



## MEDIA RELEASE

7 September 2011

### OCEANAGOLD PROGRESS UPDATE ON THE DIDIPIO PROJECT

(MELBOURNE) OceanaGold Corporation (ASX: OGC, TSX: OGC, NZX: OGC) (“the Company”) is pleased to provide a progress update on construction activities at the Didipio Project located in northern Luzon, Philippines.

Mick Wilkes, Managing Director & CEO commented, “We continue to make good progress on construction activities at Didipio with the key milestone of pouring first concrete on schedule in November 2011. Mining activity is on track to commence in January 2012 and we expect to commission the process plant in Q4 2012. This project will transform OceanaGold, producing on average 100,000 ounces of gold and 14,000 tonnes of copper at cash costs net of by-product credits of US\$356/oz of gold over a 16 year mine life.”

#### **Progress Highlights**

- A total of 258 people have been engaged for construction of the Project which commenced in June of whom 25 are managers, engineers or supervisors.
- Following the appointment of the General Manager of Operations in June, 80% of the key managers for the operations team have now been hired and include managers for Mining, Community Partnership, Safety, Commercial and Supply.
- The plant site excavation is well advanced and on schedule for commencement of the concrete works in November.
- Long lead-time equipment already purchased such as the mills and flotation tanks are currently being relocated to the Philippines to a central staging area. This equipment is scheduled to be mobilised to site from this location during the second quarter of 2012.
- Phase one of the accommodation camp facilities for the construction contractors is on schedule for completion by the end of September.
- Geotechnical programs for the plant site have been completed and are now underway for the Tailings Storage Facility (TSF). This is expected to be completed by the end of September with all results to date confirming the location and design of these facilities.
- The tendering process for the mining contractor is well advanced and the contract is expected to be awarded in the next two months. The mining contractor will begin to mobilise to Didipio in December and open pit mining activities are expected to commence in January 2012.

- Tendering has commenced for an offtake agreement for the copper gold concentrate with strong interest received from leading metals trading companies. This process will continue through the remainder of the year, when a contract is expected to be finalised.

Access road upgrades continue with a key focus on improving water drainage and widening in some areas. This is in preparation for the arrival of additional heavy equipment in the coming weeks.

Several major contracts have been awarded including plant site earthworks, concrete supply, concrete works and structural steel for the concentrate storage shed, catering and freight forwarding. The concrete batch plant is scheduled to be mobilised to site in October with concrete contractors expected to commence laying the first concrete in November.

The mine infrastructure design for the operations village complex and related services is underway and are expected to be completed by late October. Construction of the facility is expected to commence thereafter in preparation for use in Q1 2012.

Looking ahead, we expect to have in excess of 500 workers active on the construction team for the project by mid way through the fourth quarter. Additionally, detailed design of the process plant should reach 85% by this point and the completion of geotechnical drilling for the TSF will allow for detailed design of the TSF to be completed in Q4. Peak construction activity is expected to be achieved in Q1 2012.

### **Community Relations**

Consistent with the Company's sustainability strategy, the Company is engaging with the local residents to create a community held corporation that will be encouraged to submit proposals for major long-term service contracts for the project with a view to nurture these into sustainable businesses that will continue well past the mine life. To assist with this, the Company has established a Business Manager position for this corporation who will report to the Board of Directors of the community corporation and who will work with the Company to secure long-term contracts for the community corporation.

The Company's support of education programs continues to be a key priority for the local community. Fifty-two post secondary students enrolled at Nueva Vizcaya State University and Quirino State College are currently receiving scholarship support towards their programs. Additionally, newly developed teacher education and training programs have been sponsored by the Company to improve the quality of education at the local Didipio elementary and high schools. Four teachers are currently enrolled in graduate programs through the Company's sponsorship.

OceanaGold is also currently working with the rural health unit of Kasibu municipality to examine the possibility of establishing a basic maternal/obstetric and child care facility for use by the many surrounding

communities including Didipio. This facility will be the first of its kind in the local region and would form a part of the Company's preventive health program in partnership with the government health care providers.

**Construction Images**



**Figure 1 – Road upgrade progressing well**



**Figure 2 – Construction office fit out currently underway**



**Figure 3 – Process Plant site preparation and compaction**



**Figure 4 – Ball mill shells being transferred from Singapore to Manila**

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### **About OceanaGold**

OceanaGold Corporation is a significant Asia Pacific gold producer with projects located on the South Island of New Zealand and in the Philippines. The Company's assets encompass New Zealand's largest gold mining operation at the Macraes goldfield in Otago which is made up of the Macraes Open Pit and the Frasers Underground mines. Additionally on the west coast of the South Island, the Company operates the Reefton Open Pit mine. OceanaGold produces approximately 255,000 - 270,000 ounces of gold per annum from the New Zealand operations. The Company also owns the Didipio Project in northern Luzon, Philippines where construction activities are underway with commissioning expected in Q4 2012.

OceanaGold is listed on the Toronto, Australian and New Zealand stock exchanges under the symbol OGC.

### **Cautionary Statement regarding Forward Looking Information**

Statements in this release may be forward-looking statements or forward-looking information within the meaning of applicable securities laws. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as "expects" or "does not expect", "is expected", "anticipates" or "does not anticipate", "plans", "estimates" or "intends", or stating that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved) are not statements of historical fact and may be forward-looking statements. Such forward-looking statements include, without limitation, statements with respect to any future resources or reserves attributable to the Didipio Project, estimated production from the Company's existing properties, development of the Didipio Project, economic analysis relating to the Didipio Project and commencement of construction and completion of the Didipio Project. Forward-looking statements are subject to a variety of risks and uncertainties which could cause actual events or results to differ from those reflected in the forward-looking statements including, among others, the accuracy of mineral reserve and resource estimates and related assumptions, inherent operating risks and those risk factors identified in the Company's Annual Information Form prepared and filed with securities regulators in respect of its most recently completed financial year.

There are no assurances the Company can fulfil such forward-looking statements and, subject to applicable securities laws, the Company undertakes no obligation to update such statements. Such forward-looking statements are only predictions based on current information available to management as of the date that such predictions are made; actual events or results may differ materially as a result of risks facing the Company, some of which are beyond the Company's control. Accordingly, readers should not place undue reliance on forward-looking statements. It is also noted that mineral resources that are not mineral reserves do not have demonstrated economic viability.

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