

OCEANAGOLD CORPORATION (OGC-TSX | OGC-ASX)

Mining | Precious Metals - Gold

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A Gold Business with High Returns and Organic Growth Opportunities; Initiate with Outperform

RECOMMENDATION

We are initiating coverage of OceanaGold Corporation (OGC) with an Outperform rating and a C \$5.50/share target price.

Fundamentally, we believe that OGC has a strong balance sheet that can support future growth, a steady operating profile over the next few years that should generate FCF at current commodity prices and an attractive suite of organic growth opportunities. Comparing OGC to its intermediate gold producer peers, the Company has a superior track record of positive ROIC and ROE, positive NAV growth going forward versus a negative average for peers and a relatively strong balance sheet. On valuation, our analysis suggests OGC is trading at a slight premium to its peers however, we believe the premium could be higher given its comparatively stronger fundamentals.

ANALYSIS

- Strong Track Record of Returns** - OGC has posted positive ROIC and ROE over the past five years with an average ROIC of 10% (versus mid-tier peers of -4%) and ROE of 11% (versus mid-tier peers of -8%). We note that a key component to the positive track record is the minimal asset write downs at OGC versus its peer group suggesting a disciplined approach to capital allocation.
- NAV Growth and Strong Balance Sheet** - Over the next five years we expect OGC to deliver NAV growth of ~17% as Haile ramps up and Waihi mining moves to the Martha underground while capital spending requirements begin to tail off. Further, with a strong balance sheet (ND/EBITDA of ~0.3x) and our expectation for a growing cash balance post 2020, we believe OGC is well positioned to pursue organic growth opportunities.
- Organic Growth Opportunities** - OGC has a number of organic growth/mine life extension opportunities at its operations. In New Zealand, we expect the recently discovered, high-grade WKP deposit could be a satellite operation for the Waihi mine potentially adding to annual production and extending mine life. At the Macraes mine, we believe a decision potentially later this year to develop the Golden Point underground deposit could extend the mine life that is currently expected to end in 2021. We also expect growth from Haile as the mine ramps up and from a new mine plan that would delineate larger pits and the Horseshoe underground.

VALUATION

Our target is based on a 60/40 weighting of i) a 1.2x multiple of our NAVPS estimate of \$2.71 (with net corporate adjustments at 1.0x) and ii) 12x P/NTM CFPS to our NTM CFPS estimate of \$0.43/sh. Given its strong fundamentals (based on our comparative analysis), its history of adding value from exploration and acquisition, we rate the shares Outperform. Please see our Valuation and Recommendation section for further details.

JUNE 4, 2019 | 6:00 AM EDT
INITIATING COVERAGE

Outperform 2 old: Under Review
Target Price C\$5.50 old: UR

Suitability High Risk/ Growth

MARKET DATA

Current Price (May-30-19)	C\$3.67
Market Cap (mln)	\$2,310
Current Net Debt (mln)	\$99
Enterprise Value (mln)	2,409
Shares Outstanding (mln)	629.4
30-Day Avg. Daily Value (mln)	\$4.0
Dividend	\$0.02
Dividend Yield	0.5%
52-Week Range	C\$3.13 - C\$5.01

KEY FINANCIAL METRICS

	1Q	2Q	3Q	4Q
EPS (\$, Dec FY)				
2018A				
	0.07	0.07	0.03	0.02
2019E	NA	NA	NA	NA
new	0.02 A	0.03	0.04	0.04
2020E	NA	NA	NA	NA
new	0.03	0.03	0.03	0.04

	2018A	2019E	2020E
EPS (\$, Dec FY)			
old	NA	NA	NA
new	0.20	0.12	0.13
Revenue (mln) (\$, Dec FY)			
old	NA	NA	NA
new	773	775	766
CFPS (\$, Dec FY)			
old	NA	NA	NA
new	0.57	0.43	0.43
Au Price (US\$/oz) (\$, Dec FY)			
old	NA	NA	NA
new	1,269	1,301	1,300
Au Production (000 oz) (Dec FY)			
old	NA	NA	NA
new	533	529	531
AISC (US\$/oz) (\$, Dec FY)			
old	NA	NA	NA
new	767	857	814

Source: Thomson One, Raymond James Ltd.
Quarterly figures may not add to full year due to rounding.

EXECUTIVE SUMMARY

We are initiating coverage of OceanaGold Corporation (OGC) with an Outperform rating and a C \$5.50/share target price. Our target is based on a 60/40 weighting of i) a 1.2x multiple of our NAVPS estimate of \$2.71 (with net corporate adjustments at 1.0x) and ii) 12x P/NTM CFPS to our NTM CFPS estimate of \$0.43/sh.

OGC operates two mines in New Zealand (Macraes and Waihi), one in the Philippines (Didipio) and one in the USA (Haile). OGC's 2019 expected gold production breakdown is approximately 28% USA, 24% Philippines, and 48% New Zealand. In 2019 OceanaGold is forecasting global gold production of 500-550k ounces at AISC of \$850-900/oz.

Investment Highlights

- Strong Track Record of Returns** - OGC has posted positive ROIC and ROE over the past five years with an average ROIC of 10% (versus mid-tier peers of -4%) and ROE of 11% (versus mid-tier peers of -8%). We note that a key component to the positive track record is the minimal asset write downs at OGC versus its peer group suggesting a disciplined approach to capital allocation.
- NAV Growth and Strong Balance Sheet** - Over the next five years we expect OGC to deliver NAV growth as Haile ramps up and Waihi mining moves to the Martha underground while capital spending requirements begin to tail off. Further, with a strong balance sheet (ND/EBITDA of ~0.3x) and our expectation for a growing cash balance post 2020, we believe OGC is well positioned to pursue organic growth opportunities.
- Organic Growth Opportunities** - OGC has a number of organic growth/mine life extension opportunities at its operations. In New Zealand, we expect the recently discovered, high-grade WKP deposit could be a satellite operation for the Waihi mine potentially adding to annual production and extending mine life. At the Macraes mine, we believe a decision potentially later this year to develop the Golden Point underground deposit could extend the mine life that is currently expected to end in 2021. Further, the Round Hill resource at Macraes provides OGC with optionality for further mine life extension in a higher gold price environment. We also expect growth from Haile as the mine ramps up and from a new mine plan that would delineate larger pits and the Horseshoe underground.
- Valuation at a Slight Premium to Peers** - Overall, OGC trades at a slight premium to its mid-tier peers on a P/NAV basis (1.0x versus group average of 0.8x) and a P/CF basis (6.4x versus group average of 5.1x). Given OGC's superior return and annual NAV growth metrics versus peers and its relatively strong balance sheet, we believe OGC is a premium company in the gold sector and should trade above peers suggesting that the slight premium still represents good relative value.

Key Risks

- Permitting and Development:** The Haile mine plan is expected to eventually include expansion of the currently permitted pits and underground mining of the Horseshoe deposit. With the planned mine expansion, both open pit and underground, we see permitting timelines as being a key risk factor as development on both fronts is tentatively scheduled for 2020. At Waihi, with approvals received for the Martha underground, we expect development timelines will be a key market focus given the short remaining life of the existing mine (expected to be complete in 2020 based on 2P reserves).

Exhibit 1: OGC Financial and Operating Summary

OceanaGold Corp.

Rating: GP2 (OGC-TSX, OGC-ASX)
 Price Target: C\$ 5.50 NAV \$2.71
 Projected Return: 50% YR-END: 31-Dec

Investment Thesis
 Fundamentally, OGC has a strong balance sheet that can support future growth, a steady operating profile over the next few years that should generate FCF at current commodity prices and an attractive suite of organic growth opportunities. Comparing OGC to its intermediate gold producer peers, the Company has a superior track record of positive ROIC and ROE, positive NAV growth going forward versus a negative average for peers and a relatively strong balance sheet.

Key Attributes
 - Strong track record of positive ROIC and ROE
 - NAV growth and strong balance sheet.
 - Organic growth opportunities

Key Concerns
 - Significant permitting and development activity required to realize organic growth opportunities.

Reserves & Resources

	2P (Moz)	M&I (Moz)*
Gold		
Halle	3.0	3.1
Didipio	1.2	1.3
Macraes	1.2	3.3
Waihi	0.2	0.8
Total Global Resources	5.6	8.6

*M&I resources are inclusive of reserves.

Assumptions

	2017A	2018A	2019E	2020E	2021E
RJ Gold Forecast (US\$/oz)	1,258	1,269	1,301	1,300	1,300
RJ Copper Forecast US\$/lb	2.80	2.96	2.98	3.10	3.20

Operating Summary

	2017A	2018A	2019E	2020E	2021E
Att. Production - Gold (oz)	575	533	529	531	515
Total Cash Cost (US\$/oz)	\$356	\$333	\$595	\$567	\$528
Total All-in Cost (US\$/oz)	\$617	\$767	\$857	\$814	\$705

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Management
 Michael (Mike) Wilkes President and CEO
 Scott McQueen CFO

Reporting Currency: US\$ 30-May-19

Market Statistics

Share Price (C\$)	\$3.67	Shares Basic (mln)	620
52 Week High/Low (C\$)	\$ 5.01/ 3.13	Shares Fully Diluted (mln)	629
Market Cap. (mln)	\$1,749	Free Float (%)	100%
Enterprise Value (mln)	\$1,849	Avg. Daily Vol ('000)	1,148
Dividend	\$0.02	Div Yield %	0.5%

Financial Metrics

	2017A	2018A	2019E	2020E	2021E
Income statement					
Revenue (\$mln)	724	773	775	766	752
Corporate EBITDA (\$mln)	378	361	292	297	343
Corporate EBIT (\$mln)	186	170	113	113	113
Net Earnings (\$mln)	172	122	76	80	79
EPS (\$)	0.27	0.20	0.12	0.13	0.13
Cash flow statement					
Operating Cash Flow (\$mln)	390	350	265	264	309
CFPS (\$)	0.64	0.57	0.43	0.43	0.50
Investing Cash Flow (\$mln)	(263)	(229)	(186)	(126)	(84)
Financing Cash Flow (\$mln)	(89)	(79)	(15)	(162)	(35)
FCF (\$mln)	87	122	55	138	225
FCF per share	0.14	0.20	0.09	0.22	0.36
Balance sheet					
Cash (\$mln)	73	108	173	148	339
Working capital (mln)	0	70	149	125	315
Total debt (mln)	240	177	186	36	13
Common equity (mln)	1,491	1,567	1,619	1,687	1,754

Valuation Metrics

	2017A	2018A	2019E	2020E	2021E
EBITDA margin (%)	52%	47%	38%	40%	46%
EV/EBITDA (x)	4.8	5.1	6.2	6.1	5.3
P/CF (x)	4.4	5.0	6.6	6.6	5.7
FCF Yield	2.9%	7.0%	3.2%	7.9%	12.9%
P/E (x)	10.3	14.3	23.1	21.8	22.1
Current ratio (x)	1.0	1.4	1.8	1.7	2.7
Price/book (x)	0.14	1.4	1.4	1.3	1.3
LTD/(LTD + Equity)	0.1	0.1	0.1	0.0	0.0
Net Debt/NTM EBITDA (x)	0.5	0.2	0.0	nm	nm
ROE (%)	11.5%	7.8%	4.7%	4.8%	4.5%
ROIC	8.4%	6.0%	3.6%	4.0%	3.9%

Valuation

	US\$m	\$/share	% NAV
Mining Assets			
Halle	\$790	\$1.26	42%
Didipio	\$639	\$1.02	34%
Macraes	\$119	\$0.19	6%
Waihi	\$216	\$0.34	11%
Development/Exploration	\$115	\$0.18	6%
Mining Asset NAV	\$1,878	\$2.98	100%
Investments	\$44	\$0.07	
Corporate	(\$109)	(\$0.17)	
Working Capital	\$63	\$0.10	
LT Debt	(\$172)	(\$0.27)	
NAV (US\$)	\$1,704	\$2.71	

Valuation Measures

	Weight	Target
Price/NAVPS (x)	60%	1.2x
Price/CFPS	40%	12.0x
		\$4.01

Target Price C\$: **\$5.50**
 *Target NAVPS multiple is applied to the mining assets, with net cash included at par

Production, Cost & All-in Profile

Operating NAV by Geography (%)

Relative Performance (OGC vs. Au)

NAV Sensitivity to long-term commodity price assumptions

Market P/NAV Multiples - Intermediate Gold Producers

Source: OceanaGold Corp., Raymond James Ltd.

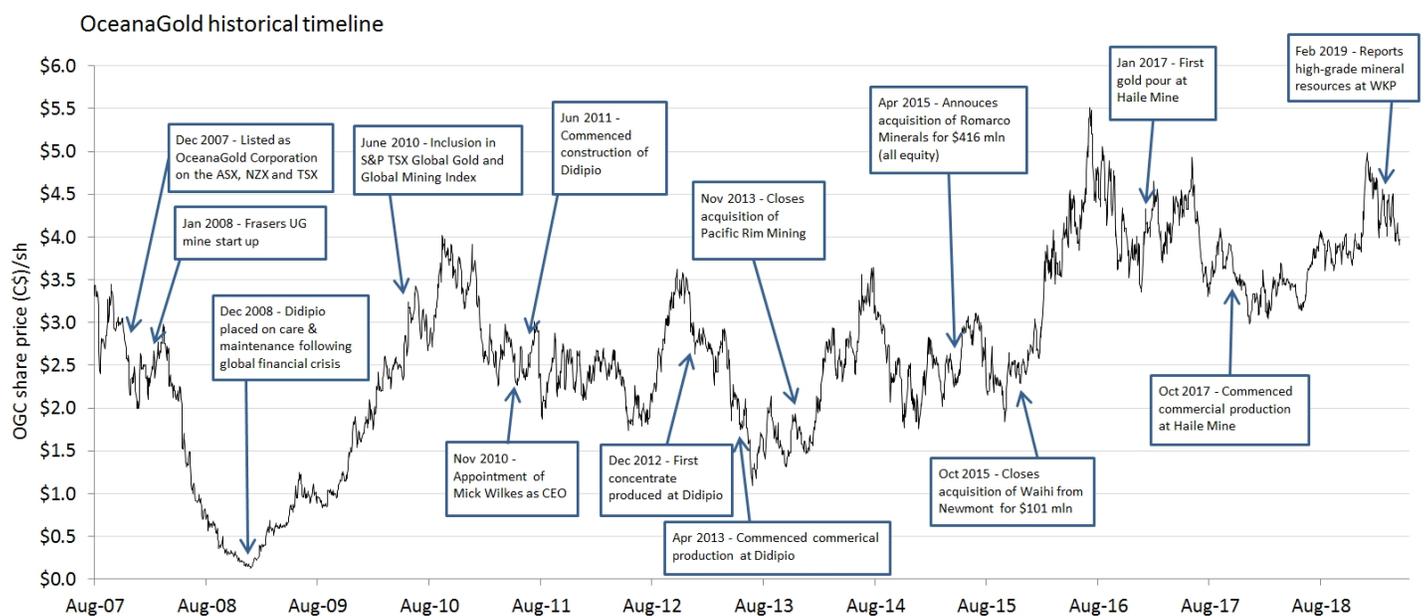
COMPANY OVERVIEW

OceanaGold Corporation (OGC) is an intermediate gold producer based in Melbourne, Australia with four operating mines in New Zealand, the Philippines and the USA.

The company was originally incorporated as GRD Macreas Limited and produced solely from the Macreas Mine, before being incorporated as OceanaGold Limited (OGL) in 2003. In 2006, OGL merged with Climax Mining Limited bringing the Didipio Gold-Copper Project in the Philippines into the company (Didipio entered commercial production in 2013). In 2007, OGC was incorporated and listed on the TSX. In 2013, the company acquired Pacific Rim Mining, a mineral exploration company focused in the Americas. In 2015, OGC acquired the Waihi Gold Mine in New Zealand from Newmont Mining, and also acquired Romarco Minerals which owned the Haile project in the USA. Two years later in 2017, the Haile project was brought to production and became the Haile Gold Mine. In 2019, OceanaGold reported high-grade mineral resources at WKP in New Zealand, which could extend the mine life at Waihi. OGC also holds early stage exploration and development properties in the Americas, Argentina, the Philippines and New Zealand.

OceanaGold is listed on the Toronto and Australia stock exchanges (OGC on both the TSX and ASX) and is part of the TSX Composite, TSX Global Gold, TSX Global Mining, ASX 300, FTSE Gold Mines Index Series, Market Vector Junior Gold Miners (GDXJ) and the Market Vector Gold Miners (GDX). The company currently has ~620 million basic shares outstanding (~630 million diluted shares). OGC pays a semi-annual cash dividend of US\$0.01 per share, or US\$0.02 per share on an annual basis.

Exhibit 2: OceanaGold Historical Timeline



Source: OceanaGold Corp., Raymond James Ltd.

ASSET OVERVIEW - DIVERSIFIED WITH ORGANIC GROWTH OPPORTUNITIES

OceanaGold operates two mines in New Zealand (Macraes and Waihi), one in the Philippines (Didipio) and one in the USA (Haile). In addition, OGC holds a 15.6% equity position in Gold Standards Venture (GSV) and a 16.2% equity position in NuLegacy Gold Corp (NUG). OGC also holds equity agreements and JV's in the USA, Laos, Myanmar, New Zealand, Australia and Argentina.

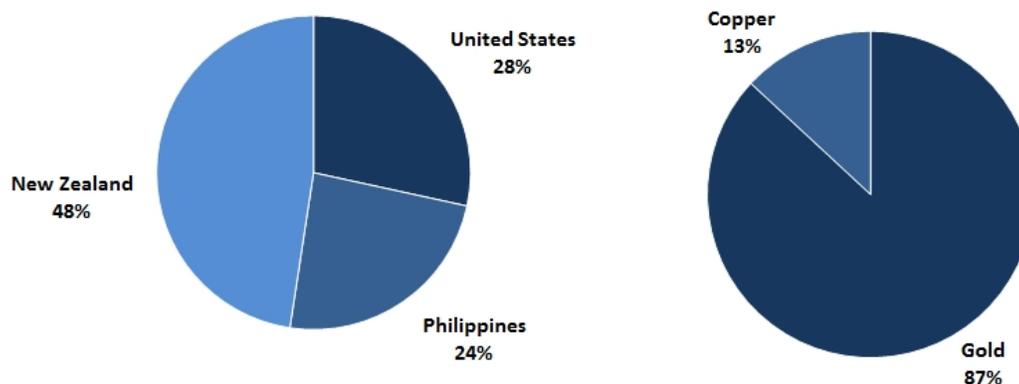
OGC's 2019 expected gold production breakdown is approximately 28% USA, 24% Philippines, and 48% New Zealand. In 2019 OceanaGold is forecasting global gold production of 500-550k ounces at AISC of \$850-900/oz. Exhibit 3 below highlights the characteristics of OGC's key assets.

Exhibit 3: OceanaGold Key Asset Table

Asset	Status	Ownership	Country	Metal	Resource	Grade	2019 RJL Gold Production Estimate
Didipio	Production	100%	The Philippines	Au/Cu	Au: 1.20Moz 2P 1.29Moz M&I 0.3Moz Inf	Au: 2P: 1.02g/t M&I: 0.99g/t Inf.: 1.3g/t	127
Haile	Production	100%	United States	Au	Au: 3.03Moz 2P 3.14Moz M&I 0.7Moz Inf	Au: 2P: 1.73g/t M&I: 1.75 g/t Inf.: 1.4g/t	150
Waihi	Production	100%	New Zealand	Au	Au: 0.18Moz 2P 0.84Moz M&I 0.11Moz Inf	Au: 2P: 4.26g/t M&I: 5.78g/t Inf.: 6.0g/t	72
Macraes	Production	100%	New Zealand	Au	Au: 1.16Moz 2P 3.32Moz M&I 0.9Moz Inf	Au: 2P: 1.13g/t M&I: 1.40g/t Inf.: 0.88g/t	180

Source: OceanaGold Corp., Raymond James Ltd.

Exhibit 4: 2019E Production breakdown by geography and Revenue breakdown by commodity



Source: OceanaGold Corp., Raymond James Ltd.

Highlighting Opportunities and Risks at the Assets

Haile - Focus on Execution and Expansion

- Opportunities - Expansion and Optimization:** We believe there is significant potential upside at Haile as the mine plan continues to evolve. Specifically, we expect the future mine plan to incorporate expansion of the planned open pits as well as the high-grade Horseshoe underground deposit with further exploration upside thereafter. At the mill, with OGC completing the installation of additional milling capacity in 1H19, we expect plant throughput to grow to 3.5-4.0mtpa in 2020 from 2.4mtpa in 2018 (we are modeling 3.2mtpa in 2019). Beyond the mine and mill expansion opportunities, we believe there are near term optimization opportunities through better water management and personnel retention programs that should allow the mine to operate closer to its potential.
- Risks - Permitting timelines:** The Haile mine plan is undergoing changes. These changes were somewhat expected as the Company prioritized bringing the mine into production back in 2016/17 rather than making significant changes to the original mine plan that would have required changes to permit applications. Now with the planned mine expansion, both open pit and underground, we see permitting timelines as being a key risk factor as development on both fronts is tentatively scheduled for 2020. Beyond permitting, we view personnel recruiting and retention as a key risk as high turnover rates coupled with weather challenges have led to inconsistent performance at the mine.

Waihi - Extending Mine Life with Martha Underground and Eventually WKP

- Opportunities - Martha Underground and WKP:** With the permits received, the near term opportunity at Waihi is in developing the Martha underground deposits that contain ~1Moz of resources with further exploration upside that represents over ten years of additional mine life at the asset. We expect the Martha underground to be in production in 2H20. Further upside could come from an expansion of the Martha open pit (potentially in the mine plan by mid-2022) and the recently discovered, high-grade WKP deposit that has ~0.6Moz of resources with significant exploration potential.
- Risks - Development timelines:** While we view the Martha underground development as a relatively low risk project, we anticipate that development timelines will be a key market focus given the short remaining life of the existing mine (expected to be complete in 2020 based on 2P reserves)

Didipio- Ramping Up Underground

- Opportunities - Underground Ramp-Up with Potential for more Ounces at Depth:** With the transition to underground mining complete, the near term opportunity at Didipio will come from the ramp-up in underground mining rates through 2019 and into 2020. Underground mining rates are expected to double from just over 600kt in 2018 to ~1.25Mt in 2019, growing to an expected run rate of 1.6Mtpa in 2020. Longer term opportunities at Didipio will come from the addition of resources at depth.
- Risks - Taxes and Politics:** The tax holiday at Didipio, designed to allow recuperation of initial investment, expired in 2019. OGC has applied for an allowable two-year extension as it still has unrecovered capex but the response remains outstanding at time of writing. We estimate the application of income taxes would increase taxes payable by about \$20mln from what is scheduled for 2019 (~\$15mln). In addition, Didipio continues to operate under an appeal to a suspension order. While this condition has persisted for some time, it does add 'headline risk' at the asset.

Macraes - Coming to End of Life but Potential Extension Projects Available

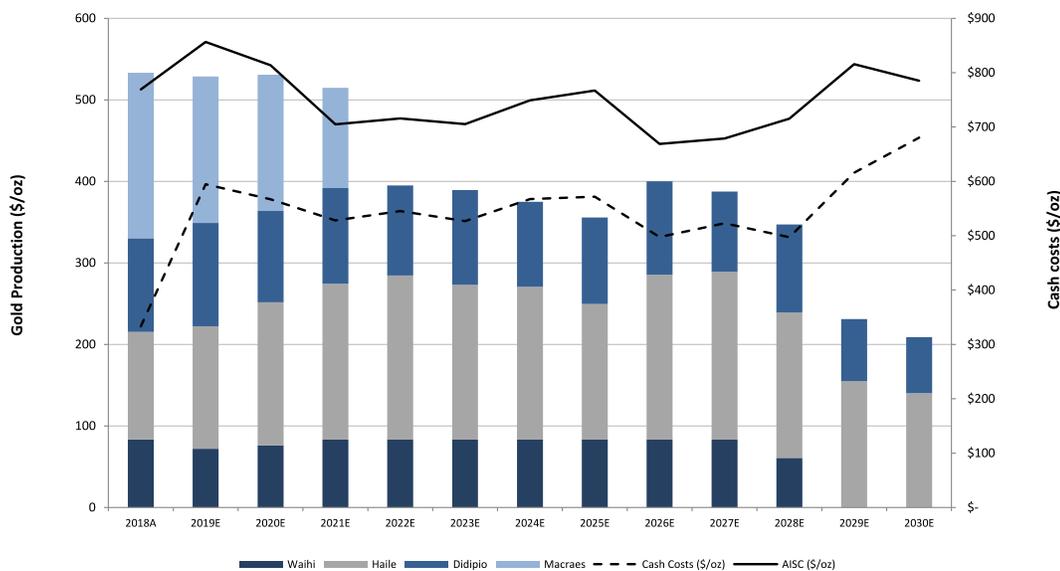
- **Opportunities - Potential Mine Life Extension with Two Projects:** While we are modeling the end of mine life in 2021 at Macraes, there is potential for mine life extension through the development of the Golden Point underground and the Round Hill project. We expect a decision from the company on the development of the Golden Point underground in 2019. The Round Hill project, which would require the relocation of the plant is a longer term option in our opinion which becomes more attractive at higher gold prices.
- **Risks - Short Mine Life Needs Higher Gold Price for Meaningful Extension:** While the Golden Point underground represents an opportunity to extend mine life beyond 2021 (per our model), we believe the main potential for LOM extension comes from the Round Hill project. Given the Round Hill resource currently carries a grade of ~1g/t, we expect it will require a significantly higher gold price to generate a reasonable return given the capex associated with development and plant relocation.

EQUITY ANALYSIS - A GROWING CASH BALANCE TO PURSUE FUTURE OPPORTUNITIES

Operations - Steady Production with Falling Costs Through 2021...Organic Opportunities Thereafter

We expect OGC to produce between 500 - 550koz of gold per year through 2021 with declining cash costs and AISC as Haile normalizes and capital requirements lessen. Beyond 2021, we are currently modeling a production decline caused by the end of mine life at Macraes, however, we believe there is potential for the development of the Golden Point underground at Macraes that would extend mine life and push the production decline further into the future. Further growth in the period post 2021 would come from the incorporation of the higher grade Horseshoe underground deposit at Haile and the high-grade WKP deposit at Waihi.

Exhibit 5: OGC Gold Production, AISC (\$/oz) and Cash Costs (\$/oz) Forecasts



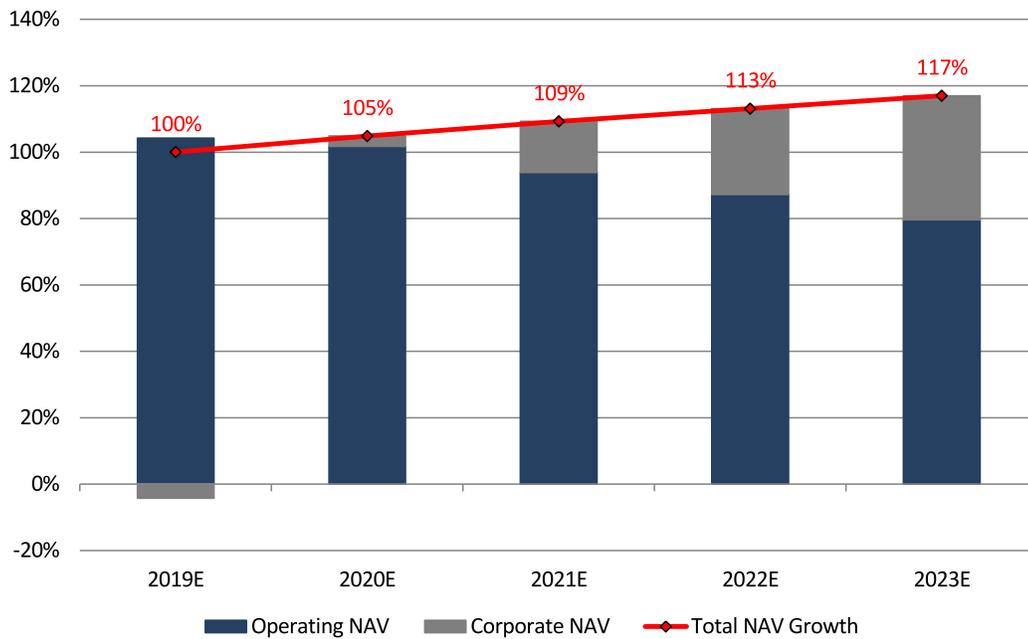
Source: OceanaGold Corp., Raymond James Ltd.

NAV to Grow as Cash Starts to Build

While we currently model a production decline starting in 2022 as Macraes comes to the end of its life, we expect OGC's total NAV to continue to grow as the Company would be in a cash harvest mode. We see potential for further NAV growth if OGC moves forward with the organic growth opportunities at Waihi (WKP) and Macraes (Golden Point) and from a potential new mine plan at Haile that delineates larger pits and the Horseshoe underground.

The cash flow and production profiles also highlight that OGC would be well positioned financially and in a logical position to potentially pursue an external growth asset in addition to the organic opportunities.

Exhibit 6: OGC NAV Growth Forecasts

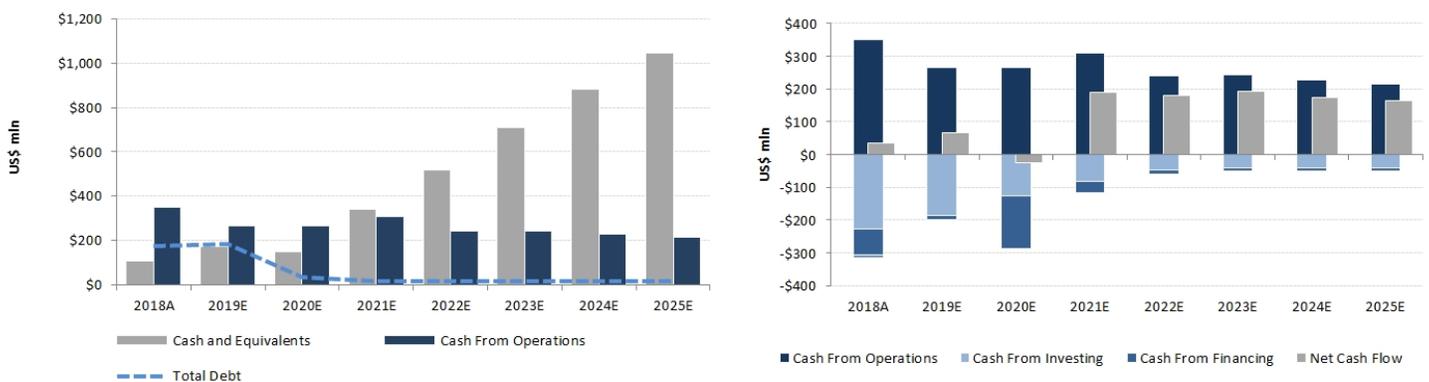


Source: OceanaGold Corp., Raymond James Ltd.

Strong Balance Sheet Supports Growth Opportunities

At its last balance sheet date (3/31/19) OGC had net debt of ~\$99mln representing a net debt to LTM EBITDA of ~0.3x. The company has ~\$87mln in cash with another \$50mln in available credit giving it current liquidity of ~\$137mln which we believe could grow with minimal financial risk if OGC were to pursue an external opportunity. Looking forward, we expect OGC's cash balance to grow post 2020 as we model the repayment of its outstanding credit facility balance at its maturity at the end of 2020. As a result, we believe OGC's balance sheet is well positioned to support investment in growth opportunities.

Exhibit 7 & 8: OGC Liquidity Forecast Shows Growing Cash Balance Post 2020



Source: OceanaGold Corp., Raymond James Ltd.,

Exhibit 9: OGC Balance Sheet Metrics

Financial Metrics	2018A	2019E	2020E	2021E	2022E	2023E	2024E	2025E
Current ratio (x)	1.4x	1.8x	1.7x	2.7x	3.7x	4.7x	5.6x	6.5x
Total debt	\$177	\$186	\$36	\$13	\$13	\$13	\$13	\$13
Net debt (cash)	\$69	\$13	(\$113)	(\$325)	(\$505)	(\$697)	(\$870)	(\$1,034)
Net debt / NTM EBITDA	0.2x	0.0x	nm	nm	nm	nm	nm	nm
Price / CFPS	5.0x	6.6x	6.6x	5.7x	7.3x	7.2x	7.7x	8.1x
FCF Yield	7.0%	3.2%	7.9%	12.9%	11.0%	11.7%	10.6%	10.0%

Source: OceanaGold Corp., Raymond James Ltd.

Trading Liquidity

OceanaGold shares are not as liquid, on a relative basis, as its mid-tier gold peers. We view higher liquidity as a preferred characteristic for potential investors given the relatively small market capitalization of the sector. OGC's average daily volume on the TSX is approximately 1.2mln shares. The current market capitalization is ~US\$1.7 billion and enterprise value of ~US\$1.8 billion.

Exhibit 10: OGC Market Statistics and Liquidity

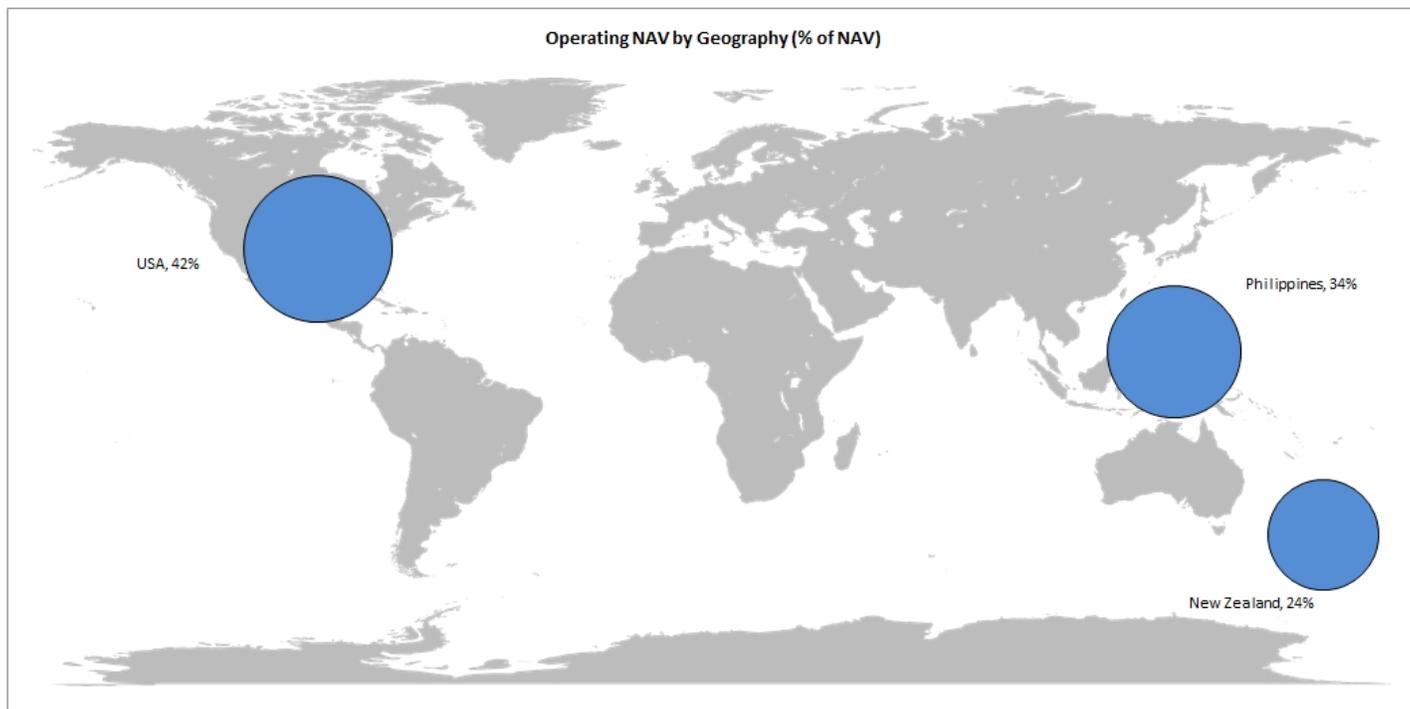
Market Statistics			
Share Price (C\$)	\$3.67	Shares Basic (mln)	620
52 Week High/Low (C\$)	\$ 5.01/ 3.13	Shares Fully Diluted (mln)	629
Market Cap. (mln)	\$1,749	Free Float (%)	100%
Enterprise Value (mln)	\$1,849	Avg .Daily Vol ('000):	1,148
Dividend	\$0.02	Div Yield %	0.5%

Source: OceanaGold Corp., Raymond James Ltd.

Jurisdictional Risk

OceanaGold operates in three countries (USA, Philippines and New Zealand). Overall, OGC has slightly higher jurisdictional risk exposure relative to peer companies primarily due to its exposure to the Philippines where the company is operating under an appeal to a suspension order decreed by the former Environment and Natural Resources Secretary.

Exhibit 11: OGC Operating NAV by geography



Source: OceanaGold Corp., Raymond James Ltd.

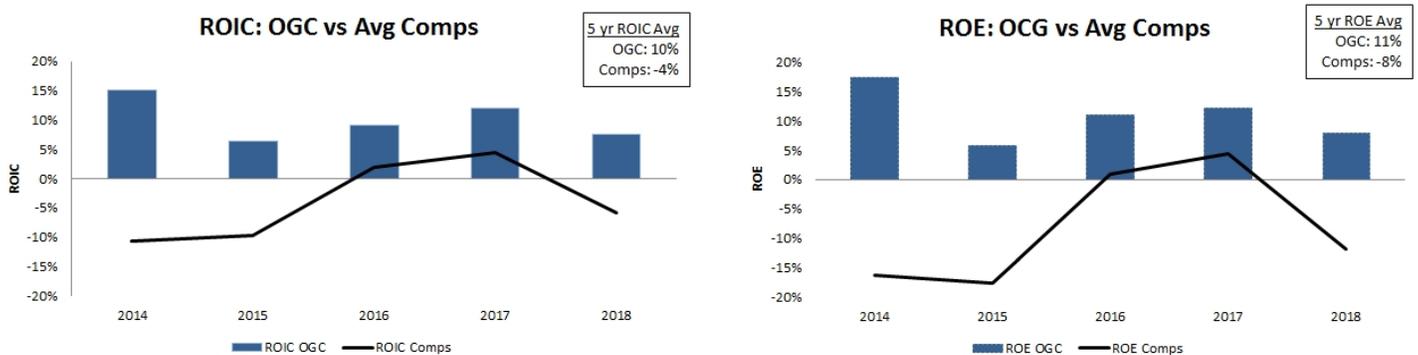
CONTEXTUALIZING OGC - A PEER COMPARISON REVIEW

On a standalone basis, we believe OGC's NAV growth, strengthening balance sheet, steady operating profile in the next few years and organic growth/extension opportunities make it an attractive option for a gold equity investment. However, with a number of options to choose from in the mid-tier gold producer sector, we provide a comparison of OGC to some Canadian listed mid-tier gold producers in our coverage universe. Overall, our comparative analysis suggests that OGC has a strong historic returns track record versus its peer group and ranks highly in terms of NAV growth while maintaining a strong balance sheet. On valuation, we believe OGC is trading at a slight premium to its peers however, we believe the premium could be higher given its comparatively stronger fundamentals. On political risk, we believe OGC ranks in-line with the group average with its exposure to the Philippines hindering a higher ranking according to the Fraser Institute's Mining Survey, Policy Perception Index.

Historic Track Record - A Returns Focused Discipline in a Difficult Sector

OGC has posted positive ROIC and ROE over the past five years with an average ROIC of 10% (versus mid-tier peers of -4%) and ROE of 11% (versus mid-tier peers of -8%). We note that a key component to the positive track record is the minimal asset write downs at OGC versus its peer group suggesting a disciplined approach to capital allocation.

Exhibit 12 & 13: OGC ROIC and ROE Peer Comparison



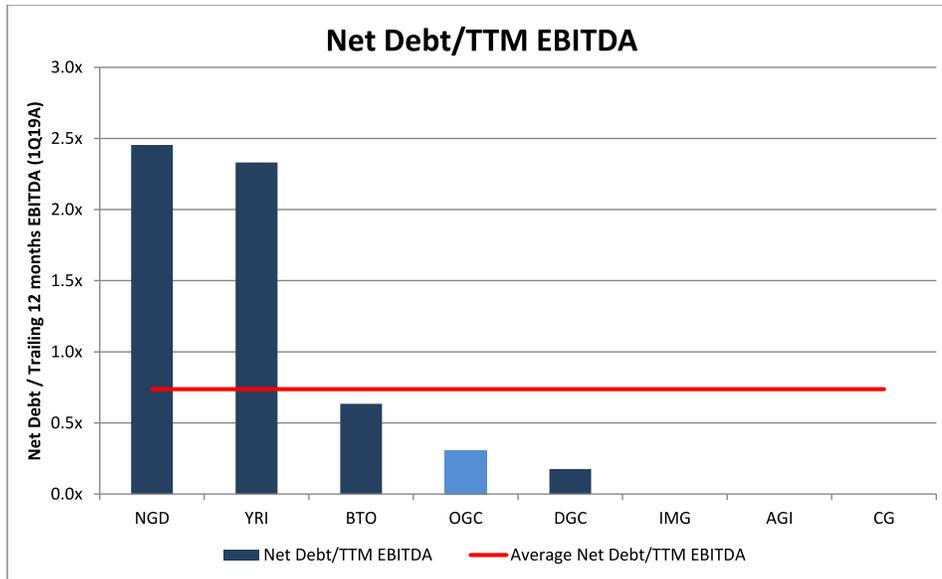
Note: Average Comps consists of YRI, IMG, AGI, NGD, DGC, BTO and CG.

Source: Bloomberg, OceanaGold Corp., Raymond James Ltd.

Balance Sheet Strength Allows OGC Flexibility to Support Future Growth

At its last balance sheet date (Mar-31-19) OGC had net debt of ~\$99m. The company has ~\$87m in cash with another \$50m in available credit giving it current liquidity of ~\$137m.

Looking at Net Debt/LTM EBITDA across mid-tier gold producers in our coverage universe, OGC has a balance sheet with a Net Debt/LTM EBITDA of ~0.3x versus the group average of ~0.7x suggesting to us that it is well positioned to re-invest in the operations or potentially be more competitive on external opportunities given its balance sheet is expected to strengthen further in the coming years.

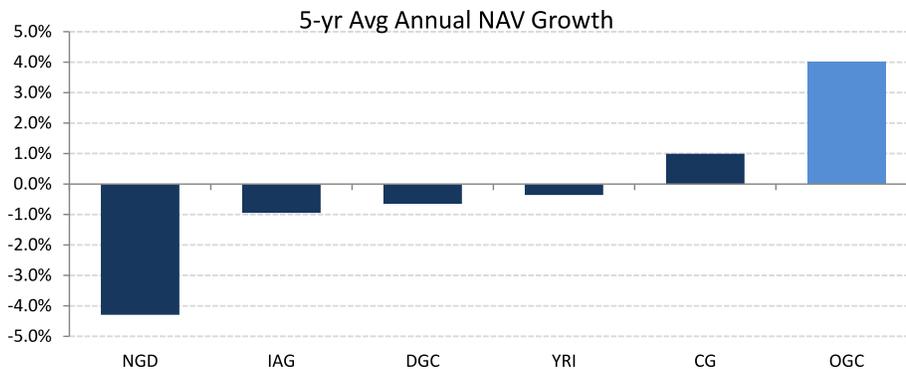
Exhibit 14: OGC Balance Sheet Remains Strong Along With Mid-Tier Peers

Source: Bloomberg, OceanaGold Corp., Raymond James Ltd.

NAV Growth in a No-Growth Environment

With declining production profiles, rising cash costs and AISC and minimal organic growth opportunities, the North American mid-tier gold producers are challenged to deliver NAV growth over the next few years. While we are modeling OGC to also have declining production post 2021 as the Macraes mine comes to the end of its life, we expect the cash balance to grow as the significant capital expansion program at Haile is expected to come to an end and the Martha underground is also expected to contribute a full year in 2021.

We see potential for further NAV growth if OGC moves forward with the organic growth opportunities at Waihi (WKP) and Macraes (Golden Point) and from a potential new mine plan at Haile that delineates larger pits and the Horseshoe underground.

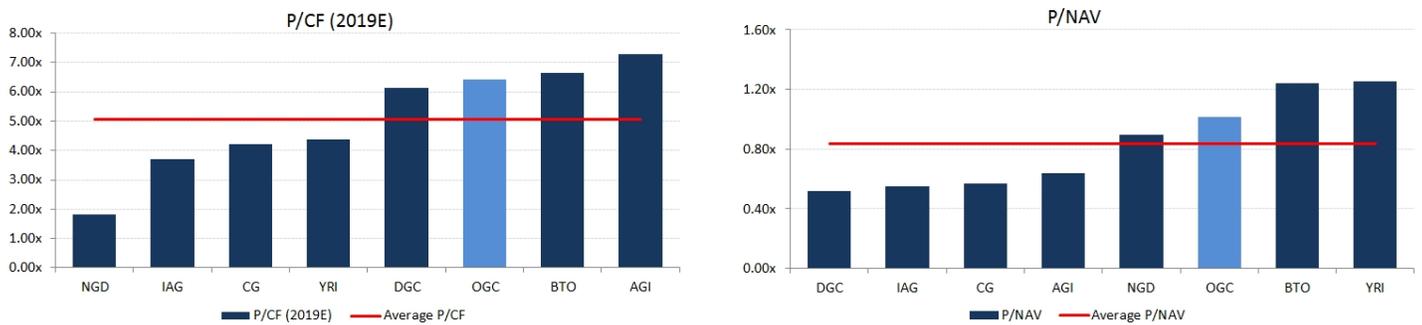
Exhibit 15: OGC Has Peer-Leading NAV Growth

Source: OceanaGold Corp., Company Reports, Raymond James Ltd.

Valuation - Slightly Ahead of Peers

Overall, OGC trades at a slight premium to its mid-tier peers on a P/NAV basis (1.0x versus group average of 0.8x) and a P/CF basis (6.4x versus group average of 5.1x). Given OGC's superior return and annual NAV growth metrics versus peers and its relatively strong balance sheet, we believe OGC is a premium company in the gold sector and should trade above peers suggesting that the slight premium still represents good relative value.

Exhibit 16 & 17: OGC Trading In-Line to Slightly Ahead of Peers

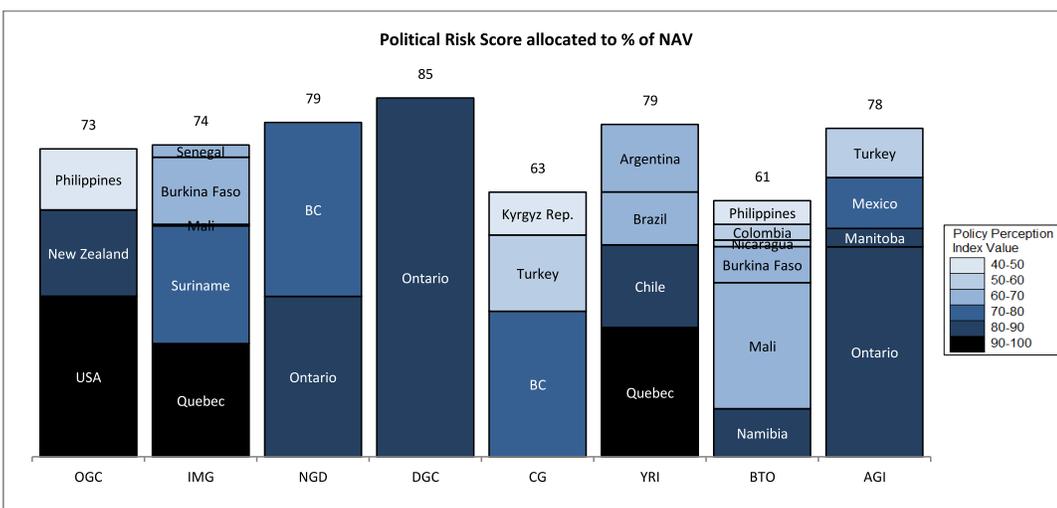


Source: OceanaGold Corp., Raymond James Ltd.

Political Risk - Exposure to the Philippines Suggests Higher Political Risk

Using the Policy Perception Index within the Fraser Institute's Mining Survey and the NAV contribution by country or region for each of the companies in our comparison group we have derived a political risk score for each of our comparison companies. OGC ranks in the lower half of the group and slightly below the group average of 74/100. According to the Fraser Institute's index, OGC's exposure to the Philippines drove the lower score. OGC is currently operating in the Philippines under an appeal to a suspension order decreed by the former Environment and Natural Resources Secretary.

Exhibit 18: OGC Peer Comparison for Political Risk as % of NAV



Note: Political risk is based on 2018 Fraser Institute Mining Survey (Policy Perception Index).

Source: OceanaGold Corp., Raymond James Ltd.

VALUATION AND RECOMMENDATION

We rate OceanaGold an Outperform with a C\$5.50/sh price target. Our target is based on a 60/40 weighting of i) a 1.2x multiple of our NAVPS estimate of \$2.71 (with net corporate adjustments at 1.0x) and ii) 12x P/NTM CFPS to our NTM CFPS estimate of \$0.43/sh.

Exhibit 19: RJL Valuation Methodology

Valuation		
Valuation Measures	Weight	Target
Price/NAVPS (x)	60%	1.2x
Price/CFPS	40%	12.0x
		\$4.01
Target Price C\$:		\$5.50

*Target NAVPS multiple is applied to the mining assets, with net cash included at par

Source: OceanaGold Corp., Raymond James Ltd.

P/NAV Valuation

We believe an appropriate way to determine the long-term value of a mining company is the NAV approach as it takes into account reserve life, cost structures, capital cost requirements, growth prospects, timing and debt structure all in one statistic. Using a discount rate of 5% on the operating assets and adding the financial assets and liabilities, we have derived a NAV estimate of \$2.71 as shown in Exhibit 20. In this analysis we have assumed that the Martha underground will be developed but we have not developed WKP (Waihi) or Golden Point and Round Hill (Macraes).

Exhibit 20: RJL Net Asset Value Estimate

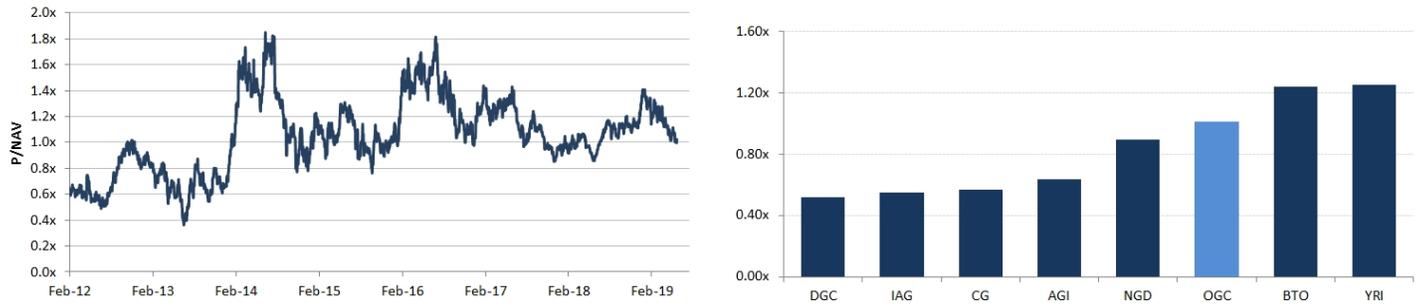
Valuation	US\$mIn	\$/share	% NAV
Mining Assets			
Haile	\$790	\$1.26	42%
Didipio	\$639	\$1.02	34%
Macraes	\$119	\$0.19	6%
Waihi	\$216	\$0.34	11%
Development/Exploration	\$115	\$0.18	6%
Mining Asset NAV	\$1,878	\$2.98	100%
Investments	\$44	\$0.07	
Corporate	(\$109)	(\$0.17)	
Working Capital	\$63	\$0.10	
LT Debt	(\$172)	(\$0.27)	
NAV (US\$)	\$1,704	\$2.71	

Source: OceanaGold Corp., Raymond James Ltd.

NAV Valuation Screens

OceanaGold is currently trading at a 1.0x P/NAV which is a premium to its mid-tier peers that have an average P/NAV valuation of 0.8x. OGC is trading within its historic range of 0.4 - 1.8x P/NAV.

Exhibit 21 & 22: RJL Historic OGC P/NAV Multiple and Relative P/NAV valuation

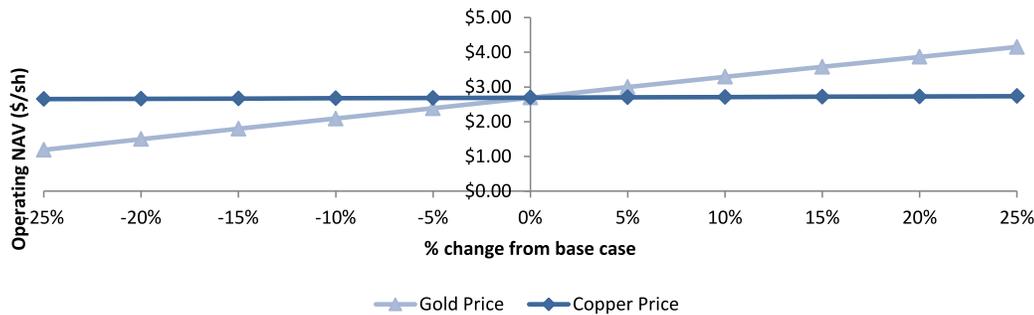


Source: OceanaGold Corp., Raymond James Ltd.

NAV Sensitivity

We highlight operating NAV sensitivity to our long-term price assumptions for gold in exhibit 23.

Exhibit 23: NAV sensitivity to long-term commodity price assumptions



Source: OceanaGold Corp., Raymond James Ltd

Applying a P/NAV multiple of 1.2x to our operating NAV (versus mid-tier peers at 0.9x given OGC's better relative ranking) and adding corporate adjustments we derive a valuation of C\$4.36/sh.

P/CFPS Valuation

We believe an appropriate measure to determine near-term valuation is P/CFPS as it considers cash flow generation prospects. Applying a P/NTM CFPS multiple of 12.0x (versus mid-tier peers at 8.1x) to our NTM CFPS of \$0.43 we derive a valuation of C\$6.88/sh.

Exhibit 24: Historic P/NTM CFPS Valuation



Source: OceanaGold Corp., Raymond James Ltd.

RISKS

Commodity Price Risk

Prices for the commodities that the company produces or the company plans to produce may fluctuate and may have a large influence on the company's forecasted earnings, cash flow, asset values and share price. Sustained low prices could also have a material adverse impact on the company's financial position and ability to raise capital.

Jurisdictional, Social and Permitting Risk

With operations on a global scale, we believe jurisdictional, social and permit risk could prove to be substantial in some circumstances.

Reserve/Resource Risk

Although the company may have NI43-101 compliant resources, there exists a risk that further work leads to a deterioration of the grade and/or size of ore deposits. Also, our outlook may hinge on expansion and/or construction of current and future operations. Further work may show additional resources, expansions and upgrades are not possible.

Cost Estimate, Production and Inflation Risk

Our outlook assumes certain future capital and operating costs for the Company's operations. Our estimates may prove to be optimistic and we may have underestimated costs, in which case the economic potential of the project and our valuation may be lower than we currently forecast. There also remains the risk that costs may increase in the future.

Regulatory Risk

Operations are subject to extensive regulations which could delay or suspend operations.

Environmental Risk

Current operations, historical operations and/or future operations may be subject to stringent environmental regulations which could result in significant costs and/or impact operations.

APPENDIX

ASSET OVERVIEW

Macraes (100% Owned, New Zealand, Gold):

The wholly-owned Macraes Mine, located on the South Island of New Zealand, is the country's largest gold producing operation. It is located 2km east of the Macraes Flat Township and consists of: (i) the Macraes Coronation and Coronation North open pit deposits; (ii) the Frasers Underground mine and; (iii) the processing plant which includes a pressure oxidation plant for processing of sulphide ore 5-6km south of the deposits. The Macraes operation has been in operation since 1990, and is expected to reach 5 million ounces of total gold produced in 2019.

Geology: The Macraes Operations are in a major, low-angle structure formed during an Early-Mid Jurassic terrane collisional event. The orogenic-style gold deposit largely consists of hanging-wall shear and quartz veins, with mineralization influenced by deformation, late-metamorphism, and magmatism.

R&R and Mine Life: The combined open pit and underground 2P reserves are 1.2Moz, M&I resources are 3.3Moz and inferred resources are 0.9Moz, which currently support an approximate 5.5 year mine life. We are modeling mine life to end in 2021 with extension beyond this point requiring a development decision on its Round Hill and Golden Point deposits.

2019 Operating Details: The Macraes processing plant has a crushing and grinding circuit and operates at a treatment rate of 5.8 Mtpa. For 2019 the company is guiding for 175-190koz of gold production at AISC of US\$1,000-\$1,050/oz. Further, the company intends to spend ~US\$50-60mln in capital expenditures in 2019, with the majority spent on pre-stripping/capitalized mining.

Didipio (100% Owned, Philippines, Gold/Silver/Copper):

The wholly-owned Didipio mine is located on Luzon Island in the Philippines, approximately 270km northeast of the capital Manila. There is an 8% carried interest partner who receives 8% on declaration of dividends. The Didipio mine consists of an open pit mine which was completed in May 2017 after 5 years of mining, and an underground mine that commenced in March 2015. In February 2017, Didipio Mine received an order from the DENR calling to suspend operations. OceanaGold filed an appeal with the Office of the President, which stays the execution of the suspension order and is expected to continue to operate during the appeal process.

Geology: The Didipio Mine is an alkalic gold-copper porphyry system deposit, and is hosted in hydrothermally-altered and structurally-controlled intrusives. The deposit was emplaced by a regional fault structure in an island arc depositional and tectonic setting.

R&R and Mine Life: The mine 2P reserves are 1.20Moz gold, 2.41 Moz silver, 0.14 Mt copper, the M&I resources are 1.3Moz gold, 2.7 Moz silver, 0.16 Mt copper, and the inferred resources 0.3Moz gold, 0.5 Moz silver, 0.03 Mt copper, which extends the mine life to 2032.

2019 Operating Details: The processing plant supports processing 3.5 Mtpa and is a conventional SAG and Ball mill grinding circuit and a pebble crusher circuit, followed by froth flotation to produce gold bullion on site. The plant also produces a concentrate that is shipped via Trafigura. For 2019 the company is guiding for 120-130koz of gold production and 14-15kt of copper production at AISC of US\$625-\$675/oz. The company intends to spend ~US\$45-55mln in capital expenditures in 2019, with the majority spent on growth.

Waihi (100% Owned, New Zealand, Gold/Silver):

The wholly-owned Waihi Gold Mine was acquired by OGC from Newmont Mining Corporation in 2015 for \$101 mln. The mine is located on the North Island of New Zealand, within the township of Waihi, 142km southeast of Auckland. The operation consists of the Correnso Underground mine

that commenced production in 2015 and the Martha Open Pit, where operations are currently suspended following a ramp failure in 2015 and a wall failure in 2016.

Geology: The Waihi area comprises low-sulphidation epithermal gold-silver deposits hosted in quartz veins, within rhyolite-andesite volcanics.

R&R and Mine Life: The mine 2P reserves currently stand at 0.18Moz, the M&I resources are 0.84Moz and the inferred resources are 0.11 Moz, which supports mine life to mid-2020. In addition, the Martha UG project consists of over 1Moz of resources and extends mine life 10+ years, which is included in our Waihi model mine life that extends to 2028. Development is set to begin 2Q19 and is expected to take 12-18 months. Martha Open pit permitting is set to begin mid-2019 and will take around 2 years followed by 9-12 months of production. The open pit plans are on hold based on the OIO ruling against the OGC land acquisition but remains a viable option. WKP is entering the permitting phase.

2019 Operating Details: Processing involves a conventional SAG Mill-Ball Mill grinding circuit, followed by leaching and absorbing. The processing plant has the capacity to treat up to 1.25 million tonnes of Martha ore or 800,000 tonnes of Correnso ore per annum. For 2019 the company is guiding for 60-70k of gold production at AISC of US\$875-\$925/oz. Further, the company intends to spend ~US\$35-50 mln in capital expenditures in 2019, with the majority spent on exploration and development.

Haile (100% Owned, USA, Gold):

The wholly-owned open pit Haile Gold Mine is located 3 miles northeast of the town of Kershaw in southern Lancaster County, South Carolina, USA. The company acquired the Haile Gold project in 2015 through the acquisition of Romarco Minerals for US\$417mln. Romarco had previously acquired the property from Kinross in October 2007. The Haile mine achieved commercial production in October 2017.

Geology: Haile is situated in the Carolina terrane, which also hosts the past-producing Ridgeway and Brewer Gold Mines. Haile is classified as a sediment-hosted intrusion-related disseminated gold deposit.

R&R and Mine Life: The mine 2P reserves currently stand at 3.03Moz, the M&I resources are 3.14Moz and the inferred resources are 0.7 Moz, which supports mine life to 2033.

2019 Operating Details: There is currently an ongoing mill expansion that will bring processing capacity to 3.5-4 mtpa by January 2021. The plant is mainly fed by the OP mine where mining rates will increase from 11 ktpd increases to 40 ktpd once the mill expansion is completed in 2021. The expanded mill feed is also supplemented with ore from a five-year UG 1,921 t/d high grade operation that will start production in the same year of the expanded mill capacity comes online in 2021. For 2019, the company is guiding for 145-160koz of gold production at AISC of US\$850-\$900/oz. The company intends to spend ~US\$80-95mln in capital expenditures in 2019, with the majority on development.

Investments and JV's

Going forward, OGC plans to spend US\$40-50 million/year on exploration and drill 150,000 meters/year. OGC is actively exploring around current mining operations, specifically the Cagayan Valley Philippines fault zone near Didipio, the Otago Terrane near Macraes, the Coromandel Volcanic Zone (WKP) near Waihi and the Carolina Terrain near Haile.

In addition, OGC is involved in equity agreements and JVs in the USA, Laos, Myanmar, New Zealand, Australia and Argentina. In the United States, OGC has an 15.6% equity agreement with Gold Standards Venture (GSV) on an exploration project in the Carlin trend and a 16.2%

equity agreement with NuLegacy Gold Corp (NUG) on a junior exploration target in the Cortez trend (as of 3/31/19). OGC also has three JV agreements in the Walker Lake District, Nevada: Bravada Gold Corp on the Highland Project (US\$4mln over 5 years to earn 51%, and US\$200,000 plus US\$6mln over 4 years for aggregate 75%), Kinetic Gold US Inc on the Spring Peak project (US\$4mln over 5 years for 51%, and additional US\$6mln over 4 years for aggregate 75%) and Renaissance Exploration Inc. on the Fat Lizard project (US\$3mln over 5 years to earn 51%, and additional US\$5mln over 4 years for aggregate 75%). In New Zealand, OGC has a 20% interest in MOD resources (Australia Stock Exchange) on the Sam Creek project. In Australia, OGC is involved with an unincorporated JV copper-gold project located near Orange, New South Wales. In the Philippines, OGC is exploring two gold-copper porphyry exploration properties in Northern Luzon and three exploration properties in Surigao Peninsula. In Argentina, OGC entered an option agreement with Rio De Oro S.A., a private company exploring Pedernales Project in the Catamarca province, Argentina to earn 60% over 4 years by spending US\$6.3mln, and aggregate 75% by completing 43-101 within 3 years. Finally, OGC has 30.81% equity agreement in Locrian Resource, which is a private Canadian exploration company focused in Laos and Myanmar.

RESERVES AND RESOURCES

As of year-end 2018, OceanaGold had 5.56 million oz of 2P gold reserves (127 million tonnes at an average grade of 1.36 g/t). It has M&I resources of 8.59 million oz (190 million tonnes grading 1.40 g/t gold) with M&I resources inclusive of reserves, and inferred resources of 3.6 million oz (64 million tonnes at an average grade of 1.8 g/t).

Exhibit 25: OGC Reserves and Resources

Reserves and Resources	Mt	Au (g/t)	Au Moz	Ag(g/t)	Ag Moz	Cu %	Cu Mt
2P							
New Zealand	35.9	1.16	1.34	0.84	0.97	-	-
Philippines	36.6	1.02	1.20	2.05	2.41	0.01	0.14
USA	54.4	1.73	3.03	-	-	-	-
Total	127.0	1.36	5.56	0.83	3.38	0.02	0.14
M&I							
New Zealand	94.0	1.38	4.16	0.92	2.78	-	-
Philippines	40.8	0.99	1.29	2.09	2.74	0.01	0.16
USA	55.7	1.75	3.14	-	-	-	-
Total	190.0	1.40	8.59	0.90	5.52	0.03	0.16
Inf							
New Zealand	41.0	2.00	2.60	2.35	3.10	-	-
Philippines	7.7	1.30	0.30	1.90	0.50	0.40	0.03
USA	15.0	1.40	0.70	-	-	-	-
Total	64.0	1.80	3.60	1.70	3.50	0.00	0.03

Source: OceanaGold Corp., Raymond James Ltd.

OGC MANAGEMENT

Exhibit 26: OCG Management Bios

Officer	Title	Background
Michael (Mick) Wilkes	President and Chief Executive Officer	Mick is a mining engineer with 35 years of broad international experience, predominantly in precious and base metals across Asia and Australia. He has been the President and CEO of OceanaGold Corporation since 2011. In previous roles he was the Executive General Manager of Operations at OZ Minerals responsible for the development of the Prominent Hill copper/gold project in South Australia and General Manager of the Sepon gold/copper project for Oxiana based in Laos. His earlier experience included 10 years in various project development roles in Papua New Guinea and, at the outset of his career, at Mount Isa Mines in operations and design. Mick holds a Bachelor of Engineering from the University of Queensland, a Master of Business Administration from Deakin University, and is a member of both the Australian Institute of Mining and Metallurgy, and the Australian Institute of Company Directors.
Scott McQueen	Executive Vice President and Chief Financial Officer	Scott McQueen has over 25 years multi disciplinary finance experience covering public practice, before moving into energy, gas and mining. In addition to roles in Australia, he has also worked in Asia and Europe. Prior to joining OceanaGold he was at Iluka Resources Limited for over 7 years where he was General Manager Commercial. He has a Bachelor of Commerce, a Masters Degree in Taxation Law and is a CPA.
Mark Cadzow	Executive Vice President and Chief Development Officer	Mark Cadzow is a metallurgist with over 30 years' experience in mineral processing, precious metals, sulphide minerals and coal. He spent 8 years with BP Australia in coal and mineral research and development, which resulted in a number of patented processes for the recovery of gold and other minerals. Mr. Cadzow joined OGL in 1991 and held the position of Senior Metallurgist and Processing Manager for 10 years, during which time he developed the Macraes processing plant from a 1.5 mMtpa sulphide leach plant into one of Australasia's most complex gold processing plants treating 4.5 mMtpa. In 2002, his appointment to Project Manager saw him bring on the 0.5 mMtpa oxide plant. In October 2005, he was appointed New Zealand Development Manager, and was appointed the Chief Operating Officer of OceanaGold in October 2010. In Mark's current role, he is responsible for overseeing technical studies, expansions, new developments including the commissioning of the Didipio Project. He holds a Bachelor of Applied Science (Metallurgy).
Michael Holmes	Executive Vice President and Chief Operating Officer	Michael Holmes is a mining engineer with over 25 years experience working in Australia and Argentina. Michael has broad operational experience in underground and open pit gold, copper, lead, zinc and nickel mines. Most recently, as General Manager of Minera Alumbrera Operations in Argentina (Xstrata Copper), Michael was responsible for the large open pit, processing, transport and port facilities and for the management of the feasibility study for the Agua Rica Project. Previous to this, Michael was the General Manager of the Mount Isa Copper Operations (Xstrata Copper), based in Mount Isa, managing the large scale underground mine and concentrator. Prior, Michael has had various other Mine Management positions in Australia. He holds a Bachelor of Engineering (Mining) degree from the University of Queensland and is a member of the Australian Institute of Mining and Metallurgy.
Craig Feebrey	Executive Vice President, Head of Exploration	Craig Feebrey is a geologist with over 20 years of global exploration and commercial experience. His focus has been in gold and copper exploration and mining across Australia, Asia-Pacific, and South America. Craig's most recent position was as Vice President of Exploration – Australasia with Gold Fields Ltd where he was responsible for leading all exploration activities, he was also a member of the Gold Fields Regional Leadership Team, and Director of several Gold Fields subsidiary companies. Craig is a Chartered Professional Geologist and holds a Doctor of Philosophy (Geology) and Master of Science degree from Hokkaido University, Japan, and a Bachelor of Science and Graduate Diploma of Science from the University of New England, Australia. Craig is a Fellow of the Society of Economic Geologists, a member of the Australian Institute of Mining and Metallurgy and the Australian Institute of Company Directors.
Sharon Flynn	Executive Vice President, Head of External Affairs and Social Performance	Sharon Flynn has over 20 years of experience designing and implementing sustainability strategies with global multi-nationals in the mining, oil & gas, construction and forestry sectors. Sharon has also worked in the non-profit sector in community development, biodiversity conservation and peace building. Prior to joining OceanaGold, Sharon worked with the One Earth Future Foundation, Rio Tinto, Bechtel, GrupoNueva and Conservation International, among others. She holds a Masters in International Relations and Management from the University of California, San Diego.
Cody Whipperman	Executive Vice President, Head of Corporate Development	Prior to joining OceanaGold, Cody spent the last three years as regional Chief Financial Officer for Barrick Gold Corporation in Santiago, Chile responsible for planning, business development, valuation modelling, finance and accounting functions in Chile, including the Pascua-Lama project. Prior to this, Cody served as General Manager of Business Development for Rio Tinto Iron Ore in Perth, where he was accountable for all iron ore related business development and inorganic growth activities within Australia. Cody spent the first decade of his career working for CONSOL Energy, a multi-commodity energy company based in the eastern United States. In his role as Vice President of Corporate Strategy, Business Development, and M&A he led 6 major coal and natural gas transactions totalling nearly US\$8 billion. Cody has Bachelor of Science in Mining Engineering from the University of Utah and a Juris Doctor of Laws from Duquesne University in Pittsburgh, Pennsylvania.
Liang Tang	Executive Vice President, General Counsel and Company Secretary	Liang is a practising lawyer with a broad range of legal and corporate experiences in the gold mining sector, including capital markets, debt financing, and corporate and commercial law. She joined OceanaGold's legal and company secretariat team in April 2009, and is currently responsible for legal affairs, compliance and corporate governance. Prior to joining OceanaGold, Liang was a commercial lawyer in private practice. She also worked as an accountant and tax consultant at a global accounting firm. Liang holds a Bachelor of Commerce and a Bachelor of Laws from the University of Melbourne. She is fluent in Chinese Mandarin.
Yuwen Ma	Executive Vice President, Head of Human Resources	Yuwen Ma is responsible for managing the Human Resources function of the organisation and lead talent & organisation development initiatives to support OceanaGold operations and growth. Prior to joining OceanaGold, his most recent assignment was Human Resources Director of Eldorado Gold China Operations. Yuwen has over 20 years human resources management experiences with multinationals building high performance organisations including Sino Gold Mining Ltd., Kimberly-Clark China and Nestle China.

Source: OceanaGold Corp., Raymond James Ltd.

OGC FINANCIAL SUMMARY

Exhibit 27: OGC Financial Summary - RJL Estimates

Financial Summary (US\$ mln)	2018A	2019E	2020E	2021E	2022E	2023E	2024E	2025E
Income Statement								
Revenue	\$773	\$775	\$766	\$752	\$593	\$586	\$567	\$544
Operating Costs	(\$356)	(\$418)	(\$412)	(\$349)	(\$283)	(\$273)	(\$280)	(\$273)
Royalties	\$0	(\$14)	(\$17)	(\$15)	(\$7)	(\$7)	(\$6)	(\$7)
Depreciation	(\$191)	(\$179)	(\$184)	(\$230)	(\$199)	(\$200)	(\$201)	(\$198)
Gross Profit	\$226	\$164	\$153	\$158	\$104	\$106	\$80	\$67
G&A	(\$60)	(\$48)	(\$40)	(\$45)	(\$45)	(\$45)	(\$45)	(\$45)
Exploration	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other expenses	\$4	(\$3)	\$0	\$0	\$0	\$0	\$0	\$0
Earnings from Operations	\$170	\$113	\$113	\$113	\$59	\$61	\$35	\$22
Net Finance Expense	(\$14)	(\$11)	(\$6)	\$0	\$0	\$1	\$2	\$3
Tax Expense	(\$34)	(\$26)	(\$27)	(\$34)	(\$18)	(\$19)	(\$11)	(\$8)
Non-Controlling Interest	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Income - Attributable	\$122	\$76	\$80	\$79	\$42	\$44	\$26	\$18
Net Income - Adjusted	\$122	\$76	\$80	\$79	\$42	\$44	\$26	\$18
Basic shares outstanding	616	620	620	620	620	620	620	620
Earnings per Share - Adj	\$0.20	\$0.12	\$0.13	\$0.13	\$0.07	\$0.07	\$0.04	\$0.03
EBITDA	\$361	\$292	\$297	\$343	\$258	\$261	\$235	\$220
Cash Flow Statement								
Cash flow from operations	\$346	\$241	\$264	\$309	\$241	\$244	\$226	\$216
Changes in working capital	(\$4)	(\$24)	\$0	\$0	\$0	\$0	\$0	\$0
Operating cash flow (b/f working capital)	\$350	\$265	\$264	\$309	\$241	\$244	\$226	\$216
Cash flow per share	\$0.57	\$0.43	\$0.43	\$0.50	\$0.39	\$0.39	\$0.37	\$0.35
Capital Expenditures	(\$224)	(\$186)	(\$126)	(\$84)	(\$49)	(\$40)	(\$40)	(\$40)
Free cash flow	\$122	\$55	\$138	\$225	\$192	\$204	\$186	\$176
Free cash flow per share	\$0.20	\$0.09	\$0.22	\$0.36	\$0.31	\$0.33	\$0.30	\$0.28
Balance Sheet								
Cash and equivalents	\$108	\$173	\$148	\$339	\$518	\$710	\$884	\$1,047
Other current assets	\$145	\$162	\$162	\$162	\$162	\$162	\$162	\$162
Total current assets	\$252	\$335	\$311	\$501	\$681	\$872	\$1,046	\$1,209
PP&E	\$1,403	\$1,399	\$1,341	\$1,196	\$1,045	\$885	\$724	\$567
Other non-current assets	\$370	\$358	\$358	\$358	\$358	\$358	\$358	\$358
Total assets	\$2,025	\$2,092	\$2,010	\$2,055	\$2,084	\$2,115	\$2,128	\$2,134
Current portion of LT debt	\$10	\$13	\$13	\$13	\$13	\$13	\$13	\$13
Other current liabilities	\$173	\$173	\$173	\$173	\$173	\$173	\$173	\$173
Total current liabilities	\$183	\$186	\$186	\$186	\$186	\$186	\$186	\$186
Long-term debt	\$167	\$172	\$22	\$0	\$0	\$0	\$0	\$0
Other long-term liabilities	\$109	\$91	\$91	\$91	\$91	\$91	\$91	\$91
Total long-term liabilities	\$276	\$263	\$113	\$91	\$91	\$91	\$91	\$91
Shareholder equity	\$1,567	\$1,619	\$1,687	\$1,754	\$1,783	\$1,814	\$1,827	\$1,833
Total liabilities & s/h equity	\$2,025	\$2,068	\$1,986	\$2,030	\$2,059	\$2,091	\$2,104	\$2,110

Source: OceanaGold Corp., Raymond James Ltd.

COMPANY DESCRIPTION

OceanaGold Corp. is an emerging mid-tier gold producer, with production from three operating mines in New Zealand, one in the Philippines, and one in the USA.



IMPORTANT INVESTOR DISCLOSURES

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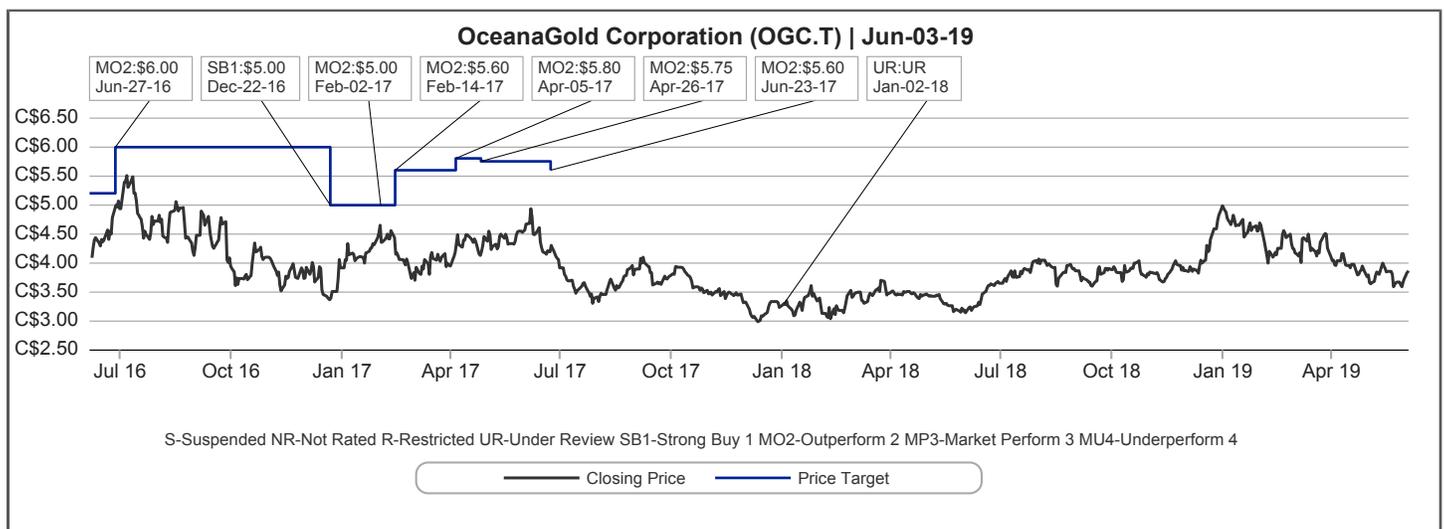
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Valuation Methodology

OceanaGold Corporation:

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