



OCEANAGOLD CORPORATION

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**FIRST QUARTER REPORT**  
**MARCH 31<sup>ST</sup>, 2020**  
**UNAUDITED**

**UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

**As at March 31, 2020**

(in millions of United States dollars)

	Notes	March 31 2020 \$	December 31 2019 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		177.4	49.0
Trade and other receivables	5	14.3	6.9
Derivatives and other financial assets	6	0.3	0.3
Inventories	7	129.1	145.4
Prepayments		12.2	14.6
<b>Total current assets</b>		<b>333.3</b>	<b>216.2</b>
<b>Non-current assets</b>			
Trade and other receivables	5	85.5	88.5
Derivatives and other financial assets	6	2.3	37.6
Inventories	7	183.2	185.6
Deferred tax assets		27.5	25.6
Property, plant and equipment	8	830.7	821.7
Mining assets	9	696.0	694.3
Investments		2.7	2.7
<b>Total non-current assets</b>		<b>1,827.9</b>	<b>1,856.0</b>
<b>TOTAL ASSETS</b>		<b>2,161.2</b>	<b>2,072.2</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>Current liabilities</b>			
Trade and other payables		116.0	120.5
Unearned revenue	10	78.5	-
Employee benefits		12.2	13.7
Derivatives and other financial liabilities	13	32.7	14.7
Current tax liabilities		15.8	25.4
Interest-bearing loans and borrowings	12	26.9	24.8
Asset retirement obligations		2.5	3.6
<b>Total current liabilities</b>		<b>284.6</b>	<b>202.7</b>
<b>Non-current liabilities</b>			
Other obligations	11	4.0	3.8
Employee benefits		1.7	1.5
Interest-bearing loans and borrowings	12	271.6	203.6
Deferred tax liabilities		1.7	2.0
Asset retirement obligations		89.7	95.0
<b>Total non-current liabilities</b>		<b>368.7</b>	<b>305.9</b>
<b>TOTAL LIABILITIES</b>		<b>653.3</b>	<b>508.6</b>
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	14	1,107.0	1,107.0
Retained earnings		365.0	391.0
Contributed surplus		49.8	48.6
Other reserves		(13.9)	17.0
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>1,507.9</b>	<b>1,563.6</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>2,161.2</b>	<b>2,072.2</b>

On behalf of the Board of Directors:



Ian M. Reid  
Director  
May 14, 2020



Paul B. Sweeney  
Director  
May 14, 2020

The accompanying notes to the interim condensed consolidated financial statements are an integral part of these financial statements.

**UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

**For the quarter ended March 31, 2020**

*(in millions of United States dollars, except per share data)*

	Notes	Three months ended	
		March 31 2020 \$	March 31 2019 \$
<b>Revenue</b>	4	138.2	179.5
Cost of sales, excluding depreciation and amortisation		(74.0)	(101.0)
Depreciation and amortisation		(50.1)	(40.4)
General and administration - indirect taxes		(1.2)	(2.8)
General and administration - other		(19.4)	(11.6)
Operating profit/(loss)		(6.5)	23.7
<b>Other income/(expenses)</b>			
Interest expense and finance costs		(2.9)	(3.8)
Foreign exchange gain/(loss)		(1.2)	(0.2)
Gain/(loss) on disposal of property, plant and equipment		(0.3)	(0.1)
Gain/(loss) on fair value of financial assets		(0.3)	0.1
Total other expenses		(4.7)	(4.0)
Gain/(loss) on fair value of undesignated hedges		(21.2)	1.4
Interest income		0.1	0.2
Other income/(expense)		0.6	0.5
Write off deferred exploration expenditure/investment		-	(4.6)
Profit/(loss) before income tax		(31.7)	17.2
Income tax benefit/(expense)		5.7	(4.8)
<b>Net profit/(loss)</b>		<b>(26.0)</b>	<b>12.4</b>
<b>Other comprehensive income/(loss)</b>			
<i>Items that has been/may be reclassified to profit or loss</i>			
Currency translation gain/(loss)		(20.1)	3.4
<i>Items that will not be reclassified to profit or loss</i>			
Net change in the fair value of financial assets at fair value through other comprehensive income		(10.8)	(10.7)
Total other comprehensive income/(loss) net of tax		<b>(30.9)</b>	<b>(7.3)</b>
<b>Comprehensive income/(loss) attributable to shareholders</b>		<b>(56.9)</b>	<b>5.1</b>
		<i>Millions</i>	<i>Millions</i>
Weighted average number of common shares (used in calculation of basic earnings per share)		622.3	619.7
Effect of dilution: Share options*		-	9.7
Adjusted weighted average number of common shares (used in calculation of diluted earnings per share)		622.3	629.4
<b>Net earnings/(loss) per share:</b>			
- Basic		(\$0.04)	\$0.02
- Diluted		(\$0.04)	\$0.02

\* For the quarter ended March 31, 2020, conversion of share options would decrease the loss per share and hence are non-dilutive.

The accompanying notes to the interim condensed consolidated financial statements are an integral part of these financial statements.

**UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

For the quarter ended March 31, 2020

(in millions of United States dollars)

	<i>Share Capital</i>	<i>Contributed Surplus</i>	<i>Other Reserves</i>	<i>Retained Earnings</i>	<i>Total Equity</i>
	\$	\$	\$	\$	\$
<b>Balance at January 1, 2020</b>	<b>1,107.0</b>	<b>48.6</b>	<b>17.0</b>	<b>391.0</b>	<b>1,563.6</b>
Comprehensive income/(loss) for the period	-	-	(30.9)	(26.0)	(56.9)
Employee share options:					
Share based payments	-	1.3	-	-	1.3
Forfeiture of options	-	(0.1)	-	-	(0.1)
<b>Balance at March 31, 2020</b>	<b>1,107.0</b>	<b>49.8</b>	<b>(13.9)</b>	<b>365.0</b>	<b>1,507.9</b>
<b>Balance at January 1, 2019</b>	<b>1,099.0</b>	<b>50.2</b>	<b>34.7</b>	<b>382.8</b>	<b>1,566.7</b>
Comprehensive income/(loss) for the period	-	-	(7.3)	12.4	5.1
Employee share options:					
Share based payments	-	1.9	-	-	1.9
Exercise of options	7.9	(7.3)	-	-	0.6
Dividends provided for or paid	-	-	-	(6.3)	(6.3)
<b>Balance at March 31, 2019</b>	<b>1,106.9</b>	<b>44.8</b>	<b>27.4</b>	<b>388.9</b>	<b>1,568.0</b>

The accompanying notes to the interim condensed consolidated financial statements are an integral part of these financial statements.

**UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

**For the quarter ended March 31, 2020**

<i>(in millions of United States dollars)</i>	<i>Three months ended</i>	
	<i>March 31</i>	<i>March 31</i>
	2020	2019
	\$	\$
<b>Operating activities</b>		
Net profit/(loss)	(26.0)	12.4
<i>Charges/(credits) not affecting cash</i>		
Depreciation and amortisation expense	50.1	40.4
Net (gain)/loss on disposal of property, plant & equipment	0.3	0.1
Unrealised foreign exchange (gain)/loss	1.2	0.2
Stock based compensation charge	1.2	1.9
Unrealised (gain)/loss on fair value of undesignated hedges	21.2	(1.4)
Amortisation of transaction costs/ write off	0.1	0.2
Income tax expense/(benefit)	(5.7)	4.8
Non-cash fair value of financial assets (gain)/loss	0.3	(0.1)
Write off deferred exploration expenditure/investment	-	4.6
<i>Changes in non-cash working capital</i>		
(Increase)/decrease in trade and other receivables	(5.9)	(5.7)
(Increase)/decrease in inventories	9.1	(2.7)
(Decrease)/increase in trade and other payables	(1.9)	0.7
(Decrease)/increase in unearned revenue	78.5	-
(Decrease)/increase in other working capital	2.6	(2.6)
(Decrease)/increase in tax payables	(4.5)	(13.8)
<b>Net cash provided by/(used in) operating activities</b>	<b>120.6</b>	<b>39.0</b>
<b>Investing activities</b>		
Proceeds from sale of financial assets	22.7	-
Proceeds from sale of property, plant and equipment	1.0	0.1
Payment for property, plant and equipment	(8.7)	(10.2)
Payment for mining assets: exploration and evaluation	(2.9)	(8.3)
Payment for mining assets: development	(21.5)	(17.6)
Payment for mining assets: in production	(24.4)	(21.9)
<b>Net cash provided by/(used in) investing activities</b>	<b>(33.8)</b>	<b>(57.9)</b>
<b>Financing activities</b>		
Proceeds from issue of shares	-	0.6
Repayment of lease liabilities	(5.2)	(3.2)
Proceeds from bank borrowings and other loans	50.0	-
<b>Net cash provided by/(used in) financing activities</b>	<b>44.8</b>	<b>(2.6)</b>
<b>Effect of exchange rates changes on cash gain/(loss)</b>	<b>(3.2)</b>	<b>0.3</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>128.4</b>	<b>(21.2)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>49.0</b>	<b>107.7</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>177.4</b>	<b>86.5</b>
Cash interest paid	(0.9)	(2.8)
Cash interest received	0.1	0.2
Income taxes paid	(4.5)	(13.8)

The accompanying notes to the interim condensed consolidated financial statements are an integral part of these financial statements.

## 1 BASIS OF PREPARATION

OceanaGold Corporation ("OceanaGold") ("The Company") is a company domiciled in Canada. It is listed on the Toronto Stock Exchange and the Australian Securities Exchange. The registered address of the Company is c/o Fasken Martineau DuMoulin LLP, 2900-550 Burrard Street, Vancouver, British Columbia V6C 0A3, Canada. The Company is the ultimate parent, and together with its subsidiaries, forms the OceanaGold Corporation consolidated group (the "Group").

The Group is engaged in the exploration, development and operation of gold and other mineral mining activities. OceanaGold operates one open cut gold mine and two underground mines in New Zealand. The Group also operates an underground operation at Didipio in the Philippines and one open cut gold mine at Haile in South Carolina, United States.

The Group prepares its unaudited interim condensed consolidated financial statements in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), as applicable to the preparation of interim condensed financial statements including IAS 34. The policies applied are based on IFRS issued and outstanding as of the day the Board of Directors approved the statements. These interim condensed financial statements do not include all of the notes of the type normally included in an annual financial report and hence should be read in conjunction with the Group's annual financial statements for the year ended December 31, 2019, as they provide an update of previously reported information.

These interim condensed financial statements are expressed in United States dollars ("US\$") which is the presentation currency for OceanaGold Corporation.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except as noted in Note 2 below.

The unaudited interim condensed consolidated financial statements were approved by the Board of Directors on May 14, 2020.

## 2 ACCOUNTING POLICIES

There are no IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Group.

## 3 CRITICAL ESTIMATES AND JUDGEMENTS

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. Areas of estimates and judgement that have the most significant effect on the amounts recognised in the financial statements are disclosed in Note 3 of the Company's consolidated financial statements for the year ended December 31, 2019, except for those noted and updated below.

### (i) Impairment of assets

The Group assesses each Cash-Generating Unit (CGU) at period end, to determine whether there are any indications of impairment or reversal of impairment. Where an indicator of impairment or reversal exists, a formal estimate of the recoverable amount is made. Recoverable amount is the higher of the fair value less cost of disposal and value in use calculated in accordance with accounting policy as described in the December 31, 2019 Financial Statements. These assessments require the use of estimates and assumptions such as commodity prices (gold and copper), discount rates, exchange rates (New Zealand dollar and Philippines Peso to the US Dollar), sustaining capital requirements, operating performance (including the magnitude and timing of related cash flows, production levels and grade of ore being processed), future operating development from certain identified development or exploration targets where there is high degree of confidence in the economic extraction of minerals and conversion of resources (measured and indicated and inferred) and their estimated fair value.

At March 31, 2020, the market capitalisation of the Group was approximately \$0.6 billion, significantly lower than the net assets of the Group of approximately \$1.5 billion. Management considered this factor to be an impairment indicator and an impairment test was performed to determine whether the recoverable amount of each of the Group's CGUs exceeded the carrying value. Management also considered the impact of the COVID-19 pandemic on its operations in the various jurisdictions and concluded that it had not had a material affect and was not an indicator of impairment for any of the Group's CGUs.

The Group has four CGUs, Macraes and Waihi in New Zealand, Didipio in the Philippines and Haile in the United States of America. The recoverable amount of each CGU has been assessed by reference to the higher of value in use and fair value less cost of disposal ("FVLCD"). Impairment testing has been performed on a FVLCD basis as this best reflects the highest amount the Group could receive for the CGU in an arm's length transaction. The Group used discounted cash flow techniques based on the detailed "life of mine" production plan which reflects the net cash flows expected to be realised from extraction, processing and sale of mineral reserves based on the Group's most recently published Resource and Reserve Statement. The fair value associated with measured and indicated resources not currently included in the life of mine plan is included based on the estimated conversion rate.

### **3 CRITICAL ESTIMATES AND JUDGEMENTS (CONTINUED)**

For Didipio specifically, the Company remains proactively engaged with responsible regulatory stakeholders, including the Philippines Department of Environment and Natural Resources (“DENR”) and the Philippines Mines and Geoscience Bureau (“MGB”) on the Financial or Technical Assistance Agreement (“FTAA”) renewal process. The regulators have re-endorsed the renewal to the Office of the President where it remains pending a decision. The mine and associated facilities continued to be maintained by the Company in a state of operational readiness. While a large part of its workforce has been stood down as a result of the COVID-19 pandemic, the workforce remains available for a rapid restart following the renewal of the FTAA or resolution of the Local Government Unit mine blockade.

However, the Company notes despite agreement being reached for delivery of emergency fuel to site as per the order from the Office of the President, orders from the Department of Interior and Local Government requesting the removal of the checkpoint being used as a restriction of access, the checkpoint has not been removed. Moreover, the FTAA renewal remains with the Office of the President with no definitive timeline provided for a decision.

Notwithstanding the operational readiness state of the asset, Management has considered the potential impact further possible delays to a restart of normal operations may have on the recoverability of the carrying value of the asset. Based on that assessment, Management believes that should a restart of normal operations occur within the 2020 calendar year as expected, the current carrying value of the asset remains appropriate. Should adverse circumstances arise where there is an expectation that an FTAA renewal will not be granted, or the conditions under which it is renewed will result in an extended period of suspension of production, the carrying value of the Didipio assets may be impaired.

Based on the results of the impairment testing of all CGUs as outlined above, Management concluded that at March 31, 2020 the recoverable amount of each CGU exceeded their carrying value and hence no impairment has been recognised as at reporting date.

**NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
(CONTINUED)

**4 REVENUE**

	Three months ended	
	<i>March 31</i>	<i>March 31</i>
	2020	2019
	<i>\$m</i>	<i>\$m</i>
<b>Gold sales</b>		
Bullion	137.8	132.5
Concentrate sales	-	25.8
Provisional price adjustment	0.1	0.2
	137.9	158.5
<b>Copper sales</b>		
Concentrate sales	-	22.1
Provisional price adjustment	(0.1)	0.8
	(0.1)	22.9
<b>Silver sales</b>		
Concentrate sales	0.4	1.3
	0.4	1.3
Less concentrate treatment, refining and selling costs	-	(3.2)
<b>Total Revenue</b>	138.2	179.5

Realised loss on gold options hedges (Note 13) exercised for the quarter ended March 31, 2020 amounted to \$7.5 million (March 31, 2019: \$nil). Realised gain or loss on gold options is included within Revenue - Gold sales.

**Provisionally Priced Sales**

At March 31, 2020, the provisionally priced gold and copper sales for 582 dry metric tonnes of concentrate containing provisional estimates of 559 ounces of gold and 71 tonnes of copper, subject to final settlement, were recorded at average prices of \$1,618/oz and \$4,773/t, respectively.

**5 TRADE AND OTHER RECEIVABLES**

	<i>March 31</i>	<i>December 31</i>
	2020	2019
	<i>\$m</i>	<i>\$m</i>
<b>Current</b>		
Trade receivables	6.1	1.9
Other receivables	8.2	5.0
	14.3	6.9
<b>Non-Current</b>		
Other receivables	85.5	88.5
	85.5	88.5

Other receivables mainly consist of \$44.2 million (December 31, 2019: \$44.6 million) input tax credits and \$28.6 million (December 31, 2019: \$28.7 million) excise tax recoverable, with the remainder related to deposits at bank in support of environmental bonds and carbon tax credits.

The Group has issued bonds in favour of various New Zealand authorities (Ministry of Economic Development - Crown Minerals, Otago Regional Council, Waitaki District Council, West Coast Regional Council, Buller District Council, Timberlands West Coast Limited and Department of Conservation) as a condition for the grant of mining and exploration privileges, water rights and/or resource consents, and rights of access for the Macraes Gold Mine and the Globe Progress Mine at the Reefton Gold Project which amount to approximately \$36.8 million (December 31, 2019: \$39.3 million).



**NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
(CONTINUED)

**6 DERIVATIVES AND OTHER FINANCIAL ASSETS**

	<i>March 31</i>	<i>December 31</i>
	<i>2020</i>	<i>2019</i>
	<i>\$m</i>	<i>\$m</i>
<b>Current</b>		
Other assets (1)	0.3	0.3
	<u>0.3</u>	<u>0.3</u>
<b>Non-Current</b>		
Other assets (1)	0.2	0.2
Financial assets at fair value through other comprehensive income (2)	2.1	37.4
	<u>2.3</u>	<u>37.6</u>
	<u>2.6</u>	<u>37.9</u>

- (1) Represents the unamortised portion of upfront fees and other costs incurred in amending US\$ banking facilities. These fees are being amortised to reflect an approximate pattern of consumption over the terms of the facilities.
- (2) Represents the fair value of investments in Gold Standard Ventures Corp. and NuLegacy Gold Corporation which are listed on the Toronto Stock Exchange and Sandfire Resources Ltd which is listed on the Australian Securities Exchange. During the quarter ended March 31, 2020, the Group sold 39,946,161 shares of Gold Standard Ventures Corp. for cash proceeds of \$22.7 million.

**7 INVENTORIES**

	<i>March 31</i>	<i>December 31</i>
	<i>2020</i>	<i>2019</i>
	<i>\$m</i>	<i>\$m</i>
<b>Current</b>		
Gold in circuit	19.5	21.3
Ore - at cost	26.4	33.1
Gold on hand	0.9	5.5
Gold and copper concentrate	33.1	33.1
Maintenance stores	49.2	52.4
	<u>129.1</u>	<u>145.4</u>
<b>Non-Current</b>		
Ore - at cost	183.2	185.6
	<u>183.2</u>	<u>185.6</u>
Total inventories	<u>312.3</u>	<u>331.0</u>

During the quarter, ore inventories were written down by \$2.3 million (for the year ended December 31, 2019: \$nil).

**NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
(CONTINUED)

**8 PROPERTY, PLANT AND EQUIPMENT**

	<b>March 31, 2020</b>				
	<b>Land</b>	<b>Buildings</b>	<b>Plant and equipment</b>	<b>Rehabilitation</b>	<b>Total</b>
	<b>\$m</b>	<b>\$m</b>	<b>\$m</b>	<b>\$m</b>	<b>\$m</b>
<b>Net book value</b>					
At December 31, 2019:					
Cost	61.6	102.6	1,316.0	79.5	1,559.7
Accumulated depreciation and impairment	-	(33.3)	(652.4)	(52.3)	(738.0)
At December 31, 2019	61.6	69.3	663.6	27.2	821.7
Movement for the period:					
Additions	0.3	0.3	34.9	-	35.5
Revaluation	-	-	-	5.5	5.5
Transfers	0.6	0.2	1.7	-	2.5
Disposals/write-off	(1.0)	(0.4)	(0.1)	-	(1.5)
Depreciation charge	-	(1.2)	(19.2)	(0.8)	(21.2)
Exchange differences	(3.8)	(1.9)	(5.3)	(0.8)	(11.8)
At March 31, 2020	57.7	66.3	675.6	31.1	830.7
At March 31, 2020:					
Cost	57.7	99.5	1,299.2	80.6	1,537.0
Accumulated depreciation and impairment	-	(33.2)	(623.6)	(49.5)	(706.3)
	57.7	66.3	675.6	31.1	830.7

Plant and equipment includes right-of-use assets (leased assets) net of accumulated depreciation of \$105.0 million (December 31, 2019: \$85.5 million). \$91.3 million (December 31, 2019: \$73.5 million) of the right-of-use assets are pledged as security for lease liabilities (Note 12).

The following table shows the movements in the net book value of right-of-use assets for the three months period ended March 31, 2020:

	<b>March 31, 2020</b>				
	<b>Properties</b>	<b>Vehicles</b>	<b>Office equipment</b>	<b>Other plant and equipment</b>	<b>Total</b>
	<b>\$m</b>	<b>\$m</b>	<b>\$m</b>	<b>\$m</b>	<b>\$m</b>
<b>Net book value</b>					
At January 1, 2020	1.5	1.3	0.5	82.2	85.5
Additions	0.3	0.2	0.1	26.3	26.9
Depreciation	(0.2)	(0.2)	(0.1)	(4.6)	(5.1)
Exchange differences	(0.1)	(0.1)	(0.1)	(2.0)	(2.3)
At March 31, 2020	1.5	1.2	0.4	101.9	105.0

**NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
(CONTINUED)

## 9 MINING ASSETS

	<b>March 31, 2020</b>			<b>Total</b>
	<b>Exploration and evaluation phase</b>	<b>Development phase</b>	<b>In production phase</b>	
	<b>\$m</b>	<b>\$m</b>	<b>\$m</b>	<b>\$m</b>
<b>Net book value</b>				
At December 31, 2019:				
Cost	81.5	99.2	1,774.9	1,955.6
Accumulated amortisation and impairment	-	-	(1,261.3)	(1,261.3)
At December 31, 2019	81.5	99.2	513.6	694.3
Movement for the period:				
Additions	2.9	23.1	26.3	52.3
Transfers	-	(2.0)	(0.5)	(2.5)
Amortisation for the period	-	-	(31.2)	(31.2)
Exchange differences	(6.8)	(4.8)	(5.3)	(16.9)
At March 31, 2020	77.6	115.5	502.9	696.0
At March 31, 2020:				
Cost	77.6	115.5	1,704.3	1,897.4
Accumulated amortisation and impairment	-	-	(1,201.4)	(1,201.4)
	77.6	115.5	502.9	696.0

The recovery of the costs deferred in respect of exploration and evaluation expenditure is dependent upon successful development and commercial exploitation of the respective areas of interest. The mining assets under development mainly included the underground development and community road projects at Didipio in the Philippines, and the plant optimization, PAG development and the tailing facility lift construction at the Haile Gold Mine in the United States.

## 10 UNEARNED REVENUE

	<i>March 31 2020</i>	<i>December 31 2019</i>
	<i>\$m</i>	<i>\$m</i>
<b>Current</b>		
Advanced gold sales	78.5	-
	<u>78.5</u>	<u>-</u>

In February 2020, the Group entered into an advanced gold sale arrangement with four financial institutions to deliver a total of 48,000 gold ounces between September 2020 and December 2020 and received an advanced cash payment of \$78.5 million. This amount is being amortised to the statement of Comprehensive Income when physical deliveries of gold occur.

## 11 OTHER OBLIGATIONS

	<i>March 31 2020</i>	<i>December 31 2019</i>
	<i>\$m</i>	<i>\$m</i>
<b>Non-Current</b>		
Other obligations	4.0	3.8
	<u>4.0</u>	<u>3.8</u>

Other obligations mainly consist of an endowment of \$4.0 million (December 31, 2019: \$3.8 million) for maintenance and management of the properties under the mitigation plan related to all permits for the Haile Gold mine.

## 12 INTEREST-BEARING LOANS AND BORROWINGS

	<i>March 31</i>	<i>December 31</i>
	<i>2020</i>	<i>2019</i>
	<i>\$m</i>	<i>\$m</i>
<b>Current</b>		
Lease liabilities (1)	26.9	24.8
	26.9	24.8
<b>Non-Current</b>		
Lease liabilities (1)	71.6	53.6
US\$ banking facilities (2)	200.0	150.0
	271.6	203.6

(1) *Leases liabilities*

Lease liability is measured at the present value of the fixed and variable lease payments net of cash lease incentives that are not paid at the balance date. Lease payments are apportioned between the finance charges and reduction of the lease liability using the incremental borrowing rate implicit in the lease where available or the Group's incremental borrowing rate to achieve a constant rate of interest on the remaining balance of the liability.

The Group has provided guarantees for certain mobile mining equipment leases entered into by the controlled entities. At March 31, 2020 the outstanding rental obligations under these leases amounted to \$92.7 million (December 31, 2019: \$75.9 million). Associated with this guarantee are certain financial compliance undertakings by the Group, including gearing covenants which the Group complied with at March 31, 2020.

(2) *US\$ banking facilities*

On November 25, 2019, the Group amended its loan facility with the Group's banking syndicate to remove the step-down requirement for December 31, 2019 and extended the maturity date for the overall \$200.0 million credit facilities to December 31, 2021. The facilities are with a multi-national group of banks.

At March 31, 2020, those facilities stood at \$200.0 million (December 31, 2019: \$200.0 million) with \$200.0 million drawn (December 31, 2019: \$150.0 million) and \$nil undrawn (December 31, 2019: \$50.0 million). Associated with this guarantee are certain financial compliance undertakings by the Group, including gearing covenants which the Group complied with at March 31, 2020.

### **Assets pledged**

As security for the Group's banking facilities, the Group's banking syndicate have been granted real property mortgages over titles relevant to the New Zealand and United States mines. They also have the ability to enter into real property and chattel mortgages in respect of the Didipio mine, and be assigned the Financial or Technical Assistance Agreement, subject to the requirements of applicable laws. Furthermore, certain subsidiaries of the Group have granted security in favour of the banking syndicate over their assets which include shares that they own in various other subsidiaries of the Group.

### 13 DERIVATIVES AND OTHER FINANCIAL LIABILITIES

	<i>March 31</i>	<i>December 31</i>
	<i>2020</i>	<i>2019</i>
	<i>\$m</i>	<i>\$m</i>
<b>Current</b>		
Gold put/call options	32.7	14.7
	32.7	14.7
	32.7	14.7

This represents a series of three bought gold put options with price of NZ\$2,000 per ounce and a series of three sold gold call options with price of NZ\$2,100 per ounce. At March 31, 2020, 89,100 ounces (December 31, 2019: 118,800 ounces) of gold options remained outstanding. These gold options are undesignated for hedge accounting purposes and accounted at fair value through the Statements of Comprehensive Income. These gold options cover future gold production from New Zealand mines.

Put options	Call options	Ounces of gold outstanding at	Ounces of gold outstanding at	
Strike price NZ\$	Strike price NZ\$	March 31, 2020	December 31, 2019	Expiring
2,000	2,100	89,100	118,800	December 2020

### 14 SHARE CAPITAL

#### Movement in common shares on issue

	<i>March 31</i>	<i>March 31</i>	<i>December 31</i>	<i>December 31</i>
	<i>2020</i>	<i>2020</i>	<i>2019</i>	<i>2019</i>
	<i>Million</i>	<i>\$m</i>	<i>Million</i>	<i>\$m</i>
	<i>shares</i>		<i>shares</i>	<i>\$m</i>
Balance at the beginning of the period	622.3	1,107.0	618.6	1,099.0
Options exercised	-	-	3.7	8.0
Balance at the end of the period	622.3	1,107.0	622.3	1,107.0

Common shares holders have the right to receive dividends as declared and, in the event of the winding up of the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Common shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

Common shares have no par value and are all fully paid. The Company has not established a maximum number for authorised shares.

Each CHES Depository Interests ("CDIs") represents a beneficial interest in a common share in the Company. CDI holders have the same rights as holders of common shares except that they must confirm their voting intentions by proxy before the meeting of the Company.

A potential non-controlling interest is referred to in Note 20(a).

The Company has share option and rights schemes under which options and rights to subscribe for the Company's shares have been granted to executives and management.

**NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
(CONTINUED)

**15 SEGMENT INFORMATION**

The Group's operations are managed on a regional basis. The three reportable segments are New Zealand, the Philippines and the United States. The business segments presented below reflect the management structure of the Group and the way in which the Group's management reviews business performance. The Group sells its gold bullion to a mint in Australia and a refiner in the United States, and sells its gold-copper concentrate to a commodity trader in Singapore. Gold bullion is produced in New Zealand, the Philippines and the United States and gold-copper concentrate is produced in the Philippines.

	New Zealand	Philippines	United States	All other segments	Elimination	Total
	\$m	\$m	\$m	\$m	\$m	\$m
<b>Quarter ended March 31, 2020</b>						
<b>Revenue</b>						
Sales to external customers	74.4	11.2	52.6	-	-	138.2
Inter segment management and gold handling fees	-	-	-	5.7	(5.7)	-
Total segment revenue	<u>74.4</u>	<u>11.2</u>	<u>52.6</u>	<u>5.7</u>	<u>(5.7)</u>	<u>138.2</u>
<b>Result</b>						
Segment result excluding unrealised hedge gains/(losses), depreciation and amortisation	48.1	(2.5)	12.3	(15.5)	-	42.4
Depreciation and amortisation	(18.3)	(5.2)	(26.2)	(0.4)	-	(50.1)
Inter segment management and gold handling fees	(2.3)	(1.9)	(1.5)	-	5.7	-
Gain/(loss) on fair value of derivative instruments	(21.2)	-	-	-	-	(21.2)
Total segment result before interest and tax	<u>6.3</u>	<u>(9.6)</u>	<u>(15.4)</u>	<u>(15.9)</u>	<u>5.7</u>	<u>(28.9)</u>
Net interest expense						(2.8)
Income tax (expense)/benefit						5.7
Net profit/(loss) for the period						<u>(26.0)</u>
<b>Assets</b>						
Additions to property, plant, equipment and mining assets for the three months ended March 31, 2020*	<u>36.3</u>	<u>2.2</u>	<u>49.4</u>	<u>0.2</u>	<u>(0.3)</u>	<u>87.8</u>
Total segment assets as at March 31, 2020	<u>330.5</u>	<u>769.7</u>	<u>949.5</u>	<u>111.5</u>	<u>-</u>	<u>2,161.2</u>

\* Included additions to right-of-use assets of \$26.9 million (Note 8).

**NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
(CONTINUED)

**15 SEGMENT INFORMATION (CONTINUED)**

	New Zealand	Philippines	United States	All other segments	Elimination	Total
	\$m	\$m	\$m	\$m	\$m	\$m
<b>Quarter ended March 31, 2019</b>						
<b>Revenue</b>						
Sales to external customers	88.1	58.9	32.5	-	-	179.5
Inter segment management and gold handling fees	-	-	-	5.6	(5.6)	-
Total segment revenue	<u>88.1</u>	<u>58.9</u>	<u>32.5</u>	<u>5.6</u>	<u>(5.6)</u>	<u>179.5</u>
<b>Result</b>						
Segment result excluding unrealised hedge gains/(losses), depreciation and amortisation	46.3	28.1	3.6	(13.6)	-	64.4
Depreciation and amortisation	(17.4)	(12.1)	(10.5)	(0.4)	-	(40.4)
Inter segment management and gold handling fees	(2.2)	(1.9)	(1.5)	-	5.6	-
Gain/(loss) on fair value of derivative instruments	1.4	-	-	-	-	1.4
Write off deferred exploration expenditure	-	-	-	(4.6)	-	(4.6)
Total segment result before interest and tax	<u>28.1</u>	<u>14.1</u>	<u>(8.4)</u>	<u>(18.6)</u>	<u>5.6</u>	<u>20.8</u>
Net interest expense						(3.6)
Income tax (expense)/benefit						<u>(4.8)</u>
Net profit/(loss) for the period						<u>12.4</u>
<b>Assets</b>						
Additions to property, plant, equipment and mining assets for the three months ended March 31, 2019*	37.8	7.2	22.5	2.0	-	69.5
Total segment assets as at March 31, 2019	<u>310.3</u>	<u>803.6</u>	<u>821.3</u>	<u>81.9</u>	<u>-</u>	<u>2,017.1</u>

\* Included additions to right-of-use assets of \$12.4 million (Note 8).

## 16 STOCK-BASED COMPENSATION

### (a) Executive share options plan

The following table reconciles the outstanding share options granted under the executive share option scheme at the beginning and the end of the period:

*WAEP = weighted average exercise price*

	<i>March 31, 2020</i>		<i>December 31, 2019</i>	
	<b>No.</b>	<b>WAEP</b>	<b>No.</b>	<b>WAEP</b>
Outstanding at the start of the period	33,333	A\$2.40	185,729	A\$2.49
Exercised	-	-	(133,333)	A\$2.49
Expired	(33,333)	A\$2.40	(19,063)	A\$2.68
<b>Balance at the end of the period</b>	<b>-</b>	<b>-</b>	<b>33,333</b>	<b>A\$2.40</b>
<b>Exercisable at the end of the period</b>	<b>-</b>	<b>-</b>	<b>33,333</b>	<b>A\$2.40</b>

No share options outstanding at March 31, 2020.

### (b) Performance share rights plan

The following table reconciles the outstanding rights granted under the performance share rights plan at the beginning and the end of the period:

*WAEP = weighted average exercise price*

	<i>March 31, 2020</i>		<i>December 31, 2019</i>	
	<b>No.</b>	<b>WAEP</b>	<b>No.</b>	<b>WAEP</b>
Outstanding at the start of the period	12,047,177	A\$0.00	12,922,011	A\$0.00
Granted	-	A\$0.00	4,011,264	A\$0.00
Forfeited	(79,928)	A\$0.00	(1,483,545)	A\$0.00
Expired	(2,793,215)	A\$0.00	-	A\$0.00
Exercised	-	A\$0.00	(3,402,553)	A\$0.00
<b>Balance at the end of the period</b>	<b>9,174,034</b>	<b>A\$0.00</b>	<b>12,047,177</b>	<b>A\$0.00</b>
<b>Exercisable at the end of the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

The performance share rights outstanding at March 31, 2020 had an exercise price of A\$0.00 and a weighted average remaining life of 1.37 years.

### (c) Replacement Stock Option plan

The following table reconciles the outstanding options granted under the Replacement Stock Option plan at the beginning and the end of the period:

*WAEP = weighted average exercise price*

	<i>March 31, 2020</i>		<i>December 31, 2019</i>	
	<b>No.</b>	<b>WAEP</b>	<b>No.</b>	<b>WAEP</b>
Outstanding at the start of the period	117,677	C\$2.23	281,991	C\$2.54
Exercised	-	-	(164,314)	C\$2.76
<b>Balance at the end of the period</b>	<b>117,677</b>	<b>C\$2.23</b>	<b>117,677</b>	<b>C\$2.23</b>
<b>Exercisable at the end of the period</b>	<b>117,677</b>	<b>C\$2.23</b>	<b>117,677</b>	<b>C\$2.23</b>



## 16 STOCK-BASED COMPENSATION (CONTINUED)

### (c) Replacement Stock Option plan (continued)

The share options outstanding at March 31, 2020 had an exercise price of between C\$2.06 and C\$2.41 and a weighted average remaining life of 0.11 years.

### (d) Deferred Unit Plan ("DUP")

The following table reconciles the outstanding deferred units granted under the deferred unit plan at the beginning and at the end of the period:

	<i>March 31, 2020</i>	<i>December 31, 2019</i>
	<b>No.</b>	<b>No.</b>
Outstanding at the start of the period	444,280	258,701
Granted	128,850	261,035
Forfeited	(120,000)	-
Exercised	(84,727)	(75,456)
<b>Balance at the end of the period</b>	<b>368,403</b>	<b>444,280</b>
<b>Exercisable at the end of the period</b>	<b>50,159</b>	<b>101,102</b>

The fair value of the units granted under the Deferred Unit Plan is calculated as the future cash flow and it is re-measured at each reporting date and at the date of settlement. Any changes in fair value are recognised in the Statement of Comprehensive Income for the period with a corresponding increase or decrease in liability. The liability is expensed over the relevant vesting period. At March 31, 2020, the fair value of the units was \$0.4 million and \$0.2 million was expensed.

## 17 COMMITMENTS

### Capital commitments

At March 31, 2020, the Group has commitments of \$24.3 million (December 31, 2019: \$44.7 million), principally relating to the purchase of property, plant and equipment mainly in Haile, Waihi and Didipio, and the development of mining assets in Didipio.

The commitments contracted for at reporting date, but not provided for:

	<i>March 31</i>	<i>December 31</i>
	<i>2020</i>	<i>2019</i>
	<i>\$m</i>	<i>\$m</i>
Within one year:		
- purchase of property, plant and equipment	3.9	3.1
- development of mining assets	0.2	0.4
- leases not yet commenced	20.2	41.2
	<u>24.3</u>	<u>44.7</u>

The above capital commitments exclude contracted commitments which the Group is able to exit without significant fees.

## 17 COMMITMENTS (CONTINUED)

### Other commitments

The Didipio Project is held under a Financial or Technical Assistance Agreement ("FTAA") granted by the Philippines Government in 1994. The FTAA has an initial term of 25 years and is renewable for another period of 25 years under the same terms and conditions in June 2019. The company has commenced the renewal process and lodged an application for the renewal of the FTAA with the Department of Environment and Natural Resources ("DENR") which has been accepted. The regional office of the Mines and Geosciences Bureau (MGB) that was tasked with reviewing the renewal application has endorsed it to the Central Office. The company will continue to work with the Government of the Philippines and the stakeholders and partners to complete the renewal process. The FTAA grants title, exploration and mining rights with a fixed fiscal regime. Under the terms of the FTAA, after a period in which the Group can recover development expenditure, capped at 5 years from the start of production (April 1, 2013) and a further 3 years over which any remaining balance is amortised, the Company is required to pay the Government of the Republic of the Philippines 60% of the "Net Revenue" earned from the Didipio Project. For the purposes of the FTAA, "Net Revenue" is generally the net revenues derived from mining operations, less deductions for, amongst other things, expenses relating to mining, processing, marketing, depreciation and certain specified overheads. In addition, all taxes paid to the Government and certain specified amounts paid to land claim owners are included as part of the calculation of 60% payable.

## 18 FAIR VALUE OF FINANCIAL INSTRUMENTS

### Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method.

The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2). Valuations are obtained from issuing institutions.
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

<b>March 31, 2020</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	\$m	\$m	\$m	\$m
<i>Recurring measurements</i>				
Derivatives embedded in accounts receivable	-	(0.1)	-	(0.1)
Equity instruments	2.1	-	-	2.1
Total assets	2.1	(0.1)	-	2.0
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	\$m	\$m	\$m	\$m
Gold put/call options	-	32.7	-	32.7
Total liabilities	-	32.7	-	32.7
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	\$m	\$m	\$m	\$m
<i>Recurring measurements</i>				
Equity instruments	37.4	-	-	37.4
Total assets	37.4	-	-	37.4
Gold put/call options	-	14.7	-	14.7
Total liabilities	-	14.7	-	14.7

The fair values of financial assets and liabilities are the same as their carrying amounts.

## 19 RELATED PARTIES

There were no significant related party transactions during the period.

## 20 CONTINGENCIES

- (a) A wholly owned subsidiary of the Company is party to an addendum agreement with a syndicate of original claim owners, led by Mr J. Gonzales, in respect of a portion of the FTAA area ("Addendum Agreement"). Certain disputed claims for payment and other obligations under the Addendum Agreement made by Gonzales are subject to arbitration proceedings, which are presently suspended due to the irrevocable resignation of the arbitrator. Mr. Gonzales passed away in late 2014. Further, a third party is also disputing Mr. Gonzales' interest in the Didipio Project. The Company is awaiting on the outcome of any determination or settlement negotiation between Mr. Gonzales and the third party disputor.
- (b) The Department of Environment and Natural Resources of the Philippines ("DENR"), along with a number of mining companies (including OceanaGold (Philippines) Inc.), are parties to a case that was filed in 2008 whereby a group of Non-Governmental Organizations (NGOs) and individuals challenged the constitutionality of the Philippines Mining Act ("Mining Act"), the Financial or Technical Assistance Agreements ("FTAAs") and the Mineral Production Sharing Agreements ("MPSAs") in the Philippines Supreme Court. After some years of slow development, the case proceeded to oral hearing in 2013 and is currently awaiting decision from the Supreme Court.

Notwithstanding the fact that the Supreme Court has previously upheld the constitutionality of both the Mining Act and the FTAAs, the Company is mindful that litigation is an inherently uncertain process and the outcome of the case may adversely affect the operation and financial position of the Company. At this stage, it is not possible to identify the potential orders of the Court nor to quantify the possible impact. The Company is working closely with the DENR, the other respondents in the case, and the mining industry to defend the Mining Act and the validity of its FTAA.

- (c) On February 14, 2017, the Company received an order from the DENR calling for the suspension of the Didipio operation, 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 the decision. The Company maintains that there is no legal basis for the proposed suspension, and the Didipio operation is not in violation of any laws, rules or regulations. Subsequent to receiving the suspension order, the Company filed an appeal with the Office of the President ("OP"), which has the effect of immediately staying the execution of the DENR suspension order. 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 Memorandum on or around May 8, 2017, and the Company subsequently filed a further reply to the DENR commentary. The matter is currently awaiting a decision from the OP.
- (d) The Company operates in a number of jurisdictions. In the normal course of operations, the Company is occasionally subject to claims or litigations, including claims relating to workers compensation, motor vehicle accidents and items of similar nature. The Company deals with these claims as and when they arise. The Group also maintains specific insurance policies to transfer the risk of such claims. No provision is included in the accounts unless the Directors believe that a liability has been crystallised. In those circumstances where such claims are of material effect, have merit and are not covered by insurance, their financial effect is provided for within the financial statements. Other than as disclosed in these financial statements and other public filings, there are no claims that the Company believes will result in material losses as at the date of these financial statements.
- (e) The Group has contingent liabilities under contracts, guarantees and other agreements arising in the ordinary course of business on which no loss is anticipated. Bonds have been issued in favour of various New Zealand authorities (Ministry of Energy, Hauraki District Council, Waikato Regional Council, Environment Waikato, Department of Conservation) as a condition for the grant of mining and exploration privileges, water rights and/or resource consents, and rights of access for Martha mining that amount to approximately \$32.5 million (December 31, 2019: \$36.8 million).
- (f) The mine operating permit at Haile which became final and effective during the first quarter of 2015 includes a schedule for estimated financial assurance of \$65.0 million over the mine life consisting of \$55.0 million in surety bonds or other mechanisms and \$10.0 million in an interest bearing cash trust. The Company has satisfied its current financial assurance payment requirements by using a surety bond of \$37.5 million and has paid \$2.6 million in trust funding by the end of March 2020.

The remaining estimated financial assurance of \$24.9 million will be paid over the life of the mine with the next financial assurance payment anticipated to occur in 2020. The timing and amounts of these payments could change due to a number of factors including changes in regulatory requirements, changes in scope and timing of closure activities. The State requires financial assurance for the estimated costs of mine reclamation and closure, including groundwater quality protection programs.

The surety bond and other financial assurance must be maintained in force continuously throughout the life of the mining operation and may only be released, partially or in full, after the State of South Carolina approves its release.

## 21 EVENTS OCCURRING AFTER THE REPORTING PERIOD

There have been no material subsequent events that have arisen since the end of the financial period to the date of this report that have not otherwise been dealt with.