OCEANAGOLD CORPORATION

APPENDIX 4D - HALF YEAR REPORT
SIX MONTHS ENDED JUNE 30 2013

Results for announcement to the market

Financial Results	June 2013 US$'000	June 2012 US$'000	Change US$'000	Change %
Revenue from ordinary activities	226,852	175,277	51,575	Up 29.4%
Profit/(loss) from ordinary activities after tax attributable to members	(63,433)	(3,128)	(60,305)	Down > 100%
Net profit/(loss) after tax attributable to members	(63,433)	(3,128)	(60,305)	Down > 100%

Net Tangible Asset	June 2013	June 2012
Net tangible assets per security	US$ 1.86	US$ 1.86

Dividends

In line with company policy, the Directors do not propose declaring an interim dividend for 2013. There is no dividend reinvestment plan for the Company.

Explanation of Results

Net loss after tax for the six months ended 30 June 2013 was $63.4 million compared to a net loss after of tax of $3.1 million for the same period of 2012. The change was mainly due to a pre tax impairment charge of $85.5 million recognised for New Zealand cash generating unit (CGU) in the quarter ended June 30, 2013. Revenue increased by 29.4% to $226.8 million due to higher gold ounces sold, partly offset by a decrease in the average gold price per ounce received. Gold sold in the first six months of 2013 was 129,261 ounces, versus 105,608 ounces for the same period in the prior year with the increase attributable to higher sales from the New Zealand operations and the commencement of commercial production of the Didpio Mine in the Philippines on April 1, 2013.

The overall costs of mining and processing were higher in part due to the inclusion of operating costs of the Didipio Mine which commenced commercial production during the period.

Please refer to the Management Discussion and Analysis of Financial Condition and Results of Operations for the quarter and half year ended June 30, 2013 and the Unaudited Interim Consolidated Financial Statements for the period ended June 30, 2013, for further explanation of results.

The information required by listing rule 4.2A is contained in both this Appendix 4D, the attached Unaudited Interim Consolidated Financial Statements and the Management Discussion and Analysis of Financial Condition and Results of Operations for June 30, 2013.
The Financial Statements, prepared in accordance with International Financial Reporting Standards, have been subject to review by the group's auditors and the review report is included in the interim consolidated financial statements attached to this Appendix 4D.

Auditor’s Independence Declaration

As lead auditor for the review of OceanaGold Corporation for the half year ended 30 June 2013, I declare that to the best of my knowledge and belief, I am independent in accordance with the requirements of The Code of Ethics for Professional Accountants issued by the International Federation of Accountants in relation to the review.

This declaration is in respect of OceanaGold Corporation and the entities it controlled during the period.

John O'Donoghue
Partner
PricewaterhouseCoopers

Melbourne
25 July 2013

PricewaterhouseCoopers, ABN 52 780 433 757
Freshwater Place, 2 Southbank Boulevard, SOUTHBANK VIC 3006, GPO Box 1331, MELBOURNE VIC 3001
T: 61 3 8603 1000, F: 61 3 8603 1999, www.pwc.com.au

Liability limited by a scheme approved under Professional Standards Legislation.

Report on Review of Interim Financial Information

To the Shareholders of OceanaGold Corporation

Introduction

We have reviewed the interim consolidated statement of financial position of OceanaGold Corporation as at 30 June 2013 and the interim consolidated statements of comprehensive income, changes in equity and cash flows for the three and six-month periods then ended. Management is responsible for the preparation and fair presentation of this interim financial information in accordance with International Financial Reporting Standards applicable to the preparation of interim financial statements. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity.* A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information does not give a true and fair view of the financial position of the entity as at 30 June 2013, and of its financial performance and its cash flows for the three and six-month periods then ended in accordance with International Financial Reporting Standards applicable to the preparation of interim financial statements, including International Accounting Standard 34 *Interim Financial Reporting.*

PricewaterhouseCoopers

PricewaterhouseCoopers
Melbourne
25 July 2013

PricewaterhouseCoopers, ABN 52 780 433 757
Freshwater Place, 2 Southbank Boulevard, SOUTHBANK VIC 3006, GPO Box 1331, MELBOURNE VIC 3001
T: 61 3 8603 1000, F: 61 3 8603 1999, www.pwc.com.au

Liability limited by a scheme approved under Professional Standards Legislation.

OCEANAGOLD CORPORATION

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

SECOND QUARTER REPORT

JUNE 30TH, 2013

UNAUDITED

UNAUDITED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at June 30, 2013

(in United States dollars)	*Notes*	*June 30 2013 $'000*	*December 31 2012 $'000*
ASSETS			
Current assets			
Cash and cash equivalents		17 924	96 502
Trade and other receivables	5	23 597	15 209
Derivatives and other financial assets	6	8 119	4 404
Inventories	7	95 038	65 866
Prepayments		4 430	3 797
Total current assets		149 108	185 778
Non-current assets			
Trade and other receivables	5	38 268	17 961
Derivatives and other financial assets	6	4 754	6 328
Inventories	7	50 588	49 176
Deferred tax assets	8	6 352	5 268
Property, plant and equipment	9	325 689	159 657
Mining assets	10	341 429	607 488
Total non-current assets		767 080	845 878
TOTAL ASSETS		916 188	1 031 656
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Trade and other payables		52 898	62 119
Employee benefits	11	6 336	6 971
Derivatives and other financial liabilities	12	13 593	151
Interest-bearing loans and borrowings	13	142 700	130 172
Total current liabilities		215 527	199 413
Non-current liabilities			
Other obligations		2 013	2 301
Employee benefits	11	498	504
Deferred tax liabilities	8	27 006	52 132
Interest-bearing loans and borrowings	13	90 451	136 694
Asset retirement obligations		34 659	30 752
Total non-current liabilities		154 627	222 383
TOTAL LIABILITIES		370 154	421 796
SHAREHOLDERS' EQUITY			
Share Capital	14	635 952	636 189
Accumulated losses		(159 487)	(96 054)
Contributed surplus	17	39 469	38 418
Other reserves	18	30 100	31 307
TOTAL SHAREHOLDERS' EQUITY		546 034	609 860
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		916 188	1 031 656

On behalf of the Board of Directors:

James E. Askew
Director
July 25, 2013

J. Denham Shale
Director
July 25, 2013

The accompanying Notes to the Interim Consolidated Financial Statements are an integral part of these financial statements.

UNAUDITED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the Quarter ended June 30, 2013

(in United States dollars)	Notes	Three months ended June 30 2013 $'000	Three months ended June 30 2012 $'000	Six months ended June 30 2013 $'000	Six months ended June 30 2012 $'000
Revenue	4	131 213	86 719	226 852	175 277
Cost of sales, excluding depreciation and amortisation		(80 437)	(57 523)	(120 312)	(118 211)
Depreciation and amortisation		(39 824)	(20 009)	(69 371)	(41 832)
General and administration expenses		(6 764)	(3 561)	(12 926)	(6 655)
Operating profit		**4 188**	**5 626**	**24 243**	**8 579**
Other expenses					
Interest expense and finance costs		(6 414)	(5 057)	(13 022)	(10 372)
Foreign exchange gain/(loss)		(1 528)	(31)	(1 947)	(1 652)
Gain/(loss) on disposal of property, plant and equipment		-	-	(2 139)	-
		(7 942)	(5 088)	(17 108)	(12 024)
Gain/(loss) on fair value of undesignated hedges		(8 977)	-	(8 164)	-
Interest income		92	1 023	324	2 336
Other income/(expense)		11	28	42	158
Impairment charge	3 vii	(85 500)	-	(85 500)	-
Profit/(loss) before income tax		(98 128)	1 589	(86 163)	(951)
Income tax benefit/(expense)		27 637	(854)	22 730	(2 177)
Net Profit/(Loss)		**(70 491)**	**735**	**(63 433)**	**(3 128)**
Other comprehensive income that can be reclassified to profit and loss in a future period, net of tax					
Currency translation gain/(loss)		(4 773)	(4 957)	134	12 855
Net change in fair value of available-for-sale assets		(339)	-	(1 341)	-
Total other comprehensive income (net of tax)		(5 112)	(4 957)	(1 207)	12 855
Comprehensive income/(loss) attributable to shareholders		**(75 603)**	**(4 222)**	**(64 640)**	**9 727**
Net earnings/(loss) per share:					
- basic and diluted	23	($0.24)	$0.00	($0.22)	($0.01)

UNAUDITED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Quarter ended June 30, 2013

(in United States dollars)	Share Capital $'000	Contributed Surplus $'000	Other Reserves $'000	Accumulated Losses $'000	Total Equity $'000
Balance at January 1, 2013	**636 189**	**38 418**	**31 307**	**(96 054)**	**609 860**
Comprehensive income/(loss) for the period	-	-	(1 207)	(63 433)	(64 640)
Employee share options:					
Share based payments	-	1 344	-	-	1 344
Forfeiture of options	-	(126)	-	-	(126)
Exercise of options	175	(167)	-	-	8
Issue of shares (net of costs)	(412)	-	-	-	(412)
Balance at June 30, 2013	**635 952**	**39 469**	**30 100**	**(159 487)**	**546 034**
Balance at January 1, 2012	**543 988**	**36 951**	**14 025**	**(116 724)**	**478 240**
Comprehensive income/(loss) for the period	-	-	12 855	(3 128)	9 727
Employee share options:					
Share based payments	-	1 305	-	-	1 305
Forfeiture of options	-	(181)	-	-	(181)
Exercise of options	-	(287)	-	-	(287)
Issue of shares (net of costs)	448	-	-	-	448
Balance at June 30, 2012	**544 436**	**37 788**	**26 880**	**(119 852)**	**489 252**

The accompanying Notes to the Interim Consolidated Financial Statements are an integral part of these financial statements.

UNAUDITED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

As at June 30, 2013

(in United States dollars)	*Three months ended*		*Six months ended*	
	June 30 2013 $'000	*June 30 2012 $'000*	*June 30 2013 $'000*	*June 30 2012 $'000*
Operating activities				
Net profit/(loss)	(70 491)	735	(63 433)	(3 128)
Charges/(credits) not affecting cash				
Depreciation and amortisation expense	39 824	20 009	69 371	41 832
Net (gains)/loss on disposal of property, plant & equipment	-	(2)	2 139	(86)
Non-cash interest charges	864	1 177	3 955	2 406
Unrealised foreign exchange (gains)/losses	1 528	31	1 947	1 653
Stock based compensation charge	711	464	1 219	1 118
Gain(/loss) on fair value of undesignated hedges	8 977	-	8 164	-
Non-cash transaction costs	941	-	1 882	-
Impairment charge	85 500	-	85 500	-
Future tax expense/(benefit)	(27 637)	854	(22 730)	2 177
Changes in non-cash working capital				
(Increase)/decrease in trade and other receivables	(18 734)	(5 090)	(18 339)	(11 378)
(Increase)/decrease in inventory	(11 217)	503	(17 946)	1 223
(Decrease)/increase in accounts payable	487	1 387	(19 158)	4 920
(Decrease)/increase in other working capital	(889)	845	(1 266)	992
Net cash provided by/(used in) operating activities	9 864	20 913	31 305	41 729
Investing activities				
Proceeds from sale of property, plant and equipment	-	2	1 008	2
Payments for property, plant and equipment	(3 849)	(2 783)	(11 752)	(8 258)
Payments for mining assets: exploration and evaluation	(1 279)	(1 768)	(2 715)	(3 212)
Payments for mining assets: development	(7 202)	(44 759)	(37 266)	(82 444)
Payments for mining assets: in production	(12 888)	(19 954)	(39 475)	(40 494)
Net cash used for investing activities	(25 218)	(69 262)	(90 200)	(134 406)
Financing activities				
Proceeds from issue of shares	10	57	10	169
Payments for equity raising costs	(2)	-	(414)	-
Repayments of finance lease liabilities	(4 467)	(4 094)	(9 498)	(7 256)
Repayments of borrowings	-	(524)	(40 267)	(1 089)
Proceeds from borrowings	-	-	20 000	-
Net cash provided by/(used in) financing activities	(4 459)	(4 561)	(30 169)	(8 176)
Effect of exchange rates changes on cash held in foreign currencies gain/(loss)	10 363	2 755	10 486	4 006
Net increase/(decrease) in cash and cash equivalents	(9 450)	(50 155)	(78 578)	(96 847)
Cash and cash equivalents at beginning of period	27 374	123 297	96 502	169 989
Cash and cash equivalents at end of period	17 924	73 142	17 924	73 142
Cash Interest Paid	(5 575)	(6 868)	(6 128)	(8 140)

Non-cash investing and financing activities - Refer Note 21

The accompanying Notes to the Interim 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, the Australian Stock Exchange and the New Zealand Stock 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, form the OceanaGold Corporation consolidated group (the “Group”).

The Group is engaged in exploration and the development and operation of gold mines and other mineral mining activities. The Group is a significant gold producer and operates two open cut mines and an underground mine at Macraes and Reefton in New Zealand. The Group also has one open cut Gold-Copper mine at Didipio in the Philippines, which has commenced commercial production on April 1, 2013.

The Group prepares its unaudited interim 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 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 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, 2012, as they provide an update of previously reported information.

At June 30, 2013, the Group had net current liabilities of $66.4 million (December 31, 2012: $13.6m), after including as current liabilities the convertible notes repayments due in December 2013. However, the US$ banking facility, secured from a group of reputable multinational banks in 2012, is available and may be used for the repayment of these current convertible notes (refer to note 13). The Group has cash on hand of $17.9 million (December 31, 2012: $96.5m) and available working capital facility undrawn of $30m, and cash flow projections indicate sufficient funds to meet all operating obligations for at least 12 months. The financial statements have hence been prepared on a going concern basis.

Except as described below, the accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

New accounting policies

Revenue

Concentrate sales

Pre-commencement of commercial production

Sales of concentrate during the commissioning phase are treated as pre-production income; as a credit to caplitalized mine development costs (refer to note 3vi).

Post-commencement of commercial production

The Group recognizes the sale of gold, copper concentrate and silver when the significant risks and rewards of ownership transfer to the buyer. Sales prices are provisionally set on a specified future date based on market prices. Revenue is recorded under these contracts using forward market gold, copper and silver prices on the expected date that the final sales prices will be fixed based on an agreed quotational period. Variations between the price recorded and the actual final price set are caused by changes in market prices and result in an embedded derivative in accounts receivable. The embedded derivative is recorded at fair value each period until final settlement occurs. The changes in fair value of this embedded derivative are classified as provisional price adjustments and included in revenue in the statement of comprehensive income. Changes in the fair value over the quotational period and up until final settlement are estimated by reference to forward market prices.

Impairment

Non current assets are reviewed for impairment if there is an indication that the carrying amount may not be recoverable.
Impairment is assessed at the level of cash-generating units which, in accordance with IAS 36 ‘Impairment of Assets’, are identified as the smallest identifiable group of assets that generates cash inflows, which are largely independent of the cash inflows from other assets.

When an impairment review is undertaken, the recoverable amount is assessed by reference to the higher of value in use (being the net present value of expected future cash flows of the relevant cash-generating unit in its current condition) and fair value less costs to sell (“FVLCS”). The best evidence of FVLCS is the value obtained from an active market or binding sale agreement. Where neither exists, FVLCS is based on the best information available to reflect the amount the Group could receive for the cash generating unit in an arm’s length transaction. This is often estimated using discounted cash flow techniques.

1 BASIS OF PREPARATION (Continued)

Impairment (Continued)

Where recoverable amount is assessed using FVLCS based on discounted cash flow techniques, the resulting estimates are based on detailed "life of mine" and/or production plans. For value in use, recent cost levels are considered, together with expected changes in costs that are compatible with the current condition of the business and which meet the requirements of IAS 36.

The cash flow forecasts for FVLCS purposes are based on management's best estimates of expected future revenues and costs, including the future cash costs of production, capital expenditure, closure, restoration and environmental clean-up. For the purposes of determining FVLCS from a market participant's perspective, the cash flows incorporate management's price and cost assumptions in the short and medium term. In the longer term, operating margins are assumed to remain constant where appropriate, as it is considered unlikely that a market participant would prepare detailed forecasts over a longer term period. The cash flow forecasts may include net cash flows expected to be realised from extraction, processing and sale of mineral resources that do not currently qualify for inclusion in proven or probable ore reserves. Such non-reserve material is only included where there is a reasonable degree of confidence in its economic extraction. This expectation is usually based on preliminary drilling and sampling of areas of mineralisation that are contiguous with existing reserves. Typically, the additional evaluation to achieve reserve status for such material has not yet been done because this would involve incurring costs earlier than is required for the efficient planning and operation of the mine.

As noted above, cost levels incorporated in the cash flow forecasts for fair value purposes are based on the current life-of-mine plan or long term production plan for the cash-generating unit. Because future cash flows are estimates for the asset in its current condition, value in use does not reflect future cash flows associated with improving or enhancing an asset's performance. Anticipated enhancements to assets may be included in FVLCS calculations.

Where the recoverable amount of a cash-generating unit is dependent on the life of its associated orebody, expected future cash flows reflect long term mine plans, which are based on detailed research, analysis and iterative modelling to optimise the level of return from investment, output and sequence of extraction. The mine plan takes account of all relevant characteristics of the orebody, including waste to ore ratios, ore grades, haul distances, chemical and metallurgical properties of the ore impacting on process recoveries and capacities of processing equipment that can be used.The life-of-mine plan is therefore the basis for forecasting production output and production costs in each future year.

The discount rates applied to the future cash flow forecasts represent an estimate of the rate the market would apply having regard to the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted. The Group's weighted average cost of capital is used as a starting point for determining the discount rates, with appropriate adjustments for the risk profile of the countries in which the individual cash-generating units operate. For final feasibility studies and ore reserve estimation, internal hurdle rates are used which are generally higher than the weighted average cost of capital.

For operations with a functional currency other than the US dollar, the impairment review is undertaken in the relevant functional currency. The great majority of the Group's sales are based on prices denominated in US dollars. To the extent that the currencies of countries in which the Group produces commodities strengthen against the US dollar without commodity price offset, cash flows and, therefore, net present values are reduced.

IAS 36 requires that value in use be based on exchange rates current at the time of the assessment.

Non-current assets other than goodwill that have suffered an impairment are tested for possible reversal of the impairment whenever events or changes in circumstances indicate that the impairment may have reversed.

2 ACCOUNTING POLICIES EFFECTIVE FOR FUTURE PERIODS

The following accounting policies are effective for future periods:

IFRS 9 – *Financial instruments*
This standard will replace IAS 39, Financial Instruments: Recognition and Measurement. IFRS 9 has two classification categories: amortized cost and fair value.

Classification of debt assets will be driven by the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. A 'simple' debt instrument is measured at amortised cost if: a) the objective of the business model is to hold the financial asset for the collection of the contractual cash flows, and b) the contractual cash flows under the instrument solely represent payments of principal and interest.

All other financial assets, including investments in complex debt instruments and equity investments must be measured at fair value.

2 ACCOUNTING POLICIES EFFECTIVE FOR FUTURE PERIODS (Continued)

All fair value movements on financial assets must be recognised in profit or loss except for equity investments that are not held for trading (short-term profit taking), which may be recorded in other comprehensive income (FVOCI). However, in December 2012, the IASB proposed limited amendments which would introduce a FVOCI category for certain eligible debt instruments.

For financial liabilities that are measured under the fair value option, entities will need to recognise the part of the fair value change that is due to changes in the entity's own credit risk in other comprehensive income rather than profit or loss.

New hedging rules will also be included in the standard. These will make testing for hedge effectiveness easier which means that more hedges are likely to be eligible for hedge accounting. The new rules will also allow more items to be hedged and relax the rules on using purchased options and non-derivative financial instruments as hedging instruments.

This standard is effective for years beginning on/after January 1, 2015. The Group has not assessed the impact of this new standard.

IAS 39 – *Financial instruments*
Amended to provide relief from discontinuing hedge accounting when novation of a hedging instrument to a central counterparty ("CCP") meets specified criteria.

This amendment is effective for years beginning on/after January 1, 2014. Since the group has not novated any hedging contracts in the current or prior periods, applying the amendments will not affect any of the amounts recognised in the financial statements.

IAS 36 – *Impairment of assets*
The AASB has made small changes to some of the disclosures that are required under AASB 136 Impairment of Assets.

This amendments is effective for years beginning on/after January 1, 2014. These may result in additional disclosures if the group recognises an impairment loss or the reversal of an impairment loss during the period. They will not affect any of the amounts recognised in the financial statements. The group intends to apply the amendment from 1 July 2014.

IFRIC 21 – *Levies*
The standard sets out the accounting for an obligation to pay a levy imposed by a government in accordance with legislation. It clarifies that a liability must be recognised when the obligating event occurs, being the event that triggers the obligation to pay the levy.

This standard is effective for years beginning on/after January 1, 2014. The Group has not assessed the impact of this new standard.

3 CRITICAL ACCOUNTING 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. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

i. *Mining assets*

The future recoverability of mining assets including capitalized exploration and evaluation expenditure is dependent on a number of factors, including whether the Group decides to exploit the related tenements itself or, if not, whether it successfully recovers the related mining assets through sale.

Factors that could impact the future recoverability include the level of reserves and resources, future technological changes, which could impact the cost of mining, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices and foreign exchange rates.

In respect of mining assets, during the quarter, an impairment charge of $85.5million was recognized. Further details are as per note (vii) below.

Exploration and evaluation expenditure

Exploration and evaluation expenditure is capitalized if activities in the area of interest have not yet reached a stage that permits a reasonable assessment of the existence or otherwise of economically recoverable reserves. These assets are allocated based on the geographical location of the asset. To the extent that capitalized exploration and evaluation expenditure is determined not to be recoverable in the future, profits and net assets will be reduced in the period in which this determination is made.

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

ii. *Net realizable value of inventories*

The Group reviews the carrying value of its inventories at each reporting date to ensure that the cost does not exceed net realizable value. Estimates of net realizable value include a number of assumptions and estimates, including grade of ore, commodity price forecasts, foreign exchange rates and costs to process inventories to a saleable product.

iii. *Asset retirement obligations*

Decommissioning and restoration costs are a normal consequence of mining, and the majority of this expenditure is incurred at the end of a mine's life. In determining an appropriate level of provision, consideration is given to the expected future costs to be incurred, the timing of these expected future costs (largely dependent on the life of the mine), and the estimated future level of inflation.

The ultimate cost of decommissioning and restoration is uncertain and costs can vary in response to many factors including changes to the relevant legal requirements, the emergence of new restoration techniques and experience at other mine sites. The expected timing of expenditure can also change, for example in response to changes in reserves or to production rates.

Changes to any of the estimates could result in significant changes to the level of provisioning required, which would in turn impact future financial results. These estimates are reviewed annually and adjusted where necessary to ensure that the most up to date data is used.

iv. *Determination of ore reserves and resources*

Ore reserves and resources are based on information compiled by a Competent Person as defined in accordance with the Australasian Code of Mineral Resources and Ore Reserves (the JORC code) and in accordance with National Instrument 43-101-Standards of Disclosure for Mineral Projects ("NI-43-101") under the guidelines set out by the Canadian Institute of Mining, Metallurgy and Petroleum. There are numerous uncertainties inherent in estimating ore reserves and assumptions that are valid at the time of estimation may change significantly when new information becomes available. Changes in forecast prices of commodities, exchange rates, production costs or recovery rates may change the economic status of reserves and may, ultimately, result in the reserves being restated. Such changes in reserves could impact on depreciation and amortization rates, asset carrying values and provisions for rehabilitation.

v. *Taxation*

The Group's accounting policy for taxation requires management' judgment in relation to the application of income tax legislation. There may be some transactions and calculations undertaken during the ordinary course of business where the ultimate tax determination is uncertain. The Group recognizes liabilities for tax, and if appropriate taxation investigation or audit issues, based on whether tax will be due and payable. Where the taxation outcome of such matters is different from the amount initially recorded, such difference will impact the current and deferred tax positions in the period in which the assessment is made.

In addition, certain deferred tax assets for deductible temporary differences and carried forward taxation losses have been recognized. In recognizing these deferred tax assets, assumptions have been made regarding the Group's ability to generate future taxable profits. Utilization of the tax losses also depends on the ability of the tax consolidated entities to satisfy certain tests at the time the losses are recouped. If the entities fail to satisfy the tests, the carried forward losses that are currently recognized as deferred tax assets would have to be written off to income tax expense. There is an inherent risk and uncertainty in applying these judgments and a possibility that changes in legislation will impact upon the carrying amount of deferred tax assets and deferred tax liabilities recognized on the statement of financial position.

vi. *Didipio commencement of commercial production*

The Group assessed the Didipio mine progress to determine when the mine moved into the commercial production stage. The criteria used to assessed the start date were determined based on the unique nature of the mine including its complexity and location. The Group considered various relevant criteria to assess when the mine was substantially complete and ready for its intended use and had moved into the production stage. The major criteria considered included, but were not limited to, the following: (1) all major capital expenditures to bring the mine to name plate capacity had been completed; (2) at least 5,000 tonnes of concentrate had been produced that met specifications; (3) the process plant, power

3 CRITICAL ESTIMATES AND JUDGEMENTS (continued)

plant and other facilities had been transferred to the control of the operations team from the commissioning team; (4) the mine or mill had reached 80 percent of design capacity; (5) gold and copper recoveries were at or near expected levels; (6) the open pit mine had the ability to sustain ongoing production of ore at the required cutoff grade; and (7) costs were under control or within expectations. In line with the above, the commencement of commercial production was determined to be April 1, 2013. Upon commencement of commercial production stage, the capitalization of certain mine construction and operation costs ceased and costs have been either attributed to inventory or expensed in the period in which they are incurred, except for capitalized costs related to property, plant and equipment additions or improvements, open pit stripping activities that provide a future economic benefit, and exploration and evaluation expenditure that meets the criteria for capitalization. At this point depreciation and amortization of previously capitalized costs also commenced.

vii. Impairment

Non-current assets are tested for impairment when events or changes in circumstances suggest that the carrying amount may not be fully recoverable. During the quarter, the Group identified two indicators of potential impairment. Firstly, the trading price of the company's shares declined such that the company's market capitalization was below the carrying value of net assets. Secondly, market prices of gold declined significantly to below levels used in the company's forecasts, resulting in a decision to initiate a potential two year reduction in the previously announced mine life at Reefton.

The Group has two cash generating units (CGUs), New Zealand and Philippines. The Group has further analysed the indicators of impairment and isolated the potential impairment to the New Zealand CGU. As a result of these indicators, an impairment assessment on the company's New Zealand CGU was performed.

The carrying value of the New Zealand CGU has been assessed using the Fair Value Less Costs to Sell (FVLCS) approach, using discounted cash flows and the Company determined that an impairment charge of $85.5 million was required, as the carrying value was greater than the FVLCS. The FVLCS assessment was based on the following key assumptions:

(1) production profile and costs as per the Life of Mine Plan (LoMP) for the current operating mines in New Zealand, and also including production from certain identified exploration targets where there is a higher degree of confidence in the economic extraction of minerals, although these do not currently qualify for inclusion in proven or probable ore reserves; (2) revenue was projected using broker average forecast gold prices and currently observable spot prices for by-products; and (3) pre-tax nominal discount rates of 8%-11% depending on the risk profile of the different projects within the CGU.

The inter-relationship of the above key assumptions upon which estimated future cash flows are based is such that it is impracticable to reasonably estimate the extent of possible effects of a change in the key assumptions in isolation.

It is reasonably possible, on the basis of existing knowledge, that should outcomes during the next financial year significantly differ from the assumptions made with respect to current and future projects, it could require a material adjustment to the carrying value of the New Zealand CGU.

The Group has determined that there is no indicator of impairment for the Philippines CGU on the basis that the Company's long term outlook for gold and copper prices has not changed which are the prices used for the calculation of reserves. The Group believes that the current decline in prices will not continue to be seen for a significant proportion of the remaining 16 years expected life of the Didipio mine.

4. REVENUE

	Three months ended		*Six months ended*	
	Jun-30 2013 $'000	*Jun-30 2012 $'000*	*Jun-30 2013 $'000*	*Jun-30 2012 $'000*
Gold sales				
Spot market sales	86 471	86 719	182 110	175 277
Concentrate sales	12 415	-	12 415	-
	98 886	86 719	194 525	175 277
Copper sales				
Concentrate sales	35 988	-	52 523	-
	134 874	86 719	247 048	175 277
Less concentrate treatment, refining and selling costs	(3 661)	-	(3 661)	-
Less concentrate sales capitalized	-	-	(16 535)	-
Total Revenue	131 213	86 719	226 852	175 277

4. REVENUE (Continued)

Provisional Sales

We have provisionally priced copper concentrate sales for which price finalization subject to quotational periods is outstanding at the reporting date. For the quarter ended June 30, 2013, our provisionally priced copper concentrate sales included a provisional pricing loss of $0.99 million.

At June 30, 2013, our provisionally priced copper and gold sales subject to final settlement were recorded at average prices of $7,094/t and $1,270/oz, respectively.

5 TRADE AND OTHER RECEIVABLES

	June 30 2013 $'000	*December 31 2012 $'000*
Current		
Trade receivables	17 737	10 207
Interest receivable	-	25
Other receivables	5 860	4 977
	23 597	15 209
Non-Current		
Other receivables	38 268	17 961
	38 268	17 961

Other receivables include deposits at bank in support of environmental bonds, deposits set out for rental of properties, input tax credits and carbon tax credits.

6 DERIVATIVES AND OTHER FINANCIAL ASSETS

	June 30 2013 $'000	*December 31* 2012 *$'000*
Current		
Forward rate agreements[1]	2 351	552
Gold put/call options[2]	2 006	89
Other assets[3]	3 762	3 763
	8 119	4 404
Non-Current		
Other Assets[3]	104	1 985
Available-for-sale financial assets[4]	2 670	4 343
Gold put/call options[2]	1 980	-
	4 754	6 328
	12 873	10 732

1. Represents forward rate agreements to sell specified amounts of US$ at specified amounts of A$ expiring December 16, 2013. The purpose of these agreements is to eliminate foreign exchange risk to ensure that potential US$ bank facility draw downs will be sufficient to repay the A$ convertible notes as they fall due.

2. In June 2013, the Group entered into a zero collar hedging program for 115,650 ounces of gold for the period commencing in July 2013 through to June 2015. Amount represents a series of bought gold put options with a strike price of NZ$1,600 per ounce and a series of sold gold call options with a strike price of NZ$1,787 per ounce. Previously we had a series of gold options that have expired.

3. Represents the unamortized portion of establishment fees and other costs incurred in obtaining US$ banking facilities. These fees are being amortized to reflect an approximate pattern of consumption over the terms of the facilities.

4. Represents investments in listed companies.

7 INVENTORIES

	June 30 2013 $'000	December 31 2012 $'000
Current		
Gold in circuit	9 889	11 911
Ore – at cost	37 980	21 832
Gold on hand	517	-
Gold and Copper concentrate	8 964	-
Maintenance stores	37 688	32 123
	95 038	65 866
Non-Current		
Ore – at cost	49 388	48 729
Ore – at net realizable value	1 200	447
	50 588	49 176
Total inventories	145 626	115 042

During the quarter, ore inventories were written down by $1.0m (2012:$0.8m).

8 DEFERRED INCOME TAX

	June 30 2013 $'000	December 31 2012 $'000
Deferred income tax		
Deferred income tax at period end relates to the following:		
Deferred tax assets		
Losses available for offset against future taxable income	50 970	56 277
Provisions	10 329	9 341
Gross deferred tax assets	61 299	65 618
Set off deferred tax liabilities	(54 947)	(60 350)
Net non-current deferred tax assets	6 352	5 268
Deferred tax liabilities		
Mining assets	(37 790)	(63 123)
Property, plant and equipment	(41 352)	(44 234)
Inventory	(1 787)	(2 077)
Interest receivable	6	(50)
Accrued revenue	(545)	(1 996)
Other	(485)	(1 002)
Gross deferred tax liabilities	(81 953)	(112 482)
Set off deferred tax assets	54 947	60 350
Net non-current deferred tax liabilities	(27 006)	(52 132)

9 PROPERTY, PLANT AND EQUIPMENT

	June 30, 2013				
	Land	Buildings	Plant and equipment	Rehabilitation	Total
	$'000	*$'000*	*$'000*	*$'000*	*$'000*
Net book value					
At December 31, 2012:					
Cost	15 562	9 368	357 497	23 985	406 412
Accumulated depreciation	-	(4 639)	(233 304)	(8 812)	(246 755)
At December 31, 2012	15 562	4 729	124 193	15 173	159 657
Movement for the period:					
Additions	6	1 216	20 494	5 453	27 169
Transfers	-	21 940	161 595	-	183 535
Disposals/write-off	-	-	(180)	-	(180)
Impairment charge	-	-	(10 000)	-	(10 000)
Depreciation for the period	-	(656)	(21 745)	(1 332)	(23 733)
Exchange differences	(988)	(374)	(8 223)	(1 174)	(10 759)
At June 30, 2013	14 580	26 855	266 134	18 120	325 689
At June 30, 2013:					
Cost	14 580	31 843	505 176	27 679	579 278
Accumulated depreciation	-	(4 988)	(239 042)	(9 559)	(253 589)
	14 580	26 855	266 134	18 120	325 689

Plant and equipment includes assets under capital lease net of accumulated depreciation of $51.1m (December 31, 2012: $59.4m). The assets under capital leases are pledged as security for capital lease liabilities.

10 MINING ASSETS

	June 30, 2013			
	Exploration and evaluation phase	Development phase	In production	Total
	$'000	*$'000*	*$'000*	*$'000*
Net book value				
At December 31, 2012:				
Cost	21 051	373 565	578 400	973 016
Accumulated Amortization	-	-	(365 528)	(365 528)
At December 31, 2012	21 051	373 565	212 872	607 488
Movement for the period:				
Additions	2 714	25 030	48 118	75 862
Transfers	-	(287 323)	109 322	(178 001)
Capitalized revenue	-	(16 535)	-	(16 535)
Disposals/Write-off	-	(2 205)	-	(2 205)
Impairment charge	-	-	(75 500)	(75 500)
Amortization for the period	-	-	(55 151)	(55 151)
Exchange differences	(994)	(82)	(13 453)	(14 529)
At June 30, 2013	22 771	92 450	226 208	341 429
At June 30, 2013:				
Cost	22 771	92 450	620 748	735 969
Accumulated amortization	-	-	(394 540)	(394 540)
	22 771	92 450	226 208	341 429

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.

11 EMPLOYEE BENEFITS

(a) Leave entitlements liability

Aggregate employee benefit liability is comprised of:	*June 30 2013 $'000*	*December 31 2012 $'000*
Employee benefit provisions - current	6 336	6 971
Employee benefit provisions - non-current	498	504
	6 834	7 475

(b) Defined contribution plans

The Group has defined contribution pension plans for certain groups of employees. The Group's share of contributions to these plans is recognized in the statement of comprehensive income in the year it is earned by the employee.

12 DERIVATIVES AND OTHER FINANCIAL LIABILITIES

Current	*June 30 2013 $'000*	*December 31 2012 $'000*
Forward rate agreements[1]	13 593	151
	13 593	151

1. Represents forward rate agreements to sell specified amounts of US$ at specified amounts of A$ expiring December 16, 2013. The purpose of these agreements is to eliminate foreign exchange risk for each series of A$ convertible notes prior to drawdown of the US$ facility to repay these notes.

13 INTEREST-BEARING LOANS AND BORROWINGS

	Maturity	*June 30 2013 $'000*	*December 31 2012 $'000*
Current			
Capital leases[1]	various	17 914	17 407
7.00% Convertible notes (A$70m)[2]	12/22/2013	70 232	78 757
7.00% Convertible notes (A$30m)[2]	12/22/2013	29 554	33 079
Other loan	02/28/2013	-	929
US$ banking facilities[3]	30/06/2014	25 000	-
		142 700	130 172
Non-current			
Capital leases[1]	various	35 351	36 594
US$ banking facilities[3]	various	55 100	100 100
		90 451	136 694

1. *Capital Leases*
   The Group has capital lease facilities in place with Caterpillar Finance and GE Finance. These facilities have maturities between July 2013 to March 2018.

2. *7.00% Convertible notes (Unsecured)*
   The notes bear interest at 7.00% per annum, payable semi-annually in arrears and have a face value of A$70 million. Interest accrued in respect of the notes for the first two years was not payable but was instead capitalized into the redemption value of the notes. The notes are due for redemption in December 2013 at a value equal to the sum of their principal amount plus the capitalized interest amount, unless converted to common shares prior to this date at the option of the note holder. The number of shares to be delivered upon conversion shall be determined by dividing the principal amount of the note by the conversion price. The conversion price is A$3.8401 (subject to adjustment for certain specified events). Of the A$67.4 million (US$52.9 million) net proceeds of the issue A$59.2 million (US$46.5 million) was allocated to interest bearing liabilities and A$8.2 million (US$6.4 million) was allocated to equity.

13 INTEREST-BEARING LOANS AND BORROWINGS (Continued)

On March 22, 2007 an additional A$30 million (US$24.2 million) in convertible notes was issued under the same terms and conditions as the 7% convertible notes. The conversion price is A$4.0327 (subject to adjustment for certain specified events) and the notes are due for redemption in December 2013. Of the A$28.8 million (US$23.2 million) net proceeds of the issue A$24.9 million (US$20.1 million) was allocated to interest bearing liabilities and A$3.9 million (US$3.1 million) was allocated to equity.

3. *US$ banking facilities*
   In 2012, term and revolving credit facilities, totaling US$225m were put in place to be used, if necessary, for repayment of previously held convertible notes which matured in December 2012, for repayment of the above convertible notes maturing in December 2013; and for general working capital purposes. These facilities have been negotiated with a multinational banking syndicate, have common terms and will mature on June 30, 2015. Interest on these facilities is based on floating US$ LIBOR plus a margin. The first principal repayment is due June 30, 2014. At June 30, 2013, the Group had available undrawn facilities of US$141.8m.

4. *Other capital facilities*
   In 2012, the Group entered into an additional $US25m Convertible Revolving Credit Facility whereby it has the option to repay any drawn down funds with the issuance of ordinary shares under this facility, subject to the ASX listing rules. This facility remains undrawn at June 30, 2013 and expires on 10 September 2013.

Assets Pledged

The banking syndicate for the Group’s US$ banking facilities have been granted real property mortgages over titles relevant to the Macraes and Reefton Mines. Furthermore, subsidiaries Oceana Gold Limited and Climax Mining Pty Ltd have created encumbrances in favour of the banking syndicate over shares that they own in various other subsidiaries of the Group.

14 SHARE CAPITAL

Movement in common shares on issue

	June 30 2013 Thousand shares	*June 30 2013 $’000*	*December 31 2012 Thousand shares*	*December 31 2012 $’000*
Balance at the beginning of the period	293 518	636 189	262 643	543 988
Shares issued	-	-	30 000	94 757
Options exercised	57	175	875	1 860
Share issue costs	-	(412)	-	(4 416)
Balance at the end of the period	293 575	635 952	293 518	636 189

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 authorized shares.

Each CHESS Depository Interest (“CDI”) 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.

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.

15 SEGMENT INFORMATION

The Group's operations are managed on a regional basis. The two reportable segments are New Zealand and the Philippines. The business segments presented reflect the management structure of the Group and the way in which the Group's management reviews business performance.

	New Zealand	Philippines	Corporate	Elimination	Total
	$'000	$'000	$'000	$'000	$'000
Quarter Ended June 30, 2013					
Revenue					
Sales to external customers	84 802	46 411	-	-	131 213
Inter segment management and gold handling fees	-	-	166	(166)	-
Total Segment Revenue	84 802	46 411	166	(166)	131 213
Result					
Segment result excluding unrealized hedge losses and depreciation and amortization	26 136	20 457	(4 098)	-	42 495
Depreciation and amortization	(35 116)	(4 699)	(9)	-	(39 824)
Inter segment management and gold handling fees	(166)	-	166	-	-
Gain/(loss) on fair value of derivative instruments	4 153	-	(13 130)	-	(8 977)
Impairment charge	(85 500)	-	-	-	(85 500)
Total segment result before interest and tax	(90 493)	15 758	(17 071)	-	(91 806)
Net interest expense					(6 322)
Income tax benefit/(expense)					27 637
Net profit/(loss) for the period					(70 491)

	New Zealand	Philippines	Corporate	Elimination	Total
	$'000	$'000	$'000	$'000	$'000
Six months ended June 30, 2013					
Revenue					
Sales to external customers	180 441	46 411	-	-	266 852
Inter segment management and gold handling fees	-	-	357	(357)	-
Total Segment Revenue	180 441	46 411	357	(357)	266 852
Result					
Segment result excluding unrealized hedge losses and depreciation and amortization	79 626	18 184	(8 239)	-	89 571
Depreciation and amortization	(64 600)	(4 756)	(15)	-	(69 371)
Inter segment management and gold handling fees	(357)	-	357	-	-
Gain/(loss) on fair value of derivative instruments	4 077	-	(12 241)	-	(8 164)
Impairment charge	(85 500)	-	-	-	(85 500)
Total segment result before interest and tax	(66 754)	13 428	(20 138)	-	(73 464)
Net interest expense					(12 699)
Income tax benefit/(expense)					22 730
Net profit/(loss) for the period					(63 433)
Assets					
Total Segment assets at June 30, 2013	415 005	497 221	3 962	-	916 188

15 SEGMENT INFORMATION (Continued)

	New Zealand $'000	Philippines $'000	Corporate $'000	Elimination $'000	Total $'000
Quarter Ended June 30, 2012					
Revenue					
Sales to external customers	86 719	-	-	-	86 719
Inter segment management and gold handling fees	-	-	174	(174)	-
Total Segment Revenue	86 719	-	174	(174)	86 719
Result					
Segment result excluding unrealized hedge losses and depreciation and amortization	28 986	(158)	(3 196)	-	25 632
Depreciation and amortization	(19 957)	(43)	(9)	-	(20 009)
Inter segment management and gold handling fees	(174)	-	174	-	-
Gain/(loss) on fair value of derivative instruments	-	-	-	-	-
Total segment result before interest and tax	8 855	(201)	(3 031)	-	5 623
Net interest expense					(4 034)
Income tax benefit/(expense)					(854)
Net profit/(loss) for the period					735

	New Zealand $'000	Philippines $'000	Corporate $'000	Elimination $'000	Total $'000
Six months ended June 30, 2012					
Revenue					
Sales to external customers	175 277	-	-	-	175 277
Inter segment management and gold handling fees	-	-	351	(351)	-
Total Segment Revenue	175 277	-	351	(351)	175 277
Result					
Segment result excluding unrealized hedge losses and depreciation and amortisation	55 442	(53)	(6 472)	-	48 917
Depreciation and amortisation	(41 745)	(76)	(11)	-	(41 832)
Inter segment management and gold handling fees	(351)	-	351	-	-
Total segment result before interest and tax	13 346	(129)	(6 132)	-	7 085
Net interest expense					(8 036)
Income tax benefit/(expense)					(2 177)
Net profit/(loss) for the period					(3 128)
Assets					
Total Segment assets at June 30 ,2012	534 699	296 824	28 456	-	859 979

16 STOCK-BASED COMPENSATION

Executive share options plan

Directors, executives and certain senior members of staff of the Group hold options over the common shares of the Company, OceanaGold Corporation. Each option entitles the holder to one common share upon exercise. The options were issued for nil consideration and have a maximum term of eight years. Granted options vest in three equal tranches over three years and vesting is subject only to continuity of employment.

The options cannot be transferred without the Company's prior approval and the Company does not intend to list the options. No options provide dividend or voting rights to the holders. Under the 2007 stock based compensation plan approved by OceanaGold shareholders the Company can issue up to 10% of issued common and outstanding shares.

(i) Stock Option movements

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

	June 30, 2013		*December 31, 2012*	
	No.	**WAEP**	**No.**	**WAEP**
Outstanding at the start of the period	6 084 138	A$2.51	7 404 540	A$2.38
Granted	-	-	410 000	A$2.30
Forfeited	(67 446)	A$2.81	(385 090)	A$2.43
Expired	(2)	A$0.00	(470 000)	A$3.58
Exercised	(56 666)	A$0.18	(875 312)	A$0.74
Balance at the end of the period	**5 960 024**	**A$2.53**	**6 084 138**	**A$2.51**
Exercisable at the end of the period	**4 369 327**	**A$2.46**	**3 524 514**	**A$2.42**

Options granted were priced using a binomial option pricing model. Where options had a single exercise date the Black Scholes valuation model was used. Where options do not have a performance hurdle they were valued as American style options using the Cox Rubenstein Binomial model.

The expected life used in the model has been based on the assumption that employees remain with the Company for the duration of the exercise period and exercise the options when financially optimal. This is not necessarily indicative of exercise patterns that may occur.

Historical volatility has been used for the purposes of the valuation. Expected volatility is based on the historical share price volatility using three years of traded share price data. As a result it reflects the assumption that the historical volatility is indicative of future trends, which may not necessarily be the outcome.

Dividend yield is assumed to be nil on the basis that no dividends have been declared for the 2012 or 2011 financial years due to the large ongoing capital commitment.

(ii) Balance at end of the period

The share options on issue at the end of the financial period had an exercise price of between A$0.00 and A$3.94 and a weighted average remaining life of 4.19 years.

16 STOCK-BASED COMPENSATION (Continued)

Performance Share Rights Plan

The Managing Director and certain employees of the Group, as designated by the Board of Directors, have been granted rights to common shares of the Company, OceanaGold Corporation. Each right entitles the holder to one common share upon exercise. The rights were issued for nil consideration and are subject to market-based performance conditions (based on various Total Shareholder Return (TSR) hurdles) and continuity of employment. The rights cannot be transferred without the Company's prior approval and right holders are not entitled to dividends on unvested rights.

(i) Performance share rights plan movements
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

	June 30, 2013		*December 31, 2012*	
	No.	**WAEP**	**No.**	**WAEP**
Outstanding at the start of the period	2 186 270	A$0.00	-	-
Granted	1 947 624	A$0.00	2 186 270	A$0.00
Forfeited	(254 461)	A$0.00	-	-
Exercised	-	-	-	-
Balance at the end of the period	**3 879 433**	**A$0.00**	**2 186 270**	**A$0.00**
Exercisable at the end of the period	**-**	**-**	**-**	**-**

Rights granted were priced using Monte Carlo simulation (using the Black-Scholes framework) to model the Company's future price and TSR performance against the comparator group at vesting date. Monte Carlo simulation is a procedure for randomly sampling changes in market variables in order to value derivatives. This simulation models the TSR of the comparator group jointly by taking into account the historical correlation of the returns of securities in the comparator group.

The expected life used in the model has been based on the assumption that right holders will act in a manner that is financially optimal and will remain with the Company for the duration of the rights' life.

Historical volatility has been used for the purposes of the valuation. Expected volatility is a measure of the amount by which a price is expected to fluctuate during a period and is measured as the annualized standard deviation of the continuously compounded rates of return on the share over a period of time. The expected volatility of the Company and each Company in the comparator group has been calculated using three years of historical price data. As a result it reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the outcome.

Dividend yield has been assumed to be nil on the basis that no dividends had been declared for the 2012 or 2011 financial years due to the large ongoing capital commitment.

17 CONTRIBUTED SURPLUS MOVEMENT

	June 30 2013 $'000	*December 31 2012 $'000*
Balance at start of period	38 418	36 951
Share based compensation expense	1 344	2 935
Forfeited options	(126)	(277)
Exercised options	(167)	(1 191)
Balance at end of period	39 469	38 418
Contributed surplus		
Employee stock based compensation	9 426	8 375
Shareholder options (lapsed on January 1, 2009)	18 083	18 083
Equity portion of convertible notes	11 960	11 960
	39 469	38 418

18 OTHER RESERVES

	June 30 2013 $'000	December 31 2012 $'000
Foreign currency translation reserve[1]	32 278	32 143
Available-for-sale equity reserve[2]	(2 178)	(836)
Total other reserves	30 100	31 307

1. *Foreign currency translation reserve*
   The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

2. *Available-for-sale equity reserve*
   The available-for-sale equity reserve is used to record fair value differences on available-for-sale equity instruments. When an investment is derecognized, the cumulative gain or loss in equity is reclassified to profit or loss.

19 CONTINGENCIES

(a) 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 $30.9 million (December 31, 2012: $31.1 million).

(b) The Group has provided a cash operating bond to the New Zealand Department of Conservation of $0.4 million (December 31, 2012: $0.4 million) which is refundable at the end of the Globe Progress mine. This amount is included in the total referred to in (a) above.

(c) In the course of normal operations the Group may receive from time to time claims for damages including workers compensation claims, motor vehicle accidents or other items of similar nature. The Group 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.

(d) The Group has provided a guarantee in respect of a capital lease agreement for certain mobile mining equipment entered into by a controlled entity. At June 30, 2013 the outstanding rental obligations under the capital lease are $57.7 million (December 31, 2012: $54.0 million). Associated with this guarantee are certain financial compliance undertakings by the Group, including gearing covenants.

(e) The Group has provided guarantees in respect of the US$225 million banking facilities (note 12). At June 30, 2013 the total outstanding balance under these facilities is US$80.1 million (December 31, 2012: US$100.1m). Associated with this guarantee are certain financial compliance undertakings by the Group, including gearing covenants.

(f) 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 began in 2008 whereby a group of Non-Governmental Organisations (NGOs) and individuals challenged the constitutionality of the Philippines Mining Act (“Mining Act”) and the Financial or Technical Assistance Agreements (“FTAAs”) in the Philippines Supreme Court. After some years of slow development, the case has recently progressed to oral hearing, which is currently continuing.

    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.

(g) The Company operates in a number of jurisdictions. In the normal course of operations, the Company is occasionally subject to claims or litigations. The Company deals with these claims as and when they arise. At the date of this report, there are no such claims that the Company believes will result in material losses.

20 COMMITMENTS

Capital commitments

At June 30, 2013, the Group has commitments of $29.8 m (December 31, 2012 $33.1 m), principally relating to the purchase of property, plant and equipment and the development and commissioning of mining assets.

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

	June 30 2013 $'000	*December 31 2012 $'000*
Within one year:		
-purchase of property, plant and equipment	17 556	20 652
- development and commissioning of mining assets	12 256	12 484
	29 812	33 136

20 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 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, the Group 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 specified land claim owners shall be included as part of the 60% payable.

21 NON-CASH INVESTING AND FINANCING ACTIVITIES

	June 30 2013 $'000	*June 30 2012 $'000*
Acquisition of plant and equipment by means of finance leases	9 639	6 292

22 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)

30 June 2013	**Level 1**	**Level 2**	**Level 3**	**Total**
Recurring measurements				
Derivatives embedded in accounts receivable	-	(991)	-	(991)
Available for sale financial assets	2 670	-	-	2 670
Forward rate agreements	-	2 351	-	2 351
Gold put/call options	-	3 986	-	3 986
Total assets	2 670	5 346	-	8 016
Forward rate agreements	-	13 593	-	13 593
Total liabilities	-	13 593	-	13 593

22 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

31 December 2012	**Level 1**	**Level 2**	**Level 3**	**Total**
Recurring measurements				
Derivatives embedded in accounts receivable	-	-	-	-
Available for sale financial assets	4 343	-	-	4 343
Forward rate agreements	-	552	-	552
Gold put/call options	-	89	-	89
Total assets	4 343	641	-	4 984
Forward rate agreements	-	151	-	151
Total liabilities	-	151	-	151

There are no unrecognized financial instruments held by the Group at June 30, 2013 (2012: nil).

23 EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing net income for the period attributable to common equity holders of the parent by the weighted average number of common shares outstanding during the period.

Diluted earnings per share amounts are calculated by dividing the net income attributable to common shareholders (after adding back interest on the convertible notes) by the weighted average number of common shares outstanding during the period (adjusted for the effects of dilutive options and dilutive convertible notes where the conversion to potential common shares would decrease earnings per share).

The following reflects the income and share data used in the total operations basic and diluted earnings per share computations:

	Three months ended		*Six months ended*	
	June 30 2013 $'000	*June 30 2012 $'000*	*June 30 2013 $'000*	*June 30 2012 $'000*
Numerator:				
Net income attributable to equity holders from continuing operations (used in calculation of basic earnings per share)	(70 491)	735	(63 433)	(3 128)
Interest on convertible notes	1 932	2 874	3 951	5 806
Net income attributable to equity holders from continuing operations (used in calculation of diluted earnings per share)	(68 559)	3 609	(59 482)	2 678
	No. of shares '000	*No. of shares '000*	*No. of shares '000*	*No. of shares '000*
Denominator:				
Weighted average number of common shares (used in calculation of basic earnings per share)	293 540	262 839	293 529	262 796
Effect of dilution:				
Share options	5 164	1 930	5 164	2 607
Convertible notes	28 423	41 128	28 423	41 128
Adjusted weighted average number of common shares (used in calculation of diluted earnings per share)	327 127	305 897	327 116	306 531
Net earnings/(loss) per share:				
- basic and diluted	($0.24)	$0.00	($0.22)	($0.01)

For the period to June 30, 2013, conversion of employee share options and convertible notes are anti-dilutive as they increase earnings per share.

24 RELATED PARTIES

There were no significant related party transactions during the period.

25 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.