

MELBOURNE, April 30, 2015 /CNW/ - [OceanaGold Corp.](#) (TSX/ASX/NZX: OGC) (the "Company") released its first quarter 2015 financial and operational results for the quarter ending 31 March 2015. Details of the consolidated financial statements and the Management Discussion and Analysis ("MD&A") are available on the Company's website at [www.oceanagold.com](http://www.oceanagold.com)

#### Key Highlights

- Achieved record quarterly gold production at Didipio for a second consecutive quarter.
- Delivered consolidated production of 91,146 ounces of gold and 6,102 tonnes of copper.
- Delivered sector leading cash costs of \$402 per ounce gold sold and All-In Sustaining Costs ("AISC") of \$630 per ounce gold sold and both net of by-product credits.
- Recorded strong revenue of \$129.3 million, EBITDA of \$60.7 million and a net profit of \$24.5 million.
- Generated \$19.4 million in free cash flow despite lower commodity prices received.
- Increased its cash position by \$8.4 million to \$59.6 million while reducing debt by \$13.4 million.
- Declared a dividend of US\$0.04 per share during the quarter amounting US\$12.1 million payable on 30 April 2015.
- Subsequent to quarter end, signed a non-binding Letter of Intent with Newmont Mining to acquire the high-quality, low-cost Waihi Gold Mine located in New Zealand.

Mick Wilkes, Managing Director and CEO commented, "OceanaGold continues to deliver strong performance across all of its operations. The efficiencies implemented a year ago in New Zealand along with lower fuel prices and a more favourable exchange rate have translated into a more robust business with even stronger profit margins. The significant free cash flows that we are generating continue to be used prudently to further strengthen our balance sheet by increasing our cash position and repaying debt." He added, "We are also pleased at the prospect of acquiring the Waihi Gold Mine from Newmont as we have long believed this high-quality asset strategically complements our existing portfolio. We expect Waihi will deliver meaningful production and free cash flows to the Company while providing significant optionality through exploration of the highly prospective region."

Table 1 &ndash; Production and Cost Results Summary

|                                      |              | Didipio New Zealand Consolidated |         |                   |
|--------------------------------------|--------------|----------------------------------|---------|-------------------|
|                                      |              | Q1 2015                          | Q1 2015 | Q4 2014           |
| Gold Produced                        | ounces       | 35,122                           | 56,024  | 91,146            |
| Copper Produced                      | tonnes       | 6,102                            | &ndash; | 6,102             |
| Gold Sales                           | ounces       | 34,659                           | 51,575  | 86,234            |
| Copper Sales                         | tonnes       | 6,245                            | &ndash; | 6,245             |
| Average Gold Price Received          | \$ per ounce | 1,177                            | 1,207   | 1,195             |
| Average Copper Price Received        | \$ per pound | 2.24 <sup>1</sup>                | &ndash; | 2.24 <sup>1</sup> |
| Cash Costs                           | \$ per ounce | (89) <sup>2</sup>                | 732     | 402 <sup>2</sup>  |
| All-In Sustaining Costs <sup>3</sup> | \$ per ounce | 210 <sup>2</sup>                 | 913     | 630 <sup>2</sup>  |

1. The calculation of the average Copper Price Received includes for accounting purposes the final price adjustments at the end of the relevant quotational period on shipments finalised during the period as well as marked- to- market revaluations on shipments yet to be finalised. The average Copper Price Received reported for Q1 2015 was substantially lower than in the previous quarter mainly as a result of the significant drop in the market price of copper in January 2015 which led to unfavourable final price adjustments and revaluations during the quarter. For reference purposes, the average provisional copper price received for shipments made during the quarter was \$2.59 per pound.

2. Net of by-product credits

3. Based on the World Gold Council methodology, expansionary and growth capital expenditures are excluded from the AISC

Consolidated production for the quarter was 91,146 ounces of gold and 6,102 tonnes of copper with sector leading AISC of \$630 per ounce on sales of 86,234 ounces of gold and 6,245 tonnes of copper. The slight decrease in production from the previous quarter was a result of lower production from Macraes which was partly offset by higher production from Didipio and Reefton.

At Didipio, the operation achieved a second consecutive quarter of record gold production with 35,122 ounces produced to go with 6,102 tonnes of copper. Didipio's cash costs for the quarter was negative \$89 per ounce sold and AISC was \$210 per ounce sold, both net of by-product credits. The quarter on quarter increase in costs was a result of lower by-product credits from a lower copper price received. The significant drop in copper price in January 2015 led to unfavourable final price adjustments on prior year shipments, which were finalised during the quarter and revaluations to open shipments. The average provisional copper price received for shipments made in the first quarter of 2015 was \$2.59 per pound.

Also in the quarter in the Philippines, the Company commenced development of the underground decline at Didipio and continued to advance the power grid connection. At the Paco tenements on the island of Mindanao, the Company commenced the geophysical survey on the area.

In New Zealand, consolidated production was 56,024 ounces of gold, a slight decrease on the previous quarter due to expected lower production from Macraes, partly offset by higher production from the Reef ton operation. For the quarter, the consolidated AISC for the New Zealand operations was \$913 per ounce, which was significantly lower than in previous quarters due to lower fuel costs and a weaker New Zealand dollar but partly offset by lower sales.

The New Zealand operations have provided a significant contribution to the Company's underlying profitability as a result of the stronger margins from lower costs. During the quarter, the Company initiated a brownfields exploration program at Macraes with an objective to increase its resource base and further increase the mine life at current production rates and with good margins. During the quarter, the Company announced a further extension of mine life at the Frasers Underground Mine.

Table 2 – Financial Results Summary

|  | Q1<br>Mar 31 2015<br>\$000 | Q2<br>Jun 30 2015<br>\$000 |
|--|----------------------------|----------------------------|
| Sales  | 129,306                    | 141,100                    |
| Cost of sales, excluding depreciation and amortisation   | (60,685)                   | (66,000)                   |
| General & Administration   | (7,938)                    | (8,100)                    |
| Foreign Currency Exchange Gain/(Loss)  | (15)                       | 1,100                      |
| Other income/(expense)   | 72                         | (9,000)                    |
| Earnings before interest, tax, depreciation & amortisation (EBITDA) (excluding gain/(loss) on undesignated hedges) | 60,740                     | 69,100                     |
| Depreciation and amortisation  | (27,729)                   | (30,000)                   |
| Net interest expense and finance costs   | (2,601)                    | (2,600)                    |
| Earnings before income tax and gain/(loss) on undesignated hedges  | 30,410                     | 36,500                     |
| Tax (expense)/ benefit on earnings/loss  | 793                        | 2,000                      |
| Earnings after income tax and before gain/(loss) on undesignated hedges  | 31,203                     | 38,500                     |
| Gain/(loss) on fair value undesignated hedges  | (9,359)                    | 1,000                      |
| Tax (expense)/benefit on gain/loss on undesignated hedges  | 2,621                      | (2,000)                    |
| Net Profit   | 24,465                     | 39,500                     |
| <b>CASH FLOWS</b>  |                            |                            |
| Cash flows from Operating Activities   | 43,229                     | 60,000                     |
| Cash flows used in Investing Activities  | (23,807)                   | (20,000)                   |
| Cash flows used in Financing Activities  |                            |                            |









Despite lower commodity prices received in the quarter, the Company generated \$19.4 million in free cash flow. As a result, the Company increased its cash position by \$8.4 million to \$59.6 million. The increase in cash position was partly offset by debt repayment of \$13.4 million, increase in working capital from the inventory build-up at Didipio and finalisation of fourth quarter copper shipments following final price adjustments in January. The Company ended the quarter with a net debt of approximately \$45 million which compares to over \$267 million at the end of 2012.

Mr. Wilkes added, "By consistently delivering positive results while optimising operations and strengthening the balance sheet, we have positioned the Company to enhance shareholder wealth through the payment of dividends and investment in new value-creating opportunities."

The Company will host a conference call / webcast to discuss the results at 7:30am on Thursday 30 April 2015 (Melbourne, Australia time) / 5:30pm on Wednesday 29 April 2015 (Toronto, Canada time).

#### Webcast Participants

To register, please copy and paste the link below into your browser:

<http://event.on24.com/r.htm?e=974751&s=1&k=54FF5A06CC35D2F0B4BA0D2D738B5FC2>

#### Teleconference Participants (required for those who wish to ask questions)

Local (toll free) dial in numbers are:

Australia: 1 800 076 068

New Zealand: 0 800 453 421

Canada & North America: 1 888 390 0546

All other countries (toll): + 1 416 764 8688

#### Playback of Webcast

If you are unable to attend the call, a recording will be available for viewing on the Company's website from 11:30am on Thursday 30 April 2015 (Melbourne, Australian time) / 9:30pm on Wednesday 29 April 2015 (Toronto, Canada time).

#### About OceanaGold

[OceanaGold Corp.](#) is a significant multinational gold and copper producer with over 24 years of operating sustainably in New Zealand and more recently the Philippines. Its flagship operation is the Didipio Mine located in the northern Philippines which commenced commercial production on April 1, 2013 and has a current mine life to 2030. In New Zealand on the South Island, OceanaGold operates the country's largest gold operation at the Macraes Goldfield and the Reefton Gold Mine on the west coast. OceanaGold has an unwavering commitment to the environment and to the host communities in which it operates in and works collaboratively with its valued stakeholders to create opportunities, build capacity and leave a positive, long-lasting legacy well beyond the mining life cycle.

In 2015, the Company expects to produce 295,000 to 335,000 ounces of gold from the combined New Zealand and Didipio operations and 21,000 to 23,000 tonnes of copper from the Didipio operations.

OceanaGold is listed on the Toronto, Australian and New Zealand stock exchanges under the symbol OGC.

#### Cautionary Statement for Public Release

Certain information contained in this public release may be deemed "forward-looking" within the meaning of applicable securities laws. Forward-looking statements and information relate to future performance and reflect the Company's expectations regarding the generation of free cash flow, execution of business strategy, future growth, future production, estimated costs, results of operations, business prospects and opportunities of [OceanaGold Corp.](#) and its related subsidiaries. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as "expects" or "does not expect", "is expected", "anticipates" or "does not anticipate", "plans", "estimates" or "intends", or stating that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved) are not statements of historical fact and may be forward-looking statements. Forward-looking statements are subject to a variety of risks and uncertainties which could cause actual events or results to differ materially from those expressed in the forward-looking statements and information. They include, among others, the accuracy of mineral reserve and resource estimates and related assumptions, inherent operating risks and those risk factors identified in the Company's most recent Annual Information Form prepared and filed with securities regulators which is available on SEDAR at [www.sedar.com](http://www.sedar.com) under the Company's name. There are no assurances the Company can fulfil forward-looking statements and information. Such forward-looking statements and information are only predictions based on current information available to management as of the date that such predictions are made; actual events or results may differ materially as a result of risks facing the Company, some of which are beyond the Company's control. Although the Company believes that any forward-looking statements and information contained in this press release is based on reasonable assumptions, readers cannot be assured that actual outcomes or results will be consistent with such statements. Accordingly, readers should not place undue reliance on forward-looking statements and information. The Company expressly disclaims any intention or obligation to update or revise any forward-looking statements and information, whether as a result of new information, events or otherwise, except as required by

applicable securities laws. The information contained in this release is not investment or financial product advice.

To see the Management Discussion and Analysis Report for the First Quarter ended March 31, 2015, please click here: [http://files.newswire.ca/435/Q1\\_2015\\_MDA.pdf](http://files.newswire.ca/435/Q1_2015_MDA.pdf).

SOURCE [OceanaGold Corp.](#)

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