

GEOPACIFIC RESOURCES NL
ACN 003 208 393

NOTICE OF GENERAL MEETING

Level 1, 278 Stirling Highway Claremont WA 6010
on 7 October 2013 AT 4.30pm WST

THIS DOCUMENT IS IMPORTANT

An Independent Expert's Report is attached to this Notice, in Annexure A, as required by ASIC Regulatory Guide 74. The Independent Expert's Report concludes that the transaction the subject of the Resolution in this Notice of Meeting is fair and reasonable to the Company's non-associated Shareholders, for the reasons set out in the report. The Independent Expert's Report is available via the Company's website: www.geopacific.com.au

If you do not understand this document or are in any doubt as to how to deal with this document, you should consult your stockbroker, solicitor, accountant or other professional adviser immediately.

Should you wish to discuss the matters in this Notice of General Meeting please do not hesitate to contact the Company Secretary on +61 8 6143 1823

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IMPORTANT INFORMATION

Notice is hereby given that a General Meeting of Shareholders will be held at Level 1, 278 Stirling Highway Claremont on 7 October 2013 at 4.30 pm WST for the purpose of transacting the following business.

The purpose of the attached Explanatory Statement is to provide information to Shareholders to enable each Shareholder to make an informed decision regarding the Resolution set out in this Notice of General Meeting.

If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisors before voting.

The Explanatory Statement is to be read in conjunction with this Notice of General Meeting. Capitalised words and expressions in this Notice of General Meeting have the same meaning as in the Explanatory Statement and, where not defined in the Explanatory Statement, are defined in the attached Glossary.

VOTING BY PROXY

To vote by proxy, please complete and sign the enclosed Proxy Form and return to the Company or Boardroom Pty Ltd as follows:

Company Secretary

Geopacific Resources NL
Level 1 278 Stirling Highway Claremont,
Western Australia 6010
jlewis@geopacific.com.au

Boardroom Pty Limited

Level 7, 207 Kent Street
Sydney, NSW, 2000
Fax: + 61 2 9290 9655

Please note that a duly completed Proxy Form and (where applicable) any power of attorney or a certified copy of the power of attorney, must be received by the Company not later than 4.30pm WST 6 October 2013. Proxy Forms received later than this time will be invalid.

ENTITLEMENT TO ATTEND AND VOTE

The Company may specify a time, not more than 48 hours before the General Meeting, at which a "snap-shot" of Shareholders will be taken for the purposes of determining Shareholder entitlements to vote at the meeting.

The Company's Directors have determined that all Shares of the Company that are recorded on the Company's register of members at 5.00 pm WST 5 October 2013 shall, for the purposes of determining voting entitlements at the General Meeting, be taken to be held by the persons registered as holding the Shares at that time.

ASIC AND ASX

A final copy of this Notice of General Meeting and Explanatory Statement has been lodged with ASIC and ASX. Neither ASIC, ASX nor any of their respective officers takes any responsibility for the contents of this document.

BUSINESS OF THE MEETING

AGENDA

RESOLUTION 1 – APPROVAL TO ALLOT AND ISSUE PLACEMENT SHARES TO RESOURCE CAPITAL FUND VI L.P. (OR ITS ASSOCIATES)

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

"That, for the purposes of item 7 in the table in section 611 of the Corporations Act, Listing Rule 7.1 and for all other purposes, approval is given for the Company to allot and issue Shares to Resource Capital Fund VI L.P. (or its associates) on the terms and conditions set out in the Explanatory Statement accompanying this Notice."

Short Explanation:

Shareholder approval is sought under item 7 in the table of section 611 of the Corporations Act so that Resource Capital Fund VI L.P. (or its associates) may acquire a relevant interest in Shares under the Placement in excess of the permissible thresholds under the Corporations Act. Shareholder approval is also sought under Listing Rule 7.1 to exempt the issue of Shares under the Placement from the 15% limit in Listing Rule 7.1 which otherwise applies to securities issued without shareholder approval.

Independent Expert Report: RM Capital Pty Ltd has prepared an Independent Expert Report which comments on the fairness and reasonableness of the allotment and issue of the Shares to Resource Capital Fund VI L.P. (or its associates). The Independent Expert Report concludes that allotment and issue of the Shares to Resource Capital Fund VI L.P. (or its associates) is fair and reasonable to the non-associated Shareholders. Shareholders are urged to carefully consider the Independent Expert's Report.

Voting Exclusion Statement: The Company will disregard any votes cast on this Resolution by Resource Capital Fund VI L.P. (or its associates), a party to the transaction, any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary Shares, if this Resolution is passed and any associate of those persons. However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

RESOLUTION 2 - APPROVAL FOR CONVERSION OF CONVERTIBLE NOTES TO RELATED PARTY (SAM INVESTORS)

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

"That, for the purposes of Listing 10.11 and all other purposes, Shareholders approve the conversion of 10 Convertible Notes issued to Sam Investors into 1,123,166 Ordinary Shares at an issue price of \$0.045 cents per Share on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice."

Short Explanation: Shareholder approval is sought for the conversion of 10 Convertible Notes and the issue upon conversion of 1,123,166 fully paid ordinary shares to Sam Investors (and/or its nominee(s), a Related Party of the Company, upon conversion of 10 Convertible Notes.

Voting Exclusion Statement: The Company will disregard any votes cast on this Resolution by Sam Investors (or its associates), a party to the transaction, any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a

holder of ordinary Shares, if this Resolution is passed and any associate of those persons. However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

RESOLUTION 3 - APPROVAL FOR CONVERSION OF CONVERTIBLE NOTES TO RELATED PARTY (QUARTZ MOUNTAIN MINING)

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

"That, for the purposes of Listing 10.11 and all other purposes, Shareholders approve the conversion of 10 Convertible Notes issued to Quartz Mountain Mining into 1,120,000 Ordinary Shares at an issue price of \$0.05 cents per share on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice."

Short Explanation: Shareholder approval is sought for the conversion of 10 Convertible Notes and the issue upon conversion of 1,120,000 fully paid ordinary shares to Quartz Mountain Mining (and/or its nominee(s), a Related Party of the Company, upon conversion of 10 Convertible Notes.

Voting Exclusion Statement: The Company will disregard any votes cast on this Resolution by Quartz Mountain Mining (or its associates), a party to the transaction, any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary Shares, if this Resolution is passed and any associate of those persons.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE OF SHARES

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

"That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the prior issue of 3,907,519 Shares at an issue price of \$0.045 per Share to various parties pursuant to the conversion of 35 Convertible Notes on the terms and conditions set out in the Explanatory Statement accompanying this Notice."

Short Explanation: Shareholder approval is sought to approve and ratify under Listing Rule 7.4 the issue of 3,907,519 Shares previously issued by the Company on the conversion of 35 Convertible Notes to exempt this previous issue from the 15% limit in Listing Rule 7.1.

Voting exclusion: The Company will disregard any votes cast on this Resolution by any person who participated in the issue and any person associated with that person. However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

RESOLUTION 5 – CHANGE OF COMPANY TYPE FROM NO LIABILITY TO LIMITED

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a special resolution:

"That, subject to and conditional upon the passing of Resolutions 6 and 7 and for the purposes of section 162(1)(a) of the Corporations Act, and for all other purposes, the Company change its type from a public no liability company to a public company limited by shares, with effect from the time when ASIC alters the Company's registration details reflecting the change of company type under Part 2B.7 of the Corporations Act."

Short Explanation: To change the type of the Company from a public no liability company to a public company limited by shares.

RESOLUTION 6 – CHANGE OF NAME TO GEOPACIFIC RESOURCES LIMITED

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a special resolution:

"That, subject to and conditional upon the passing of Resolutions 5 and 7, and for the purposes of Section 157(1)(a) of the Corporations Act, and for all other purposes, the name of the Company be changed from 'Geopacific Resouces NL' to 'Geopacific Resources Ltd', with effect from the change of company type pursuant to Resolution 5."

Short Explanation: Subject to the Shareholders approving the change of the type of the Company, approval is sought to change the name of the Company to reflect the change in company type from a public no liability company to a public company limited by shares.

RESOLUTION 7 – APPROVAL OF ADOPTION OF NEW COMPANY CONSTITUTION

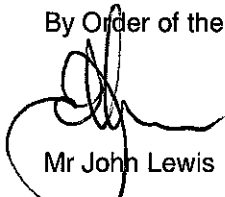
To consider and, if thought fit, to pass, with or without amendment, the following resolution as a special resolution:

"That, subject to and conditional upon the passing of Resolutions 5 and 6 and for the purposes of section 136(2) of the Corporations Act, and for all other purposes, the Company adopt the constitution described in the Explanatory Statement accompanying this Notice of Meeting in substitution of the present constitution of the Company (which is repealed), with effect from the change of company type pursuant to Resolution 5."

Short Explanation: Subject to Shareholders approving the change of the type of the Company, approval is sought to adopt a new Company constitution to reflect the change in company type from a public no liability company to a public company limited by shares and the expanded activities that the Company may undertake and to modernise the Company's constitution.

Dated: 5 September 2013

By Order of the Board



Mr John Lewis

COMPANY SECRETARY

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of Shareholders of the Company in relation to the business to be conducted at the General Meeting to be held at Level 1, 278 Stirling Highway Claremont on 7 October 2013 at 4.30 pm WST.

The purpose of this Explanatory Statement is to provide Shareholders with all information known to the Company which is material to a decision on how to vote on the Resolutions in the accompanying Notice of General Meeting.

This Explanatory Statement should be read in conjunction with the Notice of General Meeting preceding this Explanatory Statement. Capitalised terms in this Explanatory Statement are defined in the glossary to this document.

1. **RESOLUTION 1 – APPROVAL TO ALLOT AND ISSUE PLACEMENT SHARES TO RESOURCE CAPITAL FUND VI L.P. (OR ITS ASSOCIATES)**

1.1 **Background**

Resource Capital Fund VI L.P. has entered into an agreement dated 15 August 2013 (**Placement Agreement**) to provide to the Company an equity placement of USD\$3.0 million (**Placement**).

The Placement is subject to a number of conditions which may only be waived by Resource Capital Fund VI L.P., including the successful raising by the Company of AUD\$3.0 million by way of a non-renounceable 10 for 17 rights issue at an issue price of \$0.05 per Share (**Rights Issue**), the change in company type from a public no liability company to a public company limited by shares (refer also to section 4.2 below) and the obtaining of all authorisations and approvals (including shareholder approval) required for the Placement.

Under the Placement, Resource Capital Fund VI L.P. (or its associates) will be issued Shares at an issue price of AUD\$0.05 cents in the number determined in the manner set out in section 1.5(b) below. The Placement is to form a cornerstone of the Company's overall funding strategy to allow the Company to actively pursue its exploration activities in Cambodia and Fiji. The actual amount of Shares to be issued will be determined by converting the Placement consideration of USD\$3.0 million from USD\$ to AUD\$ using the spot \$USD/AUD exchange rate at 10.00am on the date the Placement is made (refer to section 1.5(b) below for further details).

The purpose of Resolution 1 is to seek Shareholder approval for the allotment and issue by the Company of Shares to Resource Capital Fund VI L.P. (or its associates) in the number determined in the manner set out in section 1.5(b) below.

1.2 **Regulatory Requirements**

Listing Rule 7.1 provides that, unless an exemption applies, a company must not, without prior approval of shareholders, issue or agree to issue Equity Securities if the Equity Securities will in themselves or when aggregated with the ordinary securities issued by the company during the previous 12 months, exceed 15% of the number of ordinary securities on issue at the commencement of that 12 month period.

The issue and allotment of Shares pursuant to Resolution 1 will exceed the 15% limit and therefore requires the approval of Shareholders.

The securities proposed to be issued, for which approval is sought under Resolution 1, are anticipated to comprise more than 20% (refer to section 1.5(b) below for further details) of the Company's fully diluted issued capital assuming no further issues of securities by the Company).

In compliance with the information requirements of Listing Rule 7.3, Shareholders are advised of the following information:

(a) **Maximum number of securities to be issued**

The Company intends to issue the number of Shares determined in the manner set out in section 1.5(b) below.

(b) **Date of issue and allotment**

The Shares will be allotted and issued within 15 business days of the conditions under the Placement Agreement being satisfied including completion of a Rights Issue for at least AUD\$3.0 million but, in any case, not later than 3 months after the date of Shareholder approval pursuant to this Resolution 1 or such later date as approved by ASX.

(c) **Issue price**

The issue price will be of AUD\$0.05 per Share.

(d) **Allottees of the securities**

Allottees of the Shares will be Resource Capital Fund VI L.P (or its associates) which are not Related Parties of the Company.

(e) **Terms of the securities**

The Shares will be fully paid ordinary shares in the capital of the Company on the same terms and conditions as the Company's existing Shares and rank equally in all respects with the existing Shares. The Company will apply to ASX for official quotation of the Shares.

(f) **Intended use of the funds raised**

The intended use of the funds raised under the issue by the Company is to actively pursue its exploration activities comprised of exploration, pre-feasibility and development work on the Kou Sa Project in Cambodia, including geological mapping, drilling and metallurgical test work.

(g) **Voting exclusion statement**

A voting exclusion statement for Resolution 1 is included in the Notice of General Meeting preceding this Explanatory Statement.

1.3 Recommendation of directors

The Board believes that the proposed issue is beneficial for the Company increasing its ability to continue its exploration activities and unanimously recommends Shareholders vote in favour of the Resolution. It will allow the Company to retain the flexibility to issue further Equity Securities representing up to 15% of the Company's share capital during the next 12 months.

1.4 Corporations Act Requirements

(a) **Prohibition on certain acquisitions of relevant interests in voting shares.**

Section 606 of the Corporations Act prohibits a person acquiring a relevant interest in the voting shares in a company, if as a result of the acquisition that person's or someone else's voting power in the company increases from 20% or below to more than 20%, or from a starting point that is above 20% and below 90%.

Section 608 of the Corporations Act provides that a person has a relevant interest in the securities if they:

- (i) are the holder of the securities; or
- (ii) have power to exercise, or control the exercise, or control the exercise of, a right to vote attached to securities; or
- (iii) have power to dispose of, or control the exercise of a power to dispose of, the securities.

It does not matter how remote the relevant interest is or how it arises. If two or more people can jointly exercise of these powers, each of them is taken to have that power.

The voting power of a person is determined under section 610 of the Corporations Act. It involves calculating the number of voting shares in the company in which the person and the person's "associates" (as defined in Division 2 of Part 1.2 of the Corporations Act) have a relevant interest.

A person ("second person") will be an "associate" of the other person ("first person") if:

- (i) that first person is a body corporate and the second person is:
 - (A) a body corporate the first person controls;
 - (B) a body corporate that controls the first person; or
 - (C) a body corporate that is controlled by an entity that controls the person;
- (ii) the second person has entered or proposes to enter into a relevant agreement with the first person for the purposes of controlling or influencing the composition of the company's board or the conduct of the company's affairs; or
- (iii) the second person is a person with whom the first person is acting or proposed to act, in concert in relation to the company's affairs.

(b) **Exception to the section 606 prohibition**

There are various exceptions to the prohibition in section 606. Section 611 contains a table setting out circumstances in the acquisitions of relevant interests are exempt from the prohibition. Item 7 of this table provides an exemption where a resolution is passed at a general meeting of the company before the acquisition is made. The parties involved in the acquisition and their associates are not able to cast a vote on the resolution.

1.5 Information required by section 611 item 7 of the Corporations Act and ASIC Regulatory Guide 74

By passing Resolution 1, Resource Capital Fund VI L.P. (or its associates) will not be prohibited from acquiring a relevant interest in Shares in excess of the takeover threshold in the Corporations Act.

The following paragraphs set out information required to be provided to Shareholders under item 7 in the table in section 611 of the Corporations Act and ASIC Regulatory Guide 74.

Shareholders are also referred to the Independent Expert's Report attached to this Notice of Meeting as Annexure A.

(a) **Identity of the person proposing to make the acquisition and their associates**

Resource Capital Funds ("RCF" or the "Funds") are private equity funds with mandates to make investments exclusively in the mining sector across a diversified range of hard mineral commodities and geographic regions. The Funds are managed by RCF Management L.L.C. which has its principal office in Denver and additional offices in Perth, New York (Long Island) and Toronto. Since inception, RCF has supported 114 mining companies (and several mining-services companies) involving projects located in 39 countries and relating to 28 commodities.

RCF is currently investing its sixth fund, Resource Capital Fund VI L.P., with committed capital of \$2.04 billion and currently manages approximately USD\$1.4 billion of assets (as of March 31, 2013) through its three other active private equity funds, Resource Capital Fund V L.P., Resource Capital Fund IV L.P. and Resource Capital Fund III L.P. The Fund's committed capital is sourced primarily from US-based institutional investors.

Resource Capital Fund VI L.P. will have a relevant interest the number of Shares to be issued (determined in the manner set out in section 1.5(b) below) by reason of section 608(1) of the Corporations Act (being the holder of the securities).

(b) **The maximum extent of the increase in the voting power in the Company that would result from the issue and acquisition of the Shares**

As at the date of this Notice, Resource Capital Fund VI L.P. (or its associates) do not have a relevant interest in any Shares of the Company.

If Resolution 1 is passed then Resource Capital Fund VI L.P. (or its associates) may acquire a relevant interest in Shares. The number of Shares in which Resource Capital Fund VI L.P. (or its associates) will have a relevant interest will be determined in the manner set out below. The Placement is subject to a number of conditions which may only be waived by Resource Capital Fund VI L.P., including the successful raising of AUD\$3.0 million by way of the Rights Issue, the change in company type from a public no liability company to a public company limited by shares and the obtaining of all authorisations and approvals (including shareholder approval) required for the Placement.

The Company has announced the Rights Issue to existing Shareholders to raise AUD\$3.0 million at an issue price of AUD\$0.05, the same entry price as the Placement. In the event the Rights Issue is fully subscribed and the full AUD\$3.0 million is raised prior to the Placement then the relevant interest of Resource Capital Fund VI L.P. arising from the issues of Shares to it under the Placement will be reduced (assuming no further issues of securities by the Company).

Formula for determining number of Shares to be issued

The actual number of Shares to be issued to Resource Capital Fund VI L.P. (or its associates) will be determined by converting the Placement consideration of USD\$3.0 million from USD\$ to AUD\$ using the spot \$USD/AUD exchange rate at 10.00 am on the date the Placement is made and dividing that amount by the issue price of AUD\$0.05.

It is not possible as at the date of this Notice to determine the spot rate which will be used for the conversion.

The indicative table below demonstrates the effect that changes in the spot \$USD/AUD exchange rate may have on the number of Shares to be issued at the date that the Placement is made and the resulting voting power of Resource Capital Fund VI L.P. (or its associates) (assuming that the Rights Issue is fully subscribed and no further issues of securities are made by the Company prior to the Placement).

Indicative spot \$USD/AUD exchange rate	Conversion of \$USD3.0 million based on indicative rate into \$AUD	Number of Shares to be issued at \$AUD0.05 per Share	Percentage voting power of Resource Capital Fund VI L.P. (and/or its associates)
As at date of this Notice: 0.9/1.0	3,333,333	66,666,667	28.59%
Assuming a 5% appreciation of \$USD against \$AUD: 0.85/1.0	3,529,412	70,588,235	30.27%
Assuming a 5% depreciation of \$USD against \$AUD: 0.95/1.0	3,157,895	63,157,895	27.09%

Note: The above table is for illustrative purposes only and the actual number of Shares issued under the Placement and the voting power resulting from the issue will be dependent on the spot \$AUD/USD exchange rate at the time of allotment and issue.

As noted above, the conditions to the Placement, including the condition that the Rights Issue raise AUD\$3.0 million, may only be waived by Resource Capital Fund VI L.P. If the Rights Issue were to raise less than AUD\$3.0 million, Resource Capital Fund VI may waive the Rights Issue condition and proceed with the Placement.

In such circumstances and, depending also on the \$AUD/USD exchange rate at the date the Placement is made, Resource Capital Fund VI L.P. (or its associates) may potentially acquire a relevant interest in Shares and voting power in the Company which is significantly greater than the percentages set out in the indicative table above.

(c) Identity, associations with the associates and qualifications of any person who is intended to or will become a Director if the Shareholders agree to the allotment

Under the Placement Agreement, Resource Capital Fund V L.P. has the right to appoint a Director to the Board of the Company. As at the date of this Notice, Resource Capital Fund V L.P. has indicated to the Company that it has no current intention of making any such appointment.

(d) Intentions of Resource Capital Fund VI L.P. regarding the future of the Company

Resource Capital Fund VI L.P. has informed the Company that, as at the date of this Explanatory Statement and on the basis of facts and information available to it, if Shareholders approve Resolution 1 then it:

- (i) has no current intention to change the existing business of the Company;
- (ii) has no current intention to inject further capital into the Company;
- (iii) does not propose for any property be transferred between the Company and it or any person associated with it;

- (iv) has no current intention to otherwise redeploy the fixed assets of the Company; and
 - (v) has no current intention to change the Company's existing financial dividend policies.
- (e) **Particulars of the proposed acquisitions and timing**
 The Shares the subject of Resolution 1 will rank equally in all respects with the Company's existing Shares. The Shares the subject of Resolution 1 will be issued no later than 3 months following the General Meeting.
- (f) **Reasons for the allotment**
 The proposed allotment under the Placement will raise new capital of USD\$3,000,000 (before costs) for the Company and will provide funding for expenditures relating to exploration, pre-feasibility and development work on the Kou Sa Project in Cambodia.
- (g) **Directors' interests and recommendations**
 None of the Directors have any interest in relation to Resolution 1 other than to the same extent as all other Shareholders in the Company. Each of the Directors, Mr Milan Jerkovic, Mr Mark Bojanjac, Mr Russell Fountain and Mr Ron Heeks unanimously recommend that Shareholders vote in favour of Resolution 1, on the basis that the proposed issue is beneficial for the Company increasing its ability to continue its exploration activities.
- (h) **Independent Expert Report as to whether the issue of Shares to Resource Capital Fund VI L.P. (or its associates) is fair and reasonable**
 The Directors of the Company have commissioned the Independent Expert to prepare a report on the question of whether the issue of Shares to Resource Capital Fund VI L.P. (or its associates) is fair and reasonable to the Shareholders not associated with the proposal. That report is attached to this Explanatory Statement at Annexure A.
 The Independent Expert concludes that the issue of Shares to Resource Capital Fund VI L.P. (or its associates) is, on balance, fair and reasonable to Shareholders not associated with the proposal. Shareholders are urged to read the Independent Expert's Report.
- (i) **Impact on the Company if Shareholders do not approve the issue of Shares to Resource Capital Fund VI L.P. (or its associates)**
 As noted above in section 1.1, the Placement is subject to a number of conditions including the Company obtaining all authorisations and approvals (including shareholder approval) required for the Placement. If Resolution 1 is not approved by Shareholders, Resource Capital Fund VI L.P. (or its associates) may elect not to proceed with the Placement on the basis that the Company has not received the required approvals including under section 611 item 7 of the Corporations Act which would prevent Resource Capital Fund VI L.P. (or its associates) from subscribing for full amount of Shares under the Placement (in excess of the 20% threshold limit under section 606 of the Corporations Act).
 Accordingly, if Shareholders do not approve Resolution 1, the Placement may not proceed and the amount of USD\$3,000,000 (before costs) will not be received by the Company.
 Additionally, if Resolution 1 is not passed and the Placement cannot be fully subscribed to the full amount of \$USD3,000,000, then the Company will need to reconsider its funding options and may not proceed with the Rights Issue to raise \$AUD3,000,000 (before costs).

2. RESOLUTION 2 – APPROVAL FOR CONVERSION OF CONVERTIBLE NOTES ISSUED TO RELATED PARTY (SAM INVESTORS)

2.1 General

On 7 August 2013, the Company announced that it had issued 55 Convertible Notes with a face value of \$5,000 each (\$275,000 in aggregate) to various sophisticated investors. The Convertible Notes were issued on the terms and conditions set out in Annexure B.

10 of the 55 Convertible Notes with a face value of \$5,000 each (\$50,000 in aggregate) were issued to Sam Investors, a Related Party of the Company. Sam Investors is controlled by Mr Milan Jerkovic, a Director of the Company. The Convertible Notes are, subject to shareholder approval, convertible for their respective face value plus outstanding interest into Shares at \$0.045 cents per Share.

Accordingly, the Company seeks shareholder approval for the Convertible Notes to be convertible into 1,123,166 Shares at an issue price of \$0.045 to satisfy the Company's repayment obligations under the Convertible Notes. If Shareholders do not approve the conversion of the Convertible Notes into Shares under Resolution 2 then the notes will not be convertible and will need to be repaid with Company funds.

If approval for the conversion of the Convertible Notes is granted then the notes will represent Equity Securities equal to approximately 1% of the Company's fully-diluted share capital assuming no further issues of securities by the Company.

2.2 Regulatory Requirements

Listing Rule 10.11 provides that, unless a specified exception applies, a Company must not issue or agree to issue securities to a Related Party without the approval of ordinary shareholders.

As such, Shareholder approval is sought under Listing Rule 10.11 as Resolution 2 proposes the issue of securities to Sam Investors, which is a Related Party of the Company as it is controlled by Mr Milan Jerkovic, a Director of the Company.

As Shareholder approval is being sought under ASX Listing Rule 10.11, approval is not also required under Listing Rule 7.1.

Approval is not being sought under Chapter 2E of the Corporations Act in this Resolution 2 as the Convertible Notes were issued by the Company to Sam Investors on an arm's length basis in accordance with section 210 of the Corporations Act.

In compliance with the information requirements of Listing Rule 10.13, Shareholders are advised of the following information:

(a) Name of person to receive securities

Sam Investors has been issued the Convertible Notes. Sam Investors and/or its nominee(s) may be issued Shares upon conversion.

(b) Maximum number of securities to be issued

Upon approval of Resolution 2, 10 Convertible Notes issued to Sam Investors will become convertible into Shares. The maximum number of Shares upon conversion of the Convertible Notes that may be acquired by Sam Investors and/or its nominee(s) under Resolution 2 is 1,123,166 Shares.

(c) Date of issue and allotment

The 10 Convertible Notes were issued on 2 August 2013 and are only convertible into Shares with shareholder approval. If Shareholders do not approve the conversion of the Convertible Notes into Shares under this Resolution 2 then the notes will not be convertible and will need to be repaid with Company funds.

(d) **Relationship with the Company**

Sam Investors is a Related Party of the Company as it is controlled by Mr Milan Jerkovic, a Director of the Company. The Shares upon conversion of the Convertible Notes are proposed to be issued to Sam Investors (and/or its nominee(s)).

(e) **Issue price**

The issue price per Share is to be \$AUD0.045 upon conversion of the Convertible Notes.

(f) **Terms of issue**

The Convertible Notes were issued on the terms in Annexure B. The Shares upon conversion of the Convertible Notes will be fully paid ordinary shares in the capital of the Company on the same terms and conditions as the Company's existing Shares and rank equally in all respects with the existing Shares.

The Company will apply to ASX for official quotation of the Shares upon conversion of the Convertible Notes.

(g) **Intended use of the funds raised**

The purpose of the issue is to allow the Company the ability to satisfy its repayment obligations under the Convertible Notes through the issue of Shares.

(h) **Voting exclusion statement**

A voting exclusion statement for Resolution 2 is included in the Notice preceding this Explanatory Statement.

2.3 Recommendation of directors

The Board, other than Mr Milan Jerkovic who has a material personal interest in Resolution 2, recommends that Shareholders approve Resolution 2.

3. RESOLUTION 3 – APPROVAL FOR CONVERSION OF CONVERTIBLE NOTES ISSUED TO RELATED PARTY (QUARTZ MOUNTAIN MINING)

3.1 General

As set out above in section 2.1, on 7 August 2013, the Company announced that it had issued 55 Convertible Notes with a face value of \$5,000 each (\$275,000 in aggregate) to various sophisticated investors. The Convertible Notes were issued on the terms and conditions set out in Annexure B.

10 of the 55 Convertible Notes with a face value of \$5,000 each (\$50,000 in aggregate) were issued to Quartz Mountain Mining, a Related Party. Quartz Mountain Mining is controlled by Mr Charles Bass, who ceased to be a Director of the Company less than 6 months ago.

The Convertible Notes are, subject to shareholder approval, convertible for their respective face value plus outstanding interest into Shares at \$0.05 cents per Share.

Accordingly, the Company seeks shareholder approval for the Convertible Notes to be convertible into 1,120,000 Shares at an issue price of \$0.05 each to satisfy the Company's repayment obligations under the Convertible Notes. If Shareholders do not approve the conversion of the Convertible Notes into Shares under Resolution 3 then the notes will not be convertible and will need to be repaid with Company funds.

If approval for the conversion of the Convertible Notes is granted then the notes will represent Equity Securities equal to approximately 1% of the Company's fully-diluted share capital assuming no further issues of securities by the Company.

3.2 Regulatory Requirements

Listing Rule 10.11 provides that, unless a specified exception applies, a Company must not issue or agree to issue securities to a Related Party without the approval of ordinary shareholders.

As such, Shareholder approval is sought under Listing Rule 10.11 as Resolution 2 proposes the issue of securities to Quartz Mountain Mining which is a Related Party of the Company as it is controlled by Mr Charles Bass, who ceased to be a Director of the Company less than 6 months ago.

As Shareholder approval is being sought under ASX Listing Rule 10.11, approval is not also required under Listing Rule 7.1.

Approval is not being sought under Chapter 2E of the Corporations Act in this Resolution 2 as the Convertible Notes were issued by the Company to Quartz Mountain Mining on an arm's length basis in accordance with section 210 of the Corporations Act.

In compliance with the information requirements of Listing Rule 10.13, Shareholders are advised of the following information:

(a) **Name of person to receive securities**

Quartz Mountain Mining has been issued the Convertible Notes. Quartz Mountain Mining and/or its nominee(s) may be issued Shares upon conversion.

(b) **Maximum number of securities to be issued**

Upon approval of Resolution 2, 10 Convertible Notes issued to Quartz Mountain Mining will become convertible into Shares. The maximum number of Shares upon conversion of the Convertible Notes that may be acquired by Quartz Mountain Mining and/or its nominee(s) under Resolution 2 is 1,120,000 Shares.

(c) **Date of issue and allotment**

The 10 Convertible Notes were issued on 2 August 2013 and are only convertible into Shares with shareholder approval. If Shareholders do not approve the conversion of the Convertible Notes into Shares under this Resolution 3 then the notes will not be convertible and will need to be repaid with Company funds

(d) **Relationship with the Company**

Quartz Mountain Mining which is a Related Party of the Company as it is controlled by Mr Charles Bass, who ceased to be a Director of the Company less than 6 months ago. The Shares upon conversion of the Convertible Notes are proposed to be issued to Quartz Mountain Mining (and/or its nominee(s)).

(e) **Issue price**

The issue price per Share is to be \$AUD0.05 upon conversion of the Convertible Notes.

(f) **Terms of issue**

The Convertible Notes were issued on the terms in Annexure B. The Shares upon conversion of the Convertible Notes will be fully paid ordinary shares in the capital of the Company on the same terms and conditions as the Company's existing Shares and rank equally in all respects with the existing Shares.

The Company will apply to ASX for official quotation of the Shares upon conversion of the Convertible Notes.

(g) **Intended use of the funds raised**

The purpose of the issue is to allow the Company the ability to satisfy its repayment obligations under the Convertible Notes through the issue of Shares.

(h) **Voting exclusion statement**

A voting exclusion statement for Resolution 3 is included in the Notice preceding this Explanatory Statement.

3.3 Recommendation of directors

The Board recommends that Shareholders approve Resolution 3.

4. RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE OF SHARES

4.1 Background

As set out above in section 2.1, on 7 August 2013, the Company announced that it had issued 55 Convertible Notes with a face value of \$5,000 each (\$275,000 in aggregate) to various sophisticated investors. The Convertible Notes were issued on the terms and conditions set out in Annexure B.

On 8 August 2013, prior to the Company entering into the Placement Agreement, holders of 35 of the 55 Convertible Notes (not including the Convertible Notes the subject of Resolutions 2 and 3) elected to convert their Convertible Notes for their respective face value plus outstanding interest into Shares at \$0.045 cents per Share. As a result the Company issued 3,901,519 Shares on 12 August 2013 to assorted holders of 35 of the 55 Convertible Notes.

The purpose of Resolution 4 is for Shareholders to approve and ratify the issue of the 3,901,519 Shares, undertaken without Shareholder approval to satisfy the Company's repayment obligations in full under 35 of the 55 Convertible Notes.

4.2 Regulatory Requirements

Listing Rule 7.1 provides that, unless an exemption applies, a company must not, without prior approval of shareholders, issue or agree to issue Equity Securities if the Equity Securities will in themselves or when aggregated with the ordinary securities issued by the company during the previous 12 months, exceed 15% of the number of ordinary securities on issue at the commencement of that 12 month period.

Listing Rule 7.4 states that an issue by a company of securities made without approval under Listing Rule 7.1 is treated as having been made with approval for the purpose of Listing Rule 7.1 if the issue did not breach Listing Rule 7.1 and the company's members subsequently approve it.

Under Resolution 4, the Company seeks Shareholder approval for, and ratification of, the issue of the securities set out in section 4.1 so as to limit the restrictive effect of Listing Rule 7.1 on any further issues of Equity Securities in the next 12 months.

The securities issued, for which approval and ratification is sought under Resolution 4, comprise approximately 4% % of the Company's fully diluted issued capital (assuming no further issues of securities by the Company).

In compliance with the information requirements of Listing Rule 7.5, Shareholders are advised of the following information:

(a) **Number of securities allotted**

Under Resolution 4, the Company seeks from Shareholders approval for, and ratification of, the issue of 3,901,519 Shares.

(b) **The price at which the securities were issued**

The Shares were issued for \$0.045 cents per Share.

(c) **Terms of the securities**

The Shares are fully paid ordinary shares in the capital of the Company on the same terms and conditions as the Company's existing Shares and rank equally in all respects with the existing Shares. The Company has applied to ASX for official quotation of the Shares.

(d) **Allottees of the securities**

Allottees of the Shares were professional or sophisticated investors.

None of the allottees were Related Parties of the Company (or associates of such persons) at the time of issue of the Shares.

(e) **The use of the funds raised**

The purpose of the issue was to satisfy the Company's repayment obligations in full under the Convertible Notes.

(f) **Voting exclusion statement**

A voting exclusion statement for Resolution 4 is included in the Notice preceding this Explanatory Statement.

4.3 Recommendation of directors

The Board believes that the ratification of these issues is beneficial for the Company as it allows the Company to ratify the above issues of securities and retain the flexibility to issue further securities representing up to 15% of the Company's share capital during the next 12 months. Accordingly, the Board unanimously recommends Shareholders vote in favour of Resolution 4.

5. RESOLUTION 5- CHANGE OF COMPANY TYPE FROM NO LIABILITY TO LIMITED

5.1 Background

Resolution 5 seeks Shareholder approval for the Company to change its company type from a public no liability company to a public company limited by shares. Pursuant to section 162(1) of the Corporations Act a public no liability company may change its company type to a public company limited by shares in circumstances where all of the issued shares of the company are fully paid up, by passing a special resolution resolving to change its company type and specifying the new company name. There are no partly paid shares currently on issue in the Company.

If Resolution 5 is approved (and Resolution 6 and 7 are also approved), the name of the Company will be changed to "Geopacific Resources Limited" to reflect the change of company type from a public no liability company to a public company limited by shares. Resolution 5 is subject to and conditional upon the passing of Resolution 6 changing the company name to Geopacific Resources Limited and Resolution 7 adopting the new constitution.

The change of company type and company name will take effect from the time ASIC alters the Company's registration details in accordance with section 164 of the Corporations Act. This is anticipated to occur approximately one month after the date of the Meeting to approve the change of company type.

5.2 Rationale for the Resolution

The Company is currently a public no liability company. The change in company type is being effected to allow the Company to undertake expanded activities and to modernise the Company's constitution. The Directors are also of the view that the concept of a limited liability company (as opposed to a no liability company) is better understood by the investment community, both in Australia and overseas, and by parties who are dealing with the Company. Additionally, the Placement to Resource Capital Fund VI L.P. (as detailed above in section 1) is subject to a number of conditions, including the Company effecting a change in company type from a public no liability company to a public company limited by shares.

The purpose of Resolution 5 is to change the status of the Company to a public company limited by shares. The change in company type will not create a new legal entity. The principal differences between a public no liability company and a public company limited by shares may be summarised as follows:

- (a) a public no liability company can only be involved in mining activities. In contrast, a public company limited by shares can undertake any type of activity and in doing so generally has all the powers of a natural person;
- (b) dividends are payable in a public no liability company to shareholders in proportion to the shares held by them, regardless of the amounts paid upon those shares. In a public company limited by shares, dividends are generally payable in proportion to the amounts paid up on shares;
- (c) holders of partly paid shares in a public no liability company have no contractual liability to pay up the unpaid portion of the issue price of those shares, although the shares will generally be forfeited if a call on the shares is not paid. In a public company limited by shares, a holder of partly paid shares has a contractual liability to pay the amounts unpaid on his or her shares, as and when those amounts are called up, and any balance owing after the shares have been forfeited and disposed of for non-payment of a call remains a debt due and payable to the company; and
- (d) surplus assets in a public no liability company available for distribution to shareholders on a winding up of the Company are distributed to shareholders in proportion to the shares held by them, regardless of the amounts paid up on those shares. In a public company limited by shares, any surplus available for distribution in a winding up is generally distributed to shareholders in proportion to the amount paid up on their shares.

Please note that the voting rights of Shareholders will not change upon a change of status of the Company to a public company limited by shares. Each Shareholder will remain entitled to one vote where resolutions are to be decided on a show of hands and a fractional vote (to the extent that Shareholder's Shares are paid up) where resolutions are to be decided on a poll (as noted above, there are no partly paid Shares currently on issue).

5.3 Recommendation of Directors

The Directors unanimously recommend that Shareholders vote in favour of Resolution 5.

6. RESOLUTION 6: CHANGE OF NAME TO GEOPACIFIC RESOURCES LIMITED

6.1 Background

The Directors are seeking approval for the Company to change its company name from Geopacific Resources NL to Geopacific Resources Ltd. Pursuant to section 157(1)(a) of the Corporations Act, the Company may change its company name by special resolution. This change will not, in itself, affect the legal status of the Company or any of its assets or liabilities. Resolution 6 is subject to and conditional upon the passing of Resolutions 5 and 7 and will immediately take effect when ASIC effects the change of company type pursuant to Resolution 5.

6.2 Recommendation of Directors

The Directors unanimously recommend that Shareholders vote in favour of Resolution 6.

7. RESOLUTION 7: APPROVAL OF ADOPTION OF NEW COMPANY CONSTITUTION

7.1 Background

Resolution 7 seeks Shareholder approval to replace the Company's existing constitution to reflect the change of company type from a public no liability company to a public company limited by shares

Pursuant to section 136(2) of the Corporations Act, the Company may repeal its constitution and adopt a new constitution by special resolution.

A copy of the proposed new constitution can be downloaded from www.geopacific.com.au. A summary of the some of the material differences between the existing constitution and the proposed new constitution are as follows:

- (a) **(Calls on Securities):** The new constitution sets out a revised procedure under which the Company can make calls on (partly paid) Shares. These reflect that the procedure for calls is different for holders of Shares in a public company limited by shares to that of a public no liability company. The main differences in procedure are that Shareholders will be liable to pay a call made on partly paid Shares upon receiving not less than 30 business days' notice before the call is due for payment.
- (b) **(Lien on Shares):** Due to the revised procedure for making calls on (partly paid) Shares, the new constitution extends the lien that the Company has over each Share for amounts owing to the Company by a Shareholder to include:
 - (i) all due and unpaid calls and instalments of a Shareholder in respect of that Share;
 - (ii) all money which the Company is required by law to pay, and has paid, in respect of that Share;
 - (iii) reasonable interest on the amount due from the Shareholder in respect of that Share from the date it becomes due until payment;
 - (iv) reasonable expenses of the Company in respect of the default on payment by the Shareholder in respect of that Share.
- (c) **(Forfeiture and Surrender of Shares):** The new constitution sets out a revised procedure under which the Company can forfeit Shares to reflect that the Company will have a revised procedure for making calls on (partly paid) shares upon changing to a public company limited by shares as follows:
 - (i) where a Shareholder fails to pay a call or instalment of a call, the Directors may give a notice to that Shareholder requiring payment of so much of the call or instalment as is unpaid (along with interest accrued and expenses that may have been incurred by the Company by reason of that non-payment). That notice must specify a date for payment at least 14 days from the date of service of the notice. In the event of non-payment, the Shares may be forfeited by resolution of the Directors. By contrast, currently, as the Company is a public no liability company, forfeiture occurs automatically where a call is made and is unpaid at the end of 14 days from when it became payable;
 - (ii) the forfeited Shares may be disposed to such person and on such terms as the Directors think fit. By contrast, currently, as the Company is a public no liability company, the Company must dispose of any forfeited Shares by public auction and apply the proceeds as prescribed under the Corporations Act;
 - (iii) a Shareholder whose Shares have been forfeited ceases to be a Shareholder and ceases to have any entitlement to the Shares forfeited including payment of any dividends or other distributions on those Shares. In a public limited liability company, that former Shareholder will also remain liable to pay the Company all money that, at the date of forfeiture, was payable plus interest from the date of forfeiture and the expenses paid or payable in connection with the sale of the Shares, until such time as the Company receives payment in full of all money (including interest and expenses).
- (d) **(Winding Up):** The procedure for winding up a public no liability company is prescribed under section 254B of the Corporations Act. That section provides that surplus assets be available for distribution to shareholders in proportion to the shares held by them, regardless of the amounts paid up on those Shares, and prohibits participation by a shareholder who is in arrears in payment of a call until the amount owing is fully paid. As the Company is changing to a public limited

liability company, the proposed new constitution removes this mandated procedure which is specific to a public no liability company. Accordingly, for a public limited liability company, any surplus available for distribution in a winding up will generally be distributed to shareholders in proportion to the amount paid up on their shares, in accordance with the Corporations Act.

Resolution 7 is subject to and conditional upon the passing of Resolutions 5 and 6 and will immediately take effect when ASIC effects the change of company type pursuant to Resolution 5.

7.2 Recommendation of Directors

The Directors unanimously recommend that Shareholders vote in favour of Resolution 7.

8. ENQUIRIES

Shareholders are requested to contact the Company Secretary, Mr John Lewis on + 61 8 6143 1823 if they have any queries in respect of the matters set out in these documents.

GLOSSARY

AUD\$, \$ and dollars means Australian dollars, unless otherwise stated.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited.

Board means the current board of directors of Geopacific Resources NL.

Chair means the Chairman of the General Meeting.

Company means Geopacific Resources NL (ACN 003 208 393).

Convertible Note means a Convertible Note with a face value of \$5,000 on the terms and conditions set out in Annexure B

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the current directors of Geopacific Resources NL.

Equity Securities has the meaning given to that term in the Listing Rules.

Explanatory Statement means the explanatory statement accompanying the Notice.

General Meeting or **Meeting** means the general meeting convened by the Notice.

Independent Expert means RM Capital Pty Ltd.

Listing Rules means the listing rules of the ASX.

Notice or **Notice of General Meeting** or **Notice of Meeting** means this notice of general meeting including the Explanatory Statement and the Proxy Form.

Option means an option to subscribe for a Share.

Placement Agreement means the agreement dated 15 August 2013 between Resource Capital Fund VI L.P. and the Company under which Resource Capital Fund VI L.P.(or its associates) is to subscribe for USD\$3,000,000 of Shares in the Company.

Proxy Form means the proxy form accompanying the Notice.

Quartz Mountain Mining means Quartz Mountain Mining Pty Limited.

Related Party has the meaning given to that term in Listing Rule 19.12.

Resolution means the resolution set out in the Notice of General Meeting.

Rights Issue is defined in section 1.1 of this Explanatory Memorandum.

Sam Investors means Sam Investors Pty Ltd as trustee for the Milenda Trust.

Share means a fully paid ordinary share in the capital of Geopacific Resources NL.

Shareholder means a holder of a Share.

USD\$ means United States dollars

WST means Western Standard Time as observed in Perth, Western Australia.

ANNEXURE A – INDEPENDENT EXPERT’S REPORT

GEPACIFIC RESOURCES NL

Independent Expert's Report

4 September 2013

IN OUR OPINION THE PROPOSED TRANSACTION IS FAIR AND REASONABLE

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4 September, 2013

The Directors
Geopacific Resources NL
Level 1, Stirling Highway
Claremont WA 6010

Dear Sirs

INDEPENDENT EXPERT'S REPORT

1. Introduction

On 7 September 2013, Geopacific Resources NL ("**Geopacific**" or "**the Company**") announced that it had entered into an agreement (subject to documentation) ("**Term Sheet**") with Resource Capital Fund VI L.P. ("**RCF VI**") in respect of a strategic partnership with RCF VI, to assist Geopacific with funding requirements and future project development, exploration and growth opportunities. ("**Placement Agreement**").

Under the Placement Agreement, RCF VI has agreed, subject to various conditions being satisfied or waived, to subscribe for US\$ 3 million worth of shares in one placement. The issue price will be AUD \$0.05 (5.0 cents) per share. The number of placement shares issued will be calculated by taking the total subscriptions price (US\$ 3 million) converted from US\$ to AUD\$ using the spot US\$/AUD\$ exchange rate on the date of placement.

Under the terms of the Placement Agreement shareholders of **Geopacific** will be required the vote on the following resolution at a general meeting to be convened in early October 2013:

"That, for the purposes of item 7 in the table in section 611 of the Corporations Act 2001 ("the Act"), Listing Rule 7.1 and for all other purposes, approval is given for the Company to allot and issue Shares to Resource Capital Fund VI L.P. (or its associates) on the terms and conditions set out in the Explanatory Statement accompanying the Notice of Meeting."

For the purposes of this report we have assumed that the amount of shares to be issued pursuant to the placement to be 66,666,667 which would result in RCF VI increasing its holding in Geopacific to approximately of 28%. This is the number of shares that would be issued if the placement was completed today as shown in Appendix 5. The table also shows the effect of a +/- 5% movement in the US\$/AUD\$ exchange rate will have on the amount of shares to be issued and the percentage ownership that RCF VI would acquire.

In conjunction with the placement, Geopacific will undertake a Non Renounceable Rights Issue, offering 10 new shares for every 17 shares held at the record date to eligible shareholders at the same price as the placement (\$0.05) raising up to AUD \$ 3.0 million.

2. Summary and Opinions

2.1 Purpose of the report

The directors of **Geopacific** have requested that **RM Corporate Finance Pty Ltd (AFSL 315235)** ("**RM Corporate**") prepare an Independent Expert's Report ("**our Report**") to express an opinion as to whether or not the issue of the Placement Shares is fair and reasonable to the non associated shareholders of **Geopacific** ("**Shareholders**").

Our Report is prepared pursuant to section 611 of the Corporations Act 2001 ("the Act") and is to be included in the Notice of Meeting for **Geopacific** in order to assist the Shareholders in their decision as to whether or not to approve the issue of the Placement Shares.

2.2 Approach

Our Report has been prepared having regard to Australian Securities and Investments Commission ("**ASIC**") Regulatory Guide 111 ("**RG 111**"), 'Content of Expert's Reports' and Regulatory Guide 112 ("**RG 112**") 'Independence of Experts'.

In arriving at our opinion, we have assessed the terms of the issue of the Placement Shares as outlined in the body of this report. We have considered:

- How the value of a **Geopacific** Share prior to the issue of the Placement Shares compares to the value of the consideration per share offered by RCF VI;
- Other factors which we consider to be relevant to the Shareholders in their assessment of the issue of the Placement Shares; and
- The position of Shareholders should the issue of the Placement Shares not proceed.

2.3 Opinion

We have considered the terms of the issue of the Placement Shares as outlined in the body of this report.

We have concluded that the issue of the Placement Shares is fair and reasonable to Shareholders.

- In our opinion, the issue of the Placement Shares is fair because the value of a **Geopacific** Share prior to the issue of the Placement Shares is less than the consideration per share to be received by **Geopacific** for the issue of the Placement Shares.
- In our opinion, the issue of the Placement Shares is reasonable because the advantages of approving the issue of the Placement shares outweigh the disadvantages of approving the issue of the Placement Shares, as set out in Section 11.

2.3.1 Fairness

In Section 9 we determined that the value of a **Geopacific** share prior to the issue of the Placement Shares compared to the consideration per share offered by RCF VI as set out below:

	Ref	Low	Preferred \$	High \$
Value of a Geopacific share prior to Issue of the Placement Shares	9.2	\$0.0375	\$0.0466	\$0.049
Value of consideration per share offered by RCF VI alternative funding arrangements	4	\$0.05	\$0.05	\$0.05

Table 2.3.1 **Geopacific** projected share price.

Source: RM Corporate Finance, internal modeling, September 2013

The value of a **Geopacific** share after adjustment for a premium for control, prior to the issue of the Placement Shares is less than the consideration per share offered by RCF VI. Therefore, we consider that the issue of the Placement Shares is fair.

2.3.2 Reasonableness

We have considered the analysis in Section 11 of this report, in terms of both;

- advantages and disadvantages of the issue of the Placement Shares; and
- alternatives, including the position of Shareholders if the issue of the Placement Shares does not proceed.

In our opinion, the position of Shareholders if the issue of the Placement Shares is approved is more advantageous than the position if the issue of the Placement Shares is not approved. Accordingly, in the absence of any other relevant information we believe that the issue of the Placement Shares is reasonable for Shareholders.

The respective advantages and disadvantages considered are summarized below:

Section	Advantages	Section	Disadvantages
11.4	Immediate funds received	11.5	Dilution of existing Shareholders' interest
11.4	Strategic benefits for Kou Sa and Sabeto	11.5	RCF VI gain a significant level of control of Geopacific
11.4	Access to future funding		
11.4	No requirement for Geopacific to source alternative funding arrangement		
11.4	No changes to current operating activities		

Table 2.3.2a Advantages and Disadvantages of the Placement.

Other key matters we have considered for the issue of the Placement Shares include:

Section	Description
11.1	Alternative proposals
11.2	The practical level of control
11.3	Consequences of not approving the issue of the Placement Shares

Table 2.3.2b Other matters to consider.

3. Scope of the Report

3.1 Purpose of the Report

Section 606 of the Corporations Act ("Corporations Act") expressly prohibits the acquisition of shares by a party if that acquisition will result in that person (or someone else) holding an interest in 20% or more of the issued shares of a public company, unless a full takeover offer is made to all shareholders.

Section 611 (7) exempts a company from compliance with sec 606 where the shareholders of that entity have agreed to the issue of such shares. This agreement must be passed by resolution at a general meeting at which no votes are cast in favor of the resolution by any party who is associated with the party acquiring the shares, or by the party acquiring the shares. Section 611 states that shareholders of the company must be given all information that is material to the decision on how to vote at the meeting including

As at the date of our report RCF VI Holdings Ltd holds zero% of the issued shares in **Geopacific**. Assuming no other shares are issued by **Geopacific**, the issue of the Placement Shares will increase this holding to 28%. This potential change in shareholding is summarized in the table below, assuming that existing shareholders take up all their rights under the Rights Issue and none of the current options and performance rights are exercised.

	RCF VI	Other Shareholders	Total
Issued Shares as at date of this Report	-	106,493,346	106,493,346
% holdings as at date of this Report	0%	100%	100%
Placement Shares to be issued	66,666,667		66,666,667
Rights Issue		60,344,604	60,344,604
Issued Shares after Placement Shares issued	66,666,667	166,838,950	233,504,617
% holdings after Placement Shares issued	28%	72%	100%

Table 3.1 Proposed Shareholding post Placement.

Regulatory Guide 74 issued by ASIC deals with "Acquisitions Agreed to by Shareholders". It states that the obligation to supply shareholders with all information that is material can be satisfied by the non-associated directors of **Geopacific**, by either:

- undertaking a detailed examination of the issue of the Placement Shares themselves, if they consider that they have sufficient expertise; or
- by commissioning an Independent Expert's Report.

The directors of **Geopacific** have commissioned this Independent Expert's Report to satisfy this obligation.

3.2 Regulatory guidance

Neither the Listing Rules nor the Corporations Act defines the meaning of “fair and reasonable”. In determining whether the issue of the Placement Shares is fair and reasonable, we have had regard to the views expressed by ASIC in RG 111. This regulatory guide provides guidance as to what matters an independent expert should consider to assist security holders to make informed decisions about transactions.

This regulatory guide suggests that where the transaction is a control transaction the expert should focus on the substance of the control transaction rather than the legal mechanism to affect it. RG 111 suggests that where a transaction is a control transaction it should be analysed on a basis consistent with a takeover bid.

In our opinion the issue of the Placement Shares is a control transaction as defined by RG 111 and we have therefore assessed the issue of the Placement Shares to consider whether in our opinion it is fair and reasonable to Shareholders.

3.3 Adopted basis of evaluation

RG 111 states that a transaction is fair if the value of the offer price or consideration is greater than the value of the securities subject of the offer. This comparison should be made assuming a knowledgeable and willing, but not anxious, buyer and a knowledgeable and willing, but not anxious, seller acting at arm's length. When considering the value of the securities subject of the offer in a control transaction the expert should consider this value inclusive of a control premium. Further to this, RG 111 states that a transaction is reasonable if it is fair. It might also be reasonable if despite being ‘not fair’ the expert believes that there are sufficient reasons for security holders to accept the offer in the absence of any higher bid.

Having regard to the above, **RM Corporate Finance** has completed this comparison in two parts:

- A comparison between value of a **Geopacific** share prior to the issue of the Placement Shares and the value of the consideration to be received by **Geopacific** for the issue of the Placement Shares (fairness – see Section 10 “Is the Issue of the Placement Shares Fair?”); and
- An investigation into other significant factors to which Shareholders might give consideration, prior to approving the resolution, after reference to the value derived above (reasonableness – see Section 11 “Is the Issue of the Placement Shares Reasonable?”).

4. Outline of the Transaction

On 7 September 2013, **Geopacific Resources Ltd** (“**Geopacific**” or “**the Company**”) announced that it had entered into an agreement (subject to documentation) (“**Term Sheet**”) with Resource Capital Fund VI L.P (“**RCF VI**”) in respect of a strategic partnership with RCF VI, to assist **Geopacific** with funding requirements and future project development, exploration and growth opportunities. On 16 September 2013, **Geopacific** and RCF VI entered into a private placement agreement in respect of these arrangements (“**Placement Agreement**”).

Under the **Placement Agreement**, RCF VI has agreed, subject to various conditions being satisfied or waived, to subscribe for US\$ 3 million worth of shares in one placement. The issue price will be AUD \$0.05 (5.0 cents) per share. The number of placement shares issued will be calculated by taking the total subscriptions price (US\$ 3 million) converted from US\$ to AUD\$ using the spot US\$/AUD\$ exchange rate on the date of placement.

In conjunction with the placement, **Geopacific** will undertake a Non Renounceable Rights Issue, offering 10 new

shares for every 17 shares held at the record date to eligible shareholders at the same price as the placement (\$0.05) raising up to AUD \$ 3.0 million.

Geopacific is seeking the approval of its shareholders for the issue of the Placement Shares, totaling 66,000,000 which assuming the Rights Issue is fully subscribed will result in RCF VI increasing its holding in **Geopacific** to a maximum of 28%.

5. Profile of Geopacific Resources NL

Geopacific ('GPR') is an Australian ASX listed copper and gold exploration company that has been listed since 9 May 2006. The strategic objective of GPR is to discover economic mineral deposits and realise value through the development, joint venture or sale of the assets.

GPR has since listing held copper/gold mineral exploration assets in Fiji. The Company has 5 separate exploration projects in Fiji; the most advanced of these projects is the Sabeto Project. The other projects are at a very early stage of exploration.

The Company completed a successful Takeover of Worldwide Mining Projects Limited ("WWMP") in March 2013. This takeover resulted in GPR acquiring a 100% direct interest in WWMP's rights to acquire the highly prospective Kou Sa Copper project in Cambodia.

5.1 SABETO PROJECT

The Sabeto Project is located near Nadi on Fiji's main Island, Viti Levu. Previous work includes surface geochemical sampling and geological mapping programmes, as well as a drilling programme comprising 3 diamond drillholes, one of which successfully intersected a 32 meter zone of weak porphyry-related Au-Cu mineralization grading 0.24g/t Au and 0.12% Cu. Results from these programs highlight the potential for porphyry-related gold-copper mineralization. A recent multi-element geochemistry program returned favourable copper-gold molybdenum assays, with typical porphyry geochemical signatures suggesting that the area may host a mineralized porphyry intrusive. Typically, elements Cu, Au and Mo are enriched closed to porphyry-related Au-Cu mineralization, while elements Zn, Pb, Mn, and Cd are typically depleted within this zone and enriched in the surrounding environment. This results of the geochemistry coupled with the intersection of porphyry-related Au-Cu mineralization within SBDD001 (100m northwest of the Cu-Au-Mo-Se geochemically anomalous zone) have increased the potential for this area to host economic porphyry-related Au-Cu mineralization. Two deep diamond drill holes are planned to test the core of the anomalous zones.

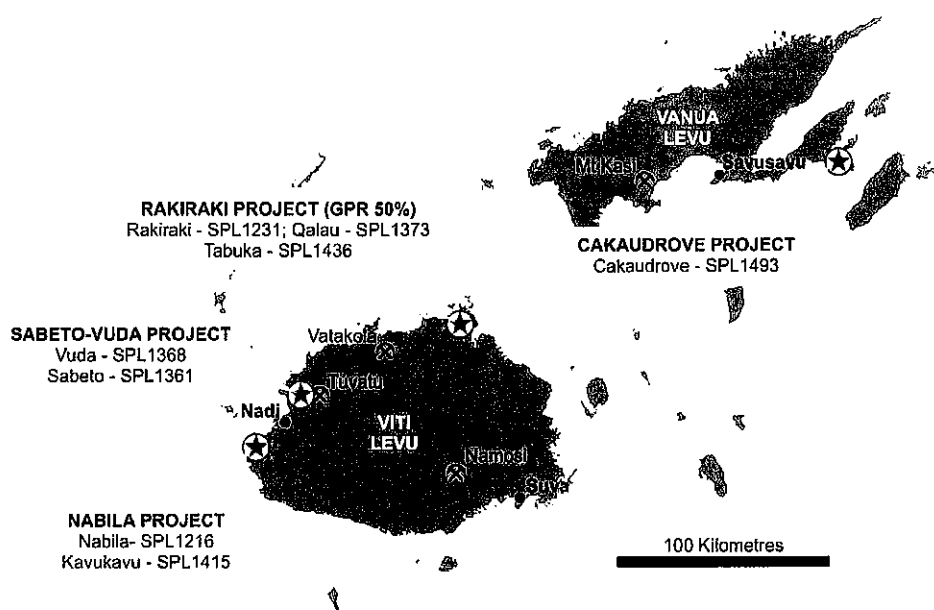


Figure S. 1: Geopacific's Fiji exploration portfolio.
Source: Geopacific website September 2013.

5.2. KOU SA PROJECT

The Kou Sa copper project is located in Cambodia's Chep District, Phreah Vihear province. Kou Sa is a 3 hour drive from Siem Reap international airport and directly adjacent to a regional highway. The project was originally discovered in the 1960's but due to regional conflicts, no further work was conducted until 2008 when exploration activities were commenced by the project vendors. The project is a single 158Km² exploration license, which covers an area of relief with very limited outcrop containing large areas of thin, semi-lateritic weathering.

Work performed prior to GPR's involvement consisted of stream sediment and soil sampling, trenching, rock chip sampling and the completion of approximately forty diamond drill holes, using a small drilling rig with a 120m depth capability. Twenty drill holes were completed in each of the 2010-2011 and 2011-2012 dry seasons. Logging and sampling of the drilling was not undertaken to JORC standards.

The majority of the drilling focused on two prospects areas which comprised of low hills that have numerous zones outcropping with visible copper mineralization. GPR commenced exploration by resampling and reassaying all of the previous drilling and undertaking systematic soil sampling and detailed geological mapping over the southern half of the license. This work has confirmed the high grade nature of the copper vein systems drilled and has tied those areas into a cohesive zone of copper soil anomalism that extends some 18km through the license. The copper in soils anomaly is only broken by streams and drainage channels, where lower values would be expected. The results from the anomalism areas are on average five times higher than the copper levels of background samples.

To the south of the two project areas a cohesive, circular anomaly 1.8km in diameter has been identified by soil geochemistry. Significantly, it is in an area of low relief comprised of a weathered laterite horizon that would be expected to suppress the geochemical response. Future work will include in fill of the soil geochemistry, undertaking a detailed air magnetics survey and drilling of both the previously identified mineralization and the new areas identified by the soil geochemistry. Exploration drilling will commence at the completion of the current wet season.

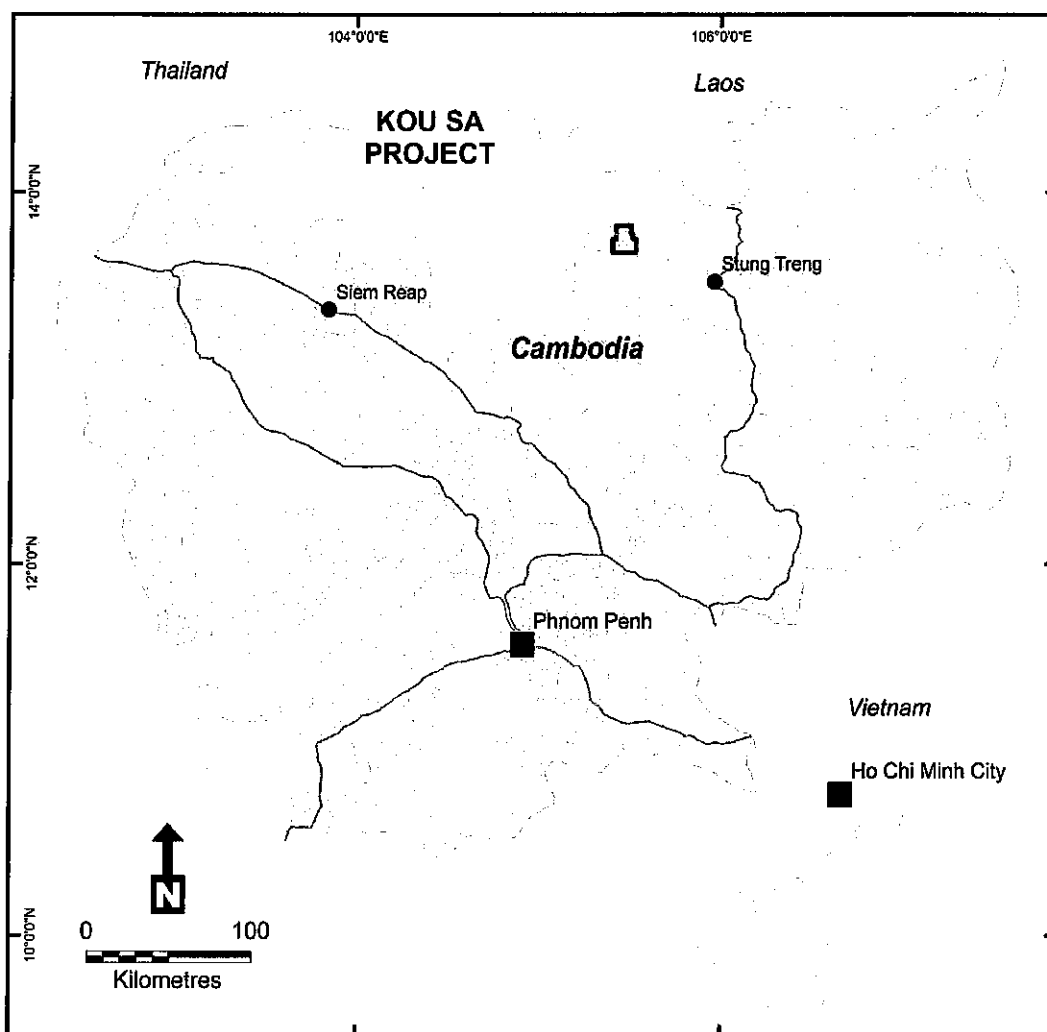


Figure 5. 2: Geopacific's Kou Sa Cambodian exploration project.

Source: Geopacific website September 2013.

5.3 Historical Balance Sheet

Geopacific Balance Sheet	Unaudited as at 30 June 2013	Audited as at 31 Dec 2012	Reviewed as at 30 June 2012
CURRENT ASSETS			
Cash and cash equivalents	398,876	696,841	1,577,074
Trade and other receivables	313,733	99,582	249,020
TOTAL CURRENT ASSETS	712,609	796,423	1,826,094
NON-CURRENT ASSETS			
Property, plant and equipment	308,764	197,794	198,395
Exploration and evaluation	12,457,355	6,980,234	6,425,772
TOTAL NON-CURRENT ASSETS	12,766,119	7,178,028	6,624,167
TOTAL ASSETS	13,478,728	7,974,451	8,450,261
CURRENT LIABILITIES			
Trade and other payables	454,737	253,385	74,201
Financial	100,000	6,990	
TOTAL CURRENT LIABILITIES	554,737	260,375	74,201
NON CURRENT LIABILITIES			
Financial Liabilities		19,323	
TOTAL NON-CURRENT LIABILITIES		19,323	
TOTAL LIABILITIES	554,737	279,698	74,201
NET ASSETS	12,973,991	7,694,753	8,376,060
EQUITY			
Contributed equity	22,940,915	17,050,141	17,050,140
Reserves	315,854	(46,334)	(125,570)
Accumulated losses	(10,332,778)	(9,309,054)	(8,542,510)
TOTAL EQUITY	12,923,991	7,694,753	8,376,060

Table 5.3 Geopacific Historical Balance Sheets

Source: Unaudited management accounts as at 30 June 2013, audited financial report for the year ended 31 December 2012 and reviewed interim report as at 30 June 2012.

5.4 Historical Income Statements

Geopacific Income Statement	Audited for the year ended 31 Dec 2012	Audited for the year ended 31 Dec 2012
Other Income	(48,994)	(93,533)
Expenses		
Occupancy Expense	(69,578)	(46,367)
Administration Expense	(352,818)	(198,329)
Employee Benefits Expense	(215,912)	(137,442)
Consultancy Expense	(30,000)	(77,556)
Depreciation and Amortization Expense	(48,487)	(27,176)
Equity Based Payments	(148,491)	(7,046)
Provision of VAT	(282,004)	
Exploration Costs Impaired	(1,464,577)	(1,275,080)
Other Expense	(109,746)	(47,835)
Loss Before Income Tax Expense	(2,319,801)	(1,524,969)
Exchange Differences	(10,743)	(35,079)
Net Loss for the Year	(2,330,544)	(1,560,048)

Table 5.4 Geopacific Historical Income Statement

Source: Audited financial reports for the years ended 31 December 2011 and 31 December 2012

5.4.1 Commentary on Historical Financial Statements

Geopacific's financial statements for the years ending 31 December 2011 were audited by KS Black and Co and for the year ending 31 December 2012, and the period to 30 June 2012, have been audited/reviewed by William Buck Audit (WA) Pty Ltd. RF Capital has not undertaken any audit or review on the historical financial statements of Geopacific. In addition we have not undertaken a review of Geopacific's unaudited accounts in accordance with Australian Auditing and Assurance Standard 2405 "Review of Historical Financial Information" and do not express an opinion on this financial information. However nothing has come to our attention as a result of our procedures that would suggest the financial information within the management accounts has not been prepared on a reasonable basis.

In 2012 Geopacific undertook a share placement which raised approximately \$1,124,585 after issue costs by issuing 5,461,364 shares at \$0.22 per share. On the 20 February 2013 4,025,000 shares were issued at \$0.10 per share to raise working capital of \$425,000.

Exploration and evaluation assets increased by approximately \$550K in the year to 31 December 2012. The majority of this expenditure relates to the various Fiji tenements. Exploration expenditure increased by approximately \$5.5m in the year to 30 June 2013 following the takeover of Worldwide Mining.

In March 2013 a further 52,100,000 shares were issued at a deemed price of \$0.099 to acquire 100% of the Share Capital of World Wide Mining Projects Ltd. Cash has continued to decrease as a result of operating costs incurred since the Takeover of Worldwide Mining Project Ltd.

To date the only source of revenue has been interest. The major items of expenditure are administration expenses, wages and salaries and the write off of exploration expenditure. The financial statements for the year to 31 December 2012 show a loss attributable to members of \$2,683,362, compared to a loss of \$1,758,378 incurred in the year to 31 December 2011.

5.5 Capital Structure

The share structure of **Geopacific** as at 4 September 2013 is outlined below:

	Number
Total ordinary shares on issue	106,493,346
Top 20 shareholders	59,719,204
Top 20 shareholders - % of shares on issue	56.07%

Table 5.5a Share structure of **Geopacific** as at 4 September 2013.

Source: Management of **Geopacific**

The range of shares held in **Geopacific** as at 4 September 2013 is as follows:

Range of Shares Held	No. of Ordinary Shareholders	No. of Ordinary Shares	Percentage of Issued Shares (%)
1 - 1,000	55	26,004	0.03%
1,001 - 5,000	185	532,474	0.50%
5,001 - 10,000	69	541,673	0.51%
10,001 - 100,000	172	7,137,963	6.70%
100,001 - and over	123	98,255,232	92.26%
TOTAL	604	106,493,346	100.00%

Table 5.5b Share Range at 4 September 2013

Source: Management of **Geopacific**

The ordinary shares held by the most significant shareholders as at 4 September 2013 are detailed below:

Name	No. of Ordinary Shares Held	Percentage of Issued Shares (%)
HSBC Custody Nominees (Australia) Ltd	7,692,945	7.2%
Still Water Resources Corp	5,500,000	5.2%
Laguna Bay Capital Pty Ltd	5,332,417	5.0%
Mr. Milan Jerkovic & Mrs Glenda Janie Jerkovic	4,000,000	3.8%
Subtotal	22,525,362	21%
Others	80,060,465	79%
Total ordinary shares on issue	106,837,950	100%

Table 5.5c Significant shareholding at 4 September 2013

Source: Management of **Geopacific**

Geopacific also has the following Options and Performance Rights on issue as at 4 September 2013:

Details	Number
Unlisted options with a price of \$ 0.30 expiring 30 September 2014	750,000
Unlisted options with a price of \$ 0.30 expiring 5 April 2015	2,000,000
Unlisted options with a price of \$ 2.50 each in expiring 5 years after the defining of Faddy's Gold deposit a JORC compliant reserve over 200,000 contained gold	800,000
Unlisted options with a price of \$ 5.00 each expiring 10 years after the defining of Faddy's gold deposit a JORC compliant reserve and over 1,000,000 contained gold	200,000

Table 5.5d Option and Performance Rights at 4 September 2013

Source: Management of **Geopacific**

6. Economic Background

Recent information is consistent with global growth running a bit below average this year, with reasonable prospects of a pick-up next year. Commodity prices have declined further but, overall, remain at high levels by historical standards. Inflation has moderated over recent months in a number of countries.

Globally, financial conditions remain very accommodative. However, a reassessment by the market of the outlook for monetary policy in the United States has seen a noticeable rise in sovereign bond yields from exceptionally low levels. Volatility in financial markets has increased and there has been some widening of credit spreads.

In Australia, the recent national accounts confirmed that the economy has been growing a bit below trend over the recent period. This is expected to continue in the near term as the economy adjusts to lower levels of mining investment. The unemployment rate has edged higher over the past year and growth in labour costs has moderated. Inflation has been consistent with the medium-term target and is expected to remain so over the next one to two years, notwithstanding the effects of the recent depreciation of the exchange rate.

The easing in monetary policy over the past 18 months has supported interest-sensitive spending and asset values and further effects can be expected over time. The pace of borrowing has remained relatively subdued, though recently there are signs of increased demand for finance by households.

The Australian dollar has depreciated by around 10 per cent since early April, although it remains at a high level. It is possible that the exchange rate will depreciate further over time, which would help to foster a rebalancing of growth in the economy.

Source: www.rba.gov.au *Statement by Glenn Stevens, Governor: Monetary Policy Decision 2 July 2013*

7. Industry analysis

Porphyry copper deposits are copper ore bodies which are associated with porphyritic intrusive rocks and the fluids that accompany them during the transition and cooling from magma to rock. Circulating surface water or underground fluids may interact with the plutonic fluids. Successive envelopes of hydrothermal alteration typically enclose a core of ore minerals disseminated in often stock work-forming hairline fractures and veins. Porphyry ore bodies typically contain between 0.4 and 1% copper with smaller amounts of other metals such as molybdenum, silver and gold.

The first mining of low-grade copper porphyry deposits from large open pits coincided roughly with the introduction of steam shovels, the construction of railroads, and a surge in market demand near the start of the 20th century. Some mines exploit porphyry deposits that contain sufficient gold or molybdenum, but little or no copper.

Porphyry copper deposits are currently the largest source of copper ore. Most of the known porphyrys are concentrated in: Western, South and North America, Southeast Asia and Oceania - along the Pacific Ring of Fire; the Caribbean; southern central Europe and the area around eastern Turkey; scattered areas in China, the Mideast, Russia, and the CIS states; and eastern Australia. Only a few are identified in Africa, in Namibia and Zambia; none are known in Antarctica. The greatest concentration of the largest copper porphyrys is in Chile. Almost all mines exploiting large porphyry deposits produce from open pits.

Characteristics of porphyry copper deposits include:

- The ore bodies are associated with multiple intrusions and dikes of diorite to quartz monzonite composition with porphyritic textures.
- Breccia zones with angular or locally rounded fragments are commonly associated with the intrusives. The sulphide mineralization typically occurs between or within fragments.
- The deposits typically have an outer epidote - chlorite mineral alteration zone.
- A quartz - sericite alteration zone typically occurs closer to the center and may overprint.

- A central *potassic* zone of secondary biotite and orthoclase alteration is commonly associated with most of the ore.
- Fractures are often filled or coated by sulphides, or by quartz veins with sulphides. Closely spaced fractures of several orientations are usually associated with the highest grade ore.
- The upper portions of porphyry copper deposits may be subjected to supergene enrichment. This involves the metals in the upper portion being dissolved and carried down to below the water table

7.1 Copper Market Overview

According to preliminary ICSG data, the refined copper market balance for March 2013 showed a production surplus of about 100,000 metric tonnes (t) as apparent refined demand was weak in major consuming regions. When making seasonal adjustments for world refined production and usage, March showed a surplus of 133,000 t. The refined copper balance for the first three months of 2013, including revisions to data previously presented, indicates a production surplus of 222,000 t (a seasonally adjusted surplus of 231,000 t). This compares with a production deficit of 312,000 t (a seasonally adjusted deficit of 307,000 t) in the same period of 2012.

In the first quarter of 2013, world usage is estimated to have declined by around 5.3% compared with that in the same period of 2012. Chinese apparent demand declined by 10% owing to a 46% decline in net imports of refined copper. However, anecdotal evidence suggests that the lower import level was accompanied by a decline in unreported inventories held in bonded warehouses in China, which may have been all or partially directed to domestic industrial use. (In its April 26th forecast press release, ICSG said that unreported inventories in China were estimated to have risen by about 600,000 t during 2012.) Excluding China the year-on-year world usage declined by around 1.7%. On a regional basis, usage is estimated to have declined by 7.8% in Africa, 1.8% in the Americas, 7.6% in Asia, 0.2% in Europe, and 14.3% in Oceania.

World mine production is estimated to have increased by almost 11% in the first three months of 2013 compared with production in the same period of 2012, mainly owing to a recovery in production levels from constrained output in early 2012. Concentrate production increased by 13.2% and solvent extraction-electrowinning (SX-EW) by 2.3%. Mine production increased by 7.7% in Chile, the world's leading producer accounting for 32% of world mine production, and by 8.2% in the United States, but declined by 1.2% in Peru. On a regional basis, production rose by 31.9% in Africa, 6.6% in the Americas, 18.6% in Asia, 2.8% in Europe, and 11.1% in Oceania. The average world mine capacity utilization rate for the first quarter of 2013 increased to around 82% from around 77% in the same period of 2012.

World refined production is estimated to have increased by 5.2% in the first quarter of 2013 compared with refined production in the same period of 2012: primary production was up by 3.8%, and secondary production (from scrap) increased by 11.6%. The main contributors to growth were China (12.3%), Democratic Republic of Congo (DRC) (43.4%) and Zambia (17%), with refined production declining by 6.4% in Chile, the world's second largest refined copper producer. On a regional basis, refined production is estimated to have increased in Africa (25%), Asia (9.2%), and Europe (2.5%) but declined in the Americas (2.7%) and Oceania (5.6%). The average world refinery capacity utilization rate for the first three months of 2013 declined to around 79.8% from around 80.1% in the same period of 2012.

The average LME cash price for May 2013 was US\$7,229.17 per tonne, up from the April 2013 average of US\$7,203.36 per tonne. The 2013 high and low copper prices through the end of May were US\$8,242.50 (on 5 Feb) and US\$6,811.00 per tonne (on 23 April), respectively, and the annual average was US\$7,642.64 per tonne. As of the end of May, copper stocks held at the major metal exchanges (LME, COMEX, SHFE) totaled 868,970 t, an increase of 279,548 t from stocks held at the end of December 2012 and a decline of 44,005 t from stock levels at the end of April 2013. Compared with the April levels, stocks were down at all three exchanges.

Source: International Copper Study Group July 2013 Report.

7.2 Copper Price Trends

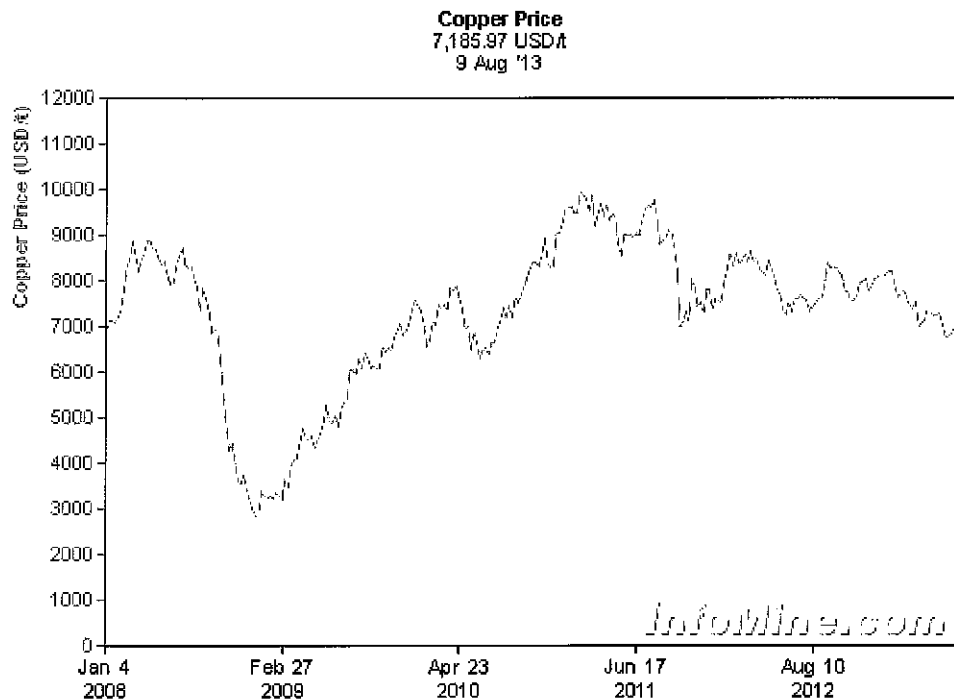


Figure 7.2.1: Copper price for the period January 2008 to September 2013

Source: InfoMine.com

Copper spent much of the period from 2005 to 2012 at levels at least double the marginal cost of production, reflecting persistent supply deficits. The number of days of consumption covered by copper stocks fell from more than 60 in 2003 to less than 20 by 2008. The market has now loosened. Already, the stock-to-consumption ratio is back up to almost 50. On the demand side, China's attempted shift away from economic growth predicated on breakneck construction—with good reason, as the country's recent credit crunch demonstrates—will cause copper-consumption growth to level off.

And more copper is becoming available. Between 2005 and 2012, disruptions such as strikes took the equivalent of between 5% and 8% of global mine supply off the market. So far this year, though, disruptions equate to about 2%. Moreover, an earlier surge in investment brought on by higher copper prices is starting to bear fruit.

Most analysts expect copper supply between 2013 and 2015 to exceed demand by an average of roughly 500,000 metric tons a year—higher than the surplus in 2009, when the average price fell 26%. Already, copper's premium to the marginal cost of supply has fallen to 35%. There is a strong view that inflation in the price of labour and equipment will continue to raise the marginal cost of supply, offsetting any fall in copper's premium. However, it should be noted that a "significant" contribution to this has been the decline of the dollar—in which copper is quoted—against the currencies of major producing countries such as Chile and Australia, where costs are priced in local terms. Indeed, on a one-year, three-year and five-year view, copper-price moves have shown a greater correlation with the dollar than other industrial metals.

Over the medium term, better economic prospects in the U.S. and signs that loose monetary policy is ending should support a stronger dollar. That will tend to cap copper's marginal costs in dollar terms, and therefore prices, especially as weaker commodity prices will tend to weaken producing countries' currencies anyway.

It has been suggested that pressure could be applied if copper producers start hedging more aggressively by selling future output. If they see the world is changing, they will almost certainly do that.

8. Valuation Approach Adopted

There are a number of methodologies which can be used to value a business or the shares in a company. The principal methodologies which can be used are as follows:

- Capitalisation of future maintainable earnings ("FME")
- Discounted Cash Flow ("DCF")
- Quoted Market Price Basis ("QMP")
- Net Asset Value ("NAV")
- Market Based Assessment
- Multiple of Exploration Expenditure ("MEE")

A summary of each of these methodologies is outlined in Appendix 2. Different methodologies are appropriate in valuing particular companies, based on the individual circumstances of that company and available information. We have considered all of the above valuation methodologies and have dismissed all methodologies, with the exception of Quoted Market Price Basis ("QMP"), as inappropriate for the following reasons:

Capitalisation of future maintainable earnings ("FME")

An earnings based approach estimates a sustainable level of future earnings for a business (maintainable earnings) and applies an appropriate multiple to those earnings, capitalising them into a value for the business.

This approach is appropriate where the earnings of a business are sufficient to justify a value exceeding the value of the underlying net assets, and where a relatively stable historic earnings pattern is demonstrated. Capitalisation of future maintainable earnings methodology is a proxy for Discounted Cash Flow.

A valuation based on the capitalisation of future maintainable earnings requires the determination of three factors:

- a level of future maintainable earnings;
- an appropriate capitalisation rate or multiplier; and
- the value of surplus assets (being assets not integral to the business operations).

Multiples applied in an earnings based valuation are generally based on data from listed companies and recent transactions in a comparable sector, but with appropriate adjustment after consideration has been given to the specific characteristics of the business being valued. The multiples derived for comparable quoted companies are generally based on share prices reflective of the trades of small parcels of shares. As such, multiples are generally reflective of the prices at which portfolio interests change hands. That is, there is no premium for control incorporated within such pricing. Clearly in this instance although 28% is significant it certainly does not constitute control. The multiplier may also be impacted by illiquidity in trading of the particular stock. As shown in Figure 9.1 there is little liquidity in the Geopacific stock. Accordingly, when valuing a business en bloc (100%) reference is made to the multiples achieved in recent mergers and acquisitions, where a control premium and breadth of purchaser interest are reflected.

A multiple can be applied to:

- earnings before interest, tax, depreciation and amortisation (EBITDA);
- earnings before interest and tax (EBIT); or
- net profit after tax (NPAT).

In considering the maintainable earnings of the business being valued, factors to be taken into account include whether the historical performance of the business reflects the expected level of future operating performance, particularly in cases of development, or when significant changes occur in the operating environment, or the underlying business is cyclical.

Both the Fiji and Cambodian projects are in early exploration stage of development and are some considerable way off generating maintainable income. Mining exploration projects have a long lead time from discovery to production. Many years can be spent on proving sufficient resources before a project will be advanced to production.

Given the early stage of development of the Company's projects and the fact that there are currently no earnings and none are anticipated in the near future, any estimate of future maintainable earnings for Geopacific at this time would in our view be very difficult to determine and as a result extremely unreliable. Therefore we are of the opinion that FME is not an appropriate methodology to use in this report.

Discounted Cash Flows ("DCF")

DCF is based on the premise that the value of a business is the net present value (NPV) of its future cash flows. It requires forecasting of cash flows over a suitable period of time, analysis of these future cash flows, the capital structure and cost of capital (discount rate), and an assessment of the residual value of the business remaining at the end of the forecast period.

This valuation method is generally appropriate for businesses that are able to forecast long term cash flows, businesses with a finite life or currently in a start up phase, and businesses that are forecasting significant growth and/or expect to experience lumpy or volatile cash flows. In order to apply the DCF method, detailed future cash flow projections over a reasonable forecast period and an assessment of a terminal value are required.

As noted above, in reference to future maintainable earnings, both the Fiji and Cambodian projects are in early exploration stage of development and are some considerable way off generating maintainable income. Mining exploration projects have a long lead time from discovery to production. Many years can be spent by an exploration company proving sufficient economic mineral resources before a project will be advanced to production. It is extremely difficult to accurately project the costs of a mineral exploration project at this early stage of development. The costs will depend on the results of future exploration and will vary significantly from project to project.

Following discussions with the management of Geopacific and after considering the early development stage of the Company's projects we are of the opinion that it is not currently possible to produce cash flows to form the basis of this type of valuation.

Net Asset Based Methods ("NAV")

Net Asset based methods are commonly used:

- when a business is operating at a loss or at a low return that is not consistent with the level of net assets employed;
- when liquidation is anticipated or the future prospects of the company are extremely doubtful;
- when the nature of a business is to hold capital growth assets;
- when the company has substantial surplus assets;
- when the company is inactive or dormant; or
- as an indication of the minimum value that a vendor might be willing to accept on the sale of the business.

There are three general assumptions under which a valuer can perform an asset based valuation:

- the business is a going concern;
- the business is undertaking an orderly realisation of assets; or
- the business is undertaking a "fire sale" of assets.

Typically, the lowest asset values are derived from a "fire sale" assumption while the highest asset values are derived from a "going concern" assumption.

Going Concern Basis

A valuation using the asset based method on a going concern basis requires the determination of the market value of net assets. The value is estimated by determining the market value of assets, and then deducting the market value of liabilities. In the absence of any information to the contrary (e.g. a property or plant and equipment valuation), the carrying or book value of assets is usually taken to be representative of market value.

The going concern assumption assumes that the business will continue to trade, albeit generating profits at a rate of return lower than required by investors in some cases, and that no realisation of assets will occur. Accordingly, no allowance for realisation costs is required.

Orderly realisation of assets

The value achievable in an orderly realisation of assets is estimated by determining the net realisable value of the assets or business segments on the basis of an assumed orderly realisation. The businesses liabilities and costs associated with the sale of the assets or business segments are deducted as part of the assessment. The orderly realisation process assumes that assets are realised (either individually or as a group) in such a way as to maximise their proceeds.

Fire Sale

A “fire sale” assumes a seller who is anxious to sell or liquidate assets and is prepared to accept a discount for a prompt sale. The shorter time frame in a “fire sale” compared to an orderly realisation of assets does not typically maximise the sale proceeds, resulting in a lower value being attributed to the business. The method requires assessment of the realisation value of all assets and liabilities in an orderly disposal process then deducting the value of liabilities and costs of disposal from the value of the assets.

In considering this methodology we assessed the Company as a going concern. Management have advised that the Company is not considering realizing any assets in the near future and the current funding package will provide sufficient cash for the Company to maintain the projects going forward. Therefore a Fire Sale approach is not appropriate.

For an Asset Backed Methodology to apply Geopacific’s underlying assets, being its investment in the Kou Sa and the Fiji projects, would need to be able to accurately be valued. Currently in the accounts of the Company the investment in the projects is carried at cost. There are no open markets for mining exploration projects and each project is so significantly different it is extremely difficult to accurately compare projects. We have noted previously the early stage of development of the projects and also the lack of a defined Resource or Reserve that could be used as an estimate of the value of the project.

We have assessed that it would be inappropriate to use this methodology because it is not possible to accurately determine the value of the individual projects, the Company’s main assets. Insufficient exploration has been undertaken for any party to place a reliable valuation on the Company’s projects.

Market Based Assessment

The Market Based Assessment model in theory allows the value estimated for a mining project to be benchmarked against mining project values established in the market. Comparable methods thus are a key tool for ensuring value estimates are congruent with what the market would actually pay. The Market Based Assessment uses the transaction price of comparable properties to establish a value for the subject property.

Determinative factors of the value an exploration property:

- potential for the existence and discovery of an economic deposit
- geological attributes: ore grade (high or low) depends of the amount of impurities in the ore. Separation of impurities gives rise to higher cost. A low grade ore will mean more material has to be processed to produce a tonne of metal versus a higher grade ore.
- mineralization, exploration results and targets, neighbouring properties
- Infrastructure: a fully developed infrastructure will benefit mines through cheaper and more efficient transport links, water supply, energy supply etc.
- area and location of an exploration property: exploration properties in established mining areas often have a premium value because of the higher perceived potential for discovery of a mineral deposit, and because of developed infrastructure. Ore bodies located in remote areas, such as some Chilean copper mines high in the Andes, or deep underground, such as some South African gold mines, will have higher unit costs due to the difficulties of extraction. However, this can normally be compensated by other beneficial factors such as a high ore grade and / or valuable by-products.
- Existing permits

Challenges:

- There are a limited number of transactions for mineral properties
- There are no true comparables in the mining industry. Each property is unique with respect to key factors such as geology, mineralization, costs and stage of exploration.
- Effective date of valuation is important (value of a property will vary widely from day to day, week to week and year to year because of the volatility of mineral price).
- Subjective judgment is needed to identify similar properties

Exploration property transactions give an indication of how active the market may be at any given time. It should be noted that exploration is cyclical, and in periods of low metal prices there is often no market, or a market at a very low price. For example, if there are relatively few explorations property transactions, because of the depressed state of exploration and mining industries, market values will be relatively low.

During this review we have confirmed that there is currently only a very small mining industry in Cambodia. There are no similar projects, in Cambodia, to the Kou Sa project that could be used for comparison.

with projects in other jurisdictions would not be suitable as they would not consider the unique characteristics of the infrastructure, geology or the likelihood of finding an economic deposit at the Kou Sa Project.

Therefore, given the lack of a realistic comparison and the small number of recent similar transactions we are of the view that the Market Based Assessment is not an appropriate model to apply in this instance.

Multiple of Exploration Expenditure ("MEE")

The Multiple of Exploration Expenditure model is based on the premise that the real value of an exploration asset lies in its potential for the existence and discovery of an economic mineral deposit. The Multiple of Exploration Expenditure model assumes that the amount of exploration expenditure is related to its value. The Multiple of Exploration Expenditure value is the sum of the meaningful past exploration expenditures and warranted future costs. Only those past expenditures that are considered reasonable and that have contributed to identification of exploration potential are retained as contributors to value. Warranted future costs comprise a reasonable exploration budget to test the identified potential. However, the Exchanges do not generally accept the inclusion of warranted future expenditures for the purposes of the appraised value method. Also associated administrative costs will generally not be accepted.

$$\text{Appraised Value} = \text{Retained Past Expenditures} + (\text{Warranted Future Costs})$$

Past expenditures are usually analysed on an annual basis, using technical expertise to assess which expenditures to retain and which to reject in terms of identifying remaining exploration potential. Usually little of the expenditures more than five or so years prior to the effective valuation date are retained. In the case of dual or multiple property ownership, the Appraised Value of the whole property is determined first, and then the value is apportioned to one or more of the property owners.

In this method a property is deemed to be worth what has been spent on it, with a premium, if results are positive, or a discount if results are poor. If we are valuing past producing mines which have some usable infrastructure available, we should take into account what the replacement value of this infrastructure might be at today's prices and accordingly add some premium to the value of the mine.

The appraised value method is best applied to properties which are actively being explored. It is more difficult to apply the method to properties that have been idle for some years, especially those which have had substantial expenditures in the past.

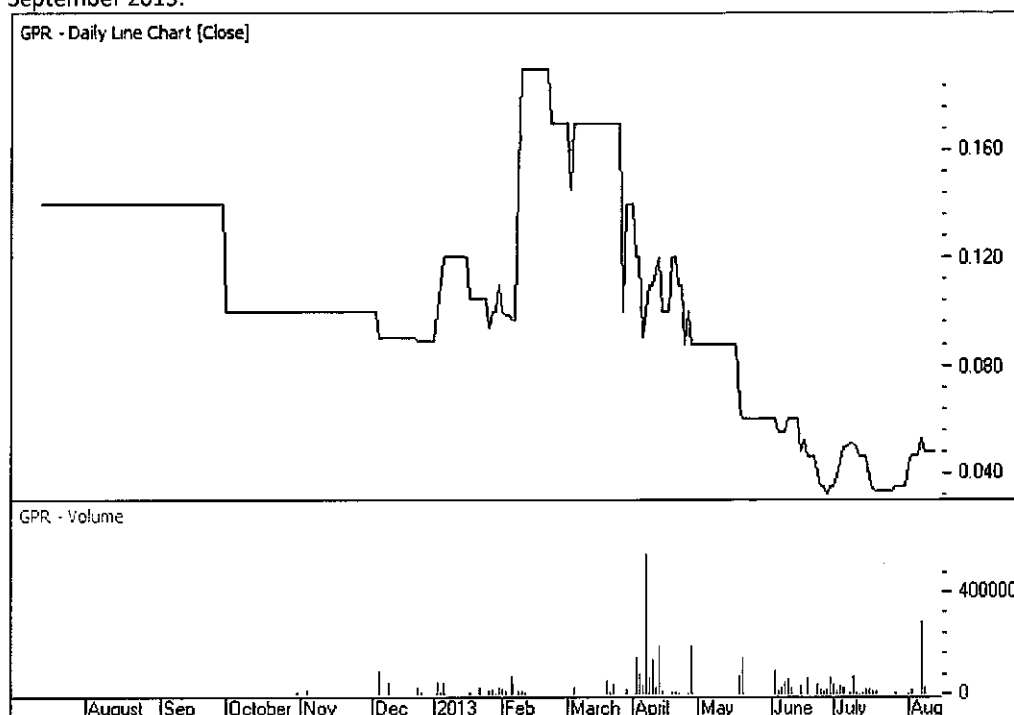
One advantage of the Appraised Value Method is that exploration cost information and technical data are readily available for most exploration properties and marginal development properties.

However, in this instance the projects, especially the main project at Kou Sa in Cambodia are at a very early stage of exploration and as such management are unable to reliably identify the allocation of costs to be incurred going forward. The company is yet to determine a Resource or Reserve on any of the tenements because the projects are at such an early stage exploration. Also the Company has not completed a Scoping Study on any of the projects which would assist in the determination of the cost to get the project into production. In terms of the Cambodian project the company currently only has an option of the tenement therefore to predict the eventual costs of exploration is not possible at this stage.

The projects cannot yet be assessed as being actively explored. The Kou Sa option was only acquired by the Group in January 2013 and as a result exploration has been very limited. The Fiji projects have been owned for some time however the exploration on the projects has been very limited and the results to date do not provide sufficient information suitable to accurately predict the future costs necessary to develop the projects should an economic deposit be found.

9. Valuation of Geopacific prior to the issue of the Placement Shares

Set out below is a graph demonstrating **Geopacific's** share price and trading volumes for the year August 2012 to September 2013.



9.1 Quoted Market Prices for Geopacific's Securities

To provide a comparison to the valuation of **Geopacific** in Section 9.1, we have also assessed the quoted market price for a **Geopacific** share. The quoted market value of a company's shares is reflective of a minority interest. A minority interest is an interest in a company that is not significant enough for the holder to have an individual influence in the operations and value of that company.

RG 111.11 suggests that when considering the value of a company's shares for the purposes of approval under Item 7 of s611 the expert should consider a premium for control. An acquirer could be expected to pay a premium for control due to the advantages they will receive should they obtain 100% control of another company. These advantages include the following:

- control over decision making and strategic direction;
- access to underlying cash flows;
- control over dividend policies; and
- access to potential tax losses.

Whilst RCF VI will not be obtaining 100% of **Geopacific**, RG 111 states that the expert should calculate the value of a target's shares as if 100% control were being obtained. RG 111.13 states that the expert can then consider an acquirer's practical level of control when considering reasonableness. Reasonableness has been considered in Section 11. Therefore, our calculation of the quoted market price of a **Geopacific** share including a premium for control has been prepared in two parts. The first part is to calculate the quoted market price on a minority interest basis. The second part is to add a premium for control to the minority interest value to arrive at a quoted market price value that includes a premium for control.

To provide further analysis of the market prices for an **Geopacific** share, we have also considered the volume weighted average market price for 10, 30, 60 and 90 day periods to 12 September 2013.

9.1.1 Minority Interest Value

Our analysis of the quoted market price of a **Geopacific** share is based on the pricing prior to the announcement of the issue of the Placement Shares. This is because the value of a **Geopacific** share after the announcement may include the effect of any change in value as a result of the issue of the Placement Shares. However, we have considered the value of a **Geopacific** share following the announcement when we have considered reasonableness in Section 11.

The daily price of **Geopacific** shares from 7 August 2012 to 6 September 2013 has ranged from a low of \$0.032 on 27 June 2013 to a high of \$0.19 on 12 February 2013. During this period a number of announcements were made to the market. The key announcements are set out below

Date	Announcement	Closing Share Price Following Announcement \$ (movement)	Closing Share Price Three Days After Announcement \$ (movement)
31/07/2013	Quarterly Activities and Cashflow Report	\$0.04	\$0.05
8/07/2013	Fiji Project Geochemical Results	\$0.05	\$0.05
31/05/2013	Results of AGM	\$0.06	\$0.05
28/05/2013	Copper Anomaly More than Doubles to 18 kms	\$0.06	\$0.06
30/04/2013	Quarterly Activities and Cashflow Report	\$0.09	\$0.09
15/04/2013	8KM LONG SOIL GEOCHEMICAL ANOMALY AT KOU SA PROJECT	\$0.10	\$0.12
8/04/2013	Up to 20m Zones of HI-grade Copper Verified & Expanded	\$0.11	\$0.12
2/04/2013	Completion of Takeover Bid	\$0.12	\$0.09
25/03/2013	Notice declaring Takeover Offer as Unconditional	\$0.10	\$0.14
22/03/2013	Annual Financial Report	\$0.17	\$0.14
11/03/2013	Results of Meeting	\$0.17	\$0.17
28/02/2013	Supplementary Target Statement	\$0.19	\$0.17
20/02/2013	Share Placement	\$0.19	\$0.19
14/02/2013	Appendix 3B for Bid Shares	\$0.19	\$0.19
8/02/2013	Target's Statement	\$0.19	\$0.19
1/02/2013	December Quarter Activities Report	\$0.10	\$0.10
24/01/2013	Appendix 3B	\$0.09	\$0.10
10/01/2013	Appendix 3B - Share Issue	\$0.12	\$0.12
3/01/2013	Takeover to Access Highly Prospective Kou Sa Copper Project	\$0.11	\$0.12
2/01/2013	Trading Halt	\$0.10	\$0.12

Table 9.1.1a Significant ASX Announcements Source: ASX

	12 Aug 2013	10 Days	30 Days	60 Days	90 Days
Closing Price	\$0.04				
Volume Weighted Average		\$0.03	\$0.039	\$0.06	\$0.088

Table 9.1.1b Average market price
Source: ASX

The above volume weighted average prices are prior to the date of the announcement of the issue of the Placement Shares, to avoid the influence of any increase in price of **Geopacific** shares that has occurred since the announcement.

An analysis of the volume of trading in **Geopacific** shares for the six months to 12 September 2013 is set out below:

	Share Price Low (\$)	Share Price High (\$)	Cumulative Volume Traded	As a % Issued Capital
1 day	\$0.047	\$0.047		
10 days	\$0.035	\$0.047	30,000	0.03%
30 days	\$0.033	\$0.051	254,775	0.257%
60 days	\$0.032	\$0.060	829,267	0.81%
90 days	\$0.032	\$0.088	1,205,267	1.17%
180 days	\$0.032	\$0.190	2,951,503	2.877%

Table 9.1.1c Trading volumes for the six months to 12 September 2013
Source: ASX

This table indicates that **Geopacific's** shares display a low level of liquidity, with only 2.87% of the Company's current issued capital being traded in a six month period. For the quoted market price methodology to be reliable there needs to be a 'deep' market in the shares. RG 111.69 indicates that a 'deep' market should reflect a liquid and active market. We consider the following characteristics to be representative of a deep market:

- Regular trading in a company's securities;
- Approximately 1% of a company's securities are traded on a weekly basis;
- The spread of a company's shares must not be so great that a single minority trade can significantly affect the market capitalisation of a company; and
- There are no significant but unexplained movements in share price.

Clearly the volume traded would suggest that the market for **Geopacific** is "shallow", with very few trades over a 180 day period. However, failure of a company's securities to exhibit all of the above characteristics does not necessarily mean that the value of its shares cannot be considered relevant, and given the discussion in section 8 of this Report, it would appear no other methodology is appropriate.

Geopacific's Quoted Market Price results in the following valuation range:

	Low (\$)	Midpoint (\$)	High (\$)
Quoted Market Price Value	\$0.03	\$0.0345	\$0.039

Table 9.1.1d Market price range
Source: ASX

Our assessment is that a range of values for a **Geopacific** share based on market pricing is between \$0.03 and \$0.039 with a midpoint value of \$0.0345.

9.1.2 Control Premium

The concept of a premium for control reflects the additional value that attaches to a controlling interest. In determining whether including a control premium is appropriate in this instance, we believe there are two key considerations. Firstly, we believe it is appropriate to consider the level of control currently held by RCF VI and what additional level of control/ability to influence the Company RCF VI would gain if the issue of the Placement Shares is accepted and whether a premium for control is appropriate given the current position of the company.

We have included an analysis of the control *premia* paid for effective control acquisition transactions in the general mining industry of Australia since 2004 to date.

Period	Number of Transactions	Announced Total Values (US\$Mil)	Announced Control Premium
2010 – 2011	9	7,001.26	40.7%
2009 – 2010	24	2,241.91	45.9%
2008 – 2009	10	172.47	43.2%
2007 – 2008	23	2,158.84	30.2%
2006 – 2007	21	1,092.89	25.3%
2005 – 2006	17	14,297.78	38.3%
2004 – 2005	7	25,836.97	29.0%
		Average	35.9%

Table 9.1.2 Premium paid to acquire control in the mining industry

Source: Bloomberg

In arriving at an appropriate control premium to apply we noted that observed control premia can vary due to the:

- Nature and magnitude of non-operating assets;
- Nature and magnitude of discretionary expenses;
- Perceived quality of existing management;
- Nature and magnitude of business opportunities not currently being exploited;
- Level of controlling interest acquired;
- Ability to integrate the acquiree into the acquirer's business;
- Level of pre-announcement speculation of the transaction; and
- Level of liquidity in the trade of the acquiree's securities.

Based on the table above, we observe that significant control premia on a company's share price are paid for acquisition in the Australian mining industry. These significant premia in part reflect the strategic value of the target to the acquirer above the conventional level of control premium paid.

Across the general Australian mining industry, the average annual control premium paid for effective control transactions over 2005 to 2011 ranged between 25.3% and 45.9% with an average of 35.9%. If the issue of the Placement Shares to RCF VI is approved, RCF VI will obtain a maximum interest in **Geopacific** of 28%, which represents significant influence, but not necessarily an effective control over the Company.

Taking the factors above into consideration in applying a control premium to **Geopacific's** quoted market share price we believe an appropriate range to be 25% - 45% which is consistent with our analysis of the implied premia within the market. The announced market premia are calculated on a company's share price and can be potentially higher if a security has a low level of liquidity which could lead to its share price not being reflective of the underlying value. We believe this range, determined from implied premia, is the most appropriate to use.

9.2 Quoted market price including control premium

Applying a control premium to **Geopacific's** quoted market share price results in the following quoted market price value including a premium for control:

	Low \$	Midpoint \$	High \$
Quoted Market Price value	\$0.03	\$0.0345	\$0.039
Control premium	25%	35%	45%
Quoted Market Price valuation including a premium for control	\$0.0375	\$0.0466	\$0.049

Table 9.2 Market Price adjusted for Control Premium

Therefore, our valuation of a **Geopacific** share based on the quoted market price method and including a premium for control is between \$0.0375 and \$0.049, with a midpoint value of \$0.466.

10. Is the issue of the Placement Shares fair?

The value of a **Geopacific** share prior to the issue of the Placement Shares compared to the consideration per share offered by RCF VI is shown in the table below:

Ref	Low \$	Midpoint \$	High \$
Value of Geopacific Share prior to the issue	\$0.0375	\$0.0466	\$0.049
Value of consideration per share offered by RCF VI	\$0.05	\$0.05	\$0.05

Table 10 Valuation compared to consideration

We note from the table above that the value of a **Geopacific** share prior to the issue of the Placement Shares is less than the consideration of \$0.05 per share offered by RCF VI. Therefore, we consider that the issue of the Placement Shares is fair.

11. Is the issue of the Placement Shares reasonable?

We have considered the following factors in forming an opinion as to whether the issue of the Placement Shares is reasonable and where it is reasonably practicable to do so with sufficient precision we have quantified these factors.

11.1 Alternative Proposal

We are unaware of any alternative proposal that might offer the Shareholders of **Geopacific** a premium over the value ascribed to that resulting from the issue of the Placement Shares.

11.2 Practical Level of Control

If the issue of Placement Shares is approved then RCF VI will hold an interest of approximately 28% in **Geopacific**. When shareholders are required to approve an issue that relates to a company there are two types of approval levels. These are general resolutions and special resolutions. A general resolution requires 50% of shares to be voted in favor to approve a matter and a special resolution requires 75% of shares on issue to be voted in favor to approve a matter. If the issue of the Placement Shares is approved then RCF VI will not be able to pass general or special resolutions but will be able to block special resolutions.

RCF VI's control of **Geopacific** following the issue of the Placement Shares will be significant when compared to all other shareholders. In our opinion, while RCF VI will be able to significantly influence the activities of **Geopacific**, it will not be able to exercise a similar level of control as if it held 100% of **Geopacific**.

11.3 Consequences of not Approving the issue of Placement Shares

Potential decline in share price.

We have analyzed movements in **Geopacific's** share price since the issue of Placement Shares was announced, and there have been no significant changes in the Company's share price since the announcement.

11.4 Advantages of Approving the issue of the Placement Shares

We have considered the following advantages when assessing whether the issue of the Placement Shares is reasonable.

Advantage	Description
Immediate funds received	If the issue of the Placement Shares is approved Geopacific will receive cash of approximately US\$3 million.
Access to future funding	As a strategic partner, RCF VI can provide access to capital markets currently not available to Geopacific .
No requirement for Geopacific to source alternative funding arrangements	To progress various Projects and complete the acquisition of the Project Geopacific will be required to source additional funding. If the Placement Shares are not issued to RCF VI, it is unlikely that RCF VI will assist with this funding. The Board of Geopacific would therefore have to explore other funding opportunities including potential joint ventures, placements. Some of these alternatives would likely be at a discount to the current market price and could potentially dilute Shareholders' interests further.
No changes to current operation arrangements	RCF VI is supportive of Geopacific's management and its current operating plan. There has been no indication from RCF VI that it intends to change Geopacific's business as conducted by the current management.
Strategic benefits at Kou Sa and Sabeto projects	The issue of the Placement Shares will result in funds being made available to the company to pursue its exploration goals at the Kou Sa and Sabeto projects.

Table 11.4 Advantages of Placement

11.5 Disadvantages of Approving the issue of the Placement Shares

If the issue of the Placement Shares is approved, in our opinion, the potential disadvantages to Shareholders include those listed in the table below:

Disadvantage	Description
Dilution of existing Shareholders interest	The issue of the Placement Shares will result in a dilution of existing Geopacific shareholders' interest to 72%. The capacity of shareholders to influence the operations of Geopacific will be reduced
RCF VI will gain a significant level of control of Geopacific	If the issue of the Placement Shares is approved, RCF VI will be increasing its shareholding interest from 0% to approximately 28% meaning RCF VI may be able to influence any voting required on the activities of Geopacific .

Table 11.5 Disadvantages of Placement

12. Conclusion

We have considered the terms of the issue of the Placement Shares as outlined in the body of this report and have concluded that **the issue of the Placement Shares is fair and reasonable to the Shareholders of Geopacific.**

13. Sources of information

This report has been based on the following information:

- Draft Notice of General Meeting and Explanatory Statement on or about the date of this report;
- Audited financial statements of **Geopacific** for the years ended 31 December 2012 and 31 December 2011;
- Reviewed financial statements of **Geopacific** for the half year ended 30 June 2012;
- Unaudited management accounts of **Geopacific** as at 30 June 2013;
- Indicative Term Sheet between RCF VI LP Ltd and **Geopacific** Resources Ltd dated 24 July 2013;
- Share registry information;
- Information in the public domain; and
- Discussions with Directors and Management of **Geopacific**.

14. Independence and Disclosure of Interest

Prior to accepting this engagement **RM Corporate Finance** considered its independence with regard to ASIC RG 111 and RG 112. **RM Corporate Finance** determined that it is independent of **Geopacific**.

RM Corporate Finance is entitled to receive a fee of approximately A\$25,000 (plus GST) for the preparation of this Report, based on time costs and disbursements. The fee is payable to **RM Corporate Finance** regardless of the outcome of the Transaction. Except for this fee, **RM Corporate Finance** has not received and will not receive any pecuniary or other benefit, whether direct or indirect in connection with the preparation of this Report.

Neither the signatory to this Report nor **RM Corporate Finance** holds shares or options in **Geopacific**. No such shares or options have been held at any time over the last two years. Neither the signatory to this Report nor **RM Corporate Finance** has had within the past two years any business relationship material to an assessment of **RM Corporate Finance**' impartiality with **Geopacific**, or their associates.

A draft of this Report was provided to **Geopacific** and its advisors for their confirmation of the factual accuracy of its contents. No changes were made to the methodologies or conclusions reached in this Report as a result of this review.

Geopacific has indemnified **RM Corporate Finance** in respect of any claim arising or in connection with **RM Corporate Finance**' reliance on information provided to **Geopacific**.

15. Qualifications

Guy Le Page is a director of **RM Corporate Finance** is part of the **RM Corporate Finance** Group, an Australian based, internationally focused corporate finance firm which specialises in the financing and management of emerging companies. The **RM Corporate Finance** Group is based in Perth, Western Australia and has additional offices throughout Australia including Sydney, Melbourne and Adelaide. The **RM Corporate Finance** Group was founded in 1998 and is independently owned. The team has significant experience in investment banking, corporate finance and all facets of mining and exploration activities. Clients of **RM Corporate Finance** represent a broad range of mining companies and have included exploration focused juniors, growth orientated mid-tiers and globally diversified mining groups. **RM Corporate Finance** has a full service Australian Financial Services License regulated by the Australian Securities and Investment Commission.

The person responsible for preparing and reviewing this report is Guy Le Page. Mr Le Page is currently a Director of the **RM Corporate Finance** and Head of Research for RM Research, one of the largest distributors of research in Australia for small to medium sized ASX listed companies. He has extensive experience as an

exploration and mining geologist as well as an analyst and corporate adviser to listed mining and exploration companies.

Mr Le Page was a Corporate Adviser at ASX listed Stockbroker Tolhurst Noall from 1998 before joining the **RM Corporate Finance** Group in 2002. Prior to his tenure at Tolhurst Noall, Mr Le Page was Head of Research at Morgan Stockbroking Limited (Perth). As Head of Research, Mr Le Page was responsible for the supervision of all industrial and Resources Research. As a Resources Analyst, Mr Le Page publishes detailed research on various mineral exploration and mining companies listed on the Australian Securities Exchange. The majority of this research involved valuations of both exploration and production assets.

Prior to entering the stockbroking industry, he spent 10 years as an exploration and mining geologist in Australia, Canada and the United States. His experience spans gold and base metal exploration and mining geology, exploration for bulk commodities (coal, iron ore) and he has acted as a consultant to private and public companies. This professional experience included the production of both technical and valuation reports for resource companies.

Mr Le Page holds a Bachelor of Arts, a Bachelor of Science and a Masters' Degree in Business Administration from the University of Adelaide, a Bachelor of Applied Science (Hons) from the Curtin University of Technology and a Graduate Diploma in Applied Finance and Investment from Financial Services Institute of Australasia. He is a fellow of the Financial Services Institute of Australia and Member of the Australasian Institute of Mining and Metallurgy.

16. Disclaimers and Consents

This Report has been prepared at the request of **Geopacific** for inclusion in the Explanatory Memorandum, which will be enclosed with the Notice of Meeting. **Geopacific** has engaged **RM Corporate Finance** to prepare this Report to consider the Transaction on behalf of **Geopacific** Shareholders.

RM Corporate Finance hereby consents to this Report being included in the above Explanatory Memorandum or being made available to **Geopacific** Shareholders at their request. Apart from such use, neither the whole nor any part of this Report, nor any reference thereto may be included in or with, or attached to any document, circular, resolution, statement or letter without the prior written consent of **RM Corporate Finance**.

RM Corporate Finance takes no responsibility for the contents of the Explanatory Memorandum other than this Report.

RM Corporate Finance has not independently verified the information and explanations supplied to us, nor has it conducted anything in the nature of an audit of **Geopacific**. **RM Corporate Finance** does not warrant that our enquiries have revealed all of the matters which an audit or extensive examination might disclose. However, **RM Corporate Finance** has no reason to believe that any of the information or explanations so supplied is false or that material information has been withheld. The statements and opinions included in this Report are given in good faith and in the belief that they are not false, misleading or incomplete.

The terms of this engagement are such that **RM Corporate Finance** has no obligation to update this Report for events occurring subsequent to the date of this Report.

17. Financial Services Guide

Our Financial Services Guide is set out in Annexure 5.

Yours faithfully



GUY T. LE PAGE, FFIN, MAusIMM
DIRECTOR
RM Corporate Finance

Appendix 1 – Glossary of Terms

Reference	Definition
The Act	The Corporations Act 2001
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
RM Corporate Finance	RM Corporate Finance Pty Ltd
The Company	Geopacific Resources NL
DCF	Discounted Future Cash Flows
EBIT	Earnings before interest and tax
FME	Future Maintainable Earnings
NAV	Net Asset Value
Our Report	This Independent Expert's Report prepared by RM Corporate Finance
Geopacific	Geopacific Resources NL
Term Sheet	Binding term sheet which outlines a strategic partnership between Geopacific and RCF VI and the terms that RCF VI will invest approximately US\$3 million for an approximate 28% stake in the capital of Geopacific .
RCF VI	RCF VI Holdings Ltd
Placement Shares	Approximately 66,000,000 Shares at an issue price of \$0.05 per share, being an aggregate subscription amount of US\$3.0 million
VWAP	Volume Weighted Average Price
Shareholders	Shareholders of Geopacific not associated with RCF VI
Subscription Agreement	Agreement which outlines a strategic partnership between Geopacific and RCF VI and the terms that RCF VI will invest approximately US\$3 million for an approximate 28% stake in the capital of Geopacific .
RG111	Content of expert reports (March 2011)
RG112	Independence of experts (March 2011)
Rights issue	A Rights Issue whereby existing shareholders of the Company will have the right to subscribe for 10 new shares for every 17 shares they hold at the record date at a price of \$0.05 per share.
Geochemical	Pertains to the concentrations of an element.
Diamond Drilling	A method of obtaining a cylindrical core of rock by drilling with a diamond impregnated bit.

Porphyry	A variety of igneous rocks.
Mineralisation	A geological concentration minerals or elements of prospective economic interest.
Geochemistry	Pertains to the concentration of an element.
Intrusive	A body of igneous rock that invades older rock.
Stream Sediment	Rocks formed by the deposition of particles carried by water.
Soil Sampling	The collection of soil specimens for minerals analysis.
Rock Chip Sampling	The collection of rock specimens for mineral analysis.
JORC code 2012	Joint Ore Reserve Committee (of the Australian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and the Mineral Council of Australia). A code developed by the Australian Joint Ore Reserve Committee which sets minimum standards for public reporting of exploration results, Mineral Resources and Ore Reserves.
Laterite	Soil types rich in iron and aluminium.
Ore Bodies	Accumulation of ore in any shape.
Brescia Zone c	A rock composed of broken fragments of minerals and rock cemented together by a fine grained matrix that can be either similar to or different from the composition of the fragments.
Potassic	Relating to, or containing potassium.
Biotite	Phyllosilicate mineral within the mica group.
Orthoclase	Tectosilicate minerals that form igneous rock.
Sulphides	An inorganic anion.

Appendix 2 – Valuation Methodologies

Methodologies commonly used for valuing assets and businesses are as follows:

Net asset value (“NAV”)

Asset based methods estimate the market value of an entity’s securities based on the realizable value of its identifiable net assets. Asset based methods include:

- Orderly realization of assets method
- Liquidation of assets method
- Net assets on a going concern method

The orderly realization of assets method estimates fair market value by determining the amount that would be distributed to entity holders, after payment of all liabilities including realization costs and taxation charges that arise, assuming the entity is wound up in an orderly manner.

The liquidation method is similar to the orderly realization of assets method except the liquidation method assumes the assets are sold in a shorter time frame. Since wind up or liquidation of the entity may not be contemplated, these methods in their strictest form may not be appropriate. The net assets on a going concern method estimates the market values of the net assets of an entity but does not take into account any realization costs.

Net assets on a going concern basis are usually appropriate where the majority of assets consist of cash, passive investments or projects with a limited life. All assets and liabilities of the entity are valued at market value under this alternative and this combined market value forms the basis for the entity’s valuation.

Often the FME and DCF methodologies are used in valuing assets forming part of the overall Net assets on a going concern basis. This is particularly so for exploration and mining companies where investments are in finite life producing assets or prospective exploration areas.

These asset based methods ignore the possibility that the entity’s value could exceed the realizable value of its assets as they do not recognize the value of intangible assets such as management, intellectual property and goodwill. Asset based methods are appropriate when an entity is not making an adequate return on its assets, a significant proportion of the entity’s assets are liquid or for asset holding companies.

2. Quoted Market Price Basis (“QMP”)

A valuation approach that can be used in conjunction with (or as a replacement for) other valuation methods is the quoted market price of listed securities. Where there is a ready market for securities such as the ASX, through which shares are traded, recent prices at which shares are bought and sold can be taken as the market value per share. Such market value includes all factors and influences that impact upon the ASX. The use of ASX pricing is more relevant where a security displays regular high volume trading, creating a “deep” market in that security.

Capitalization of future maintainable earnings (“FME”)

This method places a value on the business by estimating the likely FME, capitalized at an appropriate rate which reflects business outlook, business risk, investor expectations, future growth prospects and other entity specific factors. This approach relies on the availability and analysis of comparable market data.

The FME approach is the most commonly applied valuation technique and is particularly applicable to profitable businesses with relatively steady growth histories and forecasts, regular capital expenditure requirements and non-finite lives.

The FME used in the valuation can be based on net profit after tax or alternatives to this such as earnings before interest and tax ("**EBIT**") or earnings before interest, tax, depreciation and amortization ("**EBITDA**"). The capitalization rate or "earnings multiple" is adjusted to reflect which base is being used for FME.

4. Discounted future cash flows ("DCF**")**

The DCF methodology is based on the generally accepted theory that the value of an asset or business depends on its future net cash flows, discounted to their present value at an appropriate discount rate (often called the weighted average cost of capital). This discount rate represents an opportunity cost of capital reflecting the expected rate of return which investors can obtain from investments having equivalent risks.

Considerable judgement is required to estimate the future cash flows which must be able to be reliably estimated for a sufficiently long period to make this valuation methodology appropriate.

A terminal value for the asset or business is calculated at the end of the future cash flow period and this is also discounted to its present value using the appropriate discount rate.

DCF valuations are particularly applicable to businesses with limited lives, experiencing growth, that are in a startup phase, or experience irregular cash flows.

5. Market Based Assessment

The market based approach seeks to arrive at a value for a business by reference to comparable transactions involving the sale of similar businesses. This is based on the premise that companies with similar characteristics, such as operating in similar industries, command similar values. In performing this analysis it is important to acknowledge the differences between the comparable companies being analyzed and the company that is being valued and then to reflect these differences in the valuation.

6. Multiple of Exploration Expenditure ("MEE**")**

The Past Expenditure method is a method of valuing exploration assets in the resources industry. It is applicable for areas which are at too early a stage of prospectivity to justify the use of alternative valuation methods such as DCF. The Past Expenditure method is often referred to as the Multiple of Exploration Expenditure method.

Past expenditure, or the amount spent on exploration of a tenement, is commonly used as a guide in determining value. The assumption is that well directed exploration adds value to a property. This is not always the case and exploration can also downgrade a property. The Prospectivity Enhancement Multiplier ("**PEM**") which is applied to the effective expenditure therefore commonly ranges from 0.5 to 3.0. The PEM generally falls within the following ranges:

- 0.5 to 1.0 where work to date or historic data justifies the next stage of exploration;
- to 2.0 where strong indications of potential for economic mineralization have been identified; and
- to 3.0 where ore grade intersections or exposures indicative of economic resources are present.

Appendix 3 - Tenement Schedule

CAMBODIA			
Tenement	Location	Area	Status
<p>Exploration Licence No. 1037</p> <p>100% owned by Golden Resource development Co. Ltd. GPR has an agreement to acquire the project.</p>	<p>Kou Sa Project is located in Cambodia's Chep district, Phreah Vihear province</p>	<p>158Km²</p>	<p>Granted on 22 September 2008.</p> <p>Renewed on 22 September 2010 and again on 22 September 2012 for a further 2 years.</p>
FIJI			
<p>SPL 1231 RAKIRAKI</p> <p>50% Beta 50% Peninsula Minerals</p>	<p>Rakiraki NE Viti Levu</p>	<p>Approx. 3,330 ha</p>	<p>Granted on 6 November 1985 to Beta. Peninsula Minerals has 50% interest.</p> <p>Renewed for 1 year on 1 June 2012. Application for a renewal to 1 June 2014 is lodged with MRD.</p>
<p>SPL 1373 QALAU</p> <p>50% Beta 50% Peninsula Minerals</p>	<p>Rakiraki NE Viti Levu</p>	<p>Approx. 1,843 ha</p>	<p>Granted on 6 July 1995 to Beta. Peninsula Minerals has 50% interest.</p> <p>Renewed for 1 year on 1 June 2012. Application for a renewal to 1 June 2014 is lodged with MRD.</p>
<p>SPL 1436 TABUKA</p> <p>50% Beta 50% Peninsula Minerals</p>	<p>Rakiraki NE Viti Levu</p>	<p>Approx. 2,500 ha</p>	<p>Granted on 17th March 2005 to Beta. Peninsula Minerals has 50% interest.</p> <p>Renewed for 1 year on 1 June 2012. Application for a renewal to 1 June 2014 is lodged with MRD.</p>
<p>SPL 1368 VUDA</p> <p>100% GPL</p>	<p>Vuda Valley 15 km NNE of Nadi Viti Levu</p>	<p>3,210 ha</p>	<p>Granted on 18 October 1994. GPL completed purchase 100% of tenement on 7 March 2013.</p> <p>Renewed on 23 January 2012. Application for a renewal to 22 January 2016 is lodged with MRD.</p>
<p>SPL 1361 SABETO</p> <p>100% GPL</p>	<p>Sabeto Valley 16 km NE of Nadi Viti Levu</p>	<p>1,800ha</p>	<p>Granted on 6 October 1993. GPL completed purchase 100% of tenement on 23 March 2012.</p> <p>Renewed on 22 January 2012. Application for a renewal to 22 January 2016 is lodged with MRD.</p>

Appendix 3 - Tenement Schedule (cont'd)

Tenement	Location	Area	Status
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 1 st April 1984. Renewed for 1 year on 3 May 2012. Application for a renewal to 3 May 2014 is lodged with MRD.
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.

Appendix 4 – Exchange Rate Sensitivity

Indicative spot \$USD/AUD exchange rate	Conversion of \$USD3.0 million based on indicative rate into \$AUD	Number of Shares to be issued at \$AUD0.05 per Share	Percentage Voting Power of Resource Capital Fund VI L.P. (and/or its associates)
As at date of this Notice: 0.90/1.00	3,333,333	66,666,667	28.59%
Assuming a 5% appreciation of \$USD against \$AUD: 0.85/1.00	3,529,412	70,588,235	30.27%
Assuming a 5% depreciation of \$USD against \$AUD: 0.95/1.00	3,157,895	63,157,895	27.09%

Appendix 5 – Financial Services Guide



Financial Services Guide

RM Corporate Finance Pty Ltd
Australian Financial Services Licence 315235
Level 2, 6 Kings Park Road, West Perth WA 6005 | PO Box 154 West Perth WA 6005
P: 08 9488 0800 | F: 08 9488 0899 | E: info@rmcapital.com.au | W: www.rmcapital.com.au

Before seeking our advice, you probably have a number of questions you would like to ask about RM Corporate Finance Pty Ltd and our advisors. We have a number of Corporate and Individual Authorised Representatives and it is important that you read this document in conjunction with the individual advisers' profile to ensure you have a complete understanding of our business arrangements.

By law you have the right to ask us about our charges, the type of advice we will give you and what you can do if you have a complaint about our services. Key information is set out in answer to the questions below. If you need more information or clarification, please ask us.

This Financial Services Guide is issued with the authority of RM Corporate Finance Pty Ltd.

You should also be aware that you are entitled to receive a Statement of Advice (SOA) whenever we provide you with any advice which takes into account your objectives, financial situation and needs. The Statement of Advice will contain the advice, the basis on which it is given and information about fees and associations which may have influenced the provision of the advice. On an ongoing basis, if there have been no significant changes in your personal circumstances or the basis of the advice has not significantly changed since your last SOA was provided, a Record of Advice (ROA) will be provided instead of an SOA. You have the right to request a copy of your ROA at any time.

In the event we make a recommendation to acquire a particular financial product (other than securities) or offer to issue or arrange the issue of a financial product, we must also provide you with a Product Disclosure Statement containing information about the particular product which will enable you to make an informed decision in relation to the acquisition of that product.

BEFORE YOU RECEIVE OUR ADVICE

Who are the advisors?

Please refer to the individual Corporate Authorised and/or Individual Authorised Representative Profiles for more details on the advisors.

Who will be providing the advisory services to me?

All our advisors are authorised representatives of RM Corporate Finance Pty Ltd AFSL No. 315235 and the licensee being RM Corporate Finance Pty Ltd is responsible for the advice provided by its representatives.

All authorised representatives receive remuneration in the form of brokerage, bonus payments or alternative remuneration and details of all fee arrangements will be included in the individual advisor profiles.

What advisory services are available to me?

RM Corporate Finance Pty Ltd is authorised under the licence to advise and deal in the following financial products:

- Deposit and payment products including basic deposit products, and non-cash payment products;
- Debentures, stocks or bonds issued or proposed to be issued by a government;
- Life products including investment life insurance products and life risk insurance products;
- Interests in managed investment schemes;
- Retirement savings accounts products (within the meaning of the Retirement Savings Account Act 1997);
- Securities;
- Superannuation;
- Derivatives;
- Corporate Finance; and
- Margin Lending.

Each advisor is authorised by RM Corporate Finance Pty Ltd and you should refer to their individual advisor profile to see their authorisation details which may not be as broad as those of the RM Corporate Finance Pty Ltd. When providing you with these advisory services, we act on your behalf.

Product recommendations are only made after considering their suitability for your individual investment objectives, financial situation and needs. Under the Future of Financial Advice Reforms the advice provider is obligated to act in your best interest and this requires the advice provider to collect all required information about your financial situation and needs and objectives, make inquiries into the information provided and investigate appropriate products and strategies that will meet your needs and objectives. From time to time where the advice provider cannot recommend any appropriate products or where the advice provider feels your best interest will not be served by him/her, the advice provider has a right and in some cases obligation to refuse provision of advice or services.

What service models are available to me?

Due to the diverse nature of clients RM Corporate Finance Pty Ltd and its advisors deal with, generally 3 models of services are offered to clients.

General Advice services

Under this service model clients will receive general information about financial products and general recommendations on top stock picks as well as capital raising projects. The client will need to make their own assessment as to suitability of the investment and whether they want to proceed and sums they wish to invest. The advisor will not take the clients personal circumstances and financial needs into account when providing general advice. In this situation the client will not be entitled to receive a Statement of Advice or Record of Advice however information in relation to fees and any conflict or disclosures will be provided where applicable. This model will generally suit clients who have some financial experience and / or are active traders who are only looking for some technical analysis on investment options and are happy to make their own decisions.

Wholesale client or sophisticated investor services

Under this service model the advisor will deal with clients who are defined as wholesale clients or sophisticated investors in Chapter 7 of the Corporations Act. The Act provides for instances where a client can be defined as a wholesale client. These instances consider the experience of the investor, sum invested, net assets and income of an investor etc. Retail provisions relating to provision of a FSG and advice documents does not apply to wholesale clients. Under this service model the clients will generally have a level of market understanding and/or asset and income levels and the advisor will generally provide information on investments and excluded offers and the client will make their own investment decisions. While the licensee and advisor is not required to provide a financial services guide, as best practice this document is provided to wholesale clients as a courtesy to inform them of the scope of authorisations and charging arrangements. Provision of the FSG to a wholesale client is not to be considered that RM Corporate Finance Pty Ltd or the Adviser considers them to be a retail client in any way.

Personal Advice Services

Under this service model the advisor will review a client's individual circumstances, financial needs and objectives and based on these, advice will be provided. Where applicable ongoing advice will be provided and regular reviews will be offered and undertaken. A Statement of Advice will be provided outlining the recommendations and ongoing advice may be provided via a Record of Advice. This service is suitable for those clients who want advice specific to them and are willing to provide an appropriate amount of personal information for the adviser to make informed recommendations.

How will I pay for the service?

RM Corporate Finance Pty Ltd offers a range of payment options including fees on funds placed, or a combination of both methods. Your adviser will explain these options to you.

How are fees calculated and deducted?

Our calculation of fees is dependent on the level of service chosen by you. All levels of service, their associated calculations for fees and charges and the ongoing services provided are discussed in the first meeting and subsequently disclosed, prior to implementation of any recommendations, in the advice documents for retail clients.

You have a right to request further information in relation to the remuneration received by RM Corporate Finance Pty Ltd and its authorised representatives.

RM Corporate Finance Pty Ltd may from time to time receive a benefit from preferred product providers by way of sponsorship of educational seminars, conferences or training days. Benefits above \$300 are prohibited. A register will be maintained in relation to benefits received and may be inspected at a mutually convenient time.

RM Corporate Finance Pty Ltd is not owned by any fund managers and there are no relationships that will influence the advice that you receive from us. However, RM Corporate Finance Pty Ltd is a related entity to RM Corporate Finance Pty Ltd and has common directors and officers. RM Corporate Finance Pty Ltd and/or its directors and officers may ultimately benefit from services provided by RM Corporate Finance Pty Ltd via profit sharing or bonus payment arrangements. In the event that your adviser has significant ownership or interest in a financial product, it will be recorded in a register and this will be disclosed to you in the Statement of Advice or Record of Advice.

RM Corporate Finance Pty Ltd has an agreement with E*TRADE to provide execution, settlement and sponsorship services. In order for RM Corporate Finance Pty Ltd to transact for you on the ASX or any other market you must open an account with E*TRADE. All costs, fees, brokerage paid to E*TRADE that are charged to your account are detailed in E*TRADE's FSG which is available on www.rmcapital.com.au or on request.

Your adviser may hold an interest in a financial product. Any significant interest/ownership will be recorded in a register of financial product holding and where appropriate, this holding will be disclosed to you in the Statement of Advice or Record of Advice.

Direct Equities

Brokerage charge per transaction. Up to 2% (subject to a minimum of **\$100**) plus GST.

Worked Example: 1%	Revenue Split including GST
\$15,000 share parcel: Gross brokerage = \$165 (incl GST)	RMCF from 10% (or from \$16.50) Adviser from 85% (or from \$140.25) less third party execution & clearing (\$26.95) Adviser net received a maximum of \$121.55
Worked Example: Min \$100	
\$5,000 share parcel: Gross Brokerage = \$110 (incl GST)	RMCF from 10% (or from \$11.00) Adviser from 85% (or from \$93.50) less third party execution & clearing (\$26.95) Adviser net received a maximum of \$72.05

Portfolio Management Service

Choice of **Fixed Dollar (\$)** or **Percentage of asset (%)** as determined with your adviser and outlined in the Portfolio Management Service agreement and Statement of Advice .

Worked Example: Fixed Dollar	Revenue Split including GST
\$325,000 portfolio Gross payable = \$3,300 (incl GST)	RMCF = 10% (or \$330) Adviser = 90% (or \$2,970)**
Worked Example: % of Asset	Revenue Split including GST
\$500,000 at 1.5% Gross payable = \$8,250 (incl GST)	RMCF = 10% (or \$825) Adviser = 90% (or \$7,425)**

**** An additional fee for third party software**

Placements

Fees per placement paid by company: Up to **6%** plus GST.

Worked Example	Revenue Split including GST
\$10,000 application Fees = \$600 + \$60 GST Total = \$660	RMCF = 10%-30% (or \$66-\$198) Adviser = 70%-90% (or \$462-\$594)

Financial Planning

- SMSF Deed Set Up: **\$1,300** (incl GST)
- Statement of Advice (minimum 10 hours of work): **\$3,750** (incl GST)

Worked Example	Revenue Split
As per SOA or agreement	RMCF = 10% Adviser = 90%

Personal Insurance

- Product provider pays one-off fee : Up to **122%** of the 1st years annual premium
- Product provider pays annual fee: Up to **10%**

Worked Example	Revenue Split
\$1,000 insurance premium policy: New policy fee = \$1,220 Annual fee = \$100	RMCF = 10% Adviser = 90%

What about your privacy?

RM Corporate Finance Pty Ltd is committed to implementing and promoting a privacy policy, which will ensure the privacy and security of your personal information. A copy of our privacy policy is available on our website www.rmcapital.com.au and a copy can be mailed on request at any time.

WHEN YOU RECEIVE OUR ADVICE

Do I receive detailed information about actual fees and other benefits my adviser gets from making the recommendations?

Yes. You have the right to know about details of fees and other benefits your adviser receives for recommending investments. All fees and other benefits received by the adviser as a result of providing advice are clearly detailed in writing. A Statement of Advice will also be given to you in writing at the time the advice is given.

Will you give me advice that is suitable to my investment needs and financial circumstances?

Yes. However, to do so we need to find out your individual investment objectives, financial situation and needs before we recommend any investment to you. You have the right not to divulge this information to us if you do not wish to do so. In that case, we are required to warn you about the possible consequences of us not having your full personal information. You should read the warnings carefully.

What should I know about any risks of the investments or investment strategies recommended to me?

We will explain to you any significant risks of investments and strategies that we recommend to you. If we do not do so, you should ask us for further clarification.

What information do you maintain in my file and can I examine my file?

We maintain a record of your personal profile that includes details of your investment objectives, financial situation and needs. We also maintain records of any recommendations made to you. If you wish to examine your file, we will make arrangements for you to do so.

As a financial service provider, we have an obligation under the Anti Money Laundering and Counter Terrorism Act to verify your identity and the source of any funds.

This means that we will ask you to present identification documents such as passports and driver's licence. We will also retain copies of this information. We assure you that this information will be held securely.

Can I tell you how I wish to instruct you to buy or sell my investment?

Yes. You may specify how you would like to give us instructions. For example, by telephone, fax or other means.

Compensation Arrangements / Professional Indemnity

RM Corporate Finance Pty Ltd confirms that it has arrangements in place to ensure it continues to maintain Professional Indemnity Insurance in accordance with s.912B of the Corporations Act 2001 (as amended). In particular our Professional Indemnity insurance, subject to its terms and conditions, provide indemnity up to the Sum insured for RM Corporate Finance Pty Ltd and our authorised representatives / representatives / employees in respect of our authorisations and obligations under our Australian Financial Services Licence.

This insurance will continue to provide such coverage for any authorised representatives / representatives / employee who has ceased work with RM Corporate Finance Pty Ltd for work done whilst engaged with us.

IF YOU HAVE ANY COMPLAINTS

Who can I speak to if I have a complaint about the advisory service?

We are committed to providing quality advice to our clients. This commitment extends to providing accessible complaint resolution mechanisms for our clients. If you have any complaint about the service provided to you, you should take the following steps:

Contact your adviser and tell your adviser about your complaint.

- If your complaint is not satisfactorily resolved within 7 days please contact the Compliance Officer at RM Corporate Finance Pty Ltd on +61 8 9488 0800 or put your complaint in writing and send it to us at, Compliance Officer, C/- RM Corporate Finance Pty Ltd PO Box 154 West Perth WA 6872. We will try and resolve your complaint quickly and fairly.
- If we cannot reach a satisfactory resolution, you can raise your concerns with the Financial Ombudsman Service on 1300 780 808. RM Corporate Finance Pty Ltd is a member of this complaints resolution service.
- The Australian Securities & Investments Commission (ASIC) also has a free call Infoline on 1300 300 630 which you may use to make a complaint or obtain information about your rights.



GEOPACIFIC
RESOURCES NL

All Correspondence to:

✉ **By Mail:** Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001 Australia

Level 7, 207 Kent Street,
Sydney NSW 2000 Australia

📠 **By Fax:** +61 2 9290 9655

💻 **Online:** www.boardroomlimited.com.au

☎ **By Phone:** (within Australia) 1300 737 760
(outside Australia) +61 2 9290 9600

YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 4:30pm WST on Sunday, 6 October 2013.**

TO VOTE BY COMPLETING THE PROXY FORM

STEP 1 APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chairman of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a security holder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting the company's securities registry or you may copy this form.

To appoint a second proxy you must:

- (a) complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- (b) return both forms together in the same envelope.

STEP 2 VOTING DIRECTIONS TO YOUR PROXY

To direct your proxy how to vote, mark one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of securities are to be voted on any item by inserting the percentage or number that you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item for all your securities your vote on that item will be invalid.

Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

STEP 3 SIGN THE FORM

The form **must** be signed as follows:

Individual: This form is to be signed by the securityholder.

Joint Holding: where the holding is in more than one name, all the securityholders should sign.

Power of Attorney: to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form should be signed by that person. **Please indicate the office held by signing in the appropriate place.**

STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore by **4:30pm WST on Sunday, 6 October 2013.** Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged using the enclosed Reply Paid Envelope or:

📠 **By Fax:** + 61 2 9290 9655

✉ **By Mail:** Boardroom Pty Limited
GPO Box 3993,
Sydney NSW 2001 Australia

👤 **In Person:** Level 7, 207 Kent Street,
Sydney NSW 2000 Australia

Attending the Meeting

If you wish to attend the meeting please bring this form with you to assist registration.

Insert Name and Address of Shareholder.

PROXY FORM

STEP 1 APPOINT A PROXY

I/We being a member/s of **Geopacific Resources N L** and entitled to attend and vote hereby appoint

☐

Appoint the **Chairman of the Meeting (mark box)**

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered shareholder) you are appointing as your proxy below

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting as my/our proxy at the General Meeting of the Company to be held at the **Level 1, 278 Stirling Highway, Claremont WA 6010 on Monday 7 October 2013 at 4:30pm WST** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

The Chairman of the Meeting intends to vote undirected proxies in favour of each of the items of business.

STEP 2 VOTING DIRECTIONS

* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your vote will not be counted in calculating the required majority if a poll is called.

		For	Against	Abstain*
Resolution 1	Approval to Allot and Issue Placement Shares to Resource Capital VI L.P. (or its Associates)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Approval for Conversion of Convertible Notes to related Party (Sam Investors)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Approval for Conversion of Convertible Notes to related Party (Quartz Mountain Mining)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Ratification of Prior issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Change of Company Type from No Liability to Limited	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Change of Name to Geopacific Resources Limited	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Approval of Adoption of New Company Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

STEP 3 SIGNATURE OF SHAREHOLDERS

This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1

Securityholder 2

Securityholder 3

Sole Director and Sole Company Secretary

Director

Director / Company Secretary

Contact Name.....

Contact Daytime Telephone.....

Date / / 2013