Form 51-102F3
Material Change Report

Item 1: Name and Address of Company

OceanaGold Corporation (the "Company", "Oceana" or "OGC")
Level 5, 250 Collins Street
Melbourne, Victoria, 3000
Australia

Item 2: Date of Material Change

July 29, 2011

Item 3: News Release

The news release was issued in Canada on August 5, 2011 and disseminated via Canada NewsWire.

Item 4: Summary of Material Change

The Company has received a Technical Report dated July 29, 2011, prepared by J.G. Moore and R. Redden of the Company, entitled "Technical Report for the Didipio Gold-Copper Project" (the "Didipio Report").

Item 5: Full Description of Material Change

5.1 Full Description of Material Change

The Company has received a Technical Report dated July 29, 2011, prepared by J.G. Moore and R. Redden of the Company, entitled "Technical Report for the Didipio Gold-Copper Project" (the "Didipio Report").

The portions of the Didipio Report summarized herein supersede the disclosure contained in the Company's Annual Information Form for the year ended December 31, 2010 and dated March 31, 2011 (the "AIF") under the heading "The Didipio Project".

The following is a summary of certain portions of the Didipio Report.

Project Description and Location

The Didipio Project is located in the north of Luzon Island approximately 270 km NNE of Manila, in the Philippines. The Didipio Project is at 121.45º E 16.33º N (Longitude/Latitude – World Geodetic System 1984).

The Financial or Technical Assistance Agreement (the "FTAA") now covers about 158 km² (compared with the original 370 km²) located in the Provinces of Nueva Vizcaya and Quirino. Parts of the original FTAA have been relinquished under the terms of the agreement that requires 10% relinquishment per annum (although some exceptions apply). The proposed mining area comprises 12 blocks (each 0.5" latitude by 0.5" longitude, or approximately 81 hectares) or 9.75 km² within the FTAA. A direct impact zone of 3.25 km² is situated inside this 9.75 km² area.

A FTAA was made and entered into by and between the Republic of the Philippines and Climax Arimco Mining Corporation ("CAMC") on 20 June 1994. The FTAA was subsequently assigned by CAMC to Australasian Philippines Mining Inc ("APMI") (renamed OceanaGold Philippines Inc. ("OGPI")), now a wholly owned subsidiary of the Company.

All the primary requirements to be fulfilled under the FTAA have been met. Surface rights have been acquired from the vast majority of the land required for the current expanded project. Purchase agreements are being negotiated with remaining landowners. The Company expects to have acquired all the land required by the current project footprint in the near future. A third party has a contractual right to

be granted an 8% free carried interest in the operating vehicle that will be formed to undertake the management, development, mining and processing of ore on, and the marketing of products from, the Didipio Project, subject to satisfaction of certain conditions.

The claim owner syndicate (Gonzales) is entitled to a 2% net smelter return ("NSR") royalty on production in respect of a substantial proportion of the FTAA, including the proposed mining area in its entirety. A 0.6% of 92% NSR royalty (capped at a total of A$13.5 million) is payable to Malaysian Mining Corporation.

Upon the commencement of commercial production, there is a period of five years whereby the Company can recover all pre-operating expenses. After this time, 60% of net profit (net of all taxes, local payments, government payments, etc.) is payable to the government as a government share.

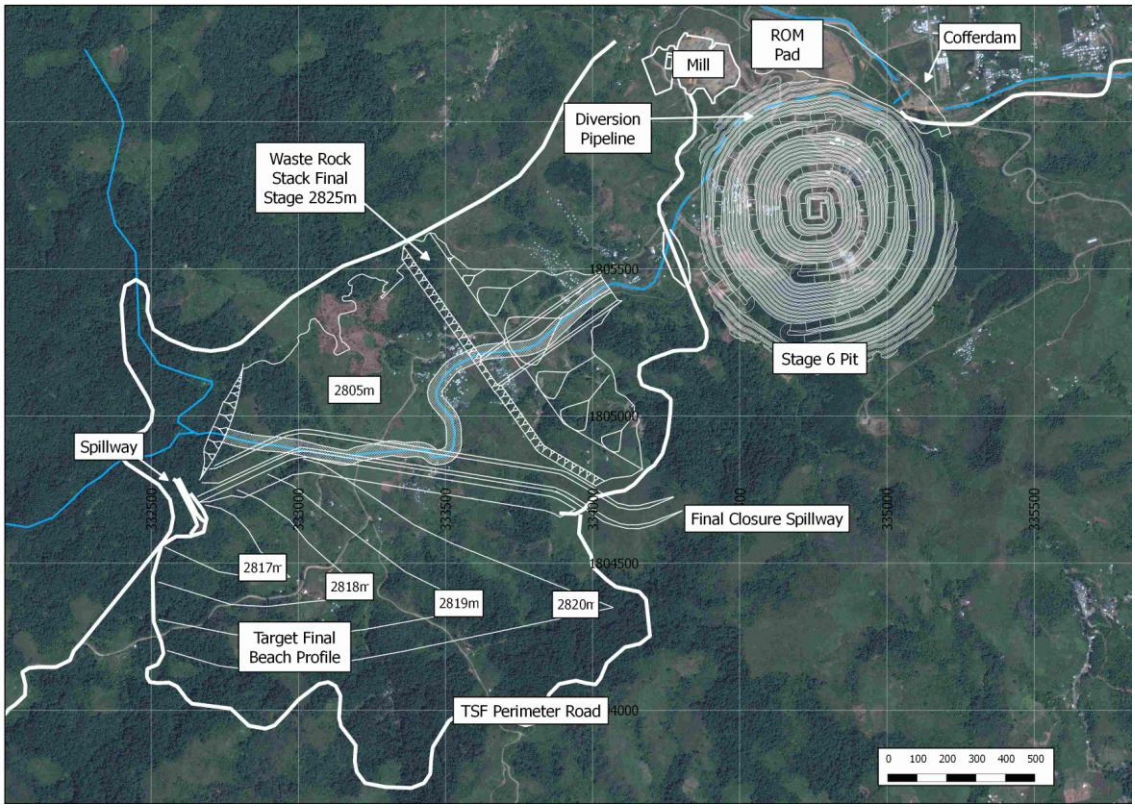
The Environmental Compliance Certificate (ECC) for the project was originally granted to CAMC in August 1999, with subsequent amendments in January 2000 (extension of area) and August 2004 (definition of direct impact zone). The ECC allows for open pit and underground workings, tailings dam and impoundment, waste rock dumps, mill plant, explosive magazine, administration and housing facilities. An application to amend the ECC to reflect operations as outlined in the Didipio Report was lodged with the Environmental Management Bureau ("EMB") in June 2011. Securing the last permits and approvals required will not be possible until all design details have been finalised, allowing the various construction permits, and subsequent permits-to-operate, to be granted. Land acquisition is almost complete and applications for water rights have been made and are in process.

Accessibility, Climate, Local Resources, Infrastructure and Physiography

The Didipio Project is located approximately 270 km NNE of Manila in the southern part of Mamparang mountain range adjacent to the border of Nueva Vizcaya and Quirino Provinces. The main route access to Didipio is from the north, commencing from the national Maharlika Highway at Cordon, with a concrete paved road to Cabarroguis, and thereafter a gravel all-weather road to site. A helipad has been constructed at site within the secured area of the mine footprint. Helicopter transport will be used to transport doré to Manila for export to the refiner's works. In addition, helicopter transport may be called upon from time to time for medical evacuations or visits to site. OGPI has an office, core storage and sample preparation facilities in the town of Cordon. The Didipio Project lies approximately 35 km to the ESE of the provincial capital of Bayombong within the Province of Nueva Vizcaya near the heart of Northern Luzon.

Didipio is located on the eastern side of Luzon, which experiences a tropical climate consisting of three main seasons: (i) the south-west monsoonal season between June and September; (ii) the north-west monsoon season between October and January; and (iii) a transition period between February and May. Didipio receives most of its annual rainfall during these monsoon seasons, although the mine will operate year round.

A general site plan is shown below:



Water will be sourced from drawdown bores sunk around the perimeter of the open pit. A potable water treatment plant will be located in the process plant with a second potable plant for the camp. Most of the power will be self-generated on site by an OGPI owned power station. Costing is based on using a high-speed diesel-fired power station comprising package individual sets in acoustic enclosures with on-board service and protective provisions and controls, all connected to a separate central control and electrical room. A small supply overhead line does run through the valley, but the project will not be relying on using any power from this source. Sewage from the project site will be piped to a site based sewage treatment plant, sewage from small isolated locations such as the guard house will be held in holding tanks and then transferred to the sewage treatment plant.

Manning profiles for the project have been derived from the following sources: (i) assessment of labour requirements from first principles, (ii) contractor's assessment of labour requirements, (iii) benchmarking from similar operations, and (iv) previous feasibility study information. It is anticipated that there will be approximately 15 to 16 expatriates employed on the site once steady-state operations have been achieved. Therefore, the site satisfies the requirements for Filipinisation under the FTAA. Where possible, recruitment, particularly of mining and processing plant personnel, will be from the local area. Contractors servicing the project will be obliged to follow a similar employment policy. The FTAA sets out targets for Filipinisation, which requires up to 100% Filipinos in unskilled, skilled and clerical position and up to 60% Filipinos in professional and management positions.

The project area is located within the southern part of the Cagayan Valley basin in north-eastern Luzon, the Philippines. The area is bounded on the east by the Sierra Madre Range, on the west by the Luzon Central Cordillera range and on the south by the Caraballo Mountains. In the project area, three segments of vegetative cover were identified and consist of: (i) grassland, which covers both primary and secondary impact areas; (ii) brushland (riparian), which is located within the primary impact site; and (iii) low-density forest, which is located within the secondary impact area. The valley floor near the project centre is at 690-700 metres above sea level with the surrounding ridge-lines rising another 150-200 metres above this.

History

The Didipio area was first recognised as a gold province in the 1970s, when indigenous miners from Ifugao Province discovered alluvial gold deposits in the region. From 1975 to 1977, Victoria Consolidated Resources Corporation and Fil-Am Resources Inc undertook a stream geochemistry programme, collecting 1204 panned concentrates samples that were assayed for gold, copper, lead and zinc. Marcopper Mining Corporation investigated the region in 1984, followed in April 1985 by a consultant geologist (E P Deloso) engaged by local claim owner Jorge Gonzales. Work by Deloso included geological mapping, panning of stream bed sediments and ridge and spur soil sampling. Benguet Corporation examined the Didipio area in September 1985 and evaluated the bulk gold potential of the diorite intrusion. Work included grab and channel sampling of mineralised outcrops, with sample gold grades ranging up to 12 g/t Au and copper averaging 0.14% Cu. Geophilippines Inc investigated the Didipio area in September 1987 and carried out mapping, gridding, rockchip and channel sampling over the diorite ridge. Between April 1989 and December 1991 Cyprus and then AMC carried out an exploration programme that included the drilling of 16 diamond core holes into the Didipio Ridge deposit. Consequently, Climax took over control of AMC and from 1992, Climax exploration work concentrated on the Didipio Gold-Copper Deposit, although concurrent regional reconnaissance, geological and geochemical programmes delineated other gold and copper anomalies in favourable geological settings within the Didipio area. Diamond drilling and other detailed geological investigations continued on the Didipio Gold-Copper Project and elsewhere in the Didipio area through 1993, and were coupled with a preliminary EIS and geotechnical and water management investigations. A programme of 17 additional diamond drill holes was designed to provide closer spaced sampling data primarily within an area lying above the 2400mRL. This programme was completed in June 1997, with all drill core assays received by early August 1997. These data have been utilised for the GRD 1998 Definitive Feasibility Study. There has been no large-scale mining at Didipio to date and there are no records of the production by artisan miners.

Geological Setting

The regional geology comprises late Miocene volcanic, volcaniclastic, intrusive and sedimentary rocks overlying a basement complex of pre-Tertiary age tonalite and schist, which have been interpreted to represent an island arc depositional and tectonic setting. Regionally, the volcanics and sediments are folded about meridional anticlinal and synclinal axes and are cut by prominent, steeply dipping, north-west and north-trending faults sub-parallel to the major Philippine Fault zone. Recent geological mapping in the Didipio region has been interpreted to indicate the Didipio Gold-Copper Deposit is hosted within the multiphase Dinkidi Stock, which is in turn part of a larger alkalic intrusive body, the Didipio Igneous Complex.

The Didipio Project has been identified as an alkalic gold-copper porphyry system, roughly elliptical in shape at surface (450 m long by 150 m wide) and with a vertical pipe-like geometry that extends to at least 800 m to 1000 m below the surface. The local geology comprises north-north-west-trending, steeply (80° to 85°) east-dipping composite microdiorite intrusive, in contact with volcaniclastics of the Mamparang Formation. The microdiorite lies in a circular topographic depression that is coincident with a circular IP anomaly. The area is cross-cut by a north-north-west-trending regional magnetic lineament, which is possibly a geophysical expression of major strike-slip faulting. North to north-west trending strike-slip faults in the Luzon Cordillera area have been recognised as major controls on the emplacement and elongation of porphyry deposits and a similar structural control may have been important in the Didipio area.

The Didipio Deposit is hosted by a series of hydrothermally altered and structurally controlled Miocene intrusives which were emplaced along the regional Tatts Fault structure. Mineralization is predominantly hosted by the Tunja monzonite, which intrudes the Dark Diorite. Minor mineralisation occurs in the surrounding Dark Diorite units, particularly in the upper part of the deposit where it overlies the Tunja. The core of the Tunja is intruded by the Quan monzonite porphyry, which is spatially related to the higher-grade mineralised zones.

A number of different breccia types are evident, of which the most important in terms of mineralisation is the Bugoy breccia. It appears to be rooted in the Leached Zone and extends upwards as a possible hydrothermal breccia containing rounded to sub-rounded pebbles of quartz and occasionally skarn material, up to 50mm in diameter, in a sandy-chlorite-sulphide gouge matrix. Contact breccias are common on the margins of the deposit where mozodiorite (Tunja) intrudes the Dark Diorite.

Exploration

Exploration has defined a substantial gold-copper resource at Didipio.

The Didipio Gold-Copper Deposit is an alkalic porphyry deposit that lies at the margin of the Surong stock near the juncture of the Biak Shear Zone and Tatts Fault. While the lateral bound of the Didipio Gold-Copper Deposit have been well defined through drilling, the depth extent is less well defined and there remains limited potential to increase the resource beyond the current depth.

Some porphyry deposits form 'camps' and it is not uncommon for the discovery of additional porphyry mineralisation in geologically favourable locations around the margin of a large parent stock such as the Surong stock. This concept is a valid exploration strategy. More than 30 exploration targets have been identified within the FTAA through a combination of stream sediment sampling, soil sampling, rock-chip sampling and, for a small number of prospects, limited drilling. The predominant mineralisation style of these new targets is interpreted to comprise epithermal gold and alkalic-associated porphyry-style mineralisation. Only a few of these targets have received follow-up exploration.

Mineralisation

Porphyry-style gold-copper mineralisation has been recorded over a strike length of approximately 450m, a width of up to 150m and to a vertical depth of greater than 800m. The tabular composite intrusive and associated alteration and mineralisation strike grid north-south and dip steeply (80º to 85º) east. Higher-grade gold and copper mineralisation is closely associated with the Quan diorite and Bugoy breccia, both of which are elongated in plan view along the north-south trending, steeply east-dipping Tatts Fault Zone.

Higher gold-copper grades are also localised within the footwall (west) skarn, which is 5m to 15m wide, sub-vertical, open at depth and contains vein-type mineralisation over a strike length of 150m (grid references 5675mN to 5825mN).

This mineralisation may have been remobilised, or formed during a slightly later phase of hydrothermal mineralisation with a strong structural control, and is surrounded by stockwork mineralisation that extends as a steeply east-dipping ellipsoidal shaped body, 110m to 140m wide, from the surface to a depth of 500m. Below 500m depth, the mineralisation is more tightly constrained forming a carapace around the Bufu syenite, with extensions of higher-grade mineralisation continuing southwards along discrete structures. Higher gold-copper grades are also localised within the footwall (west) skarn, which is 5m to 15m wide, sub-vertical, open at depth and contains vein-type mineralisation over a strike length of 150m (grid references 5675mN to 5825mN).

Chalcopyrite and gold are the main economic minerals in the deposit. Chalcopyrite occurs as fine-grained disseminations, aggregates, fracture fillings and stockwork veins, particularly within the vein zone of alteration. Chalcopyrite can replace magnetite and is, in turn, replaced by bornite. Bornite occurs as alteration rims around and along fractures within chalcopyrite grains.

Drilling

All drilling at Didipio has been performed by contractors, while most of the sample preparation was performed by Climax personnel at Cordon and assaying by Analabs. Samples taken during the 2008 infill drilling programme were prepared and analysed by McPhar Laboratories of Manila.

As at December 31, 2009, the complete drill hole database for the Didipio project contained 341 holes for a total of 81,992.9m drilled. The drill hole database for the Didipio Ridge deposit comprises 183 holes totalling 46,177.9m, although only 98 holes totalling 39,421.2m are diamond core holes considered suitable for resource estimation.

An infill drilling program at the Didipio Project was completed in mid-2008. This program, which aimed to improve the Company's understanding of the high grade gold/copper core of the deposit as well as improve confidence within the open pit design, comprised 21 infill drill holes for 7,390.6m. These drill holes were incorporated into the October 2008 resource update.

Where possible, all drill holes have been surveyed down hole, generally at 50m to 100m intervals, using an Eastman survey camera. Overall, down hole directional changes are generally minor: holes tend to steepen by 3° in the first 100m and 1° per 100m or less thereafter. Little change in azimuth was noted where holes were drilled perpendicular to strike, whereas drill hole DDDH47, which was drilled sub-

parallel to strike, deviated by 15° over 1005m.

The mineralisation at Didipio Ridge has a steep easterly dip and the majority of holes were drilled at around 60° to the west, which is considered appropriate. At a 1.0 g/t equivalent gold grade, the mineralisation averages around 80m in true thickness; the nominal sample length of 2m or 3m is considered more than adequate to define the grade distribution within this zone.

Immediately after retrieval from a drill hole, a drill core is coloured photographed in wet and dry state. Some cores, particularly from early drill holes, were also rephotographed after splitting with a diamond saw. Detailed geological logging is generally carried out after the core is split and sampled. For consistency in geological interpretation, Sam Garret of Climax (1995-1997) has logged all Didipio Project drill cores. All physical property data is included in the database.

Sampling and Analysis

Ninety-eight holes totalling 39,421.2m define the Didipio Gold-Copper Deposit. These drill holes are generally spaced on sections with 25m to 50m along strike separations and with vertical separations of 50m in the north-west of the deposit. To the south-east, vertical separations up to 150m are more usual. This covers an approximate area of 300m across strike by 550m along strike. Down hole core sample intervals are generally 2m to 3m. From this drilling, 11,635 samples were used for resource estimation.

Sample intervals were defined during the initial logging of cores on site. Core was cut in half using a diamond saw either on site (up to hole DDDH16) or at Cordon (holes DDDH17 onwards). Core has typically been sampled in intervals 2m or 3m under supervision of the site geologist or sample preparation manager, generally ignoring rock type boundaries. After sampling, the remaining half core was stored for further technical and/or metallurgical purposes. In 1992, all drill cores on site were moved and stored at Climax's facilities at Cordon.

Core recoveries were generally better than 95%, although in local areas of severe structural deformation recovery was as low as 50%. A review of core recoveries indicated that there was no strong relationship between core recovery and grade, so there appears to be no systematic bias in grade due to poor sample recovery. Therefore, sampling is considered representative.

Since 1989, sample preparation of Didipio drill cores has been conducted in four phases, with each phase using slightly different sample preparation procedures. Almost all of the samples (89%) were prepared by Climax employees. Details of each method are described in detail below and are summarized in the table below:

Phase	Period	Company	Sample preparation	Drill holes	Number of samples	% of total database
1	1989	CYPRUS	ANALABS (MANILA)	DDDH1-5	352	3.1%
2	1990-1	ARIMCO	ANALABS (MANILA)	DDDH8-11	350	3.1%
3		ARIMCO	AMC	DDDH14-16	252	2.2%
4	1992-1998	CLIMAX	CLIMAX	>DDDH-18	8051	70.39%
2	2008	OGC	McPHAR (MANILA)	>DDH-200	2442	21.3%

The following sample preparation sequence was used by Climax: (i) oven dry quarter core samples; (ii) jaw crush to minus 6mm; (iii) disc pulverise to minus 2mm; (iv) hammer mill to minus 1mm; (v) riffle split into two by 2kg samples and fine pulverised with one split to minus 200 mesh (second split stored in freezer for future test work or analysis); (vi) screen >95% minus 200 mesh; (vii) riffle split 150g to 200g for assay; (viii) all sample rejects stored; and (ix) prepared samples air freighted to Analabs Proprietary Limited in Perth, Western Australia, for assay.

For the 2008 Oceana drilling (DDH0201 to DDH0221), the diamond core was cut at Didipio. Half core was transported to the McPhar facility in Manila for crushing and pulverising to 90% passing 200 mesh. Gold was fire assayed with an AAS/GTA finish, while an acid digest was used on the copper. QAQC measures employed at Didipio include standards, sample resplits, replicate analyses and inter-laboratory check assays. No copper standards or sample blanks were used in the pre-2008 drilling, although 890 inter-laboratory copper analyses were completed for this period.

An extensive external review was completed by Hellman and Schofield in February 2007. This included a one-week visit to the Didipio site and OGPI's Manila office and formed the basis of the previous two Didipio Project 43-101 technical reports. Twenty-one drill holes have been drilled since this review. Discussions were held with the former project geologist and other personnel to verbally verify various details of the geology and drilling. Validation of the Didipio database consisted of checking the digital data against original data sources such as assay certificates, logging sheets, collar and down hole survey records, etc. Some original data records could not be located for a number of reasons. Few former Climax personnel remain with the Company, so the continuity of knowledge in the project has largely been broken. APMI has relocated offices since the merger and not all reports and data had been organised or located at the time of this review; some information was still in storage and may not have been catalogued correctly. In addition, there was a fire at the Didipio camp in 2005, which may have destroyed some paper records before they were relocated to Manila. The available resource drilling has been assessed and the Company considers the data to be of a suitable quality for resource estimation purposes.

In summary, Hellman and Schofield considered that the sample preparation, security and analytical procedures used for the Didipio project were appropriate and adequate for the style of mineralisation concerned. They noted that the lack of copper standards was a concern. In lieu of copper standards, 890 inter-laboratory analyses confirmed that the copper analyses were reproducible within acceptable limits.

Security of Samples

Industry-standard sample security measures appear to have been in use at Didipio. There is no specific documentation of these procedures and the author of the Didipio Report did not take independent samples for checking. However, data verification measures by the author of the Didipio Report suggest that copper assays are consistent with mineralisation observed in core and gold assays are generally consistent with mineralised features. Extensive metallurgical testwork and independent verification work by other companies also confirms database results. The author considers that sample preparation, security and analytical procedures for the Didipio project are appropriate and adequate for the style of mineralisation being assessed.

Mineral Resource and Mineral Reserve Estimates

Ordinary kriging was considered the appropriate estimation method for gold and copper because these elements have moderate coefficients of variation and their grade distributions are reasonably smooth and gradational, i.e. there is generally a smooth gradation from high to low grades. There was insufficient data in the oxide and transition zones to determine whether these zones are enriched or depleted in gold or copper. Therefore, no boundaries were used between primary, transition and oxide mineralisation during grade estimate (note that all oxide mineralisation has been classified as inferred). Grade top cutting was not used, although the influence of DDDH83 (the most intensely mineralised drill hole in the estimate) was reduced. Furthermore, as DDDH83 sits in close proximity to the interpreted Biak Shear plane, mineralisation further than approximately 20m to the north of DDDH83 was demoted to inferred classification.

The resource was classified in accordance with CIM standards. The following table reports total mineral resources at a 0.4 g/t eqAu cut-off grade above 2390mRL, and at 1.5 g/t eqAu cut-off grade below 2390mRL and above the 2180mRL where the gold equivalence is eqAu = g/t Au + 2.06 x % Cu. This contained gold equivalence is based on metal prices of US$950 per ounce for gold and US$2.85 per pound of copper. The estimate of measured and indicated mineral resources has increased by 0.13 Moz of gold and 0.02 Mt of copper compared to the Company's most recent resource/reserve update as at December 31, 2010, while the estimate of inferred mineral resources has increased by 0.13 Moz of gold and 0.02 Mt of copper compared to the December 31, 2010 update. These increases are due to the lowering of the open pit / underground resource reporting boundary (from 2,540mRL to 2,390mRL) to the best of the expanded open pit. This has resulted in a greater proportion of the total resource being reported at the 0.4 g/t eqAu open pit cut-off.

All mineral reserves reported are included within the mineral resources reported for the same deposit.

Class	Tonnes (Mt)	Au (g/t)	Cu (%)	Au (Moz)	Cu (Kt)
Measured	15.96	1.67	0.56	0.86	90.0
Indicated	54.21	0.73	0.37	1.27	201.1
Measured & Indicated	**70.17**	**0.95**	**0.41**	**2.13**	**291.0**
Inferred	30.73	0.44	0.23	0.44	72.1

Note: Resources are reported down to 2180 mRL, which represents the base of the proposed sublevel open stope mine. A cut-off of 0.4 g/t eqAu has been used above the 2390mRL and 1.5 g/t eqAu cut-off below the 2390mRL.

A dilution procedure was applied to the open cut resource block model which smears adjacent blocks together to simulate the effects of movement across defined ore boundaries during blasting and mining. However, because the ore zones are so broad on each bench the overall dilution edge effects were minimal and there was little difference between the overall in situ and diluted tonnes and grades as a result no dilution was applied to the block model during optimisation.

No mining losses were applied. It was considered that the resource estimation technique applied to the broad ore zones provides an adequate estimate of the run of mine (ROM) tonnes and grades.

Both gold and copper contribute significantly to the value of each block, particularly in the open cut where the copper grades are higher. In order to express a cut-off grade which accounts for the value of both metals, a net metal value (NMV) was calculated for each resource block. This calculation applies process recoveries and smelter and refinery returns to each metal then multiples by the price per unit for each metal to determine the payable value of metal in each tonne for the block.

For the open cut, if the NMV is greater than or equal to the combined processing and site general and administration (G&A) cost per tonne of ore, then the block is classed as ore. If the NMV is less than this combined cost the block is classed as waste. This marginal cut-off grade methodology determines which blocks should be targeted in the mine design. Once the pit design is prepared all blocks above the open cut NMV cut-off that lie within the pit shell are reported as ore. Metal prices used in the NMV calculation were US$950/oz for gold and US$2.85/lb for copper. The estimates of process and site fixed costs used for this analysis are:

Process	US$9.58/t
Site G&A	US$3.46/t
Total	US$13.04/t

Analysis of the open cut NMV grade distribution shows several million tonnes of ore at just above the marginal cut off NMV of US$13.04 per tonne, which has a small average profit margin. If all this material is included in the reserve then one of two scenarios arises. Either: (i) if ore is processed at the average grade mined each month the project remains profitable but at a low net monthly cash flow over a longer period; or (ii) if an elevated cut-off grade is applied to generate higher early cash flows, large low-grade stockpiles are accumulated to be processed during prestripping of subsequent pit stages.

Experience from earlier studies shows that the contribution of higher early cash flows to present value of the project outweighs the effect of costs brought forward by mining faster to maintain 2.5 Mtpa ramping up to 3.5 Mtpa in year 3 of high-grade feed. In order to achieve this, an elevated cut-off strategy was utilised in the first 4 years of the project.

Using a cut-off NMV of US$13.04 per tonne and a pit base at RL2380, the Didipio Project open cut reserves are 44.70 Mt at 0.88 g/t Au and 0.46% Cu. The following table sets out the open cut ore reserves by grade range:

Ore Type	Mt	Au g/t	Cu %
Ore Grade	20.25	1.45	0.57%
Low Grade	24.49	0.40	0.37%
Total	**44.74**	**0.88**	**0.46%**

The average ratio of the open cut is 3.41 bcm of waste for each bcm of ore.

The open cut reserves are derived from the Measured and Indicated Mineral Resource blocks in the resource model. Proven Mineral Reserves are taken from Measured Resources and Probable Mineral Reserves are taken from Indicated Resources. No extraordinary risk factors were identified to warrant downgrading of the open cut reserve categories in the resource to reserve conversion.

The underground mine plan is based on sublevel open stoping (SLOS). The stopes are relatively small at 20 x 20 metres and have heights of either 30 or 60 metres depending on the ground conditions. They are arranged in a "chequerboard" pattern to extract the broad ore zones. Cemented fill is placed as each stope is completed to allow extraction of the adjacent stopes without creating unstable spans. The stoping sequence occurs in three passes (primary, secondary and tertiary) so that the current production stope is always surrounding on four sides by either unmined or filled ground.

The following table sets out the loss and dilution factors that were applied:

	Dilution		**Recovery**	
	30m stopes	**60m stopes**	**30m stopes**	**60m stopes**
In ore development headings	0.0%	0.0%	100%	100%
Unmined ground on all sides	5.0%	2.5%	96%	98%
Stope fill on one side	5.0%	5.0%	98%	98%
Stope fill on two sides	7.0%	7.0%	98%	98%
Stope fill on three sides	10.0%	10.0%	95%	95%
Stope fill on four sides	12.0%	12.0%	90%	90%
Small isolated bench stopes	10.0%		85%	

Dilution grades were set at 0.65 g/t Au and 0.25% Cu based on the estimated average of surrounding in situ material and rock and tailings material in the fill. The underground loss/dilution model resulted in a reduction of 2.1% of the tonnes, 6.4% of the contained gold and 6.2% of the contained copper compared to the in situ stopes.

The underground cut-off grade is calculated by dividing the projects total life of mine cost (inclusive of re-handling to ROM by the open pit fleet, processing and site over-heads) by the gold price per gram of US$30.54/g = US$950/oz.

In ore development and production	US$36.14 per tonne
Re-handling to ROM by open pit fleet	US$0.52 per tonne
ROM loader	US$0.23 per tonne
Processing	US$10.50 per tonne
Site fixed costs	US$3.00 per tonne
Total	US$50.39 per tonne

At US$950/oz the cut-off grade is 1.65 AuEq.

The underground cut off grade was established on a common 20 m by 20 m by 30 m SLOS geometry mine design that targeted effective extraction of material within a better than 1.8 g/t AuEq grade shell. The grade shells are irregular so to achieve mineable stope geometries for a regular plausible layout it is necessary that the stopes transition the grade shell boundary. In effect the mineable stope geometry excavates a significant portion of mineralisation above 1.8 g/t AuEq and the remainder will be of mineralisation below 1.8 g/t AuEq.

The use of a 1.8 g/t AuEq grade shell as opposed to a 1.65 g/t AuEq grade shell is to allow a contingency against the dilution effect by the mineralisation of less than 1.8 g/t AuEq. The stope grades as delivered to the surface portal stockpile allow for ore loss and dilution factors as a result of position in extraction sequence. The inclusion of a stope and thus its specific development within the overall design is based on the delivered factored stope geometry having an AuEq value of better than 1.65 g/t.

The underground reserves are derived from the Measured and Indicated Mineral Resource blocks in the resource model. Proven Mineral Reserves are taken from Measured Mineral Resources and Probable Reserves are taken from Indicated Resources. A small amount of underground low grade "mineralised waste" is included in ore inventory as it is necessary underground development material that must come to surface, at which point it is economically attractive to treat it rather than send it to waste based on processing, overheads and concentrate costs.

The following table sets out the mineral reserves as at June 2011:

Source	Reserve Class	Tonnes	Au (g/t)	Cu (%)	Gold (Moz)	Copper (kt)
Open Pit	Proven	13,790,000	1.60	0.59	0.71	81
	Probable	30,950,000	0.55	0.39	0.55	121
Underground	Probable	5,910,000	2.25	0.45	0.43	27
Total Proven		13,790,000	1.60	0.59	0.71	81
Total Probable		36,860,000	0.82	0.40	0.97	148
Total Proven and Probable		50,650,000	1.03	0.45	1.68	229

notes: Reserves are based on the following metal price assumptions. $950/Ounce Au and $2.85/lb Cu. Using a copper to gold equivalance factor of Au (g/t) eq = ***2.08*** *X Cu (%), the Cut-off grade for the open pit reserve is 0.5g/t* ***AuEq*** *and for the underground 1.9g/t* ***AuEq.***

Circa 400kt @ 0.67g/t Au and 0.24% Cu of underground low grade "mineralised waste" is part of the ore inventory as it is necessary underground development material that must come to surface, at which point it is economically attractive to treat it rather than send it to waste based on processing, overheads and concentrate costs.

The reserves in this section are most sensitive to (i) operating costs, in particular the diesel price has a significant impact on the project due to on site power generation for all the Company's needs; and (ii) final permits for the large open pit have as yet not been received, though the relevant applications are being processed.

Mining Operations

The Didipio deposit will be mined by both open pit and underground methods. Open pit pre-strip operations will start in 2012 followed by production scheduled to start at the end of 2012. Material mined during the pre-strip phase will be used for the run of mine (ROM) stockpile base and the first TSF embankment construction.

Open pit and underground mines will run concurrently in the last 7 years of operations. The open pit operation has been scheduled to deliver to the mill ore of sufficient grade to achieve 200,000 gold equivalent (AuEq) ounces (oz) per year until the underground mine starts. Low grade ore stockpiled during open pit operations will be milled at the end of both open pit and underground operations. Waste rock mined post pre-strip phase will be used for ongoing TSF embankment and waste rock stack construction.

The overall mine life will be about 17 years with the open pit operating on its own for the first 4 years. Underground development commences with minimal ore in years 5 to 7. Open pit and underground activities are parallel until the pit is completed in year 12. Final stock piles will be consumed in years 16 and 17.

Key points to note in the development sequence include:

- Waste mining commences in the open cut nine months in advance of the start of ore processing to provide fill for construction of the tailings dam wall and to establish a stockpile of ore.
- The processing plant ramps up production using open cut ore to 3.5 Mtpa by Year 3 (2014).
- Portal site preparation at RL2690 is completed as part of stage 4 open cut pre-strip in Year 4 (2016).
- Decline and underground infrastructure development continues through Year 7 (2019) when the first underground stopes come into production. Development ore is first available in year 6 (2018).
- First underground production ore is mined from the stopes in Year 7 (2019). The open cut is still in full production at this time.

- The process plant continues to process 3.5 Mtpa of combined underground and open cut feed. The underground component increases to planned full production rate of 1.2 Mtpa by the end of Year 9 (2021).
- When the open pit is depleted in Year 12 (2024), open cut feed is replaced by lower grade ore stockpiled in earlier production years. Processing rate continues at 3.5 Mtpa using 1.2 Mtpa underground ore supplemented by low grade stockpile.
- Underground mine production ramps down in Years 15 and 16 (2027 and 2028) when the last stopes are completed
- Underground ore feed is replaced by remaining low grade stockpiles, which are finally depleted in Year 17 (2029).

The results of the economic analysis represent forward-looking information that are subject to a number of known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those presented in the Didipio Report.

The following table sets out the capital cost estimate summary as of June 2011:

Item	US$M
Mining	19.13
Process plant	32.98
Power plant	10.51
Tailings Storage Facility (TSF)	7.12
Infrastructure & Services	28.09
Indirect costs	87.34
Total	**185.17**
Money spent/invoiced up to Jun/11	(19.16)
Remaining Capex	**166.01**

The estimate does not include allowance for escalation during the construction period. However, the construction period is relatively short; and the total estimate does not include additional working capital associate with the start-up of the operation.

The operating cost estimates developed by the Company are summarised in the following table:

Sections		Life of Mine	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Volumes																			
Total Material Mined	Mt	207.8	8.8	20.1	23.1	22.4	23.6	23.2	20.1	19.9	22.4	11.3	3.7	3.5	2.5	1.2	1.0	0.6	0.2
Total Ore Mined	Mt	52.9	1.6	8.6	5.8	4.1	5.8	2.4	1.8	4.4	4.4	2.3	2.8	3.3	2.5	1.2	1.0	0.6	0.2
Open Cut - Total Ore Mined	Mt	44.7	1.6	8.6	5.8	4.1	5.8	2.4	1.7	4.2	3.9	1.4	1.7	2.1	1.3	0.0	0.0	0.0	0.0
Open Cut - Total Waste Mined	Mt	154.9	7.2	11.5	17.3	18.3	17.8	20.9	18.3	15.5	17.9	9.0	0.9	0.2	0.0	0.0	0.0	0.0	0.0
Open Cut - Total Material Mined	Mt	199.6	8.8	20.1	23.1	22.4	23.6	23.2	20.0	19.7	21.8	10.5	2.6	2.3	1.3	0.0	0.0	0.0	0.0
Open Cut - Total Material Moved (incl. rehandling)	Mt	219.6	8.8	20.1	23.5	23.5	23.8	25.0	22.2	20.7	21.8	12.1	3.6	2.8	2.4	2.3	2.5	2.9	1.4
Underground production	Mt	8.2	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.2	0.5	0.9	1.1	1.2	1.2	1.2	1.0	0.6	0.2
Total Ore Milled	Mt	52.9	0.3	2.5	3.1	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	1.6
Product sold																			
Gold in dore	Koz	436.4	0.8	21.5	26.3	28.7	27.5	29.1	29.3	14.5	29.9	24.0	34.5	50.1	49.4	23.6	22.2	16.4	8.5
Gold in concentrate	Koz	1134.2	3.4	54.5	66.4	74.6	68.5	70.5	71.1	33.2	79.8	60.4	95.4	131.0	128.9	67.9	61.3	45.4	21.8
Copper in concentrate	Mlb	482.7	2.3	38.1	41.3	40.8	39.1	37.3	37.0	29.3	34.0	27.5	24.9	30.2	32.6	22.9	21.7	17.4	6.3
Concentrate (dry) sold	Kt	888.7	4.4	72.0	78.0	77.1	73.9	70.5	70.8	55.8	66.9	51.3	45.5	56.8	61.7	37.1	29.6	27.4	9.9
Concentrate (wet) at mine gate	Kt	987.5	4.9	80.0	86.6	85.6	82.1	78.3	78.6	62.0	74.3	57.0	50.6	63.1	68.6	41.3	32.9	30.4	11.0
Mining costs																			
Open Cut	US$/t moved	2.2	0.6	2.1	2.1	2.1	2.1	1.7	2.0	2.3	2.1	2.9	4.1	4.4	4.6	3.1	2.6	2.4	3.6
Underground	US$/t mined	33.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	50.6	37.4	32.1	31.1	29.2	29.4	33.6	40.7	72.5
Processing costs																			
Power cost	US$/t milled	5.4	1.1	6.9	6.9	5.7	5.5	5.4	5.3	5.2	5.1	5.1	5.1	5.1	5.1	5.1	5.1	5.2	5.5
Reagents costs	US$/t milled	2.6	2.6	2.6	2.6	2.6	2.6	2.6	2.6	2.6	2.6	2.6	2.6	2.6	2.6	2.6	2.6	2.6	2.6
Spares costs	US$/t milled	1.8	1.7	2.0	1.8	1.9	1.9	1.8	1.9	1.8	1.9	1.9	1.9	1.8	1.9	1.8	1.8	1.8	1.8
Maintenance costs (ex owners team)	US$/t milled	0.2	0.0	0.3	0.2	0.2	0.2	0.1	0.2	0.1	0.2	0.1	0.2	0.1	0.2	0.1	0.2	0.1	0.1
Plant Labour	US$/t milled	0.6	1.2	0.8	0.6	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.8
Maintenance Labour	US$/t milled	0.4	0.8	0.5	0.4	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.6
Others	US$/t milled	0.3	0.7	0.4	0.3	0.3	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.4
Unit Processing	US$/t milled	11.2	8.2	13.4	12.8	11.4	11.3	11.0	11.1	10.8	10.9	10.8	10.9	10.7	11.0	10.7	10.9	10.8	11.9
Other site costs																			
Overheads & site costs	US$/t milled	4.5	8.5	6.6	5.3	4.5	4.6	4.3	4.4	4.4	4.5	4.5	4.2	4.2	4.2	4.1	4.1	4.0	5.4
Logistics																			
Dore transport costs	US$ 000/month	10	Flat																
Land Transport & Ship loading	US$/t concentrate	58.7	74.4	67.5	67.1	55.3	55.8	52.3	52.3	55.2	52.9	56.4	58.3	54.9	53.9	62.1	67.5	69.4	119.1
Sea Freight	US$/t concentrate	30.0	Flat																
Concentrate agent fees & insurance	% of revenue	1%	Flat																
Terms of sales																			
Payable Copper in concentrate	%	96.7%	Flat																
Payable Gold in concentrate	%	97.5%	Flat																
Gold Dore refining charge	US$/oz	6.0	Flat																
Gold in concentrate refining charge	US$/oz	6.0	Flat																
Copper concentrate treatment charge (TC)	US$/dmt Con.	80.0	Flat																
Copper concentrate refining charge (RC)	Usc/lb cu	8.0	Flat																

* Commissioning phase starts in November 2012.

The calculation of unit cash costs is detailed below and presented using two different price assumptions: one at spot prices (US$1530/oz Au and US$4.05/lb Cu) and another at long term estimate of US1050/oz Au and US$3.00/lb Cu):

	Spot Price	Long Term Price
(+) Total Operating costs *US$M*	1,724	1,711
(+) Total Excise Duty & Royalties *US$M*	174	125
(+) Total Sales deduction (treatment charge, refining charge, metal losses) *US$ m*	226	195
= Total Cash costs *US$M*	2,123	2,032
Total Gold sold *Moz*	1.57	1.57
Total Copper in concentrate sold *Mlb*	483	483
Total Equivalent Gold sales *Moz*	2.85	2.95
Cash costs per *EqAu* sold *US$/EqAu*	746	689
Copper Gross Revenue *US$M (price x volumes)*	1955	1448
Net By product Cash costs per koz sold US$/oz	**107**	**372**

* total operating costs change is due to variable costs associated to revenue such as insurance.

The financial analysis indicates that the project had a positive net cash flow and an acceptable internal rate of return and supports the declaration of mineral reserves, which were estimated with the following prices: US$950/oz Au and US$2.85/lb Cu. The annual cash flow below is unleveraged pre tax, using spot prices (US$1530/oz Au and US$4.05/lb Cu) and covers the operating years of full production which is forecast to start in 2013.

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Pre-tax cash flow (US$m)	106	168	167	114	137	123	34	129	81	151	235	243	110	97	60	18	3
Production																	
Gold in Dore (Koz)	21.5	26.3	28.7	27.5	29.1	29.3	14.5	29.9	24.0	34.5	50.1	49.4	23.6	22.2	16.4	8.5	0.0
Gold in Concentrate (Koz)	55.0	67.0	75.4	69.2	71.2	71.8	33.5	80.6	61.0	96.4	132.4	130.2	68.6	61.9	45.8	22.0	0.0
Total Gold Produced (Koz)	76.5	93.3	104.1	96.7	100.3	101.1	48.1	110.5	85.0	130.9	182.5	179.6	92.3	84.1	62.2	30.5	0.0
Copper in concentrate (Mlb)	38.5	41.7	41.2	39.5	37.7	37.3	29.6	34.4	27.8	25.2	30.5	32.9	23.2	22.0	17.6	6.4	0.0

*

table uses Mineral Resources of which >95% are Mineral Reserves
NOTE: variances to other tables in the Didipio Report are due to rounding.

The results below are based on the unleveraged net cash flow post tax. The following tables indicate the net present value ("NPV"), internal rate of return ("IRR") and payback sensitivity of the Didipio Project to gold prices and copper prices.

NPV Post Tax @ 10% - Sensitivities to Metal Prices (US$M):

		Copper price - US$/lb (flat)														
Gold Price - US$/oz (flat)		2.20	2.40	2.60	2.80	3.00	3.20	3.40	3.60	3.80	4.00	4.20	4.40	4.60	4.80	5.00
	950	-8	23	51	78	104	129	151	173	194	215	236	256	276	296	316
	1000	14	42	69	96	122	145	167	188	209	230	250	270	291	310	330
	1050	34	61	89	114	139	160	182	203	224	244	265	285	305	324	344
	1100	53	80	106	132	154	176	197	218	239	259	279	299	319	339	358
	1150	72	99	125	148	170	191	212	233	253	273	294	313	333	353	373
	1200	91	116	141	163	185	206	227	247	268	288	308	328	347	367	387
	1250	108	134	157	179	200	221	241	262	282	302	322	342	361	381	401
	1300	127	151	172	194	215	236	256	276	297	317	336	356	376	395	415
	1350	144	166	188	209	230	250	271	291	311	331	350	370	390	410	429
	1400	160	181	203	224	244	265	285	305	325	345	365	384	404	424	443
	1450	175	197	218	238	259	279	300	320	339	359	379	399	418	438	458
	1500	190	212	233	253	274	294	314	334	354	373	393	413	432	452	472
	1550	205	227	247	268	288	309	328	348	368	387	407	427	447	466	486
	1600	221	241	262	282	303	323	342	362	382	402	421	441	461	480	500
	1650	235	256	276	297	317	337	357	376	396	416	436	455	475	495	514
	1700	250	271	291	311	331	351	371	391	410	430	450	469	489	509	528
	1750	265	285	306	326	346	365	385	405	424	444	464	484	503	523	542
	1800	279	300	320	340	360	379	399	419	439	458	478	498	517	537	556
	1850	294	314	334	354	374	394	413	433	453	472	492	512	532	551	570
	1900	308	329	349	368	388	408	428	447	467	487	506	526	546	565	584
	1950	323	343	363	383	402	422	442	462	481	501	521	540	560	579	598

IRR – Sensitivities to Metal Prices (%)

Gold Price - US$/oz (flat)	Copper price - US$/lb (flat)														
	2.20	2.40	2.60	2.80	3.00	3.20	3.40	3.60	3.80	4.00	4.20	4.40	4.60	4.80	5.00
950	9%	12%	15%	18%	21%	24%	26%	28%	31%	33%	35%	38%	40%	42%	44%
1000	11%	14%	17%	20%	23%	25%	28%	30%	32%	35%	37%	39%	41%	43%	45%
1050	13%	16%	19%	21%	24%	27%	29%	31%	34%	36%	38%	40%	40%	44%	44%
1100	15%	18%	20%	23%	26%	28%	31%	33%	35%	37%	39%	42%	44%	46%	48%
1150	17%	19%	22%	25%	27%	30%	32%	34%	36%	39%	41%	43%	45%	47%	49%
1200	18%	21%	24%	26%	29%	31%	33%	35%	38%	40%	42%	44%	46%	48%	50%
1250	20%	23%	25%	28%	30%	32%	35%	37%	39%	41%	43%	45%	47%	49%	51%
1300	22%	25%	27%	29%	32%	34%	36%	38%	40%	42%	44%	46%	48%	50%	52%
1350	24%	26%	28%	31%	33%	35%	37%	39%	42%	44%	46%	48%	50%	52%	54%
1400	25%	27%	30%	32%	34%	36%	39%	41%	43%	45%	47%	49%	51%	53%	55%
1450	27%	29%	31%	33%	35%	38%	40%	42%	44%	46%	48%	50%	52%	54%	56%
1500	28%	30%	32%	35%	37%	39%	41%	43%	45%	47%	49%	51%	53%	55%	57%
1550	29%	32%	34%	36%	38%	40%	42%	44%	46%	48%	50%	52%	54%	56%	58%
1600	31%	33%	35%	37%	39%	41%	43%	45%	47%	49%	51%	53%	55%	57%	59%
1650	32%	34%	36%	38%	41%	43%	45%	47%	49%	51%	53%	54%	56%	58%	60%
1700	33%	35%	38%	40%	42%	44%	46%	48%	50%	52%	54%	56%	58%	60%	62%
1750	35%	37%	39%	41%	43%	45%	47%	49%	51%	53%	55%	57%	59%	61%	63%
1800	36%	38%	40%	42%	44%	46%	48%	50%	52%	54%	56%	58%	60%	62%	64%
1850	37%	39%	41%	43%	45%	47%	49%	51%	53%	55%	57%	59%	61%	63%	65%
1900	38%	41%	43%	44%	46%	48%	50%	52%	54%	56%	58%	60%	62%	64%	66%
1950	40%	42%	44%	46%	48%	50%	52%	53%	55%	57%	59%	61%	63%	65%	67%

Payback in Months (from Commissioning)

Gold Price - US$/oz (flat)	Copper price - US$/lb (flat)														
	2.20	2.40	2.60	2.80	3.00	3.20	3.40	3.60	3.80	4.00	4.20	4.40	4.60	4.80	5.00
950	124	74	58	49	40	36	34	32	30	28	27	25	24	23	22
1000	116	61	53	43	37	35	33	31	29	27	26	25	24	23	22
1050	68	56	47	39	36	33	31	30	28	27	25	24	23	22	21
1100	59	51	42	37	34	32	30	29	27	26	25	24	23	22	21
1150	54	46	38	36	33	31	29	28	27	25	24	23	22	21	21
1200	50	41	37	34	32	30	29	27	26	25	24	23	22	21	20
1250	44	38	35	33	31	29	28	26	25	24	23	22	21	21	20
1300	40	36	34	32	30	28	27	26	25	23	23	22	21	20	20
1350	37	35	33	31	29	28	26	25	24	23	22	21	21	20	19
1400	36	34	32	30	28	27	26	24	23	22	22	21	20	20	19
1450	35	32	31	29	28	26	25	24	23	22	21	21	20	19	19
1500	33	31	30	28	27	26	24	23	22	22	21	20	20	19	18
1550	32	30	29	27	26	25	24	23	22	21	20	20	19	19	18
1600	31	30	28	27	25	24	23	22	22	21	20	19	19	18	18
1650	30	29	27	26	25	24	23	22	21	20	20	19	19	18	18
1700	29	28	27	25	24	23	22	21	21	20	19	19	18	18	17
1750	29	27	26	25	24	23	22	21	20	20	19	19	18	18	17
1800	28	27	25	24	23	22	21	21	20	19	19	18	18	17	17
1850	27	26	25	24	23	22	21	20	20	19	19	18	18	17	17
1900	27	25	24	23	22	21	21	20	19	19	18	18	17	17	17
1950	26	25	24	23	22	21	20	20	19	19	18	18	17	17	17

The Company is committed to establishing and maintaining environmental management and monitoring programmes that are well planned and effective. The Company believes that the risk associated with the potential for off-site water contamination via site run-off, potential leachate seepage, TSF excess water decant or waste rock dump seepage is low. The location and management of the TSF associated waste rock dump, the disposal of mine and open pit drainage, the direction of waste rock dump run-off and seepage, as well as plant area run-off to the concentrator, significantly reduce the risk of unforeseen effects on the downstream water quality and aquatic environment. The proposed haulage of concentrate from the plant site to the port has the potential for health, environmental and safety effects on villages located along the proposed route, but the access and haulage routes have not yet been finalised.

While all environmental approvals have been acquired for the project, apart from some water permits and some land acquisition, environmental approval for the project (revised ECC dated 11 August 2004) is for a 2Mtpa sized project. Based on the results of further optimisation studies, OGPI intends to increase the throughput of the Didipio Project to 3.5 Mtpa. An application has been made to the EMB to amend the ECC to reflect the current project. The amended ECC is expected to be issued by the end of 2011.

The Didipio Project is subject to the following taxes and royalties. The excise rate for gold is 2% on gross sales and the excise rate for copper concentrate is 2% on copper gross sales less treatment charges, refining charges, metal losses and sea freight. There are two sets of royalties, one at 2% of NSR and the second at 0.6% of 92% times NSR, which is capped at A$13.5 million. NSR means the gross income from the sale of copper and gold less treatment charges, refining charges, metal losses, sea freight, marketing and insurance cost. The Philippines imposes a 12% value added tax (VAT) on the sale of goods and services conducted in the ordinary course of trade or business and on the importation of goods. The Company has not included VAT on the operating costs and has excluded VAT on imported goods. The current corporate income tax rate in the Philippines is 30%. The Company has assumed the extension of its income tax holiday certificate for a period of 6 years from commencement of operation. The withholding tax rate in the Philippines is around 15%. The cash flows and respective NPV, IRR and Payback exclude withholding tax.

In accordance with the FTAA, the project "Net Revenue" shall be shared on a 60/40 basis, of which 60% of the net will be the Government's portion and 40% will be that of the Contractor (OGPI). The Contractor shall have a period of up to five years to recover its initial investment, after which period only shall the right of the Government to share in the Net Revenue accrue. Contractor's corporate tax, excise tax, royalties, free carried interest and other taxes shall be included in the 60% Government share.

Exploration and Development

More than 30 exploration targets have been identified within the FTAA through a combination of stream sediment sampling, soil sampling, rock-chip sampling and, for a small number of prospects, limited drilling. The predominant mineralisation style of these targets is interpreted to comprise epithermal gold and alkalic-associated porphyry-style mineralisation. Only a few of these targets have received follow-up exploration. Two more advanced alkalic porphyry deposits ("True Blue" and "D Fox" deposits) have been partially drill tested. These are located approximately 0.6 km and 3.2 km respectively from the Didipio Gold-Copper Deposit. Limited drilling has demonstrated these are low grade alkalic porphyry deposits that may have future potential to provide supplementary feed to the Didipio operation.

The Didipio Project contains significant mineral resources defined by existing data in the Didipio Ridge deposit. There is some potential for expanding existing resources as well as converting some inferred resources to indicated classification. There is significant potential to discover and define additional resources within the Didipio Project area at a number of other nearby prospects. The existing database at the time of the resource estimate for Didipio Ridge is considered satisfactory for resource estimation, although some minor issues with data completeness and quality remained to be resolved.

Recommendations

OGC has made considerable progress in capturing geological data digitally, which is now stored in an AcQuire database. Some data (e.g. rock density and oxidation) remains in Excel format.

Some further infill drilling is required to convert all resources in and adjacent to the proposed mining development area to „Indicated" status. This is expected to allow some inferred mineralisation, particularly immediately to the south of the Biak Shear, to be included in the reserves. The current interpretation of Biak Shear requires further work.

The oxidised and transitional mineralisation on the Didipio Ridge is poorly drilled. While this mineralisation makes up a small proportion of the total open pit reserves, better definition of the oxidised and transitional mineralisation could provide significant upside in the initial stages of production. Infill drilling on the ridge is recommended to test this potential.

A retrospective check assay programme for copper with appropriate QAQC might be warranted for pre OGC drilling.

The financial model includes a provision for working capital due to the mismatch between concentrate produced and concentrate sold. However, it is recommended that OGC pursue advanced offtake agreement during the first year of production.

The author is mindful of the current inflationary environment affecting construction projects. Whilst most of the capital estimates are recent, it would be prudent to include a global capital contingency of 10%.

Qualified Persons

Mr. Jonathan Moore (BSc (Hons) Geology, GradDip (Physics)) Group Mine Geology Manager for the Company is the Qualified Person under NI 43-101 responsible for the Didipio Project resource estimates. Mr. Moore has reviewed and approved the contents of this material change report.

Mr. Rodney Redden (B.E. (Mining) (Hons)), Development and Technical Services Manager for the Company is the Qualified Person under NI 43-101 responsible for the Didipio Project reserve estimate, recommendations and disclosure on mining operations and environmental aspects of the Didipio Report. Mr. Redden has reviewed and approved the contents of this material change report.

Cautionary Statement

Statements in this material change report may be forward-looking statements or forward-looking information within the meaning of applicable securities laws. Such forward-looking statements include, without limitation, statements regarding with respect to any future resources or reserves attributable to the Didipio Project and commencement of construction and completion of the Didipio Project. In addition, any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as "expects" or "does not expect", "is expected", "anticipates" or "does not anticipate", "plans", "estimates" or "intends", or stating that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved) are not statements of historical fact and may be forward-looking statements. Forward-looking statements are subject to a variety of risks and uncertainties which could cause actual events or results to differ from those reflected in the forward-looking statements including, among others, the accuracy of mineral reserve and resource estimates and related assumptions, inherent operating risks, exploration, development and production plans at the Didipio Project and those risk factors identified in the Company's Annual Information Form prepared and filed with securities regulators in respect of its most recently completed financial year. There are no assurances the Company can fulfil such forward-looking statements and, subject to applicable securities laws, the Company undertakes no obligation to update such statements. Such forward-looking statements are only predictions based on current information available to management as of the date that such predictions are made; actual events or results may differ materially as a result of risks facing the Company, some of which are beyond the Company's control. Accordingly, readers should not place undue reliance on forward-looking statements. It is also noted that mineral resources that are not mineral reserves do not have demonstrated economic viability.

5.2 Disclosure for Restructuring Transactions

Not applicable.

Item 6: Reliance on subsection 7.1(2) of National Instrument 51-102

Not applicable.

Item 7: Omitted Information

No significant facts remain confidential and no information has been omitted in this report.

Item 8: ***Executive Officer***

Name of Executive Officer:	Matthew Salthouse General Counsel & Company Secretary
Telephone Number:	(+61) 3 9656 5300

Item 9: ***Date of Report***

August 9, 2011