



Second Quarter 2017 Results

July 27, 2017

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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, 2016, 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 Resource 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

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.



HIGHLIGHTS

- Consolidated production of 272,352 ounces of gold and 10,277 tonnes of copper in the first half of 2017, including 124,396 ounces of gold and 4,322 tonnes of copper in the second quarter.
- Consolidated year-to-date All-In Sustaining Costs of \$599 per ounce on sales of 228,214 ounces of gold (excluding Haile) and 9,976 tonnes of copper.
- Consolidated second quarter All-In Sustaining Costs of \$681 per ounce on sales of 114,192 ounces of gold (excluding Haile) and 5,828 tonnes of copper.
- First half revenue of \$333.5 million with EBITDA of \$186.4 million and a net profit of \$61.4 million.
- Second quarter revenue of \$171.7 million with an EBITDA of \$84.7 million and a net profit of \$25.4 million.
- Completed the Haile Optimisation Study which demonstrated significant value enhancement through increased production and cash flows over a longer mine life and a 70% increase in total reserves.
- Strong balance sheet with immediate liquidity of \$126.8 million including \$81.6 million in cash, excluding \$71.6 million of marketable securities held in strategic investments.
- Continued encouraging exploration results.

Notes:

- All statistics are compared to the preceding quarter unless otherwise stated.
- The Company's presentation currency is USD and all numbers in this document are expressed in USD unless otherwise stated.
- Cash Costs, All-In Sustaining Costs, All-In Sustaining Margin, EBITDA (Earnings before interest, taxes, depreciation and amortisation, excluding gain/(loss) on undesignated hedges) and liquidity are non-GAAP measures. Refer to page 28 for explanation of non-GAAP measures.
- 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.
- In this second quarter 2017 Management Discussion and Analysis ("MD&A"), all revenue and costs reported do not include the Haile operations. The revenue and costs associated with the Haile Gold Mine have been capitalised and will be reported in the Consolidated Statement of Comprehensive Income after commercial production has been achieved.



OVERVIEW

Operating Results

On a consolidated basis including attributable production from Haile, in the first half of 2017, the Company produced 272,352 ounces of gold and 10,277 tonnes of copper including 124,396 ounces of gold and 4,322 tonnes of copper in the second quarter.

Quarter-on-quarter total gold production was 16% lower in the second quarter as expected and previously forecast. The decrease in production was due mainly to lower production from Didipio which was consistent with lower quarter-on-quarter grades. Gold production from the New Zealand operations were similar quarter-on-quarter with 65,337 ounces in the second quarter. At Haile, pre-commercial gold production in the second quarter was 16,160 ounces, lower than in the previous quarter due to commissioning issues in the carbon-in-leach circuit and the SAG mill grates.

On a consolidated basis and excluding Haile gold sales, the Company recorded an AISC of \$599 per ounce on sales of 228,214 ounces of gold and 9,976 tonnes of copper in the first half of the year. For the second quarter and excluding Haile gold sales, the Company recorded an AISC of \$681 per ounce on sales of 114,192 ounces of gold and 5,828 tonnes of copper. The quarter-on-quarter increase in AISC was related to higher mining costs in the Philippines and New Zealand and increased exploration expenditures.

Financial Results

In the first half of 2017, the Company reported revenue of \$333.5 million and EBITDA of \$186.4 million with a net profit of \$61.4 million. For the second quarter, the Company reported revenue of \$171.7 million and quarterly EBITDA of \$84.7 million with a net profit of \$25.4 million.

At the end of the quarter, the cash balance increased to \$81.6 million while total available liquidity was \$126.8 million, exclusive of \$71.6 million of marketable securities held in strategic investments. In the second quarter, the Company increased its available facilities by \$30 million.

Growth

On June 26, 2017, the Company released the findings of the Haile Optimisation Study. The key results included a 70% increase in total reserves to 3.46 million ounces, including a maiden reserve on the Horseshoe underground of 0.44 million ounces. The revised mine plan now includes larger open pits, increased annual production over a mine life of 16 years and an

underground operation. The study also includes a larger process plant with increased capacity to 4.0 million tonnes per annum.

Ramp-up of the process plant at Haile in the first quarter progressed well however, in the second quarter, the Company experienced commissioning issues mainly related to the carbon-in-leach ("CIL") circuit which impacted plant stability and gold recoveries. On June 26, the Company provided a detailed summary outlining actions in place to rectify these commissioning issues. Subsequent to the quarter end, the Company completed the replacement of the steel grates on the SAG mill while advancing the other works in the plan, resulting in higher throughput rates and recoveries moving towards expected rates.

As announced on June 26, exploration activities in the second quarter continue to yield encouraging results across the business. In the United States, drilling was completed at the Palomino underground target with significant intercepts while drilling at the Snakeshoe target continued to advance well. At Waihi, drilling has demonstrated potential extensions to known veins in the underground while progress continued to be made on the underground drill drives for the Martha Project. At Macraes, drilling at Coronation North and Golden Point demonstrated the potential for extensions at both deposits, which remain open.

Outlook

Looking ahead to the rest of the year, the Company expects gold production in the second half of 2017 to be slightly stronger compared to the first half with increased production from the New Zealand operations and at Haile, offsetting lower production expected from Didipio, where mill feed will come from lower grade open pit stockpiles.



Management Discussion and Analysis for the second quarter ended June 30, 2017

Table 1 – Production and Cost Results Summary

		Didipio	Waihi	Macraes	Haile ⁽²⁾	Consolidated	
Second Quarter 2017 Results						Q2 2017	Q1 2017
Gold Produced	ounces	42,899	25,559	39,778	16,160	124,396	147,956
Copper Produced	tonnes	4,322	-	-	-	4,322	5,955
Gold Sales	ounces	47,185	24,743	42,264	15,558	129,750 ⁽³⁾	126,225 ⁽³⁾
Copper Sales	tonnes	5,828	-	-	-	5,828	4,148
All-In Sustaining Costs ⁽¹⁾	\$ per ounce	147	913	1,140	-	681	521
YTD June 30 2017						YTD Jun 30 2017	YTD Jun 30 2016
Gold Produced	ounces	105,647	51,419	78,328	36,958	272,352	225,339
Copper Produced	tonnes	10,277	-	-	-	10,277	12,244
Gold Sales	ounces	98,652	51,500	78,062	27,761	255,975 ⁽³⁾	233,293
Copper Sales	tonnes	9,976	-	-	-	9,976	10,858
All-In Sustaining Costs ⁽¹⁾	\$ per ounce	15	876	1,154	-	599	722

Notes:

1. In this second quarter 2017 MD&A, all revenue and costs reported do not include the Haile operations as these have been capitalised as commercial production is yet to be declared.
2. Haile gold mine commenced selling gold in February 2017. Revenue from the sale of gold is treated as pre-production income.
3. Consolidated 2017 gold sales include gold sales from Haile.

Table 2 – Consolidated Financial Summary*

		Q2 Jun 30 2017	Q1 Mar 31 2017	Q2 Jun 30 2016	YTD Jun 30 2017	YTD Jun 30 2016
Revenue	US\$'000	171,650	161,800	169,763	333,450	330,814
Operating Costs	US\$'000	(86,905)	(60,129)	(92,477)	(147,034)	(175,655)
EBITDA	US\$'000	84,745	101,671	77,286	186,416	155,159
Net Profit before impairment	US\$'000	25,357	53,659	39,655	79,016	63,186
Net Profit	US\$'000	25,357	36,005	39,655	61,362	63,186
Ave. Gold Price Received	\$ per ounce	1,262	1,227	1,248	1,244	1,222
Ave. Copper Price Received	\$ per pound	2.45	2.73	2.09	2.57	2.14

Notes:

- *: In this second quarter 2017 MD&A, all revenue and costs reported do not include the Haile operations as these have been capitalised as commercial production is yet to be declared.



Management Discussion and Analysis for the second quarter ended June 30, 2017

Table 3 – 2017 Production and Cost Guidance

		Didipio	Waihi	Macraes	Haile ⁽¹⁾	Consolidated
Gold Production	ounces	150,000 – 160,000	110,000 – 120,000	180,000 – 190,000	110,000 – 130,000	550,000 – 600,000
Copper Production	tonnes	18,000 – 19,000	–	–	–	18,000 – 19,000
All-In Sustaining Costs ⁽²⁾	\$ per ounce	\$70 – \$120	\$740 – \$790	\$950 – \$1,000	\$600 – \$650	\$600 – \$650

Notes:

1. Haile guidance reflects full year expected production. Production and costs prior to declaration of commercial production will be capitalised and reflected on the balance sheet.
2. 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.

Economic assumptions:

- NZD: USD exchange rate of 0.70, Copper price: \$2.50 / lb on average for full year.

Table 4 – Key Financial Statistics for Didipio Operations

		Q2 Jun 30 2017	Q1 Mar 31 2017	Q2 Jun 30 2016	YTD Jun 30 2017	YTD Jun 30 2016
Gold Sales	ounces	47,185	51,467	44,837	98,652	81,898
Copper Sales	tonnes	5,828	4,148	6,113	9,976	10,858
Silver Sales	ounces	62,952	53,138	70,913	116,090	126,201
Ave. Gold Price Received	\$ per ounce	1,271	1,233	1,271	1,251	1,265
Ave. Copper Price Received	\$ per pound	2.45	2.73	2.09	2.57	2.14
All-In Sustaining Costs	\$ per ounce	147	(105)	159	15	264
All-In Sustaining Margin	\$ per ounce	1,124	1,338	1,112	1,236	1,001



Table 5 – Didipio Mine Operating Statistics

		Q2 Jun 30 2017	Q1 Mar 31 2017	Q2 Jun 30 2016	YTD Jun 30 2017	YTD Jun 30 2016
Gold Produced	ounces	42,899	62,748	44,076	105,647	90,887
Copper Produced	tonnes	4,322	5,955	6,272	10,277	12,244
Silver Produced	ounces	52,888	73,945	72,162	126,833	142,366
Total Ore Mined	tonnes	1,011,851	2,748,502	1,646,248	3,760,353	3,491,193
Ore Mined Grade Gold	g/t	1.34	1.50	1.04	1.43	1.03
Ore Mined Grade Copper	%	0.59	0.52	0.52	0.55	0.51
Total Waste Mined including pre-strip	tonnes	102,094	137,913	5,535,009	240,007	11,099,348
Mill Feed	tonnes	910,976	1,008,602	971,262	1,919,578	1,917,132
Mill Feed Grade Gold	g/t	1.60	2.10	1.56	1.85	1.64
Mill Feed Grade Copper	%	0.51	0.62	0.68	0.57	0.67
Recovery Gold	%	89.1	91.6	90.4	90.3	90.0
Recovery Copper	%	91.6	94.7	94.8	93.1	95.0

Table 6 – Key Financial Statistics for Waihi Operations

		Q2 Jun 30 2017	Q1 Mar 31 2017	Q2 Jun 30 2016	YTD Jun 30 2017	YTD Jun 30 2016
Gold Sales	ounces	24,743	26,757	26,904	51,500	63,662
Ave. Gold Price Received	\$/oz.	1,257	1,218	1,258	1,237	1,217
All-In Sustaining Costs	\$/oz.	913	841	875	876	734
All-In Sustaining Margin	\$/oz.	344	377	383	361	483


Table 7 – Waihi Mine Operating Statistics

		Q2 Jun 30 2017	Q1 Mar 31 2017	Q2 Jun 30 2016	YTD Jun 30 2017	YTD Jun 30 2016
Gold Produced	<i>ounces</i>	25,559	25,860	26,540	51,419	63,523
Total Ore Mined	<i>tonnes</i>	116,969	109,607	109,004	226,576	243,015
Ore Mined Grade	<i>g/t</i>	7.48	8.13	8.54	7.80	8.64
Total Waste Mined	<i>tonnes</i>	99,119	83,410	70,840	182,530	111,280
Mill Feed	<i>tonnes</i>	119,754	107,321	106,198	227,075	249,559
Mill Feed Grade	<i>g/t</i>	7.39	8.25	8.50	7.80	8.67
Recovery	<i>%</i>	89.8	90.8	91.3	90.3	91.2

Table 8 – Key Financial Statistics for Macraes and Reefton Operations

		Q2 Jun 30 2017	Q1 Mar 31 2017	Q2 Jun 30 2016	YTD Jun 30 2017	YTD Jun 30 2016*
Gold Sales	<i>ounces</i>	42,264	35,798	44,165	78,062	87,733
Ave. Gold Price Received	<i>\$/oz.</i>	1,255	1,224	1,217	1,241	1,187
All-In Sustaining Costs	<i>\$/oz.</i>	1,140	1,182	1,216	1,154	1,140
All-In Sustaining Margin	<i>\$/oz.</i>	115	42	1	87	47

Notes:

*: Includes sales from Reefton which entered Care and Maintenance during the first quarter of 2016 and in the fourth quarter the Company announced the closure of Reefton operations.


Management Discussion and Analysis for the second quarter ended June 30, 2017
Table 9 – Consolidated Operating Statistics for Macraes and Reefton

		Q2 Jun 30 2017	Q1 Mar 31 2017	Q2 Jun 30 2016	YTD Jun 30 2017	YTD Jun 30 2016
Gold Produced	<i>ounces</i>	39,778	38,550	31,941	78,328	70,929
Total Ore Mined	<i>tonnes</i>	1,468,541	1,080,393	1,018,805	2,548,934	1,829,143
Ore Mined Grade	<i>g/t</i>	1.02	1.18	1.00	1.09	1.07
Total Waste Mined including pre-strip	<i>tonnes</i>	8,114,666	9,850,739	9,914,137	17,965,405	16,564,098
Mill Feed	<i>tonnes</i>	1,508,558	1,375,270	1,464,622	2,883,828	3,121,903
Mill Feed Grade	<i>g/t</i>	1.02	1.05	0.84	1.04	0.90
Recovery	<i>%</i>	80.0	83.3	80.7	81.6	81.1

Table 10 – Macraes Goldfield Operating Statistics

		Q2 Jun 30 2017	Q1 Mar 31 2017	Q2 Jun 30 2016	YTD Jun 30 2017	YTD Jun 30 2016
Gold Produced	<i>ounces</i>	39,778	38,550	31,941	78,328	66,452
Total Ore Mined	<i>tonnes</i>	1,468,541	1,080,393	1,018,805	2,548,934	1,829,143
Ore Mined Grade	<i>g/t</i>	1.02	1.18	1.00	1.09	1.07
Total Waste Mined including pre-strip	<i>tonnes</i>	8,114,666	9,850,739	9,914,137	17,965,405	16,564,098
Mill Feed	<i>tonnes</i>	1,508,558	1,375,270	1,464,622	2,883,828	2,920,391
Mill Feed Grade	<i>g/t</i>	1.02	1.05	0.84	1.04	0.87
Recovery	<i>%</i>	80.0	83.3	80.7	81.6	81.2



OPERATIONS

Summary

On a consolidated basis and including pre-commercial gold production from Haile, the Company produced 272,352 ounces of gold and 10,277 tonnes of copper in the first half of 2017 including 124,396 ounces of gold and 4,322 tonnes of copper in the second quarter.

Quarter-on-quarter total gold production was lower in the second quarter as expected and due to decreased production from Didipio where lower grade ore was processed.

On a consolidated basis and excluding Haile, the Company recorded AISC of \$599 per ounce on sales of 228,214 ounces of gold and 9,976 tonnes of copper in the first half of 2017. For the second quarter and excluding Haile, the Company recorded AISC of \$681 per ounce on sales of 114,192 ounces of gold and 5,828 tonnes of copper.

Health & Safety

At the end of the second quarter, the Company recorded a Total Recordable Injury Frequency Rate ("TRIFR") of 3.74 recordable injuries per million man hours, down from 4.91 in the first quarter and up from 3.37 during the same period in 2016.

During the first quarter, the Company initiated a bottom up program, to challenge and further enhance the safety culture. Additionally, during the first quarter, the Company announced the Company-wide roll out of the "Gold Standard" initiative to drive visible, safety leadership by senior site personnel.

The Company's increased focus on senior leadership safety engagement activities across all of our operating sites, with a focus on improving hazard identification and risk management as well as workplace inspections.

Didipio Mine (Philippines)

At the end of the second quarter, the Didipio operation recorded a TRIFR of 0.47 per million man hours worked.

For the first half of 2017, the Didipio operation produced 105,647 ounces of gold and 10,277 tonnes of copper, including 42,899 ounces of gold and 4,322 tonnes of copper in the second quarter. The quarter-on-quarter decrease in production was expected and previously forecast. The decrease was primarily due to lower processed grades.

In the second quarter, total material mined was 1.1 million tonnes, a 61% quarter-on-quarter decrease as mining of the final stage of open pit was completed.

In the second quarter, Didipio processed 910,976 tonnes of ore compared to 1,008,602 tonnes in the previous quarter. The 10% quarter-on-quarter decrease in mill feed was due to processing a higher proportion of harder ore and slightly lower mill availability from planned maintenance. At the end of the quarter, the Company had approximately 24 million tonnes of stockpiled ore.

Gold and copper head grade decreased from processing a larger proportion of stockpiled ore. For the remainder of 2017, mill feed will be sourced from lower grade stockpiles which will reduce gold head grades to between 1.2 g/t and 1.3 g/t gold however, copper grades are expected to remain flat.

Both gold and copper recoveries decreased quarter-on-quarter due to the lower head grade. Gold and copper recoveries are expected to range between 88% to 89% and 90% to 91% respectively for the remainder of 2017.

During the second quarter, the Company made three shipments of concentrate, totaling 24,389 dry metric tonnes, to smelters in Asia. Additionally, the Company delivered 32,073 ounces of gold in doré to the Perth Mint, Western Australia.

During the first half, mining costs were \$3.80 per tonne mined, processing costs were \$6.64 per tonne milled and general and administration ("G&A") costs were \$6.40 per tonne milled.

Looking ahead, production in the second half of the year is expected to be lower. With open pit mining now complete and development of the underground progressing, mill feed for the remainder of the year will be sourced almost entirely from lower grade stockpiled open pit ore. First underground ore is expected at the end of the year. Additionally, planned maintenance activities in the fourth quarter will reduce mill availability.

Waihi Mine (New Zealand)

At the end of the second quarter, the Waihi operation recorded a TRIFR of 7.54 per million man hours.

During the first half, Waihi produced 51,419 ounces of gold including 25,559 ounces in the second quarter. Quarter-on-quarter production was flat with higher mill feed offset by a lower head grade.

During the quarter, ore was sourced from the Correnso vein and lower levels of the Daybreak vein. Ore drives continued to be developed in the Empire and Christina veins.

Total ore mined for the quarter was 116,969 tonnes, a 7% quarter-on-quarter increase due to improved equipment availability following a period of unplanned bogger downtime in the first quarter. Correspondingly,



mill feed increased quarter-on-quarter to 119,754 tonnes.

Gold head grade for the quarter was 7.39 g/t compared to 8.25 g/t in the previous quarter. The decrease in head grade was a result of mine sequencing. Gold recovery for the quarter decreased slightly from the previous quarter to 89.8%, due to a higher sulphide content in the ore.

During the first half, mining costs were \$44.32 per tonne mined, processing costs were \$29.36 per tonne milled and G&A costs were \$22.00 per tonne milled.

Gold production for the second half of the year is expected to be stronger than the first half on account of higher grades.

Macraes Goldfield (New Zealand)

At the end of the second quarter, the Macraes operation reported a TRIFR of 6.30 per million man hours worked, down from 9.35 per million man hours in the previous quarter.

During the first half, Macraes produced 78,328 ounces of gold, including 39,778 ounces of gold in the second quarter. Quarter-on-quarter, gold production remained broadly unchanged with higher mill feed offset by lower recoveries.

During the second quarter, pre-stripping activities commenced at the Coronation North pit while mining activities continued within the Coronation pit, the Frasers Innes Mills ("FRIM") mining area (the northern area of the Frasers Pit), the Frasers Pit and the Frasers Underground.

Total material mined for the quarter was 9.6 million tonnes while total ore mined was 1.5 million tonnes, a 36% increase quarter-on-quarter primarily due to less waste mined within the Frasers Pit.

Ore mined from the Frasers Underground for the quarter was 244,183 tonnes at a grade of 2.13 g/t, up 13% and 11% respectively compared to the previous quarter due to mine sequencing. The Company expects that the Frasers Underground will continue to contribute approximately 20% of ore mined for the rest of 2017.

Mill feed for the quarter was 1.5 million tonnes, comprised of approximately 85% material from the open pits and 15% from the higher grade underground material. The 10% quarter-on-quarter increase in mill feed was due to softer ore from the Frasers Pit and higher mill availability following the completion of planned maintenance of the autoclave in the first quarter.

Gold recovery for the first half was 81.6% including 80.0% for the second quarter, in line with the forecast range of 80% and 83%. Recoveries were lower in the second quarter compared to the first quarter due to an increase in carbonaceous material within the ore.

During the first half, open pit mining costs were \$1.39 per tonne mined, underground mining costs were \$38.11 per tonne mined, processing costs were \$7.51 per tonne milled and G&A costs were \$1.52 per tonne milled.

Looking ahead to the second half of the year, gold production at Macraes is expected to increase consecutively in the third and fourth quarters with the inclusion of higher grade ore from the Coronation North pit.



EXPLORATION

New Zealand

In the first half of 2017, exploration expenditure in New Zealand was approximately \$8.9 million comprised of \$2.0 million at Macraes and \$6.9 million at Waihi.

Exploration expenditure in New Zealand was approximately \$4.9 million for the second quarter including \$1.2 million at Macraes and \$3.6 million at Waihi.

Macraes

During the first half of the year, exploration drilling at Macraes totaled 14,579 metres, including 8,202 metres drilled in the second quarter. Drilling activities during the second quarter were undertaken at Coronation North, Frasers West, Nunns, Trimbells and Golden Point (Figure 1).

As reported in the June 26 2017 exploration update, the Company continues to receive encouraging results from Coronation North and Golden Point. Infill drilling at Frasers West confirmed the presence of a modest, low-grade resource while drilling at Trimbells closed off the target with no further drilling planned. Drilling at Nunns was completed for metallurgical test work.

Drilling activities in the third quarter will continue at Coronation North, Golden Point and Macraes Central.

Waihi

During the first half, exploration drilling totaled 21,217 metres from up to five surface drills and three underground diamond drills. During the second quarter, exploration drilling at Waihi totaled 10,396 metres from four surface and three underground diamond drill rigs.

Drilling in the second quarter focused primarily on reserve and resource conversion of Correnso, Empire, Christina, Daybreak, Gladstone, Favona and potential extensions of the Martha vein system.

As reported in the June 26 2017 exploration update, drilling continued to return promising widths and grades across multiple targets, adding incremental ounces to vein extensions that are currently being mined at Correnso, Empire, Christina and Daybreak.

Additionally, encouraging widths and grades within the Favona and Gladstone areas indicate the potential for life of mine extensions for Waihi. Follow-up drilling of the Rex vein has also returned high grade intercepts.

Development of the two underground exploration drives continued during the second quarter, with the 800-drill drive now complete up to the first drill cuddy location. The initial three drill cuddies are currently being established

to undertake a 12,200-metre drill program, commencing in the second half of 2017. Further extensions of the 800-drill drive are expected in 2018 following the completion of the 2017 initial drill program. Drilling will then take place from the upper 920-drill drive in 2018 which is currently 40% complete.

During the quarter, regional exploration activities progressed and included geological mapping, geochemical sampling, and geophysical surveys on several prospects. Works continued to progress towards the establishment of the WKP drill site and the WKP camp site, with drilling scheduled to commence in August.

United States

In the first half of 2017, exploration expenditure was \$4.8 million including \$2.4 million in the second quarter.

Exploration drilling at Haile during the first half totaled 22,971 metres, including 10,549 metres of drilling from four diamond drill rigs targeting Snakeshoe, Ledbetter, Mustang, Red Hill, and Mill Zone during the second quarter (Figure 2).

Drilling of the Palomino target has defined mineralisation over a strike length of ~350 metres. Further along strike to the northeast, the Company drill tested the continuity of mineralisation between the Snake Pit and Horseshoe targets. Assays from these drilling programs are under review.

At the Mustang-Ledbetter target, 21 diamond holes for 9,300 metres to test the mineralisation north and west of the Chase Hill and Ledbetter resources was completed, with assays pending.

At the Red Hill target, a 1,900-metre diamond infill and extensional drill program was completed. At Mill Zone Deeps, the Company commenced a 15-hole, 4,500 metre, infill and resource extension drill program with assays pending.

Also in the quarter, exploration activities commenced on the nine-kilometre ENE-trending Holly-Locust exploration corridor located northwest of Haile. One hole of a regional 10-hole, 2,700-metre, diamond drill program was completed for 310 metres.

Drill permitting for an initial 16-hole, 3,000-metre program on the Locust target has also commenced with drilling expected to commence in the fourth quarter.

Mapping and surface sampling combined with geophysical datasets continue to advance regional targets and build an early stage pipeline.



Philippines

In the first half of 2017, exploration expenditure at Didipio was \$2.6 million including \$1.3 million in the second quarter.

During the second quarter, underground resource definition drilling continued with a total of 3,885 meters from 22 holes drilled through six sections. Breccia and monzonite intersections identified during the previous quarter were continuous at the 2400mRL. Mineralisation was intersected in all holes.

Exploration activities within the broader FTAA continued and included the Napartan (part of TNN), MMB, Chinichinga, Bonfire and Radio prospects.

Detailed follow-up of coincident Au-Cu soil anomalies at the Napartan prospect revealed the presence of Au-Cu mineralised pegmatitic dykes. The pegmatitic dykes have a similar composition to the Balut dykes at Didipio. The significance of this result is being evaluated.

During the quarter, at the Chinichinga prospect, surface mapping revealed exposures of monzonite and quartz-monzosyenite-porphyry, lithologies characterising the Didipio porphyry. One historic drill hole (CDDH104) intersected a Bufu-like intrusion typified by the presence of miarolitic cavities. Further work is planned to confirm the aerial extent of the porphyry intrusives.

Surface mapping and sampling on the Radio prospect identified outcropping quartz veins corresponding to elevated gold returned from the grid soil survey recently completed. Veins are east to northeast striking with steep dips and exhibit crystalline, massive, chalcedonic and breccia textures. The majority of vein grab samples have returned grades of less than 1.0 g/t gold with several in the range 1.0 – 3.0 g/t of gold. The highest grade of 21.6 g/t of gold was sampled over a one metre channel. Further mapping and sampling will be carried-out to better define the extent of veining.



Figure 1 – Location of Second Quarter 2017 Macraes Drilling Targets

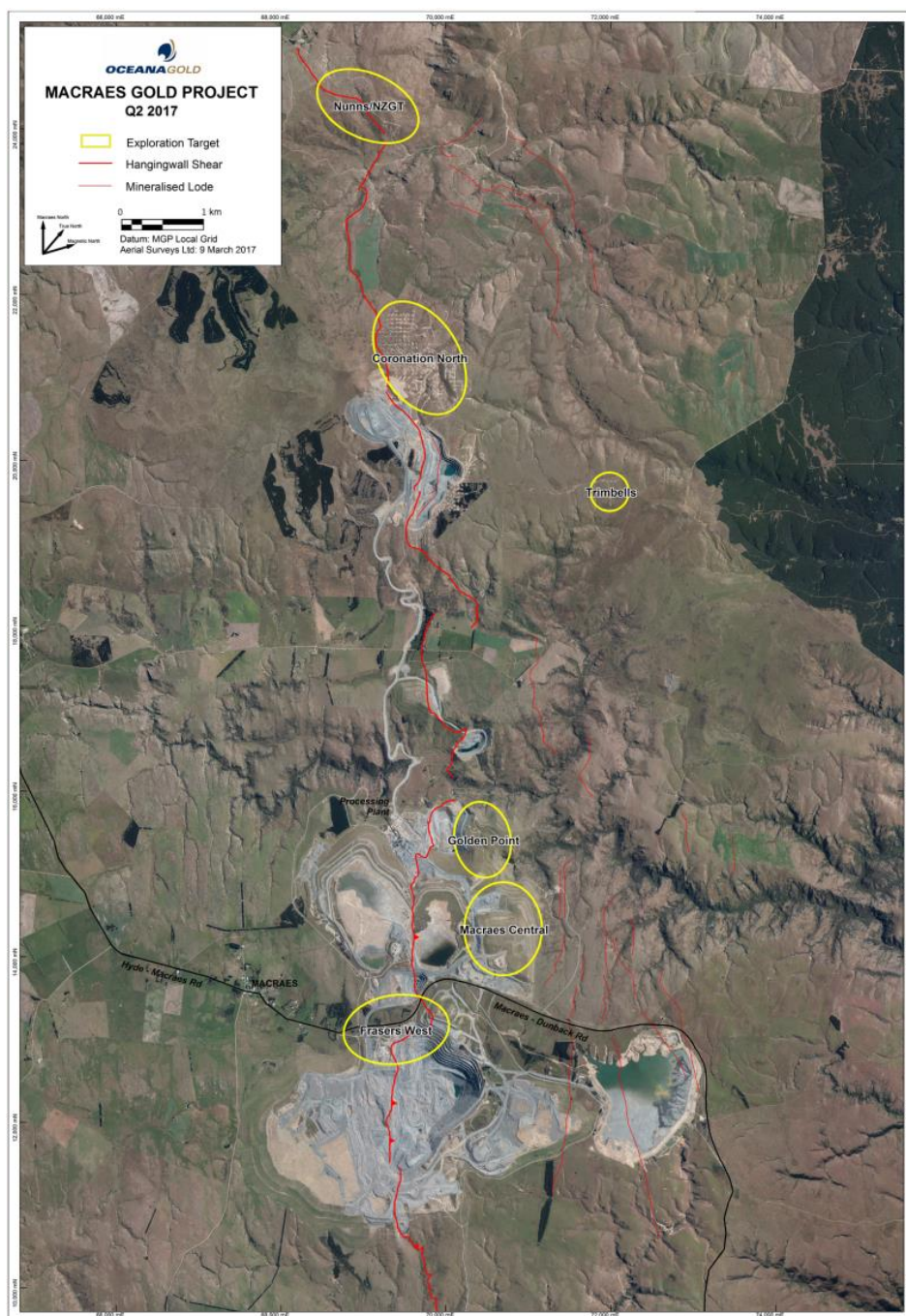
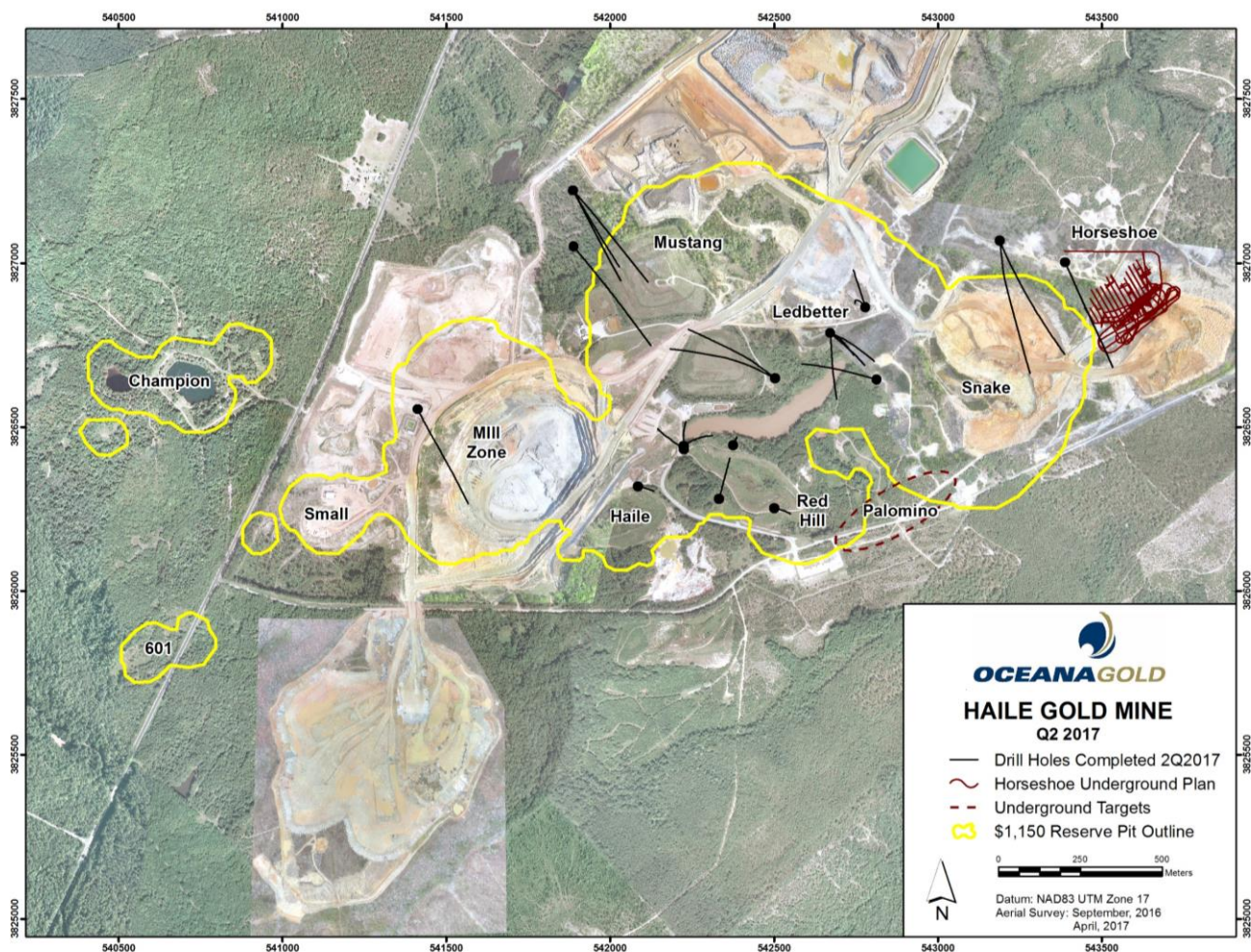




Figure 2 – Location of Haile Second Quarter 2017 Drilling Targets





DEVELOPMENT

United States

Haile Gold Mine

In the second quarter, the Haile Gold Mine produced 16,160 ounces of gold with ore sourced exclusively from the first stage of the Mill Zone Pit. Quarter-on-quarter production decreased mainly due to Carbon-in-Leach ("CIL") tank liner failures, CIL launder system design failure, and an inefficient SAG mill configuration.

Mining operations in the second quarter were focused on mining ore at Mill Zone and mainly pre-stripping at the Snake pit. At the end of the quarter, total material mined was 4,052,000 tonnes including 538,000 tonnes of ore.

Mill feed for the quarter was 409,000 tonnes, which was lower than expected. Subsequent to the quarter end, the Company replaced the steel grates and the SAG mill continued to operate as expected, increasing throughput rates.

Head grade for the quarter was 2.0 g/t while gold recoveries were 60%. The decreased recoveries quarter-on-quarter were related to CIL commissioning issues. As announced on June 26, the ramp-up of the process plant progressed well for the first four months of 2017. However, in May the Company encountered commissioning issues mainly related to the CIL circuit leading to a shortfall in tonnes milled and recovery rates as compared to the ramp-up plan.

At the end of the second quarter, the Company had removed the de-laminating poly-urethane CIL liners and will begin the re-application of new liners in the third quarter, one tank at a time to minimise impact on recovery. This work is expected to continue throughout the year and does not preclude the commercial operation of the process plant.

Subsequent to the end of the second quarter, the Company replaced the steel discharge grates on the SAG Mill. The larger aperture grate will allow appropriately worn grinding media to pass through the SAG mill thus allowing higher throughput rates and more efficient load sharing between the SAG and Ball mills.

Work commenced on the installation of a new CIL inter-tank piping system to eliminate short circuiting of the CIL circuit. Completion of the new inter-tank piping system is expected by the end of August.

At the end of the quarter, the Company commenced work creating a closed circuit on the fine grinding circuit to improve efficiency of the system and reduce grind size further, with works expected to be completed by the end of July.

Philippines

During the first half of 2017, development of the underground at Didipio progressed more than 2,500 metres, including a total of 1,310 metres during the second quarter. During the second quarter, the decline advanced to 2,702 metres from the main portal; Portal One (figure 3). A significant milestone was achieved with development of the decline reaching the 2280 Level horizon which is the location for the underground pump station for the upper level stopes.

During the second quarter, the second leg of the return airway system was extended to 2370 Level and the emergency escape system extended to 2310 Level. The northern surface vent fan was successfully commissioned and the southern fan is expected to be commissioned in early July.

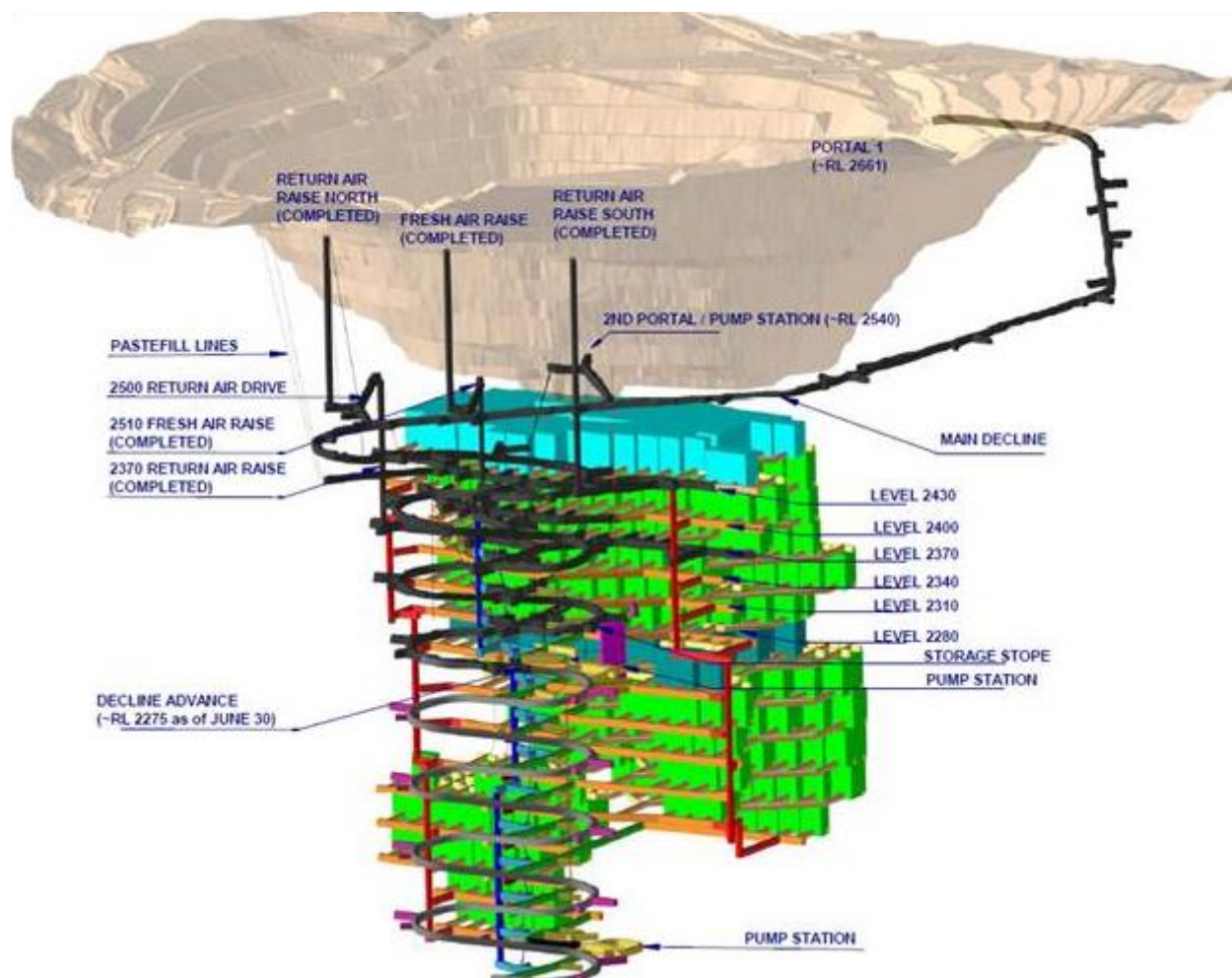
Additionally, during the second quarter, the primary pump station located at the second portal was successfully commissioned providing the mine with a pumping capacity of 450 litres per second from the portal to the surface water dams. The focus is now on establishing the first underground primary pump station at the 2280 Level which will upgrade the underground pumping capacity to 450 litres per second. The underground pump station is expected to be commissioned in the fourth quarter.

Civil, structural and mechanical works for the paste fill plant continued to progress well and commissioning remains on-track with completion expected in the fourth quarter of 2017.

The Company remains on track to receive the first feed of underground ore at the end of 2017.



Figure 3 – Cross-section of Didipio Underground Design and Construction Phase





SUSTAINABILITY

Environment

There were no significant environmental incidents recorded during the first half of the year.

At Macraes, during the quarter, the Company continued to undertake rehabilitation activities on the mixed tailings storage capping surface as well as at the Top Tipperary tailings embankment.

The Macraes Sulphate Mitigation Working Group undertook failure analysis to determine the most appropriate conceptual design for the Coronation waste rock stack (WRS) which is an important focus of the consent approval. Following this analysis, the Company commenced construction of the Coronation North waste rock stack in-line with new design criteria

Additionally, with the inclusion of the Coronation North pit in to the mine plan, the Company updated the Macraes Bond Report and subsequently increased the rehabilitation bond estimate by NZ\$8 million.

At Waihi, the Company facilitated several formal and informal meetings with local and regional stakeholders to provide information and discussion with respect to mining, biodiversity, coastal environmental amenities, natural character, landscape value and Kauri dieback provisions of the Thames Coromandel District Plan (TCDC).

At Reefton, the Company continued rehabilitation and mine site closure activities which are expected to continue to 2019.

At Haile, during ramp-up and commissioning activities, to ensure environmental compliance was met, the Company completed air quality monitoring. As expected, there were no exceedances of prescribed guidelines and limits were recorded. Air quality monitoring will be repeated at the end of 2017 to define carbon loading emission reduction initiatives.

Contact water from PAG Cell 1A was tested as part of the Surface Water Monitoring Plan and the Overburden Management Plan. Water from the Water Treatment Plant continues to be tested and remains with the regulatory standards.

At the end of the quarter, and following the outcome of the Haile Optimisation Study preparation activities ahead of permitting commenced.

South Carolina Department of Health and Environmental Control (SC DHEC) performed multiple site inspections with positive feedback on water management, wildlife controls, emergency response procedures, community engagements, and monitoring activities.

Community

There were no significant Community related incidents during the first half of the year.

On July 3 2017, the Company reached an amicable settlement with the Republic of El Salvador in relation to the International Center for the Settlement of Investment Disputes (ICSID) arbitral award issued in October 2016. The subsequent payment of the awarded \$8.0 million to the Republic of El Salvador was finalized on the same date.

The Company has no plans to further pursue sustainable mineral resource development in El Salvador.

At Macraes community activities centered around implementing a process for managing OceanaGold owned pastoral leases, the development of a Side Agreement with Macraes Community Incorporated (MCI) on the refurbishment of the Macraes Dunback Road and a grant for a community infrastructure project.

At Waihi, several community engagement activities occurred including the half-yearly SUPA/Correnso Community meeting and liaison with Waihi College and Pacific Coast Training Institute regarding the provision of a company facility for local training courses.

The Company also facilitated several meetings with the Hauraki District Council and Waikato Regional Council (including a recent site visit from the Waikato Regional Council) as well as site visits for some of the council members.

Didipio continued to focus on the delivery of key infrastructure including:

- Completion and hand over of the Didipio High School building, a project that was predominately funded by the Company and will service approximately 600 students from the community;
- 67% completion of Didipio Circumferential Road and farm to market roads programmed for the year;
- Commenced the construction of Didipio Water System Project; and
- Commenced the development of the Didipio Family Health Centre.

At Haile, the Company hosted the grand opening of the operation at the end of June with several hundred guests from government, local communities, investment community and other stakeholders.

In the quarter, a collaborative and coordinated site emergency response exercise was undertaken which



included several local, county and State Emergency Management Services. The event successfully showcased the value of collaboration and cooperation as with all stakeholders requested future coordinated response opportunities.

Local employment and business development remains a strong focus at Haile with 344 people currently under direct employment and 84.6% hired within the community. Additionally, nine new businesses from the local / regional community have been opened in 2017.



FINANCIAL SUMMARY

Table 11 – Financial Summary*

\$'000	Q2 Jun 30 2017	Q1 Mar 31 2017	Q2 Jun 30 2016	YTD Jun 30 2017	YTD Jun 30 2016
Revenue	171,650	161,800	169,763	333,450	330,814
Cost of sales, excluding depreciation and amortisation	(73,767)	(56,834)	(79,642)	(130,601)	(151,531)
General & administration – other	(14,513)	(8,950)	(15,565)	(23,463)	(27,933)
Foreign currency exchange gain/(loss)	647	(221)	2,543	426	3,268
Gain on sale of available-for-sale assets	-	5,314	-	5,314	-
Other income/(expense)	728	562	187	1,290	541
Earnings before interest, tax, depreciation and amortisation (EBITDA) (excluding gain/(loss) on undesignated hedges and impairment charge)	84,745	101,671	77,286	186,416	155,159
Depreciation and amortisation	(51,171)	(36,403)	(28,015)	(87,574)	(61,784)
Net interest expense and finance costs	(4,292)	(4,557)	(2,536)	(8,848)	(4,724)
Earnings before income tax and gain/(loss) on undesignated hedges and impairment charge	29,282	60,711	46,735	89,994	88,651
Tax (expense) / benefit on earnings	(4,538)	(1,318)	(5,599)	(5,857)	(10,806)
Earnings/(loss) after income tax and before gain/(loss) on undesignated hedges and impairment charge	24,744	59,393	41,136	84,137	77,845
Impairment charge	-	(17,654)	-	(17,654)	-
Gain/(loss) on fair value of undesignated hedges	1,075	(7,874)	(1,828)	(6,799)	(20,132)
Tax (expense)/benefit on gain/loss on undesignated hedges	(301)	2,205	511	1,904	5,637
Share of profit/(loss) from equity accounted associates	(161)	(65)	(164)	(226)	(164)
Net Profit	25,357	36,005	39,655	61,362	63,186
Basic earnings per share	\$0.04	\$0.06	\$0.07	\$0.10	\$0.10
CASH FLOWS					
Cash flows from Operating Activities	88,391	52,343	91,486	140,734	123,159
Cash flows used in Investing Activities	(71,696)	(65,910)	(122,496)	(137,606)	(226,236)
Cash flows (used in) / from Financing Activities	(6,635)	10,545	12,827	3,910	14,860

BALANCE SHEET \$'000	As at Jun 30 2017	As at Dec 31 2016
Cash and cash equivalents	81,615	68,859
Other Current Assets	165,750	119,750
Non-Current Assets	1,724,059	1,727,111
Total Assets	1,971,424	1,915,720
Current Liabilities	241,201	240,860
Non-Current Liabilities	343,825	339,609
Total Liabilities	585,026	580,469
Total Shareholders' Equity	1,386,398	1,335,251

Note: In this second quarter 2017 MD&A, all revenue and costs reported do not include the Haile operations as these have been capitalised as commercial production is yet to be declared.



RESULTS OF OPERATIONS

In this second quarter 2017 Management Discussion and Analysis ("MD&A"), all revenue and costs reported do not include the Haile operation. The revenue and costs associated with the Haile Gold Mine have been capitalised and will be reported in the Consolidated Statement of Comprehensive Income after commercial production has been declared which is expected in the second half of 2017.

Net Earnings

In the second quarter of 2017, the Company reported revenue of \$171.7 million and EBITDA of \$84.7 million (excluding gain/loss on undesignated hedges and impairment charge).

The quarter-on-quarter decrease in EBITDA was mainly due to higher operating costs partly offset by higher revenue. The first quarter's result included a gain of \$5.3 million from the sale of approximately 2.5 million shares the Company held in Gold Standard Ventures.

The second quarter net profit was \$25.4 million compared to a net profit of \$36.0 million in the first quarter mainly due to higher operating costs and depreciation and amortisation charges partly offset by a gain on the fair value of undesignated hedges.

Sales Revenue

Philippines

Second quarter concentrate sales revenue, net of concentrate treatment, refining and selling costs, was \$86.7 million of which copper revenue was \$31.5 million. In the second quarter, the average gold price received at Didipio was \$1,271 per ounce compared to \$1,233 per ounce in the previous quarter and the average copper price received was \$2.45 per pound compared to \$2.73 per pound in the previous quarter.

Second quarter sales at Didipio were 47,185 ounces of gold compared to 51,467 ounces sold in the previous quarter which was enabled by record production. Copper sales of 5,828 tonnes and silver sales of 62,952 ounces were higher than the previous quarter's sales. During the second quarter, the Company drew down stockpiled concentrate inventory by more than 83% to 1,024 dry metric tonnes at site and drew down port inventory by 7% down to 7,386 dry metric tonnes.

New Zealand

Second quarter revenue was \$85.0 million in New Zealand. Gold sales in the second quarter of 67,007 ounces were higher than the previous quarter of 62,555 ounces due to higher production at Macraes. The average gold price received in the second quarter was

\$1,256 per ounce compared to \$1,222 per ounce received in the previous quarter.

AISC per Ounce

Philippines

AISC at Didipio were \$147 per ounce sold for the second quarter compared to AISC of negative \$105 per ounce sold in the previous quarter. The increase in costs per ounce sold was due to reduced gold sales and higher operating costs partly offset by higher by-product credits.

New Zealand

AISC in New Zealand were \$1,057 per ounce sold for the second quarter compared to \$1,029 per ounce sold in the previous quarter due to higher operating costs.

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 totaled \$51.2 million for the second quarter compared to \$36.4 million in the previous quarter. The increase was mainly due to more depreciation and amortisation charges being expensed and less capitalised into inventories as Didipio's open pit was completed during the second quarter.

General and Administration Costs

General and administration costs of \$14.5 million were higher than the previous quarter mainly due to the timing of labour and local business/property related costs.

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 gain of \$1.1 million compared to a loss of \$7.9 million in the previous quarter. The gain mainly reflects a decrease in the New Zealand dollar spot gold price at June 30, 2017 compared to March 31, 2017. The undesignated gold hedges cover future gold production from New Zealand to the end of 2017.

Details of the derivative instruments held by the Company at June 30, 2017, are summarised below under "Derivative Assets / Liabilities".



Tax Expense

The Company recorded a tax expense of \$4.8 million in the second quarter in relation to the taxable income in New Zealand. This compared to a tax benefit of \$0.9 million in the previous quarter which was mainly due to losses on the fair value of undesignated hedges partly offset by tax expense in relation to the gain on the sale of GSV shares. The Company utilised remaining available tax losses to offset taxable income in New Zealand in the first quarter.

DISCUSSION OF CASH FLOWS

Operating Activities

Cash inflows from operating activities for the second quarter were \$88.4 million compared to \$52.3 million in the previous quarter. The increase was mainly due to higher revenue and favourable working capital movements including a quarter-on-quarter decrease in trade debtors at Didipio and inventories partly offset by decreased trade payables. In addition, there was no income tax payment required to be made in New Zealand during the second quarter.

Investing Activities

Cash used for investing activities were \$71.7 million in the second quarter compared to \$65.9 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 first quarter, proceeds of \$6.6 million were received from the sale of a parcel of shares in GSV.

Financing Activities

Financing net outflows were \$6.6 million in the second quarter which mainly reflected the payment of the dividend to shareholders and finance lease repayments partly offset by proceeds from the issue of shares. Financing net inflows were \$10.5 million in the first quarter due to the drawdown of external debt of \$12 million partly offset by finance lease repayments.

DISCUSSION OF FINANCIAL POSITION AND LIQUIDITY

Company's funding and capital requirements

The Company recorded a net profit of \$61.4 million for the first half ended June 30, 2017. As at June 30, 2017, the cash funds held were \$81.6 million. The Company was in a net current asset position of \$6.2 million. Total repayment of \$84.8 million of interest bearing debt is due by December 31, 2017. The Company forecasts that sufficient operating cash flows will be generated to fund this repayment. Furthermore, the Company has other options to enhance liquidity including various Financing possibilities or in the extreme the disposal of strategic investments. These continue to be classified as non-current assets due to their strategic nature.

On April 13, 2017, the Company increased its credit facilities by \$30.0 million. At June 30, 2017, the Company's total facilities stood at \$330 million, of which \$284.8 million was drawn.

As at June 30, 2017, the Company had immediately available liquidity of \$126.8 million with \$81.6 million in cash and \$45.2 million available under credit facilities.

As at the end of the second quarter, the Company held \$71.6 million in marketable securities from strategic investments in listed junior exploration companies.

Subsequent to the quarter end, the Company paid the legal settlement costs of \$8.1 million expensed in 2016 following the arbitration ruling against Pacific Rim.

Commitments

The Company's capital commitments as at June 30, 2017, are as follows:

Table 12 – Capital Commitments

\$'000	Jun 30 2017
Within 1 year	19,092

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

Financial Position

Current Assets

Current assets were \$247.4 million as at June 30, 2017 compared to \$188.6 million as at December 31, 2016. The increase was mainly due to increased cash held and



higher stocks at Didipio partly offset by decrease in hedge assets.

Non-Current Assets

Non-current assets were \$1.72 billion as at June 30, 2017 compared to \$1.73 billion as at December 31, 2016. The decrease was mainly due to the impairment of mining assets in El Salvador, a reclassification of Didipio's ore stockpile and the sale of a parcel of shares in GSV partly offset by increased property, plant and equipment at Haile.

Current Liabilities

Current liabilities were \$241.2 million as at June 30, 2017 compared to \$240.9 million as at December 31, 2016. The increase was mainly due to the external debt drawdown in the first quarter required to be repaid by December 31, 2017, increased rehabilitation and tax liabilities in New Zealand partly offset by lower trade payables.

Non-Current Liabilities

Non-current liabilities were \$343.8 million as at June 30, 2017 compared to \$339.6 million as at December 31, 2016. This was mainly due to increased asset rehabilitation provision at Haile partly offset by finance lease repayments.

Derivative Assets / Liabilities

The Company's hedging programs include New Zealand dollar denominated put and call options and swap agreements to buy specified volume of fuel at specified prices for 90% of the Company's fuel consumption in 2017. As at June 30, 2017, 77,700 ounces of gold production remained as part of the gold price hedging program as illustrated below.

Table 13 – New Zealand Gold Hedging Program

Put Option Strike Price*	Call Option Strike Price*	Gold Ounces Remaining	Expiry Date
\$1,650	\$1,810	38,850	Dec 2017
\$1,650	\$1,810	38,850	Dec 2017
Total		77,700	

* Note – Put and call options strike prices are denominated in NZD.

As at June 30, 2017, 160,143 barrels remained hedged as illustrated below.

Table 14 – Fuel Hedging Program

	Swap Price USD/bbl	Volume Remaining (barrel)	Expiry Date
Singapore Gasoil	50.25	120,000	Dec 2017
Platts Asia Pacific			
US Gulf Coast	54.34	40,143	Dec 2017
Ultra Low Sulphur			
Total		160,143	

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 15 – Marked to Market Derivatives Summary

\$'000	Hedge	Jun 30 2017	Dec 31 2016
Current Assets	Gold	174	2,484
Current Assets	Fuel	1,527	5,725
Total		1,701	8,209

Shareholders' Equity

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

Table 16 – Movement of Shareholders' Equity Summary

\$'000	Jun 30 2017
Total equity at beginning of the quarter	1,367,527
Profit after income tax	25,357
Movement in other comprehensive income	(7,668)
Movement in contributed surplus	(1,532)
Issue of shares	2,714
Total equity at end of the quarter	1,386,398

Shareholders' equity increased by \$18.9 million to \$1.39 billion as at June 30, 2017, mainly due to a net profit after tax of \$25.4 million and shares issued from the exercise of options partly offset by a reduction in the fair value of available-for-sale assets. "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 17 – Capital Resources Summary

	Shares Outstanding	Options and Share Rights Outstanding
27 July 2017	615,032,659	13,473,150
30 June 2017	615,032,659	13,360,972
31 Dec 2016	611,024,600	14,669,052

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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 and is permitted 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. 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. As a result of the announcement on March 29, 2017, by the Government of El Salvador to ban all mining for gold and other metals, Management considered this to be an impairment indicator and concluded the value of the mining assets it held in El Salvador was impaired. An impairment charge of \$17.7 million was recognised in the first quarter for El Salvador assets and there is no associated tax impact.

The Group defers mining costs incurred during the production stage of its operations and these are amortised over the life of the 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 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 values of the New Zealand CGU and United States CGU are dependent on production from certain identified exploration targets in New Zealand and successful commencement of commercial production at the Haile Gold Mine respectively. Should these projects prove to be uneconomic, the carrying value of the CGU could be impaired by a significant amount.

The recoverable amount of the exploration assets is dependent on various factors including technical studies, further exploration and the eventual granting of mining permits. Should these be unsuccessful, the exploration assets could be impaired.

On February 2, 2017, the Philippines Department of Environment and Natural Resources ("DENR") held a press conference at which OceanaGold's Didipio operation was named as the subject of a proposed suspension order citing alleged declining agricultural production.

On February 14, 2017, the Company received an order from the DENR calling for the suspension of the Didipio operations citing "... petition of the Local Government of Nueva Vizcaya for the cancellation of the FTAA; alleged damages to houses caused by the blasting operation; and the potential adverse impact to the agricultural areas of the Province..." as reasons for this decision.

Subsequent to receiving the suspension order, the Company immediately filed an appeal with the Office of the President ("OP"). On March 15, 2017, the Company filed the Appeal Memorandum with the OP substantiating its grounds for appeal. The DENR filed its commentary



to the Company's appeal memorandum on or around 8 May 2017, and the Company subsequently filed a further reply to the DENR commentary. The matter is currently awaiting a decision from the OP. The Didipio operation is expected to continue to operate during this appeal process. Should the appeal fail and operations be suspended for a prolonged period, the Didipio operation could face impairment.

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 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. Liabilities are not recognised until they are determined with reasonable certainty. 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 after reaching commercial production 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 entity 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 position.

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.

Excise tax payments have been made in certain overseas tax jurisdictions despite the Company's view that it should be exempt. These amounts are expected to be recovered in due course, and have therefore been recorded as a non-current receivable. Should the amounts ultimately not be recovered, they would 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, 2017, 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. This requirement has not yet been satisfied due to a court restriction resulting from litigation challenging the claim of this third party from a party not related to the Group.

viii. Haile commencement of commercial production

The Group is assessing the Haile mine progress to determine when the mine moves into commercial production. The criteria used to assess the start date are determined based on the unique nature of the mine including its complexity and location. The Group has adopted various relevant criteria to assess when the mine is substantially complete and ready for its intended use and has moved into the production stage.

The major criteria adopted include the following: (1) all major capital expenditures to bring the mine to nameplate capacity have been completed; (2) the process plant, power plant and other facilities have been transferred to the control of the Operations team from the Commissioning team; (3) the mill has reached 80 percent of initial design capacity; (4) gold recoveries are at or near expected levels; (5) the open pit mine has the ability to sustain ongoing production of ore at the required cut-off grade; and (6) costs are under control or within expectations.

When the Haile mine moves into commercial production, the capitalisation of certain mine construction and operation costs will cease and costs will either be attributed to inventory or expenses in the period in which they are incurred, except for capitalised costs related to property, plant and equipment additions or improvements, open pit stripping activities that provide a future economic benefit, and exploration and evaluation expenditure that meets the criteria for capitalisation. It is also at this point that depreciation and amortisation of previously capitalised costs commences.

Until the date of commencement of commercial production, any revenues recognised from the sale of gold are credited as a reduction to development costs capitalised. At June 30, 2017, the Group assessed that the Haile mine had not commenced commercial production.

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, 2017 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 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. Preliminary assessment by the Group indicates a minimum impact to measurement of this new standard. A more detailed assessment is ongoing.

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. Preliminary assessment by the Group indicates a minimum impact to measurement of this new standard. A more detailed assessment is ongoing.

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. Preliminary assessment by the Group indicates minimum impact of this new standard. A more detailed assessment is ongoing.

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 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 18 sets forth unaudited information for each of the eight quarters ended September 30, 2015 through to June 30, 2017. 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, 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) - a reconciliation of this measure to Net Profit / (Loss) is provided on page 20.

Net profit before impairment is calculated by adding back to the impairment expense to net profit.

All-In Sustaining Costs per ounce sold is based on the World Gold Council methodology.

All-In Sustaining margin refers to the difference between average gold price received, and AISC per ounce of gold sold.

Liquidity has been calculated as cash and cash equivalents and the total of funds which are available to be drawn under the Company's loan facilities.

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, 2016. 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, 2016 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, 2016. 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, 2017, 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 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, 2017

Table 18 - Quarterly Financial Summary*

	Jun 30 2017 \$'000	Mar 31 2017 \$'000	Dec 31 2016 \$'000	Sep 30 2016 \$'000	Jun 30 2016 \$'000	Mar 31 2016 \$'000	Dec 31 2015 \$'000	Sep 30 2015 \$'000
Revenue	171,650	161,800	147,432	150,388	169,763	161,051	143,612	109,581
EBITDA (excluding gain/(loss) on undesignated hedges and impairment charge)	84,745	101,671	66,890	61,568	77,286	77,874	57,569	35,068
Earnings after income tax and before gain/(loss) on undesignated hedges and impairment charge (net of tax)	24,744	59,393	31,653	24,470	41,136	36,710	10,750	4,841
Net Profit	25,357	36,005	42,574	30,693	39,655	23,531	22,648	6,924
Net Earnings per share								
Basic	\$0.04	\$0.06	\$0.07	\$0.05	\$0.07	\$0.04	\$0.04	\$0.02
Diluted	\$0.04	\$0.06	\$0.07	\$0.05	\$0.06	\$0.04	\$0.04	\$0.02

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

Table 19 – Reconciliation of Cash Costs and All-In Sustaining Costs*

		Q2 Jun 30 2017	Q1 Mar 31 2017	Q2 Jun 30 2016	YTD Jun 30 2017	YTD Jun 30 2016
Cost of sales, excluding depreciation and amortisation	\$'000	73,767	56,834	79,642	130,601	151,532
Selling costs	\$'000	5,106	4,706	6,236	9,461	10,688
By-product credits	\$'000	(33,310)	(26,649)	(30,707)	(59,959)	(55,868)
Total cash costs (net of by-product credits)	\$'000	45,563	34,891	55,171	80,103	106,352
Gold sales from operating mines*	ounces	114,192	114,022	115,906	228,214	233,293
Cash Costs	\$/ounce	399	306	476	351	456
Capitalised mining	\$/ounce	101	58	86	80	115
Sustaining capital expenditure	\$/ounce	65	69	71	67	67
Corporate general & administration - other	\$/ounce	74	50	62	63	52
Exploration and other	\$/ounce	42	38	33	38	32
All-In Sustaining Costs	\$/ounce	681	521	728	599	722

*Note: excludes gold sales from the Haile Gold Mine for the first and second quarters given that the associated costs have been capitalised as commercial production is yet to be declared.

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