

JUNE 2017 QUARTERLY REPORT

30 June 2017

ASX Code: GPR

GEOPACIFIC RESOURCES LIMITED
 ACN 003 208 393

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www.geopacific.com.au

PROJECTS

PNG

- Woodlark Gold

CAMBODIA

- Kou Sa Copper/ Gold

FIJI:

- Sabeto & Vuda Gold-Copper
- Rakiraki Gold
- Nabila Copper-Gold

HEAD OFFICE

Level 1, 278 Stirling Highway
 Claremont, WA 6010
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 Claremont, WA 6910
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BOARD

Chairman:

Milan Jerkovic

Managing Director:

Ron Heeks

Executive Director:

Philippa Leggat

Non-Exec Director:

Mark Bojanjac

Non-Exec Director:

Ian Clyne

Company Secretary:

Matthew Smith

The [Board](#) of Geopacific Resources Ltd (Geopacific or the Company) is pleased to provide this Quarterly Report for the three months ending 30 June 2017. The quarter was an exciting one for Geopacific which saw encouraging progress in the development of the Woodlark Gold Project (Woodlark) and the launch of a takeover for joint venture partner, Kula Gold Limited (Kula).

HIGHLIGHTS

CORPORATE ACTIVITIES

- Geopacific announced its intention to make an off-market takeover offer (Offer) for joint venture partner Kula Gold Resources (Kula).
- Pre-bid acceptance of the Offer was secured from Kula's second largest shareholder, holding 16.84% of Kula's issued capital.
- Bidder's Statement and Replacement Bidder's Statements detailing the Offer were released in May.
- Geopacific received Offer acceptance forms from Kula Shareholders, increasing Geopacific voting rights in Kula to 18.48% by the end of the quarter.
- Geopacific released its Annual report in April.
- All resolutions voted on at the AGM passed.

OPERATIONAL ACTIVITIES

Woodlark Gold Project, Papua New Guinea

- Active development drilling campaign continued with 3 rigs.
- Strong follow-up results north of Kulumadau East.
- Reinterpretation of Busai geological setting and recognition of breccia paragenesis as an aide to logging, geological interpretation and resource targeting.
- Busai drilling highlights:
 - BS17DD007: 42m @ 2.77 g/t Au from 31m
 - BS17DD010: 73m @ 1.50 g/t Au from 73m
- Kulumadau drilling highlights:
 - KU17DD003: 51m @ 2.82 g/t Au from 35m
 - KU17RC038: 11m @ 6.03 g/t Au from 44m and 18m @ 8.89 g/t Au from 102m
 - KU17RC024: 13m @ 3.19 g/t Au from 57m
- Assaying historic geotechnical core (previously unsampled) returned mineralised intersections.



OCCUPATIONAL HEALTH & SAFETY

A soft tissue injury was recorded on a drillrig during the quarter. The injury was addressed immediately with appropriate measures to ensure the safety of all staff. Drilling recommenced within the same day.

CORPORATE NEWS

On 5 April 2017, Geopacific announced its intention to launch an off-market takeover offer for all of the ordinary shares in Kula Gold Limited ACN 126 741 259 (Kula). On 1 May 2017, Geopacific made the off-market takeover offer to acquire all of the ordinary shares of Kula and released the Replacement Bidder's Statement detailing the Offer on 19 May 2017 (Bidder's Statement) (Offer). Geopacific released daily notice of change of interests of substantial holder forms in accordance with acceptance forms being received from Kula Shareholders.

Geopacific released its 2016 annual report on 28 April 2017.

Geopacific held its annual general meeting on 24 May 2017. All resolutions passed. The ordinary resolutions included adoption of the remuneration report, re-election of Non-Executive Director Ian Clyne and re-election of Executive Director Philippa Leggat. Special resolutions included appointment of auditor to fill a vacancy and approval of a 10% placement facility.

POST QUARTER HIGHLIGHTS

Significant progress on the takeover of Kula post quarter

On 26 July 2017 Kula released a letter from their largest shareholder, Pacific Road (collectively including the holdings of Pacific Road Capital Management GP Limited, Pacific Road Holdings SARL, Pacific Road Capital A Limited, Pacific Road Capital B Limited), stating that they will accept an unconditional, increased offer. Pacific Road's holding is 37.2% of Kula's issued capital.

On Thursday, 27 July 2017 Geopacific announced an increased consideration under the Offer (Increased Offer) and issued a Second Supplementary Bidder's Statement detailing the Increased Offer. Under the Increased Offer:

1. Kula shareholders will receive 1 Geopacific Share for every 1.1 Kula shares;
2. the Increased Offer is free from all Conditions;
3. the Increased Offer is best and final and will not be increased further; and
4. the Offer Period is extended to 1 September 2017.

Note to Kula Shareholders

Geopacific encourages all Kula Shareholders to ACCEPT the FINAL Increased Offer by completing their acceptance form.

Any Kula Shareholders who have questions or would like to **receive a NEW COPY** or an **EMAIL COPY** of your **ACCEPTANCE FORM**, please contact:

Matthew Smith, Geopacific's Company Secretary

phone: (08) 6143 1823

email: msmith@geopacific.com.au

Significant project development extension granted post quarter

Papua New Guinea Authorities granted a 2.5-year extension to the development timeline within the 20-year mining lease. The grant includes a 12-month period to vary the technical aspects of the Woodlark Gold Project resulting from Geopacific's Definitive Feasibility Study optimisation work. The variation was approved by the Minister for Mining on 29 June 2017.

Woodlark's approvals cover a 1.8 million tonne per annum conventional Carbon-in-Leach processing plant.

Significant development activities at Woodlark post quarter

Geopacific released significant new mineralised intersections below the 2012 pit designs at the Kulumadau and Busai deposits at the Woodlark Gold Project.

Highlights included:

- Depth extensions confirmed below pit designs.
- Broad zones of mineralisation at Busai and Kulumadau.
- Continuity of mineralisation confirmed.

Significant intercepts at Kulumadau:

- KU17DD011: 18m @ 10.29 g/t Au from 231m
- KU17RC042: 22m @ 2.78 g/t Au from 53m
- KU17RD040: 3m @ 63.44 g/t Au from 212m

Significant intercepts at Busai:

- BS17DD016: 40m @ 2.04 g/t Au from 121m
- BS17DD018: 18m @ 5.55 g/t Au from 178m

Announcement with full results released 14 July 2017.

DEVELOPMENT ACTIVITIES

WOODLARK GOLD PROJECT – PAPUA NEW GUINEA

Work at the Woodlark Gold Project continued, unaffected by the corporate activity.

Engineering

Geopacific's aim is to present Woodlark as a robust and attractive project.

Many of Woodlark's technical aspects have been investigated in detail. Consequently, Geopacific's work is centred on assessing optimisation opportunities which are available through the likes of: modular construction techniques; refining the processing plant flowsheet and technology.

Considerable effort is being applied to optimising mining. Areas of interest include optimal mine design, refining grade-scheduling to shorten the capital payback period and equipment selection.

Capital savings directly affect the financing period of the mine, while operational cost directly affect the size of the gold reserve. Optimising both provides for a robust project. Each of the areas under review by Geopacific may provide incremental savings with the potential to deliver attractive project economics.

The experienced team at Geopacific understand the benefits of advancing the interrelated elements of the Project in a synergistic manner. This release provides a summary of some of the aspects undergoing review and optimisation, demonstrating opportunities and Woodlark's advanced level of development.

During the quarter, Geopacific provided an update on the various technical aspects which were being reviewed for optimisation potential.

Announcement released on 31 May 2017.

Development drilling

Steady progress was made on Woodlark this quarter as drilling activities focussed on infilling and extending the known inferred resources within and below the 2012 pit designs for the Kulumadau and Busai deposits. The aim being to upgrade inferred resources into indicated and measured categories.

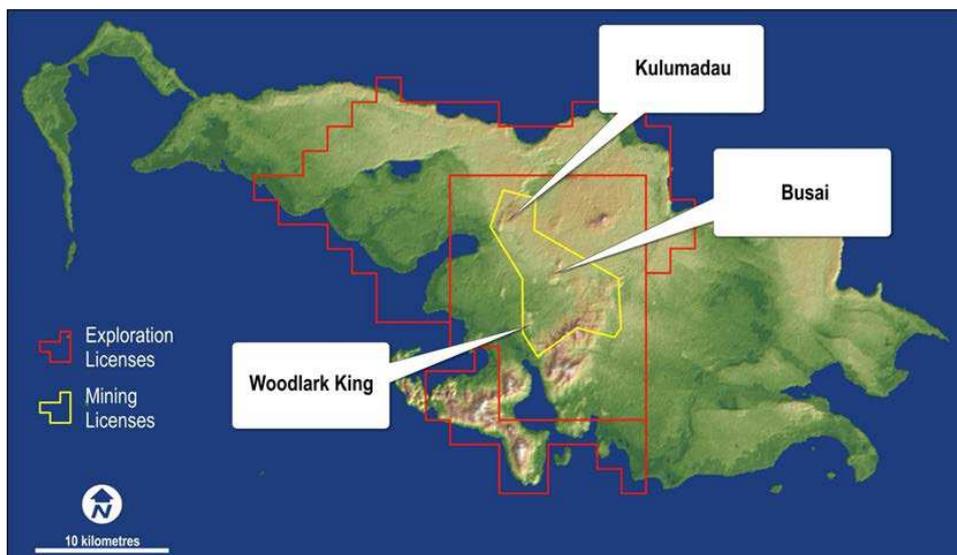


Figure 1: Topographic map of Woodlark Island showing location of deposits and licence boundaries

Kulumadau Deposit

Kulumadau East (North)

Strong gold values from broad intersections were returned from follow-up drilling at the Kulumadau East deposit. Mineralisation encountered in earlier RC drilling falls outside the current resource inventory and is approximately 100m north of the current Kulumadau East pit design.

Both RC and diamond drilling were used to assess the nature of gold mineralisation and to try to assess true widths.

Results included:

- KU17DD003: 51m @ 2.82 g/t Au from 35m
- KU17RC038: 18m @ 8.89 g/t Au from 102m

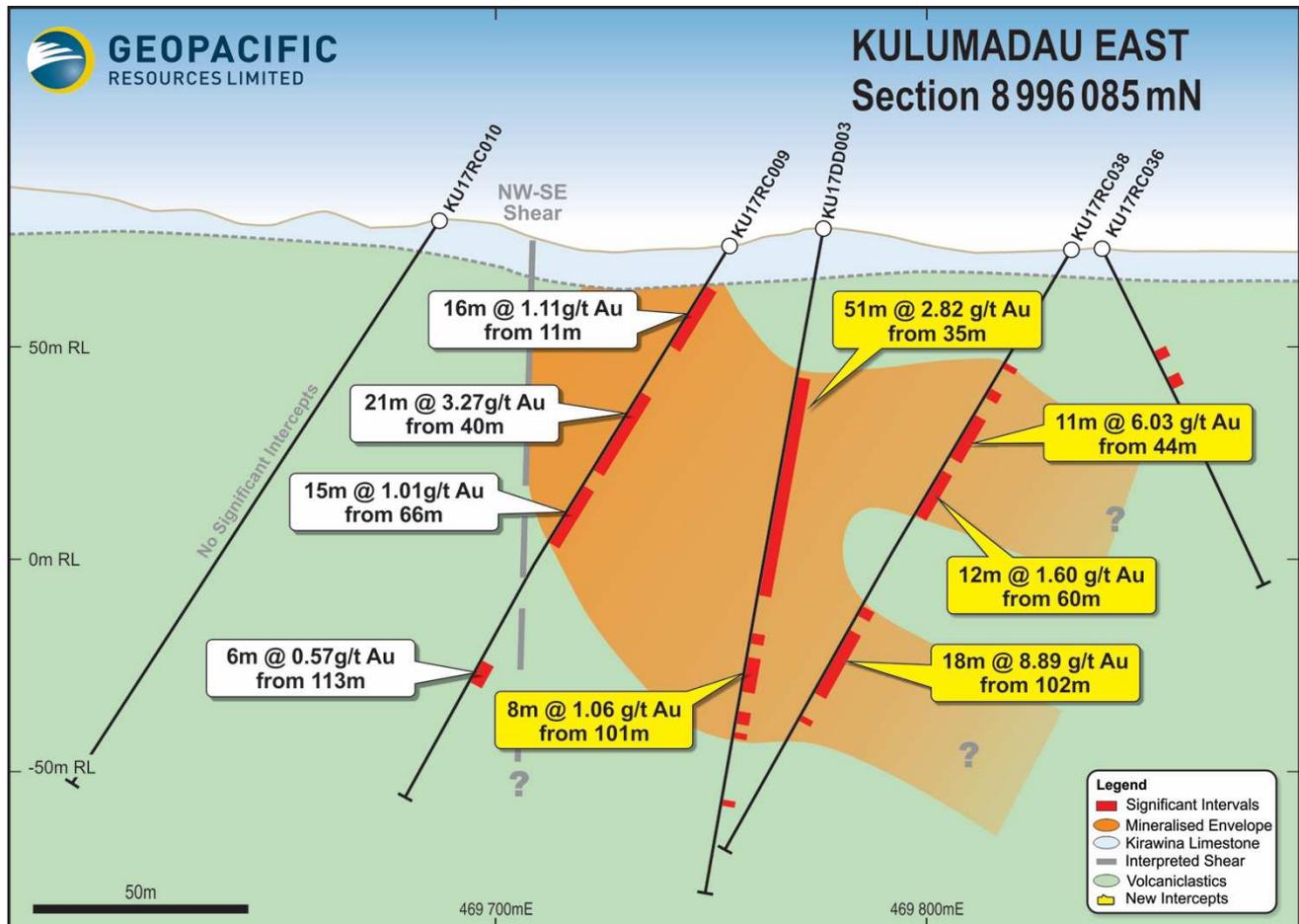


Figure 2: Cross section showing selected results to the north of the Kulumadau East deposit

These encouraging results will be followed up over the following quarter with additional drilling.

Announcement with full results released on 15 June 2017.

open. RC drilling by Geopacific encountered good gold grades in this area. Some of the gold appears to have been chemically remobilised and re-deposited at the unconformity as fine wire gold.

Diamond drilling targeted depth-extensions to gold mineralisation at the Busai Main lode (towards the southern end of the deposit), confirming the continuity of gold mineralisation below the base of the 2012 pit design.

The identification and reclassification of breccias (highly fractured rocks) developed in association with gold mineralisation has greatly improved the interpretation of mineralisation and is aiding more efficient drill targeting. The tenor of gold mineralisation is closely associated with the number of alteration phases associated with breccia development and modification, and can generally be identified in drill core. Simply put, the more alteration phases present, the more consistent the gold mineralisation.

Modelling of breccias can be used to target predicted dip and strike extents of mineralised zones as outlined in figure 4.

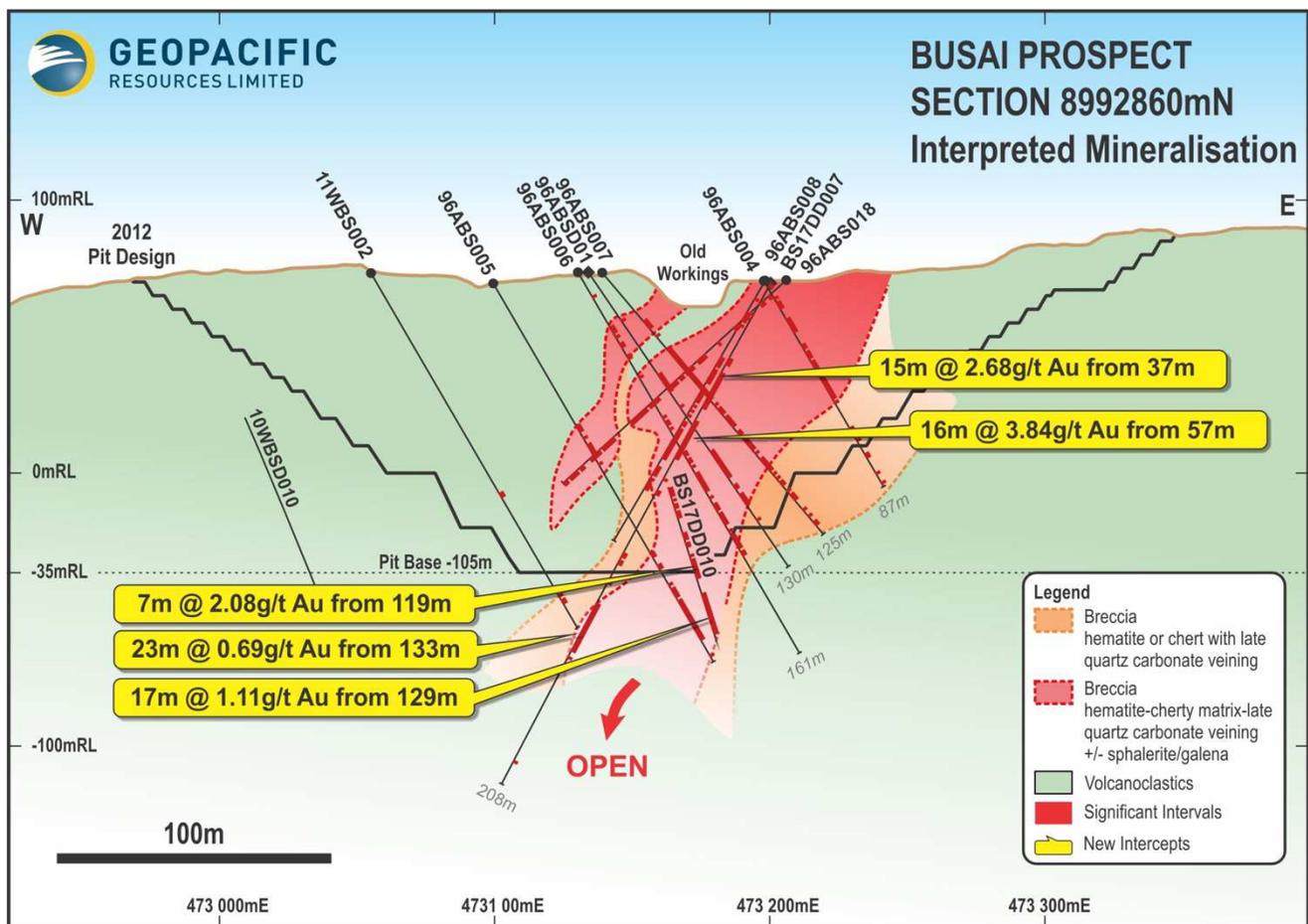


Figure 4: Crosssection showing selected results below 2012 pit designs with mineralisation open at depth

Diamond drill hole BS17DD010 intersected several broad zones of mineralisation both within and below the 2012 pit design. Intersections include 73m @ 1.50 g/t Au from 73m.

Announced with full results on 10 May 2017.



Figure 5: Drillhole location plan at the Busai deposit

Resampling Historical Geotechnical Holes

Geopacific resampled and assayed historical geotechnical drill core that had not been previously assayed. Results revealed previously unrecognised zones of mineralisation that included:

- 11 WKUD004: 3m @ 14.88 g/t Au from 46m
- 12 WKUD003: 14m @ 1.19 g/t Au from 74m and 11m @ 1.69 g/t Au from 94m

These results confirm that some of the geotechnical measurements used to determine pit wall designs were from softer ore material rather than more competent wall-rock. This may have resulted in shallower angled pit walls due to the inherently weaker geotechnical properties of the ore.

An opportunity exists to steepen the pit wall angles once appropriate geotechnical measurements are taken from non-mineralised wall-rock, which may significantly reduce the overall ore to waste strip ratio of the pits over the life of the mine. The geotechnical studies completed on the project to date may not be sufficient to provide adequate readings of the wall-rock in the vicinity of the pit walls and further geotechnical drilling and evaluation may be required.

EXPLORATION ACTIVITIES

KOU SA PROJECT – CAMBODIA

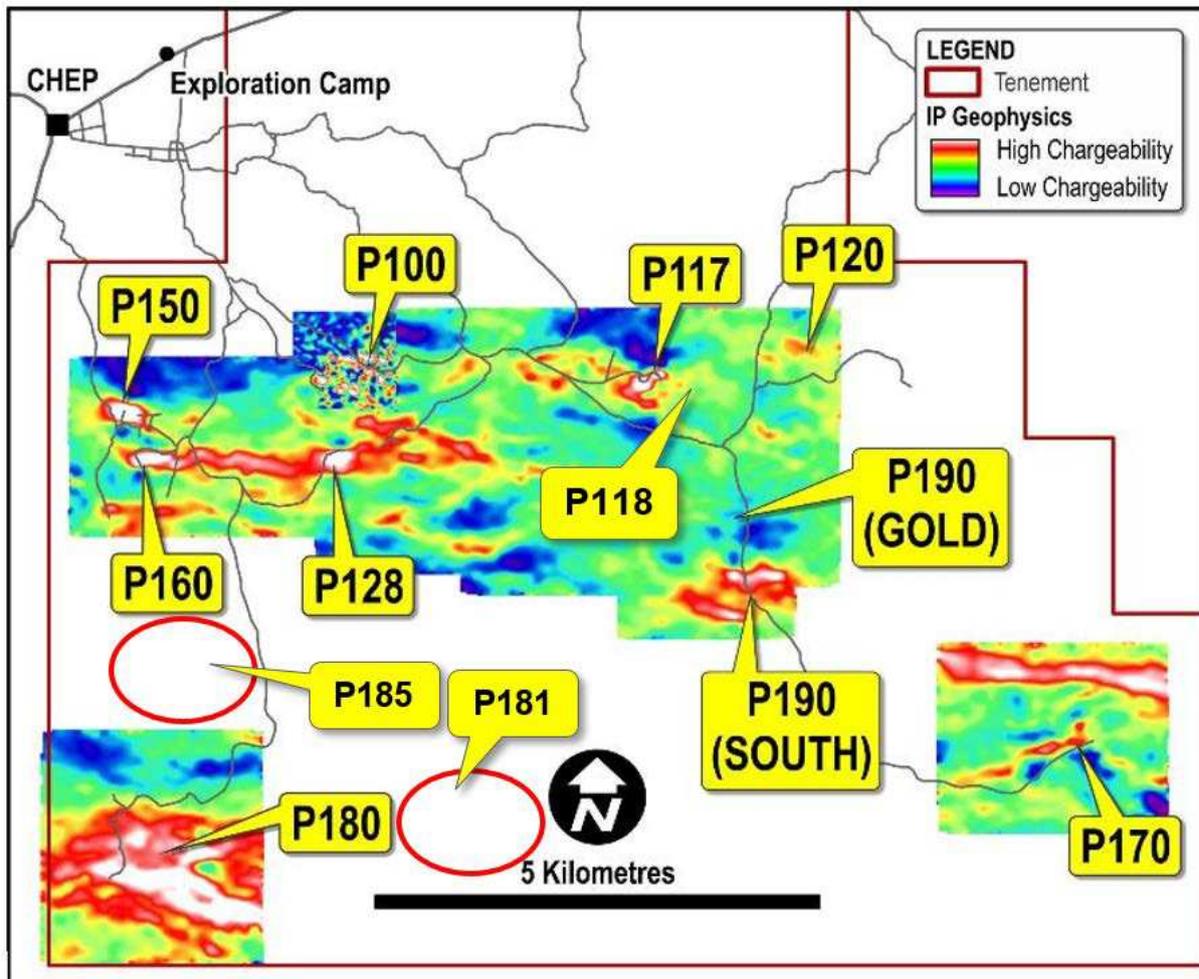


Figure 6: Prospect areas at Kou Sa overlaid on an Induced Polarisation (IP) Geophysics map

Prospect P118

A total of five trenches for 400 metres were completed during the quarter at Prospect 118 (formerly P117 West). Trenches targeted moderately anomalous gold values encountered in earlier trenching. No assay results are available at time of writing.

Prospect P120

A total of four trenches for 372 metres were completed at Prospect 120 during the quarter. Trenching was designed to assess moderate gold and silver geochemical anomalism in earlier trenching and soil sampling. Trenching and sampling was completed late in the Quarter. No assays are available at time of writing.

Prospect P181 and P185

A total of 1,564 soil samples were collected from Prospect 181 and Prospect 185, targeting moderate gold and copper soil anomalies identified in earlier, broadly-spaced regional soil sampling. Results from this test work will be compiled and assessed over the coming quarter.

FIJIAN PROJECTS – FIJI

An IP survey over selected portions of the Vuda and Sabeto licences in Fiji was completed this quarter.

The survey was designed to assess for potential shallow buried porphyry-type bodies that could be responsible for extensive alteration and associated scattered gold and copper mineralisation evident at surface and in historical drilling.

Results of the survey have confirmed the presence of conductors (both shallow and deeper) at both Sabeto and Vuda licences, consistent with a shallow intrusive feature. The intrusive was postulated from earlier wider spaced geophysical surveys and it's now confirmed as a discrete target. The resultant targets will require drill testing to assess.

Contact

For further information on this update or the Company generally, please visit our website at www.geopacific.com.au or contact:

Mr. Ron Heeks
Managing Director
phone: (08) 6143 1823

Ms. Philippa Leggat
Executive Director Corporate
email: info@geopacific.com.au

Competent Person's Statement

The information in this announcement that relates to exploration results is based on information compiled by or under the supervision of Jim 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.

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 licences.

Schedule of Tenements

Mining tenements held at the end of the quarter, including tenements acquired and disposed of during the quarter:

| Tenement Reference | Project Location | Interest Acquired During Quarter | Interest Dipped During Quarter | Interest at End of Quarter |
|---------------------------|-------------------------|---|---------------------------------------|-----------------------------------|
| SPL 1216 | Nabila – Fiji | - | - | 100% |
| SPL 1415 | Kavukavu – Fiji | - | - | 100% |
| SPL 1361 | Sabeto – Fiji | - | - | 100% |
| SPL 1368 | Vuda – Fiji | - | - | 100% |
| SPL 1231 | Raki Raki – Fiji | - | - | 50% |
| SPL 1373 | Qalau – Fiji | - | - | 50% |
| SPL 1436 | Tabuka – Fiji | - | - | 50% |
| SPL 1493 | Cakaudrove – Fiji | - | - | 100% |

Appendix A – Woodlark Drilling Information

For detailed information on drilling intersections, please refer to ASX releases:

- 10 May 2017: [WOODLARK – 9m @ 17.29 g/t Au and more](#)
- 15 June 2017: [WOODLARK – Success continues 18m @ 8.89 g/t Au](#)
- 14 July 2017: [WOODLARK – Additional success 18m @ 10.29 g/t Au](#)

Appendix B – Woodlark Island Resources and Reserves

Resources referred to in this Quarterly were generated by Kula Gold Limited (Kula) and details of these are available from Kula’s website. The Resources are held by Woodlark Mining Limited, a company registered in Papua New Guinea, currently 5% owned by Geopacific and 95% by Kula.

All announcements, including appropriate references to Resources, that were released over the quarter are referenced throughout this quarterly report and listed above in Appendix A. These references are hyperlinked to the announcements on Geopacific’s website www.geopacific.com.au

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")

30 June 2017

| Consolidated statement of cash flows | Current quarter \$A'000 | Year to date (3 months) \$A'000 |
|---|----------------------------|---------------------------------------|
| 1. Cash flows from operating activities | | |
| 1.1 Receipts from customers | - | - |
| 1.2 Payments for | | |
| (a) exploration & evaluation | (3,574) | (6,152) |
| (b) development | - | - |
| (c) production | - | - |
| (d) staff costs | (228) | (430) |
| (e) administration and corporate costs | (270) | (704) |
| 1.3 Dividends received (see note 3) | - | - |
| 1.4 Interest received | 36 | 84 |
| 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) | - | - |
| 1.9 Net cash from / (used in) operating activities | (4,036) | (7,202) |

| | | |
|--|---|---|
| 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 | - | - |

| Consolidated statement of cash flows | Current quarter \$A'000 | Year to date (3 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 | 7,899 | 11,127 |
| 4.2 Net cash from / (used in) operating activities (item 1.9 above) | (4,036) | (7,202) |
| 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 | (41) | (103) |
| 4.6 Cash and cash equivalents at end of period | 3,822 | 3,822 |

| 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 | 1,322 | 2,399 |
| 5.2 Call deposits | 2,500 | 5,500 |
| 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) | 3,822 | 7,899 |

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

| Current quarter \$A'000 |
|----------------------------|
| 191 |
| - |

- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

| | |
|--|--|
| | |
|--|--|

7. Payments to related entities of the entity and their associates

- 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

| Current quarter \$A'000 |
|----------------------------|
| 58 |
| - |

- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Payments to Xavier Group for consulting services. Milan Jerkovic is a Director of Xavier Group. All transactions with Xavier Group are on normal commercial terms.

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. | | |

| |
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| |
|--|

| 9. Estimated cash outflows for next quarter | \$A'000 |
|--|----------------|
| 9.1 Exploration and evaluation | 3,062 |
| 9.2 Development | - |
| 9.3 Production | - |
| 9.4 Staff costs | 231 |
| 9.5 Administration and corporate costs | 274 |
| 9.6 Other (provide details if material) | - |
| 9.7 Total estimated cash outflows | 3,567 |

| 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 | | | | |

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 July 2017

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.