OCEANAGOLD

Full Year 2017 Results

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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 Resources will ever be upgraded to a higher category. Under Canadian rules, estimates of Inferred Resources may not form the basis of feasibility or other economic studies. U.S. investors are cautioned not to assume that all or any part of Measured or Indicated Resources will ever be converted into reserves. U.S. investors are also cautioned not to assume that all or any part of an Inferred Resource exists, or is economically or legally mineable. This document does not constitute an offer of securities for sale in the United States or to any person that is, or is acting for the account or benefit of, any U.S. person (as defined in Regulation S under the United States Securities Act of 1933, as amended (the “Securities Act”)) (“U.S. Person”), or in any other jurisdiction in which such an offer would be unlawful.

Technical Disclosure

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.

The exploration results were prepared in accordance with the standards set out in the 2012 Edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’ (“JORC Code”) and in accordance with National Instrument 43-101 – Standards of Disclosure for Mineral Projects of the Canadian Securities Administrators (“NI 43-101”). The JORC Code is the accepted reporting standard for the Australian Stock Exchange Limited (“ASX”). Information relating to Waihi exploration results in this document has been verified by, is based on and fairly represents information compiled by or prepared under the supervision of Lorrance Torckler, a Fellow of the Australasian Institute of Mining and Metallurgy and an employee of OceanaGold. Mr Torckler has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the JORC Code and is a Qualified Persons for the purposes of the NI 43 101. Mr Torckler consents to the inclusion in this public report of the matters based on their information in the form and context in which it appears

HIGHLIGHTS

- Achieved record full year revenue of $724 million, EBITDA of $408 million and net profit of $172 million including revenue of $246 million with an EBITDA of $149 million and a net profit of $89 million in the fourth quarter.
- Immediate liquidity of $103 million including $73 million in cash, after payment of $6.2 million of dividends and repayment of $73 million of debt facilities in the fourth quarter. In addition, $73 million of marketable securities were held in strategic investments.
- Subsequent to the year-end, declared an ordinary semi-annual dividend payment of $0.01 per common share or CDI reflecting continued strong performance.
- Record annual and quarterly consolidated gold production of 574,606 ounces of gold for the 2017 full year and 166,211 ounces of gold in the fourth quarter.
- Annual copper production of 18,351 tonnes including 3,687 tonnes in the fourth quarter.
- Consolidated year-to-date All-In Sustaining Cost of $617 per ounce on sales of 495,365 ounces of gold and 18,091 tonnes of copper.
- Consolidated fourth quarter All-In Sustaining Cost of $564 per ounce on sales of 168,586 ounces of gold and 4,842 tonnes of copper.
- Didipio received the inaugural top award for Best Practices in Sustainable Resource Development in Mineral Processing and the silver award for Environmental Excellence at the ASEAN mineral awards held in Myanmar.

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 27 for explanation of non-GAAP measures.
- Cash Costs and All-In Sustaining Costs are reported net of by-product credits unless otherwise stated.
- All-In Sustaining Costs are based on the methodology outlined by the World Gold Council. Capital costs associated with expansionary growth are excluded from this calculation.
  In the first nine months of 2017 in the Management Discussion and Analysis ("MD&A"), all sales, revenue and costs reported excluded the Haile operations given they were capitalised. Following the declaration of the commencement of commercial production at Haile, effective from October 1, 2017, all revenue and costs reported in the Consolidated Statement of Comprehensive Income include the Haile operations.

OVERVIEW

Operating Results

The Company produced an annual record of 574,606 ounces of gold in 2017, including 166,211 ounces of gold produced in the fourth quarter. The 22% increase from the previous quarter was due to higher production at Haile, Macraes and Didipio.

Copper production for the year was 18,351 tonnes of copper, including 3,687 tonnes produced in the fourth quarter.

The Company achieved its AISC guidance with an AISC of $617 per ounce on sales of 495,365 ounces of gold and 18,091 tonnes of copper. Full year consolidated Cash Costs were $347 per ounce sold and within the cost guidance range.

Financial Results

For 2017, the Company achieved record annual revenue of $724 million and annual EBITDA of $408 million. In the fourth quarter, the Company reported record revenue of $246 million and quarterly record EBITDA of $149 million. During the fourth quarter, Haile contributed revenue of $63 million and EBITDA of $49 million.

The Company also achieved record net profit of $172 million for the full year, including $89 million in the fourth quarter.

At the end of the fourth quarter, the cash balance was $73 million while total available liquidity was $103 million. In addition there was $73 million in marketable securities mainly related to equity positions in Gold Standard Ventures ("GSV") and NuLegacy Gold Corporation ("NUG"). In the quarter, the Company repaid $76 million in debt including $73 million of its credit facilities and paid dividends totaling $6.2 million to its shareholders. As at December 31, 2017, the Company's total facilities stood at $230 million, of which $200 million remained drawn.

Growth

During the fourth quarter, at Didipio, the underground mine continued to progress, with the first stope and construction of the underground pump station and the paste fill plant completed. Commissioning of this infrastructure was on schedule for completion early in 2018.

At Waihi, the Company commenced drilling from the second (920 RL) underground drill drive at Martha and continued development of the first (800 RL) drill drive to the second drill location. The Company continues to advance the Martha Project, with permitting now expected to commence in the second quarter of 2018.

Outlook

Looking ahead to 2018, the Company will continue to advance with its organic growth program, including the development of panel two of the underground at Didipio, commencement of permitting expansions at Haile and Waihi and continued drilling at each operation to increase resources and reserves.

Production at Didipio in 2018 is expected to be lower than in 2017 as a result of ramping-up the underground and increased mill feed of low-grade stockpiles. Waihi production is expected to be lower due to mine sequencing resulting in a lower year-on-year head grade. Conversely, production at Macraes is expected to be stronger in 2018 from mining higher grades at Coronation North.

At Haile, production is expected to be stronger from increased throughput and continued ramp-up of the process plant. The Company expects to exceed nameplate capacity at Haile in 2018.

During 2018, production is expected to strengthen each quarter throughout 2018. The Company expects the second half of 2018 to be stronger than the first half due to a stronger second half from Macraes and Haile.

Dividend

Subsequent to the quarter end, the Board of Directors has declared an ordinary semi-annual dividend of $0.01 per common share payable to shareholders of record on 8 March 2018. The Dividend will be paid on 27 April 2018 and at the election of the shareholder, the Company will pay the Dividend in either US Dollars, Canadian Dollars, Australian Dollars or New Zealand Dollars.

Table 1 – Production and Cost Results Summary

		Haile	Didipio	Waihi	Macraes	Consolidated	
Fourth Quarter 2017 Results						**Q4 2017**	**Q3 2017**
Gold Produced	*Ounces*	50,134	39,256	31,761	45,060	**166,211**	136,043
Copper Produced	*Tonnes*	–	3,687	–	–	**3,687**	4,387
Gold Sales	*Ounces*	49,265	43,345	30,054	45,922	**168,586**	131,071
Copper Sales	*Tonnes*	–	4,842	–	–	**4,842**	3,273
Cash Costs	*$ per ounce*	272	(72)	436	593	**300**	416
All-In Sustaining Costs (1)	*$ per ounce*	509	155	680	933	**564**	748
Full Year 2017 Results (2)						**2017**	2016
Gold Produced	*Ounces*	118,466	176,790	119,084	160,266	**574,606**	416,741
Copper Produced	*Tonnes*	–	18,351	–	–	**18,351**	21,123
Gold Sales	*Ounces*	109,532	167,653	117,721	160,726	**555,632**	437,146
Copper Sales	*Tonnes*	–	18,091	–	–	**18,091**	21,413
Cash Costs	*$ per ounce*	272	(92)	471	737	**347**	452
All-In Sustaining Costs (1)	*$ per ounce*	509	70	759	1,115	**617**	708

Notes:
1. AISC for Haile, and the consolidated group, includes only the period post declaration of commencement of commercial operations at Haile (effective from October 1, 2017). In the nine months to September 30, 2017, all Haile revenue and costs were capitalised.
2. Full year 2017 consolidated gold production and sales reflect full year production and sales volumes from Haile.

Table 2 – Consolidated Financial Summary*

		Q4 Dec 31 2017	**Q3 Sep 30 2017**	Q4 Dec 31 2016	**2017**	2016
Revenue	US$'000	**246,113**	144,849	147,432	**724,413**	628,634
Operating Costs	US$'000	**(97,510)**	(71,450)	(80,542)	**(315,994)**	(345,015)
EBITDA	US$'000	**148,603**	73,399	66,890	**408,419**	283,619
Net Profit before impairment	US$'000	**88,637**	21,746	42,574	**189,397**	136,452
Net Profit	US$'000	**88,637**	21,746	42,574	**171,743**	136,452
Ave. Gold Price Received	$ per ounce	**1,275**	1,276	1,170	**1,261**	1,225
Ave. Copper Price Received	$ per pound	**3.17**	2.82	2.46	**2.78**	2.22

Notes:
**: In the first nine months of 2017, all revenue and costs reported do not include the Haile operations as these have been capitalised as commercial production was declared after the end of the third quarter (effective from October 1, 2017).*

Table 3 – 2017 Production and Cost Guidance

		Haile [1]	Didipio	Waihi	Macraes	Consolidated
Gold Production	*Ounces*	110,000 – 130,000	150,000 – 160,000	110,000 – 120,000	180,000 – 190,000	550,000 – 600,000
Copper Production	*Tonnes*	–	18,000 – 19,000	–	–	18,000 – 19,000
All-In Sustaining Costs [2]	*$ per ounce*	$600 – $650	$70 – $120	$740 – $790	$950 – $1,000	$600 – $650

Notes:

1. *Production and costs prior to declaration of commercial production will be capitalised as part of mining assets 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 – 2018 Production and Cost Guidance

		Haile [1]	Didipio	Waihi	Macraes	Consolidated
Gold Production	*Ounces*	135,000 – 155,000	80,000 – 90,000	75,000 - 85,000	190,000 – 200,000	480,000 – 530,000
Copper Production	*Tonnes*	–	15,000 – 16,000	–	–	15,000 – 16,000
All-In Sustaining Costs [2]	*$ per ounce*	$725 – $775	$260 – $310	$750 – $790	$950 – $1,000	$725 – $775

Notes:

1. *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.*

Economic assumptions:

- *NZD:USD exchange rate of 0.72, average copper price, inclusive of executed hedges: $3.15 / lb on average for full year.*

Table 5 – Capital Expenditure Summary [2]

		Haile [1]	Dipidio	Waihi	Macraes	Consolidated	
Fourth Quarter 2017 Results						**Q4 2017**	Q3 2017
Sustaining Capital	US$'000	2,812	6,813	1,191	1,735	**12,551**	6,907
Pre-strip and Capitalised Mining	US$'000	5,285	-	1,445	9,947	**16,677**	11,961
Exploration	US$'000	1,955	287	3,228	1,535	**7,005**	9,976
Growth Capital	US$'000	11,514	29,972	2,438	2,386	**46,310**	59,057
Capitalised Revenue [1] [3]	US$'000	(9,671)	**-**	-	-	**(9,671)**	(35,651)
Total	**US$'000**	**11,895**	**37,072**	**8,302**	**15,603**	**72,872**	52,250
Full Year 2017						**2017**	2016
Sustaining Capital	US$'000	2,812	13,476	8,218	12,263	**36,769**	46,342
Pre-strip and Capitalised Mining	US$'000	5,285	-	6,221	35,331	**46,837**	34,848
Exploration	US$'000	8,545	1,964	13,267	5,559	**29,335**	28,387
Growth Capital	US$'000	128,699	95,629	4,249	4,024	**232,601**	337,761
Capitalised Revenue [1]	US$'000	(76,908)	-	-	-	**(76,908)**	-
Total	**US$'000**	**68,433**	**111,069**	**31,955**	**57,177**	**268,634**	**447,338**

Notes:

1. *Haile's capitalised revenue for the nine months ended September 30, 2017 (prior to commercial production) has been offset against the capital expenditure in the above table.*
2. *This table does not include investment in joint venture partnership with Mirasol in relation to La Curva and Claudia of $1.7 million.*
3. *Capitalised revenue reflects timing differences between the receipt of revenue previously capitalised prior to commencement of commercial production.*

Table 6 – Key Financial Statistics for Haile Operations (post Commercial Production)

		Q4 Dec 31 2017	2017
Gold Sales	*ounces*	**49,265**	**49,265**
Ave. Gold Price Received	*$ per ounce*	**1,273**	**1,273**
Cash Costs	*$ per ounce*	**272**	**272**
All-In Sustaining Costs	*$ per ounce*	**509**	**509**
All-In Sustaining Margin	***$ per ounce***	**764**	**764**

Table 7 – Haile Operating Statistics

		Q4 Dec 31 2017	Q3 Sep 30 2017	Q2 Jun 30 2017	2017
Gold Produced	*ounces*	**50,134**	31,374	16,160	**118,466**
Total Ore Mined	*tonnes*	**1,170,730**	625,275	537,670	**2,710,469**
Ore Mined Grade	*g/t*	**2.06**	2.08	2.22	**2.05**
Total Waste Mined including pre-strip	*tonnes*	**3,901,833**	4,475,630	3,513,820	**16,475,134**
Mill Feed	*tonnes*	**618,526**	456,993	409,251	**1,836,086**
Mill Feed Grade	*g/t*	**3.05**	2.76	1.99	**2.67**
Recovery	*%*	**82.6**	77.3	61.7	**75.1**

Table 8 – Key Financial Statistics for Didipio Operations

		Q4 Dec 31 2017	Q3 Sep 30 2017	Q4 Dec 31 2016	**2017**	2016
Gold Sales	*ounces*	**43,345**	25,656	35,260	**167,653**	149,663
Copper Sales	*tonnes*	**4,842**	3,273	4,960	**18,091**	21,413
Silver Sales	*ounces*	**59,745**	35,174	61,171	**211,009**	256,020
Ave. Gold Price Received	*$ per ounce*	**1,282**	1,261	1,092	**1,261**	1,229
Ave. Copper Price Received	*$ per pound*	**3.17**	2.82	2.46	**2.78**	2.22
Cash Costs	*$ per ounce*	**(72)**	(113)	(120)	**(92)**	1
All-In Sustaining Costs	*$ per ounce*	**155**	137	125	**70**	239
All-In Sustaining Margin	***$ per ounce***	**1,127**	1,124	967	**1,191**	990

Table 9 – Didipio Mine Operating Statistics

		Q4 Dec 31 2017	Q3 Sep 30 2017	Q4 Dec 31 2016	**2017**	2016
Gold Produced	*ounces*	**39,256**	31,887	30,695	**176,790**	147,150
Copper Produced	*tonnes*	**3,687**	4,387	3,765	**18,351**	21,123
Silver Produced	*ounces*	**45,622**	53,368	46,779	**225,823**	253,161
Total Ore Mined	*tonnes*	**-**	3,795	3,266,073	**3,764,148**	9,199,375
Ore Mined Grade Gold	*g/t*	**0.91**	2.04	0.96	**1.09**	0.92
Ore Mined Grade Copper	*%*	**0.41**	0.69	0.44	**0.44**	0.48
Total Waste Mined including pre-strip	*tonnes*	**-**	-	1,885,581	**240,007**	17,332,769
Mill Feed	*tonnes*	**727,110**	853,312	698,993	**3,500,000**	3,499,584
Mill Feed Grade Gold	*g/t*	**1.88**	1.30	1.71	**1.77**	1.50
Mill Feed Grade Copper	*%*	**0.53**	0.56	0.48	**0.56**	0.61
Recovery Gold	*%*	**92.4**	89.2	90.6	**90.9**	89.9
Recovery Copper	*%*	**91.6**	91.6	90.9	**92.3**	93.8
Mining Costs	*US$/t mined*	**N/A**	N/A	4.25	**5.02**	6.06
Processing Costs	*US$/t milled*	**9.24**	6.77	10.46	**7.21**	8.46
G&A Costs	*US$/t milled*	**9.43**	7.27	9.66	**7.24**	6.92

Table 10 – Key Financial Statistics for Waihi Operations

		Q4 Dec 31 2017	Q3 Sep 30 2017	Q4 Dec 31 2016	2017	2016
Gold Sales	*ounces*	**30,054**	36,167	27,665	**117,721**	116,169
Ave. Gold Price Received	*$ per ounce*	**1,276**	1,280	1,215	**1,260**	1,242
Cash Costs	*$ per ounce*	**436**	410	427	**471**	473
All-In Sustaining Costs	*$ per ounce*	**680**	659	766	**759**	735
All-In Sustaining Margin	***$ per ounce***	**596**	621	449	**501**	507

Table 11 – Waihi Mine Operating Statistics

		Q4 Dec 31 2017	Q3 Sep 30 2017	Q4 Dec 31 2016	2017	2016
Gold Produced	*ounces*	**31,761**	35,904	29,280	**119,084**	116,028
Total Ore Mined	*tonnes*	**119,485**	127,645	127,543	**473,706**	478,862
Ore Mined Grade	*g/t*	**9.19**	9.72	7.76	**8.62**	8.07
Total Waste Mined	*tonnes*	**94,571**	100,032	55,400	**377,132**	213,840
Mill Feed	*tonnes*	**121,728**	123,647	128,756	**472,450**	489,300
Mill Feed Grade	*g/t*	**9.09**	9.77	7.77	**8.61**	8.07
Recovery	*%*	**91.9**	92.3	91.0	**91.2**	91.0
Mining Costs	*US$/t mined*	**44.43**	45.92	46.71	**44.77**	52.11
Processing Costs	*US$/t milled*	**25.71**	28.81	26.78	**28.20**	26.97
G&A Costs	*US$/t milled*	**20.88**	20.47	22.05	**21.31**	18.91

Table 12 – Key Financial Statistics for Macraes and Reefton Operations

		Q4 Dec 31 2017	Q3 Sep 30 2017	Q4 Dec 31 2016	2017	2016
Gold Sales	*ounces*	**45,922**	36,742	42,733	**160,726**	171,314
Ave. Gold Price Received	*$ per ounce*	**1,284**	1,283	1,205	**1,264**	1,210
Cash Costs	*$ per ounce*	**593**	792	743	**737**	832
All-In Sustaining Costs	*$ per ounce*	**933**	1,262	980	**1,115**	1,099
All-In Sustaining Margin	***$ per ounce***	**351**	21	225	**149**	**111**

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

Table 13 – Consolidated Operating Statistics for Macraes and Reefton

		Q4 Dec 31 2017	Q3 Sep 30 2017	Q4 Dec 31 2016	2017	2016
Gold Produced	*ounces*	**45,060**	36,878	42,453	**160,266**	153,563
Total Ore Mined	*tonnes*	**1,506,365**	1,016,208	1,769,496	**5,071,508**	4,971,248
Ore Mined Grade	*g/t*	**1.15**	1.24	1.00	**1.13**	1.04
Total Waste Mined including pre-strip	*tonnes*	**10,490,517**	8,613,683	8,914,830	**37,069,604**	27,052,932
Mill Feed	*tonnes*	**1,508,357**	1,485,316	1,476,780	**5,877,501**	6,067,798
Mill Feed Grade	*g/t*	**1.13**	1.03	1.04	**1.04**	0.96
Recovery	*%*	**82.3**	79.2	86.2	**81.2**	83.5
Mining Costs (Open Pit)	*US$/t mined*	**1.07**	1.40	1.71	**1.30**	1.81
Mining Costs (Underground)	*US$/t mined*	**36.77**	41.01	35.93	**38.46**	37.79
Processing Costs	*US$/t milled*	**6.65**	7.71	7.71	**7.34**	7.19
G&A Costs	*US$/t milled*	**1.47**	1.61	2.00	**1.53**	1.58

Table 14 – Macraes Goldfield Operating Statistics

		Q4 Dec 31 2017	Q3 Sep 30 2017	Q4 Dec 31 2016	2017	2016
Gold Produced	*ounces*	**45,060**	36,878	42,453	**160,266**	149,086
Total Ore Mined	*tonnes*	**1,506,365**	1,016,208	1,769,496	**5,071,508**	4,971,248
Ore Mined Grade	*g/t*	**1.15**	1.24	1.00	**1.13**	1.04
Total Waste Mined including pre-strip	*tonnes*	**10,490,517**	8,613,683	8,914,830	**37,069,604**	27,052,932
Mill Feed	*tonnes*	**1,508,357**	1,485,316	1,476,780	**5,877,501**	5,866,286
Mill Feed Grade	*g/t*	**1.13**	1.03	1.04	**1.04**	0.94
Recovery	*%*	**82.3**	79.2	86.2	**81.2**	83.7

OPERATIONS

Summary

On a consolidated basis for 2017, including attributable production from Haile, the Company produced 574,606 ounces of gold and 18,351 tonnes of copper, including 166,211 ounces of gold and 3,687 tonnes of copper produced in the fourth quarter.

Consolidated gold production increased 22% quarter-on-quarter due to higher production at Haile, Macraes and Didipio, partly offset by lower production from Waihi.

For the full year 2017, the Company recorded AISC of $617 per ounce on sales of 495,365 ounces of gold and 18,091 tonnes of copper. During the fourth quarter, the Company recorded AISC of $564 per ounce on sales of 168,586 ounces of gold and 4,842 tonnes of copper.

Health & Safety

At the end of the fourth quarter, the Company recorded a Total Recordable Injury Frequency Rate ("TRIFR") of 3.99 recordable injuries per million man hours, compared to 4.16 recorded at the end of the third quarter and 3.99 during the previous year.

Health and safety improvement initiatives for 2018 will continue to focus on building employee engagement in safe work practices and the continued delivery of strong and visible safety leadership at all operations and across all projects.

Haile Gold Mine

At the end of the fourth quarter and for the full year, the Haile Gold Mine recorded a TRIFR of 8.45 per million man hours worked.

For the full year, Haile produced 118,466 ounces of gold, including 50,134 ounces of gold in the fourth quarter. This 60% quarter-on-quarter increase in production, was due to a higher mill feed and better head grades.

During 2017, mining costs were $2.31 per tonne mined, processing costs were $14.58 per tonne milled and general and administration ("G&A") costs were $8.27 per tonne milled.

Mining operations in the fourth quarter were focused on mining ore at Mill Zone and Snake Pit. At the end of the quarter, total material mined was 5,072,563 tonnes including 1,171,730 tonnes of ore. Quarter-on-quarter ore tonnes mined increased by 87% due to better productivities and the addition of ore from the Snake Pit.

During the quarter, mill feed was sourced exclusively from the first stage of Mill Zone Pit. Haile processed 618,526 tonnes of ore, a 35% quarter-on-quarter increase due to increased mill availability and better grades and recoveries.

Head grade for the quarter was 3.05 g/t, an 11% increase quarter-on-quarter as the higher-grade Mill Zone ore material continued to be the sole source mill feed.

Gold recoveries during the fourth quarter were 82.6%, a 7% quarter-on-quarter increase from higher feed grade and enhancement to plant operations.

Looking forward to 2018, the Company expects that annual production will increase on higher throughput rates as the debottlenecking and improvement activities within the process plant is expected to result in increased throughput to above nameplate capacity and towards 3.0 million tonnes per annum. Recoveries are expected to remain stable in the low 80% range for the year.

In 2018, the Company will focus on continuing to improve the performance of the process plant, which will include the installation of a pebble crusher, a tower mill and the replacement of the currently installed fine grinding circuit with an Isa mill. These improvements are expected to incrementally improve throughput and gold recoveries over the next 18 months to support the optimized process plant, with a capacity of up to 4.0 million tonnes per annum. These capital items are expected to cost approximately $25 million in 2018.

Mining improvements will be focused on increased productivity following the implementation of Minestar, a GPS and data collection technology designed to monitor equipment productivity to assist in productivity improvement opportunities.

Didipio Mine (Philippines)

At the end of the fourth quarter and for the full year, the Didipio operation recorded a TRIFR of 0.51 per million man hours worked compared to 0.66 per million man hours worked at the end of the third quarter.

For the full year, the Didipio operation produced an annual record for gold production of 176,790 ounces and 18,351 tonnes of copper, including 39,256 ounces of gold and 3,687 tonnes of copper in the fourth quarter. The quarter-on-quarter increase was due to processing higher grade stockpiled ore.

During 2017, mining costs were $5.02 per tonne mined, processing costs were $7.21 per tonne milled and general and administration ("G&A") costs were $7.24 per tonne milled. At Didipio, during 2017, AISC was lower year on year on higher sales volumes and with lower sustaining capital requirements.

In the fourth quarter and for 2017, the processing component of AISC for stockpiled material had both a

cash and a non-cash component. For 2017, the processing component of AISC for the stockpiled material was approximately negative $25 per ounce of gold sold, including $143 per ounce of gold sold in the fourth quarter.

During the quarter, stockpiled ore continued to be the sole source of mill feed and Didipio processed 727,110 tonnes of ore compared to 853,312 tonnes in the third quarter. This quarter-on-quarter decrease was due to reaching the permitted limit of mill feed for the year of 3.5 million tonnes.

At the end of the quarter, the Company had approximately 22 million tonnes of stockpiled ore at a gold equivalent grade of 0.9 g/t gold.

Gold head grade increased to 1.88 g/t, up from 1.30 g/t in the third quarter as a result of processing higher grade stockpiled ore material. In 2018, the mill feed will be predominantly sourced from lower grade stockpiles ranging between 0.5 g/t and 1.0 g/t gold whilst copper grades are expected to range between 0.4% and 0.5%.

Gold recoveries increased to 92.4% and copper recoveries were 91.6% in the fourth quarter on higher head grades.

In 2018, the Company expects that gold and copper recoveries will range between 88% to 89% and 90% to 91% respectively.

During the fourth quarter, the Company made two shipments of concentrate, totaling 18,673 dry metric tonnes, to smelters in Asia. Additionally, the Company delivered 11,911 ounces of gold in doré to the Perth Mint, Western Australia.

Looking ahead, production in 2018 is expected to be lower than in 2017, with production remaining relatively flat throughout the year. First underground ore will be processed during the first quarter of 2018, and the Company expects that throughput of underground feed will range between 500,000 and 600,000 tonnes in 2018, with the remainder of feed stock being sourced from lower-grade stockpiled material.

Waihi Mine (New Zealand)

At the end of the fourth quarter and for the full year, the Waihi operation recorded a TRIFR of 6.24 per million man hours compared to 8.57 recorded at the end of the third quarter.

For the full year, Waihi produced 119,084 ounces of gold including 31,761 ounces of gold in the fourth quarter. The 12% quarter-on-quarter decrease in production was due to lower head grades.

During 2017, mining costs were $44.77 per tonne mined, processing costs were $28.20 per tonne milled and general and administration ("G&A") costs were $21.31 per tonne milled. Processing and G&A costs were slightly above the top end of the 2017 guidance ranges primarily due to processing lower volumes.

In the fourth quarter, development of the Martha drill drives continued and development of the Empire and Christina ore drives were near completion.

Total ore mined for the quarter was 119,485 tonnes, an 8% reduction from the previous quarter due to mine sequencing. Mill feed was 121,728 tonnes.

Gold head grade for the quarter was 9.09 g/t compared to 9.77 g/t in the previous quarter due to mining lower grade zones of the underground.

Gold recovery for the quarter decreased slightly from the previous quarter to 91.9% in-line with the lower head grade. The recovery for the full year was 91.2%.

Looking ahead to 2018, gold production is expected to be lower than 2017 due to a lower head grade. The first half of 2018 is expected to be stronger than the second half, with the fourth quarter expected to be the weakest of 2018. Lower grades are a result of mining from lower grade veins. Stoping of the Empire and Christina veins will commence in 2018 with grades expected to be 30% to 40% lower compared to the Correnso vein, which provided the majority of ore in 2017.

Macraes Goldfield (New Zealand)

At the end of the fourth quarter, the Macraes operation reported a TRIFR of 7.09 per million man hours worked, up from 5.92 per million man hours in the previous quarter.

For the full year, Macraes produced 160,266 ounces of gold, below the low end of the 2017 guidance range primarily due to a delay in accessing the higher grade ore from the Coronation North pit. During the fourth quarter Macraes produced 45,060 ounces of gold, a 22% quarter-on-quarter increase due to a higher head grade, higher throughput and higher recoveries.

For the full year 2017, open pit mining costs were $1.30 per tonne mined, underground mining costs were $38.46 per tonne mined, processing costs were $7.34 per tonne milled and G&A costs were $1.53 per tonne milled.

During the fourth quarter, mining activities were completed at the Frasers Innes Mills ("FRIM") mining area (the northern area of the Frasers Pit), while mining continued at the Coronation North pit as well as from the Frasers Underground.

Total material mined for the year was 42.1 million tonnes including 5.1 million tonnes of ore at 1.13 g/t.

Total open pit material mined during the quarter was 11.2 million tonnes. Total ore mined was 1.2 million tonnes, a 20% quarter-on-quarter increase as the proportion of waste material mined decreased as the final ounces of low strip ratio FRIM ore was preferentially mined and as Coronation North orebody was mined.

Ore mined from the Frasers Underground for the quarter was 281,645 tonnes at a grade of 1.94 g/t, up 17% and 1% respectively compared to the previous quarter due to mine sequencing.

For the full year, a total of 5.9 million tonnes of ore was processed at a feed grade of 1.04 g/t and an overall gold recovery of 81.2%.

Mill feed for the quarter was consistent with the previous quarter at 1.5 million tonnes, comprised of approximately 83% material from the open pits and 17% from underground material.

Gold recovery for the fourth quarter was 82.3%, up from the previous quarter's 79.2%. Recoveries were higher in the fourth quarter due to better head grades and improved management of feed material types reducing the impact of carbonaceous materials within the ore feed.

Looking ahead to 2018, gold production at Macraes is expected be stronger than 2017 on the back of higher grade ore from Coronation North. Production in the second half of 2018 is expected to be stronger than the first half as head grade improves.

EXPLORATION

New Zealand

Exploration expenditure in New Zealand for 2017 was approximately $21.1 million comprising $15.5 million at Waihi and $5.6 million at Macraes. Fourth quarter exploration expenditure in New Zealand was approximately $5.9 million including $4.2 million at Waihi and $1.7 million at Macraes.

Macraes

For the full year 2017, exploration drilling at Macraes totaled 266 holes for 33,356 metres drilled, including 83 holes for 10,761 metres drilled during the fourth quarter. Drilling during the fourth quarter were undertaken at Coronation North, Frasers Underground North, Golden Point and Deepdell. The Company continues to receive encouraging results from drilling at Golden Point, Coronation North and Deepdell.

During 2017, the Company had completed 32 holes at Golden Point, including 11 holes in the fourth quarter, all of which intersected mineralisation with further drilling expected in 2018.

A program of deeper (+600 metre) drilling also commenced to the north of the Frasers Underground to test if the mineralisation being mined in FRUG extends on the northern side of the Macraes Fault. Although low-grade mineralisation was intercepted in two holes, grade was considered insufficient to continue. Results from approximately 3,700 metres of infill drilling at Deepdell was in line with expectations, converting inferred resource to measured and indicated.

Drilling activities in the first quarter of 2018 are expected to continue at Deepdell, Golden Point and Coronation North. In 2018, the Company expects to drill a total of 15,500 meters across six targets, including resource definition drilling at Coronation North, Deepdell, Innes Mills, Frasers West, Golden Point and Macraes.

Waihi

For the full year 2017, exploration drilling at Waihi totaled 211 holes for 42,330 metres drilled, including 48 holes for 10,642 metres drilled in the fourth quarter utilizing up to five surface and three underground diamond drill rigs.

Drilling in the fourth quarter focused primarily on initial drilling of targets from underground drill drives, utilising three underground diamond drill rigs. During the fourth quarter, the Company completed 17 diamond drill holes for a total of 5,025 metres within the 800-level drill drive. As announced on November 8, 2017, the drilling provided significant results including; 5.0 metres (true width) at 65.3g/t Au and 42.2 metres (downhole) at 7.0g/t Au.

Development of the 920-level drill drive continues to progress as planned, with drilling of a geotechnical hole commenced in the third quarter of 2017 and with three underground diamond drill rigs scheduled to commence drilling early in the first quarter of 2018.

At the end of 2017 the 920 and 800 drill drives were 70% and 30% completed respectively.

Resource conversion drilling of Gladstone and Favona also progressed well with three surface drill rigs completing 25 holes for 2,805 metres. Some significant results of this drilling included 53.9 metres (downhole) at 1.8g/t Au and 46.7 metres (downhole) at 1.5g/t Au.

During the fourth quarter, drilling of the regional WKP prospect continued with two diamond rigs completing four holes for a total of 2,543 metres.

Exploration activities in the first quarter of 2018 will continue to focus on the Martha underground, Favona and WKP prospects. In 2018, exploration drilling is expected to total 58,750 metres, focusing on resource definition associated with the Martha Project and initial drilling at the regional WKP prospect.

United States

Exploration expenditure for 2017 at Haile was approximately $9.8 million including $2.3 million in the fourth quarter.

For the full year 2017, exploration drilling utilised four diamond drill rigs and totaled 150 holes for 45,447 metres drilled, including 42 holes for 10,747 metres drilled during the fourth quarter. This drilling included 35 brownfields exploration drill holes for 9,386 metres and seven greenfields exploration drill holes for 1,361 metres.

Brownfields infill and delineation drilling was conducted at the Mill Zone and Snake resources to extend the boundaries of known mineralisation (Figure 1). Initial drill results indicate potential southwest extensions of the Snake Pit.

Mapping and geologic modeling combined with EM, IP, and resistivity geophysical data reviews advanced Haile targeting for potential 2018 drilling.

Exploration in the first quarter of 2018 will continue to focus on infill and extensional drilling of the Mill Zone, Snake and Ledbetter-Mustang mineralisation.

Philippines

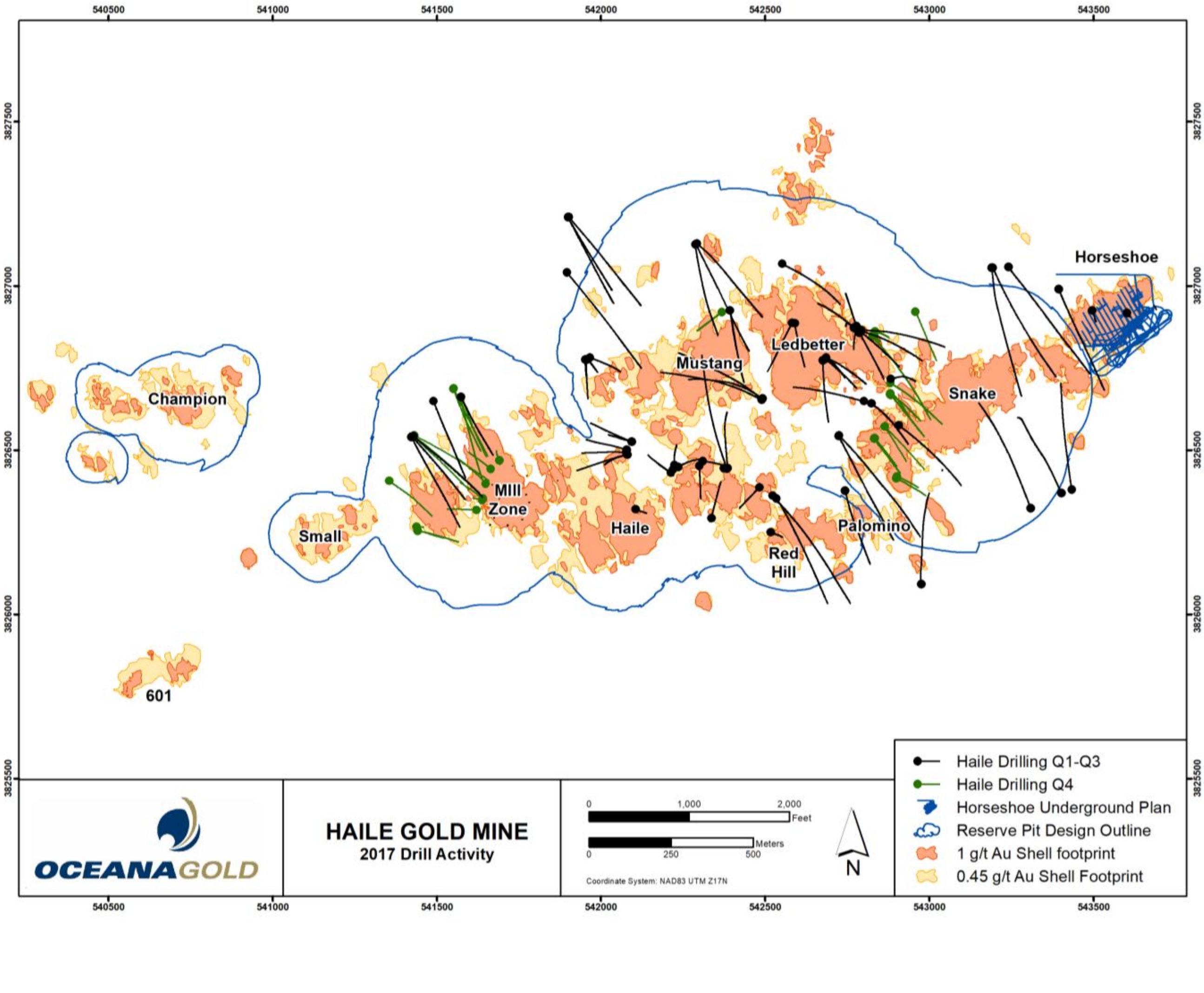
For the full year 2017, exploration expenditure at Didipio totaled approximately $4.4 million including $0.9 million in the fourth quarter.

Drilling for 2017 utilised up to three diamond drill rigs and totaled 83 holes for 14,533 metres, including 26 holes for 3,681 metres drilled during the fourth quarter across five underground targets with porphyry mineralisation intercepted in all holes.

Exploration within the greater FTAA continued during the fourth quarter with activities focused within the Radio and Napartan prospect areas where gold mineralised epithermal veins (Radio) and copper-gold mineralised pegmatitic intrusives (Napartan) have been delineated through surface mapping and sampling.

For the first quarter of 2018, exploration activities will focus on resource definition drilling at Didipio and follow-up on the Napartan and Radio prospects. The Company expects a total of 22,412 meters of drilling during 2018.

Figure 1 – Location of Haile 2017 Drilling



DEVELOPMENT

United States

In the fourth quarter, much of the focus of growth at Haile was on advancing the permitting application for the expansion of the operation. The Company expects to commence the permitting process in the second quarter of 2018.

In addition, the Company continued debottlenecking activities at Haile as part of the normal course of operating a steady-state operation. Although the metallurgical test work prior to the commencement of operations indicated recoveries in the low 80%'s at a grind size of 13 microns, the operation has achieved these recoveries while only reducing the grind size of the gold bearing ore to 19 microns. As such, the Company has identified an opportunity whereby installing additional regrinding capacity would reduce the grind size to 13 microns potentially resulting in even better recoveries. As such, the Company has commenced the design and procurement of new regrinding infrastructure and expects to have this equipment installed and commissioned in the first quarter of 2019.

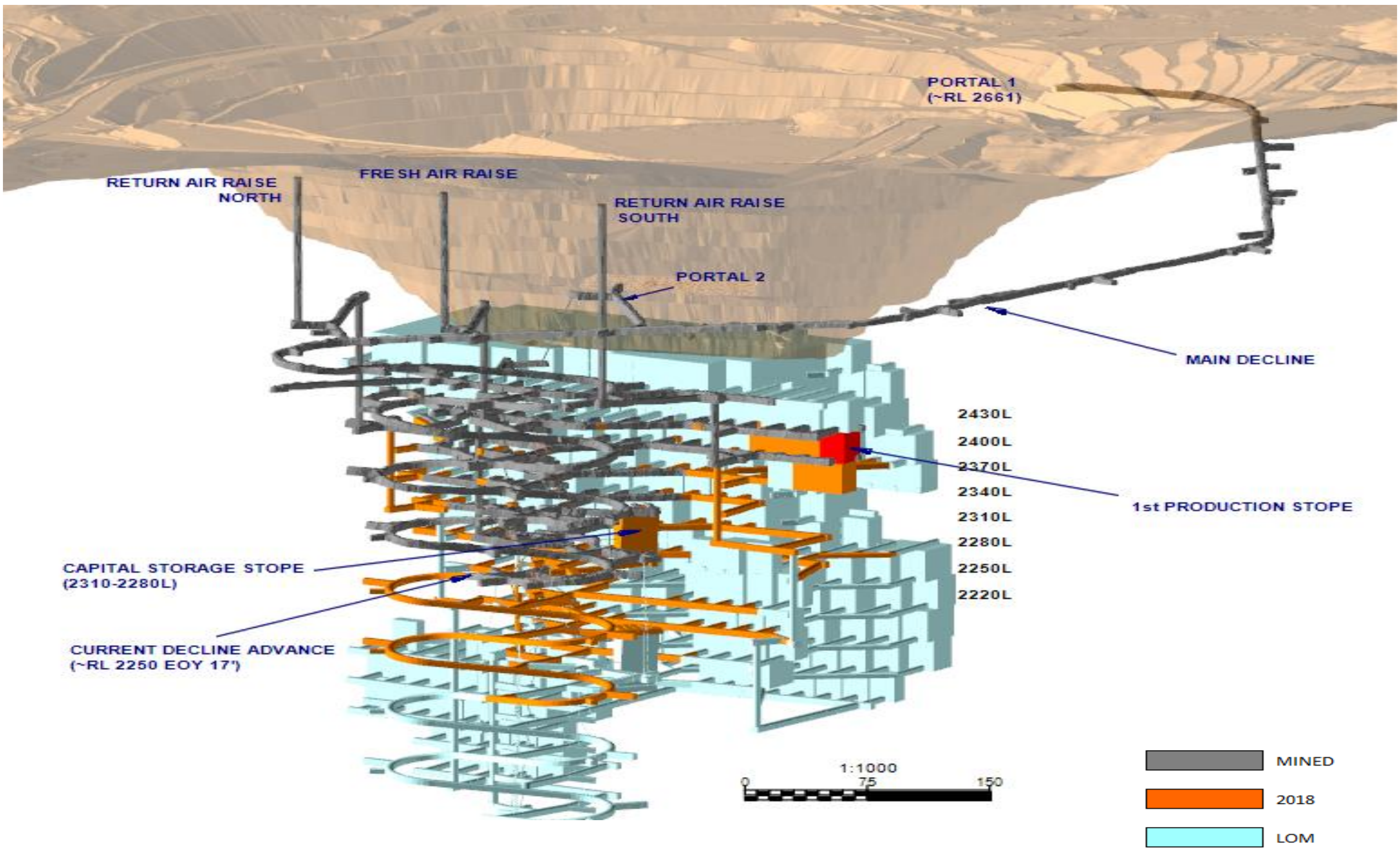
Philippines

For the full year, the Didipio underground advanced a total of 5,500 metres, including 1,460 metres during the fourth quarter, achieving access to the 2250 RL. At the end of the fourth quarter, the decline advanced to 2,930 metres from the main portal; Portal One (Figure 2).

Development to access the first production stope was completed on the 2370 RL and 2400 RL. The stope was drilled out and fired during December with the first feed of underground ore delivered to the ROM Pad.

During the fourth quarter, access to the base of the water storage stope on the 2250 RL was commenced. Construction of the water storage stope is expected be completed in the second quarter of 2018. Additionally, construction activities associated with the underground Pump Station continued, with commissioning expected in the first quarter of 2018. Construction of the Paste Fill Plant was completed and water commissioning was successfully conducted. Paste fill of the first stope commenced and is expected to be completed during the first quarter of 2018.

Figure 2 – Cross-section of Didipio Underground Design and Construction Phase



SUSTAINABILITY

Environment

The Company did not record any significant environmental incidents during 2017.

At Macraes, supported by the University of Otago, the Company completed an updated Biodiversity Action Plan to support its Site Environmental Management Plan with the aim of the identification and implementation of industry best practices and standards for the preservation, protection and enhancement of biodiversity throughout the Macraes region. The Company expects to develop Biodiversity Action plans for the rest of the sites in 2018.

During the fourth quarter, with an ongoing focus on water management, the Macraes Site Water Management Group was formed to identify opportunities and efficiencies for further enhancement of water management. Additionally, the Company completed the installation of all infrastructure required for effective water management at the new Coronation North mining area.

The Company also completed a technical review of tailing storage facilities at Macraes and Reefton with no significant findings reported.

At Reefton, the Company continued rehabilitation and closure activities, including the backfilling of Souvenir Pit, topsoil and revegetation trials on a section of Fossickers Tailings Storage Facility and decommissioning and removal of earthmoving equipment.

At Didipio, in partnership with the Quirino State University (QSU) through the Sustainable Environment for Rural Development Association, Inc. (SERD), the Company commenced the establishment of a Floral Reserve for the protection and development of endemic and endangered vegetation and to promote biodiversity conservation. Additionally, the Company delivered a presentation at the 1st International Conference on Biodiversity at the Central Mindanao University to discuss the Didipio Long Term Vegetation Monitoring Plot (DLVMP).

During the fourth quarter, the Didipio operation received the inaugural ASEAN award for Best Practices in Sustainable Resource Development in Mineral Processing and a silver award for Environmental Excellence at the Global CSR Awards held in Myanmar.

At Haile, in co-operation with the US Fish & Wildlife Service and the South Carolina Department of Natural Resources, supported by local groups and regulators, the Company commenced the propagation and replantation of 396 endangered heel-splitter clams into Flat Creek.

Community

At Macraes, the Company facilitated a collaborative workshop with the University of Otago to determine avenues for Environmental and Social research as well as held meetings with the three respective local Councils.

During the fourth quarter, the Company facilitated several site visits for local and regional council members, including both the Mayor and CEO of the Waitaki District Council, the Waitaki District Council Planning Manager and Planning Officer, the Dunedin City Council Supervisor for the Coronation North development and the Dunedin City Council Legal Team.

At Waihi, the Company established a partnership with the local heritage group to showcase Waihi's mining history, including relic mining items recovered from recent intersections of historical workings.

At Didipio, the Company continues to focus on key infrastructure and social investment programs including:

- The construction of Didipio Family Health Centre
- The continued construction of the Didipio-Capisaan road (70% complete)
- The development of an Agribusiness Development Project with an initial 10 farmers. This initiative is supported by OGPI's Organic Agriculture demonstration farm which has been accredited by the Department of Agriculture as a Learning Center for Organic Farming;
- 509 visitors were hosted for mine tours with an 83% positive perception rating following the tour compared to 31% positive perception rating before the tour.

At Haile, the Company was closely involved in a number of initiatives within the Kershaw community including; facilitating State support for critical infrastructure such as supply of water, for water and sewerage treatment as well as road infrastructure upgrades.

Additionally, during the fourth quarter, the Company progressed Due Diligence works with appropriate Government agencies on the prospective Skills Training Facility in Kershaw which is envisioned to become a centre for excellence for mining and trade related skills training within North America.

FINANCIAL SUMMARY

Table 15 – Financial Summary*

$'000	Q4 Dec 31 2017	Q3 Sep 30 2017	Q4 Dec 31 2016	2017	2016
Revenue	**246,113**	144,849	147,432	**724,413**	628,634
Cost of sales, excluding depreciation and amortization	**(85,316)**	(59,490)	(63,406)	**(275,407)**	(292,461)
General & administration – legal settlement	**-**	**-**	-	**-**	(8,000)
General & administration – other	**(12,772)**	(13,429)	(8,000)	**(49,663)**	(49,497)
Foreign currency exchange gain/(loss)	**239**	201	(10,203)	**866**	2,117
Gain on sale of available-for-sale assets	**-**	-	(547)	**5,314**	-
Other income/(expense)	**339**	1,268	1,614	**2,896**	2,826
Earnings before interest, tax, depreciation and amortisation (EBITDA) (excluding gain/(loss) on undesignated hedges and impairment charge)	**148,603**	73,399	66,890	**408,419**	283,619
Depreciation and amortization	**(60,405)**	(44,372)	(28,807)	**(192,352)**	(122,564)
Net interest expense and finance costs	**(3,978)**	(4,296)	(2,112)	**(17,123)**	(9,376)
Earnings before income tax and gain/(loss) on undesignated hedges and impairment charge	**84,220**	24,731	35,971	**198,944**	151,679
Income tax (expense) / benefit on earnings	**9,535**	(3,314)	(4,318)	**364**	(17,711)
Earnings after income tax and before gain/(loss) on undesignated hedges and impairment charge	**93,755**	21,417	31,653	**199,308**	133,968
Impairment charge	-	-	-	**(17,654)**	-
Gain/(loss) on fair value of undesignated hedges	**(5,847)**	611	15,343	**(12,035)**	4,062
Tax (expense)/benefit on gain/loss on undesignated hedges	**861**	(171)	(4,296)	**2,593**	(1,137)
Share of profit/(loss) from equity accounted associates	**(132)**	(111)	(126)	**(469)**	(441)
Net Profit	**88,637**	21,746	42,574	**171,743**	136,452
Basic earnings per share	**$0.14**	$0.04	$0.07	**$0.28**	$0.22
CASH FLOWS					
Cash flows from Operating Activities	**178,842**	38,169	79,765	**357,650**	232,328
Cash flows used in Investing Activities	**(74,502)**	(50,495)	(120,698)	**(262,603)**	(463,276)
Cash flows (used in) / from Financing Activities	**(79,684)**	(13,676)	26,116	**(89,450)**	111,583

Note: For the nine months ended September 30, 2017, all revenue and costs reported do not include the Haile operations as these have been capitalised as commercial production was declared effective from October 1, 2017.

BALANCE SHEET $'000	As at Dec 31 2017	As at Dec 31 2016
Cash and cash equivalents	**73,242**	68,859
Other Current Assets	**152,275**	119,750
Non-Current Assets	**1,820,293**	1,727,111
Total Assets	**2,045,810**	**1,915,720**
Current Liabilities	**225,278**	240,860
Non-Current Liabilities	**329,569**	339,609
Total Liabilities	**554,847**	**580,469**
Total Shareholders' Equity	**1,490,963**	**1,335,251**

Subsequent to the declaration of commencement of commercial production at the Haile Gold Mine, effective from October 1, 2017, all revenue and costs of the Haile gold mine have been reported in the Consolidated Statement of Comprehensive Income.

Net Earnings

For the full year, the Company reported record annual revenue of $724.4 million and EBITDA (excluding gain/loss on undesignated hedges and impairment charge) of $408.4 million.

During the fourth quarter of 2017, the Company reported revenue of $246.1 million and EBITDA of $148.6 million (excluding gain/loss on undesignated hedges).

The fourth quarter's results included revenue of $63.3 million, segment EBITDA (net of inter segment management fees) of $48.5 million and segment EBIT of $35.0 million from the Haile Gold Mine.

The Company reported record annual net profit of $171.7 million for the full year and $88.6 million for the fourth quarter. This included the initial recognition of net deferred tax assets in respect of Haile of $17.7 million.

Sales Revenue

Philippines

Fourth quarter concentrate and bullion revenue, net of concentrate treatment, refining and selling costs, was $85.2 million of which copper revenue was $33.9 million.

In the fourth quarter, the average gold price received at Didipio was $1,282 per ounce compared to $1,261 per ounce in the previous quarter and the average copper price received was $3.17 per pound compared to $2.82 per pound in the previous quarter.

Sales at Didipio in the fourth quarter were 43,345 ounces of gold compared to 25,656 ounces sold in the previous quarter. The quarter-on-quarter increase was due to higher production and recognition of sales of doré produced in the third quarter whose shipment was delayed to the fourth quarter. Sales of copper of 4,842 tonnes and silver of 59,745 ounces exceeded the previous quarter.

New Zealand

Fourth quarter revenue was $97.6 million in New Zealand. Gold sales in the fourth quarter of 75,976 ounces were higher than the previous quarter of 72,909 ounces due to higher production at Macraes. The average gold price received in the fourth quarter was $1,281 per ounce, in line with the previous quarter.

United States

Fourth quarter revenue was $63.3 million in the United States. Gold sales in the fourth quarter were 49,265 ounces while the average gold price received was $1,273 in the fourth quarter.

AISC per Ounce

Philippines

AISC at Didipio was $155 per ounce sold for the fourth quarter compared to AISC of $137 per ounce sold in the previous quarter. The increase in costs per ounce sold was due to higher operating costs of materials rehandled including royalties partly offset by higher by-product credits.

New Zealand

AISC in New Zealand was $833 per ounce sold for the fourth quarter compared to $963 per ounce sold in the previous quarter. The decrease in costs per ounce sold was due to lower operating costs driven by lower seasonal pricing for electricity partly offset by lower by-product credits.

United States

AISC in the United States was $509 for the fourth quarter.

Depreciation and Amortisation

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

Depreciation and amortisation charges are mostly calculated on a unit of production basis and totaled $60.4 million for the fourth quarter compared to $44.4 million in the previous quarter. This was mainly due to inclusion of Haile's depreciation and amortisation charges of $13.5 million.

Undesignated Hedges Gains/Losses

During the fourth quarter, the Company introduced a copper hedging program for 2018 and concluded its fuel swap program.

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 copper price hedges for the fourth quarter reflect a loss of $5.8 million compared to a gain of $0.6 million in the previous quarter which related to gold and fuel hedges.

Details of the derivative instruments held by the Company at December 31, 2017, are summarised below under "Derivative Assets / Liabilities".

Tax Expense

The Company recorded a tax benefit of $10.4 million in the fourth quarter. This mainly reflected an income tax benefit of $17.7 million for the initial recognition of net deferred tax assets in respect of losses and temporary differences in relation to the Haile Gold Mine to the extent it is probable future taxable income will allow for utilisation and taking into account the US Tax Reform. Excluding this item, the tax expense in the fourth quarter related to the taxable income in New Zealand. This compared to a tax expense of $3.5 million in the previous quarter.

New Zealand provisional tax payments for a given tax year are normally required to be made in March, September and January. As a result of some transitional tax legislation changes and under the tax pooling arrangements entered into in New Zealand during January 2018, the tax payments in respect of the 2017 year have been further deferred until March 2019.

An income tax holiday still applies to the Philippines operations.

DISCUSSION OF CASH FLOWS

Operating Activities

Cash inflows from operating activities for the fourth quarter were $178.8 million compared to $38.2 million in the previous quarter. The increase was mainly due to the inclusion of Haile cash flows, higher revenue and favourable working capital movements including a quarter-on-quarter increase in payables and decrease in debtors which was partly offset by higher operating costs.

Investing Activities

Cash used for investing activities was $74.5 million in the fourth quarter compared to $50.5 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. More information is provided in Table 5.

Financing Activities

Financing net outflows were $79.7 million in the fourth quarter mainly due to the debt repayment of $72.8 million, dividend payment of $6.2 million and finance lease repayments partly offset by proceeds from the issue of shares. Financing net outflows of $13.7 million in the previous quarter reflected the debt repayment of $12 million and finance lease repayments.

DISCUSSION OF FINANCIAL POSITION AND LIQUIDITY

Company's funding and capital requirements

The Company recorded a net profit of $88.6 million for the quarter ended December 31, 2017.

As at December 31, 2017, the cash funds held were $73.2 million. The Company was in a net current asset position of $0.3 million. During January 2018, $20 million of tax was deferred to be paid in March 2019 under the tax pooling arrangements entered into in New Zealand.

At December 31, 2017, the Company's total facilities stood at $230 million, of which $200 million remained drawn after the fourth quarter debt repayment of $72.8 million.

As at December 31, 2017, the Company had immediately available liquidity of $103.2 million with $73.2 million in cash and $30.0 million available under credit facilities.

As at the end of the fourth quarter, the Company held $72.6 million in marketable securities from strategic investments in listed junior exploration companies.

Subsequent to the quarter end, the Company has committed to invest C$5.5 million in Gold Standard Ventures under a Private Placement to maintain an ownership position of approximately 15.7%.

Commitments

The Company's lease commitments as at December 31, 2017, are as follows:

Table 16 – Lease Commitments

$'000	Dec 31 2017 Non-cancellable operating leases	Dec 31 2017 Capital leases
Within 1 year	3,421	15,391
Within 1 to 2 years	2,929	10,896
Within 2 to 3 years	2,120	16,098
Within 3 to 4 years	277	917
Within 4 to 5 years	386	-
Within 5 to 6 years	323	-
Total	**9,456**	**43,302**

Operating leases are used to obtain various items of plant and equipment. Capital leases are used to fund the acquisition of plant and equipment, primarily mobile mining equipment.

The Company's capital commitments as at December 31, 2017, are as follows:

Table 17 – Capital Commitments

$'000	Dec 31 2017
Within 1 year	7,715

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 $225.5 million as at December 31, 2017 compared to $188.6 million as at December 31, 2016. The increase was mainly due to higher current ore stocks at Didipio and inclusion of inventories at Haile partly offset by a reduction in gold and fuel hedge assets.

Non-Current Assets

Non-current assets were $1.82 billion as at December 31, 2017 compared to $1.73 billion as at December 31, 2016. This increase was mainly due to higher property, plant and equipment and initial recognition of deferred tax assets in respect to the Haile Gold Mine. This was partly offset by the impairment of mining assets in El Salvador and the sale of a parcel of shares in GSV.

Current Liabilities

Current liabilities were $225.3 million as at December 31, 2017 compared to $240.9 million as at December 31, 2016. The decrease was mainly due to a reduction in external loans of $22.8 million and lower trade payables. This was partly offset by higher income tax liabilities in New Zealand. During January 2018, the tax due to be paid in New Zealand for 2017 was deferred until the first quarter of 2019 with the tax pooling arrangements entered into in New Zealand.

Non-Current Liabilities

Non-current liabilities were $329.6 million as at December 31, 2017 compared to $339.6 million as at December 31, 2016. This was mainly due to a reduction in external loans of $50.0 million under the credit facilities, partly offset by increased asset rehabilitation provision and deferred tax liabilities at Haile.

Derivative Assets / Liabilities

The Company's hedging programs include New Zealand dollar denominated put and call options and copper price hedges, both to the end of 2018.

As at December 31, 2017, 144,000 ounces of gold production remained as part of the gold price hedging program as illustrated below.

Table 18 – New Zealand Gold Hedging Program

Put Option Strike Price*	Call Option Strike Price*	Gold Ounces Remaining	Expiry Date
$1,750	$1,938	144,000	Dec 2018
Total		**144,000**	

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

As at December 31, 2017, 12,000 tonnes of copper production remained as part of the copper price hedging program as illustrated below.

Table 19 – Copper Hedging Program

	Swap Price USD/lb	Tonnes Remaining	Expiry Date
Copper	3.19	12,000	Dec 2018
Total		**12,000**	

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

Table 20 – Marked to Market Derivatives Summary

$'000	Hedge	Dec 31 2017	Dec 31 2016
Current Assets	Gold	-	2,484
Current Assets	Fuel	-	5,725
Current Liabilities	Gold	(887)	-
Current Liabilities	Copper	(2,774)	-
Total		**(3,661)**	**8,209**

Shareholders' Equity

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

Table 21 – Movement of Shareholders' Equity Summary

$'000	Dec 31 2017
Total equity at beginning of the quarter	1,405,752
Profit after income tax	88,637
Movement in other comprehensive income	(6,901)
Movement in contributed surplus	295
Issue of shares	3,180
Total equity at end of the quarter	**1,490,963**

Shareholders' equity increased by $85.2 million to $1.49 billion as at December 31, 2017, mainly due to a net profit after tax of $88.6 million. "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 22 – Capital Resources Summary

	Shares Outstanding	Options and Share Rights Outstanding
21 February 2017	616,073,003	12,085,670
31 December 2017	615,933,084	12,153,421
31 December 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), changes to commodity prices and foreign exchange rates, and contracts renewal of licenses and permits.

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 fully impaired during the quarter ended March 31, 2017.

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 amount of the exploration and evaluation 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. An impairment charge of $17.7 million was recognised in the quarter ended March 31, 2017 and there was no associated tax impact in respect of its El Salvador assets

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 has continued 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 and if there is no more recourse to an appeal process. 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 an income 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.

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 (FVOCI). The standard allows for an irrevocable election to be made at initial recognition whereby both gains and losses are not recycled to the Statement of 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 designed to 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 is based on "expected credit loss" which will result in earlier recognition of losses. The amendment also modifies the relief from restating prior periods. As part of this relief, IASB published an amendment to IFRS 7, 'Financial instruments: Disclosure', to require additional disclosures on transition from IAS 39 to IFRS 9.

This standard is effective for years beginning on/after January 1, 2018. The Group has assessed the impact of this new standard and concluded minimal impact based on the types of financial instruments it currently holds. Its equity investments are strategic investments, currently are and are expected to remain FVOCI. The gold and copper hedges are cash flow hedges that are currently fair valued through profit and loss and this is expected to continue. The Group does not have material financial assets for which an expected credit loss needs to be computed as it only sells to reputable banks, refiners and commodity traders.

<u>IFRS 7 – Financial instruments – Disclosure</u>
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.

<u>IFRS 15 – Revenue from contracts with customers</u>
The IASB has issued a new standard (IFRS 15) for the recognition of revenue. It will replace IAS 18 which covers revenue arising from the sale of goods and the rendering of services and IAS 11 which covers construction contracts.

The new standard is based on the principle that revenue is recognised when control of a good or service transfers to the customer, and therefore the notion of control replaces the existing notion of risks and rewards. The standard permits either a full retrospective or a modified retrospective approach for the adoption.

Management has assessed the effects of applying the new standard on the Group's financial statements for the following areas:

- Bullion sales: the Group assesses these sales not to be affected significantly by IFRS 15.

- Concentrate sales: the Group assesses the recognition of these sales not to be significantly affected by IFRS 15, but anticipates requiring separate presentation of provisional pricing adjustments within the Revenue note disclosure.

No material measurement differences have been identified between IAS 18 and IFRS 15.

Mandatory for financial years commencing on or after 1 January 2018 and adopted by the Group on January 1, 2018. The Group intends to adopt the standard using the modified retrospective approach which means that the cumulative impact of the adoption will be recognised in the retained earnings as of January 1, 2018, and that comparative amounts will not be restated.

<u>IFRS 16 – Leases</u>
IFRS 16 was issued in January 2016. It will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases.

The standard will affect primarily the accounting for the Group's operating leases. As at the reporting date, the Group has non-cancellable lease commitments of $8.9 million. Some of the commitments may be covered by the exception for short-term and low-value leases and some commitments may relate to arrangements that will not qualify as leases under IFRS 16.

The Group has assessed the impact on the consolidated financial statements based on contracts currently in place and it expects that IFRS 16 will result in an increase in assets and liabilities as fewer leases will be expensed as payment are made. The Group expects an increase in depreciation and interest expenses and also an increase in cash flow from operating activities as these lease payments will be recorded as financing outflows in the statement of cash flows. However the impact is not considered material. The Group will continue to assess the impact of IFRS 16 on any new contracts that it enters into during 2018, and will provide any updates where material.

Mandatory for financial years commencing on or after January 1, 2019. At this stage, the Group does not intend to adopt the standard before its effective date. The Group

intends to apply the simplified transition approach and will not restate comparative amounts for the year prior to first adoption.

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 23 sets forth unaudited information for each of the eight quarters ended March 31, 2016 to December 31, 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, Haile 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 19.

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

All-In Sustaining Costs ("AISC") 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, 2017. 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, 2017 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 (2013).

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, 2017. 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 December 31, 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 reporting will prevent all errors and fraud. A cost effective system of internal controls, no matter how well conceived or operated, can provide only reasonable not absolute, assurance that the objectives of the internal controls over financial reporting are achieved.

Table 23 - Quarterly Financial Summary

$'000	**Dec 31 2017**	Sep 30 2017	Jun 30 2017	Mar 31 2017	Dec 31 2016	Sep 30 2016	Jun 30 2016	Mar 31 2016
Revenue	**246,113**	144,849	171,650	161,800	147,432	150,388	169,763	161,051
EBITDA (excluding gain/(loss) on undesignated hedges and impairment charge)	**148,603**	73,399	84,745	101,671	66,890	61,568	77,286	77,874
Earnings after income tax and before gain/(loss) on undesignated hedges and impairment charge (net of tax)	**93,755**	21,417	24,744	59,393	31,653	24,470	41,136	36,710
Net Profit	**88,637**	21,746	25,357	36,005	42,574	30,693	39,655	23,531
Net Earnings per share								
Basic	**$0.14**	$0.04	$0.04	$0.06	$0.07	$0.05	$0.07	$0.04
Diluted	**$0.14**	$0.03	$0.04	$0.06	$0.07	$0.05	$0.06	$0.04

Table 24 – Reconciliation of Cash Costs and All-In Sustaining Costs*

		Q4 Dec 31 2017	Q3 Sep 30 2017	Q4 Dec 31 2016	**2017**	2016
Cost of sales, excluding depreciation and amortization	*$'000*	**85,316**	59,490	63,406	**275,407**	292,461
Selling costs and other non-cash adjustments	*$'000*	**1,633**	4,123	4,701	**15,425**	18,745
By-product credits	*$'000*	**(36,373)**	(22,610)	(28,802)	**(118,941)**	(113,604)
Total Cash Costs (net of by-product credits)	*$'000*	**50,576**	41,003	39,305	**171,891**	197,590
Gold sales from operating mines*	*ounces*	**168,586**	98,565	105,658	**495,365**	437,146
Cash Costs	***$/ounce***	**300**	416	372	**347**	452
Capitalised mining	*$/ounce*	**99**	121	43	**94**	80
Sustaining capital expenditure	*$/ounce*	**74**	79	105	**72**	79
Corporate general & administration - other	*$/ounce*	**54**	78	78	**63**	61
Exploration and other	*$/ounce*	**37**	54	41	**41**	36
All-In Sustaining Costs	***$/ounce***	**564**	748	**639**	**617**	708

*Note: excludes gold sales from the Haile Gold Mine for the first, second and third quarters given that the associated costs have been capitalised as commercial production was declared subsequent to the quarter end (effective from October 1, 2017).

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