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**PHILIPPINE GOLD LIMITED**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2022**

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**PHILIPPINE GOLD LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	Michael Andrew Cinnamond Neil Malcolm Gillam FCCA ACA CTA Jerry Richard Korpan
<b>Registered number</b>	00666509
<b>Registered office</b>	Leytonstone House 3 Hanbury Drive Leytonstone London England E11 1GA
<b>Independent auditors</b>	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 141 Bothwell Street Glasgow G2 7EQ

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**PHILIPPINE GOLD LIMITED**

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**STRATEGIC REPORT  
FOR THE YEAR ENDED 30 JUNE 2022**

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**Introduction**

The directors present their report and financial statements for the year ended 30 June 2022.

**Business review**

The loss for the year after taxation amounted to \$46,621 (2021 – loss of \$99,814). No dividends were declared during the year (2021 – \$nil) and the directors do not recommend a final dividend.

**Principal activities and review of the business**

Philippine Gold Limited (the company) provides management and financial support to its associate, Filminera Resources Limited (Filminera), and carries an investment in Philippine Gold Processing and Refining Corporation (PGPRC) whose principal activities are the operation of and exploration of mining interests at the Masbate Gold project in the Philippines. The directors do not anticipate any change in the foreseeable future.

The board of the ultimate parent undertaking is responsible for the oversight of the group entities risk management and control framework. Responsibility for control and risk management is delegated to the appropriate level of management within the group with the Chief Executive Officer and Chief Financial Officer having ultimate responsibility to the board for the risk management and control framework.

Arrangements put in place by the board to monitor risk management include quarterly reporting to the board in respect of operations and the financial position of the group entity.

**Going concern**

The financial statements have been prepared on a going concern basis notwithstanding net current liabilities of

\$8,161,628 (2021 - \$8,115,007), including loans payable to group undertakings of \$8,092,296 (2021 - \$8,004,230) (Note 14). The directors consider the going concern basis to be appropriate because the company's ultimate parent, B2Gold Corp, has confirmed that it will provide financial support to the company, through a letter of support, to the extent that funds for working capital requirements are not otherwise available for at least a period of 12 months from the date of signing the financial statements.

The directors understand that B2Gold Corp is currently in a strong financial position to continue the mining operations and exploration activities at the Masbate Project, and to continue to support the company as required. B2Gold Corp had a strong balance sheet at 31 December 2022 which showed a profit of \$287 million and had net assets of \$3,112 million of which cash and cash equivalents amounted to \$652 million.

Despite the COVID 19 pandemic, B2Gold Corp remains in a strong financial position as shown in its latest annual financial statements as at 31 December 2022. Therefore, given the financial support from B2 Gold Corp, the Company's financial statements have been prepared on the going concern basis as the Directors believe that the company will be able to trade for a period of greater than one year from the date of signing the financial statements.

**STRATEGIC REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2022**

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**Financial risk management**

**Credit risk** – Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted. Being part of the B2Gold Corp Group, the company uses the same credit risk management procedures as that used by B2Gold Corp Group to monitor credit risk through reviewing inputs to the valuation model used to determine future cash flows of PGRPC to determine if any impairment exists. To date, there have been no indicators which would cause the Company and the Group to impair the investment in PGRPC.

**Gold price risk** – Being part of The B2Gold Corp Group, the company is exposed to movements in the gold price. As part of the risk management policy of the Group and in compliance with the conditions required by the Group's financiers, a variety of financial instruments are used from time to time to reduce exposure to unpredictable fluctuations in the project life revenue streams.

**Foreign currency risk** – The Company and B2Gold Corp Group's policy is to manage its foreign currency exposure through holding its cash largely in USD, being the same currency as the majority of its costs. As a result, the B2Gold Corp Group does not have a material exposure to foreign currency risk.

**Liquidity risk** – The company is reliant on funding from the Group.

This report was approved by the board on 16 March 2023 and signed on its behalf.

**Michael Andrew Cinnamond**  
Director

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 30 JUNE 2022**

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The directors present their report and the financial statements for the year ended 30 June 2022.

**Directors' responsibilities statement**

The directors are responsible for preparing the Strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Results and dividends**

The loss for the year, after taxation, amounted to \$46,621 (2021 - loss \$99,814).

The net liabilities at the year end was £1,812,309 (2021 - £1,765,688).

The directors do not recommend the payment of a dividend for the year (2021: \$Nil).

**Directors**

The directors who served during the year were:

Michael Andrew Cinnamon  
Neil Malcolm Gillam FCCA ACA CTA  
Jerry Richard Korpan

**Future developments**

The company will continue to focus on its efforts of providing management and financial support to its related undertakings with the objective of continuing mining operations and exploration activities at Masbate Gold project in the Philippines.

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**PHILIPPINE GOLD LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2022**

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**Disclosure of information to auditors**

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

**Independent auditors**

The auditors, PricewaterhouseCoopers LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 16 March 2023 and signed on its behalf.

**Michael Andrew Cinnamond**  
Director

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PHILIPPINE GOLD LIMITED

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## Report on the audit of the financial statements

### Opinion

In our opinion Philippine Gold Limited's the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: the Statement of financial position as at 30 June 2022; the Statement of comprehensive income and the Statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' 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 remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.



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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PHILIPPINE GOLD LIMITED (CONTINUED)

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### Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

### Strategic report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 30 June 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PHILIPPINE GOLD LIMITED (CONTINUED)

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## **Responsibilities for the financial statements and the audit**

### **Responsibilities of the directors for the financial statements**

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine 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, the directors are 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditors' 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 auditors' 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 ISAs (UK) 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to health and safety legislation and environmental regulations, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to fraudulent financial reporting to influence the reported performance of the company. Audit procedures performed by the engagement team included:

- Enquiries with management regarding any known or suspected instances of non-compliance with laws and regulations and fraud;
- Evaluation of management's controls designed to prevent and detect irregularities;
- Review of Board minutes;
- Challenging approaches taken by management in areas involving significant accounting estimates

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PHILIPPINE GOLD LIMITED (CONTINUED)**

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A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**Use of this report**

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

**Other required reporting**

**Companies Act 2006 exception reporting**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Jane Ferguson (Senior Statutory Auditor)  
for and on behalf of

**PricewaterhouseCoopers LLP**

Chartered Accountants and Statutory Auditors  
Glasgow

16 March 2023

PHILIPPINE GOLD LIMITED

STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 \$	2021 \$
Turnover	4	2,994,902	4,251,639
Cost of sales		(2,943,008)	(4,170,617)
<b>Gross profit</b>		<b>51,894</b>	<b>81,022</b>
Administrative expenses		(96,719)	(179,177)
<b>Operating loss</b>	5	<b>(44,825)</b>	<b>(98,155)</b>
Interest receivable and similar income	9	1	6
<b>Loss before taxation</b>		<b>(44,824)</b>	<b>(98,149)</b>
Tax on loss	10	(1,797)	(1,665)
<b>Loss for the financial year</b>		<b>(46,621)</b>	<b>(99,814)</b>

There was no other comprehensive income for 2022 (2021:\$NIL).

The notes on pages 12 to 21 form part of these financial statements.

**PHILIPPINE GOLD LIMITED**  
**REGISTERED NUMBER: 00666509**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2022**

	<b>Note</b>	<b>2022</b>	<b>2021</b>
		<b>\$</b>	<b>\$</b>
<b>Fixed assets</b>			
Investments	11	6,349,319	6,349,319
		<u>6,349,319</u>	<u>6,349,319</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	12	8,703	9,221
Cash and cash equivalents	13	139,948	125,814
		<u>148,651</u>	<u>135,035</u>
Creditors: amounts falling due within one year	14	(8,310,279)	(8,250,042)
<b>Net current liabilities</b>		<u>(8,161,628)</u>	<u>(8,115,007)</u>
<b>Total assets less current liabilities</b>		<u>(1,812,309)</u>	<u>(1,765,688)</u>
<b>Net liabilities</b>		<u>(1,812,309)</u>	<u>(1,765,688)</u>
<b>Capital and reserves</b>			
Called up share capital	15	-	-
Foreign exchange reserve	16	(62,799)	(62,799)
Accumulated losses	16	(1,749,510)	(1,702,889)
		<u>(1,812,309)</u>	<u>(1,765,688)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 16 March 2023.

**Michael Andrew Cinnamond**  
Director

The notes on pages 12 to 21 form part of these financial statements.

PHILIPPINE GOLD LIMITED

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2022

	Called up share capital \$	Foreign exchange reserve \$	Accumulated losses \$	Total equity \$
<b>At 1 July 2020</b>	-	(62,799)	(1,603,075)	(1,665,874)
<b>Comprehensive expense for the year</b>				
Loss for the year	-	-	(99,814)	(99,814)
<b>Total comprehensive expense for the year</b>	-	-	(99,814)	(99,814)
<b>At 1 July 2021</b>	-	(62,799)	(1,702,889)	(1,765,688)
<b>Comprehensive expense for the year</b>				
Loss for the year	-	-	(46,621)	(46,621)
<b>Total comprehensive expense for the year</b>	-	-	(46,621)	(46,621)
<b>At 30 June 2022</b>	-	(62,799)	(1,749,510)	(1,812,309)

The notes on pages 12 to 21 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**

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**1. General information**

Philippine Gold Limited is a private company limited by shares incorporated in England and Wales.

The Registered Office is Leytonstone House, 3 Hanbury Drive, Leytonstone, London, E11 1GA.

The principal activity of the company is the provision of management and financial support to its associate, Filminera Resources Limited (Filminera), and carries an investment in Philippine Gold Processing and Refining Corporation (PGPRC).

The principal activities of these companies are the operation of and exploration of mining interests at the Masbate Gold project in the Philippines.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

**2.2 Financial reporting standard 102 - reduced disclosure exemptions**

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a) 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of B2Gold Corp as at 31 December 2021 and these financial statements may be obtained from Park Place, Suite 3400 - 666 Burrard Street, Vancouver, British Columbia, Canada, V6C 2X8.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**

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**2. Accounting policies (continued)**

**2.3 Going concern**

The financial statements have been prepared on a going concern basis notwithstanding net current liabilities of \$8,161,628, including loans payable to group undertakings of \$8,092,296 (Note 14). The directors consider the going concern basis to be appropriate because the company's ultimate parent, B2Gold Corp, has confirmed that it will provide financial support to the company, through a letter of support, to the extent that funds for working capital requirements are not otherwise available for at least a period of 12 months from the date of signing the financial statements.

The directors understand that B2Gold Corp is currently in a strong financial position to continue the mining operations and exploration activities at the Masbate Project, and to continue to support the company as required. B2Gold Corp had a strong balance sheet at 31 December 2022 which showed a profit of \$287 million and had net assets of \$3,112 million of which cash and cash equivalents amounted to \$652 million.

Despite the COVID 19 pandemic, B2Gold Corp remains in a strong financial position as shown in its latest financial statements as at 31 December 2022. Therefore, given the financial support from B2 Gold Corp, the Company's financial statements have been prepared on the going concern basis as the Directors believe that the company will be able to trade for a period of greater than one year from the date of signing the financial statements.

**2.4 Preparation of consolidated financial statements**

The company is exempt from preparing consolidated financial statements by virtue of s401 of the Companies Act 2006.

The ultimate company, for whom consolidated financial statements are prepared is for B2Gold Corp, a company incorporated in Canada. The financial statements therefore present information about the company as an individual and not about the group.

**2.5 Foreign currency translation**

**Functional and presentation currency**

The Company's functional and presentational currency is USD.

**Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**

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**2. Accounting policies (continued)**

**2.6 Revenue recognition**

Revenue primarily represents the income derived from recharges of costs incurred by the company plus a margin. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

**2.7 Interest income**

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

**2.8 Finance costs**

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**2.9 Taxation**

Tax is recognised in the Statement of comprehensive income except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

**2.10 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022

2. Accounting policies (continued)

2.11 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.12 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.13 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.14 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4. Turnover

An analysis of turnover by class of business is as follows:

	2022 \$	2021 \$
Consultancy fees	2,994,902	4,251,639
	<u>2,994,902</u>	<u>4,251,639</u>

All turnover arose within The Philippines.

PHILIPPINE GOLD LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022

5. Operating loss

The operating loss is stated after (charging)/crediting:

	2022 \$	2021 \$
Foreign exchange profit/(loss)	<u>1,450</u>	<u>(12,645)</u>

6. Auditors' remuneration

	2022 \$	2021 \$
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	<u>18,000</u>	<u>14,600</u>

7. Employees

Staff costs were as follows:

	2022 \$	2021 \$
Wages and salaries	2,935,666	4,163,424
Social security costs	7,342	7,193
	<u>2,943,008</u>	<u>4,170,617</u>

Staff costs relate to ROHQ employees who provide consulting services for the company's associates in the Philippines.

The average monthly number of employees, including the directors, during the year was as follows:

	2022 No.	2021 No.
Administration	1	1
Consulting services (ROHQ)	9	13
	<u>10</u>	<u>14</u>

8. Directors' remuneration

Fees payable to the directors during the year amounted to \$26,035 (2021: \$24,477).

PHILIPPINE GOLD LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022

9. Interest receivable and similar income

	2022 \$	2021 \$
Other interest receivable	1	6
	<u>1</u>	<u>6</u>

10. Tax on loss

	2022 \$	2021 \$
<b>Foreign tax</b>		
Foreign tax on expense for the year	1,797	1,665
<b>Tax on loss</b>	<u>1,797</u>	<u>1,665</u>

**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2021 - *higher than*) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 \$	2021 \$
Loss before taxation	<u>(44,824)</u>	<u>(98,149)</u>
Loss multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	(8,517)	(18,648)
<b>Effects of:</b>		
Unrelieved tax losses carried forward	8,517	18,648
Foreign tax	1,797	1,665
<b>Total tax charge for the year</b>	<u>1,797</u>	<u>1,665</u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022

10. Tax on loss (continued)

Factors that may affect future tax charges

The company has approximately \$5.2 million (2021: \$5.2 million) of capital and operating losses to carry forward for future years with no fixed expiry terms that have not been recognised as deferred tax assets due to the uncertainty of any future taxable profit.

11. Investments

	Investments in subsidiary companies \$
<b>Cost or valuation</b>	
At 1 July 2021	24,476,414
Additions	-
Disposals	-
At 30 June 2022	24,476,414
<b>Impairment</b>	
At 1 July 2021	18,127,095
Charge for the period	-
At 30 June 2022	18,127,095
<b>Net book value</b>	
At 30 June 2022	6,349,319
At 30 June 2021	6,349,319

PHILIPPINE GOLD LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022

**Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

<b>Name</b>	<b>Registered office</b>	<b>Class of shares</b>	<b>Holding</b>
Filminera Resources Corporation	3rd Floor, Corinthian Plaza, 121 Paseo de Roxas, Makati, 1229 Philippines	Ordinary	40 %
Philippine Gold Processing and Refining Corporation	3rd Floor, Corinthian Plaza Building, 121 Paseo De Roxas, Makati City, 1229, Philippines	Ordinary	46 %

**12. Debtors: amounts falling due within one year**

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Other debtors	<b>8,703</b>	9,221
	<b>8,703</b>	<b>9,221</b>

**13. Cash and cash equivalents**

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Cash at bank and in hand	<b>139,948</b>	125,814
	<b>139,948</b>	<b>125,814</b>

PHILIPPINE GOLD LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022

14. Creditors: Amounts falling due within one year

	2022	2021
	\$	\$
Amounts owed to group undertakings	8,092,296	8,004,230
Corporation tax	1,042	-
Other taxation and social security	155,307	167,156
Other creditors	2,413	-
Accruals and deferred income	59,221	78,656
	<u>8,310,279</u>	<u>8,250,042</u>

The loan from group undertakings can be called in after 10 days with written notice and is interest free.

15. Called up share capital

	2022	2021
	\$	\$
<b>Allotted, called up and fully paid</b>		
1 (2021 - 1) Ordinary share of \$0.05	<u>-</u>	<u>-</u>

16. Reserves

**Foreign exchange reserve**

The reserve records exchange rate movements on equity related transactions.

**Accumulated losses**

Includes all current and prior periods retained profits and losses accumulated to date.

17. Related party transactions

The company has applied the exemption available under FRS 102 Section 33 not to disclose any intra group related party transactions with companies in the group headed by B2Gold Corp where the subsidiary which is party to the transaction is wholly owned.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**

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**18. Controlling party**

The company's ultimate controlling party is B2Gold Corp, a company incorporated in Canada.

The largest and smallest group for which consolidated financial statements are drawn up and of which the company is included is the group headed by B2Gold Corp.

Copies of the consolidated financial statements of B2Gold Corp are available from its registered office, Park Place, Suite 3400 - 666 Burrard Street, Vancouver, British Columbia, Canada, V6C 2X8.

**19. Post balance sheet events**

Subsequent to the year ended 30 June 2022, the company's ownership interest in Philippine Gold Processing and Refining Corporation (PGPRC) increased to 73% from 46%.



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