

Gold Road Resources Limited
NOTICE OF MEETING 2014



Gold Road Resources Limited
ABN 13 109 289 527

Notice of Annual General Meeting 2014

10.00am (AWST), Tuesday, 18 November 2014

At Celtic Club
48 Ord Street
West Perth, Western Australia

For personal use only

Gold Road Resources Limited

NOTICE OF MEETING 2014

Items of Business		Shareholder Approval	Voting Prohibitions and Further Details
ORDINARY BUSINESS			
1.	DISCUSSION OF FINANCIAL STATEMENTS AND REPORTS	To receive and consider Financial Report, Directors' Report and Auditor's Report for the year ended 30 June 2014.	Not applicable Page 4
2.	REMUNERATION REPORT	To adopt the Remuneration Report for the year ended 30 June 2014	Non-binding Page 4
3.	ELECTION OF DIRECTORS		Pages 4 and 5
	A. MR TIM NETSCHER	That Mr Tim Netscher be re-elected as a Director.	Ordinary resolution
	B. MR RUSSEL DAVIS	That Mr Russell Davis be re-elected as a Director.	Ordinary resolution
SPECIAL BUSINESS			
4.	RATIFICATION OF ISSUE OF SECURITIES	That the issue of 77,312,853 fully paid ordinary shares on 3 October 2014, on the terms and conditions set out in the explanatory notice is ratified and approved.	Ordinary resolution Page 5
5.	ISSUE OF SECURITIES TO MR TIM NETSCHER	That the Company is authorised to issue 500,000 options to Mr Tim Netscher.	Ordinary resolution Page 6

For personal use only

Gold Road Resources Limited

NOTICE OF MEETING 2014

VOTING

Notice Record Date

The Company's shareholders (**Shareholders**) recorded on the Company's register of members at 10.00am on Monday, 13 October 2014 (AWST) (**Notice Record Date**) will be entitled to receive this notice of meeting (**Notice**)

Voting entitlement

Shareholders recorded on the Company's register of members at 10.00am on Sunday, 16 November 2014 (AWST) (**Voting Entitlement Date**) will be entitled to vote on Items at the Company's 2014 annual general meeting (**Meeting**).

Becoming a Shareholder

Persons who become registered Shareholders between the Notice Record Date and the Voting Record Date, and wish to vote at the Meeting by proxy should call the Share Registry on +61 8 9315 2333 and request an additional personalised voting form.

Persons who become beneficial Shareholders between the Notice Record Date and wish to vote at the Meeting by proxy should contact their broker or intermediary for instructions on how to do so.

Voting procedure

Under the Company's constitution (**Constitution**), a poll will be conducted as directed by the chair of the Meeting (the **Chair**).

Shareholders can vote in one of two ways:

- by attending the Meeting and voting; or
- by appointing a proxy to attend and vote on their behalf.

Shareholders are asked to arrive at the venue 30 minutes prior to the time designated for the Meeting, if possible, so that the Company may check their Shareholding against the Company's share register and note attendances.

Voting restrictions

The voting prohibitions under the Corporations Act and voting exclusions under the Listing Rules for each Item are set out in the explanatory notes to this Notice.

PROXIES

Proxy Form

Enclosed with this notice of meeting (**Notice**) is a personalised proxy form (**Proxy Form**). The Proxy Form allows Shareholders who are not attending the Meeting to appoint a proxy to vote on their behalf.

If you hold fully paid ordinary shares in the capital of the Company (**Shares**) in more than one capacity, please be sure to complete the Proxy Form that is relevant to each holding.

Appointing proxies

Shareholders, who are entitled to attend and vote at the Meeting, may appoint a proxy to act generally at the Meeting on their behalf, and to vote.

A proxy need not be a Shareholder of the Company.

A Shareholder entitled to attend and vote can appoint up to two proxies, and should specify the proportion or number of votes each proxy is appointed to exercise. If no proportion or number is specified, each proxy may exercise half of the Shareholder's or Participant's votes. If you wish to appoint two proxies please call the Share Registry on +61 8 9315 2333 and request an additional Proxy Form.

A corporate Shareholder or proxy must appoint a person as its corporate representative.

Undirected proxies

Any proxy given to:

- a member of the Company's key management personnel (the Company's directors (**Directors**), and other executives) (**Key Management Personnel**), other than the Chair; or
- their closely related parties (including a spouse, dependent, and other close family members, as well as any companies they control) (**Closely Related Parties**),

for Items 2 and 5 will not be counted unless Shareholders specify how the proxy is to vote.

Any undirected proxy given to the Chair for Items 2 and 5, by a Shareholder entitled to vote on those Items, will be voted by the Chair in favour of those Items, in accordance with the express authorisation on the Proxy Form.

The Chair intends to vote all valid undirected proxies for all other Items in favour of those Items.

Power of attorney and corporate representatives

If the Proxy Form is signed by an attorney, the power of attorney or a certified copy of it must be sent with the Proxy Form.

A body corporate member or proxy may elect to appoint a representative, rather than appoint a proxy. Where a body corporate appoints a representative, written proof of the representative's appointment must be lodged with, or presented to, the Company before the Meeting.

A body corporate appointed as a proxy must also lodge a Certificate of Appointment of a Corporate Representative.

LODGING PROXY FORMS

Deadline

Proxy Forms must be received by 10.00am (AWST) on Sunday, 16 November 2014.

How to lodge Proxy Forms

You can lodge your Proxy Forms with the Company by:

Mail or delivery: to Security Transfer Registrars Pty Ltd at Alexandria House, Suite 1, 770 Canning Highway, Applecross WA 6153 Australia

Email: registrar@securitytransfer.com.au

Facsimile: on +61 8 9315 2233

Electronically: by visiting www.securitytransfer.com.au

Further details on how to lodge your Proxy Form can be found on the Proxy Form.

ENQUIRIES

If you have any questions about this Notice or your Proxy Form please contact Security Transfer Registrars Pty Ltd by telephone at +61 8 9315 2333 or the Company Secretary, by telephone at +61 8 9316 9100.

By order of the Board of Directors

Kevin Hart

Company Secretary

14 October 2014

Gold Road Resources Limited

EXPLANATORY NOTES

ITEM 1 DISCUSSION OF FINANCIAL STATEMENTS AND REPORTS

In accordance with the Corporations Act, Shareholders will have a reasonable opportunity to ask questions or make comments on the Company's Financial Report, Directors' Report and Auditor's Report for the year ended 30 June 2014.

The Company's auditor, Stantons International Pty Ltd, will be present at the Meeting and Shareholders will have an opportunity to ask the auditor questions in relation to the conduct of the audit, the Auditor's Report, the Company's accounting policies, and the independence of the auditor.

The auditor will also respond to written questions, which are submitted to the Company no later than five business days prior to the Meeting.

There is no requirement for Shareholders to approve the Company's Financial Report, Directors' Report and Auditor's Report.

A copy of the Company's 2014 Annual Report, which includes the Company's Financial Report, Directors' Report and Auditor's Report, is available on the Company's website, www.goldroad.com.au.

ITEM 2 REMUNERATION REPORT

Background

The Remuneration Report for the financial year ended 30 June 2014 is set out in the Company's Annual Report.

The Remuneration Report sets out the Company's remuneration arrangements for Directors and executive staff.

The Chair will allow a reasonable opportunity for Shareholders to ask questions about, or make comments on, the Remuneration Report at the Meeting. Shareholders will then be asked to vote on the Remuneration Report.

The vote is advisory only and does not bind the Company or its Directors. The Company's board (**Board**) will consider the outcome of the vote and comments made by Shareholders on the Remuneration Report at the meeting when reviewing the Company's remuneration policies.

No spill resolution

If 25% or more of votes that are cast are voted against the adoption of the Company's remuneration report at two consecutive annual general meetings, Shareholders must vote on whether the Board should go up for re-election.

At the Company's 2013 annual general meeting, less than 25% of the votes cast on the resolution to adopt the 2013 Remuneration Report were voted against the resolution. Accordingly no spill resolution will be held at this Meeting.

Board recommendation

The Board unanimously recommends that Shareholders vote **in favour** of the adoption of the Remuneration Report.

The Chair intends to vote undirected proxies in favour of Item 2.

Voting prohibition statement

A vote on Item 2 must not be cast (in any capacity) by or on behalf of a member of Key Management Personnel (details of whose remuneration are including in the Remuneration Report) or any of their Closely Related Parties.

Unless the vote is cast as proxy for a person who is entitled to vote, where:

- the Proxy Form specifies how the proxy is to vote on Item 2; or
- the proxy is the Chair, who may vote in favour of Item 2 in accordance with an express authorisation on the Proxy Form.

ITEMS 3A and 3B ELECTION OF DIRECTORS

Background

Mr Tim Netscher was appointed as a Non-executive Director on 2 September 2014.

Mr Russell Davis is a founding Director and was appointed to the Board on 28 May 2004. Mr Davis was most recently re-elected to the Board at the Company's 2011 annual general meeting, on 23 November 2011.

In accordance with Listing Rule 14.4 and the Company's Constitution, Mr Netscher and Mr Davis will retire and being eligible, nominate re-election. Mr Netscher's and Mr Davis' relevant skills and experience are summarised below.



Tim Netscher

Term of office	Appointed 2 September 2014
Independent	Yes
Skills and experience	With more than 40 years in the resources sector Mr Netscher brings to the Gold Road Board a wealth of knowledge and experience, further strengthening the depth and breadth of mining expertise among the Directors. Mr Netscher has had a distinguished career at senior levels in the international resources industry, holding senior executive roles with Gindalbie Metals Limited, Newmont Mining, Vale Australia, Pt Inco, BHP Billiton and Impala Platinum giving him extensive operational, project development and business development experience. Mr Netscher is a Chartered Engineer and holds a Bachelor of Science (Chemical Engineering), a Bachelor of Commerce, a MBA, is a fellow of the Institution of Chemical Engineers and is a member of the Australian Institute of Company Directors.
Other directorships	Non-executive Chairman of Deep Yellow Ltd, and Non-executive Director of Aquila Resources Ltd, St Barbara Mines Ltd and Western Areas Ltd.
Interests in the Company	A contractual interest in 500,000 unlisted options, the issue of which is subject to Shareholder approval.

Gold Road Resources Limited

EXPLANATORY NOTES



Russell Davis

Term of office	Appointed 28 May 2004
Independent	Yes
Skills and experience	Mr Davis is a geologist with over 25 years' experience in mineral exploration, management, property acquisition, mining and development. He has worked on the exploration and development of a range of commodities for a number of international and Australian companies, holding senior positions including Chief Mine Geologist, Exploration Manager and Regional Manager. In recent years Mr Davis was responsible for instigating and managing mineral exploration activities for ASARCO and for acquiring the projects held by Gold Road Resources. Mr Davis holds a Bachelor of Science (Hons) and an MBA. He is a member of the Australasian Institute of Mining and Metallurgy and a fellow of the Financial Services Institute of Australasia.
Other directorships	Non-executive Chairman of Hammer Metals Limited, previously Managing Director of Syndicated Metals Limited (resigned 19 March 2012).
Interests in the Company	7,072,431 Shares 500,000 options exercisable for 61.5 cents on or before 31 October 2014 500,000 options exercisable for 11.25 cents on or before 30 November 2015

Board recommendation

The Board (other than the relevant Director in relation to his own election or re-election) recommends that Shareholders vote **in favour** of the election of Mr Netscher and Mr Davis.

The Chair intends to vote undirected proxies in favour of Items 3A and 3B.

ITEM 4 RATIFICATION OF ISSUE OF SECURITIES

Background

On 3 October 2014 the Company issued 77,312,853 Shares at an issue price of \$0.30 per Share to various sophisticated and professional investors to raise approximately \$23.2 million (**Placement**).

The Placement was heavily oversubscribed and had strong broad based support from Gold Road's existing domestic and international Institutional investors.

Argonaut as advisor to the Company, acted as sole lead manager and exclusive global book runner to the capital raising.

The Placement was within the Company's annual capacity to issue equity securities equivalent to 15% of the Company's ordinary securities, under Listing Rule 7.1 (**15% Capacity**).

Purpose of approval

Listing Rule 7.1 provides that the Company must not issue more than the 15% Capacity within a 12 month period unless a specified exception applies or the issue is made with prior Shareholder Approval.

Listing Rule 7.4 allows an issue made by the Company (without Shareholder approval) to be treated as having been made with approval for the purposes of Listing Rule 7.1, provided that:

- it is subsequently ratified by Shareholders at a general meeting; and
- the issue did not breach Listing Rule 7.1 at the time it was made.

Approval Item 4 will provide the Company with the full 15% Capacity, to raise further capital by issuing equity securities, without the delays involved with seeking prior Shareholder approval.

Other than the Placement, the Board has not made a decision to undertake any further issues of equity securities. The Board will only undertake further issues of equity securities if they consider it in the best interest of the Company to do so.

Details the Placement

Securities issued 77,312,853 fully paid ordinary Shares.

Date of issue 3 October 2014

Issue price of each Share \$0.30 per Share.

Allottees Sophisticated and professional investors. None of the allottees were related parties of the Company. All allottees were exempt offerees under the Corporations Act.

Terms of issue Each Share was issued on the same terms and ranks equally in all respects with existing fully paid ordinary Shares on issue in the Company.

Use of funds The funds raised from the issue will be used for

- Resource expansion and PFS drill out at the Gruyere Deposit
- Initial RC testing at Toto Anomaly
- Resource drill out, metallurgy and modelling at Toto Anomaly
- Dorothy Hills regional exploration
- North Yamarna regional testing and RC testing
- General corporate expenses and working capital.

Board Recommendation

The Board unanimously recommends Shareholders vote **in favour** of approving the Placement.

The Chair intends to vote undirected proxies in favour of Item 4.

Gold Road Resources Limited

EXPLANATORY NOTES

Voting exclusion statement

The Company will disregard any votes cast on Item 4 by or on behalf of persons who participated in the issue of Shares the subject of Item 4 and any associates of those persons.

However, the Company need not disregard a vote if the vote is cast as proxy for a person who is entitled to vote:

- in accordance with the directions on the Proxy Form; or
- the Chairman of the meeting in accordance with a direction on the Proxy Form to vote as the proxy decides.

ITEM 5 ISSUE OF SECURITIES TO MR TIM NETSCHER

Background

The Board is seeking Shareholder approval to issue 500,000 options to Mr Netscher, or his nominee (**Options**) a Non-executive Director of the Company.

Reasons for grant of Options

The grant of Options to Mr Netscher is considered to be a cost-effective mechanism to assist in the reward and retention of the Non-executive Directors of the Company. The grant of the Options forms part of the Company's long-term incentive objectives to encourage the relevant Directors to have a greater involvement in the achievement of the Company's objectives and to provide them with the opportunity to participate in the future growth and prosperity of the Company through share ownership. The primary purpose of the grant of the Options is to fulfil the Company's long-term incentive objectives, not to raise capital.

The number of Options to be issued to Mr Netscher has been determined taking into account the significant contribution that Mr Netscher is likely to have to the Company's success, and to provide ongoing equity incentives to advance the Company and its assets. Regard has also been given to less tangible issues such as alignment of interests to the Company through an equity holding.

The Board considers the number of Options issued to Mr Netscher will ensure that overall Director remuneration remain competitive with market standards.

Purpose of approval

Approval for the grant of the Executive Director Options is sought for the purposes of ASX Listing Rule 10.11 and for all other purposes. Listing Rule 10.11 also requires the Company to obtain Shareholder approval to issue, or agree to issue, securities to a related party.

Chapter 2E of the Corporations Act also requires shareholder approval where a public company seeks to give a "financial benefit" to a "related party" (unless an exception applies). A "related party" for the purposes of the Corporations Act is defined widely. It includes a director of a public company and specified members of the director's family. It also includes an entity over which a director maintains control. Mr Tim Netscher is considered to be a related party within the meaning of the Corporations Act, and the Options will constitute a financial benefit for the purposes of Chapter 2E of the Corporations Act.

An exception to the requirement to obtain shareholder approval in accordance with Chapter 2E applies where the financial benefit constitutes part of the related party's "reasonable remuneration". The Board (other than Mr Netscher who is not able to make a recommendation due to his interest in the issue of the Options), considers that the grant of Options to Mr Netscher, and any issue of Shares upon the exercise of those Options, constitutes part of the reasonable remuneration of Mr Netscher. In reaching this conclusion, the Board has had regard to a variety of factors including market practice and the remuneration offered to persons in comparable positions at comparable companies.

Key terms of the issue

A summary of the terms of the grant is set out below:

Securities issued	500,000 Options
Issue date	Within one month of the date of the Meeting.
Price	Each Option will be issued for no consideration and will entitle the holder to subscribe for and be allotted one Share at a strike price 150% above the 5 day VWAP on the date of grant.

Use of funds	No funds will be raised from the issue of Options. Any funds raised from the exercise of the Options will be used to continue exploration on the Company's current assets, to acquire new assets or investments, or for general working capital.
Expiry	2 years after their date of issue
Terms	The Options are not generally transferrable. The Options will not entitle the holder to any dividends declared or issued by the Company. The full terms of the Options are set out in Schedule 1 of this Notice.

Effect on the Company

The grant of the Options to Mr Netscher may have a diluting effect on the percentage interest of existing Shareholders' holdings. If the Options are exercised the Company' issued Shares will increase by up to 500,000 shares. This represents a dilution of 0.08% based on the Company's current issued capital of 592,811,895 Shares.

There are no significant opportunity costs to the Company or benefits foregone by the Company in issuing the Options. Mr Netscher must contribute his own money to the Company to fund any exercise price of the Options (unless cashless exercise is selected). No loan is provided by the Company to allow for exercise. There are no taxation consequences to the Company and no material benefits foregone by the Company in issuing the Options.

Value of the Options

The Options to be issued to Mr Netscher have been independently valued by HLB Mann Judd Corporate (WA) Pty Ltd as follows

	Number of Options	Indicative Value per Option	Total Value
	500,000	7.15 cents	\$35,750

Gold Road Resources Limited

EXPLANATORY NOTES

Assumptions and explanations

This valuation uses the Binomial Tree Pricing model option valuation methodology and is based on the following assumptions:

- the valuation date for the Options is 6 October 2014;
- that the options the subject of the valuation can be sold on a secondary market. The terms and conditions of the proposed options state that the options shall not be listed for official quotation on ASX. In addition, the options are not transferable. Accordingly, in determining the indicative value of the options HLB Mann Judd Corporate (WA) Pty Ltd has applied a 30% discount to the theoretical value (10.21 cents) attributed to the Binomial Tree pricing model to arrive at the indicative value;
- the Options are granted on 18 November 2014, being the proposed date of the Meeting;
- an underlying Share price at 3 October 2014 of 29 cents being the closing share price of the Shares on the last trading day prior to conducting this valuation;
- the exercise price of the Options is 44 cents in accordance with the Option terms set out in Schedule 1;
- vest on issue and have a maximum life of two years, in accordance with the Option terms;
- an expected future volatility of the Company's Shares of 85%;
- a risk free rate of 2.671%, being the yield on a Commonwealth Government two year bond; and
- Option holder does not elect cashless exercise.

Remuneration and securities held

As at the date of this Notice, Mr Netscher does not hold any Gold Road securities.

Mr Netscher's annual remuneration is \$70,000 per annum inclusive of superannuation.

Assumptions and explanations

Mr Netscher's 2015 remuneration is a forecast only and the total remuneration paid may vary from what is set out above.

Other interest in the Company

Mr Netscher has no other interest in the Company.

Corporate governance

The Company acknowledges that the grant of the Options to Mr Netscher is contrary to the best practice recommendations in the ASX Corporate Governance Principles and Recommendations.

However, the Board considers the grant of Options to Mr Netscher is reasonable in the circumstances, where the preservation of the Company's cash resources is paramount and the retention of high quality and well-credentialed non-executive directors is considered important to the ongoing development of the Company.

Listing Rule 7.1

Approval under Listing Rule 7.1 is not required in order to issue the Options to Mr Netscher or his nominee as approval is being obtained under Listing Rule 10.11.

The issue of the Options (and Shares upon exercise of the Options) will not be included in calculating the Company's capacity issue equity securities equivalent to 15% of the Company's ordinary securities, under Listing Rule 7.1.

Board recommendation

Mr Netscher declines to make a recommendation on Item 5 based on his interest in the outcome of that Item.

The board (other than Mr Netscher) recommends that Shareholders vote **in favour** Item 5 for the reasons set out in the explanatory notes.

The Chair intends to vote undirected proxies in favour of Item 5.

Voting exclusion statement

The Company will disregard any votes cast on Item 5 by or on behalf of Mr Netscher and any of his associates.

However, the Company will not disregard a vote if it is cast as a proxy for a person who is entitled to vote on Item 5:

- in accordance with their directions of how to vote in the proxy form; or
- by the Chair in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting prohibition statement

A vote on Item 5 must not be cast as a proxy for a person who is entitled to vote, by a member of the Company's Key Management Personnel or any of their Closely Related Parties, unless:

- the Proxy Form specifies how the proxy is to vote on the Item; or
- the vote is cast by the Chair in accordance with the express authorisation on the Proxy Form to vote in favour of Item 5.

Gold Road Resources Limited

SCHEDULE 1

TERMS AND CONDITIONS OF OPTIONS

The full terms of the Options, which are the subject of Item 5 of the Notice, are set out below:

- (1) Each Option shall be issued free for no consideration.
- (2) The exercise price will be 150% of the VWAP of the Company's ordinary fully paid Shares for the five trading days prior to grant.
- (3) Each Option entitles the holder to subscribe for or be transferred or allocated one Share on exercise.
- (4) The Options will lapse at 5.00pm (AWST) on the date that is two years after the date of grant.
- (5) The Options will not be listed for official quotation on the ASX.
- (6) The Options may not be transferred or assigned by an optionholder except that the optionholder may at any time transfer all or any of the Options to a spouse, family trust, or to a proprietary limited company, all of the issued Shares which are beneficially owned by the optionholder or the spouse of the optionholder.
- (7) There are no participating rights or entitlements inherent in these Options and holders of the Options will not be entitled to participate in new issues of capital that may be offered to Shareholders during the currency of the Option.
- (8) However, optionholders have the right to exercise their Options prior to the date of determining entitlements to any capital issues to the then existing Shareholders of the company made during the currency of the Options, and will be granted a period of at least five business days before books closing date to exercise the Options.
- (9) If there is a pro rata issue (except a bonus issue) to the holders of ordinary Shares, the exercise price of the Options may be reduced according to the formula set out in Listing Rule 6.22.
- (10) In the event of any re-organisation (including reconstruction, consolidation, subdivision, reduction or return of capital) of the issued capital of the Company, the Options will be re-organised as required by the Listing Rules, but in all other respects the terms of exercise will remain unchanged.
- (11) The Options can be exercised by the delivery to the registered office of the Company of an option exercise notice, accompanied by an option certificate, which nominates either "Traditional Exercise" or "Cashless Exercise" such that:
 - (a) **(Traditional Exercise)**: if the optionholder nominates Traditional Exercise, the option exercise notice must be accompanied by payment of the exercise price by cheque made payable to the Company for the subscription monies for the Shares; or
 - (b) **(Cashless Exercise)**: if the optionholder nominates Cashless Exercise, the optionholder agrees and acknowledges that the number of Shares to be acquired by them will be equal to the difference between:
 - (i) the number of Options exercised multiplied by the weighted average price for Shares on the ASX over the last 20 trading days immediately prior to the date that the Company receives the option exercise notice; and
 - (ii) the number of Options exercised multiplied by the exercise price otherwise payable in relation to the Options,divided by the weighted average price for Shares on the ASX over the last 20 trading days immediately prior to the date the Company receives the option exercise notice.
- (12) An exercise of only some Options will not affect the rights of the optionholder to the balance of the Options held by them.
- (13) The Company must allot the resultant Shares and deliver a statement of shareholdings with a holders' identification number within ten business days of the exercise of the Options.
- (14) Shares are allotted pursuant to an exercise of Options rank, from the date of allotment, equally with the existing ordinary Shares of the Company in all respects.
- (15) The Company will apply for official quotation with the ASX for all Shares issued, transferred or allocated upon exercise of any Option.
- (16) All unexercised Options will lapse upon the holder ceasing to be a Director, or employee of the Company unless otherwise determined by the Board.
- (17) Subject to any vesting conditions specified at the time of issue, the Options may be exercised at any time until the expiry date.