OCEANAGOLD CORPORATION

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

THIRD QUARTER REPORT

September 30TH, 2012

UNAUDITED

UNAUDITED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at September 30, 2012

(in United States dollars)	*Notes*	*September 30 2012 $'000*	*December 31 2011 $'000*
ASSETS			
Current assets			
Cash and cash equivalents		24 165	169 989
Trade and other receivables	4	12 434	7 409
Derivatives and other financial assets	5	3 497	-
Inventories	6	45 973	46 975
Prepayments		7 656	2 107
Total current assets		93 725	226 480
Non-current assets			
Trade and other receivables	4	12 658	2 671
Derivatives and other financial assets	5	4 130	-
Inventories	6	51 341	53 686
Deferred tax assets	7	3 594	5 828
Property, plant and equipment	8	163 757	149 193
Mining assets	9	561 276	379 777
Total non-current assets		796 756	591 155
TOTAL ASSETS		890 481	817 635
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Trade and other payables		62 761	45 566
Employee benefits	10	6 778	5 382
Derivatives and other financial liabilities	11	826	-
Interest-bearing loans and borrowings	12	78 770	72 675
Total current liabilities		149 135	123 623
Non-current liabilities			
Other obligations		2 283	2 246
Employee benefits	10	190	187
Deferred tax liabilities	7	41 442	39 016
Interest-bearing loans and borrowings	12	171 998	153 148
Asset retirement obligations		26 179	21 175
Total non-current liabilities		242 092	215 772
TOTAL LIABILITIES		391 227	339 395
SHAREHOLDERS' EQUITY			
Share Capital	13	545 323	543 988
Accumulated losses		(120 251)	(116 726)
Contributed surplus	16	38 211	36 951
Other reserves	17	35 971	14 027
TOTAL SHAREHOLDERS' EQUITY		499 254	478 240
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		890 481	817 635

On behalf of the Board of Directors:

James E. Askew
Director
October 30, 2012

J. Denham Shale
Director
October 30, 2012

The accompanying Notes to the Interim Consolidated Financial Statements are an integral part of these financial statements.

UNAUDITED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the Quarter ended September 30, 2012

(in United States dollars)	*Notes*	*Three months ended September 30 2012 $'000*	*Three months ended September 30 2011 $'000*	*Nine months ended September 30 2012 $'000*	*Nine months ended September 30 2011 $'000*
Revenue					
Gold sales		91 153	103 455	266 430	289 006
Cost of sales, excl. depreciation and amortization		(61 173)	(57 453)	(179 383)	(157 935)
Depreciation and amortization		(21 938)	(24 424)	(63 770)	(64 302)
General and administration expenses		(3 649)	(4 008)	(10 304)	(10 900)
Operating profit		**4 393**	**17 570**	**12 973**	**55 869**
Other expenses					
Interest expense and finance costs		(6 017)	(4 993)	(16 390)	(14 952)
Foreign exchange gain/(loss)		941	1 322	(711)	(8)
Total Other expenses		(5 076)	(3 671)	(17 101)	(14 960)
Gain/(loss) on fair value of undesignated hedges		(1 036)	-	(1 036)	-
Interest income		214	1 686	2 550	5 566
Other income/(expense)		1 342	(46)	1 500	98
Profit/(loss) before income tax		(163)	15 539	(1 114)	46 573
Income tax expense		(234)	(4 627)	(2 411)	(16 742)
Net Profit/(Loss)		**(397)**	**10 912**	**(3 525)**	**29 831**
Other comprehensive income, net of tax:					
Net change in fair value of available-for-sale assets		57	-	57	-
Currency translation gain/(loss)		9 032	(22 543)	21 887	(3 503)
Total Other comprehensive income (net of tax)		**9 089**	(22 543)	**21 944**	(3 503)
Comprehensive income/(loss)		**8 692**	**(11 631)**	**18 419**	**26 328**
Net earnings/(loss) per share:					
- basic and diluted		$(0.00)	$0.04	$(0.01)	$0.11

UNAUDITED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Quarter ended September 30, 2012

(in United States dollars)	**Share Capital** *$'000*	**Contributed Surplus** *$'000*	**Other Reserves** *$'000*	**Accumulated Losses** *$'000*	**Total Equity** *$'000*
Balance at January 1, 2012	**543 988**	**36 951**	**14 027**	**(116 726)**	**478 240**
Comprehensive income/(loss) for the period			21 944	(3 525)	18 419
Employee share options:					
Share based payments	-	2 200	-	-	2 200
Forfeiture of options	-	(186)	-	-	(186)
Exercise of options	-	(754)	-	-	(754)
Issue of shares	1 335	-	-	-	1 335
Balance at September 30, 2012	**545 323**	**38 211**	**35 971**	**(120 251)**	**499 254**
Balance at January 1, 2011	**543 474**	**33 677**	**16 881**	**(157 666)**	**436 366**
Comprehensive income/(loss) for the period	-	-	(3 503)	29 831	26 328
Employee share options:					
Share based payments	-	3 436	-	-	3 436
Forfeiture of options	-	(366)	-	-	(366)
Exercise of options	-	(400)	-	-	(400)
Issue of shares	418	-	-	-	418
Balance at September 30, 2011	**543 892**	**36 347**	**13 378**	**(127 835)**	**465 782**

The accompanying notes are an integral part of these consolidated interim financial statements.

UNAUDITED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the Quarter ended September 30, 2012

	Three months ended		Nine months ended	
(in United States dollars)	*September 30 2012 $'000*	*September 30 2011 $'000*	*September 30 2012 $'000*	*September 30 2011 $'000*
Operating activities				
Net profit/(loss)	(397)	10 912	(3 525)	29 831
Charges/(credits) not affecting cash				
Depreciation and amortization expense	21 938	24 424	63 770	64 302
Net (gains)/loss on disposal of property, plant & equipment	214	70	128	34
Non-cash interest charges	1 290	1 136	3 696	3 354
Unrealized foreign exchange (gains)/losses	(941)	(1 322)	712	600
Stock based compensation charge	891	833	2 009	2 411
Gain/(loss) on fair value of undesignated hedges	1 036	-	1 036	-
Non-cash Transaction costs	19	-	19	-
Future tax expense/(benefit)	234	4 627	2 411	16 743
Changes in non-cash working capital				
(Increase)/decrease in trade and other receivables	(6 017)	(6 444)	(17 395)	(5 600)
(Increase) /decrease in inventory	5 301	(7 141)	6 524	(15 110)
(Decrease)/increase in accounts payable	(8 137)	(2 222)	(3 217)	1 463
(Decrease)/increase in other working capital	(2 125)	(2 657)	(1 133)	517
Net cash provided by/(used in) operating activities	13 306	22 216	55 035	98 545
Investing activities				
Proceeds from sale of property, plant and equipment	2	-	4	37
Payments for property, plant and equipment	(1 592)	(6 557)	(9 850)	(18 449)
Payments for mining assets: exploration and evaluation	(2 128)	(290)	(5 340)	(1 382)
Payments for mining assets: development	(45 415)	(19 833)	(127 859)	(37 543)
Payments for mining assets: in production	(19 609)	(10 811)	(60 103)	(41 514)
Net cash used for investing activities	(68 742)	(37 491)	(203 148)	(98 851)
Financing activities				
Proceeds from issue of shares	420	21	589	360
Payments of transaction costs/fees for loans	(6 749)	-	(6 749)	-
Payments for equity raising costs	-	-	-	(126)
Repayments of finance lease liabilities	(5 760)	(4 030)	(13 016)	(12 548)
Proceeds from settlement of derivatives/(payment) of premium	(822)	-	(822)	-
(Repayments) of borrowings	(269)	-	(1 358)	(477)
Proceeds from borrowings	20 000	1 276	20 000	1 276
Net cash provided by/(used in) financing activities	6 820	(2 733)	(1 356)	(11 515)
Effect of exchange rates changes on cash held in foreign currencies gain/(loss)	(361)	(11 797)	3 645	(6 136)
Net increase/(decrease) in cash and cash equivalents	(48 977)	(29 805)	(145 824)	(17 957)
Cash and cash equivalents at beginning of period	73 142	193 176	169 989	181 328
Cash and cash equivalents at end of period	24 165	163 371	24 165	163 371
Cash Interest Paid	(1 890)	(2 646)	(10 030)	(10 438)

Non-cash investing and financing activities - Refer Note 20

The accompanying Notes to the Interim Consolidated Financial Statements are an integral part of these financial statements.

1 BASIS OF PREPARATION

OceanaGold Corporation ("OceanaGold") ("The Company") is a company domiciled in Canada. It is listed on the Toronto Stock Exchange, the Australian Stock Exchange and the New Zealand Stock Exchange. The registered address of the Company is c/o Fasken Martineau DuMoulin LLP, 2900-550 Burrard Street, Vancouver, British Columbia V6C 0A3, Canada. The Company is engaged in exploration and the development and operation of gold mines and other mineral mining activities. OceanaGold is a significant gold producer and is operating two open cut mines and an underground mine at Macraes and Reefton in New Zealand. The group also has the Didipio Gold-Copper Project in the Philippines as part of its portfolio.

The Company prepares its unaudited interim consolidated financial statements in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), as applicable to the preparation of interim financial statements including IAS 34. The policies applied are based on IFRS issued and outstanding as of the day the board of Directors approved the statements. These interim financial statements do not include all of the notes of the type normally included in an annual financial report and hence should be read in conjunction with the company's annual financial statements for the year ended December 31, 2011, as they provide an update of previously reported information.

At 30 September 2012, the Company had net current liabilities of $55.4 million, after including as a current liability a convertible notes repayment due in December 2012. However, during the period, the Company secured a banking facility of $225m from a group of reputable multinational banks that are available and may be used for the repayment of these current convertible notes (refer to note 12). The financial statements have hence been prepared on a going concern basis.

Except as described below, the accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

New accounting policies

Stock-based compensation

Performance Share Rights Plan ('PRSP')

The company has introduced a new plan which provides benefits to such directors and employees ("participants") of the Group as designated by the Board of Directors, in the form of share-based compensation, whereby the designated participants render services and are compensated in part through grants of rights over shares ("equity settled transactions").

The cost of these equity-settled transactions with participants is measured by reference to the fair value of the compensation at the date at which they are granted. The fair value is determined by an external valuer using Monte Carlo simulation (using the Black-Scholes framework) to model the Company's future security price and Total Shareholder Return (TSR) performance against the comparator group at vesting date.

The cost of equity-settled transaction is recognized, together with a corresponding increase in equity, over the period between the grant date and the date on which the relevant participants become fully entitled to the award ("vesting date").

The cumulative expense recognized for equity-settled transactions at each reporting date until vesting date reflects:

(a) the extent to which the vesting period has expired, and
(b) the number of awards that, in the opinion of the directors of the consolidated entity, may ultimately vest.

No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions are included in the determination of fair value at grant date.

Interests in Jointly Controlled Operations

Where the Company's activities are conducted through unincorporated joint ventures that are jointly controlled operations, its proportionate share of the assets, liabilities, production and related operating costs are included in the financial statements.

Interests in Jointly Controlled Assets

Where the Company's activities are conducted through unincorporated joint ventures that are jointly controlled assets, its proportionate share of the assets, liabilities, production and related operating costs are included in the financial statements.

Non-derivative financial assets

Available-for-sale financial assets

Available-for-sale assets are non-derivative financial assets that are designated as available for sale or are not classified as: Financial assets at fair value through profit or loss; Held-to-maturity financial assets; Loans and receivables; or Cash and cash equivalents. Available-for-sale financial assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses, and foreign currency differences on available-for-sale debt instruments, are recognized in other comprehensive income and presented in the available-for-sale equity reserve (which forms part of other reserves). When an investment is derecognized, the cumulative gain or loss in equity is reclassified to profit or loss.

The accounting policies for derivative financial instruments are consistent with those of the previous financial year.

2 ACCOUNTING POLICIES EFFECTIVE FOR FUTURE PERIODS

The following accounting policies are effective for future periods:

IFRS 9 – *Financial instruments - classification and measurement*
This is the first part of a new standard on classification and measurement of financial assets that will replace IAS 39, Financial Instruments: Recognition and Measurement. IFRS 9 has two Measurement categories: amortized cost and fair value. All equity instruments are measured at fair value.

A debt instrument is at amortized cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. Otherwise it is at fair value through profit or loss. Effective for years beginning on/after January 1, 2015.

IFRS 9 – *Financial instruments – classification and measurement*
Updated to include guidance on financial liabilities and de-recognition of financial instruments. Effective for years beginning on/after January 1, 2015. The company has not assessed the impact of this new standard.

IAS 1 – *Presentation of items of other comprehensive income (“OCI”)*
Change to the disclosure in OCI, including a requirement to separate items presented into two groups based on whether or not they may be recycled to profit or loss in the future. Effective for years beginning on/after July 1, 2012.

IAS 19 – *Employee benefits*
Amended for (i) changes to recognition and measurement of defined benefit pension expense and termination benefits, and (ii) expanded disclosure. Effective for years beginning on/after January 1, 2013. The Company is assessing the impact of this amendment.

IFRS 13 – *Fair value measurement and disclosure requirements*
Provides a single source of guidance on how to measure fair value and enhances disclosure requirements for fair value measurements. Effective for years beginning on/after January 1, 2013. Not expected to have a material effect on the Company.

New standards addressing scope of reporting entity

IFRS 10 – *Consolidated Financial Statements*
IAS 27– *Consolidated and Separate Financial Statements*, and
SIC 12 – *Consolidation – Special Purpose Entities*

IFRS 11 – *Joint Arrangements*
Entities in joint operations will follow accounting for jointly controlled assets and jointly controlled operations under IAS 31.

IFRS 12 – *Disclosure of Interests in Other Entities*
Effective for years beginning on/after January 1, 2013.
Not expected to have a material effect on the Company.

IFRIC 20 - *“Stripping costs in the production phase of a surface mine”*
Provides guidance on the accounting for overburden (pre-strip) in the production phase. Costs can only be recognized as an asset if they can be attributed to an identifiable component of the ore body. Effective January 1, 2013. Not expected to have a material impact on the Company.

IFRS 7 - *“Financial instruments” – disclosures*
Amended to enhance disclosure requirements relating to offsetting of financial assets and financial liabilities. Effective for annual periods beginning on/after January 1, 2013. Not expected to affect the accounting of offsetting arrangements or have a material effect on the Company.

IAS 32 - *"Financial instruments" – presentation*
Amended to clarify requirements for offsetting of financial assets and financial liabilities. Effective for annual periods beginning on/after January 1, 2014. Not expected to affect the treatment of offsetting arrangements or have a material effect on the Company.

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

i. Mining assets

The future recoverability of mining assets including capitalized exploration and evaluation expenditure is dependent on a number of factors, including whether the Group decides to exploit the related tenements itself or, if not, whether it successfully recovers the related mining assets through sale.

Factors that could impact the future recoverability include the level of reserves and resources, future technological changes, which could impact the cost of mining, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices and foreign exchange rates.

Exploration and evaluation expenditure

To the extent that capitalized exploration and evaluation expenditure is determined not to be recoverable in the future, profits and net assets will be reduced in the period in which this determination is made.

In addition, exploration and evaluation expenditure is capitalized if activities in the area of interest have not yet reached a stage that permits a reasonable assessment of the existence or otherwise of economically recoverable reserves. To the extent it is determined in the future that this capitalized expenditure should be written off, profits and net assets will be reduced in the period in which this determination is made.

ii. Net realizable value of inventories

The Company reviews the carrying value of its inventories at each reporting date to ensure that the cost does not exceed net realizable value. Estimates of net realizable value include a number of assumptions, including commodity price forecasts, foreign exchange rates and costs to process inventories to a saleable product.

iii. Asset retirement obligations

Decommissioning and restoration costs are a normal consequence of mining, and the majority of this expenditure is incurred at the end of a mine's life. In determining an appropriate level of provision, consideration is given to the expected future costs to be incurred, the timing of these expected future costs (largely dependent on the life of the mine), and the estimated future level of inflation.

The ultimate cost of decommissioning and restoration is uncertain and costs can vary in response to many factors including changes to the relevant legal requirements, the emergence of new restoration techniques or experience at other mine sites. The expected timing of expenditure can also change, for example in response to changes in reserves or to production rates.

Changes to any of the estimates could result in significant changes to the level of provisioning required, which would in turn impact future financial results. These estimates are reviewed annually and adjusted where necessary to ensure that the most up to date data is used.

iv. Determination of ore reserves and resources

Ore reserves and resources are based on information compiled by a Competent Person as defined in accordance with the Australasian Code of Mineral Resources and Ore Reserves (the JORC code) and in accordance with National Instrument 43-101-Standards of Disclosure for Mineral Projects ("NI-43-101") under the guidelines set out by the Canadian Institute of Mining, Metallurgy and Petroleum. There are numerous uncertainties inherent in estimating ore reserves and assumptions that are valid at the time of estimation may change significantly when new information becomes available. Changes in forecast prices of commodities, exchange rates, production costs or recovery rates may change the economic status of reserves and may, ultimately, result in the reserves being restated. Such changes in reserves could impact on depreciation and amortization rates, asset carrying values and provisions for rehabilitation.

v. Taxation

The company's accounting policy for taxation requires management judgment in relation to the application of income tax legislation. There may be some transactions and calculations undertaken during the ordinary course of business where the ultimate tax determination is uncertain. The company recognizes liabilities for tax, and if appropriate taxation investigation or audit issues, based on whether tax will be due and payable. Where the taxation outcome of such matters is different from the amount initially recorded, such difference will impact the current and deferred tax positions in the period in which the assessment is made.

In addition, certain deferred tax assets for deductible temporary differences and carried forward taxation losses have been recognized. In recognizing these deferred tax assets, assumptions have been made regarding the company's ability to generate future taxable profits. Utilization of the tax losses also depends on the ability of the tax consolidated entities to satisfy certain tests at the time the losses are recouped. If the entities fail to satisfy the tests, the carried forward losses that are currently recognized as deferred tax assets would have to be written off to income tax expense. There is an inherent risk and uncertainty in applying these judgments and a possibility that changes in legislation will impact upon the carrying amount of deferred tax assets and deferred tax liabilities recognized on the statement of financial position.

4. TRADE AND OTHER RECEIVABLES

	September 30 2012 $'000	*December 31 2011 $'000*
Current		
Trade receivables	6 650	4 376
Interest receivable	-	200
Other receivables	5 784	2 833
	12 434	7 409
Non-Current		
Other receivables	12 658	2 671
	12 658	2 671

Other receivables include deposits at bank in support of environmental bonds, deposits set out for rental of properties, input tax credits and carbon tax credits.

5 DERIVATIVES AND OTHER FINANCIAL ASSETS

	September 30 2012 $'000	*December 31* 2011 *$'000*
Current		
Gold put options[2]	423	-
Other assets[3]	3 074	-
	3 497	-
Non-Current		
Forward rate agreements[1]	181	-
Available-for-sale financial assets[4]	1 023	-
Other Assets[3]	2 926	-
	4 130	-
	7 627	-

1. Represents forward rate agreements to sell specified amounts of US$ at specified amounts of A$ expiring December 16, 2013. The purpose of these agreements is to eliminate foreign exchange risk to ensure that potential US$ bank facility draw downs will be sufficient to repay the A$ convertible notes as they fall due.

2. Represents a series of gold put options expiring June 26, 2013 with a strike price of US$1,400 per ounce for 82,998 ounces of gold.

3. Represents the unamortized portion of establishment fees and other costs incurred in obtaining US$ banking facilities. These fees are being amortized to reflect an approximate pattern of consumption over the terms of the facilities.

4. Represents investments in listed companies.

6 INVENTORIES

	September 30 2012 $'000	December 31 2011 $'000
Current		
Gold in circuit	6 925	10 006
Ore – at cost	8 904	10 421
Maintenance stores	30 144	26 548
	45 973	46 975
Non-Current		
Ore – at cost	47 679	48 803
Ore – at net realizable value	3 662	4 883
	51 341	53 686
Total inventories	97 314	100 661

7 DEFERRED INCOME TAX

	September 30 2012 $'000	December 31 2011 $'000
Deferred income tax		
Deferred income tax at period end relates to the following:		
Deferred tax assets		
Losses available for offset against future taxable income	66 532	57 895
Provisions	9 193	9 557
Other	-	1 379
Gross deferred tax assets	75 725	68 831
Set off deferred tax liabilities	(72 131)	(63 003)
Net non-current deferred tax assets	3 594	5 828
Deferred tax liabilities		
Mining assets	(64 211)	(53 191)
Property, plant and equipment	(45 414)	(41 369)
Inventory	(2 226)	(1 831)
Interest Receivable	-	(61)
Accrued Revenue	(717)	(2 173)
Other	(1 005)	(3 394)
Gross deferred tax liabilities	(113 573)	(102 019)
Set off deferred tax assets	72 131	63 003
Net non-current deferred tax liabilities	(41 442)	(39 016)

8 PROPERTY, PLANT AND EQUIPMENT

	September 30, 2012				
	Land	**Buildings**	**Plant and equipment**	**Rehabilitation**	**Total**
	$'000	***$'000***	***$'000***	***$'000***	***$'000***
Net book value					
At December 31, 2011:					
Cost	9 714	8 349	314 031	19 208	351 302
Accumulated depreciation	-	(3 962)	(191 381)	(6 766)	(202 109)
At December 31, 2011	9 714	4 387	122 650	12 442	149 193
Movement for the period:					
Additions	4 985	471	18 373	3 646	27 475
Disposals/transfers	-	-	(159)	(231)	(390)
Depreciation for the period	-	(316)	(21 484)	(1 089)	(22 889)
Exchange differences	905	314	8 018	1 131	10 368
At September 30, 2012	15 604	4 856	127 398	15 899	163 757
At September 30, 2012:					
Cost	15 604	9 411	353 012	24 095	402 122
Accumulated depreciation	-	(4 555)	(225 614)	(8 196)	(238 365)
	15 604	4 856	127 398	15 899	163 757

Plant and equipment includes assets under capital lease net of accumulated depreciation of $58.5m (2011: $57.8m). The assets under capital leases are pledged as security for capital lease liabilities.

Borrowing costs
There are no borrowing costs capitalized into the cost of assets held on the balance sheet at September 30, 2012 (2011: nil).

9 MINING ASSETS

	September 30, 2012			
	Exploration and evaluation phase	**Development phase**	**In production**	**Total**
	$'000	***$'000***	***$'000***	***$'000***
Net book value				
At December 31, 2011:				
Cost	13 406	182 962	465 307	661 675
Accumulated Amortization	-	-	(281 898)	(281 898)
At December 31, 2011	13 406	182 962	183 409	379 777
Movement for the period:				
Additions/transfers	5 339	141 013	62 676	209 028
Disposals/ Write-off	(946)	-	(306)	(1 252)
Amortization for the period	-	-	(39 950)	(39 950)
Exchange differences	582	72	13 019	13 673
At September 30, 2012	18 381	324 047	218 848	561 276
At September 30, 2012:				
Cost	18 381	324 047	560 501	902 929
Accumulated amortization	-	-	(341 653)	(341 653)
	18 381	324 047	218 848	561 276

Borrowing costs
There are no borrowing costs capitalized into the cost of assets held on the balance sheet at September 30, 2012 (2011: nil).

The recovery of the costs deferred in respect of exploration and evaluation expenditure is dependent upon successful development and commercial exploitation of the respective areas of interest.

10 EMPLOYEE BENEFITS

(a) Leave entitlements liability

Aggregate employee benefit liability is comprised of:	*September 30 2012 $'000*	*December 31 2011 $'000*
Employee benefit provisions - current	6 778	5 382
Employee benefit provisions - non-current	190	187
	6 968	5 569

(b) Defined Contribution Plans

The company has defined contribution pension plans for certain groups of employees. The company's share of contributions to these plans is recognized in the statement of comprehensive income in the year it is earned by the employee.

11 DERIVATIVES AND OTHER FINANCIAL LIABILITIES

Current	*September 30 2012 $'000*	*December 31 2011 $'000*
Forward rate agreements[1]	826	-
	826	-

1. Represents forward rate agreements to sell specified amounts of US$ at specified amounts of A$ expiring December 17, 2012 and December 16, 2013. The purpose of these agreements is to eliminate foreign exchange risk for each series of A$ convertible notes prior to drawdown of the US$ facility to repay these notes.

12 INTEREST-BEARING LOANS AND BORROWINGS

	Maturity	*September 30 2012 $'000*	*December 31 2011 $'000*
Current			
Capital leases[1]		17 477	15 241
5.75% Convertible notes (A$53m)[2]	12/22/2012	59 375	56 897
Other loan	02/28/2013	1 918	537
		78 770	72 675
Non-current	*Maturity*		
Capital leases[1]		40 935	45 968
7.00% Convertible notes (A$70m)[3]	12/22/2013	78 239	75 567
7.00% Convertible notes (A$30m)[3]	12/22/2013	32 824	31 613
US$ banking facilities[4]	06/30/2015	20 000	-
		171 998	153 148

1. *Capital Leases*
   The Group has capital lease facilities in place with ANZ Banking Group, Caterpillar Finance, GE Finance, Commonwealth Bank of Australia, and Cable Price. These facilities have maturities between July 2012 to March 2017.

2. *5.75% Convertible notes (Unsecured)*
   The notes bear interest at 5.75% per annum payable semi-annually in arrears. The 530 notes mature in December 2012 and are redeemable at 109% of their principal amount unless converted to common shares prior to this date at the option of the note holder. The number of shares to be delivered upon conversion shall be determined by dividing the principal amount of the notes by the conversion price of A$4.1011 (subject to adjustment for certain specified events). Of the A$52.9 million (US$39.1 million) net proceeds of the issue, A$48.5 million (US$35.8 million) was allocated to interest bearing liabilities and A$4.4 million (US$3.3 million) was allocated to equity.

3. *7.00% Convertible notes (Unsecured)*
The notes bear interest at 7.00% per annum, payable semi-annually in arrears and have a face value of A$70 million. Interest accrued in respect of the notes for the first two years is not payable but is instead capitalized into the redemption value of the notes. The notes are due for redemption in 2013 at a value equal to the sum of their principal amount plus the capitalized interest amount, unless converted to common shares prior to this date at the option of the note holder. The number of shares to be delivered upon conversion shall be determined by dividing the principal amount of the note by the conversion price. The conversion price is A$3.8699 (subject to adjustment for certain specified events). Of the A$67.4 million (US$52.9 million) net proceeds of the issue A$59.2 million (US$46.5 million) was allocated to interest bearing liabilities and A$8.2 million (US$6.4 million) was allocated to equity.

On March 22, 2007 an additional A$30 million (US$24.2 million) in convertible notes was issued under the same terms and conditions as the 7% convertible notes. The conversion price is A$4.0640 (subject to adjustment for certain specified events) and the notes are due for redemption in 2013. Of the A$28.8 million (US$23.2 million) net proceeds of the issue A$24.9 million (US$20.1 million) was allocated to interest bearing liabilities and A$3.9 million (US$3.1 million) was allocated to equity.

4. *US$ banking facilities*
Term and revolving credit facilities, totaling US$225m were put in place to be used, if necessary, for repayment of the above convertible notes maturing in December 2012 and December 2013 and for general working capital purposes. These facilities have been negotiated with a multinational banking syndicate, have common terms and will mature on June 30, 2015. Interest on these facilities is based on floating US$ LIBOR plus a margin and is paid semi-annually. At September 30, 2012, the Company had available undrawn facilities of US$205m.

5. *Other capital facilities*
The Company entered into an additional $US25m Convertible Revolving Credit Facility whereby it has the option to repay any drawn down funds with the issuance of ordinary shares under this facility, subject to the ASX listing rules. At September 30, 2012, this facility remains undrawn.

13 SHARE CAPITAL

Movement in common shares on issue

	September 30 2012 Thousand shares	*September 30 2012 $'000*	*December 31 2011 Thousand shares*	*December 31 2011 $'000*
Balance at the beginning of the period	262 643	543 988	262 063	543 474
Options exercised	618	1 335	580	642
Share issue costs	-	-	-	(128)
Balance at the end of the period	263 261	545 323	262 643	543 988

Common shares have the right to receive dividends as declared and, in the event of the winding up of the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held.

Common shares entitle their holder to one vote, either in person or by proxy, at a meeting of the company.

CHESS Depository Interests ("CDIs") holders have the same rights as holders of common shares.

The company has share option schemes under which options to subscribe for the company's shares have been granted to executives and senior management. Shareholders have approved the issue of up to 10% of the Company's issued and outstanding shares.

The Company also has an employee share purchase plan whereby certain employees are able to direct up to 10% of their gross salary to acquire shares, with the Company matching the employee contribution on a dollar for dollar basis. Plan shares are acquired at market price and held in trust. While the Trustee holds the shares, the employees are entitled to full dividend and voting rights on the shares beneficially held on their behalf.

14 SEGMENT INFORMATION

The company's operations are managed on a regional basis. The two reportable segments are New Zealand and the Philippines. The business segments presented reflect the management structure of the company and the way in which the company's management reviews business performance.

	New Zealand	Philippines	Corporate	Elimination	Total
	$'000	$'000	$'000	$'000	$'000
Quarter Ended September 30, 2012					
Revenue					
Sales to external customers	91 153	-	-	-	91 153
Inter segment management and gold handling fees	-	-	182	(182)	-
Total Segment Revenue	91 153	-	182	(182)	91 153
Result					
Segment result excluding unrealized hedge losses and depreciation and amortization	30 202	1 169	(2 757)	-	28 614
Depreciation and amortization	(21 891)	(41)	(6)	-	(21 938)
Inter segment management and gold handling fees	(182)	-	182	-	-
Gain/(loss) on fair value of derivative instruments	(389)	-	(647)	-	(1 036)
Total segment result before interest and tax	7 740	1 128	(3 228)	-	5 640
Net interest expense					(5 803)
Income tax benefit/(expense)					(234)
Net profit/(loss) for the period					(397)

	New Zealand	Philippines	Corporate	Elimination	Total
	$'000	$'000	$'000	$'000	$'000
Nine months ended September 30, 2012					
Revenue					
Sales to external customers	266 430	-	-	-	266 430
Inter segment management and gold handling fees	-	-	533	(533)	-
Total Segment Revenue	266 430	-	533	(533)	266 430
Result					
Segment result excluding unrealized hedge losses and depreciation and amortization	85 643	1 116	(9 227)	-	77 532
Depreciation and amortization	(63 635)	(117)	(18)	-	(63 770)
Inter segment management and gold handling fees	(533)	-	533	-	-
Gain/(loss) on fair value of derivative instruments	(389)	-	(647)	-	(1 036)
Total segment result before interest and tax	21 086	999	(9 359)	-	12 726
Net interest expense					(13 840)
Income tax benefit/(expense)					(2 411)
Net profit/(loss) for the period					(3 525)
Assets					
Total Segment assets at September 30, 2012	522 640	345 978	21 863	-	890 481

14 SEGMENT INFORMATION (continued)

	New Zealand $'000	Philippines $'000	Corporate $'000	Elimination $'000	Total $'000
Quarter Ended September 30, 2011					
Revenue					
Sales to external customers	103 455	-	-	-	103 455
Inter segment management and gold handling fees	-	-	208	(208)	-
Total Segment Revenue	103 455	-	208	(208)	103 455
Result					
Segment result excluding unrealized hedge losses and depreciation and amortization	44 487	(280)	(937)	-	43 270
Depreciation and amortization	(24 396)	(22)	(6)	-	(24 424)
Inter segment management and gold handling fees	(208)	-	208	-	-
Gain/(loss) on fair value of derivative instruments	-	-	-	-	-
Total segment result before interest and tax	19 883	(302)	(735)	-	18 846
Net interest expense					(3 307)
Income tax benefit/(expense)					(4 627)
Net profit/(loss) for the period					10 912

	New Zealand $'000	Philippines $'000	Corporate $'000	Elimination $'000	Total $'000
Nine months Ended September 30, 2011					
Revenue					
Sales to external customers	289 006	-	-	-	289 006
Inter segment management and gold handling fees	-	-	579	(579)	-
Total Segment Revenue	289 006	-	579	(579)	289 006
Result					
Segment result excluding unrealized hedge losses and depreciation and amortization	129 472	(488)	(8 723)	-	120 261
Depreciation and amortization	(64 217)	(65)	(20)	-	(64 302)
Inter segment management and gold handling fees	(579)	-	579	-	-
Gain/(loss) on fair value of derivative instruments	-	-	-	-	-
Total segment result before interest and tax	64 676	(553)	(8 164)	-	55 959
Net interest expense					(9 386)
Income tax benefit/(expense)					(16 742)
Net profit/(loss) for the period					29 831
Assets					
Total Segment assets at September 30 ,2011	498 772	162 335	89 755	-	750 862

15 STOCK-BASED COMPENSATION

Executive share options plan

Directors, executives and certain senior members of staff of the consolidated entity hold options over the common shares of the Company, OceanaGold Corporation. Each option entitles the holder to one common share upon exercise. The options were issued for nil consideration and have a maximum term of eight years. Granted options vest in three equal tranches over three years and vesting is subject only to continuity of employment.

The options cannot be transferred without the Company's prior approval and the Company does not intend to list the options. No options provide dividend or voting rights to the holders. Under the 2007 stock based compensation plan approved by OceanaGold shareholders the company can issue up to 10% of issued common and outstanding shares.

(i) Stock Option movements

The following table reconciles the outstanding share options granted under the executive share option scheme at the beginning and the end of the period:

WAEP = weighted average exercise price

	September 30, 2012		*December 31, 2011*	
	No.	**WAEP**	**No.**	**WAEP**
Outstanding at the start of the period	7 404 540	A$2.38	5 645 153	A$1.92
Granted	410 000	A$2.30	3 500 380	A$2.61
Forfeited	(288 552)	A$2.35	(1 160 997)	A$1.88
Expired	(470 000)	A$3.58	-	-
Exercised	(617 990)	A$0.96	(579 996)	A$0.32
Balance at the end of the period	**6 437 998**	**A$2.42**	**7 404 540**	**A$2.38**
Exercisable at the end of the period	**2 817 667**	**A$2.45**	**2 367 790**	**A$2.36**

Options granted were priced using a binomial option pricing model. Where options had a single exercise date the Black Scholes valuation model was used. Where options do not have a performance hurdle they were valued as American style options using the Cox Rubenstein Binomial model.

The expected life used in the model has been based on the assumption that employees remain with the company for the duration of the exercise period and exercise the options when financially optimal. This is not necessarily indicative of exercise patterns that may occur.

Historical volatility has been used for the purposes of the valuation. Expected volatility is based on the historical share price volatility using three years of traded share price data. As a result it reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the outcome.

Dividend yield has been assumed to be nil on the basis that no dividends have been declared for the 2011 or 2012 financial years due to the large ongoing capital commitment.

(ii) Balance at end of the period

The share options on issue at the end of the financial period had an exercise price of between A$0.00 and A$3.9445 and a weighted average remaining life of 4.75 years.

Performance Share Rights Plan

On July 12, 2012, the Managing Director and certain employees of the consolidated entity, as designated by the Board of Directors, were granted rights to common shares of the Company, OceanaGold Corporation. Each right entitles the holder to one common share upon exercise. The rights were issued for nil consideration and are subject to market-based performance conditions (based on various Total Shareholder Return (TSR) hurdles) and continuity of employment. The performance period is between January 1, 2012 and December 31, 2014 and the vesting and award date is March 31, 2015. The rights cannot be transferred without the Company's prior approval and right holders are not entitled to dividends of unvested rights.

(i) Performance share rights plan movements

The following table reconciles the outstanding rights granted under the performance share rights plan at the beginning and the end of the period:

WAEP = weighted average exercise price

	September 30, 2012		*December 31, 2011*	
	No.	**WAEP**	**No.**	**WAEP**
Outstanding at the start of the period	-	-	-	-
Granted	2 186 270	A$0.00	-	-
Forfeited	-	-	-	-
Exercised	-	-	-	-
Balance at the end of the period	**2 186 270**	A$0.00	**-**	**-**
Exercisable at the end of the period	**-**	**-**	**-**	**-**

Rights granted were priced using Monte Carlo simulation (using the Black-Scholes framework) to model the Company's future price and TSR performance against the comparator group at vesting date. Monte Carlo simulation is a procedure for randomly sampling changes in market variables in order to value derivatives. This simulation models the TSR of the comparator group jointly by taking into account the historical correlation of the returns of securities in the comparator group.

The expected life used in the model has been based on the assumption that right holders will act in a manner that is financially optimal and will remain with the company for the duration of the rights' life.

Historical volatility has been used for the purposes of the valuation. Expected volatility is a measure of the amount by which a price is expected to fluctuate during a period and is measured as the annualized standard deviation of the continuously compounded rates of return on the share over a period of time. The expected volatility of the Company and each company in the comparator group has been calculated using three years of historical price data. As a result it reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the outcome.

Dividend yield has been assumed to be nil on the basis that no dividends have been declared for the 2011 or 2012 financial years due to the large ongoing capital commitment.

16 CONTRIBUTED SURPLUS MOVEMENT

	September 30 2012 $'000	*December 31 2011 $'000*
Balance at start of period	36 951	33 677
Share based compensation expense	2 200	4,426
Forfeited options	(186)	(709)
Exercised options	(754)	(443)
Balance at end of period	38 211	36 951
Contributed surplus		
Employee stock based compensation	8 168	6 908
Shareholder options (lapsed on January 1, 2009)	18 083	18 083
Equity portion of Convertible notes	11 960	11 960
	38 211	36 951

17 OTHER RESERVES

	September 30 2012 $'000	*December 31 2011 $'000*
Foreign currency translation reserve[1]	35 914	14 027
Available-for-sale equity reserve[2]	57	-
Total other reserves	35 971	14 027

1. *Foreign currency translation reserve*
   The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

2. *Available-for-sale equity reserve*
   The available-for-sale equity reserve is used to record fair value differences on available-for-sale equity instruments. When an investment is derecognized, the cumulative gain or loss in equity is reclassified to profit or loss.

18 CONTINGENCIES

a. The consolidated entity has issued bonds in favor of various New Zealand authorities (Ministry of Economic Development – Crown Minerals, Otago Regional Council, Waitaki District Council, West Coast Regional Council, Buller District Council, Timberlands West Coast Limited and Department of Conservation) as a condition for the grant of mining and exploration privileges, water rights and/or resource consents, and rights of access for the Macraes Gold Mine and the Globe Progress Mine at the Reefton Gold Project which amount to approximately $31.29 million (December 31, 2011: $21.3 million).

b. The consolidated entity has provided a cash operating bond to the New Zealand Department of Conservation of $0.4 million (December 31, 2011: $0.3 million) which is refundable at the end of the Globe Progress mine. This amount is included in the total referred to in (a) above.

c. In the course of normal operations the consolidated entity may receive from time to time claims for damages including workers compensation claims, motor vehicle accidents or other items of similar nature. The consolidated entity maintains specific insurance policies to transfer the risk of such claims. No provision is included in the accounts unless the Directors believe that a liability has been crystallized. In those circumstances where such claims are material, have merit and are not covered by insurance, their financial effect is provided for in the financial statements.

d. The Group has provided a guarantee in respect of a capital lease agreement for certain mobile mining equipment entered into by a controlled entity. At September 30, 2012 the outstanding rental obligations under the capital lease are $61.18 million (December 31, 2011: $61.2 million). Associated with this guarantee are certain financial compliance undertakings by the Group, including gearing covenants.

e. The Group has provided guarantees in respect of the US$225m banking facilities (note 12). At September 30, 2012 the total outstanding balance under these facilities are US$20.0m (December 31, 2011: nil). Associated with this guarantee are certain financial compliance undertakings by the Group, including gearing covenants.

19 COMMITMENTS

Capital commitments

At September 30, 2012, the consolidated entity has commitments of $33.9 m (December 31, 2011 $40.8 m), principally relating to the development of mining facilities, and property, plant and equipment.

The commitments contracted for at reporting date, but not provided for:

	September 30 2012 $'000	*December 31 2011 $'000*
Within one year:		
-purchase of property, plant and equipment	32 987	3 333
- development of mining assets	880	37 465
	33 867	40 798

Other commitments

The Didipio Project is held under a Financial and Technical Assistance Agreement ("FTAA") granted by the Philippines Government in 1994. The FTAA grants title, exploration and mining rights with a fixed fiscal regime. Under the terms of the FTAA, after a period in which the company can recover development expenditure, capped at 5 years from the start of production, the Company is required to pay the Government of the Republic of the Philippines 60% of the "net revenue" earned from the Didipio Project. For the purposes of the FTAA, "net revenue" is generally the net revenues derived from mining operations, less deductions for, amongst other things, expenses relating to mining, processing, marketing, depreciation and certain specified overheads. In addition, all taxes paid to the Government and certain specified amounts paid to specified land claim owners shall be included as part of the 60% payable.

20 NON-CASH INVESTING AND FINANCING ACTIVITIES

	Three months ended		*Nine months ended*	
	September 30 2012 $'000	*September 30 2011 $'000*	*September 30 2012 $'000*	*September 30 2011 $'000*
Acquisition of plant and equipment by means of finance leases	2 944	1 540	9 236	9 758

21 EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing net income for the period attributable to common equity holders of the parent by the weighted average number of common shares outstanding during the period.

Diluted earnings per share amounts are calculated by dividing the net income attributable to common shareholders (after adding back interest on the convertible notes) by the weighted average number of common shares outstanding during the period (adjusted for the effects of dilutive options and dilutive convertible notes where the conversion to potential common shares would decrease earnings per share).

The following reflects the income and share data used in the total operations basic and diluted earnings per share computations:

	Three months ended		*Nine months ended*	
	September 30 2012 $'000	*September 30 2011 $'000*	*September 30 2012 $'000*	*September 2011 $'000*
Numerator:				
Net income attributable to equity holders from continuing operations (used in calculation of basic earnings per share)	(397)	10 912	(3 525)	29 831
Interest on convertible notes	2 923	2 857	8 729	8 565
Net income attributable to equity holders from continuing operations (used in calculation of diluted earnings per share)	2 526	13 769	5 204	38 396
	No. of shares '000	*No. of shares '000*	*No. of shares '000*	*No. of shares '000*
Denominator:				
Weighted average number of common shares (used in calculation of basic earnings per share)	262 972	262 601	262 871	262 367
Effect of dilution:				
Share options	4 270	2 607	3 275	3 352
Convertible notes	41 128	41 128	41 128	41 128
Adjusted weighted average number of common shares (used in calculation of diluted earnings per share)	308 370	306 336	307 274	306 847
Net earnings/(loss) per share:				
- basic and diluted	(0.00)	$0.04	(0.01)	$0.11

For the period to September 30, 2012, conversion of employee share options and convertible notes are anti-dilutive as they increase earnings per share.

22 RELATED PARTIES

There were no significant related party transactions during the period.

23 EVENTS OCCURRING AFTER THE REPORTING PERIOD

On October 3, 2012, the Company acquired 42,150,000 common shares of TSX listed explorer company Pacific Rim Mining Corporation, at C$0.10 per share in a private placement for a total sum of C$4,215,000, representing a 19.98% stake.

Other than discussed above, there have been no material subsequent events that have arisen since the end of the financial period to the date of this report that have not otherwise been dealt with.