



# 2013

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2013

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## CORPORATE DIRECTORY

### GEOPACIFIC RESOURCES LIMITED

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

ACN 003 208 393

#### Directors in Office

(as at the date of this Report)

Milan Jerkovic – Non-Executive Chairman (Appointed 23 April 2013)

Ron Heeks – Managing Director (Appointed 28 March 2013)

Mark Bojanjac – Non-Executive Director (Appointed 28 March 2013)

Russell Fountain – Non-Executive Director

#### Registered Office

Level 1, 278 Stirling Highway Claremont, WA 6010, Australia

Postal Address

P.O. Box 439, Claremont, WA 6910

#### Company Secretary

Mr John Lewis

#### Auditor

William Buck,

Level 3, 15 Labouchere Road, (corner Mill Point Road)

South Perth, WA 6151, Australia

#### Bankers

Westpac Banking Corporation, 50 Pitt Street, Sydney, NSW

ANZ Banking Group Ltd Cnr Hay and Outram St West Perth WA

#### Fiji Operations Office

1 Cawa Street, Martintar, Nadi, Fiji

Tel: 679 6 727150 Fax: 679 6 727152

All mail to: P O Box 9975, Nadi Airport, Fiji

E-mail: [gpl@connect.com.fj](mailto:gpl@connect.com.fj)

Dear Shareholder,

Geopacific has had a very active 2013. On the corporate front we completed a Takeover of Worldwide Mining Projects Limited ("Worldwide") and a recapitalisation of the company where \$4.3 million was raised in difficult market conditions.

Also during the year I assumed the position of Chairman of the Geopacific Board from Mr Charles Bass. I would like to thank Charles for his stewardship of the company over the previous 4 years both as CEO and more recently as Chairman. Charles remains a significant shareholder and supporter of the company and I wish him well in his future endeavours.

## CAMBODIA

As a result of the Takeover, Geopacific acquired the Kou Sa Project in Cambodia which has quickly become the company's major exploration project with intensive exploration commencing in December 2013. Geopacific and the Royal Group of Cambodia have formed a Joint Venture company that has an option to acquire 100% of the Kou Sa project. Geopacific will control an 85% stake in the JV Company, while the Royal Group will control 15%. The Royal Group is the largest private corporation in Cambodia with interests in banking, telecommunication, transport and property.

Geopacific is a first-mover in Cambodia with only one other listed Australian company active in the country. Cambodia has excellent geological potential, very good logistics, a young small population and a great will to move forward. The government has recognised that mining projects can greatly assist with the advancement of the nation and the Department of Mines is proving to be extremely open and helpful and encouraging of new projects.

Cambodia currently has no metalliferous mines operating due to the past prolonged civil war which effectively stopping exploration and development for 20 years. The current democratic regime, that was recently re-elected, is progressive and proactive in modernising the country and is currently investing heavily in infrastructure while assisting new business development.

The exploration at Kou Sa has confirmed the excellent results reported by the previous operators of the licence and greatly extended the potential of the project.

The work completed includes outstanding soil geochemical results, very interesting ground and airborne geophysical surveys as well as significant drilling intersection of coincident high grade copper and gold from the first diamond holes drilled at the new 150 Prospect and the previously identified 100 prospect.

Upon funding being finalised, Geopacific commenced intensive exploration at Kou Sa with the aim of quantifying the known mineralisation and fully appraising the potential of the entire Project. Systematic exploration commenced with soil geochemistry which quickly proved to be an efficient method to identify and delineate areas of interest for further work. The geochemistry highlighted that the project area contains numerous, significant copper and gold anomalies that require detailed follow-up work.

Ground geophysics over known areas was trialled to test the methodology over areas of known mineralisation drilled by the previous operators. Both EM and IP was trialled and both methods produced results confirming the presence of sulphide zones providing confidence for future surveys.

A detailed airborne magnetics survey was undertaken over the entire project area to assist with the interpretation of the geology and structural features present.

Geopacific has focussed on copper and gold as both of these commodities have an excellent forward outlook based on strong fundamentals. Kou Sa has recently provided excellent results from both copper and gold and more results are continuing to be received as the exploration picture at Kou Sa builds.







### FIJI

We have also drilled two deep stratigraphic diamond holes to test a very distinctive surface geochemical anomaly at Sabeto, in Fiji. This produced several zones of low tenor mineralisation consistent with the target mineralisation style, but potentially from a different mineralising phase. Analysis of the results will assist with further targeting of porphyry copper / gold style mineralisation at the project.

Fiji continues to form a significant part of the Geopacific exploration strategy but the continuing trend of poor investment interest in early stage exploration projects has forced the company to reduce expenditure on these projects in the short term. The company is focussing its exploration expenditure on the considerably more advanced and prospective Kou Sa Project in early 2013.

In order to fund the Groups exploration particularly for the Kou Sa exploration Geopacific undertook a capital raising during the year. Resource Capital Funds (RCF) from the United States was a cornerstone participant in this raising. RCF which manages several billion dollars of mining focussed investments has become the largest shareholder

in GPR post the raising and their participation in company is indicative of support for the project, the company and management. RCF is a strategic resource fund capable of providing support through to discovery and development of exploration if Geopacific is successful.

Geopacific has had the support and dedication of a committed staff led by Ron Heeks (Managing Director) who I would like to commend for their achievements over the course of the 2013 year.

I would like to thank shareholders for the continuing support of the company in what have been difficult times for the junior resources industry. Without this ongoing support the company would not have been able to progress the Kou Sa project to this point where there is little doubt significant mineralisation will be identified in the near future and continue to advance our projects in Fiji.

**Milan Jerkovic**  
Chairman

Geopacific is pleased to provide this summary of the exploration works undertaken during the past year at the Kou Sa Project in Cambodia and our exploration licences in Fiji. Excellent results were obtained for both copper and gold from the Kou Sa Project while further drilling at Sabeto in Fiji has confirmed the presence of porphyry style mineralisation.

The majority of Geopacific's exploration was focussed on the Kou Sa Project, where previous work had identified that significant copper and gold mineralisation was present in shallow, multi-vein deposits within the project area. Geopacific commenced intensive exploration at Kou Sa with two aims, firstly to assess the potential of the entire project for areas of mineralisation and secondly to assess the areas previously drilled for their economic potential.

The first Geopacific drilling at Kou Sa immediately identified multiple zones of copper and gold mineralisation in a previously untested area. This early drilling success proves the ability of geochemistry to identify new areas of mineralisation and gives great confidence for finding further mineralisation associated with the numerous geochemical anomalies identified.

Initial diamond and RC drilling under the 100 Prospect also confirmed the continuity of some of the zones identified by previous work. Drilling in these areas is continuing.

## HIGHLIGHTS

### > Kou Sa, Cambodia

- Wide spaced Multi-element soil geochemistry has revealed further areas of significant anomalism for copper, gold and molybdenum, in addition to the areas identified in the previous year.
- Detailed infill of anomalous geochemistry has provided numerous distinct target areas for copper, copper /gold and gold.
- Drilling at the new 150 Prospect identified mineralisation in the first two holes drilled including some exceptional gold and copper intersections.
- Results from the first drilling highlight that geochemical sampling of soils is working extremely well as a targeting tool.
- Geophysics has revealed the area is structurally very complex and suitable for hosting significant deposits.

### > Sabeto, Fiji

- Auger soil sampling identified circular Au-Mo-Cu anomalism to south of mineralisation identified in SBDD001.
- Diamond drilling aimed at targeting narrow porphyry Au mineralisation identified weak Cu and Au mineralisation.

## CAMBODIA EXPLORATION

### KOU SA PROJECT

Worldwide Mining Projects Ltd

[subsidiary of GPR has option to purchase 85%]



Figure 1: Kou Sa Project Location Map

Geopacific acquired its interest in the Kou Sa Project as a result of the takeover of Worldwide. Worldwide commenced exploration on the project in January 2013.

The aim of exploration at Kou Sa was to systematically explore the volcanic rock sequence in the southern half of the licence using the mineralisation already identified at the 100 and 117 Prospects to calibrate the results. Exploration commenced with soil geochemistry, followed by ground electromagnetic and induced polarisation surveys and finalised with airborne magnetics prior to drilling commencing.

A substantial field camp has been setup in Chaeb, a small village that borders the licence. The camp consists of accommodation, messing and a large covered area used for core storage and geological logging. Communication is via a 4G mobile phone tower located in the village. During the year a Chinese aid program completed construction of the main east-west sealed highway across Cambodia which passes directly in front of the Geopacific field camp. The field camp is an easy 3 hour drive east of Siem Reap International airport via the new highway and 7 hours' drive north of Phnom Penh.





Figure 2: Kou Sa Camp from the air

### Geochemical Survey

Geopacific exploration commenced at Kou Sa with wide spaced systematic soil geochemistry. This was undertaken over the entire southern half of the Kou Sa licence where there are no transported soils to mask the underlying geology. The geochemistry was undertaken at a 100 metre by 400 metre spacing and analysis was for a broad spread of elements. The geochemistry identified numerous continuous copper anomalies and several discrete gold and molybdenum anomalies. These wide spaced anomalies were then followed-up with close spaced geochemical sampling. The results of the geochemistry are detailed in Figures 3 and 4.

Geopacific has great confidence in the ability of the geochemistry to produce meaningful results as all of the known areas of mineralisation identified previously, produced significant anomalies. Importantly, these known areas were joined by a continuous zone of copper anomalism that extends nearly the width of the licence. Several discrete, cohesive gold and copper anomalies were also identified to the west, south-west and south-east of the licence.

Infill soil sampling over the 150 and 100 Prospects confirmed and refined the existing copper and gold anomalies identified in the regional, broad-spaced soil sampling.



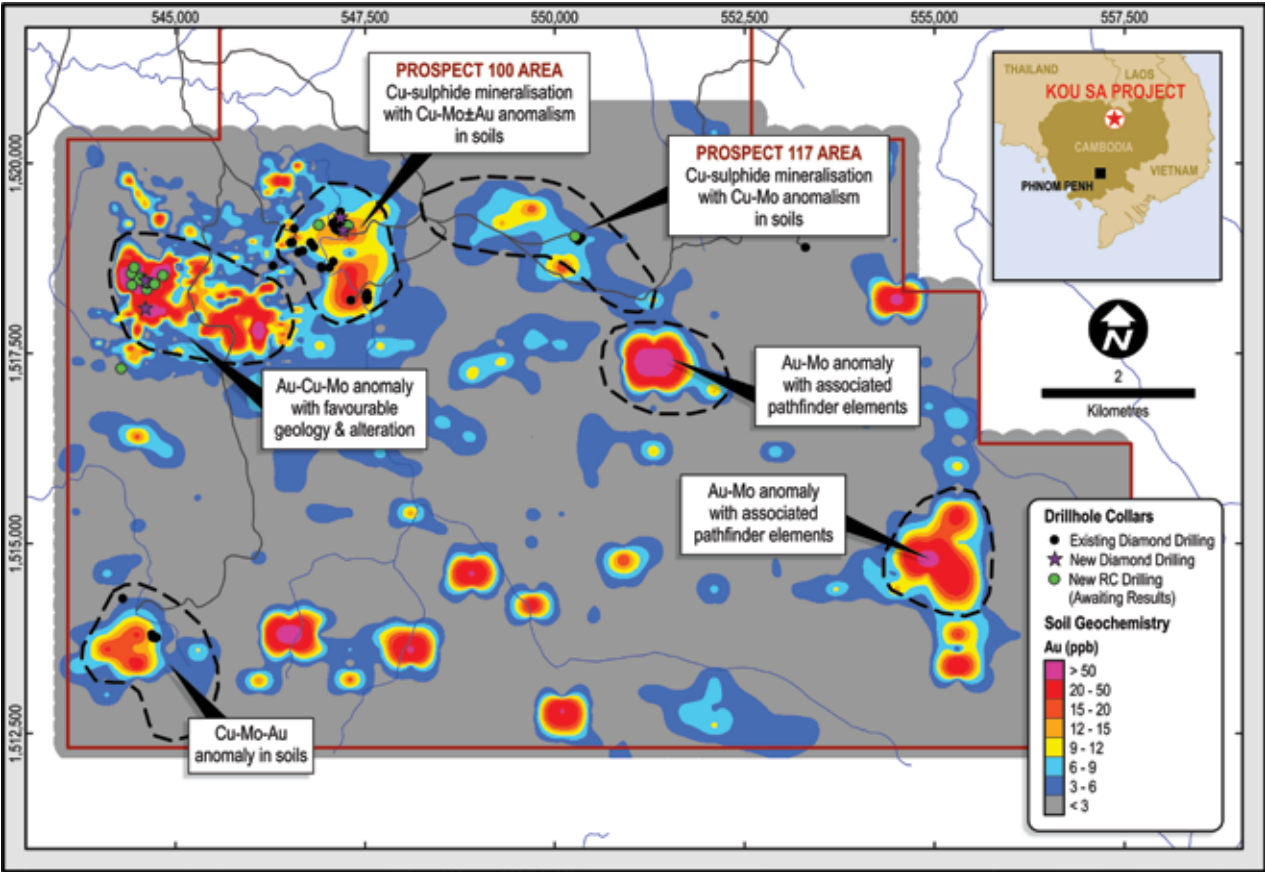


Figure 3: Kou Sa soil geochemistry – Au (ppb)

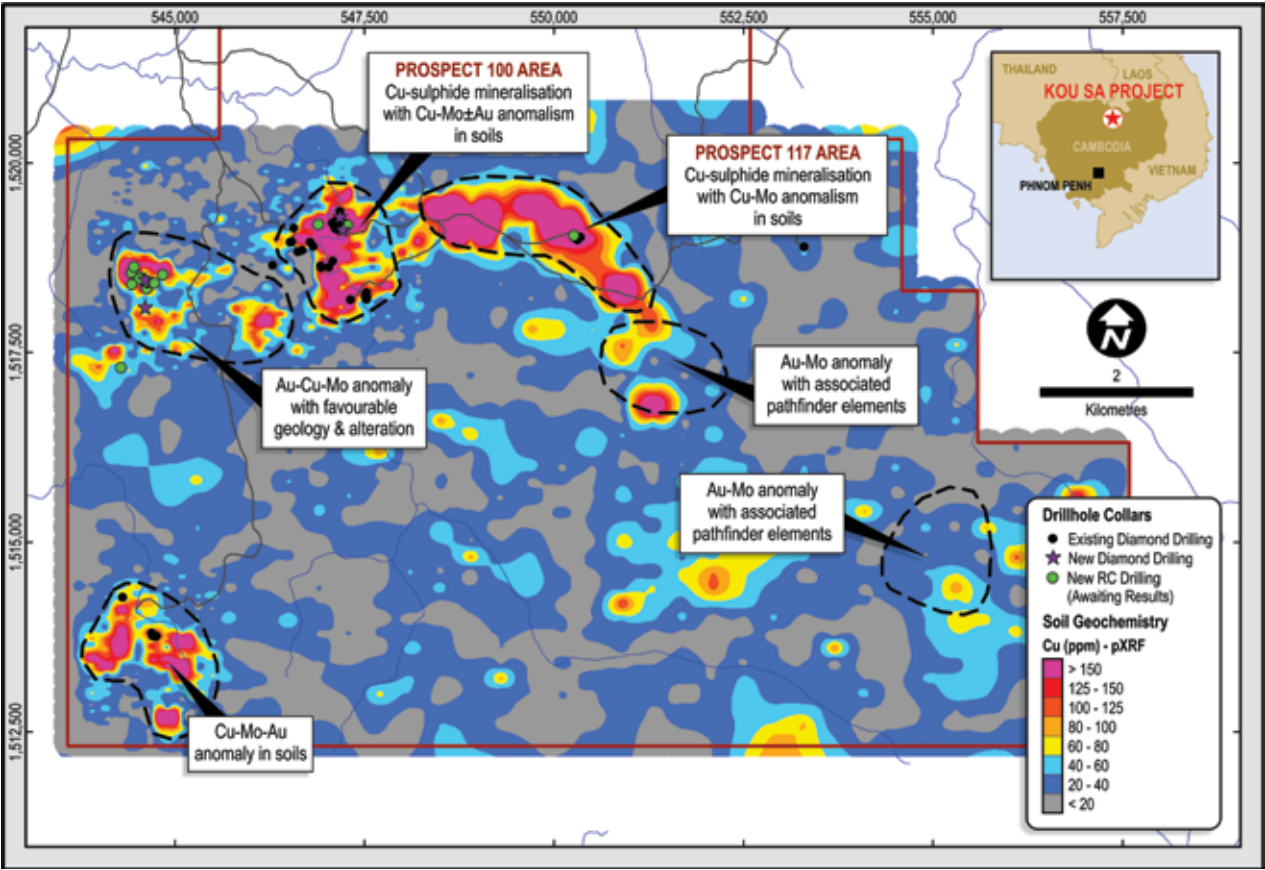


Figure 4: Kou Sa soil geochemistry – Cu (ppb)



### Geological mapping

Geological mapping was undertaken on a broad scale during the dry season when the grassland areas are largely barren. Detailed mapping was undertaken in areas of the known mineralisation and in the areas identified by the geochemical survey as interesting. The entire southern half of the exploration licence which comprises mainly volcanic rocks has now been geologically mapped. The northern licence area which is interpreted to be a package of sedimentary rock and is largely covered by transported soils has only been broadly mapped. Airborne geophysics also aided the interpretation of the geology mapping.

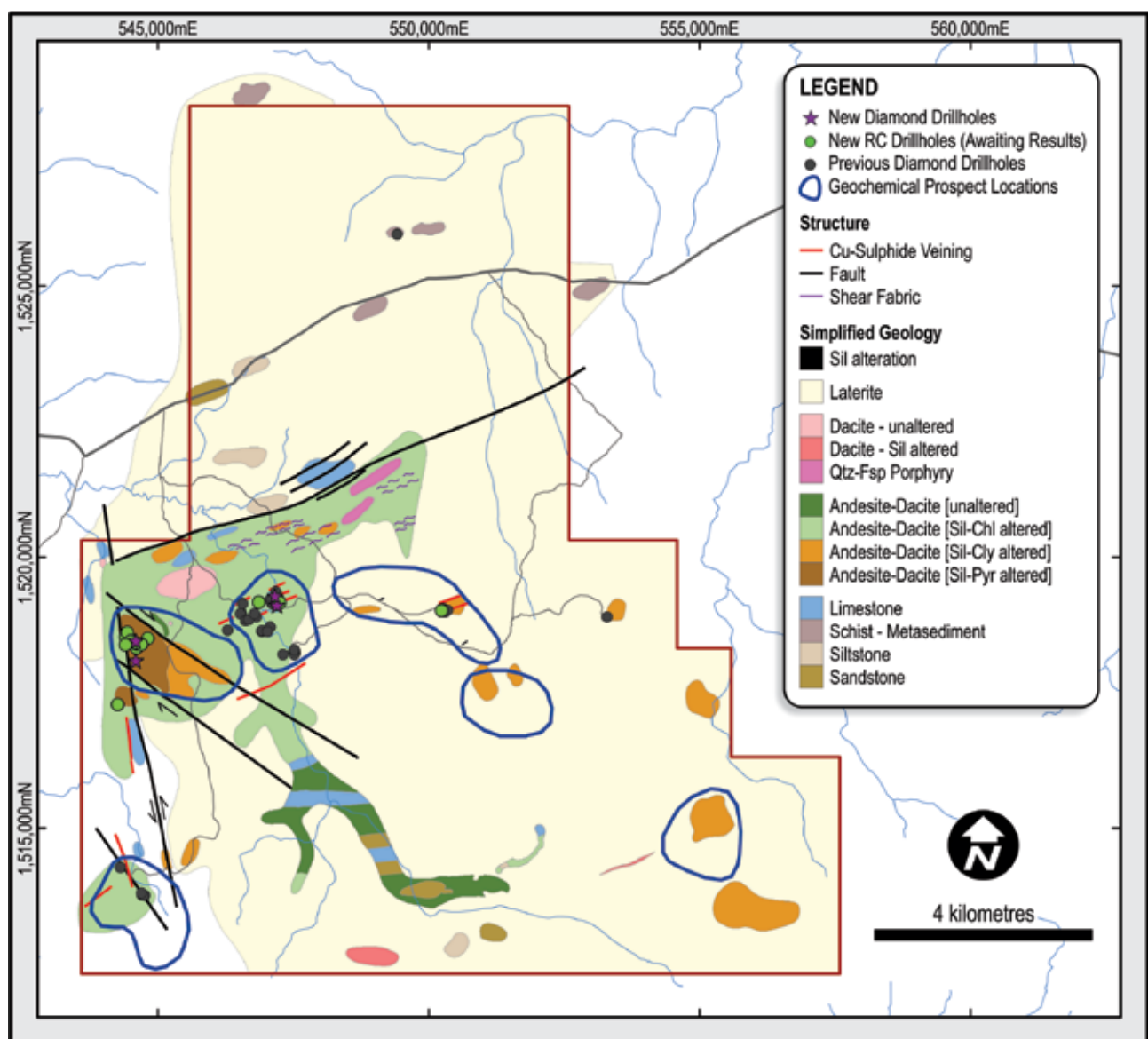


Figure 5: Simplified geology compilation map

### Geophysical Surveys

Geophysics at Kou Sa commenced with a detailed ground frequency domain electro-magnetic (FEM) survey over the 100 Prospect area. The survey was designed to test the method by calibrating the results of the survey against the known veining that had been identified in diamond drilling.

Subsequently a 3D induced polarisation (IP) survey was completed over the 100 Prospect area with the aim of tracing the sulphide mineralisation along strike and down dip. At the larger 150 Prospect area, three lines of 2D dipole-dipole sections were completed to test for deeper sources of mineralisation.

The survey results from the 100 Prospect highlighted and delineated an east-west striking zone of semi massive sulphide mineralisation. The chargeability anomaly identified is coincident with known mineralisation, indicating that the survey was successful in identifying the dominant mineralisation style in the area. The anomaly pinches to the east but then swells out to form more anomalies to the

east, consistent with the pinch-and-swell interpretation of the mineralisation.

A long, tabular chargeability anomaly is located just to the west of the known mineralisation at Prospect 100. This is separated by a long resistivity anomaly that trends to the NW, coincident with a mapped fault zone. This chargeability anomaly is also coincident with weak Cu anomalism in trenching and could represent an extension to the known mineralisation that has been cut by later faulting.

The ground geophysical results were used in planning the subsequent diamond and RC drilling program at the 100 and 150 prospects.

The results from the 150 area highlighted both a resistive and conductive unit. The conductive unit corresponds with an east-west striking geochemical anomaly and an outcrop of highly altered rocks. The zone of anomalism extends for over 500 metres and forms the primary target for follow-up diamond and RC drilling.

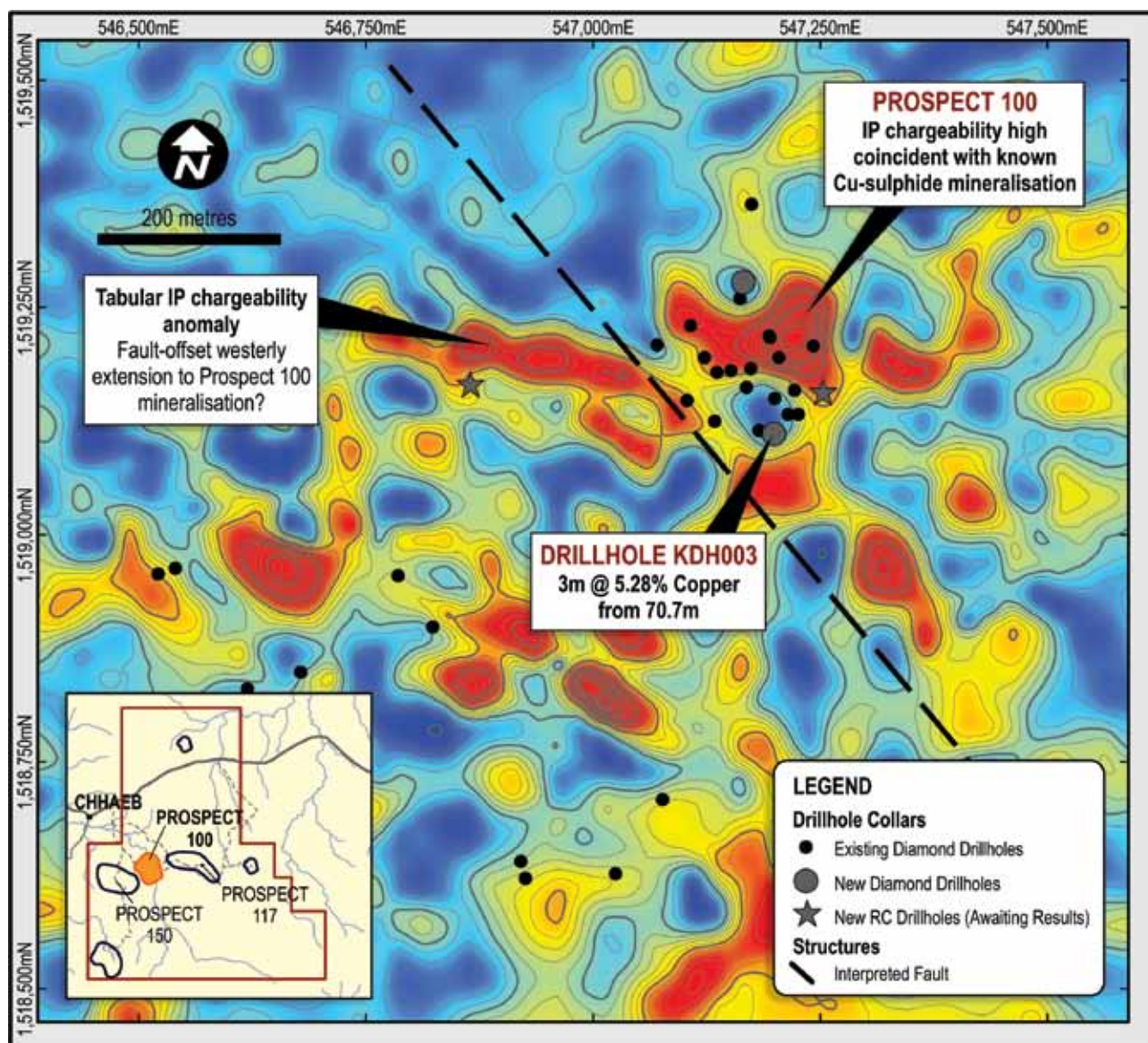


Figure 6: IP chargeability depth slice at 53m through Prospect 100 area



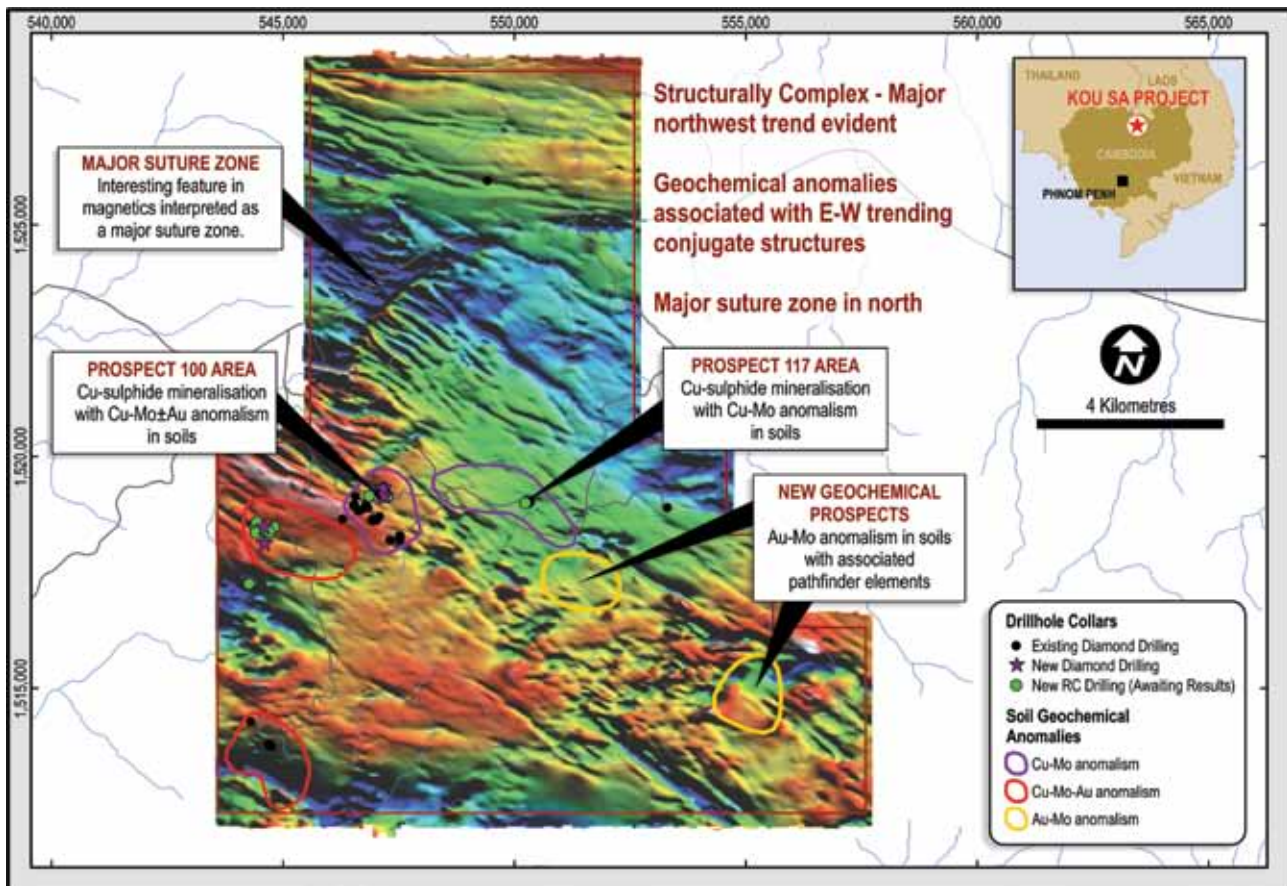


Figure 7: Kou Sa magnetic survey TMI image

Mapped zones of silica-clay-pyrite coincident with Cu-Au-Mo mineralisation are associated with high chargeability at the surface, which remains open at depth.

To the south, a relatively high chargeability anomaly at surface also continues to depth, connecting with a zone of high chargeability located south of the main prospect area and associated with faulted zones. This is similar to the northern area but has much higher response.

Areas of higher chargeability are also associated with relatively higher resistivity signatures, potentially representing silica-sulphide alteration.

An airborne magnetic survey was completed over the Kou Sa project in the December quarter. The survey was flown at a variable line spacing of 100 and 400 metre for a total of 3,824 kilometres using a PAC750 fixed wing aircraft. The survey revealed several significant deep seated structures and potential intrusive bodies, some of which are associated with geochemical anomalies and areas identified in regional mapping as being of interest. The project area exhibits a very strong north-west structural trend with east-west and north-south flexures off these structures that are considered

to be areas of capable of hosting mineralised structural deformation zones.

Interesting features in the dataset include:

- A major suture zone in the northern half of the tenement is a very interesting feature in the magnetics.
- A dominant northwest structural trend is noted across the entire tenement.
- A circular demagnetised zone to the south of the 150 Prospect is interpreted as an intrusive centre, coincident with mapped granite intrusions. An interesting smaller circular feature, located on the northern border, is characterised by a ring of low magnetics surrounding a magnetic high core, possibly indicative of a smaller intrusion, potentially a porphyry unit within a larger intrusive stock.
- Dipole features with associated magnetic lows are noted close to two gold-molybdenum anomalies located in the SE of the tenement, thought to be as a result of significant alteration associated with the geochemical anomalies.



## Diamond drilling

Geopacific commenced drilling in December 2013 and to date four diamond drillholes have been completed on the project area. Two holes were drilled in previously untested areas 3km west of the 100 Prospect. Both holes intersected mineralisation with hole KDH002 returning excellent results from a near surface high grade copper gold intersection at the 150 Prospect. These results include 3.9 metres at 16.4g/t gold and 3.13% copper from 33.7 metres.

Reverse circulation drilling also commenced to expand areas identified by the diamond drilling. To date several drillholes have intersected visible copper sulphide mineralisation along strike from the intersection in KDH002, but assay results are as yet unavailable from this program.



Table 1: Kou Sa significant drilling results

Hole ID	Drill Type	Easting	Northing	Total Depth	Dip/ Azimuth	From	To	Interval	Cu (%)	Au (g/t)
KDH002	DD	544,595	1,518,450	281.3	-65°/360	33.4	37.3	3.9	3.13	16.47
KDH001	DD	544,599	1,518,086	500.2	-65°/180	49	54.3	5.3	0.19	Pending
					and	61.5	61.8	0.3	4.98	Pending
KDH003	DD	547,199	1,519,111	251.8	-45°/360	70.7	73.7	3.0	5.28	Pending

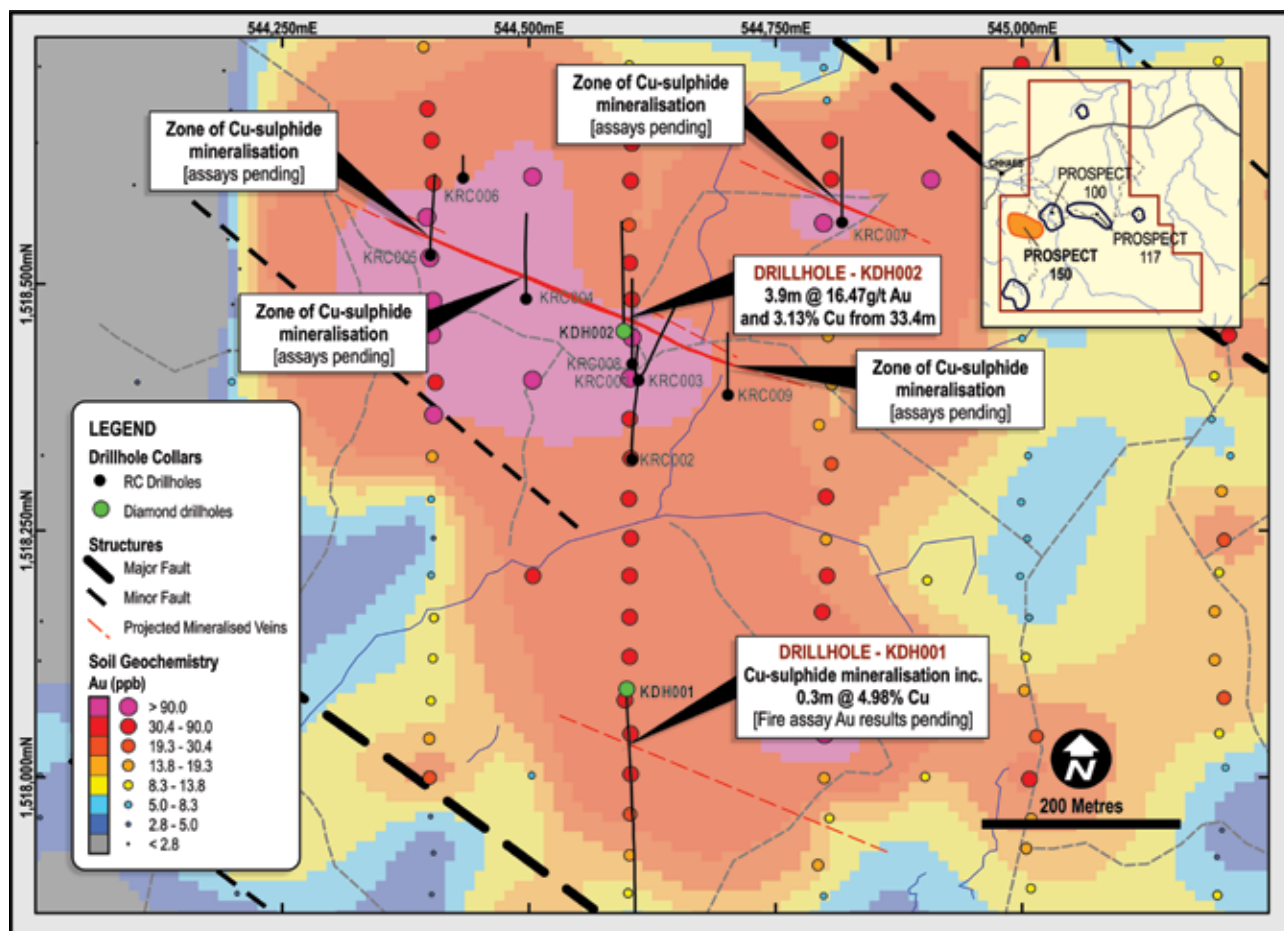


Figure 8: Drill plan of Prospect 150

## FIJI EXPLORATION

### SABETO-VUDA PROJECT

SPL1361 & SPL1368 (Sabeto & Vuda)

100% Geopacific Ltd [Subsidiary of GPR]

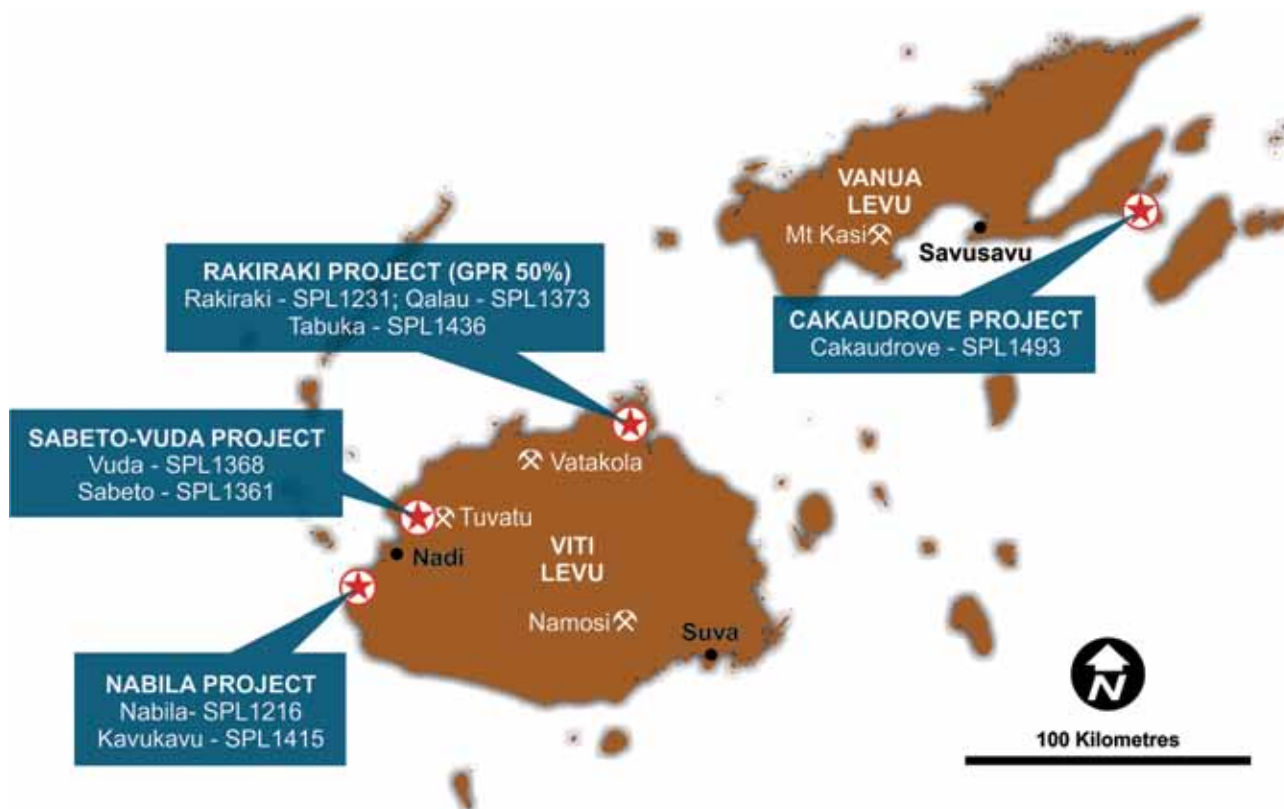


Figure 9: Fiji Projects location map

Exploration on the Sabeto/Vuda project has focussed on the search for buried gold-copper porphyry mineralisation, with the main focus of exploration in 2013 resting on the Sabeto Project. The exploration effort has reinforced the belief that Sabeto and Vuda have a high potential to host significant porphyry related gold-copper mineralisation.

Geopacific completed a multi-element auger drilling program at Sabeto comprising ninety six auger soil samples. The program returned a well-defined elevated copper-gold-molybdenum anomaly with a corresponding depletion of Zn Pb and Mn, representing a classical mineralised porphyry geochemical zonation.

Analysis of the results highlighted a 350m diameter zone of copper-gold-molybdenum-selenium (Cu-Au-Mo-Se) anomalism (Figure 10) within a halo of zinc-lead-manganese-cadmium (Zn-Pb-Mn-Cd) anomalism.

Two coherent 100m diameter molybdenum anomalies ( $\rightarrow 4\text{ppm}$  on background of  $1\text{ppm}$  Mo) with coincident Cu-Au-Se, are noted within this 350m zone.

Typically, the elements Cu, Au, and Mo are enriched proximal to porphyry-related Au-Cu mineralisation, while elements Zn, Pb, Mn, and Cd are typically depleted within this zone and enriched in the distal environment, forming a halo surrounding the proximal geochemical assemblage. In the weathering environment, elevations in selenium (Se) are indicative of potential sulphide mineralisation (e.g. pyrite or chalcopyrite).

These results, coupled with the intersection of porphyry-related Au-Cu mineralisation within SBDD001 (100m northwest of the Cu-Au-Mo-Se geochemically anomalous zone) have increased the potential for this area to host economic alkalic porphyry-related Au-Cu mineralisation.

Diamond drilling was completed over this new geochemical anomalism targeting a potential mineralised porphyry centre to the south of SBD001, which contained 32m of porphyry-related Au-Cu mineralisation and favourable potassic alteration within porphyritic syenite intrusives.

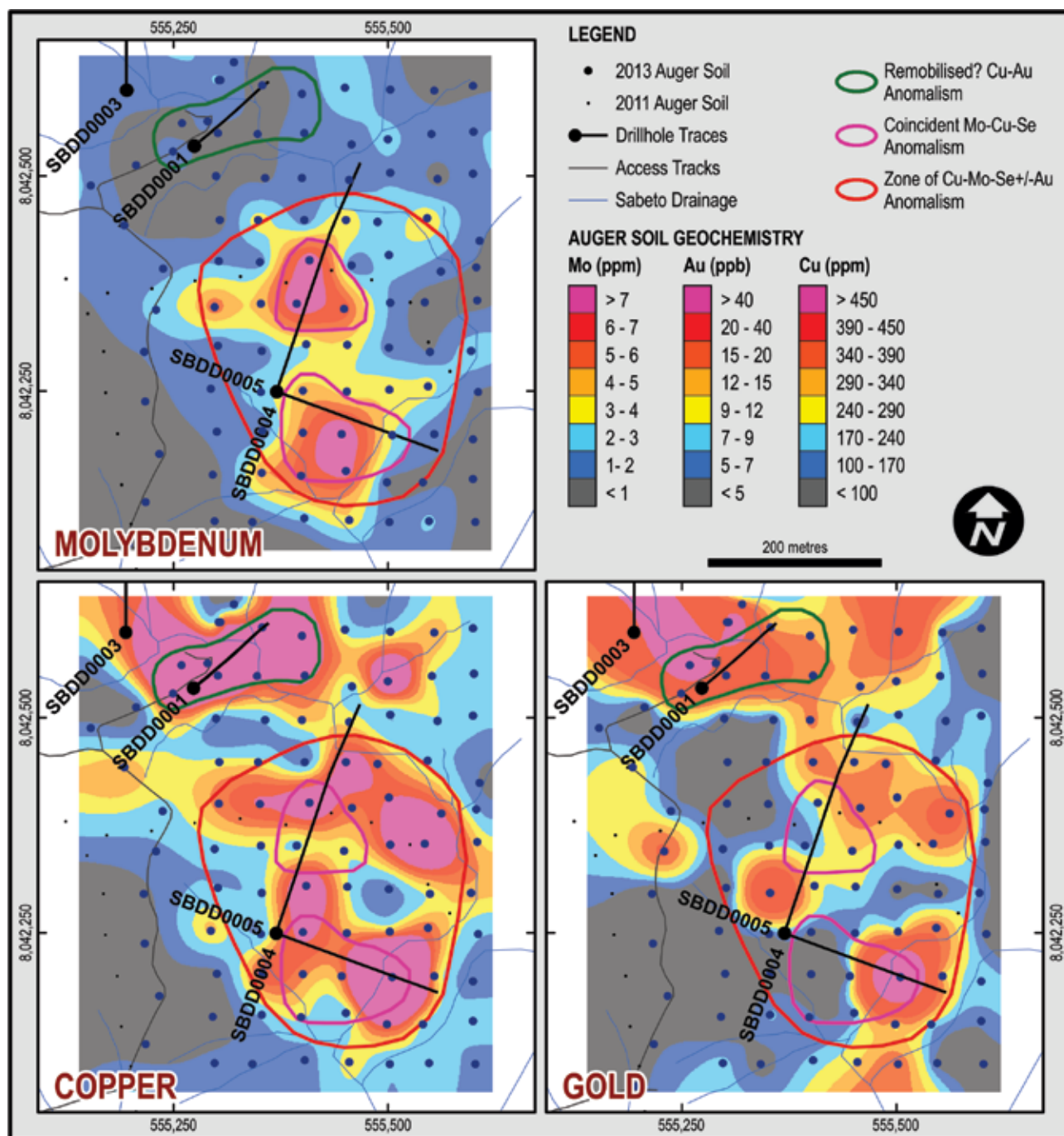


Figure 10: Cu-Au-Mo auger geochemical anomalism at the Sabeto Project, Fiji

Two diamond drill holes were completed at the Tawaravi Prospect in December for a total of 996m. The drilling targeted the source of the Cu-Au-Mo geochemical anomaly identified from soil geochemistry. The project area which is thought to contain Cadia style porphyry mineralisation, which typically does not have a significant alteration, is

expected to require several phases of drilling to delineate a mineralised phase within the identified intrusive package.

Geology encountered in the drilling is dominated by biotite & hornblende monzonites intruding a package of intermediate volcanics with minor andesite and lamprophyre dikes.

Table 2: Sabeto drilling details

Site ID	Hole Type	Easting	Northing	Depth	Azimuth	Dip
SBD004	Diamond	555,371	8,042,247	642m	020	-70°
SBD005	Diamond	555,371	8,042,247	354m	110	-60°



Alteration and mineralisation appears to be structurally controlled within both drill holes with zones of sericite-pyrite-chalcopyrite or biotite-chlorite-pyrite alteration/mineralisation surrounding zones of brecciation within volcaniclastic agglomerates.

Initial results highlight a broad zone (~77 metres) of lower tenor (~0.1% Cu) mineralisation associated with one of the porphyry intrusive phases. These drilling results appear to have further delineated the target zone and it is expected that another phase of drilling will be required to adequately assess the mineralisation identified to date.

A geological mapping and regional stream sediment sampling was completed over the Vuda tenement. It was designed to identify favourable structures and alterations as well as the multi-element geochemical associations within the project area. The intention of this work was to identify the likely position of a deeper porphyry source to the sporadic gold mineralisation at surface.



Figure 11: Diamond drilling at Sabeto

## NABILA PROJECT

SPL1216 & SPL1415 (Nabila & Kavukavu)

100% Millennium Mining (Fiji) Ltd  
[Subsidiary of GPR]

Exploration on the Nabila Project area mainly comprised a review of the exploration data and refining of targets for further work. Earlier in the year a geological mapping program aimed at reassessing and refining the previous

mapping of the area identified a zone of northeast-trending quartz veining with malachite mineralisation on a low hill to the southeast of the Faddy's Gold Prospect. Based on current geological and structural interpretations in this area, this could represent a fault offset extension to the Faddy's gold mineralisation to the northwest.

Further work on this area is required to determine the potential, with trenching and rock chip sampling to be used to determine the tenor and extent of the vein zone.

## RAKIRAKI PROJECT

SPL1231, SPL1373, & SPL1436  
(Rakiraki, Qalau, & Tabuka)

50% Beta Ltd [Subsidiary of GPR]  
& 50% Peninsula Energy Ltd

During the year, exploration efforts at Rakiraki were focussed on identifying the extent of gold mineralised veining at the Tataiya Vein Prospect as well as identifying potential gold mineralisation between the Tataiya and Tramways Prospects. Large, linear, northwest-trending ZTEM conductive anomalies are apparent in this prospect area, which could represent large structures favourable for gold mineralisation.

Multi-element analysis of ridge-and-spur soil sampling was completed over the prominent hills in the northeast half of the tenement, targeting the extensions of the known mineralisation as well as the ZTEM features.

This sampling was effective at identifying the existing zone of gold mineralisation within the prospect area but did not identify any further zones of mineralisation. Rock chip sampling conducted over the prospect area identified zones of significant gold mineralisation in the valleys between the Tataiya and Tramways prospects.

Elevated gold in rock chips and soils appear to be associated with a tuffaceous unit that, from geological mapping, appears to be overlain by a basaltic unit, which forms the tops of the hills. This observation has led to the interpretation that the overlying basalt unit may be masking the gold mineralisation within the lower tuffaceous unit.

Further work on the project area will focus on the Tataiya and Tramways Prospects to further define the controls on mineralisation in the system, as well as following up on previous results from the Qalau Prospect to determine the potential for a significant gold mineralised system.

## CAKAUDROVE PROJECT

SPL1493 (Cakaudrove)

100% Geopacific Ltd [Subsidiary of GPR]

No exploration was undertaken on the Cakaudrove Project during the year.

The Directors present their report together with the financial report of the Geopacific Group, being Geopacific Resources Limited ("Geopacific") ("the Company") and its controlled entities for the financial year ended 31 December 2013, and the auditors' report thereon.

At an Extraordinary General Meeting on 7 October 2013 shareholders passed a resolution to change the Company's name. The name of the Company was officially changed from Geopacific Resources NL to Geopacific Resources Limited and registered by the ASIC on 29 November 2013.

## 1 DIRECTORS

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

### **Stephen Timothy Biggs, ADSA – Chairman, (Resigned 28 March 2013)**

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

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

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

Mr Biggs was the Chairman of the Board of Directors and a member of the audit committee until his resignation in March 2013. Mr Biggs has held no other directorships of listed companies in the 3 years prior to his resignation.

Mr Biggs retired as a director on 28 March 2013 as set out in the terms of the Takeover of Worldwide Mining Projects Ltd.

### **Milan Jerkovic – Chairman (Appointed 23 April 2013)**

Mr Milan Jerkovic is a qualified geologist with postgraduate qualifications in Mining & Mineral Economics with over 25 years of experience in the mining industry involving resource evaluation, operations, financing, acquisition, project development and general management.

Mr Jerkovic was most recently the Chief Executive Officer of Straits Resources Limited and has held positions with WMC, BHP, Nord Pacific, Hargraves, Tritton and Straits Asia. Mr Jerkovic was the founding Chairman of Straits Asia Resources.

Mr Jerkovic is a Fellow of the Australian Institute of Mining and Metallurgy and a member of the Australasian Institute of Company Directors and holds a B. App. Sc (Geology), Post Graduate Diploma (Mineral Economics), Post Graduate Diploma (Mining).

Mr Jerkovic was appointed Chairman of the Company on 1 August 2013 and is also a member of the Audit Committee.

### **Ron Stephen Heeks – Managing Director (Appointed 28 March 2013)**

With a total of 24 years mining industry experience, Mr Heeks was a founder of Exploration and Mining Consultants and has previous experience including with WMC, Newmont and RSG Consulting.

Mr Heeks is a Former General Manager – Technical for Straits Asia Indonesian Operations and Chief Technical Officer for Adamus Resources Southern Ashanti Gold Operation. He has worked in various countries around the world gaining extensive experience in Indonesia, holds a B.App.Sc (Geol) and is a member of the Australian Institute of Mining & Metallurgy (MAusIMM).

Mr Heeks was appointed Managing Director of the Company on 28 March 2013 after the Takeover of Worldwide Mining Projects Ltd.

### **Mark Trevor Bojanjac, Executive Director (Appointed 28 March 2013)**

Mr Bojanjac is a Chartered Accountant with over 20 years' experience in developing resource companies. Mr Bojanjac was a founding director of Gilt-Edged Mining Limited and was managing director of a public company which successfully developed and financed a 2.4m oz gold resource in Mongolia. He also co-founded a 3million oz gold project in China.

Mr Bojanjac was most recently Chief Executive Officer of Adamus Resources Limited and oversaw its advancement from an early stage exploration project through its definitive feasibility studies, and managed the debt and equity financing of the recently commissioned mine.

Mr Bojanjac was appointed a Director of the Company on 28 March 2013 after the Takeover of Worldwide Mining Projects Ltd. Mr Bojanjac is the Chairman of the Audit Committee.

**Charles Bennett Bass, B.Sc. (Geol), M.Sc.(Mining & Mineral Processing), FAusIMM, FAIG, FAICD, Executive Director (Resigned 1 August 2013)**

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

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

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

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

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

Mr Bass was a Non-Executive Director on the Board of Aquila Resources Limited (appointed March 2000). Mr Bass was appointed as Chairman of the Company on 28 March 2013 and retired from the Board on 1 August 2013.

**Ian Neville Aston Simpson, Non – Executive Director (Resigned 28 March 2013)**

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

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

**Russell John Fountain, BSc, PhD, FAIG, Non-executive Director**

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

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

Mr Fountain is a member of the audit committee.

Dr Fountain was Chairman of Finders Resources Limited until 27 August 2013, he held no other directorships of listed companies in the last 3 years.

**Roger Harvie Probert - Alternate Director to Mr Simpson (Resigned 28 March 2013)**

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

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



## COMPANY SECRETARY

### Mr Mark Pitts (Resigned 31 May 2013)

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

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

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

### Mr John Lewis (Appointed 31 March 2013)

Mr Lewis is a Chartered Accountant with 20 years' post qualification experience working predominantly in corporate reorganisation, specialising in the mining industry for the last 10 years. Previously Mr Lewis worked in Corporate Advisory at Deloitte.

Mr Lewis was formerly Chief Financial Officer of Nickelore Limited and Chief Financial Officer, Director and Company Secretary of Dragon Mountain Gold Limited.

## 2 PRINCIPAL ACTIVITY

The principal activity of the Group is mineral exploration currently focussing on gold and copper deposits in Cambodia and Fiji.

During the year Geopacific Resources Limited successfully completed the Takeover of Worldwide Mining Projects Ltd. As a result it acquired interests in the Kou Sa Copper Project in Cambodia, Mr Ron Heeks and Mr Mark Bojanjac were appointed and Mr Ian Simpson and Mr Tim Biggs resigned from the Board of Directors of Geopacific. Ron Heeks also assumed the position of Chief Executive Officer of Geopacific.

There were no other significant changes in the nature of this activity of the Group during the financial year.

## 3 OPERATING RESULTS AND FINANCIAL REVIEW

The loss for the Group for the year ended 31 December 2013 was \$1,364,336 (2012: loss \$2,672,619).

### Review of Operations

Exploration activity during the year was primarily focused on the Group's Kou Sa Project in Cambodia, with further soil sampling and drilling completed on the Sabeto Project in Fiji.

### Cambodia Project

Geopacific acquired an interest in the Kou Sa Project in March 2013 as a result of the Takeover of Worldwide Mining Projects Limited. The Kou Sa project quickly became the focus of the Group's exploration efforts during 2013. Since the acquisition of the Kou Sa project, Geopacific has completed a significant amount of exploration in order to determine the mineral potential of the project.

A regional scale soil geochemistry program was completed in the second half of the year over the southern half of the project area at a 200x400m grid spacing with infill sampling completed on 40x200m grid spacing. Significant zones of copper anomalism were identified over the Prospect 100 and 117 areas with new zones of copper mineralisation also noted to the west of Prospect 100 and in the southwest of the tenement. Significant zones of gold and molybdenum anomalism are also noted in the west and southeast of the tenement.

A regional airborne magnetic and radiometric survey was flown at 100m line spacing over the tenement identifying a dominant northwest-trending structural orientation within the dataset, with conjugate northeast and east-trending structures. A major suture zone within the northern half of the tenement is the most notable feature within the dataset.

Ground-based geophysical surveys, including electromagnetic and induced polarisation surveys, completed over Prospect 100 identified chargeability zones within, as well as to the east and west of the previous drilling, which is thought to represent the extension of the known cu-sulphide mineralisation in that area. Chargeability anomalies identified in an induced polarisation survey at the Porphyry Prospect were used as a target for drilling in the area.

Trenching designed to test geochemical and geophysical anomalies at Prospect 100 as well as mapped veining at Prospect 117 was successful in identifying weak copper mineralisation over the Prospect 117 area.

Deep diamond drilling at the Porphyry Prospect, designed to test the potential for porphyry-related copper mineralisation, commenced toward the end of December. In the New Year percussion (RC) drilling is scheduled at Prospect 100, Prospect 117 and other areas identified by the exploration work referred to above.

### Fiji Projects

#### Sabeto Project

Regional scale stream sediment geochemical sampling completed on the whole tenement was successful in identifying a geochemical zonation typical of mineralised porphyry systems centred in an area to the south of known porphyry-related gold-copper mineralisation in previous year's drilling. Subsequent auger soil sampling completed over the area also found this association narrowing the area down to a 400 metre-wide zone of Cu-Au-Mo anomalism.

Deep diamond drilling was completed over the prospect in November, comprising two diamond holes. A significant zone of strong brecciation and alteration as well as weak copper mineralisation was noted in the drilling interpreted to be part of a northwest-trending structural zone potentially remobilising mineralisation from a deeper source.

#### Rakiraki Project

Ridge-and-spur soil geochemical sampling was completed over the Tataiya Prospect concurrently with a geological mapping and rock chip sampling program. First pass geological mapping and rock chip sampling was also completed over the Tabuka tenement.

#### Vuda Project

Geological mapping and regional stream sediment sampling completed over the tenement was designed to identify favourable structures and alteration as well as the multi-element geochemical associations within the project area, with the intention of identifying the likely position of a deeper porphyry source to the sporadic gold mineralisation at surface.

#### Nabila Project

Geological mapping was completed over new prospects on the tenement, with a copper mineralised structure identified to the southeast of Faddy's, thought to be a fault offset extension to the Faddy's mineralisation.

#### Cakaudrove Project

No further work has been completed since a stream sampling program identified four distinct geochemically gold-copper anomalous zones.

## 4 FINANCIAL POSITION

At the end of the financial year the Group had \$3,258,776 (2012: \$696,841) in cash and cash equivalent. Capitalised exploration and evaluation expenditure was \$13,422,389 (2012: \$6,980,234).

Expenditure on exploration of tenements during the year was \$1,486,556 (2012: \$1,310,836), with a further addition of exploration expenditure amounting to \$4,955,598 as a result of the business combination during the year (Note 19).

## 5 DIVIDENDS

The Directors do not recommend the payment of a dividend.

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

## 6 STATE OF AFFAIRS

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

- Acquisition of Worldwide Mining Projects Ltd in March 2013 by the issue of 52,100,000 ordinary shares to Worldwide Mining Projects Ltd shareholders to acquire 100% of the company.
- Geopacific Resources Limited completed a 10:17 Non-Renounceable Rights Issue in October 2013 by issuing 23,674,644 shares which raised \$1,183,732;
- During the year, the Company completed the following placements:
  - o The issue of 4,250,000 shares at \$0.10 per share to Sophisticated Investors to raise \$425,000 in March 2013.
  - o The issue of 62,379,365 shares to Resource Capital Funds IV at \$0.05 per share to raise US\$3.0 million.

## 7 EVENTS SUBSEQUENT TO REPORTING DATE

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

### Other matters

Under the terms of the original Sale Agreement for the acquisition of the Kou Sa Copper Project in Cambodia, Geopacific through its subsidiary Eastkal Pte Ltd acquired the right to a 12 month period of exclusivity to complete Exploration Due Diligence over the Kou Sa Copper Project extendable for a second 12 month period upon payment of US\$700,000. On 31 January 2014 the Group exercised its rights to extend its Exclusivity Period over the Kou Sa Copper Project in Cambodia and paid US\$700,000 to the vendors.

## 8 DIRECTORS' INTERESTS AND BENEFITS

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

	Direct		Indirect	
	Shares	Options	Shares	Options
R J Fountain	4,000	Nil	162,000	Nil
M Jerkovic	-	Nil	5,123,166	Nil
M Bojanjac	166,666	Nil	2,500,000	Nil
R Heeks	-	Nil	3,523,757	Nil

## 9 DIRECTORS' MEETINGS

During the year ended 31 December 2013 a total of four Directors' Meetings and two Audit Committee Meetings were held. Directors' attendance record is tabulated below.

Record of Directors' Attendance at Meetings

	Directors Meetings		Audit Committee Meetings	
	Attended *	Eligible to Attend	Attended *	Eligible to Attend
M Jerkovic	3	3		
M T Bojanjac	3	3		
R S Heeks	3	3		
S T Biggs	1	1	1	1
C B Bass	2	1	-	-
R J Fountain	4	4	1	1
I N A Simpson	1	1	1	1
R H Probert (alternate to I. Simpson)	1	1	-	-

\* Either in person, or by electronic means.

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



## 10 LIKELY DEVELOPMENTS, PROSPECTS AND BUSINESS STRATEGIES

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

## 11 ENVIRONMENT REGULATIONS

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

## 12 SHARE OPTIONS

There were 3,750,000 options over unissued shares unexercised at 31 December 2013 (2012 – 26,367,951).

### Unlisted Options

During the financial year the following unlisted options over unissued shares were cancelled as they either did not meet the vesting Conditions or they expired:

Number of Options Issued	Date of Issue	Exercise Price	Expiry Date
100,000	6 June 2008	\$1.50	8 May 2013
610,000	6 June 2008	\$0.50	1 August 2013
250,000	7 September 2012	\$0.35	30 November 2015

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

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

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

Number of Options on Issue	Exercise Price	Expiry Date
2,000,000	\$0.30	5 April 2015
750,000	\$0.30	30 September 2014
800,000	\$2.50	(i)
200,000	\$5.00	(ii)

- (i) The Options are exercisable in whole or in part, not later than five years after the defining on Faddy's Gold Deposit of a JORC compliant ore reserve of over 200,000 ounces of contained gold.
- (ii) The Options are exercisable in whole or in part, not later than ten years after the defining on Faddy's Gold Deposit of a JORC compliant ore reserve of over 1,000,000 ounces of contained gold.

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

## 13 INSURANCE OF OFFICERS

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

## 14 PROCEEDINGS ON BEHALF OF COMPANY

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

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

## 15 LEAD AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the year ended 31 December 2013 is set out on page 25.

## 16 AUDITOR

During the year the following fees were paid or payable to William Buck Audit (WA) Pty Ltd for services provided by the auditor of the Company, its related practices and non related audit firms:

	CONSOLIDATED	
	2013	2012
	\$	\$
<b>Audit services</b>		
William Buck Audit (WA) Pty Ltd:		
Audit and review of the financial report and other audit work under the Corporations Act 2001	<b>36,844</b>	34,225

## 17 NON-AUDIT SERVICES

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

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

## 18 REMUNERATION REPORT (AUDITED)

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

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

### A Principles used to determine the nature and amount of remuneration

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

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

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

Alignment to shareholders' interests:

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

Alignment to executive directors' interests:

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

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

### Non executive Directors

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

### Directors' fees

Non executive Directors' fees are determined within an aggregate Directors' fee pool limit, which is periodically recommended for approval by shareholders. The maximum currently stands at \$400,000 per year in aggregate as agreed at the 2012 Annual General Meeting.

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

### Geopacific Resources Limited Employee Option Plan

Information on the Geopacific Resources Option Plan is set out in note 24.



**B Details of remuneration**

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

The key management personnel of Geopacific Resources and the Group comprises of the Directors, Company Secretary and the Exploration Manager.

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

Name	Short term benefits	Post employment benefits		Share based payments	Total \$	Share based payments as % of remuneration
	Salaries and Fees \$	Super- annuation \$	Termination Payments \$	Shares / Options \$		
Non executive Directors						
S T Biggs (i)	-	-	-	-	-	-
I N A Simpson (i)	-	-	-	-	-	-
R J Fountain	40,000	-	-	-	40,000	-
R H Probert (alt. to I. Simpson) (i)	-	-	-	-	-	-
M Jerkovic (ii)	50,000	-	-	-	50,000	-
M T Bojanjac (iii)	30,000	-	-	-	30,000	-
Sub total non executive Directors	120,000	-	-	-	120,000	
Executive Directors						
C B Bass (iv)	-	-	-	285,184	285,184	100%
R S Heeks (iii)	180,000	-	-	-	180,000	-
Sub-total directors	300,000	-	-	285,184	585,184	
Other Key Management Personnel						
J C Lewis (v)	180,000	-	-	-	180,000	-
S Whitehead	119,266	10,883	-	14,135	144,284	9.70%
Sub-total Key Management Personnel	299,266	10,883		14,135	324,284	
Totals	599,266	10,883	-	299,319	909,468	

(i) Resigned 28 March 2013

(ii) Appointed 23 April 2013

(iii) Appointed 28 March 2013

(iv) Resigned 1 August 2013

(v) Appointed 31 March 2013

2012	Short term benefits	Post employment benefits		Share based payments		
Name	Salaries and Fees \$	Super- annuation \$	Termination Payments \$	Options \$	Total \$	Share based payments as % of remuneration
Non executive Directors						
S T Biggs (i)	-	-	-	-	-	-
I N A Simpson (i)	24,000	-	-	-	24,000	-
R J Fountain	54,000	-	-	-	54,000	-
R H Probert (alt. to I. Simpson)	24,000	-	-	-	24,000	-
Sub total non executive Directors	102,000	-	-	-	102,000	
Executive Directors						
C B Bass	-	-	-	114,639	114,639	100%
Total directors	102,000	-	-	114,639	216,639	
Other Key Management Personnel						
S Whitehead	109,327	9,840	-	22,280	141,447	15.75%
Totals	211,327	9,840	-	136,919	358,086	

### C Service agreements

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

### D Share based compensation

#### Options

Options are granted on the recommendation of the Board.

Options are granted for no consideration.

Options granted carry no dividend or voting rights.

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

During the year, no options over ordinary shares in the Company were provided as remuneration to the directors of Geopacific Resources as set out below. Further information on the options is set out in notes 16, 22 and 24 to the financial statements.

Directors of Geopacific Resources Limited	Number of options granted during the year		Number of options vested during the year	
Name	2013	2012	2013	2012
M Jerkovic	-	-	-	-
M T Bojanjac	-	-	-	-
R S Heeks	-	-	-	-
S T Biggs	-	-	-	-
I N A Simpson	-	-	-	-
R J Fountain	-	-	-	-
R H Probert	-	-	-	-
C B Bass (i)	-	2,000,000	333,333	333,333
<b>Other Key management Personnel</b>				
J C Lewis	-	-	-	-
S Whitehead (ii)	-	-	83,333	83,333

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

(i) Options issued to Mr Charles Bass

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

Grant date	Expiry date	Number of Options	Exercise price	Value per option at grant date	Date vesting
5 April 2012	5 April 2015	333,333	\$0.30	\$0.1347	15 September 2012
5 April 2012	5 April 2015	333,333	\$0.30	\$0.1347	15 September 2013
5 April 2012	5 April 2015	333,334	\$0.30	\$0.1347	15 September 2014
5 April 2012	5 April 2015	1,000,000	\$0.30	\$0.1347	N/A <sup>1</sup>

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

Mr Charles Bass retired from the Board on 1 August 2013 but the current Board of Directors has decided not to cancel all options previously granted to him.

(ii) Options issued to Mr Steven Whitehead

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

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

Grant date	Expiry date	Number of Options	Exercise price	Value per option at grant date	Date vesting
30 September 2011	30 September 2014	83,333	\$0.30	\$0.1029	1 July 2012
30 September 2011	30 September 2014	83,333	\$0.30	\$0.1029	1 July 2013
30 September 2011	30 September 2014	83,334	\$0.30	\$0.1029	1 July 2014
30 September 2011	30 September 2014	250,000	\$0.30	\$0.1029	N/A <sup>2</sup>

<sup>2</sup> Options vest after successful exploration results as a consequence of his direct management of the exploration efforts, such success deemed in the Board's discretion.

## Shares provided on exercise of remuneration options

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

## Shares issued on the exercise of options

No ordinary shares of the Company were issued during the year ended 31 December 2013 on the exercise of options granted to key management personnel under the Employee Share Option Plan. No further shares have been issued since that date. No amounts are unpaid on any of the shares.

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



**Ron Heeks**  
Managing Director

**Perth, Australia**

Dated: 31 March 2014





**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF GEOPACIFIC RESOURCES LIMITED**

I declare that, to the best of my knowledge and belief during the year ended 31 December 2013 there have been:

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

*William Buck*

William Buck Audit (WA) Pty Ltd  
ABN 67 125 012 124

*Nikki Shen*

Nikki Shen  
Director  
Dated this 31st day of March, 2014

Sydney  
Melbourne  
Brisbane  
Perth  
Adelaide  
Auckland

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

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STRATEGIC THINKING | TAILORED ADVICE | INTEGRATED SOLUTIONS

CHARTERED ACCOUNTANTS & ADVISORS



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

### Report on the Financial Report

We have audited the accompanying consolidated financial report comprising Geopacific Resources Limited (the Company) and the entities it controlled at year's end or from time to time during the financial year (the consolidated entity). The consolidated financial report comprises the consolidated statement of financial position as at 31 December 2013, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

### Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that the financial statements comply with International Financial Reporting Standards.

### Auditor's Responsibility

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

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

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

### Independence

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

Sydney  
Melbourne  
Brisbane  
Perth  
Adelaide  
Auckland

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

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CHARTERED ACCOUNTANTS & ADVISORS



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

### *Auditor's Opinion*

In our opinion:

- a) the financial report of the consolidated entity is in accordance with the Corporations Act 2001, including:
  - i. giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and of its performance for the year ended on that date; and
  - ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
- b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

### **Report on the Remuneration Report**

We have audited the Remuneration Report included in pages 11 to 16 of the directors' report for the year ended 31 December 2013. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

### *Auditor's Opinion*

In our opinion, the Remuneration Report of Geopacific Resources Limited for the year ended 31 December 2013, complies with section 300A of the Corporations Act 2001.

### *Matters Relating to the Electronic Presentation of the Audited Financial Report*

This auditor's report relates to the financial report of Geopacific Resources Limited for the year ended 31 December 2013 included on Geopacific Resources Limited's web site. The company's directors are responsible for the integrity of the Geopacific Resources Limited's web site. We have not been engaged to report on the integrity of the Geopacific Resources Limited's web site. The auditor's report refers only to the financial report. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this web site.

William Buck Audit (WA) Pty Ltd  
ABN 67 125 012 124

Nikki Shen  
Director  
Dated this 31<sup>st</sup> day of March, 2014



The Directors of Geopacific Resources Limited declare that:

- a) the financial statements and notes, set out on pages 29 to 65 are in accordance with the Corporations Act 2001, including:
  - i. complying with Australian Accounting Standards which as stated in accounting policy Note 1 to the financial statements constitutes compliance with International Reporting Standards (IFRS) ; and
  - ii. giving a true and fair view of the financial position as at 31 December 2013 and of the performance for the year then ended of the Consolidated Group; and
  - iii. the directors have been given the declarations required by S.295A of the Corporations Act 2001 from the Chief Executive Officer and the Chief Financial Officer.
- b) in the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



**RS Heeks**  
**Managing Director**

**Perth, Australia**

Dated: 31 March 2014

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2013

		CONSOLIDATED	
	Note	2013	2012
		\$	\$
<b>Revenue from continuing operations</b>	5	<b>618,143</b>	48,994
Administration expenses		(650,328)	(352,818)
Consultancy expense		(2,015)	(30,000)
Depreciation expense		(80,395)	(48,487)
Employee benefits expense		(1,076,435)	(364,403)
Exploration expenditure written off		-	(1,464,577)
Occupancy Expenses		(167,311)	(69,578)
Provision for VAT expense		-	(282,004)
Other expenses		(5,995)	(109,746)
		<b>(1,982,479)</b>	(2,721,613)
<b>Loss before income tax</b>	6	<b>(1,364,336)</b>	(2,672,619)
Income tax	8	-	-
<b>Loss for the year attributable to members of the parent company</b>		<b>(1,364,336)</b>	(2,672,619)
<b>Other comprehensive income-items that may be reclassified to profit or loss:</b>			
Exchange differences on translating foreign controlled entities		13,915	(10,743)
<b>Other comprehensive income for the year, net of tax</b>		<b>13,915</b>	(10,743)
<b>Total comprehensive loss for the year attributable to members of the parent entity</b>		<b>(1,350,421)</b>	(2,683,362)
Basic loss per share (cents)	25	(1.26)	(6.34)
Diluted loss per share (cents)	25	(1.24)	(6.34)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2013

	Note	CONSOLIDATED	
		2013	2012
		\$	\$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	9	3,258,776	696,841
Trade and other receivables	10	297,940	99,582
<b>TOTAL CURRENT ASSETS</b>		<b>3,556,716</b>	<b>796,423</b>
<b>NON-CURRENT ASSETS</b>			
Exploration expenditure	11	13,422,389	6,980,234
Plant and equipment	12	244,770	197,794
<b>TOTAL NON-CURRENT ASSETS</b>		<b>13,667,159</b>	<b>7,178,028</b>
<b>TOTAL ASSETS</b>		<b>17,223,875</b>	<b>7,974,451</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	13	479,056	253,385
Convertible Notes	14	52,597	-
Financial liabilities	15	8,242	6,990
<b>TOTAL CURRENT LIABILITIES</b>		<b>539,895</b>	<b>260,375</b>
<b>NON-CURRENT LIABILITIES</b>			
Financial liabilities	15	13,010	19,323
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>13,010</b>	<b>19,32</b>
<b>TOTAL LIABILITIES</b>		<b>552,905</b>	<b>279,698</b>
<b>NET ASSETS</b>		<b>16,670,970</b>	<b>7,694,753</b>
<b>EQUITY</b>			
Issued capital	16	27,302,823	17,050,141
Reserves	17	41,537	(46,334)
Accumulated losses		(10,673,390)	(9,309,054)
<b>TOTAL EQUITY</b>		<b>16,670,970</b>	<b>7,694,753</b>

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



# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2013

Consolidated	Issued Capital \$	Forfeited Shares Reserve \$	Share Based Payments Reserve \$	Foreign Currency Translation Reserve \$	Accumulated Losses \$	Total Equity \$
At 1 January 2012	15,925,556	4,623	436,263	(351,445)	(6,909,958)	9,105,039
Transactions with owners in their capacity as owners						
Shares issued during the year	1,201,500	-	-	-	-	1,201,500
Share issue costs	(76,915)	-	-	-	-	(76,915)
Options issued	-	-	148,491	-	-	148,491
Options expired	-	-	(268,900)	-	268,900	-
Transfer of forfeited shares reserve	-	(4,623)	-	-	4,623	-
	17,050,141	-	315,854	(351,445)	(6,636,435)	10,378,115
Other Comprehensive loss for the year	-	-	-	(10,743)	(2,672,619)	(2,683,362)
At 31 December 2012	17,050,141	-	315,854	(362,188)	(9,309,054)	7,694,753
At 1 January 2013	17,050,141	-	315,854	(362,188)	(9,309,054)	7,694,753
Transactions with owners in their capacity as owners						
Shares issued during the year	10,456,081	-	-	-	-	10,456,081
Share issue costs	(203,399)	-	-	-	-	(203,399)
Options issued	-	-	111,746	-	-	111,746
Options expired	-	-	(37,789)	-	-	(37,789)
Other Comprehensive loss for the year	-	-	-	13,915	(1,364,336)	(1,350,421)
At 31 December 2013	27,302,823	-	389,811	(348,273)	(10,673,390)	16,670,970

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

# CONSOLIDATED STATEMENT OF CASH FLOWS

AS AT 31 DECEMBER 2013

	Note	CONSOLIDATED	
		2013	2012
		\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash payments in the course of operations		(1,470,422)	(684,529)
Interest received		7,828	47,716
VAT Recoveries		282,004	-
Other income		39,939	1,278
<b>Net Cash used in Operating Activities</b>	29(c)	<b>(1,140,651)</b>	<b>(635,535)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for plant and equipment		(4,178)	(104,934)
Proceed from disposal of plant and equipment		-	14,845
Exploration expenditure		(1,486,557)	(1,373,382)
Cash acquired as a result of business combination	19	215,247	-
<b>Net Cash used in Investing Activities</b>		<b>(1,275,488)</b>	<b>(1,463,471)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from share issue (net of cost)		4,750,682	1,124,585
Finance lease payments		(5,061)	-
Loans to a related party		(51,147)	-
Proceeds from convertible notes issued		50,000	-
<b>Net Cash from Financing Activities</b>		<b>4,744,474</b>	<b>1,124,585</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>2,328,335</b>	<b>(974,421)</b>
Effect of exchange rates on cash held in foreign currencies		233,600	(16,572)
Cash & Cash Equivalents at the Beginning of the Financial Year		696,841	1,687,834
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR</b>		<b>3,258,776</b>	<b>696,841</b>

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

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## 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Geopacific Resources Limited ('the Company') is a listed public company domiciled in Australia. The consolidated financial report of the Company for the financial year ended 31 December 2013 comprises the Company and its controlled entities (together referred to as the 'Group').

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

The financial report was authorized for issue by the directors on 31 March 2014.

### Basis of preparation

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

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

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

### Standards and Interpretations affecting amounts reported in the current period (and/or prior periods).

The Group has adopted all applicable new and revised Standards and Interpretations in the current year and these standards have not significantly impacted the recognition, measurement and disclosure of the Group and its consolidated financial statements for the financial year ended 31 December 2013.

### New Accounting Standards for application in future periods.

The AASB has issued new and amended accounting standards and interpretations that have mandatory application dates for future reporting periods and which the Group has decided not to early adopt. A discussion of those future requirements and their impact on the Group is as follows:

AASB 9: Financial Instruments, AASB 2010-7: Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127], AASB 2012-6 Amendments to Australian Accounting Standards- Mandatory Effective Date of AASB 9 and Transition Disclosures [AASB 9, AASB 2009-11, AASB 2010-7, AASB 2011-7 & AASB 2011-8] and AASB 2013-9 Amendments to Australian Accounting Standards- Conceptual Framework, Materiality and Financial Instruments (applicable for annual reporting periods commencing on or after 1 January 2017).

AASB 9 includes requirements for the classification and measurement of financial assets and the accounting requirements for financial liabilities.

The changes made to accounting requirements by these standards include:

- simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value
- simplifying the requirements for embedded derivatives
- allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument
- financial assets will need to be reclassified where there is a change in an entity's business model as they are initially classified based on (a) the objective of the entity's business model for managing the financial assets; and (b) the characteristics of the contractual cash flows
- amending the rules for financial liabilities that the entity elects to measure at fair value, requiring changes in fair value attributed to the entity's won credit risk to be presented in other comprehensive income
- adding Chapter 6 Hedge Accounting which supersedes the general hedge accounting requirements as they exist in AASB 139 and the addition of new disclosure requirements. The Chapter 6 requirements include a new approach to hedge accounting, intended to more closely align hedge accounting with risk management activities.

The company has not yet assessed the impact of this standard.

AASB 2011-4 Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements [AASB 124] (applicable for annual reporting periods commencing on or after 1 July 2013).

## 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### New Accounting Standards for Application in Future Periods (continued)

This standard removes all the individual key management personnel disclosures contained in Aus paragraphs 29.1 to 29.9.3 of AASB 124. The changes apply to each disclosing entity, or group of which a disclosing entity is the parent that is required to prepare financial reports in accordance with Part 2M.3 of the Corporations Act for their first annual reporting period beginning on or after 1 July 2013. This standard is not available for early adoption.

AASB 2013-9 Amendments to Australian Accounting Standards - Conceptual Framework, Materiality and Financial Instruments (applicable for annual reporting periods commencing on or after 1 January 2014)

The changes made to AASB 1031 in respect of materiality withdraw the substantive content contained within the standard and provide signpost references to materiality in other Australian Accounting Standards. The standard is not expected to impact the company.

The Company does not anticipate early adoption of any of the above Australian Accounting Standards or Interpretations.

### Employee benefits

The Group adopted AASB 119: Employee Benefits (September 2011) and AASB 2011-10: Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) from the mandatory application date of 1 January 2013. The Group has applied these Standards retrospectively in accordance with AASB 108 and the transitional provisions of AASB 119.

The revised standard has changed the accounting for the group's annual leave obligations. As the group does not expect all annual leave to be taken within 12 months of the respective service being provided the balance is considered another long term employee benefit for measurement purposes. This did change the measurement of these obligations, as the obligations are now measured on a discounted basis. However, the impact of this change was immaterial.

### Significant accounting policies

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

#### (a) Cash and cash equivalents

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

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

#### (b) Share Capital

Ordinary shares are classified as equity.

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

#### (c) Employee benefits

##### (i) Wages and salaries and annual leave

Liabilities for wages and salaries, including non monetary benefits, and annual leave expected to be wholly settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. All other amounts are considered other long term benefits for measurement purposes and are measured at the present value of expected future payments to be made in respect to services provided by employees.

##### (ii) Long service leave

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

## 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (c) Employee benefits (continued)

#### (iii) Share based payments

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

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

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

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

### (d) Financial Instruments

#### Initial recognition and measurement

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

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

#### Derecognition

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

#### Classification and subsequent measurement

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

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

## 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (d) Financial Instruments (continued)

#### (i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gain or losses are recognized in profit or loss through the amortisation process and when the financial asset is derecognised.

#### (ii) Financial liabilities

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

#### (iii) Convertible Notes

The component parts of compound instruments (convertible notes) issued by the Group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Conversion options that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recognised as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to issued capital. Where the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to accumulated losses within equity.

No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the convertible notes using the effective interest method.

### Impairment

At the end of each reporting period, the Group assesses whether there is objective evidence that a financial asset has been impaired. A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the Group recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.



## 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (e) Foreign currency transactions and balances

#### (i) Functional and presentation currency

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

#### (ii) Transactions and balances

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

#### (iii) Group companies

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

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

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

### (f) Goods and Services Tax (GST)/Value Added Tax (VAT)

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

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

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

### (g) Impairment of assets

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

### (h) Income tax

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

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability.

## 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (h) Income tax (Continued)

No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

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

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

### (i) Loss per share

#### (i) Basic loss per share

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

#### (ii) Diluted loss per share

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

### (j) Mineral Tenements and Deferred Mineral Exploration Expenditure

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

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

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

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

## 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (k) Plant and equipment

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

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

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

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

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

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

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

### (l) Principles of consolidation

#### Basis of consolidation

The consolidated financial statements comprise the financial statements of Geopacific Resources Limited and its subsidiaries as at and for the year ended 31 December each year (the Group).

Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full. Subsidiaries are fully consolidated from the date on which control is obtained by the Group and cease to be consolidated from the date on which control is transferred out of the Group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. The acquisition method of accounting involves recognising at acquisition date, separately from goodwill, the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree. The identifiable assets acquired and the liabilities assumed are measured at their acquisition date fair values.

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability is remeasured in each reporting period to fair value, recognising any change to fair value in profit or loss, unless the change in value can be identified as existing acquisition date.

All transaction costs incurred in relation to business combinations are recognised as expenses in profit or loss when incurred.

The difference between the above items and the fair value of the consideration (including the fair value of any pre-existing investment in the acquiree) is goodwill or a discount on acquisition.

A change in the ownership interest of a subsidiary that does not result in a loss of control is accounted for as an equity transaction.

A list of controlled entities is contained in note 21.

## 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (l) Principles of consolidation (Continued)

#### (i) Business combinations

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

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

#### (ii) Goodwill

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

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

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

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

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

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

Goodwill on acquisitions of controlled entities is included in intangible assets.

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

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

### (m) Revenue recognition

#### (i) Sale of Goods and Disposal of Assets

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

#### (ii) Interest Income

Interest income is recognised using the effective interest method.

#### (iii) Rental Income

Rental Income is recognised on a straight-line basis over the lease term.



## 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (n) Comparative figures

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

### (o) Leases

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

### (p) Provisions

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

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

## 2 FINANCIAL RISK MANAGEMENT

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

### (a) Credit risk

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

#### Trade and other receivables

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

#### Cash deposits

The Group's primary bankers are Westpac and the ANZ Banking Group. At balance date all operating accounts and funds held on deposit are with these two banks except in parts of Indonesia where these banks do not have branch offices. Except for operating bank accounts in other jurisdictions, the Group currently has no significant concentrations of credit risk.

### (b) Liquidity risk

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

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

## 2 FINANCIAL RISK MANAGEMENT (CONTINUED)

### (c) Market risk

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

#### Foreign exchange risk

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

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

#### Interest rate risk

As the Group has significant interest bearing assets, the Group's income and operating cash flows are materially exposed to changes in market interest rates. The assets are short term interest bearing deposits, and no financial instruments are employed to mitigate risk (Note 28 – Financial Instruments).

### (d) Capital management

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

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

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

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

## 3 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

### Key judgments

#### Exploration and evaluation expenditure

The Company's accounting policy is stated at Note 1(j). There is some subjectivity involved in the carrying forward as capitalised or writing off to the income statement exploration and evaluation expenditure, however the Board and management give due consideration to areas of interest on a regular basis and are confident that decisions to either write off or carry forward such expenditure reflect fairly the prevailing situation. In the year ended 31 December 2013 an amount of \$Nil has been written off (2012: \$1,464,577).

### Key Estimates

#### Share based payments

The Group measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an internal valuation using a Black-Scholes option pricing model. Refer Note 24 for details of estimates and assumptions used.

#### 4 PARENT COMPANY INFORMATION

The following information has been extracted from the books and records of the parent and has been prepared in accordance with Accounting Standards.

	2013 \$	2012 \$
<b>STATEMENT OF FINANCIAL POSITION</b>		
<b>ASSETS</b>		
Current assets	3,172,656	714,939
Non current assets	13,599,680	6,992,170
<b>TOTAL ASSETS</b>	<b>16,772,336</b>	<b>7,707,109</b>
<b>LIABILITIES</b>		
Current liabilities	199,710	103,698
<b>TOTAL LIABILITIES</b>	<b>199,710</b>	<b>103,698</b>
<b>EQUITY</b>		
Issued capital	27,302,823	17,050,141
Share based payments reserve	389,811	315,854
Accumulated losses	(11,120,008)	(9,762,584)
<b>TOTAL EQUITY</b>	<b>16,572,626</b>	<b>7,603,411</b>
<b>STATEMENT OF COMPREHENSIVE INCOME</b>		
Total loss	(1,366,719)	(1,623,399)
<b>TOTAL COMPREHENSIVE LOSS</b>	<b>(1,366,719)</b>	<b>(1,623,399)</b>

##### Guarantees

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

##### Contingent liabilities

At 31 December 2013, Geopacific Resources Limited had no contingent liabilities. (2012: Nil)

##### Contractual commitments

At 31 December 2013, Geopacific Resources Limited had not entered into any contractual commitments for the acquisition of property, plant and equipment. (2012: Nil)

## 5 REVENUE

	CONSOLIDATED	
	2013	2012
	\$	\$
Foreign exchange gain	233,600	-
Rental income	47,120	-
VAT expenses written back	282,004	-
Interest income – financial institutions	7,828	47,716
Other income	47,591	1,278
	<b>618,143</b>	<b>48,994</b>

## 6 LOSS BEFORE INCOME TAX

	CONSOLIDATED	
	2013	2012
	\$	\$
Loss before income tax includes the following specific expenses:		
Contributions to defined superannuation funds	7,796	15,344

## 7 REMUNERATION OF AUDITORS

	CONSOLIDATED	
	2013	2012
	\$	\$
Amounts received or receivable by		
William Buck Audit (WA) Pty Ltd for audit and review of financial report	36,844	34,225



## 8 INCOME TAX

	CONSOLIDATED	
	2013	2012
	\$	\$
<b>(a) Reconciliation of income tax to prima facie tax payable</b>		
Loss before income tax	<b>(1,364,336)</b>	(2,672,619)
Tax at the Australian rate of 30% (2012 – 30%)	<b>(409,301)</b>	(801,786)
<b>Tax effect of:</b>		
Non-deductible share based payment	<b>22,187</b>	44,547
Exploration costs during the year	<b>(445,967)</b>	46,122
Exploration assets from business combination	<b>(1,486,679)</b>	-
Capital raising costs	<b>(37,429)</b>	(25,948)
Other non-deductible expenses	<b>40,311</b>	29,378
Deferred tax assets not brought to account	<b>2,316,878</b>	707,687
Income tax expense	-	-
<b>(b) Deferred tax – Consolidated Statement of Financial Position</b>		
<b>Deferred Tax Liabilities</b>		
Capitalised Exploration and Evaluation expenditure	(4,026,717)	(2,094,070)
	(4,026,717)	(2,094,070)
<b>Less: Deferred Tax Assets</b>		
Accrued expenses	34,425	27,638
Interest bearing liabilities	(3,259)	3,934
Deductible equity raising costs	73,811	50,220
Tax losses available to offset against future taxable income	4,490,497	2,224,923
	4,595,474	2,306,715
Net Deferred tax assets not recognised	568,757	212,645

The deferred tax assets associated with tax losses not brought to account will only be obtained if:

- (i) the company and the consolidated entity derive further assessable income of a nature and of an amount sufficient to enable the benefit from the deductions to be realised;
- (ii) the company and the consolidated entity continue to comply with the conditions for deductibility imposed by the law; and
- (iii) no changes in tax legislation adversely affect the company's and the consolidated entity's ability in realising the benefit from the deductions.

## 9 CASH AND CASH EQUIVALENTS

	CONSOLIDATED	
	2013	2012
	\$	\$
<b>Current</b>		
Cash at bank	<b>3,258,776</b>	696,841

## 10 TRADE AND OTHER RECEIVABLES

	CONSOLIDATED	
	2013	2012
	\$	\$
<b>Current</b>		
Security deposits	<b>107,921</b>	82,487
Sundry debtors	<b>47,007</b>	8,989
Receivable from related party – Common Directors	<b>53,744</b>	-
GST receivable	<b>89,268</b>	8,106
	<b>297,940</b>	99,582

## 11 EXPLORATION EXPENDITURE

	CONSOLIDATED	
	2013	2012
	\$	\$
<b>Non-Current</b>		
<b>Capitalised exploration expenditure carried forward</b>	<b>13,422,389</b>	6,980,234
Movement during year		
Carrying value – beginning of year	<b>6,980,234</b>	7,133,975
Additions	<b>1,486,557</b>	1,310,836
Additions through business combination	<b>4,955,598</b>	-
Amounts written off	-	(1,464,577)
Carrying value – end of year	<b>13,422,389</b>	6,980,234

During the year the Company did not expense previously capitalized exploration expenditure (2012: \$1,464,577).

## 12 PLANT AND EQUIPMENT

	CONSOLIDATED	
	2013	2012
	\$	\$
<b>Non-Current</b>		
Plant, vehicles and equipment		
At Cost	<b>416,028</b>	288,657
<b>Less:</b> Accumulated depreciation	<b>(171,258)</b>	(90,863)
Total plant and equipment	<b>244,770</b>	197,794

<b>Movement - 2013</b>	<b>Plant &amp; Equipment \$</b>	<b>Computer software \$</b>	<b>Motor Vehicle \$</b>	<b>Lease Vehicle \$</b>	<b>Furniture &amp; Fittings \$</b>	<b>Total \$</b>
Carrying value – beginning of year	123,242	32,590	8,458	28,192	5,312	197,794
Additions	2,830	1,348	-	-	-	4,178
Additions through business combination	64,548	20,026	-	-	38,619	123,193
Depreciation (included in profit and loss)	(42,840)	(16,740)	(6,456)	(9,471)	(4,888)	(80,395)
Carrying value – end of year	147,780	37,224	2,002	18,721	39,043	244,770

At 31 December 2013, a motor vehicle with a carrying amount of \$ 18,721 (2012: \$28,192) is secured under a finance lease arrangement.

<b>Movement - 2012</b>	<b>Plant &amp; Equipment \$</b>	<b>Computer software \$</b>	<b>Motor Vehicle \$</b>	<b>Lease Vehicle \$</b>	<b>Furniture &amp; Fittings \$</b>	<b>Total \$</b>
Carrying value – beginning of year	119,019	6,101	26,232	-	2,865	154,217
Additions	32,359	35,894	-	33,683	2,998	104,934
Disposals	(1,273)	-	(11,597)	-	-	(12,870)
Depreciation (included in profit and loss)	(26,863)	(9,405)	(6,177)	(5,491)	(551)	(48,487)
Carrying value – end of year	123,242	32,590	8,458	28,192	5,312	197,794

### 13 TRADE AND OTHER PAYABLES

	CONSOLIDATED	
	2013	2012
	\$	\$
<b>Current</b>		
Sundry creditors and accruals	479,056	253,385

### 14 CONVERTIBLE NOTES

	CONSOLIDATED	
	2013	2012
	\$	\$
<b>Current</b>		
Convertible Notes	52,597	-

The terms of the Convertible Notes are as follows:

- Interest at 12% p.a. payable at redemption;
- Conversion into ordinary shares at \$0.05 per share;
- Unsecured;
- Redemption up to 12 Months from date of issue;
- Early redemption at the discretion of the Holder only.

### 15 FINANCIAL LIABILITIES

	CONSOLIDATED	
	2013	2012
	\$	\$
<b>Current</b>		
Lease liabilities	8,242	6,990
<b>Non-Current</b>		
Lease liabilities	13,010	19,323

Lease liabilities are secured by underlying leased assets with a carrying amount of \$ 18,721 as at year end.



## 16 ISSUED CAPITAL

	CONSOLIDATED	
	2013	2012
	\$	\$
<b>Issued Capital</b>	<b>27,302,823</b>	17,050,141

### Reconciliation of movements during the period:

	2013		2012	
	No. of Shares	\$	No. of Shares	\$
Balance as at 1 January	<b>43,315,827</b>	<b>17,050,141</b>	37,854,463	15,925,556
Shares issued pursuant to a placement at 22 cents			5,461,364	1,201,500
Shares issued to consultants in lieu of cash	700,000	70,000		
Shares issued pursuant to a placement at 10 cents	4,250,000	425,000		
Shares issued pursuant to the takeover of Worldwide Mining Projects Ltd	52,100,000	5,210,000		
Shares Issued to a Director	2,000,000	200,000		
Shares issued as compensation of the termination of a lease	220,000	22,000		
Shares issued on conversion of Convertible Notes	5,030,685	226,381		
Shares issued pursuant to a placement at 5 cents	62,379,365	3,118,968		
Shares issued pursuant to Rights Issue	23,674,644	1,183,732		
Less share issue costs		(203,399)	-	(76,915)
Balance as at 31 December	<b>193,670,521</b>	<b>27,302,823</b>	43,315,827	17,050,141

## 17 RESERVES

	CONSOLIDATED	
	2013	2012
	\$	\$
<b>(a) Reserves</b>		
Foreign currency translation reserve	(348,273)	(362,188)
Forfeited share reserve	-	-
Share based payments reserve	389,811	315,854
	<b>41,537</b>	<b>(46,334)</b>
<b>(b) Movements</b>		
<b>Share based payments reserve</b>		
Balance 1 January	315,854	436,263
Option expense	111,746	148,491
Options expired	(37,789)	(268,900)
Balance 31 December	<b>389,811</b>	<b>315,854</b>
<b>Foreign currency translation reserve</b>		
Balance 1 January	(362,188)	(351,445)
Exchange gains (losses) during year	13,915	(10,743)
Balance 31 December	<b>(348,273)</b>	<b>(362,188)</b>
<b>Forfeited share reserve</b>		
Balance 1 January	-	4,623
Transfer to accumulated losses	-	(4,623)
Balance 31 December	-	-
<b>Total reserves</b>	<b>41,537</b>	<b>(46,334)</b>

### (c) Nature and purpose of reserves

#### Share based payments reserve

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

#### Foreign currency translation reserve

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

## 18 CONTINGENT LIABILITIES

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

## 19 BUSINESS COMBINATION

On 31 March 2013, Geopacific acquired 100 per cent of the voting equity in Worldwide Mining Projects Limited ("Worldwide") in a script transaction. Geopacific issued to Worldwide shareholders 52,100,000 Geopacific shares valued at \$0.10 per share in order to acquire 100% of the shares of Worldwide. Therefore the fair value of the consideration given for the acquisition of Worldwide, was \$5,210,000.

Worldwide like Geopacific is engaged in the mining exploration industry focussing on the exploration for copper. Worldwide has interests in a copper exploration licence in Cambodia.

The amounts recognised at the acquisition date for each class of Worldwide assets, liabilities and contingent liabilities, together with the fair value of the consideration paid as follows:

	<b>Fair Value</b>
	<b>\$</b>
Cash and Cash Equivalents	215,247
Trade and other receivables	80,377
Property, plant and equipment	123,193
Exploration expenditure	1,065,488
Trade and other payables	(164,415)
	<u>1,319,890</u>
Cost of Business Combination	5,210,000
Fair value adjustment to exploration expenditure on consolidation	3,890,110
<b>Cash acquired as a result of business combination</b>	
Identifiable net assets acquired	1,319,890
Fair value adjustment to exploration expenditure on consolidation	3,890,110
Total purchase consideration	<u>5,210,000</u>
Less share issuance	(5,210,000)
Cash consideration paid	-
Less: Cash and cash equivalents in subsidiaries acquired	<u>215,247</u>
Net cash acquired as a result of business combination	<u>215,247</u>

Revenue and loss resulting from the acquisition of Worldwide amounting to \$61,137 and (\$51,721) respectively are included in the Consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2013. Had the results relating to Worldwide been consolidated from 1 January 2013, the consolidated revenue and loss of the consolidated group would not have been materially different to that of the actual results.

## 20 COMMITMENTS

### (a) Tenement Commitments

Entities in the Group are required to spend certain amounts to retain their interest in areas over which Special Prospecting Licenses are held. All requirements have been complied with and all reports and lodgements have been made. The Group is currently waiting on the reissue of certain licences by the Mineral and Resource Department of Fiji.

The following expenditure for 2014 is required.

Tenement	Tenement Renewed to	Annual Expenditure \$FJD	Comments
SPL1216	Pending	300,000	Licence renewal lodged with authorities. Annual expenditure is budgeted amount lodged.
SPL 1231/1373	Pending	300,000	50% to be met by JV partner Imperial Mining (Fiji) Ltd. Annual expenditure is budgeted amount lodged.
SPL 1436	Pending	75,000	50% to be met by JV partner Imperial Mining (Fiji) Ltd. Annual expenditure is budgeted amount lodged.
SPL 1361	9 December 2016	300,000	Licence renewed for 3 years, final year expenditure of FJD\$500,000.
SPL 1368	9 December 2016	500,000	Licence renewed for 3 years, final year expenditure of FJD\$800,000.
SPL 1415	8 November 2016	75,000	Licence renewed for 3 years, final year expenditure of FJD\$150,000.
SPL 1493	Pending	50,000	Licence renewal lodged with authorities. Annual expenditure is budgeted amount lodged.

### (b) Finance lease commitments

	CONSOLIDATED	
	2013	2012
	\$	\$
<b>Payable – minimum lease payments:</b>		
Payable not later than one year	<b>9,467</b>	8,607
Payable later than one year, but not later than five years	<b>13,347</b>	20,744
Minimum lease payments	<b>22,814</b>	29,351
Less future finance charge	<b>(1,562)</b>	(3,038)
Present value of minimum lease payments	<b>21,252</b>	26,313

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

## 20 COMMITMENTS (CONTINUED)

### (c) Operating lease commitments

	CONSOLIDATED	
	2013	2012
	\$	\$
Payable not later than one year	103,285	-
Payable later than one year, but not later than five years	-	-

Geopacific's wholly owned subsidiary Worldwide has a lease over office premises at Level 1 278 Stirling Highway Claremont. The lease terms expires on 31 October 2014.

## 21 PARTICULARS RELATING TO CONTROLLED ENTITIES

	Class of Share	Holding Company	
		2013	2012
		%	%
Worldwide Mining Projects Pty Ltd	Ordinary	100	-
Eastkal Pte Ltd	Ordinary	100	-
PT IAR Indonesia Ltd	Ordinary	100	-
Beta Limited	Ordinary	100	100
Royal Australia Resources Ltd	Ordinary	85	-
Geopacific Limited	Ordinary	100	100
Millennium Mining (Fiji) Limited	Ordinary	100	100

Worldwide Mining Projects Limited is a company incorporated and carrying on business in Australia.

Eastkal Pte Ltd is a company incorporated and carrying on business in Singapore.

PT IAR Indonesia is a company incorporated and carrying on business in Indonesia.

Royal Australia Resources Ltd is a company incorporated and carrying on business in Cambodia. Petrochemicals (Cambodia) Refinery Ltd holds a 15% minority interest in Royal Australia Resources Ltd.

Worldwide Mining Projects Pty Ltd and Petrochemicals (Cambodia) Refinery Ltd entered into a shareholders agreement in December 2012 to explore, develop and hold the Kou Sa project.

Petrochemicals (Cambodia) Refinery Ltd will be a free carried joint venture partner until a decision to mine on the area which is subject to the Kou Sa project is made, following which Petrochemicals (Cambodia) Refinery Ltd will:

- Be granted an option to purchase further shares in Royal Australia Resources Ltd at fair market value to increase its percentage shareholding to 20%; and
- Contribute to all costs, expenses and liabilities incurred or sustained in proportion to its shareholding interest in Royal Australia Resources Ltd.

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



## 22 KEY MANAGEMENT PERSONNEL DISCLOSURES

### (a) Directors

The names of each person holding the position of Director of Geopacific Resources Ltd during the financial year were:

S T Biggs  
C B Bass  
R S Heeks  
M T Bojanjac  
M Jerkovic  
R J Fountain  
I N A Simpson (alternate R H Probert)

### (b) Other key management personnel

All Directors are identified as key management personnel under AASB 124 "Related Party Disclosures".

The Company Secretary, JC Lewis and Exploration Manager, S Whitehead, also meet the definition of key management personnel.

### (c) Key management personnel compensation

	CONSOLIDATED	
	2013	2012
	\$	\$
Short term employee benefits	<b>599,266</b>	211,327
Post employment benefits	<b>10,883</b>	9,840
Share based payments	<b>299,319</b>	136,919
Total KMP compensation	<b>909,468</b>	358,086

Further details on the remuneration can be found in the remuneration report included in the Directors Report.

## 22 KEY MANAGEMENT PERSONNEL DISCLOSURES (CONTINUED)

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

#### (i) Option holdings

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

2013	Balance at the start of the year	Granted during the year as compensation	Other changes during the year	Lapsed during the year	Held at Resignation/ Termination	Balance at the end of the year	Vested and exercisable at the end of the year
Name							
<b>Directors of Geopacific Resources Limited</b>							
C B Bass	4,476,059	-	-	2,476,059	2,000,000	-	333,333
S T Biggs	2,798,709	-	-	2,798,709	-	-	-
R J Fountain	33,000	-	-	33,000	-	-	-
R H Probert	323,773	-	-	323,773	-	-	-
I N A Simpson	877,460	-	-	877,460	-	-	-
M Jerkovic	-	-	-	-	-	-	-
R S Heeks	-	-	-	-	-	-	-
M T Bojanjac	-	-	-	-	-	-	-
<b>Other Key management Personnel</b>							
J C Lewis	-	-	-	-	-	-	-
S Whitehead	500,000	-	-	-	-	500,000	83,333

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

2012	Balance at the start of the year	Granted during the year as compensation	Other changes during the year	Lapsed during the year	Held at Resignation/ Termination	Balance at the end of the year	Vested and exercisable at the end of the year
Name							
<b>Directors of Geopacific Resources Limited</b>							
C B Bass	-	2,000,000	2,476,059	-	-	4,476,059	-
S T Biggs	-	-	2,798,709	-	-	2,798,709	-
R J Fountain	-	-	33,000	-	-	33,000	-
R H Probert	-	-	323,773	-	-	323,773	-
I N A Simpson	500,000	-	377,460	-	-	877,460	500,000
<b>Other Key management Personnel</b>							
S Whitehead	500,000	-	-	-	-	500,000	83,333

## 22 KEY MANAGEMENT PERSONNEL DISCLOSURES (CONTINUED)

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

(ii) Share holdings

2013	Balance at the start of the year	Received during the year on the exercise of options	Acquired during the year	Held at Resignation/ Termination	Balance at the end of the year
Name					
<b>Directors of Geopacific Resources Limited</b>					
I N A Simpson	754,919	-	-	754,919	-
R J Fountain	66,000	-	100,000	-	166,000
R H Probert	647,545	-	-	647,545	-
C B Bass	4,152,117	-	4,724,690	8,876,807	-
S T Biggs	5,632,417	-	2,050,578	7,682,995	-
R S Heeks	-	-	3,523,757	-	3,523,757
M T Bojanjac	-	-	2,666,666	-	2,666,666
M Jerkovic	-	-	5,123,166	-	5,123,166
<b>Other Key management Personnel</b>					
J Lewis	-	-	2,833,442	-	2,833,442
S Whitehead	-	-	-	-	-
<b>2012</b>					
Name	Balance at the start of the year	Received during the year on the exercise of options	Other changes during the year	Held at Resignation/ Termination	Balance at the end of the year
<b>Directors of Geopacific Resources Limited</b>					
I N A Simpson	754,919	-	-	-	754,919
R J Fountain	66,000	-	-	-	66,000
R H Probert	647,545	-	-	-	647,545
C B Bass	2,815,753	-	1,336,364	-	4,152,117
S T Biggs	5,597,417	-	35,000	-	5,632,417
<b>Other Key management Personnel</b>					
S Whitehead	-	-	-	-	-

## 23 RELATED PARTY TRANSACTIONS

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

CONSOLIDATED	
2013	2012
\$	\$

### (a) Transactions with directors and associates of directors

Xavier Group Pty Ltd, a Company in which Mr Jerkovic is a Director and shareholder, is utilised to provide services in relation to Geopacific Resources Limited:

Consulting Services	124,759	-
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The Bass Group Pty Ltd, a Company in which Mr Bass is a Director and shareholder, is utilised to provide services in relation to Geopacific Resources Limited:

Office Rental	23,417	40,218
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## 24 SHARE-BASED PAYMENTS

### (a) Employee Option Plan

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

Plan options are granted under the plan for no consideration.

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

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

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

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

The assessed fair value at grant date of plan options granted to the individuals is allocated equally over the period from grant date to vesting date. Fair values at grant date are independently determined using a Black Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The weighted average fair value of the plan options granted in 2012 was 12.8 cents. The price was calculated by using the Black-Scholes option pricing model applying the following inputs:

CONSOLIDATED	
2013	2012
\$	\$

Weighted average exercise price (cents)	-	35.00
Weighted average life of the option (years)	-	3.2
Weighted average underlying share price (cents)	-	14.00
Expected share price volatility	-	75.72%
Weighted average risk free interest rate	-	2.49%

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

## 24 SHARE-BASED PAYMENTS (CONTINUED)

### (b) Services

During the year the Company issued 2,220,000 shares to Charles Bass (Ex-Director), 400,000 shares to Brett Rowe (contractor) and 300,000 shares to Endeavour Corporate (ex- company secretary) as settlement for services rendered at fair value at the date of settlement. These shares are valued at \$0.10 per share and the total value amounted to \$292,000.

### (c) Unlisted options issued

During the financial year the Company did not grant any options over unissued shares (2012 2,250,000).

During the year, no options over unissued shares were exercised (2012: Nil). During the year the following options were cancelled or lapsed unexpired (2012: Nil).

Number of Options Issued	Date of Issue	Exercise Price	Expiry Date
100,000	6 June 2008	\$1.50	8 May 2013
610,000	6 June 2008	\$0.50	1 August 2013
250,000	7 September 2012	\$0.35	30 November 2015 (i)

(i) Lapsed as they did not meet the vesting conditions.

Issue Date	Expiry Date	Exercise Price	Number on issue 1 January 2013	Lapsed during year	Number on issue 31 December 2013
18.09.2009	01.08.2013	\$0.50	610,000	(610,000)	-
08.05.2006	08.05.2013	\$1.50	100,000	(100,000)	-
30.09.2011	30.09.2014	\$0.30	500,000	-	500,000
05.04.2012	30.09.2014	\$0.30	250,000	-	250,000
05.04.2012	05.04.2015	\$0.30	2,000,000	-	2,000,000
07.09.2012	30.11.2015	\$0.35	250,000	(250,000)	-
06.06.2009	(a)	\$2.50	800,000	-	800,000
06.06.2009	(b)	\$5.00	200,000	-	200,000
			4,710,000	(960,000)	3,750,000

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

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



## 24 SHARE-BASED PAYMENTS (CONTINUED)

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

## 25 LOSS PER SHARE

### (a) Basic and diluted loss per share

	CONSOLIDATED	
	2013 Cents	2012 Cents
Basic loss attributable to the ordinary equity holders of the Company	(1.26)	(6.34)
Diluted loss attributable to the ordinary equity holders of the Company	(1.24)	(6.34)

### (b) Reconciliation of loss used in calculating loss per share

	2013 \$	2012 \$
<b>Basic and diluted loss per share</b>		
Loss attributable to the ordinary equity holders of the Company used in calculating basic and diluted loss per share	(1,364,336)	(2,672,619)

### (c) Weighted average number of shares used as the denominator

	2013 Number	2012 Number
Weighted average number of ordinary shares used as the denominator in calculating basic loss per share.	107,069,435	42,140,111
Weighted average number of dilutive options outstanding	2,750,000	-
Weighted average number of ordinary shares used as the denominator in calculating diluted loss per share.	109,819,435	42,140,111

## 26 EVENTS OCCURRING AFTER THE YEAR END

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

### Other matters

Under the terms of the original Sale Agreement for the acquisition of the Kou Sa Copper Project in Cambodia, GPR through its subsidiary Eastkal Pte Ltd acquired the right to a 12 month period of exclusivity to complete Exploration Due Diligence over the Kou Sa Copper Project extendable for a second 12 month period upon payment of US\$700,000. On 31 January 2014 the Group exercised its rights to extend its Exclusivity Period over the Kou Sa Copper Project in Cambodia and paid US\$700,000 to the vendors.

## 27 OPERATING SEGMENTS

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

For management purposes the Group is organised into two operating segments based on geographical locations, which involves mineral exploration and development in Cambodia and Fiji. All other corporate expenses are disclosed as "Others" within this segment report. The Group's principal activities are interrelated and the Group has no revenue from operations.

All significant operating decisions are based upon analysis of the Group as two segments. The financial results of these segments are equivalent to the financial statements of the Company as a whole.

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

### Revenue by geographical region

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

	2013 \$	2012 \$
Cambodia	22	-
Fiji	282,827	1,278
Others	335,294	47,716
Total Other Revenue	618,143	48,994

The Group's segment net loss before tax is as follows:

	2013 \$	2012 \$
Cambodia	(36,348)	-
Fiji	54,103	(1,049,220)
Others	(1,382,091)	(1,623,399)
Total net loss before tax	(1,364,336)	(2,672,619)

## 27 OPERATING SEGMENTS (CONTINUED)

### Assets by geographical region

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

	2013	2012
	\$	\$
Cambodia	6,136,757	-
Fiji	7,780,045	7,157,039
Others	3,307,074	817,412
Total Assets	17,223,876	7,974,451

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

	2013	2012
	\$	\$
Cambodia	240,040	-
Fiji	112,917	190,200
Others	199,948	89,498
Total Liabilities	552,905	279,698

## 28 FINANCIAL INSTRUMENTS DISCLOSURES

### Credit risk

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

### Impairment losses

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

### Liquidity risk

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

	Carrying amount \$	Contractual cash flows \$	6 months or less \$	6-12 months \$	1-2 years \$	2-5 years \$	More than 5 years \$
<b>Consolidated 2013</b>							
<b>Financial assets – cash flows realisable</b>							
Cash and cash equivalents	3,258,776	3,258,776	3,258,776	-	-	-	-
Trade and other receivables	297,940	297,940	297,940	-	-	-	-
<b>Total anticipated inflows</b>	3,556,716	3,556,716	3,556,716	-	-	-	-

## 28 FINANCIAL INSTRUMENTS DISCLOSURES (CONTINUED)

	Carrying amount \$	Contractual cash flows \$	6 months or less \$	6-12 months \$	1-2 years \$	2-5 years \$	More than 5 years \$
<b>Financial liabilities due for payment</b>							
Trade and other payables	479,056	479,056	479,056	-	-	-	-
Other financial liabilities	73,849	73,849	60,839	13,010	-	-	-
<b>Total expected outflows</b>	<b>552,905</b>	<b>552,905</b>	<b>539,895</b>	<b>13,010</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net inflow/(outflow) on financial instruments	3,003,811	3,003,811	3,016,821	(13,010)	-	-	-

	Carrying amount \$	Contractual cash flows \$	6 months or less \$	6-12 months \$	1-2 years \$	2-5 years \$	More than 5 years \$
<b>2012</b>							
<b>Financial assets – cash flows realisable</b>							
Cash and cash equivalents	696,841	696,841	696,841	-	-	-	-
Trade and other receivables	99,582	99,582	99,582	-	-	-	-
<b>Total anticipated inflows</b>	<b>796,423</b>	<b>796,423</b>	<b>796,423</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

<b>Financial liabilities due for payment</b>							
Trade and other payables	253,385	253,385	253,385	-	-	-	-
Other financial liabilities	26,313	26,313	-	6,990	19,323		
<b>Total expected outflows</b>	<b>279,698</b>	<b>279,698</b>	<b>253,385</b>	<b>6,990</b>	<b>19,323</b>		
Net inflow/(outflow) on financial instruments	516,725	516,725	543,038	(6,990)	(19,323)	-	-

The weighted average interest rate for the interest bearing liabilities is 12% (2011:6.9%).

## 28 FINANCIAL INSTRUMENTS DISCLOSURES (CONTINUED)

### Currency risk

The Group is exposed to foreign currency on expenditures that are dominated in a currency other than Australian Dollars. The currency's giving rise to this risk is primarily United States and Fiji Dollars.

### Interest rate risk

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

	CONSOLIDATED	
	2013	2012
	\$	\$
<b>Fixed rate instruments:</b>		
Financial liabilities	73,849	26,313
	73,849	26,313
<b>Variable rate instruments:</b>		
Financial assets	3,258,776	696,841
	3,258,776	696,841

### Cash flow sensitivity analysis for variable rate instruments

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

	Profit and Loss		Equity	
	100bp increase	100bp decrease	100bp increase	100bp decrease
	\$	\$	\$	\$
<b>2013</b>				
Variable rate instruments	32,588	(32,588)	32,588	(32,588)
<b>2012</b>				
Variable rate instruments	6,968	(6,968)	6,968	(6,968)

### Fair values

Fair values versus carrying amounts

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



## 29 NOTES TO THE STATEMENT OF CASH FLOWS

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

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

	CONSOLIDATED	
	2013	2012
	\$	\$
Cash at Bank	3,258,776	696,841

- (b) Non Cash Financing

	CONSOLIDATED	
	2013	2012
	\$	\$
Share based payments	292,000	148,491

- (c) Reconciliation of Cash Flows from Operating Activities

	CONSOLIDATED	
	2013	2012
	\$	\$
<b>Loss for the year</b>	<b>(1,364,336)</b>	<b>(2,672,619)</b>
<b>Non-cash items:</b>		
Depreciation	80,395	48,487
Options expense	292,000	148,491
Exploration expenditure written off	-	1,464,577
<b>Changes in Assets and Liabilities, net of the effects of purchase of subsidiaries:</b>		
Decrease in receivables	(117,978)	161,372
Increase in payables	(30,732)	214,157
<b>Net Cash used in Operating Activities</b>	<b>(1,140,651)</b>	<b>(635,535)</b>

Unless disclosed below, all the best practice recommendations of the ASX Corporate Governance Council have been applied for the entire financial year ended 31 December 2013.

## Board Composition

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

The names of independent directors of the company are:

Mark Bojanjac  
Russell J Fountain

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

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

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

The company does not have a formally constituted nomination committee.

## Ethical Standards

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

Directors and employees are required to:

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

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

## Trading Policy

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

### Background – Insider Trading:

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

- a) The person possesses information that a reasonable person would expect to have a material effect on the price of the securities if the information were generally available;
- and
- b) The person knows, or ought reasonably to know, that:
    - i. The information is not generally available; and
    - ii. If it were generally available, it might have a material effect on the price of the securities.

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

**Policy:**

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

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

2. The procedures for notification are as follows;

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

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

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

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

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

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

- a) two weeks prior to and within 24 hours after the date of the announcement to the ASX of the Company's annual or half year results;
- b) two weeks prior to and within 24 hours after the date of the announcement to the ASX of the Company's quarterly activities reports;
- c) notwithstanding a) or b), at any time while in possession of inside information.

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

## Exceptions to policy:

The following are the only exceptions to the above policy:

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

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

## Audit Committee

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

Mark Bojanjac (Chairman of Audit Committee)

Milan Jerkovic

Russell J Fountain

## Performance Evaluation

The Board did not conduct a performance evaluation of the Board and all Board members for the financial year ended 31 December 2013.

## Board Roles and Responsibilities

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

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

## Shareholder Rights

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

## Risk Management

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

## Remuneration Policies

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

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

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

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

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

## Remuneration Committee

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

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

## Diversity Policy

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

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

## Gender Diversity

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

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

The Company provides the following information regarding the proportion of females employed in the Group as at 31 December 2013:

	Proportion of females / total number of persons	Note
Females employed in the Group as a whole	2/15	
Females employed in the Company in Senior Executive Positions	0/2	1
Females appointed as a Director of the Company	0/4	

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



The shareholder information set out below was applicable as at 9 April 2013.

#### A. Distribution of equity securities – ordinary shares

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

	Class of equity security	
	Ordinary shares	
	Number	Shares
1 – 1000	55	25,356
1,001 – 5,000	171	491,345
5,001 – 10,000	67	519,946
10,001 – 100,000	177	6,835,657
100,001 and over	135	185,798,217
Total	<b>605</b>	<b>193,670,521</b>

There were 226 holders of less than a marketable parcel of 5,000 ordinary shares.

#### B. Equity security holders – ordinary shares

Twenty largest quoted equity security holders of ordinary shares.

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

	Ordinary shares	
	Number held	Percentage of issued shares
MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	62,383,365	32.211
LAGUNA BAY CAPITAL PTY LTD	9,132,417	4.715
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	7,682,995	3.967
MR MILAN JERKOVIC & MRS GLENDA JANICE JERKOVIC M J & G J J SUPER FUND A/C	6,352,942	3.280
MR JAMIE JOHN CARTER & MRS KRISTEN CARTER ←THE BROJESCA A/C→	5,500,000	2.840
IDZAN PTY LTD ←LATIN HOLDINGS FAMILY A/C→	4,764,706	2.460
SPRINGTIDE CAPITAL PTY LTD ←COCKATOO VALLEY INVEST A/C→	4,669,123	2.411
MS ANITA CUNNINGHAM	3,900,000	2.014
MR CHARLES BENNETT BASS & MRS SYLVIA CULHAM BASS ←THE METECH NO 2 S/F A/C→	3,576,364	1.847
JP MORGAN NOMINEES AUSTRALIA LIMITED ←CASH INCOME A/C→	3,280,871	1.694
MS LISA LEWIS	2,666,667	1.377
MS MELISSA NARBAY	2,666,667	1.377
BNP PARIBAS NOMS PTY LTD ←DRP→	2,626,088	1.356
QUARTZ MOUNTAIN MINING PTY LTD ←THE BASS FAMILY A/C→	2,515,753	1.299
BLT OFFSHORE PTE LTD	2,500,000	1.291
MS DENISE WORTHINGTON	2,500,000	1.291
LUJETA PTY LTD ←THE MARGARET ACCOUNT→	2,091,956	1.080
MR BRUCE GORDON MORGAN	2,017,419	1.042
BLT OFFSHORE PTE LTD	2,000,000	1.033
QUARTZ MOUNTAIN MINING PTY LTD ←THE BASS FAMILY A/C→	2,000,000	1.033
Top 20 Shareholders	134,827,333	69.62%
Other Shareholders	58,843,188	30.38%
Total Ordinary Shareholders	193,670,521	100.00%

### C. Substantial holders

Substantial holders in the Company are set out below:

#### Substantial Shareholder

(extracts from Substantial Shareholder Register)

#### Ordinary shares

	Shareholding	
	Number held	Percentage
MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	62,383,365	32.211

### D. Voting rights

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

#### (a) Fully paid Ordinary shares

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

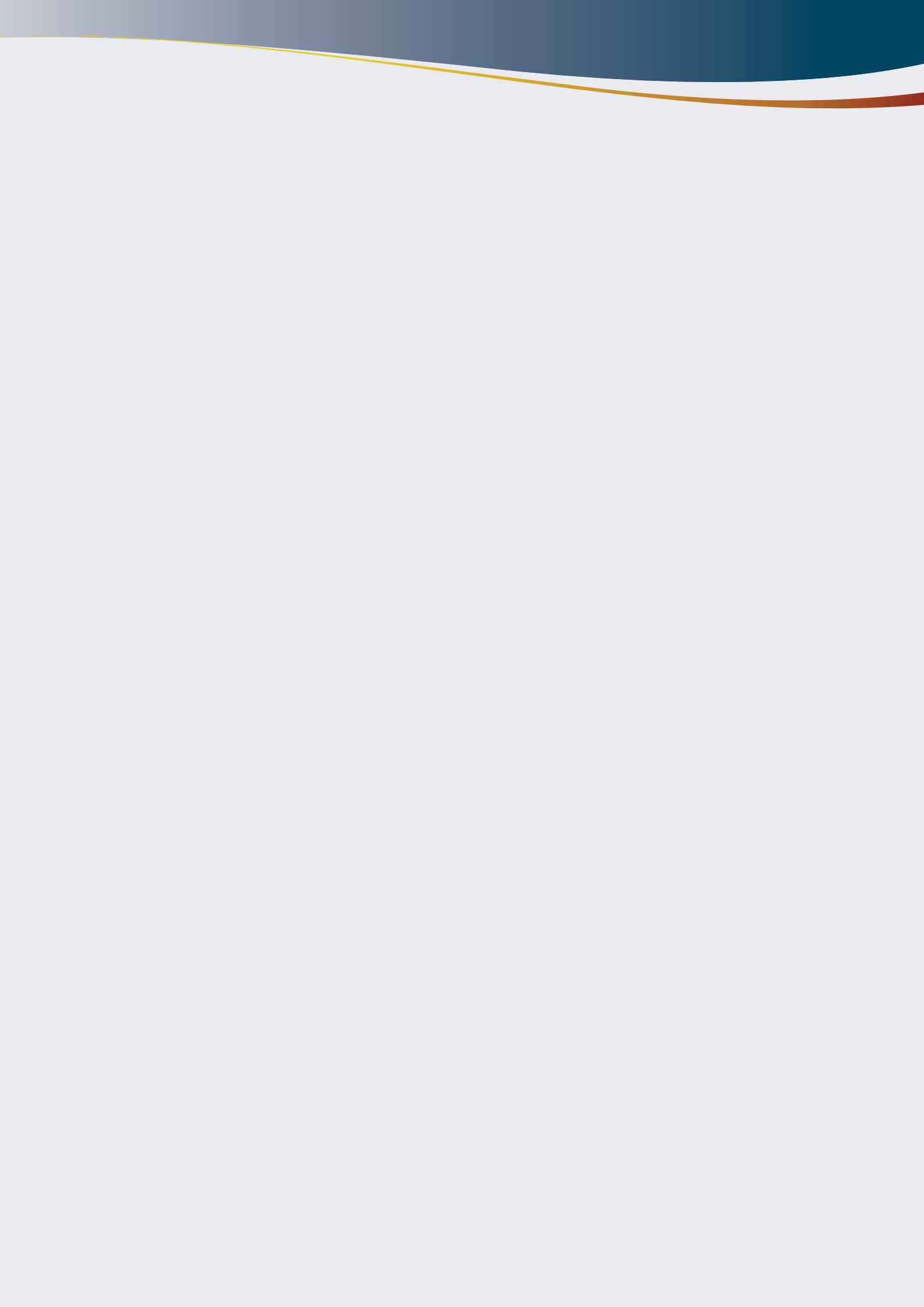
#### (b) Options – listed and unlisted

There are no voting rights attaching to options.

### E. Summary of unlisted options issued

	No of options	No of holders	Options held	% Options Issued
<b>Options expiring 30 September 2014 with an exercise price of \$0.30</b>	<b>750,000</b>	<b>2</b>		
<b>Option holders with more than 20% of class</b>				
Steven Whitehead			500,000	66.67%
Angela Maree Rowe ← The Rowe Investment Trust→			250,000	33.33%
<b>Options expiring 5 April 2015 with an exercise price of \$0.30</b>	<b>2,000,000</b>	<b>1</b>		
<b>Option holders with more than 20% of class</b>				
Quartz Mountain Mining Pty Ltd ←The Bass Family A/C→			2,000,000	100.00%
<b>Options expiring not later than five years after the defining on Faddy's Gold Deposit of a JORC compliant ore reserve of over 200,000 ounces of contained gold with an exercise price of \$2.50</b>	<b>800,000</b>	<b>5</b>		
<b>Option holders with more than 20% of class</b>				
Exploration Drilling Services (Fiji) Ltd			320,000	40.00%
L Anderson Investments Pty Ltd			220,000	27.50%
Sheila Anderson Investments Pty Ltd			180,000	22.50%
<b>Options expiring not later than ten years after the defining on Faddy's Gold Deposit of a JORC compliant ore reserve of over 1,000,000 ounces of contained gold with an exercise price of \$5.00</b>	<b>200,000</b>	<b>5</b>		
<b>Option holders with more than 20% of class</b>				
Exploration Drilling Services (Fiji) Ltd			80,000	40.00%
L Anderson Investments Pty Ltd			55,000	27.50%
Sheila Anderson Investments Pty Ltd			45,000	22.50%

Tenement	Location	Area	Status
SPL 1231 RAKI RAKI	Raki Raki NE Viti Levu	3,330 ha	Granted on 6 November 1985 to Beta. Peninsula Minerals has earned 50.0%.
50% Beta 50% Peninsula Minerals			Renewed for one year on 1 June 2012. An application for a renewal has been lodged with MRD.
SPL 1373 QALAU	Raki Raki NE Viti Levu	1,843 ha	Granted on 6 July 1995 to Beta. Peninsula Minerals has earned 50.0%.
50% Beta 50% Peninsula Minerals			Renewed for one year on 1 June 2012. An application for a renewal has been lodged with MRD.
SPL 1436 TABUKA	Raki Raki NE Viti Levu	2,500 ha	Granted on 17th March 2005 to Beta. Peninsula Minerals has 50% interest. 2008. Renewed for one year on 1 June 2012. Application for a renewal was lodged with MRD.
50% Beta 50% Peninsula Minerals			
SPL 1368 VUDA	15 km NNE of Nadi, Viti Levu	3,210 ha	Granted on 18 October 1994. Renewal for 3 years granted on 10 December 2013.
100% GPL			
SPL 1493 CAKAUDROVE	Cakaudrove 55km ENE Savusavu, Vanua Levu	41,900 ha	Granted on 31st January 2012. Application for a renewal has been lodged with MRD
100% GPL			
SPL 1361 SABETO	16 km NE of Nadi, Viti Levu	1,800ha	Granted on 6 October 1993. Renewal for 3 years was granted on 10 December 2013.
100% GPL			
SPL 1216 NABILA	20km SW Nadi, Viti Levu	2,830 ha	Granted on 1st April 1984. Renewed on 3 May 2012. An application for a renewal has been lodged with MRD.
100% MML			
SPL 1415 KAVUKAVU	28km SSW of Nadi, Viti Levu	5,400 ha	Granted on 17th March 2000. Renewal for 3 years was granted on 8 November 2013.
100% MML			





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