

## JUNE 2016 QUARTERLY REPORT

The Board of Geopacific Resources Ltd (Geopacific or the Company) is pleased to provide this Quarterly Report for the three months ending 30 June 2016.

### HIGHLIGHTS

#### CORPORATE ACTIVITIES

- Agreement to Earn-In up to 80% of Woodlark Island Project
- AGM convened for 31 May 2016

#### EXPLORATION ACTIVITIES

##### Kou Sa Project, Cambodia:

- Initial 150/160 resource of 51,000t of copper equivalent (*11 July 16*)
- Continued success in drilling at Prospect 190 Gold
- 8.80m @ 5.18 g/t Au and 24.3g/t Ag for 5.55 g/t Au eq (*28 April 2016*).

##### Fiji Projects:

- A thorough review of all projects was completed
- Initial exploration at Faddy's Prospect started with drilling to commence in July 2016

##### Managing Director, Ron Heeks, said:

*"The acquisition of the Woodlark project will be a game changer for Geopacific. Earning into Woodlark on the agreed terms allows Geopacific to gain an immediate, achievable path to production with a modest outlay and considerable potential rewards. Timing couldn't be better – with the gold price achieving record highs."*



Figure 1 Location of 3 projects in the Asia-Pacific

29 July 2016

ASX Code: GPR

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 ACN 003 208 393

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#### PROJECTS

##### CAMBODIA

- Kou Sa Copper – Gold

##### FIJI:

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

##### PNG

- Woodlark Island

#### HEAD OFFICE

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#### BOARD

Chairman:

**Milan Jerkovic**

Managing Director:

**Ron Heeks**

Non-Exec Director:

**Mark Bojanjac**

Company Secretary:

**John Lewis**



## CORPORATE NEWS

### Gold Project Acquisition

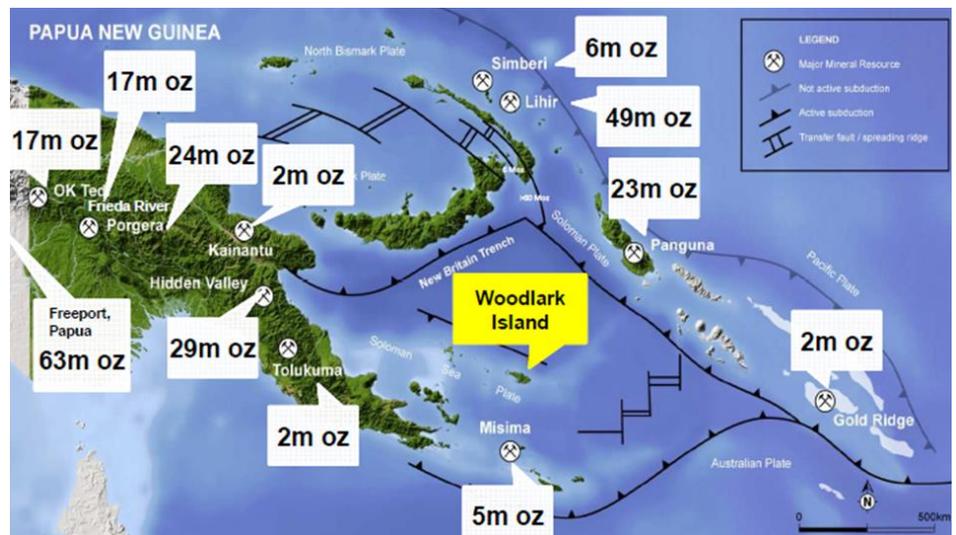
During the Quarter Geopacific reviewed the potential of the Woodlark Island Project (Woodlark) in Papua New Guinea (PNG) owned by Kula Gold Limited (Kula) with a view to entering an agreement to acquire the project. Subsequent to the end of the Quarter Geopacific and Kula entered into a project-level, earn-in agreement to acquire an interest in Woodlark.

**Managing Director, Ron Heeks, said:** *Geopacific undertook a gap analysis on Woodlark, which highlighted the potential to increase the reserve-life and enhance Woodlarks project economics, allowing the project to be funded into production. This task can be achieved by rebasing the project's CAPEX and OPEX and conducting a selected drilling program to move existing inferred and indicated resources into proven and probable categories.*

### Location

Woodlark is in good company, surrounded by a number of multi-million ounce gold deposits and mines. Exploration upside potential is considerable.

**Figure 2:**  
**Major mineral resources located around the Woodlark Island Gold Project in Papua New Guinea.**



### Structure of the transaction

The transaction is structured as a project-level earn-in with an incentive target, to be followed by a contributing joint venture. The Project is wholly owned by Kula's 100% PNG subsidiary, Woodlark Mining Limited (WML) which holds all the Project assets, including in particular the mining lease and exploration licences. WML will therefore become the joint venture company.

Geopacific will spend up to \$18.65 million over three Tranches in order to earn an interest of up to 75% in WML, with Kula retaining a 25% interest. Prior to the transaction, the PNG Government agreed to take a 5% participating interest in WML, which it will purchase for a proportionate share of the sunk costs. As this 5% interest will be assigned from Kula's interest, Kula will receive the amount payable for it. Kula has the right to raise its share of Project development finance. Should this not happen, Geopacific has the right to arrange Kula's share of the Project development finance, allowing it to earn a further 5% and taking Geopacific's total interest in WML to 80%.

All amounts below are in Australian dollars.

**Tranche 1:** Geopacific will spend up to \$650,000 in less than six months to complete due diligence and establish the optimal work program required to deliver the incentive target of an aggregate Ore Reserve for the Project of 1.2Moz gold.

- For completing this work and committing to proceed to Tranche 2, Geopacific will earn a 5% interest in WML (Kula will hold 95% including 5% for the PNG Government).

**Tranche 2:** Geopacific will spend up to \$8 million in 24 months undertaking the work program developed in Tranche 1:

- If Geopacific spends the full \$8 million within the 24 months without achieving the incentive target of a 1.2Moz gold reserve for the Project, it will earn an additional 35% interest in WML giving it a total of 40% (Kula will hold 60% including 5% for the PNG Government);

or alternatively —

- If Geopacific achieves the incentive target of a 1.2Moz gold reserve for the Project within the allocated spend and time frame, Geopacific will earn an additional 46% interest in WML giving it a total of 51% (Kula will hold 49% including 5% for the PNG Government).

**Tranche 3:** Geopacific will spend up to \$10 million undertaking the work program developed in Tranche 1, which it aims to do in 12 months:

- If Geopacific reaches the full spend without attaining the incentive target of a 1.2Moz gold reserve for the Project and without achieving 'bankable' status for the Project, it will earn an additional 20% interest in WML giving it a total of 60% (Kula will hold 40% including 5% for the PNG Government);

or alternatively —

- If Geopacific achieves the incentive target of a 1.2Moz gold reserve for the Project and achieves 'bankable' status for the Project within the allocated spend, it will earn an additional 15% interest in WML giving it a total of 75% (Kula will hold 25% including 5% for the PNG Government).

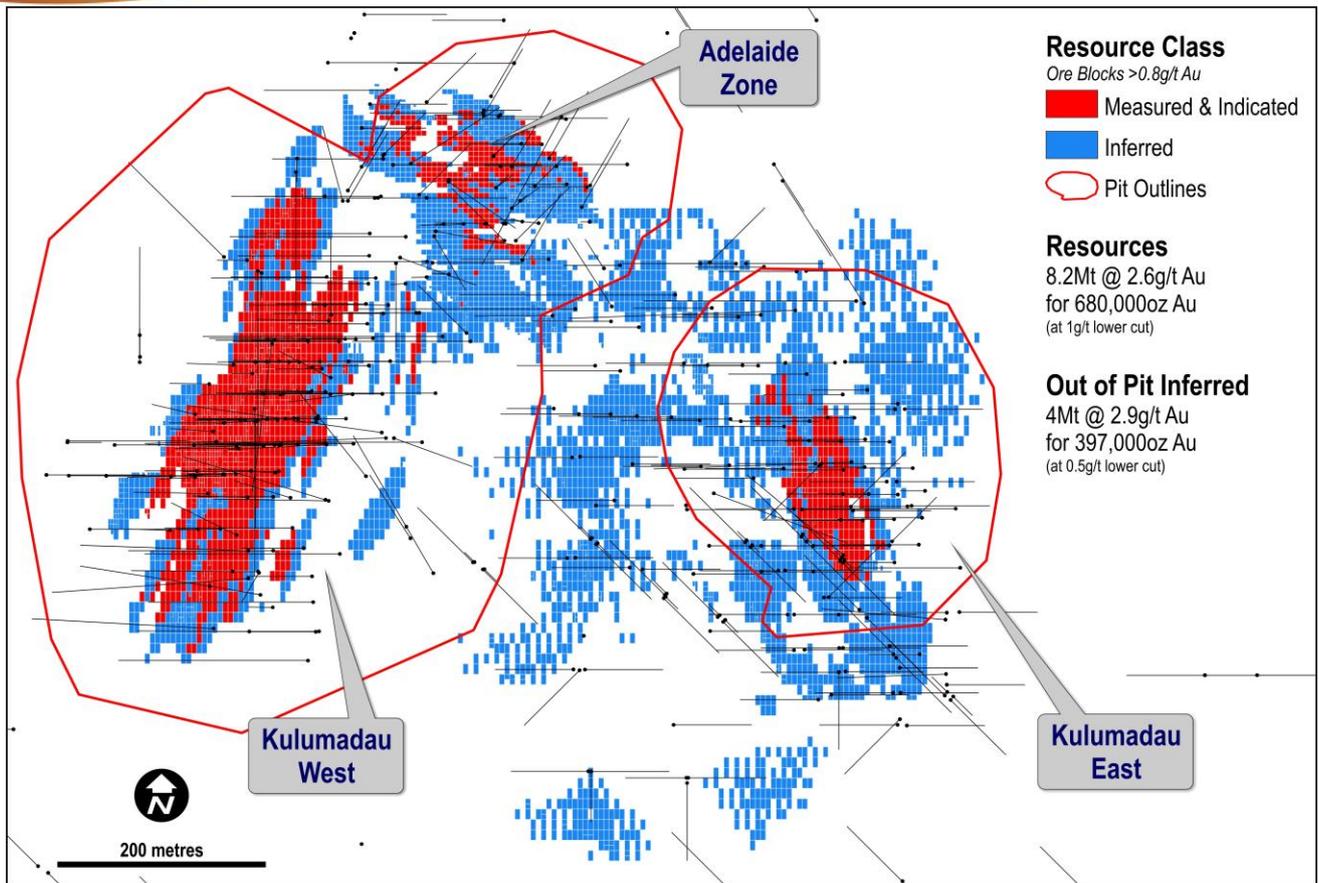
'Bankable' status means that economic, engineering and geotechnical inputs to the Project have been completed to a degree sufficient so that the Project can secure the required development capital and achieve financial close.

Once the 'bankable' status is reached, Kula has the right to raise its share of the development finance proportionate to its interest in Woodlark. Should Kula be unable to, or elect not to, raise its share of development finance then Geopacific will have the right to arrange Kula's share of the development finance and thereby earn an additional 5% interest in WML, taking its total interest to 80%.

#### **Indication of resources available for conversion to reserve**

One example of the resource conversion potential at Woodlark can be seen at the Kulumadau area in *Figure 3* below. The open-cut pits are designed around the measured and indicated resources (red). The inferred resources (blue) fall clearly within and around current pit designs making them readily amenable to conversion. The position of the inferred resources also highlight that most zones are open along strike.

Measured and indicated resources (red) in the pit are, 8.2 million tonnes at 2.6g/t gold for 680,000 ounces of gold at a 1g/t lower cut-off grade. The **inferred resources (blue) around the pit are, 4 million tonnes at 2.9g/t gold for 397,000 ounces of gold** at 0.5g/t lower cut-off grade. Inferred resources cannot be directly converted to reserves.



**Figure 3: Resources at the Kulumadau area of the Woodlark Island Gold Project**

## Exploration potential

The Woodlark project has had more than 265,000m of exploration drilling, much of which is in areas outside the current resource area. This drilling has highlighted the large extent of the mineralising system and the potential for it to produce a multi-million ounce goldfield.

Numerous satellite targets have been identified as a result of drilling across the project area. These hold potential to significantly increase the resource base of the project and require follow-up drilling. Examples of these are included as yellow stars in *Figure 4* below.

A recent aeromagnetic geophysical survey has greatly assisted with the understanding of the geology of the Woodlark Island, identifying many targets on the project. This technique has provided a solution to identifying targets that lie under the thin coral veneer, which covers a portion of the island.

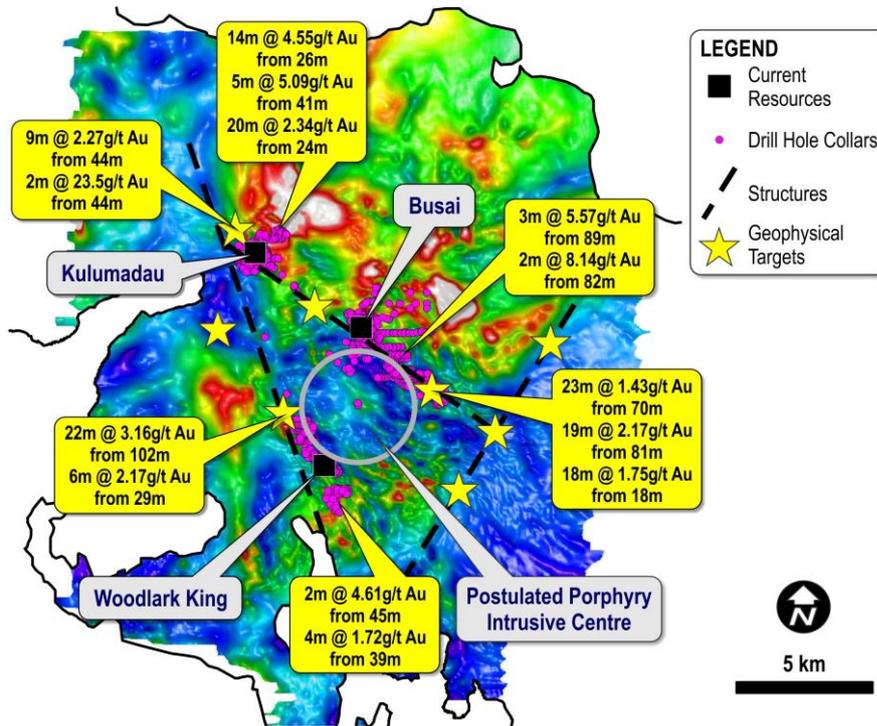


Figure 4: Aeromagnetics with current resource areas and epithermal gold exploration targets

### AGM

The Company convened the Annual General Meeting for 2016 on 31 May 2016. At the meeting a number of resolutions were put to shareholders including the discussion of the Annual Accounts and the authorisation of the Remuneration Report.

All resolutions put to the AGM were passed unanimously on a show of hands at the meeting.

## EXPLORATION ACTIVITIES

### KOU SA PROJECT – CAMBODIA

Exploration work during the quarter continued to highlight the prospectivity of the Kou Sa Project with the discovery of further high-grade gold and silver mineralisation at Prospect 190 as well as extending the known copper mineralisation down-dip and to the west.

Geopacific completed an initial resource estimate on defined mineralisation at Prospects 150 and 160 (11 July 2016), where drilling continues. These areas form part of the overall inventory of the Kou Sa Project with further resources to be calculated for Prospects 100, 117, 128, and 190 once drilling has sufficiently delineated these areas.

The results of the resource estimation at 0.4% Cu Eq. lower cut-off for Prospects 150 and 160 are:

Category	Mt	Cu	Au	Ag	CuEq	Cu	Au	Ag	CuEq
		%	g/t	g/t	%	kt	koz	koz	kt
Indicated	3.49	0.78	0.71	5.37	1.38	27.1	79.2	602	48.1
Inferred	0.35	0.7	0.2	4.3	0.9	2.3	2.7	48	3.1
<b>Total</b>	<b>3.84</b>	<b>0.77</b>	<b>0.66</b>	<b>5.27</b>	<b>1.33</b>	<b>29.5</b>	<b>81.8</b>	<b>651</b>	<b>51.2</b>

Geopacific Managing Director Ron Heeks said,

*“The initial resources for Prospects 150 & 160 are a good start with a high proportion falling in the Indicated category which is attributed to drilling density and grade continuity. We will continue to build the resource inventory, adding mineralisation from other zones to move the project toward development. The epithermal gold discovery at Prospect 190 Gold is also an exciting, potential addition to the resource inventory.”*

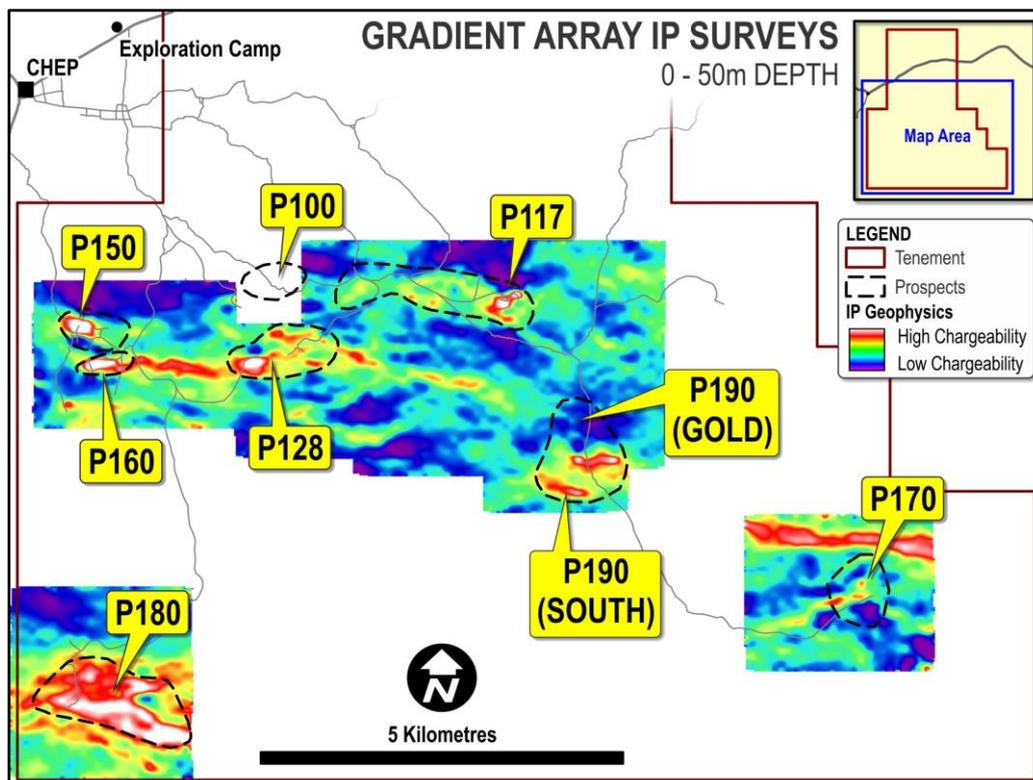


Figure 5: Prospect areas at Kou Sa overlaid on an Induced Polarisation (IP) Geophysics map.

### Drilling Highlights – Significant Intercepts during the March quarter

- **Prospect 190:** 8.8m @ 5.18 g/t Au and 24.3g/t Ag from 79.55m (KDH176)
- **Prospect 128:** 6.6m @ 3.15% Cu eq. from 87m (KRD228)
- **Prospect128:** 19m @ 0.81% Cu eq. from 14m (KRC225)

### OCCUPATIONAL HEALTH & SAFETY

- No Lost Time Injuries (LTIs) were recorded during the month.

### Prospect 190 Gold

The discovery of additional high-grade gold and silver mineralisation in the recently discovered epithermal system at Prospect 190 has further increased the prospectivity of the Kou Sa Project. Previous results from hole KDH178 include [7.35m @ 12.39 g/t Au eq – NEW GOLD DISCOVERY \(follow hyperlink to view announcement on website\)](#). Current results are up-dip from these and indicate that the zone extends upwards, to within 40m of the surface while also continuing to the west.

Highlights are below:

Hole ID	From (m)	Interval (m)	Au (g/t)	Ag (g/t)	Au Eq. (g/t)
<b>KDH176</b>	79.55	8.80	<b>5.18</b>	24.32	<b>5.55</b>
<b>incl.</b>	81.50	6.85	<b>6.52</b>	30.37	<b>6.99</b>

Similar to other near-surface holes at Prospect 190 (Gold), the high-grade mineralisation falls within a broad zone of altered rocks that form a large, low-grade gold and silver halo up to 50m wide. The width of the zone suggests that a significant source is responsible for this mineralisation.

In epithermal systems, the proportion of gold relative to silver typically increases with depth. Consequently, the relatively high proportion of silver to gold in current results indicates the intersections to be near the top of the system and with an expectation for gold to increase with depth. Further drilling is planned at Prospect 190 (Gold), to test for extensions to the mineralisation up-dip, down-dip and down plunge.

### Background on Prospect 190 (Gold)

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 suggesting that initial intersections are through the upper reaches of the system with mineralisation expected to produce improved grades, as the system deepens.

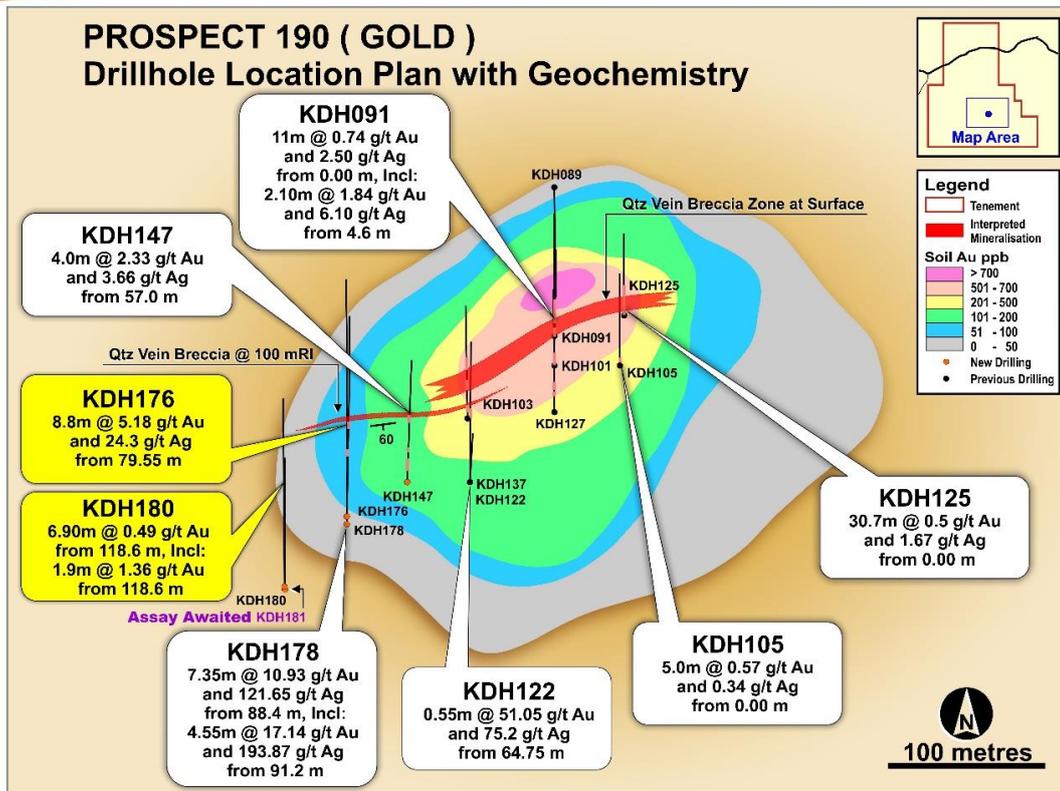


Figure 6: Prospect 190 (Gold) – Drill hole location plan showing new intersection and geochemistry contours. New results are labelled in yellow.

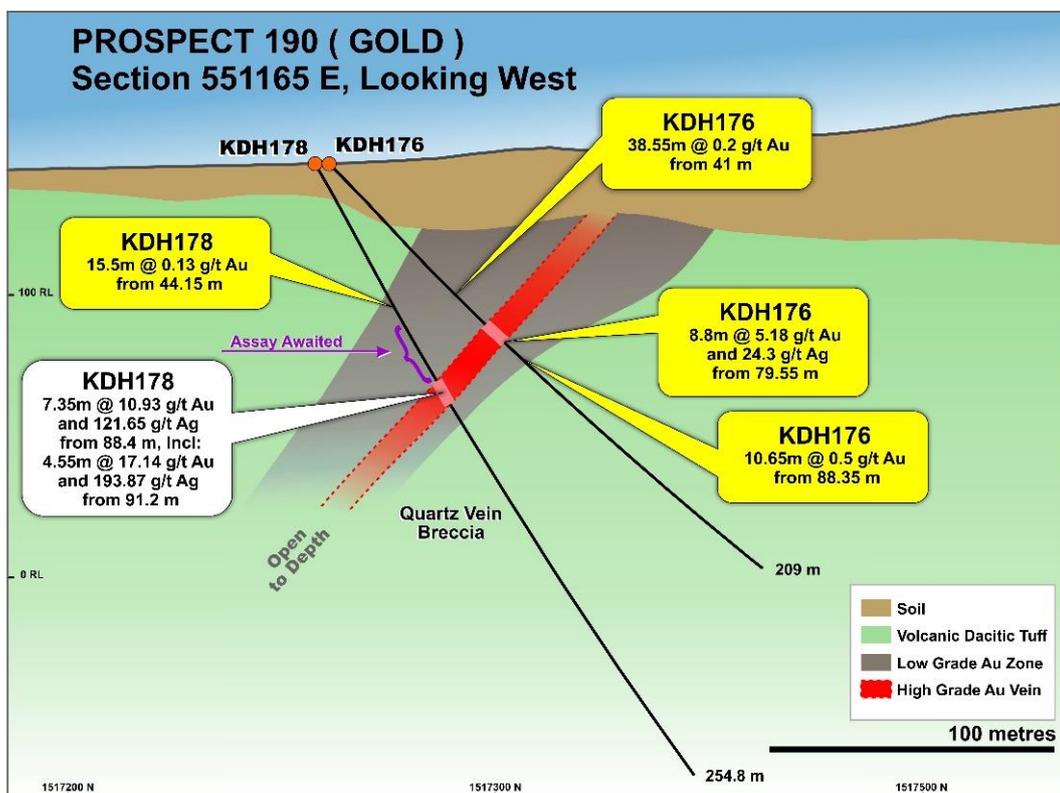


Figure 7: Prospect 190 (Gold) – Cross section showing new drilling results. New results are labelled in yellow.

## Prospect 128

Drilling at Prospect 128 has continued to extend the zone of mineralisation to depth and to the west. Recent results highlight both good grade and widths of the copper mineralisation.

As exploration continues, our understanding of the geology at Kou Sa continues to improve. At Prospect 128, there are 3 distinct repetitive mineralised zones, which currently extend over a 400m area. Certain zones are still open at depth and to the south-west. This mineralisation is of similar style to the Prospect 160 mineralisation in that it was formed, largely, as limestone units were replaced by copper-rich solutions from a deeper source. This model suggests that similar limestone units along strike may also be mineralised by a similar source. IP geophysical surveys highlight a chargeability anomaly of approximately 4kms running between Prospects 160 and 128, which reinforces this model. There is also potential for deeper repetitions of the limestone units that have been mineralised by the same method. Both of these models are being utilised to target drilling, designed to test the potential extent of Prospect 128.

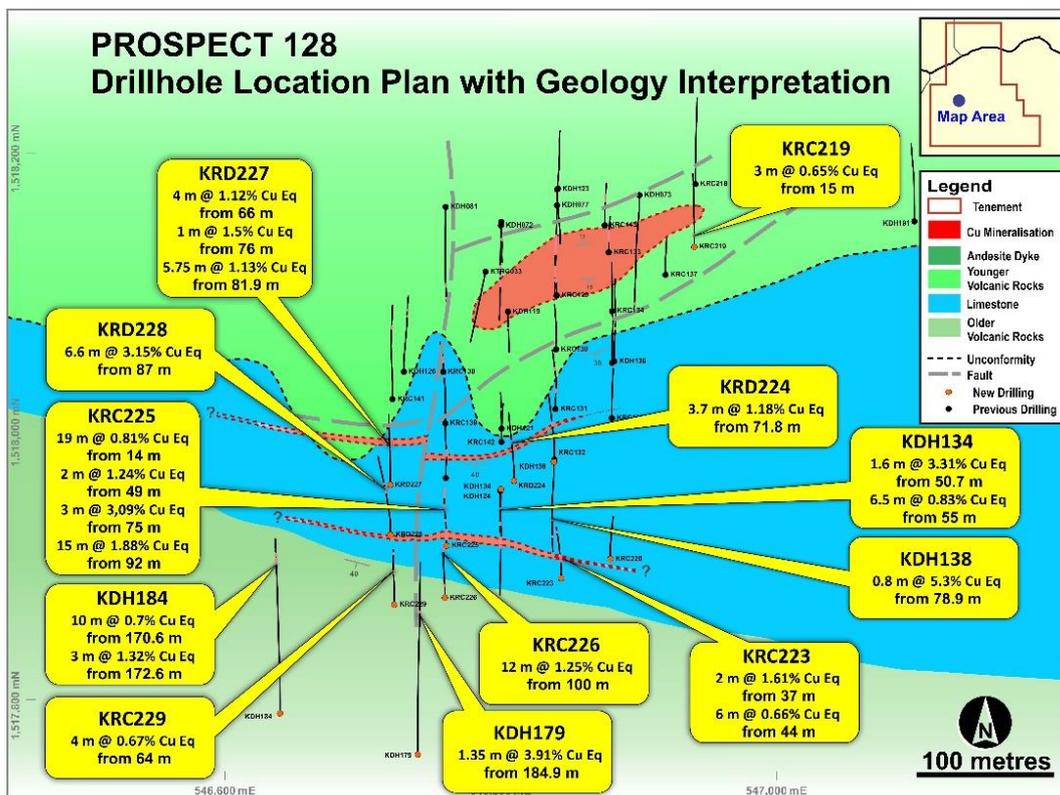


Figure 8: Prospect 128 – Plan showing new drilling results and current mineralisation extents

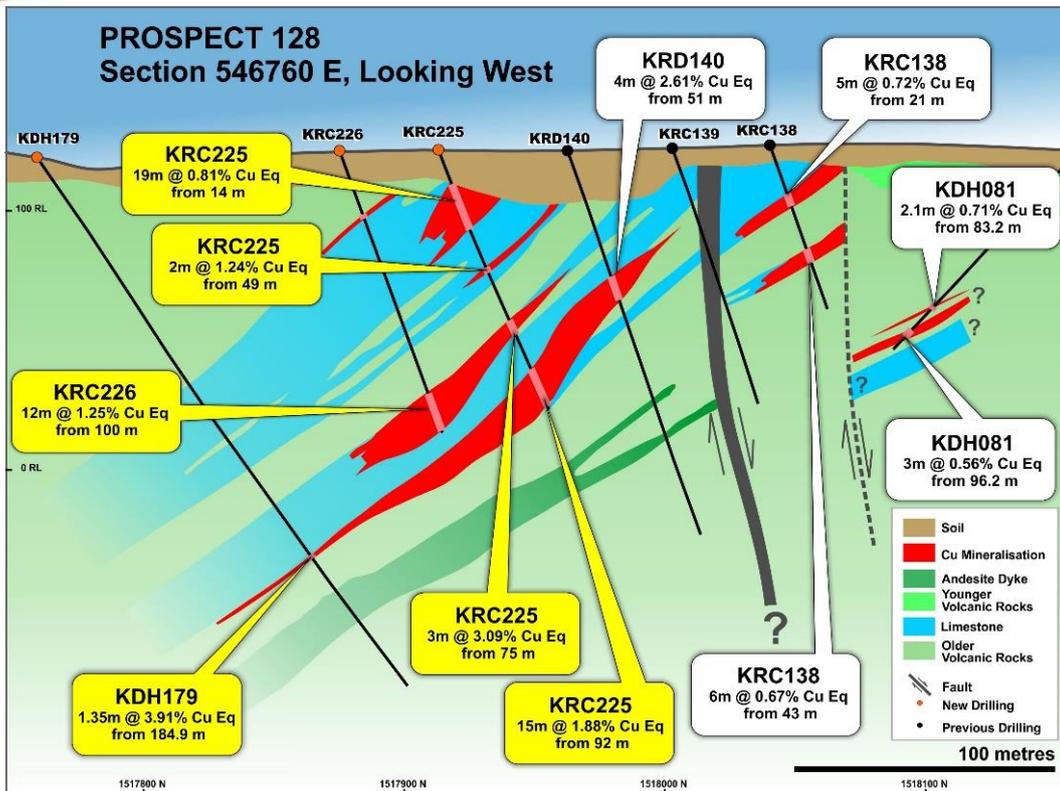


Figure 9: Prospect 128 – Cross section showing new drilling results and geological interpretation.

### 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 floated on the ASX with the gold projects in Fiji.

Geopacific has five Projects located on the two main islands of Fiji – Viti Levu and Vanua Levu (*Figure 7*). The Nabila, Rakiraki, Sabeto and Vuda Projects are located in the highly-prospective north-east trending zone that also hosts the world-class Vatukoula and Mt. Kasi gold mines.

Geopacific believes that the Fijian assets hold significant value and a full review of the Projects was completed and assessed during the Quarter. As result work has recommenced at The Nabila Project initially at the Faddy's Prospect.



**Figure 10: Fiji - Gold projects location map**

### Faddy's Gold Prospect

In order to leverage the potential at Faddy's Prospect, Geopacific reviewed the existing geological and metallurgical information from two perspectives; short-term commercialisation through toll milling, and long-term development of a stand-alone mine.

A diamond rig has been tasked to undertake infilling of the higher grade, central portion of the mineralisation then stepped out to consolidate the potential of this zone along strike. The aim of the drilling program will be to assess the best areas of mineralisation for commercialisation of a near-term mining option. The potential of a stand-alone processing plant will also be considered.

The planned processing facility at Lion One's Tuvatu Project is located adjacent to Geopacific's Vuda and Sabeto Projects and within easy, trucking distance on bitumen roads of Faddy's Prospect Geopacific held advanced, positive discussions with Lion One regarding the potential for toll treating ore from the Faddy's Prospect.

A review of metallurgy at Faddy's Prospect has indicated that the planned Tuvatu plant is capable of processing the mineralisation and further metallurgical test work will be undertaken to confirm this.

### Exploration at Faddy's Prospect

The Faddy's Gold Prospect is the most advanced of Geopacific's Fijian Projects, situated at the northern end of the Nabila Project. It is well located, just off the main bitumen road and 20 kilometres from the International airport at Nadi.

Several phases of exploration have previously been undertaken on the epithermal-style mineralisation; including IP geophysics, metallurgy, numerous trenches, 112 diamond and 121 RC drill holes with an inferred

resource estimate ([April 2008](#)). Several, surface, gold and base-metal anomalies have been defined from past exploration and mineralisation appears to be open along trend (north-south) and at depth.

Trenching intersected **'bonanza' high-grade gold ranging up to 233g/t Au (7.5 oz/t) in one-metre sample intervals** ([January 2009](#)). High-grade channel samples collected from the trenches include:

- **28m @ 9.71g/t Au incl. 1m of 233 g/t Au** ([January 2009](#))
- **2m of 37.5g/t Au in a road cut channel sample** ([January 2009](#))
- **1m of 19.4g/t Au in a road cut channel sample** ([January 2009](#))
- **54m @ 1.26g/t Au incl. 1m of 66g/t Au** ([January 2009](#))

Diamond drilling at the Faddy's Prospect shows that mineralisation extends to depth with individual intersection results up to **138.3g/t gold (4.46 oz/t Au)** and demonstrates continuity of high-grade gold mineralisation:

- **22m @ 4.0 g/t Au from 73m incl. 0.5m @ 73.2 g/t Au** ([November 2008](#))
- **11m @ 4.24g/t gold from 156m incl. 1.0m of 13.0g/t Au, 72g/t Ag, 4.43% Zn, 2.06% Pb and 0.62% Cu from 166m** ([July 2010](#))

#### **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.

The information in this report that relates to Exploration Results from the Woodlark project are based on information compiled by Mr. Lee Spencer. Mr Spencer was the CEO of Kula Gold Limited until 1 July 2013 and remains on the Kula Gold Board as a Non-executive director. Mr. Spencer is a Member of The Australasian Institute of Mining and Metallurgy and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which 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. Spencer consents to the inclusion in the report of these matters based on information in the form and context in which it appears.

The information in this announcement that relates to the Mineral Resource estimates for Kulumadau, Busai and Woodlark King is based on information compiled by Mr. John Doepel, Principal Geologist for Continental Resource Management Pty Limited (Resource Report, Woodlark Island). CRM has acted as independent consulting geologist to WML since 2005 and has undertaken several visits to the island and to the sample preparation facilities. Mr. Doepel is a Member of The Australasian Institute of Mining and Metallurgy and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which 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. Doepel consents to the inclusion in this announcement of these matters based on information in the form and context in which it appears.

The information in this announcement that relates to Ore Reserves is based on information compiled by Mr. Linton Putland, Principal of LJ Putland & Associates and a consultant to Kula Gold's 100% subsidiary, Woodlark Mining Limited. Mr. Putland is a Member of The Australasian Institute of Mining and Metallurgy and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which 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. Putland consents to the inclusion in this announcement of these matters based on 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. Kula Gold 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.

### *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
<b>SPL 1216</b>	Nabila - Fiji	-	-	100 %
<b>SPL1415</b>	Kavukavu - Fiji	-	-	100 %
<b>SPL 1361</b>	Sabeto – Fiji	-	-	100 %
<b>SPL 1368</b>	Vuda - Fiji	-	-	100 %
<b>SPL 1231</b>	Raki Raki - Fiji	-	-	50 %
<b>SPL 1373</b>	Qalau - Fiji	-	-	50 %
<b>SPL 1436</b>	Tabuka - Fiji	-	-	50 %
<b>SPL 1493</b>	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 158km<sup>2</sup>.

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

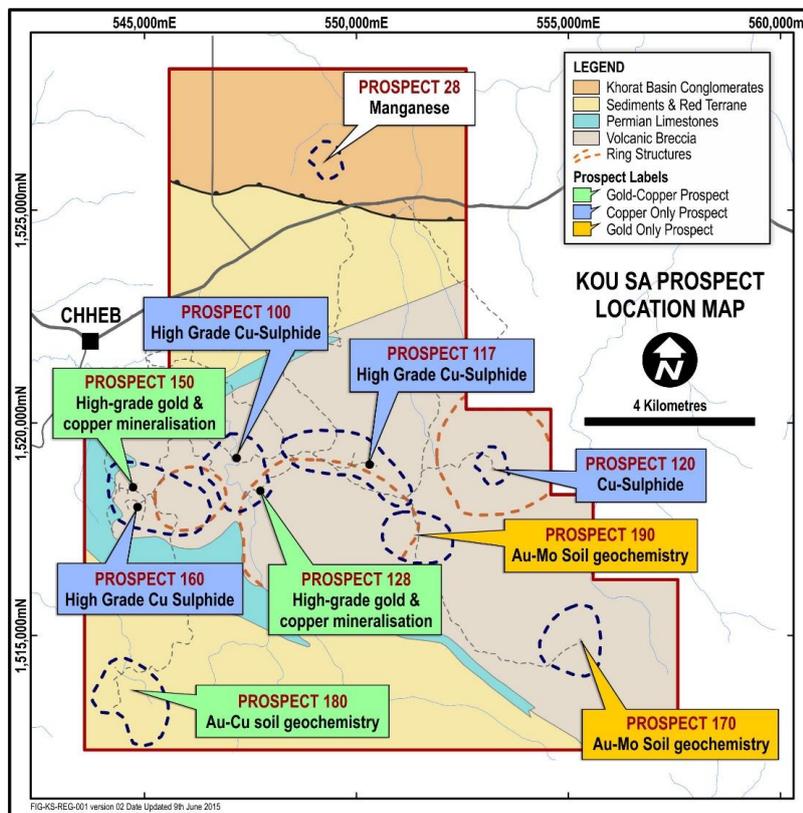


Figure 11: Kou Sa Prospect Location Map

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 – Drilling Details 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 Drill Results

Prospect 190 Gold– Diamond Drilling					
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

Prospect 128 – Diamond Drilling							
Hole ID	From	Interval	Au (g/t)	Ag (g/t)	Cu (%)	Cu eq. (%)	Zn (%) <sup>1</sup>
KDH134	50.70	1.60	0.03	35.71	2.97	3.31	7.35
KDH134	55.00	6.50	0.07	6.65	0.73	0.83	2.20
KDH138	78.90	0.80	0.01	4.40	5.25	5.30	0.06
KDH179	184.90	1.35	0.04	7.60	3.82	3.91	0.14
KDH184	170.60	10.00	0.05	4.02	0.63	0.70	1.11
incl.	172.60	3.00	0.03	5.07	1.25	1.32	1.86
KRD224	71.80	3.70	0.02	4.08	1.13	1.18	0.44
KRD227	66.00	4.00	0.05	4.10	1.06	1.12	0.76
KRD227	76.00	1.00	0.93	101.00	0.04	1.50	1.11
KRD227	81.90	5.75	0.06	6.06	1.04	1.13	0.58
KRD228	87.00	6.60	0.02	7.93	3.07	3.15	1.79

Prospect 128 – RC Drilling							
Hole ID	From	Interval	Au (ppm)	Ag (ppm)	Cu (%)	Cu eq. (%)	Zn (%) <sup>1</sup>
KRC219	15.00	3.00	0.02	3.40	0.61	0.65	1.31
KRC223	37.00	2.00	0.02	7.85	1.53	1.61	3.01
KRC223	44.00	6.00	0.02	2.73	0.62	0.66	1.22
KRC225	14.00	19.00	0.03	4.33	0.76	0.81	0.12
KRC225	49.00	2.00	0.01	4.95	1.19	1.24	0.07
KRC225	75.00	3.00	0.01	8.30	3.01	3.09	0.59
KRC225	92.00	15.00	0.03	6.69	1.81	1.88	0.34
KRC226	100.00	12.00	0.01	5.51	1.19	1.25	0.83
KRC229	64.00	4.00	0.02	3.23	0.63	0.67	0.54

<sup>1</sup> Zinc not included in copper equivalent calculation

### Drilling Summary by Prospect

Prospect 190 (Gold)								
Hole ID	Prospect	Type	Easting	Northing	RL	Depth	Dip/Azi	Analysis Status
KDH176	190	DDH	551166.5	1517292	146.1	209	-45 / 360	Results Returned
KDH178	190	DDH	551166.5	1517287	146.9	254.8	-60 / 360	Results Returned
KDH180	190	DDH	551127	1517245	146.0	197.8	-53 / 360	Results Returned
KDH181	190	DDH	551127	1517245	145.8	218.5	-68 / 360	Awaiting Results

Prospect 128								
Hole ID	Prospect	Type	Easting	Northing	RL	Depth	Dip/Azi	Analysis Status
KDH134	128	DDH	546800	1517953	122.2	114.4	-45 / 180	No Significant Results
KDH136	128	DDH	546882	1518047	125.3	88.6	-45 / 360	Released
KDH138	128	DDH	546839	1517974	123.1	95.8	-45 / 180	Released
KDH140	128	DDH	546842	1518174	125.5	135.7	-70 / 360	No Significant Results
KDH179	128	DDH	546740	1517760	119.4	247.6	-55 / 360	Released
KDH184	128	DDH	546640	1517790	124.0	198.5	-50 / 360	Released
KRC218	128	RC	546941	1518177	126.9	118	-60 / 360	No Significant Results
KRC219	128	RC	546940	1518131	126.3	111	-60 / 360	Released
KRC220	128	RC	546879	1517903	121.8	80	-70 / 360	No Significant Results
KRC223	128	RC	546844	1517889	123.2	112	-70 / 360	Released
KRC225	128	RC	546761	1517913	123.6	109	-70 / 360	Released
KRC226	128	RC	546759	1517875	123.2	116	-70 / 360	Released
KRC229	128	RC	546723	1517870	123.7	112	-70 / 360	Released
KRD140	128	RC/DD	546760	1517962	123.5	157.2	-70 / 360	Released
KRD224	128	RC/DD	546810	1517960	122.5	129.4	-70 / 360	Released
KRD227	128	RC/DD	546720	1517957	124.9	152.9	-70 / 360	Released
KRD228	128	RC/DD	546720	1517921	125.1	155.6	-70 / 360	Released

#### 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.

## Appendix B – Woodlark Island Resources and Reserves

### Woodlark Island Gold Project Mineral Resources

Report as per JORC2004  
 As of July 2012 at a 0.5g/t Au lower cutoff

Deposit	Category	Resource (Mt)	Grade (Cut) (g/t Gold)	Gold (Cut) (Oz)
Kulumadau	Measured	5.0	1.78	285,000
Kulumadau	Indicated	4.4	1.75	245,000
Kulumadau	Inferred	8.6	1.4	375,000
Kulumadau	Totals	18.0	1.6	910,000
Busai	Measured	3.9	1.54	190,000
Busai	Indicated	10.4	1.4	480,000
Busai	Inferred	8.8	1.3	370,000
Busai	Total	23.1	1.4	1,040,000
Boniavat	Indicated	3.0	1.2	115,000
Boniavat	Inferred	1.0	1.8	60,000
Boniavat	Total	4.0	1.4	175,000
All	Measured	8.9	1.67	480,000
All	Indicated	17.8	1.5	840,000
All	Inferred	18.5	1.4	800,000
<b>Totals*</b>		<b>45.1</b>	<b>1.5</b>	<b>2,120,000</b>

Note 1: Totals may appear incorrect due to rounding  
 Note 2: The Busai Indicated Resource includes 0.4Mt @ 1.4/t Au for 20,000oz from overlying alluvial mineralisation.  
 Note 3: The Busai Inferred Resource includes 0.4Mt @ 1.2/t Au for 15,000oz from overlying alluvial mineralisation and 3.9Mt @ 0.9g/t Au for 110,000oz from Munasi (2km southeast of Busai).  
 Note 4: The Boniavat Inferred Resource includes 0.3Mt @ 3.0g/t for 30,000oz Au from Watou (1.5km south of Woodlark King).  
 Note 5: All Resources based on a 0.5g/t gold cut-off grade  
 Note 6: There have been no material changes to the reported Resources from what was previously reported under the 2004 JORC code

### Woodlark Island Gold Project Mineral Resources

Report as per JORC2004  
 As of July 2012 at a 1g/t Au lower cutoff

Totals may appear incorrect due to rounding

Resource Category	Resource (Mt)	Au Cut (g/t)	Au Oz Cut
Measured	5.1	2.34	385,000
Indicated	7.6	2.5	615,000
Inferred	7.0	2.4	545,000
Totals	19.7	2.45	1,550,000

### Woodlark Island Gold Project Ore Reserves

Report as per JORC2004  
 As of July 2012 at variable lower cutoffs

Totals may appear incorrect due to rounding

Deposit	Proved			Probable			Total		
	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces
Busai	3,283,000	2.2	233,000	2,811,000	1.9	175,000	6,094,000	2.1	408,000
Kulumadau	3,144,000	2.2	223,000	751,000	2.4	59,000	3,863,000	2.3	282,000
Woodlark King				704,000	1.7	39,000	704,000	1.7	39,000
Kulumadau East				330,000	3.7	37,000	330,000	3.7	37,000
<b>Total</b>	<b>6,427,000</b>	<b>2.2</b>	<b>456,000</b>	<b>4,596,000</b>	<b>2.1</b>	<b>310,000</b>	<b>10,991,000</b>	<b>2.2</b>	<b>766,000</b>

The information in the three tables above was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.