GEOPACIFIC RESOURCES NL

ACN 003 208 393
and controlled entities

ASX code; GPR

Annual Report

for the year ended 31 December 2010

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GEOPACIFIC RESOURCES NL
and Controlled Entities

CORPORATE DIRECTORY

GEOPACIFIC RESOURCES NL
(a public, listed Company incorporated in New South Wales in 1986) ACN 003 208 393

Directors in Office (as at the date of this Report)	ST Biggs, Chairman (Appointed 18.2.2010) I J Pringle, Managing Director I N A Simpson, Non-Executive Director CB Bass Non-Executive Director (Appointed 18.2.2010) R J Fountain Non-Executive Director R H Probert, (Alternate Director to Mr I N A Simpson)
Registered Office	Level 4, 425 Elizabeth Street, Surry Hills, NSW 2010, Australia
Postal Address	P.O. Box 477, Surry Hills, NSW 2010 Phone: 61 2 8622 1691, Fax: 61 2 8622 1694 E-mail: ianp@geopacific.com.au
Company Secretary	Mr Grahame Clegg
Auditor	K.S. Black & Co., Level 6, 350 Kent Street Sydney, NSW, 2000, Australia
Bankers	Westpac Banking Corporation, 50 Pitt Street, Sydney, NSW

GEOPACIFIC LIMITED
(a private Company incorporated in Fiji)

Directors	R H Probert (Chairman) I J Pringle I N A Simpson
Fiji Operations Office	3 Brewer Street, Martintar, Nadi, Fiji Tel: 679 6 727150 Fax: 679 6 727152 All mail to: P O Box 9975, Nadi Airport, Fiji E-mail: munika@geopacific.com.au
Company Secretary	I N A Simpson, P.O. Box 9975, Nadi Airport, Fiji Tel: 679 6 727150 Fax: 679 6 727152 E-mail: munika@geopacific.com.au
Registered Office	3 Brewer Street, Martintar, Nadi, Fiji
Banker	Westpac Banking Corporation, Main Street, Nadi, Fiji

CORPORATE DIRECTORY

BETA LIMITED
(a private company incorporated in Fiji)

Directors	I J Pringle I N A Simpson
Company Secretary	I N A Simpson, P.O. Box 9975, Nadi Airport, Fiji Tel: 679 6 727150 Fax: 679 6 727152 E-mail: munika@geopacific.com.au
Registered Office	3 Brewer Street, Martintar, Nadi, Fiji

MILLENNIUM MINING (FIJI) LIMITED
(a private company incorporated in Fiji)

Directors	I J Pringle I N A Simpson R H Probert
Company Secretary	I N A Simpson, P.O. Box 9975, Nadi Airport, Fiji Tel: 679 6 727150 Fax: 679 6 727152 E-mail: munika@geopacific.com.au
Registered Office	3 Brewer Street, Martintar, Nadi, Fiji

LETTER FROM THE CHAIRMAN

Dear Shareholders,

2010 was a milestone year for Geopacific – following new funding from share placements and shareholder share purchase arrangements Geopacific was able to complete a state of the art geophysical survey over most of our exploration ground in Fiji. The helicopter survey included a recently developed electromagnetic system called ZTEM which has been developed in Canada to search for large, deep mineral deposits such as porphyry copper gold systems which may only have a small surface expression and could extend to considerable depths of more than a kilometer. The ZTEM results together with conventional electromagnetic surveys (VTEM), radiometric, magnetic and geological data have enabled Geopacific to locate a number of highly prospective and large buried targets in several of our projects. Computer enhancement of the database is underway and these targets will be more clearly defined during the next few months to allow prioritization for ground follow-up and drill testing.

The theme of our exploration in 2010 was summarized as “hunting for elephants” with the geophysical survey anchoring a review of all the projects in our portfolio - some 778 square kilometers of tenements. Our technical team, with the help of consultants, has now compiled all historical technical data to supplement the survey. This has been a significant task and is crucial for future exploration success.

Drilling at the Faddy’s Gold Deposit continued during 2010 with the completion of 22 diamond drill holes for a total of 3,770 metres of diamond core drilling. This work showed that high grade zones of the Faddy’s mineralization continue at depth to the northwest and along strike trend to the southwest.

The Company continued to cement strong relationships within Fiji at all levels - Ministerial, regional, local communities and landowners. The entire board presented to the Minister and his staff at the Mineral Resource Department (MRD) to explain how the airborne strategy would benefit our operations. This, along with regular meetings with the MRD staff both in Suva and on site, has strengthened our relationship and information exchange. Our Company policies to respect the environment, work with landowners and support Fiji customs while conducting exploration activities have enabled Geopacific to operate without incident in the field.

I am very pleased to report that Geopacific has made good progress during the year, this a direct result of the hard work and effort of our staff - highlighted in part by the completion of the state of the art airborne survey operations and logistics ahead of time and within budget.

LETTER FROM THE CHAIRMAN

On behalf of the board of Geopacific I thank staff for their commitment, and shareholders for their support over the past year. We start the new year with a significant technical and historical database, this database is a crucial tool allowing us to “hunt the elephant” and unlock economic value for shareholders from our highly prospective portfolio.

Tim B iggs
Chairman

Review of Projects

Significant progress during 2010 included:

1. **Summary of Highlights**

2010 Technical Highlights

Airborne ZTEM and VTEM geophysical surveys were completed over most of Geopacific's project areas during the last half of 2010 and ongoing processing and evaluation of the data has located prospective targets for assessment. The ZTEM system is very recently developed technology designed to seek large, buried mineral deposits to depths of up to 1.5 to 2 kilometres. Most of Geopacific's exploration properties in Fiji have been included in the survey which is designed to target large 'world class' deposits and appropriate drill targets. The results show many interesting features which include:

1. **Two potentially large buried conductor targets at Nuku. These have been mapped and correspond to areas of clay-pyrite alteration and quartz-magnetite veining which could reflect underlying porphyry copper type deposits.**
2. **A deep resistivity anomaly south of the Faddy's Gold Deposit (extends to over 500 metres depth) and could indicate an underlying gold mineralised system.**
3. **A deep resistivity target at Cakaudrove which is located beneath surface gold and pyrite occurrences and may be the expression of a large gold-mineralised intrusive system.**
4. **Numerous other anomalous features which are being assessed.**

Other highlights include the following high grade gold (often with elevated silver, lead and zinc) in drill core intersections at the Faddy's Gold Deposit where 22 diamond drill holes for 3,770 metres of drilling were completed.

- **5 metres of 7.43g/t gold in FAD032,**
  - **including 1 metre from 74m of 23.5g/t gold.**
- **8 metres of 4.18g/t gold in FAD033,**
  - **including 1 metre from 87m of 19.3g/t gold.**
- **13 metres of 4.48g/t gold in FAD034,**
  - **including 2 metres from 91m of 12.07g/t gold.**
- **8 metres of 7.66 g/t gold in FAD036,**
  - **including 1 metre from 89m of 41.0g/t gold, 348g/t silver, 10.75% zinc, 7.85% lead and 2.13% copper.**
- **25.85 metres of 3.80g/t gold in FAD038,**
  - **including 1.25 metres from 178.15m of 19.81g/t gold, 174g/t silver, 4.89% zinc, 3.09% lead and 1.16% copper, and**
  - **1 metre from 191m of 17.70g/t gold, 106g/t silver, 2.59% zinc, 2.04% lead and 0.38% copper.**
- **2.2 metres of 22.29g/t gold from 282.6m in FAD039**
- **11 metres of 4.24g/t gold from 156m in FAD040 including;**
  - **1.0m of 13.0g/t gold, 72g/t silver, 4.43% zinc, 2.06% lead and 0.62% copper from 166m**
- **0.60 metres of 60.0g/t gold, 282g/t silver, 16.95% zinc, 5.17% lead and 0.92% copper from 116.3m in FAD043.**

PROJECT LOCATIONS AND TENEMENTS

Figure 1

2. Technical Activities

2.1 Helicopter-Borne Z-Axis Tipper Electromagnetic (ZTEM) and Aeromagnetic Geophysical Survey

Geopacific commissioned helicopter geophysical surveys at it's Fiji projects using Geotech Airborne Limited's ("Geotech") recently developed ZTEM electromagnetic system and an AS350B3 helicopter contracted from McDermott Aviation Pty Ltd. Mobilisation of equipment commenced in mid July and the surveys were completed in late August.

The recently developed ZTEM system is state-of-the-art technology which is able to map resistivity contrasts associated with structure and alteration that are typically associated with porphyry copper systems and other large mineral deposits to considerable depths, exceeding 1-2 kilometres. ZTEM has only recently become commercially available in Australia.

ZTEM surveys were undertaken at Nabila, Nadi South, RakiRaki, Vuda and Cakaudrove. Geotech also completed VTEM surveys at several Fiji projects (Nuku, Nadi South, Vuda) where shallower, massive sulphide deposits were targeted (Figure 2).

> **About ZTEM**
> The ZTEM or Z-Axis Tipper Electromagnetic system is an innovative airborne EM system which uses the natural or passive earth fields as the source of transmitted energy and does not require a man-made transmitter. The ZTEM survey instrumentation consists of a single vertical-dipole receiver coil that is towed about 75m below a helicopter, at a 100m nominal flight height, and is flown over the survey area in a grid pattern, similar to other regional airborne surveys. ZTEM data is closely related to resistivity/conductivity mapping of the subsurface. In some applications it has a depth of penetration for exploration of over 2,000 metres and with the low frequency of 22 Hertz has penetration through conductive cover to allow detection of large alteration systems typical of porphyry copper deposits.
>
> **About VTEM**
> Geotech's VTEM is a time-domain airborne electromagnetic system which has a high signal to noise ratio and excellent conductance discrimination for high conductance targets. VTEM has been designed to detect and discriminate between moderate to excellent conductors such as skarn or other massive sulphide deposit types using a low base frequency, long pulse width, and derived B-Field.

The principal geophysical sensors included a Z-Axis Tipper electromagnetic (ZTEM) system, and a caesium magnetometer. Ancillary equipment included a GPS navigation system and radar altimeter. A total of 2288.4 line-kilometres were completed in the survey which covered a total area of 960 square kilometres.

Preliminary and final data processing, including generation of final digital data and map products were undertaken at the offices of Geotech in Aurora, Ontario. In late 2010 Geotech reported the results of the work and these are summarised below. Further processing and interpretation of the data is currently being undertaken by Southern Geoscience Consultants Pty Ltd ("SGC") of Perth.

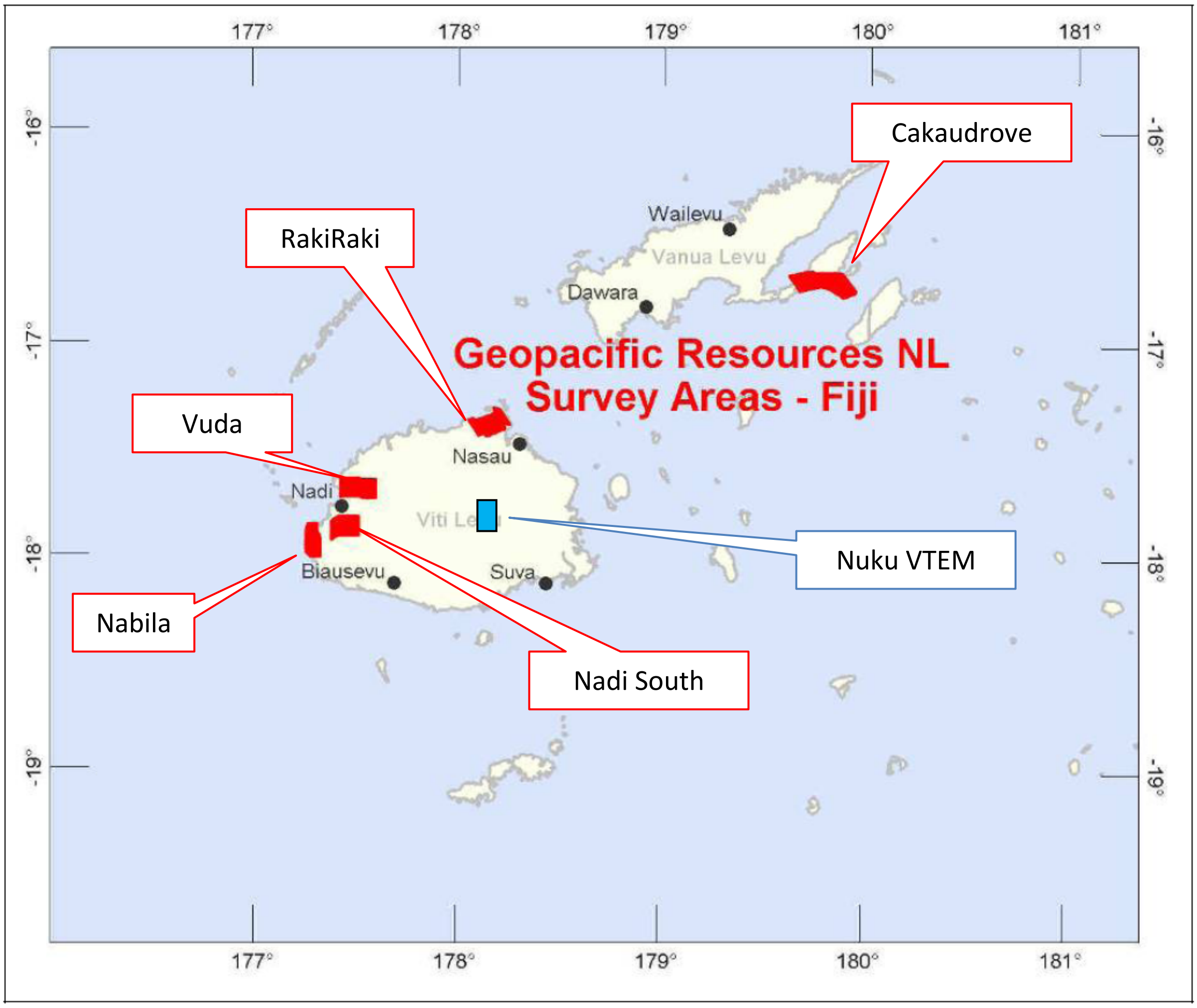


Figure 2. Location of ZTEM Survey areas and Nuku VTEM area

The assessment and interpretation of the results of the survey is part of an ongoing appraisal, however high priority exploration targets generated from the work include promising anomalies detected at depth in the following areas.

2.1.1 Nabila Project ZTEM Survey

SPL1216 - 100% Millennium Mining (Fiji) Ltd (subsidiary of GPR)
SPL1415 - 100% Millennium Mining (Fiji) Ltd (subsidiary of GPR)
CX691 (application) - 100% Millennium Mining (Fiji) Ltd (subsidiary of GPR)

Four distinctive conductive trends were identified by Geotech. Two closely follow the trend of the two main mountain ridges in the area. Magnetic data show two large, semicircular magnetic blocks on both sides of one of the conductive features and another small circular magnetic anomaly was also identified. The conductive features include shallow, narrow zones as well as deeper conductive bodies.

The Faddy's gold deposit is located at the northern end of the surveyed block characterised by a contrasting high resistive area (Figure 3), potentially related to intrusive rocks and/or silica alteration zones, capped by more conductive layer-like conductive areas, which may indicate argillic alteration and/or marly rocks. ZTEM inversion of the Faddy's – old Mistry Gold Mine area shows that a two kilometre long resistivity anomaly is oriented north-south and is located between both deposits. The resistive feature may represent a deep sulphide target and is clearly anomalous at depths of over 475 metres. The anomaly has a steep westerly dip.

2.1.2 Nadi South Project ZTEM Survey

SPL1434 - 100% Geopacific Ltd (subsidiary of GPR)

Eight distinct conductive trends were identified by Geotech and six trend north east. They are located in the north of the Project area and can be interpreted across all frequencies. The magnetic signal in the south of the area is higher than in the north and shows small scattered magnetic anomalies trending west to east.

At shallow depths, all of the conductive trends are associated with local, modeled conductive anomalies and as the depth of each increases the modeled resistivity distribution show a large, conductive volume in the north in contact with moderate to large resistive blocks in the south.

Geopacific's Togo porphyry prospect is marked by a plume of relative high chargeabilty values located near ground surface to depths greater than 400 metres and a large area of low resistivity, located west and north of the chargeability anomaly, flanks a small zone of higher resistivity values.

2.1.3 Vuda and Sabeto Project ZTEM Survey

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

Geotech has recognised eight conductive trends in the survey area and these correlate with high topography and magnetic highs. An interesting circular high resistivity anomaly occurs in the western part of the area and corresponds with a topographic basin.

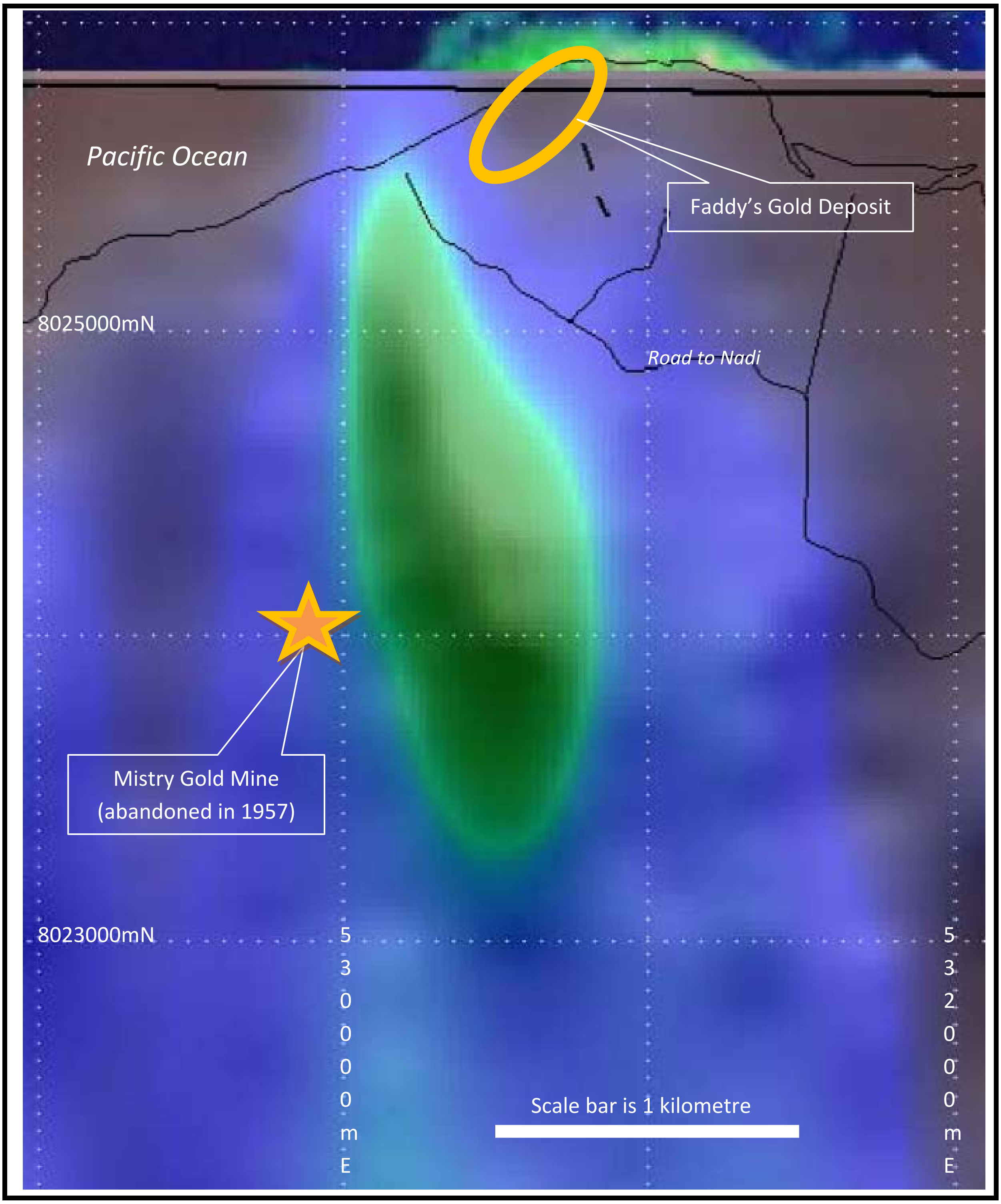


Figure 3. ZTEM inversion showing a depth plan at -475 metres RL (475m below sea level). A resistivity anomaly oriented north-south is located between the Faddy's Gold Deposit and the old Mistry Gold Mine. The Mistry deposit has a recorded production of 23.2kg of gold, 6.4kg of silver and 20.3t of lead from 1,720 tonnes of ore between 1947 and 1957 (average gold grade of 13.5 g/t).

Near the centre of the surveyed block, magnetic anomalies align in three distinctive trends with west-east directions. In the east, the most prominent alignment changes to a northwest strike and one conductor is underlain by a high resistive body that widens with depth. In the west, three conductive trends appear to be shallow anomalies which become poorly resolved at depth. Geotech noted an interesting circular, high-resistivity anomaly in the south-central part of the survey area and this corresponds to an isolated magnetic high.

Geotech described a comparison of resistivity patterns from east to west that may relate to mineralized areas. Vuda has numerous surface gold mineralised prospect areas (including Natalau, Ista's, Teitei, and Crown) with soil and shallow gold anomalies correlated with structural trends and alteration zones. In this area, Geotech's resistivity map at 350 metre depth shows a potential association of conductivity trends with geological structures. Geotech also noted two eastern areas of interest and these are associated with high resistivity anomalies.

2.1.4 <u>RakiRaki Project ZTEM Survey</u>

SPL1231, SPL1373, SPL1436
50% Beta Ltd (subsidiary of GPR) - Operator
50% Peninsula Minerals Ltd

Six conductive trends were highlighted by Geotech and at high frequencies each of these appears as a distinctive, narrow stripe which correlates with high topography. At low frequencies the conductive trends become broader and connect. A few high magnetic anomalies are scattered over the RakiRaki area and a low magnetic band with northwest strike is located in the southwest.

At shallow depths, four of the conductive lineaments are represented by narrow modelled conductive features. One is moderately conductive, and appears to dip to the north. Another has no indication of any conductor close to ground surface, but at depth the resistivity decreases.

Resistivity patterns near the known mineralized area of the BR Grid (which contains near surface gold at prospects including Qalau and 4300E) show a potential correlation of conductive trends with structural features (Figure 4). Geotech also identified an anomalous area with a similar structural setting to the east of the BR Grid.

2.1.5 <u>Cakaudrove Project ZTEM Survey (Malomalo Application area)</u>

CX691 (application) - 100% Geopacific Ltd (subsidiary of GPR)

Geotech identified four conductive trends and all appear as distinctive stripes coinciding with higher topography. A resistivity high with a possibly circular shape is bounded by two of the conductive trends. The west side of the survey has a regional magnetic low. Near the resistivity high, magnetic anomalies become more pronounced and steep in gradient.

In the east of the Cakaudrove survey area, isolated magnetic highs are widely distributed and a prominent deep resistivity anomaly is apparent (Figure 5). This is located directly beneath a known gold (Dakuniba Gold Prospect) and pyrite-quartz vein occurrences which have been investigated by shallow trenching by Fiji Government geologists but which have not been explored by modern geochemical surveys or deep drill testing. Geopacific plans to undertake mapping and sampling as initial follow-up of this target and others in the Cakaudrove survey area. Future exploration may include deep drilling to test the depth extent of this large anomaly.

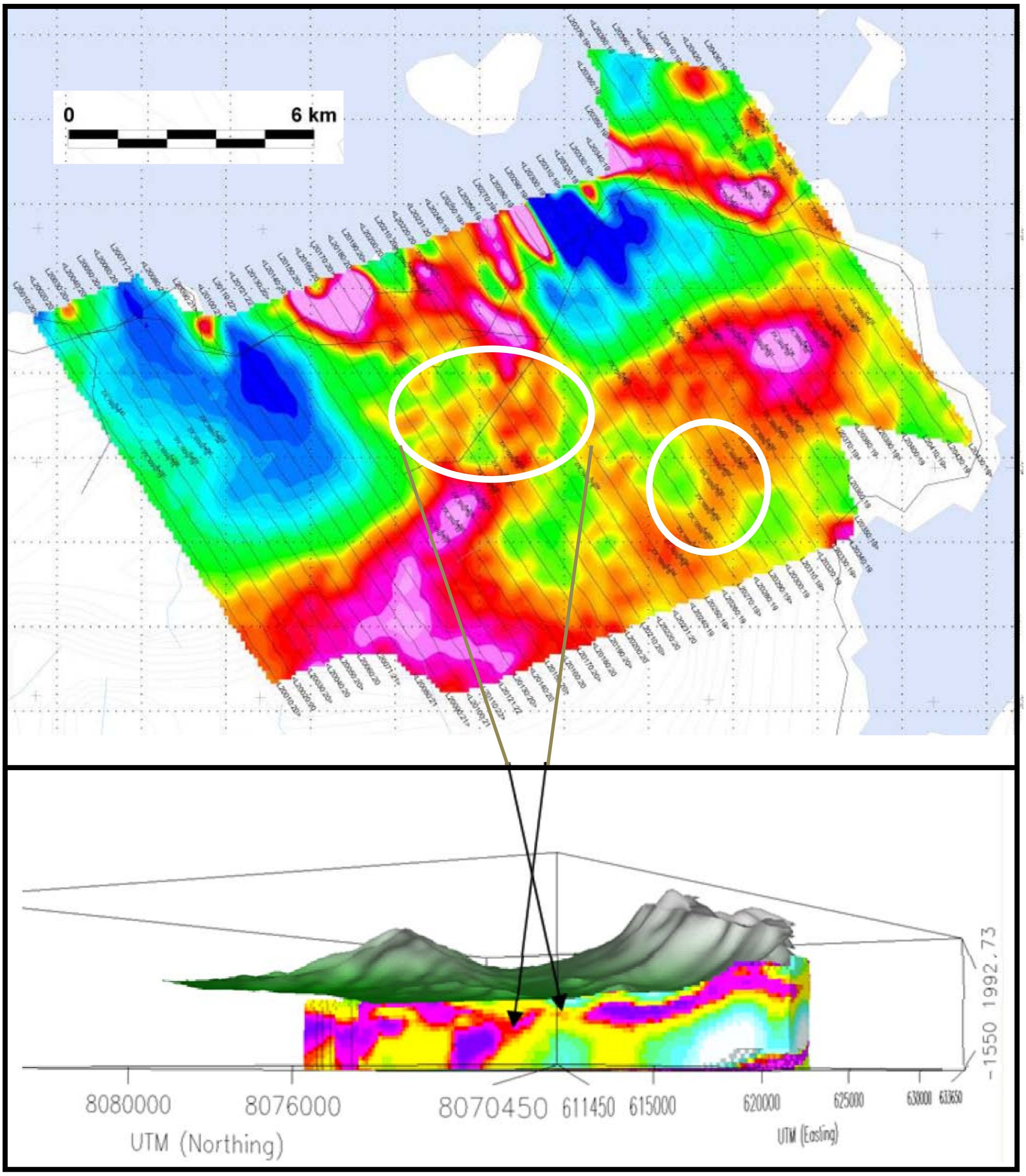


Figure 4. RakiRaki Survey Area.

The top image shows the location of the main surface gold prospects (central white oval) on a map of the 25 Hz total phase rotated in phase (TRP IP) data from Geotech.
The central oval contains the near-surface gold mineralisation of the BR Grid area (drill tested during previous Geopacific work).
The smaller circle to the right is an area of similar geophysical character.

The bottom figure is a three dimensional block diagram view looking towards the northeast showing the possible depth extension of the BR grid structure.

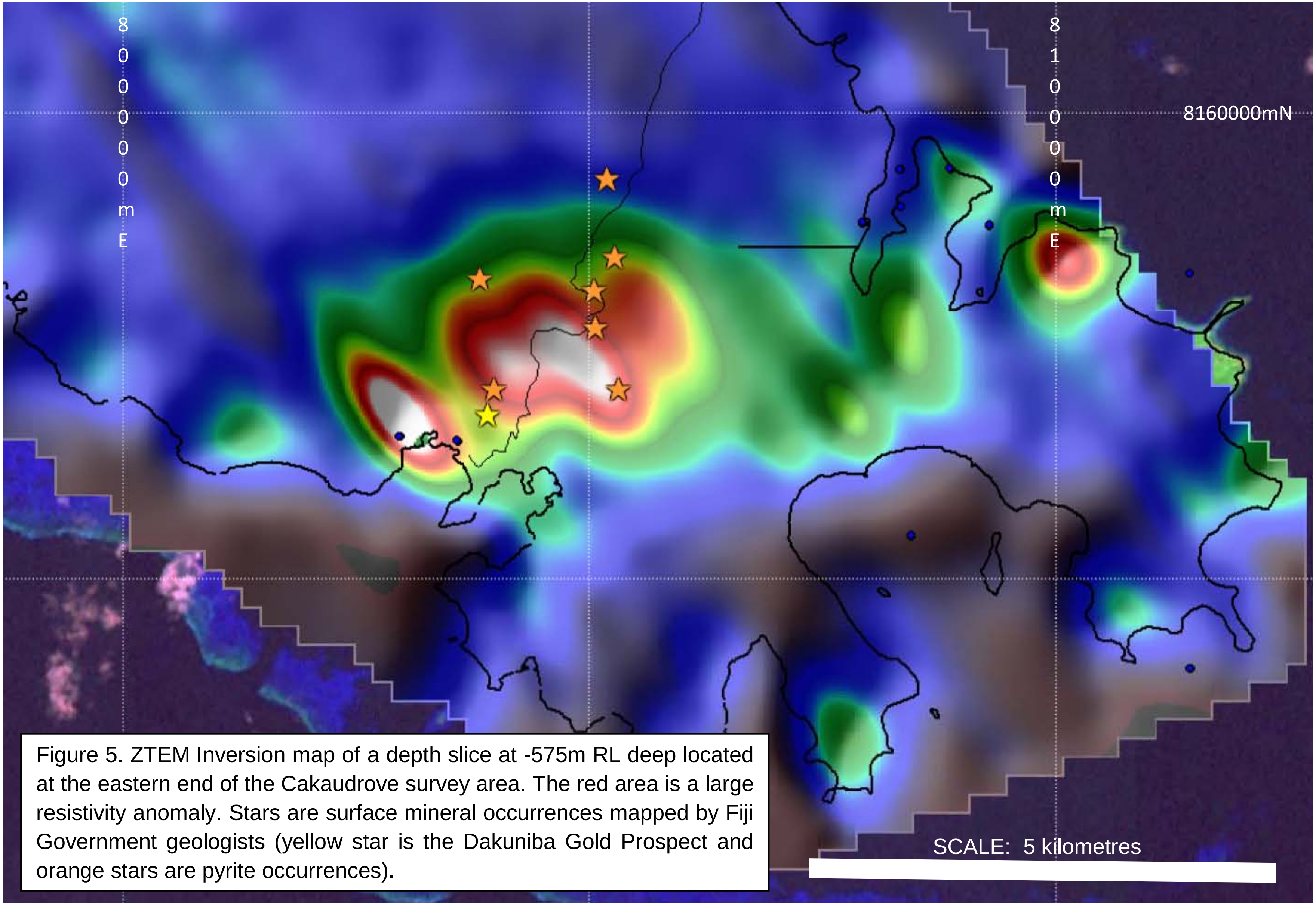


Figure 5. ZTEM Inversion map of a depth slice at -575m RL deep located at the eastern end of the Cakaudrove survey area. The red area is a large resistivity anomaly. Stars are surface mineral occurrences mapped by Fiji Government geologists (yellow star is the Dakuniba Gold Prospect and orange stars are pyrite occurrences).

2.2 Helicopter-Borne VTEM Geophysical Survey at the Nuku Project

SPL1377 - 100% Geopacific Ltd (subsidiary of GPR)
CX667 (application) – 100% Geopacific Ltd (subsidiary of GPR)

Two prominent conductive anomalies were located by the VTEM (electromagnetic) survey undertaken at Nuku (Figure 1). The Nuku VTEM survey was flown at the time of the ZTEM work by Geotech Ltd and utilised the same helicopter and geophysical crew.

Conductor anomaly A (Figure 6) is located in the southern central part of the tenement and extends for approximately 1.5 kilometres along a NW-SE trend. The conductive rock is a possible clay alteration zone which could cap a deposit of porphyry copper type mineralisation. Anomalous metals occur at surface including elevated gold, zinc and silver and geologic mapping during late 2010 has shown that the anomaly corresponds to a clay and quartz-pyrite-clay altered dioritic intrusive rock with zones of vein stock working of quartz-pyrite-magnetite (Figure 6, top right). Anomaly A includes two small magnetic features and is surrounded by larger magnetic high anomalies between 0.5 kilometres to a kilometre long. Outcropping gold and zinc mineralisation occurs at Wailoaloa skarn, the eastern magnetic feature and Wailoaloa as well as the other magnetic, non conductive anomalies are interpreted as skarn deposits which appear to radiate from a central, porphyry system centred beneath the clay alteration at Anomaly A.

Anomaly B is located above a zone of quartz-magnetite-pyrite veining and alteration which may also reflect underlying rocks with potential for a large low grade porphyry copper type target. This anomaly corresponds with a magnetic high zone which may suggest a considerable depth to potential underlying mineralisation. Interpretation of Anomaly B is made difficult due to the location of a regional electrical transmission line which crosses the project area in the northern part of the feature.

2.3 Field Work during 2010

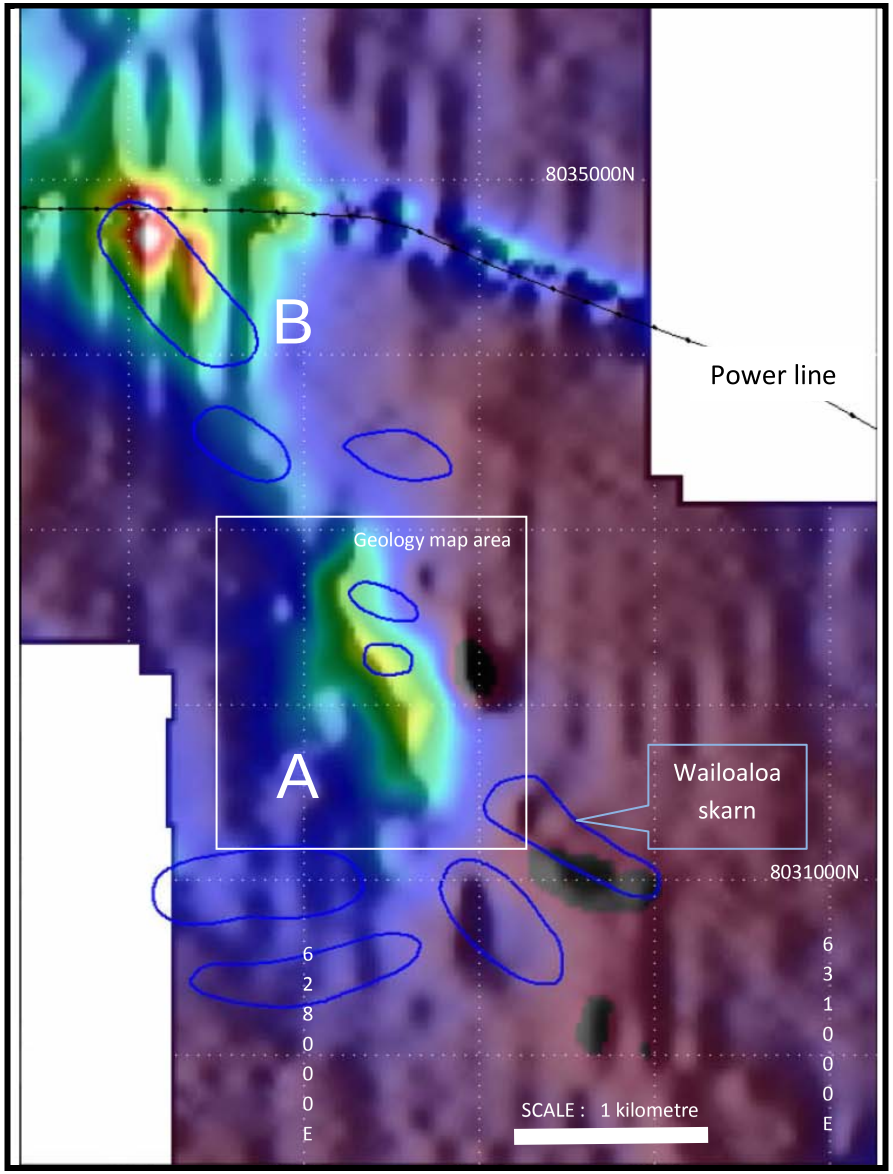
2.3.1 Nabila Project

SPL1216 - 100% Millennium Mining (Fiji) Ltd (subsidiary of GPR)

Drill testing of Faddy’s Gold Deposit south of Nadi was undertaken and a diamond drilling program completed twenty two diamond holes (FAD029 to FAD050 (Table 1, Figure 7). All have been drilled with PQ3 diameter core.

The drilling has confirmed the continuity of the high grade gold horizon within a mineralised shallow dipping structural zone close to the contact between dolerite and underlying tuff and where results from previous drilling by other companies returned variable and often conflicting data due to sample loss of soft and broken intervals in drill core and poor sample recoveries of percussion drilling.

The drill holes were located mostly within the west, south west and north of the Faddy’s deposit, several hundred metres from the NE Gossan area where drilling and trenching by Geopacific during 2008 and 2009 intersected high-grade gold mineralisation up to 313g/t Au, in, and beneath surface gossan outcrops.



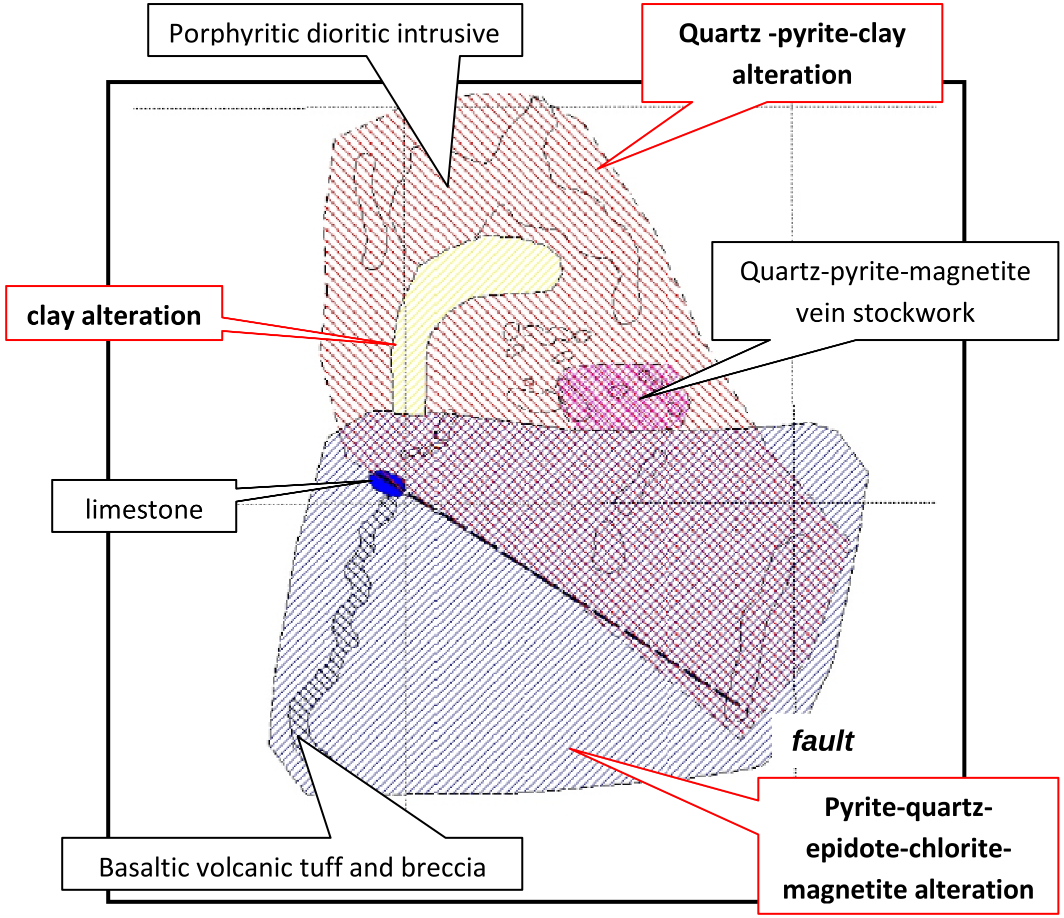


Figure 6. EM and geology of the south portion of the Nuku Project area.

Left side: VTEM 1.64 msec dB/dT image showing main conductor target areas (A and B). Flight lines were flown in a north-south direction. The anomalies reflect clay and pyrite alteration. Blue outlines are discrete magnetic anomalies (probable skarns), including Wailoaloa Zn-Au-Cu skarn. Note that there is some interference from the power line traversing the northern portion of target B.

Top right: Geology and alteration map of conductor target A

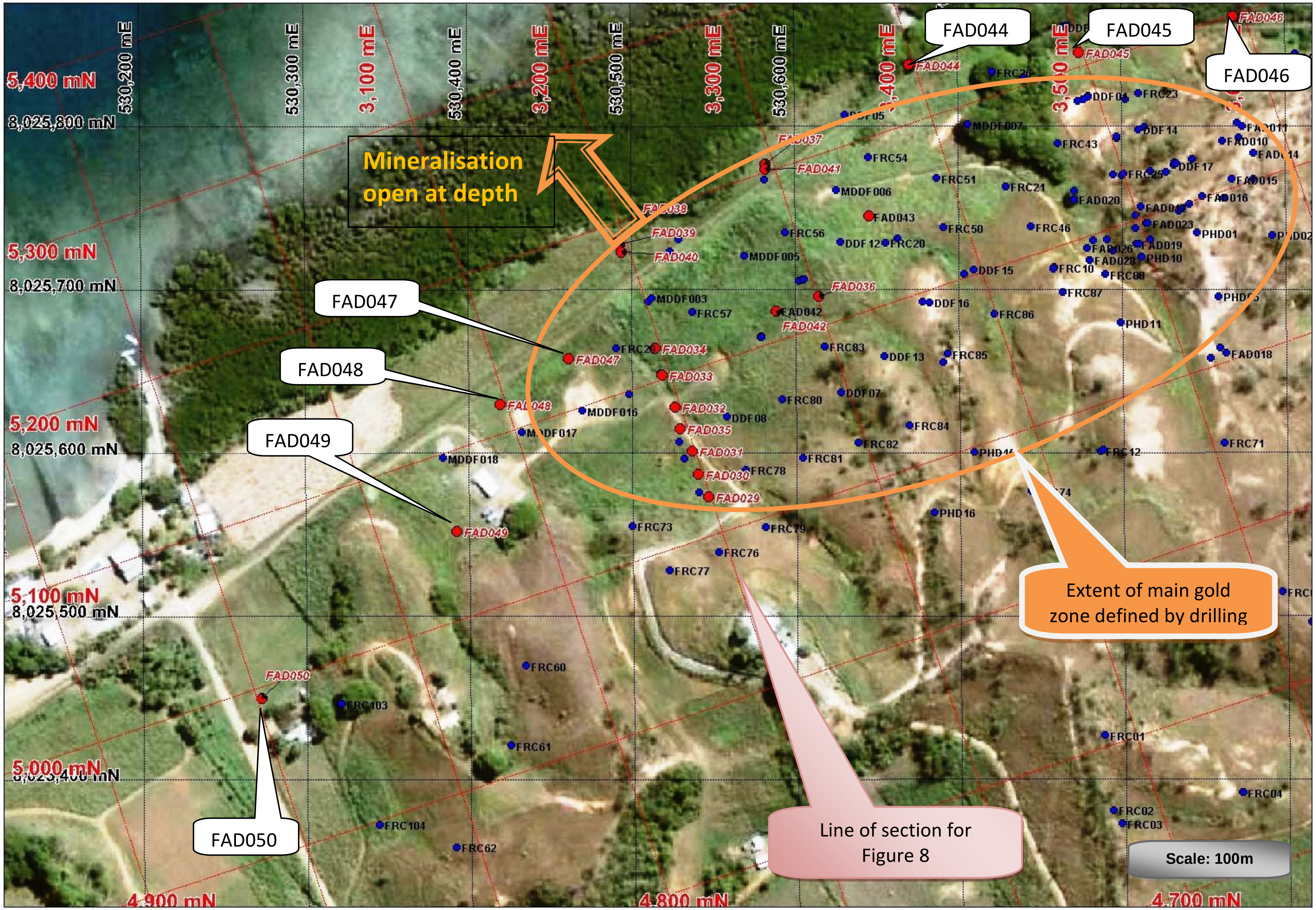


Figure 7. Arial photograph view of Faddy's showing locations of drill holes completed in 2010 (shown by red dots).

Ten of the new drill holes (FAD029-FAD035, FAD038-40) were located on grid line 3200E (Figure 7) within a previously drilled portion of the Faddy's deposit. Drill hole traces of these holes are shown in cross section in Figure 8 and drill assay summaries for each hole are given in Table 2. At this section the Faddy's mineralisation dips at approximately 30-40 degrees towards the northwest and the drilled intersections are close to true thicknesses. These defined a shallow dipping gold mineralised zone which is between 5-12 metres thick. The mineralised zone is thickest and best developed close to steep, NW dipping faults and was shown to be open at depth to the NW. Four western drill holes (FAD037-40) were located to test the depth extent of mineralisation close to the northern ends of grid lines 3200E and 3300E.

Table 1. Drill hole location data for 2010 diamond drilling at Faddy's Gold Deposit

Hole ID	WGS84	WGS84	RL (m)	Dip	Az (grid)	Total depth (m)
	East*	North*				
FAD029	530546	8025573	13	-60	180	80.1
FAD030	530540	8025587	10	-60	180	80.2
FAD031	530536	8025601	8	-60	180	80.0
FAD032	530526	8025628	5	-60	180	110.0
FAD033	530518	8025648	4	-60	180	120.5
FAD034	530514	8025664	3	-60	180	138.9
FAD035	530529	8025615	6	-60	180	90.2
FAD036	530614	8025696	9	-90	NA	173.3
FAD037	530582	8025783	1	-80	180	213.7
FAD038	530491	8025729	3	-80	180	216.9
FAD039	530491	8025729	3	-85	360	296.3
FAD040	530491	8025729	3	-65	180	193.9
FAD041	530579	8025785	1	-65	180	161.0
FAD042	530588	8025687	4	-80	180	146.3
FAD043	530645	8025745	8	-70	180	120.8
FAD044	530670	8025838	2	-70	180	197.3
FAD045	530774	8025845	5	-85	180	219.8
FAD046	530868	8025867	4	-80	180	200.3
FAD047	530461	8025658	3	-80	180	224.3
FAD048	530419	8025630	5	-80	180	230.3
FAD049	530392	8025552	5	-60	180	200.3
FAD050	530272	8025450	5	-90	NA	275.3

Table 2. Assay summary data for 2010 diamond drilling at Faddy's Gold Deposit

Drill Hole	Gold mineralised intersections (0.5g/t Au cut-off)							
	from (m)	to (m)	int (m)	Au (g/t)	Ag (g/t)	Pb (%)	Zn (%)	Cu (%)
FAD029	16	17	1	0.5	0.5	0.07	0.17	0.03
	20	21	1	0.81	0.6	0.14	0.20	0.03
	30	35	5	1.68	2.8	0.06	0.16	0.01
	incl 31	32	1	4.88	0.3	0.01	0.02	0.01
	63.6	65	1.4	2.63	4.5	0.37	0.02	0.01
FAD030	20	21	1	1.20	0.8	0.16	0.30	0.07
	52	57	5	1.71	12	0.08	0.07	0.03
	70	71	1	1.60	10	0.62	0.27	0.03
FAD031	51	52	1	1.14	7.6	0.39	0.84	0.03
	65	66	1	1.29	4.8	0.28	1.23	0.01
	69	70	1	4.00	12	0.07	0.06	0.00
FAD032	66	67	1	0.88	2.6	0.02	0.05	0.00
	68	69	1	0.55	1.9	0.02	0.11	0.00
	73	78	5	7.43	42	0.48	0.85	0.03
	incl 74	75	1	23.5	126	1.69	2.80	0.09
	80	81	1	2.90	13	0.24	0.21	0.02
	107	108	1	2.07	10.2	0.11	0.21	0.08
FAD033	84	85	1	1.17	6.3	0.09	0.22	0.00
	86	94	8	4.18	24	0.38	0.78	0.05
	incl 87	88	1	19.3	124	1.87	3.64	0.06
	99	100	1	1.83	2.5	0.07	0.18	0.02
	101	102	1	0.98	0.7	0.01	0.04	0.01
FAD034	85	98	13	4.48	23	0.17	0.31	0.03
	incl 91	93	2	12.07	66	0.41	0.94	0.08
	101	104	3	2.28	12	0.14	0.18	0.02
	106	112	6	1.75	8.5	0.02	0.05	0.01
FAD035	50	62	12	1.61	5.5	0.39	0.56	0.05
	incl 57	62	5	2.34	9	0.80	1.10	0.08
	82	85	3	0.72	2.2	0.06	0.14	0.01
FAD036	56	57	1	0.68	5.5	0.52	0.60	0.11
	59	60	1	0.88	5.9	0.01	0.02	0.01
	65	66	1	0.83	5.3	0.03	0.04	0.01
	81	82	1	1.39	7	0.00	0.03	0.01
	84	85	1	0.89	5.4	0.18	0.36	0.12
	88	96	8	7.66	61	1.35	1.85	0.37
	incl 88	91	3	18.8	156	3.55	4.82	0.95
	incl 89	90	1	41	348	7.85	10.75	2.13
	100	101	1	0.81	2.1	0.02	0.04	0.02
	113	115	2	1.31	7.2	0.66	0.31	0.13

Table 2. Assay summary data for 2010 diamond drilling at Faddy's Gold Deposit

Drill Hole	Gold mineralised intersections (0.5g/t Au cut-off)							
	from (m)	to (m)	int (m)	Au (g/t)	Ag (g/t)	Pb (%)	Zn (%)	Cu (%)
FAD037	165	166	1	1.16	5.5	0.18	0.32	0.03
	170	171	1	0.84	3.2	0.05	0.10	0.00
	173	174	1	0.69	3.6	0.01	0.03	0.00
FAD038	159	160	1	1.07	5.8	0.07	0.10	0.01
	163	164	1	1.67	6.2	0.06	0.11	0.01
	172	173	1	1.25	6.7	0.28	0.38	0.06
	178.15	204	25.85	3.80	24	0.37	0.60	0.10
	incl 178.15	179.4	1.25	19.81	174	3.09	4.89	1.16
	incl 191	192	1	17.70	106	2.04	2.59	0.38
	207	208	1	1.17	4	0.06	0.14	0.03
FAD039	108	109	1	0.66	3.2	0.01	0.12	0.01
	221	222	1	0.84	3.8	0.05	0.09	0.01
	249	252	3	1.56	7.8	0.12	0.09	0.02
	incl 249	250	1	3.26	16.3	0.15	0.12	0.02
	256	260	4	0.88	3.9	0.05	0.04	0.02
	269	274	5	0.78	3.8	0.04	0.13	0.01
	282.6	284.8	2.2	22.29	77	0.38	0.58	0.06
FAD040	120	120.2	0.2	0.56	4.4	0.02	0.46	0.04
	149	151	2	0.85	5.2	0.15	0.24	0.03
	156	167	11	4.24	25	0.76	1.16	0.44
	incl 157	158	1	10.70	59	1.52	1.56	0.29
	incl 161	163	2	7.42	45	1.60	2.29	1.28
	incl 166	167	1	13.00	72	2.06	4.43	0.62
FAD041	136.3	148	11.7	1.96	14.5	0.70	0.59	0.26
	incl 136.3	138.4	2.1	7.85	68	3.88	2.89	1.41
FAD042	20.5	21	0.5	1.50	19	0.12	0.08	0.06
	66	67	1	0.52	1.9	0.01	0.04	0.01
	91	92	1	1.35	6.5	0.11	0.09	0.04
	119	127	8	1.38	9.2	0.14	0.26	0.03
	incl 119	120	1	4.40	31	0.57	1.27	0.12
FAD043	74.5	87	12.5	0.60	3.7	0.20	0.43	0.06
	109	112	3	2.39	18	0.54	0.50	0.03
	incl 109	110	1	6.09	44.5	1.55	1.24	0.09
	115	116.9	1.9	19.25	92.5	2.74	5.40	0.31
	incl 116.3	116.9	0.6	60.00	282	5.17	16.95	0.92
FAD044	134	141	7	1.87	11	0.09	0.16	0.02
	146.3	147	0.7	0.58	3.2	0.01	0.01	0.01

Table 2. Assay summary data for 2010 diamond drilling at Faddy's Gold Deposit

Drill Hole	Gold mineralised intersections (0.5g/t Au cut-off)							
	from (m)	to (m)	int (m)	Au (g/t)	Ag (g/t)	Pb (%)	Zn (%)	Cu (%)
FAD045	43	44	1	2.49	2.8	0.10	0.07	0.02
	60	62	2	3.51	2.3	0.07	0.27	0.02
	73	74	1	2.55	15	0.12	0.16	0.02
	78.5	78.8	0.3	2.19	23	0.08	0.06	0.02
	99	100	1	0.65	6.7	0.05	0.22	0.25
	109	111.7	2.7	0.54	4.9	0.02	0.05	0.08
	121	129.2	8.2	1.34	12	0.26	0.32	0.09
	131.3	132.25	0.95	1.19	6.1	0.27	0.63	0.06
	178.9	179.2	0.3	0.69	7	0.17	0.32	0.04
	198.1	199.3	1.2	4.79	17	0.31	0.25	0.05
FAD046	126.6	127.7	1.1	2.00	9.3	0.22	0.26	0.07
	133	134	1	0.83	5.4	0.21	0.48	0.08
FAD047	89	90.6	1.6	1.09	5.3	0.00	0.01	0.02
	118	119	1	1.33	5.6	0.01	0.01	0.00
	126	126.6	0.6	1.36	6.4	0.19	0.07	0.01
	138.4	139	0.6	6.19	27	0.04	0.03	0.01
	142.7	143.7	1	7.79	32	0.17	0.36	0.02
	151	153	2	3.23	20	0.10	0.13	0.02
	155	156	1	1.04	5.1	0.03	0.08	0.00
	178.1	178.7	0.6	1.07	6.6	0.17	0.35	0.32
	184.7	185.4	0.7	31.00	176	6.86	2.70	0.99
FAD048	144	145.1	1.1	9.05	8	0.15	0.32	0.06
	160.7	161.7	1	0.98	3.8	0.06	0.10	0.02
	194.9	195.5	0.6	4.99	32.3	2.03	1.74	0.01
	201.7	202.3	0.6	1.00	5.4	0.45	0.57	0.03
	211.3	213.8	2.5	0.90	3.48	0.68	0.28	0.07
FAD049	140.9	141.5	0.6	7.21	43.2	2.09	3.22	0.53
FAD050	47.9	49.1	1.2	14.17	49.7	0.17	0.28	0.09
	incl 48.5	49.1	0.6	21.70	73.1	0.25	0.15	0.06
	99.6	100	0.4	0.47	1.9	0.16	0.19	0.05
	186.6	187.6	1	0.64	4	0.00	0.03	0.11
	226.8	227	0.2	0.62	5.7	0.00	0.03	0.01
	257	258.1	1.1	0.62	2.5	0.06	0.10	0.00

High-grade gold mineralisation was intersected between 156-167 metres in FAD040 and this interval averaged 4.24g/t gold. It included a 1.0 metre zone between 166-167 metres of 13.0g/t gold, 72g/t silver, 4.43% zinc, 2.06% lead and 0.62% copper. FAD039 was drilled from the same collar location as FAD040 to test the down-dip continuity of this zone for a further 50 metres towards grid north (Figure 7). High grade gold was intersected between 282.6-284.8 metres and this 2.2 metre drilled interval averaged 22.29g/t gold (Table 2).

These deep intersections confirm that the Faddy's deposit continues at depth towards the north. The gold and base metal mineralisation intersected in FAD039 and FAD040 is a down dip continuation of high grade gold intersected in FAD029-34 and extends this zone from near surface to 400m down-dip to the FAD039 high grade intersection at about 280m vertical depth (Figure 8). The mineralised zone remains open at depth. The drilling shows that high grade gold mineralisation occurs both up-dip and down-dip from drill hole FAD038 (Reported in an ASX release of 25 June) which contains high gold within a 25.85 metre wide zone of 3.80g/t gold and 24g/t silver between 178.15-204 metres.

Near the north of the deposit two drill holes intersected significant gold mineralisation. FAD044 intersected 7.0 metres of 1.87g/t gold below 134.0 metres and 2.0 metres of 3.57g/t gold was intersected below 60.0 metres in FAD045.

Several holes peripheral to the known mineralisation (FAD047-FAD050) intersected narrow, high-grade mineralised intervals and confirmed that the deposit extends for at least 200 metres south west along strike as well as to the north of the deposit (Figure 7).

FAD050, located to the south west of Faddy's contained 1.20 metres (from 47.9m) of 14.17g/t gold and 49.7g/t silver including 0.6 metres of 21.7g/t Au from 48.5 metres. High grades were also intersected in FAD049 where 0.60 metres of 7.21g/t gold, 43.2g/t silver, 3.22% zinc, 2.09% lead and 0.53% copper was returned between 140.9-150.5 metres in FAD049 and 0.60 metres of 4.99g/t gold, 32.3g/t silver, 1.74% zinc and 2.03% lead occurs between 194.9-195.5 metres in FAD048. Drill hole FAD047 also intersected 0.7 metres of 31.0g/t gold, 176g/t silver, 2.70% zinc, 6.86% lead and 0.99% copper from below 184.7 metres.

Gold mineralisation occurs close to the contact between dolerite and underlying tuffaceous volcanoclastic sediment (ignimbritic pyroclastics) within a shallow, north-west dipping zone of quartz-pyrite-sericite alteration. High gold values occur in vuggy quartz vein stockwork and clay and pyrite altered rocks which are commonly strongly brecciated. Disseminated and fracture fill galena (lead) and sphalerite (zinc) mineralisation is associated with gold mineralisation and can be abundant in some zones. Chalcopyrite (copper) is common although generally in minor amounts.

The drilling was designed to both test for extensions to the known mineralisation as well as to test ambiguous drill results of previous drilling by other companies which reported considerable differences in assay results between percussion and diamond drill core samples due to difficulties in obtaining acceptable drill sample recovery of mineralised zones. These are characteristically clay altered and often strongly broken and brecciated. Extensive drilling programs by previous companies involved both diamond drilling and percussion/reverse circulation drilling techniques and their reported sample recoveries was often very low in key zones with a suspected significant loss of gold. Also, reverse circulation percussion drilling, mainly below the water table appears to have often resulted in extensive down-hole contamination of gold values. This has formed wide, low grade intercepts which could have exaggerated the true thickness of the mineralised zone. Because of these limitations, and lack of quality control data on sampling and assaying, data from the previous work is not considered suitable for resource estimation and reporting under the JORC code.

Complete core recovery for the drill holes was important and Exploration Drilling Services Pty Ltd (EDS) provided excellent drill core recoveries of close to 100% throughout. Drill core from mineralized intervals of each hole was sampled (cut as half core) and forwarded to the ALS Chemex sample preparation laboratory in Suva where each sample was processed and sent to Australia for gold, silver and base metal analyses.

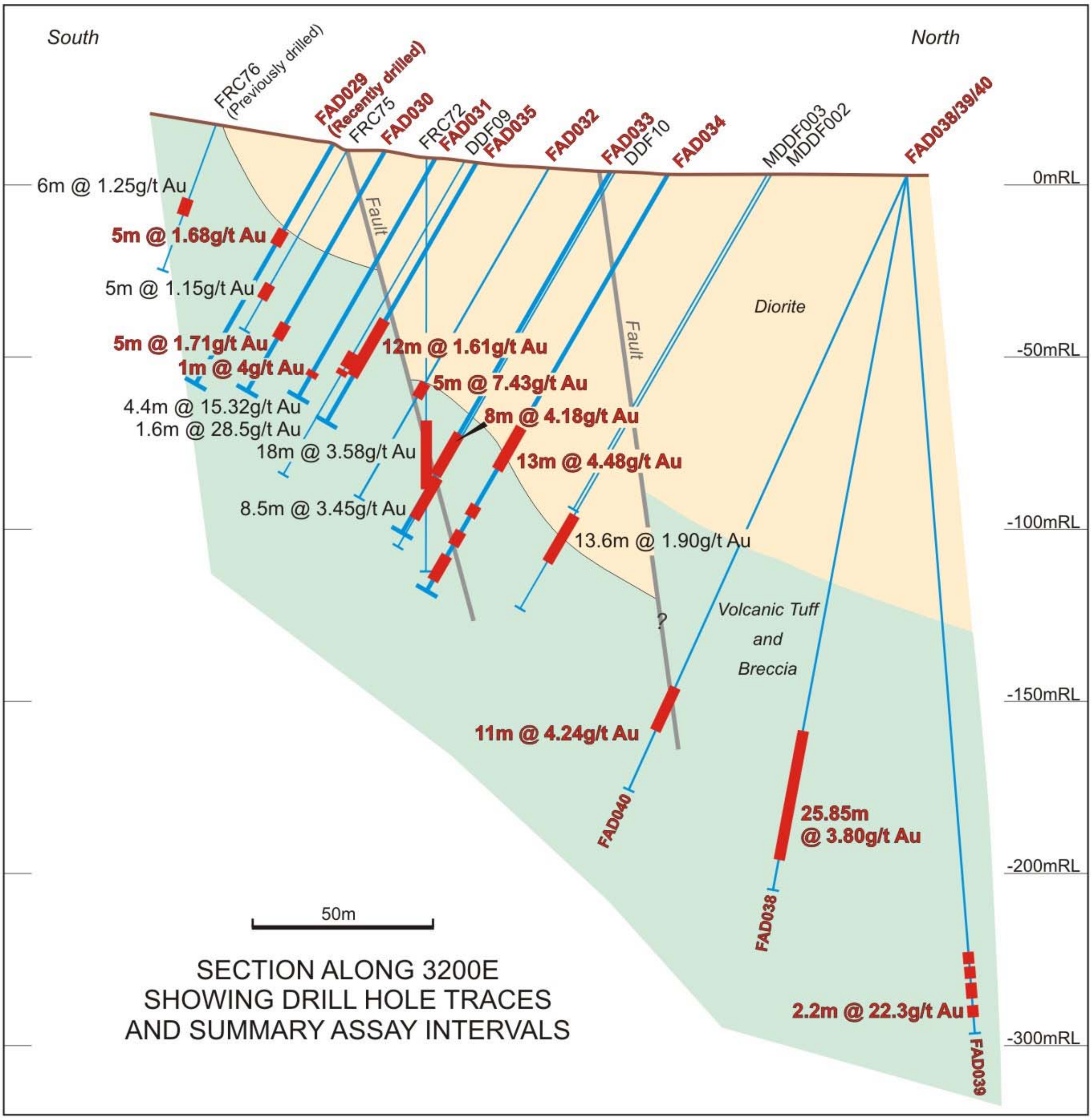


Figure 8. Cross section along grid line 3200E of the Faddy's Gold Deposit showing drill traces and significant mineralised intersections. Hole numbers in black are previous drill holes. Red hole numbers are drill core holes completed by Geopacific Resources NL.

Induced Polarisation (IP) Ground Geophysical Survey

An Induced Polarisation survey (IP) completed in the area surrounding Faddy's identified several promising targets for priority drill testing. Four areas (Targets A-D) included high chargeability responses indicating the occurrence of sulphide accumulations.

- Target A is located approximately 1.5km SE of Faddy's and is a doughnut shaped feature about 600 metres in diameter with a central area of lower chargeability. Three angled drillholes (UBD001-3) were completed to test this feature and these are described below.
- Target B is a twin anomaly located midway between A and C within sugar cane fields.
- Target C is located about 300 metres west of the old Mistry Gold Mine where a small high-grade deposit has a reported production of 23.2kg of gold, 6.4kg of silver and 20.3t of lead from 1,720 tonnes of ore between 1947 and 1958 at an average gold grade of 13.5 g/t.
- Target D is a small conductivity high located between Faddy's and Target B. It occurs within an east-west trending zone containing several other small areas of elevated chargeability.

Elliot Geophysics International Pty Ltd of Perth completed the IP survey (dipole-dipole) across the local grid which covers Faddy's and the old Mistry gold mine. Modeling of the data was undertaken by Montana GIS.

Drill testing at IP Target A

Three drill holes were completed at Target A (UBD001-3). All holes penetrated an extensively sheared sequence of dolerite and volcanogenic sediments with abundant chorite, epidote and pyrite alteration and carbonate-quartz veining.

Base metal mineralisation was intersected in UBD001 where a carbonate-quartz-pyrite-anhydrite vein zone between 141.8-146.2m averaged 0.3g/t Au, 17.5g/t Ag, 1.13% Cu, and 1.42% Zn. UBD002 intersected a narrow fault breccia (174.5-175.1m) with chalcopyrite (0.64% Cu). Trace copper was recorded in UBD003 where minor chalcopyrite occurs in fractures (up to 0.3% Cu between 170.0-172.2m). Abundant pyrite occurs over wide intervals within all three holes and this is clearly the feature that the IP survey has identified at Target A.

UBD004 was drilled at Target B within in pyritic and carbonate-(quartz) veined diorite. Minor basemetal mineralisation (sphalerite-galena-chalcopyrite) occurs in silicified groundmass disseminations and quartz stockwork veining spread through several zones of UBD004 and disseminated pyrite is conspicuous throughout the drill core.

2.3.2 Nadi South Project

SPL1434 100% Geopacific Ltd (subsidiary of GPR)

Two diamond drill holes (RRD001 and RRD002) were completed at the Red Ridge Prospect in the Nadi South Project. Both were drilled beneath gossanous and ferruginous basaltic volcanics with surface gold mineralisation in a steep dipping fracture zone. Costean surface samples on the ridge north of RRD001 and 2 were collected by CRA Exploration Pty Limited in 1988 and included 50 metres averaging 3.28g/t Au and 35 metres averaging 6.6g/t Au.

RRD001 was completed to 177.5 metres and RRD002 was finished at 254.3 metres. Both drill holes intersected strongly fractured basaltic volcanic rocks intruded by basic dykes. Wide zones of chlorite-quartz-magnetite-epidote alteration were intersected. Assays of drill core of both holes were completed in mid January. Gold assays were generally low with five intervals recording more than 0.5g/t gold (Table 3). The drilling results confirm that the high-grade gold located by soil sampling and trenching is supergene enriched.

2.3.3 Nuku Project

SPL1377 - 100% Geopacific Ltd (subsidiary of GPR)

Field follow-up of the VTEM survey at the Nuku Project (SPL1377) included the collation and evaluation of previous work and preliminary field evaluation during late 2010. Field mapping of outcropping zones of alteration at the two prominent conductive anomalies (A and B) identified during the survey was commenced and results of early work are summarised in Figure 6.

Conductor anomaly A, located in the southern central portion of SPL1377 is a possible clay alteration zone which could cap a deposit of porphyry copper type mineralisation. Recent mapping identified clay and quartz-pyrite-clay altered dioritic intrusive rock with zones of vein stock working of quartz-pyrite-magnetite.

Within conductor anomaly B volcanic and intrusive rocks have quartz-magnetite-pyrite veining and alteration which may indicate a large buried low grade porphyry copper type target.

2.3.4 Cakaudrove Project (Malomalo application area)

CX691 (application) - 100% Geopacific Ltd (subsidiary of GPR)

Geopacific has lodged an application for a new Special Prospecting License (SPL) over a prospective exploration area on the Cakaudrove Peninsular in eastern Vanua Levu (Figure 1). CX691 was included in the ZTEM survey (refer previous section).

Geopacific plans to explore this area for copper and gold and believes that the geological setting has potential to host porphyry and epithermal styles of mineralization in addition to structurally controlled gold mineralization. The results of the ZTEM work have confirmed that CX691 has potential to host a large mineral deposit and preliminary interpretation has identified high priority targets for priority follow-up (Figure 5).

3. Corporate

3.1 Relocation of Geopacific's Sydney office

During late 2010, Geopacific'c Sydney office was relocated and new contact details are:
Level 4, 425 Elizabeth Street, Surry Hills, Sydney NSW 2010
The postal address for the company remains the same:
PO Box 477 Surry Hills, NSW 2010
New telephone/fax numbers are:
Telephone: 02 8622 1691, Facsimile: 02 8622 1694

3.2 Changes to the Board of Directors

On the 4th February 2010 Willie (Bill) Brook stepped down as a Non-Executive Director of Geopacific Resources NL and as Director of Geopacific Ltd, Beta Ltd and Millennium Mining (Fiji) Ltd. During his roles as an Officer of the Company, Managing Director or Executive Director of the Company for almost 20 years, Bill took a major role in selecting, planning and implementing exploration at many of the Company's projects. The Board of Directors appreciate Bill's many years of toil and tireless service to establish and build Geopacific during this time and wish Bill well in his future endeavours.

On the 19th February 2010 two new Directors, Mr Charles Bennett (Charlie) Bass and Mr Stephen Timothy (Tim) Biggs were appointed to the Board.

Mr Craig McCabe resigned as Alternate Director for Mr Ian Simpson and the Board acknowledges Craig's valued service to the company. Mr Harvie Probert resigned as a Non-Executive Director and has been appointed as an Alternate Director for Mr Ian Simpson.

On 20th April 2010 Dr Russell Fountain resigned from the position of Chairman and commenced as a Non-Executive Director and Mr Tim Biggs was appointed Chairman of the Board. The Directors thank Russell for his services and contributions to the Company in his capacity of Chairman of Geopacific since 23 September 2005.

3.3 Senior Management

During 2010 Geopacific engaged two experienced geological consultants to assist with the Company's increasing exploration activities. Dr Craig Rugless constructed new server architecture for Geopacific's historical and current exploration data and is researching various aspects of the Company's projects and exploration targets. Craig has over 40 years of wide ranging minerals exploration experience and is expected to provide ongoing consulting advice and assistance to Geopacific's technical team.

Erik Conaghan joined Geopacific as Exploration Manager to undertake and supervise field exploration activities in February 2010. Erik left Geopacific at the end of February 2011.

3.4 Placement of $780,000

The Company completed placement of 13 million shares at $0.06 per share to sophisticated and professional investors. The $780,000 placement is to provide additional working capital and to accelerate Geopacific's exploration efforts and was approved by shareholders at the Company's Annual General Meeting on 20th April 2010.

3.5 Consolidate capital on a one for five basis

Geopacific recognized the potential for ongoing support and funding from off-shore (in particular North American investors) and has undertaken a reduction of the number of shares on issue. A consolidation of the capital of Geopacific on the basis of 1 new share for every 5 existing shares was approved by shareholders at the Company's Annual General Meeting on 20 April.

3.6 Share Purchase Plan

On 24th June 2010 the Company initiated a Share Purchase Plan in which each existing eligible Geopacific Shareholder was able to purchase up to $15,000 worth of shares at 60 cents per share, free of brokerage and commissions. 288,500 shares were issued raising $173,100. The shortfall to a maximum of $500,000 ($326,900) has been underwritten by two of the company's directors, Tim Biggs and Charlie Bass.

3.7 Share Placement

In late June, 2010 Geopacific completed a share placement of 15% of its issued capital (4,166,666 shares, at 60 cents per share) to raise approximately $2,500,000 before expenses. The shares were placed by Southern Cross Equities in respect of 2,500,000 shares and by Hartleys in respect of 1,666,666 shares.

3.8 Dealing with Securities

Geopacific reviewed its policy in relation to dealing in the company's securities by directors and executives and provided the following policy as an ASX release on the 30 December 2010 and an update on 2 February 2011.

Background – Insider Trading:

The insider trading provisions of Australian Law work on the basis that a person must not (whether as principal or agent) subscribe for, purchase or sell, or "engage in dealings" of any securities in Geopacific Resources NL ('GPR') if;

a) The person possesses information that a reasonable person would expect to have a material effect on the price of the securities if the information were generally available;

and

b) The person knows, or ought reasonably to know, that:
   i. The information is not generally available; and
   ii. If it were generally available, it might have a material effect on the price of the securities.

A person does not need to be directly associated with GPR to be guilty of insider trading in relation to securities of the Company. The prohibition extends to dealings through nominees, agents or their associates, such as family members, family trusts or family companies (“Related Third Parties”).

Policy:

1. Directors, officers and employees of GPR and its subsidiary companies *shall not* engage in any dealings in the securities of GPR without giving prior notice as follows:

Party seeking to deal in securities	***Prior Notice to be Given to:***
Employees of GPR or subsidiary companies and consultants and advisors involved in the management of projects for and on behalf of GPR (or their Related Third Parties)	*The Chairman and Company Secretary of GPR*
Directors of GPR or subsidiary companies (or their Related Third Parties)	*The Company Secretary of GPR who shall provide details to the Chairman of GPR*

2. The procedures for notification are as follows;

a) Before trading in the company’s securities the Director, officer or employee must

- notify the chairman (or in his absence the managing director) and company secretary, in writing, of their intention to trade in securities;
- confirm they do not have insider information; and
- confirm that there is no known reason to preclude trading in the company’s securities

The notification is only valid for the period of its operation, being from the date of notification until the earlier of 10 business days after the notification, the start of a closed period or the date on which the Director, officer or employee becomes aware of insider information.

b) After trading in the company’s securities Director, officer or employee must

- notify the company secretary (who will notify the chairman) in writing, that the trade has been completed; and
- in the case of directors of the company, provide sufficient information to enable the company to comply with the requirements to notify a change of interests to ASX. Such information to include - Type of dealing, Date of dealing, Number of securities, Seller, Purchaser and Price;

3. Directors, officers and employees ***shall not*** engage in any dealings in GPR securities during the period:

a) two weeks prior to and within 24 hours after the date of the announcement to the ASX of the Company's annual or half year results;

b) two weeks prior to and within 24 hours after the date of the announcement to the ASX of the Company's quarterly activities reports;

c) notwithstanding a) or b), at any time while in *possession* of *inside information*.

4. Directors, officers and employees *are prohibited* from trading in financial products issued or created over or in respect of the entity's securities.

Exceptions to policy:

The following are the only exceptions to the above policy:
Directors, officers and employees may trade in financial products issued or created over or in respect of the entity's securities outside the parameters of the above trading policy only in the following circumstances:

1. transfers of securities of the entity already held into a superannuation fund or other saving scheme in which the Director, officer or employee is a beneficiary;

2. undertakings to accept, or the acceptance of, a takeover offer;

3. trading under an offer or invitation made to all or most of the security holders, such as, a rights issue, a security purchase plan, a dividend or distribution reinvestment plan and an equal access buy-back, where the plan that determines the timing and structure of the offer has been approved by the board. This includes decisions relating to whether or not to take up the entitlements and the sale of entitlements required to provide for the take up of the balance of entitlements under a renounceable pro rata issue;

4. the exercise (but not the sale of securities following exercise) of an option or a right under an employee incentive scheme, or the conversion of a convertible security, where the final date for the exercise of the option or right, or the conversion of the security, falls during a prohibited period and the entity has been in an exceptionally long prohibited period or the entity has had a number of consecutive prohibited periods and the Director, officer or employee could not reasonably have been expected to exercise it at a time when free to do so.

The Directors present their report together with the financial report of the Geopacific Group, being Geopacific Resources N.L. ("Geopacific") ("the Company") and its controlled entities for the financial year ended 31 December 2010, 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:

Stephen Timothy Biggs – Chairman, (Appointed 18 February 2010)

Tim Biggs has been involved in the financing of listed companies in Australia since 1993.

Tim commenced his career with Pembroke Josephson Wright stockbrokers in Brisbane, Australia – the firm specialised in raising equity capital for natural resource companies. In 1997 Tim moved to Sydney to work for Robert Fleming and Company and subsequently for Credit Suisse First Boston gaining valuable experience in equity derivatives, convertible and Equity capital markets functions.

Since departing CSFB in 2003, Tim has worked privately investing in junior and mid-cap listed companies.

Mr Biggs is the Chairman of Directors.

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

Dr Pringle was appointed Managing Director of the Company on 23 September, 2005. Ian is an exploration geologist with over 25 years of specialist expertise in exploration for silver, gold, and copper, mostly in Australia and SE Asia.

Ian has a doctorate from the University of Otago in Dunedin, New Zealand in 1981 where he researched the petrology, mineralogy and geochemistry of metamorphosed volcanic rocks.

During his career, Ian has worked in mineral exploration programmes that have resulted in many successful mineral discoveries. These include; 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, Cobar Mines Ltd and Oxiana Ltd (Oz Minerals Ltd).

As Exploration Manager with Oxiana Ltd he coordinated technical due diligence studies and assisted in negotiations to purchase the Sepon Project (Laos) from RTZ Ltd. Ian supervised resource drilling of the main gold and copper deposits at Sepon which is now a world-class copper and gold producer.

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 of Canada, 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. He holds membership of the Australasian Institute of Mining and Metallurgy, the Australian Institute of Geoscientists, the Geological Society of Australia, the Geological Society of New Zealand and the Australian Institute of Company Directors.

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. Ian has been associated with GPL since 1981 and has been a Director since 1994. He is also a Director of Beta Ltd and Millennium Mining Fiji Ltd. Mr Simpson is a citizen of Fiji.

Mr Simpson is a member of the audit committee and the remuneration committee.

Charles Bennett Bass, Non-executive Director, (Appointed 18 February 2010)

Charles Bass has well over 35 years of experience in mineral exploration, development and production in Australia, Canada and the United States. He has been actively involved as executive and director or several publicly listed companies since the early 1990's.

In March 2001, Mr Bass co-founded Australian-listed Aquila Resources Limited (AQA:ASX), remains a director and substantial shareholder in the multi-billion dollar market capitalisation coal and iron ore company.

Between 1993 and 1997, Mr. Bass was co-founder, substantial shareholder and a Managing Director of Eagle Mining Corporation Pty Ltd. Under Mr Bass, Eagle discovered, developed and built the Nimary gold mine and plant in Western Australia. The mine and plant were built in a record four months from ground breaking to first pour, and produced at over 100,000 oz/yr. Nimary was one of Australia's highest grade and lowest cost producers of its time.

Mr Bass is also currently the CEO and an executive director of an unlisted (about to be listed) Canadian-based exploration company, ExplorationSyndicate Inc which has a major VMS Cu/Zn/Pb/Au discovery in the Flin Flon district of Manitoba/Saskatchewan, Canada,

Mr Bass has a B.Sc. Geology from Michigan Technological University and a M.Sc. Mining Engineering from Queen's University, Canada. He is a Fellow of the Institute of Geoscientists and the AusIMM. He is also a member of the Australian Institute of Company Directors

Mr Bass is a member of the audit committee and the remuneration committee.

Russell John Fountain, B.Sc., Ph.D, F.A.I.G., Non-executive Director

Dr Fountain was appointed a Director and Chairman of the Company on 23 September, 2005. Russell is a Sydney-based consulting geologist with 42 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.

Russell has 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 (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.

Mr Fountain is a member of the audit committee and the remuneration committee.

Roger Harvie Probert, - Alternate Director to Mr Simpson

Harvie 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. Harvie 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). He is Chairman of Geopacific Ltd and a Director of Millennium Mining Fiji Ltd. Mr Probert is a citizen of Fiji.

Willie Anthony Brook, B.Sc., M.A.I.G., Executive Director (Resigned as Director 4 February 2010)

Craig Kingsley McCabe, B.Ec., F.A.I.B.F., A.I.M.M. - Alternate Director to Mr Simpson (Resigned 18 February 2010)

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 38 years experience in audit, financial and corporate roles including 18 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.

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 Results and Financial Review

The loss of the Group for the year ended 31 December 2010 was $432,882 (2009: loss $396,389). 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 Financial Position

The net assets of the consolidated group have increased to $10,146,769 at 31 December 2010 from $7,826,917 at 31 December 2009 as a result of the following factors:

- **Placement of $780,000**

The Company completed placement of 13 million shares at $0.06 per share to sophisticated and professional investors. The $780,000 placement is to provide additional working capital and to accelerate Geopacific's exploration efforts and was approved by shareholders at the Company's Annual General Meeting on 20th April 2010.

- **Share Purchase Plan**

On 24th June 2010 the Company initiated a Share Purchase Plan in which each existing eligible Geopacific Shareholder was able to purchase up to $15,000 worth of shares at 60 cents per share, free of brokerage and commissions. 288,500 shares were issued raising $173,100. The shortfall to a maximum of $500,000 ($326,900) has been underwritten by two of the company's directors, Tim Biggs and Charlie Bass.

- **Share Placement**

In late June, 2010 Geopacific completed a share placement of 15% of its issued capital (4,166,666 shares, at 60 cents per share) to raise approximately $2,500,000 before expenses. The shares were placed by Southern Cross Equities in respect of 2,500,000 shares and by Hartleys in respect of 1,666,666 shares.

- **Capitalised Exploration Expenditure**

Capitalised mineral exploration and evaluation expenditure carried forward was $7,547,611 (2009 $6,545,554)

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

No other matter or circumstance has arisen since 31 December 2010 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		Indirect	
	Shares	**Options**	**Shares**	**Options**
R J Fountain	4,000	1,000	62,000	3,000
I J Pringle	6,400	301,600	167,450	32,000
I N A Simpson	658,539	560,000	36,380	2,845
R H Probert (Alternate)	129,509	5,800	Nil	Nil
C B Bass	Nil	Nil	1.680,002	833,334
S T Biggs	Nil	Nil	5,025,000	Nil

8 Directors' Meetings

During the year ended 31 December 2010 a total of five Directors' Meetings and two Audit Committee Meetings were held. Directors' attendance record is tabulated below.

Record of Directors' Attendance at Meetings

		Directors Meetings		Audit Committee Meetings	
Director	**Service**	**Attended** *	**Eligible to Attend**	**Attended** *	**Eligible to Attend**
S T Biggs	*Appointed 18.2.2010*	3	3	-	-
I J Pringle	All year	5	5	-	-
C B Bass	*Appointed 18.2.2010*	3	3	2	2
R J Fountain	All year	4	5	2	2
I N A Simpson	All year	5	5	2	2
R H Probert (alternate to I. Simpson)	*Alternate from 18.2.2010*	4	5	-	-
W A Brook	*Retired 8.1.2010*	1	1	-	-
C K McCabe (alternate to I. Simpson)	*Resigned 18.2.2010*	1	1	-	-

* Either in person, or by electronic means.

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.

9 Likely Developments, Prospects and Business Strategies

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

There are 9,152,106 options over unissued shares unexercised at 31 December 2010 (2009 – 9,152,106 (after 1 for 5 share consolidation)).

Issues in current year

There were no issues in the current year.
The options on issue were affected by the 1 for 5 share consolidation by reducing the number of shares by dividing the number on issue at 31 December 2009 by 5 and by increasing the exercise price by multiplying it by 5.

12 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.

13 Lead Auditor's Independence Declaration

The lead auditor's independence declaration is set out on page 39 and forms part of the Directors' report for the financial year ended 31 December 2010.

14 Auditor

KS Black & Co was appointed as auditor on 22 September 2009 and continues in office in accordance with section 327 of the *Corporations Act 2001.*

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

	Consolidated	
	2010	2009
Assurance services	**$**	$
1. Audit services		
KS Black & Co Australian firm:		
Audit of the financial report and other audit work under the *Corporations Act 2001*		
- Current year	**30,600**	24,658
Total remuneration for audit services	**30,600**	**24,658**
2. Other assurance services		
Ernst & Young Fijian firm:		
Audit and review of financial reports	**-**	**4,484**
Total remuneration for other assurance services	**-**	**4,484**
Total remuneration for assurance services	**30,600**	**29,142**
Taxation services		
KS Black & Co Australian firm:		
Tax compliance services, including review of Company income tax returns	**-**	**1,980**
Total remuneration for taxation services	**-**	**1,980**

15 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 for audit and non-audit services provided during the year are set out below.

The Board of Directors has considered the position and 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 Board 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.

17 Remuneration Report (Audited)

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.

Remuneration of executive and non-executive directors is not related to the performance of the company.

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 2010 and will be reviewed in September 2011.

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 23.

B Details 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:

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

2010	Short-term benefits		Post-employment benefits		Share-based payment	
Name	Directors' Fees $	Consulting Fees $	Superannuation $	Termination Payments (note 2) $	Options $	Total $
Non-executive Directors						
C B Bass	-	-	-	-	-	-
S T Biggs	-	-	-	-	-	-
I N A Simpson	-	-	-	-	-	-
R J Fountain	6,250	-	-	-	-	6,250
R H Probert	-	-	-	-	-	-
C K McCabe (alt. to I. Simpson)	-	-	-	-	-	-
Sub-total non-executive Directors	**6,250**	**-**	**-**	**-**	**-**	**6,250**
Executive Directors						
I J Pringle	-	170,796	-	-	-	170,796
W A Brook (note 1)	-	-	-	60,000	-	60,000
Totals	**6,250**	**170,796**	**-**	**60,000**	**-**	**237,046**
2009						
Non-executive Directors						
I N A Simpson	24,000	-	-	-	-	24,000
R J Fountain	-	25,000	-	-	-	25,000
R H Probert	24,000	-	-	-	-	24,000
C K McCabe (alt. to I. Simpson)	24,000	-	-	-	-	24,000
Sub-total non-executive Directors	**72,000**	**25,000**	**-**	**-**	**-**	**97,000**
Executive Directors						
I J Pringle	-	112,400	-	-	4,136	116,536
W A Brook (note 1)	-	87,066	-	-	-	87,066
Totals	**72,000**	**224,466**	**-**	**-**	**4,136**	**300,602**

Note 1 Mr Brook was paid by Geopacific Ltd.

Note 2 A termination payment of A$60,000 was made to Mr Brook on his retirement as a director.

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) 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.

Service agreements summary

	Start Date	**Term of Agreement**	**Fees payable 2010 $**	**Notice period for termination (months)**		**Redundancy payment**
Director				**Company**	**Employee**	
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

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 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	Number of Options	Exercise price	Value per option at grant date	Date vesting
8 May 2006	8 May 2012	100,000	$0.20	$0.0843	8 May 2007
8 May 2006	8 May 2013	100,000	$0.25	$0.0757	8 May 2008
8 May 2006	8 May 2014	100,000	$0.30	$0.0708	8 May 2009

No options were exercised during the year.

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 16 and 24 to the financial statements.

Directors of Geopacific Resources NL	Number of options granted during the year		Number of options vested during the year	
Name	**2010**	2009	**2010**	2009
I J Pringle	-	-	-	100,000
W A Brook	-	-	-	-
I N A Simpson	-		-	-
R J Fountain	-	-	-	-
R H Probert	-	-	-	-
C K McCabe	-	-	-	-

The assessed fair value at grant date of options granted 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.

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.

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:

Directors of Geopacific Resources NL 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 $
CB Bass	-	-	-	-	-
ST Biggs	-	-	-	-	-
I J Pringle	-	-	-	-	-
W A Brook	-	-	-	-	-
I N A Simpson	-	-	-	-	-
R J Fountain	-	-	-	-	-
R H Probert	-	-	-	-	-
C K McCabe	-	-	-	-	-

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 2010 on the exercise of options granted. No further shares have been issued since that date. No amounts are unpaid on any of the shares.

The Directors Report, including the Remuneration Report, is signed in accordance with a resolution of the Directors:

Dr I J Pringle
Managing Director
Sydney, Australia
Dated: *17 March 2011*

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

To the Directors of Geopacific Resources NL and controlled entities:

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 31 December 2010 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.

Stuart H. Cameron

KS Black & Co
Chartered Accountants

Stuart Cameron
Partner

Sydney, Australia
Dated: *17 March 2011*

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, and Geopacific Resources NL and controlled entities (the consolidated group) which comprises the statement of financial position as at 31 December 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes (1 to 28), and the directors' declaration (set out on pages 45 to 87), 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 36 to 41 of the Directors' report and not in the financial report.

Directors' responsibility for the financial report and the remuneration report 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 the financial statements and notes, complies with International Financial Reporting Standards (IFRS).

The Directors of the Company are also responsible for the remuneration report contained in the Directors' Report in accordance with s300A of the Corporations Act 2001.

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 and that the remuneration report in the Directors Report is in accordance with Australian Auditing Standards..

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' judgment, 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 Group'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 Group'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.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
GEOPACIFIC RESOURCES NL

(Continued)

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

Auditors' opinion on the financial report
In our opinion:

a the financial report of Geopacific Resources NL and Geopacific Resources NL and controlled entities 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 2010 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 remuneration report contained in the directors' report
In our opinion, the remuneration disclosures that are contained in pages 36 to 41 of the Directors' Report comply with s300A of the Corporations Act 2001..

Stuart H. Cameron

KS Black & Co
Chartered Accountants

Stuart Cameron
Partner

Sydney, Australia
Dated: *17 March 2011*

DIRECTORS' DECLARATION

The Directors of Geopacific Resources NL declare that,:

1 the financial statements and notes, set out on pages 46 to 87 are in accordance with the Corporations Act 2001, including:

- **a.** comply with Accounting Standards, which, as stated in Accounting Policy Note 1 to the financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS); and

- **b.** give a true and fair view of the financial position as at 31 December 2010 and of the performance for the year ended on that date of the company and consolidated group;

2 the Chief Executive Officer and Chief Finance Officer have each declared that:

- a. the financial records of the company for the financial year have been properly maintained in accordance with s 286 of the *Corporations Act 2001*;

- b. the financial statements and notes for the financial year comply with Accounting Standards; and

- c. the financial statements and notes for the financial year give a true and fair view;

3 in the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

Dr I J Pringle
Managing Director

Sydney, Australia
Dated: *17 March 2011*

GEOPACIFIC RESOURCES NL
and Controlled Entities

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2010

	Note	Consolidated 2010 $	Consolidated 2009 $
Revenue from continuing operations	5	**136,124**	3,611
Administration expenses		**(280,337)**	(165,499)
Consultancy expense	6	**(144,447)**	(68,300)
Depreciation expense	6	**(13,471)**	(4,813)
Employee benefits expense	6	**(69,775)**	(106,835)
Occupancy Expenses		**(40,660)**	(39,858)
Other expenses		**(20,316)**	(14,695)
		(569,006)	(400,000)
(Loss) profit before income tax		**(432,882)**	(396,389)
Income tax expense	8	**-**	-
(Loss) profit for the year attributable to members of the parent company		**(432,882)**	(396,389)
Other comprehensive income:			
Exchange differences on translating foreign controlled entities		**(486,029)**	(1,888,634)
Other comprehensive income for the year, net of tax		**(486,029)**	(1,888,634)
Total comprehensive income for the year attributable to members of the parent entity		**(918,911)**	(2,285,023)
Basic loss per share	24	**(1.33)**	(2.73)
Diluted loss per share	24	**(1.33)**	(2.73)

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

GEOPACIFIC RESOURCES NL

and Controlled Entities

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2010

	Note	Consolidated 2010 $	2009 $
CURRENT ASSETS			
Cash and cash equivalents	9	**2,173,259**	2,333,243
Trade and other receivables	10	**358,460**	70,934
TOTAL CURRENT ASSETS		**2,531,719**	2,404,177
NON-CURRENT ASSETS			
Exploration expenditure	11	**7,547,611**	5,545,554
Property, plant and equipment	12	**113,052**	20,373
TOTAL NON-CURRENT ASSETS		**7,660,663**	5,565,927
TOTAL ASSETS		**10,192,382**	7,970,104
CURRENT LIABILITIES			
Trade and other payables	13	**45,613**	144,187
TOTAL CURRENT LIABILITIES		**45,613**	144,187
TOTAL LIABILITIES		**45,613**	144,187
NET ASSETS		**10,146,769**	7,825,917
EQUITY			
Issued capital	14	**15,215,954**	11,976,191
Reserves	16	**117,474**	603,503
Accumulated losses	17	**(5,186,659)**	(4,753,777)
TOTAL EQUITY		**10,146,769**	7,825,917

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

GEOPACIFIC RESOURCES NL
and Controlled Entities

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDING 31 DECEMBER 2010

Consolidated	Issued Capital	Forfeited Shares Reserve	Share Based Payments Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Total Equity
	$	$	$	$	$	$
At 1 January 2009	**9,428,218**	**4,623**	**425,081**	**2,058,297**	**(4,357,388)**	**7,558,831**
Transactions with owners in their capacity as owners						
Shares issued during the year	2,705,641	-	-	-	-	2,705,641
Capital raising costs	(157,668)	-	-	-	-	(157,668)
Share based payments	-	-	4,136	-	-	4,136
	11,976,191	**4,623**	**429,217**	**2,058,297**	**(4,357,388)**	**10,110,940**
Comprehensive loss for the period	-	-	-	(1,888,634)	(396,389)	(2,285,023)
At 31 December 2009	**11,976,191**	**4,623**	**429,217**	**169,663**	**(4,753,777)**	**7,825,917**
At 1 January 2010	**11,976,191**	**4,623**	**429,217**	**169,663**	**(4,753,777)**	**7,825,917**
Transactions with owners in their capacity as owners						
Shares issued during the year	3,453,100	-	-	-	-	3,453,100
Capital raising costs	(213,337)	-	-	-	-	(213,336)
	15,215,954	**4,623**	**429,217**	**169,663**	**(4,753,777)**	**11,065,680**
Comprehensive loss for the period	-	-	-	(486,029)	(432,882)	(918,911)
At 31 December 2010	**15,215,954**	**4,623**	**429,217**	**(316,366)**	**(5,186,659)**	**10,146,769**

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

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDING 31 DECEMBER 2010

	Note	Consolidated 2010 $	Consolidated 2009 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts in the course of operations		**-**	-
Cash payments in the course of operations		**(925,177)**	(325,972)
Interest received		**99,692**	248
Other income		**15,668**	-
Net Cash used in Operating Activities	28(c)	**(809,817)**	(325,724)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for plant and equipment		**(109,440)**	(3,350)
Proceeds from sale of plant and equipment		**7,596**	450
Loans advanced / repaid to related parties		**-**	(10,693)
Exploration expenditure		**(2,461,846)**	(299,099)
Net Cash used in Investing Activities		**(2,563,690)**	(312,692)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from share issue		**3,453,100**	2,700,356
Share issue costs		**(213,337)**	(157,668)
Net Cash from Financing Activities		**3,239,763**	2,542,688
NET (DECREASE)/INCREASE IN CASH HELD		**(133,744)**	1,904,272
Effect of exchange rates on cash held in foreign currencies		**(26,240)**	-
Cash and Cash Equivalents at the Beginning of the Financial Year		**2,333,243**	428,971
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	28(a)	**2,173,259**	2,333,243

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

Contents of the notes to the financial statements

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. These consolidated financial statements and notes represent those of Geopacific Resources NL and its controlled entities (the " Group").

The separate financial statements of the parent entity, Geopacific Resources NL, have not been presented within this financial report as permitted by amendments made to the Corporations Act 2001 effective as at 28 June 2010.

Basis of preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the Corporations Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and the notes thereto also comply with International Financial Reporting Standards.

The financial statements have been prepared on an accruals basis and are based on historical costs, modified where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Changes to accounting policies

Adoption of New and Revised Accounting Standards

During the current year the Group adopted all of the new and revised Australian Accounting Standards and Interpretations applicable to its operations which became mandatory.
The adoption of these Standards has not impacted the recognition, measurement and disclosure of any transactions.
The following is an explanation of the impact the adoption of these Standards and Interpretations has had on the financial statements of Geopacific Resources NL.

AASB 3: Business Combinations

The Australian Accounting Standards Board has revised AASB 3 and as a result some aspects of business combination accounting have changed. The changes apply only to business combinations which occur in annual reporting periods commencing from 1 July 2009. The following is an overview of the key changes.

Recognition and measurement impact
Recognition of acquisition costs — The revised version of AASB 3 requires that all costs associated with a business combination be expensed in the period in which they were incurred. Previously such costs were capitalised as part of the cost of the business combination.

Measurement of contingent consideration — The revised AASB 3 requires that contingent consideration associated with a business combination be included as part of the cost of the business combination. This is recognised at the fair value of the payment calculated having regard to probability of settlement. Any subsequent changes in the fair value or probability of payment are recognised in the statement of comprehensive income except to the extent where they relate to conditions or events existing at acquisition date, in which case the consideration paid is adjusted. The previous version of AASB 3 allowed such changes to be recognised as a cost of the combination impacting goodwill.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement of non-controlling interest — For each business combination, the acquirer must measure any non-controlling interest in the acquiree either at the fair value of the non-controlling interest (the *full goodwill method*) or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets. Under the previous version of AASB 3 only the latter option was permitted.

Recognition of contingencies — The revised AASB 3 prohibits entities from recognising contingencies associated with a business combination, unless they meet the definition of a liability.

Business combinations achieved in stages — The revised AASB 3 requires that where a business combination is achieved in stages, any previously held equity interest is to be remeasured to fair value and the resulting gain or loss, being the difference between fair value and historical cost, is to be recognised in the statement of comprehensive income. The previous version of AASB 3 accounted for each exchange transaction separately, using cost and fair value information at the date of each exchange to determine the amount of any goodwill associated with the acquisition. It was therefore possible to compare the cost of each individual investment with the fair value of identifiable net assets acquired at each step.

Disclosure impact

The revised AASB 3 contains a number of additional disclosure requirements not required by the previous version of AASB 3. The revised disclosures are designed to ensure that users of the Group's financial statements are able to understand the nature and financial impact of any business combinations on the financial statements.

Corporations Regulations 2M.3.01

This regulation states that, where paragraph 295 (2) (b) of the Act applies to a parent entity, only limited disclosures are required to be made in a note to the accounts in respect of the parent entity.

Disclosure impact

In accordance with the regulation, these accounts are presented with consolidated amounts only. The disclosures required in respect of the parent entity are contained in note 4.

Significant accounting policies

Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

(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 statement of cash flows presentation purposes, cash and cash equivalents includes cash at bank.

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 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 year end, 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.

(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.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Financial Instruments

Recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted).
Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

D*erecognition*

Financial assets are derecognised when the right to receive cash flows from the financial assets have expired or been transferred. Financial liabilities are derecognised when the related obligations are either transferred, discharged or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

Classification and subsequent measurement
Financial assets are categorised as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Designation is re-evaluated at each financial year end, but there are restrictions on reclassifying to other categories.

(i) Financial assets at fair value through profit or loss
Financial assets classified as held for trading are included in the category "financial assets at fair value through profit or loss". Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term with the intention of making a profit. Gains or losses on financial assets held for trading are recognised in profit or loss and the related assets are classified as current assets in the statement of financial position.

(ii) Held-to-maturity investments
Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification.

(iii) Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(iv) Available-for-sale securities

Available-for-sale investments are those non-derivative financial assets that are designated as available-for-sale or are not classified as any of the three preceding categories. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

(v) Financial liabilities

Non derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest method.

Fair values

Fair values are determined by reference to market bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities including recent arm's length market transactions, reference to the current market value of similar instruments and option pricing models.

Impairment

At each reporting date the Group assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the financial instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

(h) Foreign currency transactions and balances

(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 statement of comprehensive income.

(iii) Group companies

The financial results and position of foreign operations, whose functional currency is different from the Group's presentation currency, are translated as follows:

— assets and liabilities are translated at year-end exchange rates prevailing at that reporting date;

— income and expenses are translated at average exchange rates for the period; and

— retained earnings are translated at the exchange rates prevailing at the date of the transaction.

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1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Foreign currency transactions and balances (Continued)

Exchange differences arising on translation of foreign operations are transferred directly to the Group's foreign currency translation reserve in the statement of comprehensive income. These differences are recognised in the statement of comprehensive income in the period in which the operation is disposed.

(i) 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 statement of financial position.

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 flows.

(j) 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.

(k) 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.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Loss per share

(i) Basic loss per share

Basic loss per share is calculated by dividing the result 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 loss per share adjusts the figures used in the determination of basic loss 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.

(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 Statement of financial position 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 Statement of Comprehensive Income.

(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 statement of comprehensive income 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 year end.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Plant and equipment (continued)

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(j)).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of comprehensive income. 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.

(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 2010 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.

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.

A list of subsidiaries is contained in note 20.

Business combinations

Business combinations occur where an acquirer obtains control over one or more businesses and results in the consolidation of its assets and liabilities.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The acquisition method requires that for each business combination one of the combining entities must be identified as the acquirer (ie parent entity). The business combination will be accounted for as at the acquisition date, which is the date that control over the acquiree is obtained by the parent entity. At this date, the parent shall recognise, in the consolidated accounts, and subject to certain limited exceptions, the fair value of the identifiable assets acquired and liabilities assumed. In addition, contingent liabilities of the acquiree will be recognised where a present obligation has been incurred and its fair value can be reliably measured.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Principles of consolidation (continued)

Business combinations (continued)
The acquisition may result in the recognition of goodwill or a gain from a bargain purchase. The method adopted for the measurement of goodwill will impact on the measurement of any non-controlling interest to be recognised in the acquiree where less than 100% ownership interest is held in the acquiree.

Goodwill

Goodwill is carried at cost less accumulated impairment losses. Goodwill is calculated as the excess of the sum of:

(i) the consideration transferred;

(ii) any non-controlling interest; and

(iii) the acquisition date fair value of any previously held equity interest;

over the acquisition date fair value of net identifiable assets acquired.

The acquisition date fair value of the consideration transferred for a business combination plus the acquisition date fair value of any previously held equity interest shall form the cost of the investment. Consideration may comprise the sum of the assets transferred by the acquirer, liabilities incurred by the acquirer to the former owners of the acquiree and the equity interests issued by the acquirer.

Included in the measurement of consideration transferred is any asset or liability resulting from a contingent consideration arrangement. Any obligation incurred relating to contingent consideration is classified as either a financial liability or equity instrument, depending upon the nature of the arrangement. Rights to refunds of consideration previously paid are recognised as a receivable. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or a liability is remeasured each reporting period to fair value through the statement of comprehensive income unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to the business combination are expensed to the consolidated statement of comprehensive income.

The value of goodwill recognised on acquisition of each subsidiary in which the Group holds less than a 100% interest will depend on the method adopted in measuring the aforementioned non-controlling interest. The Group can elect to measure the non-controlling interest in the acquiree either at fair value (full goodwill method) or at the non-controlling interest’s proportionate share of the subsidiary’s identifiable net assets (proportionate interest method). The Group determines which method to adopt for each acquisition.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Principles of consolidation (continued)

Goodwill (continued)

Under the full goodwill method, the fair values of the non-controlling interests are determined using valuation techniques which make the maximum use of market information where available. Under this method, goodwill attributable to the non-controlling interests is recognised in the consolidated financial statements.

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investments in associates.

Goodwill is tested for impairment annually and is allocated to the Group's cash-generating units or groups of cash-generating units, which represent the lowest level at which goodwill is monitored but where such level is not larger than an operating segment. Gains and losses on the disposal of an entity include the carrying amount of goodwill related to the entity sold.

Changes in the ownership interests in a subsidiary are accounted for as equity transactions and do not affect the carrying values of goodwill.

(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).

(q) Trade receivables

Trade receivables are recognised initially at fair value.

(r) 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.

New accounting standards and UIG interpretations for application in future periods

The AASB has issued new and amended accounting standards and interpretations that have mandatory application dates for future reporting periods.

The Group has decided against early adoption of these standards.

A discussion of those future requirements and their impact on the Group follows:

Operative date 1 February 2010 with an application date for the group of 1 January 2011.

AASB	Summary	Impact on group
AASB 2009–10 Amendments to Australian Accounting Standards — Classification of Rights Issues [AASB 132]	These amendments clarify that rights, options or warrants to acquire a fixed number of an entity's own equity instruments for a fixed amount in any currency are equity instruments if the entity offers the rights, options or warrants pro-rata to all existing owners of the same class of its own non-derivative equity instruments.	These amendments are not expected to impact the Group.

Operative date 1 July 2010 with an application date for the group of 1 January 2011.

AASB	Summary	Impact on group
AASB 2009–13 Amendments to Australian Accounting Standards arising from Interpretation 19 [AASB 1]	This standard makes amendments to AASB 1 arising from the issue of Interpretation 19. The amendments allow a first-time adopter to apply the transitional provisions in Interpretation 19.	These amendments are not expected to impact the Group.
AASB 2010–3 Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 3, AASB 7, AASB 121, AASB 128, AASB 131, AASB 132 & AASB 139]	This standard makes amendments - requiring that recognition and/or adjustment of contingent consideration for acquisitions preceding 1 July 2009 be recognised against the cost of acquisition - clarifying the accounting for replacement share-based payments awarded to the acquiree's employees as part of the cost of the combination service, or in the case of non-replaced and unvested share-based payments of the acquiree that do not form part of the exchange, an allocation to both the cost of acquisition and post-combination services on the basis of a market-based measure; and - making sundry transitional amendments to various Standards	These amendments are not expected to impact the Group.
AASB Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments	This Interpretation deals with how a debtor would account for the extinguishment of a liability through the issue of equity instruments. The Interpretation states that the issue of equity should be treated as the consideration paid to extinguish the liability, and the equity instruments issued should be recognised at their fair value unless fair value cannot be measured reliably in which case they shall be measured at the fair value of the liability extinguished. The Interpretation deals with situations where either partial or full settlement of the liability has occurred.	This Interpretation is not expected to impact the Group.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New accounting standards and UIG interpretations for application in future periods (continued)

Operative date 1 January 2011 with an application date for the group of 1 January 2011.

AASB	Summary	Impact on group
AASB 124 Related Party Disclosures	This standard removes the requirement for government related entities to disclose details of all transactions with the government and other government related entities and clarifies the definition of a related party to remove inconsistencies and simplify the structure of the standard..	These amendments are not expected to impact the Group.
AASB 2009–12 Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052	This standard makes a number of editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of International Financial Reporting Standards by the IASB. The standard also amends AASB 8 to require entities to exercise judgment in assessing whether a government and entities known to be under the control of that government are considered a single customer for the purposes of certain operating segment disclosures.	These amendments are not expected to impact the Group.
AASB 2009–14 Amendments to Australian Interpretation — Prepayments of a Minimum Funding Requirement [AASB Interpretation 14]	This standard amends Interpretation 14 to address unintended consequences that can arise from the previous accounting requirements when an entity prepays future contributions into a defined benefit pension plan.	These amendments are not expected to impact the Group.
AASB 2010–4 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 1, AASB 7, AASB 101 & AASB 134 and Interpretation 13]	This Standard details numerous non-urgent but necessary changes to Accounting Standards arising from the IASB's annual improvements project. Key changes include: - clarifying the application of AASB 108 prior to an entity's first Australian-Accounting-Standards financial statements; - adding an explicit statement to AASB 7 that qualitative disclosures should be made in the context of the quantitative disclosures to better enable users to evaluate an entity's exposure to risks arising from financial instruments; - amending AASB 101 to the effect that disaggregation of changes in each component of equity arising from transactions recognised in other comprehensive income is required to be presented, but is permitted to be presented in the statement of changes in equity or in the notes; - adding a number of examples to the list of events or transactions that require disclosure under AASB 134; and - making sundry editorial amendments to various Standards and Interpretations.	These amendments are not expected to impact the Group.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)
New accounting standards and UIG interpretations for application in future periods (continued)

Operative date 1 July 2013 with an application date for the group of 1 January 2014.

AASB	Summary	Impact on group
AASB 9 Financial Instruments and **AASB 2009–11** Amendments to Australian Accounting Standards arising from AASB 9	The changes made to accounting requirements include: - simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value; - simplifying the requirements for embedded derivatives; - removing the tainting rules associated with held-to-maturity assets; - removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost; - allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument; and - reclassifying financial assets where there is a change in an entity's business model as they are initially classified based on the objective of the entity's business model for managing the financial assets and the characteristics of the contractual cash flows.	These Standards are applicable retrospectively and amend the classification and measurement of financial assets. The Group has not yet determined potential impact on the financial statements.
AASB 1053 Application of Tiers of Australian Accounting Standards and AASB 2010–2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements [AASB 1, 2, 3, 5, 7, 8, 101, 102, 107, 108, 110, 111, 112, 116, 117, 119, 121, 123, 124, 127, 128, 131, 133, 134, 136, 137, 138, 140, 141, 1050 & 1052 and Interpretations 2, 4, 5, 15, 17, 127, 129 & 1052]	This Standard establishes a revised differential financial reporting framework consisting of two tiers of financial reporting requirements for those entities preparing general purpose financial statements: - Tier 1: Australian Accounting Standards; and - Tier 2: Australian Accounting Standards — Reduced Disclosure Requirements.	This Standard deems the Group to be a Tier 1 entity and hence there is no accounting impact to be considered going forward.

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.

(b) Credit risk

There is negligible credit risk on financial assets of the Group since there is no exposure to individual customers or countries.

(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 JUDGMENTS

Estimates and judgments 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.

Key judgments

Exploration and evaluation expenditure

The Group capitalises expenditure relating to exploration and evaluation where it is considered likely to be recoverable or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves. While there are certain areas of interest from which no reserves have been extracted, the directors are of the continued belief that such expenditure should not be written off since feasibility studies in such areas have not yet concluded. Such capitalised expenditure is carried at the end of the reporting period at $7,547,611.

4. PARENT INFORMATION

The following information has been extracted from the books and records of the parent and has been prepared in accordance with Accounting Standards.	2010 $	2009 $
STATEMENT OF FINANCIAL POSITION		
ASSETS		
Current assets	**2,306,160**	2,326,436
Non current assets	**6.724.889**	4,454,627
TOTAL ASSETS	**9,031,049**	6,781,063
LIABILITIES		
Current liabilities	**37,349**	134,928
TOTAL LIABILITIES	**37,349**	134,828
EQUITY		
Issued capital	**15,215,954**	11,976,191
Forfeited shares reserve	**4,623**	4,623
Share based payments reserve	**429,217**	429,217
Accumulated losses	**(6,656,094)**	(5,763,896)
TOTAL EQUITY	**8,993,701**	6,464,135
STATEMENT OF COMPREHENSIVE INCOME		
Total loss	**(892,198)**	(1,898,202)
TOTAL COMPREHENSIVE INCOME (LOSS)	**(892,198)**	(1,841,154)

Guarantees

Geopacific Resources NL has not entered into any guarantees, in the current or previous financial year, in relation to the debts of its subsidiary.

Contingent liabilities

At 31 December 2010, Geopacific Resources NL had no contingent liabilities.

Contractual commitments

At 31 December 2010, Geopacific Resources NL had not entered into any contractual commitments for the acquisition of property, plant and equipment.

	Consolidated	
5 REVENUE	**2010 $**	**2009 $**
Interest income – other persons	**116,150**	248
Management Fees Raki Raki Joint Venture	**14,084**	1,841
Gain on disposal of plant and equipment	**4,306**	-
Other income	**1,584**	1,522
	136,124	3,611

6 EXPENSES

	Consolidated 2010 $	Consolidated 2009 $
Consultancy expenses		
Consultants Fees	**304,941**	224,466
Less allocated to exploration expenditure	**(160,494)**	(156,166)
	144,447	68,300
Employee benefits expense		
Wages and salaries	**133,957**	222,403
Termination payments	**60,000**	-
Share based payments	**-**	4,136
	193,597	226,539
Less allocated to exploration expenditure	**(123,822)**	(119,704)
	69,775	106,835
Depreciation	**13,471**	4,813

7 REMUNERATION OF AUDITORS

Assurance services

A. Audit services

	2010	2009
KS Black & Co Australian firm:		
Audit of the financial report and other audit work under the *Corporations Act 2001*		
- Current year	**-**	-
- Prior year	**21,650**	16,608
Review of the half-year financial report	**8,950**	7,850
Total remuneration for audit services	**30,600**	24,658
Total remuneration for audit services	**30,600**	24,658

B. Other assurance services

	2010	2009
Ernst & Young Fijian firm:		
Audit and review of financial reports	**-**	4,484
Total remuneration for other assurance services	**-**	4,484
Total remuneration for assurance services	**30,600**	29,142

C. *Taxation services*

	2010	2009
Nexia Court & Co Australian firm:		
Tax compliance services, including review of Company income tax returns	**-**	1,980
Total remuneration for taxation services	**-**	1,980

8 INCOME TAX

		Consolidated	
		2010	**2010**
a	**Income tax expense**	**$**	**$**
	Prima facie income tax benefit calculated at 30% on the loss / (profit) from ordinary activities	**(129,865)**	(118,917)
	Decrease in income tax benefit due to:		
	Tax benefit on losses not recognised	**129,865**	118,917
	Income tax expense	**-**	-

b Deferred tax assets

Future income tax benefit not taken into account

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	**1,878,998**	491,207
Temporary differences	**87,692**	86,346
	1,966,690	577,553

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.

	Consolidated	
	2010	**2009**
	$	**$**
9 CASH AND CASH EQUIVALENTS		
Current		
Cash at bank	**2,173,259**	2,333,243
10 TRADE AND OTHER RECEIVABLES		
Current		
Security deposits	**19,328**	39,530
Sundry debtors	**174,834**	30,252
Interest receivable	**16,458**	-
GST receivable	**147,840**	47,682
	358,460	117,464

11 EXPLORATION EXPENDITURE

Non-Current

Tenement	Beneficial Interest of the Group	Consolidated 2010 $	Consolidated 2009 $
SPL 1216 Nabila	100%	**2,592,010**	1,372,382
SPL 1361 Sabeto	Option to acquire 100%	**204,899**	96,475
SPL 1368 Vuda	Option to acquire 80%	**1,063,570**	943,370
SPL 1377 Nuku	100%	**773,981**	675,699
SPL 1415 Kavukavu	100%	**415,048**	347,157
SPL 1434 Nadi South	100%	**1,126,691**	954,123
CX 667 Nadovu	100%	**9,841**	10,280
CX 750 Cakaudrove	100%	**19,938**	-
Project evaluation		**77,032**	-
Millennium	100%	**624,555**	624,555
		6,907,865	5,024,041
Rakiraki Joint Venture(SPL 1231, 1373,1436) 50%		**639,746**	521,513
		7,547,611	5,545,554

Movement

	2010 $	2009 $
Carrying value – beginning of year	**5,545,554**	7,077,487
Additions	**2,461,848**	299,099
Exchange rate variations	**(319,948)**	(1,814,417)
Recoveries from joint venture parties	**(139,843)**	(16,615)
Amounts written off	**-**	-
Carrying value – end of year	**7,547,611**	5,545,554

12 PROPERTY, PLANT AND EQUIPMENT

Non-Current

	2010 $	2009 $
Plant, vehicles and equipment		
At Directors' valuation of market value at 1 January 1999	**-**	9,639
At Cost	**133,298**	21,745
Less: Provision for depreciation	**(20,246)**	(11,011)
	113,052	20,373

Movement

	2010 $	2009 $
Carrying value – beginning of year	**20,373**	28,626
Additions	**109,440**	3,350
Disposals	**(2,800)**	(221)
Depreciation (included in profit and loss)	**(13,471)**	(4,813)
Exchange rate variations	**(490)**	(6,569)
Carrying value – end of year	**113,052**	20,373

13 TRADE AND OTHER PAYABLES

Current

	2010 $	2009 $
Trade creditors and accruals	**45,613**	**144,187**
	45,613	**144,187**

14 ISSUED CAPITAL	Consolidated 2010 $	Consolidated 2009 $
Issued Capital	**15,215,954**	**11,976,191**

	2010		2009	
Issues during period: Group and Parent	**Shares issued**	$	Shares issued	$
Balance as at 1 January	**144,893,717**	**11,976,191**	56,775,146	9,428,218
Shares issued pursuant to a placement at 6 cents (2009 - 3 cents)	**13,000,000**	**780,000**	9,446,225	283,337
	157,893,717			
Share consolidation (1 for 5)	**(126,314,929)**			
	31,578,788			
Shares issued under Share Purchase Plan at 60 cents (2009 - 4 cents)	**288,500**	**173,100**	6,104,868	244,195
Shares issued pursuant to a placement at 6 cents	**4,166,669**	**2,500,000**	-	-
Shares issued in lieu of payment for services rendered at 4 cents (2009 4 cents)	**-**	**-**	132,132	5,285
Shares issued pursuant to rights issue at 3 cents	**-**	**-**	72,421,060	2,172,632
Shares issued on sale of forfeited shares at 1 cent	**-**	**-**	14,286	143
Less share issue costs		**(213,337)**		(157,619)
Balance as at 31 December	**36,033,957**	**15,215,954**	144,893,717	11,976,191

On 30 April 2010 the company's share capital was consolidated on a 1 for 5 basis.

15 OPTIONS

Consolidated 2010

Issue Date	**Expiry Date**	**Exercise Price (c)**	**Number on issue 31 December 2009 (c)**	**Granted during year**	**Lapsed during year**	**Exercised during year**	**Number on issue 31 December 2010**
23.12.2009	16.12.2011	$0.30	7,242,106	-	-	-	7,242,106
08.05.2006	08.05.2012	$1.00	100,000	-	-	-	100,000
08.05.2006	08.05.2013	$1.25	100,000	-	-	-	100,000
18.09.2009	01.08.2013	$0.50	610,000	-	-	-	610,000
08.05.2006	08.05.2014	$1.50	100,000	-	-	-	100,000
06.06.2009	(a)	$2.50	800,000	-	-	-	800,000
06.06.2009	(b)	$5.00	200,000	-	-	-	200,000
			9,152,106	-	-	-	9,152,106

a) The Options held by the Optionholder are exercisable in whole or in part, not later than five years after the defining on Faddy's Gold Deposit of a JORC compliant ore reserve of over 200,000 ounces of contained gold.

(b) The Options held by the Optionholder are exercisable in whole or in part, not later than ten years after the defining on Faddy's Gold Deposit of a JORC compliant ore reserve of over 1,000,000 ounces of contained gold.

(c) The options on issue were affected by the 1 for 5 share consolidation by reducing the number of shares by dividing the number on issue at 31 December 2009 by 5 and by increasing the exercise price by multiplying it by 5. The opening balance numbers and exercise prices reflect the impact of the share consolidation.

16 RESERVES

(a) Reserves

	Consolidated 2010 $	Consolidated 2009 $
Forfeited share reserve	**4,623**	4,623
Foreign currency translation reserve	**(316,366)**	169,663
Share-based payments reserve	**429,217**	429,217
	117,474	603,503

(b) Movements

	2010	2009
Share-based payments reserve		
Balance 1 January	**429,217**	425,081
Option expense	**-**	4,136
Balance 31 December	**429,217**	429,217
Foreign currency translation reserve		
Balance 1 January	**169,663**	2,058,297
Exchange gains (losses) during year	**(486,029)**	(1,888,634)
Balance 31 December	**(316,366)**	169,663
Forfeited share reserve		
Balance 1 January	**4,623**	4,623
Shares forfeited during year	**-**	-
Balance 31 December	**4,623**	4,623
Total reserves	**117,474**	603,503

(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 and the value of options issued on acquisition of Millennium Mining (Fiji) Ltd.

Foreign currency translation reserve

The foreign currency translation reserve records unrealised exchange gains and losses on translation of subsidiaries accounts 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.

17 ACCUMULATED LOSSES

	Consolidated 2010 $	Consolidated 2009 $
Accumulated losses at the beginning of the year	**(4,753,777)**	(4,357,388)
Profit (loss) for the year	**(432,882)**	(396,389)
Other comprehensive income (loss) for the year	**-**	-
Accumulated losses at the end of the year	**(5,186,659)**	(4,753,777)

18 CONTINGENT LIABILITIES

There are no contingent liabilities.

19 COMMITMENTS

(a) 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 2011 are being considered.

Tenement	Renewal Application lodged to	Expenditure $F	Comments
SPL1216	31 December, 2011	300,000	
SPL 1231/1373	31 December, 2011	150,000	50% to be met by JV partner Imperial Mining (Fiji) Ltd
SPL 1361	31 December, 2011	75,000	
SPL 1368	31 December, 2011	75,000	
SPL 1377	31 December, 2011	75,000	
SPL 1415	Kavukavu Project	75,000	
SPL 1434	16 March 2011	75,000	
SPL 1436	16 March 2011	75,000	50% to be met by JV partner Imperial Mining (Fiji) Ltd
SPL application CX 667 (enclosing SPL 1377)	First 12 month period after granting	50,000	It is expected that CX 667 will be granted in 2011

(b) Option acquisition commitments

The company has entered into an agreement with a landowner to acquire the following tenements

- SP1361 Sabeto for FJD116,555 plus interest, to be paid by payments of FJD15,000 per quarter.
- SP1368 Vuda for AUD353,669 plus interest, to be paid by payments of AUD40,000 per quarter.

	Consolidated 2010 $	2009 $
Payable not later than one year	**191,805**	-
Payable later than one year, but not later than two years	**223,649**	-
	415,454	-

20 PARTICULARS RELATING TO CONTROLLED ENTITIES

	Class of Share	Holding Company 2010 %	2009 %	Amount of Investment 2010 $	2009 $
Beta Limited	Ordinary	100	100	**15,372**	15,372
Geopacific Limited	Ordinary	100	100	**1,866,993**	1,866,993
Millennium Mining (Fiji) Limited	Ordinary	100	100	**684,907**	684,907
				2,567,272	2,567,272

Geopacific Limited , Beta Limited and Millennium Mining (Fiji) Limited are companies incorporated and carrying on business in Fiji.

21 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
CB Bass (appointed 18 February 2010)
ST Biggs (appointed 18 February 2010)
R J Fountain
R H Probert (alternate for INA Simpson)
I N A Simpson
W A Brook (retired 8 January 2010)
C K McCabe (alternate for INA Simpson) (resigned 18 February 2010)

(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	
	2010	2009
	$	$
Short-term employee benefits	**177,046**	296,466
Post-employment benefits	**58,046**	-
Share-based payments	**-**	4,136
	235,092	300,602

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 the remuneration report included in the Directors Report.

(d) 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 the remuneration report included in the Directors Report.

21 KEY MANAGEMENT PERSONNEL DISCLOSURES (CONTINUED)

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

(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.

2010 Name	Balance at the start of the year(1)	Granted during the year as compensation	Exercised during the year	Other changes during the year (1)	Balance at the end of the year	Vested and exercisable at the end of the year
Directors of Geopacific Resources Ltd						
I J Pringle	333,600	-	-	-	333,600	333,600
CB Bass	833,334	-	-	-	833,334	833,334
ST Biggs	-	-	-	-	-	-
R J Fountain	4,000	-	-	-	4,000	4,000
R H Probert	5,800	-	-	-	5,800	5,800
I N A Simpson	562,845	-	-	-	562,845	562,845

(1) The options on issue were affected by the 1 for 5 share consolidation by reducing the number of shares by dividing the number on issue at 31 December 2009 by 5 and by increasing the exercise price by multiplying it by 5. The opening balance numbers reflect the impact of the share consolidation.

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

2009 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	-	-	168,000	1,668,000	1,668,000
CB Bass	-	-	-	-	-	-
ST Biggs		-	-	-	-	-
R J Fountain	-	-	-	20,000	20,000	20,000
R H Probert	-	-	-	29,000	29,000	29,000
I N A Simpson	2,500,000	-	-	314,225	2,814,225	2,814,225

21 KEY MANAGEMENT PERSONNEL DISCLOSURES (CONTINUED)

(d) 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.

2010 Name	Balance at the start of the year	Received during the year on the exercise of options	Share consolidation (1 for 5)	Other changes during the year	Balance at the end of the year
Ordinary shares					
Directors of Geopacific Resources Ltd					
I J Pringle	869,250	-	(695,400)	-	173,850
I N A Simpson	6,349,595	-	(2,679,676)	(2,975,000)	694,919
R J Fountain	80,000	-	(64,000)	50,000	66,000
R H Probert	647,545	-	(518,036)	-	129,509
C B Bass	6,925,010	-	(5,515,008)	270,000	1,680,002
S T Biggs	24,957,115	-	(19,965,692)	33,577	5,025,000

2009 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
Ordinary shares				
Directors of Geopacific Resources Ltd				
I J Pringle	158,250	-	711,000	869,250
W A Brook	4,277,753	-	(1,715,858)	2,561,895
I N A Simpson	5,721,145	-	628,450	6,349,595
R J Fountain	40,000	-	40,000	80,000
R H Probert	589,545	-	58,000	647,545
C K McCabe	595,238	-	404,762	1,000,000

22 RELATED PARTY TRANSACTIONS

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

Consolidated

	2010	2009
	$	$
REPAYMENT OF LOANS		
A controlled entity, Geopacific Limited, repaid loans from a director, Mr WA Brook.	**-**	10,693
INTERCOMPANY LOANS		
The Holding Company, Geopacific Resources NL, advanced funds to controlled entities for exploration expenditure incurred on the company's tenements.		
- Geopacific Limited	**1,592,470**	30,000
- Beta Limited	**2,470**	-
- Millennium Mining (Fiji) Limited	**2,470**	-
The Holding Company, Geopacific Resources NL, received funds on behalf of controlled entities for reimbursement of exploration expenditure from joint venture parties.		
- Beta Limited	**-**	27,750
INTERCOMPANY LOAN BALANCES		
The balance of loans advanced to controlled entities at the end of the year are:		
- Geopacific Limited	**4,014,170**	2,715,924
- Beta Limited	**1,847,113**	1,994,709
- Millennium Mining (Fiji) Limited	**1,329,019**	1,434,519

These balances are eliminated on consolidation.

23 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.

23 SHARE-BASED PAYMENTS (CONTINUED)

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	$1.00	$0.4215	8 May 2007
8 May 2006	8 May 2013	$1.25	$0.3785	8 May 2008
8 May 2006	8 May 2014	$1.50	$0.3540	8 May 2009

The options on issue were affected by the 1 for 5 share consolidation by reducing the number of shares by dividing the number on issue at 31 December 2009 by 5 and by increasing the exercise price by multiplying it by 5.

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 1.54 years (2009 – 2.56 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.

24 LOSS PER SHARE

	Consolidated	
	2010	2009
(a) Basic and diluted loss per share	**Cents**	Cents
Loss attributable to the ordinary equity holders of the Company	**(1.33)**	(2.73)

(b) Reconciliation of loss used in calculating loss per share

	2010	2009
Basic and diluted loss per share	**$**	$
Loss attributable to the ordinary equity holders of the Company used in calculating basic and diluted loss per share	**(432,882)**	(396,389)

(c) Weighted average number of shares used as the denominator

	2010	2009
	Number	Number
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted loss per share. The shares on issue in the previous year have been adjusted to take into account the 1 for 5 consolidation of shares which took place in April 2010.	**32,557,927**	14,543,653

The options on issue as stated in note 15 have not been taken into account for dilution purposes as they are not considered to be dilutive due to the exercise prices being in excess of the current share price.

25 EVENTS OCCURRING AFTER THE YEAR END

No matters or circumstances have arisen since 31 December 2010 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.

26. OPERATING SEGMENTS

Identification of reportable segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The group is managed primarily on the basis of mineral exploration in Fiji. Operating segments are therefore determined on the same basis.

Basis of accounting for purposes of reporting by operating segments

Accounting policies adopted

Unless stated otherwise, all amounts reported to the Board of Directors, being the chief decision makers with respect to operating segments, are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

Inter-segment transactions

An internally determined transfer price is set for all inter-segment sales. This price is reset quarterly and is based on what would be realised in the event the sale was made to an external party at arm's length. All such transactions are eliminated on consolidation of the Group's financial statements.

Corporate charges are allocated to reporting segments based on the segments overall proportion of revenue generation within the Group. The Board of Directors believes this is representative of likely consumption of head office expenditure that should be used in assessing segment performance and cost recoveries.

Inter-segment loans payable and receivable are initially recognised at the consideration received/to be received net of transaction costs. If inter-segment loans receivable and payable are not on commercial terms, these are not adjusted to fair value based on market interest rates. This policy represents a departure from that applied to the statutory financial statements.

26. OPERATING SEGMENTS (CONTINUED)

Basis of accounting for purposes of reporting by operating segments (continued)

Segment assets

Where an asset is used across multiple segments, the asset is allocated to the segment that receives majority economic value from the asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

Segment liabilities

Liabilities are allocated to segments where there is a direct nexus between the incurrence of the liability and the operations of the segment. Borrowings and tax liabilities are generally considered to relate to the Group as a whole and are not allocated. Segment liabilities include trade and other payables and certain direct borrowings.

Unallocated items

The following items of revenue, expenses, assets and liabilities are not allocated to operating segments as they are not considered part of the core operations of any segment:

- impairment of assets and other non-recurring items of revenue or expense;
- income tax expense;
- deferred tax assets and liabilities;
- current tax liabilities;
- other financial liabilities;
- intangible assets;

2010	Exploration Fiji 2010	Total 2010
Segment performance	**$**	**$**
Interest received	**116,150**	**116,150**
Raki Raki joint venture management fee	**14,084**	**14,084**
Gain on sale of plant and equipment	**4,306**	**4,306**
Other income	**1,584**	**1,584**
Total segment revenue	**136,123**	**136,123**
Segment (loss) profit from continuing operations before tax	(139,074)	(139,074)
Reconciliation of segment result to group net profit/loss before tax:		
Amounts not included in segment result but reviewed by the Board:		
— corporate charges		(280,337)
— depreciation and amortisation		(13,471)
(Loss) profit before tax from continuing operations		**(432,882)**

26. OPERATING SEGMENTS (CONTINUED)

2010	Exploration Fiji 2010 $	Total 2010 $
Segment Assets		
Reconciliation of segment assets to group assets:	10,192,382	10,192,382
Unallocated assets		-
Group assets		10,192,382
Segment Liabilities	45,613	45,613
Reconciliation of segment liabilities to group liabilities:		
Unallocated liabilities		-
Group liabilities		45,613

2009	**Exploration Fiji 2009 $**	**Total 2009 $**
Segment performance		
Interest received	**248**	**116,150**
Raki Raki joint venture management fee	**1,841**	**14,084**
Gain on sale of plant and equipment	**10**	**4,306**
Other income	**1,512**	**1,584**
Total segment revenue	**3,611**	**3,611**
Segment (loss) profit from continuing operations before tax	(226,077)	(226,077)
Reconciliation of segment result to group net profit/loss before tax:		
Amounts not included in segment result but reviewed by the Board:		
— corporate charges		(165,499)
— depreciation and amortisation		(4,813)
(Loss) profit before tax from continuing operations		**(396,389)**

2009	Exploration Fiji 2009 $	Total 2009 $
Segment Assets		
Reconciliation of segment assets to group assets:	7,970,104	7,970,104
Unallocated assets		-
Group assets		7,970,104
Segment Liabilities	144,187	144,187
Reconciliation of segment liabilities to group liabilities:		
Unallocated liabilities		-
Group liabilities		144,187

27 FINANCIAL INSTRUMENTS DISCLOSURES

(a) *Capital management*

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% (2009: 0-25%). The Group's gearing ratio at the statement of financial position date is shown below:

	Consolidated	
	2010	**2009**
	$	$
Cash and cash equivalents	**2,173,259**	2,333,243
Net debt	**2,173,259**	2,333,243
Share capital	**15,215,954**	11,976,191
Reserves	**117,474**	603,503
Accumulated losses	**(5,186,659)**	(4,753,778)
Total capital	**10,146,769**	7,825,916
Gearing ratio	**0.00%**	0.00%

(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.

27 FINANCIAL INSTRUMENTS DISCLOSURES (CONTINUED)

(c) *Principal financial instruments*

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

	2010	2009
Financial assets:		
Cash assets	**2,173,259**	2,333,243
Receivables	**358,460**	70,985
	2,531,719	2,404,228
Financial liabilities:		
Payables	(45,613)	(144,187)
	(45,613)	(144,187)
Net financial assets (liabilities)	2,486,106	2,260,041

(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, security deposits and sundry receivables. Credit worthiness of debtors is undertaken when appropriate.

The maximum exposure to credit risk at balance date is as follows :

	Consolidated	
	2010	2009
	$	$
Security Deposits	**19,328**	20,455
Other receivables	**191,292**	20,878
GST receivables	**147,840**	29,652
	358,460	70,985

27 FINANCIAL INSTRUMENTS DISCLOSURES (CONTINUED)

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

(ii) Liquidity risk

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

The risk implied from the values shown in the table below, reflects a balanced view of cash inflows and outflows. Trade payables and other financial liabilities mainly originate from the financing of assets used in our ongoing operations such as property, plant, equipment and investments in working capital (e.g., trade receivables). These assets are considered in the Group's overall liquidity risk.

	Carrying Amount $	Contractual Cash flows $	< 6 mths $	6- 12 mths $	1-3 years $	> 3 years $
Maturity Analysis - Consolidated - 2010						
Financial Liabilities						
Trade Creditors	45,613	45,613	45,613	-	-	-
TOTAL	45,613	45,613	45,613	-	-	-
Maturity Analysis - Consolidated - 2009						
Financial Liabilities						
Trade Creditors	144,187	144,187	144,187	-	-	-
TOTAL	144,187	144,187	144,187	-	-	-

(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 has limited exposure to fluctuations in interest rates that are inherent in financial markets. The Board makes investment decisions after considering advice received from professional advisors.

The Group's exposure to interest rate risk and the effective weighted average interest rate for classes of financial assets and financial liabilities is set out below:

27 FINANCIAL INSTRUMENTS DISCLOSURES (CONTINUED)

(d) ***General objectives, policies and processes (Continued)***
(ii) Interest rate risk (continued)

			Fixed interest rate maturing in:				
2010	**Note**	**Floating Interest Rate**	**1 Year or Less**	**Over 1 to 5 years**	**More than 5 years**	**Non-interest bearing**	**Total**
Financial assets:							
Cash assets	9	**2,173,259**	-	-	-	-	**2,173,259**
Receivables	10	-	-	-	-	**358,460**	**358,460**
		2,173,259	-	-	-	**358,460**	2,531,719
Weighted average interest rate		0.50%					
Financial liabilities:							
Payables	13	-	-	-	-	(45,613)	(45,613)
		-	-	-	-	(45,613)	(45,613)
Net financial assets (liabilities)		**2,173,259**	-	-	-	312,847	2,486,106

2009	**Note**	**Floating Interest Rate**	**1 Year or Less**	**Over 1 to 5 years**	**More than 5 years**	**Non-interest bearing**	**Total**
Financial assets:							
Cash assets	9	2,333,243	-	-	-	-	2,333,243
Receivables	10	-	-	-	-	70,985	70,985
		2,333,243	-	-	-	70,985	2,404,228
Weighted average interest rate		0.50%					
Financial liabilities:							
Payables	13	-	-	-	-	(144,187)	(144,187)
		-	-	-	-	(144,187)	(144,187)
Net financial assets (liabilities)		2,333,243	-	-	-	(73,202)	2,260,041

Sensitivity Analysis

		Consolidated	
		+2% interest rate	-2% interest rate
2010	Carrying amount	Profit & Loss	Profit & Loss
Cash assets	**2,173,259**	43,465	(43,465)
	2,173,259	43,465	(43,465)
Tax charge of 30%		(13,040)	13,040
Post tax profit increase / (decrease)		30,425	(30,425)
2009			
Cash assets	2,333,243	46,665	(46,665)
	2,333,243	46,665	(46,665)
Tax charge of 30%		(14,000)	14,000
Post tax profit increase / (decrease)		32,665	(32,665)

27 FINANCIAL INSTRUMENTS DISCLOSURES (CONTINUED)

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

(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.

The Group's exposure to foreign currency risk is as follows:

	Consolidated	
	2010	**2009**
	$FJ	**$FJ**
Cash at bank	**55,222**	17,667
Net Exposure	**55,222**	17,667

The following sensitivity analysis is based on the foreign currency risk exposures in existence at the year end. The below analysis assumes all other variables remain constant.

Sensitivity Analysis		**Consolidated**	
		+10% FJD/AUD	-10% FJD/AUD
2010	Carrying amount	Profit & Loss	Profit & Loss
	$FJ	AUD$	AUD$
Cash at bank	**55,222**	2,928	(2,928)
	55,222	2,928	(2,928)
Tax charge of 30%		(878)	878
Post tax profit increase / (decrease)		2,050	(2,050)
2009			
Cash at bank	17,667	1,013	(1,013)
	17,667	(304)	304
Tax charge of 30%			
		709	(709)
Post tax profit increase / (decrease)		19,434	1,013

(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.

27 FINANCIAL INSTRUMENTS DISCLOSURES (CONTINUED)

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

(vi) *Sovereign risk (continued)*

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.

Loans and 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 though 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 statement of comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

27 FINANCIAL INSTRUMENTS DISCLOSURES (CONTINUED)

(e) *Accounting policies (Continued)*

(i) Financial assets (Continued)

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 statement of comprehensive income. 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 statement of comprehensive income. Interest on corporate bonds classified as available for sale is calculated using the effective interest method and is recognised in finance income in the statement of comprehensive income.

(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 Group’s 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.

28 NOTES TO THE STATEMENT OF CASH FLOWS

(a) For the purpose of the Statement of Cash Flows, cash and cash equivalents includes cash at bank.

Cash and cash equivalents at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

	Consolidated	
	2010	**2009**
	$	**$**
Cash at Bank	**2,173,259**	2,333,243

(b) Non Cash Financing

Shares issued in lieu of payment for services rendered	**-**	5,285
Exchange rate fluctuations in exploration expenditure	**(319,948)**	(1,814,417)

(c) Reconciliation of Cash Flows from Operating Activities

Profit (loss) for the year	**(432,882)**	(396,389)
Depreciation	**13,471**	4,813
Options expense	**-**	4,136
Profit on sale of plant and equipment	**(4,306)**	10
Changes in Assets and Liabilities:		
(Decrease)/increase in receivables	**(287,526)**	543
(Decrease)/increase in payables	**(98,574)**	61,163
Net Cash from Operating Activities	**(809,817)**	(325,724)

Unless disclosed below, all the best practice recommendations of the ASX Corporate Governance Council have been applied for the entire financial year ended 31 December 2010.

Board Composition

The skills, experience and expertise relevant to the position of each director who is in office at the date of the annual report and their term of office are detailed in the directors' report.

The names of independent directors of the company are:

S Tim Biggs (Chairman)

Ian AS Simpson

Russell J Fountain

Charlie B Bass

When determining whether a non-executive director is independent the director must not fail any of the following materiality thresholds:

— less than 10% of company shares are held by the director and any entity or individual directly or indirectly associated with the director;

— no sales are made to or purchases made from any entity or individual directly or indirectly associated with the director; and

— none of the directors' income or the income of an individual or entity directly or indirectly associated with the director is derived from a contract with any member of the economic entity other than income derived as a director of the entity.

Independent directors have the right to seek independent professional advice in the furtherance of their duties as directors at the company's expense. Written approval must be obtained from the chair prior to incurring any expense on behalf of the company.

The company does not have a formally constituted nomination committee.

Ethical Standards

The Board acknowledges and emphasises the importance of all directors and employees maintaining the highest standards of corporate governance practice and ethical conduct.

Directors and employees are required to:

- act honestly and in good faith;
- exercise due care and diligence in fulfilling the functions of office;
- avoid conflicts and make full disclosure of any possible conflict of interest;
- comply with the law;
- encourage the reporting and investigating of unlawful and unethical behaviour; and
- comply with the share trading policy outlined in the Code of Conduct.

Directors are obliged to be independent in judgment and ensure all reasonable steps are taken to ensure due care is taken by the Board in making sound decisions.

Trading Policy

Geopacific reviewed its policy in relation to dealing in the company's securities by directors and executives and provided the following policy as an ASX release on the 30 December 2010 and an update on 2 February 2011.

Background – Insider Trading:

The insider trading provisions of Australian Law work on the basis that a person must not (whether as principal or agent) subscribe for, purchase or sell, or "engage in dealings" of any securities in Geopacific Resources NL ('GPR') if;

a) The person possesses information that a reasonable person would expect to have a material effect on the price of the securities if the information were generally available;

and

b) The person knows, or ought reasonably to know, that:
   i. The information is not generally available; and
   ii. If it were generally available, it might have a material effect on the price of the securities.

A person does not need to be directly associated with GPR to be guilty of insider trading in relation to securities of the Company. The prohibition extends to dealings through nominees, agents or their associates, such as family members, family trusts or family companies ("Related Third Parties").

Policy:

2. Directors, officers and employees of GPR and its subsidiary companies *shall not* engage in any dealings in the securities of GPR without giving prior notice as follows:

Party seeking to deal in securities	***Prior Notice to be Given to:***
Employees of GPR or subsidiary companies and consultants and advisors involved in the management of projects for and on behalf of GPR (or their Related Third Parties)	*The Chairman and Company Secretary of GPR*
Directors of GPR or subsidiary companies (or their Related Third Parties)	*The Company Secretary of GPR who shall provide details to the Chairman of GPR*

2. The procedures for notification are as follows;

a) Before trading in the company's securities the Director, officer or employee must

- notify the chairman (or in his absence the managing director) and company secretary, in writing, of their intention to trade in securities;
- confirm they do not have insider information; and
- confirm that there is no known reason to preclude trading in the company's securities

The notification is only valid for the period of its operation, being from the date of notification until the earlier of 10 business days after the notification, the start of a closed period or the date on which the Director, officer or employee becomes aware of insider information.

b) After trading in the company's securities Director, officer or employee must

- notify the company secretary (who will notify the chairman) in writing, that the trade has been completed; and
- in the case of directors of the company, provide sufficient information to enable the company to comply with the requirements to notify a change of interests to ASX. Such information to include - Type of dealing, Date of dealing, Number of securities, Seller, Purchaser and Price;

3. Directors, officers and employees ***shall not*** engage in any dealings in GPR securities during the period:

a) two weeks prior to and within 24 hours after the date of the announcement to the ASX of the Company's annual or half year results;

b) two weeks prior to and within 24 hours after the date of the announcement to the ASX of the Company's quarterly activities reports;

c) notwithstanding a) or b), at any time while in *possession* of *inside information*.

4. Directors, officers and employees *are prohibited* from trading in financial products issued or created over or in respect of the entity's securities.

Exceptions to policy:

The following are the only exceptions to the above policy:
Directors, officers and employees may trade in financial products issued or created over or in respect of the entity's securities outside the parameters of the above trading policy only in the following circumstances:

1. transfers of securities of the entity already held into a superannuation fund or other saving scheme in which the Director, officer or employee is a beneficiary;

2. undertakings to accept, or the acceptance of, a takeover offer;

3. trading under an offer or invitation made to all or most of the security holders, such as, a rights issue, a security purchase plan, a dividend or distribution reinvestment plan and an equal access buy-back, where the plan that determines the timing and structure of the offer has been approved by the board. This includes decisions relating to whether or not to take up the entitlements and the sale of entitlements required to provide for the take up of the balance of entitlements under a renounceable pro rata issue;

4. the exercise (but not the sale of securities following exercise) of an option or a right under an employee incentive scheme, or the conversion of a convertible security, where the final date for the exercise of the option or right, or the conversion of the security, falls during a prohibited period and the entity has been in an exceptionally long prohibited period or the entity has had a number of consecutive prohibited periods and the Director, officer or employee could not reasonably have been expected to exercise it at a time when free to do so.

Audit Committee

The company has a formally constituted audit committee. The committee members are:

Ian AS Simpson

Russell J Fountain

Charlie B Bass

Performance Evaluation

The Board did not conduct a performance evaluation of the Board and all Board members for the financial year ended 31 December 2010.

Board Roles and Responsibilities

The Board is first and foremost accountable to provide value to its shareholders through delivery of timely and balanced disclosures.

The Board is ultimately responsible for ensuring its actions are in accordance with key corporate governance principles.

Shareholder Rights

Shareholders are entitled to vote on significant matters impacting on the business, which include the election and remuneration of directors, changes to the constitution and receipt of annual and interim financial statements. Shareholders are strongly encouraged to attend and participate in the Annual General Meetings of Geopacific Resources NL, to lodge questions to be responded by the Board and/or the CEO, and are able to appoint proxies.

Risk Management

The Board considers identification and management of key risks associated with the business as vital to maximise shareholder wealth. An assessment of the business's risk profile is undertaken on a regular basis and is reviewed by the Board, covering all aspects of the business from the operational level through to strategic level risks. The CEO has been delegated the task of implementing internal controls to identify and manage risks for which the Board provides oversight. The effectiveness of these controls is monitored and reviewed regularly.

Remuneration Policies

The remuneration policy sets the terms and conditions for the key management personnel All executives receive a base salary, superannuation and retirement benefits. The Board reviews executive packages annually by reference to company performance and executive performance. The policy is designed to attract the highest calibre executives and reward them for performance which results in long-term growth in shareholder value.

Executives are also entitled to participate in the employee share and option arrangements.

The amount of remuneration for all key management personnel for the company are detailed in the directors report under the heading Key Management Personnel Compensation. All remuneration paid to executives is valued at the cost to the company and expensed. Shares given to executives are valued as the difference between the market price of those shares and the amount paid by the executive. Options are valued using the Black-Scholes methodology.

The Board expects that the remuneration structure implemented will result in the company being able to attract and retain the best executives to run the consolidated group. It will also provide executives with the necessary incentives to work to grow long-term shareholder value.

The payment of bonuses, options and other incentive payments are reviewed by the Board as part of the review of executive remuneration and a recommendation is put to the Board for approval.

Remuneration Committee

The company has a formally constituted remuneration committee. The committee members are:

Ian AS Simpson

Russell J Fountain

Charlie B Bass

The shareholder information set out below was applicable as at 9 March 2011.

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	53	28,163
1,001 - 5,000	204	590,282
5,001 - 10,000	74	584,598
10,001 - 100,000	151	5,285,717
100,001 and over	53	29,544,837
Total	535	36,033,957

There were 63 holders of less than a marketable parcel of 1,315 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
Laguna Bay Capital Pty Ltd	5,025,000	13.945
Springtide Capital Pty Ltd <Cockatoo Valley Invest A/C>	5,006,423	13.894
HSBC Custody Nominees (Australia) Limited	2,529,358	7.019
Lujeta Pty Ltd <The Margaret Account>	2,135,000	5.925
Exploration & Drilling Services Pty Ltd Fiji	1,755,443	4.872
Quartz Mountain Mining Pty Ltd <The Bass Family A/C>	1,410,002	3.913
Mr Bruce Gordon Morgan	808,838	2.245
Mrs Ilean Doidge	808,334	2.243
L Anderson Investments Pty Ltd <Leslie Anderson S/Fund A/C>	689,310	1.913
Mr Ian Simpson	658,539	1.828
John Gordon Patrick White & Christine Lynette White	593,376	1.646
Mr Richard Bass & Mrs Gail Bass	515,000	1.429
Sheila Anderson Investments Pty Ltd <Sheila Anderson S/Fund A/C>	510,000	1.415
Mr Ian Michael Paterson Parker & Mrs Catriona Sylvia Parker <Super A/C>	433,290	1.202
Gandria Capital Pty Ltd <The Lightyear S/F A/C>	325,092	0.902
Chellit Pty Ltd <The Madmit A/C>	325,092	0.902
Kurraba Investments Pty Ltd	316,900	0.879
Mr Paul James Morgan	300,000	0.833
S C Biggs Pty Ltd	279,000	0.774
Clodene Pty Ltd	250,000	0.694
Total of Top 20 shareholders	24,674,037	68,473
Other shareholders	11,359,920	31.527
Total ordinary shareholders	**36,033,957**	**100.000**

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**
Laguna Bay Capital Pty Ltd	5,025,000	13.945
Springtide Capital Pty Ltd <Cockatoo Valley Invest A/C>	5,006,423	13.894
HSBC Custody Nominees (Australia) Limited	2,529,358	7.019
Lujeta Pty Ltd <The Margaret Account>	2,135,000	5.925

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	**100,000**	**1**		
Option holders with more than 20% of class				
Ian Pringle			100,000	100.00%
Options expiring 8 May 2013 with an exercise price of $0.25	**100,000**	**1**		
Ian Pringle			100,000	100.00%
Options expiring 8 May 2014 with an exercise price of $0.30	**100,000**	**1**		
Option holders with more than 20% of class				
Ian Pringle			100,000	100.00%
Options expiring 16 December 2011 with an exercise price of $0.06	**6,833,550**	**1300**		
Option holders with more than 20% of class				
Springtide Capital Pty Ltd <Cockatoo Valley Invest A/C>			2,023,401	27.94%
Citicorp Nominees Pty Limited			2,000,000	27.62%
Options expiring 1 August 2013 with an exercise price of $0.10	**510,000**	**3**		
Option holders with more than 20% of class				
Ian NA Simpson			500,000	81.97%
Options expiring not later than five years after the defining on Faddy's Gold Deposit of a JORC compliant ore reserve of over 200,000 ounces of contained gold with an exercise price of $0.50	**800,000**	**5**		
Option holders with more than 20% of class				
Exploration Drilling Services (Fiji) Ltd			320,000	40.00%
L Anderson Investments Pty Ltd			220,000	27.50%
Sheila Anderson Investments Pty Ltd			180,000	22.50%
Options expiring not later than ten years after the defining on Faddy's Gold Deposit of a JORC compliant ore reserve of over 1,000,000 ounces of contained gold with an exercise price of $1.00	**200,000**	**5**		
Option holders with more than 20% of class				
Exploration Drilling Services (Fiji) Ltd			80,000	40.00%
L Anderson Investments Pty Ltd			55,000	27.50%
Sheila Anderson Investments Pty Ltd			45,000	22.50%

SCHEDULE OF TENEMENTS

Tenement Schedule

Tenement	Location	Area	Status	Anticipated Work & Expenditure
SPL 1434 NADI SOUTH 100% GPL	7 km SE of Nadi, Viti Levu	7,450 ha Reduced to 3,400 ha	Granted on 9 June 2005 Granted on 17th March 2009 to GPL for an initial 12 month period which was renewed to 16 March 2011.	F$75,000 is proposed for 2011. Work will consist of data compilation, interpretation of the 2010 airborne EM, surface sampling, then drilling of any viable targets. Costs 100% GPL
SPL 1231 RAKI RAKI 50% Beta 50% Peninsula Minerals	Raki Raki NE Viti Levu	Approx. 7,790 ha Reduced to 3,330 ha	Granted on 6 November 1985 to Beta. Peninsula Minerals has earned 50.0%. Granted on 12th February 2009. An application for a 12 month renewal to 31 December 2011 has been lodged with MRD.	F$75,000 is proposed. Entire data compilation, interpretation of the 2010 EM survey results, surface reconnaissance work followed up with trenching and possibly drilling. Costs 50% Beta.
SPL 1373 QALAU 50% Beta 50% Peninsula Minerals	Raki Raki NE Viti Levu	Approx. 3,440 ha Reduced to 1,843 ha	Granted on 6 July 1995 to Beta. Peninsula Minerals has earned 50.0%. Granted on 12th February 2009. An application for a 12 month renewal to 31 December 2011 has been lodged with MRD.	F$75,000 is proposed. Data compilation, surface reconnaissance work followed up with trenching. Interpretation and integration of 2010 EM survey results, possible drilling. Costs 50% Beta.
SPL 1436 TABUKA 50% Beta 50% Peninsula Minerals	Raki Raki NE Viti Levu	Approx. 2,500 ha	Granted on 17th March 2005 to Beta. Peninsula Minerals has 50% interest. 2008. Application for a 12 month renewal to 16 March 2011 was lodged with MRD.	F$75,000 is proposed. Work programmes may include surface sampling, over EM anomalies then drilling. Costs 50% Beta.
SPL 1377 NUKU 100% GPL	50 km NW of Suva, central Viti Levu	2,370 ha	Granted on 15 August 1996 to GPL. A 12 month renewal to 31 December 2011 has been lodged with MRD.	F$100,000 is proposed for 2011. Work to include IP geophysics then diamond drilling. Costs 100% GPL.

CX 667 NADOVU SPL application. 100% GPL	Nuku Project, 50km NW Suva, Viti Levu	Approx. 7,300 ha	Application was lodged on 16 March 2005. Notices appeared in local papers & the Government Gazette August 2005. No objections received by the MRD, granting expected during 2011. CX 667 has not yet been granted.	F$50,000 is proposed for first 12 month period after granting. Costs 100% GPL
SPL 1368 VUDA GPL has option to purchase 80% by GPL by 22 February 2009 and this has been extended by agreement with quarterly option payments.	15 km NNE of Nadi, Viti Levu	9,510 ha Reduced to 3,210 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. Granted on 20th April 2009. Application for a 12 month renewal to 31 December 2011 was been lodged with MRD.	Proposed expenditure of F$75,000. Work will consist of data compilation and evaluation, interpretation of the 2010 airborne EM the drilling of any viable targets. Costs 100% GPL.
CX 750 CAKAUDROVE SPL application. 100% GPL	Cakaudrove , 55km ENE Savusavu, Vanua Levu	Approx. 41,900 ha	Application was lodged with MRD on 22 Sept 2010. No objections were received by the MRD and granting of CX 750 is expected during 2012.	F$200,000 spent on airborne EM survey in late 2010. $50,000 is proposed for first 12 month period after granting. Costs 100% GPL
SPL 1361 SABETO GPL had a three year option to purchase 100% of SPL 1361 by 4 April 2009 and this has been extended by agreement with quarterly option payments.	16 km NE of Nadi, Viti Levu	3,850 ha Reduced to 1,800 ha	Granted on 6 October 1993. Ministerial approval for a 3 year option to purchase 100% granted 21 March 2005. Agreement signed 4 April 2005. Granted 16th February 2009. An application for a 12 month renewal to 31 December 2011 has been lodged with MRD.	Proposed expenditure of F$75,000. Work will consist of data compilation and evaluation, interpretation of the 2010 airborne EM the drilling of any viable targets. Costs 100% GPL.
SPL 1216 NABILA GPR completed purchase (100%) of Millennium Mining (Fiji) Ltd (MMF) which owns SPL1216 on 3 June 2008	20km SW Nadi, Viti Levu	2,830 ha	Granted on 1st April 1984.An application for a 12 month renewal to 31 December 2011 has been lodged with MRD.	Proposed Expenditure of over $300,000 to include further diamond drilling and resource evaluation of Faddys Gold Resource Costs 100% MMF.

SCHEDULE OF TENEMENTS

SPL 1415 KAVUKAVU GPR completed purchase (100%) of Millennium Mining (Fiji) Ltd (MMF) which owns SPL1216 on 3 June 2008	28km SSW of Nadi, Viti Levu	7,100 ha Reduced to 5,400 ha	Granted on 17th March 2000. Granted on 23rd October 2009. An application for a 12 month renewal to 30 March 2011 has been lodged with MRD.	Proposed Expenditure of $75,000. Work to consist of data compilation, surface reconnaissance work followed up with trenching. Interpretation and integration of 2010 EM survey results, possible drilling Costs 100% MMF.
CX691 MALOMALO SPL application. GPR completed purchase of Millennium Mining (Fiji) Ltd (MMF) which applied for CX691 on 8th December 2006	20km SW of Nadi, Viti Levu	1979 ha	Application submitted to MRD on 8th December 2006. Notices appeared in local newspapers and in the Government Gazette. No objections were received by the MRD and granting of CX 667 is expected during 2011. CX 691 has not yet been granted.	F$50,000 is proposed for first 12 month period after granting. Costs 100% MML