

28 February 2017

Ms Karen Hudlet
Business & Human Rights Resource Centre
Via email: hudlet@business-humanrights.org

Dear Ms Hudlet

RE: Response to Weekly Update

Thank you for the invitation to respond to your Weekly Update.

Due to additional filings made by the Government of El Salvador's Washington-based attorney in December 2016 regarding the ICSID arbitration case, there are now additional considerations currently under review by the ICSID tribunal. These new filings have caused a delay in the finalisation of the ICSID arbitration decision, which means OceanaGold now requires time to receive correspondence from the ICSID tribunal on these matters and to review the outcome in due course before providing any further comment.

The ICSID tribunal did not make a ruling banning mineral development in El Salvador nor does the ICSID Tribunal have the authority to make such a ruling. In its Award of 14 October 2016, the Tribunal merely ruled that the Government of El Salvador was not liable for the monetary claims sought by Pacific Rim Cayman concerning the Government's previous inaction associated with approving the El Dorado gold-silver project.

Our activities in-country continue through the financial support our subsidiary, Mineralez Torogoz, gives to the El Dorado Foundation ("Foundation") - a not-for-profit organisation established in 2005 that delivers meaningful benefits to communities within the municipalities of San Isidro and Sensuntepeque in Cabanas. The El Dorado Foundation serves to be a positive reference of modern, responsible mining in Latin America.

For example, last year:

- Approximately 550 local families participated in Mineralez Torogoz-sponsored social programs such as English language classes and Microsoft Office certification courses.
- In addition we sponsored classes for computing and robotics, graphic design, drawing, painting and sports.
- Further, 40 adults enrolled in three different literacy groups from 0 to 6 level of schooling.

- The El Dorado Foundation also established Ecological Clubs to teach vegetable gardening, cleaning campaigns, separation and recycling, nursery garden production, compost production and making products from recyclable materials.
- Approximately 600 women have been provided with Women's Health education and evaluation.
- Over 7,000 people visited our on-site educational classroom to learn about responsible and modern mining techniques.

The Foundation does not engage in any mining or resource development activities. Further, the activities carried out by the Foundation are completely open and transparent and available for public scrutiny.

Our Company is proud of the work it is doing through the Foundation to support local communities. We endeavour to be part of the community and a good corporate citizen.

It is our strong belief that much good can come from responsible resource development when they are integrated with the community, as we have clearly demonstrated at all our operations in other countries such as New Zealand, the Philippines, and the USA.

Yours sincerely,

OCEANAGOLD CORPORATION