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OCEANAGOLD CORPORATION

Results for announcement to the market

Financial results	**2021 US$'m**	**2020 US$'m**	**Change US$'m**	**Change %**
Revenue from ordinary activities	744.7	500.1	244.6	Up 48.9%
(Loss)/profit from ordinary activities after tax attributable to members	(3.7)	(150.4)	146.7	Up 97.5%
Net (loss)/profit for the period attributable to members	(3.7)	(150.4)	146.7	Up 97.5%

Net tangible assets	**2021 US$**	**2020 US$**
Net tangible assets per security	2.20	2.22

Dividends

The Directors do not propose to declare any semi-annual dividend. There is no dividend reinvestment plan for the Company.

Explanation of Results

Revenue for the year ended 31 December 2021 increased by 48.9% year on year, driven by higher sales volumes from the Haile mine in the United States, Waihi mine in New Zealand, as well as sales from Didipio mine in the Philippines in the second half following the renewal of the Financial or Technical Assistance agreement ("FTAA") in mid-July, leading to the sale of the gold dore and copper-gold concentrate inventory. A higher average gold price was also received.

Net loss after tax for the year ended 31 December 2021 was $3.7 million compared to net loss of $150.4 million for the year ended 31 December 2020. This result was attributable mainly to higher revenue as described above. This was partly offset by a net post-tax impairment expense of $102.1 million, recorded following an impairment assessment of the carrying value of the Cash Generating Units of the Group upon the identification of impairment triggers at 31 December 2021. A post-tax impairment expense of $180.9 million was recorded for the Haile operation following the technical review of the mine, which was partially offset by a post-tax impairment reversal of $78.8 million to fully reinstate the carrying value of the Didipio operation, following the ramp-up of the operation that was previously suspended. Furthermore, in 2020, undesignated gold hedges recorded an unrealised gain of $15.0 million. During the year, tax benefits recorded upon initial recognition of tax losses in respect of Didipio were offset by tax benefits partially derecognised at Haile given the technical review that impacted the life of mine.

For further explanation of the results, please refer to the Management Discussion and Analysis of Financial Condition and Results of Operations for the year ended 31 December 2021 together with the Consolidated Financial Statements for the year ended 31 December 2021.

The Financial Statements, prepared in accordance with International Financial Reporting Standards, have been subject to review by the group's auditors and the review report is included in the consolidated financial statements attached to this document.

On 11 February 2016 and 15 April 2020, the Company was granted waivers from ASX Listing Rules 4.2A, 4.2B, 4.3A, 4.3B and 5.1 respectively in relation to certain half year and full year reporting requirements. Further information in relation to these waivers are available in the 'Additional Information' section of the Company's latest Management Information Circular available at https://oceanagold.com/investor-centre/agm-special-meetings/.

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OCEANAGOLD CORPORATION

FINANCIAL REPORT

DECEMBER 31, 2021

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The financial statements were authorised for issue by the directors on February 23, 2022. The directors have the power to amend and reissue the financial statements.

Management's Responsibility for the Financial Statements

The accompanying consolidated financial statements of OceanaGold Corporation were prepared by management in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") which are incorporated in the CPA Canada Handbook. Management acknowledges responsibility for the preparation and presentation of the consolidated financial statements, including responsibility for significant accounting judgements and estimates and the choice of accounting principles and methods that are appropriate to the circumstances of OceanaGold Corporation and the entities it controls ("the Group"). The significant accounting policies of the Group are summarised in Note 2 to the consolidated financial statements.

Management has established systems of internal control over the financial reporting process, which are designed to provide reasonable assurance that relevant and reliable financial information is produced.

The Board of Directors is responsible for reviewing and approving the consolidated financial statements and for ensuring that management fulfils its financial reporting responsibilities. An Audit and Financial Risk Management Committee assists the Board of Directors in fulfilling this responsibility. The members of the Audit and Financial Risk Management Committee are not officers of the Group. The Audit and Financial Risk Management Committee meets with management to review the internal controls over the financial reporting process, the consolidated financial statements and the auditor's report. The Audit and Financial Risk Management Committee reports its findings to the Board of Directors for its consideration in approving the consolidated financial statements for issuance to the shareholders.

Management recognises its responsibility for conducting the Group's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

Scott Sullivan
President and Chief Executive Officer
Melbourne, Australia
February 23, 2022

Scott A. McQueen
Executive Vice President and Chief Financial Officer
Melbourne, Australia
February 23, 2022

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Independent auditor's report

To the Shareholders of OceanaGold Corporation

Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, of the financial position of OceanaGold Corporation (the Company) and its subsidiaries (together, the Group) as at December 31, 2021 and 2020, and of its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRS).

What we have audited
The Group's consolidated financial statements comprise:

- the consolidated statements of financial position as at December 31, 2021 and 2020;
- the consolidated statements of comprehensive income for the year then ended;
- the consolidated statements of changes in equity for the year then ended;
- the consolidated statements of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which includes significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence
We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) and the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

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Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2021. The key audit matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	*How our audit addressed the key audit matter*
Assessing the carrying value of non-current assets *Refer to note 4* As at December 31, 2021, the Group recognised $821.9 million of Property, Plant and Equipment and $800.4 million of Mining Assets (together 'the mining assets'). During the year the Group identified indicators of impairment on all four of its Cash Generating Units (CGUs). As a result, the Group tested the CGUs for impairment. The recoverable amounts of the CGUs were assessed under the fair value less cost of disposal method, using discounted cash flow models (the impairment models). During the year ended December 31, 2021, the Group recognised an impairment expense of $241.0 million on its mining assets related to the Haile CGU and an impairment reversal of $78.8 million on its mining assets related to the Didipio CGU. No impairment expense was recognised for the Macraes and Waihi CGUs. The impairment assessment involved significant judgements by the Group, such as: ● Forecasting long-term gold and copper prices ● Determining reserve and resource estimates and production and processing volumes ● Determining an appropriate discount rate ● Estimating future operating costs, capital expenditure, foreign exchange rates. This was a key audit matter due to the significance of the carrying value of mining assets to the consolidated statements of financial position and the judgements and assumptions outlined above in determining the recoverable amounts of the CGUs.	We performed the following procedures, amongst others, for all CGUs: ● Assessed whether the composition of each CGU was consistent with our knowledge of the Group's operations. ● Evaluated the Group's assessment that there were indicators of impairment or impairment reversal at the year ended December 31, 2021 for each CGU, taking into consideration the requirements of IFRS. ● Assessed whether each CGU appropriately included all directly attributable assets and liabilities. ● Assessed whether the valuation methodology, utilising a discounted cash flow model to estimate the recoverable amount of each CGU, was consistent with IFRS. ● Compared the forecast cash flows used in the impairment models to the most recent budgets and Life of Mine operating plans for each CGU. ● Assessed whether the forecast cash flows in the impairment models were appropriate by comparing: – short and long-term gold and copper pricing data used to current independent industry forecasts – the Group's forecast gold and copper production over the life of mine to the Group's most recent reserves and resources statements – a sample of the forecast cash flows to historical actual cash flows achieved by each CGU to assess the historical accuracy of the Group's forecasting – a sample of the forecast operating costs and capital expenditure to the most recent internal budgets and Life of Mine operating plans – foreign exchange rate assumptions to current external economic forecasts, and

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- the discount rate used for each CGU, assisted by PwC valuation experts.

- Performed tests of the mathematical accuracy of the impairment models on a sample basis, and
- Evaluated the reasonableness of the disclosures made in Note 4 in light of the requirements of IFRS.

In relation to the Didipio CGU, we performed the following additional procedures, amongst others:

- Agreed the impairment reversal calculated in the impairment model to the impairment reversal recognised in the Consolidated Statement of Comprehensive Income.

In relation to the Haile CGU, we performed the following additional procedures, amongst others:

- Agreed the impairment expense calculated in the impairment model to the net impairment expense recognised in the Consolidated Statement of Comprehensive Income.

Provision for the cost of asset retirement obligations
Refer to note 15

As a result of its mining and processing operations, the Group is obliged to restore and rehabilitate the land disturbed by its operations. Rehabilitation activities at each operation are governed by a combination of legislative and operating licence requirements. As at December 31, 2021 the consolidated statement of financial position included provisions for asset retirement obligations of $147.0 million.

This was a key audit matter given the determination of these provisions required judgement by the Group in the assessment of the nature and extent of future works to be performed, the future cost of performing the works, the timing of when the rehabilitation activities will take place and economic assumptions, such as the discount rates, applied to forecast future cash outflows associated with rehabilitation activities to bring them to their present value.

We obtained the Group's assessment of their obligations to rehabilitate disturbed areas at each mine site and the estimated future cost of that work, which forms the basis for the provision for asset retirement obligation calculations (the models).

We evaluated and tested significant assumptions utilised in the models by performing the following procedures, amongst others:

- Evaluated the Group's asset retirement obligation cost forecasts, including the process by which they were developed.
- Evaluated the competence, capabilities and objectivity of the Group's experts who reviewed the Group's closure plans and the assessment of the asset retirement obligations at each mine site.
- Compared a sample of movements in the provisions in the year to our understanding of the Group's operations and associated rehabilitation plans.
- Compared the Group's significant assumptions in relation to the cost of rehabilitation activities, on a sample basis, to the cost of other similar activities at the mine sites.
- Considered the appropriateness of the discount rates utilised in calculating the provision by comparing them to current market consensus rates.
- Checked the mathematical accuracy of the models on a sample basis.

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- Checked whether the timing of the cash flows in the models was consistent with current life of mine plans and any correspondence with relevant authorities, as well as rehabilitation plans submitted to relevant authorities for each mine site.

Tax and regulatory matters in the Philippines

Refer to note 7, 9 and note 29

As at December 31, 2021, the Consolidated Statement of Financial Position included non-current VAT input tax credits receivable of $46.6 million and excise tax receivable of $28.7 million (both related to the Philippines). The Group also recognised deferred tax assets relating to carried forward tax losses of $86.3 million (a portion of which was recognised in the current year relating to the Group's operations in the Philippines).

The Group makes a number of assumptions in assessing the classification and recoverability of VAT input tax credits, excise tax receivables and tax losses. These receivables are subject to risk and uncertainty, including the timing and likelihood of success in working through the required claim steps and appeals processes in the Philippines, and the recoverability of tax losses recognised ('the tax matters').

The Group has not recognised an expected credit loss (ECL) for the VAT input tax credits or excise tax receivables, based on their assessment that these are recoverable under the terms of the FTAA Agreement with the Government of the Philippines.

The Group is also involved in a number of ongoing legal cases with local authorities and other parties in the Philippines, in particular the following significant matters:

- Dispute by the Group of the order to suspend operations issued by the Department of Environment and Natural Resources (DENR) which was received as a result of a petition from a Local Government alleging, amongst other things, damages to houses and the potential adverse impact to the agricultural areas of the Province.
- Non-Government Authorities challenging the Group's FTAA and the Mining Act as to whether they are constitutional. The Mining Act and the FTAA underpin the Group's licence to operate.

The Group has not recognised a provision for these legal matters, based on their assessment of the merits of the cases, however it has disclosed them as contingent liabilities in note 29 of the consolidated financial statements.

In relation to the tax and legal matters in the Philippines, we performed the following procedures, amongst others:

- Discussed the status of the tax matters with the Group's inhouse legal counsel, and considered selected correspondence with relevant tax authorities to develop an understanding of the claims and the Group's appeals and to evaluate the Group's assessment of the recoverability of each receivable.
- Considered whether any new factors had arisen during the year that would impact the appropriateness of continuing to classify the tax matters as non-current receivables.
- Compared the significant assumptions used to support the initial recognition of deferred tax assets in the Philippines in respect of tax losses and their future utilisation. This included comparing forecast cash flows to the most recent Life of Mine operating plans
- Read selected recent rulings and correspondence with local tax authorities in relation to the Group's right to the tax losses recognised.

In relation to the ongoing legal cases, we performed the following procedures, amongst others:

- updated our understanding in respect of the situation regarding the DENR Suspension Order and the constitutional challenge by making enquiries of the Group's inhouse legal counsel and external counsel as to their knowledge and understanding of the situation and by reading selected material correspondence between the Group, its lawyers and relevant authorities
- We considered the status of the legal claims in light of the requirements to recognise a liability under IFRS.
- We evaluated the adequacy of the disclosures made in note 29 in light of the requirements of IFRS.

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We considered these tax and legal matters in the Philippines as a key audit matter given:

- The financial significance of the non-current tax receivables
- The initial recognition of a deferred tax asset for carry forward tax losses during the year following the renewal of the FTAA Agreement
- The uncertainty surrounding the ongoing legal cases whereby the outcome may adversely affect the ability for the Group to operate in the Philippines.

Other information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

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Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Ben Gargett.

PricewaterhouseCoopers

PricewaterhouseCoopers
Chartered Accountants

Melbourne, Australia
February 23, 2022

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Auditor's Independence Declaration

As lead auditor for the audit of OceanaGold Corporation for the year ended 31 December 2021, I declare that to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of OceanaGold Corporation and the entities it controlled during the period.

Ben Gargett
Partner
PricewaterhouseCoopers

Melbourne
23 February 2022

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CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at December 31

(in millions of United States dollars)	*Notes*	*2021* $	*2020* $
ASSETS			
Current assets			
Cash and cash equivalents		133.0	179.0
Trade and other receivables	9	24.1	7.5
Inventories	11	127.1	108.2
Prepayments		13.5	12.4
Total current assets		297.7	307.1
Non-current assets			
Trade and other receivables	9	88.5	87.4
Financial assets	10	1.2	5.5
Inventories	11	190.2	219.8
Deferred tax assets	7	58.9	19.1
Property, plant and equipment	12	821.9	887.9
Mining assets	13	800.4	726.5
Total non-current assets		1,961.1	1,946.2
TOTAL ASSETS		2,258.8	2,253.3
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Trade and other payables		143.2	132.5
Unearned revenue	14	-	76.7
Employee benefits	21	16.4	16.0
Current tax liabilities		8.4	10.6
Interest bearing loans and liabilities	16	28.8	23.5
Asset retirement obligations	15	5.5	7.0
Total current liabilities		202.3	266.3
Non-current liabilities			
Other obligations		3.1	3.6
Employee benefits	21	1.1	1.7
Deferred tax liabilities	7	19.9	4.2
Interest bearing loans and liabilities	16	342.1	289.4
Asset retirement obligations	15	141.5	123.2
Total non-current liabilities		507.7	422.1
TOTAL LIABILITIES		710.0	688.4
SHAREHOLDERS' EQUITY			
Share capital	17	1,230.7	1,229.5
Retained earnings		236.9	240.6
Contributed surplus	18	63.9	56.4
Other reserves	18	17.3	38.4
TOTAL SHAREHOLDERS' EQUITY		1,548.8	1,564.9
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		2,258.8	2,253.3

On behalf of the Board of Directors:

Paul Benson
Director
February 23, 2022

Sandra M. Dodds
Director
February 23, 2022

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

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CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the years ended December 31

(in millions of United States dollars, except per share data)	*Notes*	*2021 $*	*2020 $*
Revenue	5	744.7	500.1
Cost of sales, excluding depreciation and amortisation	6	(324.2)	(273.6)
Depreciation and amortisation		(187.8)	(181.4)
General and administration - indirect taxes		(6.0)	(3.4)
General and administration - idle capacity charges		(31.3)	(35.7)
General and administration - other		(48.6)	(48.5)
Operating profit/(loss)		146.8	(42.5)
Other income/(expenses)			
Interest expense and finance costs		(11.7)	(11.4)
Foreign exchange gain/(loss)		(6.6)	(14.9)
Gain/(loss) on disposal of property, plant and equipment		(1.8)	0.8
Gain/(loss) on fair value of financial assets		-	(0.1)
Gain/(loss) on sale of available-for-sale assets		1.1	-
Total other expenses		(19.0)	(25.6)
Write down of assets		(1.3)	(6.9)
Gain/(loss) on fair value of undesignated hedges		-	15.0
Interest income		0.1	0.3
Other income/(expense)		2.5	4.9
Net impairment expense	4	(162.2)	(80.0)
Profit/(loss) before income tax		(33.1)	(134.8)
Income tax benefit/(expense)	7	29.4	(15.6)
Net profit/(loss)		**(3.7)**	**(150.4)**
Other comprehensive income/(loss)			
Items that has been/may be reclassified to profit or loss			
Currency translation gain/(loss)		(16.7)	28.6
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		(4.4)	(7.2)
Total other comprehensive income/(loss) net of tax		(21.1)	21.4
Comprehensive income/(loss) attributable to shareholders		**(24.8)**	**(129.0)**
		Millions	*Millions*
Weighted average number of common shares (used in calculation of basic earnings per share)		704.0	638.6
Effect of dilution: Share options*		13.5	13.9
Adjusted weighted average number of common shares (used in calculation of diluted earnings per share)		717.5	652.5
Net earnings/(loss) per share:			
- Basic	8	($0.01)	($0.24)
- Diluted	8	($0.01)	($0.24)

* For the year ended December 31, 2021 and 2020, conversion of share options would decrease the loss per share and hence are non-dilutive.

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

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CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the years ended December 31

(in millions of United States dollars)	***Share Capital***	***Contributed Surplus***	***Other Reserves***	***Retained Earnings***	***Total Equity***
	$	***$***	***$***	***$***	***$***
Balance at January 1, 2021	**1,229.5**	**56.4**	**38.4**	**240.6**	**1,564.9**
Comprehensive income/(loss) for the period	-	-	(21.1)	(3.7)	(24.8)
Issue of shares (net of costs)	0.8	-	-	-	0.8
Employee share options:					
Share based payments	-	10.2	-	-	10.2
Forfeiture of options	-	(2.3)	-	-	(2.3)
Exercise of options	0.4	(0.4)	-	-	-
Balance at December 31, 2021	**1,230.7**	**63.9**	**17.3**	**236.9**	**1,548.8**
Balance at January 1, 2020	**1,107.0**	**48.6**	**17.0**	**391.0**	**1,563.6**
Comprehensive income/(loss) for the period	-	-	21.4	(150.4)	(129.0)
Issue of shares (net of costs)	122.3	-	-	-	122.3
Employee share options:					
Share based payments	-	8.1	-	-	8.1
Forfeiture of options	-	(0.3)	-	-	(0.3)
Exercise of options	0.2	-	-	-	0.2
Balance at December 31, 2020	**1,229.5**	**56.4**	**38.4**	**240.6**	**1,564.9**

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

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CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended December 31

(in millions of United States dollars)	Notes	*2021* $	*2020* $
Operating activities			
Net profit/(loss)		(3.7)	(150.4)
Charges/(credits) not affecting cash			
Depreciation and amortisation expense		187.8	181.4
Net (gain)/loss on disposal of property, plant & equipment		1.8	(0.8)
Unrealised foreign exchange (gain)/loss		6.6	14.9
Stock based compensation charge		7.9	7.8
(Gain)/loss on fair value of undesignated hedges		-	(15.0)
Amortisation of transaction costs/write off		0.6	0.5
Net Impairment expense		162.2	80.0
Income tax expense/(benefit)		(29.4)	15.6
Non-cash fair value of financial assets (gain)/loss		-	0.1
Write down of assets		1.3	6.9
Changes in non-cash working capital			
(Increase)/decrease in trade and other receivables		(19.9)	-
(Increase)/decrease in inventories		4.4	6.4
(Decrease)/increase in trade and other payables		13.0	(6.4)
(Decrease) increase in unearned revenue		(76.7)	76.7
(Decrease)/increase in other working capital		0.3	3.1
(Decrease)/increase in tax payables		5.2	(22.0)
Net cash provided by/(used in) operating activities		261.4	198.8
Investing activities			
Proceeds from sale of financial assets		1.1	23.5
Proceeds from sale of property, plant and equipment		7.8	4.4
Payment for property, plant and equipment		(34.9)	(37.2)
Payment for mining assets: exploration and evaluation		(13.8)	(13.1)
Payment for mining assets: development		(131.8)	(122.5)
Payment for mining assets: in production		(144.2)	(80.9)
Net cash provided by/(used in) investing activities		(315.8)	(225.8)
Financing activities			
Proceeds from issues of shares		-	122.5
Repayment of lease liabilities		(25.2)	(21.6)
Proceeds from bank borrowings and other loans		50.0	59.7
Repayment of bank borrowings and other loans		(1.9)	(1.1)
Proceeds from finance leases		2.2	-
Net cash provided by/(used in) financing activities		25.1	159.5
Effect of exchange rates changes on cash gain/(loss)		(16.7)	(2.5)
Net increase/(decrease) in cash and cash equivalents		(46.0)	130.0
Cash and cash equivalents at the beginning of the period		179.0	49.0
Cash and cash equivalents at the end of the period		133.0	179.0
Cash interest paid		(8.6)	(9.5)
Cash interest received		0.1	0.3
Income taxes received/(paid)		5.1	(22.0)

Non-Cash Investing and Financing Activities - refer Note 27

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

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1 BASIS OF PREPARATION

OceanaGold Corporation ("OceanaGold") ("The Company") is a company domiciled in Canada. It is listed on the Toronto Stock Exchange and the Australian Securities 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 prepares its financial statements in accordance with IFRS as issued by the IASB which are incorporated in the CPA Canada Handbook. The consolidated financial statements of the Company, as at and for the year ended December 31, 2021, comprise of the Company (in its capacity of ultimate parent) and its subsidiaries (together referred to as the "Group"). These financial statements have been prepared under the historic cost convention, as modified by the revaluation of certain financial assets and liabilities (including derivative instruments) measured at fair value.

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 two 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 preparation of the financial statements in conforming with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a high degree of judgement or complexity, or areas where assumptions are significant to the consolidated financial statements are disclosed in Note 3.

The financial statements were authorised for issue by the directors on February 23, 2022.

2 SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies used in the preparation of these consolidated financial statements are described below. These policies have been applied consistently to all the years presented, unless otherwise stated. Some policies will be revised in the coming year to adopt new accounting standards as outlined below in "Accounting standards effective for future periods", for which the impact has been noted.

Revenue

Revenue is recognised when control is passed to the customer, either over time or at a point in time, the amount of revenue can be reliably measured, it is probable that the economic benefits associated with the sale will flow to the Group and the costs incurred or to be incurred in respect of the sale can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Bullion sales

Revenue from sales of gold and silver is recognised when control is transferred to the customer, which means the following:

- The product is in a form suitable for delivery and no further processing is required by, or on behalf of the Group;
- The quantity and quality (grade) of the product can be determined with reasonable accuracy;
- The product has been received by the customer and is no longer under the physical control of the Group;
- The selling price is determinable;
- It is probable that the economic benefits associated with the transaction will flow to the Group; and
- The costs incurred or to be incurred in respect of the transaction are determinable.

Concentrate sales

The Group recognises the sale of gold, copper and silver concentrate when control is transferred to the buyer. Revenue is recorded under these contracts using forward market gold, copper and silver prices on the expected date that the final sales prices will be fixed based on an agreed quotational period. Variations between the price recorded and the actual final price set are caused by changes in market prices and result in an embedded derivative in accounts receivable. The embedded derivative is recorded at fair value each period until final settlement occurs. The changes in fair value of this embedded derivative are classified as provisional price adjustments. The provisional price adjustments are presented separately in revenue in the statement of comprehensive income. Changes in the fair value over the quotational period and up until final settlement are calculated by reference to forward market prices.

Pre commercial production sales

Revenue from the sales of bullion or concentrate during the commissioning phase of a new mine (before commencement of commercial production) are treated as pre-production income and are recognised as revenue.

Interest income

Interest income is recognised on a time proportional basis using the effective interest rate method.

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2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment

Non current assets are reviewed for impairment if there is an indication that the carrying amount may not be recoverable. Impairment is assessed at the level of cash-generating units ("CGU") which, in accordance with IAS 36 'Impairment of Assets', are identified as the smallest identifiable group of assets that generates cash inflows, which are largely independent of the cash inflows from other assets.

When an impairment review is required, the recoverable amount is assessed by reference to the higher of value in use (being the net present value of expected future cash flows of the relevant CGU in its current condition) and fair value less costs of disposal ("FVLCD"). The best evidence of FVLCD is the value obtained from an active market or binding sale agreement. Where neither exists, FVLCD is based on the best information available to reflect the amount the Group could receive for the CGU in an arm's length transaction. This is often estimated using discounted cash flow techniques.

Where recoverable amount is assessed using FVLCD based on discounted cash flow techniques, the resulting estimates are based on detailed "life of mine" and/or production plans of the CGU. For value in use, recent cost levels are considered, together with expected changes in costs that are compatible with the current condition of the business and which meet the requirements of IAS 36.

The cash flow forecasts for FVLCD purposes are based on management's best estimates of expected future revenues and costs, including the future cash costs of production, capital expenditure, closure, restoration and environmental clean-up. For the purposes of determining FVLCD from a market participant's perspective, the cash flows incorporate management's price and cost assumptions in the short and long term. In the longer term, operating margins are assumed to remain constant where appropriate, as it is considered unlikely that a market participant would prepare detailed forecasts over a longer term period. The cash flow forecasts may include net cash flows expected to be realised from extraction, processing and sale of mineral resources that do not currently qualify for inclusion in proven or probable ore reserves. Such non-reserve material is only included where there is a reasonable degree of confidence in its economic extraction. This expectation is usually based on preliminary drilling and sampling of areas of mineralisation that are contiguous with existing reserves. Typically, the additional evaluation to achieve reserve status for such material has not yet been done because this would involve incurring costs earlier than is required for the efficient planning and operation of the mine.

As noted above, cost levels incorporated in the cash flow forecasts for fair value purposes are based on the current life-of-mine plan or long term production plan for the CGU. Because future cash flows are estimates for the asset in its current condition, value in use does not reflect future cash flows associated with improving or enhancing an asset's performance. Anticipated enhancements to assets may be included in FVLCD calculations.

Where the recoverable amount of a CGU is dependent on the life of its associated orebody, expected future cash flows reflect long term mine plans, which are based on detailed research, analysis and iterative modelling to optimise the level of return from investment, output and sequence of extraction. The mine plan takes account of all relevant characteristics of the orebody, including waste to ore ratios, ore grades, haul distances, chemical and metallurgical properties of the ore impacting on process recoveries and capacities of processing equipment that can be used. The life-of-mine plan is therefore the basis for forecasting production output and production costs in each future year.

The discount rates applied to the future cash flow forecasts represent an estimate of the rate the market would apply having regard to the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted. The Group's weighted average cost of capital is used as a starting point for determining the discount rates, with appropriate adjustments for the risk profile of the countries in which the individual CGUs operate as well as the stage of development of the CGU.

For operations with a functional currency other than the US dollar, the impairment review is undertaken in the relevant functional currency. The great majority of the Group's sales are based on prices denominated in US dollars. To the extent that the currencies of countries in which the Group produces commodities strengthen against the US dollar without commodity price offset, cash flows and, therefore, net present values are reduced.

IAS 36 requires that value in use be based on exchange rates current at the time of the assessment.

Non-current assets other than goodwill that have suffered an impairment are tested for possible reversal of the impairment whenever events or changes in circumstances indicate that the impairment may have reversed.

Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any asset or liability resulting from a contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition-related costs are expensed as incurred.

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2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Business combinations (continued)

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of any consideration transferred and the amount of any non-controlling interest in the acquiree over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as gain on bargain purchase.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

When control of a subsidiary is acquired in stages, its carrying value prior to the acquisition of control is compared with the fair value of the identifiable net assets at that date. If fair value is greater than/less than carrying value, the gain/loss is recorded in the consolidated statement of income.

Consolidation

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Joint arrangements

Under IFRS 11 Joint Arrangement investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor has, rather than the legal structure of the joint arrangement. For joint operation, the Group recognises its direct right to, and its share of, jointly held assets, liabilities, revenues and expenses of joint operations. For joint ventures, the Group accounted for its interests using the equity method, after initially being recognised at cost in the consolidated balance sheet.

Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits and losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees are changed where necessary to ensure consistency with the policies adopted by the Group.

Other financial assets

The Group classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through other comprehensive income (OCI) or through profit or loss), and
- Those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investment in equity instruments that are not held for trading, the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

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2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Other financial assets (continued)

Financial assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortised costs: Assets that are held for collection of contractual cash flows where those cash flows represent solely payment of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit and loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.
- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amounts are taken through OCI, except for interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is not reclassified from equity to profit or loss. Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of profit or loss.
- Fair value through Profit and loss (FVPL): Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

The Group subsequently measures all equity investments at fair value. The Group's management has elected to present the fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Foreign currency translation

These consolidated financial statements are expressed in United States dollars ("US$") which is the reporting currency for OceanaGold Corporation. The functional currency is Australian dollars ("AUD"). The major controlled entities of OceanaGold have either United States dollars, Australian dollars, New Zealand dollars ("NZD"), Philippines pesos ("PHP"), Canadian dollars ("CAD"), or Euros ("EUR") as their functional currency.

(i) Functional and presentation currency

The financial statements of entities that have a functional currency different from the reporting currency are translated into US$ as follows: assets and liabilities - at the closing rate at the date of the statement of financial position, and income and expenses - at the average rate of the reporting period (as this is considered a reasonable approximation to actual rates). All resulting changes are recognised in other comprehensive income as cumulative translation adjustments.

When an entity disposes of its entire interest in a foreign operation, or loses control, joint control, or significant influence over a foreign operation, the foreign currency gains or losses accumulated in other comprehensive income related to the foreign operation are recognised in profit or loss. If an entity disposes of part of an interest in a foreign operation which remains a subsidiary, a proportionate amount of foreign currency gains or losses accumulated in other comprehensive income related to the subsidiary are re-allocated between controlling and non-controlling interests.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in currencies other than an operation's functional currency are recognised in the statement of income.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and on hand and short-term deposits that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

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2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Trade and other receivables

Trade and other receivables are initially recorded at the amount of contracted sales proceeds, and then subsequently carried at amortised cost using the effective interest method, less provision for impairment.

Trade receivables related to the concentrate sales are initially recorded at the amount of the provisional sales prices, and then subsequently recorded at fair value each period until final settlement occurs.

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Loans and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. If collection of the amount is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Due to the short term nature of the current receivables, their carrying amount is assumed to be the same as their fair value.

Inventories

Ore, concentrate and bullion
Inventories are valued at the lower of weighted average cost and net realisable value. Costs include mining and production costs as well as attributable commercial, environmental and health and safety expenses. Ore inventory that is not expected to be processed within one year is classified as non-current.

Gold in circuit
Gold in circuit is valued at the lower of weighted average cost and net realisable value. The average cost of production for the month is used and allocated to gold that is in the circuit at period end. These include mining and production costs as well as attributable commercial, environmental and health and safety expenses.

Stores
Inventories of consumable supplies and spare parts are valued at cost less a provision for obsolescence. Cost includes all expenses directly related to the purchase of the stores inventory. Cost is assigned on a weighted average basis.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item. In the event that all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

Subsequent costs are included in the asset's carrying amount, or recognised as a separate asset as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance costs are charged to the profit or loss during the reporting period in which they are incurred.

Property, plant and equipment, except freehold land, are depreciated over their estimated useful lives on a straight line, reducing balance or units of production basis, as considered appropriate, commencing from the time the asset is held ready for use.

Depreciation rates used are as follows:

Buildings	2% - 10% per annum
Mining equipment (operating sites)	unit of production based on reserves
Property, plant and equipment (non-operating sites)	10% - 33% per annum
Other plant and equipment	7% - 48% per annum

The asset's residual values, useful lives and amortisation methods are reviewed and adjusted if appropriate, at each financial year end.

An item of property, plant and equipment is derecognised upon disposal or when no further economic benefits are expected from its use.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

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2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Mining assets

Exploration and evaluation expenditure
Exploration and evaluation expenditure is stated at cost and is accumulated in respect of each identifiable area of interest. Such costs are only carried forward to the extent that they are expected to be recovered through the successful development of the area of interest (or alternatively by its sale), or where activities in the area have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable resources, and where active work is continuing. Accumulated costs in relation to an abandoned area are expensed in profit or loss in the period in which the decision to abandon the area is made. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Mining properties under development
Mining properties under development are accounted for at cost and are not amortised until production has commenced and include major expansion projects at operating mines. Cost includes expenditure that is directly attributable to the development of mining properties and preparing them for production. Mining properties under development also include some tangible assets which will be reclassified to property, plant and equipment upon completion of the construction project.

Mining properties in production
Mining properties in production (including exploration, evaluation and development expenditure) are accumulated and brought to account at cost less accumulated amortisation in respect of each identifiable area of interest. Amortisation of capitalised costs, including the estimated future capital costs over the life of the area of interest, is provided on the units of production basis, proportional to the depletion of the mineral resource of each area of interest expected to be ultimately economically recoverable.

Provisions

Provisions are recognised when the Group has a present obligation, it is probable that there will be a future sacrifice of economic benefits and a reliable estimate can be made of the amount of the obligation.

When the Group expects some or all of a provision to be recovered from a third party, the receivable is recognised as a separate asset but only when the reimbursement is virtually certain and it can be measured reliably. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre tax rate that reflects current market assessments of the time value of money and the risks specific to the liability (if not built into the estimated cash flows). The increase in the provision due to the passage of time is recognised as an interest expense.

Asset retirement and environmental rehabilitation
Asset retirement and environmental rehabilitation provisions include the dismantling and demolition of infrastructure and the removal of residual materials and remediation of disturbed areas. The provision is recognised in the accounting period when the obligation arising from the related disturbance occurs, whether this occurs during the mine development or during the production phase, based on the net present value of estimated future costs. The costs are estimated on the basis of a closure plan. The cost estimates are calculated annually during the life of the operation to reflect known developments and are subject to formal review at regular intervals.

The amortisation or 'unwinding' of the discount applied in establishing the net present value of provisions is accounted for in the statement of income in each accounting period. The amortisation of the discount is shown as an interest expense.

Other movements in the provisions for closure and restoration costs, including those resulting from new disturbance, updated cost estimates, changes to the lives of operations and revisions to discount rates are capitalised within property, plant and equipment or mining properties and development, to the extent that any such amount does not exceed the recoverable amount of the asset. Any amount in excess of the recoverable amount is recognised as a loss immediately and any remaining balance that relates to sites that are closed are expensed to profit and loss.

If an adjustment results in an addition to the costs of the related asset, consideration will be given to whether an indication of impairment exists and the impairment policy will apply. These costs are then depreciated over the life of the area of interest to which they relate.

Trade and other payables

Trade and other payables are liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

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2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Interest bearing loans and liabilities

All loans and borrowings are initially recognised at the fair value of the consideration received, net of issue costs associated with the borrowing. After initial recognition, interest bearing loans and liabilities are subsequently carried at amortised cost using the effective interest method by taking into account any issue costs and any discount or premium on settlement.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non cash assets transferred or liabilities assumed, is recognised in the statement of income as other income or finance costs. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Employee benefits

Wages, salaries and annual leave
Liabilities for wages and salaries, including non-monetary benefits, and annual leave expected to be settled within 12 months of the reporting date are recognised in Other Payables and Employee Benefits in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Defined contribution pension funds
Contributions to defined contribution funds are recognised as an expense in the statement of income as they become payable.

Share based compensation

The Group provides equity-settled and cash-settled awards to certain employees, directors and other designated persons of the Company.

Equity-settled awards are measured by reference to the fair value of the compensation at the date at which they are granted. The fair value of options or rights over shares issued is determined by using appropriate pricing model as per Note 20. In valuing equity-settled awards, no account is taken of any performance conditions, other than conditions linked to the price of the shares of OceanaGold Corporation ('market conditions').

The cost of equity-settled award is recognised, together with a corresponding increase in equity, over the period between the grant date and the date on which the relevant employees become fully entitled to the award ('vesting date').

The cumulative expense recognised for equity-settled awards at each reporting date until vesting date reflects:

(a) The extent to which the vesting period has expired, and
(b) The number of awards that, in the opinion of the directors of the Group, will ultimately vest.

No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

Cash-settled awards are measured at fair value initially using the market value of the underlying shares on the first trading day on the TSX of each calendar year and the awards are required to be remeasured to fair value at each reporting date until settlement.

The cost is then recorded over the vesting period of the award. This expense, and any changes in the fair value of the award are recognised in the Statement of Comprehensive Income with a corresponding increase or decrease in liability recorded until settlement.

Leases

A lease is an agreement between two or more parties that creates enforceable rights and obligations, or part of a contract that conveys the right to control the use of an identified asset for a period of time in exchange for consideration. An arrangement will contain a lease if the arrangement includes an identified asset, those assets cannot be substituted by the supplier, the Group receives substantially all of the economic benefits from the use of the assets during the term of the arrangement and the Group has the right to direct the use of the asset. A lease is effectively an obligation to pay future rentals (a liability) and a right to use a leased asset for a period of time (a right of use ("ROU") asset).

For lessee accounting, leases are recognised on Balance Sheet as a ROU asset with a corresponding lease liability representing all the future payments of the leases at the commencement date of the contract. The commencement date is the date on which a lessor makes an underlying asset available for use by a lessee. For leases with a lease term of 12 months or less and does not include an option to purchase the underlying asset or items of low value, of US$5,000 or less when new, are recognised as an expense in the Statement of Comprehensive Income on either a straight-line basis over the lease term or another systematic basis.

The ROU asset is initially measured at cost, which comprises:

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2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (continued)

- the amount of the initial measurement of the lease liability,
- any lease payments made at or before the commencement date, less any lease incentives,
- any initial direct costs incurred by the lessee,
- an estimate of costs to be incurred by the lessee in dismantling and removing the underlying assets or restoring the site on which the assets are located.

After the commencement date the ROU asset is measured at cost less any accumulated depreciation and any accumulated impairment losses and adjusted for any re-measurement of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at that date, which include:

- fixed payments, less any lease incentives receivables;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date,
- amounts expected to be payable by the lessee under the residual value guarantees,
- the exercise price of a purchase option of the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease payments exclude variable elements which are dependent on external factors. Variable lease payments not included in the initial measurement of the lease liability are recognised directly in the Statement of Comprehensive Income.

The lease payments are discounted using the Group's incremental borrowing rate or the rate implicit in the lease contract. The lease term determined by the Group comprises non-cancellable period of lease contracts, periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option, and periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option.

After the commencement date the Group measures the lease liability by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect lease payments made, and re-measuring the carrying amount to reflect any reassessment or lease modifications.

The ROU asset is depreciated over the life of the lease term (or the useful life of the underlying asset if ownership of the underlying asset transfers to the lessee by the end of the lease term, or if the cost of the ROU asset reflects that the lessee will exercise a purchase option, or if the useful life of the underlying asset is shorter than the lease term), while the interest expense relating to the lease liability is also recognised over the lease term.

The principal repayments of the lease liability is recognised as part of financing activities, while interest payments is deductions from operating activities in the Statement of Cash Flows.

Derivative financial instruments and hedge accounting

The Group, where deemed appropriate, uses derivative financial instruments to manage commodity price and foreign currency exposures.

Derivative financial instruments are initially recognised in the Statement of Financial Position at fair value and subsequently re-measured at their fair values at each reporting date.

The fair value of gold hedging instruments including forwards, put and call options is calculated by discounting the future value of the hedge contract at the appropriate prevailing quoted market rates at reporting date.

For the purposes of hedge accounting, where applicable, hedges are classified as either fair value hedges when they hedge the exposure to changes in the fair value of a recognised asset or liability; or cash flow hedges where they hedge exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a forecasted transaction.

The method of recognising the resulting gain or loss is dependent on the nature of the item being hedged.

At the inception of the transaction where hedge accounting applies, the Group documents the relationship between the hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. This process includes linking all derivatives designated as hedges to specific forecast gold sales.

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2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Derivative financial instruments and hedge accounting (continued)

Changes in the fair value of derivatives that are designated against future production qualify as cash flow hedges and, if highly effective, the gain or loss on the effective portion is recognised in accumulated other comprehensive income. The ineffective portion is recognised in the profit or loss within other income or other expenses. Amounts deferred in Accumulated Other Comprehensive Income are transferred to the income statement and classified as revenue in the same periods during which the hedged sales affect the profit or loss.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in Accumulated Other Comprehensive Income at that time would remain in Other Comprehensive Income and is recognised when the committed or forecast production is ultimately recognised in the income statement. However, if the committed or forecast production is no longer expected to occur, the cumulative gain or loss reported in Other Comprehensive Income is immediately transferred to the statement of income.

When the hedged commitment results in the recognition of an asset or a liability, the associated gains or losses, previously recognised in Accumulated Other Comprehensive Income, are included in the initial measurement of the acquisition cost or other carrying amount of the asset or liability. Cash received or paid on the settlement or maturity of gold derivatives are recorded as operating cash flows.

The net gains and losses that relate to contracts not designated for hedge accounting purposes are recognised in the income statement.

Borrowing costs

Borrowing costs are expensed as incurred with the exception of borrowing costs directly associated with the construction, purchase or acquisition of a qualifying asset, which are capitalised as part of the cost of the asset.

Earnings per share

Basic earnings/loss per share is calculated by dividing the profit/loss by the weighted average number of shares outstanding during the period. Diluted earnings/loss per share is calculated by dividing the earnings/loss by the weighted-average number of shares outstanding during the period, assuming that all potentially dilutive securities were exercised. The company's potentially dilutive securities comprise stock options granted to employees and directors.

Income tax

Income tax comprises current and deferred tax. Income tax is recognised in the Statement of Comprehensive Income except to the extent that it relates to items recognised directly in equity, in which case the income tax is also recognised directly in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted, or substantively enacted, at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

In general, deferred tax is recognised in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the balance sheet date and are expected to apply when the deferred tax asset or liability is settled. Deferred tax assets are recognised to the extent that it is probable that the assets can be recovered.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except, in the case of subsidiaries, where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are presented as non-current.

Tax on income in interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred stripping

In open pit mining operations, it is necessary to remove overburden and other waste materials to access ore from which minerals can be extracted economically. The process of removing overburden and waste materials is referred to as stripping. During the development of a mine (or pit), before production commences, stripping costs are capitalised as part of the investment in construction of the mine (or pit) and are subsequently amortised over the life of the mine (or pit) on a units of production basis.

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2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Stripping (continued)

Production stripping activity is disclosed within Mining Assets in production. In order for production phase stripping costs to qualify for capitalisation as a stripping activity asset, three criteria must be met:

- it must be probable that economic benefit will be realised in a future accounting period as a result of improved access to the ore body created by the stripping activity;
- it must be possible to identify the "component" of the ore body for which access has been improved; and
- it must be possible to reliably measure the costs that relate to the stripping activity.

A "component" is a specific volume of the ore body that is made more accessible by the stripping activity. It will typically be a subset of the larger orebody that is distinguished by a separate useful economic life.

Components of an ore body are determined with reference to life of mine plans and take account of factors such as the geographical separation of mining locations and/or the economic status of mine development decisions. Capitalised stripping costs are initially measured at cost and represent an accumulation of costs directly incurred in performing the stripping activity that improves access to the identified component of the ore body, plus an allocation of directly attributable overhead costs.

Such deferred costs are then charged against the income statement on a systematic units of production basis over the expected useful life of an identified component of the ore body.

Changes to the life of mine plan, identified components of an ore body, stripping ratios, units of production and expected useful life are accounted for prospectively.

Sales taxes

Revenues, expenses and assets are recognised net of the amount of sales tax, unless the sales tax incurred is not recoverable from the relevant taxation authority. In this case, it is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables are stated inclusive of the amount of sales tax receivable or payable. The net amount of sales tax recoverable from, or payable to, the relevant taxation authority is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The sales tax components of cash flows arising from investing and financing activities that are recoverable from, or payable to, the relevant taxation authority are classified as operating cash flows. Commitments and contingencies are disclosed net of the amount of sales tax recoverable from, or payable to, the relevant taxation authority. The net of sales tax payable and receivable is remitted to the appropriate tax body in accordance with legislative requirements.

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer who makes strategic decisions.

Contributed equity

Ordinary shares are classified as equity. Mandatorily redeemable preference shares are classified as liabilities.

Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the financial year but not distributed at balance date.

Accounting standards effective for future periods

The following accounting policies are effective for future periods.

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2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounting standards effective for future periods (continued)

Amendment to IAS 16 - Property, Plant and Equipment

This standard is amended to prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by Management (for example, pre commercial production sales). The proceeds from selling such items, together with the costs of producing those items, are now recognised in profit or loss.

The amendment also clarifies that an entity is 'testing whether the asset is functioning properly' when it assesses the technical and physical performance of the asset. The financial performance of the asset is not relevant to this assessment. An asset might therefore be capable of operating as intended by Management and subject to depreciation before it has achieved the level of operating performance expected by Management.

The amendment requires entities to separately disclose the amounts of proceeds and costs relating to items produced that are not an output of the entity's ordinary activities. An entity should also disclose the line item in the Statement of Comprehensive Income where the proceeds and costs are included.

The amendments are effective for annual periods beginning on or after January 1, 2022, and have been adopted early by the Group at December 31, 2021.

Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets-Onerous Contracts-Cost of Fulfilling a Contract

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts.

The amendments apply to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments. Comparatives are not restated. Instead, the entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.

The amendments are effective for annual periods beginning on or after January 1, 2022.

Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors-Definition of Accounting Estimates

The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty".

The definition of a change in accounting estimates was deleted. However, the Accounting Standards Board retained the concept of changes in accounting estimates in the Standard with the following clarifications:
• A change in accounting estimate that results from new information or new developments is not the correction of an error
• The effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors

The amendments are effective for annual periods beginning on or after January 1, 2023.

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2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounting standards effective for future periods (continued)

Amendments to IAS 12 Income Taxes-Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences. Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting nor taxable profit. For example, this may arise upon recognition of a lease liability and the corresponding right-of-use asset applying IFRS 16 at the commencement date of a lease.

Following the amendments to IAS 12, an entity is required to recognise the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in IAS 12.

The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period an entity recognises:
• A deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised) and a deferred tax liability for all deductible and taxable temporary differences associated with:
- Right-of-use assets and lease liabilities
- Decommissioning, restoration and similar liabilities and the corresponding amounts recognised as part of the cost of the related asset
• The cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings at that date

The amendments are effective for annual reporting periods beginning on or after January 1, 2023.

The Group will apply the amendments accordingly when effective and does not currently expect any material impact of these amendments.

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. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) *Mining assets*

The future recoverability of mining assets (Note 4) including capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Group decides and is permitted to exploit the related tenements itself or, if not, whether it successfully recovers the related mining assets through sale.

Factors that could impact the future recoverability include the level of reserves and resources, future technological changes, which could impact the cost of mining, future legal changes (including changes to environmental restoration obligations), changes to commodity prices and foreign exchange rates, and renewal of contracts, licences and permits.

Exploration and evaluation expenditure (Note 13) is capitalised if activities in the area of interest have not yet reached a stage that permits a reasonable assessment of the existence or otherwise of economically recoverable reserves. To the extent that capitalised exploration and evaluation expenditure is determined not to be recoverable in the future, profits and net assets will be reduced in the period in which this determination is made.

The Group defers mining costs incurred during the production stage of its operations, which are calculated in accordance with accounting policy Note 2 - Deferred stripping. Changes in an individual mine's design will result in changes to the life of component ratios of production. Changes in other technical or economic parameters that impact reserves will also have an impact on the life of component production and cost profile even if they do not affect the mine design. Changes to deferred mining resulting from change in life of component ratios are accounted for prospectively.

(ii) *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.

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3 CRITICAL ESTIMATES AND JUDGEMENTS (CONTINUED)

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.

Following an impairment assessment undertaken during the quarter ended December 31, 2021, a post-tax impairment expense of $180.9 million was recognised in relation to the Haile CGU while a post-tax impairment reversal of $78.8 million was recognised in relation to the Didipio CGU. Further details are per Note 4 below.

(iii) Net realisable value of inventories

The Group reviews the carrying value of its inventories (Note 11) at each reporting date to ensure that the cost does not exceed net realisable value. Estimates of net realisable value include a number of assumptions and estimates, including the grade and quantity of ore, commodity price forecasts, foreign exchange rates and costs to process inventories to a saleable product.

(iv) Asset retirement obligations

Decommissioning and restoration costs are a normal consequence of mining, and the majority of this expenditure is incurred at the end of a mine's life. In determining an appropriate level of provision, consideration is given to the expected future costs to be incurred in respect of nature of planned rehabilitation work and the timing of these expected future costs (largely dependent on the life of the mine).

The ultimate cost of decommissioning and restoration is uncertain and costs can vary in response to many factors including changes to the relevant legal requirements, the emergence of new restoration techniques, experience at other mine sites, changes in the timing of cash flows which are based on life of mine plans and changes in discount rates. The expected timing of expenditure can also change, for example in response to changes in reserves or to production rates.

The Group considers the impact of climate change on environmental restoration and decommissioning provisions, specifically the timing of future cash flows, and has concluded that it does not currently represent a key source of estimation uncertainty. Changes to legislation, including in relation to climate change, are factored into the provisions when the legislation becomes enacted.

Changes to any of the estimates could result in significant changes to the level of provisioning required, which would in turn impact future financial results. These estimates are reviewed annually and adjusted where necessary to ensure that the most up to date data is used. The carrying value of the asset retirement obligation liability has been disclosed in Note 15 to the financial statements.

(v) Determination of ore reserves and resources

Ore reserves and resources are based on information compiled by a Competent Person as defined in accordance with the Australasian Code of Mineral Resources and Ore Reserves (the JORC code) and in accordance with National Instrument 43-101-Standards of Disclosure for Mineral Projects ("NI-43-101") under the guidelines set out by the Canadian Institute of Mining, Metallurgy and Petroleum. There are numerous uncertainties inherent in estimating ore reserves and assumptions that are valid at the time of estimation may change significantly when new information becomes available. Changes in forecast prices of commodities, exchange rates, production costs or recovery rates may change the economic status of reserves and may, ultimately, result in the reserves being restated. Such changes in reserves could impact on depreciation and amortisation rates, asset carrying values and provisions for rehabilitation.

(vi) Taxation

The Group's accounting policy for taxation requires management's judgement in relation to the application of income tax legislation. There may be some transactions and calculations undertaken during the ordinary course of business where the ultimate tax determination is uncertain. The Group recognises liabilities for tax, and if appropriate, taxation investigation or audit issues, based on whether tax will be due and payable, and if there is no more recourse to an appeal process. Liabilities are not recognised until they are determined with reasonable certainty. Where the taxation outcome of such matters is different from the amount initially recorded, such difference will impact the current and deferred tax positions in the period in which the assessment is made.

In addition, certain deferred tax assets for deductible temporary differences and carried forward taxation losses have been recognised. In recognising these deferred tax assets, assumptions have been made regarding the Group's ability to generate future taxable profits from current operations after reaching commercial production and successful development of certain identified exploration targets where there are higher degrees of confidence in the economic extraction of minerals.

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3 CRITICAL ESTIMATES AND JUDGEMENTS (CONTINUED)

Utilisation of the tax losses also depends on the ability of the entity to satisfy certain tests such as substantial change of control tests at the time the losses are recouped. If the entities fail to satisfy the tests, the carried forward losses that are currently recognised as deferred tax assets would have to be written off to income tax expense. There is an inherent risk and uncertainty in applying this judgement and a possibility that changes in legislation or corporate merger and acquisition activity will impact upon the carrying amount of deferred tax assets and deferred tax liabilities recognised on the statement of financial position. Deferred taxes are disclosed within Note 7 to the financial statements.

Moreover, in certain jurisdictions, tax losses may be restricted and only available to offset future profits generated from the same mining permit area. In this case, the recovery of the losses depends on the successful exploitation of the relevant project. Restricted losses could be forfeited if the project did not proceed. Disclosure of taxation is included in Note 7.

Certain input tax credits in overseas subsidiaries have been recognised as a non-current receivable (Note 9). The input tax credits are initially measured at cost, based on the interpretation of the terms and conditions of the relevant tax and investment law which allow for the recoverability of input taxes paid.

In assessing the classification and recoverability of these input tax credits, the Group makes a number of assumptions which are subject to risk and uncertainty including the timing and likelihood of success in working through the required legal process in the relevant jurisdiction. The Group views these input tax credits as recoverable via a tax refund or an income tax credit. Should management determine that, all or some of the input tax will not be recoverable via tax refund or credit in the future, the Group would reclassify eligible amounts to other components of non-current assets as allowable under the relevant accounting standard. Non-eligible amounts, where so determined, may have to be expensed.

Excise tax payments have been made in certain overseas tax jurisdictions despite the Company's view that up to March 31, 2018 it should be exempt. These amounts are expected to be recovered in due course, and have therefore been recorded as a non-current receivable (Note 9). Should the amounts ultimately not be recovered, they would be expensed.

(vii) Non-Controlling Interest

A third party has a contractual right to an 8% interest in the operating vehicle that is formed to undertake the management, development, mining and processing of ore, and marketing of products as part of the Didipio mine in the Philippines. This 8% interest in the common share capital of the operating vehicle has similar voting and dividend rights to the remaining majority, subject to the operating vehicle having fully recovered its pre-operating costs. A subsidiary of the Company is currently involved in arbitration proceedings with the third party over certain payment claims.

At the same time, the third party is also involved in a legal dispute with another party over the ownership of the 8% interest. At December 31, 2021 no equity has been issued to any third party due to the various uncertainties. Consequently, no non-controlling interest has been recognised. A non-controlling interest is intended to be recognised after the issue of shares. This requirement has not yet been satisfied due to, amongst other matters, a court restriction resulting from the litigation challenging the claim of this third party from a party not related to the Group.

(viii) COVID-19

In view of the ongoing COVID-19 global pandemic, Management had considered the impact of the COVID-19 pandemic on its operations in the various jurisdictions and concluded that it had not had a material impact and was hence not an indicator of impairment for any of the Group's CGUs. The activities at the New Zealand operations were paused twice during a nationwide five-week lockdown on March 25, 2020 and a two-week lockdown on August 17, 2021. The activities were fully resumed following the easing of COVID-19 restrictions. At December 31, 2021, the mines in New Zealand, Philippines and the United States were operating.

(ix) Climate change

The Group continues to develop its assessment of the potential impacts of climate change, the transition to a low-carbon future and its ambition to achieve net zero greenhouse emissions across its operations by 2050. No material impacts identified to date.

4 IMPAIRMENT AND REVERSAL OF IMPAIRMENT OF NON-CURRENT ASSETS

Summary of impairment/(reversal of impairment)

For the year ended December 31, 2021, the Group recorded a post-tax net impairment expense of $102.1 million (2020: net impairment expense of $80.0 million) for non-current assets, as summarised in the following table:

Impairment (expense)/reversal:	*December 31 2021 $m*	*December 31 2020 $m*
Pre-Tax:		
Haile CGU	(241.0)	-
Didipio CGU	78.8	(80.0)
	(162.2)	(80.0)
Tax Credit:		
Haile CGU	60.1	-
Didipio CGU	-	-
	60.1	-
Post-Tax:		
Haile CGU	(180.9)	-
Didipio CGU	78.8	(80.0)
	(102.1)	(80.0)

Impairment indicators and testing

The Group assesses each Cash-Generating Unit (CGU) at period end, to determine whether there are any indicators 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 the accounting policy in Note 2.

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

As at December 31, 2021, the market capitalisation of the Company was below the net book value of net assets which is considered an indicator of impairment. The Company has undertaken impairment testing for all CGUs and considered other factors in respect of Haile and Didipio.

(a) Haile mine

On February 9, 2022, the Company announced that it had completed a comprehensive technical review of its Haile operation which was aimed at optimising the long-term value of the CGU. The results of the Technical Review showed higher mining and processing costs as well as increased capital costs for pre-stripping and Potential Acid Generating storage facilities over the life of mine which resulted in a revised mine plan with decreased expected future cash flows.

These higher operating and capital costs in the revised mine plan were considered a trigger for impairment testing. The testing for the Haile CGU resulted in a recoverable amount being calculated below the carrying value and a total impairment expense of $241.0 million being recognised against Property, plant and equipment (note 12) and Mining Assets (note 13) during the quarter and year ended December 31, 2021.

(b) Didipio mine

In the prior year, at September 30, 2020, Management had identified that there was an indicator of impairment for the Didipio CGU resulting from the permanent layoffs of employees at Didipio during the fourth quarter in 2020 which impacted the expected timeline to resume full operations. Following an impairment assessment that was then performed on the Didipio CGU, an impairment expense of $80.0 million was recognised against Mining Assets (note 13) during the quarter ended September 30, 2020.

On July 14, 2021, the Company received confirmation that the FTAA renewal has been approved for 25 years. Following the FTAA renewal, ramp up activities at the Didipio mine continue to progress ahead of schedule with mining activities resumed in September whilst processing activities resumed in November. The mine now expects to reach full underground production rates early in the second quarter of 2022.

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4 IMPAIRMENT AND REVERSAL OF IMPAIRMENT OF NON-CURRENT ASSETS (CONTINUED)

The resumption of mining and processing activities and positive progress made to date ahead of schedule were considered to be potential indicators for an impairment reversal. An assessment was hence undertaken which showed the recoverable amount being higher than both the carrying value and historical cost and hence a non-current asset impairment reversal of $78.8 million was recognised in the quarter and year ended December 31, 2021. This represents the full reversal of the non-current asset impairment recorded in 2020, as adjusted for amortisation recorded to date.

The Company did not identify any impairment to the carrying values of the New Zealand CGUs.

Key assumptions and sensitivities used for impairment assessment performed during the quarter ended December 31, 2021

The recoverable amount of the Haile and Didipio CGUs have been assessed by reference to the higher of value in use and fair value less cost of disposal ("FVLCD"). Impairment testing had been performed on a FVLCD basis as this best reflects the highest amount the Group could receive for the CGUs in an arm's length transaction.

The Group used discounted cash flow techniques based on the detailed "life of mine" production plan which reflects the net cash flows expected to be realised from extraction, processing and sale of mineral reserves based on the Group's most recently published Resource and Reserve Statement. The fair value associated with measured and indicated resources not currently included in the life of mine plan was included based on the estimated conversion rate.

The table below summarised the key assumptions used in the assessments of the carrying value.

Assumptions	2022-2026	Long term (2027+)
Gold (US$ per ounce)	From $1,800 to $1,550	$1,550
Copper (US$ per pound)	From $4.20 to $3.50	$3.50
Discount rate (%)	Haile CGU : 5.0% Didipio CGU : 8.0%	

Commodity prices and exchange rates

Commodity price and foreign exchange rates were estimated with reference to external market forecasts including brokers' average for the short term and medium term, and views of management for the long term.

Discount rate

In determining the Fair Value of CGUs, the future cash flows were discounted using rates based on the Group's estimated real after tax weighted average cost of capital ('WACC'), pursuant to the Capital Asset Pricing Model, for each functional currency applicable to the CGU, having regard to the geographic location of, and specific risks associated with the CGU.

Production activity, operating costs and capital requirements

Life-of-mine operating and capital cost assumptions were based on the Group's latest budget and life of mine plans for operating mines. For non-operating pits, those assumptions were management's best estimates based on experience and cost structures of similar mines.

Sensitivities

Changes in key assumptions would impact the fair value and recoverable amount of the Haile and Didipio CGUs. The sensitivities were estimated below and represented the theoretical impacts on the fair value of the changes assessed on an individual basis:

	Haile ($million)	Didipio ($million)
US$50 per ounce change in long term gold price	+/- 35	+/- 11
US$0.20 per pound change in long term copper price	-	+/- 12
0.5% change in discount rate	+/- 20	+/- 16

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4 IMPAIRMENT AND REVERSAL OF IMPAIRMENT OF NON-CURRENT ASSETS (CONTINUED)

Key assumptions and sensitivities used for the impairment assessment performed during the quarter ended September 30, 2020 with regards to the Didipio mine

(1) The table below summarised the key assumptions used in the assessments of the carrying value.

Assumptions	2021-2025	Long term (2026+)
Gold (US$ per ounce)	From $1,850 to $1,550	$1,550
Copper (US$ per pound)	From $2.80 to $3.00	$3.00
Discount rate (%)	Didipio CGU : 8.0%	

(2) Sensitivities

Changes in key assumptions would impact the fair value and recoverable value of the Didipio CGU. The sensitivities were estimated below and represented the theoretical impacts on the fair value of the changes assessed on an individual basis:

	Didipio ($million)
US$100 per ounce change in long term gold price	+/- 31
US$0.10 per pound change in long term copper price	+/- 8
0.5% change in discount rate	+/- 14

Should there be a significant increase or decline in commodity prices, the Company would take actions to assess the implications on the life of mine plans, including the determination of reserves and resources, and the appropriate cost structure for the CGUs. The recoverable amount of the CGUs could be affected by these changes and also be impacted by other market factors such as changes in net asset value multiples.

It must be noted that each of the sensitivities above assumes that the specific assumption moves in isolation, whilst all other assumptions are held constant. In reality, a change in one of the aforementioned assumptions may accompany a change in another assumption which may have an offsetting impact. Action is also usually taken by Management to respond to adverse changes in economic assumptions that may mitigate the impact of any such change.

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5 REVENUE

	December 31 2021 $m	*December 31 2020 $m*
Gold sales		
Bullion	647.4	496.1
Concentrate sales	46.4	-
Provisional price adjustment	1.1	0.2
	694.9	496.3
Copper sales		
Concentrate sales	47.9	-
Provisional price adjustment	1.5	0.1
	49.4	0.1
Silver sales		
Concentrate sales	5.7	3.7
Provisional price adjustment	-	-
	5.7	3.7
Less concentrate treatment, refining and selling costs	(5.3)	-
Total Revenue	744.7	500.1

All gold options were either exercised or expired by December 31, 2020, and no gold options were exercised during the year ended December 31, 2021 (2020: realised loss on gold options hedges of $48.1 million). Realised gain or loss on gold options is included within Revenue - Gold sales.

Provisionally Priced Sales

At December 31, 2021, the provisionally priced gold and copper sales for 12,291 dry metric tonnes of concentrate containing provisional estimates of 14,222 ounces of gold and 2,793 tonnes of copper, subject to final settlement, were recorded at average prices of $1,802/oz and $9,650/t, respectively.

6 COST OF SALES BY NATURE OF EXPENSES

	December 31 2021 $m	*December 31 2020 $m*
Materials and consumables costs	151.2	129.3
Employee benefits expenses	125.8	97.5
Other costs	47.2	46.8
	324.2	273.6

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7 INCOME TAX

Major components of income tax expense/(benefit):	*December 31 2021 $m*	*December 31 2020 $m*
Statement of operations		
Current income tax		
Income tax expense relating to tax losses utilised	3.5	1.4
Income tax expense/(benefit) relating to profit from continuing operations	(11.8)	6.2
Deferred income tax		
Origination and reversal of temporary differences	(24.1)	7.3
Adjustments in respect of deferred income tax of previous years	3.0	0.7
Income tax expense/(benefit) reported in the statement of the comprehensive income	(29.4)	15.6

Numerical reconciliation between aggregate tax expense recognised in the statement of operations and the tax expense calculated per the statutory income tax rate

A reconciliation of income tax expense applicable to accounting profit before income tax at the statutory income tax rate to income tax expense at the Group's effective income tax rate for the years ended December 31 is as follows:

Accounting earnings/(losses) before tax from continuing operations	(33.1)	(134.8)
At the statutory income tax rate of 25% (2020: 25%)	(8.3)	(33.7)
Adjustments in respect of income tax of previous years	3.0	0.7
Expenditure/income not allowable/(assessable) for income tax purposes	(16.9)	26.0
Build in/(utilisation of) tax losses/temporary differences not recognised	16.5	15.0
Other (deductible)/assessable for income tax purposes	(9.3)	-
Net deferred tax assets - initial recognition	(14.1)	-
Effect of differing tax rates between Canada, United States, Australia, New Zealand and Philippines	(0.3)	7.6
Income tax expense/(benefit) reported in the statement of the comprehensive income	(29.4)	15.6

The statutory income tax rates in Australia, New Zealand and United States are between 24.95% and 30% (2020: 24.95% and 30%).

	December 31 2021 $m	*December 31 2020 $m*
Deferred income tax		
Deferred income tax at December 31 relates to the following:		
Deferred tax assets		
Losses available for offset against future taxable income	86.3	90.9
Provisions	30.7	27.6
Accrued expenses	0.5	5.0
Share issue costs	0.9	-
Mineral property and property, plant and equipment	12.2	12.8
Gross deferred tax assets	130.6	136.3
Set-off of deferred tax liabilities	(71.7)	(117.2)
Net non-current deferred tax assets	58.9	19.1
Deferred tax liabilities		
Property, plant and equipment	(40.2)	(86.0)
Mining assets	(50.3)	(34.2)
Inventories	(1.1)	(1.2)
Gross deferred tax liabilities	(91.6)	(121.4)
Set-off of deferred tax assets	71.7	117.2
Net non-current deferred tax liabilities	(19.9)	(4.2)

The income tax paid for the year ended December 31, 2021 is $0.2 million (for the year ended December 31, 2020: $22.0 million).

Due to uncertainty in utilisation of tax losses in the foreseeable future, a deferred tax asset has not been recognised in respect of tax losses in the Group amounting to $42.9 million (2020: $100.1 million). The ability to use tax losses is subject to generating taxable income in future periods and complying with the tax legislation requirements prevailing at the time of utilisation.

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8 EARNINGS/(LOSS) PER SHARE

Basic earnings/(loss) per share amounts are calculated by dividing net income/(loss) for the year attributable to common equity holders of the parent by the weighted average number of common shares outstanding during the year.

Diluted earnings/(loss) per share amounts are calculated by dividing the net income/(loss) attributable to common shareholders by the weighted average number of common shares outstanding during the year (adjusted for the effects of dilutive options where the conversion of potential common shares would decrease earnings/(loss) per share).

The following reflects the income/(loss) and share data used in the basic and diluted earnings/(loss) per share computations:

	December 31 2021 $m	*December 31 2020 $m*
Numerator:		
Net income/(loss) attributable to equity holders from continuing operations (used in calculation of basic and diluted earnings per share)	(3.7)	(150.4)
	Thousands	*Thousands*
Denominator:		
Weighted average number of common shares (used in calculation of basic earnings per share)	704.0	638.6
Effect of dilution:		
Share options	13.5	13.9
Adjusted weighted average number of common shares (used in calculation of diluted earnings per share)	717.5	652.5
Net earnings/(loss) per share:		
- Basic	($0.01)	($0.24)
- Diluted	($0.01)	($0.24)

9 TRADE AND OTHER RECEIVABLES

	December 31 2021 $m	*December 31 2020 $m*
Current		
Trade receivables	18.4	2.2
Other receivables	5.7	5.3
	24.1	7.5
Non-Current		
Other receivables	88.5	87.4
	88.5	87.4

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

Other receivables mainly consist of $46.6 million (2020: $45.0 million) input tax credits and $28.7 million (2020: $29.1 million) excise tax recoverable (Refer to Note 3 (vi)), with the remainder related to deposits at bank in support of environmental bonds. VAT and excise duties are recoverable under the terms of the FTAA agreement with the Government of the Philippines.

The Group has a contingent liability under 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 $38.4 million (December 31, 2020: $40.4 million).

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10 FINANCIAL ASSETS

	December 31 2021 $m	*December 31 2020 $m*
Non-Current		
Financial assets at fair value through other comprehensive income	1.2	5.5
	1.2	5.5

Represents the fair value of investments in NuLegacy Gold Corporation which is listed on the Toronto Stock Exchange.

11 INVENTORIES

	December 31 2021 $m	*December 31 2020 $m*
Current		
Gold in circuit	14.7	13.3
Ore - at cost	32.4	14.7
Gold on hand	6.6	4.0
Gold and copper concentrate	7.4	33.1
Maintenance stores	66.0	43.1
	127.1	108.2
Non-Current		
Ore - at cost	189.5	207.5
Maintenance stores	0.7	12.3
	190.2	219.8
Total inventories	317.3	328.0

During the year, inventories were written down by $14.9 million (2020: $11.2 million).

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12 PROPERTY, PLANT AND EQUIPMENT

	Year ended December 31, 2021			
	Land *$m*	Buildings *$m*	Plant and equipment *$m*	Total *$m*
Net book value				
At January 1, 2021:				
Cost or fair value	59.1	105.1	1,576.7	1,740.9
Accumulated depreciation and impairment	-	(38.7)	(814.3)	(853.0)
January 1, 2021	59.1	66.4	762.4	887.9
Movement for the year:				
Additions	5.2	1.8	91.2	98.2
Movement in economic assumptions	-	-	(5.7)	(5.7)
Transfers	(1.8)	(0.2)	93.8	91.8
Disposals/write-off	(1.9)	(1.0)	(7.8)	(10.7)
Net impairment expense	-	-	(145.2)	(145.2)
Depreciation for the year	-	(4.9)	(82.3)	(87.2)
Exchange differences	(1.6)	(0.9)	(4.7)	(7.2)
At December 31, 2021	59.0	61.2	701.7	821.9
At December 31, 2021:				
Cost	59.0	103.2	1,697.5	1,859.7
Accumulated depreciation and impairment	-	(42.0)	(995.8)	(1,037.8)
	59.0	61.2	701.7	821.9

	Year ended December 31, 2020			
	Land *$m*	Buildings *$m*	Plant and equipment *$m*	Total *$m*
Net book value				
At January 1, 2020:				
Cost or fair value	61.6	102.6	1,395.5	1,559.7
Accumulated depreciation and impairment	-	(33.3)	(704.7)	(738.0)
January 1, 2020	61.6	69.3	690.8	821.7
Movement for the year:				
Additions	0.9	0.3	85.6	86.8
Movement in economic assumptions	-	-	27.0	27.0
Transfers	0.9	1.0	38.0	39.9
Disposals/write-off	(6.5)	(0.5)	(1.1)	(8.1)
Depreciation for the year	-	(4.9)	(83.2)	(88.1)
Exchange differences	2.2	1.2	5.3	8.7
At December 31, 2020	59.1	66.4	762.4	887.9
At December 31, 2020:				
Cost	59.1	105.1	1,576.7	1,740.9
Accumulated depreciation and impairment	-	(38.7)	(814.3)	(853.0)
	59.1	66.4	762.4	887.9

Plant and equipment includes right-of-use assets (leased assets) net of accumulated depreciation of $113.7 million (2020: $112.7 million). $96.5 million (2020: $98.1 million) of the right-of-use assets are pledged as security for lease liabilities (Note 16).

The following table shows the movements in the net book value of right-of-use assets for the year ended December 31, 2021:

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12 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Year ended December 31, 2021				
	Properties *$m*	Vehicles and Machinery *$m*	Office equipment $m	Other plant and equipment *$m*	Total *$m*
Net book value					
At January 1, 2021	1.5	99.5	0.2	11.5	112.7
Additions	0.1	29.0	0.1	5.9	35.1
Depreciation	(0.8)	(23.6)	(0.1)	(2.0)	(26.5)
Transfers	-	0.2	-	-	0.2
Disposal/write-off	-	(6.8)	-	-	(6.8)
Exchange differences	-	(0.5)	-	(0.5)	(1.0)
At December 31, 2021	0.8	97.8	0.2	14.9	113.7

	Year ended December 31, 2020				
	Properties *$m*	Vehicles and Machinery *$m*	Office equipment $m	Other plant and equipment *$m*	Total *$m*
Net book value					
At January 1, 2020	1.5	74.8	0.5	8.7	85.5
Additions	0.6	43.7	0.1	5.3	49.7
Depreciation	(0.7)	(18.9)	(0.2)	(3.2)	(23.0)
Transfers	-	(0.4)	-	-	(0.4)
Exchange differences	0.1	0.3	(0.2)	0.7	0.9
At December 31, 2020	1.5	99.5	0.2	11.5	112.7

13 MINING ASSETS

	Year ended December 31, 2021			
	Exploration and evaluation phase *$m*	Development phase *$m*	In production *$m*	Total *$m*
Net book value				
At January 1, 2021:				
Cost	99.1	194.1	1,917.7	2,210.9
Accumulated depreciation and impairment	-	-	(1,484.4)	(1,484.4)
At January 1, 2021	99.1	194.1	433.3	726.5
Movement for the year:				
Additions	13.7	131.8	158.2	303.7
Transfers	-	(190.4)	98.6	(91.8)
Disposals/write-off	(1.3)	-	-	(1.3)
Net impairment expense	(1.4)	-	(15.6)	(17.0)
Amortisation for the year	-	-	(105.0)	(105.0)
Exchange differences	(4.1)	(4.4)	(6.2)	(14.7)
At December 31, 2021	106.0	131.1	563.3	800.4
At December 31, 2021:				
Cost	107.4	131.1	2,139.0	2,377.5
Accumulated amortisation and impairment	(1.4)	-	(1,575.7)	(1,577.1)
	106.0	131.1	563.3	800.4

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13 MINING ASSETS (CONTINUED)

	Year ended December 31, 2020			
	Exploration and evaluation phase *$m*	Development phase *$m*	In production *$m*	Total *$m*
Net book value				
At January 1, 2020:				
Cost	81.5	99.2	1,774.9	1,955.6
Accumulated depreciation and impairment	-	-	(1,261.3)	(1,261.3)
At January 1, 2020	81.5	99.2	513.6	694.3
Movement for the year:				
Additions	13.1	133.9	90.5	237.5
Transfers	-	(46.2)	6.3	(39.9)
Disposals/write-off	(0.6)	-	-	(0.6)
Net impairment expense	-	-	(80.0)	(80.0)
Amortisation for the year	-	-	(100.5)	(100.5)
Exchange differences	5.1	7.2	3.4	15.7
At December 31, 2020	99.1	194.1	433.3	726.5
At December 31, 2020:				
Cost	99.1	194.1	1,917.7	2,210.9
Accumulated amortisation and impairment	-	-	(1,484.4)	(1,484.4)
	99.1	194.1	433.3	726.5

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 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.

14 UNEARNED REVENUE

	December 31 2021 $m	*December 31 2020 $m*
Current		
Advanced gold sales	-	76.7
	-	76.7

In August 2020, the Group entered into another advanced gold sale arrangement with three financial institutions to deliver a total of 40,000 gold ounces between April 2021 and June 2021 and received an advanced cash payment of $76.7 million.

In April 2021, the Group updated the terms of delivery for the advanced gold sale arrangement to deliver 40,000 gold ounces between April 2021 and July 2021 under the modified agreement.

These advanced gold sales were amortised to the Statement of Comprehensive Income as physical deliveries of gold occurred. During the year ended December 31, 2021, 40,000 ounces of gold valued at $76.7 million were delivered to the financial institution.

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15 ASSET RETIREMENT OBLIGATIONS

	December 31 2021 $m	*December 31 2020 $m*
Current		
Asset retirement obligations	5.5	7.0
Movement:		
At January 1	7.0	3.6
Arising during the year/revised estimate	4.4	5.9
Utilised	(5.8)	(2.6)
Exchange adjustment	(0.1)	0.1
At December 31	5.5	7.0

	December 31 2021 $m	*December 31 2020 $m*
Non-Current		
Asset retirement obligations	141.5	123.2
Movement:		
At January 1	123.2	95.0
Arising during the year/revised estimate	22.0	24.2
Accretion	0.5	0.9
Utilised	(0.8)	(0.7)
Exchange adjustment	(3.4)	3.8
At December 31	141.5	123.2

Rehabilitation

A provision for rehabilitation is recorded in relation to the gold/copper mining operations for the rehabilitation of the disturbed mining area to a state acceptable to various regulatory authorities. While rehabilitation is ongoing, final rehabilitation of the disturbed mining area is not expected until the cessation of mining for Macraes, Didipio, Waihi and Haile.

Rehabilitation provisions are based on rehabilitation plans estimated on survey data, expected labour rates and the timing of the current mining schedule. Provisions are discounted using a risk free rate with the cash flows adjusted for risks.

Rehabilitation provisions are subject to an inherent amount of uncertainty in both timing and amount and as a result are continuously monitored and revised.

Asset retirement obligations are initially recorded as a liability at present value of estimated future costs, using risk free discount rates of between 0.00% and 4.83% (2020: 0.00% to 3.94%). The liability for retirement and remediation on an undiscounted basis is estimated to be approximately $150.8 million (2020: $133.9 million).

16 INTEREST BEARING LOANS AND LIABILITIES

	December 31 2021 $m	*December 31 2020 $m*
Current		
Lease liabilities (1)	26.0	22.6
Promissory note (4)	1.9	-
US$ banking facilities (2)	1.5	1.5
Unamortised transaction costs (3)	(0.6)	(0.6)
Net US$ banking facilities	0.9	0.9
	28.8	23.5

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16 INTEREST BEARING LOANS AND LIABILITIES (CONTINUED)

	December 31 2021 $m	*December 31 2020 $m*
Non-Current		
Lease liabilities (1)	87.2	83.6
US$ banking facilities (2)	256.0	207.5
Unamortised transaction costs (3)	(1.1)	(1.7)
Net US$ banking facilities	254.9	205.8
	342.1	289.4

1 *Lease 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 December 31, 2021 the outstanding rental obligations under these leases amounted to $102.4 million (2020: $97.4 million). Associated with this guarantee are certain financial compliance undertakings by the Group, including gearing covenants which the Group complied with at December 31, 2021.

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.

On July 21, 2021, the Group amended its loan facility with one of the Group's bank group to increase its credit facilities by $30.0 million with termination date on December 31, 2022.

At December 31, 2021, total facilities stood at $287.1 million (2020: $259.7 million) with $257.1 million drawn (2020: $209.0 million) and $30.0 million undrawn (2020: $50.7 million). Associated with this guarantee are certain financial compliance undertakings by the Group, including gearing covenants which the Group complied with at December 31, 2021.

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.

4 *Promissory note*
A promissory note for the purchase of land at Haile was contracted on June 28, 2021. The principal and interest will be due and payable on January 5, 2022.

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 19 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.

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16 INTEREST BEARING LOANS AND LIABILITIES (CONTINUED)

Leases

Consolidated Statement of Comprehensive Income shows the following amounts relating to leases:

	Notes	2021 $m	2020 $m
Depreciation charge of right-of-use assets			
Properties		(0.8)	(0.7)
Vehicles		(23.6)	(18.9)
Office equipment		(0.1)	(0.2)
Other plant and equipment		(2.0)	(3.2)
	12	(26.5)	(23.0)
Interest expense (included in finance cost)		(3.4)	(2.9)
Expense relating to short-term leases (included in cost of sales and general and administrative expenses)		(0.5)	(0.5)

The total cash outflow for leases in 2021 was $30.5 million (2020: $25.0 million).

17 SHARE CAPITAL

Movement in common shares on issue

	December 31 2021 Million shares	December 31 2021 $m	December 31 2020 Million shares	December 31 2020 $m
Balance at the beginning of the year	704.0	1,229.5	622.3	1,107.0
Shares issued (net of costs)	0.0	0.8	81.6	122.3
Options exercised	0.2	0.4	0.1	0.2
Balance at the end of the year	704.2	1,230.7	704.0	1,229.5

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 authorised shares.

Each CHESS Depository Interests ("CDIs") represents a beneficial interest in a common share in the Company. CDI holders have the same rights as holders of common shares except that they must confirm their voting intentions by proxy before the meeting of the Company.

A potential non-controlling interest is referred to in Note 3(vii) and Note 29(a).

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

18 RESERVES

(i) Contributed Surplus	*December 31 2021 $m*	*December 31 2020 $m*
Balance at the beginning of the year	56.4	48.6
Share based compensation expense	10.2	8.1
Forfeited options	(2.3)	(0.3)
Exercised options	(0.4)	-
Balance at the end of year	63.9	56.4

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18 RESERVES (CONTINUED)

Employee stock based compensation	33.9	26.4
Shareholder options (lapsed on January 1, 2009)	18.0	18.0
Equity portion of convertible notes	12.0	12.0
Total contributed surplus	63.9	56.4

(ii) Other Reserves	*December 31 2021 $m*	*December 31 2020 $m*
Foreign currency translation reserve (1)	24.3	41.0
Fair value reserve (2)	(7.0)	(2.6)
Total other reserves	17.3	38.4

1. *Foreign currency translation reserve*
   The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

2. *Fair value reserve*
   The fair value reserve is used to record fair value differences on equity instruments (Note 10).

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19 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 in Australia and a refiner in the United States, 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.

Year ended December 31, 2021	New Zealand $m	Philippines $m	United States $m	All other segments $m	Elimination $m	Total $m
Revenue						
Sales to external customers	291.8	99.5	353.4	-	-	744.7
Inter segment management and gold handling fees	-	-	-	25.2	(25.2)	-
Total segment revenue	291.8	99.5	353.4	25.2	(25.2)	744.7
Result						
Segment result excluding unrealised hedge gains/(losses), depreciation and amortisation	106.3	34.2	460.9	(271.6)	-	329.8
Depreciation and amortisation	(49.6)	(20.1)	(116.6)	(1.5)	-	(187.8)
Inter segment management and gold handling fees	(11.1)	(6.3)	(7.8)	-	25.2	-
Net impairment expense	-	78.8	(241.0)	-	-	(162.2)
Write down of assets	-	-	(1.3)	-	-	(1.3)
Total segment result before interest and tax	45.6	86.6	94.2	(273.1)	25.2	(21.5)
Net interest expense						(11.6)
Income tax (expense)/benefit						29.4
Net profit/(loss) for the year						(3.7)
Assets						
Additions to property, plant, equipment and mining assets*	186.3	4.1	210.9	0.6	-	401.9
Total segment assets	575.6	789.6	864.8	28.8	-	2,258.8

* Included additions to right-of-use assets of $35.1 million (Note 12).

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19 SEGMENT INFORMATION (CONTINUED)

Year ended December 31, 2020	New Zealand $m	Philippines $m	United States $m	All other segments $m	Elimination /Adjustments* $m	Total $m
Revenue						
Sales to external customers*	240.0	11.6	248.5	-	-	500.1
Inter segment management and gold handling fees	-	-	-	22.6	(22.6)	-
Total segment revenue	240.0	11.6	248.5	22.6	(22.6)	500.1
Result						
Segment result excluding unrealised hedge gains/(losses), depreciation and amortisation*	102.1	(32.8)	110.1	(49.8)	-	129.6
Depreciation and amortisation*	(64.5)	(13.4)	(102.0)	(1.5)	-	(181.4)
Inter segment management and gold handling fees	(11.4)	(5.6)	(5.6)	-	22.6	-
Gain/(loss) on fair value of derivative instruments	15.0	-	-	-	-	15.0
Net impairment expense	-	(80.0)	-	-	-	(80.0)
Write down of assets	-	-	(3.7)	(3.2)	-	(6.9)
Total segment result before interest and tax*	41.2	(131.8)	(1.2)	(54.5)	22.6	(123.7)
Net interest expense						(11.1)
Income tax (expense)/benefit						(15.6)
Net profit/(loss) for the year						(150.4)
Assets						
Additions to property, plant, equipment and mining assets*	137.3	6.4	179.9	1.0	(0.3)	324.3
Total segment assets	475.1	680.8	1,017.6	79.8	-	2,253.3

* Included additions to right-of-use assets of $49.7 million (Note 12).

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20 STOCK-BASED COMPENSATION

The total share based payment expense for 2021 was $7.9 million (2020: $7.8 million).

(a) Performance share rights plan

The Managing Director and certain employees of the Group, as designated by the Board of Directors, have been granted rights to common shares of the Company, OceanaGold Corporation. Each right entitles the holder to one common share upon exercise. The rights were issued for nil consideration and are subject to market-based performance conditions (based on various Total Shareholder Return (TSR) hurdles) and continuity of employment. The rights cannot be transferred without the Company's prior approval and right holders are not entitled to dividends of unvested rights.

(i) Performance share rights plan movements

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

WAEP = weighted average exercise price

	December 31, 2021		*December 31, 2020*	
	No.	**WAEP**	**No.**	**WAEP**
Outstanding at the start of the year	14,741,642	A$0.00	12,047,177	A$0.00
Granted	7,641,160	A$0.00	6,584,205	A$0.00
Forfeited	(2,593,540)	A$0.00	(1,096,524)	A$0.00
Expired	(4,770,414)	A$0.00	(2,793,216)	A$0.00
Exercised	(219,625)	A$0.00	-	A$0.00
Balance at the end of the year	**14,799,223**	**A$0.00**	**14,741,642**	**A$0.00**
Exercisable at the end of the year	**-**	-	-	-

Rights granted were priced using Monte Carlo simulation (using the Black-Scholes framework) to model the Company's future price and TSR performance against the comparator group at vesting date. Monte Carlo simulation is a procedure for randomly sampling changes in market variables in order to value derivatives. This simulation models the TSR of the comparator group jointly by taking into account the historical correlation of the returns of securities in the comparator group.

The expected life used in the model has been based on the assumption that right holders will act in a manner that is financially optimal and will remain with the Company for the duration of the rights' life.

Historical volatility has been used for the purposes of the valuation. Expected volatility is a measure of the amount by which a price is expected to fluctuate during a period and is measured as the annualised standard deviation of the continuously compounded rates of return on the share over a period of time. The expected volatility of the Company and each company in the comparator group has been calculated using three years of historical price data. As a result it reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the outcome.

Dividend yield had been assumed to be 1.18% for grants in 2020 and 0% in 2021.

The following table gives the assumptions made in determining the fair value of the performance share rights granted in the financial year:

Grant Date	Dividend Yield	Expected Volatility	Risk-Free Interest Rate	Expected Life of Option (years)	Option Exercise Price	Share Price at Grant Date	Weighted Average Fair Value
February 19, 2021	0%	60%	0.089%	3	0.00	A$1.91	A$2.41

(ii) Balance at the end of the period

The performance share rights outstanding at December 31, 2021 had an exercise price of A$0.00 and a weighted average remaining life of 1.4 years.

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20 STOCK-BASED COMPENSATION (CONTINUED)

(b) Deferred Unit Plan ("DUP")

The Company introduced and adopted the cash based Deferred Unit Plan for Non-Executive Directors. The DUP provides that participants are issued notional units that are economically equivalent to owning Common Shares of the Company. Each Deferred Unit has an initial value equal to the value of a Common Share at the time of grant. No equity in the Company is issued pursuant to the cash based DUP.

The Board grants Deferred Units in the value of US$50,000 on an annual basis to each of the Non-Executive Directors.

Whenever cash dividends are paid on the Common Shares, additional Deferred Units are credited to the holders of Deferred Units, calculated by dividing the total cash dividends that would have been paid by the market value on the trading day immediately after the record date for the dividend.

Previously, the units automatically vested and became redeemable into cash upon the earlier of (a) the three years anniversary of the grant; and (b) the termination date of the Non-Executive Directors. The Deferred Unit Plan rule changed in April 2021 such that the three years anniversary rule has been removed and the deferred units are redeemable only on termination date of the Non-Executive Directors.

The aggregate number of Deferred Units that may be granted to the Non-Executive Directors and remain outstanding under the DUP shall not at any time, when taken together with Common Shares reserved for issuance pursuant to all of the Company's security based compensation arrangements then either in effect or proposed, result in the aggregate number of Deferred Units and Common Shares issuable or reserved for issuance to Non-Executive Directors at any time exceeding 1% of the issued and outstanding Common Shares of the Company.

(i) Deferred unit movements

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

	December 31, 2021	*December 31, 2020*
	No.	**No.**
Outstanding at the start of the year	435,676	444,280
Granted	343,811	196,123
Forfeited	-	(120,000)
Exercised	(182,986)	(84,727)
Balance at the end of the year	**596,501**	**435,676**
Exercisable at the end of the year	**50,159**	**50,159**

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. The liability is expensed over the relevant vesting period. At December 31, 2021, the fair value of the units was $1.1 million (2020: $0.8 million) and $1.1 million (2020: $0.5 million) was expensed.

21 EMPLOYEE BENEFITS

Aggregate employee benefit liability is comprised of:	*December 31 2021 $m*	*December 31 2020 $m*
Employee benefits provision - Current	16.4	16.0
Employee benefits provision - Non-Current	1.1	1.7
	17.5	17.7

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21 EMPLOYEE BENEFITS (CONTINUED)

(a) Leave entitlements liability

Employee benefits provision - Current	*December 31 2021 $m*	*December 31 2020 $m*
Balance at the beginning of the year	15.7	13.2
Arising during the year	8.7	12.4
Utilised	(8.3)	(10.9)
Exchange rate adjustment	(0.8)	1.0
Balance at the end of the year	15.3	15.7

Employee benefits provision - Non-Current	*December 31 2021 $m*	*December 31 2020 $m*
Balance at the beginning of the year	1.5	1.3
Arising during the year	0.1	0.4
Utilised	(0.5)	(0.2)
Balance at the end of the year	1.1	1.5

(b) Cash-settled Deferred Unit Plan

Employee benefits provision - Current	*December 31 2021 $m*	*December 31 2020 $m*
Balance at the beginning of the year	0.3	0.5
Arising during the year	1.0	(0.1)
Utilised	(0.3)	(0.2)
Transfer from/(to) non-current	0.1	0.1
Balance at the end of the year	1.1	0.3

Employee benefits provision - Non-Current	*December 31 2021 $m*	*December 31 2020 $m*
Balance at the beginning of the year	0.2	0.2
Arising during the year	(0.1)	0.1
Utilised	-	-
Transfer from/(to) current	(0.1)	(0.1)
Exchange rate adjustment	-	-
Balance at the end of the year	-	0.2

(c) Defined contribution plans

The Group has defined contribution pension plans for certain groups of employees. The Group's share of contributions to these plans is recognised in the statement of comprehensive income in the year it is earned by the employee.

22 FINANCIAL INSTRUMENTS

Financial Risk Management

The Group has exposure to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk
- Market risk

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22 FINANCIAL INSTRUMENTS (CONTINUED)

This note presents information about the Group's exposure to each of the above risks and the Group's objectives, policies and processes for measuring and managing risk.

Financial Risk Management Objectives and Policies

The Board has the overall responsibility for the establishment and oversight of the Group's financial risk management framework. A Financial Risk Management Policy has been established, which has been approved by and is subject to annual review by the Board. This policy establishes a framework for managing financial risks.

In line with this policy, the Group does not enter into financial instruments, including derivative financial instruments for trade or speculative purposes. The term "derivative" has been adopted to encompass all financial instruments that are not directly traded in the primary physical market.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's cash and cash equivalents, trade and other receivables and hedging instruments.

Maximum credit risk of cash and cash equivalents, trade and other receivables and gold call/put options are the carrying amounts recorded in the Statement of Financial Position.

The Group is not materially exposed to any individual counterparty because it has limited its exposure by spreading contracts for these instruments across several different counterparties.

At December 31, 2021, the Group's cash was mainly held with one major bank (credit rating A+) with the largest exposure being 98% (2020: 76%).

No financial assets were deemed overdue or impaired.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Group's approach to managing liquidity is to ensure cost effective continuity in funding and trading liquidity. Funding liquidity is maintained through the use of the US$ revolving credit facilities, finance leases and trade financing. Trading liquidity is maintained by an effective spread between the counterparties with which the Group enters into derivative transactions.

The Group's funding liquidity risk policy is to source debt or equity funding appropriate to the use of funds. Examples include equipment leases to finance the mining fleet and the US$ revolving credit facilities to finance the development of new mines and provide for general working capital needs.

The Group's trading risk policy is to ensure derivative transactions, if any, are spread between at least two counterparties acknowledging both volume and tenor of the derivative to reduce the risk of trading illiquidity arising as a result of the inability to close down existing derivative positions, or hedge underlying risks incurred in normal operations.

The following are the contractual maturities of financial liabilities, including the estimated interest payments.

Year ended December 31, 2021	*Carrying amount $m*	*Contractual cash flows $m*	*12 months or less $m*	*1-3 years $m*	*3+ years $m*
Non-derivative financial liabilities					
Trade and other payables	143.3	143.3	143.3	-	-
US$ banking facilities	257.5	286.0	12.0	274.0	-
Promissory note	1.9	1.9	1.9	-	-
	402.7	431.2	157.2	274.0	-

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22 FINANCIAL INSTRUMENTS (CONTINUED)

Liquidity risk (continued)

Year ended December 31, 2020	*Carrying amount $m*	*Contractual cash flows $'m*	*12 months or less $m*	*1-3 years $m*	*3+ years $m*
Non-derivative financial liabilities					
Trade and other payables	132.5	132.5	132.5	-	-
US$ banking facilities	209.0	238.4	9.6	19.2	209.6
	341.5	370.9	142.1	19.2	209.6

At December 31, 2021, current assets were $297.7 million and current liabilities were $202.3 million, resulting in a net current asset of $95.4 million.

Market risk

Market risk is the risk that changes in market prices, such as commodity prices, foreign exchange rates and interest rates will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Commodity price risk and foreign exchange risk

The Board approves all hedging transactions and has established a Financial Risk Management Policy which includes a hedging policy that limits the level and tenor of hedging activity.

Prices for the Group's commodity products (gold bullion and copper) are determined on international markets and quoted in US dollars. All hedging programs are managed in accordance with policies approved by the Board. Performance under these policies is regularly reported to the Board.

In respect of managing copper price risk exposure due to typical long lead time in settling copper sales, the Group has the option to fix the price of copper with the buyer on part of the shipment once the latter reaches the smelter.

Foreign exchange risk is managed by holding cash and cash equivalents in different currencies in line with the anticipated requirements of the business and achieving a diversified holding mainly through selling gold in the currencies needed.

Sensitivity analysis

At December 31, 2021 if the US dollar had depreciated / appreciated by 10% with all other variables remaining constant, the effect on the profit before tax would be $3.6 million higher/lower (2020: $5.1 million loss lower/higher) due to exchange gains/ losses on cash and cash equivalents. The impact on other equity will be $2.6 million (2020: $1.4 million).

Interest rate risk

The Group's approach to managing the risk of adverse changes in interest rates is to manage the identified net exposure through variable and fixed rate arrangements.

The Group's policy is to manage interest rate risk in a cost efficient manner having regard to the net interest rate exposure after offsetting interest bearing financial assets with interest accruing financial liabilities.

At the reporting date, the interest rate profile of the Group's interest bearing financial instruments was as follows:

Sensitivity analysis

At December 31, 2021 if interest rates had increased/decreased by 100 basis points from the year end rates with all other variables held constant, the profit before tax for the year would have been $1.5 million lower/higher (2020: $0.6 million loss higher/lower), as a result of higher/lower interest income from average cash and cash equivalents held and higher/lower interest expense from the average US$ banking facilities drawn. The impact on other equity is nil for both 2021 and 2020.

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22 FINANCIAL INSTRUMENTS (CONTINUED)

Market risk (continued)

Interest rate risk (continued)

The Group's exposure to interest rate risk classes of financial assets and financial liabilities, both recognised and unrecognised at the reporting date, is set out below:

	Carrying amount	
	2021	*2020*
	$m	*$m*
Fixed rate		
Financial liabilities		
Promissory note	1.9	-
	1.9	-
Floating rate		
Financial assets		
Cash and cash equivalents	133.0	179.0
	133.0	179.0
Financial liabilities		
US$ banking facilities	257.5	209.0
	257.5	209.0

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates and 10% change in the US dollar against other foreign currency exchange rates would have increased/(decreased) equity and profit or loss before tax by the amounts shown below. This analysis assumes that all other variables remain constant.

December 31, 2021		**Interest rate risk**				**Foreign exchange risk**			
		-100 bps		**+100 bps**		**-10%**		**+10%**	
	Carrying amount $m	Profit/ (Loss) $m	Other equity $m	Profit/ (Loss) $m	Other equity $m	Profit/ (Loss) $m	Other equity $m	Profit/ (Loss) $m	Other equity $m
Financial assets									
Cash and cash equivalents	133.0	(1.3)	-	1.3	-	3.6	-	(3.6)	-
Other assets	112.6	-	-	-	-	-	-	-	-
Financial liabilities									
Other liabilities	(259.4)	2.3	-	(2.3)	-	-	-	-	-
Total	(13.8)	1.0	-	(1.0)	-	3.6	-	(3.6)	-

December 31, 2020		**Interest rate risk**				**Foreign exchange risk**			
		-100 bps		**+100 bps**		**-10%**		**+10%**	
	Carrying amount $m	Profit/ (Loss) $m	Other equity $m	Profit/ (Loss) $m	Other equity $m	Profit/ (Loss) $m	Other equity $m	Profit/ (Loss) $m	Other equity $m
Financial assets									
Cash and cash equivalents	179.0	(1.4)	-	1.4	-	5.1	-	(5.1)	-
Other assets	94.9	-	-	-	-	-	-	-	-
Financial liabilities									
Other liabilities	(209.0)	1.9	-	(1.9)	-	-	-	-	-
Total	64.9	0.5	-	(0.5)	-	5.1	-	(5.1)	-

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23 CAPITAL DISCLOSURE

The Group's objective when managing capital is to:

- manage the entity's ability to continue as a going concern; and
- in the medium to long term, provide adequate return to shareholders.

The Group manages capital in the light of changing economic circumstances and the underlying risk characteristics of the Group's assets. In order to meet its objective, the Group manages its dividend declarations and may undertake capital restructuring including: sale of assets to reduce debt; additional funding facilities and equity raising.

The Group monitors capital on the basis of debt-to-equity ratio. The components and calculation of this ratio is shown below.

Net debt
divided by
Total 'equity'

	December 31 2021 $m	*December 31 2020 $m*
Total debt	370.9	312.9
Less: cash and cash equivalents	(133.0)	(179.0)
Net debt	237.9	133.9
Total equity	1,548.8	1,564.9
Net debt to equity ratio	15%	9%

The Group is subject to a number of externally imposed capital requirements relating to financing agreements. As at December 31, 2021 and 2020, the Group was in compliance with all requirements.

24 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method.

The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2). Valuations are obtained from issuing institutions.
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

December 31, 2021	**Level 1** $m	**Level 2** $m	**Level 3** $m	**Total** $m
Recurring measurements				
Derivatives embedded in accounts receivable	-	2.9	-	2.9
Equity instruments	1.2	-	-	1.2
Total assets	1.2	2.9	-	4.1

December 31, 2020	**Level 1** $m	**Level 2** $m	**Level 3** $m	**Total** $m
Recurring measurements				
Derivatives embedded in accounts receivable	-	0.1	-	0.1
Equity instruments	5.5	-	-	5.5
Total assets	5.5	0.1	-	5.6

The fair values of financial assets and liabilities are the same as their carrying amounts.

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25 COMMITMENTS

(a) Lease commitments under finance leases:

	December 31 2021 $m	*December 31 2020 $m*
Within 1 year	29.3	26.0
Within 1 to 2 years	28.2	23.4
Within 2 to 3 years	27.8	22.9
Within 3 to 4 years	22.2	21.9
Within 4 to 5 years	9.1	18.0
More than 5 years	5.5	3.6
	122.1	115.8
Future finance charges	(8.9)	(9.6)
Present value of minimum lease payments	113.2	106.2
Reconciled to:		
Current interest bearing loans and liabilities (Note 16)	26.0	22.6
Non Current interest bearing loans and liabilities (Note 16)	87.2	83.6
Total	113.2	106.2

Finance leases are used to fund the right-of-use assets (Note 12), including acquisition of plant and equipment, primarily mobile mining equipment. Rental payments are subject to monthly or quarterly interest rate adjustment.

(b) Gold production

The Group had certain obligations to pay royalties on gold production at prescribed levels in 2021 which are expected to continue in 2022. These royalties represent 1% to 2% of gold sales and were $5.8 million in 2021 (2020: $3.9 million).

(c) Capital commitments

At December 31, 2021, the Group has commitments of $13.5 mllion (2020: $15.9 million), principally relating to the purchase of property, plant and equipment and the development of mining assets at Haile, Macraes, Waihi and Didipio, and the leases not yet commenced at Haile.

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

	December 31 2021 $m	*December 31 2020 $m*
Within one year:		
- purchase of property, plant and equipment	5.5	5.9
- development of mining assets	5.2	1.3
- leases not yet commenced	2.8	8.7
	13.5	15.9

The Group is committed to annual expenditure of approximately $0.4 million (2020: $0.3 million) to comply with regulatory conditions attached to its New Zealand and Philippines prospecting, exploration and mining permits.

The above capital commitments exclude contracted commitments which the Group is able to exit without significant fees.

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25 COMMITMENTS (CONTINUED)

(d) Didipio Financial or Technical Assistance Agreement

Background

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. In March 2018, the Company lodged an application for the renewal of the FTAA with the Department of Environment and Natural Resources ("DENR"). Following a number of requests, responses and engagements, the renewal application was re-endorsed by the DENR to the Office of the President in May 2021. On July 14, 2021, the Company received confirmation that the FTAA renewal has been approved.

Future commitment

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 land claim owners are shared 60% / 40% with the Government. 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.

26 RELATED PARTIES

There are no related party transactions other than those with key management personnel as noted below.

(a) Compensation of key management

Key management includes Directors (executive and non-executive) and some members of the Executive Committee. The compensation paid or payable to key management for employee services is shown below:

	Year ended	
	December 31 2021 $m	***December 31 2020 $m***
Salaries and short-term employee benefits	5.2	4.8
Post-employment benefits	0.1	0.5
Long Term Benefits	0.7	0.2
Termination benefits	2.4	0.5
Share-based payments	4.0	3.9
Total	12.4	9.9

(b) Loans to key management personnel

There are no loans to key management personnel during the year (December 2020: Nil).

(c) Other transactions with key management personnel

There are no other transactions with key management personnel during the year (December 2020: Nil).

27 NON-CASH INVESTING AND FINANCING ACTIVITIES

	Year ended	
	December 31 2021 $m	***December 31 2020 $m***
Recognition of right-of-use assets	35.1	49.7
Total	35.1	49.7

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28 INTERESTS IN OTHER ENTITIES

The Group's material subsidiaries at December 31, 2021 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the Group.

Name of entity	Country of incorporation	Ownership interest held by the Group	
		2021	2020
		%	%
Haile Gold Mine Inc.	United States	100.0	100.0
OceanaGold (Philippines) Inc.	Philippines	100.0	100.0
Oceana Gold (New Zealand) Limited	New Zealand	100.0	100.0
Waihi Gold Company Limited	New Zealand	100.0	100.0
Pacific Rim Mining Corporation	Canada	100.0	100.0
Oceana Gold Pty Ltd	Australia	100.0	100.0
Oceana Gold No.3 (New Zealand) Limited	New Zealand	100.0	100.0
OceanaGold (Singapore) Pte Ltd	Singapore	100.0	100.0
OceanaGold (Philippines) Exploration Corporation	Philippines	100.0	100.0
OceanaGold (Philippines) Resource Corporation	Philippines	100.0	100.0
Romarco Minerals Inc.	Canada	100.0	100.0

29 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 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.

(c) On February 14, 2017, the Company received an order from the DENR calling for the suspension of the Didipio operation, citing "… petition of the Local Government of Nueva Vizcaya for the cancellation of the FTAA; alleged damages to houses caused by the blasting operation; and the potential adverse impact to the agricultural areas of the Province…" as reasons for the decision. The Company maintains that there is no legal basis for the proposed suspension, and the Didipio operation is not in violation of any laws, rules or regulations. Subsequent to receiving the suspension order, the Company filed an appeal with the Office of the President ("OP"), which has the effect of immediately staying the execution of the DENR suspension order. On March 15, 2017, the Company filed the Appeal Memorandum with the OP substantiating its grounds for appeal. The DENR filed its commentary to the Company's Memorandum on or around May 8, 2017, and the Company subsequently filed a further reply to the DENR commentary. On July 14, 2021, the FTAA renewal was approved.

(d) 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 approximately $43.7 million (December 31, 2020: $45.9 million).

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29 CONTINGENCIES (CONTINUED)

(e) The mine operating permit at Haile which became final and effective during the first quarter of 2015 includes 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 has satisfied its current financial assurance payment requirements by using a surety bond of $44.4 million and has paid $4.2 million in trust funding by the end of December 2021. In addition, the company used a surety bond of $9.7 million to cover two minor modification of construction projects..

The remaining estimated financial assurance of $16.4 million will be paid over the life of the mine with the next financial assurance payment anticipated to occur in 2022. 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 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.

30 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.

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