



OFFER LETTER

For a Non-renounceable rights issue of one (1) Ordinary Share for every one (1) Ordinary Shares held by Shareholders, at an Issue Price of three (3) cents per Share to raise up to \$2,172,000 (before Offer Costs).

Eligible shareholders that accept the offer will be allocated one free attaching option for every two entitlement shares taken up. The options will not be listed and convert at AUS\$0.06 (6 cents) per share with an expiry of 16 December 2011.

IMPORTANT NOTICE

If you are a Qualifying Shareholder, this is an important document that requires your immediate attention. It should be read in its entirety. If, after reading this document you have any questions about the securities being offered or any other matter, you should contact your stockbroker, solicitor, accountant or other professional advisor.

**Last date for acceptance and payment:
5:00pm (AEDST) on Tuesday 15 December 2009**

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SECTION 1 IMPORTANT NOTICES

This Offer Letter is dated 1 December 2009 and is issued by Geopacific Resources NL.

This Rights Offer is being made without a prospectus in accordance with section 708AA of the Corporations Act. This Offer Letter is not a prospectus or any other form of disclosure document regulated by the Corporations Act and has not been lodged with ASIC. Accordingly, this Offer Letter does not contain all of the information which a prospective investor may require to make an investment decision and it does not contain all of the information that would otherwise be required by Australian law or any other law to be disclosed in a prospectus or other disclosure document.

This Offer Letter does not constitute a securities recommendation or financial product advice.

This Offer Letter is important and applicants should read this document in its entirety and, if in any doubt, consult with their professional advisers before deciding whether to participate in the Rights Offer. This Rights Offer and Offer Letter do not take into account the investment objectives, financial or taxation circumstances or particular needs of any Applicant. There are risks associated with an investment in Geopacific Resources and the Shares offered under this Offer Letter must be regarded as a speculative investment which carries no guarantee with respect to return on capital investment, payment of dividends or the future value of the Shares.

Before applying for New Shares, each Applicant should consider whether such an investment, and the information contained in this Offer Letter, is appropriate to their particular needs, and considering their individual risk profile for speculative investments, investment objectives and individual financial circumstances. Each Applicant should consult with their stockbroker, solicitor, accountant or other professional advisor without delay.

Disclaimer

ASIC and ASX take no responsibility for the contents of this Offer Letter. No person is authorised to give any information or to make any representation in connection with the Rights Offer which is not contained in this Offer Letter. Any information or representation in connection with the Rights Offer not contained in the Offer Letter may not be relied upon as having been authorised by the Company or any of its officers.

Neither the Company, nor any other person warrants the future performance of the Company or any return on any investment made under this Rights Offer, except as required by law and then only to the extent required. Investors should note that the past Share price performance of the Company provides no guidance to its future Share price performance.

Restriction on Distribution

This Offer Letter and accompanying Entitlement and Acceptance Form does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. No action has been taken to lodge this Offer Letter in any jurisdiction outside of Australia, or to otherwise permit a public offering of Rights or Shares, in any jurisdiction outside Australia.

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The distribution of this Offer Letter in jurisdictions outside Australia, including the United States of America, may be restricted by law and therefore any person who comes into possession of this Offer Letter should seek advice on, and observe, any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

Definitions, Currency and Time

Definitions of certain terms and abbreviations used in this Offer Letter are contained in Section 9. All references to currency are in Australian dollars and all references to time are in AEDST (Australian Eastern Daylight Savings Time), unless otherwise indicated.

Application for New Shares

Application for New Shares must be completed on the personalised Entitlement and Acceptance Form (which accompanies this document) and returned by the Closing Date. If you have not received a personalised Entitlement and Acceptance Form, please contact the Company on (02) 92997311 or +61 2 92997311 (outside Australia).

Privacy Disclosure

The Company collects information about each Applicant provided on an Entitlement and Acceptance Form for the purposes of processing the Application, and, if the Application is successful, to administer the Applicant's security holding in the Company.

By submitting an Entitlement and Acceptance Form, you will be providing personal information to the Company (directly or by the Share Registry). The Company collects, holds and will use that information to assess your Application. The Company collects your personal information to process and administer your security holding in the Company and to provide related services to you. If you do not complete the Entitlement and Acceptance Form in full, the Company may reject your Application. The Company may disclose your personal information for purposes related to your security holding, including to the Share Registry, the Company's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory bodies. You can obtain access to personal information that the Company holds about you. To make a request for access to your personal information held (or on behalf of) the Company, please contact the Company through the Share Registry.

Entire Agreement

Subject to this paragraph, the terms contained in this Offer Letter constitute the entire agreement between the Company and you as to the Rights Offer, and your participation in the Rights Offer to the exclusion of all prior representations, understandings and agreements between the Company and you.

Governing Law

The Offer Letter, the Rights Offer and the contracts formed on acceptance of the Applications are governed by the law applicable in New South Wales, Australia. Each Applicant submits to the exclusive jurisdiction of the courts of New South Wales, Australia.

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SECTION 2 LETTER FROM THE CHAIRMAN

1 December 2009

Dear Shareholders,

The Board of Directors of Geopacific Resources NL is pleased to extend an invitation to Shareholders of the Company to participate in its Non-Renounceable Entitlements Issue ('Rights Issue'). The Rights Issue will enable each existing eligible Shareholder, irrespective of the size of their shareholding, to subscribe for one new share for each one existing share held (1:1) as at the Record Date (5.00 pm (AEST) Monday, 30th November 2009) at an issue price of AUS\$0.03 (3 cents).

Eligible shareholders that accept the offer will be allocated one free attaching option for every two entitlement shares taken up. The options will not be listed and convert at AUS\$0.06 (6 cents) per share with an expiry of 16 December 2011. Additional information was included in a letter dispatched to shareholders on 23 November 2009.

The Rights Issue will be underwritten to \$1,000,000, which will be applied towards any offer shortfall. The underwriters have agreed to subscribe for any shortfall of up to 33,333,333 shares (\$1,000,000).

All New Shares will rank equally with existing shares from allotment. The entitlements are non-renounceable and therefore rights will not be tradable on ASX. Shareholders who do not take up their entitlements will not receive any value in respect of those entitlements they do not take up.

Shareholders wishing to acquire new shares under the Rights Issue will need to complete the entitlement and acceptance form that accompanies this letter before 5.00 pm (AEDST) on Tuesday, 15 December 2009.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Russell Fountain".

Dr Russell Fountain
Chairman
Geopacific Resources NL

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SECTION 3 TIMETABLE OF IMPORTANT DATES

ASX announcement of entitlements issue	20 November 2009
Lodgement of Cleansing Notice and Appendix 3B	20 November 2009
Notice posted to Shareholders advising them of the Rights Offer	23 November 2009
Ex Date (date on which shares in the Company commence trading without the rights to participate in the Rights Offer)	24 November 2009
Record Date (date for determining entitlements of Eligible Shareholders to participate in the Rights Offer)	30 November 2009 (5.00 pm AEDST)
Dispatch of Offer Letter and Entitlement & Acceptance forms to Shareholders	1 December 2009
Entitlements Issue opens	1 December 2009
Acceptances closing date	15 December 2009 (5.00 pm AEDST)
Notification to ASX of under-subscriptions	18 December 2009
Dispatch of holding statements	23 December 2009
Normal trading commences	24 December 2009



SECTION 4 DESCRIPTION OF OFFER

4.1 The Offer

The Company has initiated a one-for-one (1:1) non-renounceable entitlement issue of approximately 72 million new shares to raise approximately \$2,172,000 at an offer price of \$0.03 per share (Offer). Under the Offer, eligible shareholders will be able to subscribe for one new share for each one existing share held (1:1) as at the Record Date at an issue price of \$0.03. Eligible shareholders that accept the offer will be allocated one free attaching option for every two entitlement shares taken up. The options will not be listed and convert at \$0.06 per share with an expiry of 16 December 2011.

The Offer will be open to existing holders of fully paid shares in the Company registered as such as at the record date.

The Offer will be underwritten to \$1,000,000, which will be applied towards any offer shortfall. The underwriters have agreed to subscribe for any Offer shortfall of up to 33,333,333 shares (\$1,000,000), inclusive of the entitlements offered as part of the placement. The Company has appointed Laguna Bay Capital Pty Limited ACN 120 814 600 (Laguna Bay Capital) and Springtide Capital Pty Limited ACN 090 701 189 (Springtide Capital) to underwrite the Rights Issue in respect of 33,333,333 New Shares. As between themselves, Laguna Bay Capital has agreed to underwrite the Rights Issue in respect of 16,666,667 New Shares and Springtide Capital has agreed to underwrite the Rights Issue in respect of 16,666,666 New Shares.

The purpose of the Rights Offer and the use of funds raised are set out in Section 5.1 of this document.

All New Shares will rank equally with existing shares from allotment. The entitlements are non-renounceable and therefore rights will not be tradeable on ASX or otherwise transferable. Shareholders who do not take up their entitlements will not receive any value in respect of those entitlements they do not take up.

Eligible shareholders are holders of Geopacific shares, including Placement shares in this issue, that are registered as a holder as at 5.00pm (AEST) on the record date. The record date for the Offer is 5.00 pm (AEST) Monday, 30 November 2009.

The Offer will be open between Tuesday, 1 December 2009 and Tuesday, 15 December 2009. The Record Date for the Offer will be 5.00pm (AEST) on Monday, 30 November 2009.

The Board will reserve the right to place shares for a period of three (3) months should there be a shortfall in the take up of the Offer and the Underwritten Component.

4.2 Shortfall

Shares not taken up by Qualifying Shareholders under the Rights Offer can be issued at the Directors' discretion provided that:

- a) the price at which the New Shares forming part of the Shortfall Offer are issued is no less than the issue price for the New Shares under the Rights Offer; and
- b) the Shortfall Shares (or any part of it) are issued within 3 months of the Closing Date.

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4.3 What is my entitlement?

The number of New Shares to which you are entitled is shown in the accompanying Entitlement and Acceptance Form. If you do not take up your Entitlement by the Closing Date, the Offer to you will lapse.

You may take any of the following actions:

- a) take up all of your Entitlement;
- b) take up some of your Entitlement and allow the balance of your Entitlement to lapse; or
- c) do nothing and allow all your Entitlement to lapse.

Your acceptance must not exceed your Entitlement as shown in the Entitlement and Acceptance Form. You may accept all, or only part, of your Entitlement. If your acceptance exceeds your Entitlement, acceptance will be deemed to be for your maximum Entitlement and any surplus Application Monies will be returned to you.

A completed and lodged Entitlement and Acceptance Form, together with payment for the number of New Shares accepted, cannot be withdrawn and constitutes a binding application for, and acceptance of, the number of New Shares specified in the Entitlement and Acceptance Form on the terms set out in the Offer Document. The Entitlement and Acceptance Form does not need to be signed to be binding.

4.4 Shareholders resident outside Australia

Shareholders resident outside Australia should consult their professional advisors as to whether any government or other consents are required, or whether other formalities need to be observed, to enable them to exercise their Entitlements under the Rights Offer.

4.5 Ranking of New Shares

The New Shares will be fully paid and rank equally with Existing Shares. The rights attaching to the New Shares will be the same as the rights attaching to the Existing Shares issued in Geopacific Resources.

4.6 Quotation of New Shares by ASX

Application for official quotation by ASX of the New Shares will be made within 7 days after the date of this document. The fact that ASX may grant official quotation to the New Shares is not taken in any way as an indication of the merits of the Company or the New Shares now offered for subscription.

4.7 Allotment

Allotment of New Shares issued pursuant to the Rights Offer will be completed as soon as practicable after the Closing Date. The Company will allot the New Shares on the basis of a



Shareholder's Entitlement and Acceptance Form. Where the number of New Shares issued is less than the number applied for, or where no allotment is made, surplus application money will be refunded, without interest, to the Applicant as soon as practicable after the Closing Date.

Application Monies will be held by the Company on trust for Applicants in a trust account until the New Shares are allotted.

4.8 Taxation

It is the responsibility of all persons to satisfy themselves of the particular taxation treatment that applies to them by consulting their own professional tax advisors before applying for New Shares under the Rights Offer. Taxation consequences will depend on particular circumstances. Neither Geopacific Resources nor any of its officers accept any liability or responsibility in respect of the taxation consequences of the matters referred to above or any other taxation consequences connected with an investment in the Rights Offer in Geopacific Resources or dealing with an entitlement in this Rights Offer.

4.9 Clearing House Electronic Sub-Register (CHES) and Issuer Sponsorship

The Company will apply to ASX to have the New Shares, issued under the Rights Offer, admitted to participate in CHES in accordance with the Listing Rules and the ASTC Settlement Rules. Investors who do not wish to participate through CHES will be issuer sponsored by the Company.

Because sub-registers are electronic, ownership of New Shares can be transferred without having to rely upon paper documentation. The Company will not be issuing share certificates in respect of New Shares issued under the Rights Offer. Investors will be provided with a statement that sets out the number of New Shares allotted to them under the Rights Offer. The notice will also advise holders of their 'Holder Identification Number' or 'Security Holder Reference Number' and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship. Monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

4.10 Withdrawal of Rights Offer

The Company reserves the right not to proceed with the Rights Offer at any time before the issue of New Shares to Qualifying Shareholders. If the Rights Offer does not proceed, the Company will return all application money, without interest, as soon as practicable after notice of its withdrawal.

4.11 Enquiries

If you have any questions concerning your Entitlement, please contact Dr Ian Pringle, Managing Director, or Mr Grahame Clegg, Company Secretary, on (02) 9699 7311, or fax (02) 9699 7322 or contact your professional advisor.



SECTION 5 PURPOSE AND EFFECT OF THE ENTITLEMENT ISSUE

5.1 PURPOSE OF THE RIGHTS OFFER

The purpose of the Rights Offer is to raise up to \$2,172,000 to provide additional working capital to the Company and its subsidiaries, to fund the continuation of exploration activities on the Company's Fiji projects.

Offer Costs of \$15,000 are anticipated in connection with this Rights Offer. In addition, the Rights Offer is being managed by the Company's adviser, BurnVoor Corporate Finance Limited who will receive a success fee of 5.0% on the total equity raised. An underwriting fee of 2.5% of the amount calculated by multiplying the offer price by the number of Shares comprising the underwritten Shares will also apply.

5.2 EFFECT ON CAPITAL STRUCTURE AND CONTROL

(a) Capital Structure

The table below details the effect the Rights Offer will have on the capital structure of the Company.

Shares on issue at the date of the Rights Offer:	72,421,060
Maximum number of New Shares offered under this Offer Letter:	72,421,060
Maximum number of New Options offered under this Offer Letter:	36,210,530
Total number of Shares after the Rights Offer has been completed:	144,842,120
Amount to be raised under the Rights Offer (before Offer Costs):	\$2,172,000
Market capitalisation of Shares and New Shares at the Issue Price:	\$4,345,000

(b) Control

The potential effect the Rights Issue will have on the control of the Company and the consequences of that effect are as follows:

- (a) At the date of this Offer letter, the issued share capital of the Company is 72,421,060 issued fully paid ordinary shares.
- (b) At the date of this Offer letter, there are 9,950,000 issued options each relating to 9,950,000 fully paid ordinary share in the Company on exercise of the option. Given that the exercise prices of the options range from a low of \$0.10 to a high of \$1.00, it is considered unlikely that any of these options will be exercised in order to enable the holders to participate in the Rights Issue in respect of shares which would be issued consequent upon exercise of the options.
- (c) The maximum effect the Rights Issue could have on the control of the Company is:
 - (i) an increase in the percentage of the total issued share capital of the Company held by Laguna Bay Capital from 7.5% to a maximum of 20.25%; and
 - (ii) an increase in the percentage of the total issued share capital of the Company held by Springtide Capital from 7.5% to a maximum of 20.25%.



- (d) The consequences of the potential effect on control of the Company referred to in paragraph (c) above will be to:
 - (i) increase the voting power of Laguna Bay Capital by an amount equal to the percentage increase in its control of the Company's undiluted share capital; the maximum voting power that Laguna Bay Capital could have post the Rights Issue is 20.25%; and
 - (ii) increase the voting power of Springtide Capital by an amount equal to the percentage increase in its control of the Company's undiluted share capital; the maximum voting power that Springtide Capital could have post the Rights Issue is 20.25%.

SECTION 6 SHAREHOLDER CHOICES - WHAT QUALIFYING SHAREHOLDERS MAY DO?

6.1 WHAT ACTIONS ARE REQUIRED TO ACCEPT THE RIGHTS OFFER?

Acceptance of the Rights Offer must be made on the Entitlement and Acceptance Form which accompanies this document. The number of New Shares to which Qualifying Shareholders are entitled (Entitlement) is shown on that form. Qualifying Shareholders may:

(a) **take up all their Entitlement in full**, by completing the Entitlement and Acceptance Form (filling in the details in the spaces provided), and making payment for the amount indicated on your personalised Entitlement and Acceptance Form; or

(b) **take up part of their Entitlement and allow the balance to lapse**; by completing the Entitlement and Acceptance Form (filling in the number of New Shares you wish to accept in the space provided), and making payment for the appropriate application money (at \$0.03 per New Share); or

(c) **allow all their Entitlement to lapse**; in which case you are not obliged to do anything.

Your acceptance under the Rights Offer must not exceed your Entitlement as shown on the Entitlement and Acceptance Form. If it does, your acceptance will be deemed to be for your maximum Entitlement.

All cheques must be drawn on an Australian bank or bank draft made payable in Australian currency to "Geopacific Resources NL" and crossed "Not Negotiable". Alternatively, Applicants may pay using any other method provided for in the instructions set out on the Entitlement and Acceptance Form.

Your completed Entitlement and Acceptance Form, together with your payment must reach the Share Registry no later than 5:00pm (AEDST) on the Closing Date.

If you do not wish to take up any part of your Entitlement under the Rights Offer, you are not required to take any action.

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6.3 ENTITLEMENT AND ACCEPTANCE FORM IS BINDING

A completed and lodged Entitlement and Acceptance Form constitutes a binding offer to acquire New Shares on the terms and conditions set out in this Offer Letter, and once lodged cannot be withdrawn. If the Entitlement and Acceptance Form is not completed it may still be treated as a valid application for New Shares. The Directors' decision whether to treat an acceptance as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final.

SECTION 7 RIGHTS AND LIABILITIES ATTACHING TO THE NEW SHARES

7.1 Rights and Liabilities attaching to the New Shares

All New Shares issued pursuant to the Rights Offer and the Shortfall will, from the time they are issued, rank equally with all the Company's existing Shares.

Full details of rights and liabilities attaching to New Shares are set out in the Company's Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

SECTION 8 RISK FACTORS

8.1 INTRODUCTION

The Shares offered under this Offer Letter should be considered speculative because of the nature of the business activities of the Company. Whilst the Directors recommend the Rights Offer, potential investors should be aware that an investment in the Company involves risks, which may be higher than the risks associated with an investment in other companies.

There are numerous widespread risks associated with investing in any form of business and with investing in the share market generally. There is also a range of specific risks associated with the Company's business and its involvement in the exploration industry. These risk factors are largely beyond the control of the Company and its Directors because of the nature of the proposed business of the Company.

Persons considering whether or not to invest in the Company should read the whole of this Offer Letter in order to fully appreciate such matters and the manner in which the Company intends to operate, before any decision is made to apply for New Shares. Prospective investors should consider whether the New Shares offered are a suitable investment for them having regard to their own personal investment objectives and financial circumstances and the risk factors set out below. If in any doubt, they should consult with their professional advisors before deciding whether to apply for Shares.

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The following statement, which is not exhaustive, identifies some of the major risks associated with an investment in the Company, of which potential investors need to be aware before making a decision on whether or not to invest in the Shares.

8.2 GENERAL RISKS

(a) Exploration and Development

A significant risk for the Company is that the exploration programs will not result in exploration success. Mineral exploration by its nature is a high risk endeavour and consequently there can be no assurance that exploration of the project areas, or any other projects that may be acquired in the future, will result in discovery of an economic mineral deposit. Should a discovery be made, there is no guarantee that it will be commercially viable. While the Directors will make every effort to reduce these risks through their experience in the exploration and mining industry, the fact remains that a commercially viable mineral discovery is very much the exception rather than the rule, and success can never be guaranteed.

The future viability and profitability of the Company, as an exploration and mining company, will be dependent on a number of factors including, but not limited to, the following:

- commodity prices and exchange rates and, in particular, the price of gold, copper, silver, lead, and zinc;
- risks inherent in exploration and mining including, among other things, successful exploration and identification of ore reserves, satisfactory performance of mining operations (including risks relating to continuity of ore deposit, fluctuations in grades and values of the product being mined, and unforeseen operational and technical problems) and competent management; risks associated with negative exploration results, including relinquishment (in whole or in part) of tenements and the Company possibly withdrawing from a joint venture or not exercising an option to acquire equity, even though a viable mineral deposit may be present, but undiscovered;
- risks associated with obtaining a grant of any exploration or mining tenements which are applications or renewal of tenements upon expiry of their current term;
- risks arising because of native title and land rights which may affect the Company's ability to gain access to prospective exploration areas to obtain production titles; compensatory obligations may be necessary in settling title claims lodged over any of the tenements held or acquired by the Company; the level of impact of these matters will depend, in part, on the location and status of the tenements acquired by the Company;
- risks that exploration and mining may be adversely affected or hampered by industrial disputes;
- environmental management issues with which the Company may be required to comply from time to time;
- the risk of material adverse changes in the government policies or legislation of Fiji affecting the level of mining and exploration activities;
- poor weather conditions over a prolonged period which might adversely affect mining and exploration activities and the timing of earning revenues;



- unforeseen major failures, breakdowns or repairs required to key items of exploration and mining plant and equipment or mine infrastructure resulting in significant delays, notwithstanding regular programs of repair, maintenance and upkeep;
- risks associated with the cost of maintaining exploration and mining properties, which depends on the Company having access to sufficient development capital; and
- risks associated with the financial failure or default by a participant in any of the joint ventures or other contractual relationships to which the Company is, or may become, a party.

(b) Development and Acquisition Opportunities

The success of the Company partially depends upon the Company's ability to identify, secure and develop a portfolio of high quality project interests and strategic industry partnerships. There is a risk that the Company will be unable to secure additional gold, base metals and minerals project interests on appropriate terms, thereby potentially limiting the growth of the Company.

If the Company acquires only a limited number of gold, base metals and minerals project interests, poor performance by one or a few of these could severely affect the performance of the Company and thereby severely impact the returns to investors. The integration of new gold, base metals and minerals project interests by the Company may also be more difficult, and involve greater costs, than anticipated.

(c) Dependence on Key Personnel

The Company's success depends to a significant extent upon key management personnel, as well as other management and technical personnel including those employed on a contractual basis. The loss of the services of certain personnel could have an adverse effect upon the Company and its activities.

(d) Land Access

The Company's activities in Fiji depend on access to both privately owned and State owned land and agreement and compensation for access for exploration and mining activities are subject to negotiations and agreement with land owners and occupiers and delays or disputes may affect the Companies activities. Uncertainty associated with native title issues may also impact on the Company's future plans.

(e) Historic Sites of Cultural Significance

Some sites of national or cultural significance may be identified within the tenements and it is possible that one or more sites of significance will exist in an area which the Company considers to be prospective. The Company's policy is to carry out clearance surveys prior to conducting exploration which would cause a disturbance to the land surface.

(f) Environmental Risks

The minerals and mining industries have become subject to increasing environmental responsibility and liability. The potential for liability is an ever-present risk. The use and disposal of chemicals in the mining industry is under constant legislative scrutiny and regulation.



Exploration work will be carried out in a way that causes minimum impact on the environment. Consistent with this, it may be necessary in some cases to undertake baseline environmental studies prior to certain exploration or mining activities, so that environmental impact can be monitored, and as far as possible, minimised. While the Company is not aware of any endangered species of fauna and flora within any of its project areas, no baseline environmental studies have been undertaken to date, and discovery of such could prevent further work in certain areas.

(g) Valuation of Tenements

No valuation has been completed of the exploration projects or the Shares of the Company. The Company makes no representation in this Offer Letter as to the value of the exploration assets. It is recommended that investors and their advisors make their own assessment as to the value of the exploration projects.

(h) Development Capital

Exploration and development costs will reduce the cash reserves of the Company, which may not be replaced through the successful development of mining operations, or should these mining operations prove unsuccessful or perform below the required levels. The Company would then be dependent on seeking development capital elsewhere, through equity, debt or joint venture financing, to support long term exploration and evaluation of its projects.

(i) Share Market Conditions

Share market conditions may affect listed securities regardless of operating performance. Share market conditions are affected by many factors such as:

- general economic outlook;
- movements in, or outlook on, interest rates and inflation rates;
- currency fluctuations;
- commodity prices;
- changes in investor sentiment towards particular market sectors; and
- the demand for, and supply of, capital.

Investors should recognise that once the New Shares are listed on ASX, the price of the Shares may rise or fall. Many factors will affect the price of the Shares including local and international stock markets, movements in commodity prices, interest rates, economic conditions and investor sentiment generally.

(j) General Economic Factors

Factors such as inflation, currency fluctuation, interest rates, supply and demand and industrial disruption may have an impact on operating costs, commodity prices and stock market processes. The Company's future possible revenues and Share price can be affected by these factors which are beyond the control of the Company and its Directors.

(k) Exploration Licences

The renewal of tenements upon expiry of their current term and the granting of applications for exploration licences is subject to Ministerial approval. Non-approval or a delay in the



approval process could have a negative impact on exploration conducted by the Company as well as the Share price of the Company.

(l) Commodity Prices

Commodity prices are influenced by physical and investment demand for those commodities. Fluctuations in commodity prices may influence individual projects in which the Company has an interest. Specifically, changes in the price of gold, base metals and rare metals may have an effect on the Company.

8.3 SPECIFIC RISKS

(a) Government Policy and Change of Government

Changes in government, monetary policies, taxation and other laws can have a significant influence on the outlook for the Company and the returns to investors.

No assurance can be given that in Fiji future political instability will not occur. Since independence in 1970, Fiji has experienced several coup d'etat and each resulted in the removal of government. The current Government of Fiji is not an elected Government and no date has been set for democratic elections.

(b) Other Risks Specific to the Company

The current and future operations of the Company, including exploration, appraisal and possible production activities may be affected by a range of factors, including:

- geological conditions;
- alterations to programs and budgets;
- unanticipated operational and technical difficulties encountered in geophysical survey, drilling and production activities;
- mechanical failure of operating plant and equipment, adverse weather conditions, industrial and environmental accidents, industrial disputes and *force majeure*;
- unavailability of aircraft or drilling equipment to undertake airborne surveys and other geological and geophysical investigations and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment;
- prevention or restriction of access by reason of political unrest, outbreak of hostilities, and inability to obtain consents or approvals (including clearance of work programs pursuant to access agreements entered into with native title claimants); and
- un-insured losses and liabilities.

8.4 OTHER RISKS

The future viability and profitability of the Company is also dependent on a number of other factors affecting performance of all industries and not just the exploration and mining industries, including, but not limited to, the following:

- currency exchange rate fluctuations;
- the strength of the equity and share markets in Australia and throughout the world;



- general economic conditions in Fiji and its major trading partners and, in particular, inflation rates, interest rates, commodity supply and demand factors and industrial disruptions;
- financial failure or default by a participant in any of the joint ventures or other contractual relationship to which the Company is, or may become, a party;
- insolvency or other managerial failure by any of the contractors used by the Company in its activities; and
- industrial disputation in Australia or Fiji.

8.5 SPECULATIVE NATURE OF INVESTMENT

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the New Shares offered under this Rights Offer. Therefore, the New Shares to be issued pursuant to this Rights Offer carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares. Potential investors should consider that the investment in the Company is speculative and should consult their professional advisors before deciding whether to apply for New Shares in the Company.

SECTION 9 DEFINITIONS

In this document:

AEDST means Australian Eastern Daylight Savings Time.

Applicant means a person who has applied to subscribe for New Shares by submitting an Entitlement and Acceptance Form pursuant to the Rights Offer.

Application means the submission of an Entitlement and Acceptance Form accompanied by the relevant Application Monies or arranging for payment in accordance with the instructions on the Entitlement and Acceptance Form.

Application Monies means the aggregate amount of money payable for the New Shares applied for in a duly completed Entitlement and Acceptance Form.

ASIC means Australian Securities and Investments Commission.

ASTC Settlement Rules means the settlement rules of the securities clearing house which operates CHES.

ASX means ASX Limited (ACN 008 624 691).

Board means the Board of Directors of Geopacific Resources, unless the context indicates otherwise.

Business Day means a day on which trading takes place on the stock market of the ASX.

CHES means Clearing House Electronic Sub-registry System, operated by ASTC.

Closing Date means the closing date of the Offer, being 5:00 pm (AEDST) on Tuesday 15 December 2009 (unless extended).

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

Constitution means the constitution of the Company.

Corporations Act means the Corporations Act 2001 (Cth).



Directors means the Directors of the Company as at the date of this document.

Dollars or \$ means Australian dollars, unless otherwise stated.

Entitlement means the entitlement of a Shareholder who is eligible to participate in the Rights Offer.

Entitlement and Acceptance Form means the entitlement and acceptance form accompanying this document.

Existing Shares means the Shares already on issue in Geopacific Resources as at the Record Date.

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

Listing Rules or ASX Listing Rules means the official Listing Rules of ASX.

New Shares means Shares to be allotted and issued by the Company pursuant to the Rights Offer.

Offer Costs means the direct costs of the Rights Offer including fees paid to advisers and to provide specific services to cover share registry, printing and postage costs.

Offer Letter means this document and the Rights Issue Cleansing Notice dated 20 November 2009 issued under section 708AA of the Corporations Act.

Offer Period means the period commencing on the Opening Date and ending on the Closing Date.

Official List means the official list of ASX.

Qualifying Shareholder means a Shareholder at 5:00pm AEDST on the Record Date.

Quotation and Official Quotation means official quotation on ASX.

Record Date means 5:00pm AEDST on Monday, 30 November 2009.

Rights mean the rights to subscribe for New Shares pursuant to the Offer Letter.

Rights Offer means a pro-rata non-renounceable offer to the Shareholders to subscribe for New Shares on the basis of 1 New Share for every 1 Shares of which the Shareholder is the registered holder as at 5:00pm AEDST on the Record Date at an issue price of \$0.03 per New Share, pursuant to the Offer Letter.

Share means one (1) fully paid ordinary share in Geopacific Resources NL.

Shareholder means a holder of Shares.

Share Registry means Registries Limited (ABN 14 003 209 836).

Shortfall Shares means those New Shares not taken up by Qualifying Shareholders under the Rights Offer by the Closing Date.

Timetable means the indicative table set out in Section 3 of the Offer Letter.



SECTION 10 CORPORATE DIRECTORY

BOARD OF DIRECTORS

Dr Russell Fountain, Non-Executive Chairman
Dr Ian Pringle, Managing Director
Mr Willie (Bill) Brook, Non-Executive Director
Mr Ian Simpson, Non-Executive Director
Mr Harvie Probert, Non-Executive Director
Mr Craig McCabe, Alternate Non-Executive Director to Mr Ian Simpson)

COMPANY SECRETARY

Mr Grahame Clegg

REGISTERED OFFICE

Geopacific Resources NL
556 Crown Street, Surry Hills
Sydney, NSW 2010
Telephone: 02 9699 7311
Facsimile: 02 9699 7322
Website: www.geopacific.com.au
Email: ianp@geopacific.com.au

AUDITOR

K.S. Black & Co.,
Suite 2404, Level 24 MLC Centre,
19-21 Martin Place, Sydney, NSW 2000

SHARE REGISTRY

Registries Limited
GPO Box 3993
Sydney, NSW 2001
Telephone: 02 9290 9600
Facsimile: 02 9279 0664
Website: www.registries.com.au

FINANCIAL ADVISOR

BurnVoir Corporate Finance Limited
Level 5, 1 Chifley Square
Sydney, NSW 2000
Telephone: 02 9220 0345
Website: www.burnvoir.com.au

ASX CODE GPR

OFFER LETTER

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