

Quarterly report – June 2018

The [Board](#) of Geopacific Resources Ltd (Geopacific or the Company) is pleased to provide its quarterly report for the three months ending 30 June 2018. Geopacific is actively advancing three distinct workstreams at the Woodlark gold project (Woodlark) with positive progress achieved on all fronts during the quarter:

- **Development** – delivering the Definitive Feasibility Study (DFS) in Q3 2018.
- **Financing** – appointment of project finance advisor and extensive marketing to equity investors that invest in development-stage gold projects, in preparation for raising project finance.
- **Exploration** – a major regional exploration program to scope the potential of the Woodlark goldfield, increasing the current 1.57Moz Au resource towards the exploration target¹ potential of 53.3Mt @ 2g/t Au to 105Mt @ 1g/t Au for 5Moz Au. Cautionary Statement: the exploration target is conceptual in nature and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

Highlights

Corporate activities

- A\$10m raised via institutional placement – validating Geopacific’s mandate for regional exploration
- Appointment of a project finance advisor for Woodlark
- Appointment of a new Non-Executive Director with global expertise in mining engineering, project management, risk management and finance
- Increased level of market awareness with the release of the Pre-Feasibility Study² for Woodlark supported by Australian, European and North American roadshows

Woodlark Gold Project, Papua New Guinea

- Lycopodium-managed Definitive Feasibility Study on track for September completion
- Process design, 3D model of the layout and design, mechanical equipment lists and vendor evaluations all nearing completion
- Major regional exploration program commences

Kou Sa Project, Cambodia

- Discovery of new gold /silver mineralised zone at Prospect 118

Managing director Ron Heeks commented

***“We are making encouraging progress in all three of our key workstreams. The DFS is progressing on track and the fact that Woodlark has been granted mining, social and environmental permits allows us to progress financing discussions simultaneously. Feedback from potential debt financiers about the quality of the project has been positive.*”**

***“We’ve been actively marketing the Company to equity investors in Australia and overseas to ensure greater market understanding of the project and the team as we determine the optimal project financing structure. On our estimated timeline, construction at Woodlark will begin in 2019 and it is apparent there are very few other gold projects globally that investors can gain exposure to which are of this quality and scale.*”**

***“On top of all that, the first results from a potentially transformational exploration drilling campaign at Woodlark are now imminent. Our last infill drilling campaign added 350,000 ounces to the Reserve and we are now funded to look at the true exploration potential of the wider project.”*”**

¹ Exploration will consist principally of drilling from surface. Achieving the exploration target will be reliant on the success of the proposed exploration activities. Exploration has commenced and will be ongoing, systematically testing target areas.

² The [PFS was released on 12 March 2018](#). All material assumptions underpinning the production target and forecast financial information continue to apply and have not changed materially.

OCCUPATIONAL HEALTH & SAFETY

There were no Lost Time Injuries (LTIs) recorded during the quarter.

Corporate news

Geopacific announced the completion of a placement to raise A\$10 million at A\$0.036 per share, representing a 5.3% discount to the previous day's closing share price. This demonstrates the strong support from quality institutional investors for Geopacific's strategy to finalise the DFS and bring a significant exploration program online to continue to grow the project.

Geopacific released its annual report and financial statements for the year ended 31 December 2017. The Annual General Meeting was held in May with all resolutions passing with a significant majority.

During the quarter, Geopacific appointed Ironstone Capital as financial advisor to assist the Company in arranging project finance to enable the development of Woodlark.

Geopacific appointed Mr. Colin Gilligan to the board as a Non-Executive Director. Mr. Gilligan is a mining engineer with over 25 years' experience in the resources sector in Australia, South Africa, North America and Asia. He has held technical, executive and director roles with a number of companies throughout his career including Mitsui, Thiess, Anglo, Coalspur Mines and Resource Generation.

Development activities

Woodlark gold project – Papua New Guinea

The Lycopodium-managed Definitive Feasibility Study is on track for completion in September 2018. The mine plan calls for an initial 2.4 million tonne per annum (mtpa) conventional crush, SAG and ball mill circuit that is typical of gold processing plants. An allowance for a 2.4 mtpa gravity upgrade circuit to be integrated from year 3 has been engineered into the design.

Exploration

Exploration activities continued this quarter over Woodlark island, including ongoing regional soil sampling across outcropping volcanic sequences and the recommencement of drilling.

The focus of the current exploration campaign is to target discoveries of additional deposits in the corridors between known deposits, with much of this work requiring exploration beneath shallow sedimentary cover.

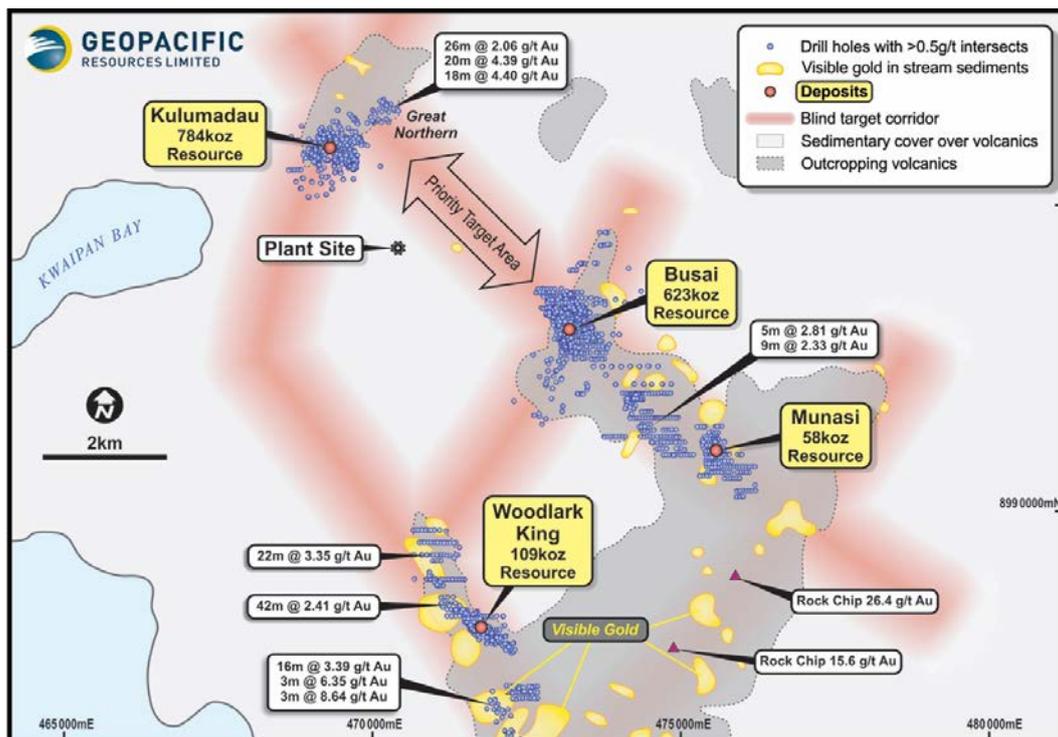


Figure 1: Regional Target Areas. Areas outside the grey dashed line are under shallow limestone cover.

Gold mineralisation is epithermal, which typically occurs in clusters along regional structures. On Woodlark, four deposits – Kulumadau, Busai, Woodlark King and Munasi – have currently reported JORC 2012 resources. The extensive drilling database, geophysical surveys and limited surface exploration all indicate the widespread occurrence of gold mineralisation well outside the defined resources. Major regional structures associated with known gold resources are evident on geophysical images and form the principal targets for exploration.

Diamond drilling recommenced at the Great Northern prospect this quarter, targeting highly encouraging drilling results for historic programs, with a view to expanding the known strike extent of mineralisation and provide some geological context to the observed mineralisation. Assaying of the first holes is underway with results immanent.

Soil sampling over the southern Peninsula was largely completed this quarter, with sampling crews moving northwards to the additional target areas.

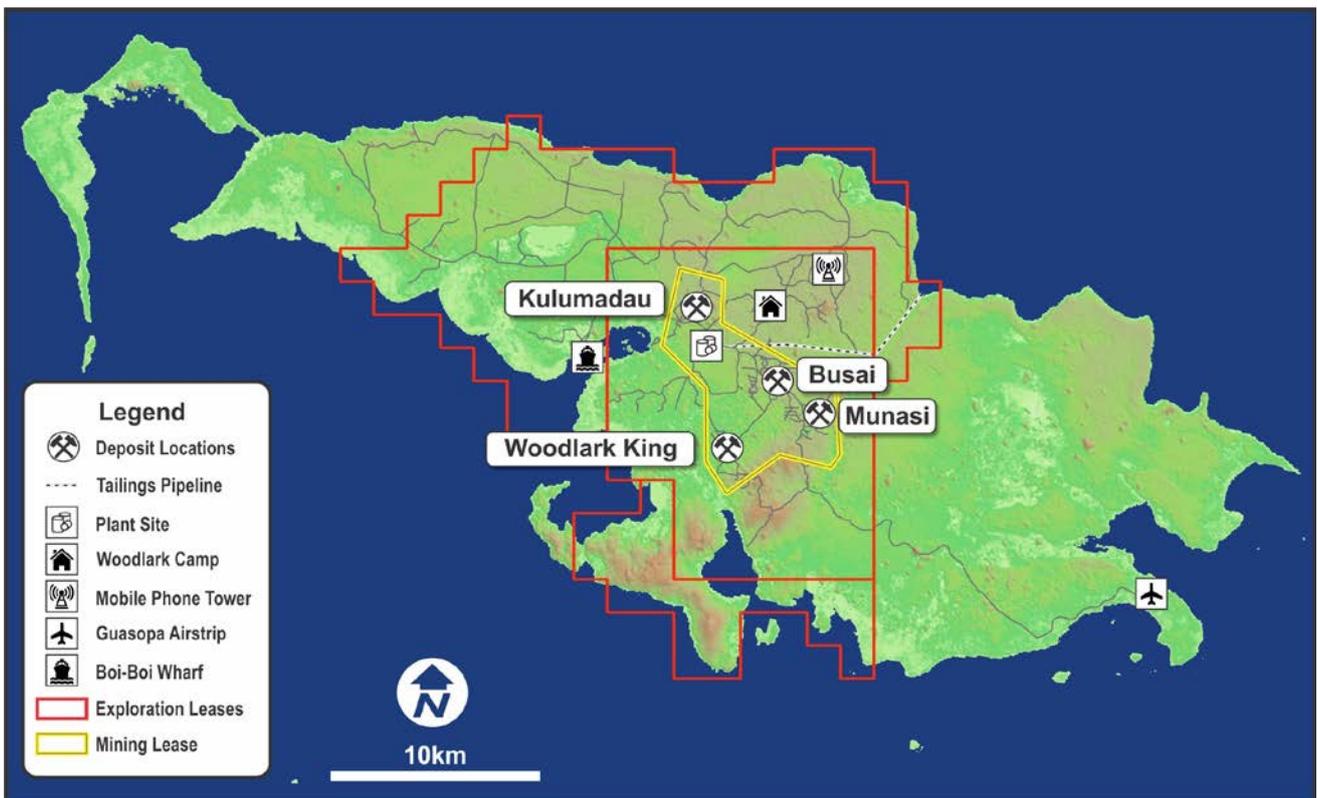


Figure 2: Topographic map of Woodlark Island showing location of deposits and licence boundaries.

The majority of the historic work has been undertaken on the areas surrounding the existing deposits; Kulumadau, Busai, Munasi and Woodlark King. These deposits are all situated on the existing mining lease which covers 60 square kilometres. The regional exploration aims to test the broader goldfield looking at priority targets on the exploration licences which cover 600 square kilometres.

Kou Sa project – Cambodia

Field work at the Kou Sa project continued this quarter, including regional soil sampling, mapping and trenching. At 118 Prospect, results from a scout programme consisting of six diamond drill holes for 740.5m of drilling targeted anomalous geochemical signatures in trenching and observed epithermal quartz veins and structures were returned this quarter.

Drilling intersected epithermal style alteration of volcanogenic lithologies that display intense deformation textures likely associated with low-angle thrust faulting.

Mineralisation encountered in drilling in hole KDH265 included:

- 6m @ 223 g/t Ag from 1m and
- 26.8m @ 1.11 g/t Au, 55.32 g/t Ag from 36.2m from 36.2m and
- 7.55m @ 2.98 g/t Au, 139 g/t Ag from 53.4m and
- 3.3m @ 0.92 g/t Au, 53.8 g/t Ag from 68m

And in hole KDH267:

- 8m @ 2.98g/t Au from 70m and
- 6.5m @ 361g/t Ag from 72.5m

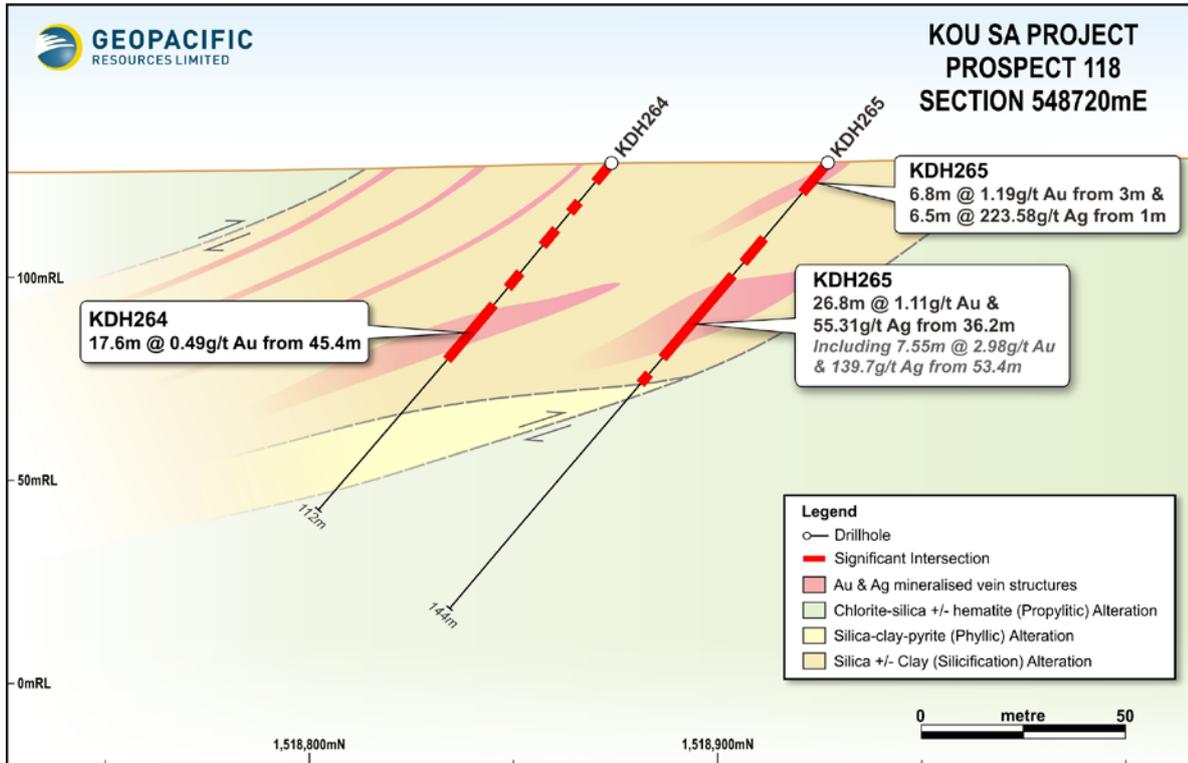


Figure 3: Gold and silver discovery at Prospect 118

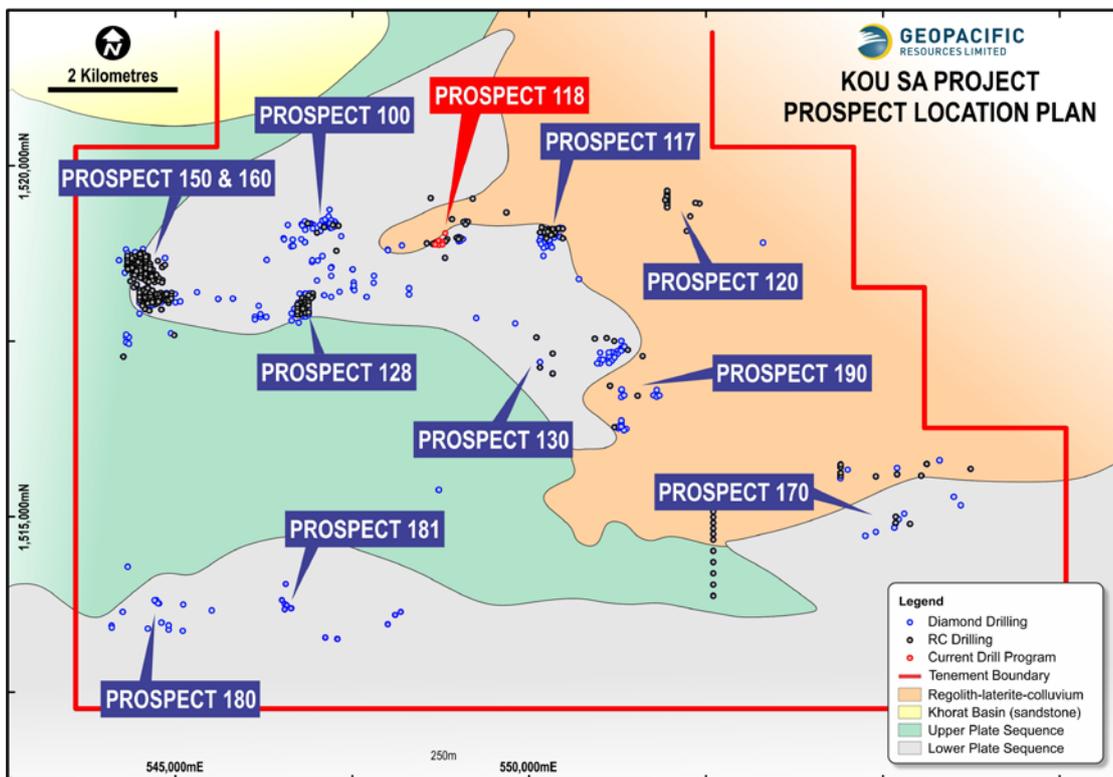


Figure 1: Kou Sa, Prospect location plan

Fijian gold projects – Fiji

No significant field activities were undertaken this quarter.

Competent Person's Statement

The information in this announcement that relates to exploration results and exploration targets is based on information compiled by or under the supervision of James 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.

The information in this report that relates to Woodlark Mineral Resources is based on information compiled and reviewed by Mr Nicholas Johnson, a Competent Person who is a Member of the Australian Institute of Geoscientists and a full-time employee of MPR Geological Consultants Pty Ltd. Mr Johnson has sufficient experience which is relevant to the style of mineralization and type of deposits under consideration and to the activity which he has undertaken to qualify as a Competent Person as defined in the JORC Code 2012 and is a qualified person for the purposes of NI43-101. Mr Johnson has no economic, financial or pecuniary interest in the company and consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Woodlark Mineral Reserves is based on information compiled and reviewed by Mr John Battista, a Competent Person who is a Member and Chartered Professional of the Australian Institute of Mining and Metallurgy (AusIMM) and a full-time employee of Mining Plus Pty Ltd. Mr Battista has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity which he has undertaken to qualify as a Competent Person as defined in the JORC Code 2012 and is a qualified person for the purposes of NI43-101. Mr Battista has no economic, financial or pecuniary interest in the company and consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Forward Looking Statements

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

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

Geopacific Resources Ltd cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this announcement will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements. Geopacific Resources Ltd does not undertake to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this announcement, except where required by applicable law and stock exchange listing requirements. Woodlark is permitted by the PNG Government, subject to meeting the conditions of the licence.

Woodlark Global Resources

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

Woodlark Ore Reserves

Total by deposit	Category (>0.3g/t lower cut)	Tonnes (Mt)	Grade (g/t Au)	Ounces (oz)
Busai	Proven	11.0	0.92	326,100
	Probable	5.2	0.78	131,200
Kulumadau	Proven	8.6	1.23	338,500
	Probable	6.4	1.02	209,500
Woodlark King	Proven	2.4	0.92	70,400
	Probable	1.1	0.71	25,900
Total Ore Reserve	Proven	22.0	1.04	735,000
	Probable	12.7	0.90	366,600
	Total	34.7	0.99	1,101,600

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

Geopacific Resources Limited

ABN

57 003 208 393

Quarter ended ("current quarter")

30 June 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12-months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(2,595)	(5,771)
(b) development	-	-
(c) production	-	-
(d) staff costs	(363)	(669)
(e) administration and corporate costs	(375)	(519)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	3	28
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	(28)	(48)
1.9 Net cash from / (used in) operating activities	(3,358)	(6,979)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(103)	(147)
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12-months) \$A'000
2.2 Proceeds from the disposal of:	-	-
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	(103)	(147)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	10,080	10,080
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	(397)	(397)
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	9,683	9,683

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	3,100	6,765
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(3,358)	(6,979)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(103)	(147)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	9,683	9,683
4.5 Effect of movement in exchange rates on cash held	-	-
4.6 Cash and cash equivalents at end of period	9,322	9,322

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	2,595	1,780
5.2 Call deposits	6,727	1,320
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	9,322	3,100

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$A'000
199
-

Payment of directors remuneration.

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter \$A'000
-
-

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

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9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	3,209
9.2 Development	-
9.3 Production	-
9.4 Staff costs	317
9.5 Administration and corporate costs	554
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	4,080

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2 Interests in mining tenements and petroleum tenements acquired or increased				

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here: 
Company secretary

Date: 31 July 2018

Print name: Matthew Smith

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.