

OceanaGold lifts gold reserves by 617,000 oz

12 January 2010 - OceanaGold Corporation has announced an increase of approximately 617,000 ounces of gold to the mineral reserves of its Macraes and Reefton gold operations in the South Island.

Sources: OceanaGold and Lindsay Clark

Paul Bibby, the new chief executive officer of the Melbourne-based company, said the reserve increases at both mines is an important milestone towards OceanaGold's objective of extending the mine life of its New Zealand operations.

He said the increased mineral reserves reflect an increase to the gold price assumptions used to calculate reserves from US\$500/oz to US\$800/oz. A small contribution also came from resources at panel 2 of Macraes underground mine, which has been upgraded from the inferred to indicated category following a diamond drilling programme and subsequent economic analysis.

The increased gold price and improved economics will result in an expansion of the Frasers North and Frasers South pits at the Macraes operation as well as an expansion of the Globe pit at the Reefton mine.

OceanaGold earlier announced that an updated resource estimate had increased the total Macraes goldfield inferred resource inventory by 129% or 1,291,000 oz. There was also a 6% increase to the total Macraes measured and indicated resource inventory of 153,000 oz increasing it to 2,550,000 oz.

The majority of these increased ounces can be attributed to the addition of the Round Hill resource to the inventory.

OceanaGold said the current Round Hill resource estimate covers some 1.5 km of strike along this shear, extending across the former Southern Pit, Round Hill and Golden Point resource areas. These areas had previously been open pit mined to what then had been their economic limits, partially backfilled, and subsequently removed from the OceanaGold resource inventory in 2003, 1998 and 2003 respectively.

Recent conceptual pit optimizations have demonstrated potential for a sizable cut-back, centred on Round Hill, and have led to the reinstatement of the resources to the resource inventory.

Following the current exploration drilling programme at Round Hill a study is expected to examine expanding the mineable reserve.

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