

(All financial figures in US Dollars unless otherwise stated)

MELBOURNE, Oct. 27, 2016 /CNW/ - [OceanaGold Corp.](#) (TSX/ASX/NZX: OGC) (the "Company") is pleased to release its financial and operational results for the quarter ended 30 September 2016. 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.

Key Highlights

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

Mick Wilkes, President and CEO said, "Our financial performance continued to be strong in the third quarter and we are well on track to achieve our 2016 production and cost guidance. With a strong balance sheet, we are well placed ahead of 2017 where we expect to generate even stronger cash flows with Haile being added to our stable of strong cash-flow generating operations."

He added, "I am pleased to report that we have commenced commissioning activities of the crushing circuit at Haile. We completed the construction of the Tailings Storage Facility ahead of schedule, which is a remarkable achievement for what was a critical path item for much of the year. Focus now has turned to completing the piping, instrumentation and electrical works, all of which are proceeding according to schedule. The project is in the final stretch of development and remains on time and on budget, and I am confident we will meet our goal to mill first ore before the end of this year."

Table 1 &#8211; Production and Cost Results Summary

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

*: Note includes results for Waihi Gold Mine

In the United States, construction of all major infrastructure at Haile is near completion, tracking to schedule and budget. The Company has commenced commissioning activities and has commissioned the crushing circuit with rock and completed construction of the Tailings Storage Facility ("TSF") early in the fourth quarter. Mining activities are achieving a steady-state daily mining rate of 60,000 tonnes and currently mining the first sulphide ore benches. As at the end of the third quarter, approximately 350,000 tonnes of oxide and transitional material have been stockpiled for future processing. As at the end of the third quarter, the Company had spent approximately \$316 million of the estimated \$380 million capital cost while the capital spent and committed at the end of the quarter was approximately \$349 million.

Consolidated production for the first nine months of 2016 was 314,313 ounces of gold and 17,358 tonnes of copper including 88,975 ounces of gold and 5,114 tonnes of copper produced in the third quarter. Quarter-on-quarter production decreased as planned due mainly to lower grades at Didipio and Waihi.

In the Philippines, the Didipio operations were focused on mining the outer boundaries of the final stage of the open pit and continued development of the underground mine. Quarter-on-quarter production decreased as planned and previously forecast due to mining lower grade ore from the final stage of the open pit resulting in a lower head grade. In the quarter, the Company identified design enhancements to the Didipio underground and as a result the Company projects a life-of-mine capital cost saving of approximately \$30 million related to less infrastructure required and modification to stope designs around the breccia zones.

As previously reported, the Company received the Department of Environment and Natural Resources ("DENR") Audit Report on the Didipio operation. The findings and recommendations were consistent with discussions it had with the audit team at the close-out meeting and relate mainly to expanding the Company's education programs on specific aspects of mining operations to a broader stakeholder group. The Audit Report stated that the Company has "exceeded" in meeting environment best practices and Philippine laws while meeting its permitting obligations. As part of the standard audit process, the Company responded to the Audit Report on October 24, 2016. Recently, the Didipio operation was nominated for the prestigious Presidential Award for "Most Environmentally Responsible" Mine, a third consecutive nomination and an award it received in 2015.

In New Zealand, production at Waihi decreased quarter-on-quarter as expected due mainly to lower grades and the temporary

suspension of operations for one week at the beginning of August while at Macraes, production increased as expected from better grades mined in the underground, processing less stockpiled ore and achieving better recoveries. Exploration efforts at both Waihi and Macraes continue to advance well with drilling of primary targets in both gold regions.

Table 2 Financial Summary*

\$'000	Q3 Sep 30 2016	Q2 Jun 30 2016	QTD Sep 30 2015 Sep 30 2016
Revenue	150,388	169,763	369,202
Cost of sales, excluding depreciation and amortisation	(77,524)	(79,642)	(229,035)
General and administration & merger and acquisition costs	-	-	(6,978)
General and administration - other	(11,361)	(15,565)	(29,002)
Foreign currency exchange gain/(loss)	(604)	2,543	(2,659)
Other income/(expense)	669	187	629
Earnings before interest, tax, depreciation and amortisation (EBITDA) (excluding gain/(loss) on undesignated hedges)	61,568	77,286	250,226
Depreciation and amortisation	(31,973)	(28,015)	(99,790)
Net interest expense and finance costs	(2,538)	(2,536)	(7,269)
Earnings before income tax and gain/(loss) on undesignated hedges	27,057	46,735	309,708
Tax (expense) / benefit on earnings	(2,587)	(5,599)	(1,350)
Earnings/(loss) after income tax and before gain/(loss) on undesignated hedges	24,470	41,136	402,196
Gain/(loss) on fair value undesignated hedges	8,852	(1,828)	(23,206)
Tax (expense)/benefit on gain/loss on undesignated hedges	(2,478)	511	(6,198)
Share of profit/(loss) from equity accounted associates	(151)	(164)	(315)
Net Profit	30,693	39,655	99,279
Basic earnings per share	\$0.05	\$0.07	\$0.00
Diluted earnings per share	\$0.05	\$0.06	\$0.00
CASH FLOWS			
Cash flows from Operating Activities	29,440	91,486	299,009
Cash flows used in Investing Activities	(116,342)	(122,496)	(22,393)
Cash flows from / (used in) Financing Activities	70,607	12,827	(30,607)

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

Consolidated All-In Sustaining Costs ("AISC") for the nine months ended September 30, 2016 were \$730 per ounce while

consolidated cash costs were \$477 per ounce on sales of 331,489 ounces of gold and 16,453 tonnes of copper. Third quarter cash costs were \$529 per ounce on sales of 98,195 ounces of gold and 5,596 tonnes of copper.

For the third quarter of 2016, the Company reported revenue of \$150.4 million, which was lower than in the previous quarter as a result of decreased sales. EBITDA of \$61.6 million decreased on the previous quarter due to lower revenue, which was partially offset by lower operating and general and administrative costs. The third quarter net profit was \$30.7 million compared to \$39.7 million in the second quarter. The quarter-on-quarter decrease was mainly due to lower EBITDA and higher depreciation partially offset by a gain in the fair value of undesignated hedges.

Operating cash flows before working capital movement was \$60.9 million compared to \$73.8 million in the second quarter, a decrease resulting from the lower sales. Working capital increased quarter-on-quarter due to higher trade receivables and the payment of \$7 million in provisional tax made by the Waihi Gold Mine.

At the end of the third quarter, the Company had total immediate available liquidity of \$145.3 million including approximately \$88.1 million in cash and \$57.2 million undrawn from its revolving credit facility. Total debt at the end of the quarter stood at approximately \$298 million. In addition, the Company held approximately \$118 million in marketable securities as at the end of the third quarter from the previous investments it had made in junior exploration companies.

Mr. Wilkes went on to say, "OceanaGold's vision is to be the mid-tier gold mining company of choice, by operating high quality assets that deliver superior returns in a responsible manner. I believe that our approach of responsible mining combined with our financial strength and a continued commitment to close engagement with all of our stakeholders, continues to be the right strategy to make this happen. We are strongly committed to the Philippines, with a new government that strives for a responsible mining sector. Didipio is a world-class operation which exemplifies responsible mining and the social license it has is unprecedented as clearly demonstrated by the significant vocal support we have received from our local communities over the past few months."

Third Quarter 2016 Results Webcast

The Company will host a conference call / webcast to discuss the results at 8:00am on Friday 28 October 2016 (Melbourne, Australia time) / 5:00pm on Thursday 27 October 2016 (Toronto, Canada time).

Webcast Participants

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

<http://event.on24.com/r.htm?e=1285531&s=1&k=5A32766B9C0605A52BD2EA620BECAC8E>

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

Local (toll free) dial in numbers are:

Canada & North America: (+1) 888 390 0546

United Kingdom: 0800 652 2435

Australia: 1800 076 068

New Zealand: 0800 453 421

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 within a few hours after the completion of the webcast.

About OceanaGold

[OceanaGold Corp.](#) 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 Terrane. 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 Asia-Pacific and Americas regions.

OceanaGold has operated sustainably over the past 26 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 US\$700 to US\$750 per ounce.

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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