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Woodlark Gold Project
Development Update

Geopacific Resources Limited ('**Geopacific**' or '**the Company**'; ASX: GPR) today provides an update on the pre-development activities at the Woodlark Gold Project ('**the Project**').

Update

- Early earthwork activities at the Project have been delayed due to a combination of:
  - The impact of unseasonal inclement weather which has resulted in a short-term deterioration in ground conditions, limiting the ability to conduct the civil works program in preparation for construction of the CIL plant;
  - Project build on the Island did not occur at the level required to ensure work streams were being cost-effectively and efficiently delivered; and
  - COVID-19 cases across Papua New Guinea have continued to rise with a flow through effect to site operations. An increasing number of staff are either unable to travel or are being placed in quarantine, limiting the availability of workers on site and overall productivity rates. The Company continues to enact a COVID-19 Management Plan and work with the Milne Bay Provincial Health Authority to limit the impact on the work force and community, and to provide a safe work and community environment on site. Geopacific remains committed to providing assistance to ensure this critical health initiative is implemented as rapidly as possible.
- A decision has been taken to reassess the original wharf design and evaluate a potential upgrade of the existing wharf facility to reduce cost and construction complexity while providing greater opportunities for community participation in the Project
- Design and engineering works for the offshore component of the tailings pipeline are behind schedule delaying the issue of construction tenders necessary for finalization of capital estimates
- The Community Relocation Program is ongoing however the build has been impacted by the abovementioned factors and the need to give the Community more time to move homes. The Community has been responding positively to the quality of the new houses, school, churches, clinic and trade stores that have been delivered to date
- Due to the combined impact of the factors described above, a decision has been taken to defer, until Q1/Q2 CY22, all non-essential activities on site together with finalisation of the remaining key contracts. The Company is working on a critical path analysis to minimise the impact of the delays on the overall Project schedule and to then determine the impact on the budget
- The Company will be using this period to challenge every aspect of the Project spend and execution based on experiences to date. Outcomes of the update and impacts on funding requirements will be communicated to the market once this work is completed
- Ongoing dialogue with the Project Lender, who remains supportive, will be required over this review period and the Company anticipates that amendments will be required to the funding arrangements
- The Company plans to continue to de-risk the Project during the review process with the primary focus

expected to be:

- The first phase of the exploration program, which will see a combination of over 20,000 metres of grade control and near pit extension drilling;
- Progressing key infrastructure activities including community infrastructure works and permanent camp development;
- Ongoing design and engineering work with engineering contractor GR Engineering Services ('GRES');
- Focus of all earthwork activities on back fill of the box cut to prepare the CIL tanks foundations; and
- Planning and engineering work to finalise and cost the optimal wharf location.

- Ian Clyne, Chairman, has agreed to temporarily assume an executive role to assist the CEO, Tim Richards, who will be dedicating the majority of his time in the next two months with the Project Team overseeing site operations until the new Project Director is mobilized to site.
- Luc Vets, the recently appointed Project Director (see September 2021 Quarterly Activities Report) had to withdraw due to a personal family matter and recruitment is well advanced for his replacement. Paull Morton has accepted the appointment as Construction Manager and joins the Company with significant project construction experience in remote locations and strong collaborative skills for liaising with all stakeholders during the development of the Project.

Chief Executive Officer, Tim Richards commented

"Whilst the delays at the Project are disappointing, they should not take away from the quality of the underlying asset base. Woodlark remains a highly attractive Project, targeting to deliver over 1 million ounces of gold production at an average all in sustaining cost of A$1,239/oz over the life of the asset.[1]

We are doing everything we can to minimise the impact of the delays on the Project schedule, and post the completion of the Project review we will update the market to the extent of the impacts on the Project Execution Plan.

Importantly we continue to progress exploration, with these activities continuing. There remains significant exploration potential at the Project, which we expect will result in additional value creation at Woodlark. Exploration drilling will focus primarily on defining near pit potential, as well as defining other targets in our mining license area. The ability to add further ore reserves will significantly enhance the metrics of this already high returning gold project."

In accordance with Listing Rule 3.16 the Company confirms that the material terms of the employment arrangement with Ian Clyne are as follows:

- Daily rate of $2,500
- Term to be until 31 December 2021 and subject to any further extension agreed with the Board.

[1] Refer to the Company's ASX announcement dated 30 November 2020 titled "Project Execution Update" for further information, available at www.asx.com. The Company confirms that all material assumptions underpinning the production target and forecast financial information continue to apply and have not materially changed

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This announcement was authorised by the Board of Geopacific.

For further information, please visit www.geopacific.com.au or contact Mr Tim Richards, CEO.

Company details	Board & Management	Projects
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