



# **GEOPACIFIC RESOURCES LIMITED**

**ACN 003 208 393**

## **Interim Financial Report**

**For The Half-Year Ended  
30 June 2015**

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

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**Geopacific Resources Limited  
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**Directors' Report**

The Directors present their interim financial report of Geopacific Resources Limited and its controlled entities ("Group") for the half-year ended 30 June 2015.

**Directors**

The following persons were directors of Geopacific Resources Limited and its controlled entities ("Group") at any time during the half-year and up to the date of this report:

Milan Jerkovic	(Non-Executive Chairman)
Dr Russell John Fountain	(Non-Executive Director) (Retired 18 August 2015)
Mark Trevor Bojanjac	(Non-Executive Director)
Ron Stephen Heeks	(Executive Director)

Company Secretary

John Lewis

**Review of Operations**

The net loss after income tax for the half-year was \$868,786 (30 June 2014: \$748,728).

At the end of the half-year the Group had \$882,885 (31 December 2014: \$4,165,516) in cash and at call deposits. Capitalised mineral exploration and evaluation expenditure was \$22,543,896 (31 December 2014: \$18,951,894).

*Kou Sa Project, Cambodia*

*Exploration Program*

In the first half of 2015, exploration at Geopacific's Kou Sa Project continued with Induced Polarisation (IP) geophysical surveys, surface geochemistry, and diamond and reverse core (RC) drilling. Known mineralisation at Prospects 150 and 160 was expanded with detailed IP surveys, diamond and RC drilling. IP geophysics, which have shown a high degree of correlation with mineralisation were successful in highlighting many new areas of sulphide mineralisation across the project.

*Induced Polarisation (IP) Geophysics*

IP geophysics has proven to be an effective technique for identifying new zones of sulphide mineralisation at the Kou Sa Project. Over 80% of the drill targets defined by IP geophysics resulted in mineralisation. The coverage of various IP geophysical surveys continued to expand target areas which were prioritised from soil geochemical results. The IP geophysics also identified new anomalies, most with an east-west trend.

Figure 1 (below) shows the areas of recent additions to the IP chargeability surveys for the half year. These are highlighted in colour, over a background of airborne geophysics in black and white. The continuity and orientation of the zones suggest that they are largely conjugate to the main north-west structure of the project area. The red and grey zones indicate high chargeability and are the main targets for near-term drilling.

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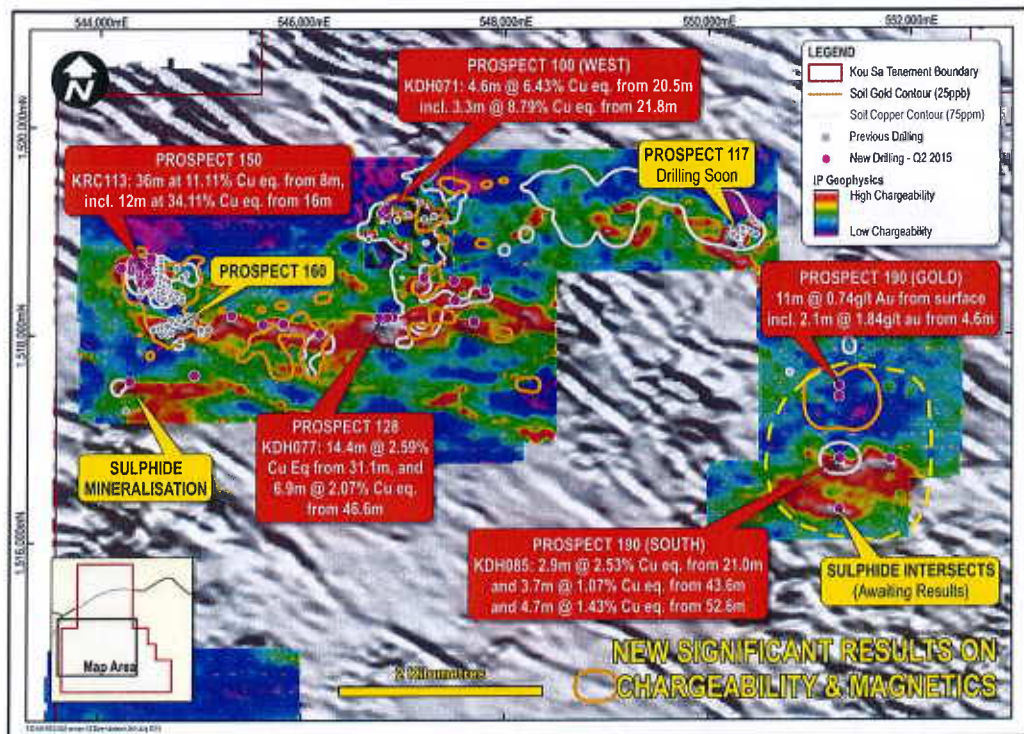


Figure 1. Kou Sa Project Prospect areas - Significant results from drilling shown over IP geophysical surveys.

Diamond drilling during the first half of 2015 focussed mainly on testing the chargeability anomalies generated from IP geophysical surveys, increasing the potential of the project. Successful targeting of drill holes resulted in many mineralised holes.

**Successful drill targeting using IP Geophysical surveys resulted in intersections of:**

**Prospect 117:**

- KDH 038: 48.25m @ 0.80% Cu eq. from surface including 5.95m @ 3.12% Cu eq.

**West of Prospect 100:**

- KDH 048: 13.6m @ 3.82% Cu eq.
- KDH 056: 7.4m @ 6.89% Cu eq. from 65.3m including 3.62m @ 11.53% Cu eq.

**Prospect 128:**

- KDH 077: 14.4m @ 2.59% Cu eq. from 31.1m and 6.9m @ 2.07% Cu eq. from 46.6m.

**Prospect 190 South:**

- KDH 085: 2.9m @ 2.53% Cu eq. from 21m and 4.7m @ 1.43% Cu eq. from 52.6m.

IP Geophysics in Figure 2 shows a high degree of correlation with the known mineralisation at Prospects 150 and 160. This correlation indicates the potential of the project, is visible in the easterly trend in the chargeability extending from Prospect 160 for at least 4kms (red and grey section across the centre of the figure). This trend has been drill tested in numerous locations, with sulphide mineralisation occurring in the majority of drill holes.



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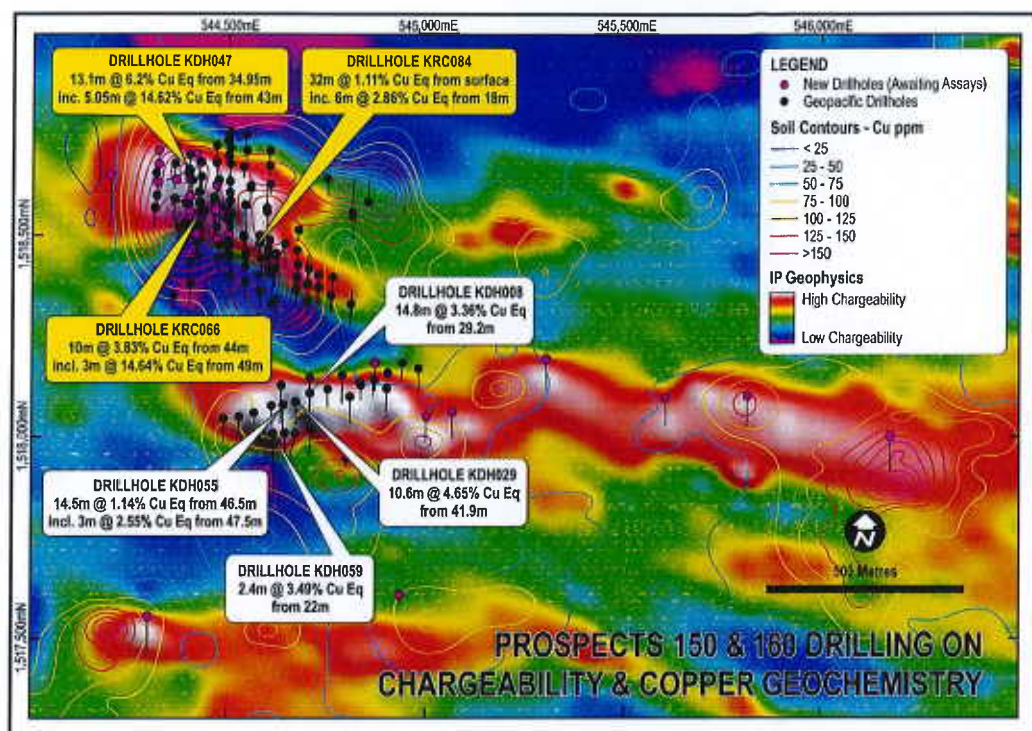


Figure 2. Prospects 150 & 160 Geochemistry contours & drill holes over IP chargeability with highlighted drill results.

Initial drill testing of a high tenor chargeability anomaly at the eastern extent of this trend, approximately 4kms East of Prospect 160, was successful in identifying significant copper sulphide mineralisation. This area is now known as Prospect 128.

#### *Prospect 128 Chargeability & Diamond Drilling*

Drilling at Prospect 128 has identified a zone of copper mineralisation, comprising massive and semi-massive sulphide within a sediment unit interpreted to be generally flat lying with a gentle dip to the southwest (Figure 3). IP data and the drilling results suggest the zone dips gently to the southwest. The IP anomaly covers an area at least 200m wide by 400m long with the mineralisation in the current drilling open in most directions.

#### *Prospect 128 results include:*

- KDH072: 7.0m at 2.88% Cu eq. from 58.1m, incl. 5.2m at 3.67% Cu eq. from 59m.
- KDH075: 4.55m at 4.32% Cu eq. from 36.25m.
- KDH077: 14.4m at 2.59% Cu eq. from 31.1m, incl. 5.0m at 5.31% Cu eq. from 40.5m.

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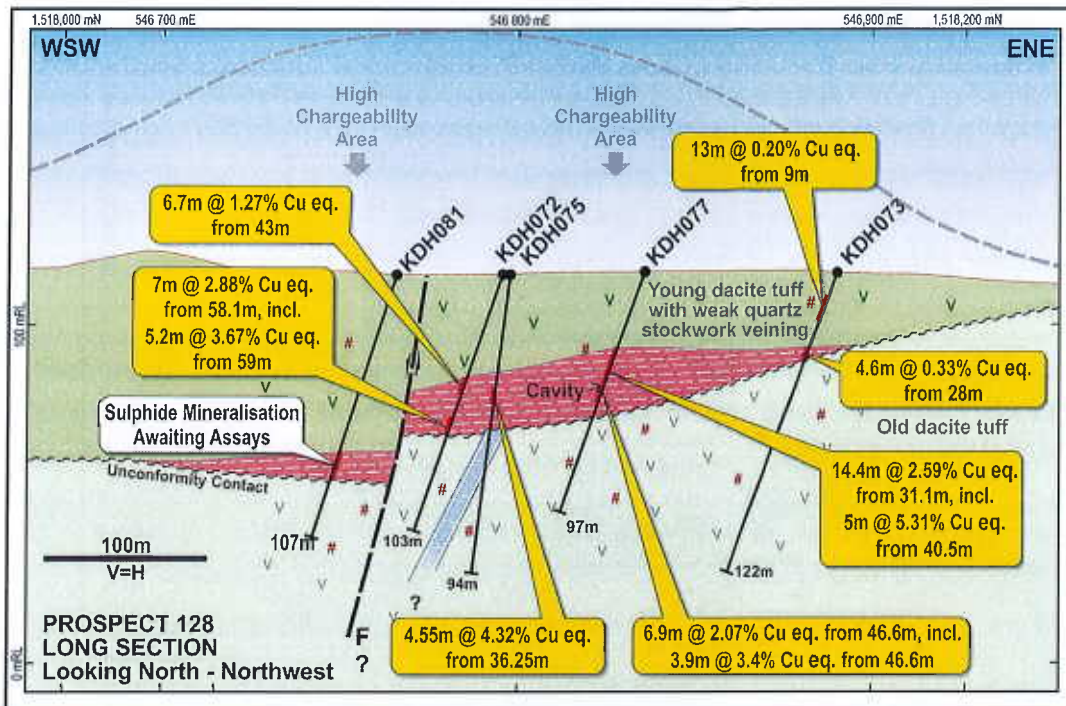


Figure 3. Prospect 128 - Long section.

**Prospect 100 Chargeability & Diamond Drilling**

Drilling of a tabular IP chargeability anomaly to the west of Prospect 100 (Figure 4) has identified another new zone of high-grade copper mineralisation. Combined with the potential of adjacent IP geophysical survey targets, this zone has the ability to significantly increase the near surface mineral inventory within 1km of Prospect 100.

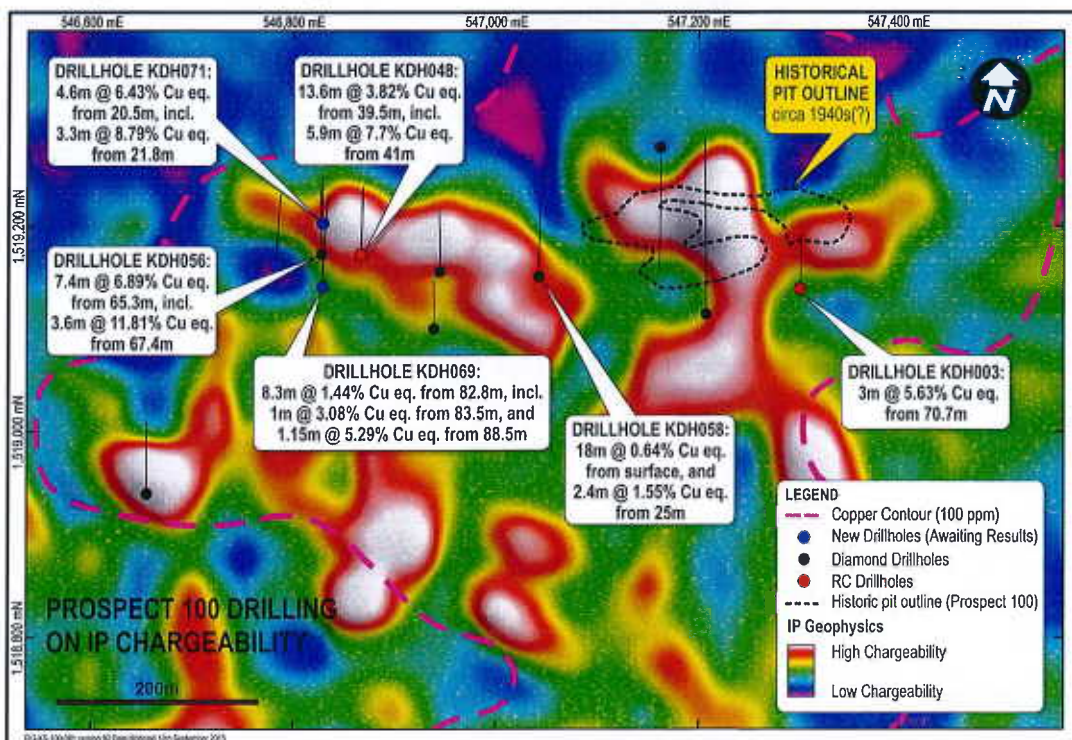


Figure 4. Prospect 100 - Current drilling over IP chargeability.



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*Prospect 100 results include:*

- KDH 048: 13.6m @ 3.82% Cu eq.
- KDH 056: 7.4m @ 6.89% Cu eq. from 65.3m including - 3.62m @ 11.53% Cu eq.
- KDH 069: 8.3m at 1.44% Cu eq. from 82.8m, incl. 1.15m at 5.29% Cu eq. from 88.5m.
- KDH 071: 4.6m at 6.43% Cu eq. from 20.5m, incl. 3.3m at 8.79% Cu eq. from 21.8m.

Further drilling is required in this area to delineate this new zone of copper mineralisation.

*Prospect 117 Chargeability & Diamond Drilling*

At Prospect 117, IP chargeability highlighted an anomaly to the south of the zone where previous drilling had been undertaken (Figure 5). This new zone was drilled with immediate success in the first hole, KDH038. It intersected a broad zone of oxide mineralisation from surface with a deeper, high-grade chalcocite zone below it. Further drilling is required in Prospect 117 to properly define the new zone of mineralisation.

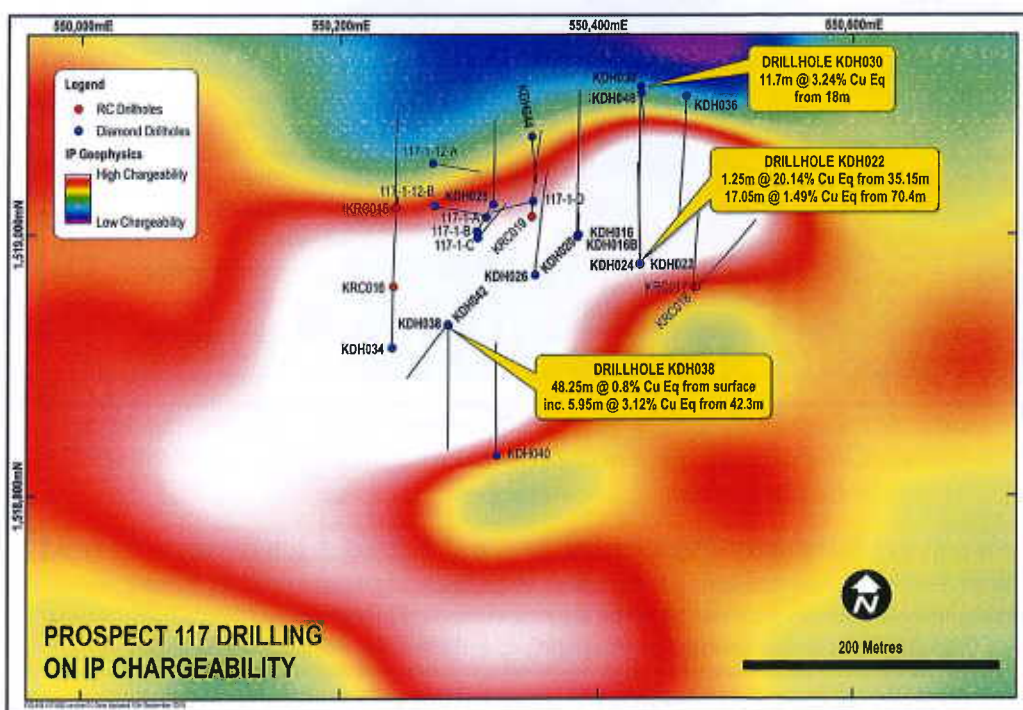


Figure 5. Prospect 117 - drilling over IP chargeability with some of the best drill results highlighted.

*Prospect 190 Chargeability & Diamond Drilling*

Drilling at Prospect 190 has resulted in the identification of two zones with initial drillholes intersecting mineralisation. Post the half-year these prospects have been named *Prospect 190 (Gold)* to the north and *Prospect 190 (South)* hosting copper and silver mineralisation.

The anomaly now known as Prospect 190 (Gold) has successfully intersected significant gold mineralisation associated with narrow pyrite veins within a strongly foliated breccia zone. Geochemistry has allowed an interpretation of the width of the zone and the strike length which suggests the potential to host a significant sulphide gold zone.

*Prospect 190 (Gold) results from the initial drill hole:*

- KDH091 – 11m at 0.74g/t gold from surface, incl. 2.1m at 1.84g/t Au from 4.6m.
- KDH091 – 9.8m at 0.74g/t Au from 21m, incl. 4m at 1.17g/t gold from 22m.

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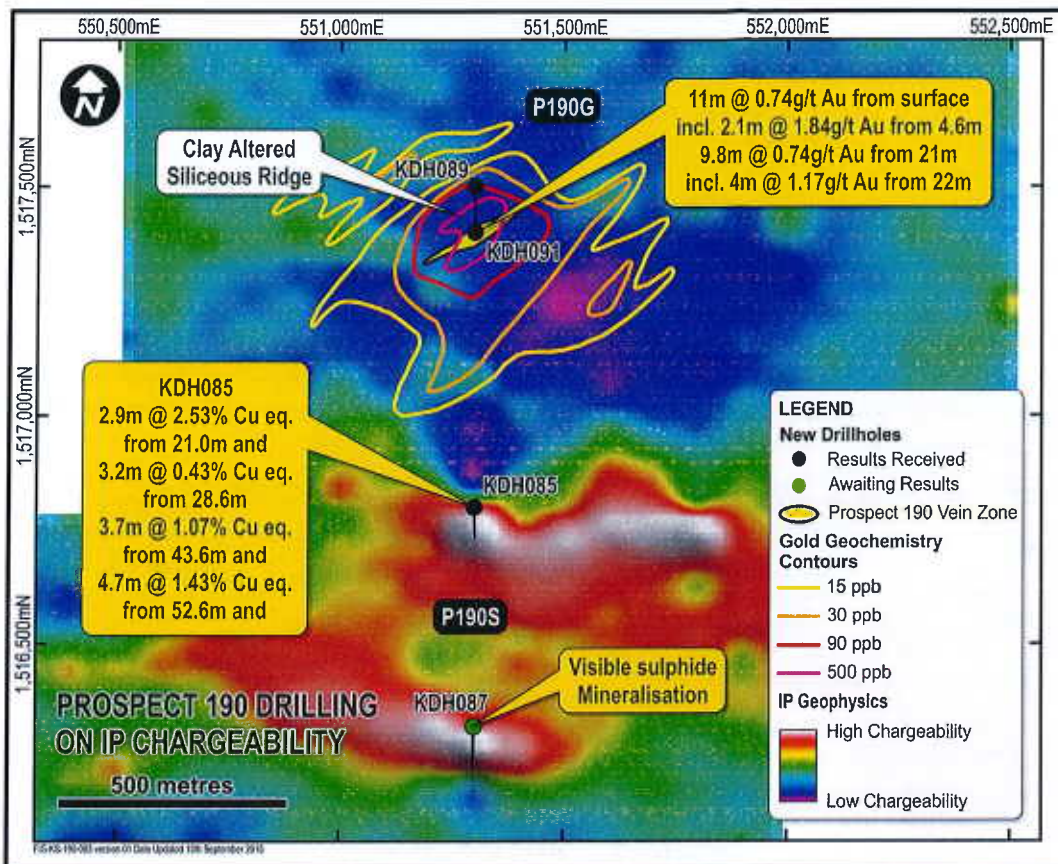


Figure 6. Prospect 190 - Plan map showing drilling on IP Geophysics. Prospect 190 (Gold) to the north hosting gold mineralisation (centre top of figure 6). Prospect 190 (South) hosting copper and silver mineralisation (centre bottom of figure 6).

Geological mapping of the Prospect 190 area identified a north-east trending, low-lying, clay-altered siliceous ridge, possibly associated with a shear zone. This ridge corresponds with a gold-in-soil geochemical anomaly that has a similar trend to the ridge (Figure 6). Immediate results confirming the presence of discrete gold mineralisation is encouraging, given the broad nature of the anomaly.

The gold mineralisation at Prospect 190 appears to be hosted in a broad silica and clay altered, steeply dipping shear zone that is orientated north-east. Typically this style of mineralisation could be expected to be continuous along strike and to depth. This is the first time that this style of gold mineralisation has been encountered at Kou Sa, most of which is associated with copper and silver and are typically orientated east-west.

Drilling of IP anomalies to the south of Prospect 190 (Gold) was successful in delineating two new zones of sulphide mineralisation. Results from the first drillhole (KDH085) show multiple zones of copper and silver mineralisation down hole (Figure 6). Post the half-year, the second drillhole also returned copper and silver mineralisation.

*Prospect 190 (South) results from the initial drillhole include:*

- KDH085: 2.9m at 2.53% Cu eq. from 21m.
- KDH085: 3.7m at 1.07% Cu eq. from 43.6m.
- KDH085: 4.7m at 1.43% Cu eq. from 52.6m.



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*Prospect 150 Infill RC Drilling*

Infill and extensional RC drilling was successful in confirming the high-grade, polymetallic nature of the mineralisation, providing greater detail on the known mineralised zones and extending previously reported mineralisation boundaries. The full 400m strike of the prospect has been drilled at a nominal 40m by 40m pattern (Figure 7).

*Prospect 150 significant results from the 4m composite sampling of the RC drilling include:*

- KRC113: 36m at 11.11% Cu eq. from 8m, incl. 12m at 34.22% Cu eq. from 16m.
- KRC116: 8m at 4.38% Cu eq. from 52m.
- KRC118: 32m at 4.09% Cu eq. from 4m, incl. 8m at 13.87% Cu eq. from 24m.
- KRC128: 36m at 2.58% Cu eq. from 12m, incl. 16m at 4.92% Cu eq. from 16m.

A deep dipole-dipole IP geophysical survey over Prospect 150 was aimed at identifying lateral and depth extensions of the current mineralisation. This survey, in conjunction with geophysical and geochemical datasets, will aid in the design of the next round of infill and extensional drilling. Future programs will extend open zones, look to confirm deeper 'feeder' mineralisation, and infill some areas down to 20m by 40m spacing – prior to a resource being calculated.

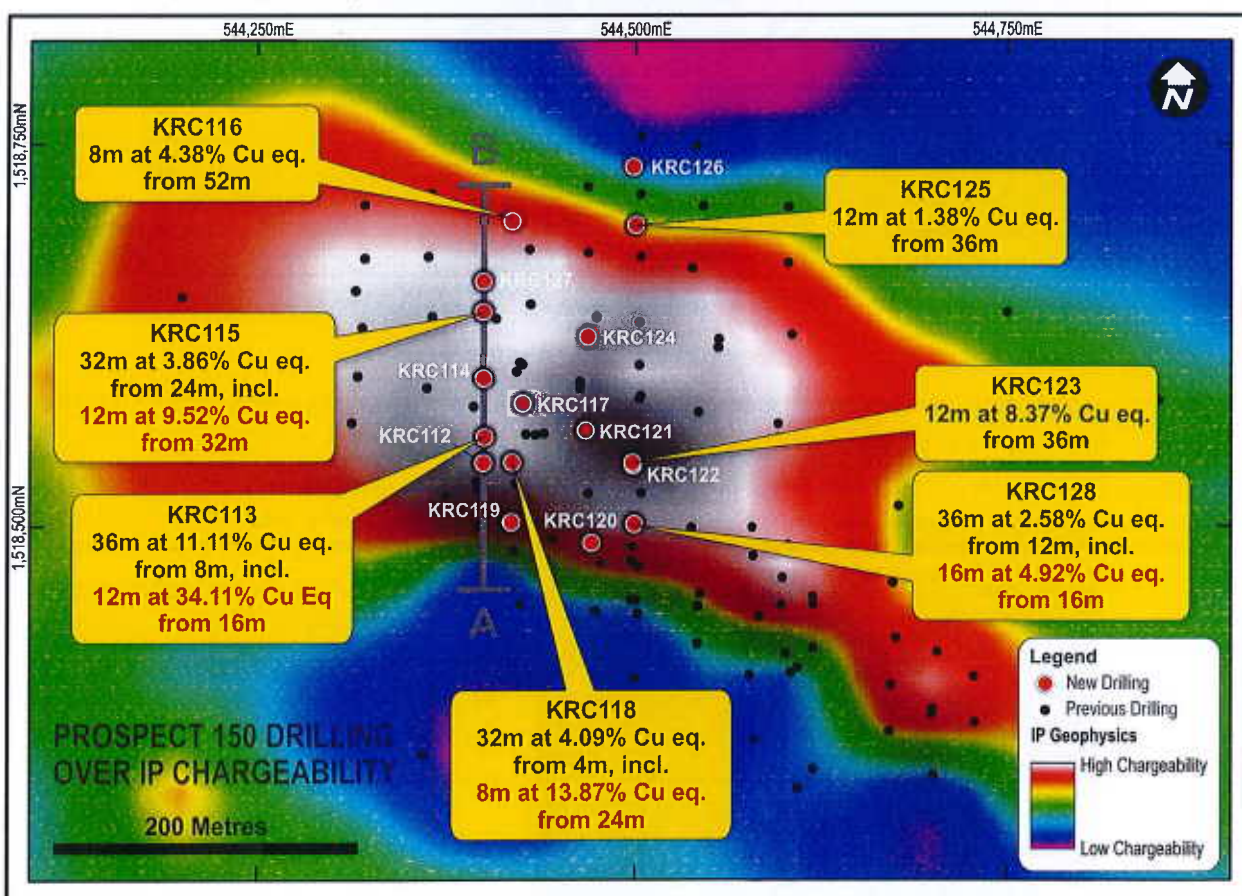


Figure 7. Prospect 150 - Plan map of RC drilling over IP chargeability.

There is potential for a feeder zone to exist below the flatter zones at Prospect 150 based on the high-grade zones intersected in some sections. The orientation of these zones is yet to be defined, deeper IP survey may assist in their delineation.

Figure 8 (below) shows the 400m East drill line through Prospect 150. This section was drilled in detail to allow for in-depth interpretation of the geology and mineralisation. The zone dips approximately 30 degrees to the north and is interpreted to plunge at the same angle to the west. There is evidence

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for several offsetting structures through the zone. These require further drill testing, in order to be better understood, before the zones can be extended further to the west and north.

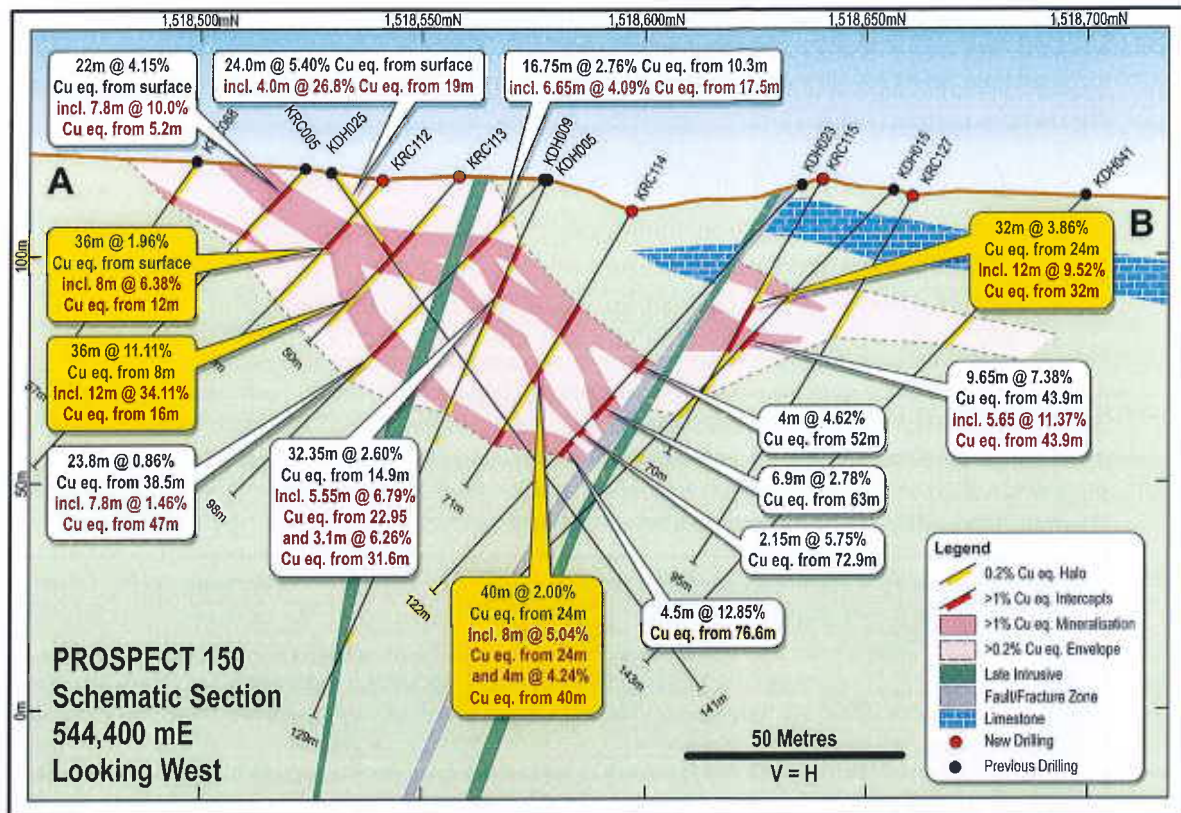


Figure 8. Prospect 150 - Section 544,400mE showing geological interpretation

#### Development Activities

Impressive initial results were received for the first flotation studies which commenced in 2014. The recoveries for copper were very good, as expected, with greater than 98% reporting to the concentrate. The gold and silver recoveries were also very high with greater than 94% of gold and



Figure 9. Metallurgical test work - chalcopyrite and telluride in froth in laboratory flotation cell

91% of silver reporting to the concentrate. Such high recoveries of gold and silver were not expected. Further work indicated that these results were due to a high percentage of the gold and silver being present as telluride minerals, which float well. The high gold and silver recoveries are a considerable bonus for the project.



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Ball mill index work indicated that the ore has a BMI of 17 which makes it easily crushed and ball/SAG milled through a conventional circuit.

The preliminary testwork has trialled several recovery options and not yet fully optimised. Further enhancement to recovery and concentrate grade is expected from further studies.

*Table 1. Metallurgical Testwork Initial results Prospect 150*

	Test 1	Test 2	Test 3	Test 4	Test 5
<b>Copper Recovery</b>	97.6%	<b>98.4%</b>	98.3%	95.8%	98.6%
<b>Gold Recovery</b>	88.2%	<b>94.1%</b>	89.7%	87.7%	90.2%
<b>Silver Recovery</b>	89.8%	<b>91.1%</b>	92.3%	89.3%	92.1%
<b>Mass Recovery</b>	24.0%	<b>22.8%</b>	21.3%	22.1%	21.3%

As part of the metallurgy, a rough costing was compiled for the construction of a 750,000 tpa concentrator processing plant. Indicative costings suggested less than AUD \$60m would be required to construct a conventional processing plant at Kou Sa.

Initial discussions have been held with CES Environmental Consultants to provide baseline environmental monitoring that can be used as the project moves toward production.

#### *Fijian Projects*

Geopacific's Fijian Projects remain of significant interest. A review of the four project areas has been initiated with a view to developing a strategy to maximise the value of these assets.

Fijian project areas:

- Nabila
- Vuda/Sabeto
- Rakiraki
- Cakaudrove

The strategy will cover exploration and development potential vs. other alternatives.

The review of the exploration potential will initially focus on the highly-prospective Nabila epithermal gold and base metal project. This project contains the Faddy's gold and base metal deposit. The review will aim to determine the potential of the Faddy's deposit as a mining project.

This will be followed by a review of the other project areas.

Vuda/Sabeto project currently has a significant alteration system with epithermal gold mineralisation (Vuda) as well as identified porphyry-related mineralisation within a large intrusive stock (Sabeto). Significant upside exists in the Vuda/Sabeto project for numerous mineralised porphyry intrusions at depth and the review will focus on determining the best course of action for further exploration work on the project.

The Rakiraki and Cakaudrove projects, while still early greenfields projects, also have significant upside for gold and copper mineralisation. The Rakiraki project is located within an interpreted intrusive centre within a NE trend that includes the Vuda/Sabeto and Tavua intrusive centres. This project contains known epithermal gold mineralisation in numerous prospects across the project with potential for a deeper source for the mineralisation at surface. The Cakaudrove project also has



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known epithermal mineralisation and has been relatively underexplored by previous explorers leaving large areas of prospective land untouched by modern exploration techniques. The review will look at the data collected to date and determine the upside potential of the two project areas feeding into an exploration program.

**Principal Risks and Uncertainties**

Because of the international scope of the Group's operations and the industries in which it is engaged, there are a number of risk factors and uncertainties which could have an effect on the Group's results and operations. Material risks that could impact on the Group's performance include:

Fluctuations in commodity prices and impacts of ongoing global economic volatility may negatively affect our results, including cash flows and asset values	The commercial counterparties we transact with may not meet their obligations, which may negatively impact our results
	Cost pressures and reduced productivity could negatively impact our operating margins and expansion plans
Our financial results may be negatively affected by currency exchange rate fluctuations	Cost pressures and reduced productivity could negatively impact our operating margins and expansion plans
Reduction in demand to Commodities may negatively impact our results	Unexpected natural and operational catastrophes may adversely impact our operations
Actions by governments or political events in the countries in which we operate could have a negative impact on our business	Our non-operated assets may not comply with our standards
Failure to discover or acquire new resources, maintain reserves or develop new operations could negatively affect our future results and financial condition	Breaches in our information technology security processes may adversely impact our business activities
Potential changes to our portfolio of assets through acquisition and divestments or demerger may have a material adverse effect on our future results and financial condition	Safety, health, environmental and community impacts, incidents or accidents and related regulations may adversely affect our people, operations and reputation or licence to operate
Increased costs and schedule delays may adversely affect our development projects	Climate change may impact the value of our Company, and our operations and markets
If our liquidity and cash flow deteriorate significantly it could adversely affect our ability to fund our major capital programs	A breach of our governance processes may lead to regulatory penalties and loss of reputation
We may not recover our investments in mining, assets, which may require financial write-downs	

**Significant Changes in the State of Affairs**

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

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**Directors' Report**

**Events occurring after the balance sheet date**

On 3 July 2015 the Company finalised a Placement raising \$9.0 million with two specialised resource fund groups, Resource Capital Fund VI L P ("RCF") and Tembo Capital Mining Fund LP ("Tembo"). As a result of the placement the Company issued 150,000,000 fully paid ordinary shares at \$0.06 per share.

In conjunction with the Placement, the company undertook a fully underwritten non renounceable Rights Issue. The offer to eligible shareholders was for 10 new shares for every 21 shares held at the record date at a price of \$0.055 per share to raise approximately AUD\$14.0 million. The Rights issue was finalised with the issue of 255,734,490 new shares to subscribers under the rights issue.

On 31 July 2015 Geopacific's subsidiary Royal Australia Resources Ltd made the second payment in the amount of US\$3.15M to the vendors of the Kou Sa project pursuant to the payment schedule in the Acquisition Agreement.

Other than the matters referred to above the directors are not aware of any significant events since the end of the interim period.

**Auditor's Independence Declaration**

A copy of the Auditor's Independence Declaration as required under Section 307C of the Corporations Act is set out on page 14.

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

DATED at Perth this 11<sup>th</sup> day of September 2015



**Ron Heeks**  
**Executive Director**

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Auditor's Independence Declaration



25 Outram St PO Box 709 08 9425 4500 08 9421 5645  
West Perth West Perth somescooke.com.au  
WA 6005 WA 6872 info@somescooke.com.au

Auditor's Independence Declaration

To those charged with the governance of Geopacific Resources Limited

As auditor for the review of Geopacific Resources Limited for the half-year ended 30 June 2015, I declare that, to the best of my knowledge and belief, there have been:

- i) no contraventions of the independence requirements of the *Corporations Act 2001* in relation to the review; and
- ii) no contraventions of any applicable code of professional conduct in relation to the review.

Somes Cooke

SOMES COOKE

Nicholas Hollens

NICHOLAS HOLLENS

Partner

Perth

11 September 2015



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**Consolidated Statement of Profit or Loss and Other Comprehensive Income  
For the half-year ended 30 June 2015**

	Half year ended 30 June 2015 \$	Half year ended 30 June 2014 \$
Interest income	27,909	1,010
Other income	17,040	27,569
<b>Total revenue</b>	<b>44,949</b>	28,579
Administration expenses	(127,233)	(122,568)
Consultants expenses	(248,280)	(79,196)
Depreciation expenses	(38,238)	(41,926)
Employee expenses	(510,491)	(339,398)
Occupancy expenses	(78,165)	(97,663)
<b>Loss before income tax</b>	<b>(957,467)</b>	(652,172)
Income tax expense	-	-
<b>Net loss for the half-year</b>	<b>(957,467)</b>	(652,172)
<b>Other comprehensive Income(loss) – items that may be reclassified to the profit and loss</b>		
Exchange differences on translating foreign controlled entities	88,681	(96,556)
<b>Total comprehensive income for the half-year</b>	<b>(868,786)</b>	(748,728)
<b>Loss per share</b>		
Basic and diluted loss per share (cents)	(0.23)	(0.34)

The above Statement of Profit or Loss and Other Comprehensive Income should be read in  
conjunction with the accompanying notes.

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**Consolidated Statement of Financial Position  
As at 30 June 2015**

	Note	30 June 2015	31 December 2014
		\$	\$
<b>Current assets</b>			
Cash and cash equivalents		882,885	4,165,516
Trade and other receivables		345,084	290,482
<b>Total current assets</b>		<b>1,227,969</b>	<b>4,455,998</b>
<b>Non-current assets</b>			
Exploration expenditure	3	22,543,896	18,951,894
Property, plant and equipment		167,766	209,681
Prepayments	4	1,815,449	-
<b>Total non-current assets</b>		<b>24,527,111</b>	<b>19,161,575</b>
<b>Total assets</b>		<b>25,755,080</b>	<b>23,617,573</b>
<b>Current liabilities</b>			
Trade and other payables		755,407	762,230
Provisions		13,164	63,635
Financial Liabilities		17,109	13,391
<b>Total current liabilities</b>		<b>785,680</b>	<b>839,256</b>
<b>Total liabilities</b>		<b>785,680</b>	<b>839,256</b>
<b>Net assets</b>		<b>24,969,400</b>	<b>22,778,317</b>
<b>Equity</b>			
Issued capital	5	37,582,078	34,686,214
Reserves		384,832	401,522
Accumulated losses		(12,997,510)	(12,309,419)
<b>Total equity</b>		<b>24,969,400</b>	<b>22,778,317</b>

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

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**Consolidated Statement of Changes in Equity  
For the half-year ended 30 June 2015**

	Note	Issued capital \$	Share based payments reserve \$	Foreign currency translation reserve \$	Accumulated Losses \$	Total \$
<b>Balance at 1 January 2015</b>		<b>34,686,214</b>	<b>602,469</b>	<b>(200,947)</b>	<b>(12,309,419)</b>	<b>22,778,317</b>
Comprehensive loss for the half-year		-	-	88,681	(957,467)	(868,786)
<b>Transactions with owners in their capacity as owners</b>						
Shares issued during the half-year (net of cost)	5	2,895,864	-	-	-	2,895,864
Performance Rights Vested		-	164,005	-	-	164,005
Options expired		-	(269,376)	-	269,376	-
<b>Balance at 30 June 2015</b>		<b>37,582,078</b>	<b>497,098</b>	<b>(112,266)</b>	<b>(12,997,510)</b>	<b>24,969,400</b>
<b>Balance at 1 January 2014</b>		<b>27,302,823</b>	<b>389,811</b>	<b>(348,274)</b>	<b>(10,673,390)</b>	<b>16,670,970</b>
Comprehensive loss for the half-year		-	-	(96,556)	(652,172)	(748,728)
<b>Transactions with owners in their capacity as owners</b>						
Shares issued during the half-year (net of cost)	5	56,000	-	-	-	56,000
<b>Balance at 30 June 2014</b>		<b>27,358,823</b>	<b>389,811</b>	<b>(444,830)</b>	<b>(11,325,562)</b>	<b>15,978,242</b>

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



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**Consolidated Statement of Cash Flows  
For the half-year ended 30 June 2015**

	30 June 2015 \$	30 June 2014 \$
<b>Cash flows from operating activities</b>		
Receipts from other income	17,040	96,721
Interest received	27,909	1,010
Payments to suppliers and employees	(911,734)	(816,007)
Payments for exploration	(5,407,452)	(2,044,748)
<b>Net cash used in operating activities</b>	<b>(6,274,237)</b>	<b>(2,763,024)</b>
 <b>Cash flows from investing activities</b>		
Payments for plant and equipment	(9,959)	(12,683)
<b>Net cash used in investing activities</b>	<b>(9,959)</b>	<b>(12,683)</b>
 <b>Cash flows from financing activities</b>		
Proceeds from shares issued	3,000,000	3,402
Shares issue costs	(104,136)	-
Proceeds from borrowings	26,572	20,886
<b>Net cash provided by financing activities</b>	<b>2,922,436</b>	<b>24,288</b>
 <b>Net decrease in cash and cash equivalents held</b>	<b>(3,361,760)</b>	<b>(2,751,419)</b>
<b>Effect of exchange rates on cash held in foreign currencies</b>	<b>79,129</b>	<b>(151,322)</b>
<b>Cash and cash equivalents at the beginning of the half-year</b>	<b>4,165,516</b>	<b>3,258,776</b>
 <b>Cash and cash equivalents at the end of the half-year</b>	<b>882,885</b>	<b>356,035</b>

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

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**Notes to the Interim Financial Statements  
For the half-year ended 30 June 2015**

**Note 1 Basis of preparation of half-year report**

This general purpose financial report for the interim half-year reporting period ended 30 June 2015 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting*, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

This interim financial report does not include all the disclosure and notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 December 2014 and any public announcements made by Geopacific Resources Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

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

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

*Going concern basis for preparation of financial statements*

During the half-year period the Group incurred a net loss of \$957,467 and net operating cash outflows of \$6,274,237.

The financial statements have been prepared on the going concern basis which contemplates the continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

Subsequent to the end of reporting period, the Group completed a placement to two specialised resource funds of 150,000,000 shares at \$0.06 per share to raise \$9.0 million. In conjunction with the placement, the Company completed a fully underwritten non renounceable rights issue at \$0.055 per share to raise approximately \$14.0 million.

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

*Adoption of new and revised accounting standards*

In the half year ended 30 June 2015, the Group has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on 1 January 2015. It has been determined by the Group that there is no impact, material or otherwise, of the new and revised standards and interpretations on its business and therefore no change is necessary to Group accounting policies.

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

The Group has also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 30 June 2015. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change is necessary to Group accounting policies

*Critical Accounting Estimates and Significant Judgements used in Applying Accounting Policies*

The critical estimates and judgements are consistent with those applied and disclosed in the 31 December 2014 Annual Report.

The consolidated interim financial statements were approved by the Board of Directors on 8<sup>th</sup> September 2015.

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

**Notes to the Interim Financial Statements  
For the half-year ended 30 June 2015**

**Note 2 Segment information**

The consolidated entity is organised into one operating segment being exploration operations. This operating segment is based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ("CODM")) in assessing performance and in determining the allocation of resources.

The CODM review EBITDA (earnings before interest, tax, depreciation and amortisation). The accounting policies adopted for internal reporting to the CODM are consistent with those used in the financial statements. The information reported is on at least a monthly basis.

The principle products and services of this operating segment are the exploration operations carried on in Australia, Cambodia and Fiji. The following table presents revenue and loss in relation to geographical segments for the half year period and full year.

	Australia	Fiji	Cambodia	Total
	\$	\$	\$	\$
<b>30 June 2015</b>				
Other Revenue	44,949	-	-	44,949
Net Loss for the half-year	(827,426)	(63,938)	(66,103)	(957,467)
Segment Assets	1,333,402	7,528,318	16,893,360	25,755,080
<b>30 June 2014</b>				
Other Revenue	28,579	-	-	28,579
Net Loss for the half-year	(562,602)	(46,504)	(43,066)	(652,172)
Segment Assets as at 31 December 2014	618,466	7,621,593	15,377,514	23,617,573

Consolidated	
30 JUNE 2015	31 DECEMBER 2014
\$	\$

**Note 3 EXPLORATION EXPENDITURE**

**Non-Current**

<b>Capitalised exploration expenditure carried forward</b>	<b>22,543,896</b>	18,951,894
<b>Movement during half-year</b>		
Carrying value – beginning of half-year	18,951,894	
Additions	3,592,002	
Carrying value – end of half-year	22,543,896	

During the half-year the Company did not expense any previously capitalized exploration expenditure.



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

**Notes to the Interim Financial Statements  
For the half-year ended 30 June 2015**

**Note 4 Prepayments**

In January 2015 the Company's subsidiary Royal Australia Resources Ltd entered into an agreement to acquire 100% of the Issued Capital of Golden Resource Development Co Ltd for principle payments of \$US14.0 million plus interest payments of US\$1,275,750. Under the terms of the agreement payments of principle and interest will be made over time until 31 July 2016. The First payment of US\$1.4 million was made on 31 January 2015. The second principle payment of US\$3,150,000 was due and was paid on 31 July 2015.

**Note 5 Issued capital – Ordinary fully paid shares**

	<b>30 June 2015 No.</b>	<b>30 June 2014 No.</b>	<b>30 June 2015 \$</b>	<b>30 June 2014 \$</b>
Balance at the start of the half-year	<b>334,410,847</b>	193,670,521	<b>34,686,214</b>	27,302,822
Rights Issue February 2015	<b>52,631,579</b>	-	<b>3,000,000</b>	-
Shares issued on conversion of Convertible Notes	-	1,120,000	-	56,000
Share issue costs	-	-	<b>(104,136)</b>	(460,801)
Balance at the end of the half-year	<b>387,042,426</b>	194,790,521	<b>37,582,078</b>	27,358,823

**Note 6 Contingent Liabilities**

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

**Note 7 Events occurring after the balance sheet date**

On 3 July 2015 the Company finalised a Placement raising \$9.0 million with two specialised resource fund groups, Resource Capital Fund VI L P ("RCF") and Tembo Capital Mining Fund LP ("Tembo"). As a result of the placement the Company issued 150,000,000 fully paid ordinary shares at \$0.06 per share.

In conjunction with the Placement, the company undertook a fully underwritten non renounceable Rights Issue. The offer to eligible shareholders was for 10 new shares for every 21 shares held at the record date at a price of \$0.055 per share to raise approximately AUD\$14.0 million. The Rights issue was finalised on the issue of 255,734,490 new shares to subscribers under the rights issue.

On 31 July 2015 Geopacifics subsidiary Royal Australia Resources Ltd made the second payment in the amount of US\$3.15M to the vendors of the Kou Sa project pursuant to the payment schedule in the Acquisition Agreement.

Other than the matters referred to above the directors are not aware of any significant events since the end of the half-year.

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

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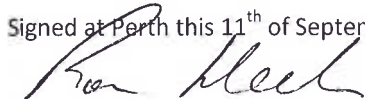
**Directors' Declaration**

The Directors of Geopacific Resources Ltd declare that:

- (a) the interim financial statements and notes set out on pages 15 to 21 are in accordance with the Corporations Act 2001, including:
  - (i) complying with Australian Accounting Standard AASB134 – *Interim Financial Reporting*, and the Corporations Regulations; and
  - (ii) give a true and fair view of the financial position as at 30 June 2015 and of its performance for the half-year ended on that date of the consolidated entity.
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

Signed at Perth this 11<sup>th</sup> of September 2015



**Ron Heeks**  
**Executive Director**

## Independent Auditor's Review Report

To the members of Geopacific Resources Limited

### Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Geopacific Resources Limited, which comprises the consolidated statement of financial position as at 30 June 2015, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

### Directors' Responsibility for the Half-Year Financial Report

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

### Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the company's financial position as at 30 June 2015 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Geopacific Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

### Independence

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

**Conclusion**

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

- (a) giving a true and fair view of Geopacific Resources Limited's financial position as at 30 June 2015 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting and Corporations Regulations 2001*.

Somes Cooke

**SOMES COOKE**

Nicholas Hollens

**NICHOLAS HOLLENS**

11 September 2015  
Perth  
Western Australia