

OceanaGold Reports Second Quarter 2021 Financial Results

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BRISBANE, July 29, 2021 - [OceanaGold Corp.](#) (TSX: OGC) (ASX: OGC) (the "Company") reported its financial and operational results for the quarter ended June 30, 2021. 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

- Didipio's Financial or Technical Assistance Agreement ("FTAA") renewed, restart of operations to commence in the near-term.
- Total Recordable Injury Frequency Rate ("TRIFR") of 3.7 per million hours worked compared to 3.9 per million hours worked at the end of the first quarter.
- First half of 2021 consolidated gold production of 177,039 ounces at All-In Sustaining Costs ("AISC") of \$1,227 per ounce on gold sales of 178,781 ounces.
- Consolidated second quarter gold production of 93,848 ounces at AISC of \$1,226 per ounce on gold sales of 95,934 ounces.
- First half revenue of \$331.5 million with adjusted Earnings before Interest, Depreciation and Amortisation ("EBITDA") of \$161.9 million.
- Second quarter revenue of \$182.6 million with adjusted EBITDA of \$95.4 million and adjusted net profit of \$36.9 million or \$0.05 per share fully diluted.
- Total immediate available liquidity of \$142.3 million, including \$92.3 million of cash and \$50 million in available undrawn credit facilities as at 30 June 2021.
- Advanced organic growth projects, including the completion of 5,210 metres of underground development year-to-date ("YTD") at Martha Underground ("MUG") and successful replacement of the SAG mill with the recommencement of processing late June.
- Paul Benson appointed Chairman of the Board, effective October 1, 2021.
- Revised full year 2021 guidance (excluding Didipio) to 350,000 to 370,000 gold ounces at AISC of \$1,200 to \$1,250 per ounce; update to be provided in the near-term to include Didipio.

Michael Holmes, President and CEO of OceanaGold said, "I am very pleased with the operational and financial performance of the business in the second quarter 2021. Haile delivered a record quarter of gold production and is well on-track to deliver on the full year production guidance. Waihi plant upgrades were completed, and we commenced continuous milling late in the second quarter which is a tremendous outcome as we continue to ramp-up underground operations."

"Based on year-to-date performance we have refined our expectations for the full year. We currently expect consolidated production of 350,000 to 370,000 gold ounces at AISC of \$1,200 to \$1,250 per gold ounce sold at cash costs of \$825 to \$875 per ounce sold. Strong first half performance at Haile has put us firmly on track to deliver ahead of 160,000 gold ounces for the full year at moderately higher AISC, largely driven by an increased proportion of mining costs capitalised as pre-strip plus higher than expected mining costs incurred. On the other hand, a softer first half at Macraes is driving production to the lower end of guidance of 155,000 to 165,000 gold ounces for the full year at consequently higher AISC. Waihi is firmly on-track and production guidance remains unchanged but at improved costs. We expect to provide updated consolidated guidance in-line with the staged restart of Didipio over the coming weeks."

"Renewal of the FTAA at Didipio was one of our key priorities this year, and I'm extremely proud to say we

delivered. The staged restart of the asset is underway with the current focus on the rehire and training of our skilled Philippine workforce. We expect to restart processing well prior to year-end, initially sourcing mill feed from existing stockpiles at site. Our expectation is to also transport and sell approximately 18,500 gold ounces and 3,500 tonnes of copper in concentrate on site by early fourth quarter. The rehire and retraining of the workforce, as well as the ongoing risks associated with the COVID-19 pandemic, could impact the timeline associated with returning to full underground production of 1.6Mtpa, which could take up to 12 months."

Table 1 - Production and Cost Results Summary

Quarter ended 30 Jun 2021		Haile	Didipio	Waihi	Macraes	Consolidated	
						Q2 2021	Q2 2020
Gold Produced	koz	57.2	-	3.9	32.7	93.8	58.7
Gold Sales	koz	59.3	-	3.4	33.2	95.9	61.9
Average Gold Price	US\$/oz	1,825	-	1,799	2,024	1,893	1,523 ⁽¹⁾
Copper Produced	kt	-	-	-	-	-	-
Copper Sales	kt	-	-	-	-	-	-
Average Copper Price	US\$/lb	-	-	-	-	-	-
Material Mined	kt	11,047	-	75	12,882	24,004	20,654
Waste Mined	kt	10,266	-	12	11,625	21,904	18,635
Ore Mined	kt	781	-	62	1,257	2,101	2,019
Mill Feed	kt	836	-	43	1,124	2,003	2,181
Mill Feed Grade	g/t	2.49	-	3.13	1.09	1.72	1.07
Gold Recovery	%	85.5	-	90.7	82.7	84.1	78.3
Cash Costs	US\$/oz	615	-	1,215	897	734	946
Site All-In Sustaining Costs ⁽²⁾	US\$/oz	922	-	1,223	1,524	1,226	1,265
Year to date 30 Jun 2021		Haile	Didipio	Waihi	Macraes	Consolidated	
						YTD 2021	YTD 2020
Gold Produced	koz	101.6	-	8.3	67.2	177.0	139.4
Gold Sales	koz	104.5	-	6.5	67.7	178.8	153.3
Average Gold Price	US\$/oz	1,812	-	1,761	1,901	1,843	1,515 ⁽¹⁾
Copper Produced	kt	-	-	-	-	-	-
Copper Sales	kt	-	-	-	-	-	-
Average Copper Price	US\$/lb	-	-	-	-	-	-
Material Mined							

kt

21,686

-

24,815

46,626

41,842

Waste Mined	kt	19,887 -	17	21,829	41,733	37,475
Ore Mined	kt	1,799 -	108	2,986	4,893	4,366
Mill Feed	kt	1,512 -	92	2,357	3,961	4,446
Mill Feed Grade	g/t	2.48 -	3.12	1.06	1.65	1.22
Gold Recovery	%	84.3 -	89.5	83.6	84.0	79.2
Cash Costs	US\$/oz	684 -	1,099	857	764	860
Site All-In Sustaining Costs ⁽²⁾	US\$/oz	953 -	976	1,428	1,227	1,237

(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 prices.

(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 30 Jun 2021 (US\$m)	Q2 30 Jun 2021
Revenue	182.6
Cost of sales, excluding depreciation and amortization	(71.3)
General and administration - indirect taxes ⁽²⁾	-
General and administration - idle capacity charges ⁽¹⁾	(5.5)
General and administration - other	(12.7)
Foreign currency exchange gain/(loss)	(1.0)
Other income/(expense)	(2.2)
EBITDA (excluding gain/(loss) on undesignated hedges and impairment charge)	89.9
Depreciation and amortization	(40.0)
Net interest expense and finance costs	(2.6)
Earnings/(loss) before income tax (excluding gain/(loss) on undesignated hedges and impairment charge)	47.3
Income tax expense on earnings	(15.8)
Earnings/(loss) after income tax and before gain/(loss) on undesignated hedges and impairment charge	31.4
Write off exploration/property expenditure / investment ⁽³⁾	-
Gain/(loss) on fair value of undesignated hedges	-
Tax (expense) / benefit on gain/loss on undesignated hedges	-
Net Profit/(loss)	31.4
Basic earnings/(loss) per share	\$0.04
Diluted earnings/(loss) per share	\$0.04

(1) The Company did not record any revenue or cost of sales from the Didipio mine during the fifteen months ended 30 June 2021. In addition, General and Administration - idle capacity charges reflect the non-production costs related to maintaining Didipio while not operational.

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

(3) Represents write-off of projects due to formal withdrawal from the Highland, Spring Peak and Bravada joint venture activities.

Table 3 - Cash Flow Summary

Quarter ended 30 Jun 2021 (US\$m)	Q2 30 Jun 2021	Q1 31 Mar 2021	Q2 30 Jun 2020	YTD 30 Jun 2021	YTD 30 Jun 2020
Cash flows from Operating Activities	35.8	47.6	16.7	83.4	137.3
Cash flows used in Investing Activities	(80.9)	(71.9)	(50.9)	(152.8)	(84.7)
Cash flows from / (used) in Financing Activities	(5.4)	(6.7)	3.5	(12.1)	48.3

Operations

In the first half of the year, the Company produced 177,039 ounces of gold, a 27% increase over the same period in 2020 due to record production at Haile in the second quarter, resumption of campaign processing at Waihi, and limited impacts from COVID-19. Second quarter gold production of 93,848 ounces of gold reflects record production at Haile of 57,240 ounces.

Consolidated AISC of \$1,227 per ounce sold YTD and \$1,226 per ounce sold in the second quarter were relatively flat over the prior year and previous quarter. Cash costs for the first half of the year of \$734 per gold ounce and \$764 per ounce in the second quarter, decreased 22% and 11%, respectively. The improvement in cash costs primarily reflects lower operating costs at Haile from productivity improvements made year-over-year.

Haile, USA

Haile delivered a record second quarter of 57,240 gold ounces resulting in 101,581 gold ounces produced in the first half of the year. AISC and cash costs improved significantly, benefitting from higher gold sales and lower overall cash costs from productivity improvements. AISC and cash costs for the second quarter were \$922 and \$615 per ounce, a decrease of 7% and 22%, respectively, quarter-on-quarter. YTD AISC and cash costs were \$953 per ounce and \$684 per ounce, respectively, down approximately 36% over the prior year period.

Unit mining and milling cost decreased quarter-on-quarter, and increased 9% and 36%, respectively, YTD over the prior year period. Second quarter decreases reflect lower maintenance activities on the mining fleet and higher mill feed following milling disruptions from the first quarter; YTD increases are attributable to higher maintenance costs and an unplanned mill disruption from blocked crusher chutes in the first quarter that have since been resolved. The decrease in site G&A quarter-on-quarter reflects the increase mill feed and lower costs during the period.

Confirmed COVID-19 cases at site increased from 111 at the end of the first quarter to 120 by the end of the second quarter, a decrease in positive cases from 48 in the first quarter to nine in the second quarter. Looking ahead, the Company expects to transition to ore mining of lower grades at Ledbetter Phase 1 and commence stripping of Ledbetter Phase 2, resulting in materially lower production and higher AISC in the second half of this year. The Company has refined its full year production guidance for Haile to 160,000 to 170,000 gold ounces at site AISC of \$1,100 to \$1,150 per ounce sold, including cash costs of \$850 to \$900 per ounce sold. The higher AISC and cash costs reflect higher mining costs incurred plus incremental sustaining capital expenditures related to open pit pre-stripping.

Waihi, New Zealand

Waihi produced 3,939 gold ounces in the second quarter and 8,276 gold ounces YTD. Second quarter activities at Waihi primarily focussed on the development of Martha Underground and replacement of the semi-autogenous grinding ("SAG") mill. Approximately 2,665 metres of underground development were completed during the second quarter and 5,210 metres YTD. Sustained milling recommenced in late June following the successful replacement of Waihi's SAG mill.

AISC and cash costs for the second quarter were \$1,223 and \$1,215 per ounce sold, respectively, and increased quarter-on-quarter with higher operating costs associated with limited early production, partly offset by moderately higher gold sales. YTD AISC and cash costs were \$1,099 per ounce and \$976 per ounce, respectively, increases over the prior year period with the ramp-up of production at Martha Underground as expected.

Unit mining costs were relatively unchanged quarter-on-quarter with mining of narrow vein ore at Correnso and early production from Martha Underground in both quarters. YTD mining costs reflect early production from Martha Underground relative to the prior year. Processing cost and site G&A increases in the second quarter reflect the planned shutdown for replacement of the SAG mill and resultant lower mill feed. Lower site G&A YTD over the prior year reflects normal operations relative to 2020 which included impacts from COVID-19-related shutdowns.

Full year 2021 production guidance at Waihi remains unchanged while cost guidance has improved. The Company expects to produce 35,000 to 45,000 ounces at lower gold cash cost of \$900 to \$950 per ounce and site AISC of \$1,300 to \$1,350 per ounce sold. The Company anticipates ramp-up of production over the course of the second half with the highest quarter of production for the year expected in the fourth quarter.

Macraes, New Zealand

Macraes produced 32,669 gold ounces in the second quarter and 67,182 gold ounces in the first half of 2021. Lower than expected production in the second quarter reflects geotechnical impacts at the Coronation North open pit that slowed mining rates reducing access to higher grade ore zones, as well as a delayed re-start from the planned shut during the quarter to address out-of-scope maintenance requirements.

Second quarter AISC and cash costs were \$1,524 and \$897 per ounces sold, respectively. YTD AISC and cash costs were \$1,428 and \$857 per ounce sold, respectively. Cash costs increased approximately 10% quarter-on-quarter and YTD over the prior year period, reflecting the lower ounces, a net drawdown in inventory and additional contractor costs to fill workforce vacancies. Similar increases in AISC also reflect the higher sustaining capital spend related to increased pre-stripping at Deepdell North and waste movements in the quarter and first half.

Unit mining costs were 6% and 28% higher quarter-on-quarter and YTD over the prior year period, respectively, as a result of reduced trucking productivity from inclement weather which saturated haul roads, flooded active open pit mining areas, and rendered the underground inaccessible for a two-week period in the first quarter. Mining efforts were subsequently re-directed to increased waste mining and pre-stripping at Deepdell North open pit through the first half. Processing unit costs also increased over comparable periods, reflecting the one-off mill motor outage in the first quarter and extended mill shutdown during the second quarter.

Due to the lower-than-expected production in the first half, the Company expects Macraes full year production to be in the lower end of the guidance range of 155,000 to 165,000 gold ounces at cash costs of \$800 to \$850 per ounce and increased site AISC to \$1,200 to \$1,250 per ounce sold over the full year, primarily driven by increased sustaining capital spend related to pre-stripping at Deepdell North and additional underground development. Production is still expected to increase in the third quarter and be higher overall in the fourth quarter of 2021.

Didipio Philippines

There was no production from Didipio in the second quarter and first half due to the suspension of operations. The Company expensed \$5.5 million in the second quarter and \$10.0 million YTD of holding costs as part of consolidated Corporate General and Administration, which relates to maintaining Didipio in a state of operational standby.

Subsequent to second quarter end, the Government of the Philippines renewed the Didipio FTAA for a further 25 years. The Company's primary focus is the safe and responsible start-up of operations, which includes recruitment and training of the workforce and the transport of approximately 15,000 tonnes of

copper-gold concentrate produced prior to the shutdown of operations.

The Company expects to progressively ramp-up to full underground mining rates of 1.6 Mtpa within the next twelve months, depending on workforce rehiring and recruitment efforts. Ore from the underground will incrementally and steadily offset mill feed from stockpiled ore of which there is currently 19 million tonnes.

Since March 2020, 72 positive COVID-19 cases have been managed at Didipio, 63 of which occurred in the second quarter of 2021. The Company experienced a significant increase in COVID-19-positive cases early in the second quarter, consistent with the spread of COVID-19 in the local and surrounding communities. The site continues to follow strict health and safety protocols to prevent the ongoing transmission of the virus at site.

Financial

In the first half of the year, the Company generated \$331.5 million in revenue, a 42% increase from the prior year period due to record production at Haile, improved average gold price and early production at Waihi with the development of Martha Underground. Quarter-on-quarter revenue increased 23% with record production from Haile, partly offset by lower sales from Macraes where production was impacted by geotechnical issues that rendered higher grade ore zones of the open pit inaccessible.

First half adjusted EBITDA (excluding Didipio carrying costs) of \$161.9 million nearly tripled year-on-year, reflecting improved revenues on higher gold prices and record production at Haile at improved cash costs, as compared to the first half of 2020 which included impacts related to COVID-19 shutdowns. Quarter-on-quarter adjusted EBITDA of \$95.4 million increased 43%, benefitting from record production at Haile at improved operating costs, partly offset by lower sales from Macraes.

Adjusted net profit was \$36.9 million or \$0.05 per share on a fully diluted basis in the second quarter and \$58.7 million or \$0.08 per share on a fully diluted basis YTD. The quarter-on-quarter and year-over-year increases were mainly a function of the higher revenue from increased sales volumes. The increases were partly offset by income tax expense of \$15.8 million in the second quarter and \$21.5 million YTD due to the operational profits in the USA and New Zealand. Additionally, there were no potential tax benefits recognised associated with the costs incurred to maintain Didipio in a state of operational readiness.

Operating cash flows YTD were \$83.4 million, a decrease year-over-year given the \$79.0 million received from the gold presale in the first quarter of 2020. Excluding working capital adjustments, fully-diluted cash flow per share was \$0.22 YTD and \$0.13 for the second quarter.

First half investing cash flows of \$152.8 million were significantly higher than the prior year period, primarily due to higher growth capital expenditures at Haile related to the expansion of waste storage facilities, increased pre-stripping at Macraes and the ongoing development of Martha Underground at Waihi.

As at June 30, 2021, the Company's cash balance stood at \$92.3 million, and net debt increased quarter-on-quarter to \$224.8 million, mainly reflecting the lower cash balance. The Company's total debt facilities stood at \$250 million of which \$50 million remains undrawn as at 30 June 2021.

Conference Call

The Company will also host a conference call / webcast to discuss the results at 7:30 am on Friday July 30, 2021 (Melbourne, Australian Eastern Standard Time) / 5:30 pm on Thursday July 29, 2021 (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=1479464&tp_key=b7a29eb104

Teleconference Participants

Local (toll free) dial in numbers are:

Canada & North America: 1 888 390 0546

Australia: 1 800 076 068

New Zealand: 0 800 453 421

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.

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About OceanaGold

OceanaGold is a multinational gold producer committed to the highest standards of technical, environmental and social performance. For 30 years, we have been contributing to excellence in our industry by delivering sustainable environmental and social outcomes for our communities, and strong returns for our shareholders.

Our global exploration, development, and operating experience has created a significant pipeline of organic growth opportunities and a portfolio of established operating assets including Didipio Mine in the Philippines; Macraes and Waihi operations in New Zealand; and Haile Gold Mine in the United States of America.

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 Corp.](#) 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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(All financial figures in US Dollars unless otherwise stated)

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