



## MEDIA RELEASE

18 February 2016

### OCEANAGOLD ANNOUNCES 2015 FINANCIAL RESULTS and DIVIDEND

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

(MELBOURNE) OceanaGold Corporation (**TSX/ASX/NZX: OGC**) (the "Company") is pleased to release its full year 2015 financial and operational results for the year ended 31 December 2015. This follows the Company's release of its preliminary operational results on 27 January 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

- Declared second annual dividend payment of US\$0.04 per common share or CDI for 2015, reflecting continued strong performance.
- Reported revenue of \$508 million with an EBITDA of \$194 million for 2015 including revenue of \$144 million and EBITDA of \$57.6 million for the fourth quarter.
- Reported net profit of \$53.1 million for the full year including \$22.6 million for the fourth quarter.
- Entered into agreements a restructured \$250 million revolving credit facility with substantially lower margins and longer tenure than the previous credit facility.
- Subsequent to the year end, entered into diesel hedging contracts covering 90% of the expected consumption of the group in 2016 and 2017.
- Subsequent to the year end, executed an additional zero cost collar hedging program for the remainder production at Macraes in 2016 and 2017.
- Subsequent to the year end, the Company announced that it had increased its equity stake in Gold Standard Ventures ("GSV") to 19.9%.

Mick Wilkes, President and CEO said, "As a result of our strong operating and financial performance in 2015 and continued positive outlook for 2016, we are very pleased to announce our second annual dividend. This dividend demonstrates the robustness of our business and our commitment to enhance shareholder wealth. The Company is transforming into an industry leading, low cost, mid-tier gold miner. With a strong financial position and high operating margins, our business is moving from strength to strength as we invest in further growth this year."

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

		Didipio	Waihi	Macraes & Reefton	Consolidated	
Fourth Quarter 2015 Results					Q4 2015	Q3 2015
Gold Produced	ounces	33,094	34,987	51,419	119,500	120,664
Copper Produced	tonnes	5,591	–	–	5,591	5,219
Gold Sales	ounces	31,984	39,927	53,335	125,246	106,980
Copper Sales	tonnes	5,597	–	–	5,597	5,484
Cash Costs	\$ per ounce	(4)	395	735	441	451
2015 Results					2015	2014
Gold Produced	ounces	127,086	69,973	222,093	419,153	307,463
Copper Produced	tonnes	23,109	–	–	23,109	25,010
Gold Sales	ounces	123,901	68,268	209,181	401,350	318,972
Copper Sales	tonnes	22,764	–	–	22,764	25,886
Cash Costs	\$ per ounce	17	399	737	458	418
All-In Sustaining Costs	\$ per ounce	382	530	961	709	785

\*Note: This includes the actual results for Waihi Gold for the six months and three months ended December 31, 2015. This disclosure is for information only, reflecting what the costs would have been, had the legal close of the Waihi Gold acquisition been on July 1, 2015.

**Table 2 – Financial Results Summary**

\$'000	Q4 Dec 31 2015	Q3 Sep 30 2015	Q4 Dec 31 2014	2015	2014
Sales	143,612	109,581	142,655	507,985	563,328
Cost of sales, excluding depreciation and amortisation	(71,080)	(60,779)	(69,167)	(265,058)	(289,888)
General and administration - merger and acquisition costs	(1,604)	(4,471)	–	(8,522)	–
General and administration - other	(11,743)	(9,062)	(8,923)	(36,806)	(34,539)
Foreign currency exchange gain/(loss)	(173)	(269)	1,188	(2,802)	1,711
Other income/(expense)	(1,443)	68	(95)	(1,309)	(817)
<b>Earnings before interest, tax, depreciation and amortisation (EBITDA) (excluding gain/(loss) on undesignated hedges)</b>	<b>57,569</b>	<b>35,068</b>	<b>65,658</b>	<b>193,488</b>	<b>239,795</b>
Depreciation and amortisation	(36,164)	(29,430)	(34,111)	(124,960)	(129,561)
Net interest expense and finance costs	(5,001)	(2,254)	(2,952)	(12,051)	(11,206)
<b>Earnings before income tax and gain/(loss) on undesignated hedges</b>	<b>16,404</b>	<b>3,384</b>	<b>28,595</b>	<b>56,477</b>	<b>99,028</b>
Tax (expense) / benefit on earnings	(5,654)	1,457	2,020	461	13,137
<b>Earnings/(loss) after income tax and before gain/(loss) on undesignated hedges</b>	<b>10,750</b>	<b>4,841</b>	<b>30,615</b>	<b>56,939</b>	<b>112,165</b>
Gain/(loss) on fair value undesignated hedges	16,525	2,893	10,019	(5,379)	(876)

Tax (expense)/benefit on gain/loss on undesignated hedges	(4,627)	(810)	(2,805)	1,506	246
<b>Net Profit/(Loss)</b>	<b>22,648</b>	<b>6,924</b>	<b>37,829</b>	<b>53,066</b>	<b>111,535</b>
Basic earnings per share	\$0.04	\$0.02	\$0.13	\$0.14	\$0.37
Diluted earnings per share	\$0.04	\$0.02	\$0.12	\$0.14	\$0.36
<b>CASH FLOWS</b>					
Cash flows from Operating Activities	62,152	23,801	60,714	171,441	214,941
Cash flows used in Investing Activities	(41,008)	(22,371)	(26,539)	(125,501)	(109,418)
Cash flows from /(used in) Financing Activities	120,529	(2,056)	(35,540)	89,932	(75,433)

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

### Declaration of Dividend

For the 2015 financial year, the Board has declared a dividend payment of US\$0.04 per share (for an aggregate of approximately US\$24 million). Shareholders of record at the close of business in each jurisdiction on 1 March 2016 (the "Record Date") will be entitled to receive payment of the dividend on 29 April 2016. The dividend payment applies to holders of record of the Company's common shares traded on the Toronto Stock Exchange and the NZX Main Board in New Zealand ("Common Shares") and holders of CHESS depository interests traded on the Australian Securities Exchange ("CDIs"). This year, the Company will pay the dividend to all shareholders in US Dollars. Please refer to the end of this media release for important information relating to Australian income tax and Canadian withholding tax.

For the full year, the Company recorded revenue of \$508 million including an EBITDA of \$193 million. The net profit for the year was \$53 million which compares to \$111 million in the previous year. Despite this decrease in profits, which was due mainly to lower commodity prices and transaction costs associated with the purchase of Waihi and Haile, the Board has maintained the dividend of 2c per share plus a 2c per share discretionary payment taking into account the low level of debt and the significant growth profile of the Company through the development of the Haile Project.

**Table 3 – Dividend Key Dates**

	<b>Date</b>
Last date for processing requests to convert securities between stock exchanges before the Record Date <sup>1</sup>	Thursday, 25 February 2016
Shares and CDIs trade on an ex-dividend basis	Friday, 26 February 2016
<b>Record Date</b>	<b>Tuesday, 1 March 2016</b>
Processing recommences for requests to convert securities between stock exchanges <sup>1</sup>	Wednesday, 2 March 2016
<b>Dividend Payment Date</b>	<b>Friday, 29 April 2016</b>

<sup>1</sup> 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 Thursday 25 February 2016, will be deferred until after the Record Date of 2 March 2016.

## Finance Update

In December, the Company restructured its Revolving Credit Facility (“facility”) with a new \$250 million facility that has a longer tenure and significantly lower margins. At the end of 2015, the Company increased its total liquidity to \$253 million including \$185 million in cash while total debt was \$198 million.

Subsequent to the year end, the Company implemented an additional zero cost collar hedging program at Macraes. With the additional hedging, all of the gold production from Macraes for 2016 & 2017 is secured under the new and existing hedging programs to ensure a risk-adjusted profit margin for the operation.

**Table 4 – Macraes Hedging Program**

Put Option Strike Price*	Call Option Strike Price*	Gold Ounces Remaining	Expiry Date
NZ\$1,600	NZ\$1,736	108,888	Dec 2016
NZ\$1,628	NZ\$1,736	19,680	Dec 2016
NZ\$1,600	NZ\$1,800	25,784	Dec 2016
NZ\$1,650	NZ\$1,810	155,400	Dec 2017

Note: NZD:USD Exchange Rate (as at 17 Feb 2016) = 0.663

As a result of the continued low fuel prices, the Company has elected to secure a set fuel price that provides increased cost certainty over the next two years with the implementation of diesel fuel hedges. Under this program, 90% of the Company’s expected diesel fuel consumption has been hedged at a set diesel price of \$40.91 per barrel in 2016 and a price of \$48.92 per barrel in 2017. For reference purposes, this hedging was put in place when the West Texas Intermediate (WTI) crude was trading at price range of \$31.50 to \$32.00 per barrel.

## Other Investments

Subsequent to the quarter end, the Company purchased an additional 13,831,931 million common shares of Gold Standard Ventures (“GSV”) at a cost of C\$1.00 per share. With this additional investment, the Company increased its equity position in GSV to 19.9%. GSV is currently drilling at its Railroad Pinion project located within the prolific Carlin Trend where recent drill results have demonstrated encouraging results.

## Full Year Results Webcast

The Company host a conference call / webcast to discuss the results at 8:30am on Friday 19 February 2016 (Melbourne, Australia time) / 4:30pm on Thursday 18 February 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=1119333&s=1&k=1F4123BBE619B0D5B80FE8AAB3089443>

## 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 12:00pm on Friday 19 February 2016 (Melbourne, Australian time) / 9:00pm on Thursday 18 February 2016 (Toronto, Canada time).

### **ASX Listing Rule Waivers**

On 11 February 2016, the Company was granted waivers from ASX Listing Rules 4.2A, 4.2B, 4.3A, 4.3B, 4.10.9 in relation to certain half year, full year and annual reporting requirements, as well as limited waivers from ASX Listing Rules 10.11, 10.14 and 10.18 in relation to acquisition of securities under an employee incentive scheme and termination benefits. Further information in relation to these waivers will be available in the Company's 2016 Financial and Governance Statements.

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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 Slate Belt. 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 Sustaining Costs of \$700 to \$750 per ounce.

### **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.

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](http://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](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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