

## **GOLD ROAD SECURES FINANCING FACILITIES AS IT PREPARES TO JOIN PRODUCER RANKS**

### **HIGHLIGHTS**

- **Revolving Corporate Facility totalling A\$100 million**
- **Dedicated Working Capital Facility totalling A\$50 million for Gruyere Project**
- **Discretionary Gold Hedging capacity increased**
- **Additional 16,000 ounces of gold forward sales completed at an average forward price of A\$1,718 per ounce**

Gold Road Resources Limited (**ASX: GOR**) (**Gold Road** or the **Company**) is pleased to announce the signing of a Revolving Corporate, Working Capital and Gold Hedging Agreement (**Finance Facilities**) with a financing syndicate comprising ING Bank Australia, National Australia Bank and Société Générale Hong Kong. The Finance Facilities, which have been more than six months in the making and were alluded to by the Company on 20 November 2017, are part of Gold Road's prudent management of financial assets.

Gold Road Managing Director & CEO Ian Murray said:

*"These Finance Facilities are a prudent move as we transition the Company from being an explorer with a development asset to an Australian mid-tier gold producer with significant exploration upside and the financial capability and flexibility to grow further."*

*"The establishment of these financing facilities provides a strong platform to ensure the continuance of the planned exploration across all the Yamarna tenements, as well as ensuring the Gruyere JV is supported through the important pre-completion and commissioning phase. The additional discretionary gold hedging capacity affords Gold Road the flexibility to appropriately manage its gold price risk exposures as Gruyere moves into production."*

*"The financing syndicate provided these facilities on very competitive pricing and terms because of the quality of the Gruyere Project, our highly regarded JV partner and manager, and the advanced stage of construction."*

ASX Code GOR

ABN 13 109 289 527

#### **COMPANY DIRECTORS**

Tim Netscher  
**Chairman**

Ian Murray  
**Managing Director & CEO**

Justin Osborne  
**Executive Director,  
Exploration & Growth**

Brian Levet  
**Non-Executive Director**

Sharon Warburton  
**Non-Executive Director**

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#### **CONTACT DETAILS**

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The Finance Facilities will further bolster Gold Road’s balance sheet and, while there are no immediate plans to tap the revolving credit and working capital lines, they will support:

- Gold Road’s contribution to the funding of the Gruyere Project development – part of the 50:50 JV with Gold Fields.

A topical example of a potential part use of the Finance Facilities could be addressing the financial impact associated with any Project schedule delays associated with extreme wet weather. Since January, Western Australia has experienced greater-than-average rainfall through the goldfields, mid-west and Pilbara regions, including Gruyere. There is the likelihood of further rain until the end of the cyclone season which generally continues to the end of April. The Project has an allowance in the schedule for adverse weather events and at this stage of the Project it is too early to assess whether any potential cumulative weather events could impact the schedule. At this time, the Project remains on budget and on schedule to pour first gold at the end of the March 2019 Quarter;

- planned exploration across the ~6,000 square kilometre Yamarna Greenstone Belt and the ~5,000 square kilometre joint ventures with Cygnus Gold Limited (ASX: CY5) located in the south-west of Western Australia; and
- future business opportunities and exploration growth, including the acquisition of Sumitomo Metal Mining Oceania Pty Ltd’s 50% interest in the South Yamarna Project for A\$7 million<sup>1</sup>.

The Finance Facilities are subject to the usual terms (including security) and conditions precedent customary for a financing of this nature.

## Finance Facilities Material Terms

### A\$100m Revolving Corporate Facility

Purpose	To support further exploration activities and project studies, as well as general corporate activities of the Company or repayment of Working Capital Facility.
Availability	From financial close of the Finance Facilities ( <b>Financial Close</b> ).
Maturity	5 years from Financial Close.
Repayment	Bullet repayment at Maturity.

### A\$50m Working Capital Facility

Purpose	To support any initial working capital requirements from Gold Road for the Gruyere Gold Project ( <b>Project</b> ) leading up to and during commissioning of the Project.
Availability	From Financial Close until the earlier of completion of commissioning of the Project ( <b>Project Completion</b> ) or 31 December 2019.
Maturity	The Earlier of 31 December 2020 or 364 days after Project Completion.
Repayment	100% cash sweep of excess cash flow from Gruyere, with full repayment by Maturity.

### Gold Hedging Facility

Purpose	To support the ongoing management of discretionary gold hedging activities undertaken by the Company.
Availability	There is no mandatory hedging requirements under the Finance Facilities. Available from Financial Close, and hedge contracts must be no longer than 5 years from Financial Close.

<sup>1</sup> Refer to ASX announcement dated 5 February 2018

PCF Capital Group acted as financial adviser to Gold Road and King and Wood Mallesons acted as legal adviser in arranging these Finance Facilities.

## Hedge Book

In addition to the 25,000 ounces of gold forward sales contracts at an average forward price of A\$1,705 announced on 20 November 2017, the Company has locked in forward sales contracts for an additional 16,000 ounces at an average forward price of A\$1,718 under the existing Gold Hedge Facilities. The total hedge book is 41,000 at a weighted average forward price of A\$1,711 per ounce with scheduled deliveries between March 2018 and June 2018. The intention is to roll these existing gold hedges forward to meet future gold production under the new Gold Hedging Facility.

For further information, please visit [www.goldroad.com.au](http://www.goldroad.com.au) or contact:

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