



Geopacific Resources Limited

ACN 003 208 393

Share Purchase Plan Offer

The SPP Offer closes at 5pm (Perth time) on Wednesday, 10 February 2021

This is an important document and should be read in its entirety.

This document has been prepared by Geopacific Resources Limited. The SPP Offer is an initiative that provides Eligible Shareholders with the opportunity to purchase additional Shares at a discount without brokerage and transaction costs.

The SPP Offer does not take into account the individual investment objectives, financial situation or particular needs of each Eligible Shareholder. Accordingly, before making a decision whether or not to accept the SPP Offer, you should consult your financial or other professional adviser.

This document is not a prospectus or other disclosure document under the Corporations Act.

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES OR FOR THE BENEFIT OF US PERSONS

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Key Offer Information

Introduction

Geopacific Resources Limited (**Geopacific** or the **Company**) is pleased to provide Eligible Shareholders the opportunity to subscribe for up to \$30,000 of New Shares under a share purchase plan on the terms and conditions set out in this document (**SPP Offer**). Participation in the SPP Offer will not incur brokerage costs. This document has been issued by Geopacific and explains the features of the SPP Offer.

Key dates

Event	Date
SPP Offer	
Record Date	5pm (Perth time) on Friday, 11 December 2020
Announcement Date	Monday, 14 December 2020
SPP Offer documents mailed to Eligible Shareholders	Monday, 11 January 2021
SPP Offer opens	Monday, 11 January 2021
SPP Offer closes	5pm (Perth time) on Wednesday, 10 February 2021
Allotment Date	Tuesday, 16 February 2021
Despatch of holding statements / confirmation advices for New Shares	Wednesday, 17 February 2021
Commencement of trading of New Shares	Wednesday, 17 February 2021

The timetable is indicative only and Geopacific may, at its discretion, vary any of the above dates by making an announcement to ASX.

Defined terms and abbreviations used in this document are set out in **clause 20** of the Terms and Conditions.

Important notices

This SPP Offer contained in this document is not a recommendation to purchase Shares. If you are in any doubt about the SPP Offer, you should consult your financial or other professional adviser.

If you apply to participate in the SPP Offer by making a BPAY^{®1} payment or completing and returning the Application Form with a cheque or money order, you are accepting the risk that the market price of Shares may change between the date of the SPP Offer and the Allotment Date.

This means it is possible that, up to or after the Allotment Date, you may be able to buy Shares on market at a lower price than the Offer Price. If the market price of Shares is lower than the Offer Price after the Allotment Date, the price at which you will be able to sell your New Shares, and their value, will be less than what you paid for them.

Geopacific recommends that you monitor its announcements and the Share price, which can be found on its website at www.geopacific.com.au and on the ASX website at www.asx.com.au (ASX code: GPR). The Share price can also be found in the financial pages of major Australian metropolitan newspapers.

Participation in the SPP Offer is not being offered, directly or indirectly, in the United States or to any person that is, or is acting for the account or benefit of, a US Person. This document and any related offering documents must not be mailed or otherwise transmitted or distributed in or into the United States or to any person that is, or is acting for the account or benefit of, a US Person.

This document has been prepared to comply with the requirements of the laws of Australia. This document does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. No action has been taken to register the New Shares or otherwise permit an offering of New Shares in any jurisdiction outside of Australia except to the extent permitted below.

The New Shares are not being offered or sold to the public within New Zealand other than to existing shareholders of Geopacific with registered addresses in New Zealand to whom the offer of New Shares is being made in reliance on the Financial Markets Conduct Act 2013 and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016. This document has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

Further information

Please refer to the announcements made by Geopacific on 14 December 2020 for further background and information in relation to the SPP Offer.

If you have any questions in relation to the SPP Offer or how to complete the Application Form, please call the Share Registry, Boardroom Pty Limited, on **1300 737 760** (callers within Australia) or **+61 2 9290 9600** (callers outside Australia), or consult your financial or other professional adviser.

¹ [®] Registered to BPAY Pty Limited ABN 69 079 137 518. New Zealand based shareholders cannot apply using BPAY[®] unless they have an Australian bank account.

Letter to shareholders

Geopacific Resources Limited Share Purchase Plan Offer

Dear shareholder

On behalf of the Directors of Geopacific, I am pleased to offer you the opportunity to participate in the Company's SPP Offer. Under the SPP Offer you can acquire up to \$30,000 worth of New Shares without paying any brokerage or other charges.

The SPP Offer forms part of the transformational capital raising that was announced on 14 December 2020. The funds raised from the Institutional Placement and the SPP Offer are intended to provide the equity funding component of the development capital required for the Woodlark Gold Project along with an exploration program to target high value opportunities across the highly prospective tenement package.

The Company continues to advance due diligence and negotiation of the terms of the funding facilities with its preferred debt provider, Sprott Private Resource Lending II L.P. (**Sprott Resource Lending**), with targeted completion at the end of Q1 2021.

For further information on the use of funds and the Woodlark Gold Project more generally, please refer to the Investor Presentation released to the market on 14 December 2020 and the Project Execution Update released to the market on 30 November 2020.

The SPP Offer is being made to all Eligible Shareholders at the same price as the Company's two tranche institutional placement announced on Monday, 14 December 2020, which received binding commitments for approximately \$140 million (**Institutional Placement**).

The SPP Offer will be capped at \$10 million. However, in the event that Eligible Shareholders do not subscribe for \$10 million worth of New Shares under the Offer the Directors may, to the extent the Company has available issue capacity under Listing Rules 7.1 and/or 7.1A, elect to place the shortfall to certain persons to whom Shares could be offered without disclosure under Chapter 6D of the Corporations Act (including professional and sophisticated investors).

The offer to participate in the SPP Offer will open on Monday, 11 January 2021 and will remain open until 5pm (Perth time) on Wednesday, 10 February 2021 (unless extended).

The Offer Price under the SPP Offer is \$0.42 representing a discount of 9.7% to the Company's closing Share price on the ASX on Wednesday, 9 December 2020 (being the last trading day before the SPP Offer was announced) and a 12.8% discount to the volume weighted average price for the five trading days immediately prior to announcement of the SPP Offer.

Participation in the SPP Offer is optional and is open to shareholders who were registered as holders of Shares at 5pm (Perth time) on Friday, 11 December 2020 and whose registered address is in Australia or New Zealand. New Zealand shareholders must still be a shareholder on the date the offer opens (i.e. Monday, 11 January 2021).

Full details of the SPP Offer and how to participate are contained in the Terms and Conditions which I encourage you to read and consider carefully. In light of delays to postal services caused by the COVID-19 pandemic, you are encouraged to participate via BPAY[®] as you do not need to return the Application Form.

Thank you for your continued support of the Company.

Yours faithfully



Mr Ian Clyne

Chairman

Frequently Asked Questions

This section provides a summary of the key aspects of the SPP Offer. You should read it in conjunction with the Terms and Conditions of the SPP Offer provided in the annexure to this document.

What is the SPP Offer? This share purchase plan is a means by which Eligible Shareholders may subscribe for up to \$30,000 worth of New Shares without brokerage or other transaction costs (subject to any discretionary scale back, see further details below).

New Shares issued under the SPP Offer will rank equally with other Shares as at the date of issue, and will be able to be traded on ASX (subject to ASX granting quotation of the New Shares).

The Company is seeking to raise \$10 million under the SPP Offer.

Purpose of the SPP Offer The funds raised under the SPP Offer will be used predominantly for exploration activities on Woodlark Island. Please refer to the announcements made by Geopacific on 14 December 2020 for further information in relation to the use of funds.

Who is eligible to participate in the SPP Offer? Shareholders with a registered address in either Australia (and its external territories) or New Zealand as at 5pm (Perth time) on Friday, 11 December 2020 are eligible to participate in the SPP Offer, provided that such shareholder is not in the United States and is not, and is not acting for the account or benefit of, a US Person.

For New Zealand shareholders, you must still be a shareholder at the date of the SPP Offer, that is Monday, 11 January 2021.

Do I have to participate in the SPP Offer? No. Participation is voluntary.

Before making a decision whether or not to accept the SPP Offer, you should consult your financial or other professional adviser.

If you do not wish to participate in the SPP Offer, you do not need to do anything, and the SPP Offer will lapse at 5pm (Perth time) on Wednesday, 10 February 2021 (unless extended).

Can a third party participate in the SPP Offer in my place? No. The SPP Offer is non-renounceable and cannot be transferred.

How much can I invest under the SPP Offer? The maximum investment under the SPP Offer is \$30,000. You may apply to purchase a parcel of \$500, \$1,000, \$2,500, \$5,000, \$7,500, \$10,000, \$15,000, \$20,000, \$25,000 or \$30,000 worth of New Shares.

The number of New Shares is rounded down to the nearest whole number after dividing the dollar amount by the Offer Price.

Scale back The SPP Offer will be capped at \$10 million. To the extent it is necessary to scale back the number of New Shares that will be issued under the SPP Offer, Geopacific intends to do so having regard to the pro rata shareholding of the Eligible Shareholders (as at the Record Date) who have applied for New Shares.

If the Company receives valid applications under the SPP Offer exceeding \$10 million, you may be issued New Shares to a value that is less than the value of New Shares you applied for. The balance of any application money that is not applied to acquire New Shares will be refunded to you without interest.

Refund

Any application monies refunded by Geopacific will be paid by cheque or direct credit (the payment method will be determined by Geopacific in its absolute discretion) in Australian dollars.

By applying for New Shares, each shareholder authorises Geopacific to pay any monies to be refunded by using the payment instructions of the shareholder recorded in the Share Registry's records if Geopacific should elect to pay in this manner.

Any refunds are expected to be paid within 10 business days of the SPP Offer closing date (by Wednesday, 24 February 2021).

What is the issue price of New Shares under the SPP Offer

The Offer Price is \$0.42 per New Share, representing a discount of 9.7% to the Company's closing Share price on the ASX on Wednesday, 9 December 2020 (being the last trading day before the SPP Offer was announced) and a 12.8% discount to the volume weighted average price for the five trading days immediately prior to announcement of the SPP Offer. For the purposes of the Instrument, the Company confirms the Offer Price represents a 5.3% discount to the volume weighted average price for the five trading days prior to Monday, 21 December 2020.

There is a risk that the market price of Shares may rise or fall between the date of this document and the time of issue of the New Shares under the SPP Offer. This means that the price you pay for the New Shares issued to you under the SPP Offer may be less than or exceed the market price of Shares on the Allotment Date.

Accordingly, you should monitor Geopacific's announcements and its Share price, which can be found on its website at www.Geopacific.com.au and on the ASX website at www.asx.com.au (ASX code: GPR). The Share price can also be found in the financial pages of major Australian metropolitan newspapers.

You should be aware that your application, once made, is unconditional and may not be withdrawn even if the market price of Shares is less than the Offer Price.

How do I apply for New Shares under the SPP Offer?

If you wish to participate in the SPP Offer, you need to do either of the following set out below.

In light of delays to postal services caused by the COVID-19 pandemic, you are encouraged to apply via BPAY[®] as you do not need to return the Application Form if you choose this option.

Option 1

To pay via BPAY[®] you will need to:

Pay via BPAY[®]

- be an account holder with an Australian financial institution;
- use the customer reference number (CRN) shown on your personalised Application Form, which is required to identify your holding; and
- ensure that your payment is received by the Share Registry before 5pm (Perth time) on Wednesday, 10 February 2021.

You can only make payment via BPAY[®] if you are the holder of an account with an Australian branch of a financial institution that supports BPAY[®] transactions.

If paying via BPAY[®], you **do not** need to complete and submit the Application Form but you will be taken to have made the statements and certifications on the Application Form.

Please note that your financial institution may implement earlier cut-off times with regards to electronic payment. Please take this into consideration when making payment via BPAY[®].

Option 2

Pay by cheque

Please complete the Application Form and forward it with your payment by cheque (or money order) in Australian dollars made payable to "Geopacific Resources Limited" to the Share Registry, at the address set out on the Application Form. A reply paid envelope is enclosed for the convenience of shareholders in Australia, and a self-addressed envelope is enclosed for the convenience of shareholders outside Australia. Shareholders in New Zealand will need to affix the appropriate postage to the self-addressed envelope.

Your completed Application Form and cheque must be received by the Share Registry prior to the close of the SPP Offer at 5pm (Perth time) on Wednesday, 10 February 2021. Geopacific reserves the right, but is not obligated, to accept applications for New Shares that are received after that time.

Are there any other terms and conditions attached to the SPP Offer? The terms and conditions relating to the SPP Offer are set out in full in the annexure to this document. Please read the Terms and Conditions carefully, as you will be bound by them in participating in the SPP Offer. Shareholders accepting the SPP Offer will also be bound by the constitution of Geopacific.

What is the maximum investment for each shareholder? The maximum investment for each shareholder is \$30,000. If you receive more than one offer (e.g. due to multiple registered holdings), you may only apply for a parcel of New Shares with an aggregate value of \$30,000 across those offers. For example, you may apply for one maximum parcel of \$30,000 for one holding or, alternatively, apply for parcels of New Shares across multiple holdings so long as the aggregate total amount applied for across those holdings does not exceed \$30,000.

How many Shares will I receive? You may apply for a parcel of New Shares with one of the application amounts set out in **clause 6.1** of the Terms and Conditions.

In the absence of a scale back (see below), the number of New Shares to be issued to you will be calculated by dividing your chosen application amount by the Offer Price, with any resulting fractions of a New Share being rounded down to the nearest whole number of Shares.

When will I receive my Shares? New Shares will be allotted on the Allotment Date. Holding statements will be despatched by Wednesday, 17 February 2021.

When can I trade allocated Shares? You can trade your New Shares after the Allotment Date. However, given the possibility that applications may be scaled back, you should confirm your holding on or after the Allotment Date before trading any New Shares you believe you have acquired under the SPP Offer.

Is the SPP Offer underwritten? No, the SPP Offer is not underwritten.

In the event that Eligible Shareholders do not subscribe for \$10 million worth of New Shares under the Offer the Directors may, to the extent the Company has available issue capacity under Listing Rules 7.1 and/or 7.1A, elect to place the shortfall to certain persons to whom Shares could be offered without disclosure under Chapter 6D of the Corporations Act (including professional and sophisticated investors).

Key Risks

There are a number of factors, both specific to the Company and of a general nature, which may, either individually or in combination, affect the future operation, exploration, development and financial performance and/or financial position of the Company, its prospects, and/or the value of the Shares. Many of the circumstances giving rise to these risks are beyond the control of the Company, the Directors or its management.

Set out below are the areas the Directors regard as the major risks associated with an investment in the Company. There may also be additional risks not specifically referred to below, which may in the future materially affect the Company and other factors (including financial and taxation risks) that you should consider in light of your own personal circumstances. There is no guarantee with respect to the payment of dividends, returns of capital or the market value of the new Shares. Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for or acquire Shares.

Company specific risks

Commodity prices and foreign exchange rates

The value of the Company's assets may be affected by fluctuations in commodity prices and exchange rates, such as the USD and AUD denominated gold prices and the AUD/USD/Kina exchange rates. It is currently proposed that the project funding facility to be obtained with Sprott Resource Lending II L.P will be denominated in USD and so the amount to be repaid may be affected by fluctuations in the AUD/USD exchange rate.

These prices can fluctuate rapidly and widely, and are affected by numerous factors beyond the control of the Company. These factors include world demand for precious and other metals, forward selling by producers, and production cost levels in major metal producing regions. Other factors include expectations regarding inflation, the financial impact of movements in interest rates, gold price forward curves, global economic trends, confidence and conditions, and domestic and international fiscal, monetary and regulatory policy settings. Future production from the Woodlark Gold Project will be dependent upon the gold price being sufficient to make these properties economic. The Company and its counterparties may be adversely impacted by PNG government requirements to make payments in Kina given the limited capacity to convert Kina into other currencies. Financial performance will be highly dependent on the prevailing commodity prices and exchange rates.

Financing Capital requirements and funding risk

The Company requires further funding in addition to the proceeds raised under the Placement to fund the development of the Woodlark Gold Project and its ongoing exploration programs.

To meet its further funding requirements the Company is negotiating with Sprott Resource Lending to provide additional project funding. The Sprott Resource Lending funding is currently being negotiated will include certain restrictions on Geopacific's financing and operating activities and includes conditions precedent to availability of the funding. If the conditions for access to the debt funding are not satisfied, funds for development of the Woodlark Gold Project may not be available.

When developed, if the Woodlark Gold Project's operational and financial performance does not substantially meet expectations, it could lead to a breach of its financial covenants. A breach of covenants, may entitle its financiers to enforce their rights under the debt facilities and this may result in them requiring immediate repayment and therefore, have a materially adverse effect on the Company.

Tranche 2 of the Placement remains subject to Geopacific shareholder approval and if this approval is not obtained, the Company's ability to fund the development of the Woodlark Gold Project may be adversely affected.

Further equity financing may be undertaken at lower prices than the current market price. If sufficient funds are not available from either debt or equity markets to satisfy the Company's short, medium or long term capital requirements, when required, the Company may be required to limit the scope of its anticipated operations, which could adversely impact on its business, financial condition and value of its Shares.

Tenure of tenements and approvals

The Company is subject to the PNG mining legislation and the Company has an obligation to meet the conditions that apply to its tenements.

The Company has applied for the extension of certain conditions applicable to ML 508 and is awaiting confirmation that the extension to the milestone conditions will be granted. While the Company has an expectation that the extensions will be granted, no guarantees can be given.

Many of the tenements held by the Company are subject to the need for ongoing or new Government approvals, licences and permits as the scope of the Company's operations change. The granting and renewal of such approvals, licences and permits are, as a practical matter, subject to the discretion of applicable Government agencies or officials.

The approvals, licences or permits comprising the Company's projects are subject to various local laws, regulations and conditions. Failure to comply with or satisfy these laws, regulations and conditions may render those approvals, licences or permits liable to forfeiture or other adverse consequences.

The Company is in negotiations with the key Woodlark Gold Project stakeholders in respect of a range of matters relating to the Memorandum of Agreement. These matters require negotiation with a number of stakeholders including relevant PNG government bodies and there can be no guarantee that these negotiations will be finalised on terms or within a timeframe proposed by the Company or at all.

Further, there are no guarantees that any required approvals, licences or permits will be granted, renewed or obtained in a timely fashion.

Mining and development risks

The Company will, among other things, require various approvals, permits and licences before it will be able to develop and mine the Woodlark Gold Project deposits. While key approvals for the development of the Woodlark Gold Project have been obtained, there is no guarantee that that Company will be able to obtain, or obtain in a timely fashion, all required approvals, licences or permits.

Even if an apparently viable mineral deposit is identified, there is no guarantee that it can be profitably mined.

The estimated development costs for the Woodlark Gold Project are subject to a range of uncertainties and assumptions and, the actual development costs may differ from these estimates and assumptions. If the cost estimates and the underlying assumptions are not realised in practice, it may materially and adversely affect the development program of the Woodlark Gold Project. The actual Woodlark Gold Project development timelines and expenditure together with planned exploration work to be undertaken will depend on many factors. As such, actual expenditure may differ from the budgeted expenditure presented.

The construction of the Woodlark Gold Project will be subject to typical construction risks including usual risks of delays, design and/or quality issues, pricing and cost overruns and variations. Once in contract, contractor performance may be constrained or hampered by labour disputes, plant, equipment and staff shortages, and default. Contractors may not comply with provisions in respect of quality, safety, environmental compliance and timeliness, which may be difficult to control. In the event that a contractor underperforms or is terminated, the Company may not be able to find a suitable replacement on satisfactory terms within time or at all. These circumstances could have a material adverse effect on the Company's development of the Woodlark Gold Project and ongoing operations and give rise to claims by or against the Company. There is also a risk that contractors do not construct to the build quality required.

When compared with many industrial and commercial operations, mining and mineral processing projects are relatively high risk. Each orebody is unique. The nature of mineralisation, the occurrence and grade of the ore, as well as its behaviour during mining and processing can never be wholly predicted. Estimations of the tonnes, grade and overall mineral content of a deposit are not precise calculations but are based on interpretation and samples from drilling, which, even at close drill hole spacing, represent a very small sample of the entire orebody.

Country risk

Any future material adverse changes in government policies or legislation that affect ownership, mineral exploration, development or mining activities in which the Company operates, may affect the viability and future profitability of the Company. In particular, the PNG Government has recently experienced, and may continue to experience, significant political instability and economic and fiscal issues, some or all of which could directly and indirectly affect the PNG economy and the operations and financial position the Company. The Company's ability to acquire, retain and gain full value from assets may also be affected by a number of political and social issues such as differing political agendas and decision making, environmental and social policy and the impact of bribery and corruption. Further, the media, non-government organisations and other activists may or may not play an increasing role at local, national and international levels influencing political policy, societal perception and community actions or otherwise impacting the organisation's reputation. In addition, the legal systems operating in foreign jurisdictions are different to those operating in Australia and may result in further risks in seeking redress or enforcing judgments.

Currently in PNG, there are a range of potential political matters which, depending on the outcome, may or may not have an impact on the Company and the Woodlark Gold Project. While the Company believes that the project is universally supported in principle, these matters may delay finalisation of the application for an extension of conditions associated with ML 508 and limit accessibility of government Ministers to finalise various matters which the Company is negotiating with the PNG government.

Environment

The operations and proposed activities of the Company are subject to laws and regulations concerning the environment. If such laws are breached, the Company could be required to cease its operations and/or incur significant liabilities including penalties, due to past or future activities.

As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. There are certain risks inherent in the Company's activities which could subject the Company to extensive liability.

COVID-19

Any COVID-19 infections on or near the sites operated by the Company could result in construction and/or operations being suspended or otherwise disrupted for an unknown period of time, which may have an adverse impact on construction timing and cost, operations, cash flows, profitability, and financial condition.

Supply chain disruptions resulting from the COVID -19 pandemic and measures implemented by governmental authorities around the world to limit the transmission of the virus (such as travel bans and quarantining) may, in addition to the general level of economic uncertainty caused by the COVID-19 pandemic, also adversely impact the availability to materials and equipment required for construction of the Woodlark Gold Project and the Company's operations, financial position and prospects.

Other Company risks

The effects of changes in rainfall patterns, water shortages and changing storm patterns and intensities may adversely impact the costs and operational activities of the Company. Some of Geopacific's sites and operations may be subject from time to time to severe storms and high rainfall leading to flooding and associated damage which may result in development delays to or future loss of production.

Geopacific currently maintains insurance coverage. No assurance can be given that the Company will continue to be able to obtain such insurance coverage at reasonable rates (or at all), or that any coverage it obtains will be adequate and available to cover all claims.

Geopacific recognises that a failure to appropriately manage local community stakeholder expectations may lead to dissatisfactions which have the potential to disrupt production, development and exploration activities.

The Woodlark Gold Project will be subject to government royalties. If the relevant royalties rise, the profitability and commercial viability of the Company's projects may be negatively impacted.

The Company faces risks related to the potential impacts of actions of both public and private security forces, interactions with and the use of land associated with subsistence based and/or indigenous communities and the work practices and supply chains of suppliers and contractors.

The Company's exploration and development activities are subject to extensive laws and regulations relating to numerous matters that include resource licence consent, environmental compliance and rehabilitation, taxation, employee relations, health, etc.

The Company is dependent on the experience of its board of Directors and management team. The loss of these services to the Company may have an adverse effect on the performance of the Company pending replacements being identified and retained by or appointed to the Board of the Company. As the Company grows, it will need to employ and retain appropriately motivated, skilled and experienced staff. Difficulties in attracting and retaining such staff may have an adverse effect on the performance of the Company.

The Company competes with other companies, including major exploration companies in Australia, PNG and internationally. Some of these companies have greater financial and other resources than the Company and, as a result, may be in a better position to compete for future business opportunities. There can be no assurance that the Company can compete effectively with these companies.

General mining and mineral exploration risk

Mineral Resource and Ore Reserve estimates

Mineral Resource estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates that were valid when originally calculated may alter significantly when new information or techniques become available. As further information becomes available, estimates are likely to change which may result in alterations to development and mining plans impacting the Company's operations and financial position. In addition, by their very nature, Ore Reserves and Mineral Resource estimates are imprecise and depend, to some extent, on interpretations, which may prove to be inaccurate.

Exploration and development

The mineral exploration licences comprising the Company's projects are at exploration and feasibility study stage, and investors should understand that mineral exploration and development are high risk undertakings. There can be no assurance that the Company will be able to economically exploit any deposits identified. Further, there can be no assurance that the cost estimates and the underlying assumptions with respect to the method and timing of exploration and development will be realised in practice, which may materially and adversely affect the Company's viability.

Operational

Mineral exploration and mining activities are subject to numerous risks, many of which are beyond the Company's control, including failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration and mining, operational and technical difficulties encountered in mining, etc. Operational risk is likely to be higher in developing countries due to limited access to services, skilled staff and contractors, and infrastructure relative to developed countries. The occurrence of operating risks leading to the curtailment, delay or cancellation of the Company's operations may result in the Company incurring significant financial costs or diminution of the value of its assets.

General risks

Securities investment

The prices at which the Company's Shares trade may fluctuate in response to a number of factors including the risk factors identified in this Section as well as securities market factors such as limited liquidity of the Shares and large Share price movements due to trading by major shareholders.

Issue of additional securities

In certain circumstances, the Directors may issue equity securities without any vote or action by shareholders. If the Company were to issue any equity securities the percentage ownership of existing shareholders may be reduced and diluted.

Share market fluctuations and economic conditions

The Company's financial performance and ability to execute its business strategy will be impacted by a variety of general market, political, social, stock market and business conditions beyond the Company's control.

Share market conditions are affected by many factors including but not limited to:

- (a) general economic outlook;
- (b) interest rates and inflation rates;
- (c) currency fluctuations;
- (d) changes in investor sentiment toward particular market sectors;
- (e) the demand for, and supply of, capital;
- (f) political and environmental events;
- (g) pandemics; and
- (h) wars, terrorism or other hostilities.

Changes in regulatory environment

Changes to laws (including taxes, royalties, export of minerals, employment, environmental protection, native title and cultural heritage), regulations and accounting standards which apply to the Company from time to time may materially adversely impact the operating and financial performance and cash flows of the Company.

Political risk

War or terrorist attacks anywhere in the world could result in a decline in economic conditions worldwide or in a particular region, which could produce an adverse effect on the business, financial condition and financial performance of the Company.

Terms and Conditions of the Share Purchase Plan

1. SPP Offer

The SPP Offer entitles Eligible Shareholders of Geopacific to apply to purchase up to \$30,000 worth of Shares through this share purchase plan.

2. Eligibility to participate

2.1. You are eligible to participate in the SPP Offer if you were a registered holder of Shares at 5pm (Perth time) on Friday, 11 December 2020 (**Record Date**) with a registered address in Australia (and its external territories) or New Zealand, unless:

(a) you hold Shares on behalf of another person who resides outside Australia (and its external territories) or New Zealand; or

(b) you are, or are acting for the account or benefit of, a US Person.

2.2. For shareholders with a registered address in New Zealand, you must still be a shareholder at the date of the SPP Offer, that is, Monday, 11 January 2021.

2.3. Geopacific has determined that it is either unlawful or impracticable for holders of Shares with registered addresses in jurisdictions outside Australia (and its external territories) and New Zealand to participate in the SPP Offer.

2.4. If you are the only registered holder of a holding of Shares, but you receive more than one offer (for example, due to multiple registered holdings), you may only apply for a parcel of New Shares with an aggregate value of \$30,000.

2.5. Joint holders of Shares will be taken to be a single registered holder of Shares for the purposes of determining whether they are an Eligible Shareholder and a certification under **clause 8.1(j)** by one joint holder will be effective in respect of the other joint holder(s).

2.6. If you are a Custodian for a beneficiary or beneficiaries, you may apply for one maximum parcel of New Shares for each beneficiary (or if you are a Custodian for two or more joint beneficiaries, for each such holding as if it was held by a single person). Further information in relation to how Custodians may apply for New Shares is set out in **clause 8.2**.

2.7. Directors and employees of Geopacific who hold Shares may be Eligible Shareholders.

3. Rights to apply for New Shares are non-renounceable

If you are an Eligible Shareholder, your rights under the SPP Offer are personal to you and are non-renounceable, which means that you cannot transfer your rights to another person.

4. Offer Price

4.1. The Offer Price for each New Share issued under the SPP Offer is \$0.42.

4.2. The Offer Price is fixed, regardless of any changes in the market price of Geopacific's Shares during the SPP Offer period.

5. Timing

5.1. The SPP Offer opens on Monday, 11 January 2021 and closes at 5pm (Perth time) on Wednesday, 10 February 2021, unless extended. Geopacific proposes to allot New Shares on Tuesday, 16 February 2021 and send confirmations to shareholders by Wednesday, 17 February 2021.

5.2. Geopacific reserves the right to extend the SPP Offer or the proposed Allotment Date at any time by making an announcement to ASX.

6. Applying for New Shares

- 6.1. Eligible Shareholders may apply for New Shares in parcels valued at \$500, \$1,000, \$2,500, \$5,000, \$7,500, \$10,000, \$15,000, \$20,000, \$25,000 or \$30,000.
- 6.2. You may not apply for more than \$30,000 of New Shares in aggregate under the SPP Offer, even though you may receive more than one offer, or offers in more than one capacity (e.g. due to multiple registered holdings), under the SPP Offer.
- 6.3. If you wish to apply for New Shares under the SPP Offer you should either:
 - (a) pay directly via BPAY[®] on the internet or by telephone, using the details on the Application Form (New Zealand based shareholders cannot apply using BPAY[®] unless they have an Australian bank account). Please ensure that your payment is received by the Share Registry before 5pm (Perth time) on Wednesday, 10 February 2021. Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment, and should take this into consideration when making any electronic payment. It is the responsibility of the applicant to ensure that funds submitted through BPAY[®] are received in time. The Application Form does not need to be returned in this case; or
 - (b) complete the Application Form and forward it with your payment by cheque (or money order) in Australian dollars made payable to “Geopacific Resources Limited” to the Share Registry, at the address set out on the Application Form. A reply paid envelope is enclosed for the convenience of Australian shareholders, and a self-addressed envelope is enclosed for the convenience of overseas shareholders. Shareholders in New Zealand will need to affix the appropriate postage to the self-addressed envelope. Application Forms (with application payments) must be received by the Share Registry by 5pm (Perth time) on Wednesday, 10 February 2021.
- 6.4. Do not forward cash. Receipts for payment will not be issued.
- 6.5. Funds paid via BPAY[®] or Application Forms (with application payments) must be received by the Share Registry by the applicable time (specified above) on Wednesday, 10 February 2021. Geopacific reserves the right, but is not obligated, to accept applications for New Shares that are received after that time. If your cheque does not clear, your application will not be accepted and you agree to be responsible for any dishonour fees or other costs incurred.
- 6.6. If your Application Form or application is incomplete, contains errors or is otherwise invalid or defective, Geopacific may, in its sole discretion, accept, reject, correct or amend your application, issue such number of New Shares to you as it considers appropriate, refund your application money, or take any combination of these actions. Any necessary refund will be paid to you shortly after the close of the SPP Offer. No interest will be paid on any refunded money.
- 6.7. You cannot withdraw or revoke your application once you have sent in an Application Form or paid via BPAY[®].

7. Placement of shortfall

In the event that Eligible Shareholders do not subscribe for \$10 million worth of New Shares under the SPP Offer the Directors may, to the extent the Company has available issue capacity under Listing Rules 7.1 and/or 7.1A, elect to place the shortfall to certain persons to whom Shares could be offered without disclosure under Chapter 6D of the Corporations Act (including professional and sophisticated investors).

8. Effect of making an application

- 8.1. If you submit a BPAY[®] payment or complete and return the Application Form:
 - (a) you will be deemed to have represented and warranted that you are an Eligible Shareholder and are eligible to participate in the SPP Offer, you have read and understood these Terms and Conditions and you subscribe for New Shares subject to and in accordance with these Terms and Conditions;
 - (b) you authorise Geopacific to correct or amend your Application Form as contemplated by **clause 6.6**;

- (c) you acknowledge that the market price of Shares may rise or fall between the date of the SPP Offer and the Allotment Date and that the Offer Price you pay for the New Shares may exceed the market price of the Shares on the Allotment Date;
- (d) you accept the risk associated with any refund that may be despatched to you at your address as shown on the Share register;
- (e) you are responsible for any dishonour fees or other costs Geopacific may incur in presenting a cheque for payment which is dishonoured;
- (f) you acknowledge that the New Shares have not, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdictions in the United States, or in any other jurisdiction outside Australia (and its external territories) or New Zealand, and accordingly, the New Shares purchased under the SPP Offer may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and any other applicable securities laws;
- (g) you represent and warrant that you are not a US Person, and are not applying under the SPP Offer for or on behalf of a US Person;
- (h) you represent and warrant that you have not and will not send any materials relating to the SPP Offer to any person in the United States that is, or is acting for the account or benefit of, a US Person;
- (i) you acknowledge that you have not been provided with investment advice or financial product advice by Geopacific or the Share Registry;
- (j) you certify that you have not applied for, or instructed a Custodian to apply on your behalf for, New Shares with an application price which, when aggregated with the application price for any Shares issued to you or a Custodian on your behalf under the SPP Offer or any similar Geopacific arrangement in the 12 months prior to your application, exceeds \$30,000. This certification by one joint holder of Shares will be effective in respect of the other joint holder(s).

8.2. If you are a Custodian, you certify:

- (a) that, as at the Record Date (and in respect of shareholders with a registered address in New Zealand, on the date the offer opens), you hold Shares on behalf of one or more beneficiaries, and that those beneficiaries have been provided with a copy of this document and instructed you to apply for New Shares;
- (b) details of the number of beneficiaries who have instructed you to apply for New Shares on their behalf, their names and addresses, the number of Shares you hold on their behalf and the number of New Shares they have instructed you to apply for are correct;
- (c) that if you hold Shares on behalf of a beneficiary indirectly, through one or more interposed custodians, the name and address of each interposed custodian is correct;
- (d) you have not applied for New Shares on behalf of any beneficiary with an application price which, when aggregated with the application price for any Shares issued to you on behalf of that beneficiary under the SPP Offer or any similar Geopacific arrangement in the 12 months prior to your application, exceed \$30,000; and
- (e) that you:
 - (i) hold an Australian financial services licence that covers the provision of a custodial or depository service (within the meaning given by section 766E of the Corporations Act) or covers the operation of an IDPS (as defined in the Instrument); or
 - (ii) do not hold an Australian financial services licence for the provision of a custodial or depository service as described in the Instrument and are exempt from the requirement to hold such a licence; or

(iii) otherwise meet the definition of Custodian in the Instrument.

- 8.3. Custodians wishing to participate on behalf of one or more beneficiaries should contact the Share Registry to obtain more information on how to apply and the form of certification to be given.
- 8.4. Please note that if you hold Shares in the capacity of a trustee or a nominee for another person but you do not meet the definition of Custodian in the Instrument, you cannot participate for beneficiaries in the manner outlined in **clause 8.2** above. In this case, the rules for multiple registered holdings as described in **clause 2.4** apply.

9. Rights attached to the New Shares

New Shares issued under the SPP Offer will rank equally with existing Shares and will carry the same voting rights, dividend rights and other entitlements as at the Allotment Date. Geopacific will apply for the New Shares to be quoted on ASX.

10. Costs of participation

No brokerage, commissions or other transaction costs will be payable by Eligible Shareholders in respect of the application for, and allotment of, New Shares under the SPP Offer.

11. Right to scale back entitlements

- 11.1. Geopacific reserves the right to scale back your entitlement to acquire New Shares under the SPP Offer. If this occurs, excess funds will be returned to applicants without interest.
- 11.2. To the extent it is necessary to scale back the number of New Shares that will be issued under the SPP Offer, Geopacific intends to do so having regard to the pro rata shareholding of the Eligible Shareholders (as at the Record Date) who have applied for New Shares.
- 11.3. If there is a scale back, you may receive less than the parcel of New Shares for which you have applied.

12. Refunds

- 12.1. Refunds under the SPP Offer may be paid under various circumstances. For example, if applications are made incorrectly the entire payment may be refunded, or if allocations are scaled back a partial refund may be made.
- 12.2. If a refund is made, payment will be made to you, as soon as is practicable:
- (a) by direct credit to your nominated account (as recorded on the Share register); or
 - (b) by cheque mailed to your address as shown on the Share register.
- 12.3. You will not receive any interest on funds refunded to you.
- 12.4. Any refund made to you is despatched at your risk.

13. United States

- 13.1. Participation in the SPP Offer is not being offered, directly or indirectly, in the United States or to any person that is, or is acting for the account or benefit of, a US Person. This document and any related offering documents must not be mailed or otherwise transmitted or distributed in or into the United States or to any person that is, or is acting for the account or benefit of, a US Person. Participation in the SPP Offer, directly or indirectly, in violation of these restrictions is not permitted, and any such participation will be invalid.
- 13.2. This document is not an offer of securities for sale in the United States or to any person that is, or is acting for the account or benefit of, a US Person. Geopacific's Shares have not been, and will not be, registered under the US Securities Act and may not be offered, sold or delivered, directly or indirectly, in the United States or to any person that is, or is acting for the account or benefit of, a US Person, except in accordance with an available exemption from registration.

13.3. Because of the legal restrictions summarised above, you must not send copies of any SPP Offer materials to any of your clients (or any other person) in the United States or to any person that is, or is acting for the account or benefit of, a US Person. Consistent with the warranties set out above, you are also advised not to submit any Application Form or make payment by BPAY[®] or otherwise in respect of the purchase of New Shares under the SPP Offer on behalf of any of your clients (or any other person) in the United States or that is, or is acting for the account or benefit of, a US Person. Failure to comply with these restrictions may result in violations of applicable securities laws.

14. New Zealand

14.1. The New Shares are not being offered or sold to the public within New Zealand other than to existing shareholders of Geopacific with registered addresses in New Zealand to whom the offer of New Shares is being made in reliance on the Financial Markets Conduct Act 2013 and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.

14.2. This document has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

15. Dispute resolution

Geopacific reserves the right to settle, in any manner it thinks fit, any difficulties, anomalies or disputes which may arise in connection with or by reason of the operation of the SPP Offer. Geopacific's decision will be conclusive and binding on all shareholders and other persons to whom the determination relates.

16. Waiver, amendment, suspension and termination

16.1. Geopacific may, in its discretion, waive compliance with any provision of these Terms and Conditions, amend or vary these Terms and Conditions or suspend, withdraw or terminate the SPP Offer at any time. Any such waiver, amendment, variation, suspension, withdrawal or termination will be binding on all Eligible Shareholders even where Geopacific does not notify you of the event.

16.2. Geopacific is not liable for loss, cost or expense arising out of any exercise of its discretions under these Terms and Conditions.

17. ASIC relief

17.1. The SPP Offer is made in accordance with the Instrument. The Instrument grants relief from the requirement to prepare a prospectus for the offer of New Shares up to \$30,000 under the SPP Offer, subject to certain terms and conditions.

17.2. In accordance with the terms of the Instrument, Geopacific will give a notice to ASX that complies with the Instrument.

18. Governing law

These Terms and Conditions are governed by the laws in force in Western Australia.

19. Binding terms

By accepting the offer to purchase New Shares under the SPP Offer, you agree to be bound by these Terms and Conditions and the constitution of Geopacific.

20. Definitions

In this document the following terms have these meanings:

\$	Australian dollars.
Allotment Date	The date the New Shares are allotted, expected to be Tuesday, 16 February 2021.
Application Form	The application form which accompanies this document.
ASIC	The Australian Securities and Investments Commission.
ASX	ASX Limited or the Australian Securities Exchange, as the context requires.
Corporations Act	<i>The Corporations Act 2001</i> (Cth).
Custodian	The meaning given in the Instrument.
Directors	The directors of Geopacific.
Eligible Shareholder	A person who is eligible to participate in the SPP Offer in accordance with clause 2 of the Terms and Conditions.
Institutional Placement	The Company's two-tranche institutional placement announced to the ASX on Monday, 14 December 2020, which received binding commitments for approximately \$140 million.
Instrument	ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547.
New Shares	The Shares offered in the document.
Offer Price	\$0.42 per New Share.
PNG	Papua New Guinea.
Record Date	The record date for the SPP Offer being 5.00pm (Perth time) on Friday, 11 December 2020.
Share Registry	Boardroom Pty Limited ACN 003 209 836.
Shares	Fully paid ordinary shares in Geopacific Resources Limited.
Geopacific or the Company	Geopacific Resources Limited ACN 003 208 393.
SPP Offer	This offer of New Shares under a share purchase plan on the terms and conditions set out in this document.
Sprott Resource Lending	Sprott Resource Lending II L.P.
Terms and Conditions	The terms and conditions of the SPP Offer set out in the annexure to this document.
US Person	A "U.S. person" as defined in Regulation S under the US Securities Act.
US Securities Act	The US Securities Act of 1933, as amended.
Woodlark Gold Project	Geopacific's Woodlark Gold Project.