

Quarterly report – September 2019

The [Board](#) of Geopacific Resources Ltd (Geopacific ASX: GPR) is pleased to provide the September 2019 quarterly report. During the quarter strong progress was made in preparation for the commencement of development activities at the Woodlark Gold Project (Woodlark).

Highlights

- Independent Technical Expert (ITE) reports completed and project financing discussions continued
- Letter of Intent issued to GR Engineering to construct the gold processing plant
- Mining Licence (ML) construction timeline extension approved
- Appointment of Ian Murray, as Non-executive Director
- Secured 100% direct ownership of Woodlark, transaction completed
- Successful capital raising of up to \$45million (post quarter) to commence development activities

Managing Director, Ron Heeks commented

“Geopacific achieved a number of milestones during the quarter which are pivotal in moving the 1.6Moz¹ Woodlark Gold Project into production.

The Company is well positioned to complete project financing required for construction. Key technical aspects have been validated by independent technical experts and a letter of intent was issued in relation to the construction of Woodlark’s gold processing plant. We also welcomed Ian Murray to the board who brings significant project development experience as the Company is poised for production.

The successful capital raising of up to \$45 million announced in October, will enable the Company to commence development activities including early site works and front end engineering design. This first phase of development is expected to de-risk project execution in preparation for the construction of the process plant and completion of project financing.”

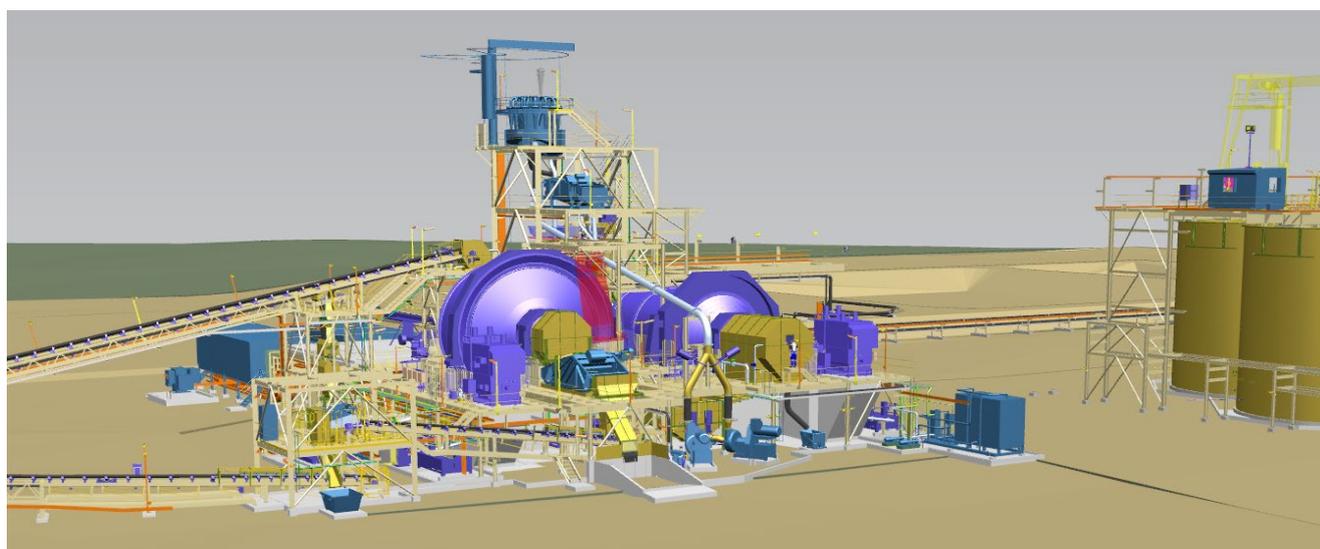


Figure 1: GR Engineering-designed 2.4Mtpa gold process plant

¹ Refer to appendices and March 2018 Pre-feasibility Study – ‘Robust Woodlark Gold project PFS Supports Development.’

Occupational Health & Safety

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

Corporate News & Development Activities

Project Financing

During the quarter, the Independent Technical Expert's (ITE) reports were completed on behalf of potential financiers. The reports were distributed to key stakeholders and will allow the Company to advance towards a complete financing solution.

The ITE review commenced in May 2019 and involved a significant body of work. The scope of the review and final reports included technical aspects such as Geology & Mineral Resources, Metallurgy & Processing, Infrastructure, Logistics, and Environmental & Social.

Post quarter – Capital raising of up to \$45 million

A \$40 million share placement (Placement) was made to Sophisticated and Professional Investors for 1,600 million fully paid ordinary shares at \$0.025 per share. A Share Purchase Plan (SPP) was also offered at the same price as the Placement to raise up to a further \$5 million.

The Placement is composed of two tranches:

- Tranche 1 – to raise \$17.2 million pursuant to Listing Rule 7.1 (413,864,402 shares) and Listing Rule 7.1A (275,909,601 shares); and
- Tranche 2 – to raise \$22.8 million, subject to shareholder approval at the general meeting to be held on or around 9 December 2019.

Following completion of the capital raising, Geopacific will be funded to commence development at Woodlark and move towards a complete project financing solution. Net proceeds from the Placement and SPP will primarily be used for front end engineering design (FEED), project civil construction, relocation of the Kulumadau village, Woodlark mine camp upgrades, project financing costs and other working capital for project development and expansion activities.

The first phase of development is expected to de-risk project execution in preparation for the construction of the process plant and completion of project financing.

The board also proposed a consolidation of Geopacific's issued capital, subject to shareholder approval, on the conversion of every 25 shares into 1 share to take effect following completion of the Placement.

For further information regarding the capital raising or share consolidation the full announcement is available [here](#).

Project Execution

Gold Process Plant

Geopacific conducted a robust evaluation and selection process involving a number of highly reputable engineering companies on the basis of their credibility and experience in delivering similar gold operations to Woodlark. All proposals received were carefully evaluated to assess pricing, technical and management competence including proposed design specifics, financial capacity, and relevant experience in PNG.

After a rigorous evaluation and selection process, a conditional letter of intent was issued to GR Engineering Services Ltd (GR Engineering) for the construction of Woodlark's 2.4Mtpa carbon in leach (CIL) treatment facility (process plant), tailings line and other supporting infrastructure.

GR Engineering is an industry leader in the gold processing plant construction sector. The Western Australian based engineering consulting and contracting group have a strong reputation in successfully delivering gold

processing plants both internationally and in Australia. GR Engineering also have in country experience with other mining clients in PNG.

The final engineering, procurement, construction (EPC) contract is expected to be in the form of a Guaranteed Maximum Price with the aim of de-risking the largest component of the capital expenditure.

The Company also appointed independent engineering consultants, Mintrex Pty Ltd (Mintrex) to conduct a thorough review of GR Engineering's proposed plant design and evaluate the capital expenditure requirements. Mintrex has extensive capabilities in gold processing and significant experience with similar gold operations both internationally and in Australia.

Licence and Permitting

Mining Licence

During the period, an extension to the construction timeline in Woodlark's Mining Licence (ML) was granted by the Minister for Mining, The Hon Johnson Tuke MP. Completion of the construction and commissioning of the process plant is now required before 5 July 2022, providing Geopacific with additional time to finance and construct the project.

The extension is the final outstanding approval required from Mineral Resources Authority (MRA) to commence construction of the Woodlark Gold Project. Apart from normal course of business interaction with the MRA, no further permits or approvals are required from the MRA to commence construction of the project.

Environmental Licence

Amendments to the Environmental Licence have been requested by Geopacific to reflect the revised operating strategy from the November 2018 DFS², with the major change being an increase in plant throughput from 1.8Mtpa to 2.4Mtpa. During the period, the Company paid the applicable amendment fees to the Conservation and Environment Protection Authority and expects the issue of the amended permit in due course.

Appointment of Ian Murray

Mr Ian Murray was appointed as an Independent Non-executive Director and brings a wealth of financial, corporate, project development and operational experience to the Board. Most recently Mr Murray held the role of Managing Director at Gold Road Resources (Gold Road) and was instrumental in taking Gold Road's Guyere Project from an exploration play through to a fully funded 8.2mtpa gold operation that is set to produce 300koz per annum in joint venture with Gold Fields Ltd.

The appointment comes as Geopacific is poised to take the Woodlark Gold Project through funding and construction, and into production.

100% direct ownership of Woodlark secured

Geopacific secured 100% direct ownership of Woodlark after receiving approval to acquire from Kula Gold Ltd (Kula) all of their rights and interests in the Project. The transaction completed in July after shareholder approval was obtained from both Geopacific and Kula shareholders on 25 June 2019.

Geopacific's 85% shareholding in Kula was cancelled concurrent to issuing 150M Geopacific shares (Consideration Shares) and paying approximately A\$0.74M to Kula.

Kula immediately applied the cash to repay its loan from Geopacific of approximately A\$0.72M. On 9 July, Kula distributed the Consideration Shares pro-rata to its shareholders (In Specie Distribution).

Kula ceases to be a subsidiary of Geopacific and the joint venture agreement between the two parties was extinguished. Messrs Clyne, Heeks and Smith also retired from the Kula board.

² Refer to November 2018 Woodlark DFS – announced on 7 November 2018. All material assumptions underpinning the production target and forecast financial information continue to apply and have not changed materially

Other

Ron Heeks and Ian Clyne exercised their Class A Options, and the corresponding shares were issued during the period.

Post Quarter Activities

Non-core Projects

Geopacific believes that delivering Woodlark into production will generate the greatest return for shareholders. As a result, the Company will focus on the development and financing of Woodlark and divest its non-core assets.

Kou Sa Copper Gold Project, Cambodia

The Company is in negotiation with the vendors of the Kou Sa Project to restructure the deferred consideration payments. A payment of US\$1.57M is currently outstanding. In the event agreement cannot be reached with the vendors, Geopacific will look to relinquish ownership of the Kou Sa Project and would be required to pay US\$500k to the vendors.

Fijian Gold Projects, Fiji

All licences have been relinquished or are in the process of being relinquished. The office in Fiji has been closed and Geopacific is investigating options to wind up the Fijian entities.

Financial and Corporate Summary

As at 30 September 2019, the Company had the following share structure and cash balance:

As at 30 September 2019	
Cash Balance	\$3.221 million
Ordinary Fully Paid Ordinary Shares	2,759,096,016
Options	117,507,848
Share Appreciation Rights	50,592,558

On 21 October, the Company announced a capital raising of up to \$45 million to commence development activities at Woodlark. The board also proposed a consolidation of Geopacific's issued capital, subject to shareholder approval. For further information on the effect on the Company's share structure, please refer to the full announcement available [here](#).

Contact

For further information, please visit www.geopacific.com.au or contact Mr. Ron Heeks, Managing Director.

Company details	Board	Projects
Geopacific Resources Limited ACN 003 208 393 ASX Code: GPR info@geopacific.com.au http://www.geopacific.com.au T +61 8 6143 1820 HEAD OFFICE Level 1, 278 Stirling Highway, Claremont WA 6010. PO Box 439, Claremont WA 6910	Ian Clyne Chairman Ron Heeks Managing Director Ian Murray Non-Executive Director Colin Gilligan Non-Executive Director Matthew Smith Company Secretary	PAPUA NEW GUINEA Woodlark Island Gold CAMBODIA Kou Sa Copper Gold

Competent Person's Statement

The information in this announcement 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 announcement 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.

The information in this announcement that relates to the Cambodian Mineral Resource estimate is based on information compiled by Jonathon Abbott, a Competent Person who is a Member of the Australian Institute of Geoscientists. Jonathon Abbott is a full-time employee of MPR Geological Consultants Pty Ltd and is an independent consultant to Geopacific Resources Limited. Mr Abbott has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves". Mr Abbott 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.

APPENDICES

Schedule of Tenements

Mining tenements held by Geopacific Resources Limited and its subsidiaries at the end of the quarter, including tenements acquired and disposed of during the quarter:

Country	Location	Tenement	Interest
Cambodia	Preah Vihear Province	Kou Sa Project ³	85%
Papua New Guinea	Woodlark Island	EL 1172	100%
Papua New Guinea	Woodlark Island	EL 1279	100%
Papua New Guinea	Woodlark Island	EL 1465	100%
Papua New Guinea	Woodlark Island	LMP 89	100%
Papua New Guinea	Woodlark Island	LMP 90	100%
Papua New Guinea	Woodlark Island	LMP 91	100%
Papua New Guinea	Woodlark Island	LMP 92	100%
Papua New Guinea	Woodlark Island	LMP 93	100%
Papua New Guinea	Woodlark Island	ME 85	100%
Papua New Guinea	Woodlark Island	ME 86	100%
Papua New Guinea	Woodlark Island	ML 508	100%

³ The Kou Sa Licence expired on 13 March 2019 and the renewal application has been lodged.

Woodlark Global Resources

The Woodlark Resource is **47Mt @ 1.04g/t Au for 1.57Moz of gold⁴** including 222,000oz of gold in the Inferred category (Table 1).

Table 1: Woodlark Global Mineral Resource Estimate – March 2018

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

An updated Ore Reserve estimate was released in November 2018 and was completed by independent consultants, Mining Plus. The updated Ore Reserve estimate of **28.9Mt @ 1.12g/t Au for 1,037,600oz⁵** of gold is detailed in Table 2.

Table 2: Woodlark Ore Reserve Estimate – November 2018

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

Kou Sa Project Mineral Resource – Prospects 150 & 160

The Mineral Resource for Prospects 150 and 160 at the Kou Sa Project was **3.84 million tonnes at 0.77% Cu, 0.66g/t Au and 5.27g/t Ag for 51.2k tonnes of Cu equivalent**. The Mineral Resources estimated at a 0.4% CuEq lower cut-off are detailed in Table 3. There was no change to the Mineral Resources reported at 31 December 2017 for comparison.

Table 3: Kou Sa Global Mineral Resource Estimate – July 2016

Category	Tonnes (Million)	Cu %	Au g/t	Ag g/t	CuEq %	Cu Kt	Au Koz	Ag Koz	CuEq Kt
Indicated	3.49	0.78	0.71	5.37	1.38	27.1	79.2	602	48.1
Inferred	0.35	0.70	0.20	4.30	0.90	2.30	2.70	48	3.1
Total	3.84	0.77	0.66	5.27	1.33	29.40	81.80	651	51.2

⁴ Refer to March 2018 Pre-feasibility Study – ‘Robust Woodlark Gold project PFS Supports Development.’

⁵ Refer to ‘Woodlark Ore Reserve Update’ announced on 7 November 2018.

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 September 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9-months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(335)	(1,551)
(b) development	-	-
(c) production	-	-
(d) staff costs	(350)	(1,285)
(e) administration and corporate costs	(311)	(862)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	5
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)	-	(60)
1.9 Net cash from / (used in) operating activities	(995)	(3,753)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	(20)	(20)
(d) other non-current assets	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9-months) \$A'000
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment	7	7
(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 (Cash forgiven as part of the Kula transaction)	-	(68)
2.6 Net cash from / (used in) investing activities	(13)	(81)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	-	4,335
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	(11)	(339)
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	(11)	3,996

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	4,240	3,059
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(995)	(3,753)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(13)	(81)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	(11)	3,996
4.5 Effect of movement in exchange rates on cash held	-	-
4.6 Cash and cash equivalents at end of period	3,221	3,221

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	3,221	4,240
5.2 Call deposits	-	-
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)	3,221	4,240

6. Payments to directors of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	129
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	
Payment of director's remuneration.	

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
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	

Mining exploration entity and oil and gas exploration entity quarterly report

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.		

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	124
9.2 Development	747
9.3 Production	-
9.4 Staff costs	365
9.5 Administration and corporate costs	664
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	1,900

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: 28 October 2019

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.