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**GEOPACIFIC**  
RESOURCES LIMITED

# Investor presentation – Europe

July 2018

ASX: GPR

# Investment highlights

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- 1 Advanced 100Koz.pa gold development project
- 2 Free milling ore with high recoveries
- 3 Head grade to 1.63g/t Au in first years
- 4 Low stripping ratio of 2.5:1 for five years
- 5 AISC below US\$600/oz Au in first two years
- 6 Strong cashflow delivers 2.2-year payback
- 7 Mining, environmental and social permits in place – Ready to build
- 8 Strong Government and community support
- 9 Proven management team

# Corporate snapshot (ASX: GPR)



Geopacific is an emerging gold producer focused on developing and expanding the 1Moz+ Woodlark gold project in Papua New Guinea.

A supportive shareholder base containing a number of large funds support's our development ambitions at Woodlark.

## Corporate

Cash	US\$7.4m <sup>1</sup>
Shares	2.1bn
Market capitalisation fully diluted at A\$0.036 share price	US\$57m A\$76m

## Significant shareholders

Tembo Capital	29%
Resource Capital Funds	18%
Franklin Advisers, Inc.	10%
Pacific Road Capital	6%
Top 20	82%

<sup>1</sup> As at 26 June 2018

# Board and senior management



## Geopacific's team has built over 10 mines in six countries, in gold, coal and copper

**Milan Jerkovic, Non-Executive Chairman.** Mr Milan Jerkovic is a qualified geologist with postgraduate qualifications in Mining and Mineral Economics with over 30 years of experience in the mining industry involving resource evaluation, operations, financing, acquisition, project development and general management.

**Ron Heeks, Managing Director.** Mr Heeks is a geologist with 30 years of mining industry experience. He has held senior roles in both exploration and mine management. He has lived and worked internationally gaining extensive experience in operating in emerging economies, particularly Indonesia and South-East Asia. Mr Heeks was formerly general manager of technical for Straits Asia Indonesian operations and chief technical officer for Adamus Resources' Southern Ashanti gold operation. He was a founder of Exploration and Mining Consultants and held positions with WMC, Newcrest, Newmont (US) and RSG Consulting.

**Philippa Leggat, Executive Director Corporate.** Ms Leggat has extensive experience in corporate mining roles and also brings a new perspective to the Board having worked in several other industries where she has achieved successful corporate outcomes. Clients in the resource sector include MMG, Anglo-Gold Ashanti, Anglo Platinum and Xstrata. Ms Leggat is a corporate advisor and company director with over 15 years' experience in assisting international organisations that operate in Africa, Asia, Australia and Europe.

**Mark Bojanjac, Non-Executive Director.** Mr Bojanjac is a Chartered Accountant with over 20 years' experience in developing resource companies. Mr Bojanjac was a founding director of Gilt-Edged Mining Limited which discovered one of Australia's highest grade gold mines and was managing director of a public company which successfully developed and financed a 2.4m oz gold resource in Mongolia. He also co-founded a 3 million oz gold project in China.

**Ian Clyne, Non-Executive Director.** Mr Clyne has over 35 years' experience in international banking having worked in senior executive positions in ten countries in Asia, Oceania, Australia and Europe. He has specialised in emerging markets and has held roles of President, Director, Managing Director and Chief Executive Officer with universal banking operations that have extensive branch networks and large employee bases. Mr Clyne has successfully re-engineered banks in Indonesia, Italy, Poland and PNG.

**Colin Gilligan, Non-Executive Director.** Mr Gilligan Mr. Gilligan is a mining engineer with over 25 years' experience in the resources sector, in Australia, South Africa, North America and Asia. He has held technical, executive and director roles with a number of companies throughout his career including Mitsui, Thiess, Anglo, Coalspur Mines and Resource Generation.

**Matthew Smith, Chief Financial Officer and Company Secretary.** Mr Smith is a Chartered Accountant with over 15 years' experience in the resource industry across a precious metals, industrial and bulk commodities. Mr Smith recently held the role of CFO at Kingsrose Mining Limited, with gold operations in Indonesia, and previously held the role of Company Secretary at Straits Resources Limited.

# History of Woodlark gold project



- 2010**
  - Woodlark held in private company (gold price US\$1,100)
  - Kula Gold IPO (gold price US\$1,400)
- 2012**
  - DFS completed at height of mining cost cycle - short mine life with high capital and operation costs (gold price US\$1,800)
  - Mining lease application submitted
- 2014**
  - Mining Lease with full environmental approval granted (gold price US\$1,160)
  - Kula Gold unable to attract development finance, no further progress on project
- 2016**
  - Geopacific Resources entered Project-level Joint Venture with Kula Gold
  - December 2016, work to increase mine life and reduce capital and operating costs began
- 2017**
  - Geopacific launched off-market takeover, acquiring 85% of Kula Gold
  - 30,000m drilling to improve Reserves
  - Studies to improve capital and operating costs
- 2018**
  - Geopacific released Resources, Reserves and Pre-Feasibility Study, demonstrating robust economics (gold price US\$1,238)

# Mining in Papua New Guinea

Long history of mining in PNG

PNG hosts numerous world-class gold mines and deposits, run by large international corporations

Stable government

Mines department recognized by Transparency International in 2017

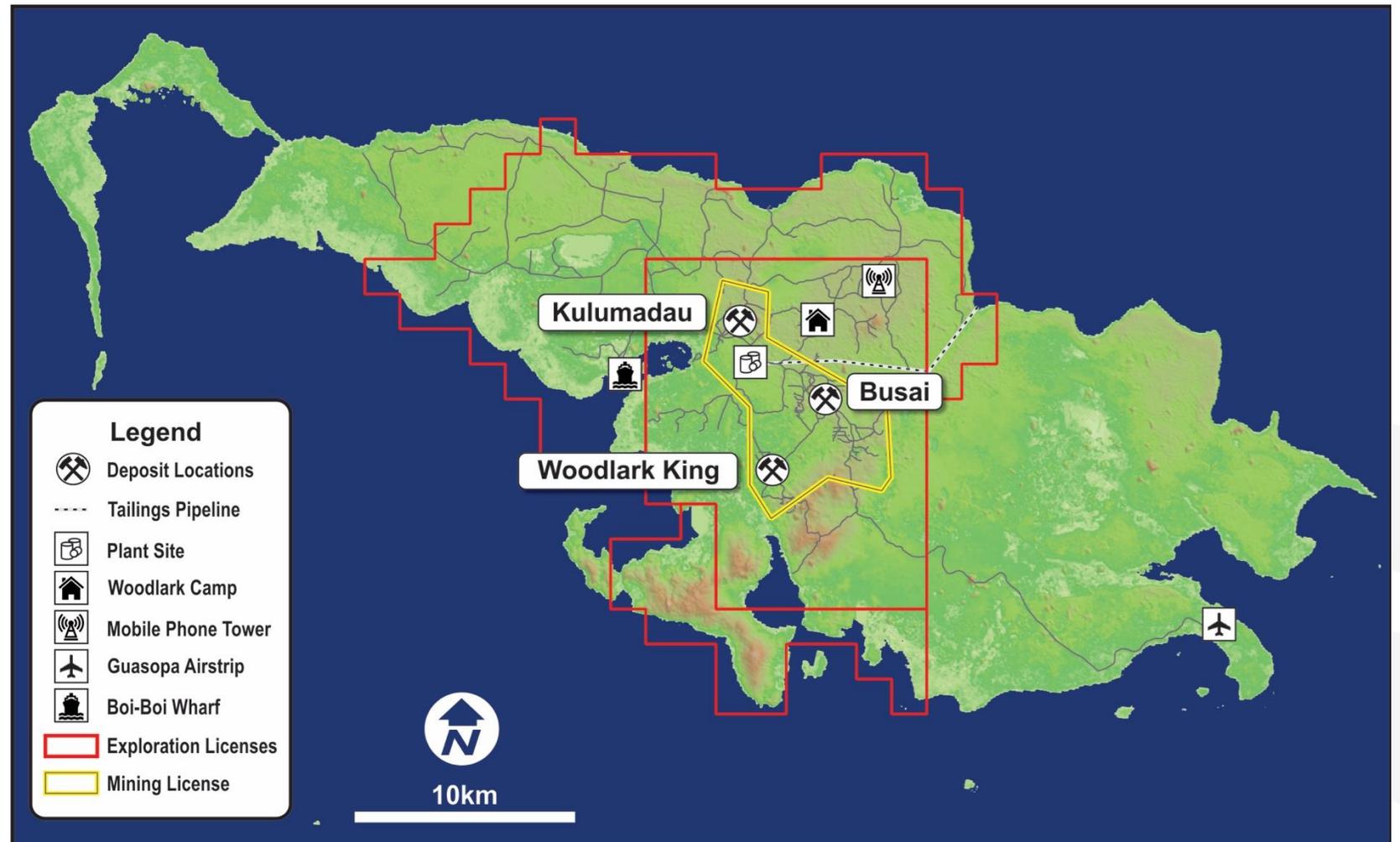
Existing profitable gold operations based on PNG islands

- ★ Newcrest, Lihir at 66Moz Au
- ★ St Barbara, Simberi at 6Moz Au



# Woodlark Island

- 70km long
- 25km wide
- 580 km<sup>2</sup> exploration licence
- 60 km<sup>2</sup> mining lease, with environmental approval
- Airstrip
- Wharf
- Mobile and satellite coverage
- 120-man camp
- Local workforce



# Positive operating environment



- Flat topography
- Low seismicity
- Close proximity to port has many logistical advantages
- Mining and environmental permits in place
- Supportive local community and Government
- Shallow gold mineralisation

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# Woodlark PFS delivers robust economics

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## Production

- 100Koz over 10-years for 1.01Moz Au
- Low stripping ratio of 2.5:1 for 5 years, 3.1:1 LOM
- AISC under US\$600 for first 2 years
- AISC US\$743/oz for 5 years, US\$833/oz LOM
- PFS<sup>1</sup> released [12 March 2018](#)

## Processing

- Free milling, recovery of 92% for 5 years and 90% LOM
- Up to 60% of gold recoverable by gravity
- 2.4Mt.pa CIL circuit with upgraded ore from year 3.5
- CIL head grade up to 1.63g/t Au in first years, 1.42g/t Au LOM

## Economics

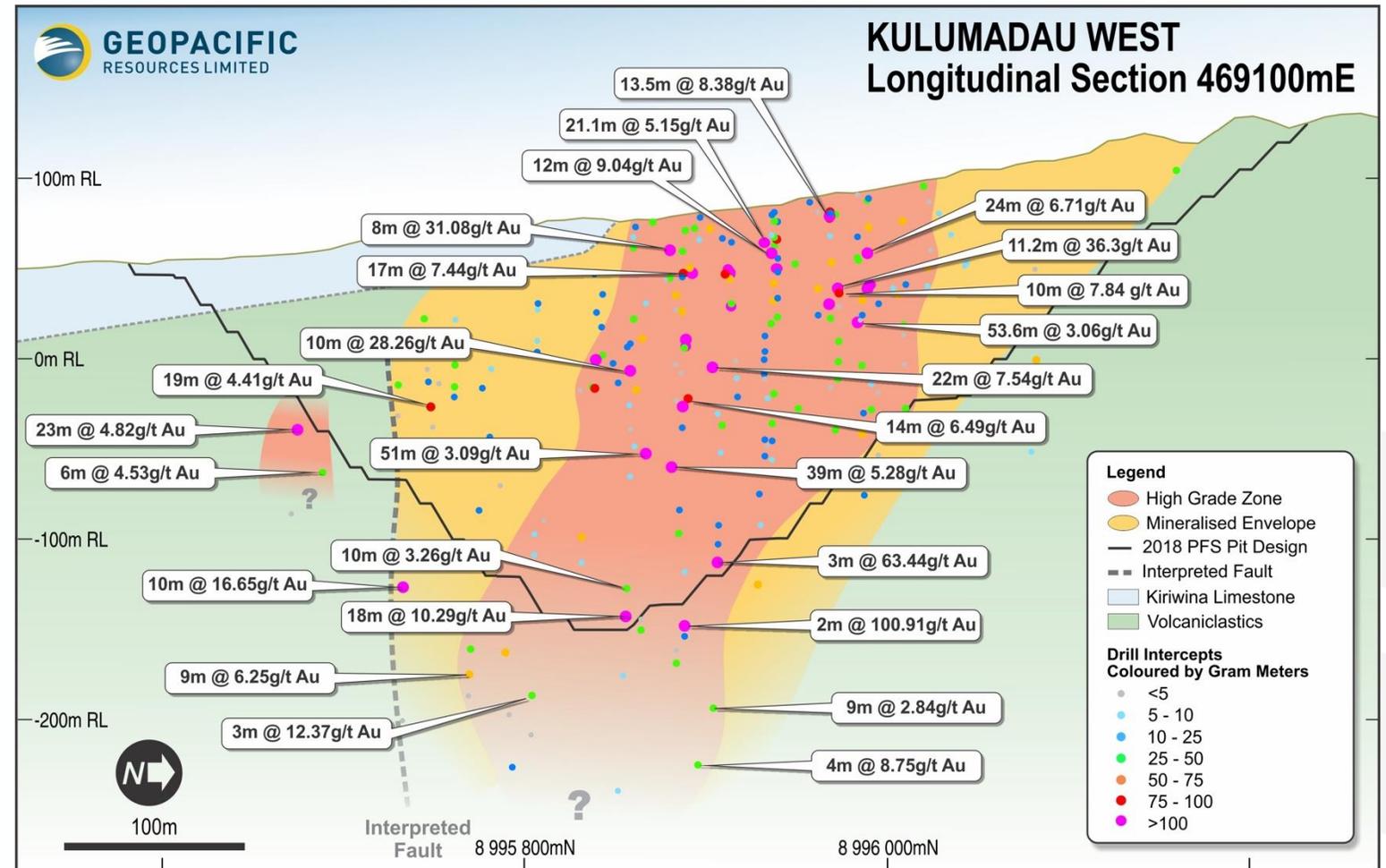
- Capital cost US\$135m (including fleet US\$17m & pre-strip US\$14m)
- 2.2-year, post-tax project payback
- Free cashflow LOM US\$291m (pre-tax) & US\$236m (post-tax) at US\$1,238/oz
- Post-tax IRR 33%
- Tax shield \$104m
- Joint venture incentive milestone achieved, overall economic interest increases to 93%<sup>2</sup>

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

<sup>2</sup>Geopacific is of the view that the next incentive milestone has now been satisfied such that, following issue of an election notice to Kula, its overall economic interest in Woodlark will increase to 93% comprising a direct interest of 51% and a further interest of 42% by virtue of its 85% holding of Kula shares.

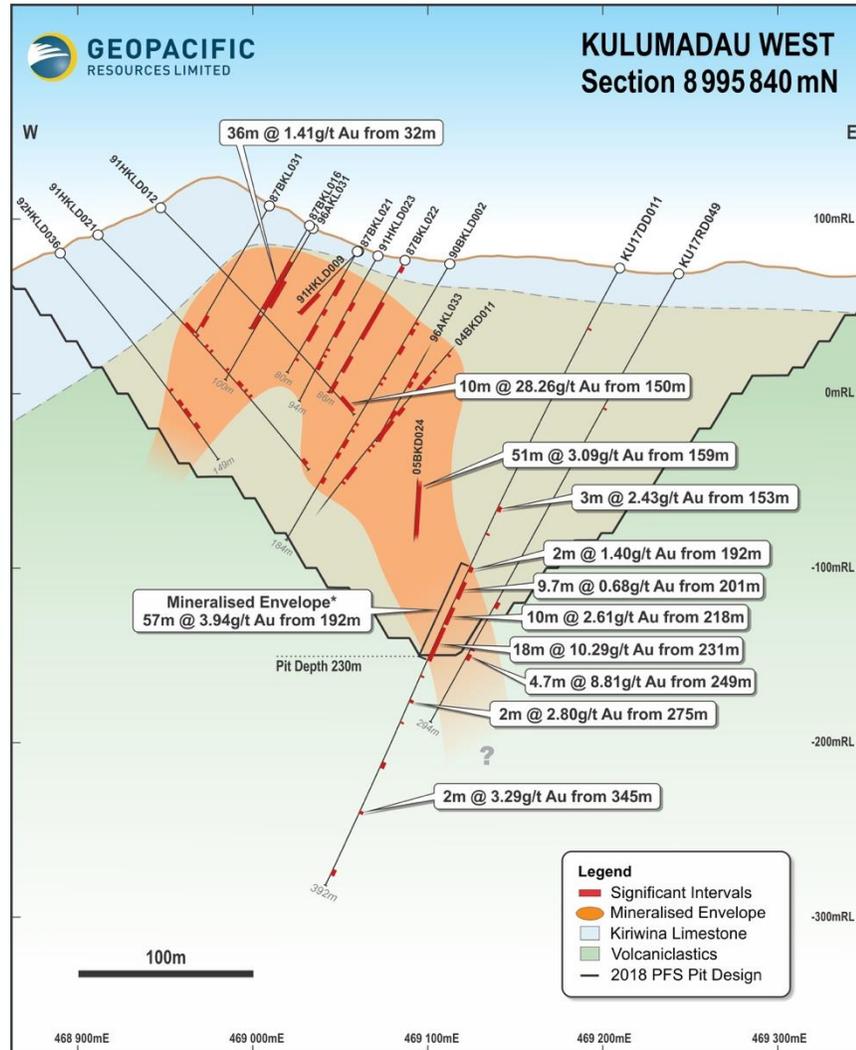
# High-grade core with halo

- High-grade core
- Surrounding halo of broad lower grade material
- Low stripping ratio
- Large free-dig component
- Mineralisation from surface



# Resources and Reserves

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- Near surface mineralisation
- Low waste-to-ore (strip) ratio is clear
- Thin limestone cover is free-dig
- Ore is relatively soft for processing

## Resource

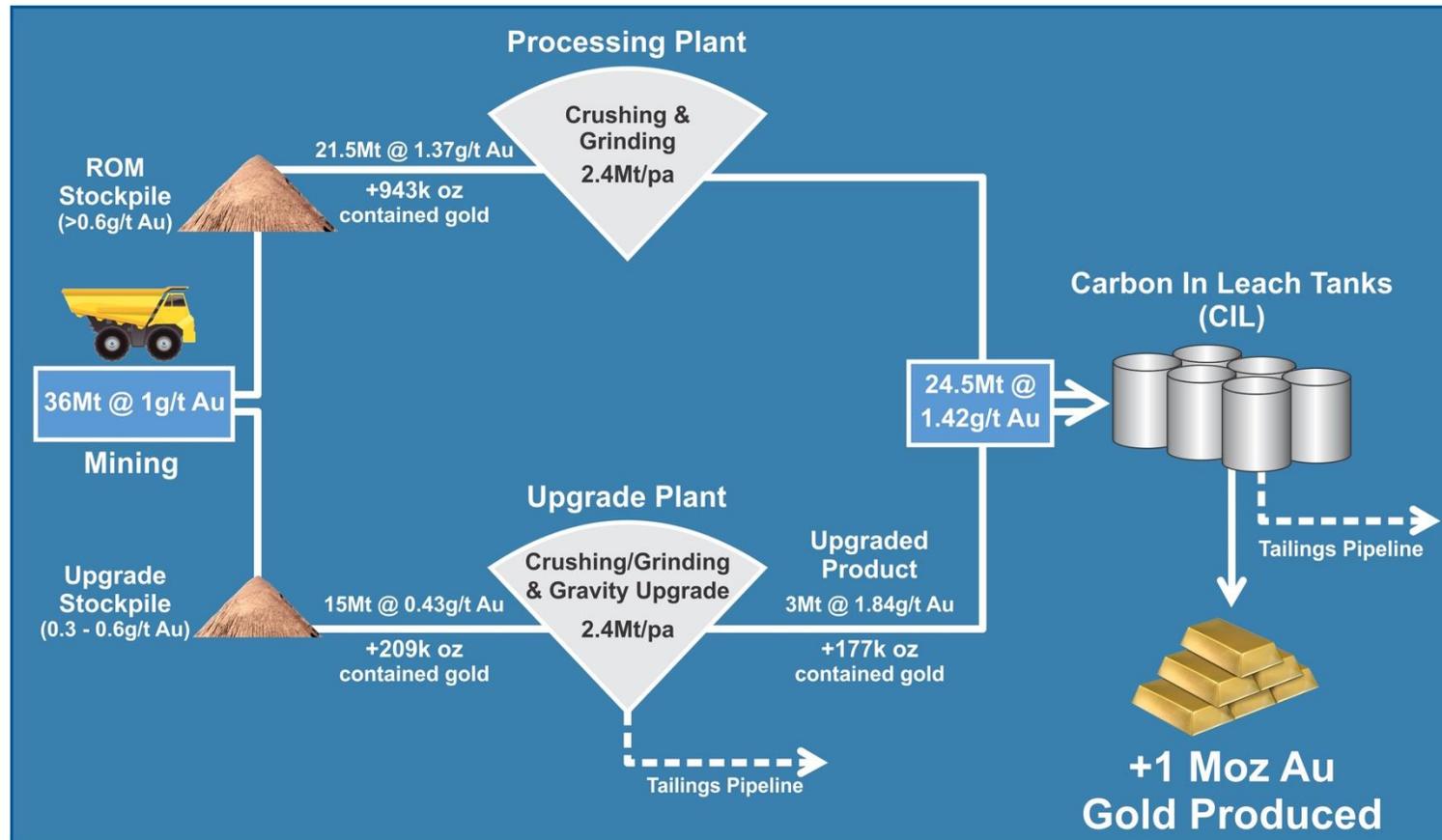
- 47.04 million tonnes at 1.04g/t Au for 1,573,000oz Au
- 86% of Resource in Measured and Indicated JORC categories

## Reserve

- 34.7 million tonnes at 0.99g/t Au for 1,101,600oz Au
- High conversion of Resources to Reserves
- Refer PFS<sup>1</sup> released [12 March 2018](#)

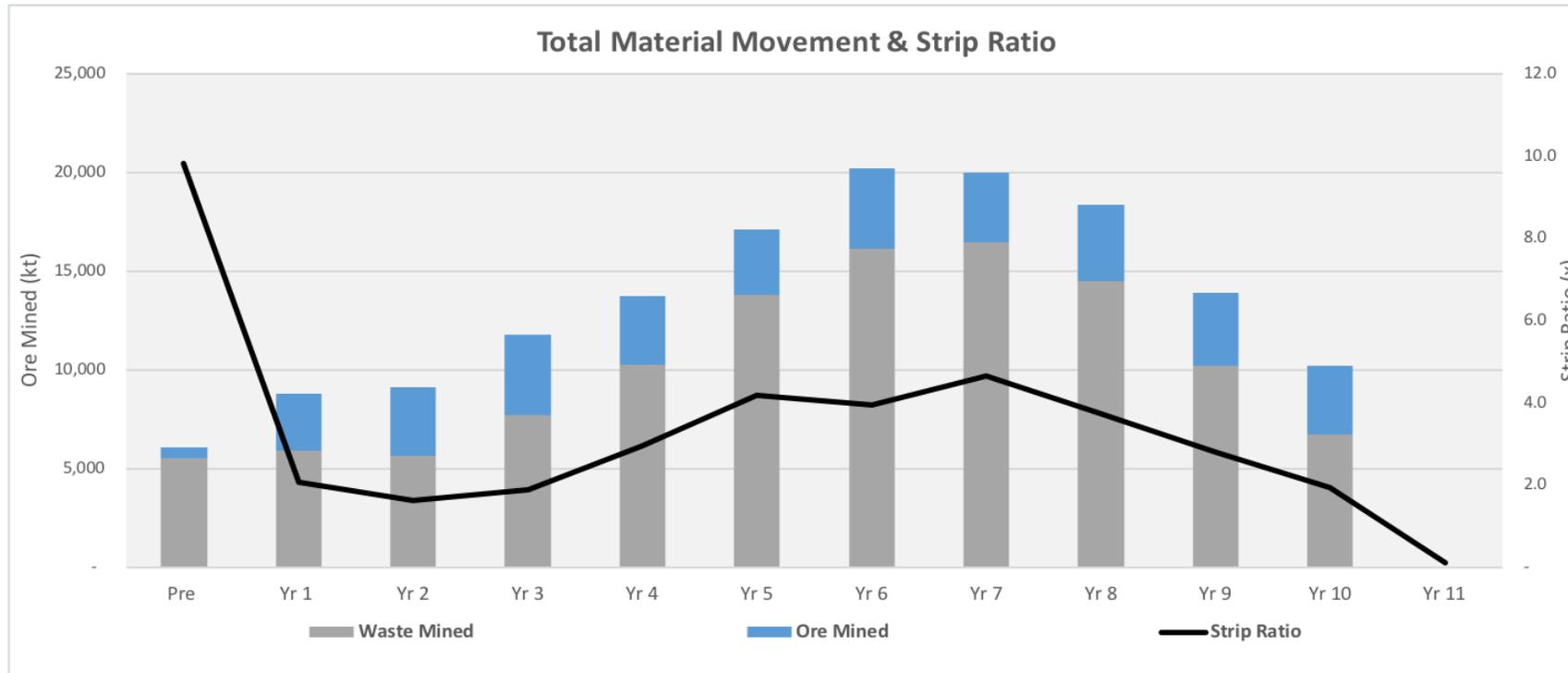
<sup>1</sup> All material assumptions underpinning the production target and forecast financial information continue to apply and have not changed materially.

# Optimised process flow



- Simple process
- Metallurgy verifies low-cost option to easily upgrade ore using gravity
- Optimises gold production
- Maximises cashflow

# Mining and production



- Low material movements in first 5 years of mining (left)
- Consistent production over life of mine (below)

## Annual production schedule

Metric	Unit	Total	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10	Yr 11
Ore processed *	Mt	24.5	2.1	2.4	2.4	2.4	2.5	2.5	2.5	2.5	2.5	2.4	0.3
Grade	g/t	1.42	1.63	1.54	1.43	1.41	1.45	1.38	1.40	1.44	1.40	1.27	0.86
Recovery	%	90%	92%	92%	92%	92%	92%	92%	92%	92%	86%	79%	81%
Gold produced	Koz	1,011	102	110	101	102	107	101	103	106	96	76	7

# Financial analysis

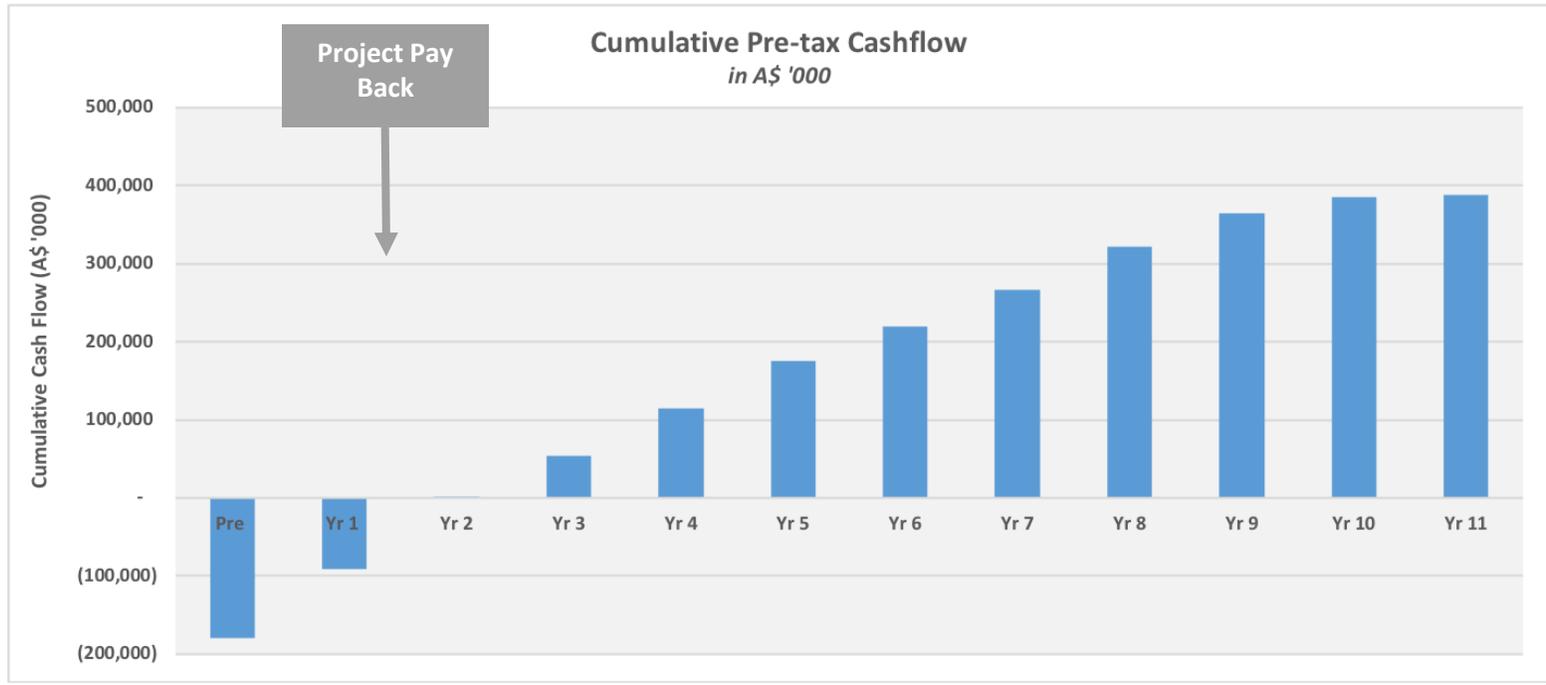
Summary of key results from financial analysis	US\$m	A\$m
<b>Revenue – LOM</b>	1,251	1,668
<b>Gross Operating Costs (including PNG Government Royalty)</b>		
ROM ore (includes pre-strip of A\$18m)	698	930
Upgrade ore	116	154
<b>Operating Margin</b>	438	584
<b>Capital</b>		
Pre-production capital	122	162
Upgrade plant capital cost (in year 3.5)	13	17
Sustaining capital	12	16
Free cashflow – pre-tax	291	388
Income tax	55	74
Free cashflow – post tax	236	314
<b>Production Costs</b>		
All-in sustaining costs (years 1 – 5)	742	990
All-in sustaining costs (years 1 – 10)	832	1,110
<b>NPV<sub>8%</sub></b>		
Pre-tax	170	226
Post-tax	134	178
<b>IRR (effective discount rate that delivers an NPV of zero)</b>		
Pre-tax		38%
Post-tax		33%
<b>Project payback (years)</b>		
Pre-tax		2.0
Post-tax		2.2

Capital cost estimates	US\$m	A\$m
<b>Establishment costs</b>		
Process Plant (including marine tailings)	64	85
Infrastructure	23	30
Other	12	16
Contingency	7	9
<b>Total establishment costs</b>	<b>106</b>	<b>140</b>
Mining capital	17	22
Pre-strip costs	14	18
<b>Total capital costs</b>	<b>137</b>	<b>180</b>
Sustaining capital	12	16
Upgrade plant capital (year 3)	13	17

Key inputs for financial analysis		
Foreign exchange	US\$:A\$	0.75
Gold price	US\$/oz	1,238
Mining cost	US\$/t mined	2.06
Upgrade cost	US\$/t ore upgraded	4.89
Processing cost – ROM ore	US\$/t processed ore	13.77
Processing cost – Upgraded ore	US\$/t upgraded ore	9.24
Administrative cost	US\$/t processed	3.16
Refining costs	US\$/oz	3.26
Government royalty	% revenue	2.25%

# Early payback

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Strong cashflow delivers payback in 2.2 years, using US\$1,238 gold price

US\$1,275/oz gold price delivers additional US\$26m in cash flow after tax

# Next steps and timeline

DFS on schedule and budget for Q3 2018 completion

Aspects of PFS to DFS standard, including mining costs and metallurgical testwork

•The DFS program will centre on Front End Engineering Design (FEED) and cover opportunities for optimisation

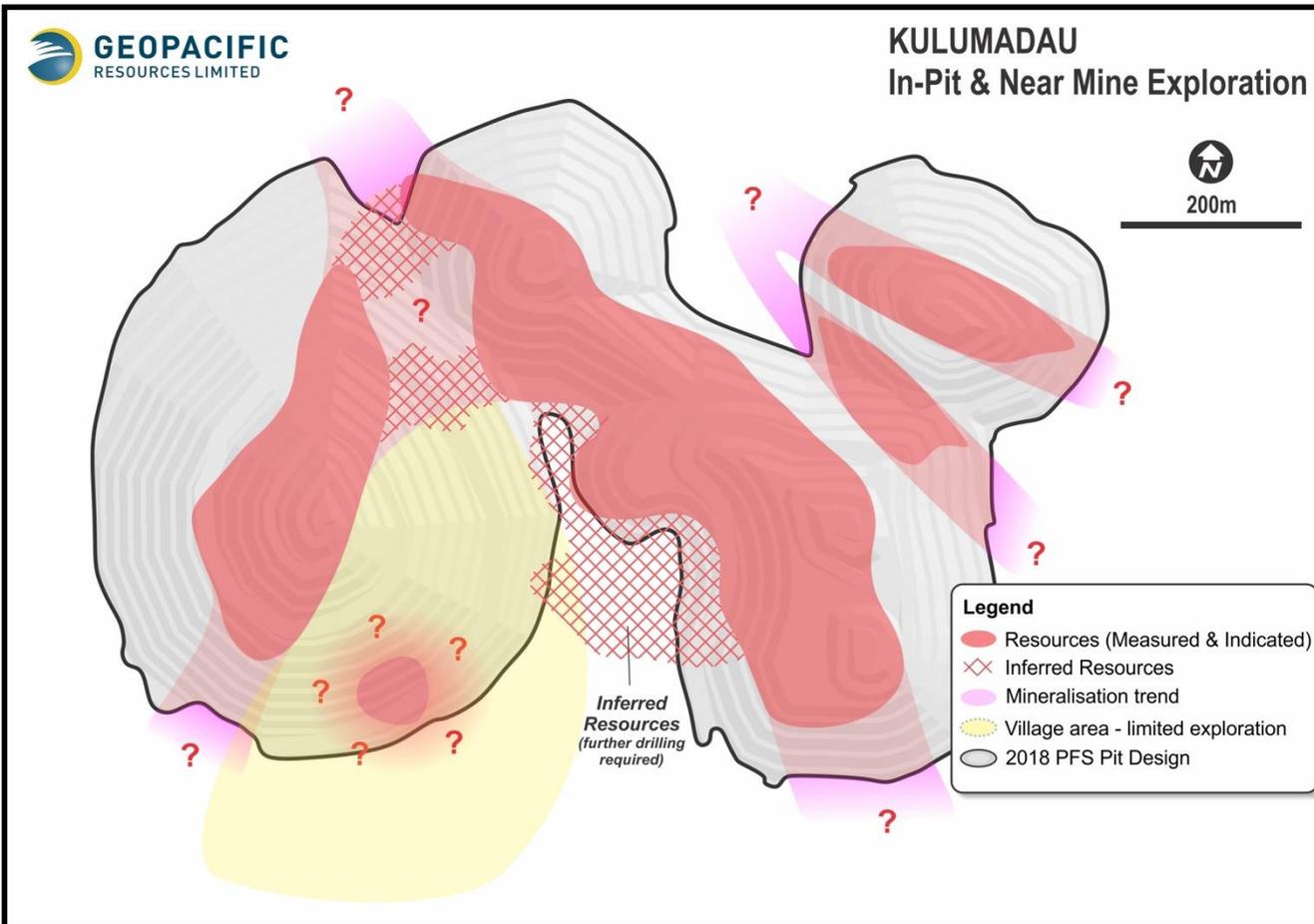
## DFS optimisation opportunities:

- Finalise plant design and costs
- Marine tailings pipeline design and costs
- Infrastructure design and costs
- Mining fleet and fleet management
- Power generation and consumption
- Operational costs
- DFS study manager – Lycopodium

## Steps following completion of DFS

- Project is fully permitted, so financing can follow shortly after DFS completion
- Discussions with financiers underway, targeting smooth transition from DFS to financing
- Contractor selection preparation underway
- Construction to follow financing

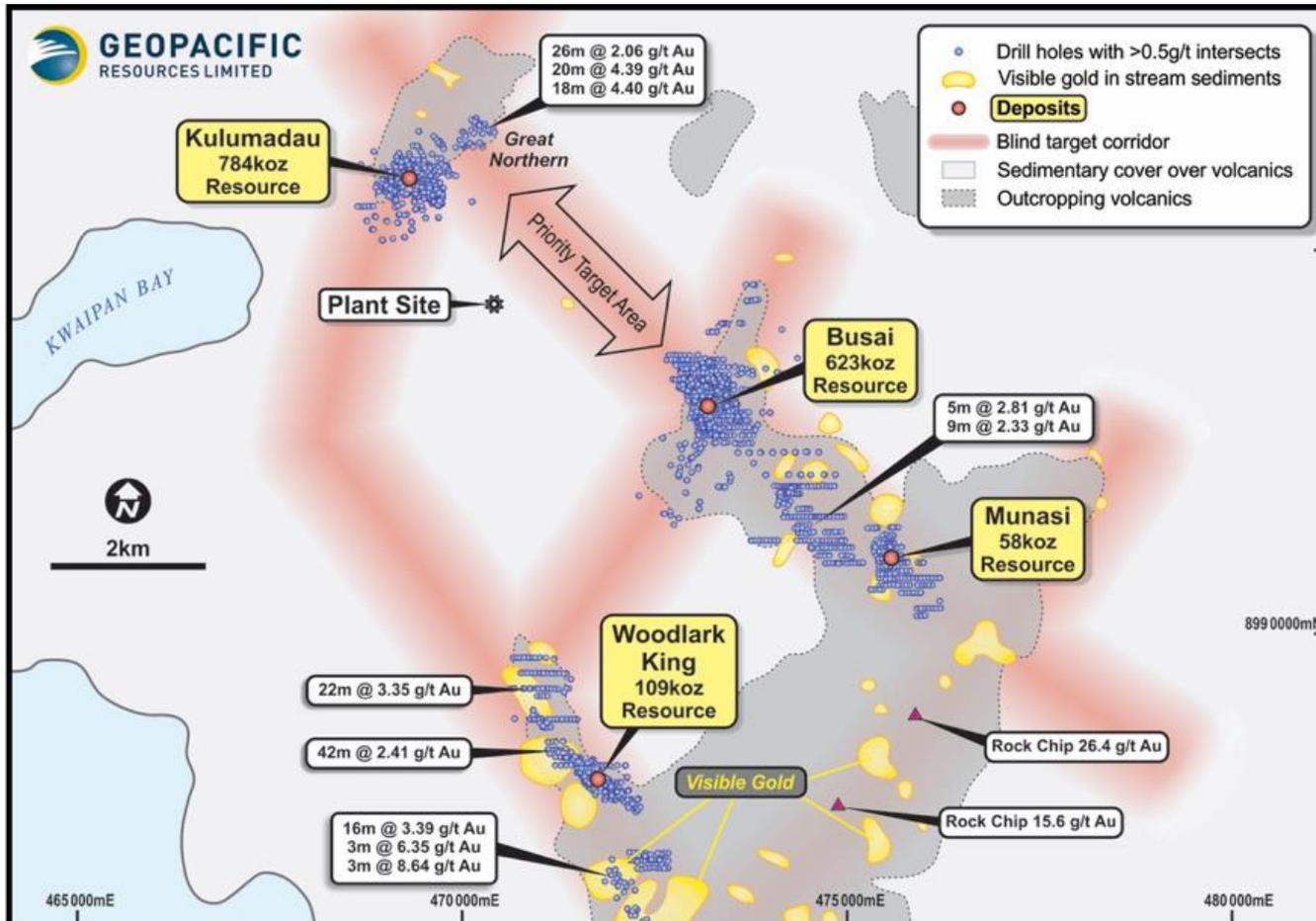
# Upside - additional in-pit ounces



- Potential to gain additional ounces in-pit and reduce strip ratio further, (currently classified as waste):
  - 1) Inferred mineralisation surrounding pits
  - 2) Limited drilling access in village area, relocation agreed
- Mineralisation remains open at depth and in all directions
- Approximately 80% of holes drilled have verified +0.5g/t Au

# Upside - regional targets

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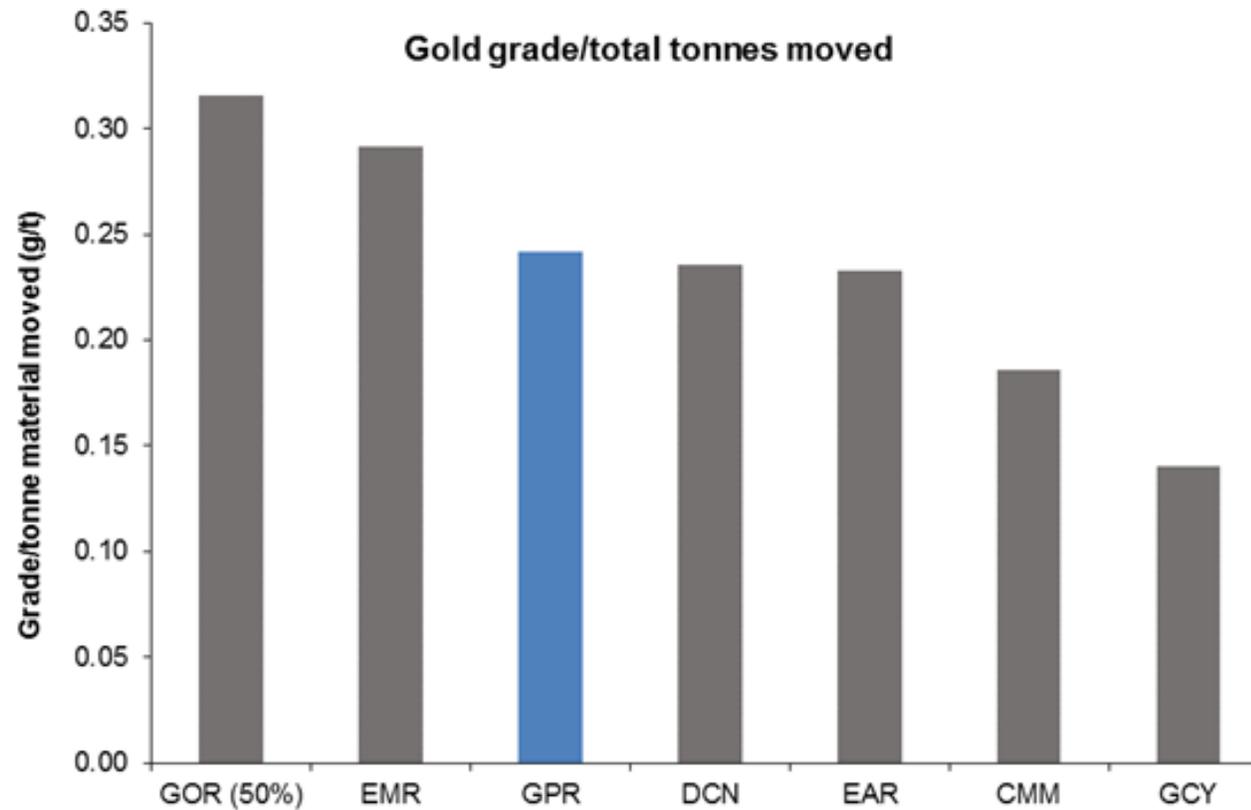
- Drilling underway
- Large regional goldfield
- High-quality exploration targets
- Visible gold
- Gold follows mineralised structures
- Significant potential beneath thin limestone cover
- Exploration target range of 53.3Mt @ 2g/t Au to 105 Mt@ 1g/t Au for 5Moz Au

Cautionary statement: the exploration target is conceptual in nature and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

Exploration will consist principally of drilling from surface. Achieving the exploration target will be reliant on the success of the proposed exploration activities. Exploration will commence immediately and will be ongoing, systematically testing target areas.

# Attractive valuation compared to peers

Comparisons prepared by Petra Capital





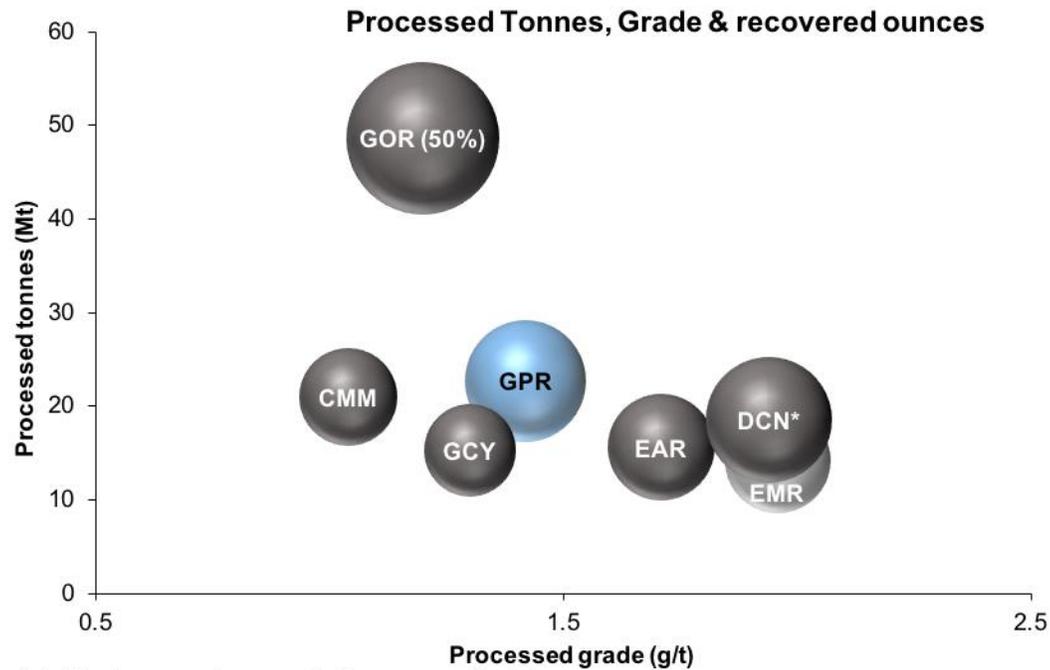
## Investment case

- The Woodlark Gold Project is an advanced 100koz per annum development project
- Resources of 47.04Mt at 1.04 g/t Au for 1,573,000 oz Au and Reserves of 34.7Mt at 0.99 g/t Au for 1,101,600 oz Au
- All necessary permits in place
- Post-tax IRR of 33% and payback period of 2.2 years
- Significant upside potential
- Positive operating environment with strong government and community support
- Proven, experienced management team

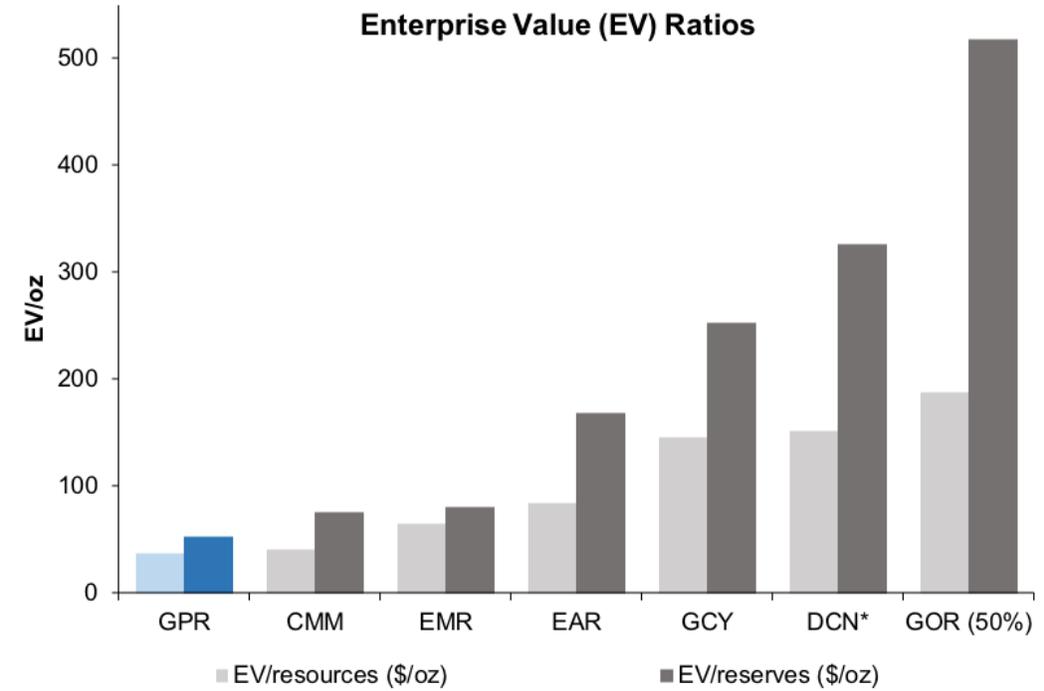
# Attractive valuation compared to peers

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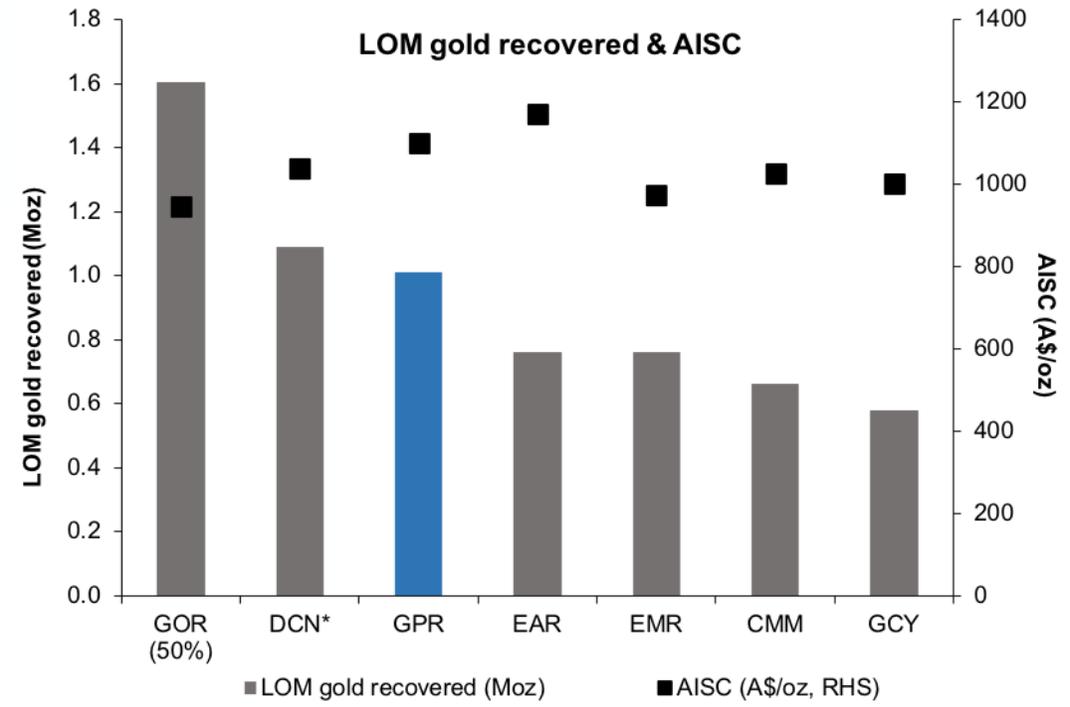
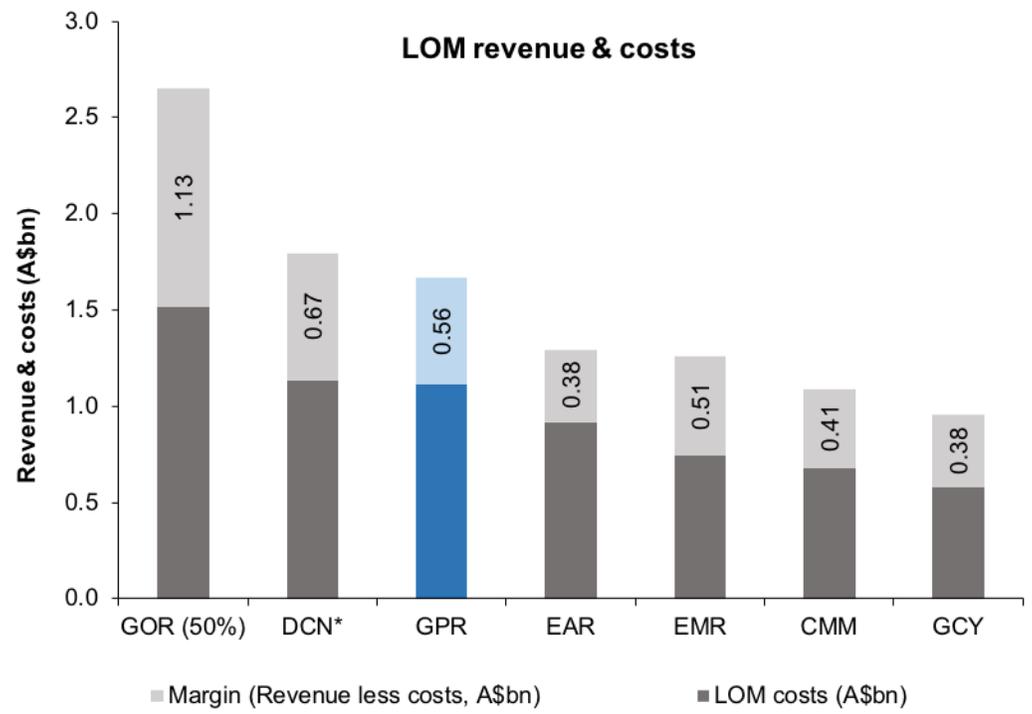


1. bubble size represents recovered gold ounces over life of mine  
 2. \* DCN is a combination of open pit and underground



# Attractive valuation compared to peers

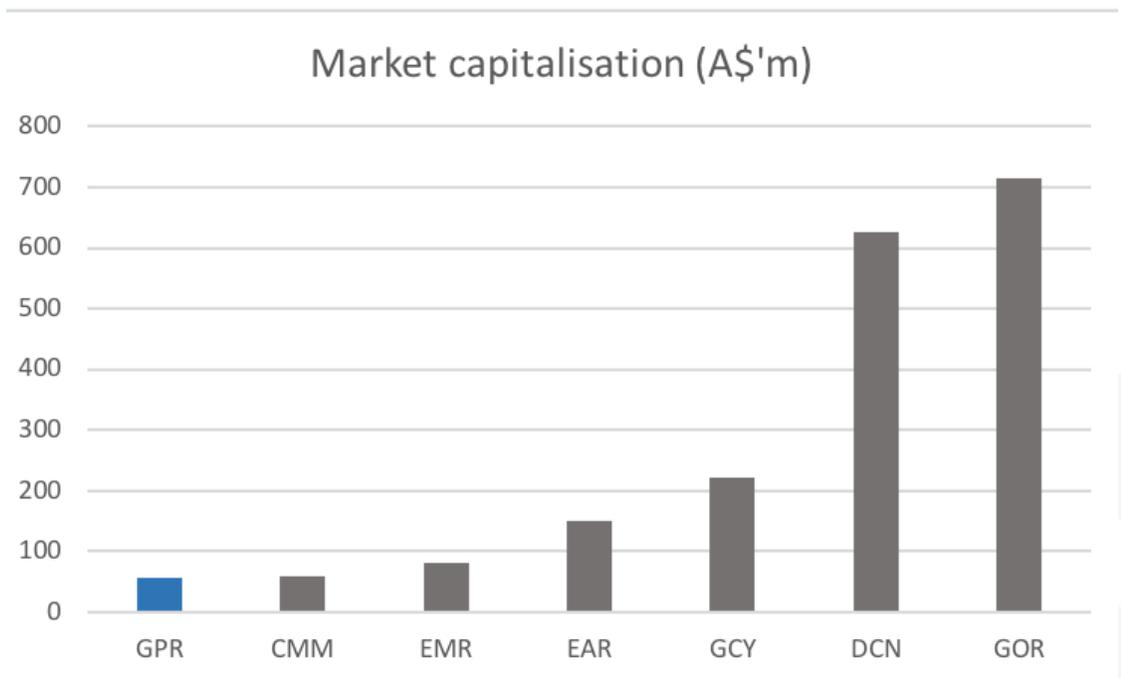
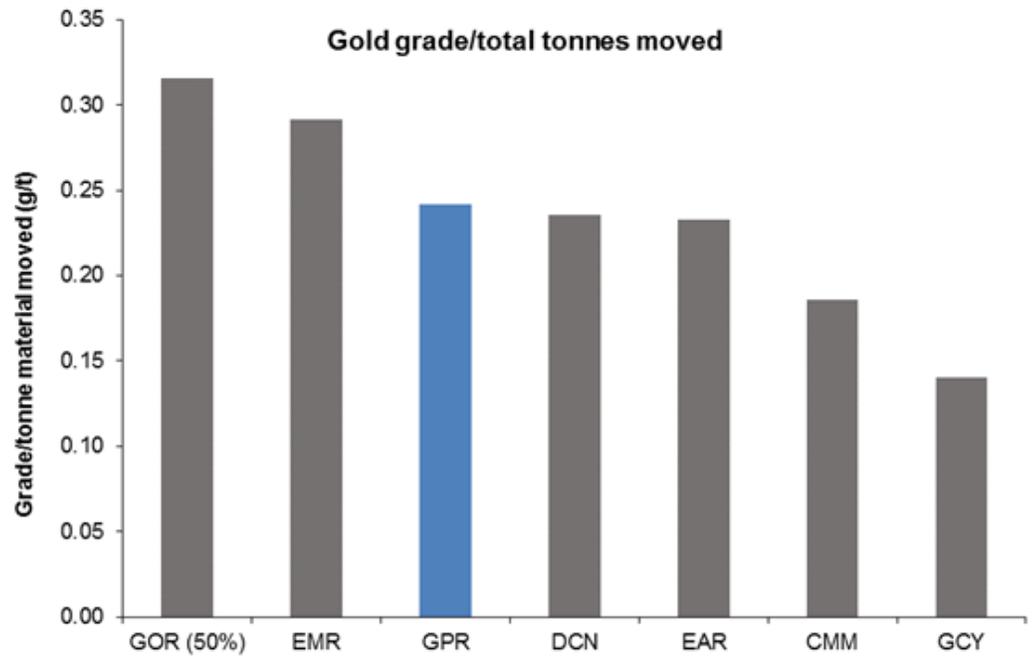
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# Attractive valuation compared to peers

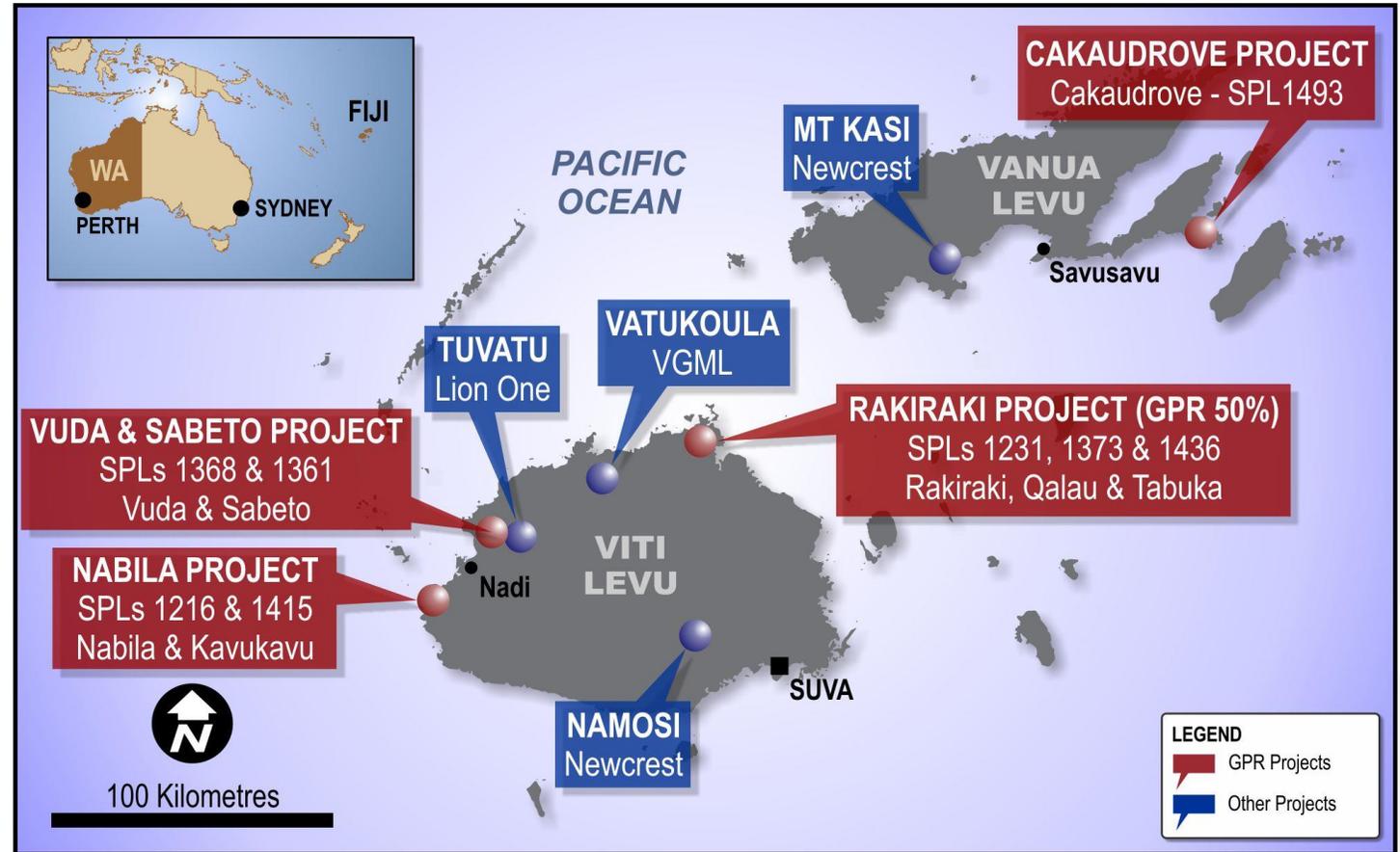
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# Fijian gold projects

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- High-grade, near-surface gold identified
- Epithermal gold zones with extensive strike potential
- Good infrastructure and simple logistics
- Stable jurisdiction with proven mining history
- Vatukoula Gold Mine has produced 6.9Moz Au at 7.4g/t and has been in operation since 1933



# Kou Sa copper-gold project, Cambodia



- **Ownership:** 85% in joint venture with the *Royal Group*, Cambodia's premier commercial partner
- **Licenses:** exploration licenses cover 158 km<sup>2</sup>
- **Location:** Preah Vihear Province in northern Cambodia's Chep district, near the Laos border
- **Commodities:** copper, gold and silver
- **JORC resource:** favourable economics in metallurgical and process studies indicates that a large proportion of the mineralisation can be mined. Initial JORC estimate for Prospects 150 and 160 of 51,000 tonnes of copper equivalent at 0.4% CuEq lower cut.
- **Metallurgy:** copper-gold-silver concentrate with no deleterious material produced, with recoveries in high-90%
- **Low costs and good logistics:** copper-gold-silver concentrate with no deleterious material produced, with recoveries in high-90%
- **Exploration upside:** exploration continues following two, new gold-silver discoveries in early 2018. Large areas of the license are yet to be explored

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**Competent Person's Statement** The information in this announcement that relates to exploration results and exploration targets 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.

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

# Contact

Ron Heeks

Managing Director

Philippa Leggat

Executive Director Corporate

[www.geopacific.com.au](http://www.geopacific.com.au)

[info@geopacific.com.au](mailto:info@geopacific.com.au)

+61 8 6143 1820

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