

## ASX ANNOUNCEMENT

### PERFORMANCE RIGHTS PLAN

#### GEOPACIFIC RESOURCES LTD

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#### DIRECTORS

Chairman: Milan Jerkovic

Managing Director: Ron Heeks

Non-Exec Director: Mark Bojanjac

Non-Exec Director: Russell Fountain

Company Secretary: John Lewis

#### PROJECTS

CAMBODIA:

Kou Sa Copper

FIJI:

Sabeto/Vuda Gold-Copper

Rakiraki Gold

Nabila Copper-Gold

#### MEDIA CONTACTS

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The Board of Geopacific Resources Limited wish to advise that the Company will start a new remuneration strategy from July 1 2014 that will incorporate the issue of Performance Rights to eligible parties pursuant to the Company's existing Performance Rights Plan (**Plan**).

The primary purpose for the issue of Performance Rights under the Plan is to provide a performance-linked incentive component in the remuneration package for the Directors and employees while maintaining the cash reserves of the Company.

The Plan was approved by shareholders at the Company's Annual General Meeting held on 31 May 2012. Shareholder approval of the Plan enables the Company to grant Performance Rights representing entitlements to shares, and issue shares on conversion of Performance Rights for a 3 year period following shareholder approval, without utilising its 15% placement capacity under ASX Listing Rule 7.1.

The Company has not previously granted any Performance Rights under the Plan.

The Performance Rights will be subject to vesting conditions as determined by the Board, namely the eligible Directors and employees remaining with the Company for specific periods of time, being 12 months and 2 years following the grant date. Performance Right granted under the Plan will not vest unless the relevant conditions advised to the participant have been satisfied.

The Performance Rights will be issued for nil consideration, and there will be no consideration payable upon exercise of any vested Performance Rights. Shares issued upon the exercise of Performance Rights will be fully paid ordinary shares and rank equally in all respects with the then existing shares of the Company.

The Board is of the view that, given its stage of development, the vesting conditions set for the issue of each class of Performance Rights are appropriate to attract, retain and motivate Directors and employees to execute the Company's current business plan.

The Company intends to seek shareholder approval for the issue of the following Performance Rights to the Directors when the next general meeting of the Company is convened. The Board does not consider it necessary to call a meeting solely to approve the grant of these Performance Rights to the Directors, and has determined to put the resolution to shareholders when the next general meeting is required.

Director	Performance Rights	Vesting Conditions
Milan Jerkovic (Non-Executive Chairman)	500,000 500,000	12 months of employment following grant date 2 years of employment following grant date
Ron Heeks (Managing Director)	2,000,000 2,000,000	12 months of employment following grant date 2 years of employment following grant date
Mark Bojanjac (Non-Executive Director)	375,000 375,000	12 months of employment following grant date 2 years of employment following grant date
Russell Fountain (Non-Executive Director)	375,000 375,000	12 months of employment following grant date 2 years of employment following grant date

The Company intends to also issue an aggregate of approximately 6,000,000 Performance Rights on or around 1 July 2014 to employees under the Plan for whom the Company is not required to obtain shareholder approval for the issue.

A summary of the terms and conditions of the Plan is annexed to this announcement.

**For and on behalf of the Board**

**Mr John Lewis**  
**Company Secretary**

## ANNEXURE

### SUMMARY OF PERFORMANCE RIGHTS PLAN

- (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 fully paid ordinary share in the Company (**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 (**Expiry Date**).
- (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 waived 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 2001* (Cth) 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.
- (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) **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.
- (j) **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.
- (k) **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.