



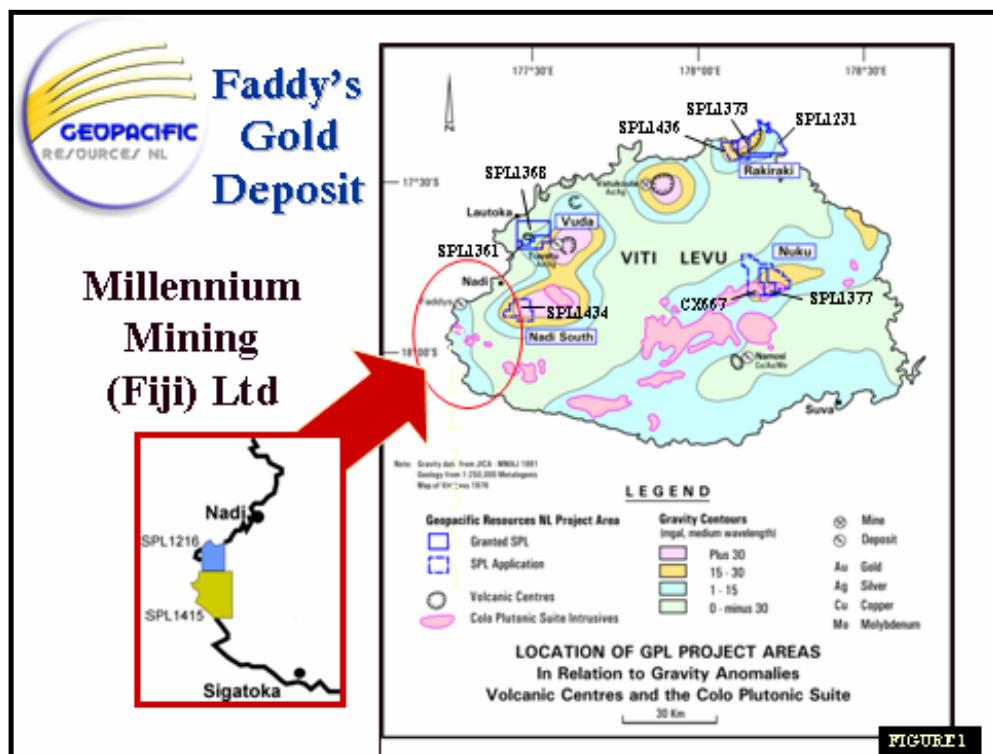
27 February 2007

The Company Announcements Office  
Australian Stock Exchange Limited  
Exchange Centre, Level 6, 20 Bridge Street  
SYDNEY NSW 2000

Dear Sirs,

## Geopacific Resources to acquire Nabila Gold Project, Fiji

Geopacific Resources NL (ASX: GPR) is pleased to announce that it has completed a Heads of Agreement to purchase Millennium Mining Fiji Ltd 'Millennium' which has title to the Nabila Gold Project, two Special Prospecting Licences (SPL 1216 and SPL 1415) located 16 kilometres southwest of Nadi, Fiji (Figure 1).



The Nabila Gold Project contains the Faddy's (Kurokoula) epithermal-type gold deposit (Figure 2), where near-surface mineralisation has been estimated as 920,000t @ 4.9g/t Au (144,000 ounces of contained gold)

Geopacific Resources NL  
ACN 003 208 393

info@geopacific.com.au  
www.geopacific.com.au

**Australia – Sydney**  
556 Crown St  
(PO Box 477)  
Surry Hills  
NSW 2010  
AUSTRALIA

T +61 2 9699 7311  
F +61 2 9699 7322

**Fiji – Nadi**  
PO Box 9975  
Nadi Airport  
Nadi  
FIJI

T +679 6 720 166  
F +679 6 720 206



by Climax Mining Ltd in 1991 (this is not considered to be of JORC reporting standard\* and is not an estimate of Mineral Resources as defined by the JORC Code). There is potential to substantiate this estimate and to discover additional mineralisation through exploration in the immediate area. The Faddy's mineralisation appears to be open along trend (north-south) and at depth (dips towards the west) and previous drill sampling has not taken into account the occurrence of nuggety gold which in parts of the deposit may significantly add to gold grades.

**Figure 2. View of the Faddy's Gold Deposit (circled). Nadi is located in the headwaters of the bay to the far right.**



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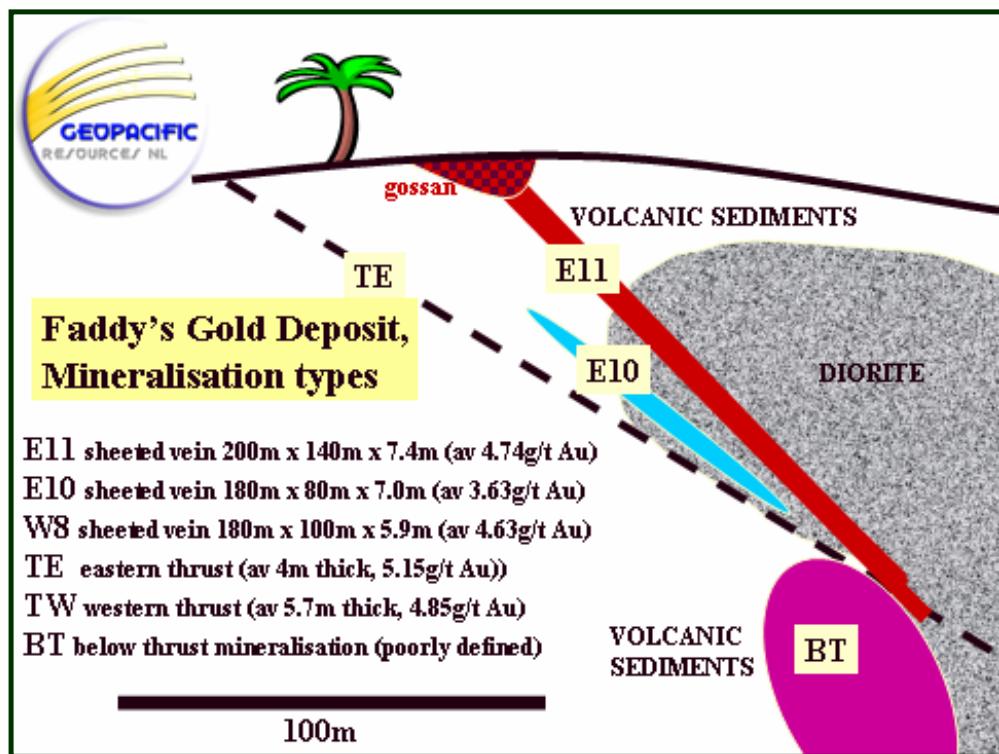
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F +679 6 720 206

Figure 3 is a summary of the main types of mineralisation at the Faddy's Deposit that occur within and peripheral to a dioritic intrusive body which has been offset by a low angle reverse fault.

\* The JORC Code is the Joint Ore Reserves Committee of The Australasian Institute of Mining and Metallurgy, Australasian Institute of Geoscientists and Minerals Council of Australia (2004 edition). The JORC code sets out minimum standards, recommendations and guidelines for public reporting (in Australasia) of exploration results, mineral resources and ore reserves.

Sheeted veins overlying the fault can be interpreted as arcuate to undulating veins which have developed in a brittle medium at the margin of the diorite. The sheeted veins are thickest in the diorite and thin over about 100 metres or so into the volcanic sediments. The veins are in the hanging wall above the fault plane and generally converge into the fault plane in the diorite close to the point where the thrust causes the diorite to 'overhang' volcanic sediments. In the northern part of Faddy's Deposit two parallel veins (E11 and E10) occur above the fault and are separated by about 15m of barren diorite. In the south of the deposit only one vein (W8) has been defined.

**Figure 3. Mineralisation Model of Faddy's Deposit. Schematic cross section looking south.**



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The E11 vein is 7.4 metres (average) thick, has a minimum length of 200 metres and extends down dip about 140 metres. The outcrop expression of the E11 sheeted vein in the northern part of the deposit has had limited drill testing and trench sampling has been minimal.

The E10 vein has a length of 180 metres, extends down dip about 80 metres and has an average thickness of 7.0 metres. E10 does not appear to reach the current erosion surface.

The W8 vein in the grid west area may be a continuation of E11. It is also contained in the hanging wall of the thrust and has a shallow west dip. W8 has a length of about 180 metres, extends down dip about 100



metres and has an average thickness of 5.9 metres.

A low angle thrust (TW/TE) separates the sheeted veins from underlying disseminated mineralisation (BT). Mineralisation along the thrust zone has an average thickness of 5.7m and has been shown to extend down dip at least 150m. There is potential to extend this mineralisation up dip.

Exploration expenditure by Millennium and previous owners (Climax Mining Ltd, Hallcroft Pty Ltd) since 1985 has exceeded A\$4.0 million. This work has included; mapping, sampling, trenching geophysical surveys, preliminary metallurgical test work and drilling (172 drill holes for 17,897 metres).

Geopacific has recognised the following potential to define more mineralisation at the Faddy's deposit through further drill testing:

Near surface: 0-75m (down dip) of the mineralised thrust zone has been poorly drill tested and requires shallow drilling and trenching.

Along trend: Gold mineralisation is not closed off along strike. Anomalous soil gold values occur within a 1.8km zone south of the Faddy's deposit towards the old Mistry gold workings.

At depth: Mineralisation in the thrust zone was intersected in a recent deep drill hole (MDD019) which intersected 0.25m of 20.2g/t Au from 211m and 3m of 4.5g/t Au from 282m. Very few drill holes have tested deeper than 110m.

The following factors also could enhance project economics:

1. Poor recoveries in most previous drilling due to soft clay in shear zones and the broken/brecciated nature of sheeted veins which may have underestimated gold grade.

2. Limited consideration has been given to the occurrence of coarse nuggety gold in previous work. Repeated assays of high grade intersections indicate that gold grades may have been underestimated.

3. Silver, zinc, lead and copper are associated with gold (high grades of zinc up 20.2%, lead up to 8.45% and copper up to 2.57% occur with some gold mineralised drill intersections). The Au:Ag ratio is about 1:5.

4. Preliminary metallurgical testing by Climax recovered 97% of Au in 24 hours with low reagent consumptions and low grinding time.

5. The Faddy's Gold Deposit is well located close to the coast. It has good road access and is not far from port facilities and other infrastructure.

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Potential for other new discoveries occur in the near vicinity of Faddy's and elsewhere within the tenements. Recently the FSM vein, an east-west trending quartz vein system (2.2km outcrop along strike) was located by Millennium about 2km south of Faddy's and four holes drilled late last year have shown that this brecciated quartz vein structure contains anomalous gold and base metal values. New structural interpretations between the FSM vein and the Faddy's Deposit indicate new targets for offset extensions of the Faddy's mineralised structures. Other targets in the tenements include skarn-gold and porphyry-copper-gold prospects.

Preliminary metallurgical results are encouraging and environmental factors are relatively favourable. Relations with the Fijian Government, the Department of Mines and local landowners are good.

The Faddy's deposit is near a point where a feasibility study can be undertaken. Some further drilling is required to test for nuggety gold, continuity of high grade and extensions to mineralisation down dip and along trend and this can be followed by studies including; additional in-fill and step-out drilling, trenching, metallurgical processing, mine design, environmental and socio economic studies. Expenditure of \$900,000 is planned during the next 12 months to progress these studies with a view to develop a plus 25,000oz/annum gold project based on an open cut/shallow underground operation.

Millennium Mining has agreed in principle for Geopacific to acquire Millennium Mining (Fiji) Limited (registered in Fiji) ('Millennium') and its sole assets (Special Prospecting Licences (SPL 1216 'Nabila' and SPL 1415 'Kavukavu') which contain the Faddy's Deposit and surrounding exploration ground with a number of prospects and anomalies). The consideration, conditional on a positive due diligence and Geopacific shareholder approval, is:

1. Geopacific to issue to Millennium owners 4 million GPR shares.
2. Geopacific to issue to Millennium owners 4 million options at 50c convertible within 5 years and contingent on defining a JORC compliant Ore Reserve of over 200,000 ounces of contained gold.
3. Geopacific to issue to Millennium owners 1 million options at \$1.00 convertible within 10 years and contingent on defining a JORC compliant Ore Reserve of over 1,000,000 ounces of contained gold.

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Other information on the Company's projects and previous Geopacific announcements are available on Geopacific's website at [www.geopacific.com.au](http://www.geopacific.com.au).

Yours faithfully

A handwritten signature in black ink, appearing to read "I.J. Pringle".

Ian J Pringle  
**(Managing Director)**

#### **Competent Person**

The review of exploration activities and results contained in this report is based on information compiled by **Dr Ian Pringle**, a Member of the Australasian Institute of Mining and Metallurgy. Dr Pringle is the Managing Director of Geopacific Resources NL and also a Principle of Ian J Pringle & Associates Pty Ltd, a consultancy company in minerals exploration. He has sufficient experience which is relevant to the style of mineralization and types of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the December 2004 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Dr Pringle has consented to the inclusion in this report of the matters based on his information in the form and context in which it appears.

#### **Further Information**

For further information please contact Ian Pringle, Managing Director, on (02) 9699 7311 or [ian@dca.org.au](mailto:ian@dca.org.au). An overview of Geopacific Resources NL can be viewed at [www.geopacific.com.au](http://www.geopacific.com.au).

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