GOLD ROAD RESOURCES GRUYERE GOLD PROJECT

A case study using Complete Target

EXPLORATION EVALUATION SYSTEM

completetarget

Case Study – Gruyere OP (50-50 GOR, GFA)

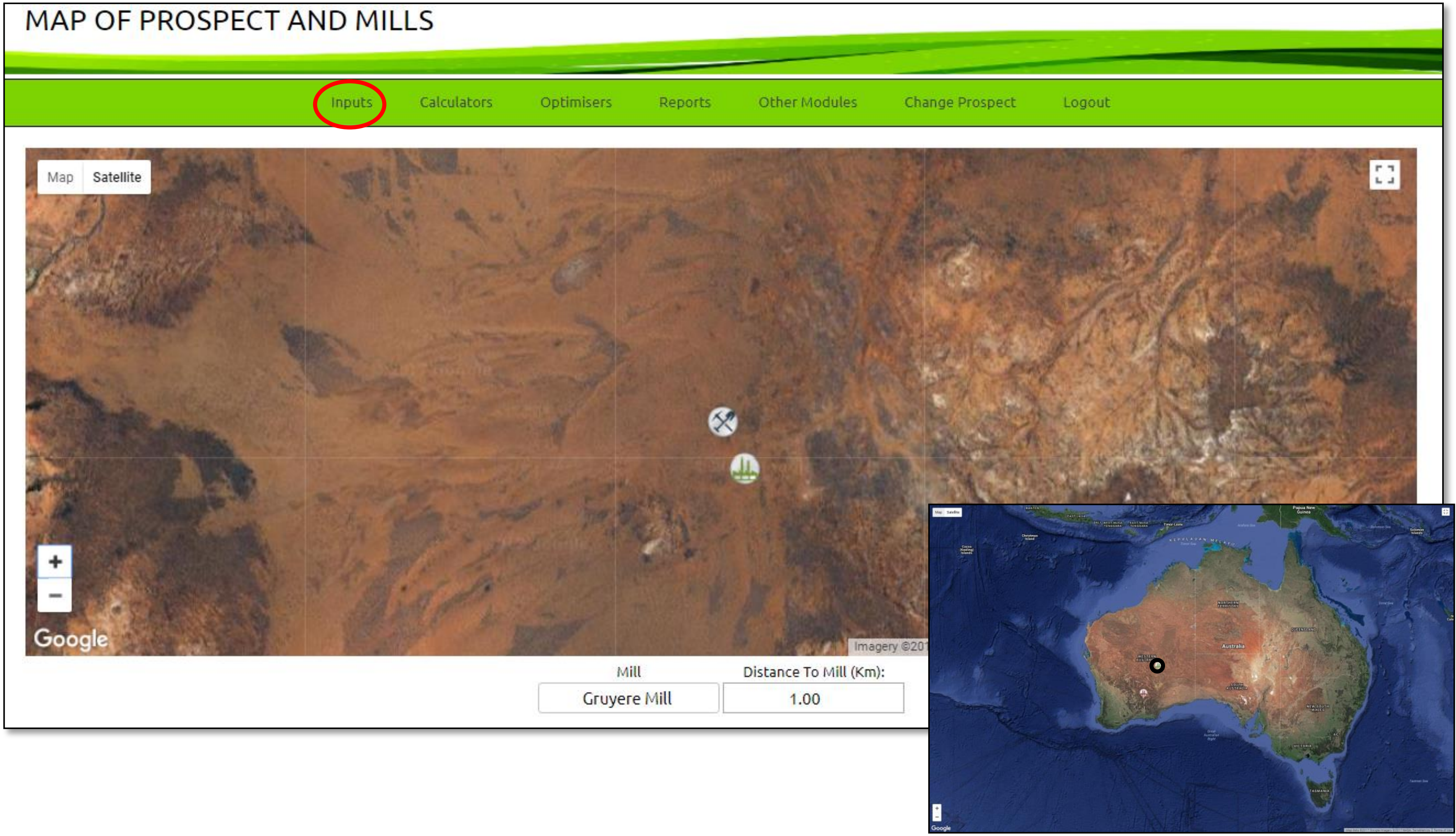
- Gold Road Resources discovered in 2013
- Current resource base of approx. 6.2 Moz
- Recently sold 50% to Gold Fields for $350M cash

- Stage 3 Pit from the PFS provides a good comparison to Complete Target OP optimisation (250m depth)
- All information from the *Gruyere Gold Project, Pre-feasibility Study Information Booklet, February 2016.*

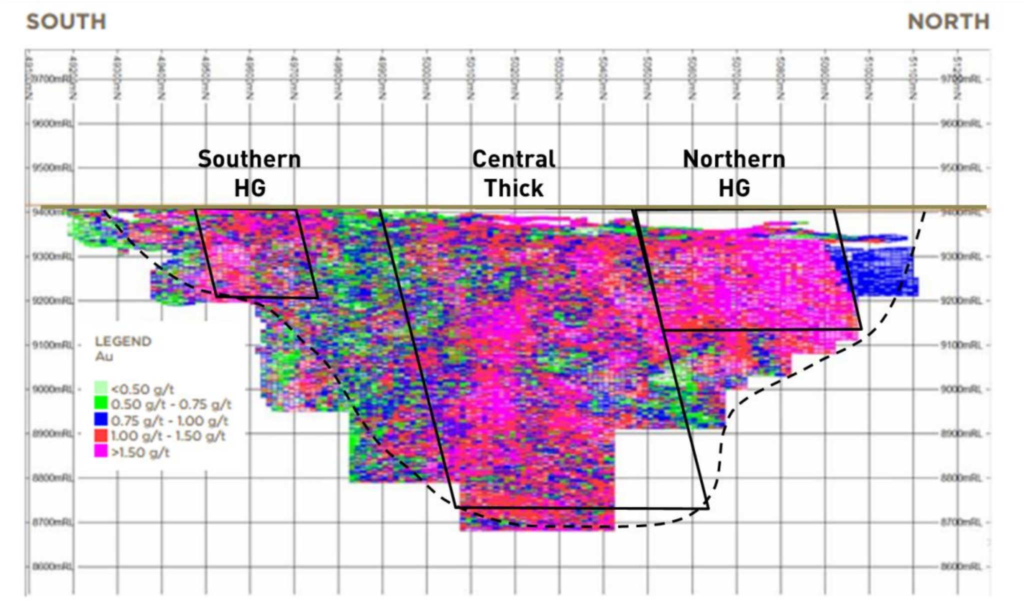
- Yamarna Belt of the Yilgarn practically unexplored and GOR have compiled an impressive list of targets!

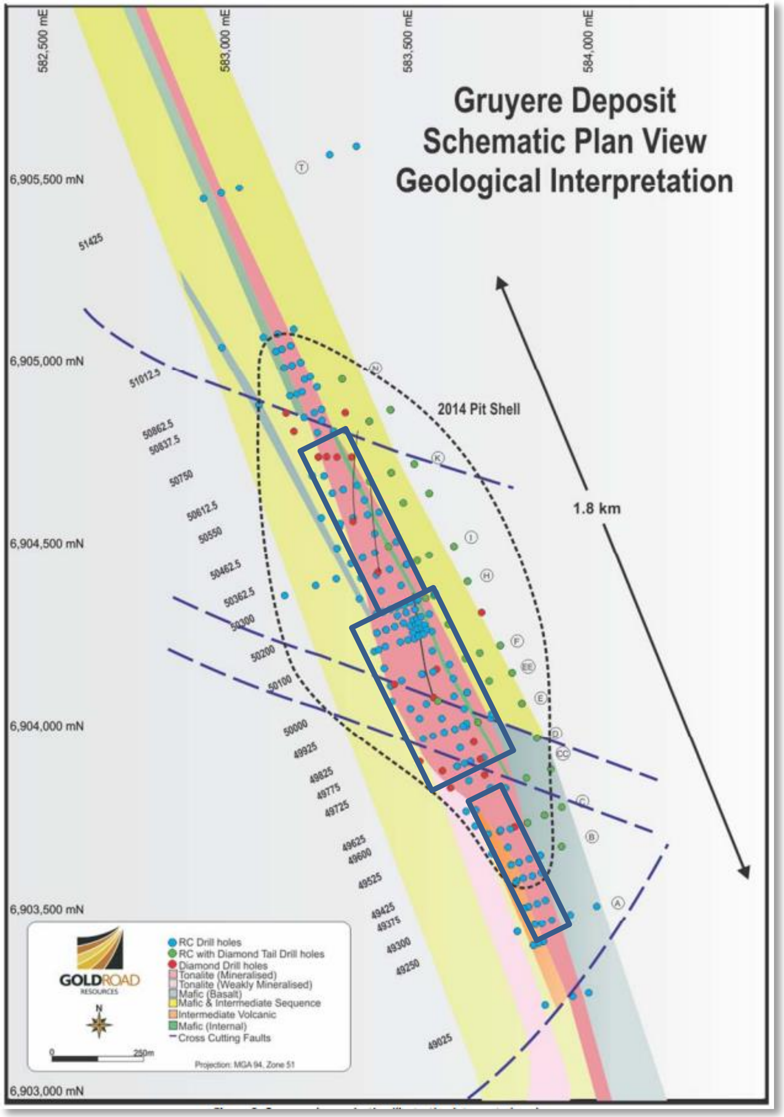
- Gold Road are also satisfied Complete Target clients!

Gruyere location and mill



Prospect physical inputs





- Modelled as 3 discrete orebodies

- Thin, moderate grade southern
- Thick, low-grade central zone
- Med thickness, high-grade north

Prospect physical inputs

ORE BODY 1 FOR GRUYERE S3

Inputs | Calculators | Optimisers | Reports | Other Modules | Change Prospect | Logout

Depth to Ore Body (m)	Length (m)	True Thickness (m)	Down Dip Depth (m)
0	450	25	225
Dip	**Dip Direction**	**Plunge**	**Plunge Direction**
80	75	75	345
Base Cover 1 (m)	**Density Cover 1 (SG)**	**Base Cover 2 (m)**	**Density Cover 2 (SG)**
3	1.33	30	2.25

Ore Density: 2.70

Waste Density(Fresh): 2.68

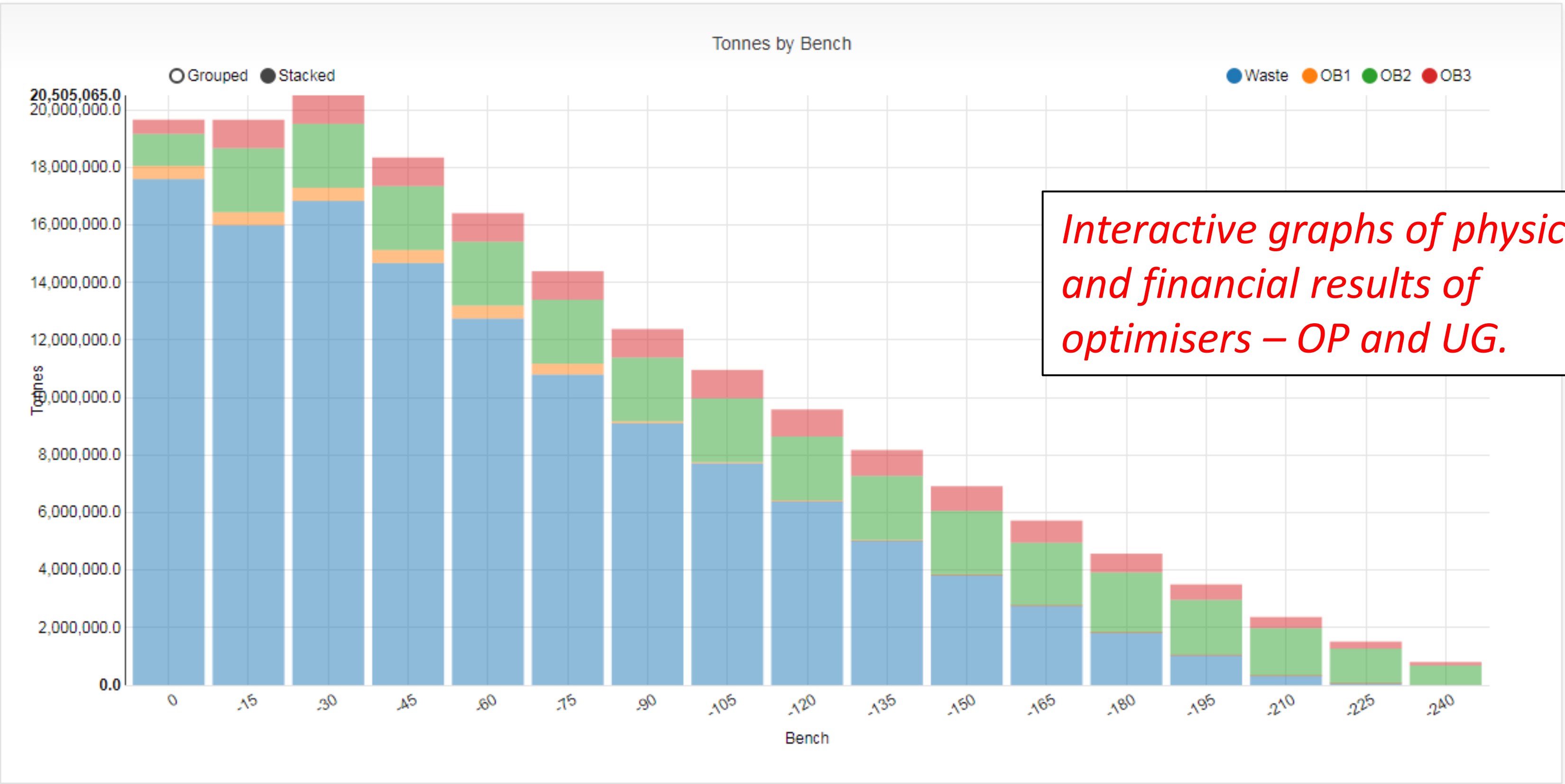
Target Grade 1 - Gold: 1.31

Potential Endowment C1: 287847

Ore Recovery (%): 92.00

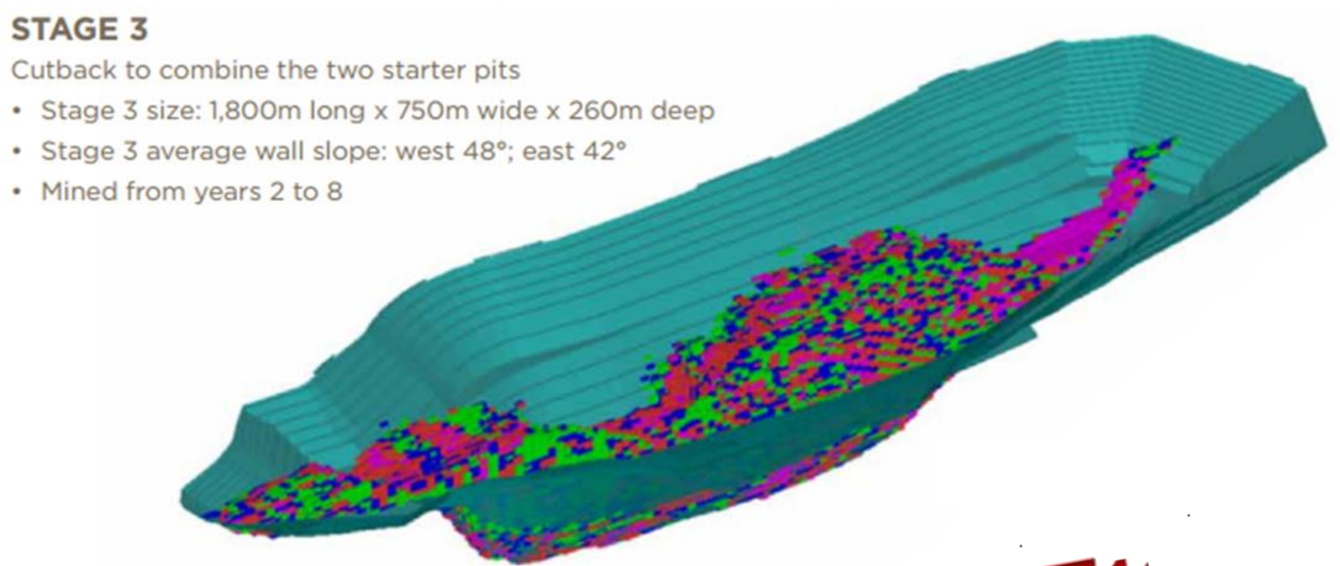
Prospect reports - graphical

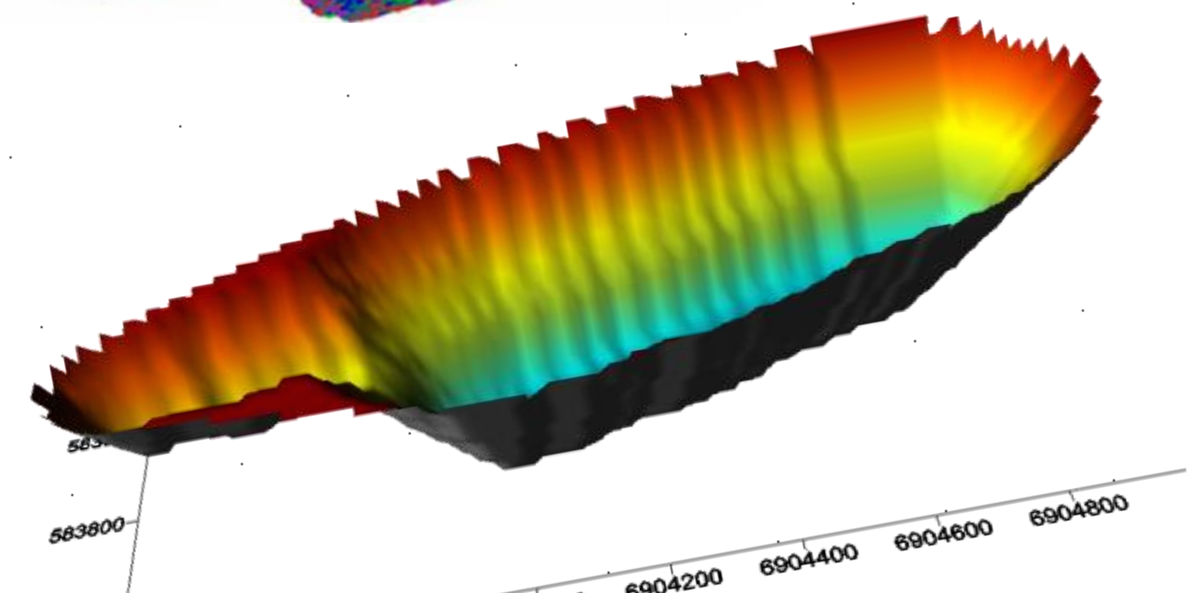
OP PHYSICALS FOR GRUYERE S3



Interactive graphs of physical and financial results of optimisers – OP and UG.

Pit generated





Complete Target vs 2016 Feasibility

	Unit	Gruyere LOM	Gruyere Stage 3	Complete Target	CT-S3 Diff (%)	CT- LOM Diff (%)
PHYSICAL						
Ore inventory	kt	81,816	57,318	53,277	93%	65%
Contained gold	oz	3,182,706	2,177,709	2,004,059	92%	63%
Grade	g/t	1.21	1.2	1.17	98%	97%
Waste inventory	kt	246,254	120,040	163,301	136%	66%
Total inventory	kt	328,069	177,357	216,578	122%	66%
Stripping ratio	w : o	3.0 : 1	2.1 : 1	3.1 : 1		
Mined years		1-12	1-8	1-12		
Pit Length	m	1800	1800	1720		
Pit Width	m	890	750	720		
Pit Depth	m	340	260	250*		
FINANCIAL						
Capital Cost	A$M	507		342**		67%
Pre-tax $NPV_{8\%}$	A$M	486		504		
Pre-tax IRR	%	24		27	★	
AISC ***	A$/oz	945		954	★	
AIC ****	A$/oz	1,103		1,119	★	
Payback Period	Months	48		49		

* max pit depth in Complete Target

** pro rata total capital based on ounce mined differential between Stage 3 and 4 pit (67.5%)

*** AISC = C1 + Royalties + Levies + Sustaining Capital + Project related offsite Corporate expenditure

**** AIC = AISC + Development Capital Expenditure

So did they get a good deal??

EMV = P (Economic Mineralization) x Geological confidence x NPV
EMV S3 = 80% x 100% x $504M
EMV S3 = $404M (50% stake of equates to $202M)

- Gold Fields and Gold Road both stand to make approximately $200M AUD from the starter pit alone at a base case of $1500 AUD/oz gold price
- S3 is approximately 2/3's of the gold content of the LOM Pit
- Ascribe $50 M AUD to exploration upside associated with down-plunge, bulk UG opportunities or other satellite resources (Alaric and Central Bore – 300 Koz resource).

- GOR de-risked construction and mining and can focus on their strengths – Greenfields Exploration!

EVERYONE'S A WINNER

Summary

Have highlighted that;

- meaningful financial analysis of exploration targets can be conducted despite the limitations of uniform orebody grade and planar orebody geometries.
- selection of orebody physical parameters can be made at any stage from the conceptual to prefeasibility stage to provide a simple overview of a project's capacity to return a financial mine.
- prospects stored in Complete Target should be updated regularly as new data helps to clarify physical parameters.

completetarget

Thanks

www.completetarget.com

info@completetarget.com

completetarget