Competent Persons.

Table 3 presents a summary comparison of the Ore Reserves[16] on a 100% Project basis at a $1,600/oz gold price (US$1,200 at US$0.75:A$1.00). The total of 3.74 million ounces gold represents an increase of 223,000 ounces from June 2017. The bulk of this addition is attributed to the completion of the Attila-Alaric Pre-Feasibility Study (179,000 ounces), with the remainder attributed to changes in the Gruyere mine design as part of the operational planning process (44,000 ounces).

16. ASX announcement dated 21 February 2018

Table 3: Yamarna Ore Reserve comparison to previous (total Proved and Probable)

	Ore Reserve - December 2017			Previous Ore Reserve - June 2017		
Project Name	**Tonnes (Mt)**	**Grade (g/t Au)**	**Contained Metal (Moz Au)**	**Tonnes (Mt)**	**Grade (g/t Au)**	**Contained Metal (Moz Au)**
Gruyere Total	93.76	1.18	3.56	91.57	1.20	3.52
Attila Total	3.21	1.55	0.16	-	-	-
Alaric Total	0.38	1.49	0.02	-	-	-
Total	**97.35**	**1.20**	**3.74**	**91.57**	**1.20**	**3.52**

Table 4: Yamarna Ore Reserve on 100% basis and Gold Road's 50% share - December 2017

		Gruyere Project Joint Venture (100% basis)			Gold Road - 50%		
Project Name	**Category**	**Tonnes (Mt)**	**Grade (g/t Au)**	**Contained Metal (Moz Au)**	**Tonnes (Mt)**	**Grade (g/t Au)**	**Contained Metal (Moz Au)**
Gruyere	Proved	14.91	1.09	0.52	7.45	1.09	0.26
	Probable	78.85	1.20	3.04	39.43	1.20	1.52
	TOTAL	**93.76**	**1.18**	**3.56**	**46.88**	**1.18**	**1.78**
Attila + Alaric	Proved	0.32	1.68	0.02	0.16	1.68	0.01
	Probable	3.27	1.53	0.16	1.63	1.53	0.08
	TOTAL	**3.59**	**1.55**	**0.18**	**1.80**	**1.55**	**0.09**
Total	Proved	15.23	1.11	0.54	7.62	1.11	0.27
	Probable	82.12	1.21	3.20	41.06	1.21	1.60
	TOTAL	**97.35**	**1.20**	**3.74**	**48.68**	**1.20**	**1.87**

Notes (Tables 3 and 4)

- All Ore Reserves are completed in accordance with the JORC Code 2012 Edition
- All figures are rounded to reflect appropriate levels of confidence. Apparent differences may occur due to rounding
- All dollar amounts are in Australian dollars
- The Ore Reserves are constrained within a $1,600/oz mine design derived from mining, processing and geotechnical parameters as defined by Pre-Feasibility Studies and operational studies (ASX announcement dated 21 February 2018)
- The Ore Reserve is evaluated using variable cut-off grades: Gruyere-0.34 g/t Au (fresh), 0.30 g/t Au (transition), 0.29 g/t Au (oxide); Attila-0.70 g/t Au (fresh), 0.60 g/t Au (transition), 0.55 g/t Au (oxide); Alaric-0.67 g/t Au (fresh), 0.62 g/t Au (transition), 0.57 g/t Au (oxide).
- Ore block tonnage dilution averages and gold loss estimates: Gruyere-4.9% and 0.4%; Attila-14% and 3%; Alaric-20% and 6%
- The Gruyere JV is a 50:50 joint venture between Gold Road and Gruyere Mining Company Pty Ltd a wholly owned Australian subsidiary of Gold Fields. Figures are reported on a 100% basis unless otherwise specified
- Gold Road holds an uncapped 1.5% net smelter return royalty on Gold Fields' share of production from the Gruyere JV once total gold production from the Gruyere JV exceeds 2 million ounces

Competent Persons Statements

Exploration Results

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

Mineral Resources

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

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

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

- Mrs Levett is an employee of Gold Road and is a Member of the Australasian Institute of Mining and Metallurgy and a Chartered Professional (MAusIMM CP 112232).

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

Ore Reserves

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

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

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

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

New Information or Data

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

Tenement Schedule

EXPLORATION LICENCES

Tenement			Tenement			Tenement		
Number	Holder	Status	Number	Holder	Status	Number	Holder	Status
E38/1083	Yamarna	Granted	E38/2531	Yamarna	Granted	E38/3223	Yamarna	Granted
E38/1388	Yamarna	Granted	E38/2735	Yamarna	Granted	E38/3248	Yamarna	Granted
E38/1858	Yamarna	Granted	E38/2766	Yamarna	Granted	E38/3262	Yamarna	Application
E38/1931	Yamarna	Granted	E38/2794	Yamarna	Granted	E38/3266	Yamarna	Application
E38/1932	Gruyere JV^	Granted	E38/2797	Yamarna	Granted	E38/3267	Yamarna	Application
E38/1964	Gruyere JV^	Granted	E38/2798	Yamarna	Granted	E38/3268	Yamarna	Application
E38/2178	Yamarna	Granted	E38/2836	Yamarna	Granted	E38/3269	Yamarna	Application
E38/2235	Yamarna	Granted	E38/2860	Yamarna	Granted	E38/3275	Yamarna	Application
E38/2236	Yamarna	Granted	E38/2902	Yamarna	Granted	E38/3276	Yamarna	Application
E38/2249	Yamarna	Granted	E38/2913	Yamarna	Granted	E38/3284	Yamarna	Application
E38/2250	Yamarna	Granted	E38/2917	Yamarna	Granted	E38/3285	Yamarna	Application
E38/2291	Yamarna	Granted	E38/2930	Yamarna	Granted	E38/3287	Yamarna	Application
E38/2292	Yamarna	Granted	E38/2931	Yamarna	Granted	E70/4853	Cygnus JV#	Granted
E38/2293	Yamarna	Granted	E38/2932	Yamarna	Application	E70/4855	Cygnus JV#	Granted
E38/2294	Yamarna	Granted	E38/2944	Yamarna	Granted	E70/4911	Cygnus JV#	Granted
E38/2319	Yamarna	Granted	E38/2964	Yamarna	Granted	E70/4939	Cygnus JV#	Granted
E38/2325	Yamarna	Granted	E38/2965	Yamarna	Granted	E70/4989	Cygnus JV#	Application
E38/2326	Yamarna	Granted	E38/2966	Yamarna	Granted	E70/4990	Cygnus JV#	Application
E38/2355	Yamarna	Granted	E38/2967	Yamarna	Granted	E70/4991	Cygnus JV#	Application
E38/2356	Yamarna	Granted	E38/2968	Yamarna	Granted	E70/5017	Cygnus JV#	Application
E38/2362	Yamarna	Granted	E38/2987	Yamarna	Granted	E70/5018	Cygnus JV#	Application
E38/2363	Yamarna	Granted	E38/3041	Yamarna	Granted	E70/5019	Cygnus JV#	Application
E38/2415	Yamarna	Granted	E38/3104	Yamarna	Granted	E70/5020	Cygnus JV#	Application
E38/2427	Yamarna	Granted	E38/3105	Yamarna	Granted	E70/5021	Cygnus JV#	Application
E38/2446	Yamarna	Granted	E38/3106	Yamarna	Granted	E70/5098	Cygnus JV#	Application
E38/2447	Yamarna	Granted	E38/3107	Yamarna	Granted	E70/5099	Cygnus JV#	Application
E38/2507	Yamarna	Granted	E38/3207	Yamarna	Granted	E70/5100	Cygnus JV#	Application
E38/2513	Yamarna	Granted	E38/3221	Yamarna	Granted	E70/5101	Cygnus JV#	Application
E38/2529	Yamarna	Granted	E38/3222	Yamarna	Granted			

MISCELLANEOUS LICENCES

Tenement			Tenement			Tenement		
Number	Holder	Status	Number	Holder	Status	Number	Holder	Status
L38/180	Gruyere JV^	Granted	L38/267	Gruyere JV^	Granted	L38/291	Gruyere JV^	Application
L38/186	Gruyere JV^	Granted	L38/268	Gruyere JV^	Granted	L38/293	Gruyere JV^	Granted
L38/210	Gruyere JV^	Granted	L38/269	Gruyere JV^	Granted	L38/294	Gruyere JV^	Granted
L38/211	Gruyere JV^	Granted	L38/270	Gruyere JV^	Granted	L38/295	Gruyere JV^	Granted
L38/227	Gruyere JV^	Granted	L38/271	Gruyere JV^	Granted	L38/296	Gruyere JV^	Granted
L38/230	Gruyere JV^	Granted	L38/272	Gruyere JV^	Granted	L38/297	Gruyere JV^	Granted
L38/233	Gruyere JV^	Granted	L38/273	Gruyere JV^	Granted	L38/298	Gruyere JV^	Granted
L38/235	Gruyere JV^	Granted	L38/274	Gruyere JV^	Granted	L38/299	Gruyere JV^	Granted
L38/236	Yamarna	Granted	L38/275	Gruyere JV^	Granted	L38/300	Gruyere JV^	Granted
L38/237	Gruyere JV^	Granted	L38/276	Gruyere JV^	Granted	L38/301	Gruyere JV^	Granted
L38/250	Gruyere JV^	Granted	L38/278	Gruyere JV^	Granted	L38/302	Gruyere JV^	Granted
L38/251	Gruyere JV^	Granted	L38/279	Gruyere JV^	Granted	L38/303	Gruyere JV^	Granted
L38/252	Gruyere JV^	Granted	L38/280	Gruyere JV^	Granted	L38/304	Gruyere JV^	Granted
L38/253	Gruyere JV^	Granted	L38/281	Gruyere JV^	Granted	L38/305	Gruyere JV^	Granted
L38/254	Gruyere JV^	Granted	L38/282	Gruyere JV^	Granted	L38/306	Gruyere JV^	Granted
L38/255	Gruyere JV^	Granted	L38/283	Gruyere JV^	Granted	L38/307	Gruyere JV^	Granted
L38/256	Gruyere JV^	Granted	L38/284	Gruyere JV^	Application	L38/309	Gruyere JV^	Granted
L38/259	Gruyere JV^	Granted	L38/285	Gruyere JV^	Application	L38/310	Gruyere JV^	Granted
L38/260	Gruyere JV^	Granted	L38/286	Gruyere JV^	Granted			
L38/266	Gruyere JV^	Granted	L38/290	Gruyere JV^	Application			

MINING LICENCES

Tenement			Tenement			Tenement		
Number	Holder	Status	Number	Holder	Status	Number	Holder	Status
M38/435	Gruyere JV^	Granted	M38/788	Gruyere JV^	Granted	M38/1255	Gruyere JV^	Granted
M38/436	Gruyere JV^	Granted	M38/814	Gruyere JV^	Granted	M38/1267	Gruyere JV^	Granted
M38/437	Gruyere JV^	Granted	M38/841	Gruyere JV^	Granted	M38/1279	Gruyere JV^	Application
M38/438	Gruyere JV^	Granted	M38/1178	Gruyere JV^	Granted			
M38/439	Gruyere JV^	Granted	M38/1179	Gruyere JV^	Granted			

PROSPECTIVE LICENCES

Tenement			Tenement			Tenement		
Number	Holder	Status	Number	Holder	Status	Number	Holder	Status
P38/3869	Yamarna	Granted	P38/4150	Yamarna	Granted	P38/4197	Yamarna	Granted
P38/3870	Yamarna	Granted	P38/4151	Yamarna	Granted	P38/4198	Yamarna	Granted
P38/3887	Yamarna	Granted	P38/4193	Yamarna	Granted	P38/4399	Yamarna	Granted
P38/3895	Yamarna	Granted	P38/4194	Yamarna	Granted	P38/4400	Yamarna	Granted
P38/3896	Yamarna	Granted	P38/4195	Yamarna	Granted	P38/4401	Yamarna	Granted
P38/4149	Yamarna	Granted	P38/4196	Yamarna	Granted	P38/4436	Yamarna	Application

Notes: Gold Road is 100% owner of all the Yamarna tenements listed, and 50% owner of the **Gruyere JV^** (50% held by Gold Fields) and holds an earn-in interest in the Cygnus tenements through the joint venture agreements (**Cygnus JV#**). Tenement listing as at 28 February 2018.

ASX Announcements 2017

20 December 2017	GJV Signs $400 million Mining Services Contract
19 December 2017	Exploration Update – Yamarna – December 2017
6 December 2017	Notice of Change of Financial Year
20 November 2017	AGM Presentation
20 November 2017	Unsecured Gold Forward Sales Facility
17 November 2017	Results of Meeting
23 October 2017	September 2017 Quarterly Activities and Cashflow Report
17 October 2017	Notice of Annual General Meeting/Proxy Form
11 October 2017	South Yamarna Exploration Update - October 2017
11 October 2017	North Yamarna Exploration Update - October 2017
10 October 2017	Gold Road Enters New Exploration Area
26 September 2017	Exploration Update - Gruyere JV - September
25 September 2017	Gruyere Gold Project Update - September
18 September 2017	Corporate Governance Statement
18 September 2017	Annual Report to Shareholders
7 August 2017	High-Grade Mineralisation Confirmed at Ibanez
27 July 2017	June 2017 Quarterly Activities and Cashflow Report
26 July 2017	Director Appointment – B Levet
24 July 2017	Alaric Mineral Resource Doubled
27 June 2017	Exploration Update June 2017
21 June 2017	Gruyere Project Update June 2017
15 June 2017	EPC Contract Signed with ACJV
25 May 2017	Attila Open Pit Resource Increase – Addendum
19 May 2017	27% Premium Paid By Gold Fields to Increase Holding to 10%
16 May 2017	Retirement of Director and Change to Company Secretary
15 May 2017	Thick High-Grade Mineralisation Intersected at YAM14
1 May 2017	Attila Open Pit Resource Increases by 100,000 ounces
27 April 2017	Quarterly Activities Report and Appendix 5B
3 April 2017	Yamarna Exploration and Gruyere Project Update
8 March 2017	Transformational Half Year Result and Half Year Accounts
22 February 2017	Drilling Campaign Marks Start of A$30m Exploration Spend
21 February 2017	New Gold Anomalies Defined in Regional Aircore – South Yamarna Joint Venture
15 February 2017	Mining Approval Received from DMP
31 January 2017	Quarterly Activities and Cashflow Report – December 2016
23 January 2017	Gruyere Gold Project Update: Environmental Approval & Development Milestones Achieved
17 January 2017	Acceleration of Exploration at Yamarna in 2017
16 January 2017	Yamarna Resource and Reserve Update January 2017

FINANCIAL REPORT

27

Directors' Report

The Directors present their report on Gold Road for the six months ended 31 December 2017.

Directors

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

Timothy Netscher	Non-executive Chairman
Ian Murray	Managing Director and Chief Executive Officer (**CEO**)
Justin Osborne	Executive Director - Exploration and Growth
Sharon Warburton	Non-executive Director
Brian Levet	Non-executive Director (Appointed 1 August 2017)

TIMOTHY NETSCHER

Non-executive Chairman

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

Mr Netscher has significant broad-based experience working as a senior executive in the international mining industry. He has had a distinguished career holding senior executive roles with Gindalbie Metals Limited, Newmont Mining, Vale Australia, Pt Inco, BHP Billiton and Impala Platinum, giving him extensive operational, project development and business development experience.

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

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

IAN MURRAY

Managing Director and CEO

Mr Murray was appointed on 15 October 2007 as Non-executive Director and on 12 February 2008 as Executive Chairman. On 1 July 2016 Mr Murray stepped down as Executive Chairman and was appointed Managing Director and CEO.

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

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

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

Other Current Directorships: None
Former Directorships (in last 3 years): None

JUSTIN OSBORNE
Executive Director - Exploration and Growth

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

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

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

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

Other Current Directorships: None
Former Directorships (in last 3 years): None

SHARON WARBURTON
Non-executive Director

Ms Warburton was appointed on 9 May 2016 as Non-executive Director. She is Chair of the Audit & Risk Committee and a member of the Remuneration & Nomination Committee. During the period 1 July 2017 to 12 September 2017, Ms Warburton was also Chair of the Remuneration & Nomination Committee.

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

In 2016, she was appointed Chairman of the Northern Australia Infrastructure Facility and currently serves as the Co-Deputy Chairman of Fortescue Metals Group Limited, and a Non-executive Director of NEXTDC Limited. Sharon is a Director of unlisted Barminco Holdings Pty Limited, the Gold Industry Group, and the Perth Children's Hospital Foundation. She is also a part time member of the Australian Government Takeovers Panel.

Ms Warburton is a Fellow of the Chartered Accountants Australia and New Zealand, a graduate of the Australian Institute of Company Directors, a Fellow of the Australian Institute of Building and a member of Chief Executive Women.

Ms Warburton is a Curtin Alumni and the Patron for the Curtin Women in MBA scholarship programme. Ms Warburton holds a Bachelor of Business – Accounting & Business Law.

Other Current Directorships:	Co-Deputy Chairman Fortescue Metals Group Limited Non-executive Director NEXTDC Limited
Former Directorships (in last 3 years):	Non-executive Director Wellard Limited (November 2015 to August 2016)

BRIAN LEVET
Non-executive Director

Mr Levet was appointed on 1 August 2017 as Non-executive Director. Mr Levet is a member of the Audit & Risk Committee and the Chair of the Remuneration & Nomination Committee (from 12 September 2017).

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

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

Other Current Directorships:	Non-executive Director EMX Royalty Corporation (TSX-V)
Former Directorships (in last 3 years):	None

CAROL MARINKOVICH
Joint Company Secretary

Mrs Marinkovich was appointed Company Secretary on 16 May 2017.

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

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

HAYDEN BARTROP
Joint Company Secretary, Legal Counsel and Business Development

Mr Bartrop is a lawyer with more than 10 years' experience in the gold industry in legal, commercial and business development roles. He joined Gold Road in March 2016 and was appointed joint Company Secretary on 31 May 2017.

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

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

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

Directors' and Executives' Interests

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

Directors	Interests in Ordinary Shares	Interests in Performance Rights
I Murray	12,254,086	2,846,789
J Osborne	4,515,495	1,284,697
T Netscher	765,000	-
S Warburton	40,000	-
B Levet[1]	20,000	-

1. *Appointed 1 August 2017*

Directors' Meetings

The number of meetings of the Company's Directors (including meetings of Committees of Directors) held during the six months ended 31 December 2017 and the number of meetings attended by each Director were:

Director	Board Meetings		Audit & Risk Committee Meetings		Remuneration & Nomination Committee Meetings	
	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended
I Murray	6	6	3	3	3	3
J Osborne	6	6	3	3	1	1
T Netscher	6	6	3	3	3	3
S Warburton	6	6	3	3	3	3
B Levet[1]	5	5	2	2	2	2

1. *Appointed 1 August 2017*

Nature of Operations and Principal Activities

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

On 10 October 2017 the Group announced the signing of two earn-in agreements (Earn-in Agreements) with Cygnus over an approximate 3,400 square kilometre area of the Wadderin and Lake Grace greenfield exploration projects, located in the south-west of Western Australia. The Earn-in Agreements provide the Group with the opportunity to earn up to a 75% interest in these two areas.

Apart from the above, or as noted elsewhere in this report, no significant changes in the state of affairs of the Group occurred during the six months ended 31 December 2017.

Operating and Financial Overview

The overview of the Group's operations, including a discussion of exploration and development activities are contained in the Review of Operations on pages 8 to 17 of this Annual Report.

The net loss before income tax for the six months ended 31 December 2017 was $3.4 million (twelve months ended 30 June 2017: $311.8 million profit). Included in the loss before income tax is the impairment of exploration expenditure of $1.9 million (twelve months ended 30 June 2017: $7.7 million).

Loss after tax for the six months ended 31 December 2017 was $2.5 million (twelve months ended 30 June 2017: $229.8 million profit).

At the end of the six month period the Company had total current assets of $256.9 million (30 June 2017: $311.3 million) which includes cash, cash equivalents and term deposits of $236.8 million (30 June 2017: $255.1 million), and current receivables of $19.2 million (30 June 2017: $55.9 million).

Capitalised mineral exploration and evaluation expenditure at the end of the period is $38.7 million (30 June 2017: $28.8 million) and the expenditure incurred during the six month period, before any impairment charges, is $11.8 million (twelve months ended 30 June 2017: $24.1 million). Property, plant and equipment at the end of the period is $130.6 million (30 June 2017: $76.3 million) and the expenditure incurred during the six month period is $47.7 million (twelve months ended 30 June 2017: $42.2 million) relating to assets under construction but excluding the increase in the rehabilitation asset.

Dividends

No dividend has been paid since the end of the previous financial year and no dividend is recommended for the current six month period. No dividend was paid during the previous financial year.

Options and Performance Rights Over Unissued Capital

Share Options

At the date of this report, the Company had no unissued ordinary shares under share Options.

During the six months ended 31 December 2017, 3,500,000 (twelve months ended 30 June 2017: 1,110,000) vested share Options were exercised, resulting in the issue of 2,948,472 (twelve months ended 30 June 2017: 1,074,699) ordinary shares.

During the six months ended 31 December 2017, no share Options expired (twelve months ended 30 June 2017: nil) and no share Options were cancelled (twelve months ended 30 June 2017: nil).

Since 31 December 2017 to the date of this report, no share Options have been issued, vested, exercised or cancelled.

Performance Rights

At the date of this report, there are 5,142,404 (30 June 2017: 3,465,051) vested and unvested Performance Rights to acquire ordinary shares.

As at the date of this report unissued ordinary shares of the Company under Performance Rights are:

Outstanding[1]	Performance Period End Date[2]	Expiry Date
159,091	31 December 2018	31 December 2019
1,522,727	31 December 2018	31 December 2019
221,311	30 June 2019	30 June 2020
1,254,097	30 June 2019	30 June 2020
129,878	31 December 2017	31 December 2018
251,808	31 December 2017	31 December 2018
500,638	31 December 2020	31 December 2021
1,102,854	31 December 2020	31 December 2021
5,142,404	**Total Performance Rights outstanding**	

1. *None of the Performance Rights on issue entitles the holder to participate in any share issue of the Company or any other body corporate.*
2. *Subsequent to the Performance Period End Date, the Board determines the number of Performance Rights that vest.*

Since 31 December 2017 to the date of this report, 381,686 Performance Rights have been granted and no Performance Rights have been exercised or forfeited.

The following changes in Performance Rights occurred during the period:

	6 months ended 31 December 2017	12 months ended 30 June 2017
Granted	1,603,492	2,533,823
Exercised	1,882,958	2,298,500
Cancelled	127,431	-
Forfeited	389,727	1,419,346

Significant Events after the Balance Date

Subsequent to the six months ended 31 December 2017:

(i) on 5 February 2018, the Group announced it had signed a Sale Agreement to acquire Sumitomo's 50% interest in the South Yamarna Joint Venture for $7 million. Completion of the Sale Agreement is scheduled to occur on or before 30 June 2018.

(ii) on 26 February 2018, the Company announced the signing of a Revolving Corporate, Working Capital and Gold Hedging Agreement (**Finance Facilities**) with a financing syndicate comprising three banks.

The Company has agreed to provide security over substantially all of the assets of the Group. The Finance Facilities are subject to the usual terms including conditions precedent customary for a financing of this nature.

The key terms are summarised below:

	$100 million Revolving Corporate Facility	$50 million Working Capital Facility	Gold Hedging Facility
Purpose	General corporate activities or repayment of Working Capital Facility	Working capital requirements from the Gruyere Gold Project (Project)	Discretionary gold hedging activities
Maturity	5 years from Financial Close	The earlier of 31 December 2020 or 364 days after completion of commissioning of the Project	
Repayment	Bullet repayment at Maturity	100% cash sweep of excess cash flow from Gruyere, with full repayment by Maturity	

(iii) the Company has executed gold forward sales contracts for an additional 40,000 ounces at an average forward price of $1,725 for delivery in June 2018. The total hedge book at 23 March 2018 was 65,000 ounces at a weighted average forward price of $1,718 per ounce for delivery in June 2018. The intention is to roll these existing gold hedges forward to meet future gold production under the new Gold Hedging Facility referred to above.

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

Likely Developments and Expected Results of Operations

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

Environmental Regulation and Performance

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

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

Remuneration Report

From the Remuneration & Nomination Committee Chair.

On behalf of the Directors of Gold Road, I am pleased to present the Remuneration Report for the six months ended 31 December 2017 (the **period**).

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

Brian Levet
Remuneration & Nomination Committee Chair

Remuneration Report Contents

This report covers the following key sections:

- Remuneration & Nomination Committee
- Summary of Remuneration Activities
- Key Management Personnel
- Remuneration Principles
- Remuneration Structure - Non-executive Directors
- Remuneration Structure - Executive KMPs
- Service Agreements
- Details of Remuneration
- Share-based Payments

Remuneration & Nomination Committee

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

Brian Levet	Chair
Timothy Netscher	Member
Sharon Warburton	Member

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

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

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

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

Summary of Remuneration Activities

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

Incentive Plan	Vested		Issued Subject to Vesting Conditions		Subject to Shareholder Approval
Short Term Incentive (**STI**)	-		2017		2018
Long Term Incentive (**LTI**)	2014-2017	2015-2018	2016-2019	2017-2020	2018-2021

New hurdles and Key Performance Indicators (**KPIs**) were established for the 2017 STI, which aligns to the new year end and covers the 12 months to 31 December 2017, that appropriately defined the revised structure for the Gruyere JV, and Gold Road's strategic objectives and operational goals for 2017.

The 2017 STI and 2017-2020 LTI was approved by the Board and shareholder approval was obtained at the AGM held on 17 November 2017.

Following the conclusion of the 2014-2017 LTI performance period, in August 2017 the Board assessed and determined the quantity of Performance Rights to vest to Executive KMPs Ian Murray and Justin Osborne, within the shareholder approved threshold.

There is currently no proposal to increase individual Non-executive Director fees for 2018.

Key Management Personnel

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

Directors and Executive KMPs disclosed in this report include:

Directors	Role
T Netscher	Non-executive Chairman
S Warburton	Non-executive Director
B Levet	Non-executive Director (appointed 1 August 2017)

Executive KMPs	Role
I Murray	Managing Director and CEO
J Osborne	Executive Director - Exploration and Growth

Remuneration Principles (Audited)

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

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

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

Remuneration Structure - Non-executive Directors (Audited)

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

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

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

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

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

Remuneration Structure - Executive KMPs (AUDITED)

Executive KMPs total remuneration is made up of:

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

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

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

	Fixed Base Remuneration	Superannuation	Total Fixed Remuneration[1]	LTI maximum % of base	STI maximum % of base
I Murray	$513,333	$20,049	$533,382	100%	65%
J Osborne	$406,600	$20,049	$426,649	65%	42.5%

1. *Total fixed remuneration is based on annual salary*

FIXED BASE REMUNERATION

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

Superannuation benefits are paid to complying superannuation funds nominated by the Executive KMPs capped at the maximum superannuation contribution base of ordinary time earnings, which for the twelve month period ending 30 June 2018 is $20,049.

VARIABLE REMUNERATION

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

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

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

SHORT TERM INCENTIVES

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

The payment of STIs is within the Board's absolute discretion (which cannot be unreasonable) and paid in a combination of 50% cash and 50% Performance Rights. The Board can decide to not pay, or to reduce, the STI in the event that market conditions and commodity prices have deteriorated or key corporate objectives in the period have not been met.

Eligible KMPs must be employed by the Company, or related subsidiary, at the completion of the STI period.

If there is a change of control, the Board, in its absolute discretion, may determine whether incentives will vest, up to the maximum amount held.

2017 STI

The 2017 STI was based over a 12 month period to 31 December 2017 on set percentages of fixed base remuneration, with performance assessed against a mix of personal and corporate KPIs as follows:

Executive KMP Incentive Structure	I Murray	J Osborne
Maximum STI as a percentage of base salary	65%	42.5%
Aligned to Corporate KPI	90%	90%
Aligned to Personal KPI	10%	10%
Target 2017 STI[1]	**$328,250**	**$170,000**
50% Cash Component	$164,125	$85,000
50% Performance Rights	272,181	140,962
Achieved Result 2017 STI		
Corporate KPI result	58%	58%
Personal KPI result	82%	82%
Total weighted result	60%	60%
STI earned as a % of fixed base remuneration	39%	26%
Paid as Cash	$100,033	$51,807
Vested Performance Rights	165,893	85,915

1. *STI approved at the AGM held on 17 November 2017*

The maximum number of Performance Rights to be granted is determined by dividing 50% of the STI earned by $0.603, being the higher of the 30 day Volume Weighted Average Price (**VWAP**) for the period to 1 January 2017 and the most recent capital raising prior to 1 January 2017 (being the May 2016 share placement and entitlement issue at $0.44).

The following KPIs, with appropriate personal weightings, were approved by the Board in November 2016 for the period from 1 January 2017 to 31 December 2017.

2017 KPI	KPI Criteria	Why this KPI was chosen	Achievement
Health, Safety & Environment (HSE)[1]	*Lead indicators:* Fully implement the behaviour-based safety system (Vital Behaviours) across the whole company with visible leadership undertaken on site by the Leadership Team including participation in site safety activities *Lag indicator:* Achieving an improved annual average TRIFR than achieved in previous years (current hurdle set at 10.1).	Motivate and reward the continued focus and commitment to HSE leadership, HSE systems and HSE behaviours.	Between threshold and target TRIFR at 31 December 2017 was 9.5
Discovery	New discovery >600koz ounces JORC compliant Resource.	Motivate and reward economic gold discovery.	Below threshold
Reserve Growth	10% reserve growth on Gruyere Joint Venture.	Motivate and reward mine life extension of Gruyere JV.	Below threshold
Business Development	Achieving Board set growth targets.	Motivate and reward timely delivery of key growth initiatives and activities.	Target achieved
Gruyere Project	Establish long term strategic plan with joint venture partner and a continued professional and mutually respectful relationship.	Motivate and reward unlocking the further potential of the Gruyere JV.	Target achieved
Native Title / External Relations	Continued professional relations and compliance with agreements.	Motivate and reward the continued focus on access to land and beneficial relationships with traditional owners.	Target achieved
Personal	Includes assessing HSE performance, leadership team performance and demonstrated behaviours aligned to Gold Road's values.	Motivate and reward executives and senior management in the execution of strategic value-adding drivers.	Between threshold and target

1. *In the event of a fatality no STI will be payable. There were zero fatalities.*

LONG TERM INCENTIVES

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

- LTIs are to be granted annually and will be subject to a percentage threshold amount of base remuneration.
- The vesting of LTIs will be subject to performance measured against long term internal corporate hurdles and total shareholder return (TSR) hurdles, measured at the end of the performance period, where the holder must still be an employee.

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

<table>
<tr><th>Feature</th><th colspan="4">Description</th></tr>
<tr><td>Grants</td><td>2014-2017 LTI (measured to 30 June 2017)</td><td>2015-2018 LTI (measured to 31 December 2018)</td><td>2016-2019 LTI (measured to 30 June 2019)</td><td>2017-2020 LTI (measured to 31 December 2020)</td></tr>
<tr><td>Instrument</td><td colspan="4">Grants are made in the form of Performance Rights which are issued in accordance with the relevant approved Plan. The LTIs currently approved are provided in a separate table below.</td></tr>
<tr><td>Grant frequency</td><td colspan="4">Grants are made on an annual basis but are subject to the Board's discretion.</td></tr>
<tr><td rowspan="2">Target quantum</td><td colspan="4">The percentage threshold and remuneration levels are reviewed at each grant and determined based on market and peer group practice for the relevant period.</td></tr>
<tr><td>Managing Director and CEO: 65%
Executive Director: 35%</td><td>Managing Director and CEO: 100%
Executive Director: 50%</td><td>Managing Director and CEO: 100%
Executive Director: 65%</td><td>Managing Director and CEO: 100%
Executive Director: 65%</td></tr>
<tr><td rowspan="2">Performance conditions (Vesting Hurdles)</td><td colspan="4">The Company has selected TSR and Company Strategic Vesting Hurdles to align the interests of executives with the long term interests of its shareholders.</td></tr>
<tr><td>TSR (50%)
Company (50%)</td><td>TSR (50%)
Company (50%)</td><td>TSR (50%)
Company (50%)</td><td>TSR (50%)
Company (50%)</td></tr>
<tr><td>Performance period and vesting[1]</td><td>3 years</td><td>3.5 years</td><td>3 years</td><td>3.5 years</td></tr>
<tr><td>Exercise</td><td colspan="4">Participants are able to exercise their vested Performance Rights into Company shares. The Board may also, in its absolute discretion, permit the exercise of incentives (irrespective of whether the relevant vesting conditions have been met) during such period as the Board determines where:
(a) the Company passes a resolution for voluntary winding up;
(b) an order is made for the compulsory winding up of the Company; or
(c) the Company passes a resolution in accordance with Listing Rule 11.2 to dispose of its main undertaking.</td></tr>
<tr><td>Change of control</td><td colspan="4">The Plan defines that if there is a change of control, the Board has absolute discretion to determine the manner in which any or all of the incentives vest, including having regard to the performance of the Company against targets in the vesting conditions at that time, the period of time that has elapsed between the grant date and the date of the change of control event and the circumstances of the change of control event.</td></tr>
</table>

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

The LTIs currently approved are:

LTI Plan	Performance Period	Status	Relevant Plan
2014-2017 LTI	3 years	Vested 8 August 2017	Plan approved 2013
2015-2018 LTI	3.5 years	Unvested	Plan approved 2013
2016-2019 LTI	3 years	Unvested	Plan approved 2016
2017-2020 LTI	3.5 years	Unvested	Plan approved 2017

Incentives granted under the 2013 Plan and the revised 2016 Plan immediately vest in the event of:

- a change in control of the Company, including where a takeover bid is made for the Company and the bidder acquires more than 50% of the ordinary shares in the Company;
- shareholders approve a scheme of arrangement, or
- in any other case where a person obtains voting power in the Company which the Board determines (acting in good faith and in accordance with their fiduciary duties) is sufficient to control the composition of the Board.

The 2017 Plan allows for assessment, by the Board, of the performance of the Company against targets in the vesting conditions in the event of a change of control.

2014-2017 LTI (MEASURED TO 30 JUNE 2017)

The quantum of 2014-2017 LTI grants to have met the vesting conditions calculated on 1 July 2017 is as follows:

Executive KMPs	Performance Rights Granted	% Earned	% Fixed Remuneration Achieved	Shares Vested	Value of Shares Vested[1]
I Murray	1,300,000	87.5%	87.5%	1,137,500	$716,625
J Osborne	486,111	87.5%	56.9%	425,347	$267,969

1. *Based on 5 day VWAP up to 7 August 2017 of $0.6375*

The results of performance against the vesting hurdles for the 2014-2017 LTI were as follows:

1. TSR vesting hurdle (total 50%)

   The Company's performance relative to the SS&P/ASX All Ordinaries Gold Index (ASX Code: XGD) was 169% and therefore this hurdle was met at 100% based on eligible vesting conditions listed below.

2. Company strategic vesting hurdles (total 50%)

   The Company achieved the first measure to substantially complete permitting and funding the Gruyere JV, earning the maximum 25%.

   The second measure relating to Project commissioning was not achieved under the Plan, rather the Gruyere JV was achieved, which delivered immediate funding for Gold Road and allowed the exploration activities to commence across the rest of the Yamarna tenements. This is viewed as a superior outcome compared with what would have been delivered in the plan envisaged in June 2014, with a much smaller Project being delivered on a sole funding basis. Accordingly, the Committee recommended and the Board approved a discretionary earning of 12.5% (of 25% maximum) under the Plan.

Details of Executive KMPs LTIs currently on issue are summarised below.

Details	2015-2018 LTI		2016-2019 LTI		2017-2020 LTI	
	Performance Rights	Fair value of Performance Rights at grant date[1]	Performance Rights	Fair value of Performance Rights at grant date[1]	Performance Rights	Fair value of Performance Rights at grant date[1]
Executive KMP: I Murray	1,125,000	$356,063	827,868	$396,135	728,028	$413,884
Executive KMP: J Osborne	397,727	$125,880	426,229	$203,951	374,826	$213,088
Value used to determine the number of Performance Rights to be granted	$0.44 being the higher of most recent capital raising prior to 1 July 2015, or the Company's 30 day VWAP for the period to 1 July 2015		$0.61 being the higher of the Company's 30 day VWAP for the period to 1 July 2016 and the most recent capital raising price prior to that date (being the May 2016 share placement and entitlement issue at $0.44)		$0.705 being the higher of the Company's 30 day VWAP for the period to 1 July 2017 and the most recent capital raising price prior to that date (being the May 2016 share placement and entitlement issue at $0.44)	
Performance period	3.5 years to 31 December 2018		3 years to 30 June 2019		3.5 years to 31 December 2020	
Vesting hurdle - TSR (50% weighting) The TSR vesting condition requires an assessment of how the Company's TSR, including dividends paid to shareholders, has performed over the measurement period:	Relative to the S&P/ASX All Ordinaries Gold Index (ASX Code: XGD)		Relative to a nominated peer group over the same period.		Relative to a nominated peer group over the same period.	
Vesting hurdle - Company (50% weighting) The Company strategic vesting condition requires an assessment of the achievement of performance against pre-set Company objectives	▪ Construction is completed (pre-commissioning) for the Gruyere Project ▪ The Yamarna JORC Mineral Resource is at least 8 million ounces of gold		▪ Gold Production - achievement of 30 days consistent throughput (including tonnage, grade recovery and costs) within Board approved budget and parameters ▪ Discovery or acquisition - a greenfields discovery of a deposit of greater than 1 million ounces contained gold, or an equivalent (as determined by the Board) sized acquisition		▪ The second discovery of a deposit of greater than 1 million ounces contained gold, or an equivalent (as determined by the Board), Maiden resource declared and subsequent upgrade confirming greater than 1 million ounces contained gold, Concept Study and Scoping Study completed confirming adequate economics ▪ Dependant on the first hurdle: Pre-feasibility Study completed, Maiden Reserve declared, Project Team identified and Native Title agreement in place.	

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

SERVICE AGREEMENTS (AUDITED)

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

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

On 26 July 2017 an Executive KMP salary review was undertaken and an increase of 1.65% was approved by the Board adjusting the fixed base salary of both Executive KMPs.

Executive	Role	Term of agreement	Termination notice period	Fixed base salary excluding super
I Murray	Managing Director and CEO	No fixed term, commenced 1 October 2011	4 months by individual, or 12 months by Company	From 1 July 2017, $513,333 and reviewed annually
J Osborne	Executive Director – Exploration and Growth	No fixed term, commenced 14 October 2013	4 months by individual, or 12 months by Company	From 1 July 2017, $406,600 and reviewed annually

DETAILS OF REMUNERATION (AUDITED)

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

6 MONTH PERIOD ENDED 31 DECEMBER 2017

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

1. *STI benefits are an accrual of the 2017 STI for the six months ended 31 December 2017*
2. *Appointed 1 August 2017*
3. *LTI benefits reflect the fair value expensed over the performance period*

12 MONTH PERIOD ENDED 30 JUNE 2017

Directors	Salaries and Fees $	Superannuation Contributions $	Cash Benefits (STI) $	Performance Rights (STI)[1] $	Performance Rights (LTI)[2] $	Total $	At Risk %
I Murray	505,000	19,616	111,604	140,153	334,416	1,110,789	53
J Osborne	400,000	19,616	58,650	73,365	148,367	699,998	40
T Netscher	158,000	-	-	-	-	158,000	-
S Warburton	91,324	8,676	-	-	-	100,000	-
Total	**1,154,324**	**47,908**	**170,254**	**213,518**	**482,783**	**2,068,787**	

1. *2017 STI Performance Rights have been provisionally expensed in accordance with the accounting standards from the commencement of the performance period. These Performance Rights were approved by shareholders at the AGM held on 17 November 2017*
2. *LTI benefits reflect the fair value expensed over the performance period*

Share Based Compensation (Audited)

SHARE OPTIONS AND PERFORMANCE RIGHTS

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

Under the Plan participants are granted share Options which typically vest on issue with a strike price as determined at the discretion of the Board. The Plan allows the Company to issue free share Options to an eligible person. Unless the Board determines otherwise in its absolute discretion, the share Options of any participant in the scheme will lapse where the relevant person ceases to be an employee or director of the Company.

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

EQUITY INSTRUMENTS GRANTED AS COMPENSATION DURING THE SIX MONTHS ENDED 31 DECEMBER 2017

During the six months ended 31 December 2017, no share Options were granted to any of the Directors.

During the six months ended 31 December 2017, 1,102,854 Performance Rights were granted in accordance with STIs and LTIs pursuant to the terms of the Plan to Executive KMPs of the Company (FY2017: 1,662,498).

PERFORMANCE RIGHTS GRANTED

Director	Incentive Plan	Number Granted	Grant Date	Fair Value at Grant Date	Performance Period End Date[1]	Expiry Date
I Murray	2017-2020 LTI	364,014	17 November 2017	42.7 cents[2]	31 December 2020	31 December 2021
	2017-2020 LTI	364,014	17 November 2017	71.0 cents[3]	31 December 2020	31 December 2021
J Osborne	2017-2020 LTI	187,413	17 November 2017	42.7 cents[2]	31 December 2020	31 December 2021
	2017-2020 LTI	187,413	17 November 2017	71.0 cents[3]	31 December 2020	31 December 2021

1. *Subsequent to the Performance Period End Date, the Board determines the number of Performance Rights that vest*
2. *Relates to LTI market hurdles. Performance Rights allocated to Executive KMPs under the LTIs, had their values verified using a Monte Carlo simulation*
3. *Relates to LTI Company hurdles. Performance Rights allocated to Executive KMPs under the LTIs, had their values verified using a Black-Scholes pricing model*

Subsequent to 31 December 2017, the following Performance Rights were granted.

Directors	Incentive Plan	Number Granted	Grant Date	Fair Value at Grant Date	Expiry Date	Performance Period End Date[1]
I Murray	2017 STI	165,893	16 February 2018	81.0 cents[2]	31 December 2018	31 December 2017
J Osborne	2017 STI	85,915	16 February 2018	81.0 cents[2]	31 December 2018	31 December 2017

1. *Subsequent to the performance period end date, the Board determines the number of Performance Rights that vest*
2. *Performance Rights are valued at the underlying market value at grant date of the ordinary shares over which they are granted*

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

ANALYSIS OF SHARE OPTIONS AND PERFORMANCE RIGHTS OVER EQUITY INSTRUMENTS GRANTED AS COMPENSATION DURING THE SIX MONTHS ENDED 31 DECEMBER 2017

EXERCISE OF SHARE OPTIONS GRANTED AS COMPENSATION

During the period, 2,448,472 ordinary shares were issued on the cashless exercise of 3,000,000 share Options previously granted as compensation to Executive KMPs. The number of shares issued was calculated in accordance with the rules of the 2013 LTI Plan approved by shareholders at the AGM on 18 November 2013, using the 20 day VWAP as at 23 October 2017 of 71.0 cents per share.

Directors	Share Options Exercised	Shares Issued	Share Issue Date	Exercise Price of Share Options (Per Share)	Expiry Date of Share Options
J Osborne	3,000,000	2,448,472	24 October 2017	13.0 cents	31 October 2017

CONVERSION OF PERFORMANCE RIGHTS GRANTED AS COMPENSATION

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

Directors	Performance Rights converted	Shares Issued	Share Issue Date	Exercise Price of Performance Rights	Vesting Date of Performance Rights	Expiry Date of Performance Rights
I Murray	1,137,500	1,137,500	8 August 2017	Nil	30 June 2017	30 June 2018
I Murray	88,789	88,789	8 August 2017	Nil	16 December 2016	16 December 2017
J Osborne	425,347	425,347	8 August 2017	Nil	30 June 2017	30 June 2018

SHARE OPTIONS GRANTED AS COMPENSATION

The movement during the period to 31 December 2017, by fair value, of share Options over ordinary shares in the Company held by Executive KMPs and granted as part of remuneration is as follows:

Director	Granted During the Period ($)	Value of Share Options Exercised During the Period[1] ($)
J Osborne	-	$2,070,000

1. *The value of share Options exercised during the period is calculated as the closing market price of the Company's shares on the date of exercise after deducting the price paid to exercise*

There are no share Options held at 31 December 2017 by KMPs of the Company.

PERFORMANCE RIGHTS GRANTED AS COMPENSATION

The movement during the period to 31 December 2017, by fair value, of Performance Rights over ordinary shares in the Company held by Executive KMPs and granted as part of remuneration is as follows:

Executive KMPs	Granted During the Period[1] ($)	Exercised During the Period[2] ($)
I Murray	413,884	772,562
J Osborne	213,089	267,969

1. *The value of Performance Rights granted in the period is the fair value calculated at grant date. The total value is included in the tables above. This amount is allocated to remuneration over the vesting period*
2. *The value of Performance Rights exercised during the period is calculated as the closing market price of the Company's shares on the date of exercise*

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

Executive KMPs	Balance at Start of the Period	Granted During the Period	Exercised During the Period	Other Changes During the Period	Balance at the End of the Period	Vested and Exercisable at the End of the Period
I Murray	3,341,657	728,028	(1,226,289)	(162,500)	2,680,896	-
J Osborne	1,310,067	374,826	(425,347)	(60,764)	1,198,782	-

EQUITY HOLDINGS BY KEY MANAGEMENT PERSONNEL

Details of Performance Rights held at 31 December 2017 by Executive KMPs of the Company are detailed in the table below.

Executive KMPs	Incentive Plan	Grant Date	Performance Rights Granted	Performance Period End Date[1]	Performance Rights Vested During the Period	Vested %
I Murray	2015-2018 LTI	24 November 2015	1,125,000	31 December 2018	-	-
	2016-2019 LTI	19 October 2016	827,868	30 June 2019	-	-
	2017-2020 LTI	17 November 2017	728,028	31 December 2020	-	-
J Osborne	2015-2018 LTI	24 November 2015	397,727	31 December 2018	-	-
	2016-2019 LTI	19 October 2016	426,229	30 June 2019	-	-
	2017-2020 LTI	17 November 2017	374,826	31 December 2020	-	-

1. *Subsequent to the Performance Period End Date, the Board determines the number of Performance Rights that vest*
2. *There were no Performance Rights that vested during the period.*

Details of shares held at 31 December 2017 by KMPs of the Company are detailed below.

Directors	Balance at Start of the Period	Received During the Period on Exercise of Share Options or Performance Rights	Other Changes During the Period[1]	Balance at the End of the Period
I Murray	13,233,324	1,226,289	(705,000)	13,754,613
J Osborne	1,641,676	2,873,819	-	4,515,495
T Netscher	750,000	-	15,000	765,000
S Warburton	40,000	-	-	40,000

1. *Other changes during the period comprise market trades*

COMPANY PERFORMANCE

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

	31 December 2017 $	30 June 2017 $	30 June 2016 $	30 June 2015 $	30 June 2014 $
Share price	0.700	0.670	0.655	0.425	0.290
Market capitalisation	613,963,280	584,413,510	569,120,180	291,172,716	149,471,522

THIS IS THE END OF THE REMUNERATION REPORT

OFFICERS' INDEMNITIES AND INSURANCE

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

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

PROCEEDINGS ON BEHALF OF THE COMPANY

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

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

Rounding of Amounts

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

Corporate Governance

The 31 December 2017 Corporate Governance Statement is available on the Company's website at www.goldroad.com.au.

Audit and Non-Audit Services

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

	6 months ended 31 December 2017 $	12 months ended 30 June 2017 $
(a) Audit and other assurance services		
Audit and review of financial statements	54,094	55,000
Audit of joint operation	20,830	25,000
Total remuneration for audit and other assurance services	74,924	80,000
(b) Taxation services		
Tax advice and related services	17,500	17,938
Total remuneration for taxation services	17,500	17,938
(c) Other services		
Consulting and other services	19,469	398,535
Total remuneration for other services	19,469	398,535
Total remuneration of KPMG	111,893	496,473

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

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

A copy of the Auditor's Independence Declaration as required under Section 307C of the *Corporations Act 2001* is set out on page 48.

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

DATED at Perth this 26th day of March 2018.

T. G. Netscher

Tim Netscher
Non-executive Chairman

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

To the Directors of Gold Road Resources Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of Gold Road Resources Limited for the financial period ended 31 December 2017 there have been:

i. No contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

ii. No contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

Denise McComish
Partner

Perth

26 March 2018

Consolidated Financial Statements

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 31 December 2017

	Notes	6 months ended 31 December 2017 $'000	12 months ended 30 June 2017 $'000
Other income			
Interest income		2,953	5,012
Other		665	289
Gain on sale of Gruyere tenements (net of transaction costs)		-	314,428
Profit on closure of forward sales contracts		-	11,916
Total other income	4	3,618	331,645
Employee expenses		(1,526)	(3,483)
Equity based remuneration expense	20	(326)	(1,143)
Non-executive Directors' fees		(171)	(358)
Depreciation expense		(301)	(600)
Consultants and corporate advisory expenses		(1,193)	(2,416)
Legal costs		(240)	(1,757)
Operating lease expenses		(174)	(346)
Other expenses from ordinary activities		(1,162)	(2,058)
Exploration expenditure impaired	7	(1,929)	(7,719)
(Loss))/profit before income tax		(3,404)	311,765
Income tax benefit/(expense)	16	923	(81,949)
(Loss))/profit for the period		(2,481)	229,817
Other comprehensive income for the period		-	-
Total comprehensive (loss)/income for the period attributed to owners of the Company		(2,481)	229,817
Earnings per share for profit attributable to the ordinary equity holders of the Company:		Cents	Cents
Basic (loss)/earnings per share	5(a)	(0.28)	26.40
Diluted (loss)/earnings per share	5(b)	(0.28)	26.10

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2017

	Notes	31 December 2017	30 June 2017
ASSETS		$'000	$'000
Current assets			
Cash and cash equivalents	6	236,799	151,315
Term deposits	6	-	103,760
Trade and other receivables	9	19,218	55,924
Other financial assets		752	247
Inventories		85	86
Total current assets		256,854	311,332
Non-current assets			
Capitalised mineral exploration and evaluation expenditure	7	38,669	28,765
Property, plant and equipment	8	130,553	76,343
Other assets		-	155
Total non-current assets		169,222	105,263
TOTAL ASSETS		426,076	416,595
LIABILITIES			
Current liabilities			
Trade and other payables	10	17,857	12,435
Current tax liabilities		-	397
Provisions	11	528	618
Total current liabilities		18,385	13,450
Non-current liabilities			
Deferred tax liabilities	16	10,407	11,330
Provisions	11	10,534	3,190
Total non-current liabilities		20,941	14,520
TOTAL LIABILITIES		39,326	27,970
Net assets		386,750	388,625
EQUITY			
Contributed equity	13	203,949	203,669
Reserves	14(a)	1,086	6,068
Retained earnings	14(b)	181,715	178,888
TOTAL EQUITY		386,750	388,625

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 December 2017

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

	Ordinary Shares $'000	Equity Remuneration Reserve $'000	Retained Earnings/ (Accumulated Losses) $'000	Total $'000
Balance as at 1 July 2016	203,222	4,925	(50,929)	157,218
Profit for the year	-	-	229,817	229,817
Other comprehensive income for the year	-	-	-	-
Total comprehensive (loss) for the year	-	-	229,817	229,817
Movement in Equity Remuneration Reserve	-	1,143	-	1,143
Transactions with owners in the Company, recognised directly in equity:				
Exercise of share Options	447	-	-	447
Balance as at 30 June 2017	203,669	6,068	178,888	388,625

The Equity Remuneration Reserve relates to Performance Rights and share Options granted by the Company to Directors and employees. Further information about the equity based payments is set out in Note 20.

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 31 December 2017

	Notes	6 months ended 31 December 2017 $'000	12 months ended 30 June 2017 $'000
Cash flows from operating activities			
Interest received		3,406	3,545
Management fees received		169	235
Payments to suppliers and employees		(4,004)	(18,202)
Income tax paid		(397)	(70,221)
Net cash (outflow) from operating activities	6	(826)	(84,643)
Cash flows from investing activities			
Payments for exploration and evaluation expenditure		(10,683)	(29,227)
Payments for assets under construction		(40,151)	(36,666)
Gruyere JV contributions received		34,368	51,187
Recoupment of development costs under the Gruyere sale		-	2,059
Payments for plant and equipment		(496)	(427)
Proceeds from sale of tenements		-	250,000
Transfers from/(to) security deposits		154	(232)
Transfer from/(to) term deposits		103,760	(103,760)
Payments for tenement acquisition		(172)	-
Subscription for shares in Cygnus Gold Ltd (CY5)		(750)	-
Net cash inflow from investing activities		86,030	132,934
Cash flows from financing activities			
Proceeds from exercise of share Options		280	447
Proceeds from closure of forward sales contracts		-	11,916
Net cash inflow from financing activities		280	12,363
Cash and cash equivalents at the beginning of the period		151,315	90,661
Net increase in cash and cash equivalents		85,484	60,654
Cash and cash equivalents at the end of the period	6	236,799	151,315

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

What’s new in this Report

We have reviewed the content and structure of the Consolidated Financial Statements looking for opportunities to make them less complex and more relevant to users. This included:

- A thorough review of content to eliminate immaterial disclosures that may undermine the usefulness of the Consolidated Financial Statements by obscuring important information; and
- Reorganisation of the notes to the financial statements into six distinct sections to assist users in understanding the Group’s performance.

The purpose of these changes is to provide users with a clear understanding of what drives financial performance and financial position of the Group, while still complying with the provisions of the *Corporations Act 2001*.

Accounting policies and critical accounting judgements applied to the preparation of the financial statements have been grouped with the related accounting balance or financial statement matter. Accounting policies have been documented in simple terms to assist the users of the Consolidated Financial Statements to better understand the Group’s financial position and performance.

Estimates and judgements used in developing and applying the Group’s accounting policies are continually evaluated and are based on experience and other factors and are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised. The critical estimates and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are discussed in the respective sections of the Consolidated Financial Statements.

INDEX

Notes to the Consolidated Financial Statements

For the six months ended 31 December 2017

CORPORATE INFORMATION AND BASIS OF PREPARATION

NOTE 1 CORPORATE INFORMATION

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

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

NOTE 2 BASIS OF PREPARATION

The financial statements were authorised for issue in accordance with a Resolution of the Directors on 26 March 2018.

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

(a) Compliance with International Financial Reporting Standards

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

(b) Historical cost convention

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

(c) Functional and presentation currency

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

(d) Rounding of amounts

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

(e) Change of financial year end

The financial year of the Company has changed from 30 June to 31 December to align the year end date of the Gruyere JV, and our Gruyere JV partner. This will improve the efficiency of the Company's financial reporting and planning cycles. Accordingly, the financial period reported in these financial statements covers the six months 1 July 2017 to 31 December 2017. Comparative figures for these financial statements cover the twelve month period from 1 July 2016 to 30 June 2017. The results for the current period are therefore not directly comparable with the results for the prior period.

(f) Critical accounting estimates

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

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

Note 7 Capitalised mineral exploration and evaluation expenditure
Note 11 Rehabilitation Provision
Note 16 Income tax and deferred tax

FINANCIAL PERFORMANCE

NOTE 3 SEGMENT INFORMATION

The following have been identified as individual operating segments:

(a) Gruyere JV

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

(b) Exploration

The Exploration segment includes the activities on all mineral exploration and the Gruyere JV tenement.

(c) Unallocated

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

The segment information for the reportable segments for the six months ended 31 December 2017 is as follows:

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

12 months ended 30 June 2017	Gruyere JV $'000	Exploration $'000	Unallocated $'000	Total $'000
Segment (loss)/profit before tax	-	(7,719)	319,484	311,765
Income tax expense	-	-	(81,949)	(81,949)
Impairment of assets	-	(7,719)	-	(7,719)
Capital expenditure additions	49,729	24,133	428	74,290
Segment assets	88,770	29,320	298,505	416,595
Segment liabilities	(16,002)	(1,367)	(10,601)	(27,970)

RECOGNITION AND MEASUREMENT

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Group's Board, 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.

NOTE 4 OTHER INCOME

	6 months ended 31 December 2017 $'000	12 months ended 30 June 2017 $'000
Other income		
Interest income	2,953	5,012
Commodity hedge mark-to-market	506	-
Other	159	289
Gain on sale of Gruyere tenements (net of transaction costs)	-	314,428
Profit on closure of forward sales contracts	-	11,916
	3,618	331,645

(a) Gain on sale of assets

In the prior year, under the terms of the Gruyere Sale Agreement, Gold Road received $250,000,000 in cash consideration from Gold Fields and an uncapped 1.5% net smelter return royalty on Gold Field's share of production from the Gruyere JV tenements once total gold production exceeds two million ounces. In addition, Gold Fields paid $85,555,000 of the $100,000,000 deferred consideration to Gold Road funding Gold Road's share of the initial cash calls during the construction phase.

The carrying value of the assets sold to Gold Fields totalled $31,647,000. After allowing for transaction costs and reimbursement of interim period expenditure, the Group generated a gain on sale of $314,428,000 from the sale of the 50% interest in the Gruyere tenements.

(b) Closure of forward sales contracts

In the prior year, the Group closed out its forward gold sales position recognising a gain of $11,916,000.

(c) Commodity hedge mark to market

During the period, the Company executed forward sales of 25,000 ounces of gold, denominated in Australian dollars at an average price of $1,705 (net of hedge margin), for delivery on 29 June 2018. As at 31 December 2017, the mark-to-market reflects an in-the-money position of $506,000.

RECOGNITION AND MEASUREMENT

(i) Interest income

Interest income is recognised as it accrues in profit or loss, using the effective interest rate method.

(ii) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, allowances and amounts collectable on behalf of third parties.

(iii) Derivatives

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

NOTE 5 EARNINGS PER SHARE

	6 months ended 31 December 2017	12 months ended 30 June 2017
	Cents	Cents
(a) Basic earnings per share		
(Loss)/profit attributable to ordinary equity holders of the Company	**(0.28)**	26.40
(b) Diluted earnings per share		
(Loss)/profit attributable to ordinary equity holders of the Company	**(0.28)**	26.10
(c) (Loss)/profit used in calculation of basic and diluted loss per share	**$'000**	$'000
(Loss)/Profit for the period/financial year	**(2,481)**	229,817
(d) Weighted average number of shares used as the denominator	**No.**	No.
Weighted average number of shares used as the denominator in calculating basic earnings per share	**874,819,164**	870,435,510
Adjustments for calculation of diluted earnings per share:		
Performance Rights[1]	**-**	7,576,687
Share Options	**-**	2,403,885
Weighted average number of shares used as the denominator in calculating diluted earnings per share	**874,819,164**	880,416,082

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

RECOGNITION AND MEASUREMENT

(i) Basic earnings per share

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

(ii) Diluted earnings per share

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

OPERATING ASSETS AND LIABILITIES

NOTE 6 CASH, CASH EQUIVALENTS AND TERM DEPOSITS

	31 December 2017	30 June 2017
	$'000	$'000
Cash at bank	23,796	33,315
Short term deposits (classified as cash or cash equivalents)	213,003	118,000
Cash and cash equivalents	236,799	151,315
Term deposits	-	103,760
Cash, cash equivalents and term deposits	236,799	255,075

(a) Classification of Term Deposits

Term deposits that are not expected to be required for short term commitments are recognised separately from cash and cash equivalents.

(b) Cash at Bank - Gruyere JV

Included in Cash at bank of $23,796,000 is $7,685,000 representing the Company's share of cash at bank held in the Gruyere JV.

(c) Cash flows from operating activities reconciliation

	6 months ended 31 December 2017	12 months ended 30 June 2017
	$'000	$'000
(Loss)/profit from ordinary activities after income tax	(2,481)	229,817
Depreciation	301	600
Exploration expenditure impaired	1,929	7,719
Share based payments expense	326	1,143
Unrealised gain on forward sales contracts	(506)	(11,916)
Gain on disposal of assets	-	(314,428)
Change in operating assets and liabilities:		
Decrease/(increase) in accrued interest receivable	452	(1,467)
Decrease/(increase) in other operating receivables	152	(1,749)
(Decrease)/increase in employee entitlements	(37)	103
Increase/(decrease) in operating trade and other payables	358	(6,192)
(Decrease)/increase in income tax liability	(397)	397
(Decrease)/increase in deferred tax liability	(923)	11,330
Net cash (outflow) from operating activities	(826)	(84,643)

RECOGNITION AND MEASUREMENT

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

NOTE 7 CAPITALISED MINERAL EXPLORATION AND EVALUATION EXPENDITURE

	31 December 2017	30 June 2017
	$'000	$'000
In the exploration and evaluation phase		
Opening balance	28,765	68,872
Exploration and evaluation expenditure during the period/year	11,833	24,133
Exploration expenditure impaired	(1,929)	(7,719)
Transfer to Mine Development assets (Note 8)	-	(24,874)
Sale of 50% of Gruyere Project assets	-	(31,647)
Closing balance	38,669	28,765

In the prior year, following the Board's decision to proceed with the development of the Gruyere Project, the completion of the Gruyere Sale Agreement and Gruyere Joint Venture Agreement with Gold Fields:

- $24,874,000 of Capitalised Mineral Exploration and Evaluation Expenditure was transferred to Mine Development reflecting 50% of the capitalised mineral exploration and evaluation costs carried forward in relation to the Gruyere Project; and
- $31,647,000 of Capitalised Mineral Exploration and Evaluation Expenditure was transferred on the sale of 50% of the Gruyere Project assets reflecting 50% of the exploration and evaluation costs incurred on the interest in the tenements sold ($24,874,000 relating to Gruyere Project tenements and $6,773,000 relating to other exploration tenements) with the accompanying gain on sale reflected in the Consolidated Statement of Profit and Loss and Other Comprehensive Income.

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.

In reviewing the appropriateness of the capitalised mineral exploration and evaluation expenditure carried forward, the Company considered the results of recent studies undertaken and where active and significant exploration expenditure is ongoing. The Group recognised total impairment charge of $1,929,000 in the current period, comprising:

- $1,279,000 impairment in relation to capitalised mineral exploration expenditure on tenements which are not expected to be recouped through successful development and exploitation at the current and forecast gold price; and
- $650,000 of capitalised costs carried forward on tenements which were surrendered.

RECOGNITION AND MEASUREMENT

Mineral exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are carried forward only if they relate to an area of interest for which rights of tenure are current and in respect of which:

- such costs are expected to be recouped through the successful development and exploitation of the area of interest, or alternatively by its sale; or
- exploration and/or evaluation activities in the area have not reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active or significant operations in, or in relation to, the area of interest are continuing.

Exploration expenditure is assessed for indicators of impairment during each reporting period. In the event that an area of interest is abandoned or if the Directors consider the expenditure to be of reduced value, accumulated costs carried forward are written down to recoverable amount in the year in which that assessment is made. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. Any gain or loss on disposal of an area of interest is recognised in profit or loss.

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

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

(i) Determination of Mineral Resources and Ore Reserves

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

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

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

(ii) Impairment of capitalised exploration and evaluation expenditure

Mineral exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest and it is the Group's policy to capitalise costs relating to exploration and evaluation activities.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount. For the purposes of impairment testing, exploration and evaluation assets are allocated to cash-generating units to which the exploration activity relates. The cash-generating unit is not larger than the area of interest.

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

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

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

NOTE 8 PROPERTY, PLANT AND EQUIPMENT

Non-current	Plant and Equipment $'000	Office and Computer Equipment $'000	Motor Vehicles $'000	Camp Buildings $'000	Assets Under Construction $'000	Mine Development Assets $000	Total $'000
Period ended 31 December 2017							
Opening net book amount	475	248	249	768	46,730	27,873	76,343
Additions	174	117	144	58	47,226	-	47,719
Transfer to assets under construction	-	-	-	-	240	(240)	-
Movement in rehabilitation asset	-	-	-	-	-	6,792	6,792
Depreciation charge	(53)	(82)	(42)	(124)	-	-	(301)
Closing net book amount	**596**	**283**	**351**	**702**	**94,196**	**34,425**	**130,553**
At 31 December 2017							
Cost or fair value	1,085	950	692	2,428	94,196	34,425	133,776
Accumulated depreciation	(489)	(667)	(341)	(1,726)	-	-	(3,223)
Net book amount	**596**	**283**	**351**	**702**	**94,196**	**34,425**	**130,553**
Year ended 30 June 2017							
Opening net book amount	447	227	314	924	-	-	1,912
Additions	118	190	-	120	46,730	-	42,247
Transfer from capitalised mineral exploration and evaluation	-	-	-	-	-	24,874	24,874
Movement in rehabilitation asset	-	-	-	-	-	2,999	2,999
Depreciation charge	(90)	(169)	(65)	(276)	-	-	(600)
Closing net book amount	475	248	249	768	46,730	27,873	76,343
At 30 June 2017							
Cost or fair value	911	834	548	2,370	46,730	27,873	79,266
Accumulated depreciation	(436)	(586)	(299)	(1,602)	-	-	(2,923)
Net book amount	475	248	249	768	46,730	27,873	76,343

"Assets under construction" reflects Gold Road's 50% share of Gruyere JV construction costs for the year.

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

In the 30 June 2017 financial year, $24,874,000 was transferred from capitalised mineral exploration and evaluation to mine development as disclosed in Note 7.

NON-CURRENT ASSETS PLEDGED AS SECURITY

Under the Gruyere Joint Venture Agreement, each party's obligations are secured over the assets in the Gruyere Project.

Subsequent to period end, assets of the Group have been pledged as security over the Finance Facilities as disclosed in Note 25.

RECOGNITION AND MEASUREMENT

(i) Property, plant and equipment

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

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

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

Plant and equipment	5 - 10 years
Office and computer equipment	2 – 15 years
Motor vehicles	8 years
Camp buildings	5 – 10 years

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

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

(ii) Assets under construction

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

(iii) Mine development assets

Development expenditure relates to costs incurred to access a mineral resource. It represents those costs incurred after the technical feasibility and commercial viability of the extraction of Mineral Resources in a particular area of interest is demonstrated and the identified Ore Reserve is being prepared for production.

Capitalised development expenditure includes:

- Reclassified exploration and evaluation assets;
- Direct costs of construction; and
- An appropriate allocation of overheads and borrowing costs during the development phase.

Capitalisation of development expenditure ceases once the mineral property is capable of commercial production, at which point it will be transferred to "Mine Development".

Amortisation and depreciation of capitalised mine development costs is provided on the unit-of-production method, resulting in an amortised charge proportional to the depletion of the expected total contained ounces as determined by the life of mine plan. Capitalised costs are amortised from the commencement of commercial production.

(iv) Impairment of assets

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

NOTE 9 TRADE AND OTHER RECEIVABLES

	31 December 2017 $'000	30 June 2017 $'000
Deferred consideration receivable	14,445	48,813
Interest receivable	1,330	1,782
Prepayments	190	173
Other receivables	3,253	5,156
Trade and other receivables	19,218	55,924

(a) Classification as trade and other receivables

Trade receivables are amounts due from customers for goods or services performed in the ordinary course of business. Other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These amounts generally arise from transactions outside the usual operating activities of the Company. If collection of the amounts is expected in one year or less they are classified as current assets. If not, they are presented as non-current assets. Trade and other receivables are generally due for settlement within one year and therefore are all classified as current.

The deferred consideration relates to the $100,000,000 consideration payable to Gold Road by Gold Fields under the terms of the Gruyere Sale Agreement, to fund the initial cash calls during the construction phase. This amount is reduced by cash calls, or recharges, made by Gold Fields on a monthly basis for expenditure on the Gruyere JV. The balance receivable at 31 December 2017 is $14,445,000.

(b) Related party receivables

Refer to Note 19 for details on related party receivables.

RECOGNITION AND MEASUREMENT

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

NOTE 10 TRADE AND OTHER PAYABLES

	31 December 2017 $'000	30 June 2017 $'000
Trade payables	11,622	5,807
Accruals and other payables	6,235	6,628
Trade and other payables	17,857	12,435

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

RECOGNITION AND MEASUREMENT

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

NOTE 11 PROVISIONS

	31 December 2017			30 June 2017		
	Current $'000	Non-current $'000	Total $'000	Current $'000	Non-current $'000	Total $'000
Employee entitlements	528	743	1,271	618	191	809
Rehabilitation	-	9,791	9,791	-	2,999	2,999
	528	10,534	11,062	618	3,190	3,808

(a) Information about individual provisions and significant estimates

(i) Employee entitlements

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

(b) Movements in provisions

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

	Employee Entitlements $'000	Rehabilitation $'000	Total $'000
Opening balance at 1 July 2017	809	2,999	3,808
Additional provisions recognised	703	6,792	7,495
Amounts used during the period	(241)	-	(241)
Closing balance at 31 December 2017	1,271	9,791	11,062

RECOGNITION AND MEASUREMENT

(i) Wages, salaries and annual leave

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

(ii) Long service leave

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

(iii) Rehabilitation

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

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

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

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

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

CAPITAL AND FINANCIAL RISK MANAGEMENT

NOTE 12 FINANCIAL RISK MANAGEMENT

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

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

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

(a) Categories of financial instruments

	31 December 2017 $'000	30 June 2017 $'000
Financial assets		
Cash and cash equivalents	**236,799**	151,315
Term deposits	**-**	103,760
Trade and other receivables	**19,218**	55,924
Other financial assets	**752**	247
Financial liabilities		
Trade and other payables	**17,857**	12,435

(b) Derivatives

During the period, the Company executed forward sales of 25,000 ounces of gold, denominated in Australian dollars at an average price of $1,705 (net of hedge margin), for delivery on 29 June 2018. As at 31 December 2017, the mark-to-market reflects an in-the-money position of $506,000. Changes in the spot price of gold, or (to a lesser extent) changes in Australian interest rates, gold lease rates and the passage of time will impact this valuation.

In the prior year, the Group closed out its forward gold sales position as disclosed in Note 4(b).

(c) Market risk

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

(i) Foreign exchange risk

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

(ii) Interest rate risk

The Group's income and operating cash flows are exposed to changes in market interest rates in respect of interest bearing assets. These assets are a combination of cash balances on hand which earn interest at variable interest rate and interest bearing term deposits which mitigate variable interest rate risk. No interest bearing liabilities are present at the reporting date.

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

	31 December 2017 $'000	30 June 2017 $'000
Fixed rate instruments		
Term deposits*	**213,249**	222,162
Variable rate instruments		
Cash at bank	**23,796**	33,315

** classified separately in cash and cash equivalents, term deposits and other assets in the Consolidated Statement of Financial Position*

Fair value sensitivity analysis for fixed rate instruments

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

Cash flow sensitivity analysis for variable rate instruments

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

(iii) Commodity price risk

The Company manages commodity price risk by executing gold forward sales denominated in Australian dollars.

Other than as disclosed in Note 12(b), at reporting date the Group has no exposure to the risk of fluctuations in the prevailing market prices for gold as the Gruyere JV is not yet in production.

(d) Credit risk

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

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

(i) Cash deposits

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

(ii) Trade and other receivables

The Group's principal trade and other receivables at the reporting date are receivables from joint venture partners and interest receivable. The risk of non-recovery of receivables from these sources is considered to be minimal.

In determining the recoverability of trade and other receivables, the Group performs a risk analysis considering the type and age of the outstanding receivable and the creditworthiness of the counterparty. If appropriate, an impairment loss will be recognised in profit or loss. The Group does not have any impaired Trade and Other Receivables as at 31 December 2017 (30 June 2017: nil).

(e) Liquidity risk

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

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

(i) Financing arrangements

At the end of the reporting period, the Group did not have access to any borrowing facilities. Subsequent to period end, the Company announced the signing of Finance Facilities as disclosed in Note 25.

(ii) Maturities of financial liabilities

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

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

Contractual maturities of financial liabilities

As at 31 December 2017	Less than 6 months $'000	6 months or more $'000	Contractual cash flows $'000	Carrying amount $'000
Trade payables	11,622	-	11,622	11,622
Accruals and other payables	6,235	-	6,235	6,235
Current tax liability	-	-	-	-
	17,857	-	17,857	17,857
As at 30 June 2017				
Trade payables	5,807	-	5,807	5,807
Accruals and other payables	6,628	-	6,628	6,628
Current tax liability	397	-	397	397
	12,832		12,832	12,832

(f) Capital management

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

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

(g) Dividends

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

RECOGNITION AND MEASUREMENT

(i) Financial Instruments

The Group classifies non-derivative financial assets into the following categories: financial assets at fair value through profit or loss, held-to-maturity financial assets, loans and receivables and available-for-sale financial assets.

The Group classifies non-derivative financial liabilities into the following categories: financial liabilities at fair value through profit and loss and other financial liabilities.

Non-derivative financial assets and financial liabilities – recognition and derecognition

The Group initially recognises loans and receivables and debt securities issued on the date when they are originated. All other financial assets and financial liabilities are initially recognised on the trade date when the entity becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognised financial assets that is created or retained by the Group is recognised as a separate asset or liability.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

Financial assets and financial liabilities are offset and the net amount presented in the Consolidated Statement of Financial Position when, and only when, the Group currently has a legally enforceable right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Non-derivative financial assets - Measurement

(i) Financial assets at fair value through profit or loss

A financial asset is classified as at fair value through profit or loss if it is classified as held-for-trading or is designated as such on initial recognition. Directly attributable transaction costs are recognised in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value and changes therein, including any interest or dividend income, are recognised in profit or loss.

(ii) Loans and receivables

These assets are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method.

Non-derivative financial liabilities - Measurement

A financial liability is classified as at fair value through profit or loss if it is classified as held-for-trading or is designated as such on initial recognition. Directly attributable transaction costs are recognised in profit or loss as incurred. Financial liabilities at fair value through profit or loss are measured at fair value and changes therein, including any interest expense, are recognised in profit or loss.

Other non-derivative financial liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method.

(i) Fair value measurements

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

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

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

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

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

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

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

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

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

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

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

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

(i) if a market that was previously considered active (Level 1) became inactive (Level 2 or Level 3) or vice versa; or

(ii) if significant inputs that were previously unobservable (Level 3) became observable (Level 2) or vice versa.

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

NOTE 13 CONTRIBUTED EQUITY

Share capital

	31 December 2017 No.	30 June 2017 No.	31 December 2017 $'000	30 June 2017 $'000
Ordinary shares	877,090,400	872,258,970	203,949	203,669
Total share capital	877,090,400	872,258,970	203,949	203,669

(a) Movements in ordinary shares

	Number of shares (thousands)	Total $'000
Opening balance at 1 July 2017	872,259	203,669
Share Options exercised	2,948	280
Performance Rights exercised	1,883	-
Closing balance at 31 December 2017	877,090	203,949

(b) Ordinary shares

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

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

(c) Share Options and Performance Rights

Information relating to the Gold Road Resources Limited Employee Incentive Plan (the **Plan**), including details of share Options and Performance Rights issued, exercised and lapsed during the six month period and share Options and Performance Rights outstanding at the end of the reporting period, is set out in Note 20.

RECOGNITION AND MEASUREMENT

Ordinary shares are classified as equity.

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

Note 14 Reserves and Retained Earnings/(Accumulated Losses)

	31 December 2017 $'000	30 June 2017 $'000
(a) Equity remuneration reserve		
Opening balance	6,068	4,925
Transfer to retained earnings	(5,308)	-
Net movements in share Options and Performance Rights	326	1,143
Closing balance	1,086	6,068

Nature and purpose of Equity Remuneration Reserves

The equity remuneration reserve is used to recognise the cumulative expense recognised in respect of share Options and Performance Rights granted. Refer to Note 20 for further information.

	31 December 2017 $'000	30 June 2017 $'000
(b) Retained earnings/(accumulated losses)		
Opening balance	178,888	(50,929)
(Loss)/profit for the period/year	(2,481)	229,817
Transfer from equity remuneration reserve	5,308	-
Closing balance	181,715	178,888

Note 15 Dividends

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

Franking credits available to shareholders of Gold Road for subsequent financial years is $70,618,000 (30 June 2017: $70,221,000). The ability to utilise the franking credits is dependent upon the ability to declare dividends.

OTHER INFORMATION

NOTE 16 INCOME TAX AND DEFERRED TAX

	31 December 2017 $'000	30 June 2017 $'000
(a) Income tax (benefit)/expense		
Current tax	-	70,618
Deferred tax	(923)	11,330
	(923)	81,949
(b) Numerical reconciliation of income tax expense to prima facie tax payable		
(Loss)/profit before income tax	(3,404)	311,765
Income tax (benefit)/expense calculated at 30% (June 2017: 30%)	(1,021)	93,530
Non-deductible expenses	98	400
Research and Development tax incentives	-	(72)
Tax losses and deductible temporary differences for which no deferred tax asset is recognised	-	1,200
Other	-	(727)
Previously unrecognised tax losses now recognised	-	(12,382)
Income tax (benefit)/expense	(923)	81,949

DEFERRED TAX ASSETS AND LIABILITIES

	31 December 2017 $'000	30 June 2017 $'000
(c) Recognised deferred tax balances		
Deferred tax assets	7,702	3,677
Deferred tax liabilities	(18,109)	(15,007)
Net deferred tax liabilities	(10,407)	(11,330)
Composition of deferred tax liabilities and assets:		
Deferred tax liabilities		
Exploration expenditure	(11,546)	(8,596)
Mine development expenditure	(6,411)	(6,411)
Other deferred tax liabilities	(152)	-
Gross deferred tax liabilities	(18,109)	(15,007)
Set off of deferred tax assets	7,702	3,677
Net deferred tax liabilities	(10,407)	(11,330)

	31 December 2017 $'000	30 June 2017 $'000
Deferred tax assets		
Provisions, trade and other payables	470	250
Expenses deductible over time	979	1,185
Tax losses carried forward	6,253	2,242
Gross deferred tax assets	7,702	3,677
Set off of deferred tax assets	(7,702)	(3,677)
Net deferred tax assets	-	-
(d) Unrecognised deferred tax balances		
Composition of deferred tax assets not recognised during the year:		
Tax losses carried forward	-	-
Temporary differences	1,200	1,200
Gross deferred tax assets unrecognised	1,200	1,200

Tax Losses

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

At 31 December 2017 the Company had tax losses of $20,844,000 (30 June 2017: $7,472,000) of which the full amount was recognised as a deferred tax asset.

RECOGNITION AND MEASUREMENT

(i) Income tax

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

(ii) Deferred tax

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

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

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

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

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

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

NOTE 17 INTERESTS IN OTHER ENTITIES

(a) Subsidiaries

The Group's subsidiaries at 31 December 2017 are set out below. The Consolidated Financial Statements incorporate the assets, liabilities and results of the following principal subsidiaries:

Name	Principal place of business	Ownership interest	
		31 December 2017	30 June 2017
		%	%
Gold Road (Gruyere) Pty Ltd	Australia	100	100
Gold Road (Gruyere Holdings) Pty Ltd	Australia	100	100
Gold Road (North Yamarna) Pty Ltd	Australia	100	100
Gold Road (North Yamarna Holdings) Pty Ltd	Australia	100	100
Gold Road (South Yamarna) Pty Ltd*	Australia	100	100
Gold Road (South Yamarna Holdings) Pty Ltd	Australia	100	100
Gold Road (Projects) Pty Ltd	Australia	100	-

**Previously known as Thatcher's Soak Uranium Pty Ltd*

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

(b) Joint operations

Name	Principal activity	Principal place of business	Ownership interest	
			31 December 2017	30 June 2017
			%	%
Gruyere Unincorporated Joint Venture	Exploration & Development	Australia	50	50
South Yamarna Unincorporated Joint Venture	Exploration	Australia	50	50

(i) Gruyere Joint Venture

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

(ii) South Yamarna Joint Venture

On 14 May 2013, the Company entered into the South Yamarna Farm-in and Joint Venture Agreement with Sumitomo Metal Mining Oceania Pty Ltd (Sumitomo), a subsidiary of Sumitomo Metal Mining Co. Limited, the terms of which included Sumitomo spending up to $8 million on exploration over the period to 31 December 2016 to earn up to a 50% interest in the tenements that are the subject of the agreement. As at 30 April 2016, Sumitomo achieved the 50% interest in the tenements on the farm-in agreement. Subsequent to this milestone being achieved management have classified the arrangement as a joint operation and the Group recognises its direct right to the jointly held assets, liabilities, revenues and expenses. Gold Road continues to act as manager of the joint venture.

Subsequent to the six months ended 31 December 2017, the Group announced it has signed a Sale Agreement to acquire Sumitomo's 50% interest in the South Yamarna Joint Venture (refer Note 25).

Completion of the Sale Agreement is scheduled to occur on or before 30 June 2018.

(iii) Wadderin Earn-in and Joint Venture

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

- The Group can earn a 51% interest in the tenements that are the subject of the agreement by spending $1.6 million within 30 months
- After the initial earn-in, the Group can elect to earn a further 24% interest (75% in total) by spending a further $900,000 ($2.5 million in aggregate) over a further 18 months (4 years in aggregate)
- The Group can withdraw from the earn-in after spending a minimum of $900,000 within 18 months
- Cygnus will act as manager of the project until the Group earns a 51% interest.

As at the end of the period, the Group had not incurred any earn-in expenditure.

(iv) Lake Grace Earn-in and Joint Venture

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

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

As at the end of the period, the Group had not incurred any earn-in expenditure.

RECOGNITION AND MEASUREMENT

(i) Basis of consolidation

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

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

(ii) Joint arrangements

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

(iii) Joint operations

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

NOTE 18 PARENT ENTITY FINANCIAL INFORMATION

The following details information related to the parent entity, Gold Road Resources Limited, at 31 December 2017.

(a) Result of parent entity

	6 months ended 31 December 2017 $'000	12 months ended 30 June 2017 $'000
Profit for the period/year	345,359	229,817
Other comprehensive income	-	-
Total comprehensive income for the period/year	345,359	229,817

(b) Financial position of parent entity

	31 December 2017 $'000	30 June 2017 $'000
Current assets	232,649	311,332
Total assets	738,863	416,595
Current liabilities	601	13,450
Total liabilities	4,274	27,970

(c) Total equity of parent entity

	31 December 2017 $'000	30 June 2017 $'000
Contributed equity	203,949	203,669
Reserves	1,085	6,068
Retained earnings	529,555	178,888
Total equity	734,589	388,625

(d) Group restructure

On 1 July 2017, the Group completed a restructure that resulted in the Company selling its interest in the Gruyere JV, North Yamarna Tenements, and South Yamarna JV to its 100% subsidiaries Gold Road (Gruyere) Pty Ltd, Gold Road (North Yamarna) Pty Ltd and Gold Road (South Yamarna) Pty Ltd respectively for consideration resulting in a gain on sale of $363 million.

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

(e) Guarantees entered into by the parent entity

Refer to Note 23(a). In addition, the Company has provided a parent company guarantee to its wholly owned subsidiary Gold Road (Projects) Pty Ltd for its obligations under the Wadderin Earn-in Joint Venture Agreement and the Lake Grace Earn-in Joint Venture Agreement.

(f) Contingent liabilities of the parent entity

Other than as disclosed in Note 23(a), the parent entity has no contingent liabilities as at 31 December 2017.

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

The parent entity has no contractual commitments for the acquisition of property, plant or equipment as at 31 December 2017.

NOTE 19 RELATED PARTY TRANSACTIONS

(a) Parent entities

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

(b) Subsidiaries

Interests in subsidiaries are set out in Note 17.

(c) Compensation for Key Management Personnel

	6 months ended 31 December 2017 $	12 months ended 30 June 2017 $
Short term employee benefits	687,327	1,424,578
Post-employment benefits	28,002	47,908
Share-based payments	271,313	696,301
Total compensation	986,642	2,168,787

Detailed remuneration disclosures are provided in the Remuneration Report on pages 35 to 46.

(d) Transactions with other related parties

The following transactions occurred with related parties:	31 December 2017 $	30 June 2017 $
Management fees received	159,174	294,035
Sale of assets to joint venture partners	-	353,627,100

(e) Outstanding balances

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:	31 December 2017 $	30 June 2017 $
Current receivables		
Deferred consideration receivable - Gold Fields (refer to Note 9)	14,445,000	48,813,000
Other receivables - Gold Fields	-	3,347,000
Other receivables – Cygnus	750,000	-
Other receivables – Gruyere Management Pty Ltd	248,000	-
Current payables		
Other payables - Gold Fields	-	1,971,000
Other payables - Gruyere Management Pty Ltd	16,000	-

The deferred consideration receivable from Gold Fields is to be repaid when cash calls by the manager are made to Gold Road for the construction of the Gruyere Project or 13 June 2019 (whichever is earlier). The amount is secured over Gold Fields' interest in the Gruyere Project and there is a payment guarantee made by Gold Fields Australia Pty Ltd. Other current receivables and the current payables have no formal repayment terms. Each party's obligations are secured over the assets in the Gruyere Project.

(f) Loans made to related parties

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

(g) Terms and conditions

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

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

NOTE 20 SHARE-BASED PAYMENTS

(a) Expenses arising from share-based payment transactions

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

	6 months ended 31 December 2017 $'000	12 months ended 30 June 2017 $'000
Expenses arising from equity settled share-based payment transactions	326	1,143
	326	1,143

(b) Types of share-based payment plans

The Plan was established and approved by shareholders at the AGM held on 18 November 2013 and amended and approved by shareholders at the AGM held on 19 October 2016. The Plan provides for both share Options and Performance Rights as detailed below.

(i) Share Options

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

(ii) Performance Rights

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

(c) Share Options

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

	31 December 2017 WAEP (cents)	**31 December 2017 No.**	30 June 2017 WAEP (Cents)	30 June 2017 No.
Outstanding at the beginning of the period/year	**19.14**	**3,500,000**	24.72	4,610,000
Share Options granted	**-**	**-**	-	-
Share Options exercised (i)	**19.14**	**(3,500,000)**	42.68	(1,110,000)
Share Options expired	**-**	**-**	-	-
Outstanding at the end of the period/year	**-**	**-**	19.14	3,500,000
Vested and exercisable at the end of the year	**-**	**-**	19.14	3,500,000

(i) Share Options exercised during the period

Number of Share Options Exercised	Grant Date	Expiry Date	Exercise Price
3,000,000	30 October 2013	31 October 2017	13.0 cents
500,000	24 November 2015	24 November 2017	56.0 cents
3,500,000	**Total share Options exercised**		

The weighted average share price at the date of exercise of share Options exercised during the six months ended 31 December 2017 was $0.69.

(d) Performance Rights

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

	31 December 2017 No.	30 June 2017 No.
Outstanding at the beginning of the period/year	**5,557,341**	6,741,363
Performance Rights granted (i)	**1,603,492**	2,533,823
Performance Rights exercised (ii)	**(1,882,958)**	(2,298,500)
Forfeited during the period/year	**(517,157)**	(1,419,346)
Outstanding at the end of the period/year (iii)	**4,760,718**	5,557,341
Vested and exercisable at the end of the period/year	-	98,932

(i) Performance Rights granted during the six months

Number of Performance Rights Granted	Fair Value at Grant Date	Grant Date	Performance Period End Date[2]	Expiry Date
250,319	\$0.427[1]	17 November 2017	31 December 2020	31 December 2021
250,319	\$0.710[1]	17 November 2017	31 December 2020	31 December 2021
551,427	\$0.427[1]	17 November 2017	31 December 2020	31 December 2021
551,427	\$0.710[1]	17 November 2017	31 December 2020	31 December 2021
1,603,492	**Total Performance Rights granted during the period**			

1. *Performance Rights granted subject to non-market based performance conditions*
2. *Subsequent to the Performance Period End Date, the Board determines the number of Performance Rights that vest*

(ii) Performance Rights exercised during the six months

Number of Performance Rights Exercised	Grant Date	Vesting Date	Expiry Date
1,137,500	30 July 2014	8 August 2017	30 June 2018
646,526	27 October 2014	8 August 2017	30 June 2018
10,143	16 December 2016	24 October 2017	16 December 2017
88,789	16 December 2016	8 August 2017	16 December 2017
1,882,958	**Total Performance Rights exercised during the six month period**		

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

Outstanding	Grant Date	Performance Period End Date[1]	Expiry Date
159,091	24 November 2015	31 December 2018	31 December 2019
1,522,727[2]	24 November 2015	31 December 2018	31 December 2019
221,311	1 July 2016	30 June 2019	30 June 2020
1,254,097[3]	19 October 2016	30 June 2019	30 June 2020
500,638	17 November 2017	31 December 2020	31 December 2021
1,102,854	17 November 2017	31 December 2020	31 December 2021
4,760,718	**Total Performance Rights outstanding at the end of the six month period**		

1. *Subsequent to the end of the Performance Period End Date, the Board determines the number of Performance Rights that vest*
2. *Includes Performance Rights issued to Executive Directors. The key vesting conditions and performance conditions are that the holders must remain employed until 31 December 2018, 50% of the Performance Rights will vest and convert over a three and a half year measurement period to 31 December 2018 based on meeting market based performance criteria, and 50% will vest on meeting non-market performance conditions by 31 December 2018*
3. *Represents Performance Rights issued to Executive Directors. The key vesting conditions and performance conditions are that the holders must remain employed until 30 June 2019, 50% of the Performance Rights will vest and convert over a three year measurement period to 30 June 2019 based on meeting market based performance criteria, and 50% will vest on meeting non-market performance conditions by 31 December 2018*

(iv) Weighted average remaining contractual life

The weighted average remaining contractual life for the Performance Rights outstanding as at 31 December 2017 is 2.83 years (30 June 2017: 2.04 years).

(v) Weighted average fair value

The weighted average fair value of the Performance Rights granted during the period was 56.85 cents.

(vi) Fair value of Performance Rights granted

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

The following table lists the inputs to the models used for Performance Rights granted as long term incentives during the six months ended 31 December 2017:

	Senior Executive Rights		Executive Director Rights	
	Tranche A[1]	Tranche B[2]	Tranche C[1]	Tranche D[2]
Underlying share price at measurement date	$0.71	$0.71	$0.71	$0.71
Exercise price	nil	nil	nil	nil
Grant date	17 November 2017	17 November 2017	17 November 2017	17 November 2017
Expiry date	31 December 2021	31 December 2021	31 December 2021	31 December 2021
Life of the Rights (years)	3.50	3.50	3.50	3.50
Vesting period (years)	3.12	3.12	3.12	3.12
Volatility	65%	n/a	65%	n/a
Risk-free rate	1.93%	1.93%	1.93%	1.93%
Value per Right	$0.427	$0.710	$0.427	$0.710

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

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

RECOGNITION AND MEASUREMENT

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

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

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

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

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

NOTE 21 REMUNERATION OF AUDITORS

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

	6 months ended 31 December 2017 $	12 months ended 30 June 2017 $
(a) Audit and other assurance services		
Audit and review of financial statements	54,094	55,000
Audit of joint operation	20,830	25,000
Total remuneration for audit and other assurance services	74,924	80,000
(b) Taxation services		
Tax advice and related services	17,500	17,938
Total remuneration for taxation services	17,500	17,938
(c) Other services		
Consulting and other services	19,469	398,535
Total remuneration for other services	19,469	398,535
Total remuneration of KPMG	111,893	496,473

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

NOTE 22 NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

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

(i) AASB 9 Financial Instruments and associated Amending Standards (applicable for annual reporting periods commencing on or after 1 January 2018).

AASB 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities, introduces a new, single 'expected loss' impairment model for financial assets and a substantially redesigned approach to hedge accounting.

The Group has reviewed its financial assets and liabilities and does not expect the new standard to have a significant impact on the classification and measurement of its financial assets and liabilities. The new standard introduces a more principles-based approach to hedge accounting, providing the ability to hedge risk exposures not previously able to be hedged, and to use new hedging instruments to do so. The Group does not apply hedge accounting to its existing forward gold sales contracts and as a result the new standard will not impact any existing arrangements and is not expected to impact any future considerations on entering into hedge relationships.

(ii) AASB 15: Revenue from Contracts with Customers (applicable to annual reporting periods commencing on or after 1 January 2018).

AASB 15 is based on the principle that revenue is recognised when control of a good or service transfers to a customer. AASB 15 provides a single, principles-based five-step model to be applied to all contracts with customers. Guidance is provided on topics such as the point at which revenue is recognised, accounting for variable consideration, costs of fulfilling and obtaining a contract and various related matters. New disclosures regarding revenue are also introduced.

The Group does not currently generate any ordinary revenues from operations as the Gruyere JV remains in development and as a result the new standard is not expected to significantly impact revenue recognition.

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

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

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

It is expected the standard will affect primarily the accounting for the Group's operating leases. However, the Group has not yet determined to what extent these commitments will result in the recognition of an asset and a liability for future payments and how this will affect the Group's profit and classification of cash flows.

UNRECOGNISED ITEMS

NOTE 23 CONTINGENCIES

(a) Contingent liabilities

Guarantees

The Company has provided bank guarantees in favour of various service providers in respect to contractual obligations and leased premises at 31 December 2017. The total of these guarantees at 31 December 2017 was $247,000 with various financial institutions (30 June 2017: $340,000).

The Group also has guarantees in relation to its joint venture commitments in favour of various service providers with respect to the supply of electricity and development of associated infrastructure for the joint venture. The Group's portion of these commitments at 31 December 2017 was $37,500,000 with various financial institutions (30 June 2017: $30,000,000).

There were no other material contingent liabilities noted or provided for in the financial statements of the Group as at 31 December 2017.

NOTE 24 COMMITMENTS

(a) Exploration expenditure commitments

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

	31 December 2017	30 June 2017
	$'000	$'000
Within one year	3,638	3,064
	3,638	3,064

(b) Non-cancellable operating lease commitments

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

	31 December 2017	30 June 2017
	$'000	$'000
Within one year	346	298
Later than one year but not later than five years	187	596
	533	894

(c) Commitments in respect of joint ventures

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

	31 December 2017	30 June 2017
	$'000	$'000
Within one year	146,669	4,900
Later than one year but not later than five years	35,937	16,749
Later than 5 years	70,675	86,161
	253,281	107,810

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

Refer to Note 17 for further joint operation information.

RECOGNITION AND MEASUREMENT

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

NOTE 25 SIGNIFICANT EVENTS AFTER THE BALANCE DATE

Subsequent to the six months ended 31 December 2017:

(i) on 5 February 2018, the Group announced it has signed a Sale Agreement to acquire Sumitomo's 50% interest in the South Yamarna Joint Venture for $7 million. Completion of the Sale Agreement is scheduled to occur on or before 30 June 2018.

(ii) on 26 February 2018, the Company announced the signing of a Revolving Corporate, Working Capital and Gold Hedging Agreement (**Finance Facilities**) with a financing syndicate comprising three banks.

The Company has agreed to provide security over substantially all of the assets of the Group. The Finance Facilities are subject to the usual terms including conditions precedent customary for a financing of this nature.

The key terms are summarised below:

	$100 million Revolving Corporate Facility	$50 million Working Capital Facility	Gold Hedging Facility
Purpose	General corporate activities or repayment of Working Capital Facility	Working capital requirements from the Gruyere Gold Project (Project)	Discretionary gold hedging activities
Maturity	5 years from Financial Close	The earlier of 31 December 2020 or 364 days after completion of commissioning of the Project	
Repayment	Bullet repayment at Maturity	100% cash sweep of excess cash flow from Gruyere, with full repayment by Maturity	

(iii) the Company has executed gold forward sales contracts for an additional 40,000 ounces at an average forward price of $1,725 for delivery in June 2018. The total hedge book at 23 March 2018 was 65,000 ounces at a weighted average forward price of $1,718 per ounce for delivery in June 2018. The intention is to roll these existing gold hedges forward to meet future gold production under the new Gold Hedging Facility referred to above.

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

Directors' Declaration

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

(a) the Consolidated Financial Statements and Notes that are set out on pages 49 to 86 and the Remuneration Report on pages 35 to 46 in the Directors' Report, are in accordance with the Corporations Act 2001, including:

   (i) giving a true and fair view of the Group's financial position as at 31 December 2017 and of its performance, for the financial year ended on that date; and

   (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001; and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

(c) The Directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the Managing Director and CEO, and Manager - Finance for the six months ended 31 December 2017.

(d) The Directors draw attention to Note 2 to the Consolidated Financial Statements, which includes a statement of compliance with International Financial Reporting Standards.

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

Signed at Perth this 26th day of March 2018.

T.G. Netscher

Tim Netscher
Non-executive Chairman

KPMG

Independent Auditor's Report

To the shareholders of Gold Road Resources Limited

Report on the audit of the Financial Report

Opinion

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

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

- giving a true and fair view of the ***Group's*** financial position as at 31 December 2017 and of its financial performance for the financial period ended on that date; and
- complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The ***Financial Report*** comprises:

- Consolidated statement of financial position as at 31 December 2017
- Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity, and Consolidated statement of cash flows for the financial period then ended
- Notes including a summary of significant accounting policies
- Directors' Declaration.

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

Basis for opinion

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

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

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

Key Audit Matters

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

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

KPMG

Carrying value of capitalised mineral exploration and evaluation expenditure

Carrying value of capitalised mineral exploration and evaluation expenditure ($38.669 million).

Exploration expenditure impaired ($1.929 million).

Refer to Note 7 to the Financial Report.

The key audit matter	How the matter was addressed in our audit
The carrying value of capitalised mineral exploration and evaluation expenditure (E&E) is a key audit matter due to: • the significance of exploration activity to the Group's business; • the greater level of audit effort required to evaluate the Group's application of the requirements of the industry specific accounting standard AASB 6 *Exploration for and Evaluation of Mineral Resources*, in particular the Group's assessment of the presence of impairment indicators; and • the amount of judgement required by us in evaluating the Group's assessment of recoverable amount of E&E assets, when impairment indicators are identified. In assessing the presence of impairment indicators, we focused on those that may draw into question the commercial continuation of E&E activities for areas of interest where significant capitalised E&E exists. We paid particular attention to: • documentation available regarding rights to tenure, via licensing, and compliance with relevant conditions, to maintain current rights to an area of interest and the Group's intention to continue the relevant E&E activities; and • results from latest activities regarding the existence or otherwise of economically recoverable reserves/commercially viable quantity of gold reserves. The Group recorded an impairment charge of $1.929 million against capitalised mineral exploration and evaluation expenditure during the period arising from relinquished areas or where minimal future expenditure was planned.	Our audit procedures included: • for each area of interest, we assessed the Group's current rights to tenure by corroborating the ownership of the relevant licence to government registries and evaluating agreements in place with other parties; • we evaluated Group documents, such as minutes of Board meetings, for consistency with their stated intentions for continuing E&E in certain areas. We corroborated this through interviews with key operational and finance personnel. We cross checked the E&E assets where impairment indicators existed to those identified for further assessment of recoverable amount; • we analysed the Group's determination of recoupment through successful development and exploitation of the area by evaluating the Group's documentation of planned future/continuing activities including work programmes and project and corporate budgets for a sample of areas; and • where impairments existed, we recalculated the impairment charge against the recorded amount disclosed.

KPMG

Other Information

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

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

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

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

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

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

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

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

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

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

A further description of our responsibilities for the audit of the Financial Report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_files/ar2.pdf. This description forms part of our Auditor's Report.

KPMG

Report on the Remuneration Report

Opinion

In our opinion, the Remuneration Report of Gold Road Resources Limited for the financial period ended 31 December 2017, complies with *Section 300A* of the *Corporations Act 2001*.

Directors' responsibilities

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

Our responsibilities

We have audited the Remuneration Report included in the Directors' report on pages 36 to 46 for the financial period ended 31 December 2017.

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

KPMG

KPMG

Denise McComish
Partner

Perth

26 March 2018

ASX Shareholder Information

Pursuant to the Listing Requirements of the Australian Stock Exchange Limited, the shareholder information set out below was applicable as at 16 March 2018.

Distribution of Equity Securities

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

Distribution	Number of Shareholders	Performance Rights Holders
1 -1,000	560	-
1,001 -5,000	1,899	-
5,001 - 10,000	1,140	-
10,001 -100,000	2,450	1
More than 100,000	530	6
TOTALS	6,579	7

There were 257 shareholders holding less than a marketable parcel of ordinary shares.

Substantial Shareholders

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

Shareholder	Issued Ordinary Shares	
	Number of Shares	Percentage of Shares
Gold Fields Group	87,117,909	9.97%
Sun Valley Gold	81,674,859	9.31%
Mason Hill	51,721,901	5.90%
Van Eck Associates Corporation	44,538,571	5.08%

Twenty Largest Shareholders

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

Shareholder	Ordinary Shares	
	Number	Percentage of Issued
HSBC Custody Nominees Australia Ltd*****^	243,663,025	27.78%
Citicorp Nominees PL	111,484,245	12.71%
J P Morgan Nominees Australia Ltd*****	101,990,241	11.63%
Gruyere Holdings PL	74,284,070	8.47%
Belike Nominees PL Share Plan A/C	12,833,839	1.46%
Asarco Exploration Co Inc	11,036,206	1.26%
Brooks Robert James*****	10,530,299	1.20%
National Nominees Ltd	10,273,354	1.17%
BNP Paribas Nominees PL Agency Lending DRP	9,856,021	1.12%
BNP Paribas Nominees PL DRP	6,150,785	0.70%
Kurraba Investment PL	5,230,013	0.60%
National Health Recovery	4,790,000	0.55%
Zenith Pacific Ltd	4,700,000	0.54%
Brooks Oxana V	4,490,642	0.51%
Forsyth Barr Custodians Ltd	4,129,404	0.47%
Janet Tunjic PL - Tunoz Family A/C	2,873,819	0.33%
HAIFA PL	2,857,583	0.33%
Equity Trustees Ltd	2,772,734	0.32%
Gobbart Audrey Grace	2,750,000	0.31%
Weeroona Funds Pty Ltd	2,500,000	0.29%
Total	629,196,280	71.75%

******Denotes merged holders*

^*Includes 4,660,711 ordinary shares held by Troyleigh Investments Pty Ltd and 7,745,511 held by Murray Super Investments Pty Ltd (entities related to Mr Ian Murray, Managing Director and CEO) representing 1.41% of total issued shares.*

Voting Rights

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

CORPORATE DIRECTORY

DIRECTORS

Tim Netscher
Non-executive Chairman

Ian Murray
Managing Director and CEO

Justin Osborne
Executive Director – Exploration and Growth

Sharon Warburton
Non-executive Director

Brian Levet
Non-executive Director
(appointed 1 August 2017)

COMPANY SECRETARY

Carol Marinkovich (joint)
Hayden Bartrop (joint)

AUDITOR

KPMG
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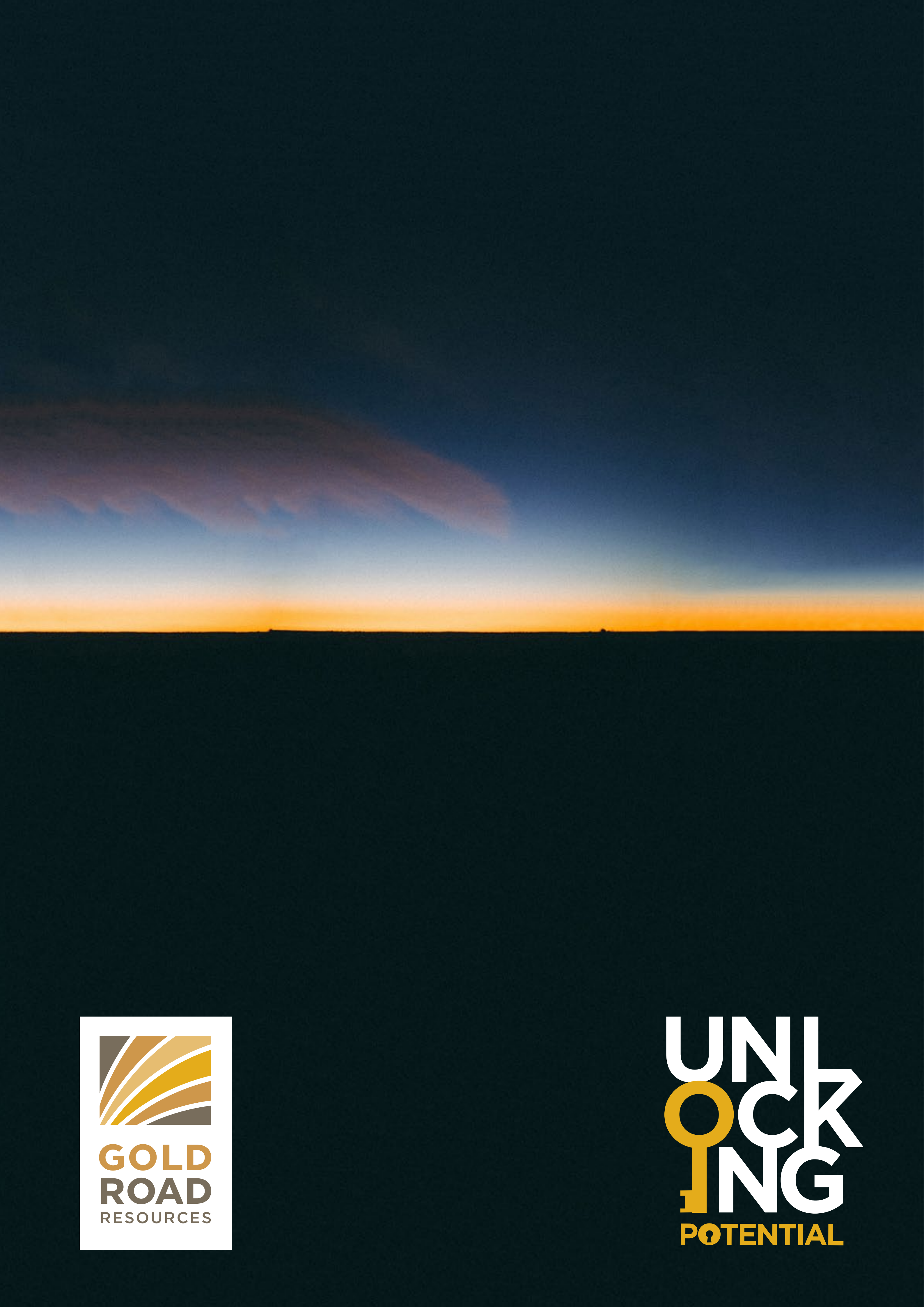
GOLD ROAD RESOURCES
UNLOCKING POTENTIAL