



**6th July 2017**

Innovation • Performance • Growth

# **Macraes Operation**

*Analyst Site Visit*

# Cautionary & Technical Statements



## ***Cautionary Notes - Information Purposes Only***

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## ***Technical Disclosure***

The exploration results were prepared in accordance with the standards set out in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' ("JORC Code") and in accordance with National Instrument 43-101 – Standards of Disclosure for Mineral Projects of the Canadian Securities Administrators ("NI 43-101"). The JORC Code is the accepted reporting standard for the Australian Stock Exchange Limited ("ASX"). For further scientific and technical information (including disclosure regarding mineral resources and mineral reserves) relating to the Haile Mine, the Macraes Mine and the Didipio Mine please refer to the NI 43-101 compliant technical reports available at [sedar.com](http://sedar.com) under the Company's name.

## ***General Presentation Notes***

- ▶ All AISC and cash costs are net of by-product credits unless otherwise stated
- ▶ All financials are denominated in US Dollars unless otherwise stated



# INTRODUCTIONS & AGENDA



<b>8:00 AM</b>	Welcome/Introductions & Safety Induction
<b>8:15 AM</b>	Macraes Overview Presentation
<b>10:15 AM</b>	Open Pit and Exploration Site Tour
<b>12:30 PM</b>	Enviro/Community/Process Plant Presentations (Working Lunch)
<b>2:00 PM</b>	Process Plant Tour
<b>3:00 PM</b>	Wrap Up Session
<b>3:30 PM</b>	Leave Mine Site (Dunedin Airport via Middlemarch)
<b>6:05 PM</b>	Fly to Auckland

# Macraes Management Team



**Dale Oram**  
*General Manager & Snr Site Executive*



- Over 37yrs industry experience
- Geologist and Mining Manager with extensive open pit and underground operational experience
- Worked extensively in Australia and New Zealand

**Knowell Madambi**  
*NZ Technical Services Manager*



- Mining Engineer with 25yrs industry experience
- Significant African and Australasian experience
- Broad operational experience in underground and open pit gold, coal, diamond, copper, uranium, iron ore mines.
- Worldwide mining consulting experience

**Ash O'Hallaron**  
*Health, Safety & Training Manager*



- 20yrs industry experience
- 10yrs health and safety management
- 10yrs risk management experience

**Matt Mengel**  
*Fraser's Underground Manager*



- Mining Engineer with 25yrs industry experience
- BSc IT programming
- Australasian experience within alluvial, open pit and underground mines including iron ore, gold, copper and lead commodities
- Project development and operational management experience

**Justin Johns**  
*Process Plant Manager*



- Metallurgist with 25yrs industry experience
- Multi commodity experience across various hydrometallurgical processes
- Significant experience with plant commissioning and circuit optimisation. Commissioned first refractory gold Autoclave in Australia

**Craig Fawcett**  
*Open Pit Mine Manager*



- Over 20yrs multinational industry experience
- Qualified Geologist and Mining Engineer
- Underground and open pit management experience

**Lisa Mills**  
*Human Resource Manager*



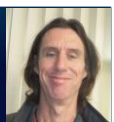
- 18yrs experience in organisational development and generalist human resource roles
- Significant experience within private and public sectors overseas and in New Zealand

**Richard Ozga**  
*Commercial & Finance Manager*



- 12yrs experience in audit and financial management roles across Australia and New Zealand
- 3yrs industry experience driving sustainable financial performance improvements across OGNZL operations

**Gavin Lee**  
*Community & Environment Manager*



- 20yrs environmental/social impact management in the resource sector
- Project development, construction, operations and closure experience across Australia and South East Asia
- Proven ability to formulate and implement appropriate environmental/social policies



# SAFETY INDUCTION



## All visitors must:

- ▶ Wear all appropriate PPE (as provided)
- ▶ Remove all finger rings
- ▶ No smoking
- ▶ Remain with your OceanaGold host/escorts at all times
  - » Do not wander off
- ▶ Be aware of Slip/Trip or Fall opportunities
  - » Walking Surfaces
  - » Changing Ground Conditions
- ▶ Obey all signage and rules
- ▶ Seat belts must be worn on mine site
- ▶ Photographs can be taken with permission of host

In case of an emergency, remain with your OceanaGold host/escorts and follow all directions given

- ▶ Notify OceanaGold host/escorts of incidents or injuries immediately
- ▶ Contact information:
  - » From external mobile: 03 479 4633
  - » From an internal handset: Extension – 4911
  - » From a Macraes Radio: Radio Channel 1
  - » New Zealand Emergency Services 1-111



# NEW ZEALAND



## PRODUCTION

### 2017 GUIDANCE

#### MACRAES

<b>Gold</b> (oz)	<b>180,000 – 190,000</b>
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<b>AISC</b> (per oz sold)	<b>\$950 – \$1,000</b>
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## RESOURCES<sup>(1)</sup>

#### MACRAES

<b>P&amp;P Reserves</b>	<b>Gold</b> (Moz)	<b>1.21</b>
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<b>Total Resources<sup>(2)</sup></b>	<b>Gold</b> (Moz)	<b>4.79</b>
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1. As at 31 Dec 2016 – refer to [www.oceanagold.com](http://www.oceanagold.com)  
 2. Total Resources = M&I and Inferred Resources. M&I Resources are inclusive of reserves

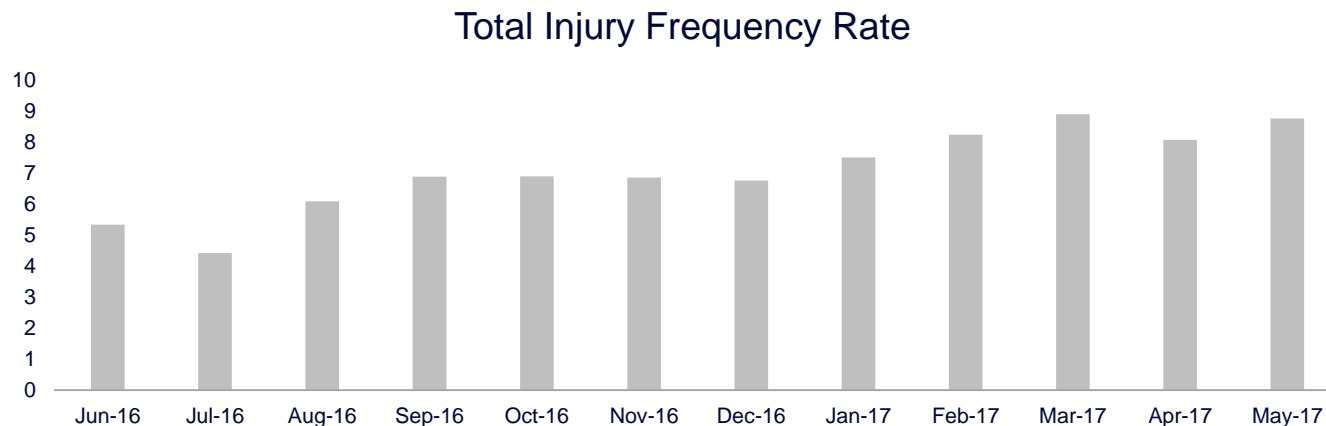
# Safety Performance

## CONTINUALLY STRIVING TO IMPROVE THE SAFETY CULTURE AND PERFORMANCE

**CHANGING THE CULTURE:** A bottom up program, driven by opinion leaders, to identify and rectify critical behaviours to re-focus on improving safety

**GOLD STANDARD INITIATIVE:** Increasing senior leaders involvement in safety tasks

**EMPLOYEE ENGAGEMENT:** Macraes has retained a strong and inclusive employee commitment to improving safety

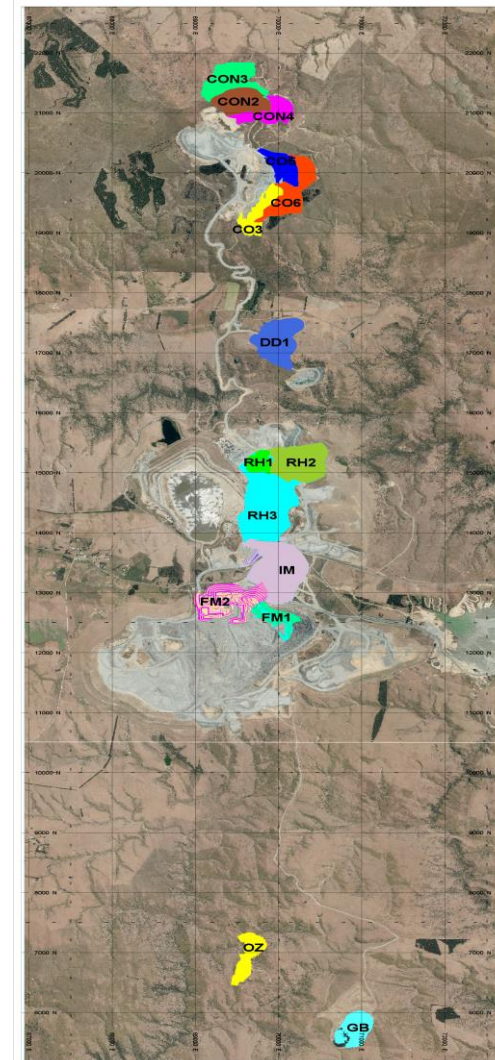


## WORKING TO MAKE MACRAES A LONG LIFE ASSET

**LOM EXTENSIONS:** Our goal is to continue to extend Macraes LOM with value add targets; improve margins through technical studies; review all targets for viability

**INNOVATING TO IMPROVE:** Actively researching mining technology to improve safety; lower costs and improve the economics of marginal orebodies

**SIGNIFICANT POTENTIAL:** There are a number of opportunities that exist to extend Macraes LOM



# Macraes Orebodies

**NEW ZEALANDS LARGEST GOLD PRODUCER; PRODUCED OVER 4.5MOZ SINCE 1990**

**OPERATING PITS:** FRIM, Coronation, Coronation North and Fraser Open Pit. Average stripping ratio 10:1

**PRODUCTION COMPOSITION:** Frasers Underground supplies ~0.9Mtpa, Open Pit supplies the balance

**PROCESS PLANT:** Throughput of ~6.0Mtpa

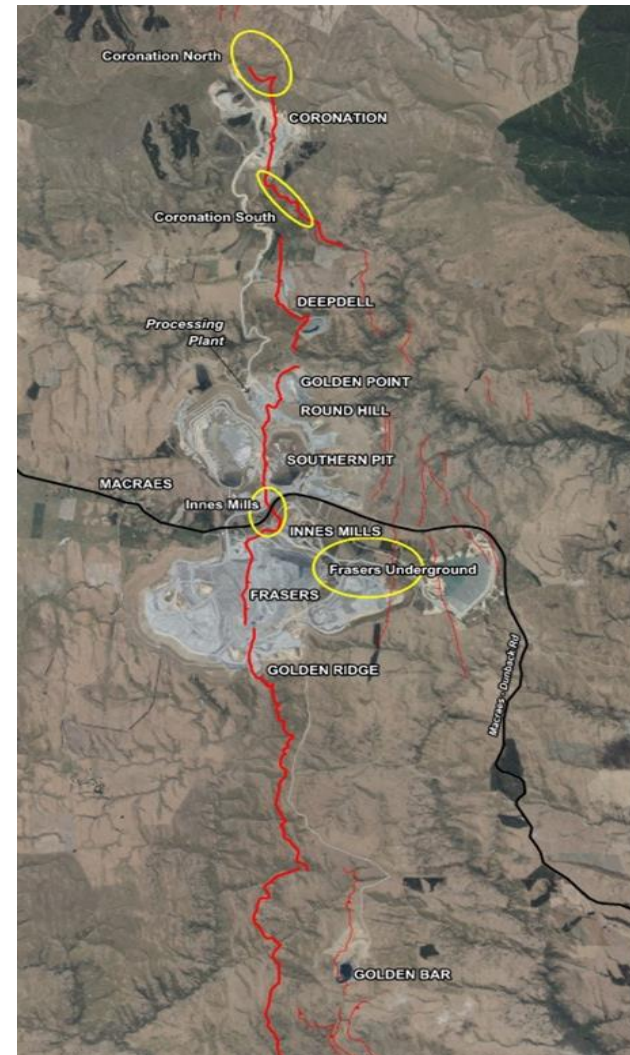
**LIFE OF MINE:** 2020+; Hyde Macraes Shear Zone presents a 35km strike with significant exploration opportunities

## OPERATING STATISTICS

### Operating Costs

2017e

Open Pit Mining Costs	USD / t mined	1.10 – 1.30
U/G Mining Costs	USD / t mined	35.00 – 38.00
Processing Costs	USD / t milled	7.00 – 8.00
G&A Costs	USD / t milled	1.50 – 2.00



## A COMMITMENT TO LOCAL AND REGIONAL EMPLOYMENT

**LOCAL AND REGIONAL WORKFORCE:** Employees are based in from Dunedin / Waikouaiti / Palmerston and Oamaru

**LOCAL PROCUREMENT:** 190 contractor site agreements; predominantly for Plant shutdown maintenance

**OPEN PIT:** operates 24/7 with two shifts; ~206 employees

**UNDERGROUND:** operates 24/7 with two shifts; ~180 employees

**PROCESSING:** operates 24/7 with two shifts; ~80 employees

WORKFORCE	
Macraes Operation	FTE
Underground	182
Open Pit	206
Processing	82
Technical Services	12
HSE, Commercial, HR	28
Macraes Operation	Contractors
Laboratory	26
Blasting	8
Maintenance	4
Exploration	13
Underground contractors	17
<b>TOTAL</b>	<b>578</b>

# Macraes in 2017



## PRODUCTION IN LINE WITH EXPECTATIONS; STRONGER H2 PRODUCTION EXPECTED

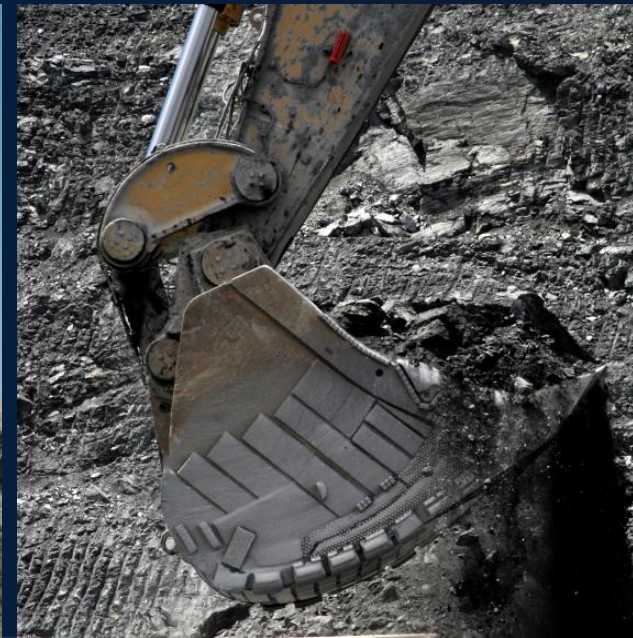
		2016 GUIDANCE	2017 GUIDANCE		2017 CAPEX (USD m)
Gold Production	<i>oz</i>	140,000 – 155,000	<b>180,000 – 190,000</b>	Non-Sustaining	<b>4 – 5</b>
AISC	<i>per oz sold</i>	\$1,000 – \$1,050	<b>\$950 – \$1,000</b>	Sustaining + Pre-strip / capitalised mining	<b>45 – 52</b>
Cash Costs	<i>per oz sold</i>	\$750 – \$800	<b>\$600 – \$650</b>	Exploration	<b>5 – 8</b>

**MINE LIFE EXTENSION:** Mine life extended through recent drilling success

**EXTENSIVE EXPLORATION:** Targeting resource and reserve extensions across operation



# OPEN PIT MINING

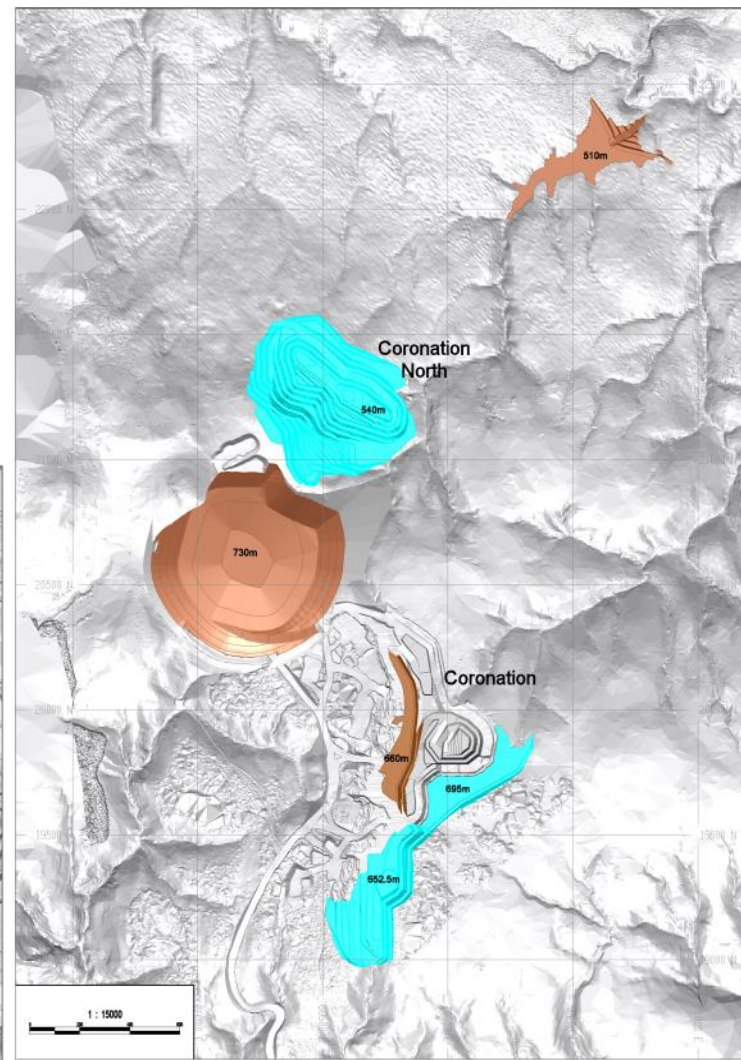
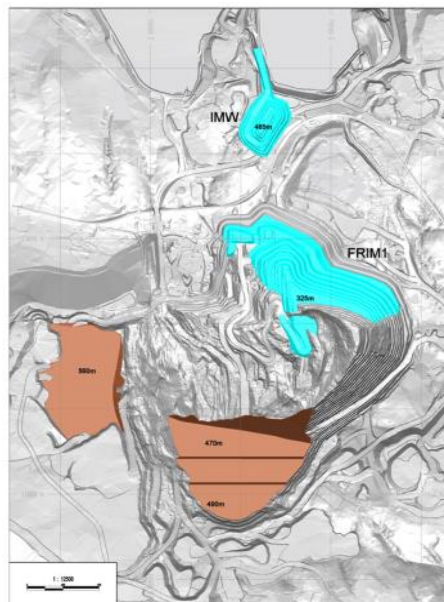
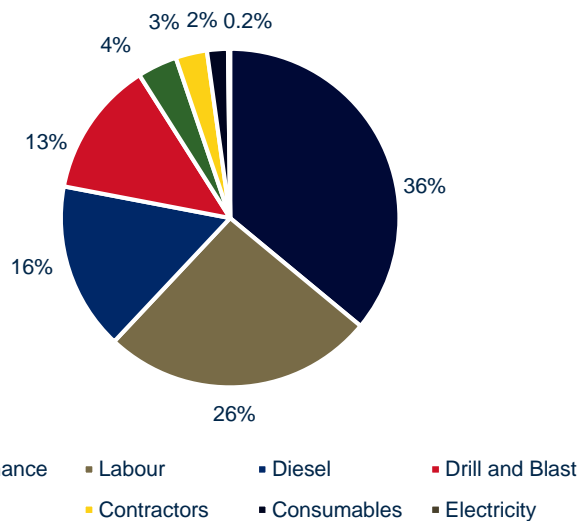


# Macraes Present Mining Operations

**CURRENT OPERATIONS:** Coronation, Frasers, Frasers / Innes Mills (FRIM) Open Pits and Frasers Underground (FRUG)

**FUTURE OPERATIONS:** Coronation North production expected H2 2017

Open Pit Operating Costs





# Open Pit Overview

## ONE OF THE MOST EFFICIENT OPEN PIT OPERATIONS IN THE WORLD

**MINERALOGY:** Flat dipping ore shear zone with a hanging wall lode and quartz stockwork  
Dominant sulphide association is pyrite with some arsenopyrite

**GEOLOGY:** Host rock is schist comprising metamorphosed siltstones (semi-pelite) and metamorphosed sandstone (psammite)

**BLASTING PATTERNS:** 4.5m x 4.5m blasting pattern; ore blasted to 7.5m bench and selectively mined in 3m x 2.5m flitches; waste blasted to 15m

**FLEET MONITORING:** GPS based fleet management system used to monitor, control and optimise fleet movements

LOM	FRIM	Coronation North	Coronation
Ore (t)	2,690,607	8,747,809	3,010,399
Grade (g/t)	1.04	1.21	1.03
Ounces (oz)	90,017	340,742	99,831
Total Movement (t)	15,367,586	100,434,468	49,462,121

# Open Pit Equipment

Equipment Type	Model	Quantity
Trucks	CAT 789D	7
	CAT 789C	11
Excavator	Hitachi EX3600	2
	CAT EX2500	1
	CAT 5230B	1
Loaders	CAT 992H – ROM loader	1
	CAT 988G	1
	Volvo 350F	1
	IT62G	1
Dozers	CAT D10T	3
	CAT D10R	1
Drills	Montabert 330CL – grade control	2
	Drilltech D45KS - waste	2
Graders	CAT 16H	3
Ancillary Equipment	844 Wheeled Dozer	1
	CAT 785C – 150kL	1
	CAT 773B – 50kL	1

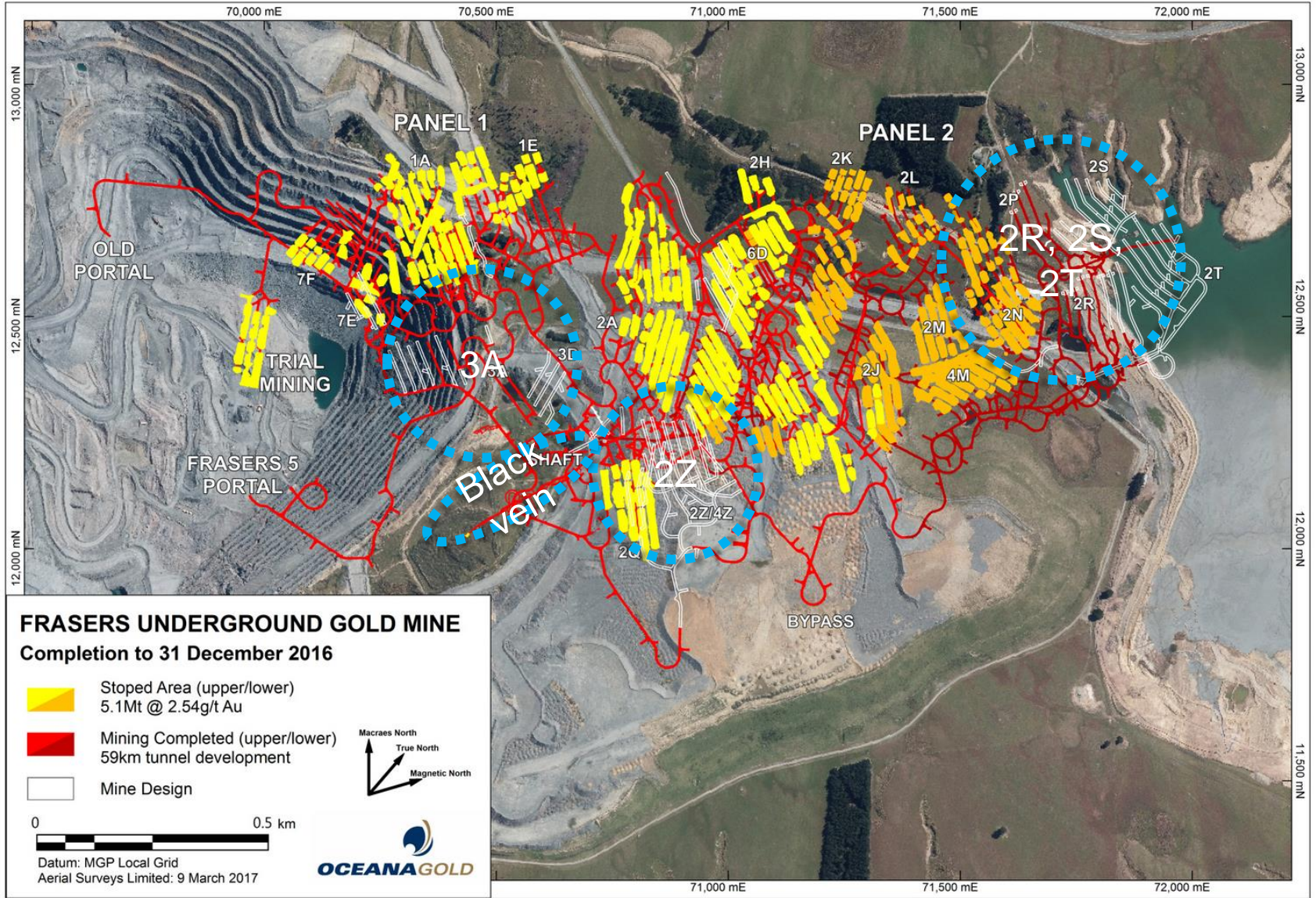




# UNDERGROUND MINING



# Underground Plan



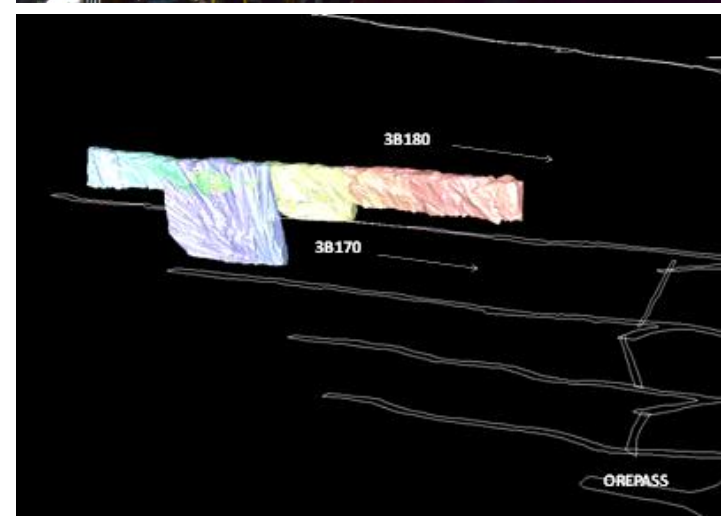
# Underground Overview

## FRASERS UNDERGROUND 65KM OF TUNNELLING; 800m DEEP

**LOM PRODUCTION:** Operational since 2006; 1Mt ore mined at 2g/t; 60koz mined annually; 800koz LOM production

**BLACK VEINS:** Vertical steep dip, narrow, high grade veins; extends 40m vertically and 400m laterally; 5,000 ounces mined to date; 3.0g/t average grade with better grades expected

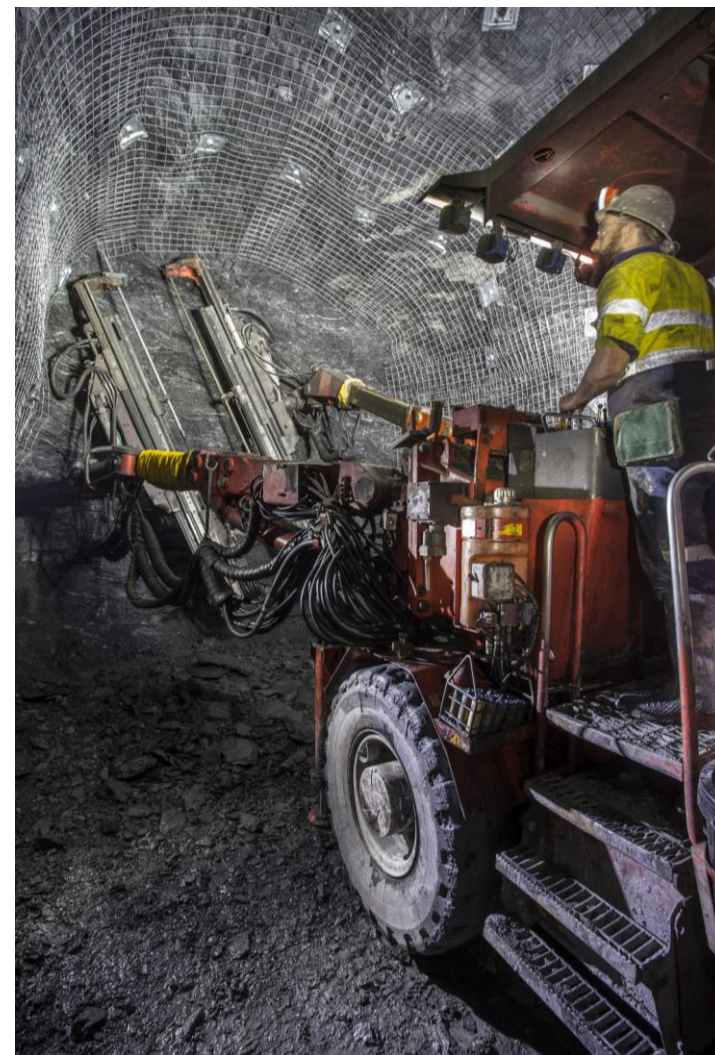
**LOM EXTENSIONS:** Drilling activities in 2016 extended the Underground LOM by 12 months



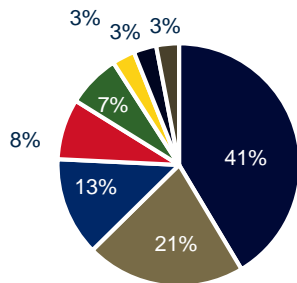
# Underground Equipment

## NEW OWNER OPERATED BATCH PLANT TO REDUCE SHOTCRETE COSTS 30%

Equipment Type	Model	Quantity
Trucks	Toro 50t	5
Boggers	CAT 2900 – 16t	4
	CAT 1700 – remote 10t	2
	Sandvik 151 - remote narrow vein	1
Shotcrete	Normet spraymech	1
	Normaet agitator (6 cubes)	1
Drills	Axera Jumbo	3
	Solo	2
	Cabotler	1
	Atlas 104 – narrow vein drill	1
IT	Volvo 120E	4
Production blasting	Charmec	2



Underground Mining Costs



- Labour
- Maintenance
- Consumables
- Drill and Blast
- Contractors
- Diesel
- Electricity
- Other



# EXPLORATION



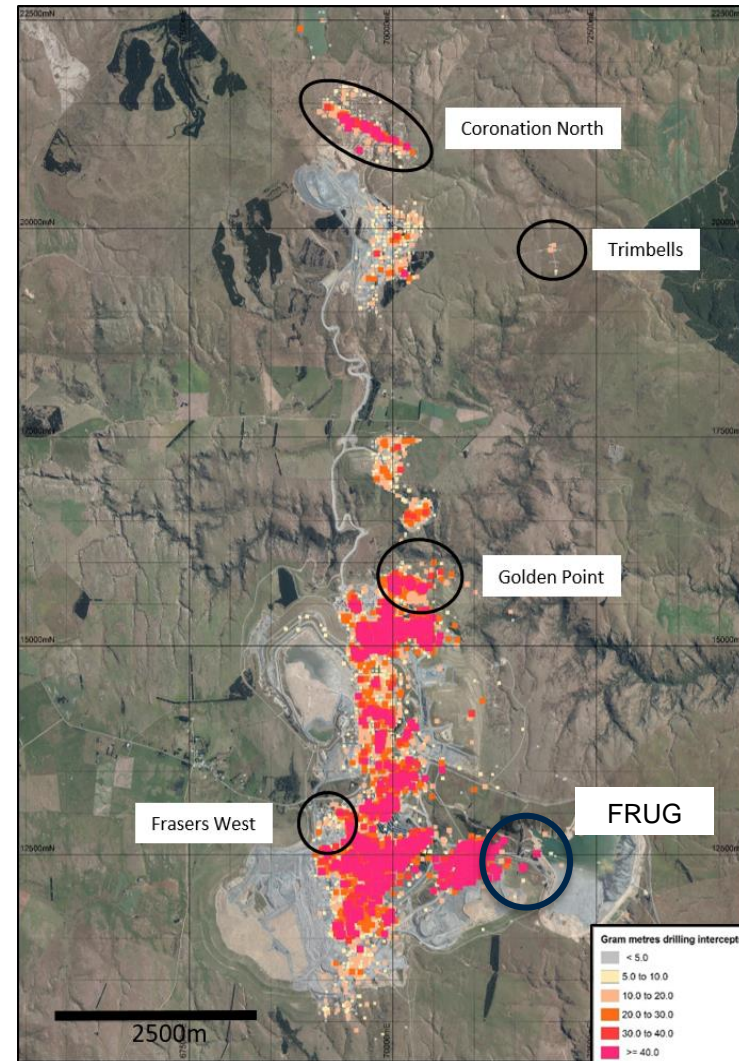
# Macraes Exploration Strategy

## EXTENSIVE EXPLORATION ALONG THE HYDE MACRAES SHEAR ZONE

**DRILLING ACTIVITIES:** Approximately 30,000 metres of drilling expected in 2017 with \$5m to \$8m spend

**STRATEGY:** Significant exploration activities in current permits, as well as investigation of new permit areas; seeking to replace depletion and extend LOM

**SURFACE DRILLING:** Extensive exploration for gold and tungsten to grow reserves and resources in the next 3yrs; one diamond drill and one RC drill rig



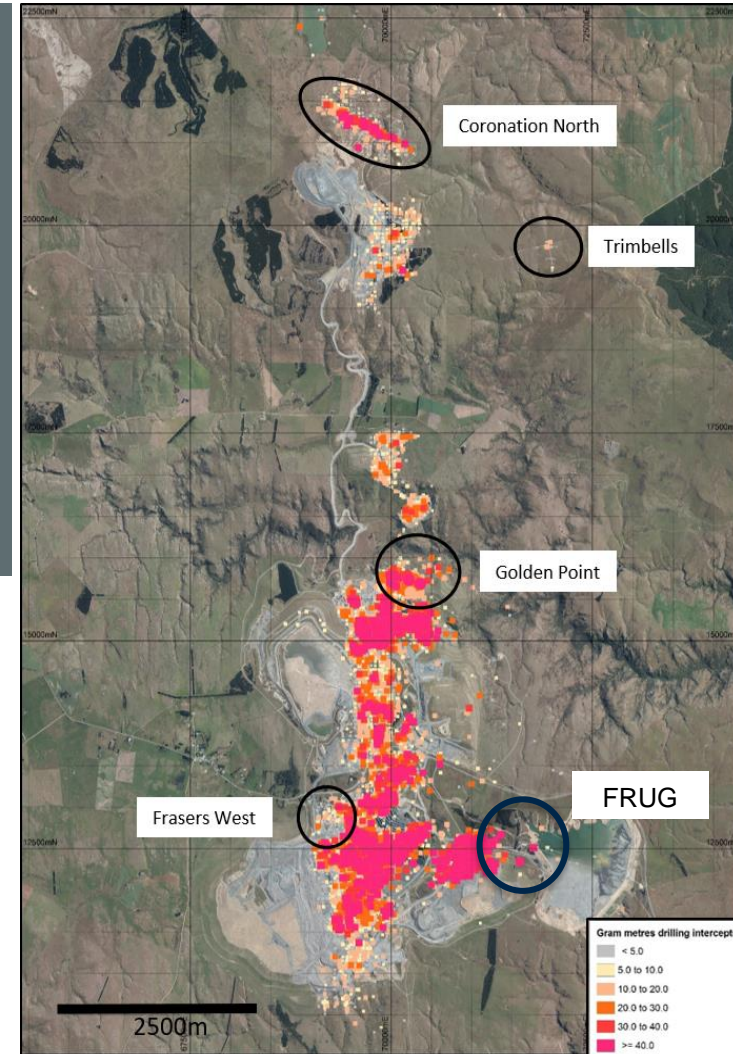


# YTD Exploration Drilling

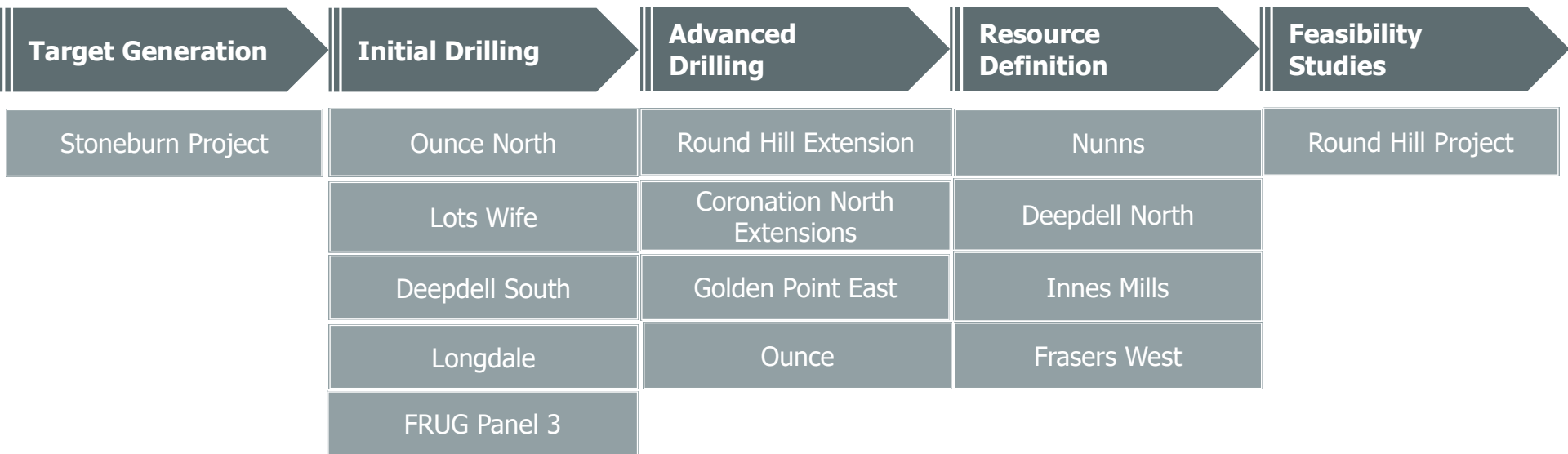
## SIGNIFICANT EXPLORATION ACTIVITIES UNDERWAY

Target	YTD Metres Drilled	# of Holes
Coronation North	2,818.5	11
Coronation	1,170.0	10
Golden Point	2,468.3	13
Frasers West	3,476.5	40
Trimbells	502	11
Nunns	241.1	5
FRUG	498.9	2
<b>TOTAL</b>	<b>11,175.3</b>	<b>92</b>

**RESOURCE ESTIMATION:** YTD drilling results are outside current reported R&R; resource estimation in progress



# Exploration 2017 and Beyond

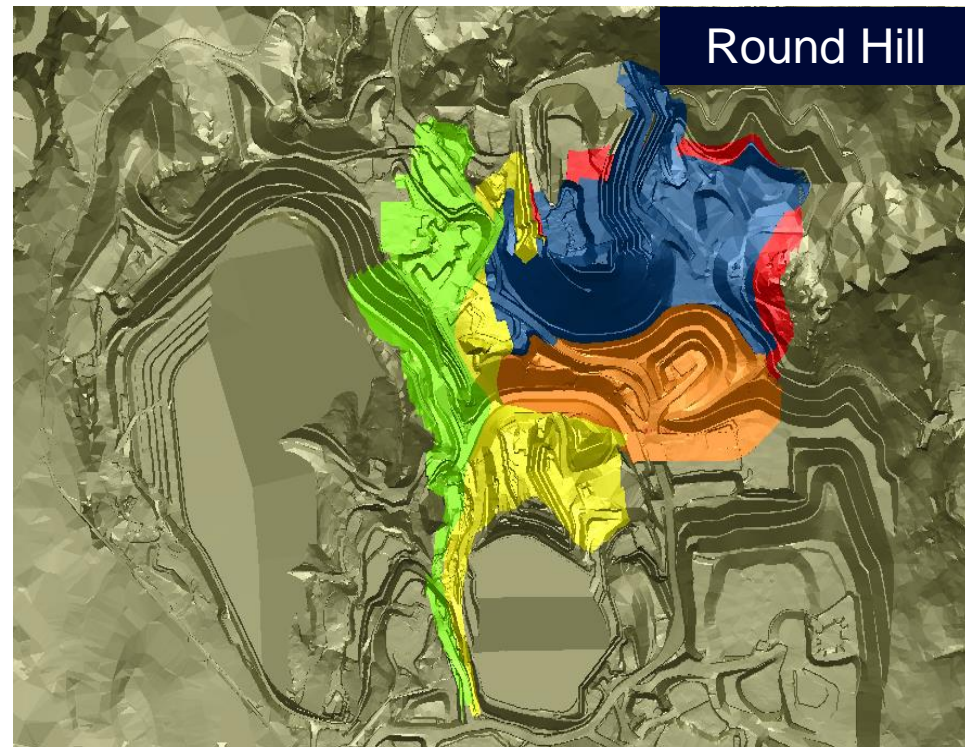
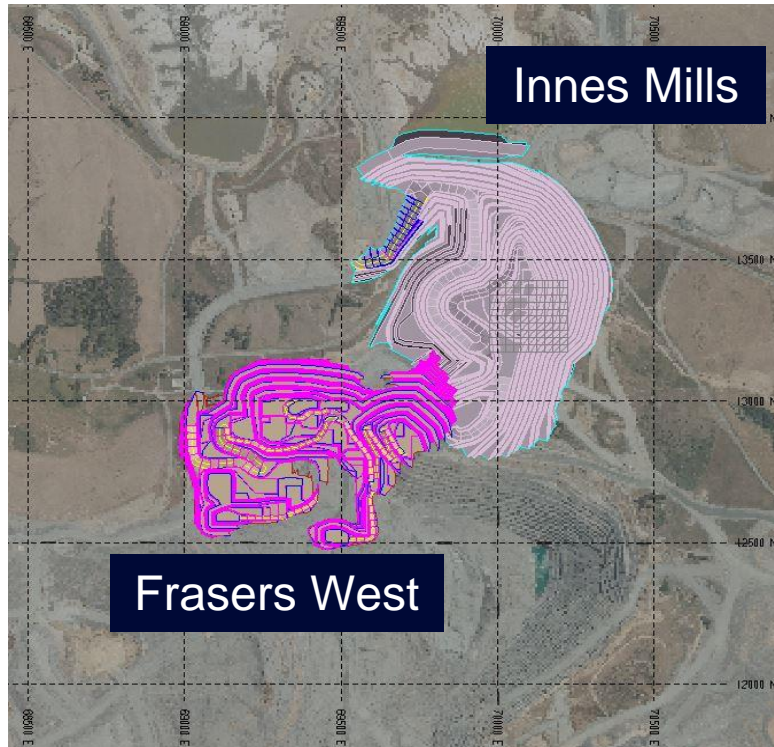


**LOM EXTENSIONS:** Our goal is to continue to extend Macraes LOM with value add targets; improve margins through technical studies; review all targets for viability

**INNOVATING TO IMPROVE:** Actively researching mining technology to improve safety; lower costs and improve the economics of marginal orebodies

**SIGNIFICANT POTENTIAL:** There are a number of opportunities that exist to extend Macraes LOM

# Open Pit Potential Sources

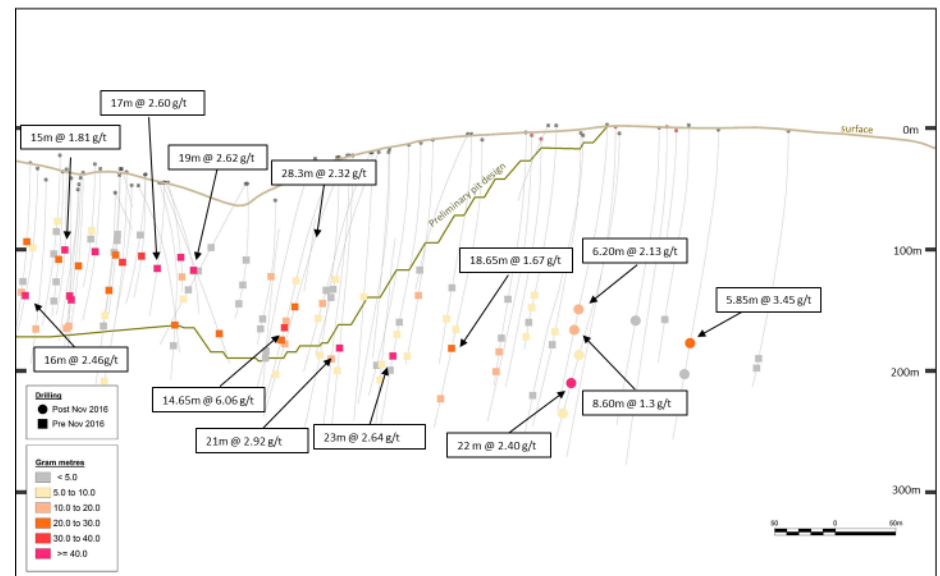
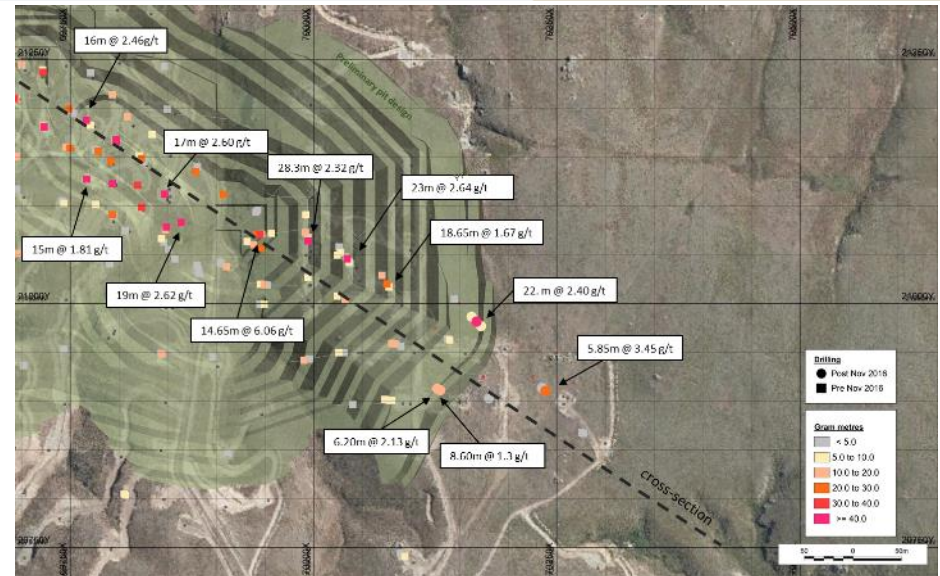
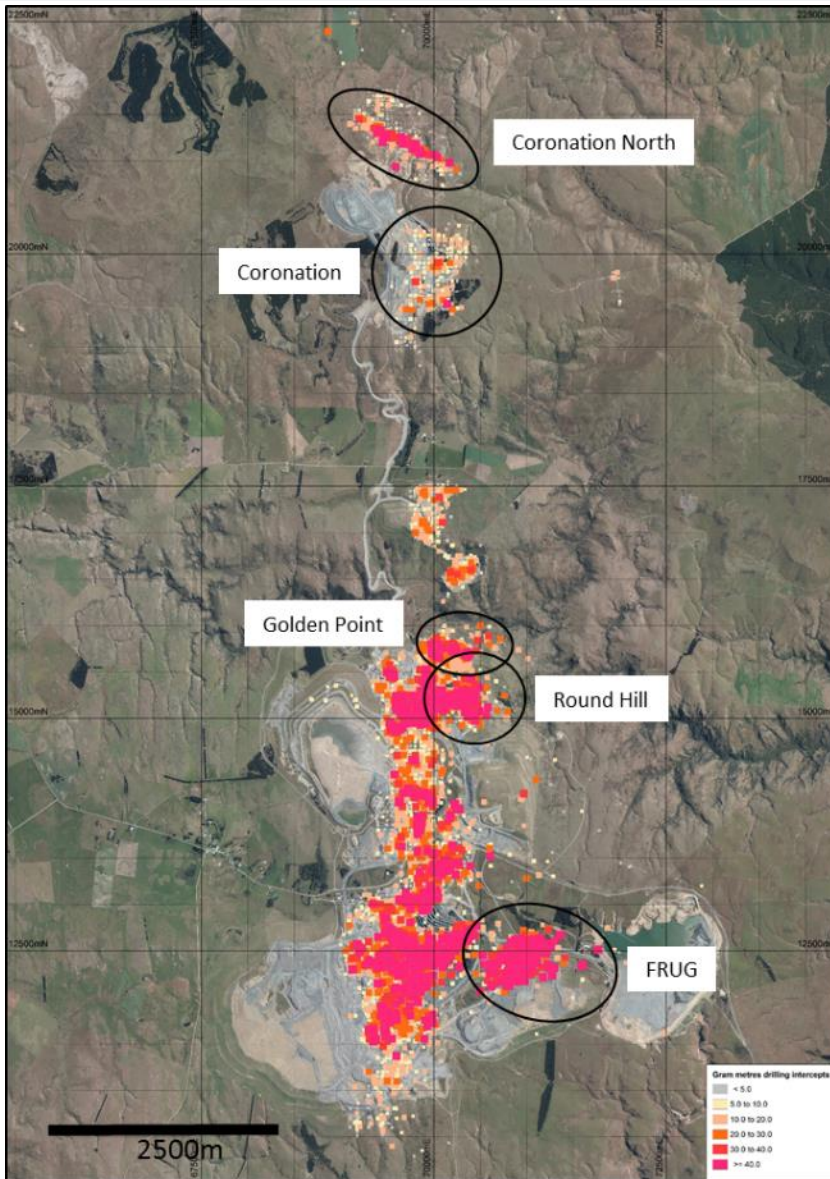


**LOW STRIPPING OPPORTUNITY:** Frasers West Open Pit

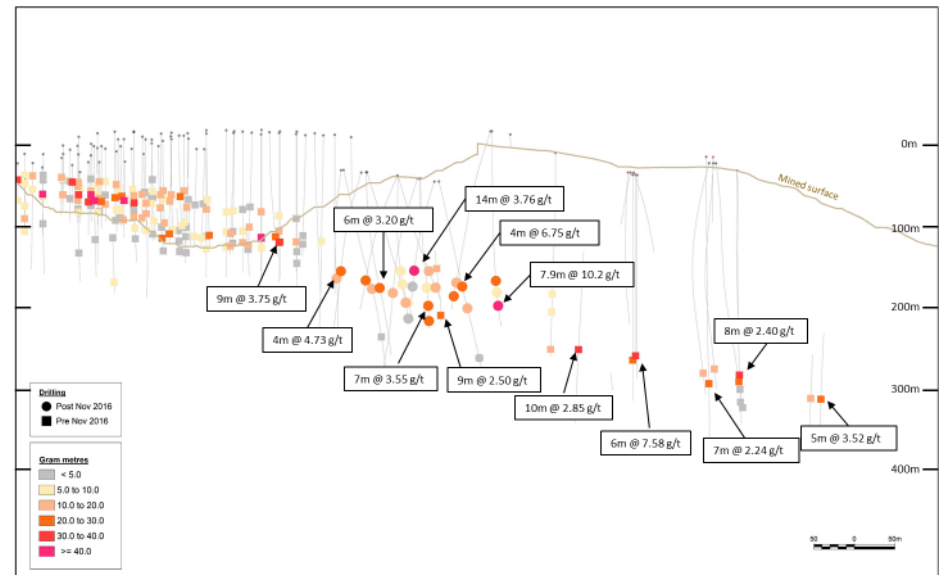
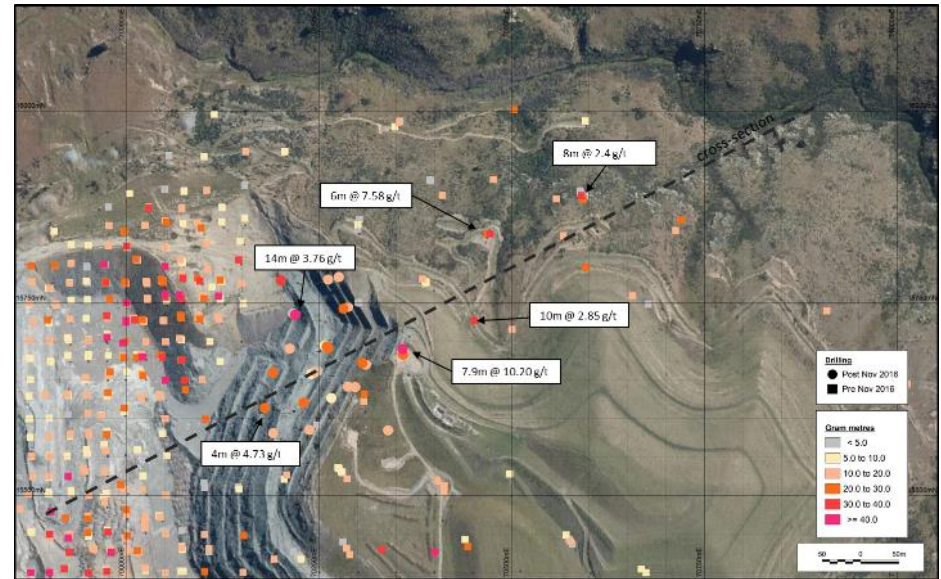
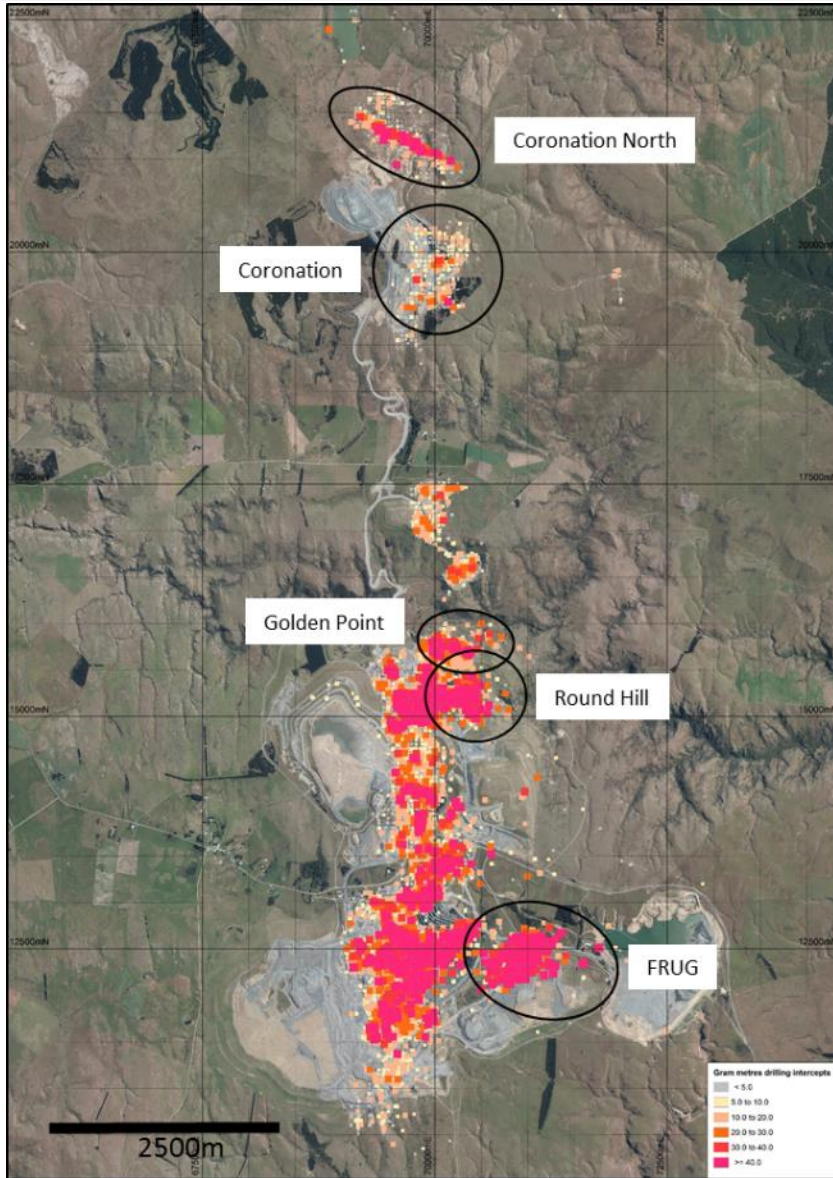
**POTENTIAL CUTBACK:** Innes Mills Open Pit

**10+ YEAR LOM:** Round Hill presents an opportunity to significantly extend Macraes LOM to 10+ years

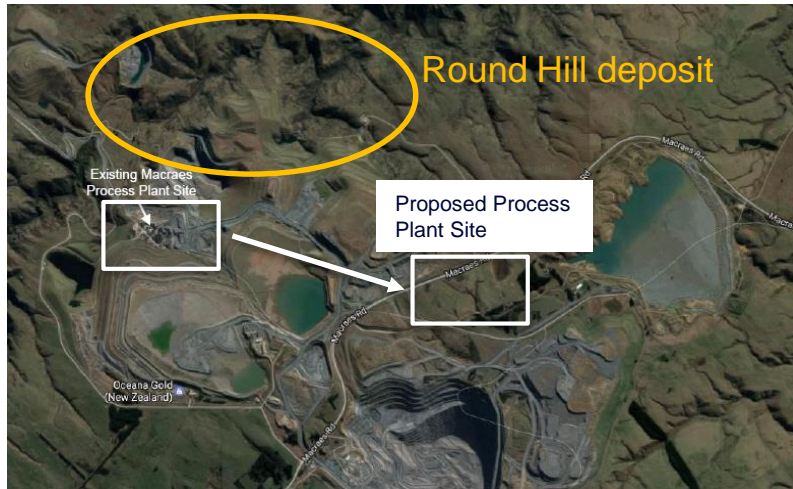
# Coronation North YTD Drilling



# Golden Point YTD Drilling



## ADVANCING THE MACRAES ROUND HILL PROJECT



### ROUND HILL/GOLDEN POINT

~1.38 Moz  
Resource<sup>(1)(2)</sup>

**STUDY ADVANCING:** Additional technical and economic work underway

**CONCEPT:** New location + build of smaller process plant w/Tungsten circuit

**MINE LIFE EXTENSION:** Potential for mine life of 10-12 years

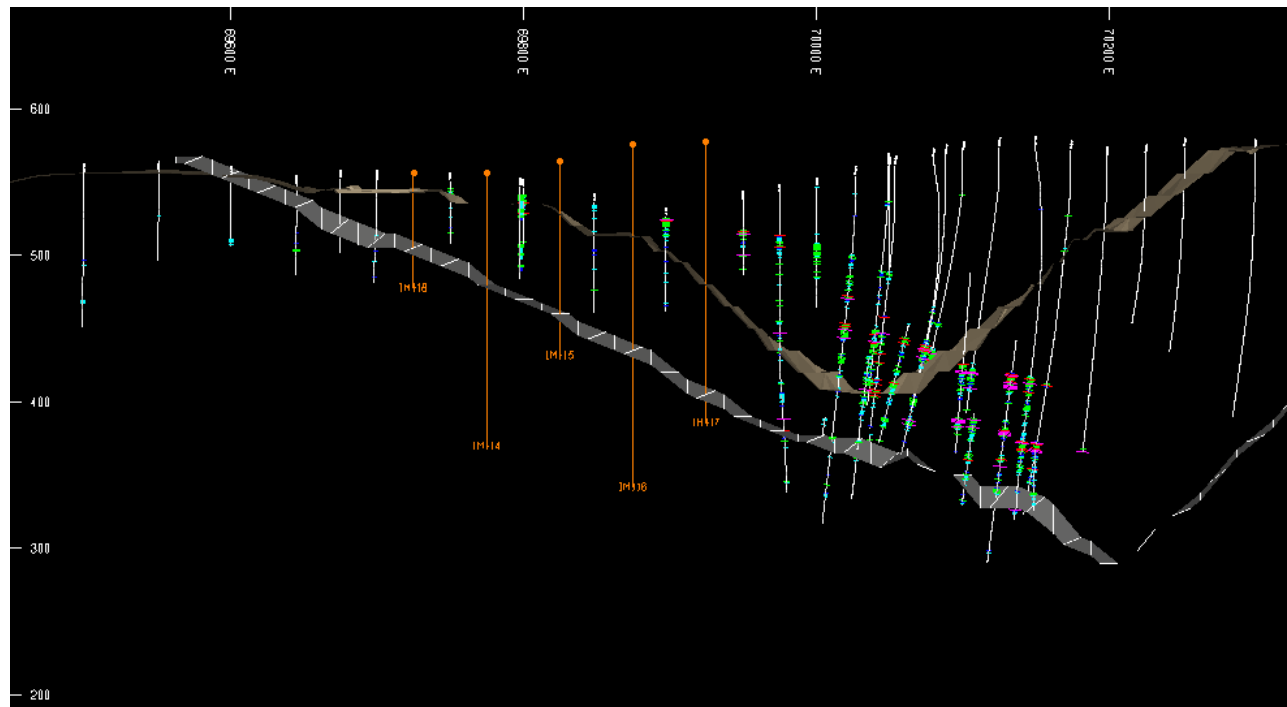
1. As at 31 Dec 2016

2. Total Resources = M&I and Inferred Resources. M&I Resources are inclusive of reserves

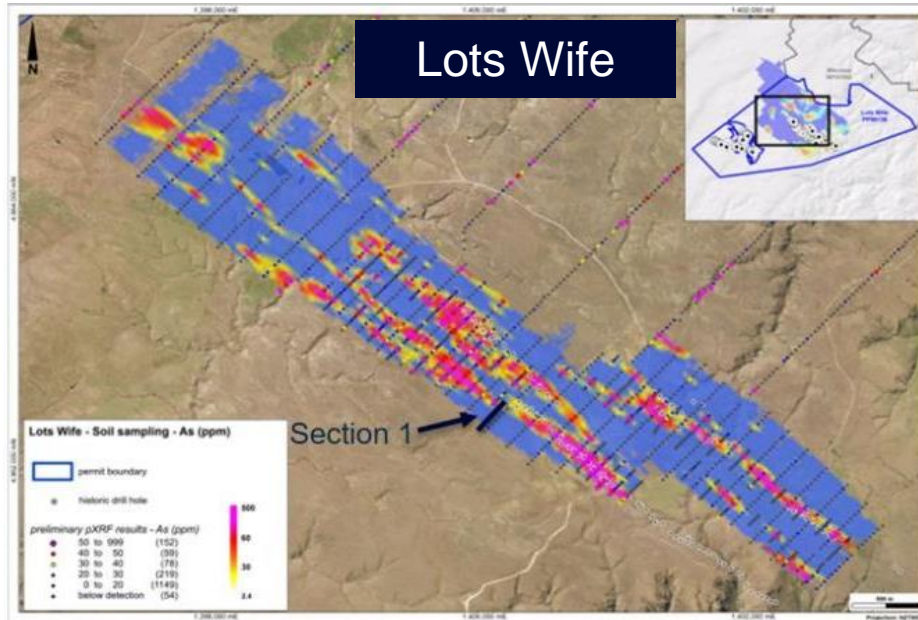
## AN AREA OF SIGNIFICANT MINERAL INVENTORY RESOURCE

**THE OPPORTUNITY:** 1990's drilling targeted the Hangingwall and not the Footwall; potential to identify missed stockwork mineralization

**PROPOSED DRILL PROGRAM:** 5,000m of drilling; constrained by WRS backfill depth

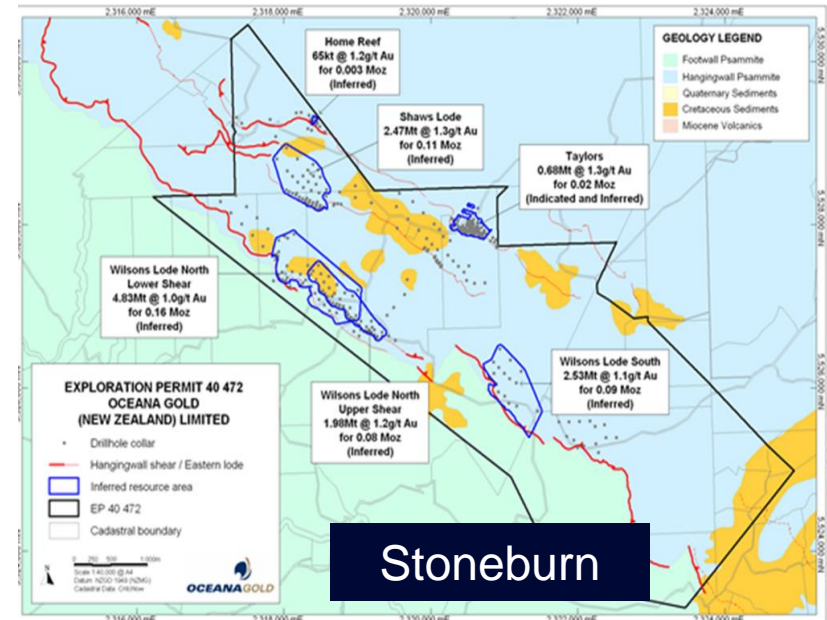


# Lots Wife and Stoneburn



## Lots Wife

**DRILLING ACTIVITY:** Initial 1,000m drill program; 2,500m resource definition; 8km of existing infrastructure



## Stoneburn

**EXPLORATION ACTIVITIES:** Full desktop and surface mapping program; several scout drill hole program of 2,000m





# OPEN PIT / EXPLORATION TOUR





# ENVIRONMENT & COMMUNITY



## Macraes Operation land position

- » 13,540ha owned / controlled
- » Current footprint of 1,250ha

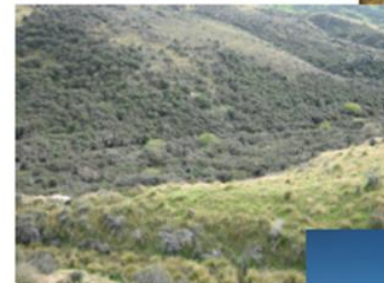
## Project land development

- » Maintaining strong relationship with neighboring land owners
- » Strong position to enhance land control for Macraes expansion
- » Continue to add strategic parcels for optimisation / expansion



# Environmental Obligations

- ▶ Environmental Advice and Services
- ▶ Consents / Authorities / Stakeholders
- ▶ Monitoring – water, noise, air quality, blasting, geotechnical, climate, vegetation, rehabilitation, flora and fauna
- ▶ Regulating Bodies (Regional/District Councils)
- ▶ Compliance Reporting
- ▶ Landscape Rehabilitation (509ha)
- ▶ Waste Management
- ▶ Recycling
- ▶ Pest Control
- ▶ Farm Leases
- ▶ Archaeological / Restoration Protection
- ▶ Trout Hatchery



# Investing in Our Local Community

WORKING TOGETHER TO LEAVE A POSITIVE, LONG LASTING LEGACY

## EDUCATION



## SUSTAINABLE DEVELOPMENT

### Macraes Development



Community trust established 2015  
(NZ\$2.3M plus land/buildings)

## HEALTH



## SOCIO-CULTURAL/SPORTS





# PROCESSING



# Processing Overview

## NEW OWNER OPERATED BATCH PLANT TO REDCE SHOTCRETE COSTS 30%

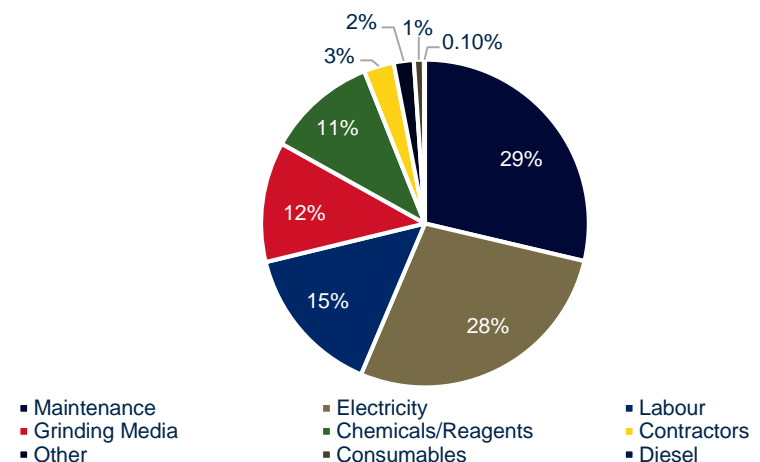
**FLOW SHEET:** Crushing, grinding, flotation, fine grinding, pressure oxidation, carbon-in-leach, elution, electro winning, and smelting

**STRONG RECOVERIES:** Dual refractory ore requires multi stage processing to maximise recovery. First stage (flotation) 86%, second stage (pressure oxidation and CIL) 95%. Overall recovery 81-82%

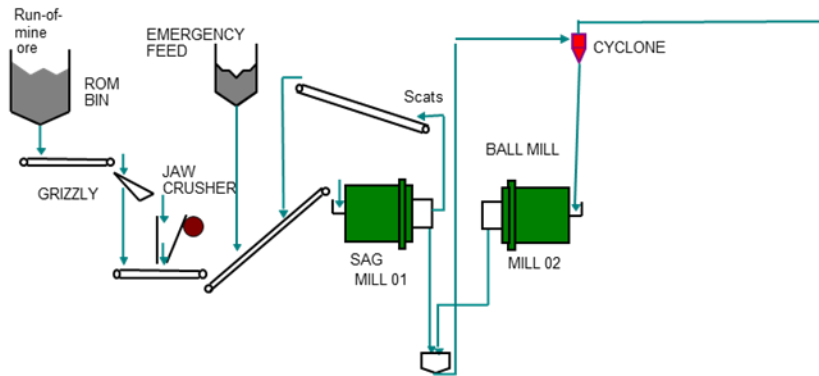
**AVAILABILITY RATES:** 80%+ maintenance downtime is planned; process plant availability  $\geq 95\%$  for 10 years; Autoclave availability of 95% since commissioning in 1999

**TAILINGS CAPACITY:** 10 years capacity at 5.8Mtpa

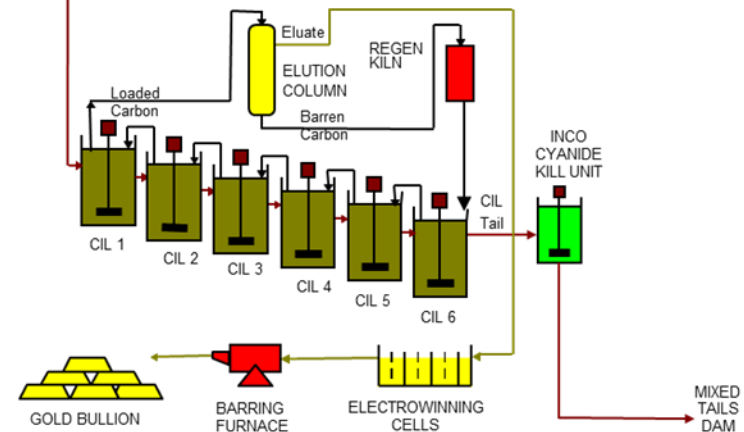
Processing Costs Breakdown



# Processing Flowsheet

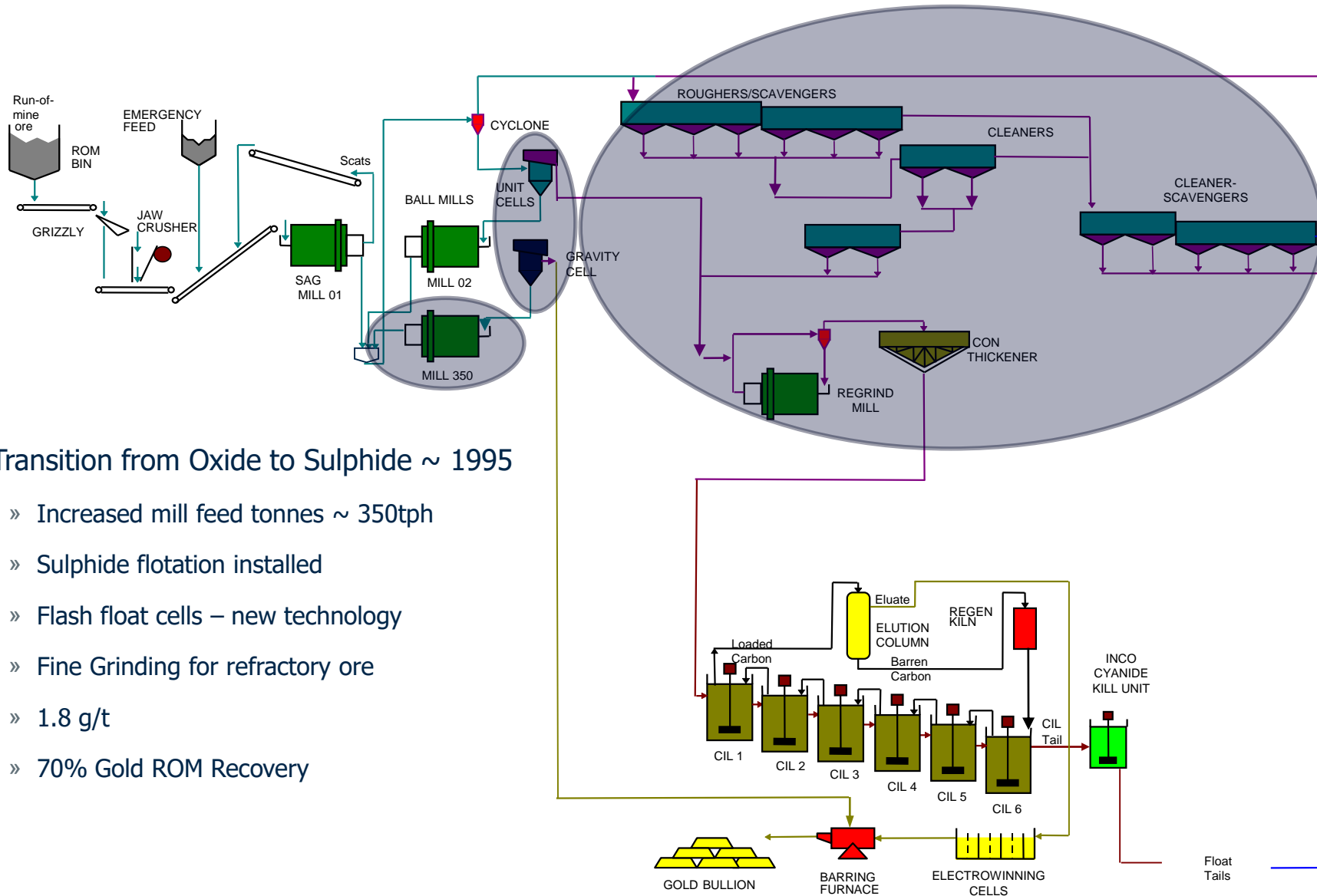


- ▶ 1990 Oxide Circuit
  - » 250tph
  - » 2.02 g/t
  - » 90% Au Recovery



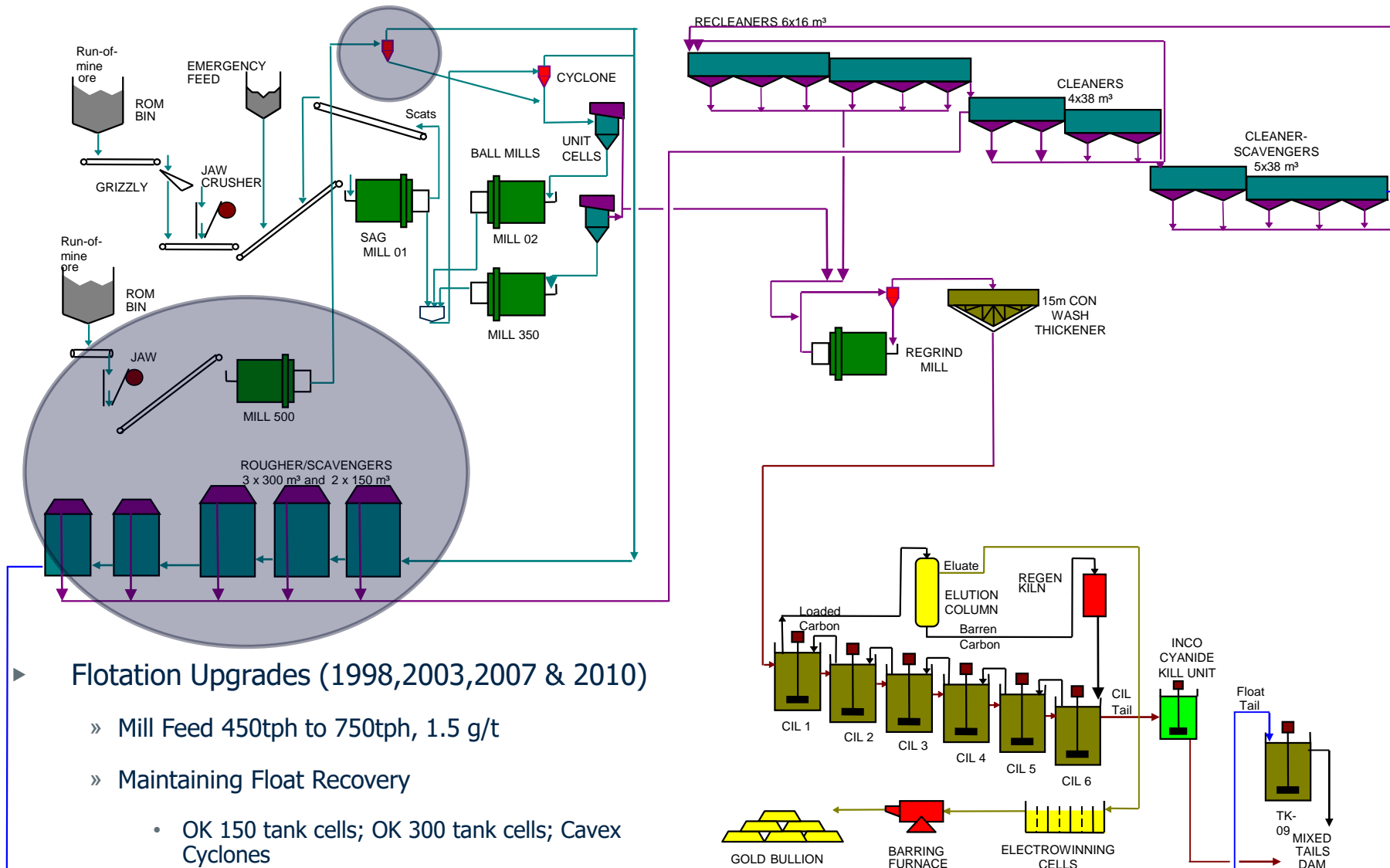


# Processing Flowsheet

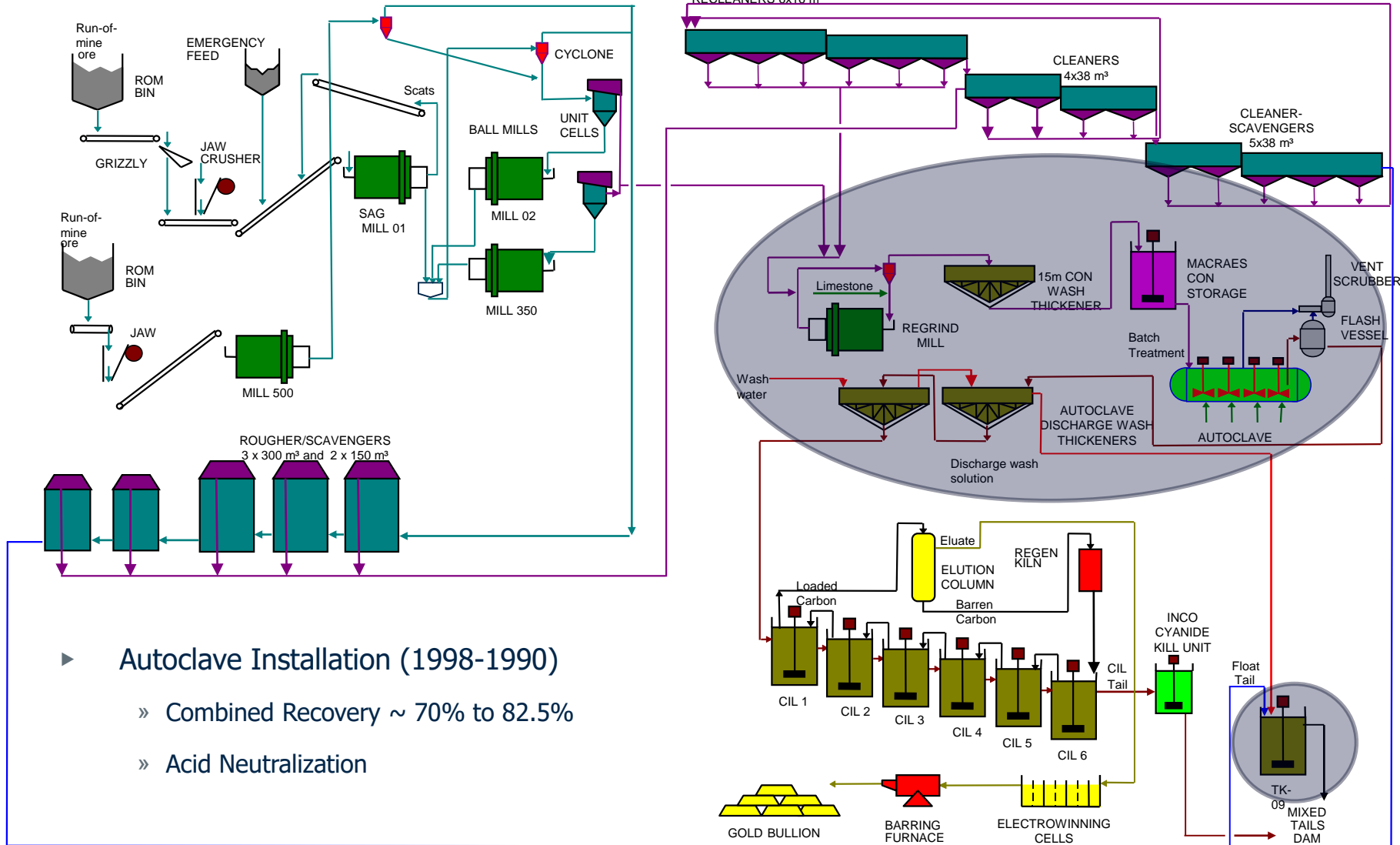


- ▶ Transition from Oxide to Sulphide ~ 1995
  - » Increased mill feed tonnes ~ 350tph
  - » Sulphide flotation installed
  - » Flash float cells – new technology
  - » Fine Grinding for refractory ore
  - » 1.8 g/t
  - » 70% Gold ROM Recovery

# Processing Flowsheet

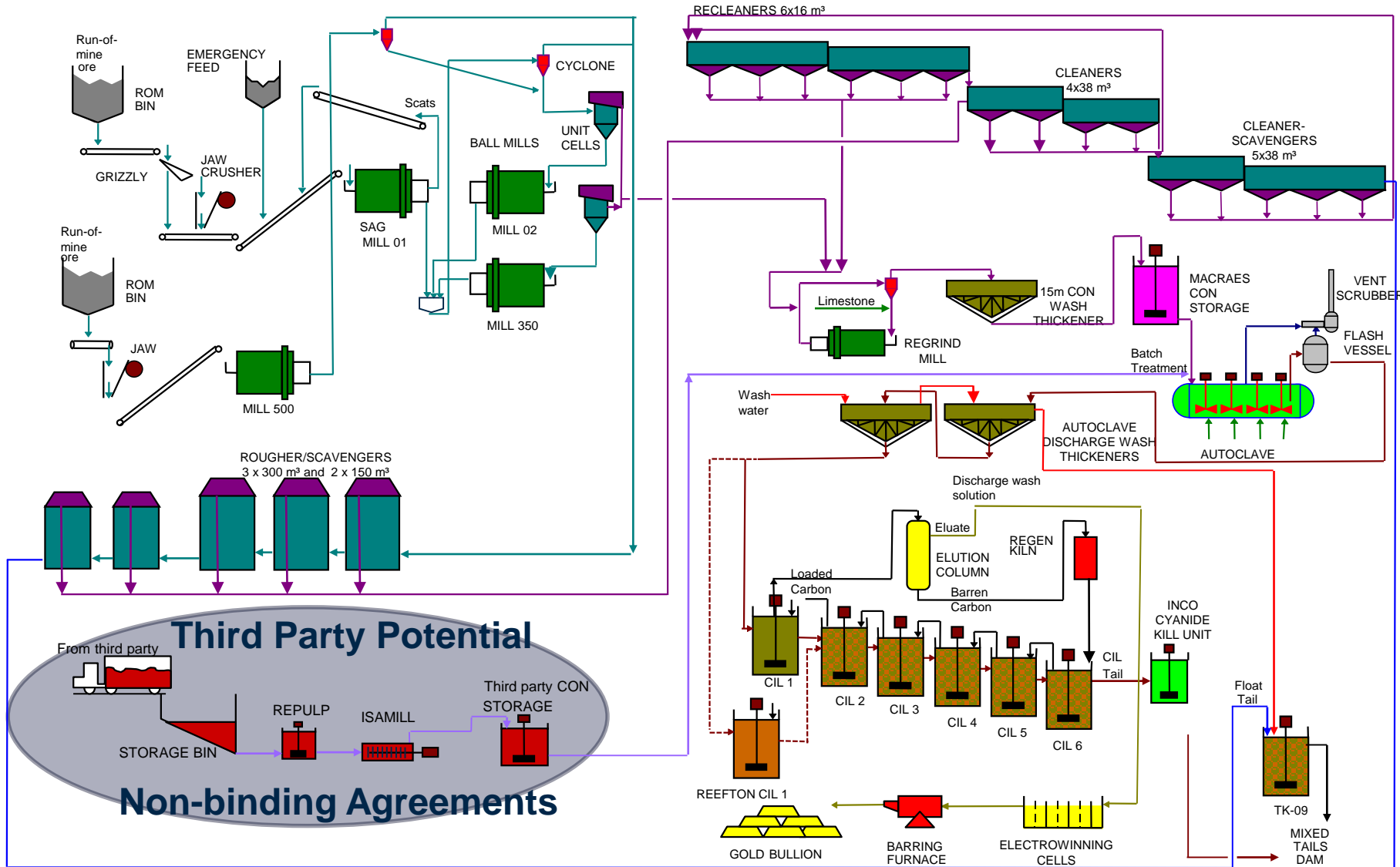


# Processing Flowsheet



- ▶ Autoclave Installation (1998-1990)
  - » Combined Recovery ~ 70% to 82.5%
  - » Acid Neutralization

# Processing Flowsheet



**Third Party Potential**

From third party

STORAGE BIN

REPULP

ISAMILL

Third party CON STORAGE

**Non-binding Agreements**



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