

GOLD ROAD (GOR)
\$0.40c
Analyst: PETER KOPETZ
SPEC BUY
**Ev/Resource Valuation:
\$0.51c**
Price Target: \$0.60c

Gold Road (GOR) has undoubtedly one of the more exciting gold tenement packages in Australia. It owns a large part of the Yamarna Greenstone Belt which has been underexplored and unloved due to its remoteness and mistaken belief about its geology. Recent exploration efforts by GOR has returned spectacular gold results and this could be just the tip of the iceberg as the land package consists of ~5000km² of which a small portion has been explored to date.

Yamarna (GOR 100%)

GOR's 2 most advanced assets at its 100% owned Yamarna tenements are the Attila-Alaric deposit which hosts a JORC resource of 917Koz @ 1.44g/t Au and the Central Bore prospect which to date has returned spectacular gold results:

- 4m @ 60.9g/t Au, including 1m @ 182g/t Au from 64m
- 1m @ 124g/t Au from 35m
- 3m @ 136g/t Au, including 1m @ 404g/t Au from 192m
- 2m @ 53g/t Au, including 1m @ 105g/t Au from 104m
- 5m @ 146g/t Au, including 1m @ 845g/t Au from 226m
- 6m @ 35g/t Au, including 1m @ 182g/t Au from 237m



Source: Aegis

Investment Data	
Share Price (\$)	0.40
Ord Shares (m)	271.2
Market Cap (\$m)	108.5
EV (\$m)	97.6
EV (\$m) (diluted)	133.5
Options (m)	62.6
(Net Debt) /Cash (\$m)	10.9
12m Low/High (\$)	0.08/0.55

Source: Aegis

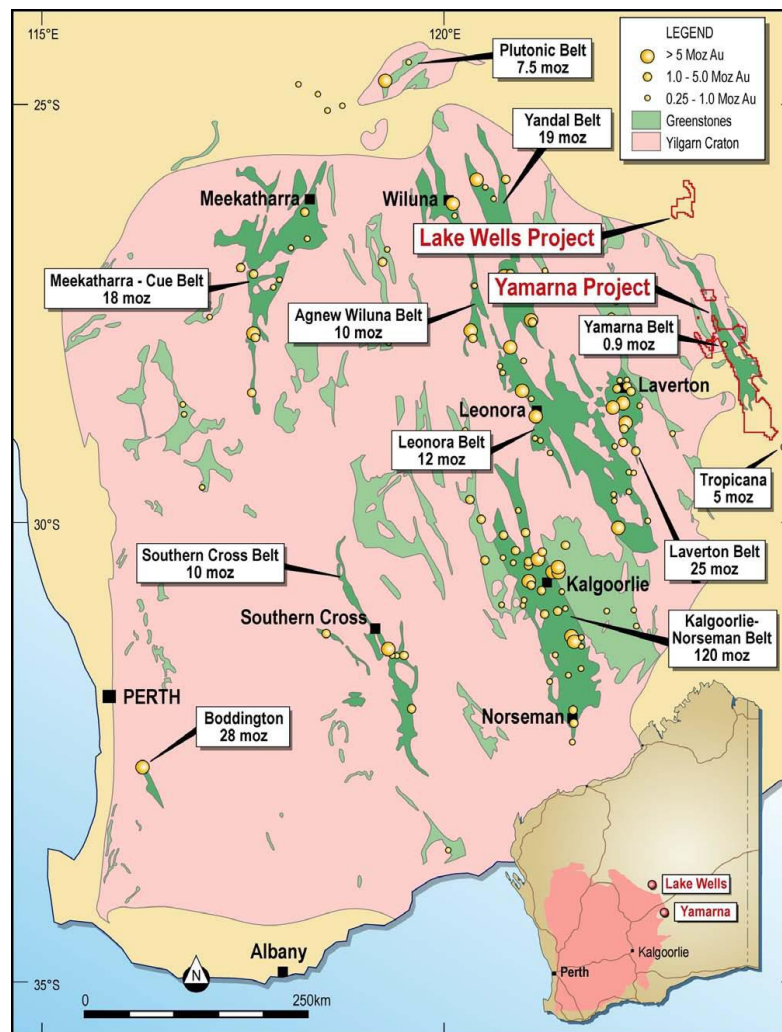


Fig 1: Yilgarn Craton

GOR's substantial tenement package consists of ~5,000km² encompassing the majority of the Yamarna greenstones. In late 2010, GSWA (Geological Survey of WA) released a report indicating that the geological setting at Yamarna is similar in age and character to the Kalgoorlie Terrane, dispelling the earlier notion that the area is too young.

Attila

A large JORC resource exists at Attila which is made up of 10 small deposits stretching over 33km. The resource is shallow and a possibility exists for this to be extended at depth. GOR will be targeting high grade shoots during the 2011 drilling season. If Attila can add more ounces and up the grade it could potentially become GOR's first mine.

Yamarna Mineral Resource Summary			
Mineral Resources		At 0.5g/t Au Cut Off	
Category	000t	Grade g/t Au	Ounces
Measured	6,449	1.55	322,000
Indicated	6,251	1.36	273,000
Inferred	7,117	1.41	322,000
TOTAL *	19,817	1.44	917,000

Central Bore

Multiple high grade intersections have been encountered in a thin quartz vein up to 6m in width (average between 1-2m). Mineralisation starts at surface with a possibility of multiple parallel veins existing in the area. Highly prospective area with various indications (rock chips, etc) that more high grade mineralized zones will be found (Justinian etc.).

Metallurgical test work conducted earlier is favourable with 96% average recovery and greater than 60% separation achieved. Maiden resource is due in March 2011, and conservatively we are expecting ~150Koz @ 10g/t Au. Further work undertaken during 2011 will encompass initial mining modelling, environmental and hydrological test work.

The drilling program for 2011 is very large with almost 90,000m planned at Central Bore, Justinian, Hann, Attila and new targets. We have taken the EV/Resource valuation approach and used a discount to the West African EV/Resource average (\$294/oz) and South East Asian EV/Resource average (\$314/oz).

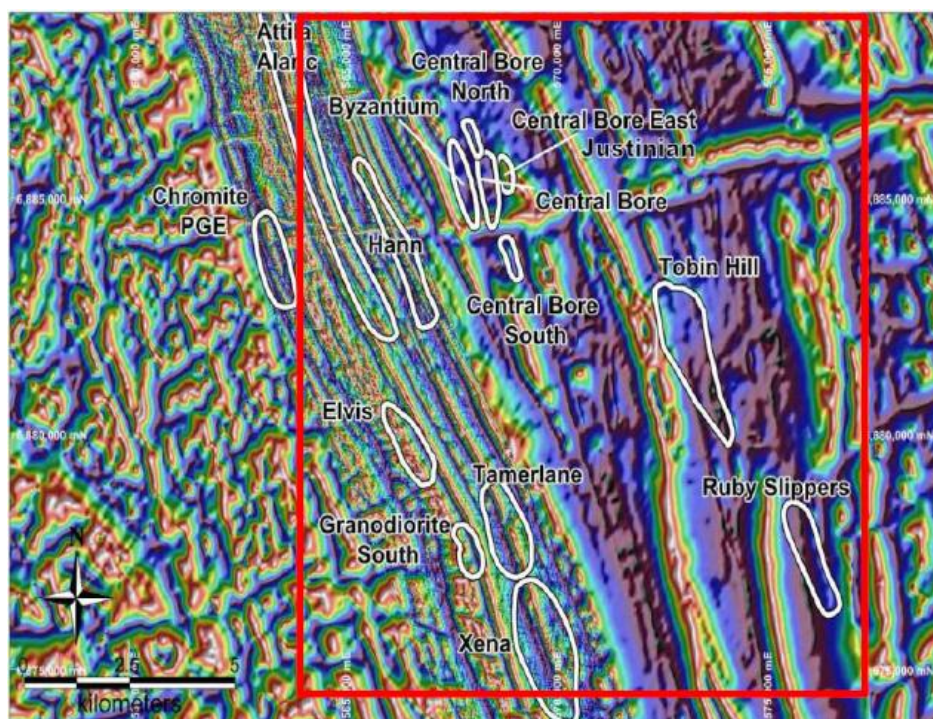


Fig 2: Yamarna prospects

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