



## MEDIA RELEASE

28 April 2016

### **OCEANAGOLD ACHIEVES RECORD QUARTERLY GOLD PRODUCTION IN THE FIRST QUARTER 2016**

*(All financial figures in US Dollars unless otherwise stated)*

(MELBOURNE) OceanaGold Corporation (**TSX/ASX/NZX: OGC**) (the "Company") is pleased to release its first quarter 2016 financial and operational results for the quarter ended 31 March 2016. Details of the consolidated financial statements and the Management Discussion and Analysis ("MD&A") are available on the Company's website at [www.oceanagold.com](http://www.oceanagold.com)

#### **Key Highlights**

- Reduced the Total Recordable Injury Frequency Rate to 2.57 per million man hours worked while accumulating over 8.5 million man hours worked without a Lost-Time Injury.
- Achieved consolidated gold production of 122,782 ounces with record quarterly gold production of 46,811 ounces at Didipio.
- Consolidated All-In Sustaining Costs of \$716 per ounce and cash costs of \$436 per ounce on sales of 117,387 ounces of gold and 4,745 tonnes of copper.
- Revenue of \$161.1 million with an EBITDA of \$77.9 million and a net profit before undesignated hedges of \$36.7 million.
- Cash flow from operations of \$56.4 million, including a \$24.7 million increase in trade and other receivables.

Mick Wilkes, President and CEO said, "I'm pleased to announce another strong quarter of operational and financial results underpinned by record quarterly production and a continued improvement in safety. Our portfolio of high quality assets continue to deliver positive results and with the construction of the Haile Gold Mine and the Didipio underground progressing on time and budget we are very well placed to achieve our plans for growth in 2016. In addition, with the receipt of our FTAA exploration renewal, we have remobilised our exploration team in the Philippines to carry out drilling on a number of high quality drill ready targets across the FTAA."

**Table 1 – Production and Cost Results Summary\***

		Didipio	Waihi	Macraes and Reefton	Consolidated	
First Quarter 2016 Results					Q1 2016	Q4 2015*
Gold Produced	<i>ounces</i>	46,811	36,983	38,988	122,782	119,500
Copper Produced	<i>tonnes</i>	5,972	–	–	5,972	5,591
Gold Sales	<i>ounces</i>	37,061	36,758	43,568	117,387	125,246
Copper Sales	<i>tonnes</i>	4,745	–	–	4,745	5,597
Cash Costs	<i>\$ per ounce</i>	(1)	452	793	436	441
All-In Sustaining Costs	<i>\$ per ounce</i>	391	631	1,064	716	-

\*Note: This includes the actual results for Waihi Gold for the three months ended December 31, 2015. This disclosure is for information only.

At Didipio, the operation achieved record quarterly gold production of 46,811 ounces and produced 5,972 tonnes of copper. The quarter-on-quarter increase in production was a result of record quarterly mill feed and higher head grade. Mining operations focused on mining the high grade core of Stage 5 of the open pit with the majority of ore mined stockpiled on surface. At the end of the quarter, over 17 million tonnes of ore were stockpiled for future processing.

Development of the underground continued to progress and is on track for first ore processed by the end of 2017. In the second half of 2016, the Company plans to carry out an infill and extensional drill program of the Didipio underground resource. As a result of receiving its FTAA exploration permit renewal, the Company has mobilized additional resources to further identify and build its pipeline of targets within the 13,000 hectare area while commencing drilling of the more advanced targets in the second half of 2016.

In New Zealand, the Company achieved steady production at the Waihi Gold Mine while continuing to receive encouraging results from infill, extensional and exploration drilling. In the second quarter, the Company will recommence drilling at the WKP target located in close proximity to Waihi.

On the South Island of New Zealand, production at Macraes and Reefton were lower than the previous quarter due mainly to decreased production at Reefton where the operation transitioned to care and maintenance following the depletion of stockpiles. Exploration activities at Macraes continued to progress well with drilling of multiple targets including Coronation North, Coronation South and the Frasers Underground.

In the United States, the development of the Haile Gold Mine continued to advance well with completion of engineering and the full commissioning of the water treatment plant. The PAG cell development was also completed in the first quarter and is now ready to accept material mined from the open pit. As at the end of the quarter, \$178 million of the \$380 million development cost had been spent on the Haile Gold Mine.

Exploration activities in the first quarter at Haile were focused on resource definition drilling of the Horseshoe deposit. Drilling at Horseshoe is expected to continue in the second quarter in addition to further drilling of regional targets.

**Table 2 – Financial Results Summary**

<b>\$'000</b>	<b>Q1 Mar 31 2016</b>	<b>Q4 Dec 31 2015</b>	<b>Q1 Mar 31 2015</b>
Sales	161,051	143,612	129,306
Cost of sales, excluding depreciation and amortisation	(71,889)	(71,080)	(60,685)
General and administration - merger and acquisition costs	-	(1,604)	-
General and administration - other	(12,368)	(11,743)	(7,938)
Foreign currency exchange gain/(loss)	725	(173)	(15)
Other income/(expense)	355	(1,443)	72
<b>Earnings before interest, tax, depreciation and amortisation (EBITDA) (excluding gain/(loss) on undesignated hedges)</b>	<b>77,874</b>	<b>57,569</b>	<b>60,740</b>
Depreciation and amortisation	(33,769)	(36,164)	(27,729)
Net interest expense and finance costs	(2,189)	(5,001)	(2,601)
<b>Earnings before income tax and gain/(loss) on undesignated hedges</b>	<b>41,916</b>	<b>16,404</b>	<b>30,410</b>
Tax (expense) / benefit on earnings	(5,206)	(5,654)	793
<b>Earnings/(loss) after income tax and before gain/(loss) on undesignated hedges</b>	<b>36,710</b>	<b>10,750</b>	<b>31,203</b>
Gain/(loss) on fair value undesignated hedges	(18,304)	16,525	(9,359)
Tax (expense)/benefit on gain/loss on undesignated hedges	5,125	(4,627)	2,621
<b>Net Profit/(Loss)</b>	<b>23,531</b>	<b>22,648</b>	<b>24,465</b>
Basic earnings per share	\$0.04	\$0.04	\$0.08
Diluted earnings per share	\$0.04	\$0.04	\$0.08
<b>CASH FLOWS</b>			
Cash flows from Operating Activities	31,673	62,152	43,229
Cash flows used in Investing Activities	(103,740)	(41,008)	(23,807)
Cash flows from /(used in) Financing Activities	2,033	120,529	(13,298)

\*: includes results for Romarco Minerals and Waihi Gold from 1 and 30 October 2015 respectively.

Consolidated All-In Sustaining Costs (“AISC”) for the quarter was \$716 per ounce while consolidated cash costs were \$436 per ounce on sales of 117,387 ounces gold and 4,745 tonnes of copper.

In the first quarter of 2016, the Company recorded revenue of \$161.1 million with a net profit before undesignated hedges of \$36.7 million, which was higher than in the fourth quarter of 2015. The increase in earnings was a result of higher average gold and copper price received partly offset by lower sales volumes. Operating cash flow for the quarter was \$31.7 million, lower than in the previous quarter mainly due to the timing of concentrate shipments at Didipio and the resulting increase in trade and other receivables of \$24.7 million.

## **First Quarter 2016 Results Webcast**

The Company will host a conference call / webcast to discuss the results at 7:30am on Friday 29 April 2016 (Melbourne, Australia time) / 5:30pm on Thursday 28 April 2016 (Toronto, Canada time).

### **Webcast Participants**

To register, please copy and paste the link below into your browser:

<http://event.on24.com/r.htm?e=1172062&s=1&k=CA68C3FAF15D5CEA0A06FBDFB0FF8195>

### **Teleconference Participants (required for those who wish to ask questions)**

Local (toll free) dial in numbers are:

Australia: 1 800 076 068

New Zealand: 0 800 453 421

Canada & North America: 1 888 390 0546

All other countries (toll): + 1 416 764 8688

### **Playback of Webcast**

If you are unable to attend the call, a recording will be available for viewing on the Company's website from 11:00am on Friday 29 April 2016 (Melbourne, Australian time) / 9:00pm on Thursday 28 April 2016 (Toronto, Canada time).

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For further information please contact:

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### **About OceanaGold**

OceanaGold Corporation is a mid-tier, low-cost, multinational gold producer with assets located in the Philippines, New Zealand and the United States. The Company's assets encompass its flagship operation, the Didipio Gold-Copper Mine located on the island of Luzon in the Philippines. On the north island of New Zealand, the Company operates the high-grade Waihi Gold Mine while on the south island of New Zealand, the Company operates the largest gold mine in the country at the Macraes Goldfield which is made up of a series of open pit mines and the Frasers underground mine. In the United States, the Company is currently constructing the Haile Gold Mine, a top-tier asset located in South Carolina along the Carolina Terrane. The Company expects the Haile Gold Mine to commence commercial production in early 2017. OceanaGold also

has a significant pipeline of organic growth and exploration opportunities in the Australasia and Americas regions.

OceanaGold has operated sustainably over the past 25 years with a proven track record for environmental management and community and social engagement. The Company has a strong social license to operate and works collaboratively with its valued stakeholders to identify and invest in social programs that are designed to build capacity and not dependency.

In 2016, the Company expects to produce 385,000 to 425,000 ounces of gold from the combined New Zealand and Didipio operations and 19,000 to 21,000 tonnes of copper from the Didipio operation at All-In

### **Cautionary Statement for Public Release**

Certain information contained in this public release may be deemed "forward-looking" within the meaning of applicable securities laws. Forward-looking statements and information relate to future performance and reflect the Company's expectations regarding the generation of free cash flow, execution of business strategy, future growth, future production, estimated costs, results of operations, business prospects and opportunities of OceanaGold Corporation and its related subsidiaries. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as "expects" or "does not expect", "is expected", "anticipates" or "does not anticipate", "plans", "estimates" or "intends", or stating that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved) are not statements of historical fact and may be forward-looking statements. Forward-looking statements are subject to a variety of risks and uncertainties which could cause actual events or results to differ materially from those expressed in the forward-looking statements and information. They include, among others, the accuracy of mineral reserve and resource estimates and related assumptions, inherent operating risks and those risk factors identified in the Company's most recent Annual Information Form prepared and filed with securities regulators which is available on SEDAR at [www.sedar.com](http://www.sedar.com) under the Company's name. There are no assurances the Company can fulfil forward-looking statements and information. Such forward-looking statements and information are only predictions based on current information available to management as of the date that such predictions are made; actual events or results may differ materially as a result of risks facing the Company, some of which are beyond the Company's control. Although the Company believes that any forward-looking statements and information contained in this press release is based on reasonable assumptions, readers cannot be assured that actual outcomes or results will be consistent with such statements. Accordingly, readers should not place undue reliance on forward-looking statements and information. The Company expressly disclaims any intention or obligation to update or revise any forward-looking statements and information, whether as a result of new information, events or otherwise, except as required by applicable securities laws. The information contained in this release is not investment or financial product advice.

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