

1 August 2016

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: DEVELOPMENT PLAN – KULUMADAU

The Board of Geopacific Resources Limited (Geopacific) is pleased to announce an update on the development potential of the Kulumadau deposit at 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** (Table 1), including a reserve of **10.9 million tonnes @ 2.20g/t of gold for 766,000 ounces** (Table 2).

Geopacific is assessing the current resources at Woodlark to establish which areas hold the best potential to convert a further 500,000 ounces of gold from resources into reserves in order to deliver an overall reserve of 1.2 million ounces in accordance with the earn-in transaction to acquire up to 80% of the project from Kula Gold Limited (Kula).

The ongoing assessment began with a detailed evaluation of the Kulumadau Resource area, which is detailed in this release.

Geopacific's assessment of the Kulumadau deposit has identified significant potential to increase both resources and reserves.

The assessment used 3D modelling to demonstrate how the resources at Kulumadau are situated in relation to existing pit designs. This shows substantial inferred mineralisation surrounding the pits and includes an area with a core of >5g/t Au. These resources may be amenable to conversion with a combination of improved economics, selected drilling and updated pit designs.

Geopacific has prepared a [3D fly-through video showing the grade and resource](#) categories of the mineralisation in relation to current pit designs at Kulumadau, with an update on the potential of the Busai deposit to follow shortly.

[The video is available on Geopacific's website www.geopacific.com.au.](http://www.geopacific.com.au)

HIGHLIGHTS – KULUMADAU DEPOSIT

- Refreshed view on development and exploration potential by experienced team
- 282,000oz Au in reserve at ~1.0g/t Au lower cut
- 840,000oz Au in resource at 0.5g/t Au lower cut
- Significant potential to increase reserve
- High-grade zone adjacent to current pit
- 397,000oz Au Inferred, surrounding current pits



Geopacific Managing Director Ron Heeks said:

“Woodlark is a development project with significant exploration upside – it’s a game changer for Geopacific.”

“Our immediate task is to convert approximately 500,000 ounces from the existing resources into reserves, this will occur because of infill drilling and rebasing of the 2012 “top of market” costs used in the original project CAPEX and OPEX costs. Significantly, increasing the reserve base does not rely on new exploration success just development drilling of the existing resource. We believe the known mineralisation surrounding the Kulumadau pits, which currently contain about a third of the project reserves, will provide an excellent starting point from which to increase the reserve base of the entire project.”

Next steps

Geopacific’s focus is to maximise the development potential of Woodlark in the shortest possible timeframe.

Work undertaken to date is encouraging, highlighting substantial potential to increase reserves at all deposits. The advanced stage of this work includes a clear **development plan** to maximise resource conversion and achieve the 1.2 million ounce reserve target required to progress the earn-in agreement. Geopacific looks forward to the completion of the **development plan** and the announcement of the decision to proceed to Tranche 2 of the earn-in transaction before the end of 2016.

Development plan

Geopacific’s **development plan** will include clear milestones to improve economics and pit designs along with a drilling program to move existing Inferred Resources into the Measured and Indicated (M&I) categories with selective infill drilling.

Exploration potential

The exploration potential of Woodlark is being assessed simultaneous to the **development plan**. Scout drilling, geophysics and airborne magnetics have all successfully identified numerous targets that require follow-up exploration. These areas will be prioritised and developed as the project progresses.

Indications are that Woodlark has the **potential to be a greater than five million ounce goldfield**.

Potential to convert Inferred Resources to Indicated and Measured status

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.

Drilling density in the areas of the current reserves is high, with drill hole spacing regularly as close as seven metres. This adds greatly to the confidence of the reserve estimation, particularly in high-grade areas.

In spite of its high density, drilling in the areas of the reserves account for less than half of the overall drilling at Woodlark. This has resulted in many areas being drilled only to Inferred status with wide spaced drill patterns.

Geopacific’s **development plan** will include a drilling program targeting the areas which Geopacific has identified as having the highest potential to be upgraded.

Potential to increase current resources

The majority of the Inferred resources are situated within and surrounding the original pits designs. This mineralisation remains open along strike and at depth in most cases.

Geopacific's **development plan** will include selected drilling to increase resources surrounding the current reserves. Mineralisation has already been identified in these areas but the drill spacing was too wide to allow for its inclusion in the resource.

Potential to improve economics

The original DFS was undertaken in 2012, at the height of the mining boom. The high CAPEX and OPEX costs used in the DFS were commensurate with the environment at that time and resulted in the average cut-off grade for current resources being 1g/t (*Woodlark Island Gold Project Mineral Resources Increases, 31 July 2012*).

The change in the global economic environment and mining industry cycle provides Geopacific with a clear opportunity to re-base the CAPEX and OPEX costs of the project.

Current permitting for Woodlark supports the development of a 1.8 million tonne per annum plant. Industry average in-pit cut-off grades appropriate for a plant of this scale are in the range of 0.5 to 0.6 grams/tonne.

Geopacific's aims to achieve a cut-off grade within the standard industry range.

Potential at the Kulumadau Deposit

The first area of assessment for Woodlark is the resource conversion potential at the Kulumadau deposit.

The Kulumadau area currently covers two pits located on opposite sides of a circular geological structure. The mineralisation is derived from the same source at depth. Wide spaced drilling between the pits indicates the continuity of mineralisation and suggests that the current pits could be joined with infill drilling.

Open-cut pit shells were designed around the current M&I (red). Numerous zones of inferred mineralisation exist outside the current pit shells (**4 million tonnes at 2.9g/t gold for 397,000 ounces of gold at 0.5g/t lower cut-off grade**) making them readily amenable to conversion to M&I with infill drilling.

Resource conversion potential is demonstrated in Figure 1 below, where the resource is currently 910,000oz of gold at 0.5g/t lower cut (*Woodlark Island Gold Project Mineral Resources Increases, 31 July 2012*). Original economics and pit designs allowed for only 282,000oz Au at 1.0g/t Au lower cut to be converted to reserves.

It is now clear that the Kulumadau mineralisation has formed within a ring structure created by an intrusive at depth. The Kulumadau West and Kulumadau East deposits are on opposite sides of this structure, with the Adelaide zone on the northern margin. It is evident that the mineralisation forms circular zones around the outside of the ring structure. The internal breccia zone is also clearly mineralised. The drillhole traces detailed below show the southern margin has only been lightly drilled and largely at the wrong orientation. From the current resource model below it is clear that there are numerous zones of gold mineralisation between the existing pits as well as high-grade extensions of the mineralisation below the pits. Potential to add to the resource also exists along strike from the known mineralisation (around the margins of the ring structure) where a low drilling density and non-optimal orientation means many zones have not been effectively tested.

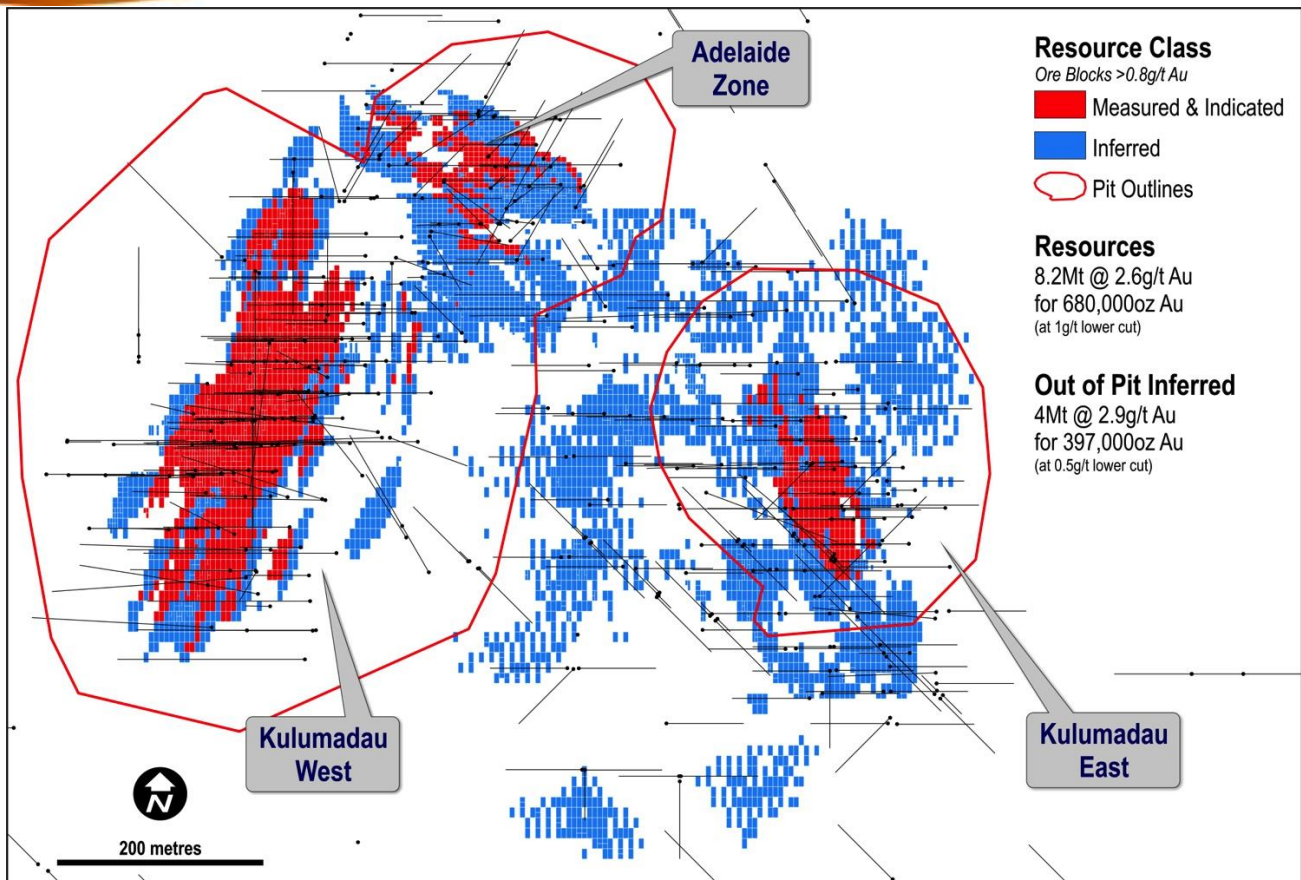


Figure 1: Resources at the Kulumadau area of the Woodlark Island Gold Project

Geopacific aims to undertake infill drilling, limited to selected areas, with a view to moving existing inferred resources into the measured and indicated categories. These areas will be selected according to Geopacific's optimisation studies, which are being used to highlight the areas that hold the greatest potential to effectively upgrade inferred resources. These will be included in the **development plan** milestones.

Existing areas of measured and Indicated resources fall outside current pit designs, clearly demonstrated in Figure 2. Rebased the OPEX costs will allow the pit shells to be redesigned with the aim being to capture an increased proportion of the measured and indicated resource and converting it into reserves.

The positioning of the M&I and Inferred resources in relation to the current pit designs can clearly be seen in the 3D model below.

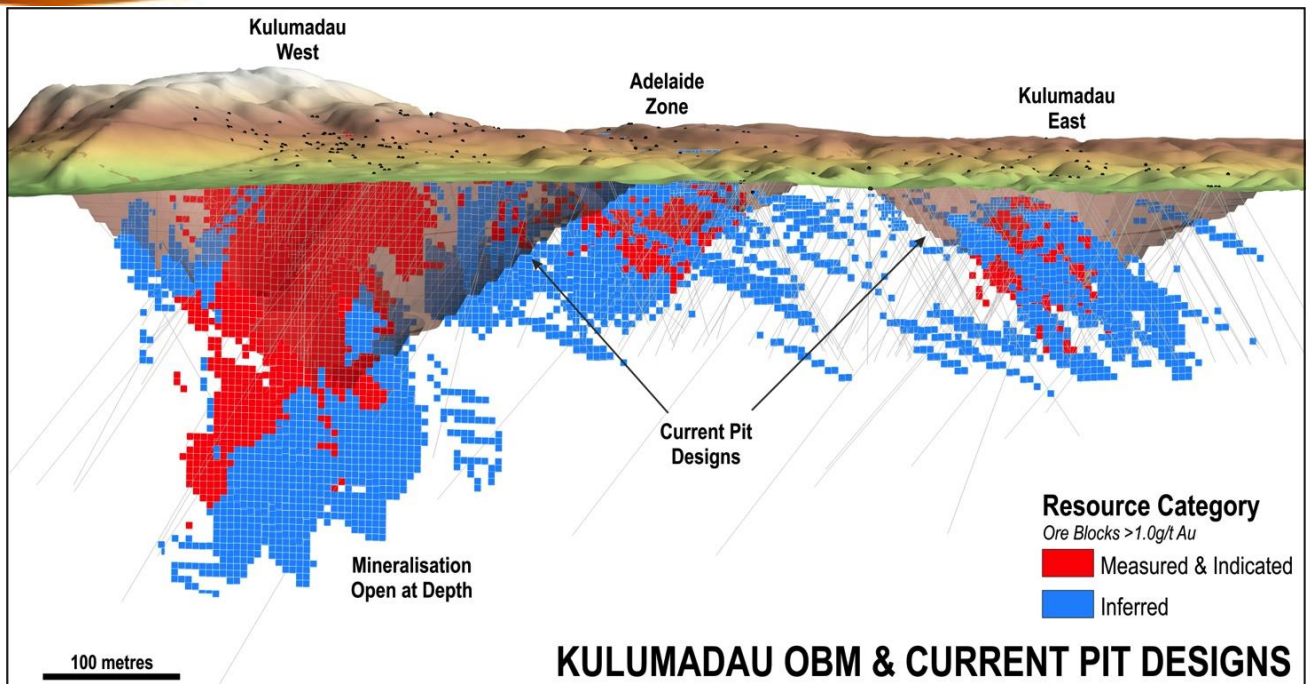


Figure 2: Both M&I and inferred resource falls outside current pit shells

The resource model in Figure 3 shows high-grade gold zones with areas greater than 5 g/t gold (magenta) which fall outside the current pit designs (M&I and inferred). The majority of this mineralisation falls in the inferred category and remains open to depth. Infill drilling will allow some of these areas to be upgraded to M&I so that improved economics will allow them to be added to the reserve base.

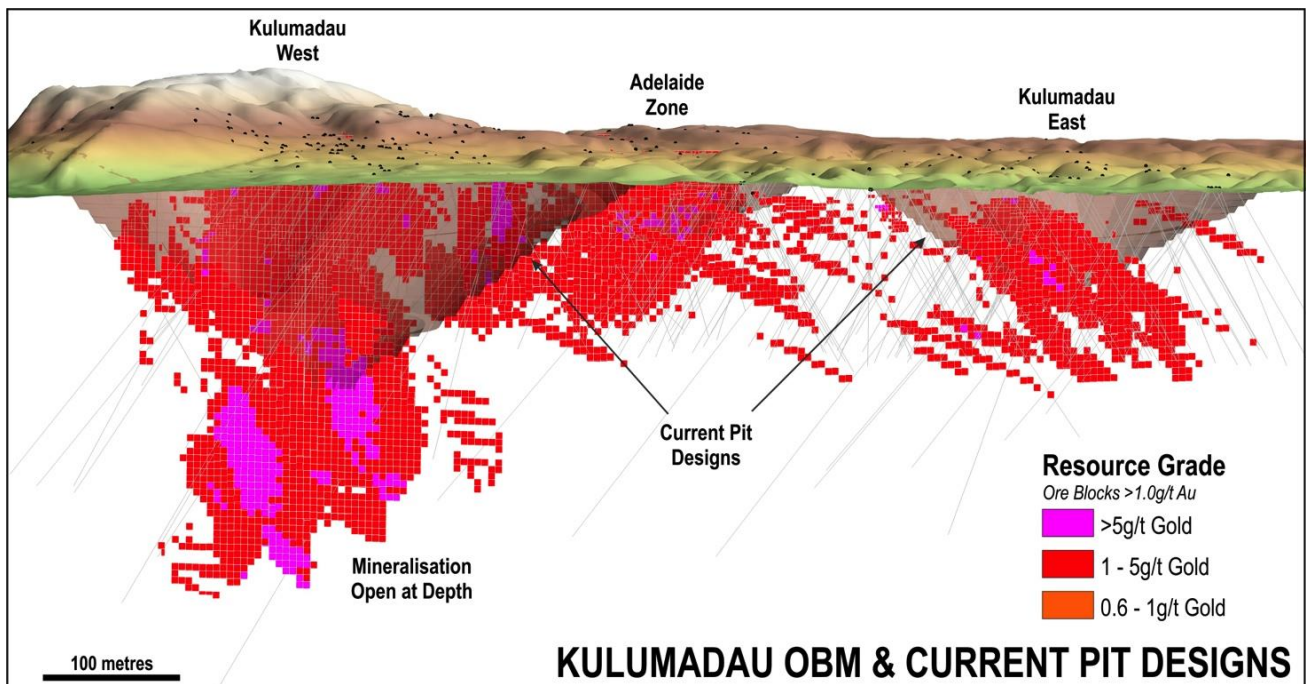


Figure 2: 3D mineralisation showing high-grade zones currently falling outside the pit shells

The potential to increase the resource is demonstrated in the section (below) of the Kulumadau West pit in Figure 4. The in-pit ore zone extends to depth. A lack of drilling below the base of pit resulted in the mineralisation being assigned to inferred status. Selected drilling has the potential to allow mineralisation such as this to be upgraded to M&I. Areas of the eastern and western margins of the current pits have not been drilled to determine whether other mineralisation is present.

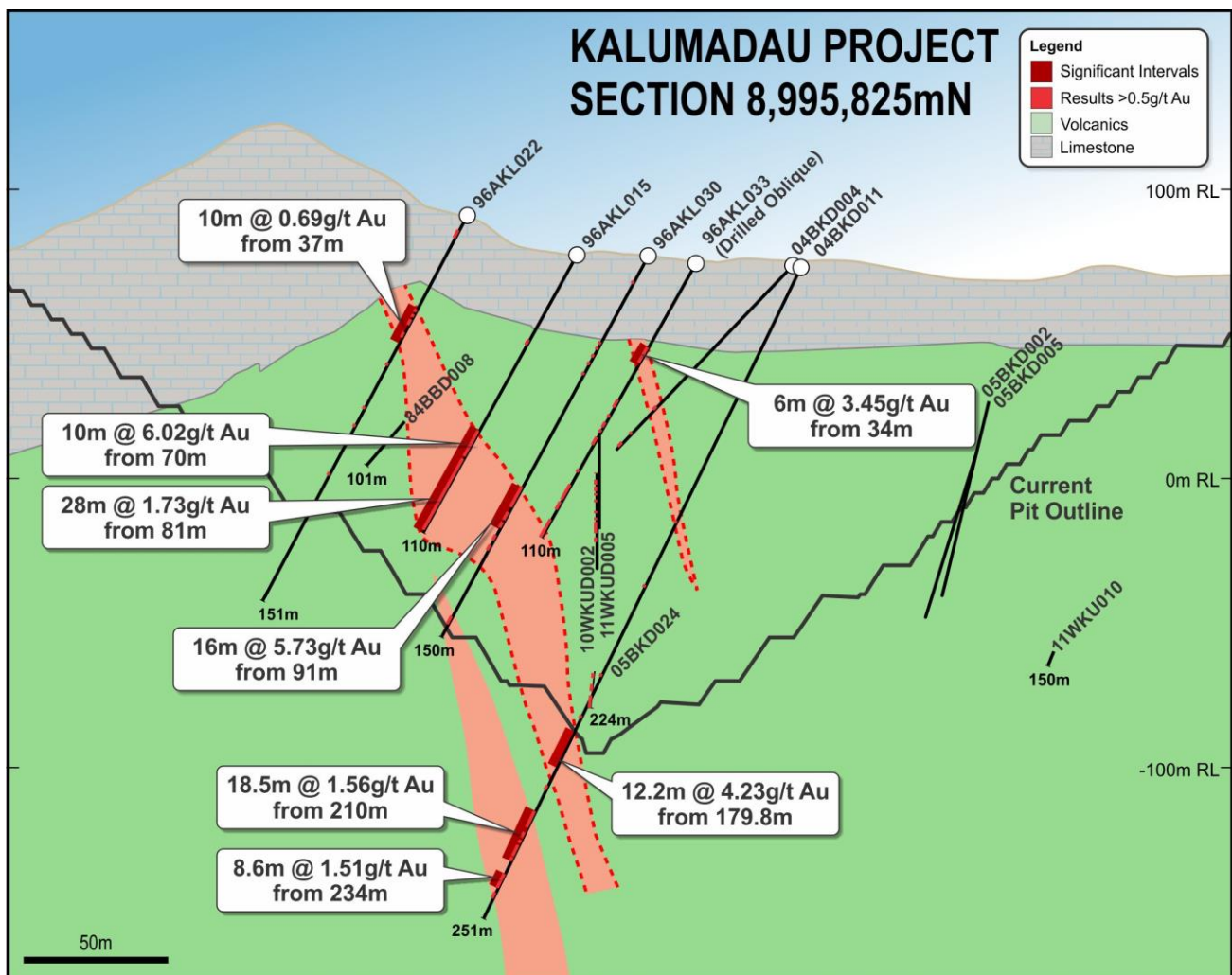


Figure 4: A section from Kulumadau pit showing extensions to known in-pit reserves at shallow depth

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

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 report that relates to Exploration Results from the Woodlark project is 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'.

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'.

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'.

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 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 fully permitted fully by the PNG Government, subject to meeting the conditions of the licence.

Table 1

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
Totals*		45.1	1.5	2,120,000

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

Table 2

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
Total	6,427,000	2.2	456,000	4,596,000	2.1	310,000	10,991,000	2.2	766,000

The information in the tables above was prepared and first disclosed under the JORC Code 2004 by Kula Gold Ltd. 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.