

(All financial figures in US Dollars unless otherwise stated)

MELBOURNE, July 28, 2016 /CNW/ - [OceanaGold Corp.](#) (TSX/ASX/NZX: OGC) (the "Company") is pleased to release its financial and operational results for the quarter and half year ended 30 June 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

Key Highlights

- Continued to advance the construction of the Haile Gold Mine which remains on track for first ore in the mill at the end of 2016.
- Consolidated production of 225,339 ounces of gold and 12,244 tonnes of copper in the first half of 2016 including 102,557 ounces of gold and 6,272 tonnes of copper produced in the second quarter.
- Consolidated year-to-date All-In Sustaining Costs of \$722 per ounce and cash costs of \$456 per ounce on sales of 233,293 ounces of gold and 10,858 tonnes of copper.
- Revenue of \$330.8 million with an EBITDA of \$155.2 million and a net profit of \$63.2 million in the first half of 2016.
- Revenue of \$169.8 million with an EBITDA of \$77.3 million and a net profit of \$39.7 million in the second quarter.
- Increased liquidity through amendment of the revolving credit facility from \$250 million to \$300 million with existing multinational banking group.
- Exited the second quarter with \$221 million in total liquidity including \$104 million in cash
- Continued exploration success at Coronation North with significant intersections.
- Recorded Total Recordable Injury Frequency Rate of 3.37 per million man hours worked.

Mick Wilkes, President and CEO said, "I'm pleased to announce another strong quarter of operational and financial results where we continued to deliver consistent positive results while maintaining our focus on the highest standards of safety and environment. We have bolstered our balance sheet from strong cash flows generated by our business, expanding our revolving credit facility and monetising the Haile mining equipment under a sale and lease arrangement." He added, "I am very pleased with the significant progress made at the Haile Gold Mine as we continue to advance the project towards commissioning, which we confidently expect to commence at the end of this year."

Table 1 – Production and Cost Results Summary

		Didipio Waihi		Macraes and Consolidated		
				Reefton		
Second Quarter 2016 Results				Q2 2016	Q1 2016	
Gold Produced	ounces	44,076	26,540	31,941	102,557	122,782
Copper Produced	tonnes	6,272	– –	6,272	5,972	
Gold Sales	ounces	44,837	26,904	44,165	115,906	117,387
Copper Sales	tonnes	6,113	– –	6,113	4,745	
Cash Costs	\$ per ounce	8	559	900	476	436
				YTD	YTD	
YTD June 30 2016				Jun 30 2016	Jun 30 2015	
Gold Produced	ounces	90,887	63,523	70,929	225,339	176,999
Copper Produced	tonnes	12,244	– –	12,244	12,299	
Gold Sales	ounces	81,898	63,662	87,733	233,293	169,124
Copper Sales	tonnes	10,858	– –	10,858	11,683	
Cash Costs	\$ per ounce	4	497	847	456	474
All-In Sustaining Costs	\$ per ounce	264	734	1,140	722	734

In the United States, construction of all major infrastructure at Haile is tracking to schedule and budget. The ROM pad retaining wall

was completed in the second quarter and the crusher is well advanced. In the quarter, the SAG and Ball mills were installed with lubrication systems in place to enable pre-commissioning activities. The fine grinding circuit and CIL tanks have been constructed while flotation tanks construction commenced. Construction of the Tailings Storage Facility, a critical path item, continues to advance well and is on schedule while the first phase of the PAG cell was completed and accepting PAG material. Mining operations have transitioned to 24-hour operations and continue to mine overburden in the Mill Zone pit and have stockpiled approximately 0.19 million tonnes of oxide ore for future processing.

As at the end of the second quarter, the Company had spent approximately \$246 million of the \$380 million estimated capital cost while the capital spent and committed as at the end of the quarter was approximately \$330 million.

At Didipio, the operation produced 90,887 ounces of gold and 12,244 tonnes of copper in the first half of the year including 44,076 ounces of gold and 6,272 tonnes of copper in the second quarter. The slight quarter-on-quarter decrease in gold production was expected and as a result of a lower head grade. Mining of Stage 5 of the open pit was completed during the quarter, ahead of schedule while development of the underground continues to advance well. Production from the underground is expected at the end of 2017.

On the North Island of New Zealand, the Waihi operation continued to track to guidance with 63,523 ounces of gold produced including 26,540 ounces in the second quarter. Quarter-on-quarter gold production decreased as a result of less ore mined from Correnso underground. The Company continues to develop access drives to Correnso Deeps and the Daybreak and Empire veins. On July 1, 2016, the Company transitioned operations to owner-mining and expects to achieve cost reductions and productivity enhancements.

On the South Island of New Zealand, the Macraes and Reefton operations produced 70,929 ounces of gold in the first of half including 31,941 ounces produced from Macraes only in the second quarter. The decrease in production at Macraes on the previous quarter was a result of a lower head grade. Sales of Reefton production from the first quarter were completed in the second quarter and the asset remains under care and maintenance with a focus on water treatment, plant maintenance and rehabilitation.

On June 7, 2016, the Company provided a comprehensive update of its exploration program with strong drill results reported. Subsequent to this announcement, extensive exploration activities have been carried out across the Company's operating regions including Coronation North where drilling has demonstrated further potential mineralisation extensions to the southeast of the previous drilling.

Table 2 – Financial Summary*

\$'000	Q2 Jun 30 2016	Q1 Mar 31 2016	Q2D Jun 30 Jun 30 2015 2016
Revenue	169,763	161,051	220,392
Cost of sales, excluding depreciation and amortisation	(79,642)	(71,889)	(73,509)
General and administration - other	(15,565)	(12,368)	(20,000)
Foreign currency exchange gain/(loss)	2,543	725	(2,335)
Other income/(expense)	187	355	(64)
Earnings before interest, tax, depreciation and amortisation (EBITDA) (excluding gain/(loss) on undesignated hedges)	77,286	77,874	400,869
Depreciation and amortisation	(28,015)	(33,769)	(69,888)
Net interest expense and finance costs	(2,536)	(2,189)	(2,724)
Earnings before income tax and gain/(loss) on undesignated hedges	46,735	41,916	60,259
Tax (expense) / benefit on earnings	(5,599)	(5,206)	(1,068)
Earnings/(loss) after income tax and before gain/(loss) on undesignated hedges	41,136	36,710	40,345
Gain/(loss) on fair value undesignated hedges	(1,828)	(18,304)	(20,192)
Tax (expense)/benefit on gain/loss on undesignated hedges	511	5,125	6,023
Share of profit/(loss) from equity accounted associates	(164)	-	(164)
Net Profit/(Loss)	39,655	23,531	65,406
Basic earnings per share	\$0.07	\$0.04	\$0.08)
Diluted earnings per share	\$0.06	\$0.04	\$0.08)
CASH FLOWS			
Cash flows from Operating Activities	91,486	31,673	32,389
Cash flows used in Investing Activities	(122,496)	(103,740)	(88,236)
Cash flows from /(used in) Financing Activities	12,827	2,033	(25,843)

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

Consolidated All-In Sustaining Costs ("AISC") for the first half of 2016 was \$722 per ounce while consolidated cash costs were \$456 per ounce on sales of 233,293 ounces gold and 10,858 tonnes of copper. Second quarter cash costs were \$476 per ounce on sales of 115,906 ounces of gold and 6,113 tonnes of copper.

For the first half of 2016, the Company reported revenue of \$330.8 million and a net profit of \$63.2 million while EBITDA was \$155.2 million. In the second quarter, the Company recorded revenue of \$169.8 million with a net profit of \$39.7 million, which was higher than in the first quarter. The increase in earnings was a result of higher average gold price received partly offset by slightly higher mining costs and corporate costs associated with redundancies related to restructuring of the Waihi asset. Operating cash flow for the quarter was \$91.5 million, which was significantly higher than in the previous quarter on account of higher gold prices and reduction in working capital following the sale of inventory build-up at Didipio in the first quarter.

In the second quarter, the Company expanded its revolving credit facility from \$250 million to \$300 million with its existing banking group and under the same competitive terms and rates. In addition, the Company received \$34 million from the sale of the mining fleet at Haile under a lease back arrangement with Caterpillar. As at the end of the second quarter, the Company had immediate available liquidity of \$221 million including nearly \$104 million in cash and \$117 million undrawn from its revolving credit facility. Total debt at the end of the quarter stood at approximately \$228 million.

Mick Wilkes went on to say, "After a strong first half of the year, the Company is well positioned to achieve its production and cost guidance for the year. We will continue to operate safely while seeking to unlock the organic growth potential of our assets. As ever, we are strongly committed to working with all of our stakeholders to deliver meaningful benefits to communities and superior returns to shareholders, as we have done so in the last several years."

Second Quarter 2016 Results Webcast

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

Webcast Participants

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

<http://edge.media-server.com/m/p/y4nroww9>

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

Local (toll free) dial in numbers are:

Canada & North America: 1 844 778 4140

United Kingdom: 0 800 028 8438

Australia: 1 800 005 989

New Zealand: 0 800 445 971

All other countries (toll): + 1 661 378 9554

Playback of Webcast

If you are unable to attend the call, a recording will be available for viewing on the Company's website a few hours after the completion of the webcast.

About OceanaGold

[OceanaGold Corp.](#) 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 Asia-Pacific and Americas regions.

OceanaGold has operated sustainably over the past 26 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 Sustaining Costs of US\$700 to US\$750 per ounce.

Competent/Qualified Person's Statement

The exploration results were prepared in accordance with the standards set out in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' ("JORC Code") and in accordance with National Instrument 43-101 – Standards of Disclosure for Mineral Projects of the Canadian Securities Administrators ("NI 43-101"). The JORC Code is the accepted reporting standard for the Australian Stock Exchange Limited ("ASX") and the New Zealand Stock Exchange Limited ("NZX").

Information relating to Macraes exploration results in this document has been verified by, is based on and fairly represents information compiled by or prepared under the supervision of Sean Doyle, a Chartered Professional with the Australasian Institute of Mining and Metallurgy and an employee of Oceana Gold (New Zealand) Limited. Mr Doyle consents to the inclusion in this public release of the matters based on their information in the form and context in which it appears. The information contained in this public release is based on, and fairly represents, information and supporting documentation prepared by the named qualified and competent persons in the form and context in which it appears. Mr Doyle is a "qualified person" for the purposes of NI 43-101 and have sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a "competent person" as defined in the JORC Code.

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 Corp.](#) 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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