

MARCH 2016 QUARTERLY REPORT

29 April 2016

ASX Code: GPR

GEOPACIFIC RESOURCES LIMITED

ACN 003 208 393

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PROJECTS

CAMBODIA

- Kou Sa Copper – Gold

Fiji:

- Sabeto/Vuda Gold-Copper
- Rakiraki Gold
- Nabila Copper-Gold

POSITION

Share Price	\$0.037
Mkt. Cap.	\$29M
Cash	\$4.4M
Drilling	NOW

HEAD OFFICE

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BOARD

Chairman:

Milan Jerkovic

Managing Director:

Ron Heeks

Non-Exec Director:

Mark Bojanjac

Company Secretary:

John Lewis

The Board of Geopacific Resources Ltd (Geopacific or the Company) is pleased to provide this Quarterly Report for the three months ending 31 March 2016.

Geopacific's aggressive exploration program at the Kou Sa Project continued to deliver results over the quarter with a new gold discovery – an Epithermal system with high-grade gold and silver was confirmed at Prospect 190 (Gold). Following the quarter, additional drilling results have extended the zone of mineralisation, which remains open at depth, along strike and towards the surface.

Geopacific successfully renegotiated the acquisition terms for the Kou Sa project, with cash payments being deferred to the completion of two production milestones, enabling the company to conserve cash during the exploration phase.

HIGHLIGHTS

EXPLORATION ACTIVITIES

Kou Sa Project, Cambodia:

- New gold discovery at Prospect 190 (Gold)
- 7.35m @ 12.39g/t Au eq, incl 4.55m at 19.47g/t Au eq.
- Continuous gold mineralisation along strike

CORPORATE ACTIVITIES

- Successful renegotiation of acquisition terms – Kou Sa Project
- Share buyback of unmarketable parcels completed

Managing Director, Ron Heeks, said:

"We are testing new frontiers in Cambodia which has had relatively little exploration. This makes results, like our new gold discovery even more encouraging. The results also reinforce the area's potential to host a significant, deeper source demonstrated by multiple mineralisation styles over a wide area. We look forward to releasing results as we continue to test for extensions and discover what potential this holds for the future of the Kou Sa's project."



Exploration work during the quarter included a combination of IP geophysics and drilling, allowing the team to assess new areas while proving up existing discoveries. The work undertaken has built on the mineral endowment of the project and added the discovery of a new high-grade gold zone at Prospect 190. Drilling has confirmed that the zone is improving with depth.

Epithermal discoveries typically demonstrate higher ratios of silver to gold in the upper reaches of the system, with the proportion of gold increasing as the system deepens. Results to date indicate that the upper reaches of the system have been intersected, leading to an expectation of improving gold with depth.

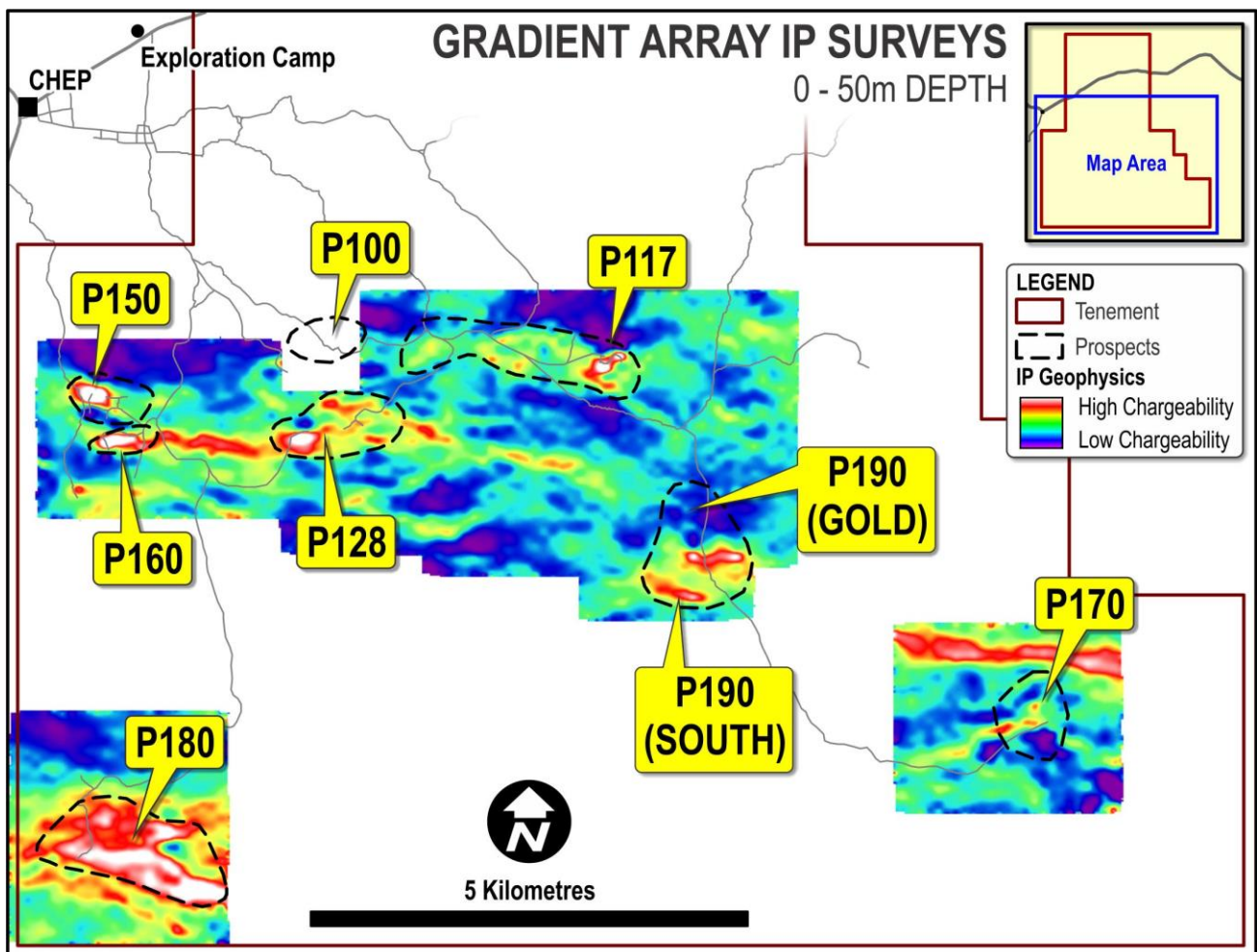


Figure 1 Prospect areas at Kou Sa overlaid on an Induced Polarisation (IP) Geophysics map.

IP Geophysics has proved invaluable as a tool in accurate drill targeting. In Figure 1, areas of interest are shown in red and white, which indicates high chargeability anomalies. Following on from this, the potential scale of the project can be seen in the figure above. Prospects 150 and 160 are the most advanced of the project with resource and reserve level drilling. The chargeability anomaly extending from Prospect 160 to Prospect 128 is approximately 4kms long.

Drilling Highlights – Significant Intercepts during the March quarter

- **Prospect 190 (Gold):** 7.35m @ 12.39g/t Au eq. from 88.4m (KDH178)

EXPLORATION ACTIVITIES

KOU SA PROJECT - CAMBODIA

Drilling at Kou Sa during the Quarter continued the trend of exploration success, with the intersection of high-grade epithermal gold and silver mineralisation for the first time at the Kou Sa Project which confirmed that Prospect 190 (Gold) is a new discovery. The results of this drilling are encouraging and Geopacific expects that the system will continue along strike to the west and to a greater depth.

The zone at Prospect 190 (Gold) was targeted from previous drilling, down-plunge to the west and at depth, returning the following intercepts:

Hole ID	From (m)	Interval (m)	Au (ppm)	Ag (ppm)	Au Eq. (g/t)
KDH178	88.40	7.35	10.93	121.65	12.39
incl.	91.20	4.55	17.14	193.87	19.47

This high-grade gold and silver mineralisation has been intercepted within a wider zone of strongly altered rocks that are also mineralised. Drilling has confirmed that the system is improving with depth.

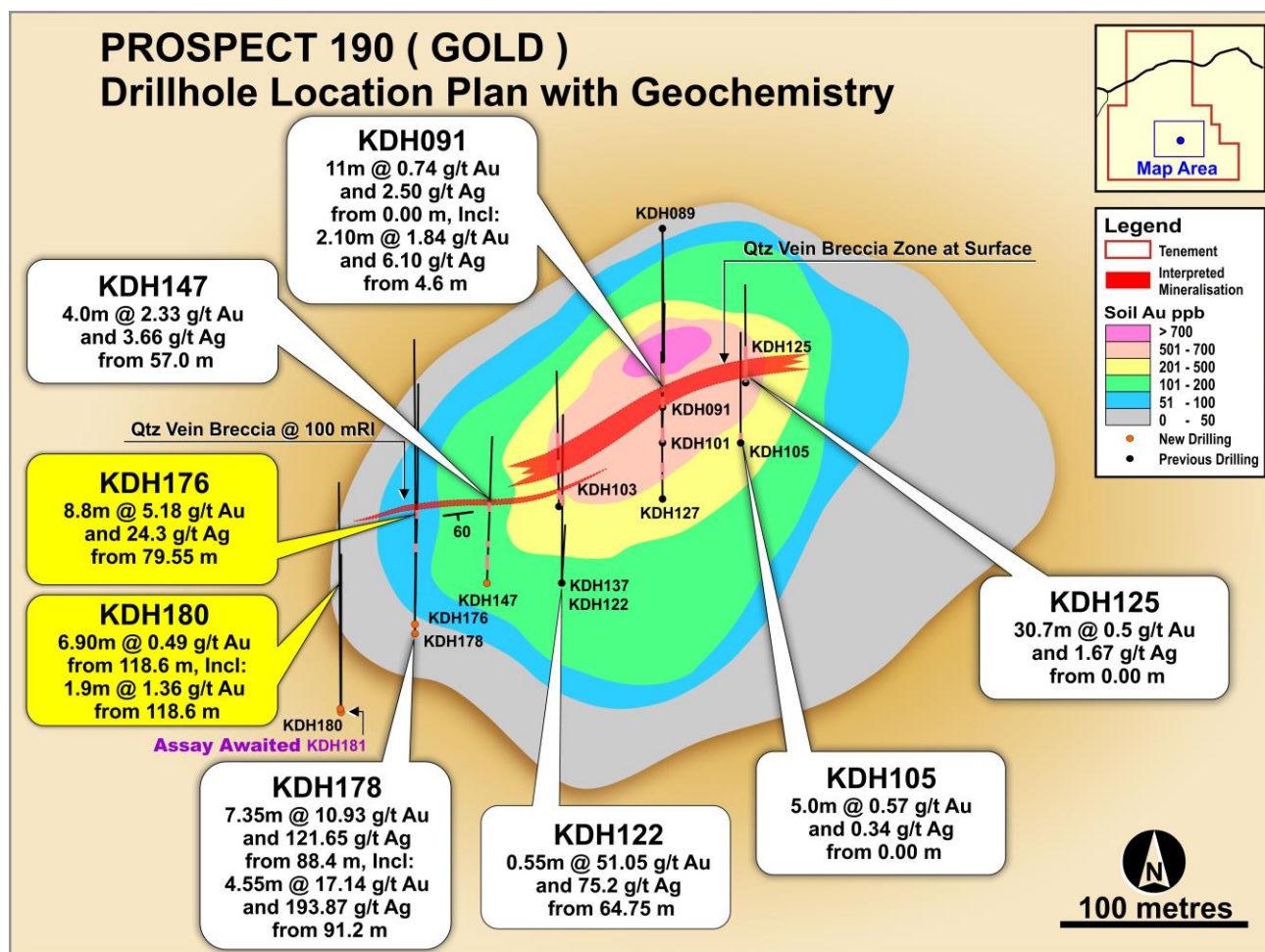


Figure 2 Prospect 190 (Gold) – Drillhole location plan showing new intersection and Geochemistry contours. New results are labelled in yellow

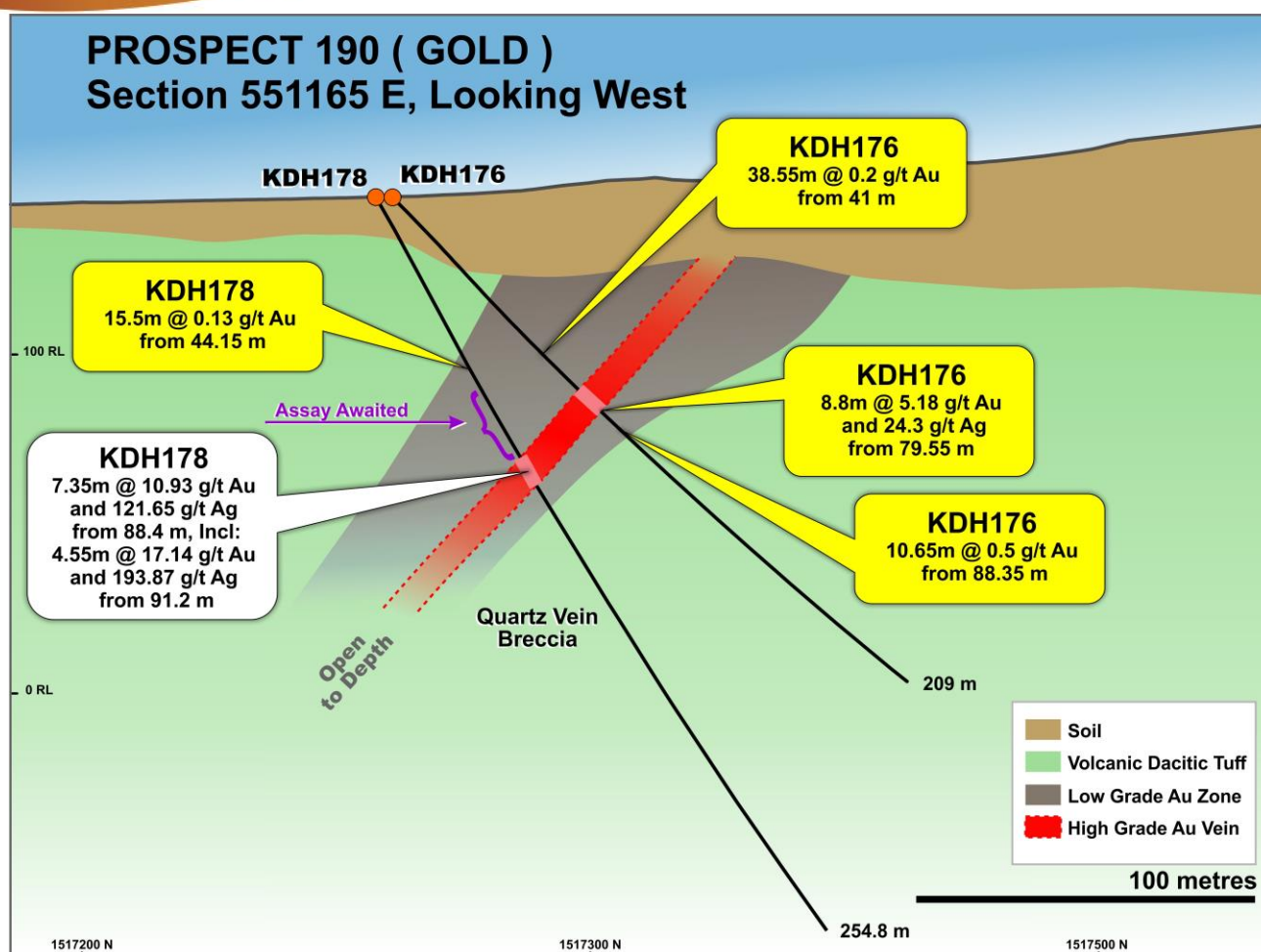


Figure 3 Prospect 190 (Gold) – Cross section showing new drilling results Note: Figures 2 & 3 include drilling results announced post the end of the Quarter on 28 April 2016.

The prospect was originally identified from geochemical soil sampling, which produced a strong gold and coincident arsenic anomaly. Initial drilling at the prospect identified near-surface gold mineralisation that was thought to have come from a nearby zone of strongly altered and silicified rocks. Subsequent drilling identified a strongly altered and gold-silver mineralised zone of rocks that had the potential to be associated with epithermal gold and silver mineralisation. The near surface mineralisation displayed a gold-silver ratio that suggested that the mineralisation would improve in grade as the system deepened. The zone was subsequently drilled deeper with the highest assay being [51g/t Au or 52g/t Au Eq. \(released 16th Sept 2015 – Kou Sa Update\)](#). Current results confirm that the grade did increase with depth and that the mineralisation is epithermal in nature.

Further drilling is planned in the near future and will test for extensions to the current mineralisation at prospect 190.

Prospect 170

The drilling at Prospect 190 (Gold) is also encouraging for the Prospect 170 area, to the south west of the license. The surface geochemistry is very similar in nature to that of Prospect 190 (Gold) with several holes in countering high-grade silver mineralisation, this suggests they may also be intercepting the upper region of an epithermal system.

Ongoing exploration

Exploration at Kou Sa continues with a two-pronged approach; testing anomalous zones to initially identify prospects which allows for overall evaluation of the licence and, simultaneous definition of an initial resource with a scoping study. The aim is to be able to generate revenue while developing a better understanding of the bigger exploration picture.

As the project has now shown it can produce epithermal gold-silver zones with substantial grades, the gold and silver geochemical anomaly at Prospect 170 will be investigated further with diamond drilling. Previous drilling in this area identified broad zones of anomalous silver up to 41g/t. Combined with the results from Prospect 190 (Gold) this suggests that drilling has the potential to identify a gold-zone, deeper into the epithermal system. A deep IP geophysics program is currently underway at Prospect 170, the results of which should be known shortly. This information will be processed to assist with targeting, with the new data expected to provide further areas that will require follow-up drilling.

PROJECTS IN FIJI

Geopacific was originally listed on the ASX with the gold projects in Fiji. Changes in the world financial markets and decline in commodity cycle led the Company to follow a strategy that saw it focus resources on advancing the Kou Sa Project. Geopacific continues to believe that the Fijian assets hold significant value and continue to assess the potential on each of the Projects and planning further exploration. With recent increases in the interest of gold projects plans are being developed to further test the more advanced gold projects in the Geopacific Fiji portfolio in the near term.

The Independent Review of all the Fiji projects completed in late 2015 has provided significant targets for the company to consider. As a result Geopacific has commenced an internal review to determine an exploration plan for the Fiji projects for 2016.

Largely due to the recent bad cyclone season no significant exploration works were undertaken on the Fijian projects during the quarter.

Exploration targets are being considered and work is expected to commence in the June Quarter 2016.

CORPORATE NEWS

The following significant corporate activities were undertaken during the quarter.

Successful renegotiation of acquisition terms – Kou Sa Project

Recognising the financial impact of economic conditions, Geopacific engaged in negotiations with the vendors of the Kou Sa project. The intention of the negotiations being a revision of acquisition terms to enabling the Company to conserve cash and redirect these resources to exploration rather than vendor payments.

The negotiations were successful and resulted in the terms of the Acquisition Agreement being renegotiated such that the Final Payment of US\$6.3M payable to the Vendors of Kou Sa was substituted by future payments deferred and linked to achieving two project development milestones which are the receipt of financial closure of the BFS and production targets milestones.

Geopacific will now pay the vendors of the Kou Sa Project US\$1.575M upon the receipt of financial closure of the Bankable Feasibility Study. The Company will also pay the Vendors a 2% Royalty on production capped at US\$8.425M. These renegotiated terms assist the company to conserve cash which can be spent 'in the ground' at Kou Sa and aligns the future payments to the Vendor with successful milestones of the project.

Share buyback of unmarketable parcels completed

Geopacific's offer of voluntary share buyback of all unmarketable parcels was completed during the quarter. The offer was made to shareholders giving them the opportunity to realise the value held in their unmarketable parcels, while enabling the Company to tighten its share register. The unmarketable parcel of shares were consolidated and sold on market on behalf of shareholders, the Company paid any associated fees and the proceeds were sent to shareholders.

Development Strategy

Geopacific's strategy remains focussed on developing the Kou Sa Project to generate revenue that will support continued expansion. The target is to establish a 'kickstarter', maiden resource and scoping study to take the project into production with a modest but profitable initial operation with ongoing exploration to increase its scale well beyond the initial resource.

The Board of Geopacific is excited by the potential of the new, gold epithermal-system recently discovered at Prospect 190 (Gold). This potential could prove sufficient to positively influence the direction and development of the project in the near or longer term. This potential will continue to be assessed as drilling results provide more information on the system.

While exploration continues, so does work on the scoping study where Geopacific is making confident strides towards the aim of being a low-cost producer.

The Board looks forward to keeping shareholders apprised of all project developments and exploration results as we continue to move the Kou Sa project forward in accordance with the strategy.

Mr Ron Heeks

Managing Director

Competent Persons Statement

The information in this announcement that relates to exploration results is based on information compiled by or under the supervision of Ron Heeks, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy and Managing Director of Geopacific.

Mr Heeks has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and the activity he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Heeks consents to the inclusion in the announcement of the matters based on his information in the form and context in which it appears.

Schedule of Tenements

Mining tenements held at the end of the Quarter, including tenements acquired and disposed of during the quarter:

Tenement Reference	Project and Location	Interest Acquired During Quarter	Interest Disposed During Quarter	Interest at End of Quarter
SPL 1216	Nabila - Fiji	-	-	100 %
SPL1415	Kavukavu - Fiji	-	-	100 %
SPL 1361	Sabeto – Fiji	-	-	100 %
SPL 1368	Vuda - Fiji	-	-	100 %
SPL 1231	Raki Raki - Fiji	-	-	50 %
SPL 1373	Qalau - Fiji	-	-	50 %
SPL 1436	Tabuka - Fiji	-	-	50 %
SPL 1493	Cakaudrove - Fiji	-	-	100 %

ABOUT GEOPACIFIC AND KOU-SA, CAMBODIA

The Company

Geopacific is actively exploring for copper and gold in Cambodia and [Fiji](#). In Cambodia, its rapidly advancing [Kou-Sa copper-gold project](#) is a well-funded exploration vehicle in a [highly prospective district](#). With a [proven management team](#), focused strategy and compelling results, exploration success is expected to continue and add to the potential size of the project.

Ownership

In 2013, Geopacific (85%) and their JV Partner [The Royal Group](#) (15%) signed a purchase agreement to acquire 100% of the Kou Sa Project from the vendor, Golden Resources Development Co (GRD). The Kou Sa Project covers 158km².

The Royal Group is the largest conglomerate in Cambodia. They have entered into corporate ventures in Cambodia with the likes of ANZ and Siemens.

Location

Kou-Sa is in Cambodia's Chep district in the province of Phreah Vihear. The Project is a 3 hour drive from Siem Reap international Airport or alternatively a 5 hour drive from the capital city of Phnom Penh, both routes follow high-quality bitumen highways.

Discovery

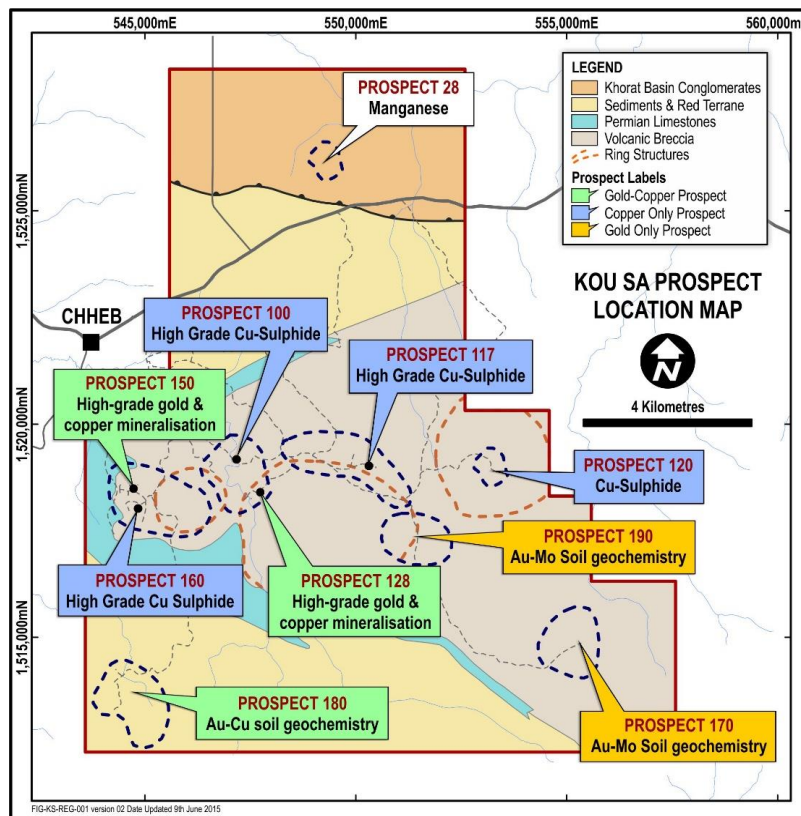


Figure 2 Kou Sa Prospect Location Map

Kou-Sa was identified by French geologists in the 1960's, predating the Vietnamese and regional civil wars. In 2009, the Vendors (GRD) began shallow drilling along parts of visibly outcropping mineralisation. In 2013, after agreeing to purchase the Project, Geopacific commenced detailed exploration with airborne magnetics (3,800 line kms), regional soil geochemistry (approx. 8,000 samples) and detailed IP and EM geophysics. The work undertaken allowed Geopacific to identify a number of high priority prospects in an East – West arc across the project area. Geopacific has continued exploration with encouraging results.

Appendix A – Significant Drilling results during the Quarter

Key for results tables

Colour	% or g/t
Orange	0.2 - 0.5
Red	0.5 – 1.0
Pink	>1.0

Significant Drilling Results

Hole ID	From	Interval	Au g/t	Ag g/t	Au eq. g/t
KDH147	12.20	1.80	1.34	5.00	1.40
KDH147	18.00	1.80	1.32	3.35	1.36
KDH147	30.00	1.00	2.16	26.10	2.47
KDH147	57.00	4.00	2.33	3.66	2.37
KDH178	88.40	7.35	10.93	121.65	12.39
incl.	91.20	4.55	17.14	193.87	19.47

NOTES:

Intervals are selected on a 0.5g/t Au eq. cut-off.

Equivalent grades are based on a US dollar gold price of \$1,250/oz and silver price of \$15/oz. Equivalent grades were calculated as follows:

$$\text{Au g/t (eq.)} = \text{Au g/t} + [(\text{Ag g/t} \times \text{Ag price per gram}) \div \text{Au price per tonne}]$$

No metallurgical test work has been completed on this prospect.

Drill hole collar information in this table is presented in the 'WGS84 zone 48N' coordinate system. This data was collected using a handheld GPS unit as well as tape and compass from known survey points.