

Quarterly report – March 2019

The [Board](#) of Geopacific Resources Ltd (Geopacific **ASX: GPR**) is pleased to provide the March 2019 quarterly report. Since the delivery of the Woodlark Gold Project's (Woodlark or the Project) [November 2018 Definitive Feasibility Study \(DFS\)](#)¹ strong progress has been made in advancing the Project's development.

Highlights

- Geopacific to consolidate 100% direct ownership in the Woodlark Gold Project.
- Oversubscribed \$4.3m capital raise to advance project financing due diligence.
- Independent technical experts (ITE) to recommence studies on behalf of potential lenders.
- Two additional lump sum turnkey solutions for the plant and infrastructure received.
- Introduction of new substantial holders to the share register.

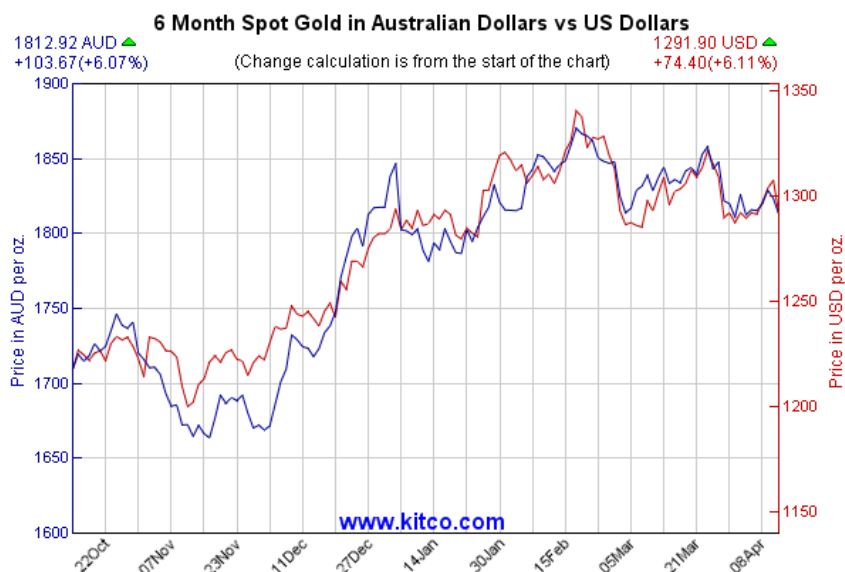
Managing Director, Ron Heeks commented

"Geopacific commenced the year undertaking valuable activity to position the Company for project financing.

The decision to recommence ITE studies is underpinned by the successful completion of the Fatal Flaws Review and the most recent capital raise that demonstrated a strong level of support from new and existing shareholders. The Top 20 represents 80% of the share register and contains several large resource specialist funds with the capacity to support development.

The Project presents an attractive development option to potential debt lenders with work underway to simplify the ownership structure of Woodlark and the DFS confirming high margins and a rapid payback period.

Woodlark continues to attract financing interest and we look forward to advancing debt funding arrangements which are currently taking place alongside a strengthening gold price. This presents a considerable revenue upside as the current spot price is ~A\$150 above the price used in the Woodlark financial model."



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

OCCUPATIONAL HEALTH & SAFETY

There were no Lost Time Injuries (LTIs) recorded during the quarter.

Corporate News Development Activities

100% consolidation of Woodlark Gold Project

During the quarter, Geopacific agreed to acquire from Kula Gold Ltd (Kula) all of Kula's rights and interest in Woodlark, consolidating Geopacific's 100% direct ownership of the Project.

Subject to requisite shareholder approvals of both companies, Geopacific will secure 100% ownership of Woodlark in return for issuing 150M Geopacific shares (Consideration Shares), and paying an estimated A\$0.7M cash to Kula concurrent with cancelling all of its existing 85% shareholding in Kula.

On completion Kula will cease to be a subsidiary of Geopacific and the joint venture will be extinguished. Messrs Heeks and Smith will also both retire from the Kula board.

For further information, refer to the announcement, ['Geopacific to consolidate 100% of Woodlark Gold Project,'](#) released on 8 March 2019.

Project financing

Discussions with potential debt financiers continued with the aim to investigate financing options with an appropriate debt to equity mix and terms attractive to existing shareholders.

A Chinese based capital firm was appointed to introduce potential Chinese investors to contribute towards the development funding package.

A successful \$4.3m capital raise also took place to advance project financing due diligence. The net funds raised were received early in the June quarter.

Oversubscribed \$4.3m capital raising

Use of funds

Proceeds will primarily be used to advance the due diligence in relation to project financing and for working capital purposes as the Company structures the financing of the project.

Post quarter, SRK Consulting (SRK) are scheduled to recommence the ITE studies on behalf of potential debt lenders. This work follows on from SRK identifying no fatal flaws from the initial Fatal Flaw Review in late 2018.

The work program also includes advancing the execution strategy for project development which includes the plant and infrastructure.

Placement

The \$4.3m placement, of 510 million ordinary shares, was completed at \$0.0085, representing a discount of 23% to the last close and a 24% discount to the 5 day VWAP (days Geopacific traded).

The placement was oversubscribed with offers from new and existing sophisticated and professional investors. The placement was made pursuant to the Company's 15% placement capacity under Listing Rule 7.1 (312,286,070 shares) and Listing Rule 7.1A (197,713,930).

Petra Capital acted as exclusive Manager and Bookrunner to the raising.

Block trade

In conjunction with the Placement, Resource Capital Funds divested its holding in the Company, approximately 358.6 million shares (17%) (Block Trade). The Block Trade was placed with a European investment group, DELPHI Unternehmensberatung AG (DELPHI) on 25 March 2019. DELPHI also demonstrated support for the Company by participating in the Placement.

Project Execution

Geopacific aims to advance its project execution strategy by identifying potential lump sum turnkey solutions for the Project's plant and infrastructure. Engineering companies have been engaged to provide proposals on the basis of their credibility and experience in delivering similar operations to Woodlark.

In addition to the proposal received in late 2018, a further two proposals were received during the quarter. All proposals received to date are being evaluated on a like for like basis to assess indicative pricing, technical and management competence including proposed design specifics, financial viability, and relevant PNG experience. Indicative prices from all proposals received are in line with the November 2018 DFS.

A request was submitted to the Mineral Resource Authorities in Papua New Guinea to amend a condition of the Mining Licence. It has been requested that the date for construction completion and commissioning is extended by 30 months to 5 July 2022. The extension is expected to provide adequate time to complete project financing, construction and commissioning. It is anticipated that the request will be assessed at an upcoming Mineral Advisory Council meeting in the current quarter.

Other

Geopacific received approval to appoint Ernst & Young (EY) as the Company's auditor.

Non-Executive Director, Ian Clyne purchased a further 2,050,000 fully paid ordinary shares during the quarter.

Development Activities

Woodlark Gold Project, Papua New Guinea

No significant exploration activities took place during the quarter as the Company is primarily focused on project financing and its associated activities.

Kou Sa Copper Gold Project, Cambodia

No significant exploration activities took place during the quarter.

All opportunities to progress the project are being investigated.

The Kou Sa Licence expired on 13 March 2019 and a renewal application has been lodged. A presentation to the Mining Department in Cambodia is required as part of a standard renewal process. The date of this presentation is awaited at the time of writing.

Fijian Gold Projects, Fiji

No significant exploration activities took place during the quarter.

The relinquishment of the Rakiraki, Qalau, Tabuka and Cakaudrove licences also came into effect.

Contact

For further information on this update or the Company generally, please visit www.geopacific.com.au or contact Mr. Ron Heeks, Managing Director.

Company details	Board	Projects
Geopacific Resources Limited ACN 003 208 393 ASX Code: GPR info@geopacific.com.au http://www.geopacific.com.au T +61 8 6143 1820 HEAD OFFICE Level 1, 278 Stirling Highway, Claremont WA 6010. PO Box 439, Claremont WA 6910.	Milan Jerkovic Chairman Ron Heeks Managing Director Mark Bojanjac Non-Exec Director Ian Clyne Non-Exec Director Colin Gilligan Non-Exec Director Matthew Smith Company Secretary	PAPUA NEW GUINEA Woodlark Island Gold CAMBODIA Kou Sa Copper FIJI Nabila Gold, Rakiraki Gold, Sabeto Gold-Copper, Vuda Gold-Copper, Cakaudrove Gold-Silver

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Competent Person's Statement

The information in this announcement 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 announcement 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.

The information in this announcement that relates to the Cambodian Mineral Resource estimate is based on information compiled by Jonathon Abbott, a Competent Person who is a Member of the Australian Institute of Geoscientists. Jonathon Abbott is a full-time employee of MPR Geological Consultants Pty Ltd and is an independent consultant to Geopacific Resources Limited. Mr Abbott has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves". Mr Abbott 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.

APPENDICES

Schedule of Tenements

Mining tenements held by Geopacific Resources Limited and its subsidiaries at the end of the quarter, including tenements acquired and disposed of during the quarter:

Country	Location	Tenement	Interest
Fiji	Nadi, Viti Levu	SPL 1368	100%
Fiji	Nadi, Viti Levu	SPL 1361	100%
Fiji	Nadi, Viti Levu	SPL 1216	100%
Fiji	Nadi, Viti Levu	SPL 1415	100%
Cambodia	Preah Vihear Provence	Kou Sa Project*	85%
Papua New Guinea	Woodlark Island	EL 1172	93%
Papua New Guinea	Woodlark Island	EL 1279	93%
Papua New Guinea	Woodlark Island	EL 1465	93%
Papua New Guinea	Woodlark Island	LMP 89	93%
Papua New Guinea	Woodlark Island	LMP 90	93%
Papua New Guinea	Woodlark Island	LMP 91	93%
Papua New Guinea	Woodlark Island	LMP 92	93%
Papua New Guinea	Woodlark Island	LMP 93	93%
Papua New Guinea	Woodlark Island	ME 85	93%
Papua New Guinea	Woodlark Island	ME 86	93%
Papua New Guinea	Woodlark Island	ML 508	93%

*The Kou Sa Licence expired on 13 March 2019 and the renewal application has been lodged.

Woodlark Global Resources

The Woodlark Resource is **47Mt @ 1.04g/t Au for 1.57Moz of gold²** including 222,000oz of gold in the Inferred category (Table 1).

Table 1: Woodlark Global Mineral Resource Estimate – March 2018

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

An updated Ore Reserve estimate was released in November 2018 and was completed by independent consultants, Mining Plus. The updated Ore Reserve estimate of **28.9Mt @ 1.12g/t Au for 1,037,600oz³** of gold is detailed in Table 2.

Table 2: Woodlark Ore Reserve Estimate – November 2018

Total by deposit	Category (>0.4g/t lower cut)	Tonnes (Mt)	Grade (g/t Au)	Ounces (oz)
Busai	Proven	9.3	1.03	307,300
	Probable	4.3	0.87	120,900
Kulumadau	Proven	7.4	1.37	324,700
	Probable	5.2	1.17	196,900
Woodlark King	Proven	1.9	1.06	65,000
	Probable	0.8	0.84	22,800
Total Ore Reserve	Proven	18.6	1.17	697,000
	Probable	10.4	1.02	340,600
	Total	28.9	1.12	1,037,600

Kou Sa Project Mineral Resource – Prospects 150 & 160

The Mineral Resource for Prospects 150 and 160 at the Kou Sa Project was **3.84 million tonnes at 0.77% Cu, 0.66g/t Au and 5.27g/t Ag for 51.2k tonnes of Cu equivalent**. The Mineral Resources estimated at a 0.4% CuEq lower cut-off are detailed in Table 3. There was no change to the Mineral Resources reported at 31 December 2017 for comparison.

Table 3: Kou Sa Global Mineral Resource Estimate – July 2016

Category	Tonnes (Million)	Cu %	Au g/t	Ag g/t	CuEq %	Cu	Au	Ag	CuEq
						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	0.70	0.20	4.30	0.90	2.30	2.70	48	3.1
Total	3.84	0.77	0.66	5.27	1.33	29.40	81.80	651	51.2

² Refer to March 2018 Pre-feasibility Study – ‘Robust Woodlark Gold project PFS Supports Development.’

³ Refer to ‘Woodlark Ore Reserve Update’ announced on 7 November 2018.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

Geopacific Resources Limited

ABN

57 003 208 393

Quarter ended ("current quarter")

31 March 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12-months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(616)	(616)
(b) development	-	-
(c) production	-	-
(d) staff costs	(425)	(425)
(e) administration and corporate costs	(313)	(313)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	3	3
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	(22)	(22)
1.9 Net cash from / (used in) operating activities	(1,373)	(1,373)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

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Mining exploration entity and oil and gas exploration entity quarterly report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12-months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	-
3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	-
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	3,059	3,059
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,373)	(1,373)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,686	1,686

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5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	1,686	3,059
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,686	3,059
<p>The above closing cash balance at 31 March 2019 does not include the funds received from the recent share Placement. Geopacific received \$4.0 million net of transaction costs on 4 April 2019.</p>		

6. Payments to directors of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	158
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	
<p>Payment of director's remuneration.</p>	

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

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Mining exploration entity and oil and gas exploration entity quarterly report

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	1,008
9.2 Development	-
9.3 Production	-
9.4 Staff costs	649
9.5 Administration and corporate costs	704
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	2,361

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2 Interests in mining tenements and petroleum tenements acquired or increased				

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Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:



Company secretary

Date: 18 April 2019

Print name: Matthew Smith

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.