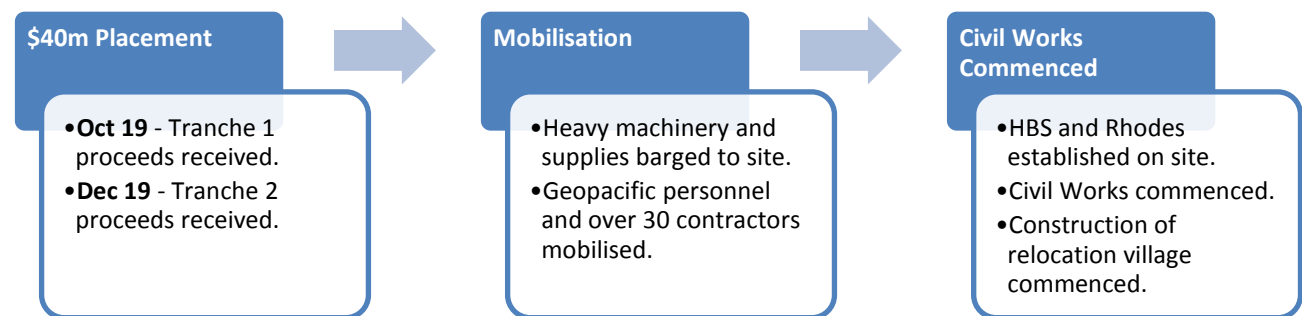


Quarterly report – December 2019

The [Board](#) of Geopacific Resources Ltd (Geopacific or the Company; ASX: GPR) is pleased to provide the December 2019 quarterly report.

Highlights

- Successful \$40 million placement
- Civil Works Program for the Woodlark Project fully funded
- Heavy Machinery, Equipment and Supplies mobilised to site
- Civil Works and the Village Relocation Process commenced



Managing Director, Ron Heeks commented

“The combination of several critical milestones achieved during the December quarter has given Geopacific considerable momentum towards moving the 1.6Moz¹ Woodlark Gold Project into production.

The proceeds from a successful capital raising of \$40 million enabled the company to commence development activities with the mobilisation of contractors, supplies and equipment to site. The successful mobilisation of resources has resulted in the commencement of civil works and other tasks required for the preparation of construction of the processing plant.

Geopacific is now well placed to complete a Civil Works Program designed to facilitate project execution in preparation for the construction of the process plant by GR Engineering”



Figure 1: Woodlark Island - Arrival of barge for the commencement of construction and development activities.

¹ Refer to appendices and March 2018 Pre-feasibility Study – ‘Robust Woodlark Gold project PFS Supports Development.’

Occupational Health & Safety

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

Corporate News & Development Activities

Project Financing

During the Quarter, Geopacific completed a \$40 million share placement (Placement) and raised an additional \$101,000 via a Share Purchase Plan (SPP).

Geopacific is now funded to commence the first phase of development at Woodlark and move towards a complete project financing solution.

Net proceeds from the Placement and SPP will primarily be used for front end engineering design (FEED), project civil construction including roads and wharf, relocation of the Kulumadau village, Woodlark mine camp upgrades, project financing costs and other working capital for project development and expansion activities.

Placement

A \$40 million placement was made to Sophisticated and Professional Investors for 1,600 million fully paid ordinary shares at \$0.025 per share².

The Placement was composed of two tranches, the first of which was completed within the Company's placement capacity and raised \$17.2 million excluding transaction costs. The Tranche 1 Net Proceeds were received by the Company in October 2019.

The Second Tranche, to raise \$22.8 million was approved by shareholders at the general meeting held on 9 December 2019. The Tranche 2 Net Proceeds were received by the Company during December 2019.

Petra Capital acted as Lead Manager and Bookrunner to the Placement. For further information on the capital raising, please refer to the full announcement available [here](#).

Following the capital raising, the Company continued to progress towards a complete project financing solution with the capital raised proving to be a strong catalyst to advance discussions with potential debt providers.

Share Purchase Plan

The Company offered a SPP at \$0.025 per share, the same price as the Placement, to raise up to a further \$5 million.²

The SPP allowed eligible shareholders to acquire up to \$30,000 worth of shares. The SPP offer closed on 29 November 2019 and the Company raised \$101,000 (4,040,000 Shares).² For further information on the Share Purchase Plan, please refer to the full announcement available [here](#).

Share Consolidation

On 21 October, a share consolidation was proposed to convert every 25 shares on issue to 1 share.

The consolidation was approved by shareholders at the general meeting held on 9 December 2019 and was completed in late December 2019. For further information on the Share Purchase Plan, please refer to the full announcement available [here](#).

Woodlark Construction Commenced

Following the successful \$40 million capital raising, civil construction commenced at the 1.6Moz³ Woodlark Gold Project. This first phase of development (Civil Works Program) is designed to facilitate project execution in preparation for the completion of project financing and the construction of the process plant.

² Quoted Share Prices and Share Quantities are prior to the 21 October Share Consolidation.

³ Refer to appendices and March 2018 Pre-feasibility Study – 'Robust Woodlark Gold project PFS Supports Development.'

As at 30 Jan 2020, 60% of the plant site has been cleared and grubbed with levelling currently underway. For the port access road, 2.5 km of the 7km has been cleared and forming works are ongoing.



Figure 2: Port Road Clearing



Figure 3: Plant Site Clearing and Grubbing



Figure 4: Panoramic photograph of plant clearing, 60% complete as at 30 January 2020

Key Contracts Signed

A contract was signed with industry leader, HBS, to undertake earthmoving civils as part of the Civil Works Program at the Woodlark Gold Project. HBS will provide equipment and personnel to construct new roads, repair existing roads, construct the wharf causeway and undertake bulk earthworks operations at the plant site in preparation for the process plant build.

A contract was signed with Rhodes Projects, an international project manager located in Papua New Guinea, to provide materials and skilled supervisors to oversee a local team that will build the necessary housing and infrastructure required to enable the relocation of the existing Kulumadau village.

Mobilisation

On 1 December 2019, a team of Geopacific personnel mobilised to site to prepare for the arrival of HBS and Rhodes.

On 13 December 2019, key supplies and equipment mobilised to site, along with over 30 contractors from HBS and Rhodes.

Personnel were transported to site on a 36 seat Dash 8 charter flight. This was the first time a plane of that size has landed on Woodlark Island and was the result of a collaborative process between Geopacific and PNG Air which has been ongoing since the exploration phase of the Woodlark Gold Project. Geopacific and PNG Air are continuing to work together to organise regular commercial flights to the Woodlark Gold Project.

The arrival on site of supplies, equipment and personnel marked another key milestone critical to the success of the Woodlark Gold Project. The mobilisation was the culmination of a considerable amount of planning and co-ordination among multiple parties. Both HBS and Rhodes have been able to capitalise on the successful mobilisation by undertaking the necessary activities required to meet their respective objectives.

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Figure 5: Geopacific personnel arrive on Woodlark Island via PNG Air, the largest aircraft to visit site since World War II.

Village Relocation

An existing village located in the mining area will be relocated to new areas (see Figure 3 below), selected by the residents, outside the mining lease. The relocation will include construction of new houses, trade stores, churches, schools and other community amenities. As at 30 January, the first two areas of the village relocation area have been cleared and house construction has commenced.

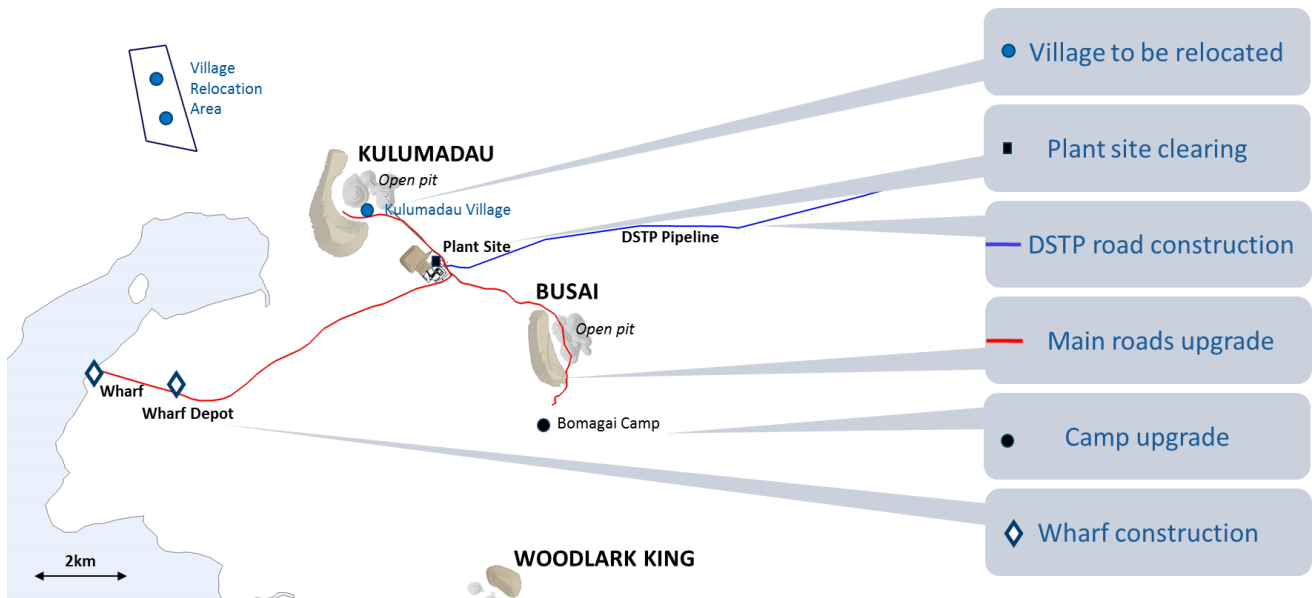


Figure 6: Details of civil works and village relocation activities to be undertaken.

Community Relations

Community consultation has been extensive and is ongoing, with detailed planning, preparation and community engagement activities ramping up over the period.



Figure 7: Community consultation and engagement has been extensive and ongoing

Project Execution

Gold Process Plant

After a rigorous evaluation and selection process, a conditional letter of intent was issued to GR Engineering Services Ltd (GR Engineering) in September 2019 for the construction of Woodlark's 2.4Mtpa carbon in leach (CIL) treatment facility (process plant), tailings line and other supporting infrastructure.

In September 2019, the Company also appointed independent engineering consultants, Mintrex Pty Ltd (Mintrex) to conduct a thorough review of GR Engineering's proposed plant design and evaluate the capital expenditure requirements.

Mintrex technically validated GR Engineering's proposed process plant design during the period.

Licence and Permitting

Mining Licence

During the previous quarter, an extension to the construction timeline in the Woodlark Gold Project's Mining Licence (ML) was granted by the Minister for Mining, The Hon Johnson Tuke MP. The deadline for completion of the construction and commissioning of the process plant is now 5 July 2022, providing Geopacific with sufficient time to finance and construct the project.

During the quarter, the Company continued to consult with the Mineral Resources Authority (MRA) in relation to the Woodlark development program.

Environmental Licence

Amendments to the Environmental Licence have been requested by Geopacific to reflect the revised operating strategy from the November 2018 DFS⁴, with the major change being an increase in plant throughput from 1.8Mtpa to 2.4Mtpa.

⁴ Refer to November 2018 Woodlark DFS – announced on 7 November 2018. All material assumptions underpinning the production target and forecast financial information continue to apply and have not changed materially

Other Activities

Non-core Projects

Geopacific believes that delivering the Woodlark Gold Project into production will generate the greatest return for shareholders. As a result, the Company will focus on the development and financing of the Woodlark Gold Project and review its non-core assets.

Kou Sa Copper Gold Project, Cambodia

The Company is in negotiation with the vendors of the Kou Sa Project to restructure the deferred consideration payments. A payment of US\$1.57M is currently outstanding. In the event agreement cannot be reached with the vendors, Geopacific will look to relinquish ownership of the Kou Sa Project and would be required to pay US\$500k to the vendors.

Fijian Gold Projects, Fiji

All licences have been relinquished or are in the process of being relinquished. The office in Fiji has been closed and Geopacific is investigating options to wind up the Fijian entities.

Financial and Corporate Summary

As at 31 December 2019, the Company had the following share structure and cash balance:

As at 31 December 2019	
Cash Balance	\$37.5 million
Ordinary Fully Paid Ordinary Shares	174,525,760
Options	4,700,324
Share Appreciation Rights	2,023,706

This announcement was authorised by the Board of Geopacific.

Contact

For further information, 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 https://geopacific.com.au T +61 8 6143 1820 HEAD OFFICE Level 1, 278 Stirling Highway, Claremont WA 6010. PO Box 439, Claremont WA 6910	Ian Clyne Chairman Ron Heeks Managing Director Ian Murray Non-Executive Director Colin Gilligan Non-Executive Director Matthew Smith Company Secretary	PAPUA NEW GUINEA Woodlark Island Gold CAMBODIA Kou Sa Copper Gold

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 undertaken 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
Cambodia	Preah Vihear Province	Kou Sa Project ⁵	85%
Papua New Guinea	Woodlark Island	EL 1172	100%
Papua New Guinea	Woodlark Island	EL 1279	100%
Papua New Guinea	Woodlark Island	EL 1465	100%
Papua New Guinea	Woodlark Island	LMP 89	100%
Papua New Guinea	Woodlark Island	LMP 90	100%
Papua New Guinea	Woodlark Island	LMP 91	100%
Papua New Guinea	Woodlark Island	LMP 92	100%
Papua New Guinea	Woodlark Island	LMP 93	100%
Papua New Guinea	Woodlark Island	ME 85	100%
Papua New Guinea	Woodlark Island	ME 86	100%
Papua New Guinea	Woodlark Island	ML 508	100%

⁵ The Kou Sa Licence expired on 13 March 2019 and the renewal application has been lodged.

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Woodlark Global Mineral Resources

The Woodlark Mineral Resource is **47Mt @ 1.04g/t Au for 1.57Moz of gold⁶** 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 1,037,600oz⁷** 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
Kulumadai	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 Kt	Au Koz	Ag Koz	CuEq 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

⁶ Refer to March 2018 Pre-feasibility Study – ‘Robust Woodlark Gold project PFS Supports Development.’

⁷ 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 December 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	(198)	(1,750)
(b) development	(2,028)	(2,028)
(c) production	-	-
(d) staff costs	(391)	(1,676)
(e) administration and corporate costs	(389)	(1,250)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	27	32
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)	-	(60)
1.9 Net cash from / (used in) operating activities	(2,979)	(6,732)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(531)	(531)
(b) tenements (see item 10)	-	-
(c) investments	-	(20)
(d) other non-current assets	-	-

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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	-	7
(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 (Cash forgiven as part of the Kula transaction)	-	(68)
2.6 Net cash from / (used in) investing activities	(531)	(612)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	40,101	44,436
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	(2,034)	(2,373)
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	38,067	42,063

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	3,221	3,059
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(2,979)	(6,732)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(531)	(612)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	38,067	42,063
4.5 Effect of movement in exchange rates on cash held	(330)	(330)
4.6 Cash and cash equivalents at end of period	37,448	37,448

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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	29,584	3,221
5.2 Call deposits	7,864	-
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)	37,448	3,221

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	141
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	
Payment of director's remuneration.	

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	53
9.2 Development	7,559
9.3 Production	-
9.4 Staff costs	405
9.5 Administration and corporate costs	612
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	8,629

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: 31 January 2020

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.