



## **NOTICE OF GENERAL MEETING**

**&**

## **EXPLANATORY STATEMENT**

**To be held**

At 9.00am, Wednesday, 27 April 2011

**at the**

Celtic Club, 48 Ord Street  
WEST PERTH WA 6005



Gold Road Resources Limited  
6 Altona Street, West Perth WA 6005  
PO Box 1157, West Perth WA 6872

Tel: +61 (8) 9486 4144  
Fax: +61 (8) 9481 6405

ABN: 13 109 289 527

24 March 2011

Dear Fellow Gold Road Shareholder,

Please find enclosed the Notice of General Meeting for the Shareholders' Meeting to be held at the Celtic Club, 48 Ord Street, West Perth 6005 at 9.00am on Wednesday, 27 April 2011.

The purpose of the meeting is to seek shareholder approval in accordance with the Corporations Act 2001 and the Listing Rules of the ASX to a number of resolutions, which are set out in the attached Notice of Meeting paper.

Your Directors seek your support and look forward to your attendance at the meeting.

Yours sincerely

**Ian Murray**  
Executive Chairman

**GOLD ROAD RESOURCES LIMITED**

ABN 13 109 289 527

**NOTICE OF GENERAL MEETING**

Notice is hereby given that the General Meeting of Gold Road Resources Limited will be convened at 9.00am on Wednesday, 27<sup>th</sup> April 2011 at the Celtic Club, 48 Ord Street, West Perth, Western Australia.

**AGENDA**

**ORDINARY BUSINESS**

**1. Election of Director – Mr Ziggy Lubieniecki**

To consider and, if thought fit, to pass with or without modification the following ordinary resolution:

*“That Mr Ziggy Lubieniecki, who was appointed to the Board since the last Annual General Meeting of the Company, who retires in accordance with the Company’s Constitution and being eligible, offers himself for re-election as a Director.”*

**2. Ratification of Prior Issue of Equity Securities**

To consider, and if thought fit, to pass, with or without modification, the following ordinary resolution:

*“That, for the purposes of Listing Rule 7.4 of the Listing Rules of ASX Limited (ASX), and for all other purposes, Shareholders approve and ratify the prior issue of 26,500,000 ordinary fully paid shares pursuant to the Placement completed on 10 December 2010 to professional and sophisticated investors on the terms and conditions set out in the Explanatory Statement accompanying this Notice.”*

The issue to be in accordance with the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting.

**3. Approval of the Grant of Options to Director – Mr Ziggy Lubieniecki**

To consider, and if thought fit, to pass, with or without modification, the following ordinary resolution:

*“That pursuant to and in accordance with ASX Listing Rule 10.11 and Section 208 of the Corporations Act 2001 and for all other purposes, Shareholders approve the issue of 1,000,000 unlisted options to Mr Ziggy Lubieniecki to subscribe for ordinary shares in the Company. The issue to be in accordance with the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting.”*

**GOLD ROAD RESOURCES LIMITED**  
ABN 13 109 289 527

**NOTICE OF ANNUAL GENERAL MEETING**

**GENERAL NOTES**

1. The Company will disregard any votes cast on Agenda Item 2 by any person who participated in the issue and any associate of that person (or those persons).

The Company will disregard any votes cast on Agenda Item 3, by Mr Ziggy Lubieniecki and, any other person also for the purpose of Part 1.2 of Division 2 of the Corporations Act would be a person regarded as associated with the Director.

Before a voting exclusion applies, the Company need not disregard a vote 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 person chairing 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.
2. The Explanatory Statement to Shareholders attached to this Notice of General Meeting is hereby incorporated into and forms part of this Notice of General Meeting.
  3. The Directors have determined in accordance with Regulation 7.11.37 of the Corporations Regulations that, for the purposes of voting at the meeting, shares will be taken to be held by the registered holders at 5.00pm on 17<sup>th</sup> April 2011.

**BY ORDER OF THE BOARD**



Kevin R Hart  
COMPANY SECRETARY

Dated this 24<sup>th</sup> day of March 2011

## **GOLD ROAD RESOURCES LIMITED**

ABN 13 109 289 527

### **EXPLANATORY STATEMENT**

The purpose of the Explanatory Statement is to provide shareholders with information concerning all of the Agenda items in the Notice of General Meeting.

#### **1. Election of Director – Mr Ziggy Lubieniecki**

Mr Lubieniecki is a geologist with more than 20 years experience in exploration, mining, management, property acquisition, and company listing. He holds a Bachelor of Applied Science from the Royal Melbourne Institute of Technology and is a member of the Australasian Institute of Mining and Metallurgy.

Mr Lubieniecki joined the Company in June 2007 and has been the General Manager of Gold Road's operations and exploration since 1 August 2009. He has been responsible for progressing the Company's 100% owned Yamarna Project, located 140km east of Laverton, Western Australia, including the high-grade Central Bore Prospect and surrounding deposits.

Mr Lubieniecki was appointed as Director on 12 December 2010 and is an Executive Director of the Company.

#### **2. Ratification of a Prior Issue of Equity Securities – Placement Shares**

On 7 December 2010, the Company announced a Placement of 26,500,000 ordinary fully paid shares ("Placement Shares") to professional and sophisticated investors in Australia at a subscription price of \$0.34 each share, to raise \$9.01 million before the costs of the issue. The manager for the Placement was Bell Potter Securities Limited.

The Placement was completed on 10 December 2010 under the Company's 15% existing placing facility provided in Listing Rule 7.1 ("Placement").

Listing Rule 7.1 provides that without Shareholder approval, a company must not issue or agree to issue new equity securities constituting more than 15% of its total issued capital within a 12 month period (excluding any issue of equity securities approved by Shareholders and other various permitted exceptions which are not relevant for current purposes).

Listing Rule 7.4 allows an issue of securities made without the approval of Shareholders to be ratified by shareholders, in order to refresh the 15% capacity under Listing Rule 7.1, provided at the time the issue was made, the issue was made within the Company's existing 15% capacity under Listing Rule 7.1.

Shareholder approval is therefore now sought pursuant to Listing Rule 7.4 to ratify the Placement so that the Company refreshes its capacity to issue up to 15% of its issued ordinary capital, if required, in the next 12 months without first requiring Shareholder approval for those future issues.

Listing Rule 7.5 requires that the following information be provided to Shareholders for the purpose of obtaining Shareholder approval pursuant to Listing Rule 7.4:

- (a) the total number of equity securities issued was 26,500,000 Shares;
- (b) the Shares were issued at a price of \$0.34 per Share;
- (c) the Shares issued rank equally with existing Shares on issue;
- (d) the Shares were issued to professional and sophisticated investors who were clients of Bell Potter Securities Limited, none of whom are related parties of the Company;
- (e) the Shares are listed on ASX, and
- (f) the funds raised will be used to fund the Company's gold exploration and evaluation programs at the Company's Yamarna Gold Project and provide working capital.

**GOLD ROAD RESOURCES LIMITED**

ABN 13 109 289 527

**EXPLANATORY STATEMENT**

**3. Approval of the Grant of Options to Director – Mr Ziggy Lubieniecki**

Agenda item 3 seeks Shareholder approval to allow the Company to issue 1,000,000 options to Mr Ziggy Lubieniecki, Executive Director or his nominee.

Listing Rule 10.11 provides that a Company must not issue equity securities (including options) to a related party of the company, such as a director, without the Company obtaining its shareholders approval. If shareholder approval is given under Listing Rule 10.11, Listing Rule 7.2, Exception 14 provides that approval is not required under Listing Rule 7.1.

The granting of the options as contemplated by Agenda item 3 also constitutes the providing of a financial benefit to a related party. Section 208 of the Corporations Act prohibits a company from giving a financial benefit, other than in certain defined circumstances, to a related party without prior Shareholder approval.

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.

The granting of options to the Directors constitutes a financial benefit to a related party of the Company within the meaning of the Corporations Act.

In accordance with Section 219 of the Corporations Act and the notice requirements under Listing Rule 10.13, the following information is provided to Shareholders to allow them to assess the proposed resolution.

**(a) The related party to whom the proposed resolution would permit the financial benefit to be given.**

The options will be granted to Mr Ziggy Lubieniecki, Executive Director

**(b) Nature of the Financial Benefit**

The proposed financial benefit to be given is the grant of 1,000,000 unlisted options to Mr Ziggy Lubieniecki to subscribe for fully paid ordinary shares in the capital of the Company at an exercise price being 150% of the market closing price of the Company's ordinary fully paid shares for the trading day prior to issue ('Exercise Price').

The options will have an expiry date within 4 years of the date of grant and will be issued in accordance with the terms and conditions set out in Appendix A of this Explanatory Statement.

The Directors of the Company (having obtained an independent valuation of the options by HLB Mann Judd Corporate (WA) Pty Ltd) consider the indicative theoretical value attributable to the options at a valuation date of 14 March 2011 to be as follows, notwithstanding that the options will not be issued until after 27 April 2011 being the date of the General Meeting of the Shareholders of the company.

<i>Director</i>	<i>Exercise Price</i>	<i>Expiry</i>	<i>Theoretical Value</i>
Mr Lubieniecki	\$0.68	30 April 2015	26.5cents

The Black and Scholes option valuation methodology was used by HLB Mann Judd Corporate (WA) Pty Ltd as a basis for the calculations using the following assumptions:

The share price of a fully paid Gold Road share as at the valuation date of 14 March 2011 was \$0.45.

The risk free interest rate used was 4.96% (based on the 3 year Australian treasury bond rate).

A volatility factor of 89.4% was used to value the options as determined using the daily closing share prices for the last 12 months.

**GOLD ROAD RESOURCES LIMITED**

ABN 13 109 289 527

**EXPLANATORY STATEMENT**

**3. Approval of the Grant of Options to Director – Mr Ziggy Lubieniecki (continued)**

**(b) Nature of the Financial Benefit (continued)**

The options vest on the date of issue and are exercisable on or before 30 April 2015.

The Black and Scholes option pricing model assumes 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 of attributed to the Black and Scholes option pricing model.

Based on the above assumptions, the value of the 1,000,000 options using the indicative values attributed is as follows:

<i>Theoretical Value per Option (cents)</i>	<i>Discount (%)</i>	<i>Indicative value per Option (cents)</i>	<i>Number of Options issued</i>	<i>Total value (\$)</i>
26.5	30	18.6	1,000,000	186,000

**(c) Directors Recommendation**

Ian Murray, Russell Davis, Martin Pyle and Kevin Hart are not beneficiaries in the proposed issue of options and recommend that shareholders vote in favour of the proposed resolution as they believe the issue of the options is in the best interests of the company because the options provide the Director with an incentive to enhance the future value of the company's shares for the benefit of all shareholders, and also an appropriate way to retain Mr Lubieniecki's professional services at reasonable market rates.

Mr Lubieniecki declined to make a recommendation on the proposed resolution because he has a material personal interest in the outcome of the resolution, on the basis that he is to be granted options in the Company should the resolution be passed. Therefore, he is not in a position to recommend either for or against the proposed resolution.

**(d) Directors Interest**

With the exception of Mr Lubieniecki, no other Director has a personal interest in the outcome of the resolution.

**(e) Other information reasonably required by the members to make a decision and that is known to the Company or any of its Directors**

The options form part of the Company's long term incentive for employees and are to be granted in addition to the total fixed remuneration set out below. The exercise price of the options is linked to improved share price performance. Importantly, this provides ongoing incentive to increase shareholder value over time and the exercise price reflects levels in excess of the current market price of the Company's shares.

Exercise of the options is allowable immediately after issue, but only likely to occur if there is sustained upward movement in the Company's share price.

The number of options to be issued to Mr Lubieniecki has been determined based on the reasons outlined in the director's recommendation to shareholders at item 3(c). The number of options has also been determined having regard to his significant contribution to the Company's exploration success, and 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.

**EXPLANATORY STATEMENT**

**3. Approval of the Grant of Options to Director – Mr Ziggy Lubieniecki (continued)**

**(e) Other information reasonably required by the members to make a decision and that is known to the Company or any of its Directors (continued)**

The terms and conditions of the options are set out in Appendix A. The options shall be granted free to Mr Lubieniecki, and will be issued within one month of the date of the meeting.

If the options proposed to be granted to Mr Lubieniecki, under Agenda Item 3 are exercised, the Company's issued shares would increase by 1,000,000 shares to a total of issued capital of 272,760,630 shares (assuming no other outstanding options are exercised).

The exercise of the options will provide the Company with additional working capital of \$680,000 and will represent approximately 0.3% of the total issued capital of the company on a fully diluted basis.

As at 14 March 2011 the issued capital of the Company comprised 271,760,640 ordinary fully paid shares, 44,137,707 listed options expiring 30 June 2011, exercisable by payment of 7 cents each and 17,900,000 unlisted options with various expiry dates and exercise prices.

The following table sets out Mr Lubieniecki's current entitlement to shares and options in the Company.

<b>Director</b>	<b>Number of Shares</b>	<b>Number of Options</b>
Ziggy Lubieniecki	1,200,000	4,100,000

Details of the nature and amount of each major element of the remuneration of Mr Lubieniecki as detailed in the 2010 Annual Report is as follows.

<b>Director</b>	<b>Base Emolument \$</b>	<b>Superannuation Contributions \$</b>	<b>Value of Options \$</b>	<b>Total \$</b>
Ziggy Lubieniecki	203,016	16,920	29,576	249,512

The market price of the Company's shares during the term of the options will ordinarily determine whether or not option holders exercise the options.

If the market price of the Company's shares is in excess of the exercise price of the options it is likely that the options will be exercised. A benefit would accrue on the exercise of the options by the payment of the amount determined under this notice and the sale of the ordinary shares for an amount in excess of these amounts.

In the last 12 months, the highest price for ordinary fully paid shares in the Company trading on ASX was 47 cents which occurred on 10 November 2010. The lowest price was 8.3 cents which occurred on 30 August 2010. On 17 March 2011 the closing price was 41 cents.

All shares issued pursuant to the exercise of options under Agenda Item 3 will rank pari passu with the existing ordinary shares on issue.

There is no other information known to the Directors that is reasonably required by Shareholders to make a decision whether or not it is in the Company's interest to pass the Resolutions of Agenda Item 3.

---

## APPENDIX A – TERMS AND CONDITIONS DIRECTOR OPTIONS

---

### Terms and Conditions of Options

- (a) Each option shall be issued free for no consideration.
- (b) Each option entitles the holder to subscribe for one (1) ordinary share upon payment of the exercise price being 150% of the market closing price of the Company's ordinary fully paid shares for the day prior to issue.
- (c) The options will lapse at 5.00pm, Western Standard Time on 30 April 2015.
- (d) The options will not be listed for official quotation on the ASX.
- (e) The options shall not be transferred or assigned by an option holder except that the option holder 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 in which are beneficially owned by the option holder or the spouse of the option holder.
- (f) 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.

However option holders 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 nine (9) business days before books closing date to exercise the options.

- (g) 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.
- (h) The options shall be exercisable by the delivery to the registered office of the Company of a notice in writing stating the intention of the option holder to exercise all or a specified number of options held by them accompanied by an option Certificate and a cheque made payable to the Company for the subscription monies for the shares. An exercise of only some options shall not affect the rights of the option holder to the balance of the options held by them.
- (i) The Company shall allot the resultant shares and deliver a statement of shareholdings with a holders' identification number within ten (10) business days of the exercise of the options.
- (j) Shares allotted pursuant to an exercise of options shall rank, from the date of allotment, equally with the existing ordinary shares of the Company in all respects.
- (k) The Company shall make an application to have those shares allotted pursuant to an exercise of options listed for official quotation by the Australian Securities Exchange.
- (l) All options will lapse upon the holder ceasing to be a Director or employee of the Company unless otherwise determined by the Board of Directors.
- (m) If there is a pro rata issue (except a bonus issue) to the holders of the underlying securities, the exercise price of the options may be reduced according to the formula set out in Listing Rule 6.22 of the Official Listing Rules of the Australian Securities Exchange.
- (n) The options may be exercised at any time until the expiry date.