



OCEANAGOLD CORPORATION

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FIRST QUARTER REPORT
MARCH 31ST, 2021
UNAUDITED

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at March 31, 2021

(in millions of United States dollars)

	Notes	March 31 2021 \$	December 31 2020 \$
ASSETS			
Current assets			
Cash and cash equivalents		145.5	179.0
Trade and other receivables	5	7.7	7.5
Inventories	7	107.2	108.2
Prepayments		10.4	12.4
Total current assets		270.8	307.1
Non-current assets			
Trade and other receivables	5	87.2	87.4
Financial assets	6	5.4	5.5
Inventories	7	234.7	219.8
Deferred tax assets		22.8	19.1
Property, plant and equipment	8	869.7	887.9
Mining assets	9	759.7	726.5
Total non-current assets		1,979.5	1,946.2
TOTAL ASSETS		2,250.3	2,253.3
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Trade and other payables		117.8	132.5
Unearned revenue	10	76.7	76.7
Employee benefits		14.3	16.0
Current tax liabilities		1.2	10.6
Interest-bearing loans and borrowings	11	22.5	23.5
Asset retirement obligations		4.7	7.0
Total current liabilities		237.2	266.3
Non-current liabilities			
Other obligations		3.5	3.6
Employee benefits		1.1	1.7
Deferred tax liabilities		21.4	4.2
Interest-bearing loans and borrowings	11	286.4	289.4
Asset retirement obligations		120.4	123.2
Total non-current liabilities		432.8	422.1
TOTAL LIABILITIES		670.0	688.4
SHAREHOLDERS' EQUITY			
Share capital	12	1,230.5	1,229.5
Retained earnings		256.6	240.6
Contributed surplus		58.2	56.4
Other reserves		35.0	38.4
TOTAL SHAREHOLDERS' EQUITY		1,580.3	1,564.9
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		2,250.3	2,253.3

On behalf of the Board of Directors:



Ian M. Reid
Director
April 29, 2021



Paul B. Sweeney
Director
April 29, 2021

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, 2021

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

		<i>Three months ended</i>	
		<i>March 31</i>	<i>March 31</i>
		<i>2021</i>	<i>2020</i>
	<i>Notes</i>	<i>\$</i>	<i>\$</i>
Revenue	4	148.9	138.2
Cost of sales, excluding depreciation and amortisation		(66.7)	(74.0)
Depreciation and amortisation		(36.3)	(50.1)
General and administration - indirect taxes		(0.1)	(1.2)
General and administration - idle capacity charges		(4.5)	(8.4)
General and administration - other		(12.6)	(11.0)
Operating profit/(loss)		28.7	(6.5)
Other income/(expenses)			
Interest expense and finance costs		(2.7)	(2.9)
Foreign exchange gain/(loss)		(3.4)	(1.2)
Gain/(loss) on disposal of property, plant and equipment		-	(0.3)
Gain/(loss) on fair value of financial assets		-	(0.3)
Total other expenses		(6.1)	(4.7)
Write down of assets		(1.3)	-
Gain/(loss) on fair value of undesignated hedges		-	(21.2)
Interest income		-	0.1
Other income/(expense)		0.4	0.6
Profit/(loss) before income tax		21.7	(31.7)
Income tax benefit/(expense)		(5.7)	5.7
Net profit/(loss)		16.0	(26.0)
Other comprehensive income/(loss)			
<i>Items that has been/may be reclassified to profit or loss</i>			
Currency translation gain/(loss)		(3.2)	(20.1)
<i>Items that will not be reclassified to profit or loss</i>			
Gain/(loss) on fair value of financial assets at fair value through other comprehensive income		(0.2)	(10.8)
Total other comprehensive income/(loss) net of tax		(3.4)	(30.9)
Comprehensive income/(loss) attributable to shareholders		12.6	(56.9)
		<i>Millions</i>	<i>Millions</i>
Weighted average number of common shares (used in calculation of basic earnings per share)		704.0	622.3
Effect of dilution: Share options*		9.5	9.2
Adjusted weighted average number of common shares (used in calculation of diluted earnings per share)		713.5	631.5
Net earnings/(loss) per share:			
- Basic		\$0.02	(\$0.04)
- Diluted		\$0.02	(\$0.04)

* For the three months 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, 2021

(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>
	\$	\$	\$	\$	\$
Balance at January 1, 2021	1,229.5	56.4	38.4	240.6	1,564.9
Comprehensive income/(loss) for the period	-	-	(3.4)	16.0	12.6
Issue of shares (net of costs)	1.0	-	-	-	1.0
Employee share options:					
Share based payments	-	2.2	-	-	2.2
Forfeiture of options	-	(0.4)	-	-	(0.4)
Exercise of options	-	-	-	-	-
Balance at March 31, 2021	1,230.5	58.2	35.0	256.6	1,580.3
Balance at 1 January, 2020	1,107.0	48.6	17.0	391.0	1,563.6
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)
Balance at March 31, 2020	1,107.0	49.8	(13.9)	365.0	1,507.9

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, 2021

<i>(in millions of United States dollars)</i>	<i>Three months ended</i>	
	<i>March 31</i>	<i>March 31</i>
	<i>2021</i>	<i>2020</i>
	<i>\$</i>	<i>\$</i>
Operating activities		
Net profit/(loss)	16.0	(26.0)
<i>Charges/(credits) not affecting cash</i>		
Depreciation and amortisation expense	36.3	50.1
Net (gain)/loss on disposal of property, plant & equipment	-	0.3
Unrealised foreign exchange (gain)/loss	3.4	1.2
Stock based compensation charge	1.8	1.2
(Gain)/loss on fair value of undesignated hedges	-	21.2
Amortisation of transaction costs/ write off	0.2	0.1
Income tax expense/(benefit)	5.7	(5.7)
Non-cash fair value of financial assets (gain)/loss	-	0.3
Write down of assets	1.3	-
<i>Changes in non-cash working capital</i>		
(Increase)/decrease in trade and other receivables	(0.5)	(5.9)
(Increase)/decrease in inventories	(12.7)	9.1
(Decrease)/increase in trade and other payables	(4.3)	(1.9)
(Decrease)/increase in unearned revenue	-	78.5
(Decrease)/increase in other working capital	0.4	2.6
(Decrease)/increase in tax payables	-	(4.5)
Net cash provided by/(used in) operating activities	47.6	120.6
Investing activities		
Proceeds from sale of financial assets	-	22.7
Proceeds from sale of property, plant and equipment	0.9	1.0
Payment for property, plant and equipment	(9.4)	(8.7)
Payment for mining assets: exploration and evaluation	(3.3)	(2.9)
Payment for mining assets: development	(39.2)	(21.5)
Payment for mining assets: in production	(20.9)	(24.4)
Net cash provided by/(used in) investing activities	(71.9)	(33.8)
Financing activities		
Repayment of lease liabilities	(6.4)	(5.2)
Proceeds from bank borrowings and other loans	-	50.0
Repayment of bank borrowings and other loans	(0.3)	-
Net cash provided by/(used in) financing activities	(6.7)	44.8
Effect of exchange rates changes on cash gain/(loss)	(2.5)	(3.2)
Net increase/(decrease) in cash and cash equivalents	(33.5)	128.4
Cash and cash equivalents at the beginning of the period	179.0	49.0
Cash and cash equivalents at the end of the period	145.5	177.4
Cash interest paid	(2.3)	(0.9)
Cash interest received	-	0.1
Income taxes paid	(0.1)	(4.5)

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 one open cut gold mine at Haile in South Carolina, United States and an underground operation at Didipio in the Philippines where operations remained suspended amidst local blockades and pending FTAA renewal.

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, 2020, 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 April 29, 2021.

2 ACCOUNTING POLICIES

Accounting standards effective for future periods

The following accounting policy is effective for future periods.

Amendment to IAS 16 - Property, Plant and Equipment

This standard is amended to prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by Management (for example, pre commercial production sales). The proceeds from selling such items, together with the costs of producing those items, are now recognised in profit or loss.

The amendment also clarifies that an entity is 'testing whether the asset is functioning properly' when it assesses the technical and physical performance of the asset. The financial performance of the asset is not relevant to this assessment. An asset might therefore be capable of operating as intended by Management and subject to depreciation before it has achieved the level of operating performance expected by Management.

The amendment requires entities to separately disclose the amounts of proceeds and costs relating to items produced that are not an output of the entity's ordinary activities. An entity should also disclose the line item in the Statement of Comprehensive Income where the proceeds and costs are included.

The amendments are effective for annual periods beginning on or after 1 January 2022. The Group will apply the amendment accordingly when effective and does not currently expect any material impact of this amendment.

There are no other IFRSs or IFRIC interpretations that are not yet effective and 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, 2020, except for those noted and updated below.

3 CRITICAL ESTIMATES AND JUDGEMENTS (CONTINUED)

(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, 2020 Financial Statements. These assessments require the use of estimates and assumptions such as commodity prices (gold, copper and silver), 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.

The recoverable amount of exploration assets is dependent on various factors including technical studies, further exploration, and the eventual grant of mining permits. Should these be unsuccessful, the exploration assets could be impaired.

The Group has four CGUs, Macraes and Waihi in New Zealand, Didipio in the Philippines and Haile in the United States of America.

For the Didipio CGU, the Financial or Technical Assistance Agreement ("FTAA") renewal is currently pending re-endorsement from the Philippine Department of Environment and Natural Resources ("DENR") to the Office of the President for approval. The Company is unable to provide a specific timeline to complete the renewal.

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 beyond expectations, the carrying value of the Didipio assets may be further impaired. However, if the FTAA renewal were obtained, and full operations resumed sooner than assumed, a reversal of impairment may be required to be booked after giving due consideration to those circumstances. No significant developments were noted in this regard to assess for potential reversal of impairment.

(ii) COVID-19

In view of the ongoing COVID-19 global pandemic, Management had considered the impact of the COVID-19 pandemic on its operations in the various jurisdictions and concluded that it had not had a material impact and was hence not an indicator of impairment for any of the Group's CGUs. The activities at the New Zealand operations were paused during a nationwide five-week lockdown on March 25, 2020, and the activities were fully resumed on April 28, 2020 following the easing of COVID-19 restrictions. At March 31, 2021, with the exception of the Didipio mine in the Philippines where operations remain suspended amidst local blockades and pending FTAA renewal, the mines in New Zealand and the United States were operating.

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

4 REVENUE

	Three months ended	
	<i>March 31</i> 2021 \$m	<i>March 31</i> 2020 \$m
Gold sales		
Bullion	148.0	137.8
Provisional price adjustment	(0.1)	0.1
	<u>147.9</u>	<u>137.9</u>
Copper sales		
Provisional price adjustment	0.1	(0.1)
	<u>0.1</u>	<u>(0.1)</u>
Silver sales		
Bullion	0.9	0.4
	<u>0.9</u>	<u>0.4</u>
Total Revenue	<u><u>148.9</u></u>	<u><u>138.2</u></u>

All gold options were either exercised or expired by December 31, 2020, no gold options exercised during the quarter ended March 31, 2021 (March 31, 2020: realised loss on gold options hedges of \$7.5 million). Realised gain or loss on gold options is included within Revenue - Gold sales.

Provisionally Priced Sales

At March 31, 2021, 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 \$1,711/oz and \$8,858/t, respectively.

5 TRADE AND OTHER RECEIVABLES

	<i>March 31</i> 2021 \$m	<i>December 31</i> 2020 \$m
Current		
Trade receivables	2.2	2.2
Other receivables	5.5	5.3
	<u>7.7</u>	<u>7.5</u>
Non-Current		
Other receivables	87.2	87.4
	<u>87.2</u>	<u>87.4</u>

Other receivables mainly consist of \$45.4 million (December 31, 2020: \$45.0 million) input tax credits and \$29.0 million (December 31, 2020: \$29.1 million) excise tax recoverable, with the remainder related to deposits at bank in support of environmental bonds.

The Group has a contingent liability under bonds issued in favour of various New Zealand authorities (Otago Regional Council, Dunedin City Council, Waitaki District Council, West Coast Regional Council, Buller District Council 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 \$39.2 million (December 31, 2020: \$40.4 million).

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

	<i>March 31</i>	<i>December 31</i>
	<i>2021</i>	<i>2020</i>
	<i>\$m</i>	<i>\$m</i>
Non-Current		
Financial assets at fair value through other comprehensive income	5.4	5.5
	5.4	5.5

Represents the fair value of investments in NuLegacy Gold Corporation which is listed on the Toronto Stock Exchange.

7 INVENTORIES

	<i>March 31</i>	<i>December 31</i>
	<i>2021</i>	<i>2020</i>
	<i>\$m</i>	<i>\$m</i>
Current		
Gold in circuit	19.3	13.3
Ore - at cost	10.0	14.7
Gold on hand	0.8	4.0
Gold and copper concentrate	33.1	33.1
Maintenance stores	44.0	43.1
	107.2	108.2
Non-Current		
Ore - at cost	221.8	207.5
Maintenance stores	12.9	12.3
	234.7	219.8
Total inventories	341.9	328.0

During the quarter, inventories were written down by \$5.4 million (for the year ended December 31, 2020: \$11.2 million).

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

8 PROPERTY, PLANT AND EQUIPMENT

	March 31, 2021			
	Land	Buildings	Plant and equipment	Total
	\$m	\$m	\$m	\$m
Net book value				
At December 31, 2020:				
Cost	59.1	105.1	1,576.7	1,740.9
Accumulated depreciation and impairment	-	(38.7)	(814.3)	(853.0)
At December 31, 2020	59.1	66.4	762.4	887.9
Movement for the period:				
Additions	-	-	16.8	16.8
Revaluation	-	-	(5.5)	(5.5)
Transfers	(1.8)	-	(3.1)	(4.9)
Disposals/write-off	(0.4)	(0.5)	-	(0.9)
Depreciation charge	-	(1.2)	(18.9)	(20.1)
Exchange differences	(1.0)	(0.4)	(2.2)	(3.6)
At March 31, 2021	55.9	64.3	749.5	869.7
At March 31, 2021:				
Cost	55.9	103.8	1,569.0	1,728.7
Accumulated depreciation and impairment	-	(39.5)	(819.5)	(859.0)
	55.9	64.3	749.5	869.7

Plant and equipment includes right-of-use assets (leased assets) net of accumulated depreciation of \$109.2 million (December 31, 2020: \$112.7 million). \$93.1 million (December 31, 2020: \$98.1 million) of the right-of-use assets are pledged as security for lease liabilities (Note 11).

The following table shows the movements in the net book value of right-of-use assets for the three months period ended March 31, 2021:

	March 31, 2021				Total
	Properties	Vehicles and Machinery	Office equipment	Other plant and equipment	
	\$m	\$m	\$m	\$m	\$m
Net book value					
At January 1, 2021					
	1.5	99.5	0.2	11.5	112.7
Additions	-	0.3	0.1	2.5	2.9
Depreciation	(0.2)	(5.4)	(0.1)	(0.5)	(6.2)
Transfers	-	0.2	-	-	0.2
Exchange differences	-	(0.1)	-	(0.3)	(0.4)
At March 31, 2021	1.3	94.5	0.2	13.2	109.2

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

9 MINING ASSETS

	March 31, 2021			
	Exploration and evaluation phase	Development phase	In production phase	Total
	\$m	\$m	\$m	\$m
Net book value				
At December 31, 2020:				
Cost	99.1	194.1	1,917.7	2,210.9
Accumulated amortisation and impairment	-	-	(1,484.4)	(1,484.4)
At December 31, 2020	99.1	194.1	433.3	726.5
Movement for the period:				
Additions	3.3	31.9	22.5	57.7
Transfers	-	-	4.9	4.9
Disposals/write-off	(1.3)	-	-	(1.3)
Amortisation for the period	-	-	(21.1)	(21.1)
Exchange differences	(2.1)	(3.2)	(1.7)	(7.0)
At March 31, 2021	99.0	222.8	437.9	759.7
At March 31, 2021:				
Cost	99.0	222.8	1,920.4	2,242.2
Accumulated amortisation and impairment	-	-	(1,482.5)	(1,482.5)
	99.0	222.8	437.9	759.7

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 Martha Underground Project at Waihi Gold Mine and the Golden Point Underground Project at Macraes Gold Mine in New Zealand, the underground operations and development, the community development and road projects at Didipio Mine in the Philippines, and the underground surface work, 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 2021</i>	<i>December 31 2020</i>
	<i>\$m</i>	<i>\$m</i>
Current		
Advanced gold sales	76.7	76.7
	<u>76.7</u>	<u>76.7</u>

In August 2020, the Group entered into an advanced gold sale arrangement with three financial institutions to deliver a total of 40,000 gold ounces between April 2021 and June 2021 and received an advanced cash payment of \$76.7 million.

In April 2021, the Group updated the terms of delivery for the advanced gold sale arrangement to deliver 40,000 gold ounces between April 2021 and July 2021 under the modified agreement.

These advanced gold sales will be amortised to the Statement of Comprehensive Income when physical deliveries of gold occur. 40,000 gold ounces remained outstanding as at March 31, 2021.

11 INTEREST-BEARING LOANS AND BORROWINGS

	<i>March 31</i>	<i>December 31</i>
	<i>2021</i>	<i>2020</i>
	<i>\$m</i>	<i>\$m</i>
Current		
Lease liabilities (1)	21.6	22.6
US\$ banking facilities (2)	1.5	1.5
Unamortised transaction costs (3)	<u>(0.6)</u>	<u>(0.6)</u>
Net US\$ banking facilities	<u>0.9</u>	<u>0.9</u>
	<u>22.5</u>	<u>23.5</u>
	<i>March 31</i>	<i>December 31</i>
	<i>2021</i>	<i>2020</i>
	<i>\$m</i>	<i>\$m</i>
Non-Current		
Lease liabilities (1)	80.8	83.6
US\$ banking facilities (2)	207.2	207.5
Unamortised transaction costs (3)	<u>(1.6)</u>	<u>(1.7)</u>
Net US\$ banking facilities	<u>205.6</u>	<u>205.8</u>
	<u>286.4</u>	<u>289.4</u>

(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, 2021 the outstanding rental obligations under these leases amounted to \$92.3 million (December 31, 2020: \$97.4 million). Associated with this guarantee are certain financial compliance undertakings by the Group, including gearing covenants which the Group complied with at March 31, 2021.

(2) *US\$ banking facilities*

On December 16, 2020, the Group amended its loan facility with the Group's bank group to increase its overall credit facilities to \$250.0 million and extended the maturity date for the overall credit facilities to December 31, 2024. The facilities are with a multi-national group of banks.

On May 6, 2020, the Group entered into a new \$10.0 million fleet facility arrangement with a financial institution for mining equipment financing. On December 16, 2020, the Group amended this fleet facility arrangement to decrease its credit facilities to \$9.7 million.

At March 31, 2021, total facilities stood at \$259.7 million (December 31, 2020: \$259.7 million) with \$208.7 million drawn (December 31, 2020: \$209.0 million) and \$51.0 million undrawn (December 31, 2020: \$50.7 million). Associated with this guarantee are certain financial compliance undertakings by the Group, including gearing covenants which the Group complied with at March 31, 2021.

(3) *Unamortised transaction costs*

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.

Assets pledged

As security for the Group's banking facilities, the Group's bank group have been granted real property mortgages over titles relevant to the New Zealand and United States mines (note 13 total segment assets). 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 bank group over their assets which include shares that they own in various other subsidiaries of the Group.

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

12 SHARE CAPITAL

Movement in common shares on issue

	<i>March 31 2021 Million shares</i>	<i>March 31 2021 \$m</i>	<i>December 31 2020 Million shares</i>	<i>December 31 2020 \$m</i>
Balance at the beginning of the period	704.0	1,229.5	622.3	1,107.0
Shares issued	0.0	1.0	81.6	122.3
Options exercised	0.0	-	0.1	0.2
Balance at the end of the period	<u>704.0</u>	<u>1,230.5</u>	<u>704.0</u>	<u>1,229.5</u>

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 18(a).

The Company has share rights schemes under which 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)

13 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
Quarter ended March 31, 2021						
Revenue						
Sales to external customers	67.0	-	81.9	-	-	148.9
Inter segment management and gold handling fees	-	-	-	5.9	(5.9)	-
Total segment revenue	67.0	-	81.9	5.9	(5.9)	148.9
Result						
Segment result excluding unrealised hedge gains/(losses), depreciation and amortisation	28.2	(4.6)	45.4	(7.0)	-	62.0
Depreciation and amortisation	(8.5)	(2.1)	(25.3)	(0.4)	-	(36.3)
Inter segment management and gold handling fees	(3.1)	(1.4)	(1.4)	-	5.9	-
Write down of assets	-	-	(1.3)	-	-	(1.3)
Total segment result before interest and tax	16.6	(8.1)	17.4	(7.4)	5.9	24.4
Net interest expense						(2.7)
Income tax (expense)/benefit						(5.7)
Net profit/(loss) for the period						16.0
Assets						
Additions to property, plant, equipment and mining assets for the three months ended March 31, 2021*	45.6	0.1	28.7	0.1	-	74.5
Total segment assets as at March 31, 2021	479.6	675.4	1,029.3	66.0	-	2,250.3

* Included additions to right-of-use assets of \$2.9 million (Note 8).

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

13 SEGMENT INFORMATION (CONTINUED)

	New Zealand	Philippines	United States	All other segments	Elimination	Total
	\$m	\$m	\$m	\$m	\$m	\$m
Quarter ended March 31, 2020						
Revenue						
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>
Result						
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						<u>5.7</u>
Net profit/(loss) for the period						<u>(26.0)</u>
Assets						
Additions to property, plant, equipment and mining assets for the three months ended March 31, 2020*	36.3	2.2	49.4	0.2	(0.3)	87.8
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)

14 STOCK-BASED COMPENSATION

(a) 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, 2021</i>		<i>December 31, 2020</i>	
	No.	WAEP	No.	WAEP
Outstanding at the start of the period	14,741,642	A\$0.00	12,047,177	A\$0.00
Granted	-	A\$0.00	6,584,205	A\$0.00
Forfeited	(438,475)	A\$0.00	(1,096,524)	A\$0.00
Expired	(4,770,414)	A\$0.00	(2,793,216)	A\$0.00
Exercised	-	A\$0.00	-	A\$0.00
Balance at the end of the period	9,532,753	A\$0.00	14,741,642	A\$0.00
Exercisable at the end of the period	-	A\$0.00	-	A\$0.00

The performance share rights outstanding at March 31, 2021 had an exercise price of A\$0.00 and a weighted average remaining life of 1.6 years.

(b) 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, 2021</i>	<i>December 31, 2020</i>
	No.	No.
Outstanding at the start of the period	435,676	444,280
Granted	70,055	196,123
Forfeited	-	(120,000)
Exercised	(38,728)	(84,727)
Balance at the end of the period	467,003	435,676
Exercisable at the end of the period	50,159	50,159

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, 2021, the fair value of the units was \$0.6 million and \$0.4 million was expensed.

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

15 COMMITMENTS

Capital commitments

At March 31, 2021, the Group has commitments of \$23.1 million (December 31, 2020: \$15.9 million), principally relating to the purchase of property, plant and equipment at Haile, Waihi, Macraes and Didipio, and the development of mining assets at Waihi and Didipio.

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

	<i>March 31</i> 2021 \$m	<i>December 31</i> 2020 \$m
Within one year:		
- purchase of property, plant and equipment	5.0	5.9
- development of mining assets	1.4	1.3
- leases not yet commenced	16.7	8.7
	<u>23.1</u>	<u>15.9</u>

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

Other commitments

Background

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. In March 2018, the company had lodged an application for the renewal of the FTAA with the Department of Environment and Natural Resources (“DENR”). The FTAA renewal is currently pending re-endorsement from the DENR to the Office of the President for approval. The Company is unable to provide a specific timeline to complete the renewal.

Future commitment

The FTAA grants title, exploration and mining rights with a fixed fiscal regime. Under the terms of the existing 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.

16 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).

March 31, 2021	Level 1 \$m	Level 2 \$m	Level 3 \$m	Total \$m
<i>Recurring measurements</i>				
Derivatives embedded in accounts receivable	-	(0.2)	-	(0.2)
Equity instruments	5.4	-	-	5.4
Total assets	<u>5.4</u>	<u>(0.2)</u>	<u>-</u>	<u>5.2</u>

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

16 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

December 31, 2020	Level 1 \$m	Level 2 \$m	Level 3 \$m	Total \$m
<i>Recurring measurements</i>				
Derivatives embedded in accounts receivable	-	0.1	-	0.1
Equity instruments	5.5	-	-	5.5
Total assets	5.5	0.1	-	5.6

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

17 RELATED PARTIES

There were no significant related party transactions during the period.

18 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 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 (Minister for Land Information, Hauraki District Council, Waikato Regional Council 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 Martha mining that amount to approximately \$44.6 million (December 31, 2020: \$45.9 million).

18 CONTINGENCIES (CONTINUED)

- (e) 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 \$43.7 million and has paid \$3.4 million in trust funding by the end of March 2021. In addition, the company used a surety bond of \$9.6 million to cover two minor modifications of construction projects.

The remaining estimated financial assurance of \$17.9 million will be paid over the life of the mine with the next financial assurance payment anticipated to occur in 2021. 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.

19 EVENTS OCCURRING AFTER THE REPORTING PERIOD

Subsequent to the quarter end, the Company updated the terms of delivery for the previously disclosed arrangement entered into with three financial institutions to deliver 40,000 gold ounces in the second quarter of 2021. The Company will now deliver 40,000 gold ounces between April and July 2021 under the modified agreement.

Other than the matter noted above, there have been no other material subsequent events that have arisen since the end of the financial period to the date of this report.