GEOPACIFIC
RESOURCES LIMITED

2014 ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2014

CONTENTS

CORPORATE DIRECTORY

GEOPACIFIC RESOURCES LIMITED
(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)
Milan Jerkovic, Non-Executive Chairman
Ron Heeks, Managing Director
Mark Bojanjac, Non-Executive Director
Russell Fountain, Non-Executive Director

Registered Office
Level 1, 278 Stirling Highway Claremont, WA 6010, Australia
Postal Address
P.O. Box 439, Claremont, WA 6910

Company Secretary
Mr John Lewis

Auditor
Somes Cooke,
Level 2, 35 Outram Street,
West Perth, WA 6005, Australia

Bankers
ANZ Banking Group Ltd Cnr Hay and Outram St West Perth WA

Dear Shareholder,

Geopacific Resources Ltd ("Geopacific") has had a successful 2014 calendar year progressing our Kou Sa Project ("Kou Sa"), with substantial field work including, mapping, geophysical surveys and significant drilling.

The field work has been supported by a very resourceful and active corporate team dealing with capital raisings, government and joint venture management, financial management and reporting.

Results to date at Kou Sa continue to impress. Based on current results we are confident that the geological system at Kou Sa is highly prospective and will lead to the delineation of sufficient volume of commercially viable mineral inventory.

Our understanding of the total system as Kou Sa continues to improve and recent step out drilling has confirmed our other targeting tools, with a number of significant drilling intersections beyond already known systems.

While the capital markets have shown poor investment interest in exploration companies, we have continued to be supported by dedicated current shareholders and significant new investors during recent funding requirements.

While commodity markets are still directionless we continue to believe that copper and gold have very good fundamentals in the medium to long term.

We expect 2015 to be a very eventful year for Geopacific with ongoing aggressive exploration and preliminary metallurgical and engineering studies on the Kou Sa Project, being the main focus for the company.

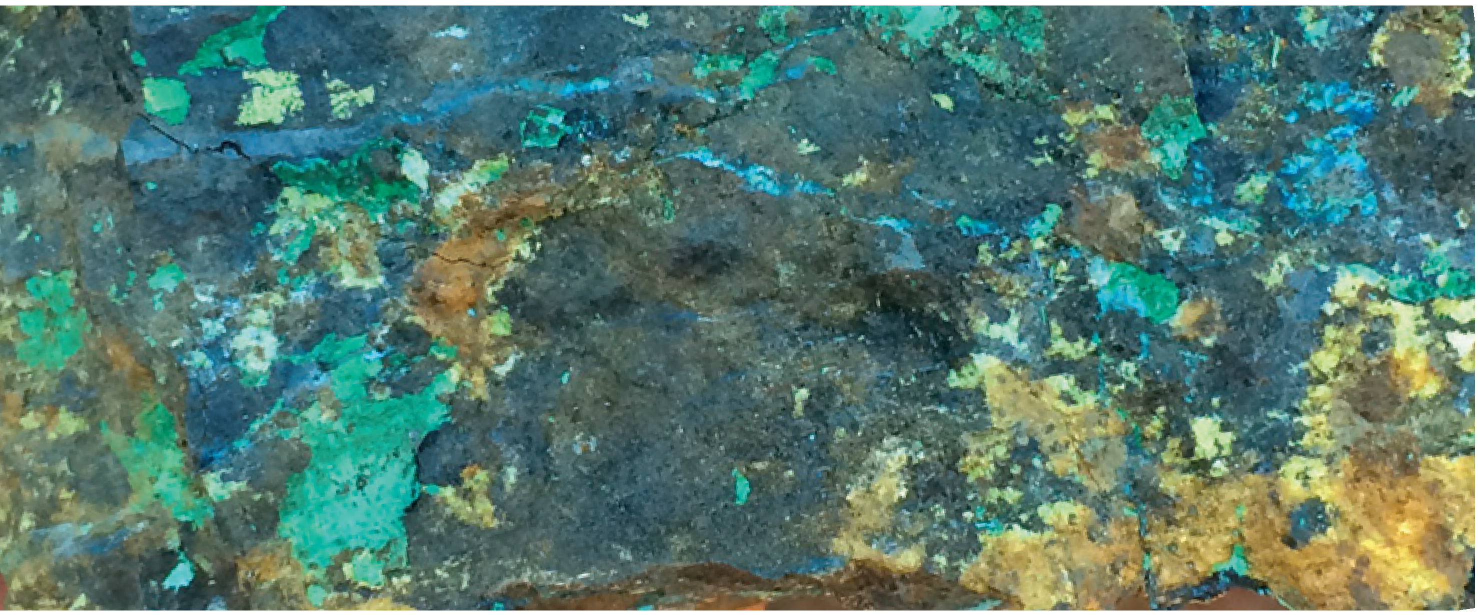
Our experience in Cambodia has been very positive and we continue to enjoy support from the Cambodian Government and our joint venture partner The Royal Group.

I would like to thank all shareholders for their continued support and in particular, to acknowledge the ongoing significant support from our major shareholder Resource Capital Funds.

Our team, led by CEO Ron Heeks has done a magnificent job in progressing the exploration while raising sufficient capital in trying capital markets and I would like to acknowledge their efforts which I am sure is supported by all shareholders.

Thank you for all your ongoing support which we are confident will be rewarded in the medium to long term given the impressive geological system that we have discovered at Kou Sa which continues to grow in stature with ongoing aggressive exploration being pursued by the company.

Milan Jerkovic
Chairman



Geopacific is pleased to provide this summary of the exploration works undertaken during the past year at the Kou Sa Project in Cambodia and our exploration licenses in Fiji.

Excellent results were obtained for both copper and gold from the Kou Sa Project while results from previous drilling at Sabeto, Fiji, has confirmed the presence of porphyry style mineralisation.

Geopacific continued to systematically explore the Kou Sa Project following on from the successes in 2013. During 2014, initial work focussed on Prospects 100 and 117 with some exploratory holes targeting geochemical and geophysical anomalies in a previously unexplored area west of Prospect 100 (later to become Prospect 150). Spectacular copper, gold and silver results were obtained from the initial drilling at the prospect and a detailed program of diamond and percussion (RC) drilling commenced during the year. This was expanded to test other geochemical anomalies within the Kou Sa Project. Numerous ground geophysical surveys were conducted to determine the best method to identify potential mineralised zones. The best method was found to be IP chargeability (IP) which accurately defined known mineralisation at Prospect 150, 160 and 100 as well as highlighting the potential of many new areas across the project. The method has since become Geopacific's primary target generation tool.

The Fiji projects show potential for significant deeper sources to the already identified shallow mineralisation. Alteration and gold/copper mineralisation identified to date on the Vuda-Sabeto Project has highlighted that area to have very real potential for a deeper porphyry system.

HIGHLIGHTS

> Kou Sa, Cambodia

- Regional and infill geochemical sampling was extended to the northern half of the project due to successes in the previous year.
- Gradient array IP surveys were completed and proceeded to be effective at mapping out zones of sulphide mineralisation.
- Ground magnetic surveys were conducted on various prospect locations to assess structural framework of the prospects, aiding in target generation, geological mapping and interpretation.
- Successful RC and diamond drilling identified new zones of high grade copper-gold mineralisation.
- Geochemistry, geophysics, drilling and metallurgy corresponds with known mineralisation and has increased our knowledge of the project area.
- Metallurgical testwork was conducted resulting in exceptional results from initial flotation testwork and optical mineralogy.

> Fiji Projects

- Numerous targets for epithermal gold and porphyry mineralisation still to be tested.
- Alteration and epithermal gold mineralisation at Vuda along with porphyry-related alteration and mineralisation already identified in drilling at Sabeto indicates significant potential for a deeper porphyry source over the Vuda-Sabeto project.
- Further copper mineralisation identified to the southeast of the Faddy's gold-base metal deposit on Nabila remains untested and could be an offset extension of Faddy's.
- Other projects in the Fiji group show potential for significant gold-copper systems including targets for deeper sources of surface mineralisation

CAMBODIA EXPLORATION

KOU SA PROJECT

Royal Australia Resources Ltd
[Subsidiary of GPR has option to purchase 85%]

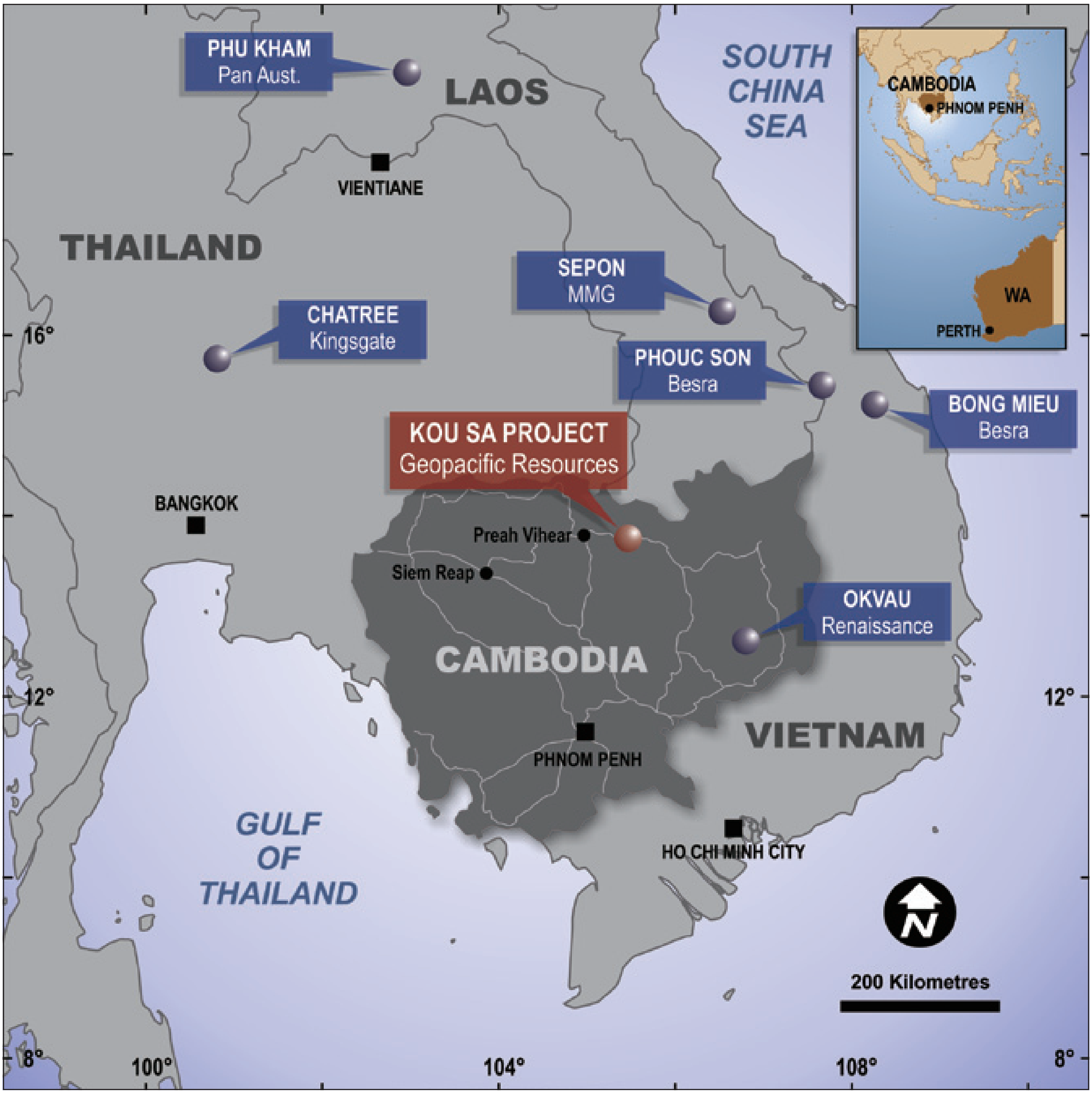


Figure 1: Kou Sa Project location map

Geopacific continued to systematically explore the Kou Sa Project following on from the successes in 2013. During 2014, initial work focussed on Prospects 100 and 117 with some exploratory holes targeting geochemical and geophysical anomalies in a previously unexplored area west of Prospect 100 (later to become Prospect 150). Spectacular copper, gold and silver results were obtained from the initial drilling at the prospect and a detailed program of diamond and percussion (RC) drilling commenced during the year. This was expanded to test other geochemical anomalies within the Kou Sa Project. Numerous ground geophysical surveys were conducted to determine the best method to identify potential mineralised zones. The best method was found to be IP chargeability (IP) which accurately defined known mineralisation at Prospect 150,160 and 100 as well as highlighting the potential of many new areas across the project. The method has since become Geopacific's primary target generation tool.

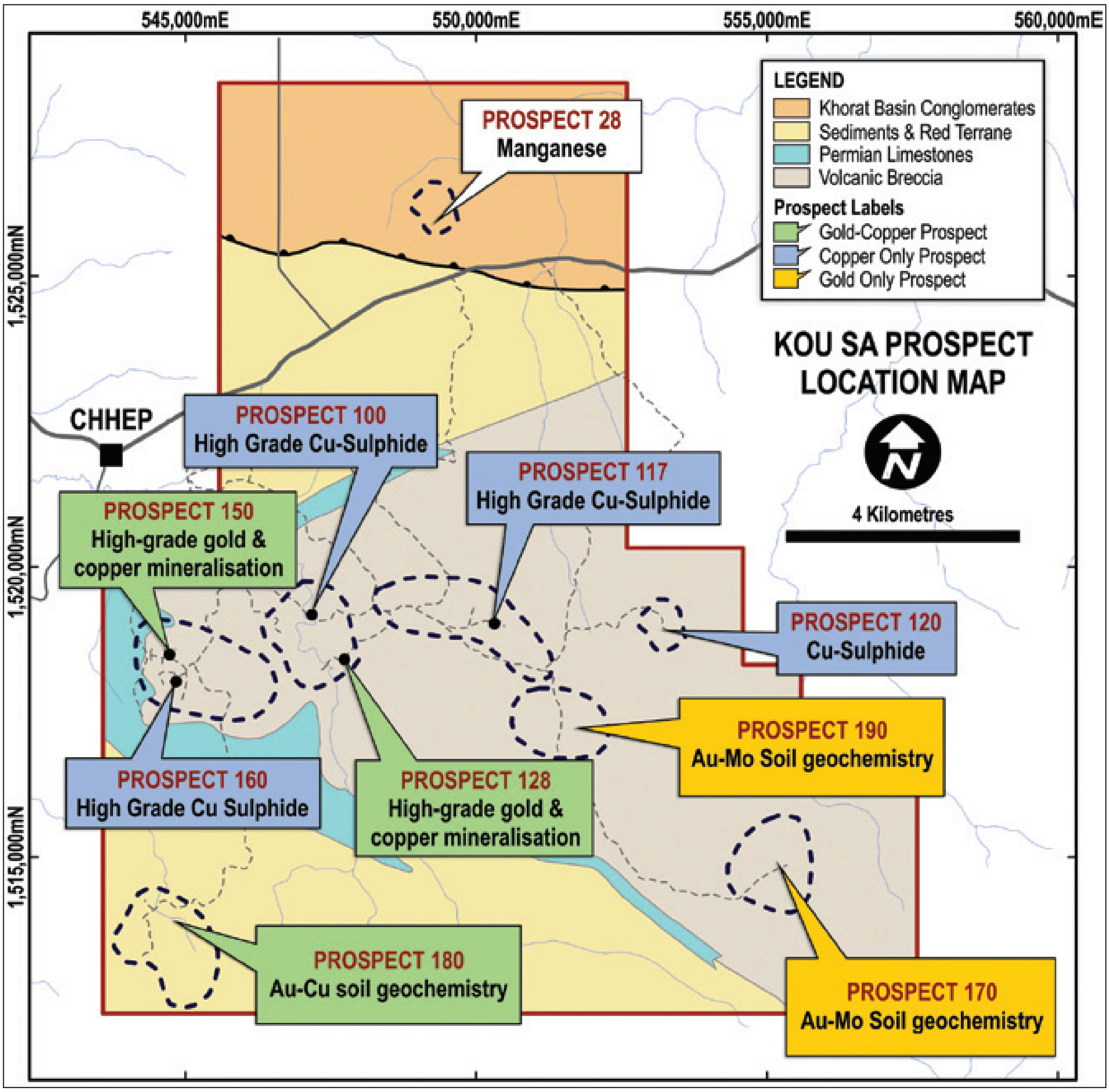


Figure 2: Kou Sa interpreted geology map

Geochemical Sampling

Regional and infill geochemical sampling over the southern half of the project, completed in 2013, has proven effective at identifying new areas of copper-gold mineralisation at Kou Sa. Two further areas of gold and pathfinder element anomalism (Prospect 170 and 190) highlighted from the regional-spaced data were selected for further infill work.

Sampling at these prospects was successful in refining the geochemical signatures with little to no change in the size or tenor of either anomaly. At Prospect 170, two parallel zones of anomalism are present, one of which was intercepted by drilling producing a broad zone of low grade gold mineralisation at surface (Figure 3). The second zone and deeper potential is yet to be tested. Prospect 190 has yet to be drill tested.

Given the effectiveness of the regional geochemical sampling at highlighting areas of copper and gold mineralisation in the southern half of the tenement, the coverage was extended to the northern half. Anomalism is generally lower in the northern half potentially due to effects of deeper weathering and wide areas of low lying drainage being covered in transported material. From geophysics in the south we know that lower level geochemical anomalies can still produce excellent geophysical targets.

Geophysical Surveys

An induced polarisation (IP) geophysical survey conducted as a trial in late 2013 identified a tabular chargeability anomaly to the west of Prospect 100. Drilling of this IP anomaly identified significant copper mineralisation and highlighted the effectiveness of IP geophysics at targeting the massive and semi massive styles of mineralisation hosted within the Kou Sa Project area. Following this success a series of gradient array IP surveys were completed over and surrounding Prospects 150, 160, 117, and 190 (Figure 4).

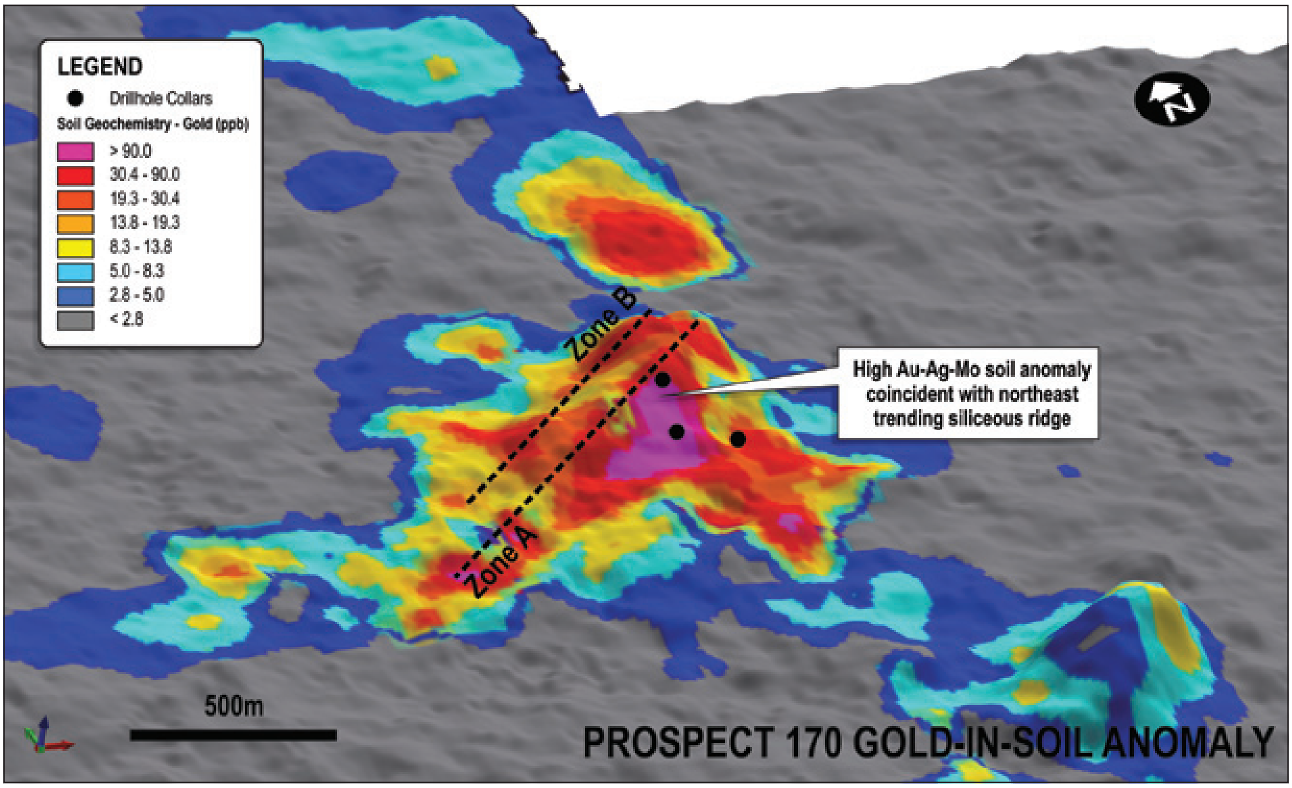


Figure 3: Gold soil geochemistry at Prospect 170 draped over topography

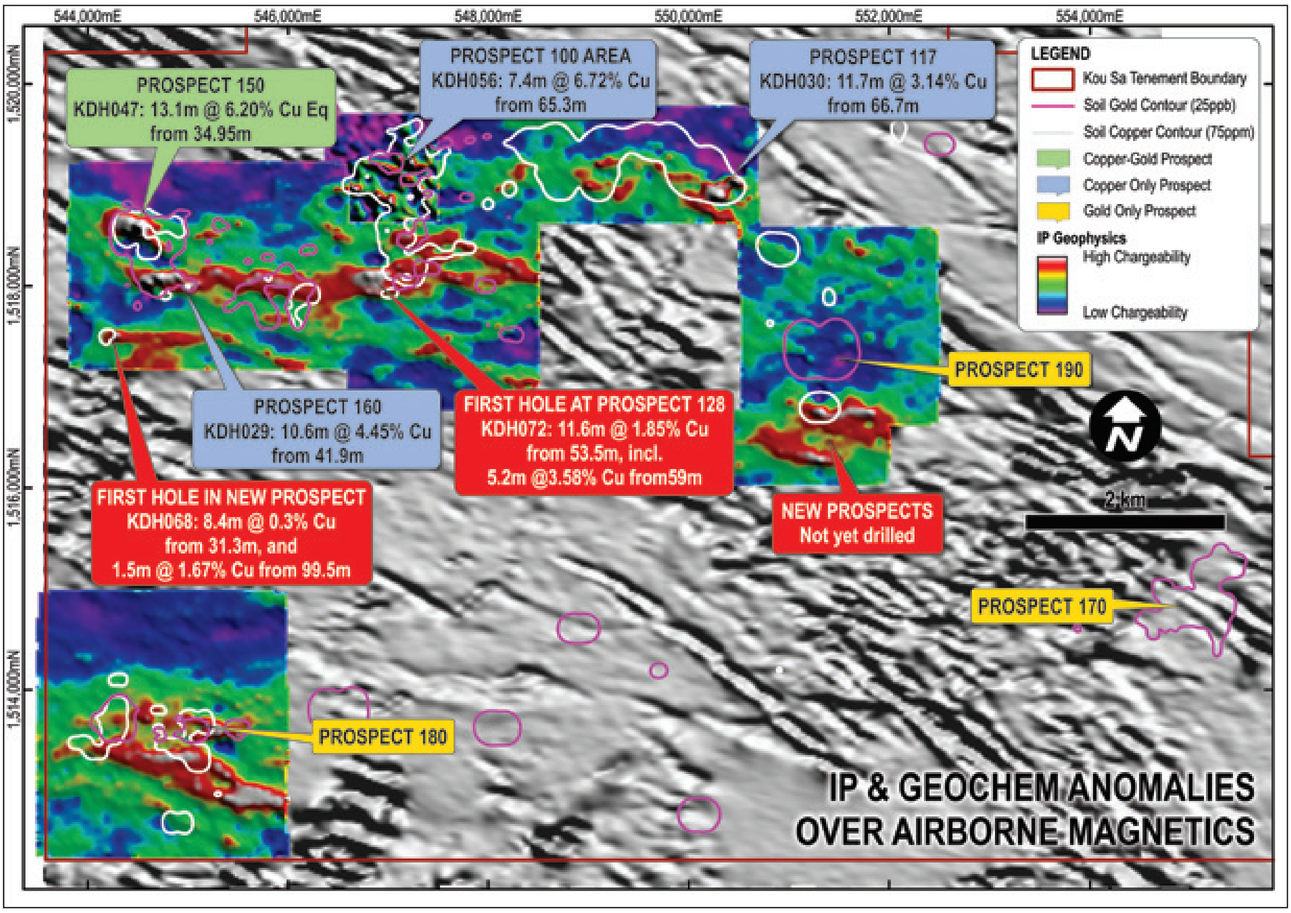


Figure 4: IP & geochem anomalies over airborne magnetics at Kou Sa

These surveys proved to be extremely effective at mapping out zones of sulphide mineralisation with strong responses highlighting Prospect 150, 160, and 117 mineralisation as well as other areas that had not been tested before. High chargeability responses were generally also coincident with gold or copper anomalism in soils.

Prospects 150 and 160 had been drilled prior to the gradient array surveys, the correlation between known mineralisation and IP led to drilling being undertaken further along strike resulting in the extension of the mineralised zones in those locations. The surveys also highlighted zones of high chargeability extending to the east and to the south of Prospect 160 that were coincident with moderate gold and copper anomalies in the soils. In the same fashion, results from the survey at Prospect 117 highlighted the known mineralised zone as well as areas to the south and areas stretching away to the northwest. All these areas are yet to be drill tested.

While the survey over and around Prospect 190 (gold-only soil anomaly) produced a good IP resistivity anomaly, a discrete chargeability anomaly was identified at the southern border of the survey, coincident with a low-level copper anomaly. Outcrops in the area are limited, suggesting deeper weathering that may account for the lower geochemical response. This means that even the smallest anomaly in the geochemistry or geophysics has the potential to be a new prospect.

Ground magnetic surveys were also conducted on various prospect locations to assess the structural framework of the prospects, aiding in target generation, geological mapping and interpretation. To date, ground magnetics have been completed at Prospects 150, 160 and 117 with a survey at Prospect 180 currently underway.

Drilling

Diamond and RC drilling made up a large proportion of the exploration work completed in the 2014 reporting year. A total of 61 diamond holes and 106 RC holes were drilled for a total of 6,798 and 9,706 metres respectively. Drilling focussed on the refining of results at Prospects 150, 160, and 117 with exploratory drilling also undertaken at Prospects 100 and 170.

Initial drilling at Prospect 150 at the beginning of the year was successful in identifying a new zone of copper-gold mineralisation outside of Prospect 100 and 117. The first drill hole (KDH002) into the prospect returned 3.9 metres at 3.13% copper and 16.34g/t gold from 33.4 metres down hole. Follow up RC drilling along strike from the initial discovery hole was successful in extending the mineralised zone a further 300 metres along strike, and continued to highlight the zone as being rich in copper, gold, and silver with bonanza intercepts such as 5 metres at 4.01% copper and 125.3g/t gold from 22 metres down hole (KRC004). Further drilling of the area yielded more exciting results (Figure 5) and the prospect soon became the focus of exploration at Kou Sa.

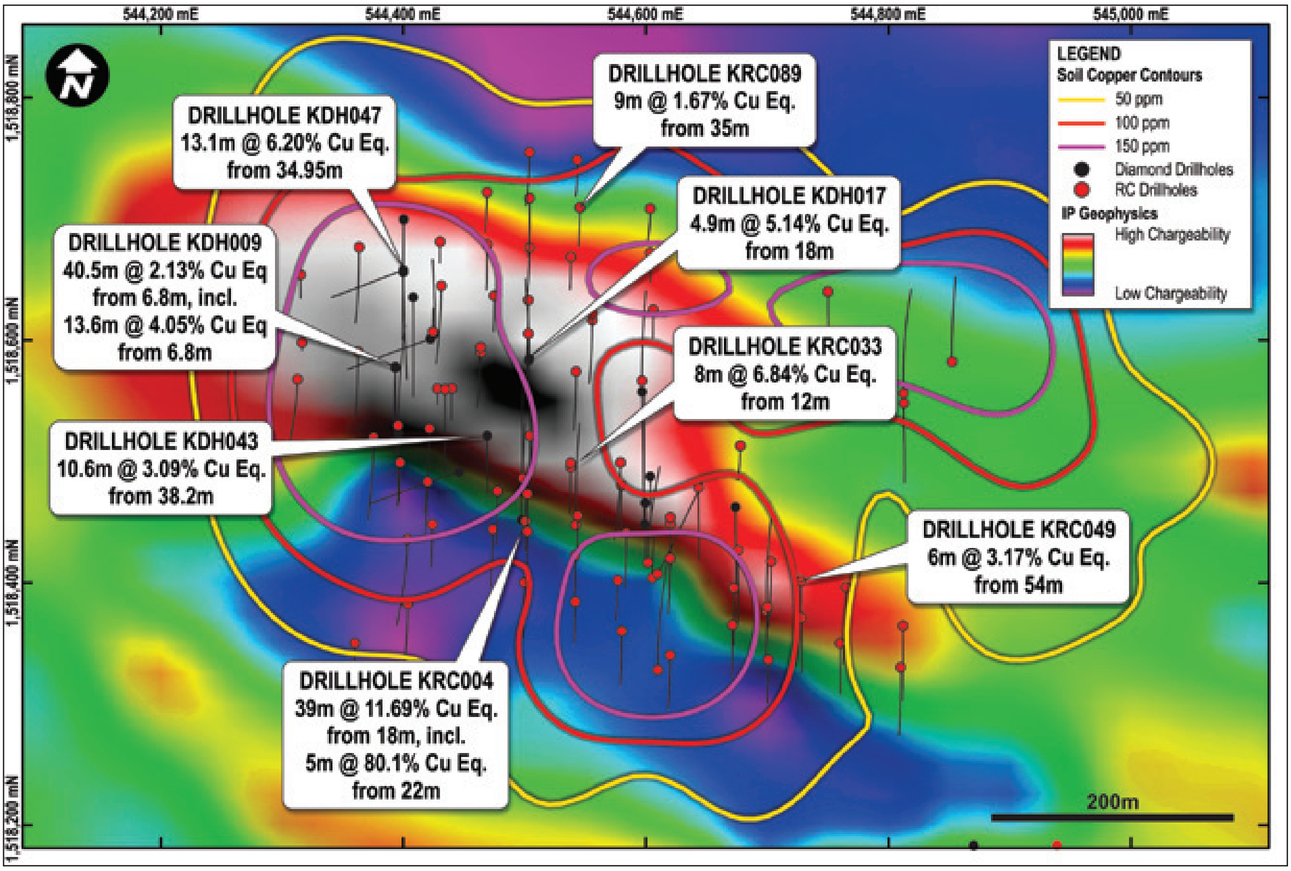


Figure 5: Prospect 150 drilling over IP chargeability and geochemistry

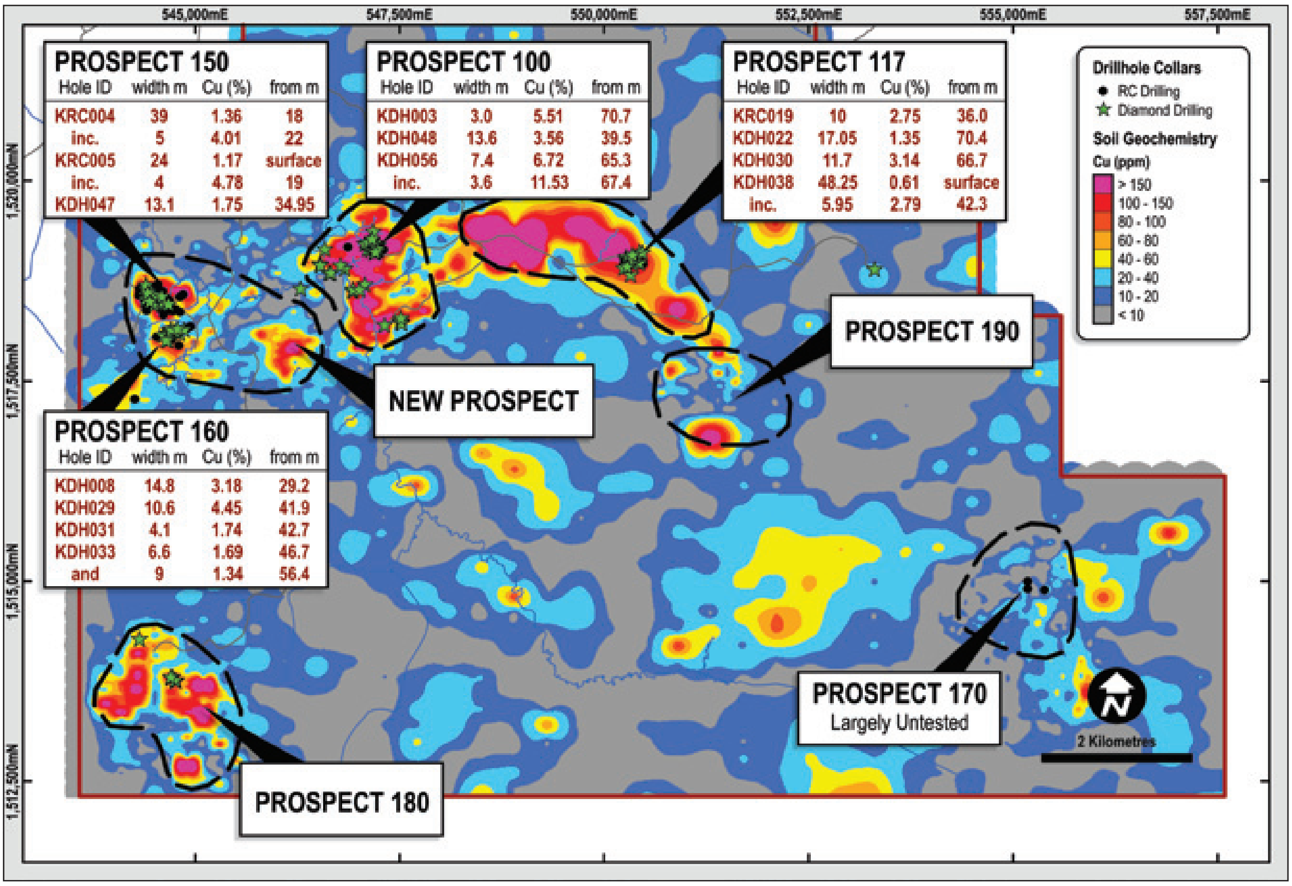


Figure 6: Best drilling results and copper soil geochemistry (southern half of licence)

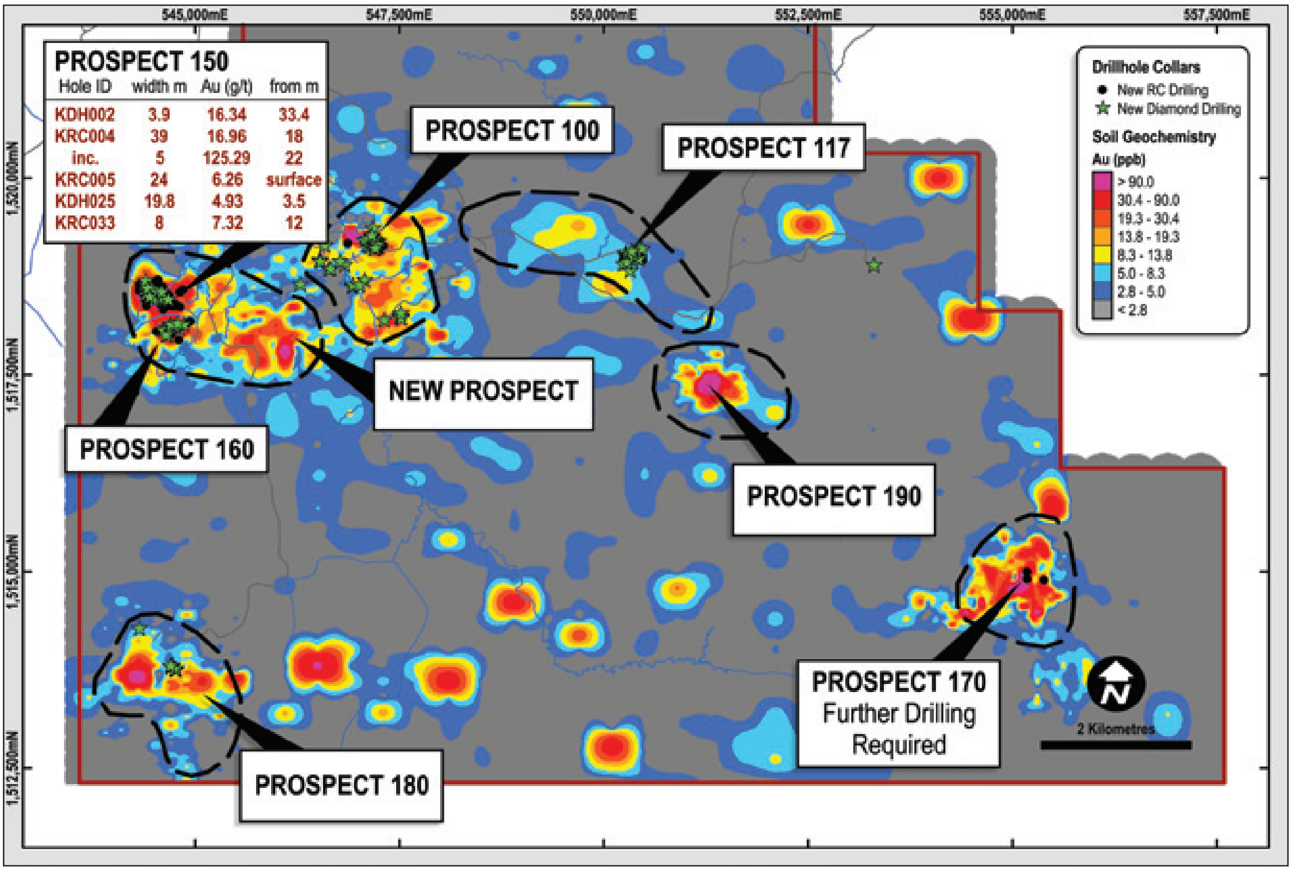


Figure 7: Best drill results and gold soil geochemistry (southern half of licence)

While much of the main drilling was focussed on Prospect 150, a second diamond rig was utilised to test other anomalies around the project. Follow up drilling was conducted along strike from a weak zone of copper mineralisation in KDH001 to the south of Prospect 150. This drilling intercepted a zone of significant massive to semi-massive copper sulphide mineralisation with results highlighting this to be a new discovery. Results included 14.8 metres at 3.18% copper from 29.2 metres downhole (KDH008) as well as 10.6 metres at 4.45% copper from 41.9 metres downhole (KD029). The different nature of the mineralisation to Prospect 150 warranted this new area to be classed as a new prospect; Prospect 160. Further drilling along strike continued to hit the copper mineralised zone and it has currently been tested about 400m along strike and remains open at depth.

An additional area of high grade copper mineralisation was discovered to the west of Prospect 100, centred on a tabular chargeability anomaly identified from the IP survey conducted in 2013. Some of the highest grades of copper mineralisation at Kou Sa come from this new prospect with intercepts such as 13.6 metres at 3.56% copper (incl. 5.8 metres at 7.57% copper) from 39.5 metres (KDH048) and 7.4 metres at 6.72% copper (incl. 3.6 metres at 11.53% copper) from 65.3 metres (KDH056).

Exploratory and infill drilling at Prospect 117 further highlighted the potential of the prospect with initial RC drilling identifying a zone of fresh copper sulphide mineralisation over 10 metres grading at 2.75% copper. Follow-up diamond drilling in the area was successful in hitting this zone as well as identifying further mineralisation occurrences and styles around the prospect. A blanket of low grade copper mineralisation is noted, with some drill holes intercepting potential feeder structures showing the relationship between the low grade blanket and primary copper mineralisation.

The drilling at Prospect 150 as well as other drilling in the southeast of the tenement highlighted that mineralisation on the Kou Sa Project is not just limited to copper. Weak gold mineralisation grading around 0.16g/t gold over 11 metres from surface was identified at a siliceous ridge in the southeast of the project, later named Prospect 170. This areas was highlighted by a significant gold anomaly in the detailed soil sampling.

Metallurgy

Metallurgical testwork of the mineralisation at Prospect 150 commenced in December 2014. To date initial flotation testwork and optical mineralogy has been completed with above average results being received, further enhancing our confidence in the project. Five initial tests were conducted using varying collection methods.

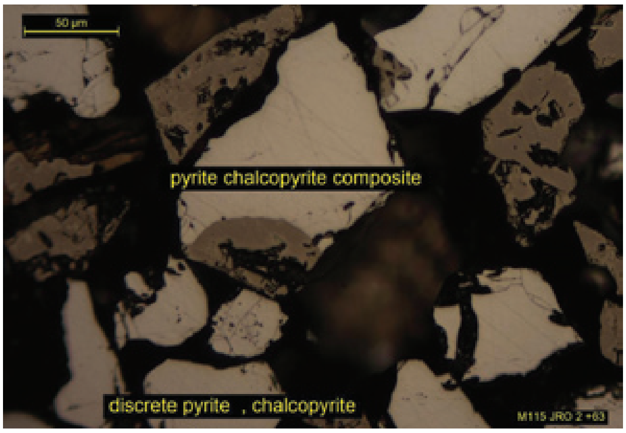
As seen in Table 1, the metallurgical testwork obtained very good recoveries for copper which were augmented by excellent gold and silver also reporting to the concentrate. This was primarily due to the gold and silver being largely present as telluride minerals that float well.

The optical mineralogy conducted on the concentrate highlighted the "clean" nature of the concentrate and the telluride association with gold and silver (Figure 8).

Scanning Electron Microscopy (SEM) was conducted on the two separate size fractions from above, with results indicating the presence of telluride minerals. The amount of telluride is minimal (less than 3%), however, it has been suggested that the majority of the gold and silver might be associated with the tellurides rather than the chalcopyrite or pyrite.

Table 1: Five rounds of flotation testwork recoveries highlights

	Test 1	Test 2	Test 3	Test 4	Test 5
Copper Recovery	97.6%	98.4%	98.3%	95.8%	98.6%
Gold Recovery	88.2%	94.1%	89.7%	87.7%	90.2%
Silver Recovery	89.8%	91.1%	92.3%	89.3%	92.1%
Mass Recovery	24.0%	22.8%	21.3%	22.1%	21.3%



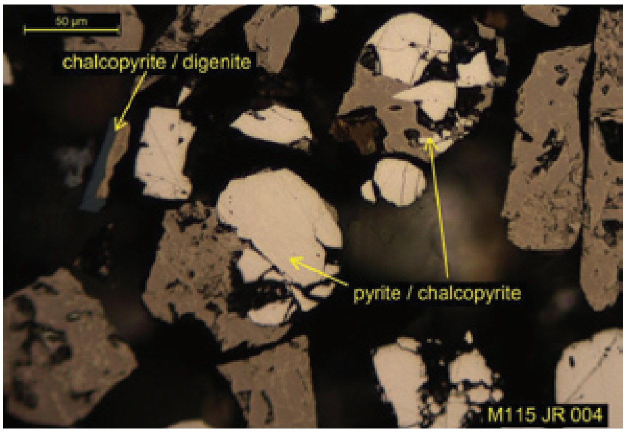


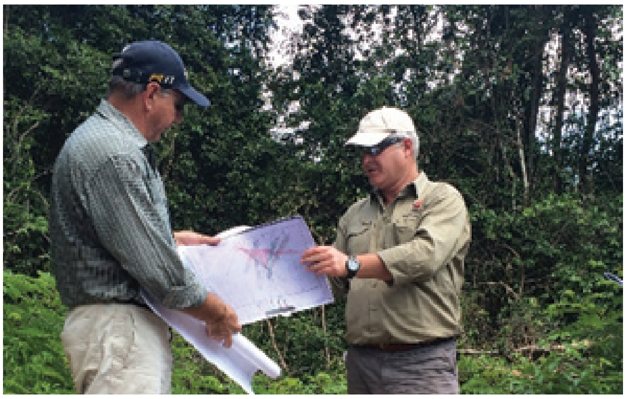
Figure 8: Chalcopyrite and pyrite microscopy

This explains the very high gold flotation recoveries and the total lack of visible gold in logging, even when very high grades are recorded.

Figure 9 below indicates the telluride associations with chalcopyrite and pyrite in the +63 µm size fraction.

The telluride and chalcopyrite association observed for the -63 µm size fraction is consistent with that observed for the -63 µm size fraction, as observed in Figure 10.

The size by size head analysis was included in the testwork program to determine the benefit of pre-beneficiation prior to flotation.



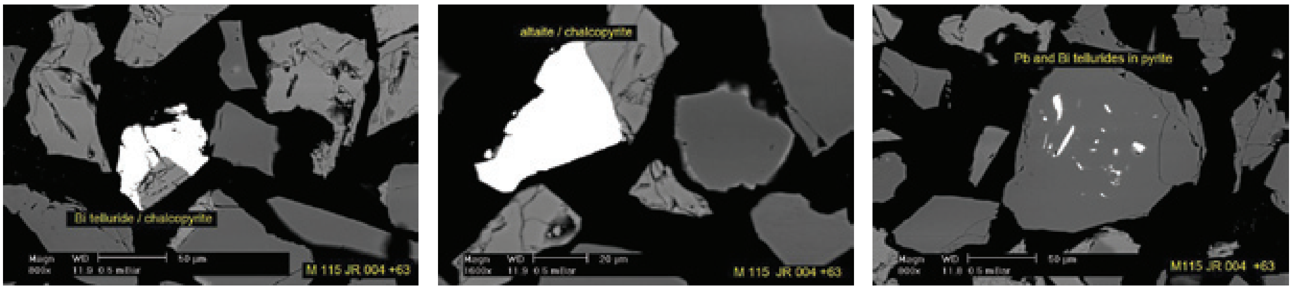


Figure 9: Telluride association with chalcopyrite and pyrite, +63 size fraction (SEM)

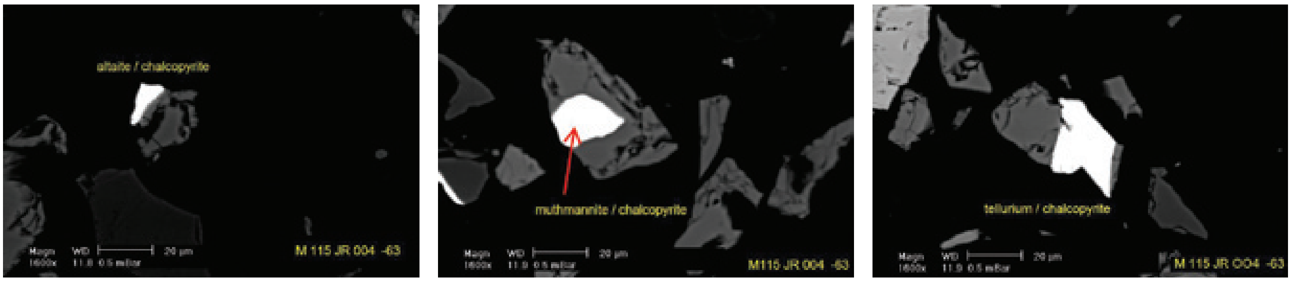


Figure 10: Telluride association with chalcopyrite and pyrite, -63 size fraction (SEM)

Our Evolving Interpretation Assists Targeting

Analysis of the results from geophysics, geochemistry and geological mapping combined with new drill information and petrology is gradually increasing our knowledge of the project area. This is important in efficiently and accurately targeting more mineralisation.

Mineralisation at Prospect 150 is now thought to be the result of metal-bearing fluid moving upwards from a deeper source via a fracture mesh created by faulting and increasing fluid pressure. The position of Prospect 150 within volcanic breccia and below a prominent gently folded limestone forms an effective lithological pressure seal, creating the opportunity to generate over-pressured fluids below the limestone cap as shown in Figure 11.

As pressure builds, fluid migrates along horizons of greatest permeability, which are generally parallel to bedding and laminations in the volcanic breccia. During this phase, the mineralisation deposits copper sulphide in extensional veins as it reacts with the surrounding host-rock. Eventually the pressure of the mineralised fluid increases to the point where the overlying limestone unit is breached, causing a rapid de-compression of the over-pressured fluids trapped beneath the seal. Gold mineralisation forms where there is evidence of this de-compressive phase. This cycle repeats itself resulting in rhythmic layering of sulphide and silicate rich bands in the veins. An example of the layering at Prospect 150 is shown in Figure 12.

Understanding how Prospect 150 fits into the regional architecture suggests that the Kou Sa Project is underlain by a large source of heat and fluid that has probably created the extensive anomalous geochemistry at Kou Sa. The secret to Kou Sa will be unlocking the potential larger picture as our knowledge of the area increases. The identification of mineralisation at Prospects 150, 100 and 117 has provided an excellent start with the potential for early high grade production supported by an extensive exploration package.

Sustainability at Kou Sa

As we extend operations and exploration at Kou Sa, we actively strive to operate in a responsible manner that prioritises the health and safety of our staff and local community, reduces environmental impacts and improves the livelihood of the communities in which we operate.

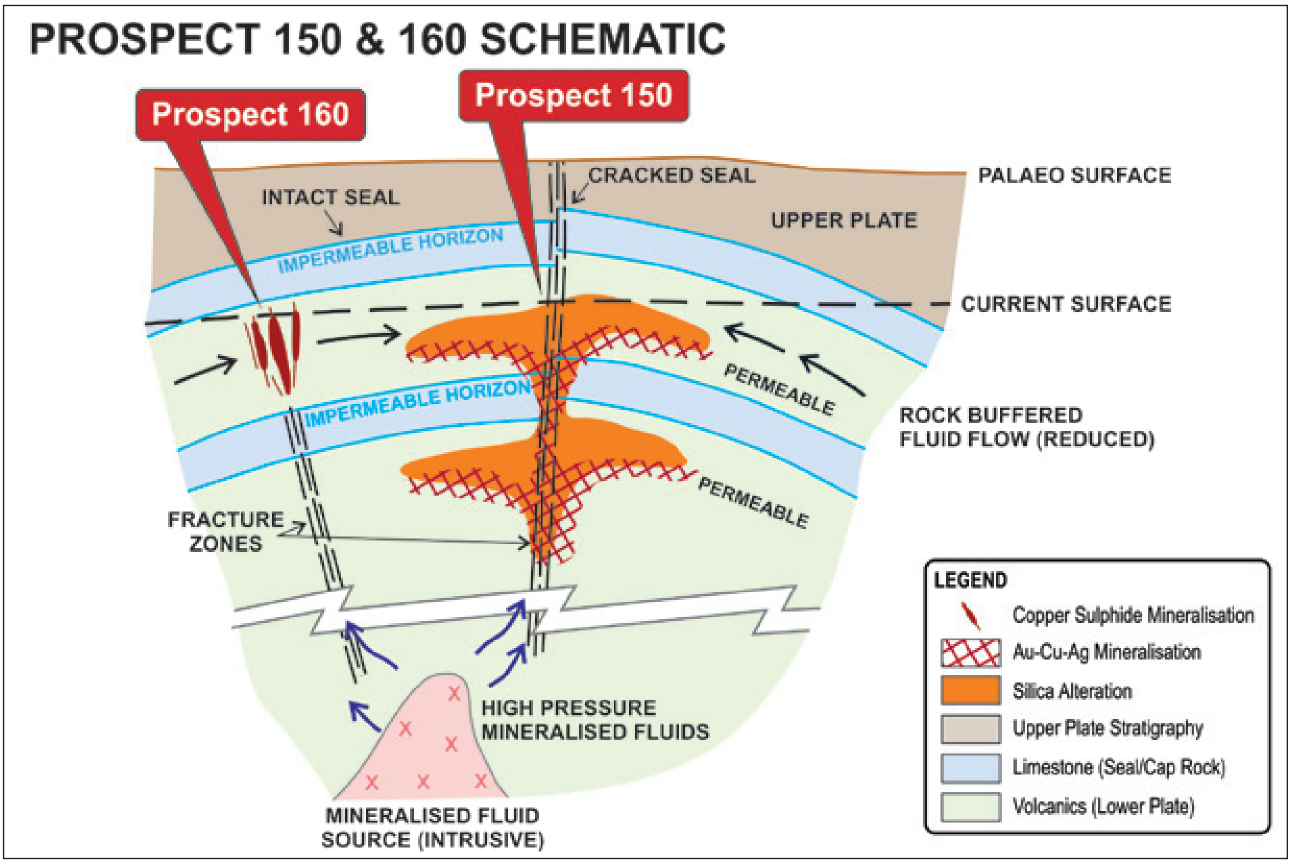


Figure 11: Prospect 150 & 160 formation model

Our community initiatives are based on needs identified by the community itself, particularly the Chhep Village in Kou Sa, where we seek to provide long term benefit and maintain strong relationships with the community.

Examples of recent and ongoing support provided to the community include:

- Minor infrastructure upgrades such as road and bridge improvements
- Provision of study materials and assistance to the local schools and the education department
- Provision of essential medical supplies and assistance to the Health Centre
- The implementation of a pilot microcredit facility that assists entrepreneurship to improve the livelihood of the community. Our aim of this facility is not to gain at the expense of the community, but provide an opportunity that is purely beneficial to them.

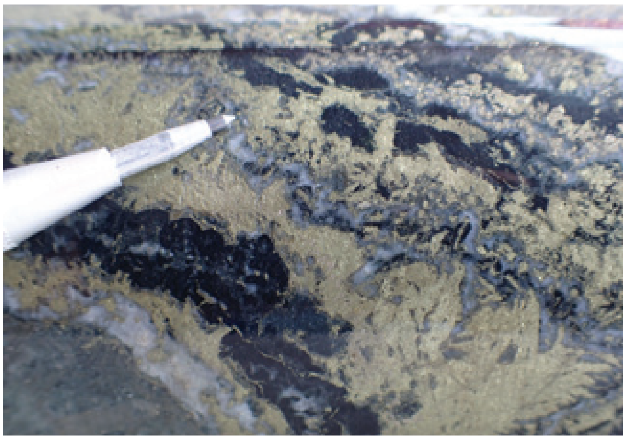


Figure 12: Drill core photograph showing sulphide layering

FIJI EXPLORATION

SABETO-VUDA PROJECT

SPL1361 & SPL1368 [Sabeto & Vuda]
100% Geopacific Ltd [Subsidiary of GPR]

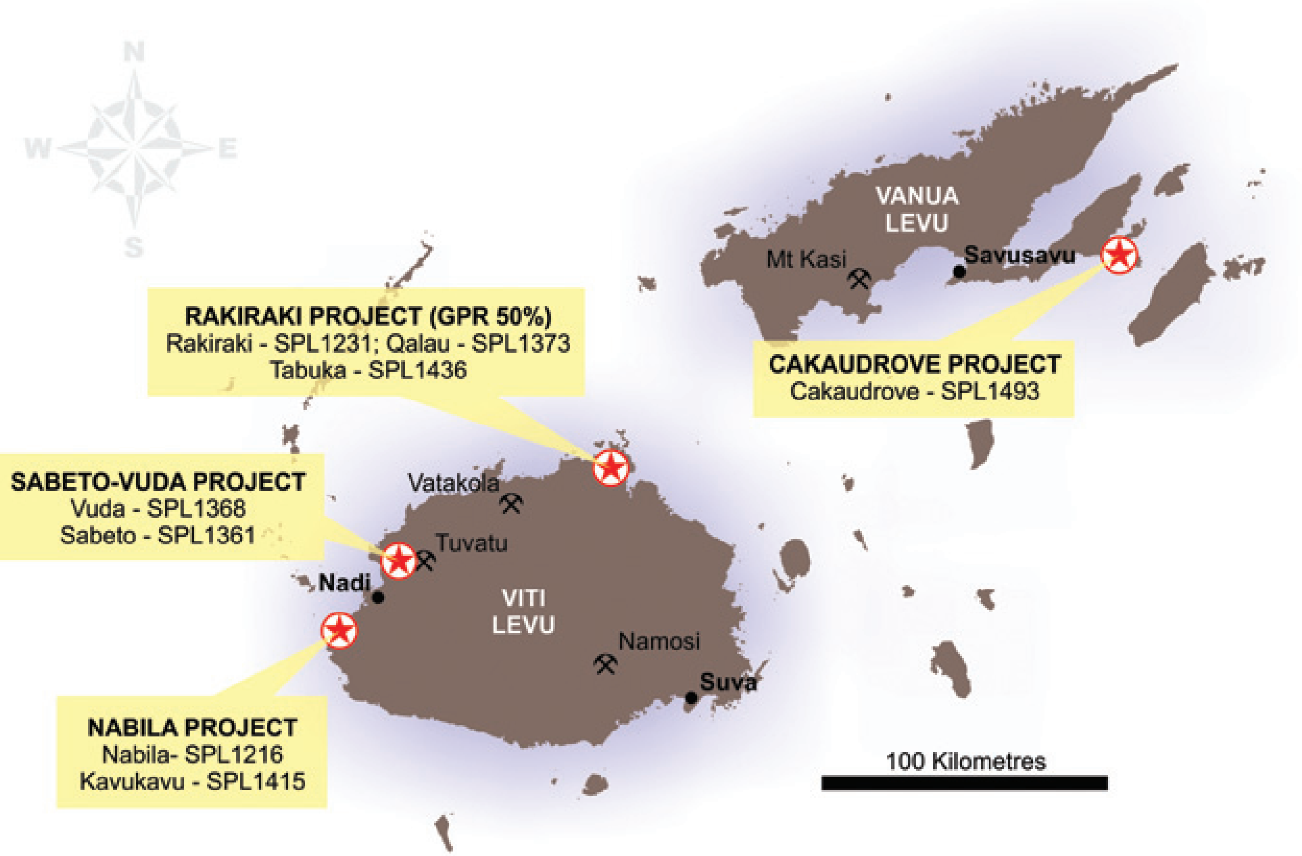


Figure 13: Fiji Projects location map

Geopacific remains excited about the potential of the Fiji assets and believes that Fiji is a destination with some promise. Work during 2014 has focussed on a review of the available exploration data covering the four different project areas in Fiji.

Diamond drilling of geochemical and geophysical targets at Sabeto was completed in 2013 with a review of the drilling and geochemistry undertaken in early 2014. Significant exploration information has been collected over the license including ZTEM geophysics, soil and stream geochemistry, rock chip sampling, geological and alteration mapping, diamond drilling, and petrology. The culmination of all these datasets has led Geopacific to believe that the license is highly prospective for porphyry and porphyry-related mineralisation.

Drilling to date has identified porphyry-related mineralisation as well as epithermal veining within the Tawaravi Creek area, with five (5) diamond drillholes completed over the project.

A zone of gold-copper mineralisation within drillhole SBDD001 is associated with potassic alteration and comprises chalcopyrite and bornite copper sulphide species, which are related to higher temperature fluids than just chalcopyrite alone. Petrology of samples from this zone has confirmed this interpretation and has identified that the mineralised porphyry is not the mineralising phase, suggesting there is potential for another mineralising porphyry phase in the area. Alteration within the diamond core appears to be of higher temperature in SBDD001 and SBDD003 when compared with the other holes, likely meaning that these two holes may be closer to the source of the mineralisation.

Alteration and mineralisation on the Vuda license, adjacent to the Sabeto license, is thought to be related to the same style of system as Sabeto. The alteration system at Vuda is extensive and is typical of the upper epithermal zones of a porphyry system.

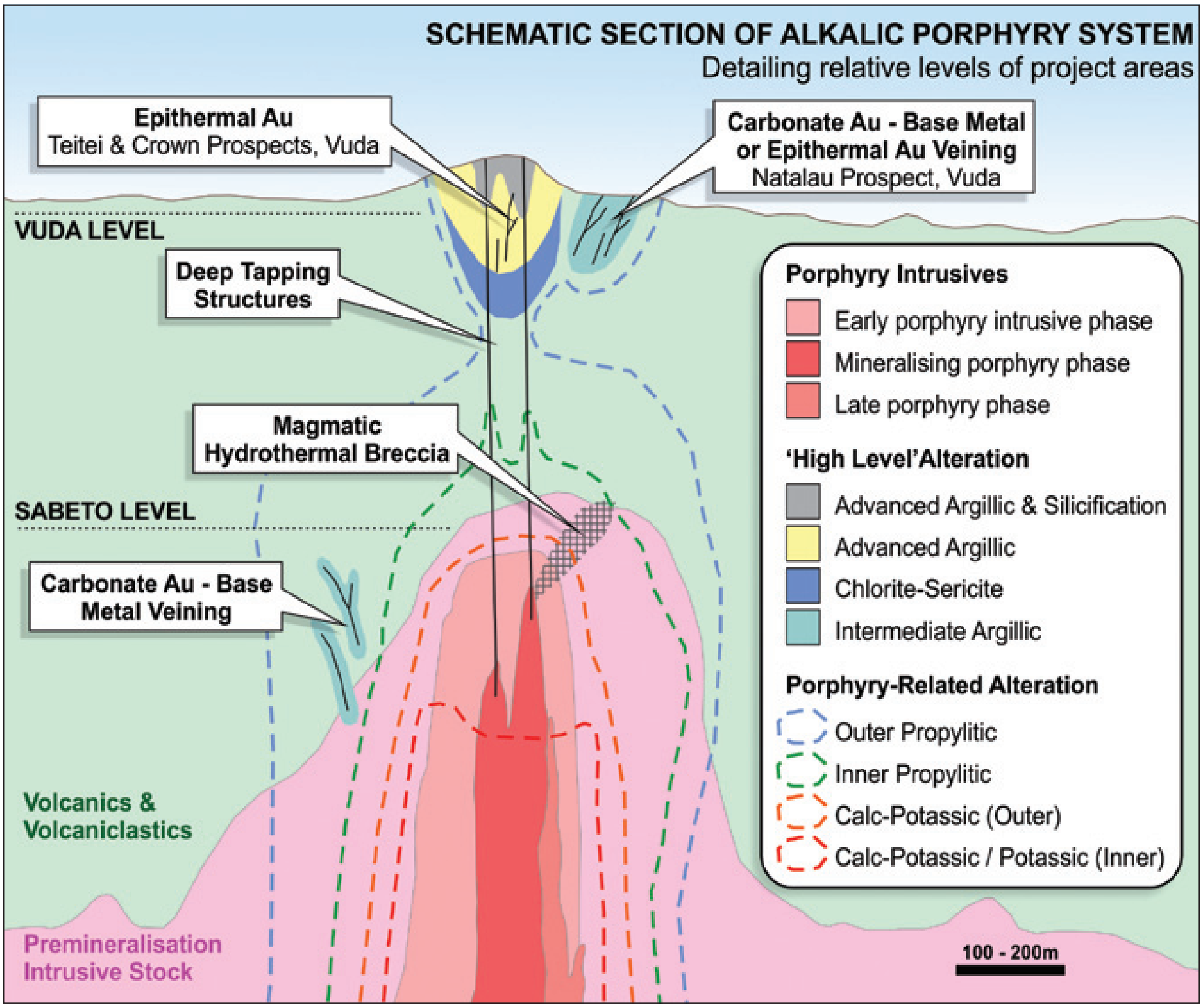


Figure 14: Schematic section of alkalic porphyry system

Extensive drilling by previous companies has focussed on the epithermal gold present in the area and has been successful in defining several distinct prospects on the license. Current exploration suggest that there is a very good potential for a significant porphyry system to be hosted within the Vuda license.

Recent geological mapping has confirmed the alteration mapping already undertaken and has also extended the area of interest with the discovery of massive sulphide outcrops in the west of the license. There still exists numerous untested geophysical anomalies and with the significant alteration system, epithermal gold mineralisation, and annular feature in the magnetics, Geopacific remains confident of continued exploration success on the license.

Both Sabeto and Vuda licenses are prospective for alkalic porphyry systems (Figure 14), which are limited in lateral extent but tend to be higher grade than calc-alkalic porphyry systems and generally occur in clusters.

NABILA PROJECT

SPL1216 & SPL1415 [Nabila & Kavukavu]

100% Millennium Mining (Fiji) Ltd [Subsidiary of GPR]

The Nabila Project hosts the Faddy's epithermal gold deposit south of Nadi. The project comprises two licenses; Nabila (SPL1216) and Kavukavu (SPL1415).

Nabila (SPL1216) is the host for the Faddy's Gold Deposit with much of the historic exploration focussing on the immediate surrounds of the deposit. Multiple extensive datasets exist for the area immediately surrounding the deposit including geochemistry, magnetic and induced polarisation geophysics, geological mapping, and drilling. A historic non-JORC inferred resource of 920,000t of 4.9g/t gold (144,000 ounces of contained gold) was estimated for the deeper sulphide mineralisation at the Faddy's Gold Deposit prior to Geopacific's exploration work. Results from Geopacific's drilling of Faddy's include 25.85 metres at 3.8g/t Au and 13 metres at 4.48g/t Au.

Recent geological mapping has further enhanced the prospectivity of the area with the discovery of outcropping copper mineralisation to the southeast of the main Faddy's deposit. Malachite stained structures were observed in a fresh road cutting and are thought to be an offset extension of the main Faddy's mineralisation. With the majority of the exploration focussing on the area immediately surrounding the known mineralisation at Faddy's, there exists huge potential to identify new areas of mineralisation on the license.

Kavukavu (SPL1415) lies to the south of Nabila and is host to a number of Colo-suite calc-alkalic intrusions and large packages of limestones. Skarn outcrops are noted around the village of Tau in the middle of the license, with copper mineralisation identified in rock chips from these occurrences. Geological mapping and ridge-and-spur soil sampling have located a number of geochemical anomalies within a large potassium radiometric anomaly, with early scout drilling also identifying weak gold mineralisation associated with porphyritic intrusive. Recent work by Geopacific have identified further skarn outcrops in a new area to the northwest of Tau village.

Both Nabila and Kavukavu have the potential to host a porphyry or porphyry-related mineralised system.

RAKIRAKI PROJECT

SPL1231, SPL1373, & SPL1436 [Rakiraki, Qalau, & Tabuka]

50% Beta Ltd [Subsidiary of GPR]

The Rakiraki project comprises three contiguous licenses that cover the northernmost volcanic centre within a line of volcanic centres including the Navilawa (Tuvatu gold deposit), Tavua (Vatakoula gold deposit), and Rakiraki calderas.

The three licenses have been explored primarily for epithermal gold, with some success. A few key areas of epithermal gold mineralisation have been found across the project area, of particular note are the 4300, Tataiya, and Qalau prospects, which all show promise. Recent work by GPR has focussed on determining the effective level of the mineralisation in the system as well as revisiting historic core, outcrops, and trenches to extract further detailed data. Extensive gold mineralisation in trenches and rock chips from the Tataiya/Tramways ridge area coupled with gold mineralisation in trenches and drilling from the 4300/Qalau areas makes this project very interesting with many areas highlighted for follow-up exploration work.

It is thought that the mineralisation within the project area is upper level epithermal in style and nature and as such there exists potential for a deeper mineralised system.

CAKAUDROVE PROJECT

SPL1493 [Cakaudrove]

100% Geopacific Ltd [Subsidiary of GPR]

The Cakaudrove Project comprises one tenement (SPL1493) and is located on the second main island of the Fiji Islands, Vanua Levu. The project area is relatively unexplored with only a handful of companies exploring a small area around the Dakuniba Village area in the east of the peninsula. High grade epithermal gold veins are noted to the north of the village, and while not GPR's immediate focus, is of some interest.

Initial work by GPR comprised geological mapping and stream sediment sampling, which highlighted several areas of significant gold and path-finder element anomalism. ZTEM geophysics flown over the license also highlights some anomalous conductive and resistive features. The project is in the early stages of exploration but displays some potential.

The Directors present their report together with the financial report of the Geopacific Group, being Geopacific Resources Limited ("Geopacific") ("the Company") and its controlled entities for the financial year ended 31 December 2014, 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:

Milan Jerkovic – Chairman (Appointed 23 April 2013)

Mr Milan Jerkovic is a qualified geologist with postgraduate qualifications in Mining & Mineral Economics with over 25 years of experience in the mining industry involving resource evaluation, operations, financing, acquisition, project development and general management.

Mr Jerkovic was most recently the Chief Executive Officer of Straits Resources Limited and has held positions with WMC, BHP, Nord Pacific, Hargraves, Tritton and Straits Asia. Mr Jerkovic was the founding Chairman of Straits Asia Resources.

Mr Jerkovic is a Fellow of the Australian Institute of Mining and Metallurgy and a member of the Australasian Institute of Company Directors and holds a B. App. Sc (Geology), Post Graduate Diploma (Mineral Economics), Post Graduate Diploma (Mining).

Mr Jerkovic was appointed Chairman of the Company on 1 August 2013 and is also a member of the Audit Committee.

Mr Jerkovic has the following interest in Shares in the Company as at the date of this report – 8,256,108 ordinary shares and 1,000,000 Performance Rights.

Ron Stephen Heeks- Managing Director (Appointed 28 March 2013)

With a total of nearly 30 years mining industry experience, Mr Heeks was a founder of Exploration and Mining Consultants and has had previous experience with WMC, Newcrest, Newmont (US) and many years with RSG Consulting.

Mr Heeks has held senior roles in both mine management and exploration and is a Former General Manager – Technical for Straits Asia Indonesian Operations and Chief Technical Officer for Adamus Resources Southern Ashanti Gold Operation. He has lived and worked in various countries around the world gaining extensive experience in South-East Asia and Indonesia in particular. Mr Heeks holds a B.App.Sc (Geol) and is a member of the Australian Institute of Mining & Metallurgy (MAusIMM).

Mr Heeks was appointed Managing Director of the Company on 28 March 2013 after the Takeover of Worldwide Mining Projects Ltd.

Mr Heeks has the following interest in Shares in the Company as at the date of this report – 3,523,757 ordinary shares and 4,000,000 Performance Rights.

Mark Trevor Bojanjac, Non–executive Director (Appointed 28 March 2013)

Mr Bojanjac is a Chartered Accountant with over 20 years' experience in developing resource companies. Mr Bojanjac was a founding director of Gilt-Edged Mining Limited which discovered one of Australia's highest grade gold mines and was managing director of a public company which successfully developed and financed a 2.4m oz gold resource in Mongolia. He also co-founded a 3million oz gold project in China.

Mr Bojanjac was most recently Chief Executive Officer of Adamus Resources Limited and oversaw its advancement from an early stage exploration project through its definitive feasibility studies, and managed the debt and equity financing of its successful Ghanaian gold mine.

Mr Bojanjac was appointed a Director of the Company on 28 March 2013 after the Takeover of Worldwide Mining Projects Ltd. Mr Bojanjac is the Chairman of the Audit Committee. He also serves as Non- Executive Chairman of Canadian explorer, Coventry Resources.

Mr Bojanjac has the following interest in Shares in the Company as at the date of this report – 2,666,666 ordinary shares and 750,000 Performance Rights.

Russell John Fountain, BSc, PhD, FAIG, 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 47 years of international experience in all aspects of mineral exploration, project feasibility and mine development. Previous positions include Executive Chairman, Finders Resources Ltd, 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), Waihi (Au in NZ) and Wetar (Cu, Indonesia). 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 a Non-Executive Director of Alt Resources Ltd.

Dr Fountain was Chairman of Finders Resources Limited until 27 August 2013, and is a Non Executive Director of Alt Resources Ltd since July 2014. He has held no other directorships of listed companies in the last 3 years.

Dr Fountain has the following interest in Shares in the Company as at the date of this report – 166,000 ordinary shares and 750,000 Performance Rights.

COMPANY SECRETARY

Mr John Lewis (Appointed 31 March 2013)

Mr Lewis is a Chartered Accountant with over 20 years' post qualification experience specialising in the mining industry for the last 10 years. Previously Mr Lewis worked in Corporate Advisory at Deloitte.

Mr Lewis was formerly Chief Financial Officer of Nickelore Limited and Chief Financial Officer, Director and Company Secretary of Dragon Mountain Gold Limited.

Mr Lewis has the following interest in Shares in the Company as at the date of this report – 3,030,633 ordinary shares and 3,000,000 Performance Rights.

2 PRINCIPAL ACTIVITY

The principal activity of the Group is mineral exploration currently focussing on gold and copper deposits in Cambodia and Fiji.

There were no other significant changes in the nature of this activity of the Group during the financial year.

3 OPERATING RESULTS AND FINANCIAL REVIEW

The loss for the Group for the year ended 31 December 2014 was 1,636,029 (2013: loss $1,364,336).

Review of Operations

Exploration during the year was again concentrated on the Kou Sa copper gold project in Cambodia where excellent results continued to generate new targets while expanding those prospects already investigated.

Cambodia Project

Geopacific acquired an interest in the Kou Sa Project in March 2013 as a result of the Takeover of Worldwide Mining Projects Limited and it quickly became the focus of the Group's exploration efforts. Excellent initial soil geochemistry and drilling results ensured that the Kou Sa Project has remained the focus of the company throughout 2014.

Kou Sa continued to produce excellent results consistent with a significant, regional scale mining camp. Both high grade gold/copper and copper only zones, both supported by significant silver and in areas zinc, have been intersected over a wide area. Infill drilling of the Prospect 150 commenced on a nominal 40m by 40m spacing with the aim of moving towards a resource calculation in 2015. Multi-element soil geochemical sampling that had previously proved to be an excellent method of defining drill targets continued throughout the year, with all of the licence now covered by a wide spaced grid. Anomalous areas were subsequently infilled to a closer spacing. Numerous broad and well defined anomalies have been generated from these works that will require follow-up work.

Ground based Induced Polarity Geophysics (IP) was undertaken over the Prospects 117, 150 and 160 after the successful test of the suitability of the method at the Prospect 100. The IP proved exceptionally good at highlighting zones of mineralisation that were already identified by drilling and this provides management with great confidence that the method is an extremely useful tool in highlighting copper sulphide mineralisation . All of the areas of known mineralisation produced IP anomalies that extended well beyond the current mineralisation. Most IP anomalies also coincided very well with existing geochemical anomalies. The greatest benefit of the geophysics is to reduce some of the broad geochemical anomalies down to discrete zones that can be targeted with drilling. The IP geophysics program will continue into 2015 beginning with coverage of the Prospect 180.

A 25,000 metre drilling program commenced in 2014 with two diamond and 1 reverse circulation (RC) drill rig. The RC rig focussed on the Prospect 150 and 160 areas while the diamond rigs were used to target new zones generated by the geochemistry and geophysics as well as provide support to the RC rig at Prospect 150. The program is ongoing into 2015. Results to date have been extremely encouraging with numerous significant gold and copper hits. All zones are open at depth and along strike.

Results to date all suggest the area is part of a large mineral field. Geochemistry, geophysics, structure, rock type and topography information are all combining to allow accurate targeting of new zones, which are generally intersected in the first holes drilled. With new mineralisation now identified over an extremely wide area the potential for individual Prospects to combine into a significant mineral field is increasing.

Fiji Projects

The Geopacific Fiji licences contain exciting copper / gold porphyry and epithermal gold prospects that have mostly been advanced to drill ready status in most cases. Unfortunately while the appetite for grass roots exploration is low it has been difficult to justify significant expenditure on these prospects at this time, therefore exploration in Fiji has been maintained at a low level. This work has included geochemical sampling and a review of geochemical and geophysical data already collected, with the aim of generating new targets for further field work.

4 FINANCIAL POSITION

At the end of the financial year the Group had $4,165,516 (2013: $3,258,776) in cash and cash equivalent. Capitalised exploration and evaluation expenditure was $18,951,894 (2013: $13,422,389).

Expenditure on exploration of tenements during the year was $5,529,505(2013: $1,486,557).

5 DIVIDENDS

The Directors do not recommend the payment of a dividend. No dividends have been paid or declared since the end of the previous year.

6 STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Group during the financial year except for the following:

- Geopacific announced a 1:6 Non-Renounceable Rights Issue in December 2014 issuing up to 52,631,579 shares. The Rights issue was fully underwritten and closed on 23 January 2015;
- During the year, the Company completed the following share issues:
    - Conversion of $56,000 in Convertible Notes into 1,120,000 shares
    - The issue of 95,989,888 shares at $0.055 per share to Sophisticated Investors to raise $5,279,443 in July 2014.
    - The issue of 43,630,438 shares to Sophisticated Investors at $0.0575 per share to raise US$2,508,750.

7 EVENTS SUBSEQUENT TO REPORTING DATE

Other than the following, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company to affect substantially the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

The Company raised $3.0 million before costs as a result of the closing of the 1:6 Non-Renounceable Rights Issue commenced in December 2014. The Company issued 52,631,579 new shares to shareholders.

At 31 January 2015 the Company via its subsidiary Royal Australia Resources Limited notified the vendors of the Kou Sa project that it was satisfied with the Exploration Due Diligence on the Kou Sa Project and that the Company wished to proceed to Completion of the Agreement. RAR paid the initial payment of US$1.4 million to the vendors at that time. The balance of the $14.0 million acquisition costs are payable over an 18 month period from January 2015 to July 2016. The Company intends, subject to funding, to make the payments according to the schedule.

8 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	Nil	162,000	Nil
M Jerkovic	-	Nil	8,256,108	Nil
M Bojanjac	166,666	Nil	2,500,000	Nil
R Heeks	-	Nil	3,523,757	Nil

The beneficial interest of each Director in the Performance Rights of the Company as at the date of this report is:

	Vesting 1 July 2015	Vesting 1 July 2016
R J Fountain	375,000	375,000
M Jerkovic	500,000	500,000
M Bojanjac	375,000	375,000
R Heeks	2,000,000	2,000,000

9 DIRECTORS' MEETINGS

During the year ended 31 December 2014 a total of six Directors' Meetings and two Audit Committee Meetings were held. Directors' attendance record is tabulated below.

	Directors Meetings		Audit Committee Meetings	
Director	Attended *	Eligible to Attend	Attended *	Eligible to Attend
M Jerkovic	6	6	2	2
M T Bojanjac	6	6	2	2
R S Heeks	6	6	-	-
R J Fountain	6	6	2	2

*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 Executive 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 Committees. The Board seeks independent professional advice as necessary in carrying out its duties and responsibilities.

10 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.

11 ENVIRONMENT REGULATIONS

Entities in the Group are subject to normal environmental regulations in areas of operations both in Cambodia and in Fiji. 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.

12 SHARE OPTIONS

There were 4,688,768 options over unissued shares unexercised at 31 December 2014 (2013 – 3,750,000).

Unlisted Options

During the financial year the following unlisted options over unissued shares were cancelled as they either did not meet the vesting Conditions or they expired:

Number of Options Issued	Date of Issue	Exercise Price	Expiry Date
500,000	30 September 2011	$0.30	30 September 2014
250,000	5 April 2012	$0.30	30 September 2014

The Company did not issue ordinary shares during the financial year on the exercise of any unlisted options.

Since the end of the financial year, no unlisted options have been exercised.

As at the date of this report unlisted options over unissued shares in the Company are:

Number of Options on Issue	Exercise Price	Expiry Date
2,000,000	$0.30	5 April 2015
1,688,768	$0.07452	5 August 2017
800,000	$2.50	(i)
200,000	$5.00	(ii)

(i) The Options 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.

(ii) The Options 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.

Option holders do not have any rights to participate in any issues of shares or other interest in the Company or any other entity.

13 INSURANCE OF OFFICERS

The Company has 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.

14 PROCEEDINGS ON BEHALF OF COMPANY

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the Corporations Act 2001.

15 LEAD AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the year ended 31 December 2014 is set out on page 17.

16 AUDITOR

The Shareholders at the AGM on 30 May 2014 resolved to appoint Somes Cooke as auditors of the Company. During the year the following fees were paid or payable to the auditors of Company for services provided by the auditor of the Company, its related practices and non related audit firms:

	CONSOLIDATED	
	2014	2013
	$	$
Audit services		
Somes Cooke		
Audit and review of the financial report and other audit work under the Corporations Act 2001	**30,000**	-
William Buck Audit (WA) Pty Ltd:		
Audit and review of the financial report and other audit work under the Corporations Act 2001	**-**	36,844

17 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.

No non-audit services were provided by the external auditors in respect of the current or preceding financial year.

18 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

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 and is aligned 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.
- Executive directors' 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 and a blend of short and long term incentives.

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

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 $400,000 per year in aggregate as agreed at the 2012 Annual General Meeting.

A Director may also be paid fees or other amounts as the Directors determine, if a Director performs special duties or otherwise performs duties outside the scope of normal duties of a Director. A Director may also be reimbursed for out of pocket expenses incurred as a result of their directorship or any special duties.

B Details of remuneration

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

The key management personnel of Geopacific Resources and the Group comprises of the Directors, Company Secretary and the Exploration Manager.

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

2014	**Short term benefits**	**Post employment benefits**		**Share based payments**		
Name	**Salaries and Fees $**	**Super-annuation $**	**Termination Payments $**	**Rights $**	**Total $**	**Share based payments as % of remuneration**
Non executive Directors						
R J Fountain	56,667	-	-	8,925	65,592	14%
M Jerkovic	75,000	7,031	-	11,900	93,931	13%
M T Bojanjac	98,915	3,750	-	8,925	111,590	8%
Sub-total non-executive Directors	**230,582**	**10,781**	**-**	**29,750**	**271,113**	
Executive Directors						
R S Heeks	240,000	-	-	47,600	287,600	17%
Sub-total directors	**470,582**	**-**	**-**	**77,350**	**558,713**	
Other Key Management Personnel						
J C Lewis	240,000	-	-	35,700	275,700	13%
S Whitehead	119,266	11,181	-	8,925	139,372	6%
Sub-total Key Management Personnel	**359,266**	**11,181**		**44,625**	**415,072**	
Totals	**829,848**	**21,962**	**-**	**121,975**	**973,785**	

2013	Short term benefits	Post employment benefits		Share-based payments		
Name	Salaries and Fees $	Super-annuation $	Termination Payments $	Shares/ Options $	Total $	Share based payments as % of remuneration
Non executive Directors						
R J Fountain	40,000	-	-	-	40,000	-
M Jerkovic (i)	50,000	-	-	-	50,000	-
M T Bojanjac (ii)	30,000	-	-	-	30,000	-
Sub-total non-executive Directors	**120,000**	**-**	**-**	**-**	**120,000**	
Executive Directors						
C B Bass (iii)	-	-	-	285,184	285,184	100%
R S Heeks (ii)	180,000	-	-	-	180,000	-
Sub-total directors	**300,000**	**-**	**-**	**285,184**	**585,184**	
Other Key Management Personnel						
J C Lewis (iv)	180,000	-	-	-	180,000	-
S Whitehead	119,266	10,883	-	14,135	144,284	10%
Sub-total Key Management Personnel	**299,266**	**10,883**		**14,135**	**324,284**	
Totals	**599,266**	**10,883**	**-**	**299,319**	**909,468**	

(i) Appointed 23 April 2013
(ii) Appointed 28 March 2013
(iii) Resigned 1 August 2013
(iv) Appointed 31 March 2013

C Service agreements

At the date of this report the Company has not entered into any service agreements with Key Management Personnel.

D Share based compensation

Geopacific Resources Limited Employee Performance Rights and Option Plans were approved by shareholders at the annual general meeting held on 31 May 2012. All employees are eligible to participate in the plan. Plan performance rights and options are granted under the plans for no consideration. Rights and options granted under the plan carry no dividend or voting rights. When exercisable, each right or option is convertible into one ordinary share.

Options

During the year, no options over ordinary shares in the Company were provided as remuneration to the directors of Geopacific Resources as set out below.

Directors of Geopacific Resources Limited	Number of options granted during the year		Number of options vested during the year	
Name	2014	2013	2014	2013
M Jerkovic	-	-	-	-
M T Bojanjac	-	-	-	-
R S Heeks	-	-	-	-
R J Fountain	-	-	-	-
C B Bass (i)	-	-	333,334	333,333
Other Key management Personnel				
J C Lewis	-	-	-	-
S Whitehead (ii)	-	-	-	83,333

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.

(i) Options issued to Mr Charles Bass

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
5 April 2012	5 April 2015	333,333	$0.30	$0.1347	15 September 2012
5 April 2012	5 April 2015	333,333	$0.30	$0.1347	15 September 2013
5 April 2012	5 April 2015	333,334	$0.30	$0.1347	15 September 2014
5 April 2012	5 April 2015	1,000,000	$0.30	$0.1347	N/A[1]

[1] Options vest after successful exploration results arising from the ZTEM geophysics, such success deemed in the Board's discretion or a corporate transaction benefiting the Company has been successfully negotiated.

Mr Charles Bass retired from the Board on 1 August 2013 but the current Board of Directors has decided not to cancel all options previously granted to him.

(ii) Options issue to Mr Steven Whitehead

The options issued to Mr Steven Whitehead vested on the first, second and third anniversaries of the commencement of his engagement. These options expired on 30 September 2014 and were not exercised.

Performance Rights

During the year performance rights over ordinary shares in the Company were provided as remuneration to the directors of Geopacific Resources as set out below.

Directors of Geopacific Resources Limited	Number of performance rights granted during the year		Number of performance rights vested during the year	
Name	2014	2013	2014	2013
M Jerkovic	1,000,000	-	-	-
M T Bojanjac	750,000	-	-	-
R S Heeks	4,000,000	-	-	-
R J Fountain	750,000	-	-	-
Other Key management Personnel				
J C Lewis	3,000,000	-	-	-
S Whitehead	375,000	-	-	-

The assessed fair value at grant date of the performance rights 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 performance right, 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 conditions that must be met in order for the Performance Rights to vest are as follows:

- 50% will vest upon the performance by the eligible employee of 12 months continuous service from 1 July 2014; and
- 50% will vest upon the performance by the eligible employee of 24 months continuous service from 1 July 2014.

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 and other key management personnel of the Group.

Shares issued on the exercise of options

No ordinary shares of the Company were issued during the year ended 31 December 2014 on the exercise of options granted to key management personnel under the Employee Share Option Plan. No further shares have been issued since that date. No amounts are unpaid on any of the shares.

Equity instrument disclosures relating to key management personnel

(i) Option holdings

The number 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.

2014

Name	Balance at the start of the year	Granted during the year as compensation	Other changes during the year	Lapsed during the year	Held at Resignation/ Termination	Balance at the end of the year	Vested and exercisable at the end of the year
Directors of Geopacific Resources Limited							
R J Fountain	-	-	-	-	-	-	-
M Jerkovic	-	-	-	-	-	-	-
R S Heeks	-	-	-	-	-	-	-
M T Bojanjac	-	-	-	-	-	-	-
Other Key management Personnel							
J C Lewis	-	-	-	-	-	-	-
S Whitehead	500,000	-	-	500,000	-	-	10%

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

2013

Name	Balance at the start of the year	Granted during the year as compensation	Other changes during the year	Lapsed during the year	Held at Resignation/ Termination	Balance at the end of the year	Vested and exercisable at the end of the year
Directors of Geopacific Resources Limited							
M Jerkovic	-	-	-	-	-	-	-
R S Heeks	-	-	-	-	-	-	-
M T Bojanjac	-	-	-	-	-	-	-
C B Bass	4,476,059	-	-	2,476,059	2,000,000	-	333,333
S T Biggs	2,798,709	-	-	2,798,709	-	-	-
R J Fountain	33,000	-	-	33,000	-	-	-
R H Probert	323,773	-	-	323,773	-	-	-
I N A Simpson	877,460	-	-	877,460	-	-	-
Other Key management Personnel							
J C Lewis	-	-	-	-	-	-	-
S Whitehead	500,000	-	-	-	-	500,000	83,333

(ii) Performance Rights

The number of performance rights 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.

2014

Name	Balance at the start of the year	Granted during the year	Held at Resignation/ Termination	Balance at the end of the year
Directors of Geopacific Resources Limited				
Milan Jerkovic	-	1,000,000	-	1,000,000
Ron Heeks	-	4,000,000	-	4,000,000
Mark Bojanjac	-	750,000	-	750,000
R J Fountain	-	750,000	-	750,000
Other Key management Personnel				
J Lewis	-	3,000,000	-	3,000,000
S Whitehead	-	-	-	-

No performances rights were held during 2013.

(iii) Share holdings

The number of 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, is set out below

2014

Name	Balance at the start of the year	Received during the year on the exercise of options	Acquired during the year	Held at Resignation/ Termination	Balance at the end of the year
Directors of Geopacific Resources Limited					
Milan Jerkovic	8,256,108	-	-	-	8,256,108
Ron Heeks	3,523,757	-		-	3,523,757
Mark Bojanjac	2,666,666	-	-	-	2,666,666
R J Fountain	166,000	-	-	-	166,000
Other Key management Personnel					
J Lewis	2,833,442	-	197,191	-	3,030,633
S Whitehead	-	-	-	-	-

2013

Name	Balance at the start of the year	Received during the year on the exercise of options	Other changes during the year	Held at Resignation/ Termination	Balance at the end of the year
Directors of Geopacific Resources Limited					
Milan Jerkovic	-	-	8,256,108	-	8,256,108
Ron Heeks	-	-	3,523,757	-	3,523,757
Mark Bojanjac	-	-	2,666,666	-	2,666,666
I N A Simpson	754,919	-	-	754,919	-
R J Fountain	66,000	-	100,000	-	166,000
R H Probert	647,545	-	-	647,545	-
C B Bass	4,152,117	-	4,724,690	8,876,807	-
S T Biggs	5,632,417	-	2,050,578	7,682,995	-
Other Key management Personnel					
J Lewis	-	-	2,833,442	-	2,833,442
S Whitehead	-	-	-	-	-

END OF REMUNERATION REPORT

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

Ron Heeks
Managing Director

Perth, Australia
Dated: 26 March 2015

SOMES COOKE
Profit from our Resources

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Chartered Accountants (Aus)
Business Consultants
Financial Advisors

Auditor's Independence Declaration

To those charged with governance of Geopacific Resources Limited and its Controlled Entities

As auditor for the audit of Geopacific Resources Limited and its Controlled Entities for the year ended 31 December 2014, I declare that, to the best of my knowledge and belief, there have been:

i) no contraventions of the independence requirements of the *Corporations Act 2001* in relation to the audit; and

ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Somes Cooke

Somes Cooke

Nicholas Hollens

Nicholas Hollens
Partner

Perth
26 March 2015

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Independent Auditor's Report

To the members of Geopacific Resources Limited and its Controlled Entities

Report on the Financial Report

We have audited the accompanying financial report of Geopacific Resources Limited and its Controlled Entities, which comprises the statements of financial position as at 31 December 2014, the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and consolidated statements of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the company and the consolidated entity.

Directors' Responsibility for the Financial Report

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

In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's 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. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view 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 company'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.

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

Independence

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

Opinion

In our opinion the financial report of Geopacific Resources Limited and its Controlled Entities is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the company's and the consolidated entity's financial position as at 31 December 2014 and of their performance for the year ended on that date; and

(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

(c) the consolidated financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 1(a).

Report on the Remuneration Report
We have audited the Remuneration Reported included in pages 9 to 15 of the directors' report for the year ended 31 December 2014. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit in accordance with Australian Auditing Standards.

Opinion
In our opinion, the Remuneration Report of Geopacific Resources Limited for the year ended 31 December 2014, complies with section 300A of the *Corporations Act 2001*.

Somes Cooke

Somes Cooke

Nicholas Hollens.

Nicholas Hollens
Partner

Perth
26 March 2015

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The Directors of Geopacific Resources Limited declare that:

a) the financial statements and notes, set out on pages 21 to 52 are in accordance with the Corporations Act 2001, including:

   i. complying with Australian Accounting Standards which as stated in accounting policy Note 1 to the financial statements constitutes compliance with International Reporting Standards (IFRS) ; and

   ii. giving a true and fair view of the financial position as at 31 December 2014 and of the performance for the year then ended of the Consolidated Group; and

   iii. the directors have been given the declarations required by S.295A of the Corporations Act 2001 from the Chief Executive Officer and the Chief Financial Officer.

b) 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:

Ron Heeks

RS Heeks
Managing Director

Perth, Australia
Dated: 26 March 2015

	Note	CONSOLIDATED 2014 $	2013 $
Revenue from continuing operations	5	**69,853**	618,143
Administration expenses		**(219,667)**	(304,771)
Consultancy expense		**(416,807)**	(346,064)
Depreciation expense		**(79,158)**	(80,395)
Employee benefits expense		**(806,455)**	(1,082,420)
Occupancy Expenses		**(183,795)**	(168,829)
		(1,705,882)	(1,982,479)
Loss before income tax	6	**(1,636,029)**	(1,364,336)
Income tax	8	**-**	-
Loss for the year attributable to members of the parent company		**(1,636,029)**	(1,364,336)
Other comprehensive income-items that may be reclassified to profit or loss:			
Exchange differences on translating foreign controlled entities		**147,326**	13,915
Other comprehensive income for the year, net of tax		**147,326**	13,915
Total comprehensive loss for the year attributable to members of the parent entity		**(1,488,703)**	(1,350,421)
Basic loss per share (cents)	27	**(0.67)**	(1.26)
Diluted loss per share (cents)	27	**(0.67)**	(1.26)

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

	Note	CONSOLIDATED 2014 $	2013 $
CURRENT ASSETS			
Cash and cash equivalents	9	**4,165,516**	3,258,776
Trade and other receivables	10	**290,482**	297,940
TOTAL CURRENT ASSETS		**4,455,998**	3,556,716
NON-CURRENT ASSETS			
Exploration and evaluation expenditure	11	**18,951,894**	13,422,389
Plant and equipment	13	**209,681**	244,770
TOTAL NON-CURRENT ASSETS		**19,161,575**	13,667,159
TOTAL ASSETS		**23,617,573**	17,223,875
CURRENT LIABILITIES			
Trade and other payables	14	**762,230**	442,256
Provisions	15	**63,635**	36,800
Convertible Notes	16	**-**	52,597
Financial liabilities	17	**13,391**	8,242
TOTAL CURRENT LIABILITIES		**839,256**	539,895
NON-CURRENT LIABILITIES			
Financial liabilities	17	**-**	13,010
TOTAL NON-CURRENT LIABILITIES		**-**	13,010
TOTAL LIABILITIES		**839,256**	552,905
NET ASSETS		**22,778,317**	16,670,970
EQUITY			
Issued capital	18	**34,686,214**	27,302,822
Reserves	19	**401,522**	41,538
Accumulated losses		**(12,309,419)**	(10,673,390)
TOTAL EQUITY		**22,778,317**	16,670,970

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

Consolidated	Issued Capital $	Share Based Payments Reserve $	Foreign Currency Translation Reserve $	Accumulated Losses $	Total Equity $
At 1 January 2013	17,050,140	315,854	(362,188)	(9,309,054)	7,694,752
Transactions with owners in their capacity as owners					
Shares issued during the year	10,456,081	-	-	-	10,456,081
Share issue costs	(203,399)		-	-	(203,399)
Options issued	-	111,746	-	-	111,746
Options expired	-	(37,789)	-	-	(37,789)
Other Comprehensive loss for the year	-	-	13,915	(1,364,336)	(1,350,421)
At 31 December 2013	27,302,822	389,811	(348,273)	(10,673,390)	16,670,970
At 1 January 2014	27,302,822	389,811	(348,273)	(10,673,390)	16,670,970
Transactions with owners in their capacity as owners					
Shares issued during the year	7,844,193	-	-	-	7,844,193
Share issue costs	(460,801)	-	-	-	(460,801)
Options issued	-	277,738	-	-	277,738
Options expired	-	(65,080)	-	-	(65,080)
Other Comprehensive loss for the year	-	-	147,326	(1,636,029)	(1,488,703)
At 31 December 2014	34,686,214	602,469	(200,947)	(12,309,419)	22,778,317

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

	Note	CONSOLIDATED 2014 $	2013 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		**130,789**	39,939
Payments to suppliers and employees		**(1,066,048)**	(1,470,422)
Interest received		**15,650**	7,828
VAT Recoveries		**-**	282,004
Net Cash used in Operating Activities	31(c)	**(919,609)**	(1,140,651)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for plant and equipment		**(44,069)**	(4,178)
Proceed from disposal of plant and equipment		**-**	-
Exploration expenditure		**(5,529,505)**	(1,486,557)
Cash acquired as a result of business combination	21	**-**	215,247
Net Cash used in Investing Activities		**(5,573,574)**	(1,275,488)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from share issue (net of cost)		**7,330,794**	4,750,682
Finance lease payments		**(9,071)**	(5,061)
Loans to a related party		**(69,126)**	(51,147)
Proceeds from convertible notes issued		**-**	50,000
Net Cash from Financing Activities		**7,252,597**	4,744,474
NET INCREASE IN CASH AND CASH EQUIVALENTS		**759,414**	2,328,335
Effect of exchange rates on cash held in foreign currencies		**147,326**	233,600
Cash & Cash Equivalents at the Beginning of the Financial Year		**3,258,776**	696,841
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR		**4,165,516**	3,258,776

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

Geopacific Resources Limited ('the Company') is a listed public company domiciled in Australia. The consolidated financial report of the Company for the financial year ended 31 December 2014 comprises the Company and its controlled entities (together referred to as the 'Group').

The separate financial statements of the parent entity, Geopacific Resources Limited, have not been presented within this financial report as permitted by the Corporation Act 2001.

The financial report was authorized for issue by the directors on 25 March 2015.

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.

Except for cash flow information, 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.

Standards and Interpretations affecting amounts reported in the current period (and/or prior periods).

The Group has adopted all applicable new and revised Standards and Interpretations in the current year and these standards have not significantly impacted the recognition, measurement and disclosure of the Group and its consolidated financial statements for the financial year ended 31 December 2014.

New Accounting Standards 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 and which the Group has decided not to early adopt. These standards and interpretations will not materially impact on the Group's financial statements.

Significant accounting policies

The following is a summary of the material accounting policies adopted by the Group in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(a) Cash and cash equivalents

Cash and short-term deposits in the consolidated statement of financial position comprise cash at bank and in hand. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

(b) Share Capital

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.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Employee benefits

(i) Wages and salaries and annual leave

Liabilities for wages and salaries, including non monetary benefits, and annual leave expected to be wholly 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. All other amounts are considered other long term benefits for measurement purposes and are measured at the present value of expected future payments to be made in respect to services provided by employees.

(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 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.

(d) Financial Instruments

Initial 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 (i.e. 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.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Financial Instruments (continued)

Derecognition

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 instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost.

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) 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. Gain or losses are recognized in profit or loss through the amortisation process and when the financial asset is derecognised.

(ii) Financial liabilities

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

(iii) Convertible Notes

The component parts of compound instruments (convertible notes) issued by the Group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Conversion options that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recognised as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to issued capital. Where the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to accumulated losses within equity.

No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Financial Instruments (continued)

Transaction costs that relate to the issue of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the convertible notes using the effective interest method.

Impairment

At the end of each reporting period, the Group assesses whether there is objective evidence that a financial asset has been impaired. A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the Group recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

(e) 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 Limited'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 profit and loss and other 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.

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

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Goods and Services Tax (GST)/Value Added Tax (VAT)

Revenues, expenses and assets are recognised net of the amount of associated GST/VAT, unless the GST/VAT 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/VAT receivable or payable. The net amount of GST/VAT 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/VAT 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.

(g) 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.

(h) Interests in Joint Arrangements

Joint arrangements represent the contractual sharing of control between parties in a business venture where unanimous decisions about relevant activities are required.

Separate joint venture entities providing joint venturers with an interest to net assets are classified as a joint venture and accounted for using the equity method.

Joint venture operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The consolidated group's interests in the assets, liabilities, revenue and expenses of joint operations are included in the respective line items of the consolidated financial statements.

Gains and losses resulting from sales to a joint operation are recognised to the extent of the other parties' interests. When the consolidated group makes purchases from a joint operation, it does not recognise its share of the gains and losses from the joint arrangement until it resells those goods/assets to a third party.

(i) Income tax

The income tax expense or revenue for the year is the tax payable on the current year's taxable income based on the notional 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)

(j) 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.

(k) Mineral Tenements and Deferred Mineral Exploration Expenditure

Mineral exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are carried forward only if they relate to an area of interest for which rights of tenure are current and in respect of which:

- such costs are expected to be recouped through the successful development and exploitation of the area of interest, or alternatively by its sale; or
- exploration and/or evaluation activities in the area have not reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active or significant operations in, or in relation to, the area of interest are continuing.

In the event that an area of interest is abandoned or if the Directors consider the expenditure to be of reduced value, accumulated costs carried forward are written off in the year in which that assessment is made. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Immediate restoration, rehabilitation and environmental costs necessitated by exploration and evaluation activities are expensed as incurred and treated as exploration and evaluation expenditure. Exploration activities resulting in future obligations in respect of restoration costs result in a provision to be made by capitalising the estimated costs, on a discounted cash basis, of restoration and depreciating over the useful life of the asset. The unwinding of the effect of the discounting on the provision is recorded as a finance cost in the statement of profit and loss and other comprehensive income.

(l) Plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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 profit or loss and other comprehensive income during the financial year 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 and equipment	5% to 37.5%
- Computer software	25%
- Motor vehicles	25%
- Furniture and fittings	7% to 20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each year end.

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(g)).

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Plant and equipment (continued)

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These gain and losses are included in the statement of profit or loss and other 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.

(m) Principles of consolidation

Basis of consolidation

The consolidated financial statements comprise the financial statements of Geopacific Resources Limited and its subsidiaries as at and for the year ended 31 December each year (the Group).

Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full. Subsidiaries are fully consolidated from the date on which control is obtained by the Group and cease to be consolidated from the date on which control is transferred out of the Group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. The acquisition method of accounting involves recognising at acquisition date, separately from goodwill, the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree. The identifiable assets acquired and the liabilities assumed are measured at their acquisition date fair values.

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within entity. Contingent consideration classified as an asset or liability is remeasured in each reporting period to fair value, recognising any change to fair value in profit or loss, unless the change in value can be identified as existing acquisition date.

All transaction costs incurred in relation to business combinations are recognised as expenses in profit or loss when incurred.

The difference between the above items and the fair value of the consideration (including the fair value of any pre-existing investment in the acquiree) is goodwill or a discount on acquisition.

A change in the ownership interest of a subsidiary that does not result in a loss of control is accounted for as an equity transaction.

A list of controlled entities is contained in note 23.

(i) 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 (i.e. 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)

(m) Principles of consolidation (continued)

(ii) 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, liabilities incurred by the acquirer to the former owners of the acquiree and the equity interests issued by the acquirer.

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.

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 controlled entities is included in intangible assets.

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.

(n) 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 using the effective interest method.

(iii) Rental Income

Rental Income is recognised on a straight-line basis over the lease term.

(o) Comparative figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(p) Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of profit or loss and other comprehensive income on a straight line basis over the period of the lease.

(q) Provisions

Provisions are recognised when the Group has legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

2 FINANCIAL RISK MANAGEMENT

The Group has exposure to a variety of risks arising from its use of financial instruments. This note presents information about the Group's exposure to the specific risks, and the policies and processes for measuring and managing those risks. Further quantitative disclosures are included throughout this financial report. The Board of Directors has overall responsibility for the risk management framework.

(a) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from transactions with customers and investments.

Trade and other receivables

The Group has no investments and the current nature of the business activity does not result in trading receivables. The receivables that the Group recognises through its normal course of business are short term in nature and the most significant (in quantity) is the receivable from security deposits for tenements. The risk of non-recovery of receivables from this source is considered to be negligible.

Cash deposits

The Group's primary bankers are Westpac and the ANZ Banking Group. At balance date all operating accounts and funds held on deposit are with these two banks except in parts of Indonesia where these banks do not have branch offices. Except for operating bank accounts in other jurisdictions, the Group currently has no significant concentrations of credit risk.

(b) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group manages its liquidity risk by monitoring its cash reserves and forecast spending. Management is cognisant of the future demands for liquid finance resources to finance the Group's current and future operations, and consideration is given to the liquid assets available to the Group before commitment is made to future expenditure or investment.

(c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising any return.

Foreign exchange risk

The Group and the parent entity operated in Fiji and Cambodia and are exposed to foreign exchange risks arising from the fluctuations between the exchange rates of the Australian, United States and Fijian Dollar. The Group has no further material foreign currency dealings other than the above.

Foreign exchange risk arises when future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Group's functional currency. The Group has not formalised a foreign currency risk management policy however, it monitors its foreign currency expenditure in light of exchange rate movements.

Interest rate risk

As the Group has significant interest bearing assets, the Group's income and operating cash flows are materially exposed to changes in market interest rates. The assets are short term interest bearing deposits, and no financial instruments are employed to mitigate risk (Note 28 – Financial Instruments).

2 FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Capital management

The Board's policy is to maintain a sound capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors capital expenditure and cash flows as mentioned in (b).

The Group's objectives when managing capital is to safeguard the Group's ability to continue as a going concern, so as to maintain a strong capital base sufficient to maintain future exploration and development of its projects. In order to maintain or adjust the capital structure, the Group may return capital to shareholders, issue new shares or sell assets to reduce debt. The Group's focus has been to raise sufficient funds through equity to fund exploration and evaluation activities.

There were no changes in the Group's approach to capital management during the year. Risk management policies and procedures are established with regular monitoring and reporting.

Neither the Company nor any of its controlled entities are subject to externally imposed capital requirements.

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.

Key judgments

Exploration and evaluation expenditure

The Company's accounting policy is stated at Note 1(j). There is some subjectivity involved in the carrying forward as capitalised or writing off to the income statement exploration and evaluation expenditure, however the Board and management give due consideration to areas of interest on a regular basis and are confident that decisions to either write off or carry forward such expenditure reflect fairly the prevailing situation. In the year ended 31 December 2014 an amount of $Nil has been written off (2013: $Nil).

Key Estimates

Share based payments

The Group measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an internal valuation using a Black-Scholes option pricing model. Refer Note 26 for details of estimates and assumptions used.

4 PARENT COMPANY INFORMATION

The following information has been extracted from the books and records of the parent and has been prepared in accordance with Accounting Standards.

	2014 $	2013 $
STATEMENT OF FINANCIAL POSITION		
ASSETS		
Current assets	**4,065,195**	3,172,656
Non current assets	**20,362,973**	13,599,680
TOTAL ASSETS	**24,428,168**	16,772,336
LIABILITIES		
Current liabilities	**267,366**	199,710
TOTAL LIABILITIES	**267,366**	199,710
EQUITY		
Issued capital	**34,686,214**	27,302,823
Share based payments reserve	**602,468**	389,811
Accumulated losses	**(11,127,880)**	(11,120,008)
TOTAL EQUITY	**24,160,802**	16,572,626
STATEMENT OF COMPREHENSIVE INCOME		
Total loss	**(7,872)**	(1,366,719)
TOTAL COMPREHENSIVE LOSS	**(7,872)**	(1,366,719)

Guarantees

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

Contingent liabilities

At 31 December 2014, Geopacific Resources Limited had no contingent liabilities. (2013: Nil)

Contractual commitments

At 31 December 2014, Geopacific Resources Limited had not entered into any contractual commitments for the acquisition of property, plant and equipment. (2013: Nil)

5 REVENUE

	CONSOLIDATED	
	2014	2013
	$	$
Foreign exchange gain	**-**	233,600
Rental income	**52,750**	47,120
VAT expenses written back	**-**	282,004
Interest income – financial institutions	**15,650**	7,828
Other income	**1,453**	47,591
	69,853	618,143

6 LOSS BEFORE INCOME TAX

	CONSOLIDATED	
	2014	2013
	$	$
Loss before income tax includes the following specific expenses:		
Contributions to defined superannuation funds	**17,564**	7,796

7 REMUNERATION OF AUDITORS

	CONSOLIDATED	
	2014	2013
	$	$
Amounts received or receivable by Somes Cooke William Buck Audit (WA) Pty Ltd	**-**	36,844

8 INCOME TAX

	CONSOLIDATED	
	2014	2013
	$	$
(a) Reconciliation of income tax to prima facie tax payable		
Loss before income tax	**(1,636,029)**	(1,364,336)
Tax at the Australian rate of 30% (2012 – 30%)	**(490,809)**	(409,301)
Tax effect of:		
Non-deductible share based payment	**43,232**	22,187
Exploration costs during the year	**(1,658,851)**	(445,967)
Exploration assets from business combination	**-**	(1,486,679)
Capital raising costs	**(55,617)**	(37,429)
Other non-deductible expenses	**30,447**	40,311
Deferred tax assets not brought to account	**2,131,598**	2,316,878
Income tax expense	**-**	-

The deferred tax assets associated with tax losses not brought to account will only be obtained if:

(i) the company and the consolidated entity derive further assessable income of a nature and of an amount sufficient to enable the benefit from the deductions to be realised;

(ii) the company and the consolidated entity continue to comply with the conditions for deductibility imposed by the law; and

(iv) no changes in tax legislation adversely affect the company's and the consolidated entity's ability in realising the benefit from the deductions.

9 CASH AND CASH EQUIVALENTS

	CONSOLIDATED	
	2014	2013
	$	$
Current		
Cash at bank	**4,165,516**	3,258,776

10 TRADE AND OTHER RECEIVABLES

	CONSOLIDATED	
	2014	2013
	$	$
Current		
Security deposits	**120,433**	107,921
Sundry debtors	**19,840**	47,007
Receivable from related party – Common Directors	**122,872**	53,744
GST receivable	**27,337**	89,268
	290,482	297,940

11 EXPLORATION EXPENDITURE

	CONSOLIDATED	
	2014	2013
	$	$
Non-Current		
Capitalised exploration expenditure carried forward	**18,951,894**	13,422,389
Movement during year		
Carrying value – beginning of year	**13,422,389**	6,980,234
Additions	**5,529,505**	1,486,557
Additions through business combination	**-**	4,955,598
Carrying value – end of year	**18,951,894**	13,422,389

During the year the Company did not expense any previously capitalized exploration expenditure (2013: nil).

12 JOINT ARRANGEMENTS

	CONSOLIDATED	
	2014	2013
	$	$
Interest in Joint Operations		
RakiRaki (Fiji) Joint Venture		
Geopacific Resources Limited has a 50% interest in Joint Venture with Peninsula Energy Limited.		
NON-CURRENT ASSETS		
Exploration and evaluation expenditure	**561,705**	559,561

13 PLANT AND EQUIPMENT

	CONSOLIDATED	
	2014	2013
	$	$
Non-Current		
Plant, vehicles and equipment		
At Cost	**509,344**	416,028
Less: Accumulated depreciation	**(299,662)**	(171,258)
Total plant and equipment	**209,682**	244,770

Movement - 2014	**Plant & Equipment $**	**Computer software $**	**Motor Vehicle $**	**Lease Vehicle $**	**Furniture & Fittings $**	**Total $**
Balance at 1 January 2014	149,425	37,224	2,002	18,721	37,398	197,794
Additions	38,512	5,558	-	-	-	44,070
Disposals	-	-	-	-	-	-
Depreciation	(46,008)	(15,368)	(2,002)	(10,206)	(5,574)	(79,158)
Balance at 31 December 2014	141,929	27,414	-	8,515	31,824	209,682

At 31 December 2014, a motor vehicle with a carrying amount of $ 8,515 (2013: $18,721) is secured under a finance lease arrangement.

Movement - 2013	**Plant & Equipment $**	**Computer software $**	**Motor Vehicle $**	**Lease Vehicle $**	**Furniture & Fittings $**	**Total $**
Balance at 1 January 2013	123,242	32,590	8,458	28,192	5,312	197,794
Additions	2,830	1,348	-	-	-	4,178
Additions through business combination	66,193	20,026	-	-	36,974	123,193
Depreciation	(42,840)	(16,740)	(6,456)	(9,471)	(4,888)	(80,395)
Balance at 31 December 2013	149,425	37,224	2,002	18,721	37,398	244,770

14 TRADE AND OTHER PAYABLES

	CONSOLIDATED	
	2014	2013
	$	$
Current		
Sundry creditors and accruals	**762,230**	442,256

15 PROVISIONS

	CONSOLIDATED	
	2014	2013
	$	$
Current		
Provisions	**63,635**	36,800

16 CONVERTIBLE NOTES

	CONSOLIDATED	
	2014	2013
	$	$
Current		
Convertible Notes	**-**	52,597

The terms of the Convertible Notes were as follows:

- Interest at 12% p.a. payable at redemption;
- Conversion into ordinary shares at $0.05 per share;
- Unsecured;
- Redemption up to 12 Months from date of issue;
- Early redemption at the discretion of the Holder only.

17 FINANCIAL LIABILITIES

	CONSOLIDATED	
	2014	2013
	$	$
Current		
Lease liabilities	**13,391**	8,242
Non-Current		
Lease liabilities	**-**	13,010

Lease liabilities are secured by underlying leased assets with a carrying amount of $ 12,947 as at year end.

18 ISSUED CAPITAL

	CONSOLIDATED	
	2014	2013
	$	$
Issued Capital	**34,686,214**	27,302,823

Reconciliation of movements during the period:	**2014**		2013	
	No. of Shares	**$**	No. of Shares	$
Balance as at 1 January	**193,670,521**	**27,302,822**	43,315,827	17,050,140
Shares issue to consultants in lieu of cash	-	-	700,000	70,000
Shares issued pursuant to a placement at 10 cents	-	-	4,250,000	425,000
Share issued pursuant to the takeover of Worldwide Mining Projects Ltd	-	-	52,100,000	5,210,000
Shares issued to a Director	-	-	2,000,000	200,000
Shares issued as compensation of the termination of a lease	-	-	220,000	22,000
Shares issued pursuant to a placement at 5 cents	-	-	62,379,365	3,118,968
Shares issued pursuant to Rights Issue	-	-	23,674,644	1,183,732
Shares issued on conversion of Convertible Notes	1,120,000	56,000	5,030,685	226,381
Shares issued pursuant to a placement at 5.5 cents	95,989,888	5,279,443	-	-
Shares issued pursuant to a placement at 5.75 cents	12,130,438	697,500	-	-
Shares issued pursuant to a placement at 5.75 cents	31,500,000	1,811,250	-	-
Less share issue costs		(460,801)		(203,399)
Balance as at 31 December	**334,410,847**	**34,686,214**	193,670,521	27,302,822

19 RESERVES

	CONSOLIDATED	
	2014	2013
	$	$
(a) Reserves		
Foreign currency translation reserve	**(200,947)**	(348,273)
Share based payments reserve	**602,469**	389,811
	401,522	41,537
(b) Movements		
Share based payments reserve		
Balance 1 January	**389,811**	315,854
Rights/Option expense	**277,738**	111,746
Options expired	**(65,080)**	(37,789)
Balance 31 December	**602,469**	389,811
Foreign currency translation reserve		
Balance 1 January	**(348,273)**	(362,188)
Exchange gains during year	**147,326**	13,915
Balance 31 December	**(200,947)**	(348,273)
Total reserves	**401,522**	41,537

(c) Nature and purpose of reserves

Share based payments reserve

The share-based payments reserve records the value of unexercised options issued to employees and Directors which have been taken to expenses, the value of options issued on acquisition of Millennium Mining (Fiji) Ltd and the value of unexercised options granted pursuant to the Employee Share Option and Performance Rights Plans.

Foreign currency translation reserve

The foreign currency translation reserve records unrealised exchange gains and losses on translation of controlled entities accounts during the year.

20 CONTINGENT LIABILITIES

The Group does not have any contingent liabilities at the end of the reporting period.

21 BUSINESS COMBINATION

On 31 March 2013, Geopacific acquired 100 per cent of the voting equity in Worldwide Mining Projects Limited ("Worldwide") in a script transaction. Geopacific issued to Worldwide shareholders 52,100,000 Geopacific shares valued at $0.10 per share in order to acquire 100% of the shares of Worldwide. Therefore the fair value of the consideration given for the acquisition of Worldwide, was $5,210,000.

Worldwide like Geopacific is engaged in the mining exploration industry focussing on the exploration for copper. Worldwide has interests in a copper exploration licence in Cambodia.

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

	Fair Value $
Cash and Cash Equivalents	215,247
Trade and other receivables	80,377
Property, plant and equipment	123,193
Exploration expenditure	1,065,488
Trade and other payables	(164,415)
	1,319,890
Cost of Business Combination	5,210,000
Fair value adjustment to exploration expenditure on consolidation	3,890,110
Cash acquired as a result of business combination	
Identifiable net assets acquired	1,319,890
Fair value adjustment to exploration expenditure on consolidation	3,890,110
Total purchase consideration	5,210,000
Less share issuance	(5,210,000)
Cash consideration paid	-
Less: Cash and cash equivalents in subsidiaries acquired	215,247
Net cash acquired as a result of business combination	215,247

Revenue and loss resulting from the acquisition of Worldwide amounting to $61,137 and ($51,721) respectively are included in the Consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2013. Had the results relating to Worldwide been consolidated from 1 January 2013, the consolidated revenue and loss of the consolidated group would not have been materially different to that of the actual results.

22 COMMITMENTS

(a) Tenement Commitments

Entities in the Group are required to spend certain amounts to retain their interest in areas over which Special Prospecting Licenses are held. All requirements have been complied with and all reports and lodgements have been made. The Group is currently waiting on the reissue of certain licences by the Mineral and Resource Department of Fiji.

The following expenditure for 2014 is required.

Tenement	Tenement Renewed to	Annual Expenditure $FJD	Comments
SPL1216	21 January 2017	200,000	Licence renewal lodged with authorities. Annual expenditure is budgeted amount lodged.
SPL 1231/1373	Pending	300,000	50% to be met by JV partner Imperial Mining (Fiji) Ltd. Annual expenditure is budgeted amount lodged.
SPL 1436	Pending	75,000	50% to be met by JV partner Imperial Mining (Fiji) Ltd. Annual expenditure is budgeted amount.
SPL 1361	9 December 2016	300,000	Licence renewed for 3 years, final year expenditure of FJD$500,000
SPL 1368	9 December 2016	500,000	Licence renewed for 3 years, final year expenditure of FJD$800,000
SPL 1415	8 November 2016	75,000	Licence renewed for 3 years, final year expenditure of FJD$150,000
SPL 1493	Pending	50,000	Licence renewal lodged with authorities. Annual expenditure is budgeted amount.

(b) Finance lease commitments

	CONSOLIDATED	
	2014	2013
	$	$
Payable – minimum lease payments:		
Payable not later than one year	**13,742**	9,467
Payable later than one year, but not later than five years	**-**	13,347
Minimum lease payments	**13,742**	22,814
Less future finance charge	**(351)**	(1,562)
Present value of minimum lease payments	**13,391**	21,252

The Group's lease vehicle under a finance lease agreement for a period of 36 months ending May 2015.

(c) Operating lease commitments

	CONSOLIDATED	
	2014	2013
	$	$
Payable not later than one year	**140,035**	103,285
Payable later than one year, but not later than five years	**256,731**	-
	396,766	103,285

Geopacific's wholly owned subsidiary Worldwide has a lease over office premises at Level 1 278 Stirling Highway Claremont. The lease expired on 31 October 2014 and Worldwide exercised its option to extend the lease over the premises for a period of 3 years.

23 PARTICULARS RELATING TO CONTROLLED ENTITIES

	Class of Share	Holding Company	
		2014	2013
		%	%
Worldwide Mining Projects Pty Ltd	Ordinary	100	100
Eastkal Pte Ltd	Ordinary	100	100
PT IAR Indonesia Ltd	Ordinary	100	100
Beta Limited	Ordinary	100	100
Royal Australia Resources Ltd	Ordinary	85	85
Geopacific Limited	Ordinary	100	100
Millennium Mining (Fiji) Limited	Ordinary	100	100

Worldwide Mining Projects Limited is a company incorporated and carrying on business in Australia.

Eastkal Pte Ltd is a company incorporated and carrying on business in Singapore.

PT IAR Indonesia is a company incorporated and carrying on business in Indonesia.

Royal Australia Resources Ltd is a company incorporated and carrying on business in Cambodia. Petrochemicals (Cambodia) Refinery Ltd holds a 15% minority interest in Royal Australia Resources Ltd.

Worldwide Mining Projects Pty Ltd and Petrochemicals (Cambodia) Refinery Ltd entered into a shareholders agreement in December 2012 to explore, develop and hold the Kou Sa project.

Petrochemicals (Cambodia) Refinery Ltd will be a free carried joint venture partner until a decision to mine on the area which is subject to the Kou Sa project is made, following which Petrochemicals (Cambodia) Refinery Ltd will:

a) Be granted an option to purchase further shares in Royal Australia Resources Ltd at fair market value to increase its percentage shareholding to 20%; and

b) Contribute to all costs, expenses and liabilities incurred or sustained in proportion to its shareholding interest in Royal Australia Resources Ltd.

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

24 KEY MANAGEMENT PERSONNEL DISCLOSURES

(a) Directors

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

R S Heeks
M T Bojanjac
M Jerkovic
R J Fountain

(b) Other key management personnel

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

The Company Secretary, JC Lewis and Exploration Manager, S Whitehead, also meet the definition of key management personnel.

(c) Key management personnel compensation

	CONSOLIDATED	
	2014	2013
	$	$
Short term employee benefits	**829,848**	599,266
Post employment benefits	**21,962**	10,883
Share based payments	**121,975**	299,319
Total Key Management Personnel compensation	**973,785**	909,468

Refer to the remuneration report contained in the Directors' Report for details of the remuneration paid or payable to each member of the Group's key management personnel for the year ended 31 December 2014.

25 RELATED PARTY TRANSACTIONS

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

	CONSOLIDATED	
	2014	2013
	$	$
Transactions with directors and associates of directors Xavier Group Pty Ltd, a Company in which Mr Jerkovic is a Director and shareholder, is utilised to provide services in relation to Geopacific Resources Limited:		
Consulting Services	**68,423**	124,759

26 SHARE-BASED PAYMENTS

(a) Employee Option Plan

Geopacific Resources Limited Employee Option Plan was approved by shareholders at the annual general meeting held on 31 May 2012. All employees are eligible to participate in the plan.

Plan options are granted under the plan for no consideration. Options granted under the plan carry no dividend or voting rights. When exercisable, each option is convertible into one ordinary share. No options have been granted under the plan.

(b) Services

During the year the Company issued 1.5 million shares as payment for services in relation to the December 2014 capital raising.

(c) Unlisted options issued

During the financial year the Company granted 1,688,768 options to BBY Limited over unissued shares at $0.40 per option. The options were part of the fee paid by the Company for services in relation to the $5.2 million capital raising in July 2014 (2013 Nil). No options over unissued shares were exercised (2013: Nil). During the year the following options were cancelled or lapsed unexpired (2013: Nil).

Number of Options Issued	Date of Issue	Exercise Price	Expiry Date
500,000	30 September 2011	$0.30	30 September 2014
250,000	5 April 2012	$0.30	30 September 2014

Schedule of Issued Unlisted Option Movements During the 2014 Year

Issue Date	Expiry Date	Exercise Price	Number on issue 1 January 2014	Granted during year	Lapsed during year	Number on issue 31 December 2014
0.09.2011	30.09.2014	$0.30	500,000	-	(500,000)	-
05.04.2012	30.09.2014	$0.30	250,000	-	(250,000)	-
05.04.2012	05.04.2015	$0.30	2,000,000	-	-	2,000,000
06.06.2009	(a)	$2.50	800,000	-	-	800,000
06.06.2009	(b)	$5.00	200,000	-	-	200,000
05.08.2014	05.08.2017	$0.07452	-	1,688,768	-	1,688,768
			3,750,000	1,688,768	(750,000)	4,688,768

(a) The Options 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 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.

26 SHARE-BASED PAYMENTS (CONTINUED)

(c) Unlisted options issued (continued)

Schedule of Issued Unlisted Option Movements During the 2013 Year

Issue Date	Expiry Date	Exercise Price	Number on issue 1 January 2013	Granted during year	Lapsed during year	Number on issue 31 December 2013
08.05.2006	08.05.2012	$1.25	100,000	-	(100,000)	-
18.09.2009	01.08.2013	$0.50	610,000	-	-	610,000
08.05.2006	08.05.2013	$1.50	100,000	-	-	100,000
30.09.2011	30.09.2014	$0.30	500,000	-	-	500,000
05.04.2012	30.09.2014	$0.30	-	250,000	-	250,000
05.04.2012	05.04.2015	$0.30	-	2,000,000	-	2,000,000
07.09.2012	30.11.2015	$0.35	-	250,000	-	250,000
06.06.2009	(a)	$2.50	800,000	-	-	800,000
06.06.2009	(b)	$5.00	200,000	-	-	200,000
			2,310,000	2,500,000	(100,000)	4,710,000

(a) The Options 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 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.

(d) Performance rights issued

During the financial year the Company issued 6,400,000 performance rights to its employees.

The conditions that must be met in order for the Performance Rights to vest are as follows:

- 50% will vest upon the performance by the eligible employee of 12 months continuous service from 1 July 2014; and
- 50% will vest upon the performance by the eligible employee of 24 months continuous service from 1 July 2014.

Schedule of Performance Rights Movements During the 2014 Year

Issue Date	Exercise Price	Number on issue 1 January 2014	Granted during year	Lapsed during year	Number on issue 31 December 2014
1 July 2014	Nil	-	6,400,000	-	6,400,000

27 LOSS PER SHARE

(a) Basic and diluted loss per share

	CONSOLIDATED	
	2014	2013
	Cents	Cents
Basic loss attributable to the ordinary equity holders of the Company	**(0.67)**	(1.26)
Diluted loss attributable to the ordinary equity holders of the Company	**(0.67)**	(1.26)

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

	2014	2013
	$	$
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	**(1,636,029)**	(1,364,336)

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

	2014	2013
	Number	Number
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted loss per share.	**242,855,979**	107,069,435

All options on issue are considered anti-dilutive and thus have not been included in the calculation of diluted loss per share. These options could potentially dilute earnings per share in the future.

28 EVENTS OCCURRING AFTER THE YEAR END

Other than the following, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company to affect substantially the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

The Company raised $3.0 million before costs as a result of the closing of the 1:6 Non-Renounceable Rights Issue commenced in December 2014. The Company issued 52,631,579 new shares to shareholders.

At 31 January 2015 the Company via its subsidiary Royal Australia Resources Limited notified the vendors of the Kou Sa project that it was satisfied with the Exploration Due Diligence on the Kou Sa Project and that the Company wished to proceed to Completion of the Agreement. RAR paid the initial payment of US$1.4 million to the vendors at that time. The balance of the $14.0 million acquisition costs are payable over an 18 month period from January 2015 to July 2016. The Company intends, subject to funding, to make the payments according to the schedule.

29 OPERATING SEGMENTS

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

For management purposes the Group is organised into two operating segments based on geographical locations, which involves mineral exploration and development in Cambodia and Fiji. All other corporate expenses are disclosed as "Others" within this segment report. The Group's principal activities are interrelated and the Group has no revenue from operations.

All significant operating decisions are based on analysis of the Group as two segments. The financial results of these segments are equivalent to the financial statements of the Company as a whole.

The accounting policies applied for internal reporting purposes are consistent with those applied in preparation of the financial statements.

Revenue by geographical region

The Group has not generated revenue from operations, other than other revenue as below.

	2014	2013
	$	$
Cambodia	**-**	22
Fiji		282,827
Others	**69,853**	335,294
Total Other Revenue	**69,853**	618,143

The Group's segment net loss before tax is as follows:

	2014	2013
	$	$
Cambodia	**(87,902)**	(36,348)
Fiji	**(119,144)**	54,103
Others	**(1,428,983)**	(1,382,091)
Total net loss before tax	**(1,636,029)**	(1,364,336)

29 OPERATING SEGMENTS (CONTINUED)

Assets by geographical region

The location of segment assets is disclosed below by geographical location of the assets.

	2014	2013
	$	$
Cambodia	**11,487,404**	5,825,687
Fiji	**7,621,593**	7,704,744
Others	**4,508,576**	3,693,445
Total Assets	**23,617,573**	17,223,876

The location of segment liabilities is disclosed below by geographical location of the liabilities.

	2014	2013
	$	$
Cambodia	**462,719**	130,616
Fiji	**14,283**	133,918
Others	**362,254**	288,371
Total Liabilities	**839,256**	552,905

30 FINANCIAL INSTRUMENTS DISCLOSURES

Credit risk

The Directors do not consider that the Group's financial assets are subject to anything more than a negligible level of credit risk, and as such no disclosures are made. Refer to Note 2(a).

Impairment losses

The Directors do not consider that any of the Group's financial assets are subject to impairment at the reporting date. No impairment expense or reversal of impairment charge has occurred during the reporting period.

Liquidity risk

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements. Refer to Note 2(b):

	Carrying amount $	Contractual cash flows $	6 months or less $	6-12 months $	1-2 years $	2-5 years $	More than 5 years $
Consolidated 2014							
Financial assets – cash flows realisable							
Cash and cash equivalents	4,165,516	4,165,516	4,165,516	-	-	-	-
Trade and other receivables	290,482	290,482	-	-	-	-	-
Total anticipated inflows	4,455,998	4,455,998	4,455,998	-	-	-	-

30 FINANCIAL INSTRUMENTS DISCLOSURES (CONTINUED)

	Carrying amount $	Contractual cash flows $	6 months or less $	6-12 months $	1-2 years $	2-5 years $	More than 5 years $
Financial liabilities due for payment							
Trade and other payables	762,230	762,230	762,230	-	-	-	-
Other financial liabilities	13,391	13,391	13,391	-	-	-	-
Total expected outflows	775,621	775,621	775,621	-	-	-	-
Net inflow/(outflow) on financial instruments	3,680,377	3,680,377	3,680,377	-	-	-	-

	Carrying amount $	Contractual cash flows $	6 months or less $	6-12 months $	1-2 years $	2-5 years $	More than 5 years $
2013							
Financial assets – cash flows realisable							
Cash and cash equivalents	3,258,776	3,258,776	3,258,776	-	-	-	-
Trade and other receivables	297,940	297,940	297,940	-	-	-	-
Total anticipated inflows	3,556,716	3,556,716	3,556,716	-	-	-	-
Financial liabilities due for payment							
Trade and other payables	479,056	479,056	479,056	-	-	-	-
Other financial liabilities	73,849	73,849	60,839	13,010	-	-	-
Total expected outflows	552,905	552,905	539,895	13,010	-	-	-
Net inflow/(outflow) on financial instruments	3,003,811	3,003,811	3,016,821	(13,010)	-	-	-

The weighted average interest rate for the interest bearing liabilities is 12% (2013:12%).

30 FINANCIAL INSTRUMENTS DISCLOSURES (CONTINUED)

Currency risk

The Group is exposed to foreign currency on expenditures that are dominated in a currency other than Australian Dollars. The currency's giving rise to this risk is primarily United States and Fiji Dollars.

Interest rate risk

At the reporting date the interest profile of the Group's interest-bearing financial instruments were:

	CONSOLIDATED	
	2014	2013
	$	$
Fixed rate instruments:		
Financial liabilities	**13,391**	73,849
	13,391	73,849
Variable rate instruments:		
Financial assets	**4,165,516**	3,258,776
	4,165,516	3,258,776

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased/ (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

	Profit and Loss		Equity	
	100bp increase	100bp decrease	100bp increase	100bp decrease
	$	$	$	$
2014				
Variable rate instruments	**41,655**	**(41,655)**	**41,655**	**(41,655)**
2013				
Variable rate instruments	**32,588**	**(32,588)**	**32,588**	**(32,588)**

Fair values

Fair values versus carrying amounts

The carrying amounts of financial assets and liabilities as described in the consolidated statement of financial position represent their estimated net fair value.

31 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	
	2014	2013
	$	$
Cash at Bank	**4,165,516**	3,258,776

(b) Non Cash Financing

	CONSOLIDATED	
	2014	2013
	$	$
Share based payments	**145,107**	292,000

(c) Reconciliation of Cash Flows from Operating Activities

	CONSOLIDATED	
	2014	2013
	$	$
Loss for the year	**(1,636,029)**	(1,364,336)
Non-cash items:		
Depreciation	**79,158**	80,395
Share based payments	**145,107**	292,000
Options expense	**67,551**	-
Interest on financial liability	**1,209**	-
Changes in Assets and Liabilities, net of the effects of purchase of subsidiaries:		
Decrease/(Increase) in trade and other receivables	**76,586**	(117,978)
Increase/(Decrease) in trade and other payables	**319,974**	(30,732)
Increase in provisions	**26,835**	-
Net Cash used in Operating Activities	**(919,609)**	(1,140,651)

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 2014.

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:

Mark Bojanjac
Russell J Fountain

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 Board currently considers that, given the Company's size, it is not necessary to have an independent Chairman.

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's policy in relation to directors and executives dealing in the company's securities was released to the ASX on 30 December 2010 and updated 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 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 GEOPACIFIC 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 GEOPACIFIC without giving prior notice as follows:

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

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 GEOPACIFIC 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:

Mark Bojanjac (Chairman of Audit Committee)
Milan Jerkovic
Russell Fountain

Performance Evaluation

The Board did not conduct a performance evaluation of the Board and all Board members for the financial year ended 31 December 2014.

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, 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 Executive Director 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 Board does not have a separate Remuneration Committee and as such does not comply with Recommendations of the Corporate Governance Council. Remuneration arrangements for Directors are determined by the full Board. The Board is also responsible for setting performance criteria, performance monitors, share option schemes, superannuation, termination and retirement entitlements, and professional indemnity and liability insurance cover.

The Board considers that the Company is effectively served by the full Board acting as a whole in remuneration matters, and ensures that all matters of remuneration continue to be decided upon in accordance with Corporations Act requirements, by ensuring that no Director participates in any deliberations regarding their own remuneration or related issues.

Diversity Policy

The Board has implemented a Diversity Policy in line with the ASX's Corporate Governance guidelines. The Group believes that the promotion of diversity on its Boards, in senior management and within the organisation generally is good practice.

The Diversity Policy seeks to attract and retain people by promoting an environment where employees are treated with fairness and respect and have equal access to opportunities as they arise. Diversity within the workforce includes such factors as religion, race, ethnicity, language, gender, disability and age.

Gender Diversity

The Corporate Governance recommendation 3.2 was effective from 1 July 2011 and requires the Board to set 'measureable objectives' for achieving gender diversity and to report against them on an annual basis. The Board is currently reviewing its practices and will put measures in place to assess the success of the policy during the coming financial year.

The Board is reviewing its practices with a focus on ensuring that the selection process at all levels within the organisation is formal and transparent and that the workplace environment is open, fair and tolerant.

The Company provides the following information regarding the proportion of females employed in the Group as at 31 December 2013:

	Proportion of females / total number of persons	Note
Females employed in the Group as a whole	3/15	
Females employed in the Company in Senior Executive Positions	0/2	1
Females appointed as a Director of the Company	0/4	

Note 1 –Other than the Managing Director and the Company Secretary/Chief Financial Officer, there are no senior executives employed by the Company other than Members of the Board.

The shareholder information set out below was applicable as at 6 March 2014.

A. Distribution of equity securities – ordinary shares

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

	Class of equity security Ordinary shares	
	Number	Shares
1 – 1000	54	24,217
1,001 – 5,000	164	469,805
5,001 – 10,000	72	571,976
10,001 – 100,000	268	11,085,545
100,001 and over	217	374,890,884
Total	**775**	**387,042,427**

There were 235 holders of less than a marketable parcel of 5,000 ordinary shares.

B. Equity security holders – ordinary shares

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

	Ordinary shares	
	Number held	Percentage of issued shares
MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	169,100,531	43.690
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	18,897,124	4.882
HOME IDEAS SHOW PTY LTD ←UB PROMOTIONS SPF A/C→	10,076,777	2.604
LAGUNA BAY CAPITAL PTY LTD	9,132,417	2.360
MR M JERKOVIC & MRS G J JERKOVIC M J & G J J SUPER FUND A/C	6,352,942	1.641
UB PROMOTIONS SPF	6,203,758	1.603
CITICORP NOMINEES PTY LIMITED	5,621,415	1.452
J P MORGAN NOMINEES AUSTRALIA LIMITED	4,780,871	1.235
IDZAN PTY LTD ←LATIN HOLDINGS FAMILY A/C→	4,764,706	1.231
SPRINGTIDE CAPITAL PTY LTD ←COCKATOO VALLEY INVEST A/C→	4,669,123	1.206
MS ANITA CUNNINGHAM	3,900,000	1.008
RASK PTY LTD ←GRANGER SUPER FUND A/C→	3,525,000	0.911
MR CHARLES BASS & MRS SYLVIA BASS ←THE METECH NO 2 S/F A/C→	3,476,364	0.898
QUARTZ MOUNTAIN MINING PTY LTD ←THE BASS FAMILY A/C→	3,120,000	0.806
MR WILLIAM EDWARD ALASTAIR MORRISON	2,770,589	0.716
MR NICHOLAS JOHN RICHARD DACRES-MANNINGS	2,739,131	0.708
MS LISA LEWIS	2,666,667	0.689
MS MELISSA NARBEY	2,666,667	0.689
BNP PARIBAS NOMS PTY LTD ←DRP→	2,626,088	0.679
ALL STATES FINANCE PTY LIMITED	2,625,024	0.678
Top 20 Shareholders	269,715,194	69.69
Other Shareholders	117,327,233	30.31
Total Ordinary Shareholders	387,042,427	100.00

C. Substantial holders

Substantial holders in the Company are set out below:

Substantial Shareholder (extracts from Substantial Shareholder Register) Ordinary shares	**Shareholding Number held**	**Percentage**
MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	169,100,531	43.690
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	18,897,124	4.882

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) Options – listed and unlisted

There are no voting rights attaching to options.

E. Summary of unlisted options issued

	No of options	**No of holders**	**Options held**	**% Options Issued**
Options expiring 5 April 2015 with an exercise price of $0.30	**2,000,000**	**1**		
Option holders with more than 20% of class				
Quartz Mountain Mining Pty Ltd ←The Bass Family A/C→			2,000,000	100.00%
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 $2.50	**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 $5.00	**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%
Options expiring expiring 5 August 2017 with an exercise price of $0.07425.	**1,688,768**	**1**		
Option holders with more than 20% of class				
BBY Ltd			1,688,768	100.00%

Tenement	Location	Area	Status
SPL 1231 RAKI RAKI 50% Beta 50% Peninsula Minerals	Raki Raki NE Viti Levu	Approx. 3,330 ha	Granted on 6 November 1985 to Beta. Peninsula Minerals has earned 50.0%. Renewed for one year on 1 June 2012. An application for a renewal has been lodged with MRD.
SPL 1373 QALAU 50% Beta 50% Peninsula Minerals	Raki Raki NE Viti Levu	Approx. 1,843 ha	Granted on 6 July 1995 to Beta. Peninsula Minerals has earned 50.0%. Renewed for one year on 1 June 2012. An application for a renewal has been lodged with MRD.
SPL 1436 TABUKA 50% Beta 50% Peninsula Minerals	Raki Raki NE Viti Levu	Approx. 2,500 ha	Granted on 17 March 2005 to Beta. Peninsula Minerals has 50% interest. 2008. Renewed for one year on 1 June 2012. Application for a renewal was lodged with MRD.
SPL 1368 VUDA 100% GPL	15 km NNE of Nadi, Viti Levu	3,210 ha	Granted on 18 October 1994. Renewal for 3 years granted on 10 December 2013.
SPL 1493 CAKAUDROVE 100% GPL	Cakaudrove 55km ENE Savusavu, Vanua Levu	Approx. 41,900 ha	Granted on 31 January 2012. Application for a renewal has been lodged with MRD
SPL 1361 SABETO GPL had a three year option to purchase 100% by 4 April 2010 this was extended by agreement with quarterly option payments.	16 km NE of Nadi, Viti Levu	1,800ha	Granted on 6 October 1993. Renewal for 3 years was granted on 10 December 2013.
SPL 1216 NABILA GPR purchased (100%) of Millennium Mining (Fiji) Ltd (MMF) which owns SPL1216 on 3 June 2008	20km SW Nadi, Viti Levu	2,830 ha	Granted on 1 April 1984. Renewal for 3 years was granted on 22 January 2014.
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	5,400 ha	Granted on 17 March 2000. Renewal for 3 years was granted on 8 November 2013.