

OceanaGold finds high grade deeps zone beneath Frasers underground

22 May 2009 - A new zone of high grade gold has been discovered immediately underneath the Panel 2 section of OceanaGold Corporation's Frasers underground mine in the Macraes goldfield in east Otago.

OceanaGold said that the high grade zone, now known as Panel 2 Deeps, was discovered during decline development at the underground mine.

The intercepts range from 2 to 27 metres (m) in thickness. Average grades across these intervals range up to 7.2 g/t using a 10 g/t top cut. Excluding the top cut, a 1.0 m interval at 39.5 g/t was intercepted within a broader interval of 5 m at 11.17 g/t in one of the holes RCD4589.

Exploration drilling is in progress and 39 holes have been completed from both surface and underground drilling.

The Panel 2 Deeps zone is open to the south and east and information to-date demonstrates that it contains a higher grade tenor than that within the current Frasers underground reserve.

Steve Orr, Chief Executive Officer of OceanaGold said, "The higher grade tenor of this new zone looks quite promising and we expect that it will add to the underground reserves later this year. Further underground drilling is planned here and also on the down-dip extensions of Panel 2".

"This is a great start to our renewed focus on exploration in New Zealand," he said.

Sources: OceanaGold and Lindsay Clark