GEOPACIFIC RESOURCES LIMITED

2021 ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

CONTENTS

Geopacific Resources Limited
Public listed Company (ASX Code: GPR) incorporated in New South Wales in 1986

Australian Business Number (ABN)
57 003 208 393

Directors & Secretary in Office

Andrew Bantock	Non-Executive Chairman
Colin Gilligan	Non-Executive Director
Ian Murray	Non-Executive Director
Sir Charles Lepani	Non-Executive Director
Matthew Smith	Chief Financial Officer & Company Secretary

Registered Office
Level 1
278 Stirling Highway
Claremont WA 6010

Auditor
Ernst & Young
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Perth WA 6000

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Woodlark Registered Office
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Sydney NSW 2000

Stock Exchange
ASX Limited
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152-158 St Georges Terrace
Perth WA 6000
ASX Code: GPR

Dear Shareholders,

To put it bluntly, Geopacific Resources significantly underperformed in 2021.

And while the suspension of major development works at the Woodlark Gold Project (the Project) in early 2022 was extremely disappointing for shareholders, I believe that further disappointment would have ensued if the board had simply decided to plough on.

Instead, we will use the suspension to drill test resource extension targets, reassess the Project, rationalise costs and complete the detailed planning required to position Geopacific to go again - to realise and capitalise on its significant resource base and development potential.

It is important to note that work packages were materially advanced prior to the suspension, providing a platform for future growth. However, in the face of significant cost increases and schedule delays, your board took the prudent step of suspending development. Unfortunately, this also necessitated redundancies across the organisation.

The Project was undoubtedly impacted by COVID-19, with consequential impacts increasing resource and materials lead times and pricing. However, the fact remains that the Project development plan and budget was developed in late 2020, nine months into the pandemic.

The capital cost increase was driven by a combination of factors, including: general cost escalation for materials and labour across the mining sector; the need to redesign ground improvement and civil engineering works to deal with unexpected complexities; process plant design revisions; and increased costs from schedule extensions to accommodate these and other factors.

This capital cost increase took the Company beyond the bounds of its finance facilities, requiring drawdown repayment, ongoing waivers, extensive technical reviews and renegotiation of the facility terms. Ultimately, we were unable to present a funding case which met the requirements of the facilities. As a consequence, the facilities were closed-out in March 2022. This measure did have some consolation benefits though, through the elimination of ongoing funding costs and freeing-up cash sitting in restricted bank accounts.

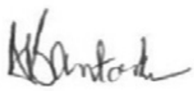
Despite the suspension, the Project retains considerable inherent value. We are firmly focussed on Woodlark Island's potential to deliver strong returns in the future from an orebody that remains open both laterally and at depth. It is located in a highly prospective geological setting which provides an exciting platform for future discoveries to come.

At a time of strong gold demand, there are few >1-million-ounce Ore Reserve opportunities in the market, and even fewer with the growth potential of Woodlark. We are committed to realise this potential and our ongoing drilling campaign continues to deliver encouraging results.

We are also committed to continuing the Company's important work in the community and consolidating our social licence to operate. Though slower and more expensive than originally planned, the Woodlark village relocation program is now over 50% complete, and together with Geopacific's ongoing health and education programs, is making a real difference for the local community.

We will be working hard to ensure your Company can capitalise on its potential over the next year, targeting both resource expansion and delivery of a redesigned and de-risked development plan for Woodlark. Drilling is scheduled to continue throughout 2022, feeding into updated geological resource modelling which will provide the basis for the Company to reassess the scale and format of the project's development design.

In closing I extend my thanks to shareholders for your continuing support. Having only recently stepped in as Chair, I acknowledge your frustrations and can assure you that your board is committed not only to address the issues of the past, but more importantly, to capitalise on your Company's significant opportunities into the future.



Andrew Bantock

The Woodlark Gold Project (the Project) is a potentially high margin gold deposit, located on Woodlark Island in Papua New Guinea (PNG).

During the 2021 reporting period, activities at the Project focussed on infrastructure development and the ongoing community relocation program. Key long lead items such as the SAG and ball mills were ordered and engineering and design work, principally for the processing facilities was progressed.

In November 2021, the Company announced that earthwork activities associated with the development of the Project had been delayed due to a combination of inclement weather, deteriorating ground conditions and the impact of COVID-19 limiting the availability of site access and overall worker productivity rates. In addition, a decision was taken to reassess the original wharf design and evaluate a potential upgrade of the existing wharf facility to reduce cost and construction complexity while providing greater opportunities for local community participation in the Project. Delays were also experienced in issuance of the construction tender for the offshore tailings line and the local community relocation program. Due to the impact of the delays, the Company made the decision to defer all non-essential activities at the Project.

As part of the deferral of non-essential work, the Company commenced a critical path analysis to minimise the impact of the delays on the overall project schedule as well as launching a review of the schedule and cost estimate to determine the impact on the development budget.

On 15 December 2021, the Company requested a voluntary suspension of trading in its ordinary shares listed on the ASX. This request arose after preliminary results from the review initiated in November 2021 indicated that there was likely to be a material increase in the capital cost for development of the Project. The Company continued to undertake the detailed work program to define and quantify the extent of the increase which extended into the 2022 financial year.

Post financial year end, it was determined from the ongoing review that changes were required to preserve the Company's financial and asset position. In view of the ongoing delays in the project schedule and the consequent implications for capital cost escalation, a range of steps were taken, including suspending all detailed engineering and civil works at the Project pending the conclusion of the review of the Company's strategic options and instigating a redundancy program across the organisation.

Whilst development of the Project was suspended early in the 2022 financial year, Geopacific remains committed to engagement with the local communities on Woodlark Island and activities associated with the community relocation program are continuing. Geopacific also continues to support other community programs as on the island, including education facilities and health care services.

Geopacific remains focussed on realising the full potential of the Project and has commenced a drilling program aimed at pit extension and step-out targets across Woodlark Island.

Exploration

During the year, the Company commenced a 20,000m grade control and near pit drilling campaign, representing the first RC drilling activity conducted on Woodlark Island since 2018. Drilling contractor, Quest Exploration Drilling (QED), mobilised on site in September 2021 and to date have drilled approximately 80 holes. The drilling campaign has been undertaken to further define and substantiate the upside optionality that resides within the existing pit shells (via grade control drilling) and across the broader mining and exploration leases on Woodlark Island.

Since the commencement of the program, the Company has received assays from 34 grade control holes with a substantial number reporting significant high-grade intercepts (all within 60 metres of surface), supporting our view that there is considerable upside potential within the existing pit shells. Key assay results from Kulumadau include:

- 080KUL146 with **58 metres at 4.67g/t Au** (271 gram metres), from surface;
- 080KUL160 with **39 metres at 5.33g/t Au** (208 gram metres), from 21 metres;
- 080KUL145 with **37 metres at 5.59g/t Au** (207 gram metres) from 8 metres;
- 080KUL175 with **26 metres at 7.38g/t Au** (192 gram metres) from **34 metres and 9 metres at 20.2g/t Au** (182 gram metres), from 20 metres; and
- 080KUL167 with **9 metres at 15.5g/t Au** (140 gram metres), from surface.

A larger drill rig was mobilised to site in January 2022 to facilitate the drilling of deeper holes to test down dip and extension targets associated with the current pits.

The resource extension drilling results to date from Kulumadau and Busai reinforce the potential for pit extension possibilities, with all three planned pits at the Project open along strike and at depth. To date a total of 12 resource extension holes have been assayed at Busai and Kulumadau with highly encouraging results, all within 100 metres of surface. Key results from the resource drilling campaign include:

Busai:

- BSRC21140 with **14 metres at 5.01g/t Au**, from 73 metres;
- BSRC21141 with **8 metres at 2.14g/t Au**, from 19 metres; and
- BSRC21136 with **11 metres at 1.99g/t Au**, from 16 metres.

Kulumadau:

- KURC21027 with **17 metres at 0.97g/t Au**, from 22 metres; and
- KURC21024 with **12 metres at 0.76g/t Au**, from 65 metres.

A further 25 grade control holes and 5 resource extension holes from the Kulumadau deposit have been completed with samples in the laboratory awaiting assay[1].

Exploration drilling to the north and east of the current Kulumadau resource commenced in February 2022 and is ongoing. There are 14 holes from this program awaiting assay[1].

A reconciliation of the grade control model to the Mineral Resource (ref ASX release 12 March 2018) will commence upon receipt of all outstanding samples.

The drilling campaign for the first half of 2022 will focus on Woodlark's significant near-pit exploration potential within the existing mineral lease (Figure 3).

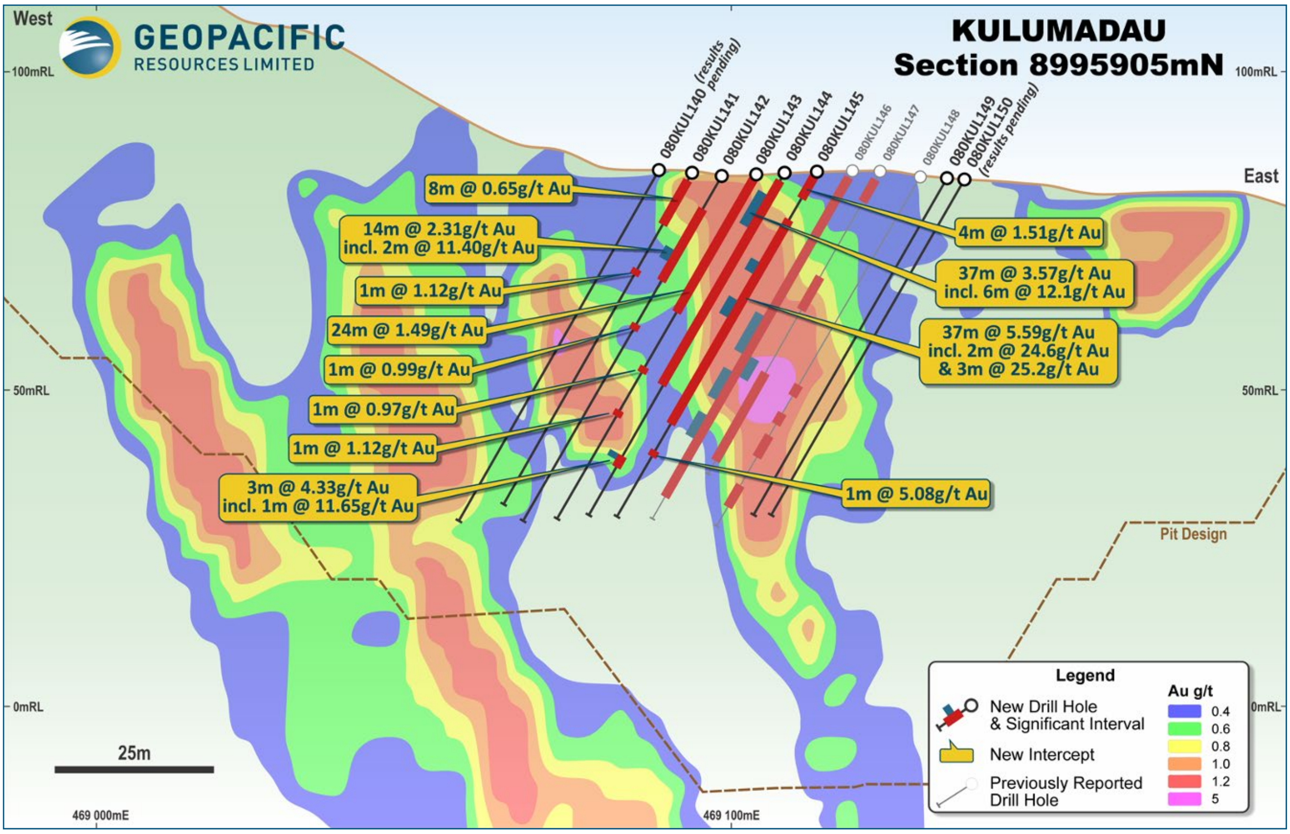


Figure 1: Kulumadau cross section

[1] *As at 17 March 2022*

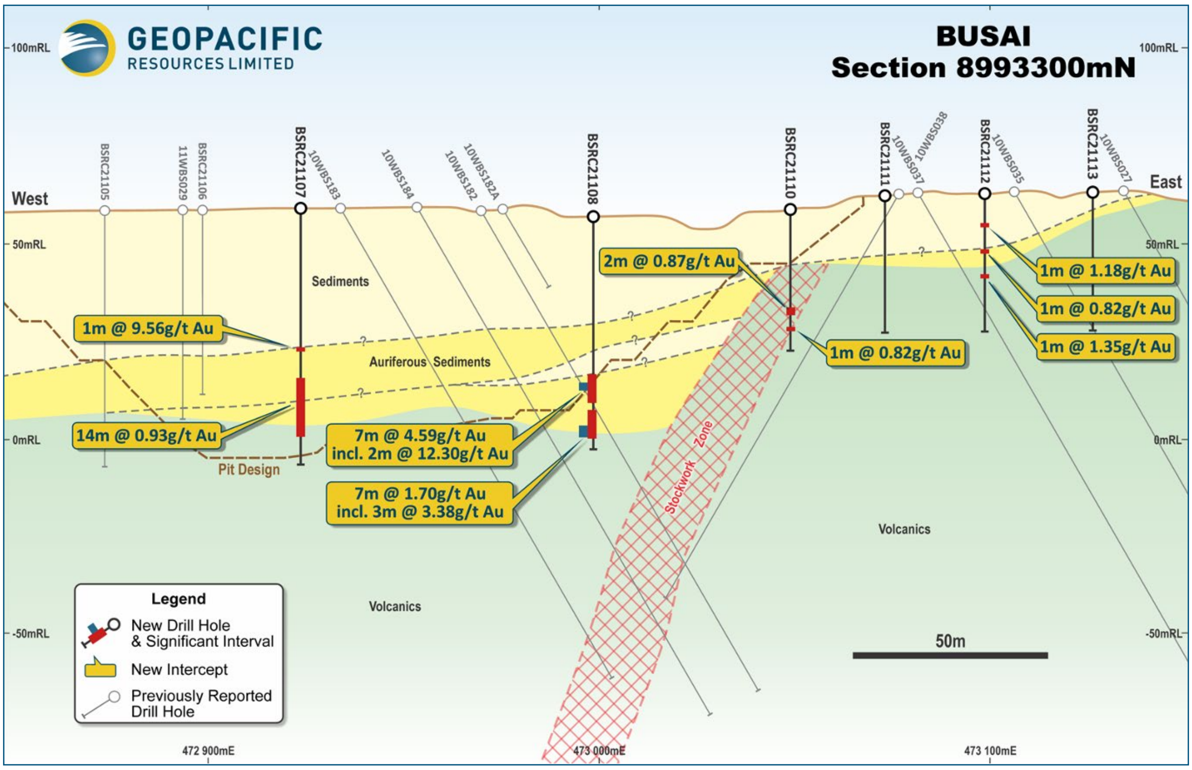


Figure 2: Busai cross section

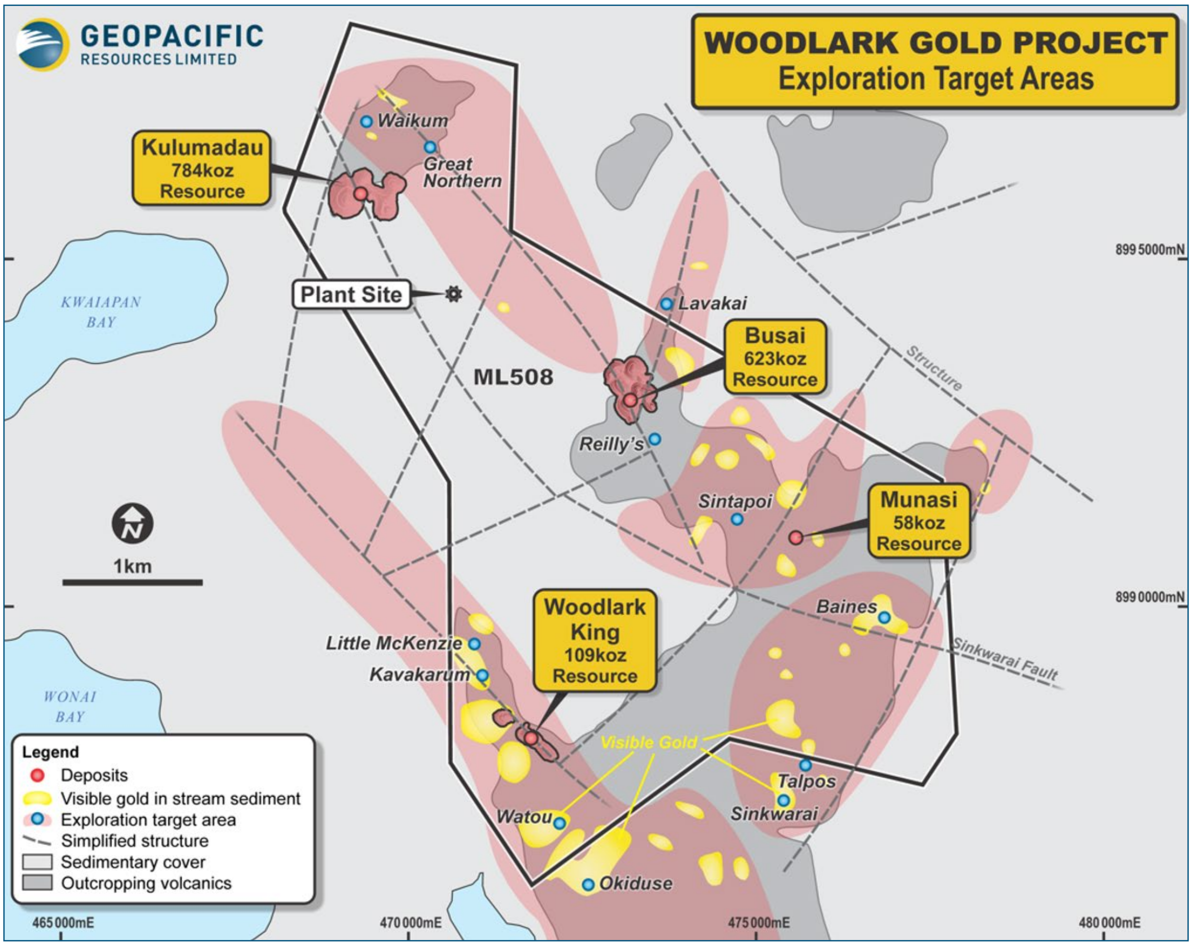


Figure 3: Mining lease exploration target areas

Sustainability

Occupational Health and Safety and Training

Safety management processes and procedures on site reflect the focus and importance of our employee's welfare. Our policy and procedures were enhanced early in 2021 ahead of the commencement of early works, with an updated Health and Safety Policy, rollout of a new site induction and Health and Safety training program and key OH&S executive appointments.

Implementation of the health and safety management system, roll out of internal safety training and training of COVID-19 testing procedures and testing equipment were an ongoing focus, and importantly there were no lost time or medical treatment injuries in 2021.

Community and Social Responsibility

Extensive Community engagement has taken place on Woodlark Island over a number of years to build strong relationships and to ensure the development of a sustainable local economy. Key initiatives in 2021 included training and development to provide industry standard skills and qualifications for local employees, partnering with key stakeholders and experts to identify and develop viable alternative industries on the island, and supporting the development of Government services with improvements in the areas of health, education and law and order.

Key outcomes during the year were the election of the Dal Wanuwan (Woodlark Landowners Association) executive, in addition to the registration of the Landowner Umbrella Company (MDAL) and sub-clan investment companies, and election, appointment and training of directors for these entities. The MDAL manage landowner business activities and other landowner investments along with the sub-clan investment companies. A number of landowner business opportunities have been progressed including worker transport, transport for school children, camp waste and grounds maintenance and pest control.

The Company is committed to providing assistance to the Woodlark community in ensuring the COVID-19 vaccine rollout is implemented effectively and worked with the Milne Bay Provincial Health Authority to promote awareness of COVID-19 and administer vaccinations to people on Woodlark Island.

Communities Relocation Program – Woodlark

An important aspect of the Project is the relocation of the Kulumadau community which encompasses the construction of 223 houses, in addition to a school, churches and trade stores.

Houses range from 3 bedroom to 5 bedroom based on the size of the household and existing dwelling that is being relocated, while the school includes classrooms, teachers' accommodation, dormitories and other infrastructure. The majority of the workforce involved in the construction of the buildings are local Woodlark Island residents. At the end of 2021 over 50% of the relocation program construction had been completed.

Funding

In February 2021, the Company completed a successful $140 million placement with shareholders, after an Extraordinary General Meeting (EGM) approving Tranche 2 of the capital placement announced in December 2020. The Placement consisted of two tranches:

- Tranche 1: 43.7 million shares issued in December 2020 raising $18.4 million. The raise was made pursuant to the Company's placement capacity under Listing Rule 7.1 and Listing Rule 7.1A; and
- Tranche 2: 289.6 million shares issued in February 2021, post the EGM to raise $121.6 million under Listing Rules 7.1 and 10.11.

The Company also completed a Share Purchase Plan at $0.42 per share, the same price as the Placement, to raise a further $1.87 million.

In June 2021, the Company completed binding terms and satisfied all conditions precedent to reach financial close with Sprott Private Resource Lending II (CO), Inc. (Sprott) for the US$100m project financing associated with the development of the Project.

The US$100m in financing was in the form of a US$85m in Project Finance Facility (Facility Agreement) and US$15m via a Callable Gold Stream (Stream Agreement), with the US$15m Stream Agreement deposit available immediately. US$85m under the Facility Agreement was deposited into the Company's Debt Proceeds Account (DPA), with funding to be available under staged drawdowns scheduled to occur on satisfaction of certain project development milestones.

In November 2021, the Company made the decision to defer all non-essential activities at the Project primarily due to uncertainties associated with the plant site earthworks, a potential change to the location of the wharf and delays in the tailings pipeline engineering. Following this decision, the Company agreed amendments to the terms and conditions of the Facility and the Stream Agreements with Sprott for the facilities to remain in place on substantially the same terms and conditions, including substantially the same conditions precedent to the advance of funds provided the conditions precedent are satisfied to enable first drawdown by 31 August 2022.

Pursuant to the amendments, in December 2021 the Company prepaid all of the principal (and accrued interest) under the Facility Agreement and repaid the deposit advanced under the Stream Agreement. Significant reductions to the Facility prepayment obligations and the Stream termination payment were negotiated with Sprott and the prepayment penalty was modified to a termination fee with an aggregate total of US$10m, payable if the facilities are cancelled or not drawn by 31 August 2022. The amendments also required the Company to hold US$12m in the DPA as collateral (inclusive of the US$10m termination fee).

In February 2022, the Company announced that it was continuing its review of the schedule and cost estimate for the Project and the implications of a material increase in capital costs. The Company advised that changes would need to be implemented progressively to preserve the Company's financial and asset position. In view of ongoing delays in the project schedule and the consequent implications for capital cost escalation, a range of steps were taken including the suspension of all detailed engineering and civil works at the Project pending a review of the Company's strategic options. The suspension of these activities preserves cash reserves whilst the Company undertakes its review. Unfortunately, this required redundancies across the organisation.

Non-core Project Activities

Kou Sa Project, Cambodia

The Company is in negotiation with the vendors of the Kou Sa Project to dispose of its interest in the Kou Sa Copper Gold Project.

Fijian Gold Projects, Fiji

All licences have been relinquished.

Financial Review

	2017 $	2018 $	2019 $	2020 $	2021 $
Loss After Tax	(4,042,911)	(53,750,659)	(7,337,714)	(4,567,311)	**(61,318,687)**
Loss Per Share (Cents)[1]	(7.35)	(68.55)	(6.43)	(2.59)	**(12.67)**
Cash and Cash Equivalents	6,765,343	3,059,221	37,505,067	34,639,855	**67,470,477**
Exploration and Evaluation Asset - Additions (excluding transfers)	15,219,583	8,447,600	442,022	65,098	**36,097**
Mine Properties Under Development Expenditure - Additions (excluding transfers)	-	-	860,265	11,688,121	**23,230,220**
Total Assets	80,720,300	42,103,633	80,518,692	85,690,886	**176,265,685**
Net Assets	73,334,855	34,685,715	70,478,375	78,500,958	**141,367,250**

1 Earnings per share from 2017 to 2018 have been adjusted to reflect the 25:1 share consolidation conducted in December 2019.

Table 1: Key Financial Metrics

The Group recorded a net loss after tax for the year ended 31 December 2021 of $61,318,687 (2020: $4,567,311), largely impacted by a non-cash impairment charge of $27,267,012 recognised in relation to its Woodlark Gold Project assets, finance costs of $16,816,122 and onerous contracts expense recognised of $6,703,000.

At 31 December 2021, the Group's total assets were $176,265,685 (2020: $85,690,886) and net assets were $141,367,250 (2020: $78,500,958). The increase in the Group's total assets and net assets relates primarily to expenditure on mine property development during the 2021 year and higher cash balance held following a successful share placement finalised in February 2021.

At reporting date, the Group held cash and cash equivalents of $67,470,477 (2020: $34,639,855) which includes a balance of $16,526,649 held in the Group's Debt Proceeds Account to fund the termination fee to Sprott and a reserve buffer.

ORE RESERVES AND MINERAL RESOURCES

Woodlark Global Mineral Resources

The Woodlark Mineral Resource is **47Mt @ 1.04g/t Au for 1.57Moz of gold**[2] including 222,000oz of gold in the Inferred category (Table 2).

Category (>0.4g/t lower cut)	Tonnes (Mt)	Grade (g/t Au)	Ounces (Koz)
Measured	21.24	1.10	754
Indicated	18.94	0.98	597
Inferred	6.80	1.00	222
Total	**47.00**	**1.04**	**1,573**

Table 2: Woodlark Global Mineral Resource Estimate – March 2018

Woodlark Ore Reserves

An updated Ore Reserves estimate was released in November 2018 and was completed by independent consultants, Mining Plus. The updated Ore Reserves estimate of **28.9Mt @ 1.12g/t Au for 1,037,600oz**[3] of gold is detailed in Table 3.

Total by deposit	Category (>0.4g/t lower cut)	Tonnes (Mt)	Grade (g/t Au)	Ounces (oz)
Busai	Proven	9.3	1.03	307,300
	Probable	4.3	0.87	120,900
Kulumadau	Proven	7.4	1.37	324,700
	Probable	5.2	1.17	196,900
Woodlark King	Proven	1.9	1.06	65,000
	Probable	0.8	0.84	22,800
Total Ore Reserve	**Proven**	**18.6**	**1.17**	**697,000**
	Probable	**10.4**	**1.02**	**340,600**
	Total	**28.9**	**1.12**	**1,037,600**

Table 3: Woodlark Ore Reserves Estimate – November 2018

2 Refer to March 2018 Pre-feasibility Study – 'Robust Woodlark Gold project PFS Supports Development.'
3 Refer to 'Woodlark Ore Reserve Update' announced on 7 November 2018.

Competent Person's Statement

The information in this announcement that relates to the Woodlark Mineral Resources is based on information compiled and reviewed by Mr Nicholas Johnson, a Competent Person who is a Member of the Australian Institute of Geoscientists and a full-time employee of MPR Geological Consultants Pty Ltd. Mr Johnson has sufficient experience which is relevant to the style of mineralization and type of deposits under consideration and to the activity which he has undertaken to qualify as a Competent Person as defined in the JORC Code 2012 and is a qualified person for the purposes of NI43-101. Mr Johnson has no economic, financial or pecuniary interest in the company and consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

The information in this announcement that relates to the Woodlark Ore Reserves is based on information compiled and reviewed by Mr John Battista, a Competent Person who is a Member and Chartered Professional of the Australian Institute of Mining and Metallurgy (AusIMM) and a full-time employee of Mining Plus Pty Ltd. Mr Battista has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity which he has undertaken to qualify as a Competent Person as defined in the JORC Code 2012 and is a qualified person for the purposes of NI43-101. Mr Battista has no economic, financial or pecuniary interest in the company and consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

In relation to the Mineral Resources and Ore Reserves, the Company confirms that all material assumptions and technical parameters that underpin the ASX announcements made on 12 March 2018 ('Robust Woodlark Gold project PFS Supports Development) and 7 November 2018 ('Woodlark Ore Reserve Update) (Historical Announcements) continue to apply and have not materially changed. The Ore Reserves estimate underpinning the production targets in this announcement is based on information compiled and reviewed by Mr Battista who is a Competent Person in accordance with the JORC Code 2012.

Where the Company refers to the Mineral Resources and Ore Reserves in this report (referencing the Historical Announcements), it confirms that it is not aware of any new information or data that materially affects the information included in the Historical Announcements and all material assumptions and technical parameters underpinning the Mineral Resources estimate and Ore Reserves estimate in those announcements continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Persons findings are presented have not materially changed from the Historical Announcements.

The information in this announcement that relates to exploration results is based on information compiled by or under the supervision of Jeffrey Moncrieff, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy and Manager – Planning and Growth for Geopacific. Mr Moncrieff has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and the activity he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Moncrieff consents to the inclusion in the announcement of the matters based on his information in the form and context in which it appears.

All information relating to the Mineral Resources and Ore Reserves were prepared and disclosed under the JORC Code 2012.

Forward Looking Statements

All statements other than statements of historical fact included in this announcement including, without limitation, statements regarding future plans and objectives of Geopacific are forward-looking statements. When used in this announcement, forward-looking statements can be identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects' or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this announcement, are expected to take place. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the company, its directors and management of Geopacific that could cause Geopacific's actual results to differ materially from the results expressed or anticipated in these statements.

Geopacific cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this announcement will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements. Geopacific does not undertake to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this announcement, except where required by applicable law and stock exchange listing requirements. The Woodlark Gold Project is permitted by the Papua New Guinea Government, subject to meeting the conditions of the licence.

DIRECTORS' REPORT

The Directors present their report together with the financial report of the Geopacific Group, being Geopacific Resources Limited (Geopacific or the Company) and its controlled entities (the Group or consolidated entity) for the financial year ended 31 December 2021, and the auditor's report thereon.

1. DIRECTORS AND COMPANY SECRETARY

The names of the Company's Directors and Company Secretary in office during the financial year and until the date of this report are as follows. Directors were in office for the entire period unless otherwise stated.

Position Held & Qualification	Experience, Special Responsibilities & Other Directorships
Andrew Bantock	
Non-Executive Chairman Appointed: 13 January 2022 B.Com Member of the Australia & New Zealand Institute of Chartered Accountants (CA)	Mr Bantock has over 30 years of experience in corporate finance and commercial leadership. After qualifying as a Chartered Accountant with leading global firm Arthur Andersen, working in Australia and the UK, Mr Bantock commenced his commercial career with ASX/NZSE listed GRD Group, owner of New Zealand's largest gold producer, Macraes Mining (later Oceana Gold), and world renown resource project design and construction engineer, GRD Minproc. Mr Bantock later become Finance Director of GRD, also serving six years as a Non-Executive Director of Western Australia's water utility, Water Corporation, where he chaired the Audit and Compliance Committee. Mr Bantock subsequently helped to establish and co-lead an ASX listed exploration group, in various roles, including as founding Executive Chairman of Chalice Gold Mines Ltd and founding Managing Director of Liontown Resources Ltd, before being recruited back to a senior finance role, as CFO of Glencore's Australian nickel business. Mr Bantock is currently a Senior Managing Director of FTI Consulting, an independent global business advisory firm. Mr Bantock is currently the Non-Executive Chairman of Elevate Uranium Limited. Mr Bantock did not hold any other directorships in the past three years. Mr Bantock held no interest in shares in the Company as at the date of this report.

Position Held & Qualification	Experience, Special Responsibilities & Other Directorships
Colin Gilligan	
Non-Executive Director Appointed: 26 June 2018 B. Sc Engineering (Mining) Hons National Diploma - Coal Mining	Mr Gilligan is a mining engineer with over 25 years of experience in the resources sector, in Australia, South Africa, North America and Asia. He has held technical, executive and director roles with a number of companies throughout his career including Mitsui, Thiess, Anglo, Coalspur Mines and Resource Generation. During his career Mr Gilligan has provided leadership to a number of operations, EPC contracts, mining contracts and development projects across a range of commodities. He has also successfully contributed to raising development funding in various forms. Mr Gilligan brings a successful background in organisational leadership, project development and delivery, predominantly achieved through a focus on people, culture and optimal efficiency. Mr Gilligan also contributes significant board level experience at private and public company level, particularly on technical matters, governance, funding, risk management, strategy and leadership. Mr Gilligan is the Chairman of the Project Oversight Committee and a member of the Audit and Risk Committee. Mr Gilligan is not currently a director of any other public company. Mr Gilligan was appointed CEO of BUMA Australia on 17 December 2021. During the past three years, Mr Gilligan has also served as a director of the following listed entities: • Resource Generation Limited (resigned 4 February 2022). Mr Gilligan has the following interest in shares in the Company as at the date of this report – 119,048 ordinary shares.

Position Held & Qualification	Experience, Special Responsibilities & Other Directorships
Ian Murray	
Non-Executive Director Appointed: 9 September 2019 B. Com Graduate Diploma in Accounting (GDA) Advanced Taxation Certificate Member of the Australian Institute of Company Directors (MAICD) Oxford Advanced Management & Leadership Programme (OAMLP) Fellow of the Australia & New Zealand Institute of Chartered Accountants (FCA)	Mr Murray is a Chartered Accountant with over 25 years of mining experience in senior leadership positions, including the position of Chairman then Managing Director of Gold Road Resources Limited (Gold Road) and Chief Financial Officer then Managing Director of DRDGold Ltd. He has also held executive positions with international Big Four accounting firms. Mr Murray brings a wealth of financial, corporate, project development and operational experience to the Board. Most recently he held the role of Managing Director of Gold Road and was instrumental in taking the Gruyere Project from an exploration play through to a fully funded 8.2mtpa gold operation that is set to produce 300koz per annum in joint venture with Gold Fields Ltd. Mr Murray is the Chairman of the Audit and Risk Committee and the Remuneration and Nomination Committee and a member of the Project Oversight Committee. Mr Murray is currently an Independent Non-Executive Director at Black Rock Mining Ltd and Jupiter Mines Ltd, Executive Chairman of Matador Mining Ltd, as well as a Non-Executive Director of non-for-profit Miners Promise Ltd and charity Miners Promise Australia Ltd. During the past three years, Mr Murray has also served as a director of the following listed entities: • Gold Road Resources Limited (retired January 2019); and • Todd River Resources Ltd (resigned 25 October 2021) Mr Murray has the following interest in shares in the Company as at the date of this report – 238,095 ordinary shares.
Sir Charles Lepani	
Non-Executive Director Appointed: 29 July 2020 B. Arts (Economics) Masters of Public Administration	Sir Charles has over 40 years of experience in both the public and private sectors representing PNG as a Senior Diplomat and Advisor. Prior to joining the Board, his most recent roles were as High Commissioner of PNG in Australia from 2005-2017, and as Director General of PNG APEC 2017-2018. Sir Charles has been an advisor and consultant to successive Prime Ministers of PNG as well as the departments of Treasury, Finance, and the Law and Justice Sector. He has also worked alongside the United Nations Development Programme (UNDP), the United Nations Centre for Transnational Corporations (UNCTC) and the Asian Development Bank. Sir Charles will bring a substantial degree of insight, understanding, and local expertise to the management of our Woodlark Gold Project. Sir Charles was appointed as a member of the Remuneration and Nomination Committee on 3 February 2021. Mr Lepani held no interest in shares in the Company as at the date of this report.

Position Held & Qualification	Experience, Special Responsibilities & Other Directorships
Matthew Smith	
Chief Financial Officer & Company Secretary Appointed: 1 December 2016 B. Com (Accounting) Member of the Australia & New Zealand Institute of Chartered Accountants (CA)	Mr Smith has over 20 years of experience in the resource industry across a broad range of commodities including precious metals, industrials and bulk commodities. Mr Smith has worked for a range of companies operating in the Asia Pacific region and most recently held the role of Chief Financial Officer at ASX listed Kingsrose Mining Limited, with gold operations in Indonesia. Mr Smith is a Chartered Accountant with relevant industry experience being involved in a number of project funding transactions across debt and equity markets. Mr Smith also brings specialist knowledge in the areas of international taxation, corporate structuring, accounting and corporate governance. Mr Smith has previously held the role of Company Secretary at Straits Resources Limited. During the past three years, Mr Smith has also served as a director of Kula Gold Limited (resigned 2 July 2019). Mr Smith has the following interest in shares in the Company as at the date of this report – 498,389 ordinary shares.
Ian Clyne	
Appointed: 6 October 2016 Resigned: 13 January 2022 Executive Chairman 1 January 2021 to 30 June 2021 11 November 2021 to 13 January 2022 Non-Executive Chairman 1 July 2021 to 10 November 2021 B. Bus (Management)	Mr Clyne has over 35 years of experience in international banking having worked in senior executive positions in ten countries in Asia, Oceania, Australia and Europe. He has specialised in emerging markets and has held roles of President, Director, Managing Director and Chief Executive Officer with universal banking operations that have extensive branch networks and large employee bases. Mr Clyne has successfully re-engineered banks in Indonesia, Italy, Poland and Papua New Guinea. Mr Clyne held the role of Managing Director and Group CEO of Bank South Pacific (BSP), based in Port Moresby (2008 – 2013). He undertook a major transformation program changing BSP from a typical emerging economy banking institution into an innovative, technology driven, modern bank. Under his leadership, the bank grew from having 400,000 accounts to over 1 million in Papua New Guinea and 1.5 million across the Pacific, including Fiji and the Solomon Islands, with a market capitalisation of $1.7 billion at the end of his term. Mr Clyne was a member of the Audit and Risk Committee and the Remuneration and Nomination Committee. Mr Clyne is a Non-Executive Director of Union Bank of Nigeria and TISA Community Finance Limited. Mr Clyne did not hold any other directorships in the past three years. Mr Clyne has the following interest in shares in the Company at the date of his resignation – 1,289,498 ordinary shares.

Position Held & Qualification	Experience, Special Responsibilities & Other Directorships
Mike Meintjes	
Appointed: 1 February 2021 Resigned: 2 March 2022 Joint Company Secretary B. Com (Hons) (Financial Accounting) F.Fin (FINSIA) Member of the Australia & New Zealand Institute of Chartered Accountants (CA)	Mr Meintjes is an experienced governance specialist having first qualified as a Chartered Accountant and worked for over 30 years with a Big Four accounting firm. During this period, he spent three and a half years with Ernst & Young in Papua New Guinea based in Port Moresby. Since 2012, Mr Meintjes has held a number of part-time roles principally in the resource sector where he has acted as Company Secretary. Mr Meintjes is currently the CFO and company secretary for Alligator Energy Limited (ASX: AGE) and previously as company secretary for Resource Generation Limited (ASX: RES). Mr Meintjes has the following interest in shares in the Company at the date of his resignation – 15,000 shares.

2. PRINCIPAL ACTIVITY

The Group is principally engaged in the development and exploration of the Woodlark Gold Project in Papua New Guinea. There were no significant changes in the nature of this activity of the Group during the financial year.

3. OPERATING AND FINANCIAL REVIEW

A review of the operations and financial position of the Group during the year ended 31 December 2021, including details of the results of operations, changes to the state of affairs, and likely developments in the operation of the Group in subsequent financial years is set out in the Review of Operations.

4. DIVIDENDS

No dividends were paid or declared during the financial year (2020: nil).

5. STATE OF AFFAIRS

There have not been any significant changes in the state of affairs of the Group during the financial year, other than those noted in the financial report.

6. EVENTS SUBSEQUENT TO REPORTING DATE

The financial statements have been prepared based upon conditions existing at 31 December 2021 and due consideration has been given to events that have occurred subsequent to 31 December 2021 that provide evidence of conditions that existed at the end of the reporting period.

On 13 January 2022, the Company announced the appointment of Mr Andrew Bantock as Chairman and director of the Company, and the retirement of Mr Ian Clyne as Chairman and director of the Company.

In February 2022, the Company announced that in view of ongoing delays in the project schedule and the consequent implications for capital cost escalation, a range of steps were taken including the suspension of all detailed engineering and civil works at the Project pending a review of the Company's strategic options. The suspension of these activities will preserve cash reserves and require redundancies across the Group.

In April 2022, the Company announced that it terminated the Facility and Stream Agreements with Sprott. The financial liabilities comprising of the termination fees described in Notes 18 and 19 to the financial statements were settled and paid for an aggregate amount of US$6 million. This did not result in gain or loss on termination.

Other than the matter discussed above, no other matters or circumstances haves arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

7. DIRECTORS' INTERESTS AND BENEFITS

The relevant interest of each Director in the share capital as notified by the Directors to the Australian Securities Exchange in accordance with section 205G(1) of the *Corporations Act 2001*, at the date of this report is as follows:

	Direct			Indirect		
Name	Shares	Options	Rights	Shares	Options	Rights
A Bantock	-	-	-	-	-	-
C Gilligan	-	-	-	119,048	-	-
I Murray	-	-	-	238,095	-	-
C Lepani	-	-	-	-	-	-

8. DIRECTORS' MEETINGS

The number of Directors' meetings (including meetings of committees) and the number of meetings attended by each of the Directors of the Company during the financial year are set out below:

	Directors Meetings		Audit and Risk Committee Meetings	
Name	Attended*	Eligible to Attend	Attended*	Eligible to Attend
I Clyne	17	17	3	3
C Gilligan	17	17	3	3
I Murray	17	17	3	3
C Lepani	17	17	-	-

* Either in person, or by electronic means.

	Remuneration and Nomination Committee Meetings		Project Oversight Committee Meetings	
Name	Attended*	Eligible to Attend	Attended*	Eligible to Attend
I Clyne	2	2	-	-
C Gilligan	-	-	9	9
I Murray	2	2	9	9
C Lepani	1	1	-	-

* Either in person, or by electronic means.

The Board of Directors takes ultimate responsibility for corporate governance. This includes the establishment of compensation arrangements for the Company's Executive Directors and senior executives. It also includes the appointment and retirement of Non-Executive Directors, appointment of Auditors, monitoring key areas of business risk, maintenance of ethical standards and Audit and Risk Committees. The Board seeks independent professional advice as necessary in carrying out its duties and responsibilities.

9. LIKELY DEVELOPMENTS, PROSPECTS AND BUSINESS STRATEGIES

The Group will continue to advance its development and exploration portfolio and seek to increase its tenement holdings by acquiring further projects.

10. ENVIRONMENTAL REGULATIONS

Entities in the Group are subject to normal environmental regulations in areas of operations in PNG, Cambodia and Fiji. There were no breaches of these regulations during the financial year, or in the period subsequent to the end of the financial year and up to the date of this report.

11. SHARE OPTIONS

There were 7,462,191 Options over unissued shares unexercised at 31 December 2021 (2020: 5,113,308). During the 2021 reporting period, the Company issued 3,349,828 unlisted Options and 1,000,945 shares on the exercise of unlisted Options. Since the end of the 2021 reporting period and up to the date of this report, no unlisted Options have been cancelled or exercised.

Details of unlisted Options over unissued shares in the Company as at the date of this report are presented in the following table:

Options on Issue	Exercise Price	Expiry Date
32,000	$62.50	Not later than 5-years after defining a JORC compliant ore reserve of over 200,000oz Au on the Faddy's Gold Deposit
8,000	$125.00	Not later than 10-years after defining a JORC compliant ore reserve of over 1,000,000oz Au on the Faddy's Gold Deposit
320,000	$0.00	1 January 2022 (or as otherwise extended)
808,740	$1.02	10 July 2022
1,296,965	$0.00	19 July 2022
327,500	$0.00	1 January 2023
1,063,850	$0.58	19 July 2023
526,262	$0.00	21 August 2023
376,546	$0.93	21 August 2024
2,702,328	$0.32	29 September 2026

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

12. SHARE APPRECIATION RIGHTS

There were 2,430,722 Share Appreciation Rights over unissued shares unexercised at 31 December 2021 (2020: 2,430,722). During the 2021 reporting period, the Company did not issue any share appreciation rights or shares on the exercise of unlisted share appreciation rights. Since the end of the 2021 reporting period and up to the date of this report, no unlisted share appreciation rights have been cancelled or exercised.

Details of unlisted Share Appreciation Rights over unissued shares in the Company as at the date of this report are presented in the following table:

Share Appreciation Rights on Issue	Theoretical Exercise Price	Expiry Date
894,605	$0.71	10 July 2022
1,129,101	$0.40	19 July 2023
407,016	$0.65	21 August 2024

13. SHARE PERFORMANCE RIGHTS

There were 3,112,442 Share Performance Rights over unissued shares unexercised at 31 December 2021 (2020: nil). During the 2021 reporting period, the Company issued 3,112,442 share performance rights and did not issue any shares on the exercise of share performance rights. Since the end of the 2021 reporting period and up to the date of this report, no unlisted share performance rights have been cancelled or exercised.

Details of unlisted Share Performance Rights over unissued shares in the Company as at the date of this report are presented in the following table:

Share Performance Rights on Issue	Exercise Price	Expiry Date
3,112,442	$0.00	31 March 2024

14. INSURANCE OF OFFICERS

The Company has paid an insurance premium to cover the Directors, Company Secretary and Executives of the Group in respect of certain legal liabilities, including costs and expenses in successfully defending legal proceedings, whilst they remain as Directors or Officers 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 insured.

15. 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*.

16. AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration for the year ended 31 December 2021 is set out on page 34.

17. AUDITOR

The Company's auditor is Ernst & Young. The Company has agreed with Ernst & Young, as part of its terms of engagement, to indemnify Ernst & Young against certain liabilities to third parties arising from the audit engagement. The indemnity does not extend to any liability resulting from a negligent, wrongful or wilful act or omission by Ernst & Young.

During the financial year the Company has not paid any premium in respect to any insurance for Ernst & Young or a body corporate related to Ernst & Young.

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

Audit Services	Consolidated	
	2021	2020
	$	$
Ernst & Young		
Audit and review of the financial report for Geopacific and its controlled subsidiaries and other audit work under the *Corporations Act 2001*	**218,000**	65,100
Total	**218,000**	65,100

18. NON-AUDIT SERVICES

There were no non-audit services provided by the auditor during the period of this report.

19. REMUNERATION REPORT - AUDITED

This report outlines the remuneration arrangements of the Group pursuant to the requirements of the *Corporations Act 2001* and its regulations. This information has been audited as required under section 308(3)(c) of the *Corporations Act 2001*.

This report details the remuneration arrangements of the Group's key management personnel (KMP), who are defined as those persons who have the authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any Director of Geopacific.

Details of the KMP of the Group during the reporting period are set out in the table below:

Name	Position
Non-Executive Directors	
Ian Clyne *Non-Executive role from 1 July 2021 to 10 November 2021* *Executive role from 1 January 2021 to 30 June 2021 and 11 November 2021 to 13 January 2022*	Chairman
Colin Gilligan	Non-Executive Director
Ian Murray	Non-Executive Director
Sir Charles Lepani	Non-Executive Director
Executives	
Timothy Richards	Chief Executive Officer
Matthew Smith	Chief Financial Officer & Company Secretary
Graeme Rapley *Commenced 1 February 2021, Ceased 31 October 2021*	Project Director - Woodlark
Glenn Zamudio *Ceased 31 March 2021*	General Manager - Projects

Subsequent to 31 December 2021, Andrew Bantock was appointed Non-Executive Chairman following the retirement of Ian Clyne on 13 January 2022. There were no changes to KMP other than those noted above after the reporting date and before the date the financial report was authorised for issue.

Remuneration Governance

In preparation for the development of the Woodlark Gold Project, the Board established a Remuneration and Nomination Committee in February 2021.

The Remuneration and Nomination Committee is responsible for reviewing and recommending the remuneration arrangements of the KMP and ensuring that the Group's remuneration structures are aligned with the interests of the Company and its Shareholders. This includes an annual remuneration review of base salary (including superannuation), short-term incentives (STI) and long-term incentives (LTI), including the appropriateness of performance hurdles.

19. REMUNERATION REPORT - AUDITED (CONTINUED)

Remuneration Consultants

During the 2021 reporting period, the Company engaged BDO Chartered Accountants to complete a benchmarking exercise of non-executive director fees for peer group companies. The findings indicated that the Board was being remunerated at the median level of the identified peer group and that an opportunity existed to adjusted to the 62.5th percentile in the future. No adjustments to non-executive director fees were made from the findings and recommendations in the report.

During the 2020 reporting period, the Company engaged BDO Chartered Accountants to complete a benchmarking exercise of the comprehensive remuneration framework review first conducted in 2017. This exercise incorporated an update to the comparison peer group of companies and a refresh of the underlying peer group remuneration data.

A total of $13,450 was paid to remuneration consultants during 2021.

Remuneration Overview and Strategy

During the 2021 reporting period, the Group's Remuneration and Benefits Strategy was reviewed in light of the decision to develop the Woodlark Gold Project and documented along with the development of various supporting guidelines and procedures. The objective of the Group's remuneration framework is to support the delivery of sustained shareholder value and to reward employees in line with general market conditions. The strategy is designed to attract, motivate and retain high calibre individuals through the provision of remuneration packages that incorporates a balance of fixed and variable remuneration.

In accordance with sound corporate governance practices, the structure of non-executive and executive remuneration is separate and distinct. There is no direct relationship between non-executive remuneration and the financial performance of the Group.

The remuneration strategy and practices are influenced by the Australian and PNG (as applicable to the relevant roles) mining industry peer companies with which it competes for talent. These peer companies are predominantly ASX and PNGX listed gold producing companies with a similar or larger market capitalisation.

Geopacific is committed to gender pay equity and has established human resource systems, policies and procedures to ensure that all remuneration review processes are conducted fairly and free of any bias. The approach encompasses the complete employee lifecycle including appointment, salary review, performance reviews and bonus reviews.

The following table shows the Group's performance over the reporting period and the previous four financial years and against overall remuneration for these years:

	2017	2018	2019	2020	2021
Loss Per Share (Cents)[i]	7.35	68.55	6.43	2.59	**12.67**
Year-end share price ($)[i]	0.675	0.40	0.50	0.43	**0.21**[ii]
Market capitalisation ($ million)	48.7	33.3	87.3	94.1	**109.0**
Total KMP remuneration ($)	1,468,516	2,196,274	2,127,902	3,012,188	**2,543,732**

[i] The loss per share and year-end share price from 2017 to 2018 have been adjusted to reflect the 25:1 share consolidation conducted in December 2019.

[ii] Share price at 14 December 2021 prior to voluntary suspension on ASX.

19. REMUNERATION REPORT - AUDITED (CONTINUED)

Executive Remuneration Framework

The Board's objective is to reward Executives with a quantum and mix of remuneration commensurate with their position and responsibilities and that is competitive within the marketplace. The Company remunerates its Executives with a mix of both fixed and at risk, or variable, remuneration. The mix of fixed and at-risk remuneration varies according to the role of each Executive, with the highest level of at-risk remuneration applied to those roles that have the greatest potential to influence and deliver Company outcomes and drive shareholder value.

Variable remuneration, or performance linked remuneration, includes a combination of short and long-term incentives designed to provide an "at risk" reward in a manner which aligns with the creation of sustained shareholder value. The short and long term incentives are integral to a competitive market based remuneration package and should not be mistaken for constituting a bonus for performing the role.

All Executives are eligible to receive short and long-term incentives which can be issued in accordance with the Company's Securities Incentive Plan (Incentive Plan) that was approved by shareholders at the AGM held on 30 May 2018. The Incentive Plan incorporates a 5% cap on the total shares that can be issued to Executives pursuant to the plan.

The following table provides a high-level summary of the Company's remuneration framework:

Remuneration Element	Description	Criteria
Total Fixed Remuneration	Remuneration linked to market rate of the role. Included the Fixed Remuneration Correction Plan relevant to prior years (see below).	Remuneration for meeting role requirements.
Variable Remuneration: *Short Term Incentive*	At risk remuneration for delivering on key performance indicators which are designed to drive personal and Company performance.	Incentive for the achievement of board approved annual corporate objectives along with two to three role specific performance objectives.
Variable Remuneration: *Long Term Incentive*	At risk remuneration for the creation of value for shareholders - directly linked to outcomes that will drive shareholder returns.	Incentive for corporate performance over the long-term.

Total Fixed Remuneration

Total Fixed Remuneration (TFR) incorporates base salary plus superannuation paid to employees. All Geopacific roles are benchmarked against matching roles from industry benchmarking data.

Fixed Remuneration Correction Plan

In prior years a fixed remuneration correction plan was in place designed to align total fixed remuneration with market rates using a share based payment rather than cash. The Fixed Remuneration Correction Plan was discontinued during the 2021 financial year.

In prior years, Class A Options were issued annually in advance, for no consideration and had an exercise price of nil. As the Class A Options were issued as part of the fixed remuneration correction plan, no vesting conditions were attached other than the continuation of service, which could be waived at the discretion of the Board.

The value of Class A Options was included in the Executives' total fixed remuneration for the period. No Class A Options were issued in the current reporting period. During the prior year, Class A Options were issued with a one-year vesting period in relation to services performed for the 2020 financial year.

19. REMUNERATION REPORT - AUDITED (CONTINUED)

Short Term Incentive Plan

Short Term Incentives (STIs) are structured to remunerate senior employees for achieving annual Company targets as well as their own individual performance targets designed to favourably impact the business.

The criteria used to assess the STI include funding and development progress, costs and key safety elements that are within management's control and underpin the overall performance of the Company.

The STI is linked to specific personal and Company objectives over the financial year. Performance of the STI objectives is assessed subsequent to the end of the financial year, with the amount determined to be achieved paid in cash or shares.

For Executive KMP, the Board is responsible for setting and assessing the key performance indicators (KPI) against which the annual STI is measured. For Executive KMP, the STI results are weighted 70% corporate targets and 30% to individual or personal targets. For all other Management levels, the STI results are weighted 50% to corporate targets and 50% to individual targets. Corporate and individual targets are established by reference to the Company's strategy.

For each KPI there are defined "threshold", "target" and "stretch" measures which are capable of objective assessment. The proportion of the STI earned is calculated by adding the average result of the Company targets with the average result of an individual's performance targets.

The Board, in exercising its discretion determined that no STI would be paid in respect of the 2021 reporting period.

Securities Incentive Plan - Long Term Incentive

During the 2021 reporting period, the Company introduced revised Long Term Incentive Plan (LTI Plan). The revised LTI Plan involves the granting of Performance Rights which vest upon achievement of performance measures over a three-year period. Performance Rights carry no dividend or voting rights. On vesting, each Performance Right is convertible into one ordinary share. The Board retains overall discretion on whether an LTI should be granted or the amount varied each performance year. If an employee ceases to be an employee by a Group Company all unvested Performance Rights are forfeited and lapse unless otherwise determined by the Board.

If the Board forms the opinion that an employee has committed an act of fraud, defalcation or gross misconduct, the individual will forfeit all unvested rights. The Company may also recover damages from vested Performance Rights held by or for the benefit of the individual.

The LTI Plan is linked to the achievement of milestones that are set each calendar year by the Board. The Board selects milestones that are intended to drive sustained returns for Shareholders over a three-year period and which are considered consistent with peer group companies.

The total incentive plan opportunity, which represents the maximum incentive available to the employee is determined as follows:

Level	Percentage Available
Chief Executive Officer	100% of total fixed remuneration
Chief Financial Officer	80% of total fixed remuneration
General Managers	60% of total fixed remuneration

19. REMUNERATION REPORT - AUDITED (CONTINUED)

Securities Incentive Plan - Long Term Incentive (Continued)

The Board approved the following vesting milestones for the Performance Rights granted in relation to the 2021 financial year:

Vesting Milestone	Description	Weighting	
		Executive KMP	Other Management
1. Production	Achievement of forecast production and cash costs in FY 2023	75%	50%
2. Resource growth	25% increase to the Woodlark Gold Project JORC Mineral Resource by the end of FY 2023	25%	17%
3. Retention	Continued employment to the end of FY 2023	-	33%

Non Executive Directors

Fees and payments to Non Executive Directors reflect the demands, which are made on, and the responsibilities of the Directors. A review of Non Executive Directors' fees is conducted 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 in the market setting.

The Chairman's fees are determined independently to the fees of Non Executive Directors based on comparative roles in market. The Chairman is not present at any discussions relating to determination of his own remuneration.

Non Executive Directors' fees are determined within an aggregate Directors' fee pool limit, which is periodically recommended for approval by shareholders. The pool limit currently stands at $600,000 per year in aggregate as agreed at the 2021 AGM (2020: $400,000).

A Director may also be paid fees or other amounts if special duties are performed outside the scope of normal duties of a Director. During the 2021 reporting period the Chairman assumed additional responsibilities in order to accommodate a smooth transition of management during the first half of 2021 and subsequently again in Q4 of 2021 when the Project review was being undertaken. For these additional services, the Chairman was paid at a rate of $2,500 per day for a total of $172,500 during the year. When this rate applied, the standard Non-Executive Chairman's fee was not paid.

A Director may also be reimbursed for out-of-pocket expenses incurred as a result of their directorship or any special duties.

19. REMUNERATION REPORT - AUDITED (CONTINUED)

Details of Remuneration

The tables below set of the details of the remuneration of the Group's KMP, as required by Section 308(3C) of the *Corporations Act 2001*.

	Short Term Benefits			Post Employment Benefits		Share Based Payments	Long Term Benefits		Performance Related
	Salaries & Fees	Annual Leave	Bonus	Super-annuation	Termination Payments	Options & Rights	Long Service Leave	Total	
2021	$	$	$	$	$	$	$	$	%
Non-Executive Directors (NED)									
I Clyne[i]	31,667	-	-	3,167	-	-	-	34,834	-
C Gilligan	60,000	-	-	5,850	-	-	-	65,850	-
I Murray	60,000	-	-	5,850	-	-	-	65,850	-
C Lepani	60,000	-	-	5,040	-	-	-	65,040	-
NED Sub total	**211,667**	**-**	**-**	**19,907**	**-**	**-**	**-**	**231,574**	
Executive Director									
I Clyne[i]	172,500	-	-	16,825	-	-	-	189,325	-
Executive Director Sub total	**172,500**	**-**	**-**	**16,825**	**-**	**-**	**-**	**189,325**	
Other KMP									
T Richards	451,125	20,873	-	27,136	-	238,026	1,299	738,459	32
M Smith	305,763	4,716	60,000	24,486	-	181,117	6,557	582,639	41
G Rapley[ii]	250,508	12,716	-	-	-	-	-	263,224	-
G Zamudio[iii]	83,525	5,589	17,808	13,721	119,383	308,090	(9,605)	538,511	61
Other KMP Sub total	**1,090,921**	**43,894**	**77,808**	**65,343**	**119,383**	**727,233**	**(1,749)**	**2,122,833**	
TOTAL	**1,475,088**	**43,894**	**77,808**	**102,075**	**119,383**	**727,233**	**(1,749)**	**2,543,732**	

[i] Mr I Clyne worked in an executive capacity from 1 January 2021 to 30 June 2021 and from 11 November 2021 to 31 December 2021

[ii] Mr G Rapley commenced on 1 February 2021 and resigned on 31 October 2021

[iii] Mr G Zamudio resigned on 31 March 2021. On this date, the Board approved that Mr G Zamudio would be entitled to his unvested Options and Rights, waiving the service period normally required as at the date he ceased employment. This resulted in an accelerated expensing profile relating to share-based payments. Geopacific's share price on that date was $0.28. The fair value of these grants was not changed at the date of modification and the remaining vesting conditions assigned to his options and rights were not modified on this date.

19. REMUNERATION REPORT - AUDITED (CONTINUED)

Details of Remuneration (Continued)

	Short Term Benefits			Post Employment Benefits		Share Based Payments	Long Term Benefits		Performance Related
2020	Salaries & Fees $	Annual Leave $	Bonus $	Super-annuation $	Termination Payments $	Options & Rights $	Long Service Leave $	Total $	%
Non-Executive Directors (NED)									
I Clyne[i]	47,500	-	-	4,513	-	-	-	52,013	-
C Gilligan	60,000	-	-	5,700	-	-	-	65,700	-
C Lepani[ii]	27,807	-	-	-	-	-	-	27,807	-
I Murray	60,000	-	-	5,700	-	-	-	65,700	-
NED Sub total	**195,307**	**-**	**-**	**15,913**	**-**	**-**	**-**	**211,220**	**-**
Executive Directors									
I Clyne[i]	298,542	-	-	28,361	-	-	-	326,903	-
R Heeks[iii]	255,000	-	-	-	399,996	740,735	-	1,395,731	53
Executive Directors Sub total	**553,542**	**-**	**-**	**28,361**	**399,996**	**740,735**	**-**	**1,722,634**	
Other KMP									
T Richards[iv]	103,899	8,391	-	10,364	-	-	-	122,654	-
M Smith	258,214	21,075	-	25,331	-	193,701	7,681	506,002	38
G Zamudio	217,937	18,265	-	22,439	-	185,846	5,191	449,678	41
Other KMP Sub total	**580,050**	**47,731**	**-**	**58,134**	**-**	**379,547**	**12,872**	**1,078,334**	
TOTAL	**1,328,899**	**47,731**	**-**	**102,408**	**399,996**	**1,120,282**	**12,872**	**3,012,188**	

(i) Mr I Clyne worked in an executive capacity from 1 July 2020 through to 31 December 2020
(ii) Sir C Lepani commenced on 29 July 2020
(iii) Mr R Heeks resigned on 4 June 2020. Mr Heeks continued to work as a consultant until 4 September 2020 and was paid $100,000 for the period from 5 June 2020 until 4 September 2020. This amount is included as salaries and wages in the above table
(iv) Mr T Richards commenced on 5 October 2020

19. REMUNERATION REPORT - AUDITED (CONTINUED)

Service Agreements

A summary of the key terms of the Director contracts with the Company are set out below:

Ian Clyne - Non-Executive Chairman

- Directors Fees of $95,000 per annum pro-rata from 1 July 2021 to 10 November 2021;
- Directors Fees of $2,500 per day while working in an executive capacity from 1 January 2021 to 30 June 2021 and 11 November 2021 to 31 December 2021;
- Statutory superannuation contributions;
- Eligible to participate in the long-term incentive schemes offered by the Company, subject to shareholder approval; and
- No notice period.

Colin Gilligan - Non-Executive Director

- Directors Fees of $60,000 per annum;
- Statutory superannuation contributions;
- Eligible to participate in the long-term incentive schemes offered by the Company, subject to shareholder approval; and
- No notice period.

Ian Murray - Non-Executive Director

- Directors Fees of $60,000 per annum;
- Statutory superannuation contributions;
- Eligible to participate in the long-term incentive schemes offered by the Company, subject to shareholder approval; and
- No notice period.

Sir Charles Lepani - Non-Executive Director

- Directors Fees of $60,000 per annum;
- Statutory superannuation contributions;
- Eligible to participate in the long-term incentive schemes offered by the Company, subject to shareholder approval; and
- No notice period.

19. REMUNERATION REPORT - AUDITED (CONTINUED)

Short Term Incentives

No bonus payments were made to Directors of the Company during the reporting period. A cash bonus payment based on achievement of KPIs for the 2020 financial year was awarded and made in January 2021 to two KMP of the Group for performance during that period. The STI entitlement was based on a percentage of the TFR as follows:

2020 Incentive (Paid in 2021)	STI %	STI Value
M Smith	20% of TFR	$60,000
G Zamudio	7.5% of TFR	$19,500*

* inclusive of superannuation $1,692

The Company's STI measures as approved by the Board for the 2021 financial year relate to the delivery of the primary objective of the Company, being safe project execution and include:

STI Measure	Threshold and Target	Result
Environmental, Social Governance	Community relocation completed by Q4 2021, Landowner business arm and landowner association governance in place, Alotau office operational, site medical clinic operational providing local support.	Not achieved.
Project Execution	Funding (debt and equity) in place for board final investment decision Q2 2021. Cost to complete estimate as at 31 December 2021 tracking within +/-5% of agreed baseline.	Not achieved.
Safety Performance	No more than 2 LTI's for the company of contractor workforce.	Achieved Stretch.

The table below outlines the STIs that were available to Executive KPI during the 2021 financial year.

	Maximum potential STI				
2021	Target	Stretch[1]	% linked to Corporate Performance	% linked to Personal Performance	Actual STI awarded
T Richards	$238,625	$357,938	100%	-	-
M Smith	$149,186	$223,779	100%	-	-
G Rapley[2]	N/A	N/A	-	-	-

1 Inclusive of "Target"

2 G Rapley did not participate in the STI scheme due to his unique role he had a specific Retention and Performance bonus of 50% of one year's TFR after 2 years or upon early completion of the Project.

The Board has discretion on whether to pay the STI in any given year, irrespective of whether the Company and personal STI targets are achieved. The Board, in exercising its discretion determined that no STI would be paid in respect of the 2021 financial year.

19. REMUNERATION REPORT - AUDITED (CONTINUED)

Long Term Incentives – Share Based Compensation

Options

Options over ordinary shares in the Company were provided as remuneration to KMP during the year as per the Securities Incentive Plan, which was approved by shareholders at the Company's AGM held on 30 May 2018.

No Options were granted during the 2021 reporting period to the Directors of the Company and other KMP of the Group. No Options vested during the 2021 reporting period.

The following table outlines the Options granted or vested during the 2020 reporting period to the Directors of the Company and other KMP of the Group.

2020	Instru-ment	Year	Options granted during the year	Grant date	Fair value per option at grant date	Value of option at grant date ($)	Vesting date	Exercise price	Expiry date	Options vested/ lapsed during the year
Executive Director										
R Heeks	ZEPO[i]	2020	5,231	28-Jul-20	$0.680	3,557	28-July-21	$0.000	21-Aug-21	-
R Heeks	ZEPO[i]	2020	244,662	28-Jul-20	$0.680	166,370	28-July-23	$0.000	21-Aug-23	-
R Heeks	PEPO[ii]	2020	182,344	28-Jul-20	$0.430	78,408	28-July-24	$0.972	21-Aug-24	-
Other KMP										
T Richards	ZEPO[i]	2020	320,000	8-Jul-20	$0.445	142,400	1-Jan-22	$0.000	1-Jan-22	-
T Richards	ZEPO[i]	2020	327,500	8-Jul-20	$0.445	145,738	1-Jan-23	$0.000	1-Jan-23	-
M Smith	ZEPO[i]	2020	12,538	11-Aug-20	$0.625	7,836	11-Aug-21	$0.000	21-Aug-21	-
M Smith	ZEPO[i]	2020	168,960	11-Aug-20	$0.625	105,600	11-Aug-23	$0.000	21-Aug-23	-
M Smith	PEPO[ii]	2020	116,521	11-Aug-20	$0.393	45,793	11-Aug-24	$0.894	21-Aug-24	-
G Zamudio	ZEPO[i]	2020	12,538	11-Aug-20	$0.625	7,836	11-Aug-21	$0.000	21-Aug-21	-
G Zamudio	ZEPO[i]	2020	112,640	11-Aug-20	$0.625	70,400	11-Aug-23	$0.000	21-Aug-23	-
G Zamudio	PEPO[ii]	2020	77,681	11-Aug-20	$0.393	30,529	11-Aug-24	$0.894	21-Aug-24	-

[i] Zero exercise price options (ZEPO)
[ii] Premium exercise price options (PEPO)

The fair value of the Options is measured at grant date and allocated equally over the period from grant date to vesting date, unless participants resign during the vesting period, in which case the fair value of the Options is expensed immediately. This allocation is reflected in the Share Based Payments column of the remuneration tables above.

The fair value at grant date was determined by a combination of internal and external sources using a Black-Scholes option pricing model and independent third-party valuations.

19. REMUNERATION REPORT - AUDITED (CONTINUED)

Long Term Incentives – Share Based Compensation (Continued)

Share Appreciation Rights

Share Appreciation Rights over ordinary shares in the Company were granted as remuneration to KMP during prior financial years as per the Securities Incentive Plan, which was approved by shareholders at the Company's AGM held on 30 May 2018.

No Share Appreciation Rights were issued during the 2021 reporting period due to the introduction of the revised LTI Plan.

The following table outlines the Share Appreciation Rights granted during the 2020 reporting period to the Directors of the Company and other KMP of the Group.

2020	Instru-ment	Year	Rights granted during the year	Grant date	Fair value per right at grant date	Value of right at grant date ($)	Vesting date	Exercise price	Expiry date	Rights vested/ lapsed during the year
Executive Director										
R Heeks	SAR	2020	182,656	28-Jul-20	$0.468	85,483	28-July-23	$0.680	21-Aug-24	-
Other KMP										
M Smith	SAR	2020	134,616	11-Aug-20	$0.429	57,750	11-Aug-23	$0.625	21-Aug-24	-
G Zamudio	SAR	2020	89,744	11-Aug-20	$0.429	38,500	11-Aug-23	$0.625	21-Aug-24	-

The fair value of the Share Appreciation Rights is measured at grant date and allocated equally over the period from grant date to vesting date, unless participants resign during the vesting period, in which case the fair value of the Share Appreciation Rights is expensed immediately. This allocation is reflected in the Share Based Payments column of the remuneration tables above.

The fair value at grant date was independently determined by a third party.

Share Performance Rights

Share Performance Rights over ordinary shares in the Company were granted as remuneration to KMP during the year as per the Securities Incentive Plan, which was approved by shareholders at the Company's AGM held on 30 May 2018.

The following table outlines the Share Performance Rights granted or vested during the 2021 reporting period to the Directors of the Company and other KMP of the Group.

2021	Instru-ment	Year	Rights granted during the year	Grant date	Fair value per right at grant date	Value of right at grant date ($)	Vesting date	Exercise price	Expiry date	Rights vested/ lapsed during the year
Other KMP										
T Richards	SPR	2021	1,079,545	2-Aug-21	$0.335	361,648	31-Dec-23	$0.000	31-Mar-24	-
M Smith	SPR	2021	600,000	2-Aug-21	$0.335	201,000	31-Dec-23	$0.000	31-Mar-24	-

The fair value of the Share Performance Rights is measured at grant date and allocated equally over the period from grant date to vesting date. If participants resign during the vesting period, the Share Performance Rights are forfeited unless the Board at its discretion decides otherwise. If Share Performance Rights are retained by the participants upon resignation or termination, the fair value of the Share Performance Rights is expensed immediately. This allocation is reflected in the Share Based Payments column of the remuneration tables above.

The fair value at grant date was independently determined by a third party.

19. REMUNERATION REPORT - AUDITED (CONTINUED)

Equity Instrument Disclosures Relating to KMP

Options

Options over Ordinary Shares in the Company held during the financial year by Directors of the Company and other KMP of the Group.

2021	Opening Balance 1 January 2021	Granted During the Year	Exercised During the Year	Net Change Other	Held at Resignation	Closing Balance 31 December 2021	Options Exercisable at 31 December 2021
Directors							
I Clyne	-	-	-	-	-	-	-
C Gilligan	-	-	-	-	-	-	-
I Murray	-	-	-	-	-	-	-
C Lepani	-	-	-	-	-	-	-
Sub total	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Other KMP							
T Richards	647,500		-	-	-	647,500	-
M Smith	1,032,039	-	(165,072)	-	-	866,967	-
G Rapley[i]	-	-	-	-	-	-	-
G Zamudio[ii]	936,879	-	-	-	(936,879)	-	-
Sub total	**2,616,418**	**-**	**(165,072)**	**-**	**(936,879)**	**1,514,467**	**-**
TOTAL	**2,616,418**	**-**	**(165,072)**	**-**	**(936,879)**	**1,514,467**	**-**

[i] Mr G Rapley commenced on 1 February 2021 and resigned on 31 October 2021
[ii] Mr G Zamudio resigned on 31 March 2021

2020	Opening Balance 1 January 2020	Granted During the Year	Exercised During the Year	Net Change Other	Held at Resignation	Closing Balance 31 December 2020	Options Exercisable at 31 December 2020[i]
Directors							
I Clyne	-	-	-	-	-	-	-
C Gilligan	-	-	-	-	-	-	-
I Murray	-	-	-	-	-	-	-
C Lepani[iii]	-	-	-	-	-	-	-
R Heeks[ii]	1,111,690	-	-	-	(1,111,690)	-	-
Sub total	**1,111,690**	**-**	**-**	**-**	**(1,111,690)**	**-**	**-**
Other KMP							
T Richards[iv]	-	647,500	-	-	-	647,500	-
M Smith	927,559	298,019	(193,539)	-	-	1,032,039	-
G Zamudio	927,559	202,859	(193,539)	-	-	936,879	-
Sub total	**1,855,118**	**1,148,378**	**(387,078)**	**-**	**-**	**2,616,418**	**-**
TOTAL	**2,966,808**	**1,148,378**	**(387,078)**	**-**	**(1,111,690)**	**2,616,418**	**-**

[i] Options exercisable at 31 December 2020 have not yet vested
[ii] Mr R Heeks resigned on 4 June 2020
[iii] Sir C Lepani commenced on 29 July 2020
[iv] Mr T Richards commenced on 5 October 2020

19. REMUNERATION REPORT - AUDITED (CONTINUED)

Equity Instrument Disclosures Relating to KMP (Continued)

Share Appreciation Rights

Share Appreciation Rights over Ordinary Shares in the Company held during the financial year by Directors of the Company and other KMP of the Group.

2021	Opening Balance 1 January 2021	Granted During the Year	Exercised During the Year	Net Change Other	Held at Resignation	Closing Balance 31 December 2021	Rights Exercisable at 31 December 2021[i]
Directors							
I Clyne	-	-	-	-	-	-	-
C Gilligan	-	-	-	-	-	-	-
I Murray	-	-	-	-	-	-	-
C Lepani	-	-	-	-	-	-	-
Sub total	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Other KMP							
T Richards	-	-	-	-	-	-	-
M Smith	501,885	-	-	-	-	501,885	501,885
G Rapley[ii]	-	-	-	-	-	-	-
G Zamudio[iii]	457,013	-	-	-	(457,013)	-	-
Sub total	**958,898**	**-**	**-**	**-**	**(457,013)**	**501,885**	**501,885**
TOTAL	**958,898**		**-**	**-**	**(457,013)**	**501,885**	**501,885**

[i] Share Appreciation Rights exercisable at 31 December 2021 have not yet vested
[ii] Mr G Rapley commenced on 1 February 2021 and resigned on 31 October 2021
[iii] Mr G Zamudio resigned on 31 March 2021

2020	Opening Balance 1 January 2020	Granted During the Year	Exercised During the Year	Net Change Other	Held at Resignation	Closing Balance 31 December 2020	Rights Exercisable at 31 December 2020[i]
Directors							
I Clyne	-	-	-	-	-	-	-
C Gilligan	-	-	-	-	-	-	-
I Murray	-	-	-	-	-	-	-
C Lepani[iii]	-	-	-	-	-	-	-
R Heeks[ii]	498,337	-	-	-	(498,337)	-	-
Sub total	**498,337**	**-**	**-**	**-**	**(498,337)**	**-**	**-**
Other KMP							
T Richards[iv]	-	-	-	-	-	-	-
M Smith	367,269	134,616	-	-	-	501,885	501,885
G Zamudio	367,269	89,744	-	-	-	457,013	457,013
Sub total	**734,538**	**224,360**	**-**	**-**	**-**	**958,898**	**958,898**
TOTAL	**1,232,875**	**224,360**	**-**	**-**	**(498,337)**	**958,898**	**958,898**

[i] Share Appreciation Rights exercisable at 31 December 2020 have not yet vested
[ii] Mr R Heeks resigned on 4 June 2020
[iii] Sir C Lepani commenced on 29 July 2020
[iv] Mr T Richards commenced on 5 October 2020

19. REMUNERATION REPORT - AUDITED (CONTINUED)

Equity Instrument Disclosures Relating to KMP (Continued)

Share Performance Rights

Share Performance Rights over Ordinary Shares in the Company held during the financial year by Directors of the Company and other KMP of the Group.

2021	Opening Balance 1 January 2021	Granted During the Year	Exercised During the Year	Net Change Other	Held at Resignation	Closing Balance 31 December 2021	Rights Exercisable at 31 December 2021
Directors							
I Clyne	-	-	-	-	-	-	-
C Gilligan	-	-	-	-	-	-	-
I Murray	-	-	-	-	-	-	-
C Lepani	-	-	-	-	-	-	-
Sub total	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Other KMP							
T Richards	-	1,079,545	-	-	-	1,079,545	-
M Smith	-	600,000	-	-	-	600,000	-
G Rapley[i]	-	-	-	-	-	-	-
G Zamudio[ii]	-	-	-	-	-	-	-
Sub total	**-**	**1,679,545**	**-**	**-**	**-**	**1,679,545**	**-**
TOTAL	**-**	**1,679,545**	**-**	**-**	**-**	**1,679,545**	**-**

[i] Mr G Rapley commenced on 1 February 2021 and resigned on 31 October 2021
[ii] Mr G Zamudio resigned on 31 March 2021

Ordinary Shares

The number of Ordinary Shares in the Company held during the financial year by each Director of the Company and other KMP of the Group, including their personally related parties, was as follows:

2021	Opening Balance 1 January 2021	Issued on Vesting of Options	Shares Acquired on Market	Held at Resignation	Net Change Other[iii]	Closing Balance 31 December 2021
Directors						
I Clyne	330,330	-	363,930	-	595,238	1,289,498
C Gilligan	-	-	-	-	119,048	119,048
I Murray	-	-	-	-	238,095	238,095
C Lepani	-	-	-	-	-	-
Subtotal	**330,330**	**-**	**363,930**	**-**	**952,381**	**1,646,641**
Other KMP						
T Richards	-	-	66,000	-	119,048	185,048
M Smith	333,317	165,072	-	-	-	498,389
G Rapley[i]	-	-	-	-	-	-
G Zamudio[ii]	373,317	-	-	(373,317)	-	-
Subtotal	**706,634**	**165,072**	**66,000**	**(373,317)**	**119,048**	**683,437**
TOTAL	**1,036,964**	**165,072**	**429,930**	**(373,317)**	**1,071,429**	**2,330,078**

[i] Mr G Rapley commenced on 1 February 2021 and resigned on 31 October 2021
[ii] Mr G Zamudio resigned on 31 March 2021
[iii] Subscription under the share placement finalised on 12 February 2021 after obtaining shareholder approval at an EGM

19. REMUNERATION REPORT - AUDITED (CONTINUED)

Equity Instrument Disclosures Relating to KMP (Continued)

Ordinary Shares (Continued)

2020	Opening Balance 1 January 2020	Issued on Vesting of Options	Shares Acquired on Market	Held at Resignation	Net Change Other	Closing Balance 31 December 2020
Directors						
I Clyne	272,000	-	58,330	-	-	330,330
C Gilligan	-	-	-	-	-	-
I Murray	-	-	-	-	-	-
C Lepani[ii]	-	-	-	-	-	-
R Heeks[i]	449,832	-	-	(449,832)	-	-
Subtotal	**721,832**	**-**	**58,330**	**(449,832)**	**-**	**330,330**
Other KMP						
T Richards[iii]	-	-	-	-	-	-
M Smith	139,778	193,539	-	-	-	333,317
G Zamudio	179,778	193,539	-	-	-	373,317
Subtotal	**319,556**	**387,078**	**-**	**-**	**-**	**706,634**
TOTAL	**1,041,388**	**387,078**	**58,330**	**(449,832)**	**-**	**1,036,964**

[i] Mr R Heeks resigned on 4 June 2020
[ii] Sir C Lepani commenced on 29 July 2020
[iii] Mr T Richards commenced on 5 October 2020

Other Transactions with KMP and their related parties

There were no other transactions with KMP and their related parties during the year.

END OF REMUNERATION REPORT

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

Andrew Bantock
Non-Executive Chairman

Perth, Australia
1 April 2022

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

As lead auditor for the audit of the financial report of Geopacific Resources Limited for the financial year ended 31 December 2021, I declare to the best of my knowledge and belief, there have been:

a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit;

b. No contraventions of any applicable code of professional conduct in relation to the audit; and

c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

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

Ernst & Young

Ernst & Young

Pierre Dreyer
Partner
1 April 2022

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

Report on the audit of the financial report

Opinion

We have audited the financial report of Geopacific Resources Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 31 December 2021, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a. Giving a true and fair view of the consolidated financial position of the Group as at 31 December 2021 and of its consolidated financial performance for the year ended on that date; and

b. Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Material uncertainty related to going concern

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

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Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

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Impairment of non-current assets

Why significant	How our audit addressed the key audit matter
As at 31 December 2021, the Group had non-current assets of $100,619,619 comprising of capitalised development expenditure, property, plant and equipment and right of use assets. At the end of each reporting period, the Group exercises judgment in determining whether there is any indication of impairment of these assets. If any such indicators exist, the Group estimates the recoverable amount of the applicable assets. The Group assessed whether any indicators of impairment were present at 31 December 2021 and concluded that indicators of impairment were present in respect to the Woodlark project cash generating unit (CGU). Management performed an impairment calculation to determine the recoverable amount of the CGU. This calculation resulted in a recoverable amount of $100,000,000 for these non-current assets, and an impairment charge of $27,275,446 being charged to the consolidated statement of profit or loss. Key assumptions, judgments and estimates, used in the formulation of the Group's impairment testing of non-current assets are disclosed in note 13. We considered this to be a key audit matter because of the significant judgement involved in determining: ▶ Whether indicators of impairment were present, ▶ The recoverable amount of the Woodlark project CGU including the appropriate assumptions used in selecting comparable transactions to determine appropriate reserve and resource valuation multiples, ▶ The final estimated recoverable amount within the reasonable range of values determined based on identified market transactions.	We evaluated the Group's consideration of internal and external sources of information in assessing whether indicators of impairment existed. As indicators of impairment were identified, impairment testing was conducted by the Group. We evaluated the assumptions and methodologies used by the Group and the estimates made in conducting this testing. Our audit procedures included the following: ▶ Inquired of management and the board of directors regarding the status of the proposed development activities and mine plan. ▶ Evaluated, with involvement from our valuation specialists, the appropriateness of the Group's valuation approach and methodology used to determine the recoverable amount of the Woodlark CGU given the risks associated with this CGU. ▶ Assessed the reserve and resource valuation multiples used to determine the recoverable amount of the Woodlark CGU for reasonableness. This included comparing management's recoverable amount to alternative benchmarks for determining indicative fair value less costs of disposal. ▶ Ensured the Group's impairment methodology and calculations were in accordance with the requirements of Australian Accounting Standards. ▶ Assessed the work of the Group's experts with respect to the reserve and resource assumptions used to determine recoverable amount. We examined the competence, qualifications and objectivity of the Group's experts and whether key assumptions were consistent with those used elsewhere in the financial report. ▶ Assessed the impact of sensitivities to the reserve and resource multiples used to determine the recoverable amount of the CGU to ensure there was no indication of further impairment based on the latest available information. ▶ Evaluated the adequacy of the Group's disclosures in the financial report relating to impairment.

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Provision for onerous contracts

Why significant	How our audit addressed the key audit matter
As 31 December 2021, the Group recognised a provision for onerous contracts amounting to $6,703,000. This amount related to the estimated unavoidable costs of terminating a number of contractual arrangements. We considered this to be a key audit matter because of the significant judgement involved in the Group's estimation of the unavoidable costs to be incurred in terminating these arrangements. See note 3 of the financial report for the Group's judgements involved in relation to this estimate.	We evaluated the Group's assessment of accounting for the existence and estimation of unavoidable costs under onerous contracts as a result of suspending key mine development programs. Our audit procedures included the following: ► Obtained the Group's contract register and confirmed its completeness through inquiry of management and the directors, review of board minutes and legal correspondence, and market announcements. ► Inspected significant executed contracts, and a sample of non-significant contracts to identify whether they contained any unavoidable costs that would be incurred in the event that these contracts were terminated. ► Obtained and inspected written communications between the Group and the contract parties to determine the appropriateness of management's judgement as to the future termination of the contract and whether the quantum and terms of any termination payments under the relevant agreements had subsequently been amended. ► Reviewed any legal correspondence obtained by the Group which assessed the Group's contractual obligations and penalties incurred on termination of certain contractual arrangements in question. ► Reviewed supporting documentation where the quantum of the termination payment payable under the contract was not in accordance with the termination payments set out in the relevant contract in order to assess the adequacy of the provision recognised. ► Reviewed a sample of subsequent payments in the subsequent payments register in order to identify potential contract termination payouts which should have been recognised. ► Evaluated the adequacy of the Group's disclosures in the financial report relating to onerous contracts.

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's 2021 annual report other than the financial report and our auditor's report thereon. We obtained the directors' report that is to be included in the annual report, prior to the date of this auditor's report, and we expect to obtain the remaining sections of the annual report after the date of this auditor's report.

Our opinion on the financial report does not cover the other information and we do not and will not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

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In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors 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 preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

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- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 31 December 2021.

In our opinion, the Remuneration Report of Geopacific Resources Limited for the year ended 31 December 2021, complies with section 300A of the *Corporations Act 2001*.

A member firm of Ernst & Young Global Limited
Liability limited by a scheme approved under Professional Standards Legislation

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Responsibilities

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 conducted in accordance with Australian Auditing Standards.

Ernst & Young

Ernst & Young

Pierre Dreyer
Partner
Perth
1 April 2022

In accordance with a resolution of the Directors of Geopacific Resources Limited, I declare that:

1. In the opinion of the Directors:

   (a) the financial statements and notes, of Geopacific Resources Limited for the financial year ended 31 December 2021 are in accordance with the *Corporations Act 2001*, including:

      (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2021 and of its performance for the year ended on that date; and
      (ii) complying with Accounting Standards and *Corporations Regulations 2001*.

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

   (c) subject to the matters set out in Note 1 to the financial statements, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

2. This declaration has been made after receiving the declarations required to be made to the Directors by the Chief Executive Officer and Chief Financial Officer in accordance with section 295A of the *Corporations Act 2001* for the financial year ended 31 December 2021.

On behalf of the Board

Andrew Bantock
Non-Executive Chairman

Perth, Australia
1 April 2022

		Consolidated	
		2021	2020
	Note	**$**	$
Other income	5(a)	**518,373**	282,423
Administration expenses		**(791,756)**	(1,021,681)
Consultancy expense		**(2,211,484)**	(1,374,089)
Depreciation expense	14 & 15	**(260,607)**	(141,634)
Employee benefits expense		**(2,264,770)**	(2,418,509)
Share-based payments	27	**(731,128)**	(1,120,281)
Finance costs	5(b)	**(16,816,122)**	(830,927)
Fair value loss on financial liabilities	18 & 19	**(4,320,633)**	-
Impairment write downs	9, 11, 13 & 14	**(27,275,446)**	(20,448)
Exploration expense		**-**	(208,345)
Onerous contracts expense	17(ii)	**(6,703,000)**	-
Other expense		**(1,071,906)**	-
Foreign currency gain		**609,792**	401,346
Gain on derecognition of Kou Sa Project	6	**-**	1,884,834
Loss before income tax		**(61,318,687)**	(4,567,311)
Income tax benefit	7	**-**	-
Loss after tax from continuing operations		**(61,318,687)**	(4,567,311)
Loss for the year attributable to:			
Non-controlling interest		**-**	-
Owners of the parent		**(61,318,687)**	(4,567,311)
		(61,318,687)	(4,567,311)
Other comprehensive income/(loss)			
Items of other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods (net of tax)			
Exchange differences on translating foreign controlled entities		**4,107,798**	(5,358,751)
Other comprehensive income/(loss) for the year, net of tax		**4,107,798**	(5,358,751)
Total comprehensive loss for the year		**(57,210,889)**	(9,926,062)

		Consolidated	
		2021	2020
	Note	**$**	$
Total comprehensive loss attributable to:			
Non-controlling interest		**-**	-
Owners of the parent		**(57,210,889)**	(9,926,062)
		(57,210,889)	(9,926,062)
Loss per share (cents) for loss attributable to the ordinary equity holders of the company:			
Basic loss per share	28	**(12.67)**	(2.59)
Diluted loss per share	28	**(12.67)**	(2.59)

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

	Note	Consolidated 2021 $	Consolidated 2020 $
Current Assets			
Cash and cash equivalents	8	**67,470,477**	34,639,855
Trade and other receivables	9	**267,436**	392,774
Prepayments	10	**1,292,363**	1,384,099
Inventories	11	**781,125**	444,169
Total Current Assets		**69,811,401**	36,860,897
Non-Current Assets			
Trade and other receivables	9	**3,829,642**	1,046,971
Exploration and evaluation assets	12	**2,005,023**	1,844,673
Mine properties under development	13	**50,895,186**	37,975,609
Property, plant and equipment	14	**49,104,814**	7,244,464
Right-of-use asset	15(a)	**619,619**	718,272
Total Non-Current Assets		**106,454,284**	48,829,989
TOTAL ASSETS		**176,265,685**	85,690,886
Current Liabilities			
Trade and other payables	16	**18,480,389**	6,128,458
Other financial liabilities	15 & 19	**193,662**	220,164
Provisions	17	**15,285,048**	142,907
Total Current Liabilities		**33,959,099**	6,491,529
Non-Current Liabilities			
Interest-bearing liabilities	18	**-**	-
Other financial liabilities	15 & 19	**420,326**	496,708
Provisions	17	**519,010**	201,691
Total Non-Current Liabilities		**939,336**	698,399
TOTAL LIABILITIES		**34,898,435**	7,189,928
NET ASSETS		**141,367,250**	78,500,958
Equity			
Issued capital	20	**284,846,318**	165,801,105
Reserves	21	**5,744,838**	605,072
Accumulated losses		**(149,223,906)**	(87,905,219)
Total Equity attributable to equity holders		**141,367,250**	78,500,958

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

Consolidated	Issued Capital (Note 20) $	Share-Based Payments Reserve (Note 21) $	Option Reserve (Note 21) $	Foreign Currency Translation Reserve (Note 21) $	Other Equity Reserve (Note 21) $	Accumulated Losses $	Total Attributable to Owners of Parent $	Total Equity $
At 1 January 2021	165,801,105	3,993,609	-	(2,018,220)	(1,370,317)	(87,905,219)	78,500,958	**78,500,958**
Loss for the year	-	-	-	-	-	(61,318,687)	(61,318,687)	**(61,318,687)**
Exchange difference on translation of foreign operations	-	-	-	4,107,798	-	-	4,107,798	**4,107,798**
Total comprehensive income/(loss) for the year	-	-	-	4,107,798	-	(61,318,687)	(57,210,889)	**(57,210,889)**
Transactions with owners in their capacity as owners								
Shares issued during the year	125,285,095	-	-	-	-	-	125,285,095	**125,285,095**
Options issued during the year	-	-	300,840	-	-	-	300,840	**300,840**
Share issue costs	(6,239,882)	-	-	-	-	-	(6,239,882)	**(6,239,882)**
Share-based payments	-	731,128	-	-	-	-	731,128	**731,128**
At 31 December 2021	**284,846,318**	**4,724,737**	**300,840**	**2,089,578**	**(1,370,317)**	**(149,223,906)**	**141,367,250**	**141,367,250**
At 1 January 2020	148,972,741	2,873,328	-	3,340,531	(1,370,317)	(83,337,908)	70,478,375	70,478,375
Loss for the year	-	-	-	-	-	(4,567,311)	(4,567,311)	(4,567,311)
Exchange difference on translation of foreign operations	-	-	-	(5,358,751)	-	-	(5,358,751)	(5,358,751)
Total comprehensive loss for the year	-	-	-	(5,358,751)	-	(4,567,311)	(9,926,062)	(9,926,062)
Transactions with owners in their capacity as owners								
Shares issued during the year	18,379,818	-	-	-	-	-	18,379,818	18,379,818
Share issue costs	(1,551,454)	-	-	-	-	-	(1,551,454)	(1,551,454)
Share-based payments	-	1,120,281	-	-	-	-	1,120,281	1,120,281
At 31 December 2020	165,801,105	3,993,609	-	(2,018,220)	(1,370,317)	(87,905,219)	78,500,958	78,500,958

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

	Note	Consolidated 2021 $	Consolidated 2020 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		**(8,355,108)**	(5,198,755)
Interest received		**147,753**	167,886
Government incentives and other income		**-**	114,537
Interest and other finance costs paid		**(5,983,746)**	(9,950)
Net Cash Used In Operating Activities	31(b)	**(14,191,101)**	(4,926,282)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for plant and equipment		**(56,538,984)**	(5,837,187)
Proceeds from the disposal of plant and equipment		**-**	182
Exploration expenditure		**(36,097)**	(65,098)
Mine development expenditure		**(4,733,857)**	(9,703,347)
Net Cash Used In Investing Activities		**(61,308,938)**	(15,605,450)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from share and option issued (net of costs)		**118,674,686**	17,398,899
Proceeds from borrowings (net of costs)		**125,883,689**	-
Repayment of borrowings		**(140,596,551)**	-
Payment of principal portion of lease liability		**(242,319)**	(133,725)
Net Cash From Financing Activities		**103,719,505**	17,265,174
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**28,219,466**	(3,266,558)
Cash and cash equivalents at beginning of the year		**34,639,855**	37,505,067
Effect of exchange rates on cash held in foreign currencies		**4,611,156**	401,346
CASH AND CASH EQUIVALENTS AT END OF THE YEAR		**67,470,477**	34,639,855

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

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Geopacific Resources Limited (the Company or Geopacific) is an Australian Securities Exchange listed public company domiciled in Australia. The consolidated financial report of the Company for the financial year ended 31 December 2021 comprises the Company and its controlled entities (together referred to as the 'Group'). The registered office is located at 278 Stirling Highway, Claremont, WA, 6010.

The Group is principally engaged in the development of the Woodlark Gold Project in Papua New Guinea.

The financial report was authorised for issue by the directors on 1 April 2022.

Basis of preparation

The financial report is a general-purpose financial report that has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

Compliance with Australian Accounting Standards ensures that the financial statements and the notes thereto also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial report has been prepared on a historical cost basis.

Going Concern

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

During the year ended 31 December 2021, the Group incurred a net loss after tax of $61,318,687 (2020: $4,567,311) and had operating and investing cash outflows of $14,191,101 (2020: $4,926,282) and $61,308,938 (2020: $15,605,450) respectively.

In February 2021, the Group completed a successful $140 million placement with shareholders, raised in two tranches, being an initial raising of $18.4 million in December 2020 and a second tranche of $121.6 million raised in February 2021. The Company also completed a Share Purchase Plan to raise a further $1.87 million.

In June 2021, the Group reached financial close with Sprott for the previously announced US$100 million project financing associated with the development of the Project. The US$100 million in financing was in the form of an US$85 million Facility Agreement and a US$15 million Stream Agreement, with the US$15 million Stream Agreement deposit available immediately. The US$85 million under the Finance Agreement was deposited into the Company's DPA, with funding to be available under staged drawdowns scheduled to occur on satisfaction of certain Project development milestones.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Going Concern (continued)

In November 2021, the Group announced that Project development activities been delayed due to a combination of inclement weather, deteriorating ground conditions and the impact of COVID-19 limiting the availability of site access and overall worker productivity rates. In addition, a decision was taken to reassess the original wharf design and evaluate a potential upgrade of the existing wharf facility to reduce cost and construction complexity while providing greater opportunities for local community participation in the Project. Delays were also experienced in issuance of the construction tender for the offshore tailings line and the local community relocation program. Due to the impact of the delays, the Group made the decision to defer all non-essential activities at the Project.

As part of the deferral of non-essential work, the Group commenced a critical path analysis to minimise the impact of the delays on the overall project schedule as well as launching a review of the schedule and cost estimate to determine the impact on the development budget.

Following the decision to defer all non-essential activities at the Project, the Company agreed amendments to the terms and conditions of the Facility and Stream Agreements with Sprott for the facilities to remain in place on substantially similar terms and conditions. Pursuant to the amendments, the Company prepaid all of the principal (and accrued interest) under the Facility Agreement and repaid the deposit advanced under the Stream Agreement in December 2021.

In mid-December 2021, the Company requested a voluntary suspension of trading in its ordinary shares. This request arose after preliminary results from the review initiated in November 2021 indicated that there was likely to be a material increase in the capital cost for development of the Project. The Company continued to undertake the detailed work program to define and quantify the extent of the increase which extended into the 2022 financial year.

Post financial year end it was determined that changes were required to preserve the Group financial position. In view of the ongoing delays in the Project schedule and the consequent implications for capital cost escalation, a range of steps were taken, including suspending all detailed engineering and civil works at the Project pending the conclusion of the review of the Company's strategic options and instigating a redundancy program across the Group.

Whilst the Group had cash on hand of $67,470,477 (2020: $34,639,855) at 31 December 2021, its cash flow forecast for the period ending 31 July 2023 reflects that the Group will require additional funding over that period in order to meet the Group's committed expenditure. Current volatility in global equity and commodity markets resulting from the uncertainty created by the impact of COVID-19 as well as the conflict between Ukraine and Russia, may impact the Group's ability to raise debt or equity in the future.

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

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

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Going Concern (continued)

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

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

New and amended Accounting Standards and Interpretations adopted during the year

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2021. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective. The details of the standards and amendments adopted from 1 January 2021 are set out below.

AASB 2020-8 Amendments to AASs – Interest Rate Benchmark Reform

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR). The amendments include the following practical expedients:

- practical expedients when accounting for changes in the basis for determining the contractual cash flows of financial assets and liabilities;
- reliefs from discontinuing hedge relationships;
- temporary relief from having to meet the separately identifiable requirement when a RFR instrument is designated as a hedge of a risk component; and
- additional AASB 7 - *Financial Instruments* disclosures.

Management has performed an assessment and these amendments did not impact the consolidated financial statements of the Group. The Group intends to use the practical expedients in future periods when existing IBORs are replaced by RFRs.

Accounting Standards and Interpretations issued but not yet effective

A number of new standards, amendment of standards and interpretation that have recently been issued but not yet effective have not been adopted by the Group as at the financial reporting date. The Group has reviewed these standards and interpretations and has determined that none of the new or amended standards will significantly affect the Group's accounting policies, financial position or performance.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 on 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.

(c) Employee benefits

Wages, 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 provisions in respect of employees' services up to the reporting date. The liabilities are measured at the amounts expected to be paid when they 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.

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 using the projected unit credit method. 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 high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Superannuation

The Group makes contributions on behalf of its employees to complying superannuation funds in accordance with the rates outlined by the statutory regulations.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Employee benefits (continued)

Share-based payments

The fair value of options and rights granted to Directors and employees is recognised as a share-based payments 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 or rights.

The fair value at grant date is determined by a combination of internal and external sources using a Black-Scholes option pricing model and independent third party valuations that take into account the exercise price, the term of the right or 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 right or option.

The fair value of the options and rights 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 and rights 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 or rights, the balance of the share-based payments reserve relating to those options is transferred to a vested share-based payments reserve and the proceeds received, net of any directly attributable transaction costs, are credited to share capital.

(d) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income (OCI), or fair value through profit or loss (FVTPL).

The classification of financial assets at initial recognition that are debt instruments depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient for contracts that have a maturity of one year or less, are measured at the transaction price determined under AASB 15.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Financial Instruments (continued)

Initial recognition and measurement (continued)

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest' (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level and have a business model of holding the financial asset and collecting contractual cash flows.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:
- Financial assets at amortised cost (debt instruments);
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments);
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments); and
- Financial assets at fair value through profit or loss.

Financial assets at amortised cost (debt instruments)

The Group measures financial assets at amortised cost if both of the following conditions are met:
- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Interest received is recognised as part of finance income in the statement of profit or loss and other comprehensive income. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets at fair value through profit or loss

Financial assets that do not meet the criteria for amortised cost are measured at fair value through profit and loss.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Financial Instruments (continued)

Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original EIR. ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. In this regard, the Group recognises a loss allowance based on the financial asset's lifetime ECL at each reporting date.

For all other financial assets measured at amortised cost, the Group recognises lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to a 12-month ECL. The determination of the ECL includes both quantitative and qualitative information and analysis, based on the Group's historical experience and forward-looking information.

The Group considers an event of default has occurred when a financial asset is more than 90 days past due or external sources indicate that the debtor is unlikely to pay its creditors, including the Group. A financial asset is credit impaired when there is evidence that the counterparty is in significant financial difficulty or a breach of contract, such as a default or past due event has occurred. The Group writes off a financial asset when there is information indicating the counterparty is in severe financial difficulty and there is no realistic prospect of recovery.

Financial liabilities

Initial recognition and measurement

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

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

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.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Financial Instruments (continued)

Initial recognition and measurement (continued)

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.

Financial liabilities at fair value through profit or loss (FVTPL)

Financial liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the consolidated statement of comprehensive loss. Gains and losses arising from changes in the fair value of the financial liabilities held at FVTPL are included in the profit and loss in the period in which they arise. Where management has opted to recognise a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognised in other comprehensive income or loss.

Financial instruments – derivatives

Derivatives are classified as FVTPL and initially recognised at their fair value on the date the derivative contract is entered into and transaction costs are expensed. Derivatives are subsequently re-measured at their fair value at each statement of financial position date with changes in fair value recognised through profit and loss. Fair values for derivative instruments are determined using valuation techniques, with assumptions based on market conditions existing at the statement of financial position date or settlement date of the derivative.

Derivatives embedded in debt instruments or non-financial host contracts are treated as separate derivatives when their risks and characteristics are not closely related to their host contracts.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

(e) Foreign currency transactions and balances

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's functional and presentation currency.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Foreign currency transactions and balances (continued)

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 consolidated statement of profit or loss and other comprehensive income.

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 reporting date; and
- income and expenses are translated at average exchange rates for the period.

Exchange differences arising on translation of foreign operations are recognized in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is reclassified to profit or loss in the period.

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

Revenues, expenses and assets are recognised net of the amount of associated GST or VAT, unless the GST or VAT incurred is not recoverable from the taxation authority. In this case, the GST or VAT 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 or VAT receivable or payable. The net amount of GST or VAT recoverable from, or payable to, the taxation authority is included with other receivables or payables in the consolidated statement of financial position.

Cash flows are presented on a gross basis. The GST or 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 non-financial assets

Non-financial 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 of disposal 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.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) 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 national income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on the laws that have been enacted or substantively enacted by the reporting date. 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. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

No deferred tax asset or liability is recognised in relation to 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.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

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)

(i) Loss per share

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.

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-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.

(j) Mineral tenements and deferred mineral exploration expenditure

Exploration and evaluation expenditure is carried forward as an asset when rights to tenure are current and:

- such costs are expected to be recouped through the successful development and exploitation of the area of interest, or by its sale; or
- exploration activities in the area of interest 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 or impaired 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 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 basis, of restoration. The unwinding of the effect of the discounting on the provision is recorded as a finance cost in the statement of profit or loss.

When a decision is made to proceed with the development of particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then transferred to mine properties under development.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Mine properties under development

Once technical feasibility and commercial viability of extraction of mineral resources in a particular area of interest becomes demonstrable, the exploration and evaluation assets attributable to that area of interest are reclassified as mine properties under development.

Mine properties under development represents the direct and indirect costs incurred in preparing mines for production and includes site upgrades, clearing, stripping and waste removal costs incurred before production commences. These costs also include borrowing costs incurred during the development stage. These costs are capitalised to the extent that they are expected to be recouped through the successful exploitation of the related mining leases. Once production commences, these costs will be amortised using the units of production method based on the estimated economically recoverable reserves to which they relate or are written off if the mine property is abandoned.

Mine properties under development are assessed for impairment if an impairment trigger is identified. For the purposes of impairment testing capitalised mine properties are allocated to the cash generating unit (CGU) to which the properties relate.

(l) Plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. 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 consolidated statement of profit or loss and other comprehensive income during the financial year in which they are incurred.

Depreciation is calculated using the straight-line or diminishing value method to allocate cost, net of residual values, over the estimated useful live of the assets, as follows:

- Plant and equipment 5% - 50%
- Computer software 25% - 100%
- Furniture and fittings 4% - 15%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if its carrying amount is greater than its estimated recoverable amount.

An item of plant and equipment is derecognised upon disposal or when no further future economic benefits are expected to arise from the continued use of the asset.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Plant and equipment (continued)

Any gain or loss on derecognition of an asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) are included in the consolidated statement of profit or loss and other comprehensive income in the period the item is derecognised.

(m) Inventory

Inventories are valued at the lower of cost and net realisable value. Cost is determined on a first-in-first out (FIFO) basis. Any provision for obsolescence or damage is determined by reference to specific stock items identified. The carrying value of obsolete or damaged items is written down to net realisable value.

(n) Principles of consolidation

The consolidated financial statements comprise the financial statements of Geopacific and its controlled entities, referred to collectively throughout these financial statements as the “Group”. Controlled entities are consolidated from the date on which control commences until the date that control ceases.

Control is achieved when the Group is exposed, or has rights to, variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group’s voting rights and potential voting rights.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Principles of consolidation (continued)

The financial statements of the controlled entities are prepared for the same reporting period as the parent company using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

The balances and effects of transactions between controlled entities included in the consolidated financial statements have been fully eliminated.

Non-controlling interest

Non-controlling interests are allocated their share of net profit or loss after tax in the consolidated statement of profit or loss and other comprehensive income and are presented within equity in the consolidated statement of financial position, separately from the equity of the owners of the parent. Losses are attributed to the non-controlling interests even if that results in a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

(o) Lease liability and right-of-use assets

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate and amounts expected to be paid under residual value guarantees. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term or a change in the in-substance fixed lease payments.

Short-term leases and leases of low-value assets

The Group applies the short-term and lease of low-value assets recognition exemptions to leases that are considered short-term or of low value (i.e. those leases that have a lease term of less than 12 months or where the value of the leased asset when new is below $10,000). Lease payments on short-term leases and leases of low-value assets are expensed over the lease term.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Lease liability and right-of-use assets (continued)

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised assets are depreciated on a straight-line basis over the shorter of its estimated useful life and lease term. Right-of-use assets are assessed for impairment.

(p) Interest income

Interest income is recognised as the interest accrues using the effective interest method.

(q) Comparative figures

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

(r) 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.

Onerous contracts

If the Group as a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. However, before a separate provision for an onerous contract is established, the Group recognises any impairment loss that has occurred on assets dedicated to that contract.

An onerous contract is a contract under which the unavoidable costs (i.e. the costs that the Group cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. The cost of fulfilling a contract comprises the costs that relate directly to contract activities.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(s) Business combinations

The acquisition method of accounting is used to account for all business combinations regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any asset or liability resulting from a contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree’s net identifiable assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in statement of profit or loss.

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 have the 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.

The carrying amount of financial assets included in the consolidated statement of financial position represents the Group's maximum exposure to credit risk in relation to those assets. The Group does not hold any credit derivatives to offset its credit exposure.

The Group trades only with recognised, credit worthy third parties and as such collateral is not requested nor is it the Group's policy to securitise its trade and other receivables. Receivable balances are monitored on an ongoing basis with the result that the Group does not have a significant exposure to bad debts. The Group has the following concentrations of credit risk:

Receivables

The Group has no listed investments and the current nature of the business activity does not result in trading receivables. The receivables are through the normal course of business. Non-current receivables are expected to be recovered by the Group notwithstanding extended timing of receipt. The risk of non-recovery of receivables from this source is considered to be negligible.

Cash deposits

The Group's primary banker is Sumitomo Mitsui Banking Corporation. The Moody's credit rating of Sumitomo Mitsui Banking Corporation is A1.

(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 has 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 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 for future expenditure or investment.

2 FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Liquidity risk (continued)

The following table reflects the liquidity risk arising from the financial liabilities held by the Group at balance date. The contractual maturity reflects undiscounted gross amounts:

Consolidated 2021	Carrying amount $	Contractual cash flows $	6 months or less $	6-12 months $	1-5 years $
Financial Liabilities - Due for Payment					
Trade and other payables	18,480,389	18,480,389	18,480,389	-	-
Lease liability	613,988	759,095	106,701	107,914	544,480
Total expected outflows	**19,094,377**	**19,239,484**	**18,587,090**	**107,914**	**544,480**

Consolidated 2020	Carrying amount $	Contractual cash flows $	6 months or less $	6-12 months $	1-5 years $
Financial Liabilities - Due for Payment					
Trade and other payables	6,128,458	6,128,458	6,128,458	-	-
Lease liability	716,872	867,615	124,500	106,888	636,227
Total expected outflows	6,845,330	6,996,073	6,252,958	106,888	636,227

At 31 December 2021, the Group had no interest-bearing liabilities (2020: nil).

2 FINANCIAL RISK MANAGEMENT (CONTINUED)

(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 operates in Australia and PNG and is exposed to foreign exchange risks arising from the fluctuation of the exchange rates of the Australian dollar (AUD) and the United States dollar (USD). The PNG Kina (PGK) currency is only utilised within the PNG entity, and is therefore not exposed to foreign exchange risk. 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 are denominated in a currency that is not the functional currency of the Group entity in question. The Group does not have a formal foreign currency risk management policy however, it monitors its foreign currency expenditure in light of exchange rate movements.

Foreign currency sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in AUD and USD exchange rates, with all other variables held constant. The impact on the Group's profit and loss is due to changes in the fair value of monetary assets and liabilities. The Group's exposure to foreign currency changes for all other currencies is not material.

	Profit and Loss		Equity	
	500bp increase $	500bp decrease $	500bp increase $	500bp decrease $
2021 - AUD foreign currency sensitivity	**76,495**	**(84,547)**	**-**	**-**
2020 - AUD foreign currency sensitivity	(3,324)	3,324	-	-
2021 - USD foreign currency sensitivity	**(769,684)**	**850,704**	**-**	**-**
2020 - USD foreign currency sensitivity	3,501	(3,501)	-	-

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's cash and cash equivalents.

2 FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Market risk (continued)

Interest rate risk (continued)

The Group's income and operating cash flows are not materially exposed to changes in market interest rates. The assets are cash and cash equivalents and other short-term interest-bearing deposits. No financial instruments have been used to mitigate risk.

The interest profile of the Group's interest-bearing financial instruments at the reporting date are outlined in the table below:

	Consolidated	
	2021 $	2020 $
Variable rate instruments:		
Cash and cash equivalents	**67,470,477**	34,639,855
Total	**67,470,477**	34,639,855

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on the cash and cash equivalent holdings at the reporting date. The analysis assumes that all other variables remain constant.

	Profit and Loss		Equity	
	100bp increase $	100bp decrease $	100bp increase $	100bp decrease $
2021 - Variable rate instruments	**674,705**	**(674,705)**	**-**	**-**
2020 - Variable rate instruments	346,399	(346,399)	-	-

(d) Capital management

The Board's policy is to maintain a sound capital base, defined as equity, 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) above.

The objective 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 continue the development and exploration 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. The Group's focus has been to raise sufficient funds through a mix of equity and debt to fund development and exploration 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.

2 FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Impairment Losses

During the 2021 reporting period, $6,934 was written off in relation to the Group's financial assets (2020: $14,670).

(f) Fair values versus carrying amounts

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

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 Group's policy in relation to the accounting for exploration and evaluation expenditure is stated in Note 1(j). There is judgment involved in determining the treatment of exploration and evaluation expenditure, including, determining whether it should be carried forward as capitalised exploration, transferred to mine properties under development, or written off to the consolidated statement of profit or loss and comprehensive income.

The Board and management give due consideration to the areas of interest relating to the exploration and evaluation expenditure on a regular basis and are confident that decisions to either transfer, write off or carry forward such expenditure fairly reflects the prevailing situation. During the years ended 31 December 2021 and 31 December 2020, no previously capitalised exploration and evaluation expenditure was transferred to mine properties under development. During the previous year ended 31 December 2020, $5,710,134 of previously capitalised exploration and evaluation expenditure related to the Kou Sa project was derecognised, see Note 6.

Mine properties under development

The Group's policy in relation to the accounting for mine properties under development is stated in Note 1(k). There is judgment involved in determining the treatment of mine properties under development, including, determining whether it should be carried forward as capitalised mine properties under development, transferred to property, plant and equipment or written off to the consolidated statement of profit or loss and comprehensive income.

The Board and management give due consideration to the areas of interest relating to mine properties under development on a regular basis and are confident that decisions to either transfer, write off or carry forward such expenditure fairly reflects the prevailing situation. During the years ended 31 December 2021 and 31 December 2020 no mine properties under development has been transferred or written off. However, an impairment charge was recognised during the year ended 31 December 2021. Refer to Note 13 for further information.

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (CONTINUED)

Key judgments (continued)

Leases - Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency).

The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating). The weighted average incremental borrowing rate applied to the leases is 8% (2020: 8%).

Onerous contracts

The Group has provided for onerous contracts in relation to several major contracts that it is terminating as a result of suspending key development programs at the Project. The onerous contracts provision assessment requires the Board and management to make certain estimates regarding the unavoidable costs and the expected economic benefits from the contracts. These estimates require significant management judgement and are subject to risk and uncertainty.

Changes to any of the estimates could result in significant changes to the level of provisioning required, which would in turn impact future financial results.

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 a combination of internal and external sources using a Black-Scholes option pricing model and independent third-party valuations. Refer Note 27 for details of estimates and assumptions used.

Impairment of non-financial assets

The recoverable amount of a cash-generating unit (CGU) is determined as the higher of value in use and fair value less costs of disposal.

The future recoverability of the CGU is dependent on a number of factors, including the level of measured, indicated and inferred Mineral Resources, future legal changes and changes to commodity prices, operating and development costs.

To the extent that the carrying value of the CGU is determined not to be recoverable in the future, profits and net assets will be reduced in the period in which this determination is made. Refer to Note 13 for impairment testing of the Group's CGU at 31 December 2021.

4 PARENT COMPANY INFORMATION

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

	Parent	
	2021 $	2020 $
STATEMENT OF FINANCIAL POSITION		
Assets		
Current assets	**49,119,658**	33,987,184
Non-current assets	**93,749,408**	47,127,481
Total Assets	**142,869,066**	81,114,665
Liabilities		
Current liabilities	**846,305**	2,085,435
Non-current liabilities	**655,511**	528,272
Total Liabilities	**1,501,816**	2,613,707
Equity		
Issued capital	**284,846,318**	165,801,105
Reserves	**2,950,150**	1,825,415
Accumulated losses	**(146,429,218)**	(89,125,562)
Total Equity	**141,367,250**	78,500,958
STATEMENT OF COMPREHENSIVE INCOME		
Net loss for the year	**(57,303,656)**	(9,869,457)
TOTAL COMPREHENSIVE LOSS	**(57,303,656)**	(9,869,457)

Guarantees

The Company has term deposits of $250,000 (2020: $250,000) over the lease of its office premises and credit card facilities. This has been classified as trade and other receivables in current assets.

Contingent liabilities

At 31 December 2021, Geopacific had no contingent liabilities (2020: nil).

Contractual commitments

At 31 December 2021, Geopacific had not entered into any contractual commitments for the acquisition of property, plant and equipment (2020: nil).

5 INCOME AND EXPENSES

(a) Other Income

	Consolidated 2021 $	Consolidated 2020 $
Government incentives	**-**	100,000
Other income	**370,620**	14,537
Interest income – financial institutions	**147,753**	167,886
Total	**518,373**	282,423

(b) Finance Costs

	Consolidated 2021 $	Consolidated 2020 $
Borrowing costs	**(232,951)**	-
Loan termination fee	**(8,263,326)**	-
	(8,496,277)	-
Interest expense on lease liability	**(11,260)**	-
Unwinding of discount on rehabilitation provision	**(3,248)**	-
Unwinding of discount on borrowings (Note 18)	**(8,305,337)**	-
Unwinding of discount on deferred consideration liability	**-**	(830,927)
Total	**(16,816,122)**	(830,927)

6 GAIN ON DERECOGNITION OF KOU SA PROJECT

	Consolidated	
	2021	**2020**
	$	**$**
Kou Sa Project		
Exploration & evaluation asset derecognised (Note 12)	-	(5,710,134)
Deferred consideration liability	-	7,799,975
Payables derecognised	-	404,828
Payables recognised	-	(609,835)
Total	-	1,884,834

In January 2015, the Company's subsidiary, Royal Australia Resources Ltd, entered into an agreement to acquire 100% of the issued capital of Golden Resource Development Co Ltd (the Kou Sa Project) for US$14 million. US$7.7 million of the acquisition price was paid as required under the agreement.

An amendment to the original agreement was executed in September 2016 which revised the acquisition payment schedule for the remaining US$6.3 million. The amendment resulted in the remaining acquisition payments being due for payment as follows:

- US$1.575 million due at completion of a bankable feasibility study for the Kou Sa Project, or by 21 September 2019, whichever is earlier; and
- US$4.725 million to be paid in equal instalments over three years following payment of the above US$1.575 million.

The Group were in negotiation with the vendors of the Kou Sa Project during 2019 and 2020 to restructure the deferred consideration payments. No mutually satisfactory resolution could be agreed and a termination notice was subsequently received from the vendors in December 2020. On receipt of the termination notice, management concluded that it no longer controlled the Kou Sa project assets and they were, therefore derecognised. On that basis, the related deferred consideration payable was also treated as extinguished.

As a result, the Group reflected the derecognition of the Kou Sa project assets and related deferred consideration liability in the reporting period ended 31 December 2020 which resulted in a gain on derecognition of $1,884,834 as detailed above. This gain included recognising a final settlement of US$0.5 million payable to the vendors under the termination provisions of the original agreement to acquire the Kou Sa project.

7 INCOME TAX

(a) The components of the income tax benefit comprise:

	Consolidated	
	2021 $	2020 $
Current tax	-	-
Deferred tax	-	-
Total tax benefit	-	-

(b) Reconciliation of income tax to prima facie tax benefit:

	Consolidated	
	2021 $	2020 $
Net loss before tax	**(61,318,687)**	(4,567,311)
Prima facie tax benefit at 30% (2020: 30%)	**(18,395,606)**	(1,370,193)
Adjusted for the tax effect of:		
Effect of different tax rate of foreign subsidiary	**601,127**	-
Non-deductible share-based payments	**219,338**	336,085
Other non-deductible expenses	**3,691,154**	(1,355,099)
Temporary difference for deferred tax assets not recognised	**2,158,732**	-
Derecognition of Kou Sa Project	**-**	(565,450)
Tax losses not recognised	**7,950,884**	2,954,657
Prior period adjustment	**3,774,371**	-
Total tax benefit	**-**	-

7 INCOME TAX (CONTINUED)

(c) Deferred tax:

	Consolidated	
	2021	2020
	$	$
Deferred tax assets:		
Property, plant and equipment	**5,294,235**	-
Provisions	**2,936,188**	45,082
Tax losses	**8,917,051**	11,891,298
Total before offset	**17,147,474**	11,936,380
Offset by deferred tax liabilities	**(17,147,474)**	(11,936,380)
Total deferred tax assets after offset	**-**	-
Deferred tax liabilities:		
Exploration and evaluation expenditure	**601,508**	553,402
Mine properties under development	**16,545,966**	11,382,978
Total before offset	**17,147,474**	11,936,380
Offset by deferred tax assets	**(17,147,474)**	(11,936,380)
Total deferred tax liabilities after offset	**-**	-

(d) Deferred tax assets not recognised:

	Consolidated	
	2021	2020
	$	$
Deferred tax assets not recognised		
Tax losses not brought to account	**57,743,975**	41,306,859
Business related costs	**512,593**	225,287
Other	**60,770**	48,592
Total deferred tax assets not recognised	**58,317,338**	41,580,738
Movement of tax losses not brought to account		
Total tax losses - beginning of the year	**53,198,157**	55,194,328
Current year tax losses	**7,950,884**	2,954,657
Under/(over)	**2,358,135**	456,941
Foreign exchange fluctuation	**3,153,850**	(5,407,769)
Total tax losses – end of the year	**66,661,026**	53,198,157
Tax losses – recognised to the extent of the deferred tax liability	**(8,917,051)**	(11,891,298)
Tax losses not brought to account – end of the year	**57,743,975**	41,306,859

Deferred tax assets relating to tax losses have only been recognised in PNG to the extent of the deferred tax liabilities balance.

The deferred tax assets relating to the remainder of the Group have not been recognised in the current reporting period as the Directors do not believe the realisation is probable at this point in time.

8 CASH AND CASH EQUIVALENTS

	Consolidated	
	2021 $	2020 $
Current		
Cash at bank	**50,943,828**	34,639,855
Restricted cash (i)	**16,526,649**	-
Total	**67,470,477**	34,639,855

(i) Held in the Group's Debt Proceeds Accounts to fund the termination fee to Sprott (see Notes 18 and 19) and a reserve buffer.

9 TRADE AND OTHER RECEIVABLES

	Consolidated	
	2021 $	2020 $
Current		
Security deposits	**250,000**	250,000
Sundry debtors	**1,625**	18,418
GST receivable	**15,811**	124,356
Total	**267,436**	392,774
Non-current		
Security deposits	**10,206**	9,816
Sundry debtors	**31,259**	35,821
GST receivable	**3,788,177**	1,001,334
Total	**3,829,642**	1,046,971

Write down

During the year ended 31 December 2021, a write down of $6,934 was recorded in respect of sundry debtors (2020: $14,670 in respect of security deposits).

10 PREPAYMENTS

	Consolidated 2021 $	Consolidated 2020 $
Current		
Community relocation materials (i)	**95,534**	1,384,099
Insurance (ii)	**1,196,829**	-
Total	**1,292,363**	1,384,099

(i) Relates to a 30% upfront payment to the relocation contractor for the procurement of materials associated with the Communities Relocation Program. The prepayment is unwound when the underlying materials have been delivered.
(ii) Relates mainly to Project specific contract works insurance for premiums paid up to 31 December 2022.

11 INVENTORIES

	Consolidated 2021 $	Consolidated 2020 $
Current		
Consumables	**441,054**	362,524
Kitchen stocks	**169,512**	45,182
Cleaning stocks	**35,099**	13,478
Medical stocks	**111,571**	6,549
Protective clothing	**23,889**	16,436
Total	**781,125**	444,169

Write down

During the year ended 31 December 2021, consumables which had expired or were damaged were identified and as such had no net realisable value. The full amount of $1,500 was written off from inventory and recorded in the consolidated statement of profit or loss (2020: $5,779).

12 EXPLORATION AND EVALUATION ASSETS

	Consolidated	
	2021 $	2020 $
Non-current	**2,005,023**	1,844,673
Movement during the year		
Carrying value - beginning of the year	**1,844,673**	8,262,803
Additions	**36,097**	65,098
Derecognition of Kou Sa Project (i)	**-**	(5,710,134)
Foreign exchange fluctuation	**124,253**	(773,094)
Carrying value - end of the year	**2,005,023**	1,844,673

(i) The Company derecognised the Kou Sa Project in the previous year. See Note 6 for further information.

Impairment

At 31 December 2021, the Group conducted an assessment to determine whether there were any indicators of impairment in relation to the carrying value of its capitalised exploration and evaluation expenditure. No indicators of impairment were present and therefore the Group did not impair any capitalised expenditure (2020: nil).

Costs not directly relating to the advancement of the Group's exploration projects were expensed as exploration expenditure in the consolidated statement of profit or loss and other comprehensive income. No such costs were incurred for the 2021 reporting period (2020: $208,345).

13 MINE PROPERTIES UNDER DEVELOPMENT

	Consolidated	
	2021	2020
	$	$
Non-current	**50,895,186**	37,975,609
Movement during the year		
Carrying value - beginning of the year	**37,975,609**	30,803,497
Additions	**23,230,220**	11,688,121
Impairment	**(13,877,597)**	-
Transfers from property, plant and equipment (Note 14)	**194,464**	184,592
Change in rehabilitation provision	**302,399**	9,226
Foreign exchange fluctuation	**3,070,091**	(4,709,827)
Carrying value - end of the year	**50,895,186**	37,975,609

Impairment

The Group has identified one CGU, the Woodlark Gold Project. The Woodlark Gold Project CGU comprises mine properties under development and associated property, plant and equipment.

For the year ended 31 December 2021, the Group assessed whether there were any indicators of impairment in relation to the Woodlark Gold Project CGU. Upon identification of impairment indicators relating to increase in the capital cost for development of the Project and ongoing delays in the project schedule leading to subsequent suspension of key development programs, management performed an impairment assessment on the CGU, applying the fair value less costs of disposal basis using resource multiples of selected gold projects of similar scale and those carrying similar jurisdictional risk as PNG (level 3 in the fair value hierarchy).

In order to make its assessment, the Company obtained a range of gold market transaction multiples covering a number of comparable jurisdictions. The available market transaction multiples were assessed on both mineral resource and ore reserve related metrics with the selection of transactions narrowed to only include projects of a similar scale to the Woodlark Gold Project.

In applying this methodology, a value per mineral resource ounce was established using the relevant market transaction implied enterprise value divided by total mineral resource ounces. For each of the relevant transactions, the total mineral resource ounce value was multiplied by the Woodlark Gold Project total mineral resource of 1,573,000 gold ounces to provide a valuation estimate. This process provided a wide valuation range. Having considered the risk profile specific to the asset, a fair value at the lower end was selected and applied as the recoverable amount of the Woodlark Project CGU.

The impairment assessment resulted in an impairment charge of $27,267,012, allocated to Mine Properties under Development ($13,877,597) and Property, Plant and Equipment ($13,389,415) based on a recoverable amount of $100 million for the CGU.

14 PROPERTY, PLANT AND EQUIPMENT

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

2020	Consolidated Right-of-use asset $	Work under construction $	Plant & Equipment $	Computer Software $	Furniture & Fittings $	Total $
Gross carrying amount – at cost	-	5,871,008	5,066,861	98,737	941,239	11,977,845
Less: accumulated depreciation	-	-	(4,172,762)	(98,584)	(462,035)	(4,733,381)
Balance	-	5,871,008	894,099	153	479,204	7,244,464

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

Plant & Equipment Movement 2020	Right-of-use asset $	Work under construction $	Plant & Equipment $	Computer Software $	Furniture & Fittings $	Total $
Balance at 1 January 2020	84,648	472,105	751,611	1,369	582,552	1,892,285
Additions	-	5,343,546	489,966	-	3,675	5,837,187
Disposals	-	-	(256)	-	-	(256)
Transfer between categories	-	106,268	(90,271)	-	(15,997)	-
Transfers to mine properties under development	-	-	(156,805)	-	(27,787)	(184,592)
Transfer to right-of-use asset	(33,859)	-	-	-	-	(33,859)
Depreciation	(50,789)	-	(22,485)	(1,216)	(5,013)	(79,503)
Foreign exchange fluctuation	-	(50,911)	(77,661)	-	(58,226)	(186,798)
Balance at 31 December 2020	-	5,871,008	894,099	153	479,204	7,244,464

15 RIGHT-OF-USE ASSET AND LEASE LIABILITY

(a) Right-of-use asset

	Consolidated	
	2021	**2020**
	$	**$**
Non-current		
Gross carrying amount - office leases	**846,447**	746,544
Less: accumulated depreciation	**(226,828)**	(28,272)
Total	**619,619**	718,272
Movement during the year		
Balance at 1 January	**718,272**	-
Transfer from property, plant and equipment (Note 14)	**-**	33,859
Additions	**128,175**	746,544
Depreciation expense	**(226,828)**	(62,131)
Balance at 31 December	**619,619**	718,272

(b) Lease liability

	Consolidated	
	2021	**2020**
	$	**$**
Current	**193,662**	220,164
Non-current	**420,326**	496,708
	613,988	716,872
Movement during the year		
Balance at 1 January	**716,872**	82,111
Additions	**128,175**	746,544
Interest expense	**11,260**	9,950
Payments	**(242,319)**	(121,733)
Balance at 31 December	**613,988**	716,872

16 TRADE AND OTHER PAYABLES

	Consolidated	
	2021 $	2020 $
Current		
Trade creditors and accrued expenses	**18,480,389**	6,128,458
Total	**18,480,389**	6,128,458

17 PROVISIONS

	Consolidated	
	2021 $	2020 $
Current		
Employee entitlements	**318,723**	142,907
Loan termination fee (i)	**8,263,325**	-
Onerous contracts (ii)	**6,703,000**	-
Total	**15,285,048**	142,907
Non-current		
Employee entitlements	**22,322**	31,564
Rehabilitation (iii)	**496,688**	170,127
Total	**519,010**	201,691

(i) Relates to borrowings from Sprott. See Notes 18 and 19 for further information.

(ii) Onerous contracts provision movement during the year		
Balance at 1 January	**-**	-
Provision recognised	**6,703,000**	-
Balance at 31 December	**6,703,000**	-

Refer to Note 3 for further information.

(iii) Rehabilitation provision movement during the year		
Balance at 1 January	**170,127**	179,293
Provision recognised	**302,399**	9,226
Unwinding of discount	**3,248**	943
Foreign exchange fluctuation	**20,914**	(19,335)
Balance at 31 December	**496,688**	170,127

The rehabilitation provision represents the present value of rehabilitation costs relating to the Project site, which are expected to be incurred at the end of mine life. The timing of the rehabilitation expenditure is dependent on the life of the mine which may vary in future.

18 INTEREST-BEARING LIABILITIES

	Consolidated	
	2021	**2020**
	$	**$**
Non-current		
Sprott Project Finance Facility (i)	-	-
Total	**-**	-
(i) Sprott Project Finance Facility movement during the year		
Balance at 1 January	-	-
Amount recognised at inception	**106,023,933**	-
Reclassified as derivative liability (Note 19(i))	**(20,618,236)**	-
Interest and other finance costs paid	**(5,392,376)**	-
Unwinding of discount	**8,305,337**	-
Change in fair value	**2,490,596**	-
Value of derivative liability transferred to host liability prior to prepayment (Note 19(i))	**22,338,504**	-
Loan principal prepaid	**(119,507,068)**	-
Foreign exchange fluctuation	**6,359,310**	-
Balance at 31 December 2021	**-**	-

In June 2021 Geopacific agreed binding terms and achieved financial close with Sprott for US$100 million in project funding to develop the Woodlark Gold Project. The US$100 million in financing was in the form of a US$85 million in Project Finance Facility (Facility) which was deposited into the Company's Debt Proceeds Account with funds available under staged drawdowns scheduled to occur with project development milestones, and US$15 million via a Callable Gold Stream (Callable Stream) which was available immediately.

The face value of the facility was US$85 million and was accounted for as a financial liability subsequently measured at amortised cost under AASB 9 *Financial Instruments.* The Callable Stream, and its related accounting, are further described in Note 19.

On 24 June 2021, the Company issued a drawdown notice to Sprott to draw the entire Facility, subject to an "original issue discount" of 3.98% of the advance. The funds were received on 29 June 2021. The Facility had a maturity repayment date of 30 June 2026 and was secured against the Group's assets. The Facility bears interest at a base rate of 7.25% per annum up to 31 August 2023 (and 6.25% per annum thereafter) plus the greater of 3-month LIBOR or 1.75% per annum. 75% of the monthly interest will be capitalised and form part of the principal amount until 31 March 2023. Repayment of the principal amount outstanding of the Facility (which includes capitalised interest) occurs over 40 equal monthly instalments commencing from 31 March 2023.

The Company may elect to prepay the full principal outstanding within 36 months after financial close, being June 2024. If it does so then it will be liable to pay Sprott an amount equal to 3% of the principal repaid and the difference in the interest foregone as a result of the prepayment. This additional charge is not payable to Sprott if the prepayment is made after June 2024.

18 INTEREST-BEARING LIABILITIES (continued)

The floating interest rate floor of 1.75% over the base rate and the Company's ability to repay the full outstanding principal balance have been determined to be embedded derivatives not closely related to the Facility, which should be bifurcated and accounted for separately. As the value of these two embedded derivatives are not significant, they have not been recognised on initial recognition.

In addition, as part of the Facility, an additional interest charge is payable on the Facility based on a gold price differential multiplied by 2,500 ounces per month for 40 months (total 100,000 ounces) commencing on 31 March 2023 (Additional Interest Payments). The gold price differential is calculated using the greater of the average USD London Bullion Metal Association (LBMA) PM gold price per ounce (of the prior month) or US$1,750 per ounce, less US$1,475 per ounce. These additional interest payments have been determined to be an embedded derivative that is not closely related to the Facility. This embedded derivative has, therefore, been bifurcated and accounted for separately as a "Derivative liability" in Note 19 (i).

The drawdown of the Facility was initially measured at its fair value, taking into account the original issue discount and transaction costs arising on the Facility, in determining the amortised cost of the Facility. These transaction costs, along with the original issue discount, have been incorporated into the calculation of the effective interest for this Facility.

The Group has entered into an "all-assets" general security deed to secure the Group's obligations under relevant documents encompassing the Sprott debt facility. The securities granted to Sprott are first ranking.

Pursuant to the Facility, the Company issued 5,404,655 shares and 2,702,328 options (with an exercise price of $0.322 and expiry date of 29 September 2026) on 29 June 2021 in return for consideration of US$1,570,062 ($2,091,742) received from Sprott. See Note 20 for details of share capital raised.

The availability of the Facility was subject to certain financial and other covenants.

In December 2021, the Company and Sprott agreed to make certain amendments to the terms of the Facility and Callable Stream agreements. As a result, prepayment of the principal and accrued interest under the Facility agreement and repayment of the deposit advanced under the Callable Stream agreement was required to occur on 15 December 2021 and was made on that date accordingly. The voluntary prepayment premium that would otherwise apply on the Facility is not payable on the prepayment.

As a result of this debt modification, the Company revalued the Facility to fair value as at 15 December 2021. The fair value of the host liability and the related derivative liabilities were valued based on the payment required to simultaneously extinguish the Facility. A loss on change in fair value of $2,490,596 was recognised in the profit and loss on the modification and extinguishment of the Facility.

Pursuant to the amended agreement, a fee of US$5 million is payable if the Facility agreement is terminated. This was recorded at fair value of US$3 million as a component of the debt modification on 15 December 2021.

Subsequent to balance date, the Company negotiated terms for the termination of both the Facility and Callable Stream agreements. Refer to Note 29 for further information.

No amount was drawn under the amended Facility agreement at 31 December 2021.

19 OTHER FINANCIAL LIABILITIES

	Consolidated	
	2021 $	2020 $
Current		
Lease liability (Note 15(b))	**193,662**	220,164
Total	**193,662**	220,164
Non-current		
Lease liability (Note 15(b))	**420,326**	496,708
Derivative liability (i)	**-**	-
Sprott Callable Stream (ii)	**-**	-
Total	**420,326**	496,708
(i) Derivative liability movement during the year		
Balance at 1 January		-
Amount recognised at inception (Note 18)	**20,618,236**	-
Change in fair value	**1,720,268**	-
Value of liability transferred to host liability prior to prepayment (Note 18)	**(22,338,504)**	-
Balance at 31 December	**-**	-

As indicated in Note 18, as part of the Sprott Facility, the floating interest rate floor of 1.75% over the base rate, the Company's ability to repay the full outstanding principal balance and the Additional Interest Payments, represent embedded derivatives. The interest rate floor and prepayment embedded derivatives were not brought to account (see Note 18), however the Additional Interest Payments were fair valued on initial recognition.

The value of the derivative liability was transferred back to the host liability prior to the principal of the Sprott Facility being prepaid in full in December 2021.

19 OTHER FINANCIAL LIABILITIES (continued)

	Consolidated 2021 $	Consolidated 2020 $
(ii) Sprott Callable Stream movement during the year		
Balance at 1 January	-	-
Amount recognised at inception	19,967,251	-
Other finance costs paid	(104,486)	-
Change in fair value	109,768	-
Amount repaid	(21,089,483)	-
Foreign exchange fluctuation	1,116,950	-
Balance at 31 December	-	-

On 24 June 2021, the Company issued a drawdown notice to Sprott to draw down the US$15 million "deposit" available under the Callable Stream which formed part of the Sprott project funding. The Callable Stream provided Sprott the option to acquire 3.375% of the gold production from the Woodlark Gold Project until it had acquired a cumulative total of 30,000 gold ounces and 1.6575% of the gold production thereafter. Alternatively, Sprott could elect to receive cash amounting to 70% of the spot LBMA price of the gold produced. The objective was to repay the "deposit" through this mechanism by approximately June 2026, however, subject to the buy-back option (see below), the gold stream arrangement under the Callable Stream is effectively perpetual.

Under the Callable Stream agreement, the Group had a buy-back option for the gold stream arrangement, whereby it could pay US$15 million plus any uncredited balance remaining on the "deposit" in order to fully extinguish any remaining liability to Sprott. The buy-back option period was 180 days from 30 June 2026 (which is the maturity date of the Facility disclosed in Note 18).

The Group elected to designate all financial instruments under the Callable Stream arrangement as a financial liability at fair value through profit and loss, both on initial recognition and at each reporting date. Any changes in fair value were recorded as a gain or loss in the profit and loss, except for those arising from changes in the Group's own credit risk, which are recorded in other comprehensive income.

On 15 December 2021, the deposit advanced under the Callable Stream agreement was repaid in full and the terms and conditions of the agreement were amended. A loss on change in fair value of $109,768 was recognised in the profit and loss on the modification and extinguishment of the borrowing.

Pursuant to the amended agreement, a fee of US$5 million is payable if the Callable Stream agreement is terminated. This was recorded at fair value of US$3 million as a component of the debt modification on 15 December 2021.

Subsequent to balance date, the Company negotiated terms for the termination of both the Facility and Callable Stream agreements. Refer to Note 29 for further information.

No amount was drawn under the amended agreement at 31 December 2021.

20 ISSUED CAPITAL

	Consolidated 2021 $	Consolidated 2020 $
Issued Capital	**284,846,318**	165,801,105

Reconciliation of movements in Issued Capital during the year

	Date	2021 Shares	2021 $	2020 Shares	2020 $
Balance at 1 January		**218,807,363**	**165,801,105**	174,525,760	148,972,741
Conversion of Zero Exercise Price Options	21-Jul-20	**-**	**-**	520,131	-
Shares issued pursuant to a Placement	18-Dec-20	**-**	**-**	43,761,472	18,379,818
Shares issued pursuant to a Placement	12-Feb-21	**289,571,862**	**121,620,182**	-	-
Shares issued pursuant to a Share Purchase Plan	16-Feb-21	**4,461,821**	**1,874,011**	-	-
Shares issued pursuant to Project Financing	29-Jun-21	**5,404,655**	**1,790,902**	-	-
Conversion of Zero Exercise Price Options	13-Jul-21	**970,638**	**-**	-	-
Conversion of Zero Exercise Price Options	23-Aug-21	**30,307**	**-**	-	-
Less: share issue costs		**-**	**(6,239,882)**	-	(1,551,454)
Balance at 31 December		**519,246,646**	**284,846,318**	218,807,363	165,801,105

21 RESERVES

	Consolidated	
	2021	2020
	$	$
(a) Reserves		
Share-based payments reserve	**4,724,737**	3,993,609
Option reserve	**300,840**	-
Foreign currency translation reserve	**2,089,578**	(2,018,220)
Other equity reserve	**(1,370,317)**	(1,370,317)
Total	**5,744,838**	605,072
(b) Movements during the year		
Share-based payments reserve		
Balance at 1 January	**3,993,609**	2,873,328
Share-based payment expense	**731,128**	1,120,281
Balance at 31 December	**4,724,737**	3,993,609
Option reserve		
Balance at 1 January	**-**	-
Options issued	**300,840**	-
Balance at 31 December	**300,840**	-
Foreign currency translation reserve		
Balance at 1 January	**(2,018,220)**	3,340,531
Exchange gains/(losses) during year	**4,107,798**	(5,358,751)
Balance at 31 December	**2,089,578**	(2,018,220)
Other equity reserve		
Balance at 1 January	**(1,370,317)**	(1,370,317)
Transfers during the year	**-**	-
Balance at 31 December	**(1,370,317)**	(1,370,317)
Total reserves	**5,744,838**	605,072

(c) Nature and purpose of reserves

Share-based payments reserve

The share-based payments reserve records:

- the value of exercised and unexercised options, share appreciation rights and share performance rights issued or granted to employees and Directors which have been expensed; and
- the value of options issued on acquisition of Millennium Mining (Fiji) Ltd.

Option reserve

The option reserve records the value of options issued pursuant to Project Financing.

21 RESERVES (continued)

(c) Nature and purpose of reserves (continued)

Foreign currency translation reserve

The foreign currency translation reserve records unrealised exchange gains and losses on translation of the Group's controlled entities' results and financial position where their functional currency is different to the Group's presentation currency. It is also used to record exchange gains or losses on borrowings that form part of the Company's net investments in foreign operations.

Other equity reserve

The other equity reserve records transfers of interests to the Group from non-controlling interests.

22 CONTINGENT LIABILITIES

The Group did not have any contingent liabilities at the end of the reporting period (2020: nil).

23 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. In the ordinary course of business, the Group is currently waiting on the reissue of certain licences by the Mineral and Resource Departments of Papua New Guinea.

The following table provides an outline of the annual expenditure required by tenement:

Tenement	Location	Tenement Renewed to	Annual Commitment 2022 $	Comments
EL 1172	PNG	27-Nov-21	120,226	Licence renewal lodged with authorities for an additional two years. Tenure remains while renewal pending.
EL 1279	PNG	25-Aug-21	160,301	Licence renewal lodged with authorities for an additional two years. Tenure remains while renewal pending.
EL 1465	PNG	22-Dec-22	80,151	

23 COMMITMENTS (continued)

(b) Operating Commitments

The outstanding operating commitments relating to the Woodlark Gold Project at 31 December are:

	Consolidated	
	2021 $	2020 $
Payable within one year	**5,285,092**	6,523,095
Payable after one year but not more than five years	**504,860**	-
Total	**5,789,952**	6,523,095

During the previous year ended 31 December 2020, the Group entered into contracts with HBS Machinery and Rhodes to commence the Civil Works Program at the Woodlark Gold Project. The future lease payments for the HBS non-cancellable lease contracts is $2,481,376. The committed expenditure for the Rhodes contract is $4,041,719. Both of these contracts are scheduled to be completed within one year.

Variations were made to the Rhodes contract during the year ended 31 December 2021 and the committed expenditure at 31 December 2021 is $1,761,067. This is included in the payable within one year category in the table above.

24 PARTICULARS RELATING TO CONTROLLED ENTITIES

(a) Material Subsidiaries

	Country of Incorporation and Carrying on Business	Class of Share	Effective Ownership Percentage	
			2021 %	2020 %
Worldwide Mining Projects Pty Ltd	Australia	Ordinary	**100**	100
PT IAR Indonesia Ltd	Indonesia	Ordinary	**100**	100
Eastkal Pte Ltd	Singapore	Ordinary	**100**	100
Royal Australia Resources Ltd	Cambodia	Ordinary	**-**	85
Golden Resource Development(i)	Cambodia	Ordinary	**-**	-
Geopacific Limited	Fiji	Ordinary	**100**	100
Beta Limited	Fiji	Ordinary	**100**	100
Millennium Mining (Fiji) Limited	Fiji	Ordinary	**100**	100
Woodlark Mining Limited	PNG	Ordinary	**100**	100
Geocanada Resources Limited	Canada	Ordinary	**100**	-

(i) The Company derecognised the Kou Sa Project during the year ended 31 December 2020. See Note 6 for further information.

25 KEY MANAGEMENT PERSONNEL DISCLOSURES

(a) Directors

Details of each person holding the position of Director of the Company during the current and prior reporting periods are outlined in the table below:

Name		Position
Non-Executive Directors		
Ian Clyne	*Assumed Executive role from 1 January to 30 June 2021 and from 11 November to 31 December 2021*	Non-Executive Chairman
Colin Gilligan		Non-Executive Director
Ian Murray		Non-Executive Director
Sir Charles Lepani		Non-Executive Director

(b) Other Key Management Personnel (KMP)

Details of the Other KMP of the Group during the current and prior reporting periods are set out in the table below:

Name		Position
Executives		
Timothy Richards		Chief Executive Officer
Matthew Smith		Chief Financial Officer & Company Secretary
Graeme Rapley	*Appointed 1 February 2021; Ceased 31 October 2021*	Project Director - WML
Glenn Zamudio	*Ceased 31 March 2021*	General Manager - Projects

(c) KMP Compensation

	Consolidated	
	2021 $	**2020 $**
Key Management Personnel Compensation:		
Short-term benefits	**1,596,790**	1,376,630
Post-employment benefits	**102,075**	102,408
Share-based payments	**727,233**	1,120,282
Long-term benefits	**(1,749)**	12,872
Termination payments	**119,383**	399,996
Total	**2,543,732**	3,012,188

26 RELATED PARTY TRANSACTIONS

There were no other transactions with related parties during the year other than those disclosed in Note 25.

27 SHARE-BASED PAYMENTS

(a) Employee Incentive Plan

The Company's Securities Incentive Plan was approved by shareholders at the Annual General Meeting held on 30 May 2018. All employees are eligible to participate in the plan.

Instruments granted under the plan are issued for no consideration, carry no dividend or voting rights and when exercised convert into ordinary shares.

Included under share-based payments expense in the statement of profit or loss and other comprehensive income is an amount of $731,128 (2020: $1,120,281) which relates to equity settled share-based payments transactions issued under the plan.

All options and share performance rights granted to key management personnel are for ordinary shares in Geopacific, which confer a right of one ordinary share for every option held.

All share appreciation rights granted to key management personnel are for ordinary shares in Geopacific, which confer an amount of shares equal to the difference between the Company's share price at the end of the vesting period and the price on grant date.

During the reporting period the Company issued 3,112,442 share performance rights (SPR's) to employees. These incentives were granted on 2 August 2021 and were issued in accordance with the Securities Incentive Plan. The vesting condition of the share performance rights is satisfaction of performance conditions relating to production target and resource growth over a three-year measurement period and continuous employment (at Board discretion).

27 SHARE-BASED PAYMENTS (CONTINUED)

(a) Employee Incentive Plan (continued)

The incentives were valued by independent third-party valuations. The key inputs and valuations are summarised below:

Item	SPR's
Underlying share value	$0.335
Exercise price	Nil
Valuation date	2-Aug-21
Vesting date	31-Dec-23
Vesting period (years)	3.00
Expiry date	31-Mar-24
Life of the options (years)	2.66
Volatility(i)	75%
Risk free rate	0.025%
Dividend yield	Nil
Granted on 2 August 2021	
Number of rights	3,112,442
Value per right	$0.335
Value per tranche	$1,042,668

(i) Volatility of the share price fluctuation was calculated by considering the historical movement of the share price over a period of time as well factoring market conditions of its competitors to predict the distribution of relative share performance.

27 SHARE-BASED PAYMENTS (CONTINUED)

(a) Employee Incentive Plan (continued)

	2021		2020	
	Number of options or rights	Weighted average exercise price ($)	Number of options or rights	Weighted average exercise price ($)
Zero exercise price options				
Outstanding at beginning of year	**3,471,672**	**-**	2,787,735	-
Granted Class A	**-**		30,307	-
Granted Class B	**-**		526,262	-
Granted Class C	**-**	**-**	647,500	-
Exercised	**(1,000,945)**	**-**	(520,132)	-
Outstanding at end of year	**2,470,727**	**-**	3,471,672	-
Premium exercise price options				
Outstanding at beginning of year	**2,249,136**	**0.7980**	1,872,590	0.7714
Granted Class C	**-**	**-**	376,546	0.9300
Expired/lapsed	**-**	**-**	-	-
Exercised	**-**	**-**	-	-
Outstanding at end of year	**2,249,136**	**0.7980**	2,249,136	0.7980
Share appreciation rights				
Outstanding at beginning of year	**2,430,722**	**0.5485**(i)	2,023,706	0.5381(i)
Granted	**-**	**-**	407,016	0.6000(i)
Expired/lapsed	**-**	**-**	-	-
Exercised	**-**	**-**	-	-
Outstanding at end of year	**2,430,722**	**0.5485**(i)	2,430,722	0.5485(i)
Share performance rights				
Outstanding at beginning of year	**-**	**-**	-	-
Granted	**3,112,442**	**-**	-	-
Expired/lapsed	**-**	**-**	-	-
Exercised	**-**	**-**	-	-
Outstanding at end of year	**3,112,442**	**-**	-	-

(i) The exercise price of the share appreciation rights – represents a theoretical exercise price given the payoff is the difference between the Company's share price at the end of the vesting period and the price on grant date

27 SHARE-BASED PAYMENTS (CONTINUED)

(a) Employee Incentive Plan (continued)

The weighted average remaining contractual life of the incentives outstanding at 31 December 2021 are:

Instrument	Years
Zero exercise price options	**0.77**
Premium exercise price options	**1.36**
Share appreciation rights	**1.35**
Share performance rights	**2.25**

(b) Unlisted Incentives

There were 2,742,328 options over unissued shares unexercised at reporting date (2020: 40,000). Since the end of the financial year, no unlisted options have been cancelled or exercised.

Details of unlisted options over unissued shares in the Company as at the date of this report are outlined in the tables below:

2021

Issue Date	Expiry Date	Exercise Price	Number on Issue	Movement During the Year			Number on Issue
		$	1-Jan-21	Granted	Lapsed	Adjusted for share consolidation	31-Dec-21
6-Jun-09	Note (a)	62.50	**32,000**	-	-	-	**32,000**
6-Jun-09	Note (b)	125.00	**8,000**	-	-	-	**8,000**
29-Jun-21	29-Sep-26	0.322	**-**	**2,702,328**	**-**	**-**	**2,702,328**
			40,000	**2,702,328**	**-**	**-**	**2,742,328**

(a) Not later than 5 years after defining a JORC compliant ore reserve of over 200,000oz Au on the Faddy's Gold Deposit
(b) Not later than 10 years after defining a JORC compliant ore reserve of over 1,000,000oz Au on the Faddy's Gold Deposit

2020

Issue Date	Expiry Date	Exercise Price	Number on Issue	Movement During the Year			Number on Issue
		$	1-Jan-20	Granted	Lapsed	Adjusted for share consolidation	31-Dec-20
6-Jun-09	Note (a)	62.50	32,000	-	-	-	32,000
6-Jun-09	Note (b)	125.00	8,000	-	-	-	8,000
			40,000	-	-	-	40,000

(a) Not later than 5 years after defining a JORC compliant ore reserve of over 200,000oz Au on the Faddy's Gold Deposit
(b) Not later than 10 years after defining a JORC compliant ore reserve of over 1,000,000oz Au on the Faddy's Gold Deposit

(c) Services

During the reporting period, the Company did not issue any shares as payment for services (2020: nil).

28 LOSS PER SHARE

(a) Basic and Diluted Loss per Share

	Consolidated 2021 Cents	Consolidated 2020 Cents
Basic loss per share:		
From continuing operations attributable to the ordinary equity holders of the company	**(12.67)**	(2.59)
Diluted loss per share:		
From continuing operations attributable to the ordinary equity holders of the company	**(12.67)**	(2.59)

(b) Reconciliation of Loss Used in Calculating Loss Per Share

	Consolidated 2021 $	Consolidated 2020 $
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:		
From continuing operations	**(61,318,687)**	(4,567,311)
	(61,318,687)	(4,567,311)

(c) Weighted Average Number of Shares Used as the Denominator

	Consolidated 2021 No. of Shares	Consolidated 2020 No. of Shares
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted loss per share	**483,805,157**	176,404,229

29 EVENTS OCCURRING AFTER BALANCE DATE

The financial statements have been prepared based upon conditions existing at 31 December 2021 and due consideration has been given to events that have occurred subsequent to 31 December 2021 that provide evidence of conditions that existed at the end of the reporting period.

On 13 January 2022, Mr Andrew Bantock was appointed as Chairman and director of the Company and Mr Ian Clyne retired as Chairman and director of the Company.

In February 2022, the Company announced that in view of ongoing delays in the project schedule and the consequent implications for capital cost escalation, a range of steps were taken including the suspension of all detailed engineering and civil works at the Project pending a review of the Company's strategic options. The suspension of these activities will preserve cash reserves and require redundancies across the Group.

In April 2022, the Company announced that it terminated the Facility and Stream agreements with Sprott. The financial liabilities comprising of the termination fees described in Notes 18 and 19 were settled and paid for an aggregate amount of US$6 million. This did not result in gain or loss on termination.

Other than the matter discussed above, no other matters or circumstances haves arisen since the end of the financial period year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

30 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 in the 2021 reporting period the Group was organised into three operating segments based on geographical locations, which involve mineral exploration and development in PNG and all other segments, which incorporates the minor activities conducted during the period in Cambodia and Fiji. All other corporate expenses are disclosed as "Corporate" within this segment report. The Group's principal activities are interrelated and the Group has no revenue from operations.

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

2021	All Other Segments $	PNG $	Corporate $	Total $
Other Income	370,620	-	147,753	518,373
Net Profit/(Loss) for the year	238,625	(36,926,373)	(24,630,939)	(61,318,687)
Segment Assets	95,008	109,829,892	66,340,785	176,265,685
Segment Liabilities	648,935	25,822,178	8,427,322	34,898,435
Impairment write downs	6,934	27,268,512	-	27,275,446

2020	All Other Segments $	PNG $	Corporate $	Total $
Other Income	-	63	282,360	282,423
Net Profit/(Loss) for the year	344,796	(101,311)	(4,810,796)	(4,567,311)
Segment Assets	115,610	50,792,747	34,782,529	85,690,886
Segment Liabilities	998,273	3,577,948	2,613,707	7,189,928
Impairment write downs	-	20,448	-	20,448

31 NOTES TO THE STATEMENT OF CASH FLOWS

(a) Cash and Cash Equivalents

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	
	2021 $	2020 $
Cash at bank	**50,943,828**	34,639,855
Restricted cash	**16,526,649**	-
Total	**64,470,477**	34,639,855

(b) Reconciliation of Cash Flows from Operating Activities

	Consolidated	
	2021 $	2020 $
Net loss after income tax	**(61,318,687)**	(4,567,311)
Adjustments for:		
Depreciation	**260,607**	141,634
Share-based payments	**731,128**	1,120,281
Impairment write downs	**27,275,446**	20,448
Finance costs	**10,832,376**	830,927
Fair value loss on financial liabilities	**4,320,633**	-
Foreign currency revaluation	**(609,792)**	(401,346)
Other income	**(370,620)**	(1,884,834)
Consultancy expense	**567,944**	-
Changes in Assets & Liabilities		
(Increase) in trade and other receivables	**(2,663,877)**	(770,068)
(Increase) in prepayments	**(364,803)**	-
Increase in trade and other payables	**278,970**	528,015
Increase in provisions	**6,869,574**	55,972
Net Cash Used in Operating Activities	**(14,191,101)**	(4,926,282)

31 NOTES TO THE STATEMENT OF CASH FLOWS (CONTINUED)

(c) Non-cash investing and financing activities

	Consolidated	
	2021 $	2020 $
Additions to lease liability	**128,175**	746,544
Fair value loss on financial liabilities	**4,320,633**	-
Gain on derecognition of Kou Sa Project[(i)]	**-**	(1,884,834)

[(i)] The Company derecognised the Kou Sa Project. See Note 6 for further information.

32 REMUNERATION OF AUDITORS

The Auditor of Geopacific is Ernst & Young.

	Consolidated	
	2021 $	2020 $
Amounts received or receivable - Ernst & Young for:		
- An audit or review of the financial report	**218,000**	65,100
Total	**218,000**	65,100

The shareholder information set out below was applicable as at 11 March 2022.

(a) Analysis of numbers of equity security holders by size of holding:

	Class of Equity Security Ordinary Shares	
	Number	Shares
Analysis of numbers of equity security holders by size holding:		
1 - 1,000	260	117,405
1,001 - 5,000	607	1,678,565
5,001 - 10,000	333	2,602,060
10,001 - 100,000	860	31,075,682
100,001 and over	246	483,772,934
Total	2,306	519,246,646

(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	% of Issued Shares
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	93,085,711	17.93%
NDOVU CAPITAL IV B V	63,453,391	12.22%
CITICORP NOMINEES PTY LIMITED	56,006,207	10.79%
DELPHI UNTERNEHMENBERATUNG	51,045,958	9.83%
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	34,840,583	6.71%
SPARTA AG	16,904,762	3.26%
2INVEST AG	12,617,822	2.43%
DEUTSCHE BALATON AKTIENGESELLSCHAFT	11,904,762	2.29%
BNP PARIBAS NOMINEES PTY LTD ACF CLEARSTREAM	10,295,732	1.98%
BROADGATE INVESTMENTS PTY LTD	10,196,816	1.96%
SPARTA AG	7,150,000	1.38%
SPROTT PRIVATE RESOURCE LENDING II (CO) INC	5,404,655	1.04%
BNP PARIBAS NOMS PTY LTD <DRP>	5,202,171	1.00%
HENDERSON INTERNATIONAL PTY LIMITED <HENDERSON SUPER A/C>	4,375,272	0.84%
GREENWELL INVESTMENT LIMITED	4,181,789	0.81%
MR LUCAS JAMES CAVANAGH	3,705,917	0.71%
MR RICHARD ALEXANDER CALDWELL	3,200,000	0.62%
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	2,819,877	0.54%
DIXSON TRUST PTY LIMITED	2,545,000	0.49%
MR TONY PETER VUCIC & MRS DIANE VUCIC <VUCIC FUTURE FUND A/C>	2,500,000	0.48%
TOP 20 SHAREHOLDERS	**401,436,425**	**77.31%**
OTHER SHAREHOLDERS	117,810,221	22.69%
TOTAL ORDINARY SHAREHOLDERS	**519,246,646**	**100.00%**

(c) Substantial holders

	Shareholding	
	Number Held	% of Issued Shares
Extracts from substantial shareholder register:		
SPARTA AG	103,841,304	19.99
NDOVU CAPITAL IV B V	64,086,031	12.60
SPHERIA ASSET MANAGEMENT	40,360,709	7.77

The above holdings are based on the most recent Notice of Change of Interests of Substantial Holder statements lodged by each substantial holder.

(d) Voting rights

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

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.

Options – listed and unlisted

There are no voting rights attached to options.

(e) Summary of unlisted options and rights issued

	Number of Options /Rights	Number of Holders	Options /Rights Held	% of Options /Rights Issued
Options expiring not later than five years after the defining on Faddy's Gold Deposit of a JORC complaint Ore Reserve of over 200,000 oz of contained Au with an exercise price of $62.50	32,000	5		
Option holder with more than 20% of class				
Exploration Drilling Services (Fiji) Ltd			12,800	40.0
L Anderson Investments Pty Ltd			8,800	27.5
Sheila Anderson Investments			7,200	22.5
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 oz of contained Au with an exercise price of $125.00	8,000	5		
Option holder with more than 20% of class				
Exploration Drilling Services (Fiji) Ltd			3,200	40.0
L Anderson Investments Pty Ltd			2,200	27.5
Sheila Anderson Investments			1,800	22.5

(e) Summary of unlisted options and rights issued (continued)

	Number of Options /Rights	Number of Holders	Options /Rights Held	% of Options /Rights Issued
Premium exercise price options expiring four years from the issue date on 10 July 2022	808,740	6		
Option holder with more than 20% of class				
R Heeks			195,300	24.1
Share appreciation rights expiring four years from the issue date on 10 July 2022	894,605	6		
Option holder with more than 20% of class				
R Heeks			193,529	21.6
Zero exercise price options expiring three years from the issue date on 19 July 2022	1,296,965	5		
Option holder with more than 20% of class			366,993	28.3
R Heeks				
Premium exercise price options expiring four years from the issue date on 19 July 2023	1,063,850	5		
Option holder with more than 20% of class				
R Heeks			318,060	29.9
Share appreciation rights expiring four years from the issue date on 19 July 2023	1,129,101	5		
Option holder with more than 20% of class				
R Heeks			304,808	27.0
Zero exercise price options expiring three years from the issue date on 21 August 2023	526,262	3		
Option holder with more than 20% of class				
R Heeks			244,662	46.5
M Smith			168,960	32.1
G Zamudio			112,640	21.4
Premium exercise price options expiring four years from the issue date on 21 August 2024	376,546	3		
Option holder with more than 20% of class				
R Heeks			182,344	48.4
M Smith			116,521	31.0
G Zamudio			77,681	20.6

(e) Summary of unlisted options and rights issued (continued)

	Number of Options /Rights	Number of Holders	Options /Rights Held	% of Options /Rights Issued
Share appreciation rights expiring four years from the issue date on 21 August 2024	407,016	3		
Option holder with more than 20% of class				
R Heeks			182,656	44.9
M Smith			134,616	33.1
G Zamudio			89,744	22.0
Zero exercise price options expiring one year from the issue date on 1 January 2022 or as otherwise extended	320,000	1		
Option holder with more than 20% of class				
T Richards			320,000	100.0
Zero exercise price options expiring two years from the issue date on 1 January 2023	327,500	1		
Option holder with more than 20% of class				
T Richards			327,500	100.0
Share performance rights expiring three years from the issue date on 31 March 2024				
Rights holder with more than 20% of class	3,112,442	11		
T Richards			1,079,545	34.7
Options expiring on 29 September 2026 with an exercise price of $0.322	2,702,328	1		
Option holder with more than 20% of class				
Sprott Private Resource Lending II (CO), Inc			2,702,328	100.0

Current interest in tenements held by Geopacific and its subsidiaries, as at 31 December 2021 are listed below:

Country	Location	Tenement	Interest
PNG	Woodlark Island	EL 1172	100%
PNG	Woodlark Island	EL 1279	100%
PNG	Woodlark Island	EL 1465	100%
PNG	Woodlark Island	LMP 89	100%
PNG	Woodlark Island	LMP 90	100%
PNG	Woodlark Island	LMP 91	100%
PNG	Woodlark Island	LMP 92	100%
PNG	Woodlark Island	LMP 93	100%
PNG	Woodlark Island	ME 85	100%
PNG	Woodlark Island	ME 105	100%
PNG	Woodlark Island	ME 111	100%
PNG	Woodlark Island	ML 508	100%

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