

ASX Code: KGD
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ASX Announcement

The board of Kula Gold Limited (ASX: KGD) ("**Kula**") advises that joint venture partners Geopacific Resources Limited (ASX: GPR) ("**Geopacific**") have released the following DFS update announcement on the Woodlark Island gold project.

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Woodlark Definitive Feasibility Study update

Geopacific Resources Limited (Geopacific **ASX:GPR**) is pleased to provide an update on the Definitive Feasibility Study (DFS) for the Woodlark Gold Project (Woodlark). The DFS commenced in March 2018 following the completion of the Pre-Feasibility Study (PFS), the outcomes of which supported Woodlark's future development.

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

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

The breadth and rigour of the PFS work supports the targeted completion of the DFS in Q3 2018.

The [PFS was released in March 2018](#) and determined that Woodlark has the characteristics required to support robust, low-cost, low-strip ratio, open pit operation that can deliver an average output of 100Koz Au per annum over an initial mine life of 10 years. Other key outcomes of the PFS include:

- Free milling ore, with recovery of 92% for first five years
- Up to 60% of gold recoverable by gravity
- Conventional 2.4Mt.pa CIL circuit optimised with upgraded ore from year three
- Low stripping ratio of 2.5:1 for first five years
- All in sustaining cost below A\$800/oz for first two years
- Post-tax project payback of 2.2 years
- Life of mine free cashflow A\$388m (pre-tax) and A\$314m (post-tax) at A\$1,650/oz gold price
- Post-tax IRR 33%

The clearly defined exploration upside at Woodlark, including from the recent Boscalo discovery, has the potential to extend the current mine life and improve forecast economics.

Woodlark's 1.10 million ounce Reserve and 1.57 million ounce Resource are all located on a granted Mining Lease (ML508) which spans 60 square kilometres and expires in 2034. The project also has a valid environmental permit which expires in 2034.

Managing director Ron Heeks commented

"The PFS shows that Woodlark is a robust project that can surpass the critical production level of 100Koz gold per annum. We see clear potential for upside from the Woodlark PFS estimates as well as significant exploration potential within close proximity to the current 1.1Moz Reserve."

"Woodlark's PFS outcomes see the project compare favourably to competing gold development projects on key metrics including the low forecast strip ratio and short post-tax capital payback."

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