GEOPACIFIC RESOURCES LIMITED

ACN 003 208 393
and controlled entities

ASX code: GPR

Financial Statements

for the year ended 31 December 2017

CONTENTS

CORPORATE DIRECTORY

Geopacific Resources Limited	Public listed Company (ASX Code: GPR) incorporated in New South Wales in 1986		
Australian Business Number (ABN)	57 003 208 393		
Directors & Secretaries in Office	Milan Jerkovic - Non-Executive Chairman Ron Heeks - Managing Director Philippa Leggat - Executive Director – Corporate Mark Bojanjac - Non-Executive Director Ian Clyne - Non-Executive Director Matthew Smith - Company Secretary		
Registered Office	Level 1 278 Stirling Highway Claremont WA 6010	**Postal Address**	PO Box 439 Claremont WA 6910
Auditor	Greenwich & Co Audit Pty Ltd Level 2, 35 Outram Street West Perth WA 6005	**Banker**	ANZ Banking Group Ltd Corner of Hay Street & Outram Street West Perth WA 6005
Share Registry	Boardroom Pty Ltd Grosvenor Place Level 12, 225 George Street Sydney NSW 2000	**Stock Exchange**	ASX Limited Level 4, Central Park 152-158 St Georges Terrace Perth WA 6000 ASX Code: GPR
Fiji Operations Office	1 Cawa Street Martintar Nadi Fiji Tel: 679 6 727150 Fax: 679 6 727152 PO Box 9975 Nadi Airport Fiji		

REVIEW OF OPERATIONS

EXPLORATION & DEVELOPMENT ACTIVITIES

Woodlark Island, Papua New Guinea

The 2017 Financial Year was a period of significant development for Geopacific, with development activities on Woodlark Island taking centre stage as Geopacific moves towards producer status.

Geopacific has focused on delivering the Woodlark gold project (Woodlark) by delivering a Pre-Feasibility Study (PFS) on the Kulumadau, Busai and Woodlark King gold deposits. The PFS was released after the reporting period and supports the development of a profitable, long-life mining operation. The Project benefits from favourable logistics and topography, being located on the coast and well supported by regional shipping and airlines. Flat topography and supportive social environment present strong positives to operating on Woodlark.

Significant development activities undertaken at Woodlark over the reporting period include:

- Over 30,000 meters of diamond and RC drilling;
- Full geological review and interpretation;
- Pre-Geopacific drillholes re-logged and integrated into geological model and database;
- QA/QC updated to JORC 2012 standard;
- Updated geotechnical drilling and review;
- Independent metallurgical and process design review;
- Independent processing and mining cost preparation on a ‘first principles’ basis;
- Independent engineering review;
- Variability and optimisation metallurgical test work;
- Review of environmental studies;
- Review and optimisation of key site infrastructure;
- Resource and reserve calculations utilising independent consultants;
- Independent consultant engaged to conduct DFS;
- Established working relationships with key project stakeholders.

Kou Sa project, Cambodia

Exploration at the Kou Sa Project, located in northern Cambodia’s Chepp district continued over the reporting period, focusing on delineating and testing additional resource targets. Geopacific’s activities resulted in a limited drilling program to test targets at the 181 and 118 Prospects.

Highlights of exploration activities this financial year include:

- Completion of extensive soil geochemical sampling and geological mapping over the Kou Sa tenement;
- Trenching of anomalous geochemical signatures;
- Drill testing anomalous geochemistry in trenching at Prospects 181 and 118;
- Assessment of Kampot and Kou Sa West extension areas.

Fijian gold and copper project, Fiji

Geopacific is the largest licence holder in Fiji, with five projects located on the two main islands of Viti Levu and Vanua Levu.

Exploration to date has provided evidence for porphyry and/or epithermal systems at all projects. There remains potential to expand the already identified gold mineralisation at Faddy's prospect at the Nabila project, which is the most advanced of the Fijian projects.

Highlights for the year include:

- Completion of deep IP survey lines across the Vuda and Sabeto licence areas;
- Definition of strong IP conductors consistent with the presence of a buried porphyry intrusion;
- Good correlation to strong gold and copper mineralisation identified in surface sampling and earlier shallow drilling;
- Mineralisation and IP anomalies only 6km from Lion One Metals' Tuvatu underground gold development;
- Renewal of the Vuda, Sabeto, Nabila and Kavukavu licences.

CORPORATE

All resolutions voted on at the AGM passed

Geopacific held its annual general meeting on 24 May 2017. All resolutions passed. The ordinary resolutions included adoption of the remuneration report, re-election of Non-Executive Director Ian Clyne and re-election of Executive Director Philippa Leggat. Special resolutions included appointment of auditor to fill a vacancy and approval of a 10% placement facility.

Woodlark gold project joint venture transaction and Kula Gold Limited takeover

In January 2017, Geopacific and Kula Gold Limited (Kula) announced the completion of the earn-in agreements for Geopacific to acquire up to 80% of the Woodlark gold project (Woodlark).

On 1 May 2017, Geopacific made an off-market takeover bid to acquire all of the ordinary shares of Kula and released the Replacement Bidder's Statement detailing the Offer on 19 May 2017. The takeover offer for Kula closed on 13 October 2017, at which time Kula became an 85% controlled subsidiary of Geopacific and is now consolidated into Geopacific's accounts. Three Geopacific representatives were appointed as Non-Executive directors to a five-member Kula board. Appointments included Geopacific Non-Executive Director, Mark Bojanjac as Chairman; executive director corporate, Philippa Leggat and Geopacific's CFO and Company Secretary, Matthew Smith.

At the end of the period Geopacific's effective entitlement to Woodlark was 86%, including a direct interest of 5% and 85% holding in Kula. This interest can increase up to 96% through the joint venture.

In December 2017, Geopacific provided a Loan Facility to Kula Gold Limited. The $500,000 facility will provide Kula with working capital via a monthly drawdown for the next 12 months and can be converted to equity at Geopacific's election.

Oversubscribed capital raising – $10.5m

On 1 September 2017, Geopacific announced the successful completion of a placement to sophisticated shareholders to raise $10.5 million. The placement, made under the Company's 15% placement capacity, was well supported by existing and new specialist resource sector and generalist Australian institutional investors.

The placement was followed by a Share Placement Plan, offered to all eligible shareholders.

Pre-Feasibility Study, resource and reserve estimates

Geopacific inherited over $150 million in historic spend on Woodlark, which included a wealth of drilling data from over 275,000 meters of drilling. Geopacific's team followed a rigorous process to undertake an extensive work program to advance the project. The program included reassessment of historical data, infill drilling, pit optimisation/scheduling, additional metallurgy, geotechnical & hydrology studies to review, validate, re-interpret and add to existing data. This work substantially increased the confidence surrounding in geological data and existing resources and included over 30,000 metres of new resource drilling at both the Busai and Kulumadau deposits.

The compilation of this body of work was targeted for completion in Q1 2018 with the delivery of a Pre-Feasibility Study (PFS), including resource and reserve estimates. The PFS was successfully released post-reporting-period in March 2018 and shows that Woodlark is a robust open-pit operation able to deliver an average of 100,000 ounces of gold per year for a 10-year mine life.

FINANCIAL REVIEW

	2013 $	2014 $	2015 $	2016 $	2017 $
Net Profit/(Loss) After Tax	(1,364,336)	(1,636,029)	(2,000,637)	(4,144,977)	**(3,211,185)**
Earnings / (Loss) Per Share (Cents)	(1.26)	(0.67)	(0.25)	(0.45)	**(0.23)**
Cash and Cash Equivalents	3,258,776	4,165,516	12,589,002	11,469,015	**6,765,343**
Exploration Expenditure	1,486,557	5,529,505	15,787,417	12,140,869	**23,540,334**
Total Assets	17,223,875	23,617,573	48,233,948	60,714,745	**77,112,639**
Net Assets	16,670,970	22,778,317	47,143,679	57,912,542	**74,349,987**

The Group recorded a net loss after tax for the year ended 31 December 2017 of $3,211,185 (2016: $4,144,977). The decrease over the 2016 financial year mainly relates to a decrease in the tax expense on the recognition of deferred tax liabilities associated with exploration and evaluation expenditure.

At 31 December 2017, the Group's total assets were $77,112,639 (2016: $60,714,745) and net assets were $74,349,987 (2016: $57,912,542). Continued investment in exploration across the Group's tenement holdings and the acquisition of the Woodlark Gold Project were the primary drivers of the increase in Total Assets for the period, with additions of $23,540,334 (2016: $12,140,869 including prepayments) in exploration and evaluation activities.

At reporting date, the Group's Total Liabilities were $2,762,652 (2016: $2,802,203) which represents a $39,551 decrease during the reporting period.

MINERAL RESOURCES

Kou Sa Project Mineral Resource – Prospects 150 & 160

As at 31 December 2017 the total Mineral Resource for the Kou Sa Project was 3.84 million tonnes at 0.77% Cu, 0.66g/t Au and 5.27g/t Ag for 51.2k tonnes of Cu equivalent. The Mineral Resource for Prospects 150 and 160 at the Kou Sa Project estimated at 0.4% CuEq lower cut-off are detailed in the table below:

Category	Mt	Cu %	Au g/t	Ag g/t	CuEq %	Cu kt	Au koz	Ag koz	CuEq kt
Indicated	3.49	0.78	0.71	5.37	1.38	27.1	79.2	602	48.1
Inferred	0.35	0.70	0.20	4.30	0.90	2.30	2.7	48	3.1
Total	**3.84**	**0.77**	**0.66**	**5.27**	**1.33**	**29.5**	**81.8**	**651**	**51.2**

There was no change to the Mineral Resources reported at 31 December 2016 for comparison.

Competent Persons Statement

The information in this report that relates to the Mineral Resource estimates is based on information compiled by Jonathon Abbott, a Competent Person who is a Member of the Australian Institute of Geoscientists. Jonathon Abbott is a full-time employee of MPR Geological Consultants Pty Ltd and is an independent consultant to Geopacific Resources Limited. Mr Abbott has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaking to qualify as a Competent Person as defined in the 2012 Edition of the “Australasian Code for Reporting of Mineral Resources and Ore Reserves”. Mr Abbott consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to exploration results is based on information compiled by or under the supervision of Ron Heeks, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy and Managing Director of Geopacific. Mr Heeks has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and the activity he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Mr Heeks consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Forward Looking Statements

All statements other than statements of historical fact included in this report including, without limitation, statements regarding future plans and objectives of Geopacific Resources Ltd are forward-looking statements. When used in this report, forward-looking statements can be identified by words such as ‘may’, ‘could’, ‘believes’, ‘estimates’, ‘targets’, ‘expects’ or ‘intends’ and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this report, are expected to take place. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the company, its directors and management of Geopacific that could cause the Company’s actual results to differ materially from the results expressed or anticipated in these statements.

Geopacific cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this report will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements. The Company does not undertake to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this report, except where required by applicable law and stock exchange listing requirements.

DIRECTORS REPORT

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 ("the Group") for the financial year ended 31 December 2017, and the auditors' report thereon.

1. DIRECTORS

The names of the Company's Directors in office during the financial year and until the date of this report are as follows. Directors were in office for the entire period unless otherwise stated.

Name, Position Held & Qualification	Experience, Special Responsibilities & Other Directorships
Milan Jerkovic	
Non-Executive Chairman Appointed: 23 April 2013 B. App. Sc (Geology) Fellow of AusIMM Member of AICD Post Graduate Diploma in Mineral Economics Post Graduate Diploma in Mining	Mr Milan Jerkovic is a qualified geologist with postgraduate qualifications in Mining & Mineral Economics with over 30 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 and is currently Executive Chairman of Blackham Resources Limited and a non-Executive Director of Metals X Limited. Mr Jerkovic was appointed Chairman of the Company on 1 August 2013 and is also a member of the Audit and Risk Committee. Mr Jerkovic has the following interest in Shares in the Company as at the date of this report – 10,418,899 ordinary shares.
Ron Heeks	
Managing Director Appointed: 28 March 2013 B. App. Sc (Geology) Member of AusIMM	With 30 years' mining industry experience, Mr Heeks was a founder of Exploration and Mining Consultants and has had previous experience with WMC, Newcrest, Newmont (US) and RSG Consulting. Mr Heeks has held senior roles in both mine management and exploration and is a Former General Manager – Technical for Straits Asia Indonesian Operations and Chief Technical Officer for Adamus Resources Southern Ashanti Gold Operation. He has lived and worked in various countries around the world gaining extensive experience in South-East Asia and Indonesia in particular. Mr Heeks was appointed Managing Director of the Company on 28 March 2013 after the Takeover of Worldwide Mining Projects Ltd. Mr Heeks has the following interest in Shares in the Company as at the date of this report – 8,269,616 ordinary shares.

Mark Bojanjac	
Non-Executive Director Appointed: 28 March 2013 B. Com Member of ICAA	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 which discovered one of Australia's highest grade gold mines 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 3 million 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 its successful Ghanaian gold mine. Mr Bojanjac was appointed a Director of the Company on 28 March 2013 after the Takeover of Worldwide Mining Projects Ltd. He serves as Executive Chairman of Canadian explorer, PolarX Limited and is the Non-Executive Chairman of Kula Gold Limited. Mr Bojanjac is also the Chairman of the Audit and Risk Committee. Mr Bojanjac has the following interest in Shares in the Company as at the date of this report – 3,416,666 ordinary shares.
Ian Clyne	
Non-Executive Director Appointed: 6 October 2016	Mr Clyne has over 35 years' experience in international banking having worked in senior executive positions in ten countries in Asia, Oceania, Australia and Europe. He has specialised in emerging markets and has held roles of President, Director, Managing Director and Chief Executive Officer with universal banking operations that have extensive branch networks and large employee bases. Mr Clyne has successfully re-engineered banks in Indonesia, Italy, Poland and PNG. Mr Clyne held the role of Managing Director and Group CEO of Bank South Pacific (BSP), based in Port Moresby (2008 – 2013). He undertook a major transformation program changing BSP from a typical emerging economy banking institution into an innovative, technology driven, modern bank. Under his leadership, the bank grew from having 400,000 accounts in PNG to over 1 million in PNG and 1.5 million across the Pacific, including Fiji and the Solomon Islands, with a market capitalisation of $1.7 billion at the end of his term. Mr Clyne is also a member of the Audit and Risk Committee. Mr Clyne is currently a Non-Executive Director of Union Bank of Nigeria. Mr Clyne has the following interest in Shares in the Company as at the date of this report – 2,400,000 ordinary shares.

Philippa Leggat	
Executive Director – Corporate Appointed: 13 January 2017 B. Com (Finance, Risk & Strategic Management) Member of AICD	Ms Leggat has extensive experience in corporate mining roles and also brings a new perspective to the Board having worked in several other industries where she has achieved successful corporate outcomes. Clients in the resource sector include MMG, Anglo-Gold Ashanti, Anglo Platinum and Xstrata. Ms Leggat is a corporate advisor and company director with over 15 years' experience in assisting international organisations that operate in Africa, Asia, Australia and Europe. She has a strong background in corporate governance and finance and a practical understanding of the issues faced by developed-world businesses operating in emerging economies. Ms Leggat's experience covers; negotiations, mergers and acquisitions, fund raising, defining and executing business improvement strategies. Ms Leggat currently serves as a Non-Executive Director of Kula Gold Limited and was previously a Non-Executive Director of Parker Resources NL. Ms Leggat held no interest in Shares in the Company as at the date of this report.
Matthew Smith	
Company Secretary Appointed: 1 December 2016 B. Com (Accounting) Member of ICAA	Mr Smith has over 15 years' experience in the resource industry across a broad range of commodities including precious metals, industrials and bulk commodities. Mr Smith has worked for a range of companies operating in the Asia Pacific region and most recently held the role of Chief Financial Officer at ASX listed Kingsrose Mining Limited, with gold operations in Indonesia. Mr Smith is a Chartered Accountant with relevant industry experience on an array of financing transactions across debt and equity markets. Mr Smith also brings specialist knowledge in the areas of international taxation, corporate structuring, accounting and corporate governance. Mr Smith has previously held the role of Company Secretary at Straits Resources Limited and is currently a Non-Executive Director of Kula Gold Limited. Mr Smith held no interest in Shares in the Company as at the date of this report.

2. PRINCIPAL ACTIVITY

The principal activity of the Group is mineral development and exploration focussed on gold and copper deposits in Papua New Guinea and Cambodia.

During the year, the Group discontinued its operations in Fiji and classified its activity as held for sale. With the exception of this, there were no significant changes in the nature of this activity of the Group during the financial year.

3. OPERATING AND FINANCIAL REVIEW

A review of the operations and financial position of the Company during the year ended 31 December 2017, including details of the results of operations, changes to the state of affairs, and likely developments in the operation of the Company in subsequent financial years are set out in the Operations Review.

4. DIVIDENDS

No dividends were paid or declared during the financial year.

5. STATE OF AFFAIRS

There have not been any significant changes in the state of affairs of the Company during the financial year, other than those noted in the financial report.

6. EVENTS SUBSEQUENT TO REPORTING DATE

On 13 March 2018, the Company announced the results of the PFS for Woodlark. The results of the PFS demonstrate that Woodlark is a robust, low-cost, low stripping ratio operation that can deliver an average of 100koz Au per annum over 10 years.

The key highlights of the PFS were:

- Annual production of 100Koz over 10-year mine life for 1.01Moz Au (incl. 51Koz Au Inferred);
- Free milling ore, with recovery of 92% for first five years and 90% over mine life;
- Up to 60% of gold recoverable by gravity;
- Conventional 2.4Mt.pa CIL circuit optimised with upgraded ore from year three;
- Head grade up to 1.63g/t Au in first years;
- Low stripping ratio of 2.5:1 for first five years, 3.1:1 over mine life;
- All in sustaining cost A$990/oz for first five years, A$1,110/oz over mine life;
- Capital cost A$180m;
- 2.2-year, post-tax project payback;
- Free cashflow over life of mine A$388m (pre-tax) and A$314m (post-tax) at A$1,650 gold price; and
- Post-tax IRR 33%.

Along with the PFS, the Company also announced an Initial JORC 2012 Compliant Mineral Ore Reserve for Woodlark of 34.7 million tonnes at 0.99g/t Au for 1,101,600 ounces of gold; and a Mineral Resource Estimate for Woodlark of 47.04 million tonnes at 1.04g/t Au for 1,573,000 ounces of gold.

7. DIRECTORS' INTERESTS AND BENEFITS

The relevant interest of each Director in the share capital as notified by the Directors to the Australian Stock Exchange in accordance with section 205G(1) of the *Corporations Act 2001,* at the date if this report is as follows:

	Direct		Indirect	
Name	**Shares**	**Options**	**Shares**	**Options**
M Jerkovic	1,000,000	-	9,418,899	-
M Bojanjac	916,666	-	2,500,000	-
I Clyne	2,400,000	-	-	-
R Heeks	4,000,000	-	3,523,757	-
P Leggat	-	-	-	-

There were no unvested Performance Rights on issue to the Directors of the Company at the date of this report.

8. DIRECTORS' MEETINGS

The number of Directors' meetings (including meetings of committees) and the number of meetings attended by each of the Directors of the Company during the financial year are set out below:

	Directors Meetings		Audit Committee Meetings	
Name	**Attended***	**Eligible to Attend**	**Attended***	**Eligible to Attend**
M Jerkovic	7	7	2	2
M Bojanjac	7	7	2	2
I Clyne	7	7	2	2
R Heeks	7	7	2	2
P Leggat	7	7	2	2

*Either in person, or by electronic means.

The Board of Directors takes ultimate responsibility for corporate governance. This includes the establishment of compensation arrangements for the Company's Executive Directors and senior executives. It also includes the appointment and retirement of Non-Executive Directors, appointment of Auditors, monitoring key 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.

9. LIKELY DEVELOPMENTS, PROSPECTS AND BUSINESS STRATEGIES

The Group will continue to advance its development and exploration portfolio and seek to increase its tenement holdings by acquiring further projects.

10. ENVIRONMENT REGULATIONS

Entities in the Group are subject to normal environmental regulations in areas of operations in Papua New Guinea, 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.

11. SHARE OPTIONS

There were 1,000,000 Options over unissued shares unexercised at 31 December 2017 (2016 – 2,688,768). During the financial year, the Company cancelled 1,688,768 unlisted Options over unissued shares and did not issue any shares on the exercise of unlisted Options. Since the end of the financial year, no unlisted Options have been cancelled or exercised.

Details of unlisted Options over unissued shares in the Company as at the date of this report are presented in the following table:

Options on Issue	Exercise Price	Expiry Date
800,000	$2.50	Not later than 5-years after defining a JORC compliant ore reserve of over 200,000oz Au on the Faddy's Gold Deposit
200,000	$5.00	Not later than 10-years after defining a JORC compliant ore reserve of over 1,000,000oz Au on the Faddy's Gold Deposit

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

12. 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.

13. 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*.

14. AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration for the year ended 31 December 2017 is set out on page 24.

15. AUDITOR

During the year, the following fees were paid or payable to the auditors of the Company for services provided by the auditor of the Company and its subsidiaries, its related practices and non-related audit firms:

Audit Services	Consolidated	
	2017	2016
	$	$
Greenwich & Co		
Audit and review of the financial report and other audit work under the *Corporations Act 2001*	**30,000**	37,131
Other non-audit services	**10,450**	4,000
Ernst & Young		
Audit and review of the financial report for Kula Gold and other audit work under the *Corporations Act 2001*	**26,500**	-
Total	**66,950**	41,131

16. NON-AUDIT SERVICES

The Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised.

17. REMUNERATION REPORT - AUDITED

This report outlines the remuneration arrangements of the Group in accordance pursuant to the requirements of the *Corporations Act 2001* and its regulations. This information has been audited as required under section 308(3)(c) of the *Corporations Act 2001.*

This report details the remuneration arrangements of the Group's key management personnel (KMP), who are defined as those persons who have the authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any Director of Geopacific Resources Limited.

Details of the KMP of the Group during the reporting period are set out in the table below:

Name	Position
Non-Executive Directors	
Milan Jerkovic	Non-Executive Chairman
Mark Bojanjac	Non-Executive Director
Ian Clyne	Non-Executive Director
Executives	
Ron Heeks	Managing Director
Philippa Leggat	Executive Director - Corporate
Matthew Smith	Chief Financial Officer & Company Secretary
Glenn Zamudio	General Manager - Projects
James Kerr	General Manager - Geology

There were no changes to KMP other than those noted above after the reporting date and before the date the financial report was authorised for issue.

Remuneration Governance

Due to the size and structure of the Board the Company does not have a separate Remuneration Committee. Remuneration matters are dealt with by the full Board, with Directors excluded from individual discussions as required. The Board will continue to assess the Company's circumstances in determining whether the establishment of a separate Remuneration Committee is required.

The Board is responsible for reviewing and recommending the remuneration arrangements of the Group KMP each year and ensuring that the Group's remuneration structures are aligned with the interests of the Company and its shareholders. This includes an annual remuneration review of base salary (including superannuation), short term incentives (STI) and long term incentives (LTI), including the appropriateness of performance hurdles.

Remuneration Consultants

During the reporting period, the Board engaged BDO Chartered Accountants to develop a comprehensive remuneration framework for the Company and to provide recommendations as defined in section 9B of the *Corporations Act 2001.*

17. REMUNERATION REPORT – AUDITED (CONTINUED)

Remuneration Overview and Strategy

The objective of the Group's remuneration framework is to support the delivery of sustained shareholder value and to ensure rewards accurately reflect achievements in line with general market conditions. The strategy is designed to attract, motivate and retain high calibre individuals through the provision of remuneration packages that incorporate a balance of fixed and variable remuneration. In accordance with sound corporate governance practices, the structure of Non-Executive and Executive remuneration is separate and distinct.

Executive Remuneration Framework

The Board's objective is to reward Executives with a quantum and mix of remuneration commensurate with their position and responsibilities and that is competitive within the marketplace. With this in mind, the Company intends to remunerate Executives with a mix of both fixed and at risk, or variable, remuneration. Variable remuneration incorporates a balance of short, medium and long term incentives.

Fixed remuneration for Executives consists of base salary, superannuation and other non-cash benefits. It is designed to provide a base level of remuneration which is appropriate for the Executives position, reflecting the individuals' skills, level of experience and responsibilities.

Variable remuneration, or performance linked remuneration, includes a combination of short, medium and long term incentives designed to provide an "at risk" reward in a manner which aligns with the creation of sustained shareholder value. All Executives are eligible to receive short, medium and long term incentives.

The following table provides a high level summary of the proposed remuneration framework:

Fixed remuneration	Remuneration linked to market rate of the role.	Total fixed remuneration	Remuneration for meeting role requirements.
Variable remuneration *Incentive*	Remuneration for delivering on key milestones which are designed to create value for shareholders.	Short term incentive	Incentive for the achievement of annual objectives.
		Medium term incentive	Incentive for the achievement of sustained business value.
Variable remuneration *Reward*	Remuneration for the creation of value for shareholders - directly linked to shareholder returns.	Long term incentive	Reward for performance over the long term.

The proposed plan considers the use of a range of equity based instruments to deliver incentives to focus on the delivery of sustained shareholder value and to minimise the cash component of total remuneration. The framework will incorporate a 5% cap on total shares issued to Executives under plan.

17. REMUNERATION REPORT – AUDITED (CONTINUED)

Non-Executive Directors

Fees and payments to Non-Executive Directors reflect the demands, which are made on, and the responsibilities of the Directors. A review of Non-Executive Directors' fees and payments is conducted 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 in the market setting.

The Chairman's fees are determined independently to the fees of Non-Executive Directors based on comparative roles in 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 pool limit 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.

17. REMUNERATION REPORT – AUDITED (CONTINUED)

Details of Remuneration

The tables below set of the details of the remuneration of the Groups' KMP, pursuant to *AASB 124 Related Party Disclosures*.

31 December 2017	Short Term Benefits		Post Employment Benefits		Share Based Payments	Total	Share Based Payments as a Percentage of Remuneration
	Salaries & Fees	Bonus	Super-annuation	Termination Payments	Rights		
	$	$	$	$	$	$	%
Non-Executive Directors							
M Jerkovic	95,000	-	9,025	-	-	104,025	-
M Bojanjac	60,000	-	5,700	-	-	65,700	-
I Clyne	60,000	-	5,700	-	-	65,700	-
NED Sub-total	**215,000**	**-**	**20,425**	**-**	**-**	**235,425**	
Executive Directors							
R Heeks	330,000	-	-	-	-	330,000	-
P Leggat	190,346	50,000	18,083	-	-	258,429	-
Directors Sub-total	**520,346**	**50,000**	**18,083**	**-**	**-**	**588,429**	
Other KMP							
M Smith	190,346	-	18,083	-	-	208,429	-
G Zamudio	180,000	-	17,100	-	-	197,100	-
J Kerr	180,000	-	17,100	-	-	197,100	-
Other KMP Sub-total	**550,346**	**-**	**52,283**	**-**	**-**	**602,629**	
TOTAL	**1,285,692**	**50,000**	**90,791**	**-**	**-**	**1,426,483**	

31 December 2016	Short Term Benefits	Post Employment Benefits		Share Based Payments		Share Based Payments as a Percentage of Remuneration
	Salaries & Fees	Superannuation	Termination Payments	Rights	Total	
	$	$	$	$	$	%
Non-Executive Directors						
M Jerkovic	78,333	7,442	-	11,900	97,675	12
M Bojanjac	43,333	4,117	-	8,925	56,375	16
I Clyne (i)	12,769	1,213	-	-	13,982	-
NED Sub-total	**134,435**	**12,772**	**-**	**20,825**	**168,032**	
Executive Directors						
R Heeks	262,500	-	-	47,600	310,100	15
Directors Sub-total	**396,935**	**12,772**	**-**	**68,425**	**478,132**	
Other KMP						
J Lewis (ii)	220,000	-	60,000	35,700	315,700	11
S Whitehead (iii)	125,382	10,517	-	8,925	144,824	6
M Smith (iv)	15,000	1,425	-	-	16,425	-
P Leggat (v)	15,000	1,425	-	-	16,425	-
G Zamudio (vi)	15,000	1,425	-	-	16,425	-
J Kerr (vii)	21,923	2,083	-	-	24,006	-
Other KMP Sub-total	**412,305**	**16,875**	**60,000**	**44,625**	**533,805**	
TOTAL	**809,240**	**29,647**	**60,000**	**113,050**	**1,011,937**	

(i) Mr I Clyne commenced 6 October 2016
(ii) Mr J Lewis resigned 30 November 2016
(iii) Mr S Whitehead resigned 30 November 2016
(iv) Mr M Smith commenced 1 December 2016
(v) Ms P Leggat commenced 1 December 2016
(vi) Mr G Zamudio commenced 1 December 2016
(vii) Mr J Kerr commenced 15 November 2016

17. REMUNERATION REPORT – AUDITED (CONTINUED)

Service Agreements

A summary of the key terms of the Director contracts with the Company are set out below:

Milan Jerkovic - Non-Executive Chairman

- Directors Fees of $95,000 per annum, (increased from $75,000 per annum on 1 November 2016);
- Statutory superannuation contributions;
- Eligible to participate in the long-term incentive schemes offered by the Company; and
- No Notice Period.

Mark Bojanjac - Non-Executive Director

- Directors Fees of $60,000 per annum (increased from $40,000 per annum on 1 November 2016);
- Statutory superannuation contributions;
- Eligible to participate in the long-term incentive schemes offered by the Company; and
- No Notice Period.

Ian Clyne - Non-Executive Director

- Directors Fees of $60,000 per annum (increased from $40,000 per annum on 1 November 2016);
- Statutory superannuation contributions;
- Eligible to participate in the long-term incentive schemes offered by the Company; and
- No Notice Period.

Ron Heeks – Managing Director

- Consulting Fees of $330,000 per annum (increased from $240,000 per annum on 1 October 2016);
- Eligible to participate in the long-term incentive schemes offered by the Company; and
- Six months plus an additional one month for each year of service.

Philippa Leggat – Executive Director - Corporate

- Salary of $180,000 per annum
- Eligible to participate in the long-term incentive schemes offered by the Company; and
- Four months plus an additional one month for each year of service.

Short-term Incentives

A completion bonus of $50,000 was paid to Ms Philippa Leggat during the period in relation to the completion of the Woodlark Joint Venture Agreement with Kula Gold.

No other bonus payments were made to Directors of the Company or other KMP of the Group during the period.

Long-term Incentives - Share-based Compensation

No long term incentives were granted to Directors of the Company or other KMP of the Group during the period.

17. REMUNERATION REPORT – AUDITED (CONTINUED)

Options

No Options over ordinary shares in the Company were provided as remuneration to Directors of the Company or KMP of the Group during the period.

Performance Rights

No Performance Rights over ordinary shares in the Company were granted as remuneration to Directors of the Company or KMP of the Group during the year. The following table outlines the Performance Rights granted or vested to the Directors of the Company and other KMP of the Group.

Name	Performance Rights Granted During the Year		Performance Rights Vested During the Year	
	2017	**2016**	**2017**	**2016**
<u>Directors</u>				
M Jerkovic	-	-	-	500,000
M Bojanjac	-	-	-	375,000
I Clyne	-	-	-	-
R Heeks	-	-	-	2,000,000
P Leggat	-	-	-	-
Subtotal	**-**	**-**	**-**	**2,875,000**
<u>Other KMP</u>				
J Lewis	-	-	-	1,500,000
S Whitehead	-	-	-	375,000
M Smith	-	-	-	-
G Zamudio	-	-	-	-
J Kerr	-	-	-	-
Subtotal	**-**	**-**	**-**	**1,875,000**
TOTAL	**-**	**-**	**-**	**5,125,000**

The fair value of the Performance Rights is measured at grant date and allocated equally over the period from grant date to vesting date. This allocation is reflected in the Share Based Payments column of the remuneration tables.

The fair value at grant date is independently determined using a Black-Scholes option pricing model that takes into account:

- the exercise price of the Performance Right;
- the term of the Performance Right;
- the impact of dilution;
- the share price at grant date;
- the expected price volatility of the underlying share;
- the expected dividend yield; and
- the risk-free interest rate for the term of the Performance Right.

17. REMUNERATION REPORT – AUDITED (CONTINUED)

Equity Instrument Disclosures Relating to KMP

Options

There were no Options over Ordinary Shares in the Company held during the financial year by Directors of the Company or other KMP of the Group.

Performance Rights

There were no Performance Rights over Ordinary Shares in the Company held during the financial year by Directors of the Company or other KMP of the Group.

31 December 2016	Opening Balance 1 January 2016	Granted During the Year	Vested During the Year	Closing Balance 31 December 2016
Directors				
M Jerkovic	500,000	-	500,000	-
M Bojanjac	375,000	-	375,000	-
I Clyne	-	-	-	-
R Heeks	2,000,000	-	2,000,000	-
Subtotal	**2,875,000**	**-**	**2,875,000**	**-**
Other KMP				
J Lewis	1,500,000	-	1,500,000	-
S Whitehead	375,000	-	375,000	-
M Smith	-	-	-	-
P Leggat	-	-	-	-
G Zamudio	-	-	-	-
J Kerr	-	-	-	-
Subtotal	**1,875,000**	**-**	**1,875,000**	**-**
TOTAL	**4,750,000**	**-**	**4,750,000**	**-**

17. REMUNERATION REPORT – AUDITED (CONTINUED)

Ordinary Shares

The number of Ordinary Shares in the Company held during the financial year by each Director of the Company and other KMP of the Group, including their personally related parties, are as follows:

31 December 2017	Opening Balance 1 January 2017	Issued on Vesting of Performance Rights	Shares Acquired on Market	Held at Resignation	Closing Balance 31 December 2017
Directors					
M Jerkovic	10,418,899	-	-	-	10,418,899
M Bojanjac	3,416,666	-	-	-	3,416,666
I Clyne	-	-	2,400,000	-	2,400,000
R Heeks	7,523,757	-	-	-	7,523,757
P Leggat	-	-	-	-	-
Subtotal	**21,359,322**	**-**	2,400,000	**-**	**23,759,322**
Other KMP					
M Smith	-	-	-	-	-
G Zamudio	1,000,000	-	-	-	1,000,000
J Kerr	-	-	-	-	-
Subtotal	**1,000,000**	**-**	**-**	**-**	**1,000,000**
TOTAL	**22,359,322**	**-**	**2,400,000**	**-**	**24,759,322**

31 December 2016	Opening Balance 1 January 2016	Issued on Vesting of Performance Rights	Shares Acquired on Market	Held at Resignation	Closing Balance 31 December 2016
Directors					
M Jerkovic	8,756,108	500,000	1,162,791	-	10,418,899
M Bojanjac	3,041,666	375,000	-	-	3,416,666
I Clyne	-	-	-	-	-
R Heeks	5,523,757	2,000,000	-	-	7,523,757
Subtotal	**17,321,531**	**2,875,000**	**1,162,791**	**-**	**21,359,322**
Other KMP					
J Lewis	4,548,814	1,500,000	-	6,048,814	-
S Whitehead	375,000	375,000	-	750,000	-
M Smith	-	-	-	-	-
P Leggat	-	-	-	-	-
G Zamudio (i)	-	-	1,000,000	-	1,000,000
J Kerr	-	-	-	-	-
Subtotal	**4,923,814**	**1,875,000**	**1,000,000**	**6,798,814**	**1,000,000**
TOTAL	**22,245,345**	**4,750,000**	**2,162,791**	**6,798,814**	**22,359,322**

(i) G Zamudio – represents shares held at commencement of employment on 1 December 2016.

END OF REMUNERATION REPORT

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

Ron Heeks
Managing Director

Perth, Australia
29 March 2018

Greenwich & Co

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Auditor's Independence Declaration

As auditor for the audit of Geopacific Resources Limited for the year ended 31 December 2017, 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 audit; and

II) no contraventions of any applicable code of professional conduct in relation to the audit.

Greenwich & Co Audit Pty Ltd

Greenwich & Co Audit Pty Ltd

Nicholas Hollens

Nicholas Hollens
Managing Director

29 March 2018
Perth

Greenwich & Co

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Independent Auditor's Report
To the members of Geopacific Resources Limited

Opinion

We have audited the financial report of Geopacific Resources Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2017, 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, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

i) giving a true and fair view of the Group's financial position as at 31 December 2017 and of its financial performance for the year ended; and

ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described as in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Material uncertainty related to going concern

We draw attention to Note 1 to the financial report, which describes that the ability of the Group to continue as a going concern is dependent on successful mining and exploration, and further equity issues to the market. As a result, there is material uncertainty related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern, and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Exploration and Evaluation Expenditures

The Group has incurred significant exploration and evaluation expenditures which have been capitalised. As the carrying value of exploration and evaluation expenditures represents a significant asset of the Group, we considered it necessary to assess whether facts and circumstances existed to suggest that the carrying amount of this asset may exceed its recoverable amount. As a result, the asset was required to be assessed for impairment.

In doing so, we carried out the following work in accordance with the guidance set out in AASB 6 *Exploration for and Evaluation of Mineral Resources*:

- We obtained evidence that the Group has valid rights to explore in the areas represented by the capitalised exploration and evaluation expenditures by obtaining independent searches of a sample of the group's tenement holdings;
- We enquired with management and reviewed budgets to ensure that substantive expenditure on further exploration for and evaluation of the mineral resources in the Group's areas of interest were planned;
- We enquired with management, reviewed announcements made and reviewed minutes of directors' meetings to ensure that the Group had not decided to discontinue activities in any of its areas of interest;
- We enquired with management to ensure that the Group had not decided to proceed with development of a specific area of interest, to ensure the classification as exploration was appropriate.

Notes 1.k) and 12 to the financial statements contain the accounting policy and disclosures in relation to exploration and evaluation expenditures.

Acquisition Accounting

During the year ended 31st December 2017, the Group acquired Kula Gold Limited and Woodlark Mining Limited (the "Kula Group"). Management assessed that the acquisition of the Kula Group qualified as a business combination. The valuations of identifiable net assets acquired & liabilities assumed were performed as part of this transaction.

In completing our testing in this area, we carried out the following procedures:

- Reviewing the agreements for purchase consideration, details of acquired assets, liabilities and contingencies;
- Considering the requirements of *AASB 3 – Business Combinations* in relation to the accounting treatment for the acquisition;
- Testing the non-controlling interest calculation;
- Testing the consolidation methodology applied;
- Assessing the adequacy of the Group's disclosures within the financial statements.

Notes 1.t) and 30 to the financial statements contain the accounting policy and disclosures in relation to acquisition accounting.

Accounting for discontinued operations

During the year ended 31st December 2017, the Group determined that its operations in Fiji were to be sold and reclassified as Assets held for sale and discontinued operations. The valuation of these businesses was significant to our audit due to the complexity of the significant judgements and assumptions involved.

In completing our testing in this area, our procedures included but were not limited to:

- Assessing the appropriateness of the accounting in respect of the reclassification of the Group's Fijian entities by reference to the supporting documentation.
- Evaluating and challenging the estimates and judgements within management's assessment of the fair value of the assets and liabilities.
- Assessing the appropriateness of the Group's disclosures within the financial statements.

Notes 1.i) and 31 to the financial statements contain the accounting policy and disclosures in relation to discontinued operations

Other Information

The directors are responsible for the other information. The other information comprises the Review of Operations and Directors Report and other information included in the Group's annual report for the year ended 31 December 2017 but does not include the financial report and our auditor's report thereon.

The other information obtained at the date of this auditor's report is included in the annual report, (but does not include the financial report and our auditor's report thereon).

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors 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 preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included on pages 14 to 21 of the directors' report for the year ended 31 December 2017.

In our opinion, the Remuneration Report of Geopacific Resources Limited for the year ended 31 December 2017, complies with section 300A of the Corporations Act 2001.

Responsibilities

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.

Greenwich & Co Audit Pty Ltd

Greenwich & Co Audit Pty Ltd

Nicholas Hollens.

Nicholas Hollens
Managing Director
Perth
29 March 2018

DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of Geopacific Resources Limited, I declare that:

1. In the opinion of the Directors:

   (a) the financial statements and notes, of the consolidated entity are 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 2017 and of its performance for the year ended on that date; and
   (ii) complying with the Australian Accounting Standards (including the Australian Accounting Interpretations) and *Corporations Regulations 2001*.

   (b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 1.

   (c) subject to the matters set out in Note 1 to the Financial Statements, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

2. This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295 of the *Corporations Act 2001* for the financial year ended 31 December 2017.

On behalf of the Board

Ron Heeks
Managing Director

Perth, Australia
29 March 2018

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	Consolidated 2017 $	Consolidated 2016 $
Revenue from continuing operations	5	**104,313**	50,648
Administration expenses		**(394,158)**	(162,580)
Consultancy expense		**(1,133,527)**	(936,589)
Depreciation expense	14	**(26,952)**	(61,142)
Employee benefits expense		**(1,234,397)**	(654,522)
Occupancy expenses		**(152,448)**	(161,895)
		(2,941,482)	(1,976,728)
Loss before income tax		**(2,837,169)**	(1,926,080)
Income tax expense	8	**(28,395)**	(2,218,897)
Loss after tax from continuing operations		**(2,865,564)**	(4,144,977)
Loss after tax from discontinued operation (attributable to equity holders of the company)	31	**(345,621)**	-
Loss for the period		**(3,211,185)**	(4,144,977)
Loss for the year attributable to:			
Non-controlling interest		**(32,399)**	-
Owners of the parent		**(3,178,786)**	(4,144,977)
		(3,211,185)	(4,144,977)
Other comprehensive income			
Exchange differences on translating foreign controlled entities		**(1,821,975)**	195,410
Other comprehensive income for the year, net of tax		**(1,821,975)**	195,410
Total comprehensive income for the year attributable to members of the parent entity		**(5,033,160)**	(3,949,567)
Total comprehensive income attributable to:			
Non-controlling interest	21(b)	**52,894**	-
Owners of the parent		**(5,086,054)**	(3,949,567)
		(5,033,160)	(3,949,567)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2017

		Consolidated	
		2017	2016
	Note	$	$
Total comprehensive income for the period attributable to owners of the parent arises from			
Continuing operations		**(4,740,433)**	(3,949,567)
Discontinued operations		**(345,621)**	-
		(5,086,054)	(3,949,567)
Earnings per share (cents) for profit from continuing operations attributable to the ordinary equity holders of the company:			
Basic earnings per share	25	**(0.21)**	(0.45)
Diluted earnings per share	25	**(0.21)**	(0.45)
Earnings per share (cents) for profit attributable to the ordinary equity holders of the company:			
Basic earnings per share	25	**(0.23)**	(0.45)
Diluted earnings per share	25	**(0.23)**	(0.45)

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

GEOPACIFIC RESOURCES LIMITED

and Controlled Entities

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2017

	Note	Consolidated 2017 $	2016 $
Current Assets			
Cash and cash equivalents	9	**6,765,343**	11,469,015
Trade and other receivables	10	**155,540**	2,265,486
Assets classified as held for sale	11	**4,831,070**	-
Inventory		**280,802**	-
Total Current Assets		**12,032,755**	13,734,501
Non-Current Assets			
Trade and other receivables	10	**602,503**	-
Exploration and evaluation expenditure	12(a)	**63,781,365**	33,200,336
Prepayment	12(b)	**-**	13,679,845
Property, plant and equipment	14	**696,016**	100,063
Total Non-Current Assets		**65,079,884**	46,980,244
TOTAL ASSETS		**77,112,639**	60,714,745
Current Liabilities			
Trade and other payables	15	**1,797,045**	573,122
Provisions	16	**317,144**	10,184
Total Current Liabilities		**2,114,189**	583,306
Non-Current Liabilities			
Deferred tax liabilities	8	**474,749**	2,218,897
Provisions	16	**173,714**	-
Total Non-Current Liabilities		**648,463**	2,218,897
TOTAL LIABILITIES		**2,762,652**	2,802,203
NET ASSETS		**74,349,987**	57,912,542
Equity			
Issued capital	17	**94,432,822**	74,671,129
Reserves	18	**(394,903)**	1,427,070
Accumulated losses		**(21,364,443)**	(18,185,657)
Total equity attributable to equity holders		**72,673,476**	57,912,542
Non-controlling interest	21(b)	**1,676,511**	-
Total Equity		**74,349,987**	57,912,542

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDING 31 DECEMBER 2017

Consolidated	Issued Capital $	Share Based Payments Reserve $	Foreign Currency Translation Reserve $	Accumulated Losses $	Total Attributable to Owners of Parent $	Non-Controlling Interest $	Total Equity $
At 1 January 2017	74,671,129	789,838	637,232	(18,185,657)	57,912,542	-	57,912,542
Transactions with owners in their capacity as owners	-	-	-	-	-	-	-
Shares issued during the year	20,369,749	-	-	-	20,369,749	-	20,369,749
Share issue costs	(608,056)	-	-	-	(608,056)	-	(608,056)
Non-controlling interest acquired on acquisition	-	-	-	-	-	1,708,910	1,708,910
Other comprehensive loss for the year	-	-	(1,821,973)	(3,178,786)	(5,000,759)	(32,399)	(5,033,158)
At 31 December 2017	**94,432,822**	**789,838**	**(1,184,741)**	**(21,364,443)**	**72,673,476**	**1,676,511**	**74,349,987**
At 1 January 2016	60,099,072	643,465	441,822	(14,040,680)	47,143,679	-	47,143,679
Transactions with owners in their capacity as owners	-	-	-	-	-	-	-
Shares issued during the year	15,050,000	-	-	-	15,050,000	-	15,050,000
Share issue costs	(477,943)	-	-	-	(477,943)	-	(477,943)
Options issued	-	146,373	-	-	146,373	-	146,373
Other comprehensive loss for the year	-	-	195,410	(4,144,977)	(3,949,567)	-	(3,949,567)
At 31 December 2016	74,671,129	789,838	637,232	(18,185,657)	57,912,542	-	57,912,542

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

GEOPACIFIC RESOURCES LIMITED

and Controlled Entities

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDING 31 DECEMBER 2017

		Consolidated	
		2017	2016
	Note	$	$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		**(3,955,909)**	(3,591,465)
Interest received		**104,313**	50,651
Net Cash Used In Operating Activities	**29(c)**	**(3,851,596)**	(3,540,814)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for plant and equipment		**(30,029)**	(10,359)
Exploration expenditure		**(3,915,971)**	(12,140,870)
Loans to related parties		**(7,146,466)**	-
Cash acquired on acquisition of a subsidiary		**254,605**	-
Net Cash Used In Investing Activities		**(10,837,861)**	(12,151,229)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from share issues (net of costs)		**10,066,962**	14,572,057
Transactions with non-controlling interests		**(81,178)**	-
Net Cash From Financing Activities		**9,985,784**	14,572,057
NET DECREASE IN CASH AND CASH EQUIVALENTS		**(4,703,673)**	(1,119,986)
Cash and cash equivalents at beginning of the financial year		**11,469,016**	12,589,002
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR		**6,765,343**	11,469,016

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

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 2017 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 authorised for issue by the directors on 29 March 2018.

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*. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

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.

Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

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

Going Concern

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

During the year ended 31 December 2017, the Group incurred a net loss after tax of $3,211,185. At 31 December 2017, the Group had net assets of $74,349,987 and a working capital surplus of $9,918,566.

Whilst the Group has cash on hand of $6,765,343 at 31 December 2017, the Group's future cash flow forecast for the year ended 31 December 2018 reflects that the Group will require additional funding over that period in order to meet the Group's stated strategic objectives.

These conditions indicate the existence of a material uncertainty that may cast a significant doubt about the Group's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Going Concern (continued)

The Directors have considered the funding and operational status of the business in arriving at their assessment of going concern and believe that the going concern basis of preparation is appropriate based on:

- The Group's ability to raise funds from external sources to meet ongoing development, exploration and working capital requirements, as demonstrated by the capital raising of $10.5 million during the 2017 financial year ended; and
- The Group's ability to manage the timing of cash flows to meet the obligations of the business as and when they fall due.

Should the Group not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities at amounts that differ to those stated in the financial report.

The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts, nor to the amounts or classification of liabilities that might be necessary should the Group not be able to continue as a going concern.

The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts nor to the amounts and classification of liabilities that might be necessary should the Company not continue as a going concern.

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 2017.

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. These standards and interpretations will not materially impact on the Group's financial statements.

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 on 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.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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

Wages, 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. The liabilities are measured at the amounts expected to be paid when they 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.

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.

Share-based payments

The fair value of performance rights and 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 right or 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 right or 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.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Financial Instruments

Initial recognition and measurement

Financial assets and liabilities are recognised when the entity becomes a party to the contractual provisions of 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.

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.

(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.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Financial Instruments (continued)

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

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.

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 comprehensive income.

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 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 comprehensive income in the period in which the operation is disposed.

(f) Goods and Services Tax (GST) & Value Added Tax (VAT)

Revenues, expenses and assets are recognised net of the amount of associated GST or VAT, unless the GST or VAT incurred is not recoverable from the taxation authority. In this case, the GST or VAT 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 or VAT receivable or payable. The net amount of GST or 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 or 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.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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) Interests in Joint Arrangements

Joint arrangements represent the contractual sharing of control between parties in a business venture where unanimous decisions about relevant activities are required. Separate joint venture entities providing joint venturers with an interest to net assets are classified as a joint venture and accounted for using the equity method.

Joint venture operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The consolidated group's interests in the assets, liabilities, revenue and expenses of joint operations are included in the respective line items of the consolidated financial statements.

Gains and losses resulting from sales to a joint operation are recognised to the extent of the other parties' interests. When the consolidated group makes purchases from a joint operation, it does not recognise its share of the gains and losses from the joint arrangement until it resells those goods/assets to a third party.

(i) Income tax

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

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

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

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

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

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Loss per share

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.

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 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.

(k) Mineral Tenements and Deferred Mineral Exploration Expenditure

Exploration and evaluation expenditure is carried forward as an asset when rights to tenure are current; and:

- such costs are expected to be recouped through the successful development and exploitation of the area of interest, or by its sale; or
- exploration activities in the area of interest 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 or impaired 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 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 comprehensive income.

(l) Plant and equipment

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

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

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Plant and equipment (continued)

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

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

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, at each reporting date.

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.

An item of plant and equipment is derecognised upon disposal or when no further future economic benefits are expected to arise from the continued use of the asset.

Any gains or loss on the derecognition of an asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) are included in the statement of comprehensive income in the period the item is derecognised. When revalued assets are derecognised, amounts recorded in other reserves in respect of those assets are transferred to retained earnings.

(m) Inventory

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out method as all inventory at year-end are parts and supplies, which are consumed in the normal course of operations. Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.

Company policy is to recognise major stock items consisting of diesel, cements, chemicals, piping, lubricants and other fuel-based products as assets at period-end based on inventory counts conducted. Minor stock items consisting of small equipment parts, minor lubricants and other related materials are immediately expensed out and capitalized as part of deferred exploration expenditures which is included under intangible assets.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Principles of consolidation

The consolidated financial statements comprise the financial statements of Geopacific Resources Limited and its controlled entities, referred to collectively throughout these financial statements as the "Group". Controlled entities are consolidated from the date on which control commences until the date that control ceases.

The financial statements of the controlled entities are prepared for the same reporting period as the parent company using consistent accounting policies. Adjustments are made to bring into line and dissimilar accounting policies that may exist.

The balances and effects of transactions between controlled entities included in the consolidated financial statements have been fully eliminated.

Non-controlling interest

Non-controlling interests are allocated their share of net profit or loss after tax in the income statement and are presented within equity in the consolidated statement of financial position, separately from the equity of the owners of the parent. Losses are attributed to the non-controlling interests even if that results in a deficit balance.

Discontinued operations

A discontinued operation is a component of an entity that either has been disposed of, or is classified as held for sale and:

- represents a separate major line of business or geographical area of operations;
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held for sale.

(o) Available for sale assets

Assets and disposal groups are classified as 'held for sale' if their carrying amount is to be recovered principally through a sales transaction rather than through continuing use. The reclassification takes place when the assets are available for immediate sale and the sale is highly probably. Non-current assets held for sale are measured at the lower of carrying amount and fair value less costs to sell. Assets held for sale are not depreciated or amortised.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) Revenue recognition

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Sale of Goods and Disposal of Assets

Revenue from the sale of goods and disposal of other assets is recognised when the significant risks and rewards of ownership have passed to the buyer and can be reliably measured.

Interest Revenue

Revenue is recognised as the interest accrues using the effective interest method.

Rental Income

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

(q) Comparative figures

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

(r) 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 comprehensive income on a straight-line basis over the period of the lease.

(s) 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.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(t) Business combinations

The acquisition method of accounting is used to account for all business combinations regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the group. The consideration transferred also includes the fair value of any asset or liability resulting from a contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. On an acquisition by acquisition basis, the group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree’s net identifiable assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

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 have the 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 listed investments and the current nature of the business activity does not result in trading receivables. The receivables that the Group recognises through the normal course of business are short term in nature and the most significant (in quantity) is the receivable from security deposits for tenements. The risk of non-recovery of receivables from this source is considered to be negligible.

Cash deposits

The Group's primary banker is the ANZ Banking Group. 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 has sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

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

(c) Market risk

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

2 FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Market risk (continued)

Foreign exchange risk

The Group operates in Australia, Papua New Guinea, Cambodia and Fiji and is exposed to foreign exchange risks arising from the fluctuation of the exchange rates of the Australian dollar, United States dollar, the Fijian dollar and the PNG Kina. The Group has no further material foreign currency dealings other than the above.

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

Interest rate risk

The Group has significant interest bearing assets and 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. No financial instruments have been used 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 policy in relation to the accounting for exploration and evaluation expenditure is stated in Note 1(k). There is judgment involved in determining the treatment of exploration and evaluation expenditure, more specifically, in determining whether it should be carried forward as capitalised exploration, or written off to the income statement.

The Board and management give due consideration to the areas of interest relating to the exploration and evaluation expenditure 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 2017, no exploration and evaluation expenditure was written off (2016: nil).

Assets held for sale

Assets Held for Sale are measured at fair value, factoring in any estimated costs of sale. If the fair value at reporting date is lower than the carrying value, an impairment for the difference is recognised in the Company's accounts. The board and management consider the carrying amount to be less than the fair value of the asset held for sale less costs of disposal. At 31 December 2017 the net assets of the Companies being sold was $4.83M as stated in Note 11. No impairment was reported for the year ended 31 December 2017.

Acquisition of Kula

The directors of Geopacific consider the acquisition of Kula Gold Limited ("Kula") a business combination as it involved the acquisition of 85% of the issued capital of Kula. The business combination has been disclosed in Note 30.

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.

	Parent	
	2017 $	2016 $
STATEMENT OF FINANCIAL POSITION		
Assets		
Current assets	**6,438,480**	11,307,015
Non-current assets	**72,814,479**	52,066,718
Total Assets	**79,252,959**	63,373,733
Liabilities		
Current liabilities	**906,388**	472,751
Non-current liabilities	**789,122**	446,353
Total Liabilities	**1,695,510**	919,104
Equity		
Issued capital	**94,432,821**	74,671,128
Share based payments reserve	**789,838**	789,838
Accumulated losses	**(17,665,210)**	(13,006,337)
Total Equity	**77,557,449**	62,454,629
STATEMENT OF COMPREHENSIVE INCOME		
Total profit/(loss)	**(4,658,873)**	313,604
TOTAL COMPREHENSIVE LOSS	**(4,658,873)**	313,604

Guarantees

Geopacific Resources Limited has not entered into any guarantees, in relation to the debts of its subsidiaries. The Company has a guarantee of $82,000 over the lease of its office premises. This has been classified as restricted cash.

Contingent liabilities

At 31 December 2017, Geopacific Resources Limited had no contingent liabilities (2016: nil).

Contractual commitments

At 31 December 2017, Geopacific Resources Limited had not entered into any contractual commitments for the acquisition of property, plant and equipment (2016: nil).

5 REVENUE

	Consolidated	
	2017 $	2016 $
Interest income – financial institutions	**104,313**	50,648
Total revenue	**104,313**	50,648

6 LOSS BEFORE INCOME TAX

	Consolidated	
	2017 $	2016 $
Loss before income tax includes the following specific expenses:		
Contributions to defined superannuation funds	**156,071**	58,135

7 REMUNERATION OF AUDITORS

The Auditor of Geopacific Resources Limited is Greenwich and Co Audit Pty Ltd.

	Consolidated	
	2017 $	2016 $
Amounts received or receivable - Greenwich & Co Audit Pty Ltd for:		
- An audit or review of the financial report	**30,000**	37,131
- Tax Services	**10,450**	4,000
Total	**40,450**	41,131

The Auditor of Kula Gold Limited, a controlled entity, is Ernst & Young.

	Consolidated	
	2017 $	2016 $
Amounts received or receivable – Ernst & Young for:		
- An audit or review of the financial report	**26,500**	-
Total	**26,500**	-

8 INCOME TAX

(a) The components of the income tax expense/(benefit) comprise:

	Consolidated	
	2017	**2016**
	$	**$**
Current tax	**-**	-
Deferred tax	**292,838**	2,218,897
Total tax expense / (benefit)	**292,838**	2,218,897
Total tax expense is attributable to:		
Profit from continuing operations	**28,395**	2,218,897
Profit from discontinued operation	**264,443**	-
Total tax expense	**292,838**	2,218,897

(b) Reconciliation of income tax to prima facie tax payable:

	Consolidated	
	2017	**2016**
	$	**$**
Net loss before tax	**(2,837,168)**	(1,926,080)
Loss from discontinued operation	**(81,178)**	-
	(2,918,346)	(1,926,080)
Prima facie tax at 30%	**(875,504)**	(577,824)
Adjusted for the tax effect of:		
Non-deductible share based payments	**-**	43,911
Exploration costs	**-**	-
Other non-deductible expenses	**1,349**	958
Effect of current year tax losses not recognised	**2,264,553**	787,069
Deferred tax assets not brought to account	**-**	-
Effect of prior period deferred tax recognised	**(1,109,861)**	1,964,783
Foreign exchange on opening deferred tax balances	**48,338**	-
Total tax expense	**328,875**	2,218,897

8 INCOME TAX (CONTINUED)

(c) Deferred tax:

	Consolidated 2017 $	Consolidated 2016 $
Deferred tax assets:		
Business related costs	**227,266**	339,714
Employee entitlements	**139,223**	3,055
Tax losses	**7,020,993**	-
Total before offset	**7,387,481**	342,769
Offset by deferred tax liabilities	**(7,387,481)**	(342,769)
Total deferred tax assets after offset	**-**	-
Deferred tax liabilities:		
Exploration and evaluation expenditure	**7,862,230**	2,561,666
Total before offset	**7,862,230**	2,561,666
Offset by deferred tax assets	**(7,387,481)**	(342,769)
Total deferred tax liabilities after offset	**474,749**	2,218,897

(d) Deferred tax assets not recognised:

	Consolidated 2017 $	Consolidated 2016 $
Deferred tax assets not recognised		
Tax losses - current year	**2,264,553**	789,069
Tax losses - prior years	**4,615,883**	3,826,814
Tax losses - on acquisition of Kula	**36,427,611**	-
Total tax expense / (benefit)	**43,308,047**	4,615,883

Deferred tax assets relating to tax losses have only been recognised in Papua New Guinea to the extent of the deferred tax liability balance.

The deferred tax asset relating to the remainder of the Group have not been recognised in the current reporting period as the Director's do not believe the realisation is probable at this point in time.

9 CASH AND CASH EQUIVALENTS

	Consolidated 2017 $	Consolidated 2016 $
Current		
Restricted cash	**82,000**	-
Cash at bank	**6,683,343**	11,469,015
Total Cash and Cash Equivalents	**6,765,343**	11,469,015

10 TRADE AND OTHER RECEIVABLES

	Consolidated	
	2017	2016
	$	$
Current		
Security deposits	**9,577**	125,391
Sundry debtors	**84,009**	24,823
Other receivables	**-**	1,402,668
GST receivable	**-**	712,604
Loan receivable	**61,954**	-
Total Current Trade and Other Receivables	**155,540**	2,265,486
Non-Current		
VAT receivable	**602,503**	-
Total Non-Current Trade and Other Receivables	**602,503**	-

11 ASSETS CLASSIFIED AS HELD FOR SALE

	Consolidated	
	2017	2016
	$	$
Current		
Assets held for sale	**4,831,070**	-
Movement during the year		
Carrying value - beginning of the year	**-**	-
Transfer from exploration expenditure	**6,639,151**	-
Other net liabilities	**(1,808,081)**	-
Carrying value - end of the year	**4,831,070**	-

The board and management after due consideration have determined that the fair value of the asset held for sale is the value of the net assets of the Companies being sold, which at 31 December 2017 was $4.83M. The other net liabilities consists mainly of the deferred tax liability offset by some cash and other receivables.

Impairment

Any impairment loss on a disposal group is allocated to remaining assets and liabilities on a pro rata basis, except that no loss is allocated to financial assets, deferred tax assets and employee benefit assets which will be measured in accordance with Geopacific accounting policies.

Management has deemed that no impairment was necessary as at 31 December 2017 regarding the asset held for sale.

12 EXPLORATION EXPENDITURE

	Consolidated 2017 $	Consolidated 2016 $
(a) Capitalised exploration expenditure carried forward		
Non-current	**63,781,365**	33,200,336
Movement during the year		
Carrying value - beginning of the year	**33,200,336**	26,157,372
Acquired on acquisition	**19,583,649**	-
Additions	**3,956,686**	7,042,964
Transfer from prepayments	**13,679,845**	-
Transfer to assets held for sale	**(6,639,151)**	-
Carrying value - end of the year	**63,781,365**	33,200,336

During the year, the Company did not expense any previously capitalised exploration expenditure (2016: nil).

As outlined in Note 19, the Company renegotiated the payment schedule with Vendors for the acquisition of Golden Resource Development Co.

Under the revised terms, one final payment of US$1.575 million is due at completion of a bankable feasibility study for the Kou Sa Project, along with a 2% royalty on production capped at $8.425 million. Therefore no prepayment exists at 31 December 2017 and all expenses relating to the Kou Sa Project are shown as capitalised exploration.

The Company confirmed its intention to look at selling its Fiji assets and an active program to locate a buyer for these assets commenced. The associated assets and liabilities were consequently transferred to assets held for sale as disclosed in note 11.

	Consolidated 2017 $	Consolidated 2016 $
(b) Prepayment		
Non-current	**-**	13,679,845
Movement during the year		
Carrying value - beginning of the year	**13,679,845**	8,581,940
Additions	**-**	5,097,905
Transfer to exploration expenditure	**(13,679,845)**	-
Carrying value - end of the year	**-**	13,679,845

13 JOINT ARRANGEMENTS

	Consolidated	
	2017	**2016**
	$	**$**
Interest in Joint Operations:		
Raki Raki (Fiji) Joint Venture		
Geopacific Resources Limited has a 50% interest in Joint Venture with Peninsula Energy Limited.		
Current Assets		
Assets classified as held for sale	**962,004**	985,661
Total	**962,004**	985,661

The Raki Raki Joint Venture is a Fijian based project that Geopacific holds that makes up part of the valuation of the assets held for sale as disclosed in Note 11.

14 PLANT AND EQUIPMENT

	Consolidated	
	2017	**2016**
	$	**$**
Non-Current		
Plant and equipment at cost	**5,614,196**	476,589
Less: accumulated depreciation	**(4,918,180)**	(376,526)
Total plant and equipment	**696,016**	100,063

Plant & Equipment Movement 2017	**Plant & Equipment $**	**Computer Software $**	**Furniture & Fittings $**	**Total $**
Balance at 1 January 2017	71,269	13,223	15,571	**100,063**
Assets acquire on acquisition	187,782	-	494,665	**682,447**
Additions	21,066	1,983	2,139	**25,188**
Disposals	(1,520)	(112)	-	**(1,632)**
Transfers to assets held for sale	(11,311)	-	(3,755)	**(15,066)**
Transfers to exploration	(72,082)	-	(17,489)	**(89,571)**
Depreciation	(19,416)	(5,537)	(1,999)	**(26,952)**
Foreign exchange fluctuation	5,561	-	15,978	**21,539**
Balance at 31 December 2017	**181,349**	**9,557**	**505,110**	**696,016**

14 PLANT AND EQUIPMENT (CONTINUED)

Plant & Equipment Movement 2016	Plant & Equipment $	Computer Software $	Motor Vehicle $	Furniture & Fittings $	Total $
Balance at 1 January 2016	95,075	19,363	18,606	17,802	**150,846**
Additions	18,186	1,769	-	1,369	**21,324**
Disposals	(7,366)	-	-	-	**(7,366)**
Transfers	-	-	(8,998)	8,998	**-**
Depreciation	(37,042)	(7,914)	(3,519)	(12,667)	**(61,142)**
Foreign exchange fluctuation	2,416	5	(6,089)	69	**(3,598)**
Balance at 31 December 2016	**71,269**	**13,223**	**-**	**15,571**	**100,063**

15 TRADE AND OTHER PAYABLES

	Consolidated 2017 $	Consolidated 2016 $
Current		
Trade creditors and accrued expenses	**1,797,045**	573,122
Total	**1,797,045**	573,122

16 PROVISIONS

	Consolidated 2017 $	Consolidated 2016 $
Current		
Provisions	**317,144**	10,184
Total	**317,144**	10,184
Non-current		
Provisions	**173,714**	-
Total	**173,714**	-

17 ISSUED CAPITAL

	Consolidated	
	2017 $	2016 $
Issued Capital	**94,432,822**	74,671,129

Reconciliation of movements in Issued Capital during the period:

		2017		2016	
	Date	Shares	$	Shares	$
Balance at 1 January		1,155,743,584	74,671,129	799,593,584	60,099,072
Shares issued pursuant to a Placement	23-Aug-16	-	-	189,211,091	8,136,077
Shares issued pursuant to a Placement	26-Aug-16	-	-	72,024,514	3,097,054
Shares issued on conversion of Performance Rights	14-Oct-16	-	-	6,150,000	-
Shares issued pursuant to a Placement	19-Oct-16	-	-	88,764,395	3,816,869
Shares issued per off-market takeover	9-Aug-17	236,782,061	8,050,590		
Shares issued per off-market takeover	17-Aug-17	13,685,836	479,004	-	-
Shares issued pursuant to a Placement	7-Sept-17	350,000,000	10,500,000	-	-
Shares issued per off-market takeover	15-Sept-17	15,366,076	430,250	-	-
Shares issued pursuant Share Purchase Plan	6-Oct-17	5,833,334	175,017	-	-
Shares issued per off market takeover	18-Oct-17	24,496,239	734,887	-	-
Less: share issue costs		-	(608,056)	-	(477,943)
Balance at 31 December		**1,801,907,130**	**94,432,822**	1,155,743,584	74,671,129

18 RESERVES

	Consolidated	
	2017 $	2016 $
(a) Reserves		
Share-based payments reserve	**789,838**	789,838
Foreign currency translation reserve	**(1,184,741)**	637,232
Total	**(394,903)**	1,427,070
(b) Movements		
Share-based payments reserve		
Opening Balance 1 January	**789,838**	643,465
Share based payment expense	**-**	146,373
Closing Balance 31 December	**789,838**	789,838
Foreign currency translation reserve		
Balance 1 January	**637,232**	441,822
Exchange gains/(losses) during year	**(1,821,973)**	195,410
Balance 31 December	**(1,184,741)**	637,232
Total reserves	**(394,903)**	1,427,070

(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;
- the value of unexercised options granted pursuant to the Employee Share Option; and
- the value of Performance Rights which have vested.

Foreign currency translation reserve

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

19 CONTINGENT LIABILITIES

Kou Sa – Revised Repayment Schedule

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 $US14.0 million plus interest payments of US$1,275,750.

The Company renegotiated the payment schedule in relation to its agreement to acquire 100% of the Company with the Vendors in January 2016. Under the revised terms, one final payment of US$1.575 million is due at completion of a bankable feasibility study for the Kou Sa Project, along with a 2% royalty on production capped at $8.425 million.

The Group did not have any other contingent liabilities at the end of the reporting period (2016: nil).

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. In the ordinary course of business, the Group is currently waiting on the reissue of certain licences by the Mineral and Resource Departments of Papua New Guinea.

The following table provides an outline of the annual expenditure required by tenement:

Tenement	Tenement Renewed to	Annual Commitment 2018	Comments
SPL 1216	2-Aug-19	125,700	Renewed 3 August 2017. Annual expenditure as budgeted.
SPL 1231	29-Nov-18	62,850	50% JV partner Imperial Mining (Fiji) Ltd has notified intent to dilute. Expenditure as budgeted.
SPL 1373	29-Nov-18	62,850	50% JV partner Imperial Mining (Fiji) Ltd has notified intent to dilute. Expenditure as budgeted.
SPL 1436	29-Nov-18	47,138	50% JV partner Imperial Mining (Fiji) Ltd has notified intent to dilute. Expenditure as budgeted.
SPL 1361	14-Apr-19	125,700	Renewed 24 April 2017.
SPL 1368	14-Apr-19	125,700	Renewed 24 April 2017.
SPL 1415	12-Feb-19	47,138	Licence renewed for 3 years, final year expenditure of FJD$150,000.
SPL 1493	29-Nov-18	47,138	Annual expenditure as budgeted.

20 COMMITMENTS (CONTINUED)

(a) Tenement Commitments (continued)

Tenement	Tenement Renewed to	Annual Commitment 2018	Comments
SPL 1216	2-Aug-19	101,945	Licence renewal lodged with authorities. Annual expenditure as budgeted.
SPL 1231	29-Nov-18	122,334	Licence renewal lodged with authorities. Annual expenditure as budgeted.
SPL 1373	29-Nov-18	81,556	Licence renewal lodged with authorities. Annual expenditure as budgeted.

The Group is also committed to spend US$474,000 in aggregate in the 2017 and 2018 calendar years on the Kou Sa project in Cambodia subject to pending licence renewals. During the 2017 calendar year $1.98m was spent on exploration expenditure in Cambodia.

(b) Operating Lease Commitments

	Consolidated	
	2017 $	2016 $
Payable – minimum lease payments:		
Payable not later than one year	**149,469**	108,627
Payable later than one year, but not later than five years	**275,673**	6,738
Total	**425,142**	115,365

21 PARTICULARS RELATING TO CONTROLLED ENTITIES

(a) Material Subsidiaries

	Class of Share	Direct Ownership Percentage	
		2017	**2016**
		%	**%**
Worldwide Mining Projects Pty Ltd	Ordinary	**100**	100
Eastkal Pte Ltd	Ordinary	**100**	100
PT IAR Indonesia Ltd	Ordinary	**100**	100
Beta Limited	Ordinary	**100**	100
Royal Australia Resources Ltd	Ordinary	**85**	85
Golden Resource Development	Ordinary	**85**	-
Geopacific Limited	Ordinary	**100**	100
Millennium Mining (Fiji) Limited	Ordinary	**100**	100
Kula Gold Limited	Ordinary	**85**	-
Woodlark Mining Limited	Ordinary	**5**	-

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.

Golden Resource Development is a company incorporated and carrying on business in Cambodia.

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 Kou Sa project area is made.

Following a decision to mine, 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.

Kula Gold Limited is a company incorporated and carrying on business in Australia.

Woodlark Mining Group is a company incorporated and carrying on business in Papua New Guinea.

At 31 December 2017 Kula Gold Limited held a 95% interest in Woodlark Mining Limited resulting in Geopacific Resources Limited holding an indirect interest of 81% in Woodlark Mining Limited as well as a 5% direct interest.

21 PARTICULARS RELATING TO CONTROLLED ENTITIES (CONTINUED)

(b) Non-Controlling Interests

Set out below is summarised financial information for each subsidiary that has non-controlling interests that are material to the group. The amounts disclosed for each subsidiary are before inter-company eliminations.

	Kula Group	
Summarised balance sheet	**2017 $**	**2016 $**
Current assets	**594,441**	-
Non-current assets	**24,199,348**	-
Total Assets	**24,793,789**	-
Current liabilities	**1,056,168**	-
Non-current liabilities	**12,199,115**	-
Total Liabilities	**13,255,283**	-
Net Assets	**11,538,506**	-
Accumulated NCI	**1,676,511**	-

	Kula Group	
Summarised statement of comprehensive income	**2017 $**	**2016 $**
Revenue	**103**	-
Loss for the period	**(216,202)**	-
Other comprehensive income	**569,163**	-
Total comprehensive income	**352,961**	-
Profit allocated to NCI	**52,894**	-

21 PARTICULARS RELATING TO CONTROLLED ENTITIES (CONTINUED)

(b) Non-Controlling Interests (continued)

	Kula Group	
Summarised cash flows	**2017 $**	**2016 $**
Cash flows from operating activities	**(408,155)**	-
Cash flows from investing activities	**(3,324,704)**	-
Cash flows from financing activities	**3,707,698**	-
Net increase/(decrease) in cash and cash equivalents	**(25,161)**	-

The above information represents the information of the Kula Group which consists of Kula Gold Limited and Woodlark Mining Limited from the date of acquisition on 9 August 2017 through to 31 December 2017.

22 KEY MANAGEMENT PERSONNEL DISCLOSURES

(a) Directors

All Directors of the Company are identified as Key Management Personnel under AASB 124 "*Related Party Disclosures*". Details of each person holding the position of Director of the Company during the reporting period are outlined in the table below:

Name	Position
Non-Executive Directors	
Milan Jerkovic	Non-Executive Chairman
Mark Bojanjac	Non-Executive Director
Ian Clyne	Non-Executive Director
Executive Directors	
Ron Heeks	Managing Director
Philippa Leggat	General Manager - Corporate Executive Director - Corporate

(b) Other Key Management Personnel (KMP)

Details of the Other KMP of the Group during the reporting period are set out in the table below:

Name	Position
Executives	
Matthew Smith	Chief Financial Officer & Company Secretary
Glenn Zamudio	General Manager - Projects
James Kerr	General Manager - Geology

22 KEY MANAGEMENT PERSONNEL DISCLOSURES (CONTINUED)

(c) KMP Compensation

	Consolidated 2017 $	Consolidated 2016 $
Key Management Personnel Compensation:		
Short term benefits	**1,335,692**	809,240
Post-employment benefits	**90,791**	29,647
Share based payments	**-**	113,050
Termination payments	**-**	60,000
Total	**1,426,483**	1,011,937

Please refer to the Remuneration Report in the Directors' Report for further details on the remuneration paid or payable to each member of KMP for the reporting period.

23 RELATED PARTY TRANSACTIONS

	Consolidated 2017 $	Consolidated 2016 $
Transactions with Key Management Personnel:		
Xavier Group Pty Ltd – Consulting Services	**98,673**	28,218
Total	**98,673**	28,218

Xavier Group Pty Ltd is an entity in which the Company's Non-Executive Chairman, Mr M Jerkovic, is a Director and shareholder.

Xavier Group Pty Ltd has been utilised to provide corporate consulting services to the Company. All transactions with related parties are on normal commercial terms.

24 SHARE-BASED PAYMENTS

(a) Employee Option Plan

The Company's 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.

Options granted under the plan are issued for no consideration, carry no dividend or voting rights and when exercised convert into ordinary shares. During the reporting period, no options were granted under the plan.

(b) Services

During the reporting period, the Company did not issue any shares as payment for services (2016: nil).

(c) Unlisted Options Issued

During the reporting period, no options over unissued shares were granted or exercised (2016: nil) and 1,688,768 options lapsed (2016: nil). There were 1,000,000 Options over unissued shares unexercised at reporting date (2016 – 2,688,768). Since the end of the financial year, no unlisted Options have been cancelled or exercised.

Details of unlisted Options over unissued shares in the Company as at the date of this report are outlined in the table below:

Issue Date	Expiry Date	Exercise Price	Number on Issue	Movement During the Year		Number on Issue
		$	1-Jan-17	Granted	Lapsed	31-Dec-17
6-Jun-09	Note (a)	2.50	800,000	-	-	**800,000**
6-Jun-09	Note (b)	5.00	200,000	-	-	**200,000**
5-Aug-14	5-Aug-17	0.07	1,688,768	-	(1,688,768)	**-**
			2,688,768	-	-	**1,000,000**

(a) Not later than 5-years after defining a JORC compliant ore reserve of over 200,000oz Au on the Faddy's Gold Deposit.
(b) Not later than 10-years after defining a JORC compliant ore reserve of over 1,000,000oz Au on the Faddy's Gold Deposit.

(d) Performance Rights Issued

During the reporting period, no performance rights over ordinary shares in the Company were granted (2016: nil).

During the period, no performance rights vested and converted into ordinary shares (2016: 6,150,000).

25 LOSS PER SHARE

(a) Basic and Diluted Loss Per Share

	Consolidated 2017 Cents	Consolidated 2016 Cents
Basic earnings per share:		
From continuing operations attributable to the ordinary equity holders of the company	**(0.21)**	(0.45)
From discontinued operation	**(0.02)**	-
	(0.23)	(0.45)
Diluted earnings per share:		
From continuing operations attributable to the ordinary equity holders of the company	**(0.21)**	(0.45)
From discontinued operation	**(0.02)**	-
	(0.23)	(0.45)

(b) Reconciliation of Loss Used in Calculating Loss Per Share

	Consolidated 2017 $	Consolidated 2016 $
Basic and Diluted Loss Per Share:		
Loss attributable to the ordinary equity holders of the Company used in calculating basic and diluted loss per share:		
From continuing operations	**(2,865,564)**	(4,144,977)
From discontinued operation	**(345,621)**	-
	(3,211,185)	(4,144,977)

(c) Weighted Average Number of Shares Used as the Denominator

	Consolidated 2017 No. of Shares	Consolidated 2016 No. of Shares
Weighted average number of ordinary share used as the denominator in calculating basic and diluted loss per share	**1,375,377,691**	911,111,545

26 EVENTS OCCURRING AFTER BALANCE DATE

On 13 March 2018, the Company announced the results of the Pre-Feasibility Study (PFS) for the Woodlark Gold Project (Woodlark). The results of the PFS demonstrate that Woodlark is a robust, low-cost, low stripping ratio operation that can deliver an average of 100koz Au per annum over 10 years.

The key highlights of the PFS were:

- Annual production of 100Koz over 10-year mine life for 1.01Moz Au (incl. 51Koz Au Inferred);
- Free milling ore, with recovery of 92% for first five years and 90% over mine life;
- Up to 60% of gold recoverable by gravity;
- Conventional 2.4Mt.pa CIL circuit optimised with upgraded ore from year three;
- Head grade up to 1.63g/t Au in first years;
- Low stripping ratio of 2.5:1 for first five years, 3.1:1 over mine life;
- All in sustaining cost A$990/oz for first five years, A$1,110/oz over mine life;
- Capital cost A$180m;
- 2.2-year, post-tax project payback;
- Free cashflow over life of mine A$388m (pre-tax) and A$314m (post-tax) at A$1,650 gold price; and
- Post-tax IRR 33%.

Along with the PFS, the Company also announced an Initial JORC 2012 Compliant Mineral Ore Reserve for Woodlark of 34.7 million tonnes at 0.99g/t Au for 1,101,600 ounces of gold; and a Mineral Resource Estimate for Woodlark of 47.04 million tonnes at 1.04g/t Au for 1,573,000 ounces of gold.

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 four operating segments based on geographical locations, which involves mineral exploration and development in Cambodia, Fiji and Papua New Guinea. 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. For the 31 December 2017 segment note, Fiji has been reclassified into “Others” with the change in accounting treatment to assets held for sale.

All significant operating decisions are based on analysis of the Group as four 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.

27 OPERATING SEGMENTS (CONTINUED)

Revenue by Geographical Location:

	Consolidated	
	2017	**2016**
	$	**$**
Cambodia	**-**	59
Papua New Guinea	**-**	-
Fiji	**-**	-
Other	**104,313**	50,592
Total	**104,313**	50,651

Net Loss Before Income Tax by Geographical Location:

	Consolidated	
	2017	**2016**
	$	**$**
Cambodia	**(120,107)**	(101,234)
Papua New Guinea	**(38,656)**	-
Fiji	**-**	(87,262)
Other	**(2,678,406)**	(1,737,584)
Total	**(2,837,169)**	(1,926,080)

Assets by Geographical Location:

	Consolidated	
	2017	**2016**
	$	**$**
Cambodia	**38,311,958**	31,471,352
Papua New Guinea	**24,719,079**	-
Fiji	**-**	6,098,360
Other	**14,081,602**	23,145,033
Total	**77,112,639**	60,714,745

Liabilities by Geographical Location:

	Consolidated	
	2017	**2016**
	$	**$**
Cambodia	**327,660**	103,400
Papua New Guinea	**995,974**	-
Fiji	**-**	453,509
Other	**1,439,018**	2,245,294
Total	**2,762,652**	2,802,203

28 FINANCIAL INSTRUMENTS DISCLOSURES

Credit Risk

The Directors do not consider that the Group's financial assets are subject to a material level of credit risk. Therefore, 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 or impairment charge has been recorded during the reporting period in relation to the Group's financial assets.

Liquidity Risk

Liquidity risk arises from the financial liabilities of the Group and the Group's ability to meet their obligations to repay their financial liabilities as and when they fall due. The Group monitors rolling forecasts of liquidity on a regular basis.

The following table reflects the liquidity risk arising from the financial liabilities held by the Group at balance date. The contractual maturity reflects undiscounted gross amounts:

Consolidated 2017	Carrying amount $	Contractual cash flows $	6 months or less $	6-12 months $	1-2 years $
Financial Assets - Cash Flows Realisable					
Cash and cash equivalents	6,765,343	6,765,343	6,765,343	-	-
Trade and other receivables	155,540	155,540	155,540	-	-
Total anticipated inflows	**6,920,883**	**6,920,883**	**6,920,883**	**-**	**-**
Financial Liabilities - Due for Payment					
Trade and other payables	1,797,045	1,797,045	1,797,045	-	-
Other financial liabilities	-	-	-	-	-
Total expected outflows	**1,797,045**	**1,797,045**	**1,797,045**	**-**	**-**
Net inflow/(outflow) on financial instruments	**5,123,838**	**5,123,838**	**5,123,838**	**-**	**-**

28 FINANCIAL INSTRUMENTS DISCLOSURES (CONTINUED)

Consolidated 2016	Carrying amount $	Contractual cash flows $	6 months or less $	6-12 months $	1-2 years $
Financial Assets - Cash Flows Realisable					
Cash and cash equivalents	11,469,015	11,469,015	11,469,015	-	-
Trade and other receivables	2,265,486	2,265,486	2,265,486	-	-
Total anticipated inflows	**13,734,501**	**13,734,501**	**13,734,501**	**-**	**-**
Financial Liabilities - Due for Payment					
Trade and other payables	573,122	573,122	573,122	-	-
Other financial liabilities	-	-	-	-	-
Total expected outflows	**573,122**	**573,122**	**573,122**	**-**	**-**
Net inflow/(outflow) on financial instruments	**13,161,379**	**13,161,379**	**13,161,379**	**-**	**-**

At 31 December 2017, the Group had no interest-bearing liabilities (2016: nil).

Currency risk

The Group is exposed to foreign currency on expenditures that are denominated in a currency other than Australian Dollars. The United States Dollar, Papua New Guinea Kina and Fiji Dollars are the currencies that primarily give rise to the Group's currency risk.

Interest rate risk

The interest profile of the Group's interest-bearing financial instruments at the reporting date are outlined in the table below:

	Consolidated 2017 $	Consolidated 2016 $
Fixed rate instruments:		
Financial liabilities	**-**	-
Total	**-**	-
Variable rate instruments:		
Financial assets	**6,765,343**	11,469,015
Total	**6,765,343**	11,469,015

28 FINANCIAL INSTRUMENTS DISCLOSURES (CONTINUED)

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 comprehensive income by the amounts shown below. The analysis assumes that all other variables remain constant.

	Profit and Loss		Equity	
	100bp increase $	100bp decrease $	100bp increase $	100bp decrease $
2017 - Variable rate instruments	**67,653**	**(67,653)**	**67,653**	**(67,653)**
2016 - Variable rate instruments	114,690	(114,690)	114,690	(114,690)

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) Cash and Cash Equivalents

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	
	2017 $	2016 $
Restricted cash	**82,000**	-
Cash at bank	**6,683,343**	11,469,015
Total	**6,765,343**	11,469,015

(b) Non-Cash Financing

	Consolidated	
	2017 $	2016 $
Share Based Payments - Note 24(d)	**-**	146,370

29 NOTES TO THE STATEMENT OF CASH FLOWS (CONTINUED)

(c) Reconciliation of Cash Flows from Operating Activities

	Consolidated	
	2017 $	2016 $
Net loss after income tax	**(3,211,185)**	(4,144,977)
Adjustments for Non-cash Items:		
Depreciation	**26,952**	61,142
Share based payments	**-**	146,370
Unrealised net foreign exchange (gain) / loss	**(1,821,974)**	195,410
Acquisition of Kula Gold net assets	**(203,229)**	-
Transactions with non-controlling interests	**81,178**	-
Changes in Assets & Liabilities		
(Increase) / Decrease in trade and other receivables	**1,597,015**	(1,510,698)
(Increase) / Decrease in inventory	**(280,802)**	-
Increase / (Decrease) in trade and other payables	**1,223,923**	(499,813)
Increase / (Decrease) in provisions	**480,674**	(4,697)
Increase / (Decrease) in other liabilities	**-**	(2,448)
Increase / (Decrease) in deferred tax liabilities	**(1,744,148)**	2,218,897
Net Cash Used in Operating Activities	**(3,851,596)**	(3,540,814)

Note 30 – BUSINESS ACQUISITION

Between 9 August 2017 and 8 October 2017 Geopacific acquired 85% of the issued capital of Kula Gold Limited (Kula), in an off market takeover offer. The takeover offer involved the issue of Geopacific shares to Kula shareholders who accepted into the offer. Accepting Kula shareholders received 1 Geopacific share for every 1.1 Kula shares.

The takeover offer resulted in Geopacific gaining control of Kula on 9 August 2017 when the conditions of the takeover offer were removed and Geopacific issued the first tranche of shares gaining over 50% of the issued capital of Kula. Ultimately Geopacific acquired 85% of Kula by the time the takeover offer closed in October 2017.

At 31 December 2017 Kula owned a 95% interest in Woodlark Mining Limited (Woodlark), the 100% owner of the Woodlark Gold Project. Geopacific owns the remaining 5% of Woodlark. Geopacific therefore owns an 81% indirect interest in the Woodlark Gold Project along with a 5% direct interest. The acquisition was made as Geopacific believes that combining Woodlark Mining Limited under a single ownership structure is in the interest of the shareholders of both companies.

Fair value of consideration transferred	**$**
Amount settled for the issue of shares in Geopacific	9,694,732
Total	**9,694,732**
Recognised amounts of identifiable net assets:	
Current assets	
Cash and cash equivalents	254,605
Trade and other receivables	85,703
Inventories	272,666
Total current assets	**612,974**
Non-current assets	
Exploration and evaluation expenditure	18,974,706
Property, plant and equipment	682,447
Total non-current assets	**19,657,153**
Current liabilities	
Trade and other payables	187,001
Provisions	188,068
Total current liabilities	**375,069**
Non-current liabilities	
Loan from GPR	8,491,416
Total non-current liabilities	**8,491,416**
Identifiable net assets	**11,403,642**
Amount settled for the issue of shares in Geopacific	9,694,732
Non-controlling interest	1,708,910
	11,403,642

Note 31 – DISCONTINUED OPERATION

The group confirmed its intention to sell its Fiji controlled companies and an active program to locate a buyer for these companies commenced. The associated assets and liabilities were consequently presented as held for sale (Note 11).

The financial performance information presented below is for the full year to 31 December 2017.

	$
Revenue	**2,598**
Administration expenses	**(16,233)**
Depreciation expense	**(3,135)**
Employee benefits expense	**(44,600)**
Occupancy Expenses	**(19,808)**
	(83,776)
Loss before income tax	**(81,178)**
Income tax expense	**(264,443)**
Loss from discontinued operation	**(345,621)**

The shareholder information set out below was applicable as at 22 March 2018.

(a) Analysis of numbers of equity security holders by size of holding:

	Class of Equity Security Ordinary Shares	
	Number	**Shares**
Analysis of numbers of equity security holders by size holding:		
1 - 1,000	36	6,792
1,001 - 5,000	24	70,239
5,001 - 10,000	30	269,854
10,001 - 100,000	565	25,238,232
100,001 and over	460	1,776,322,013
Total	**1,115**	**1,801,907,130**

(b) Equity security holders – ordinary shares

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

	Ordinary Shares	
	Number Held	**% of Issued Shares**
NDOVU CAPITAL IV B V	514,039,174	28.53
MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	368,794,053	20.47
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	159,233,551	8.84
PACIFIC ROAD CAPITAL MANAGEMENT G.P. LIMITED	62,108,319	3.45
WASHINGTON H SOUL PATTINSON AND COMPANY	61,278,432	3.40
PACIFIC ROAD HOLDINGS S.A.R.L.	39,613,071	2.20
J P MORGAN NOMINEES AUSTRALIA LIMITED	34,508,777	1.92
MR CRAIG GRAEME CHAPMAN	30,000,000	1.66
HOME IDEAS SHOW PTY LTD	29,581,427	1.64
ORION MINE FINANCE FUND II LP	29,069,768	1.61
HOME IDEAS SHOW PTY LTD	28,294,574	1.57
ZERO NOMINEES PTY LTD	17,500,000	0.97
BNP PARIBAS NOMINEES PTY LTD	15,815,999	0.88
MR DANIEL MCDONAGH	14,019,004	0.78
PACIFIC ROAD CAPITAL A PTY LTD	12,603,256	0.70
PACIFIC ROAD CAPITAL B PTY LTD	12,603,256	0.70
GWYNVILL TRADING PTY LTD	12,500,000	0.69
CITICORP NOMINEES PTY LIMITED	11,058,705	0.61
MR ANTHONY WILLIAM OLDING & MRS CAROLINE ANNE OLDING	10,029,218	0.56
BNP PARIBAS NOMINEES PTY LTD	10,000,000	0.55
TOP 20 SHAREHOLDERS	**1,472,650,584**	**81.73**
OTHER SHAREHOLDERS	32,9256,546	18.27
TOTAL ORDINARY SHAREHOLDERS	**1,801,907,130**	**100.00**

(c) Substantial holders

	Shareholding	
	Number Held	% of Issued Shares
Extracts from substantial shareholder register:		
NDOVU CAPITAL IV B V	514,039,174	28.53
MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	368,794,053	20.47

(d) Voting rights

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

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.

Options – listed and unlisted

There are no voting rights attached to options.

(e) Summary of unlisted options issued

	Number of Options	Number of Holders	Options Held	% of Options Issued
Options expiring not later than five years after the defining on Faddy's Gold Deposit of a JORC complaint Ore Reserve of over 200,000 oz of contained Au with an exercise price of $2.50	800,000	5		
Option holder with more than 20% of class				
Exploration Drilling Services (Fiji) Ltd			320,000	40.0
L Andreson Investments Pty Ltd			220,000	27.5
Sheila Anderson Investments			180,000	22.5
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 oz of contained Au with an exercise price of $5.00	200,000	5		
Option holder with more than 20% of class				
Exploration Drilling Services (Fiji) Ltd			80,000	40.0
L Andreson Investments Pty Ltd			55,000	27.5
Sheila Anderson Investments			45,000	22.5

TENEMENT DETAILS

Current interest in tenements held by Geopacific Resources Limited and its subsidiaries, as at 31 March 2018 are listed below:

Country	Location	Tenement	Interest
Fiji	NE Viti Levu	SPL 1231	50%
Fiji	NE Viti Levu	SPL 1373	50%
Fiji	NE Viti Levu	SPL 1436	50%
Fiji	Nadi, Viti Levu	SPL 1368	100%
Fiji	Vanua Levu	SPL 1493	100%
Fiji	Nadi, Viti Levu	SPL 1361	100%
Fiji	Nadi, Viti Levu	SPL 1216	100%
Fiji	Nadi, Viti Levu	SPL 1415	100%
Cambodia	Preah Vihear Provence	Kou Sa Project	85%
Papua New Guinea	Woodlark Island	EL 1172	86%
Papua New Guinea	Woodlark Island	EL 1279	86%
Papua New Guinea	Woodlark Island	EL 1465	86%
Papua New Guinea	Woodlark Island	LMP 89	86%
Papua New Guinea	Woodlark Island	LMP 90	86%
Papua New Guinea	Woodlark Island	LMP 91	86%
Papua New Guinea	Woodlark Island	LMP 92	86%
Papua New Guinea	Woodlark Island	LMP 93	86%
Papua New Guinea	Woodlark Island	ME 85	86%
Papua New Guinea	Woodlark Island	ME 86	86%
Papua New Guinea	Woodlark Island	ML 508	86%