



# OceanaGold 2013 Results Presentation

21 February 2014

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Innovation  
Performance  
Growth

# Cautionary Notes

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**Technical Disclosure** The Mineral Resources for Reefton and Didipio were prepared by, or under the supervision of, J. G. Moore, whilst the Mineral Resources for Macraes were prepared by S. Doyle. The Mineral Reserves for Didipio were prepared under the supervision of R. Corbett, 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. 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. R. Corbett is a Registered Professional Engineer (Ontario) and 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 Moore, Doyle, Corbett, Madambi 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 Salvador Project please refer to the reports publicly available on SEDAR ([www.sedar.com](http://www.sedar.com)) prepared for Pacific Rim.

# Key Highlights

**Record gold production – 325,732 ounces, slightly ahead of guidance**

**Strong copper production – 23,059 tonnes, exceeded guidance**

**Revenue of \$553.6m and EBITDA of \$262.4m**

**Cash costs of \$426/oz<sup>1</sup> and All-In Sustaining Costs of \$868/oz<sup>1</sup>**

**Net loss of \$47.9m after impairment**

**Net profit of \$91.3m before impairment**

**Post-tax impairment charge of \$77.6m in Q4 and \$139.2m for the full year**

**Awarded annual “Most Environment Compliant” by regional DENR in Philippines**

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

*1. Net of by-product credits and Didipio costs are for nine months of commercial production beginning April 1, 2013*

# Strong Q4 & 2013 Results

<b>Q4 2013 Results</b>	<b>Didipio</b>	<b>New Zealand</b>	<b>Total Company</b>
<b>Gold Production</b> <i>(ounces)</i>	<b>27,713</b>	<b>87,506</b>	<b>115,219</b>
<b>Copper Production</b> <i>(tonnes)</i>	<b>7,536</b>	<b>–</b>	<b>7,536</b>
<b>Cash Costs</b> <i>(per ounce)</i>	<b>(\$1,081)<sup>1</sup></b>	<b>\$550</b>	<b>\$210<sup>1</sup></b>

<b>2013 Results</b>	<b>Didipio</b>	<b>New Zealand</b>	<b>Total Company</b>	<b>Company 2013 Guidance</b>
<b>Gold Production</b> <i>(ounces)</i>	<b>66,277</b>	<b>259,455</b>	<b>325,732</b>	<b>285,000 to 325,000</b>
<b>Copper Production</b> <i>(tonnes)</i>	<b>23,059</b>	<b>–</b>	<b>23,059</b>	<b>18,000 to 20,000</b>
<b>Cash Costs</b> <i>(per ounce)</i>	<b>(\$1,078)<sup>1</sup></b>	<b>\$740</b>	<b>\$426<sup>1</sup></b>	<b>\$550 to \$650</b>
<b>All-In Sustaining Costs<sup>2</sup></b> <i>(per ounce)</i>	<b>(\$688)<sup>1</sup></b>	<b>\$1,194</b>	<b>\$868<sup>1</sup></b>	<b>\$900 to \$1,000</b>

1. Net of by-product credits and Didipio costs reflect nine months of commercial production from April 1, 2013

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

# 2014 Guidance

	Didipio	New Zealand	Total Company
<b>Gold Production Guidance</b> (ounces)	85,000 – 95,000	190,000 – 210,000	275,000 – 305,000
<b>Copper Production Guidance</b> (tonnes)	21,000 – 24,000	–	21,000 – 24,000
<b>Cash Cost Guidance</b> (per ounce)	(\$725) – (\$650) <sup>1</sup>	\$840 – \$925 <sup>2</sup>	\$400 – \$450 <sup>1,2</sup>
<b>All-In Sustaining Costs<sup>3</sup></b> (per ounce)	(\$240) – (\$210) <sup>1</sup>	\$1,170 – \$1,290 <sup>2</sup>	\$750 – \$850 <sup>1,2</sup>

1. Net of copper by-product credits at \$3.20/lb copper

2. NZD/USD \$0.80 exchange rate

3. Based on the World Gold Council methodology, expansionary and growth capital expenditures are excluded from the AISC

# Philippines Operations



# Didipio 2013 – Delivered



**Exceeded 2013 copper production guidance on back of higher tonnage milled and higher copper grades**

**Gold production for 2013 was at high end of guidance with a 54% increase in production QoQ on the back higher grades milled**

**Cash costs of (\$1,078) per ounce for 2013<sup>1</sup> lower than the guidance range due to higher copper production**



**2013 AISC of (\$688)<sup>1,2</sup> per ounce lower than guidance on the back of strong copper credits**

**Gold equivalent production 197,417 ounces at an AISC of \$657<sup>2</sup> per ounce sold**

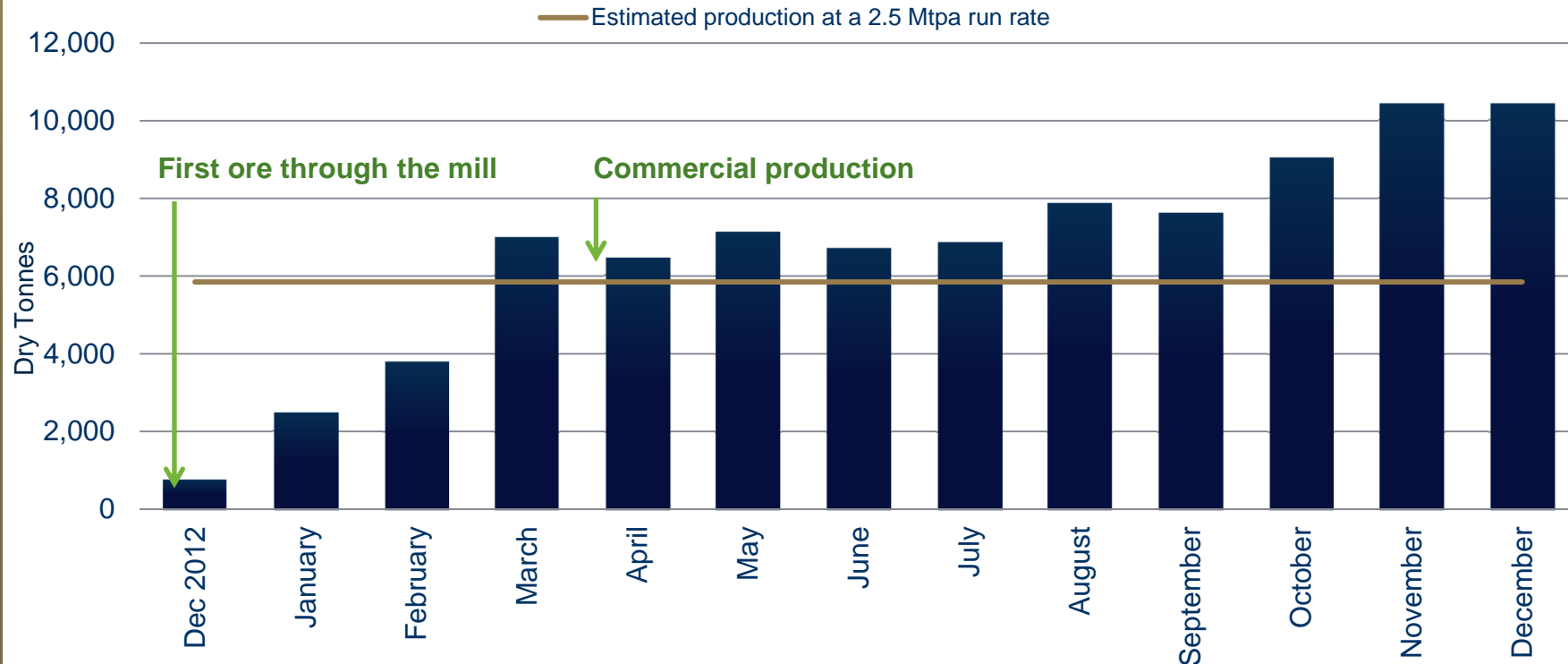
**Total throughput of 2.5 million tonnes at expected recoveries achieved for the full year 2013**

1. Net of by-product credits
2. Reflect nine months of commercial production from April 1, 2013

# Didipio Concentrate Production Profile

## Didipio Concentrate Production Profile

(as at 31 December 2013)



- Approx. 26,000 dry metric tonnes of concentrate shipped to Asian smelters in Q4
- Average concentrate grades: Gold ~21 g/t, Copper ~26%, Silver ~89 g/t
- High demand for ships in December meant fewer ships available – left high stockpiles at year end
  - 10,000 dry metric tonnes at Port – to be shipped at the end of February
  - 8,000 dry metric tonnes of concentrate at site



# Didipio Operating Statistics

		Q4 2013	Q3 2013	Q2 2013	Q1 2013	Year 2013
Lost time injuries		0	0	0	0	0
Gold production	oz	27,713	18,011	13,676	6,877	66,277
Copper production	t	7,536	6,150	5,710	3,663	23,059
Total ore mined	Mt	2.62	2.60	1.73	1.84	8.79
Total waste mined	Mt	3.47	3.83	4.34	2.75	14.40
Ore mined grade gold	g/t	0.69	0.58	0.55	0.49	0.58
Ore mined grade copper	%	0.53	0.55	0.64	0.65	0.58
Mill feed	Mt	0.73	0.67	0.73	0.45	2.58
Mill feed grade gold	g/t	1.33	0.97	0.75	0.59	0.94
Mill feed grade copper	%	1.09	0.97	0.91	0.92	0.98
Recovery gold	%	88.7	86.2	77.5	79.8	83.0
Recovery copper	%	95.0	94.2	87.3	88.6	91.5

# Didipio in 2014

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**Mill 3 million tonnes of ore and increase throughput to 3.5 Mtpa rate by the end of 2014**

**Continued focus on increasing recovery**

**New initiatives to increase productivity and efficiency of the operation**



**Power grid connection would result in lower operating costs → decision to proceed in Q2**

**Continued drilling of near mine site targets**

**Further resource definition of high grade zones of the Didipio ore body**

# New Zealand Operations



# New Zealand Q4 & 2013 Highlights

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**Strong Q4 gold production on the back of higher grades, 2013 production better than guidance**

**Realised \$44m in cost reductions in 2013, lowered cash costs despite higher exchange rate**

**Maximised cash flows across NZ operations through mine optimisation**

**Post-tax impairment charge of \$77.6m in Q4 due to reduced mine life at Macraes**

**Partial hedging of NZ assets to maintain profitability in the lower gold environment**



# Macraes Goldfield Operating Statistics

		Q4 2013	Q3 2013	Q4 2012	Year 2013	Year 2012	Year 2011
Lost time injuries		0	2	1	3	7	3
Gold production	oz	68,419	42,199	58,872	198,820	169,609	174,851
Total ore mined from open pit	Mt	1.80	1.65	1.61	6.08	4.83	5.74
Total ore mined from underground	Mt	0.22	0.23	0.21	0.88	0.73	0.85
Total waste mined	Mt	7.84	9.06	9.50	38.73	36.36	44.41
Ore mined grade	g/t	1.55	1.19	1.57	1.27	1.29	1.07
Mill feed	Mt	1.41	1.49	1.45	5.81	5.79	5.82
Mill feed grade	g/t	1.79	1.10	1.52	1.30	1.12	1.12
Recovery	%	84.1	79.7	83.2	81.4	81.1	83.3

- Increased production in Q4 vs. Q3 due to higher grade ore mined and processed and recoveries
- Reduced mine life at Macraes as a result of changes to the mine plan:
  - Open pit mine plan ends 2017, underground in mid-2015 at current gold prices
- Utilising zero cost collar to partially cover production at Macraes over next two years:
  - 208,000 ounces of gold during this time
  - Purchased put options at NZ\$1,500/oz, financed through sale of equal number of call options at NZ\$1,600/oz

# Reefton Goldfield Operating Statistics

		Q4 2013	Q3 2013	Q4 2012	Year 2013	Year 2012	Year 2011
Lost time injuries		1	3	0	5	4	1
Gold production	oz	19,087	14,487	17,972	60,635	63,300	77,648
Total ore mined	Mt	0.53	0.44	0.40	1.69	1.31	1.51
Total waste mined	Mt	4.60	4.84	4.56	17.82	18.22	14.77
Ore mined grade	g/t	1.45	1.51	1.71	1.47	1.56	1.80
Mill feed	Mt	0.41	0.34	0.37	1.48	1.64	1.77
Mill feed grade	g/t	1.79	1.61	1.84	1.57	1.48	1.67
Recovery	%	80.3	81.8	81.1	81.1	80.6	81.4

- Increased production in Q4 vs. Q3 as a result of higher throughput and feed grade
- Continued stage 6 and 7 cutbacks → remaining ore to mid-2015
- Lower recoveries in Q4 vs. Q3 from increased stibnite ore and lower flotation recoveries
- Reefton mine life to mid-2015, zero cost collar hedge utilised from June 2013 to mid-2015:
  - Purchased put options at NZ\$1,600/oz, financed through sale of equal number of call options at NZ\$1,787/oz

# New Zealand in 2014

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**2014 gold production expected lower than 2013 due to less production at Macraes**

**Less ore and at lower grades from Macraes open pit; mill feed to be supplemented with low grade stockpile**

**Steady production from Reefton with minimal pre-strip in H2 2014**

**Continued value creation through Round Hill and Blackwater studies**

**Production de-risked over the next two years through utilised zero cost collar hedging**



# Sustainability





# Q4 2013 Sustainability Highlights



Rescue and Relief



Most Environment Compliant



200 hectares reforested, 111,000 trees plant in Q4

# Financial Results



# Financial Position *(as at 31 December 2013)*

Liquidity	
Cash	\$25m
Undrawn Revolving Credit Facility	\$30m

Core Debt	
Term Facility	\$129m
Revolving Credit Facility	\$20m

- No remaining convertible notes – matured in December 2013 and repaid in cash & term facility
- Lower debt levels and lower interest rates in 2014 translate into potential for \$10m to \$15m in financing savings
- Net repayment of borrowings by \$45 million in Q4, \$64 million in 2013
- Continued focus on debt reduction in 2014 to further strengthen the balance sheet

# Group Results Q4 & 2013

USDm	Q4 2013	Q3 2013	Q4 2012	Year 2013	Year 2012	Year 2011
Revenue	170.1	156.6	119.0	553.6	385.4	395.6
Operating costs <sup>1</sup>	(73.6)	(80.3)	(51.9)	(291.2)	(240.8)	(231.7)
<b>EBITDA<sup>2</sup></b>	<b>96.5</b>	<b>76.3</b>	<b>67.1</b>	<b>262.4</b>	<b>144.6</b>	<b>163.9</b>
Depreciation & amortisation	(34.9)	(25.1)	(27.6)	(129.3)	(91.4)	(85.8)
Net interest & finance costs	(8.0)	(6.3)	(7.7)	(27.0)	(21.5)	(12.9)
<b>Earnings before tax<sup>2</sup></b>	<b>53.7</b>	<b>44.9</b>	<b>31.8</b>	<b>106.1</b>	<b>31.7</b>	<b>65.2</b>
Income tax expense	(7.8)	(1.8)	(8.7)	(13.3)	(11.4)	(21.0)
Gain/(loss) on fair value undesignated hedges	5.2	0.9	1.5	(2.1)	0.5	-
Impairment charge	(107.8)	-	-	(193.3)	-	-
Tax benefit/(expense) on gain/(loss) on undesignated hedges & impairment	28.6	(0.3)	(0.5)	54.7	(0.2)	-
<b>Net profit/(loss) after impairment</b>	<b>(28.2)</b>	<b>43.7</b>	<b>24.2</b>	<b>(47.9)</b>	<b>20.7</b>	<b>44.2</b>
<b>Net profit/(loss) before impairment</b>	<b>49.5</b>	<b>43.7</b>	<b>24.2</b>	<b>91.3</b>	<b>20.7</b>	<b>44.2</b>
Gold price received (\$ per ounce)	1,262	1,333	1,706	1,382	1,675	1,587

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

Note: Summation subject to rounding differences

# Cash Flows December 31, 2013

USDm	Q4 2013	Q3 2013	Q4 2012	Year 2013	Year 2012	Year 2011
Opening cash balance	14.7	17.9	24.2	96.5	170.0	181.3
Operating cash inflows	89.0	39.1	60.2	159.4	115.3	154.6
Investing expenditure	(33.2)	(35.4)	(91.4)	(158.8)	(294.5)	(146.6)
Financing cash inflows/(outflows)	(50.0)	(3.0)	110.3	(83.2)	108.9	(16.1)
Foreign exchange effect	4.3	(3.9)	(6.8)	10.9	(3.1)	(3.2)
<b>Net cash (decrease)/increase</b>	<b>10.1</b>	<b>(3.2)</b>	<b>72.3</b>	<b>(71.7)</b>	<b>(73.5)</b>	<b>(11.3)</b>
<b>Closing cash balance</b>	<b>24.8</b>	<b>14.7</b>	<b>96.5</b>	<b>24.8</b>	<b>96.5</b>	<b>170.0</b>

*Note: Summation subject to rounding differences*

- Q4 Capital expenditure includes
  - Pre-strip expenditure: ~ \$19m
  - Didipio TSF and project works: ~\$6m
  - Sustaining & Rehab: \$5m
- Increase in working capital:
  - Ore inventory increase: ~ \$10m
  - Gold in circuit increase: ~\$3m
  - Concentrate inventories: ~\$3m

# Outlook

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**Didipio throughput rates ramping up to planned 3.5 Mtpa capacity by end of 2014**

**Increase in free cash flow generation to further strengthen the balance sheet**

**Continued focus on ensuring profitability in the lower gold price environment**

**Identify and evaluate new organic opportunities to further enhance shareholder value**

**Focus on the continued strengthening of our social license across the business**



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