

GEPACIFIC RESOURCES NL

*ACN 003 208 393
and Controlled Entities*

**ANNUAL REPORT
FOR THE YEAR ENDED
31 DECEMBER 2007**

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CORPORATE DIRECTORY

GEOPACIFIC RESOURCES NL (a public, listed Company incorporated in New South Wales in 1986)
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Directors in Office (as at the date of this Report)	R J Fountain, Chairman I J Pringle, Managing Director W A Brook, Executive Director I N A Simpson, Non-Executive Director R H Probert, Non-Executive Director C K McCabe (Alternate Director to Mr I N A Simpson)
Registered Office	556 Crown Street, Surry Hills, NSW 2010
Postal Address	P.O. Box 477, Surry Hills, NSW 2010 Phone: 61 2 9699 7311, Fax: 61 2 9699 7322 E-mail: ianp@geopacific.com.au
Company Secretary	Mr Grahame Clegg
Auditor	Nexia Court & Co., Level 29, Australia Square, 264 George Street, Sydney, NSW, 2000, Australia
Bankers	Westpac Banking Corporation, 50 Pitt Street, Sydney, NSW

GEOPACIFIC LIMITED (a private Company incorporated in Fiji in 1980)

Directors	R H Probert (Chairman) W A Brook (Managing Director) I J Pringle I N A Simpson
Fiji Operations Office	HLB House, Lot 3, Cruikshank Road, Nasoso, Nadi, Fiji Tel: 679 6 727150 Fax: 679 6 727152 All mail to: P O Box 9975, Nadi Airport, Fiji E-mail: gpl@connect.com.fj
Company Secretary	W A Brook, P. O. Box 9975, Nadi Airport, Fiji Tel: 679 6 727150 Fax: 679 6 727152 E-mail: gpl@connect.com.fj
Registered Office	HLB House, Lot 3, Cruikshank Road, Nasoso, Nadi, Fiji
Auditor	Ernst & Young, Suva, Fiji
Banker	Westpac Banking Corporation, Main Street, Nadi, Fiji

BETA LIMITED (a private company incorporated in Fiji)

Directors	W A Brook I J Pringle (Appointed 20 February 2007) I N A Simpson
Company Secretary	W A Brook, P.O. Box 9975, Nadi Airport, Fiji Tel: 679 6 727150 Fax: 679 6 727152 E-mail: gpl@connect.com.fj
Registered Office	HLB House, Lot 3, Cruikshank Road, Nasoso, Nadi, Fiji
Auditor	Ernst & Young, Suva, Fiji

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REVIEW OF OPERATIONS

Letter from the Chairman

Dear Shareholders

2007 was a milestone year for Geopacific, following on from the Company's listing on the ASX on 9 May 2006 (trading code GPR).

It was the second year of excellent progress in Geopacific's exploration for gold and copper in Fiji. The Company now has an effective, professional Fiji exploration team, led by Managing Director, Dr Ian Pringle. This team has completed state of the art geophysical surveys, geology mapping and geochemical sampling and first pass drill testing at many of the Company's first class prospects.

Geopacific's objective to become a successful and profitable mining company was advanced during the year with exploration successes at all of the Company's project areas. These offer potential for a spectrum of target types ranging from small, high grade gold deposits of an epithermal gold type through to larger skarn gold-base metal targets and very large, low-grade porphyry-copper-gold deposits.

An important acquisition

On 26 October 2007, Geopacific signed an agreement to purchase Millennium Mining (Fiji) Limited and its sole assets (SPL 1216 'Nabila' and SPL 1415 'Kavukavu') through the issue of shares and options in GPR. Millennium owns the Faddy's Gold Deposit and surrounding exploration ground which includes numerous prospects and anomalies.

Faddy's is an epithermal-type gold deposit which contains near-surface mineralisation estimated as 920,000t @ 4.9g/t Au (144,000 ounces of contained gold) by Climax Mining Ltd in 1991. Although this is not considered to be of JORC reporting standard and is not an estimate of Mineral Resources as defined by the JORC Code, it represents a substantial gold deposit. Geopacific intends to evaluate Faddy's with further drill testing and feasibility studies with the intention of developing the deposit into a small high-grade mine, which will provide Geopacific with cash flow. The transaction is subject to approval by the Reserve Bank of Fiji, which is expected during the second quarter of 2008. Following completion of the Millennium purchase Geopacific plans to advance the Faddy's prospect by defining a Mineral Resource and commencing feasibility studies.

Progress at current projects

At the **Raki Raki Joint Venture** (GPR 50% and manager), follow-up drilling at the 4300E area has intersected gold mineralised quartz pyrite veining and thick zones of near-surface, low-grade gold mineralisation of the epithermal-type. Repeat assaying of the mineralisation in the initial discovery hole at Qalau North (DDHQ001) has shown that gold is of a coarse nuggetty nature and can be easily underestimated by conventional sampling and assaying techniques. Surface sampling and mapping has considerably extended the known surface anomalies and a ground magnetic survey completed during late 2007 at Qalau-4300E has defined structural trends which will be very helpful in locating mineralised target areas beneath substantial areas of thin transported and barren cover rocks.

At the **Vuda Project** (GPR 80%), Geopacific undertook drilling at three prospects. At Natalau three diamond drill holes intersected deep low grade gold mineralisation, which is interpreted to be the edge of a south plunging shoot. Two drill holes at Ista's Prospect included high, near-surface gold values of up to 6m @ 3.84g/t Au (19-25m in DDHV004) beneath surface rock chip samples ranging up to 17g/t Au. High gold values were also intersected at four drill holes at the Teitei Prospect (up to 11.5g/t Au between 38.20-39.70 in DDHVT002) where high grade surface samples were also located. Each of these prospects has potential for small high-grade gold deposits and each requires further drilling. An Induced Polarisation survey across the Vuda area was completed and this will also be used to define new targets for follow-up in 2008.

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REVIEW OF OPERATIONS (Continued)

Nadi South (GPR 100%) contains the large Togo Prospect which was defined by a three dimensional Induced Polarisation survey during late 2006. Five diamond drill holes were completed in the northern part of Togo and each of these intersected rock-types and alteration typical of large porphyry Cu-Au deposits. Thick zones of anomalous gold and copper values intersected by the holes are of sub-economic grade but these could be proximal to higher grade mineralisation within a large zoned deposit and further drill testing, is planned.

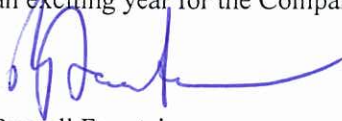
At the **Nuku Project** (GPR 100%) extensive stream sediment sampling has been undertaken and High grade zinc outcrops (ranging to 12.75% Zn) were discovered. A ground magnetic survey followed by two diamond drill holes at the Wailoaloa Prospect confirmed potential for significant tonnage of high iron magnetite skarn mineralisation with gold, zinc and copper mineralisation.

Pleasing progress

I am pleased to report that Geopacific's experienced and committed exploration team is continuing to make excellent progress towards your Company's goal of locating and developing mineral deposits. Geopacific is very aware of its social and environmental obligations and makes every endeavour to maintain very high standards in these areas.

I would like to acknowledge the hard work of all the Geopacific team members during 2007 and look forward to 2008 as a year in which Geopacific continues to make new mineral discoveries and moves forward at the more advanced Faddy's and Raki Raki Prospects.

On behalf of the Board of Directors I would also like to thank shareholders for their support in what truly has been an exciting year for the Company.



Russell Fountain
Chairman

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Highlights

Raki Raki Project

- Repeat assays of mineralised drill core from DDHQ001 have identified coarse gold and upgraded the previously reported interval of 2.8m from 61.2m of 14.43g/t Au to 2.8m from 61.2m of 23.02g/t Au.
- Drilling at both the Qalau North and 4300E Prospects has intersected considerable thicknesses of epithermal quartz-pyrite veining. Gold mineralised intervals include 5.5m from 56.5m of 1.68g/t Au in DDHQ009 and 40.5m from 9.5m of 0.84g/t Au in DDHQ010.
- Extensive stream sediment sampling has located several new anomalous gold areas and extended the area of known mineralisation at the Qalau-4300E area by about two kilometres.

Vuda Project

- Three diamond drill holes at the Natalau Prospect contain gold and base metal mineralisation within the fringe zone of an interpreted south plunging mineralised shoot.
- Two diamond drill holes at Ista's Prospect where high-grade surface gold mineralisation was located (outcrop assays of up to 17g/t Au) include gold grades in drill core intervals ranging to 6m @ 3.29g/t Au.
- High-grade gold outcrops (9m @ 4.77g/t Au) were discovered at the Teitei Prospect.
- At Sabeto strongly anomalous gold in stream sediment samples have defined a high priority gold target. Previous exploration reported rock samples with up to 60.5g/t Au.
- An Induced Polarisation (IP) survey was completed.

Nadi South Project

- Five diamond drill holes at the Togo Prospect have intersected rock-types, alteration and structures which are typical of a porphyry copper-gold deposit. Thick intersections of alteration typical of porphyry copper-gold deposits include widespread sulphide mineralisation (pyrite, minor chalcopyrite and rarer chalcocite) which may be peripheral to higher grade copper and gold mineralisation within a large and zoned deposit.

Nuku Project

- Extensive stream sampling and mapping has been completed. Outcropping zinc mineralisation with assays ranging to 12.75% zinc were located.
- Two diamond drill holes were completed at the Wailoaloa Prospect and both intersected +20 metre intercepts of mineralised magnetite-pyrite skarn.

Nabila Project

- Geopacific is progressing with the purchase of Millennium Mining (Fiji) Limited which owns the Nabila Project including the Faddy's Gold Deposit. This deposit could provide Geopacific with an advanced project with potential for short-term gold and base metal production.
- Shareholder approval to progress with the purchase of Millennium Mining (Fiji) Ltd was received at Geopacific's 2007 AGM.
- Geopacific signed an agreement to purchase Millennium Mining (Fiji) Limited on 26 October 2007. Reserve Bank of Fiji approval for the purchase is expected during early 2008.

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Project Review

Raki Raki Project SPL1231, SPL1373, SPL1436

50% Beta Ltd (subsidiary of GPR) - Operator
50% Peninsula Minerals Ltd

The Raki Raki Project is located in northern Viti Levu (Figure 2) and is a 50% joint venture between Peninsula Minerals Limited and Geopacific Resources NL. Geopacific is the manager of the joint venture.

During early 2007 limited work was undertaken at RakiRaki because seasonal wet weather and flooding restricted accessibility. Soil sampling was completed at the **Million Dollar area** of the Qalau-4300E grid and outcropping gold mineralisation was located at the **Qalaumatai Creek Prospect** where channel sampling across outcrop identified thin quartz-adularia veinlets in a gold mineralised basaltic dyke (rock chip assays ranging to 7.12g/t Au and a 1.5m chipped channel sample averaged 2.35 g/t Au).

Assays for 182 stream sediment samples (BCL) from the eastern and central portions (**Tataiya Prospect**) include gold values ranging to 400ppb Au (Naria creek) and anomalous areas of approximately 1 square kilometre contain BCL stream sediment samples with gold values ranging to 60ppb Au (Figure 3). High palladium (51ppb Pd) was returned at one sample location (9261).

At the **Qalau-4300E Prospect** high gold values in stream sediments collected south west of Qalau-4300E highlighted a two kilometre zone extending from Qalau which is an interpreted source area for the anomalous gold (Figure 4). The sampling defined an area south of Wasit village (Area A) which extends for over 1km and included anomalous BCL stream sediments up to 34.2ppb Au. South of Qalau (Area B), high gold contents of stream sediment samples (ranging to 47.2ppb Au) indicate an extensive near surface gold anomaly.

2007 drill testing at the Qalau-4300E Prospect commenced during late September and the first drill hole of this programme (DDHQ008) was located 100m grid west of DDHQ001 where high grade gold mineralisation was intersected in late 2006 (DDHQ001 intersected 2.8m from 61.2m of 14.43g/t Au as determined by standard gold assaying methods). Repeat assays of this interval using screen fire assay techniques on the sample residues (approximately 1kg each) which account for coarse 'nuggetty' gold returned a higher gold content of 23.02g/t within this zone (2.8m from 61.2m of 23.02g/t Au). The "spotty" and sparse nature of the coarse gold particles in the sample appear to have lead to an under-evaluation of the gold content.

DDHQ008 was drilled towards grid south at 45 degrees in order to test the western extension of the mineralised veining intersected in DDHQ001 and to target the northern end of a strong IP resistivity anomaly (Table 1). DDHQ008 intersected zones of epithermal quartz veining between 15.6-21.55m and 86.7-101.3m and these probably represent the western extension to veining in DDHQ001, 06 and 05. DDHQ013 was drilled beneath DDHQ001 towards grid north east to test for a NW trending vein system. Epithermal quartz-pyrite veining was well developed between 130.70-137.50m in DDHQ013 and this interval contains gold mineralisation.

At the **4300E Prospect** (Figure 5) drilling in late 2006 intersected near surface gold in DDHQ003 (7m from 29m of 2.23g/t Au) and DDHQ004 (45.2m from 88m of 1.02g/t Au, including 5m of 3.4g/t Au and 3m at 4.45g/t Au). Follow-up drilling in 2007 included DDHQ009 which was collared 45m metres north of DDHQ004 and drilled to 200m beneath the mineralised intersections. DDHQ009 intersected significant intervals of epithermal quartz veining and brecciation in the top portion of the hole (Figure 6). DDHQ010 was located on the same section 4300E and tested the near surface potential of DDHQ004. This drill hole penetrated conspicuous zones of epithermal banded-quartz veining throughout the length of the hole.

Both DDHQ009 and DDHQ010 intersected wide zones of quartz-pyrite-carbonate veining, shearing,

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brecciation and alteration typical of an epithermal gold mineralised system. Summary assay data from both drill holes are given in Table 1. Results from these holes include:

- DDHQ009 intersected 5.5 meters from 56.5 meters (down-hole depth) of 1.68g/t Au including 84.3-84.8m of 8.16g/t Au.
- DDHQ010 intersected 40.5 meters from 9.5 meters (down-hole depth) of 0.85g/t Au, including 2.5m of 4.48g/t Au from 43m within a zone of quartz-pyrite-carbonate veining. Deeper intervals of similar grade mineralisation were intersected between 52-59.5m and 77.5-91m. Individual assays range up to 9.14 g/t Au and variability of repeated assays indicate that coarse gold may occur in some intervals.

The mineralisation appears to follow an east-west trending zone which corresponds to a band of high resistivity response which is typical of quartz mineralised epithermal systems. The limits of mineralisation intersected in holes DDHQ003, 4, 9 and 10 have not been determined although an interpreted shallow north dipping shear zone may form the lower contact of the mineralised zone. A cross section showing the drill traces of DDHQ004, 9 and 10 is shown in Figure 6.

Table 1. Diamond Drill hole and Assay data summary table for 2007 drilling at RakiRaki

Drill hole summary						Drill core assay summary			
drill hole	coordinates (local grid where grid N is 23° W of true N)		hole azimuth (FMG)	hole dip (degs)	hole depth (m)	down-hole		interval (m)	gold (g/t)**
	northing	easting				from (m)	to (m)		
DDHQ008	5575	3550	180	45	149.6				NSA
DDHQ009	5400	4400	180	60	200	30.75	31.75	1	2.16
						36.5	37	0.5	3.29
						41	41.5	0.5	1.82
						56.5	62	5.5	1.68
						83.8	85.3	1.5	3.22
					including	84.3	84.8	0.5	8.16
DDHQ010	5338	4373	180	60	126.3	9.5	50	40.5	0.84
					including	43	45.5	2.5	4.48
						52	59.5	7.5	0.83
					including	55	59	4	1.15
						77.5	91	13.5	0.91
					including	82	85	3	1.87
						93.5	95	1.5	0.89
						110.5	111.5	1	2.28
DDHQ011*	5315	4420	180	45	104.9	17.5	18	0.5	2.95
						23.5	25.5	2	1.76
DDHQ012*	5435	4290	170	45	181.4				NSA
DDHQ013	5544	3550	52.5	45	148.35	130.7	132.2	1.5	1.23
						137	137.5	0.5	1.64

* Complete assay results not yet received, NSA (No significant assays >1g/t Au)

** Fire assays completed on sawn (halved) drill core at Westech Gold analytical laboratory (Vatukoula). All results >0.5g/t Au have been re-assayed. Internal and external controls including standard reference material and blanks have been routinely analysed.

DDHQ011 was drilled from a collar located approximately 50m east of DDHQ010. Intersections of alteration and veining are less pronounced in DDHQ011 and significant gold assays were returned beneath transported gravels and soil cover close to the top of bedrock (17.5-22.5m). DDHQ011 may have been too far south to intersect any north-eastern trending zone extending from the mineralisation in DDHQ009 and

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DDHQ010.

DDHQ012 was located at a chargeability anomaly approximately 60m NW of DDHQ003. No significant zones of alteration and veining were intersected in DDHQ012 and this may indicate that the mineralisation intersected in DDQ009 and DDHQ010 trends to the south west and DDHQ012 was not drilled to sufficient depth to test the western extent of this zone.

For many of the mineralised drill samples, repeat analyses, including screen fire assays are being undertaken for high grade intersections where there is evidence of coarse 'nuggety' gold. Silver and base metal analyses are yet to be received for most of the drill samples.

During late 2007 a ground magnetic survey covering the Qalau and 4300E prospects was completed. The results of this work will be fully assessed in 2008 but initial data assessments show a well developed east-west trending fabric transacted by N-NNE trending structures (Figure 7). Some areas of prominent magnetic 'lows' may represent areas of pronounced epithermal bedrock alteration. However, in the 4300E area the gold mineralisation intersected in DDHQ004 and DDHQ010 coincide with an elevated magnetic response and conspicuous NE trending structural offsets in this magnetic ridge are the focus of current exploration and possible future drill testing. The magnetic data will be of considerable help in positioning follow-up drill holes at both Qalau and 4300E areas during 2008 and a study to integrate the magnetic survey results with previous Induced Polarisation (IP) work at Raki Raki is underway.

Vuda Project

SPL1368 Geopacific Ltd (subsidiary of GPR)
has an option to purchase 80%
SPL1361 Geopacific Ltd (subsidiary of GPR)
has an option to purchase 100%

A gradient array Induced Polarisation (IP) survey was undertaken at Vuda during 2007. Elliot Geophysics Ltd undertook the ground grid-based survey over areas of clay alteration and surficial gold mineralisation along 100m space lines. Results of the work were integrated with geological mapping, airborne magnetic and radiometric data to provide detailed framework for the large epithermal alteration system at Vuda and to help determine the source of the high surface gold values within the project.

Preliminary studies have outlined several excellent correlations between geophysical features and surface gold anomalies. Plots of resistivity data from the survey together with the locations of some prospect areas, prominent structural trends and bedrock alteration types as observed from field mapping show considerable areas of coincident high resistivity values and prospective alteration types. Correlation between altered bedrock and structural zones occur where silicification and possible associated gold mineralisation may be more pronounced. The chargeability data from the IP survey show markedly higher chargeability values in the southern part of the survey area and these correlate more closely to higher sulphide content in bedrock. Both the Natalau and Ista's (Location 2A) Prospects are located on the margins of an oval zone characterised by both low resistivity and chargeability values.

Natalau Prospect

Three diamond drill holes (VN001-3) were completed at the **Natalau Prospect** (Figure 8). VN001 was undertaken in December 2006 and follow-up drill holes VN002 (total depth 150m) and VN003 (total depth 186.5m) were drilled in early 2007. VN001 and VN002 intersected anomalous base metal mineralisation ranging up to 0.67ppm Au, 0.39% Pb and 0.44% Zn in one metre sample intervals. Both holes are thought to have intersected low grade 'halo' mineralisation marginal to the main mineralised Natalau shoot which appears to plunge towards the south. VN003 was drilled from the same collar as VN002, to the west of the

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Natalau workings, and was located to test for a deeper, southern extension to the southerly plunging high-grade gold mineralisation which occurs near surface at the old workings where rock chip samples of up to 16g/t Au have been collected by Geopacific. VN003 intersected the target, a pyritised and mineralised fault zone between 158-170m. Assay data for samples in VN003 range to 1.01g/t Au (Table 2).

Table 2. Diamond Drill hole and Assay data summary table for 2007 drilling at Vuda

Drill hole summary						Assay summary			
Drill hole	FMG E	FMG N	azimuth	dip	depth m	From m	To m	Interval m	Au g/t ^^
DDHVN001	1866827	3923961	299.5	-52	197.75				nsm
DDHVN002	1866705	3923968	119.5	-62.5	150.00				nsm
DDHVN003	1866703	3923968	119.5	-75	186.50	163.00	164.00	1.00	1.01
DDHVN004	1866728	3923459	289.5	-45	75.60	19.00	23.00	4.00	2.62
						19.00	25.00	6.00	3.84*
					including	21.60	22.00	0.40	6.84*
DDHVN005	1866729	3923461	319.5	-45	75.60	15.60	18.60	3.00	1.75
						14.10	18.60	4.50	1.92*
					including	17.10	18.60	0.50	2.58
DDHVT001	1865188	3924295	322.5	-60	84.70	6.70	8.20	1.50	0.79
						23.00	24.00	1.00	1.30
						27.00	30.00	3.00	0.59
						49.00	56.20	7.20	0.92
DDHVT002	1865201	3924338	322.5	-60	81.70	37.70	39.70	2.00	6.38
					including	38.20	39.70	1.50	11.50
DDHVT003	1865283	3924301	322.5	-60	132.60	92.10	93.10	1.00	2.55
						94.60	96.60	2.00	1.01
DDHVT004	1865321	3924258	322.5	-60	170.10	144.10	145.60	1.50	0.50

** Aug/t composite grade calculated by mass balance from several assays (SGS screen fire assay, SGS CN12, ALS screen fire assay, AA25, AA26, TL43, OG43)

* assay based on ALS method TL43-OG43

nsm - no significant assay

Ista's Prospect

At **Ista's Prospect** 1km SW of Natalau two drill holes completed by other exploration companies during previous exploration intersected near-surface gold mineralisation (RC89 reported 3m @ 6.84g/t Au and VDRCL166 intersected 5m @ 2.25g/t Au). Prospecting by Geopacific in 2006 to the south of these drill holes located high grade gold mineralisation in outcrop (Ista's outcrop) where panned samples of crushed pyritic outcrop contain abundant visible gold (Figure 9).

During 2007 Geopacific mapping at Ista's Prospect identified pipe-like dykes of silica-adularia alteration and mineralised outcrop with channel samples ranging to 17g/t Au. This surface expression of an intrusive pipe is approximately 3m wide and plunges to the south. A second pipe is 2-3.5m wide and appears to be plunge toward the SE. Trenching and outcrop channel sampling of this mineralisation was undertaken.

Two drill holes were completed at Ista's Prospect (VN004 and VN005). VN004 was drilled towards grid east at a 60 degree dip from a collar located south of Ista's outcrop and was planned to intersect two mineralised targets. VN005 was located near the same collar but drilled towards grid NW to test beneath the gold mineralisation reported during previous drilling. Both drill holes intersected broken and mineralised rock with visible pyritic mineralisation. Samples of sawn VN004 drill core contain 6 metres averaging 3.84 g/t Au between 19-25m (Table 2) directly underlying gold mineralised outcrop with grades ranging up to 9g/t Au. VN005 was drilled from beside the VN004 drill collar location to test at depth and north of the gold

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mineralised outcrop and intersected similar clay-quartz-pyrite alteration with gold mineralisation between 14.1-18.6m (1.92g/t Au).

Planned follow-up work at Ista's Prospect includes, detailed mapping, soil sampling and trenching, possibly followed by deeper, step-out drill testing.

Teitei Prospect

Surface sampling at the **Teitei Prospect** located visible gold in pyritic and gossanous outcrops and bedrock channel sampling of these defined a nine metre wide zone with an average gold grade of 4.77g/t Au (includes 3m of 9.33g/t Au).

Drill testing during previous programmes by other companies indicated potential for deeper, high-grade gold mineralisation at Teitei. Samples from these previous drill holes no longer exist but records indicate that sample recovery was typically poor. Geopacific undertook follow-up drilling to assess these earlier results and during 2007 four diamond drill holes (DDHVT001-4) were completed (Figure 10). Drill core of target intervals for these holes contain coarse 'nuggetty' gold and were selectively sampled for gold determination through a programme of screen fire assaying and leach testwork which specifically designed for these samples and which requires considerably more laboratory time than routine assaying. Results for DDHVT001-4 are summarised in Table 2. DDHVT001 included numerous low grade gold mineralised intersections including 49.0-56.20m of 0.92g/t Ag. High gold (11.50g/t Au) was intersected between 38.20-39.70m in DDHVT002 and deeper intercepts of low grade mineralisation were returned from both DDHVT003 and DDHVT004 core samples.

Sabeto prospect

South of Vuda at **Sabeto** (SPL1361), stream sediment and outcrop sampling was completed within an area of strongly anomalous gold in soils and outcrops which define a gold anomaly of approximately 400m x 200m. Stream sediment BCL samples collected at about 100m spacing ranged up to 0.928ppm Au. Assay data from outcrop samples in the anomalous area range to 60g/t Au. Planned follow-up work at Sabeto includes a geophysical IP survey and surface mapping and sampling followed by drill testing.

Nadi South Project SPL1434 – 100% Geopacific Ltd (subsidiary of GPR)

During 2007 five diamond drill holes (DDHNT001-5) were completed **Nadi South** (Table 3). These tested the northern portion of a strong chargeability anomaly (**Togo Prospect**) which was defined during late 2006 by a three dimensional Induced Polarisation (IP) survey using an offset pole-dipole (OPD) configuration (Figure 11). The Togo Prospect is characterised by high chargeability values extending from near surface to over 500m depth and across a strike length of more than 2 kilometres. Alteration and low-grade mineralisation typical of porphyry copper-gold deposits was encountered in all of the Geopacific drill holes and Fiji Government drill hole DDH84/7.

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Project Review (Continued)

Table 3. Drill hole summary, Togo Prospect.

drill hole	planned depth (m)	easting	northing	dip	completed depth (m)
DDHNT001	450	547000	27500	60 degrees west	447
DDHNT002	250	546830	27200	60 degrees west	200
DDHNT003	500	546340	27500	60 degrees east	309
DDHNT004	400	546500	27750	60 degrees east	355
DDHNT005	500	546340	27500	vertical	441

NT001 was drilled at a high resistivity target on the NE edge of the chargeability anomaly defined by the IP survey (Figure 12). It was drilled towards grid west at 60 degrees dip and was completed at a depth of 447.5m. NT001 intersected varieties of equigranular to porphyritic diorite and tonalite with increasing content of gabbroic rocks close to the bottom of the hole. Fracturing, jointing and thin quartz-sulphide veins occur throughout the core and these have dominantly westerly dips. Assay data for sawn half and quarter core include anomalous assays in both gold and copper ranging up to 0.13g/t Au and 1,700ppm Cu.

NT002 was located 280m SW of NT001 and was also drilled towards grid west at a 60 degree dip. NT002 was completed at 200m and intersected similar intrusive rocks to NT001. Sulphide content, dominantly disseminated pyrite, is higher than for NT001 core and fracturing and veining is also conspicuous.

NT003 was collared 650m to grid west of NT001 and was drilled to 309m towards grid east at 60 degrees. Intrusive rocks in the upper part of NT003 have biotite alteration and higher sulphide content than NT001 and NT002. Assays of NT003 core include anomalous copper values between 79-219m (140m averaging 635ppm Cu) with individual samples of 2m lengths ranging up to 1,790ppm Cu.

NT004 was drilled to 355m towards grid east at 60 degrees. Assayed core includes anomalous copper values between 6-210m (204m averaging 693ppm Cu) and 292-310m (18m averaging 940ppm Cu) with individual samples of 2m lengths ranging up to 1,600ppm Cu and 0.53g/t Au.

NT005 was located at the same collar location as NT003 and drilled as a vertical hole to 441m to test high chargeability values at depth. Anomalous copper results occur throughout the core with highest assays close to the bottom of the hole (1,680ppm Cu for the interval between 412-414m).

Pyrite, minor chalcopyrite and rarer chalcocite is widespread in drill core from NT003, NT004 and NT005 and commonly occurs in fine grained fractures and veinlets as well as disseminations in intrusives within alteration zones containing sericite, biotite and magnetite (Figure 13).

The results of drilling NT001-5 are encouraging and show that the Togo Prospect has intrusive lithologies and alteration typical of large porphyry copper-gold systems. Low-grade mineralisation in all of the drill holes completed during 2007 indicate that a zone of higher grade copper and gold mineralisation may be located in other parts of an apparently large and zoned deposit. Further step out drilling is planned to test other portions of the Togo Prospect.

The induced polarisation survey showed that strongly anomalous chargeability values extend to the south of the Togo Prospect into the **Takara Prospect** area (Figure 14) and reconnaissance surface mapping of this southern anomaly has confirmed extensive surface alteration and mineralisation. Gold values up to 36.4g/t have been reported from outcrops during previous company work and recent sampling by Geopacific has confirmed widespread gold mineralisation at Takara.

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Geopacific plans to continue with mapping and undertake an IP survey of the Takara area prior to drill testing.

Nuku Project

SPL1368 - 100% Geopacific Ltd (subsidiary of GPR)

CX667 – 100% Geopacific Ltd (subsidiary of GPR)

During early 2007 regional geochemical sampling of SPL1368 was undertaken and numerous areas shedding anomalous gold and base metals were defined. One of these, the **Wailoaloa Prospect** is located on the northern part of an anomalous, highly magnetic zone which forms a SW trending anomaly over approximately one kilometre. Modelling of data collected during a helicopter borne magnetic survey undertaken by CRA Exploration Pty Ltd during 1991 showed that this feature is caused by a shallow SE dipping and strongly magnetic source. At Wailoaloa outcropping zinc mineralisation with assays ranging to 12.75% zinc were located by Geopacific near the western end of gossanous and mineralised outcrop. During early 2007 a ground magnetic survey was completed over the eastern end of the gossanous zone and this work showed that the mineralisation dips towards the south at a shallow angle (Figure 15). Mineralisation is hosted by volcanoclastic sediments close to the contact with granodiorite and is typical of a polymetallic skarn deposit with high zinc, gold, silver, manganese and iron.

Diamond drill hole WL8 (angled towards 020 degrees magnetic at a dip of 60 degrees and drilled to a depth of 25m) was undertaken by CRA Exploration Pty Ltd in 1991 and intersected **8m of 5.1g/t Au** from 12m down hole (Figure 16). The anomalous gold mineralisation in WL8 occurs within oxidised and clay altered magnetite skarn* and hornfels* immediately beneath outcropping gossan. Recoveries of drill core sample of WL8 were very poor and base metals were not assayed by CRA Exploration Pty Ltd.

* *Fine-grained metamorphic rocks composed of quartz, feldspar, mica, and other minerals, formed by the action of intrusive rock upon sedimentary rock, especially shale.*

Geopacific completed two diamond drill holes (DDHNW01 and DDHNW02) at the **Wailoaloa Prospect**. Both were positioned to test for skarn-hosted sulphide mineralisation down dip from the anomalous gold reported in drill hole WL8 and the anomalous zinc values in the outcropping hornfelsed sediments which host the known surface mineralisation (Figure 16). Collar coordinates of both holes are listed in Table 4.

Both drill holes penetrated calcareous sulphide skarn mineralisation beneath strongly fractured granodiorite. DDHNW01 intersected magnetite-pyrite-garnet-epidote skarn between 17.35m and 42.7m and thirty samples of sawn drill core over this 25.35 metre interval were selected for sample preparation at the Westech Vatukoula laboratory.

Table 4. Drill hole Summary of 2007 Drilling at the Wailoaloa Prospect.

Drill hole summary					
drill hole	Coordinates (WSG 72)		hole azimuth (magnetic)	hole dip (degrees)	hole depth (m)
	northing	easting			
WL8*	3911377	1943747	20	-60	25
DDHNW01	3911352	1943725	20	-47	98.1
DDHNW02	3911303	1943715	20	-50	83.1

* Undertaken by CRAE in 1991

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DDHNW02 was drilled beneath DDHNW01 from a location 50 metres to the south of DDHNW01. Similar skarn mineralisation, including zones of massive magnetite and pyrite, were intersected between 41.8-63.85m and underlying calcareous sediments were intersected until the bottom of DDHNW02 at 83.1 metres. Base metal analyses for core samples from both DDHNW01 and DDHNW02 are being undertaken by Intertek, an accredited Jakarta based laboratory, and the assay results are expected during early 2008.

Both drill intersections of magnetite skarn are consistent with an interpretation of a shallow, south-east dipping zone of magnetic source rocks. Regional magnetic data indicate that these rocks could extend over a strike length of about one kilometre. Since the drilled intervals of skarn in both DDHNW01 and DDHNW02 are close to true widths and the specific gravity of the mineralised sulphide rock is high (3-5), the Wailoaloa Prospect has the potential to host a deposit of several million tons.

The occurrence of high gold values (8m of 5.1g/t Au in WL8) in oxidised gossan which overlies the base metal-rich polymetallic skarn mineralisation at Wailoaloa is not uncommon in tropical, high rainfall environments like Nuku. Deeper sulphide mineralisation is unlikely to have gold values of equivalent grade although gold may be a significant component.

Further follow-up drilling at Wailoaloa is planned.

Nabila Project

SPL1216 - 100% Millennium Mining Fiji Ltd (purchase agreement by GPR)

SPL1415 - 100% Millennium Mining Fiji Ltd (purchase agreement by GPR)

On 27 February 2007, Geopacific Resources NL completed a Heads of Agreement to purchase Millennium Mining (Fiji) Limited ("Millennium") which holds title to the **Nabila Gold Project**, (Special Prospecting Licence ('SPL') 1216) and the **Kavukavu Project** (SPL 1415) located southwest of Nadi. Millennium is a mineral exploration company incorporated in Fiji.

The **Nabila Gold Project** contains the **Faddy's epithermal-type gold deposit** (Figure 2), where near-surface mineralisation has been estimated as 920,000t @ 4.9g/t Au (144,000 ounces of contained gold) by Climax Mining Ltd in 1991 (*this is not considered to be of JORC reporting standard and is not an estimate of Mineral Resources as defined by the JORC Code**).

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

There is excellent potential for Geopacific to substantiate this gold mineralisation and to discover additional mineralisation through exploration in the surrounding area. The Faddy's mineralisation appears to be open along trend (north-south) and at depth and previous drill sampling has not taken into account the occurrence of nuggetty gold which in parts of the deposit may significantly improve on reported gold grades. Figure 17 is a typical cross section through the Faddy's Deposit and shows the traces of drill holes along grid 3500E. Gold assays between 0.5-2.5g/t are shown in green and assays over 2.5g/t Au are in pink or red. Near-surface mineralisation and depth continuity of the mineralisation have clearly not been tested by previous work.

The **Kavukavu Project** is located to the south of the Nabila Project and contains base metal skarn and epithermal gold mineralisation. Other Companies have reported assays up to 25.0% Zn and 5.60% Cu in surface rock samples but subsequent exploration has failed to locate significant mineral resources despite widespread mineralised float rock at the **Tau** and **Kavukavu Prospects** as well as many other anomalies within SPL1415.

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The infrastructure in both projects is excellent. Sealed and gravel roads, adequate bridges and proximity to Nadi township enables year-round access. There is ample fresh water and electrical power is available on the existing main electricity grid. The nearby regional centre of Nadi contains infrastructure and services which would be helpful support for future mining operations in the Nabila Project.

Geopacific and the owners of Millennium signed an agreement for Geopacific to purchase 100% of Millennium on 26 October 2007. Terms of this agreement include:

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

Reserve Bank of Fiji approval for the purchase of Millennium is required before the purchase can be completed and this is expected during early 2008.

The Nabila and Kavukavu Projects could provide Geopacific with excellent resources for short-term gold and base metal production. Fast tracking Faddy's through feasibility study and into production with an annual gold output of over 25,000 ounces could be accomplished within a relatively short timeframe compared with many countries, including Australia. The Projects also contain promising exploration prospects which have the potential to host economic mineralisation which may be identified through the application of modern exploration. During early – mid 2008 Geopacific plans to undertake confirmatory drill testing and preliminary scoping studies at the Faddy's Gold Deposit and regional exploration in both the Nabila and Kavukavu Projects.

Meetings with Senior Fiji Government Officers

Between 31 August and 4 September Geopacific hosted a series of presentations and field visits for Minister Tevita Vuibau (at that time Minister Vuibau was Interim Minister of Lands and Mineral Resources), and senior Fiji Government officials including the Director and officers of the Mineral Resources Department (MRD). The Ministerial tour included site visits to Nadi South, Vuda and RakiRaki as well as to Millennium Mining (Fiji) Ltd's Faddy's Gold Deposit. A formal presentation on Geopacific activities and planned work was given to the Ministerial party and invited guests at the Tanoa Hotel (Nadi) on 3 September. The meetings and field excursions were undertaken in order to update the Minister and MRD officers on Geopacific's exploration and proposed work. They provided an excellent basis for future communication and MRD support during Geopacific's ongoing activities.

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DIRECTORS' REPORT

The Directors present their report together with the financial report of Geopacific Resources N.L. ("GPR") ("the Company") and of the Group, being the Company and its subsidiaries, Geopacific Limited ("GPL") and Beta Limited ("Beta"), for the financial year ended 31 December 2007, and the auditors' report thereon.

1 Directors

The Directors of the Company at any time during or since the end of the financial year are:

Russell John Fountain, B.Sc., Ph.D, F.A.I.G., Chairman.

Dr Fountain was appointed a Director and Chairman of the Company on 23 September, 2005. He is a Sydney-based consulting geologist with 40 years of international experience in all aspects of mineral exploration, project feasibility and mine development. Previous positions include President, Phelps Dodge Exploration Corporation; Exploration Manager, Nord Pacific Ltd and Chief Geologist, CSR Minerals. Russell has had global responsibility for corporate exploration programs with portfolios targeting copper, gold, nickel and mineral sands. He played a key role in the grassroots discovery of mines at Granny Smith (Au in WA), Osborne (Cu-Au in Qld) and Lerokis (Au-Cu in Indonesia) and the development of known prospects into mines at Girilambone (Cu in NSW) and Waihi (Au in NZ). Russell holds a PhD in Geology from the University of Sydney (awarded in 1973), with a thesis based on his work at the Panguna Mine (Cu-Au in PNG). He worked as a project geologist on the Namosi porphyry copper deposit in Fiji from 1972 to 1976. Russell is a Fellow of the Australian Institute of Geoscientists, and Executive Chairman of Finders Resources Ltd.

Ian James Pringle, B.Sc. (Hons.), Ph.D, Managing Director.

Dr. Pringle was appointed Managing Director of the Company on 23 September, 2005. He is a Sydney-based exploration geologist with over 22 years of specialist expertise in exploration for silver, gold, and copper within Australia and SE Asia. Ian gained a doctorate from the University of Otago in Dunedin, New Zealand in 1981 where he studied petrology, mineralogy and geochemistry of metamorphosed volcanic rocks and taught laboratory classes in economic geology. During his career, Ian has worked in mineral exploration programmes that have resulted in successful mineral discoveries;

- in Northern Australia with Elf Aquitaine,
- the Lerokis Au-Cu-Ag deposit, Indonesia with CSR Minerals,
- the Girilambone copper deposit, NSW with Nord Resources, and
- in Australia, the Philippines and Cyprus as Exploration Manager for Golden Shamrock Mines and Oxiana Ltd.

Ian coordinated due diligence studies on Sepon for Oxiana and supervised resource drilling of the main gold and copper deposits. Sepon is located in a recently discovered province of sediment-hosted epithermal gold deposits and supergene enriched copper mineralisation in central Laos. Ian's recent and current work includes exploration and resource evaluation of the Bowdens Silver Deposit, near Mudgee, NSW, an epithermal-style mineralised system which contains over 80 million ounces of silver and which is owned by Silver Standard Resources Inc, one of the few publicly traded companies focused exclusively on the discovery and acquisition of silver-dominant projects. Ian is a director of Silver Standard Australia Pty. Ltd.

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DIRECTORS' REPORT

1 Directors (continued)

Willie Anthony Brook, B.Sc., M.A.I.G., Executive Director

Mr Brook has served two terms as Managing Director of the Company since 1987 and resigned this position in September 2006 in favour of Dr Pringle. Bill is a geologist with over 42 years experience in the industry, including senior positions with Australian and international exploration and mining companies.

He spent six years as a contract field geologist (1980-86) exploring for epithermal gold deposits in Papua New Guinea, Vanuatu and Fiji, which resulted in the discovery of several grassroots gold prospects. In 1986 he commenced geological work on behalf of GPL in Fiji and discovered the Tuvatu Gold Deposits, which were sold to Emperor Mines Ltd in 1997. He is also a member of the Mining Council of Fiji, the Fiji Mining and Quarrying Wages Council and the Mining and Development Technical Committee; the latter two posts being Government appointments. He resides in Fiji and is responsible for maintaining and monitoring the Company's operations in Fiji and developing new projects. He is Managing Director of Geopacific Ltd and a Director of Beta Ltd.

Ian Neville Aston Simpson, Non - Executive Director

Mr Simpson was appointed a Director of the Company in March 2001. Ian recently retired as the Managing Director of Pacific Crown Aviation (Fiji) Ltd, which operates a helicopter service based out of Nadi Airport in Fiji. Ian received his training as a helicopter pilot and engineer in the Royal Navy, and as such has been involved with the exploration industry in Fiji since 1970. He has been associated with GPL since 1981 and a Director since 1994; he is also a Director of Beta Ltd. Mr Simpson is a citizen of Fiji.

Craig Kingsley McCabe, B.Ec., F.A.I.B.F., A.I.M.M. Alternate Director to Mr Simpson.

Craig has over 18 years experience in financial markets, having worked for banks and merchant banks in Australia, where he dealt in interest rates, securities and equities. In the past 13 years he has been engaged in managing his family business with interests in Australia and Fiji.

Roger Harvie Probert, Non - Executive Director

Mr Probert was elected chairman of GPL in 1997. In 1970-71 he served for one year as a field manager for Barringer Research in a mineral exploration programme in Fiji. In 1972 he joined The Fiji Gas Co. Ltd., and was appointed general manager and chief executive in 1983. He is also general manager and a Director of the associated companies, Fiji Chemicals Ltd and Tonga Gas Ltd. He served as a Board member of the Civil Aviation Authority of Fiji, Capital Markets Development Authority, Fiji Islands Revenue and Customs Authority and chairman of Airports Fiji Ltd. He is also chairman of the Mining Council of Fiji and was president of the Fiji Institute of Management (1989-91) and the Fiji Employees Federation (1993-95). Mr Probert is a citizen of Fiji.

Company Secretary

Mr Grahame Clegg, JP, BCom., CA, ACIS., MAICD, FTIA, AFAIM, FNTAA, SAFin.

Mr Clegg was appointed to the position of Company Secretary on 14 July 2006 and has over 35 years experience in audit, financial and corporate roles including 15 years in Company secretarial roles for ASX-listed companies. He is a director of Oakhill Hamilton Pty Ltd, and Taen Pty Ltd, companies which provide secretarial, accounting and corporate advisory services to a range of listed and unlisted companies.

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DIRECTORS' REPORT

2 Principal Activity

The principal activity of the Group is exploration for gold and gold-copper deposits in Fiji. There was no significant change in the nature of this activity of the Group during the financial year.

3 Operating and Financial Review

The loss of the Group for the year ended 31 December 2007 was \$419,737 (2006: loss \$382,944). Information on the operation and financial position of the Group and its business strategies and prospects are set out in the review of operations.

4 Dividends

The Directors do not recommend the payment of a dividend.

Dividends paid or declared since the end of the previous year were \$Nil.

5 State of Affairs

In the opinion of the Directors there were no significant changes in the state of affairs of the Group that occurred during the financial year under review, not otherwise disclosed in this report.

6 Events Subsequent to Reporting Date

Except for the acquisition of Millenium Mining (Fiji) Limited, including its assets, no matter or circumstance has arisen since 31 December 2007 that has significantly affected, or may significantly affect:

- (a) the Group's operations in future financial years, or
- (b) the results of those operations in future financial years, or
- (c) the Group's state of affairs in future financial years.

7 Directors' Interests and Benefits

The beneficial interest of each Director in the ordinary share capital of the Company as at the date of this report is:

	Direct shares	Indirect shares	Options
R J Fountain ⁽¹⁾	10,000	30,000	Nil
I J Pringle	10,000	50,000	1,500,000
W A Brook	3,022,033	1,569,050	Nil
I N A Simpson	692,695	Nil	Nil
R H Probert	589,454	Nil	Nil
C K McCabe (Alternate)	Nil	Nil	Nil

⁽¹⁾ Russell Fountain is a director of Finders Resources Ltd which holds 5,900,000 shares.

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DIRECTORS' REPORT

8 Directors' Meetings

During the year ended 31 December 2007 a total of two Directors' Meetings were held. Directors' attendance record is tabulated below.

Record of Directors' Attendance at Meetings

Director	Service	Attended *	Eligible to Attend	Leave of Absence
R J Fountain	All year	2	2	-
I J Pringle	All year	2	2	-
W A Brook	All year	2	2	-
I N A Simpson	All year	1	2	-
R H Probert	All year	-	2	-
C K McCabe (alt. to I. Simpson)	All year	1	1	-

* Either in person, or by electronic means.

9 Likely Developments

The Group will continue to develop its existing exploration tenements and seek to increase its tenement holdings by acquiring further projects.

10 Environment Regulations

Entities in the Group are subject to normal environmental regulations in areas of operations. There has been no breach of these regulations during the financial year, or in the period subsequent to the end of the financial year and up to the date of this report.

11 Share Options

Options have been issued to Ian J Pringle & Associates Pty Ltd, a Company controlled by Dr Pringle, were granted on the following terms and conditions:

- (a) The Optionholder is entitled on payment of the Exercise Price (being 20c, 25c and 30c in respect of the three instalments each of 500,000 options respectively listed in paragraph (b) below) to be allotted one ordinary share in the Company for each Option exercised (subject to possible adjustments referred to below).
- (b) The Options held by the Optionholder are exercisable in whole or in part as follows:
 - as to 500,000 Options, within 5 years of the first anniversary of Listing;
 - as to 500,000 Options, within 5 years of the second anniversary of Listing; and
 - as to 500,000 Options, within 5 years of the third anniversary of Listing ("Exercise Period").

Options not exercised before the expiry of the Exercise Period will lapse. The Optionholder is not entitled to exercise the Options unless Dr Pringle continues to hold the position of Director of the Company until at least the first anniversary (and in the case of the remaining instalments each of 500,000 options, the second and third anniversaries respectively) of the date of listing the Company on the ASX.

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DIRECTORS' REPORT

12 Remuneration Report

The remuneration report is set out under the following main headings:

- A Principles used to determine the nature and amount of remuneration
- B Details of remuneration
- C Service agreements
- D Share-based compensation

The information provided under headings A-D includes remuneration disclosures that are required under Accounting Standard AASB 124 *Related Party Disclosures*. These disclosures have been transferred from the financial report and have been audited.

A Principles used to determine the nature and amount of remuneration

The objective of the Group's executive reward framework is to ensure reward for performance, being the development of the Geopacific Resources exploration tenements. The framework aligns executive reward with achievement of strategic objectives and the creation of value for shareholders, and conforms with market best practice for delivery of reward. The Board ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness;
- acceptability to shareholders;
- performance linkage / alignment of executive compensation;
- transparency; and
- capital management.

The Group has structured an executive remuneration framework that is market competitive and complimentary to the reward strategy of the organisation.

Alignment to shareholders' interests:

- has economic profit as a core component of plan design;
- focuses on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant return on assets as well as focusing the executive on key non-financial drivers of value; and
- attracts and retains high calibre executives.

Alignment to programme participants' interests:

- rewards capability and experience;
- reflects competitive reward for contribution to growth in shareholder wealth;
- provides a clear structure for earning rewards; and
- provides recognition for contribution.

The framework provides a mix of fixed and variable pay, and a blend of short and long-term incentives. As executives gain seniority with the Group, the balance of this mix shifts to a higher proportion of "at risk" rewards.

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DIRECTORS' REPORT

12 Remuneration Report (continued)

Non-executive Directors

Fees and payments to non-executive Directors reflect the demands, which are made on, and the responsibilities of, the Directors. The Board reviews Non-executive Directors' fees and payments annually. The Board may from time to time seek the advice of independent remuneration consultants to ensure non-executive Directors' fees and payments are appropriate and in line with the market. The Chairman's fees are determined independently to the fees of non-executive Directors based on comparative roles in the external market. The Chairman is not present at any discussions relating to determination of his own remuneration.

Directors' fees

The current base remuneration was last reviewed with effect from 1 January 2007 and will be reviewed in September 2008.

Non-executive Directors' fees are determined within an aggregate Directors' fee pool limit, which is periodically recommended for approval by shareholders. The maximum currently stands at \$200,000 per year in aggregate.

Executive pay

The executive pay and reward framework has four components:

- base pay and benefits;
- short-term performance incentives;
- long-term incentives through participation in the Geopacific Resources NL Employee Option Plan (Geopacific Resources Option Plan); and
- other remuneration such as superannuation.

The combination of these comprises the executive's total remuneration.

Base pay

Structured as a total employment cost package, which may be delivered as a combination of cash and prescribed non-financial benefits at the executives' discretion.

Executives are offered a competitive base pay that comprises the fixed component of pay and rewards. Base pay for senior executives is reviewed annually to ensure the executive's pay is competitive with the market. An executive's pay is also reviewed on promotion.

There are no guaranteed base pay increases included in any senior executives' contracts.

Geopacific Resources NL Employee Option Plan

Information on the Geopacific Resources Option Plan is set out in note 25.

B Details of remuneration

Amounts of remuneration

Details of the remuneration of the Directors and the key management personnel (as defined in AASB 124 Related Party Disclosures) of Geopacific Resources and the Geopacific Resources NL Group are set out in the following tables.

The key management personnel of Geopacific Resources and the Group include the Directors:

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DIRECTORS' REPORT

12 Remuneration Report (continued)

Remuneration paid to key management personnel of Geopacific Resources and of the Group

2007	Short-term benefits			Post-employment benefits	Share-based payment	
Name	IPO Success Fees \$	Directors' Fees \$	Salary and Consulting Fees \$	Superannuation \$	Options \$	Total \$
<i>Non-executive Directors</i>						
I N A Simpson	-	24,000	-	-	-	24,000
R J Fountain	-	50,000	-	-	-	50,000
R H Probert	-	24,000	-	-	-	24,000
C K McCabe (alt. to I. Simpson)	-	24,000	-	-	-	24,000
Sub-total non-executive Directors	-	122,000	-	-	-	122,000
<i>Executive Directors</i>						
I J Pringle	-	-	123,475	-	45,489	168,964
W A Brook	-	-	130,835	-	-	130,835
Totals	-	122,000	254,310	-	45,489	421,799

Remuneration paid to key management personnel of the Group

2006	Short-term employee benefits			Post-employment benefits	Share-based payment	
Name	IPO Success Fees \$	Directors' Fees \$	Salary and Consulting Fees \$	Superannuation \$	Options \$	Total \$
<i>Non-executive Directors</i>						
I N A Simpson	-	-	-	-	-	-
R J Fountain	-	-	-	-	-	-
R H Probert	-	-	-	-	-	-
Sub-total non-executive Directors	-	-	-	-	-	-
<i>Executive Directors</i>						
I J Pringle	20,000	-	108,826	-	47,318	176,144
W A Brook	20,000	-	125,977	-	-	145,977
Totals	40,000	-	234,803	-	47,318	322,121

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DIRECTORS' REPORT

12 Remuneration Report (continued)

C Service agreements

(i) Mr Ian Pringle - Managing Director

A Consultancy Agreement dated 16 February 2006 has been entered into between the Company and Ian J Pringle & Associates Pty Ltd ("Consultant"), being a Company controlled by Dr Pringle. The consulting services are to be provided by the Consultant making available the services of Dr Pringle for between 150 and 185 days per annum (or as otherwise agreed). The Agreement commenced on 1 March 2005 for an initial term of two years, with an option for the Company to extend the term for two further periods of two years each, unless the consultancy is terminated earlier in accordance with the agreement. The Consultant may terminate the agreement on not less than 4 months notice.

The Consultant may also terminate the agreement immediately without notice if the Company becomes insolvent or requires the Consultant to perform services outside the scope of the agreement for a period of more than 100 days in any year or if the Company fails to pay moneys due under the Agreement within 14 days of demand and the Company shall pay to the Consultant the termination payment referred to below. The Company may terminate the agreement immediately without notice for serious or persistent breach, bankruptcy, fraud or wilful neglect, total and permanent incapacitation or mental illness of the Consultant or Dr Pringle (as the case may be), and may terminate the agreement at any time on 1 months notice without disclosure of any reason, by payment of a lump sum termination payment equivalent to the amount which the Consultant would have received for providing the services for one half of the Term then remaining or 6 months, whichever is the greater. The consultancy fee is \$400 per day (prior to Listing) and \$800 per day (post Listing), plus bonuses and expenses and subject to annual review by the Company. Dr Pringle will receive fees for services rendered to the Company in his capacity as a contractor to Ian J Pringle & Associates Pty Ltd.

(ii) Mr Willie Brook - Executive Director

Mr Willie Brook entered into an employment agreement as Executive Director with the Company effective from the date of Listing, for an initial term of two years, with an option for the Company to extend the term for a further year, unless the employment is terminated earlier in accordance with the agreement.

Mr Brook may terminate the agreement on 3 months notice. The Company may terminate the agreement immediately without notice for serious breach, bankruptcy, fraud or wilful neglect, total and permanent incapacitation or mental illness of Mr Brook, and may terminate the agreement at any time on 6 months notice without disclosure of any reason, or at its discretion, by payment of the equivalent amount of remuneration in lieu of the notice period. The salary package is Fiji\$100,000 per annum, including superannuation plus bonuses and expenses, subject to annual review by the Company. He is also entitled to the usual leave entitlements.

(iii) Non-executive Directors

Directors are entitled to remuneration out of the funds of the Company but the remuneration of the non-executive Directors may not exceed in any year the amount fixed by the Company in general meeting for that purpose. Directors are also entitled to be paid reasonable travelling, accommodation and other expenses incurred in consequence of their attendance at Board meetings and otherwise in the execution of their duties as Directors.

GEOPACIFIC RESOURCES NL

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DIRECTORS' REPORT

12 Remuneration Report (continued)

Service agreements summary

	Start Date	Term of Agreement	Fees payable 2007 \$	Notice period for termination (months)		Redundancy payment
				Company	Employee	
Director						
I J Pringle	1 March 2005	2 years with options to extend for 2 further terms of 2 years each	\$800 per day	1	4	6 months fees
W A Brook	3 May 2006	2 years with option to extend for further terms of 1 year	\$100,000	6	3	6 months salary

D Share-based compensation

Options

Options are granted on the recommendation of the Directors.

Options are granted for no consideration. Options are granted for a five year period, and are exercisable immediately after the vesting date. The options issued to Mr Ian Pringle vest on the first, second and third anniversaries of the listing date. The options issued on 1 December 2007 vested on that date.

The terms and conditions of each grant of options affecting remuneration in the previous, this or future reporting periods are as follows:

Grant date	Expiry date	Exercise price	Value per option at grant date	Date vesting
8 May 2007	8 May 2012	\$0.20	\$0.0843	8 May 2007
8 May 2007	8 May 2013	\$0.25	\$0.0757	8 May 2008
8 May 2007	8 May 2014	\$0.30	\$0.0708	8 May 2009
1 December 2006	1 November 2009	\$0.50	\$0.4945	1 December 2006
1 December 2006	1 November 2009	\$0.70	\$0.4498	1 December 2006

Options granted carry no dividend or voting rights.

When exercisable, each option is convertible into one ordinary share.

The exercise price of options is based on the weighted average price at which the Company's shares are traded on the Australian Stock Exchange during the five trading days immediately before the options are granted.

Details of options over ordinary shares in the Company provided as remuneration to each director of Geopacific Resources and each of the key management personnel of the Group are set out below. Further information on the options is set out in notes 18 and 26 to the financial statements.

GEOPACIFIC RESOURCES NL

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DIRECTORS' REPORT

12 Remuneration Report (continued)

Name	Number of options granted during the year		Number of options vested during the year	
	2007	2006	2007	2006
<i>Directors of Geopacific Resources</i>				
I J Pringle	-	1,500,000	500,000	-
W A Brook	-	-	-	-
I N A Simpson	-	-	-	-
R J Fountain	-	-	-	-
R H Probert	-	-	-	-

The assessed fair value at grant date of options granted to the individuals is allocated equally over the period from grant date to vesting date, and the amount is included in the remuneration tables above. Fair values at grant date are independently determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

The model inputs for options granted during the year ended 31 December 2007 included:

(a)	options are granted for no consideration					
(b)	exercise price	\$0.20	\$0.25	\$0.30	\$0.50	\$0.70
(c)	grant date	8.05.2006	8.05.2006	8.05.2006	1.12.2006	1.12.2006
(d)	vesting date	8.05.2007	8.05.2008	8.05.2009	1.12.2006	1.12.2006
(d)	expiry date	8.05.2012	8.05.2013	8.05.2014	1.11.2009	1.11.2009
(e)	share price at grant date	\$0.20	\$0.20	\$0.20	\$0.71	\$0.71
(f)	expected price volatility of the Company's shares	30.0%	30.0%	30.0%	97.3%	97.3%
(g)	expected dividend yield	0.0%	0.0%	0.0%	0.0%	0.0%
(h)	risk-free interest rate	6.0%	6.0%	6.0%	6.25%	6.25%

Shares provided on exercise of remuneration options

No ordinary shares in the Company were provided as a result of the exercise of remuneration options to each director of Geopacific Resources NL and other key management personnel of the Group.

GEOPACIFIC RESOURCES NL

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DIRECTORS' REPORT

12 Remuneration Report (continued)

Share options granted to Directors and the most highly remunerated officers

Options over unissued ordinary shares of the Company granted during or since the end of the financial year to the Directors and the most highly remunerated officers of the Company as part of their remuneration were as follows:

Name	A Remuneration consisting of options	B Value at vesting date \$	C Value at exercise date \$	D Value at lapse date \$	E Total of columns B-D \$
<i>Directors of Geopacific Resources NL</i>					
I J Pringle	26.92%	\$45,489	-	-	\$45,489
W A Brook	-	-	-	-	-
I N A Simpson	-	-	-	-	-
R J Fountain	-	-	-	-	-
R H Probert	-	-	-	-	-

A = The percentage of the value of remuneration consisting of options, based on the value at grant date set out in column B.

B = The value at grant date calculated in accordance with AASB 2 *Share-based Payment* of options granted during the year as part of remuneration.

C = The value at exercise date of options that were granted as part of remuneration and were exercised during the year.

D = The value at lapse date of options that were granted as part of remuneration and that lapsed during the year.

Shares issued on the exercise of options

No ordinary shares of the Company were issued during the year ended 31 December 2007 on the exercise of options granted. No further shares have been issued since that date. No amounts are unpaid on any of the shares.

13 Insurance of Officers

The Company has, by Deed of Access, Indemnity and Insurance, paid a premium to insure the Directors and Company Secretary of the Group in respect of certain legal liabilities, including costs and expenses in successfully defending legal proceedings, whilst they remain as Directors and for seven years thereafter. The insurance contract prohibits the disclosure of the total amount of the premiums and a summary of the nature of the liabilities.

GEOPACIFIC RESOURCES NL

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DIRECTORS' REPORT

14 Non-audit Services

The Group may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or the Group are important.

Details of the amounts paid or payable to the auditor (Nexia Court & Co) for audit and non-audit services provided during the year are set out below.

The Board of Directors has considered the position and, in accordance with the advice received from the audit committee, is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed by the audit committee to ensure they do not impact the impartiality and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence, including reviewing or auditing the auditor's own work, acting in a management or a decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risk and rewards.

During the year the following fees were paid or payable for services provided by the auditor of the the Company, its related practices and non-related audit firms:

	Consolidated	
	2007	2006
	\$	\$
<i>Assurance services</i>		
<i>1. Audit services</i>		
Nexia Court & Co Australian firm:		
Audit of the financial report and other audit work under the <i>Corporations Act 2001</i>		
- Current year	16,725	-
- Prior year	18,713	13,123
Review of the half-year financial report	5,266	7,818
Total remuneration for audit services	40,704	20,941

GEOPACIFIC RESOURCES NL

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DIRECTORS' REPORT

14 Non-audit Services (Continued)

	Consolidated	
	2007	2006
2. <i>Other assurance services</i>		
Ernst & Young Fijian firm:		
Audit and review of financial reports	9,507	16,183
<i>Total remuneration for other assurance services</i>	9,507	16,183
<i>Total remuneration for assurance services</i>	50,211	37,124
<i>Taxation services</i>		
Nexia Court & Co Australian firm:		
Tax compliance services, including review of Company income tax returns	1,863	1,782
<i>Total remuneration for taxation services</i>	1,863	1,782

15 Lead Auditor's Independence Declaration

The lead auditor's independence declaration is set out on page 27 and forms part of the Directors' report for the financial year ended 31 December 2007.

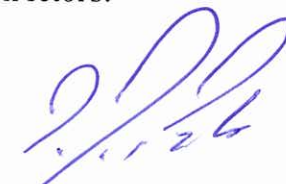
16 Auditor

Nexia Court & Co continues in office in accordance with section 327 of the *Corporations Act 2001*.

Signed in accordance with a resolution of the Directors:



Dr R J Fountain
Chairman



Dr I J Pringle
Managing Director

Sydney, Australia
Dated: 31 March 2008

**LEAD AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001**

To the Directors of Geopacific Resources NL:

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 31 December 2007 there have been:

- no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

Nexia Court - Co

Nexia Court & Co
Chartered Accountants

Sydney, Australia
Dated: 31 March 2008

Stephen Rogers
Stephen Rogers
Partner

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Andrew S Hoffmann
Graeme J Watman
David R Cust
Craig J Wilford
Sean P Urquhart
Robert Mayberry

NEXIA COURT & CO. IS A MEMBER OF
NEXIA INTERNATIONAL - A WORLDWIDE
NETWORK OF INDEPENDENT ACCOUNTING
AND CONSULTING FIRMS.

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
GEOPACIFIC RESOURCES NL**

Report on the financial report

We have audited the accompanying financial report of Geopacific Resources NL, which comprises the balance sheet as at 31 December 2007, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes (1 to 30), and the directors' declaration (set out on pages 30 to 62), of the Group comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

We have also audited the remuneration disclosures contained in the Directors' report. As permitted by the *Corporations Regulations 2001*, the Company has disclosed information about the remuneration of Directors and executives ("remuneration disclosures"), required by Australian Accounting Standard AASB 124 *Related Party Disclosures*, under the heading "remuneration report" in pages 18 to 24 of the Directors' report and not in the financial report.

Directors' responsibility for the financial report and the AASB 124 remuneration disclosure contained in the Directors' report

The Directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In note 1, the Directors also state, in accordance with Australian Accounting Standard AASB 101 *Presentation of Financial Statements*, that compliance with Australian equivalents to International Financial Reporting Standards ensures that the financial report of the Group and the Company, comprising the financial statements and notes, complies with International Financial Reporting Standards.

The Directors of the Company are also responsible for the remuneration disclosures contained in the Directors' report.

Auditors' responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
GEOPACIFIC RESOURCES NL
(Continued)**

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report and the remuneration disclosures contained in the Directors' report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, provided to the Directors of Geopacific Resources NL on 31 March 2008, would be in the same terms if provided to the Directors as at the date of this auditor's report.


Auditors' opinion on the financial report

In our opinion:

- a the financial report of Geopacific Resources NL is in accordance with the *Corporations Act 2001*, including:
 - i giving a true and fair view of the Company's and the Group's financial position as at 31 December 2007 and of their performance for the year ended on that date; and
 - ii complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.
- b the financial report of the Group and Company also comply with International Financial Reporting Standards as disclosed in note 1.

Auditors' opinion on the AASB 124 remuneration disclosures contained in the directors' report

In our opinion, the remuneration disclosures that are contained in pages 18 to 24 of the Directors' report comply with Australian Accounting Standard AASB 124.


Nexia Court & Co
Chartered Accountants


Stephen Rogers
Partner

Sydney, Australia
Dated: 31 March 2008

GEOPACIFIC RESOURCES NL

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DIRECTORS' DECLARATION

In the opinion of the Directors of Geopacific Resources NL:

- a the financial statements and notes, set out on pages 31 to 62, are in accordance with the Corporations Act 2001, including:
 - i giving a true and fair view of the Company's and the Group's financial position as at 31 December 2007, and of their performance, for the financial year ended on that date; and
 - ii complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001;
- b the financial report also complies with International Financial Reporting Standards as disclosed in note 1;
- c there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- d the remuneration disclosures set out in the Directors' Report comply with Australian Accounting Standard AASB 124 Related Party Disclosures and the Corporations Regulations 2001.

The Directors have been given the declarations by the Managing Director and Chief Executive Officer and Chief Financial Officer required by section 295A of the Corporations Act 2001 for the financial year ended on 31 December 2007.

Signed in accordance with a resolution of the Directors:



Dr R J Fountain
Chairman



Dr I J Pringle
Managing Director

Sydney, Australia
Dated: 31 March 2008

GEOPACIFIC RESOURCES NL

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INCOME STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

	Note	Consolidated		The Company	
		2007	2006	2007	2006
		\$	\$	\$	\$
Continuing operations	4	<u>63,887</u>	72,280	<u>99,727</u>	72,280
Administration expenses		(206,002)	(219,046)	(206,002)	(219,046)
Consultancy expense		(80,404)	-	(80,404)	-
Depreciation expense	5	(111)	-	(111)	-
Employee benefits expense	5	(167,489)	(236,178)	(167,489)	(236,178)
Impairment loss recognised in respect of loans to subsidiaries	5	-	-	113,004	(27,738)
Unrealised foreign currency exchange loss	5	-	-	-	(105,002)
Other expenses		<u>(29,618)</u>	-	<u>(29,619)</u>	-
		<u>(483,624)</u>	(455,224)	<u>(370,621)</u>	(587,964)
LOSS BEFORE INCOME TAX		(419,737)	(382,944)	(270,894)	(515,684)
Income tax expense	7	-	-	-	-
LOSS FOR THE YEAR		(419,737)	(382,944)	(270,894)	(515,684)
Basic loss per share	28	<u>(1.08)</u>	(1.28)		
Diluted loss per share	28	<u>(1.06)</u>	(1.27)		

The above income statements should be read in conjunction with the accompanying notes.

GEOPACIFIC RESOURCES NL

ACN 003 208 393
and Controlled Entities

BALANCE SHEETS AS AT 31 DECEMBER 2007

	Note	Consolidated		The Company	
		2007	2006	2007	2006
		\$	\$	\$	\$
CURRENT ASSETS					
Cash and cash equivalents	8	794,535	1,256,968	648,120	1,262,869
Trade and other receivables	9	259,603	167,307	3,809	7,738
Other assets	10	19,802	17,662	19,802	17,662
TOTAL CURRENT ASSETS		1,073,940	1,441,937	671,731	1,288,269
NON-CURRENT ASSETS					
Receivables	11	-	-	3,128,122	1,465,082
Exploration expenditure	12	3,462,093	1,796,829	565,053	169,735
Property, plant and equipment	13	19,424	8,385	6,370	-
Investments	14	-	-	-	-
TOTAL NON-CURRENT ASSETS		3,481,517	1,805,214	3,699,545	1,634,817
TOTAL ASSETS		4,555,457	3,247,151	4,371,276	2,923,086
CURRENT LIABILITIES					
Trade and other payables	15	201,110	260,863	16,929	46,605
TOTAL CURRENT LIABILITIES		201,110	260,863	16,929	46,605
TOTAL LIABILITIES		201,110	260,863	16,929	46,605
NET ASSETS		4,354,347	2,986,288	4,354,347	2,876,481
EQUITY					
Contributed equity	16	8,015,267	6,311,996	8,015,267	6,311,996
Reserves	18	307,566	223,041	284,790	239,301
Accumulated losses	19	(3,968,486)	(3,548,749)	(3,945,710)	(3,674,816)
TOTAL EQUITY		4,354,347	2,986,288	4,354,347	2,876,481

The above balance sheets should be read
in conjunction with the accompanying notes.

GEOPACIFIC RESOURCES NL

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STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2007

		Consolidated		The Company	
	Notes	2007	2006	2007	2006
		\$	\$	\$	\$
TOTAL EQUITY AT THE BEGINNING OF THE FINANCIAL YEAR		2,986,288	537,127	2,876,481	543,800
Net income recognised directly in equity		-	-	-	-
Loss for the year		(419,737)	(382,944)	(270,894)	(515,684)
Total recognised income and expenses for the year		(419,737)	(382,944)	(270,894)	(515,684)
Transactions with equity holders in their capacity as equity holders:					
Contributions of equity, net of transaction costs	16	1,703,271	2,612,187	1,703,271	2,612,187
Employee share options recognised in share based payments reserve	18	45,489	236,178	45,489	236,178
Additions to foreign currency translation reserve	18	39,036	(16,260)	-	-
		1,787,796	2,832,105	1,748,760	2,848,365
TOTAL EQUITY AT THE END OF THE FINANCIAL YEAR		4,354,347	2,986,288	4,354,347	2,876,481

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

GEOPACIFIC RESOURCES NL

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CASH FLOW STATEMENTS FOR THE YEAR ENDING 31 DECEMBER 2007

	Note	Consolidated		The Company	
		2007	2006	2007	2006
		\$	\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash receipts in the course of operations		-	-	-	-
Cash payments in the course of operations		(607,145)	(286,557)	(368,452)	(267,312)
Interest received		63,887	72,280	63,887	72,280
Net Cash from Operating Activities	29(c)	(543,258)	(214,277)	(304,565)	(195,032)
CASH FLOWS FROM INVESTING ACTIVITIES					
Payments for plant and equipment		(11,150)	(6,128)	(6,481)	-
(Repayment of) advance from director		-	(500)	-	(500)
Loans advanced to related parties		-	-	(1,611,856)	(701,778)
Exploration expenditure		(1,611,496)	(869,177)	(395,318)	(169,735)
Net Cash from Investing Activities		(1,622,646)	(875,805)	(2,013,655)	(872,013)
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from share issue		1,821,858	2,719,844	1,821,858	2,719,844
Share issue costs		(118,387)	(449,277)	(118,387)	(449,277)
Net Cash from Financing Activities		1,703,471	2,270,567	1,703,471	2,270,567
NET (DECREASE)/INCREASE IN CASH HELD		(462,433)	1,180,485	(614,749)	1,203,522
Cash and Cash Equivalents at the Beginning of the Financial Year		1,256,968	76,483	1,262,869	59,347
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	29(a)	794,535	1,256,968	648,120	1,262,869

The above cash flow statements should be read
in conjunction with the accompanying notes.

GEOPACIFIC RESOURCES NL

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

Contents of the notes to the financial statements

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3	Critical accounting estimates and judgements
4	Revenue
5	Expenses
6	Remuneration of auditors
7	Taxation
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11	Non-current assets - Receivables
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13	Non-current assets - Property, plant and equipment
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15	Current liabilities - Trade and other payables
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GEOPACIFIC RESOURCES NL

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

1 Summary of significant accounting policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial report includes separate financial statements for Geopacific Resources NL as an individual entity and the Group consisting of Geopacific Resources NL and its subsidiaries.

Basis of preparation

This general purpose financial report has been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRSs), other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

Compliance with IFRSs

Australian Accounting Standards include AIFRSs. Compliance with AIFRSs ensures that the consolidated financial statements and notes of Geopacific Resources NL comply with International Financial Reporting Standards (IFRSs). The Company financial statements and notes also comply with IFRSs except that it has elected to apply the relief provided to parent entities in respect of certain disclosure requirements contained in AASB 132 *Financial Instruments: Presentation and Disclosure*.

Historical cost convention

These financial statements have been prepared under the historical cost convention.

Critical accounting estimates

The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Significant accounting policies

Accounting policies are selected and applied in a manner which ensures that the resultant financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions and other events is reported.

The Company has adopted relevant new and revised accounting standards and pronouncements with no material impact.

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

(a) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred.

(b) Borrowing costs

Borrowing costs are expensed as incurred.

(c) Cash and cash equivalents

For cash flow statement presentation purposes, cash and cash equivalents includes cash at bank.

GEOPACIFIC RESOURCES NL

ACN 003 208 393
and Controlled Entities

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

1 Summary of significant accounting policies (continued)

(d) Contributed equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(e) Employee benefits

(i) Wages and salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits, and annual leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(iii) Share-based payments

The fair value of options granted to Directors and employees is recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled to the options.

The fair value at grant date is independently determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option

The fair value of the options granted is adjusted to reflect market vesting conditions, but excludes the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each balance sheet date, the Company revises its estimate of the number of options that are expected to become exercisable. The employee benefit expense recognised each period takes into account the most recent estimate.

Upon the exercise of options, the balance of the share-based payments reserve relating to those options is transferred to share capital and the proceeds received, net of any directly attributable transaction costs, are credited to share capital.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

1 Summary of significant accounting policies (continued)

(f) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

(g) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is Geopacific Resources NL's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

(h) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flow.

(i) Impairment of assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or Groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

1 Summary of significant accounting policies (continued)

(j) Income tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the national income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

(k) Investments

Non-current investments in subsidiaries are measured on the cost basis. The carrying amount of non-current investments is reviewed annually by Directors to ensure it is not in excess of the recoverable amount of these investments.

(l) Loss per share

(i) Basic loss per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

(ii) Diluted loss per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

1 Summary of significant accounting policies (continued)

(m) Mineral Tenements and Deferred Mineral Exploration Expenditure

The Group has adopted the area of interest method for capitalising the costs of procurement, exploration and evaluation of areas where applications have been made for Prospecting Licences.

The ultimate recoupment of such costs is dependent on sale of the tenement(s) or successful development and commercial exploitation of the areas. Amortisation charges are to be made over the life of the areas of interest and will be determined on a basis so that the rate of amortisation shall not lag behind the rate of depletion of the economically recoverable reserves in the areas of interest.

The areas of interest are each of the Special Prospecting Licences in which companies in the Group have an interest. Where exploration expenditure has been incurred during the period, it will be carried forward in the Balance Sheet together with procurement costs as deferred mineral exploration expenditure until the Directors are of the opinion that a tenement should be abandoned as it shows no potential for recovery of expenditure incurred, in which case the said expenditure is written off in the Income Statements.

(n) Plant and equipment

Plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation on assets is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives, as follows:

- Plant, vehicles and equipment 10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 1(i)).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement. When revalued assets are sold, it is Group policy to transfer the amounts included in other reserves in respect of those assets to retained earnings.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

1 Summary of significant accounting policies (continued)

(o) Principles of consolidation

(i) *Subsidiaries*

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Geopacific Resources NL (“the Company”) as at 31 December 2007 and the results of all subsidiaries for the year then ended. Geopacific Resources NL and its subsidiaries together are referred to in this financial report as the Group.

Subsidiaries are all those entities over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Investments in subsidiaries are accounted for at cost in the individual financial statements of Geopacific Resources NL.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group’s interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

(p) Revenue recognition

(i) *Sale of Goods and Disposal of Assets*

Revenue from the sale of goods and disposal of other assets is recognised when the Group has passed the risks and rewards of ownership to the buyer.

(ii) *Interest Income*

Interest income is recognised on an accrual basis.

(iii) *Other Income*

Other income is recognised on receipt.

(iv) *General*

All revenue is stated net of goods and services tax (GST).

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

1 Summary of significant accounting policies (continued)

(q) Segment reporting

A business segment is a Group of assets and operations engaged in providing products or services that are subject to risks and returns that are different to those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment and is subject to risks and returns that are different from those of segments operating in other economic environments.

(r) Trade receivables

Trade receivables are recognised initially at fair value.

(s) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(q) New standards and interpretations not yet adopted

The following standards, amendments to standards and interpretations have been identified as those which may impact the Group in the period of initial application. They are available for early adoption at 31 December 2007, but have not been applied in preparing these consolidated financial statements:

- . Revised AASB 101 *Presentation of Financial Statements* introduces as a financial statement (formerly “primary” statement) the “statement of comprehensive income”. The revised standard does not change the recognition, measurement or disclosure of transactions and events that are required by other AASBs. The revised AASB 101 will become mandatory for the Group’s 31 December 2010 financial statements. The Group has not yet determined the potential effect of the revised standard on the Group’s disclosures.
- . Revised AASB 123 *Borrowing Costs* removes the option to expense borrowing costs and requires that an entity capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. The revised AASB 123 will become mandatory for the Group’s 31 December 2010 financial statements and is not expected to have any effect on the financial report.

2 Financial risk management

The Group's activities expose it to a variety of financial risks; market risk (including currency risk, fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

(a) Foreign exchange risk

Foreign exchange risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Group’s functional currency.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

2 Financial risk management (Continued)

(b) Credit risk

There is negligible credit risk on financial assets of the Group since there is no exposure to individual customers or countries and the economic entity's exposure is limited to the amount of cash, short term deposits and receivables which have been recognised in the balance sheet and is minimised by using recognised financial intermediaries as counterparties.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed finance facilities.

(d) Cash flow and fair value interest rate risk

The Group is exposed to a risk of changes to cash flows due to changes in interest rates.

3 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4 Revenue	Consolidated		The Company	
	2007	2006	2007	2006
	\$	\$	\$	\$
Interest income	63,887	72,280	63,887	72,280
Unrealised foreign exchange gain	-	-	35,840	-
	<u>63,887</u>	<u>72,280</u>	<u>99,727</u>	<u>72,280</u>
5 Expenses				
Employee benefits expense				
Wages and salaries	122,000	-	122,000	-
Share based payments	45,489	236,178	45,489	236,178
	<u>167,489</u>	<u>236,178</u>	<u>167,489</u>	<u>236,178</u>
Depreciation	111	-	111	-
Unrealised foreign currency exchange loss	-	-	-	105,002
Impairment loss recognised in respect of loans to subsidiaries	-	-	(113,004)	27,738

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

	Consolidated		The Company	
	2007	2006	2007	2006
	\$	\$	\$	\$
6 Remuneration of Auditors				
Audit Services:				
Auditors of the Company – Nexia Court & Co				
Audit of the financial reports				
- Current year	16,725	-	16,725	-
- Prior year	18,713	13,123	18,713	13,123
Review of the half-year financial report	5,266	7,818	5,266	7,818
Other Services – Tax	1,863	1,782	1,863	1,782
Other Auditors – Ernst & Young Fiji				
Audit of the financial report	9,507	16,183	-	-
7 Income tax				
a Income tax expense				
Prima facie income tax benefit calculated at 30% on the loss from ordinary activities	(125,921)	(114,883)	(81,268)	(154,705)
Decrease in income tax benefit due to:				
Tax benefit on losses not recognised	125,921	114,883	81,268	154,705
Income tax expense	-	-	-	-
b Deferred tax assets				
<i>Future income tax benefit not taken into account</i>				
The potential future income tax benefit arising from tax losses and temporary differences has not been recognised as an asset because recovery of tax assets is not probable.				
Tax losses carried forward	471,421	163,625	471,421	163,625
Temporary differences	-	-	1,425,602	573,031
	471,421	163,625	1,897,023	736,656

The potential future income tax benefit will only be obtained if:

- i. the Group and the Company derive future assessable income of a nature and an amount sufficient to enable the benefit to be realised;
- ii. the Group and the Company continue to comply with the conditions for deductibility imposed by the law; and
- iii. no changes in tax legislation adversely affect the realising of the benefit.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

	Consolidated		The Company	
	2007	2006	2007	2006
	\$	\$	\$	\$
8 Cash and cash equivalents				
Current				
Cash at bank	794,535	1,256,928	648,120	1,262,869
* The average effective interest rate for 2007 was 5.50% (2006 5.25%).				
9 Trade and other receivables				
Current				
Short term deposits	-	104,942	-	-
Sundry debtors	152,025	-	-	-
GST receivable	107,578	62,365	3,809	7,738
	259,603	167,307	3,809	7,738
10 Other current assets				
Current				
Prepayments	19,802	17,662	19,802	17,662
11 Receivables				
Non-current				
Amount owing by Geopacific Limited	-	-	2,887,284	1,492,820
Impairment loss	-	-	(26,651)	(27,738)
	-	-	2,860,633	1,465,082
Amount owing by Beta Limited	-	-	2,569,569	2,187,989
Impairment loss	-	-	(2,302,080)	(2,187,989)
	-	-	267,489	-
	-	-	3,128,122	1,465,082

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

12 Exploration expenditure

Non-Current

Costs carried forward in respect of areas of interest in Fiji in exploration and evaluation phase are:

Tenement	Beneficial Interest of the Group	Consolidated		The Company	
		2007 \$	2006 \$	2007 \$	2006 \$
Millenium	100%	13,000	-	13,000	-
SPL 1377 Nuku	100%	673,717	454,710	83,732	550
SPL 1434 Nadi South	100%	991,819	591,329	81,006	29,301
SPL 1368 Vuda	80%	818,133	170,212	189,914	13,401
SPL 1361 Sabeto	100%	58,852	17,541	16,035	-
CX 667 Nadovu	100%	9,620	8,371	-	-
Nabila	100%	896	-	-	-
		2,566,037	1,242,163	383,687	43,252
Rakiraki Joint Venture (SPL 1231, 1373, 1436)	50%	896,056	554,665	181,365	126,483
		3,462,093	1,796,828	565,052	169,735
Movement					
Carrying value – beginning of year		1,796,828	866,032	169,735	-
Additions		1,665,265	930,796	395,317	169,735
Amounts written off		-	-	-	-
Carrying value – end of year		3,462,093	1,796,828	565,052	169,735

13 Property, plant and equipment

Non-Current

Plant, vehicles and equipment

At Directors' valuation of market value at

1 January 1999

At Cost

Less: Provision for depreciation

	9,639	9,639	-	-
	14,659	-	6,481	-
	(4,874)	(1,254)	(111)	-
	19,424	8,385	6,370	-
Movement				
Carrying value – beginning of year		8,385	3,585	-
Additions		14,659	6,128	6,481
Depreciation (included in exploration expenditure)		(3,509)	(1,328)	-
Depreciation (included in profit and loss)		(111)	-	(111)
Carrying value – end of year		19,424	8,385	6,370

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

	Consolidated		The Company	
	2007	2006	2007	2006
	\$	\$	\$	\$
14 Investments				
Non-current				
<i>Investments in Unlisted Securities</i>				
. Shares in Beta Limited	-	-	15,372	15,372
. Shares in Geopacific Limited	-	-	1,866,993	1,866,993
Provision for loss on investment	-	-	(1,882,365)	(1,882,365)
	-	-	-	-
15 Trade and other payables				
Current				
Trade creditors and accruals	201,110	207,418	16,929	46,605
Directors fees owed	-	53,445	-	-
	201,110	260,863	16,929	46,605
16 Contributed equity				
Issued Capital				
Balance as at 1 January	6,311,996	3,699,809	6,311,996	3,699,809
Issues during period:				
3,373,440 shares issued under prospectus	1,821,658	-	1,821,658	-
4,233,333 at 6.6 cents on conversion of convertible notes	-	280,000	-	280,000
11,938,025 shares issued under IPO	-	2,719,844	-	2,719,844
308,098 shares issued in lieu of payment for services rendered	-	61,620	-	61,620
Less share issue costs	(118,387)	(449,277)	(118,387)	(449,277)
Balance as at 31 December	8,015,267	6,311,996	8,015,267	6,311,996

At balance date the Company had on issue the following securities:

- 39,135,782 (2006 – 35,762,342) fully paid ordinary shares, and
- 14,286 (2006 – 14,286) contributing shares paid to 10.5 cents.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

17 Options

Consolidated and 2007 Issue Date	Company Expiry Date	Exercise Price	Number on issue 31 December 2006	Granted during year	Lapsed during year	Exercised during year	Number on issue 31 December 2007
08.05.2007	08.05.2012	\$0.20	500,000	-	-	-	500,000
08.05.2007	08.05.2013	\$0.25	500,000	-	-	-	500,000
08.05.2007	08.05.2014	\$0.30	500,000	-	-	-	500,000
01.12.2007	01.11.2009	\$0.50	200,000	-	-	-	200,000
01.12.2007	01.11.2009	\$0.70	200,000	-	-	-	200,000
Total Options on issue			<u>1,900,000</u>	-	-	-	<u>1,900,000</u>

No options were issued in 2007.

18 Reserves

	Consolidated		The Company	
	2007	2006	2007	2006
(a) Reserves	\$	\$	\$	\$
Forfeited share reserve	3,123	3,123	3,123	3,123
Foreign currency translation reserve	22,776	(16,260)	-	-
Share-based payments reserve	281,667	236,178	281,667	236,178
	<u>307,566</u>	223,041	<u>284,790</u>	239,301
(b) Movements				
<i>Share-based payments reserve</i>				
Balance 1 January	236,178	-	236,178	-
Option expense	45,489	236,178	45,489	236,178
Balance 31 December	<u>281,667</u>	236,178	<u>281,667</u>	236,178
<i>Foreign currency translation reserve</i>				
Balance 1 January	(16,260)	-	-	-
Exchange gains (losses) during year	39,036	(16,260)	-	-
Balance 31 December	<u>22,776</u>	(16,260)	-	-
<i>Forfeited share reserve</i>				
Balance 1 January	3,123	3,123	3,123	3,123
Shares forfeited during year	-	-	-	-
Balance 31 December	<u>3,123</u>	3,123	<u>3,123</u>	3,123
Total reserves	<u>307,566</u>	223,041	<u>284,790</u>	239,301

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

18 Reserves (continued)

(c) Nature and purpose of reserves

Share-based payments reserve

The share-based payments reserve records the value of options issued to employees and Directors which have been taken to expenses.

Foreign currency translation reserve

The foreign currency translation reserve records unrealised exchange gains and losses during the year.

Forfeited shares reserve

The forfeited shares reserve records the amount of paid up capital received on shares which have been forfeited due to non payment of calls.

19 Accumulated losses

	Consolidated		The Company	
	2007	2006	2007	2006
	\$	\$	\$	\$
Accumulated losses at the beginning of the year	(3,548,749)	(3,165,805)	(3,674,816)	(3,159,132)
Loss for the year	(419,737)	(382,944)	(270,894)	(515,684)
Accumulated losses at the end of the year	<u>(3,968,486)</u>	<u>(3,548,749)</u>	<u>(3,945,710)</u>	<u>(3,674,816)</u>

20 Contingent liabilities

Option acquisition payments

Tenement	Due Date	Payment	Comments
SPL 1361	on or before 4 July 2008	F\$200,000 less option payments	Payment required for GPL to purchase 100% SPL 1361
SPL 1368	on or before 22 July 2008	A\$512,000 less option payments	Payment required for GPL to purchase 80% SPL 1368

GEOPACIFIC RESOURCES NL

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

21 Commitments

Tenement Commitments

Entities in the Group are committed for expenditure by way of cash expenditure to retain their interest in areas over which Special Prospecting Licenses are held.

The following expenditure proposals for 2008 are being considered and these are contingent on additional funding during 2008 as well as the successful acquisition of Millennium Mining (Fiji) Ltd.

Tenement	Renewal Application lodged to	Expenditure \$F	Comments
SPL 1377	31 December, 2008	100,000	
SPL 1434	16 March 2009	100,000	
SPL 1368	31 December, 2008	100,000	
SPL 1361	31 December, 2008	50,000	
SPL application CX 667 (enclosing SPL 1377)	First 12 month period after granting	60,000	It is expected that CX 667 will be granted in 2008
SPL 1231/1373	31 December, 2008	150,000	50% to be met by JV partner Imperial Mining (Fiji) Ltd
SPL 1436	16 March 2009	25,000	50% to be met by JV partner Imperial Mining (Fiji) Ltd
SPL1216	Faddys Deposit	900,000	Millennium Mining (Fiji) Ltd
SPL 1415	Kavukavu Project	50,000	Millennium Mining (Fiji) Ltd

22 Particulars relating to controlled entities

	Class of Share	Holding Company		Amount of Investment	
		2007 %	2006 %	2007 \$	2006 \$
Beta Limited	Ordinary	100	100	15,372	15,372
Geopacific Limited	Ordinary	100	100	1,866,993	1,866,993
				<u>1,882,365</u>	<u>1,882,365</u>

Geopacific Limited and Beta Limited are companies incorporated and carrying on business in Fiji.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

23 Key management personnel disclosures

(a) Directors

The names of each person holding the position of Director of Geopacific Resources NL during the financial year were:

I J Pringle
R J Fountain
W A Brook
R H Probert
I N A Simpson
C K McCabe (alternate for INA Simpson)

(b) Other key management personnel

All Directors are identified as key management personnel under AASB 124 "Related Party Disclosures".

There are no other staff that meet the definition of key management personnel.

(c) Key management personnel compensation

	Consolidated		The Company	
	2007	2006	2007	2006
	\$	\$	\$	\$
Short-term employee benefits	376,310	274,803	245,475	274,803
Post-employment benefits	-	-	-	-
Share-based payments	45,489	47,318	45,489	47,318
	<u>421,799</u>	<u>322,121</u>	<u>290,964</u>	<u>322,121</u>

The Company has taken advantage of the relief provided by the Corporations Regulations and has transferred the detailed remuneration disclosures to the Directors' Report. The relevant information can be found in sections A-D of the remuneration report included in the Directors Report.

(d) Directors Fees Owing

	2007	2006
	\$	\$
Director		
W A Brook	-	53,445

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

23 Key management personnel disclosures (continued)

(e) **Equity instrument disclosures relating to key management personnel**

(i) *Options provided as remuneration and shares issued on exercise of such options*

Details of options provided as remuneration and shares issued on the exercise of such options, together with terms and conditions of the options, can be found in section D of the remuneration report included in the Directors Report.

(ii) *Option holdings*

The numbers of options over ordinary shares in the Company held during the financial year by each Director of the Company and other key management personnel of the Group, including their personally related parties, are set out below.

2007 Name	Balance at the start of the year	Granted during the year as compensation	Exercised during the year	Other changes during the year	Balance at the end of the year	Vested and exercisable at the end of the year
Directors of Geopacific Resources Ltd						
I J Pringle	1,500,000	-	-	-	1,500,000	500,000
W A Brook	-	-	-	-	-	-
I N A Simpson	-	-	-	-	-	-
R J Fountain	-	-	-	-	-	-
R H Probert	-	-	-	-	-	-

No options are vested and unexercisable at the end of the year.

2006 Name	Balance at the start of the year	Granted during the year as compensation	Exercised during the year	Other changes during the year	Balance at the end of the year	Vested and exercisable at the end of the year
Directors of Geopacific Resources Ltd						
I J Pringle	-	1,500,000	-	-	1,500,000	-
W A Brook	-	-	-	-	-	-
I N A Simpson	-	-	-	-	-	-
R J Fountain	-	-	-	-	-	-
R H Probert	-	-	-	-	-	-

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

23 Key management personnel disclosures (continued)

(e) Equity instrument disclosures relating to key management personnel (continued)

(iii) Share holdings

The numbers of shares in the Company held at the end of the financial year by each Director of the Company and other key management personnel of the Group, including their personally related parties, are set out below. There were no shares granted during the reporting period as compensation.

2007 Name	Balance at the start of the year	Received during the year on the exercise of options	Other changes during the year	Balance at the end of the year
<i>Ordinary shares</i>				
<i>Directors of Geopacific Resources Ltd</i>				
I J Pringle	60,000	-	-	60,000
W A Brook	4,591,083	-	-	4,591,083
I N A Simpson	692,695	-	-	692,695
R J Fountain	40,000	-	-	40,000
R H Probert	589,454	-	-	589,454
2006 Name	Balance at the start of the year	Received during the year on the exercise of options	Other changes during the year	Balance at the end of the year
<i>Ordinary shares</i>				
<i>Directors of Geopacific Resources Ltd</i>				
I J Pringle	60,000	-	-	60,000
W A Brook	4,591,083	-	-	4,591,083
I N A Simpson	692,695	-	-	692,695
R J Fountain	40,000	-	-	40,000
R H Probert	589,454	-	-	589,454

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

24 Related party transactions

All transactions with related parties are on normal commercial terms and conditions.

25 Share-based payments

(a) Employee Option Plan

The establishment of the Geopacific Resources NL Employee Option Plan was approved by shareholders at the 2001 annual general meeting. All staff and consultants are eligible to participate in the plan.

Options are granted under the plan for no consideration. Options are granted for a five year period.

Options granted under the plan carry no dividend or voting rights.

When exercisable, each option is convertible into one ordinary share.

The exercise price of options is based on the weighted average price at which the Company's shares are traded on the Australian Stock Exchange during the five trading days immediately before the options are granted.

Set out below are summaries of options granted under the plan:

Grant date	Expiry date	Exercise price	Value per option at grant date	Date vesting
8 May 2006	8 May 2012	\$0.20	\$0.0843	8 May 2007
8 May 2006	8 May 2013	\$0.25	\$0.0757	8 May 2008
8 May 2006	8 May 2014	\$0.30	\$0.0708	8 May 2009
1 December 2006	1 November 2009	\$0.50	\$0.4945	1 December 2006
1 December 2006	1 November 2009	\$0.70	\$0.4498	1 December 2006

No options were exercised or forfeited during the periods covered by the above tables.

The weighted average remaining contractual life of share options outstanding at the end of the period was 4.62 years (2006 – 5.62 years).

The assessed fair value at grant date of options granted to the individuals is allocated equally over the period from grant date to vesting date, and the amount is included in the remuneration tables above. Fair values at grant date are independently determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

26 Events occurring after the balance sheet date

Except for the acquisition of Millenium Mining (Fiji) Limited, including its assets, no matters or circumstances have arisen since 31 December 2007 that have significantly affected or may significantly affect the Group's operations in future financial years, or the results of those operations in future financial years, or the Group's state of affairs in future financial years.

27 Segment information

The Group operates in one business segment being mineral exploration in Fiji.

28 Loss per share

	Consolidated	
	2007	2006
	Cents	Cents
(a) Basic loss per share		
Loss attributable to the ordinary equity holders of the Company	<u>(1.08)</u>	<u>(1.28)</u>
(b) Diluted loss per share		
Loss attributable to the ordinary equity holders of the Company	<u>(1.06)</u>	<u>(1.27)</u>
(c) Reconciliations of loss used in calculating loss per share		
	Consolidated	
	2007	2006
	\$	\$
<i>Basic loss per share</i>		
Loss attributable to the ordinary equity holders of the Company used in calculating basic loss per share	<u>(419,737)</u>	<u>(382,944)</u>
<i>Diluted loss per share</i>		
Loss attributable to the ordinary equity holders of the Company used in calculating diluted loss per share	<u>(419,737)</u>	<u>(382,944)</u>
(d) Weighted average number of shares used as the denominator		
	Consolidated	
	2007	2006
	Number	Number
<i>Weighted average number of ordinary shares used as the denominator in calculating basic loss per share</i>	38,856,771	29,907,210
Adjustments for calculation of diluted loss per share:		
Options	<u>562,000</u>	352,438
<i>Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted loss per share</i>	<u>39,418,771</u>	<u>30,259,648</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

29 Notes to the cash flow statements

- (a) For the purpose of the Cash Flow Statements, cash and cash equivalents includes cash at bank.

Cash and cash equivalents at the end of the financial year as shown in the Cash Flow Statements is reconciled to the related items in the Balance Sheets as follows:

	Consolidated		The Company	
	2007	2006	2007	2006
	\$	\$	\$	\$
Cash at Bank	794,535	1,256,928	648,120	1,262,869
(b) Non Cash Financing				
Conversion of redeemable notes into shares	-	280,000	-	280,000
Shares issued in lieu of payment for services rendered	-	61,620	-	61,620
(c) Reconciliation of Cash Flows from Operating Activities				
Loss for the year	(419,737)	(382,944)	(270,894)	(515,684)
Depreciation	111	-	111	-
Impairment loss	-	-	(113,004)	27,738
Options expense	45,489	236,178	45,489	236,178
Changes in Assets and Liabilities:				
(Decrease)/increase in receivables	(92,296)	(128,947)	3,928	3,811
Decrease in other assets	(2,139)	(17,662)	(2,140)	(17,662)
(Decrease)/increase in payables	(74,686)	79,098	31,945	70,587
Net Cash from Operating Activities	(543,258)	(214,277)	(304,565)	(195,032)

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

30 FINANCIAL INSTRUMENTS DISCLOSURES

(a) *Capital*

The Group considers its capital to comprise its ordinary share capital and accumulated retained earnings.

In managing its capital, the Group's primary objective is to ensure its continued ability to provide a consistent return for its equity shareholders through a combination of capital growth and distributions. In order to achieve this objective, the Group seeks to maintain a gearing ratio that balances risks and returns at an acceptable level and also to maintain a sufficient funding base to enable the Group to meet its working capital and strategic investment needs. In making decisions to adjust its capital structure to achieve these aims, either through altering its dividend policy, new share issues, or reduction of debt, the Group considers not only its short-term position but also its long-term operational and strategic objectives.

It is the Group's policy to maintain its gearing ratio within the range of 0-25% (2006: 0-25%). The Group's gearing ratio at the balance sheet date is shown below:

	Consolidated	
	2007	2006
	\$	\$
Cash and cash equivalents	794,535	1,256,968
Loans	-	-
Net debt	<u>794,535</u>	<u>1,256,968</u>
Share capital	8,015,267	6,311,996
Reserves	307,566	223,041
Retained profit	(3,941,639)	(3,548,749)
Total capital	<u>4,381,194</u>	<u>2,986,288</u>
Gearing ratio	<u>-</u>	<u>-</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

30 FINANCIAL INSTRUMENTS DISCLOSURES (CONTINUED)

(b) *Financial instrument risk exposure and management*

In common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them.

Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

(c) *Principal financial instruments*

The principal financial instruments used by the Group, from which financial instrument risk arises, are as follows:

other receivables;
cash at bank; and
trade and other payables.

(d) *General objectives, policies and processes*

The Board has overall responsibility for the determination of the Group's risk management objectives and policies and has the responsibility for designing and operating processes that ensure the effective implementation of the objectives and policies to the Group's finance function. The Board receives monthly reports through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. Further details regarding these policies are set out below:

(i) *Credit risk*

Credit risk arises principally from the Group's trade receivables and investments in corporate bonds. It is the risk that the counterparty fails to discharge its obligation in respect of the instrument.

Other receivables

Other receivables comprise GST receivable. Credit worthiness of debtors is undertaken when appropriate.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

30 FINANCIAL INSTRUMENTS DISCLOSURES (CONTINUED)

(d) *General objectives, policies and processes (Continued)*

(ii) *Liquidity risk*

Liquidity risk arises from the Group's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. To achieve this aim, it seeks to maintain cash balances (or agreed facilities) to meet expected requirements for a period of at least 45 days.

The Board receives cash flow projections on a quarterly basis as well as information regarding cash balances. At the balance sheet date, these projections indicated that the Group expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances.

(iii) *Market risk*

Market risk does not arise as the Group does not use interest bearing, tradable and foreign currency financial instruments.

(iv) *Interest rate risk*

The Group does not have any exposure to fluctuations in interest rates that are inherent in financial markets. The Board makes investment decisions after considering advice received from professional advisors.

(v) *Currency risk*

The Group's policy is, where possible, to allow Group entities to settle liabilities denominated in their functional currency (AUD) with the cash generated from their own operations in that currency. Where Group entities have liabilities denominated in a currency other than their functional currency (and have insufficient reserves of that currency to settle them) cash already denominated in that currency will, where possible, be transferred from elsewhere.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

30 FINANCIAL INSTRUMENTS DISCLOSURES (CONTINUED)

(d) *General objectives, policies and processes (Continued)*

(vi) *Sovereign risk*

Country or sovereign risk relates to the likelihood that changes in the business environment will occur that reduce the profitability of doing business in a country. These changes can adversely affect operating profits as well as the value of assets. Types of country risk include;

Political changes. Governments may change economic policies. Changes in the ruling party in Australia or Fiji (brought about by elections, coups or wars) may result in major policy changes. This could result in expropriation of the Company's exploration leases, inability to repatriate future profits, higher taxes, higher tariffs and import costs, elimination of FDI incentives, domestic ownership requirements and local content requirements.

Macroeconomic mismanagement. The Australian and Fiji governments may pursue unsound monetary and fiscal policies which may lead to inflation, higher interest rates, recession and hard currency shortage.

Other types of country risk include war and labour unrest which could result in higher costs and work stoppages.

The Group has maintained a working policy of keeping all relevant Government offices informed and updated on activities to allow clear avenues of communication with Government authorities and an understanding of any policy changes and any affects that they may have on the Group's work. Regular meetings, field visits and discussion Groups are held with staff of the Mineral Resources Department of Fiji and these include Ministerial and senior management briefings.

(e) **Accounting policies**

(i) *Financial assets*

The Group's financial assets fall into the categories discussed below, with the allocation depending to an extent on the purpose for which the asset was acquired. The Group does not use derivative financial instruments in economic hedges of currency or interest rate risk. The Group has not classified any of its financial assets as held to maturity. Unless otherwise indicated, the carrying amounts of the Group's financial assets are a reasonable approximation of their fair values.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

30 FINANCIAL INSTRUMENTS DISCLOSURES (CONTINUED)

(e) Accounting policies (Continued)

(i) *Financial assets (continued)*

Other receivables

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the sale of assets and GST receivable. They are initially recognised at fair value plus transaction costs that are directly attributable to the acquisition or issue and subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

The effect of discounting on these financial instruments is not considered to be material.

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment that the Group will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in the income statement. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Available for sale

Non-derivative financial assets not included in the above categories are classified as available for sale. They are carried at fair value with changes in fair value recognised directly in the available for sale reserve. Where there is a significant or prolonged decline in the fair value of an available for sale financial asset (which constitutes objective evidence of impairment), the full amount of the impairment, including any amount previously charged to equity, is recognised in the income statement. Purchases and sales of available for sale financial assets are recognised on settlement date with any change in fair value between trade date and settlement date being recognised in the available for sale reserve. On sale, the amount held in the available for sale reserve associated with that asset is removed from equity and recognised in the income statement. Interest on corporate bonds classified as available for sale is calculated using the effective interest method and is recognised in finance income in the income statement.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

30 FINANCIAL INSTRUMENTS DISCLOSURES (CONTINUED)

(e) Accounting policies (Continued)

(ii) *Financial liabilities*

The Group classifies its financial liabilities as measured at amortised cost. The Group does not use derivative financial instruments in economic hedges of currency or interest rate risk.

Unless otherwise indicated, the carrying amounts of the Groups financial liabilities are a reasonable approximation of their fair values.

These financial liabilities include trade payables and other short-term monetary liabilities, which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

(iii) *Share capital*

Financial instruments issued by the Group are treated as equity only to the extent that they do not meet the definition of a financial liability. The Groups ordinary shares are classified as equity instruments.

For the purposes of these disclosures, the Group considers its capital to comprise its ordinary share capital, and accumulated retained earnings. Neither the available for sale reserve nor the translation reserve is considered as capital. There have been no changes in what the Group considers to be capital since the previous period.

The Group is not subject to any externally imposed capital requirements.

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CORPORATE GOVERNANCE STATEMENT

The Board of Directors is responsible for the corporate governance of the Company including its strategic development, and has adopted the following principles:

Accountability - The Board is accountable to the Company Shareholders for the performance of the Company and will have overall responsibility for its operations. Day to day management of the Company's affairs and the implementation of the corporate strategy and policy initiatives is delegated by the Board to the Managing Director.

Board Composition - The Directors consider the size and composition of the Board is appropriate given the size and status of the Company. However, the Company's constitution provides that at every annual general meeting, one third of the Directors shall retire from office but may stand for re-election.

Conflicts of Interest - In accordance with the Corporations Act and the Company's constitution, the Directors must keep the Board advised, on an ongoing basis, of any interest that could potentially conflict with those of the Company.

Director and Senior Management Dealings in Company Securities - The Company's constitution permits the Directors to acquire securities in the Company. However, the Company policy prohibits Directors and senior management from trading the Company's securities at any time whilst in possession of price sensitive information, and for 24 hours after any major announcements, the release of the Company's annual financial results to the ASX or the annual general meeting.

Board Committees - The Board of Directors takes ultimate responsibility for corporate governance including the functions of establishing compensation arrangements of the Managing Director and its senior executives and officers, appointment and retirement of non-executive Directors, appointment of auditors, areas of business risk, maintenance of ethical standards and Audit and Remuneration/Nomination Committees. The Board seeks independent professional advice as necessary in carrying out its duties and responsibilities.

Continuous Disclosure - The Company has a policy that all the Company shareholders and investors have equal access to the Company's information and that shareholders will be informed of all major developments affecting the Company's state of affairs. The Chairman of the Board ensures that all price sensitive information is disclosed to the ASX in accordance with the continuous disclosure requirements of the Corporations Act and the ASX Listing Rules. The Company secretary has primary responsibility for all communications with the ASX.

Code of Ethics - The Directors, management and staff are expected to perform their duties for the Company in a professional manner and act with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of the Company.

Share Based Payments - The Company has and intends to issue options to Directors and senior staff as an incentive in relation to performance of their duties.

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ASX INFORMATION

The shareholder information set out below was applicable as at 25 March 2008.

A. Distribution of equity securities

Analysis of numbers of equity security holders by size of holding:

			Class of equity security	
			Ordinary shares	
			Number	Shares
1	-	1000	12	8,224
1,001	-	5,000	53	184,541
5,001	-	10,000	145	1,371,540
10,001	-	100,000	231	8,922,691
100,001 and over			51	28,648,786
Total			492	39,135,782

There were 28 holders of less than a marketable parcel of ordinary shares.

B. Equity security holders

Twenty largest quoted equity security holders

The names of the twenty largest holders of quoted equity securities are listed below:

Name	Ordinary shares	
	Number held	Percentage of issued shares
Finders Resources Ltd	5,900,000	15.076
Mr W A Brook	3,022,003	7.722
Yarraandoo Pty Ltd (Yarraandoo Super Fund A/C)	1,962,600	5.015
Otter Gold Mines Ltd	1,808,451	4.621
Mrs S K Brook	1,569,050	4.009
Resinfund Pty Ltd	782,600	2.000
Mr O L Hegarty	750,000	1.916
Romadak Pty Ltd	750,000	1.916
Mr R A Maxwell	722,600	1.846
Mr I Simpson	692,695	1.770
Pacific Western Enterprises Pty Ltd	595,238	1.521
Mr R H Probert	589,454	1.506
Mr R & Miss K F Jansen	521,008	1.331
Graham Jull % Associates Ltd	503,644	1.287
Moondance Ventures Ltd	502,008	1.283
Shimmering Bronze Pty Ltd	500,000	1.278
Romadak Pty Ltd (Romadak Super Fund A/C)	500,000	1.278
Admiral Tower Pty Ltd (Leveraged Equities A/C)	500,000	1.278
Mr J N Sovau	460,097	1.176
Mr L A & Mrs J A Armstrong	442,600	1.131
Total of Top 20 share holdings	23,074,048	58.959
Other shareholders	16,061,734	41.041
Total ordinary shares	39,135,782	100.000%

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ASX INFORMATION

C. Substantial holders

Substantial holders in the Company are set out below:

Substantial Shareholder (extracts from Substantial Shareholder Register)	Shareholding	
Ordinary shares	Number held	Percentage
Finders Resources Ltd	5,900,000	15.076
Mr W A Brook and Mrs S K Brook	4,591,053	11.731

D. Voting rights

The voting rights attaching to each class of equity securities are set out below:

(a) Fully paid Ordinary shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

(b) Partly paid Ordinary shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote in proportion to the amount paid up on the shares.

(c) There are no voting rights attaching to options.

E Summary of options issued

	No of options	No of holders	Options held	% Options Issued
Options expiring 8 May 2012 with an exercise price of \$0.20	500,000	1		
Option holders with more than 20% of class				
Ian Pringle			500,000	100.00%
Options expiring 8 May 2013 with an exercise price of \$0.25	500,000	1		
Ian Pringle			500,000	100.00%
Options expiring 8 May 2014 with an exercise price of \$0.30	500,000	1		
Option holders with more than 20% of class				
Ian Pringle			500,000	100.00%
Options expiring 1 November 2009 with an exercise price of \$0.50	200,000	2		
Option holders with more than 20% of class				
Simon Yardley			100,000	50.00%
Roman Leslie			100,000	50.00%
Options expiring 1 November 2009 with an exercise price of \$0.70	200,000	2		
Option holders with more than 20% of class				
Simon Yardley			100,000	50.00%
Roman Leslie			100,000	50.00%

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SCHEDULE OF TENEMENTS

Tenement Schedule

Tenement	Location	Area	Status	Anticipated Expenditure
SPL 1377 NUKU 100% GPL	50 km NNW of Suva	2,370 ha	Granted on 15 August 1996 to GPL. Proposed expenditure was exceeded in 2007 and an application for a 12 month renewal to 31 December 2008 has been lodged with MRD.	F\$100,000 is proposed. Costs 100% GPL
SPL 1434 NADI SOUTH 100% GPL	7 km SE of Nadi	7,450 ha	Granted on 9 June 2005 to GPL for an initial 12 month period which was renewed to 16 March 2008. Proposed expenditure was exceeded in 2007 and an application for a 12 month renewal to 16 March 2009 has been lodged with MRD.	F\$100,000 is proposed. Costs 100% GPL
SPL 1231 RAKI RAKI 50% Beta 50% Peninsula Minerals	Raki Raki	Approx. 7,790 ha.	Granted on 6 November 1985 to Beta. Peninsula Minerals has earned 50.0%. Proposed expenditure was exceeded in 2007 and an application for a 12 month renewal to 31 December 2008 has been lodged with MRD.	F\$125,000 is proposed. Costs 50% Beta.

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SCHEDULE OF TENEMENTS

Tenement	Location	Area	Status	Anticipated Expenditure
SPL 1373 QALAU 50% Beta 50% Peninsula Minerals	Raki Raki	Approx. 3,440 ha.	Granted on 6 July 1995 to Beta. Peninsula Minerals has earned 50.0%. Proposed expenditure was exceeded in 2007 and an application for a 12 month renewal to 31 December 2008 has been lodged with MRD.	F\$25,000 is proposed. Costs 50% Beta.
SPL 1436 TABUKA 50% Beta 50% Peninsula Minerals	Raki Raki	Approx. 2,500 ha	Granted on 9 June 2005 to Beta. Peninsula Minerals has 50% interest. 2007 expenditure of \$23,066 was slightly less than the proposed \$30,000. An application for a 12 month renewal to 16 March 2009 has been lodged with MRD.	F\$25,000 is proposed. Costs 50% Beta.
CX 667 NADOVU SPL application. 100% GPL	Nuku	Approx. 7,300 ha	Application was lodged on 16 March 2005. Notices appeared in local newspapers and in the Government Gazette in August 2005. No objections were received by the MRD and granting of CX 667 is expected during 2008.	F\$60,000 is proposed for first 12 month period after granting. Costs 100% GPL

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SCHEDULE OF TENEMENTS

Tenement	Location	Area	Status	Anticipated Expenditure
SPL 1368 VUDA GPL has option to purchase 80% by GPL by 22 February 2008 and this has been extended to 22 July 2008.	15 km NNE of Nadi	9,510 ha	Granted on 18 October 1994. Ministerial approval for a 3 year option to purchase 80% was granted on 2 February 2005. Agreement signed 22 February 2005. Proposed expenditure was exceeded in 2007 and an application for a 12 month renewal to 31 December 2008 has been lodged with MRD.	Proposed expenditure of F\$100,000. Costs 100% GPL.
SPL 1361 SABETO GPL had a three year option to purchase 100% of SPL 1361 by 4 April 2008 and this has been extended to 4 July 2008.	16 km NE of Nadi	3,850 ha	Granted on 6 October 1999. Ministerial approval for a 3 year option to purchase 100% granted 21 March 2005. Agreement signed 4 April 2005. Proposed expenditure was exceeded in 2007 and an application for a 12 month renewal to 31 December 2008 has been lodged with MRD.	Proposed expenditure of F\$50,000. Costs 100% GPL.
SPL 1216 NABILA GPR completed an agreement to purchase 100% of Millennium Mining (Fiji) Ltd (MMF) which owns SPL1216 on 26 October 2007	SW Nadi		Approval of the Purchase Agreement is required by the Reserve Bank of Fiji and this is expected during early 2008.	Proposed Expenditure of \$900,000 to include drill testing and feasibility studies. Costs 100% MMF.
SPL 1415 KAVUKAVU GPR completed an agreement to purchase 100%	SW Nadi		Approval of the Purchase Agreement is required by the Reserve Bank of Fiji and this is expected	Proposed Expenditure of \$50,000. Costs 100% MMF.

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SCHEDULE OF TENEMENTS

of Millennium Mining (Fiji) Ltd which owns SPL1415 on 26 October 2007	during early 2008.
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