



GOLDROAD

RESOURCES

ABN 13 109 289 527



ANNUAL REPORT **2013**



Corporate Directory

Gold Road Resources Limited
(Gold Road or the Company)

DIRECTORS

Mr I Murray Executive Chairman
Mr Z Lubieniecki Executive Director – Technical
Mr R Davis Non-Executive Director
Mr M Pyle Non-Executive Director

COMPANY SECRETARY

Kevin Hart

REGISTERED & PRINCIPAL OFFICE

22 Altona Street
West Perth WA 6005
Australia
Telephone: +61 8 9200 1600
Facsimile: +61 8 9481 6405
Email: perth@goldroad.com.au
Website: www.goldroad.com.au

POSTAL ADDRESS

PO Box 1157
West Perth WA 6872
Australia

ASX CODE

GOR

AUDITOR

Stantons International
Level 2, 1 Walker Avenue
West Perth WA 6005
Australia
Telephone: +61 8 9481 3188
Facsimile: +61 8 9321 1204

SHARE REGISTRY

Security Transfer Registrars Pty Ltd
770 Canning Highway
Applecross WA 6153
Australia
Telephone: +61 8 9315 2333
Facsimile: +61 8 9315 2233

STOCK EXCHANGE

ASX Limited
2 The Esplanade
Perth WA 6000
Australia



Contents

1	CHAIRMAN'S LETTER
2	HIGHLIGHTS
3	REVIEW OF OPERATIONS
11	SCHEDULE OF INTERESTS IN MINING TENEMENTS
12	CORPORATE GOVERNANCE STATEMENT
20	DIRECTORS' REPORT
33	AUDITOR'S INDEPENDENCE DECLARATION
34	STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
35	STATEMENT OF FINANCIAL POSITION
36	STATEMENT OF CHANGES IN EQUITY
37	STATEMENT OF CASH FLOWS
38	NOTES TO THE FINANCIAL STATEMENTS
62	DIRECTORS' DECLARATION
63	INDEPENDENT AUDITOR'S REPORT
65	ASX SHAREHOLDER INFORMATION



Chairman's Letter

Dear Fellow Shareholders

On behalf of the Directors of Gold Road, I wish to outline your Company's activities for the year ending 30 June 2013.

The year has been a year of delivery for Gold Road despite the challenges set upon the junior resources sector by factors outside of its control such as the falling gold price and weak market sentiment. The Company has had a successful 12 months in the exploration and development of the Yamarna Greenstone Belt, with our small but highly qualified and enthusiastic team achieving exciting results.

Gold Road has taken some significant strides at our advanced projects over the past 12 months; continuing to pursue the Company's strategy of becoming a self-funded explorer through the future production from our advanced projects.

During the year, Gold Road announced a 16% upgrade to the Attila JORC Mineral Resource to over 1 million ounces (1,060,000 ounces at 1.29g/t at a 0.5g/t cut-off). The Measured and Indicated Resource now accounts for 72% of the total Mineral Resource. The Company also announced a significant upgrade of 32% to the Central Bore JORC Mineral Resource to 201,100 ounces of gold at 7.7g/t (at a 1.0g/t cut-off), and this includes 112,200 ounces of gold at 22.7g/t within the Imperial Shoot that remains open at depth.

The Company also confirmed the potential viability of mining on the Yamarna Greenstone Belt through the completion of an initial and then an updated Scoping Study, which highlighted the different operational costs of the underground mine at Central Bore versus the open pit mines at Attila, as well as the increased project and funding risk of including the relatively lower grade/higher cost open pit mining operation.

This prompted the decision to undertake more detailed studies into the option of a smaller sized 100,000 tonnes of ore per annum processing plant fed only from the high grade Central Bore underground mine.

This development alternative provides the Company with the opportunity to expedite production with a much lower financing requirement and at a lower cash and total cost per ounce, all of which your Board see as critical issues in the current tight capital market environment, and provide a solid platform for the Pre-feasibility Study.

The other major achievement in the year for Gold Road was attracting a global mining company, Sumitomo Metal Mining Oceania Pty Ltd, a subsidiary of Japanese listed Sumitomo Metal Mining Co. Limited, to enter into an earn-in exploration Joint Venture Agreement over our southern tenements, covering 2,720 km² of Gold Road's approximate 5,000 km² Yamarna land holdings. The Agreement was signed in May of this year and under the terms of the Agreement, Sumitomo may earn up to a 50% interest by funding \$8 million of exploration activities over the period to the end of 2016.

In agreeing this Joint Venture, the Company made the conscious decision to bring forward the testing of some of the exploration targets on the southern portion of the Yamarna Greenstone Belt by several years in order to give them the near-term attention your Directors consider they deserve. We now have a Joint Venture partner of the highest calibre, with decades of experience in very high-grade underground gold operations. Work by the Joint Venture has started, and both companies are keen to commence the drilling campaign with a view to making new gold discoveries that would have the potential to add considerable value to our Company and for our shareholders.

The sustained regional targeting exercise across the Yamarna Belt continues to indicate numerous "Gold Camp Scale Targets" across our tenements. Each target has a 15 to 20 kilometre strike length, is approximately 80 to 100 km² in area and contains numerous prospects. Your Company continues to integrate the latest advances in the understanding of gold-ore deposit formation and leading edge exploration tools to optimise its exploration strategy.

The Company received strong support for a \$7 million Share Purchase Plan which closed oversubscribed and the Board is thankful for that support in a time when the junior sector has been under extreme pressure. With proceeds of this raising the Company will be able to fund Feasibility Studies at Central Bore and ongoing regional exploration on the Yamarna Belt.

The Board and Management of Gold Road, all with substantial equity interests in the Company, remains firmly focused on enhancing shareholder value through monetising our advanced projects. Any new challenges thrown up by the capital markets will be managed as they have been through the year and will not alter your Board's determination to reach the Company's core milestones. I would like to thank our team for their efforts, enthusiasm and achievements throughout the year.

We thank you for your continuing support and look forward to reporting further exploration and development successes over the next 12 months and beyond.

Ian Murray
Executive Chairman

Highlights

'Unlocking the potential of a new gold region: The Yamarna Belt'

The Yamarna Belt is located on the world-class Yilgarn Craton in Western Australia, which currently produces over half of Australia's gold. The Belt's cover and remoteness means it's one of the most historically under-explored greenstone belts in Western Australia.

To unlock the potential of the Yamarna Belt, Gold Road is focused on:

Advanced projects:

increasing confidence and expanding the mineral resource leading to development and production; and

Regional exploration:

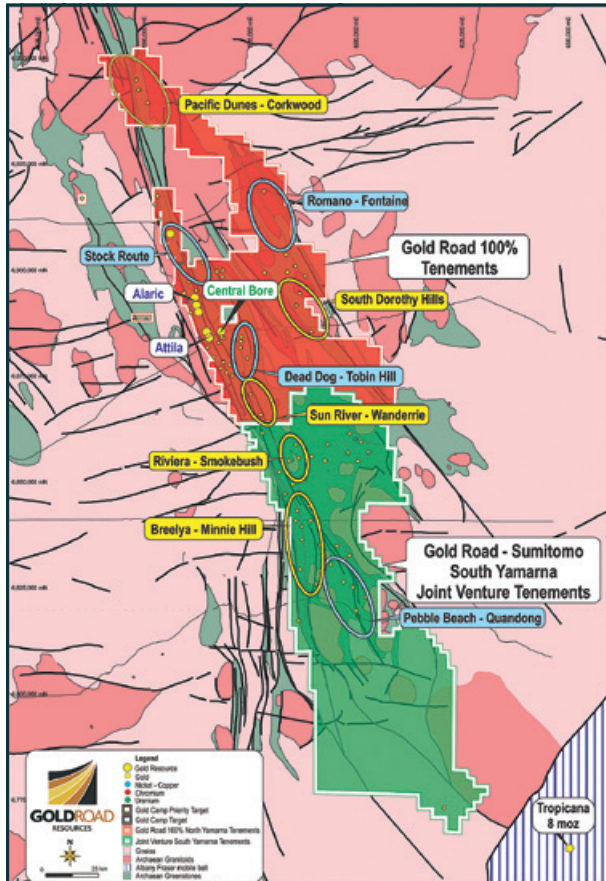
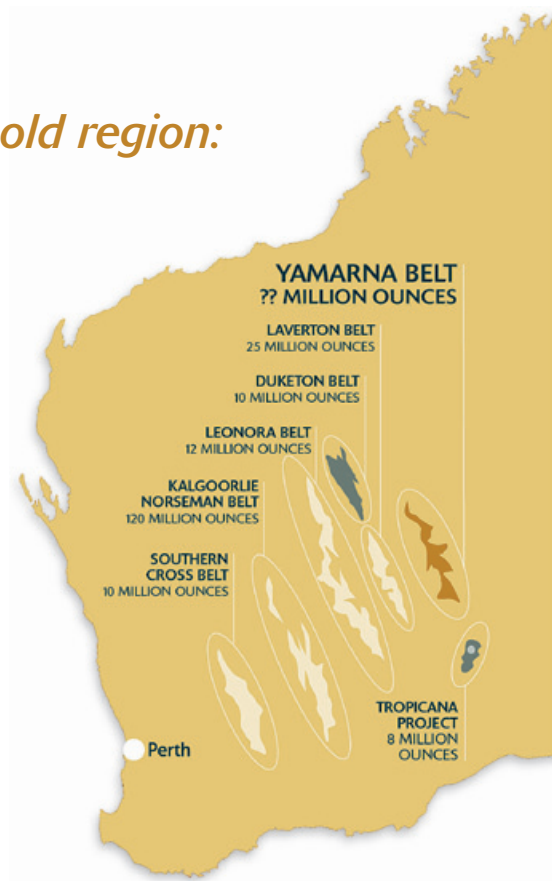
within the high-priority Gold Camp Scale Targets.

Yamarna Belt:

Similar in age and character to Kalgoorlie

A 2010 report by Geological Survey of Western Australia found the geology of the north eastern Yilgarn Craton, especially the Yamarna Terrane, is similar in age and character to the Kalgoorlie Terrane. Past gold production from the Kalgoorlie greenstone belt exceeds one hundred million ounces – and it continues to deliver new discoveries 130 years after its initial discovery.

This report significantly enhances Gold Road's belief that the Yamarna Belt is Australia's next major gold region.



Map showing Gold Road's tenements

Highlights for the 2013 financial year include:

- Scoping Study confirmed potential economic viability of mining at Central Bore.
- 32% increase in ounces at Central Bore – JORC Mineral Resource of 0.2 million ounces.
- 16% increase in ounces at the Attila Trend – JORC Mineral Resource of 1.1 million ounces.
- Five high-priority Gold Camp Scale Targets identified through comprehensive regional targeting exercise.
- Redox analysis identified additional 15 priority targets.
- Secured up to 50% Earn-in Joint Venture with Sumitomo Metal Mining Oceania Pty Ltd over southern portion of tenements covering over 2,720 km².
- Successfully oversubscribed Share Purchase Plan raised \$7 million.

Focus on Large Pipeline of Prospects

- Gold Road has a strong pipeline of over 100 gold prospects within its ~5,000 km² tenement holding, ranging from conceptual targets to targets with some surface and RAB geochemical anomalism.
- The objective is to find large deposits, which the Yamarna Belt has the potential to host.

Review of Operations

Exploration Strategy

In the 2013 financial year Gold Road carried out the following drilling programs:

- 3,782 metres of diamond drilling and 1,586 metres of Reverse Circulation (RC) pre-collar drilling at Central Bore's Imperial Shoot between 19 and 695 metres depth.
- 200 metres of diamond drilling on the Attila Trend.
- 864 metres of RC drilling at Tobin Hill.
- 9,980 metres of Rotary Air Blast (RAB) at Tobin Hill.
- Auger drilling program at the Breelya-Minnie Hill Gold Camp in the South Yamarna Joint Venture tenements.
- 300 hole auger drilling program over a Redox Target (YAM14) which outlined a 2 kilometre long gold anomaly near the Dorothy Hills area at North Yamarna.

Gold Road remains firmly committed to unlocking the potential of its ~5,000 km² Yamarna Greenstone Belt tenement package, located on the world-class Yilgarn Craton in Western Australia. Our exploration strategy remains closely aligned with the long-term focus of delivering shareholder value by increasing confidence and expanding the resource inventory of the advanced projects Central Bore and Attila, whilst also searching for more new gold discoveries.

For example, during the year, both advanced projects' Mineral Resources have been significantly upgraded with the Central Bore JORC Mineral Resource increasing by 32% and a 16% upgrade to the Attila Trend JORC Mineral Resource.

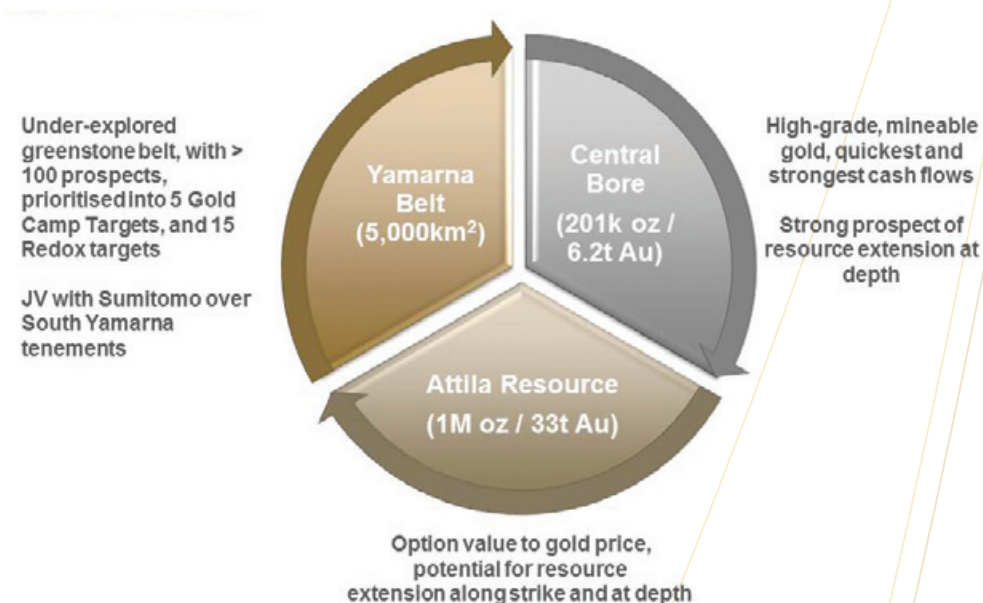
In 2012, the Company commenced a comprehensive regional targeting exercise across its Yamarna tenements that resulted in a predictive geological model which highlighted the areas within the tenements with the greatest potential of hosting large gold deposits.

The studies utilised conceptual models and interpretations of various geological and geophysical data sets, including gravity, magnetic and geological images. The result was the identification of several "Gold Camp Scale Targets" across the tenements with each target having a strike length of approximately 15 to 20 kilometres and covering an area of approximately 80 to 100 km² and containing numerous prospects.

Although only a small proportion of the belt has received detailed exploration so far, Gold Road has achieved a JORC Mineral Resource of more than 1.2 million ounces of gold, made new discoveries since 2009 and established a pipeline of more than 100 prospects.

In the course of exploring, the Company continues to integrate latest advances in the understanding of gold-ore deposit formation and leading edge exploration tools to optimise its exploration strategy and improve the chances of discovery.

With exploration activity being maintained at a high level, and with a range of exploration and development opportunities emerging, Gold Road's key value drivers of exploration success are described below.



Review of Operations continued

Advanced Projects

Central Bore Project

The Central Bore Project was discovered by Gold Road in 2009 and contains a high grade gold deposit, located in the heart of the Central Bore Area, a 6 km² zone which hosts at least two other known gold deposits, Justinian and Central Bore North.

During the year, the Company's drilling program was designed to increase the underground Mineral Resource and mine life at Central Bore's Imperial Shoot between 250 and 450 metres below surface. The deposit remains open at depth.

To date, the Company has drilled 56 diamond holes for 12,414 metres and 170 RC holes for 30,417 metres at Central Bore.



High Grade intercepts

- 22 holes had intercepts > 100g/t Au (10 RC, 12 diamond holes).
- 30 holes had intercepts > 50g/t Au.
- 81 holes had intercepts > 10g/t Au.

During the year there were 22 diamond holes for 3,782 metres and 1,586 metres of pre-collar RC holes drilled. The deepest hole was drilled to 695 metres.

Significant drill results from the year include:

- 4 metres @ 29.03g/t Au from 267 metres including 0.5 metre @ 171.1g/t Au.
- 1.76 metres @ 34.4g/t Au from 270 metres including 0.2 metres @ 219.1g/t Au and 0.2 metres @ 73.6g/t Au.
- 0.4 metres @ 104g/t Au from 328.6 metres including 0.2 metres @ 185.2g/t Au.
- 3.2 metres @ 26.9g/t Au from 483 metres including 1.2 metres @ 50.6g/t Au and 0.2 metres @ 110.2g/t Au.
- 0.5 metres @ 24.3 g/t Au from 501 metres.

Following this 22 hole diamond drilling program, a second Resource upgrade for Central Bore, since its maiden Resource in 2011, was completed.

Resource update highlights

The total JORC Mineral Resource Estimate for the combined Central Bore Project including the Imperial Shoot is 813,900 tonnes at 7.7g/t Au for a total of 201,100 ounces (at a 1.0g/t cut-off) representing a:

- 32% increase in total ounces;
- 134% increase in ounces in the Measured Mineral Resource category; and
- 407% increase in ounces in the Inferred Mineral Resource category.

The combined Mineral Resource Estimate for the Imperial Shoot alone is 154,000 tonnes at 22.7g/t Au for 112,200 ounces representing a:

- 18% increase in grade in the Imperial Shoot; and
- 10% increase in ounces in the Imperial Shoot.

The Company is also encouraged by the potential uplift in grade, as reflected in the 40% higher 'uncut' versus 'cut' grade, or an additional 42,300 ounces, contained in the same tonnes, at Imperial Shoot at the 5g/t cut-off.

The new model was completed by Independent mining industry consultants, Ravensgate and was prepared in accordance with the guidelines of the JORC Compliant Code (2004). Grade estimation was carried out using ordinary kriging. A breakdown of the estimate is as follows using a cut-off of 1.0g/t and 5.0g/t (Table 1).

Table 1

Domain	Cut-Off (g/t Au)	JORC Mineral Resource			Uncut Resource (shown for comparison)		
		Tonnes of Ore	Grade Au (g/t) (top-cut)	Au Ounces (top-cut)	Tonnes of Ore	Grade Au (g/t) (top-cut)	Au Ounces (top-cut)
Imperial Shoot	1	154,000	22.7	112,200	154,000	31.3	154,700
	5	136,000	25.3	110,900	136,000	35.5	153,200

Mineralisation is open at depth pointing to Gold Road's potential production growth and exploration upside.

Review of Operations continued

Scoping Study

In September 2012, Gold Road confirmed the potential economic viability of mining on the Yamarna Greenstone Belt through the publication of an initial Scoping Study (ASX announcement 26 September 2012) that examined mining the Attila open pits and Central Bore underground mine, and processing 400,000 tonnes of ore per annum through a central processing plant at Yamarna, producing around 30,000 to 50,000 ounces of gold per annum.

The Scoping Study report was based on a processing throughput of 400,000 tonnes per annum in a conventional carbon in leach (CIL) plant with blended feed material from both the high grade Central Bore underground mining operation and the lower grade Attila and Alaric open pit mining operations.

Despite the positive economic returns shown in the initial Scoping Study, a review of the outcomes highlighted the different operational costs of the underground mine at Central Bore versus the open pit mines at Attila, and the increased project and funding risk of including the relatively lower grade/higher cost open pit mining operation.

The Company commissioned an investigation into a smaller sized 100,000 tonnes of ore per year processing plant fed only from the high grade Central Bore underground mine, and released an updated Scoping Study in January of this year.

The Study estimated capital expenditure (process plant only) of between \$18-\$20 million with plant operational cost of between \$80-\$100 per tonne.

This development alternative provides the Company with the opportunity to expedite production with a much lower financing requirement and a lower cash and total cost per ounce, all of which are critical in the current tight capital market environment, and provide a solid platform for the Pre-feasibility Study.

The upgraded Mineral Resource estimate is being incorporated into the ongoing Pre-feasibility Study work currently underway. The Pre-feasibility Study includes detailed mine design work which will investigate production from all sources within the Central Bore Project area.

Gold Road had previously stated that the Pre-feasibility Study would be completed by end June 2013. Given the market flux since April 2013, and what the Company believes is the start of mining cost reductions, the Board considers it prudent to defer completion of the Pre-feasibility Study until we see mining costs settle, hopefully at levels which can materially improve the economics of the Central Bore development.

From a technical perspective, the Pre-feasibility Study is progressing well with the following at or near completion:

- detailed metallurgical testwork report and process plant flowsheet;
- geotechnical studies of Central Bore underground;
- hydrological and borefield operating strategy reports;
- environmental field studies; and
- mine design and schedule and infrastructure report.

To date, none of the reports indicate impediments to achieving commercial production. Consequently, preparation of approvals documentation is currently underway.

Metallurgical Testwork Program

Approximately 370kg of selected sample batches representative of the Imperial Shoot at Central Bore were delivered during February 2013 to ALS Metallurgy's Laboratory in Balcatta, Western Australia.

Over the following four months, these samples were subjected to a comprehensive metallurgical testwork program which concluded in June 2013.

The samples were representative of:

- Material from ore zones;
- Material from foot wall and hanging wall;
- Transitional ore of average gold grade;
- Fresh ore of average gold grade;
- Fresh ore of high gold grade; and
- Waste rock from both oxide/transitional and fresh rock.

Results from a combined gravity and cyanidation leach test program undertaken at ALS Metallurgy, indicate the three samples (representative of the Imperial Shoot ore) all reported very good to excellent total gold recoveries.

Total gold recoveries ranged from 92.8% to 97.2%, while gravity gold recoveries ranged from 47.5% to 70.4%.

The metallurgical testwork confirmed that the ore was suitable for processing using CIL technology as used elsewhere in the Goldfields.

Review of Operations continued

Attila Trend

The Attila Trend is an established gold resource located 3.7 kilometres west of the Central Bore Project and extends approximately 17 kilometres in a north-northwest direction from the Attila South deposit to the Khan deposit. Khan and Khan North deposits are separated by a 16 kilometre wide palaeo-channel up to 100 metres deep. The distance between Attila South and Khan North deposits is 33 kilometres.

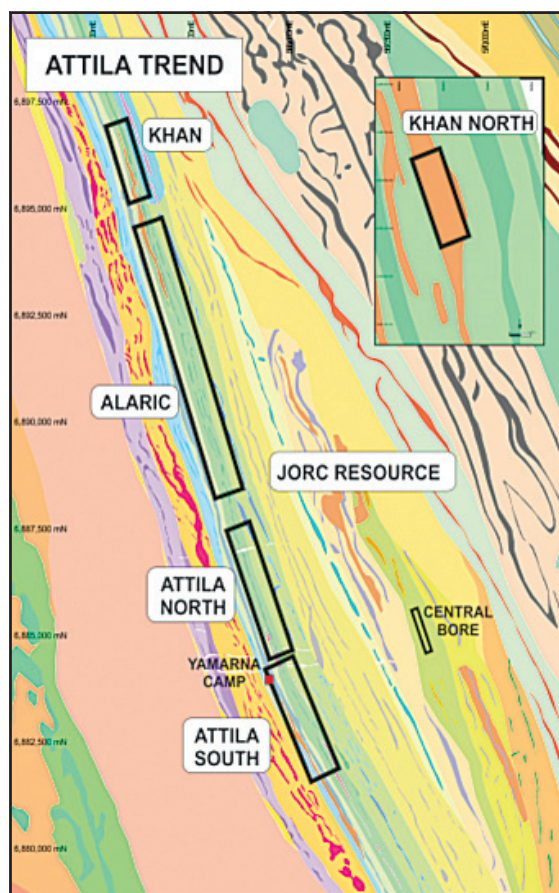
The Attila Resource includes seven deposits: Attila South, Attila North, Alaric 1, Alaric 2, Alaric 3, and Khan and Khan North.

Exploration over the year focused on an extensional and infill drilling program along the Attila Trend to increase the overall Mineral Resource with the aim of growing towards a bulk-tonnage operation and to increase the confidence levels of the Mineral Resource categories for mine planning purposes.

During the year, 3 diamond holes to a depth of 200 metres were completed for metallurgical testing.

The JORC Mineral Resource at the Attila Trend increased by 16% to 1,060,000 ounces of gold at an average grade of 1.29g/t Au (at a 0.5g/t cut-off). The Measured and Indicated categories increased to 58% to 762,000 ounces of gold and account for 72% of the total Mineral Resource.

The Mineral Resource is open at depth and along strike to the north.



Resource Update Highlights

- Combined total JORC Mineral Resource for the Attila Trend is 25.5 million tonnes at 1.29g/t Au (at a 0.5g/t cut-off) for a total of 1,060,000 ounces.
- Increased confidence in the Mineral Resource with Measured and Indicated categories rising 58% to 762,000 ounces gold.
- Measured and Indicated categories accounting for 72% of the total Mineral Resource.
- 29% increase in tonnes and 16% increase in ounces.
- Mineralisation is still open at depth and along strike. Significant potential to increase the Mineral Resource remains – majority of drill holes are shallow and large sections of the mineralised trend have been drilled on widely spaced lines.



Review of Operations continued

Regional Exploration Targets

Gold Camp Scale Targets

Systematic exploration of ~5,000km² of Gold Road's tenements in the Yamarna Greenstone Belt would be very expensive and time consuming. Exploration at the district scale necessitates the development of predictive exploration models to focus exploration effort.

The Company undertook extensive work, starting in 2012, across its Yamarna tenements that resulted in a predictive geological model which highlighted the areas within the tenements considered to have the greatest potential of hosting large gold deposits. In 2012, Gold Road commenced this comprehensive exercise using regional targeting tools and conceptual models that interpreted various geological and geophysical data sets, including gravity, magnetics and geology. The result was the identification of several "Gold Camp Scale Targets" across the tenements; each target has a 15 to 20 kilometre strike length, each is approximately 80 to 100 km² in area, and contains numerous prospects.

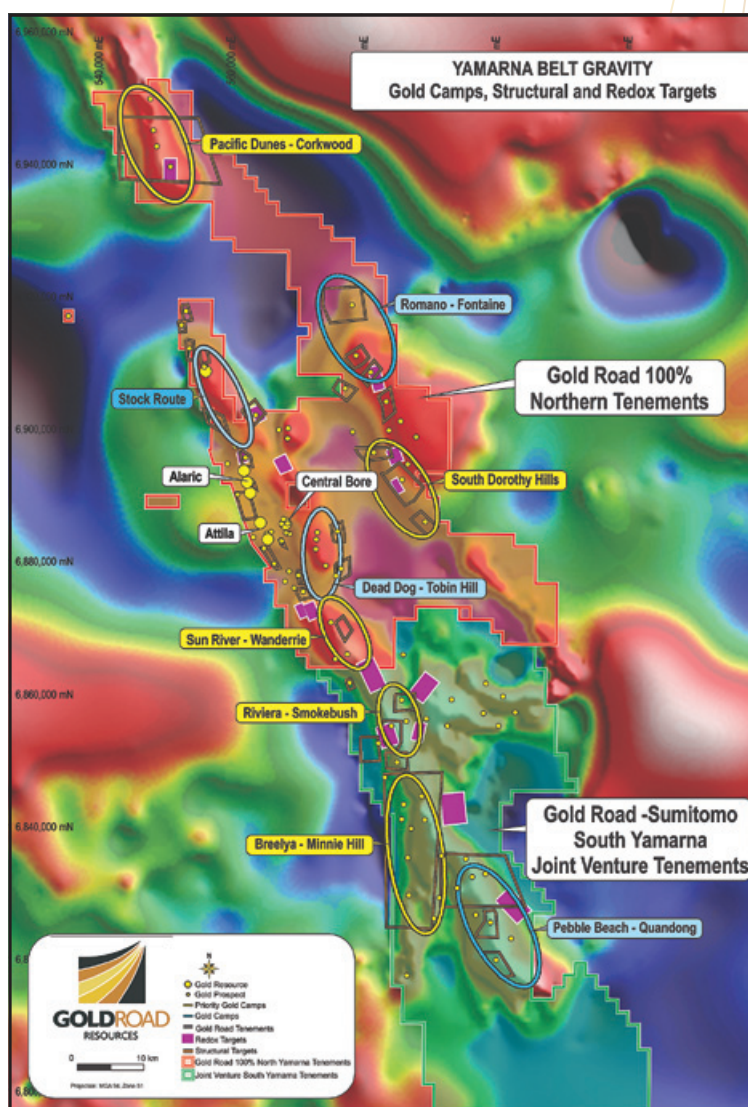
In June 2013, Gold Road utilised and completed the third regional targeting exercise using the Reduction Oxidation Analysis tool (Redox), which identified 15 regional targets, the majority of which were associated with the Gold Camp Scale Targets identified in 2012. Structural and Redox Targets are considered most prospective where they are located in or near basin centres particularly in the Gold Camp Scale Targets.

Through these targeting tools Gold Road now has 9 Gold Camp Scale Targets (with 5 prioritised) and 15 Redox Targets. Our geological team believe that their knowledge of the Yamarna Greenstone Belt, the probability of success using these and gold targeting tools, has substantially increased.

Gold Road is prioritising exploration of the Gold Camp Scale Targets on the Yamarna Belt comprising Pacific Dunes-Corkwood, South Dorothy Hills, Sun River-Wanderrie, Riviera-Smokebush and Breelya-Minnie Hill for further follow up work over the next few years. Initial exploration of these targets has been very encouraging.

Highlights

- Comprehensive program of data capture, analysis and integrated exploration targeting completed.
- Range of targets with potential for large gold deposits identified and prioritised.
- Focus in 2013/2014 is on all of the 5 priority Gold Camp Scale Targets (Pacific Dunes-Corkwood, South Dorothy Hills, Sun River-Wanderrie = Gold Road 100%; and Riviera-Smokebush, Breelya-Minnie Hill = Gold Road/Sumitomo JV).
- Auger drilling, soil sampling, HeliSAM, RAB, Aircore and RC drilling.



Gold Road's Conceptual Targets.

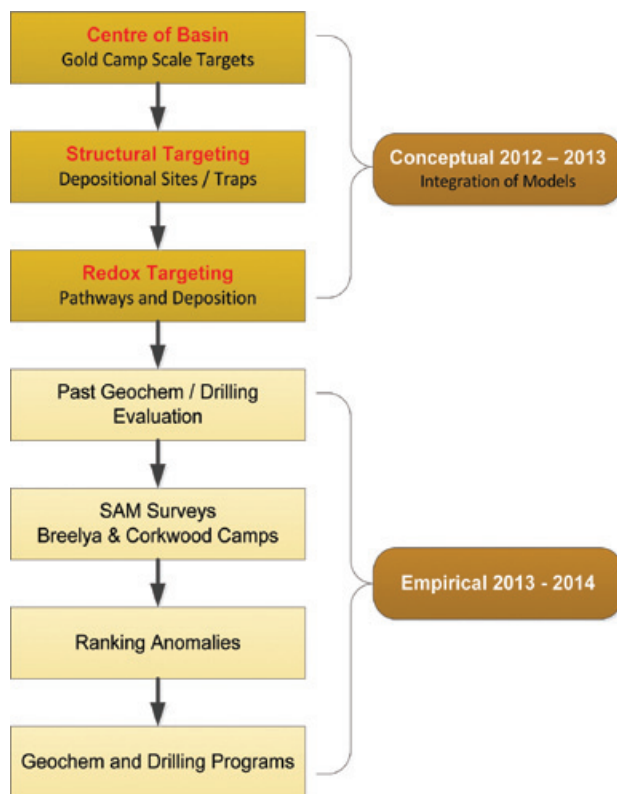
Regional Targeting Tools

Basin Analysis

1. **Gold Camp Scale Targets:** many multi-million ounce gold deposits in the Kalgoorlie and Laverton areas are located in the centre of the basin. The centre of the basins can be inferred from gravity and geological maps.
2. A number of gold deposits are associated with **Redox boundaries**.
3. **Structural complexities and geological boundaries** are favourable gold depositional environments.

The diagram opposite explains visually the conceptual work which has been completed and the empirical work which will be done in 2013/2014.

Given the success of previous Sub-Audio Magnetics (**SAM**) surveys at Central Bore and Tobin Hill areas, Gold Road has completed Airborne Sub-Audio Magnetic (**HeliSAM**) surveys over Pacific Dunes-Corkwood and Breelya-Minnie Hill Gold Camp Scale Targets. Previous SAM has proved itself as an effective tool that can pick up subtle potentially mineralised structures under transported cover of 40-50 metres. Recent trials indicate that the HeliSAM is significantly cheaper and faster than ground SAM survey. It is believed that HeliSAM anomalies combined with geochemical surveys and structural interpretation will generate additional fertile targets in the project areas.



Review of Operations continued

Exploration Joint Venture Sumitomo Metals Mining Co

In May 2013 Gold Road executed a binding exploration Earn-In Joint Venture Agreement with Sumitomo Metal Mining Oceania Pty Ltd, a subsidiary of Sumitomo Metal Mining Co. Limited (Sumitomo) over Gold Road's southern tenements (South Yamarna Joint Venture). Under the terms of the South Yamarna Joint Venture, Sumitomo may earn up to a 50% interest in these tenements by funding \$8 million of exploration activities over the period to 31 December 2016.

The Sumitomo group is one of the world's major diversified trading and mining groups, with an outstanding reputation and expertise in gold and copper mining, owning the Hishikari gold mine in Japan and the Pogo mine in Alaska.

Sumitomo also has significant interests in some of the world's largest copper (gold-molybdenum) mines with Rio Tinto (Northparkes, NSW), Freeport-McMoran (La Candelaria/Ojo del Salado in Chile, Cerro Verde in Peru and Morenci in USA) and KGHM Polska (Sierra Gorda in Chile).

The key terms of the agreement include:

- Sumitomo must spend a minimum of \$3.5 million prior to the end of 2014.
- Sumitomo may earn a 30% interest in the South Yamarna Joint Venture by spending \$5 million.
- Sumitomo may increase its interest to 50% by spending a further \$3m prior to the end of 2016.
- Sumitomo can elect to accelerate its funding if supported by strong exploration results.
- Gold Road will act as Manager of the South Yamarna Joint Venture during the earn-in period, with oversight from a Joint Management Committee comprising two representatives each from Gold Road and Sumitomo.
- The 2013 budget of \$1.75 million was allocated to initially focus on regional targets identified in Gold Road's Conceptual Targeting exercise carried out in 2012.
- Exploration activities commenced in May 2013, co-ordinated from Gold Road's existing camp facilities adjacent to its Central Bore Project.
- The South Yamarna Joint Venture is over ~2,720 km² of Gold Road's tenements which cover ~5,000 km².
- Once Sumitomo has contributed \$8 million a 50:50 Joint Venture is formed and each party may elect annually to contribute to exploration expenditure in accordance with their respective interests or may elect to dilute. The project manager of the Exploration Joint Venture will be agreed between the parties.



Review of Operations continued

Through this transaction, Gold Road has made a conscious decision to bring forward the testing of some of these exploration targets on the southern portion of its tenements by several years in order to give them the near term attention they deserve. Gold Road retains a 100% interest in the northern tenements, which includes the Central Bore Project and Mineral Resource, the Attila Trend and Mineral Resource and surrounding exploration opportunities.

Over the next 18 months, Gold Road will also be exploring its 100% owned northern tenements. Having an exciting portfolio of potentially world-class green-fields exploration targets to drill and assess is a rarity in the Australian gold sector.

Table 2: Current JORC compliant Gold Resource. (Note: rounding errors may occur)

Project Name (cut-off)	'000t	Grade g/t Au	Ounces Au
Central Bore (1.0 g/t) (2013)	814	7.7	201,100
Measured	43	26.6	36,700
Indicated	428	8.7	119,300
Inferred	343	4.1	45,100
Attila Trend (0.5 g/t) (2012) (encompasses Attila South; Attila North; Alaric; Khan and Khan North projects)	25,527	1.29	1,060,000
Measured	8,382	1.44	389,000
Indicated	9,360	1.24	373,000
Inferred	7,785	1.19	298,000
TOTAL	26,341	1.5	1,261,100

NOTES:

The information in this report which relates to Exploration Results or Mineral Resources is based on information compiled by Ziggy Lubieniecki, the Executive Director – Technical of Gold Road, who is a Member of the Australasian Institute of Mining and Metallurgy and a Member of the Australian Institute of Geoscientists. Mr Lubieniecki has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration to qualify as a Competent Person as defined in the 2004 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Mr Lubieniecki consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

The information in this report which relates to the Yamarna Gold Project Mineral Resource estimates is based on geostatistical modelling by Ravensgate, using sample information and geological interpretation supplied by Gold Road. The Mineral Resource estimates were undertaken by Stephen Hyland and Craig Harvey, Principal Consultants at Ravensgate. Mr Hyland is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Harvey is a Member of the Australian Institute of Geoscientists. Messrs Hyland and Harvey have sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2004 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.” Messrs Hyland and Harvey consent to the inclusion in the report of the matters based on this information in the form and context in which it appears.

The information in this report which relates to the Yamarna Scoping Study is based on reporting by Optiro using information and geological interpretation supplied by Gold Road. The Yamarna Scoping Study compilation was undertaken by Russell McBeath, a principal Consultant of Optiro. Mr McBeath is a Member of the Australasian Institute of Mining and Metallurgy and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which is being undertaken to qualify as a Competent Person as defined in the 2004 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.” Mr McBeath consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

Schedule of Interests in Mining Tenements

Tenement Number	Registered Title Holder	Gold Road % Interest	Status
EXPLORATION LICENCES			
E38/0361	Gold Road Resources	100	Granted
E38/1083	Gold Road Resources	100	Granted
E38/1097	Gold Road Resources	100	Granted
E38/1386	Gold Road Resources	100	Granted
E38/1388	Gold Road Resources	100	Granted
E38/1858	Gold Road Resources	100	Granted
E38/1931	Gold Road Resources	100	Granted
E38/1932	Gold Road Resources	100	Granted
E38/1964	Gold Road Resources	100	Granted
E38/2178	Gold Road Resources	100	Granted
E38/2235	Gold Road Resources	100	Granted
E38/2236	Gold Road Resources	100	Granted
E38/2249	Gold Road Resources	100	Granted
E38/2250	Gold Road Resources	100	Granted
E38/2291	Gold Road Resources	100	Granted
E38/2292	Gold Road Resources	100	Granted
E38/2293	Gold Road Resources	100	Granted
E38/2294	Gold Road Resources	100	Granted
E38/2319	Gold Road Resources	100	Granted
E38/2320	Gold Road Resources	100	Granted
E38/2325	Gold Road Resources	100	Granted
E38/2326	Gold Road Resources	100	Granted
E38/2327	Gold Road Resources	100	Granted
E38/2355	Gold Road Resources	100	Granted
E38/2356	Gold Road Resources	100	Granted
E38/2362	Gold Road Resources	100	Granted
E38/2363	Gold Road Resources	100	Granted
E38/2415	Gold Road Resources	100	Granted
E38/2427	Gold Road Resources	100	Granted
E38/2428	Gold Road Resources	100	Granted
E38/2429	Gold Road Resources	100	Granted
E38/2446	Gold Road Resources	100	Granted
E38/2447	Gold Road Resources	100	Granted
E38/2507	Gold Road Resources	100	Granted
E38/2735	Gold Road Resources	100	Granted
E38/2766	Gold Road Resources	100	Granted
E38/2794	Gold Road Resources	100	Granted
E38/2797	Gold Road Resources	100	Application
E38/2798	Gold Road Resources	100	Application
E38/2836	Gold Road Resources	100	Application
E38/2860	Gold Road Resources	100	Application
E39/1553	Gold Road Resources	100	Granted
E39/1554	Gold Road Resources	100	Granted
E39/1555	Gold Road Resources	100	Granted

Tenement Number	Registered Title Holder	Gold Road % Interest	Status
MINING LEASES			
M38/435	Gold Road Resources	100	Granted
M38/436	Gold Road Resources	100	Granted
M38/437	Gold Road Resources	100	Granted
M38/438	Gold Road Resources	100	Granted
M38/439	Gold Road Resources	100	Granted
M38/788	Gold Road Resources	100	Granted
M38/814	Gold Road Resources	100	Granted
M38/841	Gold Road Resources	100	Granted
M38/1178	Gold Road Resources	100	Application
M38/1179	Gold Road Resources	100	Application
M38/1255	Gold Road Resources	100	Application
PROSPECTING LICENCES			
P38/3337	Gold Road Resources	100	Granted
P38/3338	Gold Road Resources	100	Granted
P38/3344	Gold Road Resources	100	Granted
P38/3345	Gold Road Resources	100	Granted
P38/3346	Gold Road Resources	100	Granted
P38/3350	Gold Road Resources	100	Granted
P38/3352	Gold Road Resources	100	Granted
P38/3824	Gold Road Resources	100	Granted
P38/3869	Gold Road Resources	100	Granted
P38/3870	Gold Road Resources	100	Granted
P38/3887	Gold Road Resources	100	Granted
P38/3895	Gold Road Resources	100	Granted
P38/3896	Gold Road Resources	100	Granted
MISCELLANEOUS LICENCES			
L38/180	Gold Road Resources	100	Granted
L38/186	Gold Road Resources	100	Application
L38/210	Gold Road Resources	100	Granted
L38/211	Gold Road Resources	100	Granted
L38/227	Gold Road Resources	100	Application
L38/229	Gold Road Resources	100	Application
L38/230	Gold Road Resources	100	Application

Corporate Governance Statement

The Directors of Gold Road support the establishment and on-going development of good corporate governance for the Company.

Gold Road has adopted systems of control and accountability as the basis for the administration of corporate governance. These policies and procedures are summarised below. The Board of the Company is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs.

The Board and management are committed to corporate governance and, to the extent they are applicable to the Company, have adopted the Eight Essential Corporate Governance Principles and each of the Best Practice Recommendations as published by ASX Corporate Governance Council (ASX Principles and Recommendations).

Further information about the Company's corporate governance practices is set out on the Company's website at www.goldroad.com.au. In accordance with the recommendations of ASX, information published on the Company's website includes:

1. Board Charter
2. Nomination Committee Charter
3. Audit Committee Charter
4. Remuneration Committee Charter
5. Policy and Procedure for Selection and Appointment of New Directors
6. Code of Conduct
7. Policy for Dealing in the Company's Securities
8. Continuous Disclosure Policy
9. Shareholder Communications Policy
10. Company's Risk Management Policy
11. Diversity Policy

This Statement sets out the corporate governance practices in place during the course of the financial year and as at the date of this report which comply with the recommendations of the Corporate Governance Council unless otherwise stated.

Corporate Governance Council Principle 1

Lay Solid Foundations for Management and Oversight

Role of the Board of Directors

The role of the Board is to build long term sustainable value for its security holders whilst respecting the interests of its stakeholders.

In order to fulfil this role, the Board is responsible for the overall corporate governance of the Company, including formulating its strategic direction, setting remuneration and monitoring the performance of Directors and Senior Executives. The Board relies on Senior Executives to assist in approving and monitoring expenditure, ensuring the integrity of internal controls and management information systems and monitoring and approving financial and other reporting.

In complying with Recommendation 1.1 of the Corporate Governance Council, the Company has adopted a Board Charter which clarifies the respective roles of the Board and senior management and assists in decision making processes. A copy of the Board Charter and the responsibilities of senior executives and management are available on the Company's website.

Board Processes

An agenda for Board meetings has been determined to ensure certain standing information is addressed and other items which are relevant to reporting deadlines and/or regular review are scheduled when appropriate. The agenda is regularly reviewed by the Executive Chairman and the Company Secretary.

Evaluation of Senior Executive Performance

The Company has complied with Recommendation 1.2 of the Corporate Governance Council. The Executive Chairman currently conducts annual performance appraisal meetings with senior executives incorporating a formal appraisal form and review of each individual's performance and contribution during the year.

Corporate Governance Council Principle 2

Structure the Board to Add Value

Board Composition

The Constitution of the Company provides that the number of Directors shall not be less than three. There is no requirement for any shareholding qualification.

The membership of the Board, its activities and composition is subject to periodic review. The criteria for determining the identification and appointment of a suitable candidate for the Board shall include the quality of the individual, background of experience and achievement, compatibility with other Board members, credibility within the scope of activities of the Company, intellectual ability to contribute to Board duties and physical ability to undertake Board duties and responsibilities.

Directors are initially appointed by the Board and are subject to re-election by shareholders at the next general meeting. In any event, one third of the Directors are subject to re-election by shareholders at each general meeting.

The Board, from 1 July 2013, is comprised of four members, two Non-Executive Directors and two Executive Directors. The Non-Executive Directors are Mr Russell Davis and Mr Martin Pyle. For the financial year to 30 June 2013 the Board comprised four Non-Executive Directors the majority of which were considered independent during that period. Mr Hart was not considered independent by virtue of his director related services.

The Board has assessed the independence of the Directors in accordance with the definition contained within the ASX Corporate Governance Guidelines and has concluded that currently although the two Non-Executive Directors are considered independent, the majority of the Board is not independent. As a result of the Board reduction in July 2013, the Company does not currently comply with Recommendation 2.1 of the Corporate Governance Council.

Independent Chairman

The Chairman is an Executive of the Company and is therefore not an independent Chairman. As such Recommendation 2.2 of the Corporate Governance Council has not been complied with. The Board however believes that Mr Murray is the most appropriate person for the position as Chairman because of his industry experience and proven track record as a public company Director.

The Board at this point in time has two independent Non-Executive Directors, Mr Martin Pyle and Mr Russell Davis. The Board considers both its structure and composition are appropriate given the size of the Company and its current scale of operation.

Roles of Chairman and Chief Executive Officer

The roles of Chairman and Chief Executive Officer are not exercised by different individuals, and as such the Company does not comply with Recommendation 2.3 of the Corporate Governance Council. The Executive Chairman of the Company is currently exercising both these roles. Due to the size of the Company and Mr Murray's experience, the Board is of the opinion that Mr Murray has the capacity to fulfil both these roles at the present time.

A profile of each Director, including their skills, experience and relevant expertise, and the date each Director was appointed to the Board is set out in the Directors' Report.

Nomination Committee

The Board does not have a separate Nomination Committee comprising of a majority of independent Directors and as such does not comply with Recommendation 2.4 of the Corporate Governance Council. The selection and appointment process for Directors is carried out by the full Board. The Board considers that given the importance of Board composition it is appropriate that all members of the Board partake in such decision making.

A copy of the Nomination Committee Charter and the Policy and Procedure for Selection and Appointment of New Directors is available on the Company's website.

Corporate Governance Statement continued

Evaluation of Board Performance

The Company has a formal process for the evaluation of the performance of the Board and as such, does comply with Recommendation 2.5 of the Corporate Governance Council. The Board undertakes an annual formal review of its performance. The process includes the completion of individual questionnaires focussed on Board processes, effectiveness and structure as well as the effectiveness and contribution made by each Director. The responses are collated and discussed with a view to considering recommendations for improvement.

Education

All Directors are encouraged to attend professional education courses relevant to their roles.

Independent Professional Advice and Access to Information

Each Director has the right to access all relevant information in respect to the Company and to make appropriate enquiries of senior management. Each Director has the right to seek independent professional advice on matters relating to him as a Director of the Company at the Company's expense, subject to prior approval of the Chairman which shall not be unreasonably withheld.

Corporate Governance Council Principle 3

Promote Ethical and Responsible Decision Making

Code of Conduct

The Board believes in and supports ethical and responsible decision making. It is expected that all Directors, managers and employees observe the highest standards of integrity, objectivity and business ethics in conducting its business, striving at all times to enhance the reputation and performance of the Company in respect of legal and other obligations to all legitimate stakeholders.

Accordingly, the Board acknowledges the rights of stakeholders and has adopted a Code of Conduct.

The Board has adopted a Code of Conduct that applies to all employees, executives and Directors of the Company and as such complies with Recommendation 3.1 of the Corporate Governance Council. This Code addresses expectations for conduct in the following areas:

- Responsibility to shareholders;
- Integrity and honesty;
- Respect for laws;
- Conflicts of interests;
- Protection of assets;
- Confidential information;
- Employment practices;
- Respect for the community;
- Respect for individuals;
- Fair trading and dealing;
- Compliance with Code of Conduct; and
- Periodic review of the Code.

A copy of the Company's Code of Conduct is available on the Company's website.

Diversity Policy

The Board has implemented a Diversity Policy in line with Corporate Governance guidelines. The Company believes that the promotion of diversity on its Board, in senior management and within the organisation generally is good practice and adds to the strength of the Company.

The policy affirms existing employment arrangements which seek to attract and retain people by promoting an environment where employees are treated with fairness and respect and have equal access to opportunities as they arise. Diversity within the workforce includes such factors as religion, race, ethnicity, language, gender, disability and age.

The Board has adopted a diversity policy that details the purpose of the policy and the employee selection and appointment guidelines, consistent with the recommendations of the Corporate Governance Council. The Board believes that the adoption of an efficient diversity policy has the effect of broadening the employee recruitment pool, supporting employee retention, including different perspectives and is socially and economically responsible governance practice.

The Company employs new employees and promotes current employees on the basis of performance, ability and attitude. The Board is continually reviewing its practices with a focus on ensuring that the selection process at all levels within the organisation is formal and transparent and that the workplace environment is open, fair and tolerant.

The Company, in keeping with the recommendations of the Corporation Governance Council provides the following information regarding the proportion of gender diversity in the organisation as at 30 June 2013:

	Number of females	Total number of persons employed
Females employed in the Company as a whole	6	16
Females employed in the Company in Senior positions	3	13
Females appointed as a Director of the Company	Nil	4

The recommendations of the Corporate Governance Council relating to reporting requires a Board to set measurable objectives for achieving diversity within the organisation, and to report against them on an annual basis. The Company has implemented measurable objectives as follows:

Measurable Objective	Objective Satisfied	Comment
Adoption and promotion of a Formal Diversity Policy	Yes	The Company has adopted a formal diversity policy which has been made publicly available via the Company's website.
To ensure Company policies are consistent with and aligned with the goals of the Diversity Policy	Yes	The Company's selection, remuneration and promotion practices are merit-based and as such are consistent with the goals of the Company's Diversity Policy.
To provide flexible work and salary arrangements to accommodate family commitments, study and self-improvement goals, cultural traditions and other personal choices of current and potential employees.	Yes	The Company will, where considered reasonable, and without prejudice, accommodate requests for flexible working arrangements.
To implement clear and transparent policies governing reward and recognition practices.	Yes	The Company grants reward and promotion based on merit and responsibility as part of its annual and on-going review processes.
To provide relevant and challenging professional development and training opportunities for all employees.	Yes	The Company seeks to continually encourage self-improvement in all employees, irrespective of seniority, ability or experience, through external and internal training courses, regular staff meetings and relevant on job mentoring.

Gender Diversity

The Company has not implemented specific measurable objectives regarding the proportion of females to be employed within the organisation or implemented requirements for a proportion of female candidates for employment and Board positions. The Board considers that the setting of quantitative gender based measurable targets is not consistent with the merit and ability based policies currently implemented by the Company.

The Board will consider the future implementation of gender based diversity measurable objectives when more appropriate to the size and nature of the Company's operations.

Corporate Governance Statement continued

Security Trading Policy

The Board has committed to ensuring that the Company, its Directors and executives comply with their legal obligations as well as conducting their business in a transparent and ethical manner. The Board has adopted a policy on dealing in the Company's securities by Directors, officers and employees which prohibits dealing in the Company's securities when those persons possess inside information and as such complies with Recommendation 3.2 of the Corporate Governance Council. Further, in keeping with Listing Rule Amendments, additional restrictions are placed on trading by relevant persons including Directors, key management personnel and employees. The policy also provides that notification of intended trading should be given to the Chairman prior to trading. A copy of the Policy for dealing in Company Securities is available on the Company's website.

The law prohibits insider trading and the Corporations Act and the ASX Listing Rules require disclosure of any trading undertaken by Directors or their related entities in the Company's securities.

Corporate Governance Council Principle 4

Safeguarding Integrity in Financial Reporting

Audit Committee

The Company had, during the 2013 financial year, a separately constituted Audit Committee. With the Board reduction from 1 July 2013 to two Executive Directors and two Non-Executive Directors the full Board will now carry out the function of the Audit Committee. As such the Company currently does not meet recommendations 4.1, 4.2 and 4.3 of the Corporate Governance Council.

Prior to 1 July 2013, the Audit Committee was comprised of three Non-Executive Directors and complied with Recommendation 4.1 of the Corporate Governance Council for the 2013 financial year.

The Audit Committee consisted of Non-Executive Directors and was chaired by an Independent Director who is not the Chairman of the Board. The majority of members of the Audit Committee were independent and the Company therefore complied with Recommendation 4.2 of the Corporate Governance Council.

The members of the Audit Committee during the 2013 financial year were Mr David Woodall (Chairman), Mr Martin Pyle and Mr Russell Davis. The relevant qualifications and details of attendance at Audit Committee meetings are set out in the Directors' Report. This complies with Recommendation 4.4 of the Corporate Governance Council.

The Audit Committee operated under an Audit Committee Charter which complied with Recommendation 4.3 of the Corporate Governance Council. The responsibilities of the Audit Committee include the appointment, compensation and oversight of the independent auditor and the review of the published financial reports.

Going forward, external audit recommendations, internal control matters and any other matters arising from the half-year audit review and the annual statutory audit will be discussed directly between the Board and the audit engagement Director.

External Auditors

The Company's policy is to appoint external auditors who clearly demonstrate quality and independence. Performance of the external auditor is reviewed annually by the Board. Auditor rotation is required by the Corporations Act 2001. The external auditor is requested to attend the annual general meeting and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the audit report.

Financial Reporting

The Board relies on senior executives to monitor the internal controls within the Company. Financial performance is monitored on a regular basis by the Executive Chairman and Company Secretary who report to the Board at the scheduled Board meetings.

Corporate Governance Council Principle 5

Make Timely and Balanced Disclosure

Timely and Balanced Disclosure

The Board is committed to the promotion of investor confidence by providing full and timely information to all security holders and market participants about the Company's activities and to comply with the continuous disclosure requirements contained in the Corporations Act 2001 and the ASX Listing Rules.

The Company has adopted formal written policies and procedures, designed to ensure compliance with the ASX Listing Rule requirements, in accordance with Recommendation 5.1 of the Corporate Governance Council. A copy of the Continuous Disclosure Policy is available on the Company's website.

Continuous disclosure is discussed at all regular Board meetings and on an on-going basis. The Board ensures that all activities are reviewed with a view to the necessity for disclosure to security holders.

In accordance with ASX Listing Rules, the Company Secretary is appointed as the Company's disclosure officer.

Corporate Governance Council Principle 6

Respect the Rights of Shareholders

Communications

The Board fully supports security holder participation at general meetings as well as ensuring that communications with security holders are effective and clear. During the period this has been incorporated into a formal shareholder communication strategy, and so complies with Recommendation 6.1 of the Corporate Governance Council.

A copy of the Shareholder Communications Policy is available on the Company's website.

In addition to electronic communication via the ASX website, the Company publishes all ASX releases including Annual and Half-Yearly financial statements on the Company's website at www.goldroad.com.au.

Shareholders are able to pose questions on the audit process and the financial statements directly to the independent auditor who attends the Company's Annual General Meeting for that purpose.

Corporate Governance Council Principle 7

Recognise and Manage Risk

Risk Management Policy

The Board has implemented a formal risk management policy and has therefore complied with Recommendation 7.1 of the Corporate Governance Council. The Board delegates day-to-day management of risk to the Executive Chairman, Company Secretary and senior executives who are responsible for implementing and maintaining a framework of control and accountability systems to enable risk to be assessed and managed. A copy of the Company's Risk Management Policy is available on the Company's website.

Risk Management and the Internal Control System

The Executive Chairman and Company Secretary, with the assistance of senior executives as required, have responsibility for identifying, assessing, treating and monitoring risks and reporting to the Board on risk management.

In order to implement risk management strategies, it was considered important that the Company establish an internal control regime in order to:

- Assist the Company to achieve its strategic objectives;
- Safeguard the assets and interests of the Company and its stakeholders; and
- Ensure the accuracy and integrity of external reporting.

Corporate Governance Statement continued

Key identified risks to the business are monitored on an on-going basis as follows:

- **Business risk management**

The Company manages its activities within budgets and operational and strategic plans.

- **Internal controls**

The Board has implemented internal control processes typical for the Company's size and stage of development. It requires the senior executives to ensure the proper functioning of internal controls and in addition it obtains advice from the external auditors as considered necessary.

- **Financial reporting**

Directors approve an annual budget for the Company and regularly review performance against budget at Board Meetings.

- **Operations review**

Members of the Board regularly visit the Company's exploration project areas, reviewing development activities, geological practices, environmental and safety aspects of operations.

- **Environment and safety**

The Board has adopted an Occupational Health and Safety Policy and Environmental Policy through which all employees and contractors are inducted.

The Company is committed to ensuring that sound environmental management and safety practices are carried out in its exploration activities. Significant resources have been focussed on establishing and maintaining a culture of best practice through the implementation of an Occupational Health and Safety Plan and an Environmental Management Plan.

The Company's risk management strategy is evolving and will be an on-going process and it is recognised that the level and extent of the strategy will develop with the growth and change in the Company's activities.

Risk Reporting

As the Board has responsibility for the monitoring of risk management, it has not required a formal report regarding the material risks and whether those risks are managed effectively, therefore not complying with Recommendation 7.2 of the Corporate Governance Council. The Board believes that the Company is currently effectively communicating its significant and material risks to the Board and its affairs are not of sufficient complexity to justify the implementation of a more formal system for identifying, assessing, monitoring and managing risk in the Company.

The Board is seeking to improve and formalise the Company's risk management of internal control systems.

The Company does not have an internal audit function.

Executive Chairman and Company Secretary Written Statement

The Board requires the Executive Chairman and the Company Secretary provide a written statement that the financial statements of the Company present a true and fair view, in all material aspects, of the financial position and operational results and have been prepared in accordance with Australian Accounting Standards and the Corporations Act. The Board also requires that the Executive Chairman and Company Secretary provide sufficient assurance that the declaration is founded on a sound system of risk management and internal control, and that the system is working effectively.

The declarations have been received by the Board, in accordance with Recommendation 7.3 of the Corporate Governance Council.

Corporate Governance Council Principle 8

Remunerate Fairly and Responsibly

The Company's remuneration policy is to ensure that the remuneration package properly reflects the person's duties and responsibilities and that remuneration is competitive in attracting, retaining and motivating people of the highest quality.

Disclosure of the details of the nature and amount of each element of Directors', including Non-Executive Directors, and Executive's remuneration is included in the financial statements.

Remuneration Committee

The Company had, during the 2013 financial year, a separately constituted Remuneration Committee. With the Board reduction from 1 July 2013 to two Executive Directors and two Non-Executive Directors the full Board will now carry out the function of the Remuneration Committee. As such the Company does not currently meet recommendation 8.1 and 8.2 of the Corporate Governance Council.

Remuneration arrangements for Directors will be determined by the full Board. The Board is also responsible for setting performance criteria, performance monitors, equity incentive schemes, superannuation entitlements, retirement and termination benefits and professional indemnity and liability insurances.

The Board considers that the Company is effectively served by the full Board acting as a whole in remuneration matters. The Board ensures that no Director participates in deliberations regarding their own remuneration or related issues.

The Remuneration Committee consisted of three Non-Executive Directors, being Mr Martin Pyle (Chairman), Mr David Woodall and Mr Russell Davis. The Remuneration Committee was chaired by an Independent Director, and had a majority of Independent Directors and accordingly complied with Recommendation 8.2 of the Corporate Governance Council during the financial year ended 30 June 2013.

The Remuneration Committee operated under a Remuneration Committee Charter which complied with Recommendation 8.1 of the Corporate Governance Council. The Charter clearly sets out the role and responsibilities of the Remuneration Committee and the charter terms provide the Remuneration Committee with the ability to access internal and external resources as appropriate.

Distinguish Between Executive and Non-Executive Remuneration

The Company does distinguish between the remuneration policies of its Executive and Non-Executive Directors in accordance with Recommendation 8.2 of the Corporate Governance Council.

Executive Directors receive salary packages which may include performance based components, designed to reward and motivate, including the granting of Options and Performance Share Rights, subject to shareholder approval and with vesting conditions relating to continuity of engagement.

Non-Executive Directors receive fees agreed on an annual basis by the Board, within total Non-Executive remuneration limits voted upon by shareholders at Annual General Meetings.

The Board ensures that all matters of remuneration will continue to be in accordance with Corporations Act requirements, by ensuring that none of the Directors participate in any deliberations regarding their own remuneration or related issues. To the extent that additional executives are appointed in the future and the scope of the Company's activities expands, the Company will reconsider whether a change in the structure of executive remuneration is appropriate.

Directors' Report

The Directors present their report on Gold Road for the year ended 30 June 2013.

Directors

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

Ian Murray	<i>Executive Chairman</i>
Ziggy Lubieniecki	<i>Executive Director – Technical</i>
Russell Davis	<i>Director (Non-Executive)</i>
Martin Pyle	<i>Director (Non-Executive)</i>
Kevin Hart	<i>Director (Non-Executive), resigned 30 June 2013)</i>
David Woodall	<i>Director (Non-Executive), resigned 30 June 2013)</i>

IAN MURRAY

Executive Chairman

Mr Murray was appointed on 15 October 2007 as Non-Executive Director and on 12 February 2008 as Executive Chairman.

Mr Murray is a qualified Chartered Accountant with more than 16 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 1 moz of gold per annum at its peak. During this time he also served on the board of South African gold refinery Rand Refinery Limited and the internet based commodity investment platform GoldMoney.com. Mr Murray also served on the board of Metaliko Resources Limited (resigned 28 June 2012). He has not held any other directorships in public listed companies in the past three years.

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 an Associate of the Chartered Institute of Management Accountants; a member of both the South African Institute of Chartered Accountants and the Institute of Chartered Accountants Australia.

Mr Murray is 47 years of age.

ZIGGY LUBIENIECKI

Executive Director – Technical

Mr Lubieniecki joined the Company in June 2007 and was appointed Executive Director on 13 December 2010.

Mr Lubieniecki is a geologist with more than 25 years' experience in exploration, mining, management, property acquisition, and company listings. He holds a Bachelor of Applied Science from the Royal Melbourne Institute of Technology.

During his career he has worked on a range of commodities for companies including Chevron, Mt Burgess Gold Mining Ltd, Sundowner Minerals NL, Forsayth NL, Plutonic Resources Ltd, Micromine Pty Ltd, Australian Platinum Mines NL, Apex Minerals NL and Goldcrest Mines Limited.

Mr Lubieniecki has held senior positions including Chief Mine Geologist for Plutonic and Exploration Manager for Australian Platinum Mines. In recent years, Mr Lubieniecki has been responsible for proving up the Thatcher Soak uranium deposit and the discovery of the Central Bore Project for Gold Road. He has not held any other directorships in public listed companies in the past three years.

Mr Lubieniecki is 61 years of age.

RUSSELL DAVIS

Non-Executive Director

Mr Davis was a founding director of Gold Road and was appointed on 28 May 2004. He served as Executive Exploration Director to 1 January 2008 and subsequently as a Non-Executive Director.

Mr Davis is a geologist with over 25 years' experience in mineral exploration, management, property acquisition, mining and development. He has worked on the exploration and development of a range of commodities for a number of international

and Australian companies, holding senior positions including Chief Mine Geologist, Exploration Manager and Regional Manager. Mr Davis was responsible for acquiring the projects held by Gold Road. Mr Davis also served as Managing Director of Syndicated Metals Limited (resigned 19 March 2012). He has not held any other directorships in public listed companies in the past three years.

Mr Davis holds a Bachelor of Science (Honours) and an MBA. He is a Member of the Australasian Institute of Mining and Metallurgy and a Fellow of the Financial Services Institute of Australasia.

Mr Davis is 55 years of age.

MARTIN PYLE

Non-Executive Director

Mr Pyle was appointed on 22 June 2010 as Non-Executive Director.

Mr Pyle is a mining industry consultant with over 25 years' experience in the resources industry in Australia. His previous roles have included Corporate Finance Executive with prominent east and west coast broking firms where he was responsible for the generation and execution of resources-related equity raisings, mergers and acquisitions, corporate advisory and research.

Most recently he has provided corporate advisory services to a number of junior resource companies and is Chairman of Midwinter Resources Limited, Managing Director of Aurora Minerals Limited and Executive Director of Desert Energy Limited. Mr Pyle also served as a director of Syndicated Metals Limited from May 2010 to November 2011 and as a Director of Tanami Gold NL from 15 to 20 April 2013. He has not held any other directorships in public listed companies in the past three years. Mr Pyle holds a Bachelor of Science (First Class Honours – Geology) and an MBA.

Mr Pyle is 48 years of age.

KEVIN HART

Company Secretary, Non-Executive Director – Resigned as Non-Executive Director on 30 June 2013

Mr Hart is a Chartered Accountant and was appointed to the position of Company Secretary on 4 August 2006 and Non-Executive Director on 17 May 2007. He has over 25 years' experience in accounting and the management and administration of public listed entities in the mining and exploration industry.

He is currently a partner of Endeavour Corporate, an advisory firm which specialises in the provision of Company Secretarial services to ASX listed entities. Mr Hart currently also serves on the board of Alloy Resources Limited and has not held any other directorships in public listed companies in the past three years. Mr Hart holds a Bachelor of Commerce degree from the University of Western Australia.

Mr Hart is 51 years of age.

DAVID WOODALL

Non-Executive Director – Resigned 30 June 2013

Mr Woodall was appointed on 20 February 2012 as Non-Executive Director.

Mr Woodall is a mining engineer with more than 28 years' industry experience. With a proven track-record in advancing exploration projects into production, Mr Woodall's career has included development of numerous gold, base metal and iron ore mines.

Until 31 August 2012, Mr Woodall was President and Chief Executive Officer of Altynalmas Gold Ltd (50% owned by Ivanhoe Mines), and has had senior management positions with internationally publically listed resources companies in Canada, Australia, Fiji and China. As a graduate of the WA School of Mines, and having spent well over 10 years working in the Western Australian gold fields, Mr Woodall is knowledgeable regarding mining in the Western Australian greenstone belts. He has not held any other directorships in public listed companies in the past three years.

Mr Woodall holds a BAppSc (Mining Engineering), a Graduate Diploma (Business), MSc (Mineral Economics), and First Class Mine Managers Certificate of Competency (Western Australia and Queensland). He is a Member of the Australasian Institute of Mining & Metallurgy.

Mr Woodall is 53 years of age.

Directors' Report continued

Directors' Interests

As at the date of this report, the Directors' interests in shares, unlisted Options and performance rights of the Company are as follows:

Director	Directors' Interests in Ordinary Shares	Directors' Interests in Unlisted Options	Directors' Interests in Performance Rights
I Murray	10,798,011	2,000,000	1,900,000
Z Lubieniecki	1,101,000	3,300,000	1,500,000
R Davis	7,072,431	500,000	Nil
K Hart	Nil	500,000	Nil
M Pyle	2,158,220	500,000	Nil
D Woodall	Nil	Nil	Nil

Directors' Meetings

The number of meetings of the Company's Directors (including meetings of Committees of Directors) held during the year ended 30 June 2013 and the number of meetings attended by each Director were:

Director	Board of Directors' Meetings		Audit Committee Meetings		Remuneration Committee Meetings	
	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended
I Murray	5	5	–	–	–	–
Z Lubieniecki	5	5	–	–	–	–
R Davis	5	5	2	2	1	1
K Hart	5	5	–	–	–	–
M Pyle	5	5	2	2	1	1
D Woodall	5	4	2	2	1	1

Principal Activities

The principal activities of the Company during the financial year consisted of mineral exploration in Western Australia.

There were no significant changes in these activities during the financial year.

Results of Operations

The net loss after income tax for the financial year was \$22,693,404 (2012: \$2,893,026).

Included in the loss for the current year is a write-off of capitalised exploration and evaluation expenditure totalling \$19,854,857 (2012: \$44,900).

In reviewing capitalised exploration and expenditure carried forward and the appropriateness of continuing to carry forward costs in relation to certain projects within the Yamarna project area, the Company has considered current market conditions including the fall in the gold price, market capitalisation, the results of recent studies undertaken and where active and significant exploration expenditures are ongoing. As a result of this review, the Company has made an impairment charge of \$19,854,857 in the current year.

Dividends

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

Review of Activities

Exploration

A detailed review of the Company's activities during the financial year is set out in the section titled "Review of Operations" in this Report.

Financial position

At the end of the financial year the Company had \$8,873,486 (2012: \$12,825,934) in cash and at call deposits. Capitalised mineral exploration and evaluation expenditure is \$16,561,505 (2012: \$28,379,371). Mineral exploration and evaluation expenditure incurred during the year for the Company before any write-offs was \$8,036,991 (2012 \$17,622,958).

Expenditure was principally focused on the Company's Yamarna Projects.

Significant Changes in the State of Affairs

On 8 February 2013 the Company completed a Share Purchase Plan that raised \$7,074,456 before capital raising costs, from the issue of 64,313,241 ordinary shares at 11 cents each.

On 14 May 2013 the Company entered into a Joint Venture Agreement with Sumitomo Metal Mining Oceania Pty Ltd, a subsidiary of Sumitomo Metal Mining Co. Limited, the terms of which include Sumitomo Metal Mining spending up to \$8 million on exploration over the period to 31 December 2016 to earn up to a 50% interest.

Options and Performance Share Rights over Unissued Capital

Unlisted Options

At the date of this report there were 9,133,666 (2012: 16,679,334) vested and nil (2012: 1,466,666) unvested Options over unissued shares.

As at the date of this report unissued ordinary shares of the Company under unlisted Options are:

Number of Options outstanding	Exercise price	Expiry date
700,000	10 cents	30 June 2014
600,000	15 cents	30 June 2014
3,500,000	61.5 cents	31 October 2014
1,000,000	97.5 cents	30 April 2015
72,000	70.5 cents	31 May 2015
46,000	95.3 cents	30 June 2015
566,667	9.5 cents	30 September 2015
666,667	10.7 cents	30 September 2015
733,332	12.8 cents	30 September 2015
210,000	54.8 cents	31 October 2015
310,000	48 cents	31 December 2015
702,000	47.3 cents	31 March 2016
27,000	27 cents	30 June 2016
9,133,666	Total Options on Issue	

During the year ended 30 June 2013 nil (2012: 1,427,000) Options were issued pursuant to the terms of the Company's Incentive Option Plan to employees and Directors of the Company.

During the year ended 30 June 2013 133,334 (2012: 300,000) ordinary shares were issued on the exercise of vested Options.

During the year ended 30 June 2013 8,700,000 (2012: nil) Options expired. A further 179,000 (2012: nil) Options were cancelled.

Since the balance date to the date of this report no Options have been issued, exercised, cancelled or have reached expiry.

These unlisted Options do not entitle the holder to participate in any share issue of the Company or any other body corporate.

The holders of unlisted Options are not entitled to any voting rights until the Options are exercised into ordinary shares.

Directors' Report continued

Performance Share Rights

At the date of this report, there were 333,334 (2012: 190,000) vested and 4,498,332 (2012: 1,610,000) unvested Performance Share Rights to acquire ordinary shares on issue.

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

Outstanding	Vesting Date	Expiry date
550,000*	30 November 2013	30 November 2013
40,000	31 March 2013	31 March 2015
65,000	31 March 2014	31 March 2015
80,000	10 August 2013	10 August 2015
80,000	10 August 2014	10 August 2015
60,000	28 September 2012	28 September 2015
213,333	28 September 2013	28 September 2015
213,333	28 September 2014	28 September 2015
1,425,000**	30 November 2013	30 November 2013
1,425,000**	30 November 2014	30 November 2014
123,334	31 December 2012	31 December 2015
123,333	31 December 2013	31 December 2015
123,333	31 December 2014	31 December 2015
30,000	31 March 2013	31 March 2016
140,000	31 March 2014	31 March 2016
140,000	31 March 2015	31 March 2016
4,831,666	Total Performance Share Rights	

* Represent Performance Share Rights issued to Directors. The grant of these Performance Share Rights is subject to the recipients remaining employed by the Company up to the Test Date and the 10 day VWAP of trading in the shares up to the relevant Test Date being at least 59 cents per Share. The Performance Share Rights are tested and vest on 30 November 2013.

** Represent Performance Share Rights issued to Directors. The grant of these Performance Share Rights is subject to the recipients remaining employed by the Company up to the Test Date and the 60 day VWAP of trading in the shares up to the relevant Test Date being at least:

- 24 cents per Share in relation to 1,425,000 Performance Share Rights which are tested and vest on 30 November 2013; and
- 28 cents per Share in relation to 1,425,000 Performance Share Rights which are tested and vest on 30 November 2014.

During the year ended 30 June 2013, 5,156,820 (2012: 1,865,000) Performance Share Rights were issued pursuant to the terms of the Company's Performance Share Rights Plan to employees and Directors of the Company.

During the year ended 30 June 2013, 870,154 (2012: 65,000) ordinary shares were issued on the exercise of vested Performance Share Rights.

During the year ended 30 June 2013, 550,000 (2012: nil) Performance Share Rights expired. A further 540,000 (2012: nil) Performance Share Rights were cancelled.

Since the balance date to the date of this report, 128,791 Performance Share Rights have been issued and 293,791 ordinary shares were issued on the exercise of vested Performance Share Rights. No Performance Share Rights have expired or been cancelled during that period.

None of the Performance Share Rights on issue entitle the holder to participate in any share issue of the Company or any other body corporate.

Matters Subsequent to the End of the Financial Year

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

Likely Developments and Expected Results of Operations

Likely developments in the operations of the Company are included elsewhere in this Report. Disclosure of any further information has not been included in this report because, in the reasonable opinion of the Directors to do so would be likely to prejudice the business activities of the Company and is dependent upon the results of the future exploration and evaluation activities.

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 (Audited)

The remuneration report is set out under the following main headings:

- (a) Principles used to determine the nature and amount of remuneration
- (b) Details of remuneration
- (c) Service agreements
- (d) Share-based compensation
- (e) Additional information

Key management personnel have authority and responsibility for planning, directing and controlling the activities of the Company, including directors of the Company and other executives. Key management personnel comprise the directors of the Company and senior executives.

Directors disclosed in this report include:

- (i) *Executive Chairman*
Ian Murray (appointed Executive Chairman 12 February 2008)
- (ii) *Non-Executive Director and Company Secretary*
Kevin Hart (appointed Non-Executive Director 17 May 2007, resigned as Non-Executive Director 30 June 2013)
- (iii) *Non-Executive Director*
Russell Davis (appointed 28 May 2004, became Non-Executive Director on 1 January 2008)
- (iv) *Non-Executive Director*
Martin Pyle (appointed 22 June 2010)
- (v) *Executive Director*
Ziggy Lubieniecki (appointed General Manager 1 August 2009, appointed Executive Director 13 December 2010)
- (vi) *Non-Executive Director*
David Woodall (appointed Non-Executive Director 20 February 2012, resigned 30 June 2013)

(a) Principles used to determine the nature and amount of remuneration

The objective of the Company's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with achievement of strategic objectives and the creation of value for shareholders, and conforms to market practice for delivery of reward. The Board ensures that executive reward satisfies the following key criteria for good reward governance practices:

- Competitiveness and reasonableness;
- Acceptability to shareholders;
- Performance linkage/alignment of executive compensation;
- Transparency; and
- Capital management.

The framework provides a mix of fixed and variable pay, and a blend of short and long term incentives.

Directors' Report continued

Remuneration Committee

During the financial year, the Board Remuneration Committee was in place to assist the Board in its determination of levels and components of remuneration packages. The Remuneration Committee consists only of Non-Executive Directors.

With the Board reduction from 1 July 2013 to two Executive Directors and two Non-Executive Directors, the full Board will carry out the function of the Remuneration Committee going forward.

The Remuneration Committee was responsible for reviewing the overall philosophy, strategy, plans, policies and procedures to implement the remuneration objective. It also reviews and makes recommendations as to the makeup of the remuneration packages for the Directors and Executives, ensuring that there is a clear link between performance and remuneration by balancing fixed remuneration with long and short term incentives to align long and short term performance of the Executives.

In making recommendations to the Board, the Remuneration Committee assesses the appropriateness of the nature and amount of remuneration of Executives on a periodic basis by reference to the status of the Group and the stage of development of its assets, the skill sets required of the Directors and Executives, trends in comparative ASX listed companies and the need for a balance between fixed remuneration and non-cash long and short term incentive remuneration. The process includes a review of the Company and individual performances, broad market remuneration data and relevant comparative remuneration externally and internally.

The Remuneration Committee may from time to time obtain external advice from independent consultants who will provide no other services to the Company.

Remuneration approval process

The Board approves the remuneration packages of the Executive Chairman and Executives and all awards made under the long-term incentive plan, following consideration of the recommendations from the Remuneration Committee. The Board also sets the aggregate remuneration of Non-Executive Directors which is then subject to shareholder approval.

Non-Executive Directors

Total cash remuneration for all Non-Executive Directors was voted on by shareholders, whereby it is not to exceed in aggregate \$350,000 per annum. Non-Executive Directors do not receive bonuses. Directors' fees cover all main Board activities.

Executive Pay

A combination of the following comprises the executive's total remuneration:

- Base pay and benefits, including superannuation;
- Short term performance incentives; and
- Long term incentives through participation in the Gold Road Resources Limited Employee Incentive Plan (the **Plan**).

Base pay

Structured as a total employment cost package which may be delivered as a combination of cash and prescribed non-financial benefits at the Executives' discretion.

Executives are offered a competitive base pay that comprises the fixed component of pay and rewards. Base pay for executives is reviewed annually to ensure the executive's pay is competitive with the market. An executive's pay is also reviewed on promotion.

There are no guaranteed base pay increases included in any executives' contracts.

Superannuation

Retirement benefits are paid to complying superannuation funds nominated by the executives. During the year ended 30 June 2013 the Company contribution rate was 9% of ordinary time earnings.

Short term incentives

Short term incentives are usually in the form of cash bonuses to Executive Directors and other Executives. Payment of cash bonuses are entirely discretionary with the majority of the cash bonuses calculated based on Key Performance Indicators (KPIs). The actual KPIs, weightings and priorities are agreed annually with the Board so as to ensure they remain relevant and appropriate to the Company and the Executives and are reviewed periodically to ensure it is linked to the strategic and operational plans of the Company, including budgets agreed for each financial year.

On an annual basis, after consideration of performance against KPIs the Remuneration Committee determines the amount, if any, to be paid.

Long-term incentives

Long term incentives are provided via the Plan.

The plan was approved by shareholders at the Annual General Meeting held on 29 November 2010.

(b) Details of remuneration

Details of the nature and amount of each element of the emoluments of each key management personnel of the Company for the years ended 30 June 2013 and 2012 are set out in the following tables:

YEAR 2013

Directors	Salaries & Fees \$	Superannuation Contributions \$	Other Benefits \$	Value of Options & Performance Share Rights \$	Total \$	Performance Related %	Remuneration consisting of Options & Performance Share Rights %
I Murray	305,249	34,897	3,867	144,507	488,520	30%	30%
R Davis	49,500	–	3,867	–	53,367	–	–
K Hart [#]	49,500	–	3,867	–	53,367	–	–
M Pyle	52,675	1,825	3,867	–	58,367	–	–
Z Lubieniecki	231,038	26,645	3,867	126,098	387,648	33%	33%
D Woodall [#]	43,900	3,951	3,867	–	51,718	–	–
Total	731,862	67,318	23,202	270,605	1,092,987	25%	25%

[#] Resigned as Non-Executive Director on 30 June 2013

The Directors of the Company agreed to a temporary reduction of 20% in their salaries and fees effective from 1 January 2013 to assist in reducing costs in current market conditions. At the date of this report the reduction remains in place.

YEAR 2012

Directors	Salaries & Fees \$	Superannuation Contributions \$	Other Benefits \$	Value of Options & Performance Share Rights \$	Total \$	Performance Related %	Remuneration consisting of Options & Performance Share Rights %
I Murray [*]	414,246	22,275	4,027	80,900	521,448	31%	16%
R Davis	50,000	–	4,027	–	54,027	–	–
K Hart [#]	50,000	–	4,027	–	54,027	–	–
M Pyle	44,257	743	4,027	–	49,027	–	–
Z Lubieniecki [*]	384,809	23,859	4,027	87,289	499,984	30%	17%
D Woodall [#]	18,333	1,650	4,027	–	24,010	–	–
Total	961,645	48,527	24,162	168,189	1,202,523	26%	14%

^{*} Includes the following STI incentives paid as cash bonuses for the year ended 30 June 2012

- I Murray \$82,500
- Z Lubieniecki \$62,500 and payment of accrued entitlements of \$113,887

[#] Resigned as Non-Executive Director on 30 June 2013

Directors' Report continued

(c) Service agreements

Remuneration and other terms of employment for the Executive Directors are formalised in service agreements. The agreement provides for the provision of performance-related cash bonuses and participation, when eligible, in the Plan. Other major provisions of the agreements relating to remuneration are set out below.

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

Ian Murray, Executive Chairman

- Term of agreement – no fixed term, commenced 1 August 2011.
- Termination notice – 4 months' notice by individual and 12 months' notice by Company.
- Base salary exclusive of superannuation of \$330,000 to be reviewed annually.
- Short term incentives up to 50% of base salary at the discretion of the Board.
- Long term incentives up to 100% of base salary at the discretion of the Board.
- With effect from 1 January 2013 the Directors agreed to a temporary 20% reduction in salaries which is still in effect.

Ziggy Lubieniecki, Technical Director

- Term of agreement – no fixed term, commenced 13 December 2010.
- Termination notice – 1 months' notice by individual and 1 months' notice by Company.
- Base salary exclusive of superannuation of \$250,000 to be reviewed annually.
- Short term incentives up to 50% of base salary at the discretion of the Board.
- With effect from 1 January 2013 the Directors agreed to a temporary 20% reduction in salaries which is still in effect.

(d) Other transactions with key management personnel

Mr Kevin Hart has an interest as a Partner in a Chartered Accounting firm, Endeavour Corporate. This firm provides company secretarial and accounting services to the Company in the ordinary course of business. The value of transactions in the financial year ended 30 June 2013 amounted to \$127,722 (2012: \$129,657).

During the year, Martin Pyle Consulting, a company controlled by Mr Martin Pyle, provided corporate and strategic advice services to the company. The value of transactions in the financial year ended 30 June 2013 amounted to \$1,300 (2012: nil).

Terms and conditions were not more favourable than those available, or which might reasonably be expected to be available for a similar transaction to unrelated parties on an arms-length basis.

(e) Share-based compensation

Options and Performance Share Rights

Options over shares in Gold Road are granted under the Plan which was approved by shareholders at an Annual General Meeting of shareholders of the Company held on 29 November 2010.

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 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 Options to an eligible person. The Options are exercisable at a fixed price in accordance with the Plan. The Options of any participant in the scheme lapse where the relevant person ceases to be an employee or director of, or vendor services to the Company.

Performance Share 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 Share 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 Share Rights of any participant in the scheme lapse where the relevant person ceases to be an employee or director of, or vendor services to the Company.

There were no Options issued to Directors in the year to 30 June 2013.

During the year ended 30 June 2013, 2,850,000 (2012: 1,100,000) Performance Share Rights were issued pursuant to the terms of the Plan to Directors of the Company.

Directors	Granted No.	Grant Date	Fair value at grant date	Expiry date	Test date	Vesting date
Z Lubieniecki*	625,000	21 Nov 2012	11.2 cents	–	30 Nov 2013	30 Nov 2013
Z Lubieniecki**	625,000	21 Nov 2012	9.8 cents	–	30 Nov 2014	30 Nov 2014
I Murray*	800,000	21 Nov 2012	11.2 cents	–	30 Nov 2013	30 Nov 2013
I Murray**	800,000	21 Nov 2012	9.8 cents	–	30 Nov 2014	30 Nov 2014

The grant of these Performance Share Rights is subject to recipients remaining employed by the Company up to the Test Date and the 60 day VWAP of trading in the shares up to the relevant Test Date being at least:

* 24 cents per Share in relation to 1,425,000 Performance Share Rights which are tested and vest on 30 November 2013; and

** 28 cents per Share in relation to 1,425,000 Performance Share Rights which are tested and vest on 30 November 2014.

The assessed fair value at grant date of Options and Performance Share Rights granted to individuals are allocated evenly over the period from grant date to vesting date.

Fair values of Options at grant date of Options are determined using a Black-Scholes pricing model that takes into account the exercise price, the term of the instrument, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the instrument. Refer to note 19(d) for details of inputs used.

Performance Share Rights are valued at the underlying market value at grant date of the ordinary shares over which they are granted, discounted for a lack of negotiability.

No Options or Performance Share Rights have been granted to Directors or Senior Executives since the end of the financial year.

Exercise of Options granted as compensation

During the reporting period, no shares were issued on the exercise of Options previously granted as compensation to Directors.

Analysis of options and rights over equity instruments granted as compensation

Details of vesting profiles of the Options granted as remuneration to each key management person of the Company are detailed below.

Directors	Balance at start of the year	Granted during the year	Exercised during the year	Other changes during the year*	Balance at the end of the year	Vested and exercisable at the end of the year
I Murray	6,000,000	–	–	(4,000,000)	2,000,000	2,000,000
Z Lubieniecki	3,800,000	–	–	(500,000)	3,300,000	3,300,000
R Davis	1,500,000	–	–	(1,000,000)	500,000	500,000
K Hart	1,500,000	–	–	(1,000,000)	500,000	500,000
M Pyle	800,000	–	–	(300,000)	500,000	500,000
D Woodall	–	–	–	–	–	–

* Other changes during the year comprise the expiry of Options.

Directors' Report continued

Details of vesting profiles of the Performance Share Rights granted as remuneration to each key management person of the Company are detailed below.

Directors	Balance at start of the year	Granted during the year	Exercised during the year	Other changes during the year*	Balance at the end of the year	Vested and exercisable at the end of the year
I Murray	600,000	1,600,000	–	(300,000)	1,900,000	–
Z Lubieniecki	500,000	1,250,000	–	(250,000)	1,500,000	–
R Davis	–	–	–	–	–	–
K Hart	–	–	–	–	–	–
M Pyle	–	–	–	–	–	–
D Woodall	–	–	–	–	–	–

* Other changes during the year comprise the expiry of Performance Share Rights.

Details of Options held by each key management person of the Company are detailed below.

Directors	Grant Date	Number Granted	Value of Options granted	Vest Date	No of Options vested during the year	Vested %	Number of Options forfeited	Value at date of forfeit	Forfeited %
I Murray	29/11/10	2,000,000	\$347,522	30/11/10	–	100	–	–	–
Z Lubieniecki	29/04/09	700,000	\$18,200	30/06/11	–	100	–	–	–
	29/04/09	600,000	\$15,120	30/06/12	–	100	–	–	–
	17/09/10	333,333	\$26,296	17/09/11	–	100	–	–	–
	17/09/10	333,333	\$22,356	17/09/12	333,333	100	–	–	–
	17/09/10	333,334	\$21,795	17/09/13	–	–	–	–	–
	27/04/11	1,000,000	\$272,400	13/05/11	–	100	–	–	–
R Davis	29/11/10	500,000	\$86,880	30/11/10	–	100	–	–	–
K Hart	29/11/10	500,000	\$86,880	30/11/10	–	100	–	–	–
M Pyle	29/11/10	500,000	\$86,880	30/11/10	–	100	–	–	–
D Woodall	–	–	–	–	–	–	–	–	–

Details of Performance Share Rights held by each key management person of the Company are detailed below:

Directors	Grant Date	Number Granted	Value of Performance Share Rights granted	Vest Date	No of Performance Share Rights vested during the year	Vested %	Number of rights forfeited	Value at date of forfeit	Forfeited %
I Murray	23/11/11	300,000	\$71,400	30/11/13	–	–	–	–	–
	21/11/12	800,000	\$89,600	30/11/13	–	–	–	–	–
	21/11/12	800,000	\$78,400	30/11/14	–	–	–	–	–
Z Lubieniecki	23/11/11	250,000	\$59,500	30/11/13	–	–	–	–	–
	21/11/12	625,000	\$70,000	30/11/13	–	–	–	–	–
	21/11/12	625,000	\$61,250	30/11/14	–	–	–	–	–

The movement during the reporting period, by value, of Options over ordinary shares in the Company held by each key management person and granted as part of remuneration is as follows:

2013	Value of Options granted during the year	Value of Options exercised during the year	Value of Options lapsed during the year
I Murray	–	–	\$300,041
Z Lubieniecki	–	–	\$32,960
R Davis	–	–	\$65,920
K Hart	–	–	\$65,920
M Pyle	–	–	\$26,348
D Woodall	–	–	–

The movement during the reporting period, by value, of Performance Share Rights over ordinary shares in the Company held by each key management person and granted as part of remuneration is as follows:

2013	Value of Performance Share Rights granted during the year	Value of Performance Share Rights exercised during the year	Value of Performance Share Rights lapsed during the year
I Murray	\$168,000	–	\$81,600
Z Lubieniecki	\$131,250	–	\$68,000

Company performance

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

	30 June 2013 \$	30 June 2012 \$	30 June 2011 \$	30 June 2010 \$	30 June 2009 \$
Share Price	0.043	0.17	0.60	0.10	0.04
Market capitalisation	19,579,292	66,302,663	186,885,175	19,584,333	6,816,400

THIS IS THE END OF THE REMUNERATION REPORT

Officer's Indemnities and Insurance

Subsequent to the end of the 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.

The Company has not provided any insurance for an auditor of the Company.

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.

Directors' Report continued

Corporate Governance

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors of the Company support and have adhered to the principles of corporate governance. For further details please refer to the corporate governance section contained elsewhere in this report.

Non-Audit Services

The Company's auditor, Stantons International, did not provide any non-audit services during the year.

Total remuneration paid to Stantons International during the financial year:

	2013 \$	2012 \$
Audit and review of the Company's financial statements	26,625	34,365

A copy of the Auditor's Independence Declaration as required under Section 307C of the Corporations Act is set out on page 33.

Auditor

Stantons International continues in office in accordance with section 327 of the Corporations Act 2001.

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

DATED at Perth this 26th day of September 2013.



Ian Murray
Executive Chairman

26 September 2013

Board of Directors
Gold Road Resources Limited
22 Altona Street
West Perth WA 6005

Dear Sirs

RE: GOLD ROAD RESOURCES LIMITED

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

As Audit Director for the audit of the financial statements of Gold Road Resources Limited for the year ended 30 June 2013, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours faithfully

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



Martin Michalik
Director

Statement of Profit or Loss and Other Comprehensive Income

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

	Note	30 June 2013 \$	30 June 2012 \$
Revenue	6	426,228	880,930
Total revenue		426,228	880,930
Employee expenses		(3,022,175)	(2,910,932)
Employee expenses recharged to exploration		2,004,913	2,171,010
Equity based remuneration expense	20	(440,474)	(441,210)
Director's fees		(99,000)	(162,590)
Depreciation expense	7	(410,801)	(336,731)
Accounting and corporate advisory expenses		(599,120)	(443,291)
Compliance costs		(380,576)	(278,285)
Operating lease expenses		(130,497)	(129,738)
Legal costs	7	(181,620)	(92,822)
Insurance		(105,820)	(66,182)
Travel expenses		(55,088)	(469,370)
Advertising		(14,943)	(113,281)
Recruitment expenses		(3,415)	(144,035)
Office expenses		(414,126)	(287,751)
Other expenses from ordinary activities		(30,527)	(23,848)
Exploration costs written off and expensed	7,16	(19,854,857)	(44,900)
Loss before income tax		(23,311,898)	(2,893,026)
Income tax benefit	8	618,494	–
Loss for the year	21(b)	(22,693,404)	(2,893,026)
Other comprehensive income for the year		–	–
Items that will not be reclassified subsequently to profit or loss		–	–
Items that may be reclassified subsequently to profit or loss		–	–
Total comprehensive loss for the year attributed to members of the Company		(22,693,404)	(2,893,026)
		Cents	Cents
Basic loss per share (cents)	32	(5.47)	(0.78)
Diluted loss per share (cents)	32	(5.47)	(0.78)

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

Statement of Financial Position

AS AT 30 JUNE 2013

	Note	30 June 2013 \$	30 June 2012 \$
Current assets			
Cash and cash equivalents	9	8,873,486	12,825,934
Trade and other receivables	10	56,087	177,830
Security deposits	11	66,645	68,389
Prepayments	12	18,122	11,478
Total current assets		9,014,340	13,083,631
Non-current assets			
Property, plant and equipment	13	1,460,305	1,823,516
Investment in subsidiary	14	598	598
Other financial assets	15	84,262	69,227
Capitalised mineral exploration and evaluation expenditure	16	16,561,505	28,379,371
Total non-current assets		18,106,670	30,272,712
Total assets		27,121,010	43,356,343
Current liabilities			
Trade and other payables	17	1,268,257	2,257,900
Provisions	18	122,130	142,632
Total current liabilities		1,390,387	2,400,532
Non-current liabilities			
Provisions	18	18,285	13,756
Total non-current liabilities		18,285	13,756
Total liabilities		1,408,672	2,414,288
Net assets		25,712,338	40,942,055
Equity			
Contributed equity	19(b)	60,827,079	53,803,866
Equity remuneration reserve	21(a)	3,119,287	2,678,813
Accumulated losses	21(b)	(38,234,028)	(15,540,624)
Total equity		25,712,338	40,942,055

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

Statement of Changes in Equity

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

	Ordinary Shares \$	Accumulated losses \$	Equity Remuneration Reserve \$	Total \$
Balance as at 1 July 2012	53,803,866	(15,540,624)	2,678,813	40,942,055
Loss for the year	–	(22,693,404)	–	(22,693,404)
Other comprehensive income for the year	–	–	–	–
Total comprehensive loss for the year	–	(22,693,404)	–	(22,693,404)
Movement in equity remuneration reserve	–	–	440,474	440,474
Transactions with equity holders in their capacity as equity holders:				
Contributions of equity	7,087,923	–	–	7,087,923
Transaction costs of equity issued	(64,710)	–	–	(64,710)
Balance at 30 June 2013	60,827,079	(38,234,028)	3,119,287	25,712,338
Balance as at 1 July 2011	31,620,537	(12,647,598)	2,237,603	21,210,542
Loss for the year	–	(2,893,026)	–	(2,893,026)
Other comprehensive income for the year	–	–	–	–
Total comprehensive loss for the year	–	(2,893,026)	–	(2,893,026)
Movement in equity remuneration reserve	–	–	441,210	441,210
Transactions with equity holders in their capacity as equity holders:				
Contributions of equity	23,259,703	–	–	23,259,703
Transaction costs of equity issued	(1,076,374)	–	–	(1,076,374)
Balance at 30 June 2012	53,803,866	(15,540,624)	2,678,813	40,942,055

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

Statement of Cash Flows

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

	Note	30 June 2013 \$	30 June 2012 \$
Cash flows from operating activities			
Interest received		391,143	823,005
Interest paid		(5,210)	—
Farm-in agreement management fees		63,854	—
Research and development tax benefit		618,494	—
Payments to suppliers and employees		(2,948,612)	(2,411,209)
Net cash flows (used in) operating activities	31	(1,880,331)	(1,588,204)
Cash flows from investing activities			
Payments for exploration and evaluation including Farm-in spend		(9,786,198)	(16,606,129)
JV Farm-in contributions received		751,748	—
Payments for plant and equipment		(47,589)	(1,004,202)
Proceeds from sale of plant and equipment		—	16,363
Payments for security deposits		(13,291)	(1,000)
Net cash flows (used in) investing activities		(9,095,330)	(17,594,968)
Cash flows from financing activities			
Proceeds from issue of shares		7,087,923	23,399,849
Transaction costs on issue of shares		(64,710)	(1,076,374)
Net cash flows from financing activities		7,023,213	22,323,475
Net (decrease)/increase in cash and cash equivalents		(3,952,448)	3,140,303
Cash and cash equivalents at the beginning of the financial year		12,825,934	9,685,631
Cash and cash equivalents at the end of the financial year	9	8,873,486	12,825,934

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

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

Note 1 Basis of preparation of the financial report

The following is a summary of the significant accounting policies adopted by Gold Road in the preparation of these financial statements. These policies have been consistently applied to all years presented, unless otherwise stated.

(a) Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards (AASB) and the Corporations Act 2001. The financial report also complies with the IFRS and interpretations adopted by the International Accounting Standards Board.

(b) Adoption of New and Revised Standards

Changes in accounting policies on initial application of accounting standards

None of the new standards and amendments to standards that are mandatory for the first time for the financial year beginning 1 July 2012 affected any of the amounts recognised in the current period or any prior period and are not likely to affect future periods. However, amendments made to AASB 101 *Presentation of Financial Statements effective 1 July 2012* now require the statement of comprehensive income to show the items of comprehensive income grouped into those that are not permitted to be reclassified to profit or loss in a future period and those that may have to be reclassified if certain conditions are met.

New accounting standards for application in future periods

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Company.

At the date of the authorisation of the financial statements, the standards and Interpretations listed below were in issue but not yet effective.

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 9 'Financial Instruments', AASB 2010-7 'Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)', and AASB 2012-6 'Amendments to Australian Accounting Standards-Mandatory Effective date of AASB 9 and Transition Disclosures'	1 January 2015	30 June 2016
AASB 10 'Consolidated Financial Statements'	1 January 2013	30 June 2014
AASB 11 'Joint Arrangements'	1 January 2013	30 June 2014
AASB 12 'Disclosure of Interests in Other Entities'	1 January 2013	30 June 2014
AASB 13 'Fair Value Measurement' and AASB 2011-8 'Amendments to Australian Accounting Standards arising from AASB 13'	1 January 2013	30 June 2014
AASB 119 'Employee Benefits' (2011) and AASB 2011-10 'Amendments to Australian Accounting Standards arising from AASB 19 (2011)'	1 January 2013	30 June 2014
AASB 127 'Separate Financial Statements (2011), AASB 2011-7 'Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements standards'	1 January 2013	30 June 2014
AASB 128 'Investments in Associates and Joint Ventures' (2011), AASB 2011-7 'Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements standards'	1 January 2013	30 June 2014
AASB 2011-4 'Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements'	1 July 2013	30 June 2014
AASB 2011-7 'Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements standards'	1 January 2013	30 June 2014

Note 1 Basis of preparation of the financial report continued

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 2012-2 'Amendments to Australian Accounting Standards-Disclosures-Offsetting Financial Assets and Liabilities' (Amendments to AASB 7)	1 January 2013	30 June 2014
AASB 2012-3 'Amendments to Australian Accounting Standards-Disclosures-Offsetting Financial Assets and Liabilities' (Amendments to AASB 132)	1 January 2014	30 June 2015
AASB 2012-5 'Amendments to Australian Accounting Standards arising from Annual Improvements cycle'	1 January 2013	30 June 2014
AASB 2012-6 'Amendments to Australian Accounting Standards-Mandatory Effective date of AASB 9 and Transition Disclosures'	1 January 2013	30 June 2014
Interpretation 20 'Stripping Costs in the Production Phase of a Surface Mine' and AASB 2011-12 'Amendments to Australian Accounting Standards arising from Interpretation 20'.	1 January 2013	30 June 2014

The Company has decided not to early adopt any of the new and amended pronouncements. Of the above new and amended Standards and Interpretations the Company's assessment of those new and amended pronouncements that are relevant to the Company but applicable in future reporting periods is set out below:

- AASB 9: Financial Instruments (December 2010) and AASB 2010-7 and AASB 2012-6: Amendments to Australian Accounting Standards arising from AASB 9 (December 2010). These Standards are applicable retrospectively and include revised requirements for the classification and measurement of financial instruments, as well as recognition and derecognition requirements for financial instruments.

The key changes made to accounting requirements include:

- simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;
- simplifying the requirements for embedded derivatives;
- removing the tainting rules associated with held-to-maturity assets;
- removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;
- allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument;
- requiring financial assets to be reclassified where there is a change in an entity's business model as they are initially classified based on: (a) the objective of the entity's business model for managing the financial assets; and (b) the characteristics of the contractual cash flows; and
- requiring an entity that chooses to measure a financial liability at fair value to present the portion of the change in its fair value due to changes in the entity's own credit risk in other comprehensive income, except when that would create an accounting mismatch. If such a mismatch would be created or enlarged, the entity is required to present all changes in fair value (including the effects of changes in the credit risk of the liability) in profit or loss.

The Company has not yet been able to reasonably estimate the impact of these pronouncements on its financial statements.

- AASB 11: Joint Arrangements, AASB 12: Disclosure of Interests in Other Entities, AASB 127: Separate Financial Statements (August 2011), AASB 128: Investments in Associates and Joint Ventures (August 2011) and AASB 2011-7: Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards (applicable for annual reporting periods commencing on or after 1 January 2013).

Notes to the Financial Statements continued

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

Note 1 Basis of preparation of the financial report continued

(b) Adoption of New and Revised Standards continued

AASB 11 replaces AASB 131: Interests in Joint Ventures (July 2004, as amended). AASB 11 requires joint arrangements to be classified as either “joint operations” (whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities) or ‘joint ventures’ (where the parties that have joint control of the arrangement have rights to the net assets of the arrangement). Joint ventures are required to adopt the equity method of accounting (proportionate consolidation is no longer allowed).

AASB 12 contains the disclosure requirements applicable to entities that hold an interest in a subsidiary, joint venture, joint operation or associate. AASB 12 also introduces the concept of a “structured entity”, replacing the ‘special purpose entity’ concept currently used in Interpretation 112, and requires specific disclosures in respect of any investments in unconsolidated structured entities. This Standard will only affect disclosures and is not expected to significantly impact the Company.

To facilitate the application of AASBs 10, 11 and 12, revised versions of AASB 127 and AASB 128 have also been issued. These Standards are not expected to significantly impact the Company.

- AASB 13: Fair Value Measurement and AASB 2011-8: Amendments to Australian Accounting Standards arising from AASB 13 (applicable for annual reporting periods commencing on or after 1 January 2013).

AASB 13 defines fair value, sets out in a single Standard a framework for measuring fair value, and requires disclosures about fair value measurements.

AASB 13 requires:

- inputs to all fair value measurements to be categorised in accordance with a fair value hierarchy; and
- enhanced disclosures regarding all assets and liabilities (including, but not limited to, financial assets and financial liabilities) measured at fair value.

These Standards are not expected to significantly impact the Company.

- AASB 2011-4: Amendments to Australian Accounting Standards to remove the individual Key Management Personnel Disclosure Requirements ((applicable for annual reporting periods commencing on or after 1 January 2013).

This standard makes amendments to AASB 124; Related Party Disclosures to remove the individual key management personnel disclosure requirements (including paras Aus 29.1 to Aus 29.9.3). These amendments serve a number of purposes, including furthering the trans-Tasman conversion, removing differences from IFRSs, and avoiding any potential confusion with the equivalent Corporations Act 2001 disclosure requirements.

This standard is not expected to significantly impact the Company’s financial report as a whole.

(c) Report basis and conventions

These financial statements have been prepared under the historical cost convention, and on an accruals basis.

(d) Critical accounting estimates

The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

(e) Going concern

The financial statements have been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and discharge of liabilities in the ordinary course of business. The ability of the Company to continue to adopt the going concern assumption will depend on future successful capital raisings, the successful exploration and subsequent exploitation of the Company’s tenements and/or sale of non-core assets. The Directors are confident of securing funds if and when necessary to meet the Company’s obligations as and when they fall due.

Note 2 Summary of significant accounting policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Gold Road at the end of the reporting period. A controlled entity is any entity over which Gold Road has the power to govern the financial and operating policies so as to obtain benefits from the entity's activities. Control will generally exist when the parent owns, directly or indirectly through subsidiaries, more than half of the voting power of an entity. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are also considered.

Where controlled entities have entered or left the Company during the year, the financial performance of those entities are included only for the period they were controlled.

Intra-group balances and transactions are eliminated in preparing the consolidated financial statements. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

Non-controlling interests, being the equity in a subsidiary not attributable, directly or indirectly, to a parent, are shown separately within the Equity section of the statement of financial position and statement of comprehensive income. The non-controlling interests in the net assets comprise their interests at the date of the original business combination and their share of equity since that date.

In the Company's financial statements, investments in subsidiaries are carried at cost. Consolidated financial statements have not been prepared as disclosed in Note 14.

(b) Segment reporting

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

(c) Revenue recognition and receivables

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.

Interest income

Interest income is recognised on a time proportion basis as it accrues.

(d) Income tax

The income tax expense or revenue for the period is the tax payable 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.

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.

Notes to the Financial Statements continued

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

Note 2 Summary of significant accounting policies continued

(e) Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases (Note 27). Payments made under operating leases (net of any incentives received from the lessor) are charged to the 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.

(f) 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.

(g) Cash and cash equivalents

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 with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

(h) Fair value estimation

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the company for similar financial instruments.

(i) Property, plant and equipment

Property, plant and equipment are 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 company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of 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:

Office equipment	5-7 years
Office furniture	10-15 years
Field equipment	10 years
Computer equipment	2-3 years
Vehicles	8 years
Buildings	5 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 (Note 2(f)).

Note 2 Summary of significant accounting policies *continued*

(j) Mineral exploration and evaluation expenditure

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.

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 off 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.

(k) Joint ventures

Interests in joint ventures are brought to account by including the appropriate share of the relevant assets, liabilities and costs of the joint ventures in their relevant categories in the financial statements.

(l) Trade and other payables

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

(m) Employee benefits

(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 using the projected unit credit method. 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) Share-based payments

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

The fair value at grant date is independently determined using a Black-Scholes pricing model that takes into account the exercise price, the term of the instrument, the impact of dilution, 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 grant date fair value of 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, except for those that 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 entity 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.

Upon the exercise of Options, the balance of the share based payments reserve relating to those Options is transferred to share capital and the proceeds received, net of any directly attributable transaction costs, are credited to share capital.

Notes to the Financial Statements continued

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

Note 2 Summary of significant accounting policies continued

(n) Contributed equity

Ordinary shares are classified as equity.

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

(o) Earnings per share

(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 financial year, adjusted for bonus elements in ordinary shares issued during the year.

(ii) Diluted earnings per share

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

(p) Goods and service tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as a part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the taxation authority, are presented as operating cash flow.

Note 3 Financial risk management

The Company has exposure to a variety of risks arising from its use of financial instruments. This note presents information about the Company's exposure to the specific risks, and the policies and processes for measuring and managing those risks. Further quantitative disclosures are included throughout this financial report. The Board of Directors has overall responsibility for the risk management framework.

(a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from transactions with customers and investments.

(i) Trade and other receivables

The Company has no investments and the nature of the business activity does not result in trade receivables. The receivables that the Company recognises through its normal course of business are short term in nature and the most significant (in quantity) is the receivable from the Australian Taxation Office and interest receivable. The risk of non-recovery of receivables from this source is considered to be negligible.

(ii) Cash deposits

The Company's primary banker is Westpac Bank Limited. At reporting date all operating accounts are with this bank. The Company also has funds held on deposit with Westpac Bank. The Directors believe any risks associated with the bank are mitigated by its size and reputation. Except for this matter the Company currently has no significant concentrations of credit risk.

Note 3 Financial risk management

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

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

(c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company'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) Currency risk

The Company is not exposed to any currency risk as it only transacts in the functional currency of the Company, the Australian dollar.

(ii) Interest rate risk

As the Company has significant interest bearing assets, the Company's income and operating cash flows are exposed to changes in market interest rates. The assets are short term interest bearing deposits, and no financial instruments are employed to mitigate risk. (Note 22 – Financial Instruments).

(d) Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors capital expenditure and cash flows as mentioned in Note 3(b).

Note 4 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

(a) Accounting for capitalised exploration and evaluation expenditure

The Company's accounting policy is stated at Note 2(j). There is some subjectivity involved in the carrying forward as capitalised or writing off to the statement of profit or loss and other comprehensive income exploration and evaluation expenditure, however management give due consideration to areas of interest on a regular basis and are confident that decisions to either write off or carry forward such expenditure reflect fairly the prevailing situation.

(b) Accounting for share-based payments

The Company's accounting policy is stated at Note 2(m). The value of these payments are based on reasonable estimates using a recognised pricing model.

(c) Deferred taxation

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

Note 5 Segment Information

The Company operates predominantly in the mineral exploration industry in Australia. For management purposes, the Company is organised into one main operating segment which involves the exploration of minerals in Australia. All of the Company's activities are interrelated and discrete financial information is reported to the Board (Chief Operating Decision Maker) as a single segment. Accordingly, all significant operating decisions are based upon analysis of the Company as one segment. The financial results from this segment are equivalent to the financial statements of the Company as a whole.

Notes to the Financial Statements continued

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

	2013 \$	2012 \$
Note 6 Revenue and other income		
<i>Other revenue</i>		
Interest received	362,374	880,930
Joint venture management and asset recoupment fees	63,854	–
	426,228	880,930

Note 7 Expenses

Loss before income tax includes the following specific expenses:

Depreciation:		
Plant and equipment	44,918	45,217
Office equipment	70,844	44,635
Vehicles	40,116	40,830
Camp buildings	254,923	206,049
Loss on disposal of motor vehicle	–	10,606
Legal expenses	181,620	92,822
Exploration expenditure written off and expensed	19,854,857	44,900

Note 8 Income tax

(a) Income tax expense/(benefit)

Current income tax:

Current income tax benefit	(3,336,527)	(6,054,307)
Current income tax benefit not recognised	1,424,885	867,908
Research and development tax concession refund	(618,494)	–

Deferred income tax:

Relating to deductible and taxable temporary differences	1,911,642	5,186,399
--	-----------	-----------

Income tax benefit reported in the statement of profit or loss and other comprehensive income

(618,494) –

(b) Reconciliation of prima facie tax (benefit)

Loss before income tax	(23,311,898)	(2,893,026)
Tax at Australian rate of 30% (2012: 30%)	(6,993,570)	(867,908)
<i>Tax effect:</i>		
Non-deductible leave provisions	(4,792)	24,135
Non-deductible legal costs	54,486	27,847
Non-deductible share based payment	132,142	132,363
Non-deductible entertainment	2,130	8,200
Other	56,324	–
Accrued interest income	–	17,368
Capital raising costs	(128,607)	(122,895)
Exploration costs	3,545,360	(5,273,417)
Research and development tax concession refund	(618,494)	–
Deferred tax benefit not brought to account	3,336,527	6,054,307
Income tax (benefit)	(618,494)	–

Note 8 Income tax continued

(c) Deferred tax – Statement of Financial Position

Assets:

Tax losses available utilised to offset deferred tax liabilities	4,571,262	8,104,262
Accrued expenses	56,281	4,200
Leave provisions	42,125	46,916
Equity raising costs	304,221	403,893

2013
\$

2012
\$

4,571,262

8,104,262

56,281

4,200

42,125

46,916

304,221

403,893

4,973,889

8,559,271

Liabilities:

Prepayments	(5,437)	–
Accrued income	–	(45,460)
Exploration expenditure	(4,968,452)	(8,513,811)

(5,437)

–

–

(45,460)

(4,968,452)

(8,513,811)

(4,973,889)

(8,559,271)

Net deferred tax asset

–

–

(d) Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items:

Tax losses	10,245,310	3,685,183
------------	------------	-----------

10,245,310

3,685,183

Deferred tax assets have not been recognised in respect of these items because it is not probable in the short to medium term that these assets will be realised. The Company has total estimated tax losses at 30 June 2013 of \$49,388,571 (2012: \$39,325,327).

2013
\$

2012
\$

Note 9 Current assets – cash and cash equivalents

Cash at bank and on hand	8,873,486	12,825,934
--------------------------	-----------	------------

8,873,486

12,825,934

Note 10 Current assets – trade and other receivables

GST recoverable	3,130	98,649
Interest receivable	49,541	78,309
Other receivables	3,416	872

3,130

98,649

49,541

78,309

3,416

872

56,087

177,830

Note 11 Current assets – security deposits

Westpac – credit card facility	60,001	61,745
Other	6,644	6,644

60,001

61,745

6,644

6,644

66,645

68,398

Note 12 Current assets – prepayments

Prepaid expenses	18,122	11,478
------------------	--------	--------

18,122

11,478

Notes to the Financial Statements continued

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

	2013 \$	2012 \$
Note 13 Non-current assets – property, plant and equipment		
<i>Plant and equipment</i>		
At cost	540,494	509,731
Accumulated depreciation	(143,483)	(98,565)
	397,011	411,166
<i>Office equipment</i>		
At cost	285,209	293,280
Accumulated depreciation	(182,565)	(111,721)
	102,644	181,559
<i>Motor vehicles</i>		
At cost	337,897	337,897
Accumulated depreciation	(105,299)	(65,183)
	232,598	272,714
<i>Camp buildings</i>		
At cost	1,241,887	1,216,989
Accumulated depreciation	(513,835)	(258,912)
	728,052	958,077
	1,460,305	1,823,516
Reconciliation		
<i>Plant and equipment</i>		
Net book value at start of the year	411,166	312,276
Items reclassified	(8,084)	–
Additions	38,847	144,107
Depreciation	(44,918)	(45,217)
Net book value at end of the year	397,011	411,166
<i>Office equipment</i>		
Net book value at start of the year	181,559	66,461
Items reclassified	(16,814)	–
Additions	8,743	159,733
Depreciation	(70,844)	(44,635)
Net book value at end of the year	102,644	181,559
<i>Motor vehicles</i>		
Net book value at start of the year	272,714	242,672
Additions	–	97,841
Disposals	–	(26,969)
Depreciation	(40,116)	(40,830)
Net book value at end of the year	232,598	272,714
<i>Camp buildings</i>		
Net book value at start of the year	958,077	561,605
Items reclassified	24,898	–
Additions	–	602,521
Depreciation	(254,923)	(206,049)
Net book value at end of the year	728,052	958,077
	1,460,305	1,823,516

No items of property, plant and equipment have been pledged as security by the Company.

Note 14 Non-current assets – investment in subsidiary

During the 2007 year, Gold Road acquired 100% of Thatcher's Soak Uranium Pty Ltd for \$598. The Company was incorporated in Western Australia on 22 March 2007.

The subsidiary company had no material assets or liabilities at the reporting date and in addition had no revenue or expenses since incorporation.

Consolidated financial statements have not been prepared as the Directors consider to do so would be immaterial to the reporting entity's net assets at the reporting date and its result and cash flows for the year.

2013 \$	2012 \$
------------	------------

Note 15 Non-current assets – other financial assets

Security and environmental bonds

84,262	69,227
--------	--------

Included in the above are bonds that act as security for environmental bonds over tenements on which the Company has worked or is currently working.

Note 16 Non-current assets – capitalised mineral exploration and evaluation expenditure

In the exploration and evaluation phase

Cost brought forward

28,379,371	10,801,313
------------	------------

Exploration expenditure during the year

8,036,991	17,622,958
-----------	------------

Exploration expenditure written off

(19,854,857)	(44,900)
--------------	----------

Cost carried forward

16,561,505	28,379,371
------------	------------

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 capitalised exploration and expenditure carried forward and the appropriateness of continuing to carry forward costs in relation to certain projects within the Yamarna project area, the Company has considered current market conditions including the fall in the gold price, market capitalisation, the results of recent studies undertaken and where active and significant exploration expenditures are ongoing. As a result of this review, the Company has made an impairment charge of \$19,854,857 in the current year.

2013 \$	2012 \$
------------	------------

Note 17 Current liabilities – trade and other payables

Trade payables

632,789	1,825,825
---------	-----------

Accruals and other payables

188,227	432,075
---------	---------

Funds from farmee held in advance

447,241	–
---------	---

Trade and other payables

1,268,257	2,257,900
-----------	-----------

Note 18 Provisions

Current – Employee entitlements

122,130	142,632
---------	---------

Non-current – Employee entitlements

18,285	13,756
--------	--------

Notes to the Financial Statements continued

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

Note 19 Contributed equity

(a) Ordinary shares

The Company is a public company limited by shares. The company was incorporated in Perth, Western Australia.

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.

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.

		2013 No.	2012 No.	2013 \$	2012 \$
(b) Share capital					
Issued share capital		455,332,394	390,015,665	60,827,079	53,803,866
(c) Share movements during the year	<i>Issue price</i>				
Balance brought forward		390,015,665	311,475,291	53,803,866	31,227,681
Placement	\$0.32	–	47,563,130	–	15,220,202
Share Purchase Plan	\$0.32	–	25,000,000	–	8,000,000
Share Purchase Plan	\$0.11	64,313,241		7,074,456	
Listed Options exercised	\$0.07	–	5,612,244	–	392,857
Unlisted Options exercised	\$0.095	66,667	100,000	6,333	9,500
Unlisted Options exercised	\$0.15	–	200,000	–	30,000
Unlisted Options exercised	\$0.107	66,667	–	7,134	–
Performance Share Rights exercised	\$0.00	120,000	–	–	–
Performance Share Rights exercised	\$0.00	193,334	–	–	–
Performance Share Rights exercised	\$0.00	264,077	–	–	–
Performance Share Rights exercised	\$0.00	70,000	25,000	–	–
Performance Share Rights exercised	\$0.00	222,743	40,000	–	–
Less: costs related to shares issued		–	–	(64,710)	(1,076,374)
At the end of the year		455,332,394	390,015,665	60,827,079	53,803,866

	2013 No.	2012 No.
(d) Share Options		
<i>(i) Options movements during the year</i>		
The following table illustrates the number (No.) of, and movements in, share Options during the year:		
Outstanding at the beginning of the year	18,146,000	17,019,000
Unlisted Options granted (ii)	–	1,427,000
Unlisted Options exercised (iii)	(133,334)	(300,000)
Forfeited during the year	(179,000)	–
Unlisted Options expired during the year	(8,700,000)	–
Outstanding at the end of the year	9,133,666	18,146,000
Exercisable at the end of the year	8,400,334	16,679,334

(ii) Unlisted Options granted during the year

There were no unlisted Options granted during the year ended 30 June 2013.

Note 19 Contributed equity continued

(d) Share Options continued

(iii) Unlisted Options exercised during the year

Number of Options exercised	Exercise price	Expiry date
66,667	9.5 cents	30 September 2015
66,667	10.7 cents	30 September 2015

(iv) Options outstanding at year end

Number of Options outstanding	Exercise price	Expiry date
700,000	10 cents	30 June 2014
600,000	15 cents	30 June 2014
3,500,000	61.5 cents	31 October 2014
1,000,000	97.5 cents	30 April 2015
72,000	70.5 cents	31 May 2015
46,000	95.3 cents	30 June 2015
566,667	9.5 cents	30 September 2015
666,667	10.7 cents	30 September 2015
733,332	12.8 cents	30 September 2015
210,000	54.8 cents	31 October 2015
310,000	48 cents	31 December 2015
702,000	47.3 cents	31 March 2016
27,000	27 cents	30 June 2016
9,133,666	Total Options on Issue	

(v) Weighted average remaining contractual life

The weighted average remaining contractual life for the unlisted share Options outstanding as at 30 June 2013 is 1.72 years (2012: 1.72 years).

(vi) Weighted average fair value

The weighted average fair value of the unlisted Options granted during the year was (nil) cents (2012: 0.13 cents).

(vii) Option pricing model

The fair value of the equity-settled instruments granted is estimated as at the date of the grant using the Black-Scholes Model taking into account the terms and conditions upon which the instruments were granted.

The following table lists the inputs to the models used for Options issued in the years ended 30 June 2013 and 30 June 2012:

	30 June 2013	30 June 2012
Expected volatility (%)	—	82.58-96.39
Risk-free interest rate (%)	—	2.51-4.46
Expected life of option (years)	—	4
Option exercise price (\$)	—	0.27-0.953
Underlying share price at measurement date (\$)	—	0.18-0.635

Notes to the Financial Statements continued

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

Note 19 Contributed equity continued

(e) Performance Share Rights

(i) Performance Share Rights movements during the year

The following table illustrates the number (No.) of, and movements in, Performance Share Rights during the year:

	2013 No.	2012 No.
Outstanding at the beginning of the year	1,800,000	–
Performance Share Rights granted (ii)	5,156,820	1,865,000
Performance Share Rights exercised (iii)	(870,154)	(65,000)
Forfeited during the year	(540,000)	–
Performance Share Rights expired during the year	(550,000)	–
Outstanding at the end of the year	4,996,666	1,800,000
Exercisable at the end of the year	418,334	190,000

(ii) Performance Share Rights granted during the year

Number of Performance Share Rights issued	Fair value at grant date*	Vesting date	Expiry date
1,425,000	\$0.112	30 November 2013	30 November 2013
1,425,000	\$0.098	30 November 2014	30 November 2014
80,000	\$0.155	10 August 2012	10 August 2015
80,000	\$0.155	10 August 2013	10 August 2015
80,000	\$0.155	10 August 2014	10 August 2015
273,334	\$0.142	28 September 2012	28 September 2015
273,333	\$0.142	28 September 2013	28 September 2015
273,333	\$0.142	28 September 2014	28 September 2015
123,334	\$0.130	31 December 2012	31 December 2015
123,333	\$0.130	31 December 2013	31 December 2015
123,333	\$0.130	31 December 2014	31 December 2015
264,077	\$0.120	16 January 2013	16 January 2016
140,000	\$0.093	31 March 2013	31 March 2016
140,000	\$0.093	31 March 2014	31 March 2016
140,000	\$0.093	31 March 2015	31 March 2016
192,743	\$0.082	9 April 2013	9 April 2016
5,156,820	Total granted during the year		

* Refer to Note 19(e)(vii)

Note 19 Contributed equity continued

(e) Performance Share Rights continued

(iii) Performance Share Rights exercised during the year

Number of Performance Share Rights exercised	Vesting date	Expiry date
40,000	28 March 2012	28 March 2013
80,000	10 August 2012	10 August 2015
80,000	30 June 2012	30 June 2015
183,334	28 September 2012	28 September 2015
264,077	16 January 2013	16 January 2016
30,000	31 March 2013	31 March 2016
192,743	9 April 2013	9 April 2016
870,154	Total exercised during the year	

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

Outstanding	Vesting Date	Expiry date
550,000*	30 November 2013	30 November 2013
65,000	31 March 2013	31 March 2015
65,000	31 March 2014	31 March 2015
30,000	30 June 2012	30 June 2015
80,000	10 August 2013	10 August 2015
80,000	10 August 2014	10 August 2015
90,000	28 September 2012	28 September 2015
213,333	28 September 2013	28 September 2015
213,333	28 September 2014	28 September 2015
1,425,000**	30 November 2013	30 November 2013
1,425,000**	30 November 2014	30 November 2014
123,334	31 December 2012	31 December 2015
123,333	31 December 2013	31 December 2015
123,333	31 December 2014	31 December 2015
110,000	31 March 2013	31 March 2016
140,000	31 March 2014	31 March 2016
140,000	31 March 2015	31 March 2016
4,996,666	Total Performance Share Rights on issue	

* Represent Performance Share Rights issued to Directors. The grant of these Performance Share Rights is subject to the recipients remaining employed by the Company up to the Test Date and the 10 day VWAP of trading in the shares up to the relevant Test Date being at least 59 cents per Share. The Performance Share Rights are tested and vest on 30 November 2013.

** Represent Performance Share Rights issued to Directors. The grant of these Performance Share Rights is subject to the recipients remaining employed by the Company up to the Test Date and the 60 day VWAP of trading in the shares up to the relevant Test Date being at least:

- 24 cents per Share in relation to 1,425,000 Performance Share Rights which are tested and vest on 30 November 2013; and
- 28 cents per Share in relation to 1,425,000 Performance Share Rights which are tested and vest on 30 November 2014.

(v) Weighted average remaining contractual life

The weighted average remaining contractual life for the Performance Share Rights outstanding as at 30 June 2013 is 1.33 years (2012: 1.57 years).

Notes to the Financial Statements continued

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

Note 19 Contributed equity continued

(e) Performance Share Rights continued

(vi) *Weighted average fair value*

The weighted average fair value of the Performance Share Rights granted during the year was 11.4 cents (2012: 24.8).

(vii) *Performance Share Rights pricing model*

Performance Share Rights are valued at the underlying market value at grant date of the ordinary shares over which they are granted, discounted for a lack of negotiability.

2013	2012
\$	\$

Note 20 Share-based payments

(a) Recognised share-based payment expenses

The expense recognised for services received during the year is shown in the table below:

Expenses arising from equity settled share-based payment transactions

- Recognised in Statement of Profit or Loss and other Comprehensive Income
- Recognised in Equity

440,474	441,210
—	—
440,474	441,210

(b) Types of share-based payment plans

Incentive Option Plan

The Company has a formal option plan for the issue of options to employees, directors and consultants, which was approved by shareholders at the Company's Annual General Meeting on 29 November 2010. Options are granted free of charge and are exercisable at a fixed price in accordance with the terms of the grant. Options over unissued shares are issued under the terms of the Plan at the discretion of the Board.

Performance Share Rights Plan

The Company has a formal plan for the issue of Performance Share Rights to employees, which was approved by shareholders at the Company's Annual General Meeting on 29 November 2010. Performance Share Rights are granted free of charge and are exercisable into ordinary fully paid shares in accordance with the terms of the grant. Performance Share Rights are issued to employees under the terms of the Plan at the discretion of the Board. Refer to Note 19 for movements in Options and Performance Share Rights during the year.

2013	2012
\$	\$

Note 21 Reserves and accumulated losses

(a) Equity remuneration reserve

Balance brought forward at 1 July

2,678,813	2,237,603
------------------	-----------

Transfer to equity remuneration reserve in respect of Options issued

440,474	441,210
----------------	---------

Balance carried forward at 30 June

3,119,287	2,678,813
------------------	-----------

The equity remuneration reserve is used to recognise the fair value of Options issued but not exercised.

(b) Accumulated losses

Balance brought forward at 1 July

(15,540,624)	(12,647,598)
---------------------	--------------

Loss for the year

(22,693,404)	(2,893,026)
---------------------	-------------

Balance carried forward at 30 June

(38,234,028)	(15,540,624)
---------------------	--------------

Note 22 Financial instruments

(a) Credit risk

The Directors do not consider that the Company's financial assets are subject to anything more than a negligible level of credit risk, and as such no disclosures are made. Refer to Note 3(a).

(b) Impairment losses

The Directors do not consider that any of the Company's financial assets are subject to impairment at the reporting date. No impairment expense or reversal of impairment charge has occurred during the financial year.

(c) Liquidity risk

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements. Refer to Note 3(b).

	Carrying amount \$	Contractual cash flows \$	6 months or less \$	6 months or more \$
Company				
30 June 2012				
Financial assets	9,080,480	9,080,480	8,996,218	84,262
Financial liabilities	(1,268,257)	(1,268,257)	(1,268,257)	—
Company				
30 June 2012				
Financial assets	13,141,380	13,141,380	13,072,153	69,227
Financial liabilities	(2,257,900)	(2,257,900)	(2,257,900)	—

(d) Currency risk

The Company does not have any exposure to foreign currency risk. Refer to Note 3(c).

(e) Interest rate risk

At the reporting date the interest profile of the Company's interest-bearing financial instruments was as follows (refer to Note 3(c)):

	Company Carrying Amount	
	2013 \$	2012 \$
Fixed rate instruments		
Financial assets	—	—
Financial liabilities	—	—
Variable rate instruments		
Financial assets	8,873,486	12,825,934

Cash balances during the year attracted a weighted average interest rate of 4.56% (2012: 5.20%).

(f) Fair value sensitivity analysis for fixed rate investments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Company does not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore a change in interest rates at the reporting date would not affect profit or loss.

Notes to the Financial Statements continued

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

Note 22 Financial instruments continued

(g) Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased/(decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant. The 100 basis points sensitivity is based on reasonable possible change over the financial year using the observed range for the historic 2 years.

	Profit or loss		Equity	
	100bp increase \$	100bp decrease \$	100bp increase \$	100bp Decrease \$
30 June 2013				
Variable rate instruments	88,735	88,735	88,735	88,735
30 June 2012				
Variable rate instruments	128,259	128,259	128,259	128,259

(h) Fair values

Fair values versus carrying amounts

The fair values of financial assets and liabilities approximate their carrying values due to their short term nature.

Note 23 Dividends

No dividends were paid or proposed during the financial year.

The Company has no franking credits available as at 30 June 2013.

Note 24 Key management personnel disclosures

(a) Directors

The following persons were directors of Gold Road during the financial year:

- (i) *Executive Chairman*
Ian Murray (appointed Executive Chairman 12 February 2008)
- (ii) *Non-Executive Director and Company Secretary*
Kevin Hart (appointed Non-Executive Director 17 May 2007, resigned as a Non-Executive Director 30 June 2013)
- (iii) *Non-Executive Director*
Russell Davis (appointed 28 May 2004, became Non-Executive Director on 1 January 2008)
- (iv) *Non-Executive Director*
Martin Pyle (appointed 22 June 2010)
- (v) *Executive Director*
Ziggy Lubieniecki (appointed General Manager 1 August 2009, appointed Executive Director on 13 December 2010)
- (vi) *Non-Executive Director*
David Woodall (appointed Non-Executive Director 20 February 2012, resigned as a Non-Executive Director 30 June 2013)

(b) Other key management personnel

There were no other persons employed by or contracted to the Company during the financial year, having responsibility for planning, directing and controlling the activities of the Company.

Note 24 Key management personnel disclosures continued

(c) Compensation for key management personnel

	Company Carrying Amount	
	2013 \$	2012 \$
Short-term employee benefits	731,862	816,645
Bonuses	–	145,000
Post-employee benefits	67,318	48,527
Other benefits	23,202	24,162
Share-based payment	270,605	168,189
Total compensation	1,092,987	1,202,523

(d) Equity instrument disclosures relating to key management personnel

(i) Option holdings

The number of Options over ordinary shares in the Company held during the financial year by each director of Gold Road and other key management personnel of the Company are set out below.

YEAR 2013

Directors/ Executives	Balance at start of the year	Granted during the year	Exercised during the year	Other changes during the year	Balance at the end of the year	Vested and exercisable at the end of the year
I Murray	6,000,000	–	–	(4,000,000)	2,000,000	2,000,000
Z Lubieniecki	3,800,000	–	–	(500,000)	3,300,000	2,966,667
R Davis	1,500,000	–	–	(1,000,000)	500,000	500,000
K Hart	1,500,000	–	–	(1,000,000)	500,000	500,000
M Pyle	800,000	–	–	(300,000)	500,000	500,000
D Woodall	–	–	–	–	–	–

* Other changes during the year comprised the expiry of Options.

YEAR 2012

Directors/ Executives	Balance at start of the year	Granted during the year	Exercised during the year	Other changes during the year	Balance at the end of the year	Vested and exercisable at the end of the year
I Murray	6,000,000	–	–	–	6,000,000	6,000,000
Z Lubieniecki	3,800,000	–	–	–	3,800,000	3,133,334
R Davis	1,500,000	–	–	–	1,500,000	1,500,000
K Hart	1,500,000	–	–	–	1,500,000	1,500,000
M Pyle	800,000	–	–	–	800,000	800,000
D Woodall	–	–	–	–	–	–

Notes to the Financial Statements continued

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

Note 24 Key management personnel disclosures continued

(d) Equity instrument disclosures relating to key management personnel continued

(ii) Performance Share Rights

The number of Performance Share Rights over ordinary shares in the Company held during the financial year by each director of Gold Road and other key management personnel of the Company are set out below.

YEAR 2013

Directors/ Executives	Balance at start of the year	Granted during the year	Exercised during the year	Other changes during the year*	Balance at the end of the year	Vested and exercisable at the end of the year
I Murray	600,000	1,600,000	–	(300,000)	1,900,000	–
Z Lubieniecki	500,000	1,250,000	–	(250,000)	1,500,000	–
R Davis	–	–	–	–	–	–
K Hart	–	–	–	–	–	–
M Pyle	–	–	–	–	–	–
D Woodall	–	–	–	–	–	–

* Other changes during the year comprised Performance Share Rights that expired.

YEAR 2012

Directors/ Executives	Balance at start of the year	Granted during the year	Exercised during the year	Expired during the year	Balance at the end of the year	Vested and exercisable at the end of the year
I Murray	–	600,000	–	–	600,000	–
Z Lubieniecki	–	500,000	–	–	500,000	–
R Davis	–	–	–	–	–	–
K Hart	–	–	–	–	–	–
M Pyle	–	–	–	–	–	–
D Woodall	–	–	–	–	–	–

(iii) Share holdings

The number of shares in the Company held during the financial year by each Director of Gold Road and other key management personnel of the Company, including their personally related parties are set out below. There were no shares granted during the reporting period as compensation.

YEAR 2013

Directors/ Executives	Balance at start of the year	Received during the year on exercise of Options	Other changes during the year*	Balance at the end of the year
I Murray	10,661,648	–	136,363	10,798,011
Z Lubieniecki	1,101,000	–	–	1,101,000
R Davis	6,936,068	–	136,363	7,072,431
K Hart	–	–	–	–
M Pyle	2,021,857	–	136,363	2,158,220
D Woodall	–	–	–	–

* Other changes during the year comprised the purchase or sale of shares.

Note 24 Key management personnel disclosures continued

(d) Equity instrument disclosures relating to key management personnel continued

(iii) Share holdings continued

YEAR 2012

Directors/ Executives	Balance at start of the year	Received during the year on exercise of Options	Other changes during the year	Balance at the end of the year
I Murray	11,135,000	–	(473,352)	10,661,648
Z Lubieniecki	1,101,000	–	–	1,101,000
R Davis	8,075,000	–	(1,138,932)	6,936,068
K Hart	–	–	–	–
M Pyle	2,000,000	–	21,857	2,021,857
D Woodall	–	–	–	–

(e) Loans made to key management personnel

No loans were made to a director of Gold Road or any other key personnel, including personally related entities during the reporting period.

(f) Other transactions with key management personnel

Mr Kevin Hart has an interest as a Partner in a Chartered Accounting firm, Endeavour Corporate. This firm provides company secretarial and accounting services to the Company in the ordinary course of business. The value of transactions in the financial year ended 30 June 2013 amounted to \$127,722 (2012: \$129,657).

During the year, Martin Pyle Consulting, a company controlled by Mr Martin Pyle, provided corporate and strategic advice services to the company. The value of transactions in the financial year ended 30 June 2013 amounted to \$1,300 (2012: nil).

Terms and conditions were not more favourable than those available, or which might reasonably be expected to be available for a similar transaction to unrelated parties on an arms-length basis.

Note 25 Remuneration of auditors

Audit and review of the Company's financial statements

2013 \$	2012 \$
26,625	34,365
26,625	34,365

Note 26 Contingencies

(a) Contingent liabilities

There were no material contingent liabilities noted or provided for in the financial statements of the Company as at 30 June 2013 other than:

Native Title and Aboriginal Heritage

Native title claims have been made with respect to areas which include tenements in which the Company has an interest. The Company is unable to determine the prospects for success or otherwise of the claims and, in any event, whether or not and to what extent the claims may significantly affect the Company or its projects. Agreement is being or has been reached with various native title claimants in relation to Aboriginal Heritage issues regarding certain areas in which the Company has an interest.

(b) Contingent assets

There were no material contingent assets as at 30 June 2013.

Notes to the Financial Statements continued

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

Note 27 Commitments

(a) Exploration

The Company has certain obligations to perform minimum exploration work on mineral leases held. These obligations may vary over time, depending on the Company's exploration programmes and priorities. As at reporting date, total exploration expenditure commitments on tenements held by the Company have not been provided for in the financial statements and which cover the following twelve month period amount to \$2,283,234 (2012: \$2,150,000). These obligations are also subject to variation by farm-out arrangements or sale of the relevant tenements. Tenements with commitments of \$1 million are subject to an earn-in agreement as disclosed in Note 29.

(b) Operating lease commitments

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

	2013 \$	2012 \$
Within one year	89,000	106,800
Later than one year but not later than five years	–	89,000
Later than 5 years	–	–
	89,000	195,800

Employment Agreements

In the event that the Company terminates all of the Directors' employment agreements, there is a requirement to give termination notice by the Company. Should the services of the Directors not be required during the termination notice periods the cost to the Company would be \$350,833 (2012: \$350,833).

Note 28 Related party transactions

There were no related party transactions during the year, other than disclosed at Note 24(f).

Note 29 Joint ventures

On 14 May 2013, the Company entered into a Joint Venture Agreement with Sumitomo Metal Mining Oceania Pty Ltd, a subsidiary of Sumitomo Metal Mining Co. Limited, the terms of which include Sumitomo Metal Mining spending up to \$8 million on exploration over the period to 31 December 2016 to earn up to a 50% interest. As at 30 June 2013, \$751,748 (2012: nil) in contributions had been received from Sumitomo, of which \$304,506 (2012: nil) had been applied to capitalised exploration expenditures.

Note 30 Events occurring after the reporting date

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

Note 31 Reconciliation of loss after tax to net cash outflow from operating activities

	2013 \$	2012 \$
Loss from ordinary activities after income tax	(22,693,404)	(2,893,026)
Depreciation	410,801	336,731
Exploration expenditure written off	19,854,857	44,900
Loss on disposal of assets	–	10,606
Share based payments expense	440,474	441,210
<i>Change in operating assets and liabilities:</i>		
(Increase)/Decrease accrued interest receivable	28,768	(57,897)
(Increase)/Decrease in other receivables	(9,189)	313,851
Increase/(Decrease) in leave provisions	(15,972)	96,205
Increase/(Decrease) in trade and other payables	103,334	119,216
Net cash outflow from operating activities	(1,880,331)	(1,558,204)

During the year, there were no non-cash investing or financing activities.

Note 32 Earnings per share

(a) Basic earnings per share

Loss attributable to ordinary equity holders of the Company

	2013 cents	2012 cents
	(5.47)	(0.78)

(b) Diluted earnings per share

Loss attributable to ordinary equity holders of the Company

	2013 cents	2012 cents
	(5.47)	(0.78)

(c) Loss used in calculation of basic and diluted loss per share

Loss for the year

	\$	\$
	(22,693,404)	(2,893,026)

(d) Weighted average number of shares used as the denominator

Weighted average number of shares used as the denominator in calculating basic and diluted earnings per share

	No.	No.
	414,662,473	367,573,589

(e) Information concerning the classification of securities

Options and Performance Share Rights

Options and Performance Share Rights to acquire ordinary shares granted by the Company and not exercised at the reporting date are considered to be potential ordinary shares and have been included in the determination of diluted earnings per share to the extent to which they are dilutive. At year end, none of the Options and Performance Share Rights were considered to be dilutive. The Options have not been included in the determination of basic earnings per share. Refer to Note 19 for details of the Options and Performance Share Rights issued.

Directors' Declaration

In the opinion of the Directors of Gold Road:

- (a) the financial statements, notes and the additional disclosures included in the Directors' Report designated as audited of the Company are in accordance with the Corporations Act 2001, including:
 - (i) *complying with Accounting Standards and the Corporations Regulations 2001 and other mandatory professional reporting requirements; and*
 - (ii) *giving a true and fair view of the financial position of the Company as at 30 June 2013 and of its performance, as represented by the results of its operations, changes in equity and cash flows, for the financial year ended on that date.*
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The Directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the Chief Executive Officer and Chief Financial Officer for the financial year ended 30 June 2013.

The directors draw attention to Note 1(a) to the financial statements, which include a statement of compliance with International Financial Reporting Standards.

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

On behalf of the Board

Signed at Perth this 26th day of September 2013.



IAN MURRAY
Executive Chairman

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

Report on the Financial Report

We have audited the accompanying financial report of Gold Road Resources Limited, which comprises the statement of financial position as at 30 June 2013, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' responsibility for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In note 1(a), the directors also state, in accordance with Australian Accounting Standard AASB 101 Presentation of Financial Statements, that the financial statements comply with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Opinion

In our opinion:

- (a) the financial report of Gold Road Resources Limited is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the company's financial position as at 30 June 2013 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001; and
- (b) the financial report of the Company also complies with International Financial Reporting Standards as disclosed in note 1(a).

Report on the Remuneration Report

We have audited the remuneration report included in pages 25 to 31 of the directors' report for the year ended 30 June 2013. 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 responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion the remuneration report of Gold Road Resources Limited for the year ended 30 June 2013 complies with section 300A of the *Corporations Act 2001*.

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD

(Trading as Stantons International)

(An Authorised Audit Company)

Stantons International Audit & Consulting Pty Ltd.



Marin Michalik
Director

West Perth, Western Australia
26 September 2013

ASX Shareholder Information

Pursuant to the Listing Requirements of the Australian Stock Exchange Limited, the shareholder information set out below was applicable as at 23 September 2013.

(a) Distribution of Equity Securities

Analysis of numbers of shareholders and option holders by size of holding:

Distribution	Number of Shareholders
1 – 1,000	208
1,001 – 5,000	1,193
5,001 – 10,000	1,048
10,001 – 100,000	3,087
More than 100,000	780
TOTALS	6,314

There were 1,441 shareholders holding less than a marketable parcel of ordinary shares.

(b) Twenty Largest Shareholders

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

Shareholder Name	Ordinary Shares	
	Number of Shares	Percentage of Issued
HSBC Custody Nominees Australia Ltd*	25,515,871	5.60%
J P Morgan Nominees Australia Ltd	12,924,280	2.84%
Citicorp Nominees PL	10,164,168	2.23%
Robert James Brookes	9,700,602	2.13%
National Health Recover	7,250,000	1.59%
Russell John Davis – Davis S/F A/C	7,072,431	1.55%
Zenith Pacific Ltd	6,000,000	1.32%
Haifa PL	5,811,135	1.28%
Asarco Exploration Co Inc	5,000,000	1.10%
Helen Ma PL Stevema S/F A/C	3,981,924	0.87%
Oxiana V Brooks	3,882,402	0.85%
Forsyth Barr Custodians Ltd Forsyth Barr Ltd-N	3,629,079	0.80%
Bell Potter Nominees Ltd	3,541,857	0.78%
Kurraba Investment PL	3,521,857	0.77%
Audrey Grace Gobbart	2,500,000	0.55%
William D Goodfellow	2,371,857	0.52%
George & J Romaniotis	2,246,811	0.49%
Martin James Pyle – Mpyle S/F A/C	2,158,220	0.47%
Weeroona Funds PL Baratops S/F A/C	2,071,000	0.45%
Cowen Super Fund PL Cowen Fam S/F A/C	2,002,599	0.44%
TOTAL	121,346,093	26.63%

* Includes 10,798,011 ordinary shares held by Troyleigh Investments Pty Ltd (an entity related to Mr Ian Murray, Executive Chairman) representing 2.37% of total issued shares.

(c) 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.

This page has been left blank intentionally.



ABN 13 109 289 527

22 Altona Street, West Perth WA 6005 PO Box 1157, West Perth WA 6872

Telephone: +61 8 9200 1600 Facsimile: +61 8 9481 6405

Email: perth@goldroad.com.au Website: www.goldroad.com.au