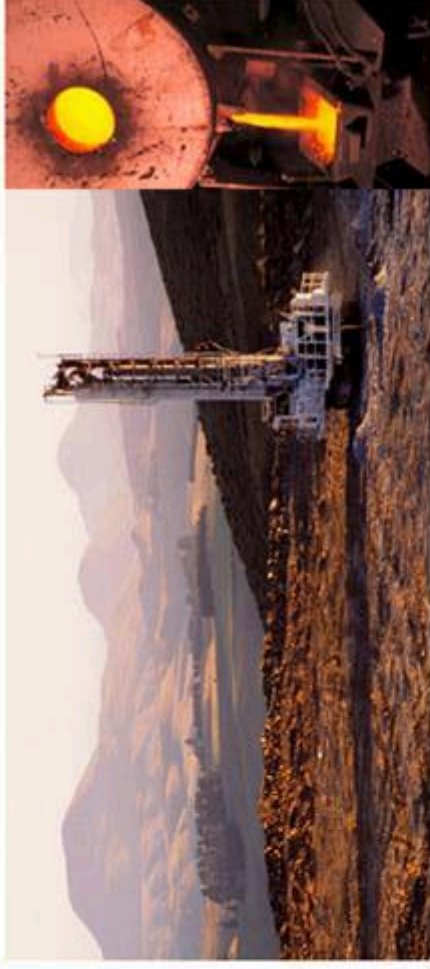




**OCEANA GOLD**



*Strengthening  
our foundation  
for growth*

*Corporate Update for  
AUSIMM Conference  
16 November 2005*

# Agenda

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1. OceanaGold - Company overview
2. Resources and Reserves
3. Operations
4. Project optimisation



**OCEANA GOLD**



# 1. Company Overview

# Corporate Profile (ASX: OGD)

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## Largest gold producer in NZ

- Australia-listed gold producer based in New Zealand
  - One producing mine and two development projects

- Current market cap of US\$200 million

## 185koz gold sold in 2004

- Proven operating history over 15 years
  - US\$87M revenue and US\$32M EBITDA in 2004

## High development potential

- Long mine life in excess of 8 years
  - 2.6 mozs of reserve and over 6.1 mozs of resource
- Development pipeline will deliver considerable growth
  - a 65% production increase by 2008

# Corporate Developments

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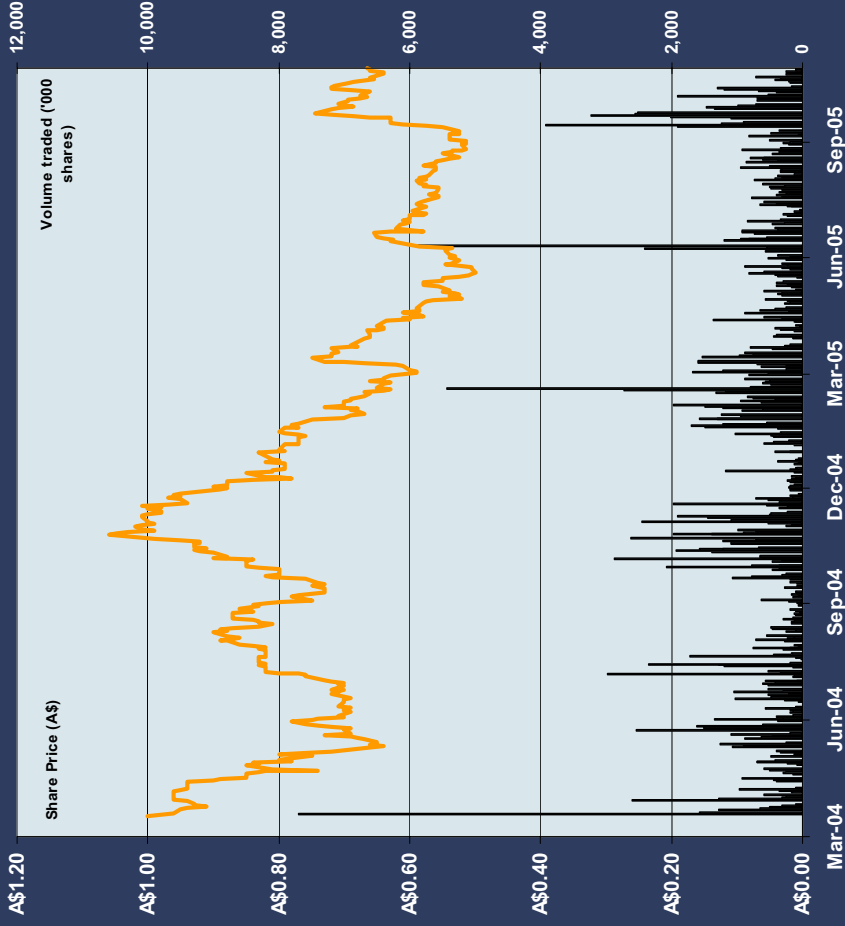
1990	Floated on ASX as Macraes Mining Corporation (MMC)
1990's	Mine initially produced 110koz p.a. and was later expanded to over 125koz p.a.
1999	Merger with GRD, MMC's major shareholder
1999 to 2003	Production level increased to 170koz p.a. <ul style="list-style-type: none"><li>• Installation of pressure oxidation circuit at Macraes</li><li>• Advancement on the Company's 2<sup>nd</sup> Project: Reefton</li></ul>
Mar 2004	OGD listed at A\$1.00 per share. GRD retained 55%, subsequently increased to 56.5%

# Corporate Statistics

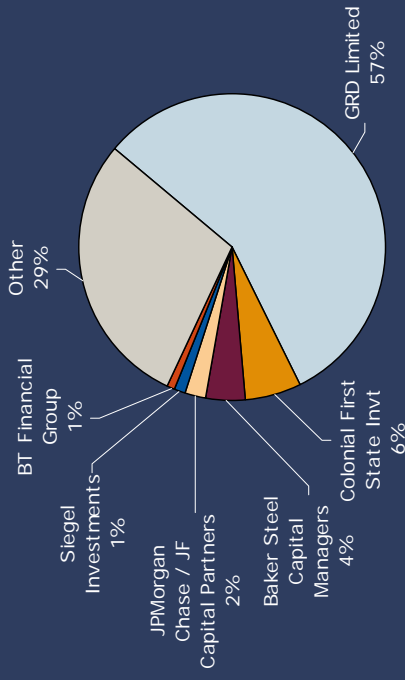
## Key Statistics

<b>Market Cap:</b>	US\$200M
<b>Share Price:</b>	A\$0.70
<b>12-month range:</b>	A\$0.47-1.05
<b>Shares Outstanding:</b>	360 million
<b>Float:</b>	43%

## Share Price since IPO (March 2004)



## Shareholding Structure



# Location

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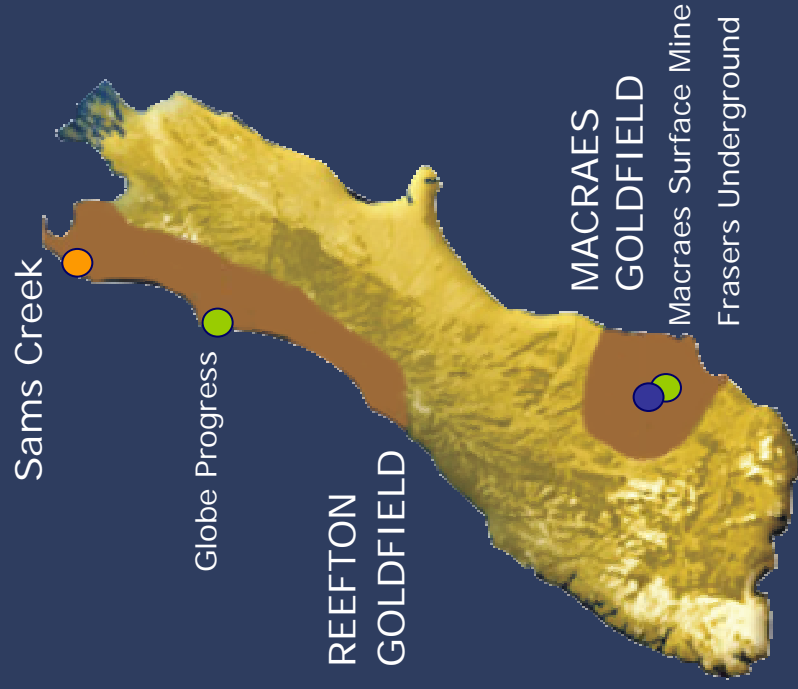
- OGD has operations on the South Island of New Zealand
- Only other major gold miner in NZ is Newmont Mining with operations on the North Island
- Favourable political and regulatory climate for mining operations



New Zealand

# Operation Overview

Mine	Stage
<b>Macraes Goldfield</b>	
▪ Macraes	Open pit
▪ Frasers	Underground
<b>Reefton Goldfield</b>	
▪ Globe Progress	Open pit
▪ Sams Creek	





**OCEANA GOLD**



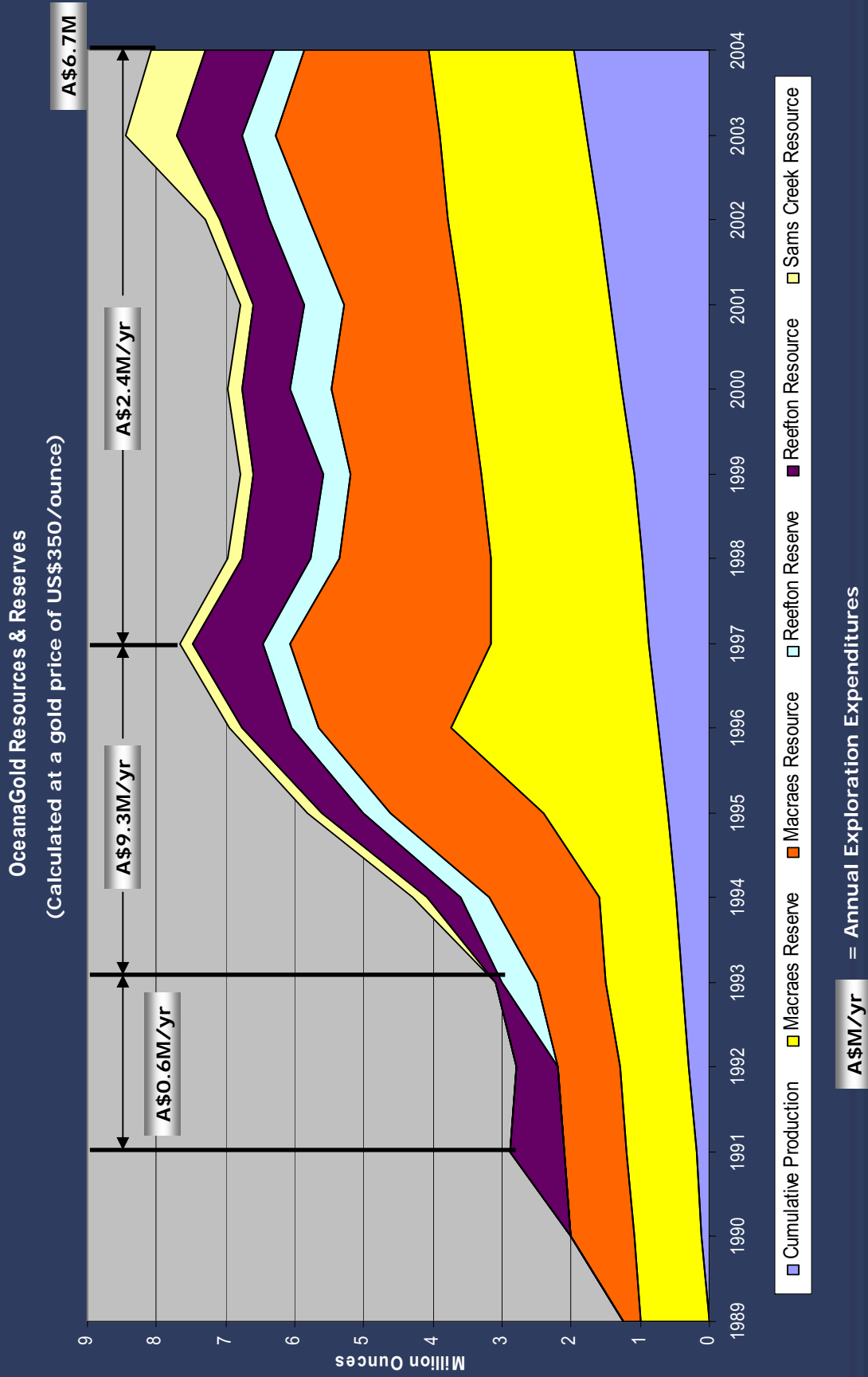
## 2. Resources and Reserves

# Resources and Reserves Table

	Tonnage (mt)	Gold grade (g/t)	Contained Gold (Moz)
Reserves	51.4	1.54	2.6
Resources	116.6	1.59	6.1
Macraes	86.5	1.40	3.9
Reefton	16.6	2.70	1.4
Sams Creek	13.5	1.78	0.8

- Reserves are JORC Standard proven and probable
- Reserves Based on a gold price of US\$350 per ounce
- Reserve life of plus 8 years based on current milling rate and Resource life of over 20 years

# Reserves - Discovery Success



# Mining Rights and Licenses

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- Macraes Goldfield
  - Defined mineralisation extends over a 40km strike length, of which 20km explored to date
  - OGD owns mining and exploration permits over the entire length and freehold title to the majority of tenements
- Reefton Goldfield
  - Defined mineralisation extends over a 35km north-south strike length
  - OGD owns mining and exploration permits over the entire length
- Sams Creek
  - Defined mineralisation extends over a 7.5km strike length, of which 700 m explored to-date
  - OGD owns exploration permits over the entire length

All mining permits and most exploration permits are renewable. OGD can re-apply for exploration permit areas that cannot be renewed. OGD has completed work programmes that should ensure we retain the ground as a new permit.



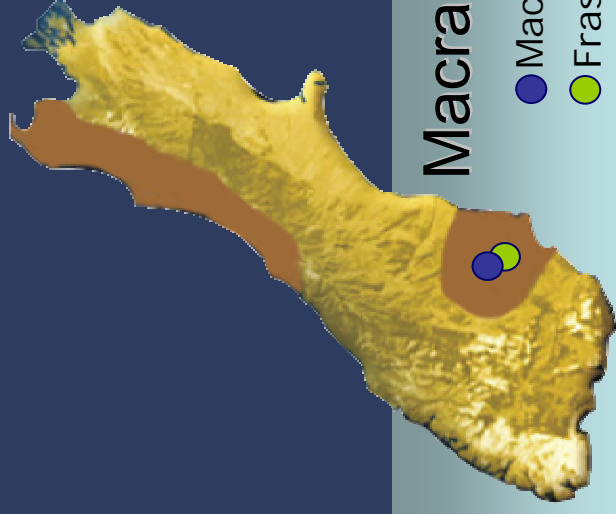
**OCEANA GOLD**



### 3. Operations

# Macraes Goldfield

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## Macraes Goldfield

- Macraes Surface Mine
- Frasers Underground Development

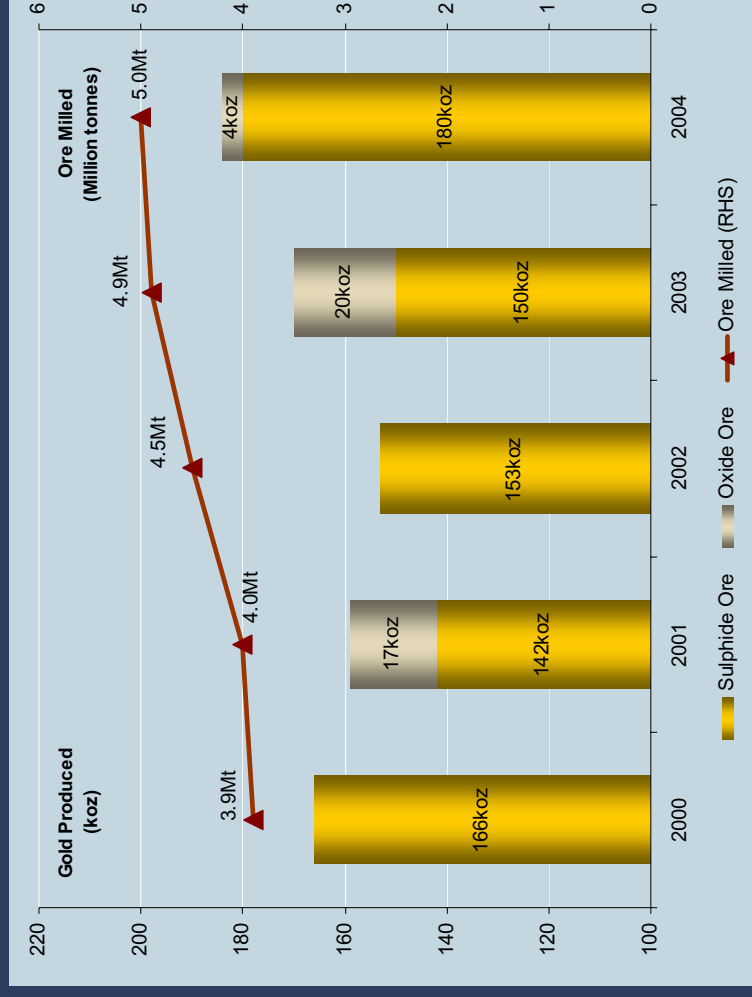
- Mining operations commenced in 1990
- Goldfield comprises series of 8 open pits with mining currently focused in Frasers open pit



## Macraes Open Pit

# Macraes - Historical Production

- 185koz produced in 2004
- 79koz produced in 1H05
- 170koz production forecast in 2005 as mine transitions into higher grade ore
- 8+ year mine life at Macraes

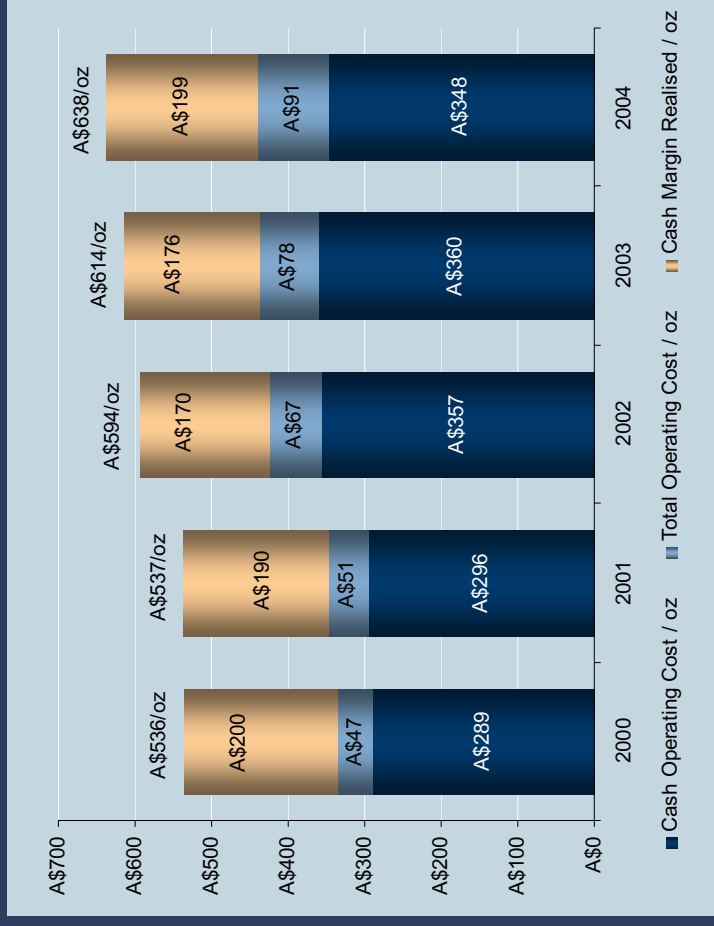


# Macraes – Mining and Processing

- Open cut mining that moves 49M short tons per annum
- 5.4 Mtpa processing plant with pressure oxidation
- Pressure oxidation installed in 1999 has improved recovery from < 70% to 83 to 84% currently

## Cost (2004)

- Mining cost of US\$0.80/ton
- Processing cost of US\$5.20/ton
- Overall production cost of US\$ 256 per gold ounce



# Hedging Policy

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## Current position

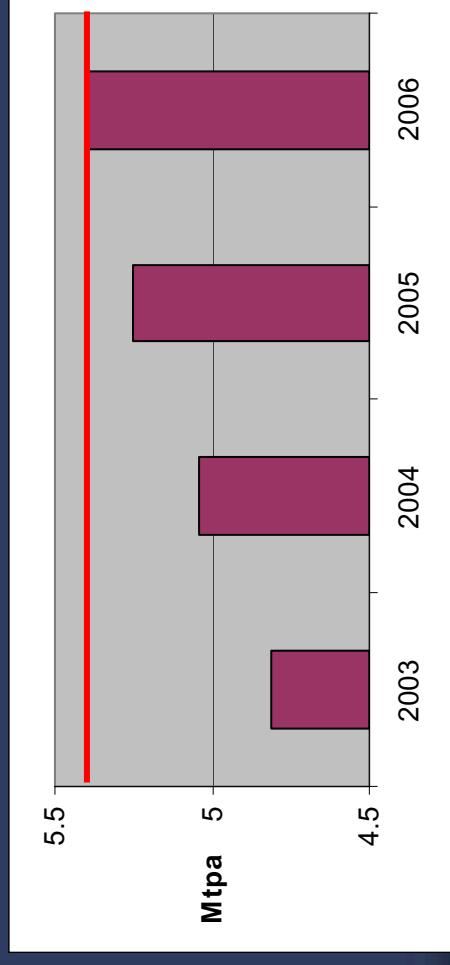
- With existing hedge contracts, average cash price received in 1H05 was A\$655 (US\$505)
- As at 30 June 2005, 178.6koz hedged at A\$597 per oz (US\$470)

## Going forward

- Policy to hedge about 80% of each year's annual production during the construction and commissioning of the two mines

# Macraes Expansion to 5.4 Mtpa

- Stage 1: Capacity expansion from 5.0 to 5.4Mtpa
  - Open circuit Mill 500
  - Mill 500 pinion speed increase
  - Upgrade flotation and water circuit pumping and piping
  - Upgrade process control systems
- Total Capital Expenditure of NZ\$2.9 million
- Expected completion Q4 2005



## Future Expansions

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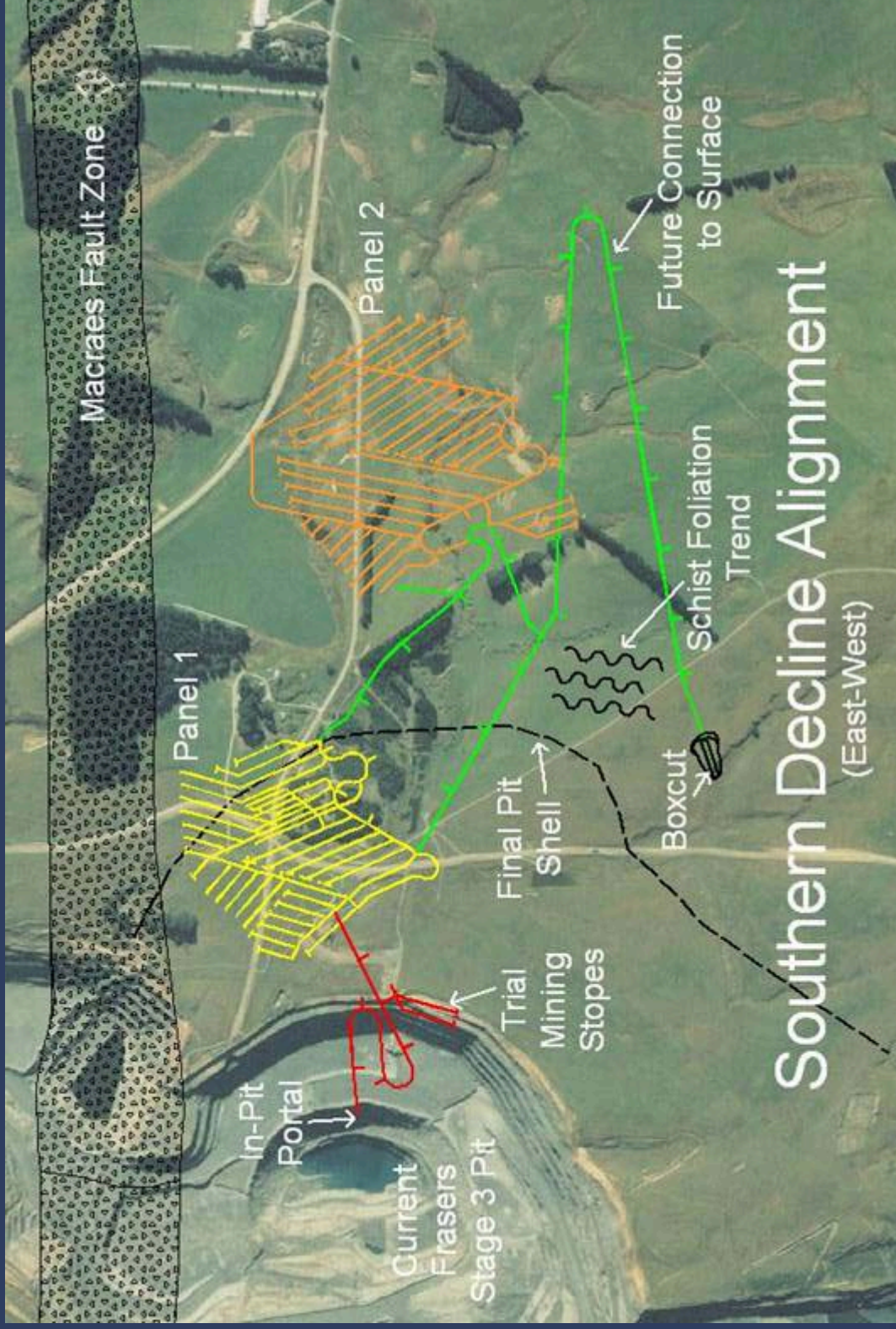
- Stage 2 – Flotation Upgrade
  - Increase concentrate grade from 8% to 10% Sulphur
  - Increase recovery from 88% to 89.5%
  - Install additional flotation cells
  - Expected completion by Q3 2006
- Stage 3 – Reefion Concentrate Upgrade
  - Concentrate handling and repulping
  - Expected completion by Q4 2006
- HV power upgrade
  - 21MW to 30MW
  - Construct 110kV line from Palmerston
  - Reduction in line losses of approximately NZ\$0.5M pa
  - Expected completion by Q4 2006

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# Fraser's Underground

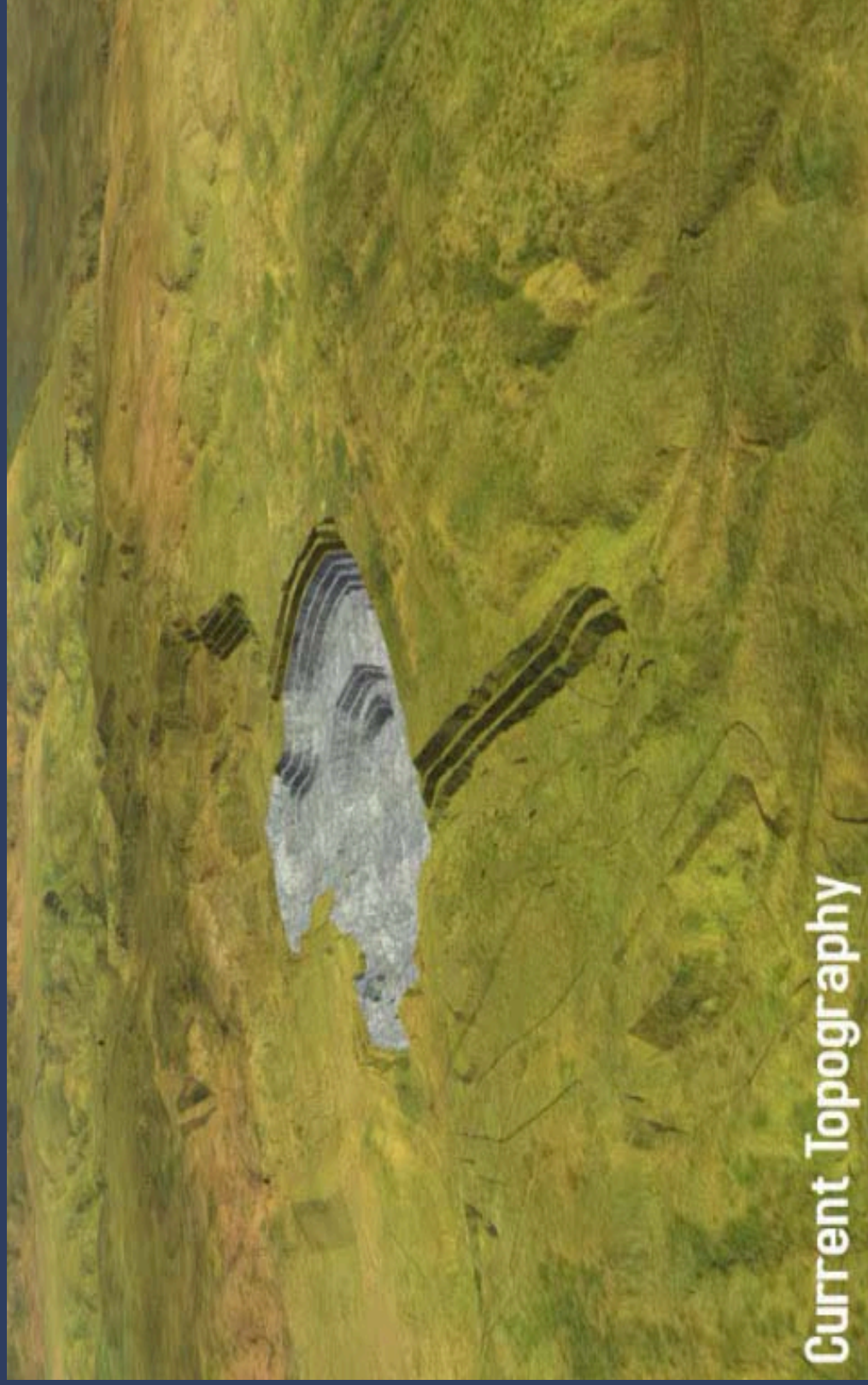


# Frasers - Overview



# Frasers-Design

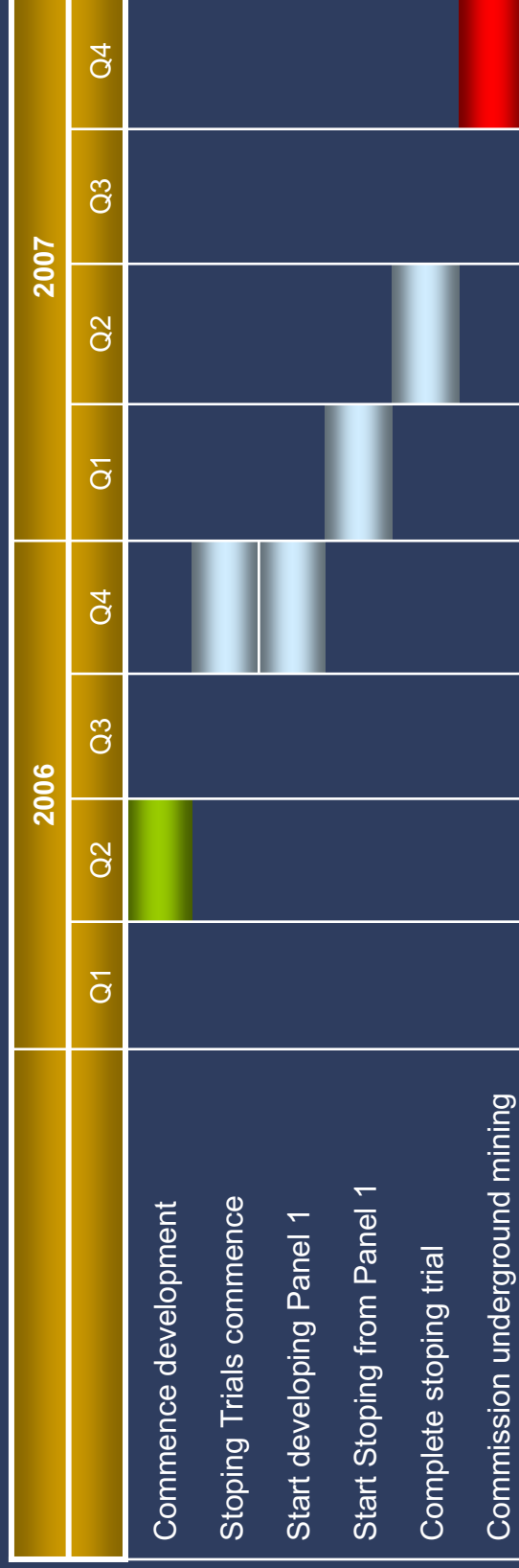
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Current Topography

# Frasers – Development Schedule

- Expected Timetable:



- Revised pre-production capital costs estimated at A\$23M (down from A\$30m)

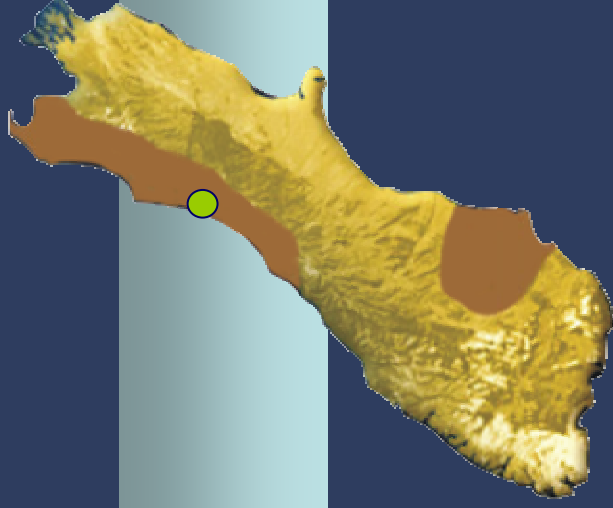
Expected production of 60-65koz p.a., boosting Macraes to 225koz p.a.

# Reefton Goldfields

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## Reefton Goldfields

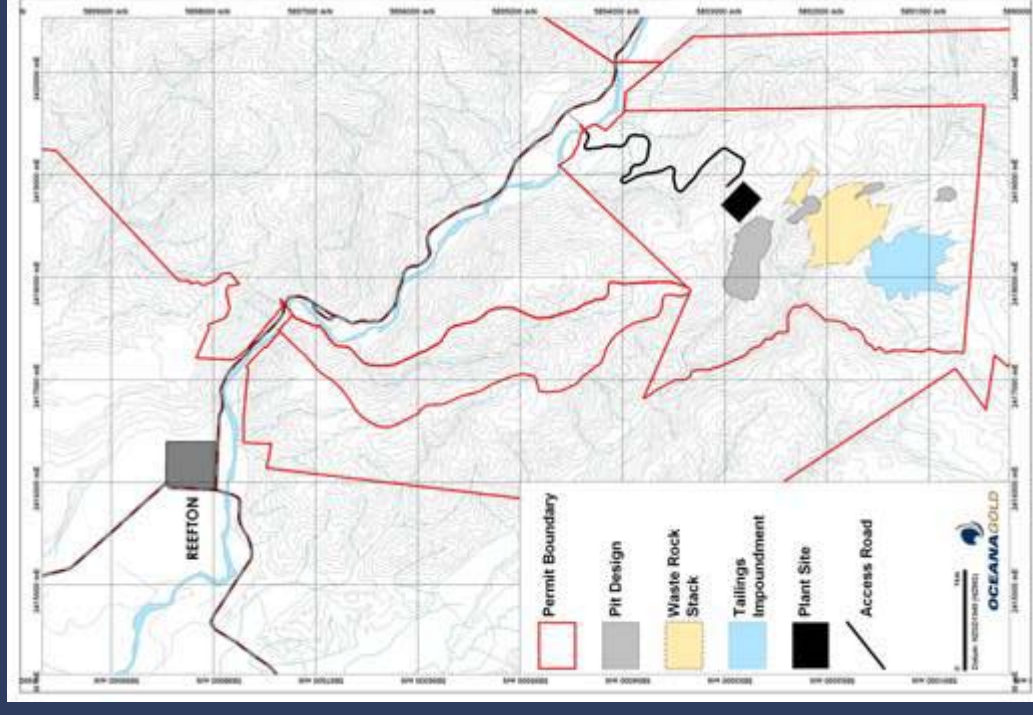
● Globe Progress – open pit



- Alluvial gold discovered in 1866 – Gold field produced over 2moz
- Production from underground operations ceased in 1951
- Constructing a crushing, grinding and flotation plant to service Globe Progress mine and rest of region

# Globe Progress

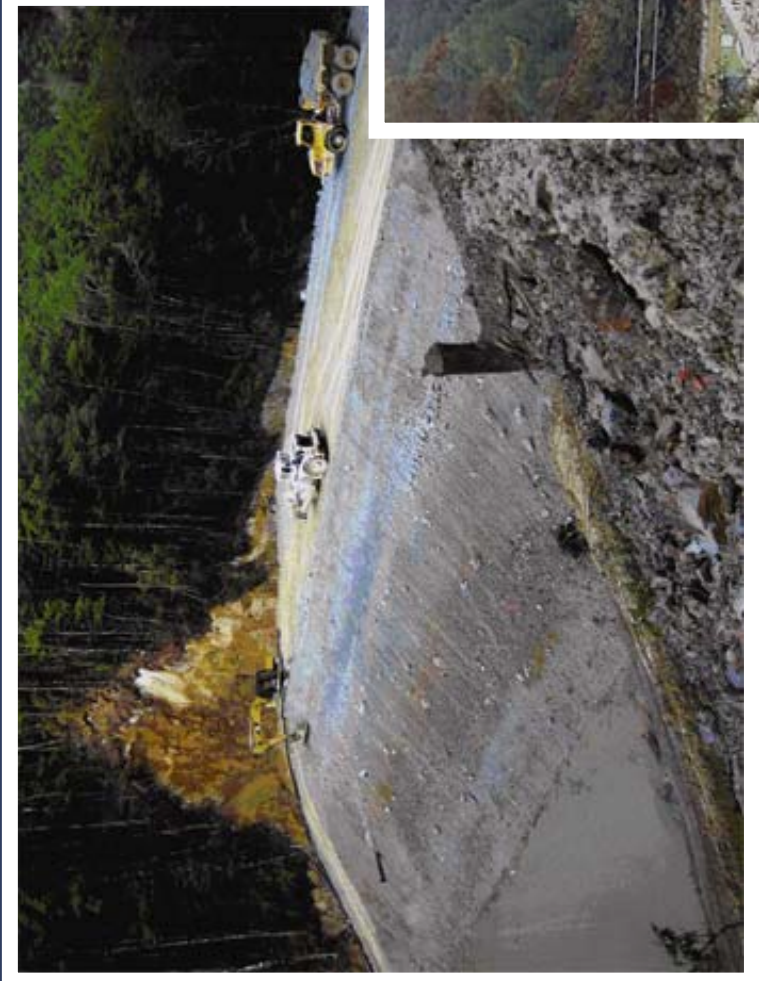
- Historically produced 420koz gold
- Planned developmental of 4 open pits
- Conventional open cut operations to recover:
  - Near-surface refractory mineralization
  - Some remnant high grade ore
- Stripping ratio of 8:1
- Drilling reactivated in 2005 to test for additions to mineralization
- Resource estimated at over 600koz – Mine life of 8 years
- A\$41M of pre-production capital including initial overburden removal





# Globe Progress – Site Construction

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# Pre-production Capital Schedule

	2005		2006				Total
	Q3	Q4	Q1	Q2	Q3	Q4	
BFS Study							
EPCM							
Mill Construction							
Commissioning							
Cost NZ\$ millions	1.4	2.9	13.6	12.5	9.7	0.1	40.2

# Concentrate Transport

- Road
- Rail



# Ore Feed and Concentrate Processing

## REEFTON ORE FEED (1 Mtpa)

- Globe Progress
- General Gordon
- Empress
- Souvenir

Milling

Flotation

55,600 t  
Concentrate

- Planned construction of 1.0mtpa process plant to process ore from Global Progress
- Expected gold recovery of 88.3%

## MACRAES ORE FEED (5.4 Mtpa)

- Frasers
- Frasers South
- Frasers U/G
- Coronation
- Golden Ridge

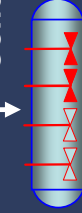
Milling

Flotation

149,800 t  
Concentrate

Transport

- Concentrate railed and trucked back to Macraes
- Feed for surplus autoclave capacity at Macraes



Macraes Autoclave

Leaching

Bullion



**OCEANA GOLD**



## 4. Project Optimisation

# Project Optimisation

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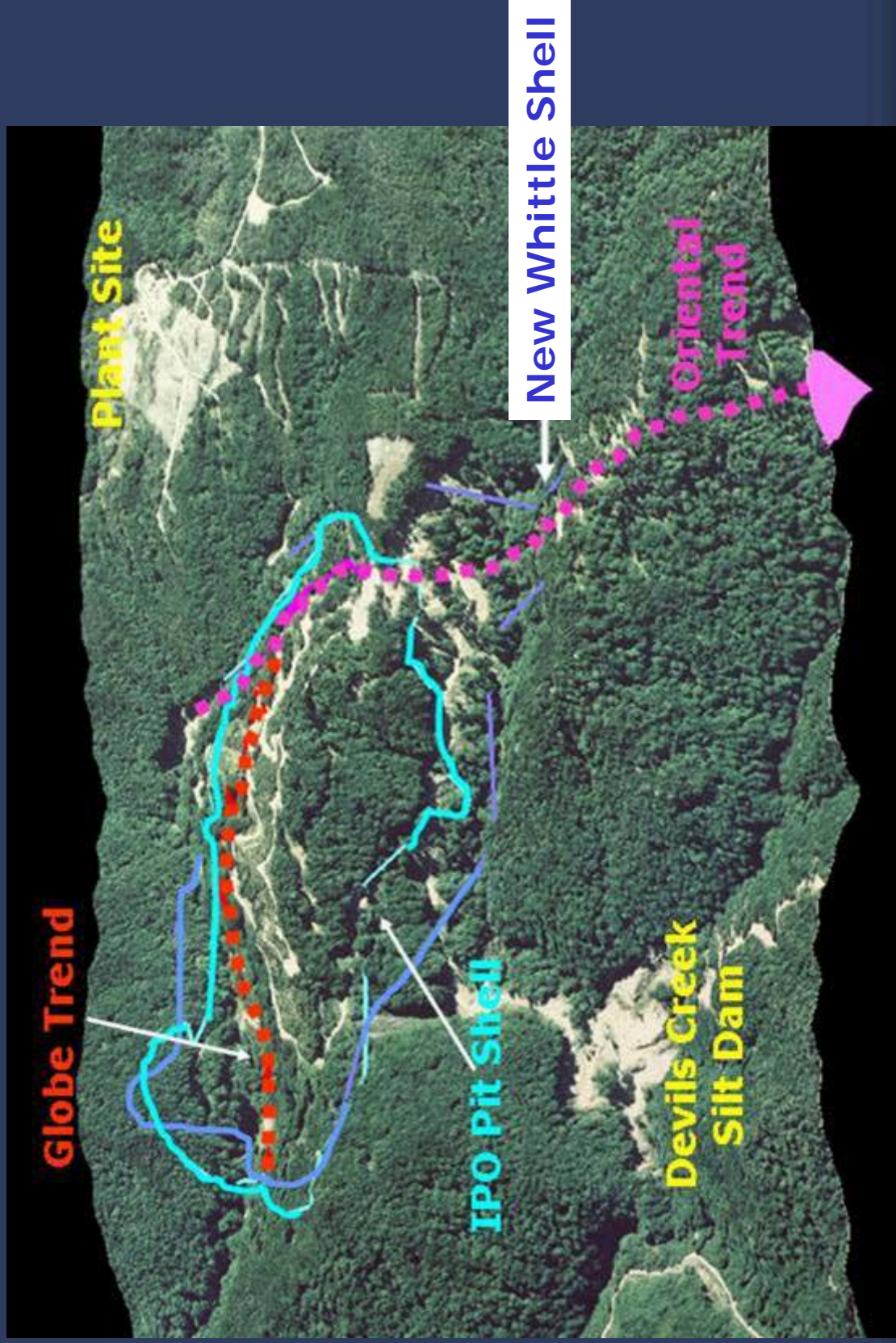
- In July 2005, announcement of revisions to the development plans for both Macraes underground and Globe Progress projects
- Objectives:
  1. Improve margins by improving revenue and reducing costs
  2. Reduce development and mining risk
  3. Lower upfront capital
- Changes include:
  - Re-design of mining method for Frasers underground mine to selectively mine high-grade portion of the ore
  - Incorporation of Frasers trial mining to develop proper ground control and dilution management techniques
  - Re-design of the Frasers mine access from the open pit to reduce development cost
  - Redesign of the Globe Progress plant to reduce capital

# Project Optimisation - Overview

- Redesign of Frasers Underground
  - Production rate reduced by 27% to 800ktpa but head grade increased by 45% to 3.05g/t
- Exploration success and new pit optimisation for Globe Progress
  - Resources increased by 28%
  - 7.2Mt @ 2.6 gpt Au (diluted) for Globe bringing mine life to 8 yrs (vs. 5 yrs)
  - Re-design and scheduling of pit in progress
- Re-design of Globe Progress process plant
  - Reduced Plant size to 1.0Mtpa from 1.4mtpa to better integrate existing Globe SAG mill and Macraes autoclave capacity
  - Changes made in Plant flow-sheet without reducing gold recovery
  - Redesign of Tailings Embankment and surface infrastructure

⇒ Project Capital Expenditure reduced by approx. US\$5M

# Illustration - Globe Pit Shell Optimisation



## OceanaGold - Summary

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- Top 5 gold producer in Australia-NZ
- Attractive combination of cash generating assets and development assets
- Solid financial situation with prudent hedging policy
- New management that optimised mine design and development plan
- Redesign of Frasers Underground and Globe Progress developments expected to reduce risk and lower upfront capital
- Cost improvements sustained and continually sought after