

# OceanaGold

## Third Quarter 2014 Results

31 October 2014

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Innovation  
Performance  
Growth

# Cautionary Notes

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

The information contained in this presentation is provided by OceanaGold Corporation (“OGC”) for informational purposes only and does not constitute an offer to issue or arrange to issue, or the solicitation of an offer to issue, securities of OGC or other financial products. The information contained herein is not investment or financial product advice and has been prepared without taking into account the investment objectives, financial situation or particular needs of any particular person. The views, opinions and advice provided in this presentation reflect those of the individual presenters only. No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions and conclusion contained in this presentation. To the maximum extent permitted by law, none of OGC or any of its directors, officers, employees or agents accepts any liability, including, without limitation, any liability arising out of fault or negligence, for any loss arising from the use of the information contained in this presentation. Furthermore, this presentation does not constitute an offer of shares for sale in the United States or to any person that is, or is acting for the account or benefit of, any U.S. person (as defined in Regulation S under the United States Securities Act of 1933, as amended (the “Securities Act”)) (“U.S. Person”), or in any other jurisdiction in which such an offer would be illegal. OGC’s shares have not been and will not be registered under the Securities Act.

## **Technical Disclosure**

The Mineral Resources for Didipio were prepared by, or under the supervision of, J. G. Moore, whilst the Mineral Resources for Macraes and Reefton were prepared by S. Doyle. The Mineral Reserves for Didipio were prepared under the supervision of M. Holmes, while the Mineral Reserves for Macraes and Reefton were prepared by, or under the supervision of, K Madambi. C. Bautista is Exploration Manager for the Philippines. M. Holmes, S. Doyle, K. Madambi, and J. G. Moore are Members and Chartered professionals with the Australasian Institute of Mining and Metallurgy and each is a “qualified person” for the purposes of NI 43-101. C. Bautista is a member of the AIG and is a “qualified person” for the purposes of NI 43-101. Messrs Holmes, Doyle, Madambi, Moore and Bautista have sufficient experience, which is relevant to the style of mineralisation and type of deposits under consideration, and to the activities which they are undertaking, to qualify as Competent Persons as defined in the 2012 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves” (“JORC Code”).

The resource estimates for the El Dorado Project were prepared by Mr. Steven Ristorcelli, C.P.G., of Mine Development Associates, Reno, Nevada (who is an independent Qualified Person as defined in NI 43-101) and conforms to current CIM Standards on Mineral Resources and Reserves.

For further scientific and technical information (including disclosure regarding mineral resources and mineral reserves) relating to the Reefton Project, the Macraes Project and the Didipio Project please refer to the NI 43-101 compliant technical reports available at [sedar.com](http://sedar.com) under the Company’s name. For further scientific and technical information (including disclosure regarding mineral resources and mineral reserves) relating to the El Dorado Project please refer to the reports publicly available at [sedar.com](http://sedar.com) prepared for Pacific Rim. For further scientific and technical information relating to the Blackwater Project, please refer to the Blackwater Preliminary Economic Assessment available as ‘Other’ document at [sedar.com](http://sedar.com) under the Company’s name.

**Note: All amounts in this presentation are listed in USD unless otherwise stated**

# Third Quarter 2014 Key Highlights

## Production

Gold: 67,352 ounces  
Copper: 7,078 tonnes

Didipio YTD gold production 71,473 ounces – on track to exceed 2014 full year guidance at Didipio

## Cash Costs<sup>1</sup>

Consolidated: \$441/oz

Higher production from Didipio as expected with 26,207 ounces of gold and 7,078 tonnes of copper

## Revenue

\$122.8 million

Consolidated Q3 2014 sales of 64,241 ounces of gold and 6,690 tonnes of copper

Consolidated YTD All-In Sustaining Costs, net of by-product credits of \$818 / oz sold

## EBITDA

\$43.5 million

Updated Didipio Technical Report and completed Blackwater PEA with positive outcomes

Received exploration permit renewal for the Paco tenements located in NE Mindanao, Philippines

1. Net of by-product credits

# Results Summary

		2014 Guidance	YTD Sep 30 2014			Q3 2014		
		Combined	Didipio	New Zealand	Company	Didipio	New Zealand	Company
Gold production	oz	275,000 to 305,000	71,473	143,278	214,751	26,207	41,145	67,352
Copper production	t	21,000 to 24,000	18,263	–	18,263	7,078	–	7,078
Gold sales	oz	–	77,422	153,163	230,585	23,412	40,829	64,241
Copper sales	t	–	19,615	–	19,615	6,690	–	6,690
Cash costs	\$/oz	400 to 450 <sup>1</sup>	(480) <sup>1</sup>	900	437 <sup>1</sup>	(636) <sup>1</sup>	1,058	441 <sup>1</sup>
All-In Sustaining Costs <sup>2</sup>	\$/oz	750 to 850 <sup>1</sup>	(166) <sup>1</sup>	1,315	818 <sup>1</sup>			

1. Net of by-product credits

2. All-in Sustaining Costs ("AISC") based on WGC methodology; expansionary and growth capital expenditures are excluded from the AISC

# Philippines Operations



# Philippines Highlights



**Increased quarterly production on the back of higher grades mined from Stage 3 of the open pit**

**Record quarterly throughput rate achieved from better mill availability & debottlenecking**

**On track to achieve a steady-state throughput rate of 3.5 Mtpa by year end**

**Didipio Optimisation Study completed with strong operational and economic results that creates significant value**

**Ready to commence construction of the power line connecting Didipio to the grid**

**Received exploration permit renewal for Paco tenements; preparing for geophysical survey**

2014 Didipio Results		YTD
Gold produced	<b>oz</b>	71,473
Copper produced	<b>t</b>	18,263
Gold equivalent ounces produced	<b>oz</b>	169,171
Cash costs (by-product)	<b>per oz</b>	(\$480)
Cash costs (co-product)	<b>per oz</b>	\$556
AISC (by-product)	<b>per oz</b>	(\$166)
AISC (co-product)	<b>per oz</b>	\$687

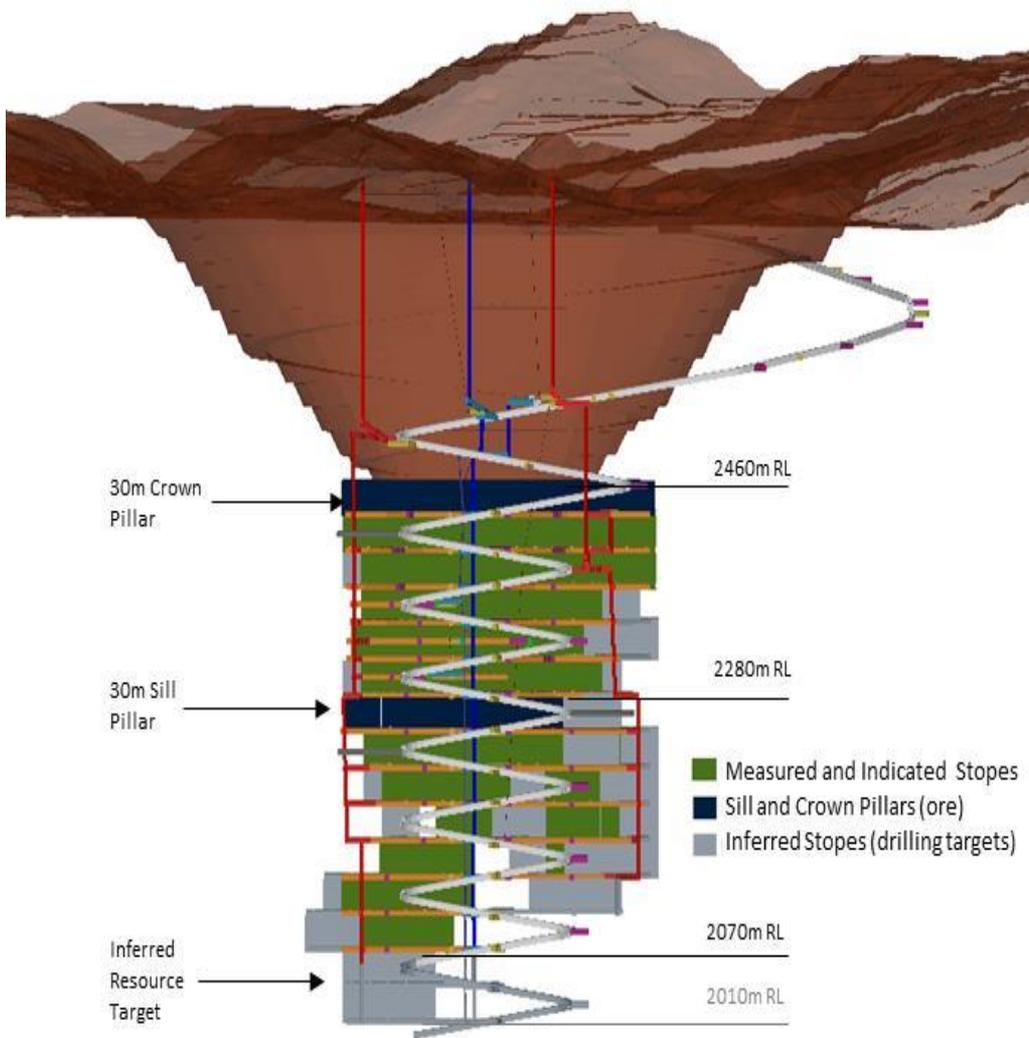
# Didipio Operating Statistics

		Q3 2014	Q2 2014	YTD Sep 30 2014	YTD Sep 30 2013 <sup>1</sup>
Lost time injuries		0	1	1	0
Gold production	oz	26,207	14,786	71,473	38,564
Copper production	t	7,078	4,706	18,263	15,523
Total ore mined	Mt	2.79	1.40	5.86	6.17
Total waste mined	Mt	3.79	4.68	12.91	10.93
Ore mined grade gold	g/t	0.60	0.47	0.63	0.54
Ore mined grade copper	%	0.52	0.48	0.54	0.60
Mill feed	Mt	0.85	0.64	2.24	1.85
Mill feed grade gold	g/t	1.09	0.80	1.11	0.78
Mill feed grade copper	%	0.90	0.79	0.87	0.93
Recovery gold	%	88.3	89.4	89.2	80.8
Recovery copper	%	92.3	93.3	93.6	90.0

- Production increase QoQ due to higher grades, mill feed, throughput rate and mill availability
- Higher throughput rate achieved from debottlenecking activities

1. Operating statistics at Didipio before April 1, 2013 were pre-commercial production

# Didipio Optimisation Study Highlights



**Underground development to commence 1 year earlier; now in Q1 2015**

**Access to high grade material in late 2017; brought forward by 2 years**

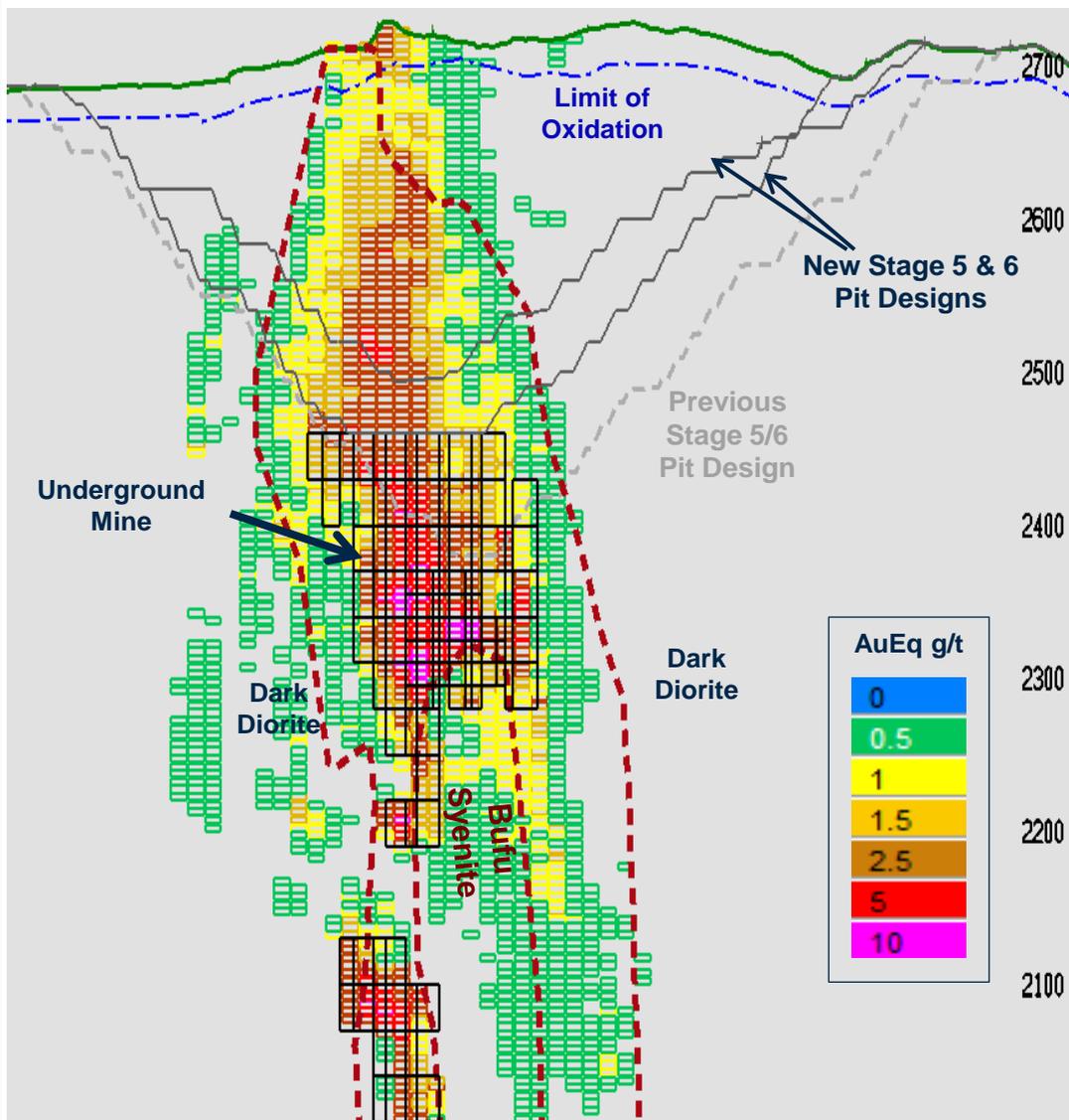
**Crown pillar moved higher by 80 m, underground extension to 2010mRL → two mining domains established.**

**Increased U/G mining rate to 1.6 Mtpa by 2020 (previously 1.2 Mtpa)**

**Optimised mine design resulting in 67 Mt less waste mined from the open pit**

**Capex of \$116m for the underground over next 3 years - sustaining capex of \$75m over the following 10 years**

# Optimised Design



Open pit redesigned to fit geological orientation of the ore body, improve ramp and lift crown pillar

Open pit mining completed at the end of 2017

Improved production profile through mining higher grades

Stronger understanding of geotech and hydrology; revised designs

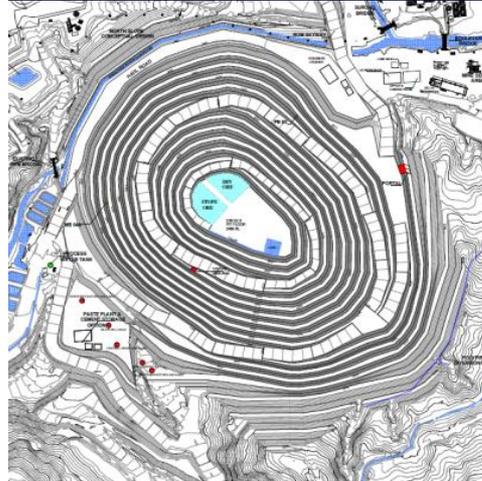
Proven & Probable Reserve increased by 180,300 oz Au & 8,480 t Cu

# Enhanced Economics

Original Open Pit Design



Optimised Open Pit Design

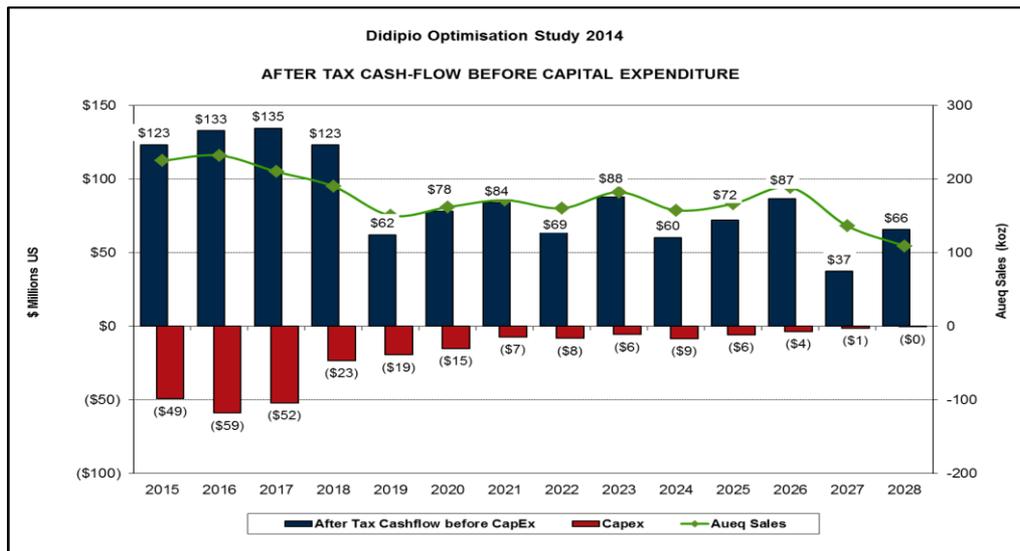


Earlier access to high grade underground feed + deferred mining costs → enhanced cash flow profile

Smaller open pit → \$215 million in cost savings between 2018 and 2020

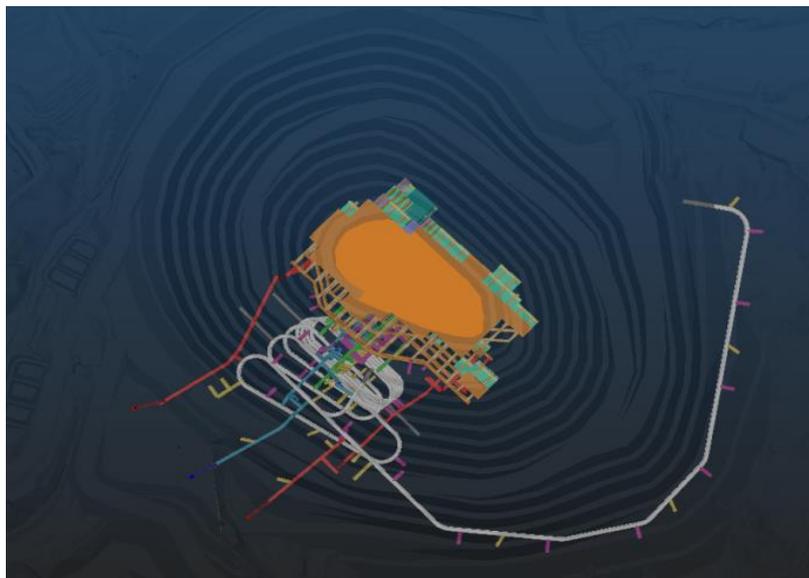
Larger underground and higher mining rates → lower unit costs (\$34/t to \$27/t)

Forecasted after-tax and capex cash flow of \$944 million over life of mine<sup>1</sup>



1. Based on \$1,300/oz gold, \$3.20/lb copper, See Technical Report for additional details  
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# Didipio → Looking ahead



**Tracking to exceed 2014 production guidance at Didipio**

**Increased production expected in Q4 from higher grades**

**Increase throughput rate to 3.5 Mtpa before year end**

**Continue to advance the power grid connection development**

**Prepare for the commencement of the underground development in Q1 2015**

**Complete the geophysical exploration survey at Didipio to identify new drill targets**

# New Zealand Operations



# New Zealand Highlights

## 2014 New Zealand Results

## YTD 2014

Gold produced	<b>oz</b>	143,278
Cash costs	<b>per oz</b>	\$900
AISC	<b>per oz</b>	\$1,315

**Steady production at Macraes, decreased production from Reefton as previously guided**

**Completed pit redesign at Reefton; milling resumed and now back to planned operating rates**

## New Zealand Financial De-risking Program

Zero-Cost Collar Hedge Range (NZ\$/oz)	Ounces Remaining <sup>1</sup> (koz)	Term
1,600 – 1,787	38.2	Jun/13 – Jun/15
1,500 – 1,600	127.8	Jan/14 – Dec/15
1,600 – 1,736	153.5	Jan/15 – Dec/16
Current NZ gold price <sup>2</sup>	NZ\$1,544 / oz	

**Completed haul road to Coronation pit – 5km away from Macraes process plant**

**Weaker New Zealand dollar resulted in lower US\$ costs, offset by lower sales**

**Blackwater PEA completed with results demonstrating robust economics**

1. As at 30 September 2014

2. On 29 October 2014

# Macraes Goldfield Operating Statistics

		Q3 2014	Q2 2014	YTD Sep 30 2014	YTD Sep 30 2013
Lost time injuries		0	0	1	3
Gold production	oz	35,403	35,641	111,712	130,401
Total ore mined from open pit	Mt	0.38	0.19	1.67	4.28
Total ore mined from underground	Mt	0.27	0.21	0.69	0.66
Total waste mined	Mt	1.79	0.74	5.47	30.89
Ore mined grade	g/t	1.38	1.46	1.30	1.15
Mill feed	Mt	1.47	1.40	4.15	4.40
Mill feed grade	g/t	0.90	0.96	1.01	1.14
Recovery	%	83.3	82.8	83.0	80.6

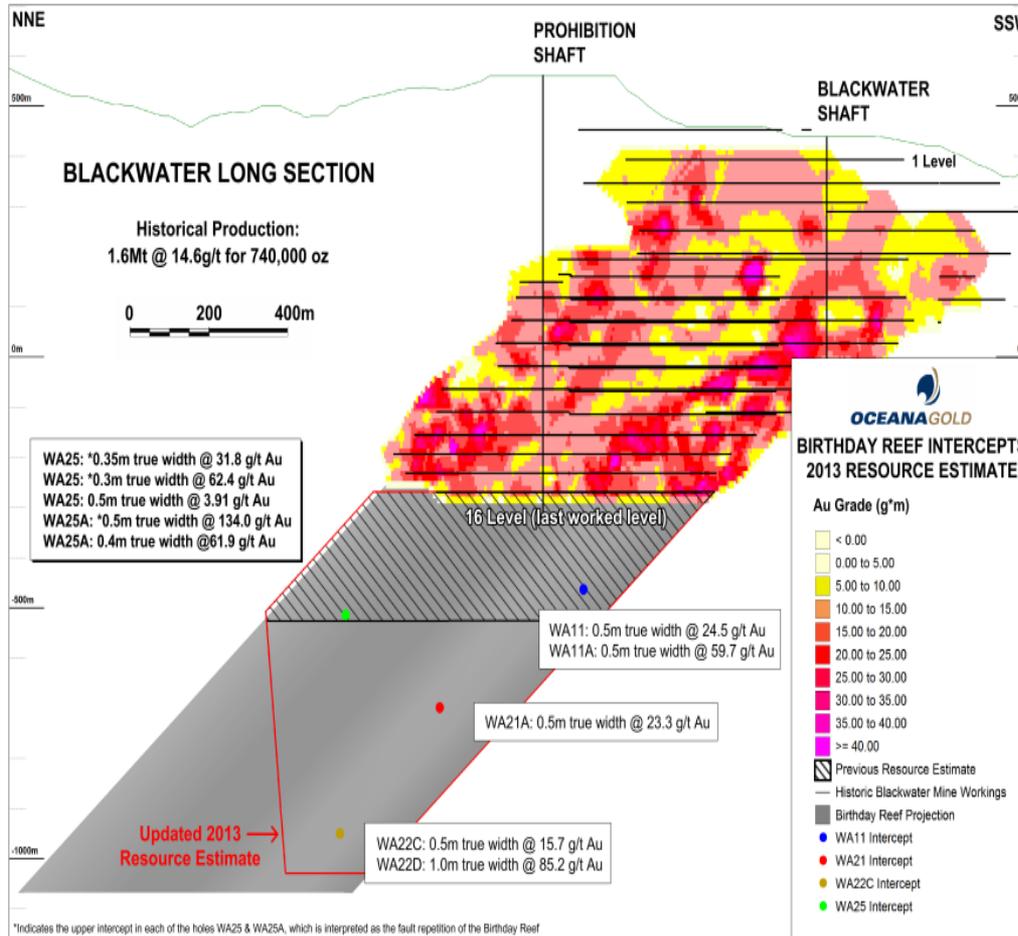
- Full resumption of mining out of the Frasers open pit in early Q3 resulting in QoQ increase in material mined.
- YTD Sep 30 2014 material mined significantly lower than YTD Sep 30 2013 as a result of changes made at Macraes thus much lower costs than in previous mine plan.
- YTD Sep 30 2014 mill feed grade and gold production lower than YTD Sep 30 2013 on account of higher proportion of low grade stockpile ore processed.

# Reefton Goldfield Operating Statistics

		Q3 2014	Q2 2014	YTD Sep 30 2014	YTD Sep 30 2013
Lost time injuries		3	0	3	4
Gold production	oz	5,742	10,404	31,566	41,548
Total ore mined	Mt	0.34	0.20	0.99	1.15
Total waste mined	Mt	2.48	4.03	11.24	13.22
Ore mined grade	g/t	1.04	1.14	1.21	1.48
Mill feed	Mt	0.24	0.37	1.03	1.07
Mill feed grade	g/t	0.92	1.07	1.16	1.48
Recovery	%	82.6	81.4	81.2	81.4

- Emphasis on improving safety; particular focus on following standard operating procedures.
- Lower production in Q3 was previously guided by the Company and a result of the pit redesign and revision to the mine plan where production was shifted into the subsequent quarters.
- Pit redesign completed in Q3 and mining operations and processing have returned to planned levels.
- Production expected to increase in the fourth quarter with significantly lower stripping ratios; lower costs.
- Revised mine plan includes slight increase in LOM production while remaining cash flow positive including rehabilitation costs.

# Blackwater PEA Highlights<sup>1</sup>



**PEA based solely on Inferred Mineral Resources**

**Post-tax NPV of \$132m on base case scenario at 5% discount rate<sup>2</sup>**

**Estimated nominal production 55 to 60 koz / year for 10 years**

**Processing rate of 120,000 tpa with estimated recovery of 96%**

**Initial capex of US\$40m for exploration decline, resource drilling, trial mining and DFS**

1. The production target and forecast financial information discussed in this slide must be read in conjunction with the cautionary statement on page 3 of the Blackwater Preliminary Economic Assessment dated October 21, 2014 (“PEA”) explaining that there is a low level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration work will result in the determination of Indicated Mineral Resources or that the production target and forecast financial information will be realised. OceanaGold confirms that all material assumptions underpinning the production target and forecast financial information in the Blackwater PEA continue to apply and have not materially changed.
2. Post-tax NPV for base case revenue +/- 25% using a discount rate of 5% is in the range of \$40m-\$223m with a midpoint of \$132m. Please refer to Blackwater PEA for range of NPV results.

# New Zealand → Looking ahead

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**Macraes production in Q4 similar to Q3 and Q2**

**Reefton production expected to increase on the back of higher grades and mill feed and better availability and mill feed**



**With final cutback at Reefton completed, stripping ratio significantly lower to end of mine life**

**Lower costs expected in NZ in Q4 on the back of lower costs at Reefton**

# Sustainability



# Sustainability Highlights

## PHILIPPINES



**OceanaGold donation to repair damaged schools in Bohol after earthquake**

## GLOBAL



## EL SALVADOR



**OceanaGold, together with community building playgrounds and parks in Cabañas, El Salvador**

**OceanaGold proud sponsor of inaugural Emerging River Professional Awards at International RiverSymposium**

# Financial Results



# Financial Position *(as at 30 Sep 2014)*

LIQUIDITY	
Cash	\$47m
Undrawn Revolving Credit Facility	\$82m
<b>TOTAL LIQUIDITY</b>	<b>\$129m</b>
DEBT	
Revolving Credit Facility	\$118m
Equipment leases	\$33m
<b>TOTAL DEBT</b>	<b>\$151m</b>

Modest increase in cash balance due to lower costs in NZ, higher sales in Philippines offset by inventory build-up, lower sales in NZ

Cash balance expected to increase in Q4 on the back of higher production and sales and lower costs

Repaid approximately \$30m YTD

Target to repay an additional \$30m of debt before end of the year

# Consolidated Financial Results

Consolidated Financial Results (USDm)	Q3 2014	Q2 2014	Q1 2014	YTD Sep 30 2014	YTD Sep 30 2013
Gold sales (ounces)	64,241	72,294	94,050	230,585	204,880
Copper sales (tonnes)	6,690	5,173	7,752	19,615	13,280
Gold price received (\$ per ounce)	1,271	1,314	1,311	1,301	1,441
Copper price received (\$ per tonne)	6,932	6,924	6,939	6,933	7,047
<b>Revenue</b>					
Revenue	122.8	127.5	170.4	420.7	383.5
<b>Operating costs<sup>1</sup></b>					
Operating costs <sup>1</sup>	(79.3)	(97.9)	(69.4)	(246.6)	(217.6)
<b>EBITDA<sup>2</sup></b>					
EBITDA <sup>2</sup>	43.5	29.6	101.0	174.1	165.9
<b>Depreciation &amp; amortisation</b>					
Depreciation & amortisation	(30.6)	(31.4)	(33.4)	(95.4)	(94.5)
<b>Net interest &amp; finance costs</b>					
Net interest & finance costs	(3.0)	(2.8)	(2.4)	(8.3)	(19.0)
<b>Earnings before tax<sup>2</sup></b>					
Earnings before tax <sup>2</sup>	9.9	(4.6)	65.2	70.4	52.4
<b>Income tax asset / (expense)</b>					
Income tax asset / (expense)	10.8	5.7	(5.4)	11.1	(5.5)
<b>Gain/(loss) on fair value undesignated hedges</b>					
Gain/(loss) on fair value undesignated hedges	(5.3)	(4.3)	(1.3)	(10.9)	(7.3)
<b>Impairment charge</b>					
Impairment charge	–	–	–	–	(85.5)
<b>Tax benefit/(expense) on gain/(loss) on undesignated hedges &amp; impairment</b>					
Tax benefit/(expense) on gain/(loss) on undesignated hedges & impairment	1.5	1.2	0.4	3.1	26.1
<b>Net profit/(loss) after impairment</b>					
Net profit/(loss) after impairment	16.9	(2.1)	58.9	73.7	(19.7)

1. Includes G&A 2. Before gain/(loss) on undesignated hedges and impairment  
OceanaGold Corporation

Note: Summation subject to rounding differences  
Innovation Performance Growth

# Consolidated Cash Flows

USDm	Q3 2014	Q2 2014	Q1 2014	YTD Sep 30 2014	YTD Sep 30 2013
Opening cash balance	46.2	42.1	24.8	24.8	96.5
Operating cash inflows	28.2	52.7	73.3	154.2	70.4
Investing expenditure	(27.6)	(31.1)	(24.1)	(82.9)	(125.6)
<b>Free cash flow</b>	<b>0.6</b>	<b>21.6</b>	<b>49.2</b>	<b>71.3</b>	<b>(55.2)</b>
Financing cash inflows/(outflows)	(2.1)	(12.6)	(25.2)	(39.9)	(33.2)
Foreign exchange effect	2.1	(4.9)	(6.7)	(9.4)	6.6
<b>Net cash (decrease)/increase</b>	<b>0.6</b>	<b>4.1</b>	<b>17.3</b>	<b>22.0</b>	<b>(81.8)</b>
<b>Closing cash balance</b>	<b>46.8</b>	<b>46.2</b>	<b>42.1</b>	<b>46.8</b>	<b>14.7</b>

Note: Summation subject to rounding differences

- Operating cash flow lower due to lower sales in NZ, a lower average gold price received, increased receivables and inventories, partly offset by higher sales in the Philippines.
- Investing expenditure includes:
- Sustaining capex: \$5m, development capex: \$6m, pre-stripping: \$15m

# Looking Ahead

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**Significant free cash flow generation**

**Well on track to achieve full year production and cost guidance**

**Strengthen the balance sheet**

**Didipio to increase throughput rates to planned 3.5 Mtpa by year end**

**Increase shareholder wealth**

**Prepare for the commencement of the Didipio underground development scheduled for Q1 2015**

**Continue to advance the Didipio power grid development work**

**Targeting to repay an additional \$30m of debt before end of the year**

**Identify and evaluate new value add opportunities**



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