GEOPACIFIC RESOURCES NL

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2011

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GEOPACIFIC RESOURCES NL

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ACN 003 208 393

(a public, listed Company incorporated in New South Wales in 1986)

Directors in Office (as at the date of this Report)	S T Biggs, Chairman C B Bass, The Executive Director I N A Simpson, Non-Executive Director R J Fountain, Non-Executive Director R H Probert, (Alternate Director to Mr I N A Simpson)
Registered Office	Suite 6, 125 Melville Parade, Como, WA 6152, Australia
Postal Address	P.O. Box 111, South Perth, WA 6951
Company Secretary	Mr Mark Pitts
Auditor	K.S. Black & Co., Level 6, 350 Kent Street Sydney, NSW, 2000, Australia
Bankers	Westpac Banking Corporation, 50 Pitt Street, Sydney, NSW

GEOPACIFIC LIMITED

(a private Company incorporated in Fiji)

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Fiji Operations Office	3 Brewer Street, Martintar, Nadi, Fiji Tel: 679 6 727150 Fax: 679 6 727152 All mail to: P O Box 9975, Nadi Airport, Fiji E-mail: gpl@connect.com.fi
Company Secretaryy	I N A Simpson, P.O. Box 9975, Nadi Airport, Fiji Tel: 679 6 727150 Fax: 679 6 727152 E-mail: gpl@connect.com.fi
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Bankers	Westpac Banking Corporation, Main Street, Nadi, Fiji

BETA LIMITED

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MILLENNIUM MINING (FIJI) LIMITED

(a private company incorporated in Fiji)

Directors	I N A Simpson R H Probert
Company Secretary	I N A Simpson, P.O. Box 9975, Nadi Airport, Fiji Tel: 679 6 727150 Fax: 679 6 727152 E-mail: gpl@connect.com.fi
Registered Office	3 Brewer Street, Martintar, Nadi, Fiji

THE EXECUTIVE DIRECTOR'S REPORT

The year 2011 was one of significant change for Geopacific Resources, setting new foundations upon which the foreseeable future and success of the Company will rest.

A Year of Great Change – Exploration

In 2010, the Company's exploration focus changed from looking for near-surface gold occurrences to "hunting" for large, buried copper-gold porphyry deposits that are found throughout the Pacific "Ring of Fire" on which Fiji sits. These types of deposits are extremely large tonnage, provide the majority of the world's copper and contain many billions of dollars worth of contained metal value.

This "hunt" started in the second half of 2010 with flying ZTEM airborne electromagnetic surveys over Geopacific's tenements and other prospective unclaimed areas in Fiji. ZTEM had proved itself in being able to identify alteration associated with deeply buried copper porphyries in North America a few years prior to Geopacific using it in Fiji.

Significant ZTEM anomalies were found to exist at Sabeto, Vuda, Nabila and a new area on the island of Vanua Levu at Cakaudrove, over which a prospecting license was applied for and subsequently granted. Mira Geosciences of Canada revised the ZTEM data by creating state-of the art 3D inversion models over these four areas.

"Ground-proofing" or validating the ZTEM anomalies at Sabeto and Vuda occurred in the second half of 2011 and provided us with encouragement that porphyries may well exist to depths of 500m to 1000m. Examples of this "ground-proofing" that were found are:-

- distal gold mineralisation that likely developed from breccia pipes or small shear/fracture zones emanating from the porphyry,
- copper mineralisation over some of the areas and
- alteration mineral assemblages normally associated with the outer shells of porphyry systems.

An 846m vertical diamond drill hole over the Nabila ZTEM anomaly was commenced in late November and was completed on 9th March, 2012. The hole was initially planned to be completed in early February, however the Christmas/New Years break and severe wet weather and flooding delayed completion. It should be noted that Nabila is our fourth rated anomaly after Sabeto, Vuda and Cakaudrove. However, the ease of logistics and ability to start drilling sooner led to the decision to commence with Nabila.

Although some assay results remain outstanding, no potentially economic copper mineralization was observed in the hole. Moderate to strong sericite-chlorite-pyrite-gypsum alteration with minor sphalerite (zinc) occurs from 500m to the end of the hole. This alteration and associated sulphides corresponds very closely to the ZTEM conductive anomaly. Although not intersected by this hole, a mineralized intrusive remains the most probable source for the distal alteration observed within the hole. A detailed review of all available data as well as structural interpretations will be undertaken to better define the probable source prior to any follow up drilling on this target.

Corporate Changes

Dr Ian Pringle resigned as Managing Director of Geopacific in the second half of 2011, after 6 years with the Company. The Board wishes Ian a very successful future and thanks him for all his efforts. One of his greatest legacies was building our highly motivated and loyal team of people based in Fiji. Without them, it would be near impossible to operate in Fiji.

On Dr Pringle's resignation, I assumed the role of The Executive Director of Geopacific Resources. The Company's office was subsequently relocated from Sydney to Perth in the second half of the year.

As a result of recently raising additional funds via the private placement, we are in a position to accelerate our exploration efforts

Charlie Bass, Steven Whitehead and Dr. Russell Fountain.

Mr Mark Pitts has recently taken over the role of Company Secretary and Chief Financial Officer from Mr Grahame Clegg. Grahame has served the Company very well over the years and I sincerely thank him for his dedication and services.

It gives me great pleasure to inform you that Mr Steven Whitehead, who had originally joined GPR as a contract geologist, is now employed with us full time and is a highly valued member of the Geopacific team. He is currently in the role of Acting Exploration Manager.

The Company awarded our loyal and patient shareholders with a bonus issue of options in December. For every two shares held, one free option was issued with an exercise price of $0.35 and expiry of 19th January, 2013. These options are listed on the ASX, with code GPRO.

Subsequent to the year end, in February of 2012, the Company successfully raised approximately $1.2 million through a quick and small private placement organised by Hartleys. The placement was at $0.22 per share and included one option for every two shares, with an exercise price of $0.35 and 19th January, 2013 expiry. As a result of exceeding the 15% limit on issue of securities in any 12 month period, the placement was done in two tranches. Three million shares were issued in the first tranche, and the remaining 2.46 million shares were issued at an extraordinary general meeting of shareholders on 2nd April, 2012.

The Year Ahead – 2012

As a result of recently raising additional funds via the private placement, we are in a position to accelerate our exploration efforts. GPR has recently increased its geological team, employing two full time senior exploration geologists, and one junior geologist. Geophysical, structural and petrologic consultants are also being engaged.

Deep diamond drill holes are planned to test the ZTEM anomalies at Sabeto and Vuda. The first diamond drill hole should commence in late April after the effects of recent flooding have been remedied. As porphyry systems are quite large, and in our instances, the ZTEM anomalies are at least one kilometre in length and half a kilometre across, mineralisation (if it occurs) may not be consistent across the whole system. Should any of these early holes encounter economic grade mineralisation, it will be a real bonus. Realistically, these holes will provide us with vital information, previously unknown, about the real potential of these systems to host economic grades and volumes of ore.

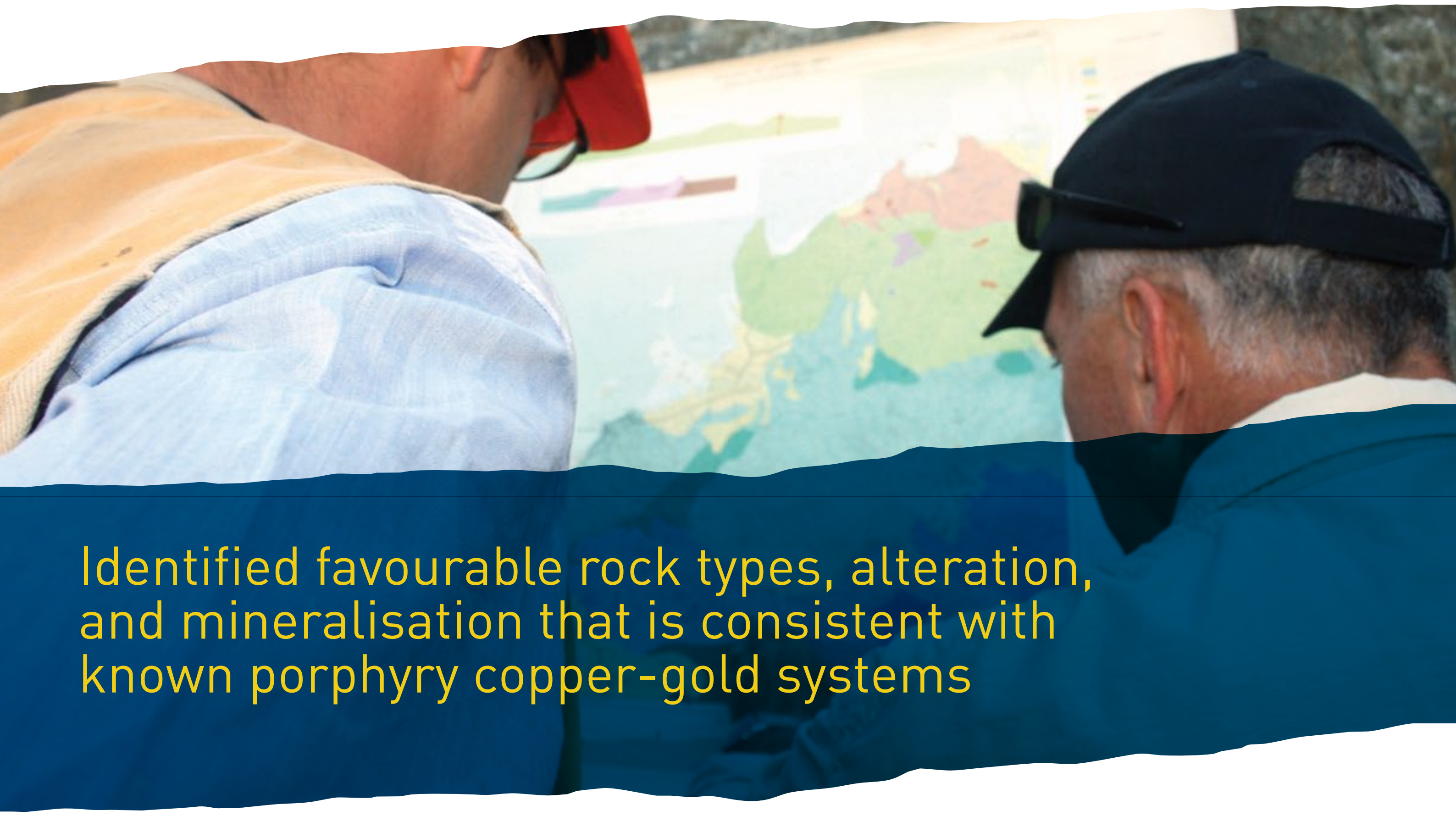
With the granting of the Cakaudrove prospecting license, ground exploration will commence in the near future with the aim of developing drill targets by the end of the year.

Finally, I'd like to thank all of our shareholders once again for their support, patience, and belief in the vision and long term future of their company, Geopacific Resources.

Charles B. Bass
The Executive Director, Geopacific Resources NL

REVIEW OF OPERATIONS

During 2011, Geopacific Resources completed detailed 3D processing of the ZTEM airborne EM data and conducted ground work over the resultant anomalies, which included surface geochemistry, trenching, and mapping at several of its project areas. Most importantly, the first deep diamond drilling to test the ZTEM porphyry model at Nabila was commenced in December.



Identified favourable rock types, alteration, and mineralisation that is consistent with known porphyry copper-gold systems

HIGHLIGHTS

1. State-of-the-art 3D inversions of the Nabila, Sabeto-Vuda, and Cakaudrove ZTEM data resulted in detailed, geophysical porphyry models and targets:
    a. A resistive body similar to Sabeto was identified below the Dakuniba prospect, Cakaudrove, with a conductive body immediately to the north, possibly representing a conductive shell surrounding a porphyry intrusion.
    b. At Sabeto-Vuda, large resistive anomalies were identified with distinctive shapes comparable to that of a porphyry intrusion.
    c. At Nabila, a deep conductive anomaly was identified southeast of the Faddy's deposit, possibly related to the conductive shell of a porphyry copper-gold system.
2. A special prospecting license was applied for over the Cakaudrove Peninsula, which was subsequently granted in early 2012 as SPL1493, based on the potential for this area to host a gold porphyry deposit.
3. Mapping and surface geochemical programmes at the Sabeto deep ZTEM resistive anomaly have identified favourable rock types, alteration, and mineralisation that is consistent with known porphyry copper-gold systems; outcrop samples returned up to 1.71g/t Au and 1.23% Cu.
4. Drilling at Nabila has identified the ZTEM conductor as a zone of strong but patchy silica-chlorite-sericite alteration with zones of greater than 1% sulphide mineralisation. Weak zinc and lead mineralisation was noted within several zones down hole.

WHY HUNT PORPHYRIES?

Cu-Au porphyry deposits are large tonnage/lower grade and provide over 60% of the world's copper. Dollar values of contained metals in porphyry deposits are typically in the tens of billions of dollars and have a comparatively low cash cost of discovery and operation.

Should Geopacific discover a mineralised porphyry on its tenements, it is estimated that a modest expenditure of $20 – 30 million of exploration would be sufficient to give an indication as to its size and value.

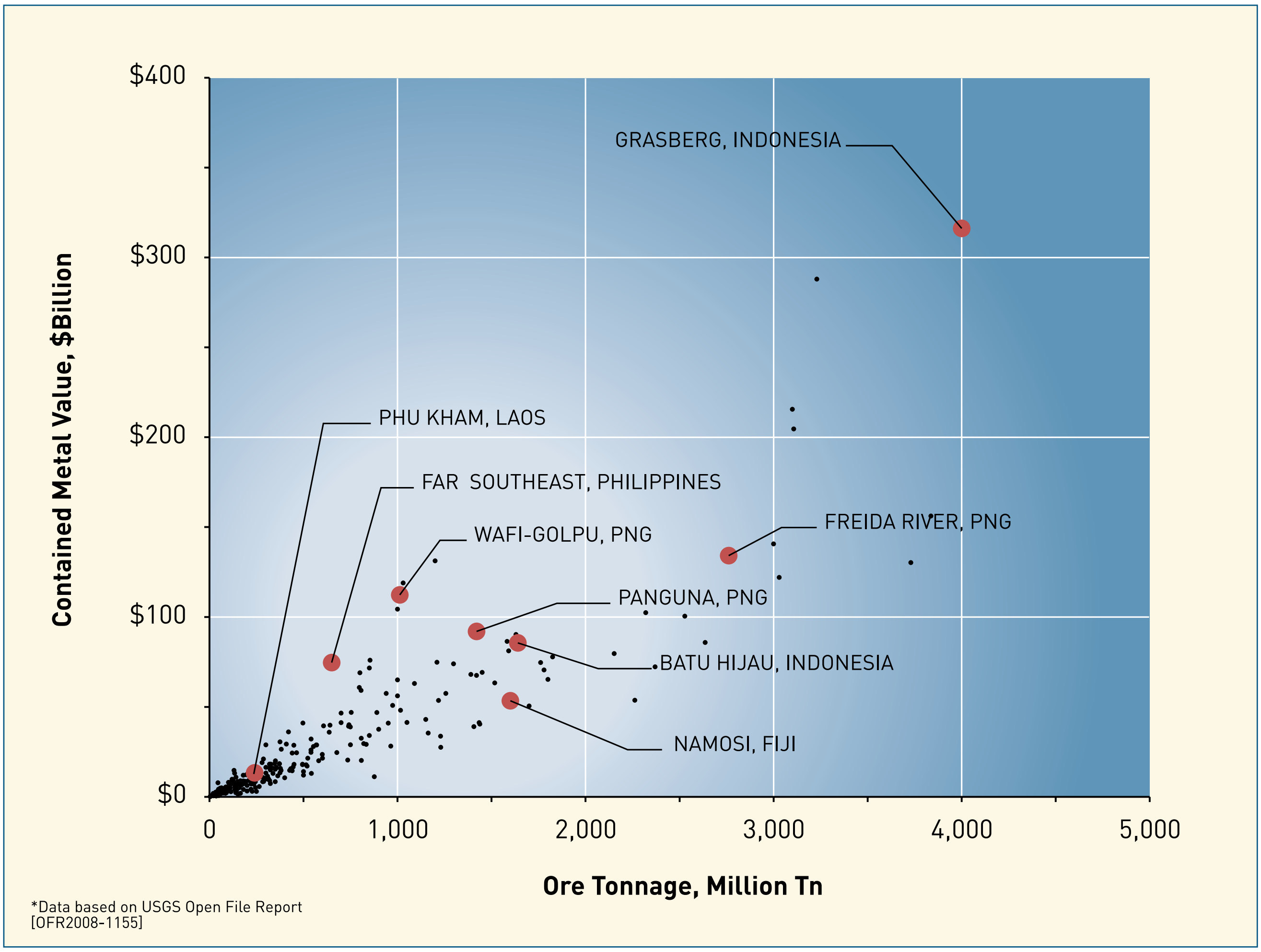


Figure 1: Asia-Pacific Porphyries – Ore Tonnage vs Contained $ Value.

Dollar values of contained metals in porphyry deposits are typically in the tens of billions of dollars

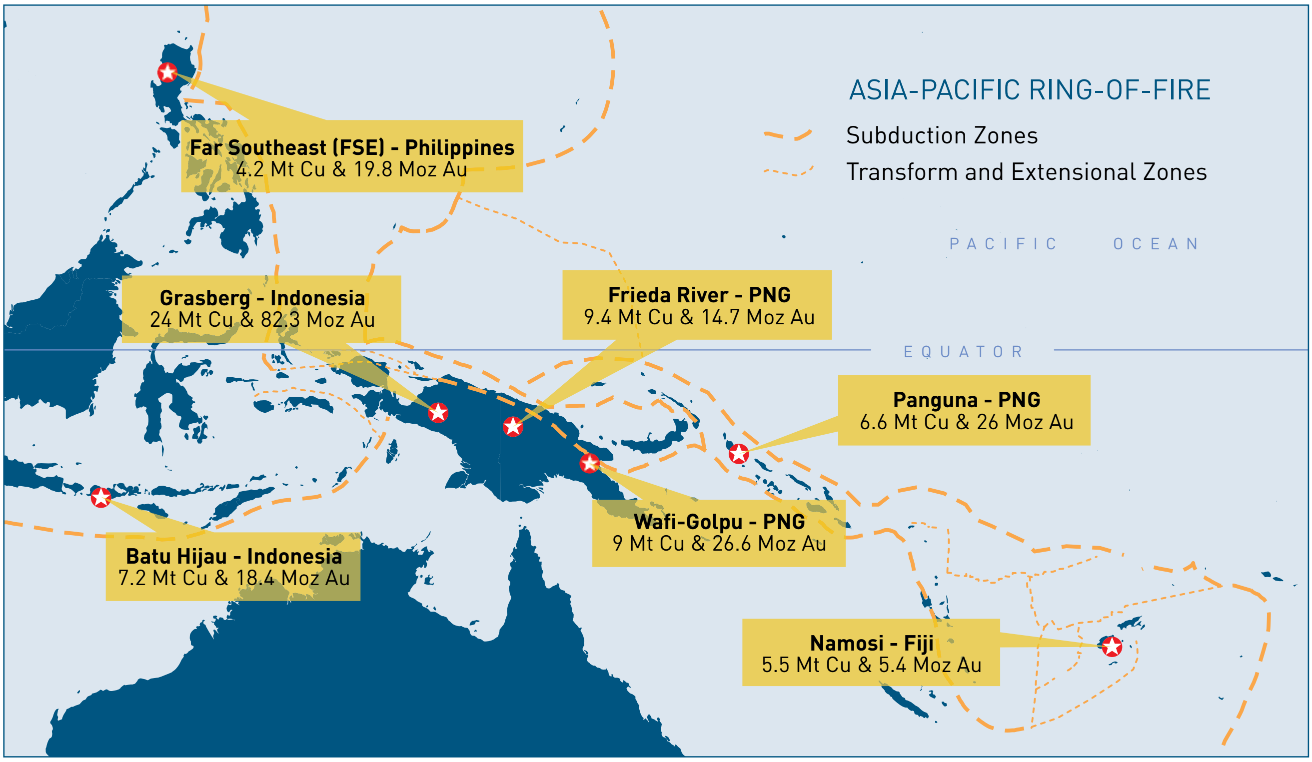


Figure 2: Asia-Pacific Island Arc - Porphyry Belt.

ASIA-PACIFIC PORPHYRIES

THE ISLAND-ARC CU-AU PORPHYRY MODEL

Copper-gold porphyry deposits are ore bodies associated with porphyritic intrusions and the fluids that accompany them during their cooling from magma to rock at depths of 1 – 5kms below surface. The island-arc porphyry model has been well established over a number of years and has been used in the discovery of numerous deposits. The island-arc model is characterised by the following properties:

- Cu-Au porphyries are generally associated with island-arc settings similar to Fiji.
- Mineralisation is associated with subvolcanic intrusions ranging in compositions from diorites to quartz monzonite.
- Host rocks generally comprise volcanic rocks and associated volcaniclastics.
- Intrusions typically in the form of upright-vertical cylindrical bodies and/or dyke-complexes.
- Hydrothermal alteration around deposits is typically zoned from propylitic to phyllic/argillic, with a potassic core, and may extend hundreds of metres from mineralised intrusion.
- An outer-halo of Fe sulphides (pyrite) is present surrounding the mineralised core.
- Mineralisation characterised by copper-sulphides localised within network of fracture-controlled stockwork veinlets.

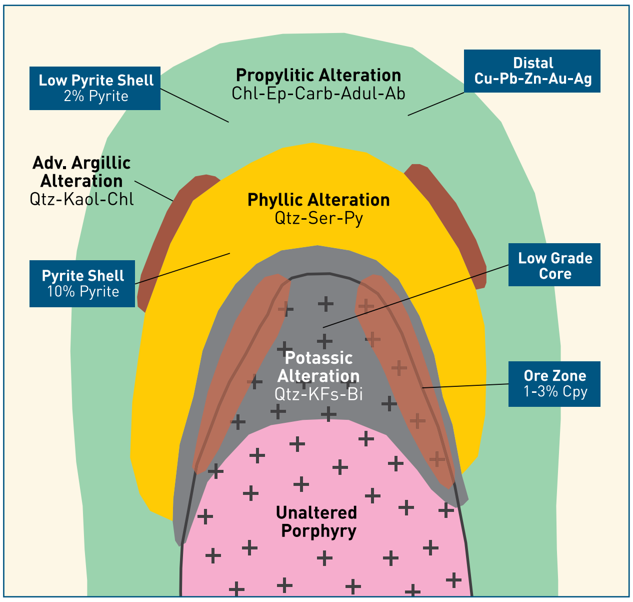


Figure 3: A cross-section schematic of Porphyry Model.

EXPLORATION ACTIVITIES

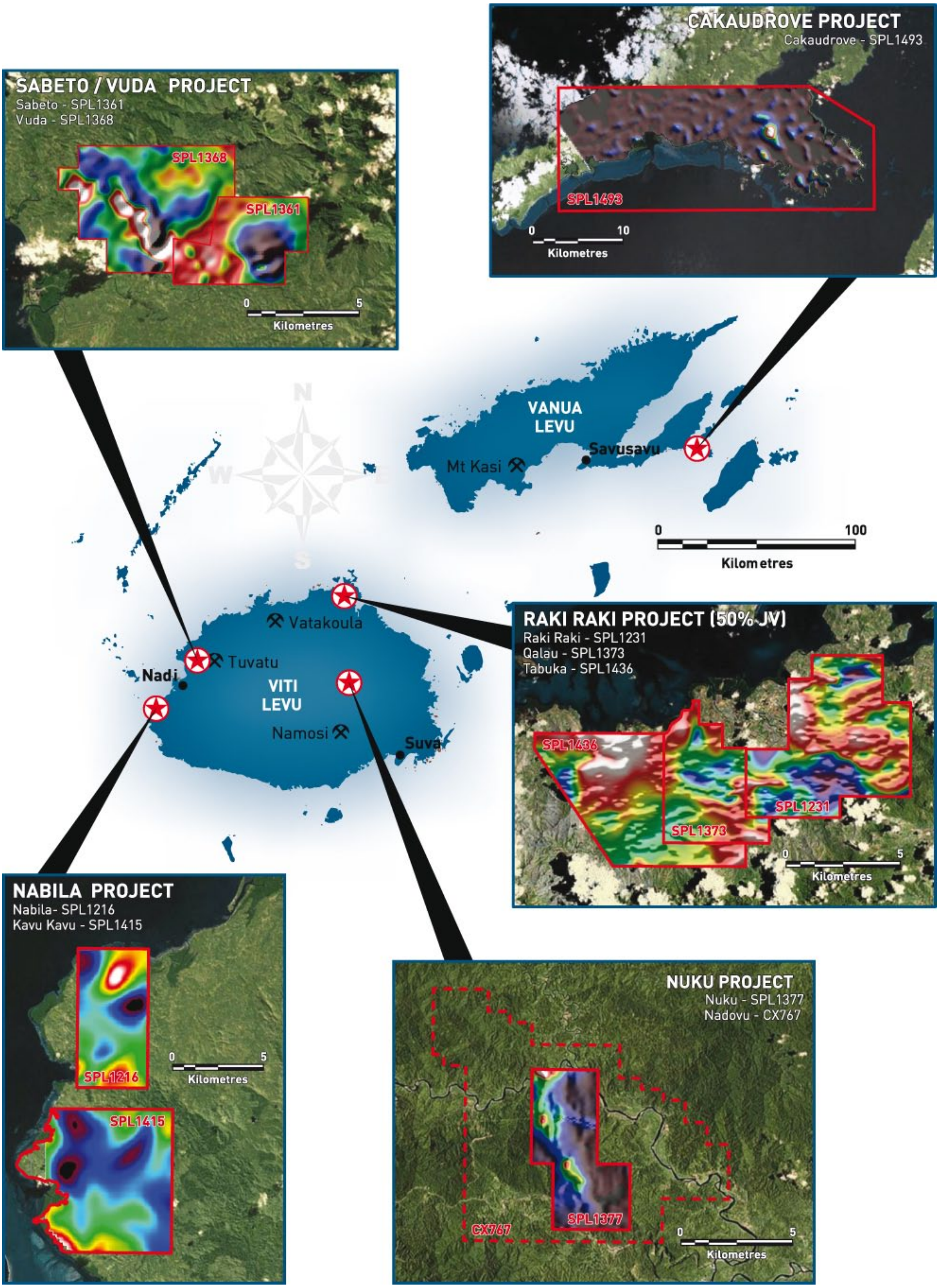


Figure 4: Project location map.

ZTEM 3D DATA PROCESSING

In 2010, Geopacific changed its focus from near surface gold exploration to hunting for deep, buried copper-gold porphyry deposits. We made the decision to fly helicopter-borne ZTEM EM surveys over its tenement holdings in Fiji, in the hunt for large Cu-Au porphyry systems. Canadian-based Geotech Ltd developed ZTEM as a state-of-the-art geophysical tool, used to map resistivity and conductivity contrasts in the subsurface to depths greater than 2 kilometres. In reality, ZTEM appears to pick up alteration variances, which is critical in exploring for porphyry systems.

During Q2 2011 Mira Geoscience of Vancouver, Canada, pre-eminent in cutting edge geophysical data processing, completed 3D inversions using their 3D modelling software. These 3D inversions removed several issues that rendered the initial results questionable. Anomalies were identified in the 3D inversions that were previously not seen in the 2D inversions.

The best ZTEM anomaly was identified at Sabeto (Figure 5), over an area of known outcropping intrusive rocks. While drilling is limited in this area, there were numerous surface sampling programmes completed, with anomalous gold identified. However, there were few historical assays for copper or other indicator metals. The area has difficult access and limited multi-element data, required further exploration programmes to identify potential drill sites targeting the ZTEM anomaly.

Other ZTEM anomalies identified from the 3D inversions include Vuda (Figure 6), Cakaudrove (Figure 7), and Nabila (Figure 8). The anomaly at Vuda is similar to the one seen at Sabeto, but has significant amounts of previous drilling. As at Sabeto, this anomaly requires a full review of the historic drilling and surface sampling data before a final position of a deep drillhole can be finalised.

The Nabila anomaly, located close to the Faddy's gold deposit, is quite different to the anomolies at Sabeto, Vuda, and Cakaudrove. However, due to the ease of access, landowner agreements, and logistics, as well as the presence of alteration and anomalous base metals within previous drillholes, it was decided that Nabila would be the first ZTEM target to be drilled.

Given the success of Mira's 3D inversions at Nabila and Sabeto/Vuda it was decided that Cakaudrove, on the island of Vanu Levu, should be reprocessed. Subsequently, a significant circular anomaly was identified. An application for a special prospecting license was submitted and has been approved.

Flying airborne geophysical survey.

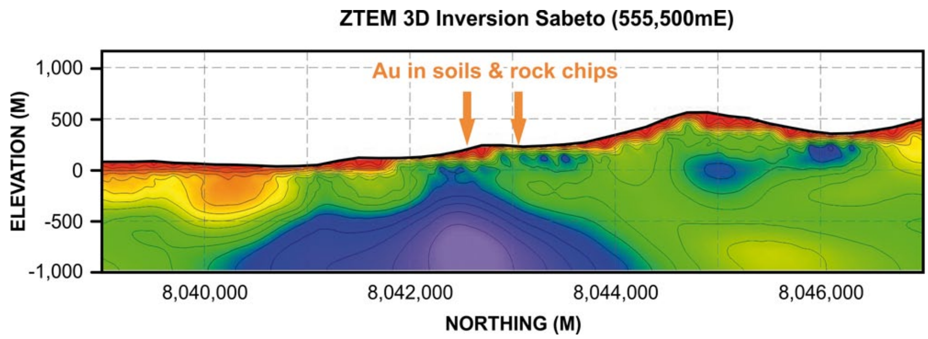


Figure 5: ZTEM section through Sabeto showing relative conductivity (Red conductive – Purple resistive).

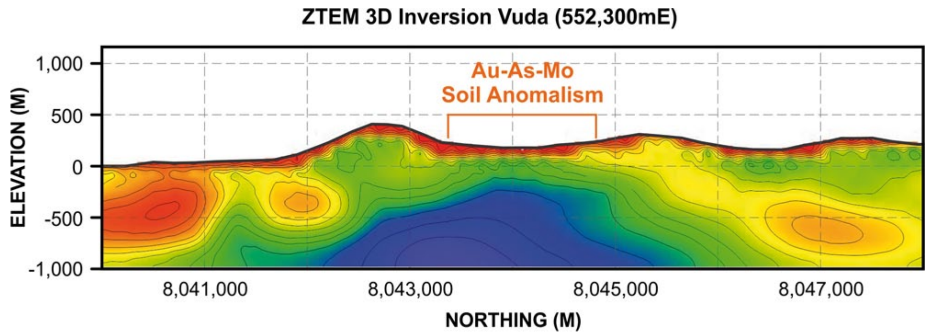


Figure 6: ZTEM section through Vuda showing relative conductivity (Red conductive – Purple resistive).

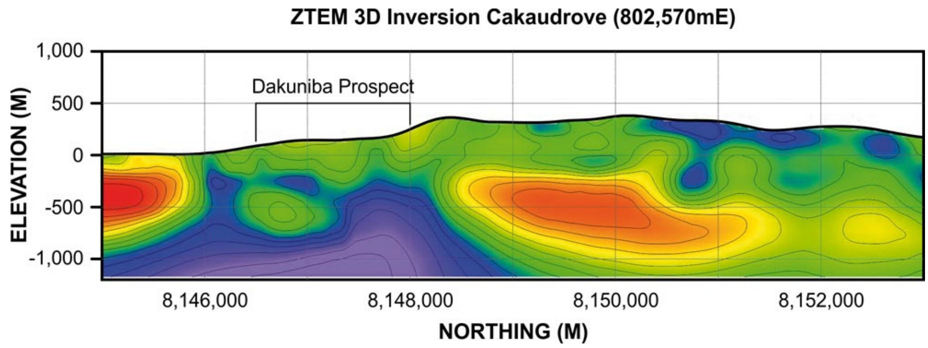


Figure 7: ZTEM section through Cakaudrove showing relative conductivity (Red conductive – Purple resistive).

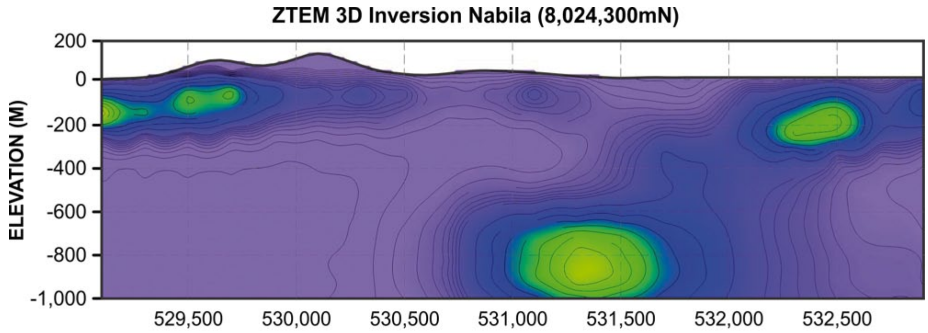


Figure 8: ZTEM section through Nabila showing relative conductivity (Red conductive – Purple resistive).

FIELD WORK

NABILA PROJECT

SPL1216 (Nabila) – SPL1415 (Kavukavu)
100% Millennium Mining Ltd [subsidiary of GPR]

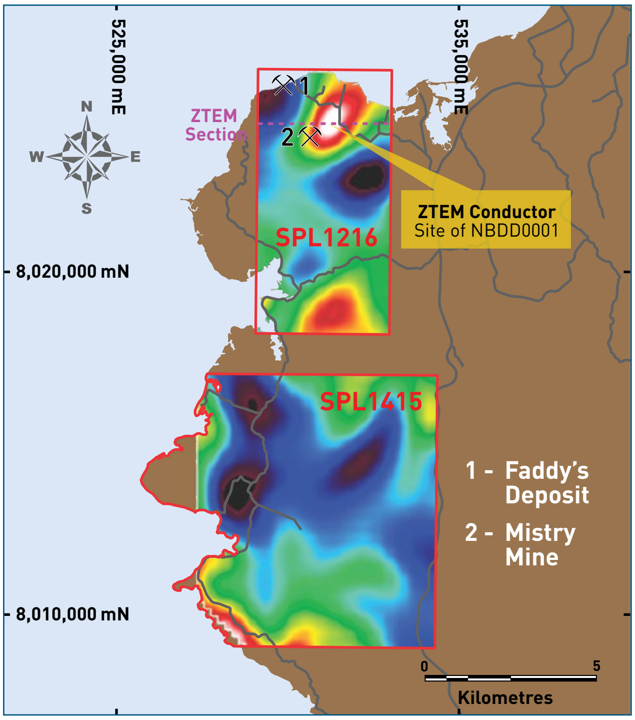


Figure 9: Nabila Project – Plan map.

Drill Testing Nabila ZTEM Target

The planned 850m vertical diamond drillhole to test the Nabila ZTEM anomaly was commenced on 28th November. It had reached a depth of 245 metres on 18th December, before ceasing for the Christmas & New Year's break. It subsequently reached a final depth of 846.3 metres on 9th March.

This ZTEM target is defined by a spherical conductivity anomaly centred about 850m below surface. A rapid change in conductivity observed in section at around 500mRL reflects the change in geological characteristics (e.g. lithology, alteration, and/or mineralisation). This target, based on 3D inversion of the ZTEM data, is suggestive of a porphyry style deposit. This is supported by the proximal and near surface IP resistivity anomaly and shallow drilling which had some weak base metal and gold mineralisation, as well as the style of alteration typically associated with Cu-Au porphyries.

Drillhole NBDD0001 was designed to test the above interpretation. The drill core in the hole is characterised by the following:

- An upper porphyry zone with faulted contact above a sequence of volcanic rocks, including tuffs, agglomerates, and andesite flows, intruded by a series of porphyritic to medium grained diorites and andesites.
- Alteration and sulphide mineralisation increases from roughly 465m, about the depth of the drastic change in conductivity noted within the 3D inverted ZTEM data.
- Several fault breccia zones with >10% sulphide mineralisation are noted from 665 – 832m, typically coincident with strong silica alteration.
- Alteration intensity varies throughout the hole, possibly indicating that the drillhole is drilling down the edge of a system.

No significant porphyry Cu-Au mineralisation was noted within the core. However, a zone of strongly silica-altered and fractured fine grained porphyritic andesite (465 – 540m) contains weak sphalerite, galena, pyrite, and chalcopyrite mineralisation.

While the drillhole has not intersected significant porphyry Cu-Au mineralisation, it has provided an explanation for the ZTEM conductive anomaly, which is explained by the increase in sulphide mineralisation as well as significant changes in alteration at around 465m. Zinc and lead mineralisation within the drill core indicates that there is still potential for a mineralised system within the area, and efforts now will be made to identify new targets for drilling.

Altered porphyry from drillhole NBDD0001.

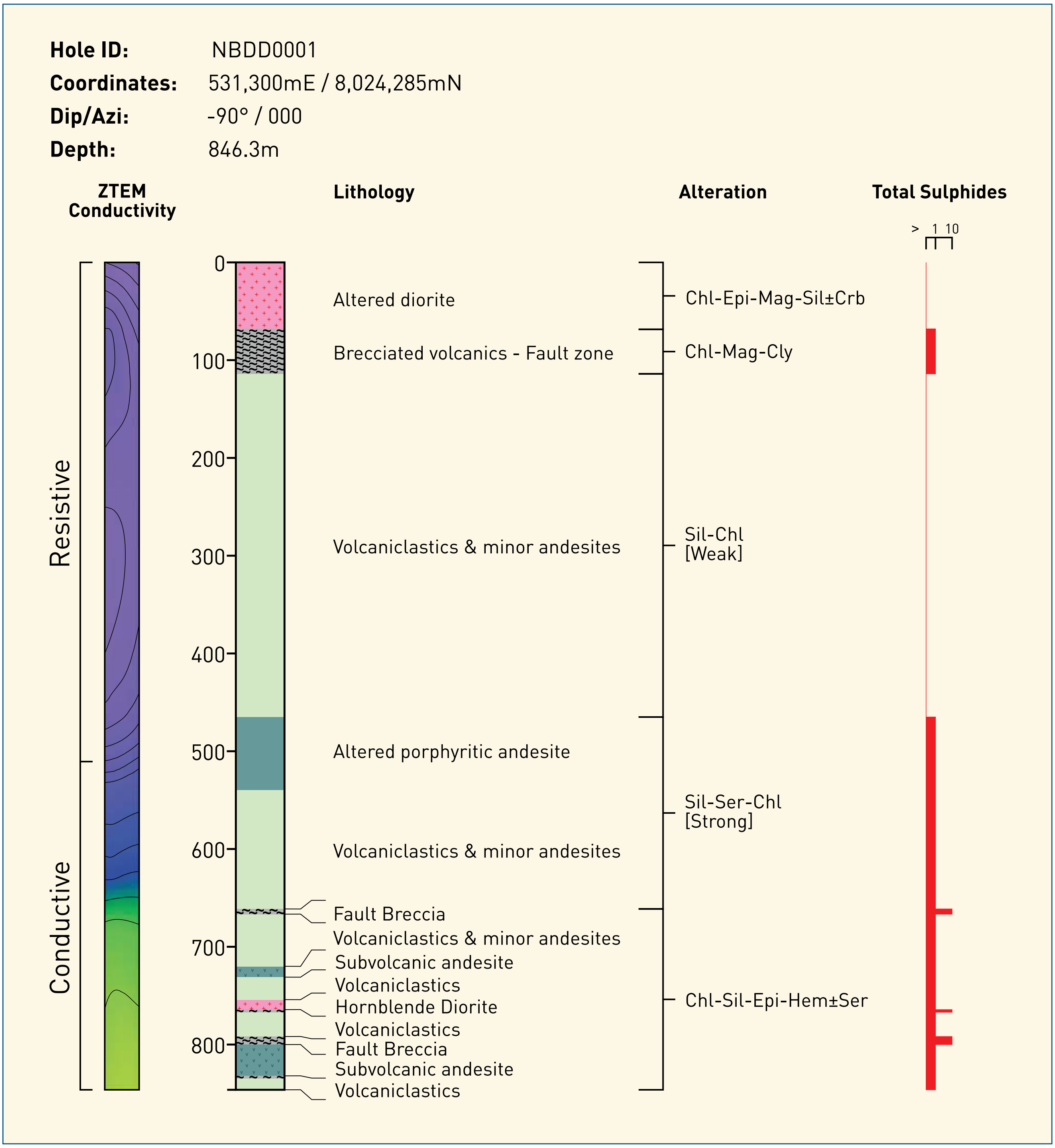


Figure 10: Nabila Project – Drill log.

REVIEW OF OPERATIONS

SABETO/VUDA PROJECT AREA

SPL1361 (Sabeto) – SPL1368 (Vuda)
Geopacific Ltd (subsidiary of GPR) 100% Sabeto and Option to Purchase 100% Vuda

The Sabeto ZTEM anomaly is the highest ranked anomaly that is suggestive of a buried porphyry system. Compared to Nabila, this area has much more surface expression conducive to "ground-proofing" the porphyry model. The Vuda tenement hosts the second ranked ZTEM anomaly, and also lends itself to surface sampling to help verify the potential of a buried porphyry.

A total of 359 soil auger and 63 rock chip samples were collected from the two tenements, as well as 5 trenches from SPL1361 totalling 393 metres with 125 samples collected.

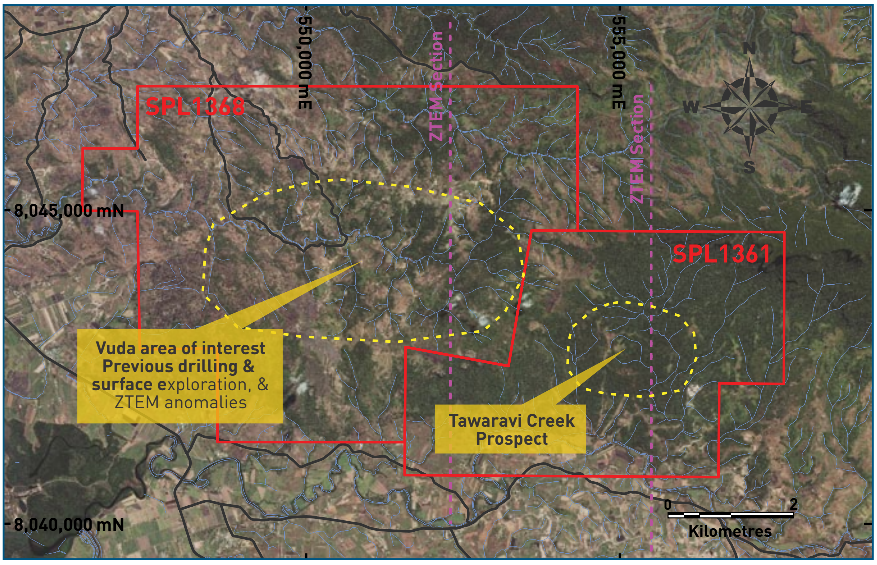


Figure 11: Sabeto/Vuda Project – Plan map.

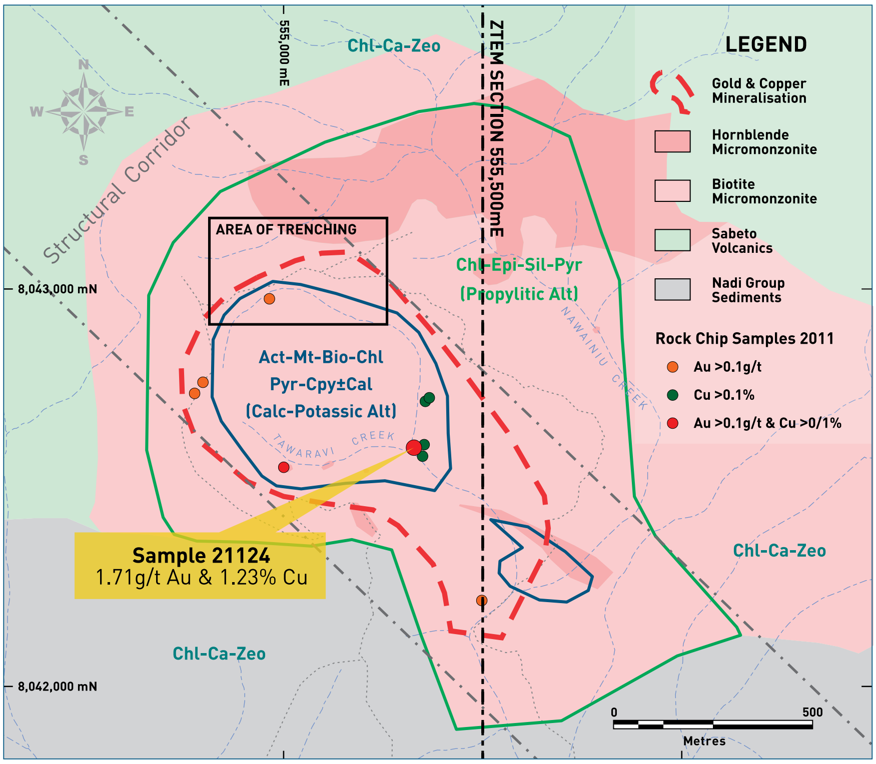


Figure 12: Sabeto geological interpretation with anomalous geochemistry.

Geological mapping and rock chip sampling

Field mapping and rock chip sampling was completed over the Nawainiu and Tawaravi Creeks on SPL1361 (Figure 12), and was aimed at identifying lithologies, alteration, and mineralisation associated with the peripheries of a mineralised porphyry system, the interpreted source of the ZTEM resistive anomaly.

These programmes were successful in defining a multiphase intrusive complex with well zoned alteration, comprising a core of biotite alteration with accompanying chalcopyrite, grading out to propylitic outer zones. Mineralised structures appear mainly aligned along a northwest trending structural corridor. Rock chip samples from the mapped area returned values up to 1.71g/t Au and 1.23% Cu, with another 10 samples returning greater than either 0.1% Cu or 0.1g/t Au.

The confirmation of the presence of lithologies, alteration, and mineralisation commonly associated with the peripheries of a porphyry system lends support for the deep buried mineralised porphyry system at depth. Diamond drilling at Sabeto will commence once drill access has been cleared after the end of the rainy season.

Ridge and spur soil sampling

Ridge and spur sampling completed at both the Sabeto and Vuda tenements was aimed at identifying geochemical zonations commonly associated with mineralised porphyry systems. These programmes were designed to "ground-proof" the surface extent of the resistive anomalies identified in the ZTEM data.

Ridge and spur soil geochemistry at Sabeto strongly supports the zoning identified in the mapping, with a central zone of anomalous copper, molybdenum, and gold anomalism. Values up to 0.183g/t Au and 857ppm Cu were returned from the soil auger programme.

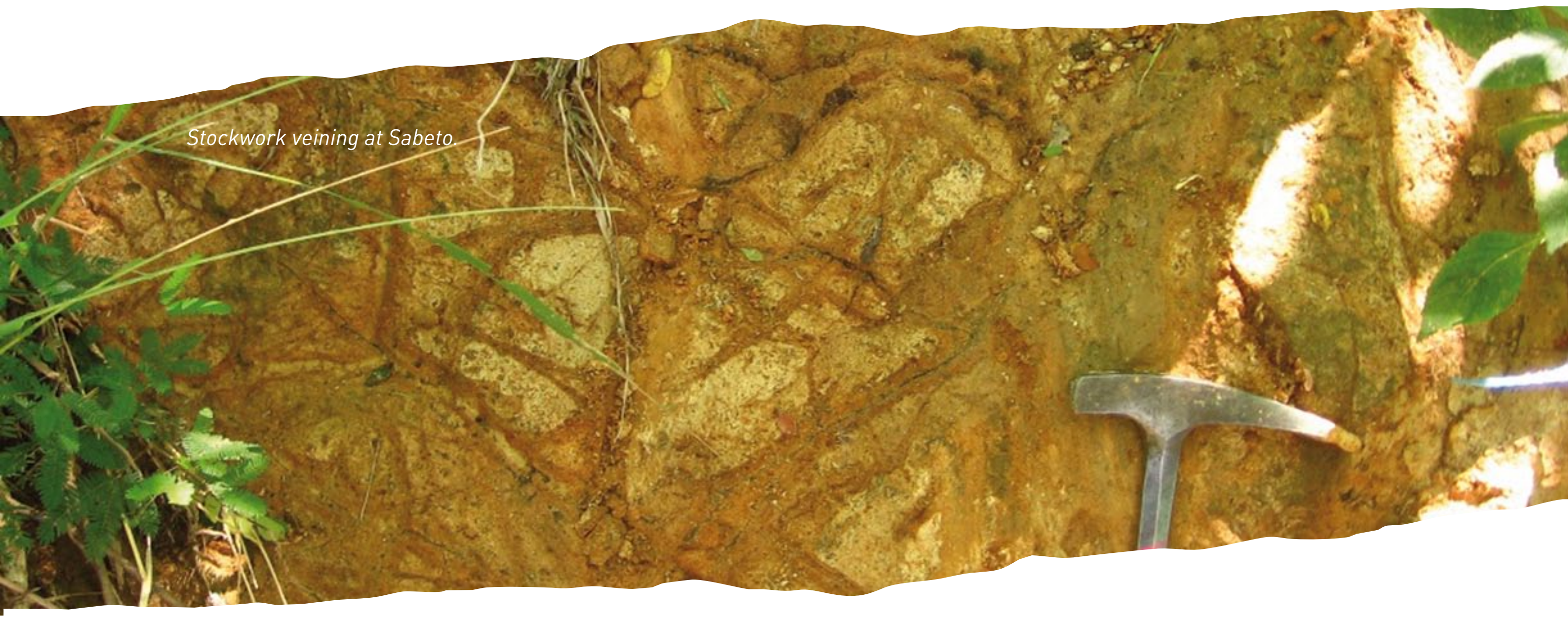
Ridge and spur soil geochemistry at Vuda was also successful in identifying a core of Au-As-Mo anomalism with a correlation between high values of Au and Mo. This anomalous Au-As-Mo zone coincides with the centre of the resistive anomaly seen in section. The extent and position of this geochemically anomalous zone is similar to the surface extent of the ZTEM resistive anomaly.

The association of these other metals with gold indicates the source of the gold is possibly a hydrothermal cell being driven by a porphyry system at depth.

Trenching

Trenching conducted within the Tawaravi Creek area at Sabeto was aimed at identifying zones of mineralised stockwork fractures and veins commonly associated with the periphery of a mineralised porphyry system. Trenching was conducted on the ridges in order to reach the target horizon.

Anomalous Au assays are associated with limonite stained fracture zones and displayed a strong correlation with Ag, As, and Pb. This geochemical association indicates that the gold is not due to supergene enrichment and provides very real evidence of a porphyry system at depth.



Stockwork veining at Sabeto.

Analysis of the results identified a zone grading 4m @ 1.1g/t Au, which has not been further sampled, leaving the exact width of the mineralisation unknown. Limonite-stained fractures similar to the ones within the sampled zone are also present for some distance on either side, though rather weaker in density, indicating the potential for a wider zone of gold anomalism. Also, due to the nature of the terrain there were areas that either couldn't be trenched or were trenched and didn't get through the overburden.

This trenching programme lends credence to the model, suggesting the presence of a mineralised porphyry system at depth. The fact that there is little copper mineralisation within the trenching can be explained by the metal zonation expected around a porphyry system and is backed up by the zonation observed within the rock chip samples taken in the same area.

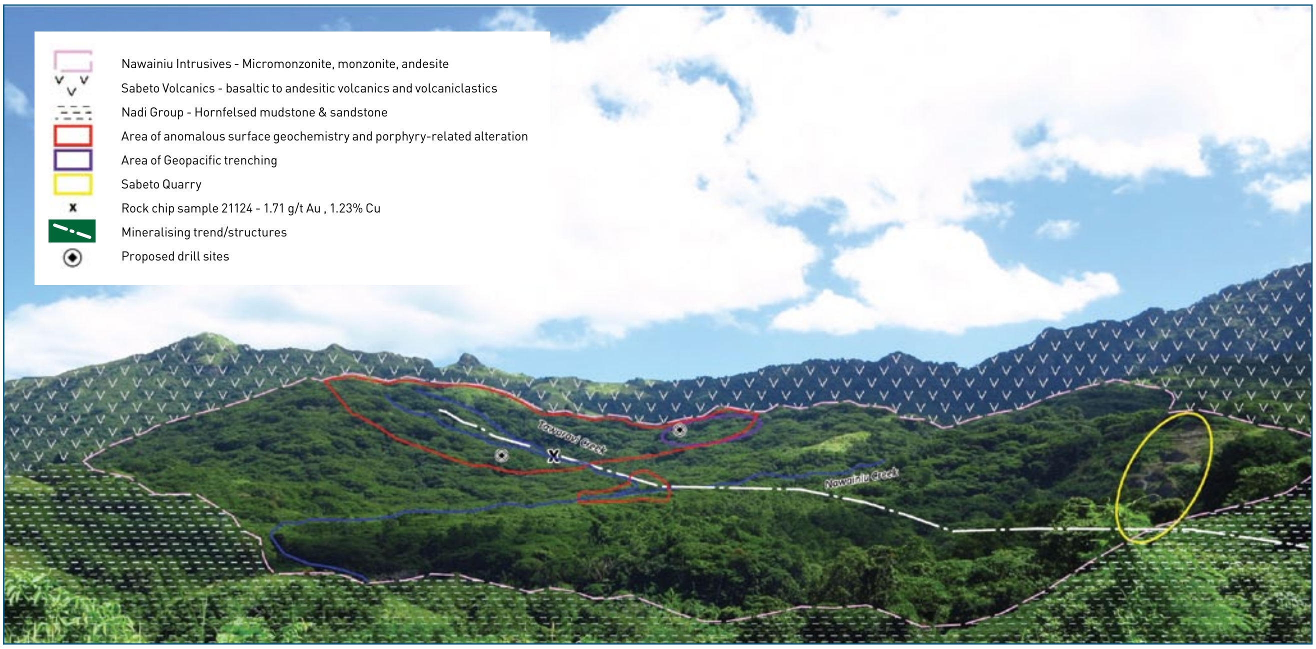


Figure 13: SPL1361 – Sabeto, Nawainiu Intrusive Complex (looking Northeast).

CAKAUDROVE PROJECT

Granted as SPL1493 (31-Jan-12)
100% Geopacific Ltd [subsidiary of GPR]

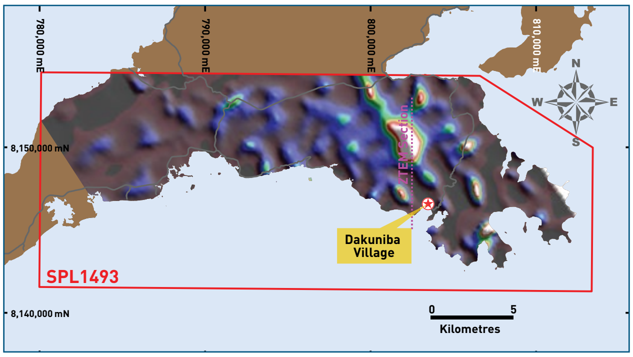


Figure 14: Cakaudrove Project – Plan map.

Given the success with the 3D inversions of the ZTEM anomalies elsewhere, it was decided to do the same for Cakaudrove. A significant circular anomaly was developed over Dakuniba and surface field work is planned for the 2012 season. A field visit was conducted at the Cakaundrove application area with a focus on the geology and mineralisation of the Dakuniba prospect.

Reconnaissance mapping confirmed the general geological setting as outlined by previous explorers, comprising basic flows and associated volcanic fragmentals. Veins and vein zones were noted within outcrops in the Nagagani Creek (some of which were not previously mapped). One of the veins contained significant base metal mineralisation (galena & chalcopyrite). Textures of veining are consistent with a low sulphidation epithermal setting. Gabbroic intrusive rocks were identified in creeks over the resistive features in the initial processed ZTEM data.

Cakaudrove (SPL1493) was granted by the MRD over the CX750 application effective from the 31st January 2012.

NUKU PROJECT

SPL1377 (Nuku)
100% Geopacific Ltd [subsidiary of GPR]

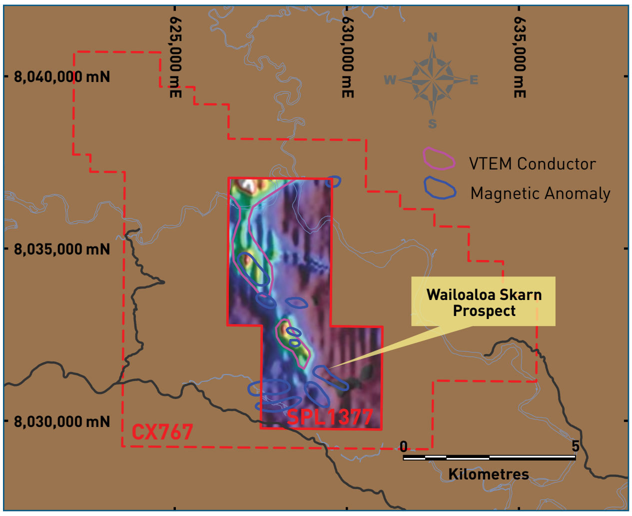


Figure 15: Nuku Project – Plan map.

Geological reconnaissance of the area around Waidamudamu Creek and the Wailoaloa Prospect within SPL1377 was conducted. Alteration assemblages observed within the area correlate with those expected in base- and precious-metal bearing hydrothermal skarns. The presence of zones of advanced argillic alteration adjacent to outcrop occurrences of stockwork quartz veined intrusive is likened to structurally controlled lithocaps or 'barren shoulders' found in mineralised porphyry settings elsewhere in the southwest Pacific.

Observations suggest that the licence area is prospective for skarn mineralisation with a Zn-Au-Cu metal suite, and for porphyry-related Cu-Au mineralisation. Further work including induced polarisation surveys, trenching, and lithology- and alteration-based geological mapping are recommended to define targets for drill testing.

RAKI RAKI PROJECT

SPL1231 (Raki Raki) – SPL1373 (Qalau) – SPL1436 (Tabuka)
50% Beta Ltd [subsidiary of GPR] – Operator

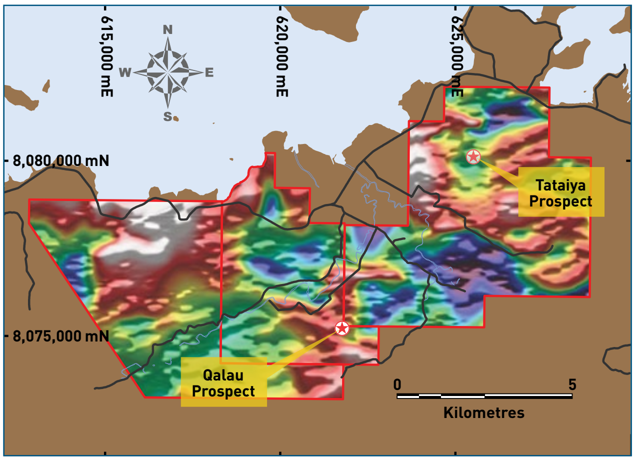


Figure 16: Raki Raki Project – Plan map.

Ground reconnaissance was completed at the Raki Raki JV tenements in order to identify further work that could be completed to advance the project. It was noted that the previous exploration in the Raki Raki JV project area is insufficient to determine the potential for economic mineralisation within the project area.

A programme of trenching is planned for several prospects within the Raki Raki and Qalau tenements to further define mineralisation trends with the intention of defining the prospectivity of the tenements.

The MRD has not yet granted renewal on SPLs 1231 and 1373. The renewal for SPL1436 was not accepted and the MRD forced its cancellation. Geopacific is in discussion with the MRD regarding its reinstatement.

NADI SOUTH PROJECT

SPL1434 (Nadi South) – Surrendered 02/03/2012
100% Geopacific Ltd [subsidiary of GPR]

This tenement was surrendered as various exploration programmes and a review of historical data indicated that there was little potential for significant mineralisation.

EVENTS SUBSEQUENT TO YEAR END

EXPLORATION

Completion of Nabila NBD0001 drilling: Drilling of the Nabila ZTEM anomaly was completed on 9th March, 2012, at a depth of 846.3m. A total of 432 samples have been submitted to ALS Minerals in Brisbane for analysis, of which, 327 have assays returned. Results have identified a couple of zones of Au, Pb, and Zn anomalism with values up to 1g/t Au, 0.2% Pb, and 0.5% Zn.

Grant of Cakaundrove SPL: The Cakaudrove application (CX750) was granted as of the 31st January 2012. The new tenement, SPL1493, covers 41,920Ha of the Cakaudrove peninsular on Fiji's second largest island, Vanua Levu.

Relinquish Nadi South: After a review of the historical exploration data, it was decided that the tenement held little potential for significant mineralisation and was surrendered effective from the 1st March 2012.

Sabeto option payment: The final payment of the Sabeto option agreement was paid to Mr Apisai Tora on the 23rd March 2012, giving Geopacific Resources 100% ownership of the SPL1361.

Commencement of drilling at Sabeto: Mobilisation of the drill rig to site at Sabeto has commenced.

Employment of technical staff: A further three geologists have joined the technical staff at Geopacific, including Jon Hoye joining Geopacific Resources, and Jone Madrai and Neil Kumar joining our team in our Fijian subsidiary, Geopacific Ltd.

HEALTH, SAFETY, ENVIRONMENT AND COMMUNITY

Geopacific strives to create a safe working environment for its employees and contractors, and works with local communities to minimise environmental and social impacts of its exploration efforts. During 2011, Geopacific had no reportable incidents or accidents, and no environmental or community-related issues.

Subsequent to the year end, Fiji was hit by two major flooding events that brought exploration to a stand-still. During these times safety was of paramount importance and we were pleased to have had no incidents or accidents despite the seriousness of these two events. The most recent of the floods, which came at the beginning of April, has set-back the start of our deep drilling at Sabeto due to damage to access roads and bridges. However, we are making every effort to regain access and start drilling as soon as possible.

The Directors present their report together with the financial report of the Geopacific Group, being Geopacific Resources N.L. ("Geopacific") ("the Company") and its controlled entities for the financial year ended 31 December 2011, and the auditors' report thereon.

1 DIRECTORS

The Directors of the Company at any time during or since the end of the financial year are:

Stephen Timothy Biggs – Chairman

Tim Biggs has been involved in the financing of listed companies in Australia since 1993.

Tim commenced his career with Pembroke Josephson Wright stockbrokers in Brisbane, Australia – the firm specialised in raising equity capital for natural resource companies. In 1997 Tim moved to Sydney to work for Robert Fleming and Company and subsequently for Credit Suisse First Boston gaining valuable experience in equity derivatives, convertible and Equity capital markets functions.

Since departing CSFB in 2003, Tim has worked privately investing in junior and mid-cap listed companies.

Mr Biggs is the Chairman of the Board of Directors and a member of the audit committee.

Charles Bennett Bass – The Executive Director

Charles Bass has well over 35 years of experience in mineral exploration, development and production in Australia, Canada and the United States. He has been actively involved as executive and director or several publicly listed companies since the early 1990's.

In March 2001, Mr Bass co-founded Australian-listed Aquila Resources Limited (AQA:ASX), remains a director and substantial shareholder in the multi-billion dollar market capitalisation coal and iron ore company.

Between 1993 and 1997, Mr. Bass was co-founder, substantial shareholder and a Managing Director of Eagle Mining Corporation Pty Ltd. Under Mr Bass, Eagle discovered, developed and built the Nimary gold mine and plant in Western Australia. The mine and plant were built in a record four months from ground breaking to first pour, and produced at over 100,000 oz/yr. Nimary was one of Australia's highest grade and lowest cost producers of its time.

Mr Bass is also currently the CEO and an executive director of an unlisted Canadian-based exploration company, Exploration Syndicate Inc. which has a major VMS Cu/Zn/Pb/Au discovery in the Flin Flon district of Manitoba/ Saskatchewan, Canada.

Mr Bass has a B.Sc. Geology from Michigan Technological University and a M.Sc. Mining Engineering from Queen's University, Canada. He is a Fellow of the Institute of Geoscientists and the AusIMM. He is also a member of the Australian Institute of Company Directors.

Ian Neville Aston Simpson – Non-executive Director

Mr Simpson was appointed a Director of the Company in March 2001. Ian recently retired as the Managing Director of Pacific Crown Aviation (Fiji) Ltd, which operates a helicopter service based out of Nadi Airport in Fiji. Ian received his training as a helicopter pilot and engineer in the Royal Navy, and as such has been involved with the exploration industry in Fiji since 1970. Ian has been associated with GPL since 1981 and has been a Director since 1994. He is also a Director of Beta Ltd and Millennium Mining Fiji Ltd. Mr Simpson is a citizen of Fiji.

Mr Simpson is a member of the audit committee.

1 DIRECTORS *CONTINUED*

Russell John Fountain, B.Sc., Ph.D, F.A.I.G. – Non-executive Director

Dr Fountain was appointed a Director and Chairman of the Company on 23 September, 2005. Russell is a Sydney-based consulting geologist with 42 years of international experience in all aspects of mineral exploration, project feasibility and mine development. Previous positions include President, Phelps Dodge Exploration Corporation; Exploration Manager, Nord Pacific Ltd and Chief Geologist, CSR Minerals. Russell has had global responsibility for corporate exploration programs with portfolios targeting copper, gold, nickel and mineral sands.

Russell has played a key role in the grassroots discovery of mines at Granny Smith (Au in WA), Osborne (Cu-Au in Qld) and Lerokis (Au-Cu in Indonesia) and the development of known prospects into mines at Girilambone (Cu in NSW) and Waihi (Au in NZ). Russell holds a PhD in Geology from the University of Sydney (1973), with a thesis based on his work at the Panguna Mine (Cu-Au in PNG). He worked as a project geologist on the Namosi porphyry copper deposit in Fiji from 1972 to 1976. Russell is a Fellow of the Australian Institute of Geoscientists, and Non-Executive Chairman of Finders Resources Ltd.

Mr Fountain is the Chairman of the audit committee.

Roger Harvie Probert – Alternate Director to Mr Simpson

Harvie Probert was elected chairman of GPL in 1997. In 1970-71 he served for one year as a field manager for Barringer Research in a mineral exploration programme in Fiji. In 1972 he joined The Fiji Gas Co. Ltd., and was appointed general manager and chief executive in 1983. He is also general manager and a Director of the associated companies, Fiji Chemicals Ltd and Tonga Gas Ltd. Harvie served as a Board member of the Civil Aviation Authority of Fiji, Capital Markets Development Authority, Fiji Islands Revenue and Customs Authority and chairman of Airports Fiji Ltd. He is also chairman of the Mining Council of Fiji and was president of the Fiji Institute of Management (1989-91) and the Fiji Employees Federation (1993-95). He is Chairman of Geopacific Ltd and a Director of Millennium Mining Fiji Ltd. Mr Probert is a citizen of Fiji.

Former Director

Ian James Pringle, B.Sc. (Hons.), Ph.D – Managing Director

(Resigned as Director 15 September 2011)

JOINT COMPANY SECRETARIES

Mark Pitts (appointed 17 February 2012)

Mr Pitts was appointed to the position of Company Secretary on 17 February 2012.

Mr Pitts is a Fellow of the Institute of Chartered Accountants with more than 25 years experience in statutory reporting and business administration. He has been directly involved with, and consulted to a number of public companies holding senior financial management positions.

He is a Partner in the corporate advisory firm Endeavour Corporate providing company secretarial support; corporate and compliance advice to a number of ASX listed public companies.

Grahame Clegg, JP, BCom., CA, ACIS, MAICD, FTIA, AFAIM, FNTAA, SAFin.

Mr Clegg was appointed to the position of Company Secretary on 14 July 2006 and has over 38 years experience in audit, financial and corporate roles including 18 years in Company secretarial roles for ASX-listed companies. He is a director of Oakhill Hamilton Pty Ltd, and Taen Pty Ltd, companies which provide secretarial, accounting and corporate advisory services to a range of listed and unlisted companies.

2 PRINCIPAL ACTIVITY

The principal activity of the Group is exploration for gold and gold-copper deposits in Fiji.

There was no significant change in the nature of this activity of the Group during the financial year.

3 OPERATING RESULTS AND FINANCIAL REVIEW

The loss of the Group for the year ended 31 December 2011 was $1,723,299 (2010: loss $432,882). Information on the operation and financial position of the Group and its business strategies and prospects are set out following.

Review of Operations

The first half of the 2011 year was spent primarily on reprocessing the 2010 ZTEM airborne electromagnetic data by Mira Geosciences of Canada using their state-of-the art 3D inversions. The collation of most historical data was used to help validate the interpretations.

Significant ZTEM anomalies were developed for the Sabeto, Vuda and Nabila tenements, and a new area on the island of Vanua Levu. The Company lodged a tenement application over this new area, called Cakaudrove, which subsequent has been granted as SPL1493.

Nabila (SPL 1216)

A deep diamond drill hole with a target depth of 850m vertical was commenced in November and was directed at the "core" of the Nabila ZTEM anomaly. This anomaly is the 4th ranked of the ZTEM anomalies, and was chosen for the first deep hole due to ease of logistics. By the end of 2011, the hole had reached a depth of 245 metres before stopping for the Christmas/New Year break. It subsequently finished at a total depth of 846m on 9th March.

The alteration, mineralisation and fracturing observed in the upper portion of the drill hole is consistent with the outer zones of a porphyry copper system, but at depth the hole passed through variably altered volcanoclastic rocks and no core zone porphyry mineralization was encountered. Significant pyrite with trace amounts of zinc mineralization occurs below 500m to the end of hole and is believed to be the cause of the ZTEM anomaly. Assays remain outstanding for the lower portion of the hole.

Sabeto (SPL1361)

Mapping, trenching and soil auger sampling was carried out over the Sabeto ZTEM anomaly, which is the highest ranked anomaly. This work defined a multiphase intrusive with well zoned alteration, comprising a core of weak biotite alteration with minor chalcopyrite. The soil auger sampling identified anomalous copper, gold and molybdenum within the biotite core. Outcrop sampling returned values up to 1.71 g/t Au and 1.23% Cu. Drill targets have been identified by year-end.

Vuda (SPL1368)

Vuda hosts the second ranked ZTEM anomaly. Ridge and spur soil auger sampling identified a core of Au-As-Mo anomalism, which coincides with the centre of the resistive ZTEM anomaly. At year end, further work remains to be done on Vuda before diamond drill locations can be reasonably established.

Cakaudrove (SPL1493)

This area, on Vanua Levu, was identified with the initial ZTEM survey and was re-interpreted using the Mira 3D inversion. A resistive body similar to Sabeto was identified, with a conductive body immediately to the north, possibly representing a conductive shell surrounding a porphyry intrusion.

Other Prospects

Field visits were made to the other Company prospects in order to plan future field work.

4 FINANCIAL POSITION

The net assets of the consolidated group have decreased to $9,105,039 at 31 December 2011 from $10,146,769 at 31 December 2010 as a result of the following factors:

- **Share Purchase Plan Underwriting**

  On 24th June 2010 the Company initiated a Share Purchase Plan in which each existing eligible Geopacific Shareholder was able to purchase up to $15,000 worth of shares at 60 cents per share, free of brokerage and commissions. The shortfall of 544,834 shares was underwritten by two of the company's directors, Tim Biggs and Charles Bass. This raised $326,900

- **Exercise of Options**

  1,275,672 options expiring 16 December 2011 were exercised at an exercise price of 30 cents per share raising $382,702.

- **Capitalised Exploration Expenditure**

  Capitalised mineral exploration and evaluation expenditure carried forward was $7,133,974 (2010 $7,547,611). Due to the unsuccessful application for the Mt Kasi tenements and the decision to relinquish the Nadi South tenement, $1,275,080 was written off exploration expenditure.

5 DIVIDENDS

The Directors do not recommend the payment of a dividend.

No dividends have been paid or declared since the end of the previous year.

6 STATE OF AFFAIRS

In the opinion of the Directors there were no significant changes in the state of affairs of the Group that occurred during the financial year under review, not otherwise disclosed in this report.

7 EVENTS SUBSEQUENT TO REPORTING DATE

Bonus issue of options

On 4 February 2012 18,927,269 bonus options were issued to shareholders on the basis of one new option for every two shares held. The exercise price is 35 cents with an expiry date of 19 January 2013. The options are listed on ASX (Code GPRO).

Share placement

On 17 February the company announced a share placement agreement to raise $1,201,500 through the issue of up to 5,461,364 ordinary shares at 22 cents per share to institutional and sophisticated investors.

On 2 March 2012 the company announced the placement of the first tranche of 3,000,000 ordinary shares and 1,500,000 listed options under the share placement agreement.

The second tranche of 2,461,364 ordinary shares and 1,230,682 listed options will be issued following approval at an Extraordinary General Meeting to be held on 2 April 2012.

Other matters

No other matter or circumstance has arisen since 31 December 2011 that has significantly affected, or may significantly affect:

(a) the Group's operations in future financial years, or

(b) the results of those operations in future financial years, or

(c) the Group's state of affairs in future financial years.

8 DIRECTORS' INTERESTS AND BENEFITS

The beneficial interest of each Director in the ordinary share capital of the Company as at the date of this report is:

	Direct		Indirect	
	Shares	Options	Shares	Options
R J Fountain	4,000	2,000	62,000	31,000
I N A Simpson	718,539	859,270	36,380	18,190
R H Probert (Alternate)	647,545	323,773	Nil	Nil
C B Bass (note)	Nil	Nil	2,815,753	1,407,877
S T Biggs	Nil	Nil	5,597,417	2,798,709

Note – The notice of meeting for the Extraordinary General Meeting to be held on 2 April 2012 contains resolutions which, if passed, will grant Mr C B Bass a further 1,136,364 ordinary shares and 568,182 listed options under the terms of a share placement announced on 17 February 2012.

In addition, the EGM will also consider a resolution to grant 2,000,000 options at an exercise price of 30 cents and an expiry date of 16 February 2015 to Mr Bass.

9 DIRECTORS' MEETINGS

During the year ended 31 December 2011 a total of five Directors' Meetings and two Audit Committee Meetings were held. Directors' attendance record is tabulated below.

Record of Directors' Attendance at Meetings

		Directors Meetings		Audit Committee Meetings	
Director	Service	Attended *	Eligible to Attend	Attended *	Eligible to Attend
S T Biggs	All year	5	5	-	-
I J Pringle	Resigned 19.9.2011	5	5	-	-
C B Bass	All year	4	5	2	2
R J Fountain	All year	5	5	2	2
I N A Simpson	All year	5	5	2	2
R H Probert (alternate to I. Simpson)	All year	5	5	-	-

* *Either in person, or by electronic means.*

The Board of Directors takes ultimate responsibility for corporate governance including the functions of establishing compensation arrangements of the Executive Director and its senior executives and officers, appointment and retirement of non-executive Directors, appointment of auditors, areas of business risk, maintenance of ethical standards and Audit and Remuneration/Nomination Committees. The Board seeks independent professional advice as necessary in carrying out its duties and responsibilities.

10 LIKELY DEVELOPMENTS, PROSPECTS AND BUSINESS STRATEGIES

The Group will continue to develop its existing exploration tenements and seek to increase its tenement holdings by acquiring further projects.

11 ENVIRONMENT REGULATIONS

Entities in the Group are subject to normal environmental regulations in areas of operations. There has been no breach of these regulations during the financial year, or in the period subsequent to the end of the financial year and up to the date of this report.

12 SHARE OPTIONS

There were 2,410,000 options over unissued shares unexercised at 31 December 2011 (2010 – 9,152,106).

Issues in current year

500,000 options exercisable at 30 cents and expiring on 30 September 2014 were issued to Steven Whitehead on 30th September 2011.

On 19 December 2011 1,275,672 options expiring on that date were exercised at an issue price of 30 cents raising $382,702. The 5,966,434 options which remained unexercised lapsed.

Issues since the end of the financial year

18,927,269 bonus options exercisable at 35 cents and expiring on 19 January 2013 were issued to existing shareholders on 3 February 2012.

On 2 March 2012 the company announced the placement of the first tranche of 1,500,000 listed options under the share placement agreement.

The second tranche of 1,230,682 listed options will be issued following approval at an Extraordinary General Meeting to be held on 2 April 2012.

13 INSURANCE OF OFFICERS

The Company has, by Deed of Access, Indemnity and Insurance, paid a premium to insure the Directors and Company Secretary of the Group in respect of certain legal liabilities, including costs and expenses in successfully defending legal proceedings, whilst they remain as Directors and for seven years thereafter. The insurance contract prohibits the disclosure of the total amount of the premiums and a summary of the nature of the liabilities.

14 LEAD AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration is set out on page 28 and forms part of the Directors' report for the financial year ended 31 December 2011.

15 AUDITOR

KS Black & Co was appointed as auditor on 22 September 2009 and continues in office in accordance with section 327 of the *Corporations Act 2001.*

During the year the following fees were paid or payable for services provided by the auditor of the Company, its related practices and nonrelated audit firms:

	Consolidated	
	2011	2010
Assurance services	**$**	$
1. Audit services		
KS Black & Co Australian firm:		
Audit of the financial report and other audit work under the *Corporations Act 2001*		
- Current year	**34,450**	30,600
Total remuneration for audit services	**34,450**	30,600

16 NON-AUDIT SERVICES

The Group may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or the Group are important.

There were no non-audit services provided during the year.

17 REMUNERATION REPORT (AUDITED)

The remuneration report is set out under the following main headings:

A Principles used to determine the nature and amount of remuneration
B Details of remuneration
C Service agreements
D Sharebased compensation

The information provided under headings AD includes remuneration disclosures that are required under Accounting Standard AASB 124 *Related Party Disclosures*. These disclosures have been transferred from the financial report and have been audited.

A Principles used to determine the nature and amount of remuneration

The objective of the Group's executive reward framework is to ensure reward for performance, being the development of the Geopacific Resources exploration tenements. The framework aligns executive reward with achievement of strategic objectives and the creation of value for shareholders, and conforms with market best practice for delivery of reward. The Board ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness;
- acceptability to shareholders;
- performance linkage / alignment of executive compensation;
- transparency; and
- capital management.

The Group has structured an executive remuneration framework that is market competitive and complimentary to the reward strategy of the organisation.

Alignment to shareholders' interests:

- has economic profit as a core component of plan design;
- focuses on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant return on assets as well as focusing the executive on key nonfinancial drivers of value; and
- attracts and retains high calibre executives.

Alignment to programme participants' interests:

- rewards capability and experience;
- reflects competitive reward for contribution to growth in shareholder wealth;
- provides a clear structure for earning rewards; and
- provides recognition for contribution.

The framework provides a mix of fixed and variable pay, and a blend of short and longterm incentives. As executives gain seniority with the Group, the balance of this mix shifts to a higher proportion of ''at risk'' rewards.

17 REMUNERATION REPORT (AUDITED) *CONTINUED*

A Principles used to determine the nature and amount of remuneration *Continued*

Nonexecutive Directors

Fees and payments to nonexecutive Directors reflect the demands, which are made on, and the responsibilities of, the Directors. The Board reviews Nonexecutive Directors' fees and payments annually. The Board may from time to time seek the advice of independent remuneration consultants to ensure nonexecutive Directors' fees and payments are appropriate and in line with the market. The Chairman's fees are determined independently to the fees of nonexecutive Directors based on comparative roles in the external market. The Chairman is not present at any discussions relating to determination of his own remuneration.

Directors' fees

The current base remuneration was last reviewed with effect from 1 January 2011 and will be reviewed in September 2012.

Nonexecutive Directors' fees are determined within an aggregate Directors' fee pool limit, which is periodically recommended for approval by shareholders. The maximum currently stands at $200,000 per year in aggregate.

Executive pay

The executive pay and reward framework has four components:

- base pay and benefits;
- shortterm performance incentives;
- longterm incentives through participation in the Geopacific Resources NL Employee Option Plan (Geopacific Resources Option Plan); and
- other remuneration such as superannuation.

The combination of these comprises the executive's total remuneration.

Base pay

Structured as a total employment cost package, which may be delivered as a combination of cash and prescribed nonfinancial benefits at the executives' discretion.

Executives are offered a competitive base pay that comprises the fixed component of pay and rewards. Base pay for senior executives is reviewed annually to ensure the executive's pay is competitive with the market. An executive's pay is also reviewed on promotion.

There are no guaranteed base pay increases included in any senior executives' contracts.

Geopacific Resources NL Employee Option Plan

Information on the Geopacific Resources Option Plan is set out in note 23.

17 REMUNERATION REPORT (AUDITED) *CONTINUED*

B Details of remuneration

Details of the remuneration of the Directors and the key management personnel (as defined in AASB 124 Related Party Disclosures) of Geopacific Resources and the Geopacific Resources NL Group are set out in the following tables.

The key management personnel of Geopacific Resources and the Group include the Directors and the Exploration Manager.

Remuneration paid to key management personnel of Geopacific Resources and of the Group

2011	**Shortterm benefits**		**Postemployment benefits**		**Sharebased payments**	
Name	**Directors' Fees**	**Consulting Fees**	**Super-annuation**	**Termination Payments (note 2)**	**Options**	**Total**
	$	**$**	**$**	**$**	**$**	**$**
Nonexecutive Directors						
S T Biggs	-	-	-	-	-	-
I N A Simpson	42,000	-	-	-	-	42,000
R J Fountain	42,000	25,000	-	-	-	67,000
R H Probert (alt. to I. Simpson)	42,000	-	-	-	-	42,000
Subtotal non executive Directors	**126,000**	**25,000**	**-**	**-**	**-**	**151,000**
Executive Directors						
I J Pringle (resigned 15.9.11)	-	75,000	-	-	-	75,000
C B Bass	-	-	-	-	-	-
Total directors	**126,000**	**100,000**	**-**	**-**	**-**	**226,000**
Other Key management Personnel						
S Whitehead	-	76,367	-	-	7,046	83,413
Totals	**126,000**	**176,367**	**-**	**-**	**7,046**	**309,413**
2010						
Nonexecutive Directors						
C B Bass	-	-	-	-	-	-
S T Biggs	-	-	-	-	-	-
I N A Simpson	-	-	-	-	-	-
R J Fountain	6,250	-	-	-	-	6,250
R H Probert	-	-	-	-	-	-
C K McCabe (alt. to I. Simpson)	-	-	-	-	-	-
Subtotal non executive Directors	**6,250**	**-**	**-**	**-**	**-**	**6,250**
Executive Directors						
I J Pringle	-	170,796	-	-	-	170,796
W A Brook (note 1)	-	-	-	60,000	-	60,000
Totals	**6,250**	**170,796**	**-**	**60,000**	**-**	**237,046**

Note 1 Mr Brook was paid by Geopacific Ltd.
Note 2 A termination payment of A$60,000 was made to Mr Brook on his retirement as a director.

17 REMUNERATION REPORT (AUDITED) *CONTINUED*

C Service agreements

(i) Non-executive Directors

Directors are entitled to remuneration out of the funds of the Company but the remuneration of the non-executive Directors may not exceed in any year the amount fixed by the Company in general meeting for that purpose. Directors are also entitled to be paid reasonable travelling, accommodation and other expenses incurred in consequence of their attendance at Board meetings and otherwise in the execution of their duties as Directors.

D Sharebased compensation

Options

Options are granted on the recommendation of the Directors.
Options are granted for no consideration.
Options granted carry no dividend or voting rights.
When exercisable, each option is convertible into one ordinary share.

500,000 options over ordinary shares in the Company were provided as remuneration to directors of Geopacific Resources and the key management personnel of the Group as set out below. Further information on the options is set out in notes 15 and 21 to the financial statements.

The notice of meeting for the Extraordinary General Meeting to be held on 2 April 2012 contains resolutions which, if passed, will grant Mr C B Bass a further 1,136,364 ordinary shares and 568,182 listed options under the terms of a share placement announced on 17 February 2012.

In addition, the EGM will also consider a resolution to grant 2,000,000 options at an exercise price of 30 cents and an expiry date of 16 February 2015 to Mr Bass.

Directors of Geopacific Resources NL	Number of options granted during the year		Number of options vested during the year	
Name	**2011**	2010	**2011**	2010
I J Pringle	-	-	-	-
I N A Simpson	-		-	-
R J Fountain	-	-	-	-
R H Probert	-	-	-	-
Other Key management Personnel				
S Whitehead	500,000	-	-	-

The assessed fair value at grant date of options granted is allocated equally over the period from grant date to vesting date, and the amount is included in the remuneration tables below. Fair values at grant date are independently determined using a BlackScholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the riskfree interest rate for the term of the option.

(i) Options issued to Mr Steven Whitehead

The options issued to Mr Steven Whitehead vest on the first, second and third anniversaries of the commencement of his engagement.

The terms and conditions of each grant of options affecting remuneration in the previous, this or future reporting periods are as follows:

Grant date	Expiry date	Number of Options	Exercise price	Value per option at grant date	Date vesting
30 September 2011	30 September 2014	83,333	$0.30	$0.1029	1 July 2012
30 September 2011	30 September 2014	83,333	$0.30	$0.1029	1 July 2013
30 September 2011	30 September 2014	83,334	$0.30	$0.1029	1 July 2014
30 September 2011	30 September 2014	250,000	$0.30	$0.1029	N/A*

* Options vest after successful exploration results as a consequence of his direct management of the exploration efforts, such success deemed in the Board's discretion.

17 REMUNERATION REPORT (AUDITED) *CONTINUED*

D Sharebased compensation *Continued*

Share options granted to Directors and other key management personnel

Options over unissued ordinary shares of the Company granted during or since the end of the financial year to the Directors and other key management personnel of the Company as part of their remuneration were as follows:

Directors of Geopacific Resources NL	A	B	C	D	E
	Remuneration consisting of options	**Value at vesting date**	**Value at exercise date**	**Value at lapse date**	**Total of columns BD**
Name		**$**	**$**	**$**	**$**
C B Bass	-	-	-	-	-
S T Biggs	-	-	-	-	-
I J Pringle	-	-	-	-	-
I N A Simpson	-	-	-	-	-
R J Fountain	-	-	-	-	-
R H Probert	-	-	-	-	-
Other Key management Personnel					
S Whitehead	7,046	-	-	-	-

A = That portion of remuneration consisting of options, based on the value at grant date set out in column B.

B = The value at grant date calculated in accordance with AASB 2 *Sharebased Payments* of options granted during the year as part of remuneration.

C = The value at exercise date of options that were granted as part of remuneration and were exercised during the year.

D = The value at lapse date of options that were granted as part of remuneration and that lapsed during the year.

Shares provided on exercise of remuneration options

No ordinary shares in the Company were provided as a result of the exercise of remuneration options to each director of Geopacific Resources NL and other key management personnel of the Group.

Shares issued on the exercise of options

No ordinary shares of the Company were issued during the year ended 31 December 2011 on the exercise of options granted to key management personnel under the Employee Share Option Plan. No further shares have been issued since that date. No amounts are unpaid on any of the shares.

The Directors Report, including the Remuneration Report, is signed in accordance with a resolution of the Directors:

C B Bass
The Executive Director
Perth, Australia
Dated: *27 March 2012*

LEAD AUDITOR'S INDEPENDENCE DECLARATION

Level 6
350 Kent Street
Sydney NSW 2000

K.S. Black & Co.
ABN 57 445 398 808

Level 1, 460 Church Street
North Parramatta NSW 2151

PO Box 2210
North Parramatta NSW 1750

AUDITOR'S INDEPENDENCE DECLARATION

Declaration of independence to the Directors of Geopacific Resources NL and Controlled Entities

As lead auditor of Geopacific Resources NL for the period ended 31 December 2011, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Geopacific Resources NL and the entities it controlled during the period.

KS Black & Co
Chartered Accountants

Faizal Ajmat
Partner

Sydney, 27 March 2012

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Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF GEOPACIFIC RESOURCES NL

Report on the Financial Report

We have audited the accompanying financial report of Geopacific Resources NL (the company) and Geopacific Resources NL and Controlled Entities (the consolidated entity) which comprises the statement of financial position as at 31 December 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flow for the year ended on that date, a summary of significant accompanying policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

We have also audited the remuneration disclosures contained in the Directors' report. As permitted by the Corporations Regulations 2001, the company has disclosed information about the remuneration of Directors and executives ("remuneration disclosures"), required by Australian Accounting Standard AASB 124: Related Party Disclosures, under the heading "Remuneration Report" in the Directors' report and not in the financial report.

Director's Responsibility for the Financial Report and the Remuneration Report contained in the Directors' Report

The Directors of Geopacific Resources NL are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards (IFRS) ensures that the financial report comprising the financial statement and notes, complies with IFRS.

The Directors of the company are also responsible for the remuneration report contained in the Directors' Report in accordance with s300A of the Corporations Act 2001.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement and that the remuneration report in the Directors' Report is in accordance with Australian Auditing Standards.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstance, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors as well as evaluating the overall presentation of the financial report and the remuneration disclosures contained in the Directors' report.

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TO THE MEMBERS OF GEOPACIFIC RESOURCES NL (Cont'd)

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, provided to the directors of Geopacific Resources NL would be in the same terms if it had been given to the directors at the time that this auditor's report was made.

Auditor's Opinion

In our opinion:

(a) the financial report of Geopacific Resources NL and Geopacific Resources NL and Controlled Entities is in accordance with the Corporations Act 2001, including:

  (i) giving a true and fair view of the company's and consolidated entity's financial position as at 31 December 2011 and of their performance for the period ended on that date; and
  (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.

(b) the financial report of the company and consolidated entity also comply with IFRS as disclosed in note 1.

Auditor's opinion on the Remuneration Report contained in the Directors' Report.

In our opinion, the remuneration disclosures that are contained on pages 23 to 27 of the Directors' Report comply with S300A of the Corporations Act 2001.

KS Black & Co
Chartered Accountants

Ajmat

Faizal Ajmat
Partner

Sydney, 27 March 2012

Liability limited by a scheme approved under Professional Standards Legislation

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Chartered Accountants

Auditors' opinion on the remuneration report contained in the directors' report

In our opinion, the remuneration disclosures that are contained in pages 23 to 27 of the Directors' Report comply with s300A of the Corporations Act 2001.

The Directors of Geopacific Resources NL declare that:

1 the financial statements and notes, set out on pages 32 to 70 are in accordance with the Corporations Act 2001, including:

a. comply with Accounting Standards, which, as stated in Accounting Policy Note 1 to the financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS); and

b. give a true and fair view of the financial position as at 31 December 2011 and of the performance for the year ended on that date of the company and consolidated group;

2 the Executive Director and Chief Finance Officer have each declared that:

a. the financial records of the company for the financial year have been properly maintained in accordance with s 286 of the *Corporations Act 2001*;

b. the financial statements and notes for the financial year comply with Accounting Standards; and

c. the financial statements and notes for the financial year give a true and fair view;

3 in the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors:

C B Bass
The Executive Director
Perth, Australia
Dated: *27 March 2012*

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2011

		Consolidated	
	Note	**2011**	2010
		$	$
Revenue from continuing operations	5	**93,533**	136,124
Administration expenses		**(198,329)**	(280,337)
Consultancy expense	6	**(77,556)**	(144,447)
Depreciation expense	6	**(27,176)**	(13,471)
Employee benefits expense	6	**(144,488)**	(69,775)
Exploration expenditure written off		**(1,275,080)**	-
Occupancy Expenses		**(46,367)**	(40,660)
Other expenses		**(47,835)**	(20,316)
		(1,816,831)	(569,006)
(Loss) profit before income tax		**(1,723,299)**	(432,882)
Income tax expense	8	**-**	-
(Loss) profit for the year attributable to members of the parent company		**(1,723,299)**	(432,882)
Other comprehensive income:			
Exchange differences on translating foreign controlled entities		**(35,079)**	(486,029)
Other comprehensive income for the year, net of tax		**(35,079)**	(486,029)
Total comprehensive income for the year attributable to members of the parent entity		**(1,758,378)**	(918,911)
Basic loss per share	24	**(4.87)**	(1.33)
Diluted loss per share	24	(4.87)	(1.33)

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2011

	Note	Consolidated 2011 $	2010 $
CURRENT ASSETS			
Cash and cash equivalents	9	**1,687,134**	2,173,259
Trade and other receivables	10	**194,754**	358,460
TOTAL CURRENT ASSETS		**1,881,888**	2,531,719
NON-CURRENT ASSETS			
Exploration expenditure	11	**7,133,975**	7,547,611
Property, plant and equipment	12	**154,217**	113,052
TOTAL NON-CURRENT ASSETS		**7,288,192**	7,660,663
TOTAL ASSETS		**9,170,080**	10,192,382
CURRENT LIABILITIES			
Trade and other payables	13	**65,741**	45,613
TOTAL CURRENT LIABILITIES		**65,741**	45,613
TOTAL LIABILITIES		**65,741**	45,613
NET ASSETS		**9,105,039**	10,146,769
EQUITY			
Issued capital	14	**15,925,556**	15,215,954
Reserves	16	**89,441**	117,474
Accumulated losses	17	**(6,909,958)**	(5,186,659)
TOTAL EQUITY		**9,105,039**	10,146,769

The above statement of financial position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2011

Consolidated	Issued Capital $	Forfeited Shares Reserve $	Share Based Payments Reserve $	Foreign Currency Translation Reserve $	Accumulated Losses $	Total Equity $
At 1 January 2010	11,976,191	4,623	429,217	169,663	(4,753,777)	7,825,917
Transactions with owners in their capacity as owners						
Shares issued during the year	3,453,100	-	-	-	-	3,453,100
Capital raising costs	(213,337)	-	-	-	-	(213,336)
	15,215,954	4,623	429,217	169,663	(4,753,777)	11,065,680
Comprehensive loss for the period	-	-	-	(486,029)	(432,882)	(918,911)
At 31 December 2010	15,215,954	4,623	429,217	(316,366)	(5,186,659)	10,146,769
At 1 January 2011	**15,215,954**	**4,623**	**429,217**	**(316,366)**	**(5,186,659)**	**10,146,769**
Transactions with owners in their capacity as owners						
Shares issued during the year	**709,602**	**-**	**-**	**-**	**-**	**709,602**
Share based payments	**-**	**-**	**7,046**	**-**	**-**	**7,046**
	15,925,556	**4,623**	**436,263**	**(316,366)**	**(5,186,659)**	**10,864,317**
Comprehensive loss for the period	**-**	**-**	**-**	**(35,079)**	**(1,723,299)**	**(1,758,378)**
At 31 December 2011	**15,925,556**	**4,623**	**436,263**	**(351,445)**	**(6,909,958)**	**9,105,039**

The above statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2011

	Note	Consolidated 2011 $	Consolidated 2010 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash payments in the course of operations		**(323,695)**	(925,177)
Interest received		**89,559**	99,692
Other income		**3,973**	15,668
Net Cash used in Operating Activities	28(c)	**(230,163)**	(809,817)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for plant and equipment		**(68,230)**	(109,440)
Proceeds from sale of plant and equipment		**-**	7,596
Exploration expenditure		**(900,051)**	(2,461,846)
Net Cash used in Investing Activities		**(968,281)**	(2,563,690)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from share issue		**709,602**	3,453,100
Share issue costs		**-**	(213,337)
Net Cash from Financing Activities		**709,602**	3,239,763
NET (DECREASE)/INCREASE IN CASH HELD		**(488,842)**	(133,744)
Effect of exchange rates on cash held in foreign currencies		**(3,417)**	(26,240)
Cash and Cash Equivalents at the Beginning of the Financial Year		2,173,259	2,333,243
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	28(a)	**1,687,834**	2,173,259

The above statement of cash flows should be read in conjunction with the accompanying notes.

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1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. These consolidated financial statements and notes represent those of Geopacific Resources NL and its controlled entities (the "Group").

The separate financial statements of the parent entity, Geopacific Resources NL, have not been presented within this financial report as permitted by amendments made to the Corporations Act 2001 effective as at 28 June 2011. A summary of financial information of Geopacific Resources NL as an individual entity is contained in Note 4.

Basis of preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the Corporations Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and the notes thereto also comply with International Financial Reporting Standards.

The financial statements have been prepared on an accruals basis and are based on historical costs, modified where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Changes to accounting policies

Adoption of New and Revised Accounting Standards

During the current year the Group adopted all of the new and revised Australian Accounting Standards and Interpretations applicable to its operations which became mandatory.

The adoption of these Standards has not impacted the recognition, measurement and disclosure of any transactions.

Significant accounting policies

Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

(a) Cash and cash equivalents

For statement of cash flows presentation purposes, cash and cash equivalents includes cash at bank.

(b) Contributed equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds.

(c) Employee benefits

(i) Wages and salaries and annual leave

Liabilities for wages and salaries, including nonmonetary benefits, and annual leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *CONTINUED*

(c) Employee benefits *Continued*

(ii) *Sharebased payments*

The fair value of options granted to Directors and employees is recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled to the options.

The fair value at grant date is independently determined using a BlackScholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option

The fair value of the options granted is adjusted to reflect market vesting conditions, but excludes the impact of any nonmarket vesting conditions (for example, profitability and sales growth targets). Nonmarket vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each year end, the Company revises its estimate of the number of options that are expected to become exercisable. The employee benefit expense recognised each period takes into account the most recent estimate.

Upon the exercise of options, the balance of the sharebased payments reserve relating to those options is transferred to share capital and the proceeds received, net of any directly attributable transaction costs, are credited to share capital.

(d) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

(e) Financial Instruments

Recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

Derecognition

Financial assets are derecognised when the right to receive cash flows from the financial assets have expired or been transferred. Financial liabilities are derecognised when the related obligations are either transferred, discharged or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

Classification and subsequent measurement

Financial assets are categorised as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Designation is re-evaluated at each financial year end, but there are restrictions on reclassifying to other categories.

(i) Financial assets at fair value through profit or loss

Financial assets classified as held for trading are included in the category "financial assets at fair value through profit or loss". Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term with the intention of making a profit. Gains or losses on financial assets held for trading are recognised in profit or loss and the related assets are classified as current assets in the statement of financial position.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *CONTINUED*

(e) Financial Instruments *Continued*

(ii) Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification.

(iii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method.

(iv) Available-for-sale securities

Available-for-sale investments are those non-derivative financial assets that are designated as available-for-sale or are not classified as any of the three preceding categories. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

(v) Financial liabilities

Non derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest method.

Fair values

Fair values are determined by reference to market bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities including recent arm's length market transactions, reference to the current market value of similar instruments and option pricing models.

Impairment

At each reporting date the Group assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the financial instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

(f) Foreign currency transactions and balances

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is Geopacific Resources NL's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at yearend exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

(iii) Group companies

The financial results and position of foreign operations, whose functional currency is different from the Group's presentation currency, are translated as follows:

- assets and liabilities are translated at year-end exchange rates prevailing at that reporting date;
- accumulated losses are translated at average exchange rates for the period; and
- income and expenses are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the Group's foreign currency translation reserve in the statement of comprehensive income. These differences are recognised in the statement of comprehensive income in the period in which the operation is disposed.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *CONTINUED*

(g) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

(h) Impairment of assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cashgenerating units). Nonfinancial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

(i) Income tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the national income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

(j) Loss per share

(i) Basic loss per share

Basic loss per share is calculated by dividing the result attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

(ii) Diluted loss per share

Diluted loss per share adjusts the figures used in the determination of basic loss per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *CONTINUED*

(k) Mineral Tenements and Deferred Mineral Exploration Expenditure

The Group has adopted the area of interest method for capitalising the costs of procurement, exploration and evaluation of areas where applications have been made for Prospecting Licences.

The ultimate recoupment of such costs is dependent on sale of the tenement(s) or successful development and commercial exploitation of the areas. Amortisation charges are to be made over the life of the areas of interest and will be determined on a basis so that the rate of amortisation shall not lag behind the rate of depletion of the economically recoverable reserves in the areas of interest.

The areas of interest are each of the Special Prospecting Licences in which companies in the Group have an interest. Where exploration expenditure has been incurred during the period, it will be carried forward in the Statement of financial position together with procurement costs as deferred mineral exploration expenditure until the Directors are of the opinion that a tenement should be abandoned as it shows no potential for recovery of expenditure incurred, in which case the said expenditure is written off in the Statement of Comprehensive Income.

(l) Plant and equipment

Plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation on assets is calculated using the straightline method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives, as follows:

- Plant, vehicles and equipment 10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each year end.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 1(h)).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of comprehensive income. When revalued assets are sold, it is Group policy to transfer the amounts included in other reserves in respect of those assets to retained earnings.

(m) Principles of consolidation

(i) Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Geopacific Resources NL ("the Company") as at 31 December 2011 and the results of all subsidiaries for the year then ended. Geopacific Resources NL and its subsidiaries together are referred to in this financial report as the Group.

Subsidiaries are all those entities over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than onehalf of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Investments in subsidiaries are accounted for at cost in the individual financial statements of Geopacific Resources NL.

A list of subsidiaries is contained in note 20.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *CONTINUED*

(m) Principles of consolidation *Continued*

Business combinations

Business combinations occur where an acquirer obtains control over one or more businesses and results in the consolidation of its assets and liabilities.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The acquisition method requires that for each business combination one of the combining entities must be identified as the acquirer (i.e. parent entity). The business combination will be accounted for as at the acquisition date, which is the date that control over the acquiree is obtained by the parent entity. At this date, the parent shall recognise, in the consolidated accounts, and subject to certain limited exceptions, the fair value of the identifiable assets acquired and liabilities assumed. In addition, contingent liabilities of the acquiree will be recognised where a present obligation has been incurred and its fair value can be reliably measured.

The acquisition may result in the recognition of goodwill or a gain from a bargain purchase. The method adopted for the measurement of goodwill will impact on the measurement of any non-controlling interest to be recognised in the acquiree where less than 100% ownership interest is held in the acquiree.

Goodwill

Goodwill is carried at cost less accumulated impairment losses. Goodwill is calculated as the excess of the sum of:

(i) the consideration transferred;
(ii) any non-controlling interest; and
(iii) the acquisition date fair value of any previously held equity interest;

over the acquisition date fair value of net identifiable assets acquired.

The acquisition date fair value of the consideration transferred for a business combination plus the acquisition date fair value of any previously held equity interest shall form the cost of the investment. Consideration may comprise the sum of the assets transferred by the acquirer, liabilities incurred by the acquirer to the former owners of the acquiree and the equity interests issued by the acquirer.

Included in the measurement of consideration transferred is any asset or liability resulting from a contingent consideration arrangement. Any obligation incurred relating to contingent consideration is classified as either a financial liability or equity instrument, depending upon the nature of the arrangement. Rights to refunds of consideration previously paid are recognised as a receivable. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or a liability is remeasured each reporting period to fair value through the statement of comprehensive income unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to the business combination are expensed to the consolidated statement of comprehensive income.

The value of goodwill recognised on acquisition of each subsidiary in which the Group holds less than a 100% interest will depend on the method adopted in measuring the aforementioned non-controlling interest. The Group can elect to measure the non-controlling interest in the acquiree either at fair value (full goodwill method) or at the non-controlling interest's proportionate share of the subsidiary's identifiable net assets (proportionate interest method). The Group determines which method to adopt for each acquisition.

Under the full goodwill method, the fair values of the non-controlling interests are determined using valuation techniques which make the maximum use of market information where available. Under this method, goodwill attributable to the non-controlling interests is recognised in the consolidated financial statements.

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investments in associates.

Goodwill is tested for impairment annually and is allocated to the Group's cash-generating units or groups of cash-generating units, which represent the lowest level at which goodwill is monitored but where such level is not larger than an operating segment. Gains and losses on the disposal of an entity include the carrying amount of goodwill related to the entity sold.

Changes in the ownership interests in a subsidiary are accounted for as equity transactions and do not affect the carrying values of goodwill.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *CONTINUED*

(n) Revenue recognition

(i) Sale of Goods and Disposal of Assets

Revenue from the sale of goods and disposal of other assets is recognised when the Group has passed the risks and rewards of ownership to the buyer.

(ii) Interest Income

Interest income is recognised on an accrual basis.

(iii) Other Income

Other income is recognised on receipt.

(iv) General

All revenue is stated net of goods and services tax (GST).

(o) Trade receivables

Trade receivables are recognised initially at fair value.

(p) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

New accounting standards and UIG interpretations for application in future periods

The AASB has issued new and amended accounting standards and interpretations that have mandatory application dates for future reporting periods.

The Group has decided against early adoption of these standards.

A discussion of those future requirements and their impact on the Group follows:

Operative date 1 July 2011 with an application date for the group of 1 January 2012.

AASB	Summary	Impact on group
AASB 2010–6: Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets [AASB 1 & AASB 7]	This Standard adds and amends disclosure requirements about transfers of financial assets, especially those in respect of the nature of the financial assets involved and the risks associated with them. Accordingly, this Standard makes amendments to AASB 1: First-time Adoption of Australian Accounting Standards, and AASB 7: Financial Instruments: Disclosures, establishing additional disclosure requirements in relation to transfers of financial assets.	This Standard will only affect certain disclosures relating to financial instruments and is not expected to significantly impact the Group.
AASB 1054: Australian Additional Disclosures and AASB 2011–1: Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project [AASB 1, AASB 5, AASB 101, AASB 107, AASB 108, AASB 121, AASB 128, AASB 132 & AASB 134 and Interpretations 2, 112 & 113]	AASB 1054 sets out the Australian-specific disclosures that are additional to IFRS disclosure requirements. The disclosure requirements in AASB 1054 were previously located in other Australian Accounting Standards.	These Standards are not expected to significantly impact the Group.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *CONTINUED*

New accounting standards and UIG interpretations for application in future periods *Continued*

Operative date 1 January 2012 with an application date for the group of 1 January 2012.

AASB	Summary	Impact on group
AASB 2010–8: Amendments to Australian Accounting Standards – Deferred Tax: Recovery of Underlying Assets [AASB 112]	This Standard makes amendments to AASB 112: Income Taxes and incorporates Interpretation 121 into AASB 112. Under the current AASB 112, the measurement of deferred tax liabilities and deferred tax assets depends on whether an entity expects to recover an asset by using it or by selling it. The amendments introduce a presumption that an investment property is recovered entirely through sale. This presumption is rebutted if the investment property is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.	The amendments are not expected to significantly impact the Group.

Operative date 1 July 2012 with an application date for the group of 1 January 2013.

AASB	Summary	Impact on group
AASB 2011–9: Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049]	The main change arising from this Standard is the requirement for entities to group items presented in other comprehensive income (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently.	This Standard affects presentation only and is not expected to significantly impact the Group.

Operative date 1 January 2013 with an application date for the group of 1 January 2013.

AASB	Summary	Impact on group
AASB 10: Consolidated Financial Statements,	AASB 10 replaces parts of AASB 127: Consolidated and Separate Financial Statements (March 2008, as amended) and Interpretation 112: Consolidation – Special Purpose Entities. AASB 10 provides a revised definition of control and additional application guidance so that a single control model will apply to all investees.	The Group has not yet been able to reasonably estimate the impact of this Standard on its financial statements.
AASB 11: Joint Arrangements,	AASB 11 replaces AASB 131: Interests in Joint Ventures (July 2004, as amended). AASB 11 requires joint arrangements to be classified as either "joint operations" (whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities) or "joint ventures" (where the parties that have joint control of the arrangement have rights to the net assets of the arrangement). Joint ventures are required to adopt the equity method of accounting (proportionate consolidation is no longer allowed).	The amendments are not expected to significantly impact the Group.
AASB 12: Disclosure of Interests in Other Entities,	AASB 12 contains the disclosure requirements applicable to entities that hold an interest in a subsidiary, joint venture, joint operation or associate. AASB 12 also introduces the concept of a "structured entity", replacing the "special purpose entity" concept currently used in Interpretation 112, and requires specific disclosures in respect of any investments in unconsolidated structured entities.	This Standard will only affect disclosures and is not expected to significantly impact the Group.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *CONTINUED*

New accounting standards and UIG interpretations for application in future periods *Continued*

Operative date 1 January 2013 with an application date for the group of 1 January 2013.

AASB	Summary	Impact on group
AASB 127: Separate Financial Statements (August 2011),	To facilitate the application of AASBs 10, 11 and 12, revised versions of AASB 127 and AASB 128 have also been issued.	The amendments are not expected to significantly impact the Group.
AASB 128: Investments in Associates and Joint Ventures (August 2011)	To facilitate the application of AASBs 10, 11 and 12, revised versions of AASB 127 and AASB 128 have also been issued.	The amendments are not expected to significantly impact the Group.
AASB 2011–7: Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards [AASB 1, 2, 3, 5, 7, 9, 2009–11, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Interpretations 5, 9, 16 & 17]	To facilitate the application of AASBs 10, 11 and 12, revised versions of AASB 127 and AASB 128 have also been issued.	The amendments are not expected to significantly impact the Group.
AASB 13: Fair Value Measurement and AASB 2011–8: Amendments to Australian Accounting Standards arising from AASB 13 [AASB 1, 2, 3, 4, 5, 7, 9, 2009–11, 2010–7, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and Interpretations 2, 4, 12, 13, 14, 17, 19, 131 & 132]	AASB 13 defines fair value, sets out in a single Standard a framework for measuring fair value, and requires disclosures about fair value measurements. AASB 13 requires: - inputs to all fair value measurements to be categorised in accordance with a fair value hierarchy; and - enhanced disclosures regarding all assets and liabilities (including, but not limited to, financial assets and financial liabilities) measured at fair value.	These Standards are not expected to significantly impact the Group.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *CONTINUED*

New accounting standards and UIG interpretations for application in future periods *Continued*

Operative date 1 January 2013 with an application date for the group of 1 January 2013.

AASB	Summary	Impact on group
AASB 119: Employee Benefits (September 2011) and AASB 2011–10: Amendments to Australian Accounting Standards arising from AASB 119 [AASB 1, AASB 8, AASB 101, AASB 124, AASB 134, AASB 1049 & AASB 2011–8 and Interpretation 14]	These Standards introduce a number of changes to the presentation and disclosure of defined benefit plans, including: - removal of the "corridor" approach from AASB 119, thereby requiring entities to recognise all changes in a net defined benefit liability (asset) when they occur; - disaggregation of changes in a net defined benefit liability (asset) into service cost (including past service cost and gains and losses on non-routine settlements and curtailments), net interest expense (interest based on the net defined benefit liability (asset) using the discount rate applicable to post-employment benefits) and remeasurements (comprising actuarial gains and losses, return on plan assets less the "revenue" component of the net interest expense, and any change in the limit on a defined benefit asset). In addition, AASB 119 (September 2011) requires recognition of: - service cost and net interest expense in profit or loss; and - remeasurements in OCI; and - introduction of enhanced disclosure requirements to facilitate the provision of more useful information in relation to an entity's defined benefit plans. AASB 119 (September 2011) also includes changes to the accounting for termination benefits that require an entity to recognise an obligation for such benefits at the earlier of: (i) for an offer that may be withdrawn – when the employee accepts; (ii) for an offer that cannot be withdrawn – when the offer is communicated to affected employees; and (iii) where the termination is associated with a restructuring of activities under AASB 137: Provisions, Contingent Liabilities and Contingent Assets, and if earlier than the first two conditions – when the related restructuring costs are recognised.	The Group has not yet been able to reasonably estimate the impact of these changes on its financial statements.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *CONTINUED*

New accounting standards and UIG interpretations for application in future periods *Continued*

Operative date 1 July 2013 with an application date for the group of 1 January 2014.

AASB	Summary	Impact on group
AASB 9: Financial Instruments and AASB 2009–11: Amendments to Australian Accounting Standards arising from AASB 9	The changes made to accounting requirements include: - simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value; - simplifying the requirements for embedded derivatives; - removing the tainting rules associated with held-to-maturity assets; - removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost; - allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument; and - reclassifying financial assets where there is a change in an entity's business model as they are initially classified based on the objective of the entity's business model for managing the financial assets and the characteristics of the contractual cash flows.	These Standards are applicable retrospectively and amend the classification and measurement of financial assets. The Group has not yet determined potential impact on the financial statements.
AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010–2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements [AASB 1, 2, 3, 5, 7, 8, 101, 102, 107, 108, 110, 111, 112, 116, 117, 119, 121, 123, 124, 127, 128, 131, 133, 134, 136, 137, 138, 140, 141, 1050 & 1052 and Interpretations 2, 4, 5, 15, 17, 127, 129 & 1052]	This Standard establishes a revised differential financial reporting framework consisting of two tiers of financial reporting requirements for those entities preparing general purpose financial statements: - Tier 1: Australian Accounting Standards; and - Tier 2: Australian Accounting Standards — Reduced Disclosure Requirements.	This Standard deems the Group to be a Tier 1 entity and hence there is no accounting impact to be considered going forward.

The Group does not anticipate the early adoption of any of the above reporting requirements.

2 FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks; market risk (including currency risk, fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

(a) Foreign exchange risk

Foreign exchange risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Group's functional currency.

(b) Credit risk

There is negligible credit risk on financial assets of the Group since there is no exposure to individual customers or countries.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed finance facilities.

(d) Cash flow and fair value interest rate risk

The Group is exposed to a risk of changes to cash flows due to changes in interest rates.

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Key judgments

Exploration and evaluation expenditure

The Group capitalises expenditure relating to exploration and evaluation where it is considered likely to be recoverable or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves. While there are certain areas of interest from which no reserves have been extracted, the directors are of the continued belief that such expenditure should not be written off since feasibility studies in such areas have not yet concluded. Such capitalised expenditure is carried at the end of the reporting period at $7,133,975.

4 PARENT INFORMATION

The following information has been extracted from the books and records of the parent and has been prepared in accordance with Accounting Standards.	2011 $	2010 $
STATEMENT OF FINANCIAL POSITION		
ASSETS		
Current assets	**1,691,975**	2,306,160
Non current assets	**6,319,162**	6.724.889
TOTAL ASSETS	**8,011,137**	9,031,049
LIABILITIES		
Current liabilities	**57,402**	37,349
TOTAL LIABILITIES	**57,402**	37,349
EQUITY		
Issued capital	**15,925,556**	15,215,954
Forfeited shares reserve	**4,623**	4,623
Share based payments reserve	**436,263**	429,217
Accumulated losses	**(8,412,707)**	(6,656,094)
TOTAL EQUITY	**7,953,735**	8,993,701
STATEMENT OF COMPREHENSIVE INCOME		
Total loss	**(1,756,614)**	(892,198)
TOTAL COMPREHENSIVE INCOME (LOSS)	**(1,756,614)**	(892,198)

Guarantees

Geopacific Resources NL has not entered into any guarantees, in the current or previous financial year, in relation to the debts of its subsidiary.

Contingent liabilities

At 31 December 2011, Geopacific Resources NL had no contingent liabilities.

Contractual commitments

At 31 December 2011, Geopacific Resources NL had not entered into any contractual commitments for the acquisition of property, plant and equipment.

5 REVENUE

	Consolidated	
	2011	2010
	$	$
Interest income – other persons	**89,559**	116,150
Management Fees Raki Raki Joint Venture	**2,691**	14,084
Gain on disposal of plant and equipment	**-**	4,306
Other income	**1,283**	1,584
	93,533	136,124

6 EXPENSES

Consultancy expenses		
Consultants Fees	**213,347**	304,941
Less allocated to exploration expenditure	**(135,791)**	(160,494)
	77,556	144,447
Employee benefits expense		
Wages and salaries	**119,528**	133,957
Directors Fees	**126,000**	-
Termination payments	**-**	60,000
Share based payments	**7,046**	-
	252,574	193,597
Less allocated to exploration expenditure	**(108,086)**	(123,822)
	144,488	69,775
Depreciation	**27,176**	13,471

7 REMUNERATION OF AUDITORS

Assurance services

A. Audit services

KS Black & Co Australian firm:		
Audit of the financial report and other audit work under the *Corporations Act 2001*		
- Current year	**-**	-
- Prior year	**24,950**	21,650
Review of the half-year financial report	**9,500**	8,950
Total remuneration for audit services	**34,450**	30,600

8 INCOME TAX

	Consolidated 2011	2010
(a) Income tax expense	**$**	$
Prima facie income tax benefit calculated at 30% on the loss / (profit) from ordinary activities		
Loss from ordinary activities	**(1,723,229)**	(432,882)
Income tax expense calculated at 30% of operating loss	**(516,990)**	(129,865)
Decrease in income tax benefit due to:		
Tax benefit on losses not recognised	**516,990**	129,865
Income tax expense	-	-

(b) Deferred tax balances not recognised	**Statement of Financial Position 2011**	**Statement of Comprehensive Income 2011**
Deferred tax balances not recognised	**$**	**$**
Calculated at 30% not brought to account as assets:		
Deferred tax assets		
Accruals	4,500	-
Capital raising costs capitalised	57,953	(29,739)
Revenue tax losses available for offset against future tax income	2,329,930	450.932
Deferred tax assets not recognised	-	(421,193)
Net deferred tax asset (liability) not recognised	**2,392,383**	**-**

Deferred tax balances not recognised	Statement of Financial Position 2010	Statement of Comprehensive Income 2010
Deferred tax balances not recognised	$	$
Calculated at 30% not brought to account as assets:		
Deferred tax assets		
Accruals	4,500	(750)
Capital raising costs capitalised	87,692	6,958
Revenue tax losses available for offset against future tax income	1,878,998	1,397,791
Deferred tax assets not recognised	-	(1,403,999)
Net deferred tax asset (liability) not recognised	1,966,690	**-**

The taxation benefits of revenue tax losses and temporary differences not brought to account will only be obtained if:

(i) the company and the consolidated entity derive further assessable income of a nature and of an amount sufficient to enable the benefit from the deductions to be realised;

(ii) the company and the consolidated entity continue to comply with the conditions for deductibility imposed by the law; and

(iii) no changes in tax legislation adversely affect the company's and the consolidated entity's ability in realising the benefit from the deductions.

9 CASH AND CASH EQUIVALENTS

	Consolidated	
	2011	2010
	$	$
Current		
Cash at bank	**1,687,134**	2,173,259

10 TRADE AND OTHER RECEIVABLES

Current		
Security deposits	**19,444**	19,328
Sundry debtors	**41,141**	174,834
Interest receivable	**-**	16,458
GST receivable	**134,169**	147,840
	194,754	358,460

11 EXPLORATION EXPENDITURE

Non-Current		
Capitalised exploration expenditure carried forward	**7,133,975**	7,547,611
Movement during year		
Carrying value – beginning of year	**7,547,611**	5,545,554
Additions	**900,051**	2,461,848
Exchange rate variations	**(11,817)**	(319,948)
Recoveries from joint venture parties	**(26,790)**	(139,843)
Amounts written off	**(1,275,080)**	-
Carrying value – end of year	**7,133,975**	7,547,611

During the year the Company expensed previously capitalized exploration expenditure amounting to $1,275,080 (2010: nil) on the relinquishment of the Nadi South tenement SPL 1434 and the unsuccessful applications for the Mt Kasi tenements.

12 PROPERTY, PLANT AND EQUIPMENT

Non-Current		
Plant, vehicles and equipment		
At Cost	**201,297**	133,298
Less: Provision for depreciation	**(47,080)**	(20,246)
	154,217	113,052
Movement		
Carrying value – beginning of year	**113,052**	20,373
Additions	**68,230**	109,440
Disposals	**-**	(2,800)
Depreciation (included in profit and loss)	**(27,176)**	(13,471)
Exchange rate variations	**111**	(490)
Carrying value – end of year	**154,217**	113,052

13 TRADE AND OTHER PAYABLES

Current		
Trade creditors and accruals	**65,741**	45,613

14 ISSUED CAPITAL

	Consolidated 2011 $	Consolidated 2010 $
Issued Capital	**15,925,556**	15,215,954

Reconciliation of movements during the period:

	2011 Shares issued	2011 $	2010 Shares issued	2010 $
Balance as at 1 January	**36,033,957**	**15,215,954**	144,893,717	11,976,191
Shares issued pursuant to a placement at 6 cents (2010 - 3 cents)			13,000,000	780,000
			157,893,717	
Share consolidation (1 for 5)			(126,314,929)	
			31,578,788	
Shares issued on exercise of options at 30 cents per share	**1,275,672**	**382,702**	-	-
Shares issued pursuant to shortfall underwriting agreement in regard to the 2010 Share Purchase Plan at 60 cents	**544,834**	**326,900**	-	-
Shares issued under Share Purchase Plan at 60 cents (2010 - 4 cents)	**-**	**-**	288,500	173,100
Shares issued pursuant to a placement at 6 cents	**-**	**-**	4,166,669	2,500,000
Less share issue costs		**-**		(213,337)
Balance as at 31 December	**37,854,463**	**15,925,556**	36,033,957	15,215,954

15 OPTIONS

Consolidated 2011

Issue Date	Expiry Date	Exercise Price (c)	Number on issue 31 December 2010	Granted during year	Lapsed during year	Exercised during year	Number on issue 31 December 2011
23.12.2009	16.12.2011	$0.30	7,242,106	-	(5,966,434)	**(1,275,672)**	-
08.05.2006	08.05.2012	$1.00	100,000	-	-	-	100,000
08.05.2006	08.05.2013	$1.25	100,000	-	-	-	100,000
18.09.2009	01.08.2013	$0.50	610,000	-	-	-	610,000
08.05.2006	08.05.2014	$1.50	100,000	-	-	-	100,000
30.09.2011	30.09.2014	$0.30	-	500,000	-	-	500,000
06.06.2009	(a)	$2.50	800,000	-	-	-	800,000
06.06.2009	(b)	$5.00	200,000	-	-	-	200,000
			9,152,106	-	-	-	2,410,000

15 OPTIONS *CONTINUED*

(a) The Options are exercisable in whole or in part, not later than five years after the defining on Faddy's Gold Deposit of a JORC compliant ore reserve of over 200,000 ounces of contained gold.

(b) The Options are exercisable in whole or in part, not later than ten years after the defining on Faddy's Gold Deposit of a JORC compliant ore reserve of over 1,000,000 ounces of contained gold.

(c) The notice of meeting for the Extraordinary General Meeting to be held on 2 April 2012 contains resolutions which, if passed, will grant Mr C B Bass a further 1,136,364 ordinary shares and 568,182 listed options under the terms of a share placement announced on 17 February 2012.

(d) In addition, the EGM will also consider a resolution to grant 2,000,000 options at an exercise price of 30 cents and an expiry date of 16 February 2015

16 RESERVES

	Consolidated	
	2011	2010
	$	$
(a) Reserves		
Forfeited share reserve	**4,623**	4,623
Foreign currency translation reserve	**(351,445)**	(316,366)
Sharebased payments reserve	**436,263**	429,217
	89,441	117,474
(b) Movements		
Sharebased payments reserve		
Balance 1 January	**429,217**	429,217
Option expense	**7,046**	-
Balance 31 December	**436,263**	429,217
Foreign currency translation reserve		
Balance 1 January	**(316,366)**	169,663
Exchange gains (losses) during year	**(35,079)**	(486,029)
Balance 31 December	**(351,445)**	(316,366)
Forfeited share reserve		
Balance 1 January	**4,623**	4,623
Balance 31 December	**4,623**	4,623
Total reserves	**89,441**	117,474

(c) Nature and purpose of reserves

Sharebased payments reserve

The share-based payments reserve records the value of options issued to employees and Directors which have been taken to expenses and the value of options issued on acquisition of Millennium Mining (Fiji) Ltd and the value of options granted pursuant to the Employee Share Option Plan.

Foreign currency translation reserve

The foreign currency translation reserve records unrealised exchange gains and losses on translation of subsidiaries accounts during the year.

Forfeited shares reserve

The forfeited shares reserve records the amount of paid up capital received on shares which have been forfeited due to non payment of calls.

17 ACCUMULATED LOSSES

	Consolidated	
	2011	2010
	$	$
Accumulated losses at the beginning of the year	**(5,186,659)**	(4,753,777)
Profit (loss) for the year	**(1,723,299)**	(432,882)
Other comprehensive income (loss) for the year	**-**	-
Accumulated losses at the end of the year	**(6,909,958)**	(5,186,659)

18 CONTINGENT LIABILITIES

There are no contingent liabilities.

19 COMMITMENTS

(a) Tenement Commitments

Entities in the Group are committed for expenditure by way of cash expenditure to retain their interest in areas over which Special Prospecting Licenses are held.

The following expenditure proposals for 2012 are being considered.

Tenement	Renewal Application lodged to	Expenditure $F	Comments
SPL1216	31 December, 2012	600,000	
SPL 1231/1373	31 December, 2012	200,000	50% to be met by JV partner Imperial Mining (Fiji) Ltd
SPL 1361	31 December, 2012	800,000	
SPL 1368	31 December, 2012	800,000	
SPL 1377	31 December, 2012	400,000	
SPL 1415	Kavukavu Project	50,000	
SPL 1436	16 March 2012	50,000	50% to be met by JV partner Imperial Mining (Fiji) Ltd
SPL 1493	31 December, 2012	80,000	

(b) Option acquisition commitments

The company has entered into an agreement with a landowner to acquire the following tenements

- SP1361 Sabeto for FJD116,555 plus interest, to be paid by payments of FJD15,000 per quarter.
- SP1368 Vuda for AUD353,669 plus interest, to be paid by payments of AUD40,000 per quarter.

	Consolidated	
	2011	2010
	$	$
Payable not later than one year	**151,756**	191,805
Payable later than one year, but not later than two years	**71,893**	223,649
	223,649	415,454

20 PARTICULARS RELATING TO CONTROLLED ENTITIES

	Class of Share	Holding Company		Amount of Investment	
		2011	2010	**2011**	2010
		%	%	**$**	$
Beta Limited	Ordinary	**100**	100	**15,372**	15,372
Geopacific Limited	Ordinary	**100**	100	**1,866,993**	1,866,993
Millennium Mining (Fiji) Limited	Ordinary	**100**	100	**684,907**	684,907
				2,567,272	2,567,272

Geopacific Limited, Beta Limited and Millennium Mining (Fiji) Limited are companies incorporated and carrying on business in Fiji.

21 KEY MANAGEMENT PERSONNEL DISCLOSURES

(a) Directors

The names of each person holding the position of Director of Geopacific Resources NL during the financial year were:
C B Bass
S T Biggs
R J Fountain
I N A Simpson
R H Probert (alternate for I N A Simpson)
I J Pringle (resigned 19 September 2011)

(b) Other key management personnel

All Directors are identified as key management personnel under AASB 124 "Related Party Disclosures".
The Acting Exploration Manager, S Whitehead, also meets the definition of key management personnel.

(c) Key management personnel compensation

	Consolidated	
	2011	2010
	$	$
Shortterm employee benefits	**302,367**	177,046
Postemployment benefits	**-**	58,046
Sharebased payments	**7,046**	-
	309,413	235,092

The Company has taken advantage of the relief provided by the Corporations Regulations and has transferred the detailed remuneration disclosures to the Directors' Report. The relevant information can be found in the remuneration report included in the Directors Report.

(d) Equity instrument disclosures relating to key management personnel

(i) Options provided as remuneration and shares issued on exercise of such options

Details of options provided as remuneration and shares issued on the exercise of such options, together with terms and conditions of the options, can be found in the remuneration report included in the Directors Report.

21 KEY MANAGEMENT PERSONNEL DISCLOSURES *CONTINUED*

(ii) Option holdings

The numbers of options over ordinary shares in the Company held during the financial year by each Director of the Company and other key management personnel of the Group, including their personally related parties, are set out below.

2011 Name	Balance at the start of the year(1)	Granted during the year as compensation	Exercised during the year	Lapsed during the year	Balance at the end of the year	Vested and exercisable at the end of the year
Directors of Geopacific Resources Ltd						
C B Bass	833,334	-	(833,334)	-	-	-
S T Biggs	2,000,000	-	(300,000)	(1,700,000)	-	-
R J Fountain	4,000	-	-	(4,000)	-	-
R H Probert	5,800	-	-	(5,800)	-	-
I N A Simpson	562,845	-	(60,000)	(2,845)	500,000	500,000
Other Key management Personnel						
S Whitehead	-	500,000	-	-	500,000	-

The notice of meeting for the Extraordinary General Meeting to be held on 2 April 2012 contains resolutions which, if passed, will grant Mr C B Bass a further 1,136,364 ordinary shares and 568,182 listed options under the terms of a share placement announced on 17 February 2012.

In addition, the EGM will also consider a resolution to grant 2,000,000 options at an exercise price of 30 cents and an expiry date of 16 February 2015.

No options are vested and unexercisable at the end of the year.

2010 Name	Balance at the start of the year	Granted during the year as compensation	Exercised during the year	Lapsed during the year	Balance at the end of the year	Vested and exercisable at the end of the year
Directors of Geopacific Resources Ltd						
I J Pringle	333,600	-	-	-	333,600	333,600
C B Bass	833,334	-	-	-	833,334	833,334
S T Biggs	2,000,000	-	-	-	2,000,000	2,000,000
R J Fountain	4,000	-	-	-	4,000	4,000
R H Probert	5,800	-	-	-	5,800	5,800
I N A Simpson	562,845	-	-	-	562,845	562,845

21 KEY MANAGEMENT PERSONNEL DISCLOSURES *CONTINUED*

(d) Equity instrument disclosures relating to key management personnel *Continued*

(iii) Share holdings

2011 Name	Balance at the start of the year	Received during the year on the exercise of options	Other changes during the year	Balance at the end of the year
I N A Simpson	694,919	60,000	-	754,919
R J Fountain	66,000	-	-	66,000
R H Probert	647,545	-	-	647.545
C B Bass	1,680,002	833,334	302,417	2,815,573
S T Biggs	5,025,000	300,000	272,417	5,597,417
Other Key management Personnel				
S Whitehead	-	-	-	-

2010 Name	Balance at the start of the year	Received during the year on the exercise of options	Share consolidation (1 for 5)	Other changes during the year	Balance at the end of the year
I J Pringle	869,250	-	(695,400)	-	173,850
I N A Simpson	6,349,595	-	(2,679,676)	(2,975,000)	694,919
R J Fountain	80,000	-	(64,000)	50,000	66,000
R H Probert	3,327,725	-	(2,590,180)	-	647,545
C B Bass	6,925,010	-	(5,515,008)	270,000	1,680,002
S T Biggs	24,957,115	-	(19,965,692)	33,577	5,025,000

22 RELATED PARTY TRANSACTIONS

All transactions with related parties are on normal commercial terms and conditions.

	Consolidated	
	2011	2010
	$	$
(a) Transactions with directors and associates of directors		
The Bass Group Pty Ltd, a Company in which Mr Bass is a Director and shareholder, is utilised to provide services in relation to Geopacific Resources NL.		
Office Rental	**13,144**	-
Dr Ian Pringle provided office services in relation to Geopacific Resources NL.		
Office Rental	**9,018**	19,725

22 RELATED PARTY TRANSACTIONS *CONTINUED*

(b) Transactions with controlled entities

	2011 $	2010 $
INTERCOMPANY LOANS		
The Holding Company, Geopacific Resources NL, advanced funds to controlled entities for exploration and administration expenditure incurred on the company's tenements.		
- Geopacific Limited	**433,192**	1,592,470
- Beta Limited	**2,688**	2,470
- Millennium Mining (Fiji) Limited	**2,016**	2,470
INTERCOMPANY LOAN BALANCES		
The balance of loans advanced to controlled entities at the end of the year are:		
- Geopacific Limited	**4,425,545**	4,014,170
- Beta Limited	**1,818,290**	1,847,113
- Millennium Mining (Fiji) Limited	**1,328,940**	1,329,019

These balances are eliminated on consolidation.

23 SHARE-BASED PAYMENTS

(a) Employee Option Plan

The establishment of the Geopacific Resources NL Employee Option Plan was approved by shareholders at the 2001 annual general meeting. All staff and consultants are eligible to participate in the plan.

Options are granted under the plan for no consideration. Options are granted for a five year period.

Options granted under the plan carry no dividend or voting rights.

When exercisable, each option is convertible into one ordinary share.

The exercise price of options is based on the weighted average price at which the Company's shares are traded on the Australian Stock Exchange during the five trading days immediately before the options are granted.

Set out below are summaries of options granted under the plan:

Grant date	Expiry date	Exercise price	Value per option at grant date	Date vesting
8 May 2006	8 May 2012	$1.00	$0.4215	8 May 2007
8 May 2006	8 May 2013	$1.25	$0.3785	8 May 2008
8 May 2006	8 May 2014	$1.50	$0.3540	8 May 2009
30 September 2011	30 September 2014	$0.30	$0.1029	1 July 2012
30 September 2011	30 September 2014	$0.30	$0.1029	1 July 2013
30 September 2011	30 September 2014	$0.30	$0.1029	1 July 2014
30 September 2011	30 September 2014	$0.30	$0.1029	N/A*

* *Options vest after successful exploration results as a consequence of his direct management of the exploration efforts, such success deemed in the Board's discretion*

23 SHARE-BASED PAYMENTS *CONTINUED*

No options were exercised or forfeited during the periods covered by the above tables.

The weighted average remaining contractual life of share options outstanding at the end of the period was 2.81 years (2010 – 1.54 years).

The assessed fair value at grant date of options granted to the individuals is allocated equally over the period from grant date to vesting date, and the amount is included in the remuneration tables above. Fair values at grant date are independently determined using a BlackScholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the riskfree interest rate for the term of the option.

The fair value of the options granted to Steven Whitehead is deemed to represent the value of the services rendered.

The fair value of options granted was $51,454

These values were calculated using the Black-Scholes option pricing model applying the following inputs:

Share price	$0.19	$0.19	$0.19	$0.19
Exercise price:	$0.30	$0.30	$0.30	$0.30
Expected exercise date	30/09/14	30/09/14	30/09/14	30/09/14
Expected share price volatility:	98.8%	98.8%	98.8%	98.8%
Risk-free interest rate:	4.20%	4.20%	4.20%	4.20%

Historical volatility of the company has been the basis for determining expected share price volatility as it is assumed that this is indicative of future movements.

24 LOSS PER SHARE

	Consolidated	
	2011	2010
(a) Basic and diluted loss per share	**Cents**	Cents
Loss attributable to the ordinary equity holders of the Company	**(4.87)**	(1.33)
(b) Reconciliation of loss used in calculating loss per share		
	2011	2010
Basic and diluted loss per share	**$**	$
Loss attributable to the ordinary equity holders of the Company used in calculating basic and diluted loss per share	**(1,758,378)**	(432,882)
(c) Weighted average number of shares used as the denominator		
	2011	2010
	Number	Number
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted loss per share.	**36,079,978**	32,557,927

The options on issue as stated in note 15 have not been taken into account for dilution purposes as they are not considered to be dilutive due to the exercise prices being in excess of the current share price.

25 EVENTS OCCURRING AFTER THE YEAR END

Bonus issue of options

On 4 February 2012 18,927,269 bonus options were issued to shareholders on the basis of one new option for every two shares held. The exercise price is 35 cents with an expiry date of 19 January 2013. The options are listed on ASX (Code GPRO).

Share placement

On 17 February the company announced a share placement agreement to raise $1,200,000 through the issue of up to 5,461,364 ordinary shares at 22 cents per share to institutional and sophisticated investors.

25 EVENTS OCCURRING AFTER THE YEAR END *CONTINUED*

On 2 March 2012 the company announced the placement of the first tranche of 3,000,000 ordinary shares and 1,500,000 listed options under the share placement agreement.

The second tranche of 2,461,364 ordinary shares will be issued following approval at an Extraordinary General Meeting to be held on 2 April 2012.

Other matters

No other matters or circumstances have arisen since 31 December 2011 that have significantly affected or may significantly affect the Group's operations in future financial years, or the results of those operations in future financial years, or the Group's state of affairs in future financial years.

26 OPERATING SEGMENTS

Identification of reportable segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The group is managed primarily on the basis of mineral exploration in Fiji and Head Office administration in Australia. Operating segments are therefore determined on the same basis.

Basis of accounting for purposes of reporting by operating segments

Accounting policies adopted

Unless stated otherwise, all amounts reported to the Board of Directors, being the chief decision makers with respect to operating segments, are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

Inter-segment transactions

An internally determined transfer price is set for all inter-segment sales. This price is reset quarterly and is based on what would be realised in the event the sale was made to an external party at arm's length. All such transactions are eliminated on consolidation of the Group's financial statements.

Corporate charges are allocated to reporting segments based on the segments overall proportion of revenue generation within the Group. The Board of Directors believes this is representative of likely consumption of head office expenditure that should be used in assessing segment performance and cost recoveries.

Inter-segment loans payable and receivable are initially recognised at the consideration received/to be received net of transaction costs. If inter-segment loans receivable and payable are not on commercial terms, these are not adjusted to fair value based on market interest rates. This policy represents a departure from that applied to the statutory financial statements.

Segment assets

Where an asset is used across multiple segments, the asset is allocated to the segment that receives majority economic value from the asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

Segment liabilities

Liabilities are allocated to segments where there is a direct nexus between the incurrence of the liability and the operations of the segment. Borrowings and tax liabilities are generally considered to relate to the Group as a whole and are not allocated. Segment liabilities include trade and other payables and certain direct borrowings.

26 OPERATING SEGMENTS *CONTINUED*

Unallocated items

The following items of revenue, expenses, assets and liabilities are not allocated to operating segments as they are not considered part of the core operations of any segment:

- impairment of assets and other non-recurring items of revenue or expense;
- income tax expense;
- deferred tax assets and liabilities;
- current tax liabilities;
- other financial liabilities;
- intangible assets;

(a) Operating and geographical segments

2011	Head Office Australia	Exploration Fiji	Intersegment	Total
Segment performance	$	$	$	$
Interest received	89,316	1,968	-	91,285
Raki Raki joint venture management fee	-	2,691	-	2,691
Other income	-	1,282	-	1,282
Total revenue from continuing operations	89,316	4,216	-	93,533
Segment net loss from continuing operations before tax	(1,291,461)	(1,425,904)	1,024,634	(1,692,731)
Reconciliation of segment result to group net profit/loss before tax:				
Amounts not included in segment result but reviewed by the Board:				
— depreciation and amortisation				(27,176)
— foreign currency gains/(losses)				(3,391)
Net loss before tax from continuing operations				**(1,723,299)**

2011	Head Office Australia	Exploration Fiji	Intersegment	Total
	$	$	$	$
Segment Assets	9,960,780	8,261,614	(9,051,614)	9,170,080
Reconciliation of segment assets to group assets:				
Unallocated assets				-
Group assets				**9,170,080**
Segment Liabilities	57,402	9,059,953	(9,051,614)	65,741
Reconciliation of segment liabilities to group liabilities:				
Unallocated liabilities				-
Group liabilities				**65,741**

26 OPERATING SEGMENTS *CONTINUED*

(a) Operating and geographical segments *Continued*

2010	Head Office Australia	Exploration Fiji	Intersegment	Total
Segment performance	$	$	$	$
Interest received	115,122	1,028	-	116,150
Raki Raki joint venture management fee	-	14,084	-	14,084
Gain on sale of plant and equipment		4,306		4,306
Other income	-	1,584	-	1,584
Total revenue from continuing operations	115,122	21,002	-	136,124
Segment net loss from continuing operations before tax	(339,939)	(149,910)	70,438	(419,411)
Reconciliation of segment result to group net profit/loss before tax:				
Amounts not included in segment result but reviewed by the Board:				
— depreciation and amortisation				(13,471)
Net loss before tax from continuing operations				**(432,882)**

2010	Head Office Australia	Exploration Fiji	Intersegment	Total
	$	$	$	$
Segment Assets	10,362,394	8,457,786	(8,627,798)	10,192,382
Reconciliation of segment assets to group assets:				
Unallocated assets				-
Group assets				**9,170,780**
Segment Liabilities	37,349	8,636,062	(8,627,798)	45,613
Reconciliation of segment liabilities to group liabilities:				
Unallocated liabilities				-
Group liabilities				**45,613**

27 FINANCIAL INSTRUMENTS DISCLOSURES

(a) Capital management

The Group considers its capital to comprise its ordinary share capital and accumulated retained earnings.

In managing its capital, the Group's primary objective is to ensure its continued ability to provide a consistent return for its equity shareholders through a combination of capital growth and distributions. In order to achieve this objective, the Group seeks to maintain a gearing ratio that balances risks and returns at an acceptable level and also to maintain a sufficient funding base to enable the Group to meet its working capital and strategic investment needs. In making decisions to adjust its capital structure to achieve these aims, either through altering its dividend policy, new share issues, or reduction of debt, the Group considers not only its short-term position but also its long-term operational and strategic objectives.

It is the Group's policy to maintain its gearing ratio within the range of 0-25% (2010: 0-25%). The Group's gearing ratio at the statement of financial position date is shown below:

	Consolidated	
	2011	2010
	$	$
Cash and cash equivalents	**1,687,834**	2,173,259
Net debt	**1,687,834**	2,173,259
Share capital	**15,925,556**	15,215,954
Reserves	**89,441**	117,474
Accumulated losses	**(6,909,958)**	(5,186,659)
Total capital	**9,105,039**	10,146,769
Gearing ratio	**0.00%**	0.00%

(b) Financial instrument risk exposure and management

In common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them.

Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

(c) Principal financial instruments

The principal financial instruments used by the Group, from which financial instrument risk arises, are as follows:

	2011	2010
Financial assets:		
Cash assets	**1,687,834**	2,173,259
Receivables	**194,754**	358,460
	1,882,588	2,531,719
Financial liabilities:		
Payables	**(65,741)**	(45,613)
	(65,741)	(45,613)
Net financial assets (liabilities)	**1,816,847**	2,486,106

27 FINANCIAL INSTRUMENTS DISCLOSURES *CONTINUED*

(d) General objectives, policies and processes

The Board has overall responsibility for the determination of the Group's risk management objectives and policies and has the responsibility for designing and operating processes that ensure the effective implementation of the objectives and policies to the Group's finance function. The Board receives monthly reports through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. Further details regarding these policies are set out below:

(i) Credit risk

Credit risk arises principally from the Group's trade receivables and investments in corporate bonds. It is the risk that the counterparty fails to discharge its obligation in respect of the instrument.

Other receivables

Other receivables comprise GST receivable, security deposits and sundry receivables. Credit worthiness of debtors is undertaken when appropriate.

The maximum exposure to credit risk at balance date is as follows:

	Consolidated	
	2011	2010
	$	$
Security Deposits	**19,444**	19,328
Other receivables	**41,141**	191,292
GST receivables	**134,169**	147,840
	194,754	358,460

(ii) Liquidity risk

The Board receives cash flow projections on a quarterly basis as well as information regarding cash balances. At the year end, these projections indicated that the Group expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances.

The risk implied from the values shown in the table below, reflects a balanced view of cash inflows and outflows. Trade payables and other financial liabilities mainly originate from the financing of assets used in our ongoing operations such as property, plant, equipment and investments in working capital (e.g., trade receivables). These assets are considered in the Group's overall liquidity risk.

	Carrying Amount	Contractual Cash flows	< 6 mths	6-12 mths	1-3 years	> 3 years
	$	$	$	$	$	$
Maturity Analysis - Consolidated - 2011						
Financial Liabilities						
Trade Creditors	65,741	65,741	65,741	-	-	-
TOTAL	65,741	65,741	65,741	-	-	-
Maturity Analysis - Consolidated - 2010						
Financial Liabilities						
Trade Creditors	45,613	45,613	45,613	-	-	-
TOTAL	45,613	45,613	45,613	-	-	-

(iii) Market risk

Market risk does not arise as the Group does not use interest bearing, tradable and foreign currency financial instruments.

27 FINANCIAL INSTRUMENTS DISCLOSURES *CONTINUED*

(d) General objectives, policies and processes *Continued*

(iv) Interest rate risk

The Group has limited exposure to fluctuations in interest rates that are inherent in financial markets. The Board makes investment decisions after considering advice received from professional advisors.

The Group's exposure to interest rate risk and the effective weighted average interest rate for classes of financial assets and financial liabilities is set out below:

2011	Note	Floating Interest Rate	1 Year or Less	Over 1 to 5 years	More than 5 years	Non-interest bearing	Total
Financial assets:							
Cash assets	9	**1,687,834**	**-**	**-**	**-**	**-**	**1,687,834**
Receivables	10	**-**	**-**	**-**	**-**	**194,754**	**194,754**
		1,687,834	**-**	**-**	**-**	**194,754**	**1,882,588**
Weighted average interest rate		**0.55%**					
Financial liabilities:							
Payables	13	**-**	**-**	**-**	**-**	**65,741**	**65,741**
		-	**-**	**-**	**-**	**65,741**	**65,741**
Net financial assets (liabilities)		**1,687,834**	**-**	**-**	**-**	**129,013**	**1.816,487**

2010 Note		Floating Interest Rate	1 Year or Less	Over 1 to 5 years	More than 5 years	Non-interest bearing	Total
Financial assets:							
Cash assets	9	**2,173,259**	-	-	-	-	**2,173,259**
Receivables	10	-	-	-	-	**358,460**	**358,460**
		2,173,259	-	-	-	**358,460**	2,531,719
Weighted average interest rate		0.50%					
Financial liabilities:							
Payables	13	-	-	-	-	(45,613)	(45,613)
		-	-	-	-	(45,613)	(45,613)
Net financial assets (liabilities)		**2,173,259**	-	-	-	312,847	2,486,106

27 FINANCIAL INSTRUMENTS DISCLOSURES *CONTINUED*

(d) General objectives, policies and processes *Continued*

Sensitivity Analysis

		Consolidated	
		+2% interest rate	-2% interest rate
2011	**Carrying amount**	**Profit & Loss**	**Profit & Loss**
Cash assets	**1,687,834**	33,757	(33,757)
	1,687,834	33,757	(33,757)
Tax charge of 30%		(10,127)	10,127
Post tax profit increase / (decrease)		23,630	(23,630)
2010			
Cash assets	**2,173,259**	43,465	(43,465)
	2,173,259	43,465	(43,465)
Tax charge of 30%		(13,040)	13,040
Post tax profit increase / (decrease)		30,425	(30,425)

(v) Currency risk

The Group's policy is, where possible, to allow Group entities to settle liabilities denominated in their functional currency (AUD) with the cash generated from their own operations in that currency. Where Group entities have liabilities denominated in a currency other than their functional currency (and have insufficient reserves of that currency to settle them) cash already denominated in that currency will, where possible, be transferred from elsewhere.

The Group's exposure to foreign currency risk is as follows:

	Consolidated	
	2011	**2010**
	$FJ	**$FJ**
Cash at bank	**60,061**	55,222
Net Exposure	**60,061**	55,222

27 FINANCIAL INSTRUMENTS DISCLOSURES *CONTINUED*

(d) General objectives, policies and processes *Continued*

The following sensitivity analysis is based on the foreign currency risk exposures in existence at the year end. The below analysis assumes all other variables remain constant.

Sensitivity Analysis		**Consolidated**	
		+10% FJD/AUD	**-10% FJD/AUD**
2011	**Carrying amount**	**Profit & Loss**	**Profit & Loss**
	$FJ	**AUD$**	**AUD$**
Cash at bank	60,061	3,179	(3,179)
	60,061	3,179	(3,179)
Tax charge of 30%		(954)	954
Post tax profit increase / (decrease)		2,225	(2,225)
2010			
Cash at bank	55,222	2,928	(2,928)
	55,222	2,928	(2,928)
Tax charge of 30%		(878)	878
Post tax profit increase / (decrease)		2,050	(2,050)

(vi) Sovereign risk

Country or sovereign risk relates to the likelihood that changes in the business environment will occur that reduce the profitability of doing business in a country. These changes can adversely affect operating profits as well as the value of assets. Types of country risk include;

Political changes

Governments may change economic policies. Changes in the ruling party in Australia or Fiji (brought about by elections, coups or wars) may result in major policy changes. This could result in expropriation of the Company's exploration leases, inability to repatriate future profits, higher taxes, higher tariffs and import costs, elimination of FDI incentives, domestic ownership requirements and local content requirements.

Macroeconomic mismanagement

The Australian and Fiji governments may pursue unsound monetary and fiscal policies which may lead to inflation, higher interest rates, recession and hard currency shortage.

Other types of country risk include war and labour unrest which could result in higher costs and work stoppages.

The Group has maintained a working policy of keeping all relevant Government offices informed and updated on activities to allow clear avenues of communication with Government authorities and an understanding of any policy changes and any affects that they may have on the Group's work. Regular meetings, field visits and discussion Groups are held with staff of the Mineral Resources Department of Fiji and these include Ministerial and senior management briefings.

(e) Accounting policies

(i) Financial assets

The Group's financial assets fall into the categories discussed below, with the allocation depending to an extent on the purpose for which the asset was acquired. The Group does not use derivative financial instruments in economic hedges of currency or interest rate risk. The Group has not classified any of its financial assets as held to maturity.

Unless otherwise indicated, the carrying amounts of the Group's financial assets are a reasonable approximation of their fair values.

Loans and other receivables

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally though the sale of assets and GST receivable. They are initially recognised at fair value plus transaction costs that are directly attributable to the acquisition or issue and subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

The effect of discounting on these financial instruments is not considered to be material.

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment that the Group will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in the statement of comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Available for sale

Non-derivative financial assets not included in the above categories are classified as available for sale. They are carried at fair value with changes in fair value recognised directly in the available for sale reserve. Where there is a significant or prolonged decline in the fair value of an available for sale financial asset (which constitutes objective evidence of impairment), the full amount of the impairment, including any amount previously charged to equity, is recognised in the statement of comprehensive income. Purchases and sales of available for sale financial assets are recognised on settlement date with any change in fair value between trade date and settlement date being recognised in the available for sale reserve. On sale, the amount held in the available for sale reserve associated with that asset is removed from equity and recognised in the statement of comprehensive income. Interest on corporate bonds classified as available for sale is calculated using the effective interest method and is recognised in finance income in the statement of comprehensive income.

(ii) Financial liabilities

The Group classifies its financial liabilities as measured at amortised cost. The Group does not use derivative financial instruments in economic hedges of currency or interest rate risk.

Unless otherwise indicated, the carrying amounts of the Group's financial liabilities are a reasonable approximation of their fair values.

These financial liabilities include trade payables and other short-term monetary liabilities, which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

(iii) Share capital

Financial instruments issued by the Group are treated as equity only to the extent that they do not meet the definition of a financial liability. The Groups ordinary shares are classified as equity instruments.

For the purposes of these disclosures, the Group considers its capital to comprise its ordinary share capital, and accumulated retained earnings. Neither the available for sale reserve nor the translation reserve is considered as capital. There have been no changes in what the Group considers to be capital since the previous period.

The Group is not subject to any externally imposed capital requirements.

28 NOTES TO THE STATEMENT OF CASH FLOWS

(a) For the purpose of the Statement of Cash Flows, cash and cash equivalents includes cash at bank.

Cash and cash equivalents at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

	Consolidated	
	2011 $	2010 $
Cash at Bank	**1,687,834**	2,173,259

(b) Non Cash Financing

Shares issued in lieu of payment for services rendered		-
Exchange rate fluctuations in exploration expenditure	**(11,817)**	(319,948)
Share based payments	**7,086**	-

(c) Reconciliation of Cash Flows from Operating Activities

Profit (loss) for the year	**(1,723,299)**	(432,882)
Depreciation	**27,176**	13,471
Options expense	**7,046**	-
Exploration expenditure written off	**1,275,080**	-
Profit on sale of plant and equipment	**-**	(4,306)
Changes in Assets and Liabilities:		
(Decrease)/increase in receivables	**163,706**	(287,526)
(Decrease)/increase in payables	**20,128**	(98,574)
Net Cash from Operating Activities	**(230,163)**	(809,817)

Unless disclosed below, all the best practice recommendations of the ASX Corporate Governance Council have been applied for the entire financial year ended 31 December 2011.

Board Composition

The skills, experience and expertise relevant to the position of each director who is in office at the date of the annual report and their term of office are detailed in the directors' report.

The names of independent directors of the company are:

Ian N A Simpson
Russell J Fountain

When determining whether a non-executive director is independent the director must not fail any of the following materiality thresholds:

- less than 10% of company shares are held by the director and any entity or individual directly or indirectly associated with the director;
- no sales are made to or purchases made from any entity or individual directly or indirectly associated with the director; and
- none of the directors' income or the income of an individual or entity directly or indirectly associated with the director is derived from a contract with any member of the economic entity other than income derived as a director of the entity.

Independent directors have the right to seek independent professional advice in the furtherance of their duties as directors at the company's expense. Written approval must be obtained from the chair prior to incurring any expense on behalf of the company.

The company does not have a formally constituted nomination committee.

Ethical Standards

The Board acknowledges and emphasises the importance of all directors and employees maintaining the highest standards of corporate governance practice and ethical conduct.

Directors and employees are required to:

- act honestly and in good faith;
- exercise due care and diligence in fulfilling the functions of office;
- avoid conflicts and make full disclosure of any possible conflict of interest;
- comply with the law;
- encourage the reporting and investigating of unlawful and unethical behaviour; and
- comply with the share trading policy outlined in the Code of Conduct.

Directors are obliged to be independent in judgment and ensure all reasonable steps are taken to ensure due care is taken by the Board in making sound decisions.

Security Trading Policy

Geopacific reviewed its policy in relation to dealing in the company's securities by directors and executives and provided the following policy as an ASX release on the 30 December 2010 and an update on 2 February 2011.

Background – Insider Trading:

The insider trading provisions of Australian Law work on the basis that a person must not (whether as principal or agent) subscribe for, purchase or sell, or "engage in dealings" of any securities in Geopacific Resources NL ('GPR') if;

a) The person possesses information that a reasonable person would expect to have a material effect on the price of the securities if the information were generally available; and

b) The person knows, or ought reasonably to know, that:

   i. The information is not generally available; and

   ii. If it were generally available, it might have a material effect on the price of the securities.

A person does not need to be directly associated with GPR to be guilty of insider trading in relation to securities of the Company. The prohibition extends to dealings through nominees, agents or their associates, such as family members, family trusts or family companies ("Related Third Parties").

Policy:

1. Directors, officers and employees of GPR and its subsidiary companies shall not engage in any dealings in the securities of GPR without giving prior notice as follows:

Party seeking to deal in securities	**Prior Notice to be Given to:**
Employees of GPR or subsidiary companies and consultants and advisors involved in the management of projects for and on behalf of GPR (or their Related Third Parties)	The Chairman and Company Secretary of GPR
Directors of GPR or subsidiary companies (or their Related Third Parties)	The Company Secretary of GPR who shall provide details to the Chairman of GPR

2. The procedures for notification are as follows;

a) Before trading in the company's securities the Director, officer or employee must

- notify the Chairman (or in his absence the managing director) and company secretary, in writing, of their intention to trade in securities;
- confirm they do not have insider information; and
- confirm that there is no known reason to preclude trading in the company's securities

The notification is only valid for the period of its operation, being from the date of notification until the earlier of 10 business days after the notification, the start of a closed period or the date on which the Director, officer or employee becomes aware of insider information.

b) After trading in the company's securities Director, officer or employee must

- notify the company secretary (who will notify the chairman) in writing, that the trade has been completed; and
- in the case of directors of the company, provide sufficient information to enable the company to comply with the requirements to notify a change of interests to ASX. Such information to include - Type of dealing, Date of dealing, Number of securities, Seller, Purchaser and Price;

3. Directors, officers and employees ***shall not*** engage in any dealings in GPR securities during the period:

a) two weeks prior to and within 24 hours after the date of the announcement to the ASX of the Company's annual or half year results;

b) two weeks prior to and within 24 hours after the date of the announcement to the ASX of the Company's quarterly activities reports;

c) notwithstanding a) or b), at any time while in *possession of inside information*.

4. Directors, officers and employees *are prohibited* from trading in financial products issued or created over or in respect of the entity's securities.

Exceptions to policy:

The following are the only exceptions to the above policy:

Directors, officers and employees may trade in financial products issued or created over or in respect of the entity's securities outside the parameters of the above trading policy only in the following circumstances:

1. transfers of securities of the entity already held into a superannuation fund or other saving scheme in which the Director, officer or employee is a beneficiary;
2. undertakings to accept, or the acceptance of, a takeover offer;
3. trading under an offer or invitation made to all or most of the security holders, such as, a rights issue, a security purchase plan, a dividend or distribution reinvestment plan and an equal access buy-back, where the plan that determines the timing and structure of the offer has been approved by the board. This includes decisions relating to whether or not to take up the entitlements and the sale of entitlements required to provide for the take up of the balance of entitlements under a renounceable pro rata issue;
4. the exercise (but not the sale of securities following exercise) of an option or a right under an employee incentive scheme, or the conversion of a convertible security, where the final date for the exercise of the option or right, or the conversion of the security, falls during a prohibited period and the entity has been in an exceptionally long prohibited period or the entity has had a number of consecutive prohibited periods and the Director, officer or employee could not reasonably have been expected to exercise it at a time when free to do so.

Audit Committee

The company has a formally constituted audit committee. The committee members are:

Russell J Fountain (Chairman of Audit Committee)
Ian N A Simpson
S Tim Biggs

Since the end of the reporting period Mr Charles Bass resigned from the Audit Committee, due to his appointment as an Executive Director of the Company, and the Company's Non-Executive Chairman, Mr Tim Biggs was appointed to the Committee.

Performance Evaluation

The Board did not conduct a performance evaluation of the Board and all Board members for the financial year ended 31 December 2011.

Board Roles and Responsibilities

The Board is first and foremost accountable to provide value to its shareholders through delivery of timely and balanced disclosures.

The Board is ultimately responsible for ensuring its actions are in accordance with key corporate governance principles.

Shareholder Rights

Shareholders are entitled to vote on significant matters impacting on the business, which include the election and remuneration of directors, changes to the constitution and receipt of annual and interim financial statements. Shareholders are strongly encouraged to attend and participate in the Annual General Meetings of Geopacific Resources NL, to lodge questions to be responded by the Board and/or the CEO, and are able to appoint proxies.

Risk Management

The Board considers identification and management of key risks associated with the business as vital to maximise shareholder wealth. An assessment of the business's risk profile is undertaken on a regular basis and is reviewed by the Board, covering all aspects of the business from the operational level through to strategic level risks. The Executive Director has been delegated the task of implementing internal controls to identify and manage risks for which the Board provides oversight. The effectiveness of these controls is monitored and reviewed regularly.

CORPORATE GOVERNANCE STATEMENT

Remuneration Policies

The remuneration policy sets the terms and conditions for the key management personnel. All executives receive a base salary, superannuation and retirement benefits. The Board reviews executive packages annually by reference to company performance and executive performance. The policy is designed to attract the highest calibre executives and reward them for performance which results in long-term growth in shareholder value.

Executives are also entitled to participate in the employee share and option arrangements.

The amount of remuneration for all key management personnel for the company are detailed in the directors report under the heading Key Management Personnel Compensation. All remuneration paid to executives is valued at the cost to the company and expensed. Shares given to executives are valued as the difference between the market price of those shares and the amount paid by the executive. Options are valued using the Black-Scholes methodology.

The Board expects that the remuneration structure implemented will result in the company being able to attract and retain the best executives to run the consolidated group. It will also provide executives with the necessary incentives to work to grow long-term shareholder value.

The payment of bonuses, options and other incentive payments are reviewed by the Board as part of the review of executive remuneration and a recommendation is put to the Board for approval.

Remuneration Committee

The Board does not have a separate Remuneration Committee and as such does not comply with Recommendations of the Corporate Governance Council. Remuneration arrangements for Directors are determined by the full Board. The Board is also responsible for setting performance criteria, performance monitors, share option schemes, superannuation, termination and retirement entitlements, and professional indemnity and liability insurance cover.

The Board considers that the Company is effectively served by the full Board acting as a whole in remuneration matters, and ensures that all matters of remuneration continue to be decided upon in accordance with Corporations Act requirements, by ensuring that no Director participates in any deliberations regarding their own remuneration or related issues.

Diversity Policy

The Board has implemented a Diversity Policy in line with the ASX's Corporate Governance guidelines. The Group believes that the promotion of diversity on its Boards, in senior management and within the organisation generally is good practice.

The Diversity Policy seeks to attract and retain people by promoting an environment where employees are treated with fairness and respect and have equal access to opportunities as they arise. Diversity within the workforce includes such factors as religion, race, ethnicity, language, gender, disability and age.

Gender Diversity

The Corporate Governance recommendation 3.2 is effective from 1 July 2011 and requires the Board to set 'measureable objectives' for achieving gender diversity and to report against them on an annual basis. The Board is currently reviewing its practices and will put measures in place to assess the success of the policy during the coming financial year.

The Board will focus on ensuring that the selection process at all levels within the organisation is formal and transparent and that the workplace environment is open, fair and tolerant.

The Company provides the following information regarding the proportion of females employed in the Group as at 31 December 2011:

Party seeking to deal in securities	Proportion of females / total number of person	Note
Females employed in the Group as a wholes	1/15	
Females employed in the Company in Senior Executive Positions	0/1	1
Females appointed as a Director of the Company	0/4	

Note 1 –Other than the Company Secretary/Chief Financial Officer, there are no senior executives employed by the Company other than Members of the Board.

The shareholder information set out below was applicable as at 10 April 2012.

A DISTRIBUTION OF EQUITY SECURITIES – ORDINARY SHARES

Analysis of numbers of equity security holders by size of holding:

	Class of equity security	
	Ordinary shares	
	Number	Shares
1 - 1000	55	25,241
1,001 - 5,000	194	559,878
5,001 - 10,000	70	556,730
10,001 - 100,000	145	5,031,569
100,001 and over	58	37,142,409
Total	**522**	**43,315,827**

There were 160 holders of less than a marketable parcel of 2,499 ordinary shares.

B EQUITY SECURITY HOLDERS – ORDINARY SHARES

Twenty largest quoted equity security holders of ordinary shares

The names of the twenty largest holders of quoted equity securities - ordinary shares are listed below:

	Ordinary shares	
Name	**Number held**	**Percentage of issued shares**
HSBC Custody Nominees (Australia) Limited	5,558,922	12.83%
Laguna Bay Capital Pty Ltd	5,297,417	12.23%
Springtide Capital Pty Ltd <Cockatoo Valley Invest A/C>	3,969,123	9.16%
Quartz Mountain Mining Pty Ltd <The Bass Family A/C>	2,615,753	6.04%
Lujeta Pty Ltd <The Margaret Account>	2,135,000	4.93%
Mr Bruce Gordon Morgan	1,217,419	2.81%
Mr Charles Bass & Mrs Sylvia Bass <Metech Super Fund No 2 A/C>	1,136,364	2.62%
Mrs Ilean Doidge	1,112,785	2.57%
L Anderson Investments Pty Ltd <Leslie Anderson S/Fund A/C>	975,756	2.25%
Shelljet Pty Limited	877,721	2.03%
S C Biggs Pty Ltd	725,000	1.67%
Mr Ian Simpson	718,539	1.66%
Mr Richard Bass & Mrs Gail Bass	704,000	1.63%
Sheila Anderson Investments Pty Ltd <Sheila Anderson S/Fund A/C>	510,000	1.18%
Mr David Banovich & Mrs Beverly Banovich <The Banovich S/F A/C>	500,000	1.15%
Citicorp Nominees Pty Limited	489,542	1.13%
Mr Ian Michael Paterson Parker & Mrs Catriona Sylvia Parker <Super A/C>	450,000	1.04%
Mandolin Nominees Pty Ltd <Mandolin S/F A/C>	370,000	0.85%
John G P & Christine L White	357,596	0.83%
Damen Holdings Pty Ltd <The Banovich Family A/C>	330,000	0.76%
Total of Top 20 shareholders	30,050,937	69.38%
Other shareholders	13,264,890	30.62%
Total ordinary shareholders	**43,315,827**	**100.00%**

C DISTRIBUTION OF EQUITY SECURITIES – LISTED OPTIONS

Analysis of numbers of equity security holders by size of holding:

	Class of equity security	
	Ordinary shares	
	Number	Shares
1 - 1000	149	100,648
1,001 - 5,000	172	475,854
5,001 - 10,000	62	457,713
10,001 - 100,000	107	3,843,083
100,001 and over	36	16,780,653
Total	**526**	**21,657,951**

There were 433 holders of less than a marketable parcel of 24,999 ordinary shares.

D EQUITY SECURITY HOLDERS – LISTED OPTIONS

Twenty largest quoted equity security holders of listed options

The names of the twenty largest holders of quoted equity securities – listed options are listed below:

	Options over Ordinary shares	
Name	Number held	Percentage of listed options
Laguna Bay Capital Pty Ltd	2,648,709	12.23%
HSBC Custody Nominees (Australia) Limited	2,592,599	11.97%
Springtide Capital Pty Ltd <Cockatoo Valley Invest A/C>	1,984,562	9.16%
Quartz Mountain Mining Pty Ltd <The Bass Family A/C>	1,307,877	6.04%
Lujeta Pty Ltd <The Margaret Account>	1,067,500	4.93%
Mr Bruce Gordon Morgan	608,710	2.81%
L Anderson Investments Pty Ltd <Leslie Anderson S/Fund A/C>	601,016	2.78%
Mr Charles Bass & Mrs Sylvia Bass <Metech Super Fund No 2 A/C>	568,182	2.62%
Mrs Ilean Doidge	556,393	2.57%
Shelljet Pty Limited	438,861	2.03%
Mr Ian Simpson	359,270	1.66%
Mr Richard Bass & Mrs Gail Bass	335,000	1.55%
S C Biggs Pty Ltd	262,500	1.21%
Sheila Anderson Investments Pty Ltd <Sheila Anderson S/Fund A/C>	255,000	1.18%
Mr David Banovich & Mrs Beverly Banovich <The Banovich S/F A/C>	250,000	1.15%
Citicorp Nominees Pty Limited	244,771	1.13%
Mr Ian Michael Paterson Parker & Mrs Catriona Sylvia Parker <Super A/C>	225,000	1.04%
Mandolin Nominees Pty Ltd <Mandolin S/F A/C>	185,000	0.85%
John G P & Christine L White	178,798	0.83%
Damen Holdings Pty Ltd <The Banovich Family A/C>	165,000	0.76%
Total of Top 20 optionholders	14,834,748	68.50%
Other shareholders	6,823,203	31.50%
Total ordinary optionholders	**21,657,951**	**100.00%**

E SUBSTANTIAL HOLDERS

Substantial holders in the Company are set out below:

Substantial Shareholder (extracts from Substantial Shareholder Register)	Shareholding	
Ordinary shares	Number held	Percentage
Laguna Bay Capital Pty Ltd	5,297,417	12.97%
HSBC Custody Nominees (Australia) Limited	4,380,842	10.72%
Springtide Capital Pty Ltd <Cockatoo Valley Invest A/C>	3,969,123	9.72%
Mr Charles Bennett Bass	3,952,117	9.12%
Seamans Capital Management LLC	3,841,667	9.40%
Lujeta Pty Ltd <The Margaret Account>	2,135,000	5.23%

F VOTING RIGHTS

The voting rights attaching to each class of equity securities are set out below:

(a) Fully paid Ordinary shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

(b) Options – listed and unlisted

There are no voting rights attaching to options.

G SUMMARY OF UNLISTED OPTIONS ISSUED

	No of options	No of holders	Options held	% Options Issued
Options expiring 8 May 2012 with an exercise price of $1.00	**100,000**	**1**		
Option holders with more than 20% of class				
Ian Pringle			100,000	100.00%
Options expiring 8 May 2013 with an exercise price of $1.25	**100,000**	**1**		
Ian Pringle			100,000	100.00%
Options expiring 1 August 2013 with an exercise price of $0.50	**610,000**	**3**		
Option holders with more than 20% of class				
Ian NA Simpson			500,000	81.97%
Options expiring 30 September 2014 with an exercise price of $0.30	**750,000**	**2**		
Option holders with more than 20% of class				
Steven Whitehead			500,000	66.67%
Angela Maree Rowe <The Rowe Investment Trust>			250,000	33.33%

G SUMMARY OF UNLISTED OPTIONS ISSUED *CONTINUED*

	No of options	No of holders	Options held	% Options Issued
Options expiring 8 May 2014 with an exercise price of $1.50	**100,000**	**1**		
Option holders with more than 20% of class				
Ian Pringle			100,000	100.00%
Options expiring 5 April 2015 with an exercise price of $0.30	**2,000,000**	**1**		
Option holders with more than 20% of class				
Quartz Mountain Mining Pty Ltd <The Bass Family A/C>			2,000,000	100.00%
Options expiring not later than five years after the defining on Faddy's Gold Deposit of a JORC compliant ore reserve of over 200,000 ounces of contained gold with an exercise price of $2.50	**800,000**	**5**		
Option holders with more than 20% of class				
Exploration Drilling Services (Fiji) Ltd			320,000	40.00%
L Anderson Investments Pty Ltd			220,000	27.50%
Sheila Anderson Investments Pty Ltd			180,000	22.50%
Options expiring not later than ten years after the defining on Faddy's Gold Deposit of a JORC compliant ore reserve of over 1,000,000 ounces of contained gold with an exercise price of $5.00	**200,000**	**5**		
Option holders with more than 20% of class				
Exploration Drilling Services (Fiji) Ltd			80,000	40.00%
L Anderson Investments Pty Ltd			55,000	27.50%
Sheila Anderson Investments Pty Ltd			45,000	22.50%

Tenement	Location	Area	Status
SPL 1231 RAKI RAKI 50% Beta 50% Peninsula Minerals	Raki Raki NE Viti Lev	Approx. 3,330 ha	Granted on 6 November 1985 to Beta. Peninsula Minerals has earned 50.0%. Granted on 12th February 2010. An application for a 12 month renewal to 31 December 2012 has been lodged with MRD.
SPL 1373 QALAU 50% Beta 50% Peninsula Minerals	Raki Raki NE Viti Levu	Approx. 1,843 ha	Granted on 6 July 1995 to Beta. Peninsula Minerals has earned 50.0%. Granted on 12th February 2010. An application for a 12 month renewal to 31 December 2012 has been lodged with MRD.
SPL 1436 TABUKA 50% Beta 50% Peninsula Minerals	Raki Raki NE Viti Levu	Approx. 2,500 ha	Granted on 17 March 2005 to Beta. Peninsula Minerals has 50% interest. 2008. Application for a 12 month renewal to 16 March 2012 was lodged with MRD. This tenement renewal was declined by MRD and is on appeal.
SPL 1377 NUKU 100% GPL	50 km NW of Suva, central Viti Levu	2,370 ha	Granted on 15 August 1996 to GPL. A 12 month renewal to 31 December 2012 has been lodged with MRD.

SPL 1368 VUDA Option to purchase 100% by GPL	15 km NNE of Nadi, Viti Levu	3,210 ha	Granted on 18 October 1994. Ministerial approval for a 3 year option to purchase 80% was granted on 2 February 2005. Agreement signed 22 February 2005. Granted on 20 April 2010. Application for a 12 month renewal to 31 December 2012 was been lodged with MRD.
SPL 1493 CAKAUDROVE 100% GPL	Cakaudrove, 55 km ENE Savusavu, Vanua Levu	Approx. 41,900 ha	Granted on 31 January 2012 for a 12 month renewal as SPL 1493.
SPL 1361 SABETO GPL had a three year option to purchase 100% of SPL 1361 by 4 April 2010 and this has been extended by agreement with quarterly option payments	16 km NE of Nadi, Viti Levu	1,800ha	Granted on 6 October 1993. Ministerial approval for a 3 year option to purchase 100% granted 21 March 2005. Agreement signed 4 April 2005. Granted 16 February 2010. An application for a 12 month renewal to 31 December 2012 has been lodged with MRD. Final option payment paid on 23 March 2012, and tenement transferred 100% to Geopacific Limited.
SPL 1216 NABILA GPR completed purchase (100%) of Millennium Mining (Fiji) Ltd (MMF) which owns SPL1216 on 3 June 2008	20 km SW Nadi, Viti Levu	2,830 ha	Granted on 1 April 1984.An application for a 12 month renewal to 31 December 2012 has been lodged with MRD.
SPL 1415 KAVUKAVU GPR completed purchase (100%) of Millennium Mining (Fiji) Ltd (MMF) which owns SPL1216 on 3 June 2008	28 km SSW of Nadi, Viti Levu	7,100 ha Reduced to 5,400 ha	Granted on 17 March 2000. Granted on 23 October 2010. An application for a 12 month renewal to 30 March 2012 has been lodged with MRD.

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GEOPACIFIC RESOURCES NL

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NOTICE OF ANNUAL GENERAL MEETING

&

EXPLANATORY STATEMENT

To be held

At 11.00am, Thursday, 31 May 2012

at

The Offices of William Buck, Level 3, South Shore Centre
83 South Perth Esplanade, South Perth, Western Australia

GEOPACIFIC RESOURCES NL

30 April 2012

Dear Fellow Geopacific Shareholder,

Please find enclosed the Notice of Annual General Meeting for the Shareholders' Meeting to be held at Level 3, South Shore Centre, 83 South Perth Esplanade, South Perth, Western Australia at 11.00am on Thursday, 31 May 2012.

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 Annual General Meeting paper.

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

Yours sincerely

Stephen Biggs
Chairman

GEOPACIFIC RESOURCES NL
ACN 003 208 393

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Geopacific Resources NL will be convened at 11.00am on Thursday, 31 May 2012 at Level 3, South Shore Centre, 83 South Perth Esplanade, South Perth, Western Australia.

AGENDA

ORDINARY BUSINESS

1. Discussion of Financial Statements and Reports
To discuss the Financial Report, the Directors' Report and Auditor's Report for the year ended 31 December 2011.

2. Adoption of the Remuneration Report
To adopt the Remuneration Report for the financial year ended 31 December 2011.

"That, for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the remuneration report as contained in the Company's annual financial report for the financial year ended 31 December 2011."

Voting Prohibition Statement

A vote on Agenda Item 2 must not be cast (in any capacity) by or on behalf of any Key Management Personnel (which includes the Directors of the Company), details of whose remuneration are included in the Remuneration Report, or any closely related party of that person (or those persons).

A person appointed as a proxy must not vote, on the basis of that appointment, on the Resolution attaching to Agenda Item 2 if:

(a) the proxy is either:

(i) a member of the Key Management Personnel; or

(ii) a closely Related Party of such a member; and

(b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

(c) the proxy is the Chair of the Meeting; and

(d) the appointment expressly authorizes the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of Key Management Personnel.

3. Election of Director – Mr Stephen Timothy Biggs
To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"To elect as a Director, Mr Stephen Biggs who retires in accordance with the Company's Constitution and being eligible, offers himself for re-election."

4. Remuneration of Non-Executive Directors

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That pursuant to the Company's Constitution, and for the purposes of ASX Listing Rule 10.17, Non-Executive Directors fees be payable to an amount not exceeding $400,000 per annum".

Voting Exclusion Statement

The Company will disregard any votes cast on Resolution attaching to Agenda Item 4 by any Director of the Company, and any associate of those persons.

However, the Company need not disregard a vote if:

(a) it is cast by the person as a proxy appointed by writing that specifies how the proxy is to vote on the proposed resolution; or

(b) it is not cast on behalf of a Director of the Company and any associate of those persons.

Voting Prohibition Statement

A person appointed as a proxy must not vote, on the basis of that appointment, on the Resolution attaching to Agenda Item 4 if:

(a) the proxy is either:

(i) a member of the Key Management Personnel; or

(ii) a closely Related Party of such a member; and

(b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

(c) the proxy is the Chair of the Meeting; and

(d) the appointment expressly authorizes the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of Key Management Personnel.

5. Adoption of Geopacific Resources NL Employee Incentive Option Plan

"To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purpose of ASX Listing Rule 7.2 (Exception 9) and for all other purposes, approval is given for the Company to adopt an employee incentive option plan on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion Statement

The Company will disregard any votes cast on Resolution attaching to Agenda Item 5 by any Director of the Company, other than any Directors who are ineligible to participate in any scheme or plan in relation to the Company, and any associates of those Directors.

However, the Company need not disregard a vote if:

(a) it is cast by the person as a proxy appointed by writing that specifies how the proxy is to vote on the proposed resolution; or

(b) it is not cast on behalf of a member of Key Management Personnel and any associate of those persons.

5. Adoption of Geopacific Resources NL Employee Incentive Option (continued)

Voting Prohibition Statement

A person appointed as a proxy must not vote, on the basis of that appointment, on the Resolution attaching to Agenda Item 5 if:

(e) the proxy is either:

  (j) a member of the Key Management Personnel; or

  (iii) a closely Related Party of such a member; and

(f) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

(g) the proxy is the Chair of the Meeting; and

(h) the appointment expressly authorizes the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of Key Management Personnel.

6. Adoption of Geopacific Resources NL Performance Rights Plan

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purpose of ASX Listing Rule 7.2 (Exception 9) and for all other purposes, approval is given for the Company to adopt a performance rights plan on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion Statement

The Company will disregard any votes cast on Resolution attaching to Agenda Item 5 by any Director of the Company, other than any Directors who are ineligible to participate in any scheme or plan in relation to the Company, and any associates of those Directors.

However, the Company need not disregard a vote if:

(a) it is cast by the person as a proxy appointed by writing that specifies how the proxy is to vote on the proposed resolution; or

(b) it is not cast on behalf of a member of Key Management Personnel and any associate of those persons.

Voting Prohibition Statement

A person appointed as a proxy must not vote, on the basis of that appointment, on the Resolution attaching to Agenda Item 5 if:

(i) the proxy is either:

  (k) a member of the Key Management Personnel; or

  (iv) a closely Related Party of such a member; and

(j) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

(k) the proxy is the Chair of the Meeting; and

(l) the appointment expressly authorizes the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of Key Management Personnel.

7. Appointment of Auditor

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purpose of Section 327D of the Corporations Act, William Buck Audit (WA) Pty Ltd, being qualified and having consented to act, be appointed as auditors of the Company."

GEOPACIFIC RESOURCES NL
ACN 003 208 393

NOTICE OF ANNUAL GENERAL MEETING

GENERAL NOTES

1. The Explanatory Statement to Shareholders attached to this Notice of Annual General Meeting is hereby incorporated into and forms part of this Notice of Annual General Meeting.

2. With respect to Agenda Item 2, the vote on this item is advisory only and does not bind the Directors of the Company. However, the Board will take the outcome of the vote into consideration when reviewing the remuneration practices and policies of the Company.

   The Chairman of the meeting intends to vote undirected proxies, that are able to be voted, in favour of the adoption of the remuneration report.

3. **Voting by Proxy**:

   New sections 250BB and 250BC of the Corporations Act came into effect on 1 August 2011 and apply to voting by proxy on or after that date. Shareholders and their proxies should be aware of these changes to the Corporations Act, as they will apply to this Annual General Meeting. Broadly, the changes mean that:

   - if proxy holders vote, they must cast all directed proxies as directed; and
   - any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

   Proxy vote if appointment specifies way to vote

   Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does**:

   the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and

   - if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and
   - if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
   - if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

   Transfer of non-chair proxy to chair in certain circumstances

   Section 250BC of the Corporations Act provides that, if:

   - an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
   - the appointed proxy is not the chair of the meeting; and
   - at the meeting, a poll is duly demanded on the resolution; and
   - either of the following applies:
   - the proxy is not recorded as attending the meeting;
   - the proxy does not vote on the resolution,

   the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

GENERAL NOTES (Continued)

4. 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 29 May 2012.

BY ORDER OF THE BOARD

Mark Pitts
COMPANY SECRETARY

Dated this 30 day of April 2012

GEOPACIFIC RESOURCES NL
ACN 003 208 393

EXPLANATORY STATEMENT

The purpose of the Explanatory Statement is to provide Shareholders with information concerning the Resolutions in the Notice of Annual General Meeting.

1. Discussion of Financial Statements & Reports

Geopacific Resources NL's financial reports and the directors' declaration and reports and the auditor's report 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.

2. Adoption of Remuneration Report

During this item there will be opportunity for shareholders at the meeting to comment on and ask questions about the remuneration report. The remuneration report is set out in the Directors' Report section of the Annual Report.

The vote on the resolution to Agenda Item 2 is advisory only and will not bind the directors or the Company. However, the Board will take the outcome of the vote into consideration when reviewing the remuneration practices and policies of the Company.

Under the Corporations Act 2001, if 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive AGM's, shareholders will be required to vote at the second of those AGM's on a resolution ('spill resolution') that another meeting be held within 90 days at which all of the Company's directors (excluding the Managing Director) must offer themselves for re-election.

The Board considers that its current practices of setting executive and non-executive remuneration are within normal industry expectations, and provides an effective balance between the need to attract and retain the services of the highly skilled key management personnel that the Company requires. As such the directors recommend that shareholders vote in favour of the Company's remuneration report.

If you choose to appoint a proxy you are encouraged to direct your proxy how to vote on the resolution to Agenda Item 2 by marking either **For, Against or Abstain** on the voting form.

If you appoint the Chairman as your proxy, and you do not direct them how to vote, you must mark the box on the proxy form acknowledging that the Chairman (a member of the key management personnel) may exercise your proxy even if he has an interest in the outcome of the resolution and votes cast by him other than as a proxy holder will be disregarded because of that interest.

<u>If you do not mark this box then your votes will not be counted for Agenda Item 2.</u>

<u>The Chairman of the meeting intends to vote undirected proxies, that are able to be voted, in favour of the adoption of the remuneration report.</u>

3. Re-Election of Director – Mr Stephen Timothy Biggs
as an Ordinary Resolution

Tim Biggs has been involved in the financing of listed companies in Australia since 1993.

Tim commenced his career with Pembroke Josephson Wright stockbrokers in Brisbane, Australia – the firm specialised in raising equity capital for natural resource companies. In 1997 Tim moved to Sydney to work for Robert Fleming and Company and subsequently for Credit Suisse First Boston gaining valuable experience in equity derivatives, convertible and Equity capital markets functions.

Since departing CSFB in 2003, Tim has worked privately investing in junior and mid-cap listed companies.

Mr Biggs is the Chairman of The Board of Directors, and was appointed as a Director of the Company on 18 February 2010.

EXPLANATORY STATEMENT

4. Remuneration of Non-Executive Directors

as an ordinary resolution

The Company's Constitution, and ASX Listing Rule 10.17, requires Shareholder approval be obtained in respect of the maximum Director fees payable to Non-Executive Directors. Agenda Item 4 proposes to set the maximum amount to be $400,000 per annum, which is an increase of $200,000 on the prior approved maximum amount of $200,000 per annum. There are no changes to non-executive remuneration levels currently contemplated by the Board. This revised amount will cater for the future expansion of the Geopacific Resources Board due to the anticipated increased activities of the Company in respect of the development of the Fijian exploration assets.

5. Adoption of the Geopacific Resources NL Employee Incentive Option Plan

as an Ordinary Resolution

Agenda Item 5 seeks Shareholder approval for the adoption of an employee incentive option plan (**Plan**) in accordance with Exception 9 of ASX Listing Rule 7.2.

Shareholders should note that no Options have previously been issued under this Plan and the objective of the Plan is to attract, motivate and retain key employees.

It is considered by the Directors that the adoption of the Plan and the future issue of Options under the Plan will provide selected employees, contractors and consultants with the opportunity to participate in the future growth of the Company.

ASX Listing Rule 7.1 requires a listed company to obtain shareholder approval prior to the issue of shares, or securities convertible into shares, representing more than 15% of the issued capital of that company in any rolling 12 month period.

An exception to ASX Listing Rule 7.1 is set out in ASX Listing Rule 7.2 (Exception 9) which provides that issues under an employee incentive plan are exempt for a period of 3 years from the date on which shareholders approve the issue of securities under the plan as an exception to ASX Listing Rule 7.1.

If the resolution in Agenda Item 5 is passed, the Company will be able to issue entitlements to Shares under the Plan without impacting on the Company's ability to issue up to 15% of its total ordinary securities without Shareholder approval in any 3 year period.

A summary of the terms and conditions of the Employee Incentive Option Plan is set out in Schedule 1.

6. Adoption of the Geopacific Resources NL Performance Rights Plan

as an Ordinary Resolution

Agenda Item 6 seeks Shareholder approval for the adoption of a performance rights plan (**Plan**) in accordance with Exception 9 of ASX Listing Rule 7.2.

Shareholders should note that no Performance Rights have previously been issued under this Plan and the objective of the Plan is to attract, motivate and retain key employees.

It is considered by the Directors that the adoption of the Plan and the future issue of Performance Rights under the Plan will provide selected employees, contractors and consultants with the opportunity to participate in the future growth of the Company.

ASX Listing Rule 7.1 requires a listed company to obtain shareholder approval prior to the issue of shares, or securities convertible into shares, representing more than 15% of the issued capital of that company in any rolling 12 month period.

EXPLANATORY STATEMENT

6. Adoption of the Geopacific Resources NL Performance Rights Plan (continued)

An exception to ASX Listing Rule 7.1 is set out in ASX Listing Rule 7.2 (Exception 9) which provides that issues under an employee incentive plan are exempt for a period of 3 years from the date on which shareholders approve the issue of securities under the plan as an exception to ASX Listing Rule 7.1.

If the resolution in Agenda Item 6 is passed, the Company will be able to issue entitlements to Shares (**Performance Rights**) under the Plan without impacting on the Company's ability to issue up to 15% of its total ordinary securities without Shareholder approval in any 3 year period.

A summary of the terms and conditions of the Performance Rights Plan is set out in Schedule 2.

7. Appointment of Auditor

as an Ordinary Resolution

KS Black & Co, the Company's existing auditor, have applied to the ASIC for consent to resign their appointment effective from the date of the conclusion of this Annual General Meeting. The Board would like to thank KS Black & Co for the manner in which audit services have been delivered during their appointment.

Following the relocation of the Company's administration function to Perth from Sydney, the Company has sought an alternative provider of audit services to the Company, and having made the appropriate investigations, the Directors consider that William Buck Audit (WA) Pty Ltd is the preferred candidate, and therefore seeks approval to appoint William Buck Audit (WA) Pty Ltd as auditor of the Company. The nomination to the appointment of William Buck Audit (WA) Pty Ltd as auditor of the Company has been properly received from Mr Charles Bass in accordance with Section 328B of the Corporations Act 2001 (Cth) and a copy is provided to Shareholders with this Notice.

William Buck Audit (WA) Pty Ltd has consented to act as auditor of the Company if this resolution is passed and is subject to KS Black & Co receiving the consent of the ASIC to its resignation.

If approval is received from Shareholders and the ASIC, William Buck Audit (WA) Pty Ltd will commence as auditor of the Company on the date and from the conclusion of this Annual General Meeting.

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

SCHEDULE 1 – TERMS AND CONDITIONS OF EMPLOYEE INCENTIVE OPTION PLAN

The following is a summary of the key terms and conditions of the Plan to be adopted by Shareholders pursuant to Agenda Item 5:

(a) **Entitlement to Participate**: the Board will determine in its discretion who is entitled to participate in the Plan and issue an invitation to that person. The Board will consider factors such as seniority and position of the potential participant, length of service, record of employment and potential contribution to growth and profitability of the Company.

(b) **Exercise Price**: the Board will determine in its discretion the exercise price of the Options. The exercise price may be nil but to the extent that the Listing Rules specify or require a minimum price, the exercise price must not be less than any minimum price specified.

(c) **Lapsing Date**: the lapsing date of an Option issued under the Plan is as the Board determines in its discretion at the time of the grant of that Option (**Lapsing Date**).

(d) **Lapsing of Options**: the options of any participant in the Plan where:

(i) the relevant person ceases to be an employee or director of, or to render services to, a member of the Group for any reason whatsoever (including without limitation resignation or termination for cause) and the Exercise Conditions have not been met;

(ii) the Exercise Conditions are unable to be met;

(iii) the Lapsing Date has passed, or

(iv) the Expiry Date has passed, or

(v) the relevant person ceases to be an employee or director of, or to render services to, a member of the Group for any reason whatsoever (including without limitation resignation or termination for cause) prior to the Lapsing Date in relation to the Options granted under an Offer (Ceasing Date) and the Exercise Conditions have been met, the Participant's Options will lapse immediately and all rights in respect of those Options will thereupon be lost.

(e) **Exercise of Options**: Options granted under the Plan are exercised by delivering to the Company's secretary (at a time when the Options may be exercised):

(i) the certificate for the Options or, if the certificate for the Options is destroyed or lost, a declaration to that effect, accompanied by an indemnity in favour of the Company against any loss, costs or expenses which might be incurred by the Company as a consequence of its relying on the declaration;

(ii) a notice in the form set out in the Plan addressed to the Company and signed by the participant stating that the participant exercises the Options and specifying the number of Options being exercised and specifying the subregister of the Company in which the Shares are to be recorded in; and

(iii) payment to the Company of the an amount equal to the Option Exercise Price multiplied by the number of Options which are being exercised unless there is no exercise price payable in respect of the Options being exercised.

(f) **Quotation:** the Company will make an application for the Shares issued as a result of the Options being exercised to be quoted in accordance with the Listing Rules.

(g) **New Issues:** There are no participating rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 7 Business Days after the issue is announced. This will give Option holders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.

(h) **Reorganisation of Capital:** The rights of an option holder will be changed to the extent necessary to comply with the ASX Listing Rules applying to a reorganisation of capital at the time of the reorganisation.

SCHEDULE 2 – TERMS AND CONDITIONS OF PERFORMANCE RIGHTS PLAN

The following is a summary of the key terms and conditions of the Plan to be adopted by Shareholders pursuant to Agenda Item 6:

(a) **Entitlement to Participate**: the Board will determine in its discretion whom is entitled to participate in the Plan and issue an invitation to that person. The Board will consider factors such as seniority and position of the potential participant, length of service, record of employment and potential contribution to growth and profitability of the Company.

(b) **Rights**: each Performance Right issued under the Plan is a right to be issued with or transferred a single Share, free of encumbrances.

(c) **Expiry Date**: means the date on which a Performance Right lapses (if it has not already lapsed in accordance with the Plan) as specified in the offer made to the participant.

(d) **Vesting Conditions**: the Board will determine the Vesting Conditions that must be satisfied by a participant before the Performance Right vests in the holder.

(e) **Vesting**: a Performance Right will vest in a participant where the Vesting Conditions are satisfied or waivered by the Board or where the Performance Right vests as a result of Accelerated Vesting.

(f) **Accelerated Vesting**: The Board may in its discretion determine that all or a specified number of a participant's unvested Performance Rights vest where:

(i) the participant dies;

(ii) the participant ceases to be employed by the Company;

(iii) a takeover bid for the Company's issued Shares is declared unconditional and the bidder has acquired a relevant interest in at least 50.1% of the Company's issued Shares;

(iv) a court approves under Section 411(4)(b) of the Corporations Act a proposed compromise or arrangement for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies; or

(v) the Company passes a resolution for voluntary winding up or an order is made for the compulsory winding up of the Company.

(g) **Lapse of an unvested Performance Right**: A Performance Right that has not vested will lapse upon the earlier to occur of:

(i) a failure to meet the Performance Right's Vesting Conditions;

(ii) the Expiry Date;

(iii) the Participant ceasing to be an employee;

(iv) the Performance Right lapsing due to the Participant ceasing to be an employee or due to the occurrence of a Takeover Bid, compromise or arrangement or winding up;

(v) the Performance Right lapsing due to an unauthorised transfer, or purported transfer, of the Performance Right;

(vi) a determination of the Board that the Performance Right is to lapse due to fraud or dishonesty; or

(vii) the day before the end of the 7 year anniversary of the date of grant of the Performance Rights.

SCHEDULE 2 – TERMS AND CONDITIONS OF PERFORMANCE RIGHTS PLAN (CONTINUED)

(h) **Lapse of a vested Performance Right**: A Performance Right that has vested but not been validly exercised will lapse upon the earlier to occur of:

(i) the Expiry Date (if any);

(ii) the Performance Right lapsing due to an unauthorised transfer, or purported transfer, of the Performance Right;

(iii) a determination of the Board that the Performance Right is to lapse due to fraud or dishonesty; or

(iv) the day before the end of the 7 year anniversary of the date of grant of the Performance Right

(i) **Issue Price**: the issue price of the Shares to be offered under the Plan will be the weighted average trading price of the Shares on ASX during the 5 trading days immediately preceding the date of invitation. In the event no trading has occurred during that period the issue price will be the last price at which an offer to purchase a Share was made on ASX.

(j) **Exercise of Performance Right**: A participant may exercise a Performance Right that is entitled to be exercised by lodging with the Company a notice of exercise of the Performance Right in the form (if any) prescribed by the Company, and the certificate for the Performance Right.

(k) **Quotation**: If Shares of the same class as those allotted under the Plan are listed on the ASX the Company will apply to the ASX within a reasonable time after they are allotted for those Shares to be listed.

(l) **New Issues**: Other than adjustments for bonus issues and reorganisation of the issued capital of the Company, participants are not entitled to participate in any new issue of securities of the Company as a result of their holding Performance Rights during the currency of any Performance Rights and prior to vesting. In addition, participants are not entitled to vote nor receive dividends as a result of their holding Performance Rights.

4 April 2012

The Company Secretary
Geopacific Resources NL
Suite 6, 125 Melville Parade
Como WA 6152

Dear Sir

Notice of Nomination of Auditor

Pursuant to Section 328B(1) of the Corporations Act 2001, I Charles Bass, being a member of Geopacific Resources NL, hereby give you notice of the nomination of William Buck Audit (WA) Pty Ltd of Level 3, 83 South Perth Esplanade, South Perth, Western Australia as auditor of Geopacific Resources NL.

Yours faithfully

Charles Bass

Charles Bass