



**GEOPACIFIC**  
RESOURCES NL

ACN 003 208 393

**NOTICE OF GENERAL MEETING**

**&**

**EXPLANATORY STATEMENT**

**To be held**

At 11.00am, Monday, 2 April 2012

**at**

**The Offices of William Buck, Level 3, South Shore Centre  
83 South Perth Esplanade, South Perth, Western Australia**

21<sup>st</sup> February 2012

Dear Fellow Geopacific Shareholder,

Please find enclosed the Notice of General Meeting for the Shareholders' Meeting to be held at the offices of William Buck, Level 3, South Shore Centre, South Perth Esplanade, South Perth WA 6151 at 11.00am on Monday, 2 April 2012.

The purpose of the meeting is to seek shareholder approval in accordance with the Corporations Act 2001 and the Listing Rules of the ASX to a number of resolutions, which are set out in the attached Notice of General Meeting paper.

Your Directors seek your support and look forward to your attendance at the meeting.

Yours sincerely

**Stephen Biggs**  
Chairman

**NOTICE OF GENERAL MEETING**

Notice is hereby given that a General Meeting of Geopacific Resources NL will be convened at 11.00am on Monday, 2 April 2012 at the offices of William Buck, Level 3, South Shore Centre, South Perth Esplanade, South Perth WA 6151.

**AGENDA**

**ORDINARY BUSINESS**

**1. Ratification of Prior Issue of Equity Securities – Share Placement**

To consider, and if thought fit, to pass, with or without modification, the following ordinary resolution:

*“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the allotment and issue by the Directors of the Company of 3,000,000 Shares and 1,500,000 Options, pursuant to the Placement on the terms and conditions set out in the Explanatory Statement accompanying this Notice of General Meeting.”*

The issue was in accordance with the terms and conditions set out in the Explanatory Statement accompanying this Notice of General Meeting.

**Voting Exclusion Statement**

The Company will disregard any votes cast on Resolution 1 by any person who participated in the issue, and any associate of that person (or those persons).

However, the Company need not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

**2. Approval of the Issue of Equity Securities – Share Placement**

To consider, and if thought fit, to pass, with or without modification, the following ordinary resolution:

*“That, for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders approve the allotment and issue by the Directors of the Company of 1,325,000 Shares and 662,500 Options, pursuant to the Placement on the terms and conditions set out in the Explanatory Statement accompanying this Notice of General Meeting.”*

The issue to be in accordance with the terms and conditions set out in the Explanatory Statement accompanying this Notice of General Meeting.

**Voting Exclusion Statement**

The Company will disregard any votes cast on Resolution 2 by any person who may participate in the proposed issue, and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, and any associate of that person (or those persons).

However, the Company need not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

**NOTICE OF GENERAL MEETING**

**3. Participation in the Placement by a Director - Mr Charles Bass**

To consider, and if thought fit, to pass, with or without modification, the following ordinary resolution:

*“That, for the purposes of Section 208 of the Corporations Act, Listing Rule 10.11 and for all other purposes, Shareholders approve the allotment and issue of 1,136,364 Shares and 568,182 Options to Mr Charles Bass (or his nominee) under the Placement, on the terms and conditions set out in the Explanatory Statement accompanying this Notice of General Meeting.”*

The issue to be in accordance with the terms and conditions set out in the Explanatory Statement accompanying this Notice of General Meeting.

**Voting Exclusion Statement**

The Company will disregard any votes cast on Resolution 3 by Mr Charles Bass and any associate of Mr Charles Bass.

However, the Company need not disregard a vote if:

- (a) it is cast by the person as a proxy appointed by writing that specifies how the proxy is to vote on the proposed resolution; or
- (b) it is not cast on behalf of Mr Charles Bass and any associate of Mr Charles Bass.

**4. Approval of the Grant of Options to a Director – Mr Charles Bass**

To consider, and if thought fit, to pass, with or without modification, the following ordinary resolution:

*“That, for the purposes of Section 208 of the Corporations Act, Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of 2,000,000 Options to subscribe for ordinary shares in the Company to Mr Charles Bass (or his nominee), on the terms and conditions set out in the Explanatory Statement accompanying this Notice of General Meeting.”*

The issue to be in accordance with the terms and conditions set out in the Explanatory Statement accompanying this Notice of General Meeting.

**Voting Exclusion Statement**

The Company will disregard any votes cast on Resolution 4 by Mr Charles Bass and any associate of Mr Charles Bass.

However, the Company need not disregard a vote if:

- (a) it is cast by the person as a proxy appointed by writing that specifies how the proxy is to vote on the proposed resolution; or
- (b) it is not cast on behalf of Mr Charles Bass and any associate of Mr Charles Bass.

**Voting Prohibition Statement**

A person appointed as a proxy must not vote, on the basis of that appointment, on Resolution 4 if:

- (a) the proxy is either:
  - (i) a member of the Key Management Personnel; or
  - (ii) a closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (c) the proxy is the Chair of the Meeting; and
- (d) the appointment expressly authorizes the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of Key Management Personnel.

**GEPACIFIC RESOURCES NL**  
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**NOTICE OF GENERAL MEETING**

**GENERAL NOTES**

1. The Explanatory Statement to Shareholders attached to this Notice of General Meeting is hereby incorporated into and forms part of this Notice of General Meeting.
2. The Directors have determined in accordance with Regulation 7.11.37 of the Corporations Regulations that, for the purposes of voting at the meeting, shares will be taken to be held by the registered holders at 5.00pm on 31 March 2012.

**BY ORDER OF THE BOARD**



Mark Pitts  
COMPANY SECRETARY

Dated this 21<sup>st</sup> day of February 2012

## GEPACIFIC RESOURCES NL

ACN 003 208 393

### EXPLANATORY STATEMENT

The purpose of the Explanatory Statement is to provide Shareholders with information concerning the Resolutions in the Notice of General Meeting.

Certain abbreviations and other defined terms are used throughout this Explanatory Statement. Defined terms are generally identifiable by the use of an upper case first letter. Details of the definitions and abbreviations are set out in the Glossary to this Explanatory Statement.

#### Information relating to Resolutions 1, 2 and 3

On 17 February 2012 the Company announced the placement of up to 5,461,364 ordinary fully paid Shares and 2,730,682 attaching Options to raise approximately \$1.2 million, before costs. The first tranche of 3,000,000 Shares and 1,500,000 Options are to be issued on or around 1 March 2012 pursuant to the Company's 15% placement facility under Listing Rule 7.1, and is the subject of Shareholder ratification in Resolution 1.

The second tranche, being 1,325,000 Shares and 662,500 Options, is not able to be issued under the Company's 15% placement facility under Listing Rule 7.1 and as such, is to be issued subject to Shareholder approval being sought under Resolution 2, and will occur as soon as practicable after the completion of the General Meeting, subject to Shareholder approval.

Approval is also being sought from Shareholders under Resolution 3 to enable Mr Charles Bass, an Executive Director of the Company to participate in the Placement on terms exactly the same as those offered to the unrelated parties of the Company, the subject of Resolutions 1 and 2.

The terms and conditions of the Options issued or to be issued, the subject of Resolutions 1, 2 and 3 are included in Schedule 1 to this Notice of General Meeting.

#### 1 Resolution 1 - Ratification of a Prior Issue of Equity Securities – Share Placement

Listing Rule 7.1 provides that without Shareholder approval, a company must not issue or agree to issue new equity securities constituting more than 15% of its total issued capital within a 12 month period (excluding any issue of equity securities approved by Shareholders and other various permitted exceptions which are not relevant for current purposes).

Listing Rule 7.4 allows an issue of securities made without the approval of Shareholders to be ratified by Shareholders, in order to refresh the 15% capacity under Listing Rule 7.1, provided at the time the issue was made, the issue was made within the Company's existing 15% capacity under Listing Rule 7.1.

Shareholder approval is therefore now sought pursuant to Listing Rule 7.4 to ratify the issue of placement securities so that the Company refreshes its capacity to issue up to 15% of its issued ordinary capital, if required, in the next 12 months without first requiring Shareholder approval for those future issues.

Listing Rule 7.5 requires that the following information be provided to Shareholders for the purpose of obtaining Shareholder approval pursuant to Listing Rule 7.4:

- (a) the total number of equity securities issued will be 3,000,000 Shares and 1,500,000 Options;
- (b) the Shares will be issued at an issue price of 22 cents per Share. Options will be issued for nil further consideration on the basis of one Option for every two Shares subscribed for;
- (c) the Shares issued will be fully paid ordinary shares which rank equally with the Company's existing fully paid ordinary shares on issue. Options will be exercisable at 35 cents each expiring on 19 January 2013 and rank equally with a class of options on issue;
- (d) the Shares and Options will be issued to professional and sophisticated investors, none of whom are related parties of the Company;
- (e) the funds raised from the Placement are to be used to fund the exploration and drilling work at the Company's copper-gold prospective projects in Fiji, and to provide working capital; and
- (f) a voting exclusion statement is included in the Notice of General Meeting.

**EXPLANATORY STATEMENT**

**2 Resolution 2 – Approval of Issue of Equity Securities – Share Placement**

Resolution 2 seeks Shareholder approval pursuant to ASX Listing Rule 7.1 for the allotment and issue of up to 1,325,000 Shares and 662,500 Options.

Listing Rule 7.1 provides that without Shareholder approval, a company must not issue or agree to issue new equity securities constituting more than 15% of its total issued capital within a 12 month period (excluding any issue of equity securities approved by Shareholders and other various permitted exceptions which are not relevant for current purposes).

The effect of Resolution 2 will be to allow the Directors to issue the Shares and Options pursuant to tranche 2 of the Share Placement during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

By approving this issue, and subject to successful Shareholder ratification of Tranche 1 of the Placement, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

Listing Rule 7.3 requires that the following information be provided to Shareholders for the purpose of obtaining Shareholder approval pursuant to Listing Rule 7.1:

(a) the maximum number of equity securities to be issued under tranche 2 of the Placement is 1,325,000 Shares and 662,500 Options;

(b) the Shares will be issued at an issue price of 22 cents per Share. Options will be issued for nil further consideration on the basis of one Option for every two Shares subscribed for;

(c) the Shares and Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that allotment will occur on the same date;

(d) the Shares will be fully paid ordinary shares which will rank equally with the Company's existing fully paid ordinary shares on issue. Options will be exercisable at 35 cents each expiring on 19 January 2013 and will rank equally with a class of options on issue;

(e) the Shares and Options will be issued to professional and sophisticated investors, none of whom are related parties of the Company;

(f) the Company will apply to ASX for quotation of the Shares and Options on ASX;

(g) the funds raised from the Placement will be used to fund the exploration and drilling work at the Company's copper-gold prospective projects in Fiji, and to provide working capital; and

(h) a voting exclusion statement is included in the Notice of General Meeting.

**EXPLANATORY STATEMENT**

**3. Resolution 3 - Participation in the Placement by a Director – Mr Charles Bass**

The participation of Mr Charles Bass in the Placement, if approved by Shareholders, will be on exactly the same terms and conditions as the Placement made to the unrelated parties the subject of Resolutions 1 and 2.

**Chapter 2E of the Corporations Act**

Under Chapter 2E of the Corporations Act, a public company cannot give a “financial benefit” to a “related party” unless one of the exceptions to Section 208 apply or Shareholders have in general meeting approved the giving of that financial benefit to the related party. A “financial benefit” is defined in the Corporations Act in broad terms and includes a public company issuing securities. For the purposes of this General Meeting, a “related party” includes a Director of the Company. Accordingly, the proposed issue of Shares and Options to the Participating Director involves the provision of a financial benefit to a related party of the Company.

Section 210 of the Corporations Act provides that an entity does not need to obtain Shareholder approval to give a financial benefit to a related party if the giving of the financial benefit would be reasonable in the circumstances if the related party and the entity are dealing at arm’s length (or terms less favourable than arm’s length).

Notwithstanding that the Participating Director (or his nominee) intends to subscribe for Shares and Options under the Placement on the same terms as all other placement investors, the Board is of the view that it is prudent to seek Shareholder approval under Section 208 of the Corporations Act.

In accordance with the requirements of Sections 217 to 227 of the Corporations Act, the following information is provided to allow Shareholders to assess the proposed issue of Shares and Options to the Director:

- (a) subject to Shareholder approval, the related party to whom the financial benefit will be given is Mr Charles Bass, or his nominee;
- (b) the number of Shares proposed to be issued under the Placement is 1,136,364 Shares at 22 cents per Share and 568,182 listed options, exercisable at 35 cents each and expiring on 19 January 2013 , which would represent 2.62% of the expanded issued share capital on an undiluted basis after the Placement.

The number of Shares and Options to be issued to, and the total subscription funds payable, by the Participating Director, if Resolution 3 is approved by Shareholders, is as follows:

<b>Director</b>	<b>Number of shares</b>	<b>Number of options</b>	<b>Subscription Funds (\$)</b>
Charles Bass, (or his nominee)	1,136,364	568,182	\$250,000

- (c) the nature of the financial benefit to be given is the issuing of the Shares and Options set out in the table above at an issue price of 22 cents per Share, being an issue price that is less than the prevailing market price (based on the price of shares at the date of this Notice of General Meeting), although the proposed issue to the Participating Director is on identical terms to those made to other independent third parties;
- (d) Mr Bass does not wish to make a recommendation to Shareholders in respect of Resolution 3 because he has a material personal interest in the outcome of the Resolution.

The Company’s Directors Mr Steven Biggs, Dr Russell Fountain and Mr Ian Simpson, who are not participating in the Placement, recommend that Shareholders vote in favour of Resolution 3, as they believe the increased shareholding of the Participating Director will provide further incentive to enhance the future value of the Company’s Shares for all Shareholders. The Placement will also add up to \$250,000 to the Company’s working capital.

**EXPLANATORY STATEMENT**

**3. Resolution 3 - Participation in the Placement by a Director – Mr Charles Bass (continued)**

(e) *Securities held by the Participating Director*

As at the date of this Notice of General Meeting, the Participating Director has the interests in the securities of the Company as set out below:

<b>Participating Director</b>	<b>Shares</b>	<b>Options</b>
Charles Bass	2,815,753	1,407,877 listed options exercisable at 35 cents expiring on 19 January 2012

Note: This table does not take into account the Shares to be issued to the Participating Director if Resolution 3 is passed by Shareholders.

Resolution 3 would have the effect of giving power to the Directors to issue a total of 1,136,364 Shares and 568,182 Options on the same terms and conditions as applicable as the Placement made to unrelated parties the subject of Resolutions 1 and 2, and the resulting Shares held by the Participating Director would be as follows:

<b>Participating Director</b>	<b>Number of Existing Shares</b>	<b>Number of Shares to be issued under the Placement</b>	<b>Total Shareholding</b>	<b>% of issued capital (on an expanded capital basis)</b>
Charles Bass	2,815,753	1,136,364	3,952,117	9.12%

Note: This table sets out the maximum number of Shares which may be issued under Resolution 3 to the Participating Director assuming that no other person nominated by the Participating Director subscribes for the Shares. Shares may be issued to nominees of the Participating Director, who may be third party nominees, in which case, the shareholding interest of the Participating Director will be reduced.

The issue price per Share to be issued under Resolution 3 is 22 cents per Share. The value of the Shares, based on the market price of Shares prior to the issue of this Notice of General Meeting calculated according to the 5 day volume weighted average price of shares on ASX prior to the issue of this Notice is equal to 21.3 cents per Share.

Accordingly, the issue price of 22 cents per Share is comparable to the 5-day volume weighted average price prior to the date of this Notice of General Meeting.

In the last 12 months, the highest price for ordinary fully paid shares in the company trading on ASX was 40 cents which occurred on 21 February 2011. The lowest price was 15 cents which occurred on 28 July 2011. On 20 February 2012 the closing price was 24 cents.

The Options to be issued under Resolution 3 are to be issued for no further cash consideration on the basis of one Option for each Share subscribed for under the Placement.

(f) *Remuneration of the Participating Director*

The total annual remuneration paid to the Participating Director for the last financial year is as follows:

<b>Year Ended 31 December 2011</b>	<b>Salaries and Fees</b>	<b>Superannuation</b>	<b>Value of options granted</b>	<b>Total</b>
Charles Bass	-	-	-	-

**EXPLANATORY STATEMENT**

**3. Resolution 3 - Participation in the Placement by a Director – Mr Charles Bass (continued)**

**ASX Listing Rule 10.11**

ASX Listing Rule 10.11 requires a listed company to obtain shareholder approval by ordinary resolution prior to the issue of securities to a related party of the Company (which includes a Director).

If Resolution 3 is passed, the Participating Director will be issued Shares and Options under the Placement. Accordingly, approval for the issue of Shares and Options to the Participating Director of the Company is required pursuant to ASX Listing Rule 10.11.

Separate approval pursuant to ASX Listing Rule 7.1 is not required in order to issue Shares and Options to the Participating Director as approval is being obtained under ASX Listing Rule 10.11.

ASX Listing Rule 10.13 sets out a number of matters which must be included in a notice of meeting proposing an approval under ASX Listing Rule 10.11. For the purposes of ASX Listing Rule 10.13, the following information is provided in relation to Resolution 3:

- (a) the maximum number of equity securities to be issued to the Participating Director (or his nominee) under the Placement is 1,136,364 Shares and 568,182 Options;
- (b) the Shares and Options will be issued no later than one (1) month after the date of the General Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated that allotments will occur on the same date;
- (c) the Shares will be fully paid ordinary shares which will rank equally with the Company's existing fully paid ordinary shares on issue. Options will be exercisable at 35 cents each expiring on 19 January 2013 and will rank equally with a class of options on issue;
- (d) the Shares will be issued at an issue price of 22 cents per Share. Options will be issued for nil further consideration on the basis of one Option for every two Shares subscribed for;
- (e) the Shares and Options will be issued to Mr Charles Bass, a Director and related party of the Company (or his nominee);
- (f) the funds raised from the Placement will be used to fund the exploration and drilling work at the Company's copper-gold prospective projects in Fiji, and to provide working capital;
- (g) the Company will apply to ASX for quotation of the Shares and Options on ASX; and
- (h) voting exclusion statements are included in the Notice of General Meeting.

There is no other information known to the Directors that is reasonably required by Shareholders to make a decision whether or not it is in the Company's interest to pass Resolution 3.

**4. Resolution 4 - Approval of the Grant of Options to a Director – Mr Charles Bass**

**Information relating to Resolution 4**

On 30 September 2011 the Company announced, subject to Shareholder approval, the issue of 2,000,000 Options to the Company's Executive Director Mr Charles Bass. The proposed issue of options to Mr Bass is partly in lieu of payment for his engagement as an Executive Director of the Company.

The Board believes that the use of options in this way enables the Company to conserve its cash and provides an incentive for Mr Bass to grow Shareholder value. To this end the proposed options have a number of vesting conditions, with 50% of the options vesting over three years, one third vesting after each year Mr Bass remains as an executive officer of the Company and the balance of the options vest only on successful exploration results being achieved arising from the ZTEM geophysics, such success deemed in the Boards' discretion or if a corporate transaction benefitting GPR has been successfully negotiated.

The terms and conditions of the Options to be issued, the subject of Resolution 4, are included in Schedule 2 to this Notice of General Meeting.

EXPLANATORY STATEMENT

4. Resolution 4 - Approval of the Grant of Options to a Director – Mr Charles Bass (continued)

Listing Rule 10.11 provides that a Company must not issue equity securities (including options) to a related party of the company, such as a director, without the Company obtaining shareholders approval. If shareholder approval is given under Listing Rule 10.11, Listing Rule 7.2, Exception 14 provides that approval is not required under Listing Rule 7.1.

The granting of the options as contemplated by Resolution 4 also constitutes the providing of a financial benefit to a related party. Section 208 of the Corporations Act prohibits a company from giving a financial benefit, other than in certain defined circumstances, to a related party without prior Shareholder approval.

A "related party" for the purposes of the Corporations Act is defined widely. It includes a director of a public company and specified members of the director's family. It also includes an entity over which a director maintains control.

The granting of options to the Director constitutes a financial benefit to a related party of the Company within the meaning of the Corporations Act.

In accordance with Section 219 of the Corporations Act and the notice requirements in Listing Rule 10.13, the following information is provided to Shareholders to allow them to assess the proposed resolution.

(a) The related party to whom the proposed resolution would permit the financial benefit to be given.

The options will be granted to Mr Charles Bass, Executive Director (or his nominee).

(b) Nature of the Financial Benefit

The proposed financial benefit to be given is the grant of 2,000,000 unlisted options to subscribe for fully paid ordinary shares in the capital of the company at an exercise price of 30 cents each ('Exercise Price').

The options will have an expiry date of 3 years of the date of grant and will be issued in accordance with the terms and conditions set out in Schedule 2 of this Explanatory Statement.

**The details of the vesting conditions options proposed to be granted to Mr Bass are as follow:-**

(a) 1 000,000 options with one third vesting after each year as an executive officer of the Company; and

(b) a further 1,000,000 options, vesting when either of the following occurs:

- (i) successful exploration results arising from the ZTEM geophysics, such success deemed in the Boards' discretion; or
- (ii) a corporate transaction benefitting GPR has been successfully negotiated.

The Directors of the Company (having obtained an independent valuation of the options by HLB Mann Judd Corporate (WA) Pty Ltd) consider the indicative theoretical value attributable to the options at a valuation date of 16 February 2012 to be as follows, notwithstanding that the options will not be issued until after 2 April 2012, being the date of the General Meeting of the Shareholders of the Company.

<i>Director</i>	<i>Exercise Price</i>	<i>Expiry</i>	<i>Theoretical Value</i>
Mr Charles Bass	\$0.30	16 February 2015	7.63 cents

The Black and Scholes option valuation methodology was used by HLB Mann Judd Corporate (WA) Pty Ltd as a basis for the calculations using the following assumptions:

The share price of a fully paid Geopacific Resources share as at the valuation date of 16 February 2012 was \$0.19.

The risk free interest rate used was 3.52% (based on the 3 year Reserve Bank treasury bond rate as at 16 February 2012).

A volatility factor of 76.2% was used to value the options as determined using the daily closing share prices for the last 12 months.

EXPLANATORY STATEMENT

**4. Resolution 4 - Approval of the Grant of Options to a Director – Mr Charles Bass (continued)**

The Black and Scholes option pricing model assumes that the options the subject of the valuation can be sold on a secondary market. The terms and conditions of the proposed options state that the options shall not be listed for official quotation on ASX. In addition, the options are not transferable. Accordingly, in determining the indicative value of the options HLB Mann Judd Corporate (WA) Pty Ltd has applied a 30% discount to the theoretical value of attributed to the Black and Scholes option pricing model.

Based on the above assumptions, the value of the 2,000,000 options using the indicative values attributed is as follows:

<i>Theoretical Value per Option (cents)</i>	<i>Discount (%)</i>	<i>Indicative value per Option (cents)</i>	<i>Number of Options issued</i>	<i>Total value (\$)</i>
7.63	30	5.34	2,000,000	106,800

**c) Directors Recommendation**

Mr Bass does not wish to make a recommendation to Shareholders in respect of Resolution 4 because he has a material personal interest in the outcome of the Resolution.

The Company's Directors, Mr Steven Biggs, Dr Russell Fountain and Mr Ian Simpson, are not beneficiaries in the proposed issue of options and recommend that shareholders vote in favour of the proposed resolution, as they believe the issue of the options is in the best interests of the Company because the options provide the Director with an incentive to enhance the future value of the Company's shares for the benefit of all shareholders, and also an appropriate way to remunerate Mr Bass for the provision of his professional services for nil cash remuneration.

**(d) Directors Interest**

With the exception of Mr Bass, no other Director has a personal interest in the outcome of the resolution.

**(e) Other information reasonably required by the members to make a decision and that is known to the Company or any of its Directors**

The options form part of the Company's long term incentive for employees and are to be granted in addition to the total fixed remuneration set out below. The exercise price of the options is linked to improved share price performance. Importantly, this provides ongoing incentive to increase shareholder value over time and the exercise price reflects levels in excess of the current market price of the Company's shares.

Exercise of the options is allowable immediately after issue, but only likely to occur if there is sustained upward movement in the Company's share price.

The number of options to be issued to Mr Bass has been determined based on the reasons outlined in the Directors' recommendation to shareholders at item 4(c).

The terms and conditions of the options are set out in Schedule 2 to the Notice of General Meeting. The options shall be granted free to Mr Bass (or his nominee) and will be issued within one month of the date of the meeting.

If the options proposed to be granted to Mr Bass (or his nominee) under Resolution 4 are exercised, the Company's issued Shares would increase by 2,000,000.

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**EXPLANATORY STATEMENT**

**4. Resolution 4 - Approval of the Grant of Options to a Director – Mr Charles Bass (continued)**

**Other information reasonably required by the members to make a decision and that is known to the Company or any of its Directors (cont'd)**

The exercise of the options will provide the Company with additional working capital of \$600,000, and will represent approximately 4.4% of the total issued capital of the company on a fully diluted basis

As at the date of this notice the issued capital of the Company comprised the following:

40,854,463	Ordinary fully paid shares.
20,427,269	Listed Options expiring 19 January 2013 exercisable by payment of \$0.35 each.
100,000	Unlisted Options expiring 8 May 2012 exercisable by payment of \$1.25 each.
100,000	Unlisted Options expiring 8 May 2013 exercisable by payment of \$1.50 each.
600,000	Unlisted Options expiring 1 August 2013 exercisable by payment of \$0.50 each.
500,000	Unlisted Options expiring 30 September 2014 exercisable by payment of \$0.30 each.
800,000	Options expiring five years from satisfaction of a JORC compliant exploration milestone and exercisable by payment of \$2.50 each.
200,000	Options expiring ten years from satisfaction of a JORC compliant exploration milestone and exercisable by payment of \$5.00 each.

The following table sets out Mr Bass' current entitlement to shares and options in the Company.

<b>Director</b>	<b>Number of Shares</b>	<b>Number of Options</b>
Charles Bass	2,815,753	1,407,877

Details of the nature and amount of each major element of the emoluments of Mr Bass for the financial year ended 31 December 2011 is as follows.

<b>Director</b>	<b>Base Emolument</b>	<b>Superannuation Contributions</b>	<b>Value of Options</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Charles Bass	Nil	Nil	Nil	Nil

The market price of the company's shares during the term of the options will ordinarily determine whether or not option holder exercises the options.

If the market price of the Company's shares is in excess of the exercise price of the options it is likely that the options will be exercised. A benefit would accrue on the exercise of the options by the payment of the amount determined under this notice and the sale of the ordinary shares for an amount in excess of these amounts.

In the last 12 months, the highest price for ordinary fully paid shares in the company trading on ASX was 40 cents which occurred on 21 February 2011. The lowest price was 15 cents which occurred on 28 July 2011. On 20 February 2012 the closing price was 24 cents.

All shares issued pursuant to the exercise of options under Resolution 4 will rank pari passu with the existing ordinary shares on issue.

There is no other information known to the Directors that is reasonably required by Shareholders to make a decision whether or not it is in the Company's interest to pass the Resolution 4.

**EXPLANATORY STATEMENT**

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**SCHEDULE 1 – TERMS AND CONDITIONS OF LISTED OPTIONS**

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The terms and conditions of the listed Options the subject of Resolutions 1, 2 and 3 are as follows:

- (1) each Option shall entitle the holder to subscribe for one Share at the Exercise Price of \$0.35 per share;
- (2) each Option expires on the Expiry Date of 19 January 2013;
- (3) the Options can be exercised in whole or part at any time up to and including the Expiry Date by lodging an Option Exercise Notice accompanied by the payment of the Exercise Price;
- (4) there are no participating rights or entitlements inherent in the Options and Option holders will not be entitled to participate in any new issue or bonus issue of shares which may be offered to members of the Company from time to time prior to the Expiry Date;
- (5) in the event of any reorganisation (including consolidation, subdivision, reduction or cancellation) of the issued capital of the Company, the Options are to be reorganised in a manner required by the Listing Rules on a reorganisation of capital;
- (6) Shares allotted and issued pursuant to the exercise of Options will be allotted and issued not more than ten (10) business days after receipt of both a properly executed Option Exercise Notice and the relevant subscription monies;
- (7) all shares issued upon exercise of any Option will rank pari passu in all respects with the Company's then issued Shares. The Company will apply for Official Quotation with the ASX for all shares issued upon exercise of any Option;
- (8) the Company will apply for official quotation of the Options.
- (9) options do not have any rights or entitlements to participate in dividends declared by the Company or rights to vote at meeting of the Company until that Option is exercised.
- (10) An Option is only exercisable by completing the Option Exercise Notice and delivering the same to the Company. An Option Exercise Notice must specify the number of Options being exercised and must be delivered to the Company together with:
  - (a) payment of the Exercise Price for those Options; and
  - (b) the Option Certificate covering the Options being exercised.

The giving of an Option Exercise Notice for part only of the number of Options held by any option holder from time to time does not prevent the option holder at any time thereafter, during the term of those Options from exercising all or part of the balance of such Options in whole or in part.

**EXPLANATORY STATEMENT**

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**SCHEDULE 2 – TERMS AND CONDITIONS OF UNLISTED OPTIONS**

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The terms and conditions of the Options the subject of Resolution 4, are as follows:

- (1) Each Option shall be issued free for no consideration.
- (2) Each Option entitles the holder to subscribe for 1 ordinary Share upon the payment of the exercise price.
- (3) The Options will lapse at 5.00pm, Western Standard Time on a date to be determined at the date of grant, and within 3 years of the date of grant (“Expiry Date”).
- (4) The Options are subject to vesting conditions as follows:
  - (a) 1 000,000 options with one third vesting after each year as an executive officer of the Company; and
  - (b) a further 1,000,000 options, vesting when either of:
    - (i) successful exploration results arising from the ZTEM geophysics, such success deemed in the Boards' discretion; or
    - (ii) a corporate transaction benefitting Geopacific Resources NL has been successfully negotiated.
- (5) The Options will not be listed for official quotation on the ASX.
- (6) The Options shall not be transferred or assigned by an Optionholder except that the Optionholder may at any time transfer all or any of the Options to a spouse, family trust, or to a proprietary limited company, all of the issued shares in which are beneficially owned by the Optionholder or the spouse of the Optionholder.
- (7) There are no participating rights or entitlements inherent in these Options and holders of the Options will not be entitled to participate in new issues of capital that may be offered to Shareholders during the currency of the Option.

However Optionholders have the right to exercise their Options prior to the date of determining entitlements to any capital issues to the then existing Shareholders of the Company made during the currency of the Options, and will be granted a period of at least nine (9) business days before books closing date to exercise the Options.
- (8) In the event of any re-organisation (including reconstruction, consolidation, subdivision, reduction or return of capital) of the issued capital of the Company, the Options will be re-organised as required by the Listing Rules, but in all other respects the terms of exercise will remain unchanged.
- (9) The Options shall be exercisable by the delivery to the registered office of the Company of a notice in writing stating the intention of the Optionholder to exercise all or a specified number of Options held by them accompanied by an Option Certificate or Holder Statement and a cheque made payable to the Company for the subscription monies for the Shares. An exercise of only some Options shall not affect the rights of the Optionholder to the balance of the Options held by them.
- (10) The Company shall allot the resultant Shares and deliver a statement of Shareholdings with a holders' identification number within ten (10) business days of the exercise of the Options.
- (11) Shares allotted pursuant to an exercise of Options shall rank, from the date of allotment, equally with the existing ordinary Shares of the Company in all respects.
- (12) The Company shall make an application to have those Shares allotted pursuant to an exercise of Options listed for official quotation by the Australian Stock Exchange Limited.
- (13) All Options will be cancelled upon the holder ceasing to be an employee of the Company unless the Directors in their absolute discretion (with no requirement to give any reasons therefore) resolve to extend the time for cancellation.
- (14) If there is a pro rata issue (except a bonus issue) to the holders of the underlying securities, the exercise price of the Options may be reduced according to the formula set out in Listing Rule 6.22 of the Official Listing Rules of the Australian Securities Exchange Limited.
- (15) The options may be exercised at any time until the expiry date.

**EXPLANATORY STATEMENT**

**GLOSSARY**

**ASX** means ASX Limited ABN 98 008 624 691 and where the context permits, the Australian Securities Exchange operated by ASX Limited.

**Board** means the current board of Directors.

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

**Corporations Act** means the Corporations Act 2001 (Cth).

**Director(s)** means the current directors of the Company.

**General Meeting** means the general meeting the subject of the Notice of General Meeting.

**Listing Rule** means the Listing Rules of the ASX.

**Notice of General Meeting** means this notice of general meeting includes the Explanatory Memorandum.

**Option** means an option to acquire an unissued share of the Company

**Participating Director** means Mr Charles Bass.

**Placement** means the fund raising of approximately \$1.21 million by way of share placement announced on 17 February 2012 by the Company.

**Resolution** means a resolution proposed pursuant to the Notice of General Meeting.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a holder of a Share.