

# OceanaGold

## 2012 Third Quarter Results Conference Call Presentation

31 October 2012

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Innovation  
Performance  
Growth

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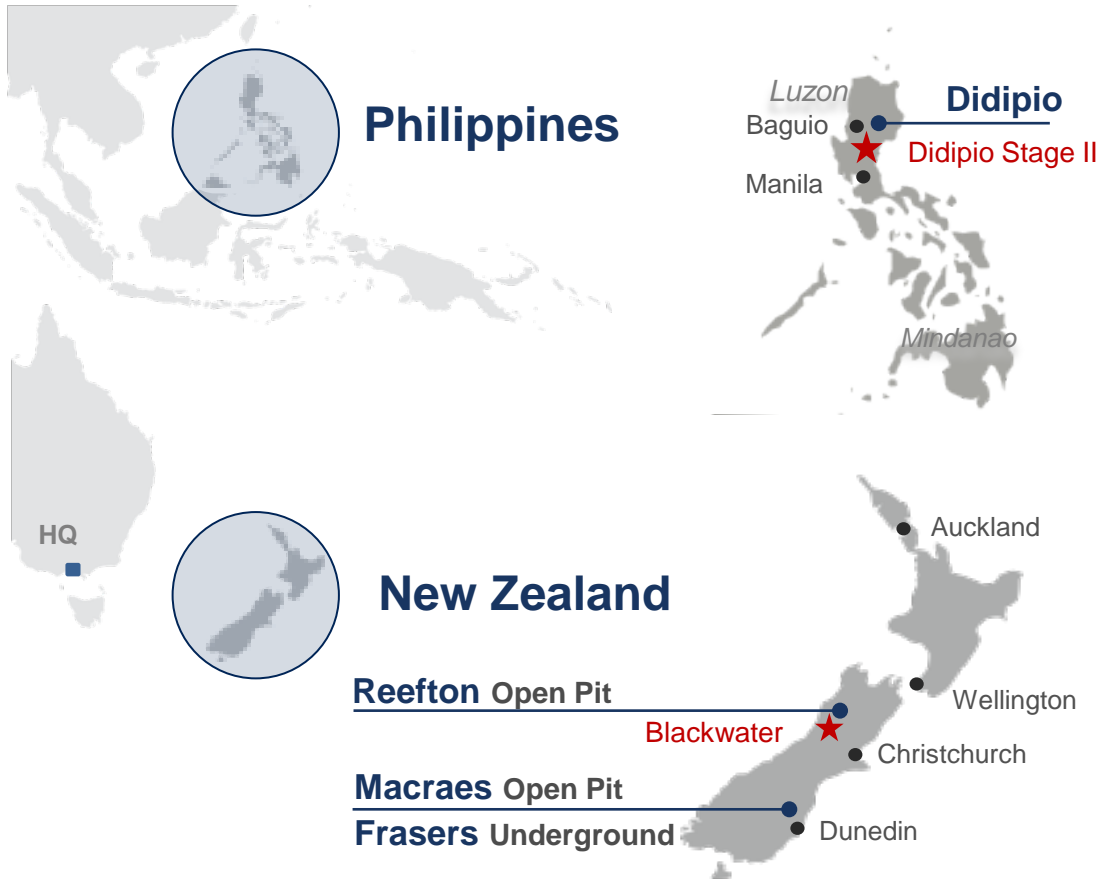
## Cautionary Notes regarding Technical Information

**Standards:** This presentation includes disclosure of scientific and technical information, as well as information in relation to the calculation of reserves and resources, with respect to OGC's mineral projects. OGC's disclosure of mineral reserve and mineral resource information is governed by National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101") under the guidelines set out in the Canadian Institute of Mining, Metallurgy and Petroleum (the "CIM") Standards on Mineral Resources and Mineral Reserves, adopted by the CIM Council, as may be amended from time to time by the CIM ("CIM Standards"). The disclosure of mineral reserve and mineral resource information relating to OGC's properties is based on the reporting requirements of the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" ("JORC Code"). CIM definitions of the terms "mineral reserve", "proven mineral reserve", "probable mineral reserve", "mineral resource", "measured mineral resource", "indicated mineral resource" and "inferred mineral resource", are substantially similar to the JORC Code corresponding definitions of the terms "ore reserve", "proved ore reserve", "probable ore reserve", "mineral resource", "measured mineral resource", "indicated mineral resource" and "inferred mineral resource", respectively. Estimates of mineral resources and mineral reserves prepared in accordance with the JORC Code would not be materially different if prepared in accordance with the CIM definitions applicable under NI 43-101. There can be no assurance that those portions of mineral resources that are not mineral reserves will ultimately be converted into mineral reserves. Mineral resources are not mineral reserves and do not have demonstrated economic viability. This presentation uses the terms "measured", "indicated" and "inferred" resources. U.S. persons are advised that while such terms are recognized and required by Canadian regulations, the Securities and Exchange Commission does not recognize 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 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. persons are cautioned not to assume that all or any part of measured or indicated resources will ever be converted into reserves. U.S. persons are also cautioned not to assume that all or any part of an inferred mineral resource exists, or is economically or legally mineable.

**Qualified Persons:** The Mineral Resource Estimates were prepared by, or under the supervision of J.G. Moore whilst the Mineral Reserves were prepared by, or under the supervision of K. Madambi. J. G. Moore and K. Madambi are Members and Chartered Professionals of the Australian Institute of Mining and Metallurgy and are the Qualified Persons, as defined by the National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101"). J.G. Moore and K. Madambi have sufficient experience, which is relevant to the style of mineralisation and type of deposits under consideration, and to the activities which they are undertaking, to qualify as Competent Persons as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" ("JORC Code"). J. G. Moore and R. Redden are full-time employees of OceanaGold. J.G. Moore and K. Madambi consent to the inclusion in this report of the matters based on their information in the form and context in which the information appears.

**Technical Reports:** For further information regarding OGC's properties, reference should be made to the following NI 43-101 technical reports have been filed and are available at [sedar.com](http://sedar.com) under the OGC's name: (a) "Technical Report for the Macraes Project located in the Province of Otago, New Zealand" dated February 12, 2010, prepared by R. Redden formerly of Oceana Gold (New Zealand) Limited and J.G. Moore, of Oceana Gold (New Zealand) Limited; (b) "Independent Technical Report for the Reefton Project located in the Province of Westland, New Zealand" dated May 9, 2007, prepared by J.S. McIntyre, I. R. White and R. S. Frew of Behre Dolbear Australia Pty Limited, B. L. Gossage of RSG Global Pty Limited and R. R. Penter of GHD Limited; and (c) "Technical Report for the Didipio Project located in Luzon, Philippines" dated July 29, 2011, prepared by R. Redden formerly of Oceana Gold (New Zealand) Limited and J. Moore of Oceana Gold (New Zealand) Limited. Each of the authors of the Technical Reports is a "qualified person" for the purposes of NI 43-101.

# OceanaGold Today



**DIDIPIO**



**REEFTON**



**MACRAES /FRASERS**

Note: All amounts in the presentation stated in USD unless otherwise stated

# Didipio Project Update

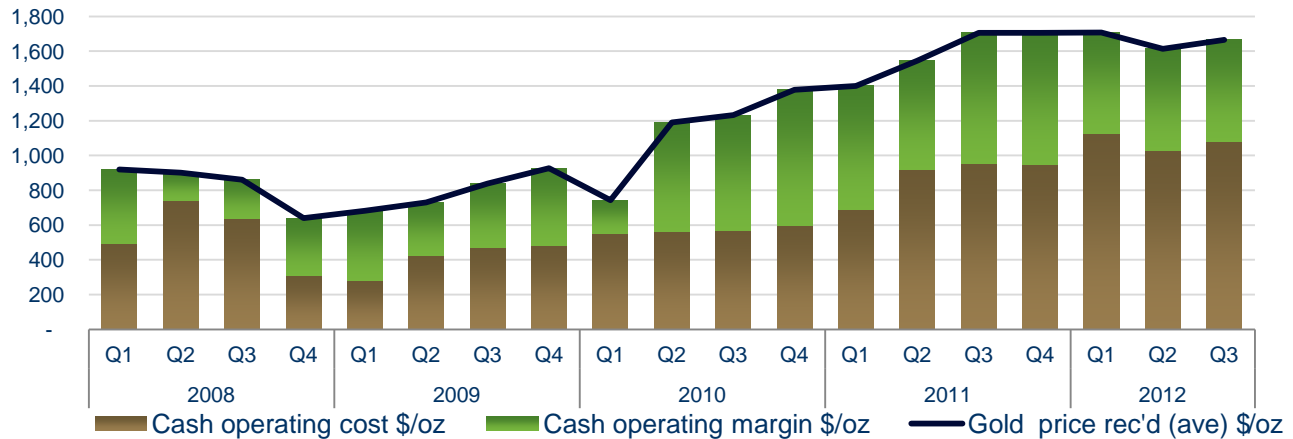
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- **Commissioning activities have commenced**
- Jaw crusher commissioning on rock
- On track for milling in November
- Tailings storage facility completed
- Continued support and funding of community activities

# Q3 2012 Financial Highlights

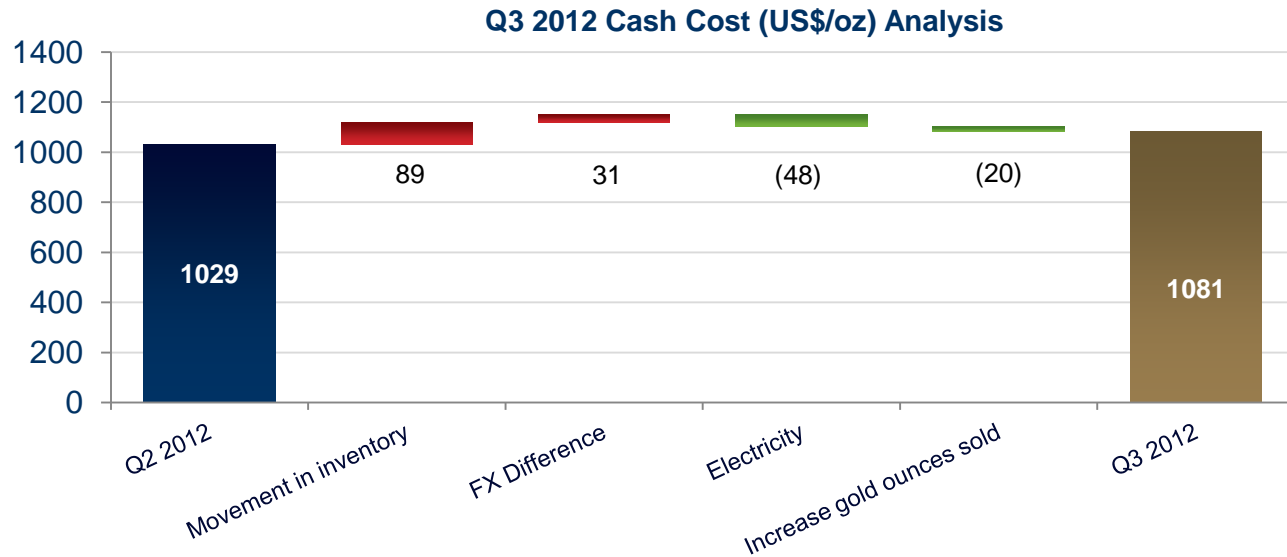
## Cash Margins



- Revenue \$91.2m @ average gold price of \$1,665 per ounce
- 54,750 ounces of gold sold at operating cash cost of \$1,081 per ounce
- Cash operating margin of \$584 per ounce
- EBITDA<sup>1</sup> of \$28.6m
- Finalised \$225m corporate credit facility
- Finalised copper Offtake Agreement with Trafigura

1. Before gain / (loss) on undesignated hedges

# Q3 Costs and Production Guidance



- Cash costs slightly increased from Q2. Increase attributable to:
  - Decrease in inventory due to draw down: gold in circuit; concentrate stockpile and low grade ore stockpiles
  - Stronger NZD vs. USD \$0.81 Q3 12 vs. \$0.79 Q2 12, ave \$0.81 YTD
- FY 2012 production and cash cost guidance adjusted
  - 225,000 – 230,000 ounces of gold at \$1,000 - \$1,050 per ounce
  - Current market consensus for NZ production: 228,650 ounces of gold at \$1,023 per ounce

# Pro forma net cash flow per ounce sold

Per ounce Au sold	Q3 2012	Q2 2012	Q3 2011
Average gold price received	\$1,665	\$1,613	\$1,706
Cash cost reported	\$1,081	\$1,029	\$956
Pre strip cash expenditure capitalised to Balance Sheet	\$203	\$229	\$147
<b>Total cost/oz (incl pre-strip )</b>	<b>\$1,284</b>	<b>\$1,258</b>	<b>\$1,103</b>
<b>Pro forma net cash flow</b>	<b>\$381</b>	<b>\$355</b>	<b>\$603</b>

- Pro forma net cash flow increased vs Q2
  - Higher gold price received per ounce
  - Lower pre-strip expenditure

# Operations Summary





# Q3 2012 Operational Summary

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## Safety

- 5 lost time injuries in Q3
    - Corrective action taken through retraining workers on standard operating procedures
    - Safety performance improving
  - Awarded Health, Safety & Environment recognition in the Philippines
- 

## Production

- Q3 production of 49,514 ounces, 11% lower vs. Q2
    - Adverse weather
      - Restricted access to higher grade ore at Macraes and Reefton
      - Higher proportion of stockpiled ore milled
- 
- Higher grade benches now being mined at Macraes and from Souvenir Pit at Reefton
  - Stronger Q4 production forecast
-

# Macraes (Open Pit & Underground)

Macraes Goldfield	Q3 2012	Q2 2012	Q3 2011	YTD 2012	YTD 2011
Gold sales(oz)	37,570	39,304	42,311	114,103	129,812
Gold produced (oz)	36,874	39,012	42,136	110,737	130,400
Open pit ore mined (Mt)	1.17	1.12	1.48	3.22	4.09
Underground ore mined (Mt)	0.18	0.18	0.22	0.52	0.60
Mill feed (Mt)	1.47	1.48	1.43	4.34	4.35
Mill feed grade (g/t)	0.96	1.03	1.10	0.99	1.12
Recovery (%)	81.1%	79.1%	83.1%	80.3%	83.6%

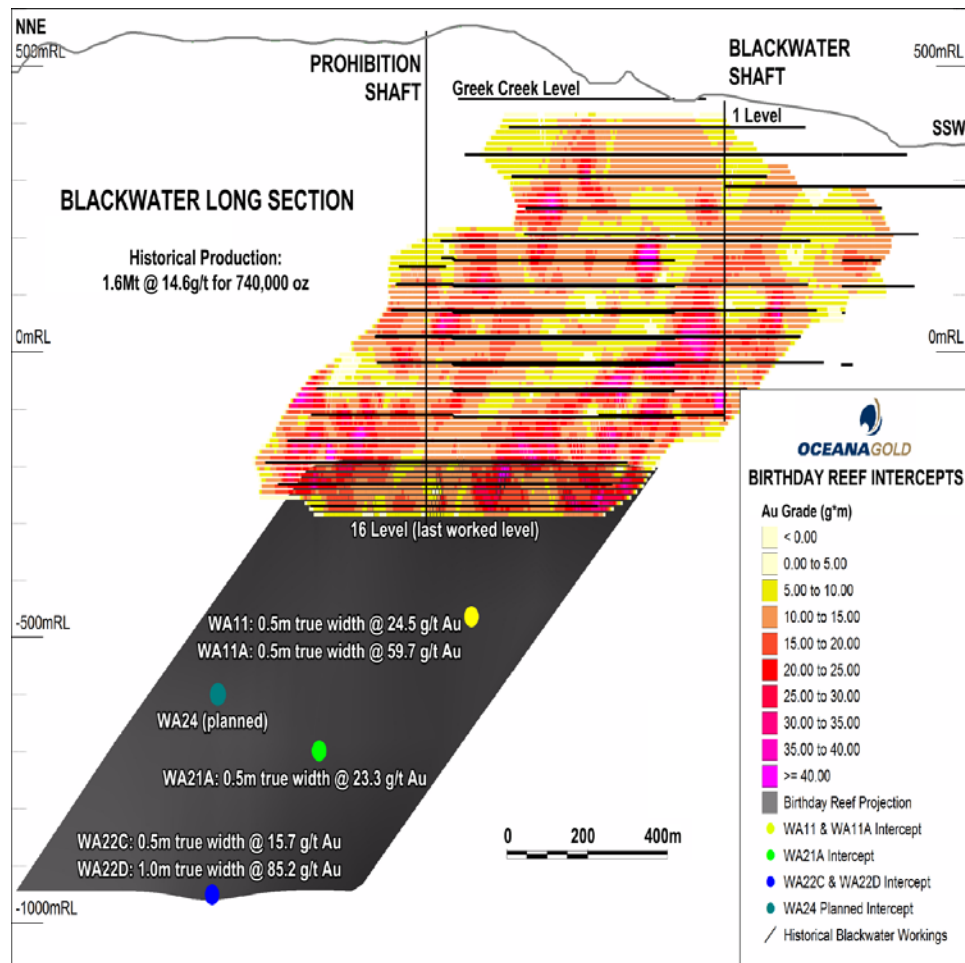
- Gold production decreased 5% vs Q2
  - Lower grades than expected
  - Adverse weather event restricted access to higher grade ore
  - Partly offset by higher grades from Frasers Underground
- Currently accessing higher grade ore in Stage 5 at the open pit
  - Expect this to continue into 2013

# Reefton

Reefton Goldfield	Q3 2012	Q2 2012	Q3 2011	YTD 2012	YTD 2011
Gold sales (oz)	17,180	14,452	18,335	46,256	56,934
Gold produced (oz)	12,640	16,697	16,954	45,328	56,349
Total ore mined (Mt)	0.32	0.27	0.32	0.91	1.10
Mill feed (Mt)	0.42	0.43	0.46	1.27	1.34
Mill feed grade (g/t)	1.16	1.53	1.54	1.38	1.59
Recovery (%)	79.5%	78.8%	80.7%	80.5%	81.4%

- Gold ounces sold increased 19% vs Q2
  - Draw down of concentrate inventory
- Gold production was lower vs Q2
  - Lower grades mined and higher proportion of stockpiled oxide ore milled
  - Inclement weather (1 in 40 year snow event) caused a plant shutdown to accommodate repairs on damaged power supply
- Currently mining higher grade ore to ROM pad from Souvenir Pit

# Blackwater Exploration



Drill	Depth <sup>1</sup> (m)	True Width (m)	Grade (g/t Au)
Historic	0 - 700	0.7	14.6
WA11	321	0.5	24.5
WA21A	430	0.5	23.3
WA22C	680	0.5	15.65
WA22D	670	1.0	85.2

- Testing continuity below historic workings
- Fourth drill hole (WA24) started, results expected Q2 2013
- Feasibility study to commence in H1 2013
- Potential to produce 50 – 60 koz pa

1. Vertical metres from old workings

# Didipio Summary

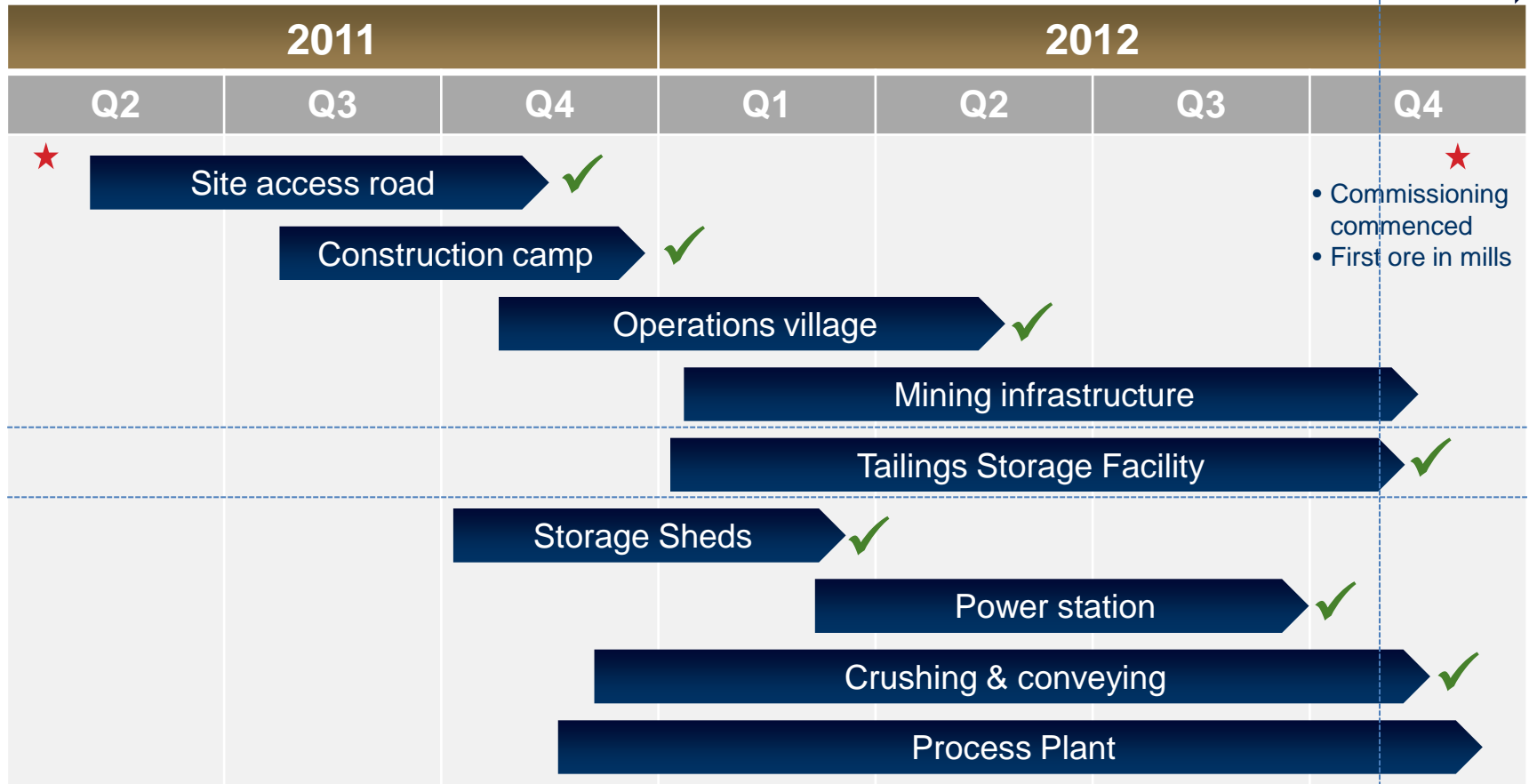
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# Didipio Project Schedule

**Project currently ~95% complete and on schedule for milling in November**

✓ Completed



Not to scale

# Didipio Project Update

## Commissioning has commenced as planned

### Personnel

- Construction employees and contractors being demobilised
- ~900 operations employees and contractors on site
- All operations managers and superintendants recruited
- Expect total workforce of 1,000 in full production with 97% from the Philippines

### Schedule

- On track for milling in November
- Open pit mining providing stockpiled ore on the ROM pad
- Construction: currently ~95% complete
- Tailings Storage Facility: 100% complete

### Costs

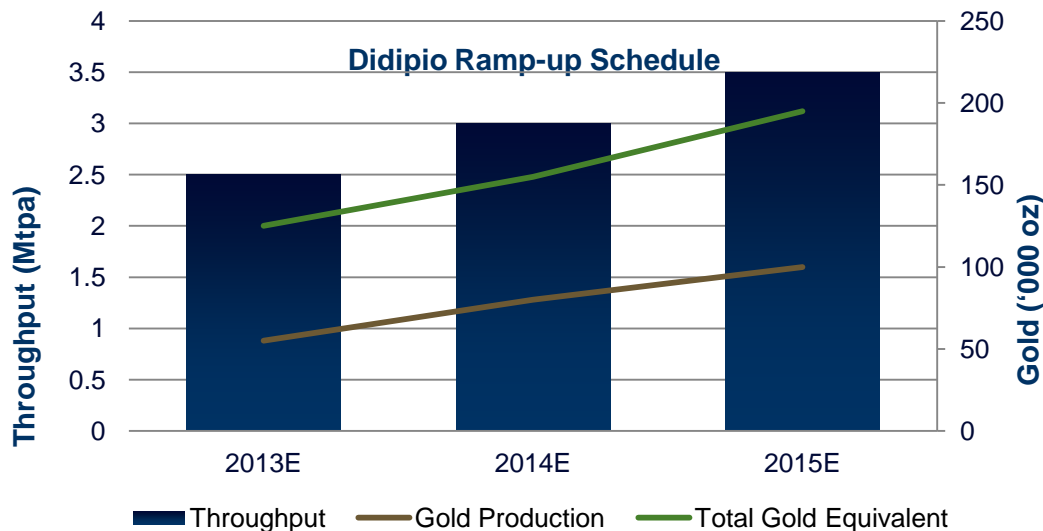
- Q3 project spend: \$46.8m
- Total spend to date: \$207.8m
- Total cost in line with forecast \$220m + \$27m working capital

# Didipio Commissioning Update

## Commissioning Milestones

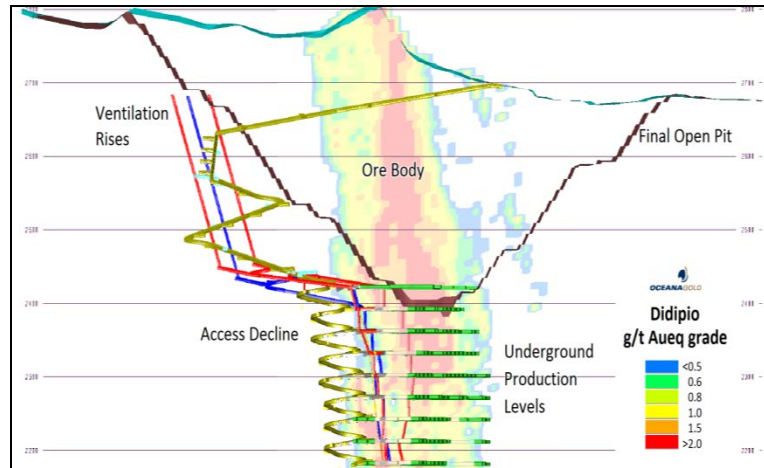
<b>Power on</b>	September ✓
<b>Commence plant commissioning</b>	October ✓
<b>First milling</b>	November

- Power station commissioning completed
- Commenced commissioning jaw crusher on rock
- Mills and concentrator practically complete
  - Instrumentation being installed
- Currently mining & stockpiling ore





# Didipio Ore Body



# Crushed Rock Stockpiled

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# Conveyor to Mills

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# Grinding Works at Night

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# Flotation Tanks

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# Tailings Storage Facility

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# OceanaGold's AgroForestry Program

## OceanaGold Sustainable AgroForestry Inc. (OGSAI)

- Managing our AgroForestry commitments
  - National Greening Program
  - Mining Forestry Program
- Investing into valuable initiatives
  - Additional employment opportunities
  - New source of income for local landowners
  - Sustains the environment



### Reforestation

- Working towards a commitment of planting ONE MILLION trees in 5 years
- 70 ha in Debibi & 30 ha in Kasibu for 2012

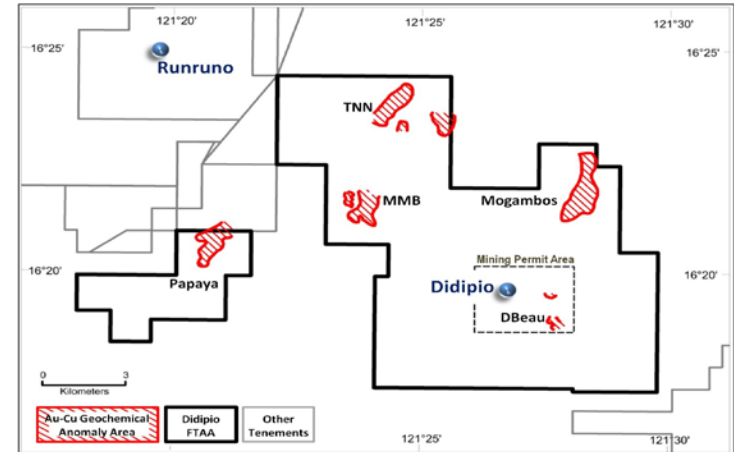
### Profitable Tree Plantations

- Gmelina, coffee or bamboo to be planted on land leased by local landowners
- Engaging local landowners to plant, maintain and harvest the plantations
- Providing landowners with ongoing income and employment

# Philippines Growth Opportunities



Didipio Expansion Concept



Exploration Tenements in our FTAA

1. Didipio expansion opportunity: 3.5 Mtpa → 5 Mtpa
  - Plan to commence feasibility study on Didipio expansion in H1 2013.
2. Company objective to spend US\$10M in FY2013 on near-Didipio exploration targets
  - Several significant areas of anomalous Au-Cu soil geochemistry.
  - Exploration permits expected soon. Drill pads currently being constructed.



# Philippines Mining Reform

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- New mining policy effective on October 25, 2012
- Government's stated objectives:
  - Ensure mining's contribution to the country's sustainable development
  - Adopt international best practices
  - Protection of the environment through sound technical methods
  - Align Constitution and National law with local issuances
  - Fair and equitable sharing of economic benefits
  - Effective and efficient mining sector
- OceanaGold's FTAA001 continues to be valid and binding
- President Benigno S. Aquino III publicly supported mining during recent visit to Australia

# Financial Summary

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# Group Results Q3 2012

USDm	Q3 2012	Q2 2012	Q3 2011	YTD 2012	YTD 2011
Revenue	91.2	86.7	103.5	266.4	289.0
Operating costs <sup>1</sup>	(62.6)	(61.1)	(60.2)	(188.9)	(168.7)
<b>EBITDA<sup>2</sup></b>	<b>28.6</b>	<b>25.6</b>	<b>43.3</b>	<b>77.5</b>	<b>120.3</b>
Depreciation & Amortisation	(21.9)	(20.0)	(24.4)	(63.8)	(64.3)
Net interest & Finance Costs	(5.8)	(4.0)	(3.3)	(13.8)	(9.4)
<b>Earnings before tax<sup>2</sup></b>	<b>0.9</b>	<b>1.6</b>	<b>15.5</b>	<b>(0.1)</b>	<b>46.6</b>
Income tax	(0.5)	(0.9)	(4.6)	(2.7)	(16.7)
Gain/(Loss) on Fair Value of Hedges	(1.0)	-	-	(1.0)	-
Tax (expense)/benefit on hedges	0.3	-	-	0.3	-
<b>Net Profit/(Loss)</b>	<b>(0.4)</b>	<b>0.7</b>	<b>10.9</b>	<b>(3.5)</b>	<b>29.8</b>
Gold price received (\$ per ounce)	1,665	1,613	1,706	1,661	1,548
Gold sales (ounces)	54,750	53,756	60,646	160,358	186,746

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

Note: Summation subject to rounding differences

# Cash Flows September 30, 2012

USDm	Q3 2012	Q2 2012	Q3 2011	YTD 2012	YTD 2011
Opening cash balance	73.1	123.3	193.2	170.0	181.3
Operating cash inflows	13.3	20.9	22.2	55.0	98.5
Capital expenditure	(68.7)	(69.3)	(37.5)	(203.1)	(98.9)
Financing cash inflows/(outflows)	6.8	(4.6)	(2.7)	(1.4)	(11.5)
Forex effect	(0.4)	2.8	(11.8)	3.6	(6.1)
<b>Net cash (decrease)/increase</b>	<b>(49.0)</b>	<b>(50.2)</b>	<b>(29.8)</b>	<b>(145.8)</b>	<b>(18.0)</b>
<b>Closing cash balance</b>	<b>24.2</b>	<b>73.1</b>	<b>163.4</b>	<b>24.2</b>	<b>163.4</b>
Didipio construction expenditure	46.8	52.5	17.0	142.2	34.7

Note: Summation subject to rounding differences

Innovation Performance Growth

# Q3 2012 Cash Flows

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## Operating Cash Flows

- Q3 lower than in Q2
    - Higher cash costs, less interest income, gold put options premium
    - Offset by increase in revenue
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## Investing Cash Flows

- Q3 in line with Q2
    - Didipio Project construction: \$46.8m
    - Pre-stripping capex: \$16.4m
    - Sustaining capex: \$3.5m
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## Financing Cash Flows

- Q3 higher than in Q2
    - \$20m draw down of working capital facility
    - Offset by transaction costs, establishment fees and other finance costs
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# Outlook

- Didipio Project commissioning on track for milling in November
- Mining of higher grade ore at Macraes and Reef ton has commenced
  - Increased mining rates expected at Frasers Underground
- FY 2012 guidance narrowed and adjusted
  - Production guidance: 225,000 to 230,000 oz
  - Cash costs guidance: US\$1,000 to \$1,050 /oz
  - Current market consensus: 228,650 oz @ US\$1,023 /oz

<b>Didipio</b>	Commence commissioning	October 2012
	First milling	November 2012
	Undertake Didipio expansion feasibility study	H1 2013
	Extension of FTAA exploration permits	Near-term
<b>Blackwater</b>	Results of fourth drill hole (WA24)	Q2 2013
	Commence feasibility study on Blackwater	H1 2013



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