

Quarterly report – September 2018

The [Board](#) of Geopacific Resources Ltd (Geopacific **ASX: GPR**) is pleased to provide its quarterly report for the period ending 30 September 2018. Geopacific is actively advancing three distinct workstreams at the Woodlark Gold Project (Woodlark) with positive progress achieved on all fronts during the quarter:

- **Development** – delivering the Definitive Feasibility Study (DFS) in Q4 2018.
- **Financing** – preparatory work with financial advisors and potential financiers.
- **Exploration** – a major regional exploration program to scope the potential of the Woodlark goldfield.

Highlights

Woodlark Gold Project, Papua New Guinea

- Major regional exploration programme continues as the DFS enters its final stages of completion.
- Drilling at Great Northern discovers multiple high-grade gold intersections.
- Significant and extensive high-grade gold soil anomalies discovered at Watou – Talpos prospects.
- Significant copper values discovered at Loluai and Norac prospects.

Corporate activities

- Overall economic interest in the Woodlark Gold Project increases to 93%.
- Preparatory work continues with financial advisors, Ironstone Capital, and potential financiers.

Kou Sa Project, Cambodia

- Commencement of ground IP geophysical survey.

Managing director Ron Heeks commented

“The improved operational costs during the preparation of the DFS have allowed the Company to re-evaluate the process path and determine the most appropriate deployment of capital. The revised DFS timeline is expected to deliver a robust project.

Regional exploration to test the extents of the Woodlark goldfield have delivered encouraging initial results which will assist in defining its potential across our 600km² of exploration licenses.”

OCCUPATIONAL HEALTH & SAFETY

There were no Lost Time Injuries (LTIs) recorded during the quarter.

Corporate news

Geopacific's overall economic interest in the Woodlark Gold Project increased to 93% during the quarter after achieving its second tranche incentive milestone of the joint venture with Kula Gold Limited (Kula). The 93% is comprised of its direct interest in the project of 51% and an additional effective interest of 42% by virtue of its 85% controlling interest in Kula.

Preparatory work continues with financial advisors, Ironstone Capital, and potential financiers including the commissioning of Independent Technical Experts (ITE) to review the technical aspects of the project on behalf of potential lenders.

Development activities

Woodlark Gold Project – Papua New Guinea

The DFS is in its final stages of review and the release is scheduled for the December 2018 quarter.

Due to the operating cost savings identified, The DFS base case has shown the benefits of all material being processed via the carbon in leach (CIL) circuit without requiring an early-stage upgrade plant. The Company is pleased with the cost profile determined by Mining Plus (mining costs) and Lycopodium (processing costs) and looks forward to integrating the benefits into the study.

Regional Exploration

Exploration activities continued on Woodlark Island, including ongoing regional soil sampling across outcropping volcanic sequences, the completion of a limited drilling campaign at the Great Northern Prospect and assessment of geophysical properties of the volcanoclastic sequence at the Great Circle target area.

Drilling

Drilling focused on the Great Northern prospect, with one diamond drill hole at Kulumadau East, assessing a possible plunge extension of mineralisation below the pit design. Three shallow drillholes were also completed around the Great Circle target area, confirming depth of cover thickness interpretation and assessing geophysical properties of volcanoclastic lithologies buried under shallow sedimentary cover.

Results from diamond drilling at the Great Northern prospect delineated several high-grade gold zones along the Kweiyau Fault (Figure 2). Highlights include:

- 10m @ 5.41g/t Au from 74m
- 7.7m @ 2.07g/t Au from 99m
- 3m @ 9.54g/t Au from 91m including 1m @ 19.4g/t Au

Drilling results have advanced the understanding of the Great Northern prospect geology and controls on gold mineralisation, with clear targets defined for follow up drilling using a lower cost RC rig in the near future.

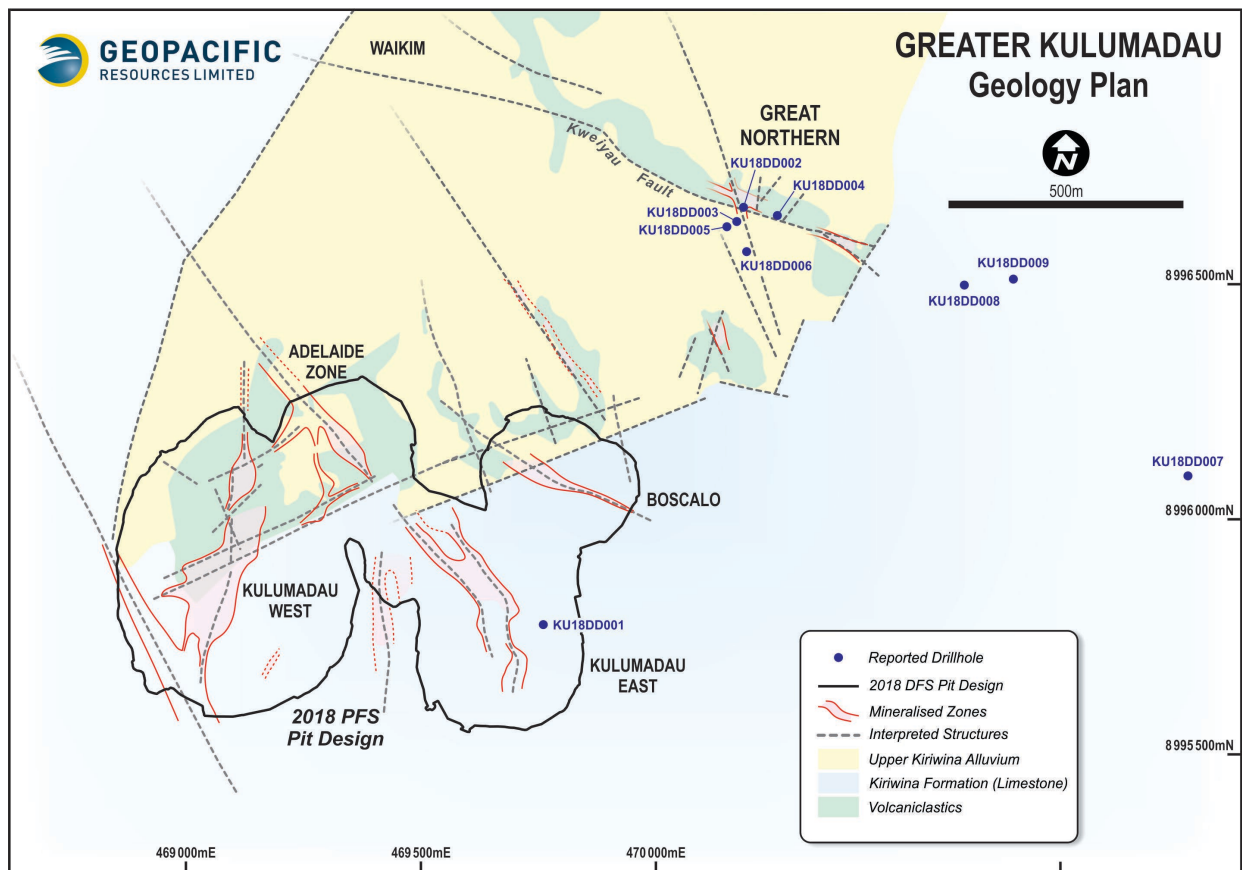


Figure 1: Great Northern and Great Circle Target Areas

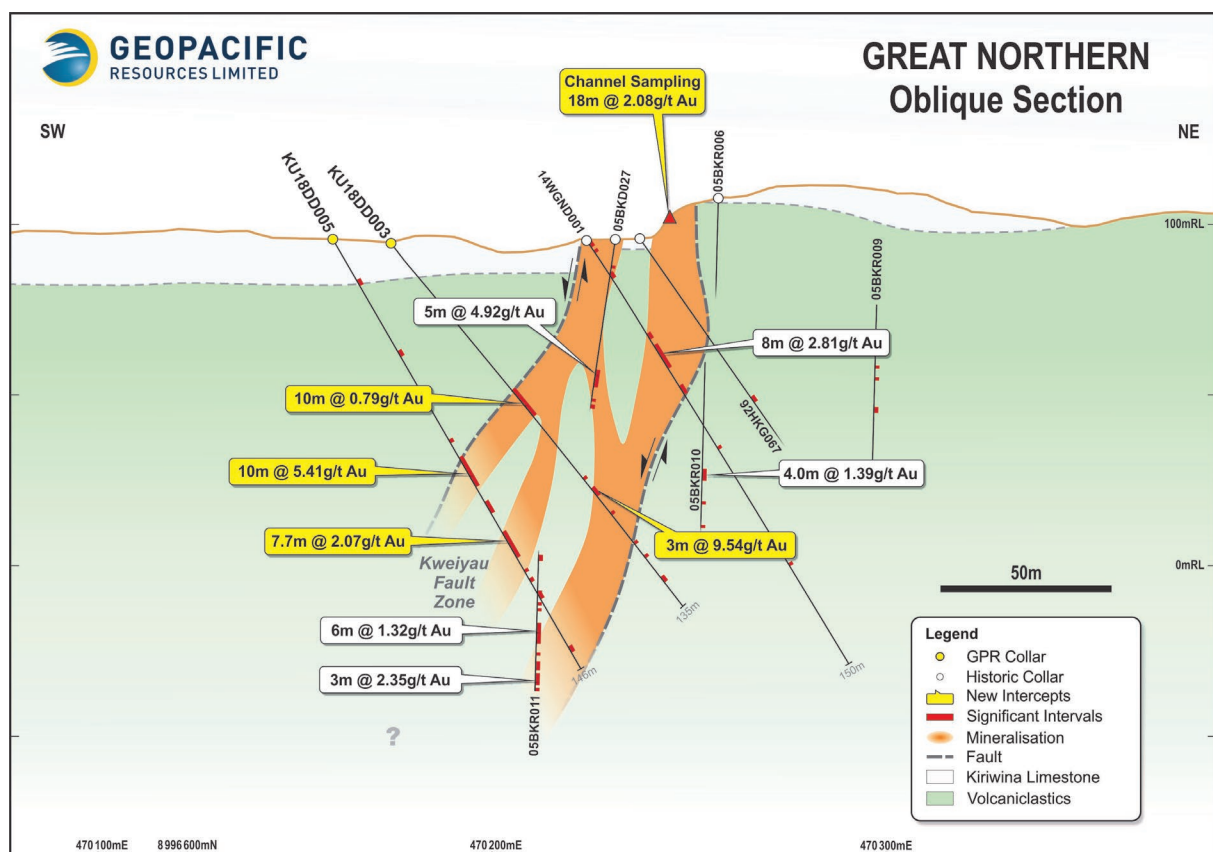


Figure 2: Great Northern Cross Section

Soil Sampling

Soil sampling over the Suloga Peninsula, Watou and Talpos prospect area, was largely completed during the quarter. Soil geochemistry results received are highly encouraging, confirming strong gold anomalism over a 1.4km strike at the Watou prospect, with soil gold values up to **6.28g/t Au** and rock chip values to **48.41g/t Au**. These results will be followed up with geological mapping and trenching in preparation for drill testing.

Stream sediment from drainages in the Talpos and Watou prospect areas are systematically being gold panned, with observed gold grains assessed for degree of transportation and proximity to primary source. Several drainages with strong gold in pan concentrate levels were identified for detailed follow up.

High copper anomalism was recorded at the Norac and Loluai prospects, located on the Suloga Peninsula, along with very high grade gold values in soil sampling. Gold in soil to **32g/t Au** and copper values **0.97% Cu** were confirmed by rock chip values to **1.4% Cu** in rock chips. Follow up mapping and infill soil sampling is in progress.

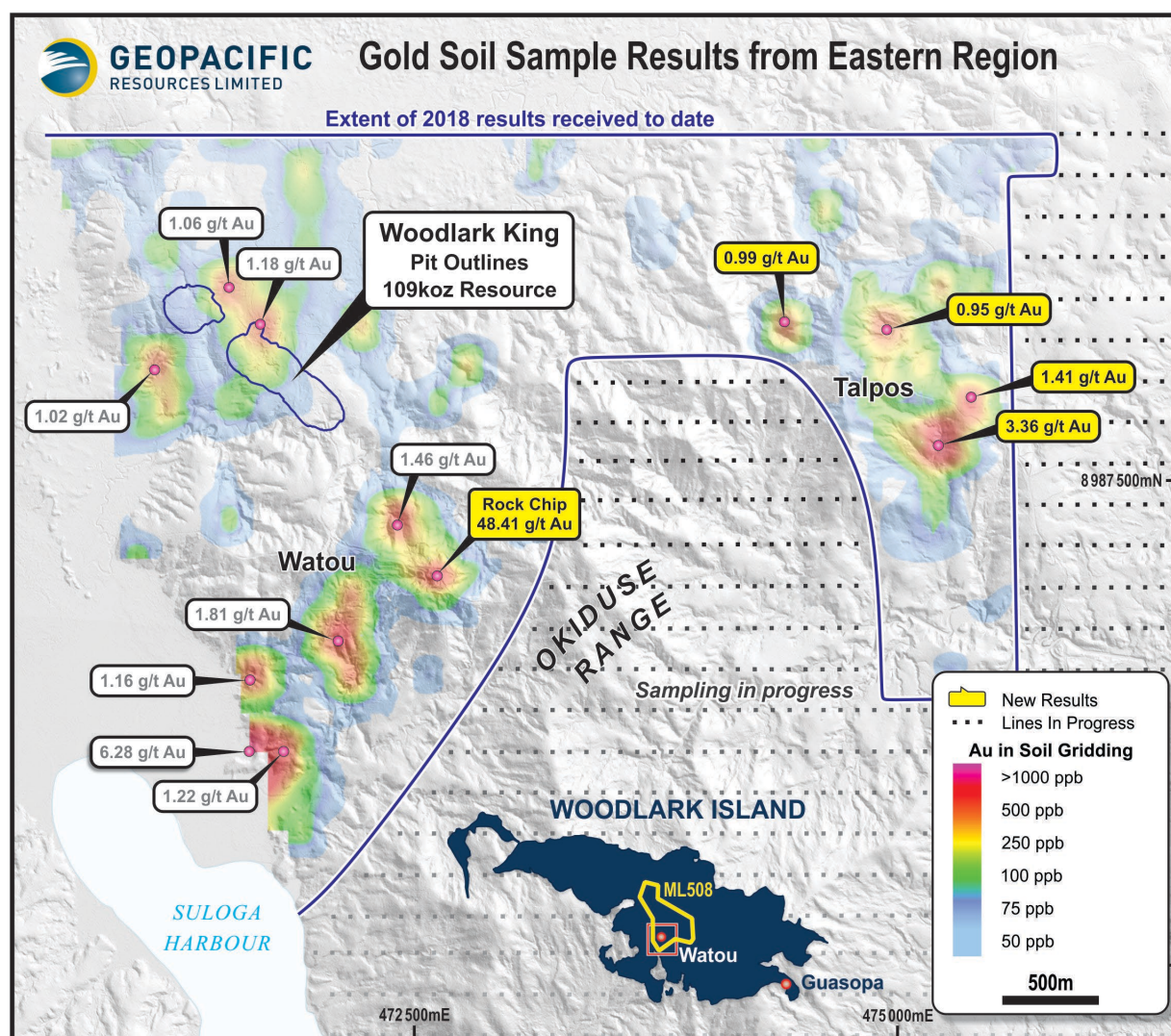


Figure 3: Gold Soil Geochemistry Anomalism in the Watou – Talpos Prospect Areas

Kou Sa project – Cambodia

Field work at the Kou Sa project continued, including regional soil sampling, mapping and trenching. Work primarily focused on Prospect 118, where earlier drilling encountered widespread gold and silver anomalism. Trenching, mapping, preparation and commencement of an IP geophysical survey over the prospect area was also undertaken.

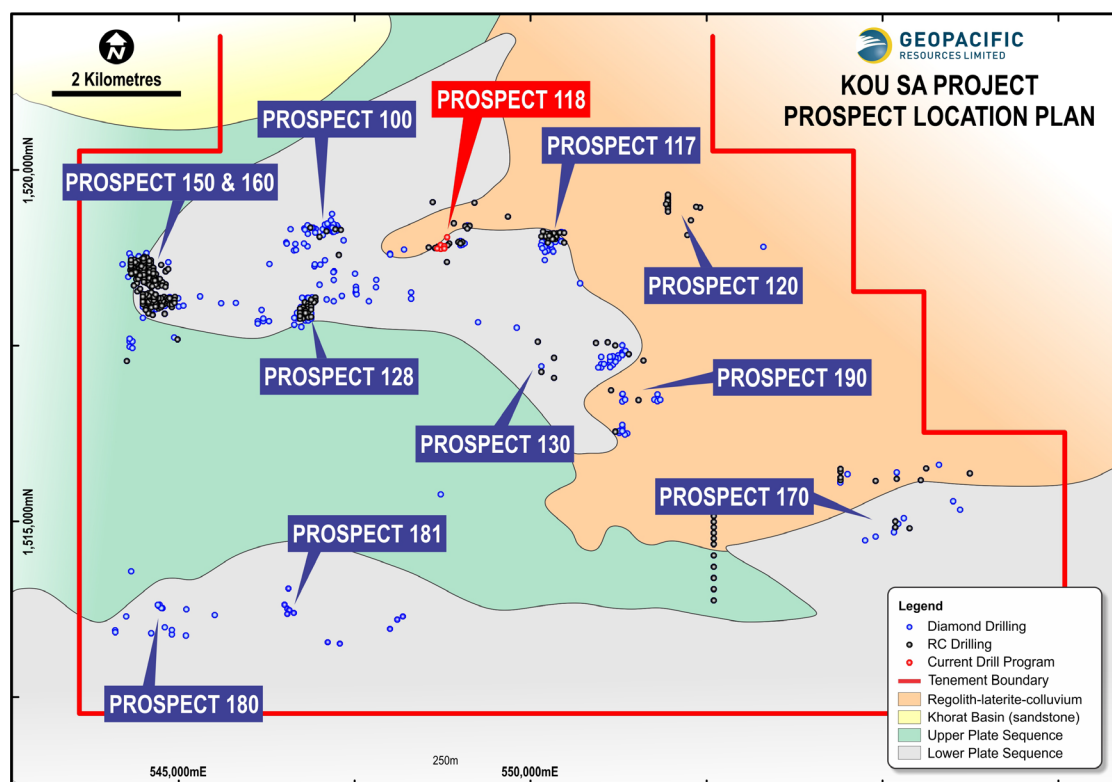


Figure 4: Kou Sa, Prospect location plan

Fiji Assests

No significant exploration activities were undertaken during the quarter.

Contact

For further information on this update or the Company generally, please visit www.geopacific.com.au or contact Mr. Ron Heeks, Managing Director.

Company details	Board	Projects
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Competent Person's Statement

The information in this announcement that relates to exploration results and exploration targets is based on information compiled by or under the supervision of James Kerr, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy and General Manager, Geology for Geopacific. Mr Kerr 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 Kerr consents to the inclusion in the announcement of the matters based on his information in the form and context in which it appears.

The information in this report that relates to 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 report that relates to Woodlark Mineral 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.

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 Resources Limited 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 Resources Ltd that could cause Geopacific Resources Limited's actual results to differ materially from the results expressed or anticipated in these statements.

Geopacific Resources Ltd 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 Resources Ltd 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. Woodlark is permitted by the PNG Government, subject to meeting the conditions of the licence.

Woodlark Global Resources

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

Woodlark Ore Reserves

Total by deposit	Category (>0.3g/t lower cut)	Tonnes (Mt)	Grade (g/t Au)	Ounces (oz)
Busai	Proven	11.0	0.92	326,100
	Probable	5.2	0.78	131,200
Kulumadau	Proven	8.6	1.23	338,500
	Probable	6.4	1.02	209,500
Woodlark King	Proven	2.4	0.92	70,400
	Probable	1.1	0.71	25,900
Total Ore Reserve	Proven	22.0	1.04	735,000
	Probable	12.7	0.90	366,600
	Total	34.7	0.99	1,101,600

Woodlark exploration and drilling information

For detailed information on exploration and drilling results, please refer to ASX releases:

- 6 August 2018: [High grade gold and copper anomalies in Woodlark Soil Sampling](#)
- 15 August 2018 : [New high-grade gold and copper anomalies in Southern Region](#)
- 5 September 2018 : [New high grade gold anomalism on Woodlark](#)
- 19 September 2018: [Drilling hits new high grade zones at Great Northern, Woodlark](#)

Schedule of Tenements

Mining tenements held by Geopacific Resources Limited and its subsidiaries at the end of the quarter, including tenements acquired and disposed of during the quarter:

Tenement Reference	Country	Location	Interest Acquired During Quarter	Interest Disposed During Quarter	Interest at end of Quarter
SPL 1231	Fiji	NE Viti Levu	-	-	50%
SPL 1373	Fiji	NE Viti Levu	-	-	50%
SPL 1436	Fiji	NE Viti Levu	-	-	50%
SPL 1368	Fiji	Nadi, Viti Levu	-	-	100%
SPL 1493	Fiji	Vanua Levu	-	-	100%
SPL 1361	Fiji	Nadi, Viti Levu	-	-	100%
SPL 1216	Fiji	Nadi, Viti Levu	-	-	100%
SPL 1415	Fiji	Nadi, Viti Levu	-	-	100%
Kou Sa Project	Cambodia	Preah Vihear Province	-	-	85%
EL 1172	Papua New Guinea	Woodlark Island	-	-	93%
EL 1279	Papua New Guinea	Woodlark Island	-	-	93%
EL 1465	Papua New Guinea	Woodlark Island	-	-	93%
LMP 89	Papua New Guinea	Woodlark Island	-	-	93%
LMP 90	Papua New Guinea	Woodlark Island	-	-	93%
LMP 91	Papua New Guinea	Woodlark Island	-	-	93%
LMP 92	Papua New Guinea	Woodlark Island	-	-	93%
LMP 93	Papua New Guinea	Woodlark Island	-	-	93%
ME 85	Papua New Guinea	Woodlark Island	-	-	93%
ME 86	Papua New Guinea	Woodlark Island	-	-	93%
ML 508	Papua New Guinea	Woodlark Island	-	-	93%

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

Geopacific Resources Limited

ABN

57 003 208 393

Quarter ended ("current quarter")

30 September 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12-months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(2,376)	(8,148)
(b) development	-	-
(c) production	-	-
(d) staff costs	(511)	(1,180)
(e) administration and corporate costs	(442)	(960)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	33	62
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	(19)	(68)
1.9 Net cash from / (used in) operating activities	(3,315)	(10,294)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(29)	(176)
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12-months) \$A'000
2.2	Proceeds from the disposal of:	-	-
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(29)	(176)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	10,080
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	(397)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	9,683

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	9,322	6,765
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(3,315)	(10,294)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(29)	(176)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	9,683
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	5,978	5,978

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	5,978	2,595
5.2	Call deposits	-	6,727
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	5,978	9,322

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

**Current quarter
\$A'000**

367

-

Payment of directors remuneration and termination benefits.

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

**Current quarter
\$A'000**

-

-

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	2,327
9.2 Development	-
9.3 Production	-
9.4 Staff costs	317
9.5 Administration and corporate costs	761
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	3,405

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2 Interests in mining tenements and petroleum tenements acquired or increased				

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:



Company secretary

Date: 30 October 2018

Print name: Matthew Smith

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.