Oceanagold Advises Didipio FTAA Renewal and Provides Operations Update

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BRISBANE, Australia, July 14, 2021 /CNW/ - OceanaGold Corporation (TSX: OGC) (ASX: OGC) (the "Company") today advises that the Philippine Government has renewed the Didipio Mine Financial or Technical Assistance Agreement ("FTAA") for an additional 25-year period, beginning June 19, 2019. The renewed FTAA reflects similar financial terms and conditions while providing additional benefits to the regional communities and provinces that host the operation.

Michael Holmes, President and CEO of OceanaGold said, "we are pleased to confirm the renewal of the Didipio Mine's FTAA and thank the Philippine Government for their endorsement and renewal. We have worked through the renewal process in partnership with the Government and regulatory agencies. We look forward to commencing restart activities and continuing to work in partnership with our regulators, communities, employees, and all stakeholders to contribute to the Philippines' post-COVID-19 economic recovery."

The Company has maintained the mine and associated facilities in a state of operational stand-by. The Company's first operational priority is the rehiring and training of its Philippine workforce, which will include a focus on safeguarding workers from the current risks associated with COVID-19. The Company expects to provide additional details on the restart and resumption of normal operations at Didipio, including the timeline and an update to Company's 2021 guidance, in due course.

The Company plans a staged restart of operations with milling to recommence as soon as possible utilising stockpiled ore of which the operation has approximately 19 million tonnes available. The Company aims to achieve full underground production capacity within twelve months. Once fully ramped-up, the Company expects Didipio to produce approximately 10,000 gold ounces and 1,000 tonnes of copper per month at first quartile All-in Sustaining Costs.

Didipio is a major direct and indirect employer in the provinces ofQuirino and Nueva Vizcaya and a significant contributor of socio-economic benefits for the local and national economies. The Didipio Gold and Copper Mine operates to the highest environmental and social standards and has been recognised as one of the most responsible in the country.

Renewal Terms

The FTAA was renewed on substantially the same terms and conditions and includes the following modifications:

- The equivalent of an additional 1.5% of gross revenue to be allocated to community development[1]
- Reclassification of Net Smelter Return to be an allowable deduction and shared 60% / 40% rather than wholly included in government share
- Listing of at least 10% of the common shares in OceanaGold Philippines Inc. ("OGPI"), the Company's Philippine operating subsidiary and holder of the FTAA, on the Philippine Stock Exchange within the next three years[2]
- OGPI shall offer for purchase by the Philippine Central Bank not less than 25% of its annual gold doré production at fair market price and mutually agreed upon terms
- Transfer of OGPI's principal office to a host province within the next two years.[3]

The additional 1.5% allocated to community development will take the form of increased contributions to communities in the region and provincial development projects. While the existing fund for Social Development and Management Program will continue to be provided for the host and neighbouring communities, 1.0% of the additional 1.5% will be allocated to community development for additional communities and 0.5% to the host Provinces of Nueva Vizcaya and Quirino.

1. Includes 1.0% in additional gross mining revenue allocated for community development for additional communities in the region and 0.5% to the Provinces of Nueva Vizcaya and Quirino where the mine resides. Additional contribution to be considered an allowable deduction under the fiscal terms of the FTAA.
2. Three years from execution of the renewal agreement. Subject to compliance with applicable laws, and the rules and regulations of the Philippine Stock Exchange and Securities and Exchange Commission.
3. Two years from execution of the renewal agreement.

General Corporate Update

Haile, United States

The Haile operation has delivered a strong second quarter of production as planned. The Company continues to expect production in the second half to be softer from mine sequencing whereby the operation will be mining and processing lower grade ore. The Company remains on track to achieve Haile's 2021 guidance of 150,000 – 170,000 gold ounces.

Whilst 2021 guidance anticipated residual productivity risks associated with weather and COVID, and mining unit rates have trended down during the second quarter, operating costs as well as AISC remain above expectation. Mining efficiencies continue to be adversely impacted by additional costs associated with material re-handling and excess water management, while processing has been impacted by higher reagent usage and maintenance costs to remediate plant blockages. Additional capital was included per 2021 guidance related to the storage of higher than anticipated volumes of Potentially Acid Generating ("PAG") material and work continues to develop options to optimise PAG identification and containment to ensure compliance with operating permits while minimising capital and waste management costs.

Management recognise if these trends were to continue it could have a negative impact on the total ounces contained within the open pit(s) and the project life of mine cash flows. While the Company believes in the quality of the Haile operation, the performance of Haile to date has not yet met expectations. As such, a site wide review is underway under the oversight of a newly formed Board Technical Committee. The addition of Mick McMullen and Paul Benson to the Board brings extensive industry specific technical and commercial skills to the Company and they will form part of the Board Technical Committee.

The Board Technical Committee is working with Management to assess Haile's performance constraints and to put in place remediation plans to ensure the operation achieves its full potential. The current workstreams include: a review of mining and processing activities to deliver productivity improvements and operating cost reductions, water and waste management opportunities, capital efficiency options, and mining trade-off studies (i.e. potential to convert some planned future open pit cutbacks to underground mining at higher cut-off grades). It will also include the provision of external expert technical support aimed at identifying additional mining and processing efficiencies. The technical studies are expected to be complete in early 2022.

The Haile Supplemental Environmental Impact Statement ("SEIS") process continues and the Company now expects the Record of Decision and related permits within the fourth quarter of 2021. These permits relate to the expansion of the operating footprint to accommodate waste stockpiles, increased capacity through the water treatment plant, as well as development of the Haile Underground. Engagement with the US Army Corps of Engineers and South Carolina Department of Health and Environment Control remains positive and ongoing. The Company is responding to inquiries received post release of the Draft Record of Decision. The delay in finalisation of the SEIS process and associated permits into late 2021 is anticipated to have a modest negative impact on capital and operating costs over the next two years due to the management and storage of additional PAG and costs associated with additional in-pit re-handling. Options analysis is underway to mitigate these short-term operational impacts, as well as potential delays to the commencement of the Haile Underground project. The Company will continue to update the market on progress as appropriate. Meanwhile, initial surface works for the Haile Underground project are continuing with portal development planned to commence upon completion of the permitting process.

The Company also wishes to announce that David Londono will commence as Executive General Manager on July 15, with Jim Whittaker having accepted a new role and departing the Company effective July 31. Mr Londono has over 35 years of experience in the mining industry with his most recent roles being General Manager of the Detour Lake Gold Mine, and later Vice President of Projects for Kirkland Lake Gold post the Detour acquisition. He has worked with Barrick, AngloGold Ashanti and Glencore, and holds Master's degrees in Engineering from the Colorado School of Mines and Business Administration from Regis University in Denver. During his career, David has spent significant time and work in mine management and optimization positions, and the Company looks forward to David becoming part of the team and leading the performance improvement initiatives at Haile.

Waihi Gold Mine, New Zealand

Continuous milling at Waihi commenced late in the second quarter as planned. Martha Underground ("MUG") continues to advance with development rates continuing to improve with May achieving the highest monthly development rates to date. Waihi is on track to deliver its full year production guidance of 35,000 to 45,000 gold ounces as it transitions into its first full year production from MUG in 2022.

At Wharekirauponga ("WKP"), the Company is currently drilling three major vein systems: Western, T-Stream and East Graben with promising results to date. A drought period in the region earlier in the year has slowed drilling relative to the Company's expectations, and as a result, the Company currently expects to release the pre-feasibility study in early 2022.

Macraes Gold Mine, New Zealand

The Company successfully completed the planned autoclave rebrick and mill repairs in the second quarter, and the plant is performing at capacity. Macraes is expected to be able to deliver on its full year production guidance of 155,000 to 165,000 gold ounces. Golden Point Underground continues to advance toward first gold production expected in the fourth quarter of 2021.

Second Quarter Results and Webcast

The Company will release its financial and operational results for the second quarter ending June 30, 2021 after the TSX market close on Thursday July 29, 2021 (Toronto, Eastern Daylight Time). The results will be available on the Company's website at www.oceanagold.com.

The Company will also host a conference call / webcast to discuss the results at 7:30 am on Friday July 30, 2021 (Melbourne, Australian Eastern Standard Time) / 5:30 pm on Thursday July 29, 2021 (Toronto, Eastern Daylight Time).

Webcast Participants

To register, please copy and paste the link below into your browser:
https://produceredition.webcasts.com/starthere.jsp?ei=1479464&tp_key=b7a29eb104

Teleconference Participants *(required for those who wish to ask questions)*

Local (toll free) dial in numbers are:

North America: 1 888 390 0546

Australia: 1 800 076 068

United Kingdom: 0 800 652 2435

Switzerland: 0 800 312 635

All other countries (toll): + 1 416 764 8688

Playback of Webcast

If you are unable to attend the call, a recording will be available for viewing on the Company's website.

Authorised for release to market by Corporate Company Secretary Liang Tang.

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About OceanaGold

OceanaGold is a multinational gold producer committed to the highest standards of technical, environmental and social performance. For 30 years, we have been contributing to excellence in our industry by delivering sustainable environmental and social outcomes for our communities, and strong returns for our shareholders.

Our global exploration, development, and operating experience has created an industry-leading pipeline of organic growth opportunities and a portfolio of established operating assets including Didipio Mine in the Philippines; Macraes and Waihi operations in New Zealand; and Haile Gold Mine in the United States of America.

Cautionary Statement for Public Release

Certain information contained in this public release may be deemed "forward-looking" within the meaning of applicable securities laws. Forward-looking statements and information relate to future performance and reflect the Company's expectations regarding the generation of free cash flow, achievement of guidance, execution of business strategy, future growth, future production, estimated costs, results of operations, business prospects and opportunities of OceanaGold Corporation and its related subsidiaries. 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. Forward-looking statements are subject to a variety of risks and uncertainties which could cause actual events or results to differ materially from those expressed in the forward-looking statements and information. They include, among others, the outbreak of an infectious disease, the accuracy of mineral reserve and resource estimates and related assumptions, inherent operating risks and those risk factors identified in the Company's most recent Annual Information Form prepared and filed with securities regulators which is available on SEDAR at www.sedar.com under the Company's name.

There are no assurances the Company can fulfil forward-looking statements and information. Such forward-looking statements and information 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. Although the Company believes that any forward-looking statements and information contained in this press

release is based on reasonable assumptions, readers cannot be assured that actual outcomes or results will be consistent with such statements. Accordingly, readers should not place undue reliance on forward-looking statements and information.

The Company expressly disclaims any intention or obligation to update or revise any forward-looking statements and information, whether as a result of new information, events or otherwise, except as required by applicable securities laws. The information contained in this release is not investment or financial product advice.

SOURCE OceanaGold Corporation

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