



*Financial
Statements*

GOLD CORPORATION AND SUBSIDIARIES

Operating Statements

FOR THE YEAR ENDED 30 JUNE 2000

	Note	GROUP		GOLD CORPORATION	
		2000 \$000	1999 \$000	2000 \$000	1999 \$000
REVENUE					
Trading profit	2	36,055	34,907	(3,016)	(375)
Charges for technical services		916	4,835	2,386	3,640
Interest		5,622	2,728	5,524	2,424
Profit on sale property, plant & equipment		–	–	15	14
Currency hedging and trading		6	–	6	–
Exchange gains		832	–	837	–
Fees, royalties and rents		1,253	626	109	85
Profit S2000 Olympic coin program	12a	7,070	1,312	–	–
Profit AGR Joint Venture	12b	2,164	409	–	–
Dividends from subsidiaries	4	–	–	14,000	9,000
		53,918	44,817	19,861	14,788
EXPENDITURE					
Salaries and wages, superannuation and staff costs		11,096	11,020	2,706	2,395
Materials and services		26,705	19,917	3,999	3,126
Depreciation		1,580	2,606	453	535
Amortisation		264	264	–	–
Interest		4,705	2,373	4,705	1,764
Loss on sale property, plant & equipment		23	45	–	–
Currency hedging and trading		–	233	–	233
Exchange losses		–	796	–	789
Bad debts		–	1	–	–
Provision for					
employee entitlements		706	841	471	616
doubtful debts		–	212	–	212
unrealised loss on currency hedging		1,823	–	1,823	–
		46,902	38,308	14,157	9,670
OPERATING PROFIT BEFORE ABNORMAL ITEMS AND STATUTORY CONTRIBUTION					
		7,016	6,509	5,704	5,118
Plus: Abnormal items	3	–	7,795	–	–
OPERATING PROFIT BEFORE STATUTORY CONTRIBUTION					
		7,016	14,304	5,704	5,118
Statutory contribution expense	5	2,923	3,218	2,923	3,218
OPERATING PROFIT AFTER STATUTORY CONTRIBUTION					
		4,093	11,086	2,781	1,900
Outside equity interests in operating loss	19	–	5	–	–
OPERATING PROFIT AFTER STATUTORY CONTRIBUTION ATTRIBUTABLE TO PARENT ENTITY					
		4,093	11,091	2,781	1,900
Unappropriated profits at 1 July		22,662	13,659	3,098	3,286
Total available for appropriation		26,755	24,750	5,879	5,186
Proposed dividend	17	1,853	2,088	1,853	2,088
UNAPPROPRIATED PROFITS AT 30 JUNE		24,902	22,662	4,026	3,098

The Operating Statements are to be read in conjunction with the Notes to and forming part of the Financial Statements.

GOLD CORPORATION AND SUBSIDIARIES

Statements of Financial Position

AS AT 30 JUNE 2000

	Note	GROUP		GOLD CORPORATION	
		2000 \$000	1999 \$000	2000 \$000	1999 \$000
CURRENT ASSETS					
Cash	6	11,500	21,100	10,942	20,004
Receivables	7	184,843	173,881	189,196	170,482
Inventories	8	26,469	32,608	10,289	23,235
Prepayments		1,642	778	263	233
Total current assets		224,454	228,367	210,690	213,954
NON-CURRENT ASSETS					
Receivables	7	118	141	–	–
Property, plant and equipment	9	18,093	16,889	969	1,055
Investments in subsidiaries	10	–	–	21,603	21,603
Investments – other	12	16,393	10,459	–	–
Intangibles	14	1,832	2,096	–	–
Future statutory contribution benefit		1,901	1,513	1,901	1,513
Total non-current assets		38,337	31,098	24,473	24,171
TOTAL ASSETS		262,791	259,465	235,163	238,125
CURRENT LIABILITIES					
Accounts payable	15	10,357	6,585	4,229	5,383
Borrowings	16	187,421	193,018	187,401	192,967
Provisions	17	8,221	5,165	7,826	4,941
Total current liabilities		205,999	204,768	199,456	203,291
NON-CURRENT LIABILITIES					
Borrowings	16	51	–	–	–
Provisions	17	236	424	78	133
Total non-current liabilities		287	424	78	133
TOTAL LIABILITIES		206,286	205,192	199,534	203,424
NET ASSETS		56,505	54,273	35,629	34,701
EQUITY					
Share capital	18	31,603	31,603	31,603	31,603
Unappropriated profits		24,902	22,662	4,026	3,098
Total equity attributable to Gold Corporation		56,505	54,265	35,629	34,701
Outside equity interests in controlled entities	19	–	8	–	–
TOTAL EQUITY		56,505	54,273	35,629	34,701

51

The Statements of Financial Position are to be read in conjunction with the Notes to and forming part of the Financial Statements.

GOLD CORPORATION AND SUBSIDIARIES

Statements of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2000

	Note	GROUP		GOLD CORPORATION	
		2000 \$000	1999 \$000	2000 \$000	1999 \$000
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers		226,107	902,743	176,836	804,341
Payments to suppliers and employees		(230,677)	(896,425)	(183,251)	(792,040)
Interest received		5,118	1,898	5,019	1,594
Interest paid		(3,979)	(2,356)	(3,979)	(1,747)
Overseas tax paid		–	(119)	–	–
Net cash provided by/(used in) operating activities	20	(3,431)	5,741	(5,375)	12,148
CASH FLOWS FROM INVESTING ACTIVITIES					
Payments for property, plant and equipment		(2,968)	(2,048)	(472)	(352)
Proceeds from sale of property, plant and equipment		201	333	160	192
Proceeds from sale of business and assets – partnership		–	7,000	–	–
Net cash provided by/(used in) investing activities		(2,767)	5,285	(312)	(160)
CASH FLOWS FROM FINANCING ACTIVITIES					
Principal repayments under finance lease		(22)	(26)	–	–
Net cash used in financing activities		(22)	(26)	–	–
CASH FLOWS TO GOVERNMENT					
Statutory contributions paid		(2,124)	(681)	(2,124)	(681)
Dividend paid		(2,088)	–	(2,088)	–
Net cash flow to government		(4,212)	(681)	(4,212)	(681)
NET INCREASE/(DECREASE) IN CASH					
Cash at 1 July	6	21,100	11,577	20,004	9,486
Effect of exchange rate changes on cash held in foreign currencies		832	(796)	837	(789)
CASH AT 30 JUNE	6	11,500	21,100	10,942	20,004

The Statements of Cash Flows are to be read in conjunction with the Notes to and forming part of the Financial Statements.

Notes to and forming part of Financial Statements

FOR THE YEAR ENDED 30 JUNE 2000

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted by Gold Corporation and its subsidiaries are stated to assist in general understanding of these accounts. These policies have been consistently applied.

(a) Basis of Accounting

The accounts have been prepared on the basis of historical costs except for precious metal inventories and, except where stated, do not take into account current valuations of non-current assets. Non-current assets are revalued from time to time as considered appropriate by the Board. The Group has not adopted a policy of revaluing its non-current assets on a regular basis. (Note 9)

These accounts have been prepared in accordance with the requirements of the Financial Administration and Audit Act 1985, including full adoption of the accrual basis of accounting

(b) Modifications of Statements of Accounting Standards

The financial statements constitute a general purpose financial report which has been prepared in accordance with Australian Accounting Standards and UIG Consensus Views as applied by the Treasurer's Instructions. Several of these are modified by the Treasurer's Instructions to vary application, disclosure, format and wording. The Financial Administration and Audit Act and the Treasurer's Instructions are legislative provisions governing preparation of financial statements and take precedence over Australian Accounting Standards and UIG Consensus Views. The modifications are intended to fulfil the requirements of general application to the public sector, together with the need for greater disclosure and also to satisfy accountability requirements. If any such modification has a material or significant financial effect upon the reported results, details of that modification and where practicable the resulting financial effect are disclosed in individual notes to these financial statements.

(c) Principles of consolidation

The consolidated accounts comprise the accounts of Gold Corporation and all its controlled entities. A controlled entity is any entity controlled by Gold Corporation. Control exists where Gold Corporation has the capacity to dominate the decision-making in relation to the financial and operating policies of another entity so that the other entity operates with Gold Corporation to achieve the objectives of Gold Corporation. A list of controlled entities is contained in Note 10 to the financial statements.

All inter-entity balances and transactions between entities in the group, including any unrealised profits or losses, have been eliminated on consolidation.

Where controlled entities have entered or left the group during the year, their operating results have been included from the date control was obtained or until the date control ceased.

Outside interests in the equity and results of the entities that are controlled are shown as a separate item in the consolidated financial statements.

(d) Foreign currency transactions

Transactions denominated in a foreign currency are translated at rates in existence at the transaction dates. Foreign currency receivables and payables are translated at exchange rates current at balance date. Exchange gains and losses are brought to account in determining the result for the year.

Exchange gains and losses arising on contracts entered into as hedges of specific revenue or expense transactions are deferred until the dates of settlement, at which time they are included in the determination of such revenue or expense.

Financial statements of integrated foreign subsidiaries are translated at balance date using the temporal method. Exchange differences arising on such translation are taken to the operating statement.



Notes to and forming part of Financial Statements

FOR THE YEAR ENDED 30 JUNE 2000

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Joint ventures

The group's interests in a joint venture have been included in the accounts by taking up the group's share in each of the individual assets and liabilities of the joint venture. Additional information is provided in Note 13 to the accounts.

(f) Investments

(i) Partnerships

The group's interests in partnerships has been accounted for under the equity accounting method as set out in AAS 19 Interests in Joint Ventures. The group's share of post-acquisition profits or losses of partnerships is recognised in the operating statement.

(ii) Subsidiaries

Investments in subsidiaries are brought to account at cost. The carrying amount of investments is reviewed annually by directors to ensure it is not in excess of the recoverable amount of these investments. The recoverable amount is assessed from the underlying net assets in the particular entities. The expected net cash flow from investments have not been discounted to their present value in determining the recoverable amounts.

(g) Inventories

Precious metal inventories are valued at market prices ruling at balance date.

Other inventories are stated at the lower of cost and net realisable value. Cost is assigned on a first in/first out basis except for retail inventories where a weighted average method is used.

Precious metals held on behalf of third parties are not brought to account.

(h) Depreciation and amortisation of fixed assets

Buildings, plant and equipment are depreciated over their estimated useful lives using the straight line method. Freehold land is not depreciated. Profits or losses on disposal of property, plant and equipment are taken into account in determining the profit for the year.

The expected useful life for each class of asset is as follows, and is reviewed on an annual basis:

Buildings	40 years
Plant and equipment	3-8 years

(i) Recoverable amount of non-current assets

Non-current assets are written down to recoverable amounts where the carrying value of any non-current asset exceeds recoverable amount. In determining the recoverable amount of non-current assets, the expected net cash flows have not been discounted to their present value.

(j) Leases

Assets acquired under finance leases are included as property, plant and equipment in the statement of financial position. Finance leases effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to the ownership of the leased property. Where assets are acquired by means of finance leases, the present value of the minimum lease payments is recognised as an asset at the beginning of the lease term and amortised on a straight line basis to the operating statement over the period during which the group is expected to benefit from the use of the leased assets. A corresponding liability is also established and minimum lease payments are allocated between the liability and interest expense. Finance lease liabilities are classified as current and non-current.

Other leases under which all risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Operating lease payments are charged to the operating statement in the periods in which they are incurred over the term of the lease, as this represents the pattern of benefits derived from the leased assets.

Notes to and forming part of Financial Statements

FOR THE YEAR ENDED 30 JUNE 2000

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Receivables

Trade debtors are recognised at the amounts receivable as they are due for settlement, generally within 30 days. Collectibility of trade debtors is reviewed on an ongoing basis. The group has insurance cover on trade debtors to limit the credit risk exposure. A provision is raised for any doubtful debts based on a review of all outstanding amounts at year end. Bad debts are written off in the period in which they are identified.

(l) Goodwill

Goodwill, representing the excess of the cost of acquiring the former Goldcorp Australia division of the Western Australian Development Corporation over the fair value of the net tangible assets acquired, is shown as an intangible asset. Goodwill is amortised on a straight line basis over twenty years, being the period during which the benefits are expected to arise. The carrying value of the asset is reviewed by the directors on an annual basis and adjusted where it is considered to be in excess of the future economic benefits to be derived.

(m) Employee entitlements

Employee entitlements for annual leave and long service leave are provided for in accordance with Accounting Standard AAS30, Accounting for Employee Entitlements.

(n) Precious metal borrowings

Precious metal borrowings are brought to account at market rates ruling at balance dates, except for those borrowings entered into in anticipation of future production, which are valued at the various settlement rates applying when the metal was borrowed. Repayments of such borrowings are also accounted for at the settlement rates prevailing at the time of the borrowing. Any gains or losses resulting from the repayments are brought to account in the operating statement at the time of the repayment.

(o) Statutory contributions

Under section 20 of the Gold Corporation Act 1987, the Group is required to pay to the Treasurer of Western Australia for credit of the Consolidated Fund an amount equivalent to the income tax which would have been payable under the law of the Commonwealth had the Corporation been a public company liable for payment of tax. Tax effect accounting procedures are followed in accordance with Accounting Standard AAS 3, Accounting for Income Tax (Tax Effect Accounting).

(p) Sales revenue

Sales revenue represents revenue earned from the sale of precious metals and precious metal products. It also includes margins on transactions known as metal location swaps, where a quantity of metal is sold in one location, and simultaneously an equivalent quantity is purchased in another location. Bullion sales are recognised on receipt of cash. In Australia, where Goldcorp Australia acts as retailer, proof coin sales are recognised on despatch of the coins. Overseas proof coin sales which are dealt with through distributors are recognised when a firm order is placed.

(q) Trade and other creditors

These amounts represent liabilities for goods and services provided to the group prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(r) Borrowings

Borrowings are disclosed in the financial statements at amounts which approximate the present value of future cash flows associated with servicing the debt. Interest is recognised as it becomes payable.

(s) Comparative figures

Comparative figures have been adjusted where necessary to conform with changes in presentation of the financial statements for the current financial year.



Notes to and forming part of Financial Statements

FOR THE YEAR ENDED 30 JUNE 2000

	GROUP		GOLD CORPORATION	
	2000 \$000	1999 \$000	2000 \$000	1999 \$000
2 TRADING PROFIT/(LOSS)				
Sales revenue	226,808	890,245	175,818	800,232
Cost of sales				
Opening trading inventories	6,701	2,357	(543)	(3,918)
Purchases	198,894	859,682	178,835	803,982
	205,595	862,039	178,292	800,064
Less closing trading inventories	14,842	6,701	(542)	(543)
	190,753	855,338	178,834	800,607
Trading Profit/(Loss)	36,055	34,907	(3,016)	(375)
3 ABNORMAL ITEMS				
Profit on sale of business (i)	–	6,076	–	–
Profit on sale of assets (i)	–	1,719	–	–
	–	7,795	–	–

- (i) Gold Corporation and its subsidiary, Western Australian Mint, entered into an agreement with Golden West Refining Corporation Limited and its subsidiary, Golden West (Australasia) Pty Ltd. The Group sold 50% of the assets of its refining and industrial products businesses to Golden West, and purchased 50% of Golden West's refining and industrial products assets. An equalisation payment of \$7 million was paid by Golden West. On 1 December 1998 the Group and Golden West contributed these assets into a partnership, the AGR Joint Venture. (Note 12b)

The statutory contribution applicable to the profit on sale of assets was \$618,782. There was no statutory contribution effect on the profit on sale of business as it is the disposal of a pre-capital gains tax asset.

	2000 \$000	1999 \$000
4 DIVIDENDS FROM SUBSIDIARIES		
In accordance with sections 44(b) and 53(b) of the Gold Corporation Act, the Board has determined that dividends be paid to the Corporation by its subsidiaries as follows:		
Western Australian Mint	2,000	8,000
GoldCorp Australia	12,000	1,000
	14,000	9,000

Notes to and forming part of Financial Statements

FOR THE YEAR ENDED 30 JUNE 2000

	GROUP		GOLD CORPORATION	
	2000 \$000	1999 \$000	2000 \$000	1999 \$000
5 STATUTORY CONTRIBUTION				
Prima facie statutory contribution on operating profit calculated at 36% (1999 36%)	2,526	5,149	2,053	1,842
Add/(Less) Tax effect of permanent differences				
Non-deductible depreciation on buildings	34	34	–	–
Amortisation of goodwill	95	95	–	–
Difference in accounting profit and taxable income of partnership	(31)	80	–	–
Non-taxable revenue – sale of business	–	(2,187)	–	–
Non-deductible expense on sale of subsidiary	–	35	–	–
Effects of different tax rate on profits of overseas subsidiaries	–	2	–	–
Losses of overseas subsidiary not carried forward as future income tax benefit	36	–	–	–
Adjustment to future tax benefit and provision for deferred tax for change in tax rate – to 34%	58	–	58	–
– to 30%	198	–	198	–
Other non-deductible items	7	10	4	4
Dividends from subsidiaries	–	–	(5,040)	(3,240)
	397	(1,931)	(4,780)	(3,236)
Statutory contribution and income tax expense/(benefit) on operating profit	2,923	3,218	(2,727)	(1,394)
Obligations of Gold Corporation for statutory contribution on behalf of subsidiaries (i)	–	–	5,650	4,612
	2,923	3,218	2,923	3,218
Comprising:				
Provision current statutory contribution	3,311	2,124	3,311	2,124
Provision deferred statutory contribution	35	(59)	35	(59)
Future statutory contribution benefit	(423)	1,153	(423)	1,153
	2,923	3,218	2,923	3,218

Note (i)

Gold Corporation's statutory contribution expense of \$2,922,690 (1999:\$3,218,462) includes the obligation in relation to the income of its subsidiaries Western Australian Mint and GoldCorp Australia. It excludes other subsidiaries which are subject to Commonwealth and foreign tax legislation.

Notes to and forming part of Financial Statements

FOR THE YEAR ENDED 30 JUNE 2000

	GROUP		GOLD CORPORATION	
	2000 \$000	1999 \$000	2000 \$000	1999 \$000
6 CASH				
Cash at bank and on hand	11,500	21,100	10,942	20,004
Reconciliation of Cash				
For the purposes of the Statements of Cash Flows, cash includes cash on hand and at bank and short term deposits at call. Cash as at the end of the financial year as shown in the Statements of Cash Flows is reconciled to the related items in the Statements of Financial Position as follows:				
Cash at bank and on hand	11,500	21,100	10,942	20,004
	11,500	21,100	10,942	20,004
7 RECEIVABLES				
Current				
Trade debtors	6,654	3,892	20	791
Other debtors	1,793	925	1,744	655
less provision for doubtful debts	(212)	(212)	(212)	(212)
Loans – related entity (i)	176,569	169,248	176,569	169,248
Loan – secured (ii)	39	28	–	–
Due from subsidiaries	–	–	11,075	–
	184,843	173,881	189,196	170,482
Non-current				
Loan – secured (ii)	118	141	–	–
(i) Loans – related entity				
The loans are for leases of precious metals to AGR Joint Venture under the terms of the gold leasing facility agreement				
(ii) Secured loan				
The loan is secured by a registered second mortgage over property.				
The term of the loan is ten years, with an interest rate of 6.5%.				
8 INVENTORIES				
Precious metals	11,124	24,668	10,289	23,176
Inventories, work in progress and consumables	15,345	7,940	–	59
	26,469	32,608	10,289	23,235

Notes to and forming part of Financial Statements

FOR THE YEAR ENDED 30 JUNE 2000

	GROUP		GOLD CORPORATION	
	2000 \$000	1999 \$000	2000 \$000	1999 \$000
9 PROPERTY, PLANT AND EQUIPMENT				
Freehold land and buildings				
at valuation	8,067	8,067	–	–
at cost	5,787	5,787	–	–
	13,854	13,854	–	–
less: accumulated depreciation	(2,272)	(1,964)	–	–
	11,582	11,890	–	–
Plant and equipment				
at cost	14,647	12,821	3,388	3,374
under finance lease	108	103	–	–
	14,755	12,924	3,388	3,374
less: accumulated depreciation	(8,244)	(7,885)	(2,419)	(2,279)
provision for decline in asset values	–	(40)	–	(40)
	6,511	4,999	969	1,055
	18,093	16,889	969	1,055

The Western Australian Mint's property at 310/300/292 Hay Street, Perth was revalued in 1992 as the Board determined that its then carrying value was in excess of its recoverable value. The property was valued using a theoretical recoverable market value determined by applying discounted cash flow factors to the estimated income stream. It was not considered appropriate to adopt an independent valuation.

Treasurer's Instruction 1103 requires the disclosure of the value of land and buildings where the carrying value of these assets in the Statement of Financial Position is different from the valuation in the Government Property Register (GPR).

		GROUP 2000 \$000	GPR 2000 \$000	GROUP 1999 \$000	GPR 1999 \$000
Freehold land	(i)	1,612	6,250	1,612	1,700
Improvements – Freehold land	(i)	9,970	2,948	10,278	11,141
Crown Reserve land	(ii)	–	3	–	78
Improvements – Crown Reserve land	(ii)	–	56	–	56

(i) GPR valuations for 1999 were as shown in the 1998 financial statements. The Valuer-General's Office revalued the properties in April 2000. The GPR valuation is based on current use of land and improvements.

(ii) The Crown Reserve land and improvements thereon are not included in the Group's statement of financial position as the assets are not owned by the Group. The reserves are vested in and held by the Western Australian Mint in trust under the Land Administration Act 1997. GPR valuations are based on current use of land.

Notes to and forming part of Financial Statements

FOR THE YEAR ENDED 30 JUNE 2000

10 INVESTMENTS IN SUBSIDIARIES

CORPORATION	PLACE OF INCORPORATION	BOOK VALUE OF INVESTMENT		CONTRIBUTION TO GROUP PROFIT	
		2000	1999	2000	1999
		\$000	\$000	\$000	\$000
Gold Corporation	Western Australia			(5,569)	(2,596)
Direct subsidiaries of Gold Corporation:					
GoldCorp Australia	Western Australia	5,000	5,000	11,080	2,366
Western Australian Mint	Western Australia	16,603	16,603	(1,334)	11,316
W.A. Mint Pty Ltd	Western Australia	–	–	–	–
Gold Corporation (Lanka) Pty Ltd	Western Australia	–	–	–	–
Gold Corporation (Thailand) Limited	Thailand	–	–	–	–
Indirect subsidiary of Gold Corporation:					
GoldCorp Australia (Hong Kong) Limited	Hong Kong	–	–	(84)	–
		21,603	21,603	4,093	11,086

All subsidiaries are wholly owned with the exception of:

- Gold Corporation (Thailand) Limited in which the Group holds 50% of the issued capital;
- Gold Corporation (Lanka) Pty Ltd in which the Group holds 50% of the issued capital.

W.A. Mint Pty Ltd has never operated. The investment is recorded at no cost.

Gold Corporation (Lanka) Pty Ltd was incorporated in July 1994. The company commenced operations during the 1996 financial year, and ceased trading at 30 June 1998. The company went into members' voluntary liquidation on 3 March 2000. (Note 19) The investment was recorded at cost of \$1.

GoldCorp Australia (Hong Kong) Limited carries on business as the Group's representative in Hong Kong and is wholly owned by GoldCorp Australia. The investment is recorded in the books of GoldCorp Australia at an amount of \$1,780.

Controlled entities disposed of in the year ended 30 June 1999 and with an ownership interest of 50% or more:

On 1 December 1998, the Group entered into a joint venture partnership with Golden West Refining Corporation Limited and transferred 50% of its refining and industrial products assets into the newly formed AGR Joint Venture. 50% of Gold Corporation's interest in Gold Corporation (Thailand) Limited was also transferred into the joint venture. No remaining interest in Gold Corporation (Thailand) Limited was held by any other member of the Group.

At 30 June 1999, Gold Corporation held a direct 50% interest in Gold Corporation (Thailand) Limited.

Gold Corporation no longer has the capacity, directly or indirectly, to control the financing and operating decisions of Gold Corporation (Thailand) Limited as the company operated within the AGR Joint Venture at balance date. (Notes 11 and 12b) Consequently, Gold Corporation (Thailand) Limited has not been consolidated for the purposes of AAS 24.

Notes to and forming part of Financial Statements

FOR THE YEAR ENDED 30 JUNE 2000

11 INVESTMENTS IN ASSOCIATED ENTITIES

ENTITY	GROUP OWNERSHIP INTEREST		GROUP CARRYING AMOUNT OF INVESTMENT	
	2000 %	1999 %	2000 \$000	1999 \$000
Associated Company				
AGR Management Services Pty Ltd (i)	50.0	50.0	–	–
Partnership				
AGR Joint Venture (i)	50.0	50.0	9,479	8,614
Partnership's direct interest in Associates				
Gold Corporation (Thailand) Ltd (ii)	50.0	50.0	–	–
Metals Refining Operations Pty Ltd (i)	22.5	22.5	–	–
Alloy and Gold Supply (NSW) Pty Ltd (ii)	25.0	25.0	–	–

All the above investments are held by Western Australian Mint, except for Gold Corporation (Thailand) Limited, which is held by Gold Corporation. On 1 December 1998 the Group transferred 50% of its pre-existing investment in Gold Corporation (Thailand) Limited to the AGR Joint Venture. (Notes 10 and 12b)

The Group's interest in the above investments, except for Gold Corporation (Thailand) Limited, took effect from 1 December 1998 with the commencement of the AGR Joint Venture.

The investment in AGR Management Services Pty Ltd comprises a 50% interest in the ordinary share capital of the associate and is held by Western Australian Mint.

The investment in Gold Corporation (Thailand) Limited comprises a 50% interest in the ordinary share capital of the associate and is held via the Group's interest in the AGR Joint Venture.

The requirements of AAS 14 Investments in Associated Companies have not been applied on the basis that the equity accounted value of Gold Corporation's investment in Gold Corporation (Thailand) Limited is not materially different to that currently disclosed.

The investment in Metals Refining Operations Pty Ltd comprises a 22.5% interest in the ordinary share capital of the associate and is held via the Group's interest in the AGR Joint Venture.

The investment in Alloy and Gold Supply (NSW) Pty Limited comprises a 25% interest in trust capital in the PBM Unit Trust and is held via the Group's interest in the AGR Joint Venture.

(i) The balance date of the associated entity is 31 March

(ii) The balance date of the associated entity is 30 June

Notes to and forming part of Financial Statements

FOR THE YEAR ENDED 30 JUNE 2000

		GROUP	
		2000	1999
		\$000	\$000
12 INVESTMENTS – OTHER			
Investment in S2000 Olympic Coin Program	12a	6,914	1,845
Investment in AGR Joint Venture	12b	9,479	8,614
		16,393	10,459

12a Investment in Sydney 2000 Olympic Coin Program

(i) General

Gold Corporation (The Perth Mint) and the Royal Australian Mint have formed a partnership to market and distribute Sydney 2000 Olympic coins. This partnership will conclude in 2001 after the Sydney Olympic Games. The Sydney 2000 Olympic Coin Program consists of eight gold coins, 16 silver coins, 28 base metal coins and a one kilo silver coin.

Profit distribution

Distribution of profits is made on the following basis:

	THE PERTH MINT	ROYAL AUSTRALIAN MINT
Gold	60%	40%
Silver	60%	40%
Base metal	40%	60%

(ii) Investment in Partnership

The investment in the partnership is reflected in the Group's balance sheet at \$6,914,452 (1999: \$1,844,884) being the entitlement to its share of profit, less distribution received, from the formation of the partnership to 30 June 2000. The carrying value of this reflects the undrawn balance of the Group's interest in profits distributed on the basis above.

The Group equity accounts its investment in the Sydney 2000 Olympic Coin Program partnership. The Group's share of the assets and liabilities is shown on the same percentage basis as its share of the annual profits of the partnership. The Group's share of the assets and liabilities of the partnership at 30 June 2000 comprised:

Notes to and forming part of Financial Statements

FOR THE YEAR ENDED 30 JUNE 2000

	GROUP	
	2000	1999
	\$000	\$000
12 INVESTMENTS – OTHER (continued)		
12a Investment in Sydney 2000 Olympic Coin Program (continued)		
Current assets		
Cash	3,630	919
Receivables	7,245	1,492
Deferred loss on hedge	3,100	3,627
Prepayments	2,115	1,833
Investments	–	1,061
	<u>16,090</u>	<u>8,932</u>
Liabilities		
Sales in advance	223	2,470
Accrued expenses	3,587	953
Hedge liability	3,157	3,906
Royalties payable	2,243	737
	<u>9,210</u>	<u>8,066</u>
NET ASSETS	<u>6,880</u>	<u>866</u>
(iii) <i>Results attributable to partnership</i>		
Revenue	35,548	13,295
Expenses	28,478	11,983
Operating profit before income tax	7,070	1,312
Income tax expense	2,545	472
Operating profit after income tax	4,525	840
Retained profits of partnership at beginning of financial year	1,181	341
Retained profits of partnership at end of financial year	<u>5,706</u>	<u>1,181</u>

Foreign Currency Hedge

The Sydney 2000 Olympic Coin Program entered into a foreign currency hedge on 25 June 1997 to the value of USD 34 million for the purpose of reducing the risk of foreign currency exposure on overseas sales. The currency hedge matures on 4 December 2000 and is expected to cover all overseas revenues.

As at balance date the Sydney 2000 Olympic Coin Program had a commitment to the hedge of USD 13 million. The hedge has been accounted for in accordance with AAS 20 (Part A) Foreign Currency Translation. Pursuant to this accounting standard the hedge has been classified as a specific hedge, being a specific hedge of all future overseas sales of the Program.

	GROUP	
	2000	1999
	\$000	\$000
12b Investment in AGR Joint Venture		
Balance at 1 July	(ii) 8,614	8,205
Plus: Establishment costs	203	–
Plus: Share of partnership profits before tax	(iii) 2,164	409
Less: Profit distributions received	(1,502)	–
	<u>9,479</u>	<u>8,614</u>

Notes to and forming part of Financial Statements

FOR THE YEAR ENDED 30 JUNE 2000

12 INVESTMENTS – OTHER (continued)**12b Investment in AGR Joint Venture (continued)**

- (i) The AGR Joint Venture partnership was formed on 1 December 1998 between Western Australian Mint and Golden West (Australasia) Pty Ltd. Each partner holds a 50% interest in the AGR Joint Venture partnership. The investment in AGR Joint Venture partnership comprises the fair value of the Group's contributed assets and post formation profits. The balance date of the partnership is 31 March. The Group equity accounts its interest in the AGR Joint Venture partnership. The Group's share of the assets and liabilities of the AGR Joint Venture at 30 June 2000 comprised:

	GROUP	
	2000 \$000	1999 \$000
Current assets		
Cash	2,861	4,032
Receivables	6,248	7,916
Prepayments	490	167
Other	91,218	82,238
	<u>100,817</u>	<u>94,353</u>
Non-current assets		
Investments	926	480
Property, plant and equipment	7,763	6,609
Intangibles	7,951	8,540
	<u>16,640</u>	<u>15,629</u>
TOTAL ASSETS	117,457	109,982
Current liabilities		
Creditors	3,820	4,339
Borrowings	96,068	88,725
	<u>99,888</u>	<u>93,064</u>
Non-current liabilities		
Borrowings	417	418
TOTAL LIABILITIES	100,305	93,482
NET ASSETS	17,152	16,500

- (ii) The Group's initial contribution to the AGR Joint Venture partnership was accounted for as follows:

	\$000
Assets acquired from Golden West and contributed at cost (being fair value)	4,500
Remaining assets in group contributed at valuation	<u>11,500</u>
Total investment in AGR Joint Venture	16,000
Less: unrealised profit on assets contributed	<u>(7,795)</u>
Net investment in AGR Joint Venture	<u>8,205</u>

The unrealised profit will be progressively brought to account as an adjustment to the equity share of profits of the partnership relating to depreciation and amortisation of goodwill.

Goodwill in the Group's accounts is amortised on a straight line basis over five years.

Notes to and forming part of Financial Statements

FOR THE YEAR ENDED 30 JUNE 2000

	GROUP	
	2000	1999
	\$000	\$000
12 INVESTMENTS – OTHER (continued)		
12b Investment in AGR Joint Venture (continued)		
(iii) Results attributable to partnership		
Revenue	813,740	260,093
Expenses	811,576	259,684
Operating profit before income tax	2,164	409
Income tax expense	779	147
Operating profit after income tax	1,385	262
Retained profits of partnership at beginning of financial year	262	–
Retained profits of partnership at end of financial year	1,647	262
Capital Commitments		
Share of Partnership's aggregate capital expenditure contracted for, but not provided for, in the accounts:	103	401
Lease Commitments		
The Group's share of the Partnership's aggregate operating lease expenditure contracted for at balance date, but not provided for, in the accounts:		
Payable no later than one year	132	98
Payable later than one, no later than five years	119	159
	251	257
13 INTEREST IN JOINT VENTURES		
The Group holds a 10% interest in the Kaltails Joint Venture, which was engaged in gold tailings treatment. The investment was written down to nil at 30 June 1999, as the life of the project was not expected to extend beyond August 1999. The operations ceased during the year ended 30 June 2000, and the Group is providing for closure and rehabilitation costs as required.		
The market value of the Group's share of the output of the joint venture for the year, less the Group's share of the cost of production and other costs incurred in receiving that output, was:	360	362
14 INTANGIBLES		
Goodwill, at cost	5,000	5,000
less accumulated amortisation	(3,168)	(2,904)
	1,832	2,096

Notes to and forming part of Financial Statements

FOR THE YEAR ENDED 30 JUNE 2000

	GROUP		GOLD CORPORATION	
	2000	1999	2000	1999
	\$000	\$000	\$000	\$000
15 ACCOUNTS PAYABLE				
Current – unsecured				
Trade creditors	2,543	1,219	210	344
Other creditors	7,814	5,366	4,019	2,424
Due to subsidiaries	–	–	–	2,615
	10,357	6,585	4,229	5,383
16 BORROWINGS				
Current – secured				
Lease liabilities (a)	20	12	–	–
Precious metal borrowings (b)	187,401	193,006	187,401	192,967
	187,421	193,018	187,401	192,967
Non-current – secured				
Lease liabilities (a)	51	–	–	–
	51	–	–	–
Security for Borrowings				
(a) Effectively secured over the leased assets. (Note 23)				
(b) Precious metal borrowings are guaranteed by the Government of Western Australia under Section 22 (1) of the Gold Corporation Act, with annual limits for gold, silver and platinum approved by the Treasurer.				
17 PROVISIONS				
Current				
Statutory contribution	3,311	2,124	3,311	2,124
Overseas profits tax	12	12	–	–
Employee entitlements	1,222	941	839	729
Unrealised loss currency hedging	1,823	–	1,823	–
Proposed dividend	1,853	2,088	1,853	2,088
	8,221	5,165	7,826	4,941
Non-current				
Employee entitlements	126	314	78	133
Employee superannuation liability	110	110	–	–
	236	424	78	133

GOLD CORPORATION AND SUBSIDIARIES

*Notes to and forming
part of Financial Statements*

FOR THE YEAR ENDED 30 JUNE 2000

	GROUP		GOLD CORPORATION	
	2000 \$000	1999 \$000	2000 \$000	1999 \$000
18 SHARE CAPITAL				
Authorised: 100,000,000 shares of \$1 each	100,000	100,000	100,000	100,000
Issued and fully paid: 31,602,852 shares	31,603	31,603	31,603	31,603

19 OUTSIDE EQUITY INTERESTS IN CONTROLLED ENTITIES

Outside equity interests hold one share of \$1 in Gold Corporation (Lanka) Pty Ltd, being 50% of the issued capital. The company had ceased trading as at 30 June 1998, and went into members' voluntary liquidation on 3 March 2000. (Note 10) It is anticipated that final dividends will be distributed to shareholders before 31 October 2000.

	GROUP	
	2000 \$000	1999 \$000
Outside equity interests in controlled entities comprise:		
Interest in unappropriated profits at the beginning of the financial year	8	(1,535)
Adjustment to outside equity interests on disposal of subsidiary during year ended 30 June 1999	-	1,543
Subsidiary company placed in members' voluntary liquidation	(8)	-
Interest in unappropriated profits at the end of the financial year	-	8
Interest in share capital	-	-
Total outside equity interests	-	8

67

Notes to and forming part of Financial Statements

FOR THE YEAR ENDED 30 JUNE 2000

	GROUP		GOLD CORPORATION	
	2000 \$000	1999 \$000	2000 \$000	1999 \$000
20 CASH FLOW RECONCILIATION				
(a) Reconciliation of net cash provided by/(used in) operating activities with operating profit/(loss):				
Operating profit/(loss) after statutory contribution	4,093	11,086	2,781	1,900
Depreciation and amortisation	1,844	2,870	453	535
Amounts credited to provisions for:				
doubtful debts	–	212	–	212
employee entitlements	706	841	471	616
unrealised loss currency trading	1,823	–	1,823	–
property, plant and equipment	–	40	–	40
statutory contributions	3,311	2,124	3,311	2,124
Amounts written back to provisions:				
doubtful debts	–	–	–	(109)
inventory losses	–	(266)	–	–
property, plant and equipment	(40)	–	(40)	–
unrealised loss currency trading	–	(2,460)	–	(2,460)
superannuation	–	(215)	–	–
(Profit)/loss on sales of property, plant and equipment	23	45	(15)	(14)
Profit on sales of assets and business	–	(7,795)	–	–
Exchange losses/(gains)	(832)	796	(837)	789
Payments from provisions for:				
employee entitlements	(612)	(1,316)	(415)	(1,062)
overseas tax	–	(119)	–	–
Changes in assets and liabilities				
Decrease/(increase) in receivables	(10,141)	(156,941)	(17,989)	(152,429)
Decrease/(increase) in inventories	6,139	125,306	12,946	125,177
Decrease/(increase) in prepayments	(864)	583	(30)	(134)
Decrease/(increase) in investments	(5,934)	(1,721)	–	548
Decrease/(increase) future statutory contribution benefits	(388)	1,095	(388)	1,095
Increase/(decrease) in accounts payable and borrowings	(2,559)	31,576	(7,446)	35,320
Net cash provided by operating activities	(3,431)	5,741	(5,375)	12,148

Notes to and forming part of Financial Statements

FOR THE YEAR ENDED 30 JUNE 2000

	GROUP	
	2000	1999
	\$000	\$000
(b) Disposal of subsidiary companies		
During 1999 the group disposed of its investment in Perth Mint (Thailand) Limited for a nominal consideration. The Group's investment in Gold Corporation (Thailand) Limited was transferred into AGR Joint Venture, and consideration for this formed part of the total consideration received of \$7 million.		
It therefore is not possible to apportion the consideration.		
Aggregate details of these transactions are:		
Disposal price	-	-
Cash consideration	-	-
Assets and liabilities held at disposal date:		
Cash	-	625
Receivables	-	522
Inventories	-	189
Property, plant and equipment	-	3,566
Creditors	-	(1,457)
Borrowings	-	(1,744)
Total net assets	-	1,701
21 NON-CASH FINANCING AND INVESTING ACTIVITIES		
Purchase of plant and equipment in exchange for property, plant and equipment (Notes 3 and 12b)	-	4,500
Transfer of assets to AGR Joint Venture	-	8,205

22 SEGMENT INFORMATION

Gold Corporation operates predominantly in the gold and precious metals industry. Its revenue is derived from gold and silver refining, gold tailings treatment, the manufacture and marketing of precious metals and value added precious metal products, and the provision of services related to precious metals, such as trading, metal leasing and consultancy. Gold Corporation operates predominantly within Australia.

Notes to and forming part of Financial Statements

FOR THE YEAR ENDED 30 JUNE 2000

	GROUP		GOLD CORPORATION	
	2000 \$000	1999 \$000	2000 \$000	1999 \$000
23 LEASE COMMITMENTS				
Analysis of finance lease commitments:				
Payable no later than one year	22	15	–	–
Payable later than one, no later than five years	66	–	–	–
	88	15	–	–
deduct future finance charges	17	3	–	–
Provided for as a liability	71	12	–	–
Current (Note 16)	20	12	–	–
Non-current (Note 16)	51	–	–	–
	71	12	–	–
The finance lease commitment is for the lease of a motor vehicle by GoldCorp Australia (Hong Kong) Ltd				
Aggregate non-cancellable operating lease expenditure contracted for at balance date but not provided for in the accounts:				
Payable no later than one year	139	73	79	13
Payable later than one, no later than five years	63	115	–	5
	202	188	79	18
The operating lease commitments are for leases of various properties to provide additional storage and maintenance facilities in Perth, and for office accommodation in Hong Kong.				
The terms of the Perth leases are until October 2001, with options to extend the leases for a further two years.				
The term of the Hong Kong lease is until April 2002.				
24 CAPITAL COMMITMENTS				
Aggregate capital expenditure contracted for, but not provided for, in the accounts				
Payable no later than one year	393	173	–	–
25 EVENTS OCCURRING AFTER BALANCE DATE				
On 14 August 2000 Gold Corporation accepted the successful tender for construction of a new four-level building for the expansion of the Mint's production facilities, which will also house the sales administration, marketing and e-commerce divisions. The \$13.5 million building is scheduled for completion in October 2001.				
The financial effect of this event has not been brought to account at balance date.				

Notes to and forming part of Financial Statements

FOR THE YEAR ENDED 30 JUNE 2000

	GROUP		GOLD CORPORATION	
	2000 \$000	1999 \$000	2000 \$000	1999 \$000
26 RECEIVABLES AND PAYABLES DENOMINATED IN FOREIGN CURRENCIES				
Amounts not effectively hedged				
<i>Receivables</i>				
Due within twelve months				
US dollars	2,193	1,852	1,064	852
<i>Payables</i>				
Due within twelve months				
US dollars	1,506	1,380	1,506	1,380
HK dollars	52	12	–	–
Due after twelve months				
HK dollars	51	–	–	–

27 FINANCIAL INSTRUMENTS**(a) Derivative Financial Instruments**

Gold Corporation enters into forward foreign exchange contracts to sell specified amounts of foreign currencies in the future at a pre-determined exchange rate. The contracts are normally entered into to hedge a maximum of 60% of the anticipated US dollar receipts within a rolling twelve month period.

At balance date, the details of outstanding contracts are (Australian dollar equivalents):

SELL US DOLLARS	BUY AUSTRALIAN DOLLARS		AVERAGE EXCHANGE RATE	
	2000 \$000	1999 \$000	2000	1999
Maturity				
0-12 months	16,732	8,345	0.6634	0.6590
SELL THAI BAHT				
Maturity				
0-12 months	648	664	24.69	24.100

(b) Interest rate risk exposure

The Group's exposure to interest rate risk and the effective weighted average interest rate for each class of financial assets and financial liabilities is set out on the following pages.

Notes to and forming part of Financial Statements

FOR THE YEAR ENDED 30 JUNE 2000

27 FINANCIAL INSTRUMENTS (continued)

	Notes	FLOATING INTEREST RATE \$000	FIXED INTEREST MATURING IN: 1 YEAR OR LESS \$000	OVER 1 TO 5 YEARS \$000	MORE THAN 5 YEARS \$000	NON- INTEREST BEARING \$000	TOTAL \$000
2000							
Financial Assets							
Cash and deposits	6	581	10,889	–	–	30	11,500
Receivables	7	–	176,608	90	28	8,235	184,961
		581	187,497	90	28	8,265	196,461
Weighted average interest rate							
– cash		3.79%	6.19%				
– receivables			1.99%	6.50%	6.50%		
Financial Liabilities							
Trade and other creditors		–	–	–	–	10,357	10,357
Lease liabilities		–	20	51	–	–	71
	15,16	–	20	51	–	10,357	10,428
Weighted average interest rate			5.25%	5.25%			
Net financial assets/(liabilities)		581	187,477	39	28	(2,092)	186,033
1999							
Financial Assets							
Cash and deposits	6	1,493	19,476	–	–	131	21,100
Receivables	7	–	169,276	113	28	4,605	174,022
		1,493	188,752	113	28	4,736	195,122
Weighted average interest rate							
– cash		4.12%	4.82%				
– receivables			1.41%	6.50%	6.50%		
Financial Liabilities							
Trade and other creditors		–	–	–	–	6,585	6,585
Lease liabilities		–	12	–	–	–	12
	15,16	–	12	–	–	6,585	6,597
Weighted average interest rate			5.50%				
Net financial assets/(liabilities)		1,493	188,740	113	28	(1,849)	188,525

Notes to and forming part of Financial Statements

FOR THE YEAR ENDED 30 JUNE 2000

27 FINANCIAL INSTRUMENTS (continued)

	Notes	FLOATING	FIXED INTEREST MATURING IN:			NON-	TOTAL
		INTEREST RATE \$000	1 YEAR OR LESS \$000	OVER 1 TO 5 YEARS \$000	MORE THAN 5 YEARS \$000	INTEREST BEARING \$000	\$000
2000							
Precious Metal Inventories							
Gold		-	-	-	-	9,048	9,048
Silver		-	-	-	-	3,615	3,615
Other		-	-	-	-	(1,539)	(1,539)
	8	-	-	-	-	11,124	11,124
Precious Metal Borrowings							
Gold		-	174,588	-	-	-	174,588
Silver		-	11,460	-	-	-	11,460
Other		-	1,353	-	-	-	1,353
	16	-	187,401	-	-	-	187,401
Weighted average interest rate			1.64%				
Net metal assets/(liabilities)		-	(187,401)	-	-	11,124	(176,277)
Net financial assets/(liabilities)		581	76	39	28	9,032	9,756
1999							
Precious Metal Inventories							
Gold		-	-	-	-	24,581	24,581
Silver		-	-	-	-	(222)	(222)
Other		-	-	-	-	309	309
	8	-	-	-	-	24,668	24,668
Precious Metal Borrowings							
Gold		-	180,293	-	-	-	180,293
Silver		-	10,746	-	-	-	10,746
Other		-	1,967	-	-	-	1,967
	16	-	193,006	-	-	-	193,006
Weighted average interest rate			1.23%				
Net metal assets/(liabilities)		-	(193,006)	-	-	24,668	(168,338)
Net financial assets/(liabilities)		1,493	(4,266)	113	28	22,819	20,187

Notes to and forming part of Financial Statements

FOR THE YEAR ENDED 30 JUNE 2000

27 FINANCIAL INSTRUMENTS (continued)**Reconciliation of Net Financial Assets to Net Assets
as disclosed in the Statements of Financial Position**

	Notes	2000 \$000	1999 \$000
Net financial assets as above		9,756	20,187
Non-financial assets and liabilities			
Inventories	8	15,345	7,940
Investment in Partnerships	12	16,393	10,459
Property, plant & equipment	9	18,093	16,889
Intangibles	14	1,832	2,096
Other assets		3,543	2,291
Provisions	17	(8,457)	(5,589)
Net assets per Statements of Financial Position		56,505	54,273

(c) Precious Metal Contracts**Forward metal purchase contracts**

Gold Corporation entered into forward metal purchase contracts in the 1997 financial year to hedge anticipated purchases of metal to approximately 60% of estimated requirements for the Sydney 2000 Olympic Coin Program within the next two years. The hedging program was based on predetermined fixed sales prices for the coins set by the partnership between the Royal Australian Mint and Gold Corporation. It was initiated to hedge the coin program against adverse precious metal and currency movements. The majority of the contracts were established at market rates prevailing during early 1997.

The contracts have various delivery dates up until 31 August 2000. As at 30 June 2000, contracts were in place for 5,000 ounces of gold (1999: 29,000 ounces) and nil ounces of silver (1999: 350,000 ounces). The purchase contracts at the market rates for gold and silver and at the exchange rate prevailing at balance date reflect an unrealised loss of \$718,934 (1999: \$5,748,559). The gain or loss on contracts is recognised and brought to account in the operating statement at the time of the eventual unwinding of each contract.

(d) Net Fair value of Financial Assets and Liabilities

The net fair value of cash and cash equivalents and non-interest bearing monetary financial assets and financial liabilities of the group approximates their carrying value.

(e) Credit risk exposure

The credit risk on financial assets of Gold Corporation which have been recognised on the balance sheet is generally the carrying amount, net of any provisions for doubtful debts. This is considered to approximate fair value.

The group does not have any significant exposure to any individual customer or counterparty, with the exception of precious metal leases to a related entity, AGR Joint Venture, under the terms of the gold leasing agreement.

(Note 7)

Notes to and forming part of Financial Statements

FOR THE YEAR ENDED 30 JUNE 2000

	GROUP		GOLD CORPORATION	
	2000 \$000	1999 \$000	2000 \$000	1999 \$000
28 REMUNERATION OF DIRECTORS AND SENIOR OFFICERS				
Total fees, salaries and other benefits received or due and receivable by directors from the Corporation or any related body for the financial year	662	809	662	809
Total fees, salaries and other benefits received or due and receivable by senior officers other than directors from the Corporation or any related body for the financial year	951	1,136	547	474
	1,613	1,945	1,209	1,283

Number of directors whose total of fees, salaries and other benefits received or due and receivable for the financial year falls within the following bands:

	2000	1999
\$0 – \$10,000	1	1
\$20,001 – \$30,000	0	3
\$30,001 – \$40,000	3	0
\$40,001 – \$50,000	0	1
\$50,001 – \$60,000	1	0
\$110,001 – \$120,000	0	1
\$490,001 – \$500,000	1	0
\$560,001 – \$570,000	0	1

Number of senior officers other than directors whose total of fees, salaries and other benefits received or due and receivable for the financial year falls within the following bands:

	2000	1999
\$30,001 – \$40,000	1	0
\$40,001 – \$50,000	0	1
\$50,001 – \$60,000	1	3
\$60,001 – \$70,000	2	3
\$70,001 – \$80,000	3	2
\$80,001 – \$90,000	1	2
\$90,001 – \$100,000	1	2
\$100,001 – \$110,000	1	0
\$110,001 – \$120,000	2	2

Notes to and forming part of Financial Statements

FOR THE YEAR ENDED 30 JUNE 2000

	GROUP		GOLD CORPORATION	
	2000 \$000	1999 \$000	2000 \$000	1999 \$000
29 RETIREMENT BENEFITS				
Paid or payable for the year in respect of directors:				
Contributions to GC Superannuation Fund	75	106	75	106
Contributions to other Funds	9	–	9	–
Paid or payable for the year in respect of senior officers other than directors:				
Contributions to GC Superannuation Fund	200	247	130	143
Contributions to Mercantile Mutual Group Master Fund	–	6	–	–
	284	359	214	249
No director or senior officer is a member of the Superannuation and Family Benefits Act Scheme.				
30 REMUNERATION OF AUDITORS				
Fees paid or due and payable to the Auditor General for the financial year:				
fees for external audit	78	74	78	74
Fees paid or due and payable to other auditors for the financial year:				
fees for internal audit	31	40	31	40
fees for audits of overseas subsidiaries	16	6	–	–
fees for other services	129	27	105	25
	254	147	214	139

31 SUPERANNUATION COMMITMENTS

Gold Corporation operates a superannuation fund which all permanent employees of Gold Corporation in Australia are entitled to join. GC Superannuation Fund provides benefits on retirement, total and permanent disability or death. The Corporation contributes to the fund at rates based on the salary of each member employee. The assets of the fund are sufficient to satisfy all benefits which would have vested under its deed in the event of its termination or in the event of voluntary or compulsory termination of employment of each member.

Gold Corporation employees not wishing or ineligible to join the GC Superannuation Fund are members of the Mercantile Mutual Group Master Fund, to which the Corporation contributes at the current rate required by superannuation guarantee legislation.

Award-based employees of the Western Australian Mint who made the election prior to December 1996 were entitled to contributory membership of the Western Australian Government Employees Superannuation Fund (Gold State Super). Such employees are able to contribute to that Fund at specified percentages of their wages and salaries. The Western Australian Mint contributes to the Fund at rates set by the Government Employees Superannuation Board.

Western Australian Mint award employees not wishing or ineligible to contribute are entitled to non-contributory membership of West State Super, to which the Western Australian Mint contributes at the current rate required by superannuation legislation.

Employees of the Western Australian Mint employed on workplace agreements have the same superannuation options as employees of Gold Corporation.

Notes to and forming part of Financial Statements

FOR THE YEAR ENDED 30 JUNE 2000

32 COMPARISONS OF ESTIMATES AND ACTUAL RESULTS

Section 42 of the Financial Administration and Audit Act requires statutory authorities to prepare annual budget estimates. Treasurer's Instruction 945 requires an explanation of significant variations between these estimates and actual results.

The Group's business plans for 1999/2000 projected an operating profit before statutory contribution of \$3,640,000 compared to the actual profit of \$7,016,000. The most significant variations are:

- Profit share from the S2000 Olympic Coin Program was over 100% ahead of budget;
- Strong demand for GoldCorp Australia's range of collector issues, particularly the Millennium and Year of the Dragon coins;
- International sales of precious metal blanks significantly exceeded budget;
- Retail sales through Perth Mint Shop well in excess of budget sales figures; offset by,
- Losses on currency hedging and forward metal purchase contracts.

33 VARIATIONS FROM PREVIOUS YEAR

Treasurer's Instruction 945 requires an explanatory statement providing reasons for and details of any significant variations between actual revenue and expenditure for the financial year and the corresponding item in the financial statements of the immediately preceding year. The Group's sale of 50% of the assets of its refining and industrial products divisions, and the subsequent commencement of the AGR Joint Venture on 1 December 1998, resulted in a significant change to the structure of the Group in the previous financial year. Hence comparisons between the financial year and preceding year are not necessarily of value. The most significant variations are:

Refining and Industrial Products Divisions

Income and expenditure for these divisions was included by item for the five months to 30 November 1998.

From 1 December 1998 the net operating profit before tax from the AGR Joint Venture was included as a single line item in the Group Operating Statement. The profit share from AGR JV for the financial year was \$2.2 million, compared to \$0.4 million for the seven months December 1998 to June 1999.

Sales Revenue

Gross sales revenue decreased from \$890 million in 1998/99 to \$227 million in 1999/2000 as a result of the changed structure, however trading margins at \$36 million were 3% higher than in the previous year.

Interest

Interest includes income and expenses relating to metal lease fees. Precious metal borrowings by the Group, as well as being used for its own operations, are on-leased to AGR Joint Venture. The value of these metal leases is included under Receivables in the balance sheet. Interest income includes the lease fees, as well as interest on funds on deposit. Metal lease income was higher than in 1998/99 due to two factors. Lease rates, in particular platinum, were significantly higher than in the previous year; and the lease income from AGR JV was for the whole year rather than seven months as in 1998/99.

GOLD CORPORATION AND SUBSIDIARIES

Financial Estimates

FOR THE YEAR ENDED 30 JUNE 2001

The following financial estimates for 2000-2001 are based on the budget approved by the Board and are included to satisfy the requirements of the Treasurer's Instruction 953.

	\$000
Total revenue (Trading result plus Other)	50,000
Total expenditure	41,480
Operating profit before statutory contribution	8,520
Statutory contribution	2,897
Operating profit after statutory contribution	5,623
Dividend	2,811
Retained earnings	27,714

Freedom of Information

One formal application was lodged at Gold Corporation under Freedom of Information (FOI) legislation this year. The Corporation provided the applicant with edited documentation and claimed exemptions for deleted matter under clauses 3(1), 8(2) and 11(1) (c) and (d) of Schedule 1 of the Act. This resulted in the applicant lodging a complaint to the Information Commissioner. The Information Commissioner's formal decision in respect of this matter was handed down early in the new financial year. The Commissioner found that the material deleted from the disputed documentation was exempt under the FOI Act.

Freedom of Information Statement

This information statement has been prepared by Gold Corporation pursuant to Part 5 of the *Freedom of Information Act 1992* and guidelines issued by the Office of the Information Commissioner on 13 May 1994.

The Corporation

Gold Corporation was established by the *Gold Corporation Act 1987* and the Minister responsible for the Act is the Treasurer. Details of the Corporation's mission statement, functions, structure and management are available elsewhere in this report.

The Corporation has no policy role in government, makes no laws or regulations except in relation to the conduct of its own affairs and administers no schemes that confer benefits upon or impose imposts on the public.

Section 6 of the Act empowers the Corporation's Board of Directors "...to determine the policy of Gold Corporation, the Mint and GoldCorp in relation to any matter and to control the affairs of Gold Corporation and each of its subsidiaries..."

The Corporation's Board is committed to sound corporate governance principles, high standards of legislative compliance and ethical business practice.

Documents

The Corporation keeps documents and files relating to its administration and business activities.

A number of these documents can be inspected only under the *Freedom of Information Act 1992* (FOI).

Documents that are available for purchase are: *90 Golden Years (1989)*; *The Perth Mint Numismatic Issues 1986 – 1996 (1996)*; *Striking Gold: 100 Years of The Perth Mint (1999)*; and *A Century of Minting Excellence – The History of Australian Coin Production at The Perth Mint (1999)*.

Documents that can be obtained free of charge include Perth Mint brochures and catalogues, media statements and annual reports, and two periodicals, *The Australian Nugget Journal* and *The Australian Numismatic Post*. They are available on request by mail to GPO Box M924, Perth, Western Australia, 6843, or from The Perth Mint website, www.perthmint.com.au

FOI Exemption

A document is exempt if its disclosure would reveal information about:

- gold or other precious metal received by Gold Corporation from a person, or held by Gold Corporation on behalf of a person, on current account, certificate of deposit or fixed deposit; or
- a transaction relating to gold or other precious metal received or held by Gold Corporation.

FOI Procedures and Access

It is the aim of the Corporation to make information available promptly and at the least possible cost, and whenever possible, documents will be provided outside the FOI process.

If information is not routinely available, the *Freedom of Information Act 1992* provides the rights enabling the public to apply for documents held by the Corporation.

Access applications have to (i) be in writing; (ii) provide sufficient information to enable identification of the requested documents; (iii) provide an Australian address to which notices can be sent; and (iv) be lodged at the Corporation, together with any application fee payable.

Applications will be acknowledged in writing and the applicant will be notified of the decision within 45 days.

Applicants who are dissatisfied with a decision of the Corporation may request an internal review. Application should be made in writing within 30 days of receiving the notice of decision. Applicants will be notified of the outcome of the review within 15 days.

FOI inquiries or applications should be made to the FOI Coordinator, Ms Alison Puchy, Manager, Public Affairs, Gold Corporation, 310 Hay Street, East Perth, Western Australia 6004, telephone (08) 9421 7222, facsimile (08) 9221 7031, email: alisonp@goldcorp.com.au Inquiries or applications may be directed also to the Personnel Manager.

Group Directory

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Chief Executive Officer

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PERTH MINT CERTIFICATE PROGRAM

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