

8 March 2017

## Geopacific Resources (GPR)

**BUY**

**Share Price: A\$0.037**

### A reminder of Woodlark's potential

**Target Price:**

**A\$0.10**

Geopacific (GPR) continue to advance the exciting Woodlark Gold Project (WGP) toward a revised feasibility study & potential production decision late in 2017. The project already hosts a 2.1Moz resource & 0.77Moz reserve (11Mt at 2.2g/t Au at 1g/t cut-off) mainly contained in two shallow, open pittable deposits. GPR is earning into the WGP, with the next key milestone the definition of a 1.2Moz reserve for 51% of the project. Delivery of a revised feasibility study and project financing can earn GPR up to 80%. Updated economic studies & development drilling are underway, with a number of highly encouraging drill hits reported so far. We continue to believe the combination of infill/extensional drilling & improved opex/capex will outline a robust gold project & drive a significant re-rating to bring it more in-line with its peer group. Maintain BUY; price target of A\$0.10/sh.

#### Drill results already illustrating the upside potential

- Initial holes at Busai report broad, high grade gold hits outside the previous shallow pit shell
- Revised structural interpretation confirmed
- Results appear to support a larger open pit at Busai which would capture significant additional ounces
- Infill & extension drilling continues with one rig at Busai
- Two drill rigs focusing on the higher grade Kulumadau deposit; assay results are pending

#### Engineering work focusing on plant optimisation

- Focus on plant re-design & power requirements
- Design & optimisation work underway to re-base opex and capex as drivers of an improved feasibility study

#### Reserve growth >1.2Moz appears straightforward

- Three key areas to deliver reserve growth, in our view
  1. Upgrading inferred resources with infill drilling
  2. Additional mineralisation defined by current drill program both along strike & at depth
  3. Lower cut-off grade as opex/capex is rebased

#### GPR is cheap relative to ASX gold space

- GPR undervalued relative to the gold sector based on multiple metrics
- Discount likely to close as milestones are delivered through 2017 and asset quality is better appreciated

#### Price target unchanged at A\$0.10/sh

- Our price target is based on 1xP/NPV<sub>15</sub> which assumes 104kozpa at A\$1,100/oz AISC over 11.5 yrs

#### Company Data

Shares – ordinary (M)	1,156
Market capitalisation (\$M)	\$42.8m
12 month low/high (\$)	\$0.023 / \$0.054
Average monthly turnover (\$M)	\$1.8m
GICS Industry	Diversified metals & mining

#### Financial Summary (fully diluted/normalised)

Year end June	2016F	2017F	2018F	2019F	2020F
Revenue (\$M)	0.0	0.0	0.0	62.2	141.8
Costs (\$M)	2.0	2.0	3.5	31.4	69.8
EBITDA (\$M)	-2.0	-2.0	-3.5	30.8	72.0
NPAT (A\$M)	-1.7	-1.8	-3.1	17.4	34.7
EPS (cps)	-0.2	-0.1	-0.2	1.1	2.1
EPS Growth (%)	na	na	na	>100	99.3
PER (x)	na	na	na	4.0	2.0
Cashflow (Gross A\$M)	-1.7	-1.8	-3.1	27.8	57.9
CFPS (c/sh)	-0.2	-0.1	-0.2	1.7	3.5
PCFPS	na	na	na	2.5	1.2
EV	38	48	99	167	116
EV/EBITDA	-18.8	-24.2	-28.2	5.4	1.6
DPS	0.0	0.0	0.0	0.0	0.0

#### GPR – performance over one year (A¢/sh)



#### Disclosure and Disclaimer

This report must be read with the disclosure and disclaimer on the final page of this document. Petra Capital Pty Ltd acted as sole lead manager and bookrunner for GPR's placement of \$15m at A\$0.043/share on 18 August 2016, for which a fee was received

Brett McKay

+61 2 9239 9605

## Analysis

Geopacific Resources (GPR)								Share Price (\$)				0.04						
8-Mar-17								Iss. Shares (current) (M)				1152.3						
Year End 31 Dec								Iss. Shares (diluted) (M)				1735.3						
A\$								Unlisted Options (M)				0.0						
PROFIT & LOSS								Mkt Cap. (\$M)				48.4						
		2015A	2016F	2017F	2018F	2019F	2020F	RESOURCES INVENTORY				2015A	2016F	2017F	2018F	2019F	2020F	
Sales Revenue	\$M	0.0	0.0	0.0	0.0	62.2	141.8	<b>Mining Inventory</b>										
Other Income	\$M	0.1	0.0	0.0	0.0	0.0	0.0	Tonnes	Mt	0.0	0.0	19.0	19	18	16			
Operating Costs	\$M	1.9	2.0	2.0	3.5	31.4	68.8	Grade	g/t	0.0	0.0	2.0	2.0	2.00	2.00			
Exploration	\$M	0.0	0.0	0.0	0.0	0.0	0.0	Contained Gold	oz	0	0	0	1,221,728	1,170,287	1,054,544			
Other	\$M	0.0	0.0	0.0	0.0	0.0	0.0	<b>Resources</b>										
<b>EBITDA</b>	<b>\$M</b>	<b>(1.9)</b>	<b>(2.0)</b>	<b>(2.0)</b>	<b>(3.5)</b>	<b>30.8</b>	<b>72.0</b>	Tonnes	Mt	0.0	0.0	45	45	44	43			
Dep. & Amort.	\$M	0.1	0.0	0.0	0.0	3.0	15.7	Grade	g/t	0.0	0.0	1.5	1.5	1.5	1.5			
<b>EBIT</b>	<b>\$M</b>	<b>(2.0)</b>	<b>(2.0)</b>	<b>(2.0)</b>	<b>(3.5)</b>	<b>27.9</b>	<b>56.3</b>	Contained Gold	oz	0	0	0	2,174,998	2,123,557	2,007,814			
Net Interest	\$M	0.0	(0.3)	(0.2)	(0.4)	3.0	6.7	<b>PRODUCTION (100%)</b>										
<b>Pre-Tax Profit</b>	<b>\$M</b>	<b>(2.0)</b>	<b>(1.7)</b>	<b>(1.8)</b>	<b>(3.1)</b>	<b>24.9</b>	<b>49.6</b>	Ore Milled	Mt	0.00	0.00	0.00	0.00	0.8	1.8			
Tax	\$M	0.0	0.0	0.0	0.0	7.5	14.9	Grade	g/t	0.0	0.0	0.0	0.0	2.0	2.0			
Minorities	\$M	0.0	0.0	0.0	0.0	0.0	0.0	Recovery	%	0%	0%	0%	0%	90%	90%			
<b>Net Profit</b>	<b>\$M</b>	<b>(2.0)</b>	<b>(1.7)</b>	<b>(1.8)</b>	<b>(3.1)</b>	<b>17.4</b>	<b>34.7</b>	Gold Produced	oz	0	0	0	0	46,297	104,168			
Abnormal	\$M	0.0	0.0	0.0	0.0	0.0	0.0	<b>REVENUE (attributable)</b>										
<b>Reported Profit</b>	<b>\$M</b>	<b>(2.0)</b>	<b>(1.7)</b>	<b>(1.8)</b>	<b>(3.1)</b>	<b>17.4</b>	<b>34.7</b>	Woodlark	\$M	0.0	0.0	0.0	0.0	62.2	141.8			
Dividends Paid	\$M	0.0	0.0	0.0	0.0	0.0	0.0	Other	\$M	0.0	0.0	0.0	0.0	0.0	0.0			
Adjustments	\$M	0.0	0.0	0.0	0.0	0.0	0.0	Total	\$M	0.0	0.0	0.0	0.0	62.2	141.8			
<b>Retained Earnings</b>	<b>\$M</b>	<b>(14.0)</b>	<b>(15.8)</b>	<b>(17.5)</b>	<b>(20.6)</b>	<b>(3.2)</b>	<b>31.6</b>	<b>COSTS (attributable)</b>										
<b>CASH FLOW</b>								Cash costs	AS/oz	0	0	0	0	754	796			
Revenue	\$M	0.0	0.0	0.0	0.0	62.2	141.8	All in sustaining costs	AS/oz	0	0	0	0	830	863			
Costs	\$M	(1.7)	(2.0)	(2.0)	(3.5)	(31.4)	(69.8)	Cash costs	US\$/oz	0	0	0	0	543	561			
Net Interest	\$M	0.0	0.3	0.2	0.4	(3.0)	(6.7)	All in sustaining costs	US\$/oz	0	0	0	0	598	608			
Tax Paid	\$M	0.0	0.0	0.0	0.0	0.0	(7.5)	Cash costs	\$M	0.0	0.0	0.0	0.0	27.9	66.3			
<b>Gross Cash Flow</b>	<b>\$M</b>	<b>(1.7)</b>	<b>(1.7)</b>	<b>(1.8)</b>	<b>(3.1)</b>	<b>27.8</b>	<b>57.9</b>	Other/corporate	\$M	0.0	2.0	2.0	4	4	4			
Net Capex	\$M	(0.0)	0.0	0.0	(69.3)	(90.7)	(2.8)	Total	\$M	0.0	2.0	2.0	3.5	31.4	69.8			
Exploration	\$M	(10.8)	(15.0)	(8.0)	(8.0)	(5.0)	(5.0)	<b>CAPEX (attributable)</b>										
Dividends	\$M	0.0	0.0	0.0	0.0	0.0	0.0	Woodlark	\$M	0.0	0.0	0.0	69.3	90.7	2.8			
Other	\$M	(5.0)	0.0	0.0	0.0	0.0	0.0	Other	\$M	0.0	0.0	0.0	0.0	0.0	0.0			
<b>Free Cashflow</b>	<b>\$M</b>	<b>(17.5)</b>	<b>(16.7)</b>	<b>(9.8)</b>	<b>(80.4)</b>	<b>(67.8)</b>	<b>50.1</b>	Total	\$M	0.0	0.0	0.0	69.3	90.7	2.8			
Equity Issues	\$M	25.4	15.0	20.0	30.0	0.0	0.0	<b>DEPRECIATION (attributable)</b>										
Net Borrowings	\$M	(0.1)	0.0	0.0	50.0	50.0	(20.0)	Woodlark	\$M	0.0	0.0	0.0	0.0	3.0	15.7			
Net Investments	\$M	0.0	0.0	0.0	0.0	0.0	0.0	Other	\$M	0.0	0.0	0.0	0.0	0.0	0.0			
<b>Surplus Cash Flow</b>	<b>\$M</b>	<b>7.8</b>	<b>(1.7)</b>	<b>10.2</b>	<b>(0.4)</b>	<b>(17.8)</b>	<b>30.1</b>	Total	\$M	0.0	0.0	0.0	0.0	3.0	15.7			
<b>BALANCE SHEET</b>								<b>EBITDA (attributable)</b>										
Cash	\$M	12.6	10.9	21.1	20.7	2.9	32.9	Woodlark	\$M	0.0	-2.0	-2.0	-3.5	30.8	72.0			
Other Current	\$M	0.8	0.0	0.0	0.0	0.0	0.0	Other (incl. writedowns)	\$M	0.0	0.0	0.0	0.0	0.0	0.0			
<b>Total Current</b>	<b>\$M</b>	<b>13.3</b>	<b>10.9</b>	<b>21.1</b>	<b>20.7</b>	<b>2.9</b>	<b>32.9</b>	Total	\$M	0.0	-2.0	-2.0	-3.5	30.8	72.0			
Fixed Assets	\$M	0.2	0.2	0.2	69.5	157.2	144.3	<b>HEDGING (attributable)</b>										
Exploration	\$M	26.2	41.2	49.2	57.2	62.2	67.2	Gold hedged	oz	0	0	0	0	0	0			
Intangibles	\$M	0.0	0.0	0.0	0.0	0.0	0.0	Hedged price	US\$/oz	0	0	0	0	0	0			
Other	\$M	8.6	9.4	9.4	9.4	9.4	9.4	Hedged price	AS/oz	0	0	0	0	0	0			
<b>Total NC Assets</b>	<b>\$M</b>	<b>34.9</b>	<b>50.7</b>	<b>58.7</b>	<b>136.0</b>	<b>228.7</b>	<b>220.8</b>	Sales hedged	%	0%	0%	0%	0%	0%	0%			
<b>TOTAL ASSETS</b>	<b>\$M</b>	<b>48.2</b>	<b>61.5</b>	<b>79.8</b>	<b>156.7</b>	<b>231.6</b>	<b>253.8</b>	Ave. deliverable price	US\$/oz	1160	1247	1215	1220	1210	1200			
Total Debt	\$M	0.0	0.0	0.0	50.0	100.0	80.0	Ave. deliverable price	AS/oz	1,541	1,677	1,642	1,671	1,681	1,702			
Current Liab	\$M	1.1	1.1	1.1	1.1	8.6	16.0	<b>ASSUMPTIONS</b>										
Non Current Liab	\$M	0.0	0.0	0.0	0.0	0.0	0.0	Exchange Rate	AS/US\$	0.75	0.74	0.74	0.73	0.72	0.71			
<b>TOTAL LIAB</b>	<b>\$M</b>	<b>1.1</b>	<b>1.1</b>	<b>1.1</b>	<b>51.1</b>	<b>108.6</b>	<b>96.0</b>	Gold Price	US\$/oz	1160	1247	1215	1220	1210	1200			
<b>NET ASSETS</b>	<b>\$M</b>	<b>47.1</b>	<b>60.4</b>	<b>78.6</b>	<b>105.6</b>	<b>123.0</b>	<b>157.7</b>	Gold Price	AS/oz	1541	1677	1642	1671	1681	1702			
<b>SH/HLDRS FUNDS</b>	<b>\$M</b>	<b>47.1</b>	<b>60.4</b>	<b>78.6</b>	<b>105.6</b>	<b>123.0</b>	<b>157.7</b>	Silver price	US\$/oz	15.71	17.09	19.50	20.00	20.00	20.00			
<b>RATIO ANALYSIS</b>								90 day Bank Bills	%	2.26	2.14	2.09	2.09	2.09	2.09			
EPS	¢	(0.3)	(0.2)	(0.1)	(0.2)	1.1	2.1	10 Yr Bond rate	%	2.71	2.38	2.78	2.78	2.78	2.78			
PER	x	na	na	na	na	4.0	2.0	Interest Rate Charged	%	6.00	6.00	6.78	6.78	6.78	6.78			
EPS Growth	%	>100	>100	(28.5)	72.5	669.6	99.3	<b>VALUATION (fully diluted) at 15% discount rate</b>										
EBITDA per share	¢	-0.2	-0.2	-0.1	-0.2	1.9	4.4	Woodlark (80%)						109.0	\$	0.06		
EBITDA Multiple	x	-17.7	-24.2	-34.7	-19.8	2.3	1.0	Exploration						35.0	\$	0.02		
EV/EBITDA	x	-11.1	-18.8	-24.2	-28.2	5.4	1.6	Corporate / Other						(14)	\$	(0.01)		
CFPS	¢	(0.2)	(0.2)	(0.1)	(0.2)	1.7	3.5	Net Cash (Debt)						21.1	\$	0.01		
PCFR	x	na	na	na	na	2.5	1.2	<b>Total</b>						<b>151.0</b>	<b>\$</b>	<b>0.10</b>		
DPS	¢	0.0	0.0	0.0	0.0	0.0	0.0											
Yield	%	0.0	0.0	0.0	0.0	0.0	0.0											
Franking	%	0	0	0	0	0	0											
Payout Ratio	%	0%	0%	0%	0%	0%	0%											
Gearing D/E	%	na	na	na	27.8	79.0	29.8											
Interest Cover	x	0.0	7.4	8.8	8.0	9.4	8.4											
EBITDA Margin	%	na	na	na	na	49.5	50.8											
EBIT Margin	%	na	na	na	na	44.8	39.7											
Return On Assets	%	(4.1)	(3.2)	(2.5)	(2.2)	12.0	22.2											
Return On Equity	%	(4.2)	(2.9)	(2.3)	(2.9)	14.2	22.0											
Eff Tax rate	%	0	30	30	30	30	30											

Source: Petra Capital

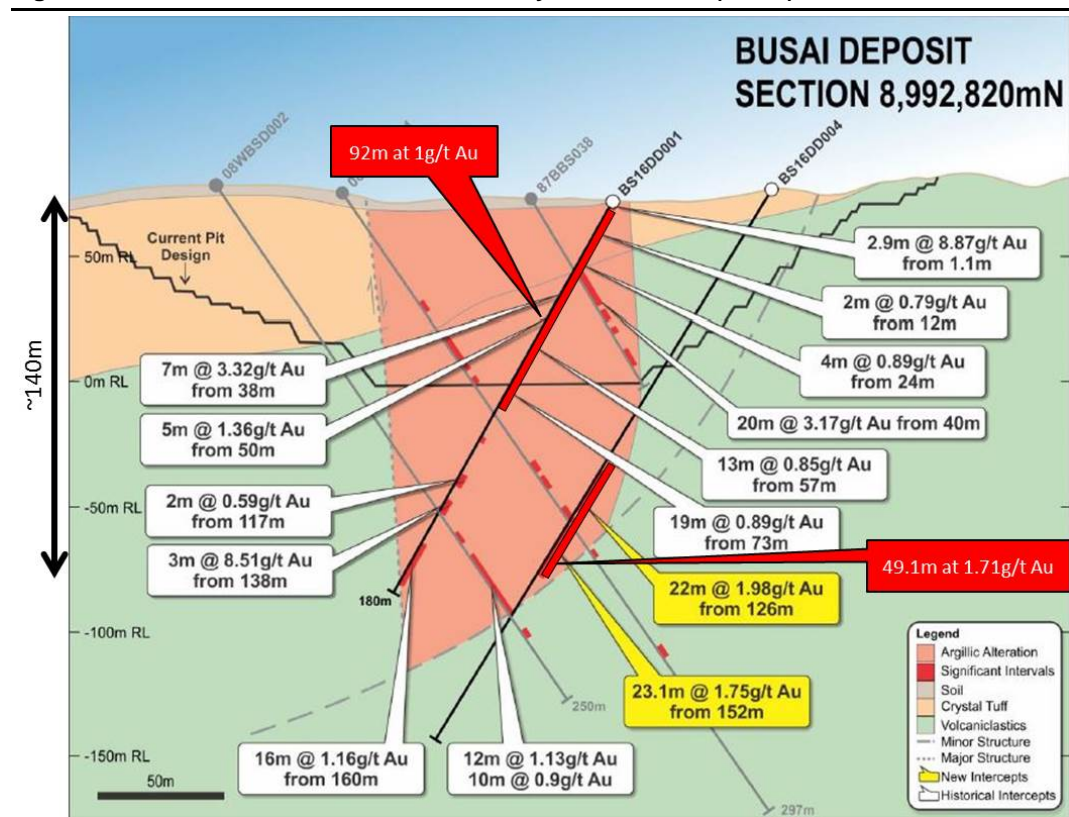
### Impressive early results from current drill program

Whilst the WGP already hosts a 2.1Moz resource and 0.77koz reserve based on 265,000m of drilling completed by previous owners, GPR are focused on lifting the reserve to 1.2Moz and using this to underpin an improved development plan to bring WGP into production as quickly as possible.

Drilling has recently started, with 15,000-20,000m to be drilled with three rigs over the coming months. Initial results have been impressive, with two holes confirming the depth extension of mineralisation beneath the previously designed open pit at Busai (Figure 1). Notably, this previous pit was only designed to 65m vertical depth and constrained by Measured & Indicated (M&I) resources, despite drilling clearly indicating the orebody continued at depth. GPR are currently drilling this deeper zone at a tighter drill spacing to ensure maximum translation through to reserves and the revised mine plan. Results generated so far indicate thick zones of mineralisation down to around 140m vertical depth which would likely fall into a new pit design of modest depth.

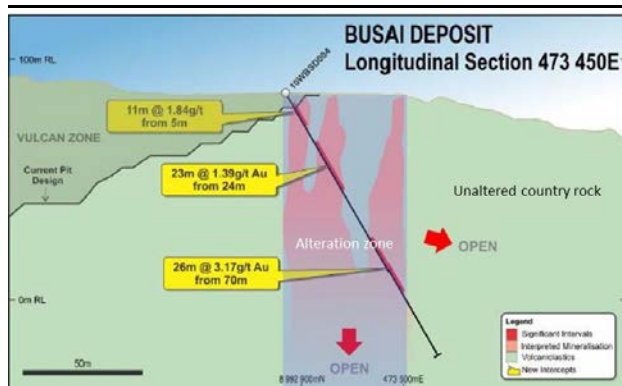
Another notable result was generated from a previous geotechnical drill hole which drilled away from the main orebody to help with the design of pit wall angles in the previously planned Busai open pit (Figure 2 & 3). This hole was not assayed for gold at the time and, upon inspection by GPR, was observed to contain highly altered rock and subsequently assayed; three mineralised intervals have now been reported from shallow depth, including 26m at 3.2g/t from 70m which contains a high grade zone of 11m at 6.6g/t. Further, the previous Busai pit design would have considered the poor geotechnical parameters of these highly altered rocks in overly conservative pit wall angles. A better understanding of this new mineralised zone is now required, with potential for inclusion in a larger open pit; a larger pit capturing this mineralisation would push the pit walls into unaltered rocks to enable steeper wall angles and a reduced strip ratio.

**Figure 1: Results from first two holes drilled by GPR at Busai (in red)**



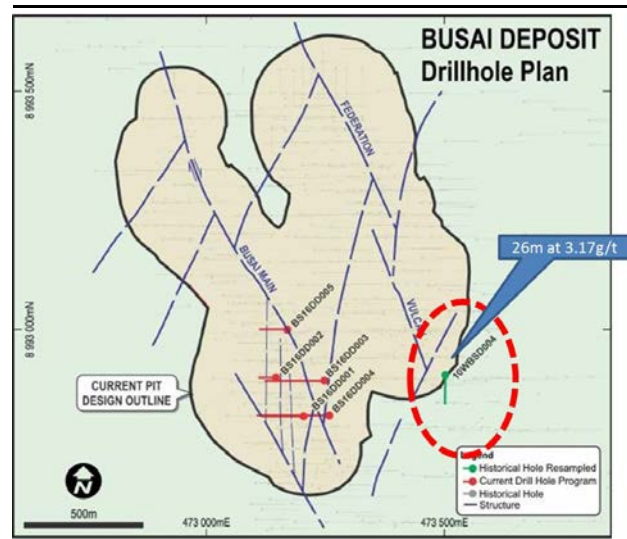
Source: Company reports, Petra Capital

**Figure 2: Assay results from old geotechnical hole**



Source: Company reports, Petra Capital

**Figure 3: Drill hole location plan**



Source: Company reports, Petra Capital

### GPR to target 1.2Moz reserve milestone for initial 51% ownership

With the recent ramp up of drilling activity, along with study work aimed at updating the feasibility study to better reflect current development parameters, GPR is well on the way to achieving a development decision by the end CY17. The preliminary target of a 1.2Moz reserve will earn GPR a 51% interest in the project, with further milestones to deliver up to 80% ownership of WGP. A reminder of the key areas being focused on by GPR throughout this work program are listed below:

- **Resource to reserve conversion drilling** – targeting areas of Inferred resource which currently reside either within or adjacent to existing open pit shells. There is 770koz of inferred resources at Kulumadau and Busai which is the subject of a targeted infill drilling campaign aiming to upgrade these resources into the M&I category. Previous work indicates the three separate pits at Kulumadau would merge into one larger pit when optimising with Measured, Indicated and Inferred resources. M&I resources can then be translated into reserves and factored into an updated mine plan.
- **Rebasing project economics** – the DFS was completed in 2012 at a high point in the mining cycle, resulting in elevated capex and opex which consequently drove an elevated cut-off grade of 1g/t Au for open pit resources. Changes in the mining industry cycle since 2012 have resulted in a more competitive cost environment which should improve project economics and drive a lower cut-off grade; GPR believe 0.5-0.6g/t is achievable for projects of this scale and in line with the standard industry range. A lower cut-off grade should convert a significant component of the 'in-pit' inferred resources, albeit at a lower grade. An example of the upside potential is demonstrated at Kulumadau which has a 282koz reserve at 1g/t cut-off and 840koz in resource at a 0.5g/t cut-off. Further, lower opex & capex estimates will also improve the overall economics of the project, which will in turn, assist project financing.
- **Extensional drilling** – the previous open pit mine designs were often constrained by drilling data rather than mineralisation. Significant potential exists to continue defining mineralisation both along strike and at depth with further drilling; the current drill program at Busai is already achieving this. Pit designs have previously been established on Measured and Indicated resources only, despite clear indications mineralisation is not closed off by drilling. More drilling is required in these areas to either extend mineralisation at depth or increase drill hole spacing to enable conversion into higher resource categories.

- **Reduce strip ratio** – two main areas are being focused on by GPR in an effort to reduce the previous LOM strip ratio of 9.1:1 down to around 5-6:1. Firstly, lowering the cut-off grade will convert lower grade mineralisation (currently classified as waste) into ore. Secondly, further geotechnical and hydrological investigation of the current pit wall design will take place with a view to potentially steeper pit walls in some areas. This is particularly the case at Kulumadau where walls are as flat at 30 degrees eg. Kulumadau East. The recent recognition of a new, near surface gold zone on the south-eastern margin of the Busai pit also suggests significant potential to steepen at least some the pit walls at Busai.

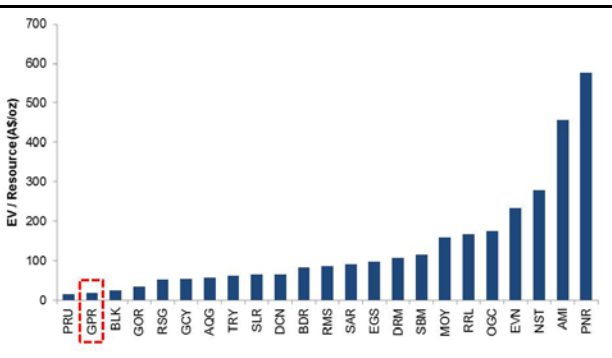
**GPR looks very cheap relative to the sector**

GPR appears undervalued relative to comparable gold companies on the ASX. Based on 80% ownership of the current 2.1Moz resource and 0.77koz reserve, GPR is the second cheapest gold stock on an EV/resource and EV/reserve basis (Figure 4 & 5); it becomes the cheapest stock on an EV/reserve basis assuming the 1.2Moz reserve target is achieved (Figure 5).

Of the gold development companies within this list, GPR stands out on an EV/planned production metric (Figure 6). For this, we have used GPR's 80% share of our forecast average gold production of 104koz at US\$750/oz AISC for WGP, along with publicly stated production and cost forecasts for other companies in the years noted. Figure 8 presents a full list of these companies, including estimates of timing for production and cost forecasts.

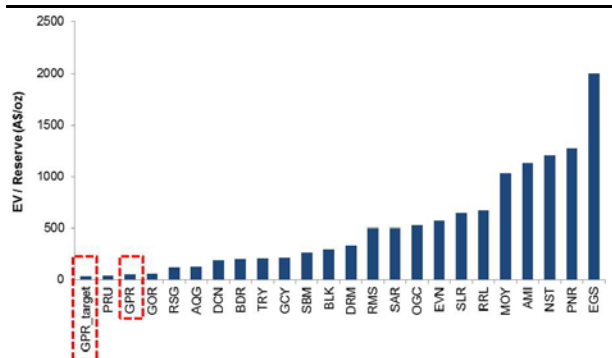
The forecast capital intensity for WGP appears relatively high compared to other development projects being considered. However, the underlying capex estimate of US\$150m (A\$200m) is based on our conservative forecast cost to build a new 1.8Mtpa gold project on a remote island. Study work being completed by GPR is aiming to reduce the capex forecast with the potential to reduce the capital intensity closer to the US\$1,200/oz average for new projects.

**Figure 4: EV/Resource**



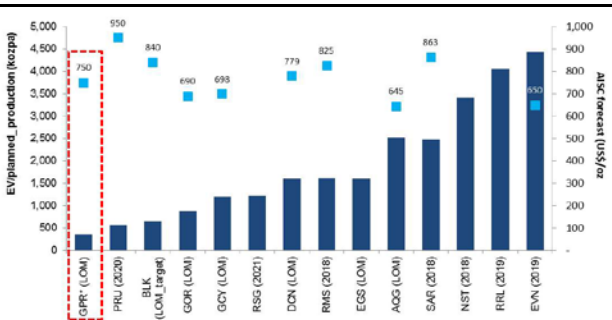
Source: Petra Capital, company reports

**Figure 5: EV/Reserve (including GPR target of 1.2Moz)**



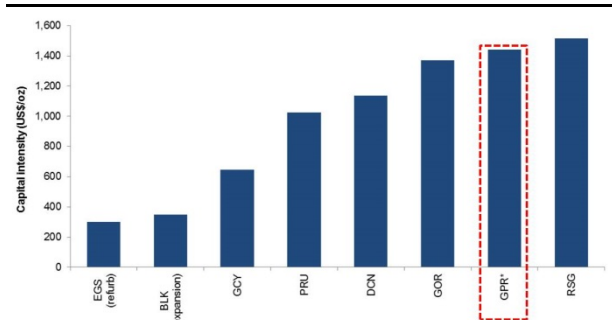
Source: Petra Capital, company reports

**Figure 6: EV/Planned production & AISC forecasts**



Source: Petra Capital, company reports \*Petra estimate

**Figure 7: Capital intensity per ounce for new projects**



Source: Petra Capital, company reports \*Petra estimate



**Figure 8: Forecast production and cost data (where available)**

	Planned Production (kozpa)	Forecast AISC (US\$/oz)	Year	Comment
<b>GPR</b>	83.2	750		Petra average LOM estimate
<b>GCY</b>	100	698		Company average LOM forecast
<b>EGS</b>	100			Company average LOM forecast
<b>RMS</b>	125	825	2018	Company forecast
<b>GOR</b>	135	690		Company average LOM forecast
<b>DCN</b>	145	779		Company average LOM forecast
<b>AQG</b>	166.4	645		Company average LOM forecast for sulphide project
<b>BLK</b>	250	840		Petra target for expansion project
<b>SAR</b>	300	863	2018	Company forecast
<b>RRL</b>	355		2019	Company forecast
<b>RSG</b>	475		2021	Company forecast incl Ravenswood & Bibiani
<b>PRU</b>	500	950	2020	Company forecast incl Sissingue & Yaoure
<b>NST</b>	600		2018	Company forecast
<b>EVN</b>	860	650	2019	Company forecast

Source: Company reports, Petra Capital

**Petra Capital**  
 Level 17, 14 Martin Place, Sydney NSW 2000

ABN 95 110 952 782  
 ACN 110 952 782  
 AFSL 317 944

Director:	George Marias	+61 (0)2 9239 9601	gmarias@petracapital.com.au
Research (Resources):	Brett McKay	+61 (0)2 9239 9605	bmckay@petracapital.com.au
Research (Resources):	Matthew Schembri	+61 (0)2 9239 9630	mschembri@petracapital.com.au
Research (Industrials):	Michael Henshaw	+61 (0)2 9239 9606	mhenshaw@petracapital.com.au
Research (Industrials):	George Kopsiaftis	+61 (0)2 9239 9618	gkopsiaftis@petracapital.com.au
Research (Industrials):	Nick Berry	+61 (0)2 9239 9634	nberry@petracapital.com.au
Research (Industrials):	Killian Murphy	+61 (0)2 9239 9607	kmurphy@petracapital.com.au
Research (Industrials):	Daniel Porter	+61 (0)2 9239 9625	dporter@petracapital.com.au
Research (Property):	Jonathan Kriska	+61 (0)2 9239 9633	jkriska@petracapital.com.au
Sales:	Frank Barila	+61 (0)2 9239 9603	fbarila@petracapital.com.au
Sales:	Shane Gavegan	+61 (0)2 9239 9616	sgavegan@petracapital.com.au
Sales:	Mark Innes	+61 (0)2 9239 9602	minnes@petracapital.com.au
Sales:	Richard Macphillamy	+61 (0)2 9239 9604	rmacphillamy@petracapital.com.au
Sales:	Vincent Pisani	+61 (0)2 9239 9617	vpisani@petracapital.com.au
Sales:	Michael Vincent	+61 (0)2 9239 9620	mvincent@petracapital.com.au
Sales:	Colin Redmond	+61 (0)2 9239 9613	credmond@petracapital.com.au
Sales:	Daniel Gardiner	+61 (0)2 9239 9608	dgardiner@petracapital.com.au
Sales:	Peter Veldhuizen	+61 (0)2 9239 9609	pveldhuizen@petracapital.com.au
Corporate (ECM):	Conrad Anderson	+61 (0)2 9239 9610	canderson@petracapital.com.au
Corporate (ECM):	David Wallis	+61 (0)2 9239 9622	dwallis@petracapital.com.au
Administration:	Krystle Garven	+61 (0)2 9239 9635	kgarven@petracapital.com.au
Administration:	Amelia Holland	+61 (0)2 9239 9614	aholland@petracapital.com.au
Administration:	Samantha Tingley	+61 (0)2 9239 9636	stingley@petracapital.com.au
Administration:	Silvia Fratta Pasini	+61 (0)2 9239 9621	spasini@petracapital.com.au
Administration:	Larissa Falvo	+61 (0)2 9239 9611	lfalvo@petracapital.com.au
Legal & Compliance:	Stephen Newton	+61 (0)2 9239 9612	snewton@petracapital.com.au
Financials:	Tony Christelis	+61 (0)2 9239 9615	tchristelis@petracapital.com.au

**Disclosure**

This document has been prepared in Australia by Petra Capital Pty Ltd which holds an Australian Financial Services License AFSL 317 944. Petra Capital Pty Ltd is an ASX Market Participant. Petra Capital Pty Ltd and its associates, officers, directors, employees and agents, from time to time, may receive brokerage, commissions, fees or other benefits or advantages, hold securities in companies researched by Petra Capital Pty Ltd and may trade in these securities either as principal or agent. Petra Capital Pty Ltd acted as sole lead manager and bookrunner for GPR's placement of \$15m at A\$0.043/share on 18 August 2016, for which a fee was received

**Disclaimer**

The information or advice contained in this report has been obtained from sources that were accurate at the time of issue, however the information has not been independently verified and as such, Petra Capital Pty Ltd cannot warrant its accuracy or reliability. Persons relying on this information do so at their own risk. To the extent permitted by law, Petra Capital Pty Ltd disclaims all liability or responsibility for any direct or indirect loss or damage (including consequential loss or damage) caused by any error or omission within this report, or by persons relying on the contents of this report.

This report is published by Petra Capital Pty Ltd by way of general information or advice only. This report does not take into account specific investment needs or other considerations that may be pertinent to individual investors. Before making any investment decisions based on this report, parties should consider, with or without an investor adviser, whether any relevant part of this report is appropriate to their financial circumstances and investment objectives. Petra Capital Pty Ltd is a licensed institutional/wholesale stockbroking firm. The report is only intended for institutional and sophisticated clients to whom Petra Capital Pty Ltd has issued the report. Petra Capital Pty Ltd is not licensed to advise retail investors – retail investors should contact their own stockbroker or financial adviser/planner for advice.

**Key Risks – Resources Companies under Coverage**

Key risks in relation to the resources sector and the resources companies that are the subject of research by Petra Capital's analysts include commodity price volatility, currency risk, technical/licencing/operational risks, litigation/political risk, development risk and sovereign risk for overseas assets, as well as feasibility, permitting and financing risks related to the development of growth projects.

**Ratings**

Information regarding the scope and expertise of our research services, processes for selection for coverage, and the management of conflicts of interest can be found on Petra Capital's website at [www.petracapital.com.au/research-disclosures](http://www.petracapital.com.au/research-disclosures).

Petra Capital uses the following ratings system and definitions: Buy - Forecast to outperform the Market by more than 5%; Hold - Forecast to perform up to 5% above or below the Market; Sell - Forecast to underperform the Market by more than 5%; Speculative Buy - Speculative Investment; Take Profits - Recommend taking short term profits in a stock we remain fundamentally positive on a medium term view; Accept Offer - For a company under takeover where we see the offer as a fair price with low risk of a competing offer; No Rating - No rating at this time. Market performance is relative to the S&P/ASX Small Ordinaries Index which we assume generates a neutral return on a 12 month basis.

**US Investors**

This material is intended for use by major U.S. institutional investors (as such term is defined in the U.S. Securities Exchange Act of 1934) and "\$100 million investors" only and not the general investing public or retail customers. "\$100 million investors" means any entity, including any investment adviser (whether or not registered under the U.S. Investment Company Act of 1940) that owns or controls (or in the case on an investment adviser has under management) in excess of US\$100 million in aggregate financial assets (i.e. cash, money-market instruments, securities of unaffiliated issues, futures and options on futures and other derivative instruments). Transactions by or on behalf of any US person in any security mentioned in this document may only be effected through Global Alliance Securities, LLC ("Global Alliance"), a U.S. broker dealer. The information upon which this material is based was obtained from sources believed to be reliable, but has not been independently verified. Therefore, its accuracy is not guaranteed. Additional and supporting information is available upon request. This is not an offer or solicitation of an offer to buy or sell any security or to make any investment. Any opinion or estimate constitutes the preparer's best judgement as of the date of preparation and is subject to change without notice. Petra Capital Pty Ltd or Global Alliance and their associates or affiliates, and their respective officers, directors and employees may buy or sell securities mentioned herein as agent or principal for their own account.

**Other International**

International investors are encouraged to contact their local regulatory authorities to determine whether restrictions apply in buying/selling this investment.