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Company Secretary: John Lewis

**PROJECTS**

**CAMBODIA:**  
Kou Sa Copper

**FIJI:**

Nabila Gold  
Rakiraki Gold  
Sabeto Gold-Copper  
Vuda Gold-Copper  
Cakaudrove Gold-Silver

**PAPUA NEW GUINEA:**  
Woodlark Island Gold

## WOODLARK: DEVELOPMENT PLAN – BUSAI

The Board of Geopacific Resources Limited (Geopacific) is pleased to announce an update on the development potential of the Busai deposit at the Woodlark gold project (Woodlark).

The current resource for Woodlark is **45.1 million tonnes @ 1.50g/t of gold for 2.12 million ounces** (Table 1), including a reserve of **10.9 million tonnes @ 2.20g/t of gold for 766,000 ounces** (Table 2).

Geopacific is assessing the current resources at Woodlark to establish which areas hold the best potential to convert a further 500,000 ounces of gold from resources into reserves. This will deliver an overall reserve of 1.2 million ounces in accordance with the earn-in transaction to acquire up to 80% of the project from Kula Gold Limited (Kula).

**The ongoing assessment began with a detailed evaluation of the Kulumadau resource area and followed with the nearby Busai deposit.**

### **Geopacific's assessment of the Busai deposit has identified significant potential to increase both resources and reserves.**

The assessment used 3D financial modelling to demonstrate the relationship between current pit designs and existing resources. It demonstrated that in spite of a substantial portion of the resource being Measured and Indicated (M&I), a large portion has not been converted to reserves because high OPEX costs resulted in the in-pit, cut-off grade being too high. Geopacific has an opportunity to capture this mineralisation by rebasing the costs, which were originally done at the height of the boom in 2012. The assessment also enables targeting of optimal areas for development drilling to increase the resource.

Geopacific has prepared a [3D fly-through video showing the grade and resource categories of the mineralisation in relation to current pit designs at Busai](#). [The video is available on Geopacific's website www.geopacific.com.au](http://www.geopacific.com.au).

## HIGHLIGHTS – BUSAI DEPOSIT

- **Refreshed view on development and exploration potential by experienced team**
- **408,000oz Au in reserve at ~1.0g/t Au lower cut**
- **1.04Moz Au in resource at 0.5g/t Au lower cut**
- **370,000oz Au Inferred, within and around current pits**
- **expansion potential with >3km of mineralised trend**
- **Potential to increase reserve by rebasing costs**

**Geopacific Managing Director Ron Heeks said:**

*"Woodlark is a development project with significant exploration upside – it's a game changer for Geopacific."*

*"Our immediate task is simple – to convert approximately 500,000 ounces from the existing resources into reserves. At Busai this is greatly assisted by the original CAPEX and OPEX costs being done at the top of the market in 2012, which makes them very high. Rebasing these costs combined with selective infill drilling is expected to allow a considerable portion of the resource base to be converted into reserves."*

*"We believe the known resources surrounding the Busai pit, which currently contains over half of the project reserves, is a small portion of the total mineralisation available from the 3km of widely drilled strike length at the Busai area. This zone has the potential to be expanded further and provide a solid base for future mining operations."*

## Combined resources at Kulumadau and Busai areas

Area	Category	Tonnes	Grade g/t Au	Ounces
<b>Kulumadau</b>	Measured	5.0	1.78	285,000
	Indicated	4.4	1.75	245,000
	Inferred	8.6	1.40	375,000
	<b>Sub total</b>	<b>18.0</b>	<b>1.60</b>	<b>905,000</b>
<b>Busai</b>	Measured	3.9	1.54	190,000
	Indicated	10.4	1.40	480,000
	Inferred	8.8	1.30	370,000
	<b>Sub total</b>	<b>23.1</b>	<b>1.40</b>	<b>1,040,000</b>
<b>Total</b>		<b>41.1</b>	<b>1.50</b>	<b>1,945,000</b>

The resource table includes mineralisation for the Kulumadau and Busai areas only in conjunction with this and the previous release on Kulumadau. It excludes resources in the Woodlark King area.

## Next steps

Geopacific's focus is to maximise the development potential of Woodlark in the shortest possible timeframe.

Work undertaken to date is encouraging, highlighting substantial potential to increase reserves at all deposits. The advanced stage of this work includes a clear **development plan** to maximise resource conversion and achieve the 1.2 million ounce reserve target required to progress the earn-in agreement. Geopacific will complete the **development plan** and announce the decision to proceed to Tranche 2 of the earn-in transaction before the end of 2016.

## Development plan

Geopacific's **development plan** will include clear milestones to improve economics and pit designs along with a drilling program to move existing Inferred resources into the Measured and Indicated (M&I) categories with selective infill drilling.

### Exploration potential

The exploration potential of Woodlark is being assessed simultaneous to the **development plan**. Scout drilling, geophysics and airborne magnetics have all successfully identified numerous targets that require follow-up exploration. These areas will be prioritised and developed as the project progresses.

Indications are that Woodlark has the **potential to be a greater than five million ounce goldfield**.

### Potential to convert Inferred resources to Indicated and Measured status effectively

The drilling inventory at Woodlark is enormous for a junior company, with over 220,000 metres of RC and 45,000 metres of diamond drilling.

Drilling density in the areas of the current reserves is high, with drillhole spacing regularly as close as seven metres. This adds greatly to the confidence of the reserve estimation, particularly in high-grade areas.

In spite of the high density, drilling in the areas of the reserves accounts for less than half of the overall drilling at Woodlark. This has resulted in many areas being drilled only to Inferred status with wide spaced drill patterns.

Geopacific's **development plan** will include a drilling program targeting the areas which Geopacific has identified as having the highest potential to be upgraded.

### Potential to increase current resources effectively

The majority of the Inferred resources are situated within and surrounding the original pits designs. This mineralisation remains open along strike and at depth in most cases.

Geopacific's **development plan** will include selected drilling to increase resources surrounding the current reserves. Mineralisation has already been identified in these areas but the drill spacing was too wide to allow for its inclusion in the resource.

### Potential to improve economics

The original DFS was undertaken in 2012, at the height of the mining boom. The high CAPEX and OPEX costs used in the DFS were commensurate with the environment.

These costs resulted in the average cut-off grade for current resources being ~1g/t (*Woodlark Island Gold Project Mineral Resources Increases, 31 July 2012*) which is considerably higher than current industry standards.

The change in the economic environment and mining industry cycle provides Geopacific with a clear opportunity to re-base the CAPEX and OPEX costs of the project.

Current permitting for Woodlark supports the development of a 1.8 million tonne per annum plant. Industry average in-pit cut-off grades appropriate with a plant of this scale are in the range of 0.5 to 0.6 grams/tonne.

Geopacific's aims to achieve a cut-off grade within the standard industry range.

## Potential at the Busai Deposit

Drilling density in the pit area at Busai is high, with most of the near pit resources currently being M&I and a lower proportion being inferred. At Munasi the drilling is wider spaced and all of the mineralisation is inferred, it also includes a central high-grade core. The aim of Geopacific's modelling has been to determine what effect the inclusion of these resources would have on increasing overall resources and reserves, once Geopacific has rebased costs and re-optimised pits designs.

The Busai deposit currently contains one large pit that covers several parallel zones of mineralisation (Figure 1). The pit is located at the northern end of a zone of mineralisation, which is over three kilometres long. At the southern end of the zone is the Munasi area, which has an inferred resource of over 100,000 ounces of gold. Between the two areas, wide spaced scout drilling has indicated that the mineralised zone is continuous between the pits (Figure 3). The current in-pit reserve at Busai is open in all directions and particularly along strike.

There is a large proportion of M&I mineralisation within the pit that is below the current lower cut-off. With rebased costs a good proportion will be able to be moved into reserves. A lower cost base will also allow inclusion of the extensive M&I directly below the current pits.

The entire Busai zone, including Munasi has some 600,000 ounces of gold in resources outside the current reserves. Geopacific will initially focus on upgrading this mineralisation to increase M&I resources and then use rebased costs to convert these into reserves.

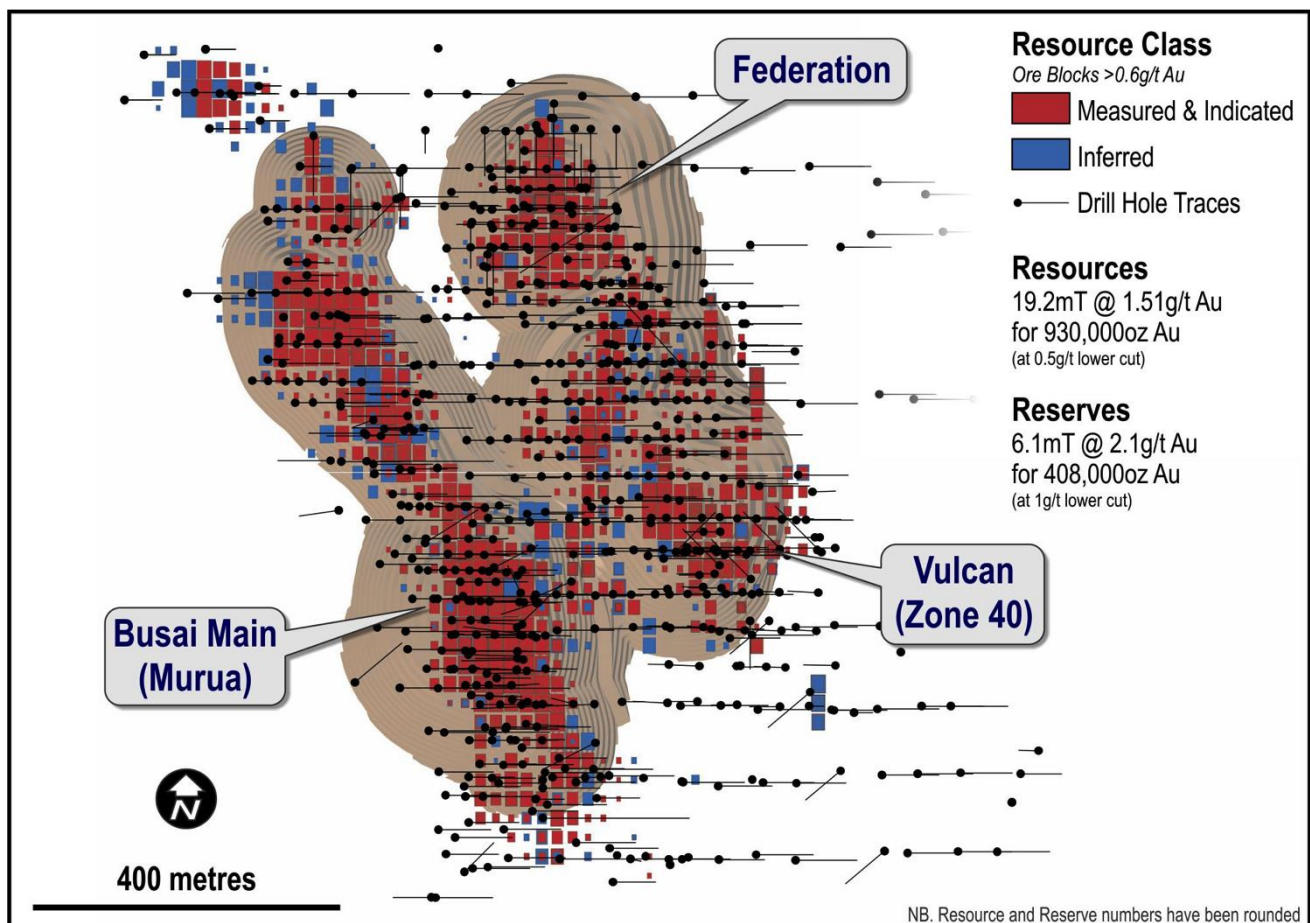
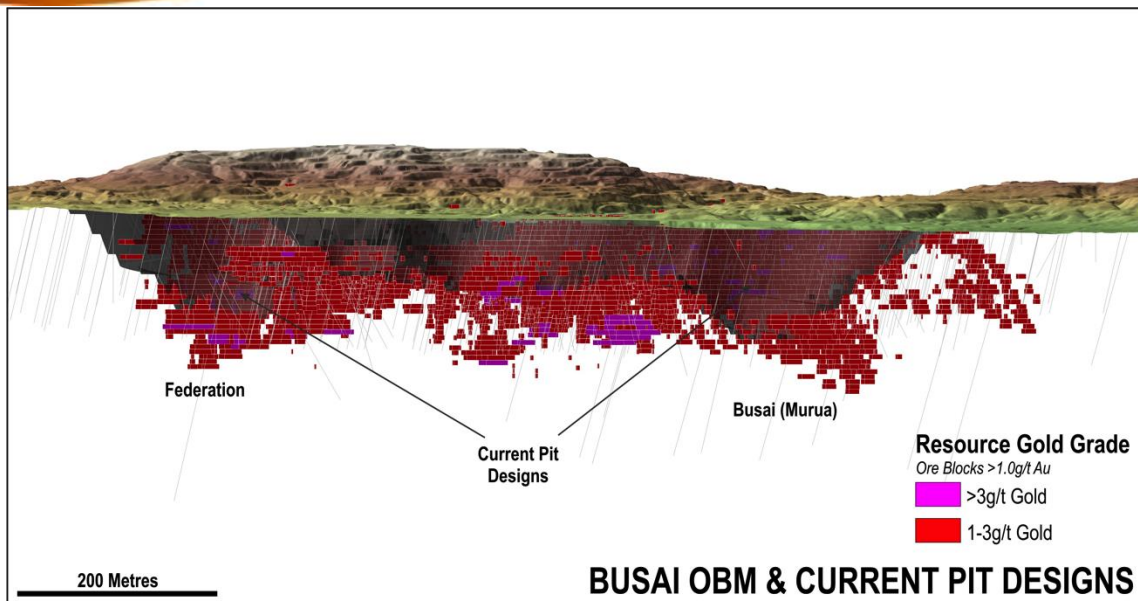


Figure 1: Resources at the Busai area of the Woodlark Island Gold Project

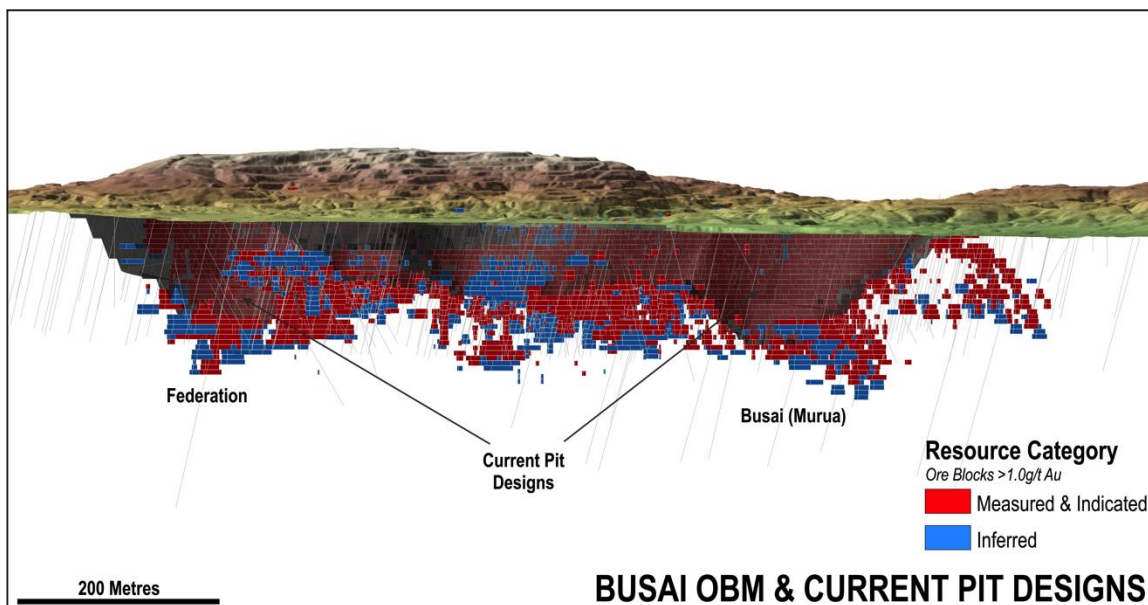




**Figure 2: 3D mineralisation showing high-grade zones currently falling outside the pit shells**

Open-cut pit shells were designed around the current M&I (red). The greatest immediate chance to increase reserves at Busai is by rebasing the project economics to reduce the OPEX costs. The high OPEX costs used led to an in-pit cut-off that is considerably higher than industry standards. It is expected that revised costs commensurate with current industry standards will produce a considerably lower in-pit cut-off, which will allow a larger proportion of the existing in-pit M&I mineralisation as well as that immediately below the current pit (Figure 3) to be converted into reserves. This will substantially decrease the ore to waste ratio and provide improved project economics.

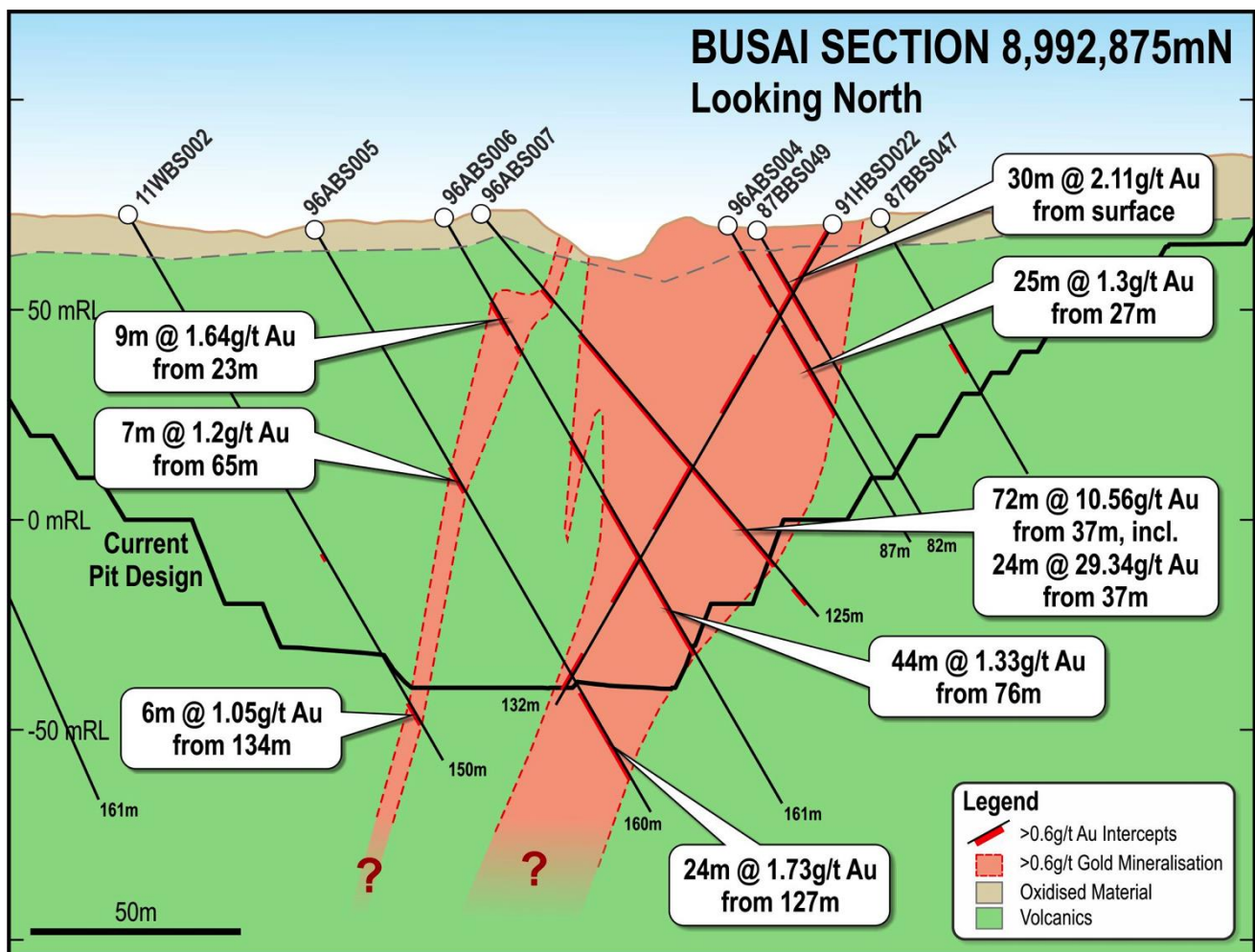
The Munasi mineralisation is currently drilled at a 50m by 20m spacing, infilling this zone and extending holes to depth will allow this mineralisation to be upgraded to M&I for future conversion into the reserve base.



**Figure 3: 3D mineralisation showing high-grade zones currently falling outside the pit shells**

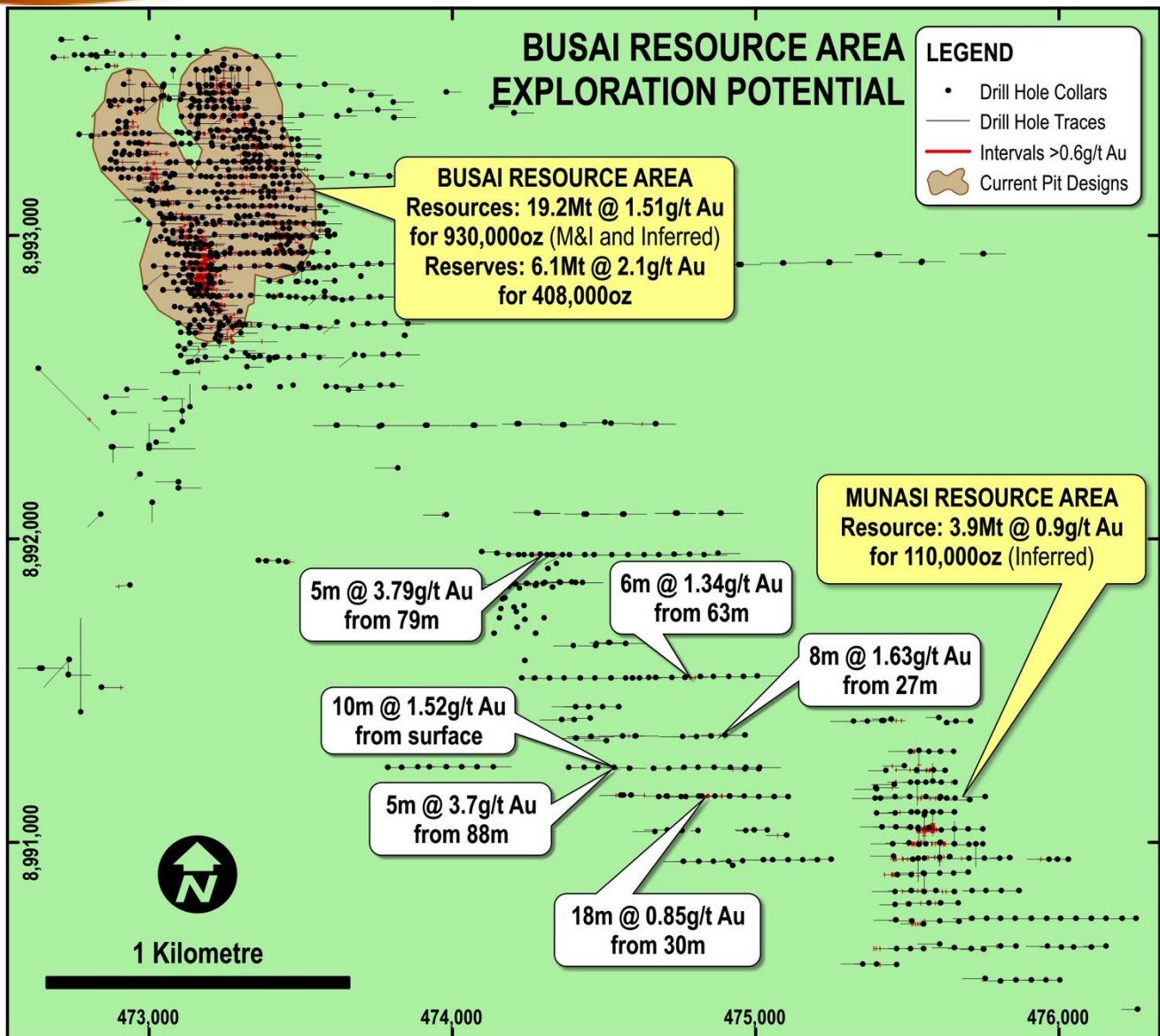
Resource conversion potential is demonstrated in Figure 3 above, where the resource is currently 1.04 million oz of gold at 0.5g/t lower cut (*Woodlark Island Gold Project Mineral Resources Increases, 31 July 2012*). Original economics and pit designs allowed for only 408,000oz Au to be converted to reserves.

As the Busai in-pit ore zone is also open at depth It should be possible to extend the pits, which are generally shallow, in order to access this mineralisation. The potential to extend the ore zones below the bottom of the current pit to access known resources is evident in Figure 3 above.



**Figure 4: A section from Busai pit showing extensions to known in-pit reserves at shallow depth**

The potential to increase the resource is clearly demonstrated in the section above (Figure 4) of the Busai pit. The in-pit ore zone clearly extends to depth. A lack of drilling below the base of the pit resulted in the mineralisation being assigned to inferred status and therefore unable to be converted into reserves. Selective drilling has the potential to allow this type of mineralisation to be upgraded to M&I.



**Figure 5: Busai to Munasi, a 3km long zone of continuous mineralisation**

In Figure 4 (above) the zone of mineralisation, which runs between the Busai and Munasi resources is over 3km long. The central zone is lightly drilled but demonstrates that the mineralisation is continuous between the resources that are defined at each end. This zone holds great exploration potential for increasing resources and will be investigated further in the future.



## **CONTACT**

For further information on this update or the Company generally, please visit our website at [www.geopacific.com.au](http://www.geopacific.com.au) or contact:

**Mr Ron Heeks**

**Managing Director**

### **Competent Person's Statement**

The information in this announcement that relates to exploration results is based on information compiled by or under the supervision of Ron Heeks, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy and Managing Director of Geopacific. Mr Heeks 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 Heeks 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 Exploration Results from the Woodlark project are based on information compiled by Mr. Lee Spencer. Mr Spencer was the CEO of Kula Gold Limited until 1 July 2013 and remains on the Kula Gold Board as a Non-executive director. Mr. Spencer is a Member of The Australasian Institute of Mining and Metallurgy and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which 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'.

The information in this announcement that relates to the Mineral Resource estimates for Kulumadau, Busai and Woodlark King is based on information compiled by Mr. John Doepel, Principal Geologist for Continental Resource Management Pty Limited (Resource Report, Woodlark Island). CRM has acted as independent consulting geologist to WML since 2005 and has undertaken several visits to the island and to the sample preparation facilities. Mr. Doepel is a Member of The Australasian Institute of Mining and Metallurgy and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which 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'.

The information in this announcement that relates to Ore Reserves is based on information compiled by Mr. Linton Putland, Principal of LJ Putland & Associates and a consultant to Kula Gold's 100% subsidiary, Woodlark Mining Limited. Mr. Putland is a Member of The Australasian Institute of Mining and Metallurgy and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which 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'.

### **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. Kula Gold 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 fully permitted fully by the PNG Government, subject to meeting the conditions of the licence.

**Table 1**

**Woodlark Island Gold Project Mineral Resources**  
 Report as per JORC2004  
 As of July 2012 at a 0.5g/t Au lower cutoff

Deposit	Category	Resource (Mt)	Grade (Cut) (g/t Gold)	Gold (Cut) (Oz)
Kulumadau	Measured	5.0	1.78	285,000
Kulumadau	Indicated	4.4	1.75	245,000
Kulumadau	Inferred	8.6	1.4	375,000
Kulumadau	Totals	18.0	1.6	910,000
Busai	Measured	3.9	1.54	190,000
Busai	Indicated	10.4	1.4	480,000
Busai	Inferred	8.8	1.3	370,000
Busai	Total	23.1	1.4	1,040,000
Boniavat	Indicated	3.0	1.2	115,000
Boniavat	Inferred	1.0	1.8	60,000
Boniavat	Total	4.0	1.4	175,000
All	Measured	8.9	1.67	480,000
All	Indicated	17.8	1.5	840,000
All	Inferred	18.5	1.4	800,000
<b>Totals*</b>		<b>45.1</b>	<b>1.5</b>	<b>2,120,000</b>

Note 1: Totals may appear incorrect due to rounding

Note 2: The Busai Indicated Resource includes 0.4Mt @ 1.4/t Au for 20,000oz from overlying alluvial mineralisation.

Note 3: The Busai Inferred Resource includes 0.4Mt @ 1.2/t Au for 15,000oz from overlying alluvial mineralisation and 3.9Mt @ 0.9g/t Au for 110,000oz from Munasi (2km southeast of Busai).

Note 4: The Boniavat Inferred Resource includes 0.3Mt @ 3.0g/t for 30,000oz Au from Watou (1.5km south of Woodlark King).

Note 5: All Resources based on a 0.5g/t gold cut-off grade

Note 6: There have been no material changes to the reported Resources from what was previously reported under the 2004 JORC code

**Table 2**

**Woodlark Island Gold Project Ore Reserves**  
 Report as per JORC2004  
 As of July 2012 at variable lower cutoffs

Totals may appear incorrect due to rounding

Deposit	Proved			Probable			Total		
	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces
Busai	3,283,000	2.2	233,000	2,811,000	1.9	175,000	6,094,000	2.1	408,000
Kulumadau	3,144,000	2.2	223,000	751,000	2.4	59,000	3,863,000	2.3	282,000
Woodlark King				704,000	1.7	39,000	704,000	1.7	39,000
Kulumadau East				330,000	3.7	37,000	330,000	3.7	37,000
<b>Total</b>	<b>6,427,000</b>	<b>2.2</b>	<b>456,000</b>	<b>4,596,000</b>	<b>2.1</b>	<b>310,000</b>	<b>10,991,000</b>	<b>2.2</b>	<b>766,000</b>

The information in the tables above was prepared and first disclosed under the JORC Code 2004 by Kula Gold Ltd. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.