OCEANAGOLD CORPORATION

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

THIRD QUARTER REPORT

SEPTEMBER 30TH, 2015

UNAUDITED

UNAUDITED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at September 30, 2015

(in United States dollars)	*Notes*	*September 30 2015 $'000*	*31 December 2014 $'000*
ASSETS			
Current assets			
Cash and cash equivalents		45,892	51,218
Trade and other receivables	5	32,667	31,544
Derivatives and other financial assets	6	-	5,867
Inventories	7	83,271	85,079
Prepayments		4,935	3,626
Total current assets		166,765	177,334
Non-current assets			
Trade and other receivables	5	59,596	54,928
Derivatives and other financial assets	6	10,575	6,247
Inventories	7	128,912	111,232
Deferred tax assets	8	18,667	9,092
Property, plant and equipment	9	271,728	295,697
Mining assets	10	240,173	264,666
Total non-current assets		729,651	741,862
TOTAL ASSETS		896,416	919,196
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Trade and other payables		68,930	63,466
Employee benefits	11	5,338	6,994
Derivatives and other financial liabilities	13	8,517	-
Interest-bearing loans and borrowings	12	10,848	14,995
Asset retirement obligations		1,046	-
Total current liabilities		94,679	85,455
Non-current liabilities			
Other obligations		1,829	1,797
Employee benefits	11	1,103	1,126
Interest-bearing loans and borrowings	12	88,090	103,079
Derivatives and other financial liabilities	13	1,927	-
Asset retirement obligations		27,774	32,265
Total non-current liabilities		120,723	138,267
TOTAL LIABILITIES		215,402	223,722
SHAREHOLDERS' EQUITY			
Share capital	14	653,185	650,557
Retained earnings/(accumulated losses)		(14,018)	(32,376)
Contributed surplus	17	41,132	41,388
Other reserves	18	715	35,905
TOTAL SHAREHOLDERS' EQUITY		681,014	695,474
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		896,416	919,196

On behalf of the Board of Directors:

James E. Askew
Director
29 October 2015

J. Denham Shale
Director
29 October 2015

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, 2015

(in United States dollars)	*Notes*	*Three months ended September 30 2015 $'000*	*Three months ended September 30 2014 $'000*	*Nine months ended September 30 2015 $'000*	*Nine months ended September 30 2014 $'000*
Revenue	4	109,581	122,838	364,373	420,673
Cost of sales, excluding depreciation and amortisation		(60,779)	(68,995)	(193,979)	(220,721)
Depreciation and amortisation		(29,430)	(30,651)	(88,795)	(95,450)
General and administration - merger and acquisition costs		(4,471)	-	(6,918)	-
General and administration - other		(9,062)	(7,870)	(25,062)	(25,616)
Operating profit/(loss)		5,839	15,322	49,619	78,886
Other expenses					
Interest expense and finance costs		(2,377)	(3,084)	(7,588)	(8,647)
Foreign exchange gain/(loss)		(269)	(2,509)	(2,629)	523
Gain/(loss) on disposal of property, plant and equipment		15	-	45	-
Gain/(loss) on fair value of available-for-sale assets		20	(24)	4	(888)
Total other expenses		(2,611)	(5,617)	(10,168)	(9,012)
Gain/(loss) on fair value of undesignated hedges		2,893	(5,284)	(21,905)	(10,895)
Interest income		123	104	539	393
Other income/(expense)		33	65	83	166
Profit/(loss) before income tax		6,277	4,590	18,168	59,538
Income tax benefit/(expense)		647	12,294	12,250	14,168
Net profit/(loss)		**6,924**	**16,884**	**30,418**	**73,706**
Other comprehensive income that can be reclassified to profit and loss in a future period, net of tax					
Currency translation gain/(loss)		(9,603)	(26,661)	(32,564)	(13,900)
Net change in fair value of available-for-sale assets		(2,424)	-	(2,626)	-
Available-for-sale reserve transferred to profit and loss		-	-	-	820
Total other comprehensive income/(loss) net of tax		**(12,027)**	**(26,661)**	**(35,190)**	**(13,080)**
Comprehensive income/(loss) attributable to shareholders		**(5,103)**	**(9,777)**	**(4,772)**	**60,626**
Net earnings/(loss) per share:					
- Basic	22	$0.02	$0.06	$0.10	$0.25
- Diluted	22	$0.02	$0.05	$0.10	$0.24

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

UNAUDITED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the quarter ended September 30, 2015

(in United States dollars)	***Share Capital***	***Contributed Surplus***	***Other Reserves***	***Retained Earnings/ (Accumulated Losses)***	***Total Equity***
	$'000	***$'000***	***$'000***	***$'000***	***$'000***
Balance at January 1, 2015	**650,557**	**41,388**	**35,905**	**(32,376)**	**695,474**
Comprehensive income/(loss) for the period	-	-	(35,190)	30,418	(4,772)
Employee share options:					
Share based payments	-	1,971	-	-	1,971
Forfeiture of options	-	(25)	-	-	(25)
Exercise of options	2,628	(2,202)	-	-	426
Dividends	-	-	-	(12,060)	(12,060)
Balance at September 30, 2015	**653,185**	**41,132**	**715**	**(14,018)**	**681,014**
Balance at January 1, 2014	**647,333**	**40,332**	**47,976**	**(143,911)**	**591,730**
Comprehensive income/(loss) for the period	-	-	(13,080)	73,706	60,626
Employee share options:					
Share based payments	-	2,006	-	-	2,006
Forfeiture of options	-	(261)	-	-	(261)
Exercise of options	4,326	(1,240)	-	-	3,086
Dividends	-	-	-	-	-
Balance at September 30, 2014	**651,659**	**40,837**	**34,896**	**(70,205)**	**657,187**

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

UNAUDITED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the quarter ended September 30, 2015

(in United States dollars)	*Three months ended* *September 30 2015 $'000*	*Three months ended* *September 30 2014 $'000*	*Nine months ended* *September 30 2015 $'000*	*Nine months ended* *September 30 2014 $'000*
Operating activities				
Net profit/(loss)	6,924	16,884	30,418	73,706
Charges/(credits) not affecting cash				
Depreciation and amortisation expense	29,430	30,651	88,795	95,450
Unrealised foreign exchange (gain)/loss	269	2,509	2,629	(523)
Stock based compensation charge	554	661	1,946	1,745
(Gain)/loss on fair value of undesignated hedges	(2,893)	5,284	21,905	10,895
Non-cash transaction costs	596	568	1,769	955
Future tax expense/(benefit)	(647)	(12,294)	(12,250)	(14,168)
Non-cash available for sale assets (gain)/loss	(20)	24	(4)	888
Changes in non-cash working capital				
(Increase)/decrease in trade and other receivables	(872)	(7,568)	(3,129)	(9,052)
(Increase)/decrease in inventory	(9,697)	(8,501)	(26,297)	(10,409)
(Decrease)/increase in accounts payable	3,811	2,421	10,004	6,312
(Decrease)/increase in other working capital	(3,654)	(2,430)	(6,497)	(1,572)
Net cash provided by/(used in) operating activities	23,801	28,209	109,289	154,227
Investing activities				
Payment for investment	(84)	-	(13,459)	-
Proceeds from sale of property, plant and equipment	15	-	45	-
Payment for property, plant and equipment	(1,427)	(4,674)	(4,401)	(8,214)
Payment for mining assets: exploration and evaluation	(837)	(698)	(2,672)	(1,820)
Payment for mining assets: development	(9,630)	(6,400)	(31,462)	(22,446)
Payment for mining assets: in production	(10,408)	(15,869)	(32,544)	(50,399)
Net cash provided by/(used in) for investing activities	(22,371)	(27,641)	(84,493)	(82,879)
Financing activities				
Proceeds from issue of shares	158	1,431	426	2,756
Dividends paid to external shareholders	-	-	(12,210)	-
Repayment of finance lease liabilities	(3,107)	(4,791)	(8,970)	(13,703)
Repayment of bank borrowings and other loans	(616)	(902)	(11,352)	(31,116)
Proceeds from borrowings	1,509	2,170	1,509	2,170
Net cash provided by/(used in) financing activities	(2,056)	(2,092)	(30,597)	(39,893)
Effect of exchange rates changes on cash gain/(loss)	(2,189)	2,138	475	(9,422)
Net increase/(decrease) in cash and cash equivalents	(2,815)	614	(5,326)	22,033
Cash and cash equivalents at the beginning of the period	48,707	46,207	51,218	24,788
Cash and cash equivalents at end of period	45,892	46,821	45,892	46,821
Cash interest paid	(1,184)	(1,719)	(4,108)	(6,291)
Cash interest received	123	104	539	393

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 the ultimate parent, and together with its subsidiaries, forms the OceanaGold Corporation consolidated group (the “Group”).

The Group is engaged in exploration and the development and operation of gold and other mineral mining activities. OceanaGold operates two open cut mines and an underground mine in New Zealand. The Group also operates an open cut gold-copper mine and is developing underground operations at Didipio in the Philippines.

The Group 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 Group’s annual financial statements for the year ended December 31, 2014, as they provide an update of previously reported information.

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

The unaudited interim consolidated financial statements were approved by the Board of Directors on 29 October 2015.

2 ACCOUNTING POLICIES EFFECTIVE FOR FUTURE PERIODS

The following accounting policies are effective for future periods:

IFRS 9 - Financial instruments
This standard will replace IAS 39, Financial Instruments: Recognition and Measurement. IFRS 9 has two classification categories: amortised cost and fair value.

Classification of debt assets will be driven by the entity’s business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. A ‘simple’ debt instrument is measured at amortised cost if: a) the objective of the business model is to hold the financial asset for the collection of the contractual cash flows, and b) the contractual cash flows under the instrument solely represent payments of principal and interest.

All other financial assets, including investments in complex debt instruments and equity investments must be measured at fair value.

All fair value movements on financial assets must be recognised in profit or loss except for equity investments that are not held for trading (short-term profit taking), which may be recorded in other comprehensive income (FVOCI).

For financial liabilities that are measured under the fair value option, entities will need to recognise the part of the fair value change that is due to changes in the entity’s own credit risk in other comprehensive income rather than profit or loss.

New hedging rules are also included in the standard. These will make testing for hedge effectiveness easier which means that more hedges are likely to be eligible for hedge accounting. The new rules will also allow more items to be hedged and relax the rules on using purchased options and non-derivative financial instruments as hedging instruments.

It also contains a new impairment model which will result in earlier recognition of losses. The amendment also modifies the relief from restating prior periods. As part of this relief, the board published an amendment to IFRS 7, ‘Financial instruments: Disclosure’, to require additional disclosures on transition from IAS 39 to IFRS 9.

This standard is effective for years beginning on/after January 1, 2018. The Group has not assessed the impact of this new standard.

IFRS 7 - Financial instruments - Disclosure
This standard has been amended to require additional disclosures on transition from IAS 39 to IFRS 9. It is effective on adoption of IFRS 9.

The mandatory effective date for IFRS 9 is for the years beginning on/after January 1, 2018. The Group will apply the standard accordingly.

2 ACCOUNTING POLICIES EFFECTIVE FOR FUTURE PERIODS (CONTINUED)

IAS 38 - Intangible assets
This standard is amended to clarify that the use of a revenue-based amortisation method is not appropriate and the presumption may only be rebutted in certain limited circumstances.

The standard is effective for years beginning on/after January 1, 2016. The Group does not expect any material impact of this amendment.

IFRS 15 - Revenue from contracts with customers
This standard deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service.

The standard replaces IAS 18 'Revenue' and IAS 11 'Construction contracts' and related interpretations. The standard is effective for annual periods beginning on or after 1 January 2018 and earlier application is permitted. The Group will adopt IFRS 15 accordingly where applicable.

IAS 28 - Investments in associates and joint ventures
This standard is amended to address the inconsistency between IFRS 10 and IAS 28. The main consequence of the amendments is that a full gain or loss is recognised when the transaction involves a business combination, and whereas a partial gain is recognised when the transaction involves assets that do not constitute a business.

This amendment is effective for years beginning on/after January 1, 2016. The Group will apply the standard accordingly.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Group.

3 CRITICAL 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 (Note 10) including capitalised 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 (Note 10) is capitalised 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. These assets are allocated based on the geographical location of the asset. To the extent that capitalised 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.

The Group defers mining costs incurred during the production stage of its operations. Changes in an individual mine's design will result in changes to the life of component ratios of production. Changes in other technical or economic parameters that impact reserves will also have an impact on the life of component production and cost profile even if they do not affect the mine design. Changes to deferred mining resulting from change in life of component ratios are accounted for prospectively.

(ii) Impairment of assets

The Group assesses each Cash-Generating Unit (CGU), to determine whether there is any indication of impairment or reversal. Where an indicator of impairment or reversal exists, a formal estimate of the recoverable amount is made, which is deemed as being the higher of the fair value less costs to sell and value in use calculated in accordance with accounting policy. These assessments require the use of estimates and assumptions such as discount rates, exchange rates, commodity prices (gold, copper and tungsten), sustaining capital requirements, operating performance (including the magnitude and timing of related cash flows), and future operating development from certain identified exploration targets where there is higher degree of confidence in the economic extraction of minerals.

3 CRITICAL ESTIMATES AND JUDGEMENTS (CONTINUED)

The recoverable amount of the New Zealand CGU is dependent on production from certain identified exploration targets. Should these projects prove to be uneconomic, the carrying value of the New Zealand CGU could be impaired by a significant amount.

(iii) Net realisable value of inventories

The Group reviews the carrying value of its inventories (Note 7) at each reporting date to ensure that the cost does not exceed net realisable value. Estimates of net realisable value include a number of assumptions and estimates, including grade of ore, commodity price forecasts, foreign exchange rates and costs to process inventories to a saleable product.

(iv) 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 and 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.

(v) 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.

(vi) Taxation

The Group’s accounting policy for taxation requires management’s judgement 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 Group recognises 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 recognised. In recognising these deferred tax assets, assumptions have been made regarding the Group’s ability to generate future taxable profits from current operations and successful development of certain identified exploration targets where there are higher degrees of confidence in the economic extraction of minerals.

Utilisation of the tax losses also depends on the ability of the entity to satisfy certain tests such as substantial change of control tests at the time the losses are recouped. If the entities fail to satisfy the tests, the carried forward losses that are currently recognised as deferred tax assets would have to be written off to income tax expense. There is an inherent risk and uncertainty in applying this judgement and a possibility that changes in legislation or corporate merger and acquisition activity will impact upon the carrying amount of deferred tax assets and deferred tax liabilities recognised on the statement of financial position. Deferred taxes are disclosed within Note 8 to the financial statements.

Moreover, in certain jurisdictions, tax losses may be restricted and only available to offset future profits generated from the same mining permit area. In this case, the recovery of the losses depends on the successful exploitation of the relevant project. Restricted losses could be forfeited if the project did not proceed. Disclosure of taxation is included in Note 8.

Certain input tax credits in overseas subsidiaries have been recognised as a non-current receivable (Note 5). The input tax credits are initially measured at cost, based on the interpretation of the terms and conditions of the relevant tax and investment law which allow for the recoverability of input taxes paid.

3 CRITICAL ESTIMATES AND JUDGEMENTS (CONTINUED)

In assessing the classification and recoverability of these input tax credits, the Group makes a number of assumptions which are subject to risk and uncertainty including the timing and likelihood of success in working through the required legal process in the relevant jurisdiction. The Group views these input tax credits as recoverable via a tax refund or a tax credit. Should management determine that, all or some of the input tax will not be recoverable via tax refund or credit in the future, the Group would reclassify eligible amounts to other components of non-current assets as allowable under the relevant accounting standard. Non-eligible amounts, where so determined, may have to be expensed in the relevant period.

(vii) Non-Controlling Interest

A third party has a contractual right to an 8% interest in the operating vehicle that is formed to undertake the management, development, mining and processing of ore, and marketing of products as part of the Didipio mine in the Philippines. This 8% interest in the common share capital of the operating vehicle has similar voting and dividend rights to the remaining majority, subject to the operating vehicle having fully recovered its pre-operating costs. A subsidiary of the Company is currently involved in arbitration proceedings with the third party over certain payment claims.

At the same time, the third party is also involved in a legal dispute with another party over the ownership of the 8% interest. At September 30, 2015 no such equity has been issued to any third party due to the uncertainty. Consequently, no non-controlling interest has been recognised. A non-controlling interest is intended to be recognised after the issue of shares and after the full recovery of pre-operating expenses.

4 REVENUE

	Three months ended		*Nine months ended*	
	September 30 2015 $'000	*September 30 2014 $'000*	*September 30 2015 $'000*	*September 30 2014 $'000*
Gold sales				
Bullion	60,754	55,867	206,306	215,464
Concentrate sales	24,955	25,768	80,677	84,471
	85,709	81,635	286,983	299,935
Copper sales				
Concentrate sales	28,284	46,378	91,216	135,987
Silver sales				
Concentrate sales	968	1,414	3,215	4,668
	114,961	129,427	381,414	440,590
Less concentrate treatment, refining and selling costs	(5,380)	(6,589)	(17,041)	(19,917)
Total Revenue	109,581	122,838	364,373	420,673

Realised loss on gold options hedges (Note 6) exercised for the quarter ended September 30, 2015 amounted to $2.2 million (September 30, 2014: $1 million gain). For the nine months ended September 30, 2015, the realised loss on gold options hedges (Note 6) exercised amounted to $3.3 million (September 30, 2014: $3.2 million gain). The realised loss or gain on gold options are included within Revenue - gold sales.

Provisional Sales

The Group has provisionally priced gold and copper concentrate sales for which price finalisation subject to quotational periods is outstanding at the reporting date. At September 30, 2015, the provisionally priced gold and copper concentrate sales subject to final settlement included a provisional pricing gain of $0.3 million (September 30, 2014: $0.9 million loss).

At September 30, 2015, the provisionally priced copper and gold sales for 38,914 dry metric tonnes of concentrate, subject to final settlement, were recorded at average prices of $5,042/t and $1,134/oz, respectively.

5 TRADE AND OTHER RECEIVABLES

	September 30 2015 $'000	*31 December 2014 $'000*
Current		
Trade receivables	27,634	26,970
Other receivables	5,033	4,574
	32,667	31,544
Non-Current		
Other receivables	59,596	54,928
	59,596	54,928

Other receivables mainly consist of input tax credits, with the remainder related to excise tax recoverable, deposits at bank in support of environmental bonds, deposits set out for rental of properties, and New Zealand carbon tax credits.

6 DERIVATIVES AND OTHER FINANCIAL ASSETS

	September 30 2015 $'000	*31 December 2014 $'000*
Current		
Gold put/call options (1)	-	4,057
Other assets (2)	-	1,810
	-	5,867
Non-Current		
Gold put/call options (1)	-	5,285
Available-for-sale financial assets (3)	10,575	962
	10,575	6,247
	10,575	12,114

(1) At September 30, 2015, this represents three series of bought gold put options with price range from NZ$1,500 to NZ$1,628 per ounce and three series of sold gold call options with price range from NZ$1,600 to NZ$1,736 per ounce. At September 30, 2015,170,649 ounces of gold options remained outstanding. These gold options are undesignated for hedging accounting purposes and accounted at fair value through the statement of comprehensive income.

At December 31, 2014, this represented four series of bought gold put options with average price range from NZ$1,500 to NZ$1,628 per ounce and four series of sold gold call options with average price range from NZ$1,600 to NZ$1,787 per ounce. At December 31, 2014, 296,948 ounces of gold options remained outstanding.

Put options strike price NZ$	Call options strike price NZ$	Ounces of gold outstanding at September 30, 2015	Ounces of gold outstanding at December 31, 2014	Expiring
1,600	1,787	-	22,770	Jun-2015
1,500	1,600	25,251	101,000	Dec-2015
1,600	1,736	125,718	153,498	Dec-2016
1,628	1,736	19,680	19,680	Dec-2016

(2) Represent the unamortised portion of establishment fees and other costs incurred in obtaining US$ banking facilities. These fees have been fully amortised at September 30, 2015.

(3) Represent investments in listed companies and shares in an unlisted private exploration entity.

7 INVENTORIES

	September 30 2015 $'000	*31 December 2014 $'000*
Current		
Gold in circuit	20,127	10,407
Ore - at cost	24,018	37,207
Ore - at net realisable value	4,113	-
Gold on hand	2,859	1,268
Gold and copper concentrate	3,256	2,342
Maintenance stores	28,898	33,855
	83,271	85,079
Non-Current		
Ore - at cost	116,342	91,809
Ore - at net realisable value	12,570	19,423
	128,912	111,232
Total inventories	212,183	196,311

During the quarter, there were $1.3 million of ore inventories written down (for the year ended December 31, 2014: $2.6 million).

8 DEFERRED INCOME TAX

	September 30 2015 $'000	*31 December 2014 $'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	31,142	34,578
Provisions	7,876	9,795
Accrued expenses	-	61
Gross deferred tax assets	39,018	44,434
Set off deferred tax liabilities	(20,351)	(35,342)
Net non-current deferred tax assets	18,667	9,092
Deferred tax liabilities		
Mining assets	(3,897)	(9,039)
Property, plant and equipment	(15,558)	(24,785)
Inventory	(896)	(1,518)
Gross deferred tax liabilities	(20,351)	(35,342)
Set off deferred tax assets	20,351	35,342
Net non-current deferred tax liabilities	-	-

9 PROPERTY, PLANT AND EQUIPMENT

	September 30, 2015				
	Land	**Buildings**	**Plant and equipment**	**Rehabilitation**	**Total**
	$'000	*$'000*	*$'000*	*$'000*	*$'000*
Net book value					
At December 31, 2014:					
Cost	11,784	36,649	584,283	24,855	657,571
Accumulated depreciation and impairment	-	(8,165)	(337,471)	(16,238)	(361,874)
At December 31, 2014	11,784	28,484	246,812	8,617	295,697
Movement for the period:					
Additions	-	7	4,815	1,110	5,932
Transfers from/(to) other categories	-	4,455	20,285	-	24,740
Disposals/write-off	-	-	-	-	-
Depreciation for the period	-	(1,720)	(34,750)	(3,708)	(40,178)
Exchange differences	(2,134)	(828)	(10,133)	(1,368)	(14,463)
At September 30, 2015	9,650	30,398	227,029	4,651	271,728
At September 30, 2015:					
Cost	9,650	39,624	542,818	21,326	613,418
Accumulated depreciation and impairment	-	(9,226)	(315,789)	(16,675)	(341,690)
	9,650	30,398	227,029	4,651	271,728

Net book value of assets under capital lease totalling $20 million are included under plant and equipment (December 31, 2014: $32.2 million). The assets under capital leases are pledged as security for capital lease liabilities.

10 MINING ASSETS

	September 30, 2015			
	Exploration and evaluation phase	**Development phase**	**In production**	**Total**
	$'000	*$'000*	*$'000*	*$'000*
Net book value				
At December 31, 2014:				
Cost	44,649	18,171	792,138	854,958
Accumulated amortisation and impairment	-	-	(590,292)	(590,292)
At December 31, 2014	44,649	18,171	201,846	264,666
Movement for the period:				
Additions	2,672	36,853	33,752	73,277
Transfers from/(to) other categories	-	(27,775)	3,035	(24,740)
Disposals/write-off	-	-	-	-
Amortisation for the period	-	-	(62,524)	(62,524)
Exchange differences	(2,506)	(482)	(7,518)	(10,506)
At September 30, 2015	44,815	26,767	168,591	240,173
At September 30, 2015:				
Cost	44,815	26,767	764,508	836,090
Accumulated amortisation and impairment	-	-	(595,917)	(595,917)
	44,815	26,767	168,591	240,173

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. The mining assets under development include the underground development and construction of the overhead powerline at Didipio in the Philippines.

11 EMPLOYEE BENEFITS

(a) Leave entitlements liability

	September 30 2015 $'000	*31 December 2014 $'000*
Aggregate employee benefit liability is comprised of:		
Employee benefits provision - current	5,338	6,994
Employee benefits provision - non-current	1,103	1,126
	6,441	8,120

(b) Defined contribution plans

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

12 INTEREST-BEARING LOANS AND BORROWINGS

	Maturity	*September 30 2015 $'000*	*31 December 2014 $'000*
Current			
Capital leases (1)	various	10,019	14,234
Other loan	04/30/2016	829	761
		10,848	14,995
Non-Current			
Capital leases (1)	various	10,290	15,279
US$ banking facilities (2)	various	77,800	87,800
		88,090	103,079

(1) *Capital Leases*
The Group has capital lease facilities in place with ANZ Banking Group, Caterpillar Finance, GE Finance, and Cable Price. These facilities have maturities between October 2015 to March 2018.

(2) *US$ banking facilities*
On June 27, 2014, the Group refinanced its corporate debt whereby the previous facilities were consolidated into a revolving credit facility for general working capital purposes. These facilities with a multinational banking syndicate involved a step down commitment to end by June 2017.

On July 28, 2015, the Company increased its revolving credit facility back to $225 million mainly for the purpose of funding the acquisition of Waihi Gold Mine in New Zealand. The restructured facility matures on July 1, 2018. Availability is subject to satisfaction of the conditions precedent to the acquisition of the Waihi Gold Mine. At September 30, 2015, this facility stood at $225 million with $77.8 million drawn and $147.2 million undrawn. As at October 1, 2015, the revolving credit facility limit stepped down to $210 million with undrawn facility of $132.2 million.

Assets pledged

As security for the Group's banking facilities, the Group's banking syndicate have been granted real property mortgages over titles relevant to the Macraes and Reefton Mines. They also have the ability to enter into real property and chattel mortgages in respect of the Didipio project, and be assigned the Financial or Technical Assistance Agreement, subject to the requirements of applicable laws. Furthermore, certain subsidiaries of the Group have granted security in favour of the banking syndicate over their assets which include shares that they own in various other subsidiaries of the Group.

13 DERIVATIVES AND OTHER FINANCIAL LIABILITIES

	September 30 2015 $'000	*31 December 2014 $'000*
Current		
Gold put/call options (1)	8,517	-
	8,517	-
Non-Current		
Gold put/call options (1)	1,927	-
	1,927	-

1. The gold put/call options that give rise to the derivative liabilities are detailed in Note 6.

14 SHARE CAPITAL

Movement in common shares on issue

	September 30 2015 Thousand shares	*September 30 2015 $'000*	*31 December 2014 Thousand shares*	*31 December 2014 $'000*
Balance at the beginning of the period	301,520	650,557	300,350	647,333
Options exercised	2,158	2,628	1,170	3,224
Balance at the end of the period	303,678	653,185	301,520	650,557

Common shares holders 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. Common shares have no par value and are all fully paid. The Company has not established a maximum number for authorised shares.

Each CHESS Depository Interest (“CDI”) represents a beneficial interest in a common share in the Company. CDI holders have the same rights as holders of common shares except that they must confirm their voting intentions by proxy before the meeting of the Company.

The Company has share option and rights schemes under which options and rights to subscribe for the Company’s shares have been granted to executives and management.

15 SEGMENT INFORMATION

The Group'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 Group and the way in which the Group's management reviews business performance. The Group sells its gold bullion to a mint in Australia and sells its gold-copper concentrate to a commodity trader in Singapore. Gold bullion is produced in New Zealand and the Philippines and gold-copper concentrate is produced in the Philippines.

	New Zealand	Phillippines	All other segments	Elimination	Total
Quarter ended September 30, 2015	$'000	$'000	$'000	$'000	$'000
Revenue					
Sales to external customers	55,287	54,294	-	-	109,581
Inter segment management and gold handling fees	-	-	115	(115)	-
Total segment revenue	55,287	54,294	115	(115)	109,581
Result					
Segment result excluding unrealised hedge gains/ (losses) and depreciation and amortisation	17,559	25,971	(8,462)	-	35,068
Depreciation and amortisation	(14,652)	(14,614)	(164)	-	(29,430)
Inter segment management and gold handling fees	(115)	-	115	-	-
Gain/(loss) on fair value of derivative instruments	2,893	-	-	-	2,893
Total segment result before interest and tax	5,685	11,357	(8,511)	-	8,531
Net interest expense					(2,254)
Income tax (expense)/benefit					647
Net profit/(loss) for the period					6,924

	New Zealand	Phillippines	All other segments	Elimination	Total
Nine months ended September 30, 2015	$'000	$'000	$'000	$'000	$'000
Revenue					
Sales to external customers	180,816	183,557	-	-	364,373
Inter segment management and gold handling fees	-	-	367	(367)	-
Total segment revenue	180,816	183,557	367	(367)	364,373
Result					
Segment result excluding unrealised hedge gains/ (losses) and depreciation and amortisation	56,158	101,238	(21,479)	-	135,917
Depreciation and amortisation	(55,496)	(32,846)	(453)	-	(88,795)
Inter segment management and gold handling fees	(367)	-	367	-	-
Gain/(loss) on fair value of derivative instruments	(21,905)	-	-	-	(21,905)
Total segment result before interest and tax	(21,610)	68,392	(21,565)	-	25,217
Net interest expense					(7,049)
Income tax (expense)/benefit					12,250
Net profit/(loss) for the period					30,418
Assets					
Total segment assets as at September 30, 2015	198,032	646,150	52,234	-	896,416

15 SEGMENT INFORMATION (CONTINUED)

	New Zealand	Phillippines	All other segments	Elimination	Total
Quarter ended September 30, 2014	$'000	$'000	$'000	$'000	$'000
Revenue					
Sales to external customers	52,049	70,789	-	-	122,838
Inter segment management and gold handling fees	-	-	102	(102)	-
Total segment revenue	52,049	70,789	102	(102)	122,838
Result					
Segment result excluding unrealised hedge gains/ (losses) and depreciation and amortisation	4,672	43,381	(4,548)	-	43,505
Depreciation and amortisation	(23,224)	(7,279)	(148)	-	(30,651)
Inter segment management and gold handling fees	(102)	-	102	-	-
Gain/(loss) on fair value of derivative instruments	(5,284)	-	-	-	(5,284)
Total segment result before interest and tax	(23,938)	36,102	(4,594)	-	7,570
Net interest expense					(2,980)
Income tax (expense)/benefit					12,294
Net profit/(loss) for the period					16,884

	New Zealand	Phillippines	All other segments	Elimination	Total
Nine months ended September 30, 2014	$'000	$'000	$'000	$'000	$'000
Revenue					
Sales to external customers	199,648	221,025	-	-	420,673
Inter segment management and gold handling fees	-	-	384	(384)	-
Total segment revenue	199,648	221,025	384	(384)	420,673
Result					
Segment result excluding unrealised hedge gains/ (losses) and depreciation and amortisation	52,176	134,867	(12,906)	-	174,137
Depreciation and amortisation	(73,719)	(21,571)	(160)	-	(95,450)
Inter segment management and gold handling fees	(384)	-	384	-	-
Gain/(loss) on fair value of derivative instruments	(10,895)	-	-	-	(10,895)
Total segment result before interest and tax	(32,822)	113,296	(12,682)	-	67,792
Net interest expense					(8,254)
Income tax (expense)/benefit					14,168
Net profit/(loss) for the period					73,706
Assets					
Total segment assets as at September 30, 2014	280,556	604,894	24,629	-	910,079

16 STOCK-BASED COMPENSATION

(a) Executive share options plan

Directors, executives and certain senior members of staff of the Group 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, 2015*		*December 31, 2014*	
	No.	**WAEP**	**No.**	**WAEP**
Outstanding at the start of the period	3,733,940	A$2.71	5,785,975	A$2.52
Expired	(49,664)	A$2.87	(881,976)	A$2.58
Exercised	(329,847)	A$1.86	(1,170,059)	A$1.75
Balance at the end of the period	**3,354,429**	**A$2.79**	**3,733,940**	**A$2.71**
Exercisable at the end of the period	**3,354,429**	**A$2.79**	**3,607,274**	**A$2.72**

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 not necessarily be the outcome.

Dividend yield is assumed to be nil on the basis that no dividends have been declared prior to the grant date.

(ii) Balance at the 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$3.94 and a weighted average remaining life of 2.33 years.

(b) Performance share rights plan

The Managing Director and certain employees of the Group, as designated by the Board of Directors, have been 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 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:

16 STOCK-BASED COMPENSATION (CONTINUED)

(b) Performance share rights plan (continued)

WAEP = weighted average exercise price

.	*September 30, 2015*		*December 31, 2014*	
	No.	**WAEP**	**No.**	**WAEP**
Outstanding at the start of the period	4,953,687	A$0.00	3,582,625	A$0.00
Granted	1,992,861	A$0.00	1,886,923	A$0.00
Forfeited	(48,658)	A$0.00	(515,861)	A$0.00
Exercised	(1,712,698)	A$0.00	-	-
Balance at the end of the period	**5,185,192**	**A$0.00**	**4,953,687**	**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 annualised 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 had been assumed to be nil for grants prior to December 31, 2014 on the basis that no dividends had been declared prior to the 2014 financial year. For the grant in 2015, a dividend yield of 1% has been assumed in the valuation.

(ii) Balance at end of the period

The share options on issue at the end of the financial period had an exercise price of A$0.00 and a weighted average remaining life of 1.58 years.

(c) Stock options

An evergreen incentive stock option plan was introduced into the Group following the acquisition of Pacific Rim. The plan was adopted by Pacific Rim on August 29, 2006, whereby the maximum number of shares reserved for grant to Eligible Parties under the 2006 Plan is equal to 10% of the number of shares outstanding at the time of the grant. This plan remains a Pacific Rim plan but the options are exercisable into OceanaGold shares at the ratio of 0.04006 for every Pacific Rim option in accordance with the Plan of Arrangement.

(i) Evergreen incentive stock option plan movements

The following table reconciles the outstanding rights granted under the evergreen incentive stock option plan at the beginning and the end of the period:

.	*September 30, 2015*		*December 31, 2014*	
	No.	**WAEP**	**No.**	**WAEP**
Outstanding at the start of the period	3,795,000	C$0.17	11,921,667	C$0.16
Forfeited	-	-	(581,667)	C$0.18
Expired	(1,905,000)	C$0.18	(7,545,000)	C$0.16
Balance at the end of the period	**1,890,000**	**C$0.16**	**3,795,000**	**C$0.17**
Exercisable at the end of the period	**1,890,000**	**C$0.16**	**3,795,000**	**C$0.17**

16 STOCK-BASED COMPENSATION (CONTINUED)

(c) Stock options (continued)

Options granted were valued using the Black-Scholes option pricing model. For employees, the Company recognises stock-based compensation expense based on the estimated fair value of the options on the date of the grant. For non-employees, the fair value of the options is based on the fair value of services received and recognised at the time of services rendered.

The fair value of the options is recognised over the vesting period of the options granted as stock-based compensation expense and corresponding adjustment to contributed surplus.

The number of options expected to vest is periodically reviewed and the estimated option forfeiture rate is adjusted as required throughout the life of the option. Upon exercise these amounts are transferred to share capital.

The expected life of the option is based on the historical activity of each specific class of option holder which includes directors, officers, employees and consultants.

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 annualised standard deviation of the continuously compounded rates of return on the share over a period of time. The expected volatility of Pacific Rim has been calculated using historical price data based on the estimated life of the options. 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 had been assumed to be nil on the basis that no dividends had been declared prior to the grant date.

The risk-free rate for the expected term of the option was based on the Government of Canada yield curve in effect at the time of the grant.

(ii) Balance at the end of the period

The share options on issue at the end of the financial period had an exercise price of between C$0.11 and C$0.21 and a weighted average remaining life of 1.13 years.

17 CONTRIBUTED SURPLUS MOVEMENT

	September 30 2015 $'000	*31 December 2014 $'000*
Balance at start of period	41,388	40,332
Share based compensation expense	1,971	2,621
Forfeited options	(25)	(325)
Exercised options	(2,202)	(1,240)
Balance at end of the period	41,132	41,388

Contributed surplus		
Employee stock based compensation	11,089	11,345
Shareholder options (lapsed on January 1, 2009)	18,083	18,083
Equity portion of convertible notes	11,960	11,960
	41,132	41,388

18 OTHER RESERVES

	September 30 2015 $'000	*31 December 2014 $'000*
Foreign currency translation (1)	3,341	35,905
Available-for-sale equity reserve (2)	(2,626)	-
Total other reserves	715	35,905

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 derecognised, the cumulative gain or loss in equity is reclassified to profit or loss.

19 CONTINGENCIES

(a) In 2009, Pacific Rim, now a wholly owned subsidiary of the Company, filed an arbitration claim with the International Centre for the Settlement of Investment Disputes (ICSID) in Washington D.C. in accordance with the El Salvador Investment Law, seeking monetary compensation from the Government of El Salvador ("GOES"). This followed the passive refusal of the GOES to issue a decision on Pacific Rim's application for environmental and mining permits for El Dorado. The hearing of the substantive issues took place in September 2014 and the parties are now awaiting a decision from the ICSID Tribunal. Notwithstanding the current arbitration, OceanaGold will continue to seek a negotiated resolution to the El Dorado permitting impasse. If the Company is unsuccessful in obtaining a permit for El Dorado or in its arbitration claim, or is impacted by other factors beyond the control of the Company, this would adversely impact the activities in El Salvador and could result in impairment.

(b) The Department of Environment and Natural Resources of the Philippines ("DENR"), along with a number of mining companies (including OceanaGold (Philippines), Inc.), are parties to a case that was filed in 2008 whereby a group of Non-Governmental Organisations (NGOs) and individuals challenged the constitutionality of the Philippines Mining Act ("Mining Act"), the Financial or Technical Assistance Agreements ("FTAAs") and the Mineral Production Sharing Agreements ("MPSAs") in the Philippines Supreme Court. After some years of slow development, the case proceeded to oral hearing in 2013 and is currently awaiting a decision from the Supreme Court.

Notwithstanding the fact that the Supreme Court has previously upheld the constitutionality of both the Mining Act and the FTAAs, the Company is mindful that litigation is an inherently uncertain process and the outcome of the case may adversely affect the operation and financial position of the Company. At this stage, it is not possible to identify the potential orders of the Court nor to quantify the possible impact. The Company is working closely with the DENR, the other respondents in the case, and the mining industry to defend the Mining Act and the validity of its FTAA.

(c) A wholly owned subsidiary of the Company is party to an addendum agreement with a syndicate of original claim owners, led by Mr J. Gonzales, in respect of a portion of the FTAA area ("Addendum Agreement"). Certain disputed claims for payment and other obligations under the Addendum Agreement made by Gonzales are subject to arbitration proceedings, which are presently suspended due to the irrevocable resignation of the arbitrator. Mr. Gonzales passed away in late 2014 and the Company expects to be informed of the substitute party in the arbitration proceedings in due course. Further, a third party is also disputing Mr. Gonzales' interest in the Didipio Project. The Company is awaiting on the outcome of any determination or settlement negotiation pertaining to Gonzales' claim as against the third party before proceeding with this matter.

(d) The Company operates in a number of jurisdictions. In the normal course of operations, the Company is occasionally subject to claims or litigations. The Company deals with these claims as and when they arise. Other than as disclosed in these financial statements and other public filings, there are no claims that the Company believes will result in material losses as at the date of these financial statements.

(e) The Group has issued bonds in favour 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 $28.5 million (December 31, 2014: $34.6 million).

19 CONTINGENCIES (CONTINUED)

(f) The Group has provided a cash operating bond to the New Zealand Department of Conservation of $0.3 million (December 31, 2014: $0.4 million) which is refundable at the end of the Globe Progress mine. This amount is included in the total referred to in (e) above.

(g) In the normal course of operations the Group may receive from time to time claims for damages including workers' compensation claims, motor vehicle accidents or other items of similar nature. The Group 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 crystallised. In those circumstances where such claims are of material effect, have merit and are not covered by insurance, their financial effect is provided for within the financial statements.

(h) 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, 2015 the outstanding rental obligations under the capital lease are $20.3 million (December 31, 2014: $31.2 million). Associated with this guarantee are certain financial compliance undertakings by the Group, including gearing covenants.

(i) The Group has provided guarantees in respect of the $225 million banking facilities (Note 12). At September 30, 2015 the total outstanding balance under these facilities was $77.8 million (December 31, 2014: $87.8 million). Associated with this guarantee are certain financial compliance undertakings by the Group, including gearing covenants.

20 COMMITMENTS

Capital commitments

At September 30, 2015, the Group has commitments of $8.3 million (31 December, 2014: $16.8 million), principally relating to the purchase of property, plant and equipment and the development of mining assets mainly in the Philippines.

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

	September 30 2015 $'000	*31 December 2014 $'000*
Within one year:		
- purchase of property, plant and equipment	814	13,458
- development of mining assets	7,529	3,388
	8,343	16,846

Other commitments

The Didipio Project is held under a Financial or 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 Group can recover development expenditure, capped at 5 years from the start of production and a further 3 years over which any remaining balance is amortised, 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 land claim owners are included as part of the calculation of 60% payable.

21 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method.

The different levels have been defined as follows:
- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2). Valuations are obtained from issuing institutions.
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

21 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

September 30, 2015	**Level 1** $'000	**Level 2** $'000	**Level 3** $'000	**Total** $'000
Recurring measurements				
Derivatives embedded in accounts receivable	-	256	-	256
Available-for-sale financial assets and investments	9,669	-	906	10,575
Total assets	9,669	256	906	10,831
Derivative financial liabilities				
Gold put/call options	-	10,444	-	10,444
Total liabilities	-	10,444	-	10,444

31 December, 2014	**Level 1** $'000	**Level 2** $'000	**Level 3** $'000	**Total** $'000
Recurring measurements				
Derivatives embedded in accounts receivable	-	(1,407)	-	(1,407)
Available-for-sale financial assets and investments	56	-	906	962
Gold put/call options	-	9,342	-	9,342
Total assets	56	7,935	906	8,897

22 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 by the weighted average number of common shares outstanding during the period (adjusted for the effects of dilutive options 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 2015 $'000	*September 30 2014 $'000*	*September 30 2015 $'000*	*September 30 2014 $'000*
Numerator:				
Net income/(loss) attributable to equity holders from continuing operations (used in calculation of basic and diluted earnings per share)	6,924	16,884	30,418	73,706
	Thousands	*Thousands*	*Thousands*	*Thousands*
Denominator:				
Weighted average number of common shares (used in calculation of basic earnings per share)	303,677	300,576	303,152	300,816
Effect of dilution:				
Share options	6,205	7,983	5,918	6,363
Adjusted weighted average number of common shares (used in calculation of diluted earnings per share)	309,882	308,559	309,070	307,179
Net earnings/(loss) per share:				
- Basic	$0.02	$0.06	$0.10	$0.25
- Diluted	$0.02	$0.05	$0.10	$0.24

23 RELATED PARTIES

There were no significant related party transactions during the period.

24 EVENTS OCCURRING AFTER THE REPORTING PERIOD

Subsequent to the quarter end, on October 1, 2015, the Company acquired all of the issued and outstanding common shares of Romarco Minerals Inc. ("Romarco"), in an all-share transaction completed by way of a statutory Plan of Arrangement ("Arrangement") under the Business Corporations Act (British Columbia). Under the terms of the Arrangement, Romarco shareholders received 0.241 of an OceanaGold common share for each Romarco common share. As a result, the Company issued 299,506,089 OceanaGold common shares to Romarco shareholders. The Company also issued 9,646,500 unlisted Romarco replacement options.

On October 12, 2015, the Company received the approval of the New Zealand's Overseas Investment Office (OIO) for the acquisition of Newmont Waihi Gold Limited, from Newmont Mining Corporation ("Newmont"). The completion of the transaction is anticipated to take place on October 30, 2015.

The Company has commenced the purchase price accounting for the above transactions, and is also assessing the availability of carried forward tax losses following those transactions.

Other than the matters noted above, there have been no subsequent events that have arisen since the end of the financial period to the date of this report.