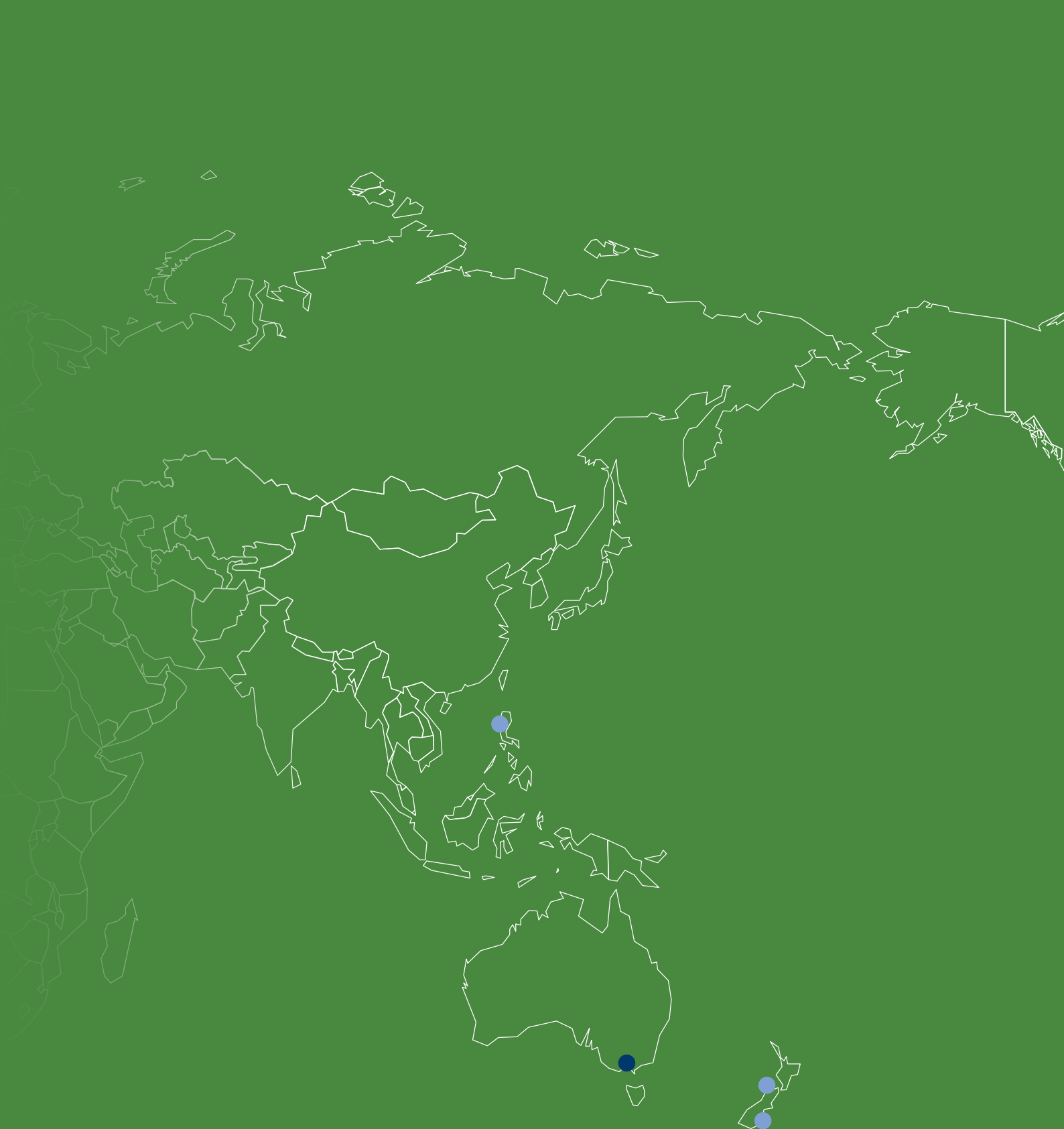


SUSTAINABILITY
REPORT 2015
ENSURING
A BETTER
TOMORROW



OCEANAGOLD



Cover: Macraes Goldfield, New Zealand.

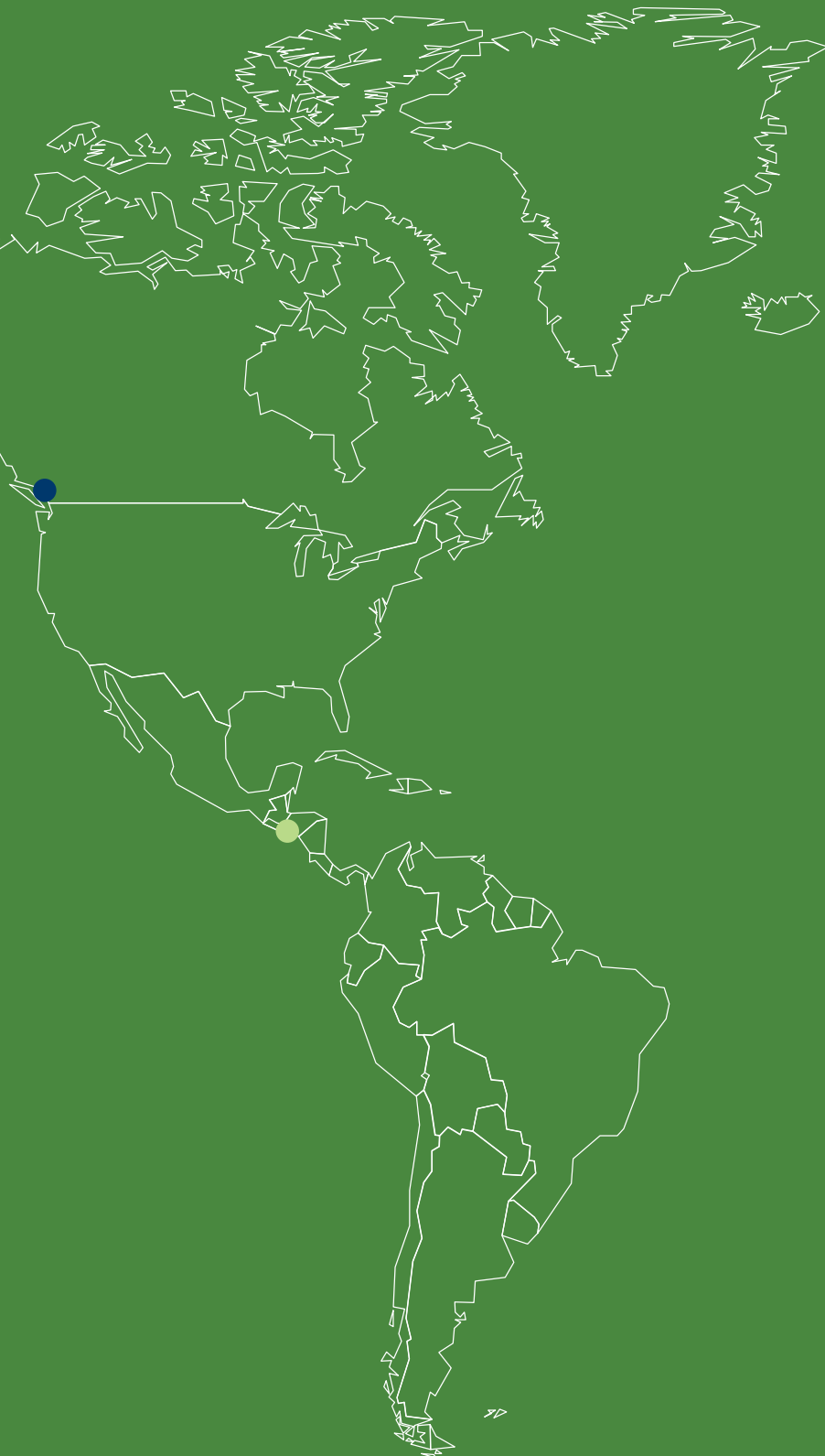
Contents

Chief Executive Officer's Message	04
Our Vision	05
Performance Highlights	06
Corporate Governance	07
Stakeholders	08

Environment	10
2014 Environment Achievements	12
2015 Corporate Environment Targets	12
Environment	13
Environmental Compliance	13
Our Commitment to Continuous Improvement	14
Environmental Spills and Incidents	14
Water Management and Disposal	15
Water Treatment	16
Non-hazardous Waste Management	17
Tailings Management	18

Community	20
2014 Community Achievements	22
2015 Corporate Community Targets	22
Community	23
Sponsorship and Donations	24
Local Highlights – Philippine Communities	24
New Zealand Communities	25
El Salvador Communities	25

Health and Safety	26
2014 Health and Safety Achievements	28
2015 Corporate Health and Safety Targets	28
Health and Safety	29
Health and Safety Statistics	29
Health and Safety Training	30
Employment Statistics and Diversity	33
Talent Management	34



- Offices
- Projects
- Operations

Chief Executive Officer's Message

HEALTH AND SAFETY OUR PEOPLE AND OUR ENVIRONMENT ARE OUR MAIN OBJECTIVES



Each year this report offers an opportunity to reflect on our successes over the previous year and to set even more ambitious targets for the future. In 2014, we continued to challenge ourselves to further embed sustainability in our decisions and business practices, understanding that our social and environmental performance is as important as our operational and financial performance, and that how we work matters just as much as what we do. During the year we achieved a number of significant milestones across our health, safety, environment and community targets and I am excited to share some of these with you.

In our business, safety comes first, and I am pleased to highlight that over the past three years we have reduced our overall Lost Time Injury Frequency Rate (LTIFR) rate by 96%. In 2014, we made a strong investment in safety training and mentoring and have elevated safety as a key measure of individual performance for both our employees and our contractors. Ensuring the safety of our employees drives our business, and our work doesn't stop until we have achieved an injury and incident-free workplace and each of our employees returns home safely to their families.

Ensuring the care and protection of our natural environment and managing the impact of our activities throughout the mining cycle is another area where we continue to make significant commitments. At our Didipio Mine, our team's dedication to best practice in environmental regulation and management culminated in the formal achievement of ISO 14001:2004 certification of the site's Environmental Management System (EMS), while in our Reefion operation we restored an impressive 30.6 hectares of land as part of the rehabilitation program, including the planting of 73,000 seedlings in 2014. Our Reefion operation, which is due to transition into care and maintenance at end of 2015, sits in New Zealand's national conservation area, Victoria Forest Park, and strongly demonstrates not only our team's expertise in environmental management, but also the ability to develop and safely operate modern mining operations in ecologically sensitive areas.

As the CEO of OceanaGold, I am immensely proud of all we have achieved throughout the year and none of this would be possible without our capable and dedicated employees and contractors and without the support of our communities. We aim to be a truly integral part of communities and to create opportunities that leave a long-lasting legacy. As we grow and evolve we will continue to invest in our relationships and in making sustainable development a part of our business philosophy. With over 24 years of successful operation in New Zealand, which commenced with our Macraes operation, we are a business with tremendous technical expertise and enthusiasm for the future.

It is exciting to be part of this next chapter in the OceanaGold story as we continue to seek opportunities to develop our business organically, and in new jurisdictions such as El Salvador. Our commitment to diversity; to creating exciting opportunities for our people; and to engaging successfully with our external Stakeholders, by sharing information transparently, are essential to our success. This report helps us achieve some of these goals and offers a measurable yardstick of performance against our goal of being the partner, employer and mining company of choice.

A handwritten signature in black ink, appearing to read 'Mick Wilkes', written over a horizontal line.

Mick Wilkes
Managing Director and
Chief Executive Officer
March 2015

Our Vision

→ WE WILL BE A MID-TIER, MULTINATIONAL GOLD PRODUCER DELIVERING SUPERIOR SHAREHOLDER RETURNS IN A SAFE AND SUSTAINABLE MANNER BY DEVELOPING AND OPERATING HIGH-QUALITY ASSETS. WE WILL BE THE PARTNER, EMPLOYER AND MINING COMPANY OF CHOICE.

Gaining and nurturing our social licence to operate is at the heart of everything we do. As an organisation we are committed to sustainable and responsible mining that shares the benefits of our business and enriches the lives of our communities and our employees.

Each year we commit anew to extending our commitments and to challenging ourselves to deliver a positive legacy in New Zealand, in the Philippines and, more recently, through local programs in El Salvador. Our vision and our corporate values of respect, integrity, teamwork, innovation, action and accountability

guide our interactions with each other, our Stakeholders and determine which programs we support. As we continue to grow and evolve, sustainability is not merely a goal but underpins our business philosophy and directs our interactions with Stakeholders.

We remain committed to establishing and nurturing productive, long-term relationships with our communities, our investors, local partners, regulators and our employees. This review is an important tool for communicating our successes and those areas we have identified for further improvement.

Didipio Mine, Philippines.

Performance Highlights

Corporate Governance and Stakeholders

- Extended the Corporate Social Responsibility (CSR) Policy into the Human Rights, Health and Safety, Environment and Community policies.
- Implemented the Human Rights and Community Compliance Standards to support the Human Rights and Community policies.
- Implemented an improved whistleblower service to promote further transparency and to support the corporate protected disclosures policy.

Community

- Established the Macraes Community Development Trust to manage social investment in the Macraes community and committed NZ\$2.3 million to fund activities.
- Awarded the *Gold Award for Empowerment of Women* during the sixth Global CSR Summit and Awards.
- Developed accredited education and training programs in El Salvador to support adult literacy and numeracy and English and technology classes for children.

Environment

- Commissioned a water treatment plant to aid sustainable water management at Didipio Mine.
- Achieved the globally recognised ISO 14001:2004 certification of Didipio Mine's Environmental Management System.
- Restored more than 30.6 hectares of land and planted more than 73,000 seedlings as part of Reefion Mine's rehabilitation program.

Health and Safety

- Reduced the overall Lost Time Injury Frequency Rate (LTIFR) by 96% between 2012 and 2014.
- Established a smoke-free workplace across our New Zealand operations.
- Implemented a comprehensive safety training program and increased the frequency of near miss and hazard reporting.

Macraes Goldfield, New Zealand.

Corporate Governance

→ **Our commitment to maintaining the confidence of our Stakeholders and enhancing and protecting shareholder value is of paramount importance to our business. We understand that robust governance is one of the most important ways we can achieve these objectives.**

As an international organisation we are subject to numerous international and local laws and regulations. Our commitment to meeting these requirements is unwavering, and where possible we seek to exceed obligations through additional voluntary commitments.

Our Company structure includes our Board of Directors, the Executive Management Team and our Sustainability Committee, which is governed by our Sustainability Committee Charter, and consists of three Non-Executive Directors of the OceanaGold Board of Directors.

‘Our commitment to maintaining the highest level of corporate transparency is supported by our protected disclosures and whistleblowing policy, which is administered independently and has been extended to all our global locations.’

In an effort to simplify our internal processes and provide additional transparency, in 2014 we extended our CSR policy into four individual policies, which now include: the Human Rights Policy, Health and Safety Policy, Environment Policy and Community Policy. We also developed the Human Rights and Community Compliance Standards, which provide a framework for our operations to establish local-level processes and procedures and ensure compliance with the Community Policy and Human Rights Policy.

Our commitment to maintaining the highest level of corporate transparency is supported by our protected disclosures and Protected Disclosures (Whistleblower) Policy, which is administered independently and has been extended to all our global locations.



Children participating in the soccer training school, El Salvador.

Stakeholders

→ Given our global footprint across Asia Pacific and the Americas, we interact with a diverse range of Stakeholders with different needs and expectations. As an organisation, we understand that strong Stakeholder relationships are essential to our continuing success as we focus on two-way dialogue and engagement with all of our Stakeholders and interested parties. Across our operations and corporate offices we engage in meetings, focus groups, organised engagement activities and regular communication, among other channels, with the aim of enabling our Stakeholders to gain a better understanding of our activities or to express their concerns.

Internal Stakeholders	External Stakeholder
Employees	Our communities
Contractors	Government departments, agencies and regulators
Joint venture companies	Community and environment not-for-profit organisations
Business partners	Non-government organisations (NGOs)
Service providers	Investment community
Industry peers	Unions
Our suppliers	Media
	Shareholders
	Customers

Following our acquisition of Pacific Rim and its interests in El Salvador, we have received attention from several NGO groups that have questioned our activities and our reputation. We are resolutely focused on sharing our story to ensure our employees and our Stakeholders can be proud of our work in El Salvador and our existing operations in New Zealand and the Philippines.

We acknowledge that mining is a complex activity that can impact the natural environment and in some countries has not left a positive legacy. We believe that modern, regulated, large-scale mining that contributes to its communities through opportunities and social investment can deliver strong, positive

outcomes for local communities and more broadly, national economies. At OceanaGold, we aim to leave a positive legacy in each of our global locations. To achieve this objective we continue to work with our Stakeholders to deliver programs across our key focus areas of infrastructure, environment, health, capacity building and economic benefits.

In 2014 we aligned our internal health, safety, environment and community framework with the Equator Principles, a risk management framework widely used by financial institutions to assess and manage environmental and social risks, and to enable responsible decision-making.

'At OceanaGold, we aim to leave a positive legacy in each of our global locations. To achieve this objective we continue to work with our Stakeholders to deliver programs across our key focus areas of infrastructure, environment, health, capacity building and economic benefits.'



Didipio Mine, Philippines.

Environment

→ IN 2014 WE RESTORED
12.3 HECTARES OF
LAND AND PLANTED
73,000 SEEDLINGS
IN REEFTON.

Reefton Mine, New Zealand.



2014 Environment Achievements

Didipio

- Planted 65,993 trees and donated a further 248,855.
- Implemented INX InViron software to aid environmental data management and achieved 85% compliance in the annual Environmental Compliance Audit.
- Achieved ISO 14001:2004 certification for the Didipio Mine EMS.

Macraes

- Managed environmental impacts to maintain the number of 'moderate' or 'major' environmental incidents at zero.
- Conducted a review of the Operations, Maintenance and Surveillance Manuals for all silt ponds and completed a pest and weed control manual for the operation.

Reefton

- Managed environmental impacts to maintain the number of 'moderate' or major environmental incidents at zero.
- Completed 12.3 hectares of restoration including the planting of 11.5 hectares with seedlings.
- Implemented INX InViron software to aid environmental data management and achieved 87% compliance in the annual Environmental Compliance Audit.

2015 Corporate Environment Targets

Lagging Indicators

- Nil breaches of environmental licence conditions.
- No 'moderate' or 'major' environmental incidents.

Leading Indicators

- Greenhouse Gas and Energy Management Plan is developed and implemented for each Business Unit.
- An energy improvement project is implemented for each Business Unit.
- Successfully complete 80% of planned rehabilitation.
- Achieve a greater than 80% rating in the Environmental Compliance Audit.

→ **We committed to managing and reducing our environmental footprint through a strong focus on continuous improvement in environmental performance. We aim to improve our energy efficiency and emissions performance and to manage our impact on water, air, visual amenity and biodiversity.**

In 2014 we focused on reviewing and improving our internal systems to aid data collection and transparency and in turn enhancing our environmental performance. Key successes in 2014 include:

- Introduction of the Environmental Compliance Standards.
- ISO 14001:2004 certification of the Didipio Mine EMS.
- Introduction of INX InViron for environmental data management and reporting.
- Increased environmental auditing across all assets.
- Our environmental performance was recognised by the prestigious Presidential Mineral Industry Environmental Awards where Didipio Mine was awarded the Platinum Achievement Award for our environmental performance.

In 2014 we introduced our Environmental Compliance Standards, which set out our commitments to minimise the impacts of our activities on the environment in addition to outlining how we can positively contribute to environmental health.

These standards have been implemented across all operations with new developments also expected to meet these standards. Where possible, we further aim to exceed mere regulatory requirements and seek to adopt the most innovative and sustainable practices.

During 2014, our Didipio Mine reached a significant milestone in achieving the internationally recognised ISO 14001:2004 certification of our EMS. With the introduction of new processes, procedures and training we have achieved an increase of approximately 79.7% in the reporting of environmental incidents and spills. All spills and incidents were minor in nature and did not lead to any material impact on the environment.

In this reporting year we also introduced INX InViron, a reporting database, across all of our operations. This database enables environmental monitoring data to be uploaded directly from the laboratory analysing the data in addition to automatically determining whether the results are within the defined parameters enabling our operational employees to record any environmental incident in the same way that they would record a safety event. All incidents were investigated and have been finalised in 2014.

In 2014 we maintained all of our environmental licences and did not receive infringement notices or penalties in any operation.

Lizard Habitat Construction

Our Macraes operation has made a major commitment to helping local lizards establish a new home. The project was initiated as part of the broader permitting process to commence mining in the site's Coronation Pit and required the construction of an additional lizard habitat on the outer boundaries of the new pit.

The new habitat consists of deep rock piles, which were constructed by excavating 10 areas of approximately 100 square metres in size and up to one metre in depth that allow water to collect, and help provide the necessary habitat for the lizards colonising the piles. The team now plans to plant fruit-bearing shrubs and tussocks around the rock pile margins to help improve the habitat and provide additional food sources.

The monitoring of lizard colonisation will continue annually for the next five years and the team remains committed to nurturing local biodiversity and making the lizards feel at home.

'Our environmental performance was recognised by the prestigious Presidential Mineral Industry Environmental Awards where Didipio Mine was awarded the Platinum Achievement Award for our environmental performance.'

Our Commitment to Continuous Improvement

→ In 2014, we introduced a number of guiding policies, standards and systems with the aim of improving our environmental performance as well as providing transparency to the data that is used to demonstrate our level of performance. To achieve this, we utilised a three-step process, which included the following:

1. Conduct a review of our Environment Policy and develop a compliance standard that sets out our targets and allows for systematic and transparent internal and external auditing across all activities.
 2. Obtain international certification for our environmental procedures for new operating assets.
 3. Implement a database solution to allow for a single location for all environmental monitoring data, incidents, audit outcomes and regulatory investigations.
- 111 technical non-compliances were identified as part of our environmental monitoring program, an example of the data generated includes a minor exceedance of sediment or pH.
 - We have been able to utilise this data to determine how to reduce our use of hazardous chemicals in our processes while improving the end product.
- We have tested our system and two major non-conformances have been identified by our external auditors during 2014.

Table 1 – Internal Audit Performance

Business Unit	2013 %	2014 %
Macraes	69	86
Reefton	65	87
Didipio	65	80

We successfully completed all three steps in 2014 and this has led to a significant improvement in data generation and reliability. Key achievements include:

- Enhanced reporting of environmental spills and incidents.

Environmental Spills and Incidents

As part of our continued strict focus on understanding and preventing environmental spills and incidents, all spills and incidents have been recorded regardless of their size, impact or risk to the environment. These spills and incidents include uncontrolled release of tailings, litter and hazardous chemicals.

Table 2 – Environmental Spills and Incidents

Business Unit	2013 %	2014 %
Macraes	13	30
Reefton	8	16
Didipio	43	69

We recorded one spill in 2014 where approximately 120m³ of tailings was released onto a haul road with approximately 1m³ reaching the Dinauyan River. Our team acted immediately to shut the processing plant and the dump valve was scuttled to prevent additional spillage. The area was inspected and immediately cleaned to prevent further potential releases.

All tailings were removed from the haul road and river and transported to the Tailings Storage Facility for disposal. Following an investigation it was determined that the pipe was poorly welded. The pipe and alarm system were fixed and are now regularly checked to ensure that the alarms are operating.

Supporting Future River Professionals

In 2014, we proudly sponsored the inaugural Emerging River Professionals Award (ERPA), which was announced at the 17th International RiverSymposium conference in Canberra. The award was established by the International RiverFoundation and aims to recognise and nurture professionals in the early stages of their careers in rivers.



Attracting outstanding international nominees and demonstrating that river management is a truly multi-disciplinary field, which calls for professionals from all backgrounds, the three finalists represented diverse global experiences and highlighted the significant complexities and challenges of maintaining access to quality water in many communities.

The award winner was Dr Nelson Odume, whose project focused on freshwater management and on developing new methods for monitoring human impact in South Africa.

Chief Operating Officer Michael Holmes, who presented the award on behalf of OceanaGold, congratulated Dr Odume on his success and highlighted the Company's commitment to investing in global river basin management and particularly in developing countries.

Water Management and Disposal

- Water disposal levels across all assets remained within a range similar to the results reported in 2012 and 2013. Groundwater extraction decreased by 217,385m³, representing a decrease of 16.4% from the results reported in 2013. This was achieved through a reduction in groundwater extraction at Didipio Mine and as a result of a number of complementary water saving strategies, such as the commissioning of the water and sewage treatment plants and recycling of processed water.

Table 3 – Water Consumption ('000ML)

Business Unit	2011	2012	2013	2014
Macraes	1.9	1.8	1.7	1.9
Reefton	3.4	2.4	2.5	1.8
Didipio	0.0	0.2	2.3	4.4

Across all assets, 79% of water extracted or captured for use in our operations is recycled or reused.

Table 4 – Percentage of Recycled Water Use at Sites

Business Unit	2013 %	2014 %
Macraes	87	82
Reefton	67	79
Didipio	75	76

Water treatment plant, Didipio Mine, Philippines.

Water Treatment

→ All OceanaGold operations have water treatment plants. In 2014, we successfully commissioned the water treatment plant at Didipio Mine enabling us to treat all water prior to discharge. Since commissioning we have reduced the release of total suspended solids by 400% during the wet season.

Despite our strong results, much work still remains in the Didipio River catchment to improve water quality. The local rivers have extremely high levels of suspended solids as a result of large-scale deforestation, unregulated artisanal mining and poor land management practices. One compelling example is that total suspended solids (TSS) in the Camat Surong River average approximately 2,900ppm per sample taken. This is compared to an average of 27.5ppm per sample taken of treated water released from Didipio Mine.

Although the water released from the Didipio Mine has no impact on the receiving environment, we are committed to working with local residents, experts and organisations such as the International RiverFoundation (IRF) to address and reduce the potential for further deterioration.

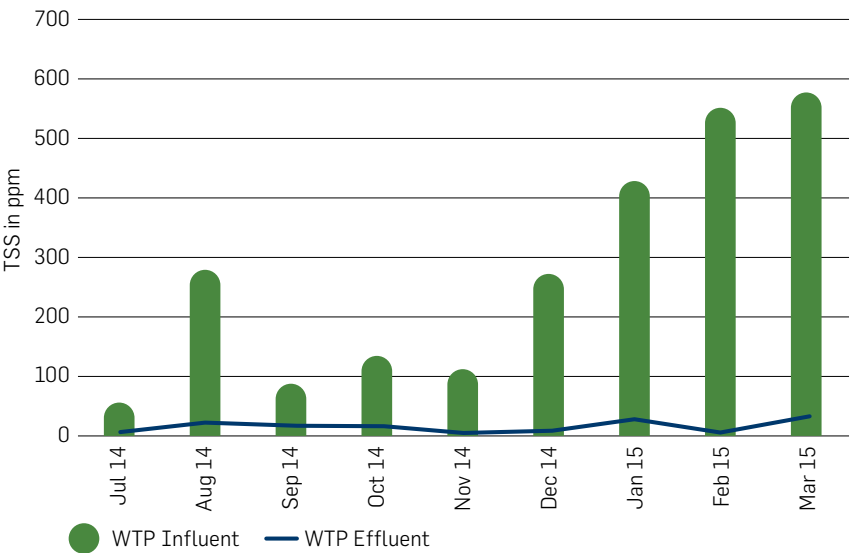
In 2014, our achievements included:

- planting over 314,848 trees in areas that have suffered from deforestation to prevent erosion and sediment entering the waterways;
- partnering with the IRF, which undertook a baseline study and is working with the local government to establish a Catchment Management Organisation; and
- working with our contractors to concrete common roads and walking tracks to provide safe and stable access between communities while also preventing further erosion.

Waste Management

While we are focused on reducing waste, we aim to ensure that all hazardous waste is appropriately managed on site, transported by licensed and approved waste transport companies and that waste recycling and disposal is completed at a licensed and approved facility.

Performance of Didipio Mine Water Treatment Plant



‘In 2014, we successfully commissioned the water treatment plant at Didipio Mine enabling us to treat all water prior to discharge. Since commissioning we have reduced the release of total suspended solids by 400% during the wet season.’

Non-hazardous Waste Management

→ Since 2012, waste generation across all operations has reduced by 4,920 tonnes or 55%.

A significant achievement in 2014 included a group level 16% decrease of waste to landfill. This result represents an improvement in supply chain management and waste segregation, for example, recycling of non-hazardous waste increased by approximately 180 tonnes.

Hazardous Waste Management

Over the past three years we have worked with local oil recyclers and have improved waste oil reuse across our mining facilities resulting in a 55% reduction in waste oil removed from our operations between 2012 and 2014.

An important achievement in 2014 at our Didipio Mine was the reduction of waste oil and waste oil in water by approximately 80% from the results reported in 2013.

Table 5 – Non-hazardous Waste Management ('000 tonnes)

Business Unit	2011	2012	2013	2014	2013-14 % Variation
Macraes	2.0	3.2	2.93	2.37	(19)
Reefton	2.3	2.8	1.12	0.95	(15)
Didipio	0.01	3.0	0.86	0.76	(12)

Table 6 – Hazardous Waste Management – Waste Oil (Litres)

Business Unit	2013	2014	2013-14 % Variation
Macraes	297,746	30,900	90
Reefton	176,300	184,400	5
Didipio	271,210	82,100	70

The reduction of waste oil and oily waters is a result of the mine moving from construction to operation, introduction of a waste oil processing plant on site, improved maintenance of our machinery and vehicles, increased operator experience and gaining optimisation across our processing and hauling activities.

Further, in Didipio, we have achieved a 60% decrease in soil contaminated from the uncontrolled release of oil and oily waters. This has been achieved through improved maintenance, housekeeping and operator performance.

At the Macraes Mine, 365,000L of oil was used with the majority of waste oil being incinerated for heating of onsite workshops. Only 30,900L of waste oil was collected for recycling.

At the Reefton Mine, 184,400L was transported for recycling. As the mine is moving into care and maintenance, it is expected that waste oil and oily waters will increase as the processing plants, machinery and mine vehicles are decommissioned.

The majority of our Didipio Mine employees and contractors are sourced locally and provided with comprehensive on-the-job training. We expect that by focusing on training and development we will continue to perform strongly and improve, where possible, across all environmental and safety metrics.

Sustainable Water Management in Didipio

Our commitment to sustainable water management in the Philippines was demonstrated in the successful commissioning of our new water treatment plant, which not only showcases the latest technology, but helps make the work of sustainable water management much easier.



The team's objective was to ensure that the quality of water leaving the site meets, and preferably exceeds, the standards required for successful environmental management. The new plant boasts a thickener with a 34m diameter and has a capacity of 4,500m³ and a throughput of 2,000m³ per hour. Together with the complementary water management strategies of reducing the water used, and recycling as much as possible, the plant will assist the operation in minimising its impact on the environment.

The project took eight months to complete by a team of local contractors and our employees and further demonstrates the Company's strong technical and project delivery capability.

Tailings Management

→ **We utilise the highest standards of disposal in our tailings management process, which includes transporting tailings to a single facility with perimeter disposition and not placing additional materials into these facilities.**

Following the commissioning of the water treatment plant at Didipio Mine water quality has improved above the levels required to meet our tailings discharge permit.

Note, only the Macraes process plant uses cyanide in the gold extraction process. Our monitoring practices have not changed and include:

- daily water sampling of tailings discharge, reclaimed tailings return water, Carbon-in-Leach (CIL), tails discharge and INCO discharge (Macraes only). INCO is the company whose patented technology is used globally to destroy cyanide before it is pumped into the tailings impoundment;
- continuous cyanide detoxification using the INCO process with online monitoring (Macraes only);
- daily sampling and analysis of the INCO discharge stream to ensure cyanide levels are below the INCO destruction detection limits (Macraes only);
- daily inspections and quarterly planned maintenance of the pipelines, valves and discharge spigots of the tailing impoundments and seepage systems;
- daily monitoring of the water levels in the tailing impoundments and seepage systems; and
- daily monitoring of the wind/weather for dust suppression at the tailings dam.

Our Focus in 2015

In 2014, we have achieved improvement in our environmental performance and see a strong link between effective environmental performance and optimisation of resources and processing. In 2015, we will investigate further strategies to reduce our use of hazardous chemicals, continue to increase our recycling and improve the health of the rivers and waterways that surround our sites.



In Bloom: Reefton Mine Rehabilitation Project

With our Reefton operation planned to transition into care and maintenance at the end of 2015, our site-based environment team has been busy with a large-scale rehabilitation project designed to restore the site through the planting of native flora and encouraging the migration of animals.

Situated in the sub-alpine Victoria Forest Park conservation area, the objective of the Reefton Mine Rehabilitation Project is ambitious. It aims to re-establish ecosystems that are dominated by indigenous species and are ecologically appropriate, both in historical terms and reflective of the new post-mining landscape. The post-restoration areas will predominantly consist of forested areas populated by beech species and are complemented by native conifers, including rimu and miro trees.

The project delivery has been a truly multi-disciplinary effort with the site-based environmental specialist working closely with the New Zealand Department of Conservation, the West Coast Regional Council and the Buller District Council. First commencing in 2004, the restored area now encompasses an impressive 30.6 hectares of land. In 2014 alone, the project team completed over 12.25 hectares of restoration, which includes planting approximately 73,000 seedlings over 11.5 hectares. In 2015, a further 116,000 seedlings are expected to be ready for planting, enough to complete an additional 17 hectares of restoration. Early trials and detailed planning have proved invaluable to the team's success and have enabled the gradual increase in the volume of seeds planted, aiding the natural succession processes to take place and helping to establish the original closed canopy forest for the future.



Reefton Mine area, New Zealand.



Young learner, Cabañas region, El Salvador.

→ WHEREVER WE WORK, WE INVEST IN THE WELLBEING OF OUR COMMUNITIES BY SUPPORTING PROGRAMS THAT IMPROVE HEALTH, EDUCATION, INFRASTRUCTURE AND CAPACITY BUILDING.

2014 Community Achievements

Didipio

- Invested approximately US\$3 million on a diverse range of community development programs.
- Awarded the Gold Award for Empowerment of Women at the sixth Global CSR Summit and Awards.
- Continued to work with the IRF on a program to improve the water quality in the Didipio River catchment.

Macraes

- Established the Macraes Community Development Trust and appointed an OceanaGold trustee.
- Assisted the Golden Point Trust in undertaking a community heritage project in the Macraes district.
- Supported a range of community, education, health and sustainability initiatives in the Macraes and the wider East Otago communities.

Reefton

- Conducted a comprehensive engagement program and education sessions on the care and maintenance phase for the operation.
- Supported a range of community programs benefiting the Reefton and Inangahua districts.
- Provided support and live learning activities to university students on geology, mining engineering and the environment.

2015 Corporate Community Targets

Lagging Indicators

- Number of unresolved community complaints is less than 10% of total complaints.

Leading Indicators

- Complete >90% of planned community and socially responsible activities.
- Complete the scheduled survey detailed in the Community Compliance Standards and a response plan.
- Undertake audits based on the Community and Human Rights Compliance Standards.
- Establish Stakeholder register templates for all Business Units and establish an electronic database to record community interactions.

Soccer training school, El Salvador.

Community

→ We are committed to creating a positive legacy in all of our communities. This means that while we seek to achieve our operational and organisational objectives, we also strive to accomplish this in a socially responsible and inclusive manner, which embraces traditional rights and local cultures and values.

We actively engage in an open and transparent dialogue with government representatives and community Stakeholders close to our operations and exploration activities. Through meaningful and effective engagement we aim to better understand the concerns of our communities and the impact of our activities.

We conduct regular, periodic, socio-economic and household health surveys to form a baseline for community programs and to better understand community living standards.

Our commitment to sharing the benefits of our business is reflected in our recruitment strategy, to employ locally wherever possible. The positions within our operations that directly interact with the community are always filled by local community members. This is of significant importance in the Philippines and El Salvador, where a comprehensive understanding of cultural and linguistic nuances helps us strengthen engagement outcomes.

'The positions within our operations that directly interact with the community are always filled by local community members.'

Table 7 – Community Grievances and Enquiries

	2013	2014
Outstanding	15	46
Closed out	40	61
Total	55	107

No human rights matters were registered in 2014.

Table 8 – Social Investment (US\$) – For Operating Assets only (New Zealand and Philippines)

	2013 US\$	2014 US\$	2013-14 Variations %
Voluntary ¹	238,480	471,079	97.53
Mandatory ²	2,509,709	2,483,474	-1.05
In-kind	8,200	52,291	537.60
Total	2,744,389	2,915,844	6.25

1. Voluntary: social investment spend on a voluntary basis.

2. Mandatory: spend as a requirement of a regulatory obligation.

Table 9 – Total Social Investment Spend by Country (US\$)

	2014
El Salvador (undeveloped site – no operating assets)	91,000
Philippines	2,611,757
New Zealand	304,087

In 2014, we undertook a number of Stakeholder engagement activities in the Philippines, El Salvador and in New Zealand. Some of these programs included:

- employing dedicated community relations staff to manage regular meetings with local communities throughout the year;
- maintaining and implementing an engagement program that comprised regular formal meetings with all levels of government including the community, district, provincial and national levels. This was also supplemented by regular formal reporting, workshops, site visits and adhoc contacts; and
- actively engaging Stakeholders and the broader community through formal programs of work, education, health clinics, sponsorship, in-kind and cash donations.

We are pleased to report that we experienced no significant community-related grievances during 2014. The frequency of community grievances increased in 2014; however, the severity of the community incidences were

significantly lower than those reported between the years of 2009-13. Most grievances were attributed to noise and dust associated with increased mining traffic on local roads. To address this issue we have continued our commitment to seal main roads in the area, reduce the speed of mine trucks entering communities, and introduced a road safety program in local schools.

We also implemented the reporting program, which has provided an ability to track and manage complaints and offers additional transparency on the management of community grievances.

In line with our engagement plans and strategies, we will continue to ensure engagement with Stakeholders is open and transparent and will engage on all outstanding grievances with the intent to resolve them positively.

Land Access

All land acquisition was completed through a voluntary process.

Sponsorship and Donations

→ In 2014, we contributed US\$380,079 in sponsorships and donations to a diverse range of programs. The beneficiary organisations and causes were those focused on building community goodwill. As we continue to grow, we recognise that further strategies are required to manage our social investments such as sponsorships and donations, as this is the highest growth area in our social investment portfolio.

We have implemented an Anti-bribery and Corruption Policy that sets clear guidelines for our employees and contractors regarding acceptable behaviour.

We also updated our Protected Disclosures (Whistleblower) Policy and have introduced an independent global hotline to report concerns regarding any perceived breach of policy or internal procedure.

We did not make any financial or in-kind contributions to any political parties, politicians or related institutions in the reporting year.

Our sponsorship and donation priority areas for 2014 included:

- projects benefiting the people of the provinces and districts in which we operate and explore;
- projects that promote cultural, historic, social and religious celebrations in the areas in which we operate; and
- projects that support and complement relevant government agencies in capacity building.

To strengthen this area of our business, in 2015 we will introduce a Sponsorship and Donations Policy, which will provide guidelines on determining and prioritising sponsorships and donations and incorporate the following principles:

- Transparency: details of donations must stand up to internal and external scrutiny.
- Independence: a donation must not create any sense of obligation for the recipient.
- Integrity: a donation must enhance the image and uphold the integrity of OceanaGold.

Local Highlights – Philippine Communities

Our commitment in the Philippines spans a number of social investment pillars, including infrastructure, health, education, capacity building and agriculture. In 2014, our key programs included:

- implementing a network of farm-to-market roads and small bridges to improve access and safety for farmers transporting goods from their farms to sell at local markets;
- construction of day care centres, school buildings and classrooms to improve access to quality child minding and education facilities;
- providing more than 200 residents with scholarships and financial assistance to attend university and other educational institutions;
- salary subsidies for 48 teachers, helping us to increase the number of students able to attend school;
- supporting school educational activities such as campus journalism, training, nutrition education and sporting events;
- salary subsidies for 55 community health workers and nutrition advisers;
- providing access to doctors, nurses, medicine, materials and equipment to community clinics and our own mine-based clinic;
- providing first aid training for community health workers; and
- assisting with the development of the Didipio Community Development Corporation, which now employs over 300 local community members and provides services to growing industries in the Didipio area.

Empowering our Female Employees

In 2014, our commitment to creating sustainable economic opportunities for women was formally recognised by the sixth Global CSR Summit and Awards, one of Asia's most prestigious recognition programs for corporate social responsibility, where we were awarded the Gold Award for Empowerment of Women.

Our objective of offering our female employees an opportunity to transform their futures through training and rewarding growth opportunities are demonstrated at our Didipio Mine where an increasing number of women are taking on non-traditional careers.

In addition to entry level positions such as spotters, checkers, dispatchers and haul truck operators, female employees are now also working as mine engineers, geologists, plant metallurgists, control room operators, maintenance planners, safety supervisors, environment officers, mine surveyors and medical physicians.

Opportunities offered at Didipio Mine have enabled Marina Bartolome, a haul truck operator, an opportunity to transform herself from a subsistence housewife to a being able to significantly contribute to her family's financial future.

"Before Delta (OceanaGold's local contractor) hired me I sold vegetables and other foods to support my children. Working with Delta has changed my life because it was hard to earn money and support my family this way, but now I have good work and am so happy and comfortable with my job," she said.



Marina Bartolome

New Zealand Communities



With over 24 years of sustainable operating experience in New Zealand, our involvement in our local communities is all encompassing. Many of the employees at our Reefton Mine, for example, support and assist local sporting and community organisations and schools through programs that promote vibrancy and quality of life in the local community. As the operation transitions to care and maintenance in 2015, the site leadership team is focused on providing the necessary assistance and support to our employees, their families and the local community.

In 2014, the team at our Macraes operation finalised the details of the Macraes Community Development Trust Deed, which has enabled the trust to be formally established with trustees appointed. The trust will assume the responsibility for managing social investment in the Macraes community. We have committed NZ\$2.3 million towards funding this investment.

In December 2014, the team at Macraes successfully relocated a large Haast Eagle sculpture designed and constructed by Mark Hill, a New Zealand artist from the Frasers West rock stack to its new home in the Macraes village. The Haast Eagle is an extinct species and stories of the giant raptor feature prominently in local Maori lore. It is thought that the species had originally lived in the Macraes area. The sculpture itself features an intimidating stainless steel tube and sheeting weighing approximately 750kg and standing at 7.5m in height.

We continued to focus on extending our close relationships with local Stakeholders through regular dialogue and established communication channels such as bi-monthly meetings between our team and elected community representatives.

El Salvador Communities

In El Salvador we continue to focus on making a positive difference to the lives of local residents. In 2014, we worked with a local university to conduct a comprehensive survey of the areas surrounding the proposed El Dorado Project to provide a social baseline and develop a better understanding of local needs and priorities. We continued to engage in dialogue with local residents and government departments and support programs across health, education, social infrastructure and environment.

Our Programs

Health

During 2014, we worked with ProFamilia Hospital to implement a women's health initiative, which aims to provide medical treatment and early intervention of women's cancers such as breast cancer. Due to the success of the program, we will seek to establish a similar program aimed at men's health in 2015.

We continued to assist the local community with dengue fever prevention, a key concern in the Cabañas region, and to date have provided fumigation services benefiting 3,000 people across 700 households.

Education

Our commitment to education in El Salvador is wide ranging and benefits learners of all age groups. In 2014, we made a significant investment in adult education and together with the Ministry of Education we are supporting a program designed to offer adult education in literacy and numeracy at all levels. The classes continue to be well received and the first graduations are set to take place in May 2015.

'Our commitment to education in El Salvador is wide ranging and benefits learners of all age groups.'

Similarly, we support a range of short courses in information technology and English, which are aimed at elementary and high school students as well as adults. We currently have over 200 students who are active in either the English or information technology short courses. The Company also continues to invest in education through ongoing support of university scholarships across a broad range of academic disciplines.

Capacity Building

Through our local subsidiary Minerale Torogoz, we continue to support the Vital Voices Global Partnership, which was established by Walmart. The program aims to offer women residing in rural areas an opportunity to develop their role as a community leader and entrepreneur. As part of the program we continue to provide mentoring and assistance in developing business plans and skills for women to establish small businesses to benefit themselves and their families.

Community Vitality

We supported the development of a recreational area including a playground and soccer field on the proposed El Dorado Project footprint. The development of the Parque Torogoz was in response to community feedback regarding the need for more playgrounds and recreational areas for local children.

Sustainability

We continued to invest in agricultural and sustainability programs such as the development of a tree nursery in El Salvador, producing over 10,000 trees. We donated 2,500 seedlings to local community organisations and churches.

→ THE SAFETY OF OUR PEOPLE
AND OUR COMMUNITIES
COMES FIRST.

Safety training, proposed El Dorado Project, El Salvador.



2014 Health and Safety Achievements

Didipio

- Reduced the All Injury Frequency Rate by 10%.
- Achieved a 15% improvement in the annual Safety Management System Audit.
- Completed the Community Health Survey and implemented site-based annual medical exams.
- Tripled the number of near misses and hazards reported.

Macraes

- Implemented a smoke-free policy and established a smoke-free workplace.
- Conducted over 3,000 task observations across the operation.
- Conducted a major underground emergency operation involving both emergency services and OceanaGold employees.

Reefton

- Established a smoke-free workplace and provided ongoing support to employees.
- Achieved 80% in the annual Safety Management System Audit representing an improvement of 15%.
- Implemented a positive safety culture across the operation and increased the frequency of near miss and hazard reporting.

2015 Corporate Health and Safety Targets

Lagging Indicators

- Total Recordable Injury Frequency Rate of less than four.
- All Injury Frequency Rate of less than 30.

Leading Indicators

- Achieve a rating of >80% in the Safety Compliance Audit.
- Complete two critical task observations on each identified principal hazard within each operational department.
- Safety leadership coaching training is completed by 95% of supervisors.
- Complete 80% of corrective actions related to major incidents within the allocated time frame.

Health and Safety

→ **We are committed to ensuring that our people work in a safe and injury-free workplace. The health and safety of our employees, contractors and host communities is our success; their wellbeing underpins our licence to operate.**

This year we reduced our overall LTIFR from 8.09 in 2012 to 0.96 in 2014. This represents a reduction in the LTIFR of 96% for the three year period and places OceanaGold as one of the highest performing miners regarding 'safety performance' globally.

Health and Safety Management

To meet our goal of an incident and injury-free workplace, we have developed and implemented a new performance management program that puts safety first when measuring individual performance. This program involves setting corporate safety targets and identifying individual safety targets to be implemented as part of an employee's performance plan. It is anticipated that if all employees and contractors meet their individual performance targets, the corporate targets will be met and a dramatic improvement in our safety performance will be achieved.

This program was developed in 2014 and by the first quarter of 2015, all employees will have their performance management targets agreed upon. These targets are now a requirement required in Connect, our employee management system.

Health and Safety Statistics

The group-level commitment to continuous improvement in safety performance is reflected in the annual statistics. Our overall LTIFR has been significantly reducing over the past three years of operations across all operating sites by approximately 96%.

Table 10 – Lost Time Injury Frequency Rates From 2012 to 2014

2012	2013	2014
8.09	5.49	0.96

Table 11 – Lost Time Injury Frequency Rates From 2012 to 2014 per Operating Business Unit

	2012	2013	2014
Reefton	6.24	7.86	5.6
Macraes	4.44	1.93	1.04
Didipio	3.22	1.89	0.42

In 2015, we will continue to focus on reducing all injury types. We will be conducting safety leadership training and introducing the safety concept of 'uncontrolled energies'.

Audit Results 2014

In 2013 we committed to improving our annual audit performance by 15% and we achieved this target. Table 12 (below) shows our comparative audit results from each operating site.

Table 12 – Audit Performance 2013-2014

	2013 %	2014 %
Reefton	65	80
Macraes	69	84
Didipio	43	62

Our Safety Audit Compliance rating of more than 80% was achieved through the impressive completion of two critical task observations on each identified principal hazard within each operational department.

From 2012 to 2014
**WE REDUCED
OUR LTIFR
BY 96%**



Community health checks, Didipio Mine, Philippines.

Health and Safety Training

→ As an organisation we place considerable resources to training our people in safe work practices. A testament to this commitment is the training of our workforce has increased by 14.88% with the increase specifically attributable to safety training initiatives such as task observations, Job Hazard Analysis (JHA) training and the introduction of the 'stop and think' program. In New Zealand we have increased our total safety training hours from 7,048 hours in 2013 to 30,139 hours in 2014 which represents an increase of 437.6%. The ongoing, strong focus on training in our New Zealand operations follows an incident in which an employee at our Macraes Mine was injured in 2013.

We continue to place significant resources into training our people and in 2014 we increased the safety training of the rest of our workforce by 15%. This increase is attributed to training initiatives in hazard identification, task observation and the introduction of a 'stop and think' program.

In New Zealand we have increased our total safety training hours from 7,048 hours in 2013 to 30,139 hours in 2014, representing an increase of 438%.

Macraes Highlights

As part of a broader program to encourage and support employees to quit smoking, our Macraes operation successfully implemented a 'smoke-free policy', which followed an extensive consultation process with employees. The operation also exceeded its target of undertaking at least 1,500 task safety observations by completing over 3,000 observations.

In October 2014, the Macraes Incident Management Team and corporate employees successfully participated in a major underground emergency exercise, which also included participation from Worksafe New Zealand, Dunedin Police and Fire Services. The exercise is in response to a closer focus on underground mine evacuation and response by the New Zealand Government and the broader mining industry following several incidents in underground mines that led to loss of life.

In 2014, the open pit and processing department recorded no injuries over a 12-month period and site reduced its Total Recordable Injury Rate by 19%.

Reefton Highlights

The Reefton operation had no reportable injuries in the first six months of 2014, with the ensuing second half of the year recording three Lost Time Injuries (LTIs). Investigations into all three incidents indicated that employees did not adequately assess the controls and hazards prior to task commencement. To address this issue the mine has since implemented a 'stop and think' process which requires employees to thoroughly consider all tasks, even those which are routine, prior to attempting to complete them. In 2015, the site safety team will be focused on further coaching and mentoring as the mine transitions into care and maintenance.

Didipio Highlights

Didipio Mine achieved a significant milestone in reaching more than 10 million hours without a single LTI in 2014. We further completed a comprehensive community health survey and implemented site-based Annual Company Medical Exams. Didipio's safety performance was also recognised by the Philippine Mine Safety and Environment Association (PMSEA), which awarded the mine the Safest Mine Award (surface category) and the Safest Mining Operation Award.

When compared to 2013 results, the operation has seen a strong improvement in risk management, task observation activities and reporting of near miss incidents and hazards. An injury rehabilitation program was implemented and now offers effective management of workplace occupational illness, injuries and rehabilitation. In 2015, key areas of focus for Didipio will include:

- developing principal hazards management plan/principal risk areas;
- focusing on contractor safety management;
- conducting task observations;
- focusing on incident reporting and actions management;
- delivering safety leadership training;
- practising crisis management, drills and simulation; and
- enhanced focus on health management.

'In New Zealand we have increased our total safety training hours from 7,048 hours in 2013 to 30,139 hours in 2014, representing an increase of 438%.'



On-the-job training, proposed
El Dorado Project, El Salvador.



Employment Statistics and Diversity

→ Our People

Our people are the key to our success and pave the way forward to our future. We understand that to build a successful global organisation, investing in our people and rewarding their success are essential. We remain committed to our vision of being an employer of choice and to helping our employees reach their full potential.

Our Employee Code of Conduct governs our day-to-day activities and can be found on our website: www.oceanagold.com

Our Employees

The total number of employees decreased from 1,321 to 1,172 in 2014. This reflects changes in our operations in Australia and New Zealand. The number of employees at our operation in the Philippines has remained unchanged from 2012. We also employed 1,386 contractors across our operations.

Table 13 – Our Employee and Contractors

	2013	2014
Total number of employees	1,321	1,172
Total number of contractors	1,426	1,386

Staff Turnover

Staff turnover globally has increased from 15% in 2013 to 29% in 2014. This increase is attributed to the ongoing focus on cost reduction across all Business Units, which was introduced in 2013. From the middle of 2014, the overall turnover has reduced in our Melbourne office, for example turnover decreased from 13% in 2013 to 3% in 2014.

Staff turnover in Didipio Mine increased from 5% in 2013 to 15% in 2014.

Table 14 – 2014 Staff Turnover

	2013	2014
Turnover – total number of staff	212	355
Rate of turnover – total (%)	15	29

Diversity

We aim to make our workplace a truly inclusive one and this means that we recognise the value of diversity in perspective, thought, skill, experience and culture. In 2014, we introduced our Diversity Policy, which outlines our commitment to:

- eliminating all forms of unlawful discrimination by taking action against inappropriate workplace behaviour such as harassment, bullying, victimisation and vilification;
- upholding a merit-based appointment process by accessing a broad pool of diversified candidates;
- establishing measurable diversity objectives on an annual basis;
- recruiting and retaining a diversified workplace by promoting programs that assist in the development of a broader pool of skilled and experienced workers; and
- promoting flexible work arrangements in recognition that employees at all levels of the Company may have domestic responsibilities.

Through the introduction of the Diversity Policy and our Human Rights Policy we are formalising our commitment to embracing workplace diversity and respecting and leveraging the benefits of our cultural differences. Our values of respect, integrity, teamwork, action and accountability are reflected in our 2014 results.

‘Recruiting and retaining a diversified workplace by promoting programs that assist in the development of a broader pool of skilled and experienced workforce.’

Gender Diversity

We continue to see strong participation by female employees across our operations and corporate offices. In Australia, over half of all positions are held by women and 67% of those positions are in professional or management roles. Further, in 2014 approximately 16% of all positions in our Company were held by women, representing an increase of 1% from 2013 and demonstrating the Company's efforts to encourage and promote greater gender diversity in what has traditionally been a male dominated industry. Additionally, the total number of professional level female employees has increased by 5% to 21% from the 2013 result of 16%.

In the Philippines and New Zealand, many of our female colleagues hold non-traditional operational roles, implement our safety, environment and community standards and represent our Company in government negotiations at the highest level.

In El Salvador and the Philippines, women represent 22% and 21% of total employees, respectively.

Talent Management

→ In 2014, we focused on providing training and development opportunities to our employees designed to drive high-performance and productivity as well personal development and growth.

We recognise that leadership talent development is fundamental to a high-performance organisation and we have successfully launched our pilot session of 'Lead as Coach' in the Philippines. By developing the coaching capability of our leaders, we aim to improve both our talent management and employee engagement. In 2015, we will extend this program to all our operations.

In 2014, we also introduced the OceanaGold Core Competency Model designed to clearly define the behaviours expected under each of OceanaGold's core values. This model is further aligned with our talent management process and includes selection, training and development, performance management, reward, and succession management. Our leadership team plays an important role in ensuring that our core values are embedded in all our activities and that employees conduct themselves in a manner that is consistent with our values.

We continue to focus on internal engagement and on sharing opportunities and best practices across our operating sites and functional teams. A key part of this is centred on providing internal development and learning opportunities across our operations and offices globally through secondments, transfers and functional workshops.

'In New Zealand, we focused on developing critical, 'on the job' practical skills and knowledge required for supervisors and managers to be successful in their roles.'



Female employees,
Didipio Mine.

In New Zealand, we focused on developing critical, 'on the job' practical skills and knowledge required for supervisors and managers to be successful in their roles. Courses and workshops were run internally through the Human Resources Team as well as by utilising specialised external consultants and trainers. Supervisory staff began their training and certification to meet the new regulatory qualification requirements with the new mining regulations.

In 2014, the courses offered to New Zealand employees included:

- leadership and supervisory training including performance management;
- professional and personal development courses; and
- office skills and technology courses.

In the Philippines, we continued to invest considerable time and resources in training our employees to ensure they possess the fundamental skills and knowledge required to achieve success in their roles.

Our Didipio Training Academy provided the following training programs in 2014:

- Leadership training for supervisors and managers.
- Intercultural and team-building training.
- Personality development seminars.
- Light vehicle defensive driving.
- Skills training.
- Train the trainers.
- Basic newswriting training.

We acknowledge that by investing in our people, we are investing in our future and, to this end, OceanaGold is committed to increasing the range and variety of professional and personal development opportunities available to our employees as part of our annual performance program.



Reefton Mine, New Zealand.



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