

# OceanaGold

## Analyst Day Presentation

July 3/4 2012

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Innovation  
Performance  
Growth

# Cautionary Notes

## Cautionary Notes - Information Purposes Only

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**Qualified Persons:** The estimates of mineral reserves for New Zealand were prepared by, or under the supervision of R. Redden formerly of Oceana Gold (New Zealand) Limited, whilst the mineral reserves for the Philippines were prepared by, or under the supervision of J. Wyche. The estimates of Mineral Resources were prepared by, or under the supervision of J. G. Moore. J. G. Moore, R. Redden and J. Wyche are Members of the Australian Institute of Mining and Metallurgy and are the Qualified Persons, as defined by NI 43-101. J. G. Moore, R. Redden and J. Wyche 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 JORC Code. J. G. Moore and R. Redden are full-time employees of Oceana Gold (New Zealand) Limited, whilst J. Wyche is a full-time employee of Australian Mine Design and Development Pty Ltd. **Technical Reports:** For further information regarding OGC's properties, reference should be made to the following NI 43-101 technical reports have been filed and are available at [sedar.com](http://sedar.com) under the OGC's name: (a) "Technical Report for the Macraes Project located in the Province of Otago, New Zealand" dated February 12, 2010, prepared by R. Redden, formerly of Oceana Gold (New Zealand) Limited and J. G. Moore of Oceana Gold (New Zealand) Limited; (b) "Independent Technical Report for the Reefion Project located in the Province of Westland, New Zealand" dated May 9, 2007, prepared by J. S. McIntyre, I. R. White and R. S. Frew of Behre Dolbear Australia Pty Limited, B. L. Gossage of RSG Global Pty Limited and R. R. Penner of GHD Limited; and (c) "Technical Report for the Didipio Project located in Luzon, Philippines" dated July 29, 2011, prepared by R. Redden (formerly of Oceana Gold) and J. Moore of Oceana Gold (New Zealand) Limited. Each of the authors of the Technical Reports is a "qualified person" for the purposes of NI 43-101.

# Welcome

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## AGENDA

Company Strategy

Mick Wilkes, CEO & MD

Operations Overview

Mark Cadzow, COO

Exploration Strategy

Mike Roache, Head of Exploration

Didipio Community & Operational Readiness

Brennan Lang, GM Didipio Ops

Philippines Overview & Bus Dev Strategy

Darren Klinck, Head of Bus Dev

Project Development Strategy

Mark Cadzow, COO

Project Execution Strategy

David Bickerton, Proj. Mgr Didipio

Finance & Capital Management Strategy

Mick Wilkes, CEO & MD

Closing Summary

Mick Wilkes, CEO & MD

*Drinks and Canapés to Follow*

# Objective

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- High level overview of OceanaGold's Strategy
- Update on our NZ Operations and Progress at Didipio
- Provide an opportunity to meet key members of our team from NZ & Philippines
  
- We will not be discussing finer points on Q2/H1 2012 operational results
- FY2012 Production Guidance of 230,000-250,000 oz Gold @ cash costs of US\$900-\$980 / oz

# OceanaGold Vision 2016

**Our Values:** Respect Integrity Teamwork Innovation Action Accountability

- High performing, growth orientated, Asia Pacific gold company
- Explore, develop and operate quality assets in a safe & sustainable manner

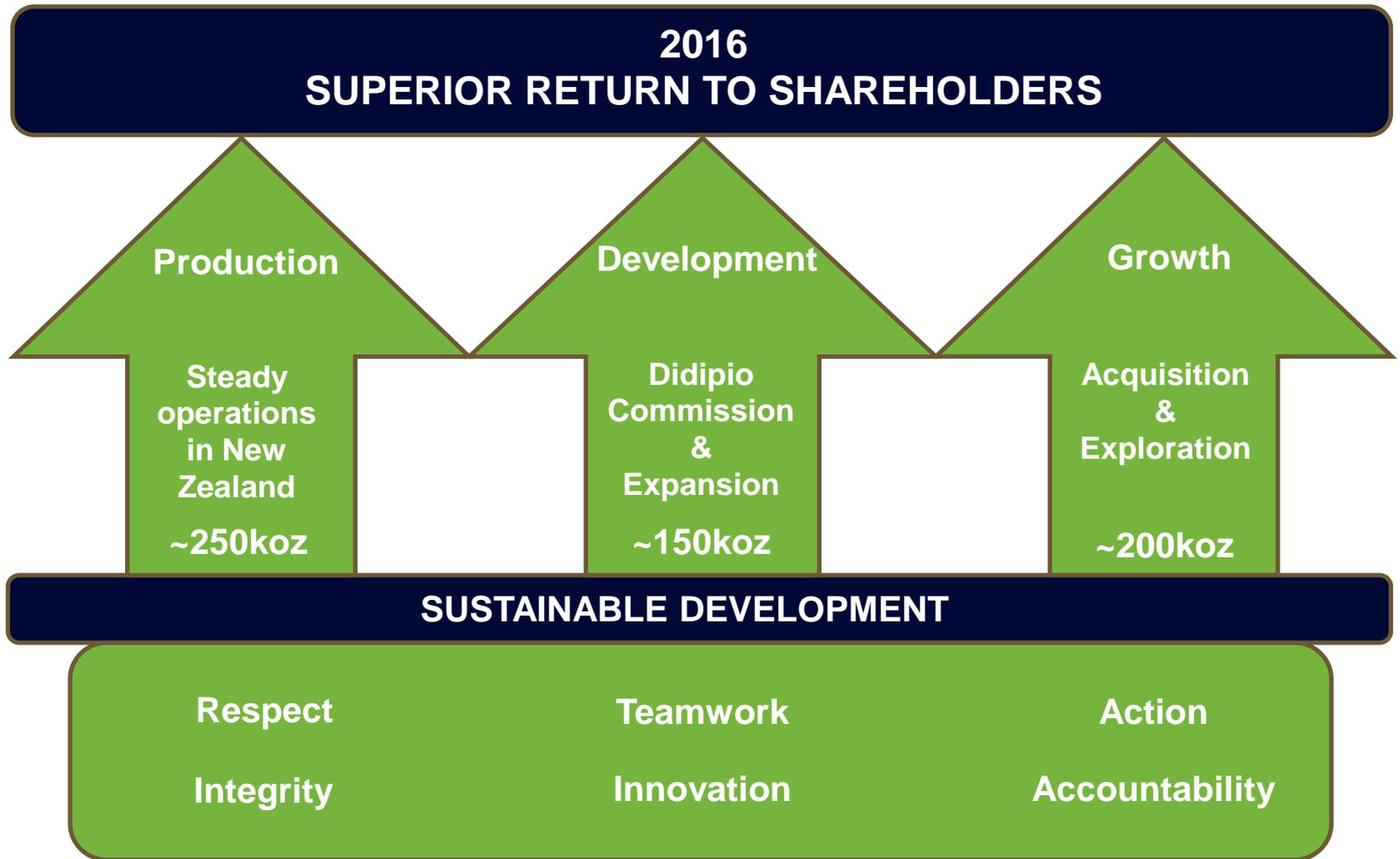
## Our Vision 2016

- Annual production of 600koz gold
- Superior returns to our shareholders
- Pipeline of growth projects
- Reputation as a gold producer of choice

## Enablers

- Innovative team culture
- Acting on opportunities
- Leveraging our capabilities
- Managing risk
- Engaging with communities and government

# Three-Pronged Strategy



# Experienced Management Team



**Mick Wilkes** *MD & Chief Executive Officer*

- 27 years industry experience
- Developed major projects in Australia and SE Asia
- Strong Operations background in hard rock mining
- Strong in Community and Government relations
- Extensive SE Asian experience



**Mark Chamberlain** *Chief Financial Officer*

- >30 years financial experience
- Capital markets
- Financial and risk management expertise
- 17 years industry experience incl. senior finance roles at Newcrest Mining and Western Mining Corp.



**Mark Cadzow** *Chief Operating Officer*

- Metallurgist with >30 years industry experience
- Mineral processing
- Precious metals and Sulphide minerals
- Joined predecessor company in 1991 and has held various technical and operations responsibilities



**Dr Michael Roache** *Head of Exploration*

- 23 years SE Asian experience
- Focus on gold exploration and discovery
- Strong experience in gold deposit styles
- Extensive porphyry experience
- Holds PhD in Economic Geology



**Martyn Creaney** *Project Director (Didipio)*

- >30 years construction and project management experience mainly in mining industry
- History of worldwide project development
- Industry experience includes 25 years with Placer Dome



**Darren Klinck** *Head of Bus. Development*

- International capital markets experience in metals and mining
- Appointed VP Investor Relations in 2007 and current role in 2011
- Responsible for identifying & evaluating external growth opportunities; and capital markets interface



**Yuwen Ma** *Head of Human Resources*

- 20 years Human Resources experience
- Industry experience includes Eldorado Gold and Sino Gold Mining Ltd
- Significant Asian experience with multinational corporations

# Experienced Management Team .....continued

## Brennan Lang

### *General Manager – Didipio Operations*



- 25 years experience as a mining engineer in Canada, PNG, Laos.
- Has held technical and managerial positions in both open pit and underground mining operations.
- Has been working at Didipio for past 12 months

## David Bickerton

### *Project Manager – Didipio Project*



- 12 years industry experience
- BHP Billiton (Construction Superintendent), 100M US CAPEX per year
- Lihir Gold / Newcrest – MOPU Project
- Will be appointed General Manager Project Executions upon completion of Didipio Project

- Bernie O’Leary – General Manager, Macraes Operation
- Nigel Slonker – General Manager, Reefton Operation
- Roger Mustard – Exploration Manager, New Zealand
- Boyet Bautista – Exploration Manager, Philippines

# Board of Directors

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**Jim Askew (Chairman)** – Mr. Askew is a mining engineer with over 35 years broad international experience as a Director/CEO for a wide range of international publicly listed mining, mining finance, and other mining related companies. He has served on the board of numerous resource public companies, which currently include Ivanhoe Mines, Evolution Mining, Golden Star Resources Ltd and Asian Mineral Resources Ltd.

**Mick Wilkes (MD & CEO)** – refer to “Management” slide

**Denham Shale (Lead Director)** – Mr. Shale is a lawyer in practice in Auckland, New Zealand. He has been a director of listed companies for over 20 years and is President and an Accredited Fellow of the Institute of Directors in New Zealand Inc.

**Jake Klein (Director)** – Mr. Klein is currently Executive Chairman of Evolution Mining and Lynas Corporation. Prior to this he was President and CEO of Sino Gold Limited, a company he helped found in 2000 until it merged with Eldorado Gold in 2009.

**Joey Leviste (Director)** – Mr. Leviste is the current Chairman of OceanaGold's wholly-owned subsidiary company in the Philippines, OceanaGold (Philippines), Inc and Philippine resident of the Australia-Philippines Business Council. He has also been appointed by the President of the Philippines as private sector member of Governing Council of the Philippines Council for Agriculture, Aquatic and Natural Resource.

**Bill Myckatyn (Director)** – Mr. Myckatyn is a professional mining engineer with over 30 years experience in mine development and operations. He was the former Chairman of Quadra FNX Mining Ltd., until its takeover in 2012, a company he co-founded as CEO in 2002. He is currently on the Board for Pacific Rim Mining, First Point Minerals, San Marco Resources and Delta Gold.

**Dr Geoff Raby (Director)** – Dr. Raby is the former Australian Ambassador to The People's Republic of China from 2007 – 2011. Dr. Raby joined the Australian public service in 1986 and has held various postings throughout Asia and Europe prior to his posting in Beijing. Dr. Raby is also a non-executive director of ASX listed Fortescue and SmartTrans.

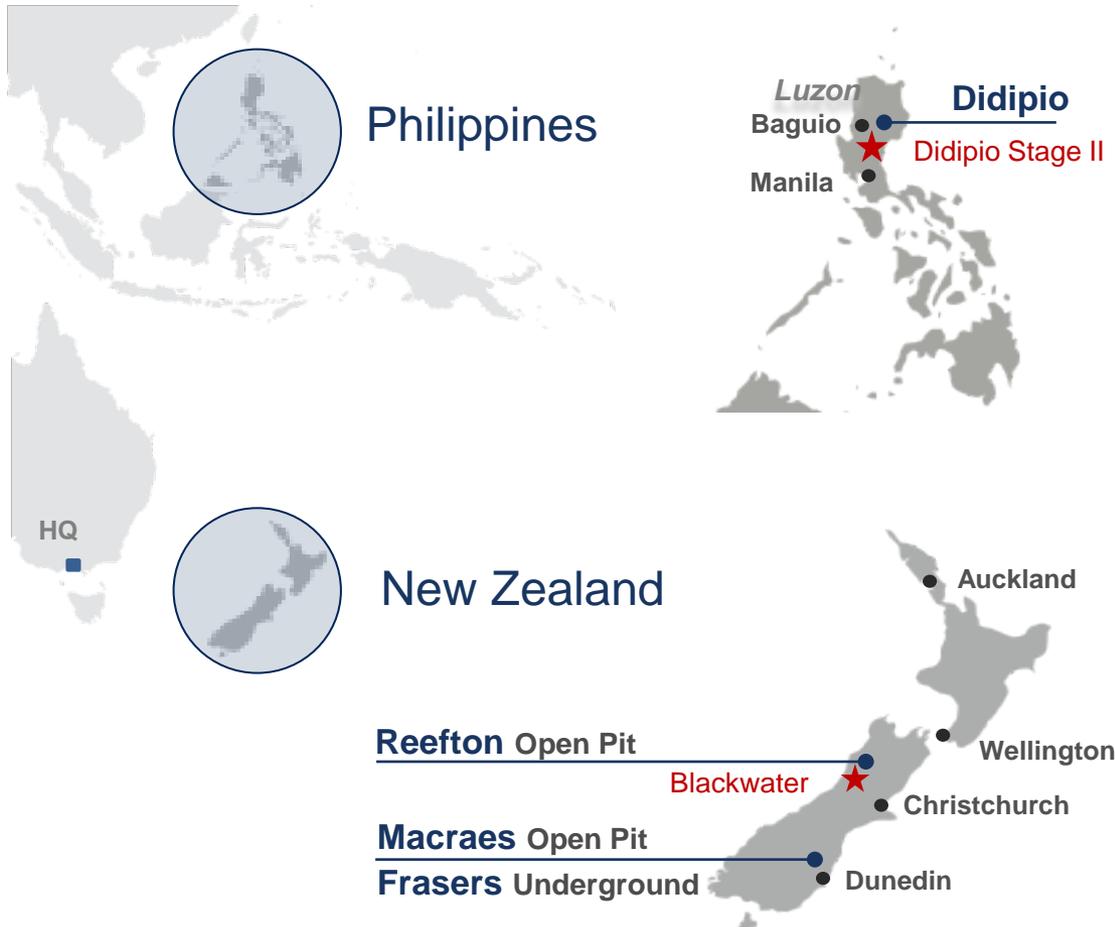
# Operations

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Mark Cadzow, Chief Operating Officer

# OceanaGold Today

EXPERIENCED GOLD PRODUCER ORGANIC GROWTH STRATEGY ASIA PACIFIC FOCUS



## Three Operating Mines in New Zealand

- **Macraes** – Commissioned in 1990 Originally 7yrs mine life @ 1.5 Mtpa
- **Reefton** – Commissioned in 2007 with 7 yrs mine life @ 1 Mtpa
- **Frasers Underground** – Commissioned in 2008

## One Development Project in the Philippines

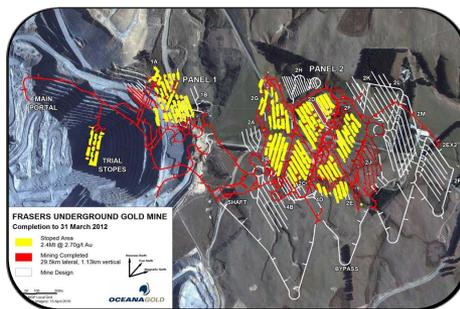
- **Didipio** – On-track to Commission Q4 2012

# Current Producing Assets

## Successful long term presence in New Zealand



**MACRAES**



**FRASERS**



**REEFTON**

		Macraes	Frasers	Reefton	NZ Total
Mine Type		Open Pit	Underground	Open Pit	
Au Resources <sup>1</sup>	Moz	4.6	1.2	1.2	6.9
Au Reserves <sup>1</sup>	Moz	1.4	0.2	0.4	2.0
Ore Milled	Mtpa	5.0	0.9	1.6	7.5
Head grade	g/t	0.9 – 1.1	1.8 – 2.2	1.3 – 1.8	1.1 – 1.4
Gold production	koz	125 – 145	40 – 50	55 – 75	220 – 270
Estimated mine life		~2019	~2017	~2016	

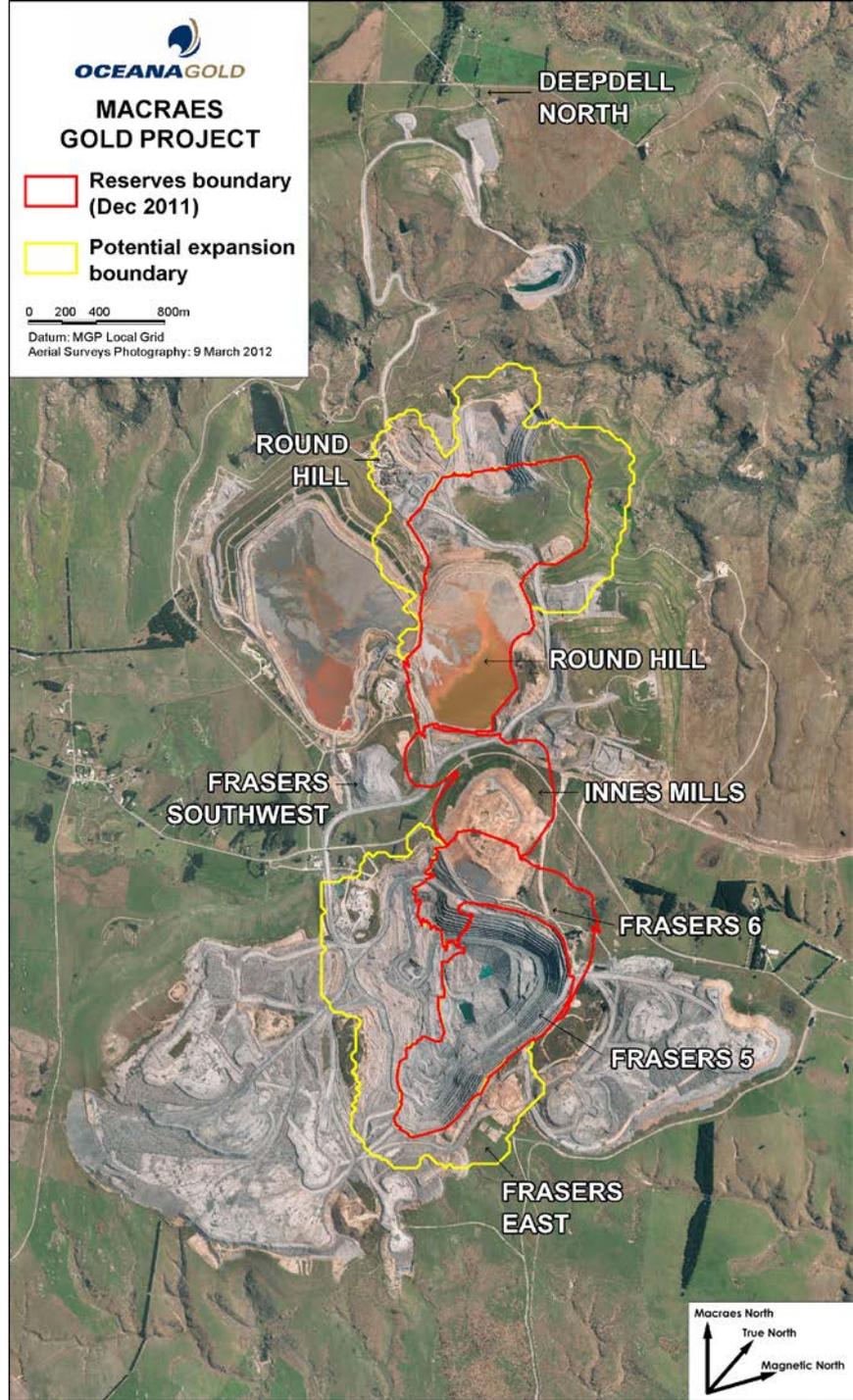
1. As at December 31 2011. Full Resource/Reserve table available at [www.oceanagold.com](http://www.oceanagold.com)

# Macraes Open Pit Mine

## Open Pit

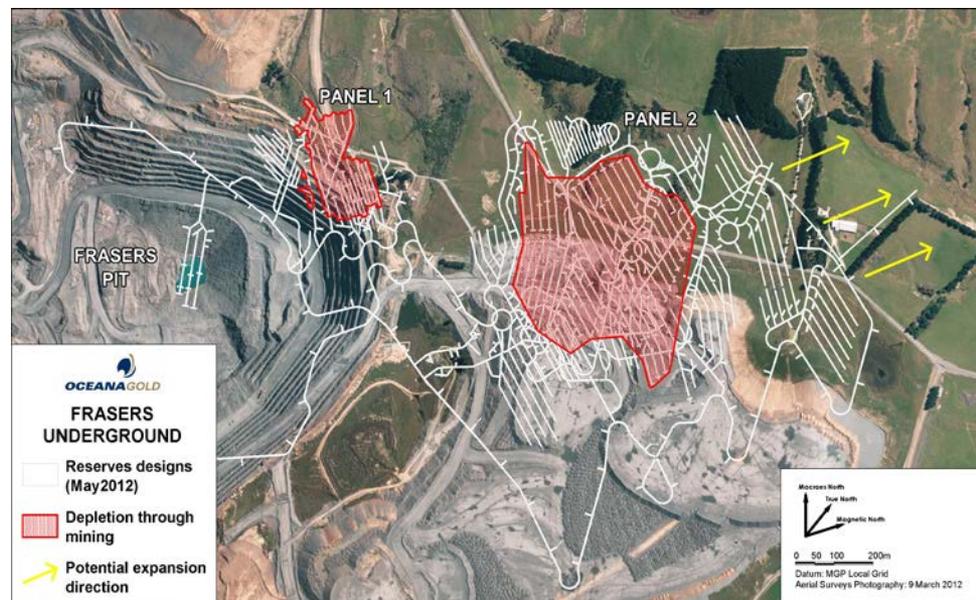
Total Movement	Mtpa	40 to 55
Mining Cost	USD/t	1.50 to 1.80
Processing Thru'put	Mtpa	4.8 to 5.0
Processing Cost	USD/t	9 to 10
Sustaining Capital	USD/annum	30M to 40M

- Still large untapped low grade deposit 1.4Moz in Inferred Resource – significant portion at the margins of current pits.
- Only 44% conversion of M&I Resource
- Currently drilling in Frasers East and Frasers West positive (low strip ratio)



# Fraser's Underground Mine

Underground		
Total Movement	Mtpa	1 to 1.2
Mining Cost	USD/t	40 to 50
Processing Thru'put	Mtpa	0.8 to 0.9
Processing Cost	USD/t	9 to 10
Sustaining Capital	USD/annum	5M to 10M



- Mining focused on the higher grade hanging wall
- Drilling from dedicated exploration drive is ongoing to extend mine life
- Recent results indicate mineralisation 500 metres down dip from current workings. Ore body is open at depth
- Potential stock-work mineralisation under hang-wall

# Reefton Open Pit Mine

## Open Pit

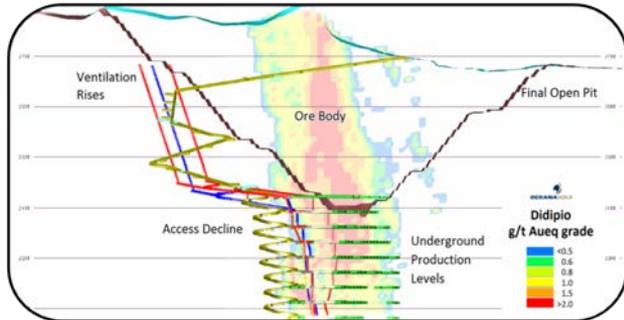
Total Movement	Mtpa	17 to 21
Mining Cost	USD/t	2.40 to 2.60
Processing Thru'put	Mtpa	1.4 to 1.6
Processing Cost	USD/t	15 to 16
Sustaining Capital	USD/annum	15M to 20M

- Globe Deeps drilling completed; awaiting assays
- Historical U/G workings, open at depth. Prospective area – orebody flattens and the topography dips away
- Geotechnical considerations on North-East Wall to be reviewed



# Didipio Project

## Long Life Asset



**DIDIPIO ORE BODY**



**TAILINGS STORAGE FACILITY**



**PROCESS PLANT**

		Open Pit	Underground	Total
Au Resources <sup>1</sup>	Moz	1.9	0.7	2.6
Au Reserves <sup>1</sup>	Moz	1.3	0.4	1.7
Cu Resources <sup>1</sup>	Kt	310	50	360
Cu Reserves <sup>1</sup>	Kt	210	30	240
Estimated mine life		2012 to 2026	2021 to 2028	

1. As at December 31 2011. Full Resource/Reserve table available at [www.oceanagold.com](http://www.oceanagold.com)

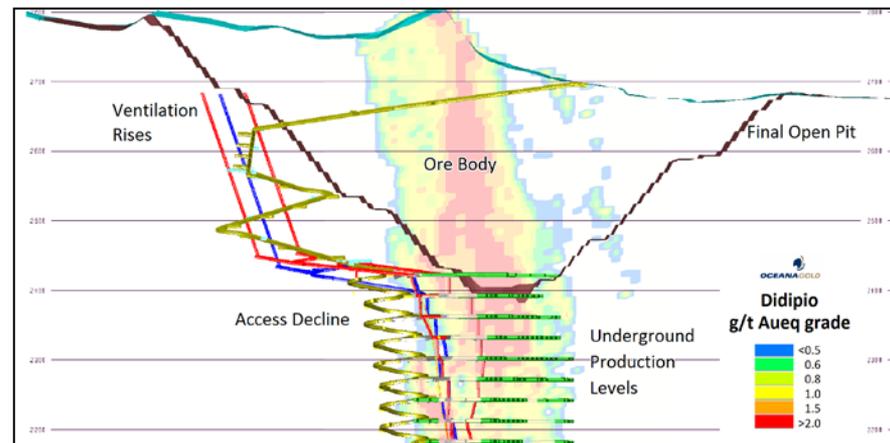
# Didipio Open Pit and Underground Mine

## Open Pit

Total Movement	Mtpa	20 to 23
Mining Cost	USD/t	2.00 to 2.20
Sustaining Capex	USD/annum	10M to 2M

## Underground

Total Movement	Mtpa	1 to 1.2
Mining Cost	USD/t	30 to 35
Development Capital	USD	~ 100 M



- Open pit operation commenced Jan 2012
- Full fleet commissioned by End of Sept
- Decline due to commence 2016
- First U/G stope ore 2019
- Sub-level Open Stopping with Paste Back-fill

# Didipio Process Plant

## Process Plant

Processing Thru'put	Mtpa	2.5 to 3.5
Processing Cost	USD/t	11 to 13
Gold Production	Oz per annum	~ 100,000
Copper Production	t per annum	~14,000
Gold as Bullion	%	25 to 30
Copper Grade	%	24 to 26



- Grind/Gravity/Float/Concentrate – Ship
- Simple Plant – OGC has extensive experience in these types of plants
- Leverage off NZ Personnel and expertise

# Exploration Strategy

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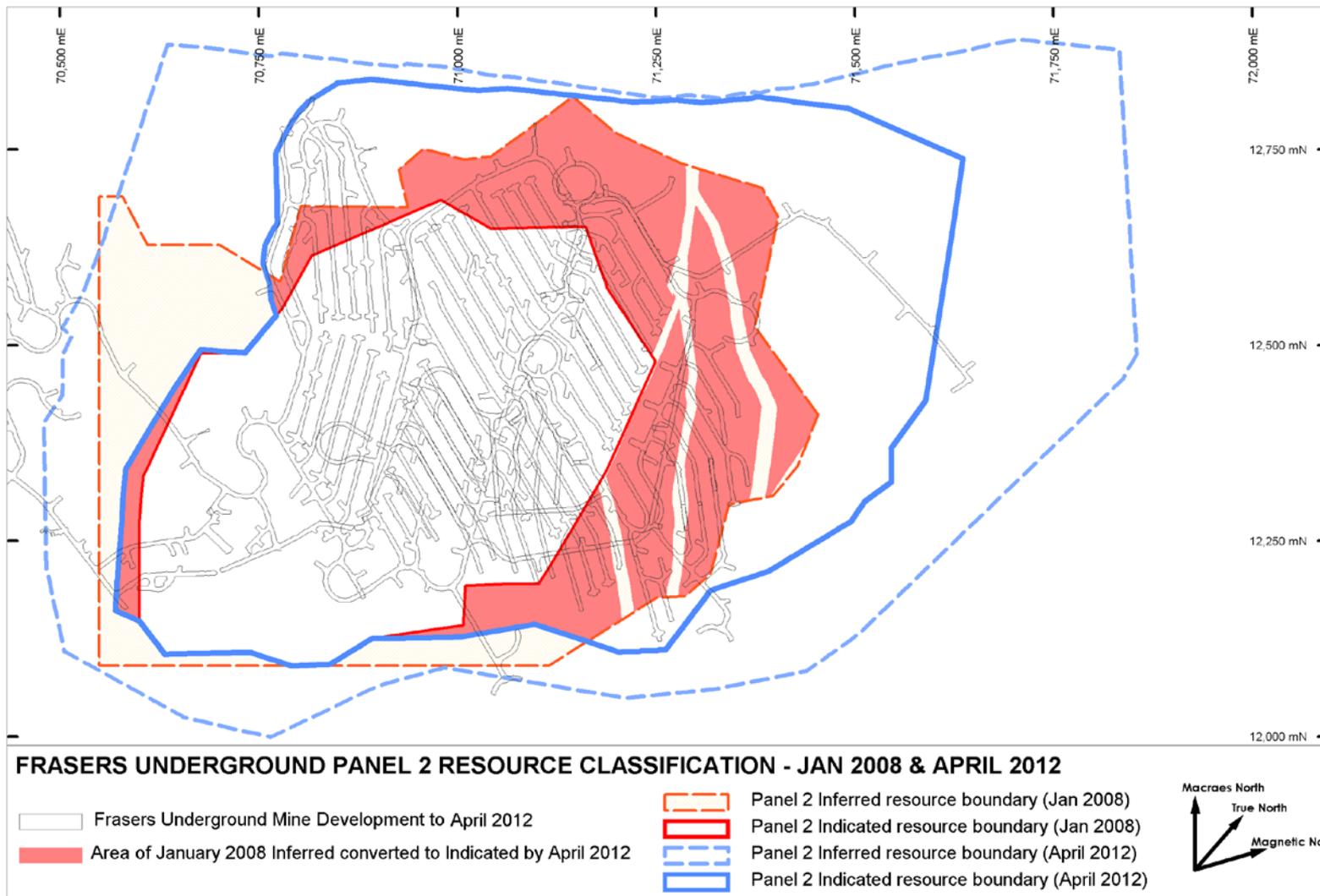
Michael Roache, Head of Exploration

# Exploration – Macraes

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- Mineralisation comprises ‘pod-like bodies’ within a >25km long shear zone (Macraes Shear)
- Continuing to expand the Frasers Underground (FRUG) resource through underground drilling and conversion of inferred to indicated.
- Macraes is a relatively mature terrane with significant optionality with rising gold price for current resources. 3.2m oz Au produced to date.
- We have developed a model for detection of concealed mineralised pods. 5 targets tested, 3 hits, best result 14.4m @ 2.07g/t from 242m depth at Round Hill (true width).

# FRUG – Conversion of Inferred to Indicated 2008 - 2012

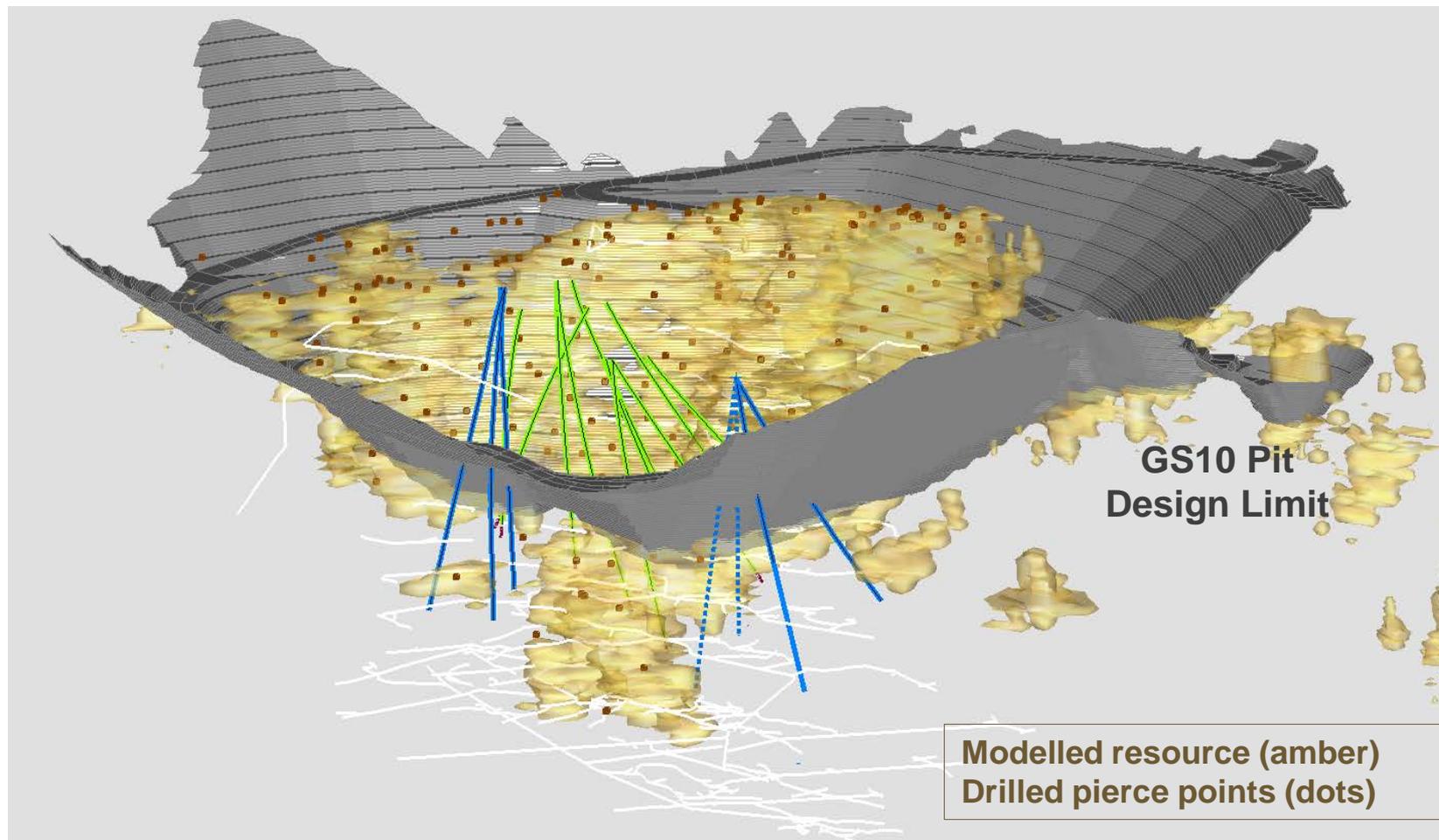


# Exploration - Reefton

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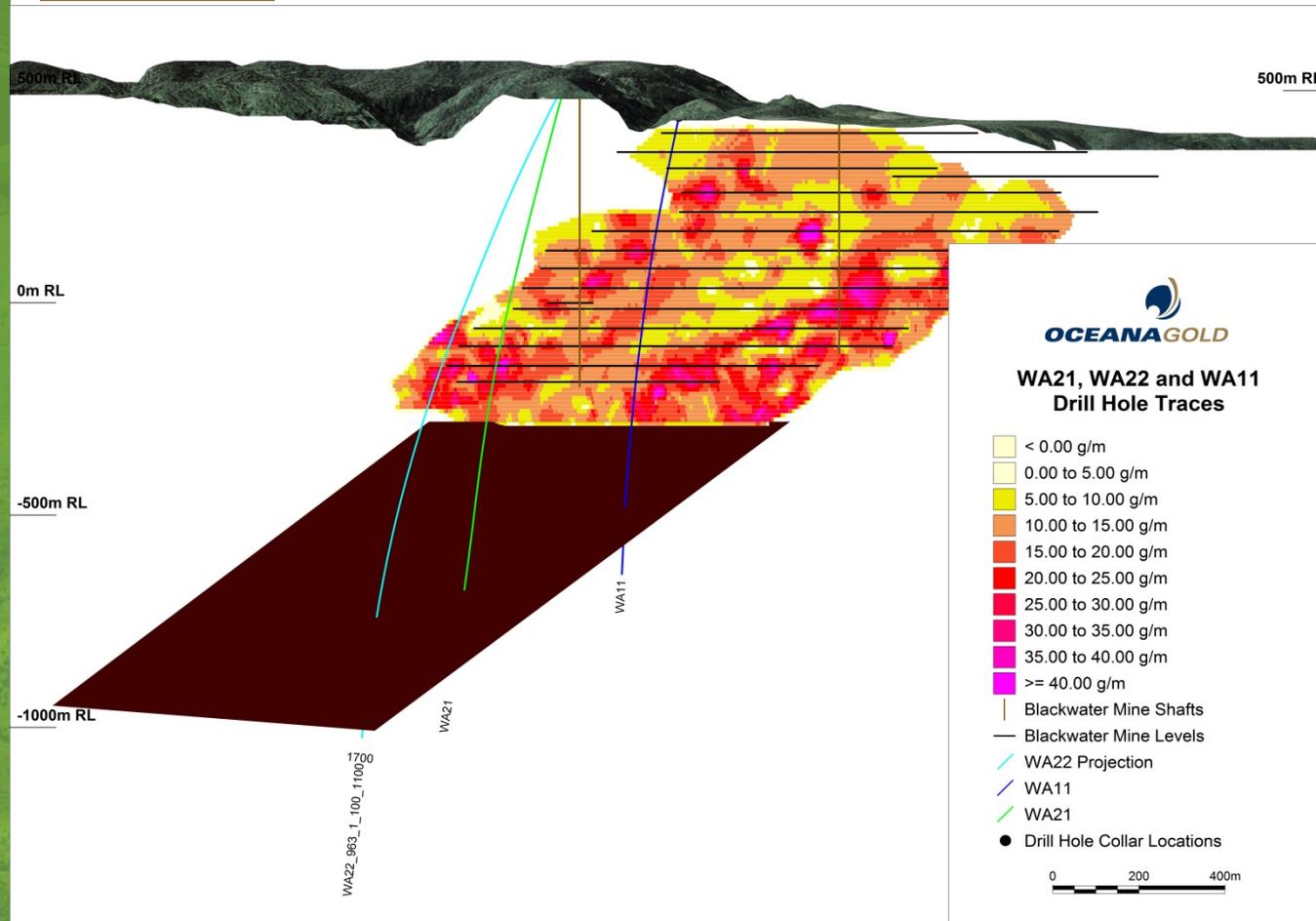
- District with historic gold production of around 10Moz of which 2Moz from hard rock sources
- Exploration to date has demonstrated that external to the Reefton mine area, mineralisation comprises small, structurally controlled and disrupted high-grade shoots.
- Developing an Exploration model to assist with location of new high grade med-large tonnage ('Blackwater-like') deposits
  - Detailed mapping
  - Mineral and structural paragenesis
  - Timing of mineralisation
- Reefton Mine - Within-pit exploration investigating continuity of mineralisation at depth. Some visible gold, assay results pending.
- Exploration focus on continuity of mineralisation in the historic Blackwater mine 15km south of current Reefton mine.

# Reefton Globe Deeps – oblique view down towards north



- 10 open pit infill holes completed (green) – assays pending
- 7 Globe Deeps drill holes completed (blue) – assays pending

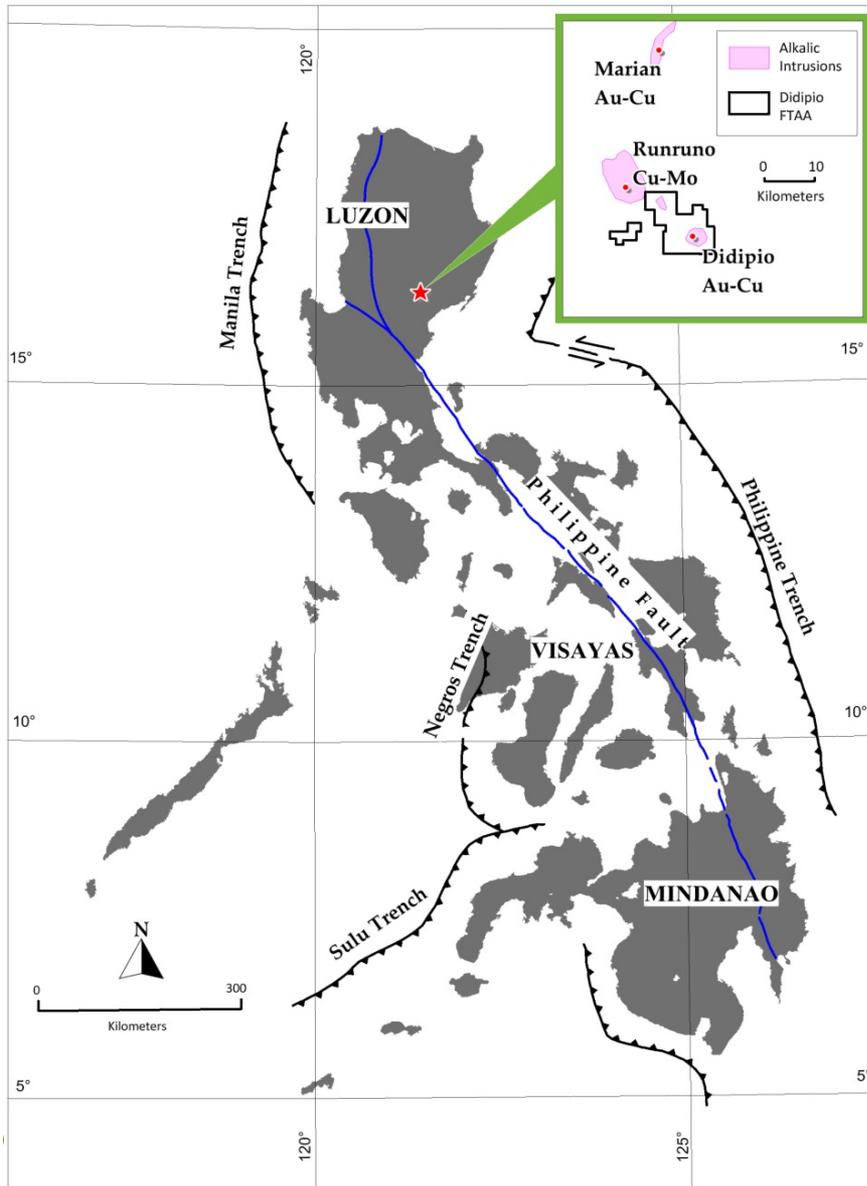
# Blackwater Reef - Potential for >650Koz Au at 21g/t



- Mined 1907 - 51 to 750m.
- Quartz reef 0.61m wide, average grade 21.3g/t (14.2 g/t recovered for 740 Koz)
- 4 holes to ascertain grade continuity with depth.
- Historical 1000oz / vertical metre.
- 2012 budget US\$5.5M

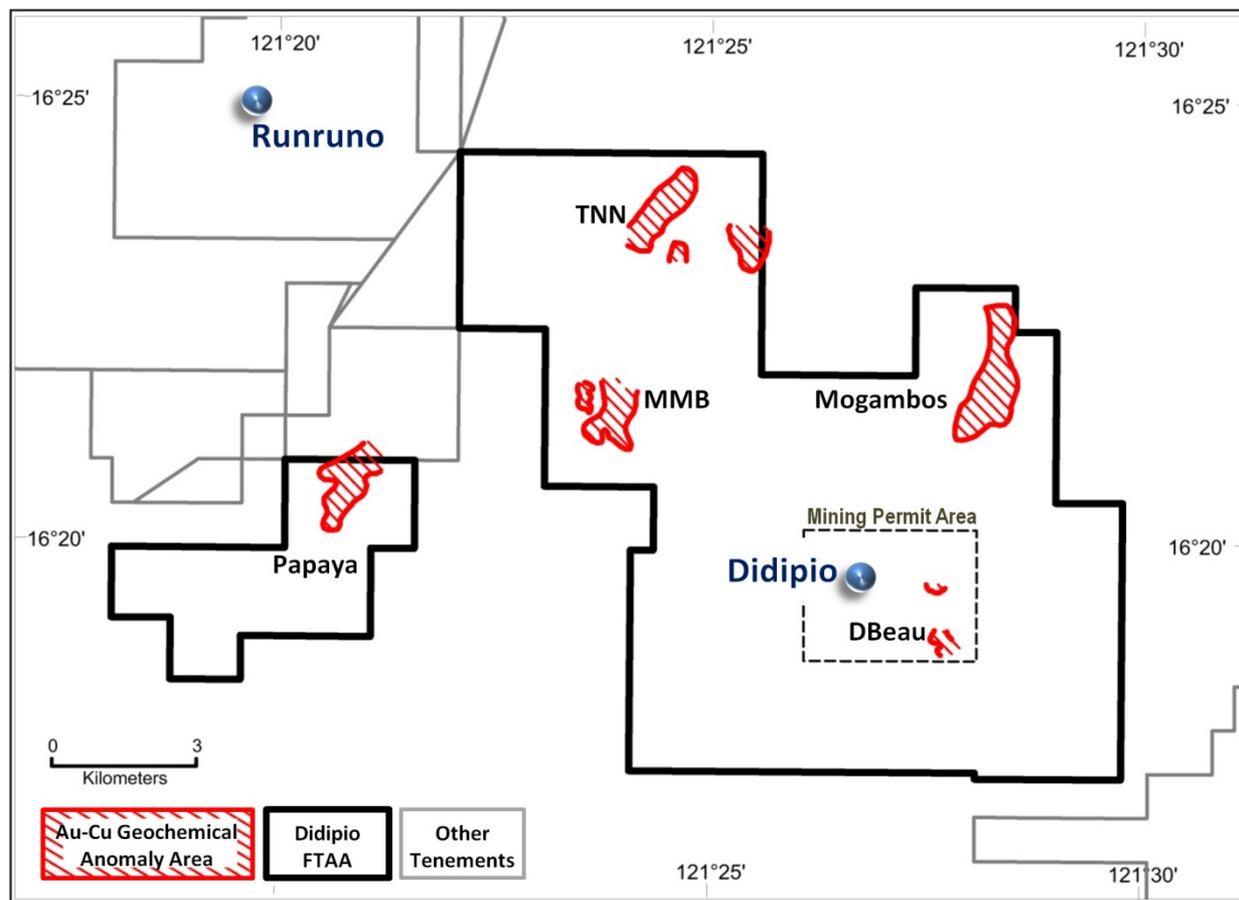
WA11 intercept 280m below old workings (1996)  
 WA21 intercept 510m below old workings  
 WA22 targeted to intercept target 650m below old workings

# OceanaGold's Philippine Tenements



- Tenements in highly prospective volcanic arcs
- Philippines in total:
  - FTAA (1), EPs (6), EPAs (9) for a total area of 87,896 hectares (includes Didipio FTAA and associated tenements of 33,911 hectares)
- Focus on Didipio FTAA, located in the NE alkalic porphyry-epithermal Au-Cu province
- 2012 budget \$1.9M
- Future budget ~ of \$5 - \$10M p.a.

# FTAA Exploration Areas



- 5 areas with significant coincident Au-Cu anomalism defined by soil samples and mapping
- Scout drilling of Au-Cu anomalies when FTAA renewal granted

# Mineral Resources and Reserves

RESOURCE	MEASURED					INDICATED					MEASURED & INDICATED					INFERRED RESOURCE				
AREA	Mt	Au g/t	Au Moz	Cu %	Cu Mt	Mt	Au g/t	Au Moz	Cu %	Cu Mt	Mt	Au g/t	Au Moz	Cu %	Cu Mt	Mt	Au g/t	Au Moz	Cu %	Cu Mt
<b>MACRAES TOTAL</b>	26.29	1.41	1.19	.	.	76.76	1.10	2.71	.	.	103.04	1.18	3.90	.	.	49.4	1.2	1.84	.	.
<b>REEFTON TOTAL</b>	2.00	1.96	0.13	.	.	10.17	1.68	0.55	.	.	12.17	1.72	0.67	.	.	4.5	3.7	0.53	.	.
<b>SAMS CREEK TOTAL</b>	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	13.5	1.8	0.77	.	.
<b>DIDIPIO TOTAL</b>	15.96	1.67	0.86	0.56	0.09	54.21	0.73	1.27	0.37	0.20	70.17	0.95	2.13	0.41	0.29	30.73	0.44	0.44	0.23	0.07
<b>TOTAL RESOURCE</b>	<b>44.25</b>	<b>1.53</b>	<b>2.17</b>	<b>.</b>	<b>0.09</b>	<b>141.14</b>	<b>1.00</b>	<b>4.53</b>	<b>.</b>	<b>0.20</b>	<b>185.39</b>	<b>1.13</b>	<b>6.71</b>	<b>.</b>	<b>0.29</b>	<b>98.13</b>	<b>1.14</b>	<b>3.58</b>	<b>.</b>	<b>0.07</b>

All resources are inclusive of reserves. Macraes Open Pit resources are reported at a 0.5 g/t Au cut-off, Reefton Open Pit resources at a 0.6 g/t Au cut-off and Sams Creek resource is at a 0.7 g/t Au cut-off. Underground resources are reported within geological constraints. For Didipio: 0.4g/t EqAu >2,390mRL and 1.5g/t <2,390mRL. No resource reported below 2,180mRL. EqAu cut-off is gold equivalent based on US\$950/oz gold and US\$2.85/lb copper.

RESERVE	PROVED					PROBABLE					PROVEN AND PROBABLE				
AREA	Mt	Au g/t	Au Moz	Cu %	Cu Mt	Mt	Au g/t	Au Moz	Cu %	Cu Mt	Mt	Au g/t	Au Moz	Cu %	Cu Mt
<b>MACRAES TOTAL</b>	19.57	1.28	0.81	.	.	22.09	1.10	0.78	.	.	41.66	1.19	1.59	.	.
<b>REEFTON TOTAL</b>	1.55	1.91	0.10	.	.	4.70	1.81	0.27	.	.	6.25	1.84	0.37	.	.
<b>DIDIPIO TOTAL</b>	13.79	1.60	0.71	0.59	0.08	36.86	0.82	0.97	0.40	0.15	50.65	1.03	1.68	0.45	0.23
<b>TOTAL RESERVE</b>	<b>34.92</b>	<b>1.44</b>	<b>1.61</b>	<b>-</b>	<b>0.08</b>	<b>63.65</b>	<b>0.99</b>	<b>2.03</b>	<b>-</b>	<b>0.15</b>	<b>98.57</b>	<b>1.15</b>	<b>3.65</b>	<b>.</b>	<b>0.23</b>

Macraes and Reefton cut-offs are based on US\$950/oz gold (0.5 g/t Au for Macraes Open Pit, 1.9 g/t Au for Frasers Underground and 0.7 g/t Au for Reefton Open Pit). Figures are in-situ delivered to ROM (no mill factor applied). Didipio cut-off is Net Metal Value based, using US\$950/oz gold and US\$2.85/lb copper. See the Didipio technical report for further information.

# Summary

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## New Zealand

- Frasers Underground – upgrade & expand Inferred resources at depth
- Macraes – focused on resource to reserve conversion. Strongly leveraged to gold price.
- Blackwater drilling completed by year end → Underground drill-out.
- Reefton focusing on discovery of Blackwater-like deposits (i.e. grade and tons)

## Philippines

- Expect Philippine exploration tenements to be granted in H2 2012
- Initial focus on newly identified targets within Didipio FTAA - several defined porphyry targets - commence drilling as soon as tenements granted.
- Excellent potential for significant Au and Au-Cu discoveries.

## Other

- Working with Business Development Team to examine opportunities in Asia-Pacific to contribute to the project pipeline

# Didipio Community & Operational Readiness

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Brennan Lang, General Manager - Didipio Operations

# Operational Readiness Focus Areas

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- Engaging with Community and Managing Government Expectations
- Recruitment
- Training
- Development of Systems, Plans, and Procedures
- Mine Operations (Ore Delivery, Rock Delivery to TSF construction)

# Community Relations Key Programs

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## Social Development Management Program

- Renewed every 5 years
- Funded through 1.5% of Operating Costs
- Other MOA Commitments (infrastructure projects, scholarships)
- National Greening Program
- Grievance Management Program
- Didipio Community Development Corporation

# Social Development Management Program Components

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1. Human Resource Development and Institutional Building
2. Enterprise Development and Networking
3. Assistance to Infrastructure Development and Support Services
4. Access to Education and Educational Support Programs
5. Access to Health Services, Health Facilities and Health Professionals
6. Protection and Respect of Socio-Cultural Values

# SDMP Fund Utilization and Distribution MOA Signing



December 17, 2011, Didipio Project Site

## SDMP Fund Distribution



Host Community (1)	45%
Neighboring Communities (9)	45%
Municipality of Kasibu	4%
Municipality of Cabarroguis	4%
Common Fund	2%

# SDMP Accomplishments

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- Infrastructure: Road works, bridges, water supply systems, classrooms, farm to market roads, multi purpose buildings
- Education: 153 university scholarships, funding of teachers in Didipio, day care centres, post graduate training of teachers, funding school activities, purchasing supplies
- Health: medical missions in local communities, emergency care of Didipio residents in company's medical facility
- OceanaGold has been an active participant in the National Greening Program and has won several awards for its reforestation programs
- The Company has established a formal Grievance Management Program for addressing community issues to ensure fair settlement of grievances.

# Development of Sustainable Local Business

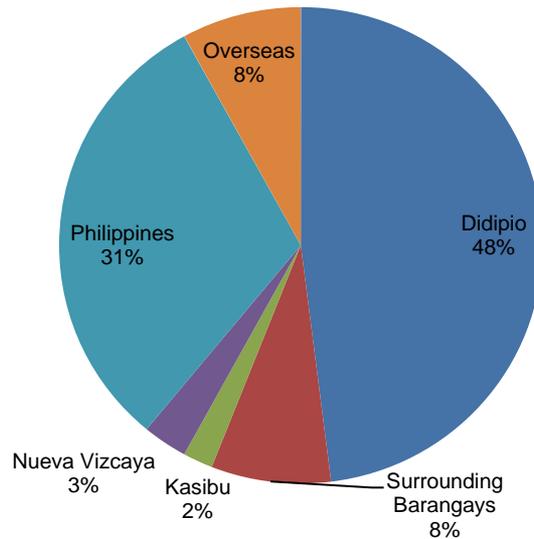
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- Didipio Community Development Corporation (DiCorp) established in 2011 to become a significant sustainable corporation that would participate in long-term contracts at Didipio
- Modelled on indigenous corporations in Canada and Papua New Guinea
- Shareholders are restricted to residents of Didipio who have resided in the community for more than 10 years.
- No single person can own more than 2% of the shares
- Currently over 400 shareholders
- Contracts awarded for garbage collection and recycling, access road maintenance, equipment hire, labour hire, employee shuttle bus service
- Contract for catering being negotiated
- 60-90 employees depending on contracts

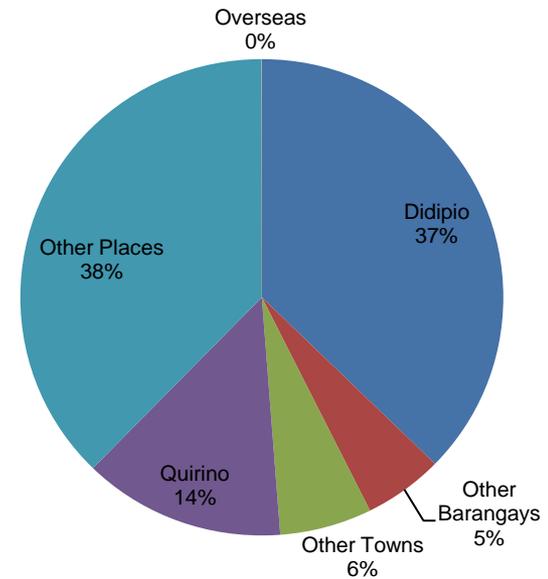
# Human Resourcing

- 500 Operations employees and contractors currently hired of a total 850 needed during production

Employees by Point of Hire



Operations Contractors by Point of Hire



# Employment Opportunities for Local Residents

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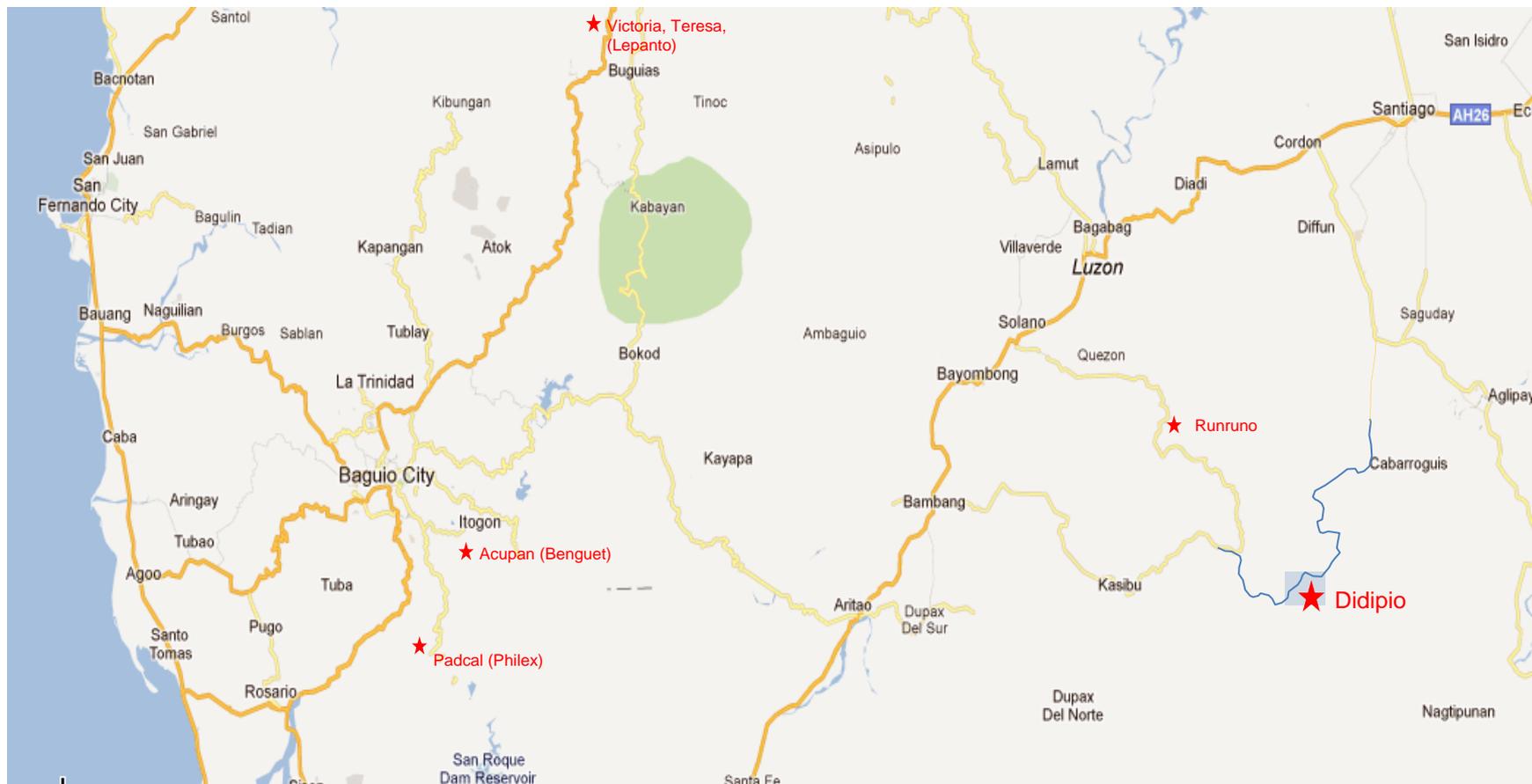
- The Memorandum of Agreement with our host community sets out the following priorities for hiring
  1. Didipio
  2. Adjacent Barangays
  3. Kasibu
  4. Nueva Vizcaya
  5. Rest of Philippines
- To make the local residents more employable, OGPI has funded skills training for 264 people over the last 5 years (electrician, welding, food and cleaning services, mechanics, masonry) including 64 people in the last 6 months. Most of these are now employed by the company and its contractors
- Contract with the mining contractor requires 70% local employment within 6 months and 90% local within 2 years.

# Strategies to Recruit Filipino Employees

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- All employees not from Didipio live in camp with food and accommodation provided
- Reduces pressure on infrastructure in surrounding communities
- 14 day on / 7 day off roster is very attractive to Filipinos compared to longer rosters in other mines.
- Above average salaries and benefits which have been benchmarked against other mines in the Philippines
- Didipio will be the only mine operated in the Philippines by an owner with other mines offshore. Filipino employees are attracted to foreign mining companies and the prospect of advancement opportunities in New Zealand.
- Close to the historical mining centre of Baguio

# Proximity to Mining Centre of Baguio



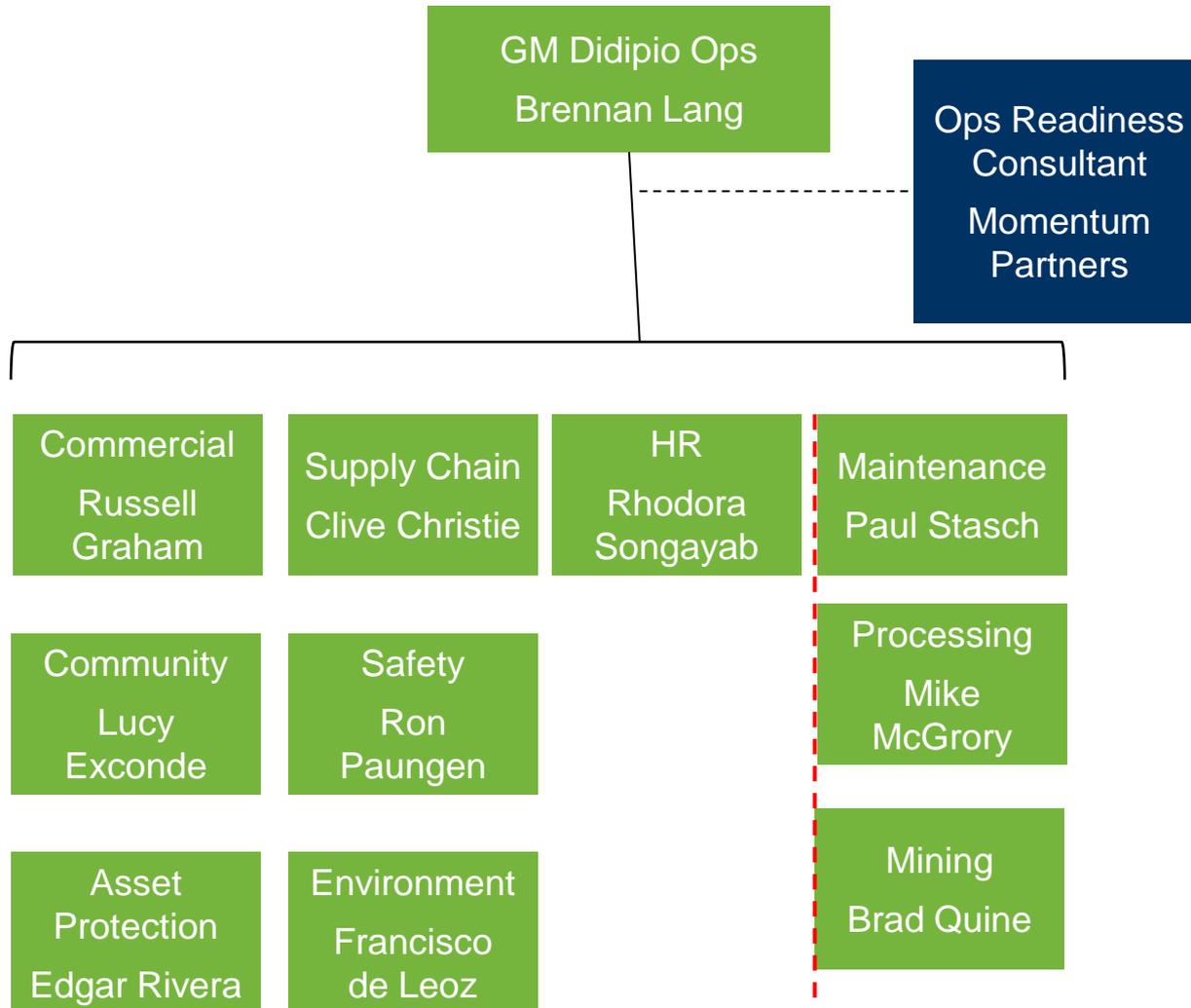
20 km

# Training

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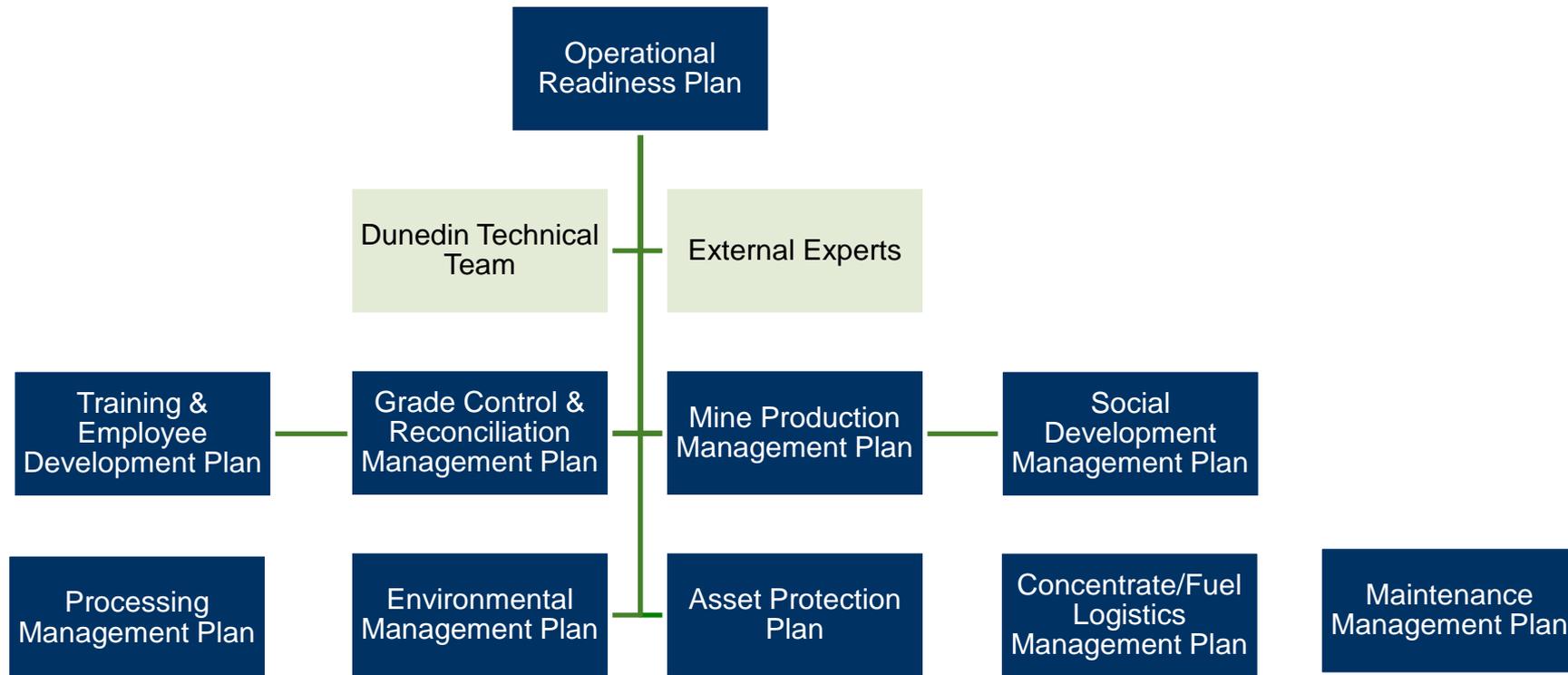
- Training programs already underway by Delta Earthmoving to train local residents to drive haul trucks
- Supervisors and trainers have already been recruited for the process plant and start work in July. Training packages have been prepared.
- Recruitment of experienced operators and mill crews has commenced.

# Operational Readiness Team



- Planning support to functional leads
- Preparation of tools and templates
- Development of integrated schedule

# Functional Plans



# Mining

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- Mining of waste rock for tailings dam construction commenced in January
- Currently moving 400,000 BCM of waste per month with construction sized equipment
- Mining fleet has started to arrive in Didipio.
- Mining of oxide mineralization commenced in June at the top of Didipio Hill. First ore (fresh mineralization) will be mined in August.



# Delta Mining Fleet Arrival

	May	June	July	August	September	October	November
PC1250		Build	Deliver	Commission On time			
PC1250		Build	Deliver	Commission On time			
HD785	Build	Deliver In Didipio	Commission On time				
HD785	Build	Deliver On a ship	Commission On Time				
HD785		Build/Deliver On a ship	Commission 1 month Early				
HD785		Build	Deliver	Commission On time			
HD785			Build	Deliver	Commission On time		
HD785			Build	Deliver	Commission On time		
HD785			Build	Deliver	Commission On time		
HD785			Build	Deliver	Commission On time		
PC2000				Deliver	Commission 2 months early		
PC2000						Deliver	Commission (1 month early)

# Didipio Operations

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- On schedule for commissioning Q4 2012
- Nearly 60% of employees and permanent contractors recruited. Processing Department recruitment is well advanced and training will commence in August
- Mining Contractor meeting targets for rock delivery to construct TSF. Ore stockpiling commences in August
- Delivery of contractor's mining fleet is on time
- FY2013 production expected at ~50-70,000 oz Au & 13-16,000 t Cu as per NI-43101 report in July 2011

# Philippines Overview & Bus. Development

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Darren Klinck, Head of Business Development

# Overview of the Philippines

## Demographics

- 12th most populous nation with 103 million people (2011 est.)
- 95% Christian, 5% Muslim
- Median Age of 22.9 years (37.1 years in Australia)
- Literacy Rate of 92.6% (same as Singapore)

## Government

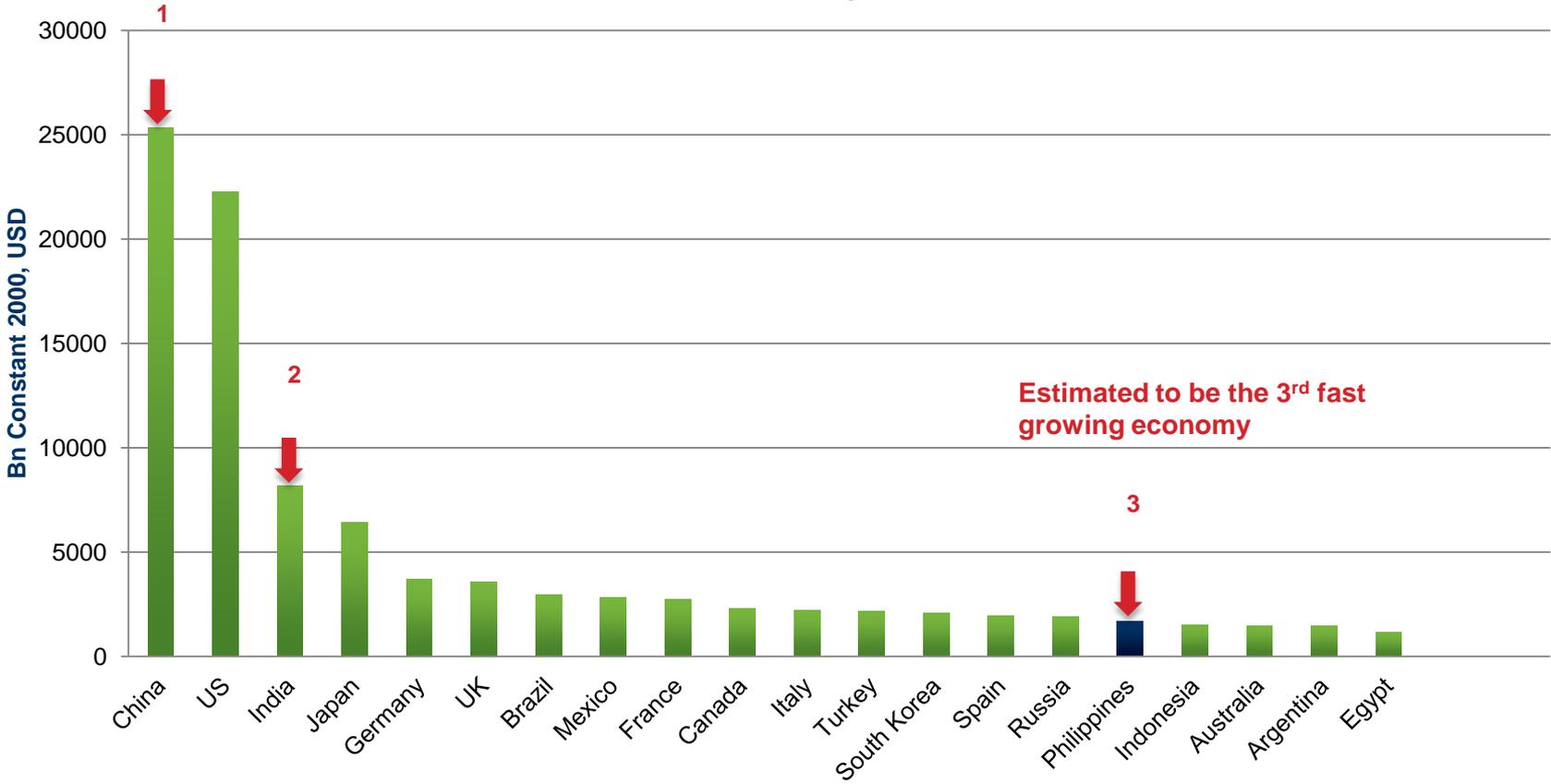
- US based system (President, House of Representatives, Senate)

## Economics

- 32<sup>nd</sup> largest economy in the world
  - (Australia - 18<sup>th</sup>, South Africa - 25<sup>th</sup>, Sweden - 33<sup>rd</sup>)
- Standard and Poor's BB+ rating
- GDP Growth
  - Q1 /12 @ 6.4% (Only China was higher amongst Asian nations)
  - IMF expects annual growth to average roughly 6.5% over the next 5 years
- One of the fast growing economies over the next 40 years<sup>1</sup>
  - By 2050, estimated to be the 16<sup>th</sup> largest economy (larger than Australia, Saudi Arabia)

# Philippines Projected Growth

## Size of Economy in 2050



Source: HSBC Global Research: The World In 2050 – January 2012

# Long History of Mining in The Philippines

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- The Philippines is highly mineralised with substantial mineral deposits including copper, gold, nickel, chromite and limestone
- Long, well established history of major production from its mines, dating back to Spanish colonial times
- Ranked among the world's top 10 in the production of chromite, copper, gold and nickel in the 1970s and 1980s
- In 2003, the government announced a national policy to promote and revitalise mining
  - The Minerals Action Plan (MAP) was issued in 2004 to institute policy and economic reform to revitalise the mining sector
  - The Philippine Supreme Court lifted bans on foreign ownership in 2005

# Mining in the Philippines today

- The Philippines is one of the world's most highly mineralized countries
  - Estimated mineral wealth of US\$840bn<sup>(1)</sup> and ~7.1 billion tonnes of mineral reserves<sup>(2)</sup>
  - Greatest number of proven mineral deposits in southeast Asia<sup>(2)</sup>
  - Home to some of the world's largest copper-gold deposits (Tampakan & King-king)
  - Gross production value of The Philippine mining industry increasing each year:
    - 2008: US\$2.1B
    - 2009: US\$2.5B
    - 2010: US\$3.5B
- A pro-mining government with steady growth in the mining industry
  - Allows 100% foreign ownership of mining assets and exploration permits
  - Tax incentives
- Prime location to other Asian countries with high demand for metals

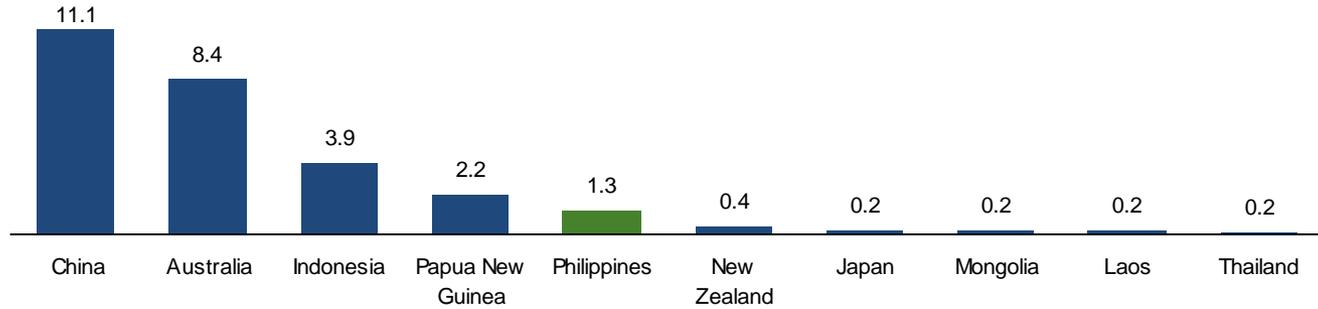
(1) US Department of State (2009)

(2) "Investor's Prospectus on Philippine Mining", Philippines Minerals Development Council (2007).

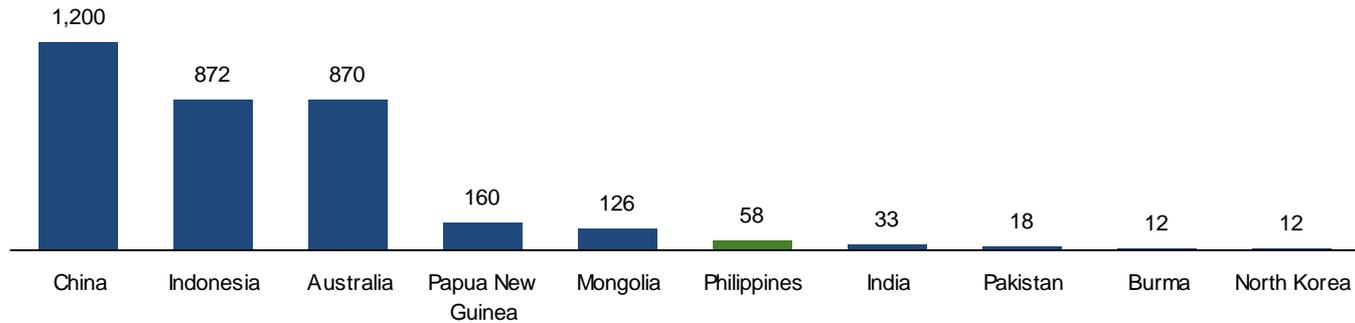


# Top Mineral Producing Countries in Asia Pacific

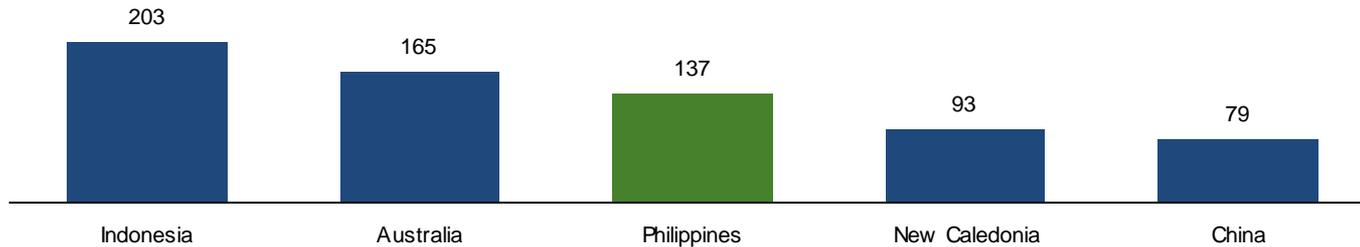
## Gold (Moz)



## Copper (Kt)



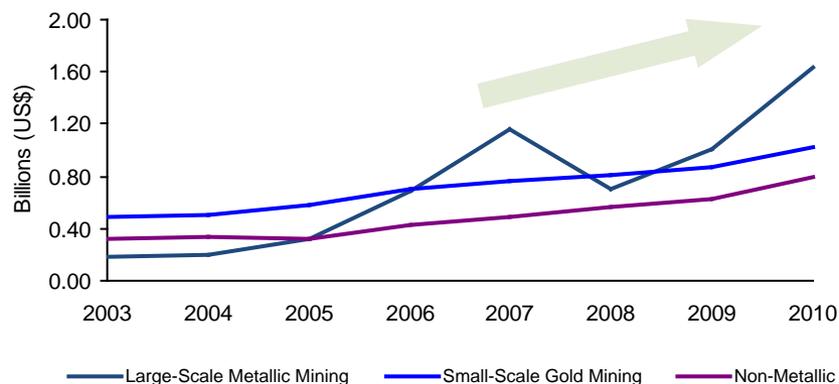
## Nickel (Kt)



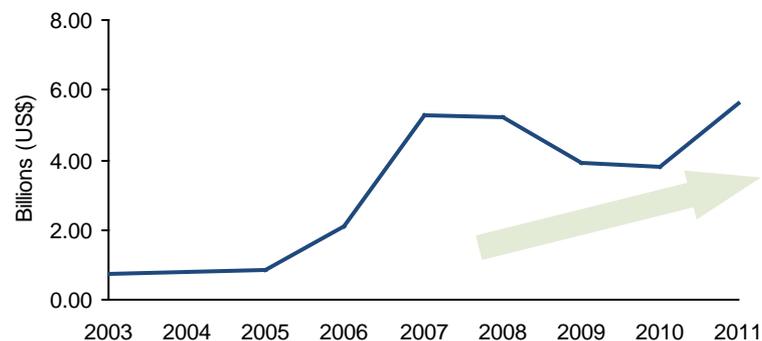
Source: USGS, data as at 2010.

# Mining in The Philippines Continues to Grow

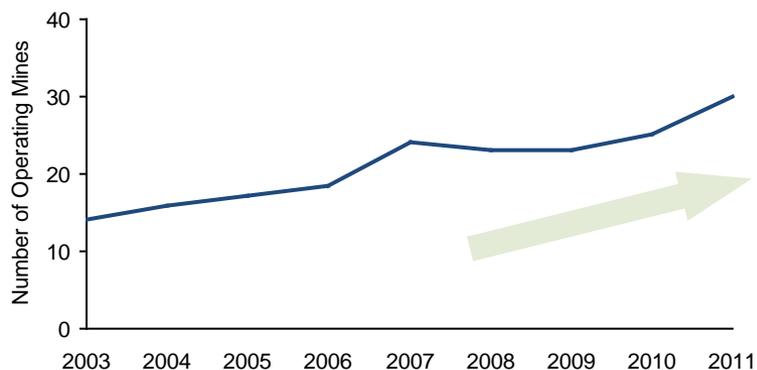
## Gross Production Value in Mining



## Total Export of Minerals and Mineral Products



## Number of Operating Metallic Mines



## Total Number of Approved Mining Tenements

	2010	2011
Mineral Production Sharing Agreement (MSPA)	318	321
Financial of Technical Assistance Agreement (FTAA)	6	6
Exploration Permit (EP)	99	106
Others	256	297
<b>Total</b>	<b>679</b>	<b>730</b>

Source: Philippines Department of Environment and Natural Resources (DENR).

(1) Metallic mining includes gold, silver, copper, nickel, chromite, zinc and iron ore.

(2) Non-metallic mining includes coal, limestone and shale, marble, silica, dolomite, clays, sand and gravel.

# The Government's Attitude Towards Mining

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- The Philippines' Government has been actively reviving and promoting the mining industry in recent times
- Existing mining laws are attractive to investors and allows for:
  - Historically, mining in The Philippines by foreign controlled entities has been under MPSA (Mineral Processing Sharing Agreements)
  - Currently new development projects such as Didipio are employing an FTAA
    - 100% foreign ownership of mining assets and exploration permits
- Significant tax holidays and other incentives
- In early 2012, the Government stated its intension to review and potentially update the mining policy
  - The “Mining Review” is expected to be released soon. Overall focus appears to be: promoting the FTAA structure for better clarity on revenue sharing between developers and government, re-iterating central government control over resources, closer monitoring of small scale mining, establishment of mining reserves and tourism reserves

# Large Corporations Present in The Philippines

Company	Market cap	Project	Commodity
 Shell	US\$211bn	Malampaya (45%)	Natural gas
 Chevron	US\$202bn	Malampaya (45%)	Natural gas
 VALE	US\$97bn	Exploration	Gold / Copper
 xstrata	US\$42bn	Tampakan Project (62.5%)	Gold / Copper
 SUMITOMO	US\$17bn	Coral Bay Nickel (54%)	Nickel
 GOLD FIELDS	US\$10bn	Far South East Project (40%)	Gold / Copper
 PHILEX MINING CORPORATION	US\$3bn	Padcal (100%)	Copper
 PETRON	US\$2bn	Battan Refinery (100%)	Oil

(1) Philippine listed companies

# Major Resource Projects in The Philippines

Operator	Project	Commodity	Reserves / Resources	Production Capacity (pa)	First production
  	Tampakan	Gold / copper	17.9Moz Au resources 15.0Mt Cu resources	360koz Au 375kt Cu	2016
	Far Southeast	Gold / copper	30 – 50Moz Aueq ?		2019/20?
	King-king	Gold / copper	10.3Moz Au resources 2.4Mt Cu resources	362koz Au 105kt Cu	2015
	Masbate	Gold	3.1Moz Au reserves 7.8Moz Au resources	300koz Au	2009
	Padcal Copper	Gold / copper	0.7Moz Au reserves 2.2Moz Au resources 0.1Mt Cu reserves 0.3Mt Cu resources	16kt Cu 133koz Au	1958
   	Coral Bay Nickel	Nickel	0.5Mt Ni reserves 0.1Mt Ni resources	24kt Ni	2005
 	Malampaya	Natural gas	3.21 tcf	146 bcf	2001

# The Right Place at the Right Time

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- Steady growth projected for the Philippine mining sector
- Continued and growing interest from large multi-national resource companies
- Didipio represents a “calling card” as the first project developed under the “FTAA”
- Strategically located within the Asian region
- Demonstrated government commitment towards resource development
- Significant exploration blue-sky potential within the FTAA

# Business Development Strategy

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Three Key Attributes that Drive Superior Value for Shareholders:

1. Resource and Reserve Growth
2. Production Growth
3. Declining Cash Costs → increasing cash flows → increasing returns to shareholders

OGC is 110% focused on successfully bringing on Didipio.

- Contributes to all three key attributes
- Major catalyst for a market re-rating

Looking ahead we see organic opportunities that will contribute to production of 600k oz Au by 2016:

- Didipio expansion to 5 Mtpa
- Blackwater underground development (Reefton)

# Business Development Strategy ...continued

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Expanding beyond the current portfolio of assets we will look to leverage our strengths:

- Gold Focused
- Operating experience managing challenging ore bodies
- In house project development experience
- Cashflow from current operations → 2013 onwards

Type of Assets:

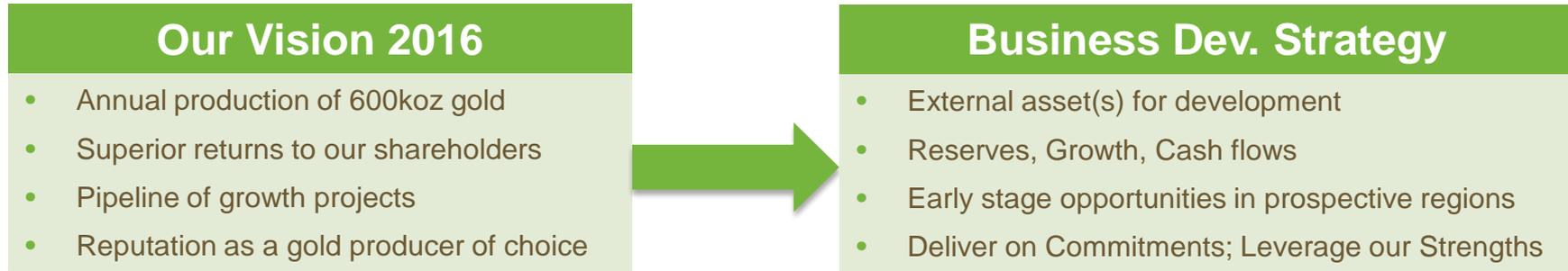
- Gold or Gold/Copper
- 1.5M oz Au or larger with scope to grow
- Pre-Feas/Feas or more advanced
- Middle of the cost curve
- Needs capital to be developed
- Needs a development and operating team

# Global Exploration Expenditure (2011)

Figure 3: Top Destinations for Nonferrous Exploration, 2011



# Summary



- **Committed to the Philippines**

- “Know the Philippines” → Leverage our deep understanding of operating in-country
- Be across external opportunities that exist in the country to expand our footprint

- **Asia Pacific Focused**

- Asia-Pacific, growth-oriented gold mining company
- Remain open to other opportunities beyond the region that are complementary to our strengths → “Go where the Gold Is”

- **Be Opportunistic**

- Windows will open as we bring on Didipio and demonstrate a successful transformation
- Market conditions likely to remain challenging for junior companies without cashflow, development and operating teams → synergies with what OGC can bring

# Project Development Strategy

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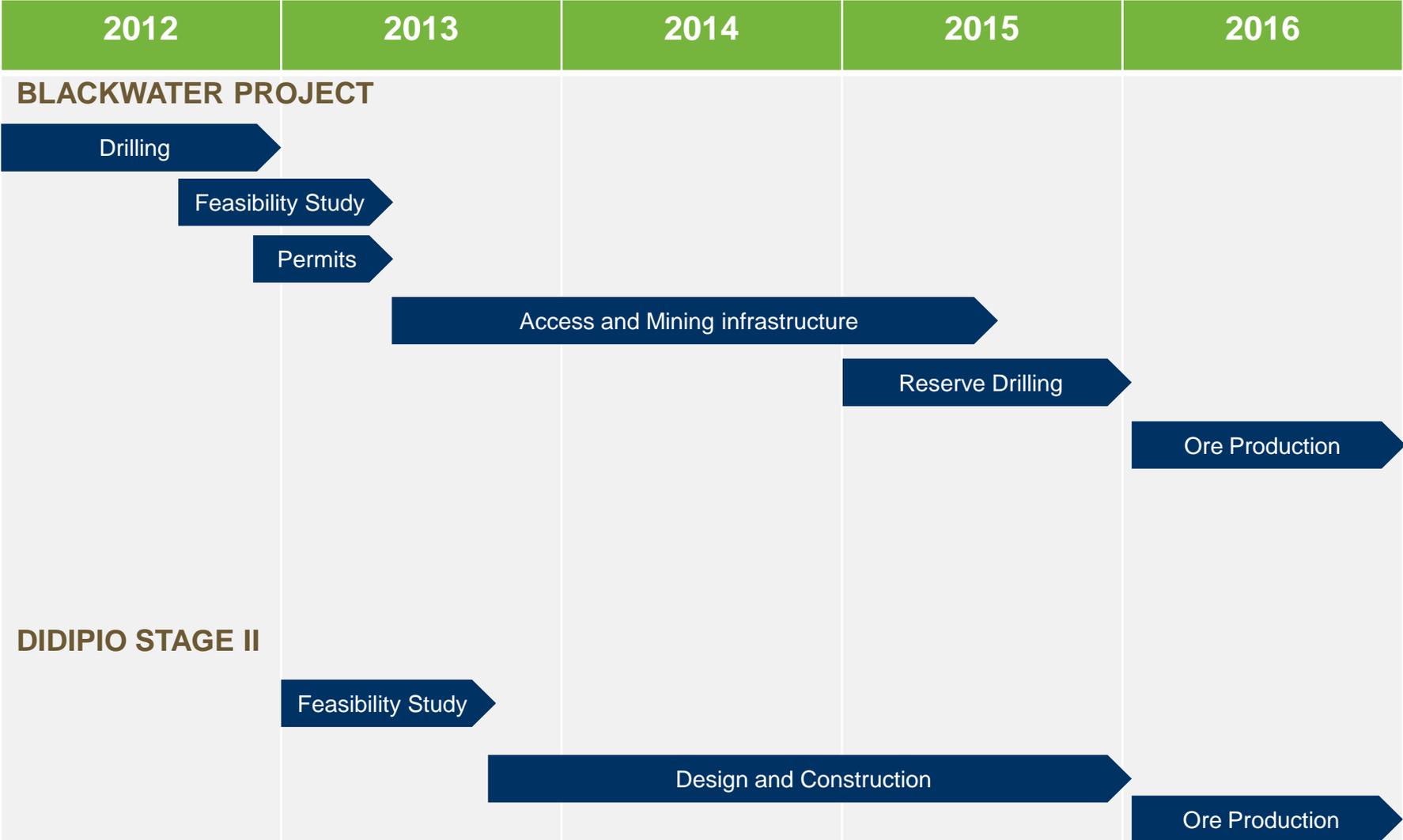
Mark Cadzow, Chief Operations Officer

# Project Development Team

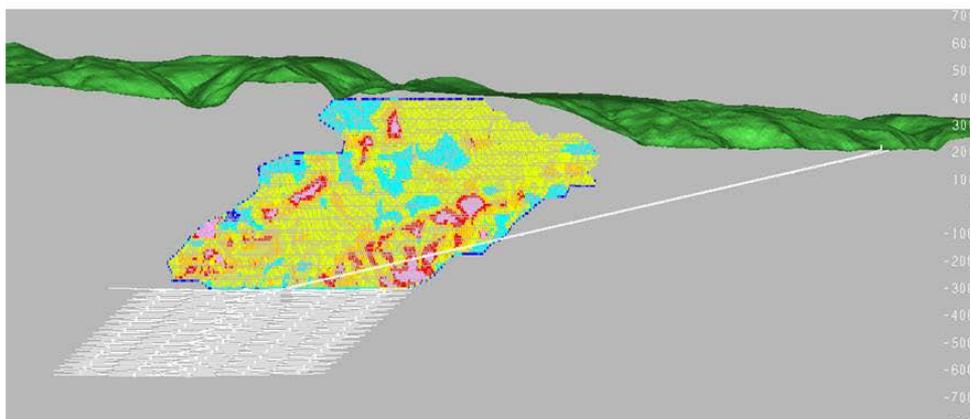
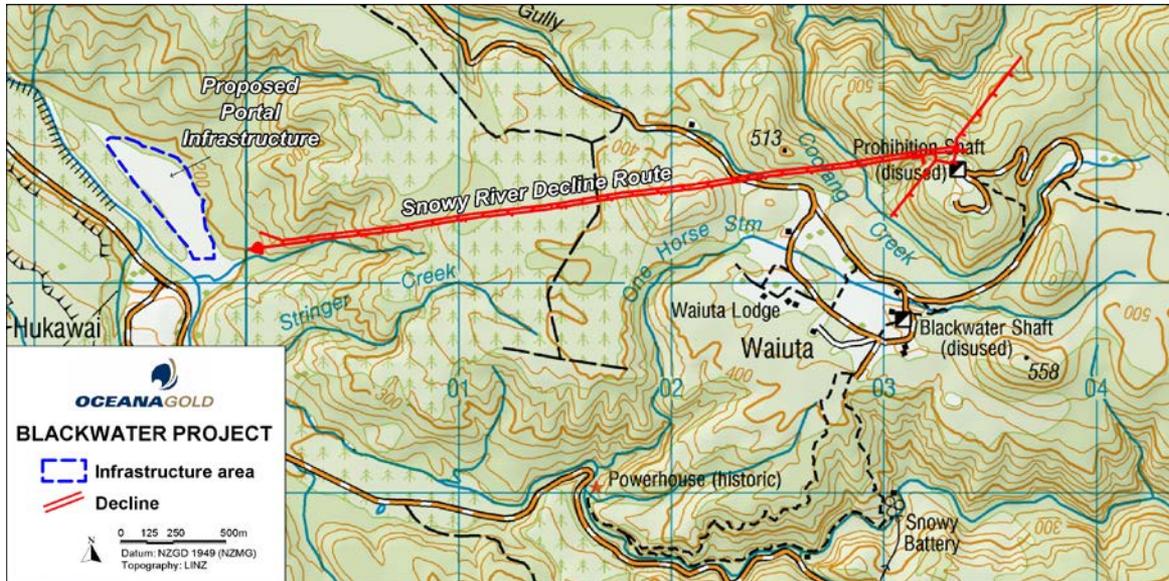
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- **Key Leg of OGC Growth Strategy**
  - Maintain and Develop – Corporate Project Systems on the back of the Didipio experience.
  - Retain and Consolidate – our collective Corporate experience in NZ, Didipio and abroad
  - Strategy to have core team internal with a pool of external consultants and contractors
  - Maintain a pipeline of Projects in front of the Team:
    - Didipio expansion study to 5mtpa – start looking at this late 2012
    - Blackwater (Reefton) – 2013
    - Other future acquisitions (BD)

# Potential Project Schedule

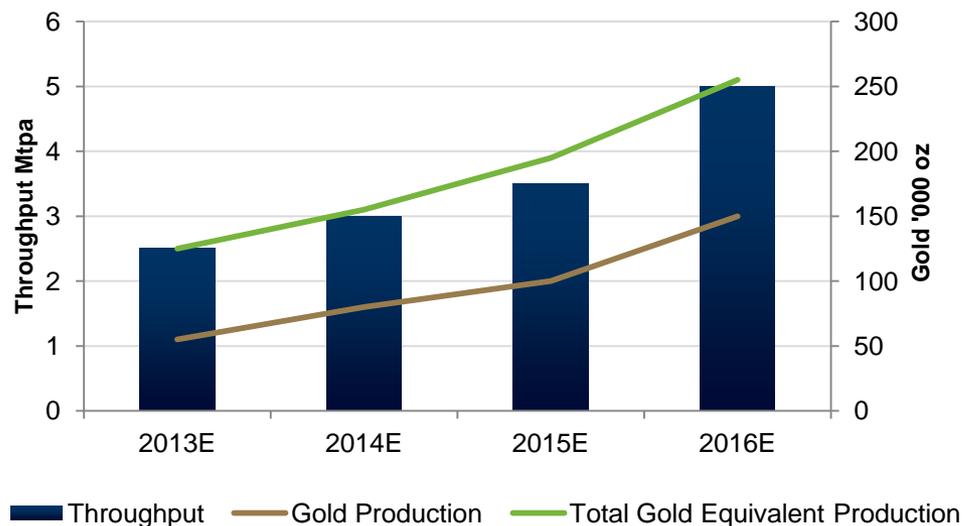


# Blackwater Feasibility (Reefton)



- Favourable results from initial drilling with potential for up to 650koz
- Feasibility study early 2013
- Potential to produce ~ 50 koz p.a. @ <US\$600 per oz.
- Mechanised mining
- Ore sorting
- 80% gravity gold
- Over 95% recovery

# Didipio Stage II Concept



Note: chart indicates conceptual throughput and production profile at current spot rates

- Increase plant capacity by more than 40% from 3.5 Mtpa to 5 Mtpa
- Increased production:
  - 150 koz Gold
  - 20 kt Copper
- Install additional ball mills, flotation, power supply, thickeners.
- Targeting 2013 for a Definitive feasibility study

# Project Execution Strategy

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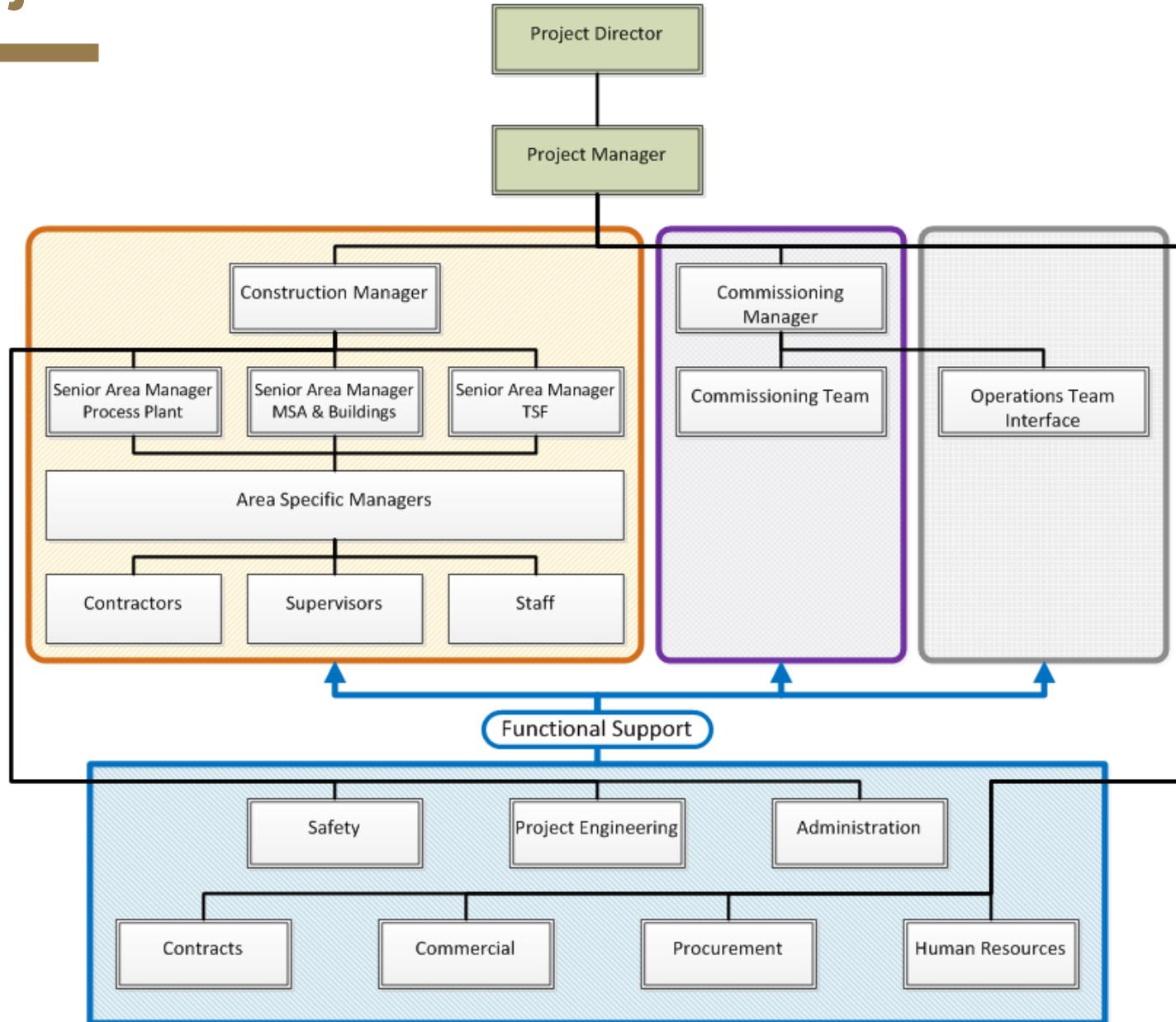
David Bickerton, Project Manager - Didipio

# Project Structure – Why It Works

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- **Owners Team with complete capacity** to manage all Design, Procurement, Contracts, Controls, Quality Assurance, Construction and Commissioning.
- Project personnel hand picked and remuneration can be very competitive to **secure high performers.**
- Owners Team Model **greater levels of accountability** within the work group.
- Direct Management of the Contracts and Construction provides capability to **manage field change quickly** and efficiently with direct reporting through to PM.
- Decision making involving cost and/or schedule **escalated quickly and resolved.** Decide and move on.

# Project Structure



# How to Build Didipio – Planning for Success

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- Plan was developed from Day 1 to meet the target for Q4, 2012 commissioning.
- Design Milestones – Set Milestones for design deliverables which provided enough time to tender Lump Sum Contract packages.
- Procurement of Major equipment – All Packages were given a deadline of 28 February 2012 for site (early delivery).
- Go with the Best – Inspect the premises and go with the best setup to do your work. Pay the premium to meet quality and schedule.
- Construct Late – Tender and build with approved for construction drawings. Do it once and do it right.

# Engineering & Design Management

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- Process Plant and Tailings Dam design completed March 2012
- Ancillary design for Power Lines, Mine Service and General Infrastructure completed June 2012.
- Design houses selected by OGPI based on capability and understanding of Didipio requirements.
- OGPI directly managed the design deliverables to set milestones to meet procurement and construction timeframe.
- **Site Engineering Group** developed to manage all Field Change and Contract Scope change utilising **skilled Filipino engineers** and draft persons.

# Project Schedule

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- Construction on schedule for first ore in the mill Q4, 2012. Critical path activity for the Process Plant is the construction of the Conveying System.
- Project critical path is the construction of the Tailings Facility – on target to meet commissioning.
- Initial Construction works faced challenges “getting out of the ground” during the last wet season. Key learnings from first wet season.

# Project Key Milestones

Task Name	1st Quarter 2011	2nd Quarter 2011	3rd Quarter 2011	4th Quarter 2011	1st Quarter 2012	2nd Quarter 2012	3rd Quarter 2012	4th Quarter 2012
Process Plant Design	■							
TSF Design	■							
Infrastructure Design		■						
Major Equipment Procurement			■					
Construction Camps			■					
Mine Services Area						■		
Tailings Storage Facility					■			
Process Plant				■				
Commissioning								■

# Commissioning Plan

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- Commissioning managed by Owners Team utilising core construction personnel and supplemented with specialist consultants and NZ operations personnel.
- Over Resource to ensure smooth commissioning.
- Team members have a vested interest in delivering the project for OGC as they work for the company they are doing it for. Reputation on the line.
- Specific resources have been locked in for extended contracts through and past commissioning into Ramp up.
- Robust Commissioning Systems and Procedures that have been developed specifically for Commissioning of this plant.

# Updated Photos of Didipio



Sag Mill Shell Erection



Grinding Cyclone Cluster Erection



Flotation Structural & Mechanical Erection in Progress



Raw Water Tank & Mechanical Erection in Progress



Tailings Thickener & Structural Erection in Progress



Primary Crusher

# Updated Photos of Didipio



Construction Pumps - TSF



Tailings Dam



Process Plant

# Capital Management Strategy

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Mick Wilkes, CEO & Managing Director

# Funding Requirements/ Strategy

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- **Major Funding Requirements within the next 24 months**
  - Completion of Didipio
  - Convertible notes Dec 2012 - A\$58m
  - Convertible notes Dec 2013 - A\$110m
- **Cash available at end of the 1<sup>st</sup> Quarter 2012 – US\$123m**
- **Funding Strategy**
  - Primarily focused on a revolving credit facility with a select group of international mining banks
    - Currently in final stages, with majority of banks already approved
    - Will provide replacement funding for convertible notes (2012 & 2013) + a working capital facility
  - Strong future cashflows in the future will put OGC in a good position to tap the lower cost capital debt markets

# Cash Flows – 2013 / 2014

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- Strong operating cash flows with Didipio proceeding to commercial production
  - Average US\$180M to \$230M p.a. Free cashflows.
  - Assumptions 2013/2014:
    - Gold Price/oz: \$1,600
    - Copper price/lb: US\$3.60
    - MOPS diesel/barrel: US\$130
  - After Capex, pre-strip and exploration

# Tax Considerations

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- Company is not expecting to pay cash income taxes in the next 4 to 5 years
  - Availability of tax losses in all jurisdictions to offset future taxable income
  - 5 years tax holiday granted by the Board of Investment in Philippines
- Utilisation of tax losses in New Zealand is subject to meeting some tests specified by the relevant tax legislations prevailing at the time. These tests are deemed currently satisfied.

# Capital Management Strategy

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- Balance funding for future growth with return to shareholders in the medium to long term
- Begin evaluating capacity in late 2013/2014 for dividends
- As part of capital management, OGC closely monitors the following:
  - Movements in exchange rates, interest rates and commodity prices (particularly the correlation between the NZD and USD gold price)
  - Risk characteristics of the company's mining assets
  - Impact of tax and regulatory regimes
  - Changes in economic circumstances
  - Need for financing or refinancing in line with future plans

# FTAA (Financial and Technical Assistance Agreement)

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- Executed by the President of the Philippines in 1994 -first such agreement (FTAA) in the Philippines – will be first such agreement to go into operation
- Cannot be amended unilaterally – subject to international arbitration
- FTAA grants title, exploration and mining rights within a fixed fiscal regime
  - Allows for recovery of pre-operating and property expenses over 5 years with balance amortising over further 3 years
  - This includes previous exploration, development & construction of the project
  - After recovery of the initial investment provides “Net Revenue” to be shared on a 60% Government / 40% OGC basis
  - OGC also holds a certificate for an income tax holiday over 6 year period from commencement of production

# FTAA (Financial and Technical Assistance Agreement)

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## Net Revenue Calculation

1. Revenue
  2. Less Operating costs
  3. Less Depreciation of post development capex (excluding Underground development)
  4. Less Underground mine development
- = Net Revenue (Up to 5 years +3 years amortising to recover the initial investment)

## Gross Government Share = 60%

1. Less 2% Royalty paid (local partner)
  2. Less 8% Free Carried Interest (local partner)
  3. Less 2% Excise Duty paid (government royalty)
  4. Less income Tax / Withholding Tax / other taxes paid
  5. Less community development costs
- = Net Government Share

# Looking Forward

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Mick Wilkes, CEO & Managing Director

# An International Mid-Tier Gold Producer

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## Revisiting the Strategy

- Steady Production in NZ generating cash flow
- Successfully build and expand Didipio
- Look for other opportunities to leverage our strengths

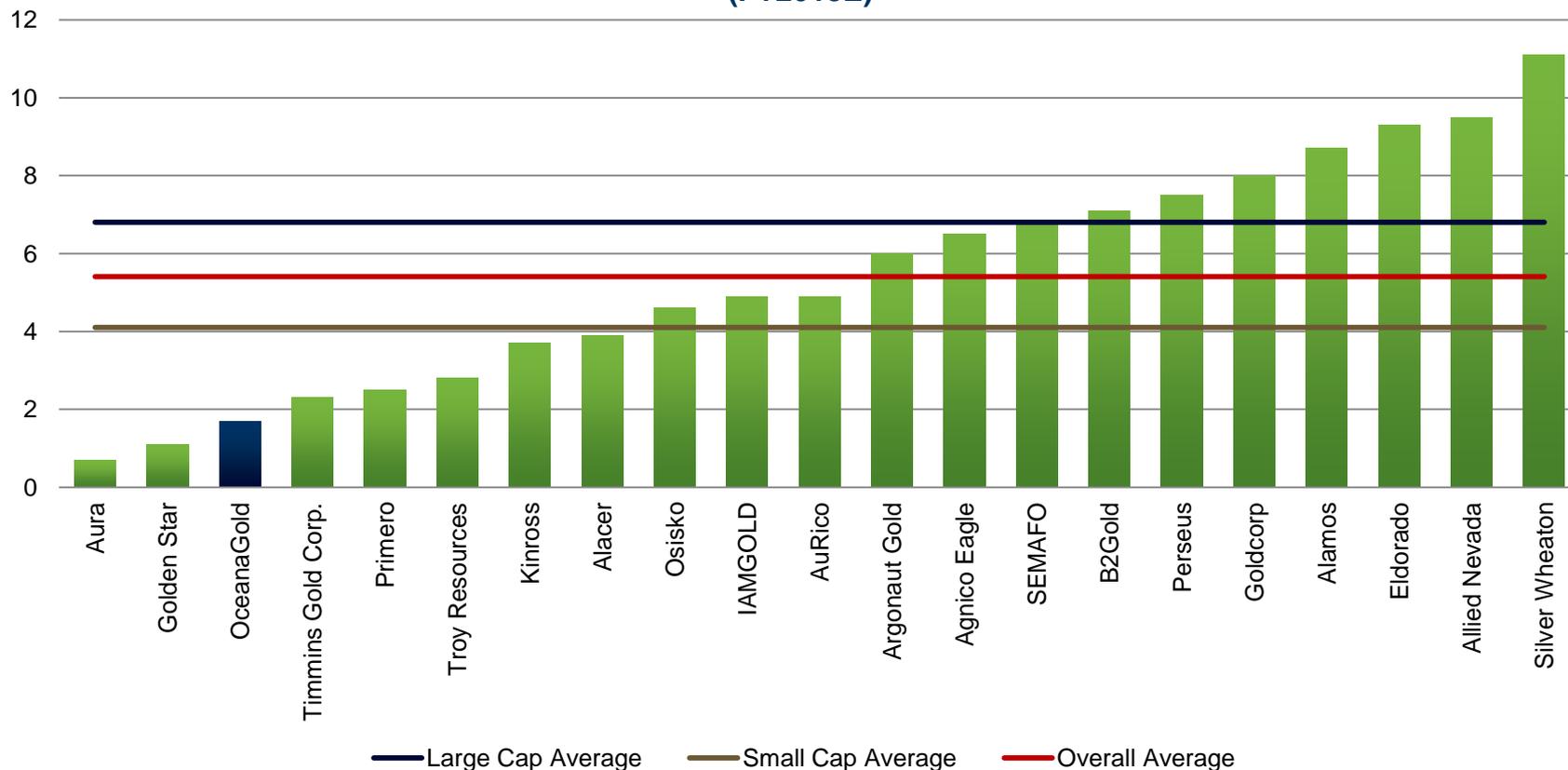
## Committed to becoming a Gold Producer of Choice

- Focus on sustainable development
- Attract the best and the brightest
- Become a partner of choice

A Compelling Investment with a Major Catalyst in the Near Term....

# A Focus on Cash Flow in the Gold Sector

Price/Cash flow per share  
(FY2013E)



Source: Bloomberg, Macquarie Research, 13 June 2012

# Thank you for Attending

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*Please Join us for a Drink and Casual Conversation*



[oceanagold.com](http://oceanagold.com)

Innovation  
Performance  
Growth

