



MEDIA RELEASE

25 July 2019

OCEANAGOLD REPORTS SECOND QUARTER 2019 RESULTS

(All financial figures in US Dollars unless otherwise stated)

(MELBOURNE) OceanaGold Corporation (**TSX: OGC**) (**ASX: OGC**) (the "Company") reported its second quarter 2019 financial and operational results for the quarter ended June 30, 2019. Details of the consolidated financial statements and the Management Discussion and Analysis ("MD&A") are available on the Company's website at www.oceanagold.com

Key Highlights

- Fully diluted per share adjusted earnings of \$0.03 and adjusted cash flow before working capital movement per share of \$0.11.
- Significant improvement of the Haile operations with quarter-on-quarter production increase of 45%, unit cash cost decrease of 39% and AISC decrease of 23%; despite accelerated pre-stripping activities.
- Development of Martha Underground commenced including raise bore between drill drives.
- First half of 2019 consolidated production of 254,972 ounces of gold and 7,871 tonnes of copper including second quarter production of 129,290 ounces of gold and 3,961 tonnes of copper.
- First half 2019 consolidated All-In Sustaining Costs ("AISC") of \$1,073 per ounce on sales of 246,753 ounces of gold and 6,921 tonnes of copper.
- Second quarter consolidated AISC of \$1,118 per ounce on sales of 125,609 ounces gold and 3,597 tonnes copper.
- First half revenue of \$365.5 million with Earnings before Interest, Depreciation and Amortisation ("EBITDA") of \$135.1 million and a net profit of \$27.7 million.
- Second quarter revenue of \$186.0 million with EBITDA of \$70.7 million and a net profit of \$15.3 million.
- Cash balance of \$84.7 million with total immediately available liquidity of \$134.7 million

Mick Wilkes, President and CEO said, "We are very pleased with the performance of our operations in the second quarter, particularly at Haile where we had a significant improvement from the previous quarter with production higher 45%, total material mined increasing 45% and unit cash costs decreasing 39%. To capitalise on improved weather conditions, we have accelerated pre-stripping activities at the Red Hill pit, which is now

into ore mining, approximately one quarter ahead of schedule. We have also brought forward pre-stripping of other areas.”

“Production at Didipio was broadly in line with the comparative quarters and Waihi recorded higher production in the second quarter which was partially offset by lower production from Macraes where the operation focused on extensive pre-stripping ahead of ore mining in the second half.”

“Organic growth continues to be a major catalyst for the Company and our growth projects are advancing well. I’m very pleased to announce the start of development of the Martha Underground, which will ramp-up over the course of the year. Exploration drilling across our operational footprint continues to yield solid results particularly at Waihi and WKP, which further increases our confidence in delivering significant resource growth.”

“In the Philippines, we continue to work constructively with regulatory stakeholders on the FTAA renewal process which is ongoing. We will continue to follow due legal process, and put employee safety and community welfare first, in seeking to secure an injunction against local orders issued by the Provincial Governor seeking to restrain operations at Didipio. We remain confident in the legal basis of our position.”

Table 1 – Production and Cost Results Summary

Quarter ended 30 Jun 2019		Haile	Didipio	Waihi	Macraes	Consolidated	
						Q2 2019	Q1 2019
Gold Produced	koz	37.2	33.1	21.2	37.8	129.3	125.7
Gold Sales	koz	34.0	31.7	20.2	39.7	125.6	121.1
Average Gold Price	US\$/oz	1,317	1,400	1,316	1,310	1,331	1,308
Copper Produced	kt	-	4.0	-	-	4.0	3.9
Copper Sales	kt	-	3.6	-	-	3.6	3.3
Average Copper Price	US\$/lb	-	2.60	-	-	2.60	3.12
Total Ore Mined	kt	617	747	123	1,349	2,836	3,081
Tonnes Processed	kt	757	1,022	126	1,526	3,431	3,306
Gold Grade Processed	g/t	1.91	1.14	5.99	0.93	1.40	1.41
Gold Recovery	%	79.4	87.9	86.9	82.8	83.8	83.7
Cash Costs	US\$/oz	710	552	648	786	684	688
All-In Sustaining Costs	US\$/oz	1,379	733	815	1,356	1,118	1,026

Table 1 – Production and Cost Results Summary

Year to date 30 Jun 2019		Haile	Didipio	Waihi	Macraes	Consolidated	
						YTD 2019	YTD 2018
Gold Produced	koz	62.9	66.7	36.3	89.1	255.0	268.6
Gold Sales	koz	58.8	60.8	35.3	91.9	246.8	266.4
Average Gold Price	US\$/oz	1,310	1,364	1,309	1,307	1,320	1,315
Copper Produced	kt	-	7.9	-	-	7.9	7.8
Copper Sales	kt	-	6.9	-	-	6.9	7.2
Average Copper Price	US\$/lb	-	2.85	-	-	2.85	3.06
Total Ore Mined	Kt	1,183	1,082	218	3,435	5,917	4,889
Tonnes processed	Kt	1,506	2,029	221	2,981	6,738	6,126
Gold grade processed	g/t	1.65	1.16	5.88	1.12	1.40	1.58
Recovery	%	77.8	88.1	86.6	83.3	83.6	86.5
Cash Costs	US\$/oz	902	476	698	682	686	445
All-In Sustaining Costs	US\$/oz	1,551	687	889	1,092	1,073	744

Table 2 – Financial Summary

Quarter ended 30 Jun 2019 (US\$m)	Q2	Q1 ⁽⁴⁾	Q2	YTD	YTD
	30 Jun 2019	31 Mar 2019	30 Jun 2018	Jun 30 2019	Jun 30 2018
Revenue	186.0	179.5	205.7	365.5	402.4
Cost of sales, excluding depreciation and amortization	(99.7)	(101.0)	(83.3)	(200.7)	(168.0)
General and administration – other	(11.9)	(11.6)	(12.7)	(23.5)	(22.9)
General and administration – indirect taxes ⁽²⁾	(4.5)	(2.8)	(2.8)	(7.3)	(4.9)
Foreign currency exchange gain/(loss)	0.2	(0.2)	1.3	0.0	1.9
Other income/(expense)	0.6	0.5	1.5	1.1	2.1
EBITDA (excluding gain/(loss) on undesignated hedges and impairment charge)	70.7	64.4	109.7	135.1	210.6
Depreciation and amortization	(41.7)	(40.4)	(47.7)	(82.1)	(99.1)
Net interest expense and finance costs	(3.5)	(3.6)	(3.6)	(7.1)	(7.3)
Earnings before income tax (excluding gain/(loss) on undesignated hedges and impairment charge)	25.5	20.4	58.4	45.9	104.2
Income tax expense on earnings	(3.4)	(4.4)	(10.7)	(7.8)	(17.9)
Earnings after income tax and before gain/(loss) on undesignated hedges and impairment charge	22.1	16.0	47.7	38.1	86.3
Write off deferred exploration expenditure / investment ⁽³⁾	-	(4.6)	(2.9)	(4.6)	(2.9)
Gain/(loss) on fair value of undesignated hedges	(9.5)	1.4	0.0	(8.1)	6.0
Tax (expense) / benefit on gain/loss on undesignated hedges	2.7	(0.4)	(0.1)	2.3	(0.1)
Share of loss from equity accounted associates	-	(0.0)	(0.1)	-	(0.2)
Net Profit	15.3	12.4	44.6	27.7	89.1

(1) The Company's consolidated financial results for YTD June 30, 2018 reflected adjustments on IFRS 15 adoption from January 1, 2018.

(2) Represents indirect taxes in the Philippines specifically excise tax (expensed as from April 1, 2018), local business and property taxes. This value is included in the Company's AISC calculation as from January 1, 2019 in accordance with the World Gold Council's updated methodology.

(3) Deferred exploration related costs for the La Curva and Claudia projects were written off due to termination of agreement with Mirasol Resources Ltd

(4) The Company's consolidated financial results for the quarter ended March 31, 2019 reflected adjustments on IFRS 16 adoption from January 1, 2019.

Table 3 – Cash Flow Summary

Quarter ended 30 Jun 2019 (US\$m)	Q2 30 Jun 2019	Q1 31 Mar 2019	Q2 30 Jun 2018	YTD Jun 30 2019	YTD Jun 30 2018
Cash flows from Operating Activities	86.2	39.0	109.0	125.2	186.1
Cash flows used in Investing Activities	(76.1)	(57.9)	(60.0)	(134.0)	(119.1)
Cash flows used in Financing Activities	(10.1)	(2.6)	(8.3)	(12.7)	(12.7)

Operations

In the first half of the year, the Company produced 254,972 ounces of gold and 7,871 tonnes of copper including 129,290 ounces of gold and 3,961 tonnes of copper in the second quarter. Gold production in the first half of 2019 was slightly lower than over the same period in 2018 due to the challenging mining conditions impacting first quarter production at Haile. Quarter-on-quarter gold production increased slightly with stronger production at Haile and Waihi partially offsetting expected lower production from Macraes.

Consolidated cash costs in the first half of the year were \$686 per ounces on sales of 246,753 ounces of gold while second quarter cash costs were \$684 per ounce on sales of 125,609 ounces of gold. Quarter-on-quarter cash costs were similar with significantly lower costs at Haile being offset by higher costs at Didipio and Macraes. All-In Sustaining Costs (“AISC”) in the first half of the year was \$1,073 per ounce sold while second quarter AISC was \$1,118 per ounce sold, an increase on the previous quarter on higher pre-stripping investments at Haile and Macraes. The increase in pre-stripping was partially offset by higher quarter-on-quarter sales.

At Haile, the operation delivered a significant improvement on the previous quarter with 37,182 ounces of gold produced, a 45% increase on the previous quarter at cash costs of \$710 per ounce sold. Cash costs were 39% lower than the previous quarter’s cash cost of \$1,164 per ounce sold, contributing to a 23% decrease in AISC quarter-on-quarter. Total mining movements increased 45% from the previous quarter as a result of better equipment productivity.

Favourable, dry weather conditions at Haile in the second quarter facilitated accelerated pre-stripping activities. This resulted in fast-tracking the Red Hill pit, the third pit in sequence whereby ore mining commenced three months ahead of schedule. As at the end of the second quarter, 75% of the planned pre-stripping activities for the year were complete.

Processing at Haile saw higher mill feed despite the early quarter plant shutdown to tie-in the upgraded regrinding circuit. Mill feed grades improved by 37% quarter-on-quarter and recoveries increased to nearly 80%. Commissioning of the regrinding circuit continues as the operation seeks to maintain steady-state grind sizes and recoveries. The Company expects to mill between 3.2 and 3.3 million tonnes of ore in 2019 and achieve throughput rates greater than 3.5 million tonnes per annum before year-end and ahead of schedule.

In late June, the Provincial Governor of Nueva Vizcaya issued an order directing his local government units to ‘restrain any operations’ of the Company (“NV Order”). On July 1, 2019, a local government unit prevented a large supply truck from accessing the mine site and the Company decided to halt all truck movements to prevent the potential for escalation.

On July 3, 2019, OceanaGold filed a petition in the Regional Trial Court of Nueva Vizcaya seeking that the Court (a) declare as null and void the NV Order, (b) prohibit and restrain the Provincial Government of Nueva Vizcaya and other local government units from performing any act that may prevent the Company from conducting its mining operations at Didipio; and (c) by way of an interim relief, issue an injunction against the Provincial Government of Nueva Vizcaya and local government units from interfering with the Didipio operations.

The hearing took place on July 12, 2019, and the Company is currently awaiting a decision from the Court. Subsequently, Didipio's underground mining has been suspended due to the depletion of consumable mining supplies, while other underground activities including pumping continue for safety and environmental reasons. Processing of ore from stockpiles and metal production is also continuing. The Company will provide ongoing updates on the progress of this matter.

Financial

In the first half of 2019, the Company generated \$365.5 million in revenue including \$186.0 million in the second quarter. Revenue in the first half decreased over the same period in 2018 due mainly to lower sales. Quarter-on-quarter revenue increased on increased sales. The EBITDA for the first half of the year was \$135.1 million while second quarter EBITDA was \$70.7 million. The quarter-on-quarter EBITDA growth of 9.8% was as a result of higher revenue and lower costs.

Net profit before unrealised losses on undesignated hedges was \$22.1 million or \$0.03 per share on a fully diluted basis. This compares to analyst consensus of \$0.02 per share.

Operating cash flows in the first half of the year were \$125.2 million while second quarter operating cash flows were \$86.2 million, a 121% increase on the previous quarter. The quarter-on-quarter increase is a result of a higher EBITDA combined with favourable working capital movements. Cash flows used in investing activities increased on the previous quarter due mainly to higher pre-stripping investments at Haile and Macraes. Fully diluted cash flow per share before working capital was \$0.11 for the quarter, which exceeds analyst consensus of \$0.10 per share.

As at the end of June 2019, the Company's cash balance stood at \$84.7 million, excluding approximately \$44.3 million held in strategic equity investments. Total liquidity was \$134.7 million while net debt was \$108.4 million.

Growth

At Waihi, the Company commenced development of the Martha Underground with construction of a raise bore ventilation to connect the two underground drill drives. The raise bore supports commencement of horizontal development. Over the course of the next twelve months, the Company will complete an all-encompassing pre-feasibility study for the Waihi operation that would include while continuing its resource drilling and mine plans for the Martha Underground.

At Haile, the Company connected the upgraded regrinding circuit to the process plant and continued commissioning the IsaMill™. With the upgraded regrinding circuit in place, the operation has achieved higher

throughput rates and with further refinements to the IsaMill™, the Company expects to achieve higher recoveries more consistently. Permitting of the larger open pits and the Horseshoe underground at Haile continues to progress well, and the Company expects receipt of these permits by the end of 2019 or early 2020.

At Macraes, the Company has previously stated that through exploration and mine planning, it is seeking to extend the mine life. One of these opportunities is at Golden Point, where the Company is investigating the potential for a standalone underground operation.

The Company will also host a conference call / webcast to discuss the results at 7:30 am on Friday July 26, 2019 (Melbourne, Australian Eastern Standard Time) / 5:30 pm on Thursday July 25, 2019 (Toronto, Eastern Daylight Time).

Webcast Participants

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

<https://event.on24.com/wcc/r/2029539/533F01B25D56FBBB928D1DD5B1637A17>

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

Local (toll free) dial in numbers are:

North America: 1 888 390 0546

Australia: 1 800 076 068

United Kingdom: 0 800 652 2435

Switzerland: 0 800 312 635

All other countries (toll): + 1 416 764 8688

Playback of Webcast

A recording will be available for viewing on the Company's website following the webcast.

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About OceanaGold

OceanaGold Corporation is a mid-tier, high-margin, multinational gold producer with assets located in the Philippines, New Zealand and the United States. The Company's assets encompass the Didipio Gold-Copper Mine located on the island of Luzon in the Philippines. On the North Island of New Zealand, the Company operates the high-grade Waihi Gold Mine while on the South Island of New Zealand, the Company operates the largest gold mine in the country at the Macraes Goldfield which is made up of a series of open pit mines and the Frasers underground mine. In the United States, the Company operates the Haile Gold Mine, a top-tier, long-life, high-margin asset located in South Carolina. OceanaGold also has a significant pipeline of organic growth and exploration opportunities in the Americas and Asia-Pacific regions.

OceanaGold has operated sustainably since 1990 with a proven track-record for environmental management and community and social engagement. The Company has a strong social license to operate and works collaboratively with its valued stakeholders to identify and invest in social programs that are designed to build capacity and not dependency.

In 2019, the Company expects to produce between 500,000 to 550,000 ounces of gold and 14,000 to 15,000 tonnes of copper at All-In Sustaining Costs ranging between \$850 and \$900 per ounce sold.

Cautionary Statement for Public Release

Certain information contained in this public release may be deemed "forward-looking" within the meaning of applicable securities laws. Forward-looking statements and information relate to future performance and reflect the Company's expectations regarding the generation of free cash flow, execution of business strategy, future growth, future production, estimated costs, results of operations, business prospects and opportunities of OceanaGold Corporation and its related subsidiaries. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as "expects" or "does not expect", "is expected", "anticipates" or "does not anticipate", "plans", "estimates" or "intends", or stating that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved) are not statements of historical fact and may be forward-looking statements. Forward-looking statements are subject to a variety of risks and uncertainties which could cause actual events or results to differ materially from those expressed in the forward-looking statements and information. They include, among others, the accuracy of mineral reserve and resource estimates and related assumptions, inherent operating risks and those risk factors identified in the Company's most recent Annual Information Form prepared and filed with securities regulators which is available on SEDAR at www.sedar.com under the Company's name. There are no assurances the Company can fulfil forward-looking statements and information. Such forward-looking statements and information are only predictions based on current information available to management as of the date that such predictions are made; actual events or results may differ materially as a result of risks facing the Company, some of which are beyond the Company's control. Although the Company believes that any forward-looking statements and information contained in this press release is based on reasonable assumptions, readers cannot be assured that actual outcomes or results will be consistent with such statements. Accordingly, readers should not place undue reliance on forward-looking statements and

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