

27 March 2025

Dear Fellow Shareholder,

### Rejection of the Gold Fields Proposal to Acquire Gold Road

As you may be aware, our existing Gruyere joint venture partner Gold Fields Limited (**Gold Fields**), recently put forward an unsolicited, non-binding, indicative proposal to the Gold Road Board for Gold Fields to acquire 100% of the shares on issue in Gold Road by way of a scheme of arrangement (**Proposal**).

After careful consideration, the Gold Road Board rejected that Proposal. No action is required from you at this time.

In any event, I wanted to write to you to explain the background to the Proposal so that you can better understand and appreciate the Gold Road Board's response in seeking to maximise value for Gold Road shareholders.

### The Proposal

The Proposal was for each Gold Road shareholder to receive \$2.27 cash per share, plus a variable cash amount equal to the proportionate value of each Gold Road shareholder's interest in the shares that Gold Road holds in De Grey Mining Ltd (**De Grey**)<sup>1</sup>, in consideration for the acquisition of all of their shares. The Proposal was provided by Gold Fields on the basis that it may be automatically withdrawn if any aspect of the Proposal was publicly disclosed.

The Gold Road Board had a number of concerns with the Proposal, including that it materially undervalued Gold Road and was delivered at a highly opportunistic time. Accordingly, the Gold Road Board was unanimous in its rejection of the Proposal which was subsequently communicated directly and confidentially to Gold Fields.

### Our Engagement with Gold Fields

At the same time, Gold Road indicated an openness to continue discussions with Gold Fields and tabled an indicative counter-proposal whereby Gold Road would acquire Gold Fields' interest in Gruyere at the price implied for that project by the Gold Fields' Proposal. Gold Fields rejected this counter-proposal and indicated that it would not entertain further discussions on selling its interest in Gruyere. Gold Road believes that this rejection signals that, like us, Gold Fields sees material value in Gruyere beyond what has been put on the table in the current Gold Fields Proposal.

Following this, I personally met with the Gold Fields CEO a number of times over a two day period in an active effort to explore potential outcomes that would deliver fair value for Gold Road shareholders. My last phone call with the Gold Fields CEO on Sunday 23 March made it clear that it was in Gold Fields' court as to whether it wished to table a revised, and improved, proposal for the Gold Road Board's consideration.

Instead of continuing our engagement, Gold Fields elected to publicly announce the terms of its Proposal in what must be considered as an effort by Gold Fields to seek to create division between the Gold Road Board and its shareholders. We will not let this happen.

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 ASX Code GOR
 

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 ABN 13 109 289 527
 

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#### COMPANY DIRECTORS

 Tim Netscher  
**Chairman**

 Duncan Gibbs  
**Managing Director & CEO**

 Brian Levett  
**Non-Executive Director**

 Maree Arnason  
**Non-Executive Director**

 Denise McComish  
**Non-Executive Director**

 Julie Jones  
**General Counsel &  
Joint Company Secretary**

 Keely Woodward  
**Joint Company Secretary**


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#### CONTACT DETAILS

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<sup>1</sup> Value calculated based on the 30-day VWAP of the De Grey shares as at, or Northern Star shares if the Northern Star acquisition of De Grey has already completed prior to, the period 5 business days prior to effective date of the proposed transaction.

### **Further Information regarding our response to the Gold Fields' Proposal**

I have attached to this letter further information about Gold Fields' Proposal, and relevant factors that the Gold Road Board had regard to in responding to it and, most importantly, in seeking to protect Gold Road shareholder interests. We provide this information to provide greater transparency regarding our efforts to protect shareholder interests and maximise shareholder value.

I would also like to make it clear that Gold Road has not sought to pursue any further proposals to acquire Gold Fields' interest in Gruyere and does not intend to do so as part of any further engagement with Gold Fields regarding their Proposal. The counter-proposal to acquire Gold Fields' interest in Gruyere was in response to an opportunistic Proposal, at a price that is patently inadequate and therefore highly attractive to the purchaser. Through its unsolicited Proposal, and its rejection of Gold Road's counter-proposal, Gold Fields has made it clear that there is a division between the value that it expects Gold Road shareholders to accept for their shares (and their interest in Gruyere), and what it might contemplate for its own interest in Gruyere. If the price reflected in the Gold Fields' Proposal is not good enough for Gold Fields, why would it be good enough for Gold Road shareholders?

Despite all of the above, Gold Road remains willing to engage with Gold Fields in order to ascertain whether we can arrive at an agreement on a transaction that delivers full and fair value to Gold Road shareholders.

If you have any questions about the Proposal and/or the Gold Road Board's response to it, please email: [InvestorRelations@goldroad.com.au](mailto:InvestorRelations@goldroad.com.au).

### **Delivering Shareholder Value**

On a personal note, I joined Gold Road shortly after it discovered the Gruyere deposit in 2013. At that time, the market capitalisation of Gold Road was about \$200 million, which those shareholders who were on the register at that time may well recall. We are proud of the company's track record of delivering shareholder value since the discovery of Gruyere, with the market capitalisation of Gold Road having risen from that lowly value to around \$2.8 billion at the time the Gold Fields Proposal was received.

We achieved this through a combination of successful ore body discovery, resource growth, mine development and in 2017 created the Gruyere joint venture with Gold Fields. In addition, Gold Road has delivered several successful and prudent investments with the spectacular growth in the value of our strategic shareholding in De Grey as one example that clearly demonstrates this.

The Gold Road Board has a strong track record of completing value accretive transactions for the benefit of our shareholders, and our decisions have always been made with a view to maximising shareholder value. The Gold Road Board will continue to take this approach should Gold Fields decide to re-engage with Gold Road regarding its Proposal.

On behalf of the Gold Road Board, we firmly believe in the long-term value of the Gruyere mine (including its underground potential) and Gold Road's other exploration assets, and that any Proposal to acquire control of Gold Road must provide fair value to Gold Road shareholders.

### **Next Steps**

The Proposal is not an offer for your Gold Road shares. You do not need to take any action in response to it.

The Gold Road Board will continue to consider all available options to maximise the value of Gold Road. This includes any revised proposal that Gold Fields may decide to put forward in the future.

Gold Road remains willing to engage with Gold Fields in good faith as it has done to date.

Yours sincerely

A handwritten signature in black ink, appearing to read "T. Netscher".

Tim Netscher  
Chairman

**ANNEXURE**  
**RELEVANT INFORMATION TO GOLD ROAD SHAREHOLDERS**  
**CONCERNING THE REJECTION OF THE GOLD FIELDS PROPOSAL**

**1. The Gold Road Board believes that the Proposal materially undervalues Gold Road**

The Gold Fields' Proposal contemplated an acquisition of 100% of the shares on issue in Gold Road by way of a scheme of arrangement under Part 5.1 of the Australian Corporations Act for \$2.27 cash per share plus a variable cash amount equal to the proportionate value of each Gold Road shareholder's interest in the shares that Gold Road holds in De Grey<sup>2</sup>.

The Proposal was subject to a number of conditions, including:

- the satisfactory completion of due diligence by Gold Fields;
- Gold Road exercising its full voting interest at the De Grey scheme shareholders meeting in support of the acquisition of De Grey by Northern Star, and Gold Road continuing to hold its shares in De Grey (or Northern Star) on the date that Gold Fields' acquisition of Gold Road completes;
- Foreign Investment Review Board (**FIRB**) and ACCC approval (if required);
- no material adverse change, no material acquisitions or disposals, no regulation events and no prescribed occurrences (including no dividends, distributions or returns of capital);
- compliance with the confidentiality provisions of the Proposal; and
- other customary conditions for a transaction of the nature the subject of the Proposal.

Relevantly, the Proposal was provided on the basis that it may be automatically withdrawn if any aspect of the Proposal is disclosed (whether by formal announcement or unintended leak by Gold Road or any other party). Accordingly, disclosure of the receipt of the Proposal to Gold Road shareholders at that time may have resulted in the withdrawal of the Proposal. Gold Road had regard to this condition when it considered and responded to the Proposal.

As you would expect, the Gold Road Board gave careful and due consideration to the Proposal.

The Gold Road Board considered that:

- the Proposal materially undervalued Gold Road's portfolio, including not only our 50% interest in the Gruyere joint venture, but also our 100% owned Yamarna project and exploration tenements;
- the Proposal is opportunistic as it attributes no value to the potential underground expansion of Gruyere, which has the potential to add considerable value to the operation – exploration and studies into this potential underground expansion are ongoing, with the results material to properly understanding the potential upside value of Gruyere;
- the Proposal offers a certain value of \$2.27 cash for each Gold Road share with the remainder tied to the value of Gold Road's shareholding in De Grey (or Northern Star if its acquisition of De Grey completes) that would only be crystallised after the time that Gold Road shareholders vote on the scheme the subject of the Proposal. The Proposal also requires Gold Road to commit to holding the relevant De Grey / Northern Star shares through to completion of the scheme the subject of the Proposal. Such transactions can take in excess of 3-4 months to complete, such that the requirement to continue to hold the relevant De Grey / Northern Star shares removes any flexibility Gold Road may otherwise have to realise value for those shares at an earlier point in time for the benefit of Gold Road shareholders;
- the market value of Gold Road's interest in Gruyere is impacted by the performance of Gold Fields as manager of the Gruyere joint venture. Over the life of the joint venture, Gold Road has on many occasions respectfully and constructively taken steps to seek to improve the ongoing operation of the Gruyere mine;

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<sup>2</sup> Value calculated based on the 30-day VWAP of the De Grey shares as at, or Northern Star shares if the Northern Star acquisition of De Grey has already completed prior to, the period 5 business days prior to effective date of the proposed transaction.

- there are strong tailwinds in the gold sector and that the structure of the Proposal and timing uncertainty associated with the implementation of any Proposal (including the fact that Gold Fields is yet to obtain FIRB approval) exposes Gold Road shareholders to the risk that they will not appropriately be compensated for any continued upside momentum in the gold price;
- the lack of information provided by Gold Fields regarding its ability to adequately fund its Proposal, including any conditions attaching to its various funding sources.

We note that in certain recent public announcements made by Gold Fields in respect to its Proposal, Gold Fields refers to the “joint venture dis-synergies” which will be eliminated if its Proposal is accepted. Gold Fields has not quantified these “dis-synergies”, and of course any “dis-synergy” value will accrue only to Gold Fields shareholders given the cash consideration offered under their Proposal. Any revised Proposal should include appropriate value for the elimination of these “dis-synergies” that Gold Fields will derive benefit from.

## **2. Information Asymmetry**

Under the terms of the Gruyere joint venture agreement, Gold Fields is the manager of the Gruyere joint venture whilst it continues to hold at least a 50% interest in the Gruyere joint venture.

As manager, Gold Fields has a unique understanding of the value of Gruyere and its potential.

Relevantly, Gold Fields (on behalf of the Gruyere Joint Venture) engaged SRK Consulting (**SRK**) in 2023 to complete a scoping study into a potential underground expansion at Gruyere. Notwithstanding that a draft of SRK’s study appears to have been received by Gold Fields in January 2025, a draft of this study was only provided to Gold Road after the receipt of the Proposal and following requests from Gold Road for the study to be made available. To Gold Road’s knowledge, the study has not yet been finalised. Further, Gold Fields as manager of the Gruyere Joint Venture is currently undertaking an 18-month 60,000 metre drill program to confirm that the Gruyere orebody extends at depth. Gold Road believes that the finalisation of the SRK study and the results of the drilling program are material to understanding the potential upside value associated with a potential underground expansion of Gruyere.

The Gold Road Board believes that Gold Fields may have timed its Proposal before the underground expansion potential of Gruyere can be properly understood by Gold Road and its shareholders. Further, the actions of Gold Fields as manager have the potential to materially affect the performance of the Gruyere mine and therefore the interests of Gold Road shareholders. In particular, Gold Road notes the recent announcement of a lower March 2025 quarter production due to maintenance on the primary crusher and the failure of two conveyor belts<sup>3</sup>, which had a negative impact on the price of Gold Road shares. Gold Road also notes the issues experienced at Gruyere during 2023 that resulted in a production downgrade<sup>4</sup>. Gold Road shareholders should consider what the value of Gruyere (and therefore Gold Road shares) might have been if such operational issues had not been experienced.

The receipt of the Proposal before Gold Road shareholders are able to properly assess the underground potential of Gruyere, and at a time when there have been operational issues at Gruyere resulting in the March 2025 quarter production downgrade, highlights the opportunistic nature of the Gold Fields’ Proposal.

## **3. Standstill**

As part of the acquisition of a 50% interest in Gruyere from Gold Road in 2017 and the formation of the Gruyere joint venture, Gold Fields agreed to a standstill arrangement in which Gold Fields must not acquire a relevant interest in any securities of Gold Road greater than 10% unless agreed in writing by Gold Road.

The standstill is designed to protect Gold Road shareholders from opportunistic proposals from Gold Fields, particularly given the ongoing risks associated with information asymmetry as a result of Gold Fields being the manager of the Gruyere joint venture.

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<sup>3</sup> See ASX announcement dated 18 March 2025

<sup>4</sup> See ASX announcement dated 22 June 2023

The standstill ends on the earlier of:

- two years after Gold Fields (or its affiliates) cease to be a participant in the Gruyere joint venture;
- the date that a person or persons jointly or in concert (other than Gold Fields and its affiliates) publicly announce their intention to commence a transaction which would result in a person or persons acquiring a relevant interest of 20% or more in Gold Road's issued shares (**Control Transaction**);
- the date Gold Road publicly announces that its Board of Directors has approved an agreement which contemplates a Control Transaction; or
- the Gold Road Board waives the standstill.

For completeness, Gold Road shareholders should be aware that Gold Fields is required under the terms of the Gruyere joint venture agreement to notify Gold Road in advance if Gold Fields intends on purchasing securities in Gold Road. To date, Gold Road has not received any notification as to Gold Fields' intent to purchase Gold Road securities.

This release has been authorised by the Board

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

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