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OCEANAGOLD PROVIDES AN UPDATE TO HAILE COMMISSIONING AND REVISED COMPANY GUIDANCE

(All financial figures in US Dollars unless otherwise stated)

(MELBOURNE) OceanaGold Corporation (TSX/ASX: OGC) (the “Company”) wishes to provide an update on the status of commissioning activities at the Haile Gold Mine (“Haile”).

Mick Wilkes, OceanaGold President and CEO said, “Although the Haile operation is cash flow positive and many aspects of the operation continue to meet or exceed our expectations, we have encountered some commissioning issues that have had an impact on overall process stability and recoveries. It is not uncommon to encounter technical issues that need to be addressed during the commissioning phase of a new process plant. Our highly skilled team on the ground, many of which have contributed to the timely and successful commissioning of the Didipio and Reefton process plants, are working towards achieving commercial production.”

He added, “Although disappointed with the delay, I am highly confident in the team and with their ability to deliver this plant to meet our expectations for production and cost. The Haile Gold Mine is world-class asset with very robust economics that will deliver significant cash flows for many years to come, as demonstrated by the results of the optimisation study.”

Haile Commissioning

In the first quarter and early in the second quarter, plant throughput ramped-up well and we achieved nameplate throughput several times. However, in the middle of the second quarter, some commissioning issues surfaced leading to a shortfall in tonnes milled and recovery as compared to the ramp-up plan.

1. The primary poly-urethane liner on each of the eight Carbon-in-Leach (“CIL”) tanks partially delaminated due to poor application. As a result, the Company was required to take two CIL tanks at a time off line to strip the liner completely from the tanks, which reduced the residency time in the leaching circuit leading to lower recoveries. Re-application of the new liners, is being carried out under warranty and by the installation contractor one tank at a time to eliminate disruption to the plant with an expected completion in December.
2. The CIL tank inter-stage piping system was short circuiting and thereby sending some gold bearing slurry into tailings. The Company identified that the CIL piping system was under designed and has implemented a temporary fix while advancing the permanent solution. The Company will install a new CIL piping system and expects this work to be completed by August. The temporary solution

has resolved the issue and has subsequently led to higher recoveries and increased plant stability in recent weeks.

3. The front-end of the process plant has performed to expectation with only a minor issue related to grate sizing of the SAG mill. The current steel discharge grate opening in the SAG mill are inadequately sized to allow worn steel grinding media to pass through. This has resulted in excessive amount of small grinding media inside the mill reducing its effectiveness. This in turn, has created fluctuations in throughput and contributed to instability of the process. As part of a planned mill re-lining scheduled for July, the Company will replace some of the current steel grates with larger aperture grates which will alleviate the problem.
4. The fine grinding circuit has been impacted by fluctuations in density effecting its performance. The circuit will be converted to closed circuit grinding which will stabilise the feed to the mills and better regulate the product size.
5. Some parts of the control systems have not performed to expectations due to lower data processing speeds which has resulted in sub-optimal responses through some areas of the process plant. In parallel with the process plant expansion, enhancements to the process control system will be identified and undertaken.

A summary of the commissioning issues, rectification plans and timing is summarised in Table 1.

Table 1 – List of Commissioning Focus Areas

Specific Area	Issue	Solution	Estimated Cost	Completion Date
SAG Mill grate	Current steel grates in the SAG mill holding back finer steel grinding media causing excessive quantity of small grinding material resulting in lower throughput	Replace some of the grates with larger aperture grates allowing the smaller steel media to pass through the mill	\$50k	July 2017
Regrind inflow	Variable slurry density into fine grinding circuit resulting in inconsistent grinding size	Closing the feed circuit to better control slurry density and product size	\$200k	July 2017
Carbon-in-Leach Piping System	Inadequately sized piping system between CIL tanks and the leach circuit	Redesign and installation of a new CIL piping system	\$700k	August 2017
Carbon-in-Leach Tank Liners	Tank liners partially failing at various times due to faulty application on inner tank walls	Removing the current liners and then reapplying new liners one at a time to eliminate disruption	Nil (under warranty)	December 2017
Control system	Control system programming and data processing has been sub-optimal in some areas resulting in inefficient process control	In parallel with future upgrades to process plant, review and undertake potential upgrades to control system	\$2M - \$3M	Staged upgrades over time

Mining operations continue to progress well as the Company has commenced mining ore at the Snake pit, four months earlier than planned. Mining reconciliation has been in-line with expectations.

The operation is cash flow positive and operating costs are in-line with expectations. The results of the Haile Optimisation Study have demonstrated the significant value inherent to this asset and the Company continues to be encouraged by the exploration potential at depth and along strike at Haile and regionally.

Updated Company Guidance

With the updated forecast at Haile and strong operations at Didipio, the Company wishes to provide a revised production and cost guidance. The overall gold production guidance range for the Company remains broadly unchanged while the copper production guidance range has increased.

Table 2 – REVISED 2017 Production and Cost Guidance

		Didipio	Waihi	Macraes	Haile ⁽¹⁾	Consolidated
Gold Production	'000 oz	150 – 160 <i>(was 110 – 130)</i>	110 – 120 <i>(unchanged)</i>	180 – 190 <i>(unchanged)</i>	110 – 130 <i>(was 150 – 170)</i>	550 – 600 <i>(was 550 - 610)</i>
Copper Production	'000 t	18 – 19 <i>(was 15 – 17)</i>	–	–	–	18 – 19 <i>(was 15 – 17)</i>
All-In Sustaining Costs ⁽²⁾	\$ / oz	\$70 – \$120 <i>(was \$130 – \$180)</i>	\$740 – \$790 <i>(unchanged)</i>	\$950 – \$1,000 <i>(unchanged)</i>	\$600 – \$650 <i>(was \$500 – \$550)</i>	\$600 – \$650 <i>(unchanged)</i>

Notes:

- Haile guidance reflects full year expected production and cost guidance. Production and costs prior to declaration of commercial production will be capitalised and reflected on the balance sheet.*
- AISC calculation conforms to the methodology outlined by the World Gold Council. It includes all cash costs, corporate G&A, maintenance capital expenditures, capitalised mining expenditures and exploration. It excludes growth capital such as additional development such as the plant expansion at the Haile Gold Mine and Didipio Underground.*

Economic Assumptions

- NZD:USD exchange rate of 0.70, Copper price: \$2.50 / lb on average for full year.*

On the revised guidance for the Haile and Didipio operations this year, Mick Wilkes stated “Operating a diversified multi-mine business provides us the flexibility to offset production from one asset against another to achieve our overall business results, as increased production now expected at Didipio will partially offset the decrease in production from Haile this year.”

- 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 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 commissioning the Haile Gold Mine, a top-tier 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 2017, the Company expects to produce 550,000 to 600,000 ounces of gold and 18,000 to 19,000 tonnes of copper with sector leading All-In Sustaining Costs that range from \$600 to \$650 per ounce sold.

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, sovereign risks, risk of suspension 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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