



MEDIA RELEASE

26 July 2018

OCEANAGOLD ANNOUNCES ROBUST FINANCIAL RESULTS; DECLARES DIVIDEND

*(All financial figures in **US Dollars** unless otherwise stated)*

(MELBOURNE) OceanaGold Corporation (TSX: OGC) (ASX: OGC) (the "Company") is pleased to release its financial and operational results for the first half and second quarter ended 30 June 2018. Copies 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

- Net profit after tax of \$89.1 million in the first half, an increase of 45% compared to the same period in 2017.
- Cash balance increased 45% quarter-on-quarter to \$128.9 million with immediate liquidity of \$148.9 million as at 30 June 2018.
- Declared a semi-annual dividend of \$0.02 per common share and CHES Depository Interests (CDIs).
- Revenue of \$402.4 million in the first half of 2018, an increase of 21% compared to the same period in 2017.
- Second quarter revenue of \$205.7 million with EBITDA of \$109.7 million and net profit after tax of \$44.6 million.
- First half consolidated All-In Sustaining Costs of \$744 per ounce on sales of 266,421 ounces of gold and 7,172 tonnes of copper.
- Second quarter consolidated All-In Sustaining Costs of \$696 per ounce on sales of 138,948 ounces of gold and 3,979 tonnes of copper.
- First half of 2018 consolidated production of 268,597 ounces of gold and 7,808 tonnes of copper, including 142,950 ounces of gold and 3,919 tonnes of copper in the second quarter.
- Amended Revolving Credit Facility by extending the tenure to 2020, revising financial covenants and reducing average margin.

Mick Wilkes, President and CEO said, "OceanaGold has delivered robust operating and financial performance in the first half of 2018 with each of our operations delivering impressive results that we expect to continue for the remainder of the year. Over the past 12 months we have increased our cash balance by nearly 60% and cut our net debt by almost half, which reflects the strength of our assets. We continue to

deliver one of the highest EBITDA margins in the sector while maintaining consistent, solid returns on invested capital.”

“With our operations delivering strong performance, our exploration program achieving significant results and our organic growth opportunities including the Martha Project at Waihi and the Haile expansion all progressing well, OceanaGold is well positioned to continue delivering positive results, robust operating margins and profits, and meaningful returns to shareholders.”

“As a result of our continued business strength, the Board of Directors is also pleased to declare a dividend of \$0.02 per share, which also reflects continued confidence in our business going forward.”

Table 1 – Production and Cost Results Summary

Quarter ended 30 Jun 2018		Haile	Didipio	Waihi	Macraes	Consolidated	
						Q2 2018	Q2 2017
Gold Produced	koz.	38.6	33.1	20.8	50.4	143.0	124.4
Gold Sales	koz.	42.9	27.9	19.9	48.2	138.9	129.8
Average Gold Price	US\$/oz.	1,300	1,260	1,301	1,302	1,293	1,262
Copper Produced	kt.	-	3.9	-	-	3.9	4.3
Copper Sales	kt.	-	4.0	-	-	4.0	5.8
Average Copper Price	US\$/lb.	-	3.12	-	-	3.12	2.45
Cash Costs	US\$/oz.	276	214	697	535	414	399
All-In Sustaining Costs	US\$/oz.	573	365	885	920	696	681
Year to date 30 Jun 2018		Haile	Didipio	Waihi	Macraes	Consolidated	
						YTD 2018	YTD 2017
Gold Produced	koz.	75.7	58.8	39.3	94.8	268.6	272.4
Gold Sales	koz.	75.5	59.5	40.9	90.5	266.4	256.0
Average Gold Price	US\$/oz.	1,315	1,317	1,314	1,315	1,315	1,244
Copper Produced	kt.	-	7.8	-	-	7.8	10.3
Copper Sales	kt.	-	7.2	-	-	7.2	10.0
Average Copper Price	US\$/lb.	-	3.06	-	-	3.06	2.57
Cash Costs	US\$/oz.	365	167	680	595	445	351
All-In Sustaining Costs	US\$/oz.	737	294	854	1,002	744	599

Table 2 – Financial Summary

Quarter ended 30 Jun 2018 (US\$m)	Q2 Jun 30 2018	Q1 Mar 31 2018 ⁽¹⁾	Q2 Mar 31 2017 ⁽²⁾	YTD Jun 30 2018	YTD Jun 30 2017
Revenue	205.7	196.7	171.7	402.4	333.5
Cost of sales, excluding depreciation and amortisation	(83.8)	(84.7)	(73.8)	(168.0)	(130.6)
General and administration – other	(15.5)	(12.3)	(14.5)	(27.8)	(23.5)
Foreign currency exchange gain/(loss)	1.3	0.6	0.7	1.9	0.4
Gain on sale of available-for-sale assets	-	-	-	-	5.3
Other income/(expense)	1.5	0.6	0.5	2.1	1.1
EBITDA (excluding gain/(loss) on undesignated hedges and impairment charge)	109.7	100.9	84.6	210.6	186.2
Depreciation and amortization	(47.7)	(51.4)	(51.2)	(99.1)	(87.6)
Net interest expense and finance costs	(3.6)	(3.8)	(4.3)	(7.3)	(8.8)
Earnings before income tax (excluding gain/(loss) on undesignated hedges and impairment charge)	58.4	45.8	29.3	104.2	90.0
Income tax (expense) / benefit on earnings	(10.7)	(7.2)	(4.5)	(17.9)	(5.8)
Earnings after income tax and before gain/(loss) on undesignated hedges and impairment charge	47.7	38.6	24.8	86.3	84.2

Impairment charge	-	-	-	-	(17.7)
Write off deferred exploration expenditure	(2.9)	-	-	(2.9)	-
Gain/(loss) on fair value of undesignated hedges	0.0	6.0	1.1	6.0	(6.8)
Tax (expense) / benefit on gain/loss on undesignated hedges	(0.1)	-	(0.3)	(0.1)	1.9
Share of loss from equity accounted associates	(0.1)	(0.1)	(0.2)	(0.2)	(0.3)
Net Profit	44.6	44.5	25.4	89.1	61.4
Basic earnings per share	\$0.07	\$0.07	\$0.04	\$0.14	\$0.10
Diluted earnings per share	\$0.07	\$0.07	\$0.04	\$0.14	\$0.10

(1) The Company's consolidated financial results for the quarter ended 31 March 2018 reflected adjustments on adoption of IFRS 15 effective from 1 January 2018.

(2) For the six months ended 30 June 2017, all revenue and costs reported did not include the Haile operations as these were capitalised as commercial production was declared effective from 1 October 2017.

Table 3 – Cash Flow Summary

Quarter ended 30 Jun 2018 (US\$m)	Q2 Jun 30 2018	Q1 Mar 31 2018	Q2 Jun 30 2017	YTD Jun 30 2018	YTD Jun 30 2017
Cash flows from Operating Activities	109.0	77.1	88.6	186.1	140.9
Cash flows used in Investing Activities	(60.0)	(59.1)	(71.8)	(119.1)	(137.7)
Cash flows from / (used) in Financing Activities	(8.3)	(4.4)	(6.8)	(12.7)	3.8

On 19 June 2018, the Company announced an increase to its 2018 gold production guidance with stronger operating performance expected at Didipio and Haile. As a result, the Company's 2018 gold production guidance range was revised from between 480,000 and 530,000 to a range of 500,000 to 540,000 ounces.

Table 4 – Revised 2018 Production and Cost Guidance

		Haile	Didipio	Waihi	Macraes	Consolidated
Gold Production	Ounces	140,000 – 155,000	95,000 – 105,000	75,000 - 85,000	190,000 – 200,000	500,000 – 540,000
Copper Production	Tonnes	–	15,000 – 16,000	–	–	15,000 – 16,000
All-In Sustaining Costs ⁽¹⁾	US\$/ounce	\$725 – \$775	\$260 – \$310	\$750 – \$790	\$950 – \$1,000	\$725 – \$775

(1) Current 2018 financial year guidance is based on exchange rates of NZD/USD 0.72, average copper price, inclusive of executed hedges of \$3.15 / lb in average for the full year.

On a consolidated basis during the first half of 2018, the Company produced 268,597 ounces of gold and 7,808 tonnes of copper. This is broadly in-line with the same period in 2017 with stronger production at Macraes and Haile offsetting lower production from Didipio and Waihi. During the second quarter of 2018, the Company achieved consolidated production of 142,950 ounces of gold and 3,919 tonnes of copper, up 15% compared to the same period in 2017 with higher production from Haile and Macraes more than offsetting lower production at Didipio and Waihi.

Consolidated All-In Sustaining Costs ("AISC") for the first half of 2018 were \$744 per ounce and cash costs were \$445 per ounce on sales of 266,421 ounces of gold and 7,172 tonnes of copper. During the second quarter of 2018, the Company recorded consolidated AISC of \$696 per ounce and cash costs of \$414 per ounce on sales of 138,948 ounces of gold and 3,979 tonnes of copper.

During the first half of 2018, the Company recorded revenue of \$402.4 million, including revenue of \$205.7 million during the second quarter. This is up 21% compared to the first half of 2017 and up 20% compared to the second quarter of 2017 due to a higher average gold price received and increased sales volumes driven by stronger production from Haile and Macraes.

EBITDA for the first half was \$210.6 million, including second quarter EBITDA of \$109.7 million representing EBITDA margins of 52.3% in the first half and 53.3% in the second quarter. On an annualized basis return on invested capital (“ROIC”) in the first half of the year was approximately 10.1%, which continues the trend of positive quarterly ROIC results dating back to 2010.

At the end of the first half, the Company increased its cash balance by almost 60% to \$128.9 million compared to the first half of 2017 and had total immediate available liquidity increased to \$148.9 million. The cash balance excludes \$61.7 million held in strategic equity investments.

During the second quarter, the Company amended its Revolving Credit Facility, extending the tenure one year to 2020 while also revising several financial covenants and reducing facility margins. The Company’s total credit facilities stood at \$220 million of which \$200 million remained drawn. As at the end of the first half of 2018, the Company’s net debt position stood at \$103.9 million, nearly 50% less than the same period in 2017.

The Company continued to progress the permitting for a targeted 10-year mine life extension at Waihi in New Zealand. At Haile, the Company is on track to commence permitting of the Horseshoe underground and expanded open pit early in the third quarter. Expansion of the Haile process plant continues to advance well with the installation and commissioning of the pebble crusher well advanced. At Didipio, ramp-up of underground operations and development of panel 2 continue to progress as planned.

As announced in the second quarter, the Company continues to achieve solid exploration results to support a significant expansion of the Waihi resource designed to support the 10-year mine life extension. Additionally, the Company reported significant high-grade intercepts at its regional WKP prospect, which has the potential to provide an incremental feed and mine life to the Waihi operation above and beyond the Martha Project.

During the quarter, the Company also entered an agreement with Tasman Mining for the development of the Blackwater deposit in the South Island of New Zealand.

Dividend

The Company also announces a semi-annual dividend payment of \$0.02 per common share or CDI. Shareholders of record at the close of business in each jurisdiction on 9 August 2018 (the “Record Date”) will be entitled to receive payment of the dividend on 14 September 2018. The dividend payment applies to holders of record of the Company’s common shares traded on the Toronto Stock Exchange and holders of CDIs on the Australian Securities Exchange.

Table 5 – Dividend Key Dates

Milestones	Date
Last date for processing requests to convert securities between stock exchanges before the Record Date	Monday, 6 August 2018
Common Shares (TSX) trade on an ex-dividend basis	Tuesday, 7 August 2018 and
CDIs (ASX) trade on an ex-dividend basis	Wednesday, 8 August 2018
Record Date	Thursday, 9 August 2018
Processing recommences for requests to convert securities between stock exchanges	Friday, 10 August 2018
Dividend Payment Date	Friday, 14 September 2018

At the election of the security holder, the Company will pay the dividend in US Dollars, Australian Dollars, New Zealand Dollars, or British Pounds Sterling for ASX listed CDIs, and US Dollars, Canadian Dollars or British Pounds Sterling for TSX listed common shares.

Computershare will mail shareholders the relevant materials, and election of payment currency must be made by 30 August 2018. Please refer to the end of this media release for important information relating to Australian income tax and Canadian withholding tax.

Second Quarter 2018 Results and Webcast

The Company will host a conference call / webcast to discuss the results at 7:30 am on Friday 27 July 2018 (Melbourne, Australian Eastern Standard Time) / 5:30 pm on 26 July 2018 (Toronto, Eastern Daylight Time).

Webcast Participants

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

<https://event.on24.com/wcc/r/1785607/E0306E891C1CEB19A2C8F1FA87D63136>

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.

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About OceanaGold

OceanaGold Corporation is a mid-tier, high-margin, multinational gold producer with assets located in the Philippines, New Zealand and the United States. The Company's assets encompass 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 operates the Haile Gold Mine, a top-tier, long-life, high-margin asset located in South Carolina. OceanaGold also has a significant pipeline of organic growth and exploration opportunities in the Americas and Asia-Pacific regions.

OceanaGold has operated sustainably over the past 27 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.

The Company has recently increased its 2018 guidance range and now expects to produce 500,000 to 540,000 ounces of gold and 15,000 to 16,000 tonnes of copper with All-In Sustaining Costs that range from \$725 to \$775 per ounce sold.

Tax Information for Dividend

Australian Income Tax

For Australian income tax purposes, the dividend is unfranked and there is no amount of Conduit Foreign Income per security for this dividend payment.

Canadian Withholding Tax

Holders of Common Shares or CDIs are advised that this dividend is designated by the Company to be an "eligible dividend" pursuant to subsection 89(14) of the Income Tax Act (Canada) and corresponding provincial legislation. As the dividend originates from Canada, withholding tax at the rate of 25% will be deducted from dividends paid to non-Canadian residents unless the shareholder or CDI holder is a resident of a country with a tax treaty with Canada, in which event a lower withholding rate may apply. Such shareholders or CDI holders must certify their non-resident status by completing the relevant forms required by the Canada Revenue Agency. The Company will mail every holder further information following the Record Date.

Information contained in this media release is based on the directors' current expectations and may be subject to change. If any of the dates should change, the revised dates will be announced by media release and will be available from www.oceanagold.com.

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 Corporation 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, sovereign risks, risk of suspension 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 because 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 because 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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