



GOLD CORPORATION
FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2001

GOLD CORPORATION AND SUBSIDIARIES

STATEMENTS OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2001

	<u>Note</u>	Group		Gold Corporation	
		2001	2000	2001	2000
		\$000	\$000	\$000	\$000
REVENUE					
Revenue from ordinary activities					
Trading profit	2	28,846	36,055	169	(3,016)
Charges for technical services		639	916	3,231	2,386
Interest		4,748	5,622	4,681	5,524
Profit on sale property, plant & equipment		-	-	10	15
Currency hedging and trading		-	6	-	6
Exchange gains		121	832	197	837
Fees, royalties and rents		1,206	1,253	80	109
Profit S2000 Olympic coin program	12a	56	7,070	-	-
Profit AGR Joint Venture	12b	1,677	2,164	-	-
Dividends from subsidiaries	4	-	-	3,000	14,000
		37,293	53,918	11,368	19,861
EXPENDITURE					
Expenses from ordinary activities					
Employee benefits		10,156	11,096	2,950	2,706
Materials and services		23,457	26,705	3,604	3,999
Depreciation	9	1,649	1,580	352	453
Amortisation	14	264	264	-	-
Borrowing costs		3,614	4,705	3,614	4,705
Loss on sale property, plant & equipment		228	23	-	-
Currency hedging and trading		743	-	743	-
Bad debt expense		24	-	-	-
Provision for					
- employee entitlements		606	706	366	471
- doubtful debts		200	-	-	-
- unrealised loss on currency hedging		2,348	1,823	2,348	1,823
		43,289	46,902	13,977	14,157
PROFIT/(LOSS) FROM ORDINARY ACTIVITIES BEFORE FUNDS FROM GOVERNMENT					
		(5,996)	7,016	(2,609)	5,704
Funds from W A Government	3	245	-	-	-
PROFIT/(LOSS) FROM ORDINARY ACTIVITIES BEFORE STATUTORY CONTRIBUTION					
		(5,751)	7,016	(2,609)	5,704
Statutory contribution expense/(benefit)	5	(1,058)	2,923	(1,058)	2,923
NET PROFIT/(LOSS)		(4,693)	4,093	(1,551)	2,781

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 2001

		Group		Gold Corporation	
	<u>Note</u>	2001	2000	2001	2000
CURRENT ASSETS					
Cash Assets	6	10,232	11,500	9,242	10,942
Receivables	7	197,837	184,843	200,759	189,196
Inventories	8	9,427	26,469	(357)	10,289
Investments accounted for using the equity method	12	1,970	-	-	-
Prepayments		495	1,642	96	263
Total current assets		219,961	224,454	209,740	210,690
NON-CURRENT ASSETS					
Receivables	7	101	118	-	-
Property, plant and equipment	9	25,914	18,093	729	969
Other financial assets	10	-	-	21,603	21,603
Investments accounted for using the equity method	12	9,751	16,393	-	-
Intangibles	14	1,568	1,832	-	-
Deferred tax assets	5	3,050	1,901	3,050	1,901
Total non-current assets		40,384	38,337	25,382	24,473
TOTAL ASSETS		260,345	262,791	235,122	235,163
CURRENT LIABILITIES					
Payables	15	10,488	10,357	3,589	4,229
Interest-bearing liabilities	16	192,901	187,421	192,877	187,401
Tax liabilities	17	103	3,323	91	3,311
Provisions	18	4,779	4,898	4,418	4,515
Total current liabilities		208,271	205,999	200,975	199,456
NON-CURRENT LIABILITIES					
Interest-bearing liabilities	16	35	51	-	-
Provisions	18	226	236	69	78
Total non-current liabilities		261	287	69	78
TOTAL LIABILITIES		208,532	206,286	201,044	199,534
NET ASSETS		51,813	56,505	34,078	35,629
EQUITY					
Contributed equity	19	31,603	31,603	31,603	31,603
Retained profits	20	20,210	24,902	2,475	4,026
TOTAL EQUITY		51,813	56,505	34,078	35,629

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 2001

	<u>Note</u>	Group		Gold Corporation	
		2001 \$000	2000 \$000	2001 \$000	2000 \$000
Cash flows from operating activities					
- Receipts from operations		155,989	226,107	107,572	176,836
- Payments to suppliers and employees		(146,305)	(230,202)	(104,918)	(182,738)
- Interest received		5,319	5,118	5,252	5,019
- Interest paid		(4,340)	(3,979)	(4,340)	(3,979)
Net cash provided by/(used in) operating activities	21	10,663	(2,956)	3,566	(4,862)
Cash flows from investing activities					
- Payments for property, plant and equipment		(7,148)	(2,968)	(193)	(472)
- Proceeds from sale of property, plant and equipment		92	201	91	160
Net cash provided by/(used in) investing activities		(7,056)	(2,767)	(102)	(312)
Cash flows from financing activities					
- Principal repayments under finance lease		(12)	(22)	-	-
Net cash provided by (used in) financing activities		(12)	(22)	-	-
Cash Flows from/(to) Government					
- Funds from W A Government		245	-	-	-
- Statutory contributions paid		(3,311)	(2,124)	(3,311)	(2,124)
- Dividend paid		(1,853)	(2,088)	(1,853)	(2,088)
Net cash flow to government		(4,919)	(4,212)	(5,164)	(4,212)
NET INCREASE/(DECREASE) IN CASH		(1,324)	(9,957)	(1,700)	(9,386)
Cash at 1 July		11,500	21,100	10,942	20,004
Effect of exchange rate changes on cash held in foreign currencies		56	357	-	324
CASH AT 30 JUNE	6	10,232	11,500	9,242	10,942

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

GOLD CORPORATION AND SUBSIDIARIES

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2001

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of Accounting

The financial statements 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 financial statements comprise the financial statements of Gold Corporation and all 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.

GOLD CORPORATION AND SUBSIDIARIES

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2001

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Foreign currency translation and hedges

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 using the temporal method. Exchange differences arising on such translation are taken to the statement of financial performance.

(e) Joint venture operations

The group's interests in joint venture operations have been included in the financial statements by taking up the group's share of output of the joint venture. Additional information is provided in Note 13 to the financial statements.

(f) Investments

(i) Partnerships

The group's interests in partnerships have 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 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 flows 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.

GOLD CORPORATION AND SUBSIDIARIES

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2001

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation. (Note 9)

Freehold land and buildings are carried at fair value and at cost

Buildings under construction are carried at cost

Plant and equipment are carried at cost

Leased plant and equipment are carried at cost

The carrying amount of plant and equipment is reviewed annually to ensure it is not in excess of the recoverable amount from these assets. The assets are written down to recoverable amounts where the carrying value of any plant and equipment exceeds recoverable amount. In determining the recoverable amount of plant and equipment, the expected net cash flows have not been discounted to their present value.

Depreciation

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 from ordinary activities 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) 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 statement of financial performance 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, depending on when the principal component of the lease payments is due.

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 statement of financial performance 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.

(j) Receivables

Trade debtors are recognised at the amounts receivable at the time of sale of products to customers. Settlement is 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.

GOLD CORPORATION AND SUBSIDIARIES

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2001

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) 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 from the asset.

(l) Employee entitlements

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

(m) 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 statement of financial performance at the time of the repayment.

(n) 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, Income Taxes.

(o) 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.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Dividend revenue is recognised when the right to receive a dividend has been established. Dividends received from associates and joint venture entities are accounted for in accordance with the equity method of accounting.

(p) 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.

(q) Comparative figures

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

GOLD CORPORATION AND SUBSIDIARIES

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2001

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) Goods and services tax

Revenue, expenditure and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as an expense. Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities that are recoverable from, or payable to, the ATO are classified as operating cash flows.

2 TRADING PROFIT/(LOSS)

	Group		Gold Corporation	
	2001 \$000	2000 \$000	2001 \$000	2000 \$000
Sales Revenue	149,381	226,808	105,662	175,818
Cost of Sales				
Opening trading inventories	14,842	6,701	(542)	(543)
Purchases	115,136	198,894	105,678	178,835
	129,978	205,595	105,136	178,292
Less closing trading inventories	9,443	14,842	(357)	(542)
	120,535	190,753	105,493	178,834
Trading Profit/(Loss)	28,846	36,055	169	(3,016)

3 FUNDS FROM WA GOVERNMENT

The former State Battery site at Northampton has been identified as requiring investigation and development of remedial options in relation to environmental issues. It has been agreed in principle that the remediation of the former State Battery sites should be addressed on a whole of Government basis.

However, until this position is finalised, the Government provided funding to Gold Corporation in January 2001 so that the Northampton battery site could be assessed and remediation options identified and developed. At financial year end, this work was still in progress.

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:

	2001 \$000	2000 \$000
Western Australian Mint	3,000	2,000
GoldCorp Australia	-	12,000
	3,000	14,000

GOLD CORPORATION AND SUBSIDIARIES

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2001

5 STATUTORY CONTRIBUTION

	Group		Gold Corporation	
	2001	2000	2001	2000
	\$000	\$000	\$000	\$000
Prima facie statutory contribution on pre-tax accounting profit/(loss) calculated at 34% (2000 36%)	(1,956)	2,526	(887)	2,053
Add/(Less) Tax effect of permanent differences				
- Non-deductible depreciation on buildings	32	34	-	-
- Amortisation of goodwill	90	95	-	-
- Difference in accounting profit and taxable income of partnership	168	(31)	-	-
- Under-provision of income tax for overseas subsidiaries in prior years	91	-	91	-
- Losses of overseas subsidiary not carried forward as future income tax benefit	234	36	-	-
- Adjustment to future tax benefit and provision for deferred tax for change in tax rate-to 30%	275	198	275	198
- to 34%	-	58	-	58
- Other non-deductible items	8	7	6	4
- Dividends from subsidiaries	-	-	(1,020)	(5,040)
	898	397	(648)	(4,780)
Statutory contribution and income tax expense/(benefit) attributable to profit/(loss) from ordinary activities	(1,058)	2,923	(1,535)	(2,727)
Obligations of Gold Corporation for statutory contribution on behalf of subsidiaries *(i)	-	-	477	5,650
	(1,058)	2,923	(1,058)	2,923
Comprising :				
- Provision for current statutory contribution	-	3,311	-	3,311
- Under provision for overseas income tax prior year	91	-	91	-
- Provision for deferred statutory contribution	(174)	35	(174)	35
- Future statutory contribution benefit	(975)	(423)	(975)	(423)
	(1,058)	2,923	(1,058)	2,923

Note *(i)

Gold Corporation's statutory contribution expense/(benefit) of (\$1,058,191) (2000: \$2,922,690) includes the obligation in relation to the income of its subsidiaries Western Australian Mint and GoldCorp Australia.

Movement in the carrying amount of future statutory contribution benefit between the beginning and end of the current and previous financial year:

- Carrying amount at beginning of financial year	1,901	1,513	1,901	1,513
- Amount arising during the year	1,424	586	1,424	586
- Adjustment due to tax rate changes	(275)	(198)	(275)	(198)
- Carrying amount at end of financial year	3,050	1,901	3,050	1,901

GOLD CORPORATION AND SUBSIDIARIES

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2001

6 CASH ASSETS

	Group		Gold Corporation	
	2001	2000	2001	2000
	\$000	\$000	\$000	\$000
Cash at bank and on hand	10,232	11,500	9,242	10,942

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	10,232	11,500	9,242	10,942
	10,232	11,500	9,242	10,942

7 RECEIVABLES

Current				
Trade debtors	4,124	6,654	-	20
Other debtors	1,225	1,793	984	1,744
less provision for doubtful debts	(412)	(212)	(212)	(212)
Loans - related entity (i)	192,877	176,569	192,877	176,569
Loan - secured (ii)	23	39	-	-
Due from subsidiaries	-	-	7,110	11,075
	197,837	184,843	200,759	189,196
Non-current				
Loan - secured (ii)	101	118	-	-

*(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	(1,870)	11,124	(357)	10,289
Inventories				
- Work in progress - at cost	-	1,055	-	-
- Finished goods - at cost	9,761	13,108	-	-
- Consumables - at cost	1,536	1,182	-	-
	9,427	26,469	(357)	10,289

GOLD CORPORATION AND SUBSIDIARIES

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2001

9 PROPERTY, PLANT AND EQUIPMENT

	Group		Gold Corporation	
	2001	2000	2001	2000
	\$000	\$000	\$000	\$000
Freehold land and buildings				
- at fair value	8,067	8,067	-	-
- at cost	5,811	5,787	-	-
	13,878	13,854	-	-
less accumulated depreciation	(2,578)	(2,272)	-	-
	11,300	11,582	-	-
Buildings under construction - at cost	9,570	-	-	-
	20,870	11,582	-	-
Plant and equipment				
- at cost	14,399	14,647	3,419	3,388
- under finance lease	108	108	-	-
	14,507	14,755	3,419	3,388
less accumulated depreciation	(9,463)	(8,244)	(2,690)	(2,419)
	5,044	6,511	729	969
Total Property, Plant and Equipment	25,914	18,093	729	969

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. The fair value represents the Board's valuation at that time.

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).

	<u>Note</u>	Group		GPR	
		2001	2001	2000	2000
		\$000	\$000	\$000	\$000
Freehold land	(i)	1,612	6,250	1,612	6,250
Improvements - Freehold land	(i)	9,688	2,948	9,970	2,948
Crown Reserve land	(ii)	-	3	-	3
Improvements - Crown Reserve land	(ii)	-	56	-	56
		11,300	9,257	11,582	9,257

(i) 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.

GOLD CORPORATION AND SUBSIDIARIES

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2001

9 PROPERTY, PLANT AND EQUIPMENT (Continued)

Movements in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current and previous financial years:

	Freehold Land & Buildings	Buildings under construction	Plant & equipment	Leased plant & equipment	Total
Group - 2001	\$000	\$000	\$000	\$000	\$000
Opening balance	11,582	-	6,407	104	18,093
Additions	31	9,570	189	-	9,790
Disposals	(5)	-	(315)	-	(320)
Depreciation	(308)	-	(1,314)	(27)	(1,649)
	11,300	9,570	4,967	77	25,914
Group - 2000					
Opening balance	11,890	-	4,976	23	16,889
Additions	-	-	2,859	109	2,968
Disposals	-	-	(161)	(23)	(184)
Depreciation	(308)	-	(1,267)	(5)	(1,580)
	11,582	-	6,407	104	18,093
Gold Corporation - 2001					
Opening balance	-	-	969	-	969
Additions	-	-	193	-	193
Disposals	-	-	(81)	-	(81)
Depreciation	-	-	(352)	-	(352)
	-	-	729	-	729
Gold Corporation - 2000					
Opening balance	-	-	1,055	-	1,055
Additions	-	-	472	-	472
Disposals	-	-	(105)	-	(105)
Depreciation	-	-	(453)	-	(453)
	-	-	969	-	969
			Group	Gold Corporation	
			2001	2001	2000
			2000	2000	\$000
Net profit/(loss) on sale of non-current assets			\$000	\$000	\$000
Plant and equipment			(228)	(23)	10
Gross proceeds on disposal of assets			92	201	91
					160

GOLD CORPORATION AND SUBSIDIARIES

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2001

10 OTHER FINANCIAL ASSETS

Corporation	Place of Incorporation	Book value of Investment		Contribution to Group profit	
		2001 \$000	2000 \$000	2001 \$000	2000 \$000
Gold Corporation	Western Australia			(4,077)	(5,569)
Subsidiaries of Gold Corporation:					
GoldCorp Australia	Western Australia	5,000	5,000	(981)	11,080
Western Australian Mint	Western Australia	16,603	16,603	940	(1,334)
W.A. Mint Pty Ltd	Western Australia	-	-	-	-
Gold Corporation (Lanka) Pty Ltd	Western Australia	-	-	-	-
Gold Corporation (Thailand) Limited	Thailand	-	-	-	-
GoldCorp Australia (Hong Kong) Limited	Hong Kong	-	-	(575)	(84)
		21,603	21,603	(4,693)	4,093

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 held 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. The investment was recorded at cost of \$1. First and final dividend was paid to shareholders on 18 September 2000.

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.

Gold Corporation (Thailand) Limited operated within the AGR Joint Venture at balance date. Consequently, Gold Corporation (Thailand) Limited has not been consolidated for the purposes of AAS 24. (Notes 11 and 12b)

GOLD CORPORATION AND SUBSIDIARIES

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2001

11 INVESTMENTS IN ASSOCIATED ENTITIES

Entity	Principal Activities		Group Ownership Interest		Group Carrying Amount of Investment	
			2001 %	2000 %	2001 \$000	2000 \$000
Associated Company						
AGR Management Services Pty Ltd	Management services	(i)	50.0	50.0	-	-
Partnership						
AGR Joint Venture	Metal refining and precious metal products business	(i)	50.0	50.0	9,751	9,479
Group's Share in Partnership's Direct Interest in Associates						
Gold Corporation (Thailand) Ltd	Sales precious metal products	(ii)	50.0	50.0	-	-
Metals Refining Operations Pty Ltd	Metal refining	(i)	22.5	22.5	-	-
Alloy and Gold Supply (NSW) Pty Ltd	Precious metals	(ii)	25.0	25.0	-	-
Analytical Platinum Supplies Pty Ltd	Platinum lab ware	(ii)	25.0	0.0	-	-

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.

The investment in Analytical Platinum Supplies Pty Ltd comprises a 25% interest in the ordinary share capital of the associate 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

GOLD CORPORATION AND SUBSIDIARIES

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2001

12 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

		Group	
		2001	2000
		\$000	\$000
Investment in S2000 Olympic Coin Program	12a	1,970	6,914
Investment in AGR Joint Venture	12b	9,751	9,479
		11,721	16,393

12a INVESTMENT IN SYDNEY 2000 OLYMPIC COIN PROGRAM

(i) General

Gold Corporation (The Perth Mint) and the Royal Australian Mint formed a partnership to market and distribute Sydney 2000 Olympic coins. This partnership will conclude in December 2001.

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 \$1,970, 656 (2000 : \$6,914,452) being the entitlement to its share of profit, less distribution received, from the formation of the partnership to 30 June 2001. The carrying value of this reflects the undrawn balance of the Group's interest in profits distributed on the basis above.

	2001	2000
	\$000	\$000
Balance at 1 July	6,914	1,844
Plus: Share of partnership profits before tax	56	7,070
Less: Profit distributions received	(5,000)	(2,000)
	1,970	6,914

GOLD CORPORATION AND SUBSIDIARIES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2001

12a INVESTMENT IN SYDNEY 2000 OLYMPIC COIN PROGRAM
(continued)

(ii) Investment in Partnership (continued)

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 2001 comprised:

	Group	2001	2000
Current Assets		\$000	\$000
Cash		798	3,630
Receivables		707	7,245
Deferred loss on hedge		0	3,100
Prepayments		1,377	2,115
Investments		0	0
		2,882	16,090
Liabilities			
Sales in advance		0	223
Accrued expenses		401	3,587
Hedge liability		0	3,157
Royalties payable		511	2,243
		912	9,210
NET ASSETS		1,970	6,880
(iii) Results attributable to partnership			
Revenue		20,959	35,548
Expenses		20,903	28,478
Operating profit before income tax		56	7,070

The liability for income tax is not borne by the partnership, but is the responsibility of the partners, therefore no income tax expense applicable to operating profits has been included above.

(iv) 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 matured on 28 June 2001. As at balance date the Sydney 2000 Olympic Coin Program had a commitment to the hedge of USD Nil.

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.

GOLD CORPORATION AND SUBSIDIARIES

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2001

12b INVESTMENT IN AGR JOINT VENTURE

		Group	
		2001	2000
		\$000	\$000
Balance at 1 July	(i)	9,479	8,614
Plus: Establishment costs		-	203
Plus: Share of partnership profits before tax	(ii)	1,677	2,164
Less: Profit distributions received		(1,405)	(1,502)
		9,751	9,479

(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 2001 comprised:

	Group	
	2001	2000
	\$000	\$000
Current Assets		
Cash assets	4,422	2,861
Receivables	7,740	6,248
Prepayments	158	490
Other	133,396	91,218
	145,716	100,817
Non-current assets		
Investments	1,302	926
Property, plant and equipment	7,392	7,763
Intangibles	7,519	7,951
	16,213	16,640
TOTAL ASSETS	161,929	117,457
Current liabilities		
Payables	20,432	3,820
Interest-bearing liabilities	123,082	96,068
	143,514	99,888
Non-current liabilities		
Interest-bearing liabilities	423	417
TOTAL LIABILITIES	143,937	100,305
NET ASSETS	17,992	17,152

GOLD CORPORATION AND SUBSIDIARIES

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2001

12b INVESTMENT IN AGR JOINT VENTURE (continued)

	Group	
	2001	2000
(ii) Results attributable to partnership	\$000	\$000
Revenue	908,701	813,740
Expenses	907,024	811,576
Operating profit before income tax	1,677	2,164
Capital Commitments		
Share of Partnership's aggregate capital expenditure contracted for, but not provided for, in the financial statements	14	103
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 financial statements		
Payable no later than one year	448	493
Payable later than one, no later than five years	798	1,166
Payable later than five years	1,575	1,655
	2,821	3,314

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 has provided for closure and rehabilitation costs.

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

14 INTANGIBLES

Goodwill, at cost	5,000	5,000
Less: accumulated amortisation	(3,432)	(3,168)
	1,568	1,832
Movement in the carrying amount of goodwill between the beginning and end of the current and previous financial years:		
Goodwill - opening balance	1,832	2,096
Amortisation	(264)	(264)
	1,568	1,832

GOLD CORPORATION AND SUBSIDIARIES

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2001

15 PAYABLES

	Group		Gold Corporation	
	2001 \$000	2000 \$000	2001 \$000	2000 \$000
Current - unsecured				
Trade creditors	555	2,543	155	210
Other creditors and accrued expenses	9,933	7,814	3,434	4,019
	10,488	10,357	3,589	4,229

16 INTEREST-BEARING LIABILITIES

Current - secured				
Lease liabilities (a)	24	20	-	-
Precious metal borrowings (b)	192,877	187,401	192,877	187,401
	192,901	187,421	192,877	187,401
Non-current - secured				
Lease liabilities (a)	35	51	-	-
	35	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 TAX LIABILITIES

Current				
Statutory contribution	-	3,311	-	3,311
Overseas profits tax	103	12	91	-
	103	3,323	91	3,311

18 PROVISIONS

Current				
Employee entitlements	1,268	1,222	907	839
Unrealised loss currency hedging	3,511	1,823	3,511	1,823
Proposed dividend	-	1,853	-	1,853
	4,779	4,898	4,418	4,515
Non-current				
Employee entitlements	116	126	69	78
Employee superannuation liability (a)	110	110	-	-
	226	236	69	78

(a) The superannuation liability has been confirmed with data supplied by the Government Employees Superannuation Board. Gold Corporation considers the carrying amount approximates the net fair value.

GOLD CORPORATION AND SUBSIDIARIES

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2001

19 CONTRIBUTED EQUITY

	Group		Gold Corporation	
	2001	2000	2001	2000
	\$000	\$000	\$000	\$000
Issued and fully paid : 31,602,852 shares	31,603	31,603	31,603	31,603

20 RETAINED PROFITS

Retained profits at the beginning of the financial year	24,902	22,662	4,026	3,098
Net profit/(loss)	(4,693)	4,093	(1,551)	2,781
Provision for dividend	-	(1,853)	-	(1,853)
	20,210	24,902	2,475	4,026

21 NOTES TO THE STATEMENT OF CASH FLOWS

Reconciliation of cash flow from operations with profit from ordinary activities after statutory contribution:

Profit/(loss) from ordinary activities after statutory contribution	(4,693)	4,093	(1,551)	2,781
Non-cash items:				
Depreciation and amortisation	1,913	1,844	352	453
Amounts credited to provisions for :				
doubtful debts	200	-	-	-
employee entitlements	606	706	366	471
unrealised loss currency trading	2,348	1,823	2,348	1,823
statutory contribution	-	3,311	-	3,311
overseas tax	91	-	91	-
Amounts written back to provisions :				
property, plant and equipment	-	(40)	-	(40)
unrealised loss currency trading	(660)	-	(660)	-
(Profit)/loss on sales of property, plant and equipment	228	23	(10)	(15)
Exchange losses/(gains)	(56)	(357)	-	(324)
Payments from provisions for :				
employee entitlements	(572)	(612)	(308)	(415)
Changes in assets and liabilities				
Decrease/(increase) in receivables	(14,145)	(10,141)	(12,289)	(17,989)
Decrease/(increase) in inventories	17,042	6,139	10,646	12,946
Decrease/(increase) in prepayments	1,147	(864)	167	(30)
Decrease/(increase) in investments	4,672	(5,934)	-	-
Decrease/(increase) future tax assets	(1,149)	(388)	(1,149)	(388)
Increase/(decrease) in payables	(1,785)	3,046	87	(1,880)
Increase/(decrease) in borrowings	5,476	(5,605)	5,476	(5,566)
Cash flows from operations	10,663	(2,956)	3,566	(4,862)

GOLD CORPORATION AND SUBSIDIARIES

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2001

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.

23 LEASE COMMITMENTS

	Group		Gold Corporation	
	2001	2000	2001	2000
	\$000	\$000	\$000	\$000
Analysis of finance lease commitments :				
- Payable no later than one year	24	22	-	-
- Payable later than one, no later than five years	48	66	-	-
	72	88	-	-
- deduct future finance charges	13	17	-	-
- Provided for as a liability	59	71	-	-
-- Current (Note 16)	24	20	-	-
-- Non-current (Note 16)	35	51	-	-
	59	71	-	-
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	94	139	44	79
- Payable later than one, no later than five years	-	63	-	-
	94	202	44	79

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 December 2001, with options to extend the leases for a further two years. The term of the Hong Kong lease is until April 2002.

GOLD CORPORATION AND SUBSIDIARIES

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2001

24 CAPITAL COMMITMENTS

	Group		Gold Corporation	
	2001	2000	2001	2000
	\$000	\$000	\$000	\$000
Aggregate capital expenditure contracted for, but not provided for, in the financial statements				
Payable no later than one year	4,109	393	85	-

25 RECEIVABLES AND PAYABLES DENOMINATED IN FOREIGN CURRENCIES

	Group		Gold Corporation	
	2001	2000	2001	2000
	\$000	\$000	\$000	\$000
Amounts not effectively hedged				
Receivables				
Due within twelve months				
US dollars	880	2,193	326	1,064
HK dollars	45	-	-	-
Payables				
Due within twelve months				
US dollars	601	1,506	567	1,506
HK dollars	346	52	-	-
Due after twelve months				
HK dollars	35	51	-	-

GOLD CORPORATION AND SUBSIDIARIES

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2001

26 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			
		2001	2000	2001	2000
		2001	2000	2001	2000
		\$000	\$000		
Maturity					
0 – 12 months	10,556	16,732	0.6726	0.6634	
Sell Thai Baht	Buy Australian Dollars	Average Exchange Rate			
		2001	2000	2001	2000
		\$000	\$000		
0 – 12 months	-	648	-	24.69	

(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.

GOLD CORPORATION AND SUBSIDIARIES

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2001

26 FINANCIAL INSTRUMENTS (continued)

	<u>Notes</u>	Fixed interest maturing in:				Non- interest bearing	Total
		Floating interest rate	1 year or less	over 1 to 5 years	more than 5 years		
2001		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Assets							
Cash and deposits	6	3,394	6,791	-	-	47	10,232
Receivables	7	-	192,900	90	11	4,937	197,938
		3,394	199,691	90	11	4,984	208,170
Weighted average interest rate							
- cash		3.53%	4.58%				
- receivables			1.79%	6.50%	6.50%		
Financial Liabilities							
Trade and other creditors		-	-	-	-	10,488	10,488
Lease liabilities		-	24	35	-	-	59
	15,16	-	24	35	-	10,488	10,547
Weighted average interest rate							
			5.25%	5.25%			
Net financial assets/(liabilities)		3,394	199,667	55	11	(5,504)	197,623
	<u>Notes</u>	Fixed interest maturing in:				Non- interest bearing	Total
		Floating interest rate	1 year or less	over 1 to 5 years	more than 5 years		
2000		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
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

GOLD CORPORATION AND SUBSIDIARIES

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2001

26 FINANCIAL INSTRUMENTS (continued)

	<u>Notes</u>	Fixed interest maturing in:				Non- interest bearing	Total
		Floating interest rate	1 year or less	over 1 to 5 years	more than 5 years		
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2001							
Precious Metal Inventories							
Gold		-	-	-	-	(1,543)	(1,543)
Silver		-	-	-	-	815	815
Other		-	-	-	-	(1,142)	(1,142)
	8	-	-	-	-	(1,870)	(1,870)
Precious Metal Borrowings							
Gold		-	174,840	-	-	-	174,840
Silver		-	16,142	-	-	-	16,142
Other		-	1,895	-	-	-	1,895
	16	-	192,877	-	-	-	192,877
Weighted average interest rate			1.42%				
Net metal assets (liabilities)		-	(192,877)	-	-	(1,870)	(194,747)
Net financial and precious metal assets/(liabilities)		3,394	6,790	55	11	(7,374)	2,876

	<u>Notes</u>	Fixed interest maturing in:				Non- interest bearing	Total
		Floating interest rate	1 year or less	over 1 to 5 years	more than 5 years		
		\$'000	\$'000	\$'000	\$'000	\$'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 and precious metal assets/(liabilities)		581	76	39	28	9,032	9,756

GOLD CORPORATION AND SUBSIDIARIES

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2001

26 FINANCIAL INSTRUMENTS (continued)

Reconciliation of Net Financial Assets to Net Assets as disclosed in the Statements of Financial Position

	<u>Notes</u>	2001 \$'000	2000 \$'000
Net financial assets as above		2,876	9,756
Non-financial assets and liabilities			
Inventories	8	11,297	15,345
Investments accounted for using the equity method	12	11,721	16,393
Property, plant & equipment	9	25,914	18,093
Intangibles	14	1,568	1,832
Prepayments		495	1,642
Deferred tax assets		3,050	1,901
Tax liabilities	17	(103)	(3,323)
Provisions	18	(5,005)	(5,134)
Net assets per Statements of Financial Position		51,813	56,505

(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 had various delivery dates up until 31 August 2000. As at 30 June 2001, no contracts were in place for gold (2000: 5,000 ounces). The gain or loss on contracts was recognised and brought to account in the statement of financial performance 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)

GOLD CORPORATION AND SUBSIDIARIES

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2001

27 REMUNERATION OF DIRECTORS AND SENIOR OFFICERS

	Group		Gold Corporation	
	2001 \$000	2000 \$000	2001 \$000	2000 \$000
Total fees, salaries and other benefits received or due and receivable by directors from the Corporation or any related body for the financial year	501	662	501	662
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	879	951	554	547
	1,380	1,613	1,055	1,209

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

	2001	2000
\$0 - \$10,000	1	1
\$30,001 - \$40,000	3	3
\$50,001 - \$60,000	1	1
\$330,001 - \$340,000	1	0
\$490,001 - \$500,000	0	1

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

	2001	2000
\$30,001 - \$40,000	0	1
\$50,001 - \$60,000	2	1
\$60,001 - \$70,000	3	2
\$70,001 - \$80,000	2	3
\$80,001 - \$90,000	0	1
\$90,001 - \$100,000	3	1
\$100,001 - \$110,000	0	1
\$110,001 - \$120,000	0	2
\$140,001 - \$150,000	1	0

GOLD CORPORATION AND SUBSIDIARIES

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2001

28 RETIREMENT BENEFITS

	Group		Gold Corporation	
	2001 \$000	2000 \$000	2001 \$000	2000 \$000
Paid or payable for the year in respect of directors :				
- Contributions to GC Superannuation Fund	78	75	78	75
- Contributions to other Funds	12	9	12	9
Paid or payable for the year in respect of senior officers other than directors:				
- Contributions to GC Superannuation Fund	231	200	155	130
	321	284	245	214

No director or senior officer is a member of the Superannuation and Family Benefits Act Scheme.

29 REMUNERATION OF AUDITORS

Fees paid or due and payable to the Auditor General for the financial year:				
fees for external audit	78	78	78	78
Fees paid or due and payable to auditors other than the Auditor General for the financial year:				
fees for internal audit	45	31	45	31
fees for audits of overseas subsidiaries	15	16	-	-
fees for other services	114	129	114	105
	252	254	237	214

30 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 ING 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 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 who did not wish or who are ineligible to join Gold State Super 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. Members also have the option to make personal contributions.

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

GOLD CORPORATION AND SUBSIDIARIES

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2001

31 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 2000/01 projected an operating profit before statutory contribution of \$8,520,000 compared to the actual loss of \$5,751,000. The most significant variations are:

- Losses on currency hedging activities, including the provision raised for unrealised losses, and on forward metal purchase contracts;
- Write off of surplus and returned Olympic products, with resultant lower profit distribution from the Sydney 2000 JV Olympic Coin Program;
- Provision for rehabilitation of the Kaltails gold tailings re-treatment site; offset by,
- Successful sales of commemorative coin issues, including those celebrating the new Millennium and Australia's Centenary of Federation;
- Perth Mint Depository Services results exceeding budget.

32 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 most significant variations are:

Sales Revenue

Total sales revenue of \$149 million in 2001, against \$227 million in the preceding year, was lower by 34%. However the trading profit of \$28.8 million in 2001, compared with \$36.1 million, was only 20% lower 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. Interest income and expenses were lower by 15% and 23% respectively than in the previous year, due to the lower market rates during the financial year ended 30 June 2001.

Exchange gains

Exchange rate changes resulting from translation gains on holding assets in foreign currencies were 85% lower than in the preceding year.

Currency hedging and trading

Losses of \$743,000 on currency hedging and trading were realised in the financial year ended 30 June 2001. Provision was made for unrealised losses of \$2.3 million at financial year end for the hedge contracts in place at 30 June 2001.