



MEDIA RELEASE

22 February 2018

OCEANAGOLD ANNOUNCES RECORD NET PROFIT AND REVENUE; DECLARES DIVIDEND

(All financial figures in US Dollars unless otherwise stated)

(MELBOURNE) OceanaGold Corporation (TSX/ASX: OGC) (the “Company”) is pleased to release its full year 2017 financial and operational results for the year ended 31 December 2017. This follows the Company’s release of its operational results on 18 January 2018. 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

Key Highlights

- Record full year net profit of \$172 million including a record quarterly net profit of \$89 million.
- Record full year revenue of \$724 million including a record quarterly revenue of \$246 million.
- EBITDA of \$408 million for the full year including \$149 million in the fourth quarter.
- Net debt reduced by \$88 million in the fourth quarter with debt repayments amounting to \$78 million.
- Total liquidity increased to \$103 million including an increase in the cash balance from \$61 million to \$73 million.
- Second semi-annual dividend for 2017 of \$0.01 per share paid in the fourth quarter.
- Subsequent to year-end, declared the first semi-annual dividend for 2018 of \$0.01 per share payable in April 2018.
- Continued successful exploration results achieved at Waihi.

Mick Wilkes, President and CEO said, “I’m pleased to report another strong year of financial results with a record net profit and revenue that were underpinned by a record year for production at sector leading margins. The fourth quarter delivered significant results for the Company including Haile which contributed strongly on the back of a solid operational performance where the process plant achieved throughput rates higher than nameplate and recoveries averaging 83%.” He added, “On the back of the significant cash flow generation from our suite of high-quality assets, the Company continued to strengthen its balance sheet. In the fourth quarter alone, we increased our cash balance from \$61 million to \$73 million while reducing our revolving credit facility from \$273 million to \$200 million.”

“In 2017, OceanaGold delivered sector leading EBITDA margin of 56% while achieving a return on investment capital of 10% which marked the eighth straight year of positive returns; one of only two gold companies to do so.”

“We are well positioned to continue to deliver strong margins and returns to shareholders in 2018. The solid cash flow generation expected from the business provides us with financial flexibility and allows us to continue reducing debt, returning wealth to shareholders in the form of dividends and reinvest in the business’ organic growth opportunities including the Haile expansion and Waihi mine life extension. We have a robust business that has been deliberately set up to deliver long-term value in almost any gold commodity price environment.”

Table 1 – Production and Cost Results Summary

		Haile	Didipio	Waihi	Macraes	Consolidated	
Fourth Quarter 2017 Results						Q4 2017	Q3 2017
Gold Produced	<i>Ounces</i>	50,134	39,256	31,761	45,060	166,211	136,043
Copper Produced	<i>Tonnes</i>	–	3,687	–	–	3,687	4,387
Gold Sales	<i>Ounces</i>	49,265	43,345	30,054	45,922	168,586	131,071
Copper Sales	<i>Tonnes</i>	–	4,842	–	–	4,842	3,273
Cash Costs	<i>\$ per ounce</i>	272	(72)	436	593	300	416
All-In Sustaining Costs (1)	<i>\$ per ounce</i>	509	155	680	933	564	748
Full Year 2017 Results (2)						2017	2016
Gold Produced	<i>Ounces</i>	118,466	176,790	119,084	160,266	574,606	416,741
Copper Produced	<i>Tonnes</i>	–	18,351	–	–	18,351	21,123
Gold Sales	<i>Ounces</i>	109,532	167,653	117,721	160,726	555,632	437,146
Copper Sales	<i>Tonnes</i>	–	18,091	–	–	18,091	21,413
Cash Costs	<i>\$ per ounce</i>	272	(92)	471	737	347	452
All-In Sustaining Costs (1)	<i>\$ per ounce</i>	509	70	759	1,115	617	708

Notes:

1. AISC for Haile, and the consolidated group, includes only the period post declaration of commencement of commercial operations at Haile (effective from October 1, 2017). In the nine months to September 30, 2017, all Haile revenue and costs were capitalised.
2. Full year 2017 consolidated gold production and sales reflect full year production and sales volumes from Haile.

Table 2 – Financial Summary

\$'000	Q4 Dec 31 2017	Q3 Sep 30 2017	Q4 Dec 31 2016	2017	2016
Revenue	246,113	144,849	147,432	724,413	628,634
Cost of sales, excluding depreciation and amortization	(85,316)	(59,490)	(63,406)	(275,407)	(292,461)
General & administration* – legal settlement	-	-	-	-	(8,000)
General & administration – other	(12,772)	(13,429)	(8,000)	(49,663)	(49,497)
Foreign currency exchange gain/(loss)	239	201	(10,203)	866	2,117
Gain on sale of available-for-sale assets	-	-	(547)	5,314	-
Other income/(expense)	339	1,268	1,614	2,896	2,826
Earnings before interest, tax, depreciation and amortisation (EBITDA) (excluding gain/(loss) on undesignated hedges and impairment charge)	148,603	73,399	66,890	408,419	283,619
Depreciation and amortization	(60,405)	(44,372)	(28,807)	(192,352)	(122,564)
Net interest expense and finance costs	(3,978)	(4,296)	(2,112)	(17,123)	(9,376)
Earnings before income tax and gain/(loss) on undesignated hedges and impairment charge	84,220	24,731	35,971	198,944	151,679
Income tax (expense) / benefit on earnings	9,535	(3,314)	(4,318)	364	(17,711)
Earnings after income tax and before gain/(loss) on undesignated hedges and impairment charge	93,755	21,417	31,653	199,308	133,968
Impairment charge	-	-	-	(17,654)	-
Gain/(loss) on fair value of undesignated hedges	(5,847)	611	15,343	(12,035)	4,062
Tax (expense)/benefit on gain/loss on undesignated hedges	861	(171)	(4,296)	2,593	(1,137)
Share of profit/(loss) from equity accounted associates	(132)	(111)	(126)	(469)	(441)
Net Profit	88,637	21,746	42,574	171,743	136,452
Basic earnings per share	\$0.14	\$0.04	\$0.07	\$0.28	\$0.22
CASH FLOWS					
Cash flows from Operating Activities	178,842	38,169	79,765	357,650	232,328
Cash flows used in Investing Activities	(74,502)	(50,495)	(120,698)	(262,603)	(463,276)
Cash flows (used in) / from Financing Activities	(79,684)	(13,676)	26,116	(89,450)	111,583

Note: For the nine months ended September 30, 2017, all revenue and costs reported do not include the Haile operations as these have been capitalised as commercial production was declared effective from October 1, 2017.

For the full year, the Company achieved record annual revenue of \$724 million, which was 15% higher than in the previous year due mainly to increased gold sales and slight increase in the gold price year-on-year. EBITDA for the year increased by 47% from the previous year to \$408 million driven primarily by stronger revenues and lower costs.

The Company also achieved a record annual net profit of \$172 million, which was 26% higher than the previous year even despite a non-cash impairment of \$18 million taken in the second quarter related to the El Salvador business.

In the fourth quarter, the Company achieved a record quarterly revenue of \$246 million with an EBITDA of \$149 million and a record net profit of \$89 million.

At the end of 2017, the Company had immediate available liquidity of \$103 million which included a cash balance of \$73 million, a 20% increase from the previous quarter. In the fourth quarter, the Company repaid \$73 million of its revolving credit facility reducing it to \$200 million. As a result, net debt decreased by \$88 million in the fourth quarter.

Dividend

In the fourth quarter, the Company paid the second semi-annual ordinary dividend for 2017 of \$0.01 per share for aggregate net proceeds of \$12 million for the full year. Subsequent to the year end, the OceanaGold Board of Directors declared the first semi-annual ordinary dividend for 2018 of \$0.01 per share.

Shareholders of record at the close of business in each jurisdiction on 8 March 2018 (the "Record Date") will be entitled to receive payment of the dividend on 27 April 2018. The dividend payment applies to holders of record of the Company's common shares traded on the Toronto Stock Exchange and holders of CHES depository interests traded on the Australian Securities Exchange ("CDIs").

Table 3 – Dividend Key Dates

	Date
Last date for processing requests to convert securities between stock exchanges before the Record Date ¹	Monday, 5 March 2018
Shares trade on an ex-dividend basis	Tuesday, 6 March 2018
Record Date	Thursday, 8 March 2018
Processing recommences for requests to convert securities between stock exchanges ¹	Friday, 9 March 2018
Dividend Payment Date	Friday, 27 April 2018

This year, at the election of the security holder, the Company will pay the dividend in US Dollars, Australian Dollars, New Zealand Dollars or British Pounds Sterling for ASX listed CDIs, and US Dollars, Canadian Dollars or British Pounds Sterling for TSX listed common shares. Please refer to the end of this media release for important information relating to Australian income tax and Canadian withholding tax.

Growth

The Company continues to advance its organic growth opportunities, mainly at Haile and Waihi. At Haile, the Company is making prudent investments in process plant infrastructure such as the installation of a pebble crusher and additional regrinding capacity as part of the ramp-up of throughput rates to 4 million tonnes per annum and enhanced recoveries. Permitting of the Horseshoe underground mine, expanded open pit mines and additional mine infrastructure is expected to commence in the second quarter of 2018.

¹ The Company will seek and expects to be granted a temporary waiver of the relevant ASX Settlement Operating Rules. Under the waiver, the processing of transfers of Common Shares and CDIs between stock exchanges, lodged on or after 5 March 2018, will be deferred until after the Record Date of 8 March 2018.

At Waihi, the Company continues to advance the Martha Project, initiating the permitting process at the end of the first quarter of 2018. Drilling of the Martha underground target is being undertaken from two underground drill drives. Over 7,950 metres of diamond drilling was completed in 2017 with positive results supporting the targeted objective of increasing the mine life of the Waihi operation by 10 years. The Company will provide further updates on the Martha Project as the 2018 drill program, including 32,000m on the Martha underground target, is executed and our understanding progresses.

Development of panel two of the underground at Didipio continues to progress well and is expected to be completed by the end of 2019. The primary water pumping station for the underground is in commissioning and once commissioned, the underground mining rates are expected to steadily increase.

Subsequent to the year end, the Company maintained its pro-rata equity share of 15.7% in Gold Standard Ventures following a private placement early in the new year, and its equity of 16.2% in Nu Legacy Gold. The Company continues to support its strategic investments as well as its more recent joint ventures in Argentina where it has completed an initial diamond drill program on the La Curva Project.

Full Year Results and Webcast

The Company will release its financial and operational results for the fourth quarter and full year ending 31 December 2017 before the TSX market open on Thursday 22 February 2018 (Toronto, Canada time) / after market close on Thursday February 22, 2018 (Melbourne, Australian Eastern Standard Daylight Time). The results will be posted on OceanaGold's website at www.oceanagold.com

The Company will host a conference call / webcast to discuss the results at 8:30 am on Friday February 23, 2018 (Melbourne, Australia time) / 4:30 pm on Thursday February 22, 2018 (Toronto, Canada time).

Webcast Participants

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

<https://event.on24.com/wcc/r/1584080/D7F74FF71B7866EBDD89C79EEF6878B9>

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.

- ENDS -

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About OceanaGold

OceanaGold Corporation is a mid-tier, high-margin, multinational gold producer with assets located in the Philippines, New Zealand and the United States. The Company's assets encompass 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 operates the Haile Gold Mine, a top-tier, long-life, high-margin asset located in South Carolina. OceanaGold also has a significant pipeline of organic growth and exploration opportunities in the Americas and Asia-Pacific regions.

OceanaGold has operated sustainably over the past 27 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 2018, the Company expects to produce 480,000 to 530,000 ounces of gold and 15,000 to 16,000 tonnes of copper with All-In Sustaining Costs that range from \$725 to \$775 per ounce sold.

Tax Information for Dividend

Australian Income Tax

For Australian income tax purposes, the dividend is unfranked and there is no amount of Conduit Foreign Income per security for this dividend payment.

Canadian Withholding Tax

Holders of Common Shares or CDIs are advised that this dividend is designated by the Company to be an "eligible dividend" pursuant to subsection 89(14) of the Income Tax Act (Canada) and corresponding provincial legislation. As the dividend originates from Canada, withholding tax at the rate of 25% will be deducted from dividends paid to non-Canadian residents unless the shareholder or CDI holder is a resident of a country with a tax treaty with Canada, in which event a lower withholding rate may apply. Such shareholders or CDI holders must certify their non-resident status by completing the relevant forms required

by the Canada Revenue Agency. The Company will mail every holder further information following the Record Date.

Information contained in this media release is based on the directors' current expectations and may be subject to change. If any of the dates should change, the revised dates will be announced by media release and will be available from www.oceanagold.com.

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 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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