

OceanaGold Corp. Reports Full Year 2021 Financial Results

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BRISBANE, Feb. 23, 2022 - [OceanaGold Corp.](#) (TSX: OGC) (ASX: OGC) (the "Company") reported its financial and operational results for the year ended December 31, 2021. Details of the consolidated financial statements and the Management Discussion and Analysis ("MD&A") are available on the Company's website at www.oceanagold.com

Highlights

- Full year revenue of \$744.7 million with adjusted Earnings before Interest, Depreciation and Amortisation ("EBITDA") of \$351.8 million and adjusted net profit of \$141.0 million or \$0.20 per share
- Fourth quarter revenue of \$208.5 million with adjusted EBITDA of \$92.6 million and adjusted net profit of \$29.3 million or \$0.04 per share.
- Total immediately available liquidity of \$163 million, including \$133 million in cash and \$30 million in available undrawn credit facilities as of December 31, 2021.
- Three-year guidance demonstrates a 15% compounded annual production growth rate from 2021 levels at increasing free cash flow margins.
- Consolidated 2022 gold production guidance of 445,000 to 495,000 ounces and 11,000 to 13,000 tonnes of copper.
- Consolidated 2022 AISC guidance of \$1,275 to \$1,375 per ounce sold including cash costs between \$675 to \$775 per ounce sold, both on a by-product basis.
- Multi-year consolidated gold production of:
 - 490,000 to 530,000 ounces plus 12,000 to 14,000 tonnes of copper at an AISC of \$1,150 to \$1,300 per ounce sold in 2023; and
 - 580,000 to 620,000 ounces plus 12,000 to 14,000 tonnes of copper at an AISC of \$1,000 to \$1,150 per ounce sold in 2024.
- Gerard Bond appointed President and Chief Executive Officer effective April 4, 2022.

Scott Sullivan, Acting President and CEO of OceanaGold said, "This release brings to close a successful year of operational and financial performance for the Company on the back of record production from Haile and the re-start of the Didipio operation. Following a challenging year in 2020, financial performance rebounded in 2021 with revenues increasing almost 50% and EBITDA increasing almost 155%. Importantly, the fourth quarter saw the Company report positive free cash flow, the first in over two years."

"Additionally, we completed the Financial or Technical Assistance Agreement renewal with the Government of Philippines, paving the way for the restart of operations at Didipio. The subsequent ramp-up of operations has progressed ahead of our expectations and we completed the transport and sale of copper and gold inventory on-hand before the end of the year. The return of Didipio compliments the suite of gold producing assets in New Zealand where we are advancing significant growth projects, Wharekirauponga ("WKP") in particular and the Haile Gold Mine where we seek to commence construction of the underground upon securing the necessary permits."

"With the release of our 2022 guidance and multi-year outlook, we have set the stage to generate significantly more free cash flow each year on higher consolidated production. We remain focused on driving costs lower while allocating capital prudently to drive stronger risk-adjusted returns. I look forward to working closely with our newly appointed President and CEO Gerard Bond who will bring his extensive financial and commercial experience to drive value for shareholders over the long-term."

Table 1 - Financial Summary

Quarter ended 31 Dec 2021	2020
(US\$m)	30 Sep 2020
Revenue	200.2
Cost of sales, excluding depreciation and amortization	(88.3)
General and administration - indirect taxes ⁽²⁾	(0.8)
General and administration - idle capacity charges ⁽¹⁾	(3.5)
General and administration - other	(0.7)
Foreign currency exchange gain/(loss)	(0.4)
Other income/(expense)	0.5
EBITDA (excluding gain/(loss) on undesignated hedges and impairment expense)	62.3
Depreciation and amortization	(5.2)
Net interest expense and finance costs	(2.1)
Earnings/(loss) before income tax (excluding gain/(loss) on undesignated hedges and impairment expense)	25.3
Income tax benefit/(expense) on earnings	(3.2)
Earnings/(loss) after income tax and before gain/(loss) on undesignated hedges and impairment expense	(2.1)
Impairment expense	(3.2)
Tax benefit on impairment expense ⁽⁴⁾	60.1
Write off exploration/property expenditure / investment ⁽³⁾	(6.9)
Gain/(loss) on fair value of undesignated hedges	45.0
Tax (expense) / benefit on gain/loss on undesignated hedges	(4.2)
Net Profit/(loss)	(3.9)
Basic earnings/(loss) per share	\$ (0.01)
Diluted earnings/(loss) per share	\$ (0.01)

- (1) The Company did not record any revenue or cost of sales from the Didipio mine during the fifteen months ended 30 June 2021. In addition, General and Administration - idle capacity charges reflect the non-production costs related to maintaining Didipio's operational readiness to 31 October 2021 and related to the two-week shutdown of the New Zealand operations required under National COVID-19 restrictions
- (2) Represents production-based taxes in the Philippines, specifically excise tax, local business and property taxes.
- (3) Represents write-off of projects due to formal withdrawal from the Highland, Spring Peak and Bravada joint venture activities.
- (4) There was an impairment expense of \$241 million recognised in relation to the Haile Gold mine and a reversal of cash flow of \$78.8 million related to Didipio.

Quarter ended 31 Dec 2021 (US\$m)	Q4 31 Dec 2021	Q3 30 Sep 2021	Q4 31 Dec 2020	2021	2020
Cash flows from Operating Activities	108.9	69.0	(1.6)	261.4	198.8
Cash flows used in Investing Activities	(79.8)	(83.2)	(62.7)	(315.8)	(225.8)
Cash flows from / (used) in Financing Activities	(6.3)	43.5	117.2	25.1	159.5

Operations

For the full year, OceanaGold achieved its consolidated production and cost guidance. The Company produced 362,807 ounces of gold and 2,323 tonnes of copper. Gold production was approximately 20% higher over 2020 due to significant year-on-year record gold output at Haile, the successful re-start and continued ramp-up of operations at Didipio and Martha Underground at Waihi, which was partially offset by lower head grades and mill feed from Macraes. Fourth quarter consolidated production was 106,591 ounces of gold, an approximate 35% quarter-on-quarter increase on the back of a greater output from the New Zealand operations and increasing production contribution from Didipio.

On a consolidated basis, the Company recorded an AISC of \$1,247 per ounce on gold sales of 381,562 ounces and copper sales of 5,104 tonnes. Fourth quarter consolidated AISC was \$1,326 per ounce on gold sales of 105,336 ounces and copper sales of 1,748 tonnes. AISC was similar year-on-year with higher sales being offset by increased sustaining capital investments. The Company's AISC increased 10% quarter-on-quarter on higher cash costs and sustaining capital, which was partially offset by higher gold sales.

Financial

Full year 2021 revenue was \$744.7 million, a 49% increase over the previous year related to higher sales volumes from Haile and Waihi, as well as Didipio 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 doré and copper-gold concentrate inventory, additional sales from new production and a higher average gold price received. Fourth quarter revenue of \$208.5 million was similar to the previous quarter, with increased gold sales from Haile and Macraes and slightly higher average gold price received partially offset by lower sales at Didipio following the sale of gold doré and the majority of the copper-gold concentrate inventory in the third quarter.

EBITDA for the full year 2021 was \$329.8 million, reflecting a 154% increase year-on-year on a higher average gold price received, record gold sales from Haile, contributions from Didipio and higher sales at Waihi, partially offset by lower sales at Macraes and higher costs. Fourth quarter EBITDA was \$88.7 million which was similar to the previous quarter.

Full year 2021 Adjusted earnings after tax (excluding Didipio idle capacity costs, net impairment and once-off

tax adjustment related to the Haile technical review) was \$141.0 million or \$0.20 per share compared with a loss after tax (excluding impairment and gains/losses on undesignated hedges) of \$74.3 million in the prior year. This was mainly due to higher revenue from increased sales at Didipio and Haile and a higher average gold price received. Fourth quarter Adjusted earnings after tax (excluding final Didipio idle capacity costs, net impairment and once-off tax adjustment related to the Haile technical review) was \$29.3 million, or \$0.04 per share.

Cash flows from operating activities were \$261.4 million for the full year 2021, including \$108.9 million in the fourth quarter which was 58% above the third quarter, and is mainly attributable to favourable working capital movements.

Cash flows used in investing activities totalled \$315.8 million for the full year 2021, which was 40% above the prior year, driven by higher growth capital investments at Haile related to the expansion of waste storage facilities, the Golden Point Underground development at Macraes, and the ongoing development of Martha Underground at Waihi.

Fully diluted cash flow per share before working capital movements and exclusive of gold prepayments was \$0.13 in the fourth quarter and \$0.47 for the full year 2021.

As of December 31, 2021, the Company's revolving credit facilities remained drawn to \$250 million with \$30 million undrawn. At the end of the fourth quarter, the Company had available liquidity of \$163 million, including \$133 million in cash. The Company generated \$9 million in free cash flow during the quarter. The Company's net debt position was \$237.9 million, a decrease from the previous quarter of \$256.5 million due to the increased cash balance.

Consolidated capital expenditure in the fourth quarter of 2021 was \$78.3 million, a 14% decrease quarter-on-quarter, primarily related to lower pre-stripping and growth capital invested, partially offset by higher general operating and exploration capital investments. For the full year, consolidated capital investment totalled \$333.9 million, a 25% increase year-on-year and due primarily to increased pre-stripping capital investment, particularly at Haile. Growth capital invested in 2021 was primarily in waste storage facilities at Haile, ongoing development of the Martha Underground at Waihi and development of the Golden Point Underground at Macraes.

Exploration capital expenditure totalled \$6.6 million for the fourth quarter and focused primarily on infill and extensional drilling at MUG, expansion drilling at WKP, and resource conversion at Golden Point Underground mine.

Table 3 - Consolidated Capital Expenditures

Quarter ended 31 Dec 2021	Q4	Q3	Q4	2021	2020
(US\$m)	31 Dec 2021	30 Sep 2021	31 Dec 2020		
General Operations Capital	11.0	6.5	6.7	32.5	28.0
Pre-strip and Capitalised Mining	30.4	39.1	12.9	116.4	65.8
Growth Capital (including corporate capital)	30.3	39.9	46.2	160.5	150.4
Exploration	6.6	5.8	5.9	24.6	22.7
Capital and exploration expenditure	78.3	91.2	71.7	333.9	266.9

Table 4 - Asset by Asset Capital Expenditures

Quarter ended 31 Dec 2021 (US\$m)	Haile	Didipio	Waihi	Macraes
General Operations	2.1	2.7	-	6.3
Pre-strip and Capitalised Mining	21.0	0.2	7.7	1.5
Growth Capital	20.0	0.4	6.5	2.2
Exploration	0.9	-	3.5	2.1
Capital and exploration expenditure	44.0	3.2	17.7	12.1
Full Year 2021 (US\$m)	Haile	Didipio	Waihi	Macraes
General Operations	10.4	3.3	-	18.7
Pre-strip and Capitalised Mining	65.6	0.2	13.7	36.9
Growth Capital	92.9	0.5	47.7	12.7
Exploration	3.0	-	12.9	8.6
Capital and exploration expenditure	171.9	4.0	74.3	76.9

Notes:

- Capital expenditure is presented on an accruals basis and excludes fourth quarter rehabilitation and closure costs of \$1.0 million at Reefton.
- Capital and exploration expenditure by location includes related regional greenfield exploration where applicable. Corporate capital projects not related to a specific operating region are excluded; these totaled \$0.3 million in the fourth quarter.

Outlook

On a consolidated basis, the Company expects to produce between 445,000 to 495,000 ounces of gold in 2022 representing a 30% year-on-year increase in production from the midpoint. Gold production is expected to increase to between 490,000 and 530,000 ounces in 2023 and to between 580,000 and 620,000 ounces in 2024, approximately 60% higher than in 2021.

Consolidated 2022 AISC guidance ranges from \$1,275 and \$1,375 per ounce sold while cash costs are expected to range between \$675 and \$775 per ounce sold. AISC and cash costs are expected to be between \$1,150 and \$1,300 per ounce sold in 2023 and between \$1,000 and \$1,150 per ounce sold in 2024.

Production over the course of 2022 is expected to be weighted evenly between the first half and the second half with the first and fourth quarters expected to deliver the largest amount of gold production at corresponding lower AISC. Capital investment is expected to be skewed slightly to the second half of the year related to increasing investment in the Haile underground and site infrastructure. The timing of this capital could shift depending on receipt of the Supplemental Environmental Impact Statement ("SEIS").

Ramp-up of the Didipio operation continues to progress ahead of schedule and the Company now expects to reach full production rates in early in the second quarter 2022. As a result, the Company expects gold and copper production to near full production rates for most of this year. In 2022, Didipio is expected to produce between 100,000 and 110,000 ounces of gold along with 11,000 to 13,000 tonnes of copper. For the full year, Didipio's by-product AISC is expected to range between \$500 to \$600 per ounce sold, while by-product cash costs are expected to range between \$350 to \$450 per ounce sold.

At Haile, production is expected to be between 150,000 ounces and 160,000 ounces at a cash cost of \$575 to \$675 per ounce sold and a site AISC of \$1,500 to \$1,600 per ounce sold. Haile's 2022 production profile is

evenly weighted between the first half and second half however, first and fourth quarter production is expected to be materially higher than the second and third quarters. AISC is expected to correspond to quarterly sales volumes and be highest in the second and third quarters. Capital investments are expected to be the highest through the second and third quarters also, based on the Company receiving the SEIS and associated permits in the first half. Approximately \$35 to \$40 million in sustaining and \$30 to \$35 million growth capital for 2022 is contingent on receipt of the SEIS, with the start of spend expected in the second quarter.

In 2022, Macraes is expected to produce between 140,000 and 155,000 ounces of gold at an AISC of \$1,300 to \$1,400 per ounce sold and cash costs of \$800 to \$900 per ounce sold. The wider production guidance range reflects uncertainty related to potential COVID-19 restrictions. Production for the year is expected to be evenly distributed quarter on quarter.

Capital requirement at Macraes for 2022 is principally related to sustaining capital, with growth capital mainly related to the Golden Point Underground ("GPUG") and expansionary drilling. For the remainder of the year, the operation will source from multiple open pits and from both Frasers Underground and GPUG which will continue to ramp-up over the next two years. GPUG development advance rates are steadily increasing to approximately 600 metres (m") per month by the end of the second quarter, ahead of stoping which is due to commence in the third quarter. A full development advance rate of an estimated 800 metres per month is expected by the end of the year. By the start of 2023, GPUG anticipates producing on average 80,000 tonnes of ore per month and will become the primary source of underground ore at Macraes.

At Waihi, the operation is expected to produce between 55,000 and 70,000 ounces of gold, a significant increase over 2021. This is related to additional mine faces brought online at Martha Underground. The Company has elected to use a wider guidance range for the Waihi (and Macraes) operation because of continued risks related to COVID-19 as the New Zealand government continues to seek to suppress cases with international borders expected to remain closed until at least mid-2022 plus ongoing discrepancies between mined grades and the resource model. The Company will continue to progress resource definition and grade control drilling to update the resource model. Consolidated AISC is expected to range between \$1,375 and \$1,475 per ounce sold with cash costs between \$950 and \$1,050 per ounce sold. Production in the second half of the year is expected to be stronger than in the first half with the fourth quarter expected to be the strongest quarter of production at a lower corresponding AISC.

2021 Full Year Results Webcast

The Company will host its 2021 Full Year Results Webcast at 5:30pm on Wednesday February 23, 2022 (Toronto, Eastern Standard Time) / 9:30am on Thursday February 24, 2022 (Melbourne, Eastern Daylight Time).

Webcast Participants

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

https://produceredition.webcasts.com/starthere.jsp?ei=1521715&tp_key=751b08e415

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

Local (toll free) dial in numbers are:

Canada & North America: 1 888 390 0546

Australia: 1 800 076 068

New Zealand: 0 800 453 421

United Kingdom: 0 800 652 2435

Switzerland: 0 800 312 635

Germany: 0 800 724 0293

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

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

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

About OceanaGold

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

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

Cautionary Statement for Public Release

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

(All financial figures in US Dollars unless otherwise stated)

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