

MELBOURNE, April 30, 2015 /CNW/ - [OceanaGold Corp.](#) (TSX/ASX/NZX: OGC) ("OceanaGold") is pleased to announce that it has signed a non-binding Letter of Intent ("LOI") with [Newmont Mining Corp.](#) ("Newmont") to acquire Newmont's Waihi Gold Mine ("Waihi") in New Zealand for US\$101 million in cash plus customary adjustments. Newmont will also retain a 1% Net Smelter Royalty for gold ounces mined from one specific exploration tenement capped at 300,000 ounces of production. The proposed transaction is subject to completion of comprehensive due diligence, execution of a definitive acquisition agreement, Board and regulatory approvals and other customary closing conditions.

Mick Wilkes, Managing Director and CEO commented, "We have long believed that Waihi represents a strong strategic fit within OceanaGold. We are excited about the prospect of acquiring it and welcoming its experienced workforce to our team. Waihi represents a unique opportunity for us to acquire a high-quality asset that has demonstrated the propensity to extend mine life for more than two decades in what is still a very prospective, high-quality goldfield." He added, "This proposed acquisition is accretive to shareholders, grows our production profile and importantly will further reduce our industry leading All-In Sustaining Cost (AISC) profile."

Proposed Transaction Highlights

- High-grade and low-cost operation expected to contribute meaningful gold production
- Substantial free cash flow generation anticipated to result in a rapid payback on investment
- Significant opportunities to extend mine life through exploration and development, as demonstrated by the performance over 27 years operating in this highly prospective goldfield
- Synergies with OceanaGold's existing operations and extensive experience in New Zealand
- Highly prospective regional exploration potential
- Accretive to near-term earnings per share and cash flow per share

Mr. Wilkes went on to say, "We recently announced a mine life extension to the Frasers Underground Mine which combined with a weaker New Zealand dollar and lower fuel prices has enhanced the value of our Macraes operations. We are investing in exploration along strike and underground at Macraes and believe there is good potential to underpin 3 to 5 years of steady operations producing around 150,000 ounces of gold per annum while generating material free cash flow. This combined with the proposed Waihi transaction creates an attractive and profitable gold business in New Zealand that we believe will generate strong returns for years to come."

Waihi Mine Operations Overview

- Location: Waihi, New Zealand (approximately 150 kilometers southeast of Auckland)
- History: Open pit mine since 1988, and underground operations since 2005
- Current operations: Correnso Underground Mine
- Processing: Conventional SAG mill, ball mill and CIP circuit, with plant capacity of up to 1.3 million tonnes per annum
- Reserves: 2 Mt grading 5.52 g/t containing approximately 360 koz gold
- Production: Expected to produce on average 100,000 ounces per annum through to 2018 from Correnso Underground Mine
- All-in-sustaining costs: Expected to be US\$760-820 per ounce
- Geology: low-sulphidation epithermal gold and silver deposits hosted in quartz veins
- Employees: 340 person workforce
- Community: Long history of community engagement and support for community development

Information in relation to Waihi Mine Operations Overview is from Newmont's 2014 Reserves and Resources Statement (dated February 19, 2015), Newmont's 2014 Financial Results (dated February 19, 2015) and from Newmont.

Potential Transaction Overview

Pursuant to the LOI, Newmont has granted OceanaGold an exclusivity period until June 1, 2015 for OceanaGold to complete its due diligence review and for Newmont and OceanaGold to execute a definitive acquisition agreement.

The purchase price of US\$101 million in cash plus customary adjustments will be paid on legal closing, which is subject to customary closing conditions, including Board and regulatory approvals. Under the proposed transaction, and subject to legal closing occurring, OceanaGold will have the economic benefit of the asset with effect from 1 July 2015 with expected formal closing early in the third quarter of 2015.

Financing

OceanaGold will fund the purchase price from cash and undrawn facilities. As at 31 March 2015, OceanaGold had cash of

US\$59.6 million and has drawn US\$77.8 million from its revolving credit facility leaving US\$97.2 million undrawn. In order to ensure a sufficient liquidity buffer going forward, OceanaGold has received highly confident letters from its relationship banks to increase its revolving credit facility to a total of US\$225 million. Prior to the transaction closing, OceanaGold will finalise the negotiation of this amendment to its revolving credit facility.

Advisors

With respect to the proposed transaction, Citigroup Global Markets Australia Pty Limited is serving as financial advisor and Anderson Lloyd is serving as legal advisor to OceanaGold.

About OceanaGold

[OceanaGold Corp.](#) is a significant multinational gold producer with mines located on the South Island of New Zealand and in the Philippines. The Company's assets encompass New Zealand's largest gold mining operation at the Macraes goldfield in Otago which is made up of the Macraes Open Pit and the Frasers Underground mines. Additionally, on the west coast of the South Island, the Company operates the Reefton Open Pit mine. OceanaGold's Didipio Mine in northern Luzon, Philippines commenced commercial production on 1 April 2013 and is expected to produce 100,000 ounces of gold and 14,000 tonnes of copper per year on average over the next 15 years. In 2015, the Company expects to produce 295,000 to 335,000 ounces of gold from the combined New Zealand (ex-Waihi) and Philippine operations and 21,000 to 23,000 tonnes of copper from the Philippine operations.

OceanaGold is listed on the Toronto, Australian and New Zealand stock exchanges under the symbol OGC.

Cautionary Statement for Public Release

Certain information contained in this public release, including any information relating to the Company's future financial or operating performance 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 future growth, results of operations, business prospects and opportunities of [OceanaGold Corp.](#) 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 such as production forecasts are subject to a variety of risks and uncertainties which could cause actual events, performance, achievements or results to differ materially from those expressed in the forward-looking statements. They include, among others, 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. Such forward-looking statements 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. Some of these risks and uncertainties include: general economic and market factors (including changes in global, national or regional financial credit, currency or securities markets); changes or developments in global, national or regional political conditions (including any act of terrorism or war); changes in laws (including tax laws) and changes in GAAP or regulatory accounting requirements; fluctuations in the price of gold; inability to obtain required consents, permits or approvals; and other risk factors as outlines in the Company's annual and interim filings. Readers are cautioned that the foregoing list of factors is not exhaustive. Although the Company believes that any forward-looking 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 information, whether as a result of new information, events or otherwise, except as required by applicable securities laws. All forward looking information contained in this public release is qualified by this Cautionary Statement. The information contained in this release is not investment or financial product advice.

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