

Woodlark Gold Project Execution Update

The Board of Geopacific Resources Limited (Geopacific ASX: GPR) is pleased to present the Execution Update for the Woodlark Gold Project which is the culmination of the work program initiated in June 2020 designed to progress all aspects of the Woodlark Gold Project to a high level of execution readiness by the end of 2020.

- **Execution Update confirms improved economics for the shovel ready Woodlark Gold Project**
- **Post-tax NPV₈ increases 76% to A\$347M (US\$253M), IRR of 34% at a gold price of A\$2,200/oz**
- **Forecast average AISC of A\$1,239/oz (US\$904/oz) over life of mine**
- **Thirteen year mine life and significant exploration potential**
- **+1Moz Ore Reserve¹ underpinning open pit mine plan with simple 2.4 Mtpa CIL process plant**
- **Total estimated establishment capital of A\$254.8M² (US\$186M) - rapid post-tax payback of 1.8 years**

Woodlark Gold Project - Path to Production	
Board Initiated Technical Review	Experienced team undertook an extensive technical review with a focus on preparing the Woodlark Gold Project for execution readiness Key project interfaces identified, project execution plan developed and detailed integrated project management schedule prepared
Restructured Board and Management Team	Tim Richards appointment as CEO brings a wealth of operational experience in PNG Sir Charles Lepani appointed as Non-executive Director, distinguished senior diplomat and advisor from the Trobriand Islands, Milne Bay Province in PNG (same Island Group) Recent management team appointments bring vast PNG based experience including Susan Scheepers - GM People and Performance, Basil Bulkua - Site Manager and Edward Swarts - Construction Manager
Advanced Detailed Engineering Design	GR Engineering (GRES) has completed over 17% of the front end engineering design - target 25% completion prior to commencing process plant construction - level of detailed planning far exceeding industry norms for this stage in the project funding cycle
Selection of Preferred Key Contractors	Suppliers for key contracts selected with contracts under negotiation - suppliers are highly regarded within the industry with proven experience in PNG Updated project economics based on confirmed pricing
Focussed Early Works Program	Community concerns relating to the relocation housing addressed in Q3 2020 and first homes completed in Q4 2020, following upgraded house designs and execution of the revised relocation agreement Process plant geotechnical work and site clearing completed and construction of key road network, causeway and new wharf advancing
Significant Project Funding Milestone	Sprott selected as preferred financier for the development of the Woodlark Gold Project and preparatory work well advanced for a full funding solution
Key Project Permits in place	Memorandum of Agreement agreed at stakeholder level in Q4 2020, pending ratification of the PNG National Executive Council Woodlark Mining Lease in place valid until 2034, application for extension of construction and commissioning deadline submitted in Q3 2020 pending approval Environment permit in place including approval for the deep sea tailings placement (DSTP)

¹ Refer to Table 13 for a breakdown of the Ore Reserve Estimate as announced on 7 November 2018 "Woodlark Ore Reserve Update".

² Establishment capital estimate completed to a -2%/+8% level of accuracy.

Execution Update - Highlights

The Execution Update highlights significant economic enhancements over the November 2018 Definitive Feasibility Study (2018 DFS)³ with improvements across key metrics including project payback, net present value (NPV) and internal rate of return (IRR).

When combined with the recent advancements in particular, the selection of Sprott Private Resource Lending II L.P. (Sprott) as the preferred project financier for the provision of US\$100 million of funding⁴, the Woodlark Gold Project represents a compelling, shovel ready development project with an experienced Board and Management Team poised to take full advantage of record gold prices and deliver the Woodlark Gold Project for the benefit of all stakeholders.

Table 1: Execution Update Highlights

Key Metrics	
High Margin	Average All-in Sustaining Costs (AISC) of A\$1,239/oz (US\$904/oz) providing 43% margin at A\$2,200/oz (US\$1,606/oz), increasing to 50% at the current market gold price ⁵ .
Rapid Project Payback	Near surface mineralisation and low strip ratio in the early production years to facilitate strong up-front cashflow profile resulting in a rapid post-tax project payback period of 1.8 years.
+1 Moz of gold in Ore Reserve	+1 million ounce mine plan ⁶ underpinned by Measured and Indicated Ore Reserves.
+10 Year Project	Current Ore Reserve provides 13 years of process plant feed – while the project remains heavily leveraged to further exploration success across the under explored substantial and highly prospective tenement package.
Simple Mining and Process Route	Conventional open pit mining of near surface mineralisation and proven industry standard 2.4 Mtpa carbon in leach (CIL) gold process plant.
Shovel Ready	Geopacific is poised to take advantage of the record gold price environment with all key project permits in place, preferred project financier selected, community commitment acknowledged and execution readiness beyond industry norms. The updated capital cost estimate of A\$254.8M ⁷ (US\$186M) is reflective of the advanced stage of execution readiness and Geopacific's increased commitment to support community development which is imperative to the success of the Woodlark Gold Project.
Untapped Exploration Potential	3 phased exploration strategy developed to target high value opportunities. Economics highly leveraged to further exploration success.

³ Refer to ASX release on 7 November 2018 titled "Woodlark DFS confirms high margin development project".

⁴ Refer to ASX release on 6 October 2020 titled "Commencement of New CEO and Selection of Sprott as Preferred Financier".

⁵ Spot price on 27 November of A\$2,460/oz Au.

⁶ The production target must be read in conjunction with the cautionary statement on page 7.

⁷ Establishment capital estimate completed to a -2%/+8% level of accuracy.

Chief Executive Office, Tim Richards said

“With the release of the Execution Update, Geopacific marks the next step in the development of the Woodlark Gold Project. The report is the culmination of the substantial body of work that has been undertaken over the last two years to de-risk the construction phase and enhance the performance once in operation. The Woodlark Gold Project is now truly construction ready, with permits in place, a preferred financier appointed and engineering and site pre-works well advanced.

In-country stakeholder support has been reaffirmed with the review and signing of the Woodlark Memorandum of Agreement completed in less than four days and the Kulumadau community relocation progressing well.

I am particularly pleased with the robustness of the updated financial model underpinned by costs provided by reputable and experienced contractors. We are delighted with the increases in NPV and IRR in comparison to the 2018 DFS and still see substantial upside with the Woodlark Gold Project.

Phenomenal exploration opportunities exist near surface and at depth, with mineralisation extending below all pits. Parallel to project development, exploration will remain a key focus, with a staged approach targeting highest value opportunities. The next key exploration milestone will be the completion of the community relocation program allowing unfettered drill access to the Kulumadau orebody for the first time in the project’s history.

I look forward to growing the resource at Woodlark Island as we progress into construction and first gold production in Q4 2022 and believe the work undertaken to date places us in a strong position to achieve this.”

Execution Update – Comparison to 2018 DFS

The Execution Update highlights compelling economic enhancements⁸ over the November 2018 Definitive Feasibility Study (2018 DFS), with improvements across key metrics including free cash flow, project payback, net present value (NPV) and internal rate of return (IRR)⁹.

Table 2: Financial Metrics Comparison

FINANCIAL METRICS - POST-TAX	Unit	2018 DFS	EXECUTION UPDATE	VARIANCE
Free Cashflow (Post-tax)	A\$ Million (M)	344	575	231 ● 67%
NPV @ 8%	A\$ Million (M)	197	347	150 ● 76%
IRR	%	29%	34%	5% ● 18%
Project Payback	Years	2.2	1.8	0.4 ● 18%

The Executive Summary of the Execution Update is available on the [Geopacific Website](#).

⁸ The production target and key assumptions on which the financial information is based are set out in Table 3 and on pages 12-17. The forecast financial information should be read in conjunction with the information and assumptions detailed in the announcement and the cautionary statement on page 20.

⁹ Note all numbers are presented at a project level and represent 100% of the economics. As a result no adjustment has been made for the proposed 5% local level ownership in Woodlark Mining Limited.

Execution Update – Summary of Key Changes from the 2018 DFS

The Execution Update presents the Woodlark Gold Project as a compelling +1 million ounce¹⁰ gold development project. A significant body of work has been completed since the 2018 DFS which has primarily focussed on execution readiness. The Establishment capital estimate has been completed to a -2%/+8% level of accuracy and is underpinned by detailed planning far exceeding industry norms for this stage of the project funding cycle. All key aspects have been updated to account for the advanced planning and detailed pricing that has been obtained in the current work program since June 2020.

For ease of reference the key changes underpinning the Execution Update from the 2018 DFS are summarised in Table 2.

Table 3: Summary of Execution Update changes

Project Aspect	Execution Update
Process plant design and key equipment selection	The preferred execution methodology has changed to an Engineering, Procurement and Construction (EPC) approach with GRES selected as the preferred contractor. GRES have completed 17% of engineering work since commencing the front end engineering and design (FEED) in March 2020. The Company is targeting 25% of engineering to be completed prior to the commencement of plant construction. GRES is well advanced in plant layout design, earthworks design, process flowsheet development, piping & instrumentation drawings and civil, structural and mechanical drawings. A well advanced 3-D model of the process plant has been developed and utilised for design reviews. Tenders and evaluation of key long lead and critical equipment have been advanced to the stage of being ready for award.
DSTP system	Redesign of the onshore DSTP pipeline has been completed including burying the onshore pipeline and the inclusion of a leak detection system. The EPC contract tender for the DSTP mixing tank and offshore pipelines has been undertaken and a preferred supplier has been selected.
Mining execution plan	Evaluation of the optimum mining strategy has been completed resulting in a change in execution strategy to mitigate the risk of building a mining team in the initial phase of operations. The revised approach will result in the load and haul services being carried out by a mining contractor for the pre-strip and first three years of operations. The Company intends to transition to owner mining at the end of year three. Negotiations are underway with HBS Machinery (HBS) an experienced PNG contractor as the preferred mining services provider. For the duration of the Woodlark Gold Project, the Owner will provide technical services oversight, with grade control, production and exploration drilling outsourced to the preferred drill contractor.
Communities Relocation Program	Extensive stakeholder consultation and engagement has been completed resulting in the execution of an amended Relocation Agreement in November 2020. The first relocation house was completed in Q4 2020 and was well received by the community. Construction is underway and detailed planning is in place to complete the program by Q4, CY2021.
Power Generation	Tender for the build, own and operate power generation plant on Woodlark Island has been completed and Contract Power Australia has been selected as the preferred supplier. Negotiations on the contract are well advanced. Power supply to commission the process plant is planned to be available in Q2 2022.

¹⁰ Refer to Table 13 for a breakdown of the Ore Reserve Estimate as announced on 7 November 2018 “Woodlark Ore Reserve Update”.

New wharf	The geotechnical survey for the wharf and causeway is planned for December 2020 followed by detailed design. The preferred supplier for the detailed design of the wharf has been selected and is ready to commence on completion of the wharf site geotechnical investigations.
Access roads	Design work for the wharf access road and DSTP onshore pipeline access track is underway and is scheduled for completion in December 2020.
Airstrip	Review of the existing airstrip has been completed and minor maintenance works were undertaken prior to the arrival of PNG Air Dash-8 aircraft in Q1 2020. A maintenance plan is being developed for the management of the airstrip for the life of mine.
Permanent camp and upgrade to existing exploration camp	The refurbishment of the existing exploration camp at Bomagai has been completed and will be utilised to accommodate the early construction workforce. A revised site has been selected for the permanent camp located approximately 400 metres from the process plant which will reduce infrastructure services costs and improve personnel transport logistics and catering management. The tenders for the design, supply and installation of the permanent camp are currently being evaluated.
Execution planning	A high level project execution strategy has been developed identifying the key project interdependencies. The Owner's team organisational structure has been developed and a contracting plan has been completed covering all major contracts.
Operational readiness	Commenced evaluation of an Enterprise Resource Planning (ERP) system. Susan Scheepers has been appointed as GM People & Performance and will lead the recruitment and training program. All key senior managerial roles have been identified and a recruitment timeline has been established as part of operational readiness planning. Two of the key site construction and operations team, Basil Bulkua and Edward Swarts have been appointed.
Establishment capital	The revised capital cost estimate has been prepared to align with the requirements of a Class 3 estimate as per the AACE recommended practice 47R-11: Cost Estimate Classification System – As Applied in Engineering, Procurement, and Construction for the Mining and Mineral Processing Industries. This guideline recommends that <i>"a best industry practice to manage investment risk is to equate mining feasibility study capital cost estimates as AACE Class 3 (basis for full funding)"</i> .
Project schedule	A fully integrated project management schedule (IPMS) has been developed taking into consideration the implementation and contracting plans as well as incorporating all the key contractors and Owner interfaces. A schedule contingency of 35 days has been added to the base deterministic completion date. The project duration is estimated to be 18 months from the financial investment decision (FID) date, excluding the early works program that commenced in January 2020.
Project contingency	Detailed risk assessment workshops were facilitated by a specialist risk management consultant, Broadleaf Capital International (Broadleaf). Broadleaf completed a comprehensive schedule and cost risk assessment to determine the expected capital cost estimate range and recommended contingency for the Woodlark Gold Project.
Operating costs	The mining, processing and general administration costs to have been updated based on a review of the operations organisational chart, manning ramp-up, updated salary costs, contractor pricing, updated consumables supply pricing and consumption estimates.
Sustaining capital costs	Estimates of the life of mine sustaining capital were completed allowing for plant upgrades, replacement of mobile fleet and technical services equipment including general sustaining capital allowances for plant, administration and mine.

Execution Update – Key Information Summary

The key production metrics, financial model inputs and Woodlark Gold Project economic outputs associated with the Execution Update are summarised in Table 3. The key financial assumptions on which the production target is based are set out in Table 3 and explained further on pages 12-17¹¹.

Table 4: Key information summary

OPERATIONAL PHYSICALS	Unit	Life of Mine
Strip Ratio	(x)	4.1
Total Material Mined	(kt)	156,694
Ore Mined	(kt)	30,848
Grade Mined	(g/t Au)	1.11
Contained Gold	(koz Au)	1,099
Ore Processed	(kt)	30,848
Grade	(g/t Au)	1.11
Recovery	(%)	89.2%
Gold Produced	(koz Au)	980

KEY INPUTS	Unit	US\$	A\$
Gold Price	/oz Au	1,606	2,200
Foreign Exchange	A\$: US\$	1.37	0.73
Mining Cost	/t mined	2.14	2.94
Processing Cost	/t processed	9.93	13.60
General & Admin Cost	/t processed	5.23	7.16

CASHFLOW *		US\$	A\$
Cashflow from Operations (inc pre-strip)	Million (M)	727	995
Less: Capital Expenditure (excl pre-strip)	Million (M)	(196)	(269)
Free Cashflow (Pre-tax)	Million (M)	530	727
Less: Income Tax (at 30%)	Million (M)	(111)	(152)
Free Cashflow (Post-tax)	Million (M)	420	575

* Represents 100% of the Woodlark Gold Project

UNIT COSTS - C1 & AISC		US\$	A\$
Mining	/oz Au	325	446
Processing	/oz Au	312	428
G&A	/oz Au	164	225
Refining Costs	/oz Au	5	7
Total C1 Costs	/oz Au	807	1,106
Royalties (at 2.5%)	/oz Au	40	55
Sustaining Capital	/oz Au	28	38
Corporate Overheads	/oz Au	29	40
Total AISC	/oz Au	904	1,239

FINANCIAL METRICS - POST-TAX **		US\$ M	A\$ M
NPV @ 8%		253	347
IRR		34%	34%
Project Payback (Years)		1.8	1.8

** Represents 100% of the Woodlark Gold Project

¹¹ The production target must be read in conjunction with the cautionary statement on page 7.

Mining

The mining strategy has been revised from the owner miner approach in the 2018 DFS to contract mining during the pre-strip and the initial period of production, transitioning to owner mining at the end of year three. Expert consultants Mining Plus were engaged to update the mining operational and capital cost model to reflect the revised execution strategy.

The Execution Update confirms that the three mining areas can be developed in a practical sequence to mine 1.1 M oz of gold and provide sufficient feed to the processing plant for 13 years. The Ore Reserve Estimate that was announced on 7 November 2018 was largely data constrained and no additional drilling has been undertaken in the intervening period. Therefore, no changes in the Ore Reserve are reported in the Execution Update despite the improvements in economic conditions.

Near surface mineralisation and the geometry of the orebodies deliver low average stripping ratios of 4.1:1 over the life of mine (Figure 1). A total of 157 Mt is scheduled to be mined from the Kulumadau, Busai and Woodlark King deposits. Total material movements are planned to increase progressively from 8 Mtpa during the pre-strip to 20 Mtpa by year four of operations.

Staged pits facilitate the mining of material averaging 1.69 g/t Au in the first year of operations, which combined with the low strip ratio generate high upfront operating margins, low AISC's and a rapid project payback period.

The high proportion of Measured and Indicated Mineral Resources demonstrates confidence in the geological model and enables a high rate of conversion to Ore Reserves. This benefit is carried through to the production target, which contains 64% Proved Ore Reserves, 32% Probable Ore Reserves and 4% (48 koz Au) of Inferred Mineral Resources which is situated within the pits. There is a low level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration work will result in the determination of Indicated Mineral Resources or that the production target itself will be realised. Additional financial modelling has confirmed the robust nature of the operation when Inferred material is excluded.

The mining profile demonstrates significant upside potential that further exploration can deliver via resource extension and discovery.

Conventional Processing

The process plant is designed with a conventional CIL circuit with a 2.4 Mtpa processing capacity. The Execution Update production schedule sees 31 Mt of ore processed over an initial 13 year initial project life to produce an estimated total of 980k oz of gold¹². A schematic diagram of the process plant is included at Appendix A.

Favourable metallurgical characteristics were determined during the 2018 DFS that result in low power requirements, low consumable and reagent consumption and allow for highly competitive costs of A\$13.60/t processed.

The review of detailed engineering designs conducted internally with the assistance of independent experts, has resulted in the addition of a surge bin and emergency stockpile, to ensure a reliable mill feed in the event of crusher downtime, along with a grinding circuit upgrade to increase the size of the SAG and ball mill from 3.8 MW to 4.4 MW. This provides certainty that the 2.4 Mtpa rate will be achieved and further, it allows the opportunity to increase the throughput from the nameplate 2.4 Mtpa up to 2.8 Mtpa with the addition of a seventh CIL tank for relatively low additional capital outlay. Figure 3 highlights the significant upside potential for additional mill feed from resource growth and discovery. The annual mining and processing schedule is displayed in Table 5.

The FEED commenced in March 2020 with GRES and is planned to continue as part of the EPC contract. GRES are well advanced and have achieved 17% process plant engineering progress to date.

Extensive work has been done to advance the ground improvement works for the process plant, with a geotechnical drilling program completed in Q1 2020 followed by a ground improvement study which was completed by Knight Piésold. GRES and Knight Piésold have collaborated to develop a comprehensive ground improvement solution for the Woodlark Gold Project.

¹² The production target must be read in conjunction with the cautionary statement on page 7.

Table 5: Mining, Processing and Financial Schedule by Year¹³

		LOM	Pre	Ramp-up	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10-13
MINING														
Strip Ratio	(x)	4.1	11.5	6.0	2.5	2.2	3.4	3.9	5.4	11.2	4.0	4.2	3.0	1.8
Total Mined	(kt)	156,694	5,740	2,576	11,431	13,461	14,276	20,440	19,651	20,496	19,390	16,621	11,545	1,068
Ore Mined	(kt)	30,848	458	369	3,254	4,230	3,219	4,199	3,065	1,684	3,857	3,217	2,913	382
Grade Mined	(g/t Au)	1.11	1.50	1.51	1.35	1.22	1.03	1.09	1.06	1.12	1.08	0.99	0.89	0.97
Contained Gold	(koz Au)	1,099	22	18	142	166	106	148	105	61	134	103	83	12
PROCESSING														
Ore Processed	(kt)	30,848	-	454	2,341	2,407	2,400	2,400	2,400	2,407	2,400	2,400	2,400	8,841
Grade	(g/t Au)	1.11	-	1.80	1.69	1.68	1.28	1.48	1.27	1.06	1.40	1.20	0.99	0.51
Recovery	(%)	89.2%	0.0%	92.4%	92.2%	88.9%	87.4%	90.2%	91.3%	90.0%	91.2%	87.8%	83.7%	86.6%
Gold Produced	(koz Au)	980,182	-	24	117	116	86	103	90	74	98	82	64	126
FINANCIAL														
AISC	A\$/oz	1,239	-	943	882	938	1,443	1,149	1,260	1,440	1,230	1,241	1,621	1,520
Free Cashflow *	A\$M	575	(255)	31	152	127	60	89	73	49	73	64	30	81

* Represents 100% of the Woodlark Gold Project

Figure 1: Total material mined and strip ratio

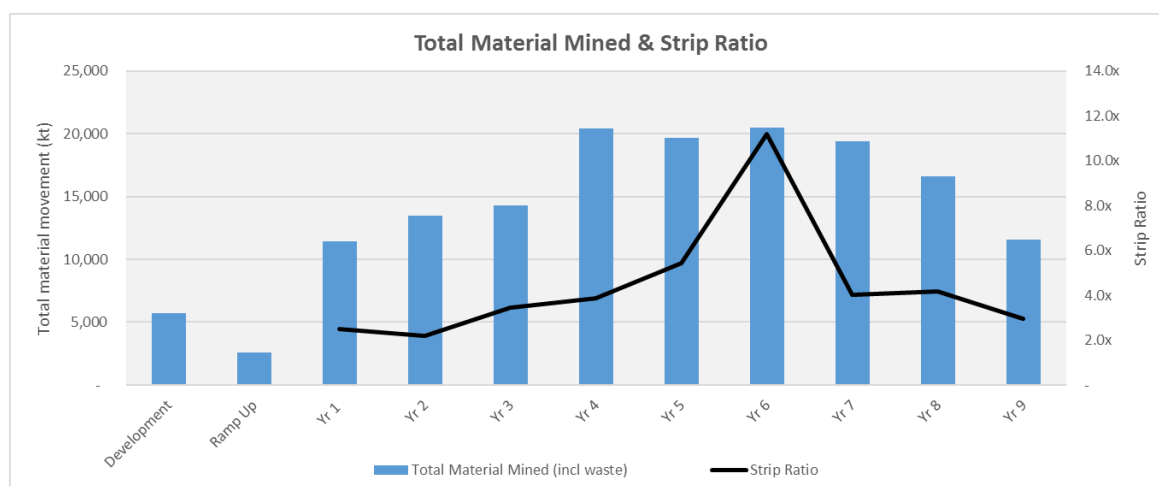
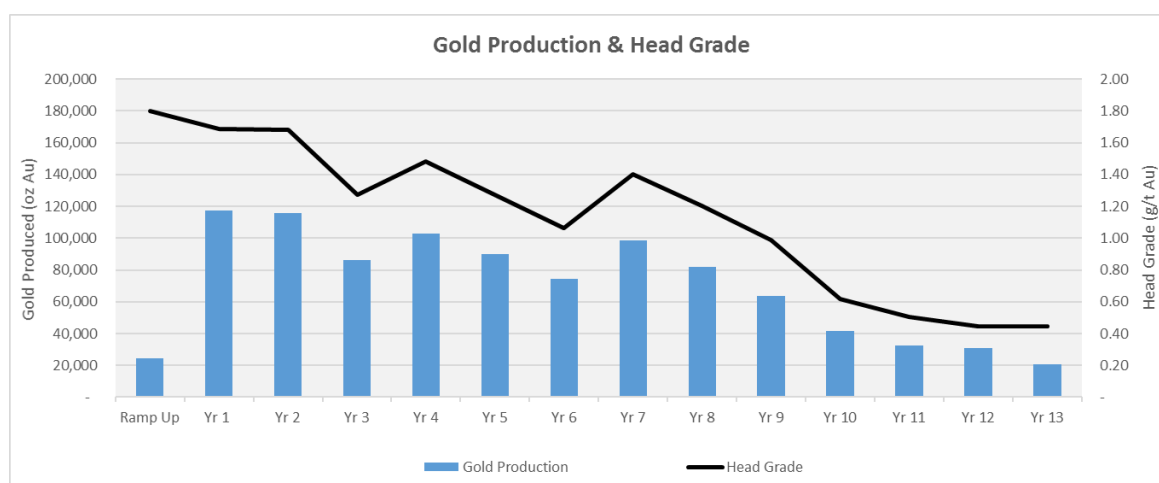


Figure 2: Annual gold production and head grade



¹³ The production target must be read in conjunction with the cautionary statement on page 7.

Infrastructure

Advanced clearing of the plant site, construction of a new roads and upgrading of existing roads and geotechnical survey work has been undertaken as part of an early works program, providing significant benefits for the overall construction schedule.

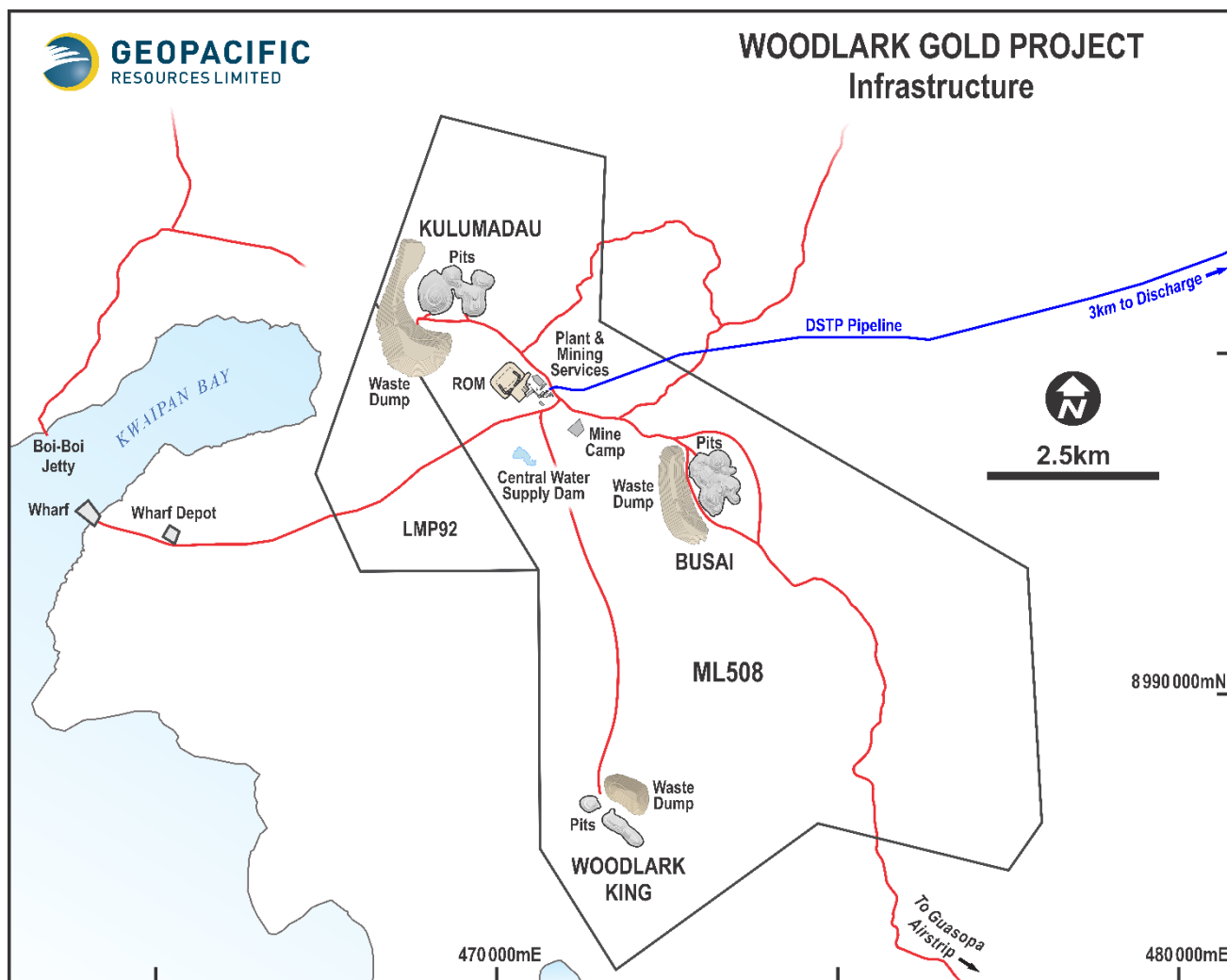
The major infrastructure requirements of the Woodlark Gold Project include a process plant, DSTP system, communications, accommodation camp, roads, airstrip, mine services area, mine open pit, water supply dam and mine waste dumps.

A dedicated wharf is to be constructed approximately 7 kilometres to the west of the process plant site. The proximity of the wharf to the mining and processing facilities, along with the flat topography across the project area will provide considerable logistical benefits during construction and the operations phases of the Woodlark Gold Project.

The process plant and mine services buildings are to be located proximal to the main mining areas. The camp will be constructed at a new location approximately 400 metres to the south-east of the process plant to enable easy access to the plant, reducing staff travel times resulting in improvements in overall productivity.

Relocation of the existing village located in and around the Kulumadau mining area has commenced, with construction of new houses, trade stores and other amenities well advanced following extensive community consultation. A Relocation Agreement has been signed by all households and community engagement is continuing though the build process to ensure that any community concerns are addressed.

Figure 3: Deposit location and infrastructure site plan



Licence to Operate

Woodlark Mining Limited (WML), is a wholly owned subsidiary of Geopacific. WML is incorporated in PNG and is the 100% holder of the Woodlark Gold Project.

The Woodlark Gold Project is well advanced from a permitting perspective, with mining permits in place. Environmental approval was granted in 2014 with a validity of 20 years and Geopacific has developed strong working relationships with PNG Authorities, which continue to express their support for the development of the Woodlark Gold Project.

Geopacific submitted an application to amend a number of conditions in the Environment Permit including improvements made in relation to reduced land clearing requirements and water management strategies. These amendments were approved and the amended Environment Permit was issued in May 2020.

In December 2018, an application was submitted to the MRA seeking an extension to Condition 7 of the Woodlark Mining Lease which specified that construction and commissioning must be completed by the 5 January 2020. This was to provide time for project financing activities and to account for the estimated 26 month build time detailed in the 2018 DFS. This application was approved on 6 September 2019 and resulted in a revised requirement to complete project financing by January 2021 and construction and commissioning of the process plant by July 2022.

Subsequent to this, a further request for extension was submitted in August 2020 given the uncertainties caused by COVID-19 and related travel and supply restrictions to extend the development schedule requirements. This application is currently awaiting approval by the PNG Mining Advisory Council and management have every expectation that this application will be approved in a reasonable timeframe.

Extensive and ongoing community engagement has taken place over a number of years to ensure familiarity and understanding of potential impacts and benefits of the Woodlark Gold Project on the local community. In October 2020, an updated Memorandum of Agreement (MoA) was initialled by the Woodlark Gold Project area landowners, the National, Provincial and Local Level Governments and WML. The MoA is designed to define the distribution of project royalties once production commences, and outlines the commitments of all stakeholders to ensure that the economic benefits flow to the people of Woodlark Island and the broader region, including employment and business opportunities and appropriate management of environmental and social impacts.

Geopacific enjoys an active and strong relationship with the communities living on Woodlark Island and is committed to maximising local training and employment as well as local business development. A *MyPotentia* survey is planned for Q1 2021 to provide valuable information around the existing skill set and potential of the local workforce, while specialist PNG based consultants have been engaged to assist and provide training to local landowners in relation to business establishment, management and governance.

Figure 4: Woodlark Island community engagement



Project Execution Strategy

The project execution strategy was reviewed by the Owner's team during 2019 taking into consideration the project schedule, allocation of risks and which parties were best placed to manage and mitigate the construction and operational risks. Subsequently, an EPC contract model was identified as the preferred approach for the design, supply and construction of the process plant and associated facilities, whilst the design, supply and construction of the infrastructure facilities will be managed by the Owner's team.

The EPC contract for the process plant and associated infrastructure is planned to be executed to coincide with the Geopacific Board approving the final investment decision. The construction of the process plant will be executed as a Guaranteed Maximum Price (GMP) EPC Contract.

To mitigate the risk of building a mining operations team, a revised mining execution strategy was developed that involves the engagement of a contract miner to carry out load and haul activities during the pre-strip period and for the first three years of operation.

A similar approach has been adopted for the drilling works associated with grade control, blasting and exploration, with Woodlark Gold Project personnel limited to technical services. Mining activities are planned to transition to a self-perform structure managed by the owners mining team from year four onwards.

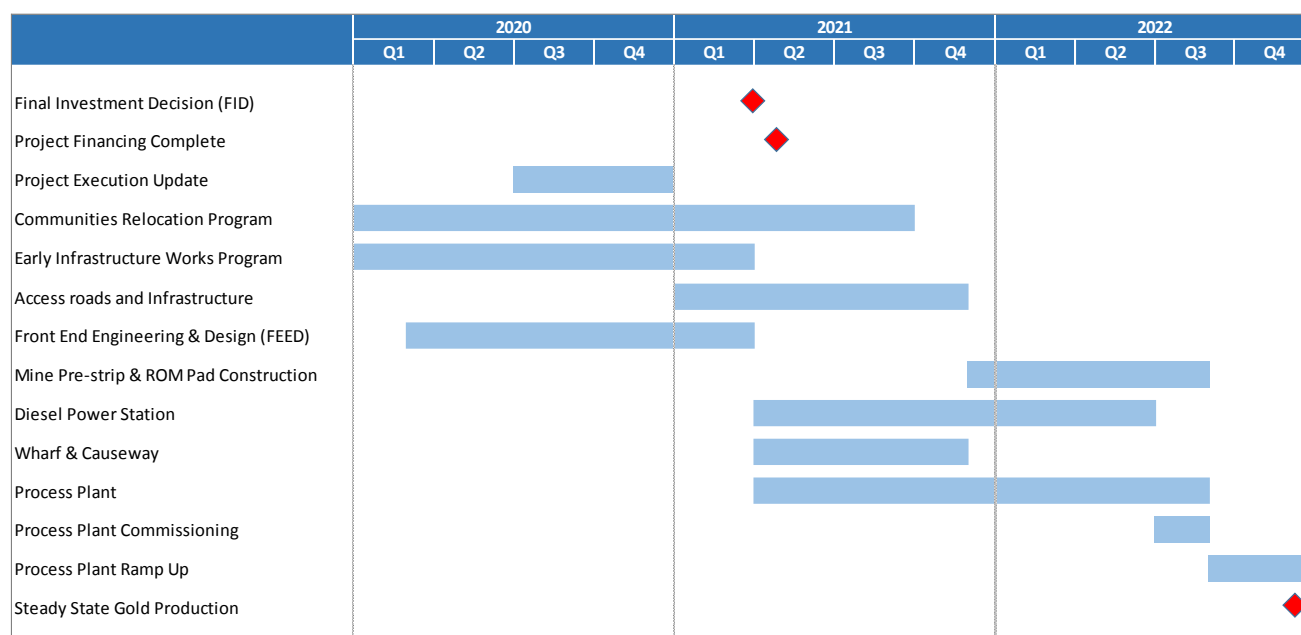
Execution planning has progressed to an advanced stage during Q4 2020 as contracting strategies, project team and corporate organisation structures have been further refined. Work streams which will enable a rapid commencement of construction works have been prioritised, including:

- Development of a high level project execution strategy;
- Advancement of the FEED for the process plant – targeting 25% completion by end Q1 2021 (17% completion achieved to date);
- Development of a contract and procurement plan and strategy;
- Selection of preferred suppliers for major key contracts (mining, process plant and power supply) and commencement of contract negotiations with these suppliers;
- Release of tenders for other required infrastructure and services (permanent camp, non-process buildings, communications system);
- Tender and selection of long lead process plant equipment;
- Development of a short and long term fuel supply strategy;
- Detailed implementation and interface planning in the development of a IPMS;
- Completion of the detailed design of the ground improvement works; and
- Redesign of the onshore DSTP pipeline to reduce environmental risk and ensure compliance with the Environment Permit.

The advancement of project early works during 2020 and into 2021 will de-risk the project schedule and enable contractors to mobilise to site immediately after FID is released and approved.

A high level construction timeline is provided in Figure 5.

Figure 5: Project Execution Timeline



Capital Costs

Establishment Capital

The establishment capital cost estimate was comprehensively updated to reflect the revised execution approach and to account for revisions to contracting structures and increased execution preparedness. The revised capital cost estimate has been prepared to align with the requirements of a Class 3 estimate. A Class 3 estimate requires a detailed mine plan, metallurgical test work sufficient to prepare equipment lists/specifications, general arrangements, preliminary piping and instrument diagrams and single line electrical drawings. Project definition deliverables are expected to be between 10-40% of full definition. Major equipment and contracts should be priced based on supplier quotations. This estimate meets or exceeds these requirements.

The revised capital cost estimates were developed by GRES (process plant and tailings), Axiom (site infrastructure) and Mining Plus (mining fleet including light vehicles) in conjunction with the Geopacific team.

The total establishment capital estimate of A\$254.8M has been completed to a -2%/+8% level of accuracy, is comprehensive and includes A\$23.4M in respect of the 10 month mining pre-strip. The estimate contains allowances for contingency, opening stocks/first fills and spare parts.

The revised contingency was developed in conjunction with Broadleaf, who facilitated detailed risk assessment workshops and completed a comprehensive schedule and cost risk assessment to determine the expected range and recommended contingency for the Woodlark Gold Project.

Table 6 outlines the total establishment capital cost estimate by category.

Table 6: Total establishment capital cost estimate by category (-2%/+8% level of accuracy)

Description	Capital Cost A\$M
Process Plant	106.4
DSTP System	10.6
Communities Relocation	12.1
Project Infrastructure	37.5
Mobile Equipment	6.0
Owners Cost	31.5
Total Plant & Infrastructure	204.0
Mining Equipment	0.8
Mining Pre-strip	23.4
First Fills and Opening Stock	7.6
Contingency	18.9
Total	254.8

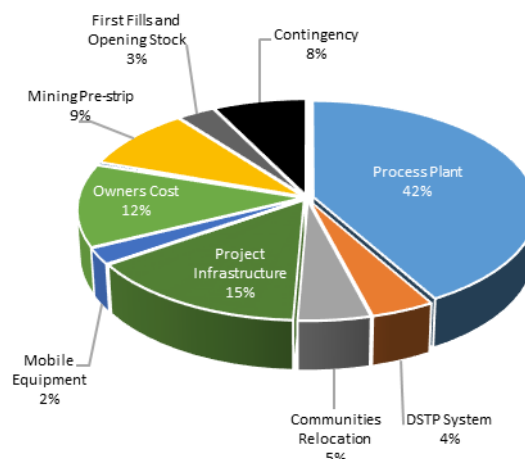
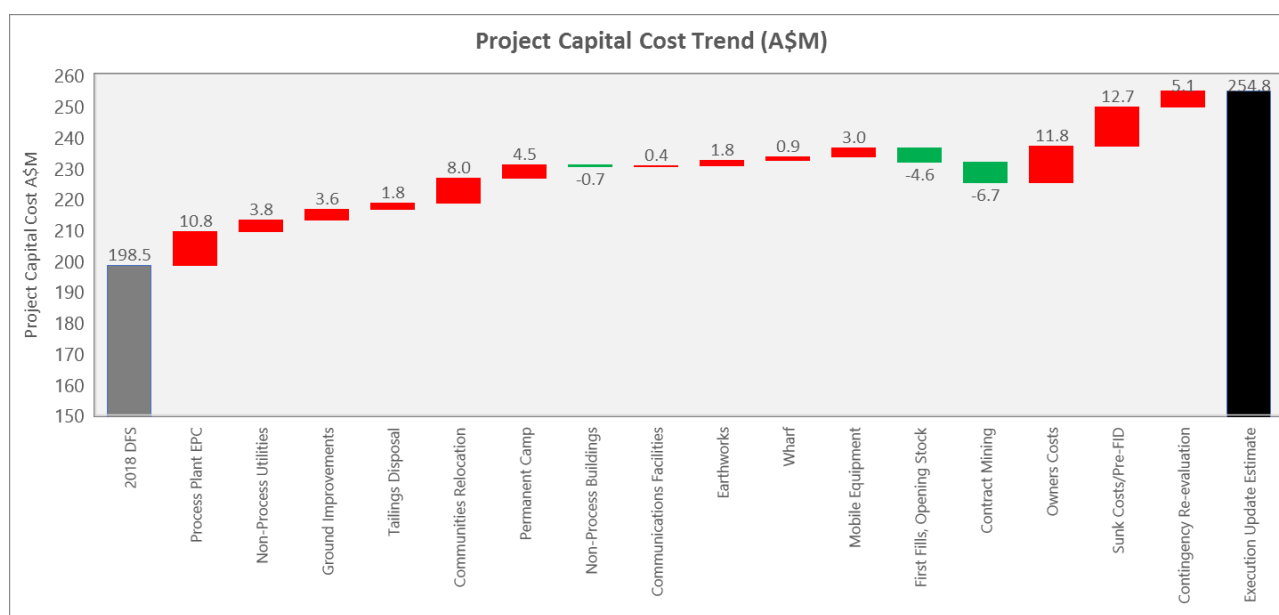


Figure 6 shows the establishment capital cost estimate trend from the 2018 DFS. The major variances include:

- Increased cost of the process plant which is now based on firm EPC pricing and includes costs for ground improvement works required at the plant site;
- Increased costs due to improved scope definition in the non-process utilities comprising of the raw water storage and seawater supply, diesel storage facilities and power distribution;
- Increase length of the onshore tailings pipeline and design compliance to the revised Environment Permit issued in May 2020;
- Increased scope and quality of community relocation program;
- Increase in Owner's costs based on updated staffing plans and organisational structure reviews; and
- Pre-development works, project holding costs since completion of the 2018 DFS and COVID-19 impacts.

Approximately A\$15M of the establishment capital estimate has been expended to date including commencement of infrastructure development, FEED and the communities relocation program.

Figure 6: Establishment capital cost trend



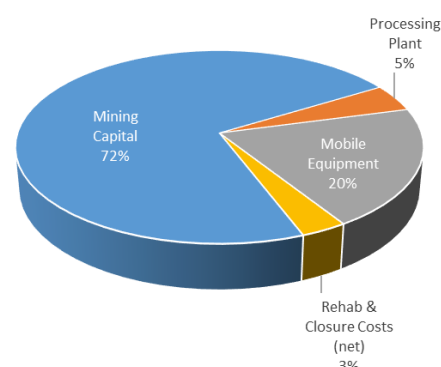
Sustaining Capital

The Execution Update includes a total of A\$37.3M of provisions for estimated sustaining capital across the Woodlark Gold Project life of mine. A key change from the 2018 DFS is the hybrid approach to mining which sees a transition from contract mining to owner mining late in year three and a corresponding increase in estimated sustaining capital relating to the purchase of the mining fleet.

Table 7 highlights the total sustaining capital by category.

Table 7: Total estimated sustaining capital by category

Description	Capital Cost A\$M
Mining Capital	26.9
Processing Plant	1.7
Mobile Equipment	7.5
Rehabilitation & Closure Costs	6.6
Sub Total	42.7
LESS:	
Capital Disposals	(5.4)
Total	37.3



Operating Costs

Mining Costs

The Execution Update is based on a revised strategy of utilising contract mining for load a haul over the pre-strip and through the first three years of operations, followed by a transition to Owner mining. The mining operating cost estimate was developed by Mining Plus using contract rates supplied by HBS for the first three years followed by a first principles cost build up from year four onwards across the Owner mining period.

The life of mine operating cost estimate is A\$2.94/t mined (or A\$3.11/t including capital), which incorporates the benefits of:

- competitive labour costs;
- material mined from shallow pits with short haulage distances;
- flat topography; and
- soft ore resulting in reduced drill and blast costs.

A full breakdown of the mining cost estimate, including the pre-stripping costs of A\$23.4M, is outlined in Table 8. For clarity, the pre-stripping costs included in Table 8 are incorporated into the total establishment capital estimate illustrated in Table 6.

Table 8: Mining cost estimate

Description A\$/t mined	Hybrid Approach Pre-strip – Y3	Owner Mining Y4 – Y10	Blended Life of Mine
Operating Costs	3.52	2.66	2.94
Capital Costs	0.02	0.24	0.18
Total Mining Cost	3.54	2.89	3.11

Processing and General and Administration Costs

The processing and general and administrative (G&A) cost estimates were developed by GRES on a first principles basis. The life of mine processing cost estimate is A\$13.60/t processed which incorporates the benefits of:

- competitive labour costs;
- soft ore reducing crushing and grinding costs;
- high gravity recoveries; and
- low reagent consumption.

The life of mine G&A cost estimate is A\$7.16/t processed which includes increased provisions for shipping costs, community development initiatives, community medical support and rigorous environmental monitoring. This results in a total combined processing and G&A cost estimate of A\$20.76/t.

A full breakdown of the processing and G&A cost estimate is outlined in Table 9.

Table 9: Processing and G&A cost estimate by category

Description	LOM Cost A\$/t processed	Total Cost A\$M
Crushing	0.42	12.8
Grinding	7.56	233.1
CIL	1.66	51.1
Goldroom	0.89	27.4
DSTP	0.48	14.8
Reagent Dosing	0.08	2.6
Water and Air	0.38	11.6
Workshop	1.74	53.6
Laboratory	0.40	12.5
General & Admin	7.15	220.9
Total	20.76	640.4

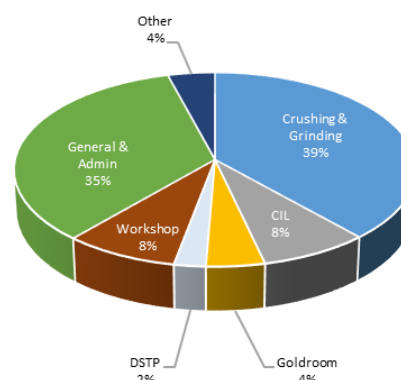
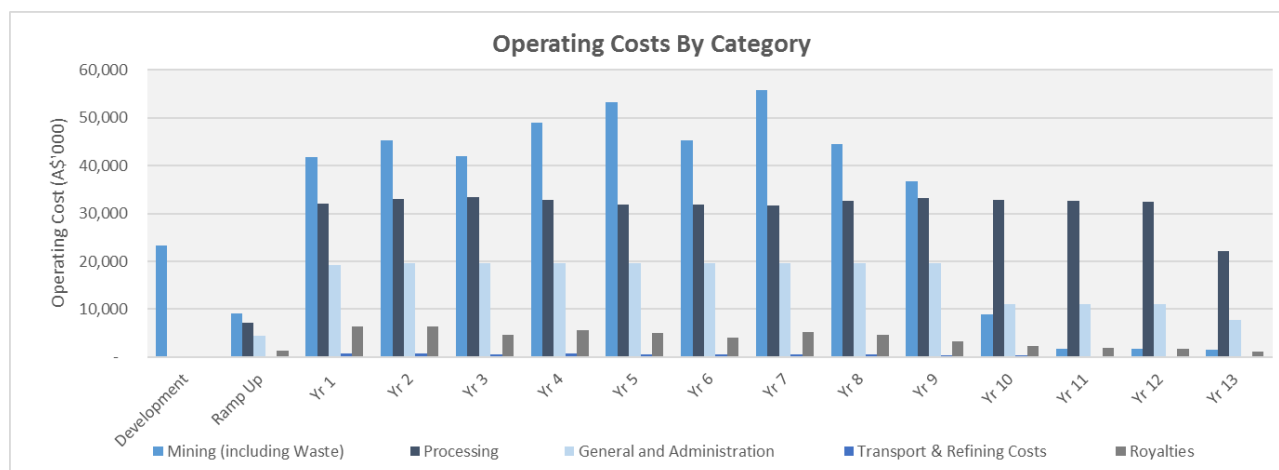


Figure 7: Annual Operating Costs By Category

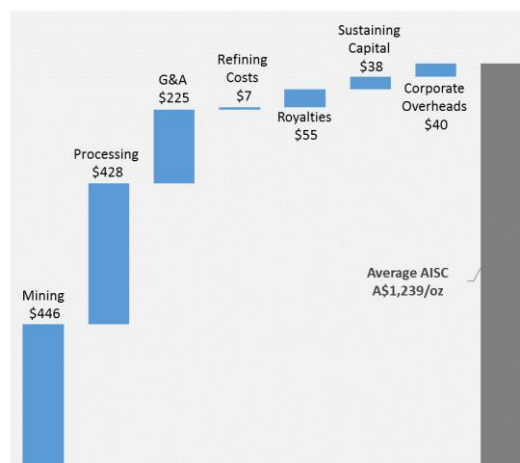


Unit Costs

The operational cost profile combined with the forecast robust gold production schedule makes for highly competitive AISC of A\$1,239/oz over the life of mine. A breakdown of forecast life of mine AISC is outlined in Table 10.

Table 10: Forecast life of mine AISC

Description	LOM A\$/oz
Mining	446
Processing	428
G&A	225
Refining Costs	7
Total C1 Costs	1,106
Royalties	55
Sustaining Capital	38
Corporate Overheads	40
Total AISC	1,239

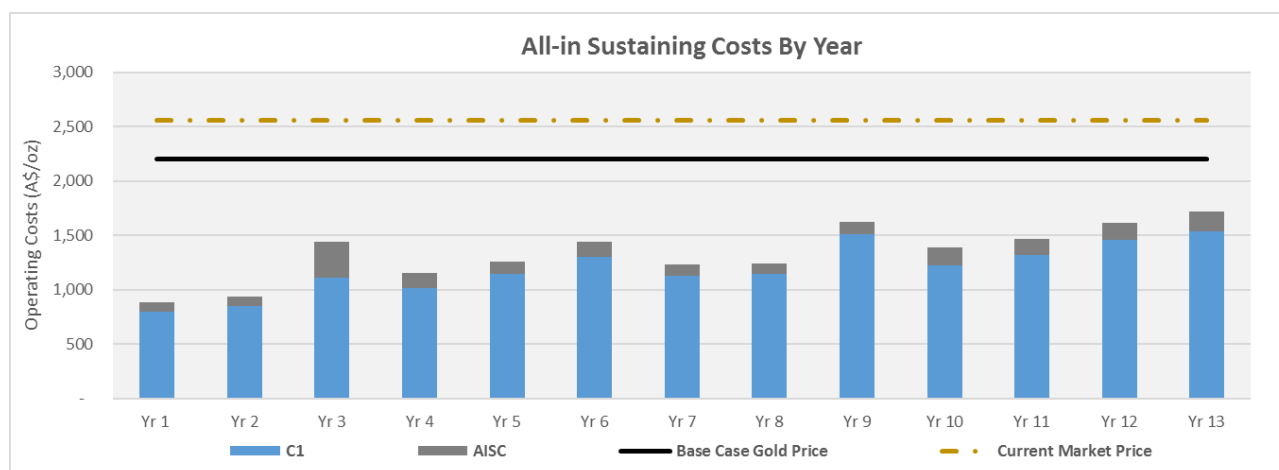


The Execution Update highlights forecast strong operational margins in excess of A\$960/oz¹⁴ over the life of mine, providing strong forecast cashflow during the debt service period and an solid base for organic growth.

Approximately 50% of the processing and G&A operational costs are fixed in nature which means the Woodlark Gold Project would see a substantial reduction in the marginal cost of gold produced above the 2.4 Mtpa run rate.

Figure 8 displays the forecast C1 Cash Cost and AISC profile over the life of mine and highlights the potentially robust operating margins throughout the forecast operational life.

Figure 8: All-in Sustaining Costs by Year

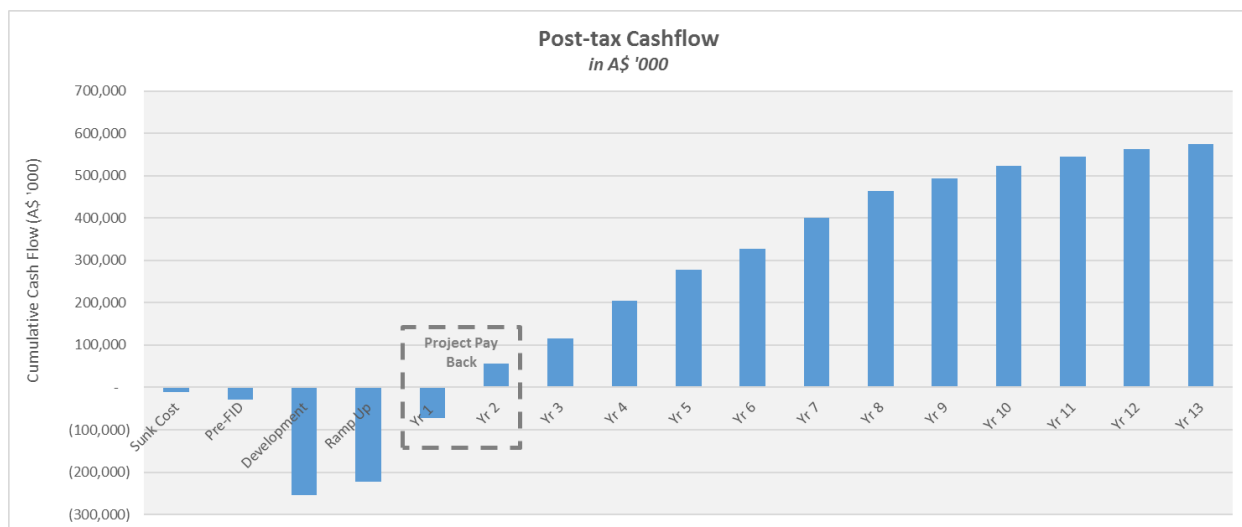


¹⁴ Difference between the Base Case gold price of A\$2,200/oz and average AISC of A\$1,239/oz.

Financial Analysis

One of the attributes of the Woodlark Gold Project is the forecast ability to generate exceptional cashflow in the initial years of production, culminating in a rapid post-tax project payback of 1.8 years. Figure 9 outlines the forecast cumulative Woodlark Gold Project cashflow by year.

Figure 9: Forecast post-tax cashflow by year



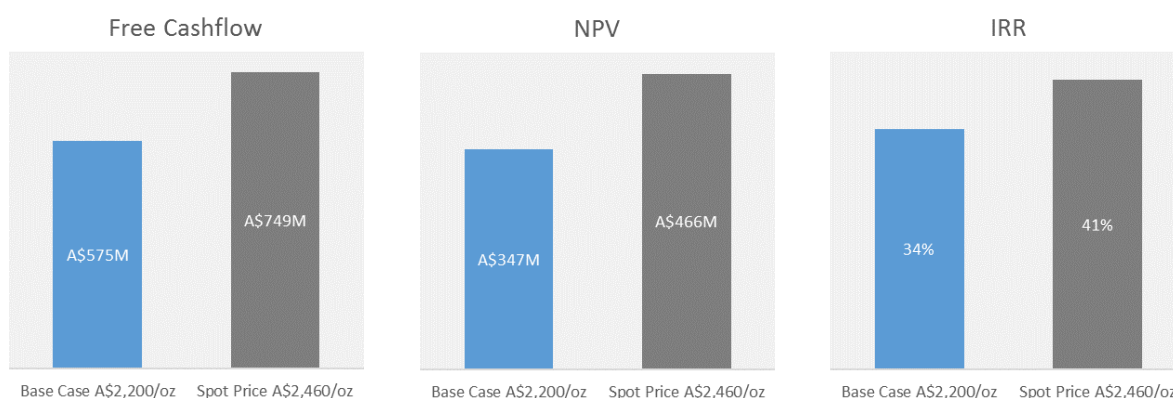
All key financial outcomes of the Execution Update have improved over the 2018 DFS including the NPV, IRR and project payback period:

Table 11: Forecasted project cashflow, NPV, IRR and project payback

FINANCIAL METRICS - POST-TAX	Unit	2018 DFS	EXECUTION UPDATE	VARIANCE
Free Cashflow (Post-tax)	A\$ Million (M)	344	575	231 ● 67%
NPV @ 8%	A\$ Million (M)	197	347	150 ● 76%
IRR	%	29%	34%	5% ● 18%
Project Payback	Years	2.2	1.8	0.4 ● 18%

The above conclusions were drawn from a financial model prepared by Geopacific to estimate the financial outcomes of the Woodlark Gold Project. The model was run at a project level, using a base case gold price of A\$2,200/oz, on an ungeared basis with all costs converted to Australian dollars. The Woodlark Gold Project financial outputs are robust at the base case gold price of A\$2,200/oz and are further elevated when run at the current market gold price¹⁵ as displayed in Figure 10.

Figure 10: Upside from base case to market gold price



¹⁵ Spot price on 27 November 2020 of A\$2,460/oz

Ore Reserve and Mineral Resources

Woodlark Global Mineral Resources

The Woodlark Mineral Resource is **47Mt @ 1.04g/t Au for 1.57Moz of gold¹⁶** including 222,000oz of gold in the Inferred category (Table 12).

Table 12: 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 1,037,600oz¹⁷** of gold is detailed in Table 13.

Table 13: 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
Kulumadai	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

¹⁶ Refer to March 2018 Pre-feasibility Study – ‘Robust Woodlark Gold project PFS Supports Development.’

¹⁷ Refer to ‘Woodlark Ore Reserve Update’ announced on 7 November 2018.

About Papua New Guinea

Papua New Guinea (PNG) has a long history of mining and hosts numerous world class gold mines in the highlands of the country and on islands in the maritime provinces (Figure 11).

Mining is a key contributor to the PNG economy with approximately 2.6 million ounces of gold production per annum. Successful gold production is underpinned by a proven mining investment jurisdiction with a long history of well-tested mining legislation, a democratic government and stable fiscal environment.

PNG is a member of the Commonwealth, Asia-Pacific Economic Cooperation (APEC) and World Trade Organisation (WTO). It holds a strong bilateral relationship with Australia including trade, taxation and investment protection. Australia is a major trade partner and has a significant investment relationship with over \$16 billion contributed in foreign direct investment in 2017.

Figure 11: PNG gold mining operations



This announcement was authorised by the [Board](#) of Geopacific.

Contact

For further information, please visit www.geopacific.com.au or contact Tim Richards, CEO.

Company details	Board and Management	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 Ian Murray Non-Executive Director Colin Gilligan Non-Executive Director Sir Charles Lepani Non-Executive Director Tim Richards Chief Executive Officer Matthew Smith CFO & 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 Ore 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.

In relation to Mineral Resources and Ore Reserves, the Company confirms that all material assumptions and technical parameters that underpin the ASX announcements made on 12 March 2018 ('Robust Woodlark Gold project PFS Supports Development) and 7 November 2018 ('Woodlark Ore Reserve Update) (Historical Announcements) continue to apply and have not materially changed. The Ore Reserve estimate underpinning the production targets in this announcement is based on information compiled and reviewed by Mr Battista who is a Competent Person in accordance with the JORC Code 2012.

Where the Company refers to the Mineral Resources and Ore Reserves in this report (referencing the Historical Announcements), it confirms that it is not aware of any new information or data that materially affects the information included in the Historical Announcements and all material assumptions and technical parameters underpinning the Mineral Resource estimate and Ore Reserve estimate in those announcements continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Persons findings are presented have not materially changed from the Historical Announcements.

All information relating to Mineral Resources and Ore Reserves were prepared and disclosed under the JORC Code 2012.

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 Papua New Guinea Government, subject to meeting the conditions of the licence.

Appendix A

CIL Process Plant – Schematic Diagram

