OceanaGold Provides Operations Update Including Didipio Restart

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BRISBANE, Australia, Sept. 13, 2021 /CNW/ - OceanaGold Corporation (TSX: OGC) (ASX: OGC) (the "Company") is pleased to provide a progress update related to the restart of operations at Didipio, including the shipment and sale of finished product inventory stored on-site, as well as a broader operations update.

Summary

- Didipio restart activities advancing ahead of plan:
  - Inventory sales well underway with 1,096 ounces of Doré sold and $25 million (or 40%) of concentrate inventory transported to port and invoiced to date. 90% of revenue expected to be received by mid-October.
  - 65% of workforce expected to be in place by end the of the third quarter.
  - Processing and underground ore stoping both scheduled to commence in November.
  - 2021 production guidance of 5,000 to 10,000 ounces of gold and 1,000 tonnes of copper.
  - 2021 sales of 23,000 to 28,000 gold ounces and 3,500 to 4,500 tonnes of copper.
- New Zealand operations impacted by 15-day national COVID-19 lockdown with Macraes guidance revised to 135,000 to 145,000 gold ounces at AISC of $1,300 to $1,350 per ounce sold.
- Haile technical reviews advancing, operational performance well on track to deliver full year guidance.
- Group consolidated guidance for 2021 unchanged, with the inclusion of Didipio production.

Scott Sullivan, Chief Operating Officer and Acting Chief Executive Officer of OceanaGold said, "The recommencement of Didipio operations is progressing ahead of plan. The recruitment of the workforce is ahead of schedule as we expect approximately 65% of the total workforce to be in place by the end of the third quarter and approximately 90% by the end of the year. Training of the workforce is progressing well ahead of the restart of processing and mining activities expected in the fourth quarter. The health and safety of our employees and local communities is paramount and we continue to manage the ongoing risks and personnel impacts associated with the COVID-19 pandemic."

He went on to say, "During August, we successfully exported and sold the remaining gold Doré, while also commencing the transport of gold-copper concentrate inventory stored on site. As at September 10, approximately 6,000 dry metric tonnes of the total concentrate in inventory has been delivered to port ahead of shipping. The Company expects approximately 80% of the concentrate to be transported to the port by the end of the third quarter and entirely transported by mid-October."

The gold-copper concentrate inventory totalled approximately 15,000 dry metric tonnes, which contains approximately 18,500 ounces of gold and 3,500 tonnes of copper. Additionally, the Company had nearly 1,100 ounces of gold in Doré, which has been sold in the third quarter. To-date the Company has invoiced approximately $25 million in net concentrate sales. The Company expects to have completed the transport and sale of all concentrate inventory by mid-October and to have collected 90% of the invoiced value progressively over a similar time frame. The final 10% is payable on delivery of concentrate to the customers smelter based on final assay.

Transportation of supplies and equipment to the Didipio Mine site have progressed well. Process plant re-commissioning is over one-third complete with restart activities including but not limited to installation of a new ball mill motor, ongoing recommissioning of the crusher, recharge of grinding media and testing and commissioning of plant instrumentation and pumping equipment. The Company expects the restart of milling on stockpiled ore by the middle of November. The Didipio operation currently has approximately 23 million tonnes of stockpiled ore grading at 0.33 g/t gold and 0.3% copper. Upon restart of underground mining operations, mill feed will be progressively supplemented by higher grade underground ore.

Underground mining restart activities include the rehiring and training of underground operators is progressing to plan. The Company has completed initial rehabilitation of ore drives, geotechnical inspections, installation and testing of ventilation infrastructure and technical plans. Ore development is expected by the end of October while stoping is scheduled for the end of November. The Company is expecting to ramp-up to the full underground production rate of 1.6 million tonnes per annum within ten months.

The capital expenditure associated with the restart of operations is expected to range between $5 to $7 million for the remainder of the year. This expenditure will be funded through the net proceeds associated with the sale of the gold-copper concentrate in 2021.

For the remainder of 2021, the Company expects to produce between 5,000 and 10,000 ounces of gold along with approximately 1,000 tonnes of copper. The Company expects Didipio gold sales for 2021 to range between 23,000 and 28,000

ounces of gold and between 3,500 and 4,500 tonnes of copper. Didipio All-In Sustaining Costs are expected to range between $300 and $400 per ounce sold with cash costs of $200 to $300 per ounce sold. At full operations, the Didipio mine is expected to produce approximately 10,000 ounces of gold and 1,000 tonnes of copper per month.

The Company is working in partnership with the local municipal health office to support vaccination efforts, including sourcing additional vaccines for the Didipio workforce and surrounding communities. Social development projects have also re-commenced for Didipio's beneficiary communities, which includes COVID-19 relief efforts as well as significant investment in programs that improve health, education, infrastructure, and capacity building within the local and adjacent communities. The successful and uninterrupted restart of Didipio reflects strong endorsement from both the community and National Government. Didipio is a meaningful socio-economic contributor to Barangay of Didipio, adjacent communities and provinces of Nueva Vizcaya and Quirino, and the region. The Company looks forward to continuing its legacy of responsible mining in the Philippines and contributing to the post COVID-19 economy.

Macraes 2021 guidance is revised to 135,000 to 145,000 gold ounces at an AISC of $1,300 to $1,350 and a cash cost of $900 to $950 per ounce sold. The change is due to the production impact of the fifteen-day New Zealand wide level 4 COVID-19 lockdown and subsequent ramp-up, combined with the management of ongoing geotechnical risk limiting the operations ability to fully access higher grade zones as planned later in 2021.

Waihi operations were also suspended for fifteen-days in accordance with New Zealand's level 4 COVID-19 restrictions. As previously advised, operations resumed following the easing of restrictions with the impact of the suspension on 2021 production of approximately 5,000 ounces. With the site mine constrained, the reduction is driven by lower 2021 ore production with the deferred ore zones being higher grade. Waihi is now tracking toward the lower end of its production guidance range of 35,000 to 45,000 gold ounces at an AISC of $1,300 to $1,350 and a cash cost of $900 to $950 per ounce sold. The Company, however remains focussed on identifying potential opportunities to partially offset the impact over the balance of 2021.

At Haile, the Company continues to advance technical reviews and focus on mine and mill productivity and operating cost improvements. Recent operational performance continues to comfortably track to full year guidance of 160,000 to 170,000 ounces of gold at an AISC of $1,100 to $1,150 per ounce sold and a cash cost of $850 to $900 per ounce sold. Development of the Haile Underground is expected to commence following completion of the Supplementary Environment Impact Statement process.

On a consolidated basis, after the inclusion of Didipio, the Company continues to expect full year production to be 350,000 to 370,000 gold ounces at an AISC of $1,200 to $1,250 and cash costs of $825 to $875 per ounce sold. With the inclusion of Doré and concentrate inventory sales from Didipio, consolidated gold ounces sold for 2021 are expected to be approximately 20,000 ounces higher than production.

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.

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