

2012

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2012

CONTENTS

LETTER FROM THE CHAIRMAN	1	CONSOLIDATED STATEMENT OF FINANCIAL POSITION	30
REVIEW OF OPERATIONS	3	CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	31
EXPLORATION ACTIVITIES	4	CONSOLIDATED STATEMENT OF CASH FLOWS	32
DIRECTORS' REPORT	14	NOTES TO THE FINANCIAL STATEMENTS	33
LEAD AUDITOR'S INDEPENDENCE DECLARATION	25	CORPORATE GOVERNANCE STATEMENT	67
INDEPENDENT AUDIT REPORT	26	ASX INFORMATION	71
DIRECTORS' DECLARATION	28	TENEMENT SCHEDULE	73
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	29		

CORPORATE DIRECTORY

GEOPACIFIC RESOURCES NL

(a public, listed Company incorporated in New South Wales in 1986)
ACN 003 208 393

Directors in Office

(as at the date of this Report)
CB Bass – Chairman (Appointed 26.3.13)
RS Heeks – Managing Director (Appointed 26.3.13)
MT Bojanjac – Non-Executive Director (Appointed 26.3.13)
R J Fountain – Non-Executive Director
Milan Jerkovic (Appointed 22.4.13)

Registered Office

Level 1, 278 Stirling Highway Claremont
WA 6010, Australia

Postal Address

P.O. Box 439, Claremont WA 6910
Phone: 61 8 6143 1820,
E-mail: info@geopacific.com.au

Joint Company Secretaries

Mr John Lewis and Mr Mark Pitts

Auditor

William Buck, Level 3, 15 Labouchere Road
(corner Mill Point Road)
South Perth, WA 6151, Australia

Bankers

Westpac Banking Corporation
50 Pitt Street
Sydney, NSW

GEOPACIFIC LIMITED

(a private Company incorporated in Fiji)

Directors

R H Probert (Chairman)
I J Pringle
I N A Simpson

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: munika@geopacific.com.au

Company Secretary

I N A Simpson
P.O. Box 9975, Nadi Airport, Fiji
Tel: 679 6 727150 Fax: 679 6 727152
E-mail: munika@geopacific.com.au

Registered Office

3 Brewer Street, Martintar, Nadi, Fiji

Banker

Westpac Banking Corporation, Main Street, Nadi, Fiji

BETA LIMITED

(a private company incorporated in Fiji)

Directors

I J Pringle
I N A Simpson

Company Secretary

I N A Simpson, P.O. Box 9975, Nadi Airport, Fiji
Tel: 679 6 727150 Fax: 679 6 727152
E-mail: munika@geopacific.com.au

Registered Office

3 Brewer Street, Martintar, Nadi, Fiji

MILLENNIUM MINING (FIJI) LIMITED

(a private company incorporated in Fiji)

Directors

I J Pringle
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: munika@geopacific.com.au

Registered Office

3 Brewer Street, Martintar, Nadi, Fiji

Dear Shareholder

I am proud to say that Geopacific accomplished all that was foretold in my Executive Director's Report from last year, plus much more. We had the exploration success that we expected in 2012, and in the first quarter of 2013, finalised the friendly takeover of private company Worldwide Mining Projects Limited ("Worldwide").

The takeover of Worldwide strengthens your Company in several ways:-

1. Worldwide has an option to acquire an 85% interest in the highly prospective Kou Sa Project in Cambodia. Kou Sa has already produced some excellent results that more than justifies the takeover;
2. As the exploration seasons in Cambodia and Fiji are opposites to each other, the expansion of the exploration portfolio allows for year-round exploration and therefore announcements of results; and
3. Management and the Board have been significantly bolstered with Mr Ron Heeks joining as Managing Director, Mr Mark Bojanjac joining the Board as Non-Executive Director, and Mr John Lewis joining as Company Secretary and CFO.

I welcome the new management and Directors and look forward to seeing the benefits of the experience they bring to the Company.

I also wish to thank Geopacific's previous Chairman, Mr Tim Biggs, and long serving Directors, Mssrs Ian Simpson and Harvie Probert, for all their dedication, loyalty and support. These gentlemen have resigned their positions on completion of the successful takeover.

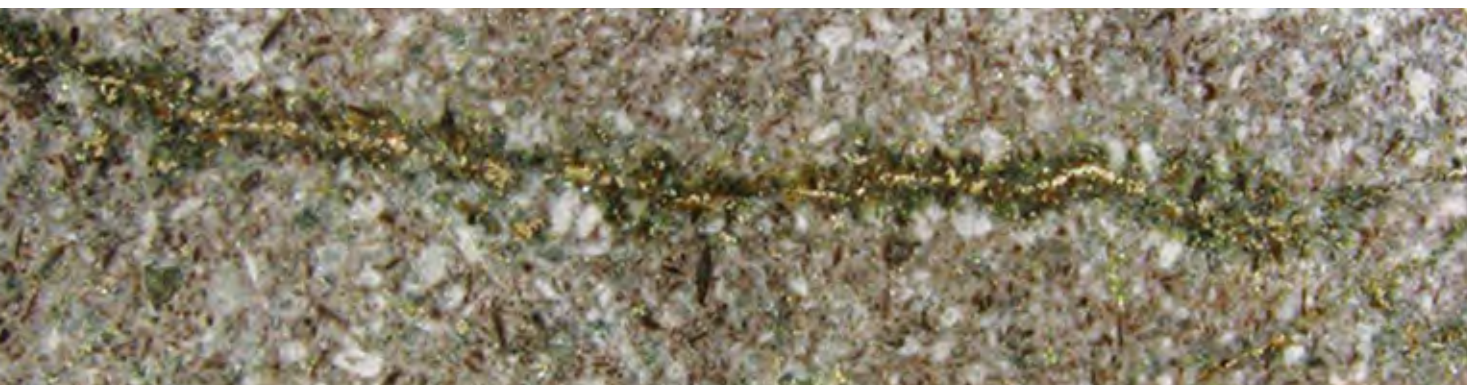
Since 2010, Geopacific's primary exploration focus in Fiji was for buried porphyry copper-gold deposits typical in the Pacific "Ring of Fire". To this end, large ZTEM airborne geophysical surveys were flown over much of the Company's tenements as well as new ground. In preparation for the planned drilling, mapping and sampling, the exploration team in Fiji was greatly enhanced and are proving themselves well. As well, several specialist consultants were contracted to advise on geophysics, structural analysis and alteration mapping.

Early in 2012, the first deep diamond drill hole, 846m, was drilled on the Nabila ZTEM target. Although not intersecting any great lengths of mineralisation, the drilling not only proved the validity of ZTEM, but most importantly, suggests that the extensive alteration and fluid flow encountered is likely due to a mineralised intrusive that is distal to this hole.

Geopacific also had great success in the deep diamond drilling at the Sabeto porphyry Project, with the first drillhole (SBD001) successfully intersecting a wide zone of copper and gold mineralised porphyry. Two subsequent holes also intersected strong alteration and epithermal gold mineralisation. Analysis and interpretation of the results of this drilling combined with further field work has strongly suggested that SBD001 is just north of a potential porphyry centre that is responsible for the mineralisation and alteration identified. The target area for a potential porphyry intrusive is now quite defined and we are confident of a successful outcome at Sabeto in the next drilling program.

Adjacent to Sabeto is the Vuda tenement. Vuda was under option for several years, and over \$US500,000 has spent in total to finally acquire the 100% interest at the end of the first quarter, 2013. Vuda has had significant previous drilling in search of epithermal gold systems, but this area could host porphyries associated with that found at Sabeto. This potential was not previously recognised.

At Kavukavu, exploration focussed around the Tau area and its potential to host porphyry and skarn mineralisation. Skarn outcrops have been identified in the area and these can be spatially related to porphyry intrusions. They can also be economic for copper and iron in their own right. Ground magnetic geophysical surveys will be used to target the iron rich skarns, while further detailed geochemistry will help define potential mineralised porphyry hosts.





The Rakiraki JV Project (50% GPR) returned some significant gold intersections from trenches across a 15m zone of mineralisation that is coincident with a small rise in topography. Follow-up trenching should further define this zone prior to drilling that will test the surface expression at depth.

The Cakaudrove Project, acquired in early 2012 after analysis of the ZTEM geophysics flown over the area, produced two main target areas. A detailed stream sediment sampling program revealed an oval-shaped Cu, Zn, Mo anomaly that is 5km long and overlays a ZTEM anomaly. Several other anomalous areas also require further detailed investigation.

Field work on these and other Fiji projects has continued to advance our knowledge of the mineralising systems and further significant results are expected from the 2013 field season.

As mentioned above, the takeover of Worldwide gives Geopacific the right to acquire an 85% interest in the Kou Sa copper Project in Cambodia. Kou Sa has had approximately 4000 metres of diamond drilling undertaken in 2011 and 2012, on several areas within the 158km² tenement. Only 2000 metres of this drilling (2011 campaign) had been previously sampled using non-standard methods. The available drilling provided a good indication of the type of mineralisation that could be expected at Kou Sa, with excellent near surface massive and semi-massive sulphide intersections being evident. Subsequent sampling by Geopacific's new Indonesian-based exploration team of all drill core revealed that the early results were reasonably accurate. In most cases, the entire mineralised zone had not been previously sampled and therefore the final results generated by Geopacific produced wider zones of mineralisation than first estimated. Please note that true widths are yet to be determined.

Initial mapping of the tenement by our exploration team showed that the two best project areas drilled to date, the 100 and 117 Areas appear to be on the same structure. However, these two areas are 5 kilometres apart and it was difficult to assume they are directly related. Subsequent grid-based soil geochemistry has not only confirmed that these two areas are related but form part of an overall 8km zone of copper anomalism. The area of greatest geochemical anomalism within this trend lies centrally between the 100 and 117 Areas and has had no previous exploration.

Looking to the year ahead, Geopacific is planning to undertake ground and airborne geophysical surveys at Kou Sa in order to delineate the massive sulphide zones and to identify a possible deeper porphyry host. Drilling of the 8km long copper soil anomaly will commence immediately once the wet season finishes in August. In Fiji, the Sabeto porphyry will be drilled and other projects will be advanced to drill stage via geochemical and geophysical surveys.

Finally, I'd like to thank all pre-takeover shareholders for their belief in Geopacific, and to welcome all our new shareholders who have joined us via the takeover of Worldwide and subsequently as a result of their faith in Geopacific's exciting new future.

Charles Bass
Chairman, Geopacific Resources NL

Geopacific Resources (Geopacific) is pleased to provide this summary of exploration work completed during 2012. During the year Geopacific received some excellent results from exploration activities conducted on its tenement holdings in Fiji. These included intercepting a mineralised porphyry in diamond drilling at Sabeto, broad zones of gold mineralisation being intercepted in trenching at Rakiraki and the delineation of skarn and porphyry mineralisation from geochemistry and mapping at Kavukavu. The exploration effort during the year has advanced the Fiji Projects considerably and will lead to an exciting year ahead.

Exploration on the newly acquired Kou Sa Project in Cambodia has also been successful in defining new mineralisation within existing drilling, as well as identifying new prospect areas from regional soil sampling.

HIGHLIGHTS

> Kou Sa, Cambodia

- Sampling of diamond core has confirmed results from 2011 drilling and identified new significant Cu mineralisation in 2012 drilling.
- Soil sampling has identified Cu anomalism over an 8km strike length, covering existing prospects as well as identifying new prospect locations.

> Sabeto, Fiji

- Drilling results confirmed the presence of porphyry style mineralisation with intersections that include a 32m zone grading 0.24g/t Au and 0.12% Cu, plus late stage epithermal gold base metal veins grading up to 5.1g/t Au over 0.5 m.
- Results confirm the prospectivity of Sabeto for both gold-rich disseminated porphyry-related gold copper mineralisation and low temperature epithermal vein style gold base metal mineralisation.

> Rakiraki, Fiji

- A zone of mineralisation was identified in trenching at the Rakiraki JV Project, the zone of veining, which was up to 15m wide has a strike length of over 200m produced assays including:
- QTR001 - 14.9m @ 1.5g/t Au, including 3m @ 3.75g/t Au and 2m @ 3.36g/t Au
- QTR002 - 12.0m @ 0.24g/t Au, including 1m @ 1.36g/t Au
- OTR003 - 15.0m @ 0.28g/t Au, including 2m @ 0.78g/t Au
- QTR003 - 6.0m @ 0.36g/t Au

> Kavukavu, Fiji

- Geological mapping and surface geochemistry at Kavukavu identified the tenement as having potential for skarn and porphyry-related mineralisation.
- Mapped skarn outcrops are associated with Cu-Zn-Fe mineralisation and magnetic highs.
- Assays from ridge-and-spur soil sampling highlighted three zones of geochemical anomalism comprising elevations in Au-Ag-As-Hg-Mo-Sb, indicating a magmatic source.
- Gold mineralisation within rock chips from the Kavukavu prospect is spatially associated with potassium radiometric highs.

CAMBODIA EXPLORATION

KOU SA PROJECT

Kou Sa – Worldwide Mining Projects Ltd (Subsidiary of GPR) has option to purchase 85%

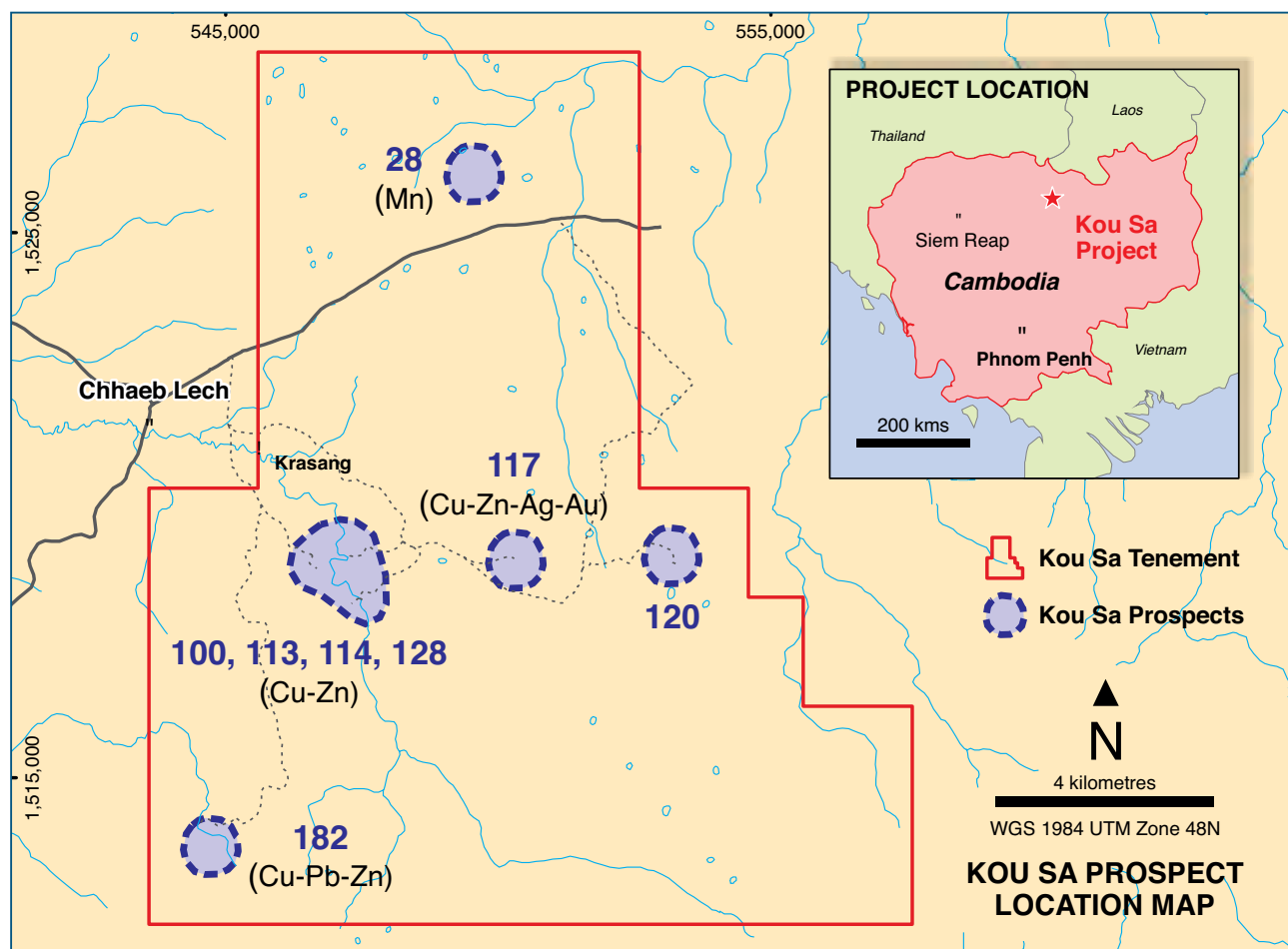


Figure 1: Kou Sa prospect location map.

The Kou Sa Copper Project is located in the Preah Vihear district of Cambodia and was discovered by French geologists in the 1950's. No further exploration work was undertaken until 2008. Exploration since then has been successful in identifying copper-zinc semi-massive sulphide mineralisation in drilling and has delineated a series of copper-zinc geochemical anomalies in regional soil sampling.

Drilling of several prospect areas on the tenement revealed several zones of high grade copper, zinc, and silver with anomalous gold. This initial drilling was completed in 2011 and 2012 using a small 120m capacity drill rig. Sampling of the 4,000m of shallow diamond drilling was completed in Q1 2013, and yielded the following significant downhole intersections:

- 20m @ 2.68% Cu from 3m
- 12.2m @ 2.11% Cu from 15m
- 9.85m @ 3.11% Cu from 35.6m
- 19.1m @ 3.65% Cu from 27.3m
- 22.2m @ 1.96% Cu from surface
- 11.7m @ 1.80% Cu from 10.8m
- 20.0m @ 1.17% Cu from 30m
- 12.0m @ 1.01% Cu from 8m

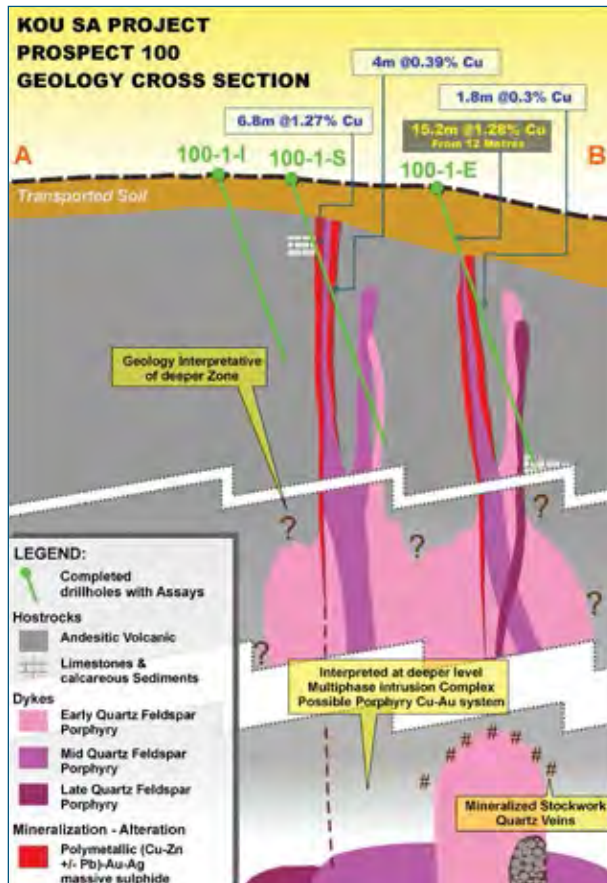


Figure 2: Section through Prospect 100 showing interpreted deep source to mineralisation.

Soil geochemistry completed over the south-western third of the tenement was successful in identifying a cohesive 8km long zone of copper anomalism stretching across the tenement. This survey was able to define the known prospects (100 and 117), indicating the effectiveness of this technique, and identified new, as yet untested prospects with soil values up to 0.9% Cu. Copper anomalism is continuous over the 8km strike length of this zone, except where topography is cut by drainage channels and flood plains. Significant transported cover in these areas may be masking the geochemical signature.

A strong copper/zinc relationship identified in the geochemistry suggests that the current topographic level is still high up in the system. Epithermal and hydrothermal gold-copper mineralisation, mesothermal veins, and significant argillic alteration within the project area suggest an as yet untested intrusive source for the mineralisation.

Exploration work during 2013 will concentrate on defining new targets from regional soil geochemistry, as well as testing for extensions to the mineralisation in previously identified prospects using geophysical techniques and further drilling. The porphyry potential of the project will be tested using remote geophysical techniques and some deeper drilling.

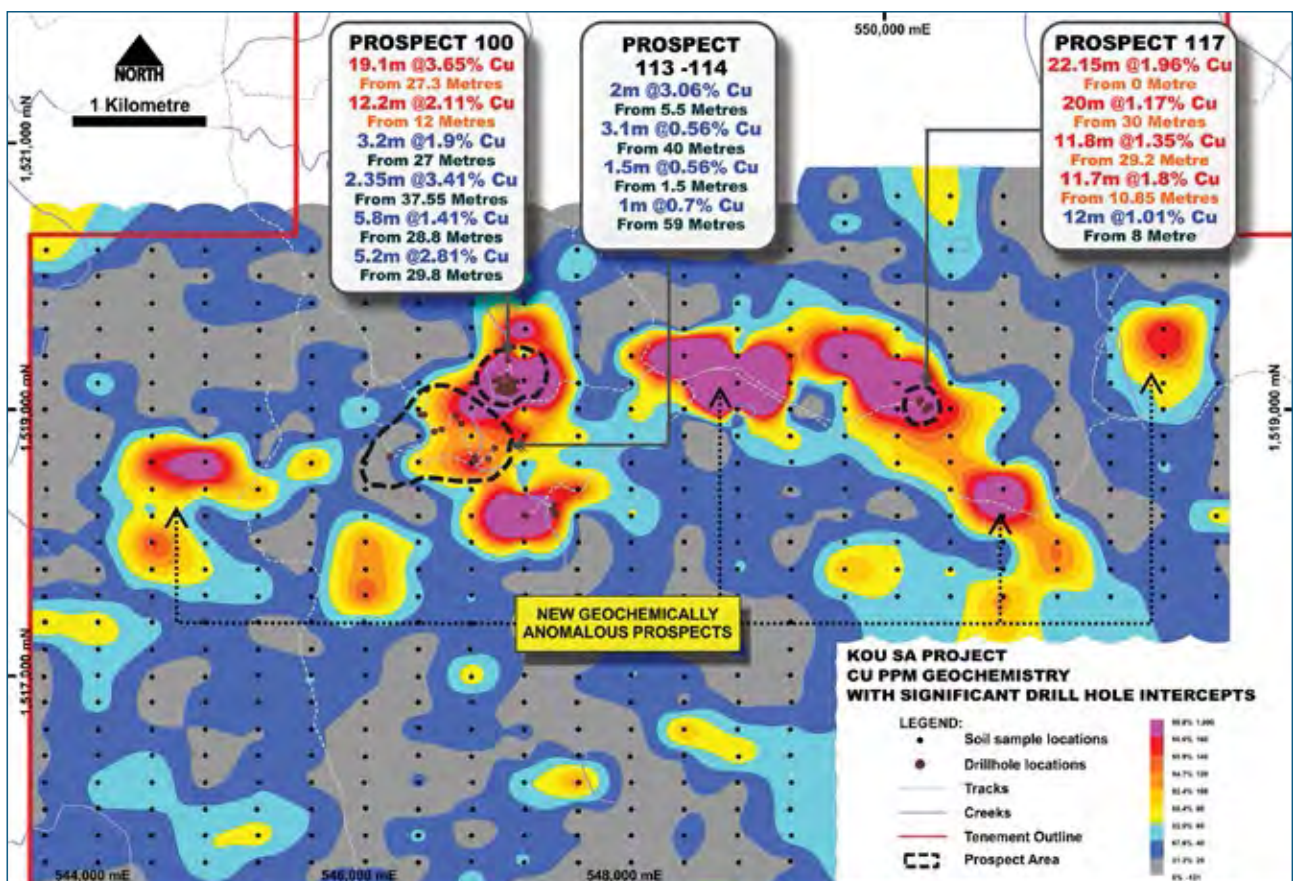
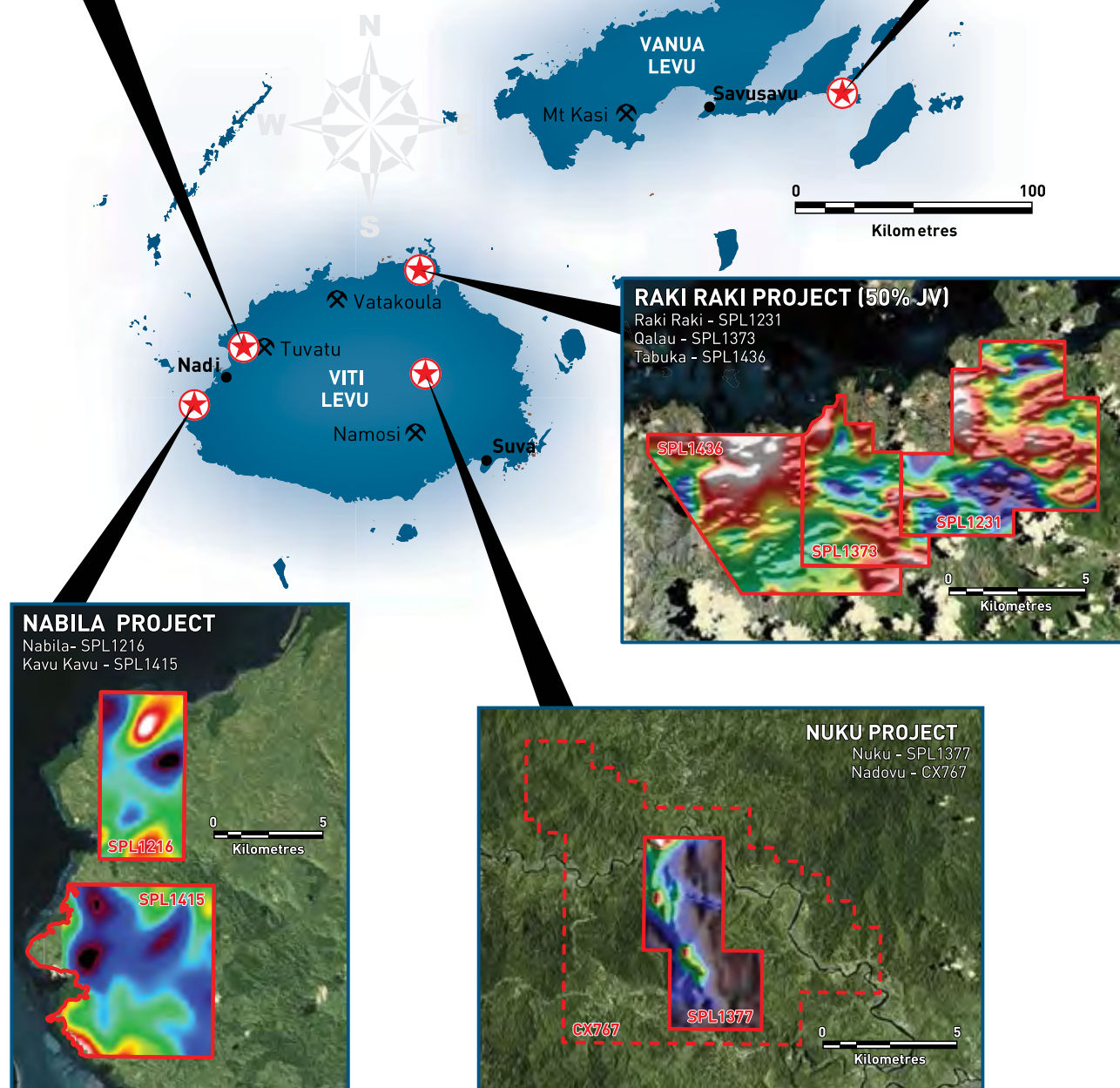
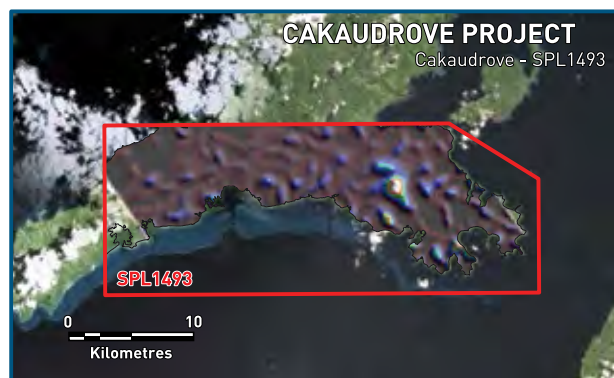
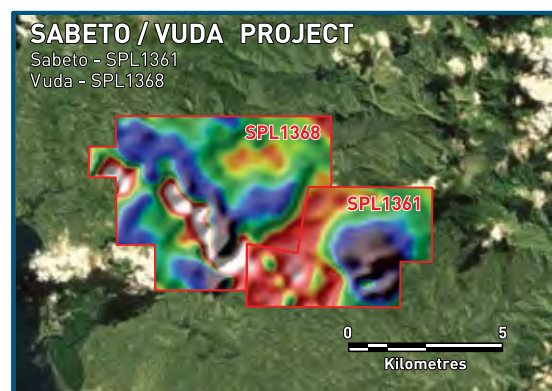


Figure 3: Copper geochemistry with significant drillhole intercepts.

FIJI EXPLORATION



SABETO/VUDA PROJECT AREA

SPL1361 (Sabeto) – 100% Geopacific Ltd [exercised option agreement in 2012]

SPL1368 (Vuda) – Geopacific Ltd [subsidiary of GPR]
option to purchase 100%

Exploration on the Sabeto/Vuda project has focussed on the search for buried gold-copper porphyry mineralisation, with the main focus of exploration in 2012 resting on the Sabeto/Vuda Project. The exploration effort has reinforced the belief that Sabeto and Vuda have a high potential to host significant porphyry related gold-copper mineralisation.

Three deep (235 – 400m) diamond drillholes were completed over the Sabeto Porphyry Project. These holes were targeted to intercept porphyry gold-copper mineralisation indicated by geophysics, surface geochemistry, and mapped alteration anomalies. The first hole of this program SBD001 successfully intercepted a

wide zone of mineralised porphyry that is interpreted to be proximal to a larger, strongly mineralised intrusive source rock unit. Hole SBD002 and SBD003 drilled to the north of SBD001 intercepted strong alteration and epithermal gold mineralisation respectively. This suggests that these holes were unfortunately further away from the source. To better define the potential for mineralisation to the south of SBD001 a stream sediment geochemical survey was undertaken over the area to the south of SBD001. This survey, along with ridge and spur geochemistry completed in 2011, revealed copper and multi-element anomalism indicative of a potential porphyry centre.

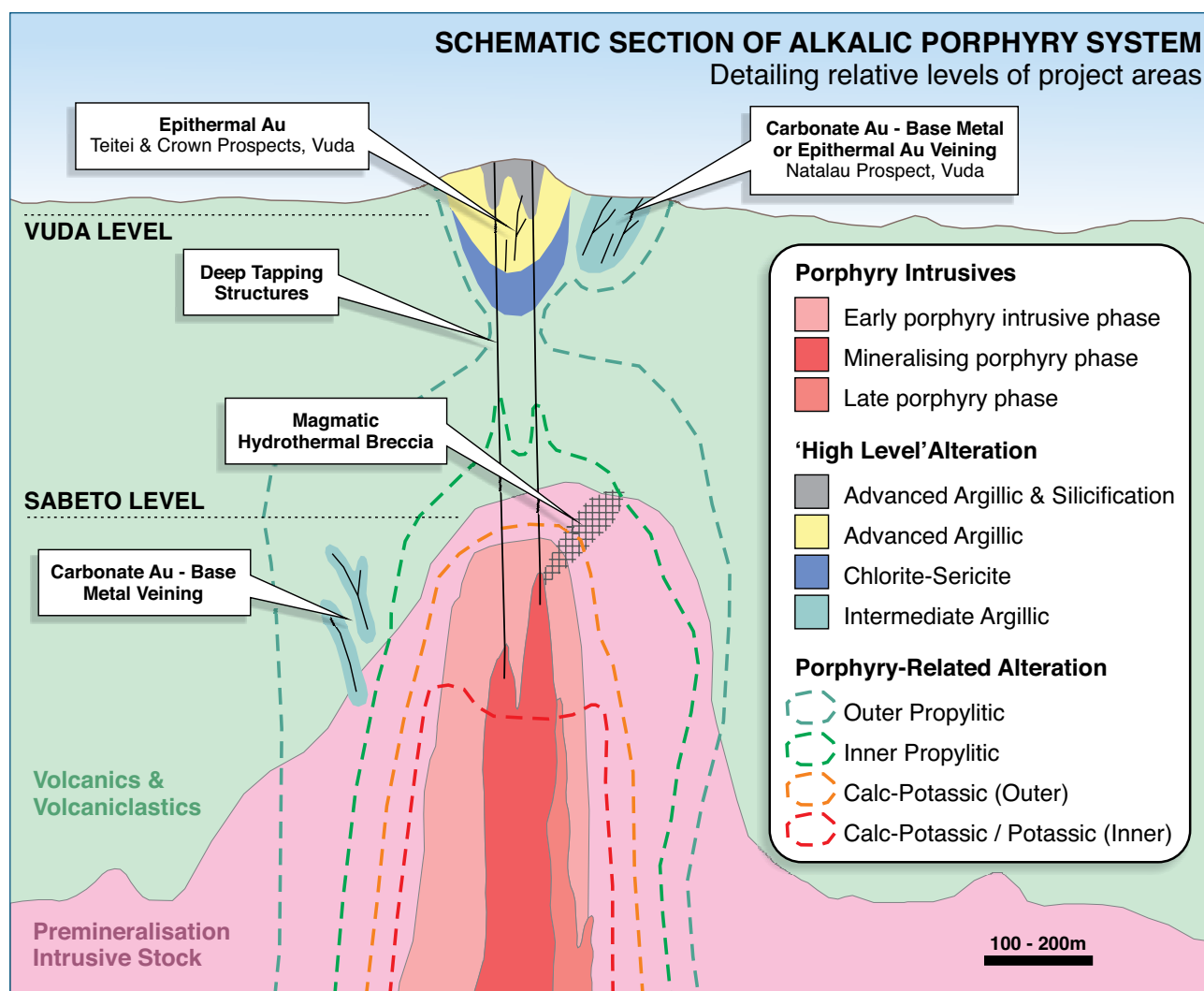


Figure 4: Schematic section through a theoretical alkalic porphyry model showing levels of the Sabeto and Vuda projects.

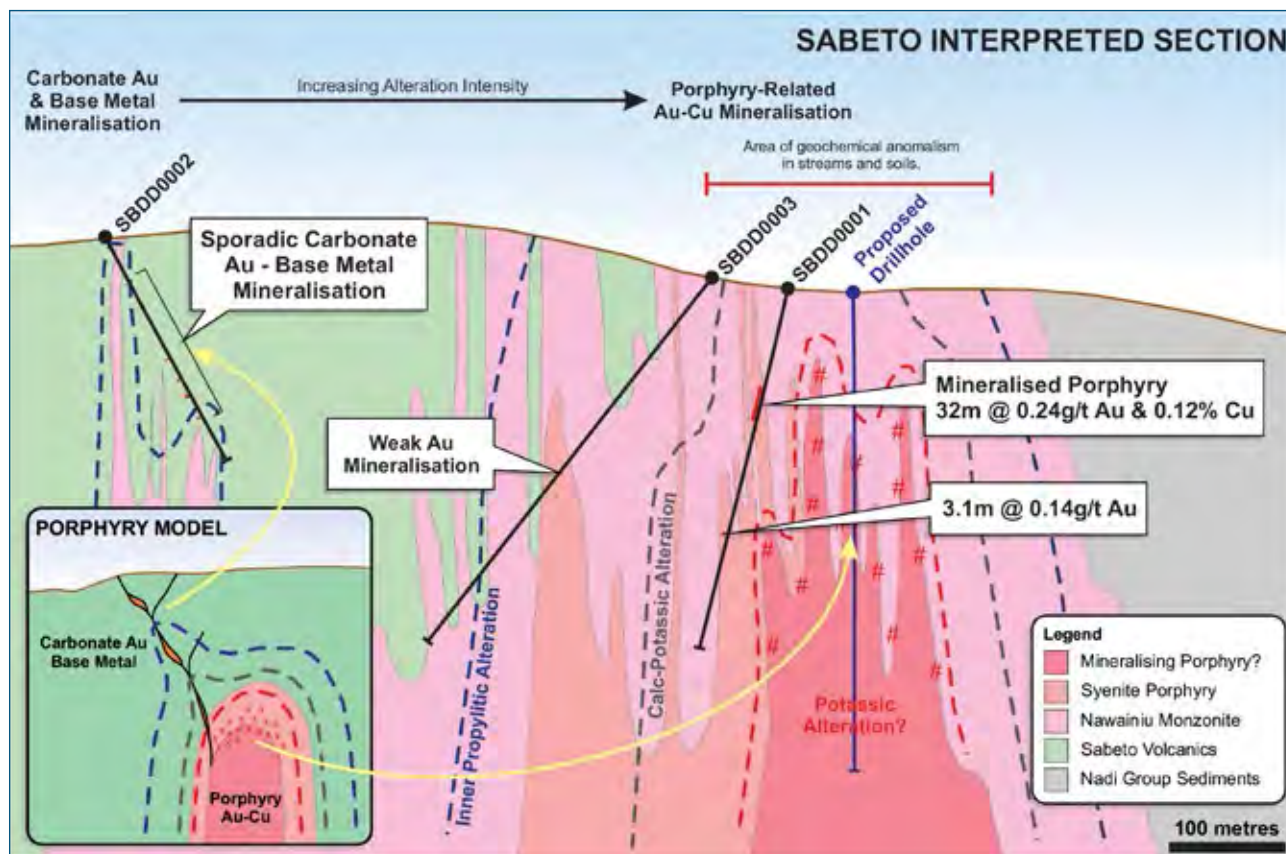


Figure 5: Interpreted section through the Sabeto project based on observations and interpretations from the drilling and surface exploration.

Site ID	Hole Type	Easting	Northing	RL	Depth	Azimuth	Dip
SBD001	Diamond	555,274	8,042,535	214	328.65	052	-70
SBD002	Diamond	555,264	8,043,119	258	235.65	222	-55
SBD003	Diamond	555,195	8,042,600	183	394.80	360	-52

Table 1: Sabeto drilling details

Geology within the drillholes has confirmed observations made from surface mapping and sampling programmes that the Sabeto geology comprises a multi-phase monzonite intrusive stock intruding volcanoclastic country rocks of the same magmatic source. The alteration and mineralisation within the drillholes provide a vector toward potential porphyry-related gold-copper mineralisation within an area around and to the south of SBDD001, with this drillhole displaying the most proximal alteration and mineralisation assemblage. While mineralisation in SBD001 is associated with syenite porphyry, it is thought that the actual mineralising porphyry phase remains undiscovered.

The area immediately south of hole SBD001 will be the focus of exploration for 2013 with further detailed surface geochemistry being used to target several deep diamond drillholes to test the nature of the deeper mineralisation.

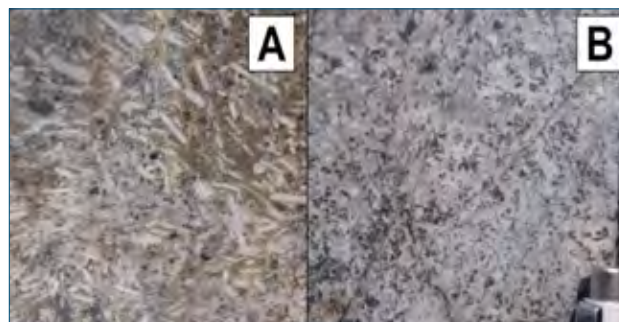


Figure 6: (A) Syenite porphyry, less altered than the strongly altered porphyry in B (SBDD001, 105m) (B) Pale pink K-feldspar-mt-bn-cpy veinlets with Biotite alteration selvages (SBDD001, 115m) grading 1.49g/t and 0.12% over 2 metres.

HOLE ID	FROM (m)	TO (m)	INTERVAL (m)	AU (g/t)	CU (%)
SBD001	90	122	32.0	0.24	0.12
inc.	114	116	2.0	1.49	0.50
SBD001	222.9	226	3.1	0.14	NSR
SBD002	47	48	1.0	4.64	NSR
SBD002	72	72.5	0.5	5.05	NSR
SBD002	126	128	2.0	1.03	NSR
SBD002	148	150	2.0	0.24	0.24
SBD002	162	162.5	0.5	1.47	0.16
SBD002	164	168	4.0	0.65	NSR
SBD002	188	190	2.0	1.04	NSR

NSR = no significant result

Intercepts calculated using average grade over intercept lengths identified using a 0.1g/t Au and 0.1% Cu cut-off grade. Intersects are down hole lengths

Table 2: Significant intercepts from diamond drilling

A structural interpretation was completed over the whole Sabeto/Vuda project, aimed at identifying the structural framework of the mineralising system and to provide targets for detailed geochemical sampling. The interpretation

highlighted Vuda as having high potential to host a hidden mineralised porphyry system. This is further confirmed by anomalies generated by the ZTEM airborne geophysics.

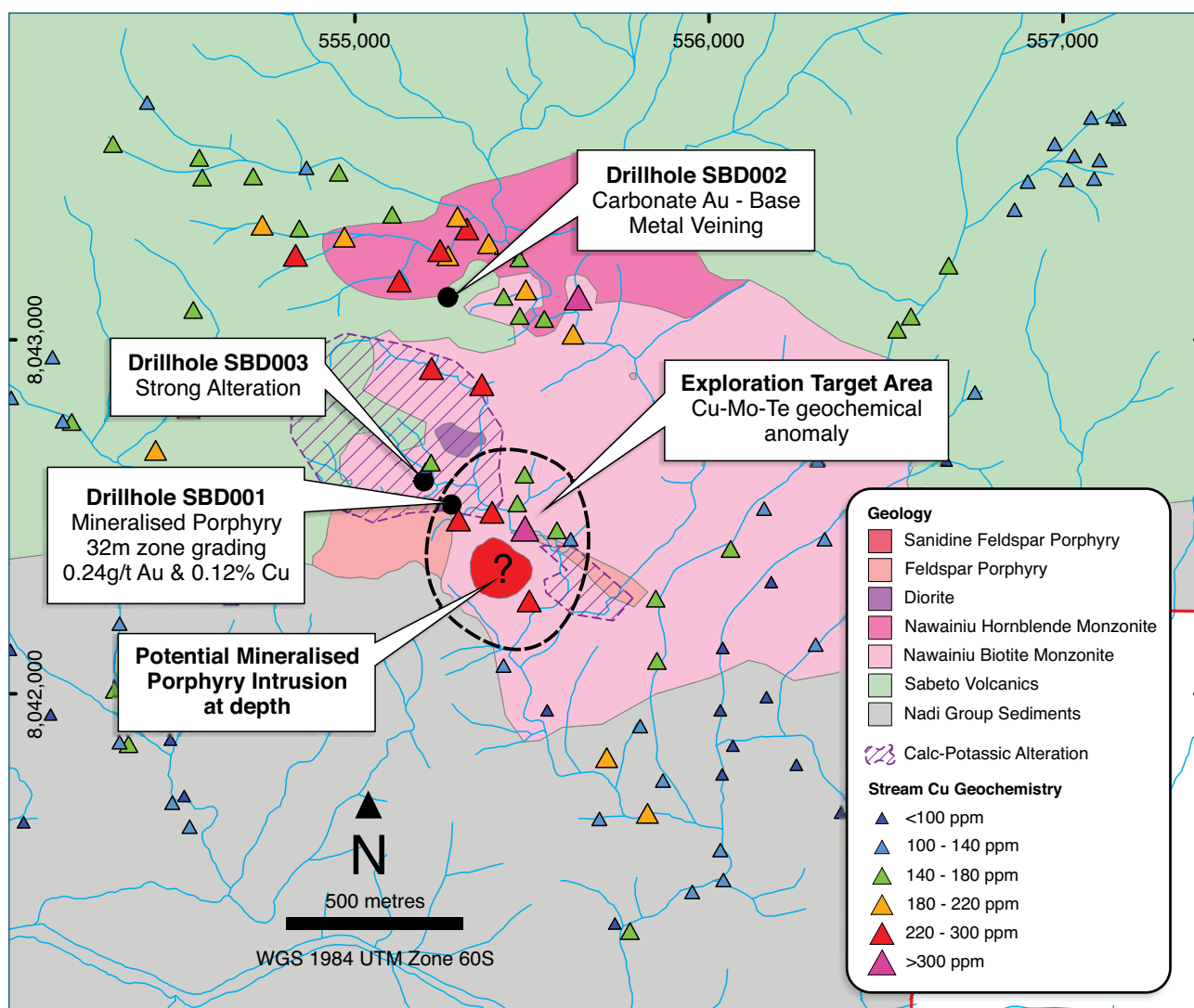


Figure 4: Sabeto plan map showing exploration target area.

Alteration mapping using infrared spectral analysis, focussing on the Vuda alteration zone, identified alteration associated with a high level epithermal setting, indicating that the sporadic epithermal vein gold mineralisation identified in historic drilling could be derived from a deeper magmatic source.

Further work on Vuda would be focussed on alteration mapping and stream geochemical sampling of the whole

tenement aimed at identifying fluid out-flow zones, providing vectors to deeper mineralised systems.

During 2012, Geopacific made the final payment in the option to purchase the Sabeto tenement (SPL 1361), which is now 100% owned by Geopacific. The final option payment for Vuda is due at the end of Q1 2013.

NABILA PROJECT

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

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

A recent review of Geopacific's geophysical data sets has reinvigorated interest in the Nabila Project. Several exploration programmes, including ground geophysics, trenching, mapping, and surface geochemistry were completed in 2012 over the Nabila and Kavukavu tenements.

Kavukavu

Exploration over the Kavukavu tenement was focussed on the potential of the Tau area to host skarn and porphyry-related mineralisation. A significant potassium radiometric anomaly centred over the Kavukavu trig station

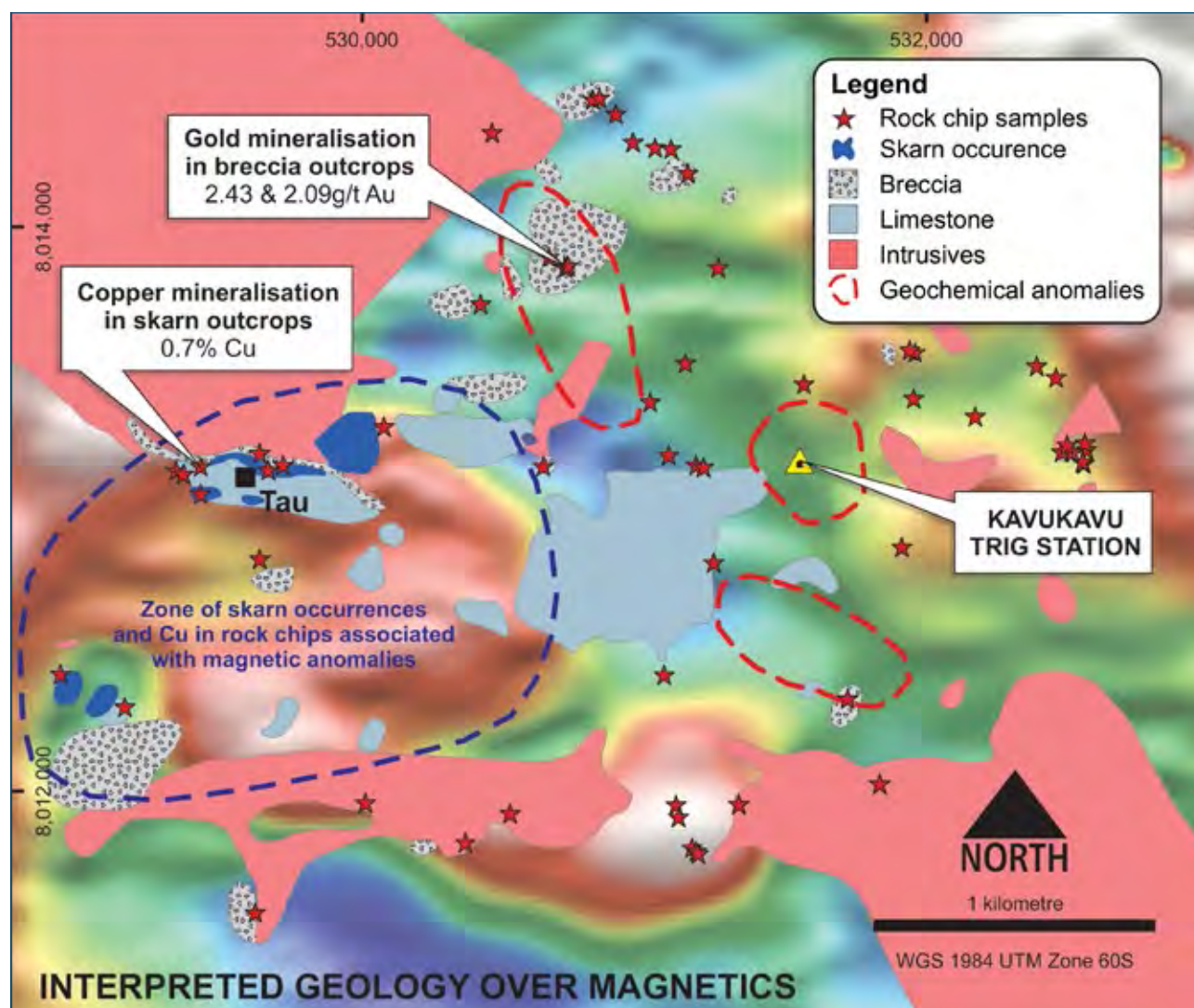


Figure 5: Kavukavu trig prospect rock chip location map over magnetics, showing relationship between mapped limestone, intrusives, and skarns with magnetic anomalies.

a few kilometres east of Tau village was the main focus of exploration in this area.

Geological mapping and ridge and spur auger sampling was completed in 2012. Results from this programme have identified coherent gold and associated multi-element anomalies (elevations in Au-Ag-As-Hg-Mo-Sb), near the Kavukavu trig station. The results highlight the potential of the area to host porphyry-related mineralisation.

Skarn mineralisation can be spatially associated with porphyry systems where mineralising porphyry phases intrude carbonate-bearing rock units (e.g. limestones). These systems may contain significant amounts of magnetite and can be rich in copper, zinc, silver, and gold.

Concurrent geological mapping and rock chip sampling was successful in identifying weakly mineralised (>0.1% Cu and Zn, and >50% Fe) iron and manganese skarn outcrops, these are in close proximity to outcrops of limestone and diorite/granodiorite intrusions. Significant limestone outcrops in the area, along with the occurrence of altered intrusives and skarn mineralisation have elevated the potential of the area for significant skarn mineralisation. Magnetic anomalies clustered around mapped intrusive/limestone contacts (Figure 5) enhance the prospect for additional, blind, skarn deposits. The few existing drillholes on the project have not tested this concept.

Further surface geochemical programmes will be completed in 2013 aimed at proving the skarn potential of the area as well as identifying areas of porphyry potential for drill testing.

Nabila

Drilling of the ZTEM anomaly to the east of Faddy's was completed during the year. The drilling targeted a zone of sharp geophysical gradient at around 450 – 500mRL, interpreted to be a change in alteration within a porphyry system.

Geology within NBD001 include an upper zone of altered dioritic intrusive with a faulted contact above a sequence of volcanic rocks (tuffs, agglomerates, and andesite flows), which are intruded by a series of porphyritic to medium grained diorites and andesites. Alteration and sulphide mineralisation increases from roughly 465m down hole, possibly indicating that the drillhole has drilled down the edge of a system. Several fault breccia zones with >10% sulphide mineralisation were noted from 665 – 832m, typically coincident with strong silica alteration.

No significant porphyry Cu-Au mineralisation was observed 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. Elevated gold values are associated with increased lead and zinc values, a metal association suggestive of a carbonate base-metal setting on the periphery of a porphyry system.

Exploration on the remainder of the tenement has focussed on identifying extensions and parallels of the Faddy's – Mistry epithermal gold mineralisation, utilising ground magnetics and trenching.

A ground magnetic survey covering the Faddy's – Mistry structural trend was aimed at identifying potential conduits for the mineralising fluids that formed the Faddy's deposit. Initial interpretation of the results identified the main Faddy's – Mistry structural trend as well as several potential splay faults. Trenching near Mistry along the Faddy's – Mistry structural trend was successful in identifying further zones of gold anomalism that will require drilling to test the zones at depth.

A review of several unsampled sections in diamond holes drilled at the Mistry prospect by Millennium Mining in 2004, resulted in identifying additional favourable alteration and mineralisation that represents the down-dip projection of anomalous gold zones identified in trenching.

Site ID	Hole Type	Easting	Northing	RL	Depth	Azimuth	Dip
NBD001	Diamond	531,300	8,024,285	38	846.3	360	-90

Table 3: Sabeto drilling details

HOLE ID	FROM (m)	TO (m)	INTERVAL (m)	Au (g/t)	Ag (g/t)	Cu (%)	Zn (%)
NBD1	242.55	242.95	0.4	NSR	3.5	0.20	NSR
NBD1	596.20	598.20	2.0	0.22	0.9	NSR	NSR
NBD1	601.30	604.00	2.7	0.19	1.0	NSR	NSR
NBD1	664.65	668.35	3.7	0.53	1.3	NSR	0.16
Inc.	664.65	665.40	0.75	1.18	2.6	NSR	0.58
And	667.75	668.35	0.6	1.23	NSR	NSR	0.23

¹ NSR = no significant result

² Intercepts calculated using average grade over intercept lengths identified using a 0.1g/t Au and 0.1% Cu cut-off grade.

³ Intersects are down hole lengths as true widths are not known.

Table 4: Significant intercepts from diamond drilling

Trench ID	Easting	Northing	Length	Azimuth	Interval (m)	Au (g/t)
MRC1	530,053	8,024,412	49m	200°	7.0	0.15
MRC2	530,078	8,024,261	21.6m	360°	5.6	0.44
MT22	530,113	8,024,366	120m	270°	13.0	0.31
				And	10.2	0.34
				And	1.0	1.27

Table 5: Nabila trench details

Results from these programmes, coupled with historical drilling, have indicated that there still exists good potential for the area to have parallels and extensions of the Faddy's

gold mineralisation, as well as a deeper mineralised system as indicated from the drilling.

RAKIRAKI JV PROJECT

SPL1231 (Rakiraki) – SPL1373 (Qalau) – SPL1436 (Tabuka)

50% Beta Ltd [subsidiary of GPR] – Operator

The Rakiraki JV Project has the potential to host extensive epithermal gold mineralisation, as indicated by results from previous drilling and geological mapping. Significant gold values identified in trenching as well as previous exploration by GPR and other parties that includes geochemistry, trenching, and drilling, reaffirms the potential of the project, while interpretations of the current topographic level suggest that the mineralisation identified has good potential to increase at depth.

Assays returned from recent trenching at the Qalau prospect (Rakiraki JV) have identified a 15 metre-wide zone of gold mineralisation across three trenches over a strike of 200m. The mineralisation is hosted in a zone of quartz veining within a sequence of basalts and volcanoclastics and is coincident with a low rise hill within cane fields. Extensions of this low rise can be seen, slightly offset, to the south of the trenching (Figure 6).

A ground magnetic survey was completed over a 1.5km² area centred on the Qalau prospect, aimed at identifying the structural framework of the prospect area. This programme will enable Geopacific to identify the orientation and potential extensions of the mineralised structures within the trenching, as well as any parallel, potentially mineralised structures worthy of trenching.

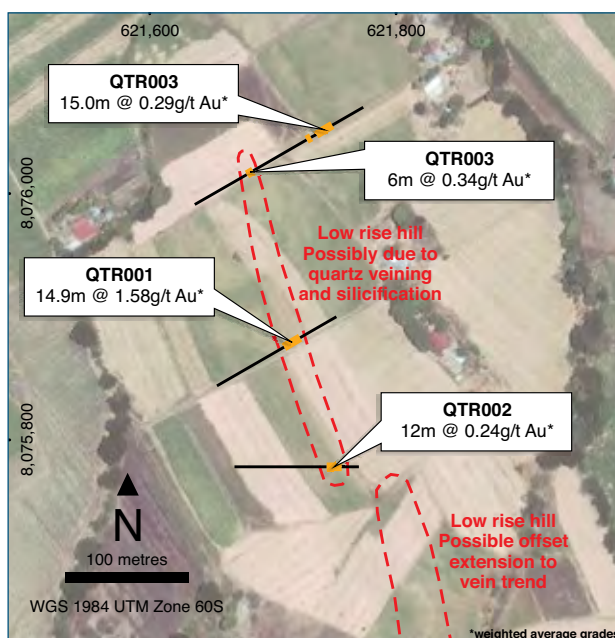


Figure 6: Qalau trenches showing zones of gold mineralisation

Follow-up trenching is planned to be completed in 2013 over the potential extension to the south of the trenching and any structures identified as potential hosts to mineralisation from the magnetic survey.

Trench ID	Easting	Northing	Length	Azimuth	Interval (m)	Au (g/t)
QTR001	621,655	8,075,844	112m	60°	14.9	1.5
				Inc.	3.0	3.75
				And	2.0	3.36
QTR002	621,669	8,075,778	101m	90°	12.0	0.24
				Inc.	1.0	1.36
QTR003	621,637	8,075,991	158m	60°	6.0	0.36
				And	15.0	0.28
				Inc.	2.0	0.78

Table 6: Rakiraki trench details

CAKAUDROVE PROJECT

SPL 1493 [Cakaudrove] – 100% Geopacific Ltd [subsidiary of GPR]

Since acquiring the tenement in January 2012, Geopacific has identified several areas of interest from the various geophysical and historic exploration data sets covering the tenement. Two main targets were identified (Dakuniba and Crossroads prospects) and initial first-pass exploration commenced in 2012.

A detailed stream sediment sampling programme was completed covering approximately 30 sq km of the Cakaudrove project where previous ZTEM geophysical surveys conducted by the company have detected deep seated anomalies compatible with porphyry copper-gold mineralisation. A total of 438 locations were sampled over the Dakuniba and Crossroads prospect areas.

Results for the stream sediment sampling programme identified several geochemical anomalies worthy of follow up exploration. Four geochemically different anomalous areas were identified, and include:

- C1. A 5km long linear zone of elevated Au, Ag, As, Ba, Mo, and Sb, which corresponds to, and extends known vein-type gold-silver mineralisation in the Dakuniba vein trend.
- C2. A 4km x 2km oval shaped zone of anomalous Cu, Zn, Mo, Hg, and Ba, which corresponds to a strong ZTEM conductive anomaly.
- C3. A 1.5km x 1km zone of strong Bi, Te, and Mo anomalism, which lies directly above a strong deep seated ZTEM resistive anomaly.
- C4. The Crossroads prospect, comprising elevations in Cu and Mo with a surrounding Zn anomaly. Zinc forms a negative anomaly within the Cu-Mo anomaly.

With the exception of the Dakuniba vein system, the geological causes of the other anomalous areas are not yet understood. It is planned to follow up these targets with a program of geological mapping and soil sampling at the end of the wet season in early 2013. A programme of ground geophysics will be undertaken prior to selecting target for drilling.

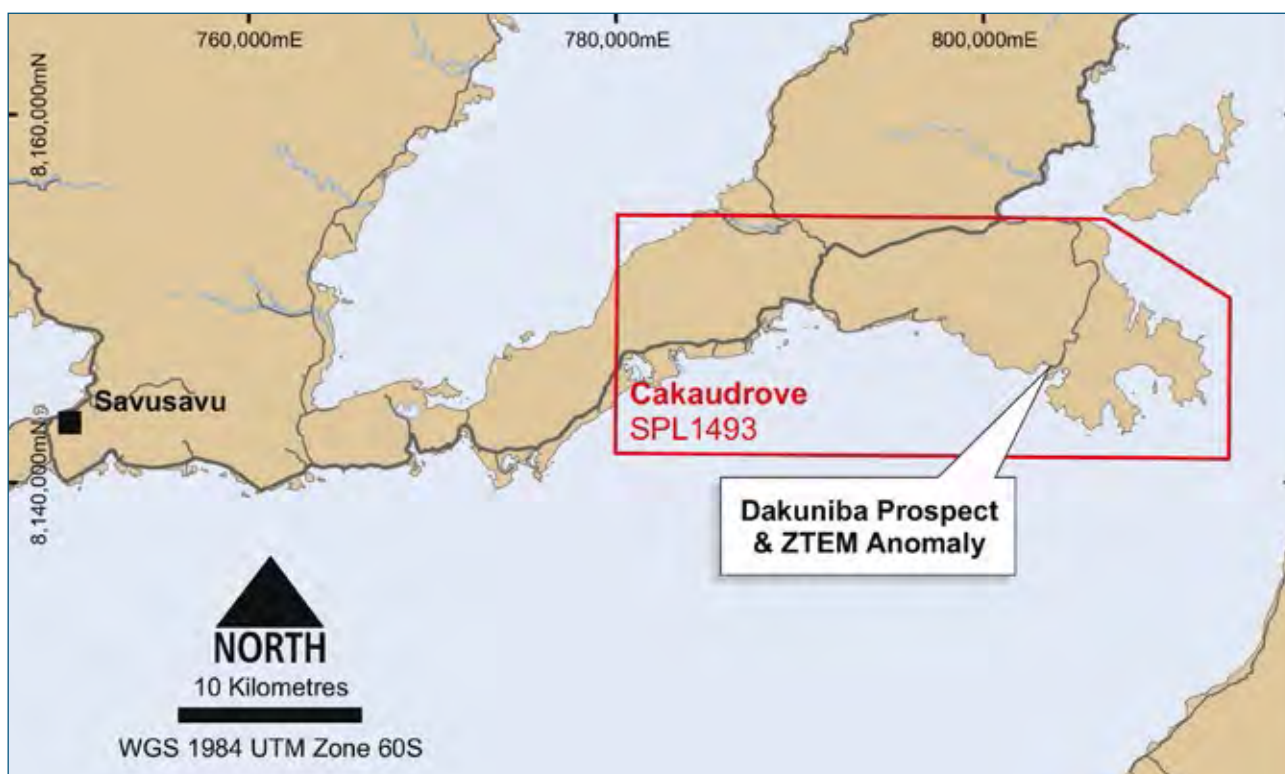


Figure 7: Cakaudrove Project Location Map.

NUKU PROJECT

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

No field work was completed during 2012. It was decided that further exploration within the area was not in Geopacific's interests, and the decision was made to relinquish the

tenement in order for Geopacific to concentrate on more prospective areas.

*Note: All the information within this report has previously been released to the Market.
For any further clarification of these results please check the Company's website.*

The Directors present their report together with the financial report of the Geopacific Group, being Geopacific Resources NL ("Geopacific") ("the Company") and its controlled entities for the financial year ended 31 December 2012, 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, ADISA – 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 (CSFB) 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.

Mr Biggs has held no other directorships of listed companies in the last 3 years.

Charles Bennett Bass, B.Sc (Geol), M.Sc (Mining & Mineral Processing), FAusIMM, FAIG, FAICD, – 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 of several publicly listed companies since the early 1990's.

In March 2001, Mr Bass co-founded Australian-listed Aquila Resources Limited (AQA:ASX), and remains as 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

Mr Bass is a Non-Executive Director on the Board of Aquila Resources Limited (appointed March 2000)

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.

Mr Simpson has held no other directorships of listed companies in the last 3 years.

Russell John Fountain, BSc, PhD, FAIG – 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.

Dr Fountain has held no other directorships of listed companies in the last 3 years.

Roger Harvie Probert – Alternate Director to Mr Simpson

Harvie Probert was elected chairman of Geopacific Limited 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.

Harvie Probert has held no other directorships of listed companies in the last 3 years.

COMPANY SECRETARY

Mr 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.

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 for the Group for the year ended 31 December 2012 was \$2,672,619 (2011: loss \$1,723,299). Included in the loss for the year is expensed and written off exploration and evaluation expenditure of \$1,464,577 (2011: \$1,275,080).

Review of Operations

Exploration activity during the year was primarily focussed on drill testing ZTEM anomalies at Nabila and Sabeto, and geochemical testing of the Cakaudrove and Kavukavu prospects. A summary of the main exploration activities

Nabila

Diamond drilling testing a ZTEM anomaly target at Nabila was completed to a depth of approximately 846 metres early in the year. The identified ZTEM anomaly was consistent with a change in alteration and an increase in sulphide mineralisation.

Mineralisation identified by the drilling reflects that of a major hydrothermal alteration system, the source of the intrusive yet to be identified.

Following a technical review of the project area, high gold values were noted in unsampled intervals of several historic drill holes in the Mistry mine area, approximately 2km south of the Faddy's prospect. Subsequent trench sampling of the southern 400 metres of the 2km arcuate geochemically anomalous trend identified various zones of anomalous gold mineralisation.

Sabeto

Drill testing of the ZTEM anomaly commenced during the first half of the year, with the 2 hole diamond drill program intersecting a 32 metre zone of gold and copper anomalism within a sanidine porphyry intrusive, plus epithermal gold-base metal mineralisation.

A third diamond hole intersected a wide zone of strong chlorite-pyrite alteration overprinting weak early biotite-magnetite alteration and minor gold-copper mineralisation. Separate stream sediment testing has identified copper anomalism extending southeast of the current drilling.

The work carried confirms the prospectivity of Sabeto for disseminated porphyry related gold copper mineralisation and low temperature epithermal vein style gold-base metal deposits.

Cakaudrove

This prospect was initially identified with the initial ZTEM survey and was subsequently re-interpreted using the Mira 3D inversion. Following the licence grant early in the year the Company carried out a broad stream sampling program at the Cakaudrove prospect, identifying four distinct geochemically gold-copper anomalous zones.

Kavukavu

During the year the Company commenced geochemical mapping and sampling of its new Kavukavu prospect, located about 10km south of Nabila. Assays from the soil sampling program have highlighted three zones of anomalism for Au-Ag-As-Hg-Mo-Sb. Geological mapping has identified a number of skarn outcrops associated with Cu-Zn-Fe mineralisation. In addition, gold mineralisation within rock chips is spatially associated with radiometric highs.

RakiRaki JV

A 15 metre wide zone of gold mineralisation, hosted within quartz veining, was identified from assaying trenching at the JV project over a 200 metre strike length. Similar mineralisation has been noted, slightly offset, to the south of the trenching and follow up trenching will be conducted to test this potential extension.

A ground magnetic survey has been completed aimed at identifying the structural framework of the prospect area – this data will be compiled in 2013.

Competent Persons Statement

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 John 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.

4 FINANCIAL POSITION

At the end of the financial year the Group had \$696,841 (2011: \$1,687,834) in cash and cash equivalent. Capitalised exploration and evaluation expenditure was \$6,980,234 (2011: \$7,133,975).

Expenditure on exploration of tenements during the year was \$1,310,836 (2011: \$900,051).

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

There were no significant changes in the state of affairs of the Group during the financial year except for the following:

- During the year, the Company completed a placement of 5,461,364 ordinary fully paid shares at 22 cents each to raise \$1,201,500 before capital raising costs. The placement shares were issued with a free attaching option on the basis of one (1) free option for every two (2) shares subscribed for pursuant to the placement. This resulted in 2,730,682 listed options being issued exercisable at 35 cents each on or before 19 January 2013.

7 EVENTS SUBSEQUENT TO REPORTING DATE

Other than the following, there has not arisen in the interval between the end of the financial year 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 Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

- On 3 January 2013, the Company announced that it had entered into an agreement with unlisted public company World Wide Mining Projects Limited ("WWM") to undertake an off-market, target board-recommended 1:1 scrip takeover bid for 100% of WWM's issued capital by issuing of up to 53,700,000 GPR shares. A successful takeover will result in GPR having the option to take an 85% interest in the Kou Sa Copper Project.

On 7 February 2013 a Bidder Statement was lodged with ASIC and ASX, and a Supplementary Bidder Statement lodged on 26 February 2013.

On 11 March 2013 the Company announced that the takeover offer had been extended to 2 April 2013.

On 18 March 2013 the Company advised WWM that it had received acceptances from WWM shareholders amounting to 92.5% of total WWM shares on issue.

- On 10 January 2013 the company announced the issue of 700,000 ordinary shares to consultants in lieu of cash consideration for their services.
- On 19 January 2013 21,657,951 listed options exercisable at 35 cents each expired in accordance with their terms.
- On 20 February 2013, the Company announced a placement of 4,250,000 ordinary fully paid shares at 10 cents each, raising \$425,000 before costs.

Other matters

No other matter or circumstance has arisen since 31 December 2012 that has 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.

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	Nil	62,000	Nil
I N A Simpson	718,539	500,000	36,380	Nil
R H Probert (Alternate)	647,545	Nil	Nil	Nil
C B Bass	Nil	Nil	4,152,117	2,000,000
S T Biggs	Nil	Nil	5,632,417	Nil

9 DIRECTORS' MEETINGS

During the year ended 31 December 2012 a total of four Directors' Meetings and two Audit Committee Meetings were held. Directors' attendance record is tabulated below.

Record of Directors' Attendance at Meetings

Director	Service	Directors Meetings		Audit Committee Meetings	
		Attended *	Eligible to Attend	Attended *	Eligible to Attend
S T Biggs	All year	4	4	2	2
C B Bass	All year	4	4	-	-
R J Fountain	All year	3	4	2	2
I N A Simpson	All year	4	4	2	2
R H Probert (alternate to I. Simpson)	All year	2	4	-	-

* 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 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 in Fiji. 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 26,367,951 options over unissued shares unexercised at 31 December 2012 (2011 – 2,310,000).

Issues in current year

Listed options

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

During the year 2,730,682 listed options exercisable at 35 cents each and expiring on 19 January 2013, were issued under a share placement agreement.

Unlisted Options

During the financial year the Company granted the following unlisted options over unissued shares:

Number of Options Issued	Date of Issue	Exercise Price	Expiry Date
250,000	7 September 2012	\$0.35	30 November 2015
2,000,000	5 April 2012	\$0.30	5 April 2015
250,000	5 April 2012	\$0.30	30 September 2014

The Company did not issue any ordinary shares during the financial year on the exercise of unlisted options.

Since the end of the financial year, no unlisted options have been exercised.

As at the date of this report unlisted options over unissued shares in the Company are:

Number of Options on Issue	Exercise Price	Expiry Date
250,000	\$0.35	30 November 2015
2,000,000	\$0.30	5 April 2015
250,000	\$0.30	30 September 2014
610,000	\$0.50	1 August 2013
100,000	\$1.50	8 May 2013
800,000	\$2.50	(i)
200,000	\$5.00	(ii)

(i) 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.

(ii) 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.

Subsequent to the end of the financial year

21,657,951 listed options exercisable at 35 cents each expired on 19 January 2013.

Option holders do not have any rights to participate in any issues of shares or other interest in the Company or any other entity.

There have been no unissued shares or interests under option of any controlled entity within the Group during or since the end of the reporting period.

13 INSURANCE OF OFFICERS

The Company has 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 PROCEEDINGS ON BEHALF OF COMPANY

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the Corporations Act 2001.

15 LEAD AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the year ended 31 December 2012 is set out on page 25.

16 AUDITOR

KS Black & Co resigned as auditor on 31 May 2012 and William Buck Audit (WA) Pty Ltd was appointed as auditor on 31 May 2012.

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	
	2012	2011
	\$	\$
Assurance services		
1. Audit services		
KS Black & Co Australian firm:		
Audit of the financial report and other audit work under the <i>Corporations Act 2001</i>		
- Current year	-	34,450
William Buck Audit (WA) Pty Ltd:		
Audit and review of the financial report and other audit work under the <i>Corporations Act 2001</i>		
- Current year	34,225	-
Total remuneration for audit services	34,225	34,450

17 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.

No non-audit services were provided by the external auditors in respect of the current or preceding financial year.

18 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

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 executive directors' 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.

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

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.

A Director may also be paid fees or other amounts as the Directors determine, if a Director performs special duties or otherwise performs duties outside the scope of normal duties of a Director. A Director may also be reimbursed for out of pocket expenses incurred as a result of their directorship or any special duties.

Geopacific Resources NL Employee Option Plan

Information on the Geopacific Resources Option Plan is set out in note 22.

B Details of remuneration

Details of the remuneration of 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 comprises of the Directors and the Exploration Manager.

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

2012	Shortterm benefits		Postemployment benefits	Sharebased payments			
Name	Salaries and Fees \$	Other \$	Super-annuation \$	Termination Payments \$	Options \$	Total \$	Share based payments as % of remuneration
Non-Executive Directors							
S T Biggs	-	-	-	-	-	-	-
I N A Simpson	24,000	-	-	-	-	24,000	-
R J Fountain	54,000	-	-	-	-	54,000	-
R H Probert (alt. to I. Simpson)	24,000	-	-	-	-	24,000	-
Subtotal non executive Directors	102,000	-	-	-	-	102,000	
Executive Directors							
C B Bass	-	-	-	-	114,639	114,639	100%
Total directors	102,000	-	-	-	114,639	216,639	
Other Key management Personnel							
S Whitehead	109,327	-	9,840	-	22,280	141,447	15.75%
Totals	211,327	-	9,840	-	136,919	358,086	
2011							
	Shortterm benefits		Postemployment benefits	Sharebased payments			
Name	Salaries and Fees \$	Other \$	Super-annuation \$	Termination Payments (note 2) \$	Options \$	Total \$	Share based payments as % of remuneration
Non-Executive Directors							
S T Biggs	-	-	-	-	-	-	-
I N A Simpson	42,000	-	-	-	-	42,000	-
R J Fountain	67,000	-	-	-	-	67,000	-
R H Probert (alt. to I. Simpson)	42,000	-	-	-	-	42,000	-
Subtotal non executive Directors	151,000	-	-	-	-	151,000	-
Executive Directors							
I J Pringle (resigned 15.9.11)	75,000	-	-	-	-	75,000	-
C B Bass	-	-	-	-	-	-	-
Total directors	226,000	-	-	-	-	226,000	
Other Key management Personnel							
S Whitehead	76,367	-	-	-	7,046	83,413	8.44%
Totals	302,367	-	-	-	7,046	309,413	

C Service agreements

At the date of this report the Company has not entered into any service agreement with Directors.

D Sharebased compensation

Options

Options are granted on the recommendation of the Board.

Options are granted for no consideration.

Options granted carry no dividend or voting rights.

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

2,000,000 options over ordinary shares in the Company were provided as remuneration to one of the directors of Geopacific Resources as set out below. Further information on the options is set out in notes 16 and 22 to the financial statements.

During the year 2,000,000 options were granted at an exercise price of 30 cents and an expiry date of 5 April 2015 to Mr Bass.

Directors of Geopacific Resources NL Name	Number of options granted during the year		Number of options vested during the year	
	2012	2011	2012	2011
S T Biggs	-	-	-	-
I N A Simpson	-	-	-	-
R J Fountain	-	-	-	-
R H Probert	-	-	-	-
C B Bass	2,000,000	-	333,333	-
Other Key management Personnel				
S Whitehead	-	500,000	83,333	-

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 Charles Bass

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
5 April 2012	5 April 2015	333,333	\$0.30	\$0.1347	15 September 2012
5 April 2012	5 April 2015	333,333	\$0.30	\$0.1347	15 September 2013
5 April 2012	5 April 2015	333,334	\$0.30	\$0.1347	15 September 2014
5 April 2012	5 April 2015	1,000,000	\$0.30	\$0.1347	N/A ¹

¹ Options vest after successful exploration results arising from the ZTEM geophysics, such success deemed in the Board's discretion or a corporate transaction benefitting the Company has been successfully negotiated.

(ii) 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 ²

² 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.

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 2012 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

Executive Director

Perth, Australia

Dated: 22nd March 2013



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 year ended 31 December 2012 there have been:

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

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 22 day of March, 2013

Sydney
Melbourne
Brisbane
Perth
Adelaide
Auckland

Level 3, 15 Labouchere Road (corner Mill Point Road), South Perth WA 6151
PO Box 748, South Perth WA 6951
Telephone: +61 8 6436 2888 • Facsimile: +61 8 6436 2889
williambuck.com

William Buck is an association of independent firms, each trading under the name of William Buck across Australia and New Zealand with affiliated offices worldwide. Liability limited by a scheme approved under Professional Standards Legislation other than for acts or omissions of financial services licensees.

Praxity
ASSOCIATE
GLOBAL ALLIANCE OF
INDEPENDENT FIRMS

STRATEGIC THINKING | TAILORED ADVICE | INTEGRATED SOLUTIONS

CHARTERED ACCOUNTANTS & ADVISORS



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

Report on the Financial Report

We have audited the accompanying consolidated financial report comprising of Geopacific Resources NL (the Company) and the entities it controlled at year's end or from time to time during the financial year (the Consolidated Entity). The consolidated financial report comprises the consolidated statement of financial position as at 31 December 2012, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that the financial statements comply with International Financial Reporting Standards.

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. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

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 of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, 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.

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.

Sydney
Melbourne
Brisbane
Perth
Adelaide
Auckland

Level 3, 15 Labouchere Road (corner Mill Point Road), South Perth WA 6157
PO Box 748, South Perth WA 6951
Telephone: +61 8 6436 2888 • Facsimile: +61 8 6436 2809
williambuck.com

William Buck is an association of independent firms, each trading under the name of William Buck across Australia and New Zealand with affiliated offices worldwide. Liability limited by a scheme approved under Professional Standards Legislation other than for acts or omissions of financial services providers.

Praxity
ASSOCIATES
GLOBAL ALLIANCE OF
INDEPENDENT FIRMS

STRATEGIC THINKING | TAILORED ADVICE | INTEGRATED SOLUTIONS

CHARTERED ACCOUNTANTS & ADVISORS



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

Auditor's Opinion

In our opinion:

- a) the financial report of the Consolidated Entity is in accordance with the Corporations Act 2001, including:
 - i. giving a true and fair view of the consolidated entity's financial position as at 31 December 2012 and of its performance for the year ended on that date; and
 - ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
- b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Material Uncertainty Regarding Continuation as a Going Concern

Without modifying our opinion expressed above, we draw attention to Note 1 in the financial report which indicates that the Consolidated Entity incurred net losses before income tax of \$2,672,619 and a net operating cash outflow of \$635,535 during the year ended 31 December 2012. These conditions, along with other matters set forth in Note 1, indicate the existence of a material uncertainty which may cast significant doubt about the Company's and Consolidated Entity's ability to continue as going concerns and therefore, the Company and Consolidated Entity may be unable to realise their assets and extinguish their liabilities in the normal course of business.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 21 to 24 of the directors' report for the year ended 31 December 2012. The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion, the Remuneration Report of Geopacific Resources NL for the year ended 31 December 2012, complies with section 300A of the Corporations Act 2001.

Matters Relating to the Electronic Presentation of the Audited Financial Report

This auditor's report relates to the financial report of Geopacific Resources NL for the year ended 31 December 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 report refers only to the 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 audited financial report to confirm the information included in the audited financial report presented on this web site.

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

Stephen K. Breihl
Director
Dated this 22 day of March, 2013

The Directors of Geopacific Resources NL declare that:

- a) the financial statements and notes, set out on pages 29 to 66 are in accordance with the Corporations Act 2001, including:
 - i. complying with Australian Accounting Standards and Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - ii. giving a true and fair view of the Group's financial position as at 31 December 2012 and of their performance for the year then ended; and
 - iii. complying with International Financial Reporting Standards as disclosed in Note 1.
- 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 has been made after receiving the declarations required to be made to the directors in accordance with Section 295A of the Corporations Act 2001 for the financial year ended 31 December 2012.

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



C B Bass

Executive Director

Perth, Australia

Dated: 22nd March 2013

		Consolidated	
	Note	2012 \$	2011 \$
Revenue from continuing operations	5	48,994	93,533
Administration expenses		(352,818)	(198,329)
Consultancy expense		(30,000)	(77,556)
Depreciation expense		(48,487)	(27,176)
Employee benefits expense		(215,912)	(137,442)
Equity based payments		(148,491)	(7,046)
Exploration expenditure written off		(1,464,577)	(1,275,080)
Occupancy Expenses		(69,578)	(46,367)
Provision for VAT expense		(282,004)	-
Other expenses		(109,746)	(47,835)
		(2,721,613)	(1,816,831)
(Loss) before income tax	6	(2,672,619)	(1,723,299)
Income tax expense	8	-	-
(Loss) for the year attributable to members of the parent company		(2,672,619)	(1,723,299)
Other comprehensive income:			
Exchange differences on translating foreign controlled entities		(10,743)	(35,079)
Other comprehensive income for the year, net of tax		(10,743)	(35,079)
Total comprehensive income for the year attributable to members of the parent entity		(2,683,362)	(1,758,378)
Basic loss per share	23	(6.34)	(4.78)
Diluted loss per share	23	(6.34)	(4.78)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2012

		Consolidated	
	Note	2012 \$	2011 \$
CURRENT ASSETS			
Cash and cash equivalents	9	696,841	1,687,834
Trade and other receivables	10	99,582	194,754
TOTAL CURRENT ASSETS		796,423	1,882,588
NON-CURRENT ASSETS			
Exploration expenditure	11	6,980,234	7,133,975
Plant and equipment	12	197,794	154,217
TOTAL NON-CURRENT ASSETS		7,178,028	7,288,192
TOTAL ASSETS		7,974,451	9,170,780
CURRENT LIABILITIES			
Trade and other payables	13	253,385	65,741
Financial liabilities	14	6,990	-
TOTAL CURRENT LIABILITIES		260,375	65,741
NON-CURRENT LIABILITIES			
Financial liabilities	14	19,323	-
TOTAL NON-CURRENT LIABILITIES		19,323	-
TOTAL LIABILITIES		279,698	65,741
NET ASSETS		7,694,753	9,105,039
EQUITY			
Issued capital	15	17,050,141	15,925,556
Reserves	16	(46,334)	89,441
Accumulated losses		(9,309,054)	(6,909,958)
TOTAL EQUITY		7,694,753	9,105,039

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2012

Consolidated	Issued Capital	Forfeited Shares Reserve	Share Based Payments Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Total Equity
	\$	\$	\$	\$	\$	\$
At 1 January 2011	15,215,954	4,623	429,217	(316,366)	(5,186,659)	10,146,769
<i>Transactions with owners in their capacity as owners</i>						
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
Other Comprehensive loss for the year	-	-	-	(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
At 1 January 2012	15,925,556	4,623	436,263	(351,445)	(6,909,958)	9,105,039
<i>Transactions with owners in their capacity as owners</i>						
Shares issued during the year	1,201,500	-	-	-	-	1,201,500
Share issue costs	(76,915)	-	-	-	-	(76,915)
Options issued	-	-	148,491	-	-	148,491
Options expired	-	-	(268,900)	-	268,900	-
Transfer of forfeited shares reserve	-	(4,623)	-	-	4,623	-
	17,050,141	-	315,854	(351,445)	(6,636,435)	10,378,115
Other Comprehensive loss for the year	-	-	-	(10,743)	(2,672,619)	(2,683,362)
At 31 December 2012	17,050,141	-	315,854	(362,188)	(9,309,054)	7,694,753

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2012

		Consolidated	
	Note	2012 \$	2011 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash payments in the course of operations		(684,529)	(323,695)
Interest received		47,716	89,559
Other income		1,278	3,973
Net Cash used in Operating Activities	27(c)	(635,535)	(230,163)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for plant and equipment		(104,934)	(68,230)
Proceed from disposal of plant and equipment		14,845	-
Exploration expenditure		(1,373,382)	(900,051)
Net Cash used in Investing Activities		(1,463,471)	(968,281)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from share issue		1,201,500	709,602
Share issue costs		(76,915)	-
Net Cash from Financing Activities		1,124,585	709,602
NET (DECREASE IN CASH AND CASH EQUIVALENTS)		(974,421)	(488,842)
Effect of exchange rates on cash held in foreign currencies		(16,572)	3,417
Cash and Cash Equivalents at the Beginning of the Financial Year		1,687,834	2,173,259
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	27(a)	696,841	1,687,834

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

CONTENTS OF THE NOTES TO THE FINANCIAL STATEMENTS

	PAGE
1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	34
2 FINANCIAL RISK MANAGEMENT	48
3 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS	49
4 PARENT COMPANY INFORMATION	50
5 REVENUE	51
6 LOSS BEFORE INCOME TAX	51
7 REMUNERATION OF AUDITORS	51
8 TAXATION	52
9 CURRENT ASSETS CASH AND CASH EQUIVALENTS	53
10 CURRENT ASSETS TRADE AND OTHER RECEIVABLES	53
11 NONCURRENT ASSETS – EXPLORATION EXPENDITURE	53
12 NONCURRENT ASSETS PROPERTY, PLANT AND EQUIPMENT	53
13 CURRENT LIABILITIES TRADE AND OTHER PAYABLES	54
14 FINANCIAL LIABILITIES	54
15 ISSUED CAPITAL	54
16 RESERVES	55
17 CONTINGENT LIABILITIES	55
18 COMMITMENTS	56
19 PARTICULARS RELATING TO CONTROLLED ENTITIES	57
20 KEY MANAGEMENT PERSONNEL DISCLOSURES	57
21 RELATED PARTY TRANSACTIONS	60
22 SHAREBASED PAYMENTS	60
23 LOSS PER SHARE	62
24 EVENTS OCCURRING AFTER THE YEAR END	63
25 FINANCIAL REPORTING BY SEGMENT	63
26 FINANCIAL INSTRUMENTS	64
27 NOTES TO THE STATEMENT OF CASH FLOWS	66

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Geopacific Resources NL ('the Company') is a listed public company domiciled in Australia. The consolidated financial report of the Company for the financial year ended 31 December 2012 comprises the Company and its controlled entities (together referred to as the 'Group').

The separate financial statements of the parent entity, Geopacific Resources NL, have not been presented within this financial report as permitted by the Corporation Act 2001.

The financial report was authorized for issue by the directors on 21 March 2012.

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.

Except for cash flow information, 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.

Going concern basis for preparation of financial statements

During the year the Company incurred a net loss of \$2,672,619 (2011: \$1,723,299) and net operating cash outflows of \$635,535 (2011: \$230,163).

The financial statements have been prepared on the 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 as to whether the Group will be able 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 final report

The Directors are cognisant of the fact that future exploration and administration activities may be constrained by available cash assets, and believe that the current cash reserves of the Group and proposed future fund raisings will be sufficient to fund forecast exploration.

Subsequent to the end of financial year, the Group completed a share placement raising \$425,000 by issuing 4,250,000 ordinary fully paid shares at 10 cents each.

The directors consider that the use of the going concern basis is appropriate for the preparation of these financial statements.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New Accounting Standards for Application in Future Periods

In the year ended 31 December 2012, the Group has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for the current annual reporting period. It has been determined by the Group that 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 Group accounting policies.

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Group. The Group has decided not to early adopt any of the new and amended pronouncements. The Group's assessment of the new and amended pronouncements that are relevant to the Group but applicable in future reporting periods is set out below:

AASB 9: Financial Instruments (December 2010) and AASB 2010-7: Amendments to Australian Accounting Standards arising from AASB 9 (December 2010).

These Standards are applicable retrospectively and include revised requirements for the classification and measurement of financial instruments, as well as recognition and derecognition requirements for financial instruments.

The key 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;
- requiring financial assets to be reclassified where there is a change in an entity's business model as they are initially classified based on: (a) the objective of the entity's business model for managing the financial assets; and (b) the characteristics of the contractual cash flows; and
- requiring an entity that chooses to measure a financial liability at fair value to present the portion of the change in its fair value due to changes in the entity's own credit risk in other comprehensive income, except when that would create an accounting mismatch. If such a mismatch would be created or enlarged, the entity is required to present all changes in fair value (including the effects of changes in the credit risk of the liability) in profit or loss.

These Standards were mandatorily applicable for annual reporting periods commencing on or after 1 January 2013. However, AASB 2012-6: Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures (issued September 2012) defers the mandatory application date of AASB 9 from 1 January 2013 to 1 January 2015. This amendment is a consequence of the deferral of IFRS 9 to allow the IASB to complete its revision of that Standard. In light of this change of mandatory effective date, the Group is expected to adopt AASB 9 and AASB

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New Accounting Standards for Application in Future Periods (continued)

2010–7 for the annual reporting period ending 31 December 2015. Although the directors anticipate that the adoption of AASB 9 and AASB 2010–7 may have a significant impact on the Group's financial instruments, it is impracticable at this stage to provide a reasonable estimate of such impact particularly considering the changes that are expected to be made to IFRS 9 in the future.

AASB 10: Consolidated Financial Statements, AASB 11: Joint Arrangements, AASB 12: Disclosure of Interests in Other Entities, AASB 127: Separate Financial Statements (August 2011), AASB 128: Investments in Associates and Joint Ventures (August 2011) and AASB 2011–7: Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards (applicable for annual reporting periods commencing on or after 1 January 2013).

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. This standard is not expected to have significant impact on the Group's financial statements.

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" (where 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).

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 affect disclosures only and is not expected to significantly impact the Group.

To facilitate the application of AASBs 10, 11 and 12, revised versions of AASB 127 and AASB 128 have also been issued.

These Standards are not expected to significantly impact the Group's financial statements.

AASB 13: Fair Value Measurement and AASB 2011–8: Amendments to Australian Accounting Standards arising from AASB 13 (applicable for annual reporting periods commencing on or after 1 January 2013).

AASB 13 defines fair value, sets out in a single Standard a framework for measuring fair value, and requires disclosures about fair value measurement.

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) to be measured at fair value.

These Standards are expected to result in more detailed fair value disclosures, but are not expected to significantly impact the amounts recognised in the Group's financial statements.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New Accounting Standards for Application in Future Periods (continued)

AASB 2011-4: Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements (applicable for annual reporting periods beginning on or after 1 July 2013).

This Standard makes amendments to AASB 124: Related Party Disclosures to remove the individual key management personnel disclosure requirements (including paras Aus29.1 to Aus29.9.3). These amendments serve a number of purposes, including furthering trans-Tasman convergence, removing differences from IFRSs, and avoiding any potential confusion with the equivalent Corporations Act 2001 disclosure requirements.

This Standard is not expected to significantly impact the Group's financial report as a whole because:

- some of the disclosures removed from AASB 124 will continue to be required under s 300A of the Corporations Act, which is applicable to the Group; and
- AASB 2011-4 does not affect the related party disclosure requirements in AASB 124 applicable to all reporting entities, and some of these requirements require similar disclosures to those removed by AASB 2011-4.
- AASB 2011-9: Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income (applicable for annual reporting periods commencing on or after 1 July 2012).

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 therefore not expected to significantly impact the Group.

AASB 119: Employee Benefits (September 2011) and AASB 2011-10: Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) (applicable for annual reporting periods commencing on or after 1 January 2013).

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; and
- disaggregation of changes in a net defined benefit liability/(asset) into service cost, net interest expense and remeasurements and recognition of:
 - (i) service cost and net interest expense in profit or loss; and
 - (ii) remeasurements in other comprehensive income.

AASB 119 (September 2011) also includes changes to the criteria for determining when termination benefits should be recognised as an obligation.

This Standard is not expected to significantly impact the Group's financial statements.

AASB 2012-2: Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities (applicable for annual reporting periods commencing on or after 1 January 2013).

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New Accounting Standards for Application in Future Periods (continued)

AASB 2012-2 principally amends AASB 7: Financial Instruments: Disclosures to require entities to include information that will enable users of their financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position.

This Standard is not expected to significantly impact the Group's financial statements.

AASB 2012-3: Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities (applicable for annual reporting periods commencing on or after 1 January 2014).

This Standard adds application guidance to AASB 132: Financial Instruments: Presentation to address potential inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of "currently has a legally enforceable right of set-off" and that some gross settlement systems may be considered equivalent to net settlement.

This Standard is not expected to significantly impact the Group's financial statements.

AASB 2012-5: Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle (applicable for annual reporting periods commencing on or after 1 January 2013).

This Standard amends a number of Australian Accounting Standards as a consequence of the issuance of Annual Improvements to IFRSs 2009-2011 Cycle by the International Accounting Standards Board, including:

- AASB 1: First-time Adoption of Australian Accounting Standards to clarify the requirements in respect of the application of AASB 1 when an entity discontinues and then resumes applying Australian Accounting Standards;
- AASB 101: Presentation of Financial Statements and AASB 134: Interim Financial Reporting to clarify the requirements for presenting comparative information;
- AASB 116: Property, Plant and Equipment to clarify the accounting treatment of spare parts, stand-by equipment and servicing equipment;
- AASB 132 and Interpretation 2: Members' Shares in Co-operative Entities and Similar Instruments to clarify the accounting treatment of any tax effect of a distribution to holders of equity instruments; and
- AASB 134 to facilitate consistency between the measures of total assets and liabilities an entity reports for its segments in its interim and annual financial statements.

This Standard is not expected to significantly impact the Group's financial statements

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Significant accounting policies

The following is a summary of the material accounting policies adopted by the Group in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(a) Cash and cash equivalents

Cash and short-term deposits in the consolidated statement of financial position comprise cash at bank and in hand. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(b) Share Capital

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.

(iii) 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.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Employee benefits (continued)

(iii) Sharebased payments (continued)

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

Initial 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 instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost.

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.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Financial Instruments (continued)

(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 being measured at fair value are classified as current assets in the statement of financial position.

(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. Gain or losses are recognized in profit or loss through the amortization process and when the financial asset is derecognised.

(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. Gain or losses are recognized in profit or loss through the amortization process and when the financial asset is derecognised.

(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. Gain or losses are recognized in profit or loss through the amortization process and when the financial asset is derecognised.

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.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Financial Instruments (continued)

Impairment

At each reporting date the Group assesses whether there is objective evidence that a financial instrument has been impaired. 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;
- income and expenses are translated at average exchange rates for the period; and
- retained earnings 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 of.

(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.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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 year is the tax payable on the current year's taxable income based on the notional 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

Mineral exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are carried forward only if they relate to an area of interest for which rights of tenure are current and in respect of which:

- such costs are expected to be recouped through the successful development and exploitation of the area of interest, or alternatively by its sale; or
- exploration and/or evaluation activities in the area have not reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active or significant operations in, or in relation to, the area of interest are continuing.

In the event that an area of interest is abandoned or if the Directors consider the expenditure to be of reduced value, accumulated costs carried forward are written off in the year in which that assessment is made. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Immediate restoration, rehabilitation and environmental costs necessitated by exploration and evaluation activities are expensed as incurred and treated as exploration and evaluation expenditure. Exploration activities resulting in future obligations in respect of restoration costs result in a provision to be made by capitalising the estimated costs, on a discounted cash basis, of restoration and depreciating over the useful life of the asset. The unwinding of the effect of the discounting on the provision is recorded as a finance cost in the income statement.

(l) Plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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 year 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 and equipment 5% to 37.5%
- Computer software 25%
- Motor vehicles 25%
- Furniture and fittings 7% to 20%

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)).

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Plant and equipment (continued)

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These gain and losses 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) Controlled entities

The consolidated financial statements incorporate the assets and liabilities of all controlled entities of Geopacific Resources NL ("the Company") as at 31 December 2012 and the results of all controlled entities for the year then ended. Geopacific Resources NL and its controlled entities together are referred to in this financial report as the Group.

Controlled entities 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.

Controlled entities 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 controlled entities have been changed where necessary to ensure consistency with the policies adopted by the Group.

A list of controlled entities is contained in note 19.

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.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Principles of consolidation (continued)

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 controlled entities is included in intangible assets.

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 using the effective interest method.

(iii) General

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

(o) Comparative figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(p) Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight line basis over the period of the lease.

(q) Provisions

Provisions are recognised when the Group has legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

2 FINANCIAL RISK MANAGEMENT

The Group has exposure to a variety of risks arising from its use of financial instruments. This note presents information about the Group's exposure to the specific risks, and the policies and processes for measuring and managing those risks. Further quantitative disclosures are included throughout this financial report. The Board of Directors has overall responsibility for the risk management framework.

(a) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from transactions with customers and investments.

Trade and other receivables

The Group has no investments and the current nature of the business activity does not result in trading receivables. The receivables that the Group recognises through its normal course of business are short term in nature and the most significant (in quantity) is the receivable from security deposits for tenements. The risk of non recovery of receivables from this source is considered to be negligible.

Cash deposits

The Group's primary banker is Westpac. At balance date all operating accounts and funds held on deposit are with this bank. The Directors believe any risk associated with the use of only one bank is mitigated by its size and reputation. Except for this matter the Group currently has no significant concentrations of credit risk.

(b) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group manages its liquidity risk by monitoring its cash reserves and forecast spending. Management is cognisant of the future demands for liquid finance resources to finance the Group's current and future operations, and consideration is given to the liquid assets available to the Group before commitment is made to future expenditure or investment.

(c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising any return.

Foreign exchange risk

The Group and the parent entity operated in Fiji and are exposed to foreign exchange risks arising from the fluctuations between the exchange rates of the Australian and Fijian Dollar. The Group does not have any further material foreign currency dealings other than the above.

2 FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Market risk (continued)

Foreign exchange risk arises when future commercial transactions and recognized assets and liabilities denominated in a currency that is not the Group's functional currency. The Group has not formalised a foreign currency risk management policy however, it monitors its foreign currency expenditure in light of exchange rate movements.

Interest rate risk

As the Group has significant interest bearing assets, the Group's income and operating cash flows are materially exposed to changes in market interest rates. The assets are short term interest bearing deposits, and no financial instruments are employed to mitigate risk (Note 26 – Financial Instruments).

(d) Capital management

The Board's policy is to maintain a sound capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors capital expenditure and cash flows as mentioned in (b).

The Group's objectives when managing capital is to safeguard the Group's ability to continue as a going concern, so as to maintain a strong capital base sufficient to maintain future exploration and development of its projects. In order to maintain or adjust the capital structure, the Group may return capital to shareholders issue new shares or sell assets to reduce debt. The Group's focus has been to raise sufficient funds through equity to fund exploration and evaluation activities.

There were no changes in the Group's approach to capital management during the year. Risk management policies and procedures are established with regular monitoring and reporting.

Neither the Company nor any of its controlled entities are subject to externally imposed capital requirements.

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.

Key judgments

Exploration and evaluation expenditure

The Company's accounting policy is stated at Note 1(k). There is some subjectivity involved in the carrying forward as capitalised or writing off to the income statement exploration and evaluation expenditure, however the Board and management give due consideration to areas of interest on a regular basis and are confident that decisions to either write off or carry forward such expenditure reflect fairly the prevailing situation. In the year ended 31 December 2012 an amount of \$1,464,577 has been written off (2011: \$1,275,080)

Key Estimates

Share based payments

The Group measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an internal valuation using a Black-Scholes option pricing model. Refer Note 22 for details of estimates and assumptions used

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.

	2012 \$	2011 \$
STATEMENT OF FINANCIAL POSITION		
ASSETS		
Current assets	714,939	1,691,975
Non current assets	6,992,170	6,319,162
TOTAL ASSETS	7,707,109	8,011,137
LIABILITIES		
Current liabilities	103,698	57,402
TOTAL LIABILITIES	103,698	57,402
EQUITY		
Issued capital	17,050,141	15,925,556
Forfeited shares reserve	-	4,623
Share based payments reserve	315,854	436,263
Accumulated losses	(9,762,584)	(8,412,707)
TOTAL EQUITY	7,603,411	7,953,735
STATEMENT OF COMPREHENSIVE INCOME		
Total loss	(1,623,399)	(1,756,614)
TOTAL COMPREHENSIVE INCOME (LOSS)	(1,623,399)	(1,756,614)

Guarantees

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

Contingent liabilities

At 31 December 2012, Geopacific Resources NL had no contingent liabilities. (2011: Nil)

Contractual commitments

At 31 December 2012, Geopacific Resources NL had not entered into any contractual commitments for the acquisition of property, plant and equipment. (2011: Nil)

5 REVENUE

	Consolidated	
	2012	2011
	\$	\$
Interest income – other persons	47,716	89,559
Management Fees Raki Raki Joint Venture	-	2,691
Other income	1,278	1,283
	48,994	93,533

6 LOSS BEFORE INCOME TAX

Loss before income tax includes the following specific expenses:

Rental expenses	69,478	46,081
Contributions to defined superannuation funds	15,344	-

7 REMUNERATION OF AUDITORS

Assurance services

A. Audit services

Audit or review of the financial report

William Buck Audit (WA) Pty Ltd:

- Current year

34,225

-

KS Black & Co Australian firm:

- Prior year

-

34,450

Total remuneration for audit services

34,225

34,450

8 INCOME TAX

	Consolidated	
	2012 \$	2011 \$
(a) Reconciliation of income tax expense/(benefit) to prima facie tax payable		
Loss from continuing operations before income tax expense/(benefit)	(2,672,619)	(1,723,229)
Tax at the Australian rate of 30% (2011 – 30%)	(801,786)	(516,990)
<i>Tax effect of:</i>		
Non-deductible share based payment	44,547	-
Exploration costs	46,122	(54,233)
Capital raising costs	(25,948)	(30,086)
Other non-deductible expenses	29,378	(147,027)
Deferred tax assets not brought to account	707,687	748,336
Income tax expense	-	-

(b) Deferred tax – Consolidated Statement of Financial Position

Deferred Tax Liabilities

Capitalised Exploration and Evaluation expenditure	(2,094,070)	(2,140,193)
	(2,094,070)	(2,140,193)

Less: Deferred Tax Assets

Accrued expenses	27,638	19,262
Interest bearing liabilities	3,934	-
Deductible equity raising costs	50,220	76,168
Tax losses available to offset against future taxable income	2,224,923	2,625,684
	2,306,715	2,721,114
Net Deferred tax assets not recognised	212,645	580,921

The deferred tax assets of tax losses 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

Current

Cash at bank

696,841

1,687,834

Consolidated

2012

2011

\$

\$

10 TRADE AND OTHER RECEIVABLES

Current

Security deposits

82,487

19,444

Sundry debtors

8,989

41,141

GST receivable

8,106

134,169

99,582

194,754

11 EXPLORATION EXPENDITURE

Non-Current

Capitalised exploration expenditure carried forward

6,980,234

7,133,975

Movement during year

Carrying value – beginning of year

7,133,975

7,547,611

Additions

1,310,836

900,051

Exchange rate variations

-

(11,817)

Recoveries from joint venture parties

-

(26,790)

Amounts written off

(1,464,577)

(1,275,080)

Carrying value – end of year

6,980,234

7,133,975

During the year the Company expensed previously capitalized exploration expenditure amounting to \$1,464,577 (2011: 1,275,080) on the relinquishment of the Nuku tenement SPL 1377, CX 735 and Nadovu tenement CX667.

12 PLANT AND EQUIPMENT

Non-Current

Plant, vehicles and equipment

At Cost

288,657

201,297

Less: Accumulated depreciation

(90,863)

(47,080)

Total plant and equipment

197,794

154,217

Movement

	Plant & Equipment \$	Computer software \$	Motor Vehicle \$	Lease Vehicle \$	Furniture and Fittings \$	Total \$
Carrying value – beginning of year	119,019	6,101	26,232	-	2,865	154,217
Additions	32,359	35,894	-	33,683	2,998	104,934
Disposals	(1,273)	-	(11,597)	-	-	(12,870)
Depreciation (included in profit and loss)	(26,863)	(9,405)	(6,177)	(5,491)	(551)	(48,487)
Carrying value – end of year	23,242	32,590	8,458	28,192	5,312	197,794

At 31 December 2012, a motor vehicle with a carrying amount of \$28,192 (2011: Nil) is secured under a finance lease arrangement.

2012 ANNUAL REPORT

53

13 TRADE AND OTHER PAYABLES

	Consolidated	
	2012	2011
	\$	\$
Current		
Sundry creditors and accruals	253,385	65,741

14 FINANCIAL LIABILITIES

CURRENT

Lease liabilities	6,990	-
-------------------	-------	---

NON-CURRENT

Lease liabilities	19,323	-
-------------------	--------	---

Lease liabilities are secured by underlying leased assets with a carrying amount of \$28,192 as at year end.

15 ISSUED CAPITAL

Issued Capital	17,050,141	15,925,556
----------------	------------	------------

Reconciliation of movements during the period:

	2012		2011	
	No. of Shares	\$	No. of Shares	\$
Balance as at 1 January	37,854,463	15,925,556	36,033,957	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
Shares issued pursuant to a placement at 22 cents	5,461,364	1,201,500	-	-
Less share issue costs	-	(76,915)	-	-
Balance as at 31 December	43,315,827	17,050,141	37,854,463	15,925,556

16 RESERVES

(a)	Reserves	Consolidated	
		2012 \$	2011 \$
	Foreign currency translation reserve	(362,188)	(351,445)
	Forfeited share reserve	-	4,623
	Sharebased payments reserve	315,854	436,263
		(46,334)	89,441
(b) Movements			
	Sharebased payments reserve		
	Balance 1 January	436,263	429,217
	Option expense	148,491	7,046
	Options expired	(268,900)	-
	Balance 31 December	315,854	436,263
	Foreign currency translation reserve		
	Balance 1 January	(351,445)	(316,366)
	Exchange gains (losses) during year	(10,743)	(35,079)
	Balance 31 December	(362,188)	(351,445)
	Forfeited share reserve		
	Balance 1 January	4,623	4,623
	Transfer to accumulated losses	(4,623)	-
	Balance 31 December	-	4,623
	Total reserves	(46,334)	89,441

(c) Nature and purpose of reserves

Sharebased payments reserve

The share-based payments reserve records the value of unexercised options issued to employees and Directors which have been taken to expenses, the value of options issued on acquisition of Millennium Mining (Fiji) Ltd, the value of unexercised 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 controlled entities accounts during the year.

17 CONTINGENT LIABILITIES

The Group does not have any contingent liabilities at the end of the reporting period.

18 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 for 2013 is required.

Tenement	Tenement Renewed to	Expenditure \$F	Comments
SPL1216	02 May 2013	300,000	
SPL 1231/1373	01 June, 2013	200,000	50% to be met by JV partner Imperial Mining (Fiji) Ltd
SPL 1436	01 June, 2013	50,000	50% to be met by JV partner Imperial Mining (Fiji) Ltd

(b) Option acquisition commitments

The company has entered into an agreement with a landowner to acquire the following tenement: SP1368 Vuda for AUD353,669 plus interest, to be paid by payments of AUD40,000 per quarter. The remaining commitment as at year end is as follows:

	Consolidated	
	2012	2011
	\$	\$
Payable not later than one year	35,122	151,756
Payable later than one year, but not later than two years	-	71,893
	35,122	223,649

(c) Finance lease commitments

	\$	\$
Payable – minimum lease payments:		
Payable not later than one year	8,607	-
Payable later than one year, but not later than five years	20,744	-
Minimum lease payments	29,351	-
Less future finance charge	(3,038)	-
Present value of minimum lease payments	26,313	-

The Group's lease vehicle under a finance lease agreement for a period of 36 months ending May 2015.

19 PARTICULARS RELATING TO CONTROLLE ENTITIES

	Class of Share	Holding Company	
		2012	2011
		%	%
Beta Limited	Ordinary	100	100
Geopacific Limited	Ordinary	100	100
Millennium Mining (Fiji) Limited	Ordinary	100	100

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

20 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:

S T Biggs
C B Bass

R J Fountain
I N A Simpson
R H Probert (alternate for I N A Simpson)

(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	
	2012	2011
	\$	\$
Shortterm employee benefits	211,327	302,367
Postemployment benefits	9,840	-
Sharebased payments	136,919	7,046
Total KMP compensation	358,086	309,413

Further details on the remuneration 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.

20 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.

2012		Granted during the year as compensa- tion	Other changes during the year ¹	Exercised during the year	Lapsed during the year	Balance at the end of the year	Vested and exercisable at the end of the year
Name	Balance at the start of the year(1)						
<i>Directors of Geopacific Resources NL</i>							
C B Bass	-	2,000,000	2,476,059	-	-	4,476,059	-
S T Biggs	-	-	2,798,709	-	-	2,798,709	-
R J Fountain	-	-	33,000	-	-	33,000	-
R H Probert	-	-	323,773	-	-	323,773	-
I N A Simpson	500,000	-	377,460	-	-	877,460	500,000
Other Key Management Personnel							
S Whitehead	500,000	-	-	-	-	500,000	83,333

¹ Bonus issue of options

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

2011		Granted during the year as compensa- tion	Other changes during the year	Exercised during the year	Lapsed during the year	Balance at the end of the year	Vested and exercisable at the end of the year
Name	Balance at the start of the year(1)						
<i>Directors of Geopacific Resources NL</i>							
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	-

20 KEY MANAGEMENT PERSONNEL DISCLOSURES (CONTINUED)

(d) Equity instrument disclosures relating to key management personnel (continued)

(iii) Share holdings

2012		Received during the year on the exercise of options	Other changes during the year ²	Balance at the end of the year
Name	Balance at the start of the year			
I N A Simpson	754,919	-	-	754,919
R J Fountain	66,000	-	-	66,000
R H Probert	647,545	-	-	647,545
C B Bass	2,815,753	-	1,336,364	4,152,117
S T Biggs	5,597,417	-	35,000	5,632,417
Other Key management Personnel				
S Whitehead	-	-	-	-

²Shares placement

2011		Received during the year on the exercise of options	Other changes during the year	Balance at the end of the year
Name	Balance at the start 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	2,815,753
S T Biggs	5,025,000	300,000	272,417	5,597,417
Other Key management Personnel				
S Whitehead	-	-	-	-

21 RELATED PARTY TRANSACTIONS

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

	Consolidated	
	2012	2011
	\$	\$
(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	40,218	13,144
Exsolution Pty Ltd, a Company in which Dr Russell Fountain is a director and shareholder, is utilized to provide services in relation to Geopacific Resources NL:		
Director's fee	24,000	-
Consultant fee and claims	30,000	-
Dr Ian Pringle provided office services in relation to Geopacific Resources NL:		
Office Rental	-	9,018

22 SHARE-BASED PAYMENTS

Geopacific Resources NL Employee Option Plan was approved by shareholders at the annual general meeting held on 31 May 2012. All employees are eligible to participate in the plan.

Plan options are granted under the plan for no consideration.

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

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

Number of options	Grant date	Expiry date	Exercise price	Value per option at grant date	Date vesting
83,333	6 September 2012	30 November 2015	\$0.35	\$0.0422	1 July 2013
83,333	6 September 2012	30 November 2015	\$0.35	\$0.0422	1 July 2014
83,333	6 September 2012	30 November 2015	\$0.35	\$0.0422	1 July 2015

No plan options were exercised or forfeited during the periods.

The weighted average remaining contractual life of share options outstanding at the end of the period was 3.2 years (2011 – Nil).

22 SHARE-BASED PAYMENTS (CONTINUED)

The assessed fair value at grant date of plan options granted to the individuals is allocated equally over the period from grant date to vesting date. 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 weighted average fair value of the plan options granted during the year was 4.22 cents (2011: Nil). The price was calculated by using the Black-Scholes option pricing model applying the following inputs:

	Consolidated	
	2012	2011
Weighted average exercise price (cents)	35.00	-
Weighted average life of the option (years)	3.20	-
Weighted average underlying share price (cents)	14.00	-
Expected share price volatility	75.72%	-
Weighted average risk free interest rate	2.49%	-

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.

(b) Unlisted options issued

During the financial year the Company granted non-plan options over unissued shares as follows for share-based payments in lieu of cash consideration for services provided to the Company:

Number of Options Granted	Exercise Price	Expiry Date
2,000,000	30 cents	5 April 2015
250,000	30 cents	30 September 2014

During the year, no options over unissued shares were exercised (2011: Nil). During the year, no options were cancelled or lapsed unexpired (2011: Nil).

The weighted average fair value of the options granted during the year was 13.35 cents (2011: Nil). The price was calculated by using the Black-Scholes option pricing model applying the following inputs:

	Consolidated	
	2012	2011
Weighted average exercise price (cents)	30.00	-
Weighted average life of the option (years)	2.75	-
Weighted average underlying share price (cents)	20.00	-
Expected share price volatility	124.04%	-
Weighted average risk free interest rate	3.56%	-

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.

22 SHARE-BASED PAYMENTS (CONTINUED)

Issue Date	Expiry Date	Exercise Price	Number on issue 1 January 2012	Granted during year	Lapsed during year	Exercised during year	Number on issue 31 December 2012
08.05.2006	08.05.2012	\$1.25	100,000	-	(100,000)	-	-
18.09.2009	01.08.2013	\$0.50	610,000	-	-	-	610,000
08.05.2006	08.05.2013	\$1.50	100,000	-	-	-	100,000
30.09.2011	30.09.2014	\$0.30	500,000	-	-	-	500,000
05.04.2012	30.09.2014	\$0.30	-	250,000	-	-	250,000
05.04.2012	05.04.2015	\$0.30	-	2,000,000	-	-	2,000,000
07.09.2012	30.11.2015	\$0.35	-	250,000	-	-	250,000
06.06.2009	(a)	\$2.50	800,000	-	-	-	800,000
06.06.2009	(b)	\$5.00	200,000	-	-	-	200,000
			2,310,000	2,500,000	(100,000)	-	4,710,000

(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.

23 LOSS PER SHARE

	Consolidated	
	2012	2011
	Cents	Cents
Loss attributable to the ordinary equity holders of the Company	(6.34)	(4.78)

	2012	2011
	\$	\$
<i>Basic and diluted loss per share</i>		
Loss attributable to the ordinary equity holders of the Company used in calculating basic and diluted loss per share	(2,672,619)	(1,723,299)

	2012	2011
	Number	Number
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted loss per share.	42,140,111	36,079,978

The options on issue as stated in note 22 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.

24 EVENTS OCCURRING AFTER THE YEAR END

Other than the following, there has not arisen in the interval between the end of the financial year 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 Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

- On 3 January 2013, the Company announced that it had entered into an agreement with unlisted public company World Wide Mining Projects Limited ("WWM") to undertake an off-market, target board-recommended 1:1 scrip takeover bid for 100% of WWM's issued capital by issuing of up to 53,700,000 GPR shares. A successful takeover will result in GPR having option to take an 85% interest in the Kou Sa Copper Project.
- On 7 February 2013 a Bidder Statement was lodged with ASIC and ASX, and a Supplementary Bidder Statement lodged on 26 February 2013.
- On 11 March 2013 the Company announced that the takeover offer had been extended to 2 April 2013.
- On 18 March 2013 the Company advised WWM that it had received acceptances from WWM shareholders amounting to 92.5% of total WWM shares on issue.
- On 10 January 2013 the company announced the issue of 700,000 ordinary shares to consultants in lieu of cash consideration for their services.
- 21,657,951 listed options exercisable at 35 cents each expired on 19 January 2013 in accordance with their terms.
- On 20 February 2013, the Company announced a placement of 4,250,000 ordinary fully paid shares at 10 cents each, raising \$425,000 before costs.

Other matters

No other matters or circumstances have arisen since 31 December 2012 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.

25 OPERATING SEGMENTS

The Group has identified its operating segments based on the internal reports that are reviewed by the Board in assessing performance and determining the appropriate allocation of the Group's resources. The Group also has had regard to the qualitative thresholds for the determination of operating segments.

For management purposes the Group is organised into one operating segment, which involves mineral exploration and development in Fiji. The Group's principal activities are interrelated and the Group has no revenue from operations.

All significant operating decisions are based upon analysis of the Company as one segment. The financial results of this segment are equivalent to the financial statements of the Company as a whole.

The accounting policies applied for internal reporting purposes are consistent with those applied in preparation of the financial statements.

25 OPERATING SEGMENTS (CONTINUED)

Revenue by geographical region

The Group has not generated revenue from operations, other than other revenue as below.

	2012 \$	2011 \$
Australia	47,716	89,316
Fiji	1,278	4,216
Total Other Revenue	48,994	93,533

Assets by geographical region

The location of segment assets is disclosed below by geographical location of the assets.

	2012 \$	2011 \$
Australia	817,412	909,166
Fiji	7,157,039	8,260,914
Total Assets	7,974,451	9,170,080

26 FINANCIAL INSTRUMENTS DISCLOSURES

Credit risk

The Directors do not consider that the Group's financial assets are subject to anything more than a negligible level of credit risk, and as such no disclosures are made. Refer to Note 2(a).

Impairment losses

The Directors do not consider that any of the Group's financial assets are subject to impairment at the reporting date. No impairment expense or reversal of impairment charge has occurred during the reporting period.

Liquidity risk

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements. Refer to Note 2(b):

	Carrying amount \$	Contractual cash flows \$	6 months or less \$	6-12 months \$	1-2 years \$	2-5years \$	More than 5 years \$
Consolidated 2012							
<i>Financial assets – cash flows realisable</i>							
Cash and cash equivalents	696,841	696,841	696,841	-	-	-	-
Trade and other receivables	99,582	99,582	99,582	-	-	-	-
Total anticipated inflows	796,423	796,423	796,423	-	-	-	-
<i>Financial liabilities due for payment</i>							
Trade and other payables	253,385	253,385	253,385	-	-	-	-
Other financial liabilities	26,313	26,313	-	6,990	19,323		
Total expected outflows	279,698	279,698	253,385	6,990	19,323		
Net inflow/(outflow) on financial instruments	516,725	516,725	543,038	(6,990)	(19,323)	-	-

26 FINANCIAL INSTRUMENTS DISCLOSURES (CONTINUED)

2011	Carrying amount \$	Contractual cash flows \$	6 months or less \$	6-12 months \$	1-2 years \$	2-5 years \$	More than 5 years \$
<i>Financial assets – cash flows realisable</i>							
Cash and cash equivalents	1,687,834	1,687,834	1,687,834	-	-	-	-
Trade and other receivables	194,754	194,754	194,754	-	-	-	-
Total anticipated inflows	1,882,588	1,882,588	1,882,588	-	-	-	-
Trade and other payables	65,741	65,741	65,741	-	-	-	-
Total expected outflows	65,741	65,741	65,741	-	-	-	-
Net inflow on financial instruments	1,816,847	1,816,847	1,816,847	-	-	-	-

The weighted average interest rate for the interest bearing liabilities is 6.99% (2011:Nil).

Currency risk

The Group is exposed to foreign currency on expenditures that are dominated in a currency other than Australian Dollars. The currency giving rise to this risk is primarily Fiji Dollars. Refer note 2 (c).

Interest rate risk

At the reporting date the interest profile of the Group's interest-bearing financial instruments were:

	Consolidated	
	2012	2011
	\$	\$
Fixed rate instruments:		
Financial liabilities	26,313	-
	26,313	-
Variable rate instruments:		
Financial assets	696,841	1,687,834
	696,841	1,687,834

Fair value sensitivity analysis for fixed rate investments

26 FINANCIAL INSTRUMENTS DISCLOSURES (CONTINUED)

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Group does not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased/(decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

	Profit and Loss		Equity	
	100bp increase	100bp decrease	100bp increase	100bp decrease
	\$	\$	\$	\$
2012				
Variable rate instruments	6,968	(6,968)	6,968	(6,968)
2011				
Variable rate instruments	16,878	(16,878)	16,878	(16,878)

Fair values

Fair values versus carrying amounts

The carrying amounts of financial assets and liabilities as described in the consolidated statement of financial position represent their estimated net fair value.

27 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	
	2012 \$	2011 \$
Cash at Bank	696,841	1,687,834
(b) Non Cash Financing		
Exchange rate fluctuations in exploration expenditure	-	(11,817)
Share based payments	148,491	7,046
(c) Reconciliation of Cash Flows from Operating Activities		
Profit (loss) for the year	(2,672,619)	(1,723,299)
Non-cash items:		
Depreciation	48,487	27,176
Options expense	148,491	7,046
Exploration expenditure written off	1,464,577	1,275,080
Changes in Assets and Liabilities:		
Decrease in receivables	161,372	163,706
Increase in payables	214,157	20,128
Net Cash used in Operating Activities	(635,535)	(230,163)

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 2012.

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.

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:

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 2012.

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.

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 was effective from 1 July 2011 and requires the Board to set 'measurable 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 is reviewing its practices with a 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 2012:

	Proportion of females / total number of persons	Note
Females employed in the Group as a whole	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 23 April 2013.

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	26,004
1,001 5,000	192	556,145
5,001 10,000	69	538,478
10,001 100,000	170	6,648,212
100,001 and over	126	94,816,988
Total	612	102,585,827

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:

Name	Ordinary shares	
	Number held	Percentage of issued shares
HSBC Custody Nominees (Australia) Limited	7,760,378	7.56%
Stillwater Resource Group Pty Ltd	5,500,000	5.36%
Laguna Bay Capital Pty Ltd	5,332,417	5.20%
Mr Milan Jerkovic & Mrs Glenda Janice Jerkovic <MJ & GJJ Super fund a/c>	4,000,000	3.90%
Springtide Capital Pty Ltd <Cockatoo Valley Invest a/c>	3,969,123	3.87%
Mrs Anita Cunningham	3,250,000	3.17%
Idzan Pty Ltd <Latin Holdings Family a/c>	3,000,000	2.92%
Mrs Lisa Lewis	2,666,667	2.60%
Ms Melissa Narbey	2,666,667	2.60%
Quartz Mountain Mining Pty Ltd <The Bass Family a/c>	2,515,753	2.45%
BLT Offshore Pte Ltd	2,500,000	2.44%
Ms Denise Worthington	2,500,000	2.44%
Lujeta Pty Ltd <The Margaret Account>	2,135,000	2.08%
BLT Offshore Pte Ltd	2,000,000	1.95%
Quartz Mountain Mining Pty Ltd <The Bass Family A/C>	2,000,000	1.95%
Gurpreet Vohra	2,000,000	1.95%
Mrs Ilean Doidge	1,362,785	1.39%
Mr Bruce Gordon Morgan	1,217,419	1.19%
Mr Charles Bennett Bass & Mrs Sylvia Bass <The Metech No 2 S/F A/C>	1,136,364	1.11%
Anglo Swiss Securities Ltd	1,000,000	0.98%
J A Mullins Pty Ltd <James A Mullins Family A/C>	1,000,000	0.98%
Top 20 Shareholders	59,512,573	58.01%
Other Shareholders	43,073,254	41.99%
Total Ordinary Shareholders	102,585,827	100.00%

C. Substantial holders

Substantial holders in the Company are set out below:

Substantial Shareholder

(extracts from Substantial Shareholder Register)

Ordinary shares

	Shareholding	
	Number held	Percentage
HSBC Custody Nominees (Australia) Limited	7,760,378	7.56%
Mr Charles Bennett Bass	5,652,117	5.51%
Stillwater Resource Group Pty Ltd	5,500,000	5.36%
Laguna Bay Capital Pty Ltd	5,332,417	5.20%

D. 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.

E Summary of unlisted options issued

	No of options	No of holders	Options held	% Options Issued
Options expiring 8 May 2013 with an exercise price of \$1.50	100,000	1		
Ian Pringle			100,000	100.00%
Options expiring 1 August 2013 with an exercise price of \$0.50	600,000	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%
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				
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 RAKIRAKI 50% Beta 50% Peninsula Minerals	Raki Raki NE Viti Levu	Approx. 3,330 ha	Granted on 6 November 1985 to Beta. Peninsula Minerals has 50% interest. Renewed for 1 year on 1 June 2012.
SPL 1373 QALAU 50% Beta 50% Peninsula Minerals	Rakiraki NE Viti Levu	Approx. 1,843 ha	Granted on 6 July 1995 to Beta. Peninsula Minerals has 50% interest. Renewed for 1 year on 1 June 2012.
SPL 1436 TABUKA 50% Beta 50% Peninsula Minerals	Raki Raki NE Viti Levu	Approx. 2,500 ha	Granted on 17th March 2005 to Beta. Peninsula Minerals has 50% interest. Renewed for 1 year on 1 June 2012.
SPL 1368 VUDA 100% GPL	Vuda Valley 15 km NNE of Nadi Viti Levu	3,210 ha	Granted on 18 October 1994. GPL completed option to purchase 100% of tenement on 7 March 2013. Renewed on 23 January 2012. Application for a renewal to 22 January 2016 is lodged with MRD.
SPL 1361 SABETO 100% GPL	Sabeto Valley 16 km NE of Nadi Viti Levu	1,800ha	Granted on 6 October 1993. GPL completed option to purchase 100% of tenement on 23 March 2012. Renewed on 22 January 2012. Application for a renewal to 22 January 2016 is lodged with MRD.
SPL 1493 CAKAUDROVE 100% GPL	Cakaudrove Peninsula 55km ENE Savusavu Vanua Levu	Approx. 41,900 ha	Granted on 31st January 2012. Application for a renewal to 31 December 2016 is lodged with MRD.
SPL 1216 NABILA GPR purchased (100%) of Millennium Mining (Fiji) Ltd (MMF) which owns SPL1216 on 3 June 2008	20km SW Nadi, Viti Levu	2,830 ha	Granted on 1st April 1984. Renewed for 1 year on 3 May 2012.
SPL 1415 KAVUKAVU GPR purchased 100% of Millennium Mining (Fiji) Ltd (MMF) which owns SPL1415 on 3 June 2008	28km SSW of Nadi, Viti Levu	5,400 ha	Granted on 17th March 2000. Renewed on 23 January 2013. Application for a renewal to 22 January 2016 is lodged with MRD.



www.geopacific.com.au
