



**ANNUAL INFORMATION FORM**

**For the Year Ended December 31, 2015**

**March 30, 2016**

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## **CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION**

Certain information and statements within this Annual Information Form may be deemed as “forward-looking statements” or “forward-looking information” within the meaning of applicable securities laws. All statements in this Annual Information Form, other than statements of historical fact, which address events or developments the Company expects to occur, are “forward looking statements” or “forward-looking information. “Forward looking” statements or information may include, but are not limited to, statements with respect to the future financial and operating performance of the Company, its subsidiaries and affiliated companies, its mining projects, outcome for the Pacific Rim arbitration (as described below), the future price of gold, the estimation of Mineral Reserves and Mineral Resources, the realisation of Mineral Reserves and resource estimates, costs of production, estimates of initial capital, sustaining capital, operating and exploration expenditures, costs and timing of the development of new deposits, costs and timing of the development of new mines, costs and timing of future exploration and drilling programs, timing of filing of updated technical information, anticipated production amounts, requirements for additional capital, governmental regulation of mining operations and exploration operations, timing and receipt of approvals, consents and permits under applicable mineral legislation, environmental risks, title disputes or claims, limitations of insurance coverage and the timing and possible outcome of pending litigation and regulatory matters. Often, but not always, forward-looking statements and information can be identified by the use of words such as “may”, “plans”, “expects”, “projects”, “is expected”, “budget”, “scheduled”, “potential”, “estimates”, “forecasts”, “intends”, “targets”, “aims”, “anticipates” or “believes” or variations (including negative variations) of such words and phrases, or may be identified by statements to the effect that certain actions, events or results “may”, “could”, “would”, “should”, “might” or “will” be taken, occur or be achieved. Forward-looking statements and information involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company and/or its subsidiaries and/or its affiliated companies to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, future prices of gold; general business, economic and market factors (including changes in global, national or regional financial, credit, currency or securities markets), changes or developments in global, national or regional political and social conditions; changes in laws (including tax laws) and changes in GAAP or regulatory accounting requirements; the actual results of current production, development and/or exploration activities; the outcome of any pending litigation and regulatory matters; the ability to obtain required consents, permits or approvals; conclusions of economic evaluations and studies; fluctuations in the value of the United States dollar relative to the Canadian dollar, the Australian dollar, the Philippines Peso or the New Zealand dollar; changes in project parameters as plans continue to be refined; possible variations of ore grade or recovery rates; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the mining industry; impacts arising from natural disasters, including extreme weather events; political instability or insurrection or war; labour force availability and turnover; adverse judicial decisions; delays in obtaining financing or governmental approvals, or in the completion of development or construction activities, or in the commencement of operations; as well as those factors discussed in the section entitled “Risk Factors” in this document. Readers are cautioned that the foregoing list of factors is not exhaustive. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements and information, there may be other factors that cause actual results, performance, achievements or events to differ from those anticipated, estimated or intended. Also, many of the factors are outside or beyond the control of the Company, its officers, employees, agents or associates. Forward-looking statements and information contained herein are made as of the date of this Annual Information Form and, subject to applicable securities laws, the Company disclaims any obligation to update any forward-looking statements and information, whether as a result of new information, future events or results or otherwise. There can be no assurance that forward-looking statements and information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements and information due to the inherent uncertainty therein. All forward-looking statements and information made herein are qualified by this cautionary statement. This Annual Information Form may use the terms “Measured”, “Indicated” and “Inferred” Resources. U.S. investors are advised that while such terms are recognised and required by Canadian regulations, the Securities and Exchange Commission does not recognise them. “Inferred Resources” have a great amount of uncertainty as to their existence and as to their economic and legal feasibility. It cannot be assumed that all or any part of an Inferred Resources will ever be upgraded to a higher category. Under Canadian rules, estimates of

Inferred Resources may not form the basis of feasibility or other economic studies. U.S. investors are cautioned not to assume that all or any part of Measured or Indicated Resources will ever be converted into reserves. U.S. investors are also cautioned not to assume that all or any part of an Inferred Resource exists, or is economically or legally mineable. This document does not constitute an offer of securities for sale in the United States or to any person that is, or is acting for the account or benefit of, any U.S. person (as defined in Regulation S under the United States Securities Act of 1933, as amended (the "Securities Act")) ("U.S. Person"), or in any other jurisdiction in which such an offer would be unlawful.

## 1. TECHNICAL DISCLOSURE

The estimates of Mineral Resources and Reserves contained in this Annual Information Form (“AIF”) were calculated as at December 31, 2015 and prepared in accordance with the standards set out in the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves dated December 2012 (the “JORC Code”) and in accordance with National Instrument 43-101 of the Canadian Securities Administrators (“NI 43-101”). The JORC Code is the accepted reporting standard for the Australian Stock Exchange Limited (“ASX”) and the New Zealand Stock Exchange Limited (“NZX”).

Unless stated otherwise, in respect of the mineral projects of the Company referred to in this AIF, the scientific and technical information (including disclosure regarding Mineral Resources and Mineral Reserves) is based upon the following NI 43-101 compliant technical reports (collectively, the “Technical Reports”):

- (a) “Technical Report for the Macraes Project located in the Province of Otago, New Zealand” dated February 12, 2010, prepared by R. Redden, Development and Technical Services Manager, and J.G. Moore, Group Mine Geology Manager, both of Oceana Gold (New Zealand) Limited (the “Macraes Technical Report”);
- (b) “Technical Report for the Reefton Project located in the Province of Westland, New Zealand” dated May 24, 2013, prepared by K. Madambi, Technical Services Manager and J. G. Moore, Chief Geologist, both of Oceana Gold (New Zealand) Limited (the “Reefton Technical Report”);
- (c) “Technical Report for the Didipio Gold / Copper Operation Luzon Island ” dated October 29, 2014, prepared by Simon Griffiths, General Manager of Studies, Jonathan Moore, Chief Geologist, both of Oceana Gold (New Zealand) Limited, and Michael Holmes, Chief Operating Officer of OceanaGold Corporation (the “Didipio Technical Report”).
- (d) “Technical Report for the Waihi Gold Mine, New Zealand” dated November 23, 2015, prepared by T. Maton, Study Manager, D. Bertoldi, Processing Manager and P. Church, Principal Resource Development Geologist, all of Oceana Gold (New Zealand) Limited (the “Waihi Technical Report”); and
- (e) “Technical Report for the Haile Gold Mine Project, South Carolina” dated October 13, 2015, prepared by J. Marek, J. Snider, E. L. Patterson, L. “Pat” Gochnour, and C. Burkhalter (the “Haile Technical Report”).

Messrs Bertoldi, Church, Griffiths, Madambi, Maton, and Moore are full-time employees of the Company’s subsidiary, Oceana Gold (New Zealand) Limited. Mr Holmes is a full-time employee of OceanaGold Corporation. Mr Redden was a full time employee of Oceana Gold (New Zealand) Limited until February 2012. Mr Marek, who is a Registered Member of the Society for Mining Metallurgy & Exploration, is an employee (and President) of Independent Mining Consultants, Inc. Ms Patterson is a full time employee of M3 Engineering & Technology Corporation. Mr Snider was a full time employee of M3 Engineering & Technology Corporation at the time of releasing the Haile Technical Report, and Mr Gochnour is full time employee of Gochnour & Associates Inc., and Mr Burkhalter is full time employee of NewFields Mining Design & Technical Services LLC. All such persons are “qualified persons” for the purposes of NI 43-101.

Reference is made to the Company’s Technical Reports which have been filed with the Canadian securities regulatory authorities and are available for review electronically from the Canadian System for Electronic Document Analysis and Retrieval (“SEDAR”) at [www.sedar.com](http://www.sedar.com) under the Company’s profile.

Where the Mineral Reserve and Mineral Resource estimates of the Company’s Reefton, Macraes, Waihi and Didipio operations set out in this AIF differ from those set out in the Technical Report for the relevant property, such differences arise from updates to such Mineral Reserve and Mineral Resource estimates as a result of either depletion through production, addition due to exploration activities or revised economic assumptions. Any

updates of Mineral Resources for Macraes, Reefton and Blackwater were updated by S. Doyle while the updates of Mineral Resources for Waihi were prepared under the supervision of P. Church. S. Doyle is a full-time employee of Oceana Gold (New Zealand) Limited. The updates of Mineral Resources for Didipio were prepared under the supervision of J. G. Moore. The updates of Mineral Reserves for Macraes and Reefton were prepared by, or under the supervision of, K. Madambi, while the Mineral Reserves for Waihi were prepared under the supervision of Trevor Maton. The Mineral Reserves for Didipio were prepared under the supervision of C. Fawcett. C. Fawcett is a full-time employee of OceanaGold (Philippines) Inc. P. Church, S. Doyle, C. Fawcett, K. Madambi, T. Maton 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. S. Doyle is also a member of the Australian Institute of Geoscientists. All such persons are “qualified persons” for the purposes of NI 43-101 and have sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a “competent person” as defined in the JORC Code.

Messrs Church, Doyle, Fawcett, Madambi, Marek, Maton and Moore consent to inclusion in this AIF of the matters based on their information in the form and context in which it appears. The estimates of Mineral Resources and Reserves contained in this AIF are based on, and fairly represent, information and supporting documentation prepared by the named qualified and competent persons.

Scientific and technical information in this AIF not contained in the Technical Reports has been reviewed, approved and verified by the persons listed above, each of whom is a “qualified person” for the purposes of NI 43-101 and having sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a “competent person” as defined in the JORC Code.

The environmental matters disclosed in this AIF include events and circumstances subsequent to the preparation of the Technical Reports. To this extent, such disclosures are based on the Company’s own knowledge.

## **2. BASIS OF PRESENTATION**

Unless the context otherwise requires, references to “OGC”, “OceanaGold”, the “Company”, “we”, “us” or “our” include OceanaGold Corporation and each of its subsidiaries (save that, where appropriate, Oceana Gold Limited is defined separately as “OGL”).

Please refer to the “Technical Glossary” for the meanings of certain technical terms used in this AIF. Where applicable, terms with a technical meaning related to mineral extraction are defined by the Canadian Institute of Mining, Metallurgy and Petroleum (“CIM”) – Definitions and Guidelines adopted by the CIM Council on August 20, 2000, as those definitions may be amended from time to time by the CIM (the “CIM Standards”).

All references to Mineral Reserves and Mineral Resources are references to the gross Mineral Reserves and Mineral Resources per project or property, unless reference is made to “attributable” mineral reserves and/or Mineral Resources which refers only to the Company’s attributable portion of the Mineral Reserves and Mineral Resources on any project or property. All information with respect to Mineral Resources and Reserves is reported in accordance with NI 43-101 and the CIM Standards and, unless otherwise indicated, is also consistent with the JORC Code.

For the year ended December 31, 2015 and for the comparative prior periods identified in this AIF, the Company prepared its financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (“IFRS”). The audited consolidated financial statements of the

Company for the year ended December 31, 2015 (the “Consolidated Financial Statements”) are available electronically at [www.sedar.com](http://www.sedar.com).

### 3. CURRENCY AND EXCHANGE RATES

Unless otherwise indicated, the information in this AIF is given as of December 31, 2015. All amounts in this AIF are expressed in United States dollars unless otherwise indicated. References to “C\$” are to Canadian dollars, “A\$” are to Australian dollars, “NZ\$” are to New Zealand dollars and “PHP” are to Philippine Pesos.

The following table sets forth market indicative exchange rates for the previous five calendar years.

		AUD:USD	CAD:USD	NZD:USD	PHP:USD
2015	End rate	0.7286	0.7226	0.6831	0.0213
	Average rate	0.7523	0.7831	0.7001	0.0220
	High	0.8223	0.8613	0.7836	0.0227
	Low	0.6908	0.7164	0.6259	0.0211
2014	End rate	0.8175	0.8605	0.7797	0.0224
	Average rate	0.9023	0.9057	0.8305	0.0225
	High	0.9497	0.9406	0.8823	0.0231
	Low	0.8105	0.8570	0.7653	0.0220
2013	End rate	0.8917	0.9414	0.8214	0.0226
	Average rate	0.9679	0.9712	0.8205	0.0236
	High	1.0598	1.0171	0.8634	0.0246
	Low	0.8861	0.9340	0.7709	0.0224
2012	End rate	1.0394	1.0034	0.8288	0.0244
	Average rate	1.0357	1.0003	0.8100	0.0237
	High	1.0809	1.0315	0.8463	0.0245
	Low	0.9701	0.9592	0.7500	0.0226
2011	End rate	1.0108	0.9788	0.7701	0.0228
	Average rate	1.0339	1.0116	0.7924	0.0231
	High	1.1025	1.0608	0.8775	0.0238
	Low	0.9477	0.9438	0.7184	0.0224

### 4. CORPORATE STRUCTURE

#### 4.1 OceanaGold Corporation

The registered office address of OceanaGold Corporation is 2900-550 Burrard Street, Vancouver, British Columbia, V6C 0A3, Canada. The head office address of the Company is Level 14, 357 Collins Street, Melbourne, Victoria, 3000, Australia.

OGC is a multinational gold mining and exploration company that has (taken together with OGL) been listed on the ASX and the main board equity security market operated by the NZX since 2004 and on the Toronto Stock Exchange (“TSX”) since June 27, 2007.

In 2007, OGC was incorporated under the *Business Corporations Act* (British Columbia) as the Canadian holding company for the purpose of carrying on the business of Oceana Gold Limited pursuant to a court-approved arrangement under Australian law.

OGC's asset portfolio consists of the following major projects:

- the Macraes Operations (or "Macraes"), which include the operating Macraes open pit gold mines and Frasers underground gold mine;
- the Didipio Operations (or "Didipio" or "Didipio Project"), which include an open pit that commenced commercial production on April 1, 2013, and an underground mine that is currently being developed;
- the Waihi Gold Mine Operation (or "Waihi"), which includes the Martha open pit and Correnso underground gold mine that is currently under construction; and
- the Haile Gold Mine Project (or "Haile" or "Haile Gold Mine" or "Haile Operations"), which is expected to commence commercial production in early 2017.

The Reefton Operations (or "Reefton" or "Reefton Project"), which include the Globe Progress open pit gold mine were put into care and maintenance at the start of 2016.

The Company's ownership structure consists of three primary wholly owned subsidiary entities which house its assets:

- OceanaGold (Singapore) Pte. Ltd. – Holds the Company's interests and operations in the Philippines;
- Oceana Gold Limited – Holds the Company's interests and operations in New Zealand; and
- Romarco Minerals Inc. – Holds the Company's interests and assets in the Haile Gold Mine Project in the USA.

In 2015, OGC produced:

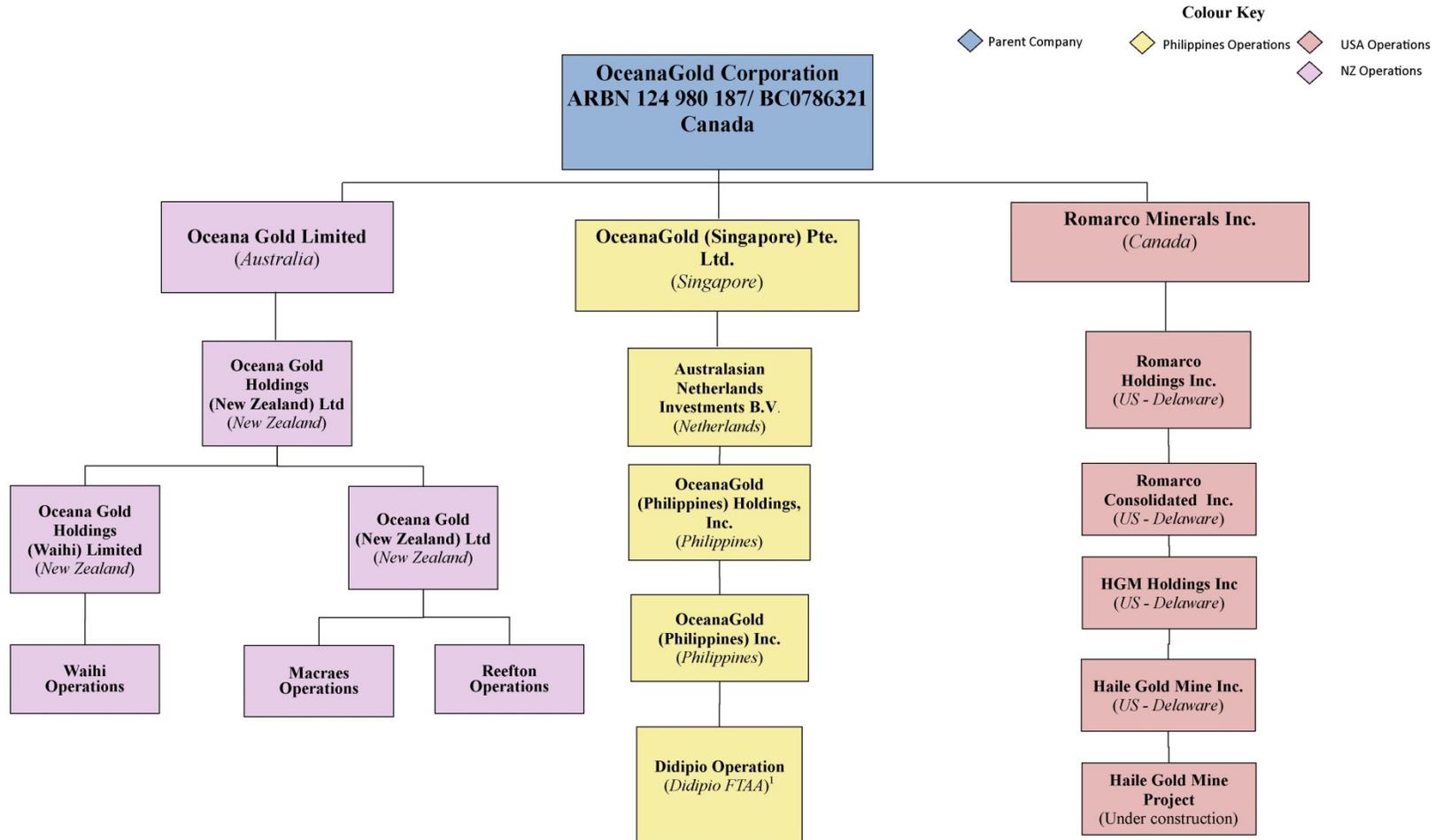
- 222,093 ounces of gold with gold sales of 209,181 ounces at a cash cost of US\$737 per ounce sold from the Macraes and Reefton goldfields.
- 69,973 ounces of gold with gold sales of 68,268 ounces at a cash cost of US\$399 per ounce sold from the Waihi goldfield<sup>1</sup>;
- 127,086 ounces of gold with gold sales of 123,901 ounces at a cash cost of US\$17 per ounce sold from the Didipio goldfield.

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<sup>1</sup> The Company's economic interest in the Waihi Operation accrued to OceanaGold from July 1, 2015, however, the Company included Waihi in its consolidated financial results as from the date of legal close, being October 30, 2015.

## 4.2 Incorporate Relationships

As at the date of publication, the Company's material assets are owned through a series of primary subsidiaries, as shown on the organisational chart below. A full listing is contained in "Appendix B". All subsidiaries, operations and projects referred to in the chart are 100% owned, unless otherwise noted.



<sup>1</sup> The Company currently holds a 100% interest in the Didipio Operation (save that the Financial or Technical Assistance Agreement provides a family syndicate with the right to an 8% interest during the operating phase, after recovery of all pre-operating costs).

## 5. GENERAL DEVELOPMENT OF THE BUSINESS

In 2015, the Company continued to maintain itself as a low-cost, multinational, mid-tier gold producer through a series of acquisitions: the Waihi Gold Mine Operation from Newmont Mining Corporation (“Newmont”) and the all-scrip acquisition of Romarco Minerals Inc. (“Romarco”) that brought the Haile Gold Mine Project into the portfolio. These acquisitions have now positioned the Company to generate strong cash flows and the Company hopes it will allow the Company to continue delivering meaningful returns to investors. The Company also diversified its geographic asset base through further expansion into the Americas through the addition of the Haile Gold Mine Project, which increased its compounded annual production growth rate and further lowered its cost base.

On October 1, 2015, OGC announced the successful completion of a statutory plan of arrangement (the “Romarco Arrangement”) under the *Business Corporations Act* (British Columbia) pursuant to which it acquired all the issued and outstanding common shares of Romarco Minerals Inc. (“Romarco”). Under the terms of the Romarco Arrangement, Romarco shareholders received 0.241 of a common share of OGC (the “Common Shares”) for each Romarco common share held. In addition, each outstanding common share purchase option of Romarco was exchanged for a replacement option to purchase Common Shares based on the same exchange ratio of 0.241. Upon completion of the Romarco Arrangement, Romarco became a wholly owned subsidiary of OGC. Romarco’s principal asset is the Haile Gold Mine Project, currently under construction in South Carolina, United States.

Further to the above, on October 30, 2015, OGC also completed the acquisition of the Waihi Gold Mine Operation. The Company’s wholly owned subsidiary, Oceana Gold Holdings (Waihi) Limited, entered into a Share Purchase Agreement (the “Waihi Agreement”) with Newmont Mining Corporation (“Newmont”) to acquire 100% of the shares of Newmont’s wholly owned subsidiary, Newmont Waihi Gold Limited (subsequently renamed Oceana Gold (Waihi) Limited). Oceana Gold (Waihi) Limited and its wholly owned subsidiary, Waihi Gold Company Limited (“WGCL”), are holders of permits and interests in the Waihi Gold Mine Operation in Waihi, New Zealand.

In addition to these transactions, the Company announced a strategic investment in TSX Venture-listed Gold Standard Ventures (“GSV”) during 2015. GSV currently owns the second largest land package in the Carlin Trend. Drilling at its Railroad-Pinion project has delivered encouraging results and further drilling is planned for 2016.

For 2015, the Company achieved a record annual gold output with 419,153 ounces produced, which also exceeded the full year guidance range of 380,000 to 410,000 ounces of gold, the third consecutive year the Company exceeded its gold production guidance. For the year, the Company produced 23,109 tonnes of copper. The Company continued to lower its consolidated cost base with significantly lower costs at its Macraes and Reefton operations and through the addition of low-cost ounces from its newly acquired Waihi mine.

At the Didipio Operations in the Philippines, the Company reported record annual gold production of 127,086 ounces and All-In Sustaining Costs (“AISC”) of \$17 per ounce and \$382 per ounce, respectively on sales of 123,901 ounces of gold. For 2015, the Company produced 23,109 tonnes of copper and recorded sales of 22,764 tonnes. The year-on-year increase in gold production was due mainly to higher mill feed following a record annual throughput of 3.58 million tonnes of ore processed. In December 2015, the Company also completed commissioning of the power grid connection and as a result, the operation is now operating on grid power.

Also at Didipio in 2015, the Company commenced construction of the underground mine with the development of the portal in March and the advancement of the underground decline throughout the year. The Company continues to advance the development to first underground ore processed in late 2017.

In New Zealand, the Company continued to operate its Macraes and Reefton mines cost effectively and collectively produced 222,093 ounces of gold at AISC of \$961 per ounce which compares to \$1,255 per ounce for the previous year. The significant reduction in costs is a result of a weaker New Zealand dollar and lower fuel costs as well as less waste mined at Reefton. In 2015, the New Zealand dollar weakened by approximately 25% year-on-year resulting in strong margins for the operations.

As a result of the weaker dollar and successful near-mine drilling, the Company initiated a comprehensive exploration program across the 35km strike length in the Macraes Hyde Shear Zone. Under the exploration program, the Company is targeting existing and past open pit operations as well as in the underground down dip of the mine phase at Frasers for additional resources. Throughout 2015, the Company announced drill results at Macraes including encouraging results at Coronation North located just north of the Coronation open pit. In November 2015, the Company announced a maiden resource at Coronation North. Further drilling is planned in 2016 at Coronation North and other targets within the Macraes Hyde Shear Zone.

At Reefton, mining operations ceased in the third quarter of 2015 with the completion of the final cutback of the open pit. By the end of 2015, the Company was processing only stockpiled ore which continued into 2016. At the end of February 2016, the Reefton operation transitioned into care and maintenance. Over the next few years, the Company will continue rehabilitating areas of the operation that will not be required for any future mining operations and will maintain the care and maintenance phase pending an improvement to the gold price.

In 2016, the Company entered into additional gold hedging programs at Macraes with the implementation of additional zero-cost collar hedges on all of the gold production at the operation in 2016 and 2017. Additionally, the Company entered into diesel fuel hedging to cover 90% of its diesel fuel consumption for 2016 & 2017 taking advantage of depressed oil prices.

On July 1, 2015, the Company took economic ownership of the Waihi Gold Mine and on October 30, 2015, the Company completed the Waihi transaction with Newmont and took full ownership of the asset. In the second half of 2015, the Waihi Operation produced 69,973 ounces of gold attributable to OceanaGold.

As at December 31, 2015, the Waihi Operation had a mine life out to 2019. In the fourth quarter of 2015, the Company commenced a comprehensive exploration program at Waihi to test below the current workings at Correnso and at other underground targets such as Daybreak and Empire. Initial results from underground drilling have demonstrated significant intercepts that are consistent with the grades and widths mined currently from the underground at Correnso.

For 2016, the Company anticipates it will spend approximately US\$10 million on brownfields and greenfields exploration, testing both surface and underground targets. Additionally, the Company plans to commence an optimisation study to investigate reducing costs while increasing productivity in a safe and sustainable manner.

In late 2015, key personnel from OceanaGold relocated to South Carolina to complement and support the development of the Haile Gold Mine. Over a period of three months, the Company utilised its 25 year operating and development experience to further enhance the Haile Gold Mine design. The Company expects to process first ore through the mill by the end of 2016 and commence commercial production in early 2017.

During 2015, the Board of Directors established a dividend policy that includes an ordinary dividend of \$0.02 per share paid annually plus a discretionary amount that would be based on the profitability of the Company and requirements for growth capital investments. In relation to the year ended December 31, 2014, the Board of Directors declared a dividend payment of \$0.04 per share. In relation to 2015, the Board of Directors maintained the \$0.04 per share dividend payment

For 2016, the Company will continue with its growth capital program which primarily includes the development of the Haile Gold Mine and the underground mine at Didipio. The Company will also execute on its most extensive exploration program in its history with significant drilling predominately at Haile and Waihi.

The Company continues to identify organic and external growth opportunities that would further enhance shareholder wealth. The Company will remain disciplined in its use of capital and investing in growth opportunities and will convert opportunities that align with the corporate strategy of investing in high quality assets.

## **6. DESCRIPTION OF BUSINESS**

### **6.1 Business Strategy**

OceanaGold's vision is to be a mid-tier, multinational gold producer delivering superior shareholder returns in a safe and sustainable manner by developing and operating high quality assets. In 2015, the Company made significant steps towards achieving this vision and will continue to work towards maintaining its status as a low cost gold producer.

The Company is focused on maximizing the profitability of its current assets while operating to the highest health, safety, and environment and community standards. The Company is focused on increasing gold production through optimisation of its existing assets, undertaking extensive exploration and through low cost investment in organic growth opportunities. The Company will continue to leverage 25 years of operating experience and its breadth of technical and social experience to identify new value-add opportunities in the Asia-Pacific and Americas regions.

Additionally, the Company expects to:

- develop the Haile Gold Mine and bring it into commercial production by early 2017;
- increase the resource and reserve base at each of its operations while identifying new exploration targets to further increase the Company's resource base;
- focus on increasing productivity and identifying efficiencies at its Didipio Operations in Luzon, Philippines;
- focus on maximizing profitability to ensure a sustainable business in New Zealand;
- strengthen its balance sheet;
- invest in high quality, low cost reserves through judicious capital spending;
- work closely with its valued stakeholders in the United States, the Philippines, New Zealand and El Salvador and its diverse group of shareholders; and
- be the partner, employer and gold company of choice.

OceanaGold may also pursue other growth opportunities via accretive transactions of high quality, low cost exploration, development and/or producing assets that would complement its existing portfolio of assets.

## 6.2 Production and Operations

The table below summarises the total production and operating information for the year ended December 31, 2015.

	First Quarter 2015	Second Quarter 2015	Third Quarter 2015	Fourth Quarter 2015	Year Ended 2015	Year Ended 2014	Year Ended 2013
<b>Group Production<sup>1</sup></b>							
Gold Produced (ounces)	91,146	85,853	120,664	119,500	419,153	307,463	325,732
Copper Produced (tonnes)	6,102	6,197	5,219	5,591	23,109	25,010	23,059
Silver Produced (ounces)	73,251	75,753	59,449	65,855	274,308	291,889	254,530
Gold Sold (ounces)	86,234	82,890	106,980	125,246	401,350	318,972	308,081
Copper Sold (tonnes)	6,245	5,438	5,484	5,597	22,764	25,886	21,290
Silver Sold (ounces)	63,646	67,007	66,153	50,901	247,707	307,211	254,530
Cash operating cost (US\$/oz)	402	549	451	441	458	418	426 <sup>2,3</sup>
Average Gold Price received (US\$/oz)	1,195	1,185	1,090	1,086	1,136	1,273	1,382 <sup>3</sup>
Average Copper Price Received (\$/lb)	2.24	2.67	2.34	2.16	2.35	3.11	3.23 <sup>3</sup>
<b>Didipio, Philippines<sup>2</sup></b>							
Gold Produced (ounces)	35,122	30,041	28,829	33,094	127,086	106,256	66,277
Copper Produced (tonnes)	6,102	6,197	5,219	5,591	23,109	25,010	23,059
Silver Produced (ounces)	73,251	75,753	59,449	65,855	274,308	291,889	254,530
Mill Feed (dry milled tonnes)	831,772	938,319	905,880	905,500	3,581,471	3,111,516	2,578,295
Mill Feed Grade Gold (grams/tonnes)	1.45	1.13	1.11	1.27	1.24	1.19	0.94
Mill Feed Grade Copper (%)	0.76	0.70	0.62	0.65	.68	0.86	0.98
<b>Macraes, NZ</b>							
Gold Produced (ounces)	38,535	35,895	38,523	37,924	150,877	153,510	198,820
Mill Feed (dry milled tonnes)	1,557,345	1,528,269	1,422,434	1,456,788	5,964,836	5,669,729	5,811,868
Mill Feed Grade (grams/tonnes)	0.96	0.92	1.05	0.99	0.98	1.01	1.30
<b>Reefton, NZ</b>							
Gold Produced (ounces)	17,489	19,917	20,315	13,495	71,216	47,697	60,635
Mill Feed (dry milled tonnes)	480,087	441,473	460,341	455,169	1,787,075	1,430,599	1,478,349
Mill Feed Grade (grams/tonnes)	1.56	1.67	1.66	1.10	1.51	1.26	1.57
<b>Waihi, NZ<sup>4</sup></b>							
Gold Produced (ounces)	N/A	N/A	32,997	34,987	69,973	N/A	N/A
Mill Feed (dry milled tonnes)			135,269	148,304	282,658		
Mill Feed Grade (grams/tonnes)			8.93	8.03	8.46		

\*Note: The Company's consolidated financial statements and Management Discussion & Analysis for the year ended December 31, 2015 are incorporated by reference to this AIF and the information in the above table is derived from these sources.

1. This includes the actual results for Waihi Gold for the six months and three months ended December 31, 2015. This disclosure is for information purposes only, reflecting what the costs would have been, had the legal close of the Waihi Gold acquisition been on July 1, 2015.
2. Net of by-product credits
3. Commercial production was declared effective April 1, 2013 at Didipio and operating costs net of revenue received prior to this date were capitalised. As such, Didipio's 2013 average commodity prices and cash costs reflect the gold ounces and copper tonnes sold and costs from April 1, 2013 to December 31, 2013.
4. The Waihi statistics were revised following the Company taking legal ownership of the Waihi mine and reviewing in detail the operating statistics for the period in which OceanaGold held economic ownership. The economic interest from Waihi began accruing to OceanaGold effective July 1, 2015. Legal close occurred on October 30, 2015, at which point, the results started to be reported in OceanaGold's consolidated financial statements. Disclosure is for information only.

## 6.3 Resources and Reserves

The Company has estimated Mineral Resources and Mineral Reserves for its Macraes, Reefton, Waihi, Didipio and Haile Operations and Mineral Resources for its El Dorado property as shown below as at December 31,

2015. The Company also has minority interests in the Sams Creek Project on the South Island, New Zealand and Gold Standard Ventures Corp. in Nevada, USA.

The key drivers of change to the resource inventory this year include:

- The acquisition of the Waihi and Haile Operations;
- Mining depletion at Macraes, Reefton, Waihi and Didipio;
- First time reporting of the Coronation North resource at Macraes;
- Removal of part of the Frasers Open pit resource due to failure of the west wall of the pit;
- The acquisition of a 19.9% interest in Gold Standard Ventures Corp. (15.2% as at December 31, 2015, with an additional interest of 4.7% being acquired subsequent to the end of the 2015 financial year);
- Resource updates for a number of deposits; and
- Resources constrained to NZD\$2,200 pit optimisation inclusive of Inferred Resource.

The resource reporting cut-off grades at Macraes and Reefton are based on US\$1,100 /oz gold and NZD/USD FX rate of 0.70.

Given the estimated 16 year mine life at Didipio, and the longer term potential for cost reductions and gold / copper price increases, the Didipio reported resources are based on US\$1,300/oz gold and US\$3.33/lb for the open pit mine and US\$1,450/oz gold and US\$3.80/lb copper for the underground mine.

Haile open pit resources are based on a US\$1,200 /oz gold price.

The El Dorado resources were last reported in 2008 by Pacific Rim Mining Corp. ("Pacific Rim") based on US\$980/oz gold and US\$20/oz silver. Mining, processing and associated costs and price assumptions are currently being reviewed.

### **MINERAL RESOURCES (as at December 31, 2015)**

PROJECT AREA	MEASURED				INDICATED				MEASURED & INDICATED								INFERRED RESOURCE							
	Mt	Au g/t	Ag g/t	Cu %	Mt	Au g/t	Ag g/t	Cu %	Mt	Au g/t	Au Moz	Ag g/t	Ag Moz	Cu %	Cu Mt	Mt	Au g/t	Au Moz	Ag g/t	Ag Moz	Cu %	Cu Mt		
MACRAES Open Pit	19.9	1.12	.	.	65.3	0.93	.	.	85.2	0.97	2.66	.	.	.	39.8	0.8	1.0	.	.	.	.	.		
MACRAES Underground	4.7	3.04	.	.	7.0	2.13	.	.	11.7	2.49	0.93	.	.	.	8.8	1.7	0.5	.	.	.	.	.		
REEFTON	1.4	1.70	.	.	6.5	1.49	.	.	8.0	1.53	0.39	.	.	.	1.4	1.2	0.1	.	.	.	.	.		
BLACKWATER	.	.	.	.	.	.	.	.	.	.	.	.	.	.	0.9	23	0.7	.	.	.	.	.		
SAMS CREEK	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.		
WAIHI Open Pit	0.2	3.05	30.5	.	0.7	2.91	29.1	.	0.8	2.94	0.08	29.4	0.77	.	.	.	.	.	.	.	.	.		
WAIHI Underground	0.3	10.1	17.1	.	1.0	6.38	10.9	.	1.4	7.30	0.32	12.4	0.55	.	0.2	5.0	0.03	8.7	0.1	.	.	.		
DIDIPIO Open Pit	19.3	0.66	2.4	0.39	15.3	0.61	2.1	0.33	34.6	0.64	0.71	2.2	2.48	0.36	0.13	4.8	0.5	0.1	1.4	0.2	0.2	0.01		
DIDIPIO Underground	2.6	2.49	2.6	0.48	17.6	1.71	2.3	0.46	20.2	1.81	1.18	2.3	1.50	0.46	0.09	6.7	1.3	0.3	1.3	0.3	0.4	0.02		
EL DORADO	0.8	11.30	75.7	.	3.5	9.00	67.5	.	4.3	9.42	1.30	69.0	9.49	.	0.8	9.4	0.3	71	1.9	.	.	.		
HAILE Open Pit	36.8	1.78	.	.	33.6	1.68	.	.	70.3	1.73	3.92	.	.	.	19.4	1.1	0.7	.	.	.	.	.		
HAILE Underground	0.1	4.41	.	.	0.7	4.39	.	.	0.8	4.39	0.12	.	.	.	0.7	4.2	0.1	.	.	.	.	.		
<b>TOTAL</b>	<b>86.0</b>	<b>1.59</b>	.	.	<b>151.2</b>	<b>1.48</b>	.	.	<b>237.2</b>	<b>1.52</b>	<b>11.6</b>	.	<b>14.8</b>	<b>0.22</b>	<b>83.6</b>	<b>1.4</b>	<b>3.7</b>	.	<b>2.5</b>	.	<b>0.03</b>	.		

Notes:

Mineral Resources include Mineral Reserves.

Macraes open pit resources are reported to 0.4 g/t Au cut-off within a NZ\$2,200/oz gold price pit shell while underground resources are geologically constrained. The Reefton Project was put on care and maintenance in February 2016. Open pit resources reported to a 0.5 g/t Au cut-off within a NZ\$2,200/oz gold price pit shell.

The Waihi open pit resources are reported to a 0.5 g/t Au cut-off within a pit design to the 890mRL. The underground resources are based on a NZ\$1,857/oz gold price.

For Didipio, open pit resources are reported at a 0.50 g/t EqAu cut-off above the 2,460mRL and underground resources at a 1.12 g/t cut-off below the 2,460mRL. - No resource reported below 2,070mRL. For the open pit resources, the EqAu cut-off is gold equivalent based on US\$1,300/oz gold and US\$3.33/lb copper.

- For the underground resources, the EqAu cut-off is gold equivalent based on US\$1,450/oz gold and US\$3.80/lb copper

Haile open pit resources are reported to a 0.41 g/t Au cut-off within a US\$1,200/oz gold price pit shell while underground resources are reported to a 2.74 g/t Au cut-off.

El Dorado resources are reported to a 4.0 g/t AuEq cut-off based on 2008 assumptions of US\$980/oz and US\$20/oz silver. The El Dorado property is not material to the Company.

- Please refer to Oceana's press release dated October 8, 2013 and below in this AIF for further information on the status of the permit applications and arbitration relating to the El Dorado property.

## MINORITY INTEREST IN ASSETS (as at December 31, 2015)

ASSET	MEASURED				INDICATED				MEASURED & INDICATED							INFERRED RESOURCE						
	Mt	Au g/t	Ag g/t	Cu %	Mt	Au g/t	Ag g/t	Cu %	Mt	Au g/t	Au Moz	Ag g/t	Ag Moz	Cu %	Cu Mt	Mt	Au g/t	Au Moz	Ag g/t	Ag Moz	Cu %	Cu Mt
SAMS CREEK	.	.	.	.	2.0	1.77	.	.	2.0	1.77	0.11	.	.	.	2.0	1.3	0.1	.	.	.	.	.
GSV	.	.	.	.	3.2	0.63	.	.	3.2	0.63	0.06	.	.	.	12.0	0.6	0.2	.	.	.	.	.
<b>TOTAL</b>	.	.	.	.	<b>5.2</b>	<b>1.07</b>	.	.	<b>5.2</b>	<b>1.07</b>	<b>0.18</b>	.	.	.	<b>14.0</b>	<b>0.7</b>	<b>0.3</b>	.	.	.	.	.

**Notes:**

OceanaGold's interest in the Sams Creek Project has reduced from 40% to 20%. The tabulated resource is factored by the percentage ownership.

As at December 31, 2015, OceanaGold held 15.2% of the issued and outstanding shares in Gold Standard Ventures Corp ("GSV"), which owns the Dark Star and Pinion deposits in Nevada, USA.

- The tabulated resource is based on resource as reported by GSV, and factored by OceanaGold's 15.2% equity ownership in that company.
- On February 10, 2016, OceanaGold extended its equity ownership in GSV from 15.2% to 19.9% following the purchase of an additional 12,565,265 GSV shares.
- GSV reports that the Pinion Project also includes 77 Mt @ 3.8 g/t Ag for 9.43 Moz of silver which is classified as Inferred Resource.

The key drivers of change to reserve inventory this year include:

- The acquisition of the Waihi and Haile Operations;
- Mining depletion at Macraes, Reefton, Waihi and Didipio;
- First time reporting of the Coronation North reserve at Macraes; and
- Reserve updates for a number of deposits.

## MINERAL RESERVES (as at December 31, 2015)

AREA	PROVEN				PROBABLE				PROVEN & PROBABLE						
	Mt	Au g/t	Ag g/t	Cu %	Mt	Au g/t	Ag g/t	Cu %	Mt	Au g/t	Au Moz	Ag g/t	Ag Moz	Cu %	Cu Mt
MACRAES Open Pit	13.3	1.07	.	.	18.2	1.05	.	.	31.5	1.06	1.07	.	.	.	.
MACRAES Underground	0.8	2.72	.	.	0.9	2.42	.	.	1.8	2.56	0.15	.	.	.	.
REEFTON	1.4	1.71	.	.	4.6	1.41	.	.	6.0	1.48	0.29	.	.	.	.
WAIHI Open Pit	0.2	3.05	30.5	.	0.7	2.89	29.1	.	0.8	2.92	0.08	29.4	0.77	.	.
WAIHI Underground	0.3	9.99	17.0	.	1.0	6.19	10.5	.	1.3	7.17	0.30	12.2	0.52	.	.
DIDIPIO Open Pit	19.0	0.65	2.4	0.39	9.3	0.71	2.1	0.41	28.2	0.67	0.61	2.3	2.07	0.39	0.11
DIDIPIO Underground	2.2	2.39	2.4	0.46	13.7	1.76	2.2	0.43	15.9	1.85	0.94	2.2	1.15	0.43	0.07
HAILE	19.6	2.19	.	.	10.9	1.82	.	.	30.5	2.06	2.02	.	.	.	.
<b>TOTAL</b>	<b>56.8</b>	<b>1.47</b>	.	.	<b>59.3</b>	<b>1.46</b>	.	.	<b>116.0</b>	<b>1.46</b>	<b>5.46</b>	.	<b>4.51</b>	.	<b>0.18</b>

**Notes:**

- Macraes, Reefton and Waihi reserves based on US\$1,300/oz gold price and NZD/USD FX rate of 0.70
- The Reefton Project was put on care and maintenance in February 2016
- Didipio reserves based on US\$1,300/oz gold price and US\$3.20/lb copper price
- Haile reserves based on US\$945/oz gold price
- Estimates of contained gold and copper do not make allowances for processing losses

### 6.4 Gold Market and Price

Gold is used primarily for production, fabrication and investment. Gold is traded on international markets and individual buyers and sellers generally are unable to influence its price.

### 6.5 Employee Relations and Personnel

As at December 31, 2015, excluding contractors, the Company engaged 1,551 employees in Canada, Australia, the United States, New Zealand, the Philippines and El Salvador. The Company also engaged a number of contractors to work on specific projects. New Zealand and the Philippines based operations staff are members of various unions and subject to collective agreements. The Company considers its employee relations to be amicable, and, the Company has not been subject to any material industrial dispute in the last year.

As at December 31, 2015 and not including contractors, the Company employed approximately 1,551 employees (622 employees in New Zealand, approximately 700 employees in the Philippines, 159 in the United States, 36 in El Salvador, 29 in Australia and 5 in Canada).

Approximately 92.59% of the Company's workforce is employed full-time (including those individuals who were employed on fixed-term contracts) and 7.41% is employed on a part-time basis.

## **6.6 Competition**

The Company competes with other mining companies for acquiring mineral claims, permits, concessions and other mineral interests as well as for recruiting and retaining qualified employees. There is significant competition for the limited number of gold acquisition opportunities and, as a result, OGC may be unable to acquire attractive gold mining properties on terms it considers acceptable.

## **6.7 Foreign Operations**

The Company's mineral properties are subject to the risks inherent in operating in a foreign country. In this regard, please refer to the "Risk Factors" section of this document.

## **6.8 Environmental Protection**

### ***New Zealand***

New Zealand's principal environmental protection law is the Resource Management Act 1991 ("RMA"). Territorial authorities and regional councils have primary responsibility for administering the RMA. OceanaGold's use of land, water, and air in the course of its mining operations must be permitted by a rule in a district or regional plan, or sanctioned under resource consents. Consents are granted subject to various conditions such as the requirement to lodge an environmental bond; conditions to avoid, remedy, or mitigate significant adverse effects on the environment; and monitoring and periodic reporting on environmental effects. Failure to comply with the conditions of consent may lead to payment of fines, prosecution, and in most severe cases, the cancellation of the consent. OceanaGold holds a range of resource consents relating to its New Zealand operations, which are periodically varied and extended by application to the relevant local authorities. Its operations are monitored and have a history of general compliance, although water management issues have been present at the Reefton mine - please refer to section 8.3 for further details. Access to the Reefton mine is subject to additional conditions concerned with protection of the environment due to the mine being located in a conservation area. These conditions for access are imposed by agreement with the New Zealand Department of Conservation.

### ***Philippines***

Except during the exploration period, mining projects in the Philippines are required to secure environmental clearance, or an Environmental Compliance Certificate ("ECC") from the Department of Environment and Natural Resources ("DENR"). The ECC for the Didipio Project was originally granted in August 1999 and subsequently amended in January 2000, August 2004, and December 2012. The ECC specifies the project mining methods, production rate, processing methods, and other aspects of the mining operation. It also specifies the environmental management and protection requirements, including the submission of the Environmental Protection and Enhancement Program as well as a Social Development and Management Program.

### ***United States – South Carolina***

The principal federal permit applicable to the Haile Gold Mine is the 404 (which falls under the Clean Water Act of 1972 ("CWA")), which governs "dredge or fill" activities in Waters of the U.S, including most wetlands and streams. As a delegated state, South Carolina's Department of Health and Environmental Control ("SCDHEC")

has primary authority for enforcing the CWA's National Pollutant Discharge Elimination System ("NPDES") requirements, which govern discharges of pollutants to Waters of the U.S. The principal state environmental protection law applicable to the Haile Gold Mine is the South Carolina Mining Act of 1990, which is enforced by SCDHEC. All impacts to land, water and air must be permitted. Permits are granted subject to various conditions such as the requirement to post an environmental bond; conditions to avoid, minimize, or mitigate significant adverse effects on the environment; and monitoring and periodic reporting on environmental effects. Failure to comply with the conditions of a permit may lead to payment of fines, prosecution (both civil and criminal), and/or suspension or cancellation of the permit. Haile holds a range of permits relating to its mining operation, which will be periodically varied and extended by application to the relevant federal, state or local authorities. Haile's construction operations have been heavily monitored by SCDHEC and have been found in compliance.

## **6.9 Social and Environmental Policies and Standards**

OceanaGold is committed to operating in a way that protects and supports social integrity, environmental biodiversity, and equitable development. The Company has maintained a greater focus on Corporate Social Responsibility through the implementation of specific and detailed Policies for Health and Safety, Environment, Communities and Human Rights.

The OGC Environment Policy pledges to manage the environmental impact associated with its operations responsibly, to comply with all material statutory requirements applicable to its operations, to rehabilitate the mine sites so they do not pose any unacceptable risk to the environment, and to develop an end of mine life land use that aims to leave a positive legacy.

The Community and Human Rights Policies emphasise the importance of being a responsible corporate citizen, and outlines the Company's commitment to respect human rights, undertake community engagement and achieve sustainable economic and social development.

These Policies are underpinned by a set of Compliance Standards to ensure that processes and procedures are implemented to deliver the Policy requirements. All Policies and Standards are reviewed every 2 years to maintain currency. Business Units are audited against the Compliance Standards annually.

A Sustainability Steering Committee assists the Board in furthering the Company's commitments to positively impact communities through environmentally sound and responsible resource development and healthy and safe work environments.

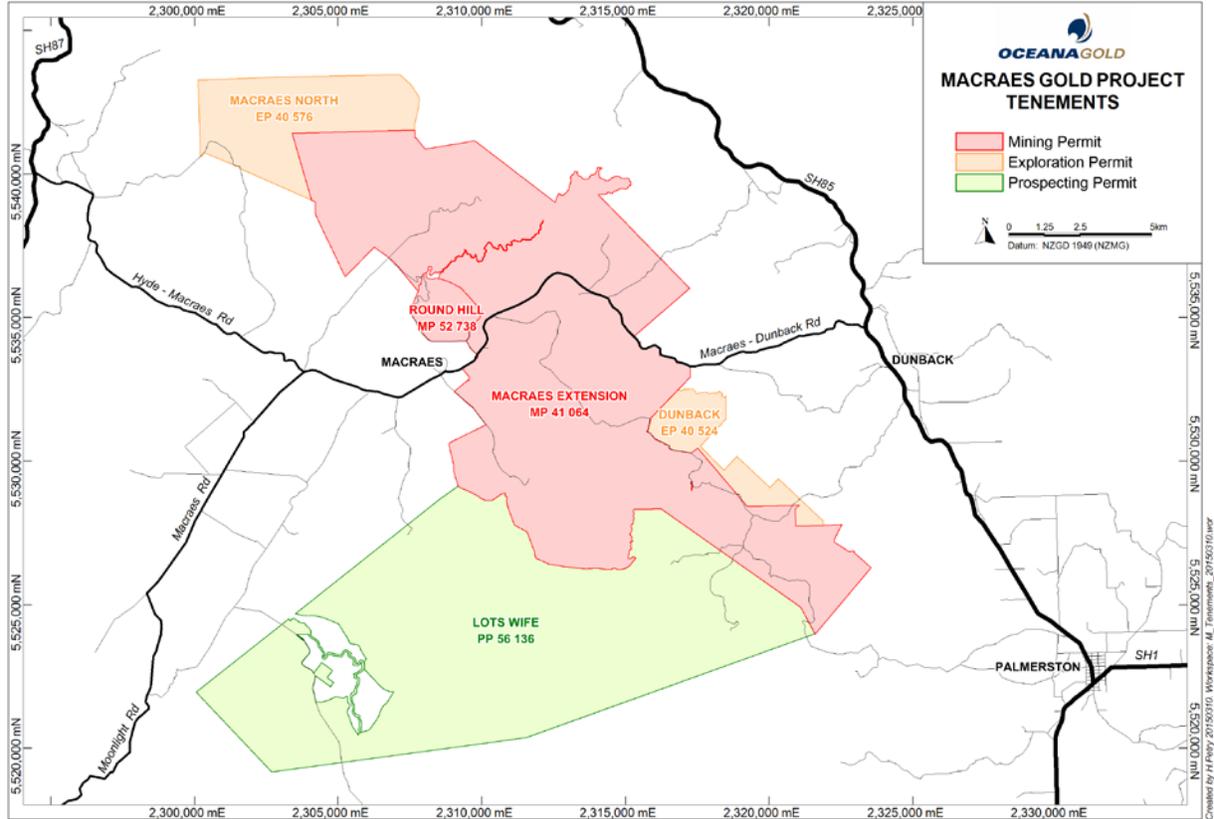
## **7. THE MACRAES OPERATIONS**

The Macraes mine, located on the South Island of New Zealand, is the country's largest gold producing operation. The wholly-owned Macraes Operations consist of the Macraes open pit gold mine, and the Frasers underground mine, as well as an adjacent processing plant including a pressure oxidation plant for the processing of sulphide ore (which is one of only three in the southern hemisphere). The Macraes mine has been in operation since 1990, and has produced over 4 million ounces of gold as at March 18, 2014.

The Frasers underground mine was developed to target the extensions of the Macraes ore body. The combined open pit and underground Proven and Probable Mineral Reserves currently support an approximate four year mine life at the Macraes Operations.

## 7.1 Property Description and Location

The Macraes Operations are located approximately 60 kilometres north of Dunedin and 30 kilometres to the northwest of Palmerston in the Otago Region of the South Island, New Zealand. The mining operation occurs approximately two kilometres to the east of the Macraes Flat township, and is predominantly surrounded by farmland.



## 7.2 Mineral Permits and Regulatory Matters

OceanaGold holds a contiguous group of permits to the north-west and south-east of Macraes Flat, covering approximately 35 kilometres of strike of the mineralised Hyde-Macraes Shear Zone (“HMSZ”). The Company’s permits comprise mining permits, exploration permits and a prospecting permit granted under the Crown Minerals Act 1991 (New Zealand) (the “Crown Minerals Act”), which governs the prospecting, exploration and mining of Crown-owned minerals in New Zealand, as set forth in the following table.

Permit No.	Location Name	Term	Expiry Date	Area (Hectares approx.)
MP 52 738	Round Hill	10 yrs	October 30, 2020	395
MP 41 064	Macraes Extension	36 yrs	January 31, 2030	12,648
EP 40 524	Dunback	1 <sup>st</sup> Appraisal term	May 17, 2017	724
EP 40 576	Macraes North	2 <sup>nd</sup> Appraisal term	October 27, 2019	1,942
PP 56 136	Lots Wife	2 yrs	February 10, 2017	10,976
<b>Total Area</b>				<b>26,685</b>

The Company is the owner of the majority of land in the immediate vicinity of the Macraes mine, and most of the land within permits MP 52 738 and MP 41 064. The Company also owns land within EP 40 576 and PP 56 136.

With respect to gold and silver recovered from MP 52 738, a royalty of 2% ad valorem is payable to the reigning monarch of New Zealand or the Government acting on behalf of that monarch (the "Crown") annually. A royalty in an amount that is yet to be fixed will also be payable in respect of any scheelite recovered from the permit area. A royalty is payable to OW Hopgood on any gold, scheelite, or other minerals recovered from a specified project area in an amount equal to 5% of recovered minerals if recovered by open pit mining, and 3% of recovered minerals if recovered by underground mining.

With respect to MP 41 064, royalties to a maximum of 1% ad valorem, or 5% of accounting profits, whichever is greater, are payable to the Crown annually for gold, silver and (for parts of the permit area) other minerals including scheelite.

The Macraes Operations are fully permitted for its current operations.

### 7.3 Environmental Matters

Environmental management and mitigation measures are maintained at Macraes, including ongoing monitoring to ensure compliance with resource consent conditions. These consents are issued by the Otago Regional Council ("ORC"), the Waitaki District Council ("WDC") and the Dunedin City Council ("DCC"). Tailings and waste rock disposal facilities are maintained and managed on an ongoing basis. Progressive rehabilitation is ongoing.

A new tailings storage facility was commissioned in Q4 2013 with consented capacity through to 2017 and beyond. Allowing for the consenting process, the mining of Coronation North is planned to commence in early 2017.

In obtaining and operating within the granted resource consents to mine and mitigate the environmental effects of mining for the Macraes mine, the Company is deemed to have met the purpose and requirements of New Zealand's Resource Management Act 1991 ("RMA").

OceanaGold is in partnership with Otago Fish and Game, a semi-government organisation, to manage a Trout Hatchery on the Macraes mine site. OceanaGold has consents for the expansion of the Macraes mine through to 2020. The closure strategy includes expenditure focussed on community projects with the establishment of a Macraes Community Trust.

## **7.4 Accessibility, Climate, Local Resources, Infrastructure and Physiography**

Access to the mine is by sealed roads from Dunedin, Middlemarch and Ranfurly. There is adequate access along sealed roads and farm tracks throughout the mine area.

The Macraes mine is within short driving distance of a number of populated centres, including Dunedin, a city with a population of 120,000. Many employees live in the nearby towns of Palmerston and Waikouaiti, or in the city of Dunedin.

The Macraes Operations area is approximately 500 metres above sea level, exposed, windy and dry, with high evaporation in the warmer part of the year. It experiences a rainfall average of 600mm per year. The Macraes mining schedule allows for 26 days per annum of weather related delays. Droughts, which generally last two or three years, have been recorded in the east Otago region every 10 to 20 years. Vegetation is comprised of a combination of improved pasture and tussock grassland, with low trees and bushes in the streams and gullies. The predominant land use is stock grazing, with small areas covered by pine plantations.

The Macraes Operations are connected to the local power grid which supplies electrical power. The power line has adequate capacity to supply the mine at full operating limits. Water supply has not been a significant problem in the history of the project.

## **7.5 History**

The original permits comprising the Macraes Operations were owned by Golden Point Mining Limited, and by BHP Gold Mines (New Zealand) Ltd. In December 1989, Macraes Mining Company Limited obtained 100% ownership of these permits. In December 1998, Macraes Mining Company Limited amalgamated with Macraes Mining Company Holdings Limited, which immediately thereafter changed its name to Macraes Mining Company Limited. This company subsequently changed its name to Gold and Resource Developments (NZ) Limited, and then to GRD Macraes Limited. In 2004, the name was changed to Oceana Gold (New Zealand) Limited.

## **7.6 Geological Setting**

### **7.6.1 *Regional and Local Geology***

The Macraes Operations are located in a major, low-angle structure known as the Hyde Macraes Shear Zone (HMSZ). This regionally continuous, late metamorphic deformation zone cuts greenschist facies metasedimentary rocks of the Otago Schist, a metamorphic belt that was formed by collisional amalgamation of the Caples and Torlesse terranes in the Early-Middle Jurassic.

The HMSZ is one of the largest Mesozoic structures mapped in the Otago Schist, traceable for at least 30 kilometres along strike in east Otago. Mining to date has occurred along a continuous strike length of 6 kilometres in numerous staged pits, three smaller discrete satellite pits immediately to the north and at Golden Bar, and a further 6 kilometres to the south. The HMSZ consists of variably altered, deformed and mineralised schist up to 150 metres thick, known as the Intrashear Schist. The thickest part of the shear zone consists of several mineralised zones stacked on metre-thick shears. These shears have ductile deformation textures overprinted by cataclasis. A shear known as the Hangingwall Shear, defines the upper limit of the Intrashear Schist. This shear, which can be up to 25 metres thick, is the most strongly mineralised structure at the Macraes Operations.

## 7.6.2 Deposit Geology

The open pit and underground deposits at the Macraes Operations are centred on the Hangingwall Shear. In outcrop, the shear typically dips at 15 to 20 degrees to the east and is approximately 5m thick. At depth, the dip of the shear flattens to approximately 5 to 10 degrees and develops into an approximately 20m to 30m thick mineralised high-grade zone of quartz cataclasite, and mineralised schist. Within the open pit, gold mineralisation comprises mineralised schist and cataclasite, shear-parallel quartz veins and arrays of sub-vertical quartz veins. Hangingwall Shear and arrays of sub-vertical quartz veins account for the majority of mineralisation within the open pit, although there are a number of shear-parallel quartz veins. These veins typically splay off the base of the Hangingwall Shear and dip at between 5 and 10 degrees to the west.

A large amount of erratic mineralisation occurs between the base of the Hangingwall Shear and the footwall fault. At the resource drilling stage, this mineralisation manifests as poorly developed clusters of elevated gold grades, which often appear discontinuous. During mining however, these typically present as extensive zones of quartz vein arrays and mineralised shears. The footwall fault lies between 80 metres and 120 metres below the Hangingwall Shear, and is identified as a cataclastic zone up to 10m thick. To date, no economic mineralisation has been located below the footwall fault.

The Frasers underground encompasses the down-dip continuation of the Hangingwall Shear mined in the open pit, which is known to extend approximately 600 metres beyond the limit of the open pit design. The thickest, most mineralised part trends approximately northeast and tapers in length from approximately 350 metres at its western end to approximately 150 metres at the eastern limit of drilling, where it abuts the Macraes Fault Zone. Mineralisation is contained within the Intrashear Schist which is generally 80 metres to 100 metres thick, with the higher gold grades confined to the upper part, which is dominated by cataclasite, lode schist and local stockwork pelite lithologies. Numerous drill holes have penetrated through the Intrashear Schist into the Footwall Psammite, particularly at the western end where the Footwall Fault is at a relatively shallow depth of less than 500 metres. Mineralisation is consistent with the ore delineated in the Frasers open pit. The highest gold grades are contained within the strongly developed and visually distinguishable zone within the upper Hangingwall, characterised by quartz cataclasite and silicified breccias. This typically forms a well mineralised, continuous zone approximately 10 metres to 15 metres thick, with a grade of approximately 3g/t Au. Less intensely mineralised lode schist is typically developed lower in the Hangingwall package.

## 7.6.3 Mineralisation

The Macraes deposit is a classic example of an orogenic style gold deposit. This style of deposit is recognised to be broadly synchronous with deformation, metamorphism, and magmatism during lithospheric-scale continental-margin orogeny. Most orogenic gold deposits like Macraes occur in greenschist facies rocks. Orogenic deposits typically formed on retrograde portions of pressure-temperature time paths during the last increments of crustal shortening, and thus postdate regional metamorphism of the host rocks. The following four types of mineralisation occur within the HMSZ at Macraes:

- (a) *Mineralised schist*. This style of mineralisation involves hydrothermal replacement of schist minerals with sulphides and microcrystalline quartz. Mineralisation is accompanied by only minor deformation.
- (b) *Black sheared schist*. This type of schist is pervaded by small scale anastomosing fine graphite, and sulphide bearing microshears. This type of mineralisation is typically proximal to the Hangingwall Shear.
- (c) *Shear-parallel quartz veins*. These veins lie within, and/or, adjacent to the black sheared schist and have generally been deformed with the associated shears. The veins locally cross-cut the foliation in the host schist at low to moderate angles. Veins are mainly massive quartz, with some internal lamination and

localised brecciation. Sulphide minerals are scattered through the quartz, aligned along laminae and stylolitic seams. These veins range from 1 centimetre to more than 2 metres.

- (d) *Stockworks*. These veins occur in localised swarms that are confined to the Intrashear Schist. Individual swarms are up to 2,000 square metres in area and consist of numerous subparallel veins. Most of these veins formed sub perpendicular to the shallow east dipping shear fabric of the Intrashear Schist. Stockwork veins are typically traceable for 1 metre to 5 metres vertically with most filling fractures that are 5 centimetres to 10 centimetres thick, but can be up to 1 metre thick.

## **7.7 Exploration**

### **7.7.1 Macraes Surface Exploration**

Detailed geological mapping, geophysical surveys (including seismic surveys, magnetic and electromagnetic surveys), geochemical surveys (including stream sediment sampling, soil sampling and trenching), remote sensing and aerial photography, have been completed along the strike of the HMSZ. Target areas with favourable characteristics for gold mineralisation have been systematically tested with drilling (as described below). Current exploration is aimed at a combination of infill and expansion drilling adjacent to the current mining area, and drill testing satellite prospects along strike to the NW and SE along the HMSZ.

### **7.7.2 Frasers Underground Exploration**

Diamond drilling continues on an intermittent basis from drill platforms in the Frasers underground to test for down dip extensions of the known mineralisation in Panel 2, and to test for sub-parallel mineralised structures under the hanging wall ore zone currently being mined. Additional drilling has been dedicated to infill drilling for upgrading of Inferred resources to Indicated status for reserve conversion.

## **7.8 Drilling**

As at December 31, 2015, over 845,000 metres in approximately 6,650 holes have been drilled from surface at the Macraes Operations. In addition, over 56,500 metres have been drilled in 315 exploration diamond drill holes from the Frasers underground mine since late 2008.

During 2015, resource development and exploration drilling were ongoing at the Macraes Operations. Exploration drilling targeting the down dip extension known ore bodies was undertaken at Coronation, Innes Mills and Frasers underground mine. In 2016 further resource development drilling is planned along the entire HMSZ at Mt Highlay, Nunns/NZGT, Mareburn, Deepdell, Innes Mills, Golden Ridge, Ounce, Shaws, and Wilsons, and in the Frasers underground mine.

Holes generally have been surveyed at 25 metre intervals to the end of the hole. RC holes and diamond core was generally logged and classified at one metre intervals.

Drill hole information is stored as hard copy drill logs and in an electronic database. For holes prior to 1994, only collar, interval and assay information has been entered into the database, while the database contains all logged information for all holes post 1994.

## 7.9 Projects

Historically (1862 to 1953), the Macraes Gold Project produced both gold and scheelite and in the early 1980's the project was initially being explored by Homestake and BP Minerals (NZ) Ltd for the Tungsten potential. The change to gold exploration was triggered by the rapid rise of the gold price in the mid 1980's.

In 2013, OceanaGold commenced a program of retrieving and re-assaying assay pulps derived from the previous 20 years of drilling on the Round Hill deposit and by year end approximately 18,000 pulps had been assayed. In mid-2014, an updated resource estimate for both gold and tungsten was produced and formed the basis of a desktop study completed Q2 2015. On the basis of this report, a full Feasibility study commenced and is due for completion in Q2, 2016.

During 2014, a review of the entire Macraes Gold Project Line of Strike ("LOS") was undertaken to determine what areas had the potential to host open pit resources. As a result of the review, 17 targets were identified from Mt Highlay at the northern end of the LOS to Wilsons some 20km to the south. As a result of the discovery of the Coronation North deposit in 2015, exploration on these targets was deferred to 2016. During 2016, drilling of Coronation North is scheduled to be completed, and additional high ranked targets will be drilled, and where appropriate, resource estimates updated accordingly.

### 7.10 Sampling, Analysis and Sample Security

The sampling approach at Macraes consists of drill cuttings (RC percussion drilling) and half cut core samples (diamond drill core). The diamond drilling sampling has remained relatively constant over the life of the project, while the sampling of the percussion drilling has changed dependant on the drilling method.

Sampling of the RC percussion drilling has been completed by trained employees and is supervised by technical staff. Definition of sampling intervals for RC percussion drilling has generally been based on 1 metre intervals, over the full depth of the drill hole. The sampling, splitting, tagging, bagging and storage of RC percussion drill holes has been carried out in accordance with protocols considered acceptable and consistent with industry standards.

Samples collected from some wet percussion drilling were found to be biased due to downhole contamination and, accordingly this practice has been discontinued. The wet sampling bias was addressed by replacing wet sampled RC percussion drill holes with their corresponding diamond or dry RC twins. In cases where no twin drill hole exists, globally determined wet sample bias correction factors have been used to factor gold grades for wet RC percussion drill hole samples.

After drill core has been logged and photographed, the sections of core considered to be mineralised, or proximal to mineralised zones, are cut in half using a core saw. The drill core was sampled in 1 metre intervals by trained and supervised technicians and geologists. Each metre was sampled by taking the same half of each piece of core for that metre and placing them into the appropriate sample bag.

Definition of sampling intervals for diamond drilling was based on geological intervals or 1 metre intervals, within and beyond the margins of mineralised zones identified during logging. Substantially similar sampling and quality control protocols were used in respect of diamond core samples, as were used for RC percussion sampling.

Diamond drilling sample quality is high. Sample quality for RC percussion drilling is lower than for diamond drilling, but generally sufficient to define the position and grade of mineralisation. Bias has been addressed where sample quality issues have caused a grade distortion.

Sample recovery from RC percussion drilling and diamond drill core is routinely recorded in geological logs and recovery data is stored in a database. Recovery is generally high and there is no observed correlation between recovery and grade.

Half cut core (in the case of diamond drill core) and drill cuttings (in the case of RC percussion drilling) samples from drilling programs at Macraes were collected from the source drill samples by employees of the Company. Subsequent sample preparation and assay was not conducted by any employee, officer, director or associate of the Company.

Between 1990 and 2009, RC percussion drill chips and diamond drill core samples from the drilling programs at the Macraes mine typically underwent sample preparation and assay for Au, As and S by Amdel Limited ("Amdel") at the Macraes Flat laboratory. Preparation of geological samples by Amdel routinely comprised drying, crushing, splitting (if required) to a maximum of 1kg, and pulverising to obtain an analytical sample of 25g.

Drill samples were sampled and submitted to the Amdel laboratory by trained Company staff. Amdel staff processed the samples and completed all aspects of the assaying independent of the Company's personnel once the samples have been submitted to the laboratory.

Between 2009 and mid-2011, all diamond core samples from surface exploration drilling, and the majority of RC percussion drill samples were processed and analysed by SGS New Zealand Limited laboratories in Ngakawau (Westport) and Waihi ("SGS"). Samples were dried at 105 degrees, coarse crushed to a nominal -6mm, rotary split and then pulverized in Cr steel grinding head to ca. -75µm. One 50g pulp split was sent to SGS Waihi and analysed for gold by fire assay. A second 50g subsample was retained in Ngakawau and used to make pressed powder pellets for x-ray fluorescence spectrometry analysis for arsenic and tungsten.

In mid-2011, SGS opened a new laboratory facility in Westport and took ownership of the laboratory services contract at the Macraes mine site.

All the RC percussion chips and diamond core drill samples during 2014 were analysed by SGS at the Macraes laboratory for gold in New Zealand. Samples were dried at 105 degrees, coarse crushed to a nominal -6mm, rotary split and then pulverized in Cr steel grinding head to ca. -75µm. A 50g pulp split was analysed for gold by fire assay. SGS staff process the samples and complete all aspects of the assaying independent of the Company's personnel once the samples have been submitted to the laboratory.

From 2010 until 2012, ALS Laboratory Group Minerals Laboratory, Brisbane ("ALS") has also been retained to analyse high value (deep) diamond drill holes from surface drills to test the down dip extent of the Frasers underground mineralisation and potential blind ore shoots. Half-core (NQ or HQ) samples were cut and sampled by the Company's personnel and delivered to ALS Brisbane laboratory by freight companies. All sample preparation and analysis was completed by ALS employees. After crushing and pulverising, all samples were analysed by fire assay with AA finish for gold and total sulphur by Leco. Pressed powder pellets were also prepared for trace level As and W analysis by XRF, in addition, those samples that returned results with W >1000ppm or As >5000ppm were also analysed by fusion XRF for improved accuracy for W and As.

Diamond core samples from underground exploration drilling were processed and analysed for gold by Amdel at the Macraes Flat laboratory. The assay contractor changed to SGS in June 2011 but continued using the same Macraes Flat laboratory. Sample preparation and analytical techniques are as described above.

During 2013 selected sample pulps without existing tungsten (W) analyses from Round Hill/Southern Pit and the Frasers 6 areas were retrieved from storage and analysed for tungsten. Approximately 18,000 samples were retrieved and were initially analysed in-house using OceanaGold's portable XRF analyser (pXRF). Where the pXRF value was greater or equal to 1,000 ppm W the sample was sent to SGS Westport for fused bead method XRF analysis.

Orientation studies were conducted and sampling protocols were developed to ensure consistent presentation of the samples to the pXRF analyser. One of 5 certified tungsten standards were inserted about every 20 samples to monitor the performance of both the pXRF analyser and SGS Westport XRF analyser.

A number of check analyses for W were also carried out on retrieved historical samples from the 1980s and 1990s that already had W analyses. This work determined the historic XRF analyses were consistently higher than the SGS fused bed XRF analyses and a correction factor was derived and applied to the historic XRF data.

The quality control database is incomplete for the Macraes Operations, in part due to the long exploration and mining history of the project. The risk associated with the incomplete data is mitigated by the available mining and reconciliation data which supports the quality of the information. Irrespective of the limitations in the data set, the available recovery and Quality Assurance/Quality Control data indicates the assay data is accurate and precise, and, therefore suitable for the purposes of grade estimation. The bias associated with the wet RC percussion drilling has been addressed in the manner described above. Additional drilling is likely to be required at depth at the open pit mine on the Macraes Operations where significant amounts of wet RC percussion drilling exist.

The adoption of the analytical methods, including fire assay for gold, are considered appropriate in the Macraes Technical Report. Quality control data exists to allow review of the analytical performance of assay laboratories for the recent drilling only. The sampling methods, sample preparation procedures, and analytical techniques are all considered appropriate when supported with the production and reconciliation data. The sample collection, preparation and analysis procedures meet acceptable industry standards. No substantial reconciliation data supports the veracity of the data, save that there are no measures in place to ensure sample security.

## **7.11 Mining Operations**

Operating costs for underground mining (FRUG) includes lateral ore and waste development, stoping costs, mine services and mine overheads. Mining costs are typically NZ\$46 to NZ\$53 per tonne of total material mined.

Open cut mining costs consist of stripping, grade control and blast drilling, blasting/explosives, ore load and haul costs, haul road and pit wall maintenance, technical services and overheads. Open cut costs typically range between NZ\$1.00 and NZ\$1.80 per tonne moved with the amount of waste tonnes the main driver in unit cost movements.

Operating costs associated with ore processing includes crushing and grinding, floatation, thickening, pressure oxidation (autoclave), carbon-in-leach costs, elution, electro-winning, gold smelting, water treatment, tailings disposal, and plant operation and maintenance. These costs typically ranged between NZ\$9 and NZ\$11 per tonne of ore milled (combined underground and open pit ore).

Macraes LOMP capital expenditure plan is focused on pre-stripping (NZ\$91.5 million), rehabilitation (NZ\$17.1 million), land purchases for developing operations (NZ\$10.5 million), staged TSF lifts and maintenance (NZ\$8.8 million) and development drilling activity (NZ\$6.2 million).

The primary contributors to the NZ\$22.4 million spent on capital in 2015 were NZ\$13.1 million in capitalised pre-strip, NZ\$4.3 million relating to Coronation North drilling and development, NZ\$1.8 million in resource and infill drilling, NZ\$1.1 million in TSF lift costs and various smaller projects.

### **7.11.1 Open Pit Mining**

Mining to date at the Macraes Operations has come from eleven pits comprising, from north to south, Coronation, Deepdell North, Deepdell South, Golden Point, Northwest Pit, Round Hill, Southern Pit, Innes Mills, Innes Mills West, Frasers, Golden Ridge and Golden Bar. Current operations are in Coronation, Innes Mills West and FRIM. The Round Hill, Innes Mills and Southern pits were mined to what were considered to be their economic limits. Round Hill and Innes Mills pits were subsequently backfilled, and Southern Pit was used for tailings disposal. Following updated geologic interpretation and economic analysis, as part of its ongoing program to convert Mineral Resources to Reserves at Macraes, the Company added these deposits back to its Mineral Resources and only Round Hill and Southern pit to Reserves.

The bulk of the future open pit tonnage from the Macraes Operations will be sourced from the Frasers, Coronation North, Coronation and Round Hill deposits.

Mineralisation has also been outlined to the north at the Nunns/NZGT, Longdale, Mt Highlay and Mareburn deposits, and to the south at the Taylors, Wilsons, Shaws and Ounce deposits. Further drilling programs are required to upgrade these deposits.

Open pit mining at Macraes is carried out by Company personnel using leased mining equipment. Ore concentration is carried out at the Macraes site by Company personnel. A standard refining contract is in place for the transportation and refining of the doré bullion into fine gold.

The current life of mine (“LOM”) plan for the Macraes open pit is four years. Based on the current drilling program, it is possible the Company will extend the LOM plan if additional Mineral Reserves are defined in the interim.

### **7.11.2 Underground Mining**

The Company commissioned the Frasers underground mine in January 2008, and is now mining via a decline from the current open pit operations. The underground operation produces ore at approximately 900,000 tpa. The Macraes open pit production will run in parallel with the underground operation, with all ore being processed through the Macraes processing plant.

As at December 31, 2015, the Frasers underground mine had reserves of 1.77 Mt @ 2.56 g/t for 0.15 Moz and is projected to generate gold production of approximately 49,000 ounces per annum up to 2018 and reduce towards projected mine closure in Q1 2019. During 2015, underground drilling and revised Panel 1 and Panel 2 Resource estimates added ounces to the resource to reduce the effect of mining depletion in the Measured and Indicated categories. Exploration drilling in 2016 will target two areas: drilling from an exploration drive will test for a down dip extension of Panel 2, while rise drilling will focus on the area between Panels 1 and 2.

Frasers underground mine ore is crushed and treated through the Macraes processing plant, blended into the plant feed with open pit ore. Flotation test work has generally confirmed that the Frasers underground ore is similar in its treatment characteristics to the open pit ore.

Since June 2010, development and production mining has been carried out by Company personnel using a combination of leased and owned mining equipment.

## **7.12 Exploration and Development Potential**

### ***7.12.1 Macraes Surface Exploration***

Detailed geological mapping, geophysical surveys (including seismic surveys, magnetic and electromagnetic surveys), geochemical surveys (including stream sediment sampling, soil sampling and trenching), remote sensing and aerial photography have been completed along the strike of the HMSZ. Target areas with favourable characteristics for gold mineralisation have been systematically tested with drilling (as described below). Future exploration is aimed at a combination of infill and expansion drilling adjacent to the current mining area and drill testing satellite prospects along strike to the NW and SE along the HMSZ.

### ***7.12.2 Frasers Underground Exploration***

Diamond drilling continues to be completed in the Frasers underground to test for down dip extensions of the known mineralisation in Panel 2, and to test for sub-parallel mineralised structures under the Hangingwall Shear currently being mined. Additional infill drilling has been dedicated to the upgrading of Inferred resources to Indicated status, and, ultimately to reserves.

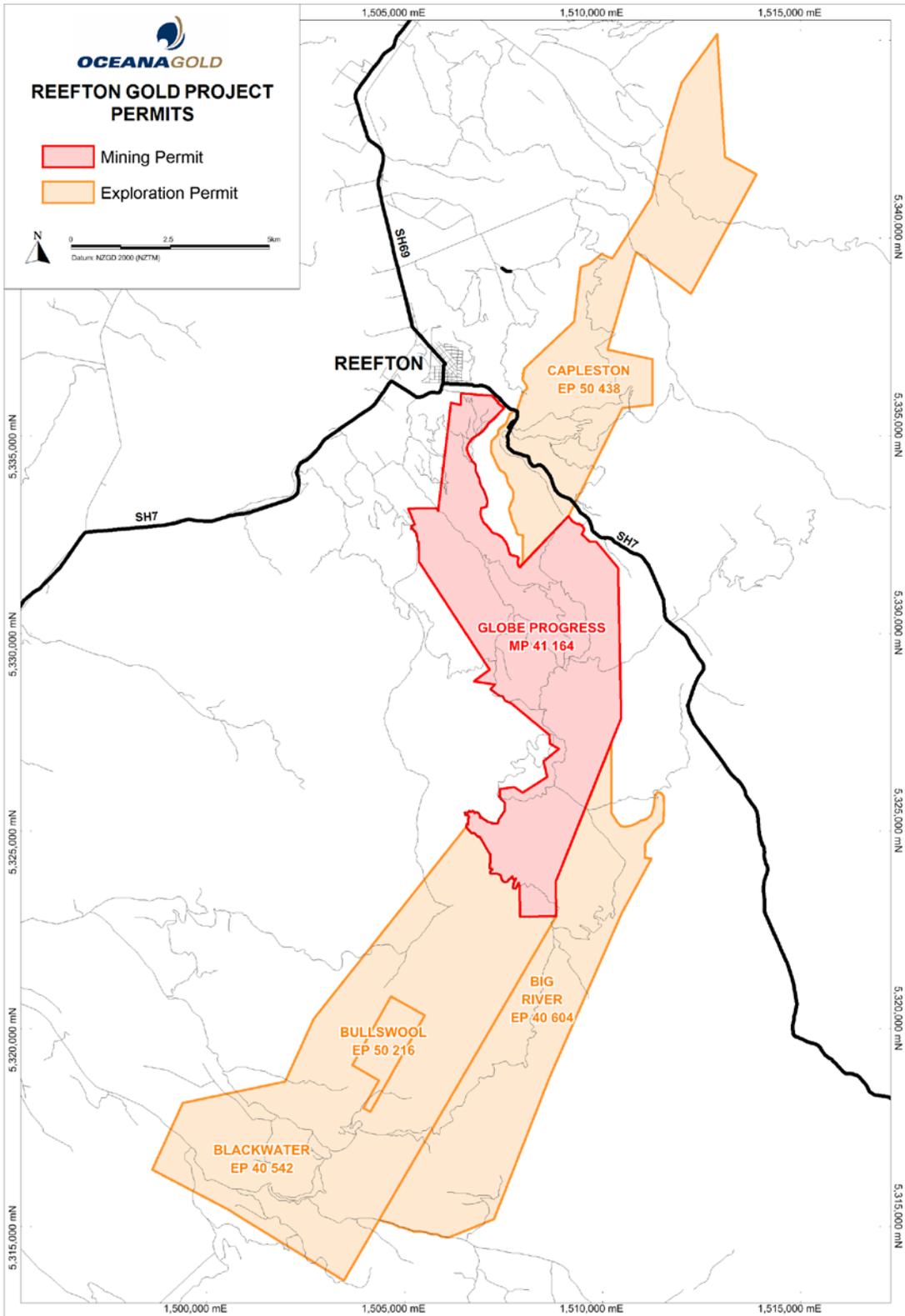
## **8 THE REEFTON OPERATIONS**

OGC started mine development and plant construction at its Reefton Operations in mid-2006, with the processing plant being commissioned in 2007. It is located on the west coast of New Zealand's South Island eighty kilometres north of the township of Greymouth. The mine is situated seven kilometres south east of the township of Reefton situated amongst ridges and valleys of the Victoria Forest Park within Department of Conservation controlled land.

The project comprised three open pits (Globe Progress, General Gordon, and Souvenir) of which General Gordon and Souvenir have been mined to completion. The General Gordon pit has been backfilled and encapsulated within a waste rock stack while the Souvenir pit was converted to a tails storage facility in late 2014. Mining has comprised the extracting of ore from the open pits along a two kilometre length of mineralised shear zone. The processing plant was designed for 1.0 Mt/year throughput. The Reefton Project has recently been put under care and maintenance due to depressed gold price. Based on the Company's long term gold price of NZ\$1,857 per ounce, the Globe Progress pit has a potential cut-back with reserves supporting a mine life of approximately 4 years.

### **8.1 Property Description and Location**

The Reefton mine is located approximately seven kilometres southeast of the township of Reefton, within the West Coast Region of New Zealand's South Island. Access to the project is via state highways and then by an unsealed access road for about 3.5 km to the site. The land on which the Reefton mine is located is administered by the New Zealand Department of Conservation (the "DoC") and is included in the Victoria Forest Park.



## 8.2 Mineral Permits and Regulatory Matters

The Company's permits comprise one mining permit, four exploration permits and one prospecting permit, as set out below:

Permit	Location Name	Term	Expiry Date	Area (Hectares approx.)
MP 41 164	Globe Progress	25 yrs	March 21, 2020	3,041
EP 40 542	Blackwater	Appraisal term	November 18, 2016	4,308
EP 50 216	Bullswool	10 yrs	December 20, 2017	212
EP 50 438	Capleston	10 yrs	September 21, 2018	2,424
EP 40 604	Big River	Appraisal term	March 11, 2018	2,328
<b>Total Area</b>				<b>12,313</b>

Note: MP – Mining Permit; EP – Exploration Permit; PP – Prospecting Permit.

1. OGC applied to NZPAM in June 2015 to add EP 40 530 to MP 41 164. On February 26, 2016, NZPAM advised that it intended to decline the application and OGC has not opposed that decision. Accordingly EP 40530 expired on 28 November 2015 and OGC's interest in the tenement has ended.

2. OGC will apply to NZPAM to extend the duration of EP40542 at least 6 months before the November expiry date. This exploration permit is subject to renewal.

The granting of a mineral permit does not confer a right of access to land subject to the permit. The permit holder must arrange land access with the owner and occupier of the land that is the subject of the permit before beginning any prospecting, exploration or mining for minerals on, or in land (other than in the case of certain minimum impact activities). Access arrangements are binding on successors in title, provided they are registered against affected land titles where the term is longer than six months.

As most of the permits at the Reefton Operations are situated over land administered by the DoC, the Company has entered into access arrangements to allow it to prospect, explore and mine. Royalties to a maximum of 1% ad valorem or 5% of accounting profits, whichever is greater, are payable to the Crown on production from MP41 164 annually.

Most of the Reefton Operations permits are also subject to an agreement between Royalco Resources Limited ("Royalco"), and a subsidiary of the Company, under which a variable gross royalty is payable to Royalco. The royalty applied until the Globe Progress mine attained total production of 400,000 ounces, at which time the royalty ceased (a milestone the Company achieved in 3<sup>rd</sup> quarter 2012). Production from other resources in the Reefton area attracts an annual royalty of between 1% and 3% of gold produced according to the gold price at the time the royalty is due. The royalty reverts to 1.5% of annual gold production from all of the Reefton Operations permits once an aggregate of 1,000,000 ounces of gold is produced.

The Bullswool permit is also subject to a residual joint venture interest, under an agreement with Alan John Roberts and Billy Laugeson dated November 24, 1986.

The Reefton mine is fully permitted for current operations. Yearly work programme approvals and Authorities to Enter and Operate are agreed with the landowner (the Government DoC).

### **8.3 Environmental Matters**

During care and maintenance the site will continue to employ site wide water management practices to ensure that discharges meet compliance limits. Any outstanding restoration obligations will be addressed during closure planning, should the site not re-open.

### **8.4 Accessibility, Climate, Local Resources, Infrastructure and Physiography**

The Reefton Operations are situated in hilly country, in the foothills of the Victoria Range. Topography is locally very steep, and varies in elevation from 210 metres to over 1,000 metres above sea level. The area is strongly dissected by creeks and rivers. The region is primarily covered with regenerating indigenous beech forest. The Reefton mine is situated approximately 550 metres above sea level in an area of highly dissected relief with dense beech forest re-growth. There are some areas of exotic pine plantations, and a few areas used for stock grazing.

With a population of approximately 1,000, the community of Reefton is the rural service centre for a number of smaller settlements. The town has provided a services base for resource development activities for over 100 years. Reefton has a State Highway and a railway connection south to Greymouth (79 kilometres) and north to Westport (81 kilometres), and is connected to Christchurch (250 kilometres to the east) by State Highway 7 via the Lewis Pass. A new access road to the site from State Highway 7 was completed in May 2006. A number of side roads from the highways provide vehicle access to various parts of the goldfield and old mining access roads locally provide four wheel drive access to the major old mines. Commercial airlines provide regular services from the nearby regional centres of Westport and Hokitika to other main centres in New Zealand, including Christchurch. Heavy machinery (typically exploration drilling equipment) access requires helicopter transport to some tenement areas. Local firms operate helicopter charter services and fixed wing charter services also are available.

The local climate is wet and temperate, though moderated to some degree by the sheltering effect of the Paparoa Range to the west, and the Victoria Range to the east. Annual rainfall ranges from about 1,990 mm at Reefton to 2,340 mm at the Reefton mine site. Spring tends to be the wettest season, and late summer/early autumn is typically the driest. Average monthly mean temperatures at Reefton range from five degrees Celsius in June/July to 17 degrees Celsius in January/February. Reefton averages two days of snowfall per year, while 10 to 15 days of snowfall are common at the more elevated mine site. Frosts can be severe with an average of 68 days of ground frost per year at Reefton and 115 days at the mine site.

Power at the Reefton Operations is supplied by Genesis, a New Zealand power supplier based in the North Island with customer base throughout the country. Water for the operation is taken from the Inangahua River that runs through the town of Reefton, where it is pumped to site and filtered for general domestic uses such as drinking and shower. Plant water is sourced from the tailings dam and treated to suit process water for the processing plant.

### **8.5 History**

Gold bearing quartz lodes containing high grade mineralisation were discovered in the Reefton area in 1870. Further discoveries and mine developments over the next decade resulted in Reefton becoming a major goldfield. Gold production steadily declined from the 1920s and the last mine closed in 1951. Total recorded production from the Reefton goldfield was approximately two million ounces of gold.

The northern portion of the Company's current Reefton Operations permit area was previously held by Lime and Marble Limited between 1970 and 1971, and subsequently by CRA Exploration Limited ("CRAE") between 1981 and 1990. Ground at Blackwater (the southern part of current permit area) was held by Carpentaria Exploration Company Limited between 1973 and 1976, and then by Samantha Exploration Limited between 1979 and 1980. CRAE took ownership with joint venture partner Golden Shamrock Mines Limited from 1981 to 1990. The permits were acquired by the Company (at that time Macraes Mining Company Limited) from CRAE in 1990, and subsequently became part of the Company's portfolio.

From 1983 to 1990, CRAE was a major explorer in the Reefton goldfield. CRAE conducted regional-scale stream sediment and soil geochemical sampling programs, undertook ground geophysics surveys and flew the goldfield with airborne magnetics/radiometrics. CRAE's work also included a photo-based interpretation of the Reefton mineralised corridor.

On a prospect scale, CRAE was responsible for the discovery of a disseminated mineralisation halo at the Globe Progress deposit. CRAE drilled 52 diamond drill holes throughout the goldfield, of which 39 holes (6,716 metres) were completed at the Globe Progress deposit.

## **8.6 Geological Setting and Mineralisation**

### **8.6.1 Regional and Local Geology**

The Reefton Operations area is hosted by early Ordovician age Greenland Group metasedimentary rocks, part of the Buller Terrain. The Reefton Operations occupy an area in the foothills of the Victoria Range and are interpreted to be a fault-bound block bounded by uplifted Karamea granitoids to the east, and the down-thrown Grey-Inangahua Depression (graben) to the west. The Greenland Group rocks of the Reefton Operations therefore comprise a mid-level terrain between a Tertiary horst and graben.

Gold mineralisation at the Reefton Operations is consistent with typical "slate-belt" orogenic-type gold deposits. Most of the gold-bearing lodes at the Reefton Operations, including all of the large deposits, are arranged along a linear structural belt which runs north-south through the Greenland Group sequence.

### **8.6.2 Deposit Geology**

The following is an overview of the geology of the primary deposits, namely the Globe Progress deposit (including General Gordon), Empress and Souvenir.

Globe Progress is the largest sulphide-associated deposit currently known in the Reefton Project. The Globe Progress deposit occurs as a series of plunging quartz veins along the east-west striking Globe-Progress shear zone (GPSZ) with a strike length of approximately 1 kilometre. An updated structural model of the Globe Progress deposit was formulated by Allibone (2009) and integrated into Jongens et al (2012). The current understanding is that the GPSZ formed as an east-west break during a regional folding event (Jongens et al, 2012). The Greenland Group rocks that host the quartz veining are moderate to tightly folded with faulting and shearing common. The Globe-Progress shear is truncated in the west by the Chemist Shop Fault.

Mineralisation occurs in two distinct styles: quartz vein hosted lodes and veins, and disseminated arsenopyrite-pyrite. Both styles are intimately associated with the Globe-Progress and Oriental Shear systems. The quartz hosted ore contains arsenopyrite, pyrite, stibnite and gold, with gold being present both as free gold and as auriferous arsenopyrite-pyrite. The disseminated style of mineralisation contains auriferous arsenopyrite, generally with an acicular crystal habit.

The Globe Progress deposit occupies a distinct structural setting where there is a clear break in the continuity and tightness of early folding. This break defines the east-west striking GPSZ (Allibone, 2009). The fault splays off the Oriental-General Gordon shear zone. The geometry of the fault structure has allowed dilation and quartz vein deposition more or less contemporaneously with shearing, hydrothermal alteration and low grade mineralisation of the wall rocks. The broad disseminated mineralisation that now surrounds the Globe Progress ore body is thought to have formed by later movement on fault planes, in the presence of fluids, which lead to some mobilisation and recrystallisation of metals and formed the halo of mineralised country rock.

The Globe Progress Shear is characterised by a 1 metre to 15 metres wide mineralised zone consisting of variable proportions of cataclasite, quartz vein, crushed/sheared quartz vein and crushed/sheared greywacke. The Oriental-General Gordon Shear to the south is characterised by a 1 metre to 5 metres wide mineralised zone consisting predominately of cataclasite, with minor quartz vein, crushed/sheared quartz vein and crushed/sheared greywacke.

The Empress deposit is located approximately 1 kilometre south of the Globe Progress open pit. Mineralisation at the Empress deposit represents the southern continuation of the Oriental-General Gordon Shear. The mineralisation is developed as a high-grade plunging shoot that has a strike length of approximately 75 metres, and a down dip extent in excess of 150 metres.

The Souvenir deposit is located approximately 2.5 kilometres to the south of the Globe Progress open pit. The Souvenir Shear that hosts mineralisation is interpreted as part of a dislocated shear system and therefore it is unlikely that it represents a strike continuation of the General Gordon/Empress Shear. The Souvenir Shear strikes north-northeast and dips 70 degrees east and is 5 metres to 10 metres thick. The Souvenir shear had an on-surface strike length of 100 metres, with an average width of approximately 8 metres and a down dip plunge of greater than 200 metres.

### **8.6.3 Mineralisation**

The Reefton Operations have two dominant styles of gold mineralisation. The first style, and historically most important, is native gold with minor sulphides in quartz veins (quartz lodes), while the second style comprises refractory gold within sulphides in sheared sediments and clay alteration zones. Where both styles occur together, quartz shoots exploited by the early miners occur within a tectonic melange of sulphidic clay, brecciated quartz and tectonised Greenland Group greywackes.

Sulphide-associated mineralisation, such as at Globe Progress, is interpreted to have formed within longer-lived shear and cataclastic zones, which could have acted as effective fluid conduits and mixing zones. These shear zones appear to have two distinct mineralising events: an early phase of brittle faulting with associated quartz veining and deposition of free gold, followed by brecciation and deposition of sulphides and gold during subsequent deformation.

Sulphide mineralisation consequently appears to form an anastomosing halo around the remnant quartz shoots, with typically indistinct and gradational margins with the surrounding host rock. The shear zones are developed at high angles to the host rock fold structures, in structural orientations that apparently contributed to polycyclic mineralisation, alteration and deformation events.

## **8.7 Exploration**

Exploration conducted by the Company (and predecessors) has included airborne geophysics, ground geophysical surveys, surface geochemical sampling (soil, stream and jack hammer sampling) and trenching over

prospective parts of the goldfield in order to define targets for drilling. Prior to mid-2009, drilling was mainly directed at defining the Globe Progress deposit and the satellite deposits within the mining permit, including General Gordon East, General Gordon West, Empress 1, Empress 2 and Souvenir. Post 2009 drilling has been completed on the Big River, Crushington, Fraternal, Blackwater, Gallant, Sir Francis Drake, Supreme and various smaller historical mines within the near mine environment.

Detailed structural mapping of the Globe Progress pit and the Blackwater deposit surrounds in 2009, greatly advanced the Company's understanding of the structural controls within the Reefton goldfield. A subsequent near mine (within 5km of the Globe Progress mine) combined structural-geochemical study was completed in early 2010, and highlighted prospective drill targets and geological/geochemical targets that required grid based geochemical sampling. By the end of 2013, structural mapping was extended regionally to cover all of the Company's permits. Exploration during 2014 focussed on consolidating the work completed since 2009 and exploring for the continuation of the Globe Shear beyond the Chemist Shop/ Soldiers Creek Fault. In 2015 geological field mapping and sampling programs were completed throughout the Reefton tenements. No significant results were obtained and no drilling was undertaken.

In 2016, OceanaGold will continue to review its exploration activities and ensure the tenements are kept in good standing with the crown.

## **8.8 Drilling**

No exploration drilling occurred during 2015. As at December 31, 2015, approximately 1,000 drill holes have been completed equating to over 134,000 metres of drilling at the Reefton Operations. Of these holes, approximately 850 holes representing approximately 100,000 metres have been drilled within the Globe Progress deposit and other near mine targets within the Globe Progress mining permit.

## **8.9 Sampling, Analysis and Security of Samples**

Diamond drill core is routinely half cut through zones of mineralisation using a diamond core saw. Precautions are taken where the core is clay-rich to prevent excessive loss from the sample. Core samples are immediately collected from the core trays and transferred to sequentially numbered sample bags, then transported to an analytical laboratory by a commercial courier.

RC percussion drill chip samples are bagged at the drill hole site, using either portable or rig-mounted riffle-splitter systems. An approximate 2kg to 5kg sub-sample is collected for submission to the assay laboratory. Samples are immediately transported to Reefton and are then shipped to the laboratory by commercial courier.

Based on the drill logs, no material drilling, sampling or recovery factors have been identified in the diamond core, except that rarely poorer recoveries have been noted in the high clay zones.

The accuracy and reliability of RC percussion samples is lower than for the diamond drilling due to the inherent characteristics of this drilling technique. Where specific drilling, sampling or recovery factors have resulted in an assay bias, the distortion has been addressed by removing certain drill hole samples from the resources estimates. Local twinning of RC percussion holes with diamond drilling identified significant bias in some drill holes completed in 1994. The majority of these have since been mined out.

Definition of sampling intervals for RC percussion drilling has generally been based on 1 metre intervals over the full depth of the drill hole. Definition of sampling intervals for diamond drilling is based on geological intervals or

1 metre intervals, within and beyond the margins of mineralised zones identified during logging. Grind samples have been taken from all unmineralised drill core, and composited from 1 metre to 5 metre intervals. The zone is resampled at 1 metre intervals where anomalous mineralisation is detected in grind samples due to their lower reliability. Higher grade intervals within a lower grade intersection are characterised by more abundant sulphide mineralisation and, generally can be visually detected during core logging. The sample quality for diamond drilling is considered to be high where samples are halved diamond drill core.

Comparisons of the early Globe Progress/General Gordon RC drilling with diamond drilling twins originally identified an apparent bias in favour of the RC percussion drilling. The majority of these holes were near surface. Accordingly, mining to date has removed this as a material concern.

In mid-2011, SGS opened a new laboratory facility in Westport and took ownership of the laboratory services contract at the Reefton Globe Progress mine site.

The majority of RC percussion drill chips and exploration diamond drill core samples during 2014 have been analysed by SGS in New Zealand. Samples dispatched to SGS in Westport by trained staff, were prepared at the Westport laboratory. Samples were dried at 105 degrees, coarse crushed to a nominal -6mm, rotary split and then pulverised in a Cr steel grinding head to ca. -75µm. One 50g pulp split was taken and sent for analysis at SGS Globe mine site for gold by fire assay. An additional 50g sample was retained at Westport for creating pressed powder disks for stibnite and arsenic analysis. Samples were processed by trained laboratory staff independent of the Company's personnel.

Select diamond drill cores were dispatched to ALS in Brisbane via International Freight Company. Samples were crushed to a nominal -6mm, then riffle split if greater than 3kg and pulverised to 85% <75microns. A 50g sample was analysed for gold by fire assay with stibnite and arsenic analysed. Select drill core was analysed for up to an additional 33 elements by ICP-AES. Diamond drill core from development drilling was analysed for gold by 50g fire assay, arsenic, and 1g of sample was used for sulphate analysis by Leco furnace.

Diamond drill core containing or suspected of containing free gold was dispatched via International Freight Company to ALS in Townsville for analysis by screen fire assay. Samples were weighed and crushed with >70% at -6mm. The entire sample up to 3.4kg is pulverised, samples >3.4kg are riffle split. 1kg of the final pulverised material is sieved at 75um with both fractions then dried and weighed. The +75um fraction is fired to extinction by fire assay, the -75um fraction is homogenised then two 50g samples are taken and analysed by fire assay and averaged. The total gold content is calculated using the weights of the two fractions and the results from the fire assays.

## **8.10 Mining Operations**

The Reefton mine is currently under care and maintenance.

Open cut mining costs consist of stripping, grade control and blast drilling, blasting/explosives, ore load and haul costs, haul road and pit wall maintenance, technical services and overheads. Open cut costs typically range between NZ\$3.50 and NZ\$4.70 per tonne moved. Primary mining activity ceased in September 2015, with some opportunistic ore extraction and ore rehandle forming the basis of costs in Q4 2015.

Reefton processing costs include crushing, grinding, floatation filtration, concentrate transport and processing recharges from Macraes for utilisation of pressure oxidation, CIL and smelting facilities. Costs are in the range of NZ\$12-20 per tonne milled with the upper range driven by periodic mill maintenance costs and resulting downtime (reduced throughput).

Once ore processing concludes, Reefton operating costs will consist primarily of water treatment and administrative costs until Q1 2018. At this time the operation will move into closure preparation where rehabilitation plans take effect. Care and maintenance costs are estimated at NZ\$650-750k per year.

Rehabilitation costs are the primary source of Reefton's planned capital costs. The closure rehabilitation plan is expected to take two years to complete and will cost approximately NZ\$9.2 million in Year 1 and NZ\$2.3 million in Year 2. The primary components of these costs are TSF capping, revegetation of areas of disturbance, Globe Pit high wall rehabilitation and removal of the processing plant and other buildings.

Capital expenditure in 2015 was focused around tailings management with NZ\$2.4 million spent on raising the TSF wall, developing the TSF ring road and embankments and related consent variation costs.

## **8.11 Exploration Potential**

The Company holds permits over more than 90% of the historic two million ounce hard rock production Reefton goldfield, which stretches for more than 30 kilometres. The Reefton goldfield is significant in Australasia for being a multi-million ounce producer in the late 1800's and early 1900's but with virtually no production since circa 1920 (apart from the Blackwater mine which ceased production in 1951) until the commissioning of OceanaGold's Reefton operation in 2007. Most historic mining in Reefton was from high grade underground operations with head grades from 15 to 34 g/t gold. These deposits were traditionally narrow veined structures that were discovered at surface and mined down dip. The areas along strike from the Globe Progress mine are characterised by extensive historical workings and are considered highly prospective for the discovery of near mine satellite deposits.

## **9 THE DIDIPIO OPERATION**

The Didipio Operations are held under a Financial or Technical Assistance Agreement ("FTAA"), a type of mining title granted under Philippines mining legislation by the Philippines Government in 1994. In collaboration with the Philippines Government, the FTAA grants title, exploration and mining rights to the Company within a fixed fiscal regime. Construction activities at site commenced in 2008, but the Didipio Project was placed on care and maintenance in December of that year following the deterioration of global financial markets and project funding constraints.

The project was re-scoped in 2010-2011 and from mid-2011 until December 2012, the project was under construction. Pre-stripping of waste rock and construction of the tailings storage facility was carried out until September 2012. From September, the mine started mining ore and stockpiling in advance of milling operations. In December 2012, the process plant and other infrastructure were substantially complete and commissioning of the plant with ore commenced in mid-December. Commercial production was declared on April 1, 2013, and announced to the market on May 17, 2013.

### **9.1 Property Description and Location**

The Didipio Project is located in the north of Luzon Island, approximately 270 kilometres north-northeast of Manila, in the Philippines. The FTAA covers approximately 158 km<sup>2</sup> located in the Provinces of Nueva Vizcaya and Quirino. The nearest significant towns to the Didipio Operations are Cabarroguis, located approximately 20 kilometres to the north and Kasibu to the west. The main access road to Didipio is via concrete sealed road to Debibi in Cabarroguis, and from Debibi there is a 22 kilometre all-weather concrete-gravel road to the mine site.

A secondary access connects Didipio by an all-weather gravel road to Kasibu, which is in turn connected by concrete road to the Pan-Philippine Highway at Bambang.

Portions of the property covered by the original FTAA, have been relinquished under its terms, which generally requires 10% relinquishment per annum until 5,000 ha (or such larger area as the Government approves) remains. The proposed mining area comprises approximately 9.75 km<sup>2</sup> within the property area covered by the FTAA. A direct impact zone of approximately 3.25 km<sup>2</sup> is situated inside the proposed mining area.

## **9.2 Mineral Permits and Regulatory Matters**

### **9.2.1 Financial or Technical Assistance Agreement**

The Didipio FTAA application was lodged in February 1992, and subsequently the format and content of the approval process and the FTAA was negotiated in various meetings held between representatives of OceanaGold (Philippines) Exploration Corporation (“OGPEC”) (then known as Arimco Mining Corporation), its external counsel, the DENR, Mines and Geosciences Bureau (“MGB”) and the office of the President.

The FTAA was originally granted by the Republic of the Philippines to OGPEC on June 20, 1994 under Executive Order No. 279 and the Mineral Resources Development Decree of 1974. On December 23, 1996, OGPEC (then became known as Climax-Arimco Mining Corporation) entered into an Assignment, Accession and Assumption Agreement with OceanaGold (Philippines), Inc. (“OGPI”) (then known as Australasian Philippines Mining, Inc.), (as amended and restated on September 15, 2004) involving the transfer of all of OGPEC’s rights and obligations under the FTAA to OGPI. This transfer was approved on December 9, 2004 by an Order of the DENR. OGPI is the current holder of the Didipio FTAA.

On February 20, 2002, OGPI requested an extension of the FTAA exploration period. A five-year extension of the exploration period was approved by the DENR on August 15, 2005. On June 28, 2010, OGPI applied for a further five-year extension on the exploration period of the FTAA. This extension, which impacts only on exploration assets outside of the Didipio Project area, was deferred, along with almost all other similar applications from mining companies, pending an announcement of an Executive Order relating to mining from the Office of the President. Executive Order 79 was announced in July 2012, and the MGB recommenced receiving new exploration permit applications and other approvals on March 18, 2013. The Company continues to be hopeful that the extension of the FTAA exploration period will be processed soon.

The FTAA carries a minimum expenditure commitment of US\$50 million (which the Company has incurred) and sets forth the fiscal regime for development of the Didipio Project.

Pursuant to the FTAA, OGPI notified the DENR that commercial production had commenced in the Didipio Project on April 1, 2013. This was following OGPI’s confirmation that there was the production of sufficient quantity of minerals at the Didipio Project to sustain economic viability of mining operations.

### **9.2.2 Didipio FTAA Requirements**

The Didipio FTAA was the first of its kind issued in the Philippines. An FTAA granted today would be operating under a different regime to that dictated to OGPI in relation to the FTAA. However, the level of compliance expected, and the nature of permits and approvals OGPI was required to obtain have been no different.

As a result, many of the permits and approvals required under the FTAA were not, as they would be today, conditions precedent to the successful approval of an FTAA. Instead, these permits and approvals have been successfully acquired as the Didipio Project has moved through its various developmental stages.

There are various ongoing obligations under the FTAA that are required of OGPI to ensure that the Didipio Project is delivered in accordance with the social and environmental policies developed by the Philippine Government and enacted under the Philippine Mining Act of 1995.

Of particular importance are the obligations of OGPI to the community of Didipio. These include:

- preferred employment to local personnel; and
- development of the host and neighbouring communities with self-sustaining income-generating activities.

In addition, other approvals required to be maintained under the FTAA contain conditions relating to community consultation that are required to be satisfied, namely:

- the Environmental Compliance Certificate (“ECC”); and
- the Partial Declaration of Mining Feasibility (“PDMF”).

These have been received by OGPI. Please refer to sections 9.3.1 and 9.3.2 for further details.

### **9.2.3 Third party royalties**

The Company has an agreement (known as the “Addendum Agreement”) with a Philippine claim owner syndicate (the “syndicate”) which covers that portion of the FTAA previously included in a block of mineral claims held by the syndicate (the “area of interest”), including the PDMF area in its entirety. Once certain conditions have been met, the Addendum Agreement provides that the syndicate will be entitled to an 8% interest in the operating vehicle to be established to undertake the management, development, mining and processing of ores, and the marketing of products from the area of the mining interest.

The interest will entitle the syndicate to a proportionate share of any dividends declared from the net profits of the operating vehicle, but not until all costs of exploration and development have been recovered. The syndicate is also entitled to a 2% net smelter royalty on production from the area of interest. There is currently a legal proceeding involving the claim owner syndicate and a third party on beneficial ownership of the mining claims. See “Legal Proceedings” section of this document.

### **9.2.4 Recovery of expenses**

Under the terms of the FTAA, the Company will have a period of up to five years from April 1, 2013 during which it can recover its pre-operating expenses and property expenditures from “net revenues” (as referred to below) from the project area. At the end of that period, the Company is required to pay the Government of the Republic of the Philippines 60% of the net revenue earned from the Didipio Project. If such expenses and expenditures are not recovered by the end of such five year period, the Company can allocate the unrecovered portion as a depreciation allowance, deductible from net revenues over the next three years.

For the purposes of the FTAA, “net revenue” is generally the gross mining revenue from commercial production from mining operations, less deductions for, among other items, expenses relating to mining, processing,

marketing and mineral exploration, consulting fees, depreciation of capital, and certain specified overheads and interest on loans.

In addition, all taxes paid to the Philippine Government, including excise, customs, sales, corporate taxes (30%) and value added taxes, as well as the 2% net smelter royalty payments and any distribution made to the holder of the 8% free carried interest referred to above, are also deducted from the 60% of net revenues that are payable to the Government. OGC also holds an income tax holiday certificate for a period of 6 years from April 2013, which is the actual start date of its commercial operations.

### **9.3 Environmental and Community Development Matters**

#### **9.3.1 ECC and PDMF**

In August 2004, the Company obtained an ECC for the project. The PDMF was approved under an Order of the DENR issued on October 11, 2005, and OGPI was deemed to have satisfied all conditions required for its approval. The declaration is defined as only 'partial' at this time as it applies specifically to the current development zone around the Didipio deposit. On March 10, 2016, OGPI received a five-year extension on the FTAA exploration period. OGPI retains the right to seek further partial declarations of mining feasibility in the future over other deposits in the broader Didipio Project FTAA area. In effect, this provides the permit to operate and develop the Didipio Project.

The PDMF approval allows for, among other matters, open pit and underground workings, a tailings dam and impoundment, waste rock stacks, a mill plant, an explosives magazine and watersheds. The DFS specifies the project mining methods, production rate, processing methods and other aspects of the mining operation. The ECC specifies the environmental management and protection requirements, including the submission of an Environmental Protection and Enhancement Program ("EPEP"), an annual EPEP, as well as social development and community assistance programs.

In collaboration with the DENR, the Company agreed to a revised Development Work Programme in October 2009. Following further studies conducted in the last quarter of 2010 and early part of 2011, OGPI has identified certain changes that could be made in the Didipio Project to maximize the returns of the Didipio Project. The changes include revised capacity- from 2.0Mtpa to a 2.5Mtpa up to 3.5Mtpa, and the change in the mining methodology - from a limited open pit operation followed by underground mining operation utilizing sub-level caving and benching, to an open pit for most of the mine life, and an underground sub-level open stoping with paste backfill operation commencing in Year 8 of operations. In light of the modifications to the Didipio Project, OGPI submitted, on November 23, 2011, the final version of its Environmental Performance Report and Management Plan for the approval of a revised ECC. The DENR approved a revision to the ECC on December 10, 2012. A Utilization Work Program was also submitted to the DENR on March 27, 2013 to cover the first three years of commercial production.

On July 15, 2015, OGPI was granted an ECC amendment by the Environmental Management Bureau allowing for the construction of approximately 3.35 km of Overhead Power Line ("OHPL") and the High Voltage ("HV") Sub-station within the FTAA Area (approximately 1500 m<sup>2</sup>). A further 55 km of OHPL extends from the FTAA Area Boundary back to the NUVELCO Tapping Point at Bambang, Nueva Vizcaya.

OGPI submitted an EPEP and FMRDP following the revision of the ECC which have been endorsed by the MGB Region 2 to the Mines and Geosciences Bureau ("MGB") Central Office thru a memorandum dated January 28, 2016. OGPI implemented an Interim Annual EPEP for 2015 while awaiting the final approval of its mother EPEP. Its 2016 Annual AEPEP was approved by the MRFC during its February 4, 2016 meeting.

In November 2015, the Company participated in the 62nd Annual National Mine Safety and Environment Conference in the Philippines which was hosted by the Philippine Mine Safety and Environment Association (“PMSEA”) and the MGB. At the event, OceanaGold received the highest awards, the Presidential Mineral Industry Environmental Award (PMIEA) including Safest Surface Mining Operation, and Safest Mining Operation (Metallic Category). On January 19, 2016, the President of the Republic of the Philippines, Benigno Aquino III, personally awarded the PMIEA to OGPI Executives at the Malacañang Palace.

Other recognitions received by OGPI in 2015 include: Finalist to the E3 (Excellence in Ecology and Economy) Awards given by the Philippine Chamber of Commerce and Industry (“PCCI”) on October 7, 2015; Outstanding Pollution Control Officer (“PCO”), Success Story Award (1<sup>st</sup> Place) and Mother Nature Award given during the 35<sup>th</sup> National Annual Convention and General Assembly of the PCAPI in May 2015; and the Best Environmental Excellence Award, as well as a the Best Workplace Practices Award given at the 7<sup>th</sup> Annual Global CSR Summit and Awards for 2015, held in Yogyakarta, Indonesia on March 19, 2015.

The Didipio Operations Environmental Management System (“EMS”) ISO 14001:2004 was recertified under the Integrated Management System (“IMS”) with OSHAS 18001:2007 in December 2015 by the Certification International Philippines, Inc. (“CIP”).

### **9.3.2 Social Development and Management Program**

From a legal and regulatory perspective, OGPI has complied with all its existing obligations under the FTAA and PMA to obtain community support for the Didipio Project. OGPI has obtained the requisite support of the local community to the satisfaction of the DENR. Whilst OGPI is under no further legal or regulatory obligations to seek or obtain further resolutions of the local councils or community, in the spirit of maintaining a cohesive relationship with the local community, OGPI is continuing to seek the full support of the Didipio community and address its concerns through an open negotiation process. In addition, it is committed to assisting the long-term development of the Didipio community beyond the life of the mine through its social development programs.

OGPI continues to hold regular information meetings for community members to raise their concerns and resolve any issues in an open forum. It has established a grievance machinery process to properly address any community issues, complaints and concerns.

Under the PMA, OGPI is required during mining operations to allot annually a minimum of 1.5% of its operating costs whereby 75% of the 1.5% shall be apportioned to the implementation of the Social Development and Management Program (the “SDMP”). The remainder of the amount would be utilized for the development of mining technology and geosciences and for institutionalization of public awareness and education on mining and geosciences. Prior to its mining operations and in February 2005, the DENR approved the first five year SDMP. On September 17, 2013, the MGB approved the second five year SDMP commencing in January 2013, with a total estimated SDMP fund in the amount of PHP215 Million.

The SDMP is intended to provide a sustained improvement in the living standards of the host and neighbouring communities by helping them to define, fund and implement development programs before commercial production at the Didipio Project begins, during the life of the mine and after mine closure.

In this regard, ten barangays comprising of the host barangay, and adjacent barangays from the FTAA host provinces of Nueva Vizcaya and Quirino, have signed a Memorandum of Agreement in December 2011 reiterating their support to the Didipio Project and agreeing on the sharing of the SDMP Fund.

In 2015, OGPI finalized the approval from the Mines and Geosciences Bureau Region 3 (MGB R3) and signed-off on the Memorandum of Agreement for the inclusion of one (1) adjacent barangay after consultation process with the other ten (10) barangays. This new adjacent barangay will participate in the SDMP starting 2016 until end of mine life.

On top of the required SDMP, OGPI continued to undertake different community programs and activities to benefit the inhabitants of the communities under the additional Company Commitment and Community Development Program (“CDP”).

In 2015, a total of PHP139.45 million was spent for community development initiatives funded under the three (3) sources, namely the SDMP, Company Commitment and CDP. While the SDMP covered the 10 barangays, the CDP covered the communities within exploration prospects. On the other hand, the Company Commitment was part of OGPI’s CSR initiatives for the communities within FTAA area on top of SDMP and CDP. Of the total community investment, 43% or PHP59.93 million was funded from the SDMP; PHP78.85 million or 57% was funded by Company Commitment, and about 0.5% or PHP0.65 million was funded from CDP.

The community programs consisted of several services in the areas of infrastructure, education, health, human resource development or capacity building, sports, socio cultural and enterprise development, and livelihood. Infrastructure programs remained as the highest expenditure, which involved the construction and maintenance of farm-to-market roads, tire paths, water systems, hanging bridges and multi-purpose buildings in the various barangays.

## **9.4 Accessibility, Climate, Local Resources, Infrastructure and Physiography**

### **9.4.1 Topography**

The project 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.

The geomorphology of the project area is diverse. The project can be generally subdivided into at least six geomorphic units: ridges-and-spurs, escarpment zones, hills-and-slopes, valley-and-gully sides, in-filled valley bottom and mass movement zones. In-filled valley bottoms occur as narrow strips of low and flat-lying areas within the project area. These areas occupy the main Didipio Valley. Morphological associations include the floodplain and terraces along the Didipio River. 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.

### **9.4.2 Access**

Access to most parts of the Didipio Operations is from the north, commencing at the national highway at Cordon in the Province of Isabella, and continuing along a concrete paved road to Cabarroguis in the Province of Quirino, and thereafter by another concrete paved road that ends up to a concrete bridge over Debibi River.

A 22-km two-way traffic all-weather road connects from Debibi Bridge to the project site. This road is being paved with concrete under a continuous program over the next 5 years funded by OGPI. To date, a total of around 6.6-km or 30% of the 22-km has been concreted in different areas. OGPI is also improving a second road access to the mine through the Municipality of Kasibu from the west. OGC has also constructed a helipad site within the secured processing plant area.

### **9.4.3 Climate**

The mine site area experiences a tropical climate consisting of three main seasons: the south-west monsoon season in June-September; the north-west monsoon in October-January; and a transition period in February-May. Didipio receives most of its rainfall during the monsoon seasons, experiencing a mean annual rainfall of 3,531mm. The wettest months are September and November and the driest month is normally March. The maritime setting of the Philippines results in relatively small temperature ranges being experienced. The mean annual temperature at the project site in 2015 is 22.3°C, the hottest months being June and August and the coldest month January. The average annual humidity is high at 88%, with a relative humidity in excess of 80% for more than eight months of the year.

The Didipio region is subject to the effects of an average of two tropical typhoons a year, which, together with topographical effects, can greatly influence wind speeds and contribute to the high annual rainfall. In such instances, wind speeds can exceed 50m/s and may reach as much as 75m/s. The average wind speed over such surge periods normally exceeds 38m/s. The effect of typhoons on operations has been minimal. The Company monitors typhoon and tropical storm development and progress, and has developed emergency planning to protect personnel and equipment in the event of a typhoon impacting the site.

### **9.4.4 Power**

The construction of the OHPL was completed in September 2015 and was followed by commissioning. Since November 5, 2015 the Didipio mine site has been operating on National Grid Power as its main operational power supply. A HV Transformer was installed as part of the HV Sub-station to step down the National Grid Power to the Didipio mine site Voltage of 13.8 kV.

The 13.8 kV HV Power is distributed to the following site facilities:

- SAG Mill;
- Ball Mill;
- Open Pit Mine Dewatering Pumps;
- Underground Mine;
- Tails delivery pumps and water pumps (2);
- Cyclone Feed Pumps;
- Tailings Storage Facility and Water Treatment Plant;
- Crusher;
- Mine Services Area; and
- Accommodation Village

### **9.4.5 Water**

The majority of the water used in the processing plant is recycled using the overflow water from thickeners and the decant water from the TSF tailings pond. Any fresh makeup water is sourced from up to five deep bores around the perimeter of the open pit mine. In 2015, around 80% of its water requirements were recycled from the TSF to the plant. Freshwater is sourced from the five dewatering bores around the perimeter of the open pit mine. These bores also serve to depressurize the pit walls to improve the wall stability, and as a source of domestic and raw water supply for the camp and processing plant, respectively.

#### **9.4.6 Personnel**

During construction, total employment of contractors and employees was 2,200 people. During the commissioning phase, leading to commercial production there were approximately 1,900 employees and contractors employed by the project. This number has continuously reduced to 1,875 with 593 OGPI employees and 1,282 contractors as of December 31, 2015.

#### **9.5 History**

The Didipio area was first recognised as a gold province in the 1970s, when alluvial gold deposits were discovered in the region. There had been no large scale mining at the Didipio Project to this date, and there are no records of production by artisanal miners.

In May 1975, Victoria Consolidated Resources Corporation and Fil-Am Resources Inc. entered into an exploration agreement with a syndicate of claim owners who had title to an area covering the Didipio valley and undertook exploration activities, including a stream geochemistry program between 1975 and 1977. Marcopper Mining Corporation investigated the region in 1984, and Benguet Corporation examined the Didipio area in September 1985. In April 1985, the property area was explored (with work including geological mapping, panning of stream-bed sediments and ridge and spur soil sampling) by a consultant geologist engaged by local claim owner Jorge Gonzales. Geophilippines Inc. investigated the Didipio area in September 1987 and made mining lease applications in November 1987. In 1989, Cyprus Philippines Corporation ("Cyprus") and subsequently Arimco NL (as Arimco Mining Corporation in the Philippines) ("AMC") entered into an agreement with Geophilippines Inc. and the local claim owner, Jorge Gonzales, to explore the Didipio area. Between April 1989 and December 1991, an exploration program was carried out. Subsequently, Climax acquired control of AMC (renamed Climax-Arimco Mining Corporation ("CAMC")) and the entire Cyprus-Arimco NL interest in the Didipio Project in 1992. The FTAA was executed in 1994 and was subsequently assigned from CAMC to Australasian Philippines Mining Incorporated ("APMI") (a subsidiary of Climax and now renamed OceanaGold (Philippines) Inc.). By the time of ownership transfer to APMI, CAMC had drilled 94 drill holes for a total of 35,653 metres into the Didipio gold-copper deposit.

#### **9.6 Geology and Mineralisation**

##### **9.6.1 Regional and Local Geology**

The regional geology comprises late Miocene volcanic, volcanoclastic, 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 deposit is hosted within the multiphase Dinkidi Stock, which is in turn part of a larger alkalic intrusive body, the Didipio Igneous Complex.

The local geology comprises north-west trending, steeply (80° to 85°) north-east dipping composite micro-diorite intrusives, in contact with volcanoclastics of the Mamparang Formation. The micro-diorite lies in a circular topographic depression that is coincident with a circular IP anomaly.

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. Mineralisation is predominantly hosted by the Tunja monzonite, which intrudes the Dark Diorite. 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 monzodiorite (Tunja) intrudes the Dark Diorite.

### **9.6.2 Deposit Geology**

The primary deposit has been identified as an alkalic gold-copper porphyry system, roughly elliptical in shape at surface (450 metres long by 150 metres wide) and with a vertical pipe-like geometry that extends to at least 800 metres below the surface. The porphyry-style mineralisation is closely associated with a zone of K-feldspar alteration, the extent of which is marked by the Didipio ridge, which is approximately 400 metres long and rising steeply to about 100 metres above an area of river flats and undulating ground.

Chalcopyrite and gold, along with pyrite and magnetite, are the main metallic minerals in the deposit. Higher grade gold and copper mineralisation is closely associated with the Quan Porphyry and Bugoy Breccia, both of which are elongate in plan view along the north-south trending, steeply north-east dipping Tatts Fault Zone.

### **9.6.3 Mineralisation**

Porphyry style gold-copper mineralisation has been recorded over a strike length of approximately 450 metres, a width of up to 150 metres, and to a vertical depth of greater than 800 metres. The tabular composite intrusive and associated alteration and mineralisation strike in a north west –south east direction and dip steeply (80 to 85 degrees) north east. Higher grade gold and copper mineralisation is closely associated with the Quan Porphyry and Bugoy Breccia, both of which are elongate in plan view along the Tatts Fault Zone. This mineralisation is surrounded by stockwork mineralisation that extends as a steeply east-dipping ellipsoidal shaped body, 110 metres to 140 metres wide, from the surface to a depth of 650 metres. Below a depth of 650 metres, 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 5 metres to 15 metres wide, sub-vertical, open at depth and contains vein-type mineralisation over a strike length of 150 metres.

The deposit is oxidised from the surface to a depth of between 15 metres and 60 metres, averaging 30 metres. The oxide zone forms a blanket over the top of the deposit. A transition zone, 5 metres to 15 metres thick, is present between the oxide and sulphide zones over most of the deposit. This zone is imprecisely defined, with sulphides being observed near surface.

Brecciation of the QFC at the top of the Leached Zone (Bugoy Breccia) is characterised by high gold-copper grades. The gold and copper may have been remobilised and concentrated within the breccia matrix. Within the QFC Zone, highest grade mineralisation is generally coincident with an overlap of Mixed Zone alteration. Grades are typically low where the Mixed Zone does not coincide with the QFC Zone at depth. The Mixed Zone is also notable in that it includes significant disseminated chalcopyrite-bornite-pyrite mineralisation, a feature not common in other alteration zones. Very high grade gold-copper mineralisation is also a feature of the Skarn Zone where it occurs typically as coarse (2 mm to 4 mm) disseminations of chalcopyrite-bornite-magnetite overprinting the calc-silicate matrix. Outside the QFC Zone, chalcopyrite and gold mineralisation are generally lower-grade. Minor disseminated chalcopyrite may also occur with magnetite and chlorite as retrograde alteration of mafic grains. Locally, there is strong development of disseminated mineralisation.

## **9.7 Exploration and Drilling**

In 2015, exploration was constrained within the Didipio near-mine area. Drilling focussed on testing anomalies identified by the deep IP/MT survey using the Titan 24 technology conducted in 2014 and follow-up of anomalous intersections in historical drilling. A total of 15 diamond holes were drilled totalling 6,558.3m. Drilling was carried-out by Quest Exploration Drilling (QED) and DrillCorp. Drilling was conducted over the Dinkidi South, Morning Star, Luminag, and True Blue prospects, mostly within 1 kilometre radius of the Didipio pit.

Core samples taken from the exploration drilling programme were sent to Intertek Laboratory in Manila for assaying.

The 2015 in pit drilling program was focused on collecting information for the planning and design of the underground mine. A total of 47 holes were completed totalling 11,229.42m. A total of 21 (6,993.42m) holes were completed using diamond coring and 26 (4,236m) holes using rotary drills. Diamond holes targeted planned locations of underground stopes and drives to collect information on rock mass condition. Rotary holes were drilled to test hydrologic conditions in deeper portions of the ore body.

## **9.8 Future Works**

Exploration drilling will continue in 2016. In the 4th quarter of 2016, the Underground Resource Definition Drilling Program is expected to commence. This includes over 50km of drilling spread over 36 months. Fan drilling will be conducted at the 2430 and 2280 drilling level using rigs fitted to drill LTK60/HQ size holes to a depth of 400m.

## **9.9 Sampling, Analysis and Sample Security**

Selected 2015 diamond core were quartered and composited to 1m intervals honouring geologic domains. The core was submitted to the SGS facility on site. Gold was analysed using standard fire assaying with AAS finish while acid digestion was used for silver and copper. Qualify/assurance/quality control measures employed included standards, quarter core duplicates, coarse and pulp blanks. A screen fire assay program was implemented to test Au deportment on the high grade breccia intercepts.

For exploration drill samples, similar sampling and assaying techniques were implemented. Samples were sent to Intertek Lab in Manila. Qualify/assurance/quality control included insertion of Certified Reference Material ("CRM") from OREAS and blanks at defined intervals and check assaying using pulps from previous drill holes.

All exploration drill core is stored in the core storage facility at Didipio.

Partly oxidized feed ore from medium grade stockpiles to the plant in July, August, and October 2015 resulted to a reduction in copper recovery by 1-2%, without any detrimental effect on gold recovery. This reduction is expected with the blending of stockpile medium grade ore with breccia ore from the underground using current reagent schemes. However, alternative or additional reagents are currently being investigated to mitigate this. Initial laboratory tests of breccia from underground drill core resulted to recoveries tracking recoveries on monzonite ore from the open pit.

## **9.10 Mining Operations**

Based on the optimisation study conducted in the last quarter of 2014, the Didipio open pit mine is expected to be completed in 2017. Following approximately five years of open pit mining starting at 2012 and twelve years of underground mining commencing production in 2017, mining operations are planned to cease in 2029. The 3.5 Mtpa processing plant is expected to average approximately 100,000 ounces of gold and 14,000 tonnes of

copper in concentrate per annum over 16 years of operation. Commercial production was declared on April 1, 2013 after 3 months of commissioning.

On October 12, 2012, a subsidiary of the Company signed an Offtake Agreement with Trafigura in relation to the sale and purchase of copper concentrate from the Didipio Project. The first concentrate shipment from the site was in January 2013 with the first ship leaving port in February 2013. The subsidiary has been issued a Copper Export Clearance by the Philippine Board of Investments for the export of copper concentrate until October 31, 2018, subject to the Company's further application for continued export.

Operating cost centres for processing are:

- Administration (includes processing, metallurgy (and laboratory), and maintenance administration);
- Crushing, conveying, and grinding;
- Flotation and product processing (includes goldroom, concentrate thickening and filtration, and concentrate storage and loadout);
- Tailings processing and utilities; and
- Water treatment. Cost per tonne milled for 2015 was US\$8.32 per tonne (breakdown as per Table 1 below).

<b>Operating Cost Center</b>	<b>US\$ Per Ton</b>
Administration	1.57
Crushing and Grinding	4.74
Flotation and Product Processing	0.45
Tailings Processing and Utilities	1.54
Water Treatment Plant	0.03
<b>Total</b>	<b>8.32</b>

**Table 1**

Sustaining capital costs over the next three years are expected to be US\$1.48 million in 2016, US\$0.60 million in 2017, US\$0.31 million in 2018, with major expenditures on return water line and pump upgrades, froth cameras to improve flotation control, cyclone cluster replacement to address grind and circulating load, secondary Falcon gravity concentrator and Deister shaking table to improve gravity gold recovery, and additional assay laboratory equipment.

### **9.10.1 Open Pit Mining**

Open pit pre-strip operations commenced in January 2012. Ore mining commenced in mid-2012, and first ore was fed to the mill in mid-December 2012. Material mined during the pre-strip phase was used for the run of mine stockpile base, haul roads and the first TSF embankment construction.

The open pit has delivered to schedule in 2012, 2013, 2014 and in 2015. The open pit mining contractor has sufficient mining equipment on site. The open pit operation has been scheduled to deliver to the mill, ore of sufficient grade to achieve 100,000 gold ounces and 14,000 tonnes of copper per year over the life of the mine. Medium grade ore stockpiled during open pit operations will be milled at the end of the open pit and will be blended with the ore coming out of the underground operation. Waste rock mined during 2014 supplied the TSF embankment and waste rock dam construction.

### **9.10.2 Groundwater Management**

Peak groundwater inflows to the pit of up to 13 to 15 million litres per day are expected during the wet season. Most of this should come from the Biak Shear Zone and the broken ground to the north. A much smaller flow is expected through the North West Fault, which runs East-West through the pit.

The pit will be kept free of groundwater by a combination of dewatering bores and in-pit sump pumping. The dewatering bores are drilled at 450 millimetres diameter and lined with 300 millimetre diameter slotted casing to house 100 to 200 millimetres diameter downhole pumps. These boreholes are drilled to depths of between 150 meters to 300 meters. The total installed capacity of the bore field is currently 3.7 million litres per day. An additional bore will be equipped soon and is expected to add an additional 4 million litres per day. In-pit sump pumps remove the balance of the groundwater that seeps into the pit.

Analyses of the groundwater in the pit area show mild salinity and some elevation of arsenic, zinc, iron, manganese and sulphate. These naturally occurring levels are within compliance and can be discharged to the Dinauyan River.

The high annual rainfall that includes intense, sometimes cyclonic, rain events, demands surface water management for the open cut consisting of:

- preventing surface flows from entering the pit using river and creek diversions; and
- pumping of rainwater that falls directly on to the pit area.

Most of the surface water that could enter the pit comes from upstream in the Dinauyan Valley. Some of this water is captured in the tailings storage facility and is then subject to the mines water management system which includes a water treatment plant. Other stream flows are directed through underflow systems into the Dinauyan river or are intercepted in surface drains and directed around the pit crest to the Didipio River.

Rainfall directly onto the pit area is removed by in-pit sump pumps.

### **9.10.3 Underground Mining**

Based on the current design, an open pit mine will generate cash flow until the underground mine comes into production late in 2017. An optimisation study was completed during the second half of 2014, which raised the crown pillar elevation and increased the production rate of the underground mine from 1.2Mtpa to 1.6Mtpa. The present underground mine plan is based on sub-level open stoping (“SLOS”) with paste backfill. The stopes are generally 20 x 20 metres and have a height of 30 metres. A small portion of the underground mine is expected to have poorer ground conditions and in this area stopes are designed to be 10 x 20 metres with a height of 15m. They are arranged in a “checker board” pattern to extract the broad ore zones. Cemented paste backfill is placed as each stope is completed to allow extraction of the adjacent stopes without creating unstable spans. The stoping sequence occurs in three phases (primary, secondary and tertiary) so that the current production stope is always surrounded on four sides by either unmined rock or filled voids. Production from the underground mine is scheduled to ramp up to approximately 1.6 Mtpa by 2020, with mining scheduled to be completed by 2028.

The underground development commenced in Q1 of 2015 as scheduled with its first portal cut fired on March 7, 2015 and at this stage the underground decline was named Pelobello Decline. By the end of 2015, a total of 1012.5 metres developed consisting of 783.4 metres decline and 229.1 metres ancillaries.

As development continues, intensive training on underground works is being provided to Philippine nationals. In 2015, the Company partnered with Site Skills and invested around USD 1 Million to construct an Underground Metalliferous Mining Simulator. This training facility is a 240-meter immersive simulator equipped with facilities and equipment replicating the actual underground mine. The first batch of 15 student trainees graduated with Australian industry recognized Certificate II in Underground Metalliferous Mining Course in Site Skills last November 2015 and are now undertaking on-the-job training in Didipio underground mine.

### **9.11 Metallurgical Process Plant Design**

The plant design for the Didipio Project is a conventionally designed plant for treating gold-copper ores. Commissioning of the process plant started in late 2012 and was completed successfully in Q1 2013 with plant design of 2.5Mtpa being achieved during this period. Since commissioning, a ramp-up project to de-bottleneck the plant with the aim of achieving 40% above plant design to 3.5Mtpa, was achieved during Q4 2014.

The processing plant comprises a primary open circuit crushing plant. Coarsely crushed material from the crusher is fed directly to the SAG mill with an option to bypass to an emergency stockpile so feed is available for the mill when crusher maintenance is required. The SAG Mill operates in open circuit but does have the option of running in closed circuit if required. The Ball Mill operates in closed circuit with both the discharge from the SAG and Ball mills combining and then being pumped to a set of hydro-cyclones for classification. The coarse underflow from the cyclones reports back to the Ball Mill in closed circuit until fine enough to pass to the cyclone overflow for the fine flotation circuit. A portion of the cyclone underflow reports to a flash flotation rougher cell where coarse Cu & Au sulphide particles are collected before going to either the gravity concentrator or the flash Flotation cleaner cell. This provides the benefit of reducing the risk of over-grinding and losing valuable minerals in slimes while recovering free Au in the mill feed. A Falcon type gravity concentrator separates fine free-gold from the flash flotation concentrate to ultimately produce gold doré bars after processing in the Gold Room.

The cyclone overflow reports to a bank of six Rougher cells where the concentrate is upgraded before reporting to a three-stage cleaning circuit where it is further upgraded to achieve the target copper concentrate grade for shipment. The flash flotation and fine flotation final cleaner concentrates are combined and report to a concentrate thickener where the solids are increased to approximately 60% ready for the filtration process.

The filtration circuit consists of one horizontal pressure filter that reduces the moisture content to <10% so that the copper concentrate is ready for transport off site.

The flotation tailings are combined and report to the tailings thickener where water is recovered to reuse in circuit with solids at approximately 55% being pumped to the Tailings Storage Facility where the solids are deposited and the water is either returned to the plant for reuse or put through the Water Treatment Plant ("WTP") to reduce the Total Suspended Solids ("TSS") level before discharging back into the river catchment. The WTP reduces the TSS level by approximately 90 - 95%.

## **10 THE WAIHI OPERATIONS**

The Waihi Gold Mine Operations comprise two areas of mineralization, which are at different stages of development. Open pit operations are currently suspended following a localised ramp failure in April 2015. The second area, Correnso, referred to as the Correnso project is in the initial production stage. The Correnso project is comprised of the main Correnso underground mine and the up-dip and down-dip extensions of the Correnso underground mine and the addition of the Daybreak and Empire veins referred to as the Correnso Extensions.

The Waihi Gold Mine Operation is a gold mine located on the North Island of New Zealand with Mineral Reserves currently estimated to be 0.38 million ounces gold, at an average ore grade is 5.6 g/t Au, supporting a mine life of 3 years.

## **10.1 Property Description and Location**

The Waihi mine is located within the township of Waihi, 142 km southeast of Auckland, in the North Island of New Zealand. The township which lies within the Hauraki District had a population of 4,503 at the 2006 census.

Waihi is located at the foot of the Coromandel Peninsula. To the west are the hills of the Kaimai Ranges. Road access along State Highway 2 from this direction is through the winding Karangahake Gorge road. Waihi has an unusually wet and damp microclimate for New Zealand's east coast with an average annual rainfall of 2,147 mm.

The project is managed by Waihi Gold Company Ltd, a 100% owned subsidiary of the OceanaGold Corporation. The Martha Mine open pit operation commenced in 1988 in accordance with Mining Licence 32 2388 which is an existing privilege, as defined by section 106 of the Crown Minerals Act 1991 ("CMA"). The Licence was granted in July 1987 and covers an area of approximately 400 hectares comprising two main elements; the open pit (approximately 40 ha) located in the middle of Waihi, and the processing and waste disposal areas located approximately 2 km away to the south east. These two areas are linked by a conveyor which is also within the boundary of ML 32 2388.

The Martha Mine Extended Project (the "Extended Project") commenced in 1999. The consenting process for the Extended Project was partly by way of applications for new resource consents, including Land Use Consent 97/98-105 granted by Environment Court decision A114/99, and partly by way of applications for variations to the existing Mining Licence. These consents cover the layback to the east wall of the pit which is current underway. ML 32 2388 and/or the conditions of Land Use Consent 97/98-105 includes activities within the Mining Licence and Extended Project areas such as stockpiling, the processing of ore and the disposal of tailings to existing tailings storage facilities. While ML 32 2388 expires in July 2017 and Land Use Consent 97/98-105 expires in June 2019, the land use regime for mining and related activities set out in these existing authorizations is continued after their respective expiry dates through the permitted activity rule framework set out in the Proposed District Plan. Similarly, the provisions for renewal of permits under the CMA provide for the continuation of mineral extraction rights, following the expiry of the Mining Licence, under a mining permit.

The Favona Mining Permit 41 808 (MP 41 808), allowing the commencement of underground operations, was granted in March 2004, under the provisions of the CMA, for a duration of 25 years. An Extension of Land to Favona MP 41 808 was granted and extended in area in March 2006. The permit covers an area of approximately 121.4 hectares and in addition to Favona underground mine, covers the Trio and Correnso Underground Mines. Resource consents for the Favona exploration decline were granted in 2003 and work began on the decline in 2004. Resource consents for the Favona Mine underground operations consents were granted in 2004 with the extraction of ore commencing in late 2006. Resource consents for the Trio development were granted in September 2010 and for the Trio underground mine in December 2010. Resource consents for the Correnso development were granted in October 2013.

Waihi Gold Company Limited also holds a suite of resource consents from Waikato Regional Council which covers all mining and associated discharge activities for the Mining Licence and Extended Project areas.

The various resource consents include consent for discharge from ventilation shafts servicing the underground mining operations, discharge of groundwater for flooding the mine workings, placing rock underground for

backfill and undertaking dewatering, as well as capping of the tailings storage facilities and eventual closure of the open pit as a lake.

## **10.2 Mineral Permits and Regulatory Matters**

### **Favona Mining Permit MP 41 808**

The provisions of the CMA cover the allocation of rights to explore for and mine Crown-owned minerals, including gold and silver. Under the CMA, Favona MP 41 808 was granted on March 22, 2004 for the duration of 25 years. Work began on the Favona decline in 2004 with the extraction of ore commenced in late 2006.

An Extension of Land to MP 41 808, obtained in March 2006, takes in the Trio project and potential resource extensions on the Martha vein system. This also provides for mining the Correnso Project.

The development of the Trio underground mine commenced in December 2010 and was completed in 2014. The Correnso Project lies wholly within the Favona permit area and commenced development in July 2014.

### **Mining Licence ML 32 2388**

The Martha Mine open pit operation commenced in 1988. The Mining Licence, ML 32 2388, was granted in July 1987 and covers the open pit located in the middle of Waihi, and the processing and waste disposal areas located approximately 2 km away to the south east. These two areas are linked by a conveyor which is also within the boundary of ML 32 2388.

The Martha Mine Extended Project commenced in 1999 and increased the life of the mine by an additional seven years.

Waihi Gold Company Limited was granted ML 32 2388 under the Mining Act 1971. This Act has since been repealed and replaced by the CMA, however, for the remaining duration of the ML (which expires in 2017) the provisions of the Mining Act still apply under the CMA as if the CMA had not been enacted. This provides for ore processing for the Correnso Project and disposal of tailings through to 2017. Thereafter the CMA provides for the replacement of the Mining Licence with a Mining Permit, upon application to NZPAM.

### **Exploration Permits**

The following Figure 1 and Table 2 detail the full set of permit interests held by Waihi Gold Company Limited as at December 31, 2015 including rights to explore for minerals in the vicinity of the Waihi mine and within the wider Hauraki and Thames-Coromandel area. An application for an extension of duration over 2836ha of EP52804 was lodged on August 21, 2015. A decision is awaited on this and the Exploration Permit remains in force while the outcome of this application is determined. Prior to expiry of PP 53325 (Dome Field) on January 26, 2016 WGCL lodged two EP applications as subsequent permit applications. The two applications are being processed by NZPAM and, similarly, the PP will remain in force while the applications are assessed.

EP 40767 has been subject to a 60:40 JV arrangement with Glass Earth (New Zealand) Limited whose 40% interest in this permit and 35% interest in the Hauraki JV permits to the north are the subject of the exercise by OceanaGold of pre-emptive rights under the JV Agreements to acquire a 100% interest in the permits. As at December 31, 2015 regulatory consent to the transaction has not been received, however approval to the transfer of interests for all three permits was granted on 16 February 2016 and the acquisition of those permits has since been completed.

Permit	Licensee	Location	Legislation	Permit Type	Granted	Term (Yrs)	Expires	Area (ha)
322388	Waihi Gold Company Ltd	Martha	Mining Act 1971	Mining	16/07/1987	30	15/07/2017	394.3
41808	Waihi Gold Company Ltd	Favona	Crown Minerals Act 1991	Mining	22/03/2004	25	21/03/2029	1094
51041	Waihi Gold Company Ltd	White Bluffs	Crown Minerals Act 1991	Exploration	15/10/2008	10	14/10/2018	450.97
51630	Waihi Gold Company Ltd	Ohui	Crown Minerals Act 1991	Exploration	22/06/2009	10	21/06/2019	1490.26
51771	Waihi Gold Company Ltd	Waihi North	Crown Minerals Act 1991	Exploration	28/04/2010	10	27/04/2020	980.59
52804	Waihi Gold Company Ltd	Twin Hills	Crown Minerals Act 1991	Exploration	17/12/2010	5	16/12/2015	5704
40598	Waihi Gold Company Ltd/Glass Earth Ltd	Hauraki	Crown Minerals Act 1991	Exploration	22/05/2003	14	21/05/2017	4751.51
40813	Waihi Gold Company Ltd/Glass Earth Ltd	Glamorgan	Crown Minerals Act 1991	Exploration	7/09/2006	10	6/09/2016	3550.155
53325	Waihi Gold Company Ltd	Dome Field	Crown Minerals Act 1991	Prospecting	27/01/2012	4	26/01/2016	22250
40767	Oceana Gold (Waihi) Limited *formerly Newmont Waihi Gold Limited	Waihi West	Crown Minerals Act 1991	Exploration	21/12/2005	10	20/12/2015	280.4

**Table 2: WGCL Permit Details**

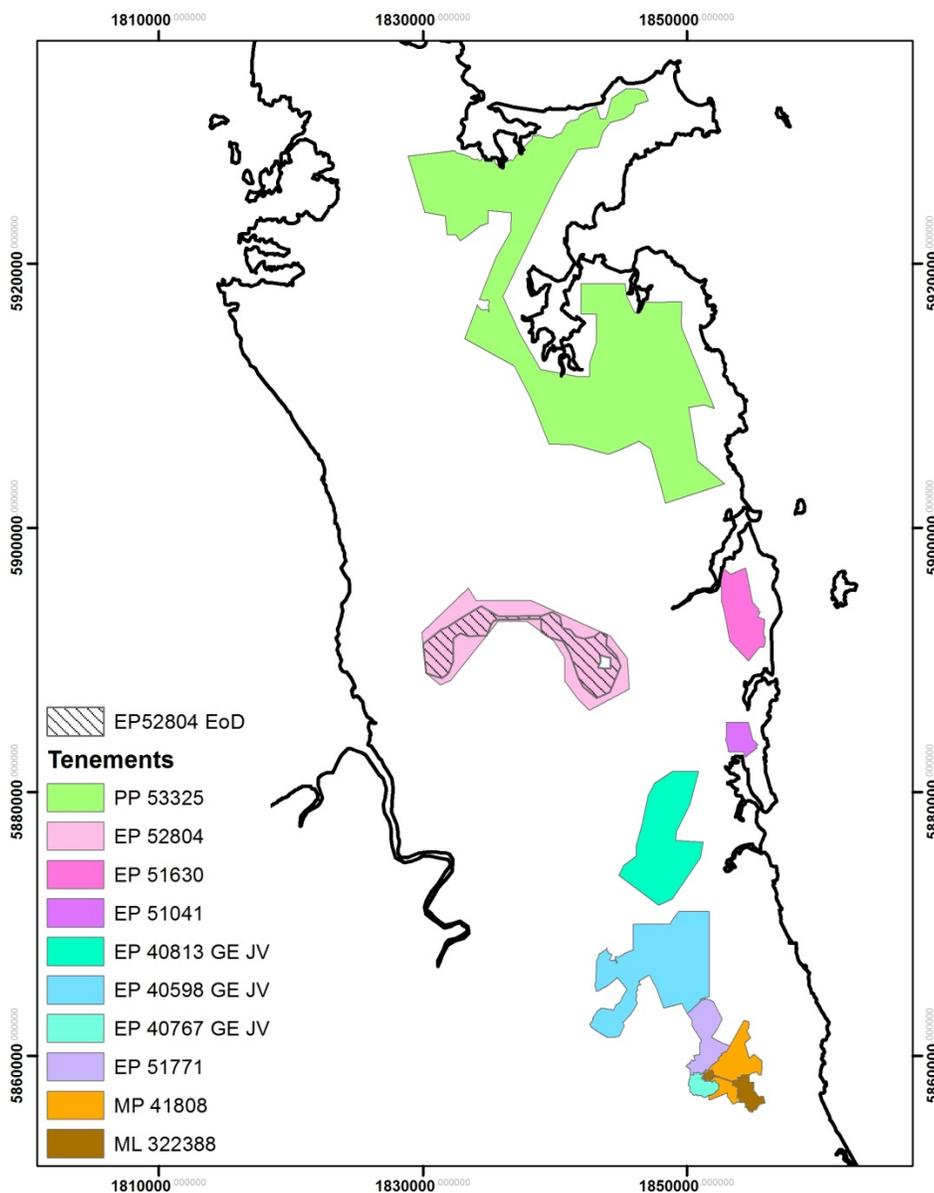


Figure 1: WGCL Permit Locations

### 10.3 Environmental Matters

The Waihi Gold Mine Operation holds the permits, water rights, certificates, licences and agreements required to conduct its current operations.

Environmental data has been collected over the last 28 years of the Waihi Gold Mine Operation and baseline data was collected prior to the start of operations and reported in the original mining licence application. Data is routinely collected for noise levels, blast vibration, air quality, and surface and ground water discharge quality from various sources, ground settlement and ground water levels. This data is reported to various regulatory bodies as required by the Company's various consents and permits. External independent experts are engaged by OceanaGold to assist in the preparation and review of these reports. The reports are then reviewed and approved by various regulators who utilise independent expert reviewers to assist them.

The Company has established various stakeholder engagement structures for the representation of stakeholders and project affected people including Iwi, resident groups, community based organizations and local government.

The operation has established complaints and grievance systems / procedures for the on-going management of all project grievances.

The permits are prescriptive in terms of stakeholder engagement with the community. Consultation is an ongoing component of the existing operation. From a community perspective, there are impacts to be managed associated with conducting mining activities in close proximity to homes.

#### **10.4 Accessibility, Climate, Local Resources, Infrastructure and Physiography**

The Waihi site is located within the township of Waihi in the North Island of New Zealand and close to the major cities of Auckland (150km north), Tauranga (60km south) and Hamilton (100km west). Waihi enjoys a temperate climate with high rainfall (2m per annum). Road access from Auckland and Tauranga is via State Highway 2. No rail access is available to the site.

The climate is temperate. Mean temperatures range from 8 °C (46 °F) in the South Island to 16 °C (61 °F) in the North Island. January and February are the warmest months, July the coldest. New Zealand does not have a large temperature range, but the weather can change rapidly and unexpectedly. Winds in New Zealand are predominantly from the West and South West, in winter, when the climate is dominated by regular depressions. In summer, winds are more variable with a northerly predominance associated with the regular large anti cyclones which cover all the country.

New Zealand is seismically active. In the Waihi region:

- Earthquakes are common, though usually not severe, averaging 3,000 per year mostly less than 3 on the Richter scale.
- Volcanic activity is most common on the central North Island Volcanic Plateau approximately 200 to 300km from Waihi.
- Tsunamis would not have any direct impact on Waihi due to its elevation.
- Droughts are not regular and occur less frequently over much of the North Island between January and April.
- Flooding is the most regular natural hazard.

Almost all of the employees reside in the nearby towns of Waihi, Waihi Beach, Katikati, Thames and Paeroa. Waihi is a relatively small community of approximately 4,500 people. Statistics New Zealand Census information shows that population numbers have remained relatively stable since 2001, with a small drop (approximately 150) from the 1996 Census. The population pyramid from the 2006 Census shows a noticeable dip in the numbers of young people in the range from 20-30.

The total labour force in Waihi at the time of the 2006 census was reported as 1863 people. The largest sectors for employment in Waihi are the retail trade (14.3%), manufacturing (12.8%), and construction (including mining) sectors (12.5%). Mining is relatively high at 3.2% of the usual resident population compared to the Waikato Region at 0.5% and New Zealand at 0.2%. A large proportion of the construction jobs are likely to be related to the mining sector. Waihi is characterised by a comparatively high level of unemployment. In 2006 the

unemployment rate for Waihi was 8.3%, compared to 5.2% for the Waikato Region and 5.1% nationally. Community health, education and services are well established in Waihi with four primary schools, one secondary school, medical centres and various community health centres present. Most establishments are government funded.

A local service industry has established itself over the last 20 years to support the Waihi Gold Mine Operation comprising engineering, cleaning, maintenance, rental, tyre and consumable suppliers, security, labour hire and other services. More technically advanced services are available from the regional centres in terms of heavy engineering, large equipment hire and other specialized services. Most suppliers are privately run and not affiliated with WGCL.

The Waihi Gold Mine Operation has been in full production since 1988 and all mine site infrastructure has been completed to support the open pit and underground operations including; tailings storage facility, workshops, water treatment plant, waste dumps and ore processing facilities.

Construction of the Correnso underground mine access and infrastructure has been completed.

## **10.5 Contracts and Royalties**

Contracts are in place covering underground mining, transportation and refining of bullion, and the purchase and delivery of fuel, electricity supply, explosives and other commodities. These agreements conform to industry norms.

WGCL maintains a number of operating permits for the importation of reagents into New Zealand. New Zealand has an established framework that is well regulated and monitored by a range of regulatory bodies. Risk associated with renewal of importation permits, is upon that basis regarded as manageable.

A royalty of 2.5% is payable to Coeur d'Alene Mines of Idaho and Viking Mining, New Zealand. The Coeur Viking royalty results from the 1998 agreement to transfer exploration rights to Waihi Gold for a lump sum payment and a royalty payment based on the spot price of Gold / Silver. The agreement extends over east Waihi to the north of Barry Road and includes the Correnso project area.

## **10.6 History**

Waihi is a historic mining centre. The original Martha mine began as an underground operation in 1879 and by 1952, about 12 million tonnes of ore had been mined to yield 1,056 tonnes of gold-silver bullion. The historic mine extracted four main parallel lodes (the Martha, Welcome, Empire and Royal) together with numerous branch and cross lodes. All lodes dip steeply and are fillings of extensional faults and fractures. Early stoping employed the cut and fill method but this was phased out and largely replaced after 1914 by the shrink stoping method. Stopes were generally not backfilled after 1914 but left open. The workings reached a total depth of 600m from surface on sixteen levels. Man and supply access was by 7 known shafts and IGNS, (2002) report numerous other shafts were developed for ventilation and exploration purposes. In 1894, the Waihi Gold Mining Company adopted the cyanide process for gold extraction, which was first trialled at a nearby mine in Karangahake.

Exploration drilling between 1979 and 1984 by Waihi Mining and Development Ltd. and AMAX Exploration Ltd. identified large open pit reserves within the confines of the historic mining area. Following the granting of permits, the Martha mine open pit operation commenced operation in 1988 as an unincorporated joint venture between subsidiaries of Normandy Mining Limited Group and Otter Gold Mines Ltd. The Otter Gold Mines Ltd.

holding was acquired by Normandy in 2002 and the Newmont Mining Corporation acquired full ownership of the Waihi Gold Mine Operation in 2002 through the acquisition of the Normandy Mining Group. OceanaGold obtained economic interest in the Waihi property as an operating open pit mine and process plant on July 1, 2015.

## 10.7 Geological Setting

### 10.7.1 Regional and Local Geology

The Waihi area is situated at the southern end of the Coromandel range which is part of an andesite, rhyolite, and dacite sub-aerial volcanic sequence. Quartz veins in the andesite rocks at Waihi contain alteration zones and epithermal gold-silver deposits. The upper portions of these older rocks are frequently highly to partially weathered. Overlying these sequences is younger volcanic rocks (ignimbrites, rhyolite tephra's and occasional inter-bedded paleosols and boulder alluvium) infilling surface depressions eroded into the andesite rocks. Volcanic ash and pumice showers blanket the area to depths of 1m to 8 m. The Hauraki Goldfield is characterised by low-sulphidation epithermal gold-silver deposits hosted in quartz veins within sub-aerial andesitic to rhyolitic volcanics of the extinct Coromandel Arc. Mid-Miocene to Pliocene volcanics of the Coromandel Group, predominantly andesites and dacites, host the majority of Coromandel epithermal gold-silver mineralisation within NNW to NE-trending vein systems. A smaller number of epithermal deposits are associated with Late Miocene to Early Pliocene rhyolites and ignimbrites of the overlying Whitianga Group, which often occupy small volcano-tectonic depressions on the eastern side of the Coromandel Range, refer below to Figure 2.

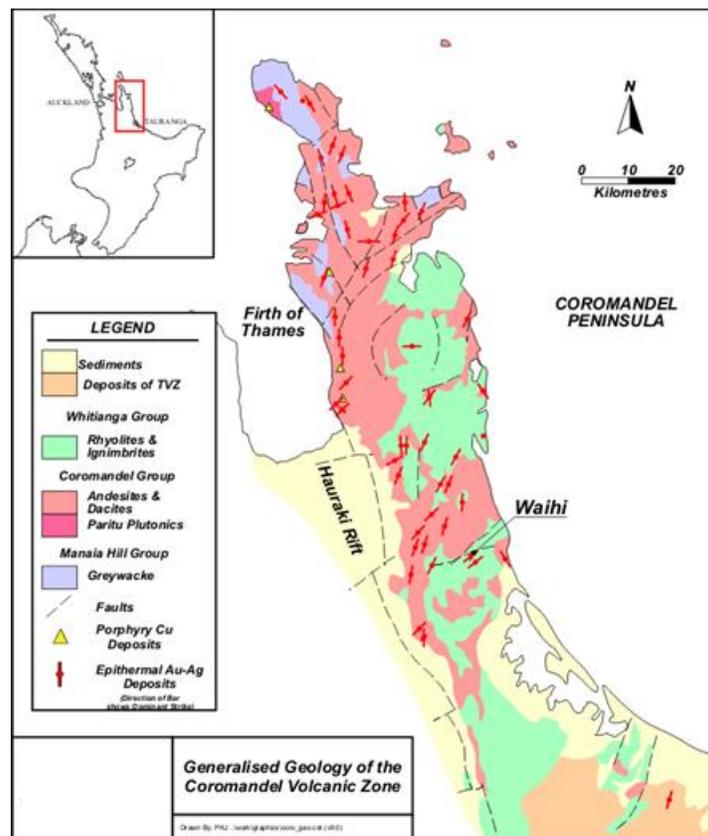


Figure 2: Regional Geological Plan

In the Waihi district, greywacke basement is not exposed but is assumed to underlie the volcanic pile at depths of 2-3km. Jurassic greywacke basement and intruded granitic stocks and dikes are only exposed in the northern part of Coromandel, becoming progressively down-faulted to the south beneath younger volcanics. The oldest rocks in the Waihi area are Late Miocene (7.9 to 6.3Myr) Coromandel Group andesites, unconformably overlain by a post-mineral succession of andesitic to rhyolitic volcanics and volcanic-derived sediments. The Miocene geology is overlain by up-to 1.5 km of Pliocene - Pleistocene lake sediments and locally derived ignimbrite, which infill an inferred fault controlled caldera structure. K-Ar dates indicate that hydrothermal alteration and related epithermal gold mineralisation (6.6 to 7.2Myr) followed soon after eruption of host andesite at Waihi (Brathwaite & McKay, 1989). The major gold - silver deposits of the Waihi District are classical low sulphidation adularia-sericite epithermal quartz vein systems associated with north to northeast trending faults. Larger veins have characteristically developed in dilational sites in the steepened upper profile of extensional faults with narrower splay veins developed in the hanging wall of major vein structures. Moderate to steeply dipping veins or vein systems are characterised by 200 to 2000m of strike, 170 to 700m vertical range and upwards of 30m individual vein widths; but more typically 1-5m. Mineralised veins are typically bordered by zones of quartz - adularia - illite alteration that grade outwards and upwards into extensive argillic (illite-smectite dominant) and propylitic (calcite - chlorite dominant) zones. The main ore minerals are electrum and silver sulphides with ubiquitous pyrite and variable though usually minor sphalerite, galena and chalcopyrite in a gangue consisting of quartz, locally with calcite, chlorite, rhodochrosite and adularia. Base metal sulphides increase with depth.

### 10.7.2 Martha Deposit Geology

The quartz vein system at Martha is hosted by hydrothermally altered quartz bearing andesite flows and flow breccias inter-bedded with thin tuffaceous sediments, dipping South-East at about 40 degrees. These are unconformably overlain by a post-mineral sequence of late Pliocene to Quaternary ignimbrite and alluvial units. These units thicken to the south and east and are inferred to infill a caldera-like structure. Oxidation extends down the vein margins to over 250m below surface.

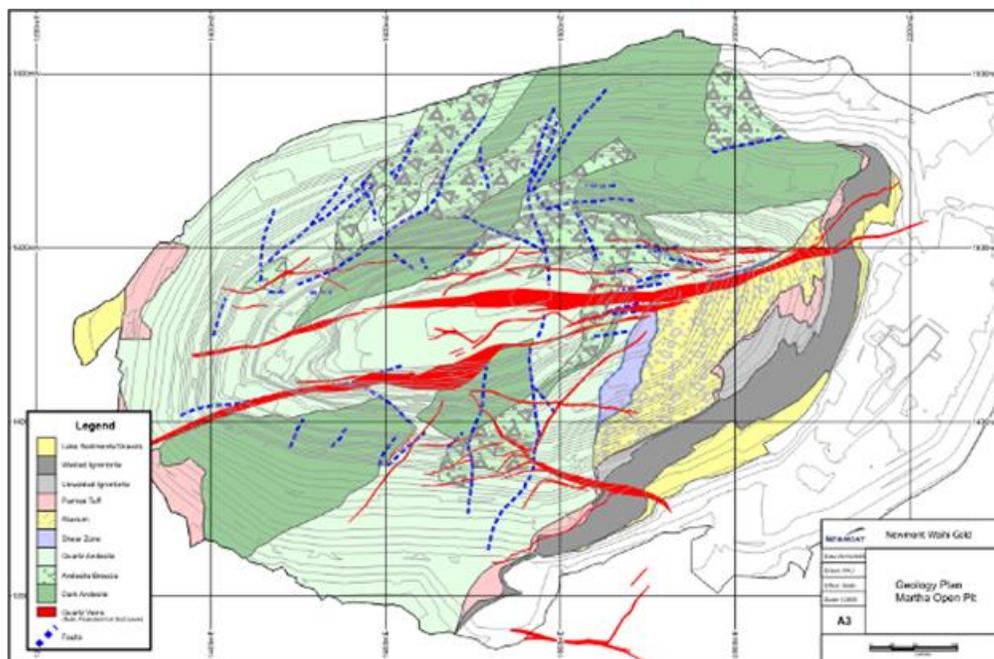


Figure 3: Geological Plan, Martha Area

The system comprises of four main northeast trending veins (Martha, Welcome, Empire and Royal) and a two north trending cross-cutting vein structures, the Edward and Albert. The main veins are enveloped by a stockwork of subsidiary veins. Mineralisation extends for 1600 metres along strike with a width of 500 metres and was historically mined to over 600 metres below surface. Multiple stages of vein filling are recognised with sulphide bearing crustiform-banded quartz being the main ore-bearing type. Electrum (averaging 38% silver) is the main gold mineral and occurs as both free grains in the quartz and as inclusions in sulphides (pyrite, chalcopyrite, and sphalerite). Acanthite associated with pyrite and galena is the main silver mineral.

There are two main types of hydrothermal alteration; an outer zone of propylitic type calcite-chlorite alteration is overlapped by quartz-adularia-illite alteration adjacent to the veining. Ore is also associated with historically mined stopes. Cut and fill was the predominant stoping method in the upper levels of the Martha mine. A significant amount of ore loss into stope fill occurred with this method, effectively upgrading the barren soil type material used as fill. Stope fill makes up approximately 7% of total tonnes and 12.5% of contained gold in the open pit reserve.

### **10.7.3 Correnso Project**

The Correnso epithermal vein system is part of the greater Waihi epithermal vein system. It trends northerly and lies between the Martha Hill deposit to the west and the Union/Amaranth/Trio and Favona deposits to the south and southeast. The dominant host lithology is quartz phyric andesite lava, also the main host lithology for the Martha Vein System. The quartz andesite unit attains thicknesses in excess of 400m in the Union Hill – Waihi East area with only minor variation in texture or modal composition. The Correnso system comprises a main lode with smaller splay veins on both the hanging wall and footwall sides. The main mineralized lode is interrupted to the north by a NE trending calcite-quartz (barren) structure. The grade distribution to the north is increasingly complicated by bands / lobes of low grade calcite-quartz which appear to have flooded the system post Au mineralization. The main gold mineralisation lies between 900mRL and 775mRL. Gold-silver mineralisation is dominantly hosted in localized bands within multiphase quartz veins. There is an association of sphalerite, galena and chalcopyrite with gold-silver mineralisation throughout the deposit. The lower part of the deposit is base metal rich with galena (up to +3% Pb) and sphalerite (up to +1% Zn).

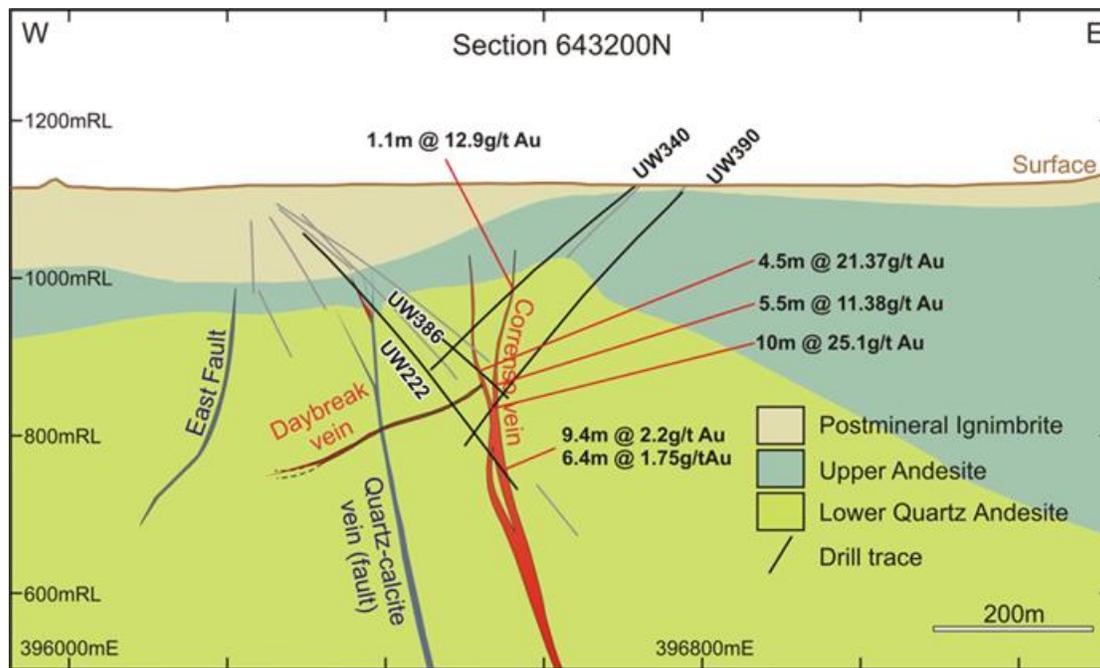


Figure 4: Geological Section, Correnso Project (643200mN)

## 10.8 Exploration

### 10.8.1 Waihi Brownfield Exploration

Work completed since 1986 has comprised surface reconnaissance exploration, geological and structural mapping, geochemical sampling, airborne, ground and down-hole geophysical surveys, surface and underground drilling, engineering studies and mine development.

Underground drilling of the Correnso deposit for resource conversion and drilling of associated vein systems (Daybreak and Empire) is on-going. During H2, 2015 Oceana completed 13,158m of drilling and plans to continue diamond drilling for the calendar year 2016. This drilling will comprise infill on known veins both surface and underground, step out on known veins and exploration in areas adjacent to known mineralisation. Remnant mining options have been identified below the existing Martha Pit. A significant data collection and mining option study was completed in 2010 and 2011, but no resources have been reported.

The exploration programs completed to date are appropriate to the style of the deposit and prospects.

### 10.8.2 Drilling

Approximately 427,160m have been drilled in 2,933 core and exploration RC drill holes on the Waihi Gold Mine Project since 1980. Most surface diamond drill holes were drilled by triple tube wireline methods with some holes precollared through post-mineral rocks by tricone or stratapac. Surface holes are collared using large-diameter PQ core, both as a means of improving core recovery and to provide greater opportunity to case off and reduce diameter when drilling through broken ground and historic stopes. Drill hole diameter is usually reduced to HQ at the base of the post-mineral stratigraphy. All drill core was routinely oriented below the base of the post-mineral stratigraphy, either by plasticine imprint or using the Ezimark or Reflex core orientation tool.

Additionally, 88,000m have been drilled in 4,445 reverse circulation grade control holes during the open pit Southern Stability Cut and Eastern Layback projects between May 2007 and May 2015, using a 114mm hole diameter and rig-mounted cyclone sampler.

Exploration drilling is continuing throughout the Waihi Epithermal Vein camp on ML 322388, MP 41808, EP 51771 and EP 40767. EP 40767 has been subject to a 60:40 JV arrangement with Glass Earth Gold whose interest in this permit and the Hauraki JV permits to the north have been bought out by Oceana Gold in a pre-emptive opportunity under the JV Agreements that arose when Glass Earth moved to sell their interests to Aorere Resources.

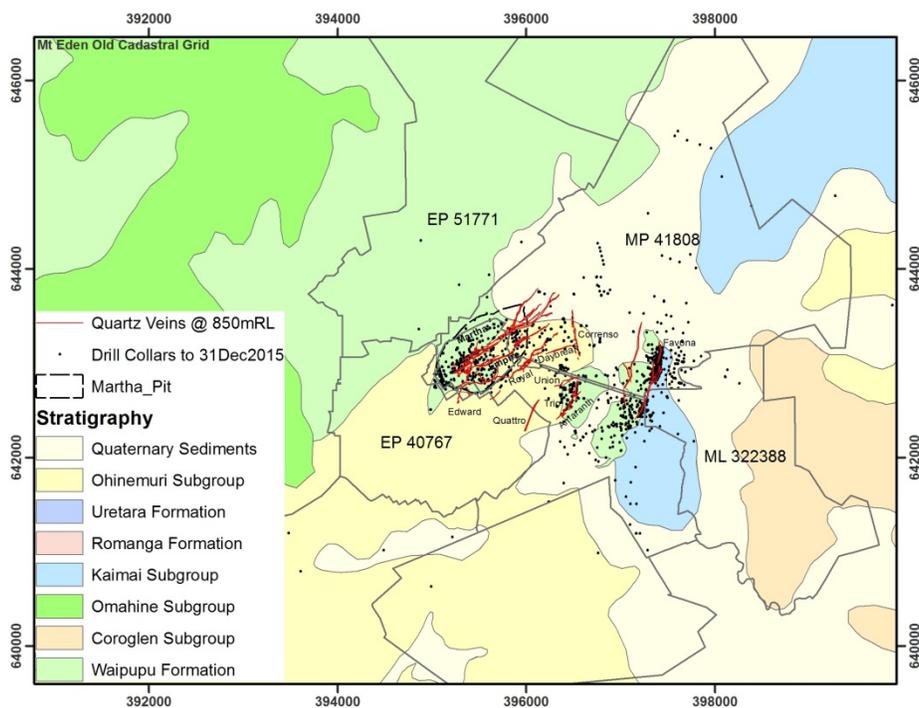


Figure 5: Drill Hole Location Plan

### 10.8.3 Waihi Greenfield Exploration

Greenfield exploration is ongoing on 5 exploration permits and one prospecting permit held by the Company comprising a range of programmes from grass roots prospecting to advanced drill campaigns following up on high grade intercepts.

### 10.9 Sampling, Analysis and Sample Security

Since mid-2006, sample preparation has been carried out at the SGS Waihi laboratory. Prior to then the sample preparation facility was located at the Martha mine site and operated by Waihi Gold personnel. SGS has continued to use the same methods and protocols that were established by the Martha Mine geologists. Current standardised sample preparation consists of crushing to 80% passing 3.3mm, rotary splitting to 800g, then ring pulverising to 80% passing 75µm. Of the pulverised material approximately 300g is sent for analysis. Pulps are assayed by SGS for Gold and Silver by 30 g Aqua Regia Digest (“RC”) or 50g fire assay (“Core”).

Underground face samples are determined by the Geologist according to changes in lithology, vein texture and/or alteration. The minimum sample interval size is 0.3m with a maximum interval of 2.0m. Intervals greater

than 2.0m should be sub-sampled. The Geologist assigns three quality assurance/quality control samples per face. The sample is taken by chipping rock into the collection hoop on a continuous line across the interval, starting with the first interval on the left-hand side of the face.

Drill core quality assurance/quality control sample preparation at the SGS Waihi lab is monitored through sieving of jaw crush and pulp products, routine generation of duplicate samples from a second split of the jaw crush and calculation of the fundamental error. One or two standards and a blank are inserted for every 20 samples.

The Waihi protocol requires CRM to be reported to within 2 standard deviations of the Certified Value. The extraction method used by SGS for gold was by fire assay followed by AAS determination, whereas silver has been extracted by Aqua Regia and analysed by AAS (UW212, UW222, UW310, UW313) or by ICP-MS (UW320 onwards).

In addition to routine quality control procedures, umpire assays are carried out at Ultratrace Laboratories in Perth. Multi-element data is obtained routinely from the Waihi SGS laboratory for all exploration assay samples for the elements silver, copper, arsenic, lead, zinc and antimony, which are potential pathfinders for epithermal mineralisation. For samples with over-range silver and lead, these elements are found to be extracted more efficiently by using a more dilute Aqua Regia digest (1 gram sample weight rather than the standard 10 gram per 50 ml).

The sampling methods are acceptable, meet industry-standard practice, and are acceptable for Mineral Resource and Mineral Reserve estimation and mine planning purposes. The quality of the analytical data is reliable and sample preparation, analysis, and security are performed in accordance with exploration best practices and industry standards.

A number of data verification programs and audits have been performed over the project history, primarily in support of compilation of technical reports on the project and in support of mining studies. This work supports the geological interpretations and the database quality, and therefore supports the use of the data in Mineral Resource and Mineral Reserve estimation, and in mine planning.

### **10.10 Metallurgical Test Work**

Metallurgical test work has been conducted in a number of programs since 1980. Composites of various ore types were developed using drill core samples. Metallurgical testing programs continue to be conducted as required to evaluate possible changes in feed types from new mining areas, proposed changes in processing to improve recoveries and to investigate factors causing lower than desired recoveries.

Metallurgical test work and associated analytical procedures were appropriate to the mineralization type, appropriate to establish the optimal processing routes, and were performed using samples that are typical of the mineralization styles found within the project. Samples selected for testing were representative of the various types and styles of mineralization. Samples were selected from a range of depths within the deposit. Sufficient samples were taken so that tests were performed on sufficient sample mass. Test work results have been confirmed by production data.

## **10.11 Mining Operations**

### **10.11.1 Open Pit Mining**

The method for conversion of Mineral Resource to Mineral Reserve involved a 2010 pit optimisation study using the “Whittle” Lerch-Grossman algorithm to determine the economic limits of the Ore Reserve. Mining of the current layback was commenced in 2010.

A localised failure of the north wall occurred in April 2015 which undercut the main access ramp. Operations were suspended in April 2015 and the mining contract terminated in June 2015. Studies are in progress to regain access to the bottom of the pit.

The open pit mining process at Martha is determined largely by the land use consents granted to the Company. Ore and waste is mined by conventional drill, blast, load and haul methods from the open pit. Waste and ore is categorised into hard and soft material. Waste is further categorised into potentially acid forming or non-acid forming rock. Ore sampling is conducted in-pit by RC drilling. Ore blocks are blocked out on the basis of this sampling and take into account the capacities of the equipment to selectively mine these blocks.

Soft material is ripped by D9 dozer whereas hard material is blasted. Strict controls on blast vibration determine the blast hole spacing and the maximum allowable charge weight per delay. Generally ore is blasted in 5 metre vertical intervals (two flitches), but blast vibration limitations may require blast holes to be drilled at 2.5metre vertical intervals. Electronic detonators are used in all holes to ensure detonation of charges occur as per the design sequence. The Company monitors each blast vibration for conformance.

All ore and waste is loaded via 190 tonne backhoe excavators into 85 tonne rear dump trucks and trucked via a 1 in 10 ramp and generally direct tipped to a Jaw Crusher or Stamler Breaker station. Small quantities of ore and waste are stockpiled close to the jaw crusher. The presence of historic workings in the open pit requires probe drilling to identify voids or weak pillars which create both a safety hazard and an operating constraint. Underground voids are either banded off or marked with hazard tape. Excavators and trucks must operate around the void working in towards the void. This process can at times influence the bench extraction sequence. All ore and waste is crushed. Ore is conveyed 1.5 km to the process plant and placed in a stockpile.

The minimum mining width has been set at 3 metres wide, determined by the observed width of many of the small narrow veins that are being mined. Equipment has been sized to suit these design parameters. The selective mining unit developed for the geological block model is a bench height of 2.5 metres, and east west dimension of 3 metres and north south dimension of 10 metres reflecting the drill spacing and the main trend of the mineralised veins in an east westerly direction.

Reverse Circulation grade control drilling has been used since 2006 and is drilled to an approximate 10m x 5m pattern with 1.5m down hole sample lengths. Drill holes are currently inclined to the north but this will be continually reviewed in the light of routine pit mapping.

The ore zones are broad on each mining bench, and the overall dilution edge effects are minimal, with the result that there is little difference between the overall in situ and diluted tonnes and grade. The Mineral Resource block model has a block dimension which is larger than the optimum selective mining unit for the equipment operating at Waihi. When estimating open pit Ore Reserves there is no requirement for additional mining dilution subsequent to the geological modelling stage. Waihi Gold will continue to monitor dilution assumptions during future operations.

### 10.11.2 Underground Mining

Correnso is accessed via the existing Favona Mine and Trio Mine, the portal is close to the ore processing plant, refer below to Figure 6.

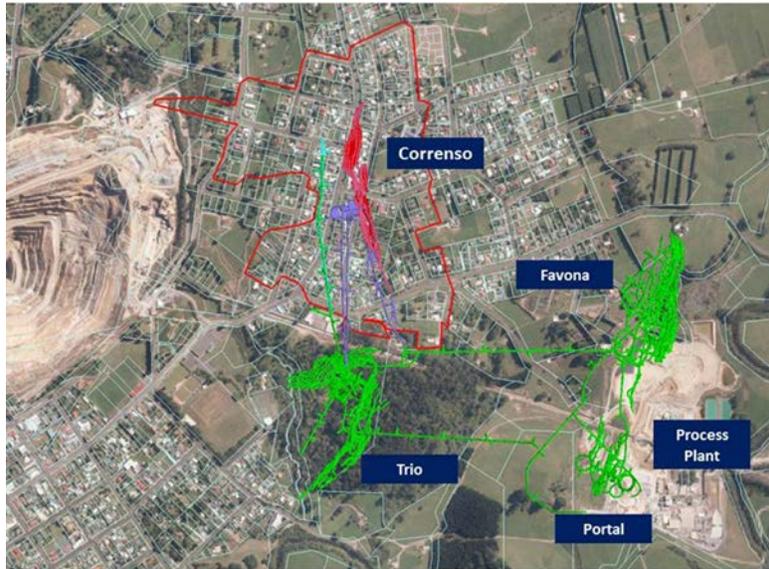


Figure 6: Location of Correnso Ore Reserve

Mining options available for Correnso were limited because of the permit conditions, blasting and backfill constraints and modified Avoca mining was selected as the preferred mining method. Correnso has been designed with a 15m level spacing, floor to floor primarily to limit blast vibration but this also assists hanging wall and footwall stability, refer below to Figure 7.

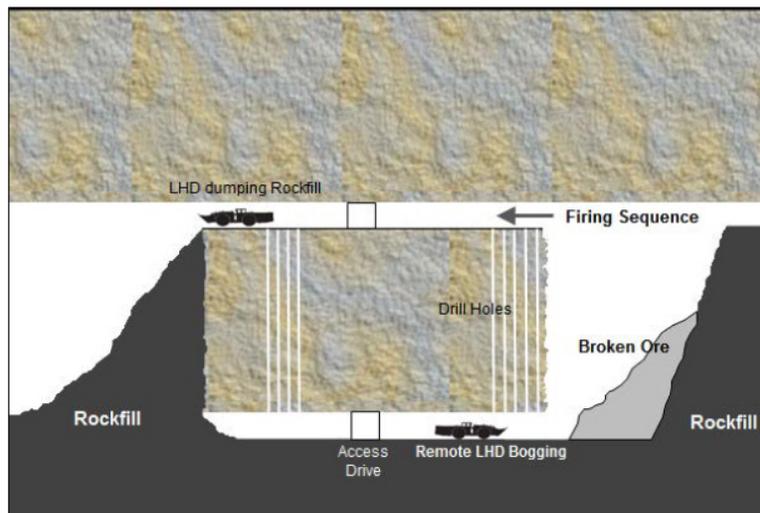
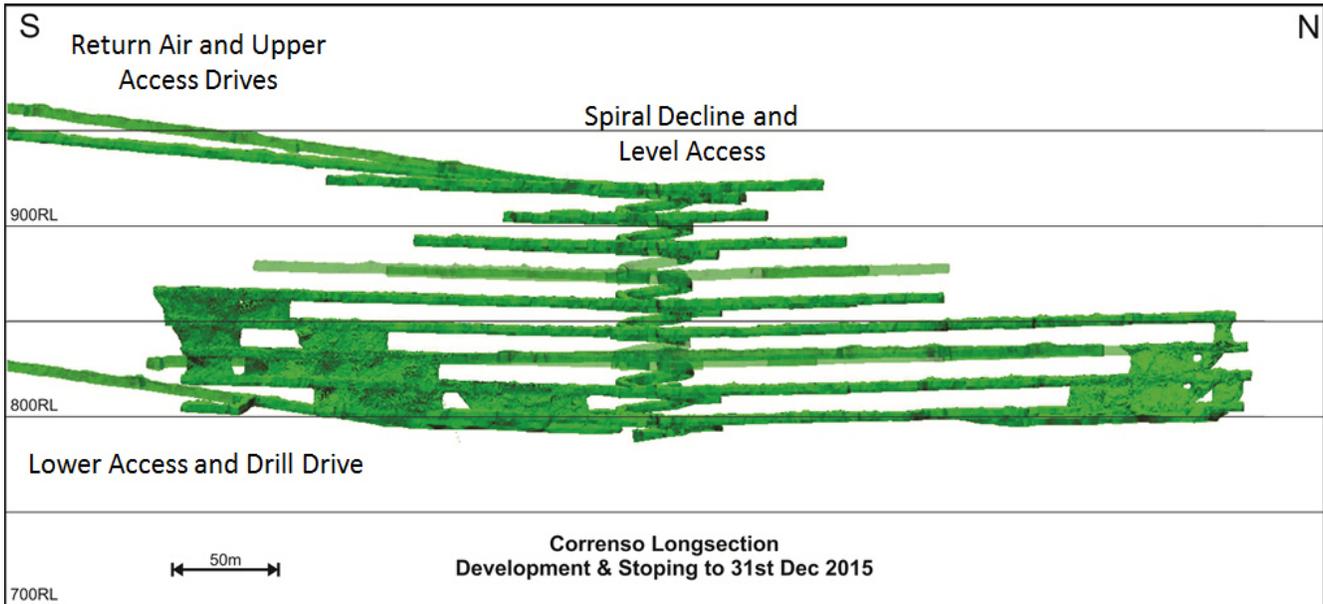


Figure 7: Modified Avoca Mining Method

Access to the Correnso underground is via a decline from previously mined areas, and also serves as a fresh air intake. Two primary exhaust raises and a single fresh air raise has been raise bored to surface and equipped. The portal is located close to the processing plant. The mine layout for Correnso can be summarized as follows:

- Primary accesses via the existing lower trio access drive, the 844 exploration drive and from the Trio 953 level.
- Exhaust ventilation development from the 972 and running parallel with the 953 access exhausting levels via a dedicated return air raise adjacent to the spiral decline.
- Ore and level waste development at 15m level intervals.
- Ventilation rise adjacent to the spiral decline.
- Ore passes and waste passes to all levels throughout the mine.



**Figure 8: Long Section of Correnso Ore Reserve**

Conventional cross cut accesses are designed for the stopping levels. Ore and waste passes are planned to assist with efficient materials handling. Exhaust ventilation is provided from the 972 Trio development to the existing Union Hill ventilation rise. The status of development of the Correnso mine as at December 31, 2015 is shown in Figure 8. Mining is located approximately 200 metres below residential housing and the mining reserve is approximately 120 metres high by 600 metres long.

The Permit and mining method requires all stopes and selected development to be backfilled. Mine waste and supplement from Waste Rock Embankment would be used.

A consulting group, Mining One, in their review of backfill for the Correnso project concluded:

- The proposed loose rock fill backfill option for the Correnso Orebody is consistent with the current mining practices across the Waihi Gold Mine Operations. The backfill option provides the most economical backfill solution, whilst limiting the potential for stope collapse and surface subsidence.

### 10.12 Recovery Methods

Recovery of gold at Waihi is achieved from the use of leaching and adsorption following a conventional SAG Mill-Ball Mill grinding circuit. The plant has been successfully running for 27 years with a well-established workforce and management team in place. The processing plant has the capacity to treat up to 1.25 million tonnes of Martha ore or 800,000 tonnes of Correnso ore per annum.

Ore from the surface and underground mine is stockpiled at the ore pad before being fed to a jaw crusher located directly above the mill into the SAG mill. Ore is fed to the SAG mill along with lime, water and steel balls. As the ore moves through the SAG mill it is broken into finer particles. Particles greater than a few millimetres are returned to the SAG mill and the rest go to the ball mill for further grinding until they reach a final product size of less than 100 microns for surface ore and 50 microns for underground ore. Once the ore has reached the final product size it is thickened to higher density slurry in a thickener before the leaching process begins.

The 500 mm cyclone overflow gravitates to the ball mill discharge hopper, whereby the slurry is combined with the ball mill discharge and pumped to a hydrocyclone distributor, which consists of fourteen Weir Warman Cavex cyclones. The cyclone underflow reports to the ball mill for further grinding, while the cyclone overflow reports to a trash screen to remove mining detritus prior to reporting to the pre-leach thickener.

The pre-leach thickener increases slurry density to approximately 37 to 40% solids prior to the CIP circuit, which comprises of five leach and seven adsorption tanks. The leaching tanks capacity are 700 m<sup>3</sup> and the adsorption tanks have 300 m<sup>3</sup>, providing a total residence leach/adsorption time of 24 hours for Martha ore and 48 hours for Correnso ore.

Wedge wire cylindrical inter-stage screens are installed in each adsorption tank to achieve counter current carbon movement. The cyanide is dosed into the first leach tank and the concentration is maintained at 280 ppm for Martha and 240 ppm for Correnso. Oxygen is added via a shear reactor located on the first leach tank. The slurry decreases in gold and silver concentration until it is barren, once the slurry leaves the last tank it is called tailings and pumped to the Tailings Storage Facility.

The "loaded" carbon is fed into an elution column where the carbon is washed at high temperature and pressure to remove the gold and silver from the carbon and into the water (pregnant eluant). The pregnant eluant is then passed through electrowinning cells where gold and silver is electroplated onto stainless steel cathodes. Once the gold and silver have been removed from the carbon it is reactivated and recycled to the adsorption tanks. The cathodes are periodically harvested and rinsed to yield a gold and silver bearing sludge which is dried, mixed with fluxes and put into a furnace at 1200OC. Once the sludge is molten it is poured as bars of doré (unrefined alloy of gold and silver) bullion ready for shipment to the Mint.

### **10.13 Capital and Operating Costs**

Operating costs for underground mining includes lateral ore and waste development, stoping costs, backfilling costs, mine services and mine overheads. Mining costs are approximately NZ\$75 to NZ\$80 per tonne of total material mined.

Operating costs associated with ore processing includes crushing and grinding, thickening, gold leaching and adsorption, elution, electro-winning, gold smelting, water treatment, tailings disposal, ore stockpiling, and plant operation and maintenance. These costs have been estimated to vary between NZ\$35 and NZ\$38 per tonne of ore milled.

Capital costs for the Waihi Correnso project comprise mainly capital mine development and installation of fixed underground equipment such as pump stations and substations. As of December 31, 2015, Correnso capital works were largely completed. Sustaining capital for housing purchases for properties directly above the Correnso underground mine, ongoing construction of the tailings storage facility and general capital expenditure is still required. The sustaining capital varies between NZ\$5M and NZ\$15M per year.

## 11 THE HAILE OPERATIONS

### 11.1 Property Description and Location

Haile is located in Lancaster County, South Carolina and is approximately an hour drive north of Columbia, South Carolina and a one and a half hour drive south of Charlotte, North Carolina. Geologically, Haile is situated in the Carolina terrane, which also hosts the past-producing Brewer Gold Mine to the northeast and the past-producing Ridgeway Gold Mine to the southwest. The Carolina terrane was the location of the first gold rush in the United States in the early 1800s, pre-dating the California gold rush in the mid-1800s.

The Company owned approximately 9,600 acres (3,885 hectares) of land at December 31, 2015, including approximately 4,281 acres (1,707 hectares) of regional and other properties. Included in the other properties are 368 acres (149 hectares) of currently owned land in the Flat Creek area of Lancaster County that will be transferred to a land conservation organization as part of a settlement with South Carolina conservation groups. The Company's interest in the fee simple properties includes surface, water and mineral rights with no associated royalties and is free of all claims and access restrictions. At December 31, 2015, there were approximately 119 acres (48 hectares) for \$1.0 million under contractually committed land purchase contracts.

### 11.2 Environmental Permits and Regulatory Matters

The Company has all the required key permits to complete construction of the Haile Gold Mine and to commence commercial production during the first quarter of 2017.

The following outlines the future required commitments related to the issuance of the Environmental permits:

- As part of the land mitigation plan associated with the Federal Clean Water Act 404, Haile will provide total cash payments of \$7.2 million in equal annual instalments over the next 14 years for the maintenance and management of three mitigation properties donated to the State of South Carolina ("State") during 2015 and for the benefit of the endangered heelsplitter mussel.
- In late 2014, Haile entered into an agreement with South Carolina conservation groups to provide ongoing protection for lands in the Lynches River Watershed of South Carolina. Under the agreement, 368 acres (149 hectares) of currently owned land valued at approximately \$2.0 million within a designated critical habitat for the Carolina heelsplitter mussel will be transferred to a land conservation organization. Also under the agreement, once Haile makes its first gold pour, it will make four annual instalments of \$1.0 million each (\$4.0 million total) to the land conservation organization.
- The mine operating permit which became final and effective during the first quarter of 2015 includes a schedule for estimated financial assurance of \$65.0 million over the mine life consisting of \$55.0 million in surety bonds or other mechanisms and \$10.0 million in an interest bearing cash trust. The Company has satisfied its current financial assurance payment requirements by using a surety bond of \$30.1 million and the Company has provided the surety companies with cash collateral of \$6.0 million, (20% of the \$30.1 million surety bond) and has paid \$0.2 million in trust funding.
- The remaining estimated financial assurance of \$34.7 million will be paid over the life of the mine with the next financial assurance payment anticipated to occur in 2017. The surety bond and other financial assurance must be maintained in force continuously throughout the life of the mining operation and may only be released, partially or in full, after the State of South Carolina ("State") approves release of financial assurance.

### **11.3 Haile Technical Studies**

The Haile Gold Mine includes both open pit and underground Mineral Resources. A scoping study is currently in progress to assess the potential for underground mining and an update of the open pit resource estimate will be undertaken following a review of the Haile drill hole database. Both activities are expected to be completed during Q3 2016. Additionally, an open pit optimisation study is planned to commence mid-year.

In October 2015, the Company released the Haile Technical Report.

Key features of the Technical Report include:

- Mineral Reserves and Mineral Resources remain unchanged from the prior Technical Report and the total Haile gold resource stands at 4.0 million ounces of gold in the Measured and Indicated category with an additional 0.8 million Inferred ounces of gold
- Cutoff grades for the Mineral Resource calculation were unchanged at 0.41 g/tonne (0.012 oz/ton) for the open pit and 2.74 g/tonne (0.08 oz/ton) for underground; Mineral Reserve cutoff grade was unchanged at 0.48 g/tonne (0.014 oz/ ton)
- Average grade for the Mineral Reserves also remain unchanged at 2.06 g/tonne (0.060 oz/ton)
- Gold and silver recovery remained unchanged
- There were no changes in the processing capabilities (7,000 tons/day)
- Gold price remained unchanged at \$1,250/oz
- After-tax NPV at a 5% discount rate remained unchanged at \$329 million, with an after-tax IRR of 20.1%.
- Total capital costs of \$380 million (includes sunk costs, updated February 29, 2016)
- Sustaining capital remained unchanged at \$137 million, with the bulk of the sustaining capital costs for earthworks associated with tailings and overburden stockpile construction

### **11.4 Mining**

The Haile Gold Mine is planned to be mined using conventional open pit mining methods. A combination of hard rock and soft rock will be encountered in the deposit during the mining process. The majority of the material from the mine will be hard rock which will be drilled and blasted prior to loading.

The mine plan produces 2,555 ktons of gold bearing ore per year for delivery to the processing plant (7,000 tpd for 365 days/year). After an 18 month preproduction period, total material movement ramps up to 22,100 ktons/year (60,500 tpd) for the first three years followed by 35,000 ktons/year (95,900 tpd) for four years.

Mining will utilize 20 ft benches. Drilling and blasting will be required for the hard rock units at Haile. The coastal plain sands will not require blasting. Saprolite will require drilling in ore zones for ore control but will require only localized blasting near the bedrock contact.

#### **11.4.1 Economic Analysis**

The Haile Gold Mine Project economics were done using a discounted cash flow model. The financial indicators examined for the project included the Net Present Value ("NPV"), Internal Rate of Return ("IRR") and payback period (time in years to recapture the initial capital investment). Annual cash flow projections were estimated over the life of the mine based on capital expenditures, production costs, transportation and refining charges and sales revenue. The life of the mine is 13 years, including an 18 month pre-production period.

The economic analysis of the Haile Gold Mine Project at a gold price of \$1,250/oz shows an after-tax NPV of \$329.2 million at a discount rate of 5%; this results in an after-tax IRR of 20.1% and a payback period of 3.9 years to recapture the initial capital investment.

All project costs spent through November 2014, \$30.8 million, are considered “sunk” and are included in the project costs, but not included in the economic analysis. As an update, at December 31, 2015, a cash spend of approximately \$126 million (of the revised \$380 million capital cost estimate announced on February 29, 2016) had been incurred.

An after-tax sensitivity analysis was conducted for the project and is included in the Technical Report available on SEDAR at [www.sedar.com](http://www.sedar.com). The project IRR is most sensitive to variation in gold grade and gold price, followed by operating costs and capital costs.

## **11.5 Accessibility, Climate, Local Resources, Infrastructure and Physiography**

### **11.5.1 Accessibility**

The Haile property site is located approximately 3 miles (4.8 km) northeast of the town of Kershaw in southern Lancaster County, South Carolina; Lancaster County lies in the north-central part of the state. The Haile Gold Mine is approximately 17 miles (27 km) southeast of the city of Lancaster, the county seat, which is approximately 30 miles south of Charlotte, North Carolina. The Haile property is accessible by car or truck by taking U.S. Highway 601 northeast from the town of Kershaw for approximately 2 miles (3.2 km), with the main access via Snowy Owl Road, following the partial closure of Haile Gold Mine Road.

### **11.5.2 Climate**

This portion of South Carolina has a humid subtropical climate. Summers are hot and humid with daytime temperatures averaging 85°F (29°C) to 95°F (35°C). Winters are mild and wet, but overnight temperatures can be below freezing. Average annual precipitation approaches 50 inches (1,270 mm) while annual evaporation is only 30 inches (762 mm). Precipitation is abundant throughout the year with March being the wettest month. Snowfall annually is often insignificant and averages less than 3 inches (76.2 mm) per year. Regionally, South Carolina averages approximately 50 days of thunderstorm activity and 14 tornadoes per year. The operating season is considered to be year-round.

### **11.5.3 Local Resources and Infrastructure**

Local resources (labour force, manufacturing, housing, etc.) and infrastructure are already in place and available for the operation of the Haile project. Several small and modest-sized communities exist in every direction from and in close proximity to the Haile project area. Equipment and sources of both logistical and professional expertise can be obtained from the major cities of Charlotte, North Carolina, and Columbia, South Carolina, which are both within daily commuting distance. Industrial contractors are within close proximity to the site and can provide a skilled workforce for the construction project.

Power is available in the area via an existing 44 kV transmission grid or a 69 kV transmission grid.

### **11.5.4 Physiography**

The Haile Gold Mine and its surroundings occur within the Sand Hills sub-province of the Piedmont physiographic province of the south-eastern United States. This province trends from southwest to northeast and is bounded by the Coastal Plain to the southeast and the southern Appalachian Mountains to the northwest.

Gentle topography and rolling hills, dense networks of stream drainages, and white sand to red-brown lateritic soils characterize the Sand Hills sub province.

The elevation of the property ranges approximately from 400 ft (122 m) to 550 ft (168 m) above mean sea level. The topography is the result of dissection by the perennial, southwest-flowing Haile Gold Mine Creek and by its intermittent, southeast and northwest-flowing tributaries. The surface ground slopes within the drainages are gentle to moderate (approximately 9 to 13%) and the slopes above the drainages are gentle to nearly flat (less than 1%). Haile Gold Mine Creek enters the southeast-flowing Little Lynches River at a point approximately 1 mile (1.6 km) southwest from the mine site. The property is heavily wooded with both pine and hardwood forests. Pine timber harvesting occurs frequently in and around the property area as each harvestable tract matures.

## **11.6 History**

Gold was first discovered in 1827 near Haile by Colonel Benjamin Haile, Jr. in the gravels of Ledbetter Creek (now the Haile Gold Mine Creek). This led to placer mining and prospecting until 1829; in 1837, a five-stamp mill was built on site. Gold production and pyrite-sulfur mining for gun powder continued through the Civil War. General Sherman's Union troops invaded the area and burned down the operations near the war's end.

In 1882, a twenty-stamp mill was constructed and operated continuously until a fatal boiler explosion killed the mine manager in 1908. From mid-1937 to 1942, larger-scale mining was undertaken on site by the Haile Gold Mines Company and was shut down by presidential decree (L208) in 1942 because of World War II. By this time, the Haile Gold Mine had produced over \$6.4 million worth of gold (in 1940 dollars).

Between 1981 and 1985 Piedmont Land and Exploration Company (later Piedmont Mining Company), explored the historic Haile Mine and surrounding properties. Piedmont mined the Haile deposits from 1985 to 1992, producing 85,000 ounces of gold from open pit heap leach operations that processed oxide and transitional ores. New areas mined by Piedmont included the Gault Pit (next to Blauvelt), the 601 pits (by the US 601 highway), and the Champion Pit. They also expanded the Chase Hill and Red Hill pits and combined the Haile-Bumalo zone into one pit. They also discovered the large Snake deposit sulfide gold resource and mined its small oxide cap. Piedmont extracted gold ores from a mineralized trend a mile long, from east to west. Amax and Piedmont entered into a Joint Venture agreement and established the Haile Mining Company ("HMC") in May 1992.

At the end of the Amax / HMC program in 1994, a gold reserve estimate was prepared, but due to unfavourable economic conditions at the time, Amax did not proceed with mining, but began a reclamation program to mitigate acid rock drainage conditions at the site.

Kinross acquired Amax in 1998, assumed Amax's portion of the Haile joint venture, and later purchased Piedmont's interest. Because Haile was a low priority compared to larger and more profitable prospects, Kinross decided not to reopen the mine but did continue the closure/reclamation effort.

Romarco Minerals Inc. acquired the Haile property from Kinross in October of 2007 and began a confirmation drilling program in late 2007. The Company completed the confirmation drill program in early 2008 and began infill and exploration drilling. The drill program was accelerated in early 2009 with a major reverse circulation drilling program and was discontinued in April 2013 and restarted in April 2015. Data from the drill program that was available as of November 17, 2011 has been used in the most current update of the Mineral Resource estimate.

In October 2015, Romarco was acquired by OceanaGold Corporation.

## **11.7 Geological Setting and Mineralisation**

### **11.7.1 Regional and Local Geology**

The north central portion of South Carolina is geologically situated in the Carolina superterrane or Carolina. The Carolina superterrane or Carolina consists of the Carolina terrane, the Charlotte terrane, the Augusta-Dreher Shoals terrane and the Kings Mountain terrane. These exotic, volcanic arcs formed adjacent to the African continent and were accreted to the North American craton during the Late Ordovician–Silurian or Mid to Late Paleozoic. The Haile Gold Mine is located within the Carolina terrane which has formerly been called the Carolina Slate Belt. The Brewer gold mine is located approximately 10 miles (16.1 km) to the northeast of the Haile mine and the Ridgeway mine is located 30 miles (48.3 km) to the southwest. All of the deposits are hosted in a similar geologic setting within the Carolina terrane.

The Haile, Ridgeway, Brewer, and Barite Hill gold mines are hosted at the contact between metamorphosed volcanoclastic and metamorphosed sedimentary rocks of Neoproterozoic to Early Cambrian age. The Haile and Ridgeway deposits are hosted within greenschist grade siltstones, shales and sandstones of the Richtex Formation. The older Persimmon Fork Formation is composed of felsic to intermediate flows, volcanoclastics, tuffs and shallow intrusives. Northwest trending, steeply dipping Mesozoic diabase dikes are also found in the mine area and are related to the opening of the Atlantic Ocean. Near the surface, these units are saprolitic due to extensive weathering. A south-eastward thickening wedge of Coastal Plain sediments unconformably overlies the saprolite.

### **11.7.2 Structure and Mineralisation**

The Haile deposit is situated within a large scale antiform that plunges shallowly to the northeast. This general pattern is complicated by lateral facies changes and interbedding of the lithologic units. Regional stratigraphy and recent zircon ages indicate that the section has been overturned at Haile. Penetrative slaty cleavage is present within the Neoproterozoic to Early Cambrian units. Isoclinal to tight folds are observed at the thin section, outcrop and map scale.

The gold mineralisation at the Haile property occurs along a trend of moderately- to steeply-dipping ore bodies within a regional corridor which runs from the west-southwest (“WSW”) to the east-northeast (“ENE”). The corridor is approximately 3,500 ft (1 km) wide (NNW to SSE) and over 2 miles (3.4 km) long (WSW to ENE). Most of the mineralisation at Haile is restricted to the laminated metasilstone of the Richtex Formation. The gold mineralised zones within the laminated metasediments can vary in distance from the metavolcanic contact, and can appear at different stratigraphic levels within the metasediments. The gold mineralisation is disseminated and occurs in silica-rich, pyrite-pyrrhotite bearing metasediments. Alteration in the mineralised zones consists of intense quartz-pyrite-sericite with occasional potassium feldspar, that grades outward to weak quartz-sericite-pyrite.

Gold mineralisation is associated with pyrite, pyrrhotite, and molybdenite mineralisation. Detailed ore microscopy and scanning electron microscope mapping indicate that the gold is found as native gold, electrum, and within gold bearing tellurides. These minerals are found as inclusions and along fractures within pyrite.

## **11.8 Exploration**

Modern exploration, development, and mining activity on the Haile property began during the 1970s. Between 1973 and 1977, Cyprus Exploration Company (“Cyprus”) carried out an extensive exploration program consisting of surface geophysical surveys, trenching, geologic mapping, auger drilling, core drilling, air-track drilling, and

metallurgical testing. Cyprus calculated the Haile resources at 186,000 ounces (5,785 kg) of gold with an average grade of 0.062 opt (2.13 g/t).

During the late 1980s, Westmont/Nicor drilled out a small, low-grade oxide resource immediately west of the property.

Between 1981 and 1985, Piedmont explored the historic Haile mine and surrounding properties with various drilling methods (including core and reverse circulation), surface geophysics, soil sampling, trenching, and rock-chip sampling. Piedmont's total drilling footage was 228,500 ft (69,647 m), much of which was for mine development. Piedmont mined several Haile property deposits from 1985 to 1992, producing about 86,000 ounces (2,675 kg) of gold.

In 1991, Amax performed an extensive exploration program on the Haile property under an exploration option with Piedmont. In 1992, Amax and Piedmont formed HMC as a joint venture, and from 1992 to 1994 HMC (the operating company) completed a program of exploration/development drilling (using core and reverse circulation), property evaluation, Mineral Resource estimation, and technical report preparation. The Ledbetter area was discovered and the Mill and Snake areas were expanded with this effort.

Kinross acquired Amax in 1998, assumed Amax's portion of the HMC joint venture, and later purchased Piedmont's interest. Kinross performed no exploration activities on the property and limited their operations to a highly successful reclamation program from 1998 to 2007.

Romarco completed the Haile acquisition on October 17, 2007 and by February 2008, confirmed the quality of historical drilling and assay data and turned their effort to exploration and resource expansion.

## **11.9 Drilling**

Drilling at the Haile property commenced in the 1970's and has continued intermittently to the present by several different companies. The data base that was used for this Resource estimate was transferred to IMC on 17 November 2011. At that time there were a total of 3,747 drill holes in the data base totalling 1,511,912 ft (460,831 m) of drilling. However, not all of this drilling was used for estimation of the block model. At the end of 2015, there were 4,058 drill holes in the data base totalling 2,098,051 feet (639,486 m) of drilling at and around Haile.

Drilling has continued since the November 2011 time period but post-November 2011 drilling has not been incorporated into the resource model or into the determination of Mineral Resources or Mineral Reserves. Property, permit, and other constraints are such that the additional drilling would not constitute a material change to the Mineral Resources or Mineral Reserves.

Drill holes that fire assay above a grade of zero amounted to 2,039 drill holes containing 254,681 assay intervals amounting to 1,372,473 ft (418,329 m) of drilling information. The presence of fire assay is indicative of the amount of drilling that was used for development of the block model and Mineral Resource.

As of November 17, 2011, Romarco had drilled 1,001,594 ft (305,286 m) of the fire assayed drilling out of the total 1,372,473 ft (418,330 m) on the property. The historical 370,879 ft (113,044 m) of fire assayed drilling was completed by previous property holders including Cyprus, Gold Fields Mining Corp, Piedmont, Westmont Mining, and the joint venture HMC. A portion of the early drilling has actually been mined out and has little impact on the remaining in ground mineralization. Some of the Piedmont and Cyprus drill holes were assayed by Cyanide soluble methods to determine Cyanide amenability of the mineralisation. That information has not been used in the determination of resources and only those intervals with Fire assay from those previous property holders have been used.

IMC has completed a comparison of historic drilling to Haile-Romarco drilling and has found that the old and new data can be commingled if it has been fire assayed.

Within the fire assayed data, 28% of the holes are core and 72% are Reverse Circulation (RC). There are very few fire assays (301) that are from air track drilling and “doodle bug” as recorded in the data base. They amount to 0.2% of the data base and are not a significant sample set.

Drilling completed by Haile since RC hole number 1502 and all diamond drill holes since hole number 289 have received down hole surveys. That amounts to 32% of the RC holes, 100% of the core-tail holes, and 89% of the diamond drill holes within the database have down-hole surveys. Since all of the surveyed drill holes deflect to the southeast, the Haile staff has developed an algorithm as a function of depth to adjust the down-hole survey of the historical drill holes to reflect their likely deviation toward the southeast from the collar orientation.

The foliation dip at Haile is to the northwest; consequently, the drill hole deviation generally turns perpendicular to the foliation dip.

### **11.9.1 Reverse Circulation Drilling**

The reverse circulation drilling at Haile typically uses 6.25 inch drill bits. The RC rigs are equipped with a cyclone and a rotary splitter. Most RC drilling at Haile is in wet conditions. Water injection is typically 4 to 5 gpm above the water table and decreases to 1 gpm when groundwater is encountered.

Sample sizes are between 20 lbs (9.0 kg) and 30 lbs (13.6 kg) with a minimum requirement of 15 lbs (6.8 kg). The standard size reflects a 15 to 20% split of the total drilled volume. Drill intervals are generally 5 ft (1.5 m) intervals.

The following paragraphs describe sample procedures as reported by Romarco personnel. IMC observations during the site visit confirmed the application of these techniques.

For each 5 foot interval, a sample container is placed on top of the splitter table to catch the flow from the sample splitter. Labelled, sample bags measuring 20” (50.8 cm) by 24” (61.0 cm) are placed in five to seven gallon (18-26 litres) plastic buckets. The top of the sample bag is folded securely over the edge of the bucket. This is the sample container that is placed under the splitter to catch the sample discharge. Flocculant is added to each sample bag as it is placed on the splitter table to aid in precipitating fine material from the sample. As one sample container fills, another sample bag is prepared in advance and staged near the splitter table. On the driller’s signal, the sample containers are switched instantaneously at the break between 5-foot drill intervals.

Sampling during advancement of each twenty foot rod is a continuous process. Sample timing is metered by the count of the driller, as determined by drill speed and sample return rate. After each rod break, a new rod is attached and the borehole is thoroughly flushed. The driller should raise the bit slightly off bottom and blow the borehole clean before beginning the next interval. Once the sample return is clean, the bit is lowered and drilling begins on the next twenty foot rod. Then, the driller counts the time it takes for the discharge water to turn from clear to muddy, which approximates the return rate of samples to the surface. Markings on the drilling rig feeder cable denote five foot intervals. When the feeder cable indicates the completion of the 5-foot sample interval, the driller counts the measured return rate to allow the last sample material to reach the surface.

A sub is used on the rod string in order to keep the 5 feet sample breaks at rod changes; the drill string is thoroughly flushed at rod breaks to eliminate down hole contamination. During the rod break, the sampler should clean the splitter, check the splitter plates, measure the pH and temperature of discharge water, and keep current with logging. For rod breaks occurring at shift changes, the crew is mindful of the incomplete sample and communicates its location to the next crew. Rod additions, timing, and bit changes are recorded in the drilling

progress log. Filled sample bags are typically kept at the drilling rig during each shift. The samples can be stored on the ground or in the bed of a pickup truck to begin water drainage. At the end of each shift, the samples are transported to the sample storage area for initial drying.

During each drilling interval, a metal mesh-screened strainer (rice/pasta strainer) is placed on the splitter table beneath the waste stream to obtain a representative chip sample for geologic logging. The lithologic sample is collected from the waste discharge material to avoid biasing the assay sample partition. A portion of the lithologic sample is kept within a ten or twenty compartment, plastic chip tray for logging. Chip trays are labelled with the drill hole number and depth intervals in permanent marker.

Sample bags are collected at the end of each shift and transferred to the sample storage area for initial drying.

### **11.9.2 Diamond Drilling**

Diamond core drilling is by wireline methods and generally utilizes HQ and NQ size core (2.5 inch and 1.9 inch core). Core is transferred from the core barrels to plastic core boxes at the drill rig by the driller. Core is broken as required to completely fill the boxes. Drill intervals are marked on the core boxes and interval marker blocks are labelled and placed in the core box. Whole core is transported to the sample preparation area by Romarco personnel.

## **11.10 Sampling Preparation, Analysis, and Security**

### **11.10.1 Sample Collection**

Both RC and Diamond Drilling (“DDH”) have been done at Haile. This section will describe the sampling procedures applied to both data collection techniques. The sample procedures applied to the historic drilling at Haile are not well known. IMC has completed a statistical comparison between the historic information and the recent drilling to provide verification of the reliability of the historic drilling.

Romarco has been drilling at the Haile project since 2007; the techniques described in this section reflect the procedures applied by Romarco during 2015. For drilling and sampling procedures used for the current resource statement, refer to the Haile Technical Report.

### **11.10.2 On Site Sample Preparation**

The reverse circulation sample bags from the truck are transferred to the Haile sample handling facility where they are prepared for shipment to a lab. RC samples are prepared at the Kershaw Mineral Lab (“KML”) in Kershaw, South Carolina.

At the core logging facility, the core is cleaned, measured, and photographed. Geotechnical and geologic logging is completed on the whole core. Rock Quality Data (“RQD”) and core recovery are recorded as part of the geotechnical suite of data.

The logging geologist assigns the sample intervals and sample numbers prior to core sawing. Core is either sawed or split with a putty knife if soft. The saw or knife is cleaned between each sample. A brick or barren rock sample is sawed with the diamond saw between intervals to minimize cross-contamination. The cooling water for the saw is not recycled. Split core is delivered to KML with blanks and standards for sample prep and analysis.

### **11.10.3 Off Site Sample Preparation**

Once the samples arrived at KML, the following procedures are applied:

- Inventory and log samples into the laboratory LIMS tracking system
- Print worksheets and envelope labels
- Dry samples at 200 degrees Fahrenheit
- Jaw crush samples to 70% passing 10 mesh (2 mm)
- Clean the crusher between samples with barren rock and compressed air
- Split sample with a riffle splitter to prepare the sample for pulverizing
- Pulverize a 450 g sample (+/- 50 g) to 85% passing 140 mesh (0.106 mm)
- Clean the pulverizer between samples with sand and compressed air
- Approximately 225 g of pulp sample is sent for fire assay
- Coarse rejects and reserve pulps are returned to Haile for storage.

#### **11.10.4 Analytical Determinations**

Previously in the Romarco drill program, samples were sent to either the Inspectorate Lab in Reno, Nevada for preparation and assay or to AHK Geochem in Spartanburg, South Carolina for sample preparation to be analysed at their Fairbanks, Alaska facility. Inspectorate is an ISO-9001 certified laboratory and AHK Geochem is 17025 accredited for all facilities that handled Haile samples.

Check assays were sent to ALS-Chemex in Reno. ALS-Chemex is also ISO-9001 certified and 17025 accredited. Coarse rejects and returned samples are stored at Haile where they are under the control of OceanaGold personnel. During off-shift hours, a Deputy Sherriff is on site providing security for the site and sample storage facility.

The procedures currently applied at KML for assay are as follows:

- Inventory the samples and create worksheets
- Insert quality control (QC) samples of 1 duplicate, 1 lab standard, and 1 blank in each batch of 24 samples.
- Fire assay 30gm of pulp sample for gold, with atomic absorption finish.
- If the gold assay result from step 3 is greater than or equal to 0.09 opt, an additional 30gm of pulp sample is fire assayed for gold using gravimetric finish, and 0.50gm of pulp sample is analysed for silver using a 4-acid digestion with Atomic Absorption finish.
- Multi-element ICP analysis is performed as requested.
- Carbon and sulfur determinations are performed as requested.
- Review the internal QC results and perform check assays as required.
- Review and sign off on final values including the internal check assays.
- Issue the final report and certificate of assay.
- Deliver the certificate to the client.

KML is ISO/IEC 17025:2005 accredited for gold and silver assays through the Standards Council of Canada. Ore grade results produced by KML were not used in the current Mineral Resource calculations. Samples where KML reported above 0.015 oz/ton were sent to a third party lab for verification, and the third party results were used in assembly of the block model. Grades below 0.015 oz/ton may be used from KML in the model assembly process.

Coarse rejects and returned samples are stored at Haile where they are under the control of OceanaGold personnel. During off-shift hours, a Deputy Sherriff is on site providing security for the site and sample storage facility.

### **11.10.5 Data Verification**

The Haile drill hole data base was verified by IMC in late 2011 and the results published in the Technical Report titled "Haile Gold Mine Project, NI43-101 Technical Report Feasibility Study" dated February 10, 2011. This section focuses on verification of the drilling, sampling, and assaying completed from October 2010 through to November 16, 2011. The verification of the late 2011 data when added to the historic data base constitutes the complete data base used in the assembly of the block model and corresponding Mineral Resource estimate.

The data base verification at Haile utilized the following major steps:

- A check of the Haile data base against assay certificates from the laboratory.
- A statistical analysis of the quality control data that is collected by Romarco and their assay laboratory.
- A comparison of Romarco drilling and assay information versus closely spaced historic information.
- A comparison of diamond drilling versus reverse circulation drilling (DDH vs RC).
- During the site visit, in 2009, the qualified person observed the sample procedures and quality control data handling as described in this text.

John Marek of IMC acted as the qualified person for the data verification and determination of Mineral Resources. As a result of the data verification work that is summarized in this section, Mr. Marek and IMC find that the Haile data base is reliable for the determination of Mineral Resources and Mineral Reserves.

The approach presented above is to verify that the Romarco data is reliable based on the quality assurance/quality control information that is collected with the data. Once that is established, the applicability of the historic information is established by a nearest neighbour statistical analysis of old versus Romarco drilling.

### **11.10.6 Metallurgical Testing**

Sample preparation and characterization, grinding studies, gravity concentration tests, whole ore leach tests, flotation tests and leaching of flotation tailings and flotation concentrate tests were completed to determine the metallurgical response of the ore. Samples of ore were collected by the Company for metallurgical testing. A series of metallurgical testing programs were completed by independent commercial metallurgical laboratories. The test work indicated that the ore will respond to flotation and direct agitated cyanide leaching technology to extract gold. The metallurgical test results were used to develop process design criteria and the flow sheet for processing the ore.

## **12 OTHER PROJECTS**

Except as set out below, no Mineral Resources have been defined on any of the following properties.

### **12.1 Gold Standard Ventures Corp.**

In May 2015, by way of private placement, OGC acquired a 14.9% stake in Gold Standard Ventures Corp. ("GSV") at a cost of C\$0.65 per common share. Later in the year, OGC increased its equity position in GSV to 15.2% through the purchase of shares on the open market.

As at December 31, 2015, OGC held a 15.2% stake in GSV. Subsequent to the end of the 2015 reporting period on February 9, 2016, and pursuant to its equity participation rights with GSV, OGC elected to purchase an additional 12,565,265 common shares of GSV in order to extend its ownership from 15.2% to 19.9%. The additional shares were acquired at a cost of C\$1.00 per common share.

OGC holds, in aggregate, 38,075,926 common shares of GSV, representing approximately 19.9% of the issued and outstanding shares on a non-diluted basis. OGC has publicly stated that it may from time to time, for investment purposes and depending on market conditions, acquire additional common shares or other securities of GSV or dispose of some or all of the shares.

GSV currently owns the second largest land package in the Carlin trend, one of the most prolific gold belts globally and is currently drilling at its Railroad-Pinion project located just south of Newmont's Emigrant operation. GSV will continue to test oxide and sulphide mineralisation as it seeks to expand on its current resource.

## **12.2 Locrian Resources Inc.**

In 2014, the Company's Board of directors approved an investment in Locrian Resources Inc. – a private Canadian company.

Under the terms of the investment, OGC made an initial equity placement to Locrian of CAD\$1million which resulted in an equity holding of 13.5% of Locrian's issued and outstanding shares on a fully diluted basis. In November 2015, following further review and assessment of the opportunity, OGC's Board resolved to approve further investment in Locrian. An additional CAD\$1.6 million equity placement was made and consequently, OGC now holds approximately 23% of Locrian's issued and outstanding shares on a fully diluted basis.

## **12.3 El Dorado**

At this stage, the El Dorado property is not material to the Company. The El Dorado property is in the Department of Cabañas, El Salvador, approximately 74 kilometres northeast of San Salvador, the capital city of the nation, and 10 kilometres southwest of the town of Sensuntepeque. The property is comprised of three exploration licenses totalling 14,407 hectares (approximately 144 square kilometres) with nominal expiry dates of September 28, 2013 (one license) and September 29, 2013 (two licenses), and a 1,275 hectare (12.75 square kilometre) area pending conversion to an exploitation concession ("Exploitation Concession"), which underlying exploration license has a nominal expiry date of January 1, 2005. In accordance with Salvadoran Law, Pacific Rim El Salvador S.A. ("PRES"), (a subsidiary of Pacific Rim), presented a request for the conversion of this 12.75 square kilometre portion of the El Dorado exploration licences to an exploitation concession in December 2004.

In 2009, Pacific Rim filed an arbitration claim with the International Centre for the Settlement of Investment Disputes in Washington District of Columbia, seeking monetary compensation under the Investment Law of El Salvador. This followed the passive refusal of the Government of El Salvador to issue a decision on Pacific Rim's application for environmental and mining permits for the El Dorado property. As a result of the on-going arbitration action, the Company has not had the ability to confirm or renew any Salvadoran exploration licences. The arbitration is outlined further in the "Risk Factors" and "Legal Proceedings" sections of this document.

El Dorado is subject to a royalty of 3% of net smelter returns in favour of a previous property owner. Pacific Rim has the right to buy back the royalty for \$1 million for the first 1.5% and \$3 million for the second 1.5%, provided that at least one half of the royalty is acquired within six months of the commencement of commercial production.

In addition to its mineral rights, the Company, through its subsidiaries, owns approximately 765,000 square metres of real estate in the central part of the El Dorado property.

Since the completion of the acquisition of Pacific Rim, OceanaGold has worked closely with its stakeholders in El Salvador including government officials to develop a roadmap in unlocking the value that exists from the El

Dorado property. The Company is strongly committed to seeking a negotiated outcome to the permitting impasse.

#### **12.4 Sams Creek**

In New Zealand and outside the Macraes and Reefion goldfields, OGC's main non-core exploration property is Sams Creek, which consists of exploration on a near surface, mineralised, porphyritic felsic dyke in the northwest region of New Zealand's South Island. Although only a small part of the dyke has been explored to date with diamond drilling, exploration results have been encouraging, with the resource remaining open at depth and along strike. In September 2013, MOD Resources completed a resource update based on infill and extension drilling. This resulted in a significant increase in the resource inventory. The Sams Creek Measured, Indicated and Inferred Resources are detailed in the resource table in section 6.3.

In October 2011, OGC entered into a joint venture agreement with ASX listed MOD Resources ("MOD"). Under the terms of the agreement, a 100% subsidiary of MOD may earn up to 80% interest in the project by solely funding staged exploration programs. Additionally, subject to certain conditions precedent, MOD was to issue either 10 or 17 million ASX listed ordinary shares of MOD to OGC for nil consideration. The conditions were satisfied in September 2012 (by the resource upgrade discussed above) and a New Zealand subsidiary of OGC was issued 17 million MOD shares. On September 18, 2015, MOD announced it had earned 80% of Sams Creek from OceanaGold Corporation, which is New Zealand's largest gold producer. As of the date of this document, the Company holds a 20% interest in Sam's Creek.

#### **12.5 Other Projects**

In addition to the Didipio Project, OGC has a portfolio of prospective exploration properties in the Philippines. This portfolio includes interests in the Didipio region (outside of the FTAA area); two gold-copper porphyry exploration properties in Northern Luzon; and three exploration properties in the Surigao Peninsula area of northern Mindanao including the Paco tenement where the Company received its exploration renewal in 2014. These interests comprise direct holdings of, and options over, eleven granted tenements, with ten currently being considered for renewal by the Mines and Geosciences Bureau.

OGC also holds an interest in an unincorporated joint venture gold project located near Orange, Australia. The project is currently dormant from an operational perspective.

### **13 DIVIDENDS AND DISTRIBUTIONS**

#### **13.1 Dividends Declared in Respect of Previous Three Financial Years**

The Board has declared a dividend payment of US\$0.04 per share in respect of its most recently completed financial year ended December 31, 2015 (for an aggregate dividend of approximately US\$24 million). Shareholders of record at the close of business in each jurisdiction on March 1, 2016 will be entitled to receive payment of this dividend on April 29, 2016.

The amount and timing of any dividends is within the discretion of OGC's Board of Directors. The Board of Directors reviews the dividend policy periodically based on, among other things, the Company's current and projected liquidity profile.

In 2015, the Company declared its first dividend payment with respect to its 2014 financial year. The dividend paid was US\$0.04 per share for an aggregate dividend of approximately US\$12 million.

The Company did not pay a dividend with respect to its 2013 financial year.

## **13.2 Current Policy**

In February 2015, the Company established a dividend policy under which an ordinary dividend of US\$0.02 per share is intended to be paid annually. In addition, the policy allows for a discretionary payment that will be based on the profitability of the business while taking into account capital and investment requirements for growth opportunities.

Any decision to pay cash dividends or distributions on Common Shares in the future will be made by the Board of Directors of the Company on the basis of the earnings, financial requirements and other conditions existing at such time. There is no guarantee that the Company will continue to pay dividends. Prior to this dividend policy, the Company did not have a dividend policy.

## **14 DESCRIPTION OF SHARE CAPITAL**

OGC is authorised to issue an unlimited number of Common Shares, and an unlimited number of preferred shares, issuable in series. As a result of the completion of the Romarco Arrangement, 299,506,089 Common Shares were issued. Consequently, as at December 31, 2015, there were 603,618,550 Common Shares and no preferred shares issued and outstanding. All Common Shares are fully paid and have no par value.

### **14.1 Classes of Shares**

#### **14.1.1 Common Shares**

Each Common Share entitles the holder to receive notice of any meetings of shareholders of OGC, to attend and to cast one vote per Common Share at all such meetings. Holders of Common Shares do not have cumulative voting rights with respect to the election of directors and, accordingly, holders of a majority of the Common Shares entitled to vote in any election of directors may elect all directors standing for election. Holders of Common Shares are entitled to receive on a pro-rata basis such dividends, if any, as and when declared by the Board of Directors at its discretion from funds legally available therefore and, upon the liquidation, dissolution or winding up of OGC, are entitled to receive on a pro-rata basis the net assets of the Company after payment of debts and other liabilities, in each case subject to the rights, privileges, restrictions and conditions attaching to any other series or class of shares ranking in priority to, or equally with, the holders of Common Shares with respect to liquidation, dissolution or winding up. The Common Shares do not carry any pre-emptive, subscription, redemption or conversion rights, nor do they contain any sinking or purchase fund provisions.

#### **14.1.2 Preferred Shares**

The preferred shares may, at any time or from time to time, be issued in one or more series. The Board of Directors shall fix before issuance, the designation, number and consideration per share (in addition to any provisions attaching to the shares of each series). Except as required by law or as otherwise determined by the Board of Directors in respect of a series of shares, the holder of a preferred share shall not be entitled to vote at meetings of shareholders. The preferred shares of each series rank on a priority with the preferred shares of every other series and are entitled to preference over the Common Shares and any other shares ranking subordinate to the preferred shares with respect to priority and payment of dividends and distribution of assets in the event of liquidation, dissolution or winding-up of OGC.

## **14.2 CHESS and CDIs in Australia**

OGC participates in the Clearing House Electronic Subregister System (“CHESS”) in Australia.

### **14.2.1 CHESS**

Settlement of trading of quoted securities on the ASX market takes place on CHESS, which is the ASX’s electronic transfer and settlement system. CHESS allows for, and requires the settlement of transactions in securities quoted on the ASX to be effected electronically. No share or security certificates are issued in respect of shareholdings or security holdings which are quoted on the ASX and settled on CHESS, nor is it a requirement for transfer forms to be executed in relation to transfers which occur on CHESS.

It is not presently possible for securities issued by OGC to be settled electronically on CHESS. Accordingly, OGC CDIs have been created and issued to enable OGC shareholders to trade on ASX.

### **14.2.2 CDIs**

CDIs are units of beneficial ownership in securities registered in the name of CHESS Depository Nominees Pty Ltd (“CDN”), a wholly-owned subsidiary of the ASX. The main difference between holding CDIs and Common Shares is that the holder of CDIs has beneficial ownership of the underlying Common Shares instead of legal title. Legal title is held by CDN. The Common Shares are registered in the name of CDN for the benefit of holders of the OGC CDIs. Holders of OGC CDIs will have the same economic benefits of holding the underlying Common Shares. In particular, holders of OGC CDIs will be able to transfer and settle transactions electronically on the ASX.

Holders of OGC CDIs are entitled to all dividends, rights and other entitlements as if they were legal owners of Common Shares and will receive notices of general meetings of OGC shareholders. As holders of OGC CDIs are not the legal owners of the underlying Common Shares, CDN, which holds legal title to the Common Shares underlying the OGC CDIs, is entitled to vote at OGC shareholder meetings at the instruction of the holder of the OGC CDIs. Alternatively, if a holder of an OGC CDI wishes to attend and vote at shareholder meetings, they may instruct CDN to appoint the holder (or a person nominated by the holder) as the holder’s proxy for the purposes of attending and voting at an OGC shareholder meeting.

## **14.3 Employee Equity Incentive Plans**

The Company’s shareholders have approved the issue of that number of securities equal to up to 5% of the Company’s issued and outstanding shares under securities-based employee compensation arrangements.

### **14.3.1 Share options scheme**

The Company had a share option scheme under which options to subscribe for Common Shares in the future had been granted to executives and senior employees. The share options scheme expired in June 2013 and has not been renewed. As at December 31, 2015, 3,322,762 executive options were on issue with exercise prices of between A\$0.00 and A\$3.94 and a weighted average remaining contractual life of 2.08 years.

### **14.3.2 Performance Share Rights**

In June 2015, shareholders of the Company approved the Performance Share Rights Plan for designated participants. Eligible participants, including executives and senior employees, are eligible to participate in the

Performance Share Rights Plan. Subject to the performance of the Company relative to its peer group, the Performance Rights may or may not vest at the end of the performance period. In circumstances where some or all of the Performance Rights become vested at the end of the performance period, they will be redeemable for Common Shares without any payout by the designated participant. As at December 31, 2015, 5,168,629 Performance Rights were on issue with an average remaining restricted period before exercise of 1.33 years.

### 14.3.3 Pacific Rim Options

In 2013, OGC successfully completed a statutory plan of arrangement under the *Business Corporations Act* (British Columbia) for the purpose of acquiring all of the issued and outstanding common shares of Pacific Rim.

Pursuant to this arrangement each Pacific Rim option became exercisable for 0.04006 Common Shares. As at December 31, 2015, 53,078 Pacific Rim options were outstanding with exercises prices of between C\$2.75 and C\$4.74 and a weighted average remaining life of 1.27 years. The options were originally granted under a Pacific Rim option plan; however following the acquisition of Pacific Rim, the options which were previously exchangeable into Pacific Rim common shares, became exchangeable into Common Shares.

### 14.3.4 Romarco Options

In 2015, OGC successfully completed a statutory plan of arrangement under the *Business Corporations Act* (British Columbia) for the purpose of acquiring all of the issued and outstanding common shares of Romarco. A replacement stock option plan was introduced into the Company following this acquisition.

Pursuant to the Romarco Arrangement, each outstanding Romarco option was exchanged for a replacement option from OGC that is exercisable for that number of OGC shares equal to 0.241 multiplied by the number of Romarco shares subject to such Romarco option. As at December 31, 2015, 9,133,645 replacement options were outstanding with exercise prices of between C\$1.96 and C\$8.22 and a weighted average remaining life of 1.64 years.

## 15 MARKET FOR SECURITIES

### 15.1 Trading Price and Volume

The following table sets forth the high and low sales price and volume of sales of the Common Shares of OGC on the TSX and NZX and of the CDIs of OGC on the ASX (including Chi-X) for the periods indicated.

#### 15.1.1 TSX

2015 Month	High	Low	Volume
December	2.76	2.35	79,730,881
November	2.61	2.25	33,714,747
October	2.69	1.79	49,221,781
September	2.41	1.91	20,155,472
August	2.76	2.13	20,498,540
July	3.10	2.20	19,037,633
June	3.15	2.68	12,512,521

2015 Month	High	Low	Volume
May	3.03	2.30	15,612,559
April	2.68	2.23	12,118,179
March	2.67	1.98	18,049,356
February	2.84	2.37	10,360,942
January	2.90	1.96	23,743,286

### 15.1.2 ASX

2015 Month	High	Low	Volume
December	3.00	2.41	47,363,171
November	2.74	2.32	10,563,556
October	2.79	2.00	15,628,236
September	2.70	2.13	12,800,832
August	2.88	2.16	9,775,549
July	3.27	2.31	9,503,674
June	3.38	2.82	11,240,877
May	3.12	2.42	10,084,227
April	2.76	2.35	9,025,802
March	2.73	2.07	14,597,548
February	2.83	2.43	8,354,950
January	2.88	2.09	14,415,372

### 15.1.3 NZX

2015 Month	High	Low	Volume
December	2.93	2.61	1,499,491
November	2.93	2.58	820,966
October	2.98	2.20	2,805,995
September	2.98	2.38	1,513,073
August	3.17	2.45	1,403,453
July	3.70	2.60	617,863
June	3.75	3.22	1,160,318
May	3.30	2.55	1,725,253
April	2.80	2.42	600,251

2015 Month	High	Low	Volume
March	2.79	2.19	1,587,980
February	3.00	2.56	1,212,263
January	3.07	2.24	3,837,096

## 15.2 Prior Sales

Other than as described below, during the most recently completed financial year, the Company has not issued any Common Shares, nor securities that are convertible into Common Shares.

Pursuant to the Romarco Arrangement, 299,506,089 Common Shares were issued at the exchange ratio of 0.241 OceanaGold Common Shares in exchange for each Romarco share held on October 1, 2015 (Vancouver time). In addition, each outstanding Romarco option was, without any further action on the part of any holder of Romarco options, exchanged for an OceanaGold replacement option at the same exchange ratio. The Company issued 9,646,500 replacement options to Romarco option holders.

The following table summarises the grant of securities convertible into Common Shares by the Company within the 12 months during the Company's most recently completed financial year. All of the securities referred to in the below table were issued under the Company's management and employee incentive schemes.

<u>Date Granted</u>	<u>Number of Securities</u>	<u>Security</u>	<u>Exercise Price</u>
February 25, 2015	105,000	Stock options	AUD\$1.5213
March 17, 2015	6,668	Stock options	AUD\$1.5213
March 30, 2015	25,000	Stock options	AUD\$1.8396
May 20, 2015	100,000	Stock options	AUD\$1.5213
June 4, 2015	10,000	Stock options	AUD\$2.7030
July 1, 2015	10,000	Stock options	AUD\$2.1300
July 1, 2015	73,179	Stock options	AUD\$2.6800
November 26, 2015	6,667	Stock options	AUD\$1.5213
December 17, 2015	25,000	Stock options	AUD\$0.9920
February 26, 2015	1,827,816	Performance Rights	NIL Consideration
November 6, 2015	64,100	Romarco replacement options	CAD\$1.9600
November 6, 2015	77,553	Romarco replacement options	CAD\$2.0600
November 6, 2015	23,593	Romarco replacement options	CAD\$2.4100
November 9, 2015	20,000	Romarco replacement options	CAD\$1.9600
November 18, 2015	10,000	Romarco replacement options	CAD\$1.9600
November 19, 2015	10,000	Romarco replacement options	CAD\$1.9600
December 1, 2015	10,000	Romarco replacement options	CAD\$1.9600
December 3, 2015	10,000	Romarco replacement options	CAD\$1.9600
December 7, 2015	32,535	Romarco replacement options	CAD\$1.9600
December 7, 2015	2,747	Romarco replacement options	CAD\$2.0600
December 7, 2015	1,415	Romarco replacement options	CAD\$2.4100
December 17, 2015	36,150	Romarco replacement options	CAD\$1.9600

<u>Date Granted</u>	<u>Number of Securities</u>	<u>Security</u>	<u>Exercise Price</u>
December 17, 2015	11,263	Romarco replacement options	CAD\$2.0600
December 21, 2015	21,110	Romarco replacement options	CAD\$1.9600
December 21, 2015	16,291	Romarco replacement options	CAD\$2.0600
December 21, 2015	45,090	Romarco replacement options	CAD\$2.4100
December 30, 2015	11,100	Romarco replacement options	CAD\$1.9600

## 16 DIRECTORS AND OFFICERS

In accordance with the Articles of the Company, the directors of the Company are elected by the shareholders at each annual meeting and typically hold office until the next annual meeting at which time they may be re-elected or replaced. Casual vacancies on the Board are filled by the remaining directors and the persons filling those vacancies hold office until the next annual general meeting at which time they may be re-elected or replaced.

### 16.1 Board of Directors

The following table and subsequent biographical information identifies the current directors of the Company and provides additional information on their location of residence, offices held within the Company and principal occupation.

<b>Name and Province/State of Residence/Principal Occupation<sup>(1)</sup></b>	<b>Position Held</b>
James E. Askew / Denver, USA / Director	Chairman of OGL then OceanaGold since November 2006
J. Denham Shale / Auckland, New Zealand / Director	Director of OGL then OceanaGold since February 2004
Jose P. Leviste Jr. / Manila, Philippines / Director	Director of OceanaGold since December 2007
Paul B. Sweeney / Vancouver, Canada / Director	Director of OceanaGold since July 2014
William H. Myckatyn / Horsefly, Canada / Director	Director of OceanaGold since April 2010
Geoffrey W. Raby / Beijing, China / Director	Director of OceanaGold since August 2011
Diane R. Garrett / Texas, USA / Director	Director of OceanaGold since October 2015
Michael F. Wilkes /	CEO of OceanaGold since January 2011

Name and Province/State of Residence/Principal Occupation <sup>(1)</sup>	Position Held
Melbourne, Australia / Executive & Director	Managing Director of OceanaGold since April 2011

(1) In 2013, shareholders of OceanaGold approved an amendment to the Articles of the Company which will now require the Company to hold annual elections for all directors. Accordingly, all directors' term of office will expire at the 2015 AGM unless re-elected.

The following is biographical information relating to each of the directors of OceanaGold Corporation:

**Jim Askew** is the Chairman of the Board of directors of OceanaGold (appointed November 2006). Mr Askew is a mining engineer with over 35 years of broad international experience as a Director and/or Chief Executive Officer for a wide range of Australian and international publicly listed mining, mining finance and other mining related companies. He holds a Bachelor of Mining Engineering (Honours) and a Masters Degree, Engineering Science. Mr. Askew has served on the board of a number of public companies, currently including Evolution Mining Limited, and as Chairman of both Asian Mineral Resources Ltd and Syrah Resources Ltd.

**J. Denham Shale** is a director of OceanaGold (appointed February 2004). Mr Shale is a lawyer in practice in Auckland, New Zealand. He was previously Chairman of Kensington Swan, a leading New Zealand law firm, and has been a director of listed companies for over 25 years. Mr. Shale was previously involved with gold mining in Australia and New Zealand as a Director of Otter Gold Limited ("Otter") from 1992, ending his involvement as Chairman when Otter was taken over by Normandy in 2002. Mr. Shale is currently Chairman of The Farmers Trading Company Limited, as well as several private companies. He has a Bachelor of Laws degree and is the Immediate Past President and a Distinguished Fellow of the Institute of Directors in New Zealand (Inc.).

**Jose P. Leviste Jr.** is the current Chairman of OceanaGold's wholly-owned subsidiary company in the Philippines, OceanaGold (Philippines), Inc. and has been a Director of the Philippines company since OGC's merger with Climax Mining in 2006. He is also the Philippine Resident Representative of the Australia-Philippine Business Council and, in 2005 was appointed as a Commissioner to the Consultative Commission tasked with advising the Philippines' President on the changes needed to the 1987 Constitution of the Philippines. Mr. Leviste graduated in Economics from the Ateneo University with an MBA degree from Columbia University and a MA Economics degree from Fordham University in the United States.

**Paul Sweeney** is a director of OceanaGold (appointed July 2014). Mr. Sweeney joined the Board on July 30, 2014, and brings with him substantial international experience across mining and renewable energy industries. An independent business consultant since May 2011, he is currently on the board of a number of Canadian listed public companies including Tahoe Resources, Inc.

Paul is an immensely experienced finance and mining executive, and more lately, company director.

**William H. Myckatyn** is a director of OceanaGold (appointed April 2010). Mr Myckatyn is a mining engineer with over 40 years of technical and management experience in mine financing, development and operations. He was the CEO, Chairman, and, subsequently Vice Chairman of Quadra FNX Mining Ltd., an intermediate copper and gold producer focused in the Americas, until its takeover in 2012. Prior to founding Quadra Mining in 2002, Mr. Myckatyn held the position of Chief Executive Officer at other mining and metals companies over the period of a decade, including Dayton Mining, Princeton Mining and Gibraltar Mines. For over twenty years prior to that, he worked for various operations controlled by Placer Dome Inc. and its associated and predecessor companies, including four separate mines in Australia and the Philippines. Mr. Myckatyn also sits on the Board of Directors for Canadian based exploration companies First Point Minerals and San Marco Resources.

**Dr. Geoff W. Raby** is a director of OceanaGold (appointed August 2011). Dr Raby was Australia's Ambassador to the People's Republic of China from 2007 to 2011. Prior to that, he was a Deputy Secretary in the Department of Foreign Affairs and Trade ("DFAT"). Dr Raby has extensive experience in international affairs and trade, having been Australia's Ambassador to the World Trade Organisation (1998-2001), Australia's APEC Ambassador (2003-05), Head of DFAT's Office of Trade Negotiations, and Head of the Trade Policy Issues Division at the OECD, Paris. Between 1986 and 1991 he was Head of the Economic Section at the Australian Embassy, Beijing. He has been the Chair of DFAT's Audit Committee and served as an ex office member of the Boards of Austrade and EFIC (Export Finance and Insurance Corporation). Dr Raby is also a non-executive director of Fortescue Metals Group Ltd, Yancoal Australia Ltd and is the Chairman of ASX listed company SmartTrans Holdings Limited.

**Dr. Diane R. Garrett** is a director of OceanaGold (appointed October 2015). Dr. Garrett has more than 20 years of senior management and financial expertise in the field of natural resources. Most recently, she held the position of President and CEO of Romarco Minerals Inc. (prior to its acquisition by OGC). Prior to that, she held numerous senior positions in public mining companies including Vice President of Corporate Development at Dayton Mining Corporation, and Vice President of Corporate Development at Beartooth Platinum Corporation. Earlier in her career, Dr. Garrett was the Senior Mining Analyst and Portfolio Manager in the precious metals sector with US Global Investors. Dr. Garrett is also a director of TriStar Gold Inc., a gold exploration company focused on high potential properties in Brazil. Dr. Garrett holds a PhD in Engineering in addition to a Master of Arts (MA) in Mineral Economics from the University of Texas, Austin.

**Michael F. Wilkes** is Chief Executive Officer of the Company (appointed in January 2011) and Managing Director (appointed in April 2011). Please refer to section 16.2 below for further details.

## 16.2 Executive Officers

The following table and subsequent biographical information identifies the executive officers of the Company as at December 31, 2015 and provides additional information on their location of residence, offices held within the Company and principal occupation.

Name and Province/State of Residence/Principal Occupation	Position Held
Michael F. Wilkes / Melbourne, Australia / Executive & Director	President and Chief Executive Officer of OceanaGold since January 2011 Managing Director of OceanaGold since April 2011
Mark Chamberlain / Melbourne, Australia / Executive	Executive Vice President and Chief Financial Officer since July 2011
Michael H. L. Holmes / Melbourne, Australia / Executive	Executive Vice President and Chief Operating Officer since November 2012
Mark Cadzow / Fort Mill, USA / Executive	Executive Vice President and Chief Development Officer since August 2012 (Joined OGL in April 1991)

Name and Province/State of Residence/Principal Occupation	Position Held
Yuwen Ma / Melbourne, Australia / Executive	Executive Vice President and Head of Human Resources since July 2011
Darren Klinck / Vancouver, Canada / Executive	Executive Vice President and Head of Corporate Development since May 2011 (joined OGC in April 2007)
Liang Tang / Melbourne, Australia / Executive	Executive Vice President, General Counsel and Company Secretary since January 2013 (joined OGC in April 2009)
Craig Feebrey / Melbourne, Australia Executive	Executive Vice President and Head of Exploration since November 2015

The following is biographical information relating to each of the executive officers of OceanaGold Corporation:

**Michael F. Wilkes** is President and Chief Executive Officer of the Company (appointed in January 2011). Mr Wilkes is a mining engineer with approximately 30 years of broad international experience, predominantly in precious and base metals across Asia and Australia. Most recently, as Executive General Manager of Operations at OZ Minerals, he had responsibility for the evaluation studies, construction and operation of the Prominent Hill copper gold project in South Australia, which is one of the more significant recent resource developments in Australia. Preceding this, he was General Manager of the Sepon gold copper project for Oxiana in Laos. His earlier experience was in Papua New Guinea in senior roles and, at the outset of his career, at Mount Isa Mines in operations and design. In January 2011, he was appointed Chief Executive Officer, and was appointed to the Board of Directors as Managing Director in April 2011.

He has a Bachelor of Engineering (Honours) from the University of Queensland, a Master of Business Administration from Deakin University, and is a member of the Australian Institute of Mining and Metallurgy, and the Australian Institute of Company Directors.

**Mark Chamberlain** is Executive Vice President and Chief Financial Officer of the Company (appointed August 2011). Mr Chamberlain has over 35 years' experience covering a broad range of financial disciplines with a particular focus on finance, treasury, capital markets, risk management and mergers and acquisitions. He has over 20 years' experience in the mining industry, primarily in the gold and multi-product mining space gained from senior finance functions at Newcrest Mining Limited, Western Mining Corporation Limited and external consulting. Mr Chamberlain is a qualified lawyer and a Fellow of CPA Australia. Mr Chamberlain holds a Bachelor of Laws and Bachelor of Commerce degrees from the University of Melbourne.

**Michael Holmes** is Executive Vice President and Chief Operating Officer of the Company (appointed November 2012). Mr Holmes is a mining engineer with over 25 years' experience working in Australia and Argentina. Michael has broad operational experience in underground and open pit gold, copper, lead, zinc and nickel mines. Most recently, as General Manager of Minera Alumbrera Operations in Argentina (Xstrata Copper), he was responsible for the large open pit, processing, transport and port facilities and for the management of the feasibility study for the Agua Rica Project. Previous to this, Mr Holmes was the General Manager of the Mount Isa Copper Operations (Xstrata Copper), based in Mount Isa, managing the large scale underground mine and concentrator. Prior, he has had various other mine management positions in Australia. Mr Holmes holds a

Bachelor of Engineering (Mining) degree from the University of Queensland and is a member of the Australian Institute of Mining and Metallurgy.

**Mark Cadzow** is Executive Vice President and Chief Development Officer (and initially joined OGL in April 1991). Mr Cadzow is a metallurgist with over 30 years of experience in mineral processing, precious metals, sulphide minerals and coal. He spent 8 years with BP Australia in coal and mineral research and development, which resulted in a number of patented processes for the recovery of gold and other minerals. Mr Cadzow joined OGL in 1991 and held the position of Senior Metallurgist and Processing Manager for 10 years, during which time he developed the Macraes processing plant from a 1.5 Mtpa sulphide leach plant into one of Australasia's most complex gold processing plants treating 4.5 Mtpa. In 2002, his appointment to Project Manager saw him bring on the 0.5 Mtpa oxide plant. He was also acting Mining Manager during the commissioning of the Owner Mining Fleet, before being appointed as Environmental and Sustainable Manager in 2003. In October 2005, he was appointed New Zealand Development Manager, and was appointed Chief Operating Officer of OceanaGold in October 2010. In Mr Cadzow's current role, he is responsible for overseeing technical studies, expansions and new developments, including the commissioning of the Haile Gold Mine Project. He holds a Bachelor of Applied Science (Metallurgy).

**Yuwen Ma** is Executive Vice President and Head of Human Resources (appointed July 2011). Mr Ma is responsible for managing the Human Resources function of the organisation and lead talent and organisation development initiatives to support OceanaGold operations and growth. Prior to joining OceanaGold, he served as Human Resources Director of Eldorado Gold China Operations between 2009 and 2011. Mr Ma has over 20 years human resources management experiences with multinationals building high performance organisations including Sino Gold Mining Ltd., Kimberly-Clark China and Nestle China.

Mr Ma holds a Bachelor degree with a major in English Language Teaching from the University of Heilongjiang and Diploma in International Business Administration at Harbin Institute of Technology in China.

**Darren Klinck** is Executive Vice President and Head of Corporate Development (having initially joined the Company in April 2007). Mr Klinck brings a broad range of international capital markets experience within the mining and metals sector. He was appointed Vice President, Corporate & Investor Relations in 2007 and then in 2011 was appointed Head of Business Development. In his current role, Mr Klinck is responsible for managing the business development function of the organization to identify external as well as internal growth opportunities for the Company. Mr. Klinck is also responsible for overseeing the investor relations and corporate communications for OceanaGold. Prior to joining OceanaGold, Darren Klinck was Vice President, Corporate and Investor Relations at Kimber Resources Inc., a Canadian based, precious metals development and exploration company focused in Mexico and listed on the American (now NYSE Amex) and the Toronto Stock Exchange. He holds a Bachelor of Commerce degree from the Haskayne School of Business at the University of Calgary.

**Liang Tang** is Executive Vice President, General Counsel and Company Secretary, taking on this role in January 2013 (having initially joined the Company in 2009). Ms Tang is a practising lawyer with a broad range of legal and corporate experiences in the gold mining sector, including capital markets, debt financing, and corporate and commercial law. She joined OceanaGold's legal and company secretariat team in April 2009, and is currently responsible for legal affairs, compliance and corporate governance. Prior to joining OceanaGold, Liang was a commercial lawyer in private practice. She also worked as an accountant and tax consultant at a global accounting firm. Liang holds a Bachelor of Commerce and a Bachelor of Laws from the University of Melbourne. She is fluent in Chinese Mandarin.

**Craig Feebrey** is Executive Vice President and Head of Exploration (appointed November 2015). Mr. Feebrey is a geologist with of 20 years of global exploration and commercial experience. He has held senior technical and management positions across major international mining organisations and junior exploration companies. His focus has been in gold and copper exploration and mining across Australia, Asia-Pacific and South America.

Mr Feebrey's most recent position was as Vice President of Exploration – Australasia – with Gold Fields Ltd, where he was responsible for leading all exploration activities. He was also a member of the Gold Fields Regional Leadership Team, and Director of several Gold Fields subsidiary companies.

Mr Feebrey holds a Bachelor of Science and Graduate Diploma of Science from the University of New England, Australia, as well as a Doctor of Philosophy (Geology) and Master of Science degree from Hokkaido University, Japan. Mr. Feebrey is a Chartered Professional Geologist, a Fellow of the Society of Economic Geologists, and a member of both the Australian Institute of Mining and Metallurgy and the Australian Institute of Company Directors.

As of the date hereof, the directors and executive officers of the Company, as a group, beneficially own, directly or indirectly, or exercise control or direction over 2,870,531 Common Shares, representing approximately 0.4720% of the issued and outstanding Common Shares as of the date hereof.

### **16.3 Cease Trade Orders or Bankruptcies**

No director or executive officer of the Company is, or within ten years prior to the date hereof has been, a director, chief executive officer or chief financial officer of any company (including the Company) that: (i) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days and that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or (ii) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days and that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer, but which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Save as noted below, no director or executive officer of the Company, or a shareholder holding a sufficient number of securities of the Company to materially affect control of the Company: (i) is, or within ten years prior to the date hereof has been, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or (ii) has, within ten years prior to the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to, or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

On January 14, 2010, Eastern Hi Fi Group Limited ("Eastern Hi Fi") was placed in receivership under New Zealand law by one of its creditors at the request of its directors. In a receivership the assets are realised for the benefit of the secured creditor who appointed the receiver. At the time Eastern Hi Fi was placed in receivership, Mr. Denham Shale was a non-executive director of that company. Eastern Hi Fi has now been deregistered.

On August 31, 2010, South Canterbury Finance Limited (“SCFL”) and a number of its subsidiary and associate companies were placed into receivership. Mr. Denham Shale was a non-executive director of SCFL and some of its subsidiaries and associates.

#### **16.4 Penalties or Sanctions**

No director or executive officer of the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, has been subject to: (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

#### **16.5 Conflicts of Interest**

To the Company's knowledge, and other than as disclosed in this AIF, there are no known existing or potential conflicts of interest among the Company, its directors and executive officers, or other members of management, or of any proposed director, officer or other member of management as a result of their outside business interests, except that certain of the directors and officers serve as directors and officers of other Mineral Resource companies, and therefore it is possible that a conflict may arise between their duties to the Company and their duties as a director or officer of such other companies. See “Interest of Management and Others in Material Transactions” and “Risk Factors”.

The directors of the company are required by law to act honestly and in good faith, with a view to the best interests of the company, and to disclose any interests that they may have in any material contract or material transaction. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict is required to disclose his interest and abstain from voting on such matter. The directors and officers of the company are aware of the existence of laws governing accountability of directors and officers for corporate opportunity, and, requiring disclosure by directors of conflicts of interest in respect of the company. The directors and officers are required to comply with such laws in respect of any conflicts of interest, or in respect of any breaches of duty by any of its directors or officers.

## 17 CORPORATE GOVERNANCE AND BOARD COMMITTEES

Three committees have been established to assist the Board in discharging its responsibilities as follows:

- Audit and Financial Risk Management Committee (“Audit Committee”);
- Remuneration and Nomination Committee; and
- Sustainability Committee.

Each Committee contained a majority of independent non-executive directors at all times during the period under review.

Each Committee is governed by a formal charter approved by the Board documenting the committee's composition and responsibilities. Copies of these charters can be viewed under the Governance section of the Company's website.

The **Remuneration and Nomination Committee** is responsible for making recommendations to the Board in relation to the remuneration arrangements for the Chief Executive Officer, for reviewing and approving the Chief Executive Officer's remuneration recommendations for senior executives, and for reviewing and approving the general remuneration framework for other employees. The Committee is also responsible for ensuring that an appropriate mix of skills, experience and expertise is maintained on the Board and for evaluating the performance of the Board, individual directors and the Board committees. The members of the Remuneration and Nomination Committee during the period under review were W.H. Myckatyn (Chairman); J. E. Askew; D.R. Garrett and P.B. Sweeney.

The **Sustainability Committee** is responsible for reviewing and making recommendations to the Board in respect of the management of technical risk and the furtherance of the Company's commitments to environmentally sound and responsible resource development and a healthy and safe work environment. During the period under review, members of the Sustainability Committee were J. E. Askew (Chairman); J. D. Shale; J. P. Leviste Jr.; D.R. Garrett and W.H. Myckatyn.

The **Audit Committee's** primary responsibility is to oversee the Company's financial reporting process, financial risk management systems and internal control structure. It also reviews the scope and quality of the Company's external audits and makes recommendations to the Board in relation to the appointment or removal of the external auditor. The members of the Audit Committee during the year under review were J. D. Shale (Chairman); P.B. Sweeney and G. W. Raby.

Each member of the Audit Committee is independent and financially literate within the meaning of National Instrument 52-110 – Audit Committees. Details of the education and experience of each committee member is set out in the biographical information in the “Directors and Officers” section within the AIF.

A copy of the current Audit Committee Charter is attached in Appendix A.

The aggregate fees billed for professional services rendered by the Company's auditors, PricewaterhouseCoopers, to it for our last two financial years are as follows:

<b>Remuneration of the Auditor</b>	<b>FY Dec 2015</b>	<b>FY Dec 2014</b>
	<b>USD\$(000)</b>	<b>USD\$(000)</b>
<b>PwC in Australia</b>		
Audit Fees	484	644
Audit-Related Fees	0	0
Tax Fees	179	502
All Other Fees	190	157
<b>Total Auditor Remuneration</b>	<b>853</b>	<b>1,302</b>
<b>PwC outside Australia</b>		
Audit Fees	422	305
Audit-Related Fees	4	4
Tax Fees	356	58
All Other Fees	4	14
<b>Total Auditor Remuneration</b>	<b>786</b>	<b>381</b>
<b>TOTAL</b>	<b>1,639</b>	<b>1,684</b>

AUD / USD rate

0.7462

0.8982

"Tax Fees" include fees associated with annual tax compliance, and with tax consulting advices obtained in relation to ad-hoc projects such as funding restructuring. "All other fees" include other consulting fees in relation to the transition to International Financial Reporting Standards.

### **17.1 Audit Committee Oversight**

At no time since the commencement of the Company's most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board of Directors.

### **17.2 Pre-Approval Policies and Procedures**

Pursuant to the Audit Committee Charter, the Audit Committee is responsible for pre-approving the retention of the external auditor for any permitted non-audit service to be provided to the Company or its subsidiaries, provided that the Audit Committee is not required to approve in advance non-audit services where: (i) the aggregate amount of all such non-audit services provided to the Company constitutes not more than 5% of the total amount of revenues paid by the Company to the external auditor during the fiscal year in which the non-audit services are provided; (ii) such services were not recognised by the Company at the time of the engagement to be non-audit services; and (iii) such services are promptly brought to the attention of the Audit Committee and approved prior to the completion of the audit by the Audit Committee, or by one or more members of the Audit Committee to whom authority to grant such approvals has been delegated by the Audit Committee.

## 18 RISK FACTORS

Investment in the securities of the Company involves a high degree of risk and should be regarded as speculative due to the nature of the Company's business. Prior to making an investment in the Company's securities, prospective investors should carefully consider the risk factors set out below. Such risk factors could have a material adverse effect on, among other matters, the operating results, earnings, properties, business and condition (financial or otherwise) of the Company. The risks described below are not the only ones facing the Company. Additional risks not currently known to the Company, or that the Company currently deems immaterial, may also impair OceanaGold's operations.

***There is no assurance that the Company will continue to successfully produce gold, that the Company will be able to meet any gold production forecasts, or that it will be able to successfully bring new gold and/or gold-copper mines into production.***

The Company's ability to sustain or increase the current level of production is dependent on the development of the Haile Gold Mine Project and the continued economic operation and development of its Didipio, Waihi and Macraes Operations. No assurances can be given that planned development and expansion projects will result in additional Mineral Reserves, that planned development timetables will be achieved, that gold production forecasts will be achieved, or that the development projects will be successful.

Increased costs, changes in commodity prices, adverse currency fluctuations, availability of construction services and equipment, labour shortages, cost of inputs or other factors could have a material adverse effect on the Company's business, financial condition, results of operations and prospects, and could impede current gold production or the Company's ability to bring new gold and copper mines into production, or expand existing mines.

There is no assurance that the Company will be able to complete development of its mineral projects on time or to budget due to, amongst other matters, changes in the economics of the mineral projects, the delivery and installation of plant and equipment, cost overruns, and the adequacy of current personnel, systems, procedures and controls to support the Company's operations. Any of these would have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

The Company's objective of producing 385,000 – 425,000 ounces of gold, as well as 19,000 – 21,000 tonnes of copper for the 2016 calendar year requires the Company to continue to successfully operate its existing producing assets in New Zealand and the Philippines at a similar scale of complexity, and activities, as achieved by the Company in recent operating periods. Achieving such scale of activities requires continuing adequate and appropriate resourcing, staffing and management of the Company's business processes, systems and information technology, and, any diminution of resources and management could adversely affect the Company's performance.

***Development of the Haile Project may be adversely affected as a consequence of events beyond the Company's control.***

Development of the Haile Gold Mine Project may be adversely affected by a number of factors. Most, if not all, projects of this kind suffer delays in start-up and commissioning due to late delivery of components, adverse weather, equipment failures and/or delays in obtaining the required permits or consents. Any changes or delays to the Haile Gold Mine Project may cause the Company additional expense. There can be no assurance that any such additional permits the Company may require will be obtainable on reasonable terms, or at all. Further, there may be appeals of issued permits which may delay and/or prevent construction or operation during any such

appeals process and there can be no assurance that an appeal would be resolved in a timely manner, or in the Company's favour.

***The Company may not achieve its production estimates.***

The Company prepares estimates of future gold and copper production for its existing and future mines. The Company cannot give any assurance that it will achieve its production estimates. The failure of the Company to achieve its production estimates could have a material adverse effect on any or all of its future cash flows, profitability, results of operations and financial condition. The realization of production estimates are dependent on, among other matters: the accuracy of Mineral Reserve and Resource estimates; the accuracy of assumptions regarding ore grades and recovery rates; ground conditions (including hydrology and water mitigation measures); physical characteristics of ores; the presence or absence of particular metallurgical characteristics; and the accuracy of estimated rates and costs of mining, ore haulage and processing.

Actual production may vary from estimates for a variety of reasons, including: the availability of certain types of ores; actual ore mined varying from estimates of grade or tonnage; dilution and metallurgical and other characteristics (whether based on representative samples of ore or not); short-term operating factors such as the need for sequential development of ore bodies and the processing of new or adjacent ore grades from those planned; mine failures, slope failures or equipment failures; industrial accidents; natural phenomena, such as inclement weather conditions, floods, droughts, rock slides and earthquakes; encountering unusual or unexpected geological conditions; changes in power costs and potential power shortages; shortages of principal supplies needed for mining operations, including explosives, fuels, chemical reagents, water, equipment parts and lubricants; plant and equipment failure; the inability to process certain types of ores; labour shortages or strikes; lack of required labour; civil disobedience and protests; and restrictions or regulations imposed by government agencies or other changes in the regulatory environment. In addition to adversely affecting mineral production, such occurrences could also result in damage to mineral properties or mines, interruptions in production, injury or death to persons, damage to property of the Company or others, monetary losses and legal liabilities. These factors may cause a mineral deposit that has been mined profitably in the past to become unprofitable, forcing the Company to cease production. Each of these factors also applies to the Company's mines not yet in production, and to operations that are to be expanded. In these cases, the Company does not have the benefit of actual experience in verifying its estimates and there is a greater likelihood that actual production results will vary from the estimates.

***The Company may not be able to generate sufficient cash to service all of its indebtedness.***

The Company's ability to make scheduled payments on, or refinance its debt obligations, depends on its financial condition and operating performance, which are subject to prevailing economic and competitive conditions and to certain financial, business, legislative, regulatory and other factors beyond its control. The Company may be unable to maintain a level of cash flows from operating activities sufficient to permit it to pay the principal, premium, if any, and interest on its indebtedness.

If the Company's cash flows and capital resources are insufficient to fund its debt service obligations, it could face substantial liquidity problems, and could be forced to reduce or delay investments and capital expenditures, or to dispose of material assets, seek additional debt or equity capital or restructure or refinance its indebtedness. The Company may not be able to effect any such alternative measures, if necessary, on commercially reasonable terms or at all and, even if successful, those alternatives may not allow it to meet its scheduled debt service obligations.

***Capital and operating cost estimates may not be accurate.***

Capital and operating cost estimates made in respect of the Company's mines and development projects may not prove accurate. Capital and operating costs are estimates based on the interpretation of geological data, feasibility studies, cost of consumables, anticipated climatic conditions and other factors at the time of making such estimates. Any of the following events, among the other uncertainties described in this document, could affect the ultimate accuracy of such estimates: unanticipated changes in grade and tonnage of ore to be mined and processed; incorrect data on which engineering assumptions are made; delays in construction schedules; unanticipated transportation costs; the accuracy of major equipment and construction cost estimates; labour negotiations; changes in government regulation (including regulations regarding prices, cost of consumables, royalties, duties, taxes, permitting, greenhouse gas emissions and restrictions on production quotas for exportation of minerals) and title claims.

***Changes in the market price of gold and copper, which in the past have exhibited high volatility, will affect the profitability of the Company's operations and its financial condition.***

The Company's revenues, profitability and viability depend on the market price of gold and copper produced from the Company's mines. The market price of these commodities is set in the world market and is affected by numerous factors beyond the Company's control, including: the demand for precious metals; expectations with respect to the rate of inflation; interest rates; currency exchange rates; the demand for jewellery and industrial products containing precious metals; gold production; inventories; costs; change in global or regional investment or consumption patterns; sales by central banks and other holders; speculators and producers of gold and other metals in response to any of the above factors; and global and regional political and economic factors.

A decline in the market price of gold or copper below the Company's production costs for any sustained period would have a material adverse impact on the actual and anticipated profit, cash flow and results of the Company's current and anticipated future operations. Such a decline could also have a material adverse impact on the ability of the Company to finance the exploration and development of its existing and future mineral projects. A decline in the market price of gold or copper may also require the Company to write-down its Mineral Reserves, which would have a material adverse effect on the value of the Company's securities. Further, if revenue from gold or copper concentrate declines, the Company may experience liquidity difficulties. The Company will also have to assess the economic impact of any sustained lower gold or copper price on recoverability and, therefore, on cut-off grades and the level of its Mineral Reserves and Resources.

***Canadian investors may have difficulty in the enforcement of statutory civil liability***

Although OceanaGold is a company existing under the laws of British Columbia, a majority of its assets are located outside of Canada. As a result, it may be difficult for Canadian investors to realize a judgment obtained in Canada with respect to the enforcement of statutory civil liability under applicable Canadian securities laws against assets of the Company located in the Philippines and other foreign jurisdictions.

***Canadian investors may having difficulty effecting service of process on the Company's Directors and Officers***

Since certain of the Company's directors or officers live outside of Canada, it may not be possible to effect service of process on them and since all, or a substantial portion of their assets are located outside Canada, there may be difficulties in enforcing judgments against them obtained in Canadian courts. Similarly, essentially all of the Company's assets are located outside Canada and there may be difficulties in enforcing judgments obtained in Canadian courts.

***Mining sector enterprises face many operating risks.***

In common with other enterprises undertaking business in the mining sector, the Company's mineral exploration, project development, mining and related activities are subject to conditions beyond the Company's control that can reduce, halt or limit production or increase the costs of production.

The success of the Company's mining operations is dependent on many factors including: the discovery and/or acquisition of Mineral Reserves and Mineral Resources; successful conclusions to feasibility and other mining studies; access to adequate capital for project development and to sustaining capital; design and construction of efficient mining and processing facilities within capital expenditure budgets; the securing and maintaining of title to tenements; obtaining permits, consents and approvals necessary for the conduct of exploration and mining; compliance with the terms and conditions of all permits, consents and approvals during the course of mining activities; access to competent operational management and prudent financial administration, including the availability and reliability of appropriately qualified employees, contractors and consultants; the ability to procure major equipment items and key consumables in a timely and cost-effective manner; the ability to access full power supply; and the ability to access road and port networks for the shipment of gold and copper concentrate.

Increases in oil prices, and in turn diesel fuel prices, and the cost of equipment would add significantly to operating costs. These are all beyond the control of the Company. An inability to secure ongoing supply of such goods and services at prices assumed within the short and long term mine plans, and assumed within feasibility studies, could have a material and adverse effect on the results of the Company's costs, results of operations and financial condition. This could render a previously profitable project unprofitable.

Costs can also be affected by factors such as changes in market conditions, government policies and exchange rates, all of which are unpredictable and outside the control of the Company. The operations are also exposed to industrial disruption, which can be beyond the Company's control.

***The figures for the Company's Mineral Reserves and Mineral Resources are estimates based on interpretation and assumptions and may yield less mineral production under actual conditions than is currently estimated.***

The Mineral resource and Mineral reserve figures presented herein are calculated by Company personnel. These estimates are imprecise and depend upon geological interpretation and statistical inferences drawn from drilling and sampling analysis, which may prove to be unreliable. There can be no assurance that these estimates will be accurate or that this mineralization could be mined or processed profitably. If the Company encounters mineralization or formations different from those predicted by past drilling, sampling and similar examinations, Mineral Reserve estimates may have to be adjusted in a way that might adversely affect the Company's operations. The Mineral Reserve estimates of the Company have been determined based on assumed gold and copper prices, cut-off grades and costs that may prove to be inaccurate.

An extended period of operational underperformance, including increased production costs or reduced recovery rates, may render Mineral Reserves containing relatively lower grades of mineralization uneconomic to recover and may ultimately result in the restatement of Mineral Reserves and/or Mineral Resources.

The inclusion of Mineral Resource estimates should not be regarded as a representation that these amounts can be economically exploited and no assurances can be given that such Mineral Resource estimates will be converted into Mineral Reserves.

***Mining operations involve a high degree of risk and numerous inherent hazards.***

The Company's mining operations are subject to a number of risks and hazards, including: environmental hazards; industrial accidents; labour disputes; catastrophic accidents; fires; blockades or other acts of social activism; changes in the regulatory environment; impact of non-compliance with laws and regulations; natural phenomena, such as inclement weather conditions (including rainfall), earthquakes, seismicity, natural disasters, open pit and underground floods, pit wall failures, ground movements, tailings dam failures and cave-ins; pipeline failures; encountering unusual or unexpected geological conditions; and technological failure of mining methods. There is no assurance that the foregoing risks and hazards will not result in any or all of: damage to, or destruction of, the properties of the Company; personal injury or death; environmental damage; delays in, or interruption of, the development of the projects of the Company; monetary losses; potential legal liability; and adverse governmental action. All of these factors could have a material adverse impact on the Company's cash flows, earnings, results of operations and financial condition.

***Fluctuations in metal prices have created uncertainty in relation to the demand for, and cost of, exploration, development and construction services and equipment.***

Recent movements in commodity prices have created uncertainty in relation to the costs of exploration, development and construction activities, which have resulted in material fluctuations in the demand for, and cost of, exploration, development and construction services and equipment (including mining fleet equipment). Varying demand for services and equipment could cause project costs to alter materially, resulting in delays if services or equipment cannot be obtained in a timely manner due to inadequate availability, and could increase potential scheduling difficulties.

***There is no assurance that exploration and development activities will be successful.***

Mineral Resource exploration and the development of mineral projects into mines is a highly speculative business, characterised by a number of significant risks including, among other matters, unprofitable efforts resulting not only from the failure to discover mineral deposits, but also from finding mineral deposits that, though present, are insufficient in quantity and quality to return a profit from production. There is no assurance as to the Company's ability to sustain or increase its Mineral Reserves and resources. To sustain or increase the current Mineral Reserves and Mineral Resources, further Mineral Reserves and Mineral Resources must be identified and existing ones brought into production. Any gold and copper exploration program entails risks relating to the location of ore bodies that are economically viable to mine, the development of appropriate metallurgical processes, the receipt of necessary governmental permits, licences and consents and the construction of mining and processing facilities at any site chosen for mining. No assurance can be given that any exploration program will result in the discovery of new Mineral Reserves or Mineral Resources or that the expansion of existing Mineral Reserves or Mineral Resources will be successful.

***There is no guarantee that the Company's wholly owned subsidiary Pac Rim Cayman LLC will obtain a favourable judgment in current international arbitration proceedings.***

In November 2013, the Company received final regulatory approval and announced the successful completion of the plan of arrangement whereby Pacific Rim became a wholly owned subsidiary of the Company. As part of the arrangement, the Company acquired all the issued and outstanding common shares of Pacific Rim. In 2009, Pac Rim Cayman LLC, a subsidiary of Pacific Rim, filed an arbitration claim with the International Centre for Settlement of Investment Disputes (ICSID), seeking monetary compensation under the Investment Law of El Salvador. This followed the passive refusal of the Government of El Salvador to issue a decision on Pac Rim Cayman LLC's application for environmental and mining permits for El Dorado.

The matter is now in the final phase of arbitration following written submissions and a merits hearing which was held in September 2014. The outcome of these proceedings is pending and the Company makes no guarantees

or representations that the outcome will be favourable to Pac Rim Cayman LLC. In the event that the Company is successful in obtaining monetary compensation from the arbitration, there is no guarantee that this outcome would lead to the Company being granted exploitation concessions in El Salvador. Furthermore, an adverse outcome in the proceedings may result in the Company being obliged to pay legal fees in excess of those already contemplated. This may result in a significant cost to the Company. There may not be a positive outcome from the arbitration for the Company.

***There is no guarantee that the Company will be successful in converting exploration licenses into exploitation concessions in El Salvador.***

Notwithstanding the current arbitration, the Company will continue to seek a negotiated resolution to the El Dorado permitting impasse. If the Company is unsuccessful in its efforts to convert the El Dorado exploration licenses into exploitation concessions, or is impacted by other factors beyond the control of the Company, this would adversely impact operations in El Salvador or result in impairment. This may result in the Company being unable to undertake any mining activities in El Salvador.

***Currency fluctuations may affect the Company's costs and margins.***

Gold and copper are each sold throughout the world based principally on the U.S. dollar price. The Company pays for goods and services in U.S. dollars and other currencies. Adverse fluctuations in these other currencies relative to the U.S. dollar could materially and adversely affect the Company's operating results, profitability and financial position.

***Global financial conditions have been subject to increased volatility which may impact on the Company's ability to source debt facilities.***

The Company, as a borrower of money, is potentially exposed to adverse interest rate movements that may increase the financial risk inherent in its business, and could have a material adverse impact on profitability and cash flow. Project financing may additionally expose the Company to adverse gold and copper price movements (depending on the type and quantity of commodity hedging policies entered into as a requirement of the project financing). Such investments may significantly increase the financial risk inherent in the Company's business and could have a material impact on profitability and cash flow.

The Company, in the ordinary course of its operations and developments, is required to issue financial assurances, particularly bonding/bank guarantee instruments, to secure statutory and environmental performance undertakings and commitments to local communities. The Company's ability to provide such assurances is subject to external financial and credit markets and assessments, and its own financial position.

***Regulatory, consenting and permitting risks may delay or adversely affect gold and any future copper production.***

The business of mineral exploration, project development, mining and processing is subject to extensive national and local laws and plans relating to: permitting and maintenance of title; environmental consents; taxation; employee relations; heritage/historic matters; health and safety; royalties; land acquisitions; and other matters. There is a risk that the necessary permits, consents, authorizations and agreements to implement planned exploration, project development or mining, including but not limited to tree cutting permits, mineral ore export permits and mineral ore transportation permits, may not be obtained under conditions or within time frames that make such plans economic. There is also a risk that applicable laws, regulations or governing authorities will change and that such changes will result in additional material expenditures or time delays. Failure to obtain required permits and/or to maintain compliance with permits once obtained could result in injunctions, fines,

suspension or revocation of permits and other penalties. The permitting and consent process in the Philippines requires extensive consultation and enables many interested third parties to participate in the process. This imposes additional risk that permits and consents may be delayed or rejected and the Company's operations may be materially impacted as a result.

Under the provisions of the FTAA relating to the Didipio Project in the Philippines, the operating entity has a period of five years to recover its pre-operating expenses. Any residual unrecovered balance of pre-operating expenses is recoverable over the subsequent three years after the recovery period as a depreciation allowance. The claim for pre-operating expenditure is subject to examination by the relevant government department and an independent audit. There is a risk that some items of expenditure may not be deemed eligible for cost recovery.

***Tenement applications are uncertain and the Company is subject to consenting and permitting risk.***

The Company has been granted mining tenements and has made applications for other mining tenements, and for renewals of granted tenements, over particular exploration properties. There can be no assurance that the Company will be granted all the mining tenements and renewals for which it has applied.

The resource consenting process requires extensive stakeholder consultation, including public notification by the consenting authorities. This enables interested third parties to participate in the consenting process. Nongovernmental organizations are active in the Company's areas of operation and are regarded as key stakeholders with whom communication is critical.

Although the Company has experience with consenting frameworks and maintains a policy of early consultation with key stakeholders to identify and, where possible, address concerns, there is a risk of consents being delayed or rejected, which may adversely impact on the Company's ability to develop its mines and expand its production. In the Philippines, a subsidiary of the Company currently has a pending application for the extension of the exploration permit under the FTAA for areas outside of the permitted mining area.

***The Company's principal exploration, development and mining activities are situated in only three countries.***

The Company is conducting its principal exploration, development and mining activities in New Zealand, the United States and the Philippines. There is a sovereign risk in investing in foreign countries, including the risk that the mining concessions may be susceptible to revision or cancellation by new laws or changes in direction by the government of the day. These are matters over which the Company has no control. Whilst the Company believes that the governments and populations of these countries support the development of natural resources, there is no assurance that future political and economic conditions in such countries will not result in the adoption of different policies or attitudes affecting the development and ownership of Mineral Resources. Any such changes in policy or attitudes may result in changes in laws affecting ownership of assets, land tenure and mineral concessions, taxation, royalties, rates of exchange, environmental protection, labour relations, repatriation of income and return of capital. This may affect the Company's ability to undertake exploration, development and mining activities in respect of current and future properties.

***Foreign investments and operations are subject to numerous risks associated with operating in foreign jurisdictions.***

The Company's foreign mining investments are subject to the risks normally associated with the conduct of business in foreign countries. The occurrence of events associated with these risks could have a material and adverse effect on the Company's profitability, or the viability of its affected foreign operations, which could have a material and adverse effect on the Company's future cash flows, earnings, results of operations and financial

condition. Risks may include, among others: labour disputes; invalidation of governmental orders and permits; corruption; uncertain political and economic environments; sovereign risk; war; civil disturbances and terrorist actions; arbitrary changes in laws or policies of particular countries (including tax laws); the failure of foreign parties to honour contractual relations; delays in obtaining, or the inability to obtain, necessary governmental permits, authorizations and consents such as tree cutting permits, mineral ore export permits, mineral ore transportation permits and the like; opposition to mining from environmental or other non-governmental organizations; limitations on foreign ownership; limitations on the repatriation of earnings; limitations on gold exports; instability due to economic under-development; inadequate infrastructure; and increased financing costs. In addition, the enforcement by the Company of its legal rights to exploit its properties may not be recognised by any foreign government, or by the court system of a foreign country. These risks may limit or disrupt the Company's operations, restrict the movement of funds, or result in the deprivation of mining-related rights or the taking of property by nationalization or expropriation without fair compensation.

***The Company's insurance coverage does not cover all of its potential losses, liabilities, and damages related to its business and certain risks are uninsured or uninsurable.***

While the Company may obtain insurance against certain risks, the nature of these risks is such that liability could exceed policy limits or could be excluded from coverage. There are also risks against which the Company cannot insure, or against which it may elect not to insure. The potential costs that could be associated with any liabilities not covered by insurance, or that are in excess of insurance coverage, or associated with compliance with applicable laws and regulations, may cause substantial delays and require significant capital outlays. This could adversely affect the future earnings and results of operations of the Company and its financial condition.

The Company may become subject to liability for pollution or other hazards against which it has not insured or cannot insure, including those in respect of past mining activities. The Company is also exposed to the liability of the costs of meeting rehabilitation obligations on the cessation of mining operations.

#### ***U.S. Foreign Corrupt Practices Act and similar applicable worldwide anti-bribery laws***

The U.S. *Foreign Corrupt Practices Act*, the Canadian *Corruption of Foreign Public Officials Act*, the Australian *Criminal Code Act* and other applicable anti-bribery laws in various jurisdictions, generally prohibit companies and their intermediaries from making improper payments for the purpose of obtaining or retaining business or other commercial advantage. The Company's policies mandate compliance with these anti-bribery laws, which often carry substantial penalties. The Company operates in jurisdictions that have experienced governmental and private sector corruption to some degree, and, in certain circumstances, strict compliance with anti-bribery laws may conflict with certain local customs and practices. There can be no assurance that the Company's internal control policies and procedures will always protect it from reckless or other inappropriate acts committed by the Company's affiliates, employees or agents. Violations of these laws, or allegations of such violations, could have a material adverse effect on the Company's reputation, as well as business, financial position and results of operations and could cause the market value of the Company's Common Shares to decline.

***Increased competition could adversely affect the Company's ability to acquire suitable producing properties or prospects for mineral exploration in the future.***

There is a limited supply of mining rights and desirable mining prospects available in the areas where the Company's current projects are situated. Many companies are engaged in the mining and mine development business, including large, established mining companies with substantial financial resources, operational capabilities and long earnings records. The Company may be at a competitive disadvantage in acquiring mining, exploration and development rights, as many of its competitors have greater financial resources and

larger technical staffs. Accordingly, there can be no assurance that the Company will be able to compete successfully against other companies in acquiring new prospecting, development or mining rights.

***The Company may not be profitable.***

The Company has a history of operating losses and there can be no assurance that the Company will be profitable. The Company may sustain losses in the near future. There is no guarantee that increased production will reverse the past operating losses, or that the Company will be consistently profitable.

***The Company's properties are subject to environmental risks.***

Mining operations have inherent risks and liabilities associated with the pollution of the environment and the disposal of waste produced as a result of mineral exploration and production. Open pit and underground mining, and processing copper and gold ores are subject to risks and hazards, including environmental hazards, industrial accidents, and discharge of toxic chemicals, breach of tailings dams, fire, flooding, rock falls and subsidence. The occurrence of any of these hazards can delay production, increase production costs or result in liability to the Company. Such incidents may also result in a breach of the conditions of a mining lease or other consent or permit or relevant regulatory regime, with consequent exposure to enforcement procedures, including possible revocation of leases, consents or permits. The Company cannot give any assurance that it will have, or be able to obtain, all necessary environmental approvals, licenses, permits or consents, or be in compliance therewith or that, notwithstanding its precautions, breaches of environmental laws (whether inadvertent or not) or environmental pollution will not materially and adversely affect its financial condition and results from operations. The lack of, or inability to obtain, any such approvals, licenses, permits or consents, or any breaches of environmental laws, may result in penalties including fines or other sanctions, including potentially having to cease mining operations.

***Use of derivatives***

The Company uses certain derivative products to manage the risks associated with gold and copper price volatility, changes in other commodity input prices, interest rates, foreign currency exchange rates and energy prices. The use of derivative instruments involves certain inherent risks including: (i) credit risk – the risk that the creditworthiness of a counterparty may adversely affect its ability to perform its payment and other obligations under its agreement with the Company or adversely affect the financial and other terms of the counterparty is able to offer the Company; (ii) market liquidity risk – the risk the Company has entered into a derivative position that cannot be closed out quickly, by either liquidating such derivative instrument or by establishing an offsetting position; and (iii) unrealised mark-to-market risk – the risk that, in respect of certain derivative products, an adverse change in market prices for commodities, currencies or interest rates will result in the Company incurring an unrealised mark-to-market loss in respect of such derivative products.

***There is no assurance that future changes in environmental regulation will not adversely affect the Company's operations.***

Environmental hazards may exist on the properties on which the Company holds interests which are unknown to the Company at present and which have been caused by previous or existing owners or operators of the properties. The Company may incur unanticipated costs associated with the reclamation or restoration of mining properties. In addition, the Company may incur costs from reclamation activities in countries where the Company has mining and exploration operations in excess of any bonds or other financial assurances which the Company may be required to give, which costs may have a material adverse effect on the Company's profitability, results of operation and financial condition.

***The Company is subject to litigation risks.***

All industries, including the mining industry, are subject to legal claims, with and without merit. Defence and settlement costs of legal claims can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, the resolution of any particular legal proceeding to which the Company is or may become subject could have a material effect on its financial position, results of operations, or the Company's mining and project development operations. The Company is currently subject to the material legal proceedings described in the section entitled "Legal Proceedings".

***Shareholders' interests may be diluted in the future.***

The Company may require additional funding for exploration and development programs and potential acquisitions. If it raises additional funding by issuing additional equity securities (including upon conversion of its outstanding convertible notes) or hybrid securities that are convertible into equity securities, such financing may substantially dilute the interest of existing shareholders. Sales of substantial amounts of the Company's Common Shares, or the availability of Common Shares for sale, could adversely affect the prevailing market prices for the Company's Common Shares. A decline in the market prices of the Company's Common Shares could impair the Company's ability to raise additional capital through the sale of securities should it desire to do so.

***The market price for the Company's Common Shares cannot be assured.***

Securities markets have experienced volatility in prices and volumes and the market prices of securities of many companies have experienced wide fluctuations which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that such fluctuation will not adversely affect the price of the Company's securities, and, the market price of the Company's Common Shares may decline below the price paid by shareholders for their securities. As a result of this volatility, investors may not be able to sell their Common Shares at or above the price they paid. In the past, following periods of volatility in the market price of a company's securities, shareholders have often instituted class action securities litigation against those companies. Such litigation, if instituted, could result in substantial cost and diversion of management attention and resources, which could significantly harm the Company's profitability and reputation.

***Dividend Policy.***

In February 2015, the Company established a dividend policy under which an ordinary dividend of US\$0.02 per share is intended to be paid annually. In addition, the policy allows for a discretionary payment that will be based on the profitability of the business while taking into account capital and investment requirements for growth opportunities. The Company's dividend policy is comparable to those of its peers and is reviewed on a periodic basis. Any decision to pay cash dividends or distributions on Common Shares in the future will be made by the Board of Directors of the Company on the basis of the earnings, financial requirements and other conditions existing at such time. There is no guarantee that the Company will continue to pay dividends.

The Company conducts its major operations through subsidiaries. The Company's ability to obtain dividends or other distributions from subsidiaries may be subject to restrictions on dividends or repatriation of earnings under applicable local law, monetary transfer restrictions and credit facilities. There can be no assurance that there will be no future restrictions on repatriation, the payment of dividends or other distributions from subsidiaries which are necessary to enable the Company to pay dividends in the future.

***The Company is dependent on key personnel, including employees, contractors and consultants, who have been employed in the development and operation of mining assets owned by the Company.***

There is intense competition for qualified personnel in the worldwide mining industry and there can be no assurances that the Company will be able to attract and retain personnel. While the Company has, where possible, either contracts for services for a term of years or, in the case of any employee, employment agreements with its personnel, it cannot ultimately prevent any of these parties from terminating their respective contracts in accordance with agreed conditions. Any future loss of key personnel or the inability to recruit and retain high calibre staff to manage future operations and exploration and development activities could materially impact on the profit and cash flow of the Company.

***Conflicts of interest may arise between directors and officers of the Company.***

Certain directors and officers of the Company are directors, officers or shareholders of other natural resource companies and, to the extent that such other companies may participate in ventures with the Company, the directors and officers may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation.

## **19 LEGAL PROCEEDINGS**

The Company and its subsidiaries are, from time to time, involved in various legal proceedings and claims arising in the ordinary course of business. The Company cannot predict with reasonable certainty, the likelihood or outcome of these matters. Legal proceedings that are pending against the Company and/or its subsidiaries, as well as claims that may have a material effect on the Company's financial condition or future results of operations, are outlined below.

### **19.1 Gonzales and Liggayu**

A subsidiary of the Company is party to an addendum agreement with a syndicate of original claim owners, led by Mr J. Gonzales, in respect of a portion of the FTAA area ("Addendum Agreement"). Certain disputed claims for payment and other obligations under the Addendum Agreement made by Gonzales are subject to arbitration proceedings, which are presently suspended due to the irrevocable resignation of the arbitrator.

A third party (Liggayu) is also disputing the terms of the Addendum Agreement and the rights of Gonzales to claim an interest in the project. In view of the death of Mr. Gonzales in 2014, there are pending proceedings in the third party case for Mr. Gonzales to be substituted by the two (2) alleged assignees of his interest in the Addendum Agreement.

### **19.2 FTAA Constitutional Challenge**

The Department of Environment and Natural Resources of the Philippines ("DENR"), along with a number of mining companies (including OceanaGold Philippines, Inc.), are parties to a case that began in 2008 whereby a group of Non-Governmental Organisations ("NGOs") and individuals challenged the constitutionality of the Philippines Mining Act ("Mining Act") and the Financial or Technical Assistance Agreements ("FTAAs") in the Philippines Supreme Court. The petitioners initiated the challenge despite the fact that the Supreme Court had upheld the constitutional validity of both the Mining Act and the FTAAs in an earlier landmark case in 2005. The parties made various written submissions in 2009 and 2010, and there were no significant developments in the case between 2011 and 2012. In early 2013, the Supreme Court requested the parties to participate in oral debates on the issue. The case is now with the Supreme Court for a decision.

Notwithstanding the fact that the Supreme Court has previously upheld the constitutionality of the Mining Act and FTAAs, the Company is mindful that litigation is an inherently uncertain process and the outcome of the case may adversely affect the operation and financial position of the Company.

### **19.3 ICSID Arbitration between Pac Rim Cayman LLC and El Salvador**

Following the passive refusal of the Government of El Salvador to issue a decision on Pac Rim's application for environmental and mining permits for the El Dorado property, Pacific Rim filed an arbitration claim being heard at the International Centre for the Settlement of Investment Disputes ("ICSID") in Washington District of Columbia. Initiated in 2009 by a subsidiary of Pacific Rim, the claim was originally filed under the Dominican Republic-United States-Central America Free Trade Agreement ("CAFTA") and the Investment Law of El Salvador.

The parties filed written memorials with the Tribunal on the merits of the Investment Law claim, and the hearing of the substantive issues took place during a merits hearing which took place in September 2014.

The parties submitted final memorandums in late 2014, and the matter is currently with the Tribunal for determination.

## **20 REGULATORY ACTIONS**

There are no: (a) penalties or sanctions imposed against the Company by a court relating to securities legislation or by a securities regulatory authority during its most recently completed financial year; (b) other penalties or sanctions imposed by a court or regulatory body against the Company that would likely be considered important to a reasonable investor in making an investment decision in the Company; and (c) settlement agreements the Company entered into before a court relating to securities legislation or with a securities regulatory authority during its most recently completed financial year.

## **21 MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

Reference is made to the Management's Discussion and Analysis of Financial and Operating Results of the Company (IFRS) for the year ended December 31, 2015, which is available on SEDAR at [www.sedar.com](http://www.sedar.com).

## **22 CONSOLIDATED FINANCIAL STATEMENTS**

Reference is made to the Company's Consolidated Financial Statements as at and for the year ended December 31, 2015 (IFRS), which is available on SEDAR at [www.sedar.com](http://www.sedar.com).

## **23 NI 43-101 TECHNICAL REPORTS**

Reference is made to the NI43-101 compliant Technical Reports most recently filed for each of the Company's Operations, available on SEDAR at [www.sedar.com](http://www.sedar.com).

## **24 INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS**

None of the directors or officers of OGC, nor any associate or affiliate thereof, has had a direct or indirect material interest in any transaction within the three years prior to the date hereof, or proposed transaction which has materially affected or will materially affect OGC.

## **25 AUDITORS, TRANSFER AGENT AND REGISTRAR**

The auditors of OGC as at December 31, 2015 were PricewaterhouseCoopers, located at Freshwater Place, 2 Southbank Blvd, Southbank, Victoria, 3006, Australia.

OGC has retained Computershare Investor Services Inc. as its Transfer Agent and Registrar at its principal offices in the cities of Vancouver and Toronto in Canada and in the city of Melbourne in Australia. Common Shares will be issued in registered form.

## **26 MATERIAL CONTRACTS**

Set out below is a description of the material contracts entered into by the Company during its most recently completed fiscal year as at December 31, 2015. Except for contracts entered into in the ordinary course of business, there are no other material contracts that we have entered into within the most recently completed financial year, or before the most recently completed financial year (but after January 1, 2002), and still in effect other than described in this document.

### **26.1 Waihi Share Purchase Agreement**

On June 5, 2015, the Company and its wholly owned subsidiary, Oceana Gold Holdings (Waihi) Limited, entered into the Waihi Agreement with Newmont to acquire 100% of the shares of Newmont's wholly owned subsidiary Newmont Waihi Gold Limited (subsequently renamed Oceana Gold (Waihi) Limited). Oceana Gold (Waihi) Limited and its wholly owned subsidiary Waihi Gold Company Limited are the holders of permits and interests in the Waihi Gold Mine Operation in Waihi, New Zealand. Following regulatory approval from the New Zealand Overseas Investment Office, the acquisition was formally completed on October 30, 2015.

### **26.2 Romarco Minerals Inc. Plan of Arrangement**

On October 1, 2015, the Company and Romarco completed the Romarco Arrangement previously announced on July 30, 2015 under Division 5 of Part 9 of the Business Corporations Act (British Columbia) pursuant to which the Company acquired all of the issued and outstanding common shares of Romarco.

Under the terms of the Arrangement, former shareholders of Romarco received 0.241 of an OceanaGold Common Share for each Romarco common share held. In addition, each outstanding common share purchase option of Romarco was exchanged for a replacement option to purchase Common Shares based on the exchange ratio of 0.241.

Shareholders of OceanaGold and Romarco each voted in favour of the transaction at their respective special meetings of shareholders held on September 28, 2015, and Romarco received final court approval on September 30, 2015.

## **27 NAMES AND INTEREST OF EXPERTS**

Our auditors, PricewaterhouseCoopers, report that they are independent of the Company in accordance with applicable professional conduct rules. The following is a list of persons or companies whose profession or business gives authority to a statement made by the person or company named as having prepared or certified a report, valuation, statement or opinion described in this AIF, or in a filing, or referred to in a filing, made by us under National Instrument 51-102 – Continuous Disclosure Obligations:

- (1) J.G. Moore, Oceana Gold (New Zealand) Ltd.
- (2) K. Madambi, Oceana Gold (New Zealand) Ltd.

- (3) S. Doyle, Oceana Gold (New Zealand) Ltd.
- (4) R. Redden, Oceana Gold (New Zealand) Ltd.
- (5) S. Griffiths, Oceana Gold (New Zealand) Ltd.
- (6) M. Holmes, OceanaGold Corporation
- (7) S. Ristorcelli, Mine Development Associates
- (8) P. Ronning, Mine Development Associates
- (9) D. Bertoldi, Oceana Gold (New Zealand) Ltd.
- (10) S. Griffiths, Haile Gold Mine Inc.
- (11) R. Redden, Oceana Gold (New Zealand) Ltd at the time of writing the report and is now an employee of Redden Mining
- (12) M. Holmes, OceanaGold Corporation
- (13) J. Snider, M3 Engineering & Technology Corporation at the time of writing the Haile Technical Report
- (14) E. Patterson, M3 Engineering & Technology Corporation
- (15) L. Gochmour, Gochmour & Associates Inc
- (16) C. Burkhalter, NewFields Mining Design & Technical Services LLC.
- (17) P. Ronning, Mine Development Associates at the time of writing the technical report

To the knowledge of the Company, none of the persons referred to above owns in excess of 1% of the issued and outstanding Common Shares of the Company.

## **28 ADDITIONAL INFORMATION**

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities, options to purchase securities and a statement of interests of insiders in material transactions will be contained in our Management Information Circular for our annual meeting that involves the election of directors and will be made in respect of the year ended December 31, 2015. Further additional financial information is provided in our audited comparative financial statements and related management discussion and analysis for the year ended December 31, 2015. Additional information relating to the Company may be found on SEDAR at [www.sedar.com](http://www.sedar.com) under the Company's name. We will also provide this information upon request to our Company Secretary.

## **29 TECHNICAL GLOSSARY**

**"ad valorem"** in relation to a royalty payable under the Mining Act or the Crown Minerals Act, means a royalty calculated as a percentage of the net sales revenue earned on the relevant minerals.

**"As"** means Arsenic.

“**Au**” means gold.

“**bcm**” means bank cubic metres.

“**CIM**” means the Canadian Institute of Mining, Metallurgy and Petroleum.

“**cm**” means centimetre.

“**Cu**” means copper.

“**EP**” means an exploration permit granted under the Crown Minerals Act.

“**Au equiv.**” means gold equivalent.

“**g**” means grams.

“**g/t**” means grams per metric tonne.

“**ha**” means hectares.

“**Indicated Mineral Resource**” as defined by JORC 2012 is that part of a Mineral Resource for which quantity, grade (or quality), densities, shape, and physical characteristics, can be estimated with sufficient confidence to allow the appropriate application of Modifying Factors in sufficient confidence to support mine planning and evaluation of the economic viability of the deposit.

Geological evidence is derived from adequately detailed and reliable exploration, sampling and testing gathered through appropriate techniques such as outcrops, trenches, pits, workings and drill holes, and is sufficient to assume geological grade (or quality) continuity between points of observation where data and samples are gathered.

An Indicated Mineral Resource has a lower level of confidence than that applying to a measured Mineral Resource and may only be converted to a probable Mineral Reserve.

“**Inferred Mineral Resource**” as defined by JORC 2012 is that part of a Mineral Resource for which quantity and grade (or quality) are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade (or quality) continuity. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. An Inferred Mineral Resource has a lower level of confidence than that applying to an Indicated Mineral Resource and must not be converted to a Mineral Reserve. It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.

“**JORC 2012**” means Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves which became effective December 20, 2012 and mandatory from December 1, 2013. All companies reporting Exploration results, Resource Estimates or Ore Reserves to the Australian Stock Exchange (ASX). See <http://www.jorc.org/>.

“**kg**” means kilogram.

“**km**” means kilometre.

“**km<sup>2</sup>**” means square kilometres.

“**lb**” means one pound and is equal to 454 g.

“**m**” means metre.

“**m<sup>3</sup>**” means cubic metres.

“**m<sup>3</sup>/h**” means cubic metres per hour.

“**measured mineral resource**” as defined by JORC 2012 is that part of a Mineral Resource for which quantity, grade (or quality), densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of Modifying Factors to support detailed mine planning and final evaluation of the economic viability of the deposit.

Geological evidence is derived from detailed and reliable exploration, sampling and testing gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes and is sufficient to confirm geological and grade continuity between point of observation where the data and samples are gathered.

A measured Mineral Resource has a higher level of confidence than that applying to either an Indicated Mineral Resource or an Inferred Mineral Resource. It may be converted to a proven Mineral Reserve or under certain circumstances to a probable Mineral Reserve.

“**Mineral Resource**” as defined by JORC 2012 is a concentration or solid material of economic interest in the earth’s crust in such form, grade (or quality) and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade (or quality), continuity and other geological characteristics of a Mineral Resource are known, estimated, or interpreted from specific geological evidence and knowledge, including sampling. Mineral Resources are sub-divided in order of increasing geological confidence, into Inferred, Indicated, and Measured categories.

“**Mineral Reserve**” as defined by JORC 2012 is the economically mineable part of a measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at Pre-Feasibility or feasibility level as appropriate that include application of modifying factors. Such studies demonstrate that at the time of reporting, extraction could be reasonably justified.

The reference point at which Reserves are defined, usually the point at which the ore is delivered to the processing plant, must be stated. It is important that, in all situations where the reference point is different, such as for a saleable product, a clarifying statement is included to ensure that the reader is fully informed as to what is being reported.

“**mineralisation**” means the concentration of minerals in a body of rock.

“**MP**” means Mining Permit.

“**mm**” means millimetre.

“**Moz**” means million ounces.

“**Modifying Factors**” as defined by JORC 2012 are considerations used to convert Mineral Resources to Ore Mineral Reserves. These include, but are not limited to, mining, processing, metallurgical, infrastructure, economic, marketing, legal, environmental, social and governmental factors.

“**Mt**” means million tonnes.

“**Mtpa**” means million tonnes per annum.

“**multiple indicator kriging**” is a grade estimation technique.

“**NMV**” means Net Metal Value.

“**NZPAM**” means New Zealand Petroleum and Minerals. The government organisation charged with managing the New Zealand mineral permits regime.

“**ordinary kriging**” is a grade estimation technique.

“**oz**” means ounce.

“**polygonal method**” is a grade estimation technique.

“**PP**” means prospecting permit granted under the Crown Minerals Act.

“**ppm**” means parts per million.

“**probable mineral reserve**” as defined by JORC 2012 is the economically mineable part of an Indicated, and in some circumstances a measured mineral resource. The confidence in the modifying factors applying to a probable mineral reserve is lower than that applying to a proven mineral reserve.

“**proven mineral reserve**” as defined by JORC 2012 is the economically mineable part of a measured mineral resource. A proved mineral reserve implies a high degree of confidence in the modifying factors.

“**QA/QC**” means quality assurance / quality control.

“**RC**” means reverse circulation.

“**RL**” means relative level.

“**scheelite**” is a calcium tungstate mineral.

“**SDMP**” means social development and management program.

“**ton**” is a measure of weight equal to 2,000 pounds (907.18474 kg) most commonly used in the United States.

“**t**” or “**tonne**” is a measure of weight equal to 1,000 kg or 2,204 lbs.

“**tpa**” means tonnes per annum.

“**tpd**” means tonnes per day.

“**tpm**” means tonnes per month.

“**TSF**” means tailing storage facility.

“**TSP**” means the Total Suspended Particulate.

“**XRF**” means x-ray fluorescence

## 30 APPENDIX A – AUDIT AND FINANCIAL RISK MANAGEMENT COMMITTEE CHARTER

### 1. INTRODUCTION

The Audit and Financial Risk Management Committee (the “**Committee**”) is established by the Board of Directors (the “**Board**”) primarily for the purpose of overseeing the accounting and financial reporting processes of OceanaGold Corporation (the “**Corporation**”) and the reviews and audits of the financial statements of the Corporation. The Committee will also prepare and include in each annual information form (“**AIF**”) and management proxy circular required under National Instrument 51-102 such disclosure as is required by Multilateral Instrument 52-110 - Audit Committees (the “**Instrument**”).

The Committee shall assist the Board in fulfilling its responsibilities to the shareholders, securities regulatory authorities and stock exchanges, the investment community and others by reviewing, overseeing, assessing and monitoring (as the case may be), among other things:

- (a) the quality and integrity of the internal controls and accounting procedures of the Corporation and its subsidiaries, including reviewing the Corporation’s procedures for internal control with the Corporation’s auditor and chief financial officer;
- (b) the quality and integrity of the Corporation’s annual and quarterly financial statements, related management discussion and analysis, as well as all other material continuous disclosure documents such as the Corporation’s AIF;
- (c) compliance by the Corporation with legal and regulatory requirements related to financial reporting;
- (d) the engagement of the auditor of the Corporation and the auditor’s fees;
- (e) the qualifications, performance and independence of the auditor of the Corporation, considering the auditor’s recommendations and managing the relationship with the auditor, including meeting with the auditor as required in connection with the audit services provided by the Corporation;
- (f) the Corporation’s financial and accounting personnel;
- (g) the Corporation’s risk management procedures;
- (h) any significant transactions outside the Corporation’s ordinary course of business and any pending litigation involving the Corporation; and
- (i) improprieties or suspected improprieties with respect to accounting and other matters that affect financial reporting or the integrity of the business.

The Committee’s role is to review, monitor and oversee the preparation of financial statements, but it is not the duty of the Committee to plan or conduct audits or to determine that the financial statements are complete and accurate and are in accordance with generally accepted accounting principles (“**GAAP**”), to conduct investigations, or to assure compliance with laws and regulations or the Corporation’s internal policies, procedures and controls, as these are the responsibility of management and in certain cases the external auditor.

### 2. AUDIT COMMITTEE

#### 2.1 Composition of Committee

The Committee shall consist of such number of directors as the Board may from time to time determine, but in no event shall the Committee consist of less than three directors. All of the members of the Committee must be "independent" and "financially literate" as such terms are

defined in the Instrument, subject to the exemptions that may be available under the Instrument, as determined by the Board from time to time.

## **2.2 Committee Members**

The members of the Committee shall be appointed by the Board on the recommendation of the Remuneration & Nomination Committee. The members of the Committee shall hold office for a period of one year or such other period as the Board may decide or until they cease to be directors of the Corporation.

Where a vacancy occurs at any time in the membership of the Committee, it may be filled by the Board on the recommendation of the Remuneration & Nomination Committee. The Board also may remove and replace any member of the Committee. If and whenever a vacancy shall exist on the Audit Committee, the remaining members may exercise all its powers so long as quorum remains.

## **2.3 Chair**

The Board shall appoint a Chair for the Committee. The Chair may be removed and replaced by the Board. If the Chair is not present at any meeting of the Committee, a Chair shall be chosen by the members among themselves.

## **2.4 Secretary of Committee**

The Company Secretary acts as Secretary for the Committee. In the absence of the Company Secretary, the Chair shall appoint a Secretary.

## **2.5 Meetings**

The Chair, in consultation with the Committee members, shall determine the schedule and frequency of the Committee meetings, provided that the Committee shall meet at least four times annually. The Committee should meet within forty-five (45) days following the end of the first three financial quarters to review and discuss the unaudited financial results for the preceding quarter and the related management's discussion and analysis ("MD&A") and shall meet within ninety (90) days following the end of the financial year end to review and discuss the audited financial results for the preceding quarter and year and the related MD&A, or in both cases, by such earlier times as may be required in order to comply with applicable law or any stock exchange regulation.

The Committee may ask members of management or others to attend meetings and provide pertinent information as necessary. For purposes of performing their duties, members of the Committee shall have full access to all corporate information and any other information deemed appropriate by them, and shall be permitted to discuss such information and any other matters relating to the financial position of the Corporation with senior employees, officers and the external auditor of the Corporation, and others as they consider appropriate.

In order to foster open communication, the Committee should meet at least annually with management and the external auditor in separate sessions to discuss any matters that the Committee or each of these groups believes should be discussed privately. In addition, the Committee or its Chair should meet with management quarterly in connection with the Corporation's interim financial statements.

If necessary, meetings may be held by telephone or other telecommunication device. Each of the Chairman and lead independent director of the Board of Directors, the external auditor, the Chief Executive Officer or the Chief Financial Officer shall be entitled to call a meeting.

## **2.6 Quorum**

A majority of the members of the Committee, whether present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak to each other, shall constitute a quorum.

## **2.7 Notice of Meetings**

Notice of the time and place of every meeting shall be given in writing or by e-mail or facsimile communication to each member of the Committee at least five days prior to the time fixed for such meeting; provided, however, that a member may in any manner waive notice of a meeting and attendance of a member at a meeting is a waiver of notice of the meeting, except where a member attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

## **2.8 Agenda**

The Chair shall develop and set the Committee's agenda, in consultation with other members of the Committee, the Board and management. The agenda and information concerning the business to be conducted at each Committee meeting shall, to the extent practical, be communicated to the members of the Committee sufficiently in advance of each meeting to permit meaningful review.

## **2.9 Delegation**

The Committee shall have the power to delegate its authority and duties to subcommittees or individual members of the Committee as it deems appropriate.

## **2.10 Access**

In discharging its responsibilities, the Committee shall have full access to all books, records, facilities and personnel of the Corporation.

## **2.11 Outside Consultants or Advisors**

The Committee when it considers it necessary or advisable, may retain, at the Corporation's expense, outside counsel, consultants or advisors to assist or advise the Committee independently on any matter within its mandate and to communicate directly with the internal and external auditors. The Committee shall have the sole authority to retain or terminate such counsel, consultants or advisors, including the sole authority to approve the fees and other retention terms for such persons.

## **2.12 Funding for Audit and Oversight Functions**

The Committee shall have the sole authority to recommend for the Board's approval (a) appropriate compensation to the external auditor engaged for the purpose of preparing or issuing an audit report or performing other audit, review, or attest services; (b) appropriate compensation to any counsel, consultants and advisors to the Committee; and (c) administrative expenses necessary or appropriate to carrying out the Committee's duties.

## **2.13 Annual Evaluation**

The Committee's performance shall be evaluated annually, in accordance with a process developed by the Remuneration & Nomination Committee and approved by the Board, and the results of that evaluation shall be reported to the Remuneration & Nomination Committee and to the Board.

## **2.14 Oversight in Respect of Financial Disclosure and Accounting Practices**

In fulfilling its role and purpose, the Committee shall:

- (a) Review and recommend to the Board of Directors changes to this Charter, as considered appropriate from time to time;
- (b) Report to the Board any issues that arise with respect to the quality or integrity of the Corporation's financial statements, the Corporation's financial systems and processes, the Corporation's compliance with legal or regulatory requirements within the Committee's purview, the performance and independence of the Corporation's external auditors, and the adequacy and appropriateness of the Corporation's internal controls;
- (c) Provide disclosure regarding the activities of the Committee to the Board of Directors as required by applicable securities laws;
- (d) Perform any other activities that the Committee deems necessary or appropriate;

- (e) Meet with management and the external auditor to review and discuss, and to recommend to the Board for approval prior to public disclosure, the audited annual financial statements, including reviewing the specific disclosures in the MD&A and results of operations and the annual earnings press release;
- (f) Meet with management and the external auditor to review and discuss, and to recommend to the Board for approval prior to public disclosure, the unaudited quarterly financial statements, including reviewing the specific disclosures in the MD&A and results of operations and any related press release, and any other financial statements that the Corporation may be required to prepare by law or under the rules of any stock exchange;
- (g) Review, discuss with management and the external auditor, and recommend to the Board for approval prior to public disclosure:
  - (i) the annual report and AIF;
  - (ii) the portions of the management proxy circular, for any annual or special meeting of shareholders, containing significant information within the Committee's mandate;
  - (iii) all financial statements included in prospectuses or other offering documents;
  - (iv) all prospectuses and all documents which may be incorporated by reference in a prospectus, other than any pricing supplement issued pursuant to a shelf prospectus; and
  - (v) any significant financial information respecting the Corporation contained in a material change report;
- (h) Review and discuss with management and approve for provision to the external auditors for information prior to public disclosure:
  - (i) each press release that contains significant financial information respecting the Corporation or contains estimates or information regarding the Corporation's future financial performance or prospects;
  - (ii) the type and presentation of information to be included in such press releases (in particular, the use of "pro forma" or "adjusted" non-GAAP information); and
  - (iii) financial information and earnings guidance provided to analysts and rating agencies; provided, however, that such discussion may be done generally (consisting of discussing the types of information to be disclosed and the types of presentations to be made) and that the Committee need not discuss in advance each instance in which the Corporation may provide earnings guidance or presentations to analysts or rating agencies;
- (i) Review with management and the external auditor major issues regarding accounting principles and financial statement presentations, including any significant changes in the Corporation's selection or application of accounting principles, and major issues as to the adequacy of the Corporation's internal controls and any special audit steps adopted in light of material control deficiencies;<sup>2</sup>
- (j) Based on its review with management and the external auditor, satisfy itself as to the adequacy of the Corporation's procedures that are in place for the review of the Corporation's public disclosure of financial information that is extracted or derived from the

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<sup>2</sup> The Committee is not responsible to determine if the Corporation's financial statements are complete, accurate and in accordance with generally accepted accounting principles ("GAAP"). The Committee, after having conducted the necessary due diligence under the circumstances and satisfied itself that appropriate internal controls were implemented, relies on the accounting and financial expertise of the Chief Financial Officer and of the Chief Executive Officer who are responsible for the integrity of the information presented to the Committee.

Corporation's financial statements, and periodically assess the adequacy of those procedures;

- (k) Review with management and the external auditor (including those of the following that are contained in any report of the external auditor): (1) any analyses prepared by management or the external auditor setting forth significant financial reporting issues and judgements made in connection with the preparation of the financial statements, including analyses of the effects of alternative GAAP methods on the financial statements; (2) all critical accounting policies and practices to be used by the Corporation in preparing its financial statements; (3) all material alternative treatments of financial information within GAAP that have been discussed with management, ramifications of the use of these alternative treatments, and the treatment preferred by the external auditor; and (4) other material communications between the external auditor and management, such as any management letter or schedule of unadjusted differences;
- (l) Review with management and the external auditor the effect of regulatory and accounting initiatives as well as off-balance sheet structures and transactions on the Corporation's financial statements;
- (m) Review the plans of management and the external auditor regarding any significant changes in accounting practices or policies and the financial and accounting impact thereof;
- (n) Review with management, the external auditor and, if necessary, legal counsel, any litigation, potential breach of contract, claim or contingency, including tax assessments, that could have a material effect upon the financial position of the Corporation, and the manner in which these matters have been disclosed in the financial statements;
- (o) Review disclosures by the Chief Executive Officer and Chief Financial Officer during their certification process about any significant deficiencies in the design or operation of internal controls or material weaknesses therein and any fraud involving management or other employees who have a significant role in the Corporation's internal controls;
- (p) Discuss with management the Corporation's material financial risk exposures and the steps management has taken to monitor and control such exposures, including the Corporation's financial risk assessment and financial risk management policies; and
- (q) Periodically meet with management separately from the Chief Financial Officer or the external auditor to discuss matters within the Committee's purview.
- (r) From time to time review the responsibilities set out in A and B of section 3 of the Financial Risk Management Policy of the Company and make any recommendations felt necessary regarding the policies, controls and procedures with respect to the matters referred to therein and make appropriate recommendations to the Board with respect to any matters arising.

## **2.15 Oversight in Respect of the External Auditor**

Subject to confirmation by the external auditor of its compliance with Canadian regulatory requirements, the Committee shall be directly responsible for recommending to the Board the appointment of, and for the oversight of the services of, the external auditor (including resolution of disagreements between management and the external auditor regarding financial reporting) for the purpose of preparing or issuing any audit report or performing other audit, review or attest services for the Corporation, such appointment to be confirmed by the Corporation's shareholders at each annual meeting.

The Committee shall also be directly responsible (subject to Board confirmation) for:

- (a) Recommending to the board of directors the selection of the external auditor, considering independence and effectiveness;
- (b) Considering whether, in order to assure continuing auditor independence, there should be regular rotation of the auditing firm itself;

- (c) Ensuring the rotation of the lead (or coordinating) audit partner having primary responsibility for the audit and the audit partner responsible for reviewing the audit as required by law;
- (d) Reviewing and recommending the fees and other compensation to be paid to the external auditor for audit services;
- (e) Pre-approving the retention of the external auditor for any permitted non-audit service to be provided to the Corporation or its subsidiaries;
- (f) Reviewing and approving requests for any material management consulting or other engagement to be performed by the external auditors and be advised of any other material study undertaken by the external auditor at the request of management that is beyond the scope of the audit engagement letter and related fees;
- (g) Reviewing at least annually the external auditor's written report on its own internal quality control procedures; any material issues raised by the most recent internal quality control review, or peer review, of the external auditor, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years respecting one or more independent audits carried out by the external auditor, and any steps taken to deal with such issues;
- (h) Reviewing and evaluating the experience, qualifications and performance of the senior members of the audit team of the external auditor;
- (i) Evaluating annually the performance of the external auditor, including the lead partner, taking into account the opinions of management and report to the Board on its conclusions regarding the external auditor and its recommendation for the continued appointment of the external auditor for the purpose of preparing or issuing any report or performing other audit, review, or attest services for the Corporation;
- (j) Meeting with the external auditor prior to the annual audit to review the planning and staffing of the audit;
- (k) Periodically meeting separately with the external auditor to review any problems or difficulties that the external auditor may have encountered and management's response, specifically:
  - (i) any difficulties encountered in the course of the audit work, including any restrictions on the scope of activities or access to requested information, and any significant disagreements with management;
  - (ii) any changes required in the planned scope of the audit; and
  - (iii) the responsibilities, budget, and staffing of the internal audit function;
 and reporting to the Board on such meetings;
- (l) Overseeing the resolution of disagreements between management of the Corporation and the external auditor regarding financial reporting;
- (m) When applicable, reviewing the annual post-audit or management letter from the external auditor and management's response and follow-up in respect of any identified weakness;
- (n) Inquiring regularly of management and the external auditor whether there have been any significant issues between them regarding financial reporting or other matters and how they have been resolved, and intervene in the resolution if required;
- (o) Receiving and reviewing annually the external auditor's report on management's evaluation of internal controls and procedures for financial reporting;
- (p) Reviewing the engagement reports of the external auditor on unaudited financial statements of the Corporation; and

- (q) Reviewing and approving the Corporation's hiring policies regarding partners and employees and former partners and former employees of the present and former external auditor, including those hiring policies that may have a material impact on the financial statements, pre-approving the hiring of any partner or employee or former partner or former employee of the external auditor who was a member of the Corporation's audit team during the preceding three fiscal years and, in addition, pre-approving the hiring of any partner or employee or former partner or former employee of the external auditor (within the preceding three fiscal years) for senior positions within the Corporation, regardless of whether that person was a member of the Corporation's audit team.

## 2.16 Oversight in Respect of Audit and Non-Audit Services

The Committee, to the extent required by the Instrument or other applicable laws or rules, or otherwise considered by the Committee to be necessary or appropriate, shall:

- (a) have the sole authority to pre-approve all audit services (which may entail providing comfort letters in connection with securities underwritings) and all permitted non-audit services, provided that the Committee need not approve in advance non-audit services where:
  - (i) the aggregate amount of all such non-audit services provided to the Corporation constitutes not more than 5% of the total amount of revenues paid by the Corporation to the external auditor during the fiscal year in which the non-audit services are provided;
  - (ii) such services were not recognized by the Corporation at the time of the engagement to be non-audit services; and
  - (iii) such services are promptly brought to the attention of the Committee and approved prior to the completion of the audit by the Committee or by one or more members of the Committee to whom authority to grant such approvals has been delegated by the Committee;
- (b) disclose, through the Corporation's periodic reports filed with applicable regulatory agencies, the approval by the Committee of a non-audit service to be performed by the external auditor; and
- (c) if the Committee so chooses, delegate to one or more designated members of the Committee the authority to grant pre-approvals required by this section, provided that the decision of any member to whom authority is delegated to pre-approve a service shall be presented to the Committee at its next scheduled meeting.

If the Committee approves an audit service within the scope of the engagement of the external auditor, such audit service shall be deemed to have been pre-approved for purposes of this section.

## 2.17 Oversight in Respect of the Internal Audit Function

The Committee, to the extent required by applicable laws or rules, or otherwise considered by the Committee to be necessary or appropriate, shall:

- (a) approve management's appointment of any internal auditor and the terms of such appointment;
- (b) review the annual audit plans of the internal auditor;
- (c) review the significant findings prepared by the internal auditor and recommendations issued by an external auditor relating to internal audit issues, together with management's response thereto;
- (d) monitor compliance with the Corporation's conflicts-of-interest policies that may have a material impact on the financial statements, including the approval of the financial terms of agreements with affiliates, directors or management to ensure that the terms are at least as

advantageous for the Corporation as if such agreements had been negotiated at arms' length;

- (e) review the adequacy of the resources of the internal auditor to ensure the objectivity and independence of the internal audit function;
- (f) approve management's replacement, reassignment or dismissal of the internal auditor; and
- (g) ensure that the internal auditor has access to the Chair of the Committee, the Chair and any lead independent director of the Board and the Chief Executive Officer, and periodically meet separately with the internal auditor to review any problems or difficulties he or she may have encountered and specifically:
  - (i) any difficulties that were encountered in the course of the audit work, including restrictions on the scope of activities or access to required information, and any disagreements with management;
  - (ii) any changes required in the planned scope of the internal audit; and
  - (iii) the internal audit function's responsibilities, budget and staffing; and report to the Board on such meetings.

## **2.18 Oversight in Respect of Legal and Regulatory Compliance**

The Committee, to the extent required by applicable laws or rules, or otherwise considered by the Committee to be necessary or appropriate, shall:

- (a) review with the Company Secretary the Corporation's compliance policies, legal matters, and any reports or inquiries received from regulators or governmental agencies that could have a material effect upon the financial position of the Corporation and that are not subject to the oversight of another committee of the Board (including, but not limited to, the Sustainability Committee);
- (b) establish procedures for (i) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters and (ii) the confidential, anonymous submissions by employees of the Corporation of concerns regarding questionable accounting or auditing matters; and
- (c) periodically review the Corporation's public disclosure policy.

## **2.19 Oversight in Respect of Financial Risk Management**

The Committee shall report, and where appropriate provide recommendations to the Board on:

- (a) the Corporation's processes for identifying, assessing and managing financial risk; and
- (b) the Corporation's major financial risk exposures and the steps the Corporation has taken to monitor and control such exposures.

## **2.20 Audit Committee Complaint Procedures**

The Committee shall establish, monitor, oversee and keep under review the Corporation's procedures for receiving, retaining and addressing protected disclosures ("**whistleblower**" procedures) in accordance with the Corporation's Protected Disclosures ("**Whistleblower**") Policy document (Annexure 1 to this Charter).

The Committee shall be responsible for assuring compliance of the Corporation's whistleblower procedures with the requirements of Section 2.3 (7) of the Instrument for:

- (a) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters; and

- (b) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.

Except in the limited circumstances expressly set forth in Annexure 1, it is not the duty of the Committee or any of its members directly to receive, conduct investigations into or act on any disclosures received pursuant to the whistleblower procedures.

## **2.21 Non-Exhaustive List**

The foregoing list of duties is not exhaustive, and the Committee may, in addition, perform such other functions as may be necessary or appropriate for the performance of its oversight responsibilities.

# 31 APPENDIX B

The following chart outlines all subsidiaries of OceanaGold Corporation:

