

GOLD ROAD ACQUIRES 100% OF SOUTH YAMARNA PROJECT

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Highlights

- **Gold Road acquires 100% of South Yamarna Project for A\$7 million**
- **Targeting and ranking process underway will include North and South Yamarna**
- **2018 exploration budget of A\$23 million to be shared across North and South Yamarna**

Well-funded mid-tier gold development and exploration company, Gold Road Resources Limited (**Gold Road** or the **Company**) confirms that a wholly-owned subsidiary, Gold Road (South Yamarna) Pty Ltd (**GRSY**), has signed a Sale Agreement to acquire Sumitomo Metal Mining Oceania Pty Ltd's (**Sumitomo**) 50% interest in the South Yamarna Project for A\$7 million in cash and certain rights of first refusal and first negotiation.

This acquisition will consolidate Gold Road's ownership of the majority of the Yamarna Belt, which currently hosts 6.8 million ounces of gold in resource. In addition to Gold Road becoming owner of 100% of the South Yamarna Project (~2,467 km²), Gold Road also owns 100% of the North Yamarna Project (~2,455 km²) and 50% of the Gruyere Joint Venture (144 km²).

Gold Road's Managing Director and Chief Executive Officer, Ian Murray, said "*We established the South Yamarna Joint Venture with Sumitomo in 2013, at a time when Gold Road and most other junior explorers were experiencing severe funding constraints. Since then we have discovered the 6.2 million ounce Gruyere gold deposit, which will be producing gold and significant cash flows from 2019, and our economic circumstance have improved through the joint venture we concluded in 2016 with Gold Fields Limited.*"

The partnership with Sumitomo has been an integral part in unlocking the potential of the South Yamarna Project which we have shown to be prospective. The acquisition of Sumitomo's 50% interest in South Yamarna gives us greater control of the Yamarna Belt where we will be increasing exploration activities upon completion of the summer targeting and ranking process. We would like to thank Sumitomo for their support since 2013 and look forward to continuing our relationship into the future."



Transaction Overview

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

From 1 January 2018, Gold Road will be responsible for all of costs and expenses for the South Yamarna Project and solely determine all exploration programmes.

In addition to the A\$7 million cash purchase price, Sumitomo will be granted the following rights in relation to the South Yamarna Project:

1. **Right of First Negotiation:** If Gold Road proceeds with a decision to mine a project on the South Yamarna Project area, which has a JORC compliant Ore Reserve of greater than 1 million ounces contained gold, Gold Road must notify Sumitomo. Sumitomo will then have the right to submit an offer for an acquisition of an interest in the proposed mine and the associated mining tenements. If after 90 days from the notice and negotiating in good faith, Gold Road, in its sole discretion, believes any offer is not acceptable Gold Road may proceed with sole development of the project or consider other options for development of the project.
2. **Right of First Refusal:** If during the exploration phase or a study phase (i.e. scoping, pre-feasibility or feasibility study):
 - Gold Road decides to sell all or any South Yamarna Project tenement to any third party; or
 - there is change of control of GRSY or any parent entity of GRSY (except a change of control of Gold Road while it is publicly listed),

then Sumitomo will have a right of first refusal in respect of the proposed sale or change of control.

South Yamarna Exploration Strategy

Gold Road has confidence that there is potential to discover multi-million ounce gold deposits in the South Yamarna project area. The project area contains some of Gold Road's highest ranked Camp Scale and bedrock drill targets. Initial exploration activities will focus on geological modelling of the highest ranked targets, assessing bedrock targets for follow-up drilling and planning full-field aircore programmes in untested and/or poorly tested prospects.

In addition, Gold Road intends to undertake targeted framework drilling on several smaller deposits that did not meet the size criteria set by the South Yamarna Joint Venture. Positive results from these programmes could see rapid progress to infill and extensional programmes targeting new gold resources in this exciting project area.

As part of the Regional Co-operation Arrangement with Gold Fields Limited's subsidiary, Gold Road has the right to toll treat ore on commercial terms at the Gruyere Project's processing plant. This right will extend to 100% of Gold Road's interest in the South Yamarna project tenements and potentially enable smaller size deposits to be economic.

For further information, please visit www.goldroad.com.au or contact:

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