



MEDIA RELEASE

29 December 2016

OCEANAGOLD COMMENCES MILLING AT HAILE GOLD MINE

(All financial figures in US Dollars unless otherwise stated)

(MELBOURNE) OceanaGold Corporation (**TSX/ASX/NZX: OGC**) (the "Company") is pleased to announce the commencement of milling at the Haile Gold Mine.

Mick Wilkes, President and CEO said, "We are very pleased with the start of milling ore at Haile. This milestone represents a special moment in the history of the Haile Gold Mine as this historic goldfield is re-established with a world-class modern mining operation in Lancaster county, South Carolina. From the start of the year, we established a firm timeline of key milestones that we have achieved throughout the year, culminating in the start of milling ore at year-end as planned." He went on to say, "We have established a strong team in South Carolina that include technical experts from across our business to carryout commissioning activities and transition to operations. Achieving this important benchmark in just 15 months since taking ownership of Haile is a true testament to the leadership and dedication of our team."

Figure 1 – Haile Gold Mine Grinding Circuit at Night



In early October, the Company commenced dry commissioning by focusing initially on the crushing circuit and emergency stockpile system. Since then, the grinding, carbon-in-leach (CIL) and tailings circuits have been commissioned to treat oxide and transition ores. Construction of the flotation and fine grinding circuits are now complete and commissioning of these circuits to treat sulphide ore is planned to occur over the next couple of weeks.

The Company currently has approximately 675,000 tonnes of ore stockpiled on surface including 275,000 tonnes grading 2.3 g/t of sulphide ore, 245,000 tonnes grading 0.6 g/t of oxide ore and 155,000 tonnes grading 1.1 g/t of transitional material.

As previously announced, the Company expects to produce 150,000 to 170,000 ounces of gold at Haile in 2017 at sector leading All-In Sustaining Costs between \$500 to \$550 per ounce. The Company will continue to advance the Haile Expansion study (“optimisation study”) with results expected in the middle of 2017.

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About OceanaGold

OceanaGold Corporation is a mid-tier, low-cost, multinational gold producer with assets located in the Philippines, New Zealand and the United States. The Company’s assets encompass its flagship operation, 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 is currently constructing the Haile Gold Mine, a top-tier asset located in South Carolina along the Carolina Terrane. The Company expects the Haile Gold Mine to commence commercial production in early 2017. OceanaGold also has a significant pipeline of organic growth and exploration opportunities in the Asia-Pacific and Americas regions.

OceanaGold has operated sustainably over the past 26 years with a proven track record for environmental management and community and social engagement. The Company has a strong social license to operate

and works collaboratively with its valued stakeholders to identify and invest in social programs that are designed to build capacity and not dependency.

In 2016, the Company expects to produce 385,000 to 425,000 ounces of gold from the combined New Zealand and Didipio operations and 19,000 to 21,000 tonnes of copper from the Didipio operation at All-In Sustaining Costs of US\$700 to US\$750 per ounce. In 2017, the Company expects to produce 550,000 to 610,000 ounces of gold and 15,000 to 17,000 tonnes of copper at All-In Sustaining Costs of US\$600 to US\$650 per ounce.

Cautionary Statement for Public Release

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

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