OCEANAGOLD CORPORATION

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

SECOND QUARTER REPORT

JUNE 30, 2023

UNAUDITED

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at June 30, 2023

(in millions of United States dollars)	*Notes*	*June 30 2023 $*	*December 31 2022 $*
ASSETS			
Current assets			
Cash and cash equivalents		114.6	83.2
Trade and other receivables	5	29.2	34.1
Inventories	6	208.4	147.1
Current tax receivables		-	9.0
Prepayments		23.6	15.5
Total current assets		375.8	288.9
Non-current assets			
Trade and other receivables	5	104.3	97.1
Financial assets		0.9	0.6
Inventories	6	152.3	195.8
Deferred tax assets		45.1	47.4
Property, plant and equipment	7	753.0	772.8
Mining assets	8	950.5	888.0
Total non-current assets		2,006.1	2,001.7
TOTAL ASSETS		**2,381.9**	**2,290.6**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Trade and other payables		163.5	174.7
Employee benefits		19.6	18.0
Current tax liabilities		19.0	4.5
Interest-bearing loans and borrowings	9	30.0	28.8
Asset retirement obligations		2.1	3.6
Total current liabilities		234.2	229.6
Non-current liabilities			
Other obligations		1.0	2.5
Employee benefits		1.2	1.2
Deferred tax liabilities		34.2	32.1
Interest-bearing loans and borrowings	9	220.9	224.6
Asset retirement obligations		125.1	127.3
Total non-current liabilities		382.4	387.7
TOTAL LIABILITIES		**616.6**	**617.3**
SHAREHOLDERS' EQUITY			
Share capital	10	1,236.2	1,230.5
Retained earnings		469.8	369.5
Contributed surplus		68.1	71.1
Other reserves		(8.8)	2.2
TOTAL SHAREHOLDERS' EQUITY		1,765.3	1,673.3
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**2,381.9**	**2,290.6**

On behalf of the Board of Directors:

Paul Benson
Director
August 1, 2023

Sandra M. Dodds
Director
August 1, 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 June 30, 2023

(in millions of United States dollars, except per share data)		*Three months ended*		*Six months ended*	
	Notes	*June 30 2023 $*	*June 30 2022 $*	*June 30 2023 $*	*June 30 2022 $*
Revenue	4	301.0	229.4	544.9	515.1
Cost of sales, excluding depreciation and amortization		(121.1)	(119.9)	(239.6)	(234.3)
Depreciation and amortization		(60.2)	(47.1)	(105.3)	(102.4)
General and administration - indirect taxes		(5.1)	(3.8)	(10.7)	(8.3)
General and administration - other		(18.8)	(14.5)	(37.0)	(25.6)
Operating profit		95.8	44.1	152.3	144.5
Other income/(expenses)					
Interest expense and finance costs	9	(5.2)	(0.8)	(11.0)	(3.7)
Foreign exchange gain/(loss)		(3.2)	(16.7)	(5.3)	(14.8)
Gain/(loss) on disposal of property, plant and equipment		(0.7)	(0.3)	(0.7)	(0.3)
Total other expenses		(9.1)	(17.8)	(17.0)	(18.8)
Write down of assets		-	(1.2)	-	(4.4)
Interest income		0.4	0.1	0.7	0.2
Other income/(expense)		0.4	0.5	0.9	0.9
Profit before income tax		87.5	25.7	136.9	122.4
Income tax expense		(18.9)	(6.3)	(29.4)	(24.4)
Net profit		**68.6**	**19.4**	**107.5**	**98.0**
Other comprehensive income/(loss)					
Items that have been/may be reclassified to profit or loss					
Currency translation gain/(loss)		(6.4)	(25.2)	(11.3)	(21.0)
Items that will not be reclassified to profit or loss					
Gain/(loss) on fair value of financial assets at fair value through other comprehensive income		0.2	0.2	0.3	1.1
Total other comprehensive income/(loss) net of tax		**(6.2)**	**(25.0)**	**(11.0)**	**(19.9)**
Comprehensive income/(loss) attributable to shareholders		**62.4**	**(5.6)**	**96.5**	**78.1**

	Millions	*Millions*	*Millions*	*Millions*
Weighted average number of common shares (used in calculation of basic earnings per share)	707.4	704.2	706.2	704.2
Effect of dilution: Share options	16.3	15.5	14.5	14.2
Adjusted weighted average number of common shares (used in calculation of diluted earnings per share)	723.7	719.7	720.7	718.4
Net earnings/(loss) per share:				
- Basic	$0.10	$0.03	$0.15	$0.14
- Diluted	$0.09	$0.03	$0.15	$0.14

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 June 30, 2023

(in millions of United States dollars)	*Share Capital*	*Contributed Surplus*	*Other Reserves*	*Retained Earnings*	*Total Equity*
	$	*$*	*$*	*$*	*$*
Balance at January 1, 2023	**1,230.5**	**71.1**	**2.2**	**369.5**	**1,673.3**
Comprehensive income/(loss) for the period	-	-	(11.0)	107.5	96.5
Issue of shares (net of costs)	(0.2)	-	-	-	(0.2)
Employee share rights:					
Share based payments	-	9.8	-	-	9.8
Forfeiture of rights	-	(0.7)	-	-	(0.7)
Exercise of rights	5.9	(12.1)	-	-	(6.2)
Dividends provided for or paid	-	-	-	(7.2)	(7.2)
Balance at June 30, 2023	**1,236.2**	**68.1**	**(8.8)**	**469.8**	**1,765.3**
Balance at January 1, 2022	**1,230.7**	**63.9**	**17.3**	**236.9**	**1,548.8**
Comprehensive income/(loss) for the period	-	-	(19.9)	98.0	78.1
Issue of shares (net of costs)	(0.1)	-	-	-	(0.1)
Employee share rights:					
Share based payments	-	5.0	-	-	5.0
Forfeiture of rights	-	(0.9)	-	-	(0.9)
Balance at June 30, 2022	**1,230.6**	**68.0**	**(2.6)**	**334.9**	**1,630.9**

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 June 30, 2023

(in millions of United States dollars)	*Three months ended*		*Six months ended*	
	June 30 2023 $	*June 30 2022 $*	*June 30 2023 $*	*June 30 2022 $*
Operating activities				
Net profit	68.6	19.4	107.5	98.0
Charges/(credits) not affecting cash				
Depreciation and amortization expense	60.2	47.1	105.3	102.4
Net (gain)/loss on disposal of property, plant & equipment	0.7	0.3	0.7	0.3
Foreign exchange (gain)/loss	3.2	16.7	5.3	14.8
Stock based compensation charge	3.6	2.6	9.1	4.1
Amortization of transaction costs/ write off	0.2	0.2	0.2	0.4
Income tax expense/(benefit)	18.9	6.3	29.4	24.4
Non-cash finance costs	-	(3.0)	-	(3.0)
Write down of assets	-	1.2	-	4.4
Changes in working capital				
(Increase)/decrease in trade and other receivables	7.4	(1.0)	(3.1)	(15.8)
(Increase)/decrease in inventories	0.8	(10.6)	(3.3)	(11.0)
(Decrease)/increase in trade and other payables	(4.4)	5.1	(15.7)	7.8
(Decrease)/increase in other working capital	2.5	(4.6)	(8.5)	(3.3)
Net cash provided by operating activities	161.7	79.7	226.9	223.5
Investing activities				
Proceeds from sale of property, plant and equipment	5.1	0.1	5.1	0.3
Payment for property, plant and equipment	(8.4)	(7.9)	(22.2)	(13.6)
Payment for mining assets: exploration and evaluation	(2.5)	(3.1)	(4.2)	(6.2)
Payment for mining assets: development	(40.4)	(16.8)	(63.0)	(38.5)
Payment for mining assets: in production	(43.2)	(35.9)	(86.7)	(77.5)
Net cash used in investing activities	(89.4)	(63.6)	(171.0)	(135.5)
Financing activities				
Repayment of lease liabilities	(7.1)	(6.8)	(13.4)	(13.3)
Repayment of bank borrowings and other loans	(0.3)	(50.5)	(0.6)	(52.7)
Dividends paid to shareholders	(7.2)	-	(7.2)	-
Net cash provided by/(used in) financing activities	(14.6)	(57.3)	(21.2)	(66.0)
Effect of exchange rates changes on cash gain/(loss)	(1.1)	(3.3)	(3.3)	(4.8)
Net increase/(decrease) in cash and cash equivalents	56.6	(44.5)	31.4	17.2
Cash and cash equivalents at the beginning of the period	58.0	194.7	83.2	133.0
Cash and cash equivalents at the end of the period	114.6	150.2	114.6	150.2
Cash interest paid	(4.9)	(1.8)	(10.2)	(5.7)
Cash interest received	0.4	0.1	0.7	0.2
Income taxes paid	(0.1)	(3.1)	(0.3)	(5.1)

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 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 August 1, 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.

The amendment is 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 recognized 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.

3 CRITICAL ESTIMATES AND JUDGEMENTS (CONTINUED)

(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 the Company’s approach to climate change related risks and opportunities, targets, and plans including how the Group will consider and manage climate related risks and opportunities. The Group considers the Financial Stability Board Taskforce Recommendations on Climate-related Financial Disclosures (TCFD) 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 Energy and Carbon Reduction Plan which identifies actions to implement or investigate opportunities for emissions reduction.

The Group short term incentive plan includes a financial 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, informed by a combination of key estimates and assumptions.

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.

4 REVENUE

	Three months ended		Six months ended	
	June 30 2023 $m	*June 30 2022 $m*	*June 30 2023 $m*	*June 30 2022 $m*
Gold sales				
Bullion	236.0	168.6	414.8	374.4
Concentrate sales	38.7	35.9	72.3	75.9
Provisional price adjustment	(1.3)	(0.7)	1.4	1.0
	273.4	203.8	488.5	451.3
Copper sales				
Concentrate sales	29.3	29.2	59.0	68.9
Provisional price adjustment	(1.1)	(1.7)	-	(1.4)
	28.2	27.5	59.0	67.5
Silver sales				
Bullion	3.7	2.4	6.5	5.2
	3.7	2.4	6.5	5.2
Less concentrate treatment, refining and selling costs	(4.3)	(4.3)	(9.1)	(8.9)
Total Revenue	301.0	229.4	544.9	515.1

Provisionally Priced Sales
At June 30, 2023, the provisionally priced gold, copper and silver sales for 8,910 dry metric tonnes of concentrate containing provisional estimates of 10,645 ounces of gold, 1,984 tonnes of copper and 23,771 ounces of silver, subject to final settlement, were recorded at average prices of $1,913/oz, $8,290/t and $23/oz, respectively.

5 TRADE AND OTHER RECEIVABLES

	June 30 2023 $m	*December 31 2022 $m*
Current		
Trade receivables	19.9	24.2
Other receivables	9.3	9.9
	29.2	34.1
Non-Current		
Other receivables	104.3	97.1
	104.3	97.1

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

Other receivables mainly consist of $61.1 million (December 31, 2022: $55.0 million) input tax credits and $28.1 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 Financial or Technical Assistance Agreement ("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 $42.9 million (December 31, 2022: $35.5 million). Cash payments on these bonds would only be paid if the Group did not meet its obligations.

6 INVENTORIES

	June 30 2023 $m	December 31 2022 $m
Current		
Gold in circuit	14.3	14.9
Ore	107.6	46.1
Gold on hand	2.0	5.5
Gold and copper concentrate	2.7	4.7
Maintenance stores	81.8	75.9
	208.4	147.1
Non-Current		
Ore	152.3	195.8
	152.3	195.8
Total inventories	360.7	342.9

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 realizable value amounted to $49.1 million as at June 30, 2023 (December 31, 2022: $49.1 million).

7 PROPERTY, PLANT AND EQUIPMENT

	June 30, 2023			
	Land	**Buildings**	**Plant and equipment**	**Total**
	$m	*$m*	*$m*	*$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	-	-	37.4	37.4
Transfers	-	0.1	3.6	3.7
Disposals/write-off	-	-	(5.7)	(5.7)
Depreciation charge	-	(2.8)	(47.5)	(50.3)
Foreign exchange movements	(1.2)	(0.4)	(3.4)	(5.0)
At June 30, 2023	58.4	54.8	639.8	753.0
At June 30, 2023:				
Cost or fair value	58.4	103.7	1,575.2	1,737.3
Accumulated depreciation and impairment	-	(48.9)	(935.4)	(984.3)
	58.4	54.8	639.8	753.0

Plant and equipment includes right-of-use assets (leased assets) net of accumulated depreciation of $92.9 million (December 31, 2022: $95.3 million). $76.8 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 as at June 30, 2023 were $13.0 million (for the year ended December 31, 2022: $13.0 million).

7 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The following table shows the movements in the net book value of right-of-use assets for the six months period ended June 30, 2023:

	June 30, 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	1.7	11.3	-	13.0
Depreciation	(0.4)	(13.0)	(1.0)	(14.4)
Disposals/write-off	-	(0.3)	-	(0.3)
Foreign exchange movements	-	(0.2)	(0.5)	(0.7)
At June 30, 2023	2.2	78.0	12.7	92.9

8 MINING ASSETS

	June 30, 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 amortization 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	4.2	60.0	96.5	160.7
Transfers	(22.1)	(11.6)	30.0	(3.7)
Amortization for the period	-	-	(82.2)	(82.2)
Foreign exchange movements	(2.5)	(1.8)	(8.0)	(12.3)
At June 30, 2023	87.0	220.4	643.1	950.5
At June 30, 2023:				
Cost or fair value	87.0	220.4	2,112.9	2,420.3
Accumulated amortization and impairment	-	-	(1,469.8)	(1,469.8)
	87.0	220.4	643.1	950.5

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 Golden Point Underground Project at Macraes Gold Mine in New Zealand, the underground operations and development 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 of America.

9 INTEREST-BEARING LOANS AND BORROWINGS

	June 30 2023 $m	*December 31 2022 $m*
Current		
Lease liabilities (1)	29.0	27.7
US$ banking facilities (2)	1.6	1.6
Unamortized transaction costs (3)	(0.6)	(0.5)
Net US$ banking facilities	1.0	1.1
	30.0	28.8
Non-Current		
Lease liabilities (1)	67.5	70.7
US$ banking facilities (2)	153.6	154.4
Unamortized transaction costs (3)	(0.2)	(0.5)
Net US$ banking facilities	153.4	153.9
	220.9	224.6

(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 June 30, 2023. 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 June 30, 2023, the outstanding rental obligations (including finance charges) under these leases (which excluded any non-mobile mining equipment leases) amounted to $86.5 million (December 31, 2022: $94.7 million). Associated with these guarantees are certain financial compliance undertakings by the Group, including gearing covenants. The Group is in full compliance witth these covenants as at June 30, 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. At June 30, 2023, the amount drawn under the credit facilities was $150.0 million.

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 facility to $9.7 million. At June 30, 2023, the amount drawn under the fleet facility was $5.2 million.

At June 30, 2023, total facilities (including the above fleet facility) drawn was $155.2 million (December 31, 2022: $156.0 million). Associated with these facilities are certain financial compliance undertakings by the Group, including gearing covenants. The Group is in full compliance with these covenants as at June 30, 2023.

(3) *Unamortized transaction costs*
Represents the unamortized portion of upfront fees and other costs incurred in amending US$ banking facilities. These fees are being amortized 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 June 30, 2023 was $5.2 million (June 30, 2022: $3.8 million) and for the six months ended June 30, 2023 was $11.0 million (June 30, 2022: $6.7 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 mines in the New Zealand and United States of America (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

	June 30 2023 Million shares	*June 30 2023 $m*	*December 31 2022 Million shares*	*December 31 2022 $m*
Balance at the beginning of the period	704.2	1,230.5	704.2	1,230.7
Shares issued (net of costs)	-	(0.2)	-	(0.2)
Rights exercised	3.2	5.9	-	-
Balance at the end of the period	707.4	1,236.2	704.2	1,230.5

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

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

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

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 of America. 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 of America 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 of America and gold-copper concentrate is produced in the Philippines.

	New Zealand	Philippines	United States	All other segments	Elimination	Total
Quarter ended June 30, 2023	$m	$m	$m	$m	$m	$m
Revenue						
Sales to external customers	109.3	88.3	103.4	-	-	301.0
Inter segment management and gold handling fees	-	-	-	6.4	(6.4)	-
Total segment revenue	109.3	88.3	103.4	6.4	(6.4)	301.0
Profit/(loss)						
Segment profit/(loss) excluding depreciation and amortization	54.9	42.7	67.6	(12.7)	-	152.5
Depreciation and amortization	(15.0)	(13.3)	(31.5)	(0.4)	-	(60.2)
Inter segment management and gold handling fees	(2.8)	(1.7)	(1.9)	-	6.4	-
Total segment profit/(loss) before interest and tax	37.1	27.7	34.2	(13.1)	6.4	92.3
Net interest expense						(4.8)
Income tax (expense)/benefit						(18.9)
Net profit/(loss) for the period						68.6

11 SEGMENT INFORMATION (CONTINUED)

	New Zealand	Philippines	United States	All other segments	Elimination	Total
Six months ended June 30, 2023	$m	$m	$m	$m	$m	$m
Revenue						
Sales to external customers	179.9	180.8	184.2	-	-	544.9
Inter segment management and gold handling fees	-	-	-	12.8	(12.8)	-
Total segment revenue	179.9	180.8	184.2	12.8	(12.8)	544.9
Profit/(loss)						
Segment profit/(loss) excluding depreciation and amortization	71.4	88.2	117.8	(24.9)	-	252.5
Depreciation and amortization	(22.6)	(26.6)	(55.3)	(0.8)	-	(105.3)
Inter segment management and gold handling fees	(5.6)	(3.4)	(3.8)	-	12.8	-
Write down of assets	-	-	-	-	-	-
Total segment profit/(loss) before interest and tax	43.2	58.2	58.7	(25.7)	12.8	147.2
Net interest expense						(10.3)
Income tax (expense)/benefit						(29.4)
Net profit/(loss) for the period						107.5
Assets						
Additions to property, plant, equipment and mining assets for the six months ended June 30, 2023*	77.1	7.8	110.8	2.4	-	198.1
Total segment assets as at June 30, 2023	652.8	736.2	968.6	24.3	-	2,381.9

* Included additions to right-of-use assets of $13.0 million (Note 7).

11 SEGMENT INFORMATION (CONTINUED)

	New Zealand	Philippines	United States	All other segments	Elimination	Total
Quarter ended June 30, 2022	$m	$m	$m	$m	$m	$m
Revenue						
Sales to external customers	85.7	70.5	73.2	-	-	229.4
Inter segment management and gold handling fees	-	-	-	6.0	(6.0)	-
Total segment revenue	85.7	70.5	73.2	6.0	(6.0)	229.4
Profit/(loss)						
Segment profit/(loss) excluding depreciation and amortization	14.5	31.5	37.3	(8.6)	-	74.7
Depreciation and amortization	(14.8)	(12.0)	(20.0)	(0.3)	-	(47.1)
Inter segment management and gold handling fees	(2.6)	(1.5)	(1.9)	-	6.0	-
Write down of assets	(1.2)	-	-	-	-	(1.2)
Total segment profit/(loss) before interest and tax	(4.1)	18.0	15.4	(8.9)	6.0	26.4
Net interest expense						(0.7)
Income tax (expense)/benefit						(6.3)
Net profit/(loss) for the period						19.4

11 SEGMENT INFORMATION (CONTINUED)

	New Zealand	Philippines	United States	All other segments	Elimination	Total
Six months ended June 30, 2022	$m	$m	$m	$m	$m	$m
Revenue						
Sales to external customers	171.0	165.9	178.2	-	-	515.1
Inter segment management and gold handling fees	-	-	-	12.2	(12.2)	-
Total segment revenue	171.0	165.9	178.2	12.2	(12.2)	515.1
Profit/(loss)						
Segment profit/(loss) excluding depreciation and amortization	52.0	89.2	109.5	(18.0)	-	232.7
Depreciation and amortization	(34.6)	(24.3)	(42.7)	(0.8)	-	(102.4)
Inter segment management and gold handling fees	(5.4)	(3.0)	(3.8)	-	12.2	-
Write down of assets	(3.3)	-	-	(1.1)	-	(4.4)
Total segment profit/(loss) before interest and tax	8.7	61.9	63.0	(19.9)	12.2	125.9
Net interest expense						(3.5)
Income tax (expense)/benefit						(24.4)
Net profit/(loss) for the period						98.0
Assets						
Additions to property, plant, equipment and mining assets for the six months ended June 30, 2022*	68.5	5.8	66.3	0.7	-	141.3
Total segment assets as at June 30, 2022	560.6	762.7	896.6	35.7	-	2,255.6

* Included additions to right-of-use assets of $1.9 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:

	June 30, 2023	*December 31, 2022*
	No.	**No.**
Outstanding at the start of the period	14,118,205	14,799,223
Granted	6,984,163	4,922,625
Forfeited	(731,885)	(2,437,628)
Expired	-	(3,166,015)
Exercised	(4,096,816)	-
Balance at the end of the period	**16,273,667**	**14,118,205**
Exercisable at the end of the period	**-**	**-**

The performance share rights outstanding at June 30, 2023 had a weighted average remaining life of 1.8 years with an exercise price of zero dollar.

(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:

	June 30, 2023	*December 31, 2022*
	No.	**No.**
Outstanding at the start of the period	758,686	596,501
Granted	151,218	313,110
Exercised	-	(150,925)
Balance at the end of the period	**909,904**	**758,686**
Exercisable at the end of the period	**-**	**-**

The fair value of the units granted under the DUP is calculated as the future cash flow and it is remeasured at each reporting date and at the date of settlement. Any changes in fair value are recognized in the Statement of Comprehensive Income for the period with a corresponding increase or decrease in liability. At June 30, 2023, the fair value of the units was $1.8 million and $1.8 million was expensed.

13 COMMITMENTS

Capital commitments

At June 30, 2023, the Group has commitments of $13.1 million (December 31, 2022: $30.9 million), principally relating to the purchase of property, plant and equipment at Macraes and Waihi, the development of mining assets at Macraes, Waihi and Didipio.

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

	June 30 2023 $m	*December 31 2022 $m*
Purchase of property, plant and equipment	5.4	17.4
Development of mining assets	7.7	11.2
Leases not yet commenced	-	2.3
	13.1	30.9

Other commitments

The Didipio Project is held under a 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 amortized, 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 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 $44.1 million (December 31, 2022: $42.2 million).

The Group has also issued bonds in favour of Otago Regional Council, Dunedin City Council, Waitaki District Council, West Coast Regional Council, Buller District Council and Department of Conservation in New Zealand 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 $42.9 million (December 31, 2022: $35.5 million). Cash payments on these bonds would only be paid if the Group did not meet its obligations.

(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 June 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 $0.8 million to occur in September 2023 and $2.0 million in December 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 in the United States of America 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

Subsequent to the quarter end, on August 1, 2023, the Company’s Board of Directors declared an ordinary semi-annual dividend of US$0.01 per common share (approximately US$7.1 million), payable to shareholders of record on August 24, 2023 and the dividend will be paid on October 6, 2023.

Other than the matter noted above, there have been no subsequent events that have arisen since the end of the financial period to the date of this report.