



# Management Discussion and Analysis

Third Quarter 2020 Results

October 29, 2020

[www.oceanagold.com](http://www.oceanagold.com)

## CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION IN MANAGEMENT DISCUSSION & ANALYSIS

This Management Discussion & Analysis contains “forward-looking statements and information” within the meaning of applicable securities laws which may include, but is not limited to, statements with respect to the future financial and operating performance of the Company, its subsidiaries and affiliated companies, its mining projects, the future price of gold, the estimation of mineral reserves and mineral resources, the realisation of mineral reserve and resource estimates, costs of production, estimates of initial capital, sustaining capital, operating and exploration expenditures, costs and timing of the development of new deposits, costs and timing of the development of new mines, costs and timing of future exploration and drilling programs, timing of filing of updated technical information, anticipated production amounts, requirements for additional capital, governmental regulation of mining operations and exploration operations, timing and receipt of approvals, consents and permits under applicable mineral legislation, environmental risks, title disputes or claims, limitations of insurance coverage and the timing and possible outcome of pending litigation and regulatory matters. Often, but not always, forward-looking statements and information can be identified by the use of words such as “may”, “plans”, “expects”, “projects”, “is expected”, “budget”, “scheduled”, “potential”, “estimates”, “forecasts”, “intends”, “targets”, “aims”, “anticipates” or “believes” or variations (including negative variations) of such words and phrases, or may be identified by statements to the effect that certain actions, events or results “may”, “could”, “would”, “should”, “might” or “will” be taken, occur or be achieved. Forward-looking statements and information involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company and/or its subsidiaries and/or its affiliated companies to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, future prices of gold; general business, economic and market factors (including changes in global, national or regional financial, credit, currency or securities markets), changes or developments in global, national or regional political and social conditions; changes in laws (including tax laws) and changes in GAAP or regulatory accounting requirements; the actual results of current production, development and/or exploration activities; conclusions of economic evaluations and studies; fluctuations in the value of the United States dollar relative to the Canadian dollar, the Australian dollar, the Philippines Peso or the New Zealand dollar; changes in project parameters as plans continue to be refined; possible variations of ore grade or recovery rates; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the mining industry; political instability or insurrection or war; labour force availability and turnover; adverse judicial decisions, delays in obtaining financing or governmental approvals, inability or delays in obtaining renewal of the Financial or Technical Assistance Agreement or in the completion of development or construction activities or in the commencement of operations; as well as those factors discussed in the section entitled “Risk Factors” contained in the Company’s Annual Information Form in respect of its fiscal year-ended December 31, 2019, which is available on SEDAR at [www.sedar.com](http://www.sedar.com) under the Company’s name. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements and information, there may be other factors that cause actual results, performance, achievements or events to differ from those anticipated, estimated or intended. Also, many of the factors are outside or beyond the control of the Company, its officers, employees, agents or associates. Forward-looking statements and information contained herein are made as of the date of this Management Discussion & Analysis and, subject to applicable securities laws, the Company disclaims any obligation to update any forward-looking statements and information, whether as a result of new information, future events or results or otherwise. There can be no assurance that forward-looking statements and information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements and information due to the inherent uncertainty therein. All forward-looking statements and information made herein are qualified by this cautionary statement. This Management Discussion & Analysis may use the terms “Measured”, “Indicated” and “Inferred” Resources. U.S. investors are advised that while such terms are recognised and required by Canadian regulations, the Securities and Exchange Commission does not recognise them. “Inferred Resources” have a great amount of uncertainty as to their existence and as to their economic and legal feasibility. It cannot be assumed that all or any part of an Inferred Resources will ever be upgraded to a higher category. Under Canadian rules, estimates of Inferred Resources may not form the basis of feasibility or other economic studies. U.S. investors are cautioned not to assume that all or any part of Measured or Indicated Resources will ever be converted into reserves. U.S. investors are also cautioned not to assume that all or any part of an Inferred Resource exists or is economically or legally mineable. This document does not constitute an offer of securities for sale in the United States or to any person that is, or is acting for the account or benefit of, any U.S. person (as defined in Regulation S under the United States Securities Act of 1933, as amended (the “Securities Act”) (“U.S. Person”), or in any other jurisdiction in which such an offer would be unlawful.

### TECHNICAL DISCLOSURE

For further scientific and technical information (including disclosure regarding mineral resources and mineral reserves) relating to the Haile Project, the Waihi mine, the Macraes mine and the Didipio mine please refer to the NI 43-101 compliant technical reports available at [sedar.com](http://sedar.com) under the Company’s name.

The exploration results were prepared in accordance with the standards set out in the 2012 Edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’ (“JORC Code”) and in accordance with National Instrument 43-101 – Standards of Disclosure for Mineral Projects of the Canadian Securities Administrators (“NI 43-101”). The JORC Code is the accepted reporting standard for the Australian Stock Exchange Limited (“ASX”).

Mr Craig Feebrey, Executive Vice President and Head of Exploration of the Company, a qualified person under NI 43-101, has approved the written disclosure of all other exploration related scientific and technical information contained in this MD&A.

## Highlights

- Total Recordable Injury Frequency Rate (“TRIFR”) of 2.9 per million hours worked compared to 2.7 per million hours worked at the end of the second quarter of 2020.
- Year-to-date (“YTD”) 2020 consolidated production of 202,521 ounces of gold at All-In Sustaining Costs (“AISC”) of \$1,367 per ounce on sales of 214,133 ounces of gold.
- Consolidated third quarter gold production of 63,136 ounces at AISC of \$1,695 per ounce on sales of 60,790 ounces of gold.
- YTD revenue of \$331.9 million with Earnings before Interest, Depreciation and Amortisation (“EBITDA”) of \$68.3 million; third quarter revenue of \$97.9 million with EBITDA of \$13.5 million.
- YTD net loss of \$154.2 million including a net loss of \$96.8 million in the third quarter which reflected an impairment charge of \$80 million in relation to Didipio.
- Cash balance and total immediately available liquidity of \$127.0 million; net debt of \$187.0 million as of September 30, 2020.
- Subsequent to quarter-end, the Company completed a bought deal offering in which 81.6 million common shares were issued for total net proceeds of \$122.4 million; proceeds will be used to advance the Company’s significant pipeline of organic growth opportunities.
- Subsequent to quarter-end, the Company enacted the permanent layoff of 496 Didipio employees in accordance with Philippine labour laws and as a result of ongoing restraint of the operation.
- Advanced Martha Underground development at Waihi with 2,240 metres completed in the third quarter and 5,095 metres YTD; the project remains on-track for first production in Q2 2021.

Period ended 30 September 2020 (US\$m)	Q3 2020	YTD 2020
Gold Production (koz)	63.1	202.5
Copper Production (kt)	-	-
Consolidated All-In Sustaining Costs (\$/oz)	\$1,695	\$1,367
Revenue	97.9	331.9
EBITDA (excluding gain/(loss) on undesignated hedges and impairment charge)	13.5	68.3
Earnings/(loss) after income tax and before gain/(loss) on undesignated hedges and impairment charge	(24.9)	(67.2)
Net Profit/(loss)	(96.8)	(154.2)
Basic earnings/(loss) per share (\$)	\$(0.16)	\$(0.25)
Diluted earnings/(loss) per share (\$)	\$(0.16)	\$(0.25)
Diluted adjusted earnings/(loss) per share (\$)	\$(0.04)	\$(0.11)
Net operating cash flow	63.1	200.4

Notes:

- All numbers in this document are expressed in USD unless otherwise stated.
- Cash Costs, All-In Sustaining Costs, All-In Sustaining Margin, EBITDA and liquidity are non-GAAP measures.
- Refer to the Accounting & Controls section of this report for explanation.
- Cash Costs and All-In Sustaining Costs are reported on ounces sold and net of by-product credits unless otherwise stated and exclude capital costs associated with expansionary growth.
- Consolidated All-in Sustaining Costs are inclusive of Corporate general and administrative expenses; site All-in Sustaining Costs are exclusive of Corporate general and administrative expenses.
- Adjusted earnings are earnings after income tax and before gains or losses on undesignated hedges and impairment charges.

<sup>1</sup> Readers are cautioned that the PEA is preliminary in nature. It includes Inferred Mineral Resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as Mineral Reserves, and there is no certainty that the PEA will be realised. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.

# Results for the third quarter ended September 30, 2020

## Health and Safety

At the end of the third quarter 2020, the Company delivered a total recordable injury frequency rate (12MMA “TRIFR”) of 2.9 per million hours worked, achieving a stable TRIFR rate since the second quarter of 2020. There were 5 recordable injuries for the period compared to 10 for the same period in 2019.

In response to the COVID-19 pandemic, the Company enacted strict protocols to protect the health, safety and wellbeing of employees and contractors. At the end of the third quarter, the Company had 26 confirmed cases of COVID-19 among employees and contractors globally.

## Operational and Financial Overview

Consolidated gold production for the year to date (“YTD”) 2020 was 202,521 ounces, including 63,136 ounces produced in the third quarter, 8% higher than the second quarter and 44% below the YTD 2019. Higher quarter-on-quarter production was driven by stronger production from Macraes, partly offset by slightly lower production from Haile due to COVID-19 related workforce disruptions and persistent, record rainfall that reduced mining rates and delayed access to higher grade zones. The year-over-year decrease in gold production mainly reflects the cessation of Didipio operations and the production hiatus at Waihi as development of the Martha Underground progresses.

Consolidated All-In Sustaining Costs (“AISC”) YTD were \$1,367 per ounce on sales of 214,133 ounces of gold, reflecting a net increase of 26% from the same period in 2019 due to lower production, increased cash costs and higher sustaining capital investments. Third quarter AISC was \$1,695 per ounce on sales of 60,790 ounces of gold. AISC increased 34% quarter-on-quarter as a result of higher planned sustaining capital investments primarily at Macraes and the progressive pre-stripping campaign at Haile.

Cash costs YTD were \$904 per ounce while third quarter cash costs were \$1,015 per ounce, an increase of 25% and 34% over the prior year period and quarter-on-quarter, respectively. The YTD cash cost increase largely reflects the absence of production from Didipio and increased operating costs incurred YTD as a result of government mandated COVID-19 restrictions in New Zealand, as well as COVID-19 impacts on the workforce and manning levels at Haile. Quarter-on-quarter, the increase in cash cost reflects the lower sales volume, lower by-product credits and additional costs including planned maintenance-related mill shutdowns at both Macraes and Haile.

At Haile, strict protocols continue whereby all employees and contractors entering the site are required to undergo a health screening process. While the protocols are effective in keeping the spread of COVID-19 from site, Haile experienced a material increase in COVID-19-related cases during the quarter. Since the beginning of March, approximately 280 employees and contractors have self-isolated for two weeks, 60% of which self-isolated during the third quarter. In addition, the total number of confirmed COVID-19 cases at Haile increased from two at the end of the second quarter to 20 as of September 30.

Haile also experienced record rainfall during the quarter, negatively impacting mining rates and reducing mill throughputs due to consistently wet mill feed. As a result of COVID-19 impacts and high rainfall, targeted mining advance rates fell significantly behind schedule delaying access to the higher-grade ore zones during the third quarter, resulting in lower than planned production for the quarter and lower than expected production for the full year. As a result of these factors and continued risk, the Company revised the full year Haile production guidance earlier in the quarter to 135,000 to 175,000 gold ounces at increased AISC.

In New Zealand, Macraes delivered stronger quarter-on-quarter production as normal operations resumed post the COVID-19 restrictions in the first half of the year. Macraes remains on-track to deliver its revised full year 2020 guidance. Development of the Martha Underground progressed at Waihi and remains on-track for first production in the second quarter of 2021. Waihi continues to expect full year production of approximately 20,000 ounces with a resumption of limited processing of narrow vein mining ore stocks planned in the fourth quarter.



The Didipio mine remained suspended during the quarter due to ongoing restraints placed on the operations by local government units and anti-mining activists' blockade of the access road. Subsequent to quarter-end, the Company enacted the permanent layoff of 496 Didipio employees in accordance with Philippine labour laws and as a result of the ongoing restraint of the operation. The Financial or Technical Assistance Agreement ("FTAA") remains with the Office of the President pending a decision on the renewal. The Company is uncertain on the timeline for a decision. Given the enactment of the permanent layoffs, an impairment assessment was performed which resulted in an impairment charge of \$80 million in the third quarter in relation to Didipio's mining assets.

For the YTD 2020, the Company reported revenue of \$331.9 million and EBITDA of \$68.3 million, both below the prior year period mainly due to Didipio's operations remaining temporarily suspended. YTD adjusted earnings resulted in a net loss of \$67.2 million compared to a net profit of \$37.6 million in the prior YTD. Year-to-date general and administrative costs included \$26.7 million to maintain Didipio in a state of operational readiness, including \$10.4 million in the third quarter after including \$3.2 million of accrued redundancy costs.

For the third quarter, the Company reported revenue of \$97.9 million and EBITDA of \$13.5 million, both slightly above the prior quarter however well below the prior year which included sales from Waihi. Third quarter adjusted earnings resulted in a net loss of \$24.9 million compared to a net loss of \$31.5 million in the prior quarter.

The Company recorded a net loss (after impairment charge) of \$154.2 million for the YTD including \$96.8 million in the third quarter. The net loss included a pre-tax impairment charge of \$80 million. The third quarter was broadly comparable with the prior quarter in terms of EBITDA and unrealised revaluation gains on the fair value of undesignated hedges relating to New Zealand dollar gold price hedges.

In the YTD 2020, the Company recorded operating cash flow of \$200.4 million, 27% above the YTD 2019 mainly due to approximately \$155 million received from the presale of 88,000 gold ounces for delivery between September and December and in the second quarter of 2021. This was partly offset by reduced cash flows from Didipio and Waihi.

Fully diluted cash flow per share before working capital movements was \$0.02 in the third quarter, same as the prior quarter, and \$0.11 for the YTD.

As at September 30, 2020, the Company had available cash of \$127 million, and the Company's revolving credit facilities remained fully drawn at \$200 million. Across the third quarter the Company's net debt increased to \$187 million, which mainly reflected the decreased cash balance.

The Company's hedging program includes New Zealand dollar ("NZD") denominated gold put and call options covering future gold production from Macraes, summarised below as at September 30, 2020:

Put Option Average Strike Price	Call Option Average Strike Price	Gold Ounces Remaining	Expiry Date
NZ\$2,000	NZ\$2,100	29,700	Dec 2020
<b>Total</b>		<b>29,700</b>	

A summary of the marked to market value of derivatives is as per below:

Quarter ended 30 Sep 2020 (US\$m)	Hedge	Sep 30 2020	Dec 31 2019
Current Liabilities	Gold Options	(14.9)	(14.7)
<b>Total</b>		<b>(14.9)</b>	<b>(14.7)</b>

On February 25, 2020, the Group entered into a gold prepayment arrangement with four financial institutions, in exchange for delivering 48,000 gold ounces between September and December 2020.

On August 28, 2020, the Group entered into a gold prepayment arrangement with three financial institutions, in exchange for delivering 40,000 gold ounces between April and June 2021.

During the third quarter, 12,000 ounces of gold valued at \$19.6 million were delivered to the four financial institutions as part of the gold prepayment arrangements. 76,000 gold ounces remained outstanding as at September 30, 2020.

On September 29, 2020, the Company entered into an agreement with a syndicate of underwriters who agreed to purchase, on a bought deal basis, an aggregate of 73 million common shares of the Company at a share price of C\$2.06 with an option for the underwriters to purchase up to an additional 10.95 million common shares. The initial 73 million share offering closed on October 19, 2020. The underwriters exercised their option to acquire an additional 8.55 million shares which closed on October 23, 2020. In total the Company issued 81.55 million common shares for total net proceeds of approximately \$122.4 million. The Company intends to use the net proceeds to fund organic growth projects including the Haile underground development, ongoing exploration and development of the Company's mineral properties in New Zealand as well as for working capital and for general corporate purposes.

## Capital Expenditure

Consolidated capital expenditure in the third quarter 2020 was \$81.7 million, 51% higher than the previous quarter due primarily to increased capitalised mining and growth investments at Haile. Year-to-date capital expenditures of \$195.3 million includes pre-strip and capitalised mining at both Macraes and Haile plus growth capital spend for the development of Martha Underground at Waihi and expansion of the tailings and waste storage facilities at Haile for the ongoing mine expansion.

Total third quarter capital expenditure of \$38.8 million at Haile was primarily related to pre-strip and capitalised mining and the ongoing expansion of mining operations, including completion of the tailings storage facility ("TSF") second wall lift, commencement of the third TSF wall lift, and heavy earthworks related to the construction of PAG waste storage facilities.

Third quarter capital expenditure of \$20.2 million at Macraes included higher planned sustaining capital associated with ongoing pre-strip at Coronation North Stage 4 and infra-structure works associated with the re-alignment of a local public road, both temporarily delayed in the second quarter due to the New Zealand government COVID-19 restrictions.

Waihi growth capital spend of \$17.0 million reflects ongoing development of the Martha Underground where 2,240 metres of development were completed during the third quarter. Exploration capital totalled \$7.9 million with drilling for the third quarter totalling 26,053 metres at Haile, Waihi and Macraes.

Quarter ended 30 Sep 2020 (US\$m)	Q3 30 Sep 2020	Q2 30 Jun 2020	Q3 30 Sep 2019	2020 Guidance
General Operations Capital	7.7	4.2	7.7	20 – 30
Pre-strip and Capitalised Mining	22.4	12.3	11.3	55 – 65
Growth Capital (including corporate capital)	43.7	33.5	24.1	135 – 145
Exploration	7.9	4.0	11.7	20 – 25
<b>Capital and exploration expenditure</b>	<b>81.7</b>	<b>54.1</b>	<b>54.8</b>	<b>230 – 265</b>

Capital and exploration expenditure by location are summarised in the following table:

Quarter ended 30 Sep 2020 (US\$m)	Haile	Didipio	Waihi	Macraes
General Operations	1.0	0.1	-	6.5
Pre-strip and Capitalised Mining	13.8	-	-	8.6
Growth Capital	23.3	0.1	17.0	2.6
Exploration	0.7	-	3.7	2.5
<b>Capital and exploration expenditure</b>	<b>38.8</b>	<b>0.2</b>	<b>20.7</b>	<b>20.2</b>

  

Year to date 30 Sep 2020 (US\$m)	Haile	Didipio	Waihi	Macraes
General Operations	3.0	0.4	0.1	17.8
Pre-strip and Capitalised Mining	30.7	-	-	22.3
Growth Capital	54.2	5.3	38.6	3.7
Exploration	2.1	-	8.3	5.3
<b>Capital and exploration expenditure</b>	<b>89.9</b>	<b>5.7</b>	<b>46.9</b>	<b>49.1</b>

Notes:

- Capital expenditure presented on an accruals basis and excludes current period rehabilitation and closure costs of \$0.7 million at Reefton in the third quarter.
- Capital and exploration expenditure by location includes related regional greenfield exploration where applicable. Corporate capital projects and other greenfield exploration spend including costs associated with Joint Venture arrangements not related to a specific operating region are excluded. These totaled \$1.1 million in the third quarter.

## Income Statement

A summary of the financial performance is provided within the following table:

Quarter ended 30 Sep 2020 (US\$m)	Q3 30 Sep 2020	Q2 30 Jun 2020	Q3 30 Sep 2019	YTD 30 Sep 2020	YTD 30 Sep 2019
Revenue	97.9	95.8	133.6	331.9	499.1
Cost of sales, excluding depreciation and amortization	(60.9)	(61.8)	(78.4)	(196.7)	(279.1)
General and administration – other	(11.7)	(12.7)	(11.6)	(35.4)	(35.1)
General and administration – other - non production <sup>(1)</sup>	(10.4)	(7.9)	(7.6)	(26.7)	(7.6)
General and administration – indirect taxes <sup>(2)</sup>	(1.0)	(0.9)	(1.2)	(3.1)	(8.5)
Foreign currency exchange gain/(loss)	(0.8)	(4.3)	0.3	(6.3)	0.3
Other income/(expense)	0.4	4.1	(1.2)	4.6	(0.1)
<b>EBITDA (excluding gain/(loss) on undesignated hedges and impairment charge)</b>	<b>13.5</b>	<b>12.4</b>	<b>33.9</b>	<b>68.3</b>	<b>169.0</b>
Depreciation and amortization	(36.1)	(39.4)	(36.4)	(125.6)	(118.5)
Net interest expense and finance costs	(2.7)	(3.1)	(3.1)	(8.6)	(10.2)
<b>Earnings/(loss) before income tax (excluding gain/(loss) on undesignated hedges and impairment charge)</b>	<b>(25.4)</b>	<b>(30.1)</b>	<b>(5.6)</b>	<b>(66.0)</b>	<b>40.3</b>
Income tax (expense)/ benefit on earnings	0.5	(1.5)	0.3	(1.2)	(7.7)
<b>Earnings/(loss) after income tax and before gain/(loss) on undesignated hedges and impairment charge</b>	<b>(24.9)</b>	<b>(31.5)</b>	<b>(5.3)</b>	<b>(67.2)</b>	<b>32.8</b>
Impairment charge	(80.0)	-	-	(80.0)	-
Write off exploration/property expenditure / investment <sup>(3)</sup>	(0.1)	(6.8)	-	(6.9)	(4.6)
Gain/(loss) on fair value of undesignated hedges	11.4	9.6	(23.0)	(0.3)	(31.1)
Tax (expense) / benefit on gain/loss on undesignated hedges	(3.2)	(2.7)	6.4	0.1	8.7
<b>Net Profit/(loss)</b>	<b>(96.8)</b>	<b>(31.4)</b>	<b>(21.9)</b>	<b>(154.2)</b>	<b>5.8</b>
Basic earnings/(loss) per share	\$(0.16)	\$(0.05)	\$(0.04)	\$(0.25)	\$0.01
Diluted earnings/(loss) per share	\$(0.16)	\$(0.05)	\$(0.04)	\$(0.25)	\$0.01

(1) The Company did not record any revenue or cost of sales from the Didipio mine during the second half of 2019 nor during the six months ended 30 September 2020. In addition, General and Administration – other – non production reflects the non-production costs related to maintaining Didipio's operational readiness.

(2) Represents production-based taxes in the Philippines specifically excise tax, local business and property taxes.

(3) Impairment expense in relation to land at Haile of \$4.1 million in the second quarter and write-off of deferred exploration related costs/investment in Locrian Resources Inc.

The following table provides a quarterly financial summary:

Quarter ended 30 Sep 2020 (US\$m)	Sep 30 2020	Jun 30 2020	Mar 31 2020	Dec 31 2019	Sep 30 2019	Jun 30 2019	Mar 31 2019	Dec 31 2018
Average Gold Price Received (US\$/oz)	1,601	1,523	1,509	1,404	1,414	1,331	1,308	1,239
Average Copper Price Received (US\$/lb)	-	-	-	-	-	2.60	3.12	3.04
Revenue <sup>(1)</sup>	97.9	95.8	138.2	152.1	133.6	186.0	179.5	183.3
EBITDA (excluding gain/(loss) on undesigned hedges and impairment charge)	13.5	12.4	42.4	45.2	33.9	70.7	64.4	73.7
Earnings after income tax and before gain/(loss) on undesigned hedges and impairment charge (net of tax)	(24.9)	(31.5)	(10.7)	(0.7)	(5.3)	22.1	16.0	17.4
Net Profit/(loss)	(96.8)	(31.4)	(26.0)	8.7	(21.9)	15.3	12.4	10.9
<b>Net Earnings/(loss) per share</b>								
Basic	\$(0.16)	\$(0.05)	\$(0.04)	\$0.01	\$(0.04)	\$0.02	\$0.02	\$0.02
Diluted	\$(0.16)	\$(0.05)	\$(0.04)	\$0.01	\$(0.04)	\$0.02	\$0.02	\$0.02

(1) The Company did not record any revenue or cost of sales from the Didipio mine during the second half of 2019 nor in the six months to 30 September 2020.

## Revenue

The Company's third quarter operating revenue of \$97.9 million increased slightly quarter-on-quarter primarily due to higher sales volume from Macraes and a higher average gold price received. This was partly offset by lower revenue from Haile as production levels were impacted by record rainfall and COVID-19 related protocols.

The Company's YTD revenue of \$331.9 million was 33% lower than the YTD 2019 mainly due to limited sales from Didipio and no sales from Waihi in the last six months as development of Martha Underground progresses. This was partially offset by a higher average gold price received.

## EBITDA

Analysis of revenue and costs for each operating site is contained within the Business Summary section of this report. The Company's EBITDA (excluding gain/loss on undesigned hedges and impairment charge) for the YTD was \$68.3 million including \$13.5 million in the third quarter. YTD EBITDA was 60% lower than the prior YTD mainly due to limited sales from Didipio and lower production from Waihi, partly offset by improved performance from Haile as mining and milling rates improved materially year-over-year and unit costs decreased. Quarter-on-quarter EBITDA was slightly higher mainly due to the increase in revenue.

## Depreciation and Amortisation

Depreciation and amortisation charges include amortisation of mine development and deferred pre-stripping costs plus depreciation of property, plant and equipment. Depreciation and amortisation charges are mostly calculated on a mining or processing units of production basis that account for the life of mine. Amortisation of deferred pre-stripping further considers completion of mining stages. Depreciation of some assets is on a straight-line basis.

YTD charges of \$125.6 million were 6% higher than YTD 2019 mainly due to increased mining and processing rates at Haile, which were materially lower in the prior YTD. In addition, the Haile expansion includes a progressive increase in mining fleet capacity and processing plant upgrades. These were partially offset by lower charges at Didipio where operations remain suspended.

Third quarter charges were \$36.1 million which were 8% below the second quarter primarily due to lower charges for Haile, in-line with lower production partly offset by higher units of production related to amortisation for Macraes.



## Undesignated Hedges Gains/Losses

Unrealised hedge gains and losses reflect the changes in the fair value of the Company's undesignated hedges which are brought to account at the end of each reporting period. These valuation adjustments for the third quarter resulted in a \$11.4 million unrealised gain due to the mark-to-market revaluation of the outstanding New Zealand dollar gold hedges. This compared to a \$9.6 million unrealised gain in the prior quarter. On a YTD basis, these valuations adjustments totalled an unrealised loss of \$0.3 million which compared favourably to unrealised losses of \$31.1 million in the prior YTD which included an unfavourable revaluation of fifteen months of undesignated hedges.

## Taxation

The Company recorded an income tax expense of \$2.7 million in the third quarter which included a tax expense of \$3.2 million associated with the mark-to-market revaluation gain on the gold price hedges.

This compared with an income tax expense of \$4.1 million in the previous quarter which included a tax expense of \$2.7 million associated with the mark-to-market revaluation gain on the gold price hedges.

Accordingly, the underlying tax benefit in the third quarter was \$0.5 million compared to an underlying tax expense of \$1.4 million in the previous quarter which mainly reflected a lower tax benefit in the United States, partly offset by lower tax expense for the New Zealand operations. No potential tax benefits associated with costs incurred in maintaining Didipio operations in a state of operations readiness have been recognised.

For YTD 2020, the Company recorded an income tax expense of \$1.1 million which included a tax benefit of \$0.1 million associated with the mark-to-market revaluation loss on the gold price hedges.

This compared to a tax benefit of \$1.2 million for YTD 2019 which included a tax benefit of \$8.7 million associated with the mark-to-market revaluation loss on the gold price hedges.

Accordingly, the underlying tax expense for YTD 2020 was \$1.2 million compared to an underlying tax expense of \$1.7 million for the prior YTD mainly due to lower tax expense for the New Zealand operations partly offset by a higher tax benefit in the United States.

## Cash Flows

Quarter ended 30 Sep 2020 (US\$m)	Q3 30 Sep 2020	Q2 30 Jun 2020	Q3 30 Sep 2019	YTD 30 Sep 2020	YTD 30 Sep 2019
Cash flows from Operating Activities	63.1	16.7	32.4	200.4	157.6
Cash flows used in Investing Activities	(78.4)	(50.9)	(54.3)	(163.1)	(188.3)
Cash flows from / (used) in Financing Activities	(6.0)	3.5	(4.0)	42.3	(16.7)

Cash inflows from operating activities for the third quarter of \$63.1 million were significantly above the previous quarter primarily due to the \$76.7 million gold pre-payment arrangement executed in August 2020.

For the YTD 2020, cash inflows from operating activities of \$200.4 million were 27% above the YTD 2019 primarily due to \$155 million received from the gold pre-payment arrangements, partly offset by lower operating cash flows from Didipio and Waihi.

Cash used for investing activities of \$78.4 million in the third quarter reflected higher capital expenditure relative to the prior quarter primarily due to higher capitalised pre-strip and the timing of growth capital at Haile.

For the YTD 2020, cash used for investing activities of \$163.1 million was 13% below YTD 2019 primarily due to lower capital spend at Didipio and proceeds from the sale of Gold Standard Venture ('GSV') shares partly offset by higher pre-strip costs and increased spend for growth capital at Haile and Waihi.

Cash used in financing activities for the third quarter of \$6.0 million mainly reflects finance lease repayments whereas the prior quarter reflected net proceeds from equipment financing.

For the YTD 2020, cash from financing activities of \$42.3 million mainly reflected the first quarter's \$50 million debt drawdown under the revolving credit facility and net finance lease repayments of \$7.6 million. This compared to the prior YTD cash from financing activities of \$16.7 million which mainly reflected dividend of \$6.3 million and finance lease repayments of \$11.0 million.

## Balance Sheet

Quarter ended 30 Sep 2020 (US\$m)	Q3 30 Sep 2020	Q4 31 Dec 2019
Cash and cash equivalents	127.0	49.0
Other Current Assets	134.9	167.2
Non-Current Assets	1,885.0	1,856.0
<b>Total Assets</b>	<b>2,146.9</b>	<b>2,072.2</b>
Current Liabilities	328.7	202.7
Non-Current Liabilities	404.7	305.9
<b>Total Liabilities</b>	<b>733.4</b>	<b>508.6</b>
<b>Total Shareholders' Equity</b>	<b>1,413.5</b>	<b>1,536.6</b>

Current assets were \$261.9 million as at September 30 compared to \$216.2 million as at December 31, 2019 mainly due to higher cash balances which include monies received from the gold prepay arrangement and higher trade receivables partly offset by lower inventory at the operating sites including Didipio's ore, stores and spares inventories which were reclassified as non-current.

Non-current assets increased to \$1.88 billion as at September 30, 2020 compared to \$1.86 billion as at December 31, 2019. The increase mainly reflects higher property, plant and equipment and inventories. Increased mining assets for the YTD were partially offset by the impairment charge of \$80 million recognised in the third quarter which reduced the carrying value of mining assets at Didipio. Other financial assets reduced following the sale of GSV shares in the first half of 2020.

Current liabilities were \$328.7 million as at September 30, 2020 compared to \$202.7 million as at December 31, 2019. This increase was mainly attributable to the prepaid gold sales contracts of \$135.6 million partially offset by decreased income tax liabilities.

Non-current liabilities increased to \$404.7 million as at September 30, 2020 from \$305.9 million as at December 31, 2019 mainly due to the \$50 million drawdown under the revolving credit facility and finance lease liabilities related to the progressive upgrade of the mining fleet at Haile.

## Shareholders' Equity

A summary of the movement in shareholders' equity is set out below:

Quarter ended 30 Sep 2020 (US\$m)	Q3 30 Sep 2020
Total equity at beginning of the quarter	1,500.9
Profit/(loss) after income tax	(96.8)
Movement in other comprehensive income/(loss)	7.3
Movement in contributed surplus	2.1
Issue of shares	-
<b>Total equity at end of the quarter</b>	<b>1,413.5</b>

Shareholders' equity decreased by \$87.4 million to approximately \$1.4 billion as at September 30, 2020, mainly due to the net loss (after impairment charge) in the third quarter partly offset by movements in other comprehensive income. Other Comprehensive Income reflects the net changes in the fair value of other financial assets and currency translation differences which arise from the translation of values of assets and liabilities in entities with a functional currency other than USD.

A summary of capital resources is set out below:

Quarter ended 30 Sep 2020	Shares Outstanding	Options and Share Rights Outstanding	Fully Diluted Shares Outstanding
October 28, 2020	703,991,373	17,141,642	721,133,015
September 30, 2020	622,441,373	14,741,642	637,183,015
December 31, 2019	622,323,696	12,198,187	634,521,883

## Debt Management and Liquidity

As at September 30, 2020, the cash funds held were \$127.0 million compared to \$49.0 million as at December 31, 2019. The increase was mainly due to cash flow from operations, \$155 million received from forward gold sales, the drawdown of \$50 million against the Company's revolving credit facility and \$23.1 million from the sale of the Company's non-core equity interest in GSV.

The Company was in a net current liability position of \$66.8 million as at September 30, 2020 compared to a net current asset position of \$13.5 million as at December 31, 2019. The Company continues to proactively manage liquidity in light of the ongoing delay in a resumption of operations at Didipio and the temporary hiatus in production at Waihi while Martha Underground development continues. This includes the sale of the GSV shares and the gold pre-sale arrangements to be settled by future physical gold deliveries aligned with increasing forecast production, including the expected re-start of operations at Waihi. Options also exist to further amend the timing of the physical delivery commitments if required. These actions reflected management's focus on managing the near-term risks of the business while continuing to advance key value enhancing organic growth projects on the optimal timelines. The Net Current Liability position as at 30 September has been further addressed by the receipt of the proceeds of the bought deal offering completed subsequent to the quarter end. The proceeds of which are primarily to be utilised for to fund organic growth projects including the planned underground development at Haile and continued exploration and development in the Waihi district.

As at September 30, 2020, the Company's total debt facilities remained fully drawn to \$200 million. The Company had immediately available liquidity of \$127.0 million as at September 30, 2020 as compared to \$99.0 million as at December 31, 2019. The Company's net debt increased from the prior quarter to \$187.0 million, which mainly reflected the reduced cash balance.

## Capital Commitments

Capital commitments relate principally to the purchase of property, plant and equipment mainly at Haile, and Didipio. The Company's capital commitments as at September 30, 2020 are as follows:

Quarter ended 30 Sep 2020 (US\$m)	Capital Commitments
Within 1 year	<b>6.9</b>

## Selected Annual Information

The following table provides financial data for the Company for each of the three most recently completed financial years:

Quarter ended 30 Sep 2020 (US\$m)	Q3 2020	YTD 2020	2019	2018	2017
Revenue	<b>97.9</b>	<b>331.9</b>	651.2	772.5	724.4
Net Profit/(loss) after Tax	<b>(96.8)</b>	<b>(154.2)</b>	14.5	121.7	171.8
Net Earnings/(loss) per share – Basic	<b>(\$0.16)</b>	<b>(\$0.25)</b>	\$0.02	\$0.20	\$0.28
Net Earnings/(loss) per share – Diluted	<b>(\$0.16)</b>	<b>(\$0.25)</b>	\$0.02	\$0.19	\$0.27
Total assets	<b>2,146.9</b>	<b>2,146.9</b>	2,072.2	2,025.0	2,045.8
Total non-current financial liabilities	<b>291.8</b>	<b>291.8</b>	203.6	166.6	176.5
Cash dividends per share	<b>\$0.00</b>	<b>\$0.00</b>	\$0.01	\$0.03	\$0.02

Across these years, the Company's revenue and earnings have mainly reflected the results of the operations in New Zealand, the Philippines and the United States. The Didipio Mine in the Philippines did not make any sales in the second half of 2019 nor any sales between April and September 2020, inclusive due to the suspension of operations.

Non-current liabilities reflected the phase of growth with the Company increasing its equipment leases for the upgraded mining fleet at Haile in 2019 and 2020. In March 2020, the Company drew down the remaining \$50 million of the revolving credit facility to maximise cash reserves and reduce liquidity risk.

## Business Summary

A summary of the operational performance of the operations is presented below.

Quarter ended 30 Sep 2020		Haile	Didipio	Waihi	Macraes	Consolidated	
						Q3 2020	Q2 2020
Gold Produced	koz	28.3	-	-	34.8	<b>63.1</b>	58.7
Gold Sales	koz	26.8	-	-	34.0	<b>60.8</b>	61.9
Average Gold Price	US\$/oz	1,909	-	-	1,813	<b>1,601<sup>(1)</sup></b>	1,523 <sup>(1)</sup>
Copper Produced	kt	-	-	-	-	-	-
Copper Sales	kt	-	-	-	-	-	-
Average Copper Price	US\$/lb	-	-	-	-	-	-
Material Mined	kt	9,611	-	21.4	12,857	<b>22,489</b>	20,654
Waste Mined	kt	8,904	-	1.1	11,145	<b>20,050</b>	18,635
Ore Mined	kt	707	-	20.3	1,711	<b>2,438</b>	2,019
Mill Feed	kt	864	-	-	1,384	<b>2,248</b>	2,181
Mill Feed Grade	g/t	1.26	-	-	0.94	<b>1.01</b>	1.07
Gold Recovery	%	81.0	-	-	83.5	<b>82.5</b>	78.3
Cash Costs	US\$/oz	1,111	-	-	938	<b>1,015</b>	946
Site All-In Sustaining Costs <sup>(2)</sup>	US\$/oz	1,781	-	-	1,483	<b>1,695</b>	1,265
Year to date 30 Sep 2020		Haile	Didipio	Waihi	Macraes	Consolidated	
						YTD 2020	YTD 2019
Gold Produced	koz	88.4	-	12.2	101.9	<b>202.5</b>	362.4
Gold Sales	koz	91.8	6.8	13.5	102.0	<b>214.1</b>	341.1
Average Gold Price	US\$/oz	1,722	1,672	1,572	1,707	<b>1,539<sup>(1)</sup></b>	1,346 <sup>(1)</sup>
Copper Produced	kt	-	-	-	-	-	10.2
Copper Sales	kt	-	-	-	-	-	6.9
Average Copper Price	US\$/lb	-	-	-	-	-	2.84
Material Mined	kt	28,367	-	77.9	35,885	<b>64,330</b>	58,485
Waste Mined	kt	26,261	-	2.0	31,263	<b>57,526</b>	50,511
Ore Mined	kt	2,106	-	75.9	4,622	<b>6,804</b>	7,974
Mill Feed	kt	2,667	-	57.4	3,969	<b>6,693</b>	9,763
Mill Feed Grade	g/t	1.32	-	7.44	0.98	<b>1.15</b>	1.39
Gold Recovery	%	78.4	-	87.9	81.52	<b>79.2</b>	83.3
Cash Costs	US\$/oz	1,084	443	432	835	<b>904</b>	725
Site All-In Sustaining Costs <sup>(2)</sup>	US\$/oz	1,570	444	376	1,232	<b>1,367</b>	1,087

(1) Realised gains and losses on gold hedging are included in the consolidated average gold price. Realised gains and losses on gold hedging are not included in the site average gold price. Macraes' average gold prices are based on revenue including the gold prepay unwind for September.

(2) Site AISC are exclusive of Corporate general and administrative expenses and have been restated in prior periods accordingly; Consolidated AISC is inclusive of Corporate general and administrative expenses.



A reconciliation of Cash Costs and consolidated All-In Sustaining Costs is presented below.

Quarter ended 30 Sep 2020		Q3 30 Sep 2020	Q2 30 Jun 2020	Q3 30 Sep 2019	YTD 30 Sep 2020	YTD 30 Sep 2019
Cost of sales, excl. D&A	USDm	60.9	61.8	78.4	196.7	279.1
Indirect taxes <sup>(1)</sup>	USDm	-	-	-	0.5	7.4
Selling costs	USDm	0.4	0.3	0.4	1.0	9.8
Other non-cash adjustments	USDm	1.0	(2.2)	(0.2)	(2.4)	(2.0)
By-product credits	USDm	<b>(0.6)</b>	(1.3)	(0.5)	<b>(2.3)</b>	(46.9)
Cash Costs (net of by-product credits)	USDm	<b>61.7</b>	58.6	78.1	<b>193.5</b>	247.4
Sustaining capital expenditure	USDm	<b>33.2</b>	12.8	21.1	<b>76.2</b>	97.9
Corporate general & administration	USDm	<b>4.9</b>	4.5	5.0	<b>14.9</b>	20.8
Other	USDm	<b>3.2</b>	2.5	1.7	<b>8.0</b>	4.4
All-In Sustaining Costs	USDm	<b>103.0</b>	78.4	105.9	<b>292.7</b>	370.6
Gold sales	koz	<b>60.8</b>	61.9	94.3	<b>214.1</b>	341.1
<b>Cash Costs</b>	<b>US\$/oz</b>	<b>1,015</b>	946	828	<b>904</b>	725
<b>All-In Sustaining Costs</b>	<b>US\$/oz</b>	<b>1,695</b>	1,265	1,122	<b>1,367</b>	1,087

(1) In accordance with the World Gold Council's updated methodology for AISC calculation, as from January 1, 2019, the Company has included production taxes paid in the AISC – specifically excise tax, local business and property taxes paid in the Philippines

## Outlook

The Company revised its full year production guidance during the third quarter to 295,000 to 345,000 ounces of gold, excluding Didipio, and increased Consolidated AISC to \$1,150 to \$1,250 per ounce sold. Consolidated cash costs remain unchanged at \$675 to \$725 per ounce sold.

Gold production outlook for Haile was reduced to 135,000 to 175,000 ounces from 180,000 to 190,000 ounces, and site AISC was increased to \$1,100 to \$1,400 per ounce sold from \$1,020 to \$1,070 per ounce sold during the third quarter. The reduction in outlook reflects the risks to achieving planned mining advance rates required to fully access higher grade zones expected to be accessed within the current year under the original guidance plan.

At Haile, increasing COVID-19 precautionary self-isolations and positive COVID-19 cases among the workforce has adversely impacted staffing levels and consequently productivity progressively over the year to date. Since the beginning of March, approximately 280 workers have self-isolated at some point, over half of which have self-isolated since the end of June. The operation had recorded no positive cases of COVID-19 through May, and since June, 20 Haile employees and contractors have tested positive for the virus. While protocols have been highly effective at limiting COVID-19 transmission at site, the progress of the pandemic in the region remains uncertain.

Haile is expected to deliver its highest level of production for the year in the fourth quarter with improved average feed grade, throughput and recoveries as the Company completes mining at Red Hill open pit and gains access to higher grade ore zones within Snake Phase 2 open pit. The Company expects production for the full year at Haile to track to lower-end of guidance.

Macraes and Waihi guidance remains unchanged. At Macraes, the Company is on-track to produce 140,000 and 150,000 ounces of gold at an AISC of between \$1,100 and \$1,150 per ounce and continues to expect the fourth quarter to be the strongest production at a correspondingly lower AISC. At Waihi, the Company expects production of approximately 20,000 for the full year at site AISC of \$715 to \$765 per ounce sold. Approximately 7,000 to 8,000 gold ounces are expected to be produced in the fourth quarter as the processing plant is re-started to campaign accumulated ore stocks from narrow vein mining at Correnso.

The Company continues to expect 2020 consolidated growth investments of \$135 million to \$145 million and pre-strip and capitalised mining investments of \$55 million to \$65 million. This outlook assumes no further material change to the current operating or regulatory environment at the Company's operations due to the COVID-19 pandemic.

# Haile

## Production statistics

		Q3 30 Sep 2020	Q2 30 Jun 2020	Q3 30 Sep 2019	YTD 30 Sep 2020	YTD 30 Sep 2019
Gold Produced	koz	28.3	30.7	36.8	88.4	99.7
Material Mined	kt	9,611	10,155	7,582	28,367	17,007
Waste Mined	kt	8,904	9,416	6,913	26,261	15,155
Ore Mined	kt	707	738	669	2,106	1,852
Ore Mined Grade	g/t	1.62	1.27	1.87	1.51	1.98
Mill Feed	kt	864	934	834	2,667	2,341
Mill Feed Grade	g/t	1.26	1.33	1.75	1.32	1.69
Gold Recovery	%	81.0	77.1	78.1	78.4	77.9

At the end of the third quarter, Haile recorded a TRIFR of 5.4 per million hours worked, down from 6.3 at the end of the second quarter, with two recordable injuries reported. The operation remains focussed on the continuous improvement of safety performance and ongoing high levels of employee engagement.

The operation enforced strict protocols beginning in March whereby all employees and contractors entering the site were required to undergo a health screening process. Strict social distancing measures were enforced, and shift changes were staggered. Since the beginning of March and through the end of the third quarter, approximately 280 employees and contractors self-isolated for two weeks, 60% of which occurred in the third quarter. As of September 30, twenty workers have tested positive for COVID-19, as compared to two at the end of the second quarter.

YTD rainfall recorded at Haile has totalled 51 inches, the highest amount on record for the last 35 years. This included approximately eight inches in August and six inches in September. The exceptionally high rainfall negatively impacted mining equipment utilisation rates which remain below plan for the year.

The significant increase in COVID-19 related absenteeism in July and August, as well as record rainfall during the quarter also impacted mining advance rates delaying access to the higher-grade zones of the open pits as previously planned. As such, gold production for the third quarter of 2020 of 28,307 ounces decreased relative to the previous quarter and prior year on lower head grades, partially offset by significantly improved recoveries.

YTD mining movements have nearly doubled year-on-year and remained relatively stable quarter-on-quarter, reflecting continued improvement in mining productivity despite the impact of COVID-19 and exceptional levels of rainfall encountered through the quarter. Third quarter and YTD ore mined increased modestly year-on-year as ore mining neared completion at Red Hill during the quarter. The Company deployed four additional Komatsu 730E haul trucks in the third quarter to further support material movements, including focussed ore mining activities at Red Hill and ongoing pre-stripping campaigns at Snake Phase 2 and Ledbetter Phase 1.

Mill feed increased year-on-year, but reduced quarter-on-quarter mainly due to a planned shutdown in September. The lower than planned ore production required the mill be supplemented with low-grade stockpiles, resulting in a decrease in average feed grade of 16% quarter-on-quarter. This was partially offset by a 4% improvement in gold recoveries quarter-on-quarter despite the lower feed grades.

## Financial statistics

		Q3 30 Sep 2020	Q2 30 Jun 2020	Q3 30 Sep 2019	YTD 30 Sep 2020	YTD 30 Sep 2019
Gold Sales	koz	26.8	31.7	42.1	91.8	100.9
Silver Sales	koz	24.9	68.7	2.8	93.6	40.0
Average Gold Price Received	US\$/oz	1,909	1,712	1,477	1,722	1,380
Cash Costs	US\$/oz	<b>1,111</b>	994	888	<b>1,084</b>	896
Site All-In Sustaining Costs <sup>(1)</sup>	US\$/oz	<b>1,781</b>	1,410	1,066	<b>1,570</b>	1,314
<b>Site All-In Sustaining Margin</b>	<b>US\$/oz</b>	<b>128</b>	302	411	<b>152</b>	67

(1) Site AISC are exclusive of Corporate general and administrative expenses and have been restated in prior periods accordingly.

Unit Costs		Q3 30 Sep 2020	Q2 30 Jun 2020	Q3 30 Sep 2019	YTD 30 Sep 2020	YTD 30 Sep 2019
Mining Cost <sup>(1)</sup>	US\$/t mined	2.83	2.25	3.42	2.64	3.99
Processing Cost	US\$/t milled	13.64	11.07	13.23	12.47	14.01
Site G&A Cost	US\$/t milled	5.42	5.47	4.78	5.55	5.62

(1) Mining unit costs are inclusive of any capitalised mining costs.

Haile unit costs		Q3 30 Sep 2020	Q2 30 Jun 2020	Q3 30 Sep 2019	YTD 30 Sep 2020	YTD 30 Sep 2019
<b>Cash Costs (gross)</b>		<b>30.1</b>	32.7	37.2	<b>100.8</b>	90.7
Less: by-product credits	USDm	<b>(0.6)</b>	(1.2)	-	<b>(1.8)</b>	(0.6)
Add: Freight, treatment and refining charges	USDm	<b>0.3</b>	0.1	0.2	<b>0.5</b>	0.3
<b>Cash Costs (net)</b>	USDm	<b>29.8</b>	31.6	37.4	<b>99.5</b>	90.4
Add: General capital and leases	USDm	<b>3.5</b>	4.9	5.5	<b>11.8</b>	14.7
Add: Pre-strip and capitalised mining	USDm	<b>13.8</b>	7.7	0.9	<b>30.7</b>	24.1
Add: Brownfields exploration	USDm	<b>0.7</b>	0.6	1.1	<b>2.1</b>	3.4
<b>Site All-In Sustaining Costs (net)</b>	USDm	<b>47.7</b>	44.8	44.9	<b>144.1</b>	132.7
Gold sales	koz	<b>26.8</b>	31.7	42.1	<b>91.8</b>	100.9
<b>Cash cost per ounce sold</b>	US\$/oz	<b>1,111</b>	994	888	<b>1,084</b>	896
<b>Site All-In Sustaining Costs per ounce sold</b>	US\$/oz	<b>1,781</b>	1,410	1,066	<b>1,570</b>	1,314

Third quarter average mining and processing unit costs were \$2.83 per tonne mined and \$13.64 per tonne milled, respectively, and site-based G&A unit costs were \$5.42 per tonne milled.

Mining and processing unit costs increased 26% and 23%, respectively, quarter-on-quarter. The higher mining unit costs reflect increased headcount to mitigate turnover and higher than expected absenteeism due to COVID-19, plus increased costs of diesel and increased drilling and blasting of material in the open pits. Processing unit costs per tonne milled increased due to utilisation losses from wet in-circuit material plus a three-day planned mill shutdown for maintenance. Site-based G&A unit costs were stable quarter-on-quarter.

Third quarter AISC was \$1,781 per ounce sold with cash costs of \$1,111 per ounce sold. The 26% increase quarter-on-quarter reflects the impact of lower gold sales, including a net increase in gold on hand in the current quarter, higher operating costs, and higher pre-stripping costs. Year-over-year, the 20% increase in AISC largely reflects lower gold sales and higher operating costs.

Full year Haile gold production is expected to be at the lower end of the range of 135,000 and 175,000 gold ounces at site AISC of \$1,100 to \$1,400 per ounce sold.

In the fourth quarter, Haile is expected to deliver its strongest quarter of production and lowest AISC for the year with increased mill feed, higher average feed grade, and improved recoveries. The Company notes that the Haile outlook could be adversely impacted by additional challenges related to the COVID-19 pandemic.

## Exploration

In the third quarter, exploration expenditure and other related costs were approximately \$0.7 million for a total of 3,696 metres drilled. Drilling focused on reserve pits at Ledbetter, Snake and Small to tighten drill hole spacing, to verify RC grades and to convert inferred blocks to indicated category. Work was initiated on the year-end geologic block model following a two-week external peer review. A total of 4,603 pulps were submitted to increase carbon and sulphur data in the block model in support of PAG material modelling.

A total of approximately 11,000 metres of drilling is planned during 2020 with a fourth quarter focus on the Ledbetter, Snake, and Mill Zone deposits.

## Projects

Feasibility level economic analysis and optimisation of the Haile Underground at Horseshoe were completed during the quarter as part of the finalisation of the updated Haile NI43-101 Technical Report (“Technical Report”), which was released on October 2, 2020. The Haile Underground design is now at a pre-execution level with the decision to proceed with a “bottom up” mining method with cemented rockfill. Cost modelling was completed for all underground mining scenarios. Project execution plans, schedules for construction and procurement, and safety registers are in development and nearing completion. Portal construction is expected to begin in the second half of 2021.

Field construction activities for the Tailings Storage Facility (“TSF”) three-metre wall lift were completed during the quarter on schedule. Field construction activities for the TSF stage three wall lift commenced with completion expected in the first quarter of 2021.

The Company continued heavy earth work activities on the next phase of the PAG waste storage facility which is expected to be brought into service before year-end.

The Company is in the final stages of the Supplemental Environmental Impact Statement (“SEIS”) permit process to expand the Haile operation. The SEIS will allow continued development of the existing Haile footprint, expansion of the TSFs and waste dumps, and a commitment of mining from the Horseshoe mine. To date, there have been no objections by any stakeholder group to the SEIS, and at this stage, the Company anticipates a successful Record of Decision and completion of the process by early 2021.

## Haile Gold Mine NI43-101 Technical Report

During the third quarter, the Company delivered an updated Technical Report for the Haile Gold Mine. The Technical Report demonstrated a mine life increase to 2033, producing 2.5 million ounces of gold at a life of mine AISC of \$800 per ounce sold. Average annual gold production is estimated to be 180,000 to 200,000 ounces, increasing to approximately 250,000 ounces with combined both open pit and underground mill feed from 2023 to 2027. First production from the Haile Underground is expected in the fourth quarter of 2022 at a total estimated development capital of \$80 million over 2021 and 2022.

Total sustaining capital for Haile is estimated to be approximately \$450 million over 13 years from 2021 to 2033 inclusive. The two main components of sustaining capital are open pit capitalised pre-stripping and progressive TSF lifts over the life of mine. Growth capital for the expanded Haile operation, excluding site closure costs, is estimated to be approximately \$190 million over the life of mine, and includes the continued expansion of the TSF and additional PAG waste containment facilities, and development of the Horseshoe Underground.

As at June 30, 2020, and as part of the Technical Report, the Company increased Haile’s Proven and Probable Mineral Reserves by 60,000 ounces of gold, Measured and Indicated Resources by 120,000 ounces of gold and Inferred Resources by 40,000 ounces, all net of mine depletion.

The Company expects to focus exploration efforts on further defining underground opportunities. Previous drilling of underground targets from surface has identified high-grade zones across the Horseshoe - Palomino trend that require further drill definition and understanding. The Company has also identified new underground targets, Pisces and Aquarius and plans to drill these targets in the near-future.



## Macraes

		Q3 30 Sep 2020	Q2 30 Jun 2020	Q3 30 Sep 2019	YTD 30 Sep 2020	YTD 30 Sep 2019
Gold Produced	koz	<b>34.8</b>	27.9	37.9	<b>101.9</b>	127.0
Total Material Mined	kt	<b>12,857</b>	10,495	13,055	<b>35,885</b>	39,738
Waste Mined	kt	<b>11,145</b>	9,218	11,874	<b>31,263</b>	35,122
Ore Mined	kt	<b>1,711</b>	1,277	1,181	<b>4,622</b>	4,616
Ore Mined Grade	g/t	<b>0.84</b>	0.88	1.13	<b>0.89</b>	1.04
Mill Feed	kt	<b>1,384</b>	1,247	1,471	<b>3,969</b>	4,452
Mill Feed Grade	g/t	<b>0.94</b>	0.88	0.98	<b>0.98</b>	1.07
Gold Recovery	%	<b>83.5</b>	79.2	81.9	<b>81.52</b>	82.8

### Production statistics

In the third quarter of 2020, the Macraes operation reported two recordable injuries, recording a site TRIFR of 2.3 per million hours worked. The operation continues to see a reduction in the number and severity of injuries, with a strong focus on leading indicators and site engagement.

Macraes produced 34,829 ounces of gold in the third quarter, a 25% increase quarter-on-quarter as site resumed full operations post COVID-19-related restrictions impacting the prior quarter. YTD gold produced decreased 20% year-on-year, largely attributable to reduced total movements during the second quarter as a result of COVID-19 restrictions that limited mining operations, restricted vertical advance rates in open pit development, and subsequently delayed the timing of the delivery of gold ounces to the mill.

Open pit waste movements increased quarter-on-quarter following the resumption of full-scale mining operations after the COVID-19 related restrictions in the prior quarter. The mining focussed on pre-stripping of Coronation North Stage 4 which is expected to provide higher grade material over the next six months.

Total underground material movements increased quarter-on-quarter as normal operations resumed.

Total mill feed and head grade increased 11% and 7%, respectively, quarter-on-quarter, reflecting the resumption of normal mining and milling activities during the quarter. Recoveries also improved both year-on-year and quarter-on-quarter. The Company also completed mining of harder ore from Coronation Stage 5 during the quarter which had restricted mill throughputs and recoveries in the first half of the year.

### Financial statistics

		Q3 30 Sep 2020	Q2 30 Jun 2020	Q3 30 Sep 2019	YTD 30 Sep 2020	YTD 30 Sep 2019
Gold Sales	koz	<b>34.0</b>	30.2	37.6	<b>102.0</b>	129.5
Average Gold Price Received <sup>(2)</sup>	US\$/oz	<b>1,813</b>	1,729	1,482	<b>1,707</b>	1,358
Cash Costs	US\$/oz	<b>938</b>	896	805	<b>835</b>	718
Site All-In Sustaining Costs <sup>(1)</sup>	US\$/oz	<b>1,482</b>	965	1,202	<b>1,232</b>	1,087
<b>Site All-In Sustaining Margin</b>	<b>US\$/oz</b>	<b>331</b>	764	220	<b>475</b>	271

(1) Site AISC are exclusive of Corporate general and administrative expenses and have been restated in prior periods accordingly.

(2) Macraes' average gold prices received are based on revenue which includes the gold prepay unwind for September. Realised gains and losses on New Zealand Dollar gold hedging are not included in Macraes' average gold price received.

Unit Costs		Q3 30 Sep 2020	Q2 30 Jun 2020	Q3 30 Sep 2019	YTD 30 Sep 2020	YTD 30 Sep 2019
Mining Cost (Open Pit) <sup>(1)</sup>	US\$/t mined	1.19	0.86	1.18	1.08	1.17
Mining Cost (U/G)	US\$/t mined	43.65	40.29	37.04	42.84	39.63
Processing Cost	US\$/t milled	7.72	6.63	7.12	7.02	7.04
Site G&A Cost	US\$/t milled	2.11	2.10	2.19	2.12	2.08

(1) Mining unit costs are inclusive of any capitalised mining costs.

Macraes unit costs		Q3 30 Sep 2020	Q2 30 Jun 2020	Q3 30 Sep 2019	YTD 30 Sep 2020	YTD 30 Sep 2019
<b>Cash Costs (gross)</b>		<b>31.7</b>	27.0	30.1	<b>84.8</b>	92.4
Less: by-product credits	USDm	<b>(0.1)</b>	(0.1)	0.0	<b>(0.1)</b>	(0.1)
Add: Freight, treatment and refining charges	USDm	<b>0.2</b>	0.2	0.2	<b>0.5</b>	0.5
<b>Cash Costs (net)</b>	USDm	<b>31.8</b>	27.1	30.3	<b>85.2</b>	92.9
Add: General capital and leases	USDm	<b>7.4</b>	(4.0)	3.9	<b>12.7</b>	17.7
Add: Pre-strip and capitalised mining	USDm	<b>8.6</b>	4.6	10.5	<b>22.3</b>	29.4
Add: Brownfields exploration	USDm	<b>2.5</b>	1.6	0.6	<b>5.4</b>	0.8
<b>Site All-In Sustaining Costs (net)</b>	USDm	<b>50.4</b>	29.2	45.2	<b>125.6</b>	140.8
Gold sales	koz	<b>34.0</b>	30.2	37.6	<b>102.0</b>	129.5
<b>Cash cost per ounce sold</b>	US\$/oz	<b>938</b>	896	805	<b>835</b>	718
<b>Site All-In Sustaining Costs per ounce sold</b>	US\$/oz	<b>1,483</b>	965	1,202	<b>1,232</b>	1,087

Third quarter open pit unit mining costs were \$1.19 per tonne mined, underground unit mining costs were \$43.65 per tonne mined, processing unit costs were \$7.72 per tonne milled and site G&A unit costs were \$2.11 per tonne milled.

Open pit costs per tonne mined were in line with the prior year quarter and increased 38% quarter-on-quarter, largely attributable to the resumption of normal operations with the prior quarter including lower movements and the benefit of \$2.8 million in wage support, both associated with the New Zealand government mandated COVID-19 shut down.

The underground cost per tonne mined increased quarter on quarter also attributable with the resumption of normal operations combined with the continued development of Frasers Underground and higher spending on equipment maintenance for the extended mine life announced as part of the updated Macraes Technical report released on October 2, 2020.

Processing costs increased quarter-on-quarter due to planned maintenance shutdowns completed during the quarter and higher maintenance costs relative to the second quarter with the resumption of normal operations. YTD and quarter-on-quarter cost per tonne milled and G&A costs are relatively stable over the prior year periods, despite the lower tonnes milled.

Macraes' third quarter AISC was \$1,483 per ounce sold, an increase of 54% quarter-on-quarter and 13% YTD over the prior year. The increase quarter-on-quarter reflects normalised cost inputs during the third quarter with the resumption of operations post COVID-19 restrictions in the second quarter plus materially higher planned sustaining capex. Also, the second quarter included the refinance of the two new EX3600 excavators. The YTD increase reflects lower gold sold, higher cash costs, and exploration expenditures.

In the fourth quarter, Macraes is expected to deliver its strongest quarter of production at a lower AISC with an increased the mill feed grade and reduced sustaining capital expenditure. Macraes is on track to deliver guidance of produce between 140,000 and 150,000 ounces of gold at an AISC of between \$1,100 and \$1,150 per ounce.

## Exploration

In the third quarter, exploration expenditure and other related costs were \$2.5 million for a total of 10,675 metres drilled. Brownfields exploration focused at Golden Point Underground (“Golden Point”) and Frasers Underground (“FRUG”). At Golden Point, drilling was focused on resource conversion of proposed underground stopes and extension drilling of the Golden Point ore shoot. At FRUG, drilling focused on down-dip resource definition of Panel 2 aiming to delineate remaining opportunities for ore extraction.

Exploration activities in 2020 will continue to focus on Golden Point, Deepdell and FRUG with approximately 31,000 metres of drilling planned for the full year.

## Projects

During the quarter, the Company announced the results of an updated Technical Report for Macraes, which was subsequently issued on October 2, 2020. The results demonstrated a mine life extension to at least 2028, producing 1.1 million ounces of gold at an AISC of \$1,025 per ounce sold. Average annual gold production is estimated to be approximately 150,000 ounces between 2021 and 2027. The Technical Report reflects a mine life extension to the Frasers Underground, inclusion of the Golden Point Underground, and production from additional surface opportunities including new cut-backs at the Gay-Tan, Innes Mills and Deepdell open pits. First production from Golden Point is expected in 2021, effectively replacing Frasers Underground production, at total estimated development capital of approximately \$15 million.

As of June 30, 2020, and as part of the Technical Report, the Company increased Macraes Proven and Probable Mineral Reserves by 240,000 ounces of gold, net of mine depletion, and inclusive of Golden Point’s initial Mineral Reserves of 160,000 ounces of gold.

The Company continues to focus on resource conversion and expansion on multiple surface and underground targets within the Macraes Goldfield. The Company will incorporate results of this drilling in the 2020 Resource and Reserve update.

# Waihi

## Production statistics

		Q3 30 Sep 2020	Q2 30 Jun 2020	Q3 30 Sep 2019	YTD 30 Sep 2020	YTD 30 Sep 2019
Gold Produced	koz	0.0	0.0	16.0	12.2	52.3
Material Mined	kt	21.4	3.8	129.2	77.9	472.7
Waste Mined	kt	1.1	0.7	14.3	2.0	139.5
Ore Mined	kt	20.3	3.1	114.9	75.9	333.2
Ore Mined Grade	g/t	4.91	5.10	4.94	6.60	5.54
Mill Feed	kt	0.0	0.0	117.0	57.4	338.3
Mill Feed Grade	g/t	0.0	0.0	4.93	7.44	5.55
Gold Recovery	%	0.0	0.0	86.3	87.9	86.5

The Waihi operation reported a 12MMA TRIFR of 5.4 per million hours for the third quarter, similar to the second quarter, and recorded zero injuries.

There was no gold production during the quarter as the processing plant remained in care and maintenance.

Mining of narrow veins in the upper part of Correnso is continuing, with ore from these narrow veins being stockpiled ahead of a batch processing campaign beginning in the fourth quarter which is expected to produce approximately 7,000 to 8,000 ounces of gold. The plant will then temporarily cease operating prior to an expected restart in the second quarter of 2021 with mill feed sourced exclusively from Martha Underground.

The Company expects 2020 production at Waihi to be approximately 20,000 gold ounces at cash costs ranging from \$700 to \$750 per ounce sold and site AISC of \$715 to \$765 per ounce sold.

## Financial statistics

		Q3 30 Sep 2020	Q2 30 Jun 2020	Q3 30 Sep 2019	YTD 30 Sep 2020	YTD 30 Sep 2019
Gold Sales	koz	0.0	0.0	15.3	13.5	50.5
Average Gold Price Received	US\$/oz	0.0	0.0	1,481	1,573	1,361
Cash Costs	US\$/oz	0.0	0.0	686	432	695
Site All-In Sustaining Costs <sup>(1)</sup>	US\$/oz	0.0	0.0	708	376	788
<b>Site All-In Sustaining Margin</b>	<b>US\$/oz</b>	<b>0.0</b>	<b>0.0</b>	<b>773</b>	<b>1,197</b>	<b>573</b>

<sup>(1)</sup> Site AISC are exclusive of Corporate general and administrative expenses and have been restated in prior periods accordingly.

Unit Costs		Q3 30 Sep 2020	Q2 30 Jun 2020	Q3 30 Sep 2019	YTD 30 Sep 2020	YTD 30 Sep 2019
Mining Cost <sup>(1)</sup>	US\$/t mined	58.01	87.03	43.16	49.58	49.74
Processing Cost <sup>(2)</sup>	US\$/t milled	0.0	0.0	27.05	33.26	27.42
Site G&A Cost <sup>(2)</sup>	US\$/t milled	0.0	0.0	19.04	34.92	20.30

<sup>(1)</sup> Mining unit costs are inclusive of any capitalised mining costs.

<sup>(2)</sup> Milling was idle in the third quarter as Martha Underground development continued.

Waihi unit costs		Q3 30 Sep 2020	Q2 30 Jun 2020	Q3 30 Sep 2019	YTD 30 Sep 2020	YTD 30 Sep 2019
<b>Cash Costs (gross)</b>		<b>0.0</b>	0.0	10.9	<b>6.2</b>	36.4
Less: by-product credits	USDm	<b>0.0</b>	0.0	(0.5)	<b>(0.4)</b>	(1.5)
Add: Freight, treatment and refining charges	USDm	<b>0.0</b>	0.0	0.1	<b>0.0</b>	0.2
<b>Cash Costs (net)</b>	USDm	<b>0.0</b>	0.0	10.5	<b>5.8</b>	35.1
Add: General capital and leases	USDm	<b>0.0</b>	0.0	0.3	<b>(0.8)</b>	1.7
Add: Pre-strip and capitalised mining	USDm	<b>0.0</b>	0.0	0.0	<b>0.0</b>	3.0
Add: Brownfields exploration	USDm	<b>0.0</b>	0.0	0.0	<b>0.0</b>	0.1
<b>Site All-In Sustaining Costs (net)</b>	USDm	<b>0.0</b>	0.0	10.8	<b>5.1</b>	39.9
Gold sales	koz	<b>0.0</b>	0.0	15.3	<b>13.5</b>	50.5
<b>Cash cost per ounce sold</b>	US\$/oz	<b>0.0</b>	0.0	686	<b>432</b>	695
<b>Site All-In Sustaining Costs per ounce sold</b>	US\$/oz	<b>0.0</b>	0.0	708	<b>376</b>	788

## Exploration

In the third quarter, exploration expenditure and other related costs were \$3.7 million for a total of 11,682 metres drilled. Drilling continued to focus in the Martha Underground where 8,077 metres were completed on resource definition drilling from underground with three diamond drill rigs. At the Wharekirauponga (“WKP”) project 1,658 metres of step out and infill drilling were completed on the East Graben vein. On other regional projects, 1,947 metres were completed on initial drill tests of targets at Twin Hills and Glamorgan.

A total of approximately 32,000 metres of drilling is planned in 2020 at Waihi with 24,041 metres completed year to date. The focus in the fourth quarter will be on further resource definition at Martha Underground and WKP.

## Projects

Development of the Martha Underground continued, with 2,240 metres of mine development completed in the third quarter, concentrating on mining of the 920mL and 800mL Edward, Empire West, Royal West and Rex declines and inclines, crosscuts, footwall drives and ventilation development. Further work was undertaken on the dewatering system with installation of pumps to service the four dewatering wells.

Feasibility level studies on the Martha Underground were progressed ahead of schedule in the first half of 2020. In support, 8,077 metres of resource conversion drilling to upgrade resource classification were completed year to date.

The existing SAG mill shell assembly in the process plant is being replaced as part of the mine life extension works. Fabrication of the SAG mill shell is underway with delivery expected in the first quarter of 2021.

During the quarter, with the announcement of the Waihi District Study, stakeholder engagement and feedback related to the development of the greater district and mine life extension commenced. Feedback processes will continue through 2020, whilst impact assessments are completed as part of preparing relevant formal resource consent applications for the expansion.

At WKP, the Mining Permit application lodged by the Company earlier this year was approved. The mining permit grants the Company exclusive right to the WKP mineral resource, allowing for continued exploration activities and technical and environmental studies over the permitted area. Also during the quarter, environmental baseline studies continued along with field investigation activities to assist in refining options for improved exploration access. This work will continue into the fourth quarter, to enable finalisation of suitable options and subsequent social engagement of the findings.



# Didipio

## Production statistics

		Q3 30 Sep 2020	Q2 30 Jun 2020	Q3 30 Sep 2019	YTD 30 Sep 2020	YTD 30 Sep 2019
Gold Produced	koz	-	-	16.7	-	83.5
Copper Produced	kt	-	-	2.3	-	10.2
Material Mined	kt	-	-	100	-	1,267
Waste Mined	kt	-	-	8	-	94
Ore Mined	kt	-	-	92	-	1,173
Ore Mined Grade Gold	g/t	-	-	1.33	-	1.80
Ore Mined Grade Copper	%	-	-	0.47	-	0.55
Mill Feed	kt	-	-	604	-	2,633
Mill Feed Grade Gold	g/t	-	-	0.97	-	1.11
Mill Feed Grade Copper	%	-	-	0.43	-	0.43
Gold Recovery	%	-	-	89.4	-	88.5
Copper Recovery	%	-	-	88.1	-	89.0

Didipio achieved a TRIFR of 1.5 per million hours worked at the end of the second quarter, a slight decrease of 0.1 per million hours worked in the second quarter of 2020. The operation had a total of one recordable injury for the quarter, and the TRIFR remains at an industry-leading standard.

There was no production in the second quarter due to the suspension of operations as a result of the local government unit and anti-mining activists' blockade of the access road.

Geotechnical, hydrological and other environmental management activities are ongoing for health and safety purposes, to ensure ongoing environmental compliance and to ensure the mine is maintained in a state of operational readiness for a rapid resumption of normal mining operations.

No gold-copper concentrate was sold in the third quarter due to the restrictions on material movements.

As previously reported, on July 25, 2019, the Regional Trial Court of Nueva Vizcaya ('NV') denied OceanaGold's petition for a preliminary injunction against the Provincial Government of Nueva Vizcaya and local government units from interfering with Didipio operations. The Company appealed the Regional Trial Court decision to the Court of Appeals in Manila. A hearing took place on September 18, 2019 and the parties have subsequently filed their respective memorandum as required by the Court of Appeals. On July 11, 2020, the Court of Appeals denied the Company's petition for a temporary injunction against the Governor's order. The Company appealed this decision. The Company has been advised that its appeal has been unsuccessful. The Company is currently considering its options following this decision.

In the meantime, OceanaGold's main petition in the Regional Trial Court where the Company is seeking the Court to (a) declare as null and void the Nueva Vizcaya Governor's restraining order, and (b) prohibit local government units from restraining the Didipio operations is undergoing pre-trial conference. Following this, the case is expected to proceed to trial of the substantive issues.

## Financial statistics

		Q3 30 Sep 2020	Q2 30 Jun 2020	Q3 30 Sep 2019	YTD 30 Sep 2020	YTD 30 Sep 2019
Gold Sales	koz	-	-	(0.6)	<b>6.8</b>	60.2
Copper Sales	kt	-	-	-	-	6.9
Average Gold Price Received	US\$/oz	-	-	-	<b>1,652</b>	1,385
Average Copper Price Received	US\$/lb	-	-	-	-	2.8
Cash Costs	US\$/oz	-	-	0 <sup>(2)</sup>	<b>443</b>	481
Site All-In Sustaining Costs <sup>(1)</sup>	US\$/oz	-	-	0 <sup>(2)</sup>	<b>444</b>	607
<b>Site All-In Sustaining Margin</b>	<b>US\$/oz</b>	-	-	-	<b>1,208</b>	778

(1) Site AISC are exclusive of Corporate general and administrative expenses and have been restated in prior periods accordingly.

(2) Didipio recorded nil gold sales in the quarter ended 30 September 2019 and therefore did not record an AISC on an ounce sold basis.

Unit Costs		Q3 30 Sep 2020	Q2 30 Jun 2020	Q3 30 Sep 2019	YTD 30 Sep 2020	YTD 30 Sep 2019
Mining Cost (Open Pit) <sup>(1)</sup>	US\$/t mined	-	-	-	-	15.63
Mining Cost (U/G)	US\$/t mined	-	-	-	-	39.34
Processing Cost	US\$/t milled	-	-	8.04	-	6.18
Site G&A Cost	US\$/t milled	-	-	9.63	-	6.56

(1) Mining unit costs are inclusive of any capitalised mining costs.

Didipio unit costs		Q3 30 Sep 2020	Q2 30 Jun 2020	Q3 30 Sep 2019	YTD 30 Sep 2020	YTD 30 Sep 2019
<b>Cash Costs (gross)</b>		-	-	-	<b>2.6</b>	57.5
Less: by-product credits	USDm	-	-	-	-	(44.8)
Less: production taxes	USDm	-	-	-	<b>0.5</b>	7.4
Add: Freight, treatment and refining charges	USDm	-	-	-	-	8.8
<b>Cash Costs (net)</b>	USDm	-	-	-	<b>3.0</b>	28.9
Add: General capital and leases	USDm	-	-	-	-	6.4
Add: Pre-strip and capitalised mining	USDm	-	-	-	-	1.1
Add: Brownfields exploration	USDm	-	-	-	-	0.1
<b>Site All-In Sustaining Costs (net)</b>	USDm	-	-	-	<b>3.0</b>	<b>36.5</b>
Gold sales	koz	-	-	(0.6) <sup>(1)</sup>	<b>6.8</b>	60.2
<b>Cash cost per ounce sold</b>	US\$/oz	-	-	-	<b>443</b>	481
<b>Site All-In Sustaining Costs per ounce sold</b>	US\$/oz	-	-	-	<b>444</b>	607

(1) Represents final adjustments on completion of concentrate shipments from the prior period.

During the third quarter, \$10.4 million of operating costs were expensed as part of consolidated Corporate General and Administration - other, which related to maintaining Didipio in a state of operational readiness for the resumption of normal operations. These costs include the September accrual of \$3.2 million for permanent layoffs of 496 employees that took place in October. This followed the expiry of the maximum permitted 6-month temporary lay-off term given the ongoing delays in resolving the local government unit and anti-mining activists' blockade of the access road or completion of the FTAA renewal.

Operating costs included costs to maintain dewatering activities in the underground mine and maintaining the process plant during the suspension. It also included continued payments of remaining employee salaries while the FTAA renewal process continues.

## **Financial or Technical Assistance Agreement (“FTAA”)**

The initial term of the FTAA ended on June 20, 2019. The FTAA is renewable for another 25 years and the Company lodged the application for the renewal in March 2018. The renewal is currently under review with the Office of the President (“OP”) after being reindorsed for a second time by the Secretary of DENR and by the Mines and Geosciences Bureau (“MGB”). The MGB has confirmed in writing in a letter dated June 20, 2019 that the Didipio mine is permitted to continue its mining operations pending the completion of the renewal process.

In December 2019, the Department of Interior and Local Government (“DILG”) sent a letter to the Nueva Vizcaya (“NV”) governor informing him that the checkpoint being used as a restriction of access to Didipio requires a permit which has not been granted and therefore the checkpoint should be removed. The NV governor replied and argued the non-renewal of the FTAA. The DILG sent a second letter to the NV governor reiterating their position on the unauthorized status of the checkpoint.

On January 21, 2020, the OP granted authority for the Company to deliver diesel to the Didipio Mine for dewatering activities. On April 6, 2020 approximately 100,000 litres of diesel were delivered with the assistance of the Philippine National Police, which ensured that the fuel tank trucks were not stopped at checkpoints.

The Company continued with proactive engagement with the various Government agencies, including the DENR and MGB, Department of Finance, OP, and National Commission on Indigenous Peoples on the FTAA renewal process.

By mid-September, OGPI issued the notices for permanent termination of employment to 496 employees (excluding contracted workforce) on temporary lay-off. The termination became effective on October 13, 2020 given the ongoing restrain on operations from the Local Government and anti-mining activists’ road blockade. The Company may be required to implement a second-round of permanent lay-offs in mid-November and has provided notices to affected employees. These workforce terminations are expected to impact the expected timeline to resume full operations which may as a result be increased by up to 12 months.

The entire Philippines remains under community quarantine. Government continues to focus on managing the COVID-19 pandemic and the situation continues to present limitations on Government’s usual operations. The FTAA renewal remains with the Office of the President with no definitive timeline provided for a decision. With the COVID-19 pandemic continuing, the Company concludes that there is an increased risk that resolution to the above matter(s) may take longer than previously anticipated.

Management identified that there was an indicator of impairment resulting from the permanent layoffs of 496 employees at Didipio which were announced pre-September 30, 2020 and which took place on October 13, 2020. These layoffs impact the expected timeline to resume full operations in view of recruitment that would be needed prior restart. An impairment assessment was hence performed on the Didipio CGU to calculate the recoverable amount.

The impairment assessment for Didipio resulted in an impairment charge being recognized of \$80.0 million. Should adverse circumstances arise where there is an expectation that an FTAA renewal will definitely not be granted, or the conditions under which it is renewed will result in an extended period of suspension of production beyond the range expected, 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 is likely to be booked after giving due consideration to those circumstances.

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# Environment, Social & Governance

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## Response to COVID-19

In response to the unprecedented global COVID-19 pandemic, the Company is taking the necessary precautions to minimise and prevent the spread of COVID-19 and maintain the wellbeing of its global team, operations and host communities.

At the end of the third quarter, the Company had 26 confirmed cases of COVID-19 among employees and contractors globally.

The Company's focus remains on prevention, preparedness, response and recovery for its entire workplace and community activities. Response measures fall into three key areas minimising the risk of employee exposure, keeping the workforce well informed and reducing exposure risks to the workforce and their families, and maintaining specific and stringent operational continuity plans that reflect the local reality in each jurisdiction.

More information about the Company's response is available on the OceanaGold website at <https://oceanagold.com/oceanagold-coronavirus-covid-19-update/>.

## Environment and Community

In July, the Company launched a new website with enhanced access to shareholder and sustainability information, including interactive ESG data.

In 2019, the World Gold Council launched the Responsible Gold Mining Principles ("RGMPs") – 10 principles that set out clear expectations about what constitutes responsible gold mining across key environmental, social and governance issues in the gold mining sector. The Company committed to implementing the RGMPs at all mining and processing operations over which it has direct control by the end of 2022.

In September, the Company received independent external assurance that confirms its progress toward full compliance by 2022. The assurance required the Company to demonstrate an internal assessment against the RGMPs and work plans to identify how it will continue to reach full compliance. More information about this progress against the RGMPs is included in the Company's annual Sustainability Report.

The Company continues to be ranked in the top five for ESG performance in the gold industry among the top third-party rating agencies.

## Haile

In September, the operation commenced a social change assessment. This study is measuring the significant changes within the local region since the commencement of modern mining in the region to understand how the operation has impacted the community. The first phase of the study will be completed in 2020 and more information will be made available in the upcoming 2020 Sustainability Report.

## Macraes

The operation continued the first phase of the social impact assessment, which will be completed in the final quarter of 2020. More information will be available in the 2020 Sustainability Report.

## Waihi

In August the Company was granted a mining permit for the Wharekirauponga (WKP) deposit north of Waihi. The Company continues environmental baseline studies to better understand the environment and how we can best avoid, remedy and mitigate effects and seek in-depth collaboration with iwi (Maori) and other stakeholders as development of the Waihi District progresses.

## **Didipio**

With the temporary suspension of mining and processing activities, the environmental focus remained on compliance-driven monitoring and reporting. Progressive rehabilitation continued.

The Financial or Technical Assistance Agreement (“FTAA”) remains with the Office of the President of the Philippines for renewal. The operation continues to engage with the Provincial Government of Nueva Vizcaya and the Didipio Local Government Unit (“Local Government”) to resolve their current position which is restricting the mine’s ability to get supplies in or transport copper concentrate out.

Subsequent to quarter-end, the Company announced the permanent layoff of 496 OceanaGold (Philippines) Inc. employees at Didipio due to the Local Government and anti-mining activist’s blockade of the public road. The Company may be required to implement a second-round of permanent layoffs in mid-November and has provided notices to affected employees.

## **Reefton Restoration Project**

The closure project continues monitoring and reporting to assess the effectiveness of environmental controls and to meet compliance needs.

By the end of the third quarter, more than 130 hectares (of the roughly 260 hectares of disturbance) had been completely rehabilitated, including the planting of approximately 800,000 native seedlings.

The upgrade of the Reefton Site Interpretation Centre to celebrate the region’s rich gold mining history was completed in September. This project was delivered under the joint partnership between OceanaGold, the Buller Regional Council and the Reefton i-Site information center,



## Other Information

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### Investments

As at September 30, 2020, the Company held \$5.6 million in marketable securities in exploration companies listed on the Venture Stock Exchange in Toronto including a 10.3% equity position in NuLegacy (NUG), which holds prospective exploration tenements in the main producing gold belts of Nevada, United States.

### Joint Ventures

Two projects are under Option/Joint Venture Agreement in Nevada while the Company withdrew from the Pedernales Project in Argentina during the quarter. In Nevada, United States, the Highland and Spring Peak Projects continue under option agreements with Bravada Gold Corporation and Renaissance Gold Inc., respectively. Diamond drilling of two holes was completed at the Highland Project (awaiting laboratory results) with drilling planned on the Spring Peak project in early fourth quarter 2020.

# Accounting & Controls Information

## Corporate Governance

The current members of the Board's Committees are:

<b>Audit and Financial Risk Committee</b>	<b>Remuneration Committee</b>	<b>Sustainability Committee</b>	<b>Governance and Nomination Committee</b>
Paul B. Sweeney (Chair)	Craig J. Nelsen (Chair)	Dr. Geoff Raby (Chair)	Catherine Gignac (Chair)
Dr. Geoff Raby	Paul B. Sweeney	Craig J. Nelsen	Paul B. Sweeney
Catherine Gignac	Ian M. Reid	Catherine Gignac	Dr. Geoff Raby
Ian M. Reid		Ian M. Reid	Ian M. Reid

## Risks and Uncertainties

This document contains some forward-looking statements that involve risks, uncertainties and other factors that could cause actual results, performance, prospects, opportunities and continued mining operations to differ materially from those expressed or implied by those forward-looking statements. Factors that could cause actual results or events to differ materially from current expectations include, among other things: ongoing potential impacts of the COVID-19 global pandemic, failure to obtain necessary permits and approvals from government authorities including failure or delay in obtaining renewal of the Financial or Technical Assistance Agreement; extended suspension of mining and processing activities at the Didipio operation; inability to access critical supplies which in the event of an emergency may impact Didipio's ability to meet all ongoing compliance obligations; volatility and sensitivity to market prices for gold and copper; replacement of reserves; possible variations of ore grade or recovery rates; changes in project parameters; procurement of required capital equipment and operating parts and supplies; equipment failures; unexpected geological conditions; political risks arising from operating in certain developing countries; inability to enforce legal rights; defects in title; imprecision in reserve estimates; success of future exploration and development initiatives; operating performance of current operations; ability to secure long term financing and capital, water management, environmental and safety risks; seismic activity, weather and other natural phenomena; changes in government regulations and policies including tax and trade laws and policies; ability to maintain and further improve labour relations; general business, economic, competitive, political and social uncertainties and other development and operating risks. For further detail and discussion of risks and uncertainties refer to the Annual Information Form available on the Company's website.

## Summary of Quarterly Results of Operations

The Income Statement section of this report sets forth unaudited information for each of the eight quarters ended December 31, 2018 to September 30, 2020. This information has been derived from our unaudited consolidated financial statements which, in the opinion of management, have been prepared on a basis consistent with the audited consolidated financial statements and include all adjustments, consisting only of normal recurring adjustments, necessary for fair presentation of our financial position and results of operations for those periods. The most significant factors causing variation in the result are the volatility of the gold and copper price, the variability in the grade of ore mined from the Haile, Didipio, Waihi and Macraes mines, gold and copper recoveries, the timing of waste stripping activities, movements in inventories and large movements in foreign exchange rates between the USD and NZD. In the current quarter the restrictions on material movements at Didipio imposed by the provincial and local government units have continued to cause variation in the results of operations.

## **Non-GAAP Financial Information**

Throughout this document, we have provided measures prepared according to IFRS (“GAAP”) as well as some non-GAAP performance measures. As non-GAAP performance measures do not have a standardised meaning prescribed by GAAP, they are unlikely to be comparable to similar measures presented by other companies. We provide these non-GAAP measures as they are used by some investors to evaluate OceanaGold’s performance. Accordingly, such non-GAAP measures are intended to provide additional information and should not be considered in isolation, or a substitute for measures of performance in accordance with GAAP.

- Earnings before interest, tax, depreciation and amortisation (EBITDA) a non-GAAP measure and a reconciliation of this measure to Net Profit / (Loss) is provided in the Income Statement section of this report
- All-In Sustaining Costs (‘AISC’) per ounce sold is based on the World Gold Council methodology, is a non-GAAP measure and a Group reconciliation of these measures to cost of sales, is provided in the Business Summary section of this report.
- Cash Costs per ounce sold is a non-GAAP measure and a Group reconciliation of these measures to cost of sales, is provided in the Business Summary section of this report.
- All-In Sustaining margin refers to the difference between average gold price received, and AISC per ounce of gold sold.
- Net debt has been calculated as total interest-bearing loans and borrowings less cash and cash equivalents.
- Liquidity has been calculated as cash and cash equivalents and the total of funds which are available to be drawn under the Company’s loan facilities.
- Adjusted net profit / (loss) is defined as Earnings / (Loss) after income tax and before gain/(loss) on undesignated hedges and impairment charge as calculated in the Income Statement of this report. Adjusted earnings / (loss) per share represents the adjusted net profit / (loss) on a per share basis.

## **Transactions with Related Parties**

There were no significant related party transactions during the period.

## **No Offer of Securities**

Nothing in this release should be construed as either an offer to sell or a solicitation of an offer to buy or sell OceanaGold securities in any jurisdiction or be treated or relied upon as a recommendation or advice by OceanaGold.

## **Reliance on Third Party Information**

The views expressed in this release contain information that has been derived from publicly available sources that have not been independently verified. No representation or warranty is made as to the accuracy, completeness or reliability of the information. This release should not be relied upon as a recommendation or forecast by OceanaGold.

## **Additional Information**

Additional information referring to the Company, including the Company’s Annual Information Form, is available at SEDAR at [www.sedar.com](http://www.sedar.com) and the Company’s website at [www.oceanagold.com](http://www.oceanagold.com).

## **Disclosure Controls and Procedures**

The Chief Executive Officer and Chief Financial Officer evaluated the effectiveness of the Company's disclosure controls and procedures as at September 30, 2020. Based on that evaluation, the Chief Executive Officer and the Chief Financial Officer concluded that the design and operation of these disclosure controls and procedures were effective as at December 31, 2019 to provide reasonable assurance that material information relating to the Company, including its consolidated subsidiaries, would be made known to them by others within those entities. These controls were designed and evaluated based on the criteria established in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organisations of the Treadway Commission (2013 framework).

## **Internal Control Over Financial Reporting**

Management of OceanaGold, including the Chief Executive Officer and Chief Financial Officer, have evaluated the effectiveness of the design and operation of the Company's internal controls over financial reporting and disclosure controls and procedures as of December 31, 2019. Based on this evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that they were effective at a reasonable assurance level.

There were no significant changes in the Company's internal controls, or in other factors that could significantly affect those controls subsequent to the date the Chief Executive Officer and Chief Financial Officer completed their evaluation, nor were there any significant deficiencies or material weaknesses in the Company's internal controls requiring corrective actions.

During the three months ended September 30, 2020, there were no changes in the Company's internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting. The Company's management, including the Chief Executive Officer and the Chief Financial Officer, does not expect that its disclosure controls and internal controls over financial reporting will prevent all errors and fraud. A cost-effective system of internal controls, no matter how well conceived or operated, can provide only reasonable not absolute, assurance that the objectives of the internal controls over financial reporting are achieved.

## **Critical Accounting Estimates and Judgements and Impairments**

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and related notes. Please refer to Note 3 of OGC's consolidated financial statements for the year ended December 31, 2019 for further information.

Please refer to Notes 3 and 4 of OGC's consolidated financial statements for the YTD September 30, 2020 for further information.

## **Accounting Policies**

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