



MEDIA RELEASE

19 February 2019

OCEANAGOLD REPORTS FULL YEAR 2018 FINANCIALS

(All financial figures in US Dollars unless otherwise stated)

(MELBOURNE) OceanaGold Corporation (**TSX: OGC / ASX: OGC**) (the “Company”) reported its full year 2018 financial and operational results for the year ended 31 December 2018. This follows the release of the Company’s operational results on 24 January 2019. 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

- Generated approximately \$121 million in Free Cash Flow in 2018.
- Achieved annual revenue of \$773 million.
- Reported EBITDA of \$364 million and adjusted net profit of \$124 million (before unrealised gains or losses on undesignated hedges) for the full year.
- Fourth quarter revenue of \$183 million including EBITDA of \$74 million and adjusted net profit of \$17 million for the quarter.
- Increased cash balance to \$108 million, which excludes \$55 million of marketable securities held as strategic investments.
- Reduced net debt by 38% on the previous quarter to \$69 million.
- Subsequent to the year end, received the permit for the Martha Underground Project and Stage Four of the Martha Open Pit at Waihi with implementation plans underway.
- Subsequent to the year end, the Board of Directors declared an ordinary semi-annual dividend of \$0.01 per common share or CDI.

Mick Wilkes, President and CEO said, “I’m pleased to report another strong year of financial results with free cash flow generation of \$121 million. Our cash balance increased 47% year-on-year reflecting the Company’s consistent profitability over the past several years. Our net debt reduced by 59% over the past year, reflecting the strong cash flow generation in 2018 and our commitment to strengthen our balance sheet through discretionary debt repayments.”

“In 2018, OceanaGold delivered an EBITDA margin of 47% while we achieved the ninth consecutive year of positive returns on invested capital. On the back of the significant cash flow generation, the Board of Directors

is pleased to declare its first dividend of the year, demonstrating our discipline and commitment to provide returns to shareholders.”

“We are well positioned to invest in our future to expand our operations and/or extend their mine lives, all with an objective to create long-term value for both shareholders and communities in which we operate. One such investment is Waihi, where we have received the permit for the Martha Underground Project and are mobilising to implement this growth project in a way that will maximise its value to all stakeholders.”

Table 1 – Production and Cost Results Summary

Quarter ended 31 Dec 2018		Haile	Didipio	Waihi	Macraes	Consolidated	
						Q4 2018	Q4 2017
Gold Produced	koz	27.5	23.3	17.6	58.2	126.7	166.2
Gold Sales	koz	27.6	25.2	19.6	59.7	132.2	168.6
Average Gold Price	US\$/oz	1,236	1,279	1,229	1,226	1,239	1,275
Copper Produced	kt	-	2.9	-	-	2.9	3.7
Copper Sales	kt	-	3.1	-	-	3.1	4.8
Average Copper Price	US\$/lb	-	3.04	-	-	3.04	3.17
Cash Costs	US\$/oz	814	466	620	469	563	300
All-In Sustaining Costs	US\$/oz	1,181	711	783	698	814	564

2018		Haile	Didipio	Waihi	Macraes	Consolidated	
						2018	2017
Gold Produced	koz	131.8	115.0	83.5	203.0	533.3	574.6
Gold Sales	koz	130.5	116.9	86.5	198.9	532.7	555.6
Average Gold Price	US\$/oz	1,277	1,268	1,262	1,264	1,268	1,261
Copper Produced	kt	-	15.0	-	-	15.0	18.4
Copper Sales	kt	-	14.5	-	-	14.5	18.1
Average Copper Price	US\$/lb	-	3.05	-	-	3.05	2.78
Cash Costs	US\$/oz	499	271	615	557	489	347
All-In Sustaining Costs	US\$/oz	903	427	763	879	767	617

Table 2 – Financial Summary

Quarter ended 31 Dec 2018 (US\$m)	Q4	Q3	Q4	2018 ⁽²⁾	2017 ⁽¹⁾
	31 Dec 2018	30 Sep 2018	31 Dec 2017		
Revenue	183.3	186.8	246.1	772.5	724.4
Cost of sales, excluding depreciation and amortisation	(95.3)	(92.3)	(85.3)	(355.5)	(275.4)
General and administration – other	(12.7)	(12.3)	(12.7)	(47.9)	(44.8)
General and administration – indirect taxes ⁽³⁾	(3.1)	(4.0)	(0.1)	(12.0)	(4.9)
Foreign currency exchange gain/(loss)	0.6	0.7	0.2	3.1	0.9
Gain on sale of available-for-sale assets	-	-	-	-	5.3
Other income/(expense)	0.9	0.5	0.3	3.5	2.9
EBITDA (excluding gain/(loss) on undesignated hedges and impairment charge)	73.7	79.4	148.6	363.7	408.4
Depreciation and amortization	(45.3)	(46.6)	(60.4)	(191.0)	(192.3)
Net interest expense and finance costs	(2.8)	(4.0)	(4.0)	(14.2)	(17.1)
Earnings before income tax (excluding gain/(loss) on undesignated hedges and impairment charge)	25.6	28.8	84.2	158.5	198.9
Income tax expense on earnings	(8.2)	(8.4)	9.5	(34.5)	0.4

Quarter ended 31 Dec 2018 (US\$m)	Q4 31 Dec 2018	Q3 30 Sep 2018	Q4 31 Dec 2017	2018 ⁽²⁾	2017 ⁽¹⁾
Earnings after income tax and before gain/(loss) on undesignated hedges and impairment charge	17.4	20.4	93.7	124.1	199.3
Impairment charge	-	-	-	-	(17.7)
Write off deferred exploration expenditure	(1.2)	-	-	(4.2)	-
Gain/(loss) on fair value of undesignated hedges	(5.9)	1.4	(5.8)	1.5	(12.0)
Tax (expense) / benefit on gain/loss on undesignated hedges	0.6	(0.1)	0.9	0.4	2.6
Share of loss from equity accounted associates	(0.1)	(0.0)	(0.1)	(0.3)	(0.5)
Net Profit	10.9	21.7	88.6	121.7	171.8
Basic earnings per share	\$0.02	\$0.04	\$0.14	\$0.20	\$0.28
Diluted earnings per share	\$0.02	\$0.03	\$0.14	\$0.19	\$0.27

(1) For the nine months ended September 30, 2017, all revenue and costs reported did not include the Haile operations as these were capitalised as commercial production was declared effective from October 1, 2017.

(2) The Company's consolidated financial results for the quarter ended March 31, 2018 reflected adjustments on adoption of IFRS 15 effective from January 1, 2018.

(3) Represents indirect taxes in the Philippines – specifically excise tax (expensed as from April 1, 2018), local business and property taxes.

Table 3 – Cash Flow Summary

Quarter ended 31 Dec 2018 (US\$m)	Q4 Dec 31 2018	Q3 Sep 30 2018	Q4 Dec 31 2017	2018	2017
Cash flows from Operating Activities	95.8	64.3	178.8	346.2	357.7
Cash flows used in Investing Activities	(51.2)	(58.7)	(74.5)	(229.0)	(262.6)
Cash flows used in Financing Activities	(3.3)	(63.3)	(79.7)	(79.3)	(89.5)

For the full year, the Company achieved annual revenue of \$773 million, which was 7% higher than in the previous year. The Company recorded full year EBITDA of \$364 million including \$74 million in the fourth quarter. Net profit before unrealised (non-cash) gains on undesignated hedges was \$124 million for the full year including \$17 million in the fourth quarter.

For the full year, the Company generated \$346 million in operating cash flow including \$96 million in the fourth quarter. Cash flows used in investing activities were slightly lower quarter-on-quarter and year-on-year, with continued reduction in growth capital. Cash flows used in financing activities were significantly lower quarter-on-quarter due mainly to discretionary debt repayments and dividends paid in the third quarter of 2018.

As at the end of 2018, the Company's cash balance stood at \$108 million, excluding approximately \$55 million held in strategic equity investments. Total liquidity increased to \$158 million while net debt at the end of 2018 was \$69 million.

Dividend

The OceanaGold Board of Directors has declared its first dividend for 2019 of \$0.01 per ordinary share for an aggregate of approximately \$6.2 million.

Shareholders of record at the close of business in each jurisdiction on March 7, 2019 (the "Record Date") will be entitled to receive payment of the dividend on April 26, 2019. 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 ("CDIs") traded on the Australian Securities Exchange.

Table 4 – Dividend Key Dates

	Date
Last date for processing requests to convert securities between stock exchanges before the Record Date ¹	Monday March 4, 2019
Common Shares (TSX) trade on an ex-dividend basis (TSX)	Tuesday March 5, 2019
CDIs (ASX) trade on an ex-dividend basis (ASX)	Wednesday March 6, 2019
Record Date	Thursday March 7, 2019
Processing recommences for requests to convert securities between stock exchanges ¹	Friday March 8, 2019
Dividend Payment Date	Friday April 26, 2019

At the election of the security holder, the Company will pay the dividend in US Dollars, Australian Dollars or New Zealand Dollars for ASX listed CDIs, and US Dollars or Canadian Dollars 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 in the United States and Waihi in New Zealand. Additionally, the Company has increased its capital expenditures in exploration with drilling programs across its operational footprint, greenfield targets such as WKP and investments in newly signed joint venture agreements with junior exploration companies operating in Nevada.

At Waihi, the Company recently received the permit for the Martha Underground Project and will begin implementation over the coming months. The permit also allows the operation to regain access to the Martha Open Pit (Stage 4). The Company will also continue to drill the mineralisation beneath the open pit with an objective to increase mineral resources.

At Haile, the upgrade to the regrinding circuit continues to progress to plan with commissioning of the Tower Mill nearly complete and the IsaMill is nearly ready for the start of commissioning. The Company expects to fully commission the regrinding circuit in the first half of 2019.

Subject to permitting, which is progressing well, the Horseshoe Underground Project is expected to be in production in late 2020 or early 2021 as per the original schedule outlined in the Haile 43-101 Technical Report.

At Macraes, the Company has previously stated that through exploration and mine planning, it is seeking to extend the mine life. One of these opportunities is at Golden Point, where the Company is investigating the potential for a standalone underground operation.

¹ The Company has sought 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 after March 4, 2019, will be deferred until after the Record Date of March 7, 2019.

Exploration activities continue to be a major focus for the Company's organic growth objectives. Drill programs in New Zealand and the United States, in particular, are focused on targets within the existing operating footprint and across greenfield locations. The Company is also seeking additional opportunities in new gold provinces through joint ventures with junior exploration companies.

Full Year Results and Webcast

The Company will release its financial and operational results for the fourth quarter and full year ending 31 December 2018 before the TSX market open on Tuesday February 19, 2019 (Toronto, Canada 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 Wednesday February 20, 2019 (Melbourne, Australia Time) / 4:30 pm on Tuesday February 19, 2019 (Toronto, Canada time).

Webcast Participants

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

<https://event.on24.com/wcc/r/1920900/EB1D4754F01464F39B0D9DA9DBAAF325>

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

Local (toll free) dial in numbers are:

Canada & North America: 1 888 390 0546

Australia: 1 800 076 068

New Zealand: 0 800 453 421

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 since 1990 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 produced 533,286 ounces of gold and 14,999 tonnes of copper with All-In Sustaining Costs of \$767 per ounce on gold sales of 532,716 ounces and copper sales of 14,527 tonnes. In 2019, the Company expects to produce between 500,000 to 550,000 ounces of gold and 14,000 to 15,000 tonnes of copper at All-In Sustaining Costs ranging between \$850 and \$900 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 that 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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