

Placement raises \$10m for regional exploration at Woodlark

Geopacific Resources Limited (Geopacific) is pleased announce the completion of a \$10 million placement, which was well supported by existing and new specialist resource sector investors and generalist Australian institutional investors. The placement is subject to shareholder approval by way of an Extraordinary General Meeting (EGM) to be held on 11 June 2018.

Highlights

- **\$10m raised in placement at \$0.036 per share, 5.3% discount to last close**
- **Strong support from quality institutional investors**
- **2-Rig exploration program to test the highly prospective Woodlark goldfield**
- **Aspirational Resource target of 5Moz Au**
- **DFS progressing on schedule and due for completion in Q3 2018**
- **Ready to mine – mining and environmental approvals in place**
- **Expanding current 1.10Moz Au Reserve and 1.57Moz Au Resource**

Managing director Ron Heeks commented

“Having established Woodlark as a robust gold development project it’s encouraging to see strong financial support for our strategy to finalise the DFS and bring a significant exploration program online to continue to grow the project. We appreciate the support of our new and existing investors.

“The upcoming drill program will define the broader exploration potential of what we believe is at least a 5Moz goldfield at Woodlark. This is intended to expand the project beyond previous drilling which concentrated on near-pit Reserve drilling. Any new discoveries have the potential to ultimately improve the forecast gold production profile in excess of the current 100Koz per annum and extend the mine life.

“Any upside from the Woodlark DFS or exploration will improve the already strong project economics.”

Use of funds – focus on regional exploration at Woodlark

Following the completion of the Pre-Feasibility Study (PFS) and work on the Definitive Feasibility Study (DFS) which is 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 already significant annual gold production profile and extend the current mine life.

The [PFS was released in March 2018¹](#) with results supporting the development of a robust, low-cost, low-strip ratio, open pit operation capable of delivering an average output of 100Koz Au per annum over an initial mine life of 10 years from the current Reserve.

Woodlark’s 1.10-million-ounce Reserve and 1.57-million-ounce Resource are all located on the existing Mining Lease (ML508) which spans 60 square kilometres and expires in 2034. The project also has an environmental permit which expires in 2034.

¹ All material assumptions underpinning the production target and forecast financial information continue to apply and have not changed materially.

Exploration upside

The exploration potential of the region is well known to be significant. Geopacific has defined an aspirational gold endowment target of 5 million ounces for the Woodlark goldfield. The 1.5 million-ounce Resource that is already defined, clearly demonstrates the potential of the goldfield.

The majority of the current resource and reserve base is located in the Kulumadau and Busai areas and recent work has indicated the potential for numerous other areas to host new gold deposits. Geopacific’s work to date has centred around infilling and extending the existing deposits in order to upgrade the JORC categorisation. The upcoming drilling program is designed to highlight the potential size of the broader goldfield.

Facts about existing mineralisation that are driving exploration targeting across the Woodlark goldfield:

- it is typical with epithermal mineralisation for deposits to form in clusters;
- on Woodlark Island, mineralisation typically forms in zones where northeast and northwest structures intersect;
- mineralisation forms in repetitive zones along main structures, as is common with most goldfields; and
- mineralisation typically has a wide colluvial or alluvial halo which is often identified by artisanal workings.

Figure 1 highlights these aspects, which together suggest the potential for significant discoveries across significant areas surrounding the existing deposits and proposed plant site. It shows repetitive, intersecting structures that are known to be mineralised. The extensive, historical alluvial workings contain gold that is derived from areas that are largely unexplored (marked in yellow).

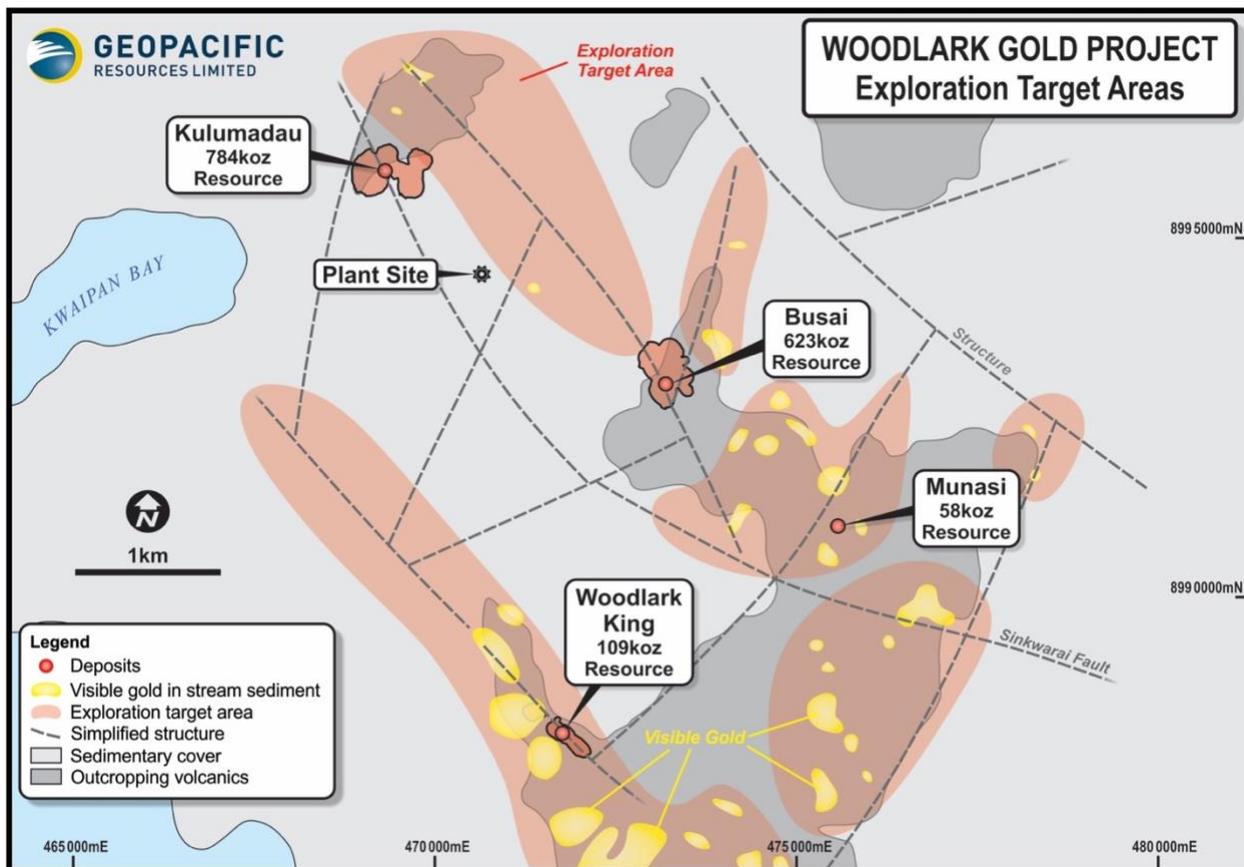


Figure 1: Regional exploration targets

Exploration targets are being selected by combining the knowledge gained from interrogating the existing 300,000 metre drilling database, recent geochemical sampling along with geological and structural interpretations. Local artisanal workings have also provided a reliable source of target generation with historic artisanal mining having occurred in the Kulumadau, Busai and Woodlark King areas.

Initial drill testing will focus on the outcropping volcanic rocks that host the defined mineralisation. Scout drilling and geophysics are planned for additional, high priority targets. These targets are based on structures that are interpreted to be lie beneath the thin limestone veneer that covers much of the island.

Geopacific's main focus remains on advancing Woodlark towards production. Adding to the portfolio are the two recent gold-silver discoveries at the Kou Sa project in Cambodia, with low-levels of exploration continuing.

Use of funds	A\$m
Woodlark – direct resource development and new discovery drilling	5.6
Woodlark – DFS completion	0.9
Cambodia and Fiji – exploration costs	1.1
Other project, working capital and offer costs	2.4
Total	10.0

Timeline

The breadth and rigour of the work undertaken during the PFS supports the targeted completion of the DFS in Q3 2018. The DFS is progressing on schedule, under the management of Lycopodium.

Project financing is expected to follow the release of DFS. Initial discussions with project financiers has provided positive feedback and the appointment of a project finance advisory group is planned in the near term.

The existing mining, social and environmental permitting enable construction to begin once financing is in place, significantly de-risking the project by shortening the usual time frame from DFS completion to construction.

Details of the conditional placement

The placement was supported by a wide range of high-calibre investors.

Petra Capital acted as exclusive Manager and Bookrunner to the raising.

Offer price	\$0.036
Shares issued	280,000,000
Capital raised	\$10,080,000

Capital structure following the placement

Capital structure	
Shares on issue (pre-placement)	1,801,907,130
Options (pre-placement)	1,000,000
Shares issued in placement	280,000,000
Fully diluted number of shares	2,082,907,130

Geopacific holds no debt or convertible notes.

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
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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.

Woodlark Global Resources

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

Woodlark Ore Reserves

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

Note: Pit shells were optimised at 0.47g/t cut off.