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**GEOPACIFIC RESOURCES LIMITED**  
ACN 003 208 393

**ASX Code: GPR**

info@geopacific.com.au  
www.geopacific.com.au

**AUSTRALIAN OFFICE**

Level 1, 278 Stirling Highway  
Claremont, WA 6010.  
PO Box 439,  
Claremont, WA 6910.  
T +61 8 6143 1823

**FIJI OFFICE**

PO Box 9975  
Nadi Airport  
Nadi  
T +679 6 72 7150  
F +679 6 72 7152

**DIRECTORS**

Chairman: Milan Jerkovic  
Managing Director: Ron Heeks  
Non-Exec Director: Mark Bojanjac  
Company Secretary: John Lewis

**PROJECTS**

CAMBODIA:  
Kou Sa Copper

**FIJI:**

Nabila Gold  
Rakiraki Gold  
Sabeto Gold-Copper  
Vuda Gold-Copper  
Cakaudrove Gold-Silver

**PAPUA NEW GUINEA:**

Woodlark Island Gold

## WOODLARK EXPLORATION UPSIDE

The Board of Geopacific Resources Limited (Geopacific) is pleased to announce an update on the exploration potential of the Woodlark Gold Project (Woodlark).

The current resource for Woodlark is **45.1 million tonnes @ 1.50g/t of gold for 2.12 million ounces**, including **800,000 ounces in inferred** (Table 1).

### One reason that makes Woodlark so attractive is its sizeable potential for expansion

Geopacific's focus is to maximise the development potential of Woodlark in the shortest possible timeframe, alongside this work Geopacific will establish which areas hold the greatest potential to add substantially to the resources.

Recently completed geological modelling and geophysics have been added to the geological 'arsenal' at Woodlark. This will enable accurate exploration targeting for drillholes with significant potential to extend the goldfield.

The successful \$15m placement has provided funds to enable Geopacific to finalise and deliver the development plan to achieve the 1.2 million ounce target gold reserve and consequently earn 51% of Woodlark.

#### HIGHLIGHTS – EXPLORATION

- Refreshed view on exploration potential by experienced team
- Significant potential to increase resources surrounding around known areas
- Numerous exploration targets identified
- Geophysics identified as beneficial to exploration targeting

**Geopacific Managing Director Ron Heeks said:**

*“When you look at the size of the average deposit in the region around Woodlark, a deposit with five million ounces is still quite small. Woodlark already has over two million ounces, situated in just a couple of areas.*

*Current deposits have only been tested to shallow depths and mineralisation along strike remains open in most areas. The potential at depth and along strike, combined with the extensive potential in new areas makes it is easy to see why we believe that increasing current resources is achievable.”*

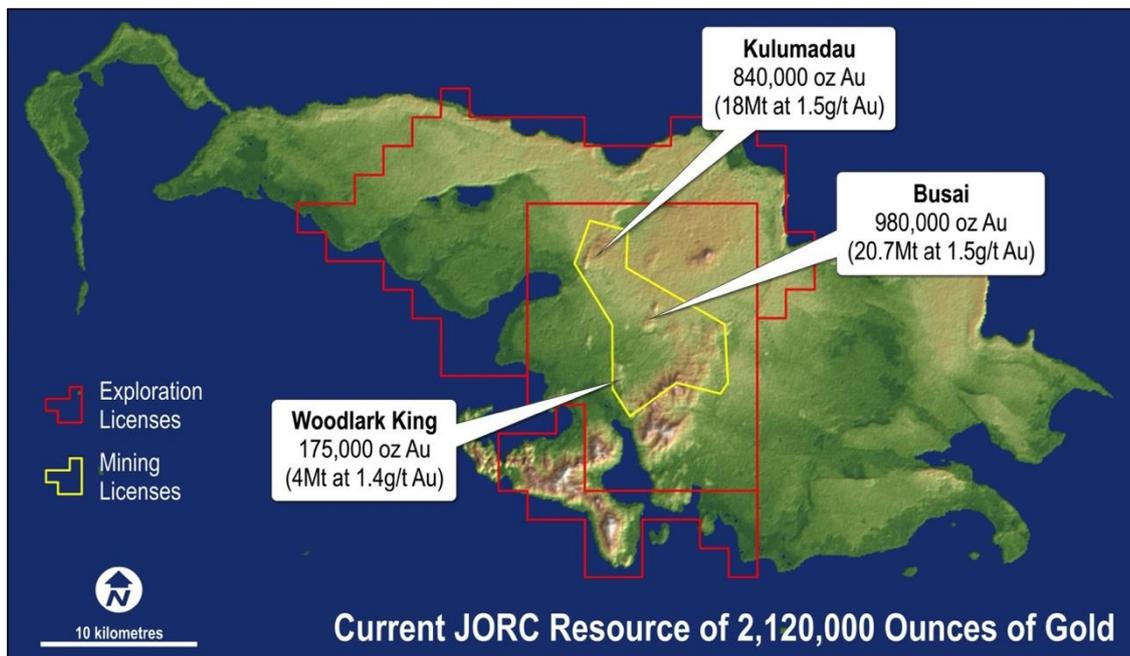


## Historic exploration

There was a time when the majority of Woodlark was submerged beneath the ocean. Resulting from this time, there is an approximately ten metre thick layer of limestone covering most of the island. It is known as the coronus layer and was formed by the coral that covered the island during the period of submersion beneath the ocean.

The coronus layer, a recent addition in geological terms, rendered techniques such as geochemistry unusable and hampered previous exploration efforts.

The topographic map of the island (below) indicates the relatively flat nature of the topography. The areas of the current resources clearly stand out as topographic highs. It seems that these areas were not submerged beneath the ocean because they are exposed through the coronus layer. The fact that these areas are exposed enabled exploration targeting and resulted in the resources being located at these areas.



**Figure 1: Topographic map of Woodlark Island showing the resources at the Woodlark Gold Project**

## Impact of the coronus layer

The impact of the coronus layer has been demonstrated at the Kulumadau area. The Kulumadau West area is outcropping, which allowed it to be discovered. The Kulumadau East deposit, directly adjacent to Kulumadau West, had no geochemical signature and was only identified by sterilisation drilling for the waste dump location.

This highlights both the exploration potential surrounding the current areas of drilling and that zones of mineralisation exist below the coronus layer. Geophysical techniques have recently been proven to provide a cost-effective solution to targeting mineralisation below the coronus layer.

The coronus layer will need to be removed as pre-strip in the future and will most likely be utilised to construct haul roads. This material is relatively easy to remove and good for construction. It has been used effectively on the island – with the construction of an airstrip during world war two. The airstrip is in good condition and remains in use.

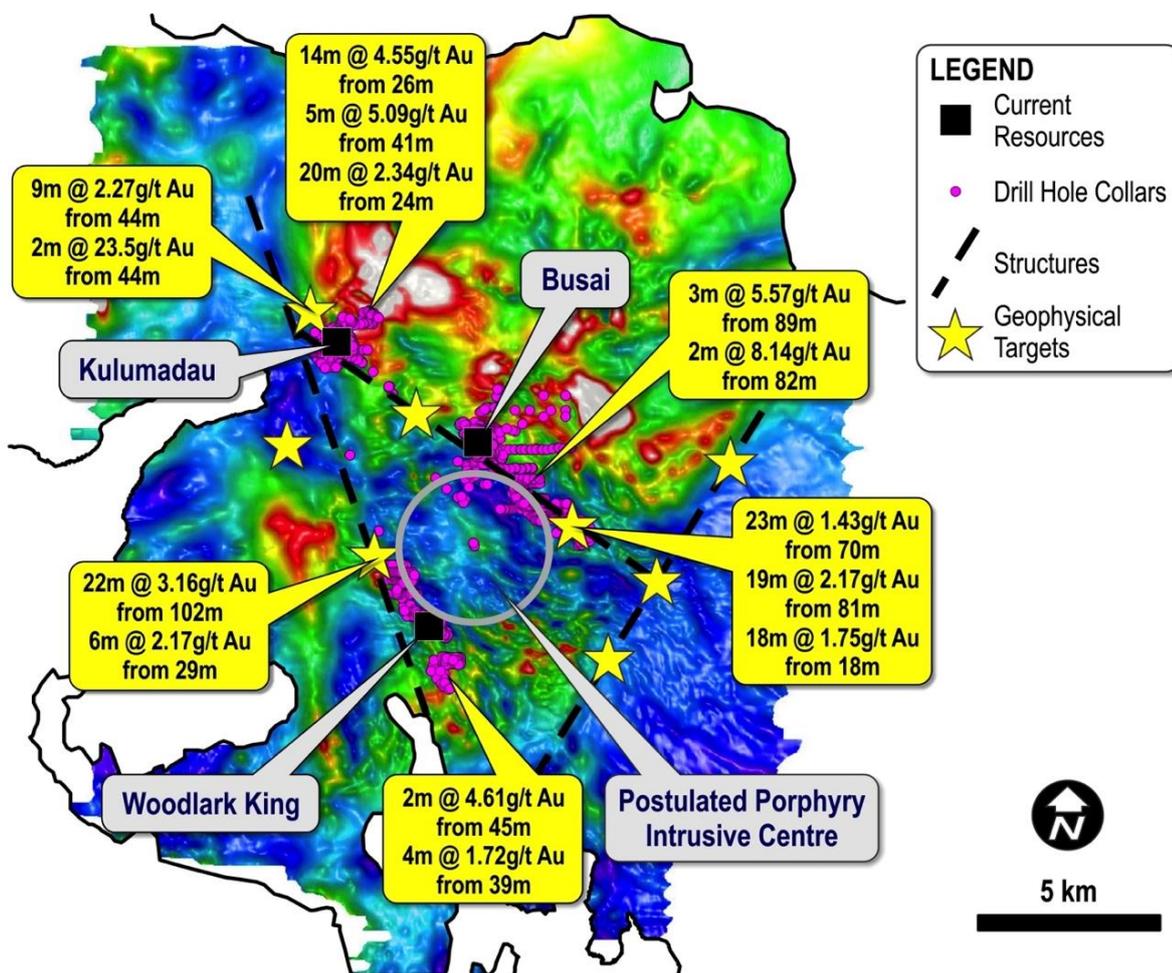
It is also possible that the coronus material may be used to provide lime to the future processing plant.

## Exploration potential

### Regional exploration

Numerous targets across the project have been identified with scout drilling and more recently with aeromagnetic surveys and Induced Polarisation (IP) geophysics, which are able to provide a 'window' through the coronus layer. Geopacific's assessment of the drilling inventory combined with information from new geophysical surveys has led to the belief that Woodlark holds the potential to host a goldfield, significantly larger than current resources.

The drilling inventory at Woodlark is enormous for a junior company, with over 220,000 metres of RC and 45,000 metres of diamond drilling. Less than half of the drilling falls within the main areas of the resource, meaning that more than half of the drilling has generated exploration targets across the project.



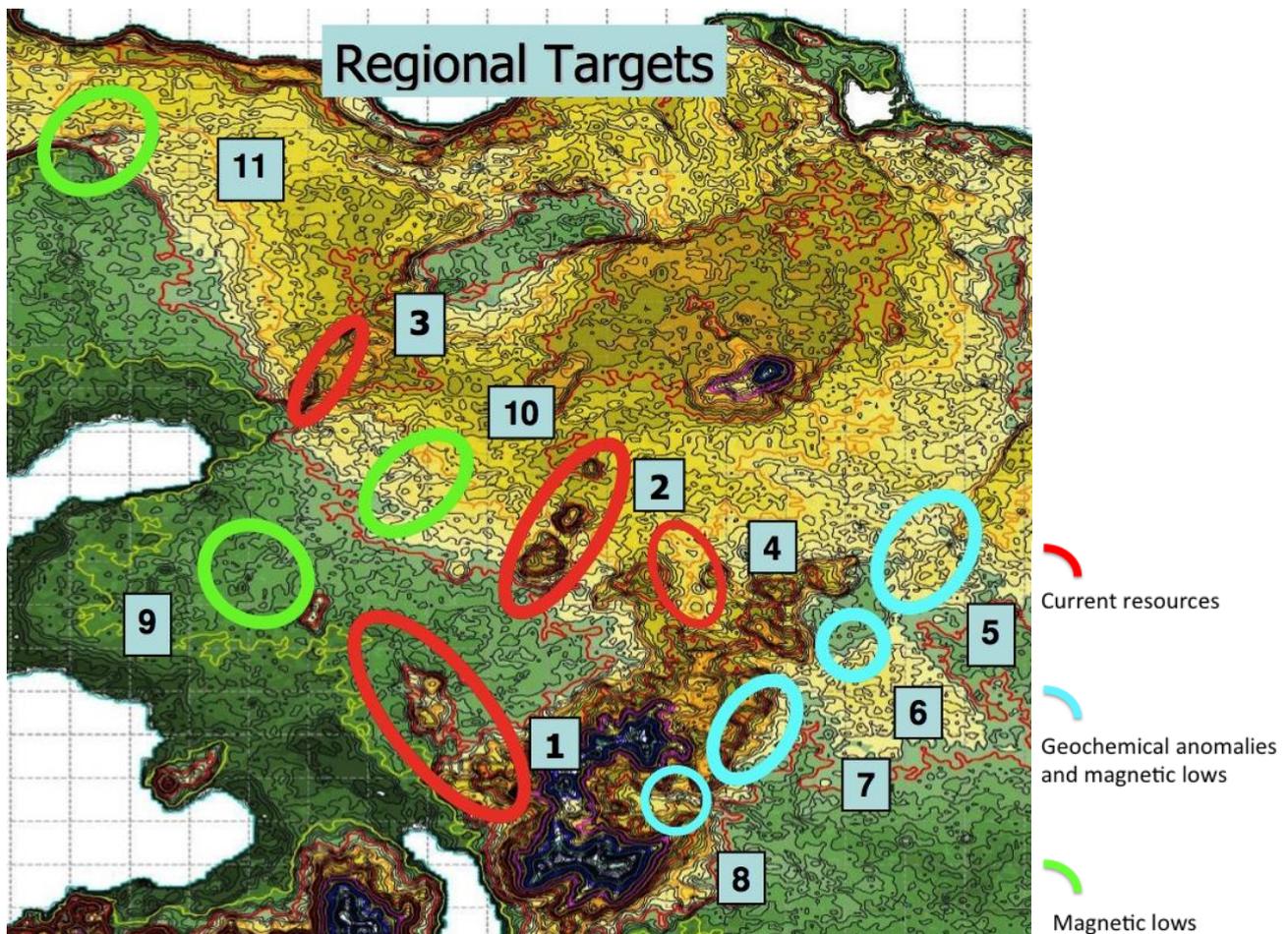
**Figure 2: Aeromagnetic survey at the Woodlark Gold Project showing magnetic lows in blue**

Magnetic lows indicate zones of magnetite destruction typically associated with epithermal mineralisation. The high degree of correlation between magnetite lows and drilling results in the areas of the current resources have confirmed the ability to use magnetics as a valid exploration targeting technique.

Figure 2 above clearly demonstrates that the areas of the current resources fall within areas of magnetic lows, shown in blue. Target areas are marked with yellow stars along the interpreted structures of the magnetite lows.

Current resources and regional targets are marked on the topographic map below in Figure 3:

- **Current resources:** 1) Woodlark King, 2) Busai, 3) Kulumadaw and 4) Munasi
- **Geochemical anomalies with magnetic lows:** Targets 5 – 8
- **Magnetic lows:** Targets 9 – 11



**Figure 3: Topographic map showing regional targets and resources at the Woodlark Gold Project**

### Drilling in areas of current resources

As part of the initial development plan Geopacific will undertake selected drilling in areas of existing inferred resources with the aim of moving them into Measured and Indicated categories with infill drilling. It is reasonable to expect that this drilling has the potential to increase the resource category and the resource base of the project.

### Exploration model

Limited exploration has been undertaken at Woodlark since 2011. In the years since the initial drilling a considerable amount of effort has been applied to determining exploration models and investigating techniques for improving exploration success. This work highlighted the potential to use geophysics to facilitate cost-effective exploration beneath the coronus layer. Geophysics and drilling should build on this knowledge base to assist in increasing resources as additional work is undertaken.

The mineralisation at Woodlark has been driven by a deep, porphyry intrusive system centred south of the Busai area. It would appear that smaller, late-stage offshoots to the large intrusive have intruded surrounding areas and created localised zones of mineralisation.

**Geophysics suggests that several other offshoots from the large intrusive also exist. Combined with mineralisation surrounding the larger central intrusive, the greater system at Woodlark has significant potential to produce further zones of mineralisation, typical of the region.**

The Kulumadau area is an example of a smaller ring structure over an intrusive.

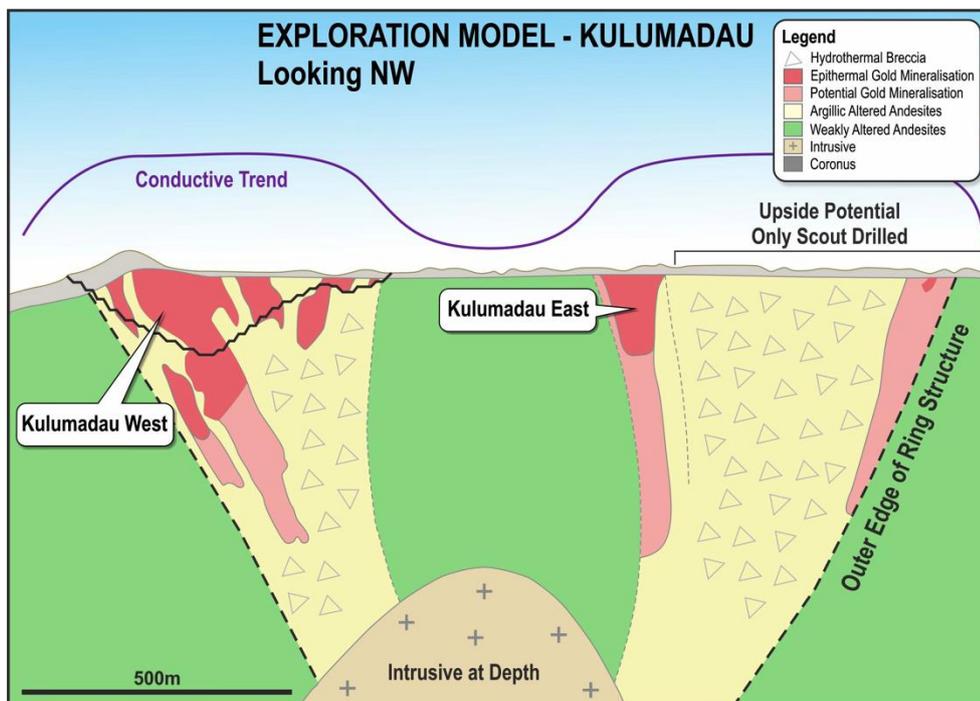
### Exploration model demonstrated at the Kulumadau area

The figure below shows a cross section through the Kulumadau area with near-surface, epithermal-gold mineralisation driven by a deep, porphyry intrusive.

The thin veneer of the coronus layer (light grey), which impacted past exploration, can be seen covering the mineralisation. Drilling across the area has discovered near-surface, epithermal mineralisation with the Kulumadau East area being discovered by sterilisation drilling for the waste dump. The ability to 'look through' the coronus is greatly aided by geophysics techniques, which have been proven to be valid exploration targeting tools for the Woodlark project.

Recent Induced Polarisation (IP) geophysics over the Kulumadau system has indicated that an obvious conductive geophysical anomaly has been generated by the mineralisation. As this technique has been able to 'see through' the coronus layer it will be one of the primary exploration techniques used to expand the current resources and identify new targets. Combined with the extensive regional drilling database the geophysics will assist with prioritising exploration in future.

Substantial exploration and expansion potential remains at the Kulumadau area with only scout drilling across numerous wide areas. Geopacific's development plan will include assessing this potential.

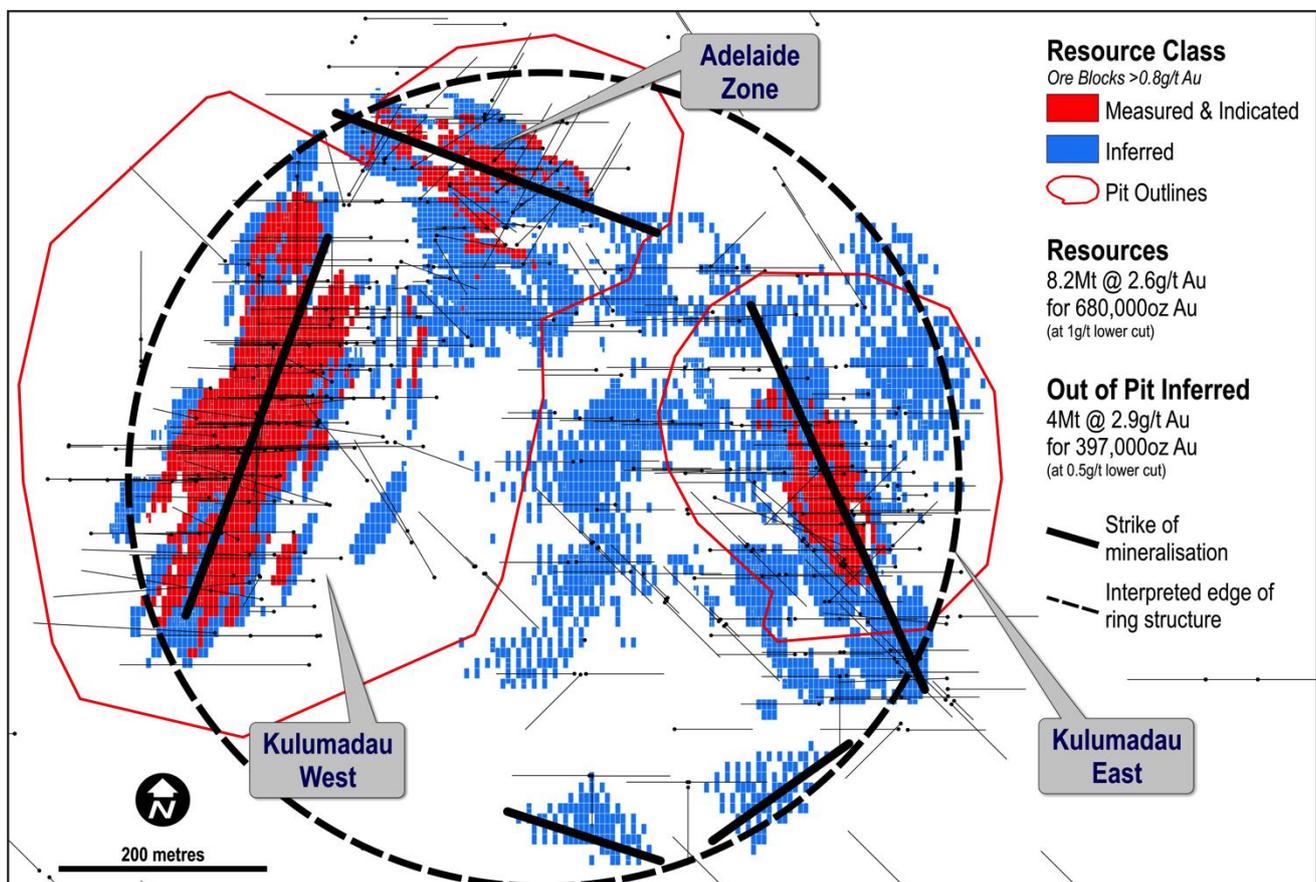


**Figure 4: Cross section showing the exploration model at Kulumadau with an intrusive at depth forming a ring structure near surface.**

Looking at the Kulumadau area from above, the ring structure can clearly be seen in the plan view of the resources (below). The mineralisation forms a circle, following the interpreted structure (black dash line), running clockwise from Kulumadau West area.

As part of the circular structure, mineralisation at the Kulumadau West area runs north-south and is open in both directions. Mineralisation at the Adelaide zone runs approximately east-west and is open in both directions. Mineralisation at the Kulumadau East area runs approximately north-south and is open in all directions. This is the resource that was discovered with sterilisation drilling; demonstrating that mineralisation below the coronus layer can be abundant.

The two areas of inferred mineralisation to the south continue the circle. It is expected that selective, targeted infill drilling will allow upgrading of the Inferred mineralisation to Measured and Indicated categories and potentially increase the resources.



**Figure 5: Plan view of the resources at Kulumadau showing the strike of mineralisation and interpreted structure**

## Next steps

Geopacific's focus is to maximise the development potential of Woodlark in the shortest possible timeframe. Geopacific's target is to deliver an overall reserve of 1.2 million ounces of gold, in accordance with the earn-in transaction to acquire up to 80% of Woodlark from Kula Gold Limited (Kula). Woodlark is considered a development project, rather than an exploration play, because this target can be achieved without finding any new mineralisation.

In the short term Geopacific's primary focus is to progress Woodlark by defining a development plan, which will allow the Company to define the target reserve. This reserve is an incentive target and achieving it will earn Geopacific 51% of the project.

Work undertaken to date is encouraging, highlighting substantial potential at all deposits, in surrounding areas and across the wider project.

Once the reserve target is reached the upside potential of Woodlark will become the focus, with geophysics and drilling forming the basis of future work. Both of these methods will be used to 'look below' the coronus layer for new deposits or extensions to the current resources.

## **CONTACT**

For further information on this update or the Company generally, please visit our website at [www.geopacific.com.au](http://www.geopacific.com.au) or contact:

**Mr Ron Heeks**

**Managing Director**

### **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 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 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 the announcement 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.

## Appendix 1 – Table 1

Report as per JORC2012  
 As of July 2012 at 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
	Indicated	4.4	1.75	245,000
	Inferred	8.6	1.4	375,000
	<b>Totals</b>	<b>18.0</b>	<b>1.6</b>	<b>910,000</b>
Busai	Measured	3.9	1.54	190,000
	Indicated	10.4	1.4	480,000
	Inferred	8.8	1.3	370,000
	<b>Totals</b>	<b>23.1</b>	<b>1.4</b>	<b>1,040,000</b>
Woodlark King	Indicated	3.0	1.2	115,000
	Inferred	1.0	1.8	60,000
	<b>Totals</b>	<b>4.0</b>	<b>1.4</b>	<b>175,000</b>
All	Measured	8.9	1.67	480,000
	Indicated	17.8	1.5	840,000
	Inferred	18.5	1.4	800,000
<b>Totals</b>	<b>All</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 Resources includes 0.4Mt @ 1.2/Au for 15,000oz from overlying alluvial mineralisation and 3.9Mt @ 0.9g/t Au for 110,000oz from Munsai (2km southeast of Busai)

Note 4: The Bonivat Inferred Resource includes 0.3Mt @ 3.0g/t for 30,000oz Au form Watou (1.5km south of Woodlark King)

Note 5: All Resources based on 0.5g/t gold cut-off grade