OCEANAGOLD CORPORATION

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FIRST QUARTER REPORT

March 31ST, 2016

UNAUDITED

UNAUDITED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at March 31, 2016

(in United States dollars)	*Notes*	*March 31 2016 $'000*	*December 31 2015 $'000*
ASSETS			
Current assets			
Cash and cash equivalents		117,904	185,466
Trade and other receivables	5	57,152	35,067
Derivatives and other financial assets	6	2,406	6,585
Inventories	7	84,954	91,976
Prepayments		8,026	4,448
Total current assets		270,442	323,542
Non-current assets			
Trade and other receivables	5	71,270	69,407
Derivatives and other financial assets	6	43,006	18,353
Inventories	7	141,514	132,351
Deferred tax assets	8	7,075	181
Property, plant and equipment	9	429,359	432,280
Mining assets	10	640,791	565,681
Investments	11	2,062	2,062
Total non-current assets		1,335,077	1,220,315
TOTAL ASSETS		1,605,519	1,543,857
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Trade and other payables		136,697	109,335
Employee benefits	13	7,074	8,028
Derivatives and other financial liabilities	15	8,840	-
Current tax liabilities		6,456	6,367
Interest-bearing loans and borrowings	14	8,449	10,812
Asset retirement obligations		955	932
Total current liabilities		168,471	135,474
Non-current liabilities			
Other obligations	12	8,039	8,754
Employee benefits	13	1,168	1,161
Interest-bearing loans and borrowings	14	186,765	187,942
Derivatives and other financial liabilities	15	7,251	-
Asset retirement obligations		74,630	70,717
Total non-current liabilities		277,853	268,574
TOTAL LIABILITIES		446,324	404,048
SHAREHOLDERS' EQUITY			
Share capital	16	1,076,130	1,067,576
Retained earnings/(accumulated losses)		7,904	8,630
Contributed surplus	19	39,798	41,954
Other reserves	20	35,363	21,649
TOTAL SHAREHOLDERS' EQUITY		1,159,195	1,139,809
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		1,605,519	1,543,857

On behalf of the Board of Directors:

James E. Askew
Director
April 28, 2016

J. Denham Shale
Director
April 28, 2016

The accompanying notes to the interim consolidated financial statements are an integral part of these financial statements.

UNAUDITED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the quarter ended March 31, 2016

(in United States dollars)	*Notes*	*Three months ended March 31 2016 $'000*	*March 31 2015 $'000*
Revenue	4	161,051	129,306
Cost of sales, excluding depreciation and amortisation		(71,889)	(60,685)
Depreciation and amortisation		(33,769)	(27,729)
General and administration - merger and acquisition costs		-	(16)
General and administration - other		(12,368)	(7,922)
Operating profit/(loss)		43,025	32,954
Other expenses			
Interest expense and finance costs		(2,317)	(2,799)
Foreign exchange gain/(loss)		725	(15)
Gain/(loss) on disposal of property, plant and equipment		(37)	30
Gain/(loss) on fair value of available-for-sale assets		251	9
Total other expenses		(1,378)	(2,775)
Gain/(loss) on fair value of undesignated hedges		(18,304)	(9,359)
Interest income		129	198
Other income/(expense)		140	33
Profit/(loss) before income tax		23,612	21,051
Income tax benefit/(expense)		(81)	3,414
Net profit/(loss)		**23,531**	**24,465**
Other comprehensive income that can be reclassified to profit and loss in a future period, net of tax			
Currency translation gain/(loss)		2,191	(9,049)
Net change in fair value of available-for-sale assets		11,523	-
Total other comprehensive income/(loss) net of tax		**13,714**	**(9,049)**
Comprehensive income/(loss) attributable to shareholders		**37,245**	**15,416**
Net earnings/(loss) per share:			
- Basic	23	$0.04	$0.08
- Diluted	23	$0.04	$0.08

The accompanying notes to the interim consolidated financial statements are an integral part of these financial statements.

UNAUDITED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the quarter ended March 31, 2016

(in United States dollars)	*Share Capital*	*Contributed Surplus*	*Other Reserves*	*Retained Earnings/ (Accumulated Losses)*	*Total Equity*
	$'000	***$'000***	***$'000***	***$'000***	***$'000***
Balance at January 1, 2016	**1,067,576**	**41,954**	**21,649**	**8,630**	**1,139,809**
Comprehensive income/(loss) for the period	-	-	13,714	23,531	37,245
Employee share options:					
Share based payments	-	904	-	-	904
Forfeiture of options	-	(16)	-	-	(16)
Exercise of options	8,554	(3,044)	-	-	5,510
Dividends provided for or paid	-	-	-	(24,257)	(24,257)
Balance at March 31, 2016	**1,076,130**	**39,798**	**35,363**	**7,904**	**1,159,195**
Balance at January 1, 2015	**650,557**	**41,388**	**35,905**	**(32,376)**	**695,474**
Comprehensive income/(loss) for the period	-	-	(9,049)	24,465	15,416
Employee share options:					
Share based payments	-	776	-	-	776
Exercise of options	2,147	(2,013)	-	-	134
Dividends provided for or paid	-	-	-	(12,060)	(12,060)
Balance at March 31, 2015	**652,704**	**40,151**	**26,856**	**(19,971)**	**699,740**

The accompanying notes to the interim consolidated financial statements are an integral part of these financial statements.

UNAUDITED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the quarter ended March 31, 2016

(in United States dollars)	*Three months ended* *March 31 2016 $'000*	*March 31 2015 $'000*
Operating activities		
Net profit/(loss)	23,531	24,465
Charges/(credits) not affecting cash		
Depreciation and amortisation expense	33,769	27,729
Net (gain)/loss on disposal of property, plant & equipment	37	-
Unrealised foreign exchange (gain)/loss	(725)	15
Stock based compensation charge	888	776
(Gain)/loss on fair value of undesignated hedges	18,304	9,359
Non-cash transaction costs	197	583
Future tax expense/(benefit)	81	(3,414)
Non-cash available-for-sale assets (gain)/loss	(251)	(9)
Changes in non-cash working capital		
(Increase)/decrease in trade and other receivables	(24,731)	3,781
(Increase)/decrease in inventories	22	(11,878)
(Decrease)/increase in trade and other payables	(7,380)	(5,440)
(Decrease)/increase in other working capital	(12,069)	(2,738)
Net cash provided by/(used in) operating activities	31,673	43,229
Investing activities		
Payment for investments	(9,917)	-
Proceeds from sale of property, plant and equipment	28	30
Payment for property, plant and equipment	(4,585)	(1,240)
Payment for mining assets: exploration and evaluation	(1,783)	(977)
Payment for mining assets: development	(62,872)	(11,965)
Payment for mining assets: in production	(24,611)	(9,655)
Net cash provided by/(used in) for investing activities	(103,740)	(23,807)
Financing activities		
Proceeds from issue of shares	5,510	134
Repayment of finance lease liabilities	(3,102)	(2,884)
Repayment of bank borrowings and other loans	(375)	(10,548)
Net cash provided by/(used in) financing activities	2,033	(13,298)
Effect of exchange rates changes on cash gain/(loss)	2,472	2,223
Net increase/(decrease) in cash and cash equivalents	(67,562)	8,347
Cash and cash equivalents at the beginning of the period	185,466	51,218
Cash and cash equivalents at end of period	117,904	59,565
Cash interest paid	(1,458)	(1,772)
Cash interest received	129	198
Income taxes paid	(6,462)	-

The accompanying notes to the interim consolidated financial statements are an integral part of these financial statements.

1 BASIS OF PREPARATION

OceanaGold Corporation ("OceanaGold") ("The Company") is a company domiciled in Canada. It is listed on the Toronto Stock Exchange, the Australian Stock Exchange and the New Zealand Stock Exchange. The registered address of the Company is c/o Fasken Martineau DuMoulin LLP, 2900-550 Burrard Street, Vancouver, British Columbia V6C 0A3, Canada. The Company is the ultimate parent, and together with its subsidiaries, forms the OceanaGold Corporation consolidated group (the "Group").

The Group is engaged in the exploration, development and operation of gold and other mineral mining activities. OceanaGold operates two open cut gold mines and two underground mines in New Zealand. The Group also operates an open cut gold-copper mine and is developing underground operations at Didipio in the Philippines. The Group is currently constructing the Haile Gold Project in South Carolina, USA.

The Group prepares its unaudited interim consolidated financial statements in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), as applicable to the preparation of interim financial statements including IAS 34. The policies applied are based on IFRS issued and outstanding as of the day the Board of Directors approved the statements. These interim financial statements do not include all of the notes of the type normally included in an annual financial report and hence should be read in conjunction with the Group's annual financial statements for the year ended December 31, 2015, as they provide an update of previously reported information.

These interim financial statements are expressed in United States dollars ("US$") which is the presentation currency for OceanaGold Corporation.

Except as described below, the accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

The unaudited interim consolidated financial statements were approved by the Board of Directors on April 28, 2016.

2 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: amortised 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).

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 an amendment to IFRS 7, 'Financial instruments: Disclosure', to require 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.

2 ACCOUNTING POLICIES EFFECTIVE FOR FUTURE PERIODS (CONTINUED)

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 January 1, 2018 and earlier application is permitted. The Group will adopt IFRS 15 accordingly where applicable.

IAS 12 - Income Taxes
This standard has been amended to clarify the requirements for recognising deferred tax assets on unrealised losses, deferred tax where an asset is measured at a fair value below the asset's tax base and certain other aspects of accounting for deferred tax assets.

The amendments are effective for years beginning on/after January 1, 2017 and the Group will apply the amendments accordingly.

IAS 7 - Statement of cash flows
This standard has been amended to require additional disclosures that will enable users of the financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

The amendment is effective for years beginning on/after January 1, 2017 and the Group will apply the amendment accordingly.

IFRS 16 - Leases
This standard will replace IAS 17, Leases and related interpretations. IFRS 16 establishes principles for recognition, measurement, presentation and disclosures of leases. The standard provides a single lessee accounting model which requires the lessee to recognise almost all lease contracts on the balance sheet; the only optional exemptions are for certain short-term leases and leases of low-value assets. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17.

This standard is effective for years beginning on/after January 1, 2019. The Group has not assessed the impact of this new standard.

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.

The amendment was originally effective for years beginning on/after January 1, 2016. However the effective date has been deferred indefinitely by the IASB. The Group will apply the standard accordingly when effective.

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.

3 CRITICAL ESTIMATES AND JUDGEMENTS

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Mining assets

The future recoverability of mining assets (Note 10) including capitalised 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 (Note 10) is capitalised 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. To the extent that capitalised 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.

3 CRITICAL ESTIMATES AND JUDGEMENTS (CONTINUED)

The Group defers mining costs incurred during the production stage of its operations and these are amortised over the life of the components of the ore body to which they relate. 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 calculated in accordance with accounting policy. These assessments require the use of estimates and assumptions such as discount rates, exchange rates, commodity prices (gold, copper and tungsten), sustaining capital requirements, operating performance (including the magnitude and timing of related cash flows), and future operating development from certain identified exploration targets where there is higher degree of confidence in the economic extraction of minerals.

The recoverable amount of the New Zealand CGU is dependent on production from 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 realisable value of inventories

The Group reviews the carrying value of its inventories (Note 7) at each reporting date to ensure that the cost does not exceed net realisable value. Estimates of net realisable 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 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 judgement 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 recognises 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 recognised. In recognising 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.

Utilisation of the tax losses also depends on the ability of the entity to satisfy certain tests such as substantial change of control tests at the time the losses are recouped. If the entities fail to satisfy the tests, the carried forward losses that are currently recognised as deferred tax assets would have to be written off to income tax expense. There is an inherent risk and uncertainty in applying this judgement and a possibility that changes in legislation or corporate merger and acquisition activity will impact upon the carrying amount of deferred tax assets and deferred tax liabilities recognised on the statement of financial position. Deferred taxes are disclosed within Note 8 to the financial statements.

3 CRITICAL ESTIMATES AND JUDGEMENTS (CONTINUED)

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. Disclosure of taxation is included in Note 8.

Certain input tax credits in overseas subsidiaries have been recognised as a non-current receivable (Note 5). The input tax credits are initially measured at cost, based on the interpretation of the terms and conditions of the relevant tax and investment law which allow for the recoverability of input taxes paid.

In assessing the classification and recoverability of these input tax credits, the Group makes a number of assumptions which are subject to risk and uncertainty including the timing and likelihood of success in working through the required legal process in the relevant jurisdiction. The Group views these input tax credits as recoverable via a tax refund or a tax credit. Should management determine that, all or some of the input tax will not be recoverable via tax refund or credit in the future, the Group would reclassify eligible amounts to other components of non-current assets as allowable under the relevant accounting standard. Non-eligible amounts, where so determined, may have to be expensed in the relevant period.

(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, 2016 no such equity has been issued to any third party due to the uncertainty. Consequently, no non-controlling interest has been recognised. A non-controlling interest is intended to be recognised after the issue of shares and after the full recovery of pre-operating expenses.

(viii) Estimation of fair values in business combination

The Group has applied estimates and judgements in order to determine the fair values of assets acquired and liabilities and contingent liabilities assumed by way of a business combination.

The provisional values of assets, liabilities and contingent liabilities recognised on acquisition are their estimated fair values at the date of acquisition. Accounting Standards permit up to 12 months for provisional acquisition accounting to be finalised following the acquisition date if any subsequent information provides better evidence of the item’s fair value at the date of acquisition. Changes to any of the estimates may cause the acquisition accounting to be revised.

4 REVENUE

	March 31 2016 $'000	*March 31 2015 $'000*
Gold sales		
Bullion	107,327	72,322
Concentrate sales	33,219	30,718
	140,546	103,040
Copper sales		
Concentrate sales	23,119	30,873
Silver sales		
Concentrate sales	2,042	1,110
	165,707	135,023
Less concentrate treatment, refining and selling costs	(4,656)	(5,717)
Total Revenue	161,051	129,306

Realised loss on gold options hedges (Note 15) exercised for the quarter ended March 31, 2016 amounted to $1.4 million (March 31, 2015: $0.5 million loss). The realised loss or gain on gold options is included within Revenue - Gold sales.

Provisional Sales

The Group has provisionally priced gold and copper concentrate sales for which price finalisation subject to quotational periods is outstanding at the reporting date. At March 31, 2016, the provisionally priced gold and copper concentrate sales subject to final settlement included a provisional pricing gain of $1.0 million (March 31, 2015: $2.1 million gain).

At March 31, 2016, the provisionally priced gold and copper sales for 31,669 dry metric tonnes of concentrate containing provisional estimates of 41,448 ounces of gold and 7,756 tonnes of copper, subject to final settlement, were recorded at average prices of $1,227/oz and $4,945/t, respectively.

5 TRADE AND OTHER RECEIVABLES

	March 31 2016 $'000	*December 31 2015 $'000*
Current		
Trade receivables	45,505	23,555
Other receivables	11,647	11,512
	57,152	35,067
Non-Current		
Other receivables	71,270	69,407
	71,270	69,407

Other receivables mainly consist of input tax credits, with the remainder related to excise tax recoverable, deposits at bank in support of environmental bonds, deposits set out for rental of properties, and New Zealand carbon tax credits.

6 DERIVATIVES AND OTHER FINANCIAL ASSETS

	March 31 2016 $'000	*December 31 2015 $'000*
Current		
Gold put/call options (1)	-	5,777
Other assets (2)	799	808
Fuel swaps (4)	1,607	-
	2,406	6,585
Non-Current		
Other assets (2)	572	769
Available-for-sale financial assets (3)	41,466	17,584
Fuel swaps (4)	968	-
	43,006	18,353
	45,412	24,938

(1) At March 31, 2016, this represents four series of bought gold put options with average price range from NZ$1,600 to NZ$1,650 per ounce and four series of sold gold call options with price range from NZ$1,736 to NZ$1,810 per ounce. At March 31, 2016, 272,922 ounces of gold options remained outstanding. These gold options are undesignated for hedging accounting purposes and accounted at fair value through the statement of comprehensive income. These gold options cover future gold production from Macraes Goldfield and Reefton.

At December 31, 2015, this represented two series of bought gold put options with average price range from NZ$1,600 to NZ$1,628 per ounce and two series of sold gold call options with average price of NZ$1,736 per ounce. At December 31, 2015, 128,568 ounces of gold options remained outstanding.

Put options strike price NZ$	Call options strike price NZ$	Ounces of gold outstanding at March 31, 2016	Ounces of gold outstanding at December 31, 2015	Expiring
1,600	1,736	81,666	108,888	December 2016
1,628	1,736	14,760	19,680	December 2016
1,650	1,810	98,796	-	December 2017
1,650	1,810	77,700	-	December 2017

(2) Represents the unamortised portion of establishment fees and other costs incurred in obtaining US$ banking facilities. These fees are being amortised to reflect an approximate pattern of consumption over the terms of the facilities.

(3) Represents the fair value of investments in listed companies.

(4) This represents the fair value of fuel swap agreements to buy specified volumes of fuel at specified prices ranging from $43.75 per barrel to $54.34 per barrel. At March 31, 2016, 530,929 barrels of fuel swaps remained outstanding. These fuel swaps are undesignated for hedge accounting purposes and accounted at fair value through the statement of comprehensive income. These fuel swaps cover 90% of the Company's fuel consumption in 2016 and 2017.

	Swap Price	Volume Remaining (bbl)	Expiry Date
Singapore Gasoil Platts Asia Pacific	$43.75	198,000	December 2016
US Gulf Coast Ultra Low Sulphur	$48.07	40,286	December 2016
Singapore Gasoil Platts Asia Pacific	$50.25	240,000	December 2017
US Gulf Coast Ultra Low Sulphur	$54.34	52,643	December 2017

7 INVENTORIES

	March 31 2016 $'000	*December 31 2015 $'000*
Current		
Gold in circuit	6,122	5,127
Ore - at cost	22,700	32,550
Gold on hand	3,479	2,562
Gold and copper concentrate	18,241	19,798
Maintenance stores	34,412	31,939
	84,954	91,976
Non-Current		
Ore - at cost	141,514	132,351
	141,514	132,351
Total inventories	226,468	224,327

During the quarter, there was no ore inventory written down (for the year ended December 31, 2015: $1.3 million).

8 DEFERRED INCOME TAX

	March 31 2016 $'000	*December 31 2015 $'000*
Deferred income tax		
Deferred income tax at period end relates to the following:		
Deferred tax assets		
Losses available for offset against future taxable income	30,938	26,537
Provisions	11,407	12,294
Accrued expenses	-	19
Gross deferred tax assets	42,345	38,850
Set off deferred tax liabilities	(35,270)	(38,669)
Net non-current deferred tax assets	7,075	181
Deferred tax liabilities		
Mining assets	(19,051)	(21,691)
Property, plant and equipment	(14,373)	(15,378)
Inventories	(1,191)	(943)
Other	(655)	(657)
Gross deferred tax liabilities	(35,270)	(38,669)
Set off deferred tax assets	35,270	38,669
Net non-current deferred tax liabilities	-	-

The income tax paid for the quarter ended March 31, 2016 is $6.5 million (2015: $nil).

9 PROPERTY, PLANT AND EQUIPMENT

	March 31, 2016				
	Land	Buildings	Plant and equipment	Rehabilitation	Total
	$'000	*$'000*	*$'000*	*$'000*	*$'000*
Net book value					
At December 31, 2015:					
Cost	99,163	61,509	718,827	51,145	930,644
Accumulated depreciation	-	(15,703)	(447,670)	(34,991)	(498,364)
At December 31, 2015	99,163	45,806	271,157	16,154	432,280
Movement for the period:					
Additions	56	11	4,313	2,910	7,290
Transfers	-	15	3,115	-	3,130
Disposals/write-off	(17)	-	(573)	-	(590)
Depreciation for the period	-	(1,045)	(12,258)	(442)	(13,745)
Exchange differences	247	126	601	20	994
At March 31, 2016	99,449	44,913	266,355	18,642	429,359
At March 31, 2016:					
Cost	99,449	61,784	715,623	54,455	931,311
Accumulated depreciation and impairment	-	(16,871)	(449,268)	(35,813)	(501,952)
	99,449	44,913	266,355	18,642	429,359

Plant and equipment includes assets under capital lease net of accumulated depreciation of $17.7 million (December 31, 2015: $19.4 million). The assets under capital leases are pledged as security for capital lease liabilities.

10 MINING ASSETS

	March 31, 2016			
	Exploration and evaluation phase	Development phase	In production	Total
	$'000	*$'000*	*$'000*	*$'000*
Net book value				
At December 31, 2015:				
Cost	47,442	261,588	1,116,288	1,425,318
Accumulated amortisation	-	-	(859,637)	(859,637)
At December 31, 2015	47,442	261,588	256,651	565,681
Movement for the period:				
Additions	1,783	73,596	26,046	101,425
Transfers	-	(3,519)	389	(3,130)
Disposals/write-off	-	-	(59)	(59)
Amortisation for the period	-	-	(24,054)	(24,054)
Exchange differences	253	55	620	928
At March 31, 2016	49,478	331,720	259,593	640,791
At March 31, 2016:				
Cost	49,478	331,720	1,164,053	1,545,251
Accumulated amortisation	-	-	(904,460)	(904,460)
	49,478	331,720	259,593	640,791

The recovery of the costs deferred in respect of exploration and evaluation expenditure is dependent upon successful development and commercial exploitation of the respective areas of interest. The mining assets under development mainly includes the underground development, construction of the overhead powerline and continuous embankment of Tailings Storage Facility (TSF) at Didipio in the Philippines, and the construction of the Haile Gold Project in the United States.

11 INVESTMENTS

	March 31 2016 $'000	*December 31 2015 $'000*
Non-Current		
Investments	2,062	2,062
	2,062	2,062

Represents shares and a convertible debenture in an unlisted private exploration entity.

12 OTHER OBLIGATIONS

	March 31 2016 $'000	*December 31 2015 $'000*
Non-Current		
Other obligations	8,039	8,754
	8,039	8,754

Other obligations mainly consist of an endowment of $7.2 million (to be paid over the next 14 years) for maintenance and management of the properties under the mitigation plan related to all permits for the Haile Project.

Also, in connection with the issuance of the environmental permits, the Company has an agreement with various Conservation Groups in South Carolina (“the Conservation Groups”) to provide on-going protection for lands in the Lynches River Watershed of South Carolina. This agreement ensured that the Conservation Groups will not bring any suit or claim with respect to the federal, state or local permits issued for the Haile Project.

13 EMPLOYEE BENEFITS

(a) Leave entitlements liability

	March 31 2016 $'000	*December 31 2015 $'000*
Aggregate employee benefit liability is comprised of:		
Employee benefits provision - current	7,074	8,028
Employee benefits provision - non-current	1,168	1,161
	8,242	9,189

(b) Defined contribution plans

The Group has defined contribution pension plans for certain groups of employees. The Group’s share of contributions to these plans is recognised in the statement of comprehensive income in the year it is earned by the employee.

14 INTEREST-BEARING LOANS AND BORROWINGS

	Maturity	March 31 2016 $'000	December 31 2015 $'000
Current			
Capital leases (1)	various	8,319	10,298
Other loan	05/31/2016	130	514
		8,449	10,812
Non-Current			
Capital leases (1)	various	3,963	5,140
US$ banking facilities (2)	various	182,802	182,802
		186,765	187,942

(1) *Capital Leases*
The Group has capital lease facilities in place with Caterpillar Finance and GE Finance. These facilities have maturities between April 2016 to March 2018.

(2) *US$ banking facilities*
On December 15, 2015, the Group refinanced and increased its revolving credit facility to $250 million for general working capital purposes. The restructured facility is with a multi-national group of banks and matures on December 31, 2019. The facility will step down to $200 million then $150 million as at December 31, 2017 and 2018 respectively. At March 31, 2016, this facility stood at $250 million with $182.8 million drawn and $67.2 million undrawn. There are no principal repayments required before March 31, 2017 under the facility therefore the entire balance has been classified as non-current.

Assets pledged

As security for the Group's banking facilities, the Group's banking syndicate have been granted real property mortgages over titles relevant to the Macraes and Reefton Mines and the Haile Gold Mine Project. They also have the ability to enter into real property and chattel mortgages in respect of the Didipio project, and be assigned the Financial or Technical Assistance Agreement, subject to the requirements of applicable laws. Furthermore, certain subsidiaries of the Group have granted security in favour of the banking syndicate over their assets which include shares that they own in various other subsidiaries of the Group.

15 DERIVATIVES AND OTHER FINANCIAL LIABILITIES

	March 31 2016 $'000	December 31 2015 $'000
Current		
Gold put/call options (1)	8,840	-
	8,840	-
Non-Current		
Gold put/call options (1)	7,251	-
	7,251	-

(1) The gold put/call options that give rise to the derivative liabilities are detailed in Note 6.

16 SHARE CAPITAL

Movement in common shares on issue

	March 31 2016 Thousand shares	*March 31 2016 $'000*	*December 31 2015 Thousand shares*	*December 31 2015 $'000*
Balance at the beginning of the period	603,618	1,067,576	301,520	650,557
Shares issued	-	-	299,506	413,318
Options exercised	4,563	8,554	2,592	3,701
Balance at the end of the period	608,181	1,076,130	603,618	1,067,576

Common shares holders have the right to receive dividends as declared and, in the event of the winding up of the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Common shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company. Common shares have no par value and are all fully paid. The Company has not established a maximum number for authorised shares.

Each CHESS Depository Interests ("CDIs") represents a beneficial interest in a common share in the Company. CDI holders have the same rights as holders of common shares except that they must confirm their voting intentions by proxy before the meeting of the Company.

The Company has share option and rights schemes under which options and rights to subscribe for the Company's shares have been granted to executives and management.

On October 1, 2015, the Company issued a total of 299,506,089 shares to Romarco shareholders for the acquisition of all of the issued and outstanding shares of Romarco Minerals Inc. The Romarco shareholders obtained 0.241 of a common share of the Company for each Romarco common share.

17 SEGMENT INFORMATION

The Group's operations are managed on a regional basis. The three reportable segments are New Zealand, the Philippines and the USA. The business segments presented below reflect the management structure of the Group and the way in which the Group's management reviews business performance. The Group sells its gold bullion to a mint in Australia and sells its gold-copper concentrate to a commodity trader in Singapore. Gold bullion is produced in New Zealand and the Philippines and gold-copper concentrate is produced in the Philippines.

	New Zealand	Phillippines	United States	All other segments	Elimination	Total
Quarter ended March 31, 2016	$'000	$'000	$'000	$'000	$'000	$'000
Revenue						
Sales to external customers	95,123	65,928	-	-	-	161,051
Inter segment management and gold handling fees	-	-	-	103	(103)	-
Total segment revenue	95,123	65,928	-	103	(103)	161,051
Result						
Segment result excluding unrealised hedge gains/ (losses) and depreciation and amortisation	42,516	41,502	53	(6,198)	-	77,873
Depreciation and amortisation	(26,016)	(7,535)	(28)	(190)	-	(33,769)
Inter segment management and gold handling fees	(103)	-	-	103	-	-
Gain/(loss) on fair value of derivative instruments	(18,304)	-	-	-	-	(18,304)
Total segment result before interest and tax	(1,907)	33,967	25	(6,285)	-	25,800
Net interest expense						(2,188)
Income tax (expense)/benefit						(81)
Net profit/(loss) for the period						23,531
Assets						
Total segment assets as at March 31, 2016	326,526	700,631	477,664	100,698	-	1,605,519

17 SEGMENT INFORMATION (CONTINUED)

	New Zealand	Phillippines	United States	All other segments	Elimination	Total
Quarter ended March 31, 2015	$'000	$'000	$'000	$'000	$'000	$'000
Revenue						
Sales to external customers	62,242	67,064	-	-	-	129,306
Inter segment management and gold handling fees	-	-	-	125	(125)	-
Total segment revenue	62,242	67,064	-	125	(125)	129,306
Result						
Segment result excluding unrealised hedge gains/ (losses) and depreciation and amortisation	21,932	43,889	-	(5,081)	-	60,740
Depreciation and amortisation	(19,113)	(8,488)	-	(128)	-	(27,729)
Inter segment management and gold handling fees	(125)	-	-	125	-	-
Gain/(loss) on fair value of derivative instruments	(9,359)	-	-	-	-	(9,359)
Total segment result before interest and tax	(6,665)	35,401	-	(5,084)	-	23,652
Net interest expense						(2,601)
Income tax (expense)/benefit						3,414
Net profit/(loss) for the period						24,465
Assets						
Total segment assets as at December 31, 2015	357,227	670,139	461,332	55,159	-	1,543,857

18 STOCK-BASED COMPENSATION

(a) Executive share options plan

Directors, executives and certain senior members of staff of the Group hold options over the common shares of the Company, OceanaGold Corporation. Each option entitles the holder to one common share upon exercise. The options were issued for nil consideration and have a maximum term of eight years. Granted options vest in three equal tranches over three years and vesting is subject only to continuity of employment.

The options cannot be transferred without the Company's prior approval and the Company does not intend to list the options. No options provide dividend or voting rights to the holders. Under the 2007 stock based compensation plan approved by OceanaGold shareholders the Company can issue up to 10% of issued common and outstanding shares.

(i) Stock option movements

The following table reconciles the outstanding share options granted under the executive share option scheme at the beginning and the end of the period:

WAEP = weighted average exercise price

	March 31, 2016		*December 31, 2015*	
	No.	**WAEP**	**No.**	**WAEP**
Outstanding at the start of the period	3,322,762	A$2.81	3,733,940	A$2.71
Expired	(5,556)	A$2.70	(49,664)	A$2.87
Exercised	(972,301)	A$2.51	(361,514)	A$1.79
Balance at the end of the period	**2,344,905**	**A$2.93**	**3,322,762**	**A$2.81**
Exercisable at the end of the period	**2,344,905**	**A$2.93**	**3,322,762**	**A$2.81**

Options granted were priced using a binomial option pricing model. Where options had a single exercise date the Black Scholes valuation model was used. Where options do not have a performance hurdle they were valued as American style options using the Cox Rubenstein Binomial model.

The expected life used in the model has been based on the assumption that employees remain with the Company for the duration of the exercise period and exercise the options when financially optimal. This is not necessarily indicative of exercise patterns that may occur.

Historical volatility has been used for the purposes of the valuation. Expected volatility is based on the historical share price volatility using three years of traded share price data. As a result it reflects the assumption that the historical volatility is indicative of future trends, which may not necessarily be the outcome.

Dividend yield is assumed to be nil on the basis that no dividends have been declared prior to the grant date.

(ii) Balance at the end of the period

The share options outstanding at March 31, 2016 had an exercise price of between A$0.00 and A$3.94 and a weighted average remaining life of 1.95 years.

(b) Performance share rights plan

The Managing Director and certain employees of the Group, as designated by the Board of Directors, have been granted rights to common shares of the Company, OceanaGold Corporation. Each right entitles the holder to one common share upon exercise. The rights were issued for nil consideration and are subject to market-based performance conditions (based on various Total Shareholder Return (TSR) hurdles) and continuity of employment. The rights cannot be transferred without the Company's prior approval and right holders are not entitled to dividends of unvested rights.

(i) Performance share rights plan movements

The following table reconciles the outstanding rights granted under the performance share rights plan at the beginning and the end of the period:

18 STOCK-BASED COMPENSATION (CONTINUED)

(b) Performance share rights plan (continued)

WAEP = weighted average exercise price

	March 31, 2016		*December 31, 2015*	
	No.	**WAEP**	**No.**	**WAEP**
Outstanding at the start of the period	5,168,629	A$0.00	4,953,687	A$0.00
Granted	5,181,949	A$0.00	1,992,861	A$0.00
Forfeited	(23,949)	A$0.00	(65,221)	A$0.00
Exercised	(1,460,156)	A$0.00	(1,712,698)	A$0.00
Balance at the end of the period	**8,866,473**	**A$0.00**	**5,168,629**	**A$0.00**
Exercisable at the end of the period	**-**	**-**	**-**	**-**

Rights granted were priced using Monte Carlo simulation (using the Black-Scholes framework) to model the Company's future price and TSR performance against the comparator group at vesting date. Monte Carlo simulation is a procedure for randomly sampling changes in market variables in order to value derivatives. This simulation models the TSR of the comparator group jointly by taking into account the historical correlation of the returns of securities in the comparator group.

The expected life used in the model has been based on the assumption that right holders will act in a manner that is financially optimal and will remain with the Company for the duration of the rights' life.

Historical volatility has been used for the purposes of the valuation. Expected volatility is a measure of the amount by which a price is expected to fluctuate during a period and is measured as the annualised standard deviation of the continuously compounded rates of return on the share over a period of time. The expected volatility of the Company and each Company in the comparator group has been calculated using three years of historical price data. As a result it reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the outcome.

Dividend yield had been assumed to be 1% for grants in 2015. For the grant in 2016, a dividend yield of 1.53% has been assumed in the valuation.

(ii) Balance at end of the period

The performance share rights outstanding at March 31, 2016 had an exercise price of A$0.00 and a weighted average remaining life of 2.38 years.

(c) Stock options

An evergreen incentive stock option plan was introduced into the Group following the acquisition of Pacific Rim. The plan was adopted by Pacific Rim on August 29, 2006, whereby the maximum number of shares reserved for grant to Eligible Parties under the 2006 Plan is equal to 10% of the number of shares outstanding at the time of the grant. This plan remains a Pacific Rim plan but the options are exercisable into OceanaGold shares at the ratio of 0.04006 for every Pacific Rim option in accordance with the Plan of Arrangement.

(i) Evergreen incentive stock option plan movements

The following table reconciles the outstanding rights granted under the evergreen incentive stock option plan at the beginning and the end of the period:

	March 31, 2016		*December 31, 2015*	
	No.	**WAEP**	**No.**	**WAEP**
Outstanding at the start of the period	1,325,000	C$0.14	3,795,000	C$0.17
Expired	-	-	(2,470,000)	C$0.19
Balance at the end of the period	**1,325,000**	**C$0.14**	**1,325,000**	**C$0.14**
Exercisable at the end of the period	**1,325,000**	**C$0.14**	**1,325,000**	**C$0.14**

Options granted were valued using the Black-Scholes option pricing model. For employees, the Company recognises stock-based compensation expense based on the estimated fair value of the options on the date of the grant. For non-employees, the fair value of the options is based on the fair value of services received and recognised at the time of services rendered. The fair value of the options is recognised over the vesting period of the options granted as stock-based compensation expense and corresponding adjustment to contributed surplus. The number of options expected to vest is periodically reviewed and the estimated option forfeiture rate is adjusted as required throughout the life of the option. Upon exercise these amounts are transferred to share capital.

18 STOCK-BASED COMPENSATION (CONTINUED)

(c) Stock options (continued)

The expected life of the option is based on the historical activity of each specific class of option holder which includes directors, officers, employees and consultants.

Historical volatility has been used for the purposes of the valuation. Expected volatility is a measure of the amount by which a price is expected to fluctuate during a period and is measured as the annualised standard deviation of the continuously compounded rates of return on the share over a period of time. The expected volatility of Pacific Rim has been calculated using historical price data based on the estimated life of the options. As a result it reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the outcome.

Dividend yield had been assumed to be nil on the basis that no dividends had been declared prior to the grant date.

The risk-free rate for the expected term of the option was based on the Government of Canada yield curve in effect at the time of the grant.

(ii) Balance at the end of the period

The evergreen incentive stock options outstanding at March 31, 2016 had an exercise price of between C$0.11 and C$0.19 and a weighted average remaining life of 1.02 years.

(d) Replacement Stock Option plan

A Replacement Stock Option plan was introduced into the Group following the acquisition of Romarco Minerals Inc. Under the Plan of Arrangement, each outstanding Romarco option was exchanged for a Replacement Option from OceanaGold. The number of OceanaGold shares equal to 0.241 multiplied by the number of Romarco shares subject to such Romarco option. Accordingly, 9,646,500 Replacement Options were granted and vested on October 1, 2015.

(i) Replacement Stock Option plan movements

The following table reconciles the outstanding rights granted under the Replacement Stock Option plan at the beginning and the end of the period:

	March 31, 2016		*December 31, 2015*	
	No.	**WAEP**	**No.**	**WAEP**
Outstanding at the start of the period	9,133,645	C$3.10	-	-
Granted	-	-	9,646,500	C$3.11
Exercised	(2,130,198)	C$2.27	(402,947)	C$2.07
Expired	(253,411)	C$4.99	(109,908)	C$7.92
Balance at the end of the period	**6,750,036**	**C$3.28**	**9,133,645**	**C$3.10**
Exercisable at the end of the period	**6,750,036**	**C$3.28**	**9,133,645**	**C$3.10**

Options granted were valued using the Black-Scholes option pricing model. For employees, the Company recognises stock-based compensation expense based on the estimated fair value of the options on the date of the grant. The fair value of the options is recognised over the vesting period of the options granted as stock-based compensation expense and corresponding adjustment to contributed surplus. The number of options expected to vest is periodically reviewed and the estimated option forfeiture rate is adjusted as required throughout the life of the option. Upon exercise these amounts are transferred to share capital.

Historical volatility has been used for the purposes of the valuation. Expected volatility is a measure of the amount by which a price is expected to fluctuate during a period and is measured as the annualised standard deviation of the continuously compounded rates of return on the share over a period of time. The expected volatility of the Company has been calculated using historical price data based on the estimated life of the options. As a result it reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the outcome.

Dividend yield had been assumed to be nil on the basis that no dividends had been declared previously.

The risk-free rate for the expected term of the option was based on the Government of Canada yield curve in effect at the time of the grant.

(ii) Balance at the end of the period

The share options outstanding at March 31, 2016 had an exercise price of between C$1.96 and C$8.22 and a weighted average remaining life of 1.66 years.

19 CONTRIBUTED SURPLUS MOVEMENT

	March 31 2016 $'000	*December 31 2015 $'000*
Balance at the beginning of the period	41,954	41,388
Share based compensation expense	904	3,223
Forfeited options	(16)	(33)
Exercised options	(3,044)	(2,624)
Balance at the end of period	39,798	41,954

Contributed surplus		
Employee stock based compensation	9,755	11,911
Shareholder options (lapsed on January 1, 2009)	18,083	18,083
Equity portion of convertible notes	11,960	11,960
	39,798	41,954

20 OTHER RESERVES

	March 31 2016 $'000	*December 31 2015 $'000*
Foreign currency translation (1)	18,137	15,946
Available-for-sale equity reserve (2)	17,226	5,703
Total other reserves	35,363	21,649

1 *Foreign currency translation reserve*
The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

2 *Available-for-sale equity reserve*
The available-for-sale equity reserve is used to record fair value differences on available-for-sale equity instruments. When an investment is derecognised, the cumulative gain or loss in equity is reclassified to profit or loss.

21 COMMITMENTS

Capital commitments

At March 31, 2016, the Group has commitments of $17.8 million (December 31, 2015: $9.8 million), principally relating to the purchase of property, plant and equipment and the development of mining assets mainly in Didipio, Macraes and Haile.

The commitments contracted for at reporting date, but not provided for:

	March 31 2016 $'000	*December 31 2015 $'000*
Within one year:		
- purchase of property, plant and equipment	9,664	2,905
- development of mining assets	8,143	6,906
	17,807	9,811

The above capital commitments exclude contracted commitments which the Group is able to exit without significant fees.

21 COMMITMENTS (CONTINUED)

Other commitments

The Didipio Project is held under a Financial or Technical Assistance Agreement ("FTAA") granted by the Philippines Government in 1994. The FTAA grants title, exploration and mining rights with a fixed fiscal regime. Under the terms of the FTAA, after a period in which the Group can recover development expenditure, capped at 5 years from the start of production and a further 3 years over which any remaining balance is amortised, the Company is required to pay the Government of the Republic of the Philippines 60% of the "Net Revenue" earned from the Didipio Project. For the purposes of the FTAA, "Net Revenue" is generally the net revenues derived from mining operations, less deductions for, amongst other things, expenses relating to mining, processing, marketing, depreciation and certain specified overheads. In addition, all taxes paid to the Government and certain specified amounts paid to land claim owners are included as part of the calculation of 60% payable.

22 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method.

The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2). Valuations are obtained from issuing institutions.
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

March 31, 2016	**Level 1** $'000	**Level 2** $'000	**Level 3** $'000	**Total** $'000
Recurring measurements				
Derivatives embedded in accounts receivable	-	988	-	988
Available-for-sale financial assets	41,466	-	-	41,466
Investments	-	-	2,062	2,062
Fuel swaps	-	2,575	-	2,575
Total assets	41,466	3,563	2,062	47,091
Gold put/call options	-	16,091	-	16,091
Total liabilities	-	16,091	-	16,091

December 31, 2015	**Level 1** $'000	**Level 2** $'000	**Level 3** $'000	**Total** $'000
Recurring measurements				
Derivatives embedded in accounts receivable	-	168	-	168
Available-for-sale financial assets	17,584	-	-	17,584
Gold put/call options	-	5,777	-	5,777
Investments	-	-	2,062	2,062
Total assets	17,584	5,945	2,062	25,591

23 EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing net income for the period attributable to common equity holders of the parent by the weighted average number of common shares outstanding during the period.

Diluted earnings per share amounts are calculated by dividing the net income attributable to common shareholders by the weighted average number of common shares outstanding during the period (adjusted for the effects of dilutive options where the conversion to potential common shares would decrease earnings per share).

The following reflects the income and share data used in the total operations basic and diluted earnings per share computations:

23 EARNINGS PER SHARE (CONTINUED)

	Three months ended	
	March 31 2016 $'000	*March 31 2015 $'000*
Numerator:		
Net income/(loss) attributable to equity holders from continuing operations (used in calculation of basic and diluted earnings per share)	23,531	24,465
	Thousands	*Thousands*
Denominator:		
Weighted average number of common shares (used in calculation of basic earnings per share)	605,570	302,231
Effect of dilution:		
Share options	10,356	4,468
Adjusted weighted average number of common shares (used in calculation of diluted earnings per share)	615,926	306,699
Net earnings/(loss) per share:		
- Basic	$0.04	$0.08
- Diluted	$0.04	$0.08

24 RELATED PARTIES

There were no significant related party transactions during the period.

25 CONTINGENCIES

(a) A wholly owned subsidiary of the Company is party to an addendum agreement with a syndicate of original claim owners, led by Mr J. Gonzales, in respect of a portion of the FTAA area (“Addendum Agreement”). Certain disputed claims for payment and other obligations under the Addendum Agreement made by Gonzales are subject to arbitration proceedings, which are presently suspended due to the irrevocable resignation of the arbitrator. Mr. Gonzales passed away in late 2014 and the Company expects to be informed of the substitute party in the arbitration proceedings in due course. Further, a third party is also disputing Mr. Gonzales’ interest in the Didipio Project. The Company is awaiting on the outcome of any determination or settlement negotiation pertaining to Gonzales’ claim as against the third party before proceeding with this matter.

(b) The Department of Environment and Natural Resources of the Philippines (“DENR”), along with a number of mining companies (including OceanaGold (Philippines), Inc.), are parties to a case that was filed in 2008 whereby a group of Non-Governmental Organisations (NGOs) and individuals challenged the constitutionality of the Philippines Mining Act (“Mining Act”), the Financial or Technical Assistance Agreements (“FTAAs”) and the Mineral Production Sharing Agreements (“MPSAs”) in the Philippines Supreme Court. After some years of slow development, the case proceeded to oral hearing in 2013 and is currently awaiting a decision from the Supreme Court.

Notwithstanding the fact that the Supreme Court has previously upheld the constitutionality of both the Mining Act and the FTAAs, the Company is mindful that litigation is an inherently uncertain process and the outcome of the case may adversely affect the operation and financial position of the Company. At this stage, it is not possible to identify the potential orders of the Court nor to quantify the possible impact. The Company is working closely with the DENR, the other respondents in the case, and the mining industry to defend the Mining Act and the validity of its FTAA.

(c) In 2009, Pacific Rim, now a wholly owned subsidiary of the Company, filed an arbitration claim with the International Centre for the Settlement of Investment Disputes (ICSID) in Washington D.C. in accordance with the El Salvador Investment Law, seeking monetary compensation from the Government of El Salvador (“GOES”). This followed the passive refusal of the GOES to issue a decision on Pacific Rim’s application for environmental and mining permits for El Dorado. The hearing of the substantive issues took place in September 2014 and the parties are now awaiting a decision from the ICSID Tribunal. Notwithstanding the current arbitration, OceanaGold will continue to seek a negotiated resolution to the El Dorado permitting impasse. If the Company is unsuccessful in obtaining a permit for El Dorado or in its arbitration claim, or is impacted by other factors beyond the control of the Company, this would adversely impact the activities in El Salvador and could result in impairment.

25 CONTINGENCIES (CONTINUED)

(d) The Company operates in a number of jurisdictions. In the normal course of operations, the Company is occasionally subject to claims or litigations, including claims relating to workers compensation, motor vehicle accidents and items of similar nature. The Company deals with these claims as and when they arise. The Group also maintains specific insurance policies to transfer the risk of such claims. No provision is included in the accounts unless the Directors believe that a liability has been crystallised. In those circumstances where such claims are of material effect, have merit and are not covered by insurance, their financial effect is provided for within the financial statements. Other than as disclosed in these financial statements and other public filings, there are no claims that the Company believes will result in material losses as at the date of these financial statements.

(e) The Group has provided guarantees in respect of the $250.0 million banking facilities (Note 14). At March 31, 2016 the total outstanding balance under these facilities was $182.8 million (December 31, 2015: $182.8 million). Associated with this guarantee are certain financial compliance undertakings by the Group, including gearing covenants.

(f) The Group has provided a guarantee in respect of a capital lease agreement for certain mobile mining equipment entered into by a controlled entity. At March 31, 2016 the outstanding rental obligations under the capital lease are $13.2 million (December 31, 2015: $17.2 million). Associated with this guarantee are certain financial compliance undertakings by the Group, including gearing covenants.

(g) The Group has issued bonds in favour of various New Zealand authorities (Ministry of Economic Development - Crown Minerals, Otago Regional Council, Waitaki District Council, West Coast Regional Council, Buller District Council, Timberlands West Coast Limited and Department of Conservation) as a condition for the grant of mining and exploration privileges, water rights and/or resource consents, and rights of access for the Macraes Gold Mine and the Globe Progress Mine at the Reefton Gold Project which amount to approximately $32.4 million (December 31, 2015: $30 million).

(h) The Group has provided a cash operating bond to the New Zealand Department of Conservation of $0.3 million (December 31, 2015: $0.3 million) which is refundable at the end of the Globe Progress mine. This amount is included in the total referred to in (g) above.

(i) Waihi has contingent liabilities under contracts, guarantees and other agreements arising in the ordinary course of business on which no loss is anticipated. Bonds have been issued in favour of various New Zealand authorities (Ministry of Energy, Hauraki District Council, Waikato Regional Council, Environment Waikato, Department of Conservation) as a condition for the grant of mining and exploration privileges, water rights and/or resource consents, and rights of access for Martha mining that amount to approximately $23.1 million (December 31, 2015: $22.9 million).

(j) The mine operating permit at Haile which became final and effective during the first quarter of 2015 includes a schedule for estimated financial assurance of $65.0 million over the mine life consisting of $55.0 million in surety bonds or other mechanisms and $10.0 million in an interest bearing cash trust. The Company has satisfied its current financial assurance payment requirements by using a surety bond of $30.1 million and the Company has provided the surety companies with cash collateral of $6.0 million (20% of the $30.1 million surety bond). In addition, the Company has paid $0.2 million in trust funding.

The remaining estimated financial assurance of $34.7 million will be paid over the life of the mine with the next financial assurance payment anticipated to occur in 2017. The timing and amounts of these payments could change due to a number of factors including changes in regulatory requirements, changes in scope and timing of closure activities. The State requires financial assurance for the estimated costs of mine reclamation and closure, including groundwater quality protection programs.

The surety bond and other financial assurance must be maintained in force continuously throughout the life of the mining operation and may only be released, partially or in full, after the State of South Carolina approves release of financial assurance.

26 EVENTS OCCURRING AFTER THE REPORTING PERIOD

Subsequent to the quarter end, on April 13, 2016, the Company acquired 47.7 million common share of NuLegacy Gold Corporation (“NuLegacy”) at a price of C$0.14 per share for a total consideration of C$6.7 million by way of a private placement. The Company owns approximately 19.9% of NuLegacy’s issued and outstanding shares on an undiluted basis.

On April 1, 2016, a convertible debenture for C$1.6 million held by the Company was converted at C$0.25 per share for 6.4 million common shares in Locrian Resources Inc. (“Locrian”), an unlisted private exploration entity. Prior to the conversion, the Company held 4 million common shares and 2 million warrants to purchase shares in Locrian by November 14, 2016.

Other than the matters noted above, there have been no subsequent events that have arisen since the end of the financial period to the date of this report.