

OceanaGold Reports First Quarter 2020 Financial Results

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(All financial figures in US Dollars unless otherwise stated)

MELBOURNE, May 14, 2020 /CNW/ - OceanaGold Corporation (TSX: OGC) (ASX: OGC) (the "Company") reported its financial and operational results for the quarter ended March 31, 2020. This follows the release of the Company's operational results on May 6, 2020. Details of the consolidated financial statements and the Management Discussion and Analysis ("MD&A") are available on the Company's website at www.oceanagold.com

Highlights

- First quarter revenue was \$138.2 million with Earnings before Interest, Depreciation and Amortisation ("EBITDA") of \$42.4 million.
- First quarter net loss of \$26.0 million and an adjusted net loss of \$10.7 million representing an adjusted earnings per share of (\$0.02).
- Operating cash flow of \$120.6 million in the first quarter with full diluted cash flow per share before working capital of \$0.07 and \$0.19 per share inclusive of gold presale.
- Total immediate available liquidity of \$177.4 million; net debt decreased from \$179.4 million to \$121.1 million.
- Proactive steps taken to increase cash reserves, including draw down of the remaining \$50 million on the revolving credit facility, \$78.5 million gold presale, and \$22.7 million divestment of a non-core equity position.
- Consolidated gold production of 80,707 ounces at consolidated All-In Sustaining Costs ("AISC") of \$1,218 per ounce on sales of 91,388 ounces of gold.
- Full year 2020 guidance reaffirmed.

Michael Holmes, President and CEO of OceanaGold said, "With the first quarter of 2020 complete, we look ahead to the remainder of the year where, in the second half in particular, we expect increased production at lower All-In Sustaining Costs. At Haile, mined and processed grades are expected to increase progressively with two-thirds of Haile's annual gold output expected in the second half with the fourth quarter being the strongest quarter. At Macraes, second quarter production is expected to be lower than in the first quarter due to the impact of the five-week New Zealand Government enforced COVID-19 lockdown. However, with production now effectively back to capacity we are targeting a rebound in the second half of the year."

"Our organic growth projects continue to advance, with first production from the Martha Underground expected in the second quarter of 2021. We are progressing the Waihi District Study which will highlight the initial value of the Waihi District while we continue to target further expansion through exploration. The market release of the Waihi District Study is expected in the second or third quarter. At Macraes, the Golden Point Underground Study continues to progress, and we expect the results to be released in the second half of the year."

"We maintain our 2020 guidance, however we acknowledge that the continued risks associated with COVID-19 remain elevated and could further impact our operational performance. We will continue to monitor these risks while strictly enforcing the protocols and safeguards we have in place at each of our operations which have proven successful to-date."

Table 1 – Production and Cost Results Summary

Quarter ended 31 Mar 2020		Haile	Didipio	Waihi	Macraes	Consolidated	
						Q1 2020	Q4 2019
Gold Produced	koz	29.4	-	12.2	39.2	80.7	108.2
Gold Sales	koz	33.3	6.8	13.5	37.8	91.4	107.3
Average Gold Price	US\$/oz	1,581	1,652	1,572	1,595	1,509 ⁽¹⁾	1,404 ⁽¹⁾
Copper Produced	kt	-	-	-	-	-	0.1
Copper Sales	kt	-	-	-	-	-	-
Average Copper Price	US\$/lb	-	-	-	-	-	-

Material Mined	kt	8,602-	52	12,531	21,185	19,923
Waste Mined	kt	7,941-	-	10,898	18,839	16,617
Ore Mined	kt	661 -	52	1,636	2,346	3,306
Mill Feed	kt	869 -	57	1,338	2,264	2,449
Mill Feed Grade	g/t	1.36 -	7.44	1.12	1.37	1.59
Gold Recovery	%	77.3 -	87.9	81.6	80.9	86.4
Cash Costs	US\$/oz	1,147-443	432	695	802	757
All-In Sustaining Costs ⁽²⁾	US\$/oz	1,551-444	376	1,218	1,218	980

(1) Realised gains and losses on gold hedging are included in the consolidated average gold price.

(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.

Table 2 – Financial Summary

Quarter ended 31 Mar 2020 (US\$m)	Q1 31 Mar 2020	Q4 31 Dec 2019	Q1 31 Mar 2019
Revenue	138.2	152.1	179.5
Cost of sales, excluding depreciation and amortization	(74.0)	(81.5)	(101.0)
General and administration – other	(19.4)	(22.4)	(11.6)
General and administration – indirect taxes ⁽¹⁾	(1.2)	(3.4)	(2.8)
Foreign currency exchange gain/(loss)	(1.3)	0.2	(0.2)
Other income/(expense)	0.1	0.2	0.5
EBITDA (excluding gain/(loss) on undesignated hedges and impairment charge)	42.4	45.2	64.4
Depreciation and amortization	(50.1)	(50.1)	(40.4)
Net interest expense and finance costs	(2.8)	(3.0)	(3.6)
Earnings before income tax (excluding gain/(loss) on undesignated hedges and impairment charge)	(10.5)	(7.9)	20.4
Income tax (expense)/ benefit on earnings	(0.2)	7.2	(4.4)
Earnings after income tax and before gain/(loss) on undesignated hedges and impairment charge	(10.7)	(0.7)	16.0
Write off deferred exploration expenditure / investment	-	(4.0)	(4.6)
Gain/(loss) on fair value of undesignated hedges	(21.2)	18.6	1.4
Tax (expense) / benefit on gain/loss on undesignated hedges	5.9	(5.2)	(0.4)
Share of loss from equity accounted associates	-	(0.1)	(0.0)
Net Profit/(loss)	(26.0)	8.7	12.4
Basic earnings/(loss) per share	\$(0.04)	\$0.01	\$0.02
Diluted earnings/(loss) per share	\$(0.04)	\$0.01	\$0.02

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

The Company did not record any revenue or cost of sales from the Didipio mine during the second half of 2019. In addition, General and

(4) Administration - other, includes non-production costs related to maintaining Didipio's operational readiness of \$8.4 million in the first quarter of 2020 compared to \$10.1 million in the fourth quarter in 2019.

Table 3 – Cash Flow Summary

Quarter ended 31 Mar 2020 (US\$m)	Q1 31 Mar 2020	Q4 31 Dec 2019	Q1 31 Mar 2019
Cash flows from Operating Activities	120.6	46.7	39.0
Cash flows used in Investing Activities	(33.8)	(51.4)	(57.9)
Cash flows from / (used) in Financing Activities	44.8	(4.3)	(2.6)

Operations

For the quarter ended March 31, 2020, the Company produced 80,707 ounces of gold and 54,134 ounces of silver. Quarter-on-quarter gold production decreased 25% due to planned lower production from Haile and Macraes, while Waihi completed mining of Correnso underground in February. Didipio remained in a state of operational readiness.

Increasing consolidated cash costs of \$802 per ounce and All-in Sustaining Costs ("AISC") of \$1,218 per ounce reflected the

lower production (and sales) profile and higher capitalised pre-stripping quarter-on-quarter. The Company recorded gold sales of 91,388 ounces in the first quarter, a 15% decrease from the fourth quarter of 2019.

Financial

In the three months ended March 31, 2020, the Company generated \$138.2 million in revenue, a decrease quarter-on-quarter mainly due to planned lower gold sales, partially offset by a 7% increase in the average gold price received. Year-over-year revenue decreased on lower gold sales from the New Zealand assets as expected and limited sales from Didipio, partly offset by higher sales from Haile.

First quarter EBITDA of \$42.4 million decreased slightly quarter-on-quarter, reflecting lower sales volume combined with currency translation losses, partially offset a higher average old price and lower general and administrative costs and indirect taxes. The year-over-year decrease in EBITDA largely reflected the absence of sales from Didipio and higher general and administrative expenses related to maintaining Didipio in a state of operational readiness.

Net loss before unrealised losses on undesignated hedges was \$10.7 million or \$(0.02) per share on a fully diluted basis. The quarter-on-quarter decrease was mainly a function of the lower EBITDA and a one-off tax credit included in the prior period.

Operating cash flows in the first quarter were \$120.6 million, an increase quarter-on-quarter and year-over-year, mainly attributable to \$78.5 million received from the presale of 48,000 gold ounces during the quarter. Fully diluted cash flow per share before working capital was \$0.07 excluding gold presales.

Investing cash flows included higher quarter-on-quarter capital expenditure consistent with planned increases in capitalised pre-strip at Macraes and Haile plus growth expenditure for the Martha Underground development. This increase was offset by \$22.7 million received from the sale of the Company's non-core equity position in Gold Standard Ventures.

During the quarter, the Company drew down the remaining \$50.0 million under its revolving credit facility to increase cash reserves and reduce credit market risk given the volatility related to COVID-19. The Company has fully drawn down its \$200.0 million facility, which currently matures on December 31, 2021.

As at March 31, 2020, the Company's cash balance stood at \$177.4 million. Net debt decreased to \$121.1 million from the increased operating cash flow partially offset by an increase in total equipment leases.

Conference Call

The Company will host a conference call / webcast to discuss the financial and operating results at 7:30 am on Friday May 15, 2020 (Melbourne, Australian Eastern Standard Time) / 5:30 pm on Thursday May 14, 2020 (Toronto, Eastern Daylight Time).

Webcast Participants

To register, please copy and paste the link below into your browser:

https://produceredition.webcasts.com/starthere.jsp?ei=1303401&tp_key=7253372de9

Teleconference Participants (required for those who wish to ask questions)

Local (toll free) dial in numbers are:

North America: 1 888 390 0546

Australia: 1 800 076 068

United Kingdom: 0 800 652 2435

Switzerland: 0 800 312 635

All other countries (toll): + 1 416 764 8688

Playback of Webcast

If you are unable to attend the call, a recording will be available for viewing on the Company's website.

Authorised for release to market by OceanaGold Corporate Company Secretary, Liang Tang.

www.oceanagold.com | Twitter: @OceanaGold

About OceanaGold

OceanaGold Corporation is a mid-tier, high-margin, multinational gold producer with assets located in the Philippines, New

Zealand and the United States. The Company's assets encompass the Didipio Gold-Copper Mine located on the island of Luzon in the Philippines. On the North Island of New Zealand, the Company operates the high-grade Waihi Gold Mine while on the South Island of New Zealand, the Company operates the largest gold mine in the country at the Macraes Goldfield which is made up of a series of open pit mines and the Frasers underground mine. In the United States, the Company operates the Haile Gold Mine, a top-tier, long-life, high-margin asset located in South Carolina. OceanaGold also has a significant pipeline of organic growth and exploration opportunities in the Americas and Asia-Pacific regions.

OceanaGold has operated sustainably since 1990 with a proven track-record for environmental management and community and social engagement. The Company has a strong social license to operate and works collaboratively with its valued stakeholders to identify and invest in social programs that are designed to build capacity and not dependency.

For 2020, and subject to the cautionary statement below, the Company expects to produce between 360,000 and 380,000 ounces of gold from Haile, Waihi and Macraes combined at a consolidated All-In Sustaining Costs ranging from \$1,075 to \$1,125 per ounce sold.

Cautionary Statement for Public Release

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



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<https://investors.oceanagold.com/2020-05-14-OceanaGold-Reports-First-Quarter-2020-Financial-Results>