GEOPACIFIC RESOURCES LIMITED

ACN 003 208 393

NOTICE OF GENERAL MEETING

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EXPLANATORY STATEMENT

For the meeting to be held at 10.00 am (WST), Tuesday, 25 June 2019

At Level 1, 278 Stirling Highway Claremont Western Australia

An Independent Expert's Report is attached to this Notice of General Meeting at Annexure A. The report concludes that the transaction which is the subject of Resolution 1 in this Notice of Meeting is **fair and reasonable** to the Company's non-associated Shareholders, for the reasons set out in the report.

This Notice of General Meeting and Explanatory Statement should be read in its entirety. If Shareholders are in doubt as to how to vote, they should seek advice from their professional advisor without delay.

Should you wish to discuss the matters in this Notice of General Meeting and Explanatory Statement, please do not hesitate to contact the Company Secretary on + 61 8 6143 1823.

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CRITICAL DATES FOR SHAREHOLDERS

Event	Date
Snapshot date for eligibility to vote at General Meeting	5.00 pm (WST) on Sunday, 23 June 2019
Cut off for lodging Proxy Form for General Meeting	5.00 pm (WST) on Sunday, 23 June 2019
Hold General Meeting	Tuesday, 25 June 2019
Hold Kula general meeting	Tuesday, 25 June 2019
Buy-back and cancellation of Kula Share Interest	Thursday, 27 June 2019
Completion of the Proposed Transaction	Tuesday 2 July 2019
Issue of Consideration Shares	Tuesday, 2 July 2019
Expected date of commencement of trading of Consideration Shares on ASX	Thursday, 9 July 2019

The above dates are indicative only and may change without notice.

NOTICE OF GENERAL MEETING

Notice is hereby given that a General Meeting of Geopacific Resources Limited (**Geopacific** or **Company**) Shareholders will be convened at 10.00am (WST) on Tuesday, 25 June 2019 at Level 1, 278 Stirling Highway, Claremont Western Australia.

Terms used in this Notice of General Meeting and accompanying Explanatory Statement are defined in the glossary to this document.

The Explanatory Statement which accompanies and forms part of this Notice of General Meeting describes the matters to be considered at the General Meeting.

BUSINESS

Resolution 1 – Approval of the Proposed Transaction

To consider, and if thought fit, to pass, with or without modification, the following resolution as an **ordinary resolution**:

"That, for the purposes of:

(a) Listing Rules 10.1 and all other purposes, approval be and is hereby given for the Company to acquire the Woodlark Project Interest from Kula Gold Limited;

(b) Listing Rules 10.1 and all other purposes, approval be and is hereby given for the Company to dispose of the Kula Share Interest; and

(c) Listing Rule 10.11 and for all other purposes, approval be and is hereby given for the Company to issue 150,000,000 Shares to Kula Gold Limited,

for the purpose and on the terms and conditions set out in the Explanatory Statement accompanying this Notice."

Voting exclusion: The Company will disregard any votes cast in favour of Resolution 1 by or on behalf of a party to the Proposed Transaction, any person who may participate in the proposed issue and any person who might obtain a benefit (except a benefit solely in the capacity of a holder of ordinary securities) if the Resolution is passed and any Associate of those persons. However, the Company will not disregard any votes cast on Resolution 1 by such person if:

(a) the person is acting as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or

(b) the person is the Chair of the Meeting acting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Independent Expert's Report: Shareholders should carefully consider the Independent Expert's Report prepared by Stantons International Securities Pty Ltd for the purpose of shareholder approval required under Listing Rule 10.1 for this Resolution 1. The Independent Expert's Report comments on the fairness and reasonableness to the non-associated Shareholders of the Proposed Transaction. The Independent Expert has determined that the matters which this Resolution 1 is seeking approval for are **fair and reasonable** to the non-associated Shareholders of the Company.

Resolution 2 – Approval for Kula to issue to Kula Shares to Mr Mark Bojanjac

To consider, and if thought fit, to pass, with or without modification, the following resolution as an **ordinary resolution**:

"That, subject to the passing of Resolution 1, for the purpose of section 208 of the Corporations Act and for all other purposes, approval be and is hereby given for Kula Gold Limited to issue of 2,500,000 Kula Shares to Mr Mark Bojanjac (or his nominee), for the purpose and on the terms set out in the Explanatory Statement accompanying this Notice."

Voting exclusion: The Company will disregard any votes cast in favour of Resolution 2 by or on behalf of Mr Mark Bojanjac, a person who is to receive securities in relation to the Company, and any Associate of those persons. However, the Company will not disregard any votes cast on Resolution 2 by such person if:

(a) it is cast by a person as a proxy, appointed in writing that specifies how the Proxy is to vote on the Resolution, for a person who is entitled to vote, and it is not cast on behalf of Mr Mark Bojanjac and any associate of Mr Mark Bojanjac; or

(b) it is cast by a person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

A vote must not be cast on this Resolution by a member of the Key Management Personnel, or a closely related party of a Key Management Personnel, acting as proxy if their appointment does not specify the way the proxy is to vote on this Resolution. However, the Company will not disregard any proxy votes cast on that Resolution by a Key Management Personnel if the Key

Management Personnel is the chairman of the Meeting acting as proxy and their appointment expressly authorised the proxy even though the Resolution is connected with the remuneration of the Key Management Personnel for the Company.

Where the Chair is the related party the subject of the Resolution or is an associate of the related party, the Chair cannot cast undirected proxies in respect of the Resolution.

GENERAL NOTES

The Explanatory Statement to Shareholders attached to this Notice of General Meeting is hereby incorporated into and forms part of this Notice of General Meeting.

Voting by Proxy

A Shareholder entitled to attend and vote at the Meeting is entitled to appoint not more than 2 proxies.

Where more than 1 proxy is appointed, each proxy may be appointed to represent a specified number or proportion of votes. If no such number or proportion is specified, each proxy may exercise half of the Shareholder's votes. A proxy does not have to be a Shareholder of the Company.

Shareholders are encouraged to consider how they wish to direct their proxies to vote.

The Proxy Form must be signed by the Shareholder or his or her attorney in accordance with the directions on the Proxy Form. To be valid the Proxy Form and the power of attorney or other authority (if any) under which it is signed (or an attested copy) must be received by the Company at the address listed below not later than 5.00pm (WST) on Sunday, 23 June 2019.

The Proxy Form can be lodged with the Company at the following addresses:

Company
Geopacific Resources Limited
PO Box 439 Claremont
Western Australia 6910
info@geopacific.com.au

To be valid the Proxy Form must be received by no later than 5.00pm (WST) Sunday, 23 June 2019. Proxy Forms **received after this date will be invalid.**

A company wishing to appoint a person to act as its representative at the Meeting must provide the person with:

- a letter or certificate executed in accordance with the Corporations Act authorising that person as the corporate Shareholder's representative at the Meeting; or
- a copy of the resolution appointing that person as the corporate Shareholder's representative at the Meeting, certified by a secretary or director of the corporate shareholder.

Sections 250BB and 250BC of the *Corporations Act 2001* came into effect on 1 August 2011 and apply to voting by proxy on or after that date. Shareholders and their proxies should be aware of these changes to the *Corporations Act*, as they will apply to this General Meeting. Broadly, the changes mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chairman of the Meeting, who must vote the proxies as directed.

Proxy vote if appointment specifies way to vote

Section 250BB (1) of the *Corporations Act 2001* provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does**:

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (as directed); and
- if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (as directed).

Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the *Corporations Act 2001* provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and

either of the following applies:

- the proxy is not recorded as attending the meeting; or
- the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

The Chairman of the Meeting intends to vote undirected proxies that are able to be voted, in favour of all of the Resolutions.

The Directors have determined in accordance with Regulation 7.11.37 of the *Corporations Regulations* that, for the purposes of voting at the Meeting, Shares will be taken to be held by the registered holders at 5.00 pm (WST) on Sunday 23 June 2019.

BY ORDER OF THE BOARD

Matthew Smith
Company Secretary

21 May 2019

EXPLANATORY STATEMENT

The purpose of the Explanatory Statement is to provide Shareholders with information concerning the Resolutions in the Notice of General Meeting.

This Explanatory Statement should be read in conjunction with the Notice of General Meeting preceding this Explanatory Statement. In particular, it is important that you consider the views of the Independent Expert set out in the Independent Expert's Report contained in Annexure A to this Explanatory Statement. Capitalised terms in this Explanatory Statement are defined in the glossary to this document.

All of the proposed resolutions relate in some way (directly or indirectly) to the proposed acquisition by the Company of the Woodlark Project Interest (**Proposed Transaction**). A summary of the Proposed Transaction and the effect of the transactions on holders of existing Shares, is set out in Section 1.

Each Resolution is conditional on the other Resolutions being passed, meaning that in order for any Resolution to have effect, all other Resolutions must also be passed by Shareholders.

Accordingly, if any Resolution one is not passed, none of the Resolutions will be able to take effect. In that event the Proposed Transaction will not proceed and the Company will continue with its current activities.

If you have any questions regarding the matters set out in this Explanatory Statement or the preceding Notice of General Meeting, please contact the Company Secretary, your stockbroker or other professional adviser.

1. Details of the Proposed Transaction

1.1 Background

Under the current arrangements with Kula Gold (**Kula**), the Company has the right to earn up to an 80% interest in the Woodlark Gold Project in three stages. As at the date of this Notice of Meeting, Geopacific has completed two of three earn-in stages, resulting in Geopacific currently holding a legal interest of 51% with the right to increase to a 60% interest.

In addition, the Company currently holds a relevant interest in 85.01% of the share capital of Kula as a result of an off-market takeover bid for Kula that completed on 13 October 2017.

As announced on 8 March 2019, Geopacific entered into a binding term sheet (**Terms Sheet**) with Kula in respect of a proposed acquisition of Kula's 40% interest in the Woodlark Gold Project (**Woodlark Project Interest**) in consideration for:

(a) the cancellation by way of a selective buy-back of Geopacific's 85.01% interest in Kula (**Kula Share Interest**). Approval for this part of the consideration is the subject of Resolution 1(b);

(b) subject to the selective buy-back of the Kula Share Interest, the issue of 150 million Shares to be distributed in-specie to Kula's shareholders (other than Geopacific) (**Consideration Shares**). Approval for this part of the consideration is the subject of Resolution 1(c);

(c) the payment by Geopacific to Kula of an amount equal to the amount, as at Completion, of the intercompany debt between Geopacific, as lender, and Kula, as borrower (**Geopacific Debt**) to be applied at Completion against the Geopacific Debt;

(d) the payment by Geopacific to Kula of an additional $20,000 in cash; and

(e) an assignment by Kula to Geopacific of the full value of any receivable owing by Woodlark Mining Limited to Kula,

(**Proposed Transaction**). ASX has provided Geopacific with a waiver from ASX Listing Rule 10.7 to permit Geopacific to pay the above consideration for the Woodlark Project Interest. Accordingly, the Consideration Shares will not be restricted from being traded on ASX.

The obligations under the Terms Sheet are subject to a number of conditions precedent, including:

(a) Kula obtaining all shareholder, regulatory and other approvals necessary for the disposal of the Woodlark Project Interest and the transactions contemplated by the Terms Sheet;

(b) Kula obtaining shareholder approval for the distribution in specie of all of the Consideration Shares to its shareholders on a pro rata basis;

(c) Geopacific obtaining all shareholder, regulatory and other approvals necessary for the purchase of the Woodlark Project Interest and the transactions contemplated by the Terms Sheet; and

(d) there being no material adverse change to the Woodlark Project Interest or their value, as determined by Geopacific, acting reasonably.

Under the Terms Sheet, Kula has also agreed to issue, subject to any shareholder or other approvals required under the ASX Listing Rules or the Corporations Act, 2,500,000 fully paid ordinary shares in Kula (**Kula Shares**) to Mr Mark Bojanjac. Approval for the issue of these Kula Shares is the subject of Resolution 2.

The purpose of the Resolutions is to obtain Shareholder approval in respect of the Proposed Transaction to satisfy the conditions precedent described in paragraph (c) above.

1.2 Rationale for the Proposed Transaction

The Directors believe that acquiring a 100% direct interest in the Woodlark Gold Project via the Proposed Transaction will provide for a simplified ownership structure, representing a positive step in the project's development pathway. The Proposed Transaction is expected to enhance the project's attractiveness to potential financiers, significantly reduce corporate costs and ultimately provide shareholders with potentially greater returns than that are currently available to them.

1.3 Impact of the Proposed Transaction on the Company

If the acquisition of the Woodlark Project Interest is approved by Shareholders and proceeds it will have an effect of the Company holding a 100% interest in the Woodlark Gold Project. It will also have an effect on the total assets and capital structure of the Company. Further details of these effects are set out below.

(a) **Pro forma balance sheet**

A pro-forma consolidated balance sheet for the Company is set out below and shows the impact on the financial position of the Company after completion of the Proposed Transaction, on the assumptions set out in the notes to the pro-forma balance sheet, as if they had occurred on 31 March 2019.

	Audited 31 December 2018 $	Cash spend to 31 March 2019 $	GPR Share Placement $	Acquisition of Kula's 40% interest in Woodlark $	Deconsolidation of Kula $	Transaction Completion $
Current Assets						
Cash and cash equivalents	3,059,221	(1,302,635)[1]	4,005,000[2]	(20,000)[4]	(8,014)	**5,733,572**
Trade and other receivables	316,617	-	-	-	(10,976)	**305,641**
Available for sale financial assets	149,388	-	-	-	-	**149,388**
Inventory	242,771	-	-	-	-	**242,771**
Total Current Assets	**3,767,997**	**(1,302,635)**	**4,005,000**	**(20,000)**	**(18,990)**	**6,431,372**
Non-Current Assets						
Trade and other receivables	-	-	-	-	-	**-**
Exploration and evaluation expenditure	37,494,025	751,285[1]	-	-	-	**38,245,310**
Prepayment	-	-	-	-	-	**-**
Plant and equipment	841,611	-	-	-	(1,783)[6]	**839,828**
Total Non-Current Assets	**38,335,636**	**751,285**	**-**	**-**	**(1,783)**	**39,085,138**
TOTAL ASSETS	**42,103,633**	**(551,350)**	**4,005,000**	**(20,000)**	**(20,773)**	**45,516,510**
Current Liabilities						
Trade and other payables	(3,236,829)	-	-	-	2,403[6]	**(3,234,426)**
Provisions	(135,569)	-	-	-	29,861[6]	**(105,708)**
Total Current Liabilities	**(3,372,398)**	**-**	**-**	**-**	**32,264**	**(3,340,134)**
Non-Current Liabilities						
Deferred tax liabilities	-	-	-	-	-	**-**
Trade and other payables	(3,852,972)	-	-	-	-	**(3,852,972)**

Provisions	(192,548)	-	-	-	-	**(192,548)**
Total Non-Current Liabilities	**(4,045,520)**	-	-	-	-	**(4,045,520)**
TOTAL LIABILITIES	**(7,417,918)**	**-**	**-**	**-**	**32,264**	**(7,385,654)**
NET ASSETS	**34,685,715**	**(551,350)**	**4,005,000**	**(20,000)**	**11,491**	**38,130,856**
Equity						
Issued capital	104,116,108	-	4,005,000[2]	2,550,000[3]	-	**110,671,108**
Reserves	5,790,853	-	-	(1,729,703)[5]	11,491[6]	**4,072,641**
Accumulated losses	(76,061,543)	(551,350)[1]	-	-	-	**(76,612,893)**
Total Equity Attributable to Equity Holders	**33,845,418**	**(551,350)**	**4,005,000**	**820,297**	**11,491**	**38,130,856**
Non-controlling interest	840,297	-	-	(840,297)[5]	-	**-**
TOTAL EQUITY	**34,685,715**	**(551,350)**	**4,005,000**	**(20,000)**	**11,491**	**38,130,856**

Notes: The above table reflects the following matters:

1. the cash spent by the Company during the March 2019 quarter across exploration expenditure and other working capital;
2. the impact of the proceeds (net of costs) from the placement of 510,000,000 Shares to sophisticated and professional investors on 5 April 2019.
3. the estimated value of the proposed issue of 150,000,000 Shares to Kula pursuant to the terms of the Proposed Transaction at a deemed issue price of $0.017 per share. The exact value recorded will ultimately be determined at the date of closing the Proposed Transaction.
4. the proposed payment of $20,000 to Kula pursuant to the terms of the Proposed Transaction.
5. the proposed reduction of the non-controlling interest and other equity reserve relating to Kula and Woodlark Mining Limited being reduced to nil pursuant to the terms of the Proposed Transaction.
6. the estimated value of the proposed elimination of the assets and liabilities of Kula on deconsolidation pursuant to the terms of the Proposed Transaction. The exact value recorded will ultimately be determined at the date of closing the Proposed Transaction.

(b) **Capital structure**

The Proposed Transaction will have the effect of increasing the number of Shares on issue from 2,591,907,130 to 2,741,907,130. The number of Options and share appreciation rights on issue will not be affected.

(c) **Substantial shareholders**

The Proposed Transaction is not expected to have any material effect on the substantial shareholders of the Company.

1.4 Advantages of the Proposed Transaction

Shareholders should consider the various advantages set out below in assessing the impact of the Proposed Transaction on the Company. The Directors are of the view that the following non-exhaustive list of advantages may be relevant to a Shareholder's decision on how to vote on the Proposed Transaction:

(a) the acquisition of the Woodlark Project Interest will provide a simplified, consolidated ownership structure which will improve the Company's ability to raise project financing and significantly reduce corporate costs;

(b) the Company will be able to focus and make decisions regarding the Woodlark Gold Project without the need to consult a joint venture partner[1];

(c) reduce the Company's indirect exposure to Kula's corporate overhead costs through its 85% shareholding in Kula;

(d) the Proposed Transaction will result in the termination of the joint venture arrangement between Kula and the Company, which will in turn reduce the risk of future disputes between the companies in relation to the Woodlark Gold Project; and

(e) the scrip nature of the majority of the consideration payable under the Proposed Transaction will conserve the Company's cash reserves, thereby allowing it to deploy its cash into development of the Woodlark Gold Project.

[1] Other than the Papua New Guinea government who have previously indicated an intention to acquire a 5% interest in the Woodlark Gold Project.

1.5 Disadvantages of the Proposed Transaction

Shareholders should also consider the various disadvantages set out below in assessing the impact of the Proposed Transaction on the Company. The Directors are of the view that the following non-exhaustive list of disadvantages may be relevant to a Shareholder's decision on how to vote on the Proposed Transaction:

(a) the acquisition of the Woodlark Project Interest will result in Geopacific funding 100% of the operating costs of the Woodlark Gold Project (without the support of Kula) and increase the Company's exposure to a project which may not be successful;

(b) the issue of the Consideration Shares to Kula shareholders (other than the Company) will result in dilution to existing Shareholders; and

(c) the Proposed Transaction will extinguish the Geopacific Debt currently owing to the Company.

1.6 Implications if the Proposed Transaction does not proceed

If the Proposed Transaction does not proceed the Company's direct interest in the Woodlark Gold Project will remain at 60%, the joint venture arrangements with Kula will remain and the Company will continue to hold an 85% interest in Kula.

Going forward, the Company is likely to have to continue providing funds to Kula (to enable Kula to meet its operating costs) and all decisions relating to development of the Woodlark Gold Project (including obtaining project financing) will need to made in consultation with Kula.

1.7 Intentions following completion of the Proposed Transaction

If the Proposed Transaction completes, the Company proposes to continue to progress its development of the Woodlark Gold Project, including to continue discussions with potential project financiers (in light of the simplified ownership structure) and to take advantage of the strengthening gold price.

1.8 Indicative Timetable

Subject to the Listing Rules and Corporations Act requirements, the Company anticipates completion of the Proposed Transaction in accordance with the timetable set out on page 1 of this Notice of Meeting.

1.9 Board Recommendation

At the date of this Notice of Meeting, none of the Directors have an interest (whether direct or indirect) in the securities of Kula.

The Directors recommend that Shareholders vote in favour of Resolution 1 for the reasons outlined in Sections 1.2 and 1.4 above.

1.10 Voting

A voting exclusion applies to Resolution 1 on the terms set out in the Notice of Meeting. Shareholders are urged to carefully read the Proxy Form and provide a direction to the proxy on how to vote on this Resolution.

2. Resolution 1(a) – Approval to acquire the Woodlark Project Interest

2.1 Reasons for requiring Shareholder approval

As stated in Section 1.1 above, the Proposed Transaction is subject to various conditions precedent including a condition that the Company obtain all shareholder, regulatory and other approvals necessary for the purchase of the Woodlark Project Interest and the transactions contemplated by the Terms Sheet.

ASX Listing Rule 10.1 provides that an entity must not acquire a substantial asset from, or dispose of a substantial asset to, inter alia, a child entity without the approval of holders of the entity's ordinary securities. ASX Listing Rule 10.10 provides that the notice of meeting that seeks approval must include a voting exclusion statement under which a party to the transaction and its associates must not vote and an independent expert's report which states whether the transaction is fair and reasonable to holders of the entity's ordinary securities whose votes are not to be disregarded.

An asset is substantial if its value, or the consideration for it is, or in ASX's opinion is, 5% or more of the equity interests of the company as set out in the latest accounts given to ASX under the ASX Listing Rules.

Based on the Company's annual financial report for the financial-year ended 31 December 2018 lodged with ASX on 29 April 2019, the Company's equity interests were $34,685,715. As a result, an asset is "substantial" if

it is valued at $4,181,697 or more. Pursuant to section 8.2.2 of the Independent Expert's Report (attached at Annexure A), the Independent Expert has valued the Woodlark Project Interest at between $24.50 million and $36.36 million (with a preferred value of $30.06 million), representing between 70.6% and 104.8% (with a preferred value representing 86.7%) of the Company's equity interests. Accordingly, the Woodlark Project Interest to be acquired from Kula under the Proposed Transaction is a substantial asset for the purposes of the ASX Listing Rules.

For the purposes of ASX Listing Rule 10.1, Kula is a child entity of Geopacific, due to the fact that Geopacific has a Relevant Interest in 85.01% of all ordinary shares in the capital of Kula.

Accordingly, Shareholder approval is being sought for the purposes of ASX Listing Rule 10.1 for the acquisition of the Woodlark Project Interest from Kula.

2.2 Independent Expert's Report

Accompanying this Explanatory Statement is an independent expert's report at Annexure A prepared by the Independent Expert, as required by ASX Listing Rule 10.10. That report concludes that the Proposed Transaction, including the acquisition of the Woodlark Project Interest from Kula under the terms of the Terms Sheet is **fair and reasonable** to the non-associated Shareholders.

3. Resolution 1(b) – Approval to dispose of the Kula Share Interest

3.1 Reasons for requiring Shareholder approval

As noted in Section 1.1 above, part of the consideration payable under the Proposed Transaction is a selective buy-back of the Kula Share Interest. The parties intend to enter into a share buy-back agreement under which Kula will buy back all of the 319,363,449 fully paid ordinary shares in Kula currently held by Geopacific at Completion.

The selective buy-back of the Kula Share Interest is conditional upon the Company obtaining Shareholder approval.

ASX Listing Rule 10.1 provides that an entity must not acquire a substantial asset from, or dispose of a substantial asset to, inter alia, a child entity without the approval of holders of the entity's ordinary securities. ASX Listing Rule 10.10 provides that the notice of meeting that seeks approval must include a voting exclusion statement under which a party to the transaction and its associates must not vote and an independent expert's report which states whether the transaction is fair and reasonable to holders of the entity's ordinary securities whose votes are not to be disregarded.

Pursuant to Listing Rule 10.1, approval is being sought from Shareholders for Resolution 1(b) as:

(a) Kula is a child entity of the Company due to the fact that the Company holds 85.01% of the issued capital of Kula (being the Kula Share Interest); and

(b) the Kula Share Interest is a "substantial asset" because the value attributed by the Company to the Kula Share Interest exceeds 5% of the Company's equity interests (as at 30 June 2018) and the Company is proposing to dispose of the Kula Share Interest. The Kula Share Interest has been valued at between $20.41 million and $30.50 million (with a preferred value of $25.13 million) by the Independent Expert.

3.2 Independent Expert's Report

Accompanying this Explanatory Statement is an independent expert's report at Annexure A prepared by the Independent Expert, as required by ASX Listing Rule 10.10. The Independent Expert's Report addresses the requirements of Listing Rule 10.1 and concludes that the Proposed Transaction, including the disposal of the Kula Share Interest by the Company on the terms and conditions of the Terms Sheet is **fair and reasonable** to the Shareholders of the Company who are entitled to vote on the resolution.

4. Resolution 1(c) – Approval to issue the Consideration Shares

4.1 Reasons for requiring Shareholder approval

In accordance with the Terms Sheet, the Company proposes to issue 150,000,000 Shares to Kula as part consideration for the acquisition of the Woodlark Project Interest.

Listing Rule 10.11 provides that, unless a specified exception applies, a company must not issue or agree to issue securities to a related party or a person whose relationship with the entity is in ASX's opinion, such that

approval should be obtained, without the approval of ordinary shareholders. ASX has notified the Company that Kula is a person to which approval under Listing Rule 10.11 is required.

As such, Shareholder approval is sought under Listing Rule 10.11 to permit the issue of the Consideration Shares. As Shareholder approval is being sought under Listing Rule 10.11, approval is not also required under Listing Rule 7.1.

The Shares issued, for which approval is sought under Resolution 1(c), comprise 5.65% of the Company's fully diluted issued capital (based on the number of Shares and Options on issue as at the date of this Notice of General Meeting).

4.2 Information required under Listing Rule 10.13

In compliance with the information requirements of Listing Rule 10.13, Shareholders are advised of the following information:

(a) **Name of person to receive securities**

The Shares will be issued to Kula Gold. Under the terms of the Terms Sheet and subject to Kula obtaining shareholder approval, the Shares will be distributed in-specie to Kula's shareholders (other than Geopacific) on a pro rata basis.

(b) **Maximum number of securities to be issued**

The maximum number of Shares that may be acquired by Kula under Resolution 1(c) is 150,000,000.

(c) **Date of issue**

The Company anticipates that the Shares will be issued on or about 2 July 2019 and in any event not later than 1 month after the date of the General Meeting (or such later date as permitted by ASX waiver or modification of the Listing Rules).

(d) **Relationship with the Company**

The Shares are proposed to be issued to Kula Gold which is a subsidiary of the Company by virtue of the Company's interest in 85.01% of all Kula Shares.

(e) **Issue price**

The Shares will be issued as part consideration for the acquisition of the Woodlark Project Interest under the terms of the Terms Sheet.

(f) **Terms of issue**

The Shares will be fully paid ordinary shares in the capital of the Company on the same terms and conditions as the Company's existing Shares and rank equally in all respects with the existing Shares.

The Company will apply to ASX for official quotation of the Shares.

(g) **Intended use of the funds raised**

The Shares will be issued for nil cash consideration and accordingly no funds will be raised.

(h) **Voting exclusion statement**

A voting exclusion statement for Resolution 1 is included in the Notice of General Meeting preceding this Explanatory Statement.

5. Resolution 2 – Approval for Kula to issue Kula Shares to Mr Mark Bojanjac

5.1 Background

As noted in Section 1.1, as part of the Proposed Transaction, Kula has agreed to issue 2,500,000 Kula Shares to Mr Mark Bojanjac, a Director of the Company for or in lieu of the payment of consulting fees due for work involved in managing the Proposed Transaction.

5.2 Reasons for requiring Shareholder approval

Chapter 2E of the Corporations Act regulates the provision of "financial benefits" to "related parties" by a public company. Chapter 2E prohibits a public company or an entity controlled by a public company from giving a financial benefit to a related party of the public company unless either:

a) the giving of the financial benefit falls within one of the nominated exceptions to the provisions; or

b) prior shareholder approval is obtained to the giving of the financial benefit.

Geopacific currently hold an 85.01% interest in Kula. As such, Kula is an entity controlled by Geopacific.

A "related party" is widely defined under the Corporations Act, and includes the directors of the company. As such, the Directors of Geopacific are related parties of the Company for the purposes of Section 208 of the Corporations Act.

A "financial benefit" is construed widely and in determining whether a financial benefit is being given, Section 229 of the Corporations Act requires that any consideration that is given is disregarded, even if the consideration is adequate. It is necessary to look at the economic and commercial substance and the effect of the transaction in determining the financial benefit. Section 229 of the Corporations Act includes as an example of a financial benefit, the issuing of securities or the granting of an option to a related party.

Accordingly, the issue of Kula Shares by Kula to Mr Mark Bojanjac under Resolution 2 constitutes the provision of a financial benefit to a related party.

5.3 Specific information for the purposes of Resolution 2

In compliance with the information requirements of Section 219 of the Corporations Act, Shareholders are advised of the information below. Neither the Directors nor the Company are aware of any other information that would be reasonably required by Shareholders to make a decision in relation to the financial benefits contemplated by this Resolution 2.

a) **Identity of the related party to whom Resolution 2 permits financial benefits to be given.**

The Kula Shares are proposed to be issued to Mr Mark Bojanjac (or his nominee). Mr Mark Bojanjac is a Director of Geopacific and is, as such, a related party of the Company.

b) **Nature of the financial benefit**

Resolution 2 seeks approval from Shareholders to allow Kula to issue the 2,500,000 Kula Shares to Mr Mark Bojanjac (or his nominee) in accordance with the terms of the Terms Sheet.

The Kula Shares to be issued will be fully paid ordinary shares in the capital of Kula on the same terms and conditions as Kula's existing shares and will rank equally in all respects with all existing Kula Shares. Application for official quotation of the Kula Shares on ASX will be sought.

c) **Valuation of financial benefit**

The valuation of the Kula Shares to be issued under Resolution 2, based on the last trading price for the Kula Shares before the date of this Notice of Meeting of $0.024 is $60,000.

The trading history of the Kula Shares on ASX in the 12 months before the date of this Notice of Meeting is set out below:

	Price	Date
Highest closing price	$0.028	29 April 2019– 3 May 2019
Lowest closing price	$0.015	15 & 20 August 2018
Last closing price	$0.024	14 May 2019

d) **Dilution**

The issue of the Kula Shares will in aggregate be equal to approximately:

i) 3.94% of Kula's fully-diluted share capital (based on the number of Kula Shares and options[2] on issue as at the date of this Notice of General Meeting and assuming Completion of the Proposed Transaction), resulting in a total of 63,410,579 Kula securities on issue; and

ii) 4.25% of Kula's undiluted share capital (based on the number of Kula Shares on issue as at the date of this Notice of General Meeting and assuming Completion of the Proposed Transaction), resulting in a total of 58,794,579 Kula Shares on issue.

e) **Interests of Mr Mark Bojanjac in the Company and Kula**

As at the date of this Notice of General Meeting, Mr Mark Bojanjac has an interest in 3,416,666 Shares in the Company.

Mr Bojanjac does not have any direct or indirect interests in securities of Kula as at the date of this Notice of General Meeting. However, if the Resolutions are passed and the Proposed Transaction completes, Mr Bojanjac will have a voting power in Kula equal to 4.25%.

f) **Remuneration of Mr Mark Bojanjac**

For the year ended 31 December 2018, Mr Mark Bojanjac (including his related entities) received a total remuneration amount of $109,500[3] in connection with this role as director of both the Company and Kula. The Company expects the total remuneration for Mr Bojanjac for the year ended 31 December 2019 to be similar to the previous financial year.

5.4 Board Recommendation

The Directors (other than Mr Bojanjac) do not consider that from an economic and commercial point of view, there are any costs or detriments, including opportunity costs or taxation consequences for the Company or benefits foregone by the Company in granting the Shares to Mr Mark Bojanjac pursuant to this Resolution 2.

The Directors (other than Mr Bojanjac who has a material personal interest in the outcome of Resolution 2) recommend that Shareholders vote in favour of Resolution 2 on the basis that the grant of the Shares will allow the Company to adequately reward and incentivise Mr Bojanjac whilst preserving the Company's limited cash reserves.

Mr Bojanjac has a material personal interest in the outcome of Resolution 2 and accordingly does not make a voting recommendation to Shareholders.

[2] As at the date of this Notice of Meeting, the Company has a total of 4,616,000 Options on issue.
[3] Comprising $65,700 in connection with his role as director of the Company and $43,800 in connection with his role as director of Kula.

GLOSSARY

In the Notice of Meeting and Explanatory Statement, the following terms have the following meanings unless the context otherwise requires:

Associate	has the meaning given to that term in the ASX Listing Rules.
ASX	ASX Limited or the securities market operated by ASX Limited, as the context requires.
Board	board of Directors.
Chair or **Chairman**	chair of the General Meeting.
Company or **Geopacific**	Geopacific Resources Limited ACN 003 208 393.
Completion	completion of the Proposed Transaction in accordance with the Terms Sheet.
Consideration Shares	has the meaning given to that term in Section 1.1.
Corporations Act	*Corporations Act 2001* (Cth).
Director	director of the Company.
Equity Securities	has the meaning given to that term in the Listing Rules.
Explanatory Statement	the explanatory statement that accompanies this Notice of General Meeting.
Geopacific Debt	has the meaning given to that term in Section 1.1(c).
Independent Expert	Stantons International Securities Pty Ltd.
Independent Expert's Report	the report set out in Annexure A.
Key Management Personnel	key management personnel of the Company (as defined in Section 9 of the Corporations Act).
Kula	Kula Gold Limited ACN 126 741 259.
Kula Shares	fully paid ordinary shares in the capital of Kula.
Kula Share Interest	has the meaning given to that term in Section 1.1, being the Kula Shares held by the Company as at the date of this Notice of Meeting.
Listing Rules or **ASX Listing Rules**	official listing rules of the ASX.
Meeting or General Meeting	the General Meeting convened by this Notice of General Meeting;
Notice, Notice of General Meeting or **Notice of Meeting**	this notice of General Meeting.
Option	option to subscribe for a Share.
Proposed Transaction	the transaction described in Section 1.1.
Proxy Form	the proxy form enclosed with this Notice of General Meeting;

Resolution	resolution contained in this Notice of General Meeting.
Section	A section to the Explanatory Statement.
Share	fully paid ordinary share in the capital of the Company.
Shareholder	holder of one or more shares in the Company.
Terms Sheet	has the meaning given to that term in Section 1.1.
Woodlark Project Interest	has the meaning given to that term in Section 1.1.
WST	Australian Western Standard Time.

ANNEXURE A – INDEPENDENT EXPERT'S REPORT

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20 May 2019

The Independent Directors
Geopacific Resources Limited
Level 1, 278 Stirling Hwy
Claremont WA 6010

Dear Sirs

RE: GEOPACIFIC RESOURCES LIMITED ("GEOPACIFIC" OR THE "COMPANY") - INDEPENDENT EXPERT'S REPORT RELATING TO AN OWNERSHIP RESTRUCTURE OF THE WOODLARK PROJECT INVOLVING KULA GOLD LIMITED ("KULA")

Summary of Opinion

After taking into account all of the factors noted in this report, we are of the opinion that as at the date of this report, the proposed Transaction is **fair and reasonable** for the non-associated shareholders of Geopacific.

1. BACKGROUND

1.1 We have been requested by the independent directors of Geopacific to prepare an Independent Expert's Report ("**IER**") to determine whether a combination of proposed transactions (described in Section 1.3 below) involving Kula is fair and reasonable to the shareholders of Geopacific eligible to vote to approve the transactions (the "**Non-Associated Shareholders**").

1.2 Geopacific and Kula, both Australian companies listed on the Australian Securities Exchange ("**ASX**"), currently have a number of commercial relationships with each other as follows.

- Geopacific currently holds approximately 85% of the ordinary shares of Kula (as a result of an off market takeover bid in October 2017).
- Geopacific and Kula are in a joint venture involving the Woodlark gold project (the "**Woodlark JV**" or "**Woodlark**"). The ownership structure of Woodlark is described in detail in Section 5.1. Our analysis assumes that Geopacific has a 60% interest in the Woodlark JV, with Kula holding a 40% interest.
- Geopacific has loaned funds to Kula to fund Kula's operating costs (the "**Kula Loan**"). Kula currently owes Geopacific $588,234 (this amount is likely to vary slightly for Kula's operating costs between the date of this report and the transaction settlement date).

1.3 The proposed series of transactions aims to simplify the ownership structure of the Woodlark JV, and between the two companies, and will involve:

a) Kula transferring all of its interests in the Woodlark JV to Geopacific, including loans provided by Kula to the joint venture company (totalling approximately 17,061,229 PNG Kina or the equivalent of approximately A$7,100,000) and its equity interest;

b) Geopacific providing cash funds to Kula for the purpose of Kula repaying the Kula Loan. This amount will be the current balance of $588,234 plus any increase in the loan balance between 3 May 2019 and settlement of the transaction;

c) Geopacific providing additional cash funds to Kula of $20,000;

d) Kula conducting a selective buyback of all Kula shares held by Geopacific (for nil consideration other than as described elsewhere); and

e) Geopacific issuing 150,000,000 shares in Geopacific to Kula, which will be distributed to Kula shareholders (other than Geopacific) via an in-specie distribution.

Collectively the above items, which have an impact on Geopacific shareholders, are referred to as the "**Transaction**".

We note the ownership restructure also involves the following (which relate to Kula and have no direct effect on Geopacific):

a) Kula will issue 2,500,000 Kula shares to Mark Bojanjac (for services provided in relation to the Transaction); and

b) all other Geopacific nominee directors will resign from the Kula board.

1.4 ASX Listing Rule 10.1 provides that a listed company may not acquire or sell a substantial asset to a related party without shareholder approval. As Geopacific currently holds approximately 85% of Kula, Kula is a related party of Geopacific.

1.5 Under Listing Rule 10.2, an asset is substantial if its value, or the value of the consideration for it, is 5% or more of the equity interests of the entity as set out in the latest accounts provided to the ASX. Furthermore:

- Kula's interest in the Woodlark JV is considered to be a substantial asset; and
- the disposal of an 85% interest in Kula is considered to be a substantial asset.

1.6 Geopacific intends to seek shareholder approval pursuant to Listing Rule 10.1. Furthermore, where shareholder approval is sought under Listing Rule 10.1, Listing Rule 10.10 requires that an IER is prepared to provide an opinion on whether the transaction is fair and reasonable to the shareholders who are not restricted from voting to approve the transaction (in Geopacific's case, the Non-Associated Shareholders).

1.7 Geopacific also intends to seek shareholder approval for the issue of 150,000,000 new shares in Geopacific under Listing Rule 7.1.

1.8 Shareholder approval will be sought at a general meeting of Geopacific shareholders. The Transaction will be referred to in the Notice of Meeting ('**Notice**") and the Explanatory Memorandum ("**EM**") attached to the Notice to be forwarded to shareholders. Our report has been prepared for inclusion with the Notice and EM to be sent to shareholders.

1.9 By way of summary our report includes the following sections.

- Background
- Summary of opinion
- Implications of the Transaction
- Summary of Geopacific
- Summary of Mineral Interests
- Summary of Kula
- Valuation methodology
- Value of Geopacific shares
- Value of Kula shares
- Consideration as to fairness
- Consideration as to reasonableness
- Conclusion on fairness and reasonableness
- Shareholders' decision
- Sources of information
- Author's Independence and Indemnity

2. SUMMARY OPINION

2.1 In determining the fairness and reasonableness of the Transaction to the Non-Associated Shareholders of Geopacific, we have had regard to the guidelines set out by ASIC in its *Regulatory Guide 111: Content of Expert Reports* ("**RG 111**"). RG 111 states that an opinion as to whether a transaction is fair and/or reasonable shall entail a comparison between the financial benefit to be provided to the entity, to the consideration being provided by the entity (fairness). Additionally, it should include an examination to determine whether there is justification for the transaction on qualitative grounds after reference to value (reasonableness). A transaction is "fair" if the total value of the consideration being received by a company is equal to or greater than the value of the consideration being paid. A transaction is "reasonable" if it is "fair", or where it is not fair, it may still be "reasonable" after considering other significant factors which support the transaction.

2.2 **After taking into account all of the factors noted in this report, we are of the opinion that the proposed Transaction is fair and reasonable to the Non-Associated Shareholders of Geopacific as at the date of this report.**

Our opinion should not be construed to represent a recommendation as to whether or not Geopacific shareholders should approve the Transaction. Shareholders who are uncertain as to the impact of approving the Transaction should seek separate advice from their financial adviser.

2.3 The opinion expressed above must be read in conjunction with the more detailed analysis and comments made in this report, including the independent technical valuation report prepared by Dunbar Resource Management (the "**Dunbar Report**") dated 6 May 2019, attached as Appendix B of this report.

3. IMPLICATIONS OF THE PROPOSED TRANSACTION

3.1 As at 8 May 2019, following a recent placement of 510,000,000 new shares, the equity capital structure of Geopacific was as follows.

Security	Number
Fully paid ordinary shares	2,591,907,130
Options exerciseable at $2.50 expiring 5 yrs after defining a JORC reserve on Faddy's Gold Deposit (Fiji asset)	800,000
Options exerciseable at $5.00 expiring 10 yrs after defining a JORC reserve on Faddy's Gold Deposit	200,000
Class A Plan Options, zero exercise price, expiry 10/7/19	17,188,778
Class B Plan Options, zero exercise price, expiry 10/7/21	24,265,874
Class C Plan Options, $0.0408 exercise price, expiry 10/7/23	20,218,500
Share Appreciation Rights expiry 10/7/22	22,365,070
Total securities on issue	**2,676,945,352**

3.2 Should the Transaction proceed, it will have the following effect on Geopacific's capital structure.

	Ordinary shares	%	Total securities on issue	%
Existing securities on issue	2,591,907,130	94.5%	2,676,945,352	94.7%
Additional issue to Kula shareholders	150,000,000	5.5%	150,000,000	5.3%
Post transaction	2,741,907,130	100.0%	2,826,945,352	100.0%

3.3 Geopacific's statement of financial position is detailed in Section 4.4. The Transaction will have the following impact on Geopacific's financial position.

- Increase Geopacific's ownership of Woodlark from 60% to 100% (although refer to Section 5.1 for further details on the Woodlark ownership structure)
- Decrease Geopacific's cash position by $20,000. The cash payment and loan repayment of the Kula Loan will have no net effect on Geopacific's cash balance
- Eliminate all intercompany loans between Geopacific and Kula
- Eliminate Geopacific's shareholding in Kula to nil

4. PROFILE OF GEOPACIFIC

4.1 Principal Activities

Geopacific is an ASX listed mineral exploration and development company. Geopacific's focus is the development of the Woodlark project in Papua New Guinea ("**PNG**"), held through a joint venture company, Woodlark Mining Limited ("**WML**"). Geopacific currently holds a legal interest of 51%, but the right to move to a 60% direct interest in the shares of WML, and an indirect interest through its approximate 85% shareholding in Kula which holds an assumed 40% equity interest in WML. Geopacific and Kula have also advanced loan funds to Woodlark. Geopacific holds other interests in mineral assets in Cambodia and Fiji. Geopacific's mineral interests are described in more detail in Section 5.

4.2 Directors of Geopacific

The directors of Geopacific during the preparation of this report were as follows.

- Mr Milan Jerkovic (Non-Executive Chairman) (although we note the announcement dated 8 May 2019 that Milan Jerkovic has retired as Non–Executive Chairman, and Ian Clyne has been appointed as Chairman)
- Mr Ron Heeks (Managing Director)
- Mr Mark Bojanjac (Non-Executive Director)
- Mr Ian Clyne (Non-Executive Director)
- Mr Colin Gilligan (Non-Executive Director)

4.3 Top Shareholders

As at 13 February 2019 (prior to the recent placement of 510,000,000 new shares), the top 20 shareholders of Geopacific as disclosed in Geopacific's 2018 Annual Report were as follows.

Rank	Name	Number held	%
1	Ndovu Capital IV BV	596,369,174	28.65%
2	Merrill Lynch (Australia) Nominees Pty Limited	358,912,138	17.24%
3	Hsbc Custody Nominees	240,581,631	11.56%
4	J P Morgan Nominees Australia Pty Limited	71,610,770	3.44%
5	Home Ideas Show Pty Ltd <UB Promotions SPF A/C>	60,072,352	2.89%
6	Washington H Soul Pattinson And Company	48,594,815	2.33%
7	Mr Craig Graeme Chapman <Nampac Discretionary A/C>	45,000,000	2.16%
8	Gwynvill Trading Pty Ltd	44,800,000	2.15%
9	Home Ideas Show Pty Ltd <UB Promotions SPF A/C>	29,581,427	1.42%
10	Orion Mine Finance Fund II LP	29,069,768	1.40%
11	Mr Daniel Mcdonagh	24,243,947	1.16%
12	Zero Nominees Pty Ltd	19,500,000	0.94%
13	Bnp Paribas Nominees Pty Ltd <Peel Hunt Clts Asset Drp >	15,815,999	0.76%
14	National Nominees Limited	14,510,000	0.70%
15	Mr Anthony William Olding & Mrs Caroline Anne Olding	13,279,218	0.64%
16	Citicorp Nominees Pty Limited	12,345,435	0.59%
17	Brazil Farming Pty Ltd	11,000,000	0.53%
18	Whitesman Investments Pty Ltd <Whitesman S/F A/C>	9,564,090	0.46%
19	Henderson International Pty Limited <Henderson Super Fund A/C>	9,514,471	0.46%
20	BNP Paribas Nominees Pty Ltd <IB AU Noms Retailclient Drp>	9,330,997	0.45%
	Top 20 Shareholders	**1,663,696,232**	**79.91%**
	Other Shareholders	418,210,898	20.09%
	Total Ordinary Shareholders	**2,081,907,130**	**100.00%**

4.4 Financial Position

Set out below is Geopacific's audited statement of financial position as at 31 December 2018, adjusted for:

- the completion of a placement on 5 April 2019 to raise a gross total of $4,335,000 million ($4,005,000 net of transaction costs); and

- expenditure of between 31 December 2018 and 31 March 2019 of $1,373,000, ($616,000 on exploration and $757,000 on operating costs), and estimated expenditure between 1 April 2019 and 8 May 2019 of $983,750 ($420,000 on exploration and $563,750 on operating costs) based on Geopacific's March 2019 quarterly cash flow statement.

	Audited 31 Dec 2018 $	Placement $	Expenditure $	Adjusted $
Assets				
Current Assets				
Cash and cash equivalents	3,059,221	4,005,000	(2,356,750)	4,707,471
Trade and other receivables	316,617	-	-	316,617
Assets classified as held for sale - Fiji	149,388	-	-	149,388
Inventories	242,771	-	-	242,771
Total Current Assets	**3,767,997**	**4,005,000**	**(2,356,750)**	**5,416,247**
Non-Current Assets				
Exploration and evaluation expenditure - Woodlark	31,249,098	-	1,036,000	32,285,098
Exploration and evaluation expenditure - Cambodia	6,244,927	-	-	6,244,927
Property plant and equipment	841,611	-	-	841,611
Total Non-Current Assets	**38,335,636**	**-**	**1,036,000**	**39,371,636**
Total Assets	**42,103,633**	**4,005,000**	**(1,320,750)**	**44,787,883**
Liabilities				
Current Liabilities				
Trade and other payables	844,874	-	-	844,874
Deferred consideration - Cambodia	2,391,955	-	-	2,391,955
Tax liabilities	135,569	-	-	135,569
Total Current Liabilities	**3,372,398**			**3,372,398**
Non-Current Liabilities				
Deferred consideration - Cambodia	3,852,972	-	-	3,852,972
Provisions	192,548	-	-	192,548
Total Non-Current Liabilities	**4,045,520**	-	-	**4,045,520**
Total Liabilities	**7,417,918**			**7,417,918**
Net Assets	**34,685,715**	**4,005,000**	**(1,320,750)**	**37,369,965**
Equity				
Contributed equity	104,116,108	4,005,000	-	108,121,108
Reserves	5,790,853	-	-	5,790,853
Accumulated losses	(76,061,543)	-	(1,320,750)	(77,382,293)
Total Equity Attributable to Shareholders of Parent Company	**33,845,418**	**4,005,000**	**(1,320,750)**	**36,529,668**
Non-controlling interests	840,297	-	-	840,297
Total Equity	**34,685,715**	**4,005,000**	**(1,320,750)**	**37,369,965**

We note that due to Geopacific's controlling interests in each party, Geopacific's financial statements are prepared on a consolidated basis incorporating both Kula and WML. Whilst not directly appearing in the balance sheet above due to consolidation eliminations, we note the following intercompany loan balances.

- A loan from to Geopacific to Kula of $588,234 (as at 8 May 2019) (the Kula Loan), which will be extinguished as part of the Transaction.

- A loan from Geopacific to WML of 47,291,355 PNG Kina (equivalent to approximately A$19,704,731 as at 31 December 2018).

4.5 Financial Performance

A summarised statement of comprehensive income for Geopacific for the years ended 31 December 2017 and 31 December 2018 (audited figures) is set out below.

	2018 $	2017 $
Revenue from continuing operations	64,013	104,313
Administration expenses	(275,809)	(394,158)
Consultancy expense	(1,162,501)	(1,133,527)
Depreciation expense	(36,121)	(26,952)
Employee benefits expenses	(1,572,695)	(1,234,397)
Share based payments	(709,371)	-
Occupancy expenses	(170,167)	(152,448)
Foreign exchange gain	(1,123,578)	(831,726)
Write downs	(44,230,355)	-
Loss Before Tax	**(49,216,584)**	**(3,668,895)**
Income tax	474,749	(28,395)
Loss After Tax	**(48,741,835)**	**(3,697,290)**
Loss after tax from discontinued operation (attributable to equity holders of the company)	(5,008,824)	(345,621)
Loss for the Period	**(53,750,659)**	**(4,042,911)**
Loss Attributable to:		
Equity holders of the company	(53,670,193)	(4,010,512)
Non-controlling interests	(80,466)	(32,399)
	(53,750,659)	**(4,042,911)**

In assessing Geopacific's financial position and objectives, it is unlikely to pay dividends to ordinary shareholders in the near future. The Company will assess whether dividends may be paid in the future if Woodlark enters into production (proposed but not guaranteed) and cash flows are positive.

5. PROFILE OF MINERAL INTERESTS

5.1 Woodlark

Woodlark is a gold development project in the Milne Bay province of PNG. The project is held through WML a joint venture company held by Geopacific and Kula. Geopacific currently holds legal ownership of 51% of the shares of WML but has a right to a 60% equity interest upon the provision of a notice to Kula (as discussed below).

On January 2017, Geopacific, Kula and WML executed a farm in agreement whereby Geopacific would progressively earn ownership rights in WML as follows:

First earn in period: Geopacific committed to spend up to $650,000 in under 6 months to complete due diligence and establish the optimal work program required to deliver an incentive target of an aggregate ore reserve for the project of 1.2 million ounces of gold. Geopacific elected to proceed and earned its first 5% equity interest in WML on 25 January 2017.

Second earn in period: Geopacific earned a further 46% equity interest, giving it a total of 51%, by loaning $8 million to undertake the work program developed in the first earn in period and achieving the incentive target of 1.2 million ounces of gold reserve for the project.

Agreement of Geopacific's right to the second earn in interest in WML occurred on 23 August 2018.

Third earn in period: we have been advised that it is agreed between the parties that Geopacific has the right to an additional 9% equity interest in WML, for a total 60% interest, upon the issue of an expenditure notice, as a result of advancing $10 million in additional loan funds to further advance the work program developed in the first earn in period.

As at the date of this report, we have been advised that Geopacific holds a legal interest of 51% of the equity in WML, but it is agreed between Geopacific and Kula that upon the provision of an expenditure notice (i.e. a simple administrative procedure at Geopacific's discretion), it will be entitled to an additional 9% equity interest in WML. Accordingly, for the purpose of our analysis we have assumed Geopacific has a 60% equity interest in WML.

Geopacific also has the ability to earn a total of 75% in WML if Geopacific achieves the incentive target of 1.2 million ounces of gold reserve for the project and achieves "bankable" status for the project (meaning economic, engineering and geotechnical inputs have been completed to a degree sufficient for project funding to be raised) within the allocated spend.

Once bankable status has been reached then Kula has the right to raise its share of the development funding proportionate to its interest in Woodlark. Should Kula be unable to, or elect not to, raise its share of development finance then Geopacific will have the right to arrange Kula's share of the development finance and thereby earn an additional 5% interest in WML.

We note that the PNG government has the right to acquire a 5% equity interest in WML, in exchange for a payment equivalent to the proportionate amount of past expenditure on the project. If exercised, this shareholding will be purchased from Kula and therefore reduce Kula's stake whilst Geopacific's shareholding in WML will not change.

A definitive feasibility study ("**DFS**") on Woodlark was completed in November 2018, and Geopacific announced the following project economics.

- JORC 2012 resource of 1,573,000 oz and ore reserve of 1,037,600 oz of gold
- Pre-tax NPV of A$251,000,000
- Pre-tax IRR of 29%
- Capex of A$202,000,000
- Life of mine all in costs of $1,033 per ounce
- 13 year mine life
- A payback period of 2.2 years

We note a condition of the mining lease is that completion of the construction and commissioning of the project is required by December 2019, although Geopacific is seeking an extension to this date.

Further details on Woodlark are outlined in the Dunbar Report in Appendix B.

5.1 Cambodia

Geopacific owns Kou Sa, a copper/gold project located in the Preah Vihear Provence of Cambodia. Geopacific explored this project since 2013 with some success, announcing a (primarily indicated) JORC 2012 maiden resource estimate of 51,000 tonnes of copper equivalent in July 2016. In order to retain the project Geopacific must make deferred consideration payments totalling US$6,300,000. In the recent annual accounts, Geopacific

wrote down the value of Kou Sa to A$6,244,927, equivalent to the present value of the deferred consideration amounts owing, following a write down of the value of past expenditure on this project by A$44,935,949.

5.3 Fiji

Geopacific also holds a collection of Fijian gold exploration projects (Nabila Gold, Rakiraki Gold, Sabeto Gold Copper, Vuda Gold-Copper, Cakaudrove Gold-Silver), all of which are considered to be at early exploration stage. In Geopacific's 2018 Annual Report these assets were classified as "Assets Held for Sale" with a book value of at $149,388.

6. PROFILE OF KULA

6.1 Principal Activities

Kula is primarily focused on mineral exploration and development in PNG though its passive minority interest in the Woodlark gold project in PNG. Kula currently has no other commercial activities of note.

6.2 Directors of Kula

The directors of Kula are as follows.

- Mr Mark Bojanjac (Chairman)
- Mr Mark Stowell (Non-Executive Director)
- Mr Garry Perotti (Executive Director)
- Mr Ron Heeks (Non-Executive Director)
- Mr Matthew Smith (Non-Executive Director)

6.3 Top Shareholders

The top 20 shareholders of Kula as disclosed in Kula's 2018 Annual Report were as follows.

Rank	Name	Number held	%
1	Geopacific Resources Limited	196,029,972	52.18%
2	Geopacific Resources Limited	123,333,477	32.83%
3	Mr Michael Soucik & Mrs Weather Soucik	6,000,000	1.60%
4	Mahe Investments Pty Limited	4,701,425	1.25%
5	Merchant Holdings Pty Limited	3,600,000	0.96%
6	Merchant Holdings Pty Limited	3,329,193	0.89%
7	Mr Theofanis Perdikis & Mrs Dimitra Perdikis	2,136,573	0.57%
8	Mr Richard Alexander Caldwell	2,100,000	0.56%
9	Mr David Crichton Frecker & Mrs Joanne Margaret Frecker	1,332,581	0.35%
10	Mr Patrick Kedemos	1,010,666	0.27%
11	Aris Nominees Pty Ltd	1,000,000	0.27%
11	Acronym Pty Limited	1,000,000	0.27%
13	Sugarloaf Ventures Pty Limited	1,000,000	0.27%
14	Mr Matthew Nunn	940,676	0.25%
15	Citicorp Nominees Pty Limited	822,223	0.22%
16	Mr Stanislaw Antoni Zychewicz	805,000	0.21%
17	DJ & DA Neate Pty Limited	738,236	0.20%
18	Sabia Holdings Pty Ltd	726,487	0.19%
19	JDW Investments Australia Pty Limited	640,000	0.17%
20	Graham Brown Pty Limited	603,000	0.16%
	Top 20 Shareholders	**351,849,519**	**93.66%**
	Other Shareholders	23,808,509	6.34%
	Total Ordinary Shareholders	**375,658,028**	**100.00%**

6.4 Capital Structure

Kula has no other securities on issue other than 375,658,028 ordinary shares.

6.5 Financial Position

Set out below is Kula's audited statement of financial position as at 31 December 2018, adjusted for the following items as per Kula's quarterly cash flow statement for the 3 months to 31 March 2019.

- Operating expenditure of $72,000
- An increase in borrowings of $69,000

	Audited 31 Dec 2018 $	3 moths to Mar 19 $	Adjusted $
Assets			
Current Assets			
Cash and cash equivalents	8,014	(3,000)	5,014
Receivables and other assets	10,976		10,976
Total Current Assets	**18,990**	**(3,000)**	**15,990**
Non-Current Assets			
Property plant and equipment	1,783	-	1,783
Financial assets - Woodlark	3,300,000	-	3,300,000
Total Non-Current Assets	**3,301,783**	**-**	**3,301,783**
Total Assets	**3,320,773**	**(3,000)**	**3,317,773**
Liabilities			
Current Liabilities			
Trade and other payables	2,403	-	2,403
Borrowings	416,000	69,000	485,000
Provisions	29,861	-	29,861
Total Current Liabilities	**448,264**	**69,000**	**517,264**
Total Liabilities	**448,264**	**69,000**	**517,264**
Net Assets	**2,872,509**	**(72,000)**	**2,800,509**
Equity			
Contributed equity	151,576,943	-	151,576,943
Reserves	(5,386,960)	-	(5,386,960)
Accumulated losses	(143,317,474)	(72,000)	(143,389,474)
Total Equity Attributable to Shareholders of Parent Company	**2,872,509**	**(72,000)**	**2,800,509**

6.6 Financial Performance

A summarised statement of comprehensive income for Kula for the years ended 31 December 2017 and 31 December 2018 (audited figures) is set out in the table below.

	2018 $	2017 $
Other income	4	1,454
Employee benefits expenses	(282,098)	(264,951)
Professional and consultancy expense	(63,165)	(364,534)
Occupancy expenses	-	(9,559)
Insurance expense	(32,392)	(41,705)
Foreign exchange loss	-	(4,975)
Other expenses	(38,016)	(74,492)
Loss Before Tax	**(415,667)**	**(758,762)**
Income tax	-	-
Loss after Tax	**(415,667)**	**(758,762)**
Loss after tax from discontinued operation	(6,341)	(14,156,364)
Loss for the Period	**(422,008)**	**(14,915,126)**
Other Comprehensive Loss		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translating foreign operations	-	(1,240,000)
Accumulated losses in foreign currency translation reserve transferred to profit or loss on deconsolidation of subsidiary	-	(9,059,000)
Movement in fair value of financial assets	(6,620,071)	(325,148)
Other Comprehensive Loss for the Year, Net of Tax	**(6,620,071)**	**(10,624,000)**
Total Comprehensive Loss for the Year	**(7,042,079)**	**(25,539,126)**
Loss Attributable to:		
Equity holders of the Company	(415,667)	(14,915,126)
Non-controlling interests	-	-
	(415,667)	**(14,915,126)**
Total Comprehensive Loss Attributable to:		
Equity holders of the company	(415,667)	(25,476,991)
Non-controlling interests	(6,341)	(62,135)
	(422,008)	**(25,539,126)**

7. VALUATION METHODOLOGY

7.1 Criteria for Assessment of Fairness and Reasonableness

In forming our opinion, we have considered the following definitions of "fair" and "reasonable" as outlined in RG 111, and applied to the circumstances of the Transaction.

- A transaction is "fair" if the value of the assets being acquired is equal to or greater than the value of the consideration being paid for them.

- A transaction is "reasonable" if it is fair, or where it is "not fair", it may still be "reasonable" after considering other significant factors which support the approval of the transaction.

7.3 Valuation Methodology

In assessing the value of both Geopacific and Kula, we have considered a range of valuation methods in accordance with RG 111. The valuation methodologies we have considered in determining a fair value of Geopacific and Kula shares are noted below.

7.3.1 Capitalisation of Future Maintainable Earnings ("FME")

This method places a value on the business by estimating the likely FME, capitalised at an appropriate rate that reflects the business' outlook, risk, investor expectations, future growth prospects and other entity specific factors. This approach relies on the availability and analysis of comparable market data. The FME approach is the most commonly applied valuation technique and is particularly applicable to profitable businesses with relatively steady growth history and forecasts, regular capital expenditure requirements and non-finite lives. The FME used in the valuation can be based on net profit after tax or alternatives to this such as earnings before interest and tax ("**EBIT**") or earnings before interest, tax, depreciation and amortisation ("**EBITDA**"). The capitalisation rate or "earnings multiple" is adjusted to reflect the base that is used for FME.

7.3.2 Discounted Future Cash Flows ("DCF")

The DCF methodology is based on the generally accepted theory that the value of an asset or business depends on its future net cash flows, discounted to their present value at an appropriate discount rate. This discount rate represents an opportunity cost of capital reflecting the expected rate of return which investors can obtain from investments with equivalent risks. A terminal value for the asset or business is calculated at the end of the future cash flow period and this is also discounted to its present value using the appropriate discount rate. DCF valuations are particularly applicable to businesses with limited lives, experiencing growth, that are in a start-up phase, or experience irregular cash flows.

7.3.3 Net Tangible Asset Value

Asset based methods estimate the market value of an entity's securities based on the realisable value of its identifiable net assets. Asset based methods include the following approaches.

- Orderly realisation of assets
- Liquidation of assets
- Net assets on a going concern

The orderly realisation of assets method estimates fair market value by determining the amount that would be distributed to entity holders, after payment of all liabilities including realisation costs and taxation charges that arise, assuming the entity is wound up in an orderly manner.

The liquidation method is similar to the orderly realisation of assets method except the liquidation method assumes the assets are sold in a shorter time frame. The net assets on a going concern method (herein defined as "**Net Assets**"), estimates the market values of the net assets of an entity, but does not take into account any realisation costs. Net assets on a going concern basis is usually appropriate where the majority of assets consist of cash, passive investments or projects with a limited life.

All assets and liabilities of the entity are valued at market value under this alternative and this combined market value forms the basis for the entity's valuation.

Often the FME and DCF methodologies are used in valuing assets forming part of the overall net assets on a going concern basis. This is particularly so for exploration and mining companies where investments are in finite life producing assets or prospective exploration areas.

The above asset-based methods ignore the possibility that the entity's value could exceed the realisable value of its identified tangible assets as they do not recognise the value of intangible assets such as management, intellectual property and goodwill. Asset based methods are appropriate when entities are not profitable, a significant proportion of the entity's assets are liquid or for asset holding companies.

7.3.4 Quoted Market or Trading Price Basis

Another alternative valuation approach that can be used in conjunction with (or as a replacement for) any of the above methods is the quoted market, or trading, price of listed securities. Where there is an open market for securities, such as ASX, through which shares are traded, recent prices at which shares are bought and sold can be taken as a reasonable indicator of the value of a share. For entities traded on a mature securities market with a continuous disclosure regime, it is generally considered that market values reflect all factors and influences that impact upon an entity. The use of quoted market pricing is more relevant where a security displays regular high volume trading, representing a "deep" market in that security.

7.3.5 Alternative Transaction

Where any recent genuine offers have been received for the shares being valued it is appropriate to consider those offers in assessing the value of those shares. In considering any alternative offers it is necessary to assess the extent to which the alternative offers are truly comparable and to make adjustments accordingly.

8. VALUATION OF GEOPACIFIC SHARES

8.1 Valuation Method Adopted for Geopacific

The preferred valuation method used to value the shares of Geopacific is the Net Asset value method, although consideration has also been given to the share price at which Geopacific shares have recently traded. In order to determine the Net Asset value of Geopacific, we have instructed an independent technical expert, Dunbar Resource Management ("**Dunbar**"), specialising in the valuation of mineral assets, to provide a range of values for Geopacific's mineral assets (the "**Dunbar Report**"). The Dunbar Report dated 6 May 2019 is appended to this report as Appendix B.

We have not considered the FME and DCF methods as appropriate to value the shares of Geopacific due to the lack of profit history arising from business undertakings and the lack of reliable future cash flow from a current business activity. The Woodlark project may enter production some time over the next few years but this cannot be assured or guaranteed.

However, we note that Dunbar used a DCF approach in valuing Woodlark as the project is sufficiently advanced, with existing JORC 2012 ore reserves.

To our knowledge, as at the date of this report there has not been any offers made for Geopacific, thus the use of an offer based method is not relevant for the purpose of this report.

Set out in Section 8.3 is a summary of the traded share prices of Geopacific on ASX (on relatively low volumes) since 1 May 2018.

8.2 Adjusted Net Asset Based Value of Geopacific Shares

We set out below Geopacific's adjusted net assets as at 31 December 2018 based on Geopacific being a going concern. The low, preferred and high valuation figures reflect the following adjustments.

- The value of Geopacific's exploration expenditure on the Woodlark project has been replaced with the technical valuations as described in Section 8.2.2.

- $48,504 of trade receivables, $242,771 of inventory, $740,075 of property, plant and equipment, $281,029 of payables and $198,489 of provisions relating to the Woodlark project have been removed given the total value of Geopacific's interest in Woodlark is represented in the exploration expenditure line item as per above.

- No adjustment has been made to Geopacific's interest in the Cambodia project, which is consistent with the recent writedown of the value of Geopacific's interest in Cambodia project such that the net value of this interest is negligible, and consistent with the view expressed in Section 21.1 of the Dunbar Report).

- The value of the Fiji assets, classified as Assets Held for Sale, have been adjusted to reflect the technically assessed values in the Dunbar Report.

We note Geopacific currently has a legal interest in 51% of the shares in WML. However as Geopacific has the right to a total of a 60% equity interest in WML, upon only an administrative issue of a notice to Kula, we have valued Geopacific assuming a 60% interest in WML.

Furthermore we have assumed Kula owns a 40% interest in WML, consistent with the assumed Geopacific interest as described above. We note the PNG government has the right to acquire a 5% interest in WML in exchange for the proportionate sunk costs of the project. As at the date of this report, PNG has not yet exercised this option, and accordingly we have assumed Kula's equity interest is 40%.

We also note that the Net Asset valuation of Geopacific outlined below is on a basis which is assumed to be post the cancellation of Geopacific's shares in Kula. The reasons for this approach are described in Section 10.1.

	Ref	Adjusted 31 Dec 2018 $	Low $	Preferred $	High $
Assets					
Current Assets					
Cash and cash equivalents		4,707,471	4,707,471	4,707,471	4,707,471
Trade and other receivables		316,617	268,110	268,110	268,110
Assets classified as held for sale – Fiji	8.2.2	149,388	400,000	500,000	1,600,000
Inventories		242,771	-	-	-
Total Current Assets		**5,416,247**	**5,375,581**	**5,475,581**	**6,575,581**
Non-Current Assets					
Exploration and evaluation expenditure - Woodlark	8.2.2	32,285,098	76,500,000	92,400,000	110,400,000
Exploration and evaluation expenditure - Cambodia		6,244,927	6,244,927	6,244,927	6,244,927
Property plant and equipment		841,611	86,709	86,709	86,709
Total Non-Current Assets		**39,371,636**	**82,831,636**	**98,731,636**	**116,731,636**
Total Assets		**44,787,883**	**88,207,217**	**104,207,217**	**123,307,217**
Liabilities					
Current Liabilities					
Trade and other payables		844,874	563,845	563,845	563,845
Deferred consideration - Cambodia		2,391,955	2,391,955	2,391,955	2,391,955
Tax liabilities		135,569	115,263	115,263	115,263
Total Current Liabilities		**3,372,398**	**3,071,062**	**3,071,062**	**3,071,062**
Non-Current Liabilities					
Deferred consideration - Cambodia		3,852,972	3,852,972	3,852,972	3,852,972
Provisions		192,548	14,365	14,365	14,365
Total Non-Current Liabilities		**4,045,520**	**3,867,337**	**3,867,337**	**3,867,337**
Total Liabilities		**7,417,918**	**6,938,399**	**6,938,399**	**6,938,399**
Net Asset Value (Consolidated)		**37,369,965**	**81,268,817**	**97,268,817**	**116,368,817**
Minority interests	8.2.2	840,297	(26,983,415)	(33,343,415)	(40,543,415)
Net Asset Value (Economic Interest)		**38,210,262**	**54,285,402**	**63,925,402**	**75,825,402**
Number of shares on issue ('000)	3.2	2,591,907	2,591,907	2,591,907	2,591,907
Value per Geopacific Share - Control Basis (cents)			**2.09**	**2.47**	**2.93**
Discount for minority interest basis (%)			23.1%	23.1%	23.1%
Value per Geopacific Share - Minority Interest Basis (cents)			**1.61**	**1.90**	**2.25**

As there is no intention to wind up the Company, we have not considered wind up values. We have been advised that Geopacific has not been involved in any significant (material) transactions subsequent to 31 December 2018 not already referred to in this report or disclosed via ASX announcements.

8.2.1 We note a Net Asset valuation assumes a 100% interest in the company, whereas the shares being issued by Geopacific to Kula shareholders will be a minority interest parcel and should be valued on this basis. Generally, historical evidence of premiums offered on takeovers for small cap resource companies are in the range of 20% to 40%[1] (although outcomes outside of this range are not uncommon) with 30% a commonly accepted benchmark.

[1] *"Control Premium Study 2017", RSM*

To reflect the value of a minority interest in Geopacific shares, a minority interest discount of 23.1% (the inverse of a 30% control premium) is applied to the assessed value of a Geopacific share on a control basis.

Accordingly, on a Net Asset basis using technical values for mineral interests, Geopacific's shares (on a minority interest basis) may be worth between 1.61 cents and 2.25 cents, with a preferred value of 1.90 cents.

8.2.2 Technical Valuation of Mineral Interests

Woodlark

The value of exploration expenditure (for both Geopacific and Kula) has been adjusted to reflect the values determined in the Dunbar Report for the Woodlark project.

As Woodlark is a development ready project with JORC 2012 ore reserves and has been subject to a DFS, Dunbar have primarily used an income-based approach to value the Woodlark project, basing their judgement on the DCF model prepared for the DFS. Dunbar valued the exploration potential of Woodlark using a comparable market based methodology.

Details on the assumptions used and adjustments made are referred to in the Dunbar Report attached as Appendix B to this report.

In addition to their respective equity interests, Geopacific and Kula have loaned funds to WML, and these loan interests are entitled to a preferential return before equity interests receive a return.

The adjusted range of values for Geopacific and Kula's interests in Woodlark, per the Dunbar report and taking into account the loan funds provided by each party, are summarised below.

	Low A$	Preferred A$	High A$
Woodlark project value (per Dunbar Report)	76,500,000	92,400,000	110,400,000
Shareholder Loans to WML			
Geopacific	19,704,731	19,704,731	19,704,731
Kula	7,108,845	7,108,845	7,108,845
Total Shareholder Loans	**26,813,577**	**26,813,577**	**26,813,577**
Equity Value	**49,686,423**	**65,586,423**	**83,586,423**
Geopacific's equity interest (%)	60%	60%	60%
Geopacific's Equity Interest in Woodlark ($)	**29,811,854**	**39,351,854**	**50,151,854**
Kula's equity interest (%)	40%	40%	40%
Kula's Equity Interest in Woodlark ($)	**19,874,569**	**26,234,569**	**33,434,569**
Total Value Of Interests			
Geopacific	49,516,585	59,056,585	69,856,585
Kula	26,983,415	33,343,415	40,543,415
Total	**76,500,000**	**92,400,000**	**110,400,000**

Cambodia

Dunbar primarily used a market based comparable transaction approach to value the Cambodia project, using resource multiples and the Kilburn method for exploration potential (refer Section 21.1 of the Dunbar Report). Dunbar's assessed value of this project is between A$2,000,000 and A$7,100,000 with a preferred value of A$4,600,000. We note these values

are lower than the deferred consideration payment totalling US$6,300,000 that Geopacific is required to make to retain the project (this deferred consideration amount has been present valued in Geopacific's accounts). Accordingly, Dunbar has assessed that Geopacific's net interest in the Cambodia project has negligible value.

Fiji

As the Fiji assets are less mature than Woodlark or Cambodia, Dunbar used the Kilburn methodology to value the Fiji mineral interests. Dunbar's assessed the value of Geopacific's Fiji assets to be between $400,000 and $1,600,000, with a preferred value of $500,000.

8.2.3 We have used and relied on the Dunbar Report in assessing the fair value of Geopacific's mineral interests and have satisfied ourselves that:

- Dunbar is a suitable geological consulting firm and has relevant experience in assessing the merits of mineral projects and preparing mineral asset valuations (also the principal author of the report, Paul Dunbar is suitably qualified and experienced);
- Dunbar and Paul Dunbar are independent from Geopacific and Kula; and
- Dunbar and Paul Dunbar have employed sound and recognised methodologies in the preparation of the Dunbar Report on Geopacific's mineral interests.

8.3 Traded Market Price Basis – Geopacific

8.3.1 In addition to the Net Asset valuation of Geopacific shares outlined in Section 8.2 of this report, we have considered recent trading history of Geopacific shares on ASX.

We set out below a summary of the fully paid share prices of Geopacific trading on ASX (on low volumes) between 1 May 2018 and 7 May 2019. We note the Transaction was announced on 8 March 2019.

Month	High	Low	Last	VWAP	Volume traded	Volume/weighed ave ord shares on issue
May-18	0.038	0.034	0.035	0.036	7,362,576	0.4%
Jun-18	0.035	0.030	0.033	0.033	7,739,966	0.4%
Jul-18	0.031	0.024	0.026	0.028	12,862,410	0.6%
Aug-18	0.026	0.022	0.026	0.024	18,232,403	0.9%
Sep-18	0.029	0.020	0.024	0.019	146,368,612	7.0%
Oct-18	0.028	0.023	0.025	0.025	7,539,085	0.4%
Nov-18	0.026	0.019	0.020	0.021	3,457,193	0.2%
Dec-18	0.020	0.014	0.015	0.015	23,243,907	1.1%
Jan-19	0.016	0.012	0.013	0.014	43,468,139	2.1%
Feb-19	0.014	0.011	0.012	0.013	13,097,896	0.6%
Mar-19	0.013	0.010	0.012	0.008	368,786,284	17.3%
Apr-19	0.017	0.012	0.016	0.014	29,891,579	1.2%
May-19	0.016	0.014	0.016	0.016	2,504,377	0.1%
Total	**0.038**	**0.010**	**0.016**	**0.013**	**684,554,427**	**32.7%**

Pre/Post Announcement		$
Pre Announcement	1 mth VWAP	0.013
	3 mth VWAP	0.014
	12 mth volatility (%)	78%
Post Announcement	VWAP	0.009
	High	0.017
	Low	0.010
	Last	0.016

8.3.2 Furthermore we note the recent placement announced on 28 March 2019 involving the issue of 510,000,000 new shares at a price of $0.0085. We note the post transaction volume weighted average price ("**VWAP**") of $0.009 was due to a significant block trade of approximately 358.6 million shares (approximately 17% of Geopacific) shares that occur in conjunction with the placement.

8.3.3 Generally, the market is a fair indicator of what a share is worth, however in order for a quoted market price to be a reliable indicator of a company's value, the company's shares must trade in a liquid and fully informed market.

The liquidity of Geopacific shares is considered to be low. A "deep" market is considered to be where the amount of shares in a company traded on a recognised exchange exceeds 1% of a company's securities traded on a weekly basis. The level of trading in Geopacific is generally well below this threshold.

Geopacific is a listed entity and it would be remiss not to refer to traded share prices in evaluating the proposed Transaction. However, it should be noted that our preferred methodology is not a quoted price methodology for the above reasons.

8.4 The future value of a Geopacific share will depend upon, inter alia:

- the successful exploitation of the current mineral assets of Geopacific;
- the state of the gold metal markets;
- the cash position of Geopacific;
- the state of Australian and overseas stock markets;
- membership and control of the board and management of Geopacific;
- resource project financing market conditions; and
- liquidity of shares in Geopacific.

8.5 Conclusion on the Value of Geopacific Shares

In Section 8 we have discussed the Net Asset value and recent trading history of Geopacific shares on ASX.

In assessing the fairness of the Transaction, recent share trading in Geopacific shares isn't sufficiently liquid to rely upon as a primary methodology for valuing Geopacific shares. It is considered more appropriate to rely upon a technical value based approach in assessing whether the Transaction is fair.

Therefore, for the purpose of this report it is considered appropriate to use the Net Asset value for Geopacific as the primary methodology, ranging from 1.61 cents to 2.25 cents, with a preferred fair value of approximately 1.90 cents on a minority interest basis.

9. VALUATION OF SHARES IN KULA

9.1 Valuation Method Adopted for Kula

The preferred valuation method used to value the shares of Kula is the Net Asset value method, using technical mineral interest values per the Dunbar Report, although consideration has also been given to the share price at which Kula shares have recently traded.

We have not considered the FME and DCF methods as appropriate to value the shares of Kula due to the lack of profit history arising from business undertakings and the lack of a reliable future cash flow from a current business activity.

To our knowledge, as at the date of this report there has not been any offers made for Kula, thus the use of an offer based method is not relevant for the purposes of this report.

Set out in section 9.3.1 is a summary of the fully paid share prices of Kula trading on ASX (on relatively low volumes) since 1 May 2018.

9.2 Adjusted Net Asset Value of Kula Shares

We set out below Kula's adjusted audited net assets as at 31 December 2018 assuming Kula is a going concern. The low, preferred and high valuation figures reflect adjustments to the value of Kula's interest in Woodlark in accordance with the technical valuations as described in Section 8.2.2.

For reasons outlined in Section 10.1 we have considered the value of a Kula share on a pre-Transaction basis.

	Ref	Adjusted 31 Dec 2018 $	Low $	Preferred $	High $
Assets					
Current Assets					
Cash and cash equivalents		5,014	5,014	5,014	5,014
Receivables and other assets		10,976	10,976	10,976	10,976
Total Current Assets		**15,990**	**15,990**	**15,990**	**15,990**
Non-Current Assets					
Property plant and equipment		1,783	1,783	1,783	1,783
Financial assets - Woodlark	8.2.2	3,300,000	26,983,415	33,343,415	40,543,415
Total Non-Current Assets		**3,301,783**	**26,985,198**	**33,345,198**	**40,545,198**
Total Assets		**3,317,773**	**27,001,188**	**33,361,188**	**40,561,188**
Liabilities					
Current Liabilities					
Trade and other payables		2,403	2,403	2,403	2,403
Borrowings		485,000	485,000	485,000	485,000
Provisions		29,861	29,861	29,861	29,861
Total Current Liabilities		**517,264**	**517,264**	**517,264**	**517,264**
Total Liabilities		**517,264**	**517,264**	**517,264**	**517,264**
Net Assets		**2,800,509**	**26,483,924**	**32,843,924**	**40,043,924**
Number of shares on issue ('000)		375,658	375,658	375,658	375,658
Value per Kula Share - Control Basis (cents)			**7.05**	**8.74**	**10.66**

As there is no intention to wind up Kula, we have not considered wind up values for the purposes of this report. We have been advised that Kula has not been involved in any significant (material) transactions subsequent to 31 December 2018 not already referred to in this report or disclosed via ASX announcements.

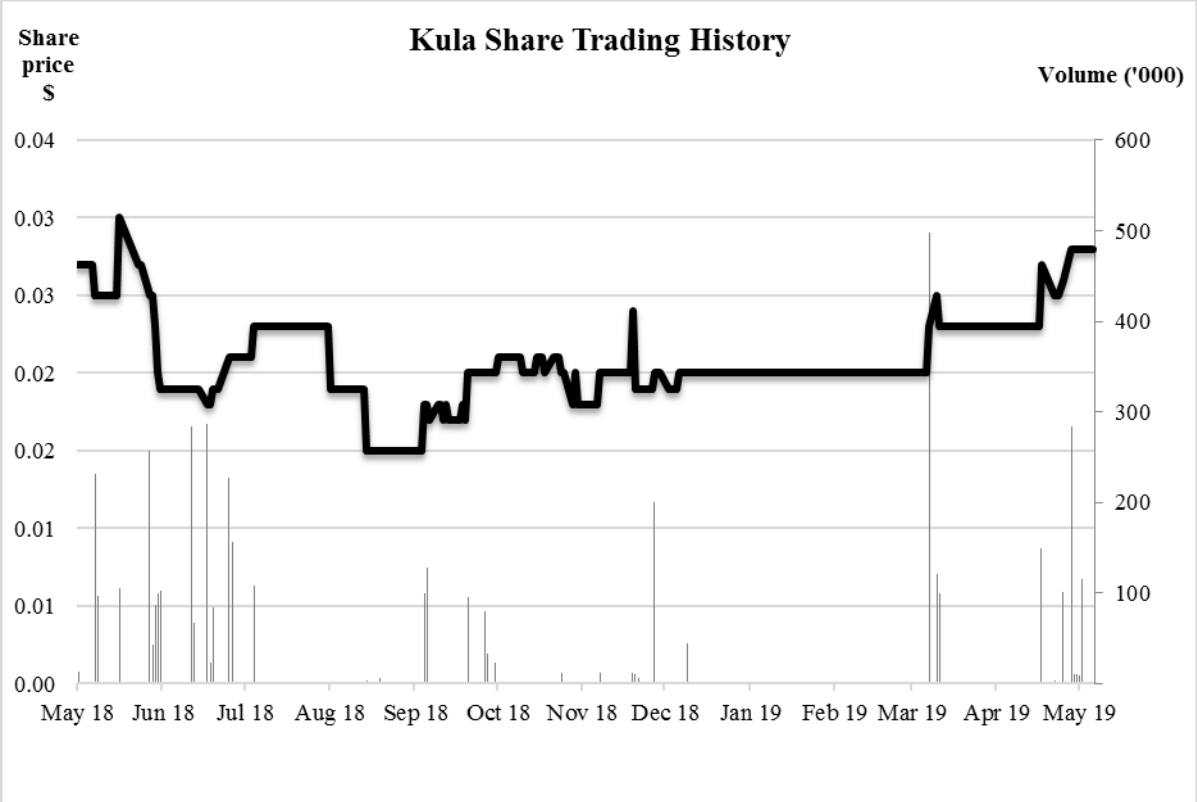
Accordingly, assuming a pre-Transaction balance sheet for the purpose of assessing the fairness of the Transaction, and using a Net Asset basis based on technical values for mineral interests, Kula's shares (on a control basis) may be worth between 7.05 cents and 10.66 cents, with a preferred value of 8.74 cents.

We have assessed the value of Kula shares on a control basis as the Transaction component involving Geopacific's 85% interest in Kula represents a controlling interest.

9.3 Traded Market Price Basis – Kula

9.3.1 In addition to the Net Asset valuation of Kula shares in Section 9.2 of this report, we have considered Kula's recent traded share price history. Set out below is a summary of Kula share trading on ASX between 1 May 2018 and 7 May 2019.

Month	High	Low	Last	VWAP	Volume traded	Volume/weighed ave ord shares on issue
May-18	0.030	0.020	0.020	0.025	935,072	0.2%
Jun-18	0.022	0.018	0.021	0.019	1,230,278	0.3%
Jul-18	0.023	0.021	0.023	0.023	107,638	0.0%
Aug-18	0.019	0.015	0.015	0.016	12,177	0.0%
Sep-18	0.020	0.016	0.020	0.019	436,772	0.1%
Oct-18	0.022	0.020	0.018	0.021	36,115	0.0%
Nov-18	0.024	0.019	0.020	0.020	241,660	0.1%
Dec-18	0.020	0.020	0.020	0.020	44,051	0.0%
Jan-19	0.020	0.020	0.020	0.020	298	0.0%
Feb-19	0.000	n/a	0.020	n/a	-	0.0%
Mar-19	0.025	0.023	0.023	0.023	719,693	0.2%
Apr-19	0.028	0.025	0.028	0.03	548,806	0.1%
May-19	0.031	0.028	0.028	0.03	134,799	0.0%
Total	**0.031**	**0.015**	**0.028**	**0.023**	**4,312,560**	**1.1%**



Pre/Post Announcement		$
Pre Announcement	1 mth VWAP	n/a
	3 mth VWAP	0.020
	12 mth volatility (%)	97%
Post Announcement	VWAP	0.026
	High	0.031
	Low	0.023
	Last	0.028

9.3.2 Generally, the market is a fair indicator of what a share is worth, however in order for a quoted market price to be a reliable indicator of a company's value, the company's shares must trade in a liquid and fully informed market.

Trading in Kula shares is illiquid. The volume of trades in Kula shares is considered very low and the share price can be affected by relatively small volumes. We also note that Kula's shares are very tightly held with the largest 20 shareholders holding 93.7% of Kula shares as per Kula's 2018 Annual Report.

Accordingly, we do not consider the share price of Kula to be a reliable measure in assessing the fairness of the Transaction and our preferred methodology is based on a technical valuation approach.

9.3.3 The future value of a Kula share will depend upon similar factors to those mentioned in Section 8.4.

9.4 Conclusion on the Value of Kula Shares

9.4.1 In Sections 8 and 9 we have discussed the Net Asset value and trading market prices of Kula shares on ASX.

9.4.2 In assessing the fairness of the Transaction, we have used a Net Asset approach using technical values of mineral interests as our primary methodology. Furthermore, given it is Geopacific's stake in Kula which is the subject of the valuation, we have assessed the value of Kula on a control basis, as Geopacific holds a significant controlling interest in Kula.

Accordingly we have assessed the value of a Kula share (on a control basis) may be in the range of 7.05 cents and 10.66 cents, with a preferred value of 8.74 cents.

9.5 Reconciliation of Technical Value to Traded Share Prices

We note the substantial difference between traded prices and the assessed technical value of Geopacific shares and, in particular, Kula. We also note it is not unusual for the market to price mineral exploration companies at significant discounts or premiums to appraised technical values due to various market factors. In addition to a low level of liquidity for each company (which means trading in each stock is unlikely to represent an efficient market), of particular relevance for both Geopacific and Kula is the state of capital markets, specifically:

- current share market valuations and level of investor appetite for junior resource companies; and
- project financing conditions for gold projects in developing jurisdictions such as PNG.

Accordingly, traded share prices are considered to be more susceptible to short term fluctuations than a technical valuation which is based on longer term fundamental parameters.

Furthermore, in respect of Kula, we note Kula shares are particularly illiquid, are tightly held and Kula holds a minority passive position in its primary asset. In our view, these factors warrant a significant minority discount compared to a control value based on technical values.

For this reason, for a significant corporate transaction such as that considered in this report, it is considered more appropriate to rely upon a technical value in assessing whether a transaction is fair.

10. VALUE AND FAIRNESS OF CONSIDERATION

10.1 Approach to Value Assessment

As the Transaction involves a number of components between Geopacific and Kula, and Geopacific has an existing substantial holdings in Kula, we have assessed each component of the Transaction sequentially in order to delineate the impact of each Transaction component on the Non-Associated Shareholders of Geopacific. The value impact to Non-Associated Shareholders of a transaction between Kula and Geopacific is different depending on whether it is considered to have occurred prior to, or after, the cancellation of Geopacific's interest in Kula. For example, if Geopacific transfers $10 of value to Kula prior to the cancellation of its 85% interest in Kula, the net impact to Geopacific shareholders is $1.50, whereas if it is considered to have occurred subsequent to the cancellation, the impact to Geopacific shareholders is $10.

Our assessment has considered each Transaction component in the following order.

1. The cancellation of all Kula shares held by Geopacific
2. The issue of 150,000,000 Geopacific shares to Kula shareholders (as distinct from Kula itself)
3. Payment and extinguishment of the Kula Loan
4. Payment by Geopacific to Kula of $20,000
5. The acquisition by Geopacific of Kula's total interests in WML, including both Kula's equity and loan interests in WML

10.2 Cancellation of All Kula Shares Held by Geopacific

We have assessed this component using the existing Net Asset value of Kula shares on a control basis as per Section 9.2. A control basis is appropriate as Geopacific's existing 85% stake is a controlling interest in Kula. As this transaction component is assumed to occur following the 150,000,000 share issue, the impact on Non-Associated Shareholders of Geopacific is 94.5% of the total impact (being the Non-Associated Shareholders proportional interest in the enlarged Geopacific company post the new share issue).

The value impact of the cancellation of these shares is as follows.

		Valuation impact to Non-Associated Shareholders		
	Ref	Low	Preferred	High
Value per Kula share - control basis (cents)	9.2	7.05	8.74	10.66
No. of Kula shares cancelled	6.3	319,363,449	319,363,449	319,363,449
Negative Value Impact to Geopacific Shareholders ($)		**22,515,151**	**27,922,067**	**34,043,105**

10.3 Issue of 150,000,000 Geopacific Shares

We have assessed this component based on the existing Net Asset value of Geopacific shares on a minority interest basis as per Section 8.2. A minority interest basis is appropriate as:

- The 150,000,000 shares to be issued represents a minority stake (of approximately 5.5%) in Geopacific, and Kula shareholders will not be obtaining a controlling interest in Geopacific; and

- If Geopacific were to issue 150,000,000 shares in an alternative transaction, such as placement, it would likely be done at a price reflective of a minority interest basis (consistent with the most recent placement).

The value impact of the issue of these shares is as follows.

	Ref	Valuation impact to Non-Associated Shareholders		
		Low	Preferred	High
Value per Geopacific share - minority interest basis (cents)	8.2	1.61	1.90	2.25
No. of new Geopacific shares issued		150,000,000	150,000,000	150,000,000
Negative Value Impact to Non-Associated Shareholders ($)		**2,416,638**	**2,845,784**	**3,375,540**

10.4 Extinguishment of the Kula Loan

We note the current amount of the loan balance is $588,234 and this may increase slightly between the date of this report and the transaction settling. The assessment of this Transaction component is considered subsequent to the cancellation of Geopacific's interest in Kula. Accordingly, the value impact of this transaction component is based on its full value (as Geopacific has no interest in Kula at this point), multiplied by 94.5% being the Non-Associated Shareholder proportion of the enlarged company. Accordingly, the value impact of this transaction component is as follows.

	Ref	Valuation impact to Non-Associated Shareholders		
		Low	Preferred	High
Payment to Kula to extinguish loan ($)		588,234	588,234	588,234
Proportion affecting Non-Associated Shareholders	3.2	94.5%	94.5%	94.5%
Negative Value Impact to Non-Associated Shareholders ($)		**556,054**	**556,054**	**556,054**

10.5 Payment of $20,000

The assessment of this Transaction component is on the same basis as described in Section 10.4. Accordingly, the value impact of this transaction component is as follows.

	Ref	Valuation impact to Non-Associated Shareholders		
		Low	Preferred	High
Payment to Kula to extinguish loan ($)		20,000	20,000	20,000
Proportion affecting Non-Associated Shareholders	3.2	94.5%	94.5%	94.5%
Negative Value Impact to Non-Associated Shareholders ($)		**18,906**	**18,906**	**18,906**

10.6 Acquisition of All of Kula's Interests in WML

The assessment of this Transaction component is on the same basis as described in Section 10.4, and using the value of Kula's total interests in WML as described in Section 8.2.2. Accordingly, the value impact of this transaction is as follows.

		Valuation impact to Non-Associated Shareholders		
	Ref	Low	Preferred	High
Value of Kula's combined interests in WML, acquired by Geopacific	8.2.2	26,983,415	33,343,415	40,543,415
Proportion affecting Non-Associated Shareholders	3.2	94.5%	94.5%	94.5%
Positive Value Impact to Non-Associated Shareholders ($)		**25,507,248**	**31,519,315**	**38,325,429**

10.7 Summary of Value Impact to Non-Associated Shareholders

	Valuation impact to Non-Associated Shareholders		
	Low	Preferred	High
	$	$	$
1. Cancellation of all Kula shares held by Geopacific	(22,515,151)	(27,922,067)	(34,043,105)
2. Issue of 150,000,000 Geopacific shares	(2,416,638)	(2,845,784)	(3,375,540)
3. Payment by Geopacific to Kula (to extinguish debt)	(556,054)	(556,054)	(556,054)
4. Payment by Geopacific to Kula of $20,000	(18,906)	(18,906)	(18,906)
5. Acquisition of Kula's interest in Woodlark by Geopacific (including loan balance)	25,507,248	31,519,315	38,325,429
Total Positive/(Negative) Valuation Impact to Non-Associated Shareholders	**500**	**176,504**	**331,825**

10.8 Fairness of Consideration Compared to Value of Assets Acquired

The above table demonstrates that the combined net financial benefit of the Transaction to the Non-Associated Shareholders is positive (albeit by small amounts) across our range of assessed values. Therefore, the Transaction is considered to be fair as at the date of this report.

11. REASONABLENESS OF THE TRANSACTION

11.1 In considering the reasonableness of the Transaction, we have considered, inter-alia the following factors.

- The shareholding structure of Geopacific and Kula
- The financial position of Geopacific and Kula
- Liquidity of the market in Geopacific and Kula's securities
- Risks including funding risk associated with developing Woodlark

We set out below some of the advantages and disadvantages pertaining to the proposed Transaction as they apply to the Non-Associated Shareholders.

11.2 Advantages

11.2.1 A simplified, consolidated ownership structure of WML should improve:

- the ability of WML to raise project financing;
- decision making for the Woodlark project; and
- Geopacific management time and focus without the need to consult a joint venture partner (although we note the potential involvement of the PNG government as an equity partner remains).

11.2.2 Reduces Geopacific's indirect exposure to Kula's corporate overhead costs through its 85% shareholding in Kula. This amount was $415,667 for the 12 months to 31 December 2018 (or $353,377 for Geopacific's 85% holding in Kula on an equity share basis, though we note Geopacific has been funding all of Kula's operating costs through loan funds).

11.2.3 Reduces risk of dispute and associated costs between Geopacific and Kula in relation to the Woodlark joint venture.

11.2.4 Since the announcement of the Transaction on 8 March 2019, the share prices of both Geopacific and Kula have increased, possibly indicating positive market sentiment towards the Transaction.

11.3 Disadvantages

11.3.1 Increases exposure to the Woodlark project which may not be successful.

11.3.2 Results in dilution of existing shareholders through the issue of 150,000,000 new shares to Kula shareholders.

11.3.3 Involves the extinguishment of a loan amount of $588,234 (or potentially slightly higher) currently owed by Kula to Geopacific.

11.3.4 Places the responsibility for raising project finance on Geopacific only, and becomes much less likely that Kula will bring options for project financing to the Woodlark project.

11.5 Conclusion as to the Reasonableness of the Transaction

As the Transaction is considered to be fair, the Transaction is also <u>reasonable</u>.

12. CONCLUSION AS TO FAIRNESS AND REASONABLENESS OF THE TRANSACTION

12.1 **We have considered the terms of the Transaction as outlined in the body of this report and have concluded that the Transaction is <u>fair and reasonable</u> to the Non-Associated Shareholders of Geopacific at the date of this report.**

This opinion should not be construed to represent a recommendation as to whether or not Geopacific shareholders should approve the Transaction. Shareholders uncertain as to the impact of accepting the Transaction should seek separate advice from their financial adviser.

13. SHAREHOLDERS' DECISION

13.1 Stantons International Securities Pty Ltd ("**SIS**") has been engaged to prepare an IER setting out whether in its opinion the Transaction is fair and reasonable to the Non-Associated Shareholders of Geopacific and state reasons for that opinion. SIS has not been engaged to provide a recommendation to shareholders as to whether to approve the Transaction.

13.2 The decision whether to approve or reject the Transaction is a matter for individual shareholders based on each shareholder's views as to value, their expectations about future market conditions and their particular circumstances, including risk profile, investment strategy, portfolio structure and tax position. If in any doubt as to the action they should take in relation to the Transaction proposal shareholders should consult their own professional adviser.

13.3 Similarly, it is a matter for individual shareholders as to whether to buy, hold or sell shares in Geopacific or Kula. This is an investment decision upon which SIS does not offer an opinion and is independent on whether to approve the Transaction proposal. Shareholders should consult their own professional adviser in this regard.

14. SOURCES OF INFORMATION

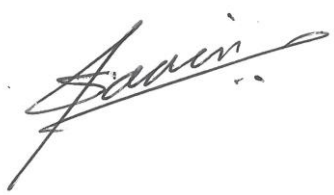
14.1 In making our assessment as to whether the Transaction is fair and reasonable we have reviewed relevant published available information and other unpublished information on Geopacific and Kula which is relevant to the circumstances. Statements and opinions contained in this report are given in good faith but in the preparation of this report, we have relied in part on information provided by the directors and management of Geopacific and Kula.

14.2 Information we have received includes, but is not limited to:

- details of historical market trading of Geopacific and Kula shares as recorded by ASX to 7 May 2019;
- audited annual reports of Geopacific and Kula for the year ended 31 December 2018;
- announcements made by Geopacific and Kula for the period from 1 January 2018 to 8 May 2019;
- the Dunbar Report dated 6 May 2019 on the mineral assets of Geopacific prepared by Dunbar and discussions with Paul Dunbar;
- the term sheet outlining the key terms of the Transaction;
- the Shareholders Agreement between Geopacific and Kula;
- the Farm-in Agreement between Geopacific and Kula; and
- various management accounting information.

14.3 Our report includes Appendices A, our Financial Services Guide and Appendix B being the Dunbar Report attached to this report.

Yours faithfully
STANTONS INTERNATIONAL SECURTIES PTY LTD
(Trading as Stantons International Securities)



Samir Tirodkar
Director

APPENDIX A

AUTHOR INDEPENDENCE AND INDEMNITY

This annexure forms part of and should be read in conjunction with the report of Stantons International Securities Pty Ltd trading as Stantons International Securities dated 8 May 2019, relating to the proposed Transaction.

At the date of this report, Stantons International Securities does not have any interest in the outcome of the proposal. There are no relationships with Geopacific other than Stanton International Securities acting as an independent expert for the purposes of this report. Stantons International Audit and Consulting Pty Ltd ("SIAC") (the parent entity of Stantons International Securities) and Stantons International Securities undertook an independence assessment and considered that there are no existing relationships between Stantons International Securities and the parties participating in the transaction detailed in this report which would affect our ability to provide an independent opinion. The fee to be received for the preparation of this report is expected to be $30,000 exclusive of GST plus out of pocket expenses. The fee is payable regardless of the outcome. With the exception of that fee, neither Stantons International Securities nor Mr Samir Tirodkar have received, nor will or may they receive any pecuniary or other benefits, whether directly or indirectly for or in connection with the making of this report. For completeness of disclosure, in June 2017, Stantons International Securities Pty Ltd prepared an independent expert report for Kula relating to a takeover offer by Geopacific. Dunbar was also involved in the preparation of this report by providing an independent valuation to Stantons International Securities Pty Ltd of the Woodlark project.

Stantons International Securities does not hold any securities in Geopacific or Kula. There are no pecuniary or other interests of Stantons International Securities that could be reasonably argued as affecting its ability to give an unbiased and independent opinion in relation to the proposal. Stantons International Securities and Mr Samir Tirodkar have consented to the inclusion of this report in the form and context in which it is included.

QUALIFICATIONS

We advise Stantons International Securities Pty Ltd is the holder of an Australian Financial Services License (No 448697) under the Corporations Act relating to advice and reporting on mergers, takeovers and acquisitions involving securities. A number of the directors of SIAC are the directors and authorised representatives of Stantons International Securities Pty Ltd. Stantons International Securities Pty Ltd and SIAC (trading as Stantons International) have extensive experience in providing advice pertaining to mergers, acquisitions and strategic and financial planning for both listed and unlisted businesses.

Mr Samir Tirodkar, the person responsible for the preparation of this report, has extensive experience in the preparation of valuations for companies, particularly in the context of listed company corporate transactions, including the fairness and reasonableness of such transactions. The professionals employed in the research, analysis and evaluation leading to the formulation of opinions contained in this report, have qualifications and experience appropriate to the tasks they have performed.

DECLARATION

This report has been prepared at the request of the independent directors of Geopacific in order to assist shareholders of Geopacific to assess the merits of the Transaction to which this report relates. This report has been prepared for the benefit of Geopacific shareholders and those persons only who are entitled to receive a copy for the purposes under the Corporations Act 2001 and does not provide a general expression of Stantons International Securities opinion as to the longer-term values of Geopacific, its subsidiaries and/or assets. Stantons International Securities does not imply, and it should not be construed, that it has carried out any form of audit on the accounting or other records of

Geopacific or their subsidiaries, businesses, other assets and liabilities. Neither the whole, nor any part of this report, nor any reference thereto, may be included in or with or attached to any document, circular, resolution, letter or statement, without the prior written consent of Stantons International Securities to the form and context in which it appears.

DISCLAIMER

This report has been prepared by Stantons International Securities with care and diligence. However, except for those responsibilities which by law cannot be excluded, no responsibility arising in any way whatsoever for errors or omission (including responsibility to any person for negligence) is assumed by Stantons International Securities (and Stantons International Audit and Consulting Pty Ltd, its directors, employees or consultants) for the preparation of this report.

DECLARATION AND INDEMNITY

Recognising that Stantons International Securities may rely on information provided by Geopacific and its officers (save whether it would not be reasonable to rely on the information having regard to Stantons International Securities experience and qualifications), Geopacific has agreed:

(a) to make no claim by it or its officers against Stantons International Securities (and SIAC) to recover any loss or damage which Geopacific may suffer as a result of reasonable reliance by Stantons International Securities on the information provided by Geopacific; and

(b) to indemnify Stantons International Securities against any claim arising (wholly or in part) from Geopacific, or any of its officers, providing Stantons International Securities with any false or misleading information or in the failure of Geopacific or its officers in providing material information, except where the claim has arisen as a result of wilful misconduct or negligence by Stantons International Securities.

A final draft of this report was presented to Geopacific directors for a review of factual information contained in the report. Comments received relating to factual matters were taken into account, however the valuation methodologies and conclusions did not alter.

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FINANCIAL SERVICES GUIDE
Dated 8 May 2019

1. STANTONS INTERNATIONAL SECURITIES PTY LTD (TRADING AS STANTONS INTERNATIONAL SECURITIES)

Stantons International Securities (ABN 42 128 908 289 and AFSL Licence No 448697) **("SIS"** or **"we"** or **"us"** or **"ours"** as appropriate) has been engaged to issue general financial product advice in the form of a report to be provided to you.

2. Financial Services Guide

In the above circumstances, we are required to issue to you, as a retail client a Financial Services Guide **("FSG")**. This FSG is designed to help retail clients make a decision as to their use of the general financial product advice and to ensure that we comply with our obligations as financial services licensees.

This FSG includes information about:

- who we are and how we can be contacted;
- the services we are authorised to provide under our **Australian Financial Services Licence, Licence No: 448697;**
- remuneration that we and/or our staff and any associated receive in connection with the general financial product advice;
- any relevant associations or relationships we have; and
- our complaints handling procedures and how you may access them.

3. Financial services we are licensed to provide

We hold an Australian Financial Services Licence which authorises us to provide financial product advice in relation to:

- Securities (such as shares, options and debt instruments)

We provide financial product advice by virtue of an engagement to issue a report in connection with a financial product of another person. Our report will include a description of the circumstances of our engagement and identify the person who has engaged us. You will not have engaged us directly but will be provided with a copy of the report as a retail client because of your connection to the matters in respect of which we have been engaged to report.

Any report we provide is provided on our own behalf as a financial services licensee authorised to provide the financial product advice contained in the report.

4. General Financial Product Advice

In our report, we provide general financial product advice, not personal financial product advice, because it has been prepared without taking into account your personal objectives, financial situation or needs. You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice. Where the advice relates to the acquisition or possible acquisition of a financial product, you should also obtain a product disclosure statement relating to the product and consider that statement before making any decision about whether to acquire the product. Where you do not understand the matters contained in the Independent Expert's Report, you should seek advice from a registered financial adviser.

5. Benefits that we may receive

We charge fees for providing reports. These fees will be agreed with, and paid by, the person who engages us to provide the report. Fees will be agreed on either a fixed fee or time cost basis.

Except for the fees referred to above, neither SIS, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the report.

6. Remuneration or other benefits received by our employees

SIS has no employees and Stantons International Audit and Consulting Pty Ltd charges a fee to SIS. All Stantons International Audit and Consulting Pty Ltd employees receive a salary. Stantons International Audit and Consulting Pty Ltd employees are eligible for bonuses based on overall productivity but not directly in connection with any engagement for the provision of a report.

7. Referrals

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

8. Associations and relationships

SIS is ultimately a wholly owned subsidiary of Stantons International Audit and Consulting Pty Ltd a professional advisory and accounting practice. From time to time, SIS and Stantons International Audit and Consulting Pty Ltd (that trades as Stantons International) and/or their related entities may provide professional services, including audit, accounting and financial advisory services, to financial product issuers in the ordinary course of its business.

9. Complaints resolution

9.1 Internal complaints resolution process

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. All complaints must be in writing, addressed to:

The Complaints Officer
Stantons International Securities Pty Ltd
Level 2
1 Walker Avenue
WEST PERTH WA 6005

When we receive a written complaint, we will record the complaint, acknowledge receipt of the complaints within 15 days and investigate the issues raised. As soon as practical, and not more than 45 days after receiving the written complaint, we will advise the complainant in writing of our determination.

9.2 Referral to External Dispute Resolution Scheme

A complainant not satisfied with the outcome of the above process, or our determination, has the right to refer the matter to the Financial Ombudsman Service Limited ("**FOSL**"). FOSL is an independent company that has been established to provide free advice and assistance to consumers to help in resolving complaints relating to the financial services industry.

Further details about FOSL are available at the FOSL website www.fos.org.au or by contacting them directly via the details set out below.

Financial Ombudsman Service Limited
PO Box 3
MELBOURNE VIC 3001

Toll Free: 1300 78 08 08
Facsimile: (03) 9613 6399

10. Contact details

You may contact us using the details set out at section 9.1 of this FSG or by phoning (08) 9481 3188 or faxing (08) 9321 1204.

APPENDIX B

DUNBAR RESOURCE MANAGEMENT INDEPENDENT TECHNICAL ASSESSMENT REPORT (DUNBAR REPORT) ON GEOPACIFIC'S MINERAL ASSETS DATED 6 MAY 2019

DUNBAR RESOURCE MANAGEMENT

Consultants in Economic Geology & Management

INDEPENDENT TECHNICAL ASSESSMENT REPORT

& VALUATION of GEOPACIFIC RESOURCES

MINERAL ASSETS

INCLUDING THE WOODLARK ISLAND GOLD PROJECT

May
2019

Final

Report Commissioned by Stantons International Securities

Valuation Date: 7 March 2019
Report Date: 6 May 2019
Author: Paul Dunbar
Distribution:
Stantons International Securities
Geopacific Resources Limited
Dunbar Resource Management

Document Reference	Woodlark Island Gold Project ITAR 2019 Final.pdf	
Distribution	Geopacific Resources Limited Stantons International Securities Dunbar Resource Management	
Author	Paul Dunbar BSc (Hons) Geology MSc (MINEX) M AusIMM M AIG	 Date: 6 May 2019
Valuation Date	7 March 2019	

Executive Summary

Stantons International Securities Pty Ltd (Stantons) commissioned Dunbar Resource Management (DRM), the trading name of Jewell Dunbar Pty Ltd (ABN 65 603 598 741) to prepare an Independent Technical Assessment and Valuation Report ("the Report" or the ITA) for the mineral assets of Geopacific Resources Limited (Geopacific or ASX: GPR) including the majority owned Woodlark Island Gold Project (WIGP) in Papua New Guinea (PNG).

The Report provides an opinion to support an Independent Expert's Report to be prepared by Stantons, and has been prepared as a public document, in the format of an independent specialist's report and in accordance with the 2015 VALMIN Code.

This report is a technical review of the WIGP, located in the Milne Bay Province of PNG and the other mineral assets of Geopacific. It includes a technical valuation of the exploration and development project and a valuation of these Mineral Assets. In accordance with the VALMIN code DRM has undertaken several valuation methods for the known WIGP Mineral Resources and Ore Reserves and a separate valuation for the earlier stage exploration tenements that surround the resource areas. Importantly, as neither the principal author nor DRM hold an Australian Financial Services Licence, this valuation is not a valuation of Geopacific but rather a valuation of the Mineral Assets owned or partly owned by Geopacific.

This valuation is current as of 7 March 2019. As commodity prices and cost inputs fluctuate over time this valuation is subject to change. The valuation derived by DRM is based on information provided by Geopacific on the WIGP including a Feasibility Study completed in November 2018, other technical information provided by GPR and publicly available data including Australian Stock Exchange (ASX) releases. DRM has made all reasonable endeavours to confirm the accuracy, validity and completeness of the technical data which forms the basis of this report. The opinions and statements in this report are given in good faith and under the belief that they are accurate and not false nor misleading. As with all technical valuations the valuation included in this report the likely value of the mineral projects and not an absolute value.

Woodlark Island Gold Project

The WIGP is an advanced development project, owned 100% by Woodlark Mining Limited (WML). The shareholders of WML are Geopacific and Kula Gold Limited (ASX: KGD). GPR has a direct interest of 51% in WML and has the has the right to earn up to 75% of WML should specific incentive targets be achieved. Should GPR issue a completion notice for Stage 3 earn in then is would be entitled to increasing its equity to 60%. In addition to this direct interest in WML GPR also holds approximately 85% of the issued ordinary shares in KGD. The PNG government has elected to purchase 5% of WML by reimbursing the 5% of the previous exploration expenditure. It is unclear when the PNG government will purchase its equity in the project.

The WIGP is a development ready, fully approved gold project with a global JORC 2012 Mineral Resource estimate of 1.57Moz of gold. A feasibility study was completed in November 2018 which outlined an Ore Reserve of 1,037,600oz of gold.

Overall the WIGP covers approximately 579km^2 within four main tenements, being one granted Mining Lease and three Exploration Licences. There are additional tenements that are to support the development scenario as proposed in the 2012 feasibility study. Importantly one of the Mining Lease conditions is that completion of construction and commissioning of the Project is required by December 2019. In DRM's opinion it is unlikely that this condition will be achieved however GPR has commenced negotiations with the Mineral Resources Authority (MRA) with the aim of obtaining an extension to this tenement condition.

Other Mineral Projects

Geopacific holds the Kou Sa Project which consists of one tenement in Cambodia which is considered prospective for copper gold which includes an occurrence where a mineral resource has been estimated and several early stage

projects in Fiji. The Kou Sa project tenement is held by Geopacific however there are payments as a part of deferred consideration of US$1.575 million payable by 21 September 2019 and 36 equal monthly payments of $131,250 totalling US$4.725 million from the payment of US$1.575 million. Geopacific has continued exploration on the project with considerable exploration success. The Fijian projects are at a much earlier exploration stage and while they have exploration potential Geopacific has undertaken minimal exploration work on the tenements for several years.

Conclusions

The Woodlark Island Gold Project currently has a large Mineral Resource, an Ore Reserve and significant exploration potential on the surrounding tenements that warrant additional exploration.

During the preparation of this report and while reviewing all the technical documents associated with the WIGP no material errors were identified in the Mineral Resource Estimates, in the assumptions that underpin the Feasibility Study or the Ore Reserve Estimates.

The proposed mining and processing methodology, including metallurgical recoveries and cut-off grades are considered reasonable.

For this report, DRM interrogated and modified several inputs the GPR DCF model from the DFS. The inputs into the GPR financial model have been generated in Australian Dollars (A$) with these being developed from quotes and tender information from several suppliers. This valuation is based on the gold price and exchange rates as at 7 March 2019. DRM has also updated the discount rate used in the financial model to account for the project specific and non-technical risks associated with a project in PNG. The pre-tax discount rate was increased from a 8% used in the DFS to a pre-tax WACC of between 16% and 20%. This is based on an assumed 60-40 debt to equity ratio, likely, reasonable and assumed expected private equity return requirements for similar projects and for expected debt interest rates for PNG based projects. It is considered reasonable to assume that the cost of capital would be significantly higher than an Australian based project.

The mining costs used in the DFS have been used in the DCF for the pre-tax NPV. The project is however highly sensitive to any increase in the mining cost. A 20% increase in the mining cost to $3/t would reduce the pre-tax NPV of the project by between $23 million and $28 million depending on the discount rate.

The pre-tax NPV of the project is considered to be between $113.4 million and $159.2 million with a preferred valuation of $134.7 million.

In DRM's opinion it is very rare for an unfunded project to be sold at the full NPV of a project and additional discount has been applied due to the funding risk, therefore DRM has discounted the NPV by a nominal 35% to generate the fair market value of the project.

In DRM's opinion, the pre-tax Market Value of the development assets within the WIGP is between **A$73.7 million** and **A$103.5 million** with a preferred valuation of **A$87.5 million.** In addition to the value of the development assets there is significant value in the exploration assets which lie between **A$2.8 million** and **A$6.9 million** with a preferred valuation of **A$4.9 million**.

The market value of the Fijian exploration projects is considered to be minimal with a preferred valuation of $0.5 million and while DRM has determined a preferred fair market value of $4.6 million for the Cambodian project. Given the additional payments required to secure the Cambodian project is also considered to have minimal value. DRM notes that Geopacific has recently realised a significant impairment on both of these assets.

Therefore, DRM considers the combined value of the Geopacific mineral projects including the WIGP to be between **A$77.0 million** and **A$110.9 million** with a preferred value of **A$92.9 million**.

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1. Introduction

Dunbar Resource Management (DRM), the trading name of Jewell Dunbar Pty Ltd was engaged by Stantons International Securities Pty Ltd (Stantons) to undertake an Independent Technical Specialists Report or Independent Technical Assessment (ITA) on the Woodlark Island Gold Project (WIGP) located approximately 600km east of Port Moresby Papua New Guinea (PNG).

The ITAR was commissioned to provide technical information and a valuation of the Woodlark Island Gold Project, currently 100% owned by WML with the shares in WML being 51% held by Geopacific and the remaining 49% being owned by Kula. GPR currently owns approximately 85% of Kula. DRM understands that this ITAR will be included in the Notice of Meeting and the Independent Experts Report being prepared by Stantons to determine if the proposed transaction is fair and reasonable to the shareholders of Geopacific.

The Woodlark Island Gold Project is a joint venture between GPR and Kula. This Joint Venture was first announced on 11 July 2016 with GPR confirming on 6 October 2016 that it would proceed to stage two of a three stage earn-in agreement. Formal agreements between Kula and GPR have been executed and were announced to the Australian Stock Exchange (ASX) on 30 January 2017.

On 7 March 2019 GPR announced its intention to purchase Kula's share in WML. GPR's effective beneficial holding in WML is approximately 93% by virtue of its 51% shareholding in WML and the 85% shareholding in Kula.

2. Project Summary

The Woodlark Island Gold Project is located on Woodlark Island approximately 600km east of Port Moresby, Papua New Guinea. The project, consisting of one mining lease and three exploration licences and several additional tenements relating to the infrastructure associated with the mining lease, is majority owned by GPR. Within the mining lease there are three main gold deposits that collectively contains a Total Mineral Resource Estimate of approximately 1.5 million ounces (Moz) of gold (Au). A Feasibility Study was completed for the project in November 2018 with the Mineral Resource and Ore Reserves being reported according to JORC 2012. Significant portions of this ITAR are based on the technical information contained in or undertaken as a part of the 2018 Feasibility Study.

3. Compliance with the JORC and VALMIN Codes and ASIC Regulatory Guides

The ITAR has been prepared in accordance with the JORC Code 2012 and the VALMIN Code 2015. Both of these industry codes are mandatory for all members of the Australian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. These codes are also requirements under Australian Securities and Investment Commission (ASIC) rules and guidelines and the listing rules of the Australian Securities Exchange (ASX)

This ITAR is as a Public Report as described in the VALMIN Code (Clause 5) and the JORC Code (Clause 9). It is based on, and fairly reflects, the information and supporting documentation provided by GPR to the Competent Persons listed as signatories to this ITAR and additional publicly available information.

4. Scope of Work

DRM's primary obligation in preparing mineral asset reports is to independently describe mineral projects in compliance with the JORC Code which requires that the Public Report contains all the relevant information at the date of disclosure, which investors and their professional advisors would reasonably require for the purpose of making a reasoned and balanced judgement regarding the project.

DRM has compiled the ITAR based upon the principle of reviewing and interrogating both the work of GPR and Kula and independent specialists who have contributed to the technical information available for the project. This report is a summary of the work conducted to 7 March 2019 based on information supplied to DRM by GPR, its advisors and information that is in the public domain, to the extent required by the JORC Code and the VALMIN Code.

5. Statement of Independence

Dunbar Resource Management (DRM), the trading name of Jewell Dunbar Pty Ltd, was engaged to undertake an independent review and valuation of the mineral assets of GRP including the WIGP. This work has been conducted in accordance with the 2012 JORC and the 2015 VALMIN codes. In addition to these industry codes the work also complies with ASIC Regulatory Guideline 111 – Content of Expert Reports (RG111) and ASIC Regulatory Guidelines 112 Independence of Experts (RG112).

Mr Paul Dunbar and Dunbar Resource Management has previously been engaged by Kula to assist in technical analysis of the exploration activities and ASX reporting by Kula. In 2017 DRM undertook an Independent Technical Assessment Report (ITAR) and valuation as an independent consultant to Kula. Since that ITAR DRM has continued a sporadic professional engagement with Kula Gold whereby Mr Dunbar and DRM assists Kula Gold as an independent consultant assisting with Kula's JORC compliance and undertook a review of the Pre-Feasibility Study completed by GPR is early 2018. This review included an analysis of the Mineral Resource Estimate and Ore Reserves associated with the PFS. This engagement was essentially to review work conducted by GPR, as an independent consultant and to ensure that any public statements made by Kula Gold comply with the 2012 JORC code. The relationship between Kula Gold Limited and Jewell Dunbar Pty Ltd and Dunbar Resource Management is solely one of professional association between client and independent consultant.
Mr Dunbar nor Dunbar Resource Management, the trading name of Jewell Dunbar Pty Ltd has or has had any other association with GPR or Kula, its individual employees, or any interest in the securities of KGD or GPR, which could be regarded as affecting the ability to give an independent, objective and unbiased opinion. Neither DRM or Mr Paul Dunbar hold an Australian Financial Services Licence therefore the valuation contained within this report is limited to a valuation of the mineral asset being reviewed. Dunbar Resource Management will be paid a fee for this work on standard commercial rates for professional services. The fee is not contingent on the results of this review and is estimated as being between $14,000 and $17,500.

Two additional specialists have been engaged by DRM to undertake specific sections of this report. Both of these specialists have confirmed that they are independent of Kula Gold, neither has or has had any other association with Geopacific (GPR) or Kula (KGD), other than as an independent consultant, its individual employees, or any interest in the securities of GPR or KGD, which could be regarded as affecting the ability to give an independent, objective and unbiased opinion.

6. Competent Persons Declaration and Qualifications

This report was prepared by Mr Paul Dunbar as the primary author with specialist sections undertaken by Mr Alexander (Sandy) Moyle and Mr Scott McEwing. The primary author of the report and information that relates to geology, exploration and the mineral asset valuation is based on information compiled by Mr Paul Dunbar, BSc (Hons), MSc (Minex), a Competent Person who is a member of the Australian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Mr Dunbar is employed by Jewell Dunbar Pty Ltd, trading as Dunbar Resource Management, a Geology and Exploration Management consultancy, which has been engaged by Stantons International Securities Pty Ltd. Mr Dunbar has a Master of Science in Mineral Exploration and Mineral Economics and has sufficient experience, which is relevant to the style of mineralisation, geology and type of deposit under consideration and to the activity being undertaken to qualify as a competent person under the 2012 edition of the Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves (the 2012 JORC Code) and a specialist under the Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (The 2015 VALMIN Code). Mr Dunbar consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The review of the mining aspects of the Feasibility Study were undertaken by Mr Scott McEwing who is an employee of SRK Consulting Pty Ltd and a mining engineer with over 20 years' experience in due diligence, project management and technical mine planning and consulting activities. Mr McEwing on is a Fellow of the Australasian Institute of Mining and Metallurgy and has appropriate experience, qualifications and more than five years' experience in similar work to undertake this review as required by the JORC Code (2012) and the VALMIN Code (2015). Mr McEwing

consents to the inclusion in this report of these matters based on information in the form and context in which it appears.

The information in this report that relates to the geological aspects, is based on information compiled by Mr. Alexander (Sandy) Moyle, Principal Geologist for A J Moyle and associates, an associate of DRM. Mr Moyle is a Member of The Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. He 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'. Mr Moyle consents to the inclusion in this report of these matters based on information in the form and context in which it appears.

7. Reliance on Experts

The authors of this report are not qualified to provide extensive commentary on the legal aspects of the mineral properties or the compliance with the Papa New Guinea Mining Act. Dunbar Resource Management has viewed the PNG government website that confirmed that the tenements are reported as being in good standing and that all tenement matters including annual reports, rents and renewals have been lodged and are progressing in accordance with the PNG Mining Act. As DRM and the authors of this report are not experts in the PNG Mining Act no warranty or guarantee, be it express or implied, is made by the authors with respect to the completeness or accuracy of the legal aspects regarding the security of the tenure.

DRM has relied upon the WIGP Mineral Resource Estimates undertaken by Mr Nicholas Johnson and released by GPR in March 2018 (GPR ASX release 12 March 2018). Mr Johnson is 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, according to the GPR competent persons statements no economic, financial or pecuniary interest in the GPR. DRM considers Mr Johnson to be an independent consultant to GPR.

DRM has also relied on the Ore Reserve Estimates for the WIGP based on information compiled and reviewed by Mr John Battista, a Competent Person who is a Member and Chartered Professional of the Australasian 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, according to the GPR CP statements no economic, financial or pecuniary interest in the GPR. DRM considers that Mr Battista is an independent consultant to GPR.

8. Sources of Information

All information and conclusions within this report are based on information made available to Dunbar Resource Management and the associated specialists engaged to assist with this report by GPR and other relevant publicly available data to 7 March 2019. Reference has been made to other sources of information, published and unpublished, including government reports and reports prepared by previous interested parties and Joint Venturers to the areas, where it has been considered necessary. DRM has, as far as possible and making all reasonable enquiries, attempted to confirm the authenticity and completeness of the technical data used in the preparation of this report and to ensure that it had access to all relevant technical. DRM has relied on the information contained within the reports, articles and databases provided by GPR as detailed in the reference list. A draft of this report has been provided to GPR to identify and address any factual errors or omissions prior to finalisation.

9. Site Visit

A site visit has not been undertaken by the primary author or specifically to support this ITAR. As there are currently no exploration activities on Woodlark Island there are no planned flights to the island, a site visit would require an extended journey by boat. Therefore, in DRM's opinion it is not feasible to undertake a site visit for this report. Given the Mineral Resources and the Ore Reserves have been undertaken by independent consultants who have visited the project in DRM's opinion there would be little gained by a site visit for this report. Nicolas Johnson of MPR visited the WIPGP in January 2018 to review the project geology and exploration field practices as part of the 2018 Mineral Resource update while John Battista (Principal Mining Consultant with Mining Plus and CP for Mining and Ore Reserves) visited site in January 2018

10. Woodlark Island

Woodlark Island forms part of the independent nation of Papua New Guinea (PNG), it has a long history of gold mining with gold being first discovered 1895 and a total of 212,463oz produced between 1895 and 1920 (McGee 1978). From 1921 to 1960 an additional 18,596oz was produced. The island is approximately double the area of the nearby island of Misima (160 kilometres to the south) which produced more than 5 million ozs of gold up until its closure in the early 2000's.

10.1. Location and Access

The island is located in the Solomon Sea, within the Province of Milne Bay (Latitude 09° 10' S, Longitude 152° 40' E), approximately 300km ENE of Alotau, the main administrative and commercial centre in Milne Bay, Figure 1 & 2. Woodlark is approximately 65 kilometres from east to west and 25 kilometres north to south in the centre of the island.

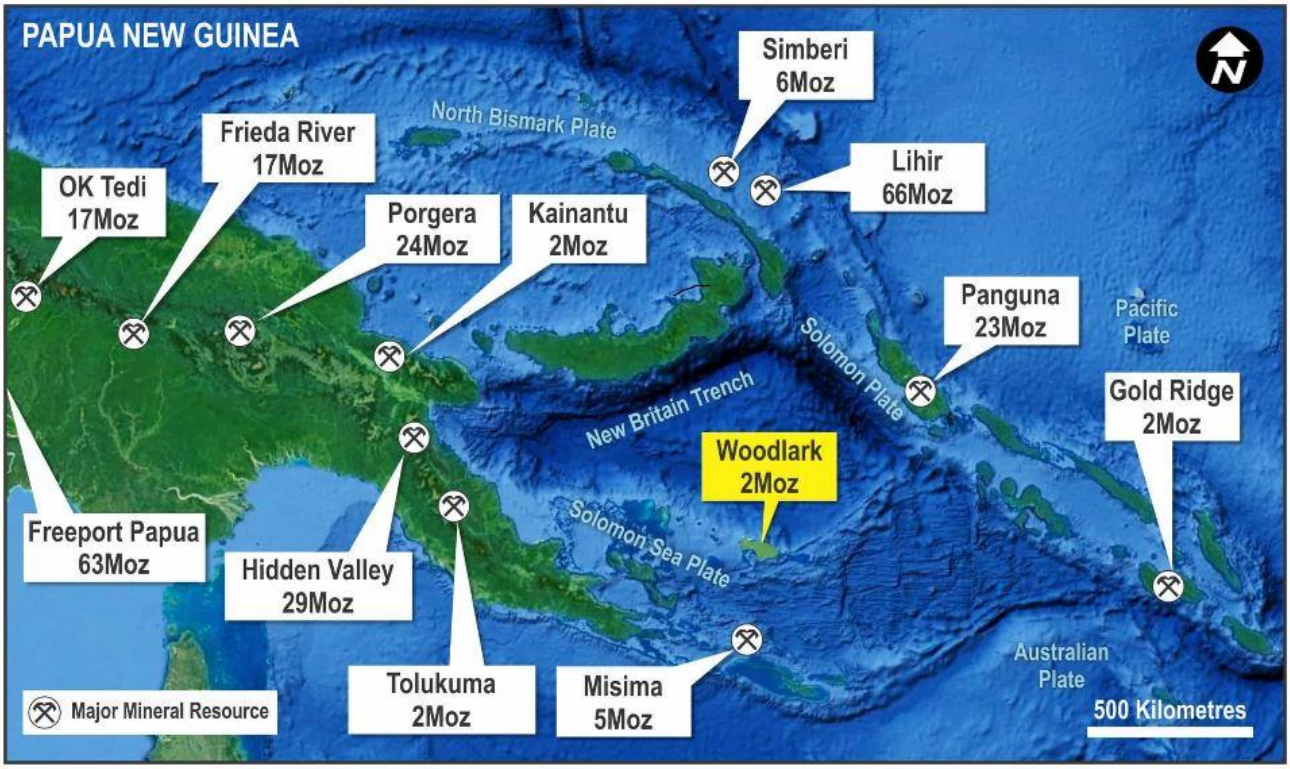


Figure 1: Location of Woodlark Island

Access to Woodlark is by air or sea. No regular public air service currently operates to the island therefore all flights are by private charter to the company maintained Guasopa airstrip, a grass airstrip on the eastern end of the island that was established during World War 2. Guasopa is approximately 1 hour 30 minutes by air from Port Moresby.

Coastal shipping consists of irregular small cargo and passenger vessels from Alotau to various communities on the island. These vessels generally carry up to 15t of passengers and cargo. Heavy machinery and supplies are brought in by tug supported or large landing craft type (LCT) barges on private charter to Boi Boi wharf.

Woodlark Mining Limited (WML), the PNG registered holding company of the Woodlark Island Gold Project has established bulk fuel storage at Boi Boi. A network of roads established by previous explorers & logging companies provides variable access to much of the island. Constant maintenance of the roads and associated bridges is required due to the high annual rainfall.

An exploration camp including a sample preparation laboratory, core yard, workshops and a health clinic has been established at Bomagai in the centre of the island and proximal to most of the exploration activity. WML has a significant earthmoving fleet to ensure a high level of road maintenance and to provide support for exploration activities including drill site preparation.
There is no established power or water supply on the island.

Communication to Alotau and intra-island between communities is by HF radio. There are few serviceable public or government vehicles on the island and no commuter service individual communities. Most local travel is by sail, powered canoe or walking.

There are minimal health clinics on the island with a few largely under provisioned clinics located at community centres and a medical centre located at Guasopa. Woodlark Mining Limited has modern communications at Bomagai and a moderately provisioned health clinic which is open to the relatives of employees or emergency medical cases.

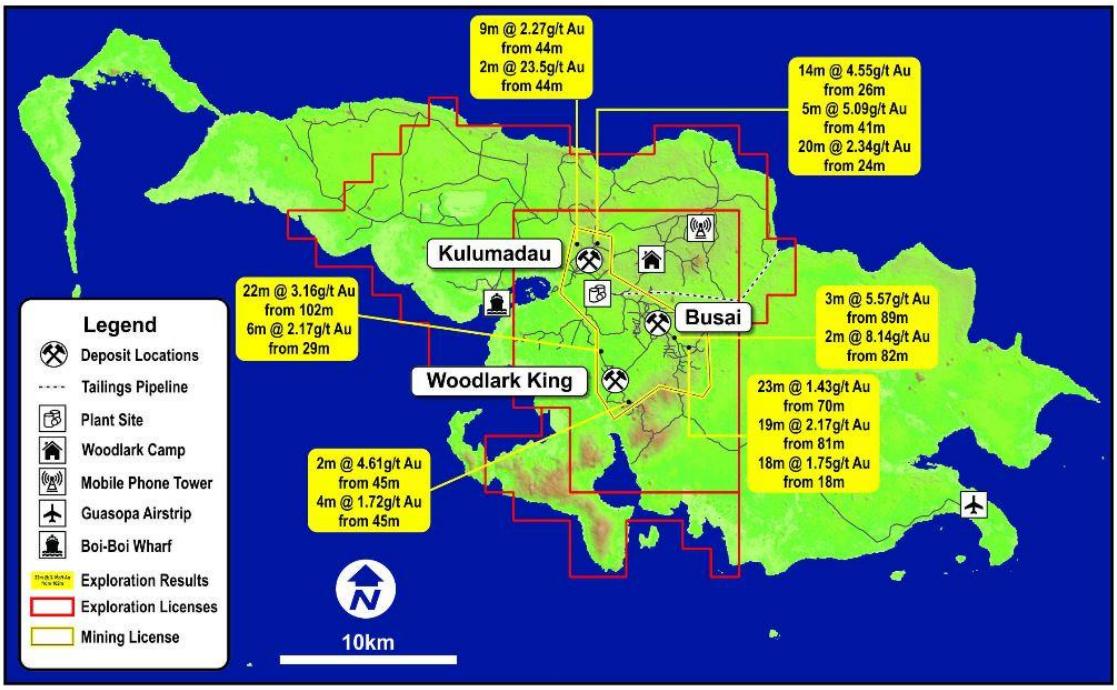


Figure 2: Project Location Map

10.2. Local Land Ownership

In Papua New Guinea, most land is owned by the local people as customary land. On Woodlark Island this is not the case. Large portions of the land had been alienated during colonial times and was therefore owned by the State as Government land and was the subject of State leases for agricultural purposes.

On 1 August 2016, the PNG government declared that three large portions of land (portion 138, 139 and 140) covering approximately 60,440 hectares or 75% of Woodlark Island had been returned to the local people and these areas now customary land. Importantly for the WIGP one of these portions of land includes the land planned to be used for relocation of the Kulumadau village when the Project proceeds.

10.3. Topography and Climate

The Island consists of approximately 850 square kilometres of flat low lying, raised coral reef and associated sediments, with a central zone of volcanic hills rising from sea level to 325m. Defined drainage patterns are confined largely to the volcanic terrain, the limestone being relatively porous with emerging sinkhole development. A well-developed karst topography only occurs on Nasai Island in the south of the island. Freshwater lakes occur in the western half of the island and large tracts of freshwater and marine swamp occur in the east.

The climate is low elevation humid with Southeast Trade winds during May to October and Northwest Monsoons from December to March. Doldrums occupy the transition periods during November and April. Woodlark is on the northern edge of the tropical cyclone belt, but high intensity cyclones are rare. Rainfall, averaging 4,000mm pa, is non-seasonal and is highly erratic. The highest recorded monthly rainfall is 1,171mm and the lowest 21mm. Similarly, the highest annual rainfall was 6,613mm and the lowest 1,601mm. These variations are strongly linked to the Pacific Southern Oscillation or el Niño la Niña climatic event. Temperatures range from 25°-33°C and humidity from 80-85%.

10.4. Fauna and Flora

Vegetation is dominantly small crowned forest with a dense 25-30m high canopy. Estuarine mangroves are well developed in the south and west coasts with a canopy of up to 30m. Much of the western half of the island has been selectively commercially logged until approximately 1995. Regrowth of logged areas exhibits a similar mix of species to the unlogged areas.

11. Woodlark Island Gold Project

11.1. Ownership

The Woodlark Island Gold Project is 100% owned by Woodlark Mining Limited (WML), which is 60% owned by Geopacific Resources and 40% owned by Kula Gold. Under the terms of a signed Joint Venture Geopacific has the right to acquire up to 75% of the project through a three staged earn in and dependent on exploration success. The Joint Venture terms are detailed in Section 11.2 below. Geopacific currently owns approximately 85% of the ordinary shares in Kula giving GPR a beneficial interest in the WIPG of approximately 94%.

The PNG Mining Act allows the government to acquire up to 30% of a project by reimbursement of project related expenditure. The PNG government has elected not to acquire its full entitlement but will acquire 5% of the shares in WML. The sale of the 5% to the government has not been finalised.

11.2. Kula Gold – Geopacific Resources Joint Venture

Under the terms of the three stage Joint Venture initially announced on 11 July 2016 Geopacific has the rights to earn equity in WML. DRM's understanding of the joint venture is that the three stage joint venture consists of;

- Stage 1 – Complete due diligence into the project within six months and spend $650,000 to develop an exploration and development plan. While there was a six month timeframe for this to be completed however Geopacific confirmed on 7 October 2016 that it was going to proceed to Stage 2. In completing Stage 1 and executing the required agreements it is understood that Geopacific has earnt a 5% interest in WML.

- Stage 2 – Under Stage 2 GPR has the right to earn an additional 35% in WML (for a total equity of 40%) by expending a minimum of $8M on exploration within two years as detailed in the work program developed in Stage 1. In addition to the expenditure of $8M there is the requirement for 15,000m of diamond drilling to be completed in the project for GPR to earn the additional 35%. There is also an imbedded incentive target whereby GPR can increase its equity to 51% if a Reserve of at least 1.2Moz is outlined.
  This stage was completed as reported by GPR on 23 August 2018 with notice provided with the incentive target being achieved and that GPR will proceed with Stage 3
- Stage 3 – Under Stage 3 GPR has the right to earn a total of 60% equity in WML by expending an additional $10M. Should the incentive target of 1.2Moz reserve be achieved by the end of Stage 3 and GPR having achieved "bankable" status for the project then GPR's equity in WML would increase to 75%.
  Kula announced in its annual report that GPR had expended a total of $19 million thereby GPR is entitled to a 60% equity in WML subject to GPR issuing a completion notice. In the Kula Annual Report it stated that as at the end of the reporting period (31 December 2018) GPR had a 51% direct shareholding in WML.

Once bankable status has been reached then Kula has the right to raise its share of the development funding proportionate to its interest in Woodlark. Should Kula be unable to, or elect not to, raise its share of development finance then Geopacific will have the right to arrange Kula's share of the development finance and thereby earn an additional 5% interest in WML.

As in DRM's opinion, the only aspect that is limiting GPR from being granted the additional equity in WML and bringing their equity to 60% is issuing a completion notice to Kula it is considered reasonable to assign a 60% equity to GPR with Kula retaining a 40% equity in WML.

11.3. Mineral Tenure

All the WIGP tenements are held 100% by WML.

The WIGP consists of one granted Mining Lease and three contiguous granted Exploration Licences covering approximately 579km^2 (Figure 2). The Kulumadau, Busai and Woodlark King gold deposits which occur within ML508. Associated with and linked to ML508 are a series of additional tenements including Mineral Easements and Lease for Mining Purpose. These are associated with the infrastructure needs associated with the project as outlined in the Feasibility Study. Table 1, below details the status of the all the tenements associated with WIGP.

Table 1 Tenements that constitute the Woodlark Island Gold Project.

Tenement	Application Date	Grant Date	End Date	Area	Status
EL 1172	23/2/1996	28/11/1997	21/11/2019	22 sub blocks	Renewal required 2019
EL 1279	9/3/1999	26/8/1999	25/8/2019	56.34 sub blocks	Renewal required 2019
EL 1465	28/9/2006	22/12/2008	21/12/2018	75 sub blocks	Renewal Pending
ML508	30/10/2012	4/7/2014	3/7/2034	59.6km^2	Active
LMP 89	16/7/2015	26/5/2016	3/7/2034	6.4ha	Active – Linked to ML508
LMP 90	16/7/2015	26/5/2016	3/7/2034	3.6ha	Active – Linked to ML508
LMP 91	16/7/2015	26/5/2016	3/7/2034	151.27ha	Active – Linked to ML508
LMP 92	16/7/2015	26/5/2016	3/7/2034	661.06ha	Active – Linked to ML508
LMP 93	16/7/2015	26/5/2016	3/7/2034	71.59ha	Active – Linked to ML508
ME 85	4/8/15	26/5/16	3/7/2034	30.62ha	Active – Linked to ML508
ME 86	4/8/15	26/5/16	3/7/2034	47.02ha	Active – Linked to ML508

ML508 has several tenement conditions including one which requires construction to be complete and commence commercial production by 5 July 2017. Woodlark submitted an application to extend the timeframe associated with

this condition and was granted a 30 month extension. If this condition is not achieved the government could apply for the mining lease to be terminated. While DRM are not specialists in PNG mining law or the PNG mining act it is considered likely that the ground covered by the mining lease would revert to the underlying exploration lease, which remains 100% owned by WML. If this were to occur it is DRM's opinion that WML would be required to apply for a new Mining Lease and all the development approvals would need to be re lodged. It is likely that the underlying exploration licence provides security to the mineral resources.

11.4. Royalties

The following royalties are applicable for the project;
An Ad-valorem royalty of 2.25% is payable to the government of Papua New Guinea for all production from the project.

This royalty has been included in the financial analysis of the project.

12. Geology

The geological information within this section, other than that generated by GPR is sourced from three separate sources being Corbett 1994 and 2011, Lee Spencer 2010 and 2013 and various reports by Kula and GPR. Significant information has been sourced from reports provided to DRM by GPR as a part of this ITAR. Additional information has been sourced including various journals, technical papers and publicly available reports including various company ASX releases.

12.1. Tectonic Setting and Regional Geology

Woodlark Island is located within the Papuan Island Terrane of Williamson and Hancock (2005) which represents the eastward extension of the Papuan Peninsula. The Terrane includes the D'Entrecasteaux Islands, Louisiade Archipelago (including Misima, Sudest and Rossel Islands), Woodlark Island and the Trobriand Islands. All these islands are located on oceanic highs within the Solomon Sea. Woodlark Island is located on the Woodlark Rise which is separated from the other islands to the south by the Woodlark Basin spreading centre (Figure 1).

The Woodlark Rise trends NW and is parallel to the Trobriand Trough subduction zone to the north of Woodlark Island. A major NE trending fault, the Nubara Fault, cuts the Woodlark Rise in the eastern portion and separates Woodlark Island from the Laughlin Islands in the east. The Woodlark Rise may constitute, at least in part, an emerging Miocene volcanic arc.

12.2. Local Geology

The bulk of Woodlark Island is covered by a veneer of Plio-Pleistocene Kiriwina Formation consisting of coralgal limestone with associated marine clays and basal conglomerates. The oldest basement rocks are the Eocene Loluai Volcanics, comprising low-potassium ocean ridge basalts and volcaniclastics (Ashley and Flood, 1981), overlain unconformably by the Early Miocene Nasai Limestone. This in turn is overlain by the volcanolithic Early to Mid-Miocene Wonai Hill Beds, comprising sediments, agglomerate and andesite, and Mid to Early Miocene Okiduse Volcanics, comprising high-potassium to calc-alkaline epiclastics, porphyritic andesite to dacite flows, breccias and tuffs with co-magmatic porphyritic microdiorite and andesite intrusions (Ashley and Flood, 1981; Joseph and Finlayson, 1991). The Miocene Okiduse Volcanics are exposed in a central elevated portion of the island which has been interpreted as a 'basement' horst block (Joseph and Finlayson, 1991).

The Woodlark Island Miocene volcanics and intrusives are postulated to belong to the Maramuni Event which represents the main period of magmatism and related mineralisation in PNG stretching some 750 kilometres from the Indonesian border with PNG to the Wau district south of the Huon Gulf as a 40-60 kilometre wide belt and sporadically onto the offshore islands. Some of the mineralisation systems related to this event include Frieda River and Wafi (Corbett, 2005).

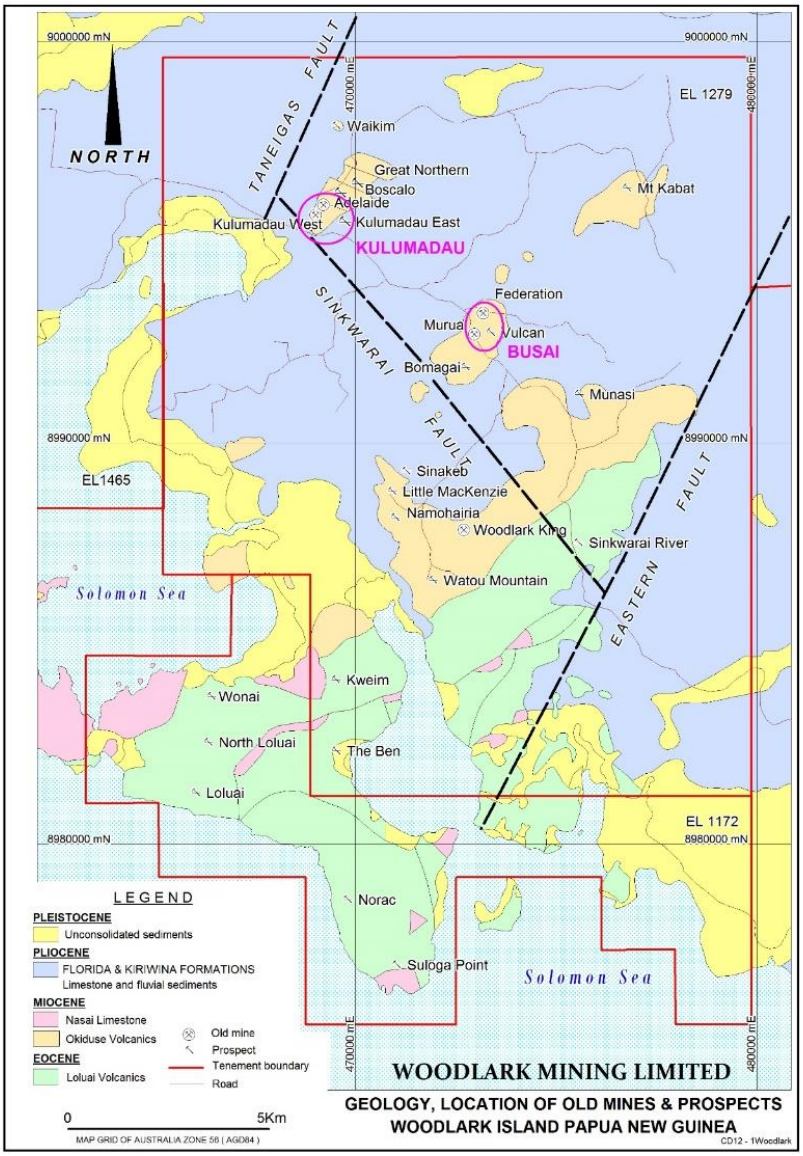


Figure 3: Local geology of the central Woodlark Island Gold Project

12.3. Deposit Geology and Mineralisation

Corbett (1991) undertook a detailed structural interpretation of Woodlark Island from aerial photographs, BHP aeromagnetic data, literature and limited fieldwork (Figures 3 and 4). The following structural trends were recognized:

- Two prominent northeast trending structures define a 'horst' block in the central portion of locally outcropping Okiduse Volcanics and Kiriwina Formation sediments. The structures are protracted through time as they actively fault Kiriwina sediments.
- Three sets of northwest trending structures cut the central horst block and roughly parallel the north coastline of Woodlark. These were termed the Kabat Structure, Bomagai Structures passing through and near the Busai mineralisation and the Boniavat Structure which hosts several colonial workings including the Woodlark King resource.
- East-west structures were identified as the Lake Lelua Structure in the western portion of the island and the Muniai Structure in the central portion of the horst block.
- North-northeast trending structures were recorded through the colonial workings at Busai and at Kulumadau where north-northeast structures have deformed earlier mineralisation.
- North-south structures particularly through mineralisation at Wonai on the Suloga Peninsula.

On the above basis, Corbett et al. (1994) concluded that gold mineralisation on Woodlark was structurally controlled dominantly within north-northwest strike slip structures as zones and that mineralized veins trend toward a north-south orientation reflecting local dilatational locations.

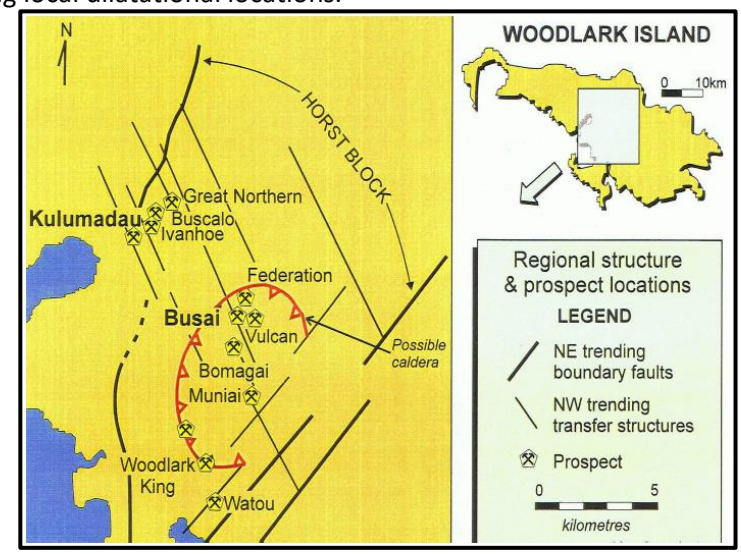


Figure 4: Regional Structures and Historical gold workings (after Corbett et.al., 1994)

A reinterpretation of the regional structure of the Central Horst Block and district scale structure at Busai was undertaken by Lennox (2009). This structural reinterpretation was based on Shuttle Radar Topography Mission (SRTM) analysis at various sun angles, field observations and diamond core logging (Figure 5).
The lower image D in Figure 5 shows the major faults and the proposed movement direction as determined from the development of Riedel faults, the bending of faults or through coastline displacement. The timing relationships for the major fault sets demonstrate no simple pattern which indicate that these faults overlapped in their period of development.

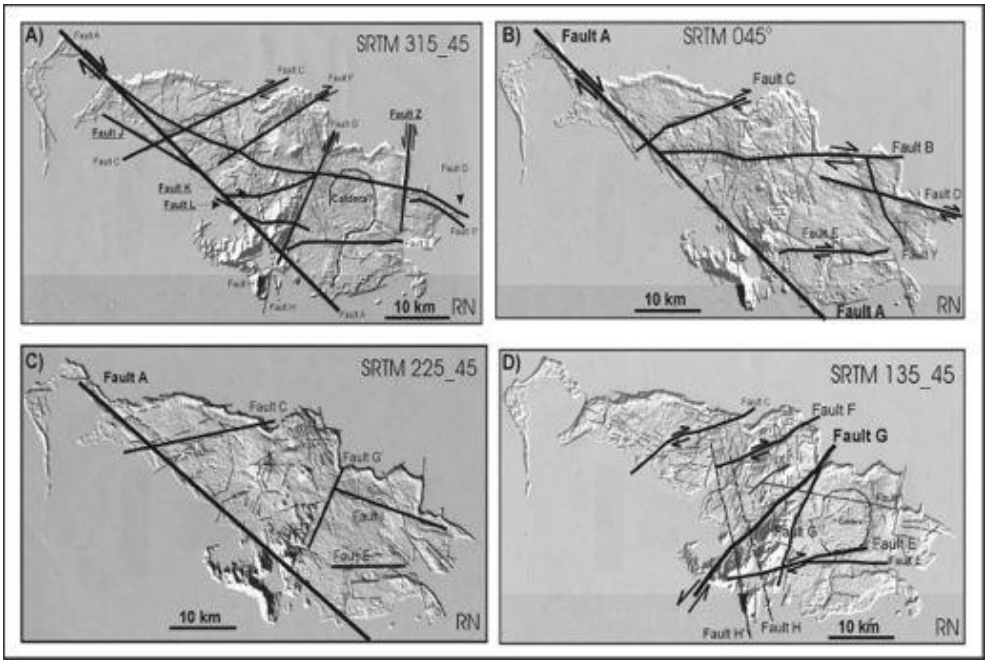


Figure 5: Analysis of Major Observed Faults with Sun Azimuths at 315° (A), 045°(B), 225° (C) and 135° (D). After Lennox (2009).

12.3.1. Kulumadau Deposit Geology

Corbett (1991) has defined the Kulumadau deposit mineralisation as a "structurally controlled mesothermal siliceous breccia/vein stockwork system which is hosted within a reactivated structural zone on the margin of a non-outcropping porphyry body and is deformed by post mineral shearing." Based on examination of diamond drill core from Highland's Gold exploration at Kulumadau (8 holes), Corbett identified a pattern of overprinting alteration: 1. Regional propylitic alteration characterized by chlorite replacement of mafic minerals in the andesitic volcanics. 2. Potassic alteration overprinting early propylitic, potassic altered breccia fragments, inferred to be from a deeper potassic intrusive.

3. Structurally controlled phyllic alteration consisting of silica + sericite + pyrite +/- base metals and gold.

4. Anhydrite veins. Corbett (1991) interpreted anhydrite veins as typical porphyry related alteration. 5. Carbonate flooding of all previous alteration, especially adjacent to post mineral breccia zones.

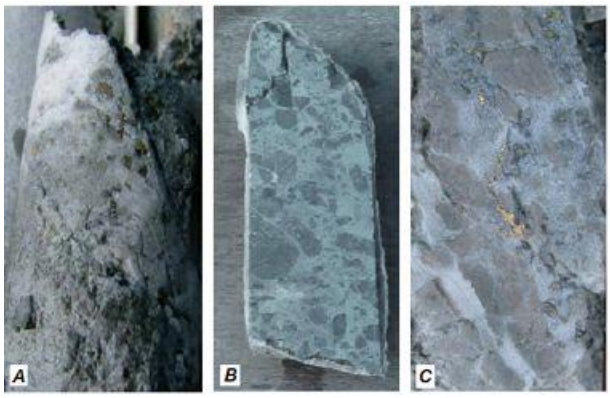


Figure 6: Mineralisation styles for gold at Kulumadau

Figure 6 illustrates three of the numerous mineralisation styles recognised over the Kulumadau project area. These include siliceous veining in brecciated matrix with gold and sulphides (A), polymictic brecciated clasts with gold (B) and base metal association in clay breccias with gold (C).

More recent studies by Burkett et al. (2015) have described the Kulumadau deposit as an intermediate-sulfidation epithermal gold deposit with an Ag/Au ratio of 1. Mineralisation is primarily confined to hydrothermal breccias within fault zones, where it is disseminated throughout a hydrothermal matrix comprising chlorite-quartz-adularia-illite-illite/smectite clays-calcite-pyrite.

The host sequence represents numerous mid-Miocene andesitic pyroclastic flow eruptions within a tectonically active emergent shallow marine to subaerial depositional setting. Subsequent growth faulting was responsible for debris avalanches, which were subsequently cut by reverse faults. Faults were exploited by hydrothermal fluids, with the heightened porosity at the juncture between faults and debris material facilitating boiling of the ore constituents. Fluid inclusion studies suggest that fluid mixing between meteoric fluids and magmatic fluids, accompanied by boiling, were the primary mechanisms for gold deposition. The occurrence of anhydrite/gypsum as late-stage veins and their sulphur and oxygen isotopic values indicate post-mineralisation mixing of sea water with hydrothermal fluids (Burkett et al., 2015).

The locations of the Kulumadau deposit and surrounding gold mineralisation areas are displayed on Figure 7. An east-west cross-section displaying interpreted geology of the Kulumadau deposit is displayed on Figure 8 (Burkett et al., 2015).

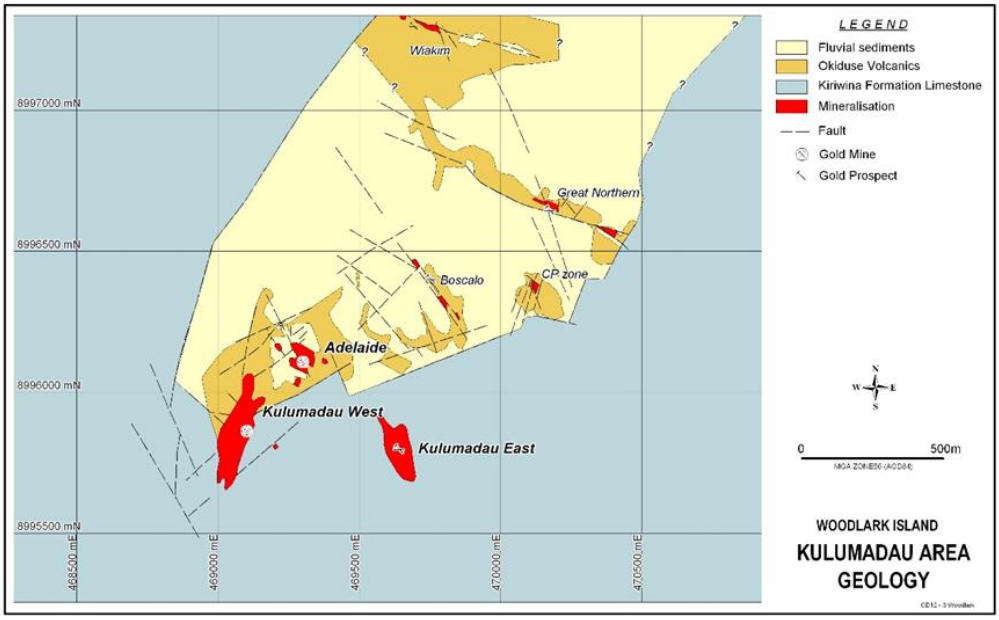


Figure 7: Kulumadau Area mineralisation

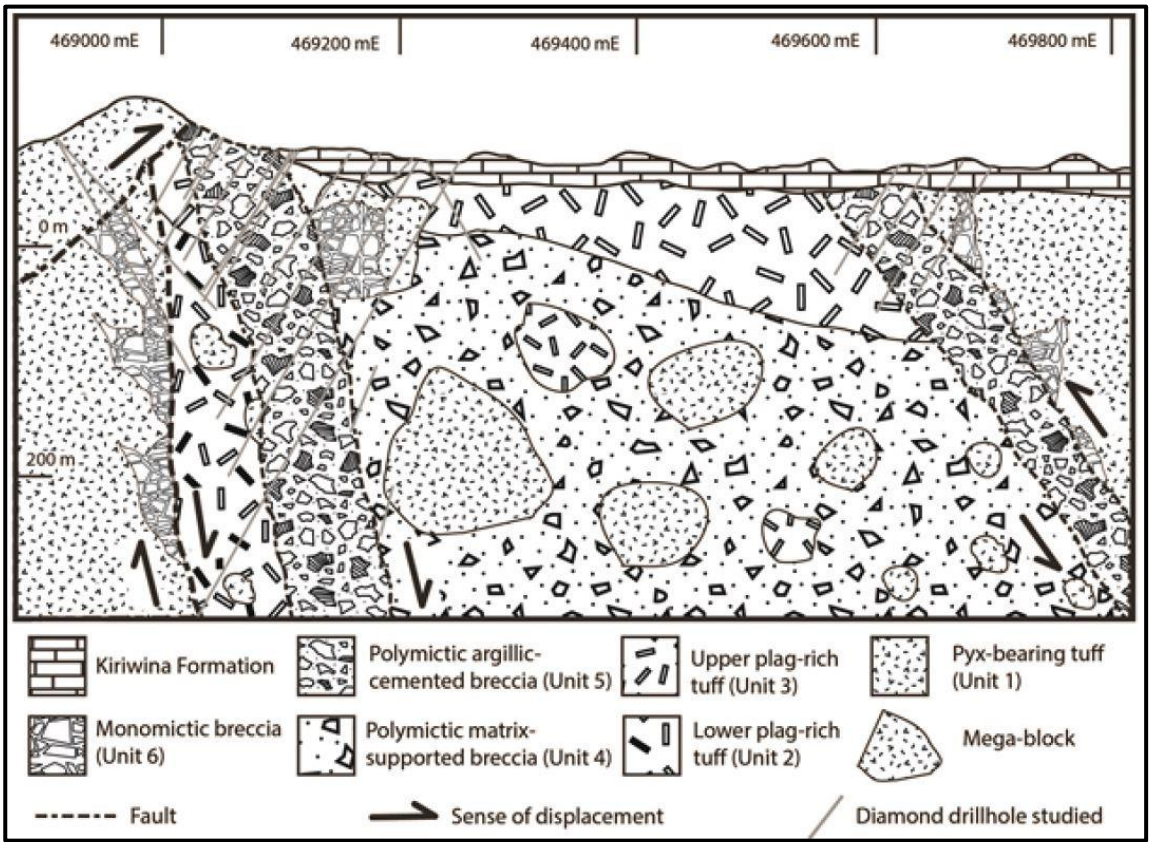


Figure 8: Cross-section 8995875N interpreted geology, Kulumadau deposit (Burkett et al., 2015)

12.3.2. Busai Deposit Geology

A review of the of exploration conducted by BHP and Highlands in the Busai district was conducted in 1991 (Corbett G., 1991). The Busai district was described as containing several discrete prospects scattered over an area of 4 square kilometres, including:

1. Busai Pit (Murua United)
2. Federation
3. Vulcan, and
4. Bomagai.

Mineralisation at the Busai Resource was interpreted to lie on a restricted jog along a northwest structure with mineralisation contained in steep structures as well as a flat lying lithological control. Mineralisation at Federation and Vulcan was interpreted to be isolated zones related to regional northwest trending structures. It was noted that most previous explorers were drilling to the west. It was also noted that zones of northeast argillic alteration were mapped with little coincident drilling, Corbett G., 1991. In total, three phases of gold mineralisation have been defined over the Busai project area which are represented by sections of drill core in Figure 9.

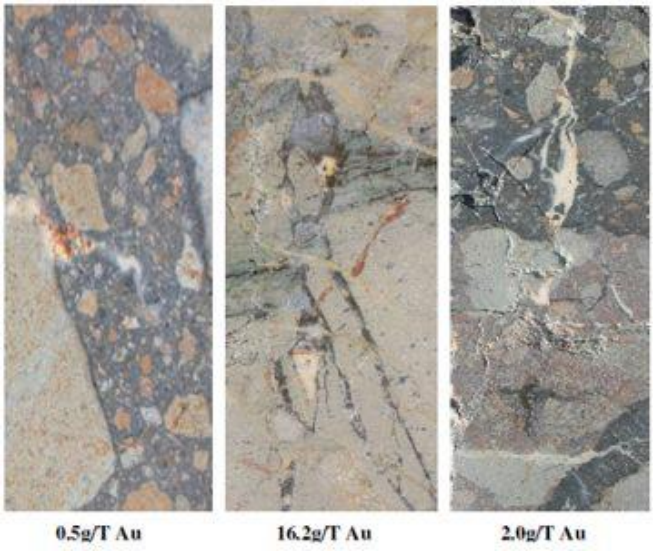


Figure 9: Mineralisation styles for gold at Busai

Early phase hydrothermal brecciation is associated with low-grade gold mineralisation with pyrite and occasional quartz and carbonate veinlets. Phase 2 mineralisation is characterized by quartz veins and associated silicification while Phase 3 carbonate overprints all other phases. The tenor of gold mineralisation directly relates to the amount and intensity of quartz veining associated with Phase 2 mineralisation and the intensity and associated porosity of host volcaniclastics of the late stage carbonate overprint.

The mineralisation at the Woodlark King prospect, to the south of Busai, is consistent with the mineralisation styles observed over the Busai area.

12.4. Exploration Potential

Within the greater WIGP there is considerable exploration potential. The general resource areas cover several prospects which warrant additional exploration. These include Waikim, Great Northern and CP Zone prospects proximal to the Kulumadau 2018 DFS pit design, Figure 10.

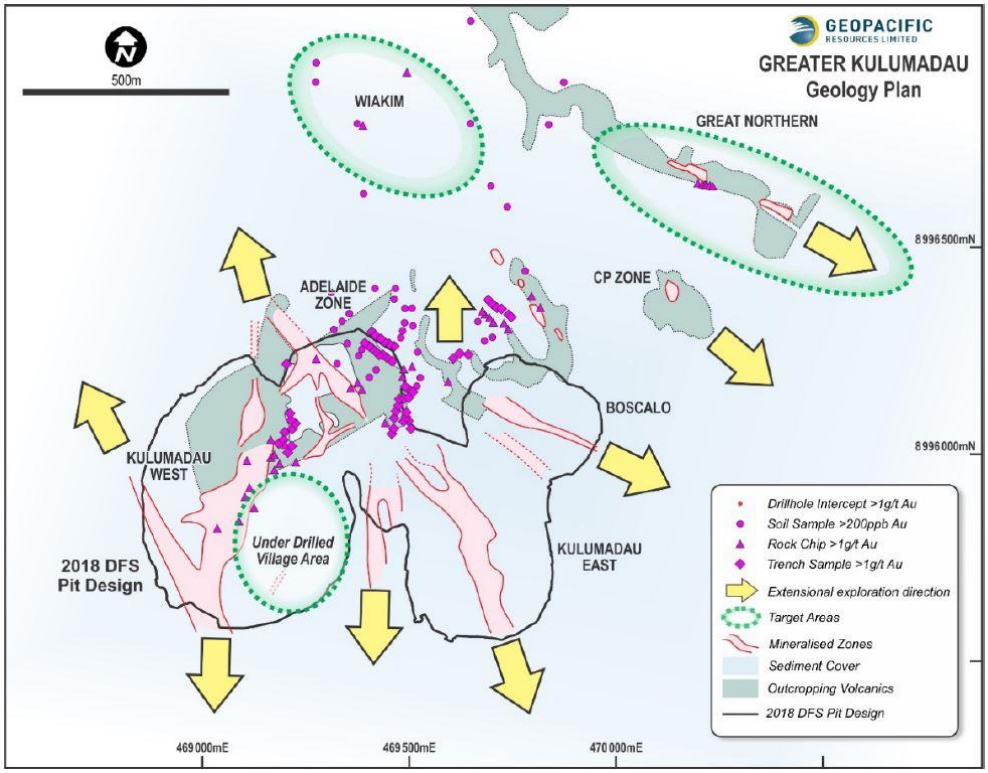


Figure 10: Kulumadau deposit area with exploration targets and adjacent prospects (GPR ASX DFS release 7/11/2018)

Substantial potential exists to expand the current reserves at Kulumadau through conversion of existing Inferred Resources to Measured or Indicated Resources. Areas immediately peripheral to the Kulumadau 2018 DFS pit design warrant additional drilling, Figure 11.

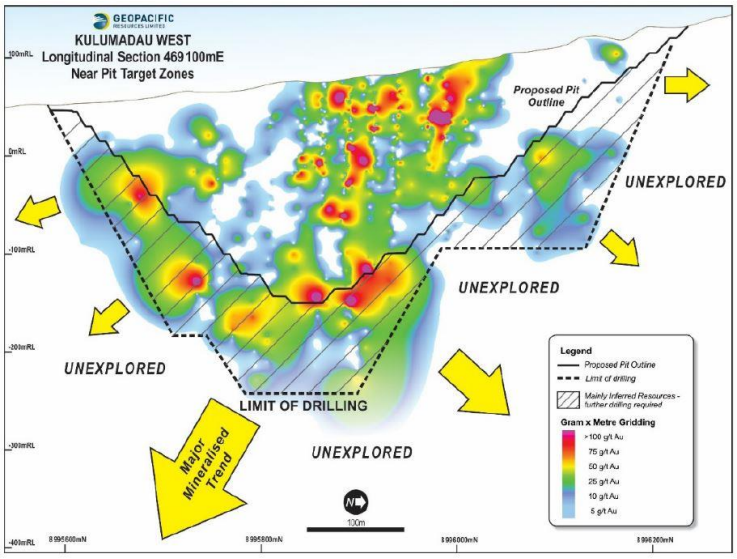


Figure 11: Kulumadu deposit 2018 DFS Pit Design cross-section indicating exploration potential adjacent to the pit down-dip and along-strike (GPR ASX DFS release 7/11/2018)

Outside the defined deposit resource areas there are extensive areas of prospective volcanic host lithologies covered by limestone of the Plio-Pleistocene Kiriwina Formation which has had limited exploration activity to date. With additional exploration utilising modern exploration targeting techniques within the prospective volcanic units and

under the cover sequence it is considered likely that additional mineralisation would be delineated. A major regional soil sampling programme was conducted in 2018 which identified several new gold targets which warrant further investigation, Figure 12. These targets include areas proximal to the historic Watou, Talpos, Munasi and Norac workings.

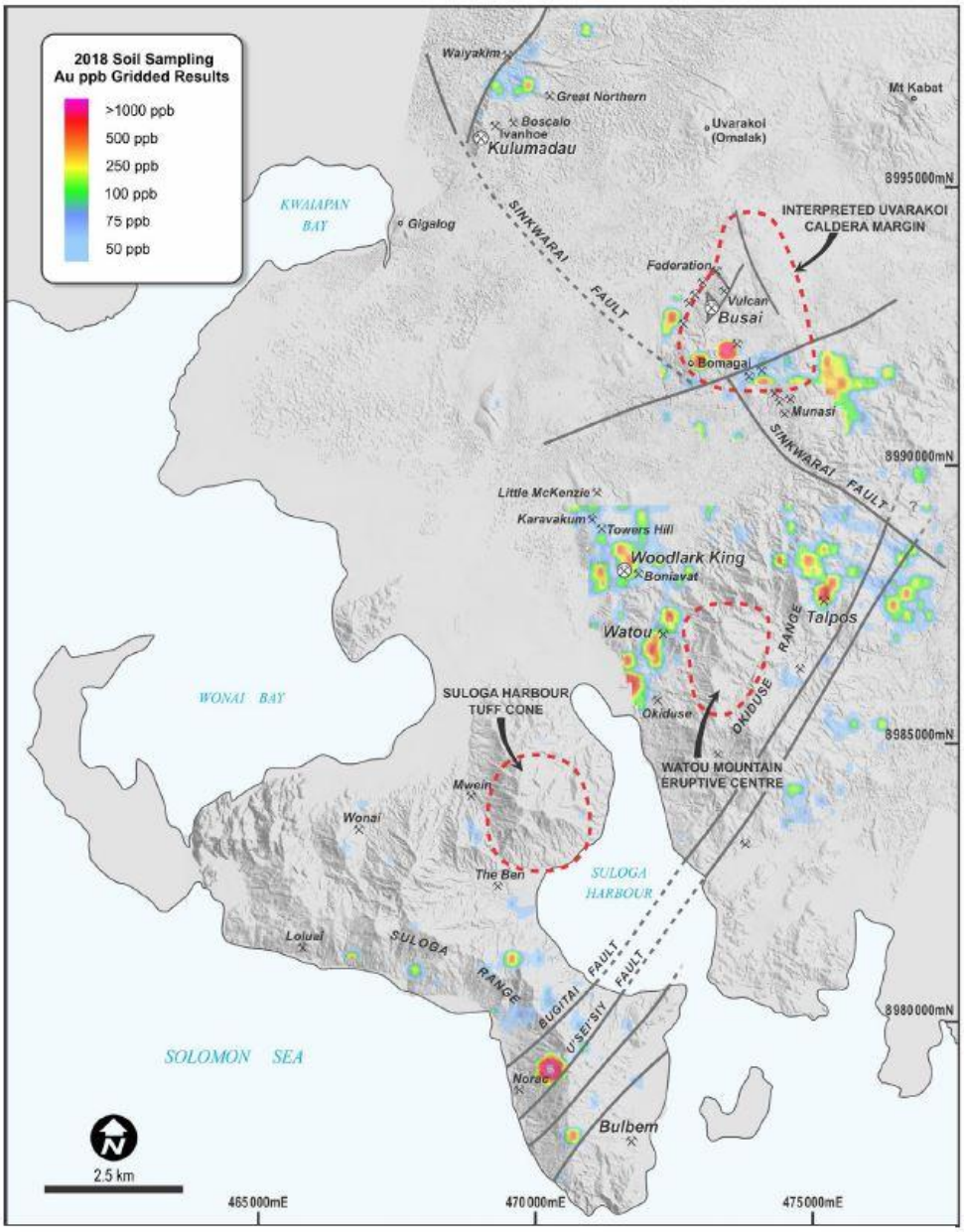


Figure 12: 2018 soil sample anomalous gold exploration targets (GPR December 2018 Quarterly Report ASX release 31/1/2019)

13. Previous Exploration and Historical Mining

Gold was discovered on Woodlark Island in 1895 (McGee 1978a, Corbett 1994, Spencer 2009) with intermittent production over several periods since. Total historical gold production exceeds 200,000oz with the majority being mined from several quartz lodes or reefs associated with quartz veining within several mines.

13.1. Historical Mining

Detailed chronology and descriptions of the historical mining on Woodlark is given by Spencer (2009). In summary:

- Alluvial gold discovered in 1895;
- Alluvial rush slows in 1898;
- Rich veins mined at Busai 1896-1915 including Murua United open cut;
- Kulumadau main lode discovered 1898;
- Company mining at Kulumadau 1899-1918;
- Mining of Woodlark King 1911-1939.

These mines are within and associated with the current resource areas of Kulumadau, Busai and Woodlark King. These three deposits have smaller scale historical mines within the larger resource areas.

Modern exploration activities commenced in the early 1980's with extensive drilling to December 2017 including a total of 2,291 drill holes over 288,705m of drilling. This drilling comprises 373 diamond drill holes for 55,378m, 22 RAB holes for 1,729m and 1,896 RC drill holes for 231,599m

Of this total, Geopacific completed 90 diamond drill holes for 14,240.2 metres plus 109 RC drill holes for 11,373 metres used in resource estimations. Additional Geopacific drilling included metallurgical and geotechnical diamond drill holes.
Drilling undertaken by Geopacific focused on;

- converting Inferred Resources to Measured and Indicated categories
- replacing historical drill holes that were removed from the database
- twin diamond and RC drill holes for quality control and assurance purposes
- extensional drilling beneath the Kulumadau West and Busai deposits
- the discovery and drill out of the Boscalo deposit
- sterilisation drilling
- geotechnical drilling and
- metallurgical testwork drilling.

In addition to this drilling there has been extensive other exploration including geological mapping and geochemical sampling (including soil, rock chip and stream sediment samples). Multiple geophysical surveys have also been conducted including aeromagnetic surveys and IP.

13.2. Recent Exploration

The recent exploration activities have all been reported in accordance with JORC 2012 and released to the ASX since the recent exploration commenced. This section in not intended to detail all the recent exploration, therefore the reader is directed to the GPR website and the various ASX releases.

Recent exploration activities away from the main deposits has included extensive soil sampling, geological mapping and minor regional scout drilling.

14. Mineral Resource Estimates

This section of the ITAR is compiled from work and reports completed and written by MRP Geological Consultants Pty Ltd as reported in the Pre-Feasibility Study in March 2018 (GPR ASX release 12 March 2018). Resource Estimations were undertaken for the Kulumadau, Busai, Woodlark King and Munasi deposits using drilling information from several generations of exploration. The drilling database has been rigorously interrogated by Geopacific and MPR and any deficiencies identified have been removed, replaced or infilled with new drilling which meets JORC 2012 QA/QC standards.

14.1. Previous Mineral Resource Estimates

Previous mineral resource estimates were made by, or on behalf of, the previous explorers, additionally CRM has provided a number of estimates for WML. In general, each successive estimate has reported a larger resource, as the area of drilling has expanded, and more mineralisation has been discovered. The estimates reported by the previous explorers are, in summary:

- BHP - Tonnage/grade estimates aggregating 2.44Mt @ 3.82g/t Au (300,000oz) were defined at the Busai, Kulumadau, Woodlark King, and Federation prospects;
- Highlands – Global resources of 2.249Mt @ 3.41g/t Au at Busai;
- Auridium - Resource estimations for Kulumadau, Busai, and Ivanhoe (Adelaide) were carried out by Snowden Associates Pty Ltd (Snowden) in late 1996.
- Kula Gold previously reported both JORC 2004 and JORC 2012 estimates for Kulumadau, Busai , Woodlark King and Munsai. These are detailed below in Table 2 and Table 3.

Table 2 Mineral Resource Estimates for the combined Busai and Kulumadau Deposits JORC 2012

As of July 2012 at 0.5g/t Au lower cutoff

Deposit	Category	Resource (Mt)	Grade – cut (g/t gold)	Gold – cut (Oz)
Kulumadau	Measured	5	1.78	285,000
	Indicated	4.4	1.75	250,000
	Inferred	8.6	1.4	380,000
	Totals	18	1.6	910,000
Busai	Measured	3.9	1.54	190,000
	Indicated	10.4	1.4	470,000
	Inferred	4.9	1.6	250,000
	Totals	19	1.5	910,000
All	Measured	8.9	1.66	475,000
	Indicated	14.8	1.5	720,000
	Inferred	13.5	1.5	630,000
Totals	All	37.2	1.5	1,820,000

Notes 1: Totals may appear incorrect due to rounding.
2: The Busai Indicated Resource includes 0.4Mt @ 1.4/t Au for 20,000oz from overlying alluvial mineralisation.
3: The Busai Inferred Resources includes 0.4Mt @ 1.2/Au for 14,000oz from overlying alluvial mineralisation.
4: As per ASX release 31 January 2017

Table 3 Mineral Resource Estimates for the Woodlark King and Munsai Deposits JORC 2004

As of July 2012 at 0.5g/t Au lower cutoff

Deposit	Category	Resource (Mt)	Grade – cut (g/t gold)	Gold – cut (Oz)
Munsai	Inferred	3.9	0.9	110,000
	Total	3.9	0.9	110,000
Woodlark King	Indicated	3	1.2	115,000
	Inferred[2]	1	1.8	60,000
	Total	4	1.4	175,000
Total	All	7.9	1.1	280,000

1: Totals may appear incorrect due to rounding.2: The Woodlark King Inferred Resource includes 0.3Mt @ 3.0g/t for 30,000oz Au from Watou (1.5km south of Woodlark King)
3: These Resources are reported under JORC 2004 and have not been updated4: As per ASX release 31 January 2017

14.2. Current Mineral Resource Estimates

This work resulted in the majority of the Resource inventory for Busai and Kulumadau reporting to Measured and Indicated, giving greater confidence in deposit modelling and orebody continuity. A critical review of the historical drill hole data resulted in the removal of all RC drilling completed prior to 1996 due to concerns of downhole contamination caused by outdated drilling methods.

Independent consultants MPR used the method of Multiple Indicator Kriging (MIK) with block support adjustment to estimate gold resources into blocks with dimensions of 20 metres (east) by 25 metres (north) by 5 metres (elevation). MIK of gold grades used indicator variography based on the two-metre resource composite sample grades. MIK was used as the preferred method for estimation of gold Resources at Woodlark as the approach has been demonstrated to work well in a large number of deposits of diverse geological styles. The gold mineralisation seen at Woodlark is typical of that seen in most structurally controlled epithermal gold deposits where the MIK method has been found to be of most benefit.

MIK resources are considered fully diluted and do not need the further step of applying ore loss and dilution factors in the reserve calculation phase. MIK resources are therefore inherently lower grade than other resource estimation techniques that do not have an inbuilt allowance for dilution or ore loss. The Mineral Resource estimates can be reasonably expected to provide appropriately reliable estimates of potential mining outcomes at the assumed selectivity without application of additional mining dilution or mining recovery factors.

The estimate of Mineral Resources is constrained to an optimal pit shell generated using cost and revenue parameters derived from the current PFS and a gold price of A$2,400/oz. The cut-off of 0.4g/t Au for reporting Mineral Resource estimates reflects the approximate average break-even cut-off that derives from the same economic parameters and gold price.

The price of A$2,400/oz reflects the company's view of potential upside long-term gold price.
The initial Geopacific Woodlark Mineral Resource Estimate is JORC 2012 compliant. Global Resource Estimates and individual deposit Resource Estimates are presented below Table 4 to Table 8 below.

Table 4 Combined Mineral Resource Estimate – WIGP

Category (>0.4g/t lower cut)	Tonnes (Million)	Grade g/t Au	Ounces (Thousand)
Measured	21.24	1.10	754
Indicated	18.94	0.98	597
Inferred	6.8	1.00	222
Total	**47.04**	**1.04**	**1,573**

Table 5 Kulumadau Mineral Resource Estimate

Category (>0.4g/t lower cut)	Tonnes (Million)	Grade (g/t Au)	Ounces (Thousand)
Measured	8.88	1.30	372
Indicated	8.54	1.10	303
Inferred	2.90	1.20	108
Total	**20.32**	**1.20**	**784**

Table 6 Busai Mineral Resource Estimate

Category (>0.4g/t lower cut)	Tonnes (Million)	Grade (g/t Au)	Ounces (Thousand)
Measured	12.36	0.96	382
Indicated	7.16	0.84	193
Inferred	1.40	1.10	48
Total	**20.93**	**0.93**	**623**

Table 7 Woodlark King Mineral Resource Estimate

Category (>0.4g/t lower cut)	Tonnes (Million)	Grade (g/t Au)	Ounces (Thousand)
Indicated	3.24	0.96	100
Inferred	0.20	1.10	9
Total	**3.49**	**0.97**	**109**

Table 8 Munasi Mineral Resource Estimate

Category (>0.4g/t lower cut)	Tonnes (Million)	Grade (g/t Au)	Ounces (Thousand)
Inferred	2.30	0.80	58
Total	**2.30**	**0.80**	**58**

14.2.1. Comment on Mineral Resource Estimates

DRM has reviewed the Mineral Resource Estimates for the WIGP and the associated JORC Table 1 which is included in the GPR ASX release of 12 March 2018.

Overall DRM considers the estimate to be conducted to a standard that is consistent with industry accepted processes and procedures however there are several items that could, in DRM's opinion could disclosed in more detail within the ASX release and the associated JORC Table 1.

The aspects that DRM consider should be better disclosed in JORC Table 1 include the number of and details of the bulk density measurements used for each of the deposits along with a comment on the spatial relationship, geological domains and representativeness of these measurements to the overall deposits. In addition to more through reporting of the density measurements in DRM's opinion additional disclosure around the quality controls (QAQC) for the assay data should be reported including the frequency of QAQC samples (blanks, duplicates and standards) and when these samples were inserted into the sample sequence. That QAQC samples were inserted by GPR staff on the drill site (or core yard where the diamond core was samples).

Finally, in DRM's opinion the use of twined drill holes and the exclusion of and reasons for excluding historical drill holes and a comparison between the results from RC and Diamond drilling should also be reported and documented in JORC Table 1.

15. 2018 Feasibility Study Summary

This section summarises the DFS completed in late 2018 (GPR ASX release 7 November 2018). All the technical assumptions from that feasibility study remain valid. GPR reported that fatal flaw analysis was conducted by SRK Consulting who found no aspects that were considered to be fatal flaws in the DFS. The DFS was managed by Lycopodium Limited (ASX LYL) with the majority of the mining aspects completed by Mining Plus Pty Ltd with the Ore Reserves being based on the Mineral Resource Estimate of MRP and as reported in the Pre-Feasibility Study completed in early 2018. (GPR ASX release 12 March 2018).

15.1. Mining

This Report and mining review is based on information provided to DRM and SRK by GPR. The data included pit optimisations and all reports associated with the 2018 DFS.

A regional map showing the location of the Kulumadau, Busai and Woodlark King deposits on Woodlark Island is shown in Figure 2 and the location of Woodlark Island on a more regional basis in Figure 1 above.

15.1.1. Mining Methods

As proposed in the 2018 feasibility study, mineralisation would be exploited via a standard conventional style load and haul, drill and blast open cut mining operation.

The Kulumadau and Busai deposits are proposed to be mined as four stage open pits while Woodlark King is essentially mined in a single stage (defined as two stages but they are proposed to be mined concurrently).

The DFS proposed an owner operator mining development with the mining rates steadily increasing from 6Mt in year one to 20Mt in year 6. For this mining schedule there would be a steady increase in the equipment required to ensure a steady increase in the mining rates.

The DFS proposes having a single excavator (with one spare) in year one with additional excavators required once Busai is fully operational and a fourth when Woodlark King is developed. There would also need to be an increase in the fleet of haul trucks over the duration of the operation. The equipment evaluated in the DFS and pit designs were undertaken assuming a 60t articulated dump truck design similar to a Bell B60E with a maximum of 23 trucks required on site in year four.

The DFS was based on pit optimisations using a gold price of A$1,650/oz.

15.1.2. Geotechnical

The geotechnical aspects of the DFS were undertaken by Peter O'Bryan and Associates.

Factors contributing to the shallow wall angle for open pit mining at Kulumadau and Busai pits are:

- The highly-fractured nature of the ore and host rock;
- The presence of numerous clay rich shear zones at Kulumadau;
- The presence of substantial clay alteration at Kulumadau and of an upper saprolitic zone at Busai; and
- The very high annual rainfall.

The DFS included a geotechnical assessment for each of the pits and recommended suitable pit wall slope angles and berm placement. The overall wall angles for each of the pits, based on the geotechnical assessment and excluding provision for pit ramps are:

Table 9 Busai Geotechnical Summary

Face Height	10m to base of Cover sequence
	15m to top of fresh rock (TOFR
	20m to base of pit
Face Angle	60^0 to base of Cover sequence
	60^0 to top of fresh rock (TOFR)
	65^0 to base of pit
Berm Width	5m at 10m intervals
	6m at 15m intervals
	7m at 20m vertical intervals

Table 10 Kulumadau Geotechnical Summary

Face Height	10m
Face Angle	60^0
Berm Width	5m at 10m intervals

Table 11 Woodlark King Geotechnical Summary

Face Height	5m to base of Cover sequence
	15m to top of fresh rock (TOFR
	20m to base of pit
Face Angle	60^0 to base of Cover sequence
	60^0 to top of fresh rock (TOFR)
	70^0 to base of pit
Berm Width	4m at 10m intervals
	6m at 15m intervals
	7m at 20m vertical intervals

15.1.3.Pit Optimisations

A pit optimisation process was used to define the both the final pit limits and pit staging logic.
A summary including a table summarising the inputs and reasonableness of the inputs is present below in Table 12.

Table 12 – Summary Whittle Optimisation Parameters

Item	Unit	Value
Mill throughput	ktpa	2,400
Gold price	$/oz	1,650
Royalty - State	%	2.25
Processing recovery (All ore types)	%	92% for Kulumadau
Processing cost	$/t milled	18.26
General and administration	$/t milled	4.31
Grade control	$/t milled	0.42
Road haulage	$/t mined	Vary by bench and material
Average mining cost	$/t	2.51
Drill and Blast costs	$/t	0.28 for weathered coral

		0.65for weathered (oxide/transitional) 0.86 Fresh
Dilution	%	Included in resource models
Mining recovery	%	Included in resource models
Slope angles	Degree	60 degrees in coral, weathered and transitional, 65 in the fresh

Based on the above parameters the cut-off was estimated at 0.4g/t.

Mining Plus followed the guidance from the resource estimator, that the mineral resource model was a "recoverable model". In other words, no additional modifying factors to allow for operational mining factors were considered. SRK notes that there is a risk that additional ore loss and dilution factors may need to be incorporated into the estimate to allow for the operational aspects of mine planning including mining accuracy dilution, and drill and blast movement.

The inputs are considered in the optimisation are reasonable, although SRK note that the mining operating costs, are supported by first principle cost estimation and there is a risk that the mining costs are under called for a number of reasons including:

- The mine planning is based on a well-run, well supported mining operation, as would be expected in mainland Australia.
- limited account is taken in the study of the challenges that are likely to be experienced in recruitment, turnover and training whilst establishing a mining operation in a remote location using an indigenous workforce.
- Mobile equipment overhaul and replacement is not well defined.
- Some of the productivity assumptions appear optimistic.

Four pit shells were in the optimisation phase of work, including, 2 for Woodlark King, 1 each for the Busai and Kulumadau deposits.

15.1.4.Pit Designs

The pit designs were based on the optimisation pit shells and included starter pits for managing the strip ratio and providing early access to high-grade ore, which is reasonable for the maturity for the stage of study.

The inventory of the pit designs supports the Ore Reserve estimate as reported in Table 16 below.

Figures for the pit designs and site layout are shown in Figure 13 to Figure 15.

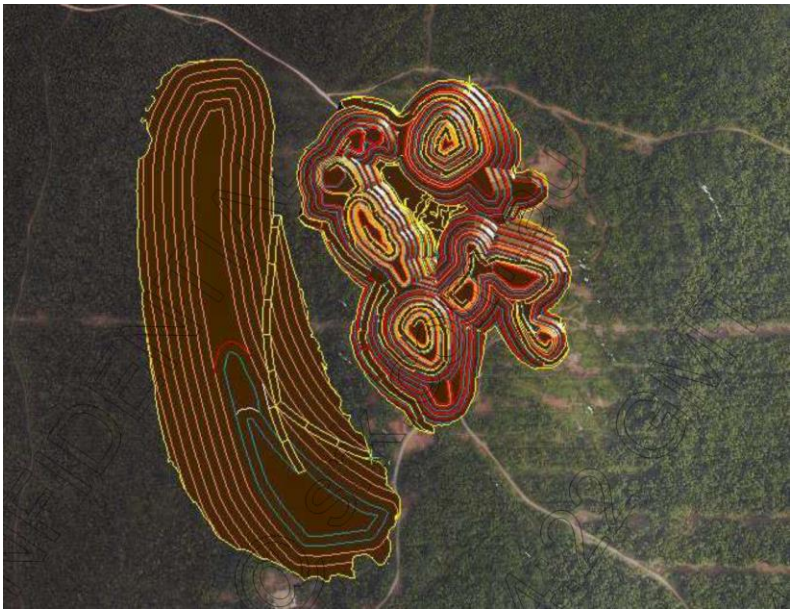


Figure 13 Busai Final Pit and Dump Design

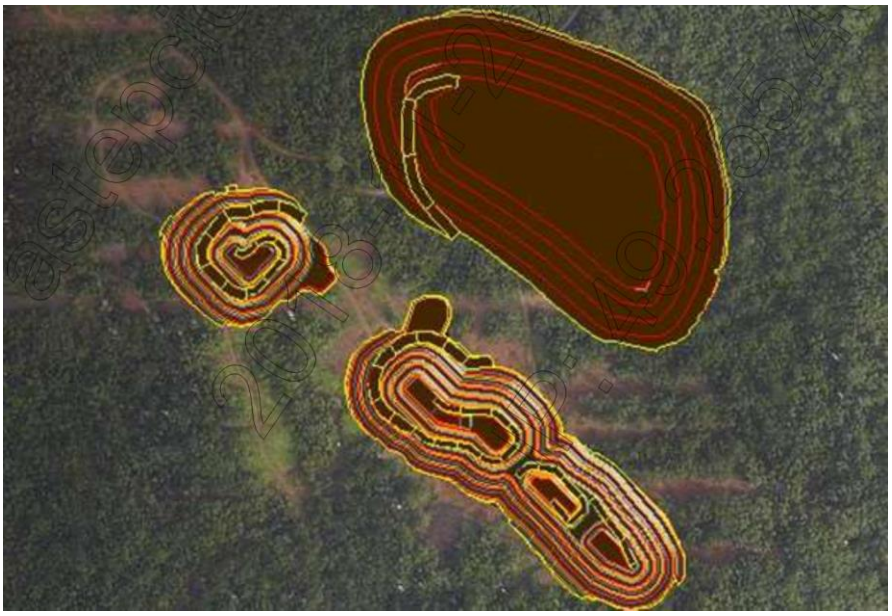


Figure 14 Woodlark King Final Pit and Dump Design

Figure 15 Kulumadau Final Pit Design

15.1.5.Mining Schedule

The mine production schedule incorporates a 9-month pre-strip period whilst ramping up to 2.4Mtpa of ore production.

The schedule delays waste production whilst targeting low strip ratio, high grade ore via the use of staged pit designs. The highest grades are found in the Kulumadau Stage 1 and Stage 2 hence these pits are targeted in the early mine life. As these pits are depleted the focus of mining moves to Busai Main, before Woodlark King is mined in Year 4.

The annual mining rate increases to a peak of 20Mtpa in Year 6 due to the deferral of waste. The production schedule is shown in Figure 16. As shown, the mining operation has a planned life of 9 years excluding the pre-strip period of 9 months.

The stripping ratio average is 3.9:1 (waste : ore).

This is mining schedule is considered reasonable.

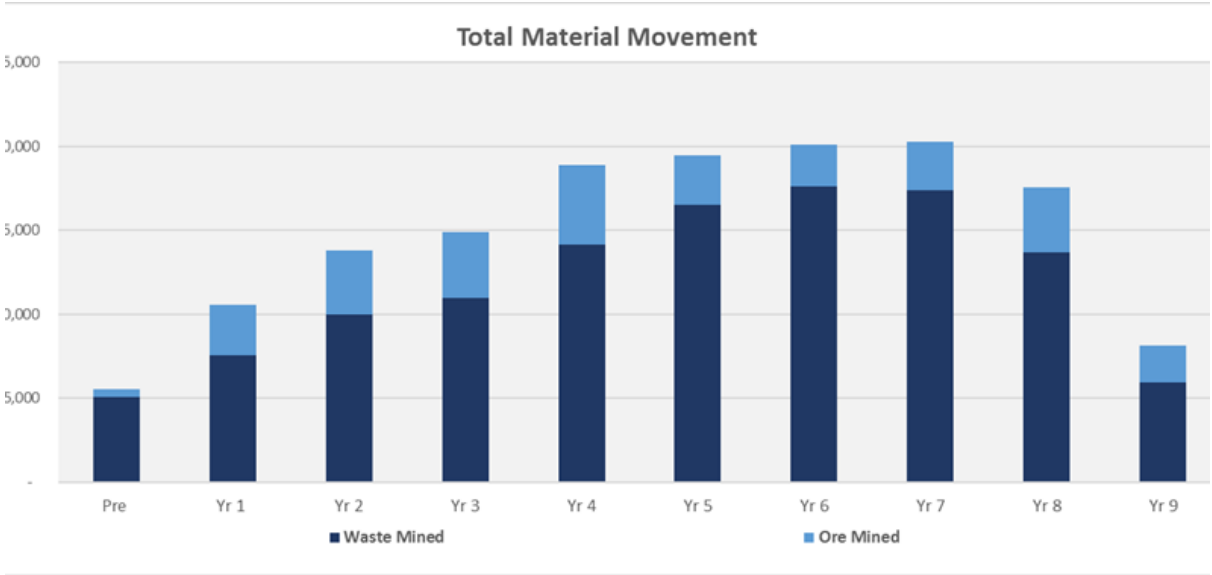


Figure 16 WIGP DFS Mining Schedule

15.2. Mine Closure / Rehabilitation

At the end of the mine life there is an allowance in the financial models of $6.2 million. While this cost is considered by DRM to be low one reason is due to the tailings disposal being via a deep sea tailings placement rather than a land based tailings storage facility which would require rehabilitation and ongoing management, especially due to the climatic conditions on Woodlark Island. While this cost is considered low as it is modelled to occur at the end of the overall mine life it is considered to have a minimal impact on the overall valuation of the project due to the discount rates applied in this report.

15.3. Processing

This section is a summary of the November 2018 DFS including the metallurgy, comminution, processing plant design, tailings disposal, infrastructure requirements, production forecasts.

15.3.1. Metallurgical Testwork

There has been extensive metallurgical testing over an extended period. This has been broken into pre GPR studies and recent (2017 and 2018) metallurgical and comminution studies to support the DFS. The DFS metallurgical testwork programme was carried out from October 2017 to June 2018 by ALS Perth under the direction of Lycopodium.

Samples for the DFS testwork programme were selected to represent the range of ore types predominantly from the two main ore sources being the Kulumadau and Busai deposits.

The metallurgical treatment route proposed in the DFS has been based on the recent studies.

The following conclusions can be drawn from the current and previous metallurgical and comminution testwork programmes:

- The Woodlark ores have a wide range of comminution parameters, but typically have moderate to high natural fracturing, low to medium competency, low resistance to impact breakage, moderate grinding energy requirements and low abrasion. A SAG and ball mill comminution circuit was selected to accommodate the wide spectrum of rock competencies.
- Gold leach extraction is relatively independent of grind size up to a maximum P80 of 106 µm. A grind size of P80 106 µm was selected as optimum.
- There is a high proportion (>60%) of gravity gold in the Kulumadau and Busai ore while the Woodlark King ore contains less gravity gold. Due to this high gravity component a gravity circuit has been included in the DFS process plant flowsheet.
- The gold shows rapid leach kinetics with recoverable gold typically extracted within eight hours. If the gravity circuit is offline, all recoverable gold is extracted within 24 hours. A carbon in leach (CIL) circuit residence time of 24 hours has been included in the process plant flowsheet.
- Recoveries from Kulumadau and Woodlark King ore are high gold extraction increasing with increased grade.
- Recoveries from the Busai ore is variable with gold extraction typically showing an inverse relationship with arsenic.
- Silver extraction was moderate for all ore types and capacity has been allowed in the plant flowsheet for silver recovery.
- Some cyanide soluble copper is present in the Woodlark ores. A cold cyanide wash to assist in removing adsorbed copper from the loaded carbon has been included in the process plant flowsheet.
- Cyanide consumptions are low, and the required lime addition is low to moderate when using fresh water. Lime consumptions are significantly higher if sea water is used.

Average recoveries from the three mining areas are 92.0% from Kulumadau, 85.5% from Busai and 91.2% from Woodlark King.

15.3.2. Processing Plant

The feasibility study developed an optimal processing flowsheet that utilises a standard processing plant, designed to process a nominal 2.4Mt based on the ore types from the WIGP.

- The treatment plant design incorporates the following unit process operations:
- Primary jaw crushing to produce a coarse crushed product.
- A SAB milling circuit comprising a SAG mill and a ball mill in closed circuit with hydro cyclones.
- Gravity gold recovery and treatment of concentrate by cyanidation and electrowinning.
- A CIL circuit to leach and adsorb gold and silver onto carbon.
- A pressure Zadra elution circuit, electrowinning and gold smelting to doré.
- Dewatering of CIL tails slurry.
- Tailings slurry pumping via overland pipe to a deep sea tailings placement facility.

The grinding circuit is fed directly from the primary crusher, i.e. there is no coarse ore stockpile or surge bin to decouple the grinding circuit and the crushing circuit. The plant utilisation factor has been set accordingly. An emergency feed hopper has been included to allow temporary feeding of the mill in the event of crusher downtime. The plant design has been based on a nominal capacity of 2.4 Mtpa of the Woodlark ore type.

15.3.3. Forecast Production

Based on the mine schedule, the processing flowsheet and metallurgy described above the DFS derived a forecast production from the WIGP. Figure 18 details the production schedule in accordance with the DFS. Importantly this production forecast is a forward-looking statement and the required uncertainty and caution is required in assessing this forward looking statement. The ability of the WML to achieve these forward-looking or forecast production is dependent on numerous factors that are beyond DRM's control and that would be unreasonable for DRM anticipate. While DRM has used this production modelling in the valuation there is no certainty that any of these assumptions will eventuate and all due care is required in assessing the production forecasts.

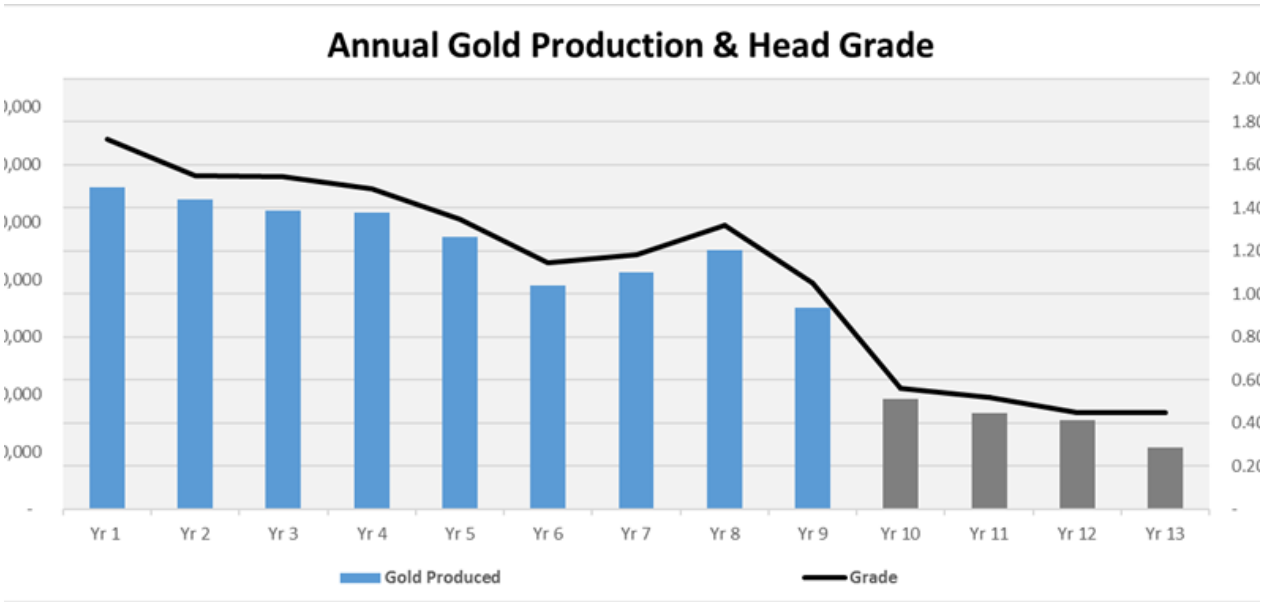


Figure 17 WIGP Production Forecast from the November 2018 DFS.

15.3.4. Associated Infrastructure

As the WIGP is located on a remote island with minimal infrastructure a significant capital cost is associated with the required infrastructure including a port, road network, staff accommodation camp, relocation of the Kulumadau Village and bulk storage of spares including fuel and critical spares. The DFS included estimates and details of all the

infrastructure that is required for the development of the project. The details of the infrastructure, the capital costs and logistics to advance the project are all included in the DFS OPEX and CAPEX costs assumed in the feasibility study. These assumptions have been included in this report and valuation.

15.3.5. Tailings Disposal

The 2012 feasibility study evaluated two viable options for the tailings disposal from the processing plant, being a standard earthen bunded tailings dam and the second a deep-sea tailing placement (DSTP). In the 2018 DFS only the DSTP option was assessed.

In DRM's opinion given the high rainfall along with the seismically active location of the project the deep-sea tailings disposal option is considered to be a suitable option for tailings disposal. In 2014 Kula obtained environmental approval from the PNG regulators for DSTP for the WIGP.

As a part of the environmental approvals there was significant study into the DSTP option including an optimal discharge location along with ocean currents, location of the final tailings, bathymetry of the discharge area and natural sedimentation studies. The location of the DSTP discharge is into a deep basin on the northern edge of Woodlark Island where the water depths are up to 3,500m deep. While the DSTP has several challenges, based on the climatic and tectonic risks associated with a land based tailings storage it is considered reasonable to develop the project with a DSTP facility as opposed to the alternatives.

15.4. Operating costs

There are two main areas that combined determine the operating costs, these are the mining costs and the processing and administration costs.

The operating costs assumed in the DFS have been used in this report and valuation.

Below, Table 13 and Table 14 outline the mining costs and the processing and administration costs breakdown from the DFS

Table 13 Mining costs

Mining Costs	Total Mining Cost (A$)	Mining Cost per Tonne (A$)
Salaries and On-Costs	89,832,729	0.60
Equipment Ownership	39,735,366	0.27
Diesel	69,894,053	0.47
Equipment Maintenance	58,152,430	0.39
GET	5,621,747	0.04
Tyres	14,559,292	0.10
Explosives	74,607,181	0.50
Grade Control Drilling	21,498,079	0.14
Technical Services	1,263,185	0.01
Total	**375,164,061**	**2.51**

Table 14 Processing and Administration costs

Processing & Admin Operating Costs	LOM Unit Cost A$/t processed	Gross LOM Cost A$M
Power	7.16	217.0
Consumables	3.30	100.1
Maintenance	1.05	31.9
Laboratory	0.11	3.2
Process & Maintenance	2.15	65.1
Total Processing	**13.77**	**417.3**
Infrastructure Power	0.87	26.3
Admin Labour	2.18	66.0
General & Admin	1.43	43.3
Total G&A	**4.47**	**135.6**

In DRM's opinion the processing and administration costs are broadly in line with comparable studies for Australian based projects. There are other material risks to these costs as noted in section 19 below especially associated with foreign exchange movements.

15.5. Capital Costs

The capital costs developed for the WIGP as developed in the DFS are shown in Table 15 below. These were developed based on the metallurgy process flowsheet, mining studies, infrastructure and power requirements as determined in the various studies that constituted the DFS.

The overall project capital cost estimate of $198 million was compiled by Lycopodium from inputs developed by Lycopodium, Tetratech, Mincore, Mining Plus and Geopacific.

Table 15 below details the capital costs derived from the feasibility study.

Table 15 Capital cost estimates for the WIGP.

Main Area	A$'000
000 Construction Distributables	18,115
100 Treatment Plant Costs	46,425
200 Reagents and Plant Services	9,068
300 Infrastructure	27,018
400 Mining	18,801
500 Management Costs	16,878
600 Owner's Project Costs	26,960
700 Owner's Operation Costs - Mining Pre-strip	13,098
700 Owner's Operation Costs - Working Capital	7,676
Subtotal	**184,039**
Contingency	13,800
Taxes & Duties	646
Escalation	Excl.
Grand Total	**198,485**

There are other material risks to these costs as noted in section 19 below especially associated with foreign exchange movements.

15.6. Site Layout

The feasibility study identified and planned a specific site layout for the project including the accommodation village, processing facilities, waste dump locations, tailings disposal facility, the port, and the associated road network. Figure 18 below shows the proposed site layout.

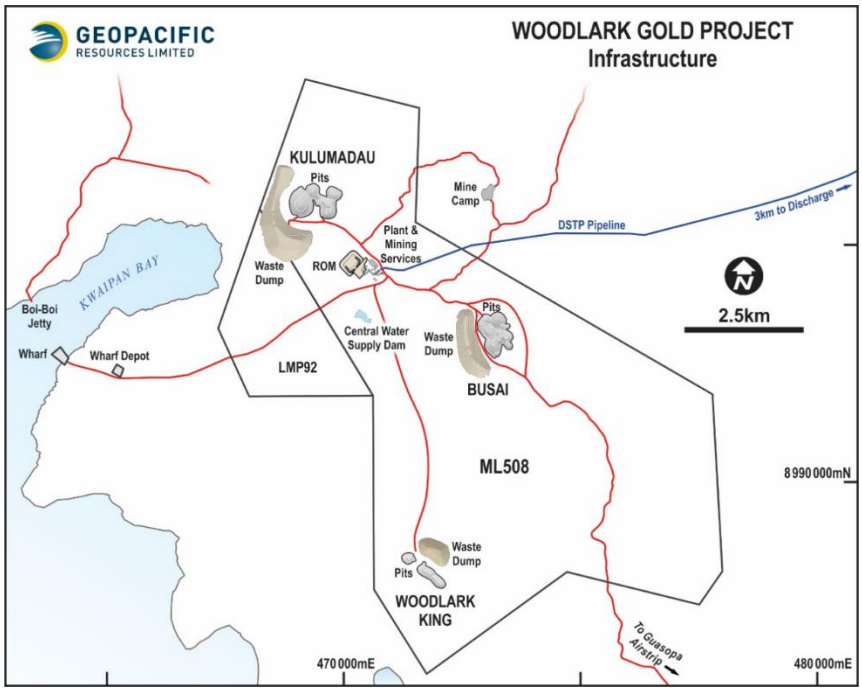


Figure 18 Site Layout for the Woodlark Island Gold Project showing the pits, mill and associated infrastructure.

15.7. Environmental Studies and Approvals

As a part of this report DRM has undertaken a review of the environmental plans and proposals contained in the DFS and associated with the Environmental approvals obtained in 26 February 2014.

The feasibility study identified the environmental and social risks associated with the development of the project. The purpose of the investigation was to document the existing environmental aspects of the area, identify the environmental impacts and determine suitable avoidance, management or mitigation measures.

A conceptual closure plan was prepared and presented in the Environmental Impact Study (EIS). The EIS proposed progressive rehabilitation during the operational phase of the mine. Closure and decommissioning the project aims to provide a post mining land use compatible with the current land-uses of the area and removing any public safety hazards.

DRM understands that WML is currently in compliance with all its environmental conditions however, neither the principal author nor DRM are specialists in environmental compliance.

16. Current Ore Reserve Estimate

The November 2018 DFS determined a JORC 2012 Ore Reserve with the estimate detailed in Table 16 below.

In DRM's opinion all of the material assumptions that underpin the JORC 2012 Reserve from the November 2018 DFS remain valid and DRM is not aware of any modifying factors that would materially change the Reserve estimate as presented below.

Table 16 Current JORC 2012 Reserve Estimates for the WIGP 7 November 2018

Total by deposit	Category (>0.4g/t lower cut)	Tonnes (Mt)	Grade (g/t)	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
	Proven	**18.6**	**1.17**	**697,000**
Total Ore Reserve	**Probable**	**10.4**	**1.02**	**340,600**
	Total	**28.9**	**1.12**	**1,037,600**

17. Other Mineral Projects

In addition to the its interest in the WIGP GPR has additional mineral projects in Cambodia and Fiji. These projects were the main focus of GPR until it acquired the interest in the WIGP through the initial Joint Venture with Kula Gold. The projects in Cambodia and Fiji are both at a much earlier exploration stage when compared to the WIGP. There are copper gold resources within the Cambodian project while the separate tenements that constitute the Fijian projects are all very early exploration projects. Due to the early stage of these projects this section is a brief description of the technical aspects of these projects.

17.1.1. Tenure

Table 17 Other Mineral Project tenements

Country	Location	Project	Tenement	Area (km^2)	Interest
Fiji	Nadi, Viti Levu	Vuda - Sabeto Project	SPL 1368 & SPL 1361	82.3	100%
Fiji	Nadi, Viti Levu	Nabila Project	SPL 1216 & SPL 1415	50.10	100%
Cambodia	Preah Vihear Provence	Kou Sa Project	Kou Sa Project	158	85%

The Kou Sa project tenement is held by Geopacific however there are payments as a part of deferred consideration of US$1.575 million payable by 21 September 2019 and 36 equal monthly payments of $131,250 totalling US$4.725 million from the payment of US$1.575 million. Geopacific has continued exploration on the project with considerable exploration success.

The Fijian projects are all owned 100% by GPR however in the recent GPR Annual Report these tenements have been re classified as assets for sale or divestment as GPR is actively reviewing the projects with the aim to divest the projects.

Both the Kou Sa and the Fijian projects have recently had significant impairments realised by GPR. In the case of Kou Sa the impairment was approximately $43 million.

17.2. Kou Sa Project, Cambodia

The Kou Sa Project is located in the northern Cambodia's Chep District, Phreah Vihear Province of Cambodia, Figure 19.

The project is 5-hour drive to Phnom Penh and a 3-hour to Siem Reap International Airport, is directly adjacent to a regional highway and is reported as having excellent logistics and infrastructure.
The project comprises a 158 Km^2 Exploration Licence with very low relief, limited outcrop and large areas of thin, semi-lateritic weathering

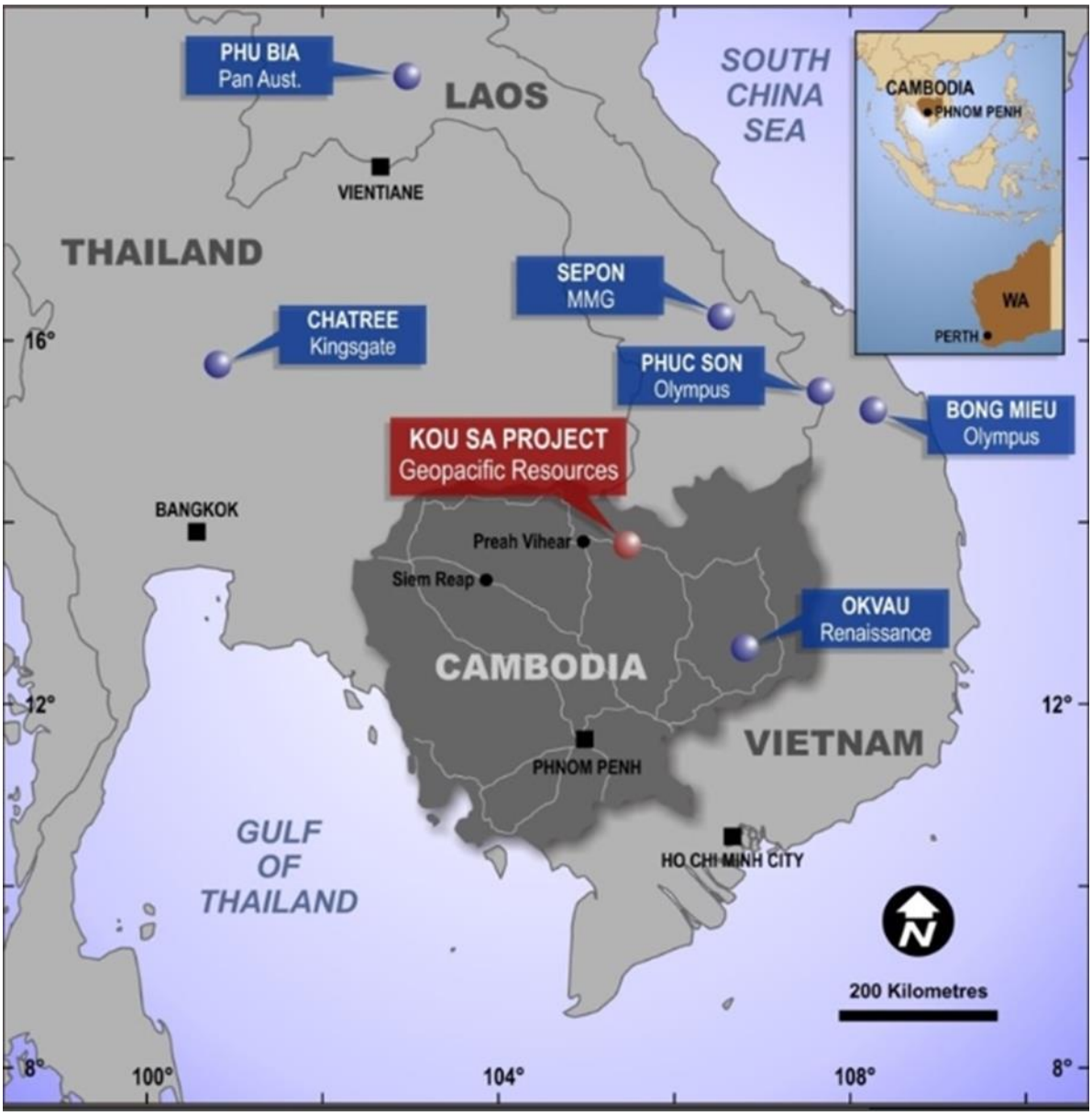
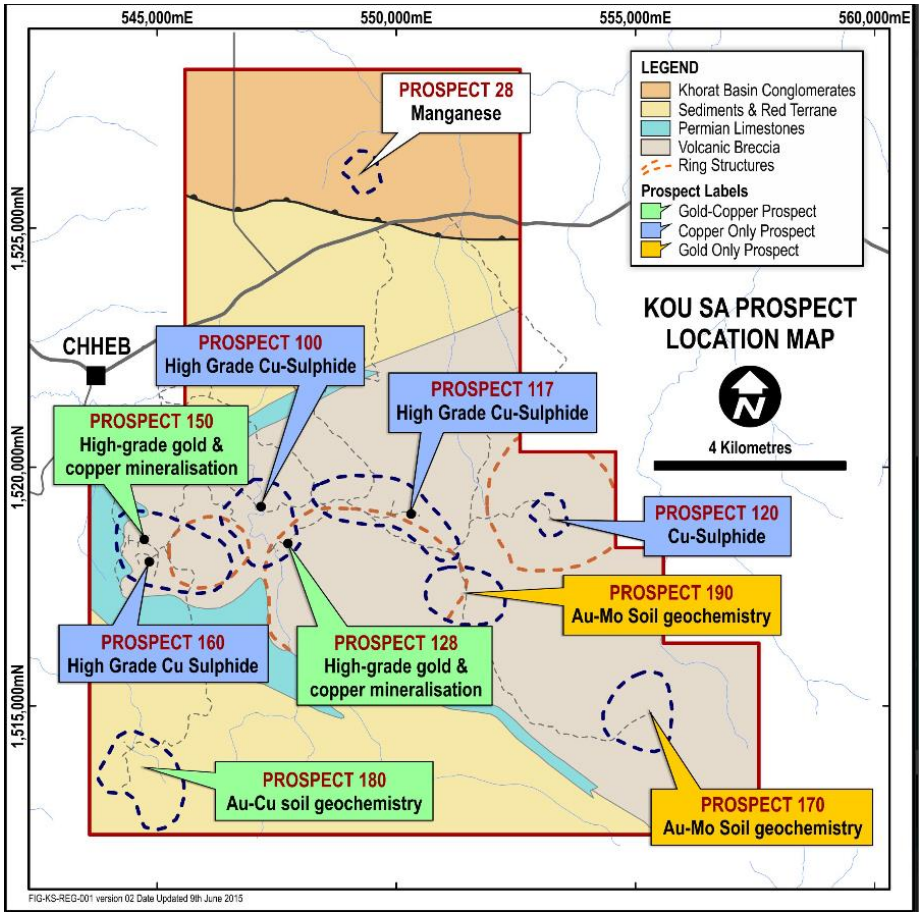


Figure 19: Kao Sa Project Location. Source: GPR website

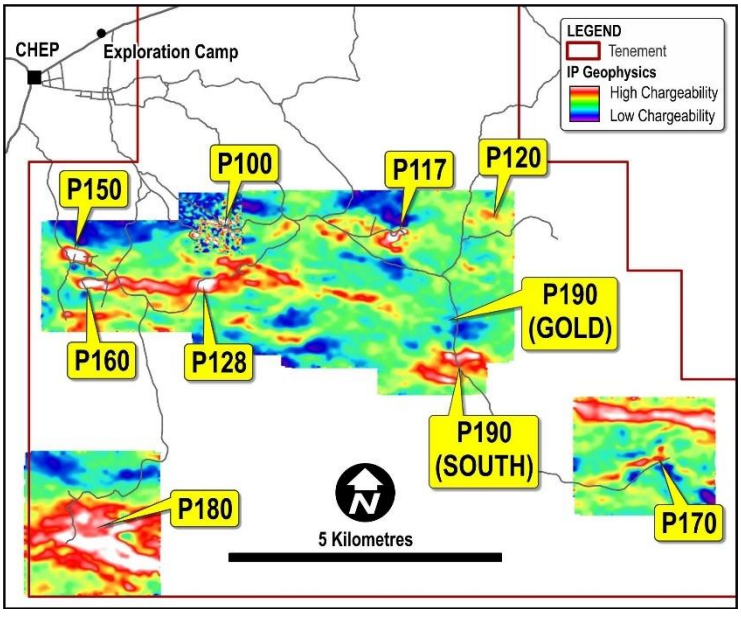
17.2.1. Geology and Exploration Potential

The Kou Sa Project has been explored by Geopacific since early 2013 and has discovery potential for hosting large copper, gold and silver polymetallic deposits. Modern exploration techniques including systematic geochemistry and geophysics, including Induced Polarisation geophysics ("IP") and ground magnetics, have outlined exploration targets. These exploration targets and the tenement boundary are displayed in Figure 20 and Figure 21.
The Kou Sa Project is situated within volcanic breccias and intercalated limestones. The host geology and mineralogy vary from prospect to prospect (Figure 20).



Source: GPR website.

Figure 20: Kou Sa Project Tenure, Surface Geology, Prospects and contained minerals.



Source: GPR website.

Figure 21: Kou Sa Project Tenure, access and Prospects overlain on IP Geophysical Survey images.

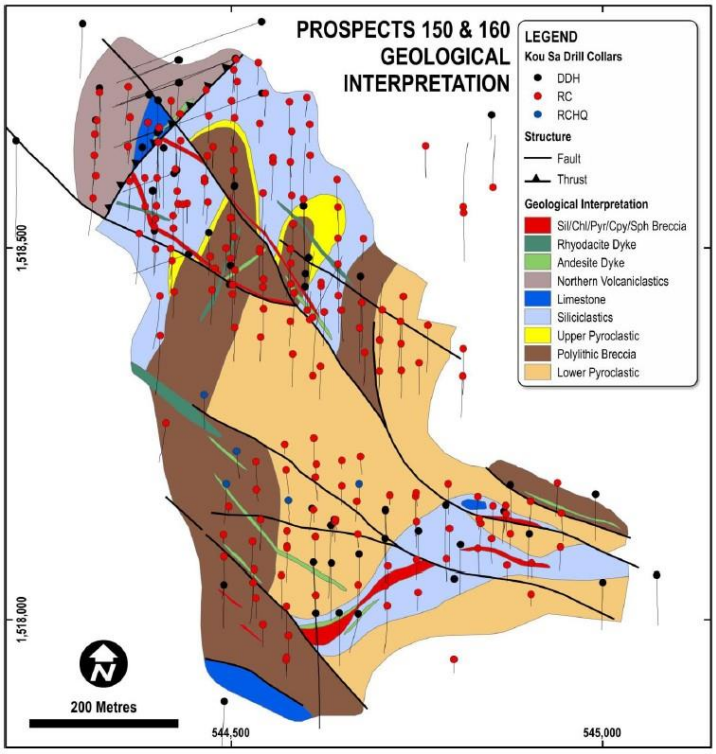
The two most advanced prospects are Prospect 150 and Prospect 160 which have JORC Resources estimated. Prospects 100 and 128 are earlier stage prospects. The locations of these prospects are displayed in Figure 20. Other geochemical and geophysical targets are yet to be fully tested.

Prospects 150 and 160

In general, the stratigraphy at Prospects 150 and 160 is flat to moderately west-northwest dipping consisting of a thick lower felsic pyroclastic sequence which contains an intermediate siliclastic/limestone sequence developed locally at P160, Figure 22. The lower felsic pyroclastic sequence is overlain by an epiclastic, polylithic volcanic breccia, a thin upper pyroclastic sequence, a shallow shelf carbonate upper limestone unit and finally a fine to medium grained felsic volcaniclastic unit.

The mineralisation Prospects 150 and 160 is hosted within an intercalated sequence of dominantly sub-aerial to shallow sub-aqueous felsic volcaniclastics with calcareous sediments deposited between Lower Permian and Lower to Middle Triassic times. The entire stratigraphic sequence has been intruded by several generations of high-level mafic, intermediate and felsic dyke swarms which postdate mineralisation.

Depth of the base of oxidation in the mineralised areas averages around 15 m.



Source: GPR ASX release 11 July 2016.

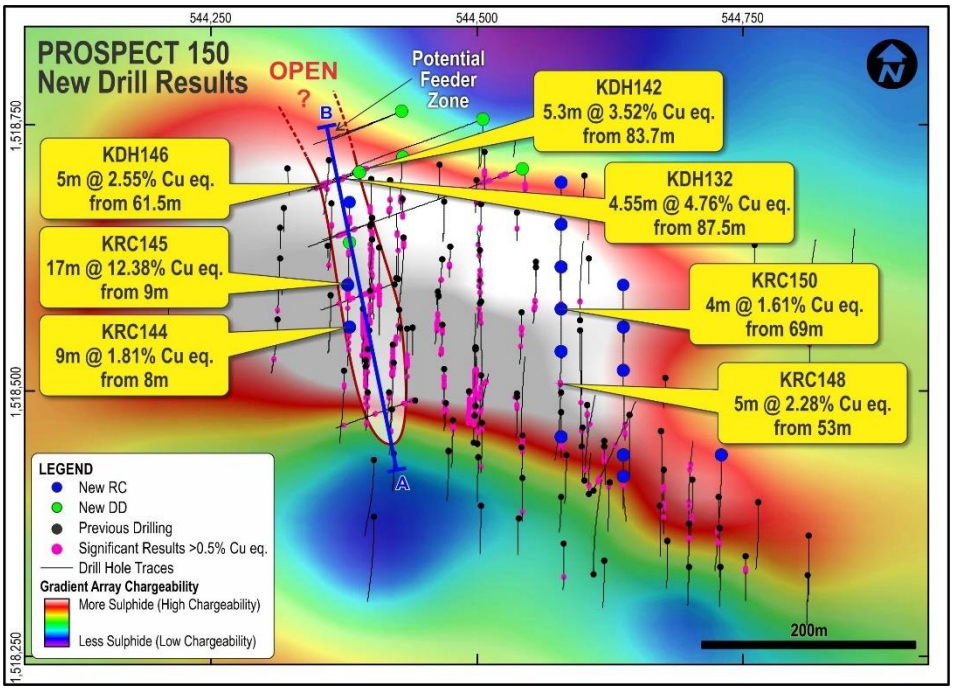
Figure 22: Geological Interpretation and Drill Dole Locations at Prospects 150 and 160 (located in the north and south respectively).

High-grade, near-surface gold and copper mineralisation has been encountered at Prospect 150 and near-surface copper mineralisation at Prospect 160, which is located 400 metres to the south of Prospect 150. The mineralisation at both areas has a shallow dip to the north-east and a gentle plunge to the north-west. The Prospect 150 mineralisation is stratigraphically higher than the Prospect 160 mineralisation suggesting that further repetitions across strike and at depth are possible. Polymetallic Cu-(Au-Zn) mineralisation associated with silica-chlorite alteration has formed as open space fill and calcareous sediment replacement in a relatively shallow sub-epithermal environment. Prospect 150 is a structurally controlled banded vein hosted Cu-Au system.

Prospect 160 has formed at a lower stratigraphic level than Prospect 150 and is described as a lithological, structure controlled limestone replacement and subsequent infill Cu system.

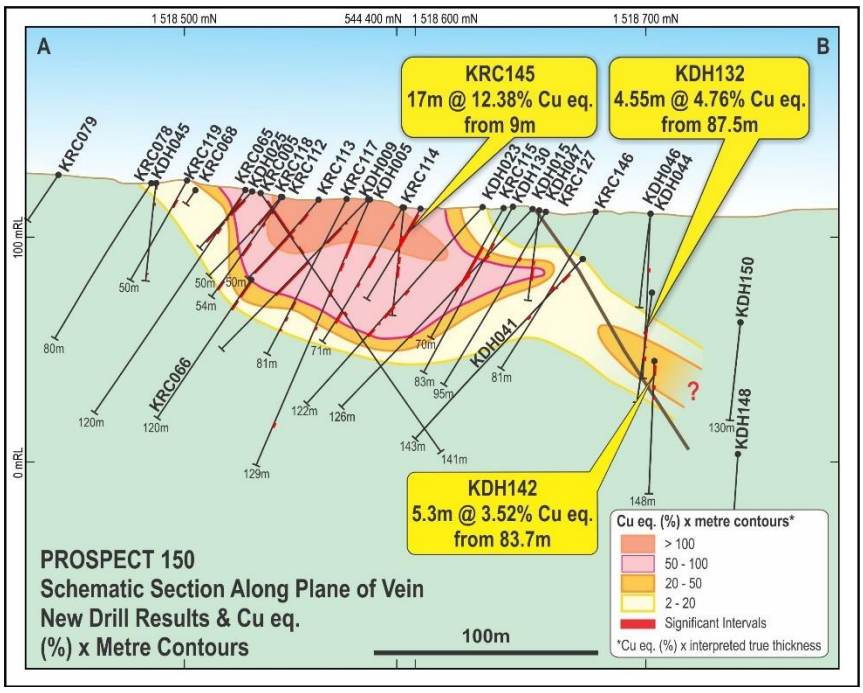
The sulphide mineralisation at both prospects constitutes early relatively subhedral pyrite-chalcopyrite-sphalerite and a late, finer-grained pyrite event. Prospect 150 contains a higher gold content than Prospect 160.

The locations of drill holes and dimensions of the mineralisation at Prospect 150 are displayed in plan-view in Figure 23 and in sectional view in Source: GPR website
Figure 24.



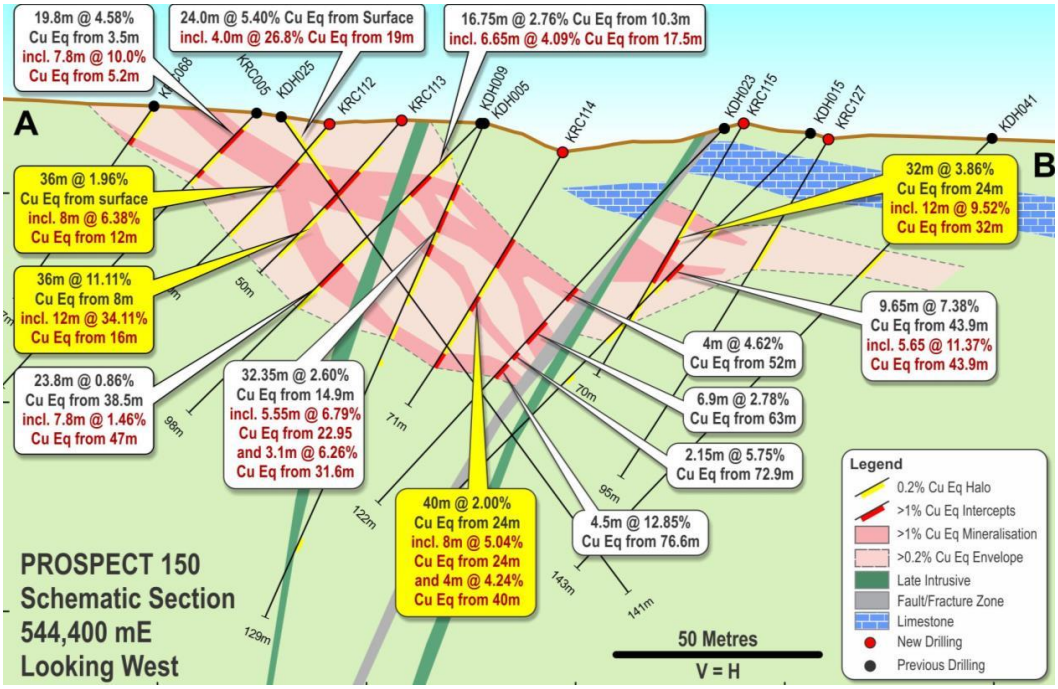
Source: GPR website

Figure 23: Prospect 150 Drill Hole Locations displayed over an IP Chargeability Anomaly



Source: GPR website

Figure 24: Prospect 150 Schematic Cross-section (A-B on Figure 21) along plane of vein.



Source: GPR ASX release 11 July 2016.

Figure 25: Prospect 150 schematic N-S cross-section at 544,400mE looking west displaying high-grade, near surface drill results.

Prospect 100

Prospect 100 is situated approximately 2.5km east of Prospect 150

Several holes have been drilled into the Prospect 100 area which was identified from geophysics. These holes have intercepted high-grade copper and low-grade gold mineralisation near surface. Further drilling is required to extend the zone to depth and along strike.

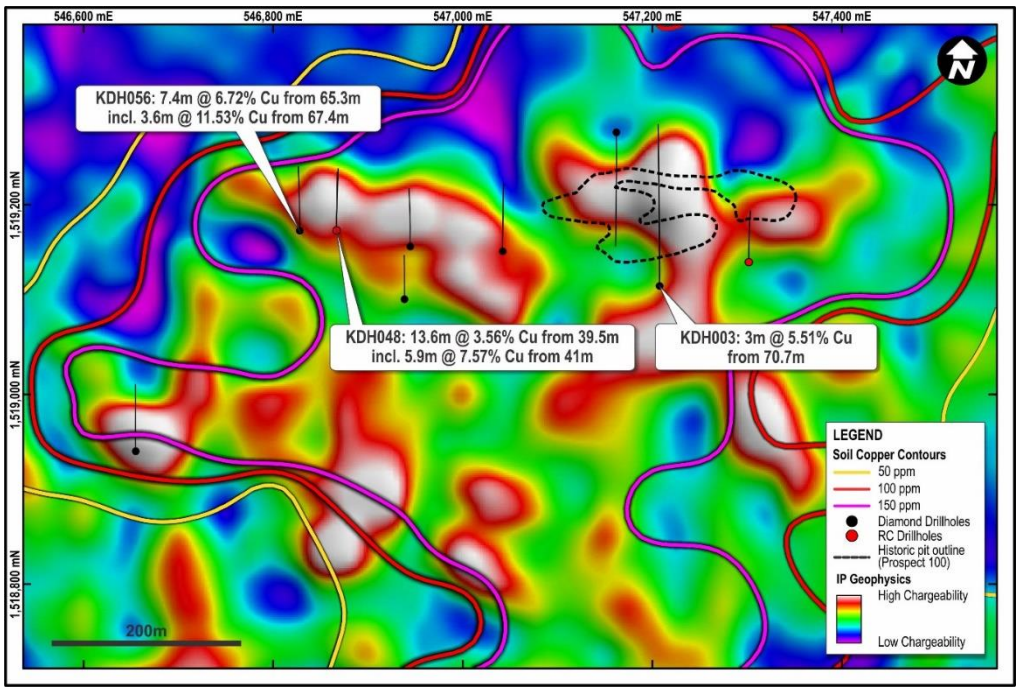
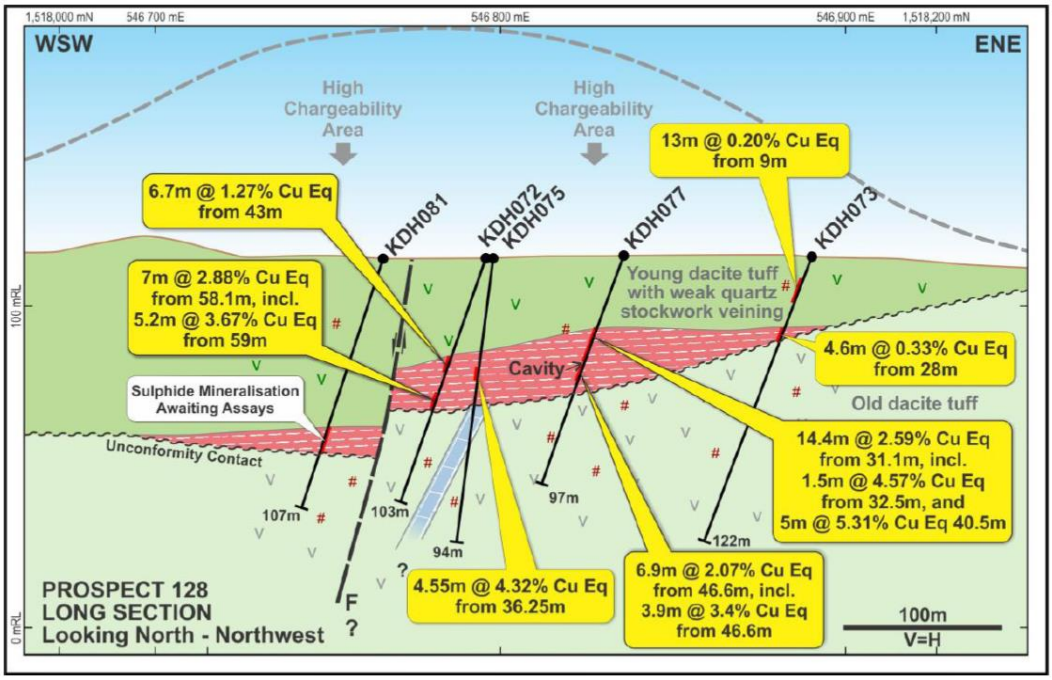


Figure 26: Prospect 100 Soil Cu Geochemistry Contours and Drill Hole Locations with High-Grade Cu Intercepts over IP Geophysics. Source: GPR website.

Prospect 128

Prospect 128 is situated approximately 2km east of Prospect 160.
The area of mineralisation at Prospect 128 has been systematically drilled on a 40m x 40m pattern. The mineralisation is predominantly copper sulphide of good grade and is near surface, forming a zone 40 to 50m wide, 200m long and up to 25m thick. A west-southwest to east-northeast section through this prospect displays the drill hole Cu Eq. intercepts, Figure 27.



Source: GPR ASX release 7 May 2015.

Figure 27: Project 128 cross section displaying geology and the drill hole Cu Eq. intercepts.

17.2.1.1. Mineral Resources

The Kou Sa Project Mineral Resource estimate released to the ASX by GPR on 11th July 2016 was undertaken by MPR Geological Consultants Pty Ltd (MPR). The information cited below is primarily sourced from that report. The estimate includes gold, copper and silver grades combined into a copper equivalent (Cu Eq.). The resource estimates were calculated using Multiple Indicator Kriging (MIK), which provides an estimate described as representative of what could be reasonably extracted by mining. As such, GPR has termed this a recoverable resource stating that it could be considered fully diluted and no further mining loss and dilution factors need to be added to move the resource into reserve status. A high proportion of the resource is in the Indicated category, attributed to the detail of the drilling to date. Moving the resource to Measured status will require some additional infill drilling and further twining of RC drill holes.
Drilling information available for the July 2016 Resource Estimate includes 255 RC and diamond holes completed by Geopacific since December 2013 for 24,919 metres of drilling.

Table 18 Prospect 150 and 160 Resource Estimates

0.5% Cu Equivalent cut-off										
Deposit	**Category**	**Mt**	**Grades**				**Contained Metal**			
			Cu	**Au**	**Ag**	**CuEq**	**Cu**	**Au**	**Ag**	**Cu Eq**
			%	**g/t**	**g/t**	**%**	**kt**	**koz**	**koz**	**kt**
Prospect	Indicated	1.98	0.76	1.17	6.64	1.73	15.0	74.5	423	34.2

150	Inferred	0.09	0.7	0.6	5.2	1.2	0.6	1.7	15	1.1
	Subtotal	2.07	0.76	1.15	6.58	1.71	15.7	76.2	438	35.3
Prospect 160	Indicated	0.95	1.10	0.07	4.27	1.20	10.5	2.1	130	11.4
	Inferred	0.17	0.8	0.1	4.5	0.9	1.4	0.5	25	1.6
	Subtotal	1.12	1.05	0.07	4.30	1.16	11.8	2.7	155	13.0
Total	Indicated	2.93	0.87	0.81	5.87	1.56	25.5	76.6	553	45.7
	Inferred	0.26	0.8	0.3	4.7	1.0	2.0	2.3	40	2.7
	Total	3.19	0.86	0.77	5.78	1.52	27.5	78.9	593	48.4

Source: GPR ASX release 11 July 2016.

17.3. Fijian Projects

There are two distinct projects that constitute the Fijian projects, these are the The Vuda-Sabeto Project, located 10km from the international airport and 15km from the town of Nadi and the Nabila Project, an epithermal gold project which includes the Faddy's Prospect. The Nabila project is the most advanced prospect in GPR's Fijian portfolio. It is well located, just off the main bitumen road and 20 kilometres from the International Airport at Nadi. The Faddy's Prospect has been drilled extensively however additional work is required in order to achieve JORC compliance. The anniversary date of Vuda-Sabeto tenements is 23/4/2019, the Fijian regulations require a report and extension of term application is made however DRM is unsure if such a report has been or will be submitted.

17.3.1. Geology and Exploration Potential

The Nabila Project is an epithermal gold project which includes the Faddy's Prospect which has been the focus of considerable historical exploration while the Vuda-Sabeto project is an earlier stage exploration project with minor previous exploration.

Nabila Project including the Faddy's Gold Prospect

Previous exploration has included IP geophysics, metallurgy, numerous trenches, 121 RC and 112 diamond drill holes. A historical non JORC inferred resource estimate has previously been reported.

High-grade channel samples collected from the trenches include:

28m @ 9.71g/t Au incl. 1m of 233 g/t Au
2m of 37.5g/t Au in a road cut channel sample
1m of 19.4g/t Au in a road cut channel sample
54m @ 1.26g/t Au incl. 1m of 66g/t Au

Drilling at the Faddy's Prospect shows that mineralisation extends to depth with better intersections including;

22m @ 4.0 g/t Au from 73m incl. 0.5m @ 73.2 g/t Au
11m @ 4.24g/t gold from 156m incl. 1.0m of 13.0g/t Au, 72g/t Ag, 4.43% Zn, 2.06% Pb and 0.62% Cu from 166m

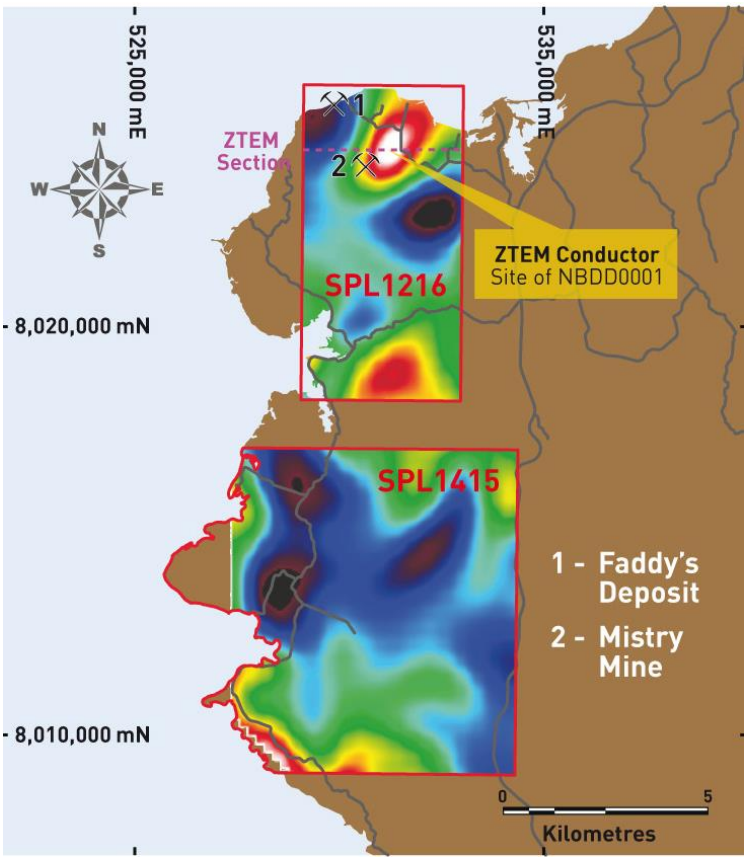


Figure 28 Nabila Project tenement outlines and regional aeromagnetic data.

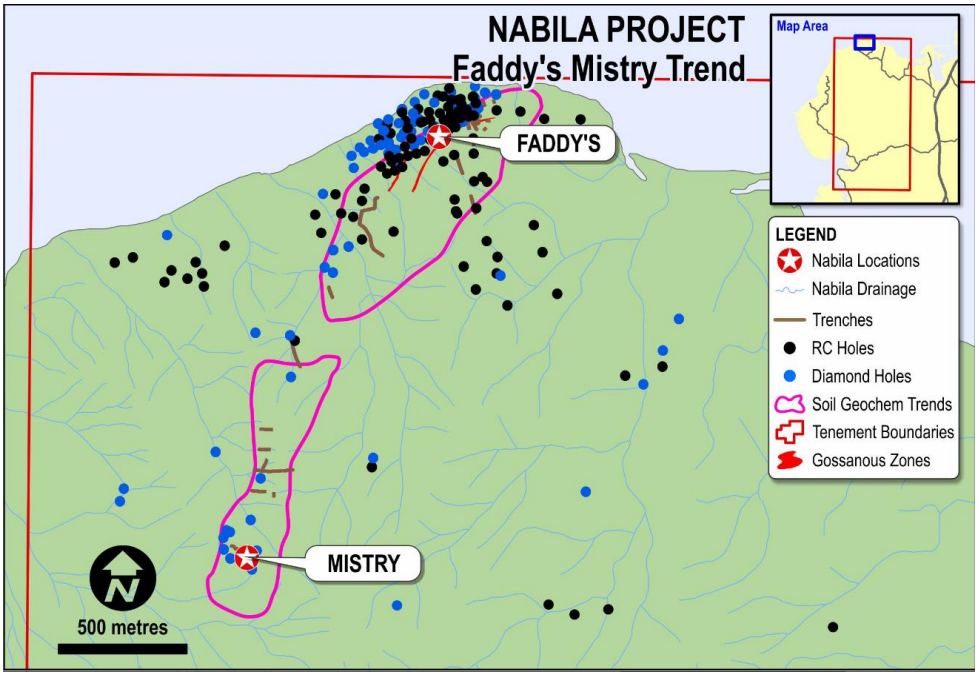


Figure 29 Nabila Project drill hole location plan for the Faddy's and Mistry prospects

Vuda - Sabeto Project

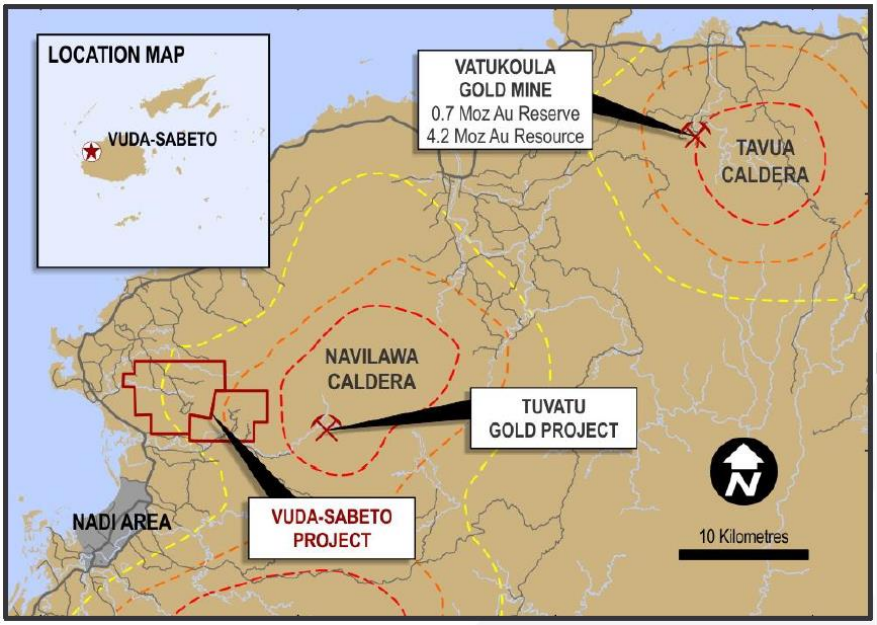


Figure 30 Location of the Vuda - Sabeto project in relation to the known gold deposits of Vatukoula and Tuvatu.

Vuda - Sabeto project is interpreted to be part of the same mineral system. Vuda is potentially a large alteration system with epithermal gold mineralisation intersected in historic drilling around the upper rim of an interpreted 1.5km wide porphyry. At Sabeto; initial exploration has identified a porphyry with anomalous copper and gold mineralisation. Drilling has only tested the upper regions of the system.

Together these Projects are interpreted by GPR to form part of a larger porphyry system with the epithermal upper levels of the system present at Vuda and an adjacent deeper part of the system present at the nearby Sabeto Project.

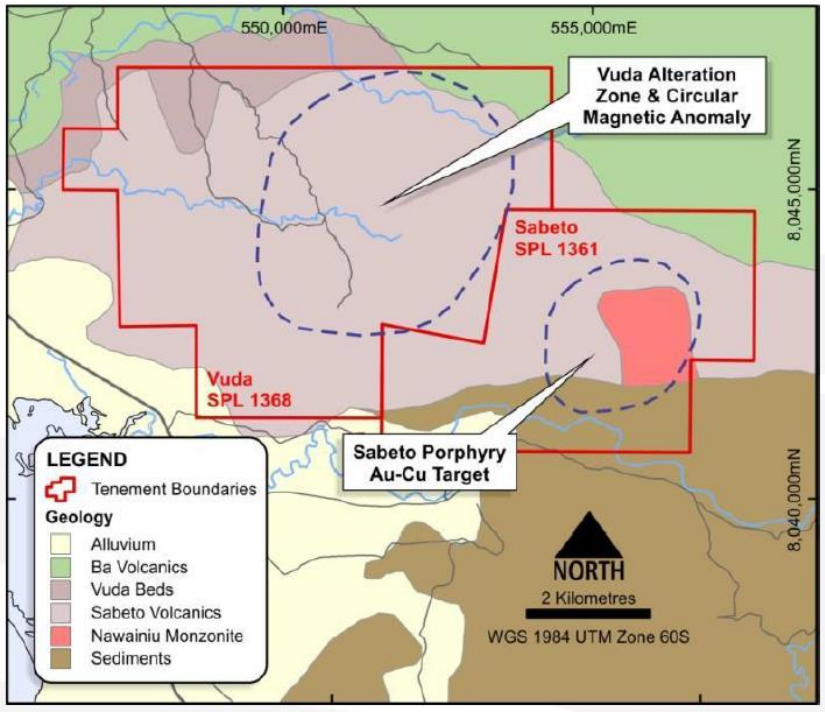


Figure 31 Vuda - Sabeto Project geology and magnetic anomalies

VUDA PROJECT

There are several distinct epithermal vein-hosted prospects around a magnetic anomaly.

Drilling the Vuda epithermal mineralisation has produced significant intersections from several different zones situated around the edge of the geophysical anomaly.

High-grade gold in drilling intersections include:

- 38m @ 1.76ppm Au from 29m
- 5m @ 4.98ppm Au from 0.5m
- 9m @ 13.06ppm Au from surface

SABETO PROJECT

Exploration completed by GPR on the tenement includes 5 diamond drill holes, trenching, shallow IP geophysics, regional coarsely spaced magnetics, detailed geological mapping and surface geochemical sampling. Previous drilling intersected a 32-metre zone of weak porphyry-related gold-copper mineralisation grading 0.24g/t Au and 0.12% Cu

18. Valuation of the Geopacific Mineral Assets

The VALMIN code outlines various valuation approaches that are applicable for projects at various stages of the development pipeline. These include a valuation based on market based transactions, income based or cost based. Table 21 below, from the VALMIN code provides a guide as to the most applicable valuation techniques for different assets.

Table 19 Valuation approaches and their suitability for mineral projects at different development stages from extracted from the VALMIN Code 2015

Valuation Approach	Exploration Projects	Pre-development Projects	Development Projects	Production Projects
Market	Yes	Yes	Yes	Yes
Income	No	In some cases	Yes	Yes
Cost	Yes	In some cases	No	No

18.1. Valuation Subject to Change

The valuation of any mineral project is subject to several critical inputs most of these change over time and this valuation is using the most recent information available as of 7 March 2019. This valuation is subject to change due to variations in the geological understanding, variable assumptions and mining conditions, climatic variability that may impact on the development assumptions, the ability and timing of available funding to advance the project, the current and future gold prices, exchange rates, political, social, environmental aspects of a possible development, a multitude of input costs including but not limited to fuel and energy prices, steel prices, labour rates and supply and demand dynamics for critical aspects of the potential development like mining equipment. While DRM has undertaken a review of multiple aspects that could impact the valuation there are numerous factors that are beyond the control of DRM. This valuation assumes several forward-looking production and economic criteria which would be unreasonable for DRM to anticipate.

18.2. General assumptions

The Woodlark Island Gold Project has been valued using appropriate methodologies as described in the following sections. The valuation is based on a number of specific assumptions detailed above, including the following general assumptions;

- that all information provided to DRM and its associates is accurate and can be relied upon,
- the valuations only relate to the Wooklark Island Gold Project and not GPR or Kula nor their shares or the market value,

- that the mineral rights, tenement security and statutory obligations were fairly stated by GPR to DRM and that the mineral licences will remain active,
- that all other regulatory approvals for exploration and mining will be obtained in the required and expected timeframe
- that the owners of Woodlark Mining Limited can obtain the required funding to advance the project as assumed,
- that the current mineral resource and / or mineral reserve estimates and any modifying factors assumed in their estimation remain reasonable and valid,

18.3. Gold Market

The gold price is fundamentally different to many of the other commodities as the gold price is frequently seen as a pseudo currency and is considered by many as a safe haven investment option, especially in the current monetary policies of many of the major countries reserve banks. Figure 32 below shows the gold price over the last year. Due to the significant variations in the price over such a short period it is considered critical to ensure that any transactions that are used in a market or transactional based valuation are normalised to the current gold price. This allows a more accurate representation of the value of the mineral asset under the current market environment.

Figure 32 Historical gold price (US$) over the last year (source kitco.com)

19. Valuation WIGP

This report uses two separate valuation techniques to determine the valuation of the development asset being the Busai, Kulumadau and Woodlark King deposits and the exploration potential in the surrounding area. Table 20 details the valuation methods used for the mineral assets.

Table 20 Valuation methods used for the Woodlark Island Mineral assets.

Asset	Development Stage	Licence	Area (km^2)	Reserves and Resources	Valuation Basis	Valuation Methods / Approach
WIGP Resources	Development – Completed	Portion of ML508	~59km^2	1.037Moz P&P Reserve,	Reserves with completed	DCF (Income), Comparable

	Feasibility Study			1.5Moz MI&I Resource	Feasibility Study	Transactions (Market) Yardstick (Market)
WIGP Exploration Potential	Early Stage Exploration	Exploration leases	579km^2	N/A	Tenement Area / Geology	Geoscientific (Cost)

19.1. Income Approach Valuation – DCF Model

GPR provided DRM the financial model used in the DFS and DRM has reviewed and modified the model as considered necessary and reasonable. The financial model was developed based on costs and information provided to GPR as a part of the DFS. The financial model is based in Australian dollars. Overall the model in the November 2018 DFS is clear and all of the technical inputs are considered reasonable. The pit optimisations were undertaken at a gold price of A$1,650/oz that remains below the current and assumed gold price. The costs used in the DFS were generated from a first principals' basis in Australian dollars.

The processing recovery assumed in the DFS and this valuation was generated from extensive tests from all three deposits. While these recoveries were, variable depending on the specific domain being mined as a part of the open pit mining schedule, the overall mining recovery are reasonable. The proposed processing plant is a standard CIP gold plant. The 2.4Mtpa proposed processing plant, while historically considered a large is now considered to be a moderate size. The significant advantage of a processing plant of this scale allows the processing unit costs to be significantly reduced when compared to a smaller processing facility. This cost reduction allows the cut-off grades for the mining and milling operation to be reduced therefore significantly reducing the risks associated with mining dilution.

19.1.1. Production parameters

This valuation, which is based on the general assumptions included in the feasibility study, assumes a steady state processing of 2.4Mtpa with the processing of the ore reserves being undertaken over nine years with four additional years of processing low grade stockpiles.

19.1.2. Gold price assumptions

The Australian dollar gold price used was the price as at 7 March 2019, being US$1285.60/oz and an Australian to US exchange rate of 0.70416 which results in an Australian dollar gold price of $1825.72/oz. As there are various forecast prices for gold over the short to medium term DRM considers it reasonable to use the current spot gold price in Australian dollars as the assumed price over the duration of the financial model. Additionally, as there are no hedging or forward sales contracts nor other financial instruments currently in place for the project none have been assumed in this valuation.

19.1.3. Taxation

As DRM are not specialists in the tax implications that are applicable to the project or the corporate structure for WML and GPR the valuation in this report is a pre-tax value.

19.1.4. Exchange rates

The valuations, both the DCF valuations and the market based valuations have all been undertaken with the base currency being Australian dollars as such there is no requirement to model the variations in the exchange rates for the valuation. The exchange rates have only been considered where the previous or historic market based transactions have been used in the resource multiple or yardstick valuations to generate a normalised resource multiple.

19.1.5. Discount rate

While the November 2018 DFS used a discount rate of 8%, DRM considers that rate a discount rate of 8% does not, in DRM's opinion, accurately reflect the financing, geopolitical and associated risks with operating in PNG. The debt component of a potential development and the interest rates associated with the debt, are expected to be between 15% - 20% (16% assumed in the WACC calculations). It is also likely that any financiers would require a significant gold hedge facility to be put in place as security for the debt. The currently low market valuations for small to medium sized overseas development companies suggests that the equity component of development funding would be highly dilutive to the existing shareholders especially if that equity funding is generated by significant capital raisings. DRM has assumed that the post-tax equity returns required for private equity investment in GPR would be approximately 20%. In determining the WACC the equity returns have been increased to account for the company tax rate, therefore, assuming a 30% company tax rate the equity cost of capital has been determined as being 26%. With the assumption of $30 million of working capital in addition to the project CAPEX and the current market capitalisation the and the 60%/40% debt to equity ratio the WACC has been determined to be 18.2%.

Assuming GPR is able to attract debt and equity finding for the project it is expected that a debt to equity ratio of 60%/40% may be achievable. When funding risks are included in determining the weighted average cost of capital (WACC) along with the inherent geopolitical and social risks associated with operating on a remote island in PNG DRM considers that a pre-tax WACC of between 16% and 20% would be realistic. Therefore, DRM has used discount rates of 16%, 18% and 20% to determine the range in the Net Present Value of the project. The preferred valuation has been determined by using a 18% discount rate.

19.1.6. Discounted Cashflow Valuation

DRM considers the discounted cashflow (DCF) modelling approach as the most appropriate method for valuing the advanced and development ready Kulumadau, Buasi and Woodlark King deposits that constitute the WIGP. Table 21 below details the DCF findings. This valuation approach is the best understood valuation method associated with advanced projects and allows an analysis of a project while considering the true cost of an investment decision when compared to other potential investment alternatives. The weighted average cost of capital is assigned to generate an inflation and interest rate corrected valuation with that valuation being a current currency based valuation. In this case, the currency Australian dollars based in 2019. It accounts for all the factors associated with a development and is relatively easy to apply according to a range of discount rates, and factors in all revenue, operating costs, selling costs, capital costs, depreciation and tax. The exploration assets associated with these three deposits have been valued separately using valuation methods that are more suitable for early stage exploration assets.

Several inputs were modified from the GPR DFS. These included a modification of the NPV calculation to determine the NPV based on the entire development timeframe rather than a discount only on the future cashflows.

A sensitivity analysis of various inputs into the DCF has been undertaken and is summarised below.

Table 21 DCF NPV valuation ranges derived from the modified financial model

Valuation	Low	Preferred DCF Valuation	High
Discount Rate	20%	18%	16%
Pre Tax NPV	$113.4	$134.7	$159.2

Therefore, based on the modified financial model derived from the inputs generated in the 2018 DFS the Pre-Tax NPV of the WIGP is between **A$113.4 million** and **A$159.2 million** with a preferred valuation of **A$134.7 million.**

As this report is to determine the fair market value of the project an additional discount to the NPV determined above is considered appropriate especially as it is extremely rare for an unfunded project to transact at the NPV of the project. Additionally, there is a risk that the debt and equity finding may not be readily available or there may

be considerable delays in securing project financing. On that basis an additional discount to the NPV is required to determine the Fair Market Value of the project. As the project is best described as a low grade gold deposit located on a remote island of PNG DRM considers a nominal 35% discount to the NPV as an appropriate discount to determine the fair market value of the project.

When this discount is applied to the NPV detailed above the fair market value of the project is documented in Table 22 below

Table 22 Discounted DCF valuation ranges derived from the modified financial model.

Valuation	Low	Preferred DCF Valuation	High
Discount Rate	20%	18%	16%
Pre Tax NPV	$73.7	$87.5	$103.5

Therefore, based on the modified financial model derived from the inputs generated in the 2018 DFS the fair market valuation of the currently defined deposits within the WIGP is between **A$73.7 million** and **A$103.5 million** with a preferred valuation of **A$87.5 million.**

This valuation does not include the exploration potential of the project which has been valued below using a geoscientific or Kilburn valuation method.

19.1.7. Sensitivity Analysis WIGP

DRM has undertaken a brief sensitivity analysis of the pre-tax NPV of the WIGP. The main aspects that were investigated to determine the sensitivity of the project were increases and decreases in the mining costs, processing costs and capital costs of the project and the gold price. The analysis below is based on the full NPV of the project rather than the discounted NPV where the additional discount detailed above was applied due to the funding risks associated with the project.

Table 23 Sensitivity analysis inputs to determine the pre-tax NPV sensitivity

Sensitivity Item	-20%	-10%	Base Case	+10%	+20%
Mining Cost ($/t)	$2.01	$2.26	$2.51	$2.77	$3.02
Processing Cost ($/t)	$14.6	$16.42	$18.24	$20.07	$21.89
Capital Cost ($ million)	$161.9	$181.1	$202.3	$222.6	$242.8
Gold Price (AUS$/oz)	$1,460.58	$1,643.15	$1,825.72	$2,008.29	$2,190.86

Table 24 Pre-Tax $NPV_{(18)}$ Sensitivity Analysis

Sensitivity Item	-20%	-10%	Base Case	+10%	+20%
Mining Cost ($ million)	160.2	147.4	134.7	121.9	109.1
Processing Cost ($ million)	165.2	149.9	134.7	119.4	104.1
Capital Cost ($ million)	164.8	149.7	134.7	119.6	104.5
Gold Price ($ million)	21.2	77.9	134.7	191.4	248.1

In addition to the sensitivity of these aspects the valuation above also details the sensitivity of the project to the cost of capital which has been used to determine a range in the pre-tax valuation. If the cost of capital were 12% rather than the preferred discount rate of 18% then the Pre-tax NPV would be $220.8 million.

19.2. Comparable Transaction Valuation

The information for the comparable transactions has been derived from various sources including the ASX releases associated with these transactions, a database compiled by DRM for advanced stage exploration and development ready projects and a monthly publication by PCF Capital termed the Resource Thermometer.
This valuation method is the secondary valuation method as recommended in the 2015 VALMIN code and is primarily used as a check of the validity of the DCF valuation documented above. Only transactions that have been completed since 2012 were considered comparable due to the changes in the global economy since that time.

The comparable transactions have been compiled for advanced projects where Resources and Reserves have been estimated. There are very few transactions since 2012 for development ready projects in South East Asia and PNG. There are several transactions involving active mining operations and multiple transactions involving advanced exploration projects where no Reserves have been estimated. Therefore, DRM has used four Australian projects that have transacted in 2016 and 2017 to determine a potentially comparable resource multiple for advanced projects where a DFS has been completed or the former mine is on care and maintenance. These comparable transactions provide a guide of the likely Resource multiples that can be then assigned to the Resources within the WIGP. The transactions all occurred in Australian dollars. As this report and valuation along with the primary valuation method (DCF) have been undertaken in Australian dollars exchange rate variations have no impact on the valuation.

The Resource multiples used in this valuation average $45.7/oz while the median of the transactions is $43.4/oz. To determine a range for the valuation DRM has used the 75th and 25th percentiles of the transactions which resulted in a lower valuation based on a resource multiple of $25.1/oz and an upper valuation based on $68.6/oz. Details of the transactions and the resultant resource multiples are detailed in Appendix A. As these transactions were all based in Australia a discount to account for the valuation differences between PNG based projects and Australian projects has been assigned to these resource multiples. DRM has used the average resource multiples for the two recent transactions for the Misima gold project, an exploration project that has no reserves. As detailed above the two most recent transactions for the Misima project average $6.22/oz this compares to the lower resource multiples for exploration stage projects in Australia of $8.5/oz. A higher discount could be applied if only the recent transaction for Misima were used as that was at a 50% discount to the Australian resource multiples. Therefore, in DRM's opinion a 25% discount to the resource multiple valuation is reasonable.

The validity of these Resource multiples used by DRM has been checked by reviewing the March 2019 PCF Capital Resource Thermometer. This report details, amongst other information, the Resource and Reserve multiples for projects at an exploration, development, mining and care and maintenance stage for gold, copper, iron ore and nickel. PCF Capital does not provide any warranty of the accuracy of these resource and reserve multiples. Significantly these resource and reserve multiples are a global compilation of the transactions and not specific to any particular region. It is reasonable to assume that the resource and reserve multiples would be significantly different if they were limited to specific geological and geographical locations. The resource multiples detailed in the "Resource Thermometer" over the past year, three years and five years range from US$34/oz to US$36/oz. Using the exchange rate as at the valuation date these equate to approximately A$48/oz which is within the range being used in this valuation.

As the WIGP has all approvals in place and a completed feasibility study reported it is considered by DRM to be a Development project.

From the analysis of the recent comparable transactions DRM considers that a reasonable Resource multiple for the Resources is between **A$25/oz** and **A$68/oz** with a preferred of **A$43/oz**. A 25% discount has been applied to these multiples to account for the geopolitical risks and transactional differences between Australia and PNG.

Table 25 below details the Resource and Reserve multiples and the comparable transaction valuation of the WIGP

Table 25 Summary of the Resource multiple valuation for the WIGP.

	Contained Gold	Resource Multiples (A$/oz)			Valuation (A$ million)		
	(oz)	Low	Preferred	High	Low	Preferred	High
Australian Resource Multiples	1,573,000	$25.1	$43.4	$68.6	$39.5	$68.3	$107.9
Discounted (25%) Resource Multiples	1,573,000	$18.5	$31.9	$50.4	$29.6	$51.2	$80.9
Total Valuation					$29.6	$51.2	$80.9

The global Resource is approximately 1.5Moz. The breakdown of the classification of the Resources and Reserves is documented above in this report. Therefore, DRM considers the WIGP to be valued, based on comparable transaction basis at between **A$29.6 million** and **A$80.9 million** with a preferred valuation of **A$51.2 million**. This is broadly within the range derived from the DCF valuation.

19.3. Yardstick Valuation

A yardstick valuation was undertaken as a check of the comparable transactions. This yardstick valuation is based on a rule of thumb as supported by a large database of transactions where resources and reserves at various degrees of confidence are multiplied by a percentage of the spot price. The database is an in-house compilation of historical publicly announced transactions (dominantly from ASX releases) from 2010 to 2018 with various resources classifications. The yardstick valuation factors used in this report are in line with other yardstick valuation factors commonly used in other VALMIN reports such as Naidoo et.al. (2016).

Table 26 details the yardstick multiples that are commonly used for gold resources. Typically, base metal and other commodities which are sold as concentrates use significantly lower yardstick multiples to reflect the proportion of the value of the metal in concentrate that is paid to the producer. Gold is typically sold directly to a refinery or mint as gold Dore (an alloy of gold and silver) and a very high proportion of the metal value is paid to the producer, often >97% while concentrates result in a much lower proportion of the metal value being paid to a producer (often as low as 50-60% of the metal value).

The spot gold price as of 7 March 2019 of US$1,285.60/oz. and an exchange rate of 0.70416, resulting in an Australian Dollar Gold price of $1,825.72/oz was used to determine the yardstick valuation.

Table 26 Yardstick multiples used for gold projects

Resource or Reserve Classification	Lower Yardstick Multiple	Upper Yardstick Multiple
	(% of Spot price)	(% of Spot price)
Ore Reserves	5%	10%
Measured Resources (less Proved Reserves)	2%	5%
Indicated Resources (less Probable Reserves)	1%	2%
Inferred Resources	0.5%	1%

Due to the geopolitical, tenement and environmental risks along with the funding risks associated with a low grade gold project in PNG DRM has elected to undertake an additional discount to these yardstick multiples. The discounted yardstick multiples are tabulated in below. The discounted yardstick valuation is detailed in Table 28

below. The preferred valuation has been determined as the mid-point between the upper and lower yardstick valuations.

Table 27 Discounted Yardstick Multiples

Resource or Reserve Classification	Lower Yardstick Multiple (% of Spot price)	Upper Yardstick Multiple (% of Spot price)
Ore Reserves	3.0%	5.0%
Measured Resources (less Proved Reserves)	1.0%	3.0%
Indicated Resources (less Probable Reserves)	0.5%	1.0%
Inferred Resources	0.2%	0.5%

Table 28 Discounted Yardstick valuation

	Oz	Au Price (A$/oz)	Low	Preferred	High
Proved Reserves	697,000	$1,825.72	$38.2	$50.9	$63.6
Prob Reserves	340,600	$1,825.72	$18.7	$24.9	$31.1
Measured	57,000	$1,825.72	$1.0	$2.1	$3.1
Indicated	256,400	$1,825.72	$2.3	$3.5	$4.7
Inferred	222,000	$1,825.72	$0.8	$1.4	$2.0
Total	1,573,000		$61.0	$82.8	$104.5

19.4. Geoscientific / Kilburn Exploration Valuation

To generate an overall value of the entire project it is important to value all the separate parts of the mineral assets under consideration. In the case of the WIGP the most significant value drivers for the overall project are the advanced deposits, while this is currently the main contributor to the projects value if there is significant exploration potential then this potential value is important to quantify.

To attribute value to the early stage exploration opportunity within the WIGP a very different valuation approach is required to the income based DCF valuation and the comparable transaction valuations where a resource estimate can be used as the basis of the valuation. To assign one valuation technique that is widely used to determine the value of a project that is at an early exploration stage without any mineral resources or reserve estimates was developed and is described in an article published in the CIM bulletin by Kilburn (1990). This method is widely termed the geoscientific method where a series of factors within a project are assessed for their potential. While this technique is somewhat subjective and open to interpretation it is a method that when applied correctly and by a suitably experienced specialist enables an accurate estimate of the value of the project. There are five critical aspects that need to be considered when using a Kilburn or Geoscientific valuation, these are the base acquisition cost, which put simply is the cost to acquire and continue to retain the tenements being valued. The other aspects are the proximity to, both adjacent to and along strike of a major deposit (Off Property Factors), the occurrence of a mineral system on the tenement, the success of previous exploration within the tenement and the geological prospectively of the geological terrain covered by the mineral claims or tenements.

While this valuation method is robust and transparent it can generate a very wide range in valuations, especially when the ranking criteria are assigned to a large tenement. This method was initially developed in Canada where the mineral claims are generally small therefore reducing the potential errors associated where favourable or unfavourable ranking criteria to be spread over a large tenement.

For the WIGP the tenements being valued are the mining lease but excluding the actual defined deposits, the tenement adjacent to the mining lease (EL 1279) and the other two tenements that are more distal to the historical mining areas and the current Reserves and Resources. The majority of the exploration work has been conducted within and adjacent to the mining lease, as such the geoscientific rankings for those tenements are higher than the other more distal tenements.

Table 29 below documents the ranking criteria while Table 30 details the inputs and assumptions that were used to derive the base acquisition cost (BAC). These costs were sourced from the PNG Mineral Resources Authority website, with the tenement identification and targeting costs assumed to be AUS$50,000 per tenement.

Table 29 Ranking criteria are used to determine the geoscientific technical valuation

Rating	Off-property factor	On-property factor	Anomaly factor	Geological factor
0.1				Generally unfavourable geological setting
0.5			Extensive previous exploration with poor results	Poor geological setting
0.9			Poor results to date	Generally favourable geological setting, under cover
1.0	No known mineralisation in district	No known mineralisation within tenement	No targets defined	Generally favourable geological setting
1.5	Mineralisation identified	Mineralisation identified	Target identified, initial indications positive	
2.0	Resource targets identified	Exploration targets identified		Favourable geological setting
2.5			Significant intersections - not correlated on section	
3.0	Along strike or adjacent to known mineralisation	Mine or abundant workings with significant previous production		Mineralised zones exposed in prospective host rocks
3.5			Several significant ore grade intersections that can be correlated	
4.0	Along strike from a major mine(s)	Major mine with significant historical production		
5.0	Along strike from world class mine			

Table 30 inputs into the Base Acquisition Costs used in the geoscientific valuation.

Input to BAC	Unit	Cost (kina)	Cost (AUS$)
Tenement Age	Assumed 3 years		
Tenement Application Fee	Per tenement	K5,000	$2,108.08
Annual Rent – EL	Per sub block	K470	$58.11
Annual Rent – ML	Per km^2	K1200	$505.94
Minimum Exploration Commitment (EL)	Per sub block	K2000	$843.23
Minimum Exploration Commitment (ML) Assumed to be the same as an EL	Per sub block	K2000	$843.23
Targeting and Evaluation Cost	Per tenement		$50,000

Note the costs derived from the PNG government website were converted to AUS$ based on an exchange rate of 0.4216. Additionally, the costs that are derived on a per sub block are converted to a cost per km2 on the basis that 1 sub block is 3.41km2.

Using the ranking criteria from Table 29 along with the base acquisition costs derived from Table 30 an overall technical valuation was determined. Appendix B details the ranking criteria, technical valuation and the market valuation for each of the tenements.

The technical valuation was discounted to derive a market valuation. A market factor was derived to account for the geopolitical risks of operating in PNG and due to the remote nature of the project (20% discount) while a slight (5%) discount was also applied to account for the lack of support in the general market for overseas development ready gold projects. This market factor resulted in a market factor of 76%. Table 31 below details the lower, upper and preferred geoscientific valuations.

Table 31 Summary of the Geoscientific Ranking Valuation Method

Project Area	Low (A$ M)	Preferred (A$M)	Upper (A$M)
579km^2	2.8	4.9	6.9

20. Risks and Opportunities

DRM has reviewed the feasibility study and the supporting reports and documentation and has identified that there are several risks and opportunities with the project development. There are risks and opportunities within three main areas, being the resource, financial risks and the social, tenure and permitting aspects of the project.

With all Mineral Resource Estimates and evaluations there are inherent risks and opportunities that could have a significant impact on the overall project. The main risks associated with the Resources are, in the opinion of DRM, associated with the estimation of grade continuity within what are structurally complex mineral systems. The extensive faulting and structural controls within the deposit appear to be both a risk and an opportunity with additional mineralisation potentially being delineated in either orientations that have been poorly tested or a lack of geological continuity of mineralisation previously interpreted as being as indicated by several of the recent GPR drill holes. In undertaking a MIK mineral resource estimate DRM considers that the structural complexity and geological and grade continuity may be incorrectly identified and modelled. This modelling approach commonly results in a lower resource grade with higher tonnes.

The financial model has been generated in Australian dollars with the costs developed from first principals. As with all mineral projects a significant risk is in the foreign exchange movements, as the project would be exposed to several currencies including US dollars, PNG Kina and Australian dollars the variations in these currencies will have an impact on the viability of the project. GPR has minimal ability to mitigate these risks. While there are financial instruments that could be put into place to mitigate some of this risk these instruments could also have a significant impact on the overall long term viability of the project depending on the currency exchange movements.

Finally, there is a risk associated with the mining lease which has a tenement condition where the project has to be completed and in production by late 2019. Given the two year construction timeframe detailed in the DFS it is clear that construction and commissioning cannot be completed before the end of 2019. DRM has been informed that GPR have commenced discussions and made submissions to the PNG government to have this timeframe either removed from the tenement conditions or extended to allow the re-evaluation and construction to commence in an appropriate timeframe. DRM understands that if the development condition is not adjusted the PNG government could commence a process to cancel the mining lease. While this is an extreme outcome it is considered unlikely to occur as it would result in a significant deterioration of the exploration and mining sector in PNG and increase the sovereign risks to investment in PNG. If the mining lease were cancelled is it reasonable to assume that the area associated with the mining lease would revert to either the underlying exploration licence, which remains in good standing or a new exploration licence. In the unlikely event that the mining lease were cancelled, and it reverted to the granted exploration licence the main risk is an extended timeframe to have a new mining lease granted and the need to recommence the approvals process.

21. Valuation of Other Mineral Projects

DRM has undertaken an assessment of the other GPR mineral projects, being a series of tenements in Fiji and the Kou Sa project in Cambodia.

21.1. Valuation of Kou Sa Project, Cambodia

The same methodology as used for the WIGP has been undertaken for the Kou Sa project with the resource multiple valuation being used for a nominal area around the existing resources and a Kilburn valuation being used to determine a value for the exploration potential around the resources. DRM maintains a database of transactions including copper resource multiples for various projects, the resource multiples for early stage copper projects are currently within a range of US$0.006/lb and US$0.021/lb of copper equivalent. These resource multiples compare to the multiples published by PCF Capital in their monthly resource thermometer where the current (March 2019) copper resource multiples are within a range of US$0.010/lb and US$0.023/lb of copper equivalent. While the secondary valuations are based on a yardstick (discounted due to the project being assumed to produce a copper gold concentrate) while the area based comparable transaction valuation has been used to determine an estimate of the value of the exploration potential around the resources. A range of area based valuations for copper projects in the south east Asian region has been used and is based on recently completed transactions where ed at between $2,000/km^2 and $5,000/km^2. Note the resource multiples and yardstick valuations have been undertaken using the resource grades and tonnes at 0.5% copper equivalent cut-off and the copper equivalent grade has been re calculated by DRM at the current commodity prices and the recoveries from the metallurgical testing hence there is a slight difference in the contained copper equivalent used in the valuation of the Kou Sa project and the resources detailed above. The contained copper equivalent has been determined by DRM to total 48314t of contained copper equivalent (45,303t Indicated and 3,012t Inferred) compared to the stated resource of 48,400t of copper equivalent.

Primary Valuation for the Kou Sa project

Table 32: Summary of Kou Sa Valuation

Project	Valuation Methodology	Low (A$ million)	High (A$ million)	Preferred (A$ million)
Kou Sa	Resource Multiples – Exploration Project	0.9	3.2	2.0
Kou Sa	Kilburn includes Exploration*	1.1	3.9	2.5
Preferred Valuation including Exploration Potential		**2.0**	**7.1**	**4.6**

* excludes Kilburn Valuation for Resource Areas

* Appropriate rounding of the valuations has been done to the level of accuracy of the valuation.

Secondary valuation methods for the Kou Sa project

Comparable Transactions Area for the exploration potential

GPR	Area	Low (A$ million)	High (A$ million)	Preferred (A$ million)
Comparable transactions ($/km^2)		2,000	5,000	3,500
Cambodia	158km^2	$0.3	$0.8	$0.6

Yardstick for the Kou Sa Resources

Yardstick Multiples	Low	High
Reserves	3.0%	6.0%
Measured	1.2%	3.0%
Indicated	0.6%	1.2%
Inferred	0.30%	0.6%

	Contained Copper Equivalent	Copper Price (A$/t)	Low (A$ million)	Preferred (A$ million)	High (A$ million)
Indicated	45,303	$9,185	2.5	3.7	5.0
Inferred	3,012	$9,185	0.1	0.1	0.2
Valuation	**48314**		**2.6**	**3.9**	**5.2**

Note the difference between the contained copper equivalent as determined by DRM and the Copper Equivalent as documented in the resource, the difference is due to DRM re calculating the copper equivalent based on updated commodity prices and metal recoveries.

Therefore, in DRM's opinion the Kou Sa project in Cambodia has a fair market value of between $2.0 million and $7.1 million with a preferred fair market valuation of $4.6 million.

As there are deferred payments of US$6.3 million for GPR to secure the project. Therefore, the project is considered to have minimal value to GPR. We note that GPR has impaired the project carrying value to match the deferred payment. Which is consistent with DRM's assessment of the project value.

Given the fair market value as determined above and the required payments for GPR to secure the project in DRM's opinion the Kou Sa project has minimal value to GPR.

21.2. Valuation of Fijian Exploration Projects

Two separate valuation methods have been undertaken to value the early stage exploration projects within Fiji. GPR has been actively marketing the projects and has recently relinquished several of the tenements listed in their last quarterly report. The two methods used are a geoscientific or Kilburn valuation and an area based comparable transaction multiple. The same methodology as used for the WIGP has been undertaken for the Kilburn valuation while the area based comparable transactions are based on a range of area based valuations for copper projects in the south east Asian region. These have recently transacted at between $2,000/km^2 and $5,000/km^2.

Fijian Projects – Kilburn Valuation

Prospects	Technical Valuation ($)			Fair Market Valuation ($ million)	
	Lower	Upper	Preferred	Lower	Upper
Nabila Project - Highly prospective area (Proximal to non JORC Resources)	37,400	147,200	92,300	0.03	0.13
Nabila Project lower prospective area	173,300	780,100	476,700	0.15	0.67
Vuda prospect	179,800	674,400	427,100	0.15	0.58
Sabeto prospect	67,300	224,300	145,800	0.06	0.19
Total Valuation	**457,800**	**1,826,000**	**1,141,900**	**0.4**	**1.6**

Fijian Projects – Comparable Transactions

GPR	Area	Low ($ M)	High ($ M)	Preferred ($ M)
Comparable transactions ($/km^2)		2000	5000	3500
Fiji	132.4km^2	$0.3	$0.7	$0.5

In DRM's opinion the Fijian projects have a fair market value of between $0.4 million and $1.6 million. As GPR is currently trying to divest these projects and has elected to surrender several tenements to it is considered reasonable

to assume that there is minimal interest in the tenements resulting in the preferred fair market value of the retained projects to be closer to the lower valuation. Therefore, DRM considers the preferred fair market value of the Fijian projects to be $0.5 million.

22. Preferred Valuations

Based on the valuation techniques detailed above Table 33 provides a summary of the various valuation techniques for the WIGP with the preferred valuation techniques for both the Development and Exploration assets in bold

Table 33 Summary of the various Valuation techniques completed of the WIGP. The valuations considered by DRM as the preferred valuations are bold.

Mineral Asset	Valuation Technique	Lower Valuation (A$ million)	Preferred Valuation (A$ million)	Upper Valuation (A$ million)
Development Assets	Discounted Pre-tax NVP	$73.7	**$87.5**	$103.5
	Comparable Transactions	$29.6	$51.2	$80.9
	Yardstick	$61.0	$82.8	$104.5
Exploration Assets / Potential	Geoscientific / Kilburn	$2.8	**$4.9**	6.9

The two preferred valuation methods considered by DRM as the most robust are the DCF valuation method as supported by the extensive feasibility study completed in 2012 and partly updated for this report for the development assets where there are defined Reserves and Resources while the preferred valuation method for the exploration assets is a Geoscientific or Kilburn valuation. As these valuations are mutually exclusive therefore it is reasonable to combine these valuations to determine an overall preferred valuation for the WIGP.

In DRM's opinion and based on the DCF valuation, the development assets are valued at between A$73.7 million and A$103.5 million with a preferred valuation of A$87.5 million while the exploration assets are valued at between A$2.8 million and A$6.9 million with a preferred valuation of A$4.9 million.

Therefore, DRM considers the combined value of the WIGP to be between **A$76.5 million** and **A$110.4 million** with a preferred value of **A$92.4 million.**

23. Conclusion

The WIGP has a completed DFS with a resultant 1Moz reserve and over 1.5Moz in Resources contained within four main mineralised bodies. In addition to these deposits there is considerable exploration potential within the large tenement holding which consists of one mining lease and three exploration licences.

During the preparation of this report and while reviewing all the technical documents associated with the WIGP no material technical errors were identified in the Mineral Resource Estimates or the Ore Reserves. The majority of the assumptions that underpin the DFS are considered reasonable. There are however several aspects that could be further de-risk the project.

DRM was provided the DCF model from the DFS and had made several adjustments and modifications to the model. These included updating the gold price to the current price and modifying the NPV formula to generate the net present value over the entire development timeframe rather than limiting the discount to the cash generating portion of the development. DRM also validated the financial model to ensure that all of the critical inputs from the

DFS were correctly included in the financial model. While some minor discrepancies were identified these are considered to be minor and made no material difference to the valuation.

DRM has also updated the discount rate used in the financial model to account for the project specific and non-technical risks associated with a project in PNG. The pre-tax discount rate was increased to between 16% and 20% based on the expectation that using a standard debt to equity ratio and the risks associated with a project located in PNG it is reasonable to assume that the debt would be at a higher interest rate than say an Australian based project.

In DRM's opinion, the Market Value of the development assets within the WIGP is between A$73.7 million and A$103.5 million with a preferred valuation of A$87.5 million. In addition to the value of the development assets there is significant value in the exploration assets which lie between A$2.8 million and A$6.9 million with a preferred valuation of A$4.9 million.

Therefore, DRM considers the combined value of the WIGP to be between **A$76.5 million** and **A$110.4 million** with a preferred value of **A$92.4 million.**

The other GPR mineral assets are considered to have minimal value due to the deferred payments required on the Kou Sa project and the early stage exploration activities at Fiji.

While this report has determined a fair market value of the Kou Sa project as being between $2.0 million and $7.1 million with a preferred fair market valuation of $4.6 million there are deferred payments of US$6.3 million for GPR to secure the project. Therefore, in DRM's opinion the Kou Sa project has minimal value. And the Fijian projects have, due to their early exploration stage have a fair market value of between $0.4 million and $1.6 million however due to GPR actively divesting the projects and several tenements being surrendered rather than transacted it is considered reasonable to assign a fair market value closer to the lower valuation. Therefore, DRM considers the Fijian projects to be valued at approximately $0.5 million.

24. References

The unpublished reports associated with the November 2018 DFS completed by Lycopodium with reserves determined by Mining Plus and resources by MRP and associated reports and studies have not been included in the references below. No GPR ASX releases are listed below, any references to the GPR ASX releases within the report are sources from the ASX or GPR website. The 2012 DFS completed by Arccon Mining Services and associated reports are not included in this reference list as that work has been superseded by the November 2018 DFS.

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25. Glossary

Below are brief descriptions of some terms used in this report. For further information or for terms that are not described here, please refer to internet sources such as Webmineral www.webmineral.com, Wikipedia www.wikipedia.org,
The following terms are taken from the 2015 VALMIN Code

Annual Report means a document published by public corporations on a yearly basis to provide shareholders, the public and the government with financial data, a summary of ownership and the accounting practices used to prepare the report.

Australasian means Australia, New Zealand, Papua New Guinea and their off-shore territories.

Code of Ethics means the Code of Ethics of the relevant Professional Organisation or Recognised Professional Organisations.

Corporations Act means the Australian Corporations Act 2001 (Cth).

Experts are persons defined in the Corporations Act whose profession or reputation gives authority to a statement made by him or her in relation to a matter. A Practitioner may be an Expert. Also see Clause 2.1.

Exploration Results is defined in the current version of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Refer to http://www.jorc.org for further information.

Feasibility Study means a comprehensive technical and economic study of the selected development option for a mineral project that includes appropriately detailed assessments of applicable Modifying Factors together with any other relevant operational factors and detailed financial analysis that are necessary to demonstrate at the time of reporting that extraction is reasonably justified (economically mineable). The results of the study may reasonably serve as the basis for a final decision by a proponent or financial institution to proceed with, or finance, the development of the project. The confidence level of the study will be higher than that of a Pre-feasibility Study.

Financial Reporting Standards means Australian statements of generally accepted accounting practice in the relevant jurisdiction in accordance with the Australian Accounting Standards Board (AASB) and the Corporations Act.

Independent Expert Report means a Public Report as may be required by the Corporations Act, the Listing Rules of the ASX or other security exchanges prepared by a Practitioner who is acknowledged as being independent of the Commissioning Entity. Also see ASIC Regulatory Guides RG 111 and RG 112 as well as Clause 5.5 of the VALMIN Code for guidance on Independent Expert Reports.

Information Memoranda means documents used in financing of projects detailing the project and financing arrangements.

Investment Value means the benefit of an asset to the owner or prospective owner for individual investment or operational objectives.

Life-of-Mine Plan means a design and costing study of an existing or proposed mining operation where all Modifying Factors have been considered in sufficient detail to demonstrate at the time of reporting that extraction is reasonably justified. Such a study should be inclusive of all development and mining activities proposed through to the effective closure of the existing or proposed mining operation.

Market Value means the estimated amount of money (or the cash equivalent of some other consideration) for which the Mineral Asset should exchange on the date of Valuation between a willing buyer and a willing seller in an arm's length transaction after appropriate marketing wherein the parties each acted knowledgeably, prudently and without compulsion. Also see Clause 8.1 for guidance on Market Value.

Materiality or being **Material** requires that a Public Report contains all the relevant information that investors and their professional advisors would reasonably require, and reasonably expect to find in the report, for the purpose of making a reasoned and balanced judgement regarding the Technical Assessment or Mineral Asset Valuation being reported. Where relevant information is not supplied, an explanation must be provided to justify its exclusion. Also see Clause 3.2 for guidance on what is Material.

Member means a person who has been accepted and entitled to the post-nominals associated with the AIG or the AusIMM or both. Alternatively, it may be a person who is a member of a Recognised Professional Organisation included in a list promulgated from time to time.

Mineable means those parts of the mineralised body, both economic and uneconomic, that are extracted or to be extracted during the normal course of mining.

Mineral Asset means all property including (but not limited to) tangible property, intellectual property, mining and exploration Tenure and other rights held or acquired in connection with the exploration, development of and production from those Tenures. This may include the plant, equipment and infrastructure owned or acquired for the development, extraction and processing of Minerals in connection with that Tenure.

Most Mineral Assets can be classified as either:

(a) **Early-stage Exploration Projects** – Tenure holdings where mineralisation may or may not have been identified, but where Mineral Resources have not been identified;

(b) **Advanced Exploration Projects** – Tenure holdings where considerable exploration has been undertaken and specific targets identified that warrant further detailed evaluation, usually by drill testing, trenching or some other form of detailed geological sampling. A Mineral Resource estimate may or may not have been made, but sufficient work will have been undertaken on at least one prospect to provide both a good understanding of the type of mineralisation present and encouragement that further work will elevate one or more of the prospects to the Mineral Resources category;

(c) **Pre-Development Projects** – Tenure holdings where Mineral Resources have been identified and their extent estimated (possibly incompletely), but where a decision to proceed with development has not been made. Properties at the early assessment stage, properties for which

a decision has been made not to proceed with development, properties on care and maintenance and properties held on retention titles are included in this category if Mineral Resources have been identified, even if no further work is being undertaken;

(d) **Development Projects** – Tenure holdings for which a decision has been made to proceed with construction or production or both, but which are not yet commissioned or operating at design levels. Economic viability of Development Projects will be proven by at least a Pre-Feasibility Study;

(e) **Production Projects** – Tenure holdings – particularly mines, wellfields and processing plants – that have been commissioned and are in production.

Mine Design means a framework of mining components and processes taking into account mining methods, access to the Mineralisation, personnel, material handling, ventilation, water, power and other technical requirements spanning commissioning, operation and closure so that mine planning can be undertaken.

Mine Planning includes production planning, scheduling and economic studies within the Mine Design taking into account geological structures and mineralisation, associated infrastructure and constraints, and other relevant aspects that span commissioning, operation and closure.

Mineral means any naturally occurring material found in or on the Earth's crust that is either useful to or has a value placed on it by humankind, or both. This excludes hydrocarbons, which are classified as Petroleum.

Mineralisation means any single mineral or combination of minerals occurring in a mass, or deposit, of economic interest. The term is intended to cover all forms in which mineralisation might occur, whether by class of deposit, mode of occurrence, genesis or composition.

Mineral P**r**oject means any exploration, development or production activity, including a royalty or similar interest in these activities, in respect of Minerals.

Mineral Securities means those Securities issued by a body corporate or an unincorporated body whose business includes exploration, development or extraction and processing of Minerals.

Mineral Resources is defined in the current version of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Refer to http://www.jorc.org for further information.

Mining means all activities related to extraction of Minerals by any method (eg quarries, open cast, open cut, solution mining, dredging etc).

Mining Industry means the business of exploring for, extracting, processing and marketing Minerals.

Modifying Factors is defined in the current version of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Refer to http://www.jorc.org for further information.

Ore Reserves is defined in the current version of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Refer to http://www.jorc.org for further information.

Petroleum means any naturally occurring hydrocarbon in a gaseous or liquid state, including coal-based methane, tar sands and oil-shale.

Petroleum Resource and **Petroleum Reserve** are defined in the current version of the Petroleum Resources Management System (PRMS) published by the Society of Petroleum Engineers, the American Association of Petroleum Geologists, the World Petroleum Council and the Society of Petroleum Evaluation Engineers. Refer to http://www.spe.org for further information.

Practitioner is an Expert as defined in the Corporations Act, who prepares a Public Report on a Technical Assessment or Valuation Report for Mineral Assets. This collective term includes Specialists and Securities Experts.

Preliminary Feasibility Study (Pre-Feasibility Study) means a comprehensive study of a range of options for the technical and economic viability of a mineral project that has advanced to a stage where a preferred mining method, in the case of underground mining, or the pit configuration, in the case of an open pit, is established and an effective method of mineral processing is determined. It includes a financial analysis based on reasonable assumptions on the Modifying Factors and the evaluation of any other relevant factors that are sufficient for a Competent Person, acting reasonably, to determine if all or part of the Mineral Resources may be converted to an Ore Reserve at the time of reporting. A Pre-Feasibility Study is at a lower confidence level than a Feasibility Study.

Professional Organisation means a self-regulating body, such as one of engineers or geoscientists or of both, that:

(a) admits members primarily on the basis of their academic qualifications and professional experience;

(b) requires compliance with professional standards of expertise and behaviour according to a Code of Ethics established by the organisation; and

(c) has enforceable disciplinary powers, including that of suspension or expulsion of a member, should its Code of Ethics be breached.

Public Presentation means the process of presenting a topic or project to a public audience. It may include, but not be limited to, a demonstration, lecture or speech meant to inform, persuade or build good will.

Public Report means a report prepared for the purpose of informing investors or potential investors and their advisers when making investment decisions, or to satisfy regulatory requirements. It includes, but is not limited to, Annual Reports, Quarterly Reports, press releases, Information Memoranda, Technical Assessment Reports, Valuation Reports, Independent Expert Reports, website postings and Public Presentations. Also see Clause 5 for guidance on Public Reports.

Quarterly Report means a document published by public corporations on a quarterly basis to provide shareholders, the public and the government with financial data, a summary of ownership and the accounting practices used to prepare the report.

Reasonableness implies that an assessment which is impartial, rational, realistic and logical in its treatment of the inputs to a Valuation or Technical Assessment has been used, to the extent that another Practitioner with the same information would make a similar Technical Assessment or Valuation.

Royalty or Royalty Interest means the amount of benefit accruing to the royalty owner from the royalty share of production.

Securities has the meaning as defined in the Corporations Act.

Securities Expert are persons whose profession, reputation or experience provides them with the authority to assess or value Securities in compliance with the requirements of the Corporations Act, ASIC Regulatory Guides and ASX Listing Rules.

Scoping Study means an order of magnitude technical and economic study of the potential viability of Mineral Resources. It includes appropriate assessments of realistically assumed Modifying Factors together with any other relevant operational factors that are necessary to demonstrate at the time of reporting that progress to a Pre-Feasibility Study can be reasonably justified.

Specialist are persons whose profession, reputation or relevant industry experience in a technical discipline (such as geology, mine engineering or metallurgy) provides them with the authority to assess or value Mineral Assets.

Status in relation to Tenure means an assessment of the security of title to the Tenure.

Technical Assessment is an evaluation prepared by a Specialist of the technical aspects of a Mineral Asset. Depending on the development status of the Mineral Asset, a Technical Assessment may include the review of geology, mining methods, metallurgical processes and recoveries, provision of infrastructure and environmental aspects.

Technical Assessment Report involves the Technical Assessment of elements that may affect the economic benefit of a Mineral Asset.

Technical Value is an assessment of a Mineral Asset's future net economic benefit at the Valuation Date under a set of assumptions deemed most appropriate by a Practitioner, excluding any premium or discount to account for market considerations.

Tenure is any form of title, right, licence, permit or lease granted by the responsible government in accordance with its mining legislation that confers on the holder certain rights to explore for and/or extract agreed minerals that may be (or is known to be) contained. Tenure can include third-party ownership of the Minerals (for example, a royalty stream). Tenure and Title have the same connotation as Tenement.

Transparency or being **Transparent** requires that the reader of a Public Report is provided with sufficient information, the presentation of which is clear and unambiguous, to understand the report and not be misled by this information or by omission of Material information that is known to the Practitioner.

Valuation is the process of determining the monetary Value of a Mineral Asset at a set Valuation Date.

Valuation Approach means a grouping of valuation methods for which there is a common underlying rationale or basis.

Valuation Date means the reference date on which the monetary amount of a Valuation in real (dollars of the day) terms is current. This date could be different from the dates of finalisation of the Public Report or the cut-off date of available data. The Valuation Date and date of finalisation of the Public Report **must** not be more than 12 months apart.

Valuation Methods means a subset of Valuation Approaches and may represent variations on a common rationale or basis.

Valuation Report expresses an opinion as to monetary Value of a Mineral Asset but specifically excludes commentary on the value of any related Securities.

Value means the Market Value of a Mineral Asset.

Appendices

Appendix A – Comparable Transactions

Recent Development or Producing Asset transactions – Australian Projects. Transactions that are highlighted in green are considered potentially comparable to the Woodlark Island Gold Project

Development Projects																
Date	Project	Project Status	Seller	Buyer	Equity Sold	Consideratio	Reserves				Resources				Comparable	
						(AUS$ M)	Mt	g/t	oz	$/ Reserve	Mt	g/t	Million oz	$/ Resource oz		Comments
26/03/2019	Higginsville	Operating	Westgold	RNC Minerals	100	50	5.945	1.92	0.349	143.3	29.746	2.01	1.906	26.2	No	Higginsville
30/08/2018	Pogo	Operating	Suminito	Northern Star	100%	347		11.9	0.76	456.6		12.3	4.1	84.6	No	Alaska - Exploraiton and mining upside
18/03/2018	South Kalgoorlie	Operating	Westgold	Northern Star	100%	80	3.643	2.15	0.252	317.5	58.011	2.15	4.016	19.9	No	Mill and strategic expansion of operations in the ar
3/08/2017	Darlot	Operating	Goldfields	Red 5	100%	25	0.452	3.84	0.056	446.4	1.2	6	0.224	111.6	No	Non core asset divested
15/08/2016	Plutonic	Operating	Northern Sta	Superior Gold	100%	66.2	2.741	2.5	0.218	303.7	13.653	3.9	1.717	38.6	No	Not tier 1 asset (<300,000oz/year)
13/05/2014	Jundee	Operating	Newmont	Northern Star	100%	82.5	2.997	0.43	0.411	200.7	3.582	4.4	0.507	162.7	No	Non core asset divested
23/01/2014	Kundana	Operating	Barrick	Northern Star	100%	75	3.646	5.3	0.62	121.0	6.507	4.3	0.905	82.9	No	Non core asset divested
3/08/2017	King of the Hills	Care and Maintence	Saracen	Red 5	100%	16				N/A	2.71	4.6	0.402	39.8	Yes	Non core asset divested
26/09/2017	Red October	Care and Maintence	Saracen	Matsa	100%	2				N/A	0.446	6.9	0.099	20.2	Yes	Non core asset divested
7/11/2016	Gold Road	Completed DFS	Gold Road	Goldfields	50%	250	91.6	1.2	1.76	142.0	153.64	1.34	3.3	75.8	Yes	Development Partner
22/12/2016	Dalgaranga	Completed DFS	Individual	Gascoyne Resources	20%	10.51	13.3	1.29	0.1104	95.2	25.7	1.4	0.2232	47.1	Yes	Increasing equity to 100% of the project
23/12/2013	Plutonic	Operating	Barrick	Northern Star	100%	25	0.978	6.6	0.2	125.0	5.048	10.8	1.75	14.3	No	Non core asset divested

Resource Multiples Development Projects

Australian Multiples	Average	$45.71
	Median	$43.44
	75th Percentile	$68.59
	25th percentile	$25.10
PNG Multiples Discounted	Average	$33.61
	Median	$31.94
	75th Percentile	$50.43
	25th percentile	$18.46

Appendix B Woodlark Island Gold Project Geoscientific (Kilburn) Ranking Table and Criteria

Woodlark Island Kilburn Valuation ranking criteria – Exploration Potential away from the Development Projects

Tenements	Blocks	Area (km2)	BAC (AUS$)	Deeped	Equity	Off Property		On Property		Anomaly Factor		Geology Factor	
						Low	High	Low	High	Low	High	Low	High
EL1465	75	255.75	130,212	509	100%	1.5	2	1	1.3	1	1.3	0.9	1
ML508	59.6	59.65	210,710	3,532	100%	2	2.5	2.5	3	2	2.5	1.5	2
EL1279	56.34	192.12	110,781	577	100%	3	3.5	1.5	2	1.5	2	0.9	1
EL1172	22	71.61	73,977	1,033	100%	1.5	2	1.3	1.8	1	1.3	0.9	1

Woodlark Island Gold Project Kilburn Valuation – Exploration Potential away from the Development Projects

Tenements	Technical Valuation			Fair Market Valuation (AUS$M)		
	Lower (AUS$)	Upper (AUS$)	Preferred (AUS$	Lower	Upper	Preferred
EL 1465	$ 175,800	$ 440,100	$ 307,950	$ 0.12	$ 0.30	$ 0.21
ML 508	$ 3,160,600	$ 7,901,600	$ 5,531,100	$ 2.13	$ 5.33	$ 3.73
EL 1279	$ 673,000	$ 1,550,900	$ 1,111,950	$ 0.45	$ 1.05	$ 0.75
EL 1172	$ 129,800	$ 346,200	$ 238,000	$ 0.09	$ 0.23	$ 0.16
Total	**$ 4,139,200**	**$ 10,238,800**	**$ 7,189,000**	**$ 2.8**	**$ 6.9**	**$ 4.9**