

(All financial figures in US Dollars unless otherwise stated)

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MELBOURNE, Feb. 29, 2016 /CNW/ - [OceanaGold Corp.](#) (TSX/ASX/NZX: OGC) (the "Company") is pleased to provide an update on the construction of the top-tier Haile Gold Mine ("Haile" or "Haile Project") in the United States and continued encouraging exploration results at Haile and at the Waihi Mine ("Waihi") located in New Zealand.

Key Highlights

- Enhanced the design of the Haile Project to deliver a more robust operation.
- Haile Project capital cost estimated at \$380 million with \$160 million spent to date.
- Construction activities at Haile on schedule for first ore through the mill by the end of 2016.
- Drill results from the Horseshoe deposit at Haile confirm high-grade mineralisation and include; (DDH-519) 21.3 metres @ 21.66 g/t and 23.5 metres @ 6.55 g/t; (DDH-518) 13.3 metres @ 10.57 g/t and 13.0 metres @ 5.47 g/t; (DDH-517) 40.9 metres @ 4.71 g/t; (DDH-516) 3.6 metres @ 5.95 g/t and (DDH-514) 9.3 metres @ 5.22 g/t.
- Drill results at Waihi continue to demonstrate significant resource expansion opportunities from high-grade underground targets including Correnso Deeps, Empire and Daybreak.
- Recent significant intersections at Waihi include 3.5 metres @ 9.83 g/t and 7.8 metres @ 6.25 g/t from Correnso Deeps, 7.1 metres @ 9.44 g/t and 3.5 metres @ 12.65 g/t from Daybreak, 2.5 metres @ 41.63 g/t and 4.3 metres @ 11.76 g/t from Empire and 6.0 metres @ 6.17 g/t including 1.2 metres @ 25.42 g/t from unmined extensions to the Royal vein.

Mick Wilkes, President and CEO said, "We are very pleased with the progress we have made on our growth initiatives across the Company. Our team's extensive development and operations experience has resulted in design enhancements for the Haile Project which, based on our past experience, will ensure a robust and efficient project that is on track for first ore through the mill by the end of 2016." He added, "We are also pleased to see the early success from our exploration programs which continue to ramp up across the business. We expect to invest \$30 million on exploration this year which demonstrates the quality of the assets in the portfolio and the financial strength of the Company as we continue to position ourselves as a leading, low-cost, mid-tier gold producer."

Haile Gold Mine

Construction Update

Over the past few months, the Company initiated a comprehensive review of the Haile development and optimised the plant design to deliver a more robust operation. As a result of this review, which drew upon OceanaGold's extensive operational and development experience from New Zealand and more recently in the Philippines, the Company has made enhancements to the project, which are designed to drive operational efficiencies and ensure the project is delivered on schedule.

Under the enhanced design and subject to the necessary approvals, the Company intends to purchase additional loading equipment to reduce the potential for ore dilution during mining, add a run-of-the-mine (ROM) pad to allow for more effective ore blending to the mill, install a crushed ore bin to minimise dust from the crushing circuit, and install a larger flash flotation cell to improve metallurgical recoveries. Additionally, the Company will enhance control systems for the process plant and make significant upgrades to IT systems to allow for a more effective operation. The Company will also invest additional capital to de-risk the overall project execution phase to ensure that the major milestones including commissioning and construction close-out are achieved on time and within the updated budget.

As a result of these design changes, and a marginal increase in the pre-production mining costs, the total capital cost for construction will be \$380 million at Haile, which is a 14% increase to the original Romarco December 2014 technical report estimate of \$333 million. As at the end of February 2016, the total spend on the development of the Haile Project was approximately \$160 million including those expenditures prior to OceanaGold acquiring the asset in October 2015.

Construction activities at Haile are going well. All but two major construction contracts have been issued to local contractors and \$240 million of the total capital has been committed as at the end of January 2016. Engineering is 98% complete while procurement is 82% complete. The project is scheduled to commence the commissioning phase and have first ore through the mill by the end of 2016. See Figure 2 for the Haile development schedule.

Exploration Update

In the fourth quarter of 2015, the Company commenced infill drilling of the Horseshoe deposit with 16 drill holes for 4,214 metres

completed. Initial results have returned high-grade intercepts in line with the current resource model. Significant results are outlined in Table 1 and illustrated by Figures 3 and 4. The Company will continue drilling Horseshoe to test both strike and depth extensions and to better define the underground resource. A scoping study on a potential underground operation at Haile has commenced with completion expected in the second half of 2016.

Also in the fourth quarter, the Company conducted drilling of regional targets including Cypress and Loblolly. In total, 24 holes for 6,379 metres have been drilled at these targets with encouraging results. Exploration continues in order to determine the full potential of mineralisation in these areas.

Table 1 – Significant Intersections at Horseshoe

Drill Hole ID	From (m)	To (m)	Width (m)	Gold Grade (g/t)
DDH-519	173.7	195.0	21.3	21.66
	198.1	221.6	23.5	6.55
	234.7	253.0	18.3	1.32
DDH-517	176.1	217.0	40.9	4.71
DDH-518	169.5	181.1	11.6	2.43
	183.5	196.5	13.0	5.47
	201.9	215.2	13.3	10.57
including	209.7	214.2	4.5	28.43
DDH-513	172.2	176.2	4.0	1.80
including	181.1	202.7	21.6	3.81
	189.5	197.3	7.8	7.09
DDH-514	178.3	185.9	7.6	3.30
including	179.0	181.3	2.3	5.54
	195.1	204.4	9.3	5.22
including	201.2	204.4	3.2	10.56
	213.4	221.0	7.6	0.86
DDH-515	171.0	235.1	64.1	1.84
including	182.9	185.9	3.0	7.70
DDH-516	170.7	176.8	6.1	1.05
	189.0	193.6	4.6	4.06
including	190.5	193.5	3.0	5.71
	203.0	206.6	3.6	5.95
including	203.0	205.3	2.3	8.91
DDH-520	164.4	175.3	10.9	1.36
	184.2	198.0	13.9	1.15
	202.7	216.9	14.2	1.53

Waihi

At Waihi, an extensive exploration program commenced in the third quarter of 2015 with a primary focus on targeting resource extensions proximal to the Correnso underground mine and drilling untested areas of the Waihi vein system. The Company drilled a total of 13,031 metres in the second half of 2015 utilising four underground and two surface drill rigs and a further 3,907 metres year-to-date 2016. Underground diamond drilling over the last three months has focused on reserve and resource drilling on Correnso Deeps, Daybreak and Empire (Figures 5-7). Geological and resource models have been updated on Daybreak and

Empire in preparation for mine design and planning. Significant results are listed in Table 2 with additional assays pending. Exploration drilling of untested targets within the Waihi Epithermal camp initiated in 2015 has continued into 2016 with significant results listed in Table 3 and illustrated in Figure 8.

Four surface drill rigs are now operating with three dedicated to testing the resource potential around the open pit. In 2016, the Waihi exploration program encompasses over 34,000 metres of planned drilling, including further drilling on the WKP prospect in the Hauraki region where previous drill campaigns returned high grade intercepts of 9.7 metres (7.5 metres true width) @ 17.2 g/t Au and 7.9 metres @ 5.1 g/t Au.

The Company expects to spend approximately US\$10 million on exploration at Waihi in 2016.

Table 2 – Significant Intersections from Waihi Reserve-Resource Drilling

Hole ID	From (m)	To (m)	True width (m)	Gold Grade (g/t)	Silver Grade (g/t)	Vein
844SP1CR0833	168.00	175.10	5.8	4.33	9.6	Correnso Deeps
844SP1CR0838	169.60	173.65	3.5	9.83	12.2	Correnso Deeps
844SP1CR0840	167.00	181.40	11.4	2.41	7.8	Correnso Deeps
844SP1CR0845	169.60	177.80	7.8	6.25	8.2	Correnso Deeps
844SP2CR0846	184.60	186.20	1.30	5.35	13.7	Correnso Deeps
844SP5CR0812	158.00	165.80	3.9	4.03	12.1	Correnso Deeps
844SP2CG0865	187.30	190.00	2.1	11.87	13.8	Correnso Upper
844SP0DG0873	166.10	173.85	7.1	9.44	25.0	Daybreak
844SP0DR0842	209.30	210.40	0.9	13.86	13.4	Daybreak
844SP0DR0843	207.20	211.50	3.5	12.65	15.0	Daybreak
844SP0DR0888	181.60	185.90	3.7	10.23	13.6	Daybreak
844SP6EN0851	56.50	58.50	1.5	5.32	5.3	Empire HW
844SP6EN0852	41.90	43.90	1.5	28.09	27.7	Empire HW
844SP6EN0854	38.75	41.50	2.5	41.63	40.8	Empire HW
844SP6EN0856	141.50	143.50	0.8	8.32	9.0	Empire FW
844SP6EN0856	105.00	107.20	1.7	22.46	553.7	Empire West
844SP6EN0862	91.80	99.10	7.3	2.58	5.9	Empire
844SP6EN0862	66.30	69.60	2.1	12.85	28.5	Empire HW
844SP6EN0867	120.10	125.20	4.3	11.76	19.6	Empire
844SP6EN0867	133.90	136.30	1.7	10.15	8.6	Empire FW
844SP8EN0859	67.35	69.10	1.5	8.94	15.0	Empire FW
844SP8EN0866	69.10	70.90	1.1	14.86	12.0	Empire FW

Table 3 – Significant Intersections from Waihi Exploration Drilling

Hole ID	From (m)	To (m)	True width (m)	Gold Grade (g/t)	Silver Grade (g/t)	Vein
844SP0DR0798	301.55	308.85	6.0	6.17	8.7	Royal
including	301.55	303.00	1.2	25.42	22.7	Royal
844SP0DR0798	765.40	766.60	1.0	10.07	17.6	Mary HW
844SP8EX0861	98.00	101.70	2.4	7.31	6.8	Grace extensions
844SP8EX0875	190.00	194.50	3.2	2.58	5.6	Martha HW

Maps and tables showing drilling results for Waihi and Haile can be accessed with the following link: <http://www.oceanaGold.com/investors-and-media/filings/>. In line with ASX listing requirements, JORC Code Table 1 for the Waihi and Haile exploration results are appended to this release and available on OceanaGold's website at www.oceanaGold.com

2016 Capital Expenditure Guidance

For the full year of 2016 and including the project enhancements made to the Haile Gold Mine, the Company's capital and exploration expenditures are expected to range from \$365 million to \$405 million across the operations as illustrated by Table 4.

Table 4 – 2016 Capital Expenditure Program ⁽¹⁾

USDm	Didipio	Macraes*	Waihi	Haile	Total
Development ⁽²⁾	40 – 45	–	–	250	290 – 295
Sustaining	5 – 10	10 – 15	10 – 15	–	25 – 40
Pre-stripping/capitalised mining	10 – 15	10 – 15	5 – 10	–	25 – 40
Exploration ⁽²⁾	2 – 3	2 – 3	10 – 12	10 – 15	25 – 30
Total	55 – 70	25 – 35	25 – 35	260 – 265	365 – 405

Notes:

- Table 4 does not include \$2-3m budgeted for rehabilitation work at Reefton.
- Approximately \$15 million of this is included in the 2016 All-In Sustaining Costs guidance

Mr. Wilkes went on to say, "We are very pleased with the Company's position as we consolidate the asset portfolio this year with a key focus on delivering low-cost growth and mine life extensions. The Company is financially strong with operating margins amongst the best in our peer group, with ample liquidity to execute on all of our objectives. Since assuming control of the Haile Gold Mine in October, we have sharpened the focus there and, combined with the aggressive exploration program planned this year, believe we will be in a strong position to unlock additional value for our stakeholders and the local communities in South Carolina. Despite the recent positive increase in our margins on account of the higher gold price, we continue to focus on building a low-cost business with a diversified production base that we believe is well-positioned to deliver industry leading returns in any commodity price environment."

About OceanaGold

[OceanaGold Corp.](http://www.oceanaGold.com) is a mid-tier, low-cost, multinational gold producer with assets located in the Philippines, New Zealand and the United States. The Company's assets encompass its flagship operation, the Didipio Gold-Copper Mine located on the island of Luzon in the Philippines. On the north island of New Zealand, the Company operates the high-grade Waihi Gold Mine while on the south island of New Zealand, the Company operates the largest gold mine in the country at the Macraes Goldfield which

is made up of a series of open pit mines and the Frasers underground mine. In the United States, the Company is currently constructing the Haile Gold Mine, a top-tier asset located in South Carolina along the Carolina Slate Belt. The Company expects the Haile Gold Mine to commence commercial production in early 2017. OceanaGold also has a significant pipeline of organic growth and exploration opportunities in the Australasia and Americas regions.

OceanaGold has operated sustainably over the past 25 years with a proven track record for environmental management and community and social engagement. The Company has a strong social license to operate and works collaboratively with its valued stakeholders to identify and invest in social programs that are designed to build capacity and not dependency.

In 2016, the Company expects to produce 385,000 to 425,000 ounces of gold from the combined New Zealand and Didipio operations and 19,000 to 21,000 tonnes of copper from the Didipio operation at All-In Sustaining Costs of \$700 to \$750 per ounce.

Competent/Qualified Person's Statement

The exploration results were prepared in accordance with the standards set out in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' ("JORC Code") and in accordance with National Instrument 43-101 – Standards of Disclosure for Mineral Projects of the Canadian Securities Administrators ("NI 43-101"). The JORC Code is the accepted reporting standard for the Australian Stock Exchange Limited ("ASX") and the New Zealand Stock Exchange Limited ("NZX").

Information relating to Haile exploration results in this document has been verified by, is based and fairly represents information compiled by or prepared under the supervision of James Berry, a Registered Member of the Society for Mining, Metallurgy and Exploration and an employee of OceanaGold. Information relating to Waihi exploration results in this document has been verified by, is based on and fairly represents information compiled by or prepared under the supervision of Lorraine Torckler, a Fellow of the Australasian Institute of Mining and Metallurgy and an employee of OceanaGold. Both J. Berry and L. Torckler have sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the JORC Code and both are Qualified Persons for the purposes of the NI 43-101. Messrs Berry and Torckler consent to the inclusion in this public report of the matters based on their information in the form and context in which it appears.

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 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.

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