



ACN 003 208 393

Interim Financial Report

**For The Half-Year Ended
30 June 2012**

**Geopacific Resources NL
and its Controlled Entities
ACN 003 208 393**

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The review of exploration activities and results contained in this report are based on information compiled by Dr Russell Fountain, B.Sc., Ph.D, F.A.I.G., a director of the Company. He has sufficient experience which is relevant to the style of mineralisation and types of deposits under consideration, and to the activity which he is undertaking to qualify as a Competent Person as defined in the December 2004 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Russell Fountain has consented to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Geopacific Resources NL and its Controlled Entities ACN 003 208 393

Directors' Report

The Directors present their interim financial report of Geopacific Resources NL for the half-year ended 30 June 2012.

Directors

The following persons were directors of Geopacific Resources NL at any time during the half-year and up to the date of this report:

Stephen Timothy Biggs (*Non-Executive Chairman*)
Charles Bennett Bass (*Executive Director*)
Ian Neville Aston Simpson (*Non-Executive Director*)
Dr Russell John Fountain (*Non-Executive Director*)
Roger Harvie Probert (*Alternate Director to Mr Simpson*)

Company Secretary

Mark Pitts (Appointed 17 February 2012)
Grahame Clegg (Resigned 2 April 2012)

Review of Operations

The net loss after income tax for the half-year was \$1,907,452 (30 June 2011: \$250,729). The net loss for the year included an exploration write off of \$1,490,815.

At the end of the half-year the Group had \$1,577,074 (31 December 2011: \$1,687,834) in cash and at call deposits. Capitalised mineral exploration and evaluation expenditure is \$6,425,772 (31 December 2011: \$7,133,975).

Exploration activity during the 6 months ended 30 June 2012 has been mainly focussed on diamond drilling at the Nabila and Sabeto Prospects targeting geophysical anomalies identified by ZTEM airborne geophysical surveys.

- Drilling at Nabila was completed to a depth of approximately 850 metres confirming the ZTEM anomaly coincident with a variation in alteration intensity and the identification of weak gold, copper, lead and zinc sulphide mineralisation. The geology and alteration observed is considered consistent with that associated with a major hydrothermal system.
- Two holes were drilled at Sabeto during the period for a total of approximately 550 metres to test the ZTEM anomaly and the alteration previously identified by surface mapping and geochemistry. Drilling intersected 32m of anomalous gold and copper, grading 0.24 g/t Au and 0.12% Cu, from 90m downhole. This mineralisation was contained within an altered sanidine porphyry. Outside of this porphyry mineralisation, epithermal gold veins grading up to 5.1 g/t Au were intersected over widths of 0.50m to 2.0m.

This drilling is highly encouraging and confirms this Sabeto target as a potential host for gold-rich disseminated porphyry mineralisation as well epithermal vein style gold & base metal deposits.

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Directors' Report

Review of Operations (continued)

Other exploration activity during the period included:

- Cakaudrove (SPL 1493) was granted on 31 January 2012. Subsequently the Group has reviewed geophysical data at the prospect and commenced a broad sampling program over the target area to complete a geochemical survey.
- The Sabeto acquisition option agreement was completed giving the Group 100% ownership of the prospect.
- The Rakiraki Joint Venture tenements (SPL 1231 & 1373) were renewed for another year and the disputed Tabuka tenement (SPL 1436) was returned to Beta Limited (subsidiary of GPR) for another year effective from 1st June 2012.
- A review of historic drill holes from the Mistry Prospect identified previously unidentified zones of fractured controlled base metal sulphide mineralisation. Re-logging of the historic drill holes has commenced.

Significant Changes in the State of Affairs

On 3 February 2012 the Company issued a bonus issue of 18,927,269 options on the basis of one free option for every two fully paid shares held at an exercise price of \$0.35 expiring 19 January 2013.

During the reporting period the Company raised \$1,201,500 through a placement of 5,461,364 new ordinary shares at an issue price of \$0.22 each to institutional and sophisticated investors. The placement shares carried free attaching options on the basis of one free option for every two shares subscribed with an exercise price of \$0.35 and expiry date of 19 January 2013.

Other than the above, no other significant changes occurred during the reporting period.

Events occurring after the balance sheet date

There has not arisen in the interval between the end of the period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company to affect substantially the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial years.

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under Section 307C of the Corporations Act is set out on page 5.

This report is made in accordance with a resolution of the Directors.

DATED at Perth this 7th day of September 2012



Charles B Bass
Executive Director

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF GEOPACIFIC RESOURCES NL AND ITS CONTROLLED ENTITIES

I declare that, to the best of my knowledge and belief, during the period ended 30 June 2012 there have been:

- no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- no contraventions of any applicable code of professional conduct in relation to the review.

William Buck

William Buck Audit (WA) Pty Ltd
Registered Company Auditor No: 339150
ABN 67 125 012 124

Stephen K. Breihl

Stephen K. Breihl
Director

Dated this th7 day of September, 2012

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Melbourne
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Perth
Adelaide
Auckland

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**Geopacific Resources NL
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**Statement of Comprehensive Income
For the half-year ended 30 June 2012**

	Note	30 June 2012 \$	30 June 2011 \$
Continuing Operations			
Interest income		31,765	46,990
Other income		632	647
Total revenue		32,397	47,637
Administration expenses		(197,133)	(103,400)
Consultants expenses		(18,750)	(62,271)
Depreciation expenses		(21,396)	(11,153)
Employee expenses	3	(123,794)	(8,513)
Exploration costs written off	4	(1,490,815)	(77,115)
Occupancy expenses		(32,686)	(18,307)
Other expenses		(55,275)	(17,607)
Loss before income tax		(1,907,452)	(250,729)
Income tax expense		-	-
Net loss for the period		(1,907,452)	(250,729)
Other comprehensive Income			
Exchange differences on translating foreign controlled entities		(6,081)	11,192
Total comprehensive income/(loss) for the period		(1,913,533)	(239,537)
Loss per share			
Basic and diluted loss per share (cents)		(4.66)	(0.66)

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

**Geopacific Resources NL
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**Statement of Financial Position
As At 30 June 2012**

	30 June 2012	31 December 2011
	\$	\$
Current assets		
Cash and cash equivalents	1,577,074	1,687,834
Trade and other receivables	249,020	194,754
Total current assets	1,826,094	1,882,588
Non-current assets		
Exploration expenditure	6,425,772	7,133,975
Property, plant and equipment	198,395	154,217
Total non-current assets	6,624,167	7,288,192
Total assets	8,450,261	9,170,780
Current liabilities		
Trade and other payables	74,201	65,741
Total current liabilities	74,201	65,741
Total liabilities	74,201	65,741
Net assets	8,376,060	9,105,039
Equity		
Issued capital	17,050,140	15,925,556
Reserves	(125,570)	89,441
Accumulated losses	(8,548,510)	(6,909,958)
Total equity	8,376,060	9,105,039

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

**Geopacific Resources NL
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**Statement of Changes in Equity
For the half-year ended 30 June 2012**

Note	Issued capital – Ordinary Shares \$	Share based payments reserve \$	Foreign currency translation reserve \$	Accumulated Losses \$	Total \$
Balance at 1 January 2011	15,215,954	433,840	(316,366)	(5,186,659)	10,146,769
Comprehensive income/(loss) for the period	-	-	11,192	(250,729)	(239,537)
Shares issued during the period	326,900	-	-	-	326,900
Balance at 30 June 2011	15,542,854	433,840	(305,174)	(5,437,388)	10,234,132
Balance at 1 January 2012	15,925,556	440,886	(351,445)	(6,909,958)	9,105,039
Comprehensive income for the period/(loss)	-	-	(6,081)	(1,907,452)	(1,913,533)
Shares issued during the period	1,201,500	-	-	-	1,201,500
Shares issued costs	(76,916)	-	-	-	(76,916)
Options issued	-	59,970	-	-	59,970
Options expired	-	(268,900)	-	268,900	-
Balance at 30 June 2012	17,050,140	231,956	(357,526)	(8,548,510)	8,376,060

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

**Geopacific Resources NL
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**Statement of Cash Flows
For the half-year ended 30 June 2012**

	30 June 2012 \$	30 June 2011 \$
Cash flows from operating activities		
Payments to supplies and employees	(354,028)	(244,960)
Payments for exploration	(839,242)	(359,785)
Interest received	31,765	46,990
Other income	632	647
Net cash used in operating activities	(1,160,873)	(557,108)
Cash flows from investing activities		
Payments for plant and equipment	(64,130)	(2,486)
Net cash used in investing activities	(64,130)	(2,486)
Cash flows from financing activities		
Proceeds from shares issued	1,201,500	326,900
Shares issue costs	(76,916)	-
Net cash provided by financing activities	1,124,584	326,900
Net decrease in cash and cash equivalent	(100,419)	(232,694)
Effect of exchange rates on cash held in foreign currencies	(10,341)	(1,796)
Cash and cash equivalent at the beginning of the period	1,687,834	2,173,259
Cash and cash equivalent at the end of the period	1,577,074	1,938,769

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

**Geopacific Resources NL
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**Notes to the Interim Financial Statements
For the half-year ended 30 June 2012**

Note 1 Basis of preparation of half-year report

This general purpose financial report for the interim half-year reporting period ended 30 June 2012 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting*, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

This interim financial report does not include all the disclosure and notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 December 2011 and any public announcements made by Geopacific Resources NL during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

The half year report has been prepared on an accruals basis and is based on historic costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Going Concern

These financial statements have been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business. The ability of the Group to continue to adopt the going concern assumption will depend on future successful capital raisings, the successful exploration and subsequent exploitation of the Group's tenements and/or sale of non-core assets. Should the Group not be successful in raising additional funding by capital raisings or other alternative funding arrangements fail to eventuate, there is a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. If the Group is unable to continue as a going concern, it will be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts that may be different to those stated in the financial statements.

The directors are cognisant of the fact that future exploration and administration activities are constrained by available cash assets, and believe that the current cash reserves of the Company are sufficient to fund forecast exploration.

The Directors are confident of securing funds if and when necessary to meet the Group's obligations as and when they fall due, and consider the adoption of the going concern basis to be appropriate in the preparation of these financial statements.

Operating Segments

Identification and measurement of segments – AASB 8 requires the “management approach” to the identification measurement and disclosure of operating segments. The “management approach” requires that operating segments be identified on the basis of internal reports that are regularly reviewed by the entity's chief operating decision maker, for the purpose of allocating resources and assessing performance. This could also include the identification of operating segments which sell primarily or exclusively to other internal operating segments.

**Geopacific Resources NL
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**Notes to the Interim Financial Statements
For the half-year ended 30 June 2012**

Note 1 Basis of preparation of half-year report(continued)

Adoption of new and revised accounting standards

In the half year ended 30 June 2012, the Company has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 January 2012. It has been determined by the Group that, other than for the following new accounting standards adopted during the reporting period, there is no impact, material or otherwise, of the new and revised standards and interpretations on its business and therefore no change is necessary to Company accounting policies.

New accounting standards adopted since the end of the last reporting period

The Company has also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 30 June 2012. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change necessary to Company accounting policies

No retrospective change in accounting policy or material reclassification has occurred requiring the inclusion of a third Statement of Financial Position as at the beginning of the comparative financial period, as required under AASB 101.

The consolidated interim financial statements were approved by the Board of Directors on 6th September 2012.

Note 2 Segment information

The Company has identified its operating segments based on the internal reports that are reviewed and used by the board of directors in assessing performance and determining the allocation of resources. Reportable segments disclosed are based on aggregating operating segments, where the segments have similar characteristics.

The Board has determined that the Group has one reportable segment, being mineral exploration and development in Fiji. As the Group is focused on mineral exploration and development, the Board monitors the Group based on actual versus budgeted exploration and development expenditure incurred. This internal reporting framework is the most relevant to assist the Board with making decisions regarding the Group and its ongoing exploration and development activities, while also taking into consideration the results of exploration and development work that has been performed to date.

As a result the Group's only material reportable segment for the financial period has been identified as the Group as a whole and as such the reporting segment is represented by the primary statements forming these financial statements.

Note 3 Employee expenses

During the 6 months ended 30 June 2012 all corporate and management salary costs have been reported in the income statement, during the comparative reporting period salary costs incurred by individuals undertaking exploration related activities were allocated to exploration assets and the expense capitalised.

The employee expense for the 6 months ended 30 June 2012 is \$123,794 (2011: \$8,513).

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**Notes to the Interim Financial Statements
For the half-year ended 30 June 2012**

Note 4 Exploration costs expensed

During the 6 months ended 30 June 2012 the Group has written off to the income statement previously capitalised exploration expenses amounting to \$1,490,815 (2011: \$77,115).

Management has written off capitalised exploration costs in respect of areas of interest that it has relinquished, intends to relinquish or not considered to have an identifiable realisable value.

Note 5 Issued capital – Ordinary fully paid shares

	30 June 2012 No.	31 December 2011 No.	30 June 2012 \$	31 December 2011 \$
Balance at the start of the period	37,854,463	36,033,957	15,925,556	15,215,954
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
Share placement at 22 cents	5,461,364	-	1,201,500	-
Share issue costs	-	-	(76,916)	-
Balance at the end of the period	43,315,827	37,854,463	17,050,140	15,925,556

Note 6 Contingent Liabilities

Since the last annual reporting date no material changes in contingent liabilities have occurred.

Note 7 Commitments

Entities within the Group are required to meet certain cash expenditure requirements to retain tenure over Special Prospecting Licences which they hold an interest in, for which renewal applications are lodged on an annual basis. In addition the Group has option acquisition commitments in respect of exploration asset acquisitions.

There are no material changes in commitments to those reported in the last annual report.

Note 8 Events occurring after the balance sheet date

There has not arisen in the interval between the end of the period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company to affect substantially the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial years.

**Geopacific Resources NL
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Directors' Declaration

The Directors of Geopacific Resources NL declare that:

- (a) the interim financial statements and notes set out on pages 6 to 12 are in accordance with the Corporations Act 2001, including:
 - (i) complying with Australian Accounting Standard AASB134 – *Interim Financial Reporting*; and
 - (ii) give a true and fair view of the financial position as at 30 June 2012 and of the performance for the half-year ended on that date of the Group.
- (b) 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.

Signed at Perth this 7th day of September 2012



Charles B Bass
Executive Director

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF GEOPACIFIC RESOURCES NL AND ITS CONTROLLED ENTITIES

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Geopacific Resources NL, which comprises the consolidated condensed statement of financial position as at 30 June 2012, the consolidated condensed statement of comprehensive income, consolidated condensed statement of changes in equity and consolidated condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the company and 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.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including:

- giving a true and fair view of the company's financial position as at 30 June 2012 and its performance for the half-year ended on that date; and
- complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

As the auditor of Geopacific Resources NL, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001.

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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF GEOPACIFIC RESOURCES NL AND CONTROLLED ENTITIES (CONT)

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Geopacific Resources NL is not in accordance with the Corporations Act 2001 including:

- a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2012 and of its performance for the half year ended on that date; and
- b) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.

Matters Relating to the Electronic Presentation of the Reviewed Half Year Financial Report

This auditor's review report relates to the half year financial report of Geopacific Resources NL for the half year ended 30 June 2012 included on Geopacific Resources NL's web site. The company's directors are responsible for the integrity of the Geopacific Resources NL's web site. We have not been engaged to report on the integrity of the Geopacific Resources NL's web site. The auditor's review report refers only to the half year financial report. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the reviewed half year financial report to confirm the information included in the reviewed financial report presented on this web site.



William Buck Audit (WA) Pty Ltd
Registered Company Auditor No: 339150
ABN 67 125 012 124



Stephen K Breihl
Director

Dated this th 7 day of September, 2012