



November 24, 2009

Ms. Joanne Bauer  
Senior Researcher  
Business & Human Rights Resource Centre  
333 Seventh Avenue, 14<sup>th</sup> Floor  
New York, NY 10001  
USA

Dear Ms. Bauer,

**RE: Query via Email 20 November 2009**

Thank you for your email and interest in OceanaGold and our operations in the Philippines.

OceanaGold is a responsible miner with a successful track record of designing, building and operating gold mines in New Zealand including one which was commissioned in 2007 in a designated conservation area. Our Company works closely with the communities in which it operates and is engaged in consultation with these communities throughout the entire mining life cycle.

Since acquiring the Didipio project in Northern Luzon, Philippines in 2006, OceanaGold has been applying those same standards to the project that have been at the core of our business in New Zealand for many years.

OceanaGold is operating to the rules and regulations outlined in the Philippine Mining Act, an act that is based on Australian mining code. Since arriving in late 2006 we have made a significant investment in this remote part of the country and have dramatically improved the local infrastructure for the communities in the area.

The Company has established numerous beneficial community based programs in the areas of:

- health and medicine
- provision of clean water
- nutrition
- education
- infrastructure development
- environment
- reforestation

Earlier this month in fact, OceanaGold was recognized for its best practise work in environmental rehabilitation and was presented with the national award in the Philippines for the best forestry program by a mining company in 2009 (see attached).

We are particularly proud of our medical mission programs where this year more than 2000 people from remote communities have been treated, provided medicine or given dental checkups. The next major medical mission is scheduled for December 12<sup>th</sup>. The Company is also involved in a successful partnership with the Philipinas Shell Foundation and a non-governmental



organization combating malaria and dengue fever in the region. The program continues to show a reduction in the number of diagnosed cases.

Given all of this, we are disappointed that these examples of the depth of our support for the local communities are ignored. Instead we see a focus on misleading and self serving allegations made by a small minority of individuals attempting to profit through the illegal construction of shanties for the purposes of squatting; or through illegal small scale mining operations that are having a serious negative impact on the local environment.

For our part we welcome the interest by the Commission on Human Rights (CHR) in the Philippines and are pleased the chairwoman has chosen to visit the community for herself. We will continue to co-operate with her office in assisting to provide information as requested.

We would expect that a well respected organization such as the Business & Human Rights Resource Centre would test the credibility of allegations surrounding the Didipio project and our operations in the Philippines. Blindly accepting third party stories does not meet your goal of transparency and understanding of developments in the region.

The Seven news report your email linked to is riddled with factually incorrect statements. For example:

- Video footage of a home being dismantled was not a recent example of the Company demolishing the homes of poor villagers but rather a home being dismantled after the parcel of land had been legally purchased last year. The owner in fact was assisting with the dismantling to salvage materials. This was an example of one of several hundred successful landowner transactions undertaken at a cost in excess of \$7 million to acquire land near for the project.
- Claims that OceanaGold employees were involved in a recent attempted eviction of an illegal small scale miner – also untrue. This action was undertaken by the Minerals Geosciences Bureau and the Philippine National Police as these illegal miners are creating work environments that are unsafe and are the root cause for serious injuries and fatalities in addition to wide-spread environmental degradation.

I have attached additional information and news articles on just a handful of the many successful programs we are leading at Didipio and in the surrounding communities in the Philippines. With this background, we hope you will take the time to research for yourself our Company and our commitment to developing and operating sustainable mining projects in Australasia.

Yours sincerely  
**OCEANAGOLD CORPORATION**

A handwritten signature in black ink, appearing to read "Darren Klinck".

**Darren Klinck**  
Vice President, Corporate & Investor Relations



2<sup>nd</sup> Floor Carlos J. Valdes Building, 108 Aguirre Street,  
Legaspi Village, 1229 Makati City, Philippines  
T: +63 2 892 6643 F: +63 2 892 8399 W: [www.oceanagold.com](http://www.oceanagold.com)

OceanaGold (Philippines), Inc.  
(formerly Australasian Philippines Mining, Inc.)

November 20, 2009

## MEDIA RELEASE

### OceanaGold Wins Philippine National Environmental Award

The Philippines Department of Environment and Natural Resources (DENR) has recognised OceanaGold with one of its top environmental awards for 2009.

The Company was selected from a group of mining and minerals companies who were nominated for the award judged against the criteria contained in the DENR National Executive Committee Circular No. 2008-01. The **2009 Best Forestry Program by a Mining Company** covers a wide range of environmental rehabilitation programs within the mining lease and adjoining communities.

OceanaGold received the award at the Philippine Mine Safety and Environment Conference hosted in Baguio City on November 14th. The Conference is staged annually by the Philippine Mine Safety and Environment Association (PMSEA) with the support of the Mines and Geosciences Bureau (MGB) and the DENR.

OceanaGold CEO, Paul Bibby, described the win as welcome recognition of OceanaGold's dedication and commitment to best practice environmental management in the Philippines.

"It is enormously pleasing to see our focus on innovative and world class environmental management in the Philippines acknowledged by the DENR and regarded as the benchmark for sustainable environmental practice by the mining industry in that country," he said.

**\* Photograph attached of OceanaGold's acceptance of the 2009 Best Mining Forest Contest award at the National Mine Safety and Environment Conference.**

Individuals pictured from left to right:

- DENR Assistant Secretary, **Jeremias Dolino**
- OceanaGold Sustainability and Environment Manager, **Lucy Exconde**
- Forest Management Bureau Assistant Director, **Neria Andin**
- MGB Director, **Horace Ramos**
- OceanaGold Philippines Inc. Chairman, **Joey Leviste, Jr.**
- OceanaGold Philippines Inc. President, **Blair Way**
- OceanaGold Philippines Inc. Vice President for Communications and External Affairs, **Chito Gozar**
- MGB Mines Safety and Environment Chief, **Rodolfo Velasco**



- ENDS -

For further information please contact:

Mr Darren Klinck

Vice President, Corporate and Investor Relations

OceanaGold Corporation

Tel: +61(3) 9656 5300

#### **About OceanaGold**

OceanaGold Corporation is a significant Pacific Rim gold producer with projects 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 complex 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 expects to produce approximately 300,000 ounces of gold from the New Zealand operations in 2009. The Company also owns the Didipio Gold-Copper Project in northern Luzon, Philippines.

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



www.admaxnetwork.com

## Mining firm provides health care to villages

Agri-Commodities

Written by Leonardo Perante II / Correspondent

THURSDAY, 19 NOVEMBER 2009 21:29

DIADI, Nueva Vizcaya—After crossing borders to provide assistance to victims of typhoons that hit Northern Luzon recently, OceanaGold Philippines Inc. (OGPI) the ensuing day conducted another medical mission in this hilly town.

Spearheaded by community-relations manager Jun Floresca of OGPI's exploration division, a team of doctors, dentists, nurses and social workers from the municipal hall launched a comprehensive medical and dental mission in the upland villages of Piña and Langka.

Carrying free medicine provided by the mining firm, the mission conducted free medical consultations and dental services to the residents of the two villages who came in truckloads.

Diadi Mayor Marivic Padilla lauded what he described as a timely medical undertaking served for free in the impoverished villages.

"We are thankful that OceanaGold sponsored a medical mission that immediately addressed health-related concerns in the area. The free medicine that could not be produced by the local government for lack of funds provided substantial and long-lasting relief for our constituents," he said.

Late last month, OGPI vice president for communications and external affairs Chito Gozar led a medical mission for local residents of Itogon, Benguet, in the Cordillera region. That mission took care of 209 medical and 27 dental cases.

"As part of our commitment to the people of Luzon, we undertook our very successful medical mission across borders and beyond the immediate region where we operate," said Gozar.

Early this month, OGPI environment and safety manager Lucy Exconde launched her medical mission for the senior citizens of Kasibu, the host town of the Didipio gold-copper project. It was organized by the Kasibu rural health unit in celebration of Elderly Week.

As a major sponsor, OGPI dubbed the occasion as "Handog para kay Lolo at Lola [In Honor of Grandpa and Grandma]." Medicines, vitamins and reading glasses were distributed to around 300 senior citizens from the different barangays of Kasibu.

Senior Citizen Federation president Clarita Tinoyan expressed gratitude to OGPI for sponsoring the mission.

"The assistance extended by the company is a great help to my fellow senior citizens whose health and eyesight are beginning to weaken," Tinoyan said.

During the observance of Nutrition Month, the mining company also sponsored a municipal-wide medical mission and health awareness showdown among students and local officials of the town.

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United States, dollar	46.6409
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United Kingdom, pound	78.4518
Hong Kong, dollar	6.0188
Switzerland, franc	45.9038
U.S. dollar	44.3936
Germany, euro	33.6644
Australia, dollar	43.1551
Bahrain, dinar	123.7353
Saudi Arabia, rial	12.4376
Algeria, dinar	33.5433
Indonesia, rupiah	0.0950
Thailand, baht	1.4062
United Arab Emirates, dirham	12.6989
Malta, euro	0.6713
India, rupee	1.0993
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November 18, 2009      Source: Asian Economic Network

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# In the Spotlight

## Medical Missions Bring Medical, Dental and Optical Assistance to Northern Luzon, Philippines

Right: A member of the Medical Mission administers medicine to a Didipio local on 11 May 2009.



OceanaGold is a proud and ongoing supporter of health related initiatives within and beyond the communities in which it operates in Luzon, Philippines. Health, education and environment are the key areas in which the Company has continued to focus its efforts alongside community groups and key stakeholders with the aim of improving the levels of education, health and sustainable development in the region.

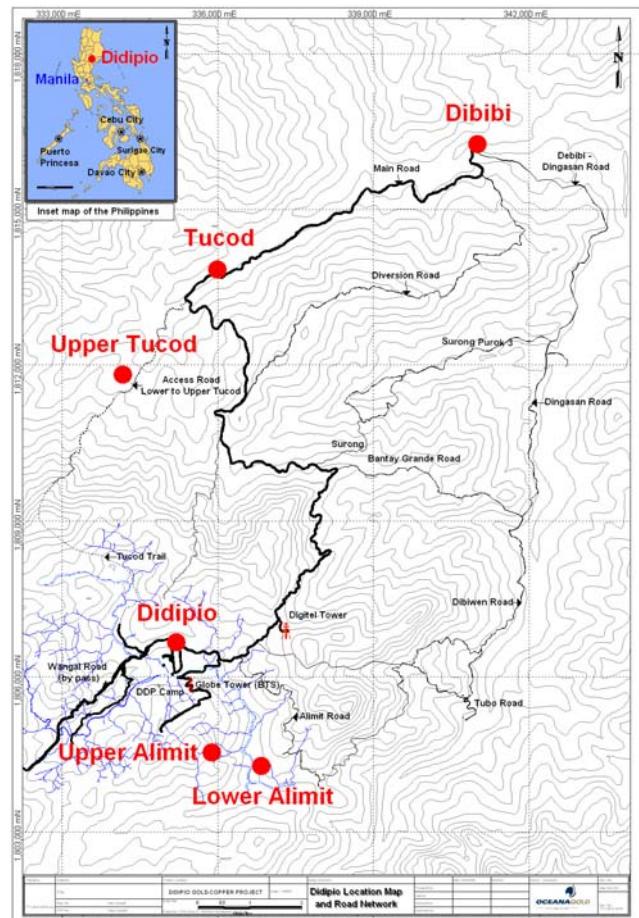
OceanaGold's initiatives to date have focused on the communities immediately adjacent to where the Didipio Gold and Copper project is located. Recent missions have partnered with local health units, municipal and provincial government agencies and Red Cross volunteers to help manage and deliver these important initiatives. By working closely with its many local stakeholder groups, OceanaGold hopes to be able to leverage wider community involvement and continue to expand these programs beyond the immediate Didipio area.

Recently, OceanaGold along with its partners widened the scope of the Medical Missions which brings free professional medical assistance and in some cases dental and optical services and supplies, to areas where access to facilities is limited.

With the theme "Alay sa Ina at sa Anak" or "Tribute to the Mother and Child", the most recent missions coincided with "Mother and Child month" in the Philippines.

### Didipio, Nueva Vizcaya

On 11 May OceanaGold partnered with the Kasibu Municipal Rural Health Unit of Nueva Vizcaya and the Red Cross to host a Medical Mission for the surrounding community. Held at the Barangay Didipio Elementary School, over 260 community residents were treated for various medical treatments, with approximately 20% receiving dental work and 23% receiving reading glasses.



Above: The most recent medical missions were held in Didipio, Dibibi, Alimit and Upper Tucod.

The Medical Mission was led by Dr Elizabeth Joaquin of the Kasibu Municipal Rural Health Unit of Nueva Vizcaya. Dr Joaquin commented "*The health of the community is one of the priority projects of the Municipal Mayor of Kasibu and we are thankful for this OceanaGold/Kasibu collaboration.*"

Didipio Village Captain, Marilou Nablol commented "*Medical missions are a great help to the community and I would like the people of Didipio to become more progressive and healthy.*"



Above: Checking patients blood pressure is just one of the basic medical procedures employed by the team at the Medical Mission.

### Dibibi, Quirino

Following a request from the Barangay Council of Dibibi, another mission was organized to coincide with the area's three-day 39th Annual Barangay Fiesta held between 23-25 May. Held at the local school gymnasium and public market in Dibibi, Cabarroguis, Quirino, it saw OceanaGold collaborate with members of the Quirino Provincial Government, Cabarroguis Municipal Government, Didipio Barangay Council, Barangay Council of Dibibi and the Rural Health Unit of Cabarroguis. More than 500 people attended the mission with 376 people treated for medical complaints and 130 treated for optical needs.

The Honorable Narciso Kitan, Barangay Captain, who made the opening remarks at the fiesta commented *"OceanaGold's sponsorship of the Medical Mission and food assistance has definitely contributed to the fiesta's success. Even though the company has currently suspended its operations at Didipio, OceanaGold's assistance is still felt and appreciated by the people."*

### Alimit and Upper Tucod, Nueva Vizcaya

On June 11th and 12th the Medical Mission came to Alimit and Upper Tucod, Kasibu. Held on June 11th at the Alimit Elementary School and on June 12th at the Upper Tucod Barangay Hall, OceanaGold partnered with the Rural Health Unit of Kasibu, the Kasibu Municipal Local Government Unit, Alimit Barangay Council and the Upper Tucod Council. Over 300 people attended the medical clinic. Of those attending over 280 people received medical assistance and 55 received dental examinations.

Upper Tucod Barangay Captain Jose Dulhuan commented *"As one of the Barangay officials, I am very thankful for the Medical Mission here in Upper Tucod, which is a big help to us."*

*"Our community is located far away from the hospital so we are thankful for this help. To OceanaGold, we thank you for granting our request for medicine and for coming to our area to see our situation."*

Aside from physical checkups community residents also receive free medicine including vitamins and even reading glasses if required. Medicine that was not used during the missions is stored at OceanaGold's camp clinic for use at future medical initiatives with the community.

Feedback from the medical mission has been very positive with communities from nearby hillside areas also attending.

OceanaGold will continue to work closely with community leaders and the local rural health units in Nueva Vizcaya and Quirino to look at ways in which these successful programs can be expanded and ensure they continue to help meet the needs for medical services within the local communities.



Above: Over 300 people attended the Alimit and Upper Tucod Medical Missions. Of the medical problems identified - upper respiratory infections were the highest area of concern amongst both communities.

*"We thank you for this Medical Mission. We need this as this is the time again when our children start getting sick. We badly need these medicines as our hospital is located very far (from our community) and we rely on these things being brought to us. I am thankful that you have been patient to come to this far away place of ours and I believe that you will come again and visit us here in Tucod."*

**Aniceta Baguilat, Barangay Tucod Health Worker**



# In the Spotlight



## Creating Education Opportunities and Career Development for Local Communities

Imagine living in a place where your experience of social development has been slow if not forgotten. To earn a basic living and feed your family you must rely on what little resources are available, such as what you can extract from clearing the land and cultivating the soil.

Imagine the youth of your community being faced with a situation where access to education is an unreachable goal, rather than something that is taken for granted as it is in many western countries such as Australia and New Zealand.

Now, imagine that same place but one where you now have access to education and career opportunities – building blocks which could enable you to create a new future...

That future is now becoming a reality for some of the residents of the Didipio Valley, Philippines where previously little development options existed. The Didipio Valley located in the provinces of Nueva Vizcaya and Quirino is the area where OceanaGold is building its first offshore gold mine which is due to start commissioning in 2009. As part of its Declaration of Mining Feasibility (keystone approval to allow the project to proceed to construction and operation) the company invests in the local community with the assistance and guidance of local community groups.

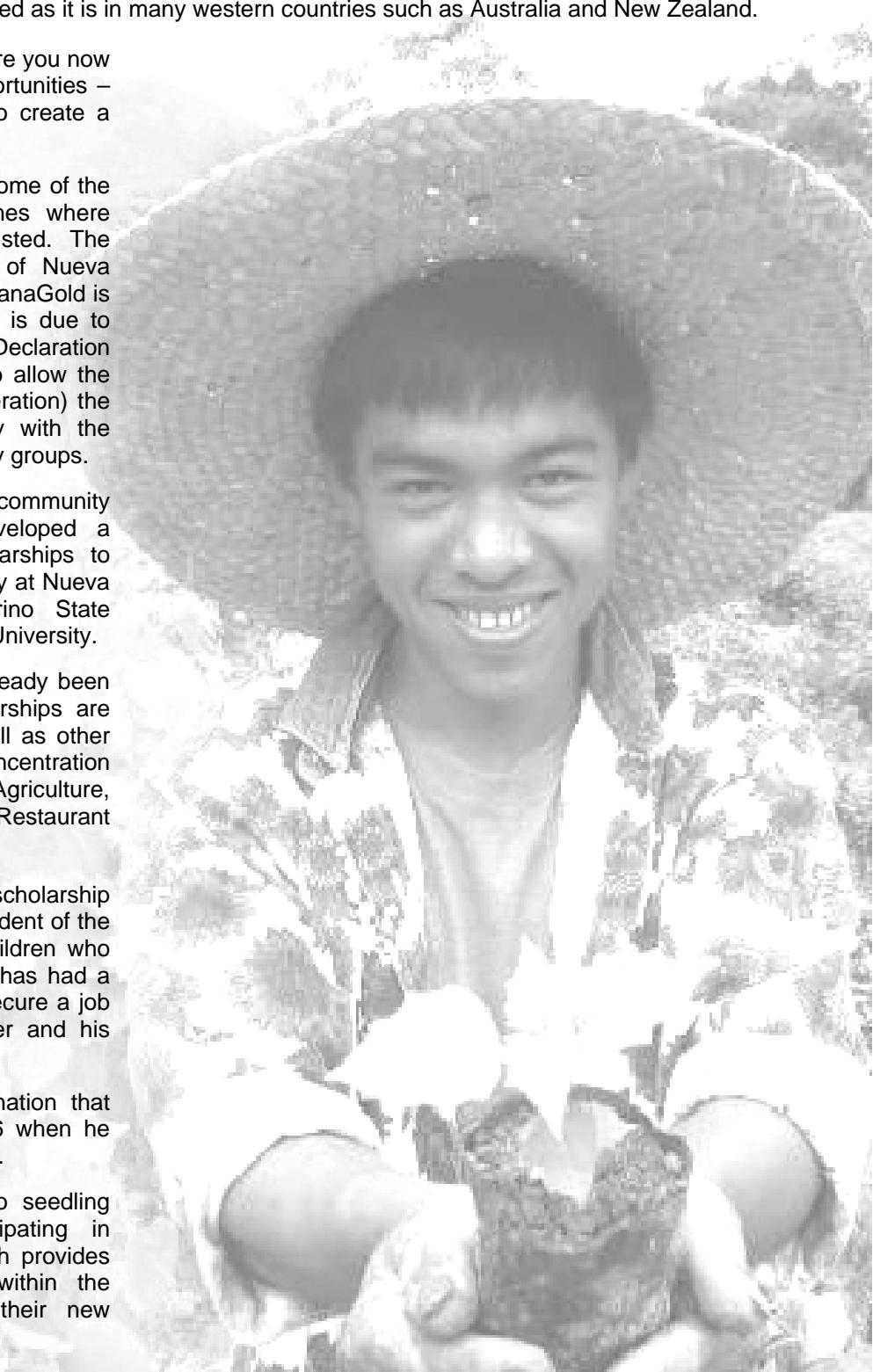
OceanaGold, in partnership with local community groups and educational institutions developed a scholarship program that provides scholarships to local students to attend college or university at Nueva Vizcaya State University (NVSU), Quirino State College, St Mary's University and St Louis University.

A total of 59 tertiary scholarships have already been awarded to local students. These scholarships are awarded on merit and cover tuition as well as other miscellaneous school fees. Areas of concentration include Environmental Science, Forestry, Agriculture, Chemistry, Education and Hotel and Restaurant Management.

One of the beneficiaries of OceanaGold's scholarship program is Oliver Donato a 25-year old resident of the Didipio Valley. Oliver is one of seven children who live with their mother, Aling Paula. Oliver has had a long time dream to finish college and to secure a job in order to help and support his mother and his siblings.

Through Oliver's hard work and determination that dream started becoming a reality in 2006 when he was awarded a scholarship to attend NVSU.

We caught up with Oliver at the Didipio seedling nursery where he is currently participating in OceanaGold's summer job program, which provides job opportunities for the local youth within the Barangay and allows them to apply their new knowledge and skills in practical situations.



**What are your plans when you finish the Summer Jobs Program?**

*Oliver: "I will resume my studies at the Nueva Vizcaya State University. I'm taking a Bachelor of Science majoring in Environmental Science as I want to continue contributing to the protection and management of the environment. I am also looking forward to working alongside OceanaGold as a responsible miner in my local community."*

**What did you do before you began the Scholarship Program?**

*Oliver: "Prior to the Didipio Project commencing there weren't many opportunities. Most of my friends stayed at home and we helped our parents in "kaingin" (slash and burn farming activities) as most parents were unable to send their children to school due to insufficient funds."*



Oliver Donato at the Didipio Seedling Nursery where as part of the environmental team he helped to take care of the more than 90,000 seedlings being raised for planting in the surrounding communities.

We were soon joined by Oliver's mother Aling Paula.

**Have you seen any changes in the community since the Scholarship Program started?**

*Aling Paula: "I have seen more opportunities for my local community with the Didipio development. Without Oceana's scholarship program, Oliver would not have been able to afford to attend college. As a sole parent, I have also been able to find a job as a utility worker at the Didipio Project and this helps me to support my family."*

*Aling Paula: "The increased opportunities have also helped to reduce the dependence on "Kaingin" which has been a way of life for many of us for many years despite it only providing for a meager existence. I am very thankful to Oceana, without the Didipio Project there are very few opportunities. My son would not be able to study. Oceana has helped my family and the whole community here at Didipio."*

*Oliver: "We used to walk many hours even during rainy season just to reach town, but since the project commenced development, roads have became accessible. People are now able to transport their agricultural products without it spoiling. All of these changes are noticeable in Didipio and everyone knows it. I am very thankful to the company, I wouldn't be able to study without the scholarship."*



Oliver Donato together with other students from the NVSU during one of the school's activities.

**Are you enjoying university life?**

*Oliver: "I am indeed. With OceanaGold's help I was able to go back to college in 2006 and since then I've become actively engaged with a number of extra-curricular activities at university including being a member of the school's academic organization and association – Society of Future Foresters Environmentalists and Agro-Foresters as well as Zeta Beta Rho Honor Fraternity. As a member of these organizations, I participate in a number of community activities including cleaning, tree planting and other sustainability and forest management projects."*

*Oliver: "I am determined to finish college by 2010. I then hope to obtain a job at OceanaGold's Didipio Project with the environmental team so that I can fully utilize my new skills and help support my family."*



Oliver Donato on the job at the Didipio Seedling Nursery.

OceanaGold continues to be a proud supporter of various scholarship programs in partnership with local organizations as well as with the Department of Education.

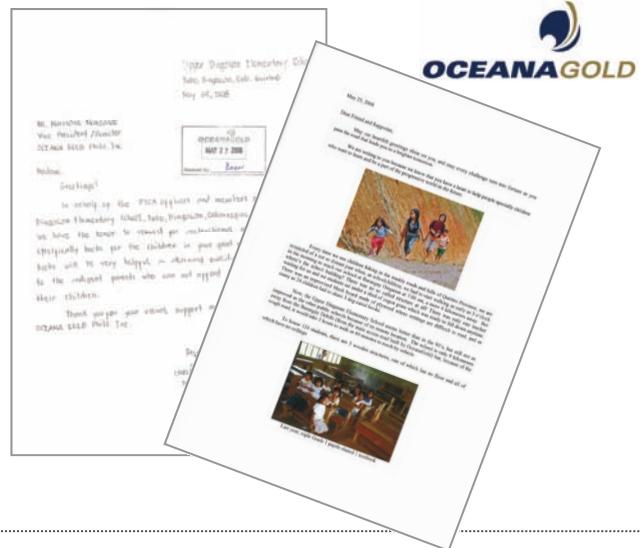
The 2008 year marks the first full graduating class from local universities since the program started and is now resulting in university and college educated students coming back to local communities and provinces of Luzon.



# In the Spotlight

## One School's Book Campaign

Right: Letters from the Upper Dingasan Elementary School's teacher and Dingasan residents highlighted the school's need for more books, and prompted OceanaGold's employees and contractors to dig into their own pockets.



Located in the Quirino Province of the Philippines just nine kilometres from the main access road built by OceanaGold, sits the Upper Dingasan Elementary School. The school was built in 1994 and like many establishments in the area has grown to cope with the increasing needs of its budding community, but also one that is limited by resources.

Housed in three small structures, the school is run by four teachers who are responsible for educating over 120 children between grades 1 and 6. One of these dedicated teachers, Helen Baywong-Pumihic, was responsible for donating the land where the school is built.



Upper Dingasan Elementary School teachers from left to right: Gina Bandao, Helen Baywong-Pumihic, Lilian Hangdaan and Conchita Pugong.

In May 2008 the Company received two letters from the school written by the school's teacher-in-charge (Lilian Hangdaan) and two Dingasan residents (Melanie Vicente and Teresita Madlaing), one of whom is a recipient of an OceanaGold scholarship. The letters told of the difficulties facing the school, and particularly the lack of books with eight children often sharing one book. The letters also asked if the Company could provide financial assistance which would enable the school to buy the necessary books and materials it required for the school's students.



School work continues at the Upper Dingasan Elementary School. Before the book campaign one book was often shared between eight students, now there are five books for every student.

With the support of OceanaGold's management the Company took up the challenge, and to help ensure its success enlisted the aid of the two community members that had written to OceanaGold in May. The residents are students themselves and are enrolled at a local college and university, both are passionate about education. The Company engaged Melanie and Teresita as part of its "Summer Jobs Program" with the goal to work with the Company internally to raise the necessary funds needed for the school.

Melanie and Teresita worked with OceanaGold Philippines's Vice President, Administration Maya Manzanas to develop the fundraising campaign directed at OceanaGold's employees located at the Makati, Didipio and Melbourne sites. It also saw the students completing some basic training in computers, research, letter writing and communication skills.

The campaign proved to be a success with the school's goal of 620 textbooks or five books for each student met. The success was due to the hard work of all involved, but particularly the school's teacher-in-charge Lilian Hangdaan and Dingasan residents Melanie Vicente and Teresita Madlaing.



Dingasan residents Melanie Vicente and Teresita Madlaing (left to right) at the Book Program Ceremony. Students themselves, Melanie and Teresita are passionate about education, and after sending a letter to OceanaGold highlighting the need for books at the Upper Dingasan Elementary School went on to assist the Company in raising the funds needed for the school's book campaign.

The books were delivered to the school on 11 June to the delight of children, teachers, parents, residents and OceanaGold employees who attended the Book Program Ceremony held at the school. The new books will not only ensure that there are plenty of books for the students to use, but also that lessons will run more effectively as prior to the books arrival the teacher had to transpose each book's lessons onto the blackboard to ensure all students could see the lessons.

OceanaGold is continuing to support the Upper Dingasan Elementary School and other schools located around the Didipio Project on initiatives and programs which support education in the area. As CEO, Steve Orr commented "*World change starts with education and OceanaGold is very proud to be a part of that.*"



The Upper Dingasan Elementary School, Quirino Province, the Philippines - pursuing excellence.

Of particular pleasure to the Company and its employees was hearing about the children's continued pursuit of excellence in all areas of their education, with students having already won awards for reading marathon contests for Grades 3 and 4, National Achievement Test Award, Quirino division and awards for subjects including Filipino, Geography, History and Social Studies (for Grade 6).