



**GEOPACIFIC RESOURCES LIMITED**

ACN 003 208 393

**Interim Financial Report**

**For The Half-Year Ended  
30 June 2022**

**GEOPACIFIC RESOURCES LIMITED**  
*AND CONTROLLED ENTITIES*

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**TABLE OF CONTENTS**

<b>SECTION</b>	<b>PAGE</b>
Directors' Report	3
Auditor's Independence Declaration	8
Consolidated Statement of Profit or Loss and Other Comprehensive Income	9
Consolidated Statement of Financial Position	10
Consolidated Statement of Changes in Equity	11
Consolidated Statement of Cash Flows	12
Notes to the Interim Financial Statements	13
Directors' Declaration	21
Independent Auditor's Review Report	22

# GEOPACIFIC RESOURCES LIMITED

## AND CONTROLLED ENTITIES

### DIRECTORS' REPORT

The Directors present the interim financial report of Geopacific Resources Limited (**Geopacific** or **the Company**; ASX: GPR) and its controlled entities (**Group**) for the half-year ended 30 June 2022. All references to \$ is to Australian dollars, unless otherwise specified.

#### DIRECTORS

The following persons were directors of Geopacific during the half-year and up to the date of this report, unless otherwise indicated:

Name	Position	Change	Date of Change
Andrew Bantock	Non-Executive Chairman	Appointed	13 January 2022
Michael Brook	Non-Executive Director	Appointed	7 July 2022
Richard Clayton	Non-Executive Director	Appointed	7 July 2022
Hansjoerg Plaggemars	Non-Executive Director	Appointed	7 July 2022
Ian Clyne	Non-Executive Chairman	Ceased	13 January 2022
Sir Charles Lepani	Non-Executive Director	Ceased	2 May 2022
Ian Murray	Non-Executive Director	Ceased	7 July 2022
Colin Gilligan	Non-Executive Director	Ceased	7 July 2022

#### REVIEW OF OPERATIONS

For the half-year ended 30 June 2022, the Group made a net loss after income tax of \$4,651,480 (2021: \$2,887,462). At 30 June 2022, the Group had net assets of \$142,196,556 (31 December 2021: \$141,367,250) including \$64,460,329 (31 December 2021: \$50,895,186) of capitalised mine properties under development and \$55,687,363 (31 December 2021: \$49,104,814) of property, plant and equipment. At balance date, the Group had \$20,566,817 in cash and cash equivalents (31 December 2021: \$67,470,477).

The Company recommenced trading on the ASX on 31 May 2022 following the implementation of an intensive business transformation program in response to the previously identified material capital cost increases at the Woodlark Gold Project (**the Project**).

The Project has a current gold endowment of 1.57 million ounces<sup>1</sup> in Mineral Resources and 1.04 million ounces in Ore Reserves<sup>2</sup>.



Figure 1: Woodlark's Regional Setting - located on Woodlark Island, in Milne Bay Province, Papua New Guinea (PNG).

<sup>1</sup> Refer to ASX release on 12 March 2018 titled "Robust Woodlark Gold Project PFS Supports Development".

<sup>2</sup> Refer to ASX release on 7 November 2018 titled "Woodlark Ore Reserve Update".

**DIRECTORS' REPORT (CONTINUED)**

During the period, the Company advanced a number of concurrent work programs to progress the Project and optimise its future development pathway including:

- an ongoing drill campaign aimed at growing the existing Mineral Resource and Ore Reserve;
- project re-evaluation and planning activities to assess the implications of the potential Mineral Resource growth on the design and economics of a future project development; and
- a Strategic Review to assess alternative options to maximise shareholder value, including potential corporate and asset-level transactions.

**Exploration – Drill Campaign**

During the period the Company continued to receive positive results from the grade control campaign and the ongoing exploration drilling campaign at the Project.

**Grade Control**

The grade control drilling campaign at Kulumadau was completed during the period with all hole assays received.

The grade control drilling returned positive results including a series of near surface, high gram-metre intercepts within the Kulumadau pit (Figure 2).

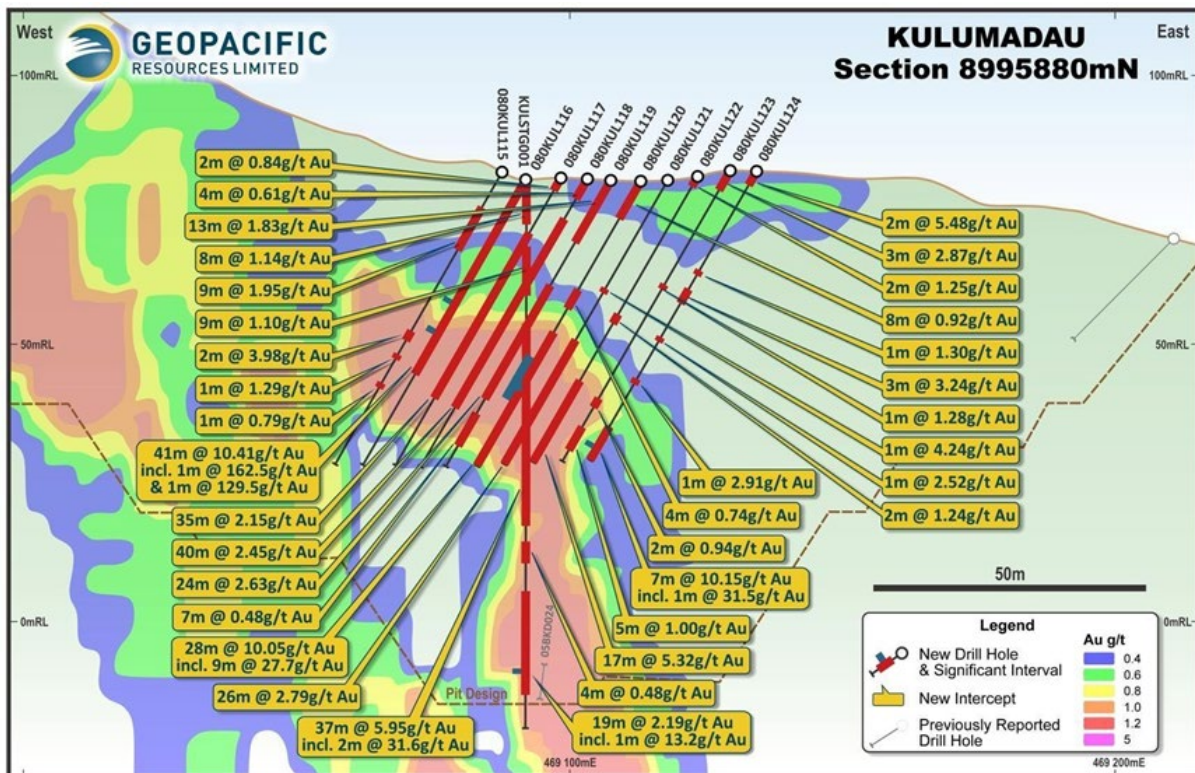


Figure 2: Kulumadau grade control drilling cross section

In addition, the grade control campaign provided a greater level of geological understanding of the mineralogy and grade dispersion within the existing pit shell.

**DIRECTORS' REPORT (CONTINUED)**

**Resource Drilling**

The resource extension drilling campaign at Kulumadau and Busai was advanced during the period. The campaign is focused on Woodlark's near-pit exploration potential within the existing Mining Lease.

Results continue to reinforce the potential for pit extension, with all three planned pits at the Project open along strike and at depth.

The resource extension drilling campaign also intersected previously unknown mineralised zones at the Talpos and Watou exploration target areas located south of the Busai deposit on the Mining Lease (Figure 3).

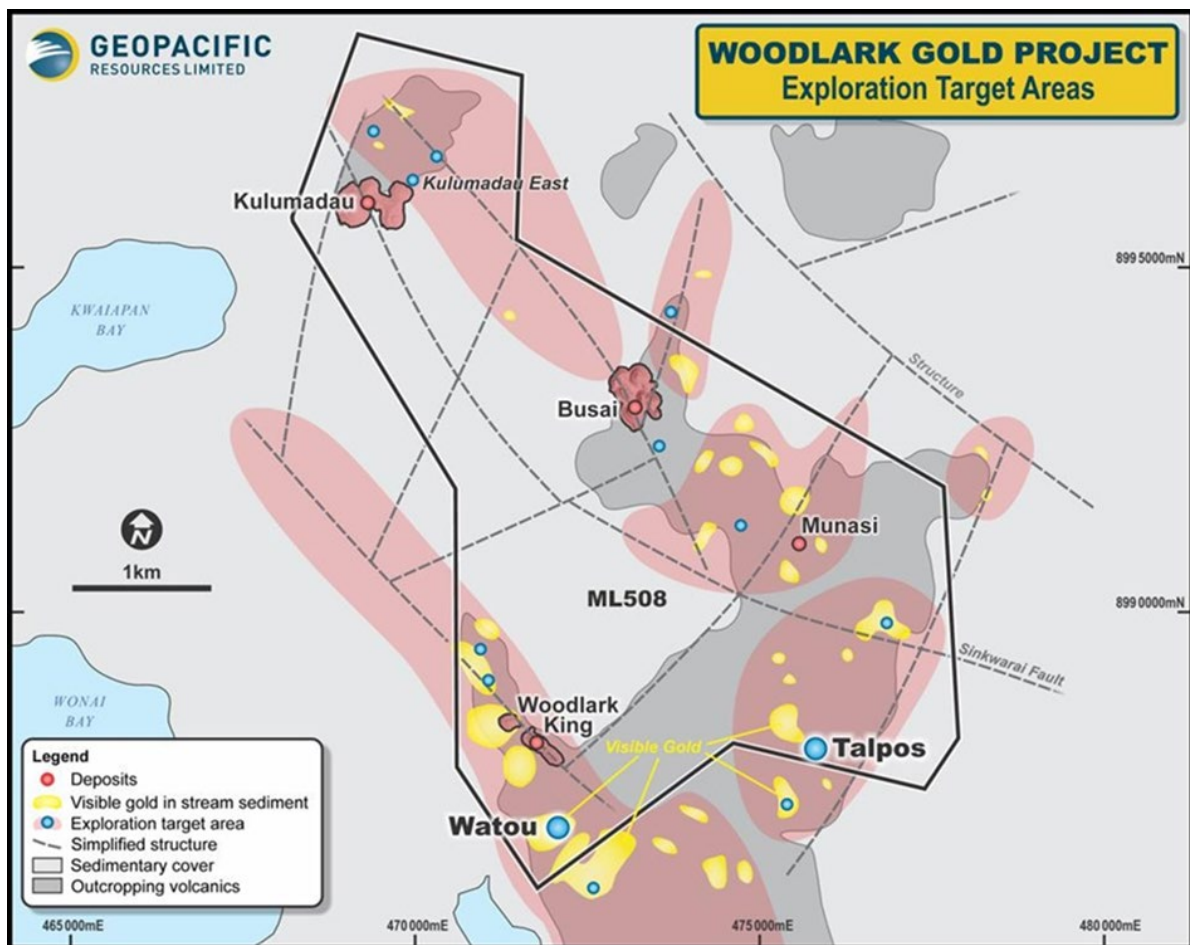


Figure 3: Mining Lease exploration target area

A diamond drill rig was mobilised to Woodlark Island post the end of the reporting period and has been deployed to target the deeper extensions of the Busai and Kulumadau orebodies. The RC drill rig continues to be deployed in parallel, with a focus on drilling lateral extensions to the existing orebodies, in addition to further testing of recently identified mineralised zones.

**Project re-evaluation and planning activities**

During the period the Company initiated work on a planned series of studies to evaluate:

- the optimal processing plant throughput for any increase in the Mineral Resource, including the potential to benefit from new economies of scale; and
- the optimal mining fleet and materials handling infrastructure configuration to support any revised throughput.

# GEOPACIFIC RESOURCES LIMITED

## AND CONTROLLED ENTITIES

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### DIRECTORS' REPORT (CONTINUED)

Industry leading mining consultants, AMC, were engaged to undertake an initial trade-off study to assess the optimal project configuration. Once this work has concluded, alternate power generation solutions considering recent market developments, potential project scale and evolving technologies will be assessed.

The re-evaluation work stream is running concurrently with the ongoing exploration drilling campaign, with a scheduled completion date in Q4 2022. The re-evaluation activities will consider capital and operating cost outcomes in the current global inflationary environment.

Upon finalisation of this work, the Company will assess whether any material alterations to consents, approvals and the terms of the Mining Lease will be necessary.

#### Strategic Review

Following receipt of a number of unsolicited approaches from credible third-parties, the Board initiated a process to assess the merits of a corporate or asset-level transaction as an alternative to advancing the Project on a standalone basis (**Strategic Review**).

The Strategic Review, assisted by Azure Capital and Lisle Group as financial advisers, is ongoing.

#### Sustainability

##### Occupational Health and Safety

During the reporting period there were no lost time injuries recorded and the Group continued to work with the local community and Provincial Health Authority to provide COVID-19 awareness and vaccinations.

##### Community and Social Responsibility

Despite the cessation of construction works at the Woodlark Project, Geopacific remains committed to providing support to the local community.

As previously announced, the Group continued its community relocation activities, as well as maintaining support for other important community programs, including education facilities and health care services.

Works associated with the community relocation program were 65% complete at the end of the period.

#### Corporate

On 3 February 2022, the Company announced the suspension of major Project development works at Woodlark and associated organisational redundancies.

Following the announcement of the Project suspension, the Group focussed on achieving an orderly wind-down of Project contractual commitments. This culminated in agreements being reached, covering the vast majority of Project commercial exposures, including:

- the out-sourced mining contractor;
- the power generation infrastructure supplier; and
- the lead design and construction engineer and associated sub-contract suppliers.

The Company thanks these suppliers for their contribution to the development of the Project prior to suspension and their professional and pragmatic approach to delivering this outcome.

**GEOPACIFIC RESOURCES LIMITED**  
*AND CONTROLLED ENTITIES*

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**DIRECTORS' REPORT (CONTINUED)**

**Termination of Finance Facilities**

During the reporting period, Geopacific and Sprott Private Resource Lending II (Co), Inc. (**Sprott**) mutually agreed to terminate the debt facility and gold stream agreements (**Facilities**). The termination eliminated the ongoing costs associated with the Facilities and released:

- \$7.6 million from previously restricted cash reserves; and
- Sprott's first ranking security over the Project.

The agreement to terminate the Facilities with Sprott followed the previously announced decision to suspend major work packages for development of the Project, as part of the board's ongoing review of the Group's strategic options.

**SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS**

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

**EVENTS OCCURRING AFTER THE BALANCE SHEET DATE**

On 7 July 2022, Geopacific announced the renewal of the Company's Board. The new Directors bring the experience, skill sets and capability to lead the Company's ongoing strategies to drive maximum shareholder value from the Project.

Michael Brook, Richard Clayton and Hansjoerg Plaggemars were appointed as Non-executive Directors and joined Chairman, Andrew Bantock on the Company's Board. These appointments coincided with the resignations of Ian Murray and Colin Gilligan from the Board of Geopacific.

In forming the renewed Board, Geopacific sought Directors with experience in geology, technical and commercial assessment, optimisation and development of mining assets, as well as strong corporate experience.

Other than the above, no matter or circumstance has arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

**AUDITOR'S INDEPENDENCE DECLARATION**

A copy of the Auditor's Independence Declaration as required under Section 307C of the *Corporations Act 2001* is set out on page 8.

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



**Andrew Bantock**

**Chairman**

Perth, Western Australia

14 September 2022



**Building a better  
working world**

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## **Auditor's independence declaration to the directors of Geopacific Resources Limited**

As lead auditor for the review of the half-year financial report of Geopacific Resources Limited for the half-year ended 30 June 2022, I declare to the best of my knowledge and belief, there have been:

- a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review;
- b. No contraventions of any applicable code of professional conduct in relation to the review; and
- c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the review.

This declaration is in respect of Geopacific Resources Limited and the entities it controlled during the financial period.

A handwritten signature in black ink that reads 'Ernst &amp; Young' in a cursive style.

Ernst & Young

A handwritten signature in black ink, appearing to be 'P. Dreyer', written in a cursive style.

Pierre Dreyer  
Partner  
14 September 2022



**GEOPACIFIC RESOURCES LIMITED**  
AND CONTROLLED ENTITIES

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
FOR THE HALF-YEAR ENDED 30 JUNE 2022

	30 June 2022 \$	30 June 2021 \$
<b>Continuing Operations</b>		
Other income	1,000,805	147,710
Administration expense	(421,942)	(389,541)
Consultancy expense	(1,870,252)	(950,280)
Depreciation expense	(112,313)	(133,816)
Employee benefits expense	(1,482,898)	(1,135,529)
Share-based payments expense	(139,457)	(403,950)
Exploration expense	-	(140,626)
Finance costs	(794,085)	(1,522)
Assets written off	(1,553,711)	(1,460)
Net onerous contract provision written back	10	730,842
Foreign currency (loss)/gain (net)	(8,469)	121,552
<b>Loss before income tax</b>	<b>(4,651,480)</b>	<b>(2,887,462)</b>
Income tax benefit	-	-
<b>Net loss for the half-year</b>	<b>(4,651,480)</b>	<b>(2,887,462)</b>
<b>Other comprehensive income</b>		
<i>Items of other comprehensive income to be reclassified to profit or loss in subsequent periods (net of tax)</i>		
Exchange differences on translating foreign controlled entities	5,341,329	2,556,877
<b>Other comprehensive income for the half-year, net of tax</b>	<b>5,341,329</b>	<b>2,556,877</b>
<b>Total comprehensive income for the half-year attributable to members of the parent entity</b>	<b>689,849</b>	<b>(330,585)</b>
<b>Loss per share (cents) for loss attributable to the ordinary equity holders of the company:</b>		
Basic loss per share (cents)	(0.90)	(0.65)
Diluted loss per share (cents)	(0.90)	(0.65)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

**GEOPACIFIC RESOURCES LIMITED**  
AND CONTROLLED ENTITIES

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
AS AT 30 JUNE 2022

	Note	30 June 2022 \$	31 December 2021 \$
<b>Current assets</b>			
Cash and cash equivalents	3	20,566,817	67,470,477
Receivables	4	287,144	267,436
Prepayments		867,239	1,292,363
Inventories	5	527,758	781,125
<b>Total current assets</b>		<b>22,248,958</b>	69,811,401
<b>Non-current assets</b>			
Receivables	4	5,414,034	3,829,642
Exploration and evaluation assets	6	4,284,661	2,005,023
Mine properties under development	7	64,460,329	50,895,186
Property, plant and equipment	8	55,687,363	49,104,814
Right of use asset		523,474	619,619
<b>Total non-current assets</b>		<b>130,369,861</b>	106,454,284
<b>TOTAL ASSETS</b>		<b>152,618,819</b>	176,265,685
<b>Current liabilities</b>			
Trade and other payables	9	8,049,734	18,480,389
Other financial liabilities		193,495	193,662
Provisions	10	740,234	15,285,048
<b>Total current liabilities</b>		<b>8,983,463</b>	33,959,099
<b>Non-current liabilities</b>			
Other financial liabilities		322,637	420,326
Provisions	10	1,116,163	519,010
<b>Total non-current liabilities</b>		<b>1,438,800</b>	939,336
<b>TOTAL LIABILITIES</b>		<b>10,422,263</b>	34,898,435
<b>NET ASSETS</b>		<b>142,196,556</b>	141,367,250
<b>Equity</b>			
Issued capital		284,846,318	284,846,318
Reserves		11,225,624	5,744,838
Accumulated losses		(153,875,386)	(149,223,906)
<b>TOTAL EQUITY</b>		<b>142,196,556</b>	141,367,250

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

**GEOPACIFIC RESOURCES LIMITED**  
AND CONTROLLED ENTITIES

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
FOR THE HALF-YEAR ENDED 30 JUNE 2022

	Issued Capital \$	Share-Based Payments Reserve \$	Option Reserve	Foreign Currency Translation Reserve \$	Other Equity Reserve \$	Accumulated Losses \$	Total Attributable to Owners of Parent \$	Total Equity \$
Balance 1 January 2022	284,846,318	4,724,737	300,840	2,089,578	(1,370,317)	(149,223,906)	141,367,250	<b>141,367,250</b>
Net loss for the half-year	-	-	-	-	-	(4,651,480)	(4,651,480)	<b>(4,651,480)</b>
Exchange difference on translation of foreign operations	-	-	-	5,341,329	-	-	5,341,329	<b>5,341,329</b>
Total comprehensive income/(loss) for the half-year	-	-	-	5,341,329	-	(4,651,480)	689,849	<b>689,849</b>
<i>Transactions with owners in their capacity as owners:</i>								
Share-based payments	-	139,457	-	-	-	-	139,457	<b>139,457</b>
Balance 30 June 2022	<b>284,846,318</b>	<b>4,864,194</b>	<b>300,840</b>	<b>7,430,907</b>	<b>(1,370,317)</b>	<b>(153,875,386)</b>	<b>142,196,556</b>	<b>142,196,556</b>
Balance 1 January 2021	165,801,105	3,993,609	-	(2,018,220)	(1,370,317)	(87,905,219)	78,500,958	<b>78,500,958</b>
Net loss for the half-year	-	-	-	-	-	(2,887,462)	(2,887,462)	<b>(2,887,462)</b>
Exchange difference on translation of foreign operations	-	-	-	2,556,877	-	-	2,556,877	<b>2,556,877</b>
Total comprehensive income/(loss) for the half-year	-	-	-	2,556,877	-	(2,887,462)	(330,585)	<b>(330,585)</b>
<i>Transactions with owners in their capacity as owners:</i>								
Shares issued	125,285,095	-	-	-	-	-	125,285,095	<b>125,285,095</b>
Options issued	-	-	300,840	-	-	-	300,840	<b>300,840</b>
Share issue costs	(6,231,237)	-	-	-	-	-	(6,231,237)	<b>(6,231,237)</b>
Share-based payments	-	403,950	-	-	-	-	403,950	<b>403,950</b>
Balance 30 June 2021	<b>284,854,963</b>	<b>4,397,559</b>	<b>300,840</b>	<b>538,657</b>	<b>(1,370,317)</b>	<b>(90,792,681)</b>	<b>197,929,021</b>	<b>197,929,021</b>

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

**GEOPACIFIC RESOURCES LIMITED**  
AND CONTROLLED ENTITIES

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
FOR THE HALF-YEAR ENDED 30 JUNE 2022

	30 June 2022	30 June 2021
	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Interest and other income	-	147,710
Payments to suppliers and employees	(8,781,742)	(3,797,676)
Interest and other finance costs paid	(921,945)	(4,014)
<b>Net cash used in operating activities</b>	<b>(9,703,687)</b>	<b>(3,653,980)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payments for plant and equipment	(16,097,371)	(12,772,648)
Exploration expenditure	(1,149,667)	(5,358)
Mine properties expenditure	(11,321,508)	(8,106,371)
<b>Net cash used in investing activities</b>	<b>(28,568,546)</b>	<b>(20,884,377)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from shares and options issued (net of costs)	-	118,672,548
Proceeds from borrowings (net of costs)	-	127,131,285
Payment of costs relating to termination of loan facilities	(8,605,219)	-
Payment of principal portion of lease liability	(106,701)	(98,544)
<b>Net cash (used in)/from financing activities</b>	<b>(8,711,920)</b>	<b>245,705,289</b>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(46,984,153)</b>	<b>221,166,932</b>
Cash and cash equivalents at the beginning of the half-year	67,470,477	34,639,855
Effect of exchange rates on cash held in foreign currencies	80,493	136,811
<b>Cash and cash equivalents at the end of the half-year</b>	<b>20,566,817</b>	<b>255,943,598</b>

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

**GEOPACIFIC RESOURCES LIMITED**  
*AND CONTROLLED ENTITIES*

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**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE HALF-YEAR ENDED 30 JUNE 2022**

**NOTE 1**            **BASIS OF PREPARATION OF HALF-YEAR REPORT**

This general purpose consolidated financial report for the half-year ended 30 June 2022 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This half-year financial report does not include all the disclosures 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 2021 and any public announcements made by Geopacific during the half-year in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The half-year financial report is presented in Australian dollars.

The consolidated financial statements were approved by the Geopacific Board of Directors on 14 September 2022.

**Going concern basis for preparation of financial statements**

This half-year financial report has been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

During the half-year ended 30 June 2022, the Group incurred a net loss after tax of \$4,651,480 (2021: \$2,887,462), had cash outflows from operating and investing activities of \$38,272,233 (2021: \$24,538,357) and net working capital of \$13,265,495 (2021: \$35,852,302).

On 3 February 2022, the Company announced the suspension of major Project development works at Woodlark and associated organisational redundancies. Following the announcement of the Project suspension, the Group focussed on achieving an orderly wind-down of Project contractual commitments. This culminated in agreements being reached, covering the vast majority of Project commercial exposures, including the out-sourced mining contractor, the power generation infrastructure supplier and the lead design and construction engineer and associated sub-contract suppliers.

During the reporting period, Geopacific and Sprott mutually agreed to terminate the debt facility and gold stream agreements (**Facilities**) put in place during the prior financial year. The termination eliminated the ongoing costs associated with the Facilities and released \$7.6 million from previously restricted cash reserves and Sprott's first ranking security over the Project. The agreement to terminate the Facilities with Sprott followed the decision to suspend major work packages for development of the Project.

Whilst the Group had cash on hand of \$20,566,817 at 30 June 2022 (2021: \$67,470,477), its cash flow forecast for the period ending 30 September 2023 reflects that the Group will require additional funding over that period in order to meet the Group's committed expenditure. Current volatility in global equity and commodity markets resulting from the uncertainty created by the impact of COVID-19 as well as the conflict between Ukraine and Russia, may impact the Group's ability to raise debt or equity in the future.

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

- The Group's ability to raise funds from external sources to meet ongoing working and investing capital requirements, as demonstrated by the capital raisings of \$18.4 million and \$123.47 million in December 2020 and February 2021 respectively; and
- The Group's ability to manage the timing of cash flows to meet the committed obligations of the business as and when they fall due.

Notwithstanding the above, these conditions indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and, therefore, whether it will realise its assets and extinguish its liabilities in the normal course of business at the amounts stated in the financial report.

**GEOPACIFIC RESOURCES LIMITED**  
*AND CONTROLLED ENTITIES*

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**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE HALF-YEAR ENDED 30 JUNE 2022**

**NOTE 1      BASIS OF PREPARATION OF HALF-YEAR REPORT (CONTINUED)**

**Going concern basis for preparation of financial statements (continued)**

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

**Significant accounting policies**

The same accounting policies and methods of computation have been applied by each entity in the Group and are consistent with those adopted and disclosed in the most recent annual report.

**New and amended accounting standards and interpretations adopted**

The Group has adopted all Accounting Standards and Interpretations effective from 1 January 2022. New and amended Accounting Standards and Interpretations applied for the first time from 1 January 2022 did not have a significant impact on the consolidated financial statements of the Group.

**New and amended accounting standards and interpretations issued but not yet effective**

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

**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 31 December 2021 Annual Report.

**GEOPACIFIC RESOURCES LIMITED**  
AND CONTROLLED ENTITIES

**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
FOR THE HALF-YEAR ENDED 30 JUNE 2022

**NOTE 2      SEGMENT INFORMATION**

The Group has identified its operating segments based on the internal reports that are reviewed by the Board in assessing performance and determining the appropriate allocation of the Group's resources. The Group has also had regard to the qualitative thresholds for the determination of operating segments.

For management purposes, the Group is organised into three operating segments based on geographical locations, which involves mineral exploration and development in Papua New Guinea and all other segments, which incorporates the minor activities conducted during the period in Cambodia and Fiji. All other corporate expenses are disclosed as "Corporate" within this segment report. The Group's principal activities are interrelated and the Group has no revenue from operations.

All significant operating decisions are based on analysis of the Group as three segments. The accounting policies applied for internal reporting purposes are consistent with those applied in preparation of the financial statements.

	All other segments	Papua New Guinea	Corporate	Total
	\$	\$	\$	\$
<b>30 June 2022</b>				
Income for the half-year	-	1,000,805	-	1,000,805
Net loss for the half-year	(52,171)	(305,777)	(4,293,532)	(4,651,480)
Segment assets as at 30 June 2022	90,517	132,431,490	20,096,812	152,618,819
Segment liabilities as at 30 June 2022	683,494	7,803,306	1,935,463	10,422,263
Impairment write downs	-	1,553,711	-	1,553,711
<b>30 June 2021</b>				
Income for the half-year	-	-	147,710	147,710
Net loss for the half-year	(152,769)	(191,045)	(2,543,648)	(2,887,462)
Segment assets as at 31 December 2021	95,008	109,829,892	66,340,785	176,265,685
Segment liabilities as at 31 December 2021	648,935	25,822,178	8,427,322	34,898,435
Impairment write downs	-	1,460	-	1,460

**GEOPACIFIC RESOURCES LIMITED**  
AND CONTROLLED ENTITIES

**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
FOR THE HALF-YEAR ENDED 30 JUNE 2022

**NOTE 3 CASH AND CASH EQUIVALENTS**

	Consolidated	
	30 June 2022	31 December 2021
	\$	\$
<b>Current</b>		
Cash at bank	20,566,817	50,943,828
Restricted cash (i)	-	16,526,649
<b>Total</b>	<b>20,566,817</b>	<b>67,470,477</b>

(i) At 31 December 2021, the balance was held in the Group's Debt Proceeds Accounts to fund the termination fee to Sprott and as a reserve buffer. The balance of these funds after settlement of the termination fees were released to the Company's operational account, following termination of the Sprott facilities in April 2022.

**NOTE 4 RECEIVABLES**

	Consolidated	
	30 June 2022	31 December 2021
	\$	\$
<b>Current</b>		
Security deposits	250,000	250,000
Sundry debtors	4,545	1,625
GST receivable	32,599	15,811
<b>Total</b>	<b>287,144</b>	<b>267,436</b>
<b>Non-current</b>		
Security deposits	10,432	10,206
Sundry debtors	32,410	31,259
GST receivable	5,371,192	3,788,177
<b>Total</b>	<b>5,414,034</b>	<b>3,829,642</b>

**NOTE 5 INVENTORIES**

During the half-year ended 30 June 2022, \$31,225 was recognised as an expense for inventories carried at net realisable value (2021: \$1,460). This is recognised in impairment write downs in the consolidated statement of profit or loss.



**GEOPACIFIC RESOURCES LIMITED**  
AND CONTROLLED ENTITIES

**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
FOR THE HALF-YEAR ENDED 30 JUNE 2022

**NOTE 6 EXPLORATION AND EVALUATION ASSETS**

	Consolidated	
	30 June 2022 \$	31 December 2021 \$
<b>Non-current</b>		
Exploration and evaluation assets	4,284,661	2,005,023
<b>Reconciliation of movements during the period:</b>		
Carrying value – beginning of period	2,005,023	1,844,673
Additions	2,176,742	36,097
Transfers from property, plant and equipment (refer to Note 8)	97,860	-
Foreign exchange fluctuation	5,036	124,253
Carrying value – end of period	4,284,661	2,005,023

Costs not directly relating to the advancement of the Group's exploration projects were expensed as exploration expenditure in the consolidated statement of profit or loss and other comprehensive income. No such costs were incurred for the half-year ended 30 June 2022 (2021: \$140,626).

**NOTE 7 MINE PROPERTIES UNDER DEVELOPMENT**

	Consolidated	
	30 June 2022 \$	31 December 2021 \$
<b>Non-current</b>		
Mine properties under development	64,460,329	50,895,186
<b>Reconciliation of movements during the period:</b>		
Carrying value – beginning of period	50,895,186	37,975,609
Additions	10,909,120	23,230,220
Impairment	-	(13,877,597)
Transfer from property, plant and equipment (refer to Note 8)	274,640	194,464
Change in provision for rehabilitation	574,276	302,399
Foreign exchange fluctuation	1,807,107	3,070,091
Carrying value – end of period	64,460,329	50,895,186

**GEOPACIFIC RESOURCES LIMITED**  
AND CONTROLLED ENTITIES

**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
FOR THE HALF-YEAR ENDED 30 JUNE 2022

**NOTE 8 PROPERTY, PLANT AND EQUIPMENT**

30 June 2022	Work under construction \$	Plant & Equipment \$	Computer Software \$	Furniture & Fittings \$	Total \$
Gross carrying amount – at cost	61,560,593	12,465,605	98,737	1,749,868	75,874,803
Less: accumulated depreciation and impairment	(12,184,318)	(6,518,558)	(98,737)	(1,385,827)	(20,187,440)
Balance at 30 June 2022	<b>49,376,275</b>	<b>5,947,047</b>	-	<b>364,041</b>	<b>55,687,363</b>

31 December 2021	Work under construction \$	Plant & Equipment \$	Computer Software \$	Furniture & Fittings \$	Total \$
Gross carrying amount – at cost	55,185,136	11,822,630	98,737	1,023,706	68,130,209
Less: accumulated depreciation and impairment	(12,078,658)	(6,301,645)	(98,737)	(546,355)	(19,025,395)
Balance at 31 December 2021	<b>43,106,478</b>	<b>5,520,985</b>	-	<b>477,351</b>	<b>49,104,814</b>

Plant & Equipment Movement 2022	Work under construction \$	Plant & Equipment \$	Computer Software \$	Furniture & Fittings \$	Total \$
Balance at 1 January 2022	43,106,478	5,520,985	-	477,351	49,104,814
Additions	6,042,303	647,203	-	-	6,689,506
Transfers between categories	163,005	(79,960)	-	(83,045)	-
Transfers to exploration and evaluation assets (refer to Note 6)	-	(97,860)	-	-	(97,860)
Transfers to mine properties under development (refer to Note 7)	-	(230,720)	-	(43,920)	(274,640)
Depreciation	-	(13,574)	-	(2,592)	(16,166)
Disposal/write-offs	(1,522,486)	(852)	-	-	(1,523,338)
Foreign exchange fluctuation	1,586,975	201,825	-	16,247	1,805,047
Balance at 30 June 2022	<b>49,376,275</b>	<b>5,947,047</b>	-	<b>364,041</b>	<b>55,687,363</b>

Plant & Equipment Movement 2021	Work under construction \$	Plant & Equipment \$	Computer Software \$	Furniture & Fittings \$	Total \$
Balance at 1 January 2021	5,871,008	894,099	153	479,204	7,244,464
Additions	52,478,790	2,493,453	-	23,615	54,995,858
Transfers from between categories	(3,559,701)	3,592,483	-	(32,782)	-
Transfers to mine properties under development	-	(177,574)	-	(16,890)	(194,464)
Depreciation	-	(28,364)	(153)	(5,262)	(33,779)
Impairment	(12,078,658)	(1,310,757)	-	-	(13,389,415)
Foreign exchange fluctuation	395,039	57,645	-	29,466	482,150
Balance at 31 December 2021	<b>43,106,478</b>	<b>5,520,985</b>	-	<b>477,351</b>	<b>49,104,814</b>

**GEOPACIFIC RESOURCES LIMITED**  
AND CONTROLLED ENTITIES

**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
FOR THE HALF-YEAR ENDED 30 JUNE 2022

**NOTE 9 TRADE AND OTHER PAYABLES**

	Consolidated	
	30 June 2022 \$	31 December 2021 \$
<b>Current</b>		
Trade creditors and accrued expenses	8,049,734	18,480,389
<b>Total</b>	<b>8,049,734</b>	<b>18,480,389</b>

Decrease in trade and other payables at 30 June 2022 was in line with the reduction in activities at the Woodlark Gold Project during the period.

**NOTE 10 PROVISIONS**

	Consolidated	
	30 June 2022 \$	31 December 2021 \$
<b>Current</b>		
Employee entitlements	259,480	318,723
Loan termination fee (i)	-	8,263,325
Onerous contracts (ii)	480,754	6,703,000
<b>Total</b>	<b>740,234</b>	<b>15,285,048</b>
<b>Non-current</b>		
Employee entitlements	21,811	22,322
Rehabilitation	1,094,352	496,688
<b>Total</b>	<b>1,116,163</b>	<b>519,010</b>

(i) Relates to borrowings from Sprott. Amount was settled in April 2022. Refer to Notes 18, 19 and 29 of the Annual Report for the year ended 31 December 2021 for details.

(ii) Reconciliation of onerous contracts provision movement during the period:

	Consolidated	
	30 June 2022 \$	31 December 2021 \$
Balance – beginning of period	6,703,000	-
Net provision (written back)/recognised	(730,842)	6,703,000
Provision utilised on contracts closed out	(5,500,000)	-
Foreign exchange fluctuation	8,596	-
<b>Balance – end of period</b>	<b>480,754</b>	<b>6,703,000</b>

**GEOPACIFIC RESOURCES LIMITED**  
*AND CONTROLLED ENTITIES*

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**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE HALF-YEAR ENDED 30 JUNE 2022**

**NOTE 11 RELATED PARTY TRANSACTIONS**

The Company incurred the following fees in relation to the services provided by FTI Consulting, an entity related to Mr Andrew Bantock (Non-Executive Chairman) during the period:

- Non-Executive Chairman fees of \$272,908 (2021: Nil); and
- Advisory fees of \$631,841 (2021: Nil).

The fees payable for the Non-Executive Chairman services are based on a fixed remuneration of \$104,000 per annum and special exertion fees (over and above what is expected for the non-executive chair role) at \$3,500 per day. Refer to the Company's ASX announcement dated 14 January 2022 titled "Appointment of New Chairman" for further details of the appointment of FTI Consulting.

Work performed by FTI Consulting during the period included a detailed diagnostic review, strategy recommendations and assistance with implementation of the steps required to restructure the business, corporate and material commercial arrangements following the suspension of development and construction of the Woodlark Gold Project.

The fees for the advisory services are payable at normal commercial terms.

At 30 June 2022, \$670,857 was owing to FTI Consulting (31 December 2021: Nil).

**NOTE 12 COMMITMENTS AND CONTINGENT LIABILITIES**

There have not been no significant changes to commitments and contingent liabilities since the last reporting date.

**NOTE 13 EVENTS OCCURRING AFTER THE BALANCE SHEET DATE**

On 7 July 2022, Mr Michael Brooks, Mr Richard Clayton and Mr Hansjoerg Plaggemars were appointed as Non-Executive directors of the Company. On the same date, Mr Ian Murray and Mr Colin Gilligan resigned as directors of the Company.

Other than the above, no matter or circumstance has arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

**GEPACIFIC RESOURCES LIMITED**  
*AND CONTROLLED ENTITIES*

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**DIRECTORS' DECLARATION**

The Directors of Geopacific Resources Limited declare that:

- (a) the interim financial statements and notes of the Group set out on pages 9 to 20 are in accordance with the *Corporations Act 2001*, including:
  - (i) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting*, and the *Corporations Regulations 2001*; and
  - (ii) giving a true and fair view of the Group's financial position as at 30 June 2022 and of its performance for the half-year ended on that date.
- (b) subject to matters set out in Note 1 to the interim financial statements, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

Signed at Perth on 14 September 2022.



**Andrew Bantock**  
Chairman



**Building a better  
working world**

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## **Independent auditor's review report to the members of Geopacific Resources Limited**

### **Conclusion**

We have reviewed the accompanying half-year financial report of Geopacific Resources Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2022, 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.

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 the Group does not comply with the *Corporations Act 2001*, including:

- a. Giving a true and fair view of the consolidated financial position of the Group as 30 June 2022 and of its consolidated financial performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

### **Basis for conclusion**

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

### **Material uncertainty related to going concern**

We draw attention to Note 1 of the financial statements, which describes the principal conditions that raise doubt about the Group's ability to continue as a going concern. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

### **Directors' responsibilities 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 gives a true and fair view and is free from material misstatement, whether due to fraud or error.

## Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 30 June 2022 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*.

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.



Ernst & Young



Pierre Dreyer

Partner

Perth

14 September 2022