



## **OceanaGold Response to the Institute for Policy Studies and Mining Watch Canada Report**

**November 19, 2018**

We appreciate the opportunity to provide information about the social and environmental performance of our Didipio Gold and Copper Mine in the Philippines in response to the report recently published by the Institute for Policy Studies and MiningWatch Canada. In 2015, the Didipio General Manager and other members of the senior management team hosted MiningWatch Canada and other organizations at the Didipio Mine site and provided a mine tour and information about the operation.

We respect the opinions of all stakeholders and their important role in contributing to responsible mining practices. We are always willing to engage and are pleased to share the information we have on the issues raised in the report. A general summary is provided below, and more information is available at <http://oceanagold.com/our-business/philippines/didipio-mine/>.

### **About Didipio Gold and Copper Mine**

The Didipio Mine is a gold and copper operation located on the island of Luzon in the Philippines. OceanaGold acquired Didipio as a development project in 2006, through a merger with Climax Mining Ltd., and commenced commercial production as an open pit operation in 2013. In 2016, the mine transitioned from an open pit to underground operation, with production from the underground commencing in early 2017.

We directly employ 781 people, and through partnerships with local businesses we provide employment for an additional 808 people, totalling a workforce of 1,589. 30% of Didipio's workforce reside in the host community of Didipio, and 55% reside in the host provinces, Nueva Vizcaya and Quirino.

The Didipio Mine is governed by the terms of a Financial or Technical Assistance Agreement (FTAA) with the Philippine Government, Philippine laws, rules, regulations and requirements, and OceanaGold's corporate policies. The FTAA gives OceanaGold the right and responsibility to explore, develop and operate the Didipio area, but does not award the company ownership of the mineral resources.

Didipio's operations are subject to regular monitoring, inspection and verification by various government agencies and by a Multipartite Monitoring Team, composed of members representing national government agencies, local government units and communities. Regular internal and external audits are conducted on our compliance with the FTAA, existing permits and with Philippine laws, rules regulations and our corporate policies.

Didipio submits reports on mine operations to regulatory bodies. These include quarterly reports under the FTAA, Water Treatment Plant Discharge Reports, Production Reports and Progress Map and General Accident Reports. In July 2018, Didipio received the most recent "Certification of No

Valid Violation of Environmental Permit and Pollution Regulations” from the Environmental Management Bureau, Region 2.

In addition to regular government reviews of our operations, Didipio hosts on average 3,000 visitors every year for mine site tours. These visitors include a range of stakeholders from local communities, from elsewhere in the Philippines and international guests.

Didipio Mine implements an ISO-certified environmental management system (ISO14001:2015) and occupational health and safety management system (OHSAS 18001:2007). Didipio received ISO certification prior to the 2015 issuance of a national administrative order, requiring all operating large-scale metallic mines to obtain an ISO 14001 certification for environmental management systems. We are in the process of securing ISO 50001 Energy Management System and are implementing initiatives to reduce energy consumption and improve efficiency.

Given the geology of the Didipio deposit, mine operations do not use cyanide or mercury in the gold extraction process. Water quality and reliability are important to us and we have partnerships with government and non-government organisations to strengthen collaborative management of water and biodiversity.

We take the allegations against OceanaGold and previous owners made in relation to mine development activities seriously. We are committed to respecting human rights consistent with the United Nations Declaration on Human Rights. Our Human Rights Policy (first issued in 2014 and again in 2017) is included in the framework of responsible mining policies and commitments governing [how we operate](#) across the company. We periodically assess our performance against these commitments.

In 2018, we commenced a two-year effort to enhance Human Rights respect and performance in the business, including training for executive leadership, our Board, management teams and staff, and a human rights due diligence process conducted across our global operations. We are implementing this due diligence process in line with the UN Guiding Principles on Business and Human Rights.

The Didipio Mine regularly engages with local communities to collaborate on social development initiatives, address community questions and concerns about our operations, and listen to feedback on how to improve our performance. We have regular community meetings, and a community-based office through which community members can raise concerns and be provided feedback. We also have a confidential whistle-blower hotline service, managed by Deloitte, through which anyone can report concerns relating to non-compliance with our corporate [Code of Conduct](#).

We have received complaints from some community members regarding surface rights acquisition and other land related issues. Didipio has an established complaints process for community members to discuss and seek a collective resolution of these concerns. Where the company and the complainant are not able to resolve the issue, the process is moved to a Panel of Arbitrators as set out in the Philippine Mining Act of 1995.

We strive to responsibly manage the impacts from our operations and work collaboratively with host communities and government to identify community projects that deliver beneficial outcomes. In addition to our focus on local employment and local supplier development, Didipio makes significant social investment.

From 2014 – 2017, Didipio invested US\$18.5 million in 11 communities adjacent to the mine in the provinces of Nueva Vizcaya and Quirino. This includes US\$11.1 million in voluntary initiatives in collaboration with communities and government to support agricultural development, skills training, education, health, small business development and infrastructure improvement. The remaining US\$7.4 million makes up the Social Development and Management Program (SDMP), mandated by the Philippines Mining Law, which requires 1.5% of the mine’s annual operating costs to be invested in designated social programs.

OceanaGold is committed to our values and we strive to live by them every day. We face some complex challenges and we will work with stakeholders to continue to learn and continuously improve our social and environmental performance.

More information is available in our 2017 Sustainability Report and our website. We welcome all feedback from local communities, government partners and other stakeholders. If you would like to get in touch with us the contact details for each of our global operations and offices are available at <https://www.oceanagold.com/contact-us/>.

### **About OceanaGold**

OceanaGold is a mid-tier, multinational gold producer with significant global operating, development and exploration experience.

Our operating assets include: the Didipio Gold and Copper Mine on Luzon Island in the Philippines; the Macraes Goldfield Mine on the South Island of New Zealand; the Waihi Gold Mine on the North Island of New Zealand; and Haile Gold Mine located in South Carolina, United States of America.

We’re committed to local communities and investing in the people and natural environment that make our operations successful. We continuously analyse, innovate and improve the way we explore for, extract and process minerals – guided by our corporate policies.

The gold, copper and silver we produce are increasingly essential to the renewable energy and transports sectors, life-saving medical devices and the technology that connects communities.

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