First Quarter 2016 Results

April 28, 2016

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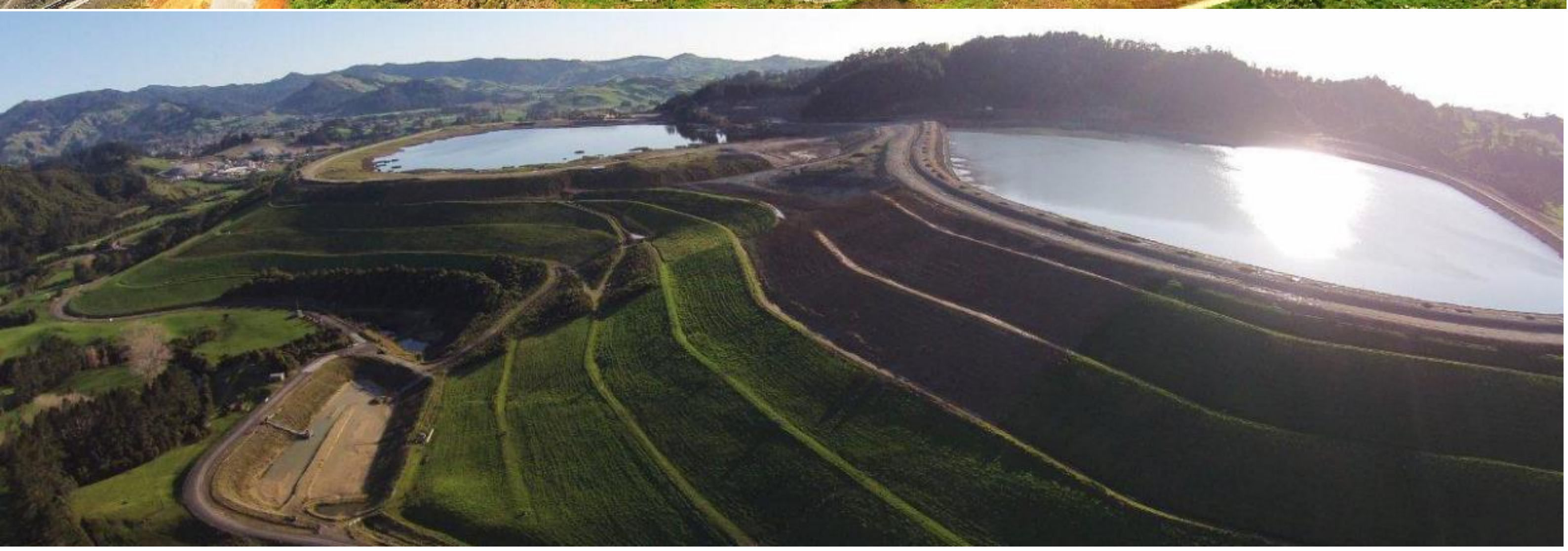


CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION IN MANAGEMENT DISCUSSION & ANALYSIS

This Management Discussion & Analysis contains “forward-looking statements and information” within the meaning of applicable securities laws which may include, but is not limited to, statements with respect to the future financial and operating performance of the Company, its subsidiaries and affiliated companies, its mining projects, the future price of gold, the estimation of mineral reserves and mineral resources, the realisation of mineral reserve and resource estimates, costs of production, estimates of initial capital, sustaining capital, operating and exploration expenditures, costs and timing of the development of new deposits, costs and timing of the development of new mines, costs and timing of future exploration and drilling programs, timing of filing of updated technical information, anticipated production amounts, requirements for additional capital, governmental regulation of mining operations and exploration operations, timing and receipt of approvals, consents and permits under applicable mineral legislation, environmental risks, title disputes or claims, limitations of insurance coverage and the timing and possible outcome of pending litigation and regulatory matters. Often, but not always, forward-looking statements and information can be identified by the use of words such as “may”, “plans”, “expects”, “projects”, “is expected”, “budget”, “scheduled”, “potential”, “estimates”, “forecasts”, “intends”, “targets”, “aims”, “anticipates” or “believes” or variations (including negative variations) of such words and phrases, or may be identified by statements to the effect that certain actions, events or results “may”, “could”, “would”, “should”, “might” or “will” be taken, occur or be achieved. Forward-looking statements and information involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company and/or its subsidiaries and/or its affiliated companies to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, future prices of gold; general business, economic and market factors (including changes in global, national or regional financial, credit, currency or securities markets), changes or developments in global, national or regional political and social conditions; changes in laws (including tax laws) and changes in GAAP or regulatory accounting requirements; the actual results of current production, development and/or exploration activities; conclusions of economic evaluations and studies; fluctuations in the value of the United States dollar relative to the Canadian dollar, the Australian dollar, the Philippines Peso or the New Zealand dollar; changes in project parameters as plans continue to be refined; possible variations of ore grade or recovery rates; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the mining industry; political instability or insurrection or war; labour force availability and turnover; adverse judicial decisions, delays in obtaining financing or governmental approvals or in the completion of development or construction activities or in the commencement of operations; as well as those factors discussed in the section entitled “Risk Factors” contained in the Company’s Annual Information Form in respect of its fiscal year-ended December 31, 2015, which is available on SEDAR at www.sedar.com under the Company’s name. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements and information, there may be other factors that cause actual results, performance, achievements or events to differ from those anticipated, estimated or intended. Also, many of the factors are outside or beyond the control of the Company, its officers, employees, agents or associates. Forward-looking statements and information contained herein are made as of the date of this Management Discussion & Analysis and, subject to applicable securities laws, the Company disclaims any obligation to update any forward-looking statements and information, whether as a result of new information, future events or results or otherwise. There can be no assurance that forward-looking statements and information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements and information due to the inherent uncertainty therein. All forward-looking statements and information made herein are qualified by this cautionary statement. This Management Discussion & Analysis may use the terms “Measured”, “Indicated” and “Inferred” Resources. U.S. investors are advised that while such terms are recognised and required by Canadian regulations, the Securities and Exchange Commission does not recognise them. “Inferred Resources” have a great amount of uncertainty as to their existence and as to their economic and legal feasibility. It cannot be assumed that all or any part of an Inferred Resources will ever be upgraded to a higher category. Under Canadian rules, estimates of Inferred Resources may not form the basis of feasibility or other economic studies. U.S. investors are cautioned not to assume that all or any part of Measured or Indicated Resources will ever be converted into reserves. U.S. investors are also cautioned not to assume that all or any part of an Inferred Resource exists, or is economically or legally mineable. This document does not constitute an offer of securities for sale in the United States or to any person that is, or is acting for the account or benefit of, any U.S. person (as defined in Regulation S under the United States Securities Act of 1933, as amended (the “Securities Act”)) (“U.S. Person”), or in any other jurisdiction in which such an offer would be unlawful.

Technical Disclosure

The exploration results and other scientific and technical information contained in this document were prepared in accordance with the standards set out in the 2012 Edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’ (“JORC Code”) and in accordance with National Instrument 43-101 – Standards of Disclosure for Mineral Projects of the Canadian Securities Administrators (“NI 43-101”). Information relating to Haile exploration results has been verified by, is based and fairly represents information compiled by or prepared under the supervision of James Berry, a Registered Member of the Society for Mining, Metallurgy and Exploration and an employee of OceanaGold’s wholly owned subsidiary Haile Gold Mine, Inc. Other scientific and technical information contained in this document has been verified by, is based and fairly represents information compiled by or prepared under the supervision of Jonathan Moore, an employee of Oceana Gold (New Zealand) Limited. J. Moore has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the JORC Code and is a Qualified Person for the purposes of the NI 43-101. J. Moore consents to the inclusion in this public report of the matters based on his information in the form and context in which it appears.

For further scientific and technical information (including disclosure regarding mineral resources and mineral reserves) relating to the Haile Project, the Waihi mine, the Macraes mine and the Didipio mine please refer to the NI 43-101 compliant technical reports available at sedar.com under the Company’s name. For further scientific and technical information (including disclosure regarding mineral resources and mineral reserves) relating to the El Dorado property please refer to the reports publicly available on SEDAR (www.sedar.com) prepared for Pacific Rim.

Management Discussion and Analysis for the quarter ended March 31, 2016

HIGHLIGHTS

- Consolidated production of 122,782 ounces of gold and 5,972 tonnes of copper.
- Achieved record quarterly gold production at Didipio with 46,811 ounces produced.
- Consolidated All-In Sustaining Costs of $716 per ounce and cash costs of $436 per ounce on sales of 117,387 ounces of gold and 4,745 tonnes of copper.
- Reported revenue of $161.1 million with an EBITDA of $77.9 million and a net profit of $23.5 million.
- Announced significant, high-grade drill results at Haile and Waihi.
- Announced 80% year-on-year increase in Proven and Probable Reserves and increase in mine life at Macraes and Waihi.
- Received the renewal of the exploration permit for the broader Financial or Technical Assistance Agreement (‘FTAA’) region in the Philippines.
- Acquired a 19.9% equity position in TSXV-listed NuLegacy Gold Corporation, currently exploring in Nevada, USA subsequent to the quarter end.
- Reduced the Total Recordable Injury Frequency Rate to 2.57 per million man hours worked while accumulating over 8.5 million man hours worked without a Lost-Time Injury.

Notes:

- All statistics are compared to the preceding quarter unless otherwise stated.
- OceanaGold has adopted USD as its presentation currency and all numbers in this document are expressed in USD unless otherwise stated.
- Cash costs, All-In Sustaining Costs, Cash Operating Margin and EBITDA (Earnings before interest, taxes, depreciation and amortisation, excluding gain/(loss) on undesignated hedges) are non-GAAP measures. Refer to page 23 for explanation of non-GAAP measures.
- Cash costs and All-In Sustaining Costs are reported net of by-product credits unless otherwise stated.
- All-In Sustaining Costs are based on the methodology outlined by the World Gold Council. Capital costs associated with expansionary growth are excluded from this calculation.
- OceanaGold’s results for the quarter ended December 31, 2015 include the results of Romarco Minerals Inc. and Waihi Gold Mine as from the relevant dates of legal close, which was October 1, 2015 and October 30, 2015, respectively.

Management Discussion and Analysis for the quarter ended March 31, 2016

OVERVIEW

Operating Results

In the first quarter, the Company produced 122,782 ounces of gold and 5,972 tonnes of copper, both higher than in the previous quarter. The increase in gold production was mainly attributable to record quarterly gold production at Didipio and slightly higher production from Waihi partly offset by lower production at Macraes and Reefton.

On a consolidated basis, the Company recorded AISC of $716 per ounce on sales of 117,387 ounces of gold and 4,745 tonnes of copper. Consolidated cash costs for the quarter were $436 per ounce sold, which was similar to the previous quarter.

At Didipio, the operation achieved record quarterly gold production of 46,811 ounces and produced 5,972 tonnes of copper. The quarter-on-quarter increase in gold production was mainly attributable to record quarterly mill feed and from mine sequencing whereby the operation was mining higher grade zones of Stage 5 of the open pit. For the quarter, Didipio's cash costs were negative $1 per ounce on sales of 37,061 ounces of gold and 4,745 tonnes of copper.

In the first quarter, the Waihi operation produced 36,983 ounces of gold, which was slightly higher than the previous quarter on the back of a higher feed grade. The quarterly increase in production was partly offset by lower mill feed. Waihi's first quarter cash costs were $452 per ounce on gold sales of 36,758 ounces.

At Macraes and Reefton, the Company produced 38,988 ounces of gold. The decrease on the previous quarter was a result of slightly lower production from Macraes and significantly lower production from Reefton which transitioned to care and maintenance at the end of February. Combined cash costs at Macraes and Reefton were $793 per ounce on gold sales of 43,568 ounces.

Financial Results

In the first quarter, the Company reported revenue of $161.1 million and EBITDA of $77.9 million which was an increase from the previous quarter due mainly to higher sales. Net profit was $23.5 million for the first quarter which was an increase on the previous quarter.

In the quarter, the cash balance decreased by $67.6 million to $117.9 million which was mainly due to construction expenditures at Haile and additional investment of $9.9 million in Gold Standard Ventures ("GSV"). The Company's operating cash flow for the quarter was $31.7 million. As at the end of the first quarter, the Company held $41.5 million in investments in listed companies.

Growth

In the first quarter, the Company continued to advance the construction of the Haile Gold Mine and Didipio underground development.

Through a comprehensive review, the Company announced enhancements to the mining operation and process plant design at Haile. These changes included the use of bucket excavators instead of front-end loaders to minimise mine dilution and RC drilling for grade control purposes. At the process plant, the Company has made the provision for a ROM pad designed to optimise mill feed by blending to achieve a constant feed grade to the mill and upgraded the flash flotation cell to a larger, more reliable and tested technology.

To ensure the on-time completion of the project, the Company has made revisions to some of its contracts. With all of these changes outlined, the capital cost estimate has increased to $380 million from the $333 million budget set by Romarco Minerals in December 2014. The schedule remains unchanged and the Company expects to process first ore through the mill by the end of 2016 with commercial production expected early in 2017.

In the first quarter, the Company continued its extensive exploration program focused on resource conversion and extension at Waihi, infill and extensional drilling at Haile and drilling of primary targets within the Macraes Goldfield. In the quarter, the Company announced updated drill results at Haile and Waihi with significant high grade intercepts at both locations.

At the end of the quarter, the Company announced an updated Resource and Reserve Statement that reflected an 80% increase in Proven and Probable Reserves year-on-year mainly from the acquisitions of Haile and Waihi and extensions at Macraes and Waihi. The Company also announced its FTAA exploration permit renewal in the Philippines, a significant outcome that will allow drilling of targets in the broader region around the Didipio operation.

Early in the second quarter, the Company announced that by way of a private placement, it had made a strategic investment of approximately C$6.7 million to acquire a 19.9% equity stake in NuLegacy Gold Corporation ('NuLegacy'), a TSX Venture listed exploration company. NuLegacy is currently exploring on their Iceberg Project located in the prolific Cortez gold trend in Nevada.

Outlook

Looking ahead, the Company expects production to be stronger in the first half of 2016 due mainly to mine sequencing whereby higher grades are mined at Didipio and Waihi.

The Company will continue to advance its development projects while focusing on organic growth opportunities through exploration, technical and economic studies and mine optimisation at Haile and Waihi.

Table 1 – Production and Cost Results Summary

		Didipio	Waihi	Macraes and Reefton	Consolidated	
First Quarter 2016 Results					**Q1 2016**	**Q4 2015***
Gold Produced	*ounces*	46,811	36,983	38,988	122,782	119,500
Copper Produced	*tonnes*	5,972	–	–	5,972	5,591
Gold Sales	*ounces*	37,061	36,758	43,568	117,387	125,246
Copper Sales	*tonnes*	4,745	–	–	4,745	5,597
Cash Costs	*$ per ounce*	(1)	452	793	436	441
All-In Sustaining Costs	*$ per ounce*	391	631	1,064	716	-

**Note: This includes the actual results for Waihi Gold for the three months ended December 31, 2015. This disclosure is for information only.*

Table 2 – Consolidated Financial Summary

		Q1 2016	Q4 2015*
Revenue	*US$'000*	161,051	143,612
Operating Costs	*US$'000*	(83,177)	(86,043)
EBITDA	*US$'000*	77,874	57,569
Net Profit/(Loss)	*US$'000*	23,531	22,648
Average Gold Price Received	*$ per ounce*	1,197	1,086
Average Copper Price Received	*$ per pound*	2.21	2.16

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

Table 3 – 2016 Production and Cost Guidance

		Didipio	Waihi	Macraes	Consolidated
Gold Production	*ounces*	130,000 – 145,000	115,000 – 125,000	140,000 – 155,000	385,000 – 425,000
Copper Production	*tonnes*	19,000 – 21,000	–	–	19,000 – 21,000
Cash Costs*	*$ per ounce*	$20 – $70	$480 – $530	$750 – $800	$460 – $500
All-In Sustaining Costs*	*$ per ounce*	$300 – $350	$700 – $750	$1,000 – $1,050	$700 – $750

Notes:

- *Includes production from Reefton where stockpiles will be processed through to the end of February 2016.*
- *AISC calculation conforms to the methodology outlined by the World Gold Council. It includes all cash costs, corporate G&A, maintenance capital expenditures, capitalised mining expenditures and exploration. It excludes development capital expenditures such as the development of the Haile Gold Mine and Didipio Underground.*

Assumptions

- *NZD:USD exchange rate of 0.65, Copper price: $2.00 / lb on average for full year.*

Table 4 – Key Financial Statistics for Didipio Operations

		Q1 Mar 31 2016	Q4 Dec 31 2015	Q1 Mar 31 2015
Gold Sales	*ounces*	37,061	31,984	34,659
Copper Sales	*tonnes*	4,745	5,597	6,245
Silver Sales	*ounces*	55,288	50,901	63,646
Average Gold Price Received	*$ per ounce*	1,257	1,083	1,177
Average Copper Price Received	*$ per pound*	2.21	2.16	2.24
Cash Operating Costs	*$ per ounce*	(1)	(4)	(89)
Cash Operating Margin	***$ per ounce***	**1,258**	**1,087**	**1,266**

Table 5 – Didipio Mine Operating Statistics

		Q1 Mar 31 2016	Q4 Dec 31 2015	Q1 Mar 31 2015
Gold Produced	*ounces*	46,811	33,094	35,122
Copper Produced	*tonnes*	5,972	5,591	6,102
Silver Produced	*ounces*	70,204	65,855	73,251
Total Ore Mined	*tonnes*	1,844,945	2,276,383	1,904,496
Ore Mined Grade Gold	*g/t*	1.02	0.76	0.82
Ore Mined Grade Copper	*%*	0.51	0.40	0.53
Total Waste Mined including pre-strip	*tonnes*	5,564,339	5,746,144	4,779,573
Mill Feed	*tonnes*	945,870	905,500	831,772
Mill Feed Grade Gold	*g/t*	1.72	1.27	1.45
Mill Feed Grade Copper	*%*	0.66	0.65	0.76
Recovery Gold	*%*	89.6	89.3	90.4
Recovery Copper	*%*	95.3	94.6	95.7

Table 6 – Key Financial Statistics for Waihi Operations

		Q1 Mar 31 2016	Q4 Dec 31 2015	Q3* Sep 30 2015
Gold Sales	*ounces*	36,758	39,927	28,341
Average Gold Price Received	*$ per ounce*	1,186	1,099	1,119
Cash Operating Costs	*$ per ounce*	452	395	393
Cash Operating Margin	***$ per ounce***	**734**	**704**	**726**

Table 7 – Waihi Mine Operating Statistics

		Q1 Mar 31 2016	Q4 Dec 31 2015	Q3* Sep 30 2015
Gold Produced	*ounces*	36,983	34,987	32,997
Total Ore Mined	*tonnes*	134,011	151,612	132,598
Ore Mined Grade	*g/t*	8.72	8.21	8.93
Total Waste Mined including pre-strip	*tonnes*	40,440	19,684	35,467
Mill Feed	*tonnes*	143,361	148,304	135,269
Mill Feed Grade	*g/t*	8.80	8.03	8.93
Recovery	*%*	91.2	91.3	90.7

**Note: These statistics were revised during 2015 following OGC taking legal ownership of the Waihi mine and reviewing in detail the operating statistics for the period in which OGC held economic ownership. The economic interest from Waihi began accruing to OceanaGold effective July 1, 2015. Legal close occurred on October 30, 2015, at which point, the results started to be reported in OceanaGold's consolidated financial statements. Disclosure is for information only.*

Table 8 – Key Financial Statistics for Macraes and Reefton Operations

		Q1 Mar 31 2016	Q4 Dec 31 2015	Q1 Mar 31 2015
Gold Sales	*ounces*	43,568	53,335	51,575
Average Gold Price Received	*$ per ounce*	1,156	1,080	1,207
Cash Operating Costs	*$ per ounce*	793	735	732
Cash Operating Margin	***$ per ounce***	**363**	**345**	**475**

Table 9 – Consolidated Operating Statistics for Macraes and Reefton

		Q1 Mar 31 2016	Q4 Dec 31 2015	Q1 Mar 31 2015
Gold Produced	*ounces*	38,988	51,419	56,024
Total Ore Mined	*tonnes*	810,338	974,722	1,359,953
Ore Mined Grade	*g/t*	1.16	1.27	1.40
Total Waste Mined including pre-strip	*tonnes*	6,649,961	5,508,847	6,812,248
Mill Feed	*tonnes*	1,657,281	1,911,957	1,987,437
Mill Feed Grade	*g/t*	0.96	1.03	1.09
Recovery	*%*	81.3	81.7	80.6

Table 10 – Macraes Goldfield Operating Statistics

		Q1 Mar 31 2016	Q4 Dec 31 2015	Q1 Mar 31 2015
Gold Produced	*ounces*	34,511	37,924	38,535
Total Ore Mined	*tonnes*	810,338	932,870	879,866
Ore Mined Grade	*g/t*	1.16	1.26	1.35
Total Waste Mined including pre-strip	*tonnes*	6,649,961	5,508,847	5,034,572
Mill Feed	*tonnes*	1,455,769	1,456,788	1,557,345
Mill Feed Grade	*g/t*	0.90	0.99	0.96
Recovery	*%*	81.7	81.9	80.5

Table 11 – Reefton Operating Statistics

		Q1 Mar 31 2016	Q4 Dec 31 2015	Q1 Mar 31 2015
Gold Produced	*ounces*	4,477	13,495	17,489
Total Ore Mined	*tonnes*	-	41,852	480,087
Ore Mined Grade	*g/t*	-	1.50	1.51
Total Waste Mined including pre-strip	*tonnes*	-	-	1,777,676
Mill Feed	*tonnes*	201,512	455,169	430,092
Mill Feed Grade	*g/t*	1.40	1.10	1.56
Recovery	*%*	78.1	81.2	81.1

OPERATIONS

Summary

In the first quarter, the Company produced 122,782 ounces of gold and 5,972 tonnes of copper, both higher than in the previous quarter. The increase in gold production is mainly attributable to record quarterly gold production from Didipio and slightly higher production from Waihi but partly offset by lower production at Macraes and Reefton.

On a consolidated basis, the Company recorded AISC of $716 per ounce on sales of 117,387 ounces of gold and 4,745 tonnes of copper. Consolidated cash costs for the quarter were $436 per ounce sold, which was similar to the previous quarter.

Health & Safety

In the first quarter of 2016, the Company continued to demonstrate strong health and safety performance with no Lost-Time Injuries recorded across its operations. Overall, the Company has accumulated over 8.5 million man hours worked at its operations without an LTI.

The Company continued to lower its Total Recordable Injury Frequency Rate (“TRIFR”) in the quarter with a rate of 2.57 which compares to 2.9 recorded for the full year of 2015.

Looking ahead to the remainder of the year, the Company will continue to drive the importance of following standard operating procedures. A key focus will be to implement the OceanaGold Health and Safety Framework and Standards at the Haile Gold Mine and integrate health and safety reporting at Waihi both initiatives being part of the ongoing integration activities.

Didipio Mine (Philippines)

In the first quarter of 2016, the Didipio operation recorded no LTIs for the third consecutive quarter. By the end of the quarter, Didipio had accumulated more than 5 million hours worked without incurring an LTI.

Didipio achieved record quarterly gold production of 46,811 ounces and produced 5,972 tonnes of copper in the first quarter. The increase in gold production from the previous quarter was mainly attributable to a higher mill feed and gold head grade. Copper production increased marginally from the previous quarter owing to increased mill feed.

The Company made two shipments of concentrate in the first quarter, totalling 19,523 dry metric tonnes to smelters in Asia and delivered 10,901 ounces of gold in Dore to the mint in Perth, Australia.

In the first quarter, mining operations focused on mining ore from Stage 5 of the open pit and continuing the Stage 6 cutback. The development of the Didipio underground continued to progress and remains on schedule for first underground ore processed at the end of 2017.

For the quarter, the Didipio operation mined 7.4 million tonnes of material, which was lower than in the previous quarter due to decreased ore mined.

The total ore mined in the first quarter was 1.8 million tonnes compared to 2.3 million tonnes in the previous quarter. The decrease can be mainly attributed to increased haul distances and longer cycle times as a result of mining deeper at Stage 5 of the open pit, which is planned for completion early in the third quarter. Approximately half of the ore mined was delivered to stockpiles and as at the end of the quarter, nearly 17 million tonnes of ore had been stockpiled for future processing.

Didipio processed a quarterly record 945,870 tonnes of ore, compared with 905,500 tonnes processed in the previous quarter. The increase can be mainly attributed to optimisation of the grinding circuit in combination with softer ore processed.

Gold head grade for the first quarter was 1.72 g/t, higher than the previous quarter as a result of mining higher grades from Stage 5 of the open pit. Copper head grade was 0.66%, similar to the previous quarter. Gold and copper recoveries were similar to the previous quarter.

Looking ahead to the remainder of 2016, the Company expects gold production in the first half of the year to be higher than in the second half due to mine sequencing. Mining of the high grade section of Stage 5 will be completed early in the third quarter of 2016 and the operation will continue to mine ore and waste from Stage 6, the final stage of the open pit.

Waihi Mine (New Zealand)

There were no LTI’s during the first quarter at the Waihi operation and as at the end of the quarter, over 1.5 million man hours worked have accumulated without an LTI.

In the first quarter of 2016, the Waihi operation produced 36,983 ounces of gold. The quarter-on-quarter increase was mainly attributable to a higher head grade partly offset by slightly lower mill feed.

Total material mined in the first quarter was 174,451 tonnes which was similar to the previous quarter. Mining operations continued in the underground at Correnso where the operation mined 134,011 tonnes of ore, which was 11% lower than the previous quarter due mainly to more waste rock in the development drives. Waste development focused on the access decline to Correnso Deeps which is the down dip extension of the main Correnso vein.

Mill feed for the quarter was 143,361 tonnes, down slightly on the previous quarter. Gold head grade was

8.80 g/t, up 4% on the previous quarter while recovery of 91.2% was similar to the previous quarter.

In 2016, production levels are expected to vary as a result of mine sequencing. The first quarter production at Waihi is expected to be the highest quarter for production in the year on the back of higher grades. The head grade is expected to reduce slightly next quarter and into the third quarter and as such, the Company expects the third quarter to be the weakest quarter for production before head grades increase again in the fourth quarter.

In the first quarter, the Company implemented a number of optimisation initiatives that included the termination of the underground mining contract and transition to owner mining which is expected to commence on July 1, 2016.

Macraes Goldfield (New Zealand)

In the first quarter of 2016, the Macraes operation recorded no LTIs and has now achieved over 2 million man hours worked since the last LTI in April 2014.

Gold production in the first quarter from the Macraes Goldfield was 34,511 ounces, a 9% decrease on the previous quarter primarily due to a lower head grade.

The total material mined for the quarter was 7.5 million tonnes, a 17% increase from the previous quarter as a result of more waste mined from the open pit, partly offset by less ore mined.

In the first quarter, the operation mined 810,338 tonnes of ore, which was 13% lower than the previous quarter on account of increased waste mined for open pit development and lower tonnage from the underground. In the first quarter, the operation mined 229,652 tonnes of ore from the underground, which was 11% less than the previous quarter with reduced development mainly from lower equipment availability.

Mill feed for the quarter was 1.46 million tonnes which was similar to the previous quarter. The head grade was 0.90 g/t compared to 0.99 g/t in the fourth quarter of 2015. The quarter-on-quarter decrease in head grade was due to lower grades mined from the open pit and increased proportion of low grade stockpiles processed. The decrease was partly offset by higher grades mined from the Frasers underground mine.

Overall plant recovery was 81.7% in line with the previous quarter despite the lower head grade.

Looking ahead to the remainder of the year, the Company continues to expect production in the second half of the year to be higher than in the first half as a result of mining higher grades from the open pit.

Reefton Mine (New Zealand)

In the first quarter of 2016, the Reefton operation produced 4,477 ounces of gold. During the quarter, the Reefton operation was reduced down to five staff of which three were focused on stockpile rehandling and processing while the other two on rehabilitation activities.

Before the end of the first quarter, the Reefton operation was placed on care and maintenance following the depletion of stockpiles. Gold sales from Reefton will continue into the second quarter.

The Company will continue to progressively rehabilitate areas of the operation that will not be used for any future operations. The Reefton operation is consented (permitted) through to 2019.

EXPLORATION

New Zealand

Exploration expenditure in New Zealand was $2.5 million for the first quarter.

Macraes Goldfield

During the quarter, exploration drilling at Macraes totalling 5,422 metres was undertaken at Coronation North, Coronation South and Frasers Underground mine.

Approximately 3,376 metres were completed at Coronation North, investigating potential extensions of gold mineralisation to the southeast and providing geotechnical data for potential pit designs (Figure 1). At the existing Coronation pit, 813 metres were drilled targeting down dip extensions to mineralisation (Figure 1). At Coronation South, 1,233 metres was drilled to test the area between Coronation and Deepdell (Figure 1).

In the second quarter, the Company will continue to undertake infill and extensional drilling at Coronation North while continuing to progress regulatory consents to permit mining. Further drilling of other high ranking targets along the 30-kilometre strike of the Macraes Goldfield will also be undertaken. One of these targets is Mount Highlay, an area of old workings located 5 kilometres to the north of Coronation North that, subject to regulatory approvals, will also be drill tested late in the second quarter.

Phase 1 soil sampling on the Lot’s Wife prospect was completed in the first quarter. The Company plans to commence a second phase of soil sampling and expects to file an application to convert the prospecting permit to an exploration permit to allow for drilling in the fourth quarter of 2016.

Waihi Goldfield

During the quarter, a total of 10,393 metres were drilled at the Waihi Gold Mine, primarily on reserve and resource conversion of Correnso, Empire, Daybreak and potential extensions of the Martha vein system utilising four surface and four undergound diamond drill rigs.

Approximately 1,500 metres of this drilling has focused on testing new targets within the Waihi epithermal vein system that have the potential for discovery of additional resources in the near mine environment. On February 29, 2016, the Company released additional drill results of significant intersections at Correnso, Empire and Daybreak. At Correnso, drill results demonstrated continuity of the vein system at depth with similar grades and widths to what is currently mined from the Correnso operation.

In addition to continued resource conversion and exploration drilling at Waihi in the second quarter, the Company expects to recommence exploration drilling on the WKP prospect in the Hauraki region where historic drill campaigns returned high-grade intercepts that included 9.7 metres (7.5 metres true width) @ 17.2 g/t Au and 7.9 metres @ 5.1 g/t Au.

Philippines

Exploration expenditure in the Philippines was US$0.4 million for the first quarter.

In the first quarter, exploration focused on drilling in the Didipio near-mine area to follow-up on previous drilling at Morning Star and Luminag as well as testing several new targets at San Pedro, True Blue, and Chinichinga prospects. The Company drilled approximately 674 metres from two holes with assays pending. The current drill program within the mine permit area totals 3,000 metres.

Late in the first quarter, the Mines Geosciences Bureau (MGB) granted OceanaGold a five-year renewal of its exploration license within the FTAA boundaries. The Company expects to conduct geological mapping, additional soil geochemical sampling, ground geophysics and drilling of high priority targets in 2016.

United States

Exploration expenditure associated with the Haile Gold Mine and regional activity totalled $1.4 million in the first quarter.

A total of 7,040 metres in 23 holes were drilled at Haile. Resource definition drilling of the Horseshoe deposit continued in preparation for a preliminary economic assesment on an underground mining scenario. The current program is designed, on an approximate 20 metre drill spacing, to infill the upper portion of the Horseshoe zone utilising four surface diamond core drills.

Drill results confirm continuity of high-grade mineralisation and include; (DDH-519) 21.3 metres @ 21.66 g/t and 23.5 meters @ 6.55 g/t; (DDH-518) 13.3 meters @ 10.57 g/t and 13.0 meters @ 5.47 g/t; (DDH-517) 40.9 meters @ 4.71 g/t; (DDH-516) 3.6 meters @ 5.95 g/t and (DDH-514) 9.3 meters @ 5.22 g/t. (Figure 2).

The 2016 exploration program will continue to focus on extensional and infill drilling and testing of known targets within the Haile Gold Mine tenement area as well as drilling a number of regional targets.

Figure 1 – Exploration drilling between Coronation North and Horse Flat, Macraes Goldfield

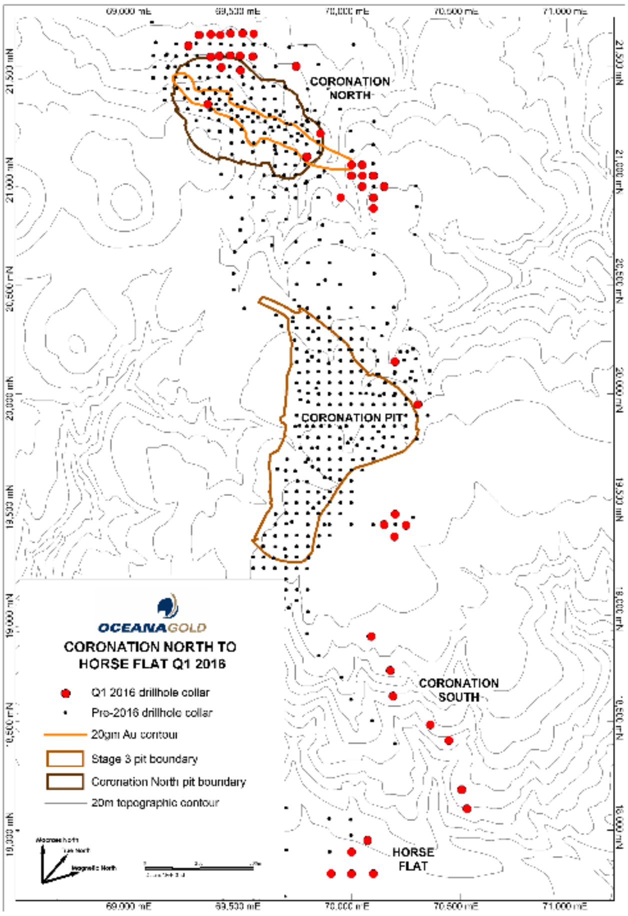
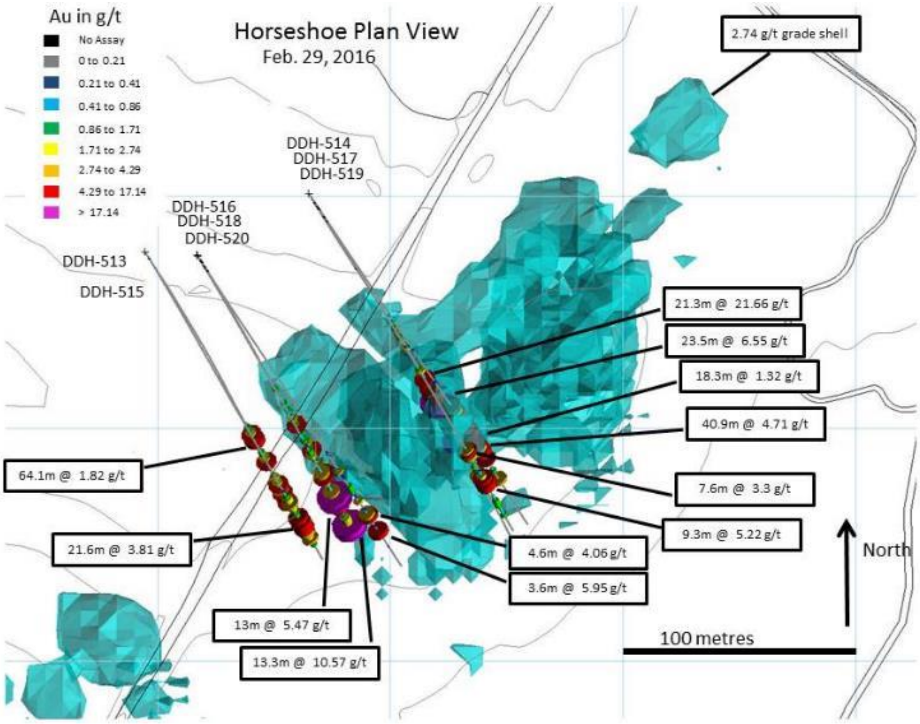


Figure 2 – Plan view of the Horseshoe deposit 2.74 g/t Au grade shell and recent drill results



DEVELOPMENT

United States

In the first quarter of 2016, the Company continued to advance the Haile Gold Mine development. At the end of February, the Company provided the market with an update on the project by outlining design enhancements made, changes to project scope, status of construction and updated capital expenditure estimate.

As outlined in the announcement, the Company relocated members of its project development team to South Carolina to oversee and manage the construction of the Haile project. Although the primary contractor will continue to execute on the construction of the project, OceanaGold has now taken control of the management of the construction activities.

Through a comprehensive review, the Company has made enhancements to the mining operation and process plant design. These enhancements include the addition of larger Caterpillar 785 haul trucks in the third year of operation, the use of bucket excavators instead of front-end loaders to minimise mine dilution and the use of RC drilling for grade control purposes. At the process plant, the Company has made the provision for a ROM pad designed to optimise mill feed by blending to achieve a constant feed grade to the mill. Additionally, the Company has upgraded the flash flotation cell to a larger, more reliable and tested technology that should provide greater certainty over metallurgical recoveries and future proof the plant for potential upgrades.

To ensure the on-time completion of the project, the Company has made revisions to some of its contracts. With all of these changes outlined, the capital cost estimate has increased to $380 million from the $333 million budget set by Romarco Minerals in December 2014. As at the end of the first quarter, the Company had spent $178 million of the total capital cost.

The schedule remains unchanged and the Company expects to process first ore through the mill by the end of 2016 with commercial production expected early in 2017.

In the first quarter, the Company commenced the Haile optimisation study that will investigate opportunities to further enhance the project and operation. The main focus of the study is to investigate the option of an underground mine operation that would run concurrently with the open pit. As part of that study, the interface between the open pit and the underground will be investigated. Drilling of the Horseshoe deposit, the initial underground target will act as an input into the study. The Company expects to complete the study before the end of 2016.

Philippines

The Didipio underground development continued to track to plan for first ore through the process plant by the end of 2017. By mid-year 2016, the Company expects advancement of the decline to the point where it can step out to build exploration drifts to allow for infill drilling of the orebody and drilling at depth to further expand the resource base.

New Zealand

The Macraes Gold-Tungsten feasibility study progressed and is scheduled for completion during 2016. The study concept includes the development of a new process plant that has a tungsten circuit and that would be built in a different location to unlock the resource beneath the existing process plant.

Figure 3 – Haile Aerial Photo of Mining Area (April 15, 2016)

Figure 4 – Process Plant Activities (April 21, 2016)

ENVIRONMENT & COMMUNITY

Environment

In the Philippines in the first quarter, the Company donated 7,950 seedlings and continued maintenance of existing plantations in the municipalities of Kasibu, Nueva Vizcaya and Cabarroguis, Quirino. As at the end of March, a total of 295,311 various forest and fruit tree seedlings were available at the central nursery.

In the quarter, a partnership agreement between Grameen Australia Philippines, the Company and Dibibi Tree Farmers Association was finalised. The agreement covers the implementation of four critical project components.

The Leadership Education on River Science and Water Quality Project, a subcomponent of the WE BUILD project was launched on two separate occasions in the Provinces of Nueva Vizcaya and Quirino in March. This leadership project aims to provide school and field-based river and catchment education to secondary school students in Didipio and two other communities within the catchment and has the aim of promoting intergenerational and sustainable use of rivers and other surface water bodies around the Addalam River Basin.

At Waihi, the Company completed five hectares of rehabilitation on the tailings dam and the site is now at a suitable level to sustain livestock grazing. Also in the quarter, the Company completed its summer biomonitoring program which involved the sampling of fish, macrophytes, invertebrates and sediments at numerous sites upstream in and below the mine site.

In South Carolina at Haile, the Company completed a number of environmental initiatives and studies that included a 2016 Annual Fish and Aquatic Life study, and planted trees along the main highway leading into the plant site. As an endowment component of the Haile Wetland & Stream Mitigation Plan, the South Carolina Department of Natural Resources has funded and began the initial phase for the propagation of the Carolina Heel Splitter (Fresh Water Mussel), an endangered species in the state.

In El Salvador, the Company continued to maintain its owned and operated tree nursery and tilapia fish farm. Additionally, the Company continued to work closely with stakeholders from within the local communities to bring about awareness on responsible resource development and environmental management.

Community

In the first quarter, the Company invested $0.6 million on community initiatives across its business globally. The focus of community programs continued to be on initiatives and programs designed for the specific communities and stakeholders and on areas pertaining to infrastructure, education and training, health and enterprise development.

In the Philippines, approximately 76% of the community investments were made on infrastructure projects including ongoing road construction and improvements, construction of a three-storey high school building, water system, and other related community infrastructure improvements.

Support to education programs continued through the provision of salary subsidies for 58 teachers and school staff, procurement of school equipment and assistance to the Department of Education’s feeding program and alternative learning system. A total of 229 students from Didipio and neighbouring communities continued to benefit from the Company’s scholarship programs.

During the quarter, the Company continued to assist community health programs by providing medical supplies to health centers, subsidising the salaries of 56 community health workers, and sponsoring medical missions with 2,372 individual beneficiaries of medical and dental health services.

Through the Social Development Management Program, the Company continued to support enterprise development by granting funding for the expansion of local businesses. The Company provided support to local farmers by setting-up polices and guidelines for vegetable production to ensure sustainable production and market quality produce and provided accessible credit and micro-financing to approximately 6,000 farmers.

At Waihi, members of the operation participated in a number of community events. In January, senior staff and mines rescue team members participated in the dedication of the Tunnellers’ Memorial in Waihi, a global event with attendees from overseas that was supported by Waihi’s community staff. The playground at Waihi East School initiated by the Waihi Community Forum and funded by the Waihi operation was approved and construction is expected to commence early in the second quarter.

Within the Haile community, there is an emphasis on humanitarian, civic, academic and sports initiatives. Haile continues to be recognised for adhering to its discipline of hiring and spending locally and recently engaged with academia to develop vocational programs to facilitate job placement for young adults in the community.

In El Salvador, the Company continued to work closely with local stakeholder groups to deliver community and social programs that included education and training, sports and activities for children and sponsorship of local community cultural festivals.

FINANCIAL SUMMARY

Table 12 – Financial Summary*

$'000	Q1 Mar 31 2016	Q4 Dec 31 2015	Q1 Mar 31 2015
Sales	161,051	143,612	129,306
Cost of sales, excluding depreciation and amortisation	(71,889)	(71,080)	(60,685)
General and administration - merger and acquisition costs	-	(1,604)	-
General and administration - other	(12,368)	(11,743)	(7,938)
Foreign currency exchange gain/(loss)	725	(173)	(15)
Other income/(expense)	355	(1,443)	72
Earnings before interest, tax, depreciation and amortisation (EBITDA) (excluding gain/(loss) on undesignated hedges)	**77,874**	**57,569**	**60,740**
Depreciation and amortisation	(33,769)	(36,164)	(27,729)
Net interest expense and finance costs	(2,189)	(5,001)	(2,601)
Earnings before income tax and gain/(loss) on undesignated hedges	**41,916**	**16,404**	**30,410**
Tax (expense) / benefit on earnings	(5,206)	(5,654)	793
Earnings/(loss) after income tax and before gain/(loss) on undesignated hedges	**36,710**	**10,750**	**31,203**
Gain/(loss) on fair value undesignated hedges	(18,304)	16,525	(9,359)
Tax (expense)/benefit on gain/loss on undesignated hedges	5,125	(4,627)	2,621
Net Profit/(Loss)	**23,531**	**22,648**	**24,465**
Basic earnings per share	$0.04	$0.04	$0.08
Diluted earnings per share	$0.04	$0.04	$0.08
CASH FLOWS			
Cash flows from Operating Activities	31,673	62,152	43,229
Cash flows used in Investing Activities	(103,740)	(41,008)	(23,807)
Cash flows from /(used in) Financing Activities	2,033	120,529	(13,298)

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

BALANCE SHEET $'000	As at Mar 31 2016	As at Dec 31 2015
Cash and cash equivalents	117,904	185,466
Other Current Assets	152,538	138,076
Non-Current Assets	1,335,077	1,220,315
Total Assets	**1,605,519**	**1,543,857**
Current Liabilities	168,471	135,474
Non-Current Liabilities	277,853	268,574
Total Liabilities	**446,324**	**404,048**
Total Shareholders' Equity	**1,159,195**	**1,139,809**

RESULTS OF OPERATIONS

Net Earnings

In the first quarter of 2016, the Company reported revenue of $161.1 million and EBITDA (excluding gain/loss on undesignated hedges) of $77.9 million. The increase in EBITDA, from $57.6 million in the previous quarter, was mainly due to higher gold sales at Didipio, partly offset by lower copper sales.

The Company reported a net profit of $23.5 million for the first quarter which was a slight increase on the previous quarter mainly due to higher revenue partly offset by a loss on the value of undesignated hedges.

Sales Revenue

Philippines

First quarter concentrate sales revenue net of concentrate treatment, refining and selling costs in the Philippines was $65.9 million of which copper revenue was $23.1 million. In the first quarter, the average gold price received at Didipio was $1,257 per ounce compared to $1,083 per ounce in the previous quarter and the average copper price received was $2.21 per pound compared to $2.16 per pound in the previous quarter.

First quarter sales at Didipio were 37,061 ounces of gold, which was 16% higher than in the previous quarter. This was on the back of record gold production. Copper sales of 4,745 tonnes were lower than in the previous quarter due to delayed ore transport permits. Silver sales for the quarter were 55,288 ounces, above the previous quarter's sales of 50,901 ounces.

New Zealand

First quarter revenue was $95.1 million in New Zealand. Gold sales in the first quarter were 80,326 ounces compared to 80,225 ounces in the previous quarter. This was a slight increase on the previous quarter mainly due to higher sales from Waihi where only two months of sales were included in the fourth quarter as the transaction closed at the end of October 2015. The increase was partly offset by lower sales from the Macraes Goldfield. The average gold price received in the first quarter was $1,170 per ounce compared to $1,078 per ounce received in the previous quarter.

Operating Costs and Margins per Ounce

Philippines

Operating cash costs at Didipio were negative $1 per ounce sold for the first quarter compared to negative $4 per ounce sold in the previous quarter. On a co-product basis, the operating cash costs were $427 per ounce on 56,147 equivalent gold ounces sold compared to $476 per ounce sold in the previous quarter.

New Zealand

Operating cash costs in New Zealand were $637 per ounce sold for the first quarter compared to $617 per ounce sold in the previous quarter. The increase was due mainly to the drawdown of stockpiles at Reefton.

Depreciation and Amortisation

Depreciation and amortisation charges include amortisation of mine development, deferred pre-stripping costs and depreciation on equipment.

Depreciation and amortisation charges are mostly calculated on a unit of production basis and totalled $33.8 million for the first quarter compared to $36.2 million in the previous quarter. The decrease was mainly due to lower charges at Reefton mine as the pre-strip costs were fully amortised in the fourth quarter.

Net Interest Expense and Finance Costs

The net interest expense and finance costs of $2.2 million for the quarter were lower than the previous quarter which included expensing of previously deferred finance costs associated with the revised revolving credit facility.

Undesignated Hedges Gains/Losses

Unrealised gains and losses reflect the changes in the fair value adjustment of the Company's undesignated hedges which are brought to account at the end of each reporting period.

During the first quarter, the Company completed a hedging program to cover 90% of its fuel consumption in 2016 and 2017. Under the terms of the agreements, the Company will buy specified volumes of fuel for specified prices which ranged from $43.75 to $48.07 per barrel in 2016 and from $50.25 to $54.34 per barrel in 2017. For indicative purposes at the time of entering the transactions West Texas Intermediate was trading at approximately $31 per barrel.

These valuation adjustments on the gold and fuel hedges for the first quarter reflect a loss of $18.3 million compared to a gain of $16.5 million in the previous quarter. The loss reflects the increase in the New Zealand dollar gold price trending above the strike price on some of the call options. The undesignated gold hedges now cover future gold production from the Macraes Goldfield to the end of 2017.

Details of the derivative instruments held by the Company at March 31, 2016, are summarised below under "Derivative Assets / Liabilities".

DISCUSSION OF CASH FLOWS

Operating Activities

Cash inflows from operating activities were $31.7 million for the first quarter compared to $62.2 million in the previous quarter. Higher gold sales in the first quarter were offset by an increase in trade debtors at Didipio and a provisional income tax payment of $6.5 million made by the Waihi Gold mine.

Investing Activities

Cash used for investing activities totalled $103.7 million in the first quarter compared to $41.0 million in the previous quarter.

Investing activities included expenditure on capitalised mining including pre-stripping, sustaining capital and expansionary capital including open pit development at Haile and underground development at Didipio.

During the first quarter, the Company invested $9.9 million in GSV and as at the end of the first quarter, owned 19.1% of all outstanding shares in GSV.

Subsequent to the quarter end, the Company made a strategic investment in NuLegacy Gold Corporation, a TSXV listed exploration company, for approximately C$6.7 million which represents an interest of approximately 19.9%.

Financing Activities

Financing net inflows for the first quarter were $2.0 million mainly due to the Company receiving cash from share option holders who exercised their options to purchase new shares partly offset by the repayment of finance lease liabilities. In the previous quarter, financing net inflows of $120.5 million were mainly due to the drawdown of external debt of $105.0 million to fund the acquisition of Waihi.

DISCUSSION OF FINANCIAL POSITION AND LIQUIDITY

Company's funding and capital requirements

The Company recorded a net profit of $23.5 million for the quarter ended March 31, 2016. As at March 31, 2016, the cash funds held were $117.9 million while net current assets were $102.0 million.

The Company's revolving credit facility of $250 million is with a multi-national group of banks. At March 31, 2016, $182.8 million was drawn down under the facility. The facility will step down to $200 million as at December 31, 2017 then $150 million as at December 31 2018 and matures on December 31, 2019.

As at March 31, 2016, the Company had immediately available liquidity of $185.1 million comprised of $117.9 million in cash and $67.2 million available under the finance facility.

Commitments

The Company's capital commitments as at March 31, 2016, are as follows:

Table 13 – Capital Commitments

$'000	Mar 31 2016
Within 1 year	17,807

This relates principally to the purchase of property, plant and equipment and the development of mining assets mainly in Didipio, Macraes and Haile.

Financial Position

Current Assets

Current assets were $270.4 million as at March 31, 2016 compared to $323.5 million as at December 31, 2015. The decrease was mainly due to cash utilised for the construction of the Haile Gold mine during the quarter. Trade debtors increased at Didipio due to timing of advanced billing and shipment.

Non-Current Assets

Non-current assets were $1,335.1 million as at March 31, 2016 compared to $1,220.3 million as at December 31, 2015. The increase was mainly due to increased mining assets at Haile and Didipio and inventory build at Didipio.

Current Liabilities

Current liabilities were $168.5 million as at March 31, 2016 compared to $135.5 million as at December 31, 2015. This increase was mainly attributable to the provision for a dividend of $24.3 million, payable on April 29, 2016 and an increase in gold hedge liabilities.

Non-Current Liabilities

Non-current liabilities were $277.9 million as at March 31, 2016 compared to $268.6 million as at December 31, 2015. This increase was mainly due to an increase in gold hedge liabilities.

Derivative Assets / Liabilities

The Company's hedging programs, whereby it has purchased put options at varying strike prices and an equal number of sold call options at varying strike prices, cover the future gold production from the Macraes Goldfield to the end of 2017. The Company's fuel hedging program involves swap agreements to buy specified volume of fuel at specified prices.

As at March 31, 2016, 272,922 ounces of gold production remained as part of the gold price hedging program as illustrated below.

Table 14 – New Zealand Gold Hedging Program (Macraes Goldfield)

Put Option Strike Price*	Call Option Strike Price*	Gold Ounces Remaining	Expiry Date
$1,600	$1,736	81,666	Dec 2016
$1,628	$1,736	14,760	Dec 2016
$1,650	$1,810	98,796	Dec 2017
$1,650	$1,810	77,700	Dec 2017
Total		**272,922**	

** Note – Put and call options strike prices are denominated in New Zealand dollars.*

As at March 31, 2016, 530,929 barrels remained as part of the fuel hedging program as illustrated below.

Table 15 – Fuel Hedging Program

	Swap Price	Volume Remaining (barrel)	Expiry Date
Singapore Gasoil Platts Asia Pacific	$43.75	198,000	Dec 2016
US Gulf Coast Ultra Low Sulphur	$48.07	40,286	Dec 2016
Singapore Gasoil Platts Asia Pacific	$50.25	240,000	Dec 2017
US Gulf Coast Ultra Low Sulphur	$54.34	52,643	Dec 2017
Total		**530,929**	

The above hedges are undesignated and do not qualify for hedge accounting. A summary of the Company's marked to market derivatives is as per below.

Table 16 – Marked to Market Derivatives Summary

$'000	Hedge	Mar 31 2016	Dec 31 2015
Current Assets	Fuel	1,607	5,777
Non-Current Assets	Fuel	968	-
Current Liabilities	Gold	(8,840)	-
Non-Current Liabilities	Gold	(7,251)	-
Total		**(13,516)**	**5,777**

Shareholders' Equity

A summary of the movement in shareholders' equity is set out below:

Table 17 – Movement of Shareholders' Equity Summary

$'000	Mar 31 2016
Total equity at beginning of the quarter	1,139,809
Profit/(loss) after income tax	23,531
Movement in other comprehensive income/(loss)	13,714
Movement in contributed surplus	(2,156)
Dividend declared	(24,257)
Issue of shares/ (equity raising costs)	8,554
Total equity at end of the quarter	**1,159,195**

Shareholders' equity increased by $19.4 million to $1,159.2 million as at March 31, 2016, mainly due to a net profit after tax for the period of $23.5 million and shares issued from the exercise of options partly offset by a dividend declared to be paid on April 29, 2016. "Other Comprehensive Income" reflects net changes in the fair value of available-for-sale assets and currency translation differences which arise from the translation of entities with a functional currency other than USD.

Capital Resources

Table 18 – Capital Resources Summary

	Shares Outstanding	Options and Share Rights Outstanding
28 April 2016	608,514,336	17,657,261
31 March 2016	608,181,205	18,014,492
31 December 2015	603,618,550	17,678,116

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and related notes.

i. Mining assets

The future recoverability of mining assets 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 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, 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. The recoverable value of the New Zealand (Macraes/Reefton) 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.

iii. Net realisable value of inventories

The Group reviews the carrying value of its inventories 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 resources 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 amortisation rates, asset carrying values and provisions for rehabilitation.

vi. Taxation

The Group's accounting policy for taxation requires management's 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 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 tax consolidated entities 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. With respect to the acquisitions of Romarco and Waihi, management has taken the view that there has not been a greater than 51% change in ownership. This position has been confirmed by a private ruling.

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.

Certain input tax credits in overseas subsidiaries have been recognised as a non-current receivable. 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.

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 March 31, 2016 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.

viii. Estimation of fair values in business combination

The Group has applied estimates and judgements in order to determine the fair values of assets acquired and liabilities and contingent liabilities assumed by way of a business combination.

The provisional values of assets, liabilities and contingent liabilities recognised on acquisition are their estimated fair values at the date of acquisition. Accounting standards permit up to 12 months for provisional acquisition accounting to be finalised following the acquisition date if any subsequent information provides better evidence of the item's fair value at the date of acquisition. Changes to any of the estimates may cause the acquisition accounting to be revised.

RISKS AND UNCERTAINTIES

This document contains some forward looking statements that involve risks, uncertainties and other factors that could cause actual results, performance, prospects and opportunities to differ materially from those expressed or implied by those forward looking statements. Factors that could cause actual results or events to differ materially from current expectations include, among other things: volatility and sensitivity to market prices for gold; replacement of reserves; possible variations of ore grade or recovery rates; changes in project parameters; procurement of required capital equipment and operating parts and supplies; equipment failures; unexpected geological conditions; political risks arising from operating in certain developing countries; inability to enforce legal rights; defects in title; imprecision in reserve estimates; success of future exploration and development initiatives; operating performance of current operations; ability to secure long term financing and capital, water management, environmental and safety risks; seismic activity, weather and other natural phenomena; failure to obtain necessary permits and approvals from government authorities; changes in government regulations and policies including tax and trade laws and policies; ability to maintain and further improve labour relations; general business, economic, competitive, political and social uncertainties and other development and operating risks. For further detail and discussion of risks and uncertainties refer to the Annual Information Form available on the Company's website.

CHANGES IN ACCOUNTING POLICIES AND STANDARDS INCLUDING INITIAL ADOPTION

The Group did not adopt any new and/or revised standards, amendments and interpretation from January 1, 2016 which had a material effect on the financial position or performance of the Group.

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. 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.

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 12 – Income Taxes

This standard has been amended to clarify the requirements for recognising deferred tax assets on unrealised losses, deferred tax where an asset is measured at a fair value below the asset's tax base and certain other aspects of accounting for deferred tax assets. The amendments are effective for years beginning on/after January 1, 2017 and the Group will apply the amendments accordingly.

IAS 7 – Statement of cash flows

This standard has been amended to require additional disclosures that will enable users of the financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. The amendment is effective for years beginning on/after January 1, 2017 and the Group will apply the amendment accordingly.

IFRS 16 – Leases

This standard will replace IAS 17, Leases and related interpretations. IFRS 16 establishes principles for recognition, measurement, presentation and disclosures of leases. The standard provides a single lessee accounting model which requires the lessee to recognise almost all lease contracts on the balance sheet; the only optional exemptions are for certain short-term leases and leases of low-value assets. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17. This standard is effective for years beginning on/after January 1, 2019. The Group has not assessed the impact of this new standard.

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. The amendment was originally effective for years beginning on/after January 1, 2016. However the effective date has been deferred indefinitely by the IASB. The Group will apply the standard accordingly when effective.

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.

SUMMARY OF QUARTERLY RESULTS OF OPERATONS

Table 19 sets forth unaudited information for each of the eight quarters ended June 30, 2014 through to March 31, 2016. This information has been derived from our unaudited consolidated financial statements which, in the opinion of management, have been prepared on a basis consistent with the audited consolidated financial statements and include all adjustments, consisting only of normal recurring adjustments, necessary for fair presentation of our financial position and results of operations for those periods.

The most significant factors causing variation in the results are the volatility of the gold price and copper price, the variability in the grade of ore mined from the Macraes, Reefton, Waihi and Didipio mines, gold and copper recoveries, the timing of waste stripping activities, movements in inventories and large movements in foreign exchange rates between the USD and the NZD.

NON-GAAP MEASURES

Throughout this document, we have provided measures prepared according to IFRS ("GAAP") as well as some non-GAAP performance measures. As non-GAAP performance measures do not have a standardised meaning prescribed by GAAP, they are unlikely to be comparable to similar measures presented by other companies.

We provide these non-GAAP measures as they are used by some investors to evaluate OceanaGold's performance. Accordingly, such non-GAAP measures are intended to provide additional information and should not be considered in isolation, or a substitute for measures of performance in accordance with GAAP.

Earnings before interest, tax, depreciation and amortisation (EBITDA) is one such non-GAAP measure and a reconciliation of this measure to net Profit / (Loss) is provided on page 16.

All-In Sustaining Costs per ounce sold is based on the World Gold Council methodology and is a non-GAAP measure.

Cash costs per ounce sold is another such non-GAAP measure and a reconciliation of these measures to cost of sales, is provided on the next page.

Cash operating margin refers to the difference between average gold price received, and cash cost (net of by-product credits) per ounce of gold sold.

Net debt has been calculated as total interest-bearing loans and borrowings less cash and cash equivalents.

ADDITIONAL INFORMATION

Additional information referring to the Company, including the Company's Annual Information Form, is available on SEDAR at www.sedar.com and the Company's website at www.oceanagold.com.

DISCLOSURE CONTROLS AND PROCEDURES

The Chief Executive Officer and Chief Financial Officer evaluated the effectiveness of the Company's disclosure controls and procedures as at December 31, 2015. Based on that evaluation, the Chief Executive Officer and the Chief Financial Officer concluded that the design and operation of these disclosure controls and procedures were effective as at December 31, 2015 to provide reasonable assurance that material information relating to the Company, including its consolidated subsidiaries, would be made known to them by others within those entities. These controls were designed and evaluated using the framework set forth in Internal Control - Integrated Framework published by The Committee of Sponsoring Organisations of the Treadway Commission (1992).

INTERNAL CONTROL OVER FINANCIAL REPORTING

Management of OceanaGold, including the Chief Executive Officer and Chief Financial Officer, have evaluated the effectiveness of the design and operation of the Company's internal controls over financial reporting and disclosure controls and procedures as of December 31, 2015. Based on this evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that they were effective at a reasonable assurance level.

There were no significant changes in the Company's internal controls, or in other factors that could significantly affect those controls subsequent to the date the Chief Executive Officer and Chief Financial Officer completed their evaluation, nor were there any significant deficiencies or material weaknesses in the Company's internal controls requiring corrective actions.

During the three months ended March 31, 2016, there were no changes in the Company's internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting. The Company's management, including the Chief Executive Officer and the Chief Financial Officer, does not expect that its disclosure controls and internal controls over financial reporting will prevent all errors and fraud. A cost effective system of internal controls, no matter how well conceived or operated, can provide only reasonable not absolute, assurance that the objectives of the internal controls over financial reporting are achieved.

Table 19 - Quarterly Financial Summary*

	Mar 31 2016 $000	Dec 31 2015 $000	Sep 30 2015 $000	Jun 30 2015 $000	Mar 31 2015 $000	Dec 31 2014 $000	Sep 30 2014 $000	Jun 30 2014 $000
Sales Revenue	161,051	143,612	109,581	125,486	129,306	142,655	122,838	127,480
EBITDA (excluding gain/(loss) on undesignated hedges)	77,874	57,569	35,068	40,110	60,740	65,658	43,505	29,602
Earnings/(loss) after income tax and before gain/(loss) on undesignated hedges (net of tax)	36,710	10,750	4,841	10,145	31,203	30,615	20,688	993
Net Profit/(Loss)	23,531	22,648	6,924	(971)	24,465	37,829	16,884	(2,123)
Net Earnings/(Loss) per share								
Basic	$0.04	$0.04	$0.02	$(0.00)	$0.08	$0.13	$0.06	$(0.01)
Diluted	$0.04	$0.04	$0.02	$(0.00)	$0.08	$0.12	$0.05	$(0.01)

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

Table 20 – Reconciliation of Cash Operating Costs and All-In Sustaining Costs

		Q1 Mar 31 2016	Q4 Dec 31 2015	Q1 Mar 31 2015
Cost of sales, excluding depreciation and amortisation	*$000*	71,889	71,080	60,685
Selling costs	*$000*	4,452	6,460	5,964
By-product credits	*$000*	(25,161)	(28,168)	(31,983)
Total cash costs (net of by-product credits)	*$000*	51,181	49,372	34,666
Gold sales from operating mines	*ounces*	117,387	112,209	86,234
Cash Operating Costs	***$/ounce***	**436**	**440**	**402**
Capitalised mining	*$/ounce*	63		
Sustaining capital expenditure	*$/ounce*	143		
Corporate general & administration - other	*$/ounce*	42		
Other	*$/ounce*	32		
All-In Sustaining Costs	***$/ounce***	**716**		
		Q1 Mar 31 2016	**Q4 Dec 31 2015***	**Q3 Sep 30 2015***
Total cash costs (net of by-product credits)	*$000*	51,181	55,233	48,248
Gold sales from operating mines	*ounces*	117,387	125,246	106,980
Cash Operating Costs (incl. Waihi)	***$/ounce***	**436**	**441**	**451**

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

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