OCEANAGOLD

Second Quarter 2015 Results

July 30, 2015

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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, 2014, 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 Mineral Resources for Didipio were prepared by, or under the supervision of, J. G. Moore, whilst the Mineral Resources for Macraes and Reefton were prepared by S. Doyle. The Mineral Reserves for Didipio were prepared under the supervision of M. Holmes, while the Mineral Reserves for Macraes and Reefton were prepared by, or under the supervision of, K Madambi. C. Bautista is Exploration Manager for the Philippines. M. Holmes, S. Doyle, K. Madambi, and J. G. Moore are Members and Chartered professionals with the Australasian Institute of Mining and Metallurgy and each is a “qualified person” for the purposes of NI 43-101. C. Bautista is a member of the AIG and is a “qualified person” for the purposes of NI 43-101. Messrs Holmes, Moore, Doyle, Madambi and Bautista have sufficient experience, which is relevant to the style of mineralisation and type of deposits under consideration, and to the activities which they are undertaking, to qualify as Competent Persons as defined in the 2012 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves” (“JORC Code”).

The resource estimates for the El Dorado Project were prepared by Mr. Steven Ristorcelli, C.P.G., of Mine Development Associates, Reno, Nevada (who is an independent Qualified Person as defined in NI 43-101) and conforms to current CIM Standards on Mineral Resources and Reserves.

For further scientific and technical information (including disclosure regarding mineral resources and mineral reserves) relating to the Reefton Project, the Macraes Project and the Didipio Project 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 Project please refer to the reports publicly available on SEDAR (www.sedar.com) prepared for Pacific Rim.

Management Discussion and Analysis for the second quarter ended June 30, 2015

HIGHLIGHTS

Operational

- Produced 176,999 ounces of gold and 12,299 tonnes of copper in the first half of 2015 including 85,853 ounces of gold and 6,197 tonnes of copper in the second quarter.
- Recorded All-In Sustaining Costs of $734 per ounce and cash costs of $474 per ounce on sales of 169,124 ounces of gold and 11,683 tonnes of copper in the first half of the year.
- Completed the development of the Didipio portal while continuing to advance the development of the decline.

Financial

- Reported revenue of $254.8 million with an EBITDA of $100.9 million and a net profit of $23.5 million in the first half of 2015.
- Reported revenue of $125.5 million with an EBITDA of $40.1 million and a net loss of $1.0 million in the second quarter.
- Generated free cash flow of $36.7 million in the first half of 2015 including $17.3 million in the second quarter.
- Paid $12.2 million in dividends to common shareholders on April 30, 2015.

Growth

- Finalised the definitive transaction agreements with Newmont Mining Corporation to acquire the Waihi Gold Mine and other exploration tenements in New Zealand for US$101 million in cash plus customary adjustments.
- Acquired 14.9% of Gold Standard Ventures, a Canadian exploration company for $13.4 million during the second quarter.
- Reported encouraging drill results which could enable the extension of Macraes mine life. Additional drilling of most prospective targets continues.
- Commenced a feasibility study on the Macraes Gold Tungsten Project.
- Identified drill targets at the Paco tenements following the successful completion of the geophysical survey and recommenced drilling of the True Blue target near Didipio.

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, Free Cash Flow and EBITDA (Earnings before interest, taxes, depreciation and amortisation, excluding gain/(loss) on undesignated hedges) are non-GAAP measures. Refer to page 21 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.

Management Discussion and Analysis for the second quarter ended June 30, 2015

OVERVIEW

Operating Results

On a consolidated basis, the Company produced 176,999 ounces of gold and 12,299 tonnes of copper in the first half of 2015 including 85,853 ounces of gold and 6,197 tonnes of copper in the second quarter. The quarter-on-quarter decrease in production was expected and due mainly to lower gold production at Didipio which was partly offset by higher production from Reefton. Copper production increased slightly on the previous quarter.

At Didipio, production in the first half of 2015 was 65,163 ounces of gold and 12,299 tonnes of copper including 30,041 ounces of gold and 6,197 tonnes of copper in the second quarter. As previously indicated, the quarter-on-quarter decrease in production was expected and due to mine sequencing whereby low grade ore from Stage 4 was processed.

In New Zealand, production for the first half of 2015 was 111,836 ounces of gold including 55,812 ounces produced in the second quarter. During the quarter, the Company continued drilling its primary targets in the Macraes Goldfield and reported encouraging initial results.

For the first half of 2015, the consolidated cash costs were $474 per ounce on sales of 169,124 ounces of gold and 11,683 tonnes of copper. Second quarter cash costs were $549 per ounce on sales of 82,890 ounces of gold and 5,438 tonnes of copper, an increase from the previous quarter due to lower gold sales at Didipio and higher expensed mining costs at Didipio and the New Zealand operations resulting from increased material movements. The increase in costs was partly offset by a weaker New Zealand dollar. Consolidated All-In Sustaining Costs (“AISC”) were $734 per ounce in the first half of 2015.

Financial Results

For the first half of 2015, the Company reported revenue of $254.8 million and a net profit of $23.5 million while EBITDA was $100.9 million. For the second quarter, the Company reported revenue of $125.5 million with a net loss of $1.0 million and EBITDA of $40.1 million. The net loss was mainly attributable to higher non-cash cost items including an unrealised loss of $15.4 million on the fair value of the remaining undesignated hedges.

The cash balance decreased to $48.7 million in the quarter as a result of the $12.2 million dividend payment and the $13.4 million strategic investment in Gold Standard Ventures (“GSV”). For the first half of the year, the Company generated $36.7 million in free cash flow including $17.3 million in the second quarter. During the quarter, the Company repaid $3.0 million of debt and as at June 30, 2015, the Company had a net debt of $52.3 million.

Subsequent to the quarter end, as part of the Waihi transaction, the Company increased its revolving credit facility back to US$225 million. The restructured facility matures in June 2018 and includes competitive rates with its syndicate of banks. A French bank, Natixis, has been welcomed to the lending group.

Growth

As previously announced, the Company signed the definitive transaction agreements with Newmont Mining Corporation (“Newmont”) for the purchase of the Waihi Gold Mine (“Waihi”) in New Zealand for US$101 million in cash plus customary adjustments. Newmont also retains a 1% Net Smelter Royalty for gold ounces mined from one specific exploration tenement capped at 300,000 ounces of production. The proposed transaction is subject to regulatory approvals, which are expected in the third quarter. The acquisition will be financed solely through existing cash and debt from the restructured revolving credit facility.

Early in the second quarter, the Company also announced a strategic investment in GSV, a TSX Venture listed exploration company. This was completed by way of a private placement whereby the Company acquired a 14.9% equity position for a cost of $13.4 million. GSV is currently exploring on their Railroad-Pinion project located in the prolific Carlin Trend, just south of Newmont’s Emigrant Mine in Nevada.

Outlook

Looking ahead, the Company expects a slight decrease in production at Didipio in the third quarter as a result of mining low grade ore from Stages 4 and 5/6. Production is expected to increase in the fourth quarter as the operation advances the open pit into the higher grade zone of Stage 4.

In New Zealand, the Company expects steady production from its current operations for the remainder of the year. Subject to the legal closing of the transaction, effective from July 1 2015, the economic interest from Waihi accrues to the Company.

With the strong start to the first half of the year, the Company is well on track to achieve both its production and cost guidance for the year (Table 3).

Table 1 – Production and Cost Results Summary

		Didipio	New Zealand	Consolidated	
Second Quarter 2015				**Q2 2015**	**Q1 2015**
Gold Produced	*ounces*	30,041	55,812	85,853	91,146
Copper Produced	*tonnes*	6,197	–	6,197	6,102
Gold Sales	*ounces*	29,550	53,340	82,890	86,234
Copper Sales	*tonnes*	5,438	–	5,438	6,245
Cash Costs	*$ per ounce*	78	810	549	402
YTD June 30 2015				**YTD Jun 30 2015**	**YTD Jun 30 2014**
Gold Produced	*ounces*	65,163	111,836	176,999	147,399
Copper Produced	*tonnes*	12,299	–	12,299	11,185
Gold Sales	*ounces*	64,209	104,915	169,124	166,344
Copper Sales	*tonnes*	11,683	–	11,683	12,925
Cash Costs	*$ per ounce*	(12)	772	474	435
All-In Sustaining Costs	*$ per ounce*	318	989	734	779

Table 2 – Consolidated Financial Summary

		Q2 Jun 30 2015	Q1 Mar 31 2015	YTD Jun 30 2015	YTD Jun 30 2014
Revenue	*US$'000*	125,486	129,306	254,792	297,835
Operating Costs	*US$'000*	(85,376)	(68,566)	(153,942)	(167,203)
EBITDA	*US$'000*	40,110	60,740	100,850	130,632
Net Profit/(Loss)	*US$'000*	(971)	24,465	23,494	56,822
Average Gold Price Received	*$ per ounce*	1,185	1,195	1,196	1,312
Average Copper Price Received	*$ per pound*	2.67	2.24	2.44	3.14
Free Cash Flow	*US$'000*	17,319	19,422	36,741	70,780

Table 3 – 2015 Production and Cost Guidance

		Didipio	New Zealand	Group
Gold Production	*ounces*	100,000 – 120,000	195,000 – 215,000	295,000 – 335,000
Copper Production	*tonnes*	21,000 – 23,000	–	21,000 – 23,000
Cash Costs*	*$ per ounce*	($240) – ($190)	$850 – $900	$450 – $530
All-In Sustaining Costs*	*$ per ounce*	$200 – $250	$1,090 – $1,140	$770 – $840

**Notes:*
The cost guidance reflected is based on an assumed copper price of $2.70 / lb copper, a NZD/USD exchange rate of $0.78 and diesel price of $0.70 / litre. The price at July 29, 2015 for copper is $2.38 /lb, NZD/USD exchange rate is $0.67 and diesel is $0.55/litre.

Table 4 – Key Financial Statistics for Didipio Operations

		Q2 Jun 30 2015	Q1 Mar 31 2015	Q2 Jun 30 2014	YTD Jun 30 2015	YTD Jun 30 2014
Gold Sales	*ounces*	29,550	34,659	17,746	64,209	54,010
Copper Sales	*tonnes*	5,438	6,245	5,173	11,683	12,925
Silver Sales	*ounces*	67,007	63,646	63,131	130,653	160,529
Average Gold Price Received	*$ per ounce*	1,185	1,177	1,294	1,180	1,309
Average Copper Price Received	*$ per pound*	2.67	2.24	3.14	2.44	3.15
Cash Operating Costs	*$ per ounce*	78	(89)	(254)	(12)	(412)
Cash Operating Margin	***$ per ounce***	**1,107**	**1,266**	**1,548**	**1,192**	**1,721**

Table 5 – Didipio Mine Operating Statistics

		Q2 Jun 30 2015	Q1 Mar 31 2015	Q2 Jun 30 2014	YTD Jun 30 2015	YTD Jun 30 2014
Gold Produced	*ounces*	30,041	35,122	14,786	65,163	45,266
Copper Produced	*tonnes*	6,197	6,102	4,706	12,299	11,185
Silver Produced	*ounces*	75,753	73,251	56,436	149,004	130,910
Total Ore Mined	*tonnes*	1,288,496	1,904,496	1,404,959	3,192,992	3,079,055
Ore Mined Grade Gold	*g/t*	0.83	0.82	0.47	0.82	0.67
Ore Mined Grade Copper	*%*	0.51	0.53	0.48	0.52	0.55
Total Waste Mined including pre-strip	*tonnes*	6,919,083	4,779,573	4,675,419	11,698,656	9,120,295
Mill Feed	*tonnes*	938,319	831,772	640,617	1,770,091	1,391,243
Mill Feed Grade Gold	*g/t*	1.13	1.45	0.80	1.28	1.12
Mill Feed Grade Copper	*%*	0.70	0.76	0.79	0.73	0.85
Recovery Gold	*%*	87.9	90.4	89.4	89.1	89.8
Recovery Copper	*%*	94.8	95.7	93.3	95.2	94.4

Table 6 – Key Financial Statistics for New Zealand Operations

		Q2 Jun 30 2015	Q1 Mar 31 2015	Q2 Jun 30 2014	YTD Jun 30 2015	YTD Jun 30 2014
Gold Sales	*ounces*	53,340	51,575	54,548	104,915	112,334
Average Gold Price Received	*$ per ounce*	1,186	1,207	1,321	1,196	1,293
Cash Operating Costs	*$ per ounce*	810	732	1,114	772	843
Cash Operating Margin	***$ per ounce***	**376**	**475**	**207**	**424**	**450**

Table 7 – Consolidated Operating Statistics for New Zealand

		Q2 Jun 30 2015	Q1 Mar 31 2015	Q2 Jun 30 2014	YTD Jun 30 2015	YTD Jun 30 2014
Gold Produced	*ounces*	55,812	56,024	46,045	111,836	102,133
Total Ore Mined	*tonnes*	1,465,477	1,359,953	602,092	2,825,430	2,355,888
Ore Mined Grade	*g/t*	1.36	1.40	1.35	1.38	1.28
Total Waste Mined including pre-strip	*tonnes*	8,262,242	6,812,248	4,766,500	15,074,490	12,431,743
Mill Feed	*tonnes*	1,969,742	1,987,437	1,773,665	3,957,179	3,467,376
Mill Feed Grade	*g/t*	1.09	1.09	0.98	1.09	1.10
Recovery	*%*	79.7	80.6	82.5	80.2	82.4

Table 8 – Macraes Goldfield Operating Statistics

		Q2 Jun 30 2015	Q1 Mar 31 2015	Q2 Jun 30 2014	YTD Jun 30 2015	YTD Jun 30 2014
Gold Produced	*ounces*	35,895	38,535	35,641	74,430	76,309
Total Ore Mined	*tonnes*	860,886	879,866	397,419	1,740,752	1,701,051
Ore Mined Grade	*g/t*	1.37	1.35	1.46	1.36	1.27
Total Waste Mined including pre-strip	*tonnes*	6,511,870	5,034,572	740,603	11,546,442	3,675,558
Mill Feed	*tonnes*	1,528,269	1,557,345	1,401,993	3,085,614	2,677,741
Mill Feed Grade	*g/t*	0.92	0.96	0.96	0.94	1.07
Recovery	*%*	78.5	80.5	82.8	79.5	82.8

Table 9 – Reefton Mine Operating Statistics

		Q2 Jun 30 2015	Q1 Mar 31 2015	Q2 Jun 30 2014	YTD Jun 30 2015	YTD Jun 30 2014
Gold Produced	*ounces*	19,917	17,489	10,404	37,406	25,824
Total Ore Mined	*tonnes*	604,591	480,087	204,673	1,084,678	654,837
Ore Mined Grade	*g/t*	1.35	1.51	1.14	1.42	1.30
Total Waste Mined including pre-strip	*tonnes*	1,750,372	1,777,676	4,025,897	3,528,048	8,756,185
Mill Feed	*tonnes*	441,473	430,092	371,672	871,565	789,635
Mill Feed Grade	*g/t*	1.67	1.56	1.07	1.62	1.23
Recovery	*%*	83.8	81.1	81.4	82.5	80.8

OPERATIONS

On a consolidated basis, the Company produced 176,999 ounces of gold and 12,299 tonnes of copper in the first half of 2015. In the second quarter, the Company produced 85,853 ounces of gold and 6,197 tonnes of copper. The quarter-on-quarter decrease in gold production was expected and due mainly to lower production at Didipio which was partly offset by higher production from Reefton. Copper production increased slightly on the previous quarter.

For the first half of 2015, the Company recorded AISC and cash costs of $734 per ounce and $474 per ounce respectively on sales of 169,124 ounces of gold and 11,683 tonnes of copper. In the second quarter, the Company’s cash costs were $549 per ounce on sales of 82,890 ounces of gold and 5,438 tonnes of copper. The quarter-on-quarter increase in costs per ounce was due to lower gold sales at Didipio and higher expensed mining costs at the Didipio and the New Zealand operations resulting from increased material movements and rehandling. The increase in costs was partly offset by a weaker New Zealand dollar. The higher costs at Didipio were a result of increased mining activities associated with the accelerated completion of the open pit and specifically an additional 2.1 million tonnes of waste mined compared to the previous quarter.

In New Zealand, increased material mined from Macraes resulted in higher costs that were partly offset by a weaker New Zealand dollar. For the quarter, the Company averaged a NZD:USD exchange rate of 0.7160 which compares to a NZD:USD exchange rate assumption of 0.7800 set by the Company at the beginning of 2015 when higher exchange rates were experienced.

Didipio Mine (Philippines)

In the second quarter of 2015, the Didipio operation recorded one lost time injury (LTI) when an employee sustained a back injury while performing off-site construction activities. The Company has revised its standard operating procedures for remote site work and provided additional training to its workforce.

In the second quarter, the Didipio operation produced 30,041 ounces of gold and 6,197 tonnes of copper. The quarter-on-quarter decrease in gold production was expected and a result of mine sequencing whereby the operations mined and processed lower grade ore from Stage 4 of the open pit. The lower head grade was partly offset by a higher mill feed.

In the second quarter, the Company made three shipments of concentrate totalling 15,242 dry metric tonnes to smelters in Asia and delivered 8,472 ounces of gold in Dore to the mint in Perth, Australia.

Also in the second quarter, the operations focused mainly on accelerating waste and low grade ore mined from Stage 4 of the open pit whilst continuing pre-stripping of Stage 5/6. During the quarter, the Company completed the construction of the underground portal and continued to advance the underground decline.

In the quarter, the Didipio operation mined 8.2 million tonnes of waste and ore, which was higher than in the previous quarter due mainly to increased waste from Stage 4, partly offset by decreased ore mined.

The total ore mined in the second quarter was 1.3 million tonnes compared to 1.9 million tonnes in the previous quarter. The decrease can be attributed to mine sequencing whereby the operations mined more waste as the Company advanced Stage 4 of the open pit to the higher grade zone of the ore body. Approximately half of the ore mined in the quarter was delivered to stockpiles and as at the end of the quarter, nearly 14 million tonnes of ore had been stockpiled for future processing. The Company expects to have a 20 million tonne stockpile when the open pit operations cease in late 2017.

As part of the revised mine plan completed late in 2014, the Company is accelerating the completion of the open pit by the end of 2017. As a result, the Company has increased mining rates and accelerated the build-up of stockpiled ore which will be processed in conjunction with underground ore late in 2017.

For the quarter, the operation achieved a record quarterly mill feed with 938,319 tonnes of ore processed. This compares to 831,772 tonnes processed in the previous quarter. The quarter-on-quarter increase was driven mainly by higher mill availability and enhancements made to the milling circuit which took place during the planned shutdown at the end of the first quarter.

For the second quarter, the head grade was 1.13 g/t gold and 0.70% copper, which was lower than in the previous quarter due to mine sequencing. As a result of the lower head grade, gold and copper recoveries decreased to 87.9% and 94.8% respectively.

Looking ahead to the third quarter, the Company expects slightly lower production than in the second quarter as the operation continues to mine within a lower grade zone of Stage 4 and Stage 5/6. The Company expects to be mining and processing higher grade ore from Stage 4 in the fourth quarter and as a result, production levels are expected to increase in that quarter.

The development of the underground decline is expected to increase to full rates by the end of the year. The connection to the power grid is expected by the fourth quarter of 2015.

Figure 1 – Didipio Decline Development

Macraes Goldfield (New Zealand)

There were no LTI's during the quarter for the Macraes operations and as at the end of the quarter, the operation had no LTIs in over 1.4 million man hours worked.

In the second quarter, gold production from the Macraes Goldfield was 35,895 ounces, a 7% decrease on the previous quarter due mainly to lower grades processed and a lower gold recovery.

The total material mined from the open pits was 7.4 million tonnes, a 24% increase on the previous quarter due to higher truck utilisation and increased productivity. The majority of material mined in the quarter was from the Coronation open pit.

Total ore mined during the quarter was 860,886 tonnes, a slight decrease on the previous quarter due to increased waste mined from Coronation but partly offset by an increase from the Frasers underground. Ore mined from the underground at Frasers was 251,617 tonnes, a 9% increase on the previous quarter due to better productivity.

Mill feed for the quarter was 1.53 million tonnes which was slightly below the previous quarter. The mill feed grade was 0.92 g/t compared to 0.96 g/t in the previous quarter.

Overall plant recovery of 78.5% was lower than in the previous quarter as a result of lower flotation recoveries due to the metallurgical attributes of the Coronation ore.

Looking ahead to the third quarter, production at Macraes is expected to be at similar levels. The Company will continue drilling its primary targets at surface and in the underground to discover additional resources.

Reefton Mine (New Zealand)

There were no LTI's during the quarter for the Reefton operation. The Company continues to focus on increasing the number of task-based observations, hazard awareness and reporting.

Gold production at the Reefton operation for the second quarter of 2015 was 19,917 ounces, an increase of 14% from the previous quarter. The increase was attributable to higher mill feed and head grade and better recoveries.

The total material mined in the quarter was 2.4 million tonnes, a 4% increase on the previous quarter due to additional ore tonnes mined. The total ore mined was 604,591 tonnes, a 26% increase on the previous quarter due to better productivity. In the previous quarter, the operation focused on widening the lower portion of the pit to increase productivity.

Mill feed was 441,473 tonnes in the second quarter, a slight increase on the previous quarter due to better ore availability.

The head grade in the second quarter was 1.67 g/t versus 1.56 g/t in the previous quarter as a result of mining higher grade ore from lower portion of the open pit.

Gold recovery for the quarter increased to 83.8% from 81.1% in the previous quarter due mainly to a higher head grade and consistent metallurgical characteristics of processed ore.

Looking ahead at Reefton, production is expected to remain steady as the operation transitions to a care and maintenance phase at the end of the year. The Company expects mining operations to cease late in the third quarter whereupon mill feed will be sourced exclusively from stockpiles.

Waihi Mine (New Zealand)

The Waihi Gold mine in New Zealand will transition from Newmont to OceanaGold ownership once regulatory approval is received and the acquisition process has been legally completed.

During the second quarter, a transition team was put in place working through the operational aspects of the sale including the mapping of data, configuration of systems and development of training plans. Work continues to progress well to support a smooth transition and integration of the Waihi Gold Mine into the Company.

GROWTH

Exploration

Exploration expenditure in the second quarter of 2015 was $1.0 million.

Philippines

In the Philippines, exploration activities were focused on drilling within the Didipio Mine area as well as at the Paco tenements in northern Mindanao. At Didipio, drilling continued at the Morning Star and True Blue prospects. On the island of Mindanao, the Company completed the geophysical survey at Paco with positive results. Preparations are underway to drill targets identified through the survey.

During the quarter, the Company drilled 1,715 metres at the Morning Star and True Blue prospects near the Didipio operations (Figure 2). At Morning Star, the best intersection received was 43 metres for 0.52 g/t AuEq while additional assays are pending. At True Blue, drilling intersected mineralised sections in monzonite porphyry, similar to the mineralisation type from the

Didipio ore body. Assays are pending and are expected shortly into the third quarter.

At the Paco tenements in Mindanao, the Induced Polarisation (IP)/Magneto Tellurics (MT) survey using the Titan 24 system was successfully completed during the quarter. The results of the geophysical survey have been compiled and drill targets identified. The Company is currently preparing for drilling of these targets and expects preliminary results in the third quarter.

Exploration expenditure in the Philippines was $0.9 million for the second quarter and $1.9 million for the first half of 2015.

New Zealand

In New Zealand, the Company focused on drilling primary targets along the 30-km strike length within the Macraes Goldfield. Encouraging drill results were received subsequent to the quarter end and reported to the market. The main focus areas of drilling are the Coronation open pit, Frasers underground and Innes Mills, a previously mined pit.

In the first quarter, the Company commenced a brownfields exploration program targeting surface and underground targets along the 30 kilometre long Hyde-Macraes Shear Zone in the Macraes Goldfield. As announced on July 7, 2015, initial data from drilling have produced encouraging results from a number of the targets.

At the Frasers Underground, the Company has continued to successfully drill ahead of the mine phase at Panel 1 and 2 and has a strong track record of replenishing reserves each year in the underground from the resource development drilling.

Approximately one kilometre north of the existing Coronation open pit, the Company discovered a new zone of gold mineralisation within the Macraes Goldfield. South of the existing Coronation pit, drilling has demonstrated encouraging results while at Innes Mills, drilling has confirmed a further zone of stockwork mineralisation.

The Company awaits additional assay results and will continue drilling at Macraes.

Exploration expenditure in New Zealand was $0.1 million in the second quarter of 2015 and $0.2 million in the first half of the year.

Project Development

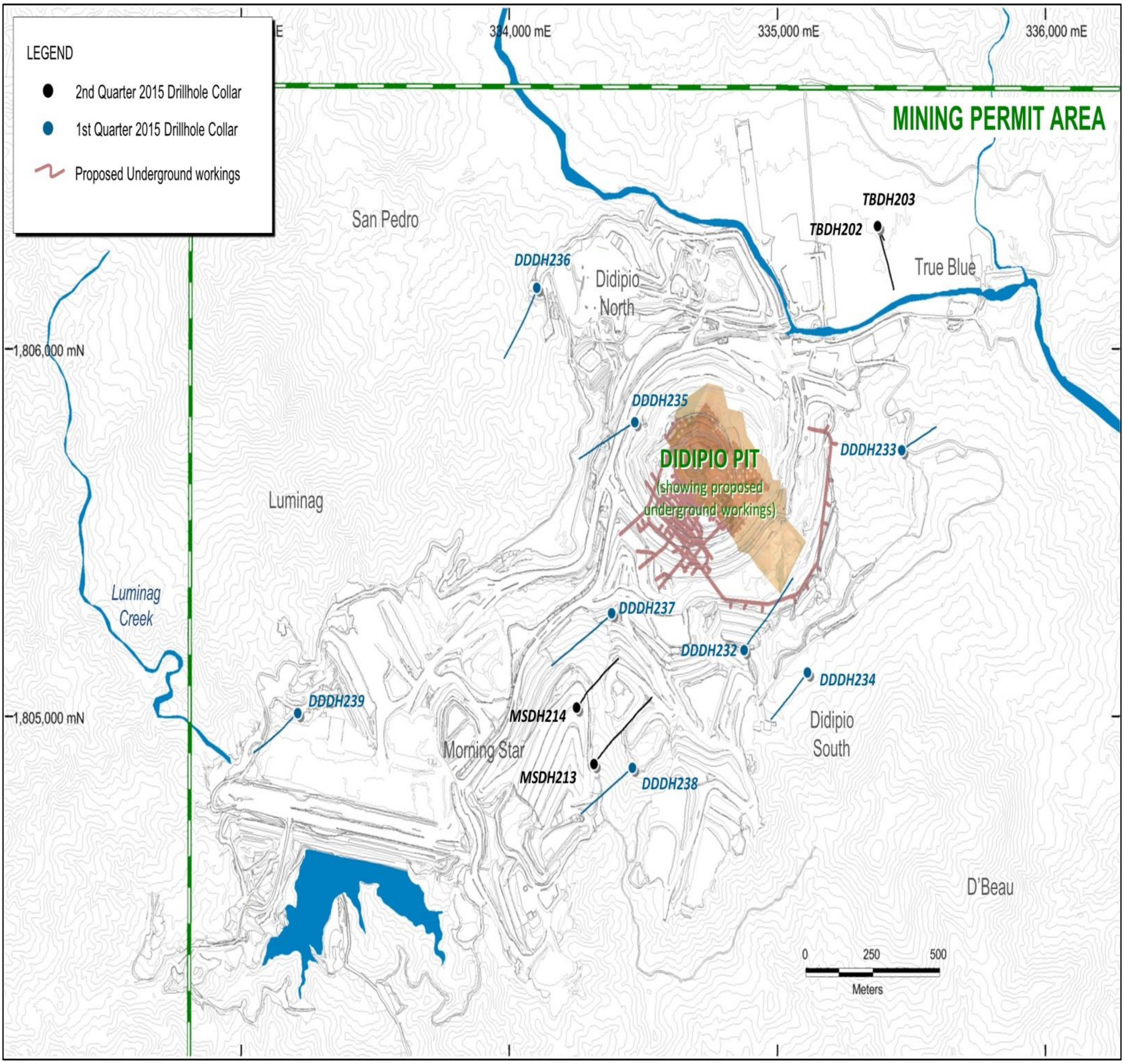
During the quarter, the Company continued to progress its organic growth opportunities in New Zealand and the development of the underground decline and power grid connection at Didipio.

In New Zealand, the Company completed the scoping study for the Macraes Gold Tungsten project. The Company has committed to conduct a full feasibility study of the project. Near Reefton, the Company continues to review the capital cost estimates from the Preliminary Economic Assessment (PEA) completed in the third quarter of 2014 and investigate alternative mining methods for the high-grade Blackwater project.

During the second quarter, the Company completed the Didipio underground portal and continued to advance the decline and construction of surface infrastructure.

The Didipio power grid connection continues to progress well and the Company expects to be operating on grid power in the fourth quarter. Once on grid power, the Company expects significant annual cost savings at the operation.

Figure 2 – Didipio Near Mine Drilling



SUSTAINABILITY

In the second quarter, the Company invested approximately US$0.7 million on community related programs and initiatives across its business units.

Philippines

At Didipio, the majority of community and social investments were spent on infrastructure projects which included the ongoing improvement to farm-to-market roads, construction and repair of water systems, post harvest facilities and upgrade of school buildings and facilities.

The Company collaborated with the Local Government Units of Didipio and the Province of Nueva Vizcaya to complete a five classroom building of the Eastern Nueva Vizcaya National High School which benefited 268 high school students and 12 teachers.

In May, the Company actively participated in the “Brigada Eskwela”, an annual public school event where parents, teachers and volunteers undertake repair and clean up activities to prepare the schools for the opening of a new school year. The Company continued to support education programs through the provision of salary subsidies for 65 teachers and school staff and tuition assistance to 146 university students from Didipio and neighbouring communities.

During the quarter, Company continued to assist community health programs by providing medical supplies to health centers, subsidising the salaries of 58 community health workers and sponsoring two medical missions that provided medical services to approximately 700 residents of Didipio and Alimit. Additionally, the Company’s medical facility continued to provide emergency services which were availed by 253 community residents in the second quarter.

The Company provided funding support to two community cooperatives for livelihood projects and provided guidance in the areas of organizational and livelihood development to four additional cooperatives. In the second quarter, the locally owned and operated cooperative, DiCorp, generated a total of US$1.1 million in gross revenue from long term contracts with the Didipio operation.

During the quarter, the Company also donated 25,800 seedlings to the Environmental Management Bureau, Eastern Nueva Vizcaya National High School and CENRO Dupax. Most of these seedlings were planted in celebration of Environmental Month in June.

The Water and Environment: Building Unity for Inclusive Living and Development Project (WE BUILD), a colloboration with the International RiverFoundation and local Didipio stakeholders continued to advance Addalam Integrated River Basin Management action plan during the second quarter.

El Salvador

In El Salvador, the Company continued to engage with stakeholders from the host and neighbouring communities and from broader regions of the country. The Company continues to make investments in community programs and initiatives designed to build capacity and provide opportunities for local economic and social development based on the requirements and priorities identified through stakeholder engagement within the El Dorado Project area and neighbouring communities. Most of the investments are focusing on programs related to infrastructure, education, economic development, health and environment.

During the quarter, Company employees achieved a major milestone by completing the first phase of the Accelerated School Program which is designed to further educate the Company work force and build capacity by developing new skills sets. Also in the quarter, the women entrepreneur program was completed with participants presenting their products.

At the end of the quarter, the Company neared completion of an education centre at El Dorado. The centre is designed to host stakeholders at site and provide educational materials on the lifecycle of mining from resource discovery and extraction to production and end-product use.

In the quarter, the Company completed its annual tree planting program with approximately 4,000 trees planted and continued its other environmental initaitives such as managing its Tilapia fish farm at the site.

Finally, the development of a soccer training program commenced in the quarter. Training programs are offered to youth and hosted at Torogoz Park located on the site grounds which was built by the Company in 2014 following feedback from the local community on the need for a centrally located recreational and community facility.

FINANCIAL SUMMARY

Table 10 – Financial Summary

	Q2 Jun 30 2015 $000	Q1 Mar 31 2015 $000	Q2 Jun 30 2014 $000	YTD Jun 30 2015 $000	YTD Jun 30 2014 $000
Sales	125,486	129,306	127,480	254,792	297,835
Cost of sales, excluding depreciation and amortisation	(72,514)	(60,685)	(88,543)	(133,199)	(151,726)
General & administration	(10,509)	(7,938)	(9,431)	(18,447)	(17,746)
Foreign currency exchange gain/(loss)	(2,345)	(15)	116	(2,360)	3,032
Other income/(expense)	(8)	72	(20)	64	(763)
Earnings before interest, tax, depreciation and amortisation (EBITDA) (excluding gain/(loss) on undesignated hedges)	**40,110**	**60,740**	**29,602**	**100,850**	**130,632**
Depreciation and amortisation	(31,637)	(27,729)	(31,433)	(59,366)	(64,799)
Net interest expense and finance costs	(2,194)	(2,601)	(2,844)	(4,795)	(5,274)
Earnings before income tax and gain/(loss) on undesignated hedges	**6,279**	**30,410**	**(4,675)**	**36,689**	**60,559**
Tax benefit on earnings/loss	3,866	793	5,668	4,659	303
Earnings after income tax and before gain/(loss) on undesignated hedges	**10,145**	**31,203**	**993**	**41,348**	**60,862**
Loss on fair value undesignated hedges	(15,439)	(9,359)	(4,328)	(24,798)	(5,611)
Tax benefit on gain/loss on undesignated hedges	4,323	2,621	1,212	6,944	1,571
Net Profit/(Loss)	**(971)**	**24,465**	**(2,123)**	**23,494**	**56,822**
Basic earnings per share	$(0.00)	$0.08	$(0.01)	$0.08	$0.19
Diluted earnings per share	$(0.00)	$0.08	$(0.01)	$0.08	$0.19
CASH FLOWS					
Cash flows from Operating Activities	42,259	43,229	52,730	85,488	126,018
Cash flows used in Investing Activities	(38,315)	(23,807)	(31,091)	(62,122)	(55,238)
Cash flows used in Financing Activities	(15,243)	(13,298)	(12,603)	(28,541)	(37,801)

BALANCE SHEET	As at Jun 30 2015 $000	As at Dec 31 2014 $000
Cash and cash equivalents	48,707	51,218
Other Current Assets	122,569	126,116
Non-Current Assets	734,684	741,862
Total Assets	**905,960**	**919,196**
Current Liabilities	97,861	85,455
Non-Current Liabilities	122,694	138,267
Total Liabilities	**220,555**	**223,722**
Total Shareholders' Equity	**685,405**	**695,474**

RESULTS OF OPERATIONS

Net Earnings

In the second quarter of 2015, the Company reported $125.5 million in revenue and a net loss of $1.0 million, compared to the previous quarter's revenue and net profit of $129.3 million and $24.5 million respectively.

The Company reported EBITDA (excluding gain/loss on undesignated hedges) of $40.1 million in the second quarter compared to $60.7 million in the previous quarter. The second quarter EBITDA decreased from the previous quarter mainly due to lower overall sales and higher overall costs of sales.

The second quarter net loss was a result of lower EBITDA and loss on the fair value of undesignated hedges. The fair value of undesignated hedges is non-cash and reflects an unrealised loss on some of the remaining call options.

Sales Revenue

Philippines

Second quarter concentrate sales revenue net of concentrate treatment, refining and selling costs in the Philippines was $52.3 million of which copper revenue was $32.1 million while gold bullion revenue was $10.0 million. In the second quarter, the average gold price received at Didipio was $1,185 per ounce compared to $1,177 per ounce in the previous quarter and the average copper price received was $2.67 per pound compared to $2.24 per pound in the previous quarter.

Second quarter sales at Didipio were 29,550 ounces of gold and 5,438 tonnes of copper, a decrease on the previous quarter due to lower production. Silver sales for the quarter were 67,007 ounces compared with 63,646 ounces in the previous quarter.

New Zealand

Second quarter revenue was $63.3 million in New Zealand which was a slight increase on the previous quarter due to higher sales, partly offset by lower average gold price received. Gold sales in the second quarter were 53,340 ounces compared to 51,575 ounces in the previous quarter. The average gold price received in the second quarter was $1,186 per ounce compared to $1,207 per ounce received in the previous quarter.

Operating Costs and Margins per Ounce

Philippines

Operating cash costs at Didipio were $78 per ounce sold for the second quarter compared to negative $89 per ounce sold in the previous quarter. On a co-product basis, the operating cash costs were $616 per ounce on 57,526 equivalent gold ounces sold compared to $468 per ounce sold in the previous quarter. The increase in cash costs per ounce was due mainly to higher mining costs associated with the accelerated completion of the open pit, lower gold sales and higher fuel costs partly offset by higher by-product credits.

New Zealand

Operating cash costs in New Zealand were $810 per ounce sold for the second quarter compared to $732 per ounce sold in the previous quarter. The increase was due primarily to increased material mined, mainly at Macraes and higher fuel and electricity costs, partly offset by a weaker New Zealand dollar.

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 $31.6 million for the second quarter compared to $27.7 million in the previous quarter. The increase was mainly due to higher amortisation of pre-stripping costs at Didipio and Reefton.

Net Interest Expense and Finance Costs

The net interest expense and finance costs of $2.2 million for the quarter were slightly lower than the previous quarter.

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. These valuation adjustments for the second quarter reflect a loss of $15.4 million compared to a loss of $9.4 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 put in place over the past two years.

The undesignated hedges cover future gold production from Macraes Goldfield and Reefton. Details of the derivative instruments held by the Company at quarter end are summarised below under "Derivative Assets/ Liabilities".

DISCUSSION OF CASH FLOWS

Operating Activities

Cash inflows from operating activities were $42.3 million for the second quarter compared to $43.2 million in the previous quarter.

Investing Activities

Cash used for investing activities totalled $38.3 million in the second quarter compared to $23.8 million in the previous quarter.

Investing activities included expenditure on capitalised mining including pre-stripping and maintenance capital and on expansionary capital including the Didipio underground development and power grid connection. The Company also made a strategic investment of $13.4 million in GSV.

Financing Activities

Financing net outflows for the second quarter were $15.2 million compared to a net outflow of $13.3 million in the previous quarter. In the second quarter, the Company paid a dividend of $12.2 million to common shareholders and repaid $3.0 million of finance lease liabilities.

DISCUSSION OF FINANCIAL POSITION AND LIQUIDITY

Company's funding and capital requirements

For the quarter ended June 30, 2015, the Company recorded a net loss of $1.0 million. As at the end of the quarter, the cash funds held were $48.7 million while net current assets were $73.4 million.

At June 30, 2015, the Company had a $150 million amortised revolving credit facility in place of which $77.8 million was drawn down. This revolving credit facility consists of competitive financial terms and standard corporate debt covenants and matures on June 30, 2017.

At June 30, 2015, the Company had immediate available liquidity of $120.9 million including $48.7 million in cash.

Under the step down commitment schedule, the existing revolving credit facility limit decreased to $125 million on July 1, 2015.

Commitments

The Company's capital commitments as at June 30, 2015, are as follows:

Table 11 – Capital Commitments

	Jun 30 2015 $000
Within 1 year	10,197

This includes mainly contracts supporting the Didipio operations.

Financial Position

Current Assets

Current assets were $171.3 million as at June 30, 2015 compared to $177.3 million as at December 31, 2014. The decrease was due mainly to lower current hedge assets and cash held, partly offset by increased inventories.

Non-Current Assets

Non-current assets were $734.7 million as at June 30, 2015 compared to $741.9 million as at December 31, 2014. The decrease was due mainly to depreciation and amortisation of property, plant and equipment and decrease in gold hedge derivative assets. This was partly offset by the investment in GSV and increased inventories at Didipio.

Current Liabilities

Current liabilities were $97.9 million as at June 30, 2015 compared to $85.5 million as at December 31, 2014. This increase was mainly attributable to a liability position on the outstanding gold hedges and increase in trade payables.

Non-Current Liabilities

Non-current liabilities were $122.7 million as at June 30, 2015 compared to $138.3 million as at December 31, 2014. The decrease was mainly due to the repayment of $10 million of bank debt in the first quarter of 2015, reduction in finance lease liability and a decrease in the asset retirement obligations in New Zealand. This was partly offset by recognising a liability on the outstanding gold hedges.

Derivative Assets / Liabilities

Over the past two years, the Company had entered into a series of four hedging programs in which it purchased put options at varying strike prices and an equal number of sold call options at varying strike prices. The purpose was to ensure a cash flow positive business for its New Zealand operations following the significant fall in gold price and strong New Zealand dollar.

As at June 30, 2015, 212,730 ounces of gold production remained as part of the hedging program as illustrated below.

Table 12 – New Zealand Hedging Program

Put Option Strike Price*	Call Option Strike Price*	Gold Ounces Remaining	Expiry Date
$1,500	$1,600	50,502	Dec 2015
$1,600	$1,736	142,548	Dec 2016
$1,628	$1,736	19,680	Dec 2016
Total		**212,730**	

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

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 13 – Marked to Market Derivatives Summary

Gold Put/Call Options	Jun 30 2015 $000	Dec 31 2014 $000
Current Assets	-	4,057
Non-Current Assets	-	5,285
Current Liabilities	(10,049)	-
Non-Current Liabilities	(3,997)	-
Total	**(14,046)**	**9,342**

Shareholders' Equity

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

Table 14 – Movement of Shareholders' Equity Summary

	Quarter ended Jun 30 2015 $000
Total equity at beginning of the quarter	699,740
Profit/(loss) after income tax	(971)
Movement in other comprehensive income/(loss)	(14,113)
Movement in contributed surplus	499
Issue of shares/ (equity raising costs)	250
Total equity at end of the quarter	**685,405**

Shareholders' equity decreased by $14.3 million to $685.4 million as at June 30, 2015, mainly due to currency translation differences reflected in "Other Comprehensive Income" that arise from the translation of entities with a functional currency other than USD.

Capital Resources

Table 15 – Capital Resources Summary

	Shares Outstanding	Options and Share Rights Outstanding
30 June 2015	303,594,668	8,763,176
31 July 2015	303,594,668	8,763,176
31 December 2014	301,520,186	8,839,655

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, which are calculated in accordance with Group accounting policy for deferred stripping. 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.

The recoverable value 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 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 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 these judgements and a possibility that changes in legislation will impact upon the carrying amount of deferred tax assets and deferred tax liabilities recognised on the statement of financial position.

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 June 30, 2015 no such equity has been issued to any third party. Consequently, no non-controlling interest has been recognised due to the uncertainty. A non-controlling interest is intended to be recognised after the issue of shares and after the full recovery of pre-operating expenses.

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

Adoption of new accounting policies, standards, amendments and interpretations

The Group did not adopt any new and/or revised standards, amendments and interpretation from January 1, 2015 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 (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.

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 2017 and earlier application is permitted. The Group will apply the standard 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.

SUMMARY OF QUARTERLY RESULTS OF OPERATONS

Table 16 below sets forth unaudited information for each of the eight quarters ended September 30, 2013 through to June 30, 2015. 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 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 14.

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 measures 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.

Free cash flows have been calculated as cash flows from operating activities less cash flows used in investing activities but excluding the payment for investment in GSV.

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, 2014. 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, 2014 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 Organizations of the Treadway Commission ("COSO" 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, 2014. 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 June 30, 2015, 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 16 - Quarterly Financial Summary

	Jun 30 2015 $000	Mar 31 2015 $000	Dec 31 2014 $000	Sep 30 2014 $000	Jun 30 2014 $000	Mar 31 2014 $000	Dec 31 2013 $000	Sep 30 2013 $000
Sales Revenue	125,486	129,306	142,655	122,838	127,480	170,355	170,142	156,617
EBITDA (excluding gain/(loss) on undesignated hedges and impairment charge)	40,110	60,740	65,658	43,505	29,602	101,030	96,497	76,291
Earnings/(loss) after income tax and before gain/(loss) on undesignated hedges (net of tax and impairment charge)	10,145	31,203	30,615	20,688	993	59,869	45,810	43,125
Net Profit/(Loss)	(971)	24,465	37,829	16,884	(2,123)	58,945	(28,159)	43,735
Net Earnings/(Loss) per share								
Basic	$(0.00)	$0.08	$0.13	$0.06	$(0.01)	$0.20	$(0.10)	$0.15
Diluted	$(0.00)	$0.08	$0.12	$0.05	$(0.01)	$0.19	$(0.10)	$0.14

Table 17 – Reconciliation of Cash Operating Costs and All-In Sustaining Costs

		Q2 Jun 30 2015	Q1 Mar 31 2015	Q2 Jun 30 2014	YTD Jun 30 2015	YTD Jun 30 2014
Cost of sales, excluding depreciation and amortisation	*$000*	72,514	60,685	88,543	133,199	151,726
Selling costs	*$000*	6,189	5,964	4,797	12,153	13,370
By-product credits	*$000*	(33,196)	(31,983)	(37,095)	(65,179)	(92,863)
Total cash costs (net of by-product credits)	*$000*	45,507	34,666	56,245	80,173	72,233
Gold sales from operating mines	*ounces*	82,890	86,234	72,294	169,124	166,344
Cash Operating Costs	***$/ounce***	**549**	**402**	**778**	**474**	**435**
Capitalised mining	*$/ounce*				105	190
Sustaining capital expenditure	*$/ounce*				89	73
Corporate general and administration	*$/ounce*				65	70
Other	*$/ounce*				1	11
All-In Sustaining Costs	***$/ounce***				**734**	**779**

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