



MEDIA RELEASE

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OCEANAGOLD ANNOUNCES 2019 PRODUCTION AND COST GUIDANCE

(MELBOURNE) OceanaGold Corporation (**TSX: OGC | ASX: OGC**) (the “Company”) is pleased to provide its 2019 full year production and cost guidance. Additionally, the Company has provided details related to its capital investment program for the year.

Key Highlights

- Continued strong production levels at 500,000 ounces to 550,000 ounces of gold and 14,000 to 15,000 tonnes of copper at AISC of \$850 to \$900 per ounce of gold sold;
- Increased mining and milling tonnes at Haile as part of the planned expansion of the operation to over 200,000 ounces per annum by 2022. Permitting of the expansion of Haile is on track;
- Advancing permits and continued resource drilling and engineering studies for the Martha Underground Project at Waihi to extend mine life;
- Continued investment in Macraes through exploration and mining to extend mine life further;
- Global exploration spend of \$40 million to \$50 million in 2019 to increase reserves across all operations, advance the potential new discovery at WKP, and invest in new exploration Joint Ventures in the Americas.

Mick Wilkes, President and CEO said, “This year is expected to be another strong year of production and development as we continue to invest in the prosperity and growth of the Company. At Haile, we expect higher production in 2019 on the back of increased mill feed. AISC at Haile are expected to be slightly higher in 2019 due to lower mill feed grade and higher costs for labour and consumables. Whilst the mine has experienced difficulties in the past 4 months due to bad weather and a tight US labour market, the operation is recovering and we have plans in place to mitigate further significant weather events and skill shortages. Permitting of the larger open pits and the Horseshoe underground is progressing well and will continue in 2019. Following a successful outcome with the permitting process, we would expect production levels to steadily increase to over 200,000 ounces a year. We also expect unit costs to decrease over the next few years as mined and milled volumes increase.”

“Both Didipio and Macraes are again expecting strong production in 2019, and Waihi will have lower production as currently permitted mine reserves are depleted. As previously expected AISC at Didipio will be higher due to lower copper credits and expensing ore stockpiles. In addition, production taxes at Didipio will be included in the AISC for the first time as per the new World Gold Council guidelines. Macraes AISC will be slightly higher due to lower grade and higher exploration costs as we invest in extending the mine life there further, and Waihi will have higher AISC due to lower mined grade.”

“With the Martha Underground Project permitting near completion, we are expecting to ramp-up underground development which, subject to approvals, should lead to a return to historical levels of production and costs plus mine life extension at Waihi. Through investments in exploration, we are also targeting substantial increases to the resource base while seeking new opportunities such as the potential new discovery at WKP.”

Mr Wilkes went on to say “It is an exciting time for the Gold Mining industry and we are very pleased with how we are positioned to continue building shareholder value. Our focus on delivering consistent positive returns and healthy margins over the long term has been the recipe for our continued success. We have a strong shareholder register and remain staunchly committed to delivering strong returns to our shareholders and significant socio-economic benefits to our valued stakeholders across our business.”

Table 1 – 2019 Production and Cost Guidance Summary

		Haile	Didipio	Waihi	Macraes	Consolidated
Gold Produced	koz	145 – 160	120 – 130	60 – 70	175 – 190	500 – 550
Copper Produced	kt	-	14 – 15	-	-	14 – 15
All-In Sustaining Costs	US\$/oz	850 – 900	625 – 675	875 – 925	1000 – 1050	850 – 900

Table 2 – 2019 Capital Investment Program

USDm	Haile	Didipio	Waihi	Macraes	Other	Consolidated	Included in AISC
General Operating	10 – 15	10 – 15	2 – 3	10 – 15	-	40 – 50	40 – 50
Pre-strip/Capitalised mining	10 – 15	-	3 – 5	30 – 35	-	45 – 55	45 – 55
Exploration	3 – 5	2 – 3	15 – 20	6 – 8	10 – 15	40 – 50	8 – 10
Growth	55 – 60	35 – 40	15 – 20	1 – 2	3 – 5	110 – 125	-
TOTAL	80 – 95	45 – 55	35 – 50	50 – 60	15 – 20	235 – 280	93 – 105

Note: Table 2 excludes \$6m of closure costs at Reefton.

On a consolidated basis, production guidance reflects higher year-on-year production from Haile and Didipio with lower year-on-year production from the New Zealand operations including Waihi where historical production levels are expected only following full ramp-up of underground operations at Martha, which is currently in permitting.

In late 2018, the World Gold Council updated and further detailed its methodology for the calculation of AISC. Based on this update, the Company reviewed its cost classification and will now include production taxes paid into its AISC.

Haile

At Haile, following continued debottlenecking activities and higher mill utilisation, the Company expects plant throughput to increase nearly 35% year-on-year to 3.2 million tonnes. The Company is currently commissioning the upgraded regrinding circuit, which is designed to achieve finer grind sizes with an expectation to enhance gold recoveries. The Company continues to improve its understanding of a complex ore body and with these modifications, higher mill feed and process improvements, the Company expects gold production at Haile to increase by 15% to 20% from 2018 levels.

For 2019, the Company expects slightly higher costs mainly related to increased mining costs and inflationary cost pressures in some consumables, steel grinding media and labour. For the next two years, the Company has engaged a mining contractor to assist with the movement of clay material, which is associated with pre-stripping of some areas in the Snake, Red Hill, Haile and Ledbetter pits. The Company will also commence changing its mine fleet to utilise larger haul trucks which is expected to deliver improved mine productivity. Upgrading the mining fleet is one component of the planned expansion at Haile and the Company is confident in achieving better mine and process productivities over time.

In 2019, the Company expects to invest between \$55 million and \$60 million on the Haile Expansion Project. In addition to completion of the new fine grinding circuit, major growth capital expenditures include tailings thickener enhancements, installation of a third cyanide destruct unit, additional areas for storing waste and low-grade stockpiles and a creek diversion. The process plant expansion is designed to ultimately achieve throughput rates between 3.5 million and 4.0 million tonnes per year.

Permitting of the larger open pits and the Horseshoe underground are expected to continue throughout the year with construction of the underground mine anticipated to commence in 2020, subject to receipt of all approvals.

The Company forecasts Haile gold production to increase to over 200,000 ounces by 2022 when the Horseshoe underground is expected to be in production, with AISC decreasing steadily up to that time as mining and milling rates steadily increase and the operation matures.

Didipio

Production at Didipio is expected to be slightly higher from 2018 with continued ramp-up of underground operations which are expected to deliver slightly better gold grades in the second half of the year. In 2019, the Company expects to mine approximately 1.2 to 1.3 million tonnes of underground ore and ramping-up mining rates to 1.6 million tonnes per year commencing in 2020. The Company will continue to supplement mill feed with low grade open pit stockpiles of which it has approximately 19 million tonnes stored on surface.

Didipio's AISC guidance range is higher than in previous years mainly related to the continued transition to underground, the inclusion of production-based taxes in the metric including excise, real property and local business taxes and lower copper by-product credits. Didipio's AISC includes a non-cash component related to the expensing of open pit ore stockpiles processed and this amounts to approximately \$125 per ounce in 2019.

Growth capital at Didipio for 2019 is predominately related to the completion of panel two in the underground, which is expected by the end of the year.

Macraes

At Macraes for 2019, production is expected to decrease from last year due to processing a higher proportion of lower grade material from Coronation and Frasers pits, which are partly offset by higher grades from Coronation North and Frasers Underground. The Company is currently reviewing its long-term mine plans while conducting project studies and investing in exploration with the objective of extending the mine life at Macraes.

Investments in sustaining capital including pre-stripping and underground capitalised mining are similar to previous years.

Waihi

Operations at Waihi will go through a period of transition in 2019 with permitting of the Martha Underground well advanced. Mining operations this year will be in lower grade zones within Correnso Deeps and other nearby veins.

Upon receipt of permits for the Martha Underground, the Company will mobilise to commence stope and infrastructure development. Upon full ramp-up of mining at Martha Underground, which is expected within 12 to 18 months of receiving the mining permits, production is expected to return to historical levels.

Capital investments at Waihi are predominately related to the Martha Project.

Exploration

In 2019, the Company will continue to invest in exploration opportunities across the business and through joint ventures with early stage exploration companies.

At Haile, the exploration program will focus mainly on drill targets within and around the existing deposits.

At Didipio, the exploration focus is predominately on infill and extensional drilling at lower levels of the Didipio Underground.

At Macraes, the Company expects to invest between \$7 million and \$10 million in exploration associated with potential mine life extensions along the 32-kilometre Hyde-Macraes Shear Zone including Golden Point, which forms the basis for a potential standalone underground mining operation.

At Waihi, the Company will complete the 800-RL drill drive and invest \$10 million to \$12 million on continued drilling of the Martha Underground targets with the expectation of significantly increasing the resource base at Waihi. In addition, the Company has allocated \$8 million to \$10 million for drilling at WKP and other regional targets north of Waihi.

For the exploration joint ventures in the Americas, the Company has allocated \$6 million to \$8 million.

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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 continues to strive for 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 2018, the Company produced 533.3k ounces of gold and 15.0k tonnes of copper with All-In Sustaining Costs of \$767 per ounce on gold sales of 532.7k ounces and copper sales of 14.5k tonnes. 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

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