

Woodlark Gold Project Advances

Following the successful \$40 million capital raising announced on 21 October 2019¹ and the commencement of Civil Works for the Woodlark Gold Project on the Woodlark Island in Papua New Guinea, Geopacific Resources Ltd (**Geopacific** or the **Company**; ASX: GPR) has completed significant milestones associated with progressing the Woodlark Gold Project into production. Successfully executing key work programs strengthens Geopacific's ability to secure debt funding on commercially viable terms.

Update Highlights

- Discussions advancing with potential debt providers
- \$40 million raised highlights the strength of Geopacific shareholders
- Key work programs on site are progressing
- Supportive relationship with the local island community

Following the mobilisation to site of equipment, personnel and supplies in December 2019, Geopacific have made substantive inroads towards preparing the island for the construction of a 2.4Mtpa process plant and relocating a small village currently located on the Mining Lease. This progress confirms the capability of the existing Board and Senior Management team to operate successfully in Papua New Guinea, and completes significant milestones associated with progressing the Woodlark Gold Project. The success of the current activities on site will strengthen the ability of Geopacific to secure appropriate debt funding on commercially viable terms.

Managing Director, Ron Heeks said

"Meeting several critical milestones in a short time frame has proven to be a strong catalyst to advance discussions with potential debt providers. The success of the Civil Works campaign currently underway at the Woodlark Gold Project has Geopacific well placed to progress towards a project funding solution. The current work program continues to demonstrate the benefits of operating on Woodlark Island"

Debt Funding Progress

Geopacific are currently in advanced discussions with potential debt providers. Whilst completion of financing will be subject to lender due diligence, formal documentation and credit approval, recent progress in relation to the Civil Works campaign currently being undertaken on the Woodlark Gold Project, combined with a successful due diligence process completed in Q3 2019 has Geopacific well placed to progress towards a project funding solution.

In Q3 2019, the Independent Technical Expert's (ITE) reports were completed on behalf of potential financiers. The ITE reports were distributed to the key debt advisors and will allow the Company to advance towards a project funding solution. The scope for the ITE review and final reports included technical aspects such as Geology & Mineral Resources, Metallurgy & Processing, Infrastructure, Logistics, and Environmental & Social.

Advancing the Project

In recent months, the Company has moved to demonstrate that it has the ability to both fund and build the Woodlark Gold Project. This began with the successful raising of A\$40 million in new equity, largely from existing shareholders, in late 2019. This was a strong show of support, an understanding of the task at hand and a demonstration of the commitment from the shareholder base to advancing the Woodlark Gold Project.

Immediately following the raise, Geopacific successfully mobilised a considerable amount of equipment and personnel to site to begin Civil Works. The photographs below (figure 1) highlight the ease in which very large amount of equipment can be moved cost effectively by sea in the region. Being an island nation, Papua New Guinea is well equipped to do this. Materials are landed at the existing wharf facility, which is more than sufficient for the task. At the same time, large aircraft mobilised staff and contractors to the island using the existing airstrip.

¹ Refer to announcement 'Project development commences – Capital raising of up to \$45m' released on 21 October 2019

Onsite Activity Success

Successful Logistical Supply Chain

To date, three barges have been deployed to site with the necessary machinery, fuel and supplies to commence works. Lae port supports the majority of the large scale gold and copper operations in Papua New Guinea, and is a modern and well equipped service town and port. The current wharf facilities at Woodlark Island are more than sufficient to accept equipment for the operation but are located 15 kilometres from the process plant site and require vehicle movements through populated areas. For these reasons a new facility is being constructed on the other side of Kwaipan Bay, 5 kilometres from the process plant and away from populated areas.

Personnel are transported to site on a 36 seat Dash 8 with PNG Air on charter flights departing from Lae or Port Moresby.



Figure 1 The Kiwai Chief is a typical Landing Craft Tank (LCT) used to move equipment and fuel in Papua New Guinea with a large deck and a 500kl fuel storage facility. Seen here at Lae port and approaching the current wharf at Woodlark Island.

Village Relocation

An important part of the Woodlark Gold Project is the relocation of the relatively small Kulumadau village. The village is the most culturally diverse on the island as it consists of the relatives of the previous mine workers who moved to the area in the late 1800's to mine the small underground operation located at Kulumadau which was operated by an English company before being shut down. With no strong historic link to the village and a desire to move back to a more clan-based village structure, there was an excellent take up of the relocation offer. Figure 2 below illustrates the contrast between the existing structure and the new structures that residents will inhabit following relocation. For the first time, the local people will have lighting, health facilities and sufficient sanitation.



Figure 2 Shows an existing housing structure and a 3D rendering of the new house to be provided to the relocated population. The final design of the new housing was based on feedback from local residents.

In December 2019, a contract was signed with Rhodes Projects, a project manager located in Papua New Guinea. Rhodes are currently on site and providing materials and skilled supervisors to oversee a local team who are building the necessary housing and infrastructure required to enable the relocation of the existing Kulumadau village.

Some 200 houses, churches, stores, schools and other buildings will be constructed. The overall village will be comprised of smaller clan group-based sub-villages focussed around the centrally located schools and churches. The relocation is progressing well with most of the areas required now cleared. These areas were predominantly old slash and burn farmland. Approximately 20% of the houses have exact locations agreed with householders and 10% of the houses have commenced construction. The majority of construction is by Woodlark Island people who are trained up and then supervised by the small team of Rhodes personnel. The prioritisation of local labour is strictly not the most efficient but is vital to ensure that there is “ownership” of the build, and that the requisite skills are passed across to the villagers to maintain and expand houses in the future.



Figure 3 Shows the construction of the new elevated steel framed houses. Modern methods are being used to replicate as much as possible the traditional style of the village houses.

2.4mtpa CIL Plant Site Clearing

In December 2019, a contract was signed with industry leader, HBS, to undertake earthmoving civils as part of of the Civil Works Program at the Woodlark Gold Project. HBS are currently on site and are providing equipment and personnel to undertake bulk earthworks operations at the plant site in preparation for the process plant build. Over 60% of the plant site has been cleared. Works initially progressed to a point where geotechnical drilling could be undertaken for process plant foundation design.



Figure 4 Carbon In Leach (CIL) process plant clearing and levelling in progress.

Road Infrastructure

In addition to bulk earthworks, HBS are also on site constructing new roads, repairing existing roads, and constructing a wharf causeway which will allow for the efficient transport of supplies from the wharf to the plant site and camp site. The wharf road is being constructed to considerably shorten the distance from the port to the plant site. The investment in this new road infrastructure will reduce the disturbance to the local villages and will leave the existing port available for community use.



Figure 4 Wharf road construction is progressing with 85% of the road cleared. **Supportive Relationship with Local Community**

Critical to the success of the Woodlark Gold Project is the ongoing support and cooperation of the local community. The success of the current on-site activities demonstrates a willingness on behalf of the local Island population to partner with Geopacific in working towards a successful completion of the project, which will lead to ongoing benefits and upliftment for the community. Over 100 Woodlark Islanders are either working for the company or its contractors. Upskilling the workforce to enable the successful implementation of the project build and having an operating team ready for the commencement of mining and processing operations is an integral part of the community program.



Figure 5 Liaising with the local population is integral to the success of the operation. Having an English speaking population helps facilitate this important process. The local community are very aligned with the development of the project and the benefits it will bring.

This announcement was authorised by the [Board](#) of Geopacific.

Contact

For further information, please visit www.geopacific.com.au or contact Mr. Ron Heeks, Managing Director.

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Competent Person's Statement

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.

APPENDICES

Woodlark Global Resources

The Woodlark Resource is **47Mt @ 1.04g/t Au for 1.57Moz of gold¹** including 222,000oz of gold in the Inferred category (Table 1).

Table 1: Woodlark Global Mineral Resource Estimate – March 2018

Category (>0.4g/t lower cut)	Tonnes (Mt)	Grade (g/t Au)	Ounces (oz)
Measured	21.24	1.10	754,000
Indicated	18.94	0.98	597,000
Inferred	6.80	1.00	222,000
Total	47.00	1.04	1,573,000

Woodlark Ore Reserves

An updated Ore Reserve estimate was released in November 2018 and was completed by independent consultants, Mining Plus. The updated Ore Reserve estimate of **28.9Mt @ 1.12g/t Au for 1,037,600oz²** of gold is detailed in Table 2.

Table 2: Woodlark Ore Reserve Estimate – November 2018

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

¹ Refer to March 2018 Pre-feasibility Study – ‘Robust Woodlark Gold project PFS Supports Development.’

² Refer to ‘Woodlark Ore Reserve Update’ announced on 7 November 2018.