

COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

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COMPANY NAME

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PRINCIPAL OFFICE (No./Street/Barangay/City/Town/Province)

D	I	D	I	P	I	O		M	I	N	E	,		D	I	D	I	P	I	O													
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Form Type

A	F	S
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Department requiring the report

C	R	M
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Secondary License Type, if Applicable

	N	A
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COMPANY INFORMATION

Company's Email Address

--

Company's Telephone Number/s

(078) 8434 2300

Mobile Number

--

No. of Stockholders

4

Annual Meeting (Month/Day)

--

Fiscal Year (Month/Day)

12/31

CONTACT PERSON INFORMATION

The designated contact person **MUST** be an Officer of the Corporation

Name of Contact Person

CHERRIE LOU B. BURABOD

Email Address

cherrielou.burabod@oceanagold.com

Telephone Number/s

(078) 8434 2392

Mobile Number

--

CONTACT PERSON'S ADDRESS

Didipio Mine, Didipio, Kasibu, Nueva Vizcaya

Note 1: In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.

2: All boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies.



DIDIPIO MINE

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **OceanaGold (Philippines), Inc.** is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the year(s) ended December 31, 2022 and 2021, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

The Board of Directors reviews and approves the financial statements including the schedules attached therein and submits the same to the stockholders or members.

Isla Lipana & Co., the independent auditor, appointed by the stockholders, has audited the financial statements of the company in accordance with Philippine Standards on Auditing, and in its report to the stockholders or members, has expressed its opinion on the fairness of presentation upon completion of such audit.

Atty. Joan D. Adaci-Cattiling
Acting Chairman of the Board, and
President

Cherrie Lou B. Burabod
Treasurer

Signed this 17th of April 2023

REPUBLIC OF THE PHILIPPINES)
CITY OF MAKATI)S.S.


SUBSCRIBED AND SWORN to before me, Notary Public duly notarized in the city named above, personally appeared:

Name	Competent Evidence of Identity	Date & Place of Issue
JOAN D. ADACI-CATTILING	P4271490B	DFA NCR NORTH; January 2, 2020
CHERRIE LOU B. BURABOD	P8535239A	DFA LEGASPI; August 30, 2018

who were identified by me through competent evidence of identity to be the same person who executed the foregoing instrument, and who took an oath before me as to such instrument.

WITNESS MY HAND AND SEAL this 17th day of April 2023.

Doc. No. 127 :
Page No. 24 :
Book No. LXXVII :
Series of 2023.


SOLFIA S. ARBOLADURA
Notary Public for Makati City until 12.31.23
Ref. No. 39714/ Appointment No. M-201
ISF License No. 04952/ 05.15.03/ Mak
PTR No. 0135886/ 01.20.2022/ Man
6th/F Raha Sulayman Bldg. 108 Davao
Legaspi Village, Makati City
MCLE Compliance No. VI-0022183/ 04.02.2018

Edmon Tocino

From: eafs@bir.gov.ph
Sent: Friday, April 28, 2023 6:06 PM
To: OCEANAGOLD PHILIPPINES INC
Cc: Hesther Bahiwag
Subject: Your BIR AFS eSubmission uploads were received

External

Hi OCEANAGOLD (PHILIPPINES)., INC.,

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Submission Date/Time: **Apr 28, 2023 06:05 PM**

Company TIN: **004-870-171**

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Independent Auditor's Report

To the Board of Directors and Shareholders of
OceanaGold (Philippines), Inc.
Didipio Mine, Didipio
Kasibu, Nueva Vizcaya

Report on the Audits of the Financial Statements

Our opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of OceanaGold (Philippines), Inc. (the "Company") as at December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRS).

What we have audited

The financial statements of the Company comprise:

- the statements of financial position as at December 31, 2022 and 2021;
- the statements of total comprehensive income for the years ended December 31, 2022 and 2021;
- the statements of changes in equity for the years ended December 31, 2022 and 2021;
- the statements of cash flows for the years ended December 31, 2022 and 2021; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the 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 Code of Ethics for Professional Accountants in the Philippines (Code of Ethics), together with the ethical requirements that are relevant to our audit of the financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

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T: +63 (2) 8845 2728, F: +63 (2) 8845 2806, www.pwc.com/ph



Independent Auditor's Report
To the Board of Directors and Shareholders of
OceanaGold (Philippines), Inc.
Page 2

In preparing the 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.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 PSA 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 financial statements.

As part of an audit in accordance with PSA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.




Independent Auditor's Report
To the Board of Directors and Shareholders of
OceanaGold (Philippines), Inc.
Page 3

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.

Report on the Bureau of Internal Revenue Requirement

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information in Note 27 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such supplementary information is the responsibility of management and has been subjected to the auditing procedures applied in our audits of the basic financial statements. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Isla Lipana & Co.


Pocholo C. Domondon
Partner

CPA Cert. No. 108839

P.T.R. No. 0011401; issued on January 9, 2023 at Makati City

SEC A.N. (individual) as general auditors 108839-SEC, Category A;
valid to audit 2021 to 2025 financial statements

SEC A.N. (firm) as general auditors 0142-SEC, Category A;
valid to audit 2020 to 2024 financial statements

T.I.N. 213-227-235

BIR A.N. 08-000745-128-2021; issued on December 9, 2021; effective until December 8, 2024

BOA/PRC Reg. No. 0142, effective until November 14, 2025

Makati City
April 17, 2023



Isla Lipana & Co.


Statement Required by Rule 68,
Securities Regulation Code (SRC)

To the Board of Directors and Shareholders of
OceanaGold (Philippines), Inc.
Didipio Mine, Didipio
Kasibu, Nueva Vizcaya

We have audited the financial statements of OceanaGold (Philippines), Inc. (the "Company") as at and for the year ended December 31, 2022, on which we have rendered the attached report dated April 17, 2023.

In compliance with SRC Rule 68 and based on the certification received from the Company's corporate secretary and the results of the work we performed, the said Company has only one (1) shareholder owning one hundred (100) or more shares as at December 31, 2022.

Isla Lipana & Co.


Pocholo C. Domondon
Partner

CPA Cert. No. 108839

P.T.R. No. 0011401; issued on January 9, 2023 at Makati City

SEC A.N. (individual) as general auditors 108839-SEC, Category A;
valid to audit 2021 to 2025 financial statements

SEC A.N. (firm) as general auditors 0142-SEC, Category A;
valid to audit 2020 to 2024 financial statements

T.I.N. 213-227-235

BIR A.N. 08-000745-128-2021; issued on December 9, 2021; effective until December 8, 2024

BOA/PRC Reg. No. 0142, effective until November 14, 2025

Makati City
April 17, 2023

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Isla Lipana & Co.


Statement Required by Rule 68,
Securities Regulation Code (SRC)

To the Board of Directors and Shareholders of
OceanaGold (Philippines), Inc.
Didipio Mine, Didipio
Kasibu, Nueva Vizcaya

We have audited the financial statements of OceanaGold (Philippines), Inc. as at and for the year ended December 31, 2022, on which we have rendered the attached report dated April 17, 2023.

The supplementary information shown in Reconciliation of Retained Earnings Available for Dividend Declaration as at December 31, 2022, as additional component required by Rule 68 of the SRC, is presented for purposes of filing with the Securities and Exchange Commission and is not a required part of the basic financial statements. Such supplementary information is the responsibility of management and has been subjected to the auditing procedures applied in the audit of the basic financial statements. In our opinion, the supplementary information has been prepared in accordance with Rule 68 of the SRC.

Isla Lipana & Co.


Pocholo C. Domondon
Partner
CPA Cert. No. 108839
P.T.R. No. 0011401; issued on January 9, 2023 at Makati City
SEC A.N. (individual) as general auditors 108839-SEC, Category A;
valid to audit 2021 to 2025 financial statements
SEC A.N. (firm) as general auditors 0142-SEC, Category A;
valid to audit 2020 to 2024 financial statements
T.I.N. 213-227-235
BIR A.N. 08-000745-128-2021; issued on December 9, 2021; effective until December 8, 2024
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Makati City
April 17, 2023

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OceanaGold (Philippines), Inc.
(A wholly-owned subsidiary of OceanaGold (Philippines) Holdings, Inc.)

Statements of Financial Position
As at December 31, 2022 and 2021
(All amounts in U.S. Dollar)

	Notes	2022	2021
<u>ASSETS</u>			
Current assets			
Cash	2	22,511,665	39,511,180
Receivables	3	29,145,062	19,651,254
Inventories, net	4	58,226,014	87,878,302
Prepayments and other current assets	5	17,958,871	7,293,206
Total current assets		127,841,612	154,333,942
Non-current assets			
Inventories, net of current portion	4	112,068,919	99,985,755
Mining assets, net	6	253,001,497	271,785,735
Property, plant and equipment, net	7	193,585,041	194,648,325
Other non-current assets	8	91,942,931	82,824,462
Deferred income tax assets, net	18	18,133,536	35,847,772
Total non-current assets		668,731,924	685,092,049
Total assets		796,573,536	839,425,991
<u>LIABILITIES AND EQUITY</u>			
Current liabilities			
Trade payables and other current liabilities	9	104,269,820	70,347,977
Due to related parties	10	54,067,542	234,761,004
Lease liabilities, current portion	22	36,948	49,692
Income tax payable		-	219,839
Total current liabilities		158,374,310	305,378,512
Non-current liabilities			
Due to related parties, net of current portion	10	50,285,319	-
Retirement benefit obligation, net	15	1,044,314	863,120
Provision for rehabilitation cost	19	3,862,706	4,999,288
Lease liabilities, net of current portion	22	9,612	49,126
Total non-current liabilities		55,201,951	5,911,534
Total liabilities		213,576,261	311,290,046
Equity			
Share capital	11	1,246,519	1,246,519
Other reserves		(1,744,447)	(1,721,097)
Retained earnings		583,495,203	528,610,523
Total equity		582,997,275	528,135,945
Total liabilities and equity		796,573,536	839,425,991

The notes on pages 1 to 52 are integral part of these financial statements.

OceanaGold (Philippines), Inc.
(A wholly-owned subsidiary of OceanaGold (Philippines) Holdings, Inc.)

Statements of Total Comprehensive Income
For the years ended December 31, 2022 and 2021
(All amounts in U.S. Dollar)

	Notes	2022	2021
Net sales	12	308,654,488	99,443,492
Cost of sales	13	(200,080,190)	(56,971,916)
Gross income		108,574,298	42,471,576
General and administrative expenses	14	(23,999,001)	(35,285,236)
Reversal of impairment loss on mining assets	6	-	78,812,174
Other operating income, net	16	4,051,793	2,964,073
Income from operations		88,627,090	88,962,587
Finance costs, net	17	(14,863,972)	(21,933,130)
Income before provision for income tax		73,763,118	67,029,457
(Provision for) benefit from income tax	18	(18,878,438)	35,459,023
Net income for the year		54,884,680	102,488,480
Other comprehensive income (loss)			
Remeasurement gain (loss) on retirement benefit obligation that will not be subsequently reclassified to profit or loss, net of tax	15	(23,350)	54,096
Total comprehensive income for the year		54,861,330	102,542,576

The notes on pages 1 to 52 are integral part of these financial statements.

OceanaGold (Philippines), Inc.
(A wholly-owned subsidiary of OceanaGold (Philippines) Holdings, Inc.)

Statements of Changes in Equity
For the years ended December 31, 2022 and 2021
(All amounts in U.S. Dollar)

	Retained earnings			Other reserves		Total
	Share capital (Note 11)	Unappropriated	Appropriated (Note 1)	Cumulative translation adjustment	Remeasurement of retirement benefit obligation (Note 15)	
Balances as at January 1, 2021	1,246,519	376,566,913	49,555,130	(1,686,844)	(88,349)	425,593,369
Comprehensive income						
Net income for the year	-	102,488,480	-	-	-	102,488,480
Remeasurement gain on retirement benefit obligation	-	-	-	-	54,096	54,096
Total comprehensive income	-	102,488,480	-	-	54,096	102,542,576
Balances as at December 31, 2021	1,246,519	479,055,393	49,555,130	(1,686,844)	(34,253)	528,135,945
Comprehensive income						
Net income for the year	-	54,884,680	-	-	-	54,884,680
Remeasurement loss on retirement benefit obligation	-	-	-	-	(23,350)	(23,350)
Total comprehensive income	-	54,884,680	-	-	(23,350)	(23,350)
Balances as at December 31, 2022	1,246,519	533,940,073	49,555,130	(1,686,844)	(57,603)	582,997,275

The notes on pages 1 to 52 are integral part of these financial statements.

OceanaGold (Philippines), Inc
(A wholly-owned subsidiary of OceanaGold (Philippines) Holdings, Inc.)

Statements of Cash Flows
For the years ended December 31, 2022 and 2021
(All amounts in U.S. Dollar)

	Notes	2022	2021
Cash flows from operating activities			
Income before provision for income tax		73,763,118	67,029,457
Adjustments for:			
Depreciation and amortization	6,7	41,813,628	11,067,883
Interest expense	17	16,168,672	21,853,040
Unrealized foreign exchange loss, net	23	782,271	754,349
Direct write-off of input VAT	16	712,374	-
Provision for inventory obsolescence	4	539,316	-
Provision for retirement benefits	15	297,218	204,832
Accretion expense	19	254,561	232,276
Write-off of receivables from employees	3	77	736
Loss (gain) from disposal of assets	16	(15,290)	9,545
Interest income	2	(175,369)	(27,735)
Gain on ARO adjustment	19	(1,294,354)	-
Gain on loan modification	16	(4,823,383)	(3,710,437)
Reversal of impairment loss	6	-	(78,812,174)
Operating income before working capital changes		128,022,839	18,601,772
Changes in working capital:			
Receivables		(9,493,885)	(15,709,711)
Inventories		17,029,808	24,780,223
Prepayments and other current assets		(2,497,249)	1,309,886
Other non-current assets		(10,213,944)	(2,496,209)
Trade payables and other current liabilities		28,798,538	12,253,927
Due to related parties		(10,640,945)	(4,867,865)
Net cash generated from operations		141,005,162	33,872,023
Interest received	2	175,369	27,735
Benefits paid	15	(56,996)	-
Income tax paid		(10,257,049)	(228,635)
Interest paid	17	(844,401)	(273,281)
Net cash flows provided by operating activities		130,022,085	33,397,842
Cash flows from investing activities			
Additions to mining assets	6	(16,925,323)	(2,056,570)
Proceeds from disposal of assets	16	15,290	-
Net cash used in investing activities		(16,910,033)	(2,056,570)
Cash flows from financing activities			
Refunds from borrowings	10	-	14,690,500
Payment of interest portion of leases	22	(3,179)	(2,570)
Payment of principal portion of leases	22	(66,524)	(78,632)
Payment of borrowings	10	(130,000,000)	(10,000,000)
Net cash provided by (used in) financing activities		(130,069,703)	4,609,298
Net increase (decrease) in cash		(16,957,651)	35,950,570
Cash at beginning of the year		39,511,180	3,621,883
Effects of foreign exchange rate changes in cash		(41,864)	(61,273)
Cash at end of the year		22,511,665	39,511,180

The notes on pages 1 to 52 are integral part of these financial statements.

OceanaGold (Philippines), Inc.

(A wholly-owned subsidiary of OceanaGold (Philippines) Holdings, Inc.)

Notes to Financial Statements

As at and for the years ended December 31, 2022 and 2021

(In the notes, all amounts are shown in U.S. Dollar unless otherwise stated)

Note 1 - General information

1.1 Registration and status of operations

OceanaGold (Philippines), Inc. (the Company) was incorporated in the Philippines and registered with the Philippine Securities and Exchange Commission (SEC) on July 24, 1996 to render exploration and other related services, as well as all aspects of technical engineering and management services to individuals, partnerships, associations, and corporations engaged in mining or, in any manner, in the acquisition, conveyance, storage, marketing, processing, refining and distribution of minerals. The Company is a wholly-owned subsidiary of OceanaGold Philippines Holdings, Inc. (OGPHI), a company incorporated and doing business in the Philippines. The Company's ultimate parent is OceanaGold Corporation (OGC), a company domiciled in Australia and is listed in the Australian and Toronto Stock Exchanges.

On August 7, 1998, the Company amended its Articles of Incorporation changing its primary purpose to include, among others, activities involving large-scale exploration, development and utilization of mineral resources. The SEC approved the amended Articles of Incorporation on October 15, 1998.

On October 13, 2005, the Department of Environment and Natural Resources (DENR) issued to the Company an effective permit for the development and the subsequent operation of the Didipio Gold-Copper Project (Project) contained within the Didipio Financial and Technical Assistance Agreement (FTAA) located in Region 2 in the Philippines. The Company has been granted by the Mines and Geosciences Bureau (MGB) an extension of five (5) years for its exploration activities under the current FTAA on March 10, 2016. The extension commenced on the date of approval of extension and to expire after a period of five (5) years or on the date of approval of the full Declaration of Mining Project Feasibility (DMPF), whichever comes earlier.

On April 3, 2006, the Supreme Court (SC) dismissed the lawsuit filed by a non-government organization questioning the legality of the Company's FTAA. The decision follows the earlier ruling made by the SC in denying with finality the motion seeking to reverse its ruling on the constitutionality of the Philippine Mining Act of 1995.

On April 1, 2013, the Company declared the commencement of commercial operations after considering various relevant criteria to assess when the mine was substantially complete and ready for its intended use and had moved into production stage. As part of its mine plan, the Company started in March 2014 its preparation and development for its transition to underground mining. The development of underground operations moved through a ramp up period during the year before coming into full production in 2020. However, this was temporarily postponed following the halt of mining and operating activities in July 2019.

The Company's FTAA contractually ended on June 20, 2019. Subsequent to a provincial order of restraint on the Company's operations in July 2019, the Company ceased its processing and hauling activities. The renewal process has continued during this duration and is under review with the Office of the President (OP) after being endorsed by the Secretary of DENR and by the MGB. The Company received a letter from the OP instructing the DENR to engage with the Company and the Department of Finance (DOF) to finalize the renewal of the FTAA.

On July 14, 2021, the government renewed the FTAA of the Company for an additional 25 years beginning June 19, 2019. The FTAA was renewed on substantially the same terms and conditions and includes a few additional requirements.

The Company was registered with the Board of Investments (BOI) on November 2, 2005, revised on December 16, 2011, as a new producer of dore bars and concentrates with gold, silver, zinc and lead values on a non-pioneer status under the 1987 Omnibus Investment Code. Under this registration, the Company is entitled to certain fiscal and non-fiscal incentives including six (6) years of income tax holiday (ITH) from the start of commercial operations. Consequently, the Company is required to maintain a base equity of at least 25% of the project cost estimated at US\$50,650,118 (P2,248,612,000) as one of the conditions of its registration. Accordingly, the Board of Directors (BOD) in its resolution dated March 7, 2014 considered an amount of US\$49,555,130 (P2,200,000,000) of the Company's retained earnings as restricted for Project-related expenditures, and is not available for dividend declaration (Note 24.2).

On February 1, 2019, the Company submitted its application for extension of ITH for one (1) year commencing April 2019 until March 2020, which was eventually approved under the Net Foreign Exchange Earnings criterion. In 2020, the Company did not qualify for another year of extension, hence, after the lapse of ITH in March 2020, the Company is liable to pay a regular tax on taxable income.

The Company's registered office address, which is also its principal place of business, is located at the Didipio Mine, Didipio, Kasibu, Nueva Vizcaya. On December 12, 2022, the Company's BOD approved the amendment of the Article III of its Articles of Incorporation pertaining to principal office address, in compliance with the terms and conditions of the FTAA Agreement dated July 14, 2021. This was approved by the majority of the Company's stockholders on December 15, 2022, and was subsequently approved by the SEC on February 6, 2023.

1.2 Approval of the financial statements

The financial statements have been approved and authorized for issue by the Company's BOD on April 17, 2023.

Note 2 - Cash

Cash as at December 31 consist of:

	2022	2021
Cash in banks	22,504,136	39,505,673
Cash on hand	7,529	5,507
	22,511,665	39,511,180

Cash in banks earn interest at the prevailing bank deposit rates of 0.05% to 4.00% for the year ended December 31, 2022 (2021 - 0.05% to 0.125%). In 2022, interest income earned from these bank deposits amounted to US\$175,369 (2021 - US\$27,735) (Note 16).

The carrying amounts of the Company's cash are denominated in the following currencies:

	2022	2021
U.S. Dollar	21,831,931	38,501,576
Philippine Peso	647,004	942,737
Australian Dollar	32,730	66,867
	22,511,665	39,511,180

Note 3 - Receivables

Receivables as at December 31 consist of:

	Note	2022	2021
Trade receivables		23,616,822	17,216,470
Due from related parties	10	4,610,675	1,628,613
Advances to employees		917,565	806,171
		29,145,062	19,651,254

Trade receivables represent receivables from the sale of copper concentrates and dore gold to customers which are recorded at provisional prices and recorded at fair value each period until final settlement.

Advances include those which are extended to the Company's employees and are realized through salary deductions and liquidations.

There are no receivables pledged as collateral for liabilities as at December 31, 2022 and 2021.

During the year, receivables amounting to US\$77 pertaining to resigned employees were written off (2021 - US\$736) (Note 14). As at December 31, 2022 and 2021, the Company did not recognize any impairment losses for trade receivables and due from related parties. The maximum exposure to credit risk for such is disclosed in Note 24.1.

Note 4 - Inventories

Inventories as at December 31 consist of:

	2022	2021
Current		
Consumables and spares	24,350,100	20,998,023
Less: Allowance for inventory obsolescence	(539,316)	-
	23,810,784	20,998,023
Ore stockpile	24,275,426	58,215,540
Concentrates	4,743,941	7,431,530
Gold on hand	5,395,863	1,233,209
	58,226,014	87,878,302
Non-current		
Ore stockpile	112,068,919	99,254,869
Consumables and spares	-	730,886
	112,068,919	99,985,755
	170,294,933	187,864,057

As at December 31, 2022 and 2021, no allowance for inventory obsolescence was recognized for ore stockpiles, concentrates and gold on hand inventories. All inventories are stated at the lower of cost or net realizable value.

Movement in the allowance for inventory obsolescence of consumables and spares for the year ended December 31, 2022 is as follows:

	Amount
Balance at January 1	-
Provision for inventory obsolescence	539,316
Balance at December 31	539,316

As a result of the Company's inspection of excess or obsolete consumables and spares, various inventories were assessed to be for write-off. For the year ended December 31, 2022, the Company has written-off consumables and spares amounting to US\$72,256 (2021 - nil) since these items are no longer usable. Both provision and write-off of inventories were charged to net change in gold and copper inventories within cost of sales in Note 13.

For the year ended December 31, 2022, the cost of inventory recognized as expense and included in cost of sales amounted to US\$200.08 million (2021 - US\$56.97 million) (Note 13).

As at December 31, 2022, the Company classified US\$112.07 million (2021 - US\$99.25 million) of ore stockpile inventory as non-current as management assessed that these are not expected to be processed and sold within 12 months after the end of the reporting period. As at December 31, 2021, consumables and spares inventory valued at US\$0.73 million were also classified to non-current. All consumables and spares inventory are classified as current as at December 31, 2022.

Note 5 - Prepayments and other current assets

Prepayments and other current assets as at December 31 consist of:

	2022	2021
Prepaid income tax	9,046,269	-
Advances	5,453,279	1,885,277
Prepayments	3,358,769	4,918,908
Deferred input tax on capital goods	100,554	489,021
	17,958,871	7,293,206

As at December 31, 2022, prepayments include Tax Credit Certificates (TCCs) amounting to US\$3.25 million (2021 - US\$4.38 million) received from the Bureau of Internal Revenue (BIR). There were no TCCs claimed for cash conversion in 2022 and 2021. The Company has partially converted one of its TCCs to Tax Debit Memo (TDM) amounting to US\$1.1 million used as partial payment for Q4 2021 excise tax due in January 2022. There were no TCCs received from the BIR from granted value-added tax (VAT) refund claims for the years ended December 31, 2022 and 2021 (Note 8).

Advances represent deposits and payments made to suppliers, contractors or vendors arising from contractual agreements for purchases made by the Company.

Note 6 - Mining assets, net

Details of net mining assets and related movements as at and for the years ended December 31 are as follows:

	Notes	Deferred exploration	Mine and mining properties	Asset retirement obligation	Total
Cost					
January 1, 2022		14,630,977	431,429,502	2,992,006	449,052,485
Additions		577	22,040,002	-	22,040,579
Adjustments	19	-	-	(96,789)	(96,789)
Reclassifications	7	-	(21,074,244)	-	(21,074,244)
December 31, 2022		14,631,554	432,395,260	2,895,217	449,922,031
Accumulated amortization					
January 1, 2022		-	(174,392,272)	(2,874,478)	(177,266,750)
Amortization	13	-	(19,653,784)	-	(19,653,784)
December 31, 2022		-	(194,046,056)	(2,874,478)	(196,920,534)
Net book value as at December 31, 2022		14,631,554	238,349,204	20,739	253,001,497
Cost					
January 1, 2021		14,616,303	349,559,749	3,798,541	367,974,593
Additions		14,674	3,932,868	-	3,947,542
Adjustments	19	-	-	(806,535)	(806,535)
Reclassifications	7	-	(875,289)	-	(875,289)
Reversal of impairment		-	78,812,174	-	78,812,174
December 31, 2021		14,630,977	431,429,502	2,992,006	449,052,485
Accumulated amortization					
January 1, 2021		-	(172,628,668)	(2,921,832)	(175,550,500)
Reclassifications		-	(53,966)	53,966	-
Amortization	13	-	(1,709,638)	(6,612)	(1,716,250)
December 31, 2021		-	(174,392,272)	(2,874,478)	(177,266,750)
Net book value as at December 31, 2021		14,630,977	257,037,230	117,528	271,785,735

As at December 31, 2022 and 2021, the deferred exploration costs pertain to exploration of other tenements within the FTAA region. Deferred exploration cost is mainly the nature of intangible assets. The Company expects these costs to be recovered through future development of the areas of interests with ongoing exploration activities. The Company did not recognize impairment loss on deferred exploration costs for the years ended December 31, 2022 and 2021.

Mine and mining properties include costs related to the Company's underground project. As at December 31, 2022, total development cost capitalized for the construction of the underground project amounted to US\$179.8 million (2021 - US\$172.92 million).

The Company assesses the Didipio project at year 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 accounting policy in Note 26.9.

In 2020, the Company identified an indicator of impairment for the Didipio project resulting from the permanent layoffs of 496 employees at Didipio which took place during the fourth quarter of the year and the outstanding renewal of the Company's FTAA. These layoffs impact the expected timeline to resume full operations of the Company. An impairment assessment was hence performed which resulted in an impairment charge of US\$80 million being recognized against mining assets.

In 2021, 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 US\$78.8 million was recognized in 2021. This represents the full reversal of the non-current asset impairment recorded in 2020, as adjusted for amortization recorded to date.

As at December 31, 2022, management assessed that there are no impairment indicators on the Didipio project and consequently, the Company did not recognize impairment loss for the year then ended. In addition, there were no reversals of previously recognized impairment loss during the year.

For cash flow purposes, additional capitalized deferred exploration and mine and mining properties cost during the year amounted to US\$22,040,579 (2021 - US\$3,947,542). As at December 31, 2022, US\$10,154,333 remains unpaid (2021 - US\$5,039,077).

Asset retirement obligation refers to the estimated cost for rehabilitation and decommissioning of mine and existing facilities of the Company which is amortized over the life of mine (Note 19). For the years ended December 31, 2022 and 2021, management continues to perform the regular review of asset retirement obligation including the assumptions and adjusts the discount rate based on management's market assessment of the time value of money and risks specific to the obligation to 7.16% (2021 - 5.05%) and remeasures the undiscounted rehabilitation costs using the prevailing year-end exchange rates. As a result of these changes, the depreciable amount of the asset retirement obligation and corresponding provision for rehabilitation costs was reduced by US\$1.39 million, with US\$1.29 million recognized in finance income when the asset was fully amortized during the first quarter of the year, and net US\$0.097 million recognized as a subsequent adjustment in the rehabilitation asset resulting from changes in assumptions including discount rate and foreign exchange rate (Note 17).

Note 7 - Property, plant and equipment, net

Details of property, plant and equipment, net and related movements as at and for the years ended December 31 are as follows:

	Office machinery and equipment	Vehicles	Furniture and fittings	Computer equipment and software	Leasehold improvements	Buildings	Roads and dams	Plant and equipment	Health, safety and security equipment	Maintenance equipment	Mining equipment	Total
Cost												
January 1, 2022	11,777,557	34,551,787	2,221,909	7,807,718	260,294	57,852,398	60,505,412	181,427,823	1,956,041	2,232,354	29,663,460	390,256,753
Additions	-	-	-	-	-	72,235	-	-	-	-	-	72,235
Disposals	(22,266)	(191,188)	-	-	-	(195,510)	-	-	-	-	-	(406,964)
Reclassifications	966,732	2,046,080	322,237	1,349,835	18,298	345,705	4,539,248	-	47,287	60,590	11,378,232	21,074,244
December 31, 2022	12,722,023	36,406,679	2,544,146	9,157,553	278,592	58,074,828	65,044,660	181,427,823	2,003,328	2,292,944	41,041,692	410,894,268
Accumulated depreciation and amortization												
January 1, 2022	11,676,203	33,687,180	2,197,328	7,720,164	260,294	26,732,174	22,161,467	82,343,653	1,947,264	2,232,354	4,650,347	195,608,428
Amortization of ROU	9,206	-	-	-	-	65,525	-	-	-	-	-	74,731
Depreciation	394,193	1,323,164	121,897	464,308	3,066	3,565,691	3,972,955	8,829,716	17,247	25,233	3,367,642	22,085,113
Disposals	(22,266)	(191,188)	-	-	-	(145,591)	-	-	-	-	-	(359,045)
December 31, 2022	12,057,336	34,819,156	2,319,225	8,184,473	263,360	30,217,799	26,134,422	91,173,369	1,964,511	2,257,587	8,017,989	217,409,227
Net book values as at December 31, 2022	664,687	1,587,523	224,921	973,080	15,232	27,857,029	38,910,238	90,254,454	38,817	35,357	33,023,703	193,585,041
Cost												
January 1, 2021	11,656,979	34,301,167	2,221,909	7,738,111	260,294	57,744,360	60,505,412	181,249,580	1,946,146	2,232,354	29,447,848	389,304,160
Additions	-	-	-	-	-	77,304	-	-	-	-	-	77,304
Reclassifications	120,578	250,620	-	69,607	-	30,734	-	178,243	9,895	-	215,612	875,289
December 31, 2021	11,777,557	34,551,787	2,221,909	7,807,718	260,294	57,852,398	60,505,412	181,427,823	1,956,041	2,232,354	29,663,460	390,256,753
Accumulated depreciation and amortization												
January 1, 2021	11,019,507	31,028,210	2,153,124	7,496,002	260,294	23,424,563	21,581,412	80,898,364	1,922,050	2,232,354	4,240,905	186,256,795
Amortization of ROU	4,697	-	-	-	-	72,213	-	-	-	-	-	76,910
Depreciation	651,999	2,658,970	44,204	224,162	-	3,235,398	580,055	1,445,289	25,204	-	409,442	9,274,723
December 31, 2021	11,676,203	33,687,180	2,197,328	7,720,164	260,294	26,732,174	22,161,467	82,343,653	1,947,264	2,232,354	4,650,347	195,608,428
Net book values as at December 31, 2021	101,354	864,607	24,581	67,554	-	31,120,224	38,343,945	99,084,170	8,777	-	25,013,113	194,648,325

In 2022, the Company sold fully depreciated vehicles for US\$15,290 and recognized the same as gain from disposal of property, plant and equipment in profit or loss (Note 16).

As at December 31, 2022 and 2021, management assessed that there are no impairment indicators on property, plant and equipment and consequently, the Company did not recognize impairment loss for the years then ended.

Depreciation and amortization for the years ended December 31 were recognized as follows:

	Notes	2022	2021
Cost of sales	13	22,082,047	9,260,019
General and administrative expenses	14	77,797	91,614
		22,159,844	9,351,633

Right-of-use (ROU) of assets arising from leasing arrangements are presented together with the owned assets of the same class. Additions to the ROU assets for the year ended December 31, 2022 as a result of renewal of lease agreements amounted to US\$72,235 (2021 - US\$77,304). As at December 31, the carrying amount of ROU assets by class of underlying assets are as follows:

	Note	Office machinery and equipment	Buildings	Total
Cost				
At January 1, 2021		22,266	215,327	237,593
Additions		-	77,304	77,304
At December 31, 2021		22,266	292,631	314,897
Additions		-	72,235	72,235
Termination		(22,266)	(195,510)	(217,776)
At December 31, 2022		-	169,356	169,356
Accumulated amortization				
At January 1, 2021		8,363	132,062	140,425
Amortization	13	4,697	72,213	76,910
At December 31, 2021		13,060	204,275	217,335
Amortization	13	9,206	65,525	74,731
Termination		(22,266)	(145,591)	(167,857)
At December 31, 2022		-	124,209	124,209
Net carrying values				
At December 31, 2022		-	45,147	45,147
At December 31, 2021		9,206	88,356	97,562

Note 8 - Other non-current assets

Other non-current assets as at December 31 consist of:

	Note	2022	2021
Input VAT		54,689,309	46,306,540
Excise tax		22,100,493	22,100,493
Deposits	24	8,301,442	7,813,689
Mine rehabilitation fund	24	6,363,607	6,425,523
Social development fund	24	488,080	178,217
		91,942,931	82,824,462

In 2022 and 2021, the Company has made a number of applications for refund or tax credit of unutilized input VAT attributable to input taxes incurred for the period from incorporation to taxable year December 2020.

The BIR partially granted some of the Company's applications through the issuance of TCCs (Note 5). TCC for the remaining amount of grants were processed and encashed from the Bureau of Customs (BOC). Details of these grants are as follows:

Application	Date filed	Grant date	With TCC	Without TCC	Total grants
1	June 29, 2015	October 27, 2015	1,992,782	242,430	2,235,212
2	September 30, 2015	February 3, 2016	1,776,888	371,091	2,147,979
3	March 28, 2016	July 7, 2016	592,145	580,078	1,172,223
4	June 29, 2016	October 27, 2016	124,701	1,703,941	1,828,642
5	February 28, 2017	July 21, 2017	16,458	205,081	221,539
6	August 29, 2017	May 15, 2019	-	265,918	265,918
7	March 22, 2018	May 29, 2018	-	215,902	215,902
8	June 22, 2018	June 7, 2022	-	495,720	495,720
9	March 31, 2022	June 2, 2022	-	1,478,108	1,478,108
			4,502,974	5,558,269	10,061,243

As at December 31, 2022, the Company has US\$42.01 million (2021 - US\$43.20 million) unutilized input VAT claimed for refund, net of write-off of US\$1,020,818 and disallowed amount of US\$1,463,273.

Details of the Company's outstanding input VAT claims are as follows:

Date filed	Period covered	Total claims	Write-off/ disallowance	Outstanding
March 31, 2015	Prior years to June 30, 2013	29,823,091	-	29,823,091
June 29, 2015	July 1 to September 30, 2013	4,441,403	-	2,206,191
September 30, 2015	October 1 to December 31, 2013	3,942,485	-	1,794,506
March 28, 2016	January 1 to March 31, 2014	1,434,901	-	262,678
June 29, 2016	April 1 to December 31, 2014	1,871,170	42,528	-
February 28, 2017	January 1 to June 30, 2015	1,079,974	858,435	-
August 30, 2017	July 1 to December 31, 2015	1,033,576	767,658	-
March 22, 2018	January to March 31, 2016	324,060	108,158	-
June 22, 2018	April 1 to December 31, 2016	1,186,372	690,652	-
March 29, 2019	January 1 to December 31, 2017	2,305,107	-	2,305,107
July 7, 2020	January 1 to December 31, 2018	2,950,424	-	2,950,424
May 31, 2021	January 1 to December 31, 2019	2,672,221	-	2,672,221
March 31, 2022	January 1 to December 31, 2020	1,494,768	16,660	-
Total		54,559,552	2,484,091	42,014,218

During the year, the Company received from BOC the claim for the 2020 VAT refund amounting to US\$1,478,108.

Excise tax is under protest with the SC. These are to be applied against future obligations depending on the decision of the Court. Presently, the Company has outstanding bank deposits in favor of the CTA as a required bond.

The amount deposited as a required bond, pending resolution of on-going assessment and dispute between two (2) provinces on proper jurisdiction over the Project, is included in Deposits and which will be released and applied to outstanding obligations upon clearance and final decision by the Court (Note 21) amounted to US\$6,116,787 as at December 31, 2022 (2021 - US\$6,593,809). The remaining amount in Deposits pertain to security deposits related to long-term contracts which are expected to be either released upon termination or applied to against outstanding balances.

In 2006, the Company established a mine rehabilitation fund as a response to the agreements entered by OceanaGold (Philippines) Exploration Corporation (OGPEC), an entity under common control, with the Provincial Government of Quirino, Provincial Government of Nueva Vizcaya, MGB, DENR, Environmental Management Bureau (EMB) Regional Office No. 2, and Non-Government Organization of Quirino and Nueva Vizcaya Provinces in 2004, which were transferred to the Company as a consequence of the assignment of the FTAA (Note 20).

The fund, as mandated by MGB, is to be used for physical and social rehabilitation, reforestation and restoration of areas and communities affected by mining activities, pollution control, slope stabilization and integrated community development projects. For the year ended December 31, 2022, the Company made US\$399 thousand additional deposits to its mine rehabilitation funds (2021 - US\$481 thousand). Movement includes the effect of foreign exchange. The total rehabilitation funds as at December 31, 2022 is US\$6.36 million (2021 - US\$6.43 million).

Note 9 - Trade payables and other current liabilities

Trade payables and other current liabilities as at December 31 consist of:

	2022	2021
Trade payables and accrued expenses	44,204,616	25,698,704
Accrued royalties	50,082,043	44,375,858
Payable to government agencies	9,817,925	90,706
Others	165,236	182,709
	104,269,820	70,347,977

Trade payables and accrued expenses pertain to actual and estimated costs for the procurement of goods and services including materials, parts and supplies, in-transit items, and other operating expenses of the Company. The accrued expenses includes accrual for the Provincial Development Fund (PDF) and Community Development Fund (CDF) amounting to US\$536,335 and US\$1,036,424, respectively (2021 - US\$103,338 and US\$51,669). This is due to the amendment in the provisions of the FTAA Addendum requiring an additional allocation of 1% to the PDF and 0.5% to the CDF based on preceding year's gross mining revenue with the goal of assisting in the development of other communities outside of the host and neighboring communities covered by the Social Development and Management Program (SDMP) (Note 20).

Accrued royalties pertain to royalties equivalent to a certain percentage based on the net smelter return as required by the FTAA contract (Note 21).

Payable to government agencies mainly refers to outstanding withholding taxes and other employee-related statutory contributions that were subsequently paid and remitted by the Company.

Note 10 - Related party transactions

In the normal course of business, the Company transacts with entities under common control other than OceanaGold Corporation (OGC) and OceanaGold Philippines Holdings, Inc. (OGPHI). The table below summarizes the Company's transactions and balances with its related parties as at and for the years ended December 31:

Related party	Notes	2022		2021		Terms and conditions
		Transactions	Outstanding receivables (payables)	Transactions	Outstanding receivables (payables)	
Advances to	3					
OGPHI		10,368	210,134	1,817	217,157	Advances to and from related parties are made to finance respective working capital requirements. These are non-interest bearing and payable in cash and on demand. These receivables are guaranteed by OGC.
OceanaGold Ltd.(OGL)		10,000,000	3,449,969	-	435,276	
OceanaGold Sustainable Agroforestry, Inc.		37,008	645,375	42,008	663,251	
OGPEC		18,145	305,197	52,049	312,929	
			4,610,675		1,628,613	
Borrowings and interest						
OceanaGold (Singapore) Pte. Ltd. (OGS)		-	(50,285,319)		(179,115,577)	Terms of the loans are detailed in the succeeding narrative.
Interest	17	15,321,092	(53,586,819)	21,577,190	(53,715,394)	
Additions/Refund		-	-	14,690,500	-	
Repayments		130,000,000	-	10,000,000	-	
Gain on loan modification	16	4,823,383	-	3,710,437	-	
			(103,872,138)		(232,830,971)	
Management fee	14					
OGL		6,735,514	(480,723)	6,230,095	(1,930,033)	Management fees pertain to charges for administrative and technical support extended by the parent company, which are expected to be settled in cash and payable within 60 days.
			(104,352,861)		(234,761,004)	
Related party		2022		2021		Terms and conditions
		Transactions	Outstanding (payables)	Transactions	Outstanding (payables)	
Key management compensation						
Salaries and wages		321,226	-	397,792	-	Salaries and wages are settled at the period incurred. Other benefits are payable within the current year.
Other employee benefits		134,835	-	121,988	-	
Retirement benefits		30,056	(127,196)	34,547	(157,252)	Refer to Note 15.

On January 1, 2015, as evidenced by a loan agreement, OGS has agreed to loan the principal sum of US\$278 million to the Company. The transaction is merely a reassignment of previous advances from OceanaGold Finance (NZ) Ltd. (OGF) and OGL. The Company is obliged to pay the outstanding balance after eight (8) years from date of loan agreement with interest of 10.5% or such other arm's length percentage rate as agreed in writing between OGS and the Company. The loan is unsecured.

As at reporting date, the Company and respective related parties have yet to determine the manner of settlement of remaining outstanding advances, excluding the loan from OGS, that may consider direct cash payment, offsetting or through exchange of another financial instrument. There were neither impairment losses nor write-offs recognized in 2022 and 2021.

As at December 31, 2022, the interest accrual and payments have resumed upon the attainment of the following requirements on resumption which includes: (1) written confirmation of the date of which interest accrual and payment will recommence by the parties which nominates December 30, 2022 and (2) full operations in Didipio.

On December 19, 2022, the loan agreement was extended to thirteen (13) years from the effective date through a Deed of Variation. The terms and conditions of the loan agreement shall remain in full force and effect except to the extent expressly varied, restated or amended by the provisions of the Deed. It shall be incorporated into the loan agreement and shall be read as one and the same document. The Company is still under obligation to settle the interest that was temporarily suspended in the previous years on or before December 31, 2023. Transactions during the year pertain to the principal loan payments made by OGPI to OGS. During the year, following the agreement with OGS, the Company recognised a gain on loan modification amounting to US\$4.8 million (2021 - US\$3.71 million) and interest expense amounting to US\$15.32 million (2021 - US\$21.58 million). Details of movements are disclosed in the net debt reconciliation table.

The net debt reconciliation as at December 31 is presented below:

	2022	2021
Borrowings from a related party, January 1	232,830,971	210,273,718
Changes arising from:		
Cash flows	(130,000,000)	4,690,500
Non-cash flows:		
Interest expense	15,321,092	21,577,190
Gain on loan modification	(4,823,383)	(3,710,437)
Tax on loans	(9,456,542)	-
Borrowings from a related party, December 31	103,872,138	232,830,971
Cash	(22,511,665)	(39,511,180)
Net debt	81,360,473	193,319,791

Note 11 - Share capital

Details of the Company's share capital as at December 31, 2022 and 2021 are as follows:

	Authorized	Issued and outstanding
Par value in PhP	100	100
Number of common shares	2,280,000	577,500
Amount in PhP	228,000,000	57,750,000
Amount in USD	-	1,246,519

As at December 31, 2022, the Company's undistributed retained earnings exceeded its paid up capital by US\$534.70 million (2021 - US\$477.81 million), net of appropriation for project-related expenditures (Note 1). As at report date, management plans to appropriate excess retained earnings for business expansion (i.e., underground mining, process plant upgrade pending regulatory approval of increased mill throughput), dividend declaration, as well as offsetting future operational losses from past years.

Note 12 - Net sales

Details of net sales for the years ended December 31 are as follows:

	2022	2021
Copper	272,107,987	49,357,305
Gold	49,771,179	54,075,772
Silver	4,120,718	1,354,323
	325,999,884	104,787,400
Refining, treatment and other direct costs	(17,345,396)	(5,343,908)
	308,654,488	99,443,492

Provisional pricing losses arise from provisionally priced copper, gold and silver concentrate sales where final prices based on defined quotational periods have yet to be determined at the reporting date. As at December 31, 2022, the provisionally priced gold and copper concentrate sales subject to final settlement included a provisional pricing loss of US\$0.22 million (2021 - US\$0.39 million).

As at December 31, 2022 and 2021, the Company does not have any contract asset or contract liability for undelivered dore sales.

Note 13 - Cost of sales

Details of cost of sales for the years ended December 31 are as follows:

	Notes	2022	2021
Supplies and consumables		49,034,389	5,350,804
Depreciation and amortization	6,7	41,735,831	10,976,269
Utilities		29,573,138	3,308,114
Outside services		16,664,245	3,229,033
Salaries, wages and other benefits		15,480,205	1,837,690
Freight costs		9,693,279	2,391,552
Royalties		5,706,185	2,170,408
Donations		3,606,205	214,209
Insurance expense		2,664,675	205,769
Taxes and licenses		1,011,142	206,275
Repairs and maintenance		771,317	230,804
Transportation and travel		448,582	146,611
Training costs		213,541	4,650
Office supplies		155,697	27,104
Rentals	22	103,812	4,549
Dues and subscriptions		47,744	3,366
Others		2,705,415	687,252
		179,615,402	30,994,459
Net change in gold and copper inventories		20,464,788	25,977,457
		200,080,190	56,971,916

Other costs mainly pertain to social development expenditures and other expenditures attributable to the mine operations (Note 20).

Note 14 - General and administrative expenses

Details of general and administrative expenses for the years ended December 31 are as follows:

	Notes	2022	2021
Taxes and licenses		15,211,581	6,090,498
Management fee	10	6,735,514	6,230,095
Salaries, wages and other benefits		672,660	4,004,609
Outside services		617,300	4,182,973
Provision for retirement benefits	15	297,218	204,832
Transportation and travel		83,708	1,081,121
Depreciation and amortization	7	77,797	91,614
Donations		63,274	151,242
Supplies and consumables		45,738	5,040,955
Utilities		34,705	4,484,026
Insurance expense		21,038	939,664
Repairs and maintenance		18,376	256,619
Rentals	22	16,419	54,136
Office supplies		15,292	13,192
Dues and subscriptions		14,902	23,230
Write-off of advances	3	77	736
Others		73,402	2,435,694
		23,999,001	35,285,236

Others represent bank charges, training costs of employees, promotional and advertising expenditures and commercial administration expenditures.

Note 15 - Retirement benefit obligation

The Company has a funded defined benefit retirement plan covering substantially all of its employees. The Company is under the OceanaGold (Philippines), Inc. Multi-employer Employees' Retirement Plan (Plan). The Plan provides for the normal retirement date of a member at the first day of the month coincident with or next following the employee's attainment of the age of 60 years old. An employee may, with the approval of the Company, retire and be entitled to retirement benefit on the day he/she attains the age of 50 years, and after rendering at least ten (10) years of continuous service with the Company.

In addition, the Plan requires contributions to be made to a separately administered fund, which was established upon the first actual contribution of the Company. Upon normal and early retirement, a member shall be entitled to 100% of his final monthly salary for every completed year of continuous service. Members covered by the 2017 amended collective bargaining agreement are entitled to 150% of their final monthly salary for every completed year of continuous service. There are no unusual or significant risks to which the Plan exposes the Company. However, in the event a benefit claim arises under the Plan, the claim shall immediately be due and payable from the Company in the event that plan assets are insufficient to settle maturing retirement obligation. The actuarial valuation report on the Plan contained valuation results as at December 31, 2022.

Details of the retirement benefit obligation and provision for retirement benefits as at and for the years ended December 31 are as follows:

	Note	2022	2021
Retirement benefit obligation, net		1,044,314	863,120
Retirement benefit expense	14	297,218	204,832

The amounts of retirement benefits obligation, net as at December 31 are determined as follows:

	2022	2021
Present value of benefit obligation	1,511,530	1,379,490
Fair value of plan assets	(467,216)	(516,370)
	1,044,314	863,120

Changes in the present value of defined benefit obligation for the years ended December 31 are as follows:

	2022	2021
January 1	1,379,490	1,330,208
Current service cost	255,468	170,923
Interest cost	66,728	57,470
Benefits paid directly from the book reserve	(56,996)	-
Remeasurement (gain) loss		
Actuarial gain - changes in financial assumptions	(578,243)	(175,971)
Actuarial loss - changes in demographic assumptions	-	647
Actuarial loss - experience adjustments	584,435	71,677
Effect of foreign exchange differences	(139,352)	(75,464)
December 31	1,511,530	1,379,490

Changes in the fair value of plan assets for the years ended December 31 are as follows:

	2022	2021
January 1	516,370	545,337
Interest income	24,978	23,561
Remeasurements loss	(24,941)	(23,107)
Effect of foreign exchange differences	(49,191)	(29,421)
December 31	467,216	516,370

The carrying value of plan assets as at December 31, 2022 and 2021 approximates its estimated fair value.

Plan assets as at December 31 are comprised of the following:

	2022	2021
Investments in equity	89%	89%
Others	11%	11%

The defined benefit plan typically exposes the Company to a number of risks such as investment risk, interest rate risk and salary risk. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related retirement obligation. A decrease in government bond yields will increase the defined benefit obligation. Hence, the present value of defined benefit obligation is directly affected by the discount rate to be applied by the Company. However, the Company believes that due to the long-term nature of the retirement obligation, the investment holdings of the plan is an appropriate element of the Company's long-term strategy to manage the plan efficiently.

Plan assets are mostly placed in investment wherein return is guaranteed with less likelihood of default. Presently, the Company and trustee are reassessing the most effective scheme that will ensure adequacy of expected yield against actual and timing of cash outflow arising from settlement of retirement obligation.

The actual return on plan assets in 2022 amounted to US\$36 (2021 - US\$454 gain). The Company does not expect to contribute to the pension benefit fund for the year ending December 31, 2023.

The movement in retirement benefit obligation, net recognized in the statement of financial position as at December 31 follows:

	2022	2021
January 1	863,120	784,871
Retirement benefits expense	297,218	204,832
Benefits paid directly from book reserve	(56,996)	-
Remeasurement (gain) loss		
Changes in financial assumptions	(578,243)	(175,971)
Experience adjustments	584,435	71,677
Change in demographic assumptions	-	647
Return on plan assets	24,941	23,107
Effect of foreign exchange differences	(90,161)	(46,043)
December 31	1,044,314	863,120

Details of retirement benefits expense charged to profit or loss for the years ended December 31 are as follows:

	2022	2021
Current service cost	255,468	170,923
Net interest cost	41,750	33,909
	297,218	204,832

Movement of the retirement benefit charged to other comprehensive income for the years ended December 31 are as follows:

	2022	2021
At January 1, gross	45,671	126,211
Remeasurement (gain) loss arising from:		
Changes in financial assumptions	(578,243)	(175,971)
Experience adjustments	584,435	71,677
Change in demographic assumptions	-	647
Return on plan assets	24,941	23,107
	31,133	(80,540)
At December 31, gross	76,804	45,671
Deferred income tax effect	(19,201)	(11,418)
December 31, net	57,603	34,253

The principal assumptions used in determining the Company's retirement obligation, net as at December 31 are as follows:

	2022	2021
Discount rate	7.37%	5.19%
Expected future salary increase	3.00%	3.00%

The discount rate assumption is based on the theoretical spot yield curve calculated from the Bankers Association of the Philippines (BAP) PHP Bloomberg BVAL Reference Rates (BVAL) benchmark reference curve for the government securities market by stripping the coupons from government bonds to create virtual zero coupon bonds as of the valuation date, and considering the estimated timing and amount of projected benefit payments. Assumptions regarding future mortality and disability experience are set using the 2017 Philippine Intercompany Mortality Table and The Disability Study, Period 2 Benefit 5 (Society of Actuaries), respectively.

Expected maturity analysis of future benefit payments based on the latest actuarial valuation date in Philippine Peso follows:

	2022	2021
One to two years	4,604,523	3,052,736
Three to four years	6,231,839	4,012,448
Five years and over	69,837,848	34,821,790
	80,674,210	41,886,974

The weighted average duration of the defined benefit obligation is 15.2 years in 2022 (2021 - 16.9 years).

The impact of each key assumption to defined benefit obligation, in Philippine Peso, has been determined based on reasonably possible changes of each significant assumptions as at reporting date, assuming all other assumptions were held constant:

	2022		2021	
	Increase by 100 bps	Decrease by 100 bps	Increase by 100 bps	Decrease by 100 bps
Discount rate	(10,765,592)	12,884,454	(9,654,537)	11,680,035
Salary increase rate	13,342,753	(11,281,530)	11,827,216	(9,928,343)

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the retirement benefit obligation recognized within the statement of financial position.

Note 16 - Other operating income, net

Other operating income (expense), net for the years ended December 31 consists of:

	Notes	2022	2021
Gain on loan modification	10	4,823,383	3,710,437
Interest income	2	175,369	27,735
Gain from disposal of property, plant and equipment	7	15,290	-
Foreign exchange loss	23	(249,875)	(869,571)
Write-off of prescribed input VAT receivable		(712,374)	-
Scrap sales		-	105,017
Loss from disposal of fuel inventory		-	(9,545)
		4,051,793	2,964,073

In 2021, the Company sold fuel inventory with book value of \$61,508 for \$51,963 which resulted in a loss from disposal of fuel inventory amounting to US\$9,545.

Note 17 - Finance costs, net

Details of finance income (costs), net for the years ended December 31 are as follows:

	Notes	2022	2021
Gain on ARO adjustment	19	1,294,354	-
Foreign exchange gain	23	264,907	152,186
Accretion expense	19	(254,561)	(232,276)
Interest expense		(16,168,672)	(21,853,040)
		(14,863,972)	(21,933,130)

Interest expense recognized for the years ended December 31 relates to the following:

	Notes	2022	2021
Loan from a related party	10	15,321,092	21,577,190
Advance payments made by customers	20(c)	844,401	273,280
Lease liabilities	22	3,179	2,570
		16,168,672	21,853,040

Note 18 - Income taxes

The Company's ITH for its exportation and production of dore bars and copper concentrates has expired on March 31, 2020. As a result, the Company has applied the regular tax on net income starting April 1, 2020.

BIR Revenue Regulation no. 14-2001 provides that the Company as a BOI-registered enterprise is not entitled to claim deduction of the accumulated net operating losses incurred or sustained during the ITH period. Starting April 1, 2020, the Company's net operating losses may be carried over for a period of three (3) to five (5) years and can be claimed as deduction against future taxable income.

Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act

On March 26, 2021, Republic Act No. 11534, CREATE Act, was signed into law. The CREATE Act took effect 15 days after its complete publication in the Official Gazette or in a newspaper of general circulation. Among the salient provisions of CREATE include changes to the corporate income tax as follows:

- regular corporate income tax (RCIT) rate of 25% from 30% shall be applicable to all other domestic and foreign corporations from July 1, 2020;
- lowering of RCIT to 25% from 30% for all other domestic corporations with net taxable income exceeding P5 million and with total assets exceeding P100 million (excluding land on which the business entity's office, plant and equipment are situated) from July 1, 2020; and
- for the period beginning July 1, 2020 until June 30, 2023, the MCIT rate shall be 1%, instead of 2%.

Corporate income tax for the years ended December 31, 2022 and 2021 was measured using the RCIT rate of 25% or MCIT rate of 1%, as applicable.

Deferred income tax expense for the year ended December 31, 2022 amounted to US\$P18.88 million (2021 - US\$35.46 million, deferred income tax benefit).

Details of the Company's deferred income tax assets (liabilities), net are as follows:

	2022	2021
Deferred income tax assets		
To be recovered within 12 months		
MCIT	1,604,890	448,471
NOLCO	1,238,065	8,242,409
Unrealized foreign exchange loss	536,335	350,810
Interest expense	-	13,428,848
To be recovered after more than 12 months		
Provisions	14,492,814	13,171,184
Retirement benefit obligation	261,079	215,780
Lease liabilities, net	353	313
	18,133,536	35,857,815
Deferred income tax liabilities		
To be settled within 12 months:		
Unrealized foreign exchange gain	-	(10,043)
	18,133,536	35,847,772

The movements in deferred income tax assets (liabilities), net are as follows:

	2022	2021
At January 1	35,847,772	(33,278)
(Charged) credited to profit or loss	(18,878,438)	35,459,023
(Charged) credited to other comprehensive income	7,783	(26,444)
MCIT	1,156,419	448,471
At December 31	18,133,536	35,847,772

Realization of the future tax benefits related to the deferred income tax assets is dependent on many factors, including the Company's ability to generate taxable income in the future. The Company's management has considered these factors in reaching its conclusion on the realizability of the deferred income tax assets. The Company's management has considered these factors in reaching its conclusion to fully recognize all deferred income tax assets in the financial statements.

On September 11, 2020, Republic Act (R.A.) No. 11494, otherwise known as "Bayanihan to Recover as One Act", was passed into law to strengthen the government's efforts in mitigating the effects of COVID-19 pandemic. Under R.A. No. 11494, NOLCO for taxable years 2020 and 2021 shall be carried over as a deduction from gross income for the next five (5) consecutive taxable years immediately following the year of such loss.

Details of NOLCO that can be claimed as deductions from future regular income as at December 31 are as follows:

Year of incurrence	Year of expiration	2022	2021
2020	2025	32,969,635	41,870,080
Less: Application		(28,017,375)	(8,900,445)
		4,952,260	32,969,635
Tax rate		25%	25%
		1,238,065	8,242,409

Details of MCIT that can be claimed as tax credits from corporate income tax due as at December 31 are as follows:

Year of incurrence	Year of expiration	2022	2021
2021	2024	448,471	448,471
2022	2025	1,156,419	-
		1,604,890	448,471

The MCIT is equal to 1% of gross taxable income for a taxable period. Any excess of the MCIT over the normal income tax is carried forward annually and credited against the normal income tax for the three (3) succeeding taxable years.

The reconciliation of the provision for (benefit from) income tax computed at statutory income tax rate to the actual provision for (benefit from) income tax for the years ended December 31 in the statement of total comprehensive income follows:

	2022	2021
Statutory tax expense at 25%	18,440,780	16,757,364
Additions (reductions) resulting from tax effects of:		
Non-deductible expense	1,687,346	77,076
Non-taxable income	(1,205,846)	(20,927,609)
Interest income subjected to final tax	(43,842)	(6,934)
Recognized previously unrecognized deferred tax assets	-	(31,353,375)
Adjustments due to change in statutory tax rate	-	(5,545)
	18,878,438	(35,459,023)

Note 19 - Provision for rehabilitation cost

Movements of the provision for rehabilitation cost for the years ended December 31 are as follows:

	Notes	2022	2021
January 1		4,999,288	5,573,547
Accretion	17	254,561	232,276
Adjustment charged to mining assets	6	(96,789)	(806,535)
Adjustment credited to profit or loss	17	(1,294,354)	-
December 31		3,862,706	4,999,288

For the year ended December 31, 2022, accretion was recognized as finance costs amounting to US\$254,561 (2021 - US\$232,276) with no portion allocated to mining assets (Note 17).

Provision for rehabilitation cost represents estimated cost of rehabilitating the mine to its approximate original state. It also includes the cost to dismantle infrastructure including tailings facility, processing plants and other equipment, revegetation and restoring the mine topography to its geologically stable land form. As mentioned in Note 6, the Company revised its estimates and assumptions for the planned rehabilitation activities. Among the significant changes include the application of a new discount rate and adjustment in estimated rehabilitation costs to reflect prevailing foreign exchange rates. These changes resulted in a decrease by US\$1,391,143 and US\$806,535 in the provision of rehabilitation cost in 2022 and 2021, respectively. During the year, the Company recognized a portion of the adjustment amounting to US\$1.29 million as finance income in profit or loss when the corresponding asset was fully amortized (2021 - nil) (Note 6).

Note 20 - Significant contracts and agreements

The Company is a party to significant contracts and agreements, which include the following:

(a) Assignment, Accession and Assumption Agreement (AAA Agreement)

On December 23, 1996, the Company entered into an AAA Agreement with OGPEC, an entity under common control, relating to the FTAA entered into by OGPEC with the Government. The AAA Agreement, which was amended and restarted on September 15, 2004, assigned to the Company the rights of OGPEC over the FTAA in consideration for the Company's assumption of the obligations of OGPEC.

On December 9, 2004, the DENR approved the application of OGPEC for the transfer of the rights and obligations to the Project under the FTAA to the Company after OGPEC complied with the procedures and requirements set forth under Section 66 of Department Administrative Order (DAO) No. 96-40. The transfer was considered as a non-taxable transaction by virtue of a ruling issued by the BIR on February 6, 2004 exempting the parties from payment of taxes including VAT. The approval, however, was subject to certain conditions that include increasing the Company's authorized capital to US\$4.0 million, submitting a sworn commitment maintaining the government's share from the FTAA and strict compliance with current environmental laws and regulations and to the terms and conditions of the FTAA and Philippine Mining Act of 1995. The Company has complied with all prescribed conditions.

(b) Memorandum of Agreement (MOA) with the neighboring communities

On December 17, 2011, the Company forged an MOA with its host and neighboring communities wherein the Company will assist in the development of the latter in accordance with its Social Development and Management Program (SDMP) pursuant to the Philippine Mining Act of 1995 (the "Mining Act"), its Revised Implementing Rules and Regulations under DAO No. 2010-21 and in accordance with the FTAA. The MOA details the SDMP sharing agreement scheme and the commitments and the processes of community involvement in the program planning, management, implementation and monitoring and evaluation to ensure that SDMP programs address the development of the Company's host and neighboring communities.

In relation to the sharing agreement, the Company executed individual MOAs with each host and neighboring community at various dates which include provisions for the parties to:

- (i) Allot annually a minimum of one and a half percent (1.5%) of the Company's operating costs and further allocate 75% of the 1.5% to the implementation of the SDMP; and
- (ii) Provide additional forms of assistance which promote local and social development.

The SDMP fund shall be used for the community development programs and projects in accordance with the SDMP framework and the relevant implementing rules and regulations of the Mining Act. For the year ended December 31, 2022, the Company spent US\$2,060,259 (2021 - US\$698,875) for SDMP-related projects that are in the nature of infrastructure, education, health, resource development and capacity building.

(c) Offtake agreement

Trafigura Pte Ltd, Singapore (the "Buyer") is one of the world's leading independent physical commodity trading houses. They trade oil and petroleum products, non-ferrous concentrates, refined metals, and bulk commodities such as coal and iron ore. They support their customers by providing services beyond their core business of supplying commodities, including transportation, storage, as well as trade finance and risk management. Trafigura's diversified funding model allows it to operate effectively in all market conditions.

On October 12, 2012, as amended on September 25, 2013, the Company entered into an Offtake Agreement (the "Agreement") to sell all metal concentrates (the "Goods") containing gold, copper and silver produced by the Company in the Project to the Buyer at chemical specifications set forth in the Agreement. Price of the goods is determined based on its metal content: gold, silver and copper. The final price of gold and silver per unit of measure shall be based on market rates prevailing at the agreed quotational period. The Company may only recover a certain percentage of the price of the gold and silver, and copper content based on content density in grams per dry metric ton and percentage in dry metric tons, respectively.

The seller may elect to receive advance payment under certain conditions and are subject to interest rates specified in the Agreement. The buyer shall be allowed to deduct from the sales proceeds applicable treatment and refining charges at final settlement. Revenue from the sale of concentrates to the buyer for the year ended December 31, 2022 amounted to US\$255.26 million, net of applicable charges as reported in the statement of total comprehensive income (2021 - US\$92.86 million). Total interest expense incurred during the year related to the advances amounted to US\$0.84 million (2021 - US\$0.27 million).

On February 24, 2020, the Company renewed the Agreement for another year from April 1, 2020 to March 31, 2021 and then for another two (2) years from April 1, 2021 to March 31, 2023. The Agreement was further extended for a year from April 1, 2023 until March 31, 2024. There are no significant changes in the original provisions of the contract as a result of both renewals. However, a Termination Notice dated March 8, 2023 effective April 1, 2024 was issued for this Agreement. This is to comply with the one (1) year notice requirement in case of termination of the Agreement.

(d) Refining agreement

Perth Mint ("Pert Minth") is wholly owned by the Government of Western Australia and operate under an explicit government guarantee that covers the obligations of The Perth Mint Depository. Western Australia is one of Australia's wealthiest states, with an abundance of natural resources, and holds the highest possible short-term Standard and Poor's credit rating of A1+.

On September 25, 2013, the Company entered into an agreement with Perth Minth for the refining and treatment of gold dore ("Perth Mint Refinery Agreement"). In a letter dated March 8, 2022, the Company confirmed the termination of the Perth Mint Agreement effective March 31, 2022.

On March 28, 2022, the Company entered into Refining Agreement with ABC Refinery (Australia) Pty. Ltd. ("ABC Refinery") for the refining and treatment of gold dore ("ABC Refinery Agreement"). ABC Refinery is the only independent LBMA accredited gold and silver refinery in Australia.

The ABC Refinery Agreement is effective April 1, 2022 and for a period of two (2) years with an option by the Company to extend the agreement for another year, during which rates, fees and charges will be locked. Under the ABC Refinery Agreement, the Company agrees to deliver gold dore to a pre-agreed transportation arrangement and location that conform to the assay ranges specified in the agreement, while ABC Refinery agrees to weigh, refine the goods to a level specified in the agreement. ABC Refinery also agrees to deliver the refined goods to the Company's nominated metal account with the latter having the option to sell to the former. ABC Refinery is also required to purchase all silver metal from the refining and may set-off against refining, transport and other pertinent charges.

(e) FTAA Agreement

The Didipio Project is held under an FTAA granted by the Philippine Government in 1994. The FTAA has an initial term of 25 years and is renewable for another period of 25 years under the same terms and conditions. In 2018, the Company commenced the renewal process and lodged an application for the renewal of the FTAA with the DENR which has been accepted. The MGB has confirmed in a letter dated June 20, 2019 that the Didipio mine is permitted to continue its mining operations pending the completion of the renewal process. On November 25, 2020, the Company received a letter from OP instructing DENR and DOF to finalize the renewal of FTAA.

On July 14, 2021, the government confirmed the FTAA of the Company for an additional 25 years beginning June 19, 2019. 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 of 2021. The mine has reached full underground production rates early in the second quarter of 2022.

The FTAA was renewed on substantially the same terms and conditions and includes the following additional requirements:

- i. The equivalent of an additional 1.5% of gross mining revenue of the preceding calendar year to be allocated to community development with 1% to be allocated for the Community Development Fund and 5% for the Provincial Development Fund.
- ii. Reclassification of Net Smelter Return to be an allowable deduction and shared 60% / 40% rather than wholly included in government share.
- iii. Listing of at least 10% of the common shares in the Company, the Company's Philippine operating subsidiary and holder of the FTAA, on the Philippine Stock Exchange within the next three years (extendible to two (2) years).
- iv. The Company shall offer for purchase by the Bangko Sentral ng Pilipinas (BSP) not less than 25% of its annual gold dore production at fair market price and mutually agreed upon terms.
- v. Transfer of the Company's principal office to a host province within the next two years.

Per the renewal terms, the equivalent of an additional 1.5% of gross revenue is to be allocated to community development is considered an allowable deduction under the fiscal terms of the FTAA. Gross mining revenue per FTAA are as follows:

	2022	2021
Sales	325,999,884	104,787,400
Freight, handling and refining cost	(23,751,710)	(7,853,775)
Gross mining revenue	302,248,174	96,933,625

(f) BSP Purchase Agreement

In compliance with the terms and conditions of the FTAA Agreement dated July 14, 2021, the Company entered into Purchase Agreement dated May 5, 2022 for the sale of at least 25% of its annual dore production to the Bangko Sentral ng Pilipinas (BSP).

The BSP Purchase Agreement is for a period of two (2) years or from May 5, 2022 to May 4, 2024. Under this agreement, the Company agreed to deliver gold dore equivalent to at least 25% of its annual dore production to the BSP's Gold Buying Station (GBS). The Company shall be responsible for the risk and costs of transporting the gold dore to the GBS, while BSP shall acquire title and ownership over the goods and all associated metals and impurities upon the Company's delivery of the goods at the GBS and BSP's receipt of said goods. Aside from value of the gold, no additional price shall be due and payable on all associated metals and impurities of the gold dore delivered by the Company. The gold delivered is paid based on the prevailing PHP/USD buying rate set by the BSP Financial Markets.

For the year ended December 31, 2022, the Company has sold 9,453 ounces of gold to BSP, which is equivalent to 27.89% of its total gravity gold production for the year, exceeding the 25% minimum requirement of the FTAA.

Note 21 - Contingencies

(a) Real property tax assessment interim

In April 2012, the Company received an assessment from the Province of Quirino (“Quirino”) for payment of real property tax over the Project. Both provinces of Nueva Vizcaya and Quirino are simultaneously asserting taxing authority over the Company in relation to the Project. Consequently, the Company filed a motion with the Court compelling the two provinces to interplead between themselves and litigate their respective claims as to the proper taxing authority over the Project. In addition, the Company has executed an interim agreement with the Province of Nueva Vizcaya. Hearings were held for the presentation of the witnesses of Nueva Vizcaya and the Company.

On August 26, 2022, Quirino filed a Motion to Conduct Ocular Inspection and Ground Validation. In the meantime, Quirino started presenting its witnesses in September 2022 and hearings are scheduled for the continuation of witness presentation.

(b) FTAA dispute and recovery

The DENR with a number of mining companies are parties to a case that began in 2008 whereby a group of Non-Government Organizations (NGOs) and individuals challenged the constitutionality of the Philippine Mining Act (Mining Act) and the FTAA in the SC. Currently, the case decision is pending decision under SC.

Notwithstanding the fact that the SC has previously upheld the constitutionality of both Mining Act and the FTAA, 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. The SC issued a Resolution on September 9, 2020 to inform the Court of the developments pertinent to the case. The Company submitted its compliance on November 9, 2020. On August 2, 2021, the Company received a Compliance and Manifestation filed by Petitioners on recent developments that has an impact to the pending case. There are no further updates as of report date.

Under the terms of the FTAA, after a period in which the Company can recover development expenditure, capped at 5 years from the start of production (April 1, 2013) and a further 3 years over which any remaining balance is amortized, the Company is required to pay the Government 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 and certain specified amounts paid to land claim owners are included as part of the calculation of 60% payable.

(c) Addendum agreement

The Company is a party to an addendum agreement with a syndicate of original claim owners 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 a claim owner are subject to arbitration proceedings, which are presently suspended due to the irrevocable resignation of the arbitrator. Further, a third party is also disputing one of the main claim owners’ interest in the Project.

(d) Royalty ownership claimed by a third party

A complaint filed by a third party enforcing his rights as true and beneficial owner of the Didipio properties was filed last 2008. Management does not foresee the resolution of the dispute on the royalty claim in the next 12 months since the case is still at the presentation of witnesses' stage. However, no formal legislative time frame is available to justify the reclassification of the obligation from current to non-current liability considering the uncertainties as well on the timing of Court decisions.

The hearing resumed on May 16, 2022. The defendants completed presentation of its witnesses and filed its formal offer of evidence on June 22, 2022. The Company presented its witnesses on August 31, 2022 and February 8, 2023. The next scheduled hearing is on May 2, 2023 for formal offer of evidence. As of report date, the Company is awaiting court order for the next scheduled hearing. As at December 31, 2022, management accrued US\$50.1 million (2021 - US\$44.4 million) pertaining to such claim.

(e) DENR order on suspension of operations

On February 14, 2017, the Company received an order from the DENR dated February 8, 2017 calling for the suspension of the Didipio operations. Subsequent to receiving the suspension order, the Company immediately filed an appeal with the OP. The OP in its Order dated March 10, 2017 directed the Company to file an Appeal Memorandum within 30 days from the date of filing of Notice of Appeal. The Company submitted its Appeal Memorandum on March 15, 2017.

On May 25, 2018, the Company received a letter from the OP ordering that the execution of the DENR's Order dated February 8, 2017 is automatically stayed, unless the OP directs the execution thereof.

Monitoring was held in December 2019 and thereafter, the DENR, EMB and MGB regional offices prepared a Memorandum dated December 11, 2019 finding that the Didipio Mine was fully compliant with the TRC and MICC findings. A Manifestation and Motion to Resolve was filed before the OP on December 3, 2021. In a decision dated May 31, 2022, the OP granted the Company's appeal subject to certain conditions. There are no further updates as of report date.

(f) Cessation of hauling and operating activities in Didipio

On June 25, 2019, the Governor of Nueva Vizcaya issued an (a) Order to enjoin and restrain the Company's operations and (b) Didipio Sangguniang Barangay Resolution 59 (Series of 2019) for the stoppage of Company's operations. The Company filed a Petition with application for a temporary restraining order and/or a writ of preliminary injunction with Regional Trial Court (RTC) Branch 30, which was subsequently denied. Continuation of the pre-trial hearing held on February 10, 2020 was reset to March 1, 2021. On September 23, 2021, OGPI filed a Motion to Dismiss the case under Rule 17, Section 2 of the Rules of Court, given the renewal of OGPI's FTAA (with acknowledgement of OGPI's right to operate). On December 15, 2021, OGPI through counsel received an order from court dated November 29, 2021 dismissing the case with prejudice.

On July 29, 2019, the Company filed with the Court of Appeals (CA) a Petition for Certiorari (with Urgent Application for the Issuance of an Ex Parte Temporary Restraining Order and/or a Writ of Preliminary Injunction) seeking the reversal of RTC's resolution. The Company filed a Motion for Reconsideration (MR) on July 28, 2020 due to the dismissal of petition on June 20, 2020, but was subsequently denied by the CA on October 28, 2020. The Company filed a petition with the SC on December 11, 2020. The SC issued a decision dated February 3, 2021 denying OGPI's Petition.

On July 23, 2021, OGPI filed a Manifestation to the SC to the effect that OGPI has merits of its petition but with the renewal of the FTAA deems it best to work with the Province, hence, will not be filing an MR. OGPI is currently waiting for the final decision of the SC to officially terminate the proceedings. There are no further updates as of report date.

Note 22 - Leases

The Company has lease contracts with third parties for the leases of its office equipment, office space, and warehousing facilities for a term of two (2) to three (3) years which are renewable under such terms and conditions as may be agreed upon by the Company and third parties. There are no restrictions placed upon the lessee by entering into these leases.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

(a) Amounts recognized in the statements of financial position

	Note	2022	2021
Right-of-use assets, net			
Buildings	7	45,147	88,356
Office machinery and equipment	7	-	9,206
		45,147	97,562
Lease liabilities			
Current		36,948	49,692
Non-current		9,612	49,126
		46,560	98,818

The Company recognized right-of-use assets under property, plant and equipment in the statements of financial position.

Movements in lease liabilities for the years ended December 31 are as follows:

	Note	2022	2021
Lease liabilities, January 1		98,818	100,146
Cash flows			
Principal payments		(66,524)	(78,632)
Interest payments		(3,179)	(2,570)
Non-cash changes			
Additions		72,235	77,304
Termination		(57,969)	-
Interest expense	17	3,179	2,570
As at December 31		46,560	98,818
Less: Current portion		36,948	49,692
Lease liabilities, net of current portion		9,612	49,126

(b) Amounts recognized in the statements of total comprehensive income

The statements of total comprehensive income shows the following amounts relating to lease agreements:

	Notes	2022	2021
Amortization expense			
Building (office space and warehousing facilities)	7	65,525	72,213
Office machinery and equipment	7	9,206	4,697
		74,731	76,910
Interest expense	17	3,179	2,570
Expense relating to short-term leases	13,14	120,231	58,685
		198,141	138,165

The total cash outflow for capitalized leases as at December 31, 2022 is US\$69,703 (2021 - US\$81,202).

(c) *Discount rate*

The lease payments for lease of office equipment, office space, and warehousing facilities are discounted using the lessee's incremental borrowing rate of 4.5%, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Note 23 - Foreign currency-denominated monetary assets and liabilities

The Company's foreign currency-denominated monetary assets and liabilities as at December 31 follows:

	2022					2021						
	AUD	NZD	SGD	EUR	ZAR	PHP	AUD	NZD	SGD	EUR	ZAR	PHP
Assets												
Cash	48,042	-	-	-	-	27,595,043	92,062	-	-	-	-	45,944,216
Due from related parties	-	-	-	-	-	64,415,692	-	-	-	-	-	60,917,508
Other non-current assets	-	-	-	-	-	722,086,831	-	-	-	-	-	668,321,122
Liabilities												
Trade payables and other current liabilities	(810,412)	-	(80,550)	(980)	(1,539)	(27,799,396)	(327,483)	(2,149)	(81,910)	(2,377)	-	(55,086,144)
Due to related parties	(3,718,305)	-	-	-	-	-	(2,658,298)	-	-	-	-	-
Net assets (liabilities)	(4,280,675)	-	(80,550)	(980)	(1,539)	786,298,170	(2,893,719)	(2,149)	(81,910)	(2,377)	-	720,096,702
Year-end exchange rate	1.485	1.585	1.350	0.942	17.105	56.120	1.313	1.462	1.364	0.879	15.922	50.770
US\$ equivalent	(2,883,463)	-	(59,680)	(1,040)	(90)	14,011,015	(2,203,898)	(1,470)	(60,051)	(2,704)	-	14,183,508

Foreign exchange gain (loss), net, for the years ended December 31 are as follows:

	Notes	2022	2021
Unrealized		(782,271)	(754,349)
Realized		797,303	36,964
	16,17	15,032	(717,385)

Note 24 - Financial risk and capital management

24.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including price risk, currency risk and cash flow and fair value interest risk), credit risk, and liquidity risk. The Company has no formal risk management program that focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on its financial performance. However, the Company complies with written policies as authorized by the Board of Directors and aligned with risk management program carried out by OGC, who is responsible for the review of risk exposures and implementing risk reduction strategies for the OceanaGold Group.

(a) *Market risk*

(i) *Price risk*

The Company is not exposed to significant price risk due to the absence of material equity investments classified as either financial assets at fair value through other comprehensive income or at fair value through profit or loss wherein changes to fair value are directly recognized through equity and operations, respectively.

Moreover, the Company is exposed to the associated commodity price risk on future cash flows arising from probable change in market spot rates of copper, gold, and silver upon delivery (or at initial recognition of revenue) and final settlement dates. In mitigating this risk, the Company has an option to fix the price for a specific quantity of commodity before the final settlement date. When the option to price fix is waived, the exposure to the change in spot rates and final settlement dates is determined to be low due to proximity between the two dates and only limited to copper concentrates as these have longer period to finalize. The Company continues to recognize price revaluation every reporting date, which is directly recorded under revenue and trade receivable. For the year ended December 31, 2022, total provisional price adjustment amounted to gain of US\$0.22 million (2021 - US\$0.39 million) (Note 12).

(ii) Foreign exchange risk

The Company is exposed to foreign exchange risk arising from the effect of fluctuations in foreign exchange rates mainly on its Philippine Peso and Australian Dollar denominated assets and liabilities (Note 23). Foreign exchange risk arises when future commercial transactions and recognized assets and liabilities are denominated in a currency that is not the Company's functional currency. The Company manages its foreign exchange risk by holding cash in different currencies in anticipation with the requirements of the business. Among others, management also monitors the timing of settlements or payments to ensure that the Company is not unfavorably exposed to fluctuations of foreign exchange rates. The Company assessed the impact of changes in Philippine Peso and Australian Dollar exchange rates as at December 31, 2022 and 2021 in demonstrating sensitivities to a possible reasonable change in US Dollar exchange rate.

At December 31, 2022, if the Philippine Peso and Australian Dollar had strengthened/weakened by 11% and 13% respectively (2021 - strengthened/weakened by 6% and 7% respectively), against the U.S. Dollar with all other variables held constant, total comprehensive income for the year would have been higher by US\$1.48 million and US\$0.38 million, respectively (2021 - US\$0.81 million and US\$0.15 million, respectively), mainly as a result of net foreign exchange gains/losses on translation of net foreign currency denominated accounts. Rates were based on internal projections used in developing forecasts and mine plans.

(iii) Cash flow and fair value interest risk

The Company's exposure to cash flow interest rate risk mainly pertains to related party borrowing which is interest-bearing. Interest rate on related party borrowing is based on a fixed rate in accordance with the terms of the loan agreement. Management analyzes its interest rate exposure on these obligations on a dynamic basis. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions, and alternative financing.

The net result for the years ended December 31, 2022 and 2021 with regard to an assumed change of +/-100 basis points in interest rates on related party borrowing, with the assumption that accrual of interest expense on OGS loan will continue, is +/- US\$1.53 million (2021 - +/- US\$2.2 million). The assumed interest rate shift is based on the Company's analysis of the volatility of interest rates during the period for similar instruments.

(b) Credit risk

Credit risk refers to the potential loss arising from any failure by counterparties to fulfill their obligations, as and when they fall due. It is inherent to the business as potential losses may arise due to the failure of its customer and counterparties to fulfill their obligations on maturity dates or due to adverse market conditions. Credit risk arises from cash in banks (Note 2), receivables (excluding advances to employees subject to liquidation) (Note 3), deposits (Note 8), restricted cash in the form of funds (Note 8) and advances to related parties (Note 10).

(i) Cash in banks

For banks and financial institutions, the Company has maintained its business relationships with accredited banks which are considered in the Philippine industry as universal banks to mitigate its credit risk exposure. Universal banks are considered top tier banks in terms of capitalization as categorized by the Philippine Banking System.

As at December 31, 2022 cash in banks amounting to US\$22.50 million (2021 - US\$39.51 million) are maintained with universal banks. Furthermore, restricted cash balances of US\$13.44 million as at December 31, 2022 (2021 - US\$13.20 million) are likewise maintained with universal banks.

Restricted cash balances is composed of deposits (excluding deposits to suppliers), mine rehabilitation fund, and social development fund (Note 8).

As such, while cash is subject to the impairment requirements of PFRS 9, the identified impairment loss of the reported balances exposed to credit risk is nil.

(ii) Trade receivables and due from related parties

The Company applies the PFRS 9 simplified approach in measuring expected credit losses for its trade receivables as presented below:

	2022	2021
Performing	23,616,822	17,216,470
Underperforming		
1-30 days past due	-	-
31-60 days past due	-	-
61-90 days past due	-	-
Over 90 days past due	-	-
	23,616,822	17,216,470

The Company's outstanding trade receivables is subject to the lifetime expected credit loss (ECL) model, while due from related parties balances are assessed using the 12-month ECL model. Based on the Company's analysis, it has a degree of concentration of credit risk since a significant portion of its receivables is attributed only to two customers (Note 20 (c) and (d)).

The Company's assessment resulted in a conclusion that the expected credit loss rates, both under the lifetime and 12-month ECL, are close to zero percent (0%) as potential default and non-payment, considering both historical and forward looking information, are remote as these customers and related parties have strong financial position to settle maturing obligations as they fall due. During the year, the Company has written-off receivables from employees amounting to US\$77 (2021 - US\$736) (Note 3). Moreover, credit risk for customers is further managed since credit terms are fixed and avenues for resolution of issues are clearly stipulated in the Offtake and Refining Agreements (Note 20).

(iii) Deposits

These deposits are refundable in cash upon expiration/termination of the agreement. Deposits are assessed for impairment using the lifetime ECL approach. Similarly, management assessed that the default rate is close to zero percent (0%) and concluded that impairment is immaterial since majority of the amount is made against public entities whose financial capabilities enable them to settle maturing obligations immediately.

(c) *Liquidity risk*

Liquidity risk relates to the failure of the Company to discharge its obligations and commitments arising from short-term payables. OGC and other related parties provided financial assistance through advances in order to support daily working capital requirements, as well as necessary exploration and development activities for the Company.

Cash calls are made based on maturity analysis of liabilities to third parties as prepared by management, and are made in Philippine Peso, U.S. and Australian Dollars since the Company's payables are substantially denominated in said currencies, which minimize impact of fluctuations in foreign exchange rates between actual receipt and settlement dates.

Subsequent to commencement of the commercial operations, the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of advances and loans from related parties. The Company considers its available funds and liquidity in managing long-term financial requirements. For its short-term funding, the Company's policy is to ensure that there are sufficient capital inflows to match repayments of short-term debt and maturing obligations.

The table below summarizes the maturity profile of the Company's financial liabilities as at December 31:

	Upon demand	Less than three months	Over twelve months	Total
<i>At December 31, 2022</i>				
Trade payables and other current liabilities*	-	92,879,315	-	92,879,315
Due to related parties	54,067,542	-	50,285,319	104,352,861
Lease liabilities, current	-	36,948	-	36,948
Lease liabilities, net of current portion	-	-	9,612	9,612
	54,067,542	92,916,263	50,294,931	197,278,736
<i>At December 31, 2021</i>				
Trade payables and other current liabilities*	-	70,102,264	-	70,102,264
Due to related parties	234,761,004	-	-	234,761,004
Lease liabilities, current	-	49,692	-	49,692
Lease liabilities, net of current portion	-	-	49,126	49,126
	234,761,004	70,151,956	49,126	304,962,086

*Excluding payables to government agencies amounting to US\$9,817,925 (2021 - US\$90,706) and accrual for CDF and PDF amounting to US\$1,572,579 (2021 - US\$155,007)

24.2 Capital management

The Company considers its equity including share capital, retained earnings, and advances from OGC as shown in the statement of financial position as capital. Capital risk is primarily managed by the ultimate parent company that ensures the Company's ability to continue as a going concern through adequate funding to finance operating activities and maintain its current capital structure. Accordingly, this will preserve OGC's equity ownership and control over the Project and reduce the need to obtain long-term borrowings and incur higher cost of capital such as interest expense. To maintain or adjust the capital structure, the Company may obtain additional advances from related parties or issue new shares. There were no changes in the Company's strategy and policies in managing its capital in 2022 and 2021.

The Company is subject to externally imposed capital requirements as a consequence of its registration with the BOI, which requires raising the total equity to 25% of the Project costs equivalent to P2.2 billion or approximately US\$51 million. This limits the ability of the Company to declare all of its retained earnings as dividends. In March 2014, the Company's Board of Directors approved the restriction of retained earnings for US\$49.6 million for Project-related expenditures to comply with its registration requirements (Note 1).

24.3 Fair value estimation of financial assets and liabilities

Due to the short-term nature of the transactions, the carrying values of each financial asset and liability including cash, deposits, receivables, advances to related parties, trade payables and other current liabilities excluding payables to government agencies as at the reporting dates approximate their fair values. Related party borrowings approximate its fair value based on borrowing rates available to the management for credit agreement with similar maturities and also considering any risk of non-performance. The fair value of the Company's borrowings are estimated by using contractual discounted cash flows, on which the impact of discounting is not considered significant. The Company does not hold financial instruments traded in an active market which might be affected by quoted market prices at reporting date aside from trade receivables which are provisionally priced and subsequently measured at fair value through profit or loss until settlement. On the other hand, the fair value of lease liabilities is equal to its discounted present value. Aside from this, the Company does not have any other financial asset or liability that is carried at fair value in the statement of financial position as at December 31, 2022 and 2021.

Note 25 - Critical accounting estimates, assumptions and judgments

25.1 Critical accounting estimates and assumptions

The preparation of the financial statements is in conformity with Philippine Financial Reporting Standards (PFRS) which requires the management to make judgments, estimates and assumptions that affect the amounts reported in the financial statements and the related notes. The estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates, assumptions and judgments 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 as follows:

(a) Impairment of receivables

Trade receivables measured at fair value through profit or loss and due from related parties are assessed based on assumptions about risk of default and expected loss rates. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's history, existing market conditions as well as forward looking information. As a result of their assessment, the Company did not recognize any provision for impairment of trade receivables and due from related parties given that the expected credit loss rate is close to zero percent (0%) (Note 24).

(b) Estimating useful lives of property, plant and equipment and mining assets

The Company estimates the useful lives of its property, plant and equipment based on the period over which the assets are expected to be available for use. The Company reviews annually the estimated useful lives of property, plant and equipment based on various factors that include asset utilization, internal technical evaluation, technological changes, environmental and anticipated use of the assets which render any sensitivity to be impracticable.

Estimated recoverable reserves are used in determining the depreciation and/or amortization of mine specific assets. This results in a depreciation or amortization charge proportional to the depletion of the anticipated remaining life of mine production. Each item's life, which is assessed annually, has regard to both its physical life limitations and to present assessments of economically recoverable reserves of the mine property at which the asset is located. These calculations require the use of estimates and assumptions, including the amount of recoverable reserves and estimates of future capital expenditure.

There were no material changes in the estimated useful lives of property, plant and equipment for the years ended December 31, 2022 and 2021. Details of mining assets and property, plant and equipment are disclosed in Notes 6 and 7.

(c) Estimating mineral reserves and resources

The valuation of certain assets held by the Company is dependent upon the estimation of mineral resources and ore reserves. There are numerous uncertainties inherent in estimating mineral resources and ore reserves and assumptions that are valid of the time of estimation may change significantly when new information becomes available.

Ore reserves are estimates of the amount of ore that can be economically and legally extracted from the Company's mining properties. The Company estimates its ore reserves based on information compiled by appropriately qualified persons relating to the geological data on the size, depth and shape of the ore body, and requires complex geological judgments to interpret the data. The estimation of recoverable reserves is based upon factors such as estimates of foreign exchange rates, commodity prices, future capital requirements, and production costs along with geological assumptions and judgments made in estimating the size and grade of the ore body. Changes in the reserve or resource estimates may impact upon the carrying value of property, plant and equipment, mining assets, provision for mine rehabilitation, and depreciation and amortization charges. During 2022, OGC published an updated reserves report which details currently available mineral and resources in the Didipio Minesite. Based on management's assessment, the existing valuation input is still appropriate since it considers a more conservative amount/quantity of reserves. Details of mining assets and property, plant and equipment are disclosed in Notes 6 and 7.

(d) Retirement benefit obligation

The present value of the retirement benefit obligation depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for retirement benefit include the discount rate. Any changes in these assumptions will impact the carrying amount of retirement benefit obligation, net.

The Company determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the retirement benefit obligation. In determining the appropriate discount rate, the Company considers the interest rates of government bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related retirement benefit obligation.

Other key assumptions for retirement benefit obligation are based in part on current market conditions. These assumptions and sensitivity analysis are disclosed in Note 15.

(e) Provision for rehabilitation cost

The provision for rehabilitation cost recognized is based on current legal and constructive requirements, technology and price levels. Since actual outflows can differ from estimates due to changes in laws, regulations, public expectations, technology, prices and conditions, and can take place many years in the future, the carrying amount of the obligation is reviewed regularly or at least annually and adjusted to take account of such changes. As part of their annual review, management adjusted the discount rate (based on management's market assessment of the time value of money and risks specific to the obligation) from 5.05% in 2021 to 7.04% in 2022. The discount rates used to determine the present value of the obligation as at December 31, 2022 and 2021 are based on risk-free pre-tax rate that reflect current market assessments of the time value of money. Along with this, the Company changed its assessment of the undiscounted rehabilitation costs from US\$7.97 million to US\$8.67 million to reflect market factors and prevailing foreign exchange rates. The changes and adjustments made are consistent with the requirements of IFRIC 1 *Changes in Existing Decommissioning, Restoration and Similar Liabilities*.

Net results for the year ended December 31, 2022 in respect to an assumed change of +/-100 basis points on discount rate used would result in an increase of US\$15,038 and a decrease of US\$12,708 in accretion, respectively (2021 - \$31,081 and US\$22,976, respectively). Accordingly, this would also result in a decrease of US\$209,245 and an increase of US\$234,072 in carrying value of provision for rehabilitation cost, respectively (2021 - US\$299,170 and US\$338,587, respectively). Management considers the discount rate as significant component, aside from cost, in their assessment as material changes to the rate due to external factors may trigger a further revision in the recognized provision.

Following the adjustment, the Company has a total outstanding provision of US\$3.86 million (2021 - US\$5 million) to cover required environmental remediation covering specific assets based on third party evaluation and study conducted at the current year (Note 19). As at December 31, 2022 and 2021, management believes that the adjusted cost properly reflects the estimated rehabilitation cost based on their mine plan and activities.

(f) Impairment of mine and mining properties

The Company assesses the Didipio 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 (FVLCD) and value in use calculated in accordance with accounting policy. These assessments require the use of estimates and assumptions such as commodity prices, discount rates, exchange rates, 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.

The recoverable amount of the CGU had been assessed by reference to the higher of value in use and FVLCD. Impairment testing had been performed based on cash flow forecasts using management's best estimates of expected future revenues, costs and other capitalizable costs, estimated using discounted cash flow (DCF) techniques. The Company used DCF techniques based on the detailed life of mine (LOM) production plan which reflects the net cash flows expected to be realised from extraction, processing and sale of mineral reserves based on the OceanaGold Group's most recently published Resource and Reserve Statement, taken into account an assumption on possible restart date of operations to full capacity given the current suspension as well as a scenario of non-renewal. 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.

In determining the recoverable amount of the Didipio CGU, the future cash flows were discounted using rates based on the Group's estimated real after tax weighted average cost of capital, pursuant to the Capital Asset Pricing Model, with an additional premium applied having regard to the geographic location of the CGU. LOM operating and capital cost assumptions were based on the Group's latest budget, five-year plan and LOM plans. The impairment testing and calculation had taken into account several potential FTAA renewal scenarios including a restart date for full operations between January 1, 2022 and January 1, 2023 as well as a non-renewal scenario.

In 2021, the successful resumption of mining and processing activities were considered to be potential indicators for an impairment reversal. The Group completed a review of the carrying value of the Didipio mine in accordance with relevant accounting standards and a non-cash after-tax impairment reversal of US\$78.8 million was recognised. This represents the full reversal of the non-current asset impairment recorded in 2020, as adjusted for amortization recorded to date.

As at December 31, 2022, management assessed that there are no impairment indicators on the Didipio project and consequently, the Company did not recognize impairment loss for the year then ended.

25.2 Critical judgments in applying the Company's accounting policies

(a) Change in functional currency to U.S. Dollar

Consequent to the change in business operations commencing April 1, 2013 as described in Note 1, management assessed that the U.S. Dollar represents the new functional currency of the Company as it reflects the economic substance of the underlying transactions, events and conditions relevant to its operations and duly represents the Company's primary economic environment. Management evaluated the currency of its collection from sale of metals and composition of cost and expenses, the results of which substantiated the change from Philippine Peso to U.S. Dollar effective beginning December 31, 2013.

(b) Recoverability of inventories

The Company evaluates whether inventories are no longer recoverable either annually or when circumstances indicate such conditions exist. Management calculates net realizable value on a monthly basis. These calculations require the use of estimates on cost projections, gold and copper prices, discount rate, and mineral reserves and corresponding grade, which are determined based on approved mine plan, fluctuations in the market and assessment of either internal or third party geologists, who abide by certain methodologies that are generally accepted within the industry (Note 4). Provision or additional provision against the carrying value of consumable and spare inventories is recognized if there is an indication that the cost of the inventories may not be recovered especially for any obsolete and slow moving inventories. In these cases, management uses judgment and estimates based on available facts and circumstances including but not limited to historical experience and estimates as to recoverability of the amount of inventories at the time of disposal.

In determining the recoverable amount of inventories, management considers the available facts and circumstances, including but not limited to historical experience as to the net realizable value of inventories at the time of disposal, including information about the future demand and market conditions for its inventories. An evaluation of inventories, designed to identify potential inventory write-down to net realizable, is performed on a continuous basis throughout the year. As at December 31, 2022, provision for inventory obsolescence was recognized amounting to US\$539,316 (2021 - nil) (Note 4).

(c) Recoverability of mining assets and property, plant and equipment

The Company evaluates whether mining assets and property, plant and equipment have suffered any impairment either annually or when circumstances indicate such conditions exist.

Where impairment indicators are positively identified on mining assets, and property, plant and equipment, the Company proceeds with actual estimation of recoverable amounts based on value-in-use calculation or fair value, if said information is readily available. An impairment loss is recognized whenever evidence exists that the carrying value is not recoverable.

For mining assets, the recoverable amount 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.

(d) Deferred exploration costs

The application of the Company's accounting policy for deferred exploration costs requires judgment in determining whether it is likely that future economic benefits are likely either from future exploration or sale or where activities have not reached a stage which permits a reasonable assessment of the existence of reserves. The deferral policy requires management to make certain estimates and assumptions about future events or circumstances, in particular, whether an economically viable extraction operation can be established. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in profit or loss in the period when the new information becomes available.

The Company reviews the carrying amounts of deferred exploration costs at each reporting date and reduces the amount to the extent that it is no longer probable that future benefit will flow to the Company. The Company did not write off deferred exploration cost for the the years ended December 31, 2022 and 2021 (Note 6).

(e) Provision for impairment of other non-financial assets

Management conducts impairment review on receivables specifically advances to employees, suppliers and contractors, prepayments, and other assets to ascertain that reported carrying amounts are still recoverable as at reporting date based on current and existing conditions. Realizability is determined based on expected benefit that will be derived by the Company either through actual refund or credit that may be applied against future obligations. In particular, advances/deposits and input VAT can be offset against future billings on goods delivered or services rendered to the Company and output tax arising from operations, if any, respectively. These accounts represent actual payments that are duly supported; hence may be claimed by the Company. Accordingly, there were no impairment losses recognized in 2022 and 2021. Details of advances, prepayments, and other assets are presented in Notes 3, 5 and 8, respectively.

(f) Realizability of deferred income tax assets

A certain degree of judgment is required in determining the provision for income taxes, as there are certain transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Further, recognition of deferred income taxes depends on management's assessment of the probability of available future taxable income against which the temporary differences can be applied. The Company reviews the carrying amounts of deferred income taxes at each reporting date and reduces deferred income tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax assets to be utilized. The Company expects to generate sufficient future taxable profits to allow all of its recognized deferred tax assets to be utilized. Deferred tax assets recognized as at December 31, 2022 and 2021 are disclosed in Note 18.

(g) Assessing contingencies

The Company is currently involved in assessments and legal proceedings. The estimate of the probable costs for the resolution of these claims has been developed in consultation with external legal counsels engaged by the Company and is based upon an analysis of potential results. Management believes that these proceedings will not have material adverse effect on the financial statements. It is possible, however, that future results of operations could be materially affected by changes in the estimates or in the effectiveness of the strategies relating to these proceedings (Note 21).

(h) Lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The Company considers the factors below as the most relevant in assessing the options:

- If there are significant penalties to terminate (or not extend), the Company is typically reasonably certain to extend (or not terminate).
- If any leasehold improvements are expected to have a significant remaining value, the Company is typically reasonably certain to extend (or not terminate).
- Otherwise, the Company considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

Note 26 - Summary of significant accounting policies

The principal accounting policies applied in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

26.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with PFRS. The term PFRS in general includes all applicable PFRS, Philippine Accounting Standards (PAS), and interpretations of the Philippine Interpretations Committee (PIC), Standing Interpretations Committee (SIC) and International Financial Reporting Interpretations Committee (IFRIC), which have been approved by the Financial Reporting Standards Council and adopted by the SEC.

The financial statements have been prepared under the historical cost convention, as modified by the fair value measurement of plan assets and trade receivables.

The preparation of financial statements in conformity with PFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 25.

(a) New and amendment to existing standards and interpretations adopted by the Company

The following amendments and improvements to existing standards and interpretations are effective for the financial year beginning on January 1, 2022 which are relevant to the Company's financial statements:

- *Property, Plant and Equipment: Proceeds before intended use - Amendments to PAS 16 (effective January 1, 2022)*

The amendment to PAS 16 Property, Plant and Equipment (PP&E) prohibits an entity from deducting from the cost of an item of PP&E any proceeds received from selling items produced while the entity is preparing the asset for its intended use. It 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.

Entities must disclose separately the amounts of proceeds and costs relating to items produced that are not an output of the entity's ordinary activities.

The amendments are not expected to have a significant impact on the financial statements of the Company.

(b) New standards, amendments and interpretations not yet adopted by the Company

Certain new accounting standards, amendments and interpretations have been published that are not mandatory for December 31, 2022 reporting periods and have not been early adopted by the Company. None of these, standards, amendments and interpretation are expected to have a significant impact on the Company's financial statements except for:

- *Classification of Liabilities as Current or Non-current - Amendments to PAS 1 (effective January 1, 2023).*

The narrow-scope amendments to PAS 1 Presentation of Financial Statements clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant). The amendments also clarify what PAS 1 means when it refers to the 'settlement' of a liability.

The amendments could affect the classification of liabilities, particularly for entities that previously considered management's intentions to determine classification and for some liabilities that can be converted into equity. It must be applied retrospectively in accordance with the normal requirements in PAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

The amendments are not expected to have a significant impact on the financial statements of the Company.

26.2 Cash

Cash includes cash on hand and deposits held at call with banks. These are stated at amortized costs in the statement of financial position.

Other relevant policies are disclosed in Note 26.4.

26.3 Receivables and deposits

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business and have normal credit terms of 10 days, are initially and subsequently recorded at fair value, less provision for impairment. Trade receivables related to concentrate and dore sales are initially recorded at the amount of the provisional sales prices, and then revalued at the prevailing commodity price at each reporting period until final settlement occurs. Changes in the fair value are recognized within net sales and separately disclosed as provisional pricing gain or loss (Note 12).

Other receivables (Note 3) composed of due from related parties and advances to employees, and deposits (Note 8) are initially recorded at fair value. These receivables are recorded with the objective to collect the contractual cash flows and therefore the Company measures these subsequently at amortized cost using the effective interest method. Any impairment is deducted to the carrying amount of other receivables. These receivables generally arise from transactions partly within and partly outside the usual operating activities of the Company. No changes were made in the classification and measurement of other receivables (Note 26.4).

Policy on impairment and other relevant policies on receivables are disclosed in Note 26.4.

The Company applies the PFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for its trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The carrying amount of the receivable is reduced through the use of an allowance account, and the amount of loss is recognized as a separate line item on the face of the income statement, unless deemed immaterial. When a receivable remains uncollectible after the Company has exerted all legal remedies, it is written off against the allowance account for receivables. If in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized (such as an improvement in the debtor's credit rating), the reversal of the previously recognized impairment loss is recognized in profit or loss. Reversal of previously recorded impairment provision are based on the result of management's update assessment, considering the available facts and changes in circumstances, including but not limited to results of recent discussions and arrangements entered into with customers as to the recoverability of receivables at the end of the reporting period. Subsequent recoveries of amounts previously written-off are recognized as a separate line item on the face of the income statement, unless deemed immaterial.

26.4 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity of another entity. The Company recognizes a financial instrument in the statement of financial position, when and only when, the Company becomes a party to the contractual provisions of the instrument.

Financial assets

(a) Classification

The Company 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 amortized cost.

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

The Company does not hold any financial assets measured subsequently at fair value through other comprehensive income (OCI).

For assets measured at fair value, gains and losses will either be recorded in profit or loss. Financial assets measured at fair value through profit or loss (FVPL) include only trade receivables (Note 3), while financial assets at amortized cost include cash (Note 2), due from related parties (Note 3), restricted cash (Note 8), and deposits (Note 8).

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

(b) Recognition and derecognition

Regular-way purchases and sales of financial assets are recognized on the trade date (the date on which the Company commits to purchase or sell the asset). Financial assets not carried at fair value through profit or loss are initially recognized at fair value plus transaction costs. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

(c) Measurement

At initial recognition, the Company measures financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest. As at December 31, 2022 and 2021, the Company only holds debt instrument financial assets.

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. The Company has the following measurement categories for its debt instruments:

- **Amortized cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized 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 recognized directly in profit or 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 total comprehensive income.
- **FVPL:** Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVPL. A gain or loss on a debt instrument that is subsequently measured at FVPL is recognized in profit or loss and presented net within net sales in the period in which it arises.

Impairment

The Company's financial assets that are subject to expected credit loss model (ECL) include financial assets measured at FVPL and amortized cost. The Company applies the simplified approach in determining the lifetime ECL for financial assets at FVPL and the 12-month ECL approach to measure expected credit losses for financial assets at amortized cost. To measure the expected credit losses, the financial assets have been grouped based on shared credit risk characteristics. The expected loss rates are based on the qualitative and quantitative assessment for the grouped receivables. Inputs used in determining the expected credit loss rates include the historical loss rates, reflecting current and forward looking information on macroeconomic factors affecting the ability of the customers to settle its obligation. The Company has identified that inflation is the most relevant macroeconomic factor that must be considered in calculating their expected credit loss rate. Qualitatively, for financial assets at amortized cost, the Company assesses any changes in the credit risk for the receivables to determine whether impairment should be measured using the lifetime ECL. Changes in credit risk may include the following: significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in payments are considered indicators that the receivable is impaired. In determining the amount of provision, the expected credit loss rate is applied to the gross carrying amount of the financial asset.

Financial liabilities

(a) Classification

The Company classifies its financial liabilities in the following categories: at fair value through profit or loss and financial liabilities at amortized cost. The Company only has financial liabilities classified as financial liabilities at amortized cost.

Financial liabilities at amortized cost

Issued financial instruments or their components, which are not designated at fair value through profit or loss, are classified as financial liabilities, where the substance of the contractual arrangement results in the Company having an obligation either to deliver cash or another financial asset to the holder.

Financial liabilities at amortized cost include trade payables and other current liabilities (excluding balances payable to government agencies arising from withholding taxes and payroll deductions), lease liabilities, and due to related parties (Notes 26.11, 26.17, and 26.20, respectively).

(b) Recognition and measurement

The Company recognizes financial liability in the statements of financial position when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities at amortized cost are initially recognized at fair value plus transaction costs and are subsequently carried at amortized cost using the effective interest method. Interest expense is recognized and presented in profit or loss in the period in which these arise.

(c) Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled, or has expired. The difference between the carrying amount of the financial liability derecognized, and the consideration paid and payable is recognized in profit or loss. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognized through profit or loss.

(d) Offsetting

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty. As at December 31, 2022 and 2021, there were no financial assets and liabilities which are offsetted and presented as net in the statement of financial position.

26.5 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value of a non-financial asset is measured based on its highest and best use. The asset's current use is presumed to be its highest and best use.

The fair value of financial and non-financial liabilities takes into account non-performance risk, which is the risk that the entity will not fulfill an obligation.

The Company classifies its fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

The appropriate level is determined on the basis of the lowest level input that is significant to the fair value measurement.

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. Note that under PFRS 13, the use of bid and asking prices is still permitted but not required. These instruments are included in Level 1.

The fair value of assets and liabilities that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the asset or liability is included in Level 2.

If one or more of the significant inputs is not based on observable market data, the asset or liability is included in Level 3.

The Company uses valuation techniques that are appropriate in the circumstances and applies the technique consistently. Commonly used valuation techniques are as follows:

- Market approach - A valuation technique that uses prices and other relevant information generated by market transactions involving identical or comparable (i.e. similar) assets, liabilities or a group of assets and liabilities, such as a business.
- Income approach - Valuation techniques that convert future amounts (e.g., cash flows or income and expenses) to a single current (i.e., discounted) amount. The fair value measurement is determined on the basis of the value indicated by the current market expectations about those future amounts.
- Cost approach - A valuation technique that reflects the amount that would be required currently to replace the service capacity of an asset (often referred to as current replacement cost).

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments.
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the reporting date, with the resulting value discounted back to present value.

As at December 31, 2022 and 2021, trade receivables at fair value through profit or loss is measured at fair value under Level 2 as prices used in determining the gross carrying amount of receivable is based on the prevailing commodity market price. Aside from this, the Company does not hold financial and non-financial assets and liabilities at fair value as at December 31, 2022 and 2021.

26.6 Prepayments and other current assets

Prepayments are expenses paid in advance and recorded as asset before they are used or consumed, as the service or benefit will be received in the future. These are carried at historical cost and are recognized as expenses either with the passage of time or through use or consumption.

Input taxes, which represent value-added tax (VAT) arising from purchases of goods and services, are carried at cost and included as part of other non-current assets in the statement of financial position. The account balance is presented net of applicable output VAT, or vice versa whichever is higher as at reporting date. These may either be applied against future output tax liabilities or claimed for tax credit or refund. The Company conducts regular assessment on the recoverability of the account balance depending on how these are to be utilized. The amount of the loss is measured as the difference between the asset's carrying amount and estimated recoverable value. Impairment loss is recognized through profit or loss and the carrying amount of the asset is reduced through the use of an allowance. The Company directly recognizes in the profit or loss amounts that are disallowed for credit or refund and those which are deemed immaterial for tax credit or refund application.

26.7 Inventories

Inventories, which consist of dore gold, gold in-circuit, concentrates, ore stockpile, and consumables and spares used in the Company's operations, are stated at the lower of cost or net realizable value (NRV). Inventories are presented as current when these are expected to be processed and sold within 12 months after the end of the reporting period. Otherwise, these are presented as non-current.

Cost of dore gold, gold in-circuit, concentrates, and ore stockpile is determined by the weighted average method and comprises of direct costs and an appropriate portion of fixed and variable overhead costs including depreciation and amortization. NRV of these inventories is the selling price in the ordinary course of business less estimated costs of completion and other costs necessary to make the sale. In the case of consumables and spares, NRV is the value of inventories when sold at the condition at the reporting date or its estimated replacement cost.

Cost of consumables and spares is determined under the moving average method, and comprises the invoice cost, freight, duties and taxes, and other costs incurred in bringing the inventories to their present location and condition.

Inventories are derecognized either when used, sold or written-off. When inventories are used for operations, the carrying amount of those inventories shall be recognized as an expense in the period in which the related revenue is recognized. Prior to commencement of commercial operations, these are charged and capitalized to mining assets under the statement of financial position to the extent that these are related to development and commissioning activities.

Provision for impairment of inventories is set-up, if necessary, based on review of movements and current condition of each inventory item. The cost of any write-down of inventory to NRV and all losses of inventories shall be recognized through profit or loss in the period the write-down or loss occurs. The cost of any reversal of any previous write-down shall be recognized as reduction in the amount of inventory recognized as expense in the period in which the reversal occurs.

26.8 Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and amortization, and impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items, which comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss in the statement of total comprehensive income during the financial period in which these are incurred.

Construction-in-progress is stated at cost, which includes cost of construction, equipment and other direct costs. Costs of assets under construction are accumulated in the accounts until these projects are completed upon which these are classified to the appropriate property accounts. Construction-in-progress is not depreciated and amortized until such time as the relevant assets are completed and put into its intended use.

Depreciation of property, plant and equipment, excluding items presented under plant and equipment and roads and dams and mining equipment, is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives (in years) as follows:

	3 or lease term, whichever is shorter
Leasehold improvements	3
Office machinery and equipment	3
Vehicles	3
Furniture and fittings	3
Computer equipment and software	3
Buildings (excluding ROU asset)	16
Health, safety, and security equipment	3
Maintenance equipment	3

Plant and equipment, mining equipment and roads and dams are depreciated using the units of production method based on estimated economically recoverable reserves to which these relate or written off if the property is abandoned.

The assets' residual values and estimated useful lives are reviewed periodically, and adjusted if appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 26.10).

The carrying amount of an item of property, plant and equipment is derecognized on disposal; or when no future economic benefits are expected from its disposal at which time the cost and related accumulated depreciation and amortization are removed from the accounts.

Gain or loss arising on the disposal or retirement of an asset is determined as the difference between the net sales proceeds and the carrying amount of the asset and is recognized in other income or expense in the statement of total comprehensive income.

26.9 Mining assets

(a) Deferred exploration costs

Deferred exploration costs represent capitalized expenditures related to the acquisition and exploration of mining properties. Exploration costs are stated at cost and are accumulated in respect of each identifiable area of interest. Such costs are only carried forward to the extent that these 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 active work is continuing. Accumulated costs in relation to an abandoned area are written off against profit or loss in the statement of total comprehensive income 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.

The Company classifies deferred exploration costs as tangible or intangible according to the nature of the asset acquired or cost incurred and applies the classification consistently. Certain deferred exploration costs are treated as intangible (e.g., license and legal fees), whereas others are tangible (e.g., vehicles). To the extent that a tangible asset is consumed in developing an intangible asset, the amount reflecting that consumption is part of the cost of the intangible asset. However, using a tangible asset to develop an intangible asset does not change a tangible asset into an intangible asset. Deferred exploration costs are recognized and reclassified to deferred development costs when the technical feasibility and commercial viability of extracting the resources are demonstrable. Deferred exploration costs are only assessed for impairment and not subjected to depreciation and amortization before reclassification.

(b) Deferred development costs

Deferred development costs pertain to capitalized expenditures incurred to prove technical feasibility and commercial viability of any resources found and to develop ore bodies. Development costs are stated at cost and are capitalized to the extent that these are directly attributable to an area of interest or those that can be reasonably allocated to an area of interest, which may include costs directly related to bringing assets to the location and condition for intended use and costs incurred, net of any revenue generated, during the commissioning period. These costs are capitalized until assets are already available for use or when the Company has already achieved commercial levels of production.

The carrying value of deferred development costs represents total expenditures incurred to date net of revenue from saleable material recognized during the pre-commercial production period, if any. Deduction is only appropriate if it can clearly be shown that the production of the saleable material is directly attributable to bringing the asset to the condition necessary for it to be capable of operating in the manner intended by management.

Commercial production is deemed to have commenced when management determines that the completion of operational commissioning of major mine and plant components is completed, operating results are being achieved consistently for a period of time and that there are indicators that these operating results will be continued. Mine development costs incurred to maintain current production are included in operations.

(c) Mine and mining properties in production

Upon commencement of commercial production, deferred development costs are capitalized as part of mine and mining properties in production. These costs are subject to depletion or amortization, which are computed using the units of production method based on proven and probable reserves.

(d) Asset retirement obligation

Asset retirement obligation (ARO) represents the net present value of obligations associated with the retirement of property, plant and equipment that resulted from acquisition, construction or development and the normal operation of property, plant and equipment. ARO is recognized as part of the cost of the related property, plant and equipment or mine and mining properties in production in the period when a legal or constructive obligation is established provided that best estimate can be made. The increase in ARO due to passage of time is recognized as accretion expense. ARO is derecognized when the related asset has been retired or disposed of.

(e) Impairment review

The Company reviews and evaluates its mining assets when events or changes in circumstances indicate that the related carrying amounts may not be recoverable. The recoverability of these capitalized costs is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete their exploration and development, and upon future profitable production.

An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount, which is the higher of an asset's FVLCD, if available, and value in use, and is recognized through profit or loss. To the extent that impairment occurs, the excess is fully provided in the financial period in which this is determined. Value in use is calculated based on discounted future net cash flows for properties in which a mineral resource has been identified using estimated future production, commodity prices, operating and capital costs and reclamation and closure costs. Value in use for deferred exploration costs is estimated by reference to the timing of exploration and/or development work, work programs proposed, the exploration results achieved to date and the likely proceeds receivable if the Company sold specific properties to third parties.

For mine and mining properties, FVLCD is estimated by reference to cash flow forecasts 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 throughout the LOM of the CGU.

26.10 Impairment of non-financial assets

Assets that are subject to amortization or depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets that are not subject to amortization are reviewed for impairment annually. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount which is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

26.11 Trade payables and other current liabilities

Trade payables and other current liabilities are recognized in the period in which the related money, goods or services are received or when a legally enforceable claim against the Company is established. These are classified as current liabilities if payment is due within one year or less. If not, these are presented as non-current liabilities.

Payable to government agencies are not considered financial liabilities but are derecognized similarly.

Other relevant policies are disclosed in Note 26.4.

26.12 Borrowings and borrowing costs

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized through profit or loss as finance cost over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all the facility will be drawn down, the fee is capitalized as a pre-payment for liquidity services and amortized over the period of the facility to which it relates.

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized as finance cost in the statement of total comprehensive income in the period in which these are incurred.

26.13 Provisions

Provisions are recognized when: (a) the Company has a present legal or constructive obligation as a result of past events; (b) it is probable that an outflow of resources will be required to settle the obligation; and (c) the amount has been reliably estimated. Provisions are not recognized for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small. Provisions are derecognized when the obligation is settled, cancelled or has expired.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as accretion expense in the statement of total comprehensive income.

The Company recognizes the estimated costs of mine rehabilitation, which includes among others, reforestation of the areas disturbed during development stage and commercial operations, maintenance and monitoring, land reclamation, decommissioning and dismantling of production facilities, and employee and other social costs including residual care, if necessary. The provision is discounted where material and the unwinding of the discount is recognized as accretion expense in the statement of total comprehensive income. At the time of establishing the provision, the corresponding asset is capitalized as where it gives rise to a future benefit and depreciated/amortized over future production from the mine to which it relates. Costs attributed to actual decommissioning/dismantling and restoration/reforestation are capitalized as part of mine and mining properties in production upon commencement of commercial operations.

Changes in the measurement of the estimated costs of mine rehabilitation which results from changes in the estimated timing or amount of the outflow of resources embodying economic benefits required to settle the obligation, or a change in the discount rate, is accounted for as an addition or deduction to the provision recorded and to the cost of rehabilitation asset recognized as part of mining assets to the extent that the addition does not exceed its carrying amount. If a decrease in the provision exceeds the carrying amount of the asset, the excess will be recognised as part of other operating income or finance cost in the statement of total comprehensive income, as applicable. If the adjustment results in an addition to the cost of an asset, the Company considers whether this is an indication that the new carrying amount of the asset may not be fully recoverable and must be accounted for under the impairment criteria discussed in Note 26.10.

26.14 Current and deferred income tax

The provision for income tax for the period comprises current and deferred tax. Tax is recognized in profit or loss, except to the extent that that it relates to items recognized in other comprehensive income. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

Current provision for income tax is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized for all deductible temporary differences, carry-forward of unused tax losses (net operating loss carryover or NOLCO) and unused tax credits (excess minimum corporate income tax or MCIT) to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. Deferred income tax liabilities are recognized in full for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of goodwill.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority where there is an intention to settle the balances on a net basis.

The Company reassesses at each reporting date the need to recognize a previously unrecognized deferred income tax asset.

Deferred income tax assets and liabilities are derecognized when the relevant temporary differences are realized/settled or recoverability is no longer probable.

26.15 Share capital

The Company's share capital is composed of common shares with par value. The amount of proceeds from the issuance or sale of common shares representing the aggregate par value is credited to share capital. Proceeds in excess of the aggregate par value of common shares, if any, are credited to share premium. After initial measurement, share capital and share premium are carried at historical cost and are classified as equity in the statement of financial position.

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

26.16 Revenue, cost and expense recognition

(a) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

(i) Bullion sales

Revenue from sale of gold is recognized when there has been a transfer of control to the customer, which means the following:

- The quantity and quality of the product can be determined with reasonable accuracy;
- The product has been delivered and is no longer under the physical control of the Company (or title has earlier passed to the customer);
- The selling price is determinable;
- It is probable that the economic benefits associated with the transaction will flow to the Company; and
- The costs incurred or to be incurred in respect of the transaction are determinable.

The method of the transfer of control depends on who is the final customer. When these are sold to the Refiner (Note 20), control is transferred if the gold bullion is dispatched from the Company's premises. For all other customers, control is transferred after the customer has confirmed the bullion trade. Further, for gold bullion sold to BSP, control is transferred upon actual receipt of the goods.

(ii) Concentrate sales

The Company recognises the sale of gold, copper and silver concentrate when control is transferred to the buyer upon loading of concentrates at port. 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 charged against 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.

(iii) Pre commercial production sales

Sales during the commissioning phase are treated as pre-production income and credited to capitalized development costs under mining assets in the statement of financial position.

(iv) Interest income and other income

Interest income, which is presented net of tax, is recognized on a time proportion basis using the effective interest method. Other income including scrap sales, gain on loan modification, loss on sale of inventory, and foreign exchange translations, are recognized when earned or realized.

(b) *Costs and expenses*

Costs and expenses are charged to operations when incurred.

26.17 Leases - Company as lessee

Assets and liabilities arising from a lease are initially measured on a present value basis. The interest expense is recognized in the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

(a) *Measurement of lease liabilities*

Lease liabilities include the net present value of the fixed lease payments, including in-substance fixed payments. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for the Company's leases, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Company:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received,
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held for entities which do not have recent third party financing, and
- makes adjustments specific to the lease (i.e. term, currency and security).

The Company uses the Group's incremental borrowing rate, adjusted to reflect current local setting. The discount rate applied by the Company is disclosed in Note 22.

Lease payments are allocated between principal and interest expense. The interest expense is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

(b) Measurement of right-of-use assets

Right-of-use assets are measured at cost comprising the amount of the initial measurement of lease liability.

Right-of-use assets are generally amortized over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

(c) Extension and termination options

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The lease term is reassessed if an option is actually exercised (or not exercised) or the Company becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is revised only if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

(d) Short-term leases and leases of low-value assets

Payments associated with short-term leases and leases of low-value assets are recognized on a straight-line basis as an expense in the profit or loss. Short-term leases are leases with a lease term of 12 months or less. The Company has no leases of low-value assets as at December 31, 2022 and 2021.

26.18 Foreign currency transactions and translation

(a) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the functional currency). The financial statements are presented in U.S. Dollar which is the functional and presentation currency of the Company.

(b) Transactions and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized through profit or loss.

26.19 Employee benefits

(a) Pension benefits

The Company maintains a funded defined benefit retirement plan which defines an amount of retirement benefit that an employee will receive on retirement, usually dependent on certain factors such as age, years of credited service, and compensation.

The liability recognized in the statement of financial position in respect of the defined benefit retirement plan is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets. In cases when the amount determined results in a surplus (being an excess of the fair value of the plan assets over the present value of the defined benefit obligation), the Company measures the resulting asset at the lower of (a) such amount determined, and (b) the present value of any economic benefits available in the form of refunds or reduction in future contributions to the plan. The defined benefit obligation is calculated on a regular periodic basis by an independent actuary using the "projected unit credit cost" method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity which approximate the terms of the related retirement obligation.

Remeasurements arising from experience adjustments and changes in actuarial assumptions are recognized in other comprehensive income during the period in which these arise.

Past-service costs are recognized immediately in profit or loss.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of the plan assets. This cost is charged to profit or loss.

(b) Short term employee benefits

The Company recognizes a liability and an expense for short-term employee benefits which include salaries, social security contributions, paid sick and vacation leaves, and bonuses. Bonuses are based on a formula that takes into consideration the profit attributable to the Company's shareholders after certain adjustments. The Company recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

(c) Termination benefits

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Company recognizes termination benefits at the earlier of the following dates: (a) when the Company can no longer withdraw the offer of those benefits; and (b) when the entity recognizes costs for a restructuring that is within the scope of PAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

26.20 Related party relationships and transactions

Related party relationship exists when one party has the ability to control, directly, or indirectly through one or more intermediaries, the other party or exercise significant influence over the other party in making financial and operating decisions. Such relationship also exists between and/or among entities, which are under common control with the reporting enterprise, or between and/or among the reporting enterprises and its key management personnel, directors, or its shareholder. In considering each related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

Related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

26.21 Contingencies

Contingent liabilities are not recognized in the financial statements. These are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognized in the financial statements but disclosed when an inflow of economic benefits is probable.

Contingent assets are assessed continually to ensure the developments are appropriately reflected in the financial statements. If it becomes virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognized in the financial statements.

26.22 Subsequent events

Post year-end events that provide additional information about the Company's position at the reporting date (adjusting events) are reflected in the financial statements. Post year-end events that are not adjusting events are disclosed in the notes to the financial statements when material.

Note 27 - Supplementary information required by the BIR

The following information is presented for purposes of filing with BIR Revenue Regulation No. 15-2010 and is not a required part of the basic financial statements. All amounts are in Philippine Peso.

(a) Output VAT

For the year, the Company has P16.8 billion zero-rated VAT sales and P910.3 million VAT exempt sales. The Company also reported P119 thousand VAT from the sale of assets.

(b) Input VAT

Movement in input VAT for the year ended December 31, 2022 are as follows:

Beginning balance	158,418,774
Goods other than for resale or manufacturer	102,240,134
	260,658,908
Other adjustments	193,957,993
Total input VAT	454,616,901

(c) Importations

The total landed costs of imports and the amount of customs duties and tariff fees paid and accrued for the year ended December 31, 2022 are as follows:

Landed cost of imports	852,001,120
Customs duties and tariff fees	43,171,511
	895,172,631

(d) Excise tax

For the year ended December 31, 2022, the Company paid excise taxes amounting to P648.4 million.

(e) Documentary stamp tax

For the year ended December 31, 2022, the Company did not incur any payment for documentary stamp taxes.

(f) All other local and national taxes

All other local and national taxes paid and accrued for the year ended December 31, 2022 and lodged under general and administrative expenses in the statement of total comprehensive income consist of:

Local business tax	77,737,556
Real property tax	55,311,073
Mayor's permit	151,830
Community tax	22,470
Permit fees and other taxes	7,898,357
	<u>141,121,286</u>

(g) Withholding taxes

Withholding taxes paid and accrued and/or withheld for the year ended December 31, 2022 consist of:

	Paid	Accrued	Total
Withholding tax on compensation	119,645,194	8,226,080	127,871,274
Expanded withholding tax	80,250,052	8,360,697	88,610,749
Final withholding tax	5,117,149	533,313,248	538,430,397
	<u>205,012,395</u>	<u>549,900,025</u>	<u>754,912,420</u>

(h) Tax assessments and cases

As at report date, the audits/examinations of the Company's books of accounts and other accounting records for the taxable years 2013, 2014, 2017, 2018, 2019 and 2020 are still ongoing.

On February 4, 2021, the Final Assessment Notice (FAN) for taxable year 2017 was received. On March 5 2021, OGPI filed the response to the FAN. A revised Letter of Authority (LOA) was issued to OGPI on November 23 2021 due to the change of team to handle the audit.

On March 7, 2023, the Company received a FAN for the taxable year 2018. The Company filed its protest on April 5, 2023.

On March 13, 2023, the Company received a Preliminary Assessment Notice (PAN) for the taxable year 2019. The Company filed its protest on March 28, 2023.

Apart from the tax assessments above, the Company is a party to outstanding litigation proceedings or assessments, which pertain to, among others, real property, VAT and excise taxes (Note 21).

OceanaGold (Philippines), Inc.
Didipio Mine, Didipio, Kasibu, Nueva Vizcaya

Reconciliation of Retained Earnings Available for Dividend Declaration
As at December 31, 2022
(All amounts in U.S. Dollar)

Unappropriated retained earnings, as adjusted to available dividend distribution, beginning of the year		479,055,393
Add: Net income actually earned/realized during the year	54,884,680	
Less: Non-actual/unrealized income net of tax	-	
Equity in net income of associate/joint venture	-	
Unrealized foreign exchange gain (except those attributable to cash and cash equivalents)	740,407	
Unrealized actuarial gain	-	
Fair value adjustment	-	
Fair value adjustment of investment property resulting to gain	-	
Adjustment due to deviation from PFRS/GAAP – gain	-	
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under PFRS	-	
Sub-total	54,144,273	
Add: Non actual losses		
Depreciation on revaluation in revaluation increment (after tax)	-	
Adjustment due to deviation from PFRS/GAAP - loss	-	
Loss on fair value adjustment of investment property (after tax)	-	
Net income actually incurred during the period		54,144,273
Add (Less):		
Dividend declarations during the year		-
Appropriations of retained earnings during the year		-
Reversals of appropriations		-
Effects of prior period adjustments		-
Treasury shares		-
Accumulated share in income of an associate		-
Total retained earnings, end of the year available for dividend		533,199,666