First Quarter 2015 Results

April 29, 2015

www.oceanagold.com

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION IN MANAGEMENT DISCUSSION & ANALYSIS

This Management Discussion & Analysis contains "forward-looking statements and information" within the meaning of applicable securities laws which may include, but is not limited to, statements with respect to the future financial and operating performance of the Company, its subsidiaries and affiliated companies, its mining projects, the future price of gold, the estimation of mineral reserves and mineral resources, the realisation of mineral reserve and resource estimates, costs of production, estimates of initial capital, sustaining capital, operating and exploration expenditures, costs and timing of the development of new deposits, costs and timing of the development of new mines, costs and timing of future exploration and drilling programs, timing of filing of updated technical information, anticipated production amounts, requirements for additional capital, governmental regulation of mining operations and exploration operations, timing and receipt of approvals, consents and permits under applicable mineral legislation, environmental risks, title disputes or claims, limitations of insurance coverage and the timing and possible outcome of pending litigation and regulatory matters. Often, but not always, forward-looking statements and information can be identified by the use of words such as "may", "plans", "expects", "projects", "is expected", "budget", "scheduled", "potential", "estimates", "forecasts", "intends", "targets", "aims", "anticipates" or "believes" or variations (including negative variations) of such words and phrases, or may be identified by statements to the effect that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward-looking statements and information involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company and/or its subsidiaries and/or its affiliated companies to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, future prices of gold; general business, economic and market factors (including changes in global, national or regional financial, credit, currency or securities markets), changes or developments in global, national or regional political and social conditions; changes in laws (including tax laws) and changes in GAAP or regulatory accounting requirements; the actual results of current production, development and/or exploration activities; conclusions of economic evaluations and studies; fluctuations in the value of the United States dollar relative to the Canadian dollar, the Australian dollar, the Philippines Peso or the New Zealand dollar; changes in project parameters as plans continue to be refined; possible variations of ore grade or recovery rates; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the mining industry; political instability or insurrection or war; labour force availability and turnover; adverse judicial decisions, delays in obtaining financing or governmental approvals or in the completion of development or construction activities or in the commencement of operations; as well as those factors discussed in the section entitled "Risk Factors" contained in the Company's Annual Information Form in respect of its fiscal year-ended December 31, 2014, which is available on SEDAR at www.sedar.com under the Company's name. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements and information, there may be other factors that cause actual results, performance, achievements or events to differ from those anticipated, estimated or intended. Also, many of the factors are outside or beyond the control of the Company, its officers, employees, agents or associates. Forward-looking statements and information contained herein are made as of the date of this Management Discussion & Analysis and, subject to applicable securities laws, the Company disclaims any obligation to update any forward-looking statements and information, whether as a result of new information, future events or results or otherwise. There can be no assurance that forward-looking statements and information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements and information due to the inherent uncertainty therein. All forward-looking statements and information made herein are qualified by this cautionary statement. This Management Discussion & Analysis may use the terms "Measured", "Indicated" and "Inferred" Resources. U.S. investors are advised that while such terms are recognised and required by Canadian regulations, the Securities and Exchange Commission does not recognise them. "Inferred Resources" have a great amount of uncertainty as to their existence and as to their economic and legal feasibility. It cannot be assumed that all or any part of an Inferred Resources will ever be upgraded to a higher category. Under Canadian rules, estimates of Inferred Resources may not form the basis of feasibility or other economic studies. U.S. investors are cautioned not to assume that all or any part of Measured or Indicated Resources will ever be converted into reserves. U.S. investors are also cautioned not to assume that all or any part of an Inferred Resource exists, or is economically or legally mineable. This document does not constitute an offer of securities for sale in the United States or to any person that is, or is acting for the account or benefit of, any U.S. person (as defined in Regulation S under the United States Securities Act of 1933, as amended (the "Securities Act")) ("U.S. Person"), or in any other jurisdiction in which such an offer would be unlawful.

Technical Disclosure

The Mineral Resources for Didipio were prepared by, or under the supervision of, J. G. Moore, whilst the Mineral Resources for Macraes and Reefton were prepared by S. Doyle. The Mineral Reserves for Didipio were prepared under the supervision of M. Holmes, while the Mineral Reserves for Macraes and Reefton were prepared by, or under the supervision of, K Madambi. C. Bautista is Exploration Manager for the Philippines. M. Holmes, S. Doyle, K. Madambi, and J. G. Moore are Members and Chartered professionals with the Australasian Institute of Mining and Metallurgy and each is a "qualified person" for the purposes of NI 43-101. C. Bautista is a member of the AIG and is a "qualified person" for the purposes of NI 43-101. Messrs Holmes, Moore, Doyle, Madambi and Bautista have sufficient experience, which is relevant to the style of mineralisation and type of deposits under consideration, and to the activities which they are undertaking, to qualify as Competent Persons as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" ("JORC Code").

The resource estimates for the El Dorado Project were prepared by Mr. Steven Ristorcelli, C.P.G., of Mine Development Associates, Reno, Nevada (who is an independent Qualified Person as defined in NI 43-101) and conforms to current CIM Standards on Mineral Resources and Reserves.

For further scientific and technical information (including disclosure regarding mineral resources and mineral reserves) relating to the Reefton Project, the Macraes Project and the Didipio Project please refer to the NI 43-101 compliant technical reports available at sedar.com under the Company's name. For further scientific and technical information (including disclosure regarding mineral resources and mineral reserves) relating to the El Dorado Project please refer to the reports publicly available on SEDAR (www.sedar.com) prepared for Pacific Rim.

Management Discussion and Analysis for the first quarter ended March 31, 2015

HIGHLIGHTS

- Record quarterly gold production from Didipio with 35,122 ounces produced in the first quarter 2015.
- Strong quarterly consolidated production of 91,146 ounces of gold and 6,102 tonnes of copper at sector leading low cash costs of $402 per ounce gold sold and All-In Sustaining Costs of $630 per ounce gold sold, both net of by-product credits.
- Revenue for the quarter of $129.3 million with an EBITDA of $60.7 million and a net profit of $24.5 million.
- Strengthened the balance sheet through an increase in cash position to $59.6 million and debt repayment of $13.4 million.
- Generated $19.4 million in free cash flow despite lower average gold and copper price received.
- Declared a dividend of US$0.04 per Common Share or Chess Depositary Interest during the quarter amounting to $12.1 million payable on April 30, 2015.
- Stronger margins achieved from the New Zealand operations providing significant contribution to underlying Company profitability; additional brownfields exploration program initiated at Macraes with objective of further mine-life extensions.
- Frasers Underground mine life extended by one year to the end of 2016.
- Commenced the geophysical survey at the Paco tenements in the Philippines and continued drilling near-mine at Didipio with early success.
- Subsequent to the quarter end, signed a non-binding Letter of Intent with Newmont Mining to acquire the high quality, low-cost Waihi Gold Mine located in New Zealand.

All statistics are compared to the preceding quarter unless otherwise stated.

OceanaGold has adopted USD as its presentation currency and all numbers in this document are expressed in USD unless otherwise stated.

1. *Cash costs, All-In Sustaining Costs, Cash Operating Margin, Free Cash Flow and EBITDA (earnings before interest, taxes, depreciation and amortisation, excluding gain/(loss) on undesignated hedges) are non-GAAP measures. Refer to page 21 for explanation of non-GAAP measures.*

OVERVIEW

Operating Results

On a consolidated basis, the Company produced 91,146 ounces of gold and 6,102 tonnes of copper in the first quarter of 2015. The slight decrease in gold production was a result of lower production at Macraes, which was partly offset by record quarterly gold production at Didipio and higher production from Reefton. Copper production decreased quarter on quarter as a result of a lower mill feed at Didipio along with a lower copper head grade but partly offset by better recoveries.

For a second consecutive quarter, the Didipio operation achieved record quarterly gold production with 35,122 ounces produced along with 6,102 tonnes of copper. The quarter on quarter increase in gold production was mainly attributable to a higher head grade but partly offset by a lower mill feed as a result of a major shutdown at the end of March for preventative maintenance activities.

In the first quarter, the Company commenced development of the underground portal and decline at Didipio. Construction of the power grid connection continued to advance well and is on track for completion by the end of the third quarter of 2015.

In New Zealand, production for the first quarter of 2015 was 56,024 ounces of gold, a slight decrease on the previous quarter. The decrease was mainly attributable to lower production at Macraes, which was partly offset by higher production from Reefton.

Financial Results

On a consolidated basis, the Company's first quarter cash costs net of by-product credits were $402 per ounce on sales of 86,234 ounces of gold and 6,245 tonnes of copper. Consolidated cash costs were higher in the first quarter than in the previous quarter on account of lower overall sales and copper credits due to a lower average copper price received. Costs were partly offset by lower fuel costs and lower overall costs in New Zealand from a weaker New Zealand dollar.

On a co-product basis, consolidated cash costs were $588 per ounce on 113,413 gold equivalent ounces sold in the first quarter. Consolidated All-In Sustaining Costs ("AISC") net of by-product credits were $630 per ounce in the first quarter.

In the quarter, the Company reported revenue of $129.3 million and a net profit of $24.5 million while EBITDA for the quarter was $60.7 million.

For the first quarter, the Company received an average gold price of $1,195 per ounce versus $1,201 per ounce in the previous quarter and received an average copper price of $2.24 per pound on first quarter sales. This compares to $3.00 per pound received in the previous quarter.

In the quarter, the cash balance increased by $8.4 million to $59.6 million despite lower revenue impacted by a significant drop in copper price in January, and the repayment of $13.4 million of total debt.

Newmont Letter of Intent

Subsequent to the quarter end, the Company has signed a non-binding Letter of Intent ("LOI") with Newmont Mining Corporation ("Newmont") to acquire Newmont's Waihi Gold Mine ("Waihi") in New Zealand for US$101 million in cash plus customary adjustments. Newmont will also retain a 1% Net Smelter Royalty for gold ounces mined from one specific exploration tenement capped at 300,000 ounces of production. The proposed transaction is subject to completion of comprehensive due diligence, execution of a definitive acquisition agreement, Board and regulatory approvals and other customary closing conditions.

The Waihi Gold Mine is a high-quality asset with first quartile AISC in a low-risk jurisdiction of which the Company has a strong understanding. The Waihi Mine has had a long, rich history of operations with Newmont's world-class operating systems and over its 27 year history, the operation has successfully expanded its reserves. Waihi currently sits within a highly prospective goldfield representing significant upside potential that can be unlocked through resource drilling.

As part of the potential transaction, the Company has received highly confident letters from its banking syndicate to increase its revolving credit facility to US$225 million. The acquisition will be financed solely through cash and debt from this revolving credit facility.

Outlook

Looking ahead to the second quarter of 2015, the Didipio operations will complete mining Stage 3 of the open pit and will continue to advance Stage 4 into the higher grade zone of the ore body. As previously stated, the Company expects a slight production decrease in the second quarter at Didipio as the open pit transitions to mining of shallower Stage 4 ore following the completion of Stage 3. In New Zealand, the Company expects steady production from both the Macraes and Reefton operations for the remainder of the year.

Notwithstanding the potential increase in production and decrease in average costs associated with the pending Waihi transaction, the Company's 2015 guidance (excluding Waihi) remains 295,000 to 335,000 ounces of gold and 21,000 to 23,000 tonnes of copper at cash costs of $450 to $530 per ounce and AISC of $770 to $840 per ounce both net of by-product credits as shown in Table 2.

Table 1 – Production and Cost Results Summary

		Didipio	New Zealand	Consolidated	
		Q1 2015		Q1 2015	Q4 2014
Gold Produced	*ounces*	35,122	56,024	91,146	92,712
Copper Produced	*tonnes*	6,102	–	6,102	6,747
Gold Sales	*ounces*	34,659	51,575	86,234	88,386
Copper Sales	*tonnes*	6,245	–	6,245	6,271
Average Gold Price Received	*$ per ounce*	1,177	1,207	1,195	1,201
Average Copper Price Received	*$ per pound*	2.24[1]	–	2.24[1]	3.00
Cash Costs	*$ per ounce*	(89)[2]	732	402[2]	369[2]
All-In Sustaining Costs[3]	*$ per ounce*	210[2]	913	630[2]	

1. *The calculation of the average Copper Price Received includes for accounting purposes the final price adjustments at the end of the relevant quotational period on shipments finalised during the period as well as marked- to- market revaluations on shipments yet to be finalised. The average Copper Price Received reported for Q1 2015 was substantially lower than in the previous quarter mainly as a result of the significant drop in the market price of copper in January 2015 which led to unfavourable final price adjustments and revaluations during the quarter. For reference purposes, the average provisional copper price received for shipments made during the quarter was $2.59 per pound.*
2. *Net of by-product credits*
3. *Based on the World Gold Council methodology, expansionary and growth capital expenditures are excluded from the AISC*

Table 2 – 2015 Production and Cost Guidance (excluding Waihi)

		Didipio	New Zealand	Group
Gold Production	*ounces*	100,000 – 120,000	195,000 – 215,000	295,000 – 335,000
Copper Production	*tonnes*	21,000 – 23,000	–	21,000 – 23,000
Cash Costs*	*$ per ounce*	($240) – ($190)	$850 – $900	$450 – $530
All-In Sustaining Costs*	*$ per ounce*	$200 – $250	$1,090 – $1,140	$770 – $840

**Notes:*

1. *Net of copper by-product credits at $2.70 / lb copper*
2. *NZD/USD 0.78 exchange rate*
3. *Diesel price of $0.70 / litre*

Table 3 – Key Financial Statistics for Didipio Operations

		Q1 Mar 31 2015	Q4 Dec 31 2014	Q1 Mar 31 2014
Gold Sales	*ounces*	34,659	33,088	36,264
Copper Sales	*tonnes*	6,245	6,271	7,752
Silver Sales	*ounces*	63,646	72,628	97,398
Average Gold Price Received	*$ per ounce*	1,177	1,180	1,317
Average Copper Price Received	*$ per pound*	2.24[1]	3.00	3.15
Cash Operating Costs[2]	*$ per ounce*	(89)	(279)	(490)
Cash Operating Margin	***$ per ounce***	**1,266**	**1,459**	**1,807**

1. *The calculation of the average Copper Price Received includes for accounting purposes the final price adjustments at the end of the relevant quotational period on shipments finalised during the period as well as marked- to- market revaluations on shipments yet to be finalised. The average Copper Price Received reported for Q1 2015 was substantially lower than in the previous quarter mainly as a result of the significant drop in the market price of copper in January 2015 which led to unfavourable final price adjustments and revaluations during the quarter. For reference purposes, the average provisional copper price received for shipments made during the quarter was $2.59 per pound.*
2. *Net of by-product credits*

Table 4 – Didipio Mine Operating Statistics

		Q1 Mar 31 2015	Q4 Dec 31 2014	Q1 Mar 31 2014
Gold Produced	*ounces*	35,122	34,783	30,480
Copper Produced	*tonnes*	6,102	6,747	6,479
Silver Produced	*ounces*	73,251	78,192	74,474
Total Ore Mined	*tonnes*	1,904,496	2,516,092	1,674,096
Ore Mined Grade Gold	*g/t*	0.82	0.70	0.83
Ore Mined Grade Copper	*%*	0.53	0.54	0.61
Total Waste Mined including pre-strip	*tonnes*	4,779,573	4,062,237	4,444,876
Mill Feed	*tonnes*	831,772	870,617	750,626
Mill Feed Grade Gold	*g/t*	1.45	1.39	1.40
Mill Feed Grade Copper	*%*	0.76	0.83	0.90
Recovery Gold	*%*	90.4	90.2	90.2
Recovery Copper	*%*	95.7	93.8	95.4

Table 5 – Key Financial Statistics for New Zealand Operations

		Q1 Mar 31 2015	Q4 Dec 31 2014	Q1 Mar 31 2014
Gold Sales	*ounces*	51,575	55,298	57,786
Average Gold Price Received	*$ per ounce*	1,207	1,214	1,307
Cash Operating Costs	*$ per ounce*	732	756	584
Cash Operating Margin	***$ per ounce***	**475**	**458**	**723**

Table 6 – Consolidated Operating Statistics for New Zealand

		Q1 Mar 31 2015	Q4 Dec 31 2014	Q1 Mar 31 2014
Gold Produced	*ounces*	56,024	57,929	56,088
Total Ore Mined	*tonnes*	1,359,953	1,042,469	1,753,796
Ore Mined Grade	*g/t*	1.40	1.77	1.25
Total Waste Mined including pre-strip	*tonnes*	6,812,248	7,057,418	7,665,243
Mill Feed	*tonnes*	1,987,437	1,928,499	1,693,711
Mill Feed Grade	*g/t*	1.09	1.12	1.23
Recovery	*%*	80.6	83.8	82.2

Table 7 – Macraes Goldfield Operating Statistics

		Q1 Mar 31 2015	Q4 Dec 31 2014	Q1 Mar 31 2014
Gold Produced	*ounces*	38,535	41,798	40,668
Total Ore Mined	*tonnes*	879,866	531,870	1,303,632
Ore Mined Grade	*g/t*	1.35	2.08	1.21
Total Waste Mined including pre-strip	*tonnes*	5,034,572	5,325,454	2,934,955
Mill Feed	*tonnes*	1,557,345	1,523,801	1,275,748
Mill Feed Grade	*g/t*	0.96	1.01	1.19
Recovery	*%*	80.5	84.6	82.9

Table 8 – Reefton Mine Operating Statistics

		Q1 Mar 31 2015	Q4 Dec 31 2014	Q1 Mar 31 2014
Gold Produced	*ounces*	17,489	16,131	15,420
Total Ore Mined	*tonnes*	480,087	510,599	450,164
Ore Mined Grade	*g/t*	1.51	1.45	1.38
Total Waste Mined including pre-strip	*tonnes*	1,777,676	1,731,964	4,730,288
Mill Feed	*tonnes*	430,092	404,698	417,963
Mill Feed Grade	*g/t*	1.56	1.52	1.38
Recovery	*%*	81.1	80.9	80.2

OPERATIONS

On a consolidated basis, the Company produced 91,146 ounces of gold and 6,102 tonnes of copper in the first quarter of 2015. The slight decrease in gold production was a result of lower production from Macraes, which was partly offset by record quarterly gold production at Didipio and higher production from Reefton. Copper production decreased quarter on quarter as a result of a lower mill feed along with a lower copper head grade partly offset by better recoveries.

For a second consecutive quarter, the Didipio operation achieved record quarterly gold production with 35,122 ounces of gold produced along with 6,102 tonnes of copper. Didipio cash costs, net of by-product credits were negative $89 per ounce on sales of 34,659 ounces of gold and 6,245 tonnes of copper. The quarter on quarter increase in costs was mainly attributable to lower by-product credits from a lower average copper price received.

In New Zealand, production for the first quarter of 2015 was 56,024 ounces of gold, a slight decrease on the previous quarter. The decrease was mainly attributable to lower production at Macraes, which was partly offset by higher production from Reefton.

New Zealand consolidated cash costs were $732 per ounce on sales of 51,575 ounces of gold. The quarter on quarter decrease in cash costs reflects lower fuel costs, a weaker New Zealand dollar and increase of gold-in-circuit, offset partly by lower sales.

Didipio Mine (Philippines)

In the first quarter, the Didipio operation had zero lost time injuries (LTIs). The Company continues to reinforce the importance of following standard operating procedures.

For the first quarter of 2015 and for a second consecutive quarter, the Didipio operation delivered record quarterly gold production with 35,122 ounces of gold produced. The increase in gold production on the previous quarter was due mainly to a higher gold head grade, which was partly offset by a lower mill feed.

In the first quarter, the Company made six shipments of concentrate totalling 41,078 dry metric tonnes to smelters in Asia and delivered 9,589 ounces of gold in Dore bars to the mint in Perth, Australia.

In the first quarter, the operations continued to focus on balancing ore mining from both Stages 3 and 4 of the open pit with pre-stripping of Stage 5/6. In the quarter, the Company commenced the development of the underground portal and the river diversion around the final open pit stage shell was completed.

In the first quarter, the total material mined was 6.7 million tonnes which was slightly higher than the previous quarter due to increased waste mined but partly offset by lower ore mined.

The total ore mined in the first quarter was 1.9 million tonnes compared to 2.5 million tonnes in the previous quarter. This decrease can be attributed to a higher proportion of waste movement to ore associated with the acceleration of the Stage 5/6 cutback. Most of the ore mined in the quarter was delivered to stockpiles and as at the end of the quarter, over 13 million tonnes of ore had been stockpiled for future processing.

Total mill feed in the first quarter was 831,772 tonnes compared to 870,617 tonnes in the previous quarter. The decrease was a result of a major shutdown of the process plant for planned maintenance at the end of the quarter. During the shutdown a number of preventative maintenance and process enhancement activities were completed including adjustments made to the milling circuit to increase the pebble crusher utilisation.

For the quarter, the mill feed grade was 1.45 g/t gold and 0.76% copper compared with 1.39 g/t gold and 0.83% copper in the previous quarter. The grade variance is a continuing result of mined gold grades increasing and to a lesser degree, copper grades decreasing with depth.

For the first quarter, gold recovery was steady at 90.4% while copper recovery was 95.7%. Copper recovery was higher than in the previous quarter due to improved flotation recoveries driven by metallurgical optimisation.

In March, the Company commenced the development of the underground portal and decline (Figures 1 and 2). First ore mined from the underground is expected in late 2017.

Looking ahead to the second quarter of 2015, the Didipio operations will complete mining Stage 3 of the open pit and will continue to advance Stage 4 into the higher grade zone of the ore body. Additionally, the Company will continue pre-stripping Stage 5/6 of the final open pit design. The decline portal construction activities will continue to advance.

The Company expects a slight production decrease in the second quarter at Didipio as the open pit transitions to mining shallower ore from Stage 4 following the completion of Stage 3.

Figure 1 – Didipio Portal and Decline Development Commences

Figure 2 – Didipio Underground Development Work

Macraes Goldfield (New Zealand)

There were zero LTI's during the quarter at the Macraes operations. As at the end of March, the operation had recorded 1.1 million man hours worked without an LTI.

In the first quarter, gold production from the Macraes Goldfield was 38,535 ounces, a decrease on the previous quarter on account of a lower head grade and lower recoveries.

The total material mined from the Macraes open pits for the first quarter was 5.9 million tonnes which was similar to the previous quarter. The majority of material mined was from the Coronation pit while a small amount of waste mined from Frasers pit was used as construction material for the ongoing raising of the crest of the Top Tipperary tailings storage facility.

The total ore mined in the first quarter was 879,866 tonnes, a 65% increase on the previous quarter. The increase was due mainly to less waste and more ore mined from the Coronation pit. The total ore mined from the Frasers underground mine was 231,095 tonnes, a 7% decrease on the previous quarter.

Total mill feed for the first quarter was 1.56 million tonnes, representing a record quarterly throughput for the operation. Mill feed was slightly higher than the previous quarter due to better plant availability and softer ore. In January, the first ore from Coronation was processed.

The mill feed grade was 0.96 g/t compared to 1.01 g/t in the previous quarter. The lower head grade was a result of lower grade ore mined from the underground and an increased proportion of low-grade stockpile ore processed.

Overall plant recovery of 80.5% was lower than the previous quarter due to a decrease in flotation recoveries resulting from treating transitional ore from Coronation.

Looking ahead, production at Macraes will be steady for the remainder of the year. The Company will continue to drill ahead of the mine face in the Frasers underground to increase reserves and mine life. During the quarter, the Company also initiated a surface exploration program that includes drilling along strike between previously mined open pits. The Company is targeting stock work ore close to the surface that can increase the mine life at strong margins within the Macraes Goldfield.

Reefton Mine (New Zealand)

In the first quarter of 2015, one LTI was recorded at the Reefton operation when a laboratory contractor rolled his ankle while performing a routine activity. The Company continues to focus on further enhancing its health and safety initiatives by reinforcing the importance of following standard operating procedures and proper ergonomics.

Gold production at the Reefton Goldfield for the first quarter was 17,489 ounces, an increase of 8% from the previous quarter. The increase was mainly attributable to an increase in mill feed and higher head grade.

The total material mined in the quarter was 2.3 million tonnes, which was similar to the previous quarter. The total ore mined was 480,087 tonnes, a 6% decrease on the previous quarter. The decrease in ore mined was a result of mining operations focused on widening the lower portion of the open pit to increase the mine production rate for the remainder of the year.

Total mill feed was 430,092 tonnes in the first quarter, a 6% increase on the previous quarter due to increased processing of stockpiled ore and better plant availability but partly offset by lower ore tonnes mined and available for processing.

The head grade was 1.56 g/t in the first quarter compared with 1.52 g/t in the previous quarter. The increase was a result of higher grade ore mined from the open pit.

Gold recovery for the quarter increased slightly from the previous quarter to 81.1% due to the higher grade ore processed.

Looking ahead at Reefton, production is expected to remain steady for the remainder of the year as the operation transitions into a care and maintenance phase.

GROWTH

Exploration

Exploration expenditure in the first quarter of 2015 was $1.1 million.

In the Philippines, exploration activities in the first quarter were mainly focussed on continuing drill-testing of targets identified through the geophysical survey completed within the Didipio near-mine area in 2014. At the Paco tenements on the island of Mindanao, the Company completed soil sampling and commenced the geophysical survey.

In New Zealand, the Company initiated a surface drilling program in the Macraes Goldfield, targeting near-surface reserves.

Philippines

Exploration expenditure in the Philippines was $1.0 million in the first quarter of 2015.

During the quarter, eight exploration holes for a total of 2,948 metres were drilled within the Didipio mine site area. The drilling program is on the back of the geophysical survey completed in 2014. Early drilling results have mainly demonstrated low grade mineralisation however, some recent drilling has indicated the potential of mineralised monzonite dykes less than one kilometre away from the open pit. Additional drilling is planned for this area.

At the Paco tenements in Mindanao, the Company collected soil samples to complete the Mobile Metal Ions (MMI) soil sampling program. MMI soil sampling has been proven effective in identifying mineralisation buried beneath post-mineral cover. Samples were sent for analysis. Additionally, the Company has commenced the geophysical survey of the tenements using the Titan 24 technology. The geophysical survey is expected to be completed in the middle of the year and the results will be used to identify drilling targets. Drilling at Paco is expected to commence in the second half of the year.

New Zealand

Exploration continued in the Frasers underground with drilling between Panel 1 and Panel 2 and down dip of Panel 2. On March 31, 2015, the Company announced that the mine life at the Frasers underground was extended by an additional year as a result of drilling success. The Company has traditionally been successful each year in extending the mine life of the underground as drilling takes place in front of the mine face.

During the quarter, the Company initiated a new surface drill program targeting untested areas along the strike of the Hyde-Macraes shear zone (Figure 3). The Company is seeking to increase the mine life of Macraes at similar production rates with good margins.

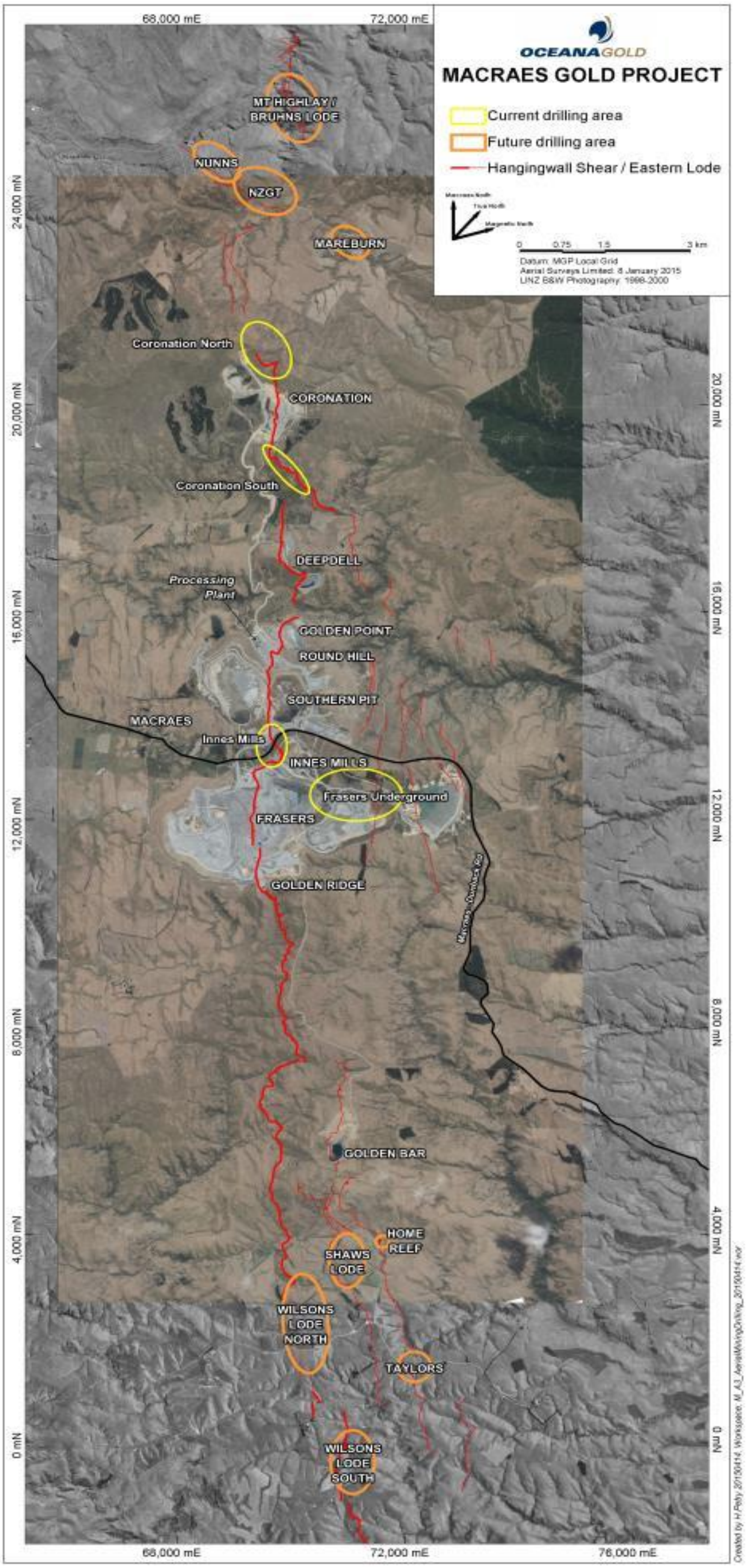
Project Development

In New Zealand, the Company has increased its focus on the long term options at the Macraes Goldfield including the advancement of the Round Hill gold-tungsten project. The initial metallurgical testwork and geological resource modelling are now complete. The Company expects the results from the scoping study in the middle of the year at which point, the Company will make a decision to proceed to a feasibility stage.

The Company is currently reviewing alternative mining methods for the high-grade Blackwater project located near Reefton. Additionally, the Company is conducting a detailed review of the original capital costs associated with the exploration drive. The objective of the capital cost review is to identify execution synergies utilising in-house resourcing from Reefton and/or Macraes.

During the quarter, the Company commenced the development of the underground decline and portal at Didipio. The Didipio power grid connection continues to advance well and is on track for completion by the end of the third quarter of 2015. Once on grid power, the Company expects significant annual cost savings at the operation.

Figure 3 – Macraes Goldfield Drilling Targets



SUSTAINABILITY

In the first quarter, the Company invested nearly US$0.75 million on community related programs and initiatives across its business units.

Philippines

For the first quarter of 2015, the Company invested over US$650,000 on community related programs and initiatives mainly within Didipio and neighbouring communities.

The majority of this investment was spent on infrastructure projects such as the construction and improvement of community multi-purpose halls, school buildings, medical clinics, places of worship, water systems, bridges and upgrade of farm-to-market access roads.

The Company continued to support education programs through the provision of salary subsidies for approximately 50 teachers and school staff, school electrification, assistance to various school activities and financial assistance to university students from Didipio and neighbouring communities.

During the quarter, the Company provided assistance to community health programs by providing medical supplies to health centers and subsidising the salaries of 45 community heath workers. Additionally, the Company sponsored a medical mission that provided medical services to 272 residents from within the Didipio community.

The Company continued its support of small community enterprise development through funding assistance to three community co-operatives that included livelihood projects and skills training. In the first quarter, DiCorp, generated a total of US$1.1 million in gross revenue from long term contracts with the Didipio operation.

During the quarter, the Company commenced seedling production for the establishment of new plantations under the Mining Forest and Carbon Sink Programs. In March, the Company celebrated the International Women's Day by honoring women employees at the Didipio Mine. The event was attended by women leaders from the host and neighbouring communities and was in partnership with DIWATA Women in Resource Development.

During the quarter, the Water and Environment: Building Unity for Inclusive Living and Development Project was launched. This project is a collaboration with the International RiverFoundation which aims to bring together stakeholders for the integrated management of the Addalam River Basin.

On March 19, the Company attended the seventh annual Global CSR awards in Indonesia. At the event, the Company was awarded the Global CSR 2015 Gold Award for Best Work Practices for the team's safety performance and employee engagement programs and the 2015 Bronze Award for Environmental Excellence.

El Salvador

In El Salvador, the Company continued to make investments in community programs and initiatives designed to build capacity and provide opportunities for local economic and social development based on the requirements and priorities identified through stakeholder engagement within the El Dorado Project area and neighbouring communities. Most of the investments made have been on programs related to infrastructure, education, economic development, health and environment.

During the quarter, the Company participated in the Vital Voices Global Partnership, which is principally sponsored by Walmart. The aim of this initiative is to empower women in rural areas to enhance their role as leaders and entrepreneurs.

Education was another major focus of the community programs near El Dorado. The Company continued to work collaboratively with the Ministry of Education in the development of an Accelerated School Program designed to further the education of adults. During the quarter, education programs were delivered to enhance literacy and skills development under the first phase of the program.

Also in the quarter, the Company continued its agroforesty program and other environmental initaitives in El Salvador. During the quarter, the Company organized Earth Day celebrations with a fair in the newly built Park Torogoz. During that week, activities and initiatives will focus on the protection of the earth and associated awareness programs.

Finally, the Company established the "Sports Champions Program", created to promote healthy living and recreation. As at the end of the quarter, a total of 56 children between the ages of 8 and 15 had registered.

FINANCIAL SUMMARY

Table 9 – Financial Summary

	Q1 Mar 31 2015 $000	Q4 Dec 31 2014 $000	Q1 Mar 31 2014 $000
Sales	129,306	142,655	170,355
Cost of sales, excluding depreciation and amortisation	(60,685)	(69,167)	(63,183)
General & Administration	(7,938)	(8,923)	(8,315)
Foreign Currency Exchange Gain/(Loss)	(15)	1,188	2,916
Other income/(expense)	72	(95)	(743)
Earnings before interest, tax, depreciation & amortisation (EBITDA) (excluding gain/(loss) on undesignated hedges)	**60,740**	**65,658**	**101,030**
Depreciation and amortisation	(27,729)	(34,111)	(33,366)
Net interest expense and finance costs	(2,601)	(2,952)	(2,430)
Earnings before income tax and gain/(loss) on undesignated hedges	**30,410**	**28,595**	**65,234**
Tax (expense)/ benefit on earnings/loss	793	2,020	(5,365)
Earnings after income tax and before gain/(loss) on undesignated hedges	**31,203**	**30,615**	**59,869**
Gain/(loss) on fair value undesignated hedges	(9,359)	10,019	(1,283)
Tax (expense)/benefit on gain/loss on undesignated hedges	2,621	(2,805)	359
Net Profit	**24,465**	**37,829**	**58,945**
Basic earnings per share	$0.08	$0.13	$0.20
Diluted earnings per share	$0.08	$0.12	$0.19
CASH FLOWS			
Cash flows from Operating Activities	43,229	60,714	73,288
Cash flows used in Investing Activities	(23,807)	(26,539)	(24,147)
Cash flows used in Financing Activities	(13,298)	(35,540)	(25,198)

BALANCE SHEET	As at Mar 31 2015 $000	As at Dec 31 2014 $000
Cash and cash equivalents	59,565	51,218
Other Current Assets	121,917	126,116
Non-Current Assets	730,794	741,862
Total Assets	**912,276**	**919,196**
Current Liabilities	90,719	85,455
Non-Current Liabilities	121,817	138,267
Total Liabilities	**212,536**	**223,722**
Total Shareholders' Equity	**699,740**	**695,474**

RESULTS OF OPERATIONS

Net Earnings

In the first quarter of 2015, the Company reported $129.3 million in revenue and a net profit of $24.5 million, compared to the previous quarter's revenue and net profit of $142.7 million and $37.8 million respectively. The Company reported EBITDA (excluding gain/loss on undesignated hedges) of $60.7 million in the first quarter compared to $65.7 million in the previous quarter. The decrease from the previous quarter was mainly attributable to lower overall sales and a lower average copper price received.

Sales Revenue

Philippines

First quarter concentrate sales revenue net of concentrate treatment, refining and selling costs in Philippines was $57.0 million of which copper revenue was $30.9 million while gold bullion revenue was $10.1 million. In the first quarter, the average gold price received at Didipio was $1,177 per ounce compared to $1,180 per ounce in the previous quarter and the average copper price received was $2.24 per pound compared to $3.00 per pound in the previous quarter.

The calculation of the average Copper Price Received includes for accounting purposes the final price adjustments at the end of the relevant quotational period on shipments finalised during the period as well as marked- to- market revaluations on shipments yet to be finalised. The average Copper Price Received reported for the quarter was substantially lower than in the previous quarter mainly as a result of the significant drop in the market price of copper in January 2015 which led to unfavourable final price adjustments and revaluations during the quarter. For reference purposes, the average provisional copper price received for shipments made during the quarter was $2.59 per pound.

First quarter sales at Didipio were 34,659 ounces of gold, an increase on the previous quarter and 6,245 tonnes of copper, a slight decrease on the previous quarter. Silver sales for the quarter were 63,646 ounces compared with 72,628 ounces in the previous quarter.

During the quarter, the Company shipped 41,078 dry metric tonnes of concentrate to smelters in Asia.

New Zealand

In New Zealand, first quarter revenue was $62.2 million which was lower than the previous quarter on account of decreased gold sales. The average gold price received in New Zealand in the first quarter was $1,207 per ounce compared to $1,214 per ounce received in the previous quarter. Gold sales in the first quarter were 51,575 ounces compared to 55,298 ounces in the previous quarter.

Operating Costs and Margins per Ounce

Philippines

Operating cash costs at Didipio were negative $89 per ounce sold, net of by-product credits for the first quarter compared to negative $279 per ounce sold in the previous quarter. On a co-product basis, the operating cash costs were $468 per ounce on 61,838 equivalent gold ounces sold compared to $482 per ounce in the previous quarter. The increase in cash costs was due mainly to lower by-product credits resulting from a lower copper price received, which was partly offset by lower fuel costs.

New Zealand

Operating cash costs in New Zealand were $732 per ounce sold for the first quarter compared to $756 per ounce in the previous quarter. The decrease was mainly due to lower fuel costs, weaker New Zealand dollar and increase of gold in circuit but partly offset by lower sales.

Depreciation and Amortisation

Depreciation and amortisation charges include amortisation of mine development, deferred pre-stripping costs and depreciation on equipment.

Depreciation and amortisation charges are mostly calculated on a unit of production basis and totalled $27.7 million for the first quarter compared to $34.1 million in the previous quarter. The decrease was primarily due to lower production from the New Zealand operations in the quarter and the mine life extension at the Frasers underground.

Net Interest Expense and Finance Costs

The net interest expense and finance costs of $2.6 million for the quarter were slightly lower than the previous quarter.

Undesignated Hedges Gains/Losses

Unrealised gains and losses calculated as a fair value adjustment of the Company's undesignated hedges are brought to account at the end of each reporting period and reflect changes in the spot gold price. These valuation adjustments for the first quarter reflect a loss of $9.4 million compared to a gain of $10.0 million in the previous quarter.

Details of the derivative instruments held by the Company at quarter end are summarised below under "Derivative Assets/ Liabilities".

DISCUSSION OF CASH FLOWS

Operating Activities

Cash inflows from operating activities were $43.2 million for the first quarter compared to $60.7 million in the previous quarter. The decrease was mainly due to lower overall sales and decreased copper by-product credits from a lower copper price received and increase in working capital from increased inventories. The decrease in operating cash flows was partly offset by lower costs.

Investing Activities

Cash used for investing activities totalled $23.8 million in the first quarter compared to $26.5 million in the previous quarter.

Investing activities included expenditures on capitalised mining including pre-stripping and maintenance capital and on expansionary capital including the Didipio underground development and power grid connection.

Financing Activities

Financing net outflows for the first quarter were $13.3 million compared to a net outflow of $35.5 million in the previous quarter. In the first quarter, the Company repaid $13.4 million of total debt.

DISCUSSION OF FINANCIAL POSITION AND LIQUIDITY

Company's funding and capital requirements

For the quarter ended March 31, 2015, the Company recorded a net profit of $24.5 million. As at the end of the quarter, the cash funds held were $59.6 million while net current assets were $90.8 million.

At March 31, 2015, the Company had a $175 million amortised revolving credit facility in place, of which $77.8 million was drawn down. This revolving credit facility consists of competitive financial terms and standard corporate debt covenants and matures on June 30, 2017. In the first quarter, the Company repaid $10 million of the credit facility.

As at March 31, 2015, the Company had immediate available liquidity of $156.8 million including $59.6 million in cash.

Commitments

The Company’s capital commitments as at March 31, 2015, are as follows:

Table 10 – Capital Commitments

	Mar 31 2015 $000
Within 1 year	13,621

This includes mainly contracts supporting the Didipio operations.

Financial Position

Current Assets

Current assets were $181.5 million as at March 31, 2015 compared to $177.3 million as at December 31, 2014. The variance in the current assets was due mainly to an increase in cash generated from operations and increased inventories partly offset by decreased trade receivables, current hedge assets and prepayments.

Non-Current Assets

Non-current assets were $730.8 million as at March 31, 2015 compared to $741.9 million as at December 31, 2014. The decrease is due mainly to lower hedge derivative assets and depreciation and amortisation of property, plant and equipment. This was partly offset by increased inventories and input tax credits paid in Philippines.

Current Liabilities

Current liabilities were $90.7 million as at March 31, 2015 compared to $85.5 million as at December 31, 2014. This increase was mainly attributable to the provision for a dividend, which is payable on April 30, 2015. The increase was partly offset by a decrease in trade payables.

Non-Current Liabilities

Non-current liabilities were $121.8 million as at March 31, 2015 compared to $138.3 million as at December 31, 2014. The decrease was mainly due to the repayment of $10 million of bank debt, a decrease in finance lease liability and a decrease in asset retirement obligations in New Zealand following utilisation.

Derivative Assets / Liabilities

Over the past two years, the Company entered into a series of four hedging programs in which it purchased put options at varying strike prices and also sold call options at varying strike prices.

As at March 31, 2015, 254,870 ounces of gold production remained as part of the hedging program as illustrated below.

Table 11 – New Zealand Hedging Program

Put Option Strike Price*	Call Option Strike Price*	Gold Ounces Remaining	Expiry Date
$1,600	$1,787	7,290	Jun 2015
$1,500	$1,600	75,752	Dec 2015
$1,600	$1,736	152,148	Dec 2016
$1,628	$1,736	19,680	Dec 2016

** Note – Put and call options strike prices are denominated in New Zealand dollars.*

The above hedges are undesignated and do not qualify for hedge accounting.

A summary of the Company's marked to market derivatives is as per below.

Table 12 – Marked to Market Derivatives Summary

	Mar 31 2015 $000	Dec 31 2014 $000
Current Assets		
Gold put/call options	-	4,057
Non-Current Assets		
Gold put/call options	886	5,285
Current Liability		
Gold put/call options	(320)	-

Shareholders' Equity

A summary of the movement in shareholders' equity is set out below:

Table 13 – Movement of Shareholders' Equity Summary

	Period Ended Mar 31 2015 $000
Total equity at beginning of the quarter	695,474
Profit/(loss) after income tax	24,465
Movement in other comprehensive income/(loss)	(9,049)
Movement in contributed surplus	(1,237)
Dividend declared	(12,060)
Issue of shares/ (Equity raising costs)	2,147
Total equity at end of the quarter	**699,740**

Shareholders' equity increased by $4.3 million to $699.7 million as at March 31, 2015, mainly due to a net profit after tax for the period of $24.5 million, offset partly by a dividend declared to be paid on April 30, 2015 and currency translation differences reflected in "Other Comprehensive Income" that arise from the translation of entities with a functional currency other than USD.

Capital Resources

Table 14 – Capital Resources Summary

	Shares Outstanding	Options and Share Rights Outstanding
31 March 2015	303,484,668	8,957,914
29 April 2015	303,484,668	8,957,914
31 December 2014	301,520,186	8,839,655

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and related notes.

i. Mining assets

The future recoverability of mining assets including capitalized exploration and evaluation expenditure is dependent on a number of factors, including whether the Group decides to exploit the related tenements itself or, if not, whether it successfully recovers the related mining assets through sale.

Factors that could impact the future recoverability include the level of reserves and resources, future technological changes, which could impact the cost of mining, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices and foreign exchange rates.

Exploration and evaluation expenditure is capitalized if activities in the area of interest have not yet reached a stage that permits a reasonable assessment of the existence or otherwise of economically recoverable reserves. These assets are allocated based on the geographical location of the asset. To the extent that capitalized exploration and evaluation expenditure is determined not to be recoverable in the future, profits and net assets will be reduced in the period in which this determination is made.

The Group defers mining costs incurred during the production stage of its operations. Changes in an individual mine's design will result in changes to the life of component ratios of production. Changes in other technical or economic parameters that impact reserves will also have an impact on the life of component production and cost profile even if they do not affect the mine design. Changes to deferred mining resulting from change in life of component ratios are accounted for prospectively.

ii. Impairment of assets

The Group assesses each Cash-Generating Unit (CGU), to determine whether there is any indication of impairment or reversal. Where an indicator of impairment or reversal exists, a formal estimate of the recoverable amount is made, which is the higher of the fair value less costs to sell and value in use. These assessments require the use of estimates and assumptions such as discount rates, exchange rates, commodity prices (gold, copper and tungsten prices), future operating development and sustaining capital requirements and operating performance (including the magnitude and timing of related cash flows).

The recoverable value of the New Zealand CGU is dependent on certain identified exploration targets. Should these projects prove to be uneconomic, the carrying value of the New Zealand CGU could be impaired by a significant amount.

iii. Net realizable value of inventories

The Group reviews the carrying value of its inventories at each reporting date to ensure that the cost does not exceed net realizable value. Estimates of net realizable value include a number of assumptions and estimates, including grade of ore, commodity price forecasts, foreign exchange rates and costs to process inventories to a saleable product.

iv. Asset retirement obligations

Decommissioning and restoration costs are a normal consequence of mining, and the majority of this expenditure is incurred at the end of a mine's life. In determining an appropriate level of provision, consideration is given to the expected future costs to be incurred, the timing of these expected future costs (largely dependent on the life of the mine), and the estimated future level of inflation.

The ultimate cost of decommissioning and restoration is uncertain and costs can vary in response to many factors including changes to the relevant legal requirements, the emergence of new restoration techniques and experience at other mine sites. The expected timing of expenditure can also change, for example in response to changes in reserves or to production rates.

Changes to any of the estimates could result in significant changes to the level of provisioning required, which would in turn impact future financial results. These estimates are reviewed annually and adjusted where necessary to ensure that the most up to date data is used.

v. Determination of ore reserves and resources

Ore reserves and resources are based on information compiled by a Competent Person as defined in accordance with the Australasian Code of Mineral Resources and Ore Reserves (the JORC code) and in accordance with National Instrument 43-101-Standards of Disclosure for Mineral Projects ("NI-43-101") under the guidelines set out by the Canadian Institute of Mining, Metallurgy and Petroleum. There are numerous uncertainties inherent in estimating ore reserves and resources and assumptions that are valid at the time of estimation may change significantly when new information becomes available. Changes in forecast prices of commodities, exchange rates, production costs or recovery rates may change the economic status of reserves and may, ultimately, result in the reserves being restated.

Such changes in reserves could impact on depreciation and amortization rates, asset carrying values and provisions for rehabilitation.

vi. Taxation

The Group's accounting policy for taxation requires management's judgment in relation to the application of income tax legislation. There may be some transactions and calculations undertaken during the ordinary course of business where the ultimate tax determination is uncertain. The Group recognizes liabilities for tax, and if appropriate taxation investigation or audit issues, based on whether tax will be due and payable. Where the taxation outcome of such matters is different from the amount initially recorded, such difference will impact the current and deferred tax positions in the period in which the assessment is made.

In addition, certain deferred tax assets for deductible temporary differences and carried forward taxation losses have been recognized. In recognizing these deferred tax assets, assumptions have been made regarding the Group's ability to generate future taxable profits from current operations and successful development of certain identified exploration targets where there are higher degrees of confidence in the economic extraction of minerals. Utilization of the tax losses also depends on the ability of the tax consolidated entities to satisfy certain tests at the time the losses are recouped. If the entities fail to satisfy the tests, the carried forward losses that are currently recognized as deferred tax assets would have to be written off to income tax expense. There is an inherent risk and uncertainty in applying these judgements and a possibility that changes in legislation will impact upon the carrying amount of deferred tax assets and deferred tax liabilities recognized on the statement of financial position.

Moreover, in certain jurisdictions, tax losses may be restricted and only available to offset future profits generated from the same mining permit area. In this case, the recovery of the losses depends on the successful exploitation of the relevant project. Restricted losses could be forfeited if the project did not proceed.

vii. Non-Controlling Interest

A third party has a contractual right to an 8% interest in the operating vehicle that is formed to undertake the management, development, mining and processing of ore, and marketing of products as part of the Didipio mine in the Philippines. This 8% interest in the common share capital of the operating vehicle has similar voting and dividend rights to the remaining majority, subject to the operating vehicle having fully recovered its pre-operating costs. A subsidiary of the Company is currently involved in arbitration proceedings with the third party over certain payment claims.

At the same time, the third party is also involved in a legal dispute with another party over the ownership of the 8% interest. At March 31, 2015 no such equity has been issued to any third party. Consequently, no non-controlling interest has been recognised. A non-controlling interest is intended to be recognized after the issue of shares and after the full recovery of pre-operating expenses.

RISKS AND UNCERTAINTIES

This document contains some forward looking statements that involve risks, uncertainties and other factors that could cause actual results, performance, prospects and opportunities to differ materially from those expressed or implied by those forward looking statements. Factors that could cause actual results or events to differ materially from current expectations include, among other things: volatility and sensitivity to market prices for gold; replacement of reserves; possible variations of ore grade or recovery rates; changes in project parameters; procurement of required capital equipment and operating parts and supplies; equipment failures; unexpected geological conditions; political risks arising from operating in certain developing countries; inability to enforce legal rights; defects in title; imprecision in reserve estimates; success of future exploration and development initiatives; operating performance of current operations; ability to secure long term financing and capital, water management, environmental and safety risks; seismic activity, weather and other natural phenomena; failure to obtain necessary permits and approvals from government authorities; changes in government regulations and policies including tax and trade laws and policies; ability to maintain and further improve labour relations; general business, economic, competitive, political and social uncertainties and other development and operating risks.

For further detail and discussion of risks and uncertainties refer to the Annual Information Form available on the Company's website.

CHANGES IN ACCOUNTING POLICIES AND STANDARDS INCLUDING INITIAL ADOPTION

Adoption of new accounting policies, standards, amendments and interpretations

The Group did not adopt any new and/or revised standards, amendments and interpretation from January 1, 2015 which had a material effect on the financial position or performance of the Group.

Accounting policies effective for future periods

The following accounting policies are effective for future periods:

IFRS 9 – Financial instruments

This standard will replace IAS 39, Financial Instruments: Recognition and Measurement. IFRS 9 has two classification categories: amortized cost and fair value.

Classification of debt assets will be driven by the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. A 'simple' debt instrument is measured at amortised cost if: a) the objective of the business model is to hold the financial asset for the collection of the contractual cash flows, and b) the contractual cash flows under the instrument solely represent payments of principal and interest.

All other financial assets, including investments in complex debt instruments and equity investments must be measured at fair value.

All fair value movements on financial assets must be recognised in profit or loss except for equity investments that are not held for trading (short-term profit taking), which may be recorded in other comprehensive income (FVOCI). However, in March 2013, the IASB proposed limited amendments which would introduce a FVOCI category for certain eligible debt instruments.

For financial liabilities that are measured under the fair value option, entities will need to recognise the part of the fair value change that is due to changes in the entity's own credit risk in other comprehensive income rather than profit or loss.

New hedging rules are also included in the standard. These will make testing for hedge effectiveness easier which means that more hedges are likely to be eligible for hedge accounting. The new rules will also allow more items to be hedged and relax the rules on using purchased options and non-derivative financial instruments as hedging instruments.

It also contains a new impairment model which will result in earlier recognition of losses. The amendment also modifies the relief from restating prior periods. As part of this relief, the board published and amendment to IFRS 7, 'Financial instruments: Disclosure', to required additional disclosures on transition from IAS 39 to IFRS 9.

This standard is effective for years beginning on/after January 1, 2018. The Group has not assessed the impact of this new standard.

IFRS 7 – Financial instruments – Disclosure

This standard has been amended to require additional disclosures on transition from IAS 39 to IFRS 9. It is effective on adoption of IFRS 9.

The mandatory effective date for IFRS 9 is for the years beginning on/after January 1, 2018. The Group will apply the standard accordingly.

IAS 38 – Intangible assets

This standard is amended to clarify that the use of a revenue-based amortization method is not appropriate and the presumption may only be rebutted in certain limited circumstances.

The amended standard is effective for years beginning on/after January 1, 2016. The Group does not expect any material impact of this amendment.

IFRS 11 – Joint arrangements

The standard is amended to provide specific guidance on accounting for the acquisition of an interest in a joint operation that constitutes a business. The amendments are applicable to both the acquisition of the initial interest in a joint operation and the acquisition of additional interest in the same joint operation.

This amended standard is effective for years beginning on/after January 1, 2016. The Group will apply the standard accordingly and does not expect any material impact of this amendment.

IFRS 15 – Revenue from contracts with customers

This standard deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service.

The standard replaces IAS 18 'Revenue' and IAS 11 'Construction contracts' and related interpretations. The standard is effective for annual periods beginning on or after 1 January 2017 and earlier application is permitted. The Group will apply the standard accordingly and does not expect any material impact of this amendment.

IAS 27 – Separate Financial Statements

This standard is amended to restore the option to use the equity method to account for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements.

This amendment is effective for years beginning on/after January 1, 2016. The Group does not expect any material impact of this amendment.

IAS 28 – Investments in associates and joint ventures

This standard is amended to address the inconsistency between IFRS 10 and IAS 28. The main consequence of the amendments is that a full gain or loss is recognised when the transaction involves a business combination, and whereas a partial gain is recognised when the transaction involves assets that do not constitute a business.

This amendment is effective for years beginning on/after January 1, 2016. The Group will apply the standard accordingly.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Group.

SUMMARY OF QUARTERLY RESULTS OF OPERATONS

Table 15 below sets forth unaudited information for each of the eight quarters ended June 30, 2013 through to March 31, 2015. This information has been derived from our unaudited consolidated financial statements which, in the opinion of management, have been prepared on a basis consistent with the audited consolidated financial statements and include all adjustments, consisting only of normal recurring adjustments, necessary for fair presentation of our financial position and results of operations for those periods.

The most significant factors causing variation in the results are the volatility of the gold price and copper price, the variability in the grade of ore mined from the Macraes, Reefton and Didipio mines, gold and copper recoveries, the timing of waste stripping activities, movements in inventories and large movements in foreign exchange rates between the USD and the NZD.

NON-GAAP MEASURES

Throughout this document, we have provided measures prepared according to IFRS (“GAAP”) as well as some non-GAAP performance measures. As non-GAAP performance measures do not have a standardised meaning prescribed by GAAP, they are unlikely to be comparable to similar measures presented by other companies.

We provide these non-GAAP measures as they are used by some investors to evaluate OceanaGold’s performance. Accordingly, such non-GAAP measures are intended to provide additional information and should not be considered in isolation, or a substitute for measures of performance in accordance with GAAP.

Earnings before interest, tax, depreciation and amortisation (EBITDA) is one such non-GAAP measure and a reconciliation of this measure to net Profit / (Loss) is provided on page 14.

All-In Sustaining Costs per ounce sold is based on the World Gold Council methodology and is a non-GAAP measure.

Cash costs per ounce sold is another such non-GAAP measures and a reconciliation of these measures to cost of sales, is provided on the next page.

Cash operating margin refers to the difference between average gold price received, and cash cost (net of by-product credits) per ounce of gold sold.

Free cash flows have been calculated as cash flows from operating activities less cash flows used in investing activities.

ADDITIONAL INFORMATION

Additional information referring to the Company, including the Company’s Annual Information Form, is available on SEDAR at www.sedar.com and the Company’s website at www.oceanagold.com.

DISCLOSURE CONTROLS AND PROCEDURES

The Chief Executive Officer and Chief Financial Officer evaluated the effectiveness of the Company’s disclosure controls and procedures as at March 31, 2015. Based on that evaluation, the Chief Executive Officer and the Chief Financial Officer concluded that the design and operation of these disclosure controls and procedures were effective as at March 31, 2015 to provide reasonable assurance that material information relating to the Company, including its consolidated subsidiaries, would be made known to them by others within those entities. These controls were designed and evaluated using the framework set forth in Internal Control – Integrated Framework published by The Committee of Sponsoring Organizations of the Treadway Commission (“COSO” 1992).

INTERNAL CONTROL OVER FINANCIAL REPORTING

Management of OceanaGold, including the Chief Executive Officer and Chief Financial Officer, have evaluated the effectiveness of the design and operation of the Company's internal controls over financial reporting and disclosure controls and procedures as of March 31, 2015. Based on this evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that they were effective at a reasonable assurance level.

There were no significant changes in the Company's internal controls, or in other factors that could significantly affect those controls subsequent to the date the Chief Executive Officer and Chief Financial Officer completed their evaluation, nor were there any significant deficiencies or material weaknesses in the Company's internal controls requiring corrective actions.

The Company's management, including the Chief Executive Officer and the Chief Financial Officer, does not expect that its disclosure controls and internal controls over financial reporting will prevent all errors and fraud. A cost effective system of internal controls, no matter how well conceived or operated, can provide only reasonable not absolute, assurance that the objectives of the internal controls over financial reporting are achieved.

Table 15 - Quarterly Financial Summary

	Mar 31 2015 $000	Dec 31 2014 $000	Sep 30 2014 $000	Jun 30 2014 $000	Mar 31 2014 $000	Dec 31 2013 $000	Sep 30 2013 $000	Jun 30 2013 $000
Sales Revenue	129,306	142,655	122,838	127,480	170,355	170,142	156,617	131,213
EBITDA (excluding gain/(loss) on undesignated hedges and impairment charge)	60,740	65,658	43,505	29,602	101,030	96,497	76,291	42,495
Earnings/(loss) after income tax and before gain/(loss) on undesignated hedges (net of tax and impairment charge)	31,203	30,615	20,688	993	59,869	45,810	43,125	(2,647)
Net Profit/(Loss)	24,465	37,829	16,884	(2,123)	58,945	(28,159)	43,735	(70,491)
Net earnings/(loss) per share								
Basic	$0.08	$0.13	$0.06	$(0.01)	$0.20	$(0.10)	$0.15	$(0.24)
Diluted	$0.08	$0.12	$0.05	$(0.01)	$0.19	$(0.10)	$0.14	$(0.24)

Table 16 – Reconciliation of Cash Operating costs

		Q1 Mar 31 2015	Q4 Dec 31 2014	Q1 Mar 31 2014
Cost of sales, excluding depreciation and amortisation	*$000*	60,685	69,167	63,183
Selling costs and sundry general and administration	*$000*	5,964	6,024	8,573
By-product credits	*$000*	(31,983)	(42,577)	(55,768)
Total cash costs (net of by-product credits)	*$000*	34,666	32,614	15,988
Gold sales from operating mines	*ounces*	86,234	88,386	94,050
Cash operating costs	*$/ounce*	402	369	170

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