

GEPACIFIC RESOURCES NL

ACN 003 208 393

Interim Financial Report

**For The Half-Year Ended
30 June 2013**

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

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**Geopacific Resources NL
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Directors' Report

The Directors present their interim financial report of Geopacific Resources NL and its controlled entities for the half-year ended 30 June 2013.

Directors

The following persons were directors of Geopacific Resources NL at any time during the half-year and up to the date of this report:

Stephen Timothy Biggs	<i>(Non-Executive Chairman) (Resigned 28 March 2013)</i>
Charles Bennett Bass	<i>(Executive Director) (Non-Executive Chairman from 28 March 2013) (Retired 9 August 2013)</i>
Ian Neville Aston Simpson	<i>(Non-Executive Director) (Resigned 28 March 2013)</i>
Dr Russell John Fountain	<i>(Non-Executive Director)</i>
Roger Harvie Probert	<i>(Alternate Director to Mr Simpson) (Resigned 28 March 2013)</i>
Milan Jerkovic	<i>(Non-Executive Director) (Appointed 23 April 2013) (Non-Executive Chairman from 8 August 2013)</i>
Mark Trevor Bojanjac	<i>(Non-Executive Director) (Appointed 28 March 2013)</i>
Ron Stephen Heeks	<i>(Executive Director) (Appointed 28 March 2013)</i>

Company Secretary

Mark Pitts	<i>(Resigned 31 May 2013)</i>
John Lewis	<i>(Appointed 28 March 2013)</i>

Review of Operations

The net loss after income tax for the half-year was \$792,159 (30 June 2012: \$1,907,452).

At the end of the half-year the Company had \$401,570 (31 December 2012: \$696,841) in cash and at call deposits. Capitalised mineral exploration and evaluation expenditure is \$8,630,414 (31 December 2012: \$6,980,234).

During the period the main focus of the Company was copper and gold mineral exploration in Fiji and Cambodia.

Significant Changes in the State of Affairs

On 2 January 2013 Geopacific Resources NL ("GPR") announced that it has executed an agreement with unlisted public company Worldwide Mining Projects Limited ("WWM" or "Worldwide") to undertake an off-market, target board-recommended 1:1 scrip takeover bid for 100% of WWM's issued capital ("Bid"). On 4 April 2013 GPR announced that in accordance with the timetable for the Takeover Bid (Bid) for WWM the offer closed as all conditions have been satisfied, and the Company's voting power in WWM was 100%. As a result of the successful takeover GPR gained access to the option to take an 85% interest in the Kou Sa Copper Project ("Kou Sa" or "Project").

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

**Geopacific Resources NL
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Directors' Report

Events occurring after the balance sheet date

On 7 August 2013 GPR announced a Funding Package which included the following:

1. An equity placement of USD\$3.0 million ("Placement") from Resource Capital Fund VI L.P. ("RCF VI") whereby RCF VI will be issued approximately 66 million shares at an issue price of AUD\$0.05 cents per share. At the completion of the funding package RCF VI will have an interest in GPR of approximately 28%. The placement is subject to shareholder approval and GPR completing the following Rights Issue.
2. In conjunction with the Placement, GPR will undertake a Non Renounceable Rights Issue, offering 10 new shares for every 17 shares held at the record date to eligible shareholders at the same price as the Placement (\$0.05), raising up to AUD\$3.0 million.
3. GPR also advises that it has entered into Convertible Note Agreements with sophisticated Investors for an amount of \$275,000. The Convertible Notes provide the Company with sufficient working capital until the completion of the Funding Package.

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

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under Section 307C of the Corporations Act is set out on page 5.

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

DATED at Perth this 13th day of September 2013



Ron Heeks
Executive Director

**Geopacific Resources NL
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**Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the half-year ended 30 June 2013**

	Half year ended 30 June 2013	Half year ended 30 June 2012
Note	\$	\$
Interest income	6,062	31,765
Other income	<u>172,535</u>	<u>632</u>
Total revenue	178,597	32,397
Administration expenses	(97,663)	(197,133)
Consultants expenses	(569,191)	(18,750)
Depreciation expenses	(40,416)	(21,396)
Employee expenses	(90,662)	(123,794)
Exploration costs written off	-	(1,490,815)
Occupancy expenses	(114,305)	(32,686)
Other expenses	<u>(58,518)</u>	<u>(55,275)</u>
Loss before income tax	(792,159)	(1,907,452)
Income tax expense	-	-
Net loss for the period	(792,159)	(1,907,452)
Other comprehensive Income(loss) – items that may be reclassified to the profit and loss		
Exchange differences on translating foreign controlled entities	<u>185,297</u>	<u>(6,081)</u>
Total comprehensive loss for the period	(606,862)	(1,913,533)
Loss attributable to members of the Company	<u>(792,159)</u>	<u>(1,907,452)</u>
Total comprehensive income attributable to members of the Company	<u>(606,862)</u>	<u>(1,913,533)</u>
Loss per share		
Basic and diluted loss per share (cents)	<u>(1.08)</u>	<u>(4.66)</u>

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

**Geopacific Resources NL
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**Consolidated Statement of Financial Position
As At 30 June 2013**

	30 June 2013	31 December 2012
	\$	\$
Current assets		
Cash and cash equivalents	401,570	696,841
Trade and other receivables	352,422	99,582
Total current assets	753,992	796,423
Non-current assets		
Exploration expenditure	12,520,524	6,980,234
Property, plant and equipment	297,949	197,794
Total non-current assets	12,818,473	7,178,028
Total assets	13,572,465	7,974,451
Current liabilities		
Trade and other payables	458,460	253,385
Financial Liabilities	12,843	6,990
Loans	100,000	-
Total current liabilities	571,303	260,375
Non-current liabilities		
Financial Liabilities	11,773	19,323
Total non-current liabilities	11,773	19,323
Total liabilities	583,076	279,698
Net assets	12,989,390	7,694,753
Equity		
Issued capital	3 22,951,640	17,050,141
Reserves	138,963	(46,334)
Accumulated losses	(10,101,213)	(9,309,054)
Total equity	12,989,390	7,694,753

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

**Geopacific Resources NL
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**Consolidated Statement of Changes in Equity
For the half-year ended 30 June 2013**

Note	Issued capital – Ordinary Shares \$	Share based payments reserve \$	Foreign currency translation reserve \$	Accumulated Losses \$	Total \$
Balance at 1 January 2013	17,050,141	315,854	(362,188)	(9,309,054)	7,694,753
Comprehensive loss for the period	-	-	185,297	(792,159)	(606,862)
Shares issued during the period (net of cost)	3 5,901,500	-	-	-	5,901,500
Balance at 30 June 2013	22,951,640	315,854	(176,891)	(10,101,213)	12,989,391
Balance at 1 January 2012	15,925,556	440,886	(351,445)	(6,909,958)	9,105,039
Comprehensive loss for the period	-	-	(6,081)	(1,907,452)	(1,913,533)
Shares issued during the period	3 1,201,500	-	-	-	1,201,500
Shares issued costs	(76,915)	-	-	-	(76,915)
Options Issued	-	59,970	-	-	59,970
Options expired	-	(268,900)	-	268,900	-
Balance at 30 June 2012	17,050,141	231,956	(357,526)	(8,548,510)	8,376,066

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

**Geopacific Resources NL
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**Statement of Cash Flows
For the half-year ended 30 June 2013**

	30 June 2013 \$	30 June 2012 \$
Cash flows from operating activities		
Payments to suppliers and employees	(282,223)	(354,028)
Payment for exploration	(558,772)	(839,242)
Interest received	6,062	31,765
Receipts from other income	<u>67,812</u>	<u>632</u>
Net cash used in operating activities	<u>(767,121)</u>	<u>(1,160,873)</u>
 Cash flows from investing activities		
Payments for plant and equipment	<u>(2,227)</u>	<u>(64,130)</u>
Net cash used in investing activities	<u>(2,227)</u>	<u>(64,130)</u>
 Cash flows from financing activities		
Proceeds from shares issued	425,000	1,201,500
Shares issue costs	(25,500)	(76,916)
Proceeds from Borrowing	100,000	-
Loans repaid	<u>(1,698)</u>	<u>-</u>
Net cash provided by financing activities	<u>497,802</u>	<u>1,124,584</u>
 Net decrease in cash held	(271,546)	(100,419)
Effect of exchange rates on cash held in foreign currencies	(23,725)	(10,341)
Cash at the beginning of the period	<u>696,841</u>	<u>1,687,834</u>
 Cash at the end of the period	<u>401,570</u>	<u>1,577,074</u>

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

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**Notes to the Interim Financial Statements
For the half-year ended 30 June 2013**

Note 1 Basis of preparation of half-year report

This general purpose financial report for the interim half-year reporting period ended 30 June 2013 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting*, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

This interim financial report does not include all the disclosure and notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 December 2011 and any public announcements made by Geopacific Resources NL during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

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

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

Going concern basis for preparation of financial statements

During the period the Company incurred a net loss of \$792,159 and net operating cash outflows of \$767,121.

The financial statements have been prepared on the going concern basis which contemplates the continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business. The ability of the Group to continue to adopt the going concern assumption will depend on future successful capital raisings, the successful exploration and subsequent exploitation of the Group's tenements and/or sale of non-core assets.

Should the Group not be successful in raising additional funding by capital raisings or other alternative funding arrangements fail to eventuate, there is a material uncertainty as to whether the Group will be able to continue as a going concern. If the Group is unable to continue as a going concern, it will be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts that may be different to those stated in the final report

The Directors are cognisant of the fact that future exploration and administration activities may be constrained by available cash assets, and believe that the current cash reserves of the Group and proposed future fund raisings will be sufficient to fund forecast exploration.

Subsequent to the end of reporting period, the Group completed a Convertible Note Placement for \$275,000, entered into a Placement Agreement with Resource Capital Funds to raise US\$3.0 million at AU\$0.05 per share and has commenced a 10:17 Rights Issue to eligible shareholders at AU\$0.05 per share to raise a further AU\$3.0 million.

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

Adoption of new and revised accounting standards

In the half year ended 30 June 2013, the Company has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on 1 July 2012. It has been determined by the Company that, other than for the following new accounting standards adopted during the reporting period, there is no impact, material or otherwise, of the new and revised standards and interpretations on its business and therefore no change is necessary to Company accounting policies.

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

The Company has also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 30 June 2013. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change necessary to Company accounting policies

Critical Accounting Estimates and Significant Judgements used in Applying Accounting Policies

The critical estimates and judgements are consistent with those applied and disclosed in the December 2012 Annual Report. However, the following additional significant judgements used in applying accounting policies have been disclosed as required by the new and revised Accounting Standards adopted for the first time in the Interim Financial Reporting Period:

Business Combination

On 31` March 2013, Geopacific Resources N L ("GPR") acquired 100% of the voting rights in Worldwide Mining Projects Limited ("WWM"). This transaction has not been treated as a reverse acquisition due to the following factors:

- As at the date of the acquisition, the governing body and senior management comprised an equal number of GPR and WWM directors;
- GPR has significantly greater assets than WWM; and
- The Boards intention is to continue with the principle activities of GPR prior to the acquisition.

The consolidated interim financial statements were approved by the Board of Directors on 13th September 2013.

Note 2 Segment information

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

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

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

	Australia	Fiji	Cambodia	Total
	\$	\$	\$	\$
30 June 2013				
Other Revenue	178,597	-	-	178,597
Net Loss for the period	(646,427)	(107,600)	(38,132)	(792,159)
Segment Assets	3,505,829	5,169,801	4,895,835	13,572,465
30 June 2012				
Other Revenue	32,397	-	-	178,597
Net Loss for the period	(1,849,128)	(58,324)		(1,907,452)
Segment Assets	3,723,346	4,251,105		7,974,451

**Geopacific Resources NL
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**Notes to the Interim Financial Statements
For the half-year ended 30 June 2013**

Note 3 Issued capital – Ordinary fully paid shares

	30 June 2013	31 December 2012	30 June 2013	31 December 2012
	No.	No.	\$	\$
Balance at the start of the period	43,315,827	37,854,463	17,050,140	15,925,556
Shares Issued pursuant to Capital Raising in February 2013	4,250,000	-	425,000	-
Shares issued pursuant to the Takeover of Worldwide Mining Projects Ltd in March 2013	52,100,000	-	5,210,000	-
Shares issued to C Bass in satisfaction of outstanding fees	2,000,000		200,000	
Shares issued in payment of administrative expenses	920,000		92,000	
Share placement at 22 cents	-	5,461,364		1,201,500
Share issue costs			(25,500)	(76,915)
	102,585,827	43,315,827	22,951,640	17,050,141

Note 4 Contingent Liabilities

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

Note 5 Business Combination

On 31 March 2013, GPR acquired 100 per cent of the voting equity in WWM in a script transaction. GPR issued to WWM shareholders 52,100,000 GPR shares valued at \$0.10 per share in order to acquire 100% of the shares of WWM. Therefore the fair value of the consideration given for the acquisition of WWM, including directly attributable expenses of \$190,339, was \$5,210,000.

WWM like GPR is engaged in mining exploration industry also focussing on the exploration for copper. WWM has interests in a copper exploration licence in Cambodia.

The amounts recognised at the acquisition date for each class of WWM's assets, liabilities and contingent liabilities, together with the fair value of the consideration paid as follows:

	Fair Value \$
Cash and Cash Equivalents	215,247
Trade and other receivables	80,380
Property, plant and equipment	123,193
Exploration expenditure	1,065,488
Trade and other payables	(164,415)
	<u>1,319,890</u>
Cost of Business Combination	<u>5,210,000</u>
Fair value adjustment to exploration expenditure on consolidation	3,890,110

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**Notes to the Interim Financial Statements
For the half-year ended 30 June 2013**

Revenue and loss resulting from the acquisition of WWM amounting to \$138,889 and (\$77,853) respectively are included in the Consolidated statement of profit or loss and other comprehensive income for the half year ended 30 June 2013, Had the results relating to WWM been consolidated from 1 January 2013, the consolidated revenue and loss of the consolidated group would not have been materially different to that of the actual results.

Note 6 Events occurring after the balance sheet date

On 7 August 2013 GPR announced a Funding Package which included the following:

1. An equity placement of USD\$3.0 million ("Placement") from Resource Capital Fund VI L.P. ("RCF VI") whereby RCF VI will be issued approximately 66 million shares at an issue price of AUD\$0.05 cents per share. At the completion of the funding package RCF VI will have an interest in GPR of approximately 28%. The placement is subject to shareholder approval and GPR completing the following Rights Issue.
2. In conjunction with the Placement, GPR will undertake a Non Renounceable Rights Issue, offering 10 new shares for every 17 shares held at the record date to eligible shareholders at the same price as the Placement (\$0.05), raising up to AUD\$3.0 million.
3. GPR also advises that it has entered into Convertible Note Agreements with sophisticated Investors for an amount of \$275,000. The Convertible Notes provide the Company with sufficient working capital until the completion of the Funding Package.

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

**Geopacific Resources NL
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Directors' Declaration

The Directors of Geopacific Resources NL declare that:

- (a) the interim financial statements and notes set out on pages 6 to 14 are in accordance with the Corporations Act 2001, including:
 - (i) complying with Australian Accounting Standard AASB134 – *Interim Financial Reporting*, and the Corporations Regulations; and
 - (ii) give a true and fair view of the financial position as at 30 June 2013 and of the performance for the half-year ended on that date of the Company.
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

Signed at Perth this 13th day of September 2013



Ron Heeks
Executive Director

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF GEOPACIFIC RESOURCES NL AND CONTROLLED ENTITIES

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Geopacific Resources NL (the company) and the entities it controlled at the half-year's end or from time to time during the half year (the consolidated entity), which comprises the consolidated statement of financial position as at 30 June 2013, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including:

- giving a true and fair view of the consolidated entity's financial position as at 30 June 2013 and its performance for the half-year ended on that date; and
- complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

As the auditor of Geopacific Resources NL, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

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

Sydney
Melbourne
Brisbane
Perth
Adelaide
Auckland

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF GEOPACIFIC RESOURCES NL AND CONTROLLED ENTITIES (CONT)

Conclusion

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

- a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2013 and of its performance for the half year ended on that date; and
- b) complying with Australian Accounting Standard 134 Interim Financial Reporting and the *Corporations Regulations 2001*.

Material Uncertainty Regarding Continuation as a Going Concern

Without modifying our conclusion expressed above, we draw attention to Note 1 in the financial report which indicates that the Consolidated Entity incurred net losses before income tax of \$792,159 and a net operating cash outflow of \$982,368 during the half year ended 30 June 2013. These conditions, along with other matters set forth in Note 1, indicate the existence of a material uncertainty which may cast significant doubt about the consolidated entity's ability to continue as going concerns and therefore, the consolidated entity may be unable to realise their assets and extinguish their liabilities in the normal course of business.

Matters Relating to the Electronic Presentation of the Reviewed Half Year Financial Report

This auditor's review report relates to the half year financial report of Geopacific Resources NL for the half year ended 30 June 2013 included on Geopacific Resources NL's web site. The company's directors are responsible for the integrity of Geopacific Resources NL's web site. We have not been engaged to report on the integrity of Geopacific Resources NL's web site. The auditor's review report refers only to the half year financial report. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the reviewed half year financial report to confirm the information included in the reviewed financial report presented on this web site.

William Buck Audit (WA) Pty Ltd.

William Buck Audit (WA) Pty Ltd
Authorised Audit Company No: 339150
ABN 67 125 012 124

Stephen K. Breihl

Stephen K. Breihl
Director

Dated this 13th day of September, 2013