



OCEANAGOLD CORPORATION

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FIRST QUARTER REPORT
MARCH 31ST, 2023
UNAUDITED

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at March 31, 2023

(in millions of United States dollars)

	<i>Notes</i>	<i>March 31 2023 \$</i>	<i>December 31 2022 \$</i>
ASSETS			
Current assets			
Cash and cash equivalents		58.0	83.2
Trade and other receivables	5	41.2	34.1
Inventories	6	209.5	147.1
Current tax receivables		2.4	9.0
Prepayments		25.9	15.5
Total current assets		337.0	288.9
Non-current assets			
Trade and other receivables	5	100.1	97.1
Financial assets		0.7	0.6
Inventories	6	147.5	195.8
Deferred tax assets		45.6	47.4
Property, plant and equipment	7	766.8	772.8
Mining assets	8	922.4	888.0
Total non-current assets		1,983.1	2,001.7
TOTAL ASSETS		2,320.1	2,290.6
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Trade and other payables		180.9	174.7
Employee benefits		17.3	18.0
Current tax liabilities		6.3	4.5
Interest-bearing loans and borrowings	9	27.7	28.8
Asset retirement obligations		3.2	3.6
Total current liabilities		235.4	229.6
Non-current liabilities			
Other obligations		1.0	2.5
Employee benefits		1.2	1.2
Deferred tax liabilities		31.8	32.1
Interest-bearing loans and borrowings	9	221.4	224.6
Asset retirement obligations		129.9	127.3
Total non-current liabilities		385.3	387.7
TOTAL LIABILITIES		620.7	617.3
SHAREHOLDERS' EQUITY			
Share capital	10	1,236.3	1,230.5
Retained earnings		401.2	369.5
Contributed surplus		64.5	71.1
Other reserves		(2.6)	2.2
TOTAL SHAREHOLDERS' EQUITY		1,699.4	1,673.3
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		2,320.1	2,290.6

On behalf of the Board of Directors:



Paul Benson
Director
May 2, 2023



Sandra M. Dodds
Director
May 2, 2023

The accompanying notes to the interim Condensed Consolidated Financial Statements are an integral part of these financial statements.

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the quarter ended March 31, 2023

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

		<i>Three months ended</i>	
		<i>March 31</i>	<i>March 31</i>
		<i>2023</i>	<i>2022</i>
		\$	\$
	<i>Notes</i>		
Revenue	4	243.9	285.7
Cost of sales, excluding depreciation and amortisation		(118.5)	(114.4)
Depreciation and amortisation		(45.1)	(55.3)
General and administration - indirect taxes		(5.6)	(4.5)
General and administration - other		(18.2)	(11.1)
Operating profit		56.5	100.4
Other income/(expenses)			
Interest expense and finance costs	9	(5.8)	(2.9)
Foreign exchange gain/(loss)		(2.1)	1.9
Total other expenses		(7.9)	(1.0)
Write down of assets		-	(3.2)
Interest income		0.3	0.1
Other income/(expense)		0.5	0.4
Profit before income tax		49.4	96.7
Income tax expense		(10.5)	(18.1)
Net profit		38.9	78.6
Other comprehensive income/(loss)			
<i>Items that have been/may be reclassified to profit or loss</i>			
Currency translation gain/(loss)		(4.9)	4.2
<i>Items that will not be reclassified to profit or loss</i>			
Gain/(loss) on fair value of financial assets at fair value through other comprehensive income		0.1	0.9
Total other comprehensive income/(loss) net of tax		(4.8)	5.1
Comprehensive income attributable to shareholders		34.1	83.7
		<i>Millions</i>	<i>Millions</i>
Weighted average number of common shares (used in calculation of basic earnings per share)		705.0	704.2
Effect of dilution: Share options		9.8	13.0
Adjusted weighted average number of common shares (used in calculation of diluted earnings per share)		<u>714.8</u>	<u>717.2</u>
Net earnings/(loss) per share:			
- Basic		\$0.06	\$0.11
- Diluted		\$0.05	\$0.11

The accompanying notes to the interim Condensed Consolidated Financial Statements are an integral part of these financial statements.

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the quarter ended March 31, 2023

(in millions of United States dollars)

	<i>Share Capital</i>	<i>Contributed Surplus</i>	<i>Other Reserves</i>	<i>Retained Earnings</i>	<i>Total Equity</i>
	\$	\$	\$	\$	\$
Balance at January 1, 2023	1,230.5	71.1	2.2	369.5	1,673.3
Comprehensive income/(loss) for the period	-	-	(4.8)	38.9	34.1
Issue of shares (net of costs)	(0.1)	-	-	-	(0.1)
Employee share rights:					
Share based payments	-	6.1	-	-	6.1
Forfeiture of rights	-	(0.6)	-	-	(0.6)
Exercise of rights	5.9	(12.1)	-	-	(6.2)
Dividends provided for or paid	-	-	-	(7.2)	(7.2)
Balance at March 31, 2023	1,236.3	64.5	(2.6)	401.2	1,699.4
 Balance at January 1, 2022	 1,230.7	 63.9	 17.3	 236.9	 1,548.8
Comprehensive income/(loss) for the period	-	-	5.1	78.6	83.7
Issue of shares (net of costs)	(0.1)	-	-	-	(0.1)
Employee share rights:					
Share based payments	-	2.2	-	-	2.2
Forfeiture of rights	-	(0.7)	-	-	(0.7)
Balance at March 31, 2022	1,230.6	65.4	22.4	315.5	1,633.9

The accompanying notes to the interim Condensed Consolidated Financial Statements are an integral part of these financial statements.

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

For the quarter ended March 31, 2023

(in millions of United States dollars)

	<i>Three months ended</i>	
	<i>March 31</i>	<i>March 31</i>
	<i>2023</i>	<i>2022</i>
	\$	\$
Operating activities		
Net profit	38.9	78.6
<i>Charges/(credits) not affecting cash</i>		
Depreciation and amortisation expense	45.1	55.3
Foreign exchange (gain)/loss	2.1	(1.9)
Stock based compensation charge	5.5	1.5
Amortisation of transaction costs/ write off	-	0.2
Income tax expense/(benefit)	10.5	18.1
Write down of assets	-	3.2
<i>Changes in working capital</i>		
(Increase)/decrease in trade and other receivables	(10.5)	(14.8)
(Increase)/decrease in inventories	(4.1)	(0.4)
(Decrease)/increase in trade and other payables	(11.3)	2.7
(Decrease)/increase in other working capital	(11.0)	1.3
Net cash provided by/(used in) operating activities	65.2	143.8
Investing activities		
Proceeds from sale of property, plant and equipment	-	0.2
Payment for property, plant and equipment	(13.8)	(5.7)
Payment for mining assets: exploration and evaluation	(1.7)	(3.1)
Payment for mining assets: development	(22.6)	(21.7)
Payment for mining assets: in production	(43.5)	(41.6)
Net cash provided by/(used in) investing activities	(81.6)	(71.9)
Financing activities		
Repayment of lease liabilities	(6.3)	(6.5)
Repayment of bank borrowings and other loans	(0.3)	(2.2)
Net cash provided by/(used in) financing activities	(6.6)	(8.7)
Effect of exchange rates changes on cash gain/(loss)	(2.2)	(1.5)
Net increase/(decrease) in cash and cash equivalents	(25.2)	61.7
Cash and cash equivalents at the beginning of the period	83.2	133.0
Cash and cash equivalents at the end of the period	58.0	194.7
Cash interest paid	(5.3)	(3.9)
Cash interest received	0.3	0.1
Income taxes paid	(0.2)	(2.0)

The accompanying notes to the interim Condensed Consolidated Financial Statements are an integral part of these financial statements.

1 BASIS OF PREPARATION

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

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

The Group prepares its unaudited interim condensed consolidated financial statements in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), as applicable to the preparation of interim condensed financial statements including IAS 34. The policies applied are based on IFRS issued and outstanding as of the day the Board of Directors approved the statements. These interim condensed financial statements do not include all of the notes of the type normally included in an annual financial report and hence should be read in conjunction with the Group's annual financial statements for the year ended December 31, 2022, as they provide an update of previously reported information.

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

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

The unaudited interim condensed consolidated financial statements were approved by the Board of Directors on May 2, 2023.

2 ACCOUNTING POLICIES

Accounting standards effective for future periods

The following accounting policy is effective for future periods.

Amendments to IAS 1 - Non Current liabilities with covenants

The amendments issued in October 2022 clarify that covenants of loan arrangements which an entity must comply with only after the reporting date would not affect classification of a liability as current or non-current at the reporting date. However, those covenants that an entity is required to comply with on or before the reporting date would affect classification as current or non-current, even if the covenant is only assessed after the entity's reporting date.

The 2022 amendments introduce additional disclosure requirements. When an entity classifies a liability arising from a loan arrangement as non-current and that liability is subject to the covenants which an entity is required to comply with within twelve months of the reporting date, the entity shall disclose information in the notes that enables users of financial statements to understand the risk that the liability could become repayable within twelve months of the reporting period, including:

- (a) the carrying amount of the liability;
- (b) information about the covenants;
- (c) facts and circumstances, if any, that indicate the entity may have difficulty complying with the covenants. Such facts and circumstances could also include the fact that the entity would not have complied with the covenants based on its circumstances at the end of the reporting period.

Amendments to IFRS 16 - Leases on sale and leaseback

The amendments only impact a seller-lessee's accounting for a sale and leaseback transaction that satisfies the requirements in IFRS 15 to be accounted for as a sale. These amendments do not change the accounting for leases other than those arising in a sale and leaseback transaction. Furthermore, the amendments apply to all sale and leaseback transactions, but they are expected to only affect sale and leaseback transactions that include variable lease payments that do not depend on an index or a rate (and are not in-substance fixed payments).

The amendments address the subsequent accounting for a seller-lessee only.

The amendments are effective for annual reporting periods beginning on or after January 1, 2024. The Group will apply the amendment accordingly when effective and does not currently expect any material impact of this amendment.

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

3 CRITICAL ESTIMATES AND JUDGEMENTS

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. Areas of estimates and judgement that have the most significant effect on the amounts recognised in the financial statements are disclosed in Note 3 of the Company's consolidated financial statements for the year ended December 31, 2022, except for those noted and updated below.

(i) Impairment of assets

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

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

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

(ii) Climate Change

The Group has exposure to climate change transition, physical, legal and social-license related risks.

Climate change risks are disclosed in the Group's annual Sustainability Report and a Statement of Position on Climate Change, Energy Use and Greenhouse Gas Management, released in 2020, is available on the Company website. Together these documents articulate Company risk, targets and plans to consider and manage climate change risk and opportunities. The Group considers the Financial Stability Board Taskforce Recommendations on Climate-related Financial Disclosures when disclosing matters related to climate change.

Climate change risks are assessed utilising the Group's Risk Management Framework and may include:

- transition risks - such as policy or regulatory change and uncertainty impacting permitting, land access or closure conditions, the availability of suitable technology solutions or remote access to commercially feasible renewable energy solutions
- physical (acute and chronic) risks - such as supply chain interruptions, grid reliability, access to water, water balance hurdles, new workplace exposures
- legal risks - such as litigation in relation to targets, mitigation or adaptation planning and target setting, and
- stakeholder risks - such as shareholder activism, stakeholder conflict from changing land use or climate events, or community activism interrupting operations or development projects.

Each site has an Emissions Reduction Plan which identifies actionable plans to implement or investigate opportunities for emissions reduction.

The Group short term incentive plan includes a component related to the implementation of these plans.

The Group has an ongoing focus on analysing and understanding potential physical and transitional risks and opportunities to the business from climate change. Climate-related risks could result in financial impacts to the business and require ongoing work to understand their potential effects. The work involves significant judgement and key estimates.

Future changes to the Group's climate change strategy or global decarbonisation signposts are likely as Company risk assessment progresses, new information becomes available, and as stakeholder expectations change. This may impact the Group's significant judgement and key estimates and result in material changes to future results and the carrying value of certain assets and liabilities in future reporting periods.

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

4 REVENUE

	Three months ended	
	March 31 2023 \$m	March 31 2022 \$m
Gold sales		
Bullion	178.8	205.8
Concentrate sales	33.6	40.0
Provisional price adjustment	2.7	1.7
	<u>215.1</u>	<u>247.5</u>
Copper sales		
Concentrate sales	29.7	39.7
Provisional price adjustment	1.1	0.3
	<u>30.8</u>	<u>40.0</u>
Silver sales		
Bullion	2.8	2.8
	<u>2.8</u>	<u>2.8</u>
Less concentrate treatment, refining and selling costs	(4.8)	(4.6)
Total Revenue	<u>243.9</u>	<u>285.7</u>

Provisionally Priced Sales

At March 31, 2023, the provisionally priced gold, copper and silver sales for 3,988 dry metric tonnes of concentrate containing provisional estimates of 3,932 ounces of gold, 796 tonnes of copper and 6,435 ounces of silver, subject to final settlement, were recorded at average prices of \$1,962/oz, \$8,967/t and \$23/oz, respectively.

5 TRADE AND OTHER RECEIVABLES

	March 31 2023 \$m	December 31 2022 \$m
Current		
Trade receivables	30.3	24.2
Other receivables	10.9	9.9
	<u>41.2</u>	<u>34.1</u>
Non-Current		
Other receivables	100.1	97.1
	<u>100.1</u>	<u>97.1</u>

Trade Receivables includes amounts receivable from sale of gold-copper concentrate in Philippines.

Other receivables mainly consist of \$58.2 million (December 31, 2022: \$55.0 million) input tax credits and \$28.0 million (December 31, 2022: \$27.9 million) excise tax. Of these amounts, input tax credits of \$42.7 million (December 31, 2022: \$42.7 million) and excise tax of \$22.1 million (December 31, 2022: \$22.1 million) are subject to ongoing legal proceedings relating to their recoverability. These proceedings are at various stages, with the timing of final resolution uncertain and as such they are classified as Non-Current. Should any of these legal proceedings be unsuccessful, this may result in a non-cash charge to the Consolidated Statement of Comprehensive Income of amounts ruled unrecoverable. Notwithstanding the foregoing, VAT and excise duties are recoverable under the terms of the FTAA agreement with the Government of the Philippines. The remainder of Other Receivables related to deposits at bank in support of environmental bonds.

The Group has issued bonds in favour of various New Zealand authorities (Otago Regional Council, Dunedin City Council, Waitaki District Council, West Coast Regional Council, Buller District Council and Department of Conservation) as a condition for the grant of mining and exploration privileges, water rights and/or resource consents, and rights of access for the Macraes Gold Mine and the Globe Progress Mine at the Reefton Gold Project which amount to approximately \$35.0 million (December 31, 2022: \$35.5 million). Cash payments on these bonds would only be paid if the Group did not meet its obligations.

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

6 INVENTORIES

	March 31 2023 \$m	December 31 2022 \$m
Current		
Gold in circuit	20.1	14.9
Ore	99.6	46.1
Gold on hand	5.4	5.5
Gold and copper concentrate	4.7	4.7
Maintenance stores	79.7	75.9
	<u>209.5</u>	<u>147.1</u>
Non-Current		
Ore	147.5	195.8
	<u>147.5</u>	<u>195.8</u>
Total inventories	<u>357.0</u>	<u>342.9</u>

During the quarter, there was no additional inventory written down (for the year ended December 31, 2022: \$12.5 million).

Total ore inventory that was held at net realisable value amounted to \$49.1 million as at March 31, 2023 (December 31, 2022: \$49.1 million).

7 PROPERTY, PLANT AND EQUIPMENT

	March 31, 2023			
	Land \$m	Buildings \$m	Plant and equipment \$m	Total \$m
Net book value				
At December 31, 2022:				
Cost or fair value	59.6	104.5	1,564.8	1,728.9
Accumulated depreciation and impairment	-	(46.6)	(909.4)	(956.0)
At December 31, 2022	59.6	57.9	655.4	772.9
Movement for the period:				
Additions	-	-	16.7	16.7
Movement in economic assumptions	-	-	3.9	3.9
Transfers	-	0.1	0.4	0.5
Depreciation charge	-	(1.4)	(23.7)	(25.1)
Exchange differences	(0.5)	(0.1)	(1.5)	(2.1)
At March 31, 2023	59.1	56.5	651.2	766.8
At March 31, 2023:				
Cost or fair value	59.1	104.2	1,576.6	1,739.9
Accumulated depreciation and impairment	-	(47.7)	(925.4)	(973.1)
	<u>59.1</u>	<u>56.5</u>	<u>651.2</u>	<u>766.8</u>

Plant and equipment includes right-of-use assets (leased assets) net of accumulated depreciation of \$90.7 million (December 31, 2022: \$95.3 million). \$74.1 million (December 31, 2022: \$78.9 million) of the right-of-use assets are pledged as security for lease liabilities (Note 9). Additions to the right-of-use assets during the quarter ended March 31, 2023 were \$2.9 million (for the year ended December 31, 2022: \$13.0 million).

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

7 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The following table shows the movements in the net book value of right-of-use assets for the three months period ended March 31, 2023:

	March 31, 2023			
	Properties	Vehicles and Machinery	Other plant and equipment	Total
	\$m	\$m	\$m	\$m
Net book value				
At January 1, 2023	0.9	80.2	14.2	95.3
Additions	1.2	1.7	-	2.9
Depreciation	(0.2)	(6.5)	(0.4)	(7.1)
Exchange differences	-	(0.2)	(0.2)	(0.4)
At March 31, 2023	1.9	75.2	13.6	90.7

8 MINING ASSETS

	March 31, 2023			
	Exploration and evaluation phase	Development phase	In production phase	Total
	\$m	\$m	\$m	\$m
Net book value				
At December 31, 2022:				
Cost or fair value	113.2	173.8	2,021.7	2,308.7
Accumulated amortisation and impairment	(5.8)	-	(1,414.9)	(1,420.7)
At December 31, 2022	107.4	173.8	606.8	888.0
Movement for the period:				
Additions	1.7	25.6	48.7	76.0
Transfers	-	(0.5)	-	(0.5)
Amortisation for the period	-	-	(36.2)	(36.2)
Exchange differences	(0.9)	(0.7)	(3.3)	(4.9)
At March 31, 2023	108.2	198.2	616.0	922.4
At March 31, 2023:				
Cost or fair value	108.2	198.2	2,055.8	2,362.2
Accumulated amortisation and impairment	-	-	(1,439.8)	(1,439.8)
	108.2	198.2	616.0	922.4

The recovery of the costs deferred in respect of exploration and evaluation expenditure is dependent upon successful development and commercial exploitation of the respective areas of interest. The mining assets under development mainly included the Martha Underground Project at Waihi Gold Mine and the Golden Point Underground Project at Macraes Gold Mine in New Zealand, the underground operations and development, the community development and road projects at Didipio Mine in the Philippines, and the underground surface work, water treatment expansion, PAG development and the tailings facility lift construction at the Haile Gold Mine in the United States.

9 INTEREST-BEARING LOANS AND BORROWINGS

	<i>March 31 2023 \$m</i>	<i>December 31 2022 \$m</i>
Current		
Lease liabilities (1)	26.7	27.7
US\$ banking facilities (2)	1.6	1.6
Unamortised transaction costs (3)	(0.6)	(0.5)
Net US\$ banking facilities	<u>1.0</u>	<u>1.1</u>
	<u>27.7</u>	<u>28.8</u>
	<i>March 31 2023 \$m</i>	<i>December 31 2022 \$m</i>
Non-Current		
Lease liabilities (1)	67.8	70.7
US\$ banking facilities (2)	154.0	154.4
Unamortised transaction costs (3)	(0.4)	(0.5)
Net US\$ banking facilities	<u>153.6</u>	<u>153.9</u>
	<u>221.4</u>	<u>224.6</u>

(1) *Leases liabilities*

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

The Group has provided guarantees for certain mobile mining equipment leases entered into by the controlled entities. At March 31, 2023 the outstanding rental obligations under these leases amounted to \$83.7 million (December 31, 2022: \$94.7 million). Associated with this guarantee are certain financial compliance undertakings by the Group, including gearing covenants which the Group complied with at March 31, 2023.

(2) *US\$ banking facilities*

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

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

The Group repaid \$100.0 million of its loan facility in 2022. At March 31, 2023, total facilities stood at \$255.6 million (December 31, 2022: \$256.0 million) with \$155.6 million drawn (December 31, 2022: \$156.0 million) and \$100.0 million undrawn (December 31, 2022: \$100.0 million). Associated with this guarantee are certain financial compliance undertakings by the Group, including gearing covenants which the Group complied with at March 31, 2023.

(3) *Unamortised transaction costs*

Represents the unamortised portion of upfront fees and other costs incurred in amending US\$ banking facilities. These fees are being amortised to reflect an approximate pattern of consumption over the terms of the facilities.

Finance costs

Interest expense and finance costs related to the interest-bearing loans and borrowings for the three months ended March 31, 2023 was \$5.8 million (March 31, 2022: \$2.9 million).

9 INTEREST-BEARING LOANS AND BORROWINGS (CONTINUED)

Assets pledged

As security for the Group's banking facilities, the Group's bank group have been granted real property mortgages over titles relevant to the New Zealand and United States mines (note 11 total segment assets). They also have the ability to enter into real property and chattel mortgages in respect of the Didipio mine, and be assigned the Financial or Technical Assistance Agreement, subject to the requirements of applicable laws. Furthermore, certain subsidiaries of the Group have granted security in favour of the bank group over their assets which include shares that they own in various other subsidiaries of the Group.

10 SHARE CAPITAL

Movement in common shares on issue

	<i>March 31 2023 Million shares</i>	<i>March 31 2023 \$m</i>	<i>December 31 2022 Million shares</i>	<i>December 31 2022 \$m</i>
Balance at the beginning of the period	704.2	1,230.5	704.2	1,230.7
Shares issued (net of costs)	3.2	(0.1)	-	(0.2)
Rights exercised	-	5.9	-	-
Balance at the end of the period	<u>707.4</u>	<u>1,236.3</u>	<u>704.2</u>	<u>1,230.5</u>

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

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

A potential non-controlling interest is referred to in Note 15(a).

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

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

11 SEGMENT INFORMATION

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

	New Zealand	Philippines	United States	All other segments	Elimination	Total
	\$m	\$m	\$m	\$m	\$m	\$m
Quarter ended March 31, 2023						
Revenue						
Sales to external customers	70.6	92.5	80.8	-	-	243.9
Inter segment management and gold handling fees	-	-	-	6.4	(6.4)	-
Total segment revenue	70.6	92.5	80.8	6.4	(6.4)	243.9
Profit/(loss)						
Segment profit/(loss) excluding depreciation and amortisation	16.5	45.5	50.2	(12.2)	-	100.0
Depreciation and amortisation	(7.6)	(13.3)	(23.8)	(0.4)	-	(45.1)
Inter segment management and gold handling fees	(2.8)	(1.7)	(1.9)	-	6.4	-
Total segment profit/(loss) before interest and tax	6.1	30.5	24.5	(12.6)	6.4	54.9
Net interest expense						(5.5)
Income tax (expense)/benefit						(10.5)
Net profit/(loss) for the period						38.9
Assets						
Additions to property, plant, equipment and mining assets for the three months ended March 31, 2023*	33.5	1.8	55.9	1.5	-	92.7
Total segment assets as at March 31, 2023	612.2	741.6	945.6	20.7	-	2,320.1

* Included additions to right-of-use assets of \$2.9 million (Note 7).

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

11 SEGMENT INFORMATION (CONTINUED)

	New Zealand	Philippines	United States	All other segments	Elimination	Total
	\$m	\$m	\$m	\$m	\$m	\$m
Quarter ended March 31, 2022						
Revenue						
Sales to external customers	85.3	95.4	105.0	-	-	285.7
Inter segment management and gold handling fees	-	-	-	6.2	(6.2)	-
Total segment revenue	85.3	95.4	105.0	6.2	(6.2)	285.7
Profit/(loss)						
Segment profit/(loss) excluding depreciation and amortisation	37.5	57.7	72.2	(9.4)	-	158.0
Depreciation and amortisation	(19.8)	(12.3)	(22.7)	(0.5)	-	(55.3)
Inter segment management and gold handling fees	(2.8)	(1.5)	(1.9)	-	6.2	-
Write down of assets	(2.1)	-	-	(1.1)	-	(3.2)
Total segment profit/(loss) before interest and tax	12.8	43.9	47.6	(11.0)	6.2	99.5
Net interest expense						(2.8)
Income tax (expense)/benefit						(18.1)
Net profit/(loss) for the period						78.6
Assets						
Additions to property, plant, equipment and mining assets for the three months ended March 31, 2022*	33.1	2.3	38.6	0.2	-	74.2
Total segment assets as at March 31, 2022	593.2	794.2	890.2	61.0	-	2,338.6

* Included additions to right-of-use assets of \$0.3 million (Note 7).

12 STOCK-BASED COMPENSATION

(a) Performance share rights plan

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

WAEP = weighted average exercise price

	<i>March 31, 2023</i>		<i>December 31, 2022</i>	
	No.	WAEP	No.	WAEP
Outstanding at the start of the period	14,118,205	A\$0.00	14,799,223	A\$0.00
Granted	421,019	A\$0.00	4,922,625	A\$0.00
Forfeited	(629,337)	A\$0.00	(2,437,628)	A\$0.00
Expired	-	A\$0.00	(3,166,015)	A\$0.00
Exercised	(4,096,816)	A\$0.00	-	A\$0.00
Balance at the end of the period	9,813,071	A\$0.00	14,118,205	A\$0.00
Exercisable at the end of the period	-	A\$0.00	-	A\$0.00

The performance share rights outstanding at March 31, 2023 had an exercise price of A\$0.00 and a weighted average remaining life of 1.4 years.

(b) Deferred Unit Plan ("DUP")

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

	<i>March 31, 2023</i>	<i>December 31, 2022</i>
	No.	No.
Outstanding at the start of the period	758,686	596,501
Granted	60,904	313,110
Exercised	-	(150,925)
Balance at the end of the period	819,590	758,686
Exercisable at the end of the period	-	-

The fair value of the units granted under the Deferred Unit Plan is calculated as the future cash flow and it is re-measured at each reporting date and at the date of settlement. Any changes in fair value are recognised in the Statement of Comprehensive Income for the period with a corresponding increase or decrease in liability. At March 31, 2023, the fair value of the units was \$2.0 million and \$2.0 million was expensed.

13 COMMITMENTS

Capital commitments

At March 31, 2023, the Group has commitments of \$20.4 million (December 31, 2022: \$30.9 million), principally relating to the purchase of property, plant and equipment at Haile and Waihi, the development of mining assets at Macraes and Didipio and the lease not yet commenced at Haile and Macraes.

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

	March 31 2023 \$m	December 31 2022 \$m
- purchase of property, plant and equipment	11.9	17.4
- development of mining assets	8.5	11.2
- leases not yet commenced	-	2.3
	20.4	30.9

Other commitments

The Didipio Project is held under a Financial or Technical Assistance Agreement ("FTAA") entered into with the Republic of the Philippines in June 1994. The FTAA had an initial term of 25 years and became renewable on same terms and conditions for another period of 25 years in June 2019. On July 14, 2021, the Company received confirmation that the FTAA renewal has been approved.

The FTAA grants title, exploration and mining rights with a fixed fiscal regime. The FTAA was renewed on substantially the same terms and conditions, which provides that after a period in which the Group can recover development expenditure, capped at 5 years from the start of production (April 1, 2013) and a further 13 years starting in 2021 over which any remaining balance is amortised, the Company is required to pay the Government of the Republic of the Philippines 60% of the "Net Revenue" earned from the Didipio Project. For the purposes of the FTAA, "Net Revenue" is generally the net revenues derived from mining operations, less deductions for, amongst other things, expenses relating to mining, processing, marketing, depreciation and certain specified overheads. In addition, all taxes paid to the Government are included as part of the calculation of 60% payable, and certain specified amounts paid to claim owners are shared 60% / 40% with the Government from date of renewal. Per the renewal terms, an equivalent of an additional 1.5% of gross revenue is to be allocated to community development. This additional contribution is considered an allowable deduction under the fiscal terms of the FTAA.

14 RELATED PARTIES

There were no significant related party transactions during the period.

15 CONTINGENCIES

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

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

15 CONTINGENCIES (CONTINUED)

- (c) The Group has contingent liabilities under contracts, guarantees and other agreements arising in the ordinary course of business on which no loss is anticipated. Bonds have been issued in favour of various New Zealand authorities (Minister for Land Information, Hauraki District Council, Waikato Regional Council and Department of Conservation) as a condition for the grant of mining and exploration privileges, water rights and/or resource consents, and rights of access for Martha mining that amount to \$40.0 million (December 31, 2022: \$42.2 million).
- (d) The mine operating permit at Haile which became final and effective during the first quarter of 2015 included a schedule for estimated financial assurance of \$65.0 million over the mine life consisting of \$55.0 million in surety bonds or other mechanisms and \$10.0 million in an interest bearing cash trust. The Company's permit was modified and updated in December 2022 with the approval of the Company's Supplemental Environmental Impact Statement application and reclamation plan. The updated permit changed the total estimated financial assurance to \$123.8 million over the mine life consisting of \$103.8 million in surety bonds and a \$20.0 million interest bearing cash trust. The Company has satisfied its current financial assurance payment requirements by using a surety bond of \$103.8 million and has paid \$5.0 million in trust funding by the end of March 2023.

The remaining estimated financial assurance of \$15.0 million will be paid over the life of the mine with the next financial assurance payment of \$2.8 million to occur in 2023. The timing and amounts of these payments could change due to a number of factors including changes in regulatory requirements, changes in scope and timing of closure activities. The State of South Carolina requires financial assurance for the estimated costs of mine reclamation and closure, including groundwater quality protection programs.

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

16 EVENTS OCCURRING AFTER THE REPORTING PERIOD

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