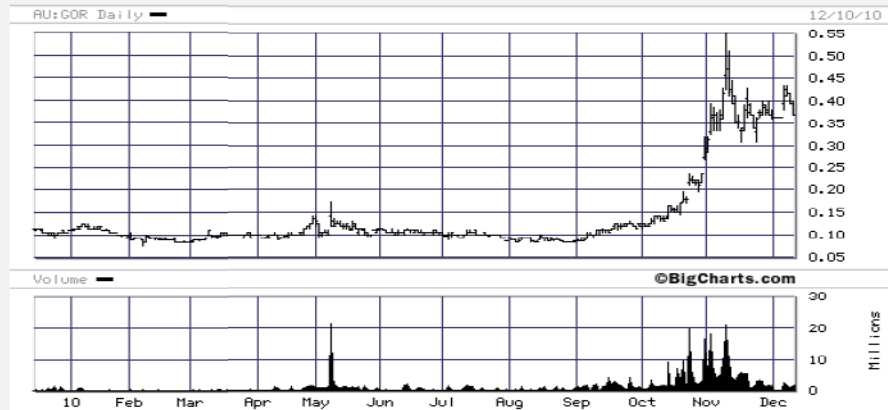


Gold Road Limited (GOR) – Buy @ 38c

An exciting gold explorer that is generating high-grade drilling results from its Yamarna Project in Western Australia. Currently hosting a JORC resource of 917,000 ounces, an upgrade will be made in Q1 2011.

Corporate Details

Status: Advanced Explorer
 Size: Small Cap
 Commodity Exposure: Gold
 Share Price: 38c
 12-month Range: 7.6c – 55c
 Shares: 260.2m, Options: 70m
 Top 20: 37%
 Net Cash: \$10m
 Market Value: \$99m



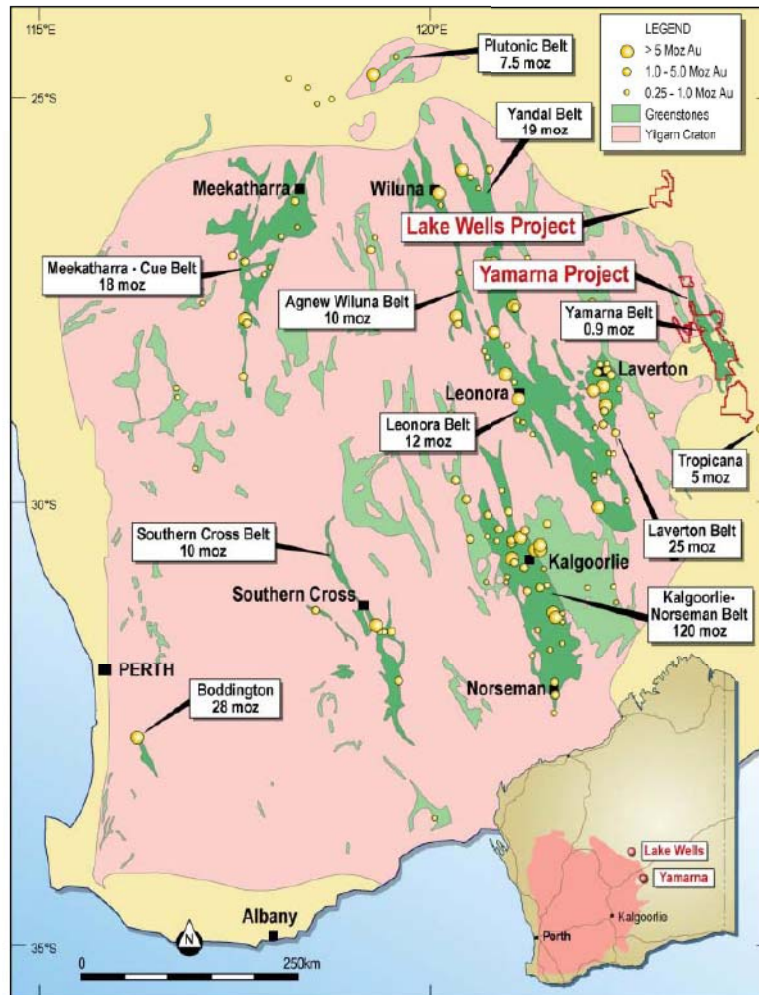
	Rating (✓out of 5)
Management Quality	✓✓✓✓
Financial Security	✓✓✓
Project Quality	✓✓✓
Exploration / Resource Potential	✓✓✓✓
Project Risk	✓✓✓✓✓

One of the overriding themes in the Australian gold sector over the past couple of years has been the international flight by companies seeking their gold fortunes overseas. Where are the new and exciting domestic gold discoveries to lure companies and tempt investors? Well, they do exist - and we'll be presenting some of the best of these new and exciting companies in coming reports. This week we're covering Gold Road, one of best of the new breed of Aussie gold explorers.

Gold Road (until recently known as Eleckra Mines), is a gold explorer with a +4,000 sq km tenement package covering the Yamarna greenstone belt, 140km east of Laverton in Western Australia. The attraction of the Yamarna belt, which lies adjacent to the 500km long Yamarna shear zone, is that it is highly prospective for gold, yet has essentially remained under-explored.

The exploration address is first-class and hosts a series of significant new discoveries, the most prominent and headline-grabbing of which of course is the 6 million ounce Tropicana deposit, co-owned by AngloGold-Ashanti/Independence Resources.

I had the opportunity to meet recently in Sydney with Gold Road's Executive Chairman, Ian Murray, where he outlined the region's potential, the aggressive drilling program being undertaken, and the likelihood of exploration success. On the evidence of the exploration results generated over the past few months, the company has so far well and truly achieved its exploration goals.



The company essentially maintains two key project areas within its greater Yamarna Project. The first is the 33km long **Barbarian Trend**, which includes the Attila, Alaric and Khan deposits. The Barbarian Trend hosts a chunk of the existing Yamarna Gold Resource, which contains a combined Measured, Indicated and Inferred Mineral Resource of 19.8 million tonnes @ 1.44 g/t Au for 917,000 ounces of contained gold, using a 0.5 g/t cut-off.

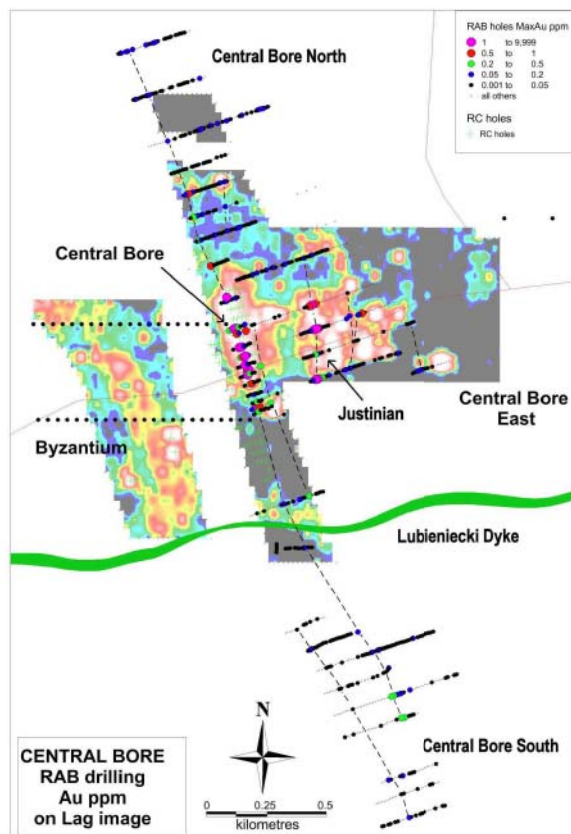
Just nearby lies the second project area, the 6 sq km area **Central Bore Trend**, which lies east of the southern extent of the Barbarian Trend. At the Central Bore prospect, gold mineralisation has been identified over a strike length of 800 metres and from surface to a depth of 300 metres, with assay results of up to 845g/t gold. It remains open to the north, south and depth.

The Justinian prospect lies just 200 metres east of Central Bore, is 600 metres long and is wider structurally.. Byzantium is 1km long and lies just 500 metres to the west of Central Bore and is a VMS-style base metal prospect. Finally, Hann is a 4.3km long prospect that hosts three parallel gold anomalies, 2.4km west of Central Bore.

Now let's turn our attention to the company's exciting exploration results thus far. Gold Road recently announced fabulously high-grade gold intercepts from its maiden RC drilling program at its Justinian Trend. 19 RC holes were completed for 2,338 metres, with some of the more spectacular results including intercepts of 7 metres @ 27.21 g/t Au (including 1 metre @ 102 g/t Au) in one hole, whilst three gold zones comprising 3 metres @ 7.43 g/t Au, 5 metres @ 2.50 g/t Au and 8 metres @ 4.05 g/t Au, were intercepted in a second hole.

The initial interpretation is that the gold mineralisation is contained within a broad zone of alteration and anomalous gold halo, up to 72 metres wide. Intriguingly, this contrasts with typical Central Bore geology, where the gold mineralisation is constrained within a narrow, relatively linear steep-dipping shear zone.

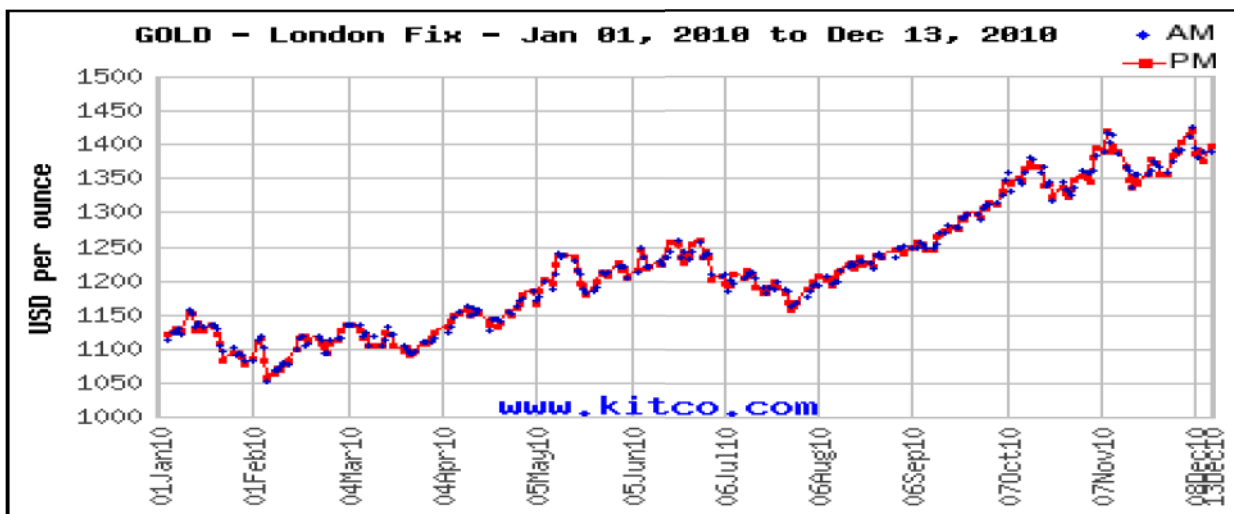
In terms of the next steps, close-spaced drilling is required to better define the mineralised structure and to locate its northern and southern extensions. Encouragingly, the drilling has so far extended the Central Bore Gold Deposit mineralised zone 1.1km further to the north from the most northern RC holes and 1.2km further to the south from the most southern RC holes. The zone remains open in both directions.



The RC rig has been moved back to Central Bore to drill close-spaced geostatistical holes over the Imperial Shoot in order to provide gold distribution data, which will contribute to the maiden Central Bore resource calculations. Visible gold was panned off from many geostatistical holes. Currently, the RC rig is testing RAB anomalies over four lines approximately 200 metres, 300 metres, 400 metres and 500 metres north of the Imperial Shoot.

Elsewhere during the September quarter, a 17,000 metre RAB drilling program was completed around the Central Bore deposit area and at the Elvis and Granodiorite South prospects. RAB holes were drilled to refusal and their depth ranged from 1 metre to 58 metres with an average of 19 metres. Overall, gold values tend to be more elevated in deeper RAB holes and weaker in the shallow holes.

The company recently completed a placement to raise \$9.01 million @ \$0.34 each (7% discount to prior last-sale price) to fund its ongoing exploration work at the Yamarna Project. This, combined with the expected inflow of funds from the exercise of listed options prior to their 30 June 2011 expiry date, will provide Gold Road with up to \$14 million for continued exploration at Yamarna during 2011.



In terms of spending, Gold Road spent a total of \$1.088m on exploration during the September quarter, which represented 75% of total expenditure for the period.

With respect to the immediate outlook and milestones, exploration activity at Yamarna is ongoing, with Gold Road likely to double its drilling program next year. We would also expect the company to announce its maiden JORC resource for the high-grade Central Bore deposit during Q1 2011.

We recommend Gold Road (GOR) as a Buy around \$0.38.