



Second Quarter 2016 Results

July 28, 2016

www.oceanagold.com



Management Discussion and Analysis for the second quarter ended June 30, 2016

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION IN MANAGEMENT DISCUSSION & ANALYSIS

This Management Discussion & Analysis contains “forward-looking statements and information” within the meaning of applicable securities laws which may include, but is not limited to, statements with respect to the future financial and operating performance of the Company, its subsidiaries and affiliated companies, its mining projects, the future price of gold, the estimation of mineral reserves and mineral resources, the realisation of mineral reserve and resource estimates, costs of production, estimates of initial capital, sustaining capital, operating and exploration expenditures, costs and timing of the development of new deposits, costs and timing of the development of new mines, costs and timing of future exploration and drilling programs, timing of filing of updated technical information, anticipated production amounts, requirements for additional capital, governmental regulation of mining operations and exploration operations, timing and receipt of approvals, consents and permits under applicable mineral legislation, environmental risks, title disputes or claims, limitations of insurance coverage and the timing and possible outcome of pending litigation and regulatory matters. Often, but not always, forward-looking statements and information can be identified by the use of words such as “may”, “plans”, “expects”, “projects”, “is expected”, “budget”, “scheduled”, “potential”, “estimates”, “forecasts”, “intends”, “targets”, “aims”, “anticipates” or “believes” or variations (including negative variations) of such words and phrases, or may be identified by statements to the effect that certain actions, events or results “may”, “could”, “would”, “should”, “might” or “will” be taken, occur or be achieved. Forward-looking statements and information involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company and/or its subsidiaries and/or its affiliated companies to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, future prices of gold; general business, economic and market factors (including changes in global, national or regional financial, credit, currency or securities markets), changes or developments in global, national or regional political and social conditions; changes in laws (including tax laws) and changes in GAAP or regulatory accounting requirements; the actual results of current production, development and/or exploration activities; conclusions of economic evaluations and studies; fluctuations in the value of the United States dollar relative to the Canadian dollar, the Australian dollar, the Philippines Peso or the New Zealand dollar; changes in project parameters as plans continue to be refined; possible variations of ore grade or recovery rates; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the mining industry; political instability or insurrection or war; labour force availability and turnover; adverse judicial decisions, delays in obtaining financing or governmental approvals or in the completion of development or construction activities or in the commencement of operations; as well as those factors discussed in the section entitled “Risk Factors” contained in the Company’s Annual Information Form in respect of its fiscal year-ended December 31, 2015, which is available on SEDAR at www.sedar.com under the Company’s name. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements and information, there may be other factors that cause actual results, performance, achievements or events to differ from those anticipated, estimated or intended. Also, many of the factors are outside or beyond the control of the Company, its officers, employees, agents or associates. Forward-looking statements and information contained herein are made as of the date of this Management Discussion & Analysis and, subject to applicable securities laws, the Company disclaims any obligation to update any forward-looking statements and information, whether as a result of new information, future events or results or otherwise. There can be no assurance that forward-looking statements and information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements and information due to the inherent uncertainty therein. All forward-looking statements and information made herein are qualified by this cautionary statement. This Management Discussion & Analysis may use the terms “Measured”, “Indicated” and “Inferred” Resources. U.S. investors are advised that while such terms are recognised and required by Canadian regulations, the Securities and Exchange Commission does not recognise them. “Inferred Resources” have a great amount of uncertainty as to their existence and as to their economic and legal feasibility. It cannot be assumed that all or any part of an Inferred Resources will ever be upgraded to a higher category. Under Canadian rules, estimates of Inferred Resources may not form the basis of feasibility or other economic studies. U.S. investors are cautioned not to assume that all or any part of Measured or Indicated Resources will ever be converted into reserves. U.S. investors are also cautioned not to assume that all or any part of an Inferred Resource exists, or is economically or legally mineable. This document does not constitute an offer of securities for sale in the United States or to any person that is, or is acting for the account or benefit of, any U.S. person (as defined in Regulation S under the United States Securities Act of 1933, as amended (the “Securities Act”)) (“U.S. Person”), or in any other jurisdiction in which such an offer would be unlawful.

Technical Disclosure

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 Macraes exploration results in this document has been verified by, is based on and fairly represents information compiled by or prepared under the supervision of Sean Doyle, a Chartered Professional with the Australasian Institute of Mining and Metallurgy and an employee of Oceana Gold (New Zealand) Limited. Mr Doyle consents to the inclusion in this public release of the matters based on their information in the form and context in which it appears. The information contained in this public release is based on, and fairly represents, information and supporting documentation prepared by the named qualified and competent persons in the form and context in which it appears. Mr Doyle is a “qualified person” for the purposes of NI 43-101 and have sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a “competent person” as defined in the JORC Code.

For further scientific and technical information (including disclosure regarding mineral resources and mineral reserves) relating to the Haile Project, the Waihi mine, the Macraes mine and the Didipio mine please refer to the NI 43-101 compliant technical reports available at sedar.com under the Company’s name. For further scientific and technical information (including disclosure regarding mineral resources and mineral reserves) relating to the El Dorado property please refer to the reports publicly available on SEDAR (www.sedar.com) prepared for Pacific Rim.

Management Discussion and Analysis for the second quarter ended June 30, 2016

HIGHLIGHTS

- Continued to advance the construction of the Haile Gold Mine which remains on schedule and budget for first ore in the mill before the end of 2016
- Consolidated production of 225,339 ounces of gold and 12,244 tonnes of copper in the first half of 2016 including 102,557 ounces of gold and 6,272 tonnes of copper produced in the second quarter.
- Consolidated YTD All-In Sustaining Costs of \$722 per ounce and cash costs of \$456 per ounce on sales of 233,293 ounces of gold and 10,858 tonnes of copper.
- Consolidated second quarter cash costs of \$476 per ounce on sales of 115,906 ounces of gold and 6,113 tonnes of copper.
- Revenue of \$330.8 million with an EBITDA of \$155.2 million and a net profit of \$63.2 million in the first half of 2016.
- Revenue of \$169.8 million with an EBITDA of \$77.3 million and a net profit of \$39.7 million in the second quarter.
- Increased liquidity through amendment of the revolving credit facility from \$250 million to \$300 million with existing multinational banking group. As at June 30, 2016 the Company had immediate liquidity of \$221 million including \$104 million in cash.
- Paid \$24.3 million in dividends (US\$0.04 per share) to common shareholders on April 29, 2016.
- Continued exploration success at Coronation North at Macraes with significant intersections that include 19 metres @ 2.78 g/t, 19 metres @ 2.52 g/t, 23 metres @ 2.18 g/t.
- Recorded Total Recordable Injury Frequency Rate of 3.37 per million man hours worked.

Notes:

- All statistics are compared to the preceding quarter unless otherwise stated.
- OceanaGold has adopted USD as its presentation currency and all numbers in this document are expressed in USD unless otherwise stated.
- Cash costs, All-In Sustaining Costs, Cash Operating Margin and EBITDA (Earnings before interest, taxes, depreciation and amortisation, excluding gain/(loss) on undesignated hedges) are non-GAAP measures. Refer to page 26 for explanation of non-GAAP measures.
- Cash costs and All-In Sustaining Costs are reported net of by-product credits unless otherwise stated.
- All-In Sustaining Costs are based on the methodology outlined by the World Gold Council. Capital costs associated with expansionary growth are excluded from this calculation.
- OceanaGold's results include the results of Romarco Minerals Inc. and Waihi Gold Mine as from the relevant dates of legal close, which were October 1, 2015 and October 30, 2015, respectively.

Management Discussion and Analysis for the second quarter ended June 30, 2016

OVERVIEW

Operating Results

In the first half of 2016, the Company produced 225,339 ounces of gold and 12,244 tonnes of copper including 102,557 ounces of gold and 6,272 tonnes of copper in the second quarter. Quarter-on-quarter gold production was lower as expected and previously forecast due to mine sequencing at each operation. Copper production was higher than in the first quarter due to a higher mill feed at Didipio.

On a consolidated basis, the Company recorded AISC of \$722 per ounce and cash costs of \$456 per ounce on sales of 233,293 ounces of gold and 10,858 tonnes of copper for the first half of the year. Consolidated cash costs for the quarter were \$476 per ounce sold, which was slightly higher than the previous quarter.

At Didipio, the operation produced 90,887 ounces of gold and 12,244 tonnes of copper in the first half of the year including 44,076 ounces of gold and 6,272 tonnes of copper in the second quarter. The slight quarter-on-quarter decrease in gold production was expected and as a result of a lower head grade. For the first half, Didipio's AISC were \$264 per ounce while cash costs were \$4 per ounce sold.

In the first half of 2016, the Waihi operation produced 63,523 ounces of gold including 26,540 ounces in the second quarter. Quarter-on-quarter gold production decreased as expected as a result of less ore mined from Correnso underground. Waihi's first half AISC was \$734 per ounce while cash costs were \$497 per ounce sold.

Macraes and Reefion produced 70,929 ounces of gold in the first half including 31,941 ounces produced from Macraes only in the second quarter. The decrease in production at Macraes on the previous quarter was a result of a lower head grade. Macraes and Reefion combined first half AISC was \$1,140 per ounce while cash costs were \$847 per ounce sold.

Financial Results

For the first half of 2016, the Company reported revenue of \$330.8 million and a net profit of \$63.2 million while EBITDA was \$155.2 million. For the second quarter, the Company reported revenue of \$169.8 million with a net profit of \$39.7 million and EBITDA of \$77.3 million.

In the second quarter, the cash balance decreased by \$14.1 million to \$103.8 million mainly due to construction expenditures at Haile, a dividend payment and a strategic investment in NuLegacy Gold Corporation funded by cash flow from operations of \$91.5 million and \$34.4 million received from the sale of the mobile equipment fleet at Haile, now leased back over a four year term.

At the end of the quarter, the Company had immediately available liquidity of \$221.0 million including \$117.2 million available under the revolving credit facility which was increased to \$300 million under

the same competitive rates and terms. In addition, the Company held \$86.6 million in marketable securities from its strategic investments in junior exploration companies as at the end of the second quarter.

Growth

Construction of the Haile Gold Mine continues to advance well and is on track for commissioning with first ore in the mill at the end of 2016.

The construction of all major infrastructure is tracking to schedule. The ROM pad retaining wall was completed in the second quarter and the construction of the crusher is well advanced. In the quarter, the SAG and Ball mills were installed with lubrication systems in place to enable pre-commissioning activities. The fine grinding circuit and CIL tanks have nearly been constructed while flotation tanks construction has commenced. Construction of the Tailings Storage Facility, a critical path item, continues to advance well and is on schedule while the first phase of the PAG cell was completed and accepting PAG material. Mining operations have transitioned to 24-hour operations and continue to mine overburden in the Mill Zone pit.

As at the end of the second quarter, the Company spent approximately \$246 million of the \$380 million estimated capital cost at Haile while the total capital spent and committed was approximately \$330 million.

In early June, the Company provided an update on its comprehensive exploration program across each of its operating areas. At Haile, exploration drilling continues to demonstrate encouraging results. A second phase of drilling has commenced to target the upper middle section of Horseshoe and is expected to be completed in the third quarter. The Company's underground technical study is nearing completion. To allow inclusion of the recent positive drilling results at Horseshoe, the optimisation study is now expected to be completed in the second quarter of 2017, at which time a new resource and reserve statement will be issued along with an updated National Instrument 43-101 technical report.

At Waihi, exploration drilling continues to demonstrate resource expansion at new and existing veins such as Correnso Deeps, Empire and Daybreak. At Macraes, drilling at Coronation North has expanded mineralisation to the north and southeast. In the Philippines, the Company has commenced surface exploration work at a number of targets within its FTAA while drilling targets in close proximity to Didipio.

Outlook

The Company expects consolidated production to remain steady for the remainder of the year with lower production expected at Didipio due to a planned shutdown of the process plant for maintenance and from lower grades in the open pit in the third quarter. The Company is on track to achieve its full year production and cost guidance and deliver on its development program.

Management Discussion and Analysis for the second quarter ended June 30, 2016

Table 1 – Production and Cost Results Summary

		Didipio	Waihi	Macraes and Reefton	Consolidated	
Second Quarter 2016 Results					Q2 2016	Q1 2016
Gold Produced	ounces	44,076	26,540	31,941	102,557	122,782
Copper Produced	tonnes	6,272	–	–	6,272	5,972
Gold Sales	ounces	44,837	26,904	44,165	115,906	117,387
Copper Sales	tonnes	6,113	–	–	6,113	4,745
Cash Costs	\$ per ounce	8	559	900	476	436
YTD June 30 2016					YTD Jun 30 2016	YTD Jun 30 2015
Gold Produced	ounces	90,887	63,523	70,929	225,339	176,999
Copper Produced	tonnes	12,244	–	–	12,244	12,299
Gold Sales	ounces	81,898	63,662	87,733	233,293	169,124
Copper Sales	tonnes	10,858	–	–	10,858	11,683
Cash Costs	\$ per ounce	4	497	847	456	474
All-In Sustaining Costs	\$ per ounce	264	734	1,140	722	734

Table 2 – Consolidated Financial Summary

		Q2 Jun 30 2016	Q1 Mar 2016	Q2 Jun 30 2015*	YTD Jun 30 2016	YTD Jun 30 2015*
Revenue	US\$'000	169,763	161,051	125,486	330,814	254,792
Operating Costs	US\$'000	(92,477)	(83,177)	(85,376)	(175,655)	(153,942)
EBITDA	US\$'000	77,286	77,874	40,110	155,159	100,850
Net Profit/(Loss)	US\$'000	39,655	23,531	(971)	63,186	23,494
Average Gold Price Received	\$ per ounce	1,248	1,197	1,185	1,222	1,196
Average Copper Price Received	\$ per pound	2.09	2.21	2.67	2.14	2.44

*Note: excludes results for Romarco Minerals and Waihi Gold.

Table 3 – 2016 Production and Cost Guidance

		Didipio	Waihi	Macraes	Consolidated
Gold Production	ounces	130,000 – 145,000	115,000 – 125,000	140,000 – 155,000	385,000 – 425,000
Copper Production	tonnes	19,000 – 21,000	–	–	19,000 – 21,000
Cash Costs	\$ per ounce	\$20 – \$70	\$480 – \$530	\$750 – \$800	\$460 – \$500
All-In Sustaining Costs	\$ per ounce	\$300 – \$350	\$700 – \$750	\$1,000 – \$1,050	\$700 – \$750

Notes:

- Includes production from Reefton, where stockpiles were forecast to be processed through to the end of February 2016.
- AISC calculation conforms to the methodology outlined by the World Gold Council. It includes all cash costs, corporate G&A, maintenance capital expenditures, capitalised mining expenditures and exploration. It excludes development capital expenditures such as the development of the Haile Gold Mine and Didipio Underground.

Assumptions

- NZD:USD exchange rate of 0.65, Copper price: \$2.00 / lb on average for full year.

Management Discussion and Analysis for the second quarter ended June 30, 2016

Table 4 – Key Financial Statistics for Didipio Operations

		Q2 Jun 30 2016	Q1 Mar 31 2016	Q2 Jun 30 2015	YTD Jun 30 2016	YTD Jun 30 2015
Gold Sales	<i>ounces</i>	44,837	37,061	29,550	81,898	64,209
Copper Sales	<i>tonnes</i>	6,113	4,745	5,438	10,858	11,683
Silver Sales	<i>ounces</i>	70,913	55,288	67,007	126,201	130,653
Average Gold Price Received	<i>\$ per ounce</i>	1,271	1,257	1,185	1,265	1,180
Average Copper Price Received	<i>\$ per pound</i>	2.09	2.21	2.67	2.14	2.44
Cash Costs	<i>\$ per ounce</i>	8	(1)	78	4	(12)
Cash Operating Margin	<i>\$ per ounce</i>	1,263	1,258	1,107	1,261	1,192

Table 5 – Didipio Mine Operating Statistics

		Q2 Jun 30 2016	Q1 Mar 31 2016	Q2 Jun 30 2015	YTD Jun 30 2016	YTD Jun 30 2015
Gold Produced	<i>ounces</i>	44,076	46,811	30,041	90,887	65,163
Copper Produced	<i>tonnes</i>	6,272	5,972	6,197	12,244	12,299
Silver Produced	<i>ounces</i>	72,162	70,204	75,753	142,366	149,004
Total Ore Mined	<i>tonnes</i>	1,646,248	1,844,945	1,288,496	3,491,193	3,192,992
Ore Mined Grade Gold	<i>g/t</i>	1.04	1.02	0.83	1.03	0.82
Ore Mined Grade Copper	<i>%</i>	0.52	0.51	0.51	0.51	0.52
Total Waste Mined including pre-strip	<i>tonnes</i>	5,535,009	5,564,339	6,919,083	11,099,348	11,698,656
Mill Feed	<i>tonnes</i>	971,262	945,870	938,319	1,917,132	1,770,091
Mill Feed Grade Gold	<i>g/t</i>	1.56	1.72	1.13	1.64	1.28
Mill Feed Grade Copper	<i>%</i>	0.68	0.66	0.70	0.67	0.73
Recovery Gold	<i>%</i>	90.4	89.6	87.9	90.0	89.1
Recovery Copper	<i>%</i>	94.8	95.3	94.8	95.0	95.2

Management Discussion and Analysis for the second quarter ended June 30, 2016

Table 6 – Key Financial Statistics for Waihi Operations

		Q2 Jun 30 2016	Q1 Mar 31 2016	YTD Jun 30 2016
Gold Sales	<i>ounces</i>	26,904	36,758	63,662
Average Gold Price Received	<i>\$ per ounce</i>	1,258	1,186	1,217
Cash Costs	<i>\$ per ounce</i>	559	452	497
Cash Operating Margin	<i>\$ per ounce</i>	699	734	720

Table 7 – Waihi Mine Operating Statistics

		Q2 Jun 30 2016	Q1 Mar 31 2016	YTD Jun 30 2016
Gold Produced	<i>ounces</i>	26,540	36,983	63,523
Total Ore Mined	<i>tonnes</i>	109,004	134,011	243,015
Ore Mined Grade	<i>g/t</i>	8.54	8.72	8.64
Total Waste Mined including pre-strip	<i>tonnes</i>	70,840	40,440	111,280
Mill Feed	<i>tonnes</i>	106,198	143,361	249,559
Mill Feed Grade	<i>g/t</i>	8.50	8.80	8.67
Recovery	<i>%</i>	91.3	91.2	91.2

Table 8 – Key Financial Statistics for Macraes and Reefton Operations

		Q2 Jun 30 2016	Q1 Mar 31 2016	Q2 Jun 30 2015	YTD Jun 30 2016	YTD Jun 30 2015
Gold Sales*	<i>ounces</i>	44,165	43,568	53,340	87,733	104,915
Average Gold Price Received	<i>\$ per ounce</i>	1,217	1,156	1,186	1,187	1,196
Cash Costs	<i>\$ per ounce</i>	900	793	810	847	772
Cash Operating Margin	<i>\$ per ounce</i>	317	363	376	340	424

*Note: Reefton entered Care and Maintenance during the first quarter of 2016. Stockpiled material continued to be processed until the first quarter 2016 with associated sales concluded in the second quarter.

Table 9 – Consolidated Operating Statistics for Macraes and Reefton

		Q2 Jun 30 2016	Q1 Mar 31 2016	Q2 Jun 30 2015	YTD Jun 30 2016	YTD Jun 30 2015
Gold Produced	<i>ounces</i>	31,941	38,988	55,812	70,929	111,836
Total Ore Mined	<i>tonnes</i>	1,018,805	810,338	1,465,477	1,829,143	2,825,430
Ore Mined Grade	<i>g/t</i>	1.00	1.16	1.36	1.07	1.38
Total Waste Mined including pre-strip	<i>tonnes</i>	9,914,137	6,649,961	8,262,242	16,564,098	15,074,490
Mill Feed	<i>tonnes</i>	1,464,622	1,657,281	1,969,742	3,121,903	3,957,179
Mill Feed Grade	<i>g/t</i>	0.84	0.96	1.09	0.90	1.09
Recovery	<i>%</i>	80.7	81.3	79.7	81.1	80.2

Management Discussion and Analysis for the second quarter ended June 30, 2016

Table 10 – Macraes Goldfield Operating Statistics

		Q2 Jun 30 2016	Q1 Mar 31 2016	Q2 Jun 30 2015	YTD Jun 30 2016	YTD Jun 30 2015
Gold Produced	<i>ounces</i>	31,941	34,511	35,895	66,452	74,430
Total Ore Mined	<i>tonnes</i>	1,018,805	810,338	860,886	1,829,143	1,740,752
Ore Mined Grade	<i>g/t</i>	1.00	1.16	1.37	1.07	1.36
Total Waste Mined including pre-strip	<i>tonnes</i>	9,914,137	6,649,961	6,511,870	16,564,098	11,546,442
Mill Feed	<i>tonnes</i>	1,464,622	1,455,769	1,528,269	2,920,391	3,085,614
Mill Feed Grade	<i>g/t</i>	0.84	0.90	0.92	0.87	0.94
Recovery	<i>%</i>	80.7	81.7	78.5	81.2	79.5

Table 11 – Reefion Operating Statistics

		Q2 Jun 30 2016	Q1 Mar 31 2016	Q2 Jun 30 2015	YTD Jun 30 2016	YTD Jun 30 2015
Gold Produced	<i>ounces</i>	-	4,477	19,917	4,477	37,406
Total Ore Mined	<i>tonnes</i>	-	-	604,591	-	1,084,678
Ore Mined Grade	<i>g/t</i>	-	-	1.35	-	1.42
Total Waste Mined including pre-strip	<i>tonnes</i>	-	-	1,750,372	-	3,528,048
Mill Feed	<i>tonnes</i>	-	201,512	441,473	201,512	871,565
Mill Feed Grade	<i>g/t</i>	-	1.40	1.67	1.40	1.62
Recovery	<i>%</i>	-	78.1	83.8	78.1	82.5

Management Discussion and Analysis for the second quarter ended June 30, 2016

OPERATIONS

Summary

In the first half of 2016, the Company produced 225,339 ounces of gold and 12,244 tonnes of copper including 102,557 ounces of gold and 6,272 tonnes of copper in the second quarter. Quarter-on-quarter gold production was lower as expected and previously forecast on account of mine sequencing at each operation. Copper production was higher than in the first quarter due to a higher mill feed at Didipio.

On a consolidated basis, the Company recorded AISC of \$722 per ounce and cash costs of \$456 per ounce on sales of 233,293 ounces of gold and 10,858 tonnes of copper for the first half of the year. Consolidated cash costs for the quarter were \$476 per ounce sold, which was slightly higher than the previous quarter.

Health & Safety

At the end of the second quarter, the Company's Total Recordable Injury Frequency Rate ("TRIFR") increased to 3.37 recordable injuries per million man hours worked which compares to 2.9 recorded at the end of 2015 and 2.57 recorded at the end of the first quarter. The quarter-on-quarter increase was driven by the safety performance at the non-operating sites (i.e. development and exploration sites) while the operating sites continued to drive the TRIFR lower to below 2 per million man hours.

Looking ahead to the remainder of the year, the Company will continue to drive the importance of following standard operating procedures. A key focus is the continued implementation of the OceanaGold Health and Safety Framework and Standards at the Haile Gold Mine and developing safety leadership capacity at our development sites.

Didipio Mine (Philippines)

In the second quarter, the Didipio operation sustained one Lost-Time Injury ("LTI") when a worker injured a finger while dismounting an excavator. The injury came as a result of not following standard operating procedure which does not permit the use of jewellery of any sorts during the course of operations. The operation had accumulated 6.2 million man hours prior to this LTI.

For the first half of the year at Didipio, the operation produced 90,887 ounces of gold and 12,244 tonnes of copper including 44,076 ounces of gold and 6,272 tonnes of copper produced in the second quarter. The slight quarter-on-quarter decrease in gold production was expected and as a result of a lower gold head grade, offset by a record quarterly mill feed. Copper production increased from the previous quarter due to increased mill feed and slightly higher copper head grade.

The Company made one shipment of concentrate in the second quarter, totalling 10,032 dry metric tonnes to smelters in Asia and delivered 11,562 ounces of gold in Dore to the mint in Perth, Australia. At the end of the second quarter, the operation had approximately 6,500 dry metric tonnes of concentrate stockpiled at site for trucking to the port and approximately 15,000 dry metric tonnes stockpiled at port ready for shipment to smelters.

In the second quarter, mining operations completed Stage 5 of the open pit ahead of schedule and continued the Stage 6 cutback. The development of the Didipio underground continued to advance well and remains on schedule for first underground ore processed at the end of 2017.

For the quarter, the Didipio operation mined 7.2 million tonnes of material, which was slightly lower than in the previous quarter due to decreased ore mined.

The total ore mined in the second quarter was 1.6 million tonnes compared to 1.8 million tonnes in the previous quarter. The decrease can be mainly attributed to increased haul distances and longer cycle times as a result of mining deeper at Stage 5 of the open pit. In addition, more waste than ore was mined from Stage 6. Slightly less than half of the ore mined was delivered to stockpiles and as at the end of the quarter, nearly 17.5 million tonnes of ore had been stockpiled for future processing.

Didipio processed 971,262 tonnes of ore, compared with 945,870 tonnes processed in the previous quarter. The increase can be mainly attributed to higher availability of the processing plant. Throughput rates are expected to be lower in the second half of the year due to planned shutdowns for maintenance.

Gold head grade for the second quarter was 1.56 g/t, lower than the previous quarter as a result of mining less high grade ore from Stage 5 of the open pit. Copper head grade was 0.68%, slightly higher than in the previous quarter. Gold recoveries were similar to the previous quarter.

Looking ahead to the remainder of 2016, the Company expects gold production in the second half of the year to be lower than in the first half due to lower grades expected from Stage 6 of the open pit and from planned shutdowns of the mill for maintenance. Mining of Stage 5 is now complete and the operation will continue to mine ore and waste from Stage 6, the final stage of the open pit.

Waihi Mine (New Zealand)

There were no LTIs during the quarter at the Waihi operation and as at the end of the quarter over 1.75 million man hours worked have accumulated since the last LTI.

Management Discussion and Analysis for the second quarter ended June 30, 2016

For the first half of the year, the Waihi operation produced 63,523 ounces of gold including 26,540 ounces produced in the second quarter. The quarter-on-quarter decrease in gold production was a result of mine sequencing with an increase in development waste mined than ore as well as a slightly lower head grade.

The focus of mining operations was on the Correnso underground. Total material mined in the quarter was 179,844 tonnes, which was slightly higher than in the previous quarter on account of increased waste but partly offset by less ore mined.

Total ore mined in the second quarter was 109,004 tonnes, which was lower than the previous quarter due to increased waste mined in the development drives.

Underground development was focused on the access to Correnso Deeps, the mineral extension at depth of the existing Correnso operation and on the decline development to access the Daybreak vein. In the third quarter, the development of level access will focus primarily on the Daybreak vein and two additional veins, the Empire and Christina veins. Development of the decline in Correnso Deeps will also continue in the second half of the year.

Mill feed for the quarter was 106,198 tonnes, which was lower than in the previous quarter as a result of the lower ore mined.

Gold head grade was 8.50 g/t compared to 8.80 g/t in the previous quarter. Gold recovery of 91.3% was similar to the previous quarter.

On July 1, 2016, the Company transitioned from contract mining to owner mining. As a result of this change, the Company expects to realise cost savings and will continue to seek productivity gains.

Subsequent to the quarter end, the Company purchased an outstanding net smelter return royalty from Coeur Gold New Zealand in relation to gold and silver productions from certain Waihi tenements. The total purchase price is comprised of an upfront payment of \$5.5 million and an additional \$0.7 million in supplementary payment contingent on the Waihi underground gold reserves for the year ending December 31, 2016 achieving 301,350 ounces of gold.

Looking ahead to the second half of 2016, the Company expects production in the third and fourth quarters to be similar to the second quarter. Waihi is on track to achieve its production and cost guidance for the year.

Macraes Goldfield (New Zealand)

In the second quarter of 2016, the Macraes operation recorded no LTIs and as at the end of the quarter, the

operation had accumulated 2.47 million man hours worked without an LTI.

In the first half of 2016, the Macraes operation produced 66,452 ounces of gold including 31,941 ounces produced in the second quarter which was lower than expected due to the lower grades mined from the Frasers Underground operation. The Company expects the underground mined grade to improve in the second half of the year.

The total material mined for the quarter was 10.9 million tonnes, a 47% increase from the previous quarter as a result of improved productivity from each of the mining areas. In the second quarter, the operation mined 1.02 million tonnes of ore, which was 26% higher than in the previous quarter on account of increased productivity and total material movement from both the open pit and underground operations.

Mill feed for the quarter was 1.46 million tonnes which was similar to the previous quarter while the head grade of 0.84 g/t was slightly lower than in the previous quarter due to lower grades mined from the open pit and underground.

Overall plant recovery was 80.7% which was slightly lower than in the first quarter as a result of the lower head grade.

Looking ahead to the remainder of the year, the Company expects production in the second half of the year to be higher than in the first half as a result of mining more tonnes at higher grades. The Company expects the Macraes operation to achieve its production and cost guidance for the year.

Reefton Mine (New Zealand)

In the second quarter of 2016, the Reefton operation continued under care and maintenance with activities focused on water treatment and asset maintenance. The total workforce has reduced to six personnel including two environmentalists managing the rehabilitation works.

Gold sales of 13,114 ounces were completed during the quarter.

Environmental monitoring and management continued with planning of the spring planting program being a key focus.

The Company will continue to progressively rehabilitate areas of the operation that will not be used for any future operations. The Reefton operation is consented (permitted) through to 2019.

Management Discussion and Analysis for the second quarter ended June 30, 2016

EXPLORATION

New Zealand

Exploration expenditure in New Zealand was \$3.9 million for the second quarter.

Macraes Goldfield

Exploration drilling at Macraes totalled 10,875 metres and was undertaken at Coronation North and at the Frasers Underground mine (Figure 1) in the second quarter.

Following the news release of June 7, 2016, the drilling at Coronation North has continued to provide encouraging results with significant intersections included below (Figure 2, Table 12).

Approximately 8,144 metres were completed at Coronation North in the second quarter with further infill drilling following a previously reported intersection of 40 metres @ 3.60 g/t Au and investigating potential extensions of gold mineralisation to the southeast (Figure 2).

In the third quarter, the Company will continue to undertake infill drilling at Coronation North and progress regulatory consents to permit mining. Further drilling of primary targets along the 35-kilometre strike of the Macraes Goldfield has commenced with drilling of the Mareburn target 1.5 kilometres to the north of Coronation North. Drilling will test the down plunge extent of known mineralisation on a low angle shear that has been traced along strike for approximately 900 metres. Drilling at Mt Highlay located 3.5 km to the north of Coronation North has been deferred until the fourth quarter.

At Lot's Wife, located to the southwest of the Macraes process plant, an exploration permit has been granted with drilling anticipated to commence in the fourth quarter. Phase 2 soil sampling has commenced and is expected to be completed in the fourth quarter.

Following the news release on June 7, 2016, drilling at Frasers Underground has continued to provide encouraging results and significant intersections are included below (Figure 3, Table 13). In the second quarter, approximately 2,731 metres of diamond drilling was completed at the Frasers Underground on three targets (Figure 3). Drilling at Frasers Underground will continue through to the end of 2016.

Maps and tables showing drilling results at Macraes 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 Macraes exploration results are appended to this MD&A and available on OceanaGold's website at www.oceanagold.com.

Waihi Goldfield

During the quarter, a total of 8,072 metres were drilled, primarily on reserve and resource conversion of Correnso, Empire, Daybreak and potential extensions of the Martha vein system utilising four surface and three underground diamond drill rigs.

The reserve and resource conversion drilling continues to deliver significant intercepts as previously reported and is expected to convert incremental additions to the resource base in the underground mines at Correnso, Empire and Daybreak.

Exploration continues to test the resource potential of major lodes, linking veins and stockwork zones beneath the current open pit and continues to deliver encouraging intercepts as reported in the June release.

Approximately 1,047 metres of this drilling has focused on testing new targets within the Waihi epithermal vein system. Geologic modelling has commenced in the Royal Corridor zone to the east and on strike of the historical Royal mine to where it wraps into the new Empire mine design.

Regional exploration is progressing with geological mapping, geochemical sampling and access arrangements that will allow the commencement of drilling.

United States

Exploration expenditure associated with the Haile Gold Mine and regional activity totalled \$1.6 million in the second quarter.

A total of 9,158 metres in 28 holes were drilled at Haile in the second quarter. At the Horseshoe deposit, four diamond rigs continue to infill both the upper and middle portions of the deposit. These results will be integrated into the technical and optimisation studies currently underway.

An Induced Polarization geophysical survey was also completed at Haile during the second quarter. Approximately nine line kilometres were surveyed with results currently being evaluated.

The 2016 exploration program will continue to focus on extensional and infill drilling and testing of known targets within the Haile Gold Mine tenement area as well as drilling a number of regional targets.

Philippines

Exploration expenditure in the Philippines was \$0.8 million for the second quarter. Some drilling was completed at near Didipio targets and surface work on additional regional targets has commenced.

The Company is aware of recent press reports and statements by the new administration in the Philippines that an audit of all mining operations is to occur within the next month. The Company is also aware that this audit could affect exploration activities in the greater FTAA area outside of the mining area, the exploration

Management Discussion and Analysis for the second quarter ended June 30, 2016

period for which was recently renewed by the Government. As the Didipio Operation was a recent recipient of the Presidential award for the “most environmentally responsible mining operation in the

Philippines”, the Company welcomes this audit, and is very confident that we are in full compliance with all safety, environmental and social obligations.

Table 12 – Significant Intersections from Coronation North

Drill Hole ID	East [#]	North [#]	Collar RL	Az [#]	Dip	From	To	Width	Au Grade
	(metres)	(metres)	(metres)			(metres)	(metres)	(metres)	(g/t)
RCH6197	69,828.8	21,141.6	603.2	0	-90	87	101	18	1.62
RCH6198	69,780.9	21,153.0	606.2	0	-90	61	83	22	0.97
RCH6199*	69,797.4	21,121.4	608.5	0	-90	57	80	23	2.18
RCH6200	69,821.8	21,119.5	605.8	0	-90	62	89	27	1.28
RCH6205*	69,852.7	21,109.3	597.1	150	-60	68	87	19	2.52
RCH6207*	69,768.0	21,127.1	608.1	0	-90	47	68	21	1.49
including						77	86	9	2.27
RCH6208	69,673.3	21,185.9	626.5	0	-90	58	77	19	2.78
RCH6210	69,825.4	21,096.0	603.8	0	-90	53	63	10	2.28
RCH6212##	69,850.0	20,950	620	0	-90	42	56	14	1.28

Macraes Gold Project Grid ## Nominal hole co-ordinates

*Note some assays cut to 15 g/t

Table 13 – Significant Intersections from Frasers Underground

Drill Hole ID	East [#]	North [#]	Collar RL	Az [#]	Dip	From	To	Width	Au Grade
	(metres)	(metres)	(metres)			(metres)	(metres)	(metres)	(g/t)
UDH7525	71,904.5	12,593.3	-257.1	220	-46	137.0	155.0	18.0	4.04
UDH7533	72,015.0	12,648.1	-290.0	110	-73	173.0	181.0	8.0	2.59
UDH8316	70,539.0	12,308.9	166.2	177	-2	32.7	38.0	5.3	4.11
UDH8322	70,633.7	12,341.4	144.8	261	42	0.0	17.0	17.0	2.86

Macraes Gold Project Grid ## Nominal hole co-ordinates

*Note some assays cut to 15 g/t

Figure 1 - Location of Macraes Exploration Drilling.

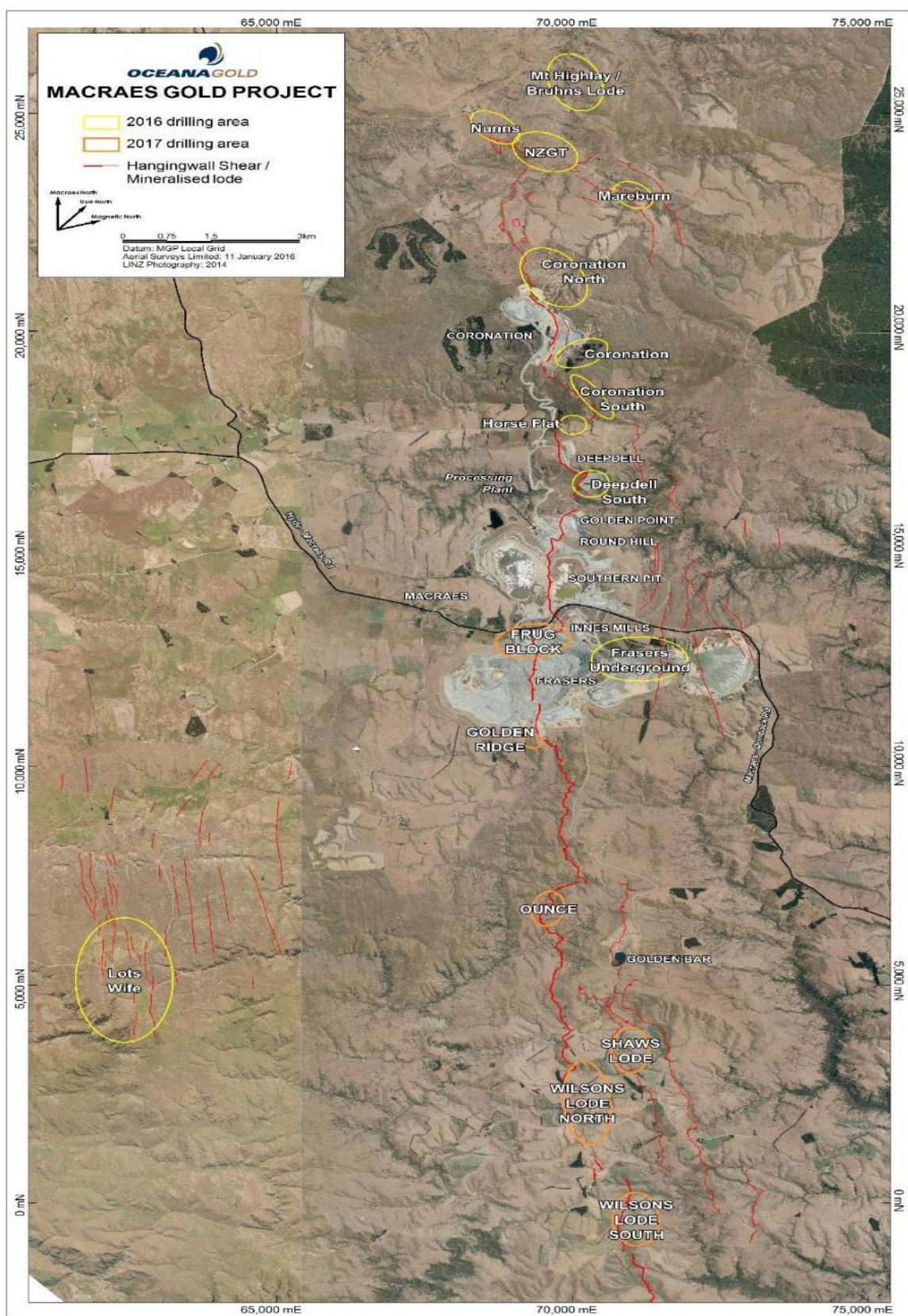


Figure 2 - Coronation North drill holes (plan view).

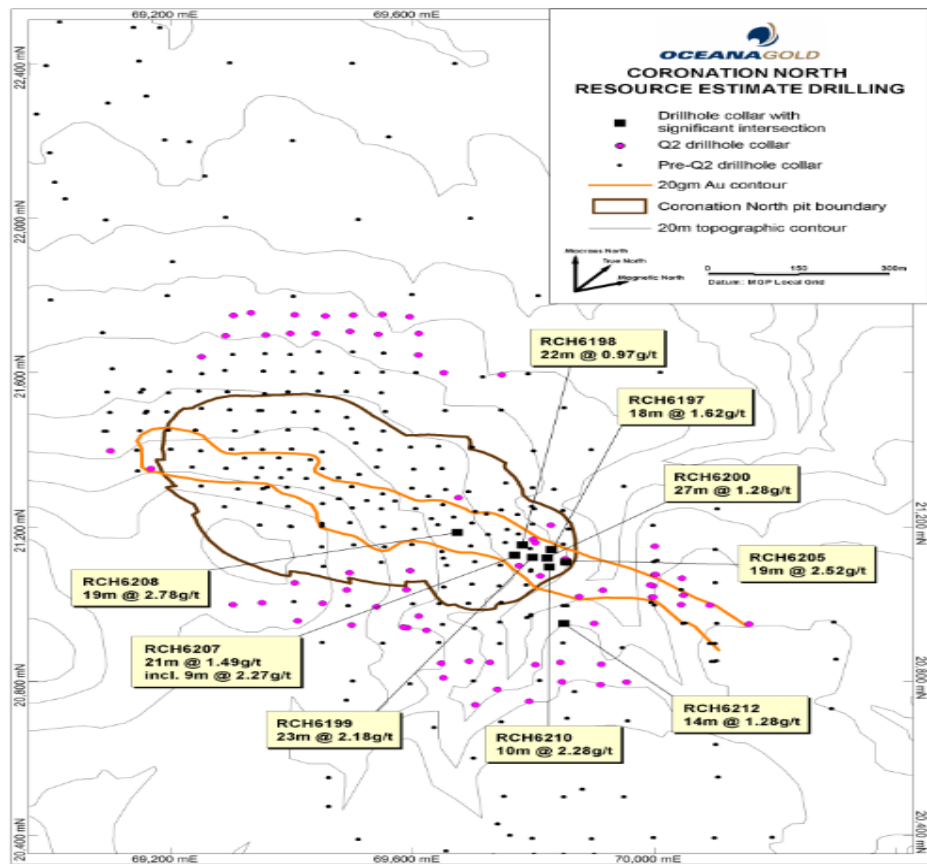
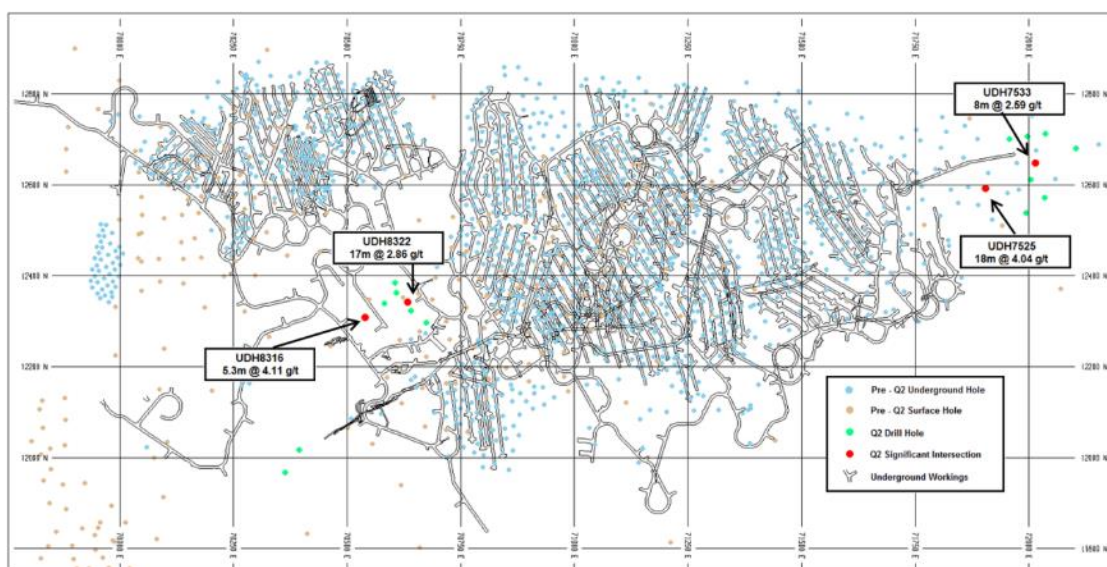


Figure 3 - Frasers Underground drill holes (plan view).



Management Discussion and Analysis for the second quarter ended June 30, 2016

DEVELOPMENT

United States

Construction of the Haile Gold Mine continues to advance well with all major infrastructure tracking to schedule. Engineering of the project is complete while procurement is 98% complete with only one remaining contract out to tender. The ROM pad retaining wall was completed in the second quarter and the construction of the crusher is well advanced. In the quarter, the SAG and Ball mills were successfully installed with lubrication systems in place to enable pre-commissioning Quality Assurance checks to be completed under rotation.

In the quarter, the assembly of the CIL tanks was nearly completed. The fine grinding circuit has been installed while the main structure of the thickener nearly completed. Electrical and instrumental works commenced in the second quarter.

Early in the quarter, the first phase of the PAG cell was completed and received regulatory approval allowing for accelerated mining operations. Mining operations have transitioned to full night shifts and continue to mine overburden in the Mill Zone pit as well as oxide ore. A new backhoe excavator has arrived on site and is currently being used in the operation.

Construction of the Tailings Storage Facility, a critical path item, continues to advance well and as at the end of the second quarter, approximately 55% of the TSF had been completed and is on track for completion in the fourth quarter.

The workforce continues to ramp up with nearly 490 workers from both construction and operations on site. In the second quarter, the Company continued to advance recruitment of the commissioning workforce which it expects to have in place in the third quarter.

Third quarter activities will see the process plant nearing structural completion and continued progress on electrical and instrumentation works for expected commissioning in the fourth quarter.

The capital budget remains on track and unchanged and as at the end of the second quarter, approximately \$246 million had been spent on construction at Haile. In total, the Company has spent or committed approximately \$330 million of the \$380 million total capital budget.

The schedule remains unchanged and the Company expects to process first ore through the mill by the end of 2016 with commercial production expected early in 2017.

In the second quarter, a scoping study on the underground mining potential for Haile was progressed. The study is focused on resources outside of the Reserve pit shells, appropriate mining methods,

potential mining inventories, mine access and layout including supporting infrastructure, equipment and labour requirements. A key component of the study is on development and production schedules. The drilling of the upper zone at Horseshoe in the first half of the year represents the main focus of the technical study and initial area for underground mining.

In the second quarter, the Company commenced the optimisation study with a primary focus of enhancing the value of the Haile operation. The key areas of focus for this study include a re-design of the open pits to reflect updated gold price assumptions, changes to the mine plan, increased ore production and corresponding process plant expansion to accommodate higher mining rates. Another key focus for the study is to determine the optimal interface between open pit and underground as well as advancing environmental, community and permitting requirements.

The technical study will be completed in the third quarter, while the optimisation study is now expected to be completed in the second quarter of 2017 to allow for the incorporation of the second phase of drilling at Horseshoe, which is targeting the upper/middle section of the known ore body.

Philippines

The Didipio underground continues to advance well and is on schedule and budget to provide first stoping ore to the process plant by the end of 2017.

As at the end of the quarter, the Company had advanced the decline approximately 2,340 metres and have developed down to a depth of approximately 215 metres from the portal (Figure 4). During the quarter, the Company commenced raise boring of the first primary intake shaft which was successfully completed in early July. The establishment of the primary ventilation circuit is on schedule and is planned to be completed in December 2016. In the second quarter, the Company issued construction tenders for the supply of the paste fill plant with construction planned to be complete during the third quarter of 2017.

Based on the data and information gained through the current development of the underground, the Company has identified an opportunity to further refine the underground design which is expected to reduce costs through a reduction of infrastructure required over the life of mine. The Company initiated a study to further define and quantify the opportunity. In addition, the Company is also investigating a possible refinement to the design of the paste plant infrastructure and reticulation systems. Improvements in piping requirements and gravity flow design were identified which will further reduce capital costs.

With the strong progress made to date, the Company expects to construct underground diamond drilling platforms ahead of schedule and by September 2016.

Management Discussion and Analysis for the second quarter ended June 30, 2016

The underground exploration program will focus on extensive reserve infill and resource expansion drilling and includes over 50,000 metres of drilling over an 18-month period.

New Zealand

The Macraes Gold-Tungsten feasibility study continued to progress well and is scheduled for completion in 2016.

The study concept includes the development of a new process plant that has a tungsten circuit and that would be built in a different location to unlock the resource beneath the existing process plant.

Figure 4 – Cross-section of Didipio Underground Design and Construction Phase

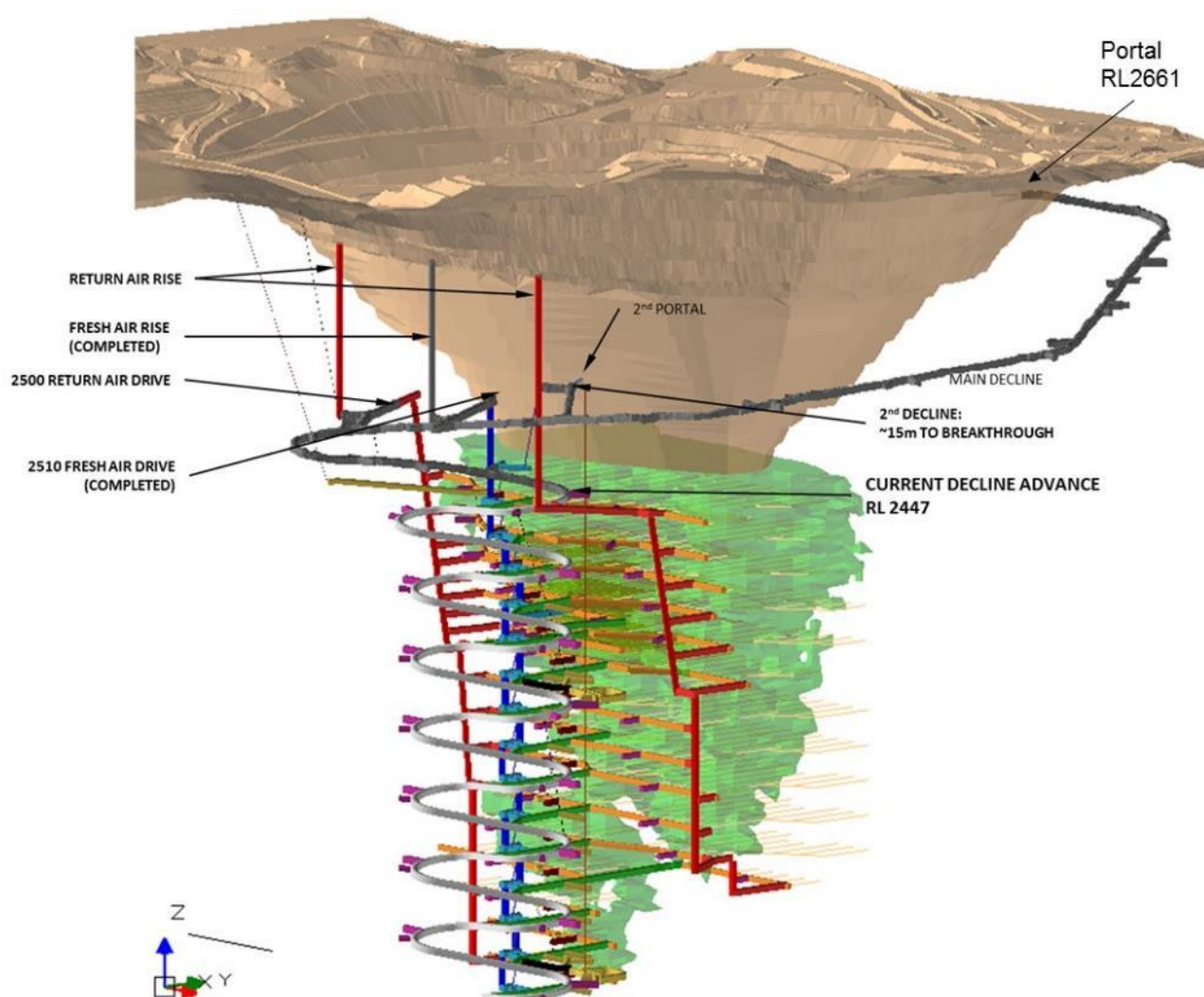


Figure 5 – Haile Aerial Photo of Mining Area (July 22, 2016)



Figure 6 – Process Plant Activities (July 22, 2016)



Management Discussion and Analysis for the second quarter ended June 30, 2016

ENVIRONMENT & COMMUNITY

Environment

In the Philippines, the Company continued working closely with the International River Foundation (IRF) and the steering committee comprising local government agencies, NGOs and regulator to advance the joint river project and community awareness programs.

In the quarter, the Didipio mine received a number of prestigious awards including the recognition of the Site Environmental Manager who was awarded with 2016 General Guillermo Pecache Top Pollution Control Officer award by the Pollution Control Association of the Philippines, Inc. (PCAPI).

Haile continues to meet its strict adherence to environmental disciplines, with positive assessments from the regulatory community. Inspectors from South Carolina Department of Health and Environmental Control made four site inspections with positive results and feedback. In the second quarter, the Haile Operation completed a number of environmental approvals that included minor modification to the mine permit to include key land positions, run-of-mine pad modification, approval to place material on to PAG Cell and approval to initiate Water Treatment Facility operation.

The environmental focus at Macraes Mine included the development of conditions for a wetlands Ecological Covenant, contracting the operation of the Macraes trout hatchery and upgrading of the Gay Tan historic cottage with the subfloor being repaired and levelled. Marker posts for the blazed walkway between the existing Macraes Wetland walkway and Gay Tans Cottage were installed in the second quarter. The Company plans to open the walkway later in the year once a small car park is installed next to the historic Macraes dredge ponds.

Community

In the second quarter in the Philippines, the focus of community programs continued to be on initiatives and programs designed for the specific communities and stakeholders and on areas pertaining to infrastructure, education and training, health and enterprise development.

The Company continued to strengthen its Social Investment Coordination and Management structure with a number of meetings held by the Sub Committees and the Social Investment Steering Committee. The steering committee successfully passed a number of key resolutions for implementation in 2016 which include, the implementation of a kindergarten to grade 12 program at the Didipio High School and other schools in the local provinces of Nueva Vizcaya and Quirino, the establishment of a joint-working committee

between the Company and the Department of Education on beneficiary schools receiving financial assistance from the Company, approval of a town water system project designed to Level 3, the Didipio Family Health Centre designed to a Level 1 hospital, the commencement of Capisaan to Alimit road improvements and commencement the Didipio circumferential road development.

The Company participated in and sponsored a number of events and activities in the second quarter including, medical missions that benefited 317 patients, basic computer literacy training of barangay employees and young professionals of Alimit and educational tour comprising representatives of SDMP cooperatives in Sorosoro Ibaba Development Cooperative Batangas.

At Waihi, the Waihi East School adventure playground, a project funded and project managed by the Company through the Streets Ahead Fund opened. As part of the education trust sponsorship program, the Company presented awards to the top 5 Waihi College students.

At Haile, the Company actively participated in various community events. The Mayor of the Town of Kersahw commended the Company for its "significant impact" to the local economy. Haile endeavors to actively participate in ongoing humanitarian, academic, civic and sports initiatives and working closely with the community.

The Macraes operation hosted a number of school visits including 54 Year 8 students and teachers/parent aides from Waihi Preparatory School, Winchester, Canterbury and 28 pupils from Lee Stream School. Support for community groups and events included funding the Palmerston Primary School Activity Coordinator and Teacher Aid wages, assisting the Palmerston Play Centre to complete the final phase of an outdoor centre and funding local recreational centres.

Management Discussion and Analysis for the second quarter ended June 30, 2016

FINANCIAL SUMMARY

Table 14 – Financial Summary*

\$'000	Q2 Jun 30 2016	Q1 Mar 31 2016	Q2 Jun 30 2015	YTD Jun 30 2016	YTD Jun 30 2015
Revenue	169,763	161,051	125,486	330,814	254,792
Cost of sales, excluding depreciation and amortisation	(79,642)	(71,889)	(72,514)	(151,531)	(133,199)
General and administration - other	(15,565)	(12,368)	(10,509)	(27,933)	(18,447)
Foreign currency exchange gain/(loss)	2,543	725	(2,345)	3,268	(2,360)
Other income/(expense)	187	355	(8)	541	64
Earnings before interest, tax, depreciation and amortisation (EBITDA) (excluding gain/(loss) on undesignated hedges)	77,286	77,874	40,110	155,159	100,850
Depreciation and amortisation	(28,015)	(33,769)	(31,637)	(61,784)	(59,366)
Net interest expense and finance costs	(2,536)	(2,189)	(2,194)	(4,724)	(4,795)
Earnings before income tax and gain/(loss) on undesignated hedges	46,735	41,916	6,279	88,651	36,689
Tax (expense) / benefit on earnings	(5,599)	(5,206)	3,866	(10,806)	4,659
Earnings/(loss) after income tax and before gain/(loss) on undesignated hedges	41,136	36,710	10,145	77,845	41,348
Gain/(loss) on fair value undesignated hedges	(1,828)	(18,304)	(15,439)	(20,132)	(24,798)
Tax (expense)/benefit on gain/loss on undesignated hedges	511	5,125	4,323	5,637	6,944
Share of profit/(loss) from equity accounted associates	(164)	-	-	(164)	-
Net Profit/(Loss)	39,655	23,531	(971)	63,186	23,494
Basic earnings per share	\$0.07	\$0.04	(\$0.00)	\$0.10	\$0.08
Diluted earnings per share	\$0.06	\$0.04	(\$0.00)	\$0.10	\$0.08
CASH FLOWS					
Cash flows from Operating Activities	91,486	31,673	42,259	123,159	85,488
Cash flows used in Investing Activities	(122,496)	(103,740)	(38,315)	(226,236)	(62,122)
Cash flows from /(used in) Financing Activities	12,827	2,033	(15,243)	14,860	(28,541)

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

BALANCE SHEET \$'000	As at Jun 30 2016	As at Dec 31 2015
Cash and cash equivalents	103,771	185,466
Other Current Assets	121,754	138,076
Non-Current Assets	1,528,412	1,220,315
Total Assets	1,753,937	1,543,857
Current Liabilities	174,571	135,474
Non-Current Liabilities	328,063	268,574
Total Liabilities	502,634	404,048
Total Shareholders' Equity	1,251,303	1,139,809

Management Discussion and Analysis for the second quarter ended June 30, 2016

RESULTS OF OPERATIONS

Net Earnings

In the second quarter of 2016, the Company reported higher revenue of \$169.8 million. EBITDA (excluding gain/loss on undesignated hedges) of \$77.3 million was similar to the previous quarter's result of \$77.9 million with mainly higher gold sales at Didipio offset by higher expensed costs due to lower capitalised mining costs and redundancy costs associated with internal restructuring of the Waihi operation which also transitioned to owner mining on July 1, 2016.

The Company reported a net profit of \$39.7 million for the second quarter which was an increase on the previous quarter mainly due to a lower loss on the fair value of undesignated hedges and lower depreciation and amortisation charges.

Sales Revenue

Philippines

Second quarter concentrate sales revenue net of concentrate treatment, refining and selling costs in the Philippines was \$80.9 million of which copper revenue was \$28.2 million. In the second quarter, the average gold price received at Didipio was \$1,271 per ounce compared to \$1,257 per ounce in the previous quarter and the average copper price received was \$2.09 per pound compared to \$2.21 per pound in the previous quarter.

Second quarter sales at Didipio were 44,837 ounces of gold, 21% higher than in the previous quarter as concentrate inventory at site was shipped in the second quarter and recorded as sales. Copper sales of 6,113 tonnes and silver sales of 70,913 ounces were higher than the previous quarter's sales.

New Zealand

Second quarter revenue was \$88.9 million in New Zealand. Gold sales in the second quarter were 71,069 ounces compared to 80,326 ounces in the previous quarter. The decrease was due mainly to lower sales at Waihi. The average gold price received in the second quarter was \$1,233 per ounce compared to \$1,170 per ounce received in the previous quarter.

Operating Costs and Margins per Ounce

Philippines

Operating cash costs at Didipio were \$8 per ounce sold for the second quarter compared to negative \$1 per ounce sold in the previous quarter. On a co-product basis, the operating cash costs were \$439 per ounce on 67,998 equivalent gold ounces sold compared to \$427 per ounce sold in the previous quarter.

New Zealand

Operating cash costs in New Zealand were \$771 per ounce sold for the second quarter compared to \$637 per ounce sold in the previous quarter. The increase was due mainly to lower grade, lower production and appreciation of the New Zealand dollar.

Depreciation and Amortisation

Depreciation and amortisation charges include amortisation of mine development, deferred pre-stripping costs and depreciation on equipment.

Depreciation and amortisation charges are mostly calculated on a unit of production basis and totalled \$28.0 million for the second quarter compared to \$33.8 million in the previous quarter. This decrease was mainly at Waihi due to decreased production.

General and administration costs

General and administration costs of \$15.6 million were \$3.2 million higher than the previous quarter mainly due to one-off redundancy costs at Waihi following an internal restructuring.

Net Interest Expense and Finance Costs

The net interest expense and finance costs of \$2.5 million for the quarter were slightly above the previous quarter due to the finance facility amendment fees.

Undesignated Hedges Gains/Losses

Unrealised gains and losses reflect the changes in the fair value adjustment of the Company's undesignated hedges which are brought to account at the end of each reporting period.

These valuation adjustments on the gold and fuel hedges for the second quarter reflect a loss of \$1.8 million compared to a loss of \$18.3 million in the previous quarter. The loss reflects the further increase in the New Zealand dollar gold price trending above the strike price on some of the call options. The undesignated gold hedges cover future gold production from the Macraes Goldfield to the end of 2017.

Details of the derivative instruments held by the Company at June 30, 2016, are summarised below under "Derivative Assets / Liabilities".

Management Discussion and Analysis for the second quarter ended June 30, 2016

DISCUSSION OF CASH FLOWS

Operating Activities

Cash inflows from operating activities were \$91.5 million for the second quarter compared to \$31.7 million in the previous quarter. This increase was due to higher gold sales in the second quarter and a decrease in trade debtors at Didipio.

Investing Activities

Cash used for investing activities totalled \$122.5 million in the second quarter compared to \$103.7 million in the previous quarter. Investing activities included expenditure on capitalised mining including pre-stripping, sustaining capital and expansionary capital including open pit development at Haile and underground development at Didipio. During the second quarter, the Company invested C\$6.7 million in NuLegacy Gold Corporation, a TSXV listed exploration company, which represents an interest of approximately 19.9%.

Financing Activities

Financing net inflows for the second quarter were \$12.8 million mainly due to sale and leaseback of equipment at Haile of \$34.4 million, and cash received from share option holders who exercised their options to purchase new shares partly offset by the payment of the dividend and finance lease liability repayment.

DISCUSSION OF FINANCIAL POSITION AND LIQUIDITY

Company's funding and capital requirements

The Company recorded a net profit of \$39.7 million for the quarter ended June 30, 2016. As at June 30, 2016, the cash funds held were \$103.8 million while net current assets were \$51.0 million.

On June 22, 2016, the Company amended its revolving credit facility from \$250 million to \$300 million with its multinational group of banks. The amended facility consists of the same competitive rates and terms while the maturity remains unchanged. At June 30, 2016, \$182.8 million was drawn down from the facility.

Also in June, the Company executed an arrangement with Caterpillar Financial Services Corporation for the sale and leaseback of the mobile equipment fleet at the Haile Gold Mine. The Company received \$34.4 million in cash and as at June 30, 2016, the Company owed \$34.4 million to Caterpillar under the four year agreement.

As at June 30, 2016, the Company had immediately available liquidity of \$221.0 million comprised of \$103.8 million in cash and \$117.2 million available under the amended finance facility. As at the end of the second

quarter, the Company held \$86.6 million in marketable securities from strategic investments in listed junior exploration companies.

Commitments

The Company's capital commitments as at June 30, 2016, are as follows:

Table 15 – Capital Commitments

\$'000	Jun 30 2016
Within 1 year	12,838

This relates principally to the purchase of property, plant and equipment and the development of mining assets mainly in Didipio, Haile and Waihi.

Financial Position

Current Assets

Current assets were \$225.5 million as at June 30, 2016 compared to \$323.5 million as at December 31, 2015. The decrease was mainly due to cash utilised for the construction of the Haile Gold mine during the first half of the year.

Non-Current Assets

Non-current assets were \$1.5 billion as at June 30, 2016 compared to \$1.2 billion as at December 31, 2015. The increase was mainly due to increased mining assets at Haile and Didipio and increased inventories at Didipio.

Current Liabilities

Current liabilities were \$174.6 million as at June 30, 2016 compared to \$135.5 million as at December 31, 2015. This was mainly due to increased payables at Haile, gold hedge liabilities and the new finance lease liabilities at Haile.

Non-Current Liabilities

Non-current liabilities were \$328.1 million as at June 30, 2016 compared to \$268.6 million as at December 31, 2015. This increase was mainly due to the new finance lease liabilities at Haile and increased asset rehabilitation provisions at Haile and Waihi. Gold hedge liabilities increased due to higher New Zealand dollar denominated gold prices.

Derivative Assets / Liabilities

The Company's hedging programs cover the future gold production from the Macraes Goldfield to the end of 2017. The Company's fuel hedging program involves swap agreements to buy specified volume of fuel at specified prices.

Management Discussion and Analysis for the second quarter ended June 30, 2016

As at June 30, 2016, 233,748 ounces of gold production remained as part of the gold price hedging program as illustrated below.

Table 16 – New Zealand Gold Hedging Program (Macraes Goldfield)

Put Option Strike Price*	Call Option Strike Price*	Gold Ounces Remaining	Expiry Date
\$1,600	\$1,736	54,444	Dec 2016
\$1,628	\$1,736	9,840	Dec 2016
\$1,650	\$1,810	91,764	Dec 2017
\$1,650	\$1,810	77,700	Dec 2017
Total		233,748	

* Note – Put and call options strike prices are denominated in New Zealand dollars.

As at June 30, 2016, 453,000 barrels remained hedged as illustrated below.

Table 17 – Fuel Hedging Program

	Swap Price USD/bbl	Volume Remaining (barrel)	Expiry Date
Singapore Gasoil Platts Asia Pacific	\$43.75	132,000	Dec 2016
US Gulf Coast Ultra Low Sulphur	\$48.07	28,357	Dec 2016
Singapore Gasoil Platts Asia Pacific	\$50.25	240,000	Dec 2017
US Gulf Coast Ultra Low Sulphur	\$54.34	52,643	Dec 2017
Total		453,000	

The above hedges are undesignated and do not qualify for hedge accounting. A summary of the Company's marked to market derivatives is as per below.

Table 18 – Marked to Market Derivatives Summary

\$'000	Hedge	Jun 30 2016	Dec 31 2015
Current Assets	Note 1	5,046	5,777
Non-Current Assets	Fuel	1,988	-
Current Liabilities	Gold	(14,305)	-
Non-Current Liabilities	Gold	(8,276)	-
Total		(15,547)	5,777

Note 1: Balance at 30 June related to fuel; balance at 31 Dec to gold.

Shareholders' Equity

A summary of the movement in shareholders' equity is set out below:

Table 19 – Movement of Shareholders' Equity Summary

\$'000	Jun 30 2016
Total equity at beginning of the quarter	1,159,195
Profit/(loss) after income tax	39,655
Movement in other comprehensive income	46,587
Movement in contributed surplus	758
Issue of shares/ (equity raising costs)	5,108
Total equity at end of the quarter	1,251,303

Shareholders' equity increased by \$92.1 million to \$1.25 billion as at June 30, 2016, mainly due to gains in the fair value of available-for-sale assets, a net profit after tax of \$39.7 million and shares issued from the exercise of options. "Other Comprehensive Income" reflects the net changes in the fair value of available-for-sale assets and currency translation differences which arise from the translation of entities with a functional currency other than USD.

Capital Resources

Table 20 – Capital Resources Summary

	Shares Outstanding	Options and Share Rights Outstanding
28 July 2016	610,408,463	15,107,614
30 June 2016	610,205,590	15,310,487
31 December 2015	603,618,550	17,678,116

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and related notes.

i. Mining assets

The future recoverability of mining assets including capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Group decides 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 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. These assets are allocated based on the geographical location of the asset. 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 and these are amortised over the life of components of the ore body to which they relate. 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

Management Discussion and Analysis for the second quarter ended June 30, 2016

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 value of the New Zealand (Macraes/Reefton) CGU is dependent on production from certain identified exploration targets. Should these projects prove to be uneconomic, the carrying value of the New Zealand CGU could be impaired by a significant amount.

The recoverable value of the United States CGU depends on the successful construction and start of commercial operations of the Haile Gold mine.

iii. Net realisable value of inventories

The Group reviews the carrying value of its inventories 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.

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.

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 resources 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. 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 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 tax consolidated entities 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

Management Discussion and Analysis for the second quarter ended June 30, 2016

position. With respect to the acquisitions of Romarco and Waihi, management has taken the view that there has not been a greater than 51% change in ownership. This position was confirmed by a private ruling.

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.

Certain input tax credits in overseas subsidiaries have been recognised as a non-current receivable. 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 June 30, 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 and after the full recovery of pre-operating expenses.

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 provisional values of assets, liabilities and contingent liabilities recognised on acquisition are 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 any subsequent information provides better evidence of the item's fair value at the date of acquisition. Changes to any of the estimates may cause the acquisition accounting to be revised.

RISKS AND UNCERTAINTIES

This document contains some forward looking statements that involve risks, uncertainties and other factors that could cause actual results, performance, prospects and opportunities to differ materially from those expressed or implied by those forward looking statements. Factors that could cause actual results or events to differ materially from current expectations include, among other things: volatility and sensitivity to market prices for gold; replacement of reserves; possible variations of ore grade or recovery rates; changes in project parameters; procurement of required capital equipment and operating parts and supplies; equipment failures; unexpected geological conditions; political risks arising from operating in certain developing countries; inability to enforce legal rights; defects in title; imprecision in reserve estimates; success of future exploration and development initiatives; operating performance of current operations; ability to secure long term financing and capital, water management, environmental and safety risks; seismic activity, weather and other natural phenomena; failure to obtain necessary permits and approvals from government authorities; changes in government regulations and policies including tax and trade laws and policies; ability to maintain and further improve labour relations; general business, economic, competitive, political and social uncertainties and other development and operating risks. For further detail and discussion of risks and uncertainties refer to the Annual Information Form available on the Company's website.

CHANGES IN ACCOUNTING POLICIES AND STANDARDS INCLUDING INITIAL ADOPTION

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 policies 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

Management Discussion and Analysis for the second quarter ended June 30, 2016

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. 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.

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. The Group has not assessed the impact of this new standard.

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 1 January 2018 and earlier application is permitted. The Group will adopt IFRS 15 accordingly where applicable.

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. The Group has not assessed the impact of this new standard.

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

Management Discussion and Analysis for the second quarter ended June 30, 2016

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.

SUMMARY OF QUARTERLY RESULTS OF OPERATIONS

Table 21 sets forth unaudited information for each of the eight quarters ended September 30, 2014 through to June 30, 2016. This information has been derived from our unaudited consolidated financial statements which, in the opinion of management, have been prepared on a basis consistent with the audited consolidated financial statements and include all adjustments, consisting only of normal recurring adjustments, necessary for fair presentation of our financial position and results of operations for those periods.

The most significant factors causing variation in the results are the volatility of the gold price and copper price, the variability in the grade of ore mined from the Macraes, Reefton, Waihi and Didipio mines, gold and copper recoveries, the timing of waste stripping activities, movements in inventories and large movements in foreign exchange rates between the USD and the NZD.

NON-GAAP MEASURES

Throughout this document, we have provided measures prepared according to IFRS ("GAAP") as well as some non-GAAP performance measures. As non-GAAP performance measures do not have a standardised meaning prescribed by GAAP, they are unlikely to be comparable to similar measures presented by other companies.

We provide these non-GAAP measures as they are used by some investors to evaluate OceanaGold's performance. Accordingly, such non-GAAP measures are intended to provide additional information and should not be considered in isolation, or a substitute for measures of performance in accordance with GAAP.

Earnings before interest, tax, depreciation and amortisation (EBITDA) is one such non-GAAP measure and a reconciliation of this measure to Net Profit / (Loss) is provided on page 19.

All-In Sustaining Costs per ounce sold is based on the World Gold Council methodology and is a non-GAAP measure.

Cash costs per ounce sold is another such non-GAAP measure and a reconciliation of these measures to cost of sales, is provided on the next page.

Cash operating margin refers to the difference between average gold price received, and cash cost (net of by-product credits) per ounce of gold sold.

Net debt has been calculated as total interest-bearing loans and borrowings less cash and cash equivalents.

ADDITIONAL INFORMATION

Additional information referring to the Company, including the Company's Annual Information Form, is available on SEDAR at www.sedar.com and the Company's website at www.oceanagold.com.

DISCLOSURE CONTROLS AND PROCEDURES

The Chief Executive Officer and Chief Financial Officer evaluated the effectiveness of the Company's disclosure controls and procedures as at December 31, 2015. Based on that evaluation, the Chief Executive Officer and the Chief Financial Officer concluded that the design and operation of these disclosure controls and procedures were effective as at December 31, 2015 to provide reasonable assurance that material information relating to the Company, including its consolidated subsidiaries, would be made known to them by others within those entities. These controls were designed and evaluated using the framework set forth in Internal Control - Integrated Framework published by The Committee of Sponsoring Organisations of the Treadway Commission (1992).

INTERNAL CONTROL OVER FINANCIAL REPORTING

Management of OceanaGold, including the Chief Executive Officer and Chief Financial Officer, have evaluated the effectiveness of the design and operation of the Company's internal controls over financial reporting and disclosure controls and procedures as of December 31, 2015. Based on this evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that they were effective at a reasonable assurance level.

There were no significant changes in the Company's internal controls, or in other factors that could significantly affect those controls subsequent to the date the Chief Executive Officer and Chief Financial Officer completed their evaluation, nor were there any significant deficiencies or material weaknesses in the Company's internal controls requiring corrective actions.

During the three months ended June 30, 2016, there were no changes in the Company's internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting. The Company's management, including the Chief Executive Officer and the Chief Financial Officer, does not expect that its disclosure controls and internal controls over financial reporting will prevent all errors and fraud. A cost effective system of internal controls, no matter how well conceived or operated, can provide only reasonable not absolute, assurance that the objectives of the internal controls over financial reporting are achieved.

Management Discussion and Analysis for the second quarter ended June 30, 2016

Table 21 - Quarterly Financial Summary*

	Jun 30 2016 \$000	Mar 31 2016 \$000	Dec 31 2015 \$000	Sep 30 2015 \$000	Jun 30 2015 \$000	Mar 31 2015 \$000	Dec 31 2014 \$000	Sep 30 2014 \$000
Revenue	169,763	161,051	143,612	109,581	125,486	129,306	142,655	122,838
EBITDA (excluding gain/(loss) on undesignated hedges)	77,286	77,874	57,569	35,068	40,110	60,740	65,658	43,505
Earnings after income tax and before gain/(loss) on undesignated hedges (net of tax)	41,136	36,710	10,750	4,841	10,145	31,203	30,615	20,688
Net Profit/(Loss)	39,655	23,531	22,648	6,924	(971)	24,465	37,829	16,884
Net Earnings/(Loss) per share								
Basic	\$0.07	\$0.04	\$0.04	\$0.02	\$(0.00)	\$0.08	\$0.13	\$0.06
Diluted	\$0.06	\$0.04	\$0.04	\$0.02	\$(0.00)	\$0.08	\$0.12	\$0.05

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

Table 22 – Reconciliation of Cash Costs and All-In Sustaining Costs

		Q2 Jun 30 2016	Q1 Mar 31 2016	Q2 Jun 30 2015	YTD Jun 30 2016	YTD Jun 30 2015
Cost of sales, excluding depreciation and amortisation	\$000	79,642	71,889	72,514	151,532	133,199
Selling costs	\$000	6,236	4,452	6,189	10,688	12,153
By-product credits	\$000	(30,707)	(25,161)	(33,196)	(55,868)	(65,179)
Total cash costs (net of by-product credits)	\$000	55,171	51,181	45,507	106,352	80,173
Gold sales from operating mines	ounces	115,906	117,387	82,890	233,293	169,124
Cash Costs	\$/ounce	476	436	549	456	474
Capitalised mining	\$/ounce				115	105
Sustaining capital expenditure	\$/ounce				67	89
Corporate general & administration - other	\$/ounce				52	65
Other	\$/ounce				32	1
All-In Sustaining Costs	\$/ounce				722	734

NOT FOR DISSEMINATION OR DISTRIBUTION IN THE UNITED STATES OR TO US PERSONS AND NOT FOR DISTRIBUTION TO US NEWSWIRE SERVICE

Management Discussion and Analysis for the second quarter ended June 30, 2016

JORC Code, 2012 Edition – Table 1 Report of Exploration Results for Macraes Operations Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	- Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. - Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. - Aspects of the determination of mineralisation that are Material to the Public Report.	- At Coronation North 94% of the samples are Reverse Circulation (RC) drill hole samples and the remaining 6% is HQ diamond core. - At Frasers Underground all samples are by HQ or NQ size diamond drilling. - The RC sampling, logging and assay protocol has been in place since 1994. - Reverse circulation drill holes are sampled on 1 metre intervals from which 2 to 4kg sub-samples are riffle split. - The 2 to 4kg was pulverised to produce a 50g charge and assayed for Au by fire assay at the SGS (NZ) Ltd Macraes site laboratory. - A certified reference sample (CRM) is inserted every 20th sample - Representative RC drill chips for each 1 metre are collected and placed in plastic chip trays which are stored onsite at the Macraes Gold Project (MGP) for future reference. - Assay pulps are recovered from SGS (NZ) and stored onsite at MGP for future reference. - Diamond drill core is photographed, logged, sawn to half core and sampled by OceanaGold personnel at the onsite core shed. - Sample lengths are generally 1 metre lengths, or less, as dictated by lithological contacts. - Fire assay for Au is undertaken at SGS (NZ) Ltd MGP site laboratory. - A certified reference sample (CRM) is inserted every 20th sample. - The remaining half cut core and assay pulps are stored onsite at MGP for future reference.
Drilling techniques	Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).	- The RC drill holes were obtained by using a reverse circulation drill rig with a 135mm face sampling hammer. - The diamond drill core was obtained using triple tube HQ or NQ diameter drilling.
Drill sample recovery	- Method of recording and assessing core and chip sample recoveries and results assessed. - Measures taken to maximise sample recovery and ensure representative nature of the samples. - Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	- The reverse circulation drilling was sampled in 1 metre intervals. Sample recovery was estimated from visual inspection of sample bags with a target of > 90% recovery. For the drill holes reported sample recovery was considered acceptable. It is OceanaGold's procedure that if a reverse circulation drill hole goes wet, drilling is stopped and completed with a diamond tail. Reverse circulation drill hole sampling at MGP under wet conditions is prone to sampling grade bias. - For diamond drilling recovery is recorded for every run and in general core recovery is in excess of 95%. Triple tube drilling was used to maximize core recovery through the Au mineralised zones.

Management Discussion and Analysis for the second quarter ended June 30, 2016

Criteria	JORC Code explanation	Commentary
		Analysis of grade versus core recovery does not show any relationship to be present.
Logging	<i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i> <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i> <i>The total length and percentage of the relevant intersections logged.</i>	- RC drilling is logged every 1 metre using Macraes Gold Project logging codes that have been in place since 1994. - Diamond core was geologically logged and photographed following OceanaGold's standard operating procedure for core logging. The geological logging process documents lithological and structural information as well as basic geotechnical information on RQD and major defects. Core logging generally identifies the upper surface of the mineralised shear; RC chip logging is not definitive about the position of this contact. Consequently geological interpretation uses a combination of logged geology and gold grade data. - Drill holes were generally logged and sampled from 20m above the Hangingwall contact. If position of Hangingwall contact uncertain holes were logged and sampled in their entirety.
Sub-sampling techniques and sample preparation	<i>If core, whether cut or sawn and whether quarter, half or all core taken.</i> <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i> <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i> <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i> <i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i> <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i>	- RC 1 metre samples are collected into a cyclone and then split through a riffle splitter. Close attention is paid to ensure each interval sampled is 1 metre. Drilling advance is paused at the end of each 1 metre, to allow the entire sample to clear the splitter prior to resuming drilling. The cyclone and splitter are kept clean. - Half core was cut along the inferred long axis of the mineralised ellipse to achieve a representative sample. - Sub-sampling size is considered appropriate and the method representative for the style and thickness of mineralisation. This is borne out by 25 years of mining at Macraes. - Where sufficient core is available, generally >15kgs and preferably >30kgs of quarter cut core, metallurgical samples are selected. Due to the volume requirement this means a metallurgical sample may consist of material from multiple holes. - Metallurgical sampling aims to be as geologically and spatially representative as possible. - RC chips cannot be used at MGP for metallurgical sampling due to contamination with hammer oil which negatively impacts sulphide float test work.
Quality of assay data and laboratory tests	<i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i> <i>For geophysical tools, spectrometres, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i> <i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks)</i>	- At MGP, SGS (NZ) Ltd operates an assay laboratory under contract to OceanaGold (NZ) Ltd. - QAQC procedures involve the use of certified reference material, lab duplicates, and lab standards. Sample batches are re-assayed if 1 of the OceanaGold CRM's is outside defined limits. <u>Sample preparation RC</u> 1. Samples checked off against submission sheet. 2. Samples are then dried at 150 degrees until visibly dry. 3. Entire sample is crushed. Crush size is under 5mm and approximately 500g is

Management Discussion and Analysis for the second quarter ended June 30, 2016

Criteria	JORC Code explanation	Commentary
	<i>and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i>	retained for pulverising. 4. The 500 gram sample is pulverised to 90% passing 75 micron. <u>Sample preparation diamond</u> 1. Samples checked off against submission sheet. 2. Samples are then dried at 150 degrees until visibly dry. 3. Entire core pre-crushed using a crusher. Nominal top size is 30mm (in one dimension only). 3. Entire sample is crushed. Crush size is under 5mm and approximately 500g is retained for pulverising. 4. The 500 gram sample is pulverised to 90% passing 75 micron. <u>Assay</u> 50g fires assays were completed using SGS's FAA505 scheme. 1. 50 gram of sample is weighed with 170 gram of lead flux and tumble mixed in a plastic pot. 2. contents are transferred to a crucible and fusion of the gold in the sample with the lead in the flux occurs in a LPG fired blast furnace at 1,100 degrees C 4. cupellation of the lead button to recover the gold prill then occurs in an LPG fired muffle furnace set at 950 degrees C 5. the prills are recovered from the cupels, digested in plastic test tubes with aqua regia. Gold determinations by atomic absorption. 6. QC is checked and results released.
Verification of sampling and assaying	• The verification of significant intersections by either independent or alternative company personnel. • The use of twinned holes. • Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. • Discuss any adjustment to assay data.	• Geological logging is compiled digitally using Tough Books at the drill site or the core shed. • At hole completion the digital log is loaded into the MGP acQuire exploration database and validated. • Geological observation of mineralisation is generally well correlated with assay results. • No adjustments are made to the assay data received from SGS (NZ) Ltd.
Location of data points	• Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. • Specification of the grid system used. • Quality and adequacy of topographic control.	• All drill hole collars are surveyed by OceanaGold mine surveyors using MGP grid to an accuracy of +/- 0.10 metre • All drill holes are down hole surveyed every 25m to 30m using a digital down hole camera. • Topographic control is by detailed aerial surveys of mine and prospect areas.
Data spacing and distribution	• Data spacing for reporting of Exploration Results. • Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity	• Drill hole spacing at the exploration stage is initially at 100m by 100m spacing. If drill holes intersect significant mineralisation the drill hole spacing is progressively reduced to limited infill to 25 x 25 metres. RC drill holes are sampled in 1metre intervals. Diamond

Management Discussion and Analysis for the second quarter ended June 30, 2016

Criteria	JORC Code explanation	Commentary
	<i>appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i> <i>Whether sample compositing has been applied.</i>	drill holes are generally sampled in 1 metre intervals unless hole geology dictates otherwise. - Average drill hole spacing for Coronation North and FRUG is 50 by 50 metre grid spacing with limited areas of infill. This is generally sufficient to define the Hangingwall structure and structures sub-parallel to it to Indicated confidence level. This is drilling density is insufficient for stockwork style mineralisation that needs to be drilled at 25m x 25m spacing to achieve Indicated confidence level. Areas of structural complication generally require drilling to 25m x 25m to confidently define the geological interpretation. The confidence in the geological interpretations is also in part a function of a 25 year mining history. - The samples have not been composited prior to reporting the exploration results.
Orientation of data in relation to geological structure	<i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i> <i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i>	- Surface drill holes are generally vertical to intersect a generally 15 to 25 degree dipping gold mineralised structure. - Whilst this direction is sub-optimal for steeply dipping quartz vein arrays, near-vertical reverse circulation and diamond drilling has been used as the basis for resource definition MGP since 1985. - At FRUG drill holes are typically drilled from exploration drives or rises, positioned 25 metres to 100 metres above the Hangingwall Shear. The holes fan out to achieve pierce point intersections at angles typically greater than 45 degrees relative to the mineralised structure.
Sample security	<i>The measures taken to ensure sample security.</i>	Sample bags are uniquely numbered and transported directly from the drill site or core shed to the onsite laboratory operated by SGS (NZ) Ltd and are logged into the laboratory system on delivery.
Audits or reviews	<i>The results of any audits or reviews of sampling techniques and data.</i>	- RSC completed an audit of the MGP site laboratory in November 2014 and concluded that "the laboratory in general operates at an acceptable level of quality" - OceanaGold's sampling procedure conforms to industry standard practice and has been reconciled with mining data over the past 25 years.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure	<i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national</i>	- All drilling was carried out on MP 41 064 which is a granted mining permit held 100% by OceanaGold (NZ) Ltd. - OceanaGold (NZ) Ltd was granted a 15 year extension to the mining permit in February 2015.

Management Discussion and Analysis for the second quarter ended June 30, 2016

Criteria	JORC Code explanation	Commentary
status	<i>park and environmental settings.</i> <i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i>	OceanaGold has a 25 year track record of obtaining and maintaining all the necessary consents and permits required to mine defined resources and reserves at MGP.
Exploration done by other parties	<i>Acknowledgment and appraisal of exploration by other parties.</i>	Coronation North and Frasers Underground are within MP 41 064 and OceanaGold (NZ) Ltd has carried out all of the exploration on this prospect.
Geology	<i>Deposit type, geological setting and style of mineralisation.</i>	The Macraes orogenic gold deposits are located within a low-angle (~15-20°) late metamorphic (Jurassic) shear zone, the Hyde Macraes Shear Zone (HMSZ), which has been traced for at least 30km along strike. The HMSZ consists of variably altered, deformed, and mineralized schist up to 150m thick, known as the Intrashear Schist. The thickest part of the shear zone consists of several mineralized zones stacked on metre-thick shears. These shears have ductile deformation textures overprinted by cataclasis. The Hangingwall shear can be up to 25m thick and is commonly darker coloured due to fine grained graphite and sheared sulphide minerals. The following four types of mineralization occur within the HMSZ at Macraes. - Mineralized schist. This style of mineralization involved hydrothermal replacement of schist minerals with sulphides and microcrystalline quartz. Mineralization was accompanied by only minor deformation. - Black sheared schist. This type of schist is pervaded by cm to mm scale anastomosing fine graphite and sulphide bearing microshears. This type of mineralization is typically proximal to the Hangingwall Shear. Scheelite mineralization occurs in the silicified cataclastic shears. - Shear-parallel quartz veins. These veins lie within and/or adjacent to the black sheared schist, and have generally been deformed with the associated shears. The veins locally cross-cut the foliation in the host schist at low to moderate angles. Veins are mainly massive quartz, with some internal lamination and localized brecciation. Sulphide minerals are scattered through the quartz, aligned along laminae and stylolitic seams. These veins range from 1cm to > 2m. Scheelite mineralization is associated with quartz veining in some areas. - Stockworks. These veins occur in localized swarms that are confined to the Intrashear Schist. Individual swarms range from c. 100 to 2000m² in area and consist of numerous (10 – 100) subparallel veins. Most of these veins formed sub-perpendicular to the shallow east dipping shear fabric of the Intrashear Schist. Stockwork veins are typically traceable for 1-5m vertically with most filling fractures

Management Discussion and Analysis for the second quarter ended June 30, 2016

Criteria	JORC Code explanation	Commentary
		that are 5 – 10cm thick, but can be up to 1m thick. Swarms of stockwork veins within the Intrashear Schist were lithologically controlled by the dimensions and locations of more competent pods of Intrashear Schist.
Drill hole Information	- A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: - easting and northing of the drill hole collar - elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar - dip and azimuth of the hole - down hole length and interception depth - hole length. - If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	- Figures 2 and 3 and Tables 12 & 13 in the document provide the relevant information for the significant intersections. - A full listing of the Coronation North and Frasers Underground drill holes for the period 1 June 2016 to 30 June 2016 are in 6 pdf files containing the collar, down hole survey and assay information which is accessible using the link in the press release. Drill hole information prior to this date has been provided in previous press releases.
Data aggregation methods	- In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. - Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. - The assumptions used for any reporting of metal equivalent values should be clearly stated.	- Figures 2 & 3 Tables 12 & 13 in the document provides the relevant information for the significant intersections. - A full listing of the Coronation North and Frasers Underground drill holes for the period 1 June 2016 to 30 June 2016 are in 6 pdf files containing the collar, down hole survey and assay information which is accessible using the link in the press release. - Table 12 “Significant Intersections” – a significant intersection is defined as an intersection $\geq 0.4\text{g/t}$, where intersection gram-metres is greater than 10 and can include up to 2 metres $< 0.4\text{g/t}$, eg 5m @ $2.1\text{g/t} = 10.5$ gram metres. 0.4g/t is the current Macraes Gold Project mining cut off. - Assay grades are top cut to 15g/t for the purposes of calculating an intersection. - Table 13 “Significant Intersections” – a significant intersection is defined as an intersection $\geq 0.5\text{g/t}$, where intersection gram-metres is greater than 20 and can include up to 2 metres $< 0.5\text{g/t}$, eg 5m (true thickness) @ $4.1\text{g/t} = 20.5$ gram metres.
Relationship between mineralisation widths and intercept lengths	- These relationships are particularly important in the reporting of Exploration Results. - If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. - If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg ‘down hole length, true width not known’).	- At Coronation drill holes are generally vertical to intersect a generally 15 to 25 degree dipping gold mineralised structure. - At FRUG drill holes are typically drilled from exploration drives or rises, positioned 100 metres above the Hangingwall Shear. These holes fan out to achieve pierce point intersections at angles typically greater than 45 degrees relative to the mineralised structure.

Management Discussion and Analysis for the second quarter ended June 30, 2016

Criteria	JORC Code explanation	Commentary
<i>Diagrams</i>	<i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i>	- Figures 2 & 2 Tables 12 & 13 in the document provide the relevant information for the significant intersections. - A full listing of the Coronation North and Frasers Underground drill holes for the period 1 Jan 2016 to 31 May 2016 are in 3 pdf files containing the collar, down hole survey and assay information for each area and are accessible using the link in the press release.
<i>Balanced reporting</i>	<i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i>	- Figures 7 & 8 and Tables 5 & 6 in the document provide the relevant information for the significant intersections. - A full listing of the Coronation North and Frasers Underground drill holes for the period 1 Jan 2016 to 31 May 2016 are in 3 pdf files containing the collar, down hole survey and assay information for each area and are accessible using the link in the press release.
<i>-Other substantive exploration data</i>	<i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i>	- OceanaGold has been mining at the MGP for 25 years and in that time has mined and milled a little over 100Mt of ore. - As far as the Competent Person is aware there is no other substantive exploration data.
<i>Further work</i>	<i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i>	- At Coronation North a combination of infill and step out drilling are ongoing. Diamond drilling for geological control and metallurgical studies are ongoing. - At an appropriate time the resource estimates for Coronation North and Frasers Underground will be updated.