

Quarterly report – March 2018

The Board of Geopacific Resources Ltd (Geopacific) (ASX: GPR) is pleased to provide this quarterly report for the three months ending 31 March 2018.

The quarter was an exciting one for Geopacific, with the release of Resource and Reserve estimates as well as the Pre-Feasibility Study (PFS) for the Woodlark gold project (Woodlark). The PFS marks Geopacific's progression from explorer to developer and provides the first quantitative information on which Geopacific compares favourably with other gold development companies listed on the ASX.

Highlights

Corporate activities

- Marketing the PFS begins with well-supported roadshows to institutional investors and strong media coverage
- Under the joint venture agreement with Kula Gold Limited the completion of the work in the PFS allows Geopacific to increase its overall economic interest in Woodlark to 93%¹

Woodlark Gold Project, Papua New Guinea

- Mining, environmental and social permits in place – Ready to build
- The [PFS was released in March 2018](#)² and determined that Woodlark has the characteristics required to support robust, low-cost, low-strip ratio, open pit operation that can deliver an average output of 100Koz Au per annum over an initial mine life of 10 years. Other key outcomes of the PFS include:
 - Free milling ore with high recoveries
 - Head grade up to 1.63g/t in first years
 - Low stripping ratio of 2.5:1 for five years
 - AISC below A\$800/oz in first two years
 - Strong cashflow delivering 2.2-year payback
- Resource and Reserve estimates completed
- Significant project upside identified in exploration opportunities
- Definitive Feasibility Study commenced with release scheduled for Q3 2018.

Kou Sa Project, Cambodia

- Gold-silver discovery at the Prospect 181 area
- Post quarter, a second gold-silver discovery at the Prospect 118 area

Significant event post quarter – \$10m placement completed

On 26 April 2018, Geopacific entered into a trading halt pending a capital raising. On 30 April Geopacific announced the completion of a \$10 million placement, which was well supported by high-calibre institutional investors. The placement is subject to shareholder approval by way of an Extra Ordinary General Meeting (EGM) to be held on 11 June 2018.

Following the completion of the Pre-Feasibility Study (PFS) and work on the Definitive Feasibility Study (DFS) progressing on schedule under the management of Lycopodium, Geopacific is now preparing to commence exploration to scope the true potential scale of the broader Woodlark goldfield.

The discovery of additional resources has the potential to ultimately add to Woodlark's annual gold production profile and extend the current mine life. The current Reserve already provides for a robust production profile exceeding 100Koz Au per annum over a 10-year mine life.

¹ Geopacific is of the view that the next incentive milestone has been satisfied such that its overall economic interest in Woodlark will increase to 93% comprising a direct interest of 51% and a further interest of 42% by virtue of its 85% holding of Kula shares.

² All material assumptions underpinning the production target and forecast financial information continue to apply and have not changed materially.

Managing director, Ron Heeks commented

“The PFS shows that Woodlark is a robust project that can surpass the critical production level of 100Koz gold per annum. The PFS outcomes see the project compare favourably on key metrics with competing gold development projects and people are beginning to recognise that Geopacific belongs in that group.

“We see a clear path to upside as we progress through the DFS as well as significant exploration potential within close proximity to the current 1.1Moz Reserve.

“While our focus remains on Woodlark, it is good to see traditional simple soil sampling and trenching identifying anomalies which yielded two new gold-silver discoveries at Kou Sa.”

Occupational health & safety

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

Corporate news

The release of the PFS results provided the market with the first quantitative information on which to assess the Woodlark gold project. Geopacific planned significant marketing activities following the release, to ensure broad distribution of the information. This saw Geopacific meeting with high-calibre institutional investors on institutional roadshows. Several investors followed the meetings with on-market buying of Geopacific's stock assisting the share price to appreciate in excess of 40% in the weeks following the roadshow.

Geopacific is of the view that the next incentive milestone has been satisfied with the completion of the work under the PFS, such that its overall economic interest in Woodlark will increase to 93% comprising a direct interest of 51% and a further interest of 42% by virtue of its 85% holding of Kula shares.

Geopacific will provide Kula notice pursuant to the JV Agreement regarding the satisfaction of the incentive milestone and the consequential increase in its direct interest in Woodlark to 51%.

Development activities

Woodlark gold project – Papua New Guinea

Exploration and development activities undertaken by GPR on Woodlark Island since October 2016 have culminated in the completion of Resource and Reserve calculations and the tabling of the Pre-Feasibility Study this Quarter. Following the PFS, the board approved that Lycopodium finalise the Definitive Feasibility Study

Pre-Feasibility Study Highlights

- Mining, social and environmental permits granted
- Annual production of 100Koz Au over 10-year mine life for 1.01Moz Au (incl. 51Koz Au Inferred)
- Free milling ore, recovery of 92% for first 5 years and 90% over mine life
- Up to 60% of gold recoverable by gravity
- Conventional 2.4Mtpa CIL circuit optimised with upgraded ore from year three
- Head grade up to 1.63g/t Au in first years
- Low strip ratio of 2.5:1 for first 5 years, 3.1:1 over mine life
- All-In Sustaining Cost A\$990 for first 5 years, A\$1,100 over mine life
- Capital cost A\$180m
- 2.2-year, post-tax payback
- Free cash flow over life of mine A\$338M (pre-tax) and A\$314m (post tax) at A\$1,650 / oz gold price
- Post-tax IRR 33%
- Recent Boscalo discovery demonstrates significant regional exploration potential across the Woodlark Goldfield

Reserve

- High conversion of Resources to Reserves
- 34.7 million tonnes at 0.99g/t Au for 1,101,600 ounces of gold

Resource

- 86% of Resource in Measured and Indicated JORC categories
- 47.04 million tonnes at 1.04g/t Au for 1,573,000 ounces of gold

Details of the PFS can be found by following the link [Robust Woodlark Gold Project PFS Supports Development.](#)

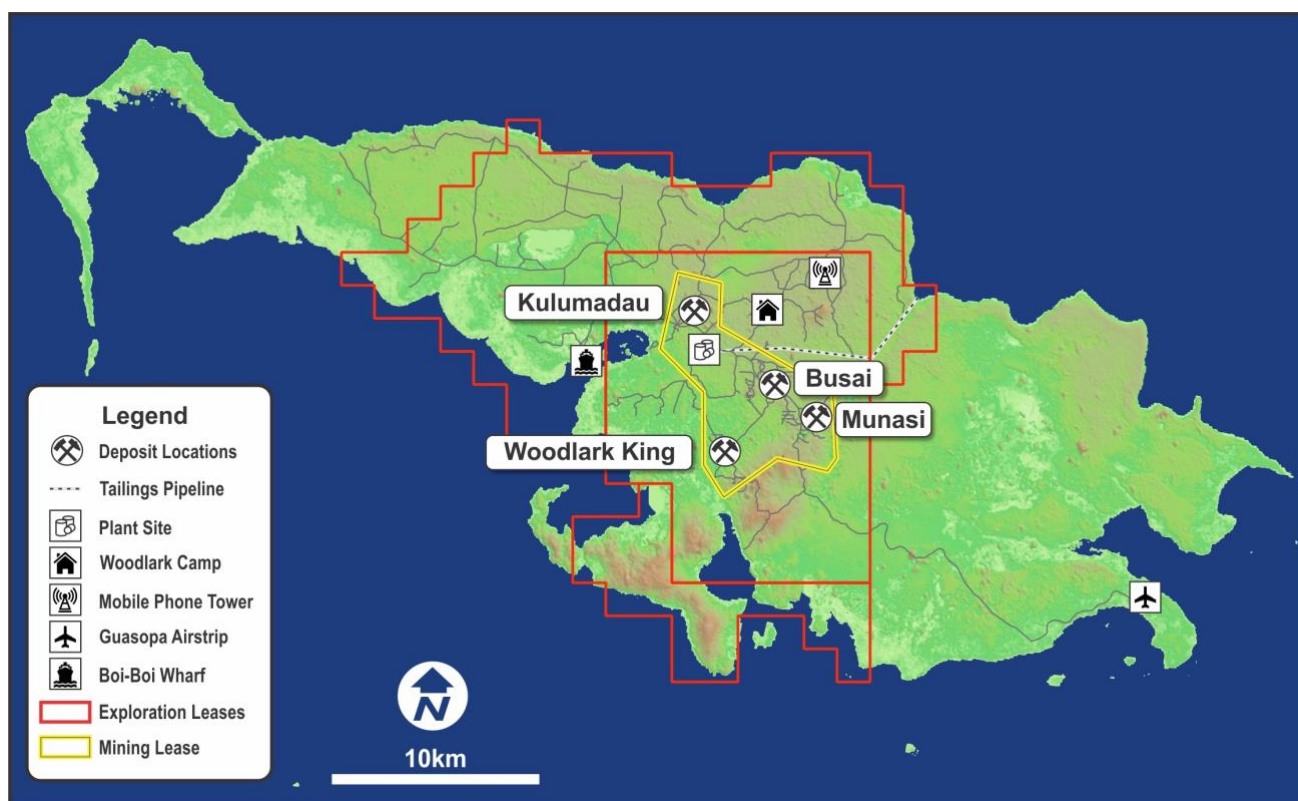


Figure 1: Topographic map of Woodlark Island showing location of deposits and licence boundaries.

JORC 2012 Ore Reserve

Independent consultants, Mining Plus have completed the initial Ore Reserve with results reflected in the table below.

Table 1. 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

See ASX release: [Robust Woodlark Gold Project PFS Supports Development](#) for full details.

JORC 2012 Mineral Resource Estimate

Resource Estimations were undertaken for the Kulumadau, Busai, Woodlark King and Munasi deposits by Independent consultants, MPR Geological Consultants of Perth.

The resulting resource, calculated using Multiple Indicator Kriging method, shows a high proportion of resources reporting to Measured and Indicated categories and an associated elevated confidence in the resource calculation outputs.

Table 2: 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

See ASX release [Robust Woodlark Gold Project PFS Supports Development](#) for full details.

Definitive Feasibility Study

The DFS commenced in March 2018 following the completion of the Pre-Feasibility Study (PFS), the outcomes of which supported Woodlark's future development.

The DFS was awarded to Lycopodium and will focus is the final design parameters and estimated cost of the Woodlark processing plant and tailing facilities. Consulting engineers, Mincore, will be responsible for cost estimates on the associated infrastructure, including the camp and roads.

The aim of the DFS is to finalise and optimise the plant design and infrastructure to deliver capital cost estimates to within a 15% level of accuracy and further optimise operating costs. Aspects of the PFS have already been completed to a DFS-level, these include mining costs and metallurgical testwork. The breadth and rigour of the PFS work supports the targeted completion of the DFS in Q3 2018.

Kou Sa project – Cambodia

Field work this quarter comprised completion of reconnaissance diamond drilling testing anomalous surface geochemical signatures at the 181 and 118 Prospects both of which yielded new discoveries.

Initial results from diamond drilling at Prospect 181 identified wide zones of epithermal-style, gold-silver mineralisation over a strike length of more than 250 metres. Mineralisation remains open at depth and along strike in both directions. True widths have yet to be determined but appear to be in excess of 40 metres.

Significant drilling intercepts included 11.5m @ 3.14g/t Au and 14m @ 109.46g/t Ag. The full ASX release [New results from gold discovery at Kou Sa](#) is available on the website.

Post quarter, results for a second gold-silver discovery at the 118 Prospect area were released on the ASX [New gold-silver discovery at Kou Sa, Cambodia](#). A scout program consisting of six diamond drill holes for 740.5 metres of drilling targeted anomalous geochemical signatures in trenching and observed epithermal quartz veins and structures.

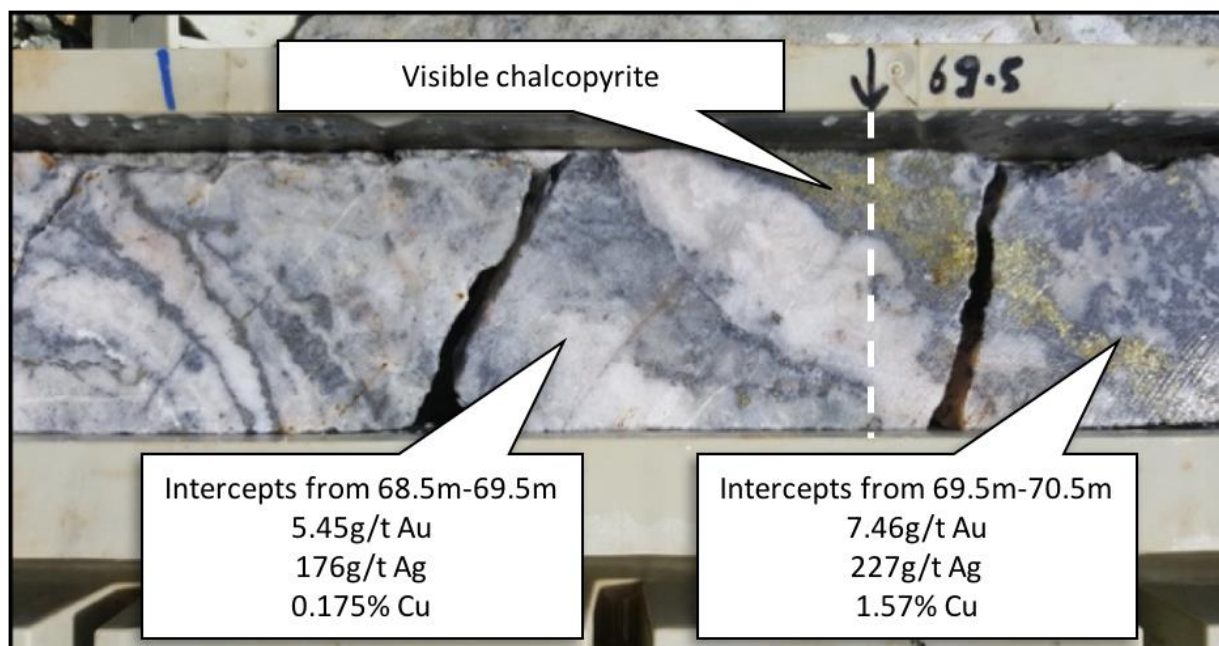


Figure 2: P181 Mineralised cut diamond core from drill hole KDH255 showing epithermal vein textures with visible chalcopyrite

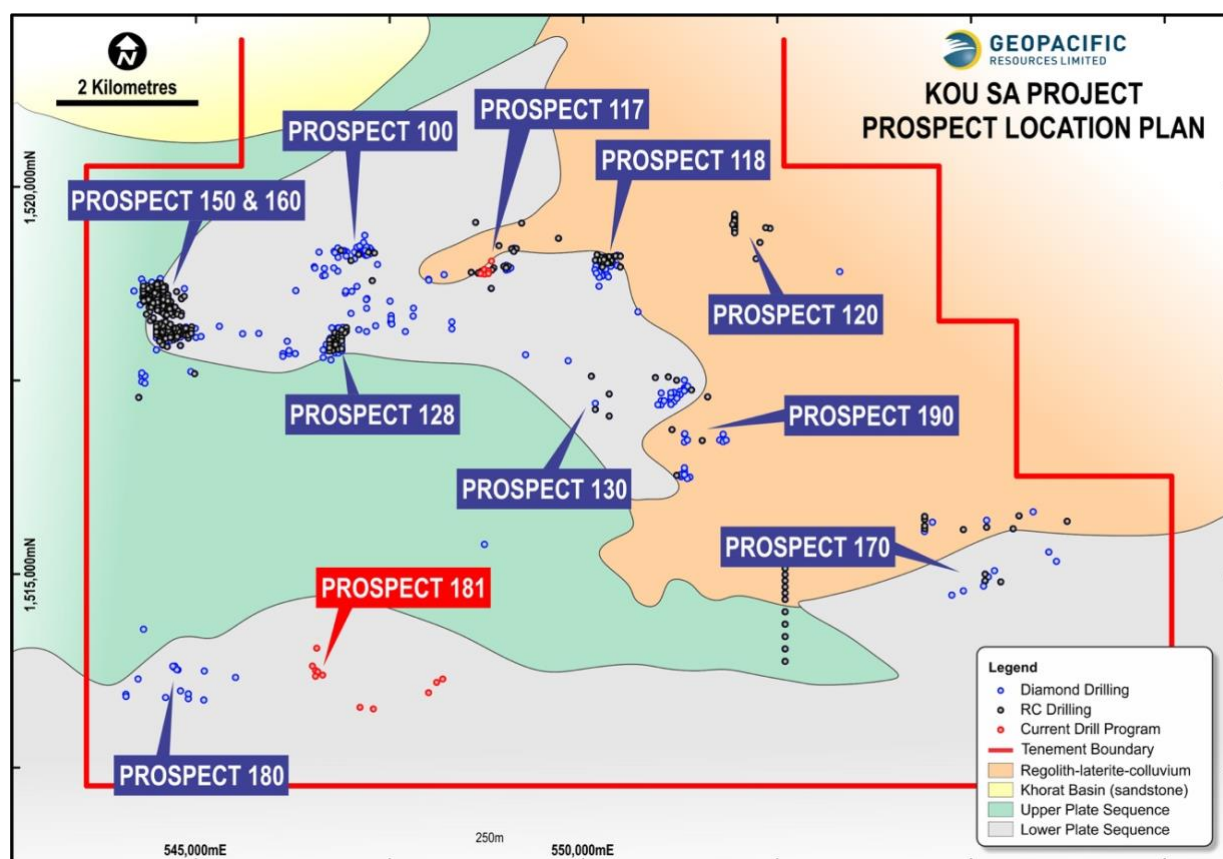


Figure 32: Kou Sa prospect and drilling location map.

Fijian gold projects – Fiji

No significant field activities were undertaken during the quarter.

Contact

For further information on this update or the Company generally, please visit our website at www.geopacific.com.au or contact:

Mr. Ron Heeks	Managing Director
Ms. Philippa Leggat	Executive Director Corporate

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.	Milan Jerkovic Chairman Ron Heeks Managing Director Philippa Leggat Executive Director Mark Bojanjac Non-Exec Director Ian Clyne Non-Exec Director Matthew Smith Company Secretary	PAPUA NEW GUINEA Woodlark Island Gold CAMBODIA Kou Sa Copper FIJI Nabila Gold, Rakiraki Gold, Sabeto Gold-Copper, Vuda Gold-Copper, Cakaudrove Gold-Silver

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 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.

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:

Tenement Reference	Country	Location	Interest Acquired During Quarter	Interest Disposed During Quarter	Interest at end of Quarter
SPL 1231	Fiji	NE Viti Levu	-	-	50%
SPL 1373	Fiji	NE Viti Levu	-	-	50%
SPL 1436	Fiji	NE Viti Levu	-	-	50%
SPL 1368	Fiji	Nadi, Viti Levu	-	-	100%
SPL 1493	Fiji	Vanua Levu	-	-	100%
SPL 1361	Fiji	Nadi, Viti Levu	-	-	100%
SPL 1216	Fiji	Nadi, Viti Levu	-	-	100%
SPL 1415	Fiji	Nadi, Viti Levu	-	-	100%
Kou Sa Project	Cambodia	Preah Vihear Province	-	-	85%
EL 1172	Papua New Guinea	Woodlark Island	-	-	86%
EL 1279	Papua New Guinea	Woodlark Island	-	-	86%
EL 1465	Papua New Guinea	Woodlark Island	-	-	86%
LMP 89	Papua New Guinea	Woodlark Island	-	-	86%
LMP 90	Papua New Guinea	Woodlark Island	-	-	86%
LMP 91	Papua New Guinea	Woodlark Island	-	-	86%
LMP 92	Papua New Guinea	Woodlark Island	-	-	86%
LMP 93	Papua New Guinea	Woodlark Island	-	-	86%
ME 85	Papua New Guinea	Woodlark Island	-	-	86%
ME 86	Papua New Guinea	Woodlark Island	-	-	86%
ML 508	Papua New Guinea	Woodlark Island	-	-	86%

Appendix A – Additional Information

For detailed information on ASX announcement, please follow the links to previous announcements included throughout the quarterly report.

Appendix B – Woodlark Island Resources and Reserves

Table 1. Woodlark Ore Reserves

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Inferred	6.80	1.00	222
Total	47.00	1.04	1,573

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")

31 March 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	(3,177)	(3,177)
(b) development	-	-
(c) production	-	-
(d) staff costs	(306)	(306)
(e) administration and corporate costs	(143)	(143)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	25	25
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)	(20)	(20)
1.9 Net cash from / (used in) operating activities	(3,621)	(3,621)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(44)	(44)
(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	-	-

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	-
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	-	-
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	-	-

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	6,765	6,765
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(3,621)	(3,621)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(44)	(44)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	3,100	3,100

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	1,780	4,121
5.2	Call deposits	1,320	2,644
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)	3,100	6,765

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	2,949
9.2 Development	-
9.3 Production	-
9.4 Staff costs	317
9.5 Administration and corporate costs	753
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	4,019

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: 30 April 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.