

GEOPACIFIC RESOURCES LIMITED

ACN 003 208 393

Interim Financial Report

**For The Half-Year Ended
30 June 2014**

**Geopacific Resources Limited
and its Controlled Entities
ACN 003 208 393**

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**Geopacific Resources Limited
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Directors' Report

The Directors present their interim financial report of Geopacific Resources Limited and its controlled entities for the half-year ended 30 June 2014.

Directors

The following persons were directors of Geopacific Resources Limited at any time during the half-year and up to the date of this report:

Milan Jerkovic	(Non-Executive Chairman)
Dr Russell John Fountain	(Non-Executive Director)
Mark Trevor Bojanjac	(Non-Executive Director)
Ron Stephen Heeks	(Executive Director)

Company Secretary

John Lewis

Review of Operations

The net loss after income tax for the half-year was \$652,172 (30 June 2013: \$792,159).

At the end of the half-year the Company had \$356,035 (31 December 2013: \$3,258,776) in cash and at call deposits. Capitalised mineral exploration and evaluation expenditure is \$15,467,137 (31 December 2013: \$13,422,789).

During the period the main focus of the Company was copper and gold mineral exploration in Cambodia and Fiji.

Significant Changes in the State of Affairs

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

**Geopacific Resources Limited
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Directors' Report

Events occurring after the balance sheet date

On 17 July 2014 the Company finalised a Placement raising \$5.2 million with sophisticated and professional investors at a rate of \$0.055 per share. As a result of the placement the Company issued 95,989,889 fully paid ordinary shares.

Other than the matters referred to above the directors are not aware of any significant events since the end of the interim period.

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under Section 307C of the Corporations Act is set out on page 5.

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

DATED at Perth this 8th day of September 2014



**Ron Heeks
Executive Director**

AUDITOR'S INDEPENDENCE DECLARATION

To those charged with governance of Geopacific Resources Limited

As auditor for the review of Geopacific Resources Limited for the period ended 30 June 2014, I declare that, to the best of my knowledge and belief, there have been:

- a) No contraventions of the independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) No contraventions of any applicable code of professional conduct in relation to the review.

Somes Cooke

Somes Cooke

Nicholas Hollens

Nicholas Hollens
Perth
8 September 2014

**Geopacific Resources Limited
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**Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the half-year ended 30 June 2014**

	Note	Half year ended 30 June 2014 \$	Half year ended 30 June 2013 \$
Interest income		1,010	6,062
Other income		27,569	172,535
Total revenue		28,579	178,597
Administration expenses		(122,568)	(159,340)
Consultants expenses		(79,196)	(212,642)
Depreciation expenses		(41,926)	(40,174)
Employee expenses		(339,398)	(466,053)
Occupancy expenses		(97,663)	(92,547)
Loss before income tax		(652,172)	(792,159)
Income tax expense		-	-
Net loss for the period		(652,172)	(792,159)
Other comprehensive Income(loss) – items that may be reclassified to the profit and loss			
Exchange differences on translating foreign controlled entities		(96,556)	185,297
Total comprehensive loss for the period		(748,728)	(606,862)
Loss attributable to members of the Company		(652,172)	(792,159)
Total comprehensive income attributable to members of the Company		(748,728)	(606,862)
Loss per share			
Basic and diluted loss per share (cents)		(0.34)	(1.08)

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

**Geopacific Resources Limited
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**Consolidated Statement of Financial Position
As At 30 June 2014**

	Note	30 June 2014	31 December 2013
		\$	\$
Current assets			
Cash and cash equivalents		356,035	3,258,776
Trade and other receivables		228,788	297,940
Total current assets		584,823	3,556,716
Non-current assets			
Exploration expenditure		15,467,137	13,422,389
Property, plant and equipment		215,528	244,770
Total non-current assets		15,682,665	13,667,159
Total assets		16,267,488	17,223,875
Current liabilities			
Trade and other payables		247,108	479,056
Convertible Notes		-	52,597
Financial Liabilities		42,138	8,242
Total current liabilities		289,246	539,895
Non-Current liabilities			
Financial Liabilities		-	13,010
Total non-current liabilities		-	13,010
Total liabilities		289,246	552,905
Net assets		15,978,242	16,670,970
Equity			
Issued capital	3	27,358,823	27,302,823
Reserves		(55,019)	41,537
Accumulated losses		(11,325,562)	(10,673,390)
Total equity		15,978,242	16,670,970

The above Statement of Financial Position should be read in conjunction with the
accompanying notes.

**Geopacific Resources Limited
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**Consolidated Statement of Changes in Equity
For the half-year ended 30 June 2014**

	Note	Issued capital – Ordinary Shares \$	Share based payments reserve \$	Foreign currency translation reserve \$	Accumulated Losses \$	Total \$
Balance at 1 January 2014		27,302,823	389,811	(348,274)	(10,673,390)	16,670,970
Comprehensive loss for the period		-	-	(96,556)	(652,172)	(748,728)
Shares issued during the period (net of cost)	3	56,000	-	-	-	56,000
Balance at 30 June 2014		27,358,823	389,811	(444,830)	(11,325,562)	15,978,242
Balance at 1 January 2013		17,050,141	315,854	(362,188)	(9,309,054)	7,694,753
Comprehensive loss for the period		-	-	185,297	(792,159)	(606,862)
Shares issued during the period (net of cost)	3	5,901,500	-	-	-	5,901,500
Balance at 30 June 2013		22,951,641	315,854	(176,891)	(10,101,213)	12,989,391

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

**Geopacific Resources Limited
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**Consolidated Statement of Cash Flows
For the half-year ended 30 June 2014**

	30 June 2014 \$	30 June 2013 \$
Cash flows from operating activities		
Receipts from other income	96,721	67,812
Interest received	1,010	6,062
Payments to suppliers and employees	(816,007)	(282,223)
Payment for exploration	(2,044,748)	(558,772)
Net cash used in operating activities	<u>(2,763,024)</u>	<u>(767,121)</u>
 Cash flows from investing activities		
Payments for plant and equipment	(12,683)	(2,227)
Net cash used in investing activities	<u>(12,683)</u>	<u>(2,227)</u>
 Cash flows from financing activities		
Proceeds from shares issued	3,402	425,000
Shares issue costs	-	(25,500)
Proceeds from Borrowing	20,886	100,000
Loans repaid	-	(1,698)
Net cash provided by financing activities	<u>24,288</u>	<u>497,802</u>
 Net decrease in cash and cash equivalents held	(2,751,419)	(271,546)
Effect of exchange rates on cash held in foreign currencies	(151,323)	(23,725)
Cash and cash equivalents at the beginning of the period	3,258,776	696,841
 Cash and cash equivalents at the end of the period	<u>356,035</u>	<u>401,570</u>

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

**Geopacific Resources Limited
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**Notes to the Interim Financial Statements
For the half-year ended 30 June 2014**

Note 1 Basis of preparation of half-year report

This general purpose financial report for the interim half-year reporting period ended 30 June 2014 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting*, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

This interim financial report does not include all the disclosure and notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 December 2013 and any public announcements made by Geopacific Resources Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

The half year report has been prepared on an accruals basis and is based on historic costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Going concern basis for preparation of financial statements

During the period the Group incurred a net loss of \$652,172 and net operating cash outflows of \$2,763,024.

The financial statements have been prepared on the going concern basis which contemplates the continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business. The ability of the Group to continue to adopt the going concern assumption will depend on future successful capital raisings, the successful exploration and subsequent exploitation of the Group's tenements and/or sale of non-core assets.

Should the Group not be successful in raising additional funding by capital raisings or other alternative funding arrangements fail to eventuate, there is a material uncertainty as to whether the Group will be able to continue as a going concern. If the Group is unable to continue as a going concern, it will be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts that may be different to those stated in the financial report

The Directors are cognisant of the fact that future exploration and administration activities may be constrained by available cash assets, and believe that the current cash reserves of the Group and proposed future fund raisings will be sufficient to fund forecast exploration.

Subsequent to the end of reporting period, the Group completed a placement to sophisticated and professional investors of 95,989,889 shares at \$0.055 per share to raise \$5.28 million.

The directors consider that the use of the going concern basis is appropriate for the preparation of these financial statements.

Adoption of new and revised accounting standards

In the half year ended 30 June 2014, the Group has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on 1 July 2013. It has been determined by the Group that there is no impact, material or otherwise, of the new and revised standards and interpretations on its business and therefore no change is necessary to Group accounting policies.

**Geopacific Resources Limited
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**Notes to the Interim Financial Statements
For the half-year ended 30 June 2014**

Note 1 Basis of preparation of half-year report (cont'd)

New accounting standards adopted since the end of the last reporting period

The Group has also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 30 June 2014. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change is necessary to Group accounting policies

Critical Accounting Estimates and Significant Judgements used in Applying Accounting Policies

The critical estimates and judgements are consistent with those applied and disclosed in the 31 December 2013 Annual Report.

The consolidated interim financial statements were approved by the Board of Directors on 8th September 2014.

Note 2 Segment information

The consolidated entity is organised into one operating segment being exploration operations. This operating segment is based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ("CODM")) in assessing performance and in determining the allocation of resources.

The CODM review EBITDA (earnings before interest, tax, depreciation and amortisation). The accounting policies adopted for internal reporting to the CODM are consistent with those used in the financial statements. The information reported is on at least a monthly basis.

The principle products and services of this operating segment are the exploration operations carried on in Australia, Cambodia and Fiji. The following table presents revenue and loss in relation to geographical segments for the half year periods.

	Australia	Fiji	Cambodia	Total
	\$	\$	\$	\$
30 June 2014				
Other Revenue	28,579	-	-	28,579
Net Loss for the period	(562,602)	(46,504)	(43,066)	(652,172)
Segment Assets	4,603,206	4,131,966	7,532,316	16,267,488
30 June 2013				
Other Revenue	178,597	-	-	178,597
Net Loss for the period	(646,427)	(107,600)	(38,132)	(792,159)
Segment Assets as at 31 December 2013	3,506,829	5,169,801	4,895,835	13,572,465

**Geopacific Resources Limited
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**Notes to the Interim Financial Statements
For the half-year ended 30 June 2014**

Note 3 Issued capital – Ordinary fully paid shares

	30 June 2014 No.	31 December 2013 No.	30 June 2014 \$	31 December 2013 \$
Balance at the start of the period	193,670,521	43,315,827	27,302,823	17,050,140
Shares Issued pursuant to Capital Raising in February 2013		4,250,000		425,000
Shares issued pursuant to the Takeover of Worldwide Mining Projects Ltd in March 2013		52,100,000		5,210,000
Shares issued to C Bass in satisfaction of outstanding fees		2,000,000		200,000
Shares issued in payment of administrative expenses		920,000		92,000
Shares Issued upon conversion of Convertible Notes at \$0.045 per share		5,030,685		226,381
Shares issued pursuant to placement at 5 cents per share		62,379,365		3,118,968
Shares issued pursuant to Rights Issue		23,674,644		1,183,732
Shares Issued upon conversion of Convertible Notes at \$0.05 per share	1,120,000		56,000	
Share issue costs				(203,398)
Balance at the end of the period	194,790,521	193,670,521	27,358,823	27,302,823

Note 4 Contingent Liabilities

Since the last annual reporting date no contingent liabilities have occurred.

Note 5 Events occurring after the balance sheet date

On the 17 July 2014 Geopacific Resources Ltd completed a Placement of 95,989,889 fully paid ordinary shares at an issue price of \$0.055 per share which raised approximately \$5.2 million before costs. This share issue was completed by primarily pursuant to the authority granted by Shareholders at the Company's AGM on 30 May 2014 to issue 50 Million shares. The balance of shares issued, were issued using the Company's available capacity pursuant to Listing Rule 7.1 and 7.1A. The funds raised from this Placement will used to fund the Company's exploration at Kou Sa and for working capital.

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

**Geopacific Resources Limited
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Directors' Declaration

The Directors of Geopacific Resources Ltd declare that:

- (a) the interim financial statements and notes set out on pages 6 to 12 are in accordance with the Corporations Act 2001, including:
 - (i) complying with Australian Accounting Standard AASB134 – *Interim Financial Reporting*, and the Corporations Regulations; and
 - (ii) give a true and fair view of the financial position as at 30 June 2014 and of its performance for the half-year ended on that date of the consolidated entity.
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

Signed at Perth this 8th of September 2014



Ron Heeks
Executive Director

Independent Auditor's Review Report

To the members of Geopacific Resources Limited

Report on the Half-year Financial Report

We have reviewed the accompanying half-year financial report of Geopacific Resources Limited, which comprises the consolidated statement of financial position as at 30 June 2014, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Half-year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of Geopacific Resources Limited's financial position as at 30 June 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Geopacific Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

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

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Geopacific Resources Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Geopacific Resources Limited's financial position as at 30 June 2014 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Emphasis of matter - Inherent uncertainty regarding continuation as a going concern

Without modifying our conclusion, we draw attention to Note 1 to the financial report, which describes that the ability of the company to continue as a going concern is dependent on the company's ability to raise capital, the successful exploration and subsequent exploitation of the Group's tenements and/or sale of non-core assets, in order for the company to pay its debts as and when they fall due. As a result there is material uncertainty related to events or conditions that may cast significant doubt on the company'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 and at the amounts stated in the financial report.



Somes Cooke



Nicholas Hollens

8 September 2014

Perth
Western Australia