



GOLDROAD
RESOURCES

ABN 13 109 289 527

NOTICE OF ANNUAL GENERAL MEETING

&

EXPLANATORY STATEMENT

To be held

At 10.00am (Perth time), Wednesday, 21 November 2012

at

The Celtic Club
48 Ord Street, West Perth WA 6005

GOLD ROAD RESOURCES LIMITED
ABN 13 109 289 527
NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Gold Road Resources Limited will be convened at 10.00am (Perth time) on Wednesday, 21 November 2012 at The Celtic Club, 48 Ord Street, West Perth, Western Australia.

AGENDA

1. Discussion of Financial Statements and Reports

To discuss the Financial Report, the Directors' Report and Auditor's Report for the year ended 30 June 2012.

2. Resolution 1 – Adoption of the Remuneration Report

To adopt the Remuneration Report for the financial year ended 30 June 2012.

3. Resolution 2 – Re-election of Director – Mr David Woodall

To consider and, if thought fit, to pass the following ordinary resolution:

"To re-elect Mr David Woodall as a Director of the Company."

4. Resolution 3 – Re-election of Director – Mr Ziggy Lubieniecki

To consider and, if thought fit, to pass the following ordinary resolution:

"To re-elect Mr Ziggy Lubieniecki as a Director of the Company."

5. Resolution 4 – Grant of Performance Rights to Mr Ian Murray

To consider and, if thought fit, to pass the following ordinary resolution:

"That for the purposes of Listing Rule 10.14 and for all other purposes, Shareholders approve the grant of up to 1,600,000 Performance Rights under the Company's Employee Incentive Plan to Mr Ian Murray on the terms and conditions set out in the Explanatory Statement accompanying the Notice of Meeting."

6. Resolution 5 – Grant of Performance Rights to Mr Ziggy Lubieniecki

To consider and, if thought fit, to pass the following ordinary resolution:

"That for the purposes of Listing Rule 10.14 and for all other purposes, Shareholders approve the grant of up to 1,250,000 Performance Rights under the Company's Employee Incentive Plan to Mr Ziggy Lubieniecki on the terms and conditions set out in the Explanatory Statement accompanying the Notice of Meeting."

7. Resolution 6 – Additional 10% Share Issue Capacity

To consider and, if thought fit, to pass the following special resolution:

"That, for the purposes of ASX Listing Rule 7.1A and for all other purposes, Shareholders approve the Company having the additional capacity to issue equity securities up to 10% of the issued capital of the Company, calculated in accordance with the formula set out in ASX Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting."

8. Resolution 7 – Change in Non-Executive Director Remuneration

To consider and, if thought fit, to pass the following ordinary resolution:

"That, for the purposes of ASX Listing Rule 10.17 and Rule 21.1 of the Company's Constitution, the maximum aggregate amount payable to Non-Executive Directors of the Company be increased by \$150,000 from \$200,000 per annum to \$350,000 per annum."

VOTING PROHIBITION AND VOTING EXCLUSION STATEMENTS

Resolution 1 – Adoption of the Remuneration Report

Voting Prohibition Statement:

In accordance with the Corporations Act, a vote on Resolution 1 (Adoption of the Remuneration Report) must not be cast by or on behalf of any of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; and
- (b) a closely related party of such a member.

However, a person described above may cast a vote on Resolution 1 if:

- (a) the person does so as a proxy appointed by writing that specifies how the proxy is to vote on the applicable Resolution; and
- (b) the vote is not cast on behalf of a person described in paragraphs (a) or (b) above.

Resolution 4 - Grant of Performance Rights to Mr Ian Murray

Voting Prohibition Statement:

In accordance with the Corporations Act, a person appointed as proxy must not vote on Resolution 4, on the basis of that appointment, if that person is:

- (a) a member of Key Management Personnel as at the date of the Meeting; and
- (b) a closely related party of such a member (including spouses, dependents and controlled companies).

However, a person described above may cast a vote on Resolution 4 if the person does so as a proxy appointed in writing that specifies how the proxy is to vote on the proposed resolution.

Voting Exclusion Statement:

The Company will disregard any votes cast on Resolution 4 by or on behalf of a Director and an associate of a Director (except a Director who is ineligible to participate in any employee incentive scheme of the Company or any associate of such Director), as required by ASX Listing Rule 10.14.

However, the Company need not disregard a vote cast if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the Chairman of the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 5 - Grant of Performance Rights to Mr Ziggy Lubieniecki

Voting Prohibition Statement:

In accordance with the Corporations Act, a person appointed as proxy must not vote on Resolution 5, on the basis of that appointment, if that person is:

- (a) a member of Key Management Personnel as at the date of the Meeting; and
- (b) a closely related party of such a member (including spouses, dependents and controlled companies).

However, a person described above may cast a vote on Resolution 5 if the person does so as a proxy appointed in writing that specifies how the proxy is to vote on the proposed resolution.

Voting Exclusion Statement:

The Company will disregard any votes cast on Resolution 5 by or on behalf of a Director and an associate of a Director (except a Director who is ineligible to participate in any employee incentive scheme of the Company or any associate of such Director), as required by ASX Listing Rule 10.14.

However, the Company need not disregard a vote cast if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the Chairman of the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 6 – Additional 10% Share Issue Capacity

Voting Exclusion Statement:

As required by ASX Listing Rule 7.3A, the Company will disregard any votes cast by or on behalf of a person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of Shares, if the resolution is passed and any associates of those persons.

However, the Company need not disregard a vote cast if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the Chairman of the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

In accordance with Listing Rule 14.11.1, the persons eligible to participate in a proposed issue (if any) under Listing Rule 7.1A were not known by the Company at the date of the Notice of Meeting. Accordingly, no Shareholders are currently excluded from voting on Resolution 6.

Resolution 7 – Change in Non-Executive Director Remuneration

Voting Prohibition Statement:

In accordance with the Corporations Act, a person appointed as proxy must not vote on Resolution 7, on the basis of that appointment, if that person is:

- (a) a member of Key Management Personnel as at the date of the Meeting; and
- (b) a closely related party of such a member (including spouses, dependents and controlled companies).

However, a person described above may cast a vote on Resolution 7 if the person does so as a proxy appointed in writing that specifies how the proxy is to vote on the proposed resolution.

Voting Exclusion Statement:

The Company will disregard any votes cast on Resolution 7 by or on behalf of a Director and an associate of a Director, as required by ASX Listing Rule 10.17.

However, the Company need not disregard a vote cast if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the Chairman of the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

VOTING AT THE ANNUAL GENERAL MEETING

Voting Entitlements

The Directors have determined in accordance with Regulation 7.11.37 of the Corporations Regulations, that Shareholders entitled to vote at the Meeting will be the registered holders of Shares (**Registered Shareholders**) at 5.00pm (Perth time) on Friday, 16 November 2012.

Shareholders who become Registered Shareholders by acquiring Shares between the Notice Record Date and the Voting Record Date and wish to vote at the Meeting by proxy should contact the Company for further information and to request a Proxy Form.

Shareholders who become beneficial Shareholders (**Beneficial Shareholders**) of Shares by acquiring Shares between the Notice Record Date and the Voting Record Date and wish to vote at the Meeting by proxy should contact their broker or intermediary for instructions on how to do so.

How to vote:

You may vote by attending the Meeting in person, by proxy, or by appointing an authorised representative.

Voting in Person

To vote in person, attend the Meeting on the date and at the place set out above. If possible, Shareholders are asked to arrive at the venue 15 minutes prior to the time designated for the Meeting, so that the Company may check the Shareholders' holding against the Company's share register and note attendance.

Appointment of Proxies

Each Shareholder is entitled to appoint a proxy. The proxy does not need to be a Shareholder.

A Shareholder that is entitled to cast two or more votes may appoint two proxies and may specify the proportion of votes each proxy is entitled to exercise. If a Shareholder appoints two proxies, each proxy may exercise half of the Shareholder's votes if no proportion or number of votes is specified.

In accordance with section 250BA of the Corporations Act, Shareholders are advised that the Proxy Forms must be received:

- by hand or post to the Company's registered office at 22 Altona Street, West Perth, WA, 6005; or
- by facsimile on +61 8 9481 6405,

by no later than 10.00am (Perth time) on Monday, 19 November 2012. Any proxies received after that time will not be valid for the scheduled meeting.

Voting by proxy

A Shareholder can direct its proxy to vote for, against or abstain from voting on each resolution by marking the appropriate box in the Voting directions to your proxy section of the proxy form. If a proxy holder votes, they must cast all votes as directed. Any directed proxies that are not voted will automatically default to the Chairman, who must vote the proxies as directed.

If the Chairman is to act as your proxy (whether by appointment or by default) and you have not given directions on how to vote by completing the appropriate box in the Voting directions to your proxy section for Resolution 1 (Adoption of Remuneration Report), the proxy form expressly directs and authorises the Chairman to cast your votes "for" the relevant resolution. This express authorisation is included because without it the Chairman would be precluded from casting your votes as the resolution is connected with the remuneration of key management personnel.

If the Chairman is to act as your proxy in relation to Resolution 4 (Approval of the grant of Performance Rights to Mr Ian Murray), Resolution 5 (Approval of the grant of Performance Rights to Mr Ziggy Lubieniecki) or Resolution 7 (Change in Non-Executive Director Remuneration), and you have not given directions on how to vote by completing the appropriate box in the Voting directions to your proxy section of the proxy form, the Chairman will not be able to cast your vote "for" Resolutions 4, 5 or 7 unless you mark the appropriate box at the end of in the Voting directions to your proxy section of the proxy form. By marking this box you acknowledge that the Chairman may vote your undirected proxy "for" Resolutions 4, 5 and 7, even if he has an interest in the outcome of the resolution, and that votes cast by the Chairman for Resolutions 4, 5 and 7, other than as proxy holder will be disregarded because of that interest.

Subject to the above requirements being met, the Chairman will vote all undirected proxies in respect of Resolutions 1 to 7 in favour of the relevant resolution.

If you are in any doubt as to how to vote, you should consult your professional adviser.

Appointment of corporate representatives

Any corporate Shareholder wishing to appoint a person to act as its representative at the Meeting may do so by providing that person with:

- a letter or certificate executed in accordance with the Corporations Act authorising that person to act as the corporate Shareholder's representative at the Meeting; or
- a copy of the resolution appointing that person as the corporate Shareholder's representative at the Meeting, certified by a secretary or director of the corporate Shareholder.

The appointment of a corporate representative must be received by the Company, or the Company's share registrar Security Transfer Registrars Pty Ltd, before the Meeting or at the registration desk on the day of the Meeting. Certificates of appointment of corporate representatives are available at www.securitytransfer.com.au or on request by calling +61 8 9315 2333.

Beneficial Shareholders

If you are a Beneficial Shareholder and have received these materials through your broker or through another intermediary, please complete and return the form of proxy in accordance with the instructions provided to you by your broker or other intermediary.

Key Dates

Event	Date
Determination of voting eligibility	5.00pm (Perth time) on Friday, 16 November 2012
Deadline for lodgement of proxy forms	10.00am (Perth time) on Monday, 19 November 2012
Annual General Meeting	10.00am (Perth time) on Wednesday, 21 November 2012

Enquiries

Shareholders are invited to contact the Company Secretary by telephone on +61 8 9316 9100 if they have any queries in respect of the matters set out in these documents.

BY ORDER OF THE BOARD

Kevin R Hart
Company Secretary

Dated this 15th day of October 2012

EXPLANATORY STATEMENT

This Explanatory Statement and all attachments are important documents. They should be read carefully. If you have any questions regarding the matters set out in this Explanatory Statement or the preceding Notice of Meeting, please contact the Company Secretary on +61 8 9316 9100, or consult your stockbroker or other professional adviser.

GENERAL INFORMATION

This Explanatory Statement has been prepared for the Shareholders in connection with the Annual General Meeting of the Company to be held on 21 November 2012.

The purpose of this Explanatory Statement is to provide Shareholders with information that the Board believes to be material to Shareholders in deciding whether or not to approve the resolutions detailed in the Notice of Meeting.

1. Discussion of Financial Statements & Reports

The Company's financial reports and the directors' declaration and reports and the auditor's report (**Financial Statements**) are placed before the meeting thereby giving shareholders the opportunity to discuss those documents and to ask questions. The auditor will be attending the Annual General Meeting and will be available to answer any questions relevant to the conduct of the audit and his report.

No vote will be taken on the Financial Statements. However, shareholders attending the Annual General Meeting will be given a reasonable opportunity to ask questions about, or make comments on, the Financial Statements.

2. Resolution 1: Adoption of Remuneration Report

The Annual Report for the year ended 30 June 2012 contains the Remuneration Report which:

- explains the Board's policies in relation to the nature and level of remuneration paid to Directors of the Company;
- sets out the remuneration details for each Director; and
- sets out the details of any Share based compensation.

The Remuneration Report is contained within the Directors' Report in the Company's Annual Report and in the Annual Reports section of the website at www.goldroad.com.au.

Voting on the adoption of the Remuneration Report is for advisory purposes only and will not bind the Directors or the Company. The Chairman of the Meeting will allow reasonable opportunity for Shareholders to ask questions about, or comment on, the Remuneration Report at the Meeting.

Under the Corporations Act, if 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive AGMs, Shareholders will be required to vote at the second of those AGMs on a resolution (a "spill resolution") on whether the Board should be put up for re-election. If the spill resolution is passed, another meeting must be held within 90 days at which all of the Company's Directors (other than the Managing Director/Chief Executive Officer) who were in office at the date of approval of the applicable Directors' Report must go up for re-election.

Directors' Recommendation

The Board recommends that Shareholders vote in favour of this resolution.

3. Resolution 2: Election of Director – Mr David Woodall

Background

In accordance with Rule 19.4 of the Company's Constitution, Mr David Woodall retires, and being eligible, offers himself for re-election as a Director.

Details on Mr Woodall's experience and qualifications are set out below.

Qualifications: BAppSc (Mining Engineering), Graduate Diploma (Business), MSc (Mineral Economics), First Class Mine Managers Certificate of Competency (Western Australia and Queensland), Member of the Australasian Institute of Mining and Metallurgy

Term of Office: Director since 20 February 2012

Independent: Yes

Skills and experience Mr Woodall is a mining engineer with more than 28 years' industry experience. With a proven track-record in advancing exploration projects into production, Mr Woodall's career has included development of numerous gold, base metal and iron ore mines.

Until 31 August 2012 Mr Woodall was President and Chief Executive Officer of Altynalmas Gold (50% owned by Ivanhoe Mines), he has had senior management positions with internationally publically listed resources companies in Canada, Australia, Fiji and China. As a graduate of the WA School of Mines, and having spent well over 10 years working in the Western Australian gold fields, Mr Woodall is knowledgeable regarding mining in the Western Australian greenstone belts.

Special Responsibilities: Audit Committee and Remuneration Committee

Directors' Recommendation

The Board (excluding Mr David Woodall) recommends that Shareholders vote in favour of the re-election of Mr David Woodall as a Director.

4. Resolution 3: Election of Director – Mr Ziggy Lubieniecki

Background

In accordance with Rule 20.2 of the Company's Constitution, Mr Ziggy Lubieniecki retires, and being eligible, offers himself for re-election as a Director.

Details on Mr Lubieniecki's experience and qualifications are set out below.

<i>Qualifications:</i>	BAppSc, Member of the Australasian Institute of Mining and Metallurgy, Member of Australian Institute of Geoscientists.
<i>Term of Office:</i>	Director since 14 December 2010
<i>Independent:</i>	No, as Mr Lubieniecki is an executive of the Company
<i>Skills and experience</i>	<p>Mr Lubieniecki is a geologist with more than 25 years' experience in exploration, mining, management, property acquisition, and company listing.</p> <p>During his career he has worked on a range of commodities for companies including Chevron, Mt. Burgess Gold Mining, Sundowner Minerals NL, Forsayth NL, Plutonic Resources, Micromine Pty Ltd, Australian Platinum Mines NL, Apex Minerals NL and Goldcrest Mines Limited.</p> <p>Mr Lubieniecki has held senior positions including Chief Mine Geologist for Plutonic and Exploration Manager for Australian Platinum Mines. In recent years Mr Lubieniecki has been responsible for proving up Thatcher Soak Uranium Deposit and discovery of the Central Bore Gold Deposit for Gold Road Resources.</p>

Directors' Recommendation

The Board (excluding Mr Ziggy Lubieniecki) recommends that Shareholders vote in favour of the re-election of Mr Ziggy Lubieniecki as a Director.

5. Resolutions 4 and 5: Grant of Performance Rights to Mr Ian Murray and Mr Ziggy Lubieniecki

Background

Resolutions 4 and 5 seek Shareholder approval for the grant of Performance Rights to Executive Chairman Mr Ian Murray, and Executive Director Mr Ziggy Lubieniecki.

The terms and conditions of Performance Rights are summarized in Annexure A. In essence, each Performance Right entitles the holder to receive one Share upon satisfaction of the vesting conditions before the expiry date. The key vesting conditions are as follows:

- the holder (Mr Murray or Mr Lubieniecki, as the case may be) to remain employed by the Company up to the applicable test date; and
- a 60 day VWAP of trading in the Shares in the 6 month period prior to the relevant test date being at least:
 - 24 cents per Share in relation to half of the Performance Rights granted to the holder which have a test date on 30 November 2013; and
 - 28 cents per Share in relation to the other half of the Performance Rights granted to the holder which have a test date on 30 November 2014

The proposed issue of Performance Rights seeks to further align their interests with those of Shareholders by linking their remuneration with the long term performance of the Company.

Mr Murray was appointed Executive Chairman in May 2008. Mr Murray faces considerable ongoing responsibilities and challenges in his role within the Company as its Executive Chairman. The grant of these Performance Rights will provide a long term incentive for outstanding performance and further promote his opportunity for Share ownership.

Mr Lubieniecki leads the Company's exploration efforts in Western Australia where the Company continues to produce excellent results from its tenements covering over ~5,000 square kilometres of the Yamarna greenstone belt. The grant of these Performance Rights will provide a long term incentive for continued outstanding performance and promote his opportunity for Share ownership.

Approval for the purposes of Listing Rules

The issue of Performance Rights to Mr Murray and Mr Lubieniecki also requires approval under Listing Rule 10.14. Listing Rule 10.14 requires any issue of equity securities under any incentive plan to Directors and their associates to be approved by Shareholders.

The following information is provided to Shareholders in respect of the Performance Rights in accordance with the requirements of ASX Listing Rules:

Recipient	Performance Rights will be granted to Mr Murray under Resolution 4 and Mr Lubieniecki under Resolution 5. Both Mr Murray and Mr Lubieniecki are Executive Directors of the Company. Mr Murray and Mr Lubieniecki are the only persons referred to in ASX Listing Rule 10.14 who are entitled to participate in the Incentive Plan.
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Maximum number of Performance Rights to be granted	<ul style="list-style-type: none"> ▪ Up to 1,600,000 Performance Rights will be granted to Mr Murray under Resolution 4. ▪ Up to 1,250,000 Performance Rights will be granted to Mr Lubieniecki under Resolution 5.
Consideration payable	<p>No consideration is payable at the time:</p> <ul style="list-style-type: none"> ▪ Performance Rights are granted; or ▪ Shares are issued upon the vesting of some or all of the Performance Rights.
Vesting	<p>Subject to the Board's discretion, if the performance conditions attached to the Performance Rights are satisfied, the Performance Rights will vest and may be exercised by the holder into Shares.</p> <p>In essence, the performance conditions require the holder (Mr Murray or Mr Lubieniecki, as the case may be) to remain employed by the Company up to the applicable test date and a 60 day VWAP of trading in the Shares during the 6 month period prior to the relevant test date being at least:</p> <ul style="list-style-type: none"> ▪ 24 cents per Share in relation to half of the Performance Rights granted to the holder which have a test date on 30 November 2013 and ▪ 28 cents per Share in relation to half of the Performance Rights granted to the holder which have a test date on 30 November 2014.
Grant Date	The Performance Rights will not be granted later than 12 months from the date of the AGM without obtaining further Shareholder approval (unless permitted by any ASX waiver or modification of the Listing Rules). It is anticipated that the Performance Rights will be granted on or before 21 December 2012.
Ranking of Shares	Shares allocated to Mr Murray and Mr Lubieniecki upon the exercise of Performance Rights will rank equally with all other Shares on issue.
Loans	No loans will be made by the Company in connection with the Performance Rights proposed to be granted to Mr Murray or Mr Lubieniecki.
Previous grants under the Gold Road Employees Incentive Plan	<ul style="list-style-type: none"> ▪ 600,000 Performance Rights were granted to Mr Murray on 23 November 2011 under the Company's Employee Option Incentive Plan, nil of which have vested and nil of which have lapsed. Full details of Mr Murray's holdings are set out in the Directors' Report in the 2012 Annual Report. ▪ 500,000 Performance Rights were granted to Mr Lubieniecki on 23 November 2011 under the Company's Employee Option Incentive Plan, nil of which have vested and nil of which have lapsed. Full details of Mr Lubieniecki holdings are set out in the Directors' Report in the 2012 Annual Report. <p>No consideration was payable at the time these Performance Rights were granted and no consideration will be payable if and when Shares are issued upon the vesting of some or all of those Performance Rights.</p>
No funds raised	No funds are raised through the grant of the Performance Rights or on the exercise and conversion of the Performance Rights to Shares.

Chapter 2E of the Corporations Act

The grant of Performance Rights to Mr Murray and Mr Lubieniecki, and the potential allotment and issue of Shares pursuant to the same will constitute the giving of a financial benefit to a related party of the Company, for which member approval is usually required pursuant to section 208 of the Corporations Act.

There are various exceptions to the requirement for member approval. This includes, in accordance with section 211 of the Corporations Act, where the benefit is remuneration to a related party as an officer or employee of the Company, and to give the remuneration would be reasonable given:

- the circumstances of the Company in giving the remuneration; and
- the related party's circumstances (including the responsibilities involved in the office or employment).

The Board is of the view that the exception in section 211 of the Corporations Act is relevant to the financial benefits to be granted to Mr Murray and Mr Lubieniecki under their employment agreements respectively, the terms of which were negotiated prior to commencement of their employment with the Company. Further, the Board believes that the financial benefits available to Mr Murray and Mr Lubieniecki under their employment agreements are commensurate with the responsibilities and performance targets expected of them.

Accordingly, the Company is not seeking the approval of members under section 208 of the Corporations Act.

Listing Rule 7.2 Exception 9(b)

Listing Rule 7.1 provides, that subject to certain exceptions, a listed company may not issue or agree to issue equity securities in any 12 month period that exceed 15% of the number of securities the company has on issue, except with the prior approval of shareholders of the company in general meeting, of the terms and conditions of the proposed issue.

One of the exceptions to Listing Rule 7.1, Listing Rule 7.2 (Exception 9(b)), provides that Listing Rule 7.1 does not apply to an issue of securities under an employee incentive scheme if, within three years before the date of issue, shareholders have approved the issue of securities under the employee incentive scheme as an exception to Listing Rule 7.1.

The Gold Road Employees Incentive Scheme was last approved in November 2010. Accordingly, further Shareholder approval is not required to rely on the exemption in Listing Rule 7.2 (Exception 9(b)) until 2013.

6. Resolution 6 – Additional 10% Share Issue Capacity

Listing Rule 7.1

ASX Listing Rule 7.1 allows the Company to issue equity securities up to 15% of its issued Share capital, in any 12 month period, without obtaining Shareholder approval by special resolution (**15% Share Issue Capacity**).

Listing Rule 7.1A

In accordance with new Listing Rule 7.1A, Eligible Entities may seek Shareholder approval at an annual general meeting to issue a further 10% of their issued share capital (**10% Share Issue Capacity**) in addition to the 15% Share Issue Capacity under ASX Listing Rule 7.1.

For the purposes of Listing Rule 7.1A, the Company is an Eligible Entity.

Any issue of securities under ASX Listing Rule 7.1A must be:

- in the same class as an existing quoted class of the Company's equity securities;
- issued at a maximum of 25% discount to the current market price; and
- calculated in accordance with the formula prescribed by ASX Listing Rule 7.1A.2.

Effect of Resolution 6

In Resolution 6, the Company seeks Shareholder approval to have the ability to issue securities under the 10% Share Issue Capacity. The effect of Resolution 6 will be to:

- allow the Company to issue up to 25% of its issued Share capital during the 12 month period commencing from the date of the Annual General Meeting; and
- provide the Company with greater flexibility to issue securities above the 15% Share Issue Capacity, without obtaining Shareholder approval.

Technical information required by ASX Listing Rule 7.3A

In accordance with ASX Listing Rule 7.3A, the Company provides the following information for the purpose of obtaining Shareholder approval under Resolution 6.

Minimum price at which equity securities may be issued	<p>The minimum price at which shares may be issued under the 10% Share Issue Capacity is 75% of the volume weighted average price of equity securities in the same class calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:</p> <p>(a) the date on which the price of the securities to be issued is agreed; or</p> <p>(b) if they are not issued within 5 ASX trading days of the date in paragraph (a), the date on which the securities are issued.</p>
Date on which Company may issue equity securities	<p>(a) If Shareholder approval of Resolution 6 is obtained, Shares may be issued under the 10% Share Issue Capacity during the period commencing on the date of the Annual General Meeting and ending on the first to occur of the following:</p> <p>(i) 12 months after the date of the Annual General Meeting; and</p> <p>(ii) the date of Shareholder approval for any transaction under ASX Listing Rules 11.1.2 (significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking) (Material Change Resolution).</p> <p>(b) Any approval under Listing Rule 7.1A will cease to be valid in the event that Shareholders pass a Material Change Resolution.</p>
Purposes for which equity securities may be issued, including whether the Company may issue them for non-cash consideration	<p>(a) Shares may be issued under the 10% Share Issue Capacity for the following purposes:</p> <p>(i) non-cash consideration for the acquisition of new resources, assets or other investments. If this occurs, the Company will provide a valuation of the non-cash consideration in accordance with ASX Listing Rule 7.1A.3; or</p> <p>(ii) cash consideration. If this occurs, the Company intends to use the funds raised to continue exploration on the Company's current assets, fund part of the capital expenditure requirements for development of a mining operation at its Central Bore project, to acquire new assets or investments or for working capital purposes; and</p> <p>(b) the Company will comply with its disclosure obligations under ASX Listing Rules 7.1A.4 and 3.10.5A in relation to any issue of securities under the 10% Share Issue Capacity.</p>

Details of the Company's allocation policy for issues under approval	<p>The Company's allocation policy will depend on the prevailing market conditions at the time of any proposed issue under the 10% Share Issue Capacity.</p> <p>The identity of allottees under the 10% Share Issue Capacity will be determined on a case-by-case basis having regard to factors which may include:</p> <ol style="list-style-type: none"> (a) the methods of raising funds which are available to the Company, including the time and market exposure associated with the various methods of raising capital applicable at the time of the raising; (b) the effect of any such issue on the control of the Company; (c) the financial situation of the Company; and (d) advice from corporate, financial and broking advisers. <p>As at the date of this Notice, the allottees under the 10% Share Issue Capacity have not been determined. They may, however, include substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company, including persons who are vendors of any new resources, assets or other investments acquired by the company.</p>
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Previous approvals under Listing Rule 7.1A	The Company has not previously sought or obtained Shareholder approval under ASX Listing Rule 7.1A.
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Risk of economic and voting dilution	<p>If Resolution 6 is approved by Shareholders and securities are issued under the 10% Share Issue Capacity:</p> <ol style="list-style-type: none"> (a) the voting power of Shareholders who do not receive securities under the 10% Share Issue Capacity as a proportion of the voting power of all Shareholders will be diluted. The extent of that dilution will depend on the number of Shares issued. For example, if the full capacity under the 10% Share Issue Capacity is issued, the percentage voting power in the company of Shareholders who do not participate in that issue will be diluted by approximately 9.1% as a result of the issue. (b) the value of the interests of Shareholders who do not receive securities under the 10% Share Issue Capacity may be diluted if Shares are issued at a price which represents a discount to their value before the issue is made. However, there are a range of other factors which may impact value of Shares including, for instance, the impact of any capital raising on the Company and purpose for which the funds are used. Some of the more important factors which may impact the extent of any dilution in the value include the price at which the securities are issued and the number of securities issued. (c) Shareholders should note that there is a risk that: <ol style="list-style-type: none"> (i) the market price for the Shares at the time they are issued under the 10% Share Issue Capacity may be materially higher or lower than on the date of the Annual General Meeting; and (ii) Shares may be issued under the 10% Share Issue Capacity at a price that is at a discount to the market price for those Shares on the date of their issue. (d) As required by the ASX Listing Rules, the tables below show the potential dilution of Shareholders of the Company, in various hypothetical scenarios.
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Hypothetical example:
By way of example only, the theoretical impact of issuing the full amount of the 10% Share Issue Capacity at a range of prices is demonstrated below.
The number of new Shares issued under this example if the full 10% capacity is used is 39,001,567.

% of capital issued	Premium / discount to market value	Issue price	Amount raised	% dilution in voting power	% (dilution) / accretion in economic value
10%	10% premium	\$0.176	\$6,864,275.70	9.09%	0.909%
10%	no premium/ discount	\$0.160	\$6,240,250.64	9.09%	No change
10%	10% discount	\$0.144	\$5,616,225.58	9.09%	(0.909)%

This table assumes that:

- the issued capital prior to the issue under the 10% Share Issue Capacity is the current issued capital - 390,015,665 Shares;
- the market value of a Share on the date of issue is the same as the closing ASX price on 10 October 2012 of \$0.16.
- that Shares are issued for cash and there is no other impact of the fundraising other than to increase cash reserves; and
- no other securities are issued prior to the issue under the 10% Share Issue Capacity.

For example a Shareholder holding a 20% interest in the company who does not participate in an issue of 10% of the capital at a 10% discount, will:

- have its voting power diluted by 9.09% which equates to a reduction of voting power of 1.82% resulting in a post issue voting power of 18.18%; and
- have the value of the shareholding reduced by 0.909%. On the assumption that market value of a Share before the issue was \$0.16, this equates to a reduction in value of \$0.00145 per Share or \$113,459.10 for the holders entire holding, assuming that there are no other effects of the capital raising on the value of the company.

Effect of change in capital structure and market price

The 10% Share Issue Capacity is calculated at the time of issue of securities and so may be effected by any changes in capital structure prior to the new issue occurring.

By way of example, the impact of changes in the capital structure on the amount which can be raised and the number of Shares which may be issued under the 10% Share Issue Capacity is shown below.

% Increase in Share Capital prior to issue	Increased Share capital prior to new issue	Hypothetical market value	Amount raised if raised at market value	No. of Shares under 10% Share Issue Capacity
50% increase	585,023,498	\$0.16	\$9,360,376	58,502,350
50% increase	585,023,498	\$0.08	\$4,680,188	58,502,350
100% increase	780,031,330	\$0.16	\$12,480,501	78,003,133
100% increase	780,031,330	\$0.08	\$6,240,251	78,003,133

Note that the percentage dilution of voting power and economic interest as a result of the issue of additional Shares under the 10% Share Issue Capacity is dependent on the number of Shares issued and the issue price for the issue of those Shares under the 10% Share Issue Capacity. This is demonstrated in the hypothetical example above.

Directors' Recommendation

The Board recommends that Shareholders vote in favour of Resolution 6.

7. Resolution 7 – Change to Non-Executive Directors' Fees

Resolution 7 has been proposed so that Shareholders can consider, and if thought fit, approve an increase to the maximum aggregate remuneration which is available to the Company to secure the services of its Non-Executive Directors. ASX Listing Rule 10.17 and Rule 21.1 of the Company's Constitution provide that the Company must first obtain Shareholder approval before it is able to increase the total fees payable by the Company or its subsidiaries to its Non-Executive Directors.

At present, the maximum amount of fees which can be paid to the Company's Non-Executive Directors is capped at \$200,000.

The Directors are seeking shareholder approval to increase the upper limit on aggregate Non-Executive Director remuneration for the following reasons:

- the Company's Non-Executive Directors have extensive skills and experience in a range of relevant industries that are important to the Company's development;
- the appointment of the Non-Executive Directors significantly enhances the independence of the Board.
- the Board considers it important that the Company maintains the ability to remunerate competitively and attract and retain high calibre Non-Executive Directors and that there is some allowance for growth in non-executive remuneration in the future to reflect market competitiveness for Non-Executive Directors with the skills and experience appropriate for the Company's business.

If Shareholders approve the proposed resolution, the maximum aggregate sum which can be paid to Non-Executive Directors of the Company will increase by \$150,000 per annum, resulting in an increase in the upper limit of remuneration that can be paid to the Company's Non-Executive Directors from the current level of \$200,000 to a new level of \$350,000 in any financial year.

Directors' Recommendation

The Board (excluding Non-Executive Directors Mr Russell Davis, Mr Kevin Hart, Mr David Woodall and Mr Martin Pyle) recommends that shareholders vote in favour of Resolution 7.

GLOSSARY

Annual General Meeting, AGM or Meeting means the Annual General Meeting of Shareholders to be held at The Celtic Club, 48 Ord Street, West Perth WA 6005 on Wednesday, 21 November 2012 at 10.00am (Perth time), or any adjournment thereof.

ASX means ASX Limited (ABN 98 008 624 691), or as the context requires, the financial market operated by it.

ASX Listing Rules or Listing Rules means the Listing Rules of the ASX, from time to time and as modified by any express waiver given by ASX.

Board means the board of Directors.

Chairman means the person chairing the Meeting from time to time.

Closely Related Party of key management personnel means:

- a spouse or child of the member;
- a child of the member's spouse;
- a dependent of the member or the member's spouse;
- anyone else who is one of the member's family and may be expected to influence the member or be influenced by the member in the member's dealings with the Company;
- company the member controls; or
- a person prescribed by the Corporations Regulations 2001 (Cth).

Company means Gold Road Resources Limited ABN 13 109 289 527.

Constitution means the Company's constitution.

Corporations Act means the *Corporations Act 2001* (Cth).

Director means a director of the Company.

Explanatory Statement means this explanatory statement accompanying the Notice of Meeting.

Financial Statements has the meaning given in section 1 of this Explanatory Statement.

Key Management Personnel has the same meaning given in the accounting standards. Broadly speaking this includes those persons with the authority and responsibility for planning, directing and controlling the activities of the Company (whether directly or indirectly), and includes any Directors of the Company.

Non-Executive Director means a non-executive Director of the Company.

Notice of Meeting means this notice of Annual General Meeting, including the Explanatory Statement.

Performance Right means a performance right issued in accordance with the Gold Road Employees Incentive Plan.

Proxy Form means the proxy form attached to this Notice.

Share means a fully paid ordinary share in the capital of the Company.

Spill Meeting has the meaning given in section 2 of this Explanatory Statement.

Spill Resolution has the meaning given in section 2 of this Explanatory Statement.

VWAP means volume weighted average price.