OCEANAGOLD CORPORATION

Results for announcement to the market

Financial results	**2016 US$'000**	**2015 US$'000**	**Change US$'000**	**Change %**
Revenue from ordinary activities	628,634	507,985	120,649	Up 23.8%
Profit/(loss) from ordinary activities after tax attributable to members	136,452	53,066	83,386	Up >100%
Net profit/(loss) for the period attributable to members	136,452	53,066	83,386	Up >100%

Net tangible assets	**2016 US$**	**2015 US$**
Net tangible assets per security	2.19	1.89

Dividends

On 23 February, 2017, the Company's Board of Directors declared an ordinary semi-annual dividend of US$0.01 per share on common shares of the Company (approximately US$6.1 million), payable on 28 April, 2017 to shareholders of record on 7 March, 2017. This dividend is unfranked and there is no amount of Conduit Foreign Income per security for this dividend payment for Australian income tax purposes.

Explanation of Results

Revenue for the year ended 31 December 2016 increased by 23.8% mainly due to higher average gold price received, higher gold ounces sold and the inclusion of first full year of Waihi revenue in 2016 compared to two months in 2015. This is partly offset by lower copper tonnes sold and lower average copper price received.

Net profit after tax for the year ended 31 December 2016 was $136.5 million compared to $53.1 million for the year ended 31 December 2015, more than 100% increase compared to prior year. This result was attributable to higher revenue offset partly by higher operating costs, lower finance costs and an unrealised gain on the fair value of outstanding undesignated gold hedges and fuel swaps in 2016 compared to an unrealised loss in 2015. The 2016 results include the first full year results of the Waihi mine acquired in late 2015.

For further explanation of the results, please refer to the Management Discussion and Analysis of Financial Condition and Results of Operations for the year ended December 31, 2016 together with the Consolidated Financial Statements for the year ended December 31, 2016.

Auditor's Independence Declaration

As lead auditor for the audit of OceanaGold Corporation for the year ended 31 December 2016, I declare that to the best of my knowledge and belief, I am independent in accordance with the requirements of The Code of Ethics for Professional Accountants issued by the International Federation of Accountants in relation to the audit.

This declaration is in respect of OceanaGold Corporation and the entities it controlled during the period.

John O'Donoghue
Partner
PricewaterhouseCoopers

Melbourne
23 February 2017

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OCEANAGOLD CORPORATION

FINANCIAL REPORT

DECEMBER 31, 2016

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The financial statements were authorised for issue by the directors on February 23, 2017. The directors have the power to amend and reissue the financial statements.

Management's Responsibility for the Financial Statements

The accompanying consolidated financial statements of OceanaGold Corporation were prepared by management in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") which are incorporated in the Handbook of the Canadian Institute of Chartered Accountants ("CICA Handbook"). Management acknowledges responsibility for the preparation and presentation of the consolidated financial statements, including responsibility for significant accounting judgements and estimates and the choice of accounting principles and methods that are appropriate to the circumstances of OceanaGold Corporation and the entities it controls ("the Group"). The significant accounting policies of the Group are summarised in Note 2 to the consolidated financial statements.

Management has established systems of internal control over the financial reporting process, which are designed to provide reasonable assurance that relevant and reliable financial information is produced.

The Board of Directors is responsible for reviewing and approving the consolidated financial statements and for ensuring that management fulfils its financial reporting responsibilities. An Audit and Financial Risk Management Committee assists the Board of Directors in fulfilling this responsibility. The members of the Audit and Financial Risk Management Committee are not officers of the Group. The Audit and Financial Risk Management Committee meets with management to review the internal controls over the financial reporting process, the consolidated financial statements and the auditor's report. The Audit and Financial Risk Management Committee reports its findings to the Board of Directors for its consideration in approving the consolidated financial statements for issuance to the shareholders.

Management recognises its responsibility for conducting the Group's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

Michael F. Wilkes	Mark N. Chamberlain
President and Chief Executive Officer	Executive Vice President and Chief Financial Officer
Melbourne, Australia	Melbourne, Australia
February 23, 2017	February 23, 2017

To the Shareholders of OceanaGold Corporation

We have audited the accompanying consolidated financial statements of OceanaGold Corporation and its subsidiaries, which comprise the consolidated statements of financial position as at 31 December 2016 and the consolidated statements of comprehensive income, statements of changes in equity and statements of cash flows for the years then ended, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of OceanaGold Corporation and its subsidiaries as at 31 December 2016 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

PricewaterhouseCoopers

PricewaterhouseCoopers
Chartered Accountants

23 February 2017

PricewaterhouseCoopers, ABN 52 780 433 757
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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31

(in United States dollars)	*Notes*	*2016 $'000*	*2015 $'000*
ASSETS			
Current assets			
Cash and cash equivalents		68,859	185,466
Trade and other receivables	9	32,017	35,067
Derivatives and other financial assets	10	8,973	6,585
Inventories	11	70,071	91,976
Prepayments		8,689	4,448
Total current assets		188,609	323,542
Non-current assets			
Trade and other receivables	9	75,919	69,407
Derivatives and other financial assets	10	94,605	18,353
Inventories	11	181,768	132,351
Deferred tax assets	7	8,345	181
Property, plant and equipment	12	414,267	432,280
Mining assets	13	949,513	565,681
Investments	14	2,694	2,062
Total non-current assets		1,727,111	1,220,315
TOTAL ASSETS		1,915,720	1,543,857
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Trade and other payables		134,666	109,335
Employee benefits	23	7,636	8,028
Current tax liabilities	7	6,738	6,367
Interest-bearing loans and borrowings	17	86,444	10,812
Asset retirement obligations	16	5,376	932
Total current liabilities		240,860	135,474
Non-current liabilities			
Other obligations	15	8,168	8,754
Employee benefits	23	1,500	1,161
Deferred tax liabilities	7	2,630	-
Interest-bearing loans and borrowings	17	237,997	187,942
Asset retirement obligations	16	89,314	70,717
Total non-current liabilities		339,609	268,574
TOTAL LIABILITIES		580,469	404,048
SHAREHOLDERS' EQUITY			
Share capital	18	1,083,375	1,067,576
Retained earnings/(accumulated losses)		120,825	8,630
Contributed surplus	19	43,260	41,954
Other reserves	20	87,791	21,649
TOTAL SHAREHOLDERS' EQUITY		1,335,251	1,139,809
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		1,915,720	1,543,857

On behalf of the Board of Directors:

James E. Askew
Director
February 23, 2017

Paul B. Sweeney
Director
February 23, 2017

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the years ended December 31

(in United States dollars)	*Notes*	*2016 $'000*	*2015 $'000*
Revenue	5	628,634	507,985
Cost of sales, excluding depreciation and amortisation	6	(292,461)	(265,058)
Depreciation and amortisation		(122,564)	(124,960)
General and administration - merger and acquisition costs		-	(8,522)
General and administration - legal settlement costs		(8,000)	-
General and administration - other		(49,497)	(36,806)
Operating profit		156,112	72,639
Other expenses			
Interest expense and finance costs		(10,000)	(12,682)
Foreign exchange gain/(loss)		2,117	(2,802)
Gain/(loss) on disposal of property, plant and equipment		(8)	(1,524)
Gain/(loss) on fair value of available-for-sale assets		391	19
Total other expenses		(7,500)	(16,989)
Gain/(loss) on fair value of undesignated hedges		4,062	(5,379)
Interest income		624	631
Other income/(expense)		2,443	197
Share of profit/(loss) from equity accounted associates		(441)	-
Profit/(loss) before income tax		155,300	51,099
Income tax benefit/(expense)	7	(18,848)	1,967
Net profit/(loss)		**136,452**	**53,066**
Other comprehensive income/(loss) that can be reclassified to profit and loss in a future period, net of tax			
Currency translation gain/(loss)		2,942	(19,959)
Net change in fair value of available-for-sale assets		63,200	5,703
Total other comprehensive income/(loss) net of tax		66,142	(14,256)
Comprehensive income/(loss) attributable to shareholders		**202,594**	**38,810**
Net earnings/(loss) per share:			
- Basic	8	$0.22	$0.14
- Diluted	8	$0.22	$0.14

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the years ended December 31

(in United States dollars)	***Share Capital*** ***$'000***	***Contributed Surplus*** ***$'000***	***Other Reserves*** ***$'000***	***Retained Earnings/ (Accumulated Losses)*** ***$'000***	***Total Equity*** ***$'000***
Balance at January 1, 2016	**1,067,576**	**41,954**	**21,649**	**8,630**	**1,139,809**
Comprehensive income/(loss) for the period	-	-	66,142	136,452	202,594
Issue of shares (net of costs)	-	-	-	-	-
Employee share options:					
Share based payments	-	4,983	-	-	4,983
Forfeiture of options	-	(33)	-	-	(33)
Exercise of options	15,799	(3,644)	-	-	12,155
Dividends provided for or paid	-	-	-	(24,257)	(24,257)
Balance at December 31, 2016	**1,083,375**	**43,260**	**87,791**	**120,825**	**1,335,251**
Balance at January 1, 2015	**650,557**	**41,388**	**35,905**	**(32,376)**	**695,474**
Comprehensive income/(loss) for the period	-	-	(14,256)	53,066	38,810
Issue of shares (net of costs)	413,318	-	-	-	413,318
Employee share options:					
Share based payments	-	3,223	-	-	3,223
Forfeiture of options	-	(33)	-	-	(33)
Exercise of options	3,701	(2,624)	-	-	1,077
Dividends provided for or paid	-	-	-	(12,060)	(12,060)
Balance at December 31, 2015	**1,067,576**	**41,954**	**21,649**	**8,630**	**1,139,809**

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the years ended December 31

(in United States dollars)	Notes	*2016* *$'000*	*2015* *$'000*
Operating activities			
Net profit/(loss)		136,452	53,066
Charges/(credits) not affecting cash			
Depreciation and amortisation expense		122,564	124,960
Net (gain)/loss on disposal of property, plant & equipment		8	1,524
Unrealised foreign exchange (gain)/loss		(2,117)	2,802
Stock based compensation charge		4,950	3,189
Unrealised (gain)/loss on fair value of undesignated hedges		(4,062)	5,379
Amortisation of transaction costs/write off		800	1,798
Income tax expense/(benefit)		18,848	(1,967)
Non-cash available-for-sale assets (gain)/loss		(391)	(19)
Share of (profit)/loss of equity accounted associates		441	-
Changes in non-cash working capital			
(Increase)/decrease in trade and other receivables		1,497	(5,904)
(Increase)/decrease in inventories		(20,133)	(20,098)
(Decrease)/increase in trade and other payables		(4,247)	13,839
(Decrease)/increase in other working capital		(2,114)	(7,128)
(Decrease)/increase in tax payables		(20,168)	-
Net cash provided by/(used in) operating activities		232,328	171,441
Investing activities			
Payment for investments		(16,140)	(14,725)
Payment for acquisition of subsidiaries, net of cash acquired	4	-	31,250
Proceeds from sale of property, plant and equipment		202	265
Payment for property, plant and equipment		(40,803)	(9,311)
Payment for mining assets: exploration and evaluation		(9,903)	(4,605)
Payment for mining assets: development		(333,689)	(80,594)
Payment for mining assets: in production		(62,943)	(47,781)
Net cash provided by/(used in) investing activities		(463,276)	(125,501)
Financing activities			
Proceeds from issues of shares		12,155	1,077
Dividends paid to shareholders		(24,257)	(12,210)
Payment of transaction costs/fees for loans		-	(4,600)
Repayment of finance lease liabilities		(11,607)	(14,129)
Release of restricted cash		-	35,000
Repayment of bank borrowings and other loans		(505)	(21,717)
Proceeds from finance leases		45,797	-
Proceeds from borrowings		90,000	106,511
Net cash provided by/(used in) financing activities		111,583	89,932
Effect of exchange rates changes on cash gain/(loss)		2,758	(1,624)
Net increase/(decrease) in cash and cash equivalents		(116,607)	134,248
Cash and cash equivalents at the beginning of the period		185,466	51,218
Cash and cash equivalents at end of period		68,859	185,466

Cash interest paid		(5,222)	(5,572)
Cash interest received		624	631
Income taxes paid		(20,168)	-

Non-Cash Investing and Financing Activities - refer Note 29

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

1 BASIS OF PREPARATION

OceanaGold Corporation ("OceanaGold") ("The Company") is a company domiciled in Canada. It is listed on the Toronto Stock Exchange and the Australian Stock Exchange. The registered address of the Company is c/o Fasken Martineau DuMoulin LLP, 2900-550 Burrard Street, Vancouver, British Columbia V6C 0A3, Canada.

The Company prepares its financial statements in accordance with IFRS as issued by the IASB which are incorporated in the CICA Handbook. The consolidated financial statements of the Company, as at and for the year ended December 31, 2016, comprise of the Company (in its capacity of ultimate parent) and its subsidiaries (together referred to as the "Group"). These financial statements have been prepared under the historic cost convention, as modified by the revaluation of available-for-sale financial assets and liabilities (including derivative instruments) at fair value through profit or loss.

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

The preparation of the financial statements in conformity with IFRS requires use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies. The areas involving a high degree of judgement or complexity, or areas where assumptions are significant to the consolidated financial statements are disclosed in Note 3.

The financial statements were authorised for issue by the directors on February 23, 2017.

2 SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies used in the preparation of these consolidated financial statements are described below. These policies have been applied consistently to all the years presented, unless otherwise stated.

Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Bullion sales

Revenue from sales of gold and silver is recognised when there has been a passing of the significant risks and rewards of ownership, which means the following:

- The product is in a form suitable for delivery and no further processing is required by, or on behalf of the Group;
- The quantity and quality (grade) of the product can be determined with reasonable accuracy;
- The product has been despatched to the customer and is no longer under the physical control of the Group (or title of the product has earlier passed to the customer);
- The selling price is determinable;
- It is probable that the economic benefits associated with the transaction will flow to the Group; and
- The costs incurred or to be incurred in respect of the transaction are determinable.

Concentrate sales

The Group recognises the sale of gold, copper and silver concentrate when the significant risks and rewards of ownership transfer to the buyer. Sales prices are provisionally set on a specified future date based on market prices. Revenue is recorded under these contracts using forward market gold, copper and silver prices on the expected date that the final sales prices will be fixed based on an agreed quotational period. Variations between the price recorded and the actual final price set are caused by changes in market prices and result in an embedded derivative in accounts receivable. The embedded derivative is recorded at fair value each period until final settlement occurs. The changes in fair value of this embedded derivative are classified as provisional price adjustments and included in revenue in the statement of comprehensive income. Changes in the fair value over the quotational period and up until final settlement are estimated by reference to forward market prices.

Pre-commencement of commercial production

Revenue from the sales of gold and silver during the commissioning phase (before commencement of commercial production) are treated as pre-production income and are credited to capitalised mine development costs (refer to note 3(ix)).

Interest income

Interest income is recognised on a time proportion basis using the effective interest rate method.

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment

Non current assets are reviewed for impairment if there is an indication that the carrying amount may not be recoverable. Impairment is assessed at the level of cash-generating units which, in accordance with IAS 36 'Impairment of Assets', are identified as the smallest identifiable group of assets that generates cash inflows, which are largely independent of the cash inflows from other assets.

When an impairment review is undertaken, the recoverable amount is assessed by reference to the higher of value in use (being the net present value of expected future cash flows of the relevant cash-generating unit in its current condition) and fair value less costs of disposal ("FVLCD"). The best evidence of FVLCD is the value obtained from an active market or binding sale agreement. Where neither exists, FVLCD is based on the best information available to reflect the amount the Group could receive for the cash generating unit in an arm's length transaction. This is often estimated using discounted cash flow techniques.

Where recoverable amount is assessed using FVLCD based on discounted cash flow techniques, the resulting estimates are based on detailed "life of mine" and/or production plans. For value in use, recent cost levels are considered, together with expected changes in costs that are compatible with the current condition of the business and which meet the requirements of IAS 36.

The cash flow forecasts for FVLCD purposes are based on management's best estimates of expected future revenues and costs, including the future cash costs of production, capital expenditure, closure, restoration and environmental clean-up. For the purposes of determining FVLCD from a market participant's perspective, the cash flows incorporate management's price and cost assumptions in the short and long term. In the longer term, operating margins are assumed to remain constant where appropriate, as it is considered unlikely that a market participant would prepare detailed forecasts over a longer term period. The cash flow forecasts may include net cash flows expected to be realised from extraction, processing and sale of mineral resources that do not currently qualify for inclusion in proven or probable ore reserves. Such non-reserve material is only included where there is a reasonable degree of confidence in its economic extraction. This expectation is usually based on preliminary drilling and sampling of areas of mineralisation that are contiguous with existing reserves. Typically, the additional evaluation to achieve reserve status for such material has not yet been done because this would involve incurring costs earlier than is required for the efficient planning and operation of the mine.

As noted above, cost levels incorporated in the cash flow forecasts for fair value purposes are based on the current life-of-mine plan or long term production plan for the cash-generating unit. Because future cash flows are estimates for the asset in its current condition, value in use does not reflect future cash flows associated with improving or enhancing an asset's performance. Anticipated enhancements to assets may be included in FVLCD calculations.

Where the recoverable amount of a cash-generating unit is dependent on the life of its associated orebody, expected future cash flows reflect long term mine plans, which are based on detailed research, analysis and iterative modelling to optimise the level of return from investment, output and sequence of extraction. The mine plan takes account of all relevant characteristics of the orebody, including waste to ore ratios, ore grades, haul distances, chemical and metallurgical properties of the ore impacting on process recoveries and capacities of processing equipment that can be used. The life-of-mine plan is therefore the basis for forecasting production output and production costs in each future year.

The discount rates applied to the future cash flow forecasts represent an estimate of the rate the market would apply having regard to the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted. The Group's weighted average cost of capital is used as a starting point for determining the discount rates, with appropriate adjustments for the risk profile of the countries in which the individual cash-generating units operate as well as the stage of development of the cash generating unit.

For operations with a functional currency other than the US dollar, the impairment review is undertaken in the relevant functional currency. The great majority of the Group's sales are based on prices denominated in US dollars. To the extent that the currencies of countries in which the Group produces commodities strengthen against the US dollar without commodity price offset, cash flows and, therefore, net present values are reduced.

IAS 36 requires that value in use be based on exchange rates current at the time of the assessment.

Non-current assets other than goodwill that have suffered an impairment are tested for possible reversal of the impairment whenever events or changes in circumstances indicate that the impairment may have reversed.

Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any asset or liability resulting from a contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition-related costs are expensed as incurred.

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Business combinations (continued)

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of the consideration transferred and the amount of any non-controlling interest in the acquiree over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as gain on bargain purchase.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

When control of a subsidiary is acquired in stages, its carrying value prior to the acquisition of control is compared with the fair value of the identifiable net assets at that date. If fair value is greater than/less than carrying value, the gain/loss is recorded in the consolidated statement of income.

Consolidation

Subsidiaries
Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Joint arrangements
Under IFRS 11 Joint Arrangement investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor has, rather than the legal structure of the joint arrangement. For joint operation, the Group recognises its direct right to, and its share of, jointly held assets, liabilities, revenues and expenses of joint operations. For joint ventures, the Group accounted for its interests using the equity method, after initially being recognised at cost in the consolidated balance sheet.

Equity method
Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits and losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees are changed where necessary to ensure consistency with the policies adopted by the Group.

Non-derivative financial assets

Available-for-sale financial assets

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

Foreign currency translation

These consolidated financial statements are expressed in United States dollars ("US$") which is the reporting currency for OceanaGold Corporation. The functional currency is Australian dollars ("AUD"). The major controlled entities of OceanaGold have either United States dollars, Australian dollars, New Zealand dollars ("NZD"), Philippines pesos ("PHP"), Canadian dollars ("CAD"), or Euros ("EUR") as their functional currency.

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Foreign currency translation (continued)

(i) Functional and presentation currency

The financial statements of entities that have a functional currency different from the reporting currency are translated into US$ as follows: assets and liabilities - at the closing rate at the date of the statement of financial position, and income and expenses - at the average rate of the reporting period (as this is considered a reasonable approximation to actual rates). All resulting changes are recognised in other comprehensive income as cumulative translation adjustments.

When an entity disposes of its entire interest in a foreign operation, or loses control, joint control, or significant influence over a foreign operation, the foreign currency gains or losses accumulated in other comprehensive income related to the foreign operation are recognised in profit or loss. If an entity disposes of part of an interest in a foreign operation which remains a subsidiary, a proportionate amount of foreign currency gains or losses accumulated in other comprehensive income related to the subsidiary are re-allocated between controlling and non-controlling interests.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in currencies other than an operation's functional currency are recognised in the statement of income.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and on hand and short-term deposits that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

Trade and other receivables

Trade and other receivables are initially recorded at the amount of contracted sales proceeds, and then subsequently carried at amortised cost using the effective interest method, less provision for impairment.

Trade receivables related to the concentrate sales are initially recorded at the amount of the provisional sales prices, and then subsequently recorded at fair value each period until final settlement occurs.

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Loans and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. If collection of the amount is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Due to the short term nature of the current receivables, their carrying amount is assumed to be the same as their fair value.

Inventories

Ore, concentrate and bullion
Inventories are valued at the lower of weighted average cost and net realisable value. Costs include mining and production costs as well as attributable commercial, environmental and health and safety expenses. Ore inventory that is not expected to be processed within one year is classified as non-current.

Gold in circuit
Gold in circuit is valued at the lower of weighted average cost and net realisable value. The average cost of production for the month is used and allocated to gold that is in the circuit at period end. These include mining and production costs as well as attributable commercial, environmental and health and safety expenses.

Stores
Inventories of consumable supplies and spare parts are valued at cost less a provision for obsolescence. Cost includes all expenses directly related to the purchase of the stores inventory. Cost is assigned on a weighted average basis.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation. Cost includes expenditure that is directly attributable to the acquisition of the item. In the event that all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

Subsequent costs are included in the asset's carrying amount, or recognised as a separate asset as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance costs are charged to the profit or loss during the reporting period in which they are incurred.

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, plant and equipment (continued)

Property, plant and equipment, except freehold land, are depreciated over their estimated useful lives on a straight line, reducing balance or units of production basis, as considered appropriate, commencing from the time the asset is held ready for use.

Depreciation rates used are as follows:

Buildings	2% - 6.25% per annum straight line
Mining equipment (operating sites)	unit of production based on reserves
Mining equipment (non-operating sites)	14.29% - 20% per annum straight line
Other plant and equipment	10% - 33.33% per annum straight line

The asset's residual values, useful lives and amortisation methods are reviewed and adjusted if appropriate, at each financial year end.

An item of property, plant and equipment is derecognised upon disposal or when no further economic benefits are expected from its use.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

Mining assets

Exploration and evaluation expenditure
Exploration and evaluation expenditure is stated at cost and is accumulated in respect of each identifiable area of interest. Such costs are only carried forward to the extent that they are expected to be recovered through the successful development of the area of interest (or alternatively by its sale), or where activities in the area have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable resources, and where active work is continuing. Accumulated costs in relation to an abandoned area are expensed in profit or loss in the period in which the decision to abandon the area is made. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Mining properties under development
Mining properties under development are accounted for at cost and are not amortised until production has commenced and include major expansion projects at operating mines. Cost includes expenditure that is directly attributable to the development of mining properties and preparing them for production. Mining properties under development also include some tangible assets which will be reclassified to property, plant and equipment upon completion of the construction project. Revenue from the sales of gold, silver and copper during the commissioning phase are treated as pre-production income and are credited to capitalised mine development costs.

Mining properties in production
Mining properties in production (including exploration, evaluation and development expenditure) are accumulated and brought to account at cost less accumulated amortisation in respect of each identifiable area of interest. Amortisation of capitalised costs, including the estimated future capital costs over the life of the area of interest, is provided on the units of production basis, proportional to the depletion of the mineral resource of each area of interest expected to be ultimately economically recoverable.

Provisions

Provisions are recognised when the Group has a present obligation, it is probable that there will be a future sacrifice of economic benefits and a reliable estimate can be made of the amount of the obligation.

When the Group expects some or all of a provision to be recovered from a third party, the receivable is recognised as a separate asset but only when the reimbursement is virtually certain and it can be measured reliably. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre tax rate that reflects current market assessments of the time value of money and the risks specific to the liability (if not built into the estimated cash flows). The increase in the provision due to the passage of time is recognised as an interest expense.

Asset retirement and environmental rehabilitation
Asset retirement and environmental rehabilitation provisions include the dismantling and demolition of infrastructure and the removal of residual materials and remediation of disturbed areas. The provision is recognised in the accounting period when the obligation arising from the related disturbance occurs, whether this occurs during the mine development or during the production phase, based on the net present value of estimated future costs. The costs are estimated on the basis of a closure plan. The cost estimates are calculated annually during the life of the operation to reflect known developments and are subject to formal review at regular intervals.

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Provisions (continued)

The amortisation or 'unwinding' of the discount applied in establishing the net present value of provisions is accounted for in the statement of income in each accounting period. The amortisation of the discount is shown as an interest expense, rather than as an operating cost.

Other movements in the provisions for closure and restoration costs, including those resulting from new disturbance, updated cost estimates, changes to the lives of operations and revisions to discount rates are capitalised within property, plant and equipment or mining properties and development, to the extent that any such amount does not exceed the recoverable amount of the asset. Any amount in excess of the recoverable amount is recognised as a loss immediately.

If an adjustment results in an addition to the costs of the related asset, consideration will be given to whether an indication of impairment exists and the impairment policy will apply. These costs are then depreciated over the life of the area of interest to which they relate.

Trade and other payables

Trade and other payables are liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Interest-bearing loans and borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received, net of issue costs associated with the borrowing. After initial recognition, interest-bearing loans and borrowings are subsequently carried at amortised cost using the effective interest method by taking into account any issue costs and any discount or premium on settlement.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non cash assets transferred or liabilities assumed, is recognised in the statement of income as other income or finance costs. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Employee benefits

Wages, salaries and annual leave
Liabilities for wages and salaries, including non-monetary benefits, and annual leave expected to be settled within 12 months of the reporting date are recognised in Other Payables and Employee Benefits in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Defined contribution pension funds
Contributions to defined contribution funds are recognised as an expense in the statement of income as they become payable.

Share based compensation

The Group provides equity-settled and cash-settled awards to certain employees, directors and other designated persons of the Company.

Equity-settled awards are measured by reference to the fair value of the compensation at the date at which they are granted. The fair value of options or rights over shares issued is determined by using appropriate pricing model as per Note 22. In valuing equity-settled awards, no account is taken of any performance conditions, other than conditions linked to the price of the shares of OceanaGold Corporation ('market conditions').

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

The cumulative expense recognised for equity-settled awards at each reporting date until vesting date reflects:

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

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

Cash-settled awards are measured at fair value initially using the market value of the underlying shares on the first trading day on the TSX of each calendar year and the awards are required to be remeasured to fair value at each reporting date until settlement.

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Share based compensation (continued)

The cost is then recorded over the vesting period of the award. This expense, and any changes in the fair value of the award are recognised in the Statement of Comprehensive Income with a corresponding increase or decrease in liability recorded until settlement.

Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

Capital leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments.

Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in the statement of operations.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognised as an expense in the statement of income on a straight-line basis over the lease term. Initial direct costs incurred in negotiating an operating lease are capitalised and amortised over the lease term.

Derivative financial instruments and hedge accounting

The Group, where deemed appropriate, uses derivative financial instruments to manage commodity price and foreign currency exposures.

Derivative financial instruments are initially recognised in the Statement of Financial Position at fair value and subsequently re-measured at their fair values at each reporting date.

The fair value of gold hedging instruments including forwards, put and call options is calculated by discounting the future value of the hedge contract at the appropriate prevailing quoted market rates at reporting date.

For the purposes of hedge accounting, hedges are classified as either fair value hedges when they hedge the exposure to changes in the fair value of a recognised asset or liability; or cash flow hedges where they hedge exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a forecasted transaction.

The method of recognising the resulting gain or loss is dependent on the nature of the item being hedged.

At the inception of the transaction, the Group documents the relationship between the hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. This process includes linking all derivatives designated as hedges to specific forecast gold sales.

Changes in the fair value of derivatives that are designated against future production qualify as cash flow hedges and, if highly effective, the gain or loss on the effective portion is recognised in accumulated other comprehensive income. The ineffective portion is recognised in the profit or loss within other income or other expenses. Amounts deferred in Accumulated Other Comprehensive Income are transferred to the income statement and classified as revenue in the same periods during which the hedged sales affect the profit or loss.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in Accumulated Other Comprehensive Income at that time would remain in Other Comprehensive Income and is recognised when the committed or forecast production is ultimately recognised in the income statement. However, if the committed or forecast production is no longer expected to occur, the cumulative gain or loss reported in Other Comprehensive Income is immediately transferred to the statement of income.

When the hedged commitment results in the recognition of an asset or a liability, the associated gains or losses, previously recognised in Accumulated Other Comprehensive Income, are included in the initial measurement of the acquisition cost or other carrying amount of the asset or liability. Cash received or paid on the settlement or maturity of gold derivatives are recorded as operating cash flows.

The net gains and losses that relate to contracts not designated for hedge accounting purposes are recognised in the income statement.

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Borrowing costs

Borrowing costs are expensed as incurred with the exception of borrowing costs directly associated with the construction, purchase or acquisition of a qualifying asset, which are capitalised as part of the cost of the asset.

Earnings per share

Basic earnings/loss per share is calculated by dividing the profit/loss by the weighted average number of shares outstanding during the period. Diluted earnings/loss per share is calculated by dividing the earnings/loss by the weighted-average number of shares outstanding during the period, assuming that all potentially dilutive securities were exercised. The company's potentially dilutive securities comprise stock options granted to employees and directors.

Income tax

Income tax comprises current and deferred tax. Income tax is recognised in the Statement of Comprehensive Income except to the extent that it relates to items recognised directly in equity, in which case the income tax is also recognised directly in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted, or substantively enacted, at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

In general, deferred tax is recognised in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the balance sheet date and are expected to apply when the deferred tax asset or liability is settled. Deferred tax assets are recognised to the extent that it is probable that the assets can be recovered.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except, in the case of subsidiaries, where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are presented as non-current.

Tax on income in interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred stripping

In open pit mining operations, it is necessary to remove overburden and other waste materials to access ore from which minerals can be extracted economically. The process of removing overburden and waste materials is referred to as stripping. During the development of a mine (or pit), before production commences, stripping costs are capitalised as part of the investment in construction of the mine (or pit) and are subsequently amortised over the life of the mine (or pit) on a units of production basis.

Production stripping activity is disclosed within Mining Assets in production. In order for production phase stripping costs to qualify for capitalisation as a stripping activity asset, three criteria must be met:

- it must be probable that economic benefit will be realised in a future accounting period as a result of improved access to the ore body created by the stripping activity;
- it must be possible to identify the "component" of the ore body for which access has been improved; and
- it must be possible to reliably measure the costs that relate to the stripping activity.

A "component" is a specific volume of the ore body that is made more accessible by the stripping activity. It will typically be a subset of the larger orebody that is distinguished by a separate useful economic life.

Components of an ore body are determined with reference to life of mine plans and take account of factors such as the geographical separation of mining locations and/or the economic status of mine development decisions. Capitalised stripping costs are initially measured at cost and represent an accumulation of costs directly incurred in performing the stripping activity that improves access to the identified component of the ore body, plus an allocation of directly attributable overhead costs.

Such deferred costs are then charged against the income statement on a systematic units of production basis over the expected useful life of an identified component of the ore body.

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Stripping (continued)

Changes to the life of mine plan, identified components of an ore body, stripping ratios, units of production and expected useful life are accounted for prospectively.

Sales taxes

Revenues, expenses and assets are recognised net of the amount of sales tax, unless the sales tax incurred is not recoverable from the relevant taxation authority. In this case, it is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables are stated inclusive of the amount of sales tax receivable or payable. The net amount of sales tax recoverable from, or payable to, the relevant taxation authority is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The sales tax components of cash flows arising from investing and financing activities that are recoverable from, or payable to, the relevant taxation authority are classified as operating cash flows. Commitments and contingencies are disclosed net of the amount of sales tax recoverable from, or payable to, the relevant taxation authority. The net of sales tax payable and receivable is remitted to the appropriate tax body in accordance with legislative requirements.

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer who makes strategic decisions.

Contributed equity

Ordinary shares are classified as equity. Mandatorily redeemable preference shares are classified as liabilities.

Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the financial year but not distributed at balance date.

Adoption of new standards, amendments and interpretations

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 standards 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.

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounting standards effective for future periods (continued)

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. Preliminary assessment by the Group indicates a minimum impact of this new standard. A more detailed assessment is ongoing.

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 January 1, 2018 and earlier application is permitted. Preliminary assessment by the Group indicates a minimum impact of this new standard. A more detailed assessment is ongoing.

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. Preliminary assessment by the Group indicates a minimum impact of this new standard. A more detailed assessment is ongoing.

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.

3 CRITICAL ESTIMATES AND JUDGEMENTS

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

(i) Mining assets

The future recoverability of mining assets (Note 13) including capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Group decides and is permitted to exploit the related tenements itself or, if not, whether it successfully recovers the related mining assets through sale.

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

Exploration and evaluation expenditure (Note 13) 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. 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 accounting policy Note 2 - 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 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 amount of the New Zealand CGU and United States CGU are dependent on production from certain identified exploration targets in New Zealand and successful commencement of commercial production at the Haile Gold mine 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 exploration assets is dependent on various factors including technical studies, further exploration and the eventual grant of mining permits. Should these be unsuccessful, the exploration assets could be impaired.

On February 2, 2017, the Philippines Department of Environment and Natural Resources ("DENR") held a press conference at which OceanaGold's Didipio operation was named as the subject of a proposed suspension order citing alleged declining agricultural production. On February 14, 2017, the Company received an order from the DENR calling for the suspension of the Didipio operations and repeated allegations previously made by the DENR citing "… petition of the Local Government of Nueva Vizcaya for the cancellation of the FTAA; alleged damages to houses caused by the blasting operation; and the potential adverse impact to the agricultural areas of the Province…". Subsequent to receiving the suspension order, the Company immediately filed an appeal with the Office of the President ("OP"). The Company has 30 days to provide documentation in support of its appeal and can continue to operate during this period. After 30 days, the DENR is required to provide a response within 15 days before the OP rules on the matter. Should the appeal fail and operations suspended for a prolonged period, the Didipio operation could face impairment.

(iii) Net realisable value of inventories

The Group reviews the carrying value of its inventories (Note 11) 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.

3 CRITICAL ESTIMATES AND JUDGEMENTS (CONTINUED)

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. The carrying value of the asset retirement obligation liability has been disclosed in Note 16 to the financial statements.

(v) Determination of ore reserves and resources

Ore reserves and resources are based on information compiled by a Competent Person as defined in accordance with the Australasian Code of Mineral Resources and Ore Reserves (the JORC code) and in accordance with National Instrument 43-101-Standards of Disclosure for Mineral Projects ("NI-43-101") under the guidelines set out by the Canadian Institute of Mining, Metallurgy and Petroleum. There are numerous uncertainties inherent in estimating ore reserves and assumptions that are valid at the time of estimation may change significantly when new information becomes available. Changes in forecast prices of commodities, exchange rates, production costs or recovery rates may change the economic status of reserves and may, ultimately, result in the reserves being restated. Such changes in reserves could impact on depreciation and 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. Liabilities are not recognised until they are determined with reasonable certainty. 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 after reaching commercial production and successful development of certain identified exploration targets where there are higher degrees of confidence in the economic extraction of minerals.

Utilisation of the tax losses also depends on the ability of the entity to satisfy certain tests such as substantial change of control tests at the time the losses are recouped. If the entities fail to satisfy the tests, the carried forward losses that are currently recognised as deferred tax assets would have to be written off to income tax expense. There is an inherent risk and uncertainty in applying this judgement and a possibility that changes in legislation or corporate merger and acquisition activity will impact upon the carrying amount of deferred tax assets and deferred tax liabilities recognised on the statement of financial position. Deferred taxes are disclosed within Note 7 to the financial statements.

Moreover, in certain jurisdictions, tax losses may be restricted and only available to offset future profits generated from the same mining permit area. In this case, the recovery of the losses depends on the successful exploitation of the relevant project. Restricted losses could be forfeited if the project did not proceed. Disclosure of taxation is included in Note 7.

Certain input tax credits in overseas subsidiaries have been recognised as a non-current receivable (Note 9). 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 December 31, 2016 no such equity has been issued to any third party due to the uncertainty. Consequently, no non-controlling interest has been recognised. A non-controlling interest is intended to be recognised after the issue of shares. This requirement has not yet been satisfied due to a court restriction resulting from litigation challenging the claim of this third party from a party not related to the Group.

3 CRITICAL ESTIMATES AND JUDGEMENTS (CONTINUED)

(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 Group engaged an external third party to determine the fair values of the cash generating units ('CGUs') acquired.

(ix) Haile commencement of commercial production

The Group is assessing the Haile mine progress to determine when the mine moves into commercial production. The criteria used to assess the start date are determined based on the unique nature of the mine including its complexity and location. The Group has adopted various relevant criteria to assess when the mine is substantially complete and ready for its intended use and has moved into the production stage. The major criteria adopted include the following: (1) all major capital expenditures to bring the mine to nameplate capacity have been completed; (2) the process plant, power plant and other facilities have been transferred to the control of the Operations team from the Commissioning team; (3) the mill has reached 80 percent of initial design capacity; (4) gold recoveries are at or near expected levels; (5) the open pit mine has the ability to sustain ongoing production of ore at the required cutoff grade; and (6) costs are under control or within expectations.

When the Haile mine moves into commercial production, the capitalisation of certain mine construction and operation costs will cease and costs will either be attributed to inventory or expensed in the period in which there are incurred, except for capitalised costs related to property, plant and equipment additions or improvements, open pit stripping activities that provide a future economic benefit, and exploration and evaluation expenditure that meets the criteria for capitalisation. It is also at this point that depreciation and amortisation of previously capitalised costs commences.

Until the date of commencement of commercial production, any revenues recognised from the sale of gold are credited as a reduction to development costs capitalised. At December 31, 2016 the Group assessed that the Haile mine had not commenced commercial production.

4 BUSINESS COMBINATIONS

Prior year acquisitions

On October 1, 2015, the Group acquired 100% of Romarco Minerals Inc. ('Romarco') and its subsidiaries, for a total consideration of $415.6 million.

On 30 October, 2015, the Group acquired 100% of Newmont Waihi Gold Limited (now renamed Oceana Gold (Waihi) Limited) ('Waihi') and its subsidiaries, for a total consideration of $101.9 million.

At December 31, 2015, the provisional values of assets, liabilities and contingent liabilities recognised on the Romarco and Waihi acquisitions were 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 subsequent information provides better evidence of the item's fair value at the date of acquisition. The Group engaged an external third party valuer to determine the fair values of the Romarco and Waihi acquisitions.

During the quarter ended September 30, 2016, the fair values of the identified assets and liabilities acquired were finalised and determined as follows:

Romarco Minerals Inc.

	Provisional Fair Value $'000	Final Fair Value $'000
Cash and cash equivalents	108,625	108,625
Restricted cash	35,000	35,000
Other receivables	7,899	7,899
Property, plant and equipment	193,431	140,869
Mining assets	125,194	177,756
Trade and other payables	(33,382)	(33,382)
Interest-bearing loans and borrowings	(10,000)	(10,000)
Derivative financial instruments	(3,051)	(3,051)
Asset retirement obligations	(8,091)	(8,091)
Net identifiable assets acquired	415,625	415,625
Net assets acquired	415,625	415,625

$52.6 million of land were reclassified from Property, Plant and Equipment to Mining Assets to reflect the nature of the assets. There were no other changes made in the finalisation of the acquisition accounting.

Oceana Gold (Waihi) Limited

	Provisional Fair Value $'000	Final Fair Value $'000
Cash and cash equivalents	24,519	24,519
Trade and other receivables	2,557	2,557
Inventories	10,840	10,840
Deferred tax assets	907	907
Available-for-sale investments	9	9
Property, plant and equipment	29,815	29,815
Mining assets	91,719	91,719
Trade and other payables	(10,343)	(10,343)
Deferred tax liabilities	(19,310)	(19,310)
Income tax liabilities	(1,917)	(1,917)
Asset retirement obligations	(26,902)	(26,902)
Net identifiable assets acquired	101,894	101,894
Net assets acquired	101,894	101,894

There were no changes made in the finalisation of the acquisition accounting.

5 REVENUE

	December 31 2016 $'000	December 31 2015 $'000
Gold sales		
Bullion	401,174	304,103
Concentrate sales	134,284	104,006
	535,458	408,109
Copper sales		
Concentrate sales	104,729	117,883
Silver sales		
Concentrate sales	8,875	4,716
	649,062	530,708
Less concentrate treatment, refining and selling costs	(20,428)	(22,723)
Total Revenue	628,634	507,985

Realised loss on gold options hedges (Note 10) exercised for the year ended December 31, 2016 amounted to $6.5 million (2015: $4.3 million loss). The realised loss or gain on gold options is included within Revenue - Gold sales.

Provisional Sales

The Group has provisionally priced gold and copper concentrate sales from Didipio for which price finalisation subject to quotational periods is outstanding at the reporting date. At December 31, 2016, the provisionally priced gold and copper concentrate sales subject to final settlement included a provisional pricing gain of $0.1 million (2015: $0.2 million gain).

At December 31, 2016, the provisionally priced gold and copper sales for 19,466 dry metric tonnes of concentrate containing provisional estimates of 28,545 ounces of gold and 4,902 tonnes of copper, subject to final settlement, were recorded at average prices of $1,141/oz and $5,482/t, respectively.

6 COST OF SALES BY NATURE OF EXPENSES

	December 31 2016 $'000	December 31 2015 $'000
Cost of sales includes:		
Materials and consumables costs	171,245	170,513
Employee benefits expenses	62,258	56,920
Other direct costs	58,958	37,625
	292,461	265,058

7 INCOME TAX

Major components of income tax (benefit)/ expense:	*December 31 2016 $'000*	*December 31 2015 $'000*
Statement of operations		
Current income tax		
Income tax expense relating to tax losses utilised	14,848	8,041
Income tax expense relating to profit from continuing operations	6,947	1,749
Deferred income tax		
Origination and reversal of temporary differences	(4,426)	(12,068)
Adjustments in respect of deferred income tax of previous years	1,479	311
Income tax expense/(benefit) reported in the statement of comprehensive income	18,848	(1,967)

Numerical reconciliation between aggregate tax (benefit)/ expense recognised in the statement of operations and the tax (benefit)/ expense calculated per the statutory income tax rate

A reconciliation of income tax expense applicable to accounting profit before income tax at the statutory income tax rate to income tax expense at the Group's effective income tax rate for the years ended December 31 is as follows:

Accounting earnings/(loss) before tax from continuing operations	155,300	51,099
At the statutory income tax rate of 25% (2015: 25%)	38,825	12,775
Adjustments in respect of income tax of previous years	1,479	311
Expenditure/income not allowable/(assessable) for income tax purposes	(1,308)	(337)
Tax losses not recognised	10,594	3,843
Effect of differing tax rates between Canada, United States, Australia, New Zealand and Philippines	(30,742)	(18,559)
Income tax expense/(benefit) reported in the statement of comprehensive income	18,848	(1,967)

The statutory income tax rates in Australia, New Zealand and United States are between 26.5% and 38.25% (2015: 26.5% and 30%). In Philippines, the company is currently subject to an Income Tax Holiday period.

Deferred income tax	*December 31 2016 $'000*	*December 31 2015 $'000*
Deferred income tax at December 31 relates to the following:		
Deferred tax assets		
Losses available for offset against future taxable income	11,689	26,537
Provisions	19,864	12,294
Accrued expenses	240	19
Gross deferred tax assets	31,793	38,850
Set-off of deferred tax assets	(23,448)	(38,669)
Net non-current deferred tax assets	8,345	181
Deferred tax liabilities		
Property, plant and equipment	(17,061)	(15,378)
Mining assets	(7,168)	(21,691)
Inventories	(1,147)	(943)
Other	(702)	(657)
Gross deferred tax liabilities	(26,078)	(38,669)
Set-off of deferred tax assets	23,448	38,669
Net non-current deferred tax liabilities	(2,630)	-

The income tax paid for the year is $20.2 million (2015: $nil).

Due to uncertainty in utilisation of tax losses in the foreseeable future, a deferred tax asset has not been recognised in respect of tax losses in the Group and its Australian, United States, and Philippines subsidiaries. Unrecognised tax losses across the Group amounted to $249.2 million (2015: $206.9 million). The ability to use tax losses is subject to generating taxable income in future periods and complying with the tax legislation requirements prevailing at the time of utilisation. During the year, tax losses of $0.0 million (2015: $0.2 million) were utilised which were not previously recognised as a deferred tax asset.

8 EARNINGS PER SHARE

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

Diluted earnings per share are calculated by dividing the net income attributable to common shareholders by the weighted average number of common shares outstanding during the year (adjusted for the effects of dilutive options where the conversion of potential common shares would decrease earnings per share or increase loss per share).

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

	December 31 2016 $'000	*December 31 2015 $'000*
Numerator:		
Net income/(loss) attributable to equity holders from continuing operations (used in calculation of basic and diluted earnings per share)	136,452	53,066
	Thousands	*Thousands*
Denominator:		
Weighted average number of common shares (used in calculation of basic earnings per share)	609,071	378,000
Effect of dilution:		
Share options	13,629	6,913
Adjusted weighted average number of common shares (used in calculation of diluted earnings per share)	622,700	384,913
Net earnings/(loss) per share:		
- Basic	$0.22	$0.14
- Diluted	$0.22	$0.14

9 TRADE AND OTHER RECEIVABLES

	December 31 2016 $'000	*December 31 2015 $'000*
Current		
Trade receivables	23,737	23,555
Other receivables	8,280	11,512
	32,017	35,067
Non-Current		
Other receivables	75,919	69,407
	75,919	69,407

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

10 DERIVATIVES AND OTHER FINANCIAL ASSETS

	December 31 2016 $'000	*December 31 2015 $'000*
Current		
Gold put/call options (1)	2,484	5,777
Other assets (2)	764	808
Fuel swaps (4)	5,725	-
	8,973	6,585
Non-Current		
Other assets (2)	-	769
Available-for-sale financial assets (3)	94,605	17,584
	94,605	18,353
	103,578	24,938

1. At December 31, 2016, this represents two series of bought gold put options with average price of NZ$1,650 per ounce and two series of sold gold call options with average price of NZ$1,810 per ounce. At December 31, 2016, 155,400 ounces of gold options remained outstanding. These gold options are undesignated for hedging accounting purposes and accounted at fair value through the statement of comprehensive income. These gold options cover future gold production from Macraes Goldfield.

   At December 31, 2015, this represented two series of bought gold put options with average price range from NZ$1,600 to NZ$1,628 per ounce and two series of sold gold call options with average price of NZ$1,736 per ounce. At December 31, 2015, 128,568 ounces of gold options remained outstanding.

Put options Strike price NZ$	Call options Strike price NZ$	Ounces of gold outstanding at December 31, 2016	Ounces of gold outstanding at December 31, 2015	Expiring
1,600	1,736	-	108,888	December 2016
1,628	1,736	-	19,680	December 2016
1,650	1,810	77,700	-	December 2017
1,650	1,810	77,700	-	December 2017

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

3. Represents the fair value of investments in Gold Standard Ventures Corp., NuLegacy Gold Corporation and MOD Resources Ltd.

4. This represents the fair value of fuel swap agreements to buy specified volumes of fuel at specified prices ranging from $50.25 per barrel to $54.34 per barrel. At December 31, 2016, 306,310 barrels of fuel swaps remained outstanding. These fuel swaps are undesignated for hedge accounting purposes and accounted at fair value through the statement of comprehensive income. These fuel swaps cover 90% of the Company's fuel consumption in 2017.

	Swap Price	Volume Remaining (bbl)	Expiry Date
Singapore Gasoil Platts Asia Pacific	$50.25	240,000	December 2017
US Gulf Coast Ultra Low Sulphur	$54.34	66,310	December 2017

11 INVENTORIES

	December 31 2016 $'000	*December 31 2015 $'000*
Current		
Gold in circuit	7,577	5,127
Ore - at cost	24,787	32,550
Gold on hand	596	2,562
Gold and copper concentrate	93	19,798
Maintenance stores	37,018	31,939
	70,071	91,976
Non-Current		
Ore - at cost	181,768	132,351
	181,768	132,351
Total inventories	251,839	224,327

During the year, ore inventories were written down by $0.1 million (2015: $1.3 million).

12 PROPERTY, PLANT AND EQUIPMENT

	Year ended December 31, 2016				
	Land *$'000*	Buildings *$'000*	Plant and equipment *$'000*	Rehabilitation *$'000*	Total *$'000*
Net book value					
At January 1, 2016:					
Cost	99,163	61,509	718,827	51,145	930,644
Accumulated depreciation	-	(15,703)	(447,670)	(34,991)	(498,364)
January 1, 2016	99,163	45,806	271,157	16,154	432,280
Movement for the year:					
Additions	4,916	3,875	68,669	23,992	101,452
Transfers	-	17,219	6,862	-	24,081
Disposals/write-off	(17)	-	(34,650)	-	(34,667)
Depreciation for the year	-	(5,274)	(47,709)	(3,999)	(56,982)
Acquisition accounting adjustment	(52,562)	-	-	-	(52,562)
Exchange differences	305	122	227	11	665
At December 31, 2016	51,805	61,748	264,556	36,158	414,267
At December 31, 2016:					
Cost	51,805	81,086	742,517	75,588	950,996
Accumulated depreciation	-	(19,338)	(477,961)	(39,430)	(536,729)
	51,805	61,748	264,556	36,158	414,267

	Year ended December 31, 2015				
	Land *$'000*	Buildings *$'000*	Plant and equipment *$'000*	Rehabilitation *$'000*	Total *$'000*
Net book value					
At January 1, 2015:					
Cost	11,784	36,649	584,283	24,855	657,571
Accumulated depreciation	-	(8,165)	(337,471)	(16,238)	(361,874)
January 1, 2015	11,784	28,484	246,812	8,617	295,697
Movement for the year:					
Additions	-	11	9,722	6,065	15,798
Additions through acquisition of entities	88,563	12,016	45,735	4,181	150,495
Transfers	-	8,794	24,752	3,572	37,118
Disposals/write-off	(204)	(507)	(7,108)	-	(7,819)
Depreciation for the year	-	(2,781)	(41,663)	(5,240)	(49,684)
Exchange differences	(980)	(211)	(7,093)	(1,041)	(9,325)
At December 31, 2015	99,163	45,806	271,157	16,154	432,280
At December 31, 2015:					
Cost	99,163	61,509	718,827	51,145	930,644
Accumulated depreciation	-	(15,703)	(447,670)	(34,991)	(498,364)
	99,163	45,806	271,157	16,154	432,280

Plant and equipment includes assets under capital lease net of accumulated depreciation of $56.1 million (2015: $19.4 million). The assets under capital leases are pledged as security for capital lease liabilities.

13 MINING ASSETS

	Year ended December 31, 2016			
	Exploration and evaluation phase *$'000*	Development phase *$'000*	In production *$'000*	Total *$'000*
Net book value				
At January 1, 2016:				
Cost	47,442	261,588	1,116,288	1,425,318
Accumulated amortisation	-	-	(859,637)	(859,637)
At January 1, 2016	47,442	261,588	256,651	565,681
Movement for the year:				
Additions	9,904	359,684	64,061	433,649
Transfers	551	(30,631)	5,999	(24,081)
Disposals/write-off	-	-	(59)	(59)
Amortisation for the year	-	-	(82,658)	(82,658)
Acquisition accounting adjustment	-	52,562	-	52,562
Exchange differences	(195)	69	4,545	4,419
At December 31, 2016	57,702	643,272	248,539	949,513
At December 31, 2016:				
Cost	57,702	643,272	1,195,711	1,896,685
Accumulated amortisation	-	-	(947,172)	(947,172)
	57,702	643,272	248,539	949,513

	Year ended December 31, 2015			
	Exploration and evaluation phase *$'000*	Development phase *$'000*	In production *$'000*	Total *$'000*
Net book value				
At January 1, 2015:				
Cost	44,649	18,171	792,138	854,958
Accumulated amortisation	-	-	(590,292)	(590,292)
At January 1, 2015	44,649	18,171	201,846	264,666
Movement for the year:				
Additions	4,606	87,102	49,444	141,152
Addition through acquisitions of entities	-	198,340	90,633	288,973
Transfers	-	(41,768)	4,650	(37,118)
Disposals/write-off	-	-	(1,476)	(1,476)
Amortisation for the year	-	-	(83,583)	(83,583)
Exchange differences	(1,813)	(257)	(4,863)	(6,933)
At December 31, 2015	47,442	261,588	256,651	565,681
At December 31, 2015:				
Cost	47,442	261,588	1,116,288	1,425,318
Accumulated amortisation	-	-	(859,637)	(859,637)
	47,442	261,588	256,651	565,681

The recovery of the costs deferred in respect of exploration and evaluation expenditure is dependent upon successful development and commercial exploitation of the respective areas of interest. The mining assets under development mainly include the underground development, continuous embankment of Tailings Storage Facility (TSF), Overhead Powerline Phase II project at Didipio in the Philippines, and the construction of the Haile Gold mine in the United States.

14 INVESTMENTS

	December 31 2016 $'000	December 31 2015 $'000
Non-Current		
Investments	-	2,062
Equity accounted investments	2,694	-
	2,694	2,062

The investment represents shares in an unlisted private exploration company Locrian Resources Inc. ("Locrian"), registered in BC, Canada. Locrian is focused on project generation through discovery and advancing of precious and base metal projects in Myanmar and Laos.

As at December 31, 2016, the Company owned 31.21% interest in Locrian (2015: 13.5%). The investment has been equity accounted for from April 1, 2016.

Equity accounted investment		
Balance at January 1	-	-
Transfer from investment	2,135	-
Additional shares purchased	1,000	-
Share of loss for the year	(441)	-
Balance at December 31	2,694	-

15 OTHER OBLIGATIONS

	December 31 2016 $'000	December 31 2015 $'000
Non-Current		
Other obligations	8,168	8,754
	8,168	8,754

Other obligations mainly consist of an endowment of $8.0 million for maintenance and management of the properties under the mitigation plan related to all permits for the Haile Gold mine.

In addition, in connection with the issuance of the environmental permits, the Company has an agreement with various Conservation Groups in South Carolina (“the Conservation Groups”) to provide on-going protection for lands in the Lynches River Watershed of South Carolina.

16 ASSET RETIREMENT OBLIGATIONS

	December 31 2016 $'000	December 31 2015 $'000
Current		
Asset retirement obligations	5,376	932
Movement:		
At January 1	932	-
Arising during the year/revised estimate	168	-
Acquired through acquisition	-	207
Utilized	(198)	-
Transfer from/(to) non-current	4,485	737
Exchange adjustment	(11)	(12)
At December 31	5,376	932

16 ASSET RETIREMENT OBLIGATIONS (CONTINUED)

	December 31 2016 $'000	*December 31 2015 $'000*
Non-Current		
Asset retirement obligations	89,314	70,717
Movement:		
At January 1	70,717	32,265
Arising during the year	18,411	9,050
Accretion	2,561	1,051
Acquired through acquisition	-	31,514
Utilised	(655)	(746)
Transferred from/(to) current	(4,485)	(737)
Exchange adjustment	2,765	(1,680)
At December 31	89,314	70,717

Rehabilitation

A provision for rehabilitation is recorded in relation to the gold/copper mining operations for the rehabilitation of the disturbed mining area to a state acceptable to various regulatory authorities. While rehabilitation is ongoing, final rehabilitation of the disturbed mining area is not expected until the cessation of mining for Macraes, Didipio, Waihi and Haile.

Rehabilitation provisions are based on rehabilitation plans estimated on survey data, external contracted rates and the timing of the current mining schedule. Provisions are discounted using a risk free rate with the cash flows adjusted for risks.

Rehabilitation provisions are subject to an inherent amount of uncertainty in both timing and amount and as a result are continuously monitored and revised.

Asset retirement obligations are initially recorded as a liability at present value of estimated future costs, assuming risk free discount rates of between 2.54% and 5.00% (2015: 2.67% to 5.00%). The liability for retirement and remediation on an undiscounted basis is estimated to be approximately $116.3 million (2015: $85.0 million).

17 INTEREST-BEARING LOANS AND BORROWINGS

	Maturity	*December 31 2016 $'000*	*December 31 2015 $'000*
Current			
Capital leases (1)	(note 27)	13,642	10,298
Other loan	05/31/2016	-	514
US$ banking facilities (2)	12/31/2017	72,802	-
		86,444	10,812
Non-Current			
Capital leases (1)	(note 27)	37,997	5,140
US$ banking facilities (2)	various	200,000	182,802
		237,997	187,942

1 *Capital Leases*
The Group has capital lease facilities in place with Caterpillar Finance and GE Finance. These facilities have maturities between January 2017 to July 2021.

2 *US$ banking facilities*
On June 22, 2016, the Group increased its revolving credit facility to $300 million for general working capital purposes. The restructured facility is with a multi-national group of banks and matures on December 31, 2019. The facility step down to $200 million then $150 million as at December 31, 2017 and 2018 respectively. At December 31, 2016 this facility stood at $300 million with $272.8 million drawn and $27.2 million undrawn. $72.8 million of the principal is required to be repaid by December 31, 2017 under the facility.

17 INTEREST-BEARING LOANS AND BORROWINGS (CONTINUED)

Assets Pledged

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

18 SHARE CAPITAL

Movement in common shares on issue

	December 31 2016 Thousand shares	*December 31 2016 $'000*	*December 31 2015 Thousand shares*	*December 31 2015 $'000*
Balance at the beginning of the year	603,618	1,067,576	301,520	650,557
Shares issued	-	-	299,506	413,318
Options exercised	7,406	15,799	2,592	3,701
Balance at the end of the year	611,024	1,083,375	603,618	1,067,576

Common shares holders have the right to receive dividends as declared and, in the event of the winding up of the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Common shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

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

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

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

On October 1, 2015, the Company issued a total of 299,506,089 shares to Romarco shareholders for the acquisition of all of the issued and outstanding shares of Romarco Minerals Inc. The Romarco shareholders obtained 0.241 of a common share of the Company for each Romarco common share.

19 CONTRIBUTED SURPLUS MOVEMENT

	December 31 2016 $'000	*December 31 2015 $'000*
Balance at the beginning of the year	41,954	41,388
Share based compensation expense	4,983	3,223
Forfeited options	(33)	(33)
Exercised options	(3,644)	(2,624)
Balance at the end of year	43,260	41,954
Contributed surplus		
Employee stock based compensation	13,217	11,911
Shareholder options (lapsed on January 1, 2009)	18,083	18,083
Equity portion of convertible notes	11,960	11,960
	43,260	41,954

20 OTHER RESERVES

	December 31 2016 $'000	*December 31 2015 $'000*
Foreign currency translation reserve (1)	18,888	15,946
Available-for-sale equity reserve (2)	68,903	5,703
Total other reserves	87,791	21,649

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

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

21 SEGMENT INFORMATION

The Group's operations are managed on a regional basis. The three reportable segments are New Zealand, the Philippines and the United States. The business segments presented below reflect the management structure of the Group and the way in which the Group's management reviews business performance. The Group sells its gold bullion to a mint in Australia and sells its gold-copper concentrate to a commodity trader in Singapore. Gold bullion is produced in New Zealand and the Philippines and gold-copper concentrate is produced in the Philippines.

Year ended December 31, 2016	New Zealand $'000	Philippines $'000	United States $'000	All other segments $'000	Elimination $'000	Total $'000
Revenue						
Sales to external customers	355,980	272,654	-	-	-	628,634
Inter segment management and gold handling fees	-	-	-	12,092	(12,092)	-
Total segment revenue	355,980	272,654	-	12,092	(12,092)	628,634
Result						
Segment result excluding unrealised hedge losses, depreciation and amortisation	147,921	177,772	(506)	(42,009)	-	283,178
Depreciation and amortisation	(97,103)	(24,391)	(28)	(1,042)	-	(122,564)
Inter segment management and gold handling fees	(3,971)	(5,588)	-	9,559	-	-
Gain/(loss) on fair value of derivative instruments	4,062	-	-	-	-	4,062
Total segment result before interest and tax	50,909	147,793	(534)	(33,492)	-	164,676
Net interest expense						(9,376)
Income tax (expense)/benefit						(18,848)
Net profit/(loss) for the year						136,452
Assets						
Additions to property, plant, equipment and mining assets	86,157	84,261	363,051	1,632	-	535,101
Total segment assets	312,937	774,019	704,604	124,160	-	1,915,720

21 SEGMENT INFORMATION (CONTINUED)

Year ended December 31, 2015	New Zealand $'000	Philippines $'000	United States $'000	All other segments $'000	Elimination $'000	Total $'000
Revenue						
Sales to external customers	268,035	239,950	-	-	-	507,985
Inter segment management and gold handling fees	-	-	-	8,716	(8,716)	-
Total segment revenue	268,035	239,950	-	8,716	(8,716)	507,985
Result						
Segment result excluding unrealised hedge losses, depreciation and amortisation	89,598	137,586	(1,286)	(32,409)	-	193,489
Depreciation and amortisation	(81,595)	(42,722)	(21)	(622)	-	(124,960)
Inter segment management and gold handling fees	(2,943)	(5,773)	-	8,716	-	-
Gain/(loss) on fair value of derivative instruments	(5,379)	-	-	-	-	(5,379)
Total segment result before interest and tax	(319)	89,091	(1,307)	(24,315)	-	63,150
Net interest expense						(12,051)
Income tax (expense)/benefit						1,967
Net profit/(loss) for the year						53,066
Assets						
Additions to property, plant, equipment and mining assets	33,489	73,862	45,425	4,174	-	156,950
Total segment assets	357,227	670,139	461,332	55,159	-	1,543,857

22 STOCK-BASED COMPENSATION

The total share based payment expense for 2016 was $4.9 million (2015: $3.2 million).

(a) Executive share options plan

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

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

(i) Stock option movements

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

WAEP = weighted average exercise price

	December 31, 2016		*December 31, 2015*	
	No.	**WAEP**	**No.**	**WAEP**
Outstanding at the start of the year	3,322,762	A$2.81	3,733,940	A$2.71
Expired	(15,556)	A$1.94	(49,664)	A$2.87
Exercised	(1,427,840)	A$2.84	(361,514)	A$1.79
Balance at the end of the year	**1,879,366**	**A$2.79**	**3,322,762**	**A$2.81**
Exercisable at the end of the year	**1,879,366**	**A$2.79**	**3,322,762**	**A$2.81**

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

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

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

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

(ii) Balance at the end of the period

The share options on issue at the end of the financial period had an exercise price of between A$1.52 and A$3.31 and a weighted average remaining life of 1.27 years.

At December 31, 2016, $nil (2015: $nil) remains to be expensed over the life of the options.

(b) Performance share rights plan

The Managing Director and certain employees of the Group, as designated by the Board of Directors, have been granted rights to common shares of the Company, OceanaGold Corporation. Each right entitles the holder to one common share upon exercise. The rights were issued for nil consideration and are subject to market-based performance conditions (based on various Total Shareholder Return (TSR) hurdles) and continuity of employment. The rights cannot be transferred without the Company's prior approval and right holders are not entitled to dividends of unvested rights.

(i) Performance share rights movements

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

22 STOCK-BASED COMPENSATION (CONTINUED)

(b) Performance share rights plan (continued)

WAEP = weighted average exercise price

	December 31, 2016		*December 31, 2015*	
	No.	**WAEP**	**No.**	**WAEP**
Outstanding at the start of the year	5,168,629	A$0.00	4,953,687	A$0.00
Granted	5,203,602	A$0.00	1,992,861	A$0.00
Forfeited	(77,482)	A$0.00	(65,221)	A$0.00
Exercised	(1,460,156)	A$0.00	(1,712,698)	A$0.00
Balance at the end of the year	**8,834,593**	**A$0.00**	**5,168,629**	**A$0.00**
Exercisable at the end of the year	**-**	-	-	-

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

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

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

Dividend yield had been assumed to be nil for grants prior to December 31, 2014 on the basis that no dividends had been declared prior to the 2014 financial year. For the grant in 2016, a dividend yield of 1.53% has been assumed in the valuation.

The following table gives the assumptions made in determining the fair value of the performance share rights granted in the financial year:

Grant Date	Dividend Yield	Expected Volatility	Risk-Free Interest Rate	Expected Life of Option (years)	Option Exercise Price	Share Price at Grant Date	Weighted Average Fair Value
26/02/2016	1.53%	66.50%	1.72%	3	0.00	3.84	2.5500
26/02/2016	1.53%	66.50%	1.72%	3	0.00	3.84	3.5200

(ii) Balance at the end of the period

The performance share rights outstanding at the end of the financial period had an exercise price of A$0.00 and a weighted average remainng life of 1.62 years.

(c) Stock options

(i) Evergreen Incentive Stock Option plan

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

22 STOCK-BASED COMPENSATION (CONTINUED)

(c) Stock options (continued)

Evergreen Incentive Stock Option movements

The following table reconciles the outstanding rights granted under the Evergreen Incentive Stock Option plan at the beginning and the end of the year:

WAEP = weighted average exercise price

	December 31, 2016		*December 31, 2015*	
	No.	**WAEP**	**No.**	**WAEP**
Outstanding at the start of the year	1,325,000	C$0.14	3,795,000	C$0.17
Exercised	(350,000)	C$0.16	-	-
Forfeited	-	-	-	-
Expired	(290,000)	C$0.17	(2,470,000)	C$0.19
Balance at the end of the year	**685,000**	**C$0.11**	**1,325,000**	**C$0.14**
Exercisable at the end of the year	**685,000**	**C$0.11**	**1,325,000**	**C$0.14**

Options granted were valued using the Black-Scholes option pricing model. For employees, the Company recognises stock-based compensation expense based on the estimated fair value of the options on the date of the grant. For non-employees, the fair value of the options is based on the fair value of services received and recognised at the time of services rendered. The fair value of the options is recognised over the vesting period of the options granted as stock-based compensation expense and corresponding adjustment to contributed surplus. The number of options expected to vest is periodically reviewed and the estimated option forfeiture rate is adjusted as required throughout the life of the option. Upon exercise these amounts are transferred to share capital.

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

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

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

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

(ii) Balance at the end of the period

The share options on issue at the end of the financial period had an exercise price of between C$0.11 and a weighted average remaining life of 0.76 years.

At December 31, 2016, $nil (2015: $nil) remains to be expensed over the life of the options.

(d) Replacement Stock Option plan

A Replacement Stock Option plan was introduced into the Group following the acquisition of Romarco Minerals Inc. Under the Plan of Arrangement, each outstanding Romarco option was exchanged for a Replacement Option from OceanaGold. The number of OceanaGold shares equal to 0.241 multiplied by the number of Romarco shares subject to such Romarco option. Accordingly, 9,646,500 Replacement Options were granted and vested on October 1, 2015.

22 STOCK-BASED COMPENSATION (CONTINUED)

(d) Replacement Stock Option plan (continued)

(i) Replacement Stock Option plan movements

The following table reconciles the outstanding rights granted under the Replacement Stock Option plan at the beginning and the end of the year:

WAEP = weighted average exercise price

	December 31, 2016		*December 31, 2015*	
	No.	**WAEP**	**No.**	**WAEP**
Outstanding at the start of the year	9,133,645	C$3.10	-	-
Granted	-	C$0.00	9,646,500	C$3.11
Exercised	(4,504,033)	C$2.64	(402,947)	C$2.07
Expired	(933,031)	C$7.32	(109,908)	C$7.92
Balance at the end of the year	**3,696,581**	**C$2.59**	**9,133,645**	**C$3.10**
Exercisable at the end of the year	**3,696,581**	**C$2.59**	**9,133,645**	**C$3.10**

Options granted were valued using the Black-Scholes option pricing model. For employees, the Company recognises stock-based compensation expense based on the estimated fair value of the options on the date of the grant. The fair value of the options is recognised over the vesting period of the options granted as stock-based compensation expense and corresponding adjustment to contributed surplus. The number of options expected to vest is periodically reviewed and the estimated option forfeiture rate is adjusted as required throughout the life of the option. Upon exercise these amounts are transferred to share capital.

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

Dividend yield had been assumed to be nil on the basis that no dividends had been declared previously.

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

(ii) Balance at the end of the period

The share options on issue at the end of the financial period had an exercise price of between C$1.96 and C$4.07 and a weighted average remaining life of 1.91 years.

At December 31, 2016, $nil (2015:$nil) remains to be expensed over the life of the options.

(e) Deferred Unit Plan ("DUP")

The Company introduced and adopted the cash based Deferred Unit Plan for Non-Executive Directors. The DUP provides that participants are issued notional units that are economically equivalent to owning Common Shares of the Company. Each Deferred Unit has an initial value equal to the value of a Common Share at the time of grant. No equity in the Company is issued pursuant to the cash based DUP.

22 STOCK-BASED COMPENSATION (CONTINUED)

(e) Deferred Unit Plan (continued)

The Board grants Deferred Units in the value of US$50,000 on an annual basis to each of the Non-Executive Directors. The Deferred Units are granted on the first trading day on the TSX of each calendar year. In connection with the appointment of Diane R. Garrett to the Board of the Company, Ms. Garrett was also granted 81,521 Deferred Units as a one-off commencement grant.

Whenever cash dividends are paid on the Common Shares, additional Deferred Units are credited to the holders of Deferred Units, calculated by dividing the total cash dividends that would have been paid by the market value on the trading day immediately after the record date for the dividend.

The units will automatically vest and are redeemable into cash upon the earlier of (a) the three years anniversary of the grant; and (b) the termination date of the Non-Executive Directors.

The aggregate number of Deferred Units that may be granted to the Non-Executive Directors and remain outstanding under the DUP shall not at any time, when taken together with Common Shares reserved for issuance pursuant to all of the Company's security based compensation arrangements then either in effect or proposed, result in the aggregate number of Deferred Units and Common Shares issuable or reserved for issuance to Non-Executive Directors at any time exceeding 1% of the issued and outstanding Common Shares of the Company.

(i) Deferred unit movements

The following table reconciles the outstanding deferred units granted under the deferred unit plan at the beginning and at the end of the period:

	December 31, 2016
	No.
Outstanding at the start of the year	-
Granted	255,785
Exercised	(24,714)
Balance at the end of the year	**231,071**
Exercisable at the end of the year	**-**

The fair value of the units granted under the Deferred Unit Plan is calculated as the future cash flow and it is re-measured at each reporting date and at the date of settlement. Any changes in fair value are recognised in the Statement of Comprehensive Income for the period with a corresponding increase or decrease in liability. The liability is expensed over the relevant vesting period. At December 31, 2016, the fair value of the units was $0.7 million and $0.2 million was expensed.

23 EMPLOYEE BENEFITS

Aggregate employee benefit liability is comprised of:	*December 31 2016 $'000*	*December 31 2015 $'000*
Employee benefits provision - Current	7,636	8,028
Employee benefits provision - Non-Current	1,500	1,161
	9,136	9,189

(a) Leave entitlements liability

Employee benefits provision - Current

	December 31 2016 $'000	*December 31 2015 $'000*
Balance at the beginning of the year	8,028	6,994
Arising during the year	7,974	4,386
Utilised	(8,460)	(4,697)
Exchange rate adjustment	94	(892)
Acquired through business combination	-	2,237
Balance at the end of the year	7,636	8,028

23 EMPLOYEE BENEFITS (CONTINUED)

(a) Leave entitlements liability (continued)

Employee benefits provision - Non-Current

	December 31 2016 $'000	*December 31 2015 $'000*
Balance at the beginning of the year	1,161	1,126
Arising during the year	113	50
Utilised	18	-
Exchange rate adjustment	(23)	(15)
Balance at the end of the year	1,269	1,161

(b) Cash-settled Deferred Unit Plan

Employee benefits provision - Non-Current

	December 31 2016 $'000	*December 31 2015 $'000*
Balance at the beginning of the year	-	-
Arising during the year	253	-
Utilised	(18)	-
Exchange rate adjustment	(4)	-
Balance at the end of the year	231	-

(c) Defined contribution plans

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

24 FINANCIAL INSTRUMENTS

Financial Risk Management

The Group has exposure to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Group's exposure to each of the above risks and the Group's objectives, policies and processes for measuring and managing risk.

Financial Risk Management Objectives and Policies

The Board has the overall responsibility for the establishment and oversight of the Group's financial risk management framework. A Financial Risk Management Policy has been established, which has been approved by and is subject to annual review by the Board. This policy establishes a framework for managing financial risks.

In line with this policy, the Group does not enter into financial instruments, including derivative financial instruments for trade or speculative purposes. The term "derivative" has been adopted to encompass all financial instruments that are not directly traded in the primary physical market.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's cash and cash equivalents, trade and other receivables and hedging instruments (specifically the gold call/put options and fuel swaps that were in place during the year).

The Board approves all hedging transactions and has established a Financial Risk Management Policy which includes a hedging policy that limits the level and tenor of hedging activity.

24 FINANCIAL INSTRUMENTS (CONTINUED)

Credit risk (continued)

Maximum credit risk of cash and cash equivalents, trade and other receivables, gold call/put options and fuel swaps are the carrying amounts recorded in the statement of financial position.

The Group is not materially exposed to any individual counterparty because it has limited its exposure by spreading contracts for these instruments across several different counterparties.

At December 31, 2016, the Group's cash was mainly held with two major banks (credit rating AA-) with the largest exposure being 82% (2015: 42%). At December 31, 2016, the Group's gold call/put options were with two financial institutions with credit ratings of AA- and A- and the fuel swaps were with two financial institutions with credit ratings of A+ and AA-.

No financial assets were deemed overdue or impaired.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Group's approach to managing liquidity is to ensure cost effective continuity in funding and trading liquidity. Funding liquidity is maintained through the use of the US$ revolving credit facilities, capital leases, operating leases and trade financing. Trading liquidity is maintained by an effective spread between the counterparties with which the Group enters into derivative transactions.

The Group's funding liquidity risk policy is to source debt or equity funding appropriate to the use of funds. Examples include equipment leases to finance the mining fleet and the US$ revolving credit facilities to finance the development of new mines and provide for general working capital needs.

The Group's trading risk policy is to ensure derivative transactions, if any, are spread between at least two counterparties acknowledging both volume and tenor of the derivative to reduce the risk of trading illiquidity arising as a result of the inability to close down existing derivative positions, or hedge underlying risks incurred in normal operations.

The following are the contractual maturities of financial liabilities, including the estimated interest payments and excluding the impact of netting arrangements:

Year ended December 31, 2016	*Carrying amount $'000*	*Contractual cash flows $'000*	*12 months or less $'000*	*1-3 years $'000*	*3+ years $'000*
Non-derivative financial liabilities					
Capital leases	51,639	53,217	14,418	23,845	14,954
US$ banking facilities	272,802	302,076	85,076	217,000	-
	324,441	355,293	99,494	240,845	14,954

Year ended December 31, 2015	*Carrying amount $'000*	*Contractual cash flows $'000*	*12 months or less $'000*	*1-3 years $'000*	*3+ years $'000*
Non-derivative financial liabilities					
Capital leases	15,438	16,083	10,778	5,305	-
US$ banking facilities	182,802	208,756	7,069	46,438	155,249
Insurance loans	514	514	514	-	-
	198,754	225,353	18,361	51,743	155,249

At December 31, 2016, current assets were $188.6 million and current liabilities were $240.9 million, resulting in a net current liability of $52.3 million. The Group has a deficiency of current assets, as there is a repayment of $72.8 million due on December 31, 2017 for interest bearing debt. The Group forecasts that sufficient operating cash flows will be generated to fund the repayment. Furthermore, the Group has other options to enhance liquidity including various Financing possibilities or in the extreme the disposal of strategic investments. These are currently classified as non-current assets due to their strategic nature.

Market risk

Market risk is the risk that changes in market prices, such as commodity prices, foreign exchange rates and interest rates will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

24 FINANCIAL INSTRUMENTS (CONTINUED)

Market risk (continued)

Commodity price risk and foreign exchange risk

Prices for the Group's commodity products (gold bullion and copper) are determined on international markets and quoted in US dollars. All hedging programs are managed in accordance with policies approved by the Board. Performance under these policies is regularly reported to the Board. More details on the hedges in place are found in Note 10.

The Group has entered into series of bought gold put options with average price at NZ$1,650 per ounce and series of sold gold call options with average price at NZ$1,810 per ounce to lower commodity price risk exposure. As at December 31, 2016 there were 155,400 ounces of gold options remaining for the period January 2017 to December 2017. In respect of managing copper price risk exposure due to typical long lead time in settling copper sales, the Group has the option to fix the price of copper with the buyer on part of the shipment once the latter reaches the smelter.

Foreign exchange risk is managed by holding cash and cash equivalents in different currencies in line with the anticipated requirements of the business and achieving the diversified holding mainly through selling gold in the currencies needed.

Sensitivity analysis

At December 31, 2016 if the US dollar had depreciated / appreciated by 10% with all other variables remaining constant, the effect on the profit before tax would be $3.5 million higher/lower (2015: $2.4 million profit higher/lower) due to exchange gains/ losses on cash and cash equivalents. The impact on other equity will be $1.9 million (2015: $0.1 million).

Interest rate risk

The Group's approach to managing the risk of adverse changes in interest rates is to manage the identified net exposure through variable and fixed rate arrangements.

The Group's policy is to manage interest rate risk in a cost efficient manner having regard to the net interest rate exposure after offsetting interest bearing financial assets with interest accruing financial liabilities.

At the reporting date, the interest rate profile of the Group's interest bearing financial instruments was as follows:

Sensitivity analysis

At December 31, 2016 if interest rates had increased/decreased by 100 basis points from the year end rates with all other variables held constant, the profit before tax for the year would have been $1.4 million lower/higher (2015: $0.2 million profit lower/higher), as a result of higher/lower interest income from average cash and cash equivalents held and higher/lower interest expense from average the US$ banking facilities drawn. The impact on other equity is nil for both 2016 and 2015.

The Group's exposure to interest rate risk classes of financial assets and financial liabilities, both recognised and unrecognised at the reporting date, is set out below:

	Carrying amount	
	2016	*2015*
	$'000	*$'000*
Fixed rate		
Financial assets		
Trade and other receivables	107,936	104,474
	107,936	104,474
Financial liabilities		
Trade payables	134,666	109,335
Insurance loan	-	514
Capital leases	8,351	15,438
	143,017	125,287
Floating rate		
Financial assets		
Cash and cash equivalents	68,859	185,466
	68,859	185,466
Financial liabilities		
Capital leases	43,288	-
US$ banking facilities	272,802	182,802
	316,090	182,802

24 FINANCIAL INSTRUMENTS (CONTINUED)

Market risk (continued)

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates and 10% change in the US dollar against other foreign currency exchange rates would have increased/(decreased) equity and profit or loss before tax by the amounts shown below. This analysis assumes that all other variables remain constant.

December 31, 2016		**Interest rate risk**				**Foreign exchange risk**			
		-100 bps		**+100 bps**		**-10%**		**+10%**	
	Carrying amount $'000	Profit/ (Loss) $'000	Other equity $'000	Profit/ (Loss) $'000	Other equity $'000	Profit/ (Loss) $'000	Other equity $'000	Profit/ (Loss) $'000	Other equity $'000
Financial assets									
Cash and cash equivalents	68,859	(1,128)	-	1,128	-	3,542	-	(3,542)	-
Other assets	107,936	-	-	-	-	-	-	-	-
Financial liabilities									
Capital leases	51,639	433	-	(433)	-	-	(1,915)	-	1,915
Other liabilities	407,468	2,071	-	(2,071)	-	-	-	-	-
Total	635,902	1,376	-	(1,376)	-	3,542	(1,915)	(3,542)	1,915

December 31, 2015		**Interest rate risk**				**Foreign exchange risk**			
		-100 bps		**+100 bps**		**-10%**		**+10%**	
	Carrying amount $'000	Profit/ (Loss) $'000	Other equity $'000	Profit/ (Loss) $'000	Other equity $'000	Profit/ (Loss) $'000	Other equity $'000	Profit/ (Loss) $'000	Other equity $'000
Financial assets									
Cash and cash equivalents	185,466	(782)	-	782	-	2,409	-	(2,409)	-
Other assets	104,474	-	-	-	-	-	-	-	-
Financial liabilities									
Capital leases	15,438	-	-	-	-	-	(95)	-	95
Other liabilities	292,651	992	-	(992)	-	-	-	-	-
Total	598,029	210	-	(210)	-	2,409	(95)	(2,409)	95

25 CAPITAL DISCLOSURE

The Group's objective when managing capital is to:

- manage the entity’s ability to continue as a going concern; and
- in the medium to long term, provide adequate return to shareholders.

The Group manages capital in the light of changing economic circumstances and the underlying risk characteristics of the Group’s assets. In order to meet its objective, the Group manages its dividend declarations and may undertake capital restructuring including: sale of assets to reduce debt; additional funding facilities and equity raising.

The Group monitors capital on the basis of debt-to-equity ratio. The components and calculation of this ratio is shown below.

	December 31 2016 $'000	*December 31 2015 $'000*
Total debt (as shown in the statement of financial position)*	324,441	198,754
Less: cash and cash equivalents	(68,859)	(185,466)
Net debt	255,582	13,288
Total equity (as shown in the statement of financial position)	1,335,251	1,139,809
Net debt to equity ratio	1:5	1:86

25 CAPITAL DISCLOSURE (CONTINUED)

* Interest-bearing liabilities

The Group is subject to a number of externally imposed capital requirements relating to financing agreements. As at December 31, 2016 and 2015, the Group was in compliance with all requirements.

26 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value hierarchy

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

The different levels have been defined as follows:

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

	Level 1 $'000	**Level 2** $'000	**Level 3** $'000	**Total** $'000
December 31, 2016				
Recurring measurements				
Derivatives embedded in accounts receivable	-	96	-	96
Available-for-sale financial assets	94,605	-	-	94,605
Gold put/call options	-	2,484	-	2,484
Fuel Swaps	-	5,725	-	5,725
Total assets	94,605	8,305	-	102,910

	Level 1 $'000	**Level 2** $'000	**Level 3** $'000	**Total** $'000
December 31, 2015				
Recurring measurements				
Derivatives embedded in accounts receivable	-	168	-	168
Available-for-sale financial assets	17,584	-	-	17,584
Gold put/call options	-	5,777	-	5,777
Investments	-	-	2,062	2,062
Total assets	17,584	5,945	2,062	25,591

27 COMMITMENTS

(a) Lease commitments under non-cancellable operating leases:

	December 31 2016 $'000	*December 31 2015 $'000*
Within 1 year	2,868	3,204
Within 1 to 2 years	1,093	2,152
Within 2 to 3 years	843	696
Within 3 to 4 years	372	594
Within 4 to 5 years	198	380
More than five years	-	198
	5,374	7,224

Operating leases are used to obtain various items of plant and equipment. No leases have escalation clauses other than in the event of payment default. No lease arrangements create restrictions on other financing transactions.

27 COMMITMENTS (CONTINUED)

(b) Lease commitments under capital leases:

	December 31 2016 $'000	*December 31 2015 $'000*
Within 1 year	14,418	11,234
Within 1 to 2 years	14,317	3,742
Within 2 to 3 years	9,529	2,271
Within 3 to 4 years	14,431	-
Within 4 to 5 years	522	-
	53,217	17,247
Future finance charges	(1,578)	(1,809)
Present value of minimum lease payments	51,639	15,438
Reconciled to:		
Current interest-bearing liability (Note 17)	13,642	10,298
Non-Current interest-bearing liability (Note 17)	37,997	5,140
Total	51,639	15,438

Capital leases are used to fund the acquisition of plant and equipment, primarily mobile mining equipment. Rental payments are subject to monthly or quarterly interest rate adjustment.

(c) Gold production

The Group had certain obligations to pay royalties on gold production at prescribed levels in 2016 which are expected to continue in 2017. These royalties represent 1% to 2% of gold sales and were $13.7 million in 2016 (2015: $15.3 million).

(d) Capital commitments

At December 31, 2016, the Group has commitments of $27.9 million (2015: $9.8 million), principally relating to the purchase of property, plant and equipment and the development of mining assets mainly in Didipio and Haile.

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

	December 31 2016 $'000	*December 31 2015 $'000*
Within one year:		
- purchase of property, plant and equipment	22,026	2,905
- development of mining assets	5,827	6,906
	27,853	9,811

The Group is committed to annual expenditure of approximately $0.2 million (2015: $8.6 million) to comply with regulatory conditions attached to its New Zealand prospecting, exploration and mining permits.

The above capital commitments exclude contracted commitments which the Group is able to exit without significant fees.

(e) Didipio Financial or Technical Assistance Agreement

The Didipio Project is held under a Financial or Technical Assistance Agreement ("FTAA") granted by the Philippines Government in 1994. The FTAA grants title, exploration and mining rights with a fixed fiscal regime. Under the terms of the FTAA, after a period in which the Group can recover development expenditure, capped at 5 years from the start of production and a further 3 years over which any remaining balance is amortised, the Company is required to pay the Government of the Republic of the Philippines 60% of the "Net Revenue" earned from the Didipio Project. For the purposes of the FTAA, "Net Revenue" is generally the net revenues derived from mining operations, less deductions for, amongst other things, expenses relating to mining, processing, marketing, depreciation and certain specified overheads. In addition, all taxes paid to the Government and certain specified amounts paid to land claim owners are included as part of the calculation of 60% payable.

28 RELATED PARTIES

There are no related party transactions other than those with key management personnel as noted below.

(a) Compensation of key management

Key management includes Directors (executive and non-executive) and some members of the Executive Committee. The compensation paid or payable to key management for employee services is shown below:

	Year ended	
	December 31 2016 $'000	***December 31 2015 $000***
Salaries and short-term employee benefits	5,030	4,229
Post-employment benefits	131	129
Share-based payments	3,689	1,212
Total	8,850	5,570

(b) Loans to key management personnel

There are no loans to key management personnel during the year (December 2015: Nil).

(c) Other transactions with key management personnel

There are no other transactions with key management personnel during the year (December 2015: Nil).

29 NON-CASH INVESTING AND FINANCING ACTIVITIES

	Year ended	
	December 31 2016 $'000	***December 31 2015 $'000***
Acquisition of plant and equipment by means of finance leases	48,475	463
Acquisition of assets and liabilities of Romarco	-	415,625
Total	48,475	416,088

30 INTERESTS IN OTHER ENTITIES

The Group's material subsidiaries at December 31, 2016 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the Group.

Name of entity	Country of incorporation	Ownership interest held by the Group	
		2016	2015
		%	%
Haile Gold Mine Inc.	USA	100	100
OceanaGold (Philippines) Inc.	Philippines	100	100
Oceana Gold (New Zealand) Limited	New Zealand	100	100
Waihi Gold Company Limited	New Zealand	100	100
Pacific Rim Mining Corporation	Canada	100	100
Oceana Gold Limited	Australia	100	100
Oceana Gold No.3 (New Zealand) Limited	New Zealand	100	100
OceanaGold (Singapore) Pte Ltd	Singapore	100	100
OceanaGold (Philippines) Exploration Corporation	Philippines	100	100
OceanaGold (Philippines) Resource Corporation	Philippines	100	100
Romarco Minerals Inc.	Canada	100	100
Kershaw Mineral Laboratories LLC	USA	100	100

31 CONTINGENCIES

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

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

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

Furthermore, on February 14, 2017, the Company received an order from the DENR calling for the suspension of the Didipio operations and repeated allegations previously made by the DENR citing "… petition of the Local Government of Nueva Vizcaya for the cancellation of the FTAA; alleged damages to houses caused by the blasting operation; and the potential adverse impact to the agricultural areas of the Province…". Subsequent to receiving the suspension order, the Company immediately filed an appeal with the Office of the President ("OP"). The Company has 30 days to provide documentation in support of its appeal and can continue to operate during this period. After 30 days, the DENR is required to provide a response within 15 days before the OP rules on the matter.

(c) In 2009, Pac Rim Cayman LLC, now a wholly owned subsidiary of the Company, filed an arbitration claim with the International Centre for the Settlement of Investment Disputes (ICSID) in Washington D.C. seeking monetary compensation from the Government of El Salvador ("GOES"). This followed the passive refusal of the GOES to issue a decision on Pacific Rim's application for environmental and mining permits for El Dorado. On October 14, 2016 the ICSID Tribunal ruled in favour of the GOES, and granted an award of US$8 million to the GOES in legal fees and costs. These have been accrued for at December 31, 2016. The Company is currently reviewing the ICSID decision and its options in El Salvador going forward. If the Company is unsuccessful in further engaging with the GOES, or is impacted by other factors beyond the control of the Company, this would adversely impact its activities in El Salvador and could result in impairment. At December 31, 2016, the carrying value of the mining assets in Pacific Rim was $17.7 million.

31 CONTINGENCIES (CONTINUED)

(d) The Company operates in a number of jurisdictions. In the normal course of operations, the Company is occasionally subject to claims or litigations, including claims relating to workers compensation, motor vehicle accidents and items of similar nature. The Company deals with these claims as and when they arise. The Group also maintains specific insurance policies to transfer the risk of such claims. No provision is included in the accounts unless the Directors believe that a liability has been crystallised. In those circumstances where such claims are of material effect, have merit and are not covered by insurance, their financial effect is provided for within the financial statements. Other than as disclosed in these financial statements and other public filings, there are no claims that the Company believes will result in material losses as at the date of these financial statements.

(e) The Group has provided guarantees in respect of the $300 million banking facilities (Note 17). At December 31, 2016 the total outstanding balance under these facilities is $272.8 million (December 31, 2015: $182.8 million). Associated with this guarantee are certain financial compliance undertakings by the Group, including gearing covenants which the Group complied with at December 31, 2016.

(f) The Group has provided a guarantee in respect of a capital lease agreement for certain mobile mining equipment entered into by the controlled entities. At December 31, 2016 the outstanding rental obligations under the capital lease are $53.2 million (December 31, 2015: $17.2 million). Associated with this guarantee are certain financial compliance undertakings by the Group, including gearing covenants which the Group complied with at December 31, 2016.

(g) The Group has issued bonds in favour of various New Zealand authorities (Ministry of Economic Development - Crown Minerals, Otago Regional Council, Waitaki District Council, West Coast Regional Council, Buller District Council, Timberlands West Coast Limited and Department of Conservation) as a condition for the grant of mining and exploration privileges, water rights and/or resource consents, and rights of access for the Macraes Gold Mine and the Globe Progress Mine at the Reefton Gold Project which amount to approximately $34.0 million (December 31, 2015: $30.0 million).

(h) The Group has provided a cash operating bond to the New Zealand Department of Conservation of $0.4 million (December 31, 2015: $0.3 million) which is refundable at the end of the Globe Progress mine. This amount is included in the total referred to in (g) above.

(i) The Group has contingent liabilities under contracts, guarantees and other agreements arising in the ordinary course of business on which no loss is anticipated. Bonds have been issued in favour of various New Zealand authorities (Ministry of Energy, Hauraki District Council, Waikato Regional Council, Environment Waikato, Department of Conservation) as a condition for the grant of mining and exploration privileges, water rights and/or resource consents, and rights of access for Martha mining that amount to approximately $38.3 million (December 31, 2015: $22.9 millions).

(j) The mine operating permit at Haile which became final and effective during the first quarter of 2015 includes a schedule for estimated financial assurance of $65.0 million over the mine life consisting of $55.0 million in surety bonds or other mechanisms and $10.0 million in an interest bearing cash trust. The Company has satisfied its current financial assurance payment requirements by using a surety bond of $30.4 million and the Company has provided the surety companies with cash collateral of $6.0 million (20% of the $30.4 million surety bond). In addition, the Company has paid $0.2 million in trust funding.

The remaining estimated financial assurance of $34.4 million will be paid over the life of the mine with the next financial assurance payment anticipated to occur in 2017. The timing and amounts of these payments could change due to a number of factors including changes in regulatory requirements, changes in scope and timing of closure activities. The State requires financial assurance for the estimated costs of mine reclamation and closure, including groundwater quality protection programs.

The surety bond and other financial assurance must be maintained in force continuously throughout the life of the mining operation and may only be released, partially or in full, after the State of South Carolina approves release of financial assurance.

32 EVENTS OCCURRING AFTER THE REPORTING PERIOD

Subsequent to the year end, on February 2, 2017, the Philippines Department of Environment and Natural Resources (“DENR”) held a press conference at which OceanaGold’s Didipio operation was named as the subject of a proposed suspension order citing alleged declining agricultural production. On February 14, 2017, the Company received an order from the DENR calling for the suspension of the Didipio operations and repeated allegations previously made by the DENR citing “… petition of the Local Government of Nueva Vizcaya for the cancellation of the FTAA; alleged damages to houses caused by the blasting operation; and the potential adverse impact to the agricultural areas of the Province…”. Subsequent to receiving the suspension order, the Company immediately filed an appeal with the Office of the President (“OP”). The Company has 30 days to provide documentation in support of its appeal and can continue to operate during this period. After 30 days, the DENR is required to provide a response within 15 days before the OP rules on the matter.

On January 30, 2017, the Company signed a letter of intent (LOI) to enter into a joint venture (JV) with Mirasol Resources Ltd. (“Mirasol”), which owns the La Curva Gold Project in Argentina. The proposed transaction is subject to successful completion of due diligence and signing of a formal agreement.

32 EVENTS OCCURRING AFTER THE REPORTING PERIOD (CONTINUED)

On February 23, 2017, the Company's Board of Directors declared an ordinary semi-annual dividend of US$0.01 per share on common shares of the Company (approximately US$6.1 million), payable on April 28, 2017 to shareholders of record on March 7, 2017. This dividend qualifies as an "eligible dividend" for Canadian income tax purposes. For Australian income tax purposes, the dividend is unfranked and there is no amount of Conduit Foreign Income per security for this dividend payment.

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