Third Quarter 2016 Results

October 27, 2016

www.oceanagold.com

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. 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Technical Disclosure

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 third quarter ended September 30, 2016

HIGHLIGHTS

- Completed construction of the Tailings Storage Facility at Haile and commenced commissioning activities including the crusher and conveyor circuits. The project remains on budget and schedule for first ore through the mill before the end of 2016.
- Consolidated Year-to-Date production of 314,313 ounces of gold and 17,358 tonnes of copper, including 88,975 ounces of gold and 5,114 tonnes of copper produced in the third quarter.
- Consolidated Year-to-Date All-In Sustaining Costs of $730 per ounce and cash costs of $477 per ounce on sales of 331,489 ounces of gold and 16,453 tonnes of copper.
- Revenue of $150.4 million with an EBITDA of $61.6 million and a net profit of $30.7 million in the third quarter.
- Continued strong balance sheet with immediate liquidity of $145.3 million including $88.1 million in cash.
- Identified Didipio underground design enhancements resulting in a projected capital cost saving of approximately $30 million over the life of mine.
- On track to achieve 2016 production and cost guidance.
- The Company has responded to the DENR Audit Report and is confident that the response will satisfy all of the findings and recommendations presented within the Audit Report. The Company is currently awaiting an official response from the DENR.

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, EBITDA (Earnings before interest, taxes, depreciation and amortisation, excluding gain/(loss) on undesignated hedges) and liquidity are non-GAAP measures. Refer to page 24 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 include the results of Romarco Minerals Inc. and Waihi Gold Mine as from the relevant dates of legal close, which were October 1, 2015 and October 30, 2015, respectively.

OVERVIEW

Operating Results

For the first nine months of 2016, the Company produced 314,313 ounces of gold and 17,358 tonnes of copper including 88,975 ounces of gold and 5,114 tonnes of copper produced in the third quarter. The quarter-on-quarter decrease in production was expected and previously forecast due to lower production at Didipio and Waihi, partly offset by higher production at Macraes.

On a consolidated basis, the Company recorded AISC of $730 per ounce and cash costs of $477 per ounce on sales of 331,489 ounces of gold and 16,453 tonnes of copper for the first nine months of 2016.

At Didipio, the operation produced 116,455 ounces of gold and 17,358 tonnes of copper Year-to-Date ("YTD") including 25,568 ounces of gold and 5,114 tonnes of copper produced in the third quarter. The quarter-on-quarter decrease in production was expected and due to mine sequencing whereby lower grade ore was mined from Phase 6 of the open pit resulting in a lower head grade.

At Waihi, the operation produced 86,748 ounces of gold YTD including 23,225 ounces produced in the third quarter. The quarter-on-quarter decrease in production was a result of lower grades mined from Correnso underground and the temporary suspension of operations following the fatality early in the quarter.

YTD gold production at Macraes was 111,110 ounces including 40,182 ounces in the third quarter, an increase on the previous quarter due to a higher head grade from improved grades in the underground, processing less low-grade stockpiled ore and better recoveries.

Financial Results

For the first nine months of 2016, the Company recorded revenue of $481.2 million and a net profit of $93.9 million including an EBITDA of $216.7 million. In the third quarter, the Company reported revenue of $150.4 million and a net profit of $30.7 million while EBITDA was $61.6 million.

On October 14, 2016, the arbitration tribunal constituted by the World Bank's International Centre for Settlement of Investment Disputes ("ICSID") found in favour of the Government of El Salvador in its dispute with an OceanaGold indirect subsidiary company, Pac Rim Cayman LLC. ICSID granted an award of US$8 million to the Government of El Salvador to cover its legal fees and costs. The Company will review the ruling before evaluating the next steps related to its El Salvador business unit.

As at the end of the quarter, the cash balance was $88.1 million while total available liquidity was $145.3 million. The quarter-on-quarter decrease in liquidity was due mainly to capital expenditure at Haile, which was partially funded by cash flows from operations.

As at the end of the third quarter, the Company also held approximately $118.0 million in marketable securities from its strategic investments.

Growth

Construction of the Haile Gold Mine continues to advance well with the completion of the Tailings Storage Facility (TSF) early in the fourth quarter and commencement of commissioning activities.

In the third quarter, the crusher and conveying circuits, including the emergency stockpile circuit, were constructed, with pre-commissioning checks completed to enable energisation and commissioning activities, which commenced early in the fourth quarter.

During the third quarter, all structural steel, tanks, and placement of mechanical equipment were completed. The development now focuses on completion of piping, electrical and instrumentation works. Mining activities continue to progress to plan with 350,000 tonnes of oxide and transitional ore stockpiled for future processing.

At the end of the third quarter, the Company had spent approximately $316 million of the $380 million estimated capital cost at Haile while the total capital spent and committed was $349 million.

The project remains on budget and schedule for first ore through the mill before the end of 2016.

During the third quarter, the Haile underground Preliminary Economic Study ("PEA") was completed with results demonstrating technical and economic viability of operating both an open pit and underground concurrently at Haile.

The Company commenced the Haile optimisation study with the aim to further enhance the value of the operation through a potential re-design of the mine plan which includes both an open pit and underground operation. The optimisation study will also seek to include the extensive drilling data collected in 2016 with an expectation of an upgrade in the overall reserves and resources.

Outlook

The Company remains on track to achieve its 2016 production and cost guidance.

Table 1 – Production and Cost Results Summary

		Didipio	Waihi	Macraes and Reefton	Consolidated	
Third Quarter 2016 Results					**Q3 2016**	**Q2 2016**
Gold Produced	*Ounces*	25,568	23,225	40,182	88,975	102,557
Copper Produced	*Tonnes*	5,114	-	-	5,114	6,272
Gold Sales	*Ounces*	32,505	24,842	40,848	98,195	115,906
Copper Sales	*Tonnes*	5,596	-	-	5,596	6,113
Cash Costs	*$ per ounce*	126	461	891	529	476
YTD September 30 2016					**YTD Sep 30 2016**	**YTD Sep 30 2015***
Gold Produced	*Ounces*	116,455	86,748	111,110	314,313	297,663
Copper Produced	*Tonnes*	17,358	-	-	17,358	17,518
Gold Sales	*Ounces*	114,404	88,504	128,581	331,489	276,104
Copper Sales	*Tonnes*	16,453	-	-	16,453	17,167
Cash Costs	*$ per ounce*	39	487	861	477	465
All-In Sustaining Costs	*$ per ounce*	273	726	1,138	730	708

**Note: includes results for Waihi Gold.*

Table 2 – Consolidated Financial Summary

		Q3 Sep 30 2016	Q2 Jun 30 2016	Q3 Sep 30 2015	YTD Sep 30 2016	YTD Sep 30 2015*
Revenue	*US$'000*	150,388	169,763	109,581	481,202	364,373
Operating Costs	*US$'000*	(88,820)	(92,477)	(74,513)	(264,476)	(228,456)
EBITDA	*US$'000*	61,568	77,286	35,068	216,726	135,917
Net Profit	*US$'000*	30,693	39,655	6,924	93,879	30,418
Average Gold Price Received	*$ per ounce*	1,290	1,248	1,090	1,242	1,158
Average Copper Price Received	*$ per pound*	2.15	2.09	2.34	2.15	2.32

**Note: excludes results for Romarco Minerals and Waihi Gold.*

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 were forecast to 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

		Q3 Sep 30 2016	Q2 Jun 30 2016	Q3 Sep 30 2015	YTD Sep 30 2016	YTD Sep 30 2015
Gold Sales	*ounces*	32,505	44,837	27,708	114,404	91,917
Copper Sales	*tonnes*	5,596	6,113	5,484	16,453	17,167
Silver Sales	*ounces*	68,648	70,913	66,153	194,849	196,806
Average Gold Price Received	*$ per ounce*	1,286	1,271	1,098	1,271	1,156
Average Copper Price Received	*$ per pound*	2.15	2.09	2.34	2.15	2.32
Cash Costs	*$ per ounce*	126	8	109	39	25
Cash Operating Margin	***$ per ounce***	**1,160**	**1,263**	**989**	**1,232**	**1,131**

Table 5 – Didipio Mine Operating Statistics

		Q3 Sep 30 2016	Q2 Jun 30 2016	Q3 Sep 30 2015	YTD Sep 30 2016	YTD Sep 30 2015
Gold Produced	*ounces*	25,568	44,076	28,829	116,455	93,992
Copper Produced	*tonnes*	5,114	6,272	5,219	17,358	17,518
Silver Produced	*ounces*	64,016	72,162	59,449	206,382	208,453
Total Ore Mined	*tonnes*	2,442,109	1,646,248	1,594,267	5,933,302	4,787,259
Ore Mined Grade Gold	*g/t*	0.64	1.04	0.88	0.90	0.84
Ore Mined Grade Copper	*%*	0.45	0.52	0.47	0.49	0.50
Total Waste Mined including pre-strip	*tonnes*	4,347,840	5,535,009	7,109,887	15,447,188	18,808,543
Mill Feed	*tonnes*	883,459	971,262	905,880	2,800,591	2,675,971
Mill Feed Grade Gold	*g/t*	1.02	1.56	1.11	1.43	1.22
Mill Feed Grade Copper	*%*	0.62	0.68	0.62	0.65	0.69
Recovery Gold	*%*	89.0	90.4	88.9	89.7	89.0
Recovery Copper	*%*	94.1	94.8	93.3	94.7	94.6

Table 6 – Key Financial Statistics for Waihi Operations*

		Q3 Sep 30 2016	Q2 Jun 30 2016	YTD Sep 30 2016
Gold Sales	*ounces*	24,842	26,904	88,504
Average Gold Price Received	*$ per ounce*	1,335	1,258	1,250
Cash Costs	*$ per ounce*	461	559	487
Cash Operating Margin	***$ per ounce***	**874**	**699**	**763**

**: 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 were reported in OceanaGold's consolidated financial statements. Disclosure is for information only.*

Table 7 – Waihi Mine Operating Statistics

		Q3 Sep 30 2016	Q2 Jun 30 2016	Q3 Sep 30 2015	YTD Sep 30 2016	YTD Sep 30 2015
Gold Produced	*ounces*	23,225	26,540	32,997	86,748	32,997*
Total Ore Mined	*tonnes*	108,304	109,004	132,598	351,319	132,598
Ore Mined Grade	*g/t*	7.13	8.54	8.93	8.17	8.93
Total Waste Mined including pre-strip	*tonnes*	47,160	70,840	35,467	158,440	35,467
Mill Feed	*tonnes*	110,985	106,198	135,269	360,544	135,269
Mill Feed Grade	*g/t*	7.20	8.50	8.93	8.24	8.93
Recovery	*%*	90.4	91.3	90.7	90.7	90.7

**: 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 were reported in OceanaGold's consolidated financial statements. Disclosure is for information only.*

Table 8 – Key Financial Statistics for Macraes and Reefton Operations

		Q3 Sep 30 2016	Q2 Jun 30 2016	Q3 Sep 30 2015	YTD Sep 30 2016	YTD Sep 30 2015
Gold Sales*	*ounces*	40,848	44,165	50,931	128,581	155,846
Average Gold Price Received	*$ per ounce*	1,266	1,217	1,086	1,212	1,160
Cash Costs	*$ per ounce*	891	900	669	861	738
Cash Operating Margin	***$ per ounce***	**375**	**317**	**417**	**351**	**422**

**: Reefton entered Care and Maintenance during the first quarter of 2016. Stockpiled material continued to be processed until the first quarter 2016 with associated sales concluded in the second quarter of 2016.*

Table 9 – Consolidated Operating Statistics for Macraes and Reefton

		Q3 Sep 30 2016	Q2 Jun 30 2016	Q3 Sep 30 2015	YTD Sep 30 2016	YTD Sep 30 2015
Gold Produced	*ounces*	40,182	31,941	58,838	111,110	170,674
Total Ore Mined	*tonnes*	1,372,609	1,018,805	1,807,874	3,201,752	4,633,304
Ore Mined Grade	*g/t*	1.05	1.00	1.41	1.06	1.39
Total Waste Mined including pre-strip	*tonnes*	9,262,496	9,914,137	7,134,018	25,826,594	22,208,508
Mill Feed	*tonnes*	1,469,115	1,464,622	1,882,775	4,591,018	5,839,954
Mill Feed Grade	*g/t*	0.99	0.84	1.20	0.93	1.12
Recovery	*%*	86.0	80.7	81.1	82.7	80.5

Table 10 – Macraes Goldfield Operating Statistics

		Q3 Sep 30 2016	Q2 Jun 30 2016	Q3 Sep 30 2015	YTD Sep 30 2016	YTD Sep 30 2015
Gold Produced	*ounces*	40,182	31,941	38,523	106,633	112,953
Total Ore Mined	*tonnes*	1,372,609	1,018,805	1,001,567	3,201,752	2,742,319
Ore Mined Grade	*g/t*	1.05	1.00	1.42	1.06	1.38
Total Waste Mined including pre-strip	*tonnes*	9,262,496	9,914,137	6,379,644	25,826,594	17,926,086
Mill Feed	*tonnes*	1,469,115	1,464,622	1,422,434	4,389,506	4,508,048
Mill Feed Grade	*g/t*	0.99	0.84	1.05	0.91	0.97
Recovery	*%*	86.0	80.7	80.6	82.8	79.8

Table 11 – Reefton Operating Statistics

		Q3 Sep 30 2016	Q2 Jun 30 2016	Q3 Sep 30 2015	YTD Sep 30 2016	YTD Sep 30 2015
Gold Produced	*ounces*	-	-	20,315	4,477	57,721
Total Ore Mined	*tonnes*	-	-	806,307	-	1,890,985
Ore Mined Grade	*g/t*	-	-	1.40	-	1.41
Total Waste Mined including pre-strip	*tonnes*	-	-	754,374	-	4,282,422
Mill Feed	*tonnes*	-	-	460,341	201,512	1,331,906
Mill Feed Grade	*g/t*	-	-	1.66	1.40	1.63
Recovery	*%*	-	-	82.5	78.1	82.5

**: Reefton entered Care and Maintenance during the first quarter of 2016. Stockpiled material continued to be processed until the first quarter 2016 with associated sales concluded in the second quarter of 2016.*

OPERATIONS

Summary

For the first nine months of 2016, the Company produced 314,313 ounces of gold and 17,358 tonnes of copper including 88,975 ounces of gold and 5,114 tonnes of copper produced in the third quarter. The quarter-on-quarter decrease in production was expected and previously forecast due to lower production at Didipio and Waihi, partly offset by higher production at Macraes.

On a consolidated basis, the Company recorded AISC of $730 per ounce and cash costs of $477 per ounce on sales of 331,489 ounces of gold and 16,453 tonnes of copper for the first nine months of 2016.

Consolidated cash costs for the quarter were $529 per ounce sold, slightly higher than the previous quarter due to decreased sales but partially offset by lower costs.

Health & Safety

In the third quarter, a Waihi employee was fatally injured while operating a bogger in the Correnso underground. The incident is currently under investigation by the New Zealand regulators. The Company continues to emphasise the importance of operating safely and adhering to standard operating procedures.

During the period, safety focus meetings were conducted across all operating and development sites to drive further improvements in safety performance. The focus of these meetings was to improve the understanding and awareness of workplace hazards and further enhance the Company's risk control mechanisms. In addition, operational managers have increased the number of in-field safety engagements.

At the end of the third quarter, the Company reported a Total Recordable Injury Frequency Rate ("TRIFR") of 3.64 per million man hours worked, up from 3.37 in the second quarter.

Didipio Mine (Philippines)

At the end of the third quarter, the Didipio operation reported a TRIFR of 1.87 per million man hours worked, down from 1.92 in the second quarter.

For the third quarter, Didipio produced 25,568 ounces of gold and 5,114 tonnes of copper. The quarter-on-quarter decrease in production was expected and previously forecast. The decrease was a result of mining lower grade ore from the final stage of the open pit.

In the third quarter, the focus of mining operations was on the final stage (Stage 6) of the open pit and development of the underground decline, which continued to advance well and remains on schedule. Completion of mining within the open pit is expected at the end of 2017 to coincide with first underground ore processed.

During the quarter, the Didipio operation mined 6.8 million tonnes of material, slightly less than the previous quarter due to less waste mined and increased haulage distances, partly offset by more ore mined.

The total ore mined in the third quarter was 2.4 million tonnes compared to 1.6 million tonnes in the previous quarter. The increase in tonnage was a result of pre-stripping activities which were completed in the second quarter resulting in more ore available. Most of the ore mined in the quarter was stockpiled and approximately 19 million tonnes of ore were stockpiled for future processing.

Didipio processed 883,459 tonnes of ore, a decrease on the previous quarter as a result of lower plant availability due to the completion of scheduled maintenance activities and processing harder ore. In the fourth quarter, an extended shutdown of the process plant is scheduled to allow for an upgrade of the cyclone system in the classification circuit as well as the installation of a new concentrate weighing system.

Gold head grade of 1.02 g/t and copper head grade of 0.62% in the third quarter were lower than in the previous quarter due to mining lower grade ore from the open pit, which was expected.

Gold and copper recoveries were slightly lower quarter-on-quarter as a result of the lower head grade.

The Company made three shipments of concentrate in the third quarter, totalling 29,770 dry metric tonnes to smelters in Asia and delivered 8,392 ounces of gold in Dore to the mint in Perth, Western Australia. At the end of the third quarter, the operation had approximately 4,700 dry metric tonnes of concentrate stockpiled at site for trucking to the port and approximately 8,000 dry metric tonnes stockpiled at port ready for shipment to smelters.

The Didipio operation remains on track to achieve its production and cost guidance for 2016. The Company expects higher production in the fourth quarter from increasing grades at the open pit. However, decreased throughput rates from the schedule maintenance are expected to partially offset production gains.

Late in the third quarter, the Department of Environment and Natural Resources ("DENR") completed their audit of mining operations in the Philippines, including at Didipio. The results of the audit have been provided subsequent to the end of the quarter. However, in a subsequent press conference, the DENR Secretary Gina Lopez announced that 23 mines in the country, including the Didipio operation, were cited for audit findings which could result in a possible suspension of operations.

As announced on October 18, 2016, the Company received a letter from the DENR, which outlined the findings and recommendations of the DENR Audit. The Company has responded to all of the findings and

recommendations presented within the Audit Report and is currently awaiting an official response from the DENR.

Waihi Mine (New Zealand)

Early in the third quarter, a fatality occurred at the Waihi mine and the operations were suspended for a period of seven days. The incident remains under investigation.

Year-to-date gold production at Waihi was 86,748 ounces including 23,225 ounces produced in the third quarter. The quarter-on-quarter decrease in production was expected and as a result of a lower head grade.

Ore was sourced exclusively from the underground mine where stoping continued in the Correnso vein, while development of level access within the Daybreak, Empire and Christina veins was also undertaken. Total material mined in the third quarter was 155,464 tonnes, lower than the previous quarter mainly due to less waste material mined for reasons mentioned above.

Total ore mined in the third quarter was 108,304 tonnes compared to 109,004 tonnes in the second quarter.

Mill feed for the quarter was 110,985 tonnes, which was slightly higher than in the previous quarter.

Gold head grade was 7.20 g/t compared to 8.50 g/t in the previous quarter. The decrease in head grade was a result of mine sequencing where by the lower grade zone of the Correnso vein was mined. Gold recovery of 90.4% was lower than in the previous quarter due to the lower head grade.

Looking ahead to the fourth quarter of 2016, the Company expects production to be higher than the second and third quarters and is on track to achieve its production and cost guidance for the year.

At the end of the third quarter, the Waihi operation reported a TRIFR of 5.54 per million man hours worked, broadly in-line with the second quarter.

Macraes Goldfield (New Zealand)

At the end of the third quarter, the Macraes Operation reported a TRIFR of 6.87 per million man hours worked, up from 1.79 in the second quarter.

The Macraes operation produced 111,110 ounces of gold in the first nine months of 2016 including 40,182 ounces in the third quarter. The quarter-on-quarter increase was primarily due to an improved head grade and higher recoveries.

The total material mined for the quarter was 10.6 million tonnes, a slight decrease from the previous quarter due to less waste mined at Stage 2 of the Coronation open pit. In the third quarter, the operation mined 1.4 million tonnes of ore, which was 32% higher than in the previous quarter due to increased productivity and a lower strip ratio at Coronation.

Mill feed for the quarter was 1.5 million tonnes, which was broadly in-line with the previous quarter. The head grade was 0.99 g/t compared to 0.84 g/t in the second quarter of 2016. The quarter-on-quarter increase in head grade was due to higher grades mined from the underground operation and increased tonnage from the open pit resulting in less low-grade stockpiled ore required to supplement the mill feed.

Overall plant recovery was 86.0% which was higher than the 80.7% from the second quarter. The higher head grade and improved plant performance following the cessation of Reefton concentrate treatment resulted in the increased recoveries.

Looking ahead to the remainder of the year, the Company expects production at Macraes in the fourth quarter to be similar to that of the third quarter. The Macraes operation is on track to achieve its production and cost guidance for the year.

EXPLORATION

New Zealand

Exploration expenditure in New Zealand was $3.9 million for the third quarter including $1.4 million at Macraes and $2.5 million at Waihi.

Macraes

Exploration drilling at Macraes totalled 8,446 metres and was undertaken at Nunns, Mareburn, Coronation North, Coronation and at the Frasers Underground mine (Figure 1) during the third quarter.

As reported in the September exploration update, the Company received encouraging results from drilling Nunns, Coronation North, Coronation, and Frasers underground. As a result, the fourth quarter resource definition drilling will continue on these areas while commencing reconnaissance drilling at Mt Highlay. At the conclusion of the drill programs, resource estimates for the respective prospects will be updated for inclusion in the year-end Resource and Reserves Statement.

At Lot's Wife, located southwest of the Macraes process plant, phase two soil sampling continued in the third quarter and is expected to be completed in the fourth quarter. The Company is seeking to drill this prospect in the fourth quarter and is currently working to gain the necessary consents.

Waihi

A total of 7,406 metres were drilled in the third quarter with four surface and three underground diamond drill rigs. Drilling focused primarily on reserve and resource conversion of Correnso, Empire, Daybreak and potential extensions of the Martha vein system.

As reported in the September exploration update, reserve and resource conversion drilling continues to deliver significant intercepts and is expected to convert incremental additions to the resource base in the underground mines at Correnso, Empire and Daybreak. Additional resources have been defined on extensions of the Daybreak, Christina and Empire veins.

Exploration continues to test the resource potential of major lodes, linking veins and stockwork zones beneath the current open pit and continues to deliver encouraging intercepts as reported in the September exploration update. Drilling beneath the open pit will continue for the remainder of the year.

Approximately 695 metres of drilling has focussed on testing new targets within the larger Waihi mineral district.

Regional exploration is progressing with geological mapping, geochemical sampling and access arrangements that will allow the commencement of drilling.

United States

Exploration expenditure at the Haile Gold Mine was $2.0 million for the third quarter.

A total of 9,158 metres were drilled in 23 holes with four diamond rigs at the Horseshoe and Palomino targets in the third quarter.

The first two phases of the Horseshoe resource delineation program were completed as part of a 66 hole, 24,600 metre program initiated in December 2015. Drill hole assays are expected to be completed in the fourth quarter. The four diamond rigs are currently drilling the Palomino resource target, located 700 to 900 meters west of Horseshoe.

The results of the 2016 drilling program will be integrated into the technical and optimisation studies currently underway.

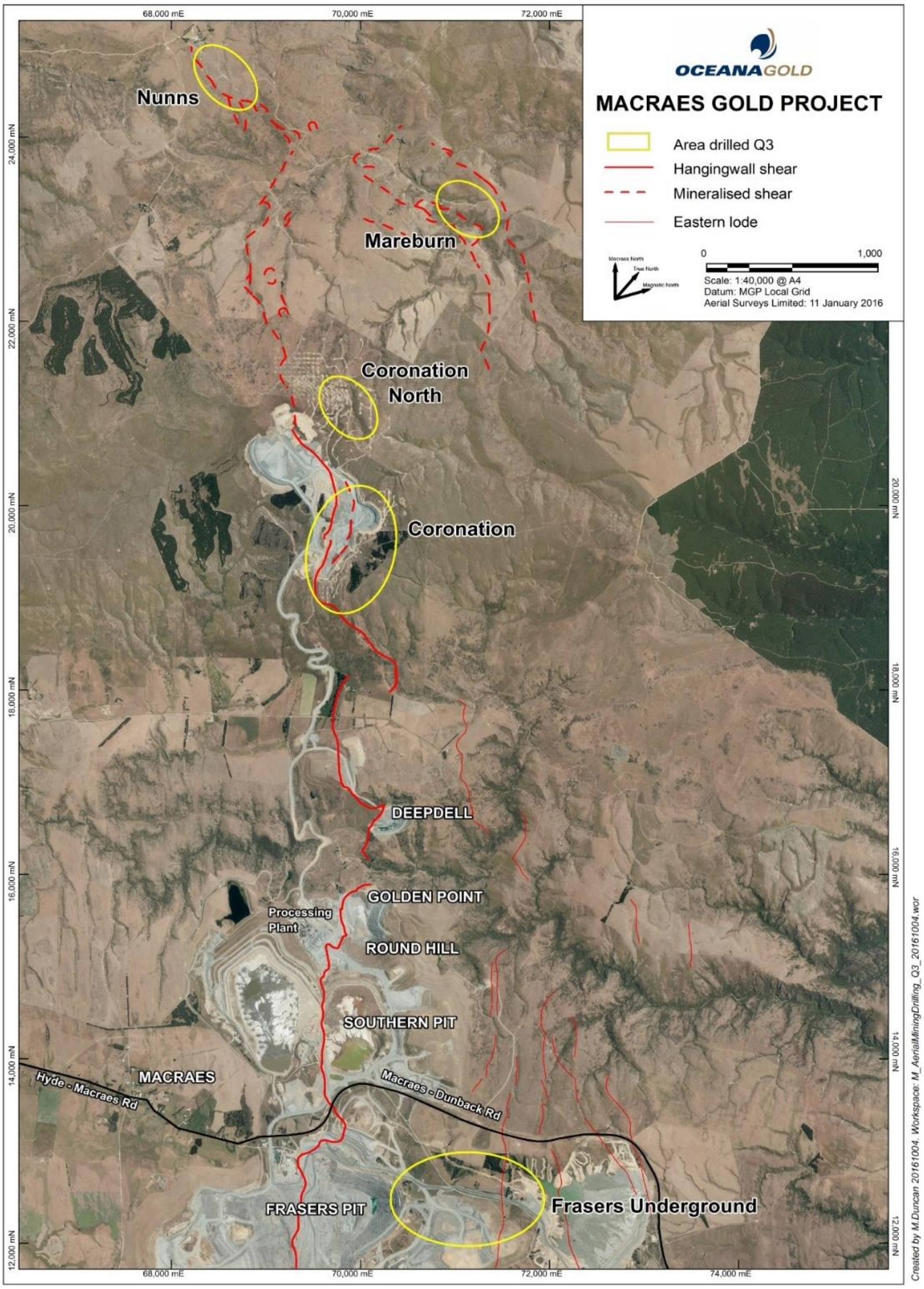
Additionally, in the third quarter the Company finalised a regional exploration project ranking system to prioritise targets and work programs. Magnetic inversion modelling commenced in the Haile region late in the third quarter. The model will be integrated with Induced Polarisation (IP), Electro-magnetic (EM) and gravity data previously collected to evaluate regional targets.

Philippines

Exploration expenditure in the Philippines was U$0.9 million for the third quarter.

Underground diamond drilling platforms were completed during the quarter at Didipio for the reserve definition diamond drilling program with drilling planned to commence in October. The Company also commenced a separate drilling program designed to identify potential resource extensions below the current Didipio life of mine design. This drill program is expected to be completed in the fourth quarter.

Figure 1 - Location of Macraes Exploration Drilling.



DEVELOPMENT

United States

Construction of the Haile Gold Mine continues to advance well with all major infrastructure tracking to schedule. All construction contracts required for the construction and commissioning of the plant have been let. In the third quarter, the crusher and conveying circuits, including the emergency stockpile circuit, were constructed, with pre-commissioning checks completed to enable energisation and commissioning activities, which commenced early in the fourth quarter.

During the quarter, the majority of all structural steel, tanks and placement of mechanical equipment was completed (Figure 2) to enable the focus to transition to piping, electrical and instrumentation works.

Construction of the TSF was completed early in the fourth quarter, ahead of schedule while the second stage of the PAG Cell was also completed.

Mining activities continued to advance well (Figure 3) with the Company commencing mining of sulphide ore and achieving a steady state mining rate of 60,000 tonnes per day. As at the end of the third quarter, 350,000 tonnes of oxide ore and transitional material have been stockpiled. The shorter re-designed pit ramps are now fully operational affording haulage savings to the waste stockpile areas.

The capital budget remains on track and unchanged and as at the end of the third quarter, approximately $316 million had been spent on construction at Haile. In total, the Company has spent or committed approximately $349 million of the $380 million total capital budget.

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.

During the quarter, the Haile underground PEA was completed with results demonstrating the technical and economic viability of operating an underground mine at Haile concurrently with the open pit. The PEA utilised the existing Haile resource with a focus on underground targets Horseshoe, Mustang and Mill Zone Deeps and excluded all drilling data collected in 2016.

The Company initiated an optimisation study with the intention of enhancing the value of the Haile operation by further evaluating the mine plan that envisages a larger open pit operation and inclusion of an underground mine. The expected completion data of the study is the middle of 2017.

Philippines

The Didipio underground continues to advance well and remains on schedule and budget to provide first ore to the process plant by the end of 2017.

At the end of the quarter, the Company had advanced the decline approximately 1,908 metres and developed down to a depth of approximately 265 metres from the portal (Figure 4). During the quarter, the Company successfully completed raise boring of the first primary intake shaft and had reamed 180 metres in the northern return air rise. The Company also awarded tenders for the supply of the paste fill plant with construction scheduled to begin during the second quarter of 2017.

An optimisation study of the underground mine design was concluded during the quarter. The results of this study identified significant reductions in infrastructure requirements through modified stope designs resulting in a reduction of 6,000 meters of development over the life of mine. Through this optimisation, the Company expects a capital saving of approximately $30.0 million over the life of mine.

Underground diamond drilling platforms were completed during the quarter for the reserve definition diamond drilling program with drilling planned to commence in October. The Company also commenced a separate drilling program designed to identify potential resource extensions below the current life of mine design. This drill program is expected to be completed in the fourth quarter.

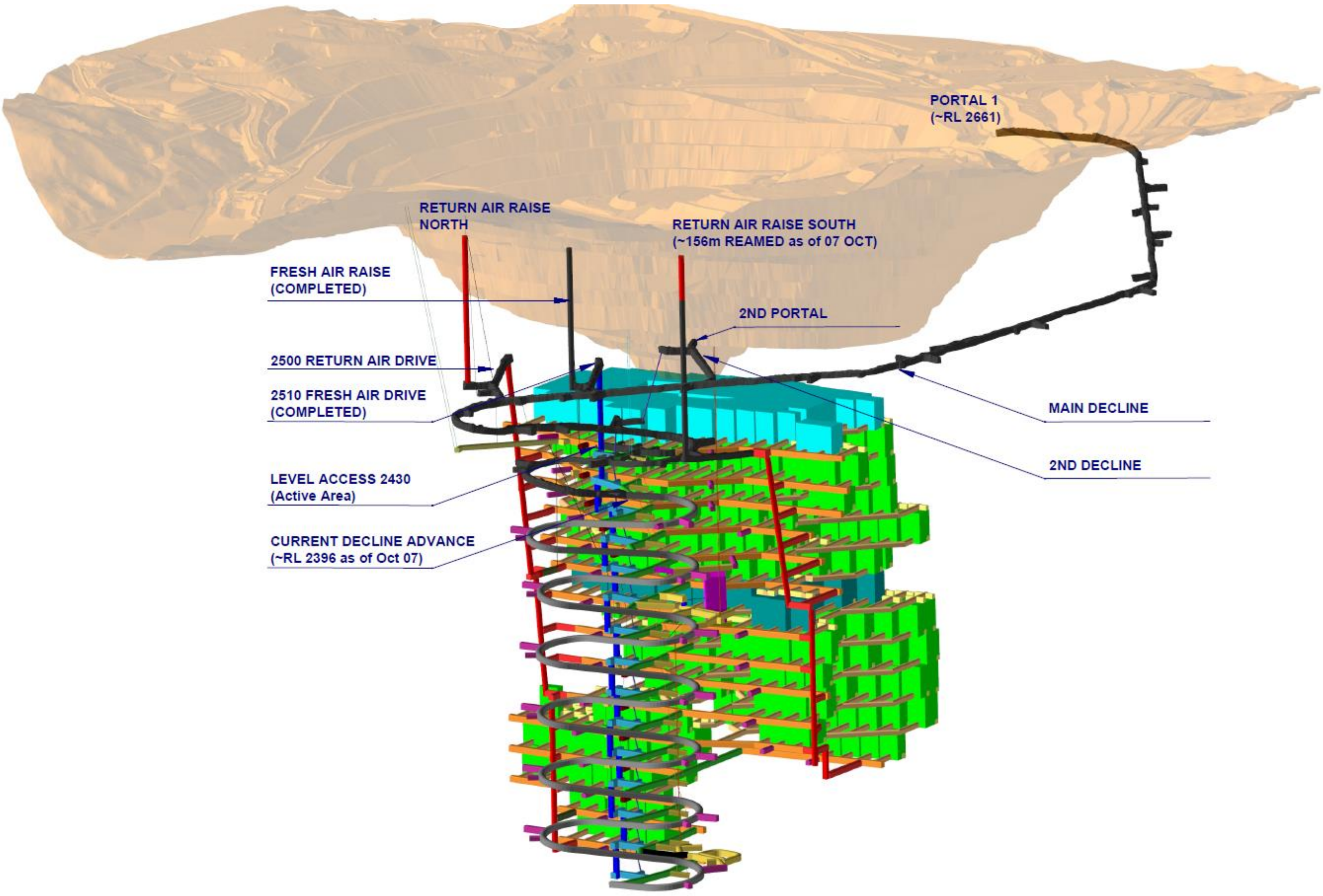
New Zealand

During the quarter, the Macraes Gold-Tungsten feasibility study was progressed with completion expected in the first quarter of 2017.

Figure 2 – Process Plant Activities

Figure 3 – Haile Aerial Photo of Mining Area

Figure 4 – Cross-section of Didipio Underground Design and Construction Phase



ENVIRONMENT & COMMUNITY

Environment

In the Philippines, the Didipio operation hosted a week long DENR environmental performance and compliance audit. The audit close out meeting provided very positive feedback in line with previous recognition as the "Most Environmentally Responsible Mine" in the Philippines. Subsequent to the end of the quarter the Company received formal notification of the outcome of the audit with minor improvements recommended. Closure of the audit process is expected in the near future. In the meantime operations at Didipio continue as normal.

At Haile, during the nine months ended 30 September 2016, the South Carolina Department of Health and Environmental Control ("DHEC") conducted ten site inspections, with Haile receiving very favourable ratings for the key critical review and inspection items. Additionally, the DHEC Dam Safety Team has conducted an on-site review of the construction of the TSF and did not indicate the presence of any issues.

At Macraes, the Cranky Jims Wetlands Ecological Covenant is progressing well and the upgrade of the Gay Tan historic cottage (subfloor repaired and levelled) is near completion. A three year formal rehabilitation review has commenced and will evaluate the soils and vegetation health in the rehabilitated areas.

Community

At Waihi, following the tragic accident at the end of July, the Company undertook extensive community consultation and engagement with local Iwi community, friends and family. Several traditional blessings were conducted on equipment and at various locations across the operation prior to recommencing operations.

At Didipio, community employment remains a strong focus with 56 per cent of Didipio's employees being from the host provinces of Nueva Vizcaya and Quirino, while the remaining 42 per cent are employed from other regions in the Philippines. Approximately 26 per cent of the total workforce reside in the local Didipio community.

The second round of ten underground trainees from the Clarke Site Skills training centre graduated in June 2016, all of whom are residents of local communities. The Company welcomed the first licensed mining engineer, from the Didipio community, to graduate from the OGPI Scholarship Program.

Other OGPI educational sponsorships supported a number of participants to achieve skills in dressmaking and embroidery as well as assisted in the development of basic computer and bookkeeping skills.

The Didipio operation also provided sponsorship / participation in significant community events including Municipal Fiesta of Cabarroguis, Quirino, and the DIWATA (Role of Community and Women in Mining) event.

During the third quarter in the Philippines, the Social Investment Steering Committee successfully passed six resolutions for implementation including the:

- Didipio-Capisaan Road in Nueva Viscaya as well as commencing the staged development of the Didipio Circumferential Road;
- Creation of a joint-working committee to monitor the Company's financial assistance of the K to 12 (Kindergarten to Year 12) Program;
- Engagement of a subject-matter expert to provide guidance on hospital management and implementation;
- Engagement of Barangay Council of Didipio with Local Water Utilities Association to finalize the design of a potable water system for the supply of drinking water to the Didipio community;
- Execution of a multi-partite Memorandum of Understanding ("MOA") with Barangay Didipio, Kasibu MENRO, PENRO, and CENRO for the deputation of Environmental Stewards; and
- Final consultations with Barangays concerned for confirmations of identified Projects, Programs & Activities (PPAs).

At Haile, the Company actively participated in various community events. South Carolina Senator Vincent Sheheen commended the Haile Gold Mine for the commitment it has placed on local employment, including providing training programs for local hires. Community employment remains robust at 89 per cent of all employees.

At Macraes, the Company facilitated site visits from the Waitaki District Council Mayor and Chief Executive Officer as well as sixty Dunedin Kings College students and the Otago University / GNS linkup for Monash University PhD students investigating relationships between geophysical signatures, regional structure & gold mineralisation.

FINANCIAL SUMMARY

Table 14 – Financial Summary*

$'000	Q3 Sep 30 2016	Q2 Jun 30 2016	Q3 Sep 30 2015	YTD Sep 30 2016	YTD Sep 30 2015
Revenue	150,388	169,763	109,581	481,202	364,373
Cost of sales, excluding depreciation and amortisation	(77,524)	(79,642)	(60,779)	(229,055)	(193,979)
General and administration – merger and acquisition costs	-	-	(4,471)	-	(6,918)
General and administration - other	(11,361)	(15,565)	(9,062)	(39,294)	(25,062)
Foreign currency exchange gain/(loss)	(604)	2,543	(269)	2,664	(2,629)
Other income/(expense)	669	187	68	1,209	132
Earnings before interest, tax, depreciation and amortisation (EBITDA) (excluding gain/(loss) on undesignated hedges)	61,568	77,286	35,068	216,726	135,917
Depreciation and amortisation	(31,973)	(28,015)	(29,430)	(93,757)	(88,795)
Net interest expense and finance costs	(2,538)	(2,536)	(2,254)	(7,261)	(7,049)
Earnings before income tax and gain/(loss) on undesignated hedges	**27,057**	**46,735**	**3,384**	**115,708**	**40,073**
Tax (expense) / benefit on earnings	(2,587)	(5,599)	1,457	(13,392)	6,116
Earnings/(loss) after income tax and before gain/(loss) on undesignated hedges	**24,470**	**41,136**	**4,841**	**102,316**	**46,189**
Gain/(loss) on fair value undesignated hedges	8,852	(1,828)	2,863	(11,280)	(21,905)
Tax (expense)/benefit on gain/loss on undesignated hedges	(2,478)	511	(810)	3,158	6,134
Share of profit/(loss) from equity accounted associates	(151)	(164)	-	(315)	-
Net Profit/(Loss)	**30,693**	**39,655**	**6,924**	**93,879**	**30,418**
Basic earnings per share	$0.05	$0.07	$0.02	$0.15	$0.10
Diluted earnings per share	$0.05	$0.06	$0.02	$0.15	$0.10
CASH FLOWS					
Cash flows from Operating Activities	29,440	91,486	23,801	152,599	109,289
Cash flows used in Investing Activities	(116,342)	(122,496)	(22,371)	(342,578)	(84,493)
Cash flows from / (used in) Financing Activities	70,607	12,827	(2,056)	85,467	(30,597)

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

BALANCE SHEET $'000	As at Sep 30 2016	As at Dec 31 2015
Cash and cash equivalents	88,068	185,466
Other Current Assets	131,602	138,076
Non-Current Assets	1,664,427	1,220,315
Total Assets	**1,884,097**	**1,543,857**
Current Liabilities	163,666	135,474
Non-Current Liabilities	398,743	268,574
Total Liabilities	**562,409**	**404,048**
Total Shareholders' Equity	**1,321,688**	**1,139,809**

RESULTS OF OPERATIONS

Net Earnings

In the third quarter of 2016, the Company reported revenue of $150.4 million. EBITDA (excluding gain/loss on undesignated hedges) of $61.6 million was lower than the previous quarter's result of $77.3 million primarily due to lower gold sales at Didipio.

The Company reported a net profit of $30.7 million for the third quarter which was a decrease on the previous quarter mainly due to lower revenue and higher depreciation and amortisation charges. These were partly offset by lower operating costs, lower general and administrative costs and a gain on the fair value of undesignated hedges.

Sales Revenue

Philippines

Third quarter concentrate sales revenue net of concentrate treatment, refining and selling costs in the Philippines was $64.5 million of which copper revenue was $26.6 million. In the third quarter, the average gold price received at Didipio was $1,286 per ounce compared to $1,271 per ounce in the previous quarter and the average copper price received was $2.15 per pound compared to $2.09 per pound in the previous quarter.

Third quarter sales at Didipio were 32,505 ounces of gold compared to 44,837 ounces in the previous quarter due to lower production. Copper sales of 5,596 tonnes and silver sales of 68,648 ounces were lower than the previous quarter's sales.

New Zealand

Third quarter revenue was $85.9 million in New Zealand. Gold sales in the third quarter of 65,690 ounces were below the previous quarter of 71,069 ounces despite higher production. The average gold price received in the third quarter was $1,292 per ounce compared to $1,233 per ounce received in the previous quarter.

Operating Costs and Margins per Ounce

Philippines

Operating cash costs at Didipio were $126 per ounce sold for the third quarter compared to $8 per ounce sold in the previous quarter. On a co-product basis, the operating cash costs were $591 per ounce on 54,256 equivalent gold ounces sold compared to $439 per ounce sold in the previous quarter. The increase in costs per ounce was a result of lower gold ounces and lower copper tonnes sold.

New Zealand

Operating cash costs in New Zealand were $729 per ounce sold for the third quarter compared to $771 per ounce sold in the previous quarter. The decrease was due mainly to decreased mining costs.

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 $32.0 million for the third quarter compared to $28.0 million in the previous quarter. This increase was mainly due to the impact of higher asset base resulting from equipment additions and acquisitions.

General and administration costs

General and administration costs of $11.4 million were $4.2 million lower than the previous quarter which had reflected one-off redundancy costs at Waihi following an internal restructuring.

Net Interest Expense and Finance Costs

The net interest expense and finance costs of $2.6 million for the quarter were in line with 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 on the gold and fuel hedges for the third quarter reflect a gain of $8.9 million compared to a loss of $1.8 million in the previous quarter. The gain mainly reflects a reduction in the New Zealand dollar spot gold price at September 30, 2016 compared to June 30, 2016. The undesignated gold hedges cover future gold production from the Macraes Goldfield to the end of 2017.

Details of the derivative instruments held by the Company at September 30, 2016, are summarised below under "Derivative Assets / Liabilities".

DISCUSSION OF CASH FLOWS

Operating Activities

Cash inflows from operating activities were $29.4 million for the third quarter compared to $91.5 million in the previous quarter mainly due to lower sales and an increase in receivables in the third quarter. A provisional income tax payment of $7.3 million was made by the Waihi Gold mine.

Investing Activities

Cash used for investing activities totalled $116.3 million in the third quarter compared to $122.5 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.

Financing Activities

Financing net inflows for the third quarter were $70.6 million mainly due to the drawdown of external debt of $60.0 million, the sale and leaseback of trucks in New Zealand of $11.3 million and cash received from share option holders who exercised their options to purchase new shares partly offset by finance lease repayment.

DISCUSSION OF FINANCIAL POSITION AND LIQUIDITY

Company's funding and capital requirements

The Company recorded a net profit of $30.7 million for the quarter ended September 30, 2016. As at September 30, 2016, the cash funds held were $88.1 million while net current assets were $56.0 million.

On 25 August 2016, the Company drew down $60.0 million under its revolving credit facility to support the financing of construction of the Haile Gold Mine. At September 30, 2016, the Company's revolving credit facility stood at $300 million, of which $242.8 million was drawn.

Also in August, the Company executed an arrangement with Caterpillar Financial Services Corporation for the sale and leaseback of five trucks at the Macraes Goldfield. The Company received $11.3 million in cash.

As at September 30, 2016, the Company had immediately available liquidity of $145.3 million with $88.1 million in cash and $57.2 million available under the amended finance facility. As at the end of the third quarter, the Company held $118.0 million in marketable securities from strategic investments in listed junior exploration companies.

Commitments

The Company's capital commitments as at September 30, 2016, are as follows:

Table 15 – Capital Commitments

$'000	Sep 30 2016
Within 1 year	16,570

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

Financial Position

Current Assets

Current assets were $219.7 million as at September 30, 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 year to date.

Non-Current Assets

Non-current assets were $1.7 billion as at September 30, 2016 compared to $1.2 billion as at December 31, 2015. The increase was mainly due to increased mining assets at Haile and Didipio and increased inventories at Didipio.

Current Liabilities

Current liabilities were $163.7 million as at September 30, 2016 compared to $135.5 million as at December 31, 2015. This was mainly due to increased payables at Haile, gold hedge liabilities and the new finance lease liabilities.

Non-Current Liabilities

Non-current liabilities were $398.7 million as at September 30, 2016 compared to $268.6 million as at December 31, 2015. This increase was mainly due to the debt drawdown of $60.0 million, the new finance lease liabilities at Haile and Macraes and increased asset rehabilitation provisions at Haile. Gold hedge liabilities increased due to a higher New Zealand dollar denominated gold price as compared to December 31, 2015.

Derivative Assets / Liabilities

The Company's hedging programs 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 for 90% of the Company's total fuel requirements in 2016 and 2017.

As at September 30, 2016, 194,574 ounces of gold production remained as part of the gold price hedging program as illustrated below.

Table 16 – New Zealand Gold Hedging Program (Macraes Goldfield)

Put Option Strike Price*	Call Option Strike Price*	Gold Ounces Remaining	Expiry Date
$1,600	$1,736	27,222	Dec 2016
$1,628	$1,736	4,920	Dec 2016
$1,650	$1,810	84,732	Dec 2017
$1,650	$1,810	77,700	Dec 2017
Total		**194,574**	

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

As at September 30, 2016, 387,000 barrels remained hedged as illustrated below.

Table 17 – Fuel Hedging Program

	Swap Price USD/bbl	Volume Remaining (barrel)	Expiry Date
Singapore Gasoil Platts Asia Pacific	$43.75	66,000	Dec 2016
US Gulf Coast Ultra Low Sulphur	$48.07	28,357	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		**387,000**	

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 18 – Marked to Market Derivatives Summary

$'000	Hedge	Sep 30 2016	Dec 31 2015
Current Assets	Note 1	3,886	5,777
Non-Current Assets	Fuel	857	-
Current Liabilities	Gold	(8,909)	-
Non-Current Liabilities	Gold	(2,877)	-
Total		**(7,043)**	**5,777**

Note 1: Balance at 30 September related to fuel; balance at 31 December to gold.

Shareholders' Equity

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

Table 19 – Movement of Shareholders' Equity Summary

$'000	Sep 30 2016
Total equity at beginning of the quarter	1,251,303
Profit/(loss) after income tax	30,693
Movement in other comprehensive income	36,208
Movement in contributed surplus	1,347
Issue of shares/ (equity raising costs)	2,137
Total equity at end of the quarter	**1,321,688**

Shareholders' equity increased by $70.4 million to $1.32 billion as at September 30, 2016, mainly due to a net profit after tax of $30.7 million, gains in the fair value of available-for-sale assets and shares issued from the exercise of options. "Other Comprehensive Income" reflects the 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 20 – Capital Resources Summary

	Shares Outstanding	Options and Share Rights Outstanding
28 October 2016	611,024,600	14,703,766
30 September 2016	611,024,600	14,703,766
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 and these are amortised over the life of components of the ore body to which they relate. 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 of impairment. Where an indicator of impairment or reversal exists, a formal estimate of the recoverable amount is made, which is 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 and United States CGU are dependent on production from certain identified exploration targets in New Zealand and successful completion of the Haile Gold Project respectively. Should these projects prove to be uneconomic, the carrying value of the CGU could be impaired by a significant amount.

The recoverable amount of the exploration asset is dependent also on the Company obtaining a mining permit. Should it be unsuccessful, the exploration asset 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 was 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 September 30, 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.

IFRS 2 – Share-based payments

This standard has been amended to address certain issues related to the accounting for cash settled awards, and the accounting for equity settled awards that include a 'net settlement" feature in respect of employee withholding taxes. The amendments are effective for years beginning on/after January 1, 2018 and the Group will apply the amendment 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 21 sets forth unaudited information for each of the eight quarters ended December 31, 2014 through to September 30, 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 17.

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.

Liquidity has been calculated as cash and cash equivalents and the total of funds which are available to be drawn under the Company's loan facility.

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 September 30, 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 21 - Quarterly Financial Summary*

	Sep 30 2016 $000	Jun 30 2016 $000	Mar 31 2016 $000	Dec 31 2015 $000	Sep 30 2015 $000	Jun 30 2015 $000	Mar 31 2015 $000	Dec 31 2014 $000
Revenue	150,388	169,763	161,051	143,612	109,581	125,486	129,306	142,655
EBITDA (excluding gain/(loss) on undesignated hedges)	61,568	77,286	77,874	57,569	35,068	40,110	60,740	65,658
Earnings after income tax and before gain/(loss) on undesignated hedges (net of tax)	24,470	41,136	36,710	10,750	4,841	10,145	31,203	30,615
Net Profit/(Loss)	30,693	39,655	23,531	22,648	6,924	(971)	24,465	37,829
Net Earnings/(Loss) per share								
Basic	$0.05	$0.07	$0.04	$0.04	$0.02	$(0.00)	$0.08	$0.13
Diluted	$0.05	$0.06	$0.04	$0.04	$0.02	$(0.00)	$0.08	$0.12

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

Table 22 – Reconciliation of Cash Costs and All-In Sustaining Costs

		Q3 Sep 30 2016	Q2 Jun 30 2016	Q3 Sep 30 2015	YTD Sep 30 2016	YTD Sep 30 2015*
Cost of sales, excluding depreciation and amortisation	*$000*	77,524	79,642	60,779	229,055	193,979
Selling costs	*$000*	3,354	6,236	5,591	13,866	17,644
By-product credits	*$000*	(28,933)	(30,707)	(29,252)	(84,801)	(94,431)
Total cash costs (net of by-product credits)	*$000*	51,945	55,171	37,118	158,120	117,192
Gold sales from operating mines	*ounces*	98,195	115,906	78,639	331,489	247,763
Cash Costs	***$/ounce***	**529**	**476**	**472**	**477**	**473**
Capitalised mining	*$/ounce*				91	103
Sustaining capital expenditure	*$/ounce*				71	86
Corporate general & administration - other	*$/ounce*				55	71
Other	*$/ounce*				36	3
All-In Sustaining Costs	***$/ounce***				**730**	**736**

**Note: excludes Waihi Gold.*