

Woodlark 2018 project plan

The [Board](#) of Geopacific Resources Ltd (Geopacific) is pleased to provide this summary on the status of project work streams to progress the Woodlark Gold Project (Woodlark) in Papua New Guinea (PNG). 2017 Was a defining year for Geopacific and Woodlark with Geopacific gaining control of the Project and completing a significant body of work to enable the successful development of Woodlark.

Project Highlights

- **Project permitted to mine**
- **CIP processing plant permitted**
- **Environmental and social permits in place**
- **Logistically and socially attractive area to operate**
- **Large regional upside confirmed by identified exploration targets**
- **Over 290,000 metres of drilling completed (30,000 metres by Geopacific)**
- **Significant body of work and data with \$150 million spent by previous owners**
- **Pit optimisation, mine planning and scheduling in progress**
- **New Resource and Reserve estimates due in March 2018**
- **New DFS due for completion in mid 2018, ready for release in Q3 2018**

On track to deliver gold Reserve in March 2018

Geopacific is confident in the development program completed and its value to the successful development of Woodlark. The program comprised an extensive historic data review and validation process with a further 30,000m of drilling designed to infill and upgrade areas of inferred resources while extending mineralisation. Simultaneous engineering studies have delivered realistic operating costs, derived on a 'first principles' basis. The costs are being incorporated into reserve estimate calculations with pit optimisation, mine design and mine scheduling currently underway.

DFS preparation on track, DFS release scheduled for Q3 2018

Geopacific will follow an EPC contract to develop Woodlark, where process guarantees are provided by the constructor. Lycopodium was engaged to design and manage a metallurgical variability and optimisation testwork program to facilitate this. The program is progressing on schedule, with results expected to dovetail with the release of the Reserve for Lycopodium to use in the final engineering design and costing for the DFS. Reputable EPC contractors have been engaged in discussion, with final selection expected to follow a tender process after the DFS is released. The DFS remains on track for completion at the end of June 2018, ready for internal review prior to release in Q3 2018.

Exploration potential

Historic regional exploration confirms the vast, untapped potential of the greater regional goldfield on Woodlark Island. With the recent completion of resource/reserve drilling, Geopacific's geological team have now turned their focus to evaluating this potential and available data to prioritise exploration targets. Geopacific believe that exploration success has the potential to significantly add to the gold inventory and continue adding to mine life at Woodlark.

Managing director Ron Heeks said

“Geopacific is well-positioned to deliver the key parameters that underpin a robust gold project in 2018. We made sure that the 2017 work programs were completed thoroughly, to achieve Resources and Reserves that we are confident about and a development-ready project. We are comfortable that the project development elements are running smoothly and now have the opportunity to evaluate the considerable exploration upside which is apparent right across the Woodlark project area.”

Significant works by Geopacific

- Over 30,000 meters of diamond and RC drilling
- Full geological review and interpretation
- Pre-Geopacific drillholes re-logged and integrated into geological model and database
- QA/QC updated to JORC 2012 standard
- Updated geotechnical drilling and review
- Independent metallurgical and process design review
- Independent processing and mining cost preparation on a ‘first principles’ basis
- Independent engineering review
- Variability and optimisation metallurgical test work
- Review of environmental studies
- Review and optimisation of key site infrastructure
- Resource and reserve calculations utilising independent consultants
- Independent consultant engaged to conduct DFS
- Established working relationships with key project stakeholders

Social

Geopacific recognises the importance of its role in relation to key stakeholders, particularly local communities and PNG authorities.

The geographic location of the Island presents a unique opportunity which bolsters the alignment of Geopacific and Island-based community interests. Geopacific is the sole-employer on the Island and enjoys strong support from the Island-based communities. Working relationships have been established with community leaders, while community projects and information sharing are integrated into daily operations.



Figure 1: Exploration Manager and Community liaison manager visit villagers near Kulumadau.

