

Broad zones of gold confirmed in Metallurgical drilling

28 August 2017

The [Board](#) of Geopacific Resources Ltd (Geopacific) is pleased to provide assay results from drilling for metallurgical testwork at the Woodlark Gold Project (Woodlark). Geopacific's controlling interest of subsidiary, Kula Gold Limited (ASX:KGD), has reached 74.91%.

Highlights

- Variability testwork for reserve calculation and DFS underway
- Broad zones of gold and continuity of mineralisation confirmed at Busai and Kulumadau deposits
- 7m @ 4.48g/t Au from 21m, and 42m @ 2.58 g/t Au from 31m and 12m @ 2.34 g/t Au from 78m
- 7.9m @ 9.21g/t Au from 39.6m and 17.0m @ 2.27g/t Au from 114m

Geopacific has finished a round of metallurgical drilling for metallurgical variability studies at Woodlark. The results for the initial holes have been received and continue to highlight the wide zones of gold mineralisation that have previously been identified.

Stages of the testwork will be used to calculate independent reserve estimates, with all results to be used in the updated Definitive Feasibility Study (DFS). The main aim of the testwork is to confirm that historic testwork is representative of the mineralisation. The testwork program has been designed by Lycopodium Engineering and will be supervised from their Brisbane office. ALS laboratories has been engaged to undertake the testwork in Australia.

With the metallurgical drilling complete, development drilling has resumed at the Kulumadau deposit, testing extensions of the northern extents of the mineralisation.

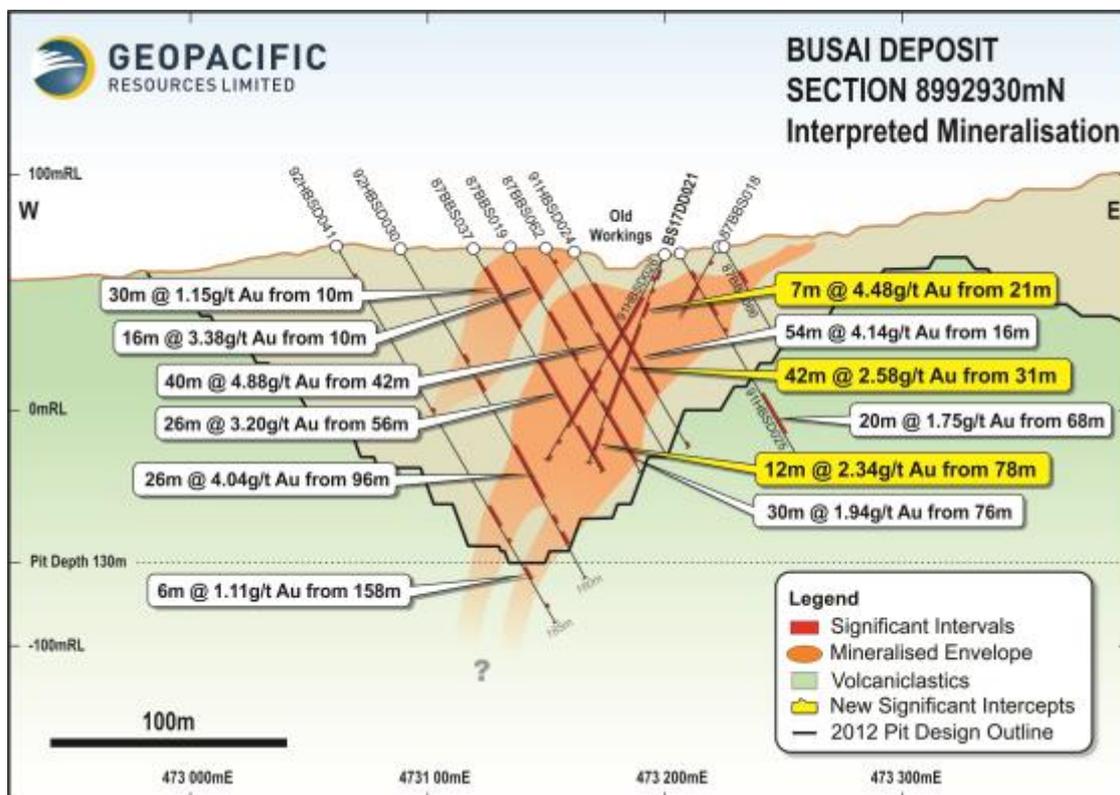


Figure 1: Cross section of the Busai deposit showing results from recent metallurgical drilling

Appendix A: Table 1 Intersections

Hole No.	Drill Method	Easting	Northing	RL	Dip	Azi	Depth (m)	Depth From	Intercept	Comments	
BS17DD020	DD	473477	8992985	94	-65	315	108	2	3.0m @ 1.89g/t Au	Vulcan Met Hole	
								10	3.0m @ 0.78g/t Au		
								22	13.0m @ 1.15g/t Au		
								38	1.0m @ 1.17g/t Au		
								44	14.0m @ 2.01g/t Au		
								98	8.0m @ 0.99g/t Au		
BS17DD021	DD	473200	8992930	66	-70	270	93.8	0	1.0m @ 0.76g/t Au	Busai Met Hole	
								6	5.0m @ 1.47g/t Au		
								15	2.0m @ 0.99g/t Au		
								21	7.0m @ 4.48g/t Au		
								31	42.0m @ 2.58g/t Au		
								78	12.0m @ 2.34g/t Au		
93	0.8m @ 1.01g/t Au										
KU17DD022	DD	469116	8995925	85	-79	270	161.7	0	7.0m @ 3.28g/t Au	Kulumadau West Met Hole	
								10	15.0m @ 2.48g/t Au		
								30	6.0m @ 0.59g/t Au		
								39.6	7.9m @ 9.21g/t Au		Including 3.4m @ 13.65 g/t Au from 39.6m
								52	3.0m @ 24.85g/t Au		
								61	5.0m @ 0.98g/t Au		
								81	1.0m @ 0.66g/t Au		
								85	1.0m @ 0.94g/t Au		
								102	9.0m @ 1.41g/t Au		
								114	17.0m @ 2.27g/t Au		Including 2m @ 12.62 g/t Au from 123m
134	3.0m @ 0.83g/t Au										
142	2.0m @ 4.29g/t Au										
KU17DD023	DD	469585	8995875	61	-65	90	94.7	19	20.0m @ 3.85g/t Au	Kulumadau East Met Hole	
								43	9.0m @ 3.22g/t Au		
								56	1.0m @ 0.61g/t Au		
								60	1.0m @ 1.73g/t Au		
								64	4.0m @ 0.64g/t Au		
								71	5.0m @ 0.73g/t Au		
								79	1.0m @ 0.94g/t Au		
								84	1.0m @ 0.67g/t Au		
								91	1.0m @ 0.80g/t Au		

Notes

- Sampling was conducted using diamond drilling (DD)
- DD samples comprised of quarter core to maximise sample for metallurgical testwork, core, cut by diamond saw.
- Sample preparation undertaken by ITS Laboratories on Woodlark Island (refer Appendix B for details).
- Gold analysis by Fire Assay 50gm charge by Intertek Genalysis Laboratories, Townsville, Australia.
- Mineralised intercepts calculated as a weighted average, using a 0.5g/t Au lower cut, maximum of two metres of internal waste.
- Collar coordinates in PNG94 Geodetic System.
- Azimuths true bearing.

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

CRITERIA	JORC CODE EXPLANATION	COMMENTARY
Sampling techniques	<p><i>Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.</i></p> <p><i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i></p>	<p>Sampling was conducted using diamond drilling (DD). Holes were drilled for metallurgical sampling purposes.</p> <p>Sampling of the diamond drilling comprised quarter core samples for chemical analysis was taken mostly at 1m intervals with some variation of sample length to accommodate lithological, alteration, and mineralisation breaks observed in geological logging.</p> <p>Samples were sent for fire assay gold and four-acid multi-element analysis by ICPMS method. Blank, duplicate, and standard samples were inserted at various intervals based on Geopacific's QAQC procedure to ensure sample representivity and repeatability of the sampling results.</p> <p>Half core was bagged at 1m intervals and submitted for comprehensive metallurgical test work, not reported here.</p>
	<p><i>Aspects of the determination of mineralisation that are Material to the Public Report.</i></p> <p><i>In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.</i></p>	<p>Core was cut in half and then one half quartered using a core saw. Where core competency was low, whole core was wrapped in plastic clingfilm to help maintain integrity of the sampled interval while being cut. Samples were prepared on the on-site sample prep laboratory operated by ITS Pty Ltd PNG (Intertek Services Ltd).</p> <p>Standard preparation of samples is to crush ~2kg through a jaw crusher, with a blank bottle wash between each sample. Crushed sample is then transferred to a LM-2 pulveriser for reduction to pulp. A 150gm pulp sample is split from the master sample and submitted for analysis. Coarse reject material and pulps are bagged and stored on site for future reference.</p> <p>Samples were sent for fire assay gold analysis using a 50g charge, as well as multi-element analysis using multi-acid digest with ICP finish at Intertek's Townsville laboratory.</p>
Drilling Techniques	<p><i>Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).</i></p>	<p>Diamond drilling was undertaken using triple tube methodology in using PQ diameter only.</p>

CRITERIA	JORC CODE EXPLANATION	COMMENTARY
Drill Sample Recovery	<i>Method of recording and assessing core and chip sample recoveries and results assessed.</i>	Core recovery is recorded by measuring the core recovered from the drillhole against the actual drilled metres.
	<i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i>	The use of triple tube drilling as well as shorter runs in zones of broken ground were used to maximise the sample recovery.
	<i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i>	Sample recovery was good throughout the drillholes, consistently above 90%, and as such there is no sample bias introduced because of sample recovery.
Logging	<i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i>	All drill core was geologically logged by Geopacific geologists using Geopacific's logging procedure. Geotechnical logging of Rock Quality Designation (RQD), hardness, degree of fracturing and weathering is undertaken by Geopacific staff using Geopacific's logging procedure. Specific gravity measurements were taken from each tray of drill core.
	<i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.</i>	Drill core was logged both qualitatively (e.g. lithology, alteration, structure, etc.) and quantitatively (e.g. veining and mineralisation percentage, structural orientation angles, etc.). Drill core is photographed both dry and wet and is stored in plastic core trays in our exploration core yard.
	<i>The total length and percentage of the relevant intersections logged.</i>	All holes are logged their entire length.
Sub-sampling techniques and sample preparation	<i>If core, whether cut or sawn and whether quarter, half or all core taken.</i>	Core is halved and then one half quartered and, sent for sample preparation and analysis. Quarter core is retained on site with half core submitted for metallurgical test work.
	<i>If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.</i>	Only samples from diamond drilling (core) is discussed in this release.
	<i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i>	Samples are crushed to a nominal 2mm by a jaw crusher, with the whole sample pulverised and then split; one 150gm sample for submission with residue stored on site.
	<i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i>	Field blank, duplicate, and standard samples are introduced to maximise the representivity of the samples.

CRITERIA	JORC CODE EXPLANATION	COMMENTARY
	<i>Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling.</i>	Field duplicates are inserted in accordance with Geopacific's QAQC procedure.
	<i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i>	Sample sizes are appropriate to the grain size of the material being sampled.
Quality of assay data and laboratory tests	<i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i>	Fire assay Au and four-acid digest ICP analysis are thought to be appropriate for determination of gold and base metals in fresh rock, and are considered to represent a total analysis.
	<i>For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i>	No results from geophysical tools, spectrometers, or handheld XRF instruments are reported in this release.
	<i>Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.</i>	Field and lab blank, duplicate, and standard samples were used in the drilling. Results from these QAQC samples were within the acceptable ranges.
Verification of sampling and assaying	<i>The verification of significant intersections by either independent or alternative company personnel.</i>	Significant intersections were inspected by senior geological staff.
	<i>The use of twinned holes.</i>	No holes reported in this announcement are twins of previous drilling.
	<i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i>	Primary assay data is sent electronically from the lab to our database administrator and then entered into Geopacific's database and validated by the database administrator and senior staff.
	<i>Discuss any adjustment to assay data.</i>	No adjustments were made or required to be made to the assay data.
Location of data points	<i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i>	Drillhole collars were located using a total station surveying instrument. Downhole surveys are conducted on all diamond drillholes with readings recorded every 5 metres downhole using a Reflex MEMS gyro.
	<i>Specification of the grid system used.</i>	Coordinates are recorded in PNG94 geodetic system
	<i>Quality and adequacy of topographic control.</i>	LiDAR survey data obtained over the licence area, tied in to total station collar readings provide sub-metre accuracy.

CRITERIA	JORC CODE EXPLANATION	COMMENTARY
Data spacing and distribution	<i>Data spacing for reporting of Exploration Results.</i>	Drilling reported in this release relates to metallurgical drilling designed to test well-mineralised sections of the target deposits respectively. It is not designed to infill or add to the existing resource inventory.
	<i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i>	Drilling results released in this announcement confirm mineralisation delineated in previous drilling and confirm both grade and geological continuity.
	<i>Whether sample compositing has been applied.</i>	Results released in this announcement refer to diamond drilling where no compositing was undertaken.
Orientation of data in relation to geological structure	<i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i>	Drill orientation is intentionally biased to generate maximum mineralised intersections across the variety of mineralisation styles including transported, oxide and fresh rock mineralisation.
	<i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i>	These holes are intentionally biased to some degree.
Sample security	<i>The measures taken to ensure sample security.</i>	All samples are collected by GPR staff and put into numbered plastic bags, along with a corresponding sample ticket, which are immediately sealed and placed in order on a pallet with other samples in an area directly adjacent to the onsite sample preparation laboratory. and the pallet containing the sealed samples is then delivered directly into the onsite sample prep lab, where chain of custody hands over to ITS Ltd.
Audits or reviews	<i>The results of any audits or reviews of sampling techniques and data.</i>	No audits have been completed, but QAQC data is monitored on a batch-by-batch basis.

Appendix B: JORC Code, 2012 Edition – Table 1

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

CRITERIA	JORC CODE EXPLANATION	COMMENTARY
Mineral tenement and land tenure status	<p><i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i></p> <p><i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i></p>	<p>Geopacific is negotiating a Joint Venture agreement with Kula Gold Ltd (ASX:KGD) to acquire a 75% interest by spending AUD\$18.65m over three tranches. In Tranches 1 and 2, Geopacific must spend AUD\$8m within the first two years to earn an initial 35% interest in operating company WML. Should Geopacific delineate a Reserve base of >1.2M Oz Au within the two-year period it will be deemed to hold a 51% interest in WML. Geopacific can increase its ownership to 60% of WML by completing the earn in expenditure (Tranche 3) without delineating the Reserve target of 1.2M Oz Au. Should that target be met as part of Tranche 3 expenditure, Geopacific will be deemed to have earned a 75% interest in WML.</p>
Exploration done by other parties	<p><i>Acknowledgment and appraisal of exploration by other parties.</i></p>	<p>This announcement is based on work done by Kula Gold Ltd and Geopacific Resources Limited.</p>
Geology	<p><i>Deposit type, geological setting and style of mineralisation.</i></p>	<p>Most of Woodlark Island is covered by a veneer of Plio-Pleistocene limestones (coronus) of variable thickness with associated marine clays and basal conglomerates. A central elevated portion of the island (horst structure) contains Miocene volcanic rocks intruded by late stage, high K porphyritic intrusives and contains the known historical mines.</p> <p>Gold mineralisation within the Woodlark Island Gold Project is principally hosted by andesites and their sub-volcanic equivalents within the Miocene age stratigraphic unit known as the Okiduse Volcanics. The mineralisation is variously associated with lodes, quartz veins, stockwork zones and breccias developed within proximal phyllic and marginal propylitic alteration envelopes regionally associated with intrusive breccia complexes. Gold mineralisation is consistent with low sulphidation, base metal carbonate, epithermal systems typical of the south-west Pacific.</p>

CRITERIA	JORC CODE EXPLANATION	COMMENTARY
Drill hole Information	<p><i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</i></p> <ul style="list-style-type: none"> ○ <i>easting and northing of the drill hole collar</i> ○ <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i> ○ <i>dip and azimuth of the hole</i> ○ <i>down hole length and interception depth</i> ○ <i>hole length</i> <p><i>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</i></p>	See Appendix A, Table 1.
Data aggregation methods	<p><i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.</i></p>	No top-cuts were used in the reporting of these significant intercept. The interval selected using a cut off value 0.5g/t Au and were calculated using weighted averaging.
	<p><i>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i></p>	Shorter intercepts of higher grade within larger reported intercepts are subsequently highlighted within the summary drilling table.
	<p><i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i></p>	N/A
Relationship between mineralisation widths and intercept lengths	<p><i>These relationships are particularly important in the reporting of Exploration Results.</i></p> <p><i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i></p> <p><i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. ‘down hole length, true width not known’).</i></p>	Information from other drilling in the area as well as geological mapping indicate that the downhole intervals may be close to the true width, but more structural information is needed to determine the exact orientation of the mineralised zones.
Diagrams	<p><i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i></p>	Diagrams relevant to the report content are included in the body of the report.

CRITERIA	JORC CODE EXPLANATION	COMMENTARY
Balanced reporting	<i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i>	Refer to Appendix A, table 1.
Other substantive exploration data	<i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i>	Refer to text.
Further work	<p><i>The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).</i></p> <p><i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i></p>	Refer to text.

Competent Person's Statement

The information in this announcement that relates to exploration results is based on information compiled by or under the supervision of Jim Kerr, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy and General Manager, Geology for Geopacific. Mr Kerr has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and the activity he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Kerr consents to the inclusion in the announcement of the matters based on his information in the form and context in which it appears.

Forward Looking Statements

All statements other than statements of historical fact included in this announcement including, without limitation, statements regarding future plans and objectives of Geopacific Resources Limited are forward-looking statements. When used in this announcement, forward-looking statements can be identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects' or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this announcement, are expected to take place. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the company, its directors and management of Geopacific Resources Ltd that could cause Geopacific Resources Limited's actual results to differ materially from the results expressed or anticipated in these statements.

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