GOLD CORPORATION

FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2003

GOLD CORPORATION AND SUBSIDIARIES

STATEMENTS OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 30 JUNE 2003

		Group		Gold Corporation	
	Note	2003	2002	2003	2002
REVENUE		$000	$000	$000	$000
Revenue from ordinary activities					
Sales revenue	2	275,624	186,674	236,150	159,520
Charges for technical services		100	162	889	1,213
Interest		2,637	2,573	2,629	2,556
Proceeds from sale of plant & equipment	8	157	178	157	160
Foreign currency hedging		596	1,083	596	1,083
Fees and rents		338	242	332	197
Share of profits of joint venture partnerships	11	289	3,661	-	-
Profit from transfer of investment	11	2,010	-	-	-
Dividends from subsidiaries	3	-	-	3,000	2,000
		281,751	194,573	243,753	166,729
EXPENDITURE					
Expenses from ordinary activities					
Cost of goods sold	2	255,846	168,807	236,209	158,717
Employee benefits		10,376	9,949	3,780	2,871
Materials and services		12,157	11,678	3,352	2,094
Depreciation	8	1,814	1,600	222	231
Amortisation	12	264	264	-	-
Borrowing costs		1,748	1,727	1,614	1,727
Currency translation movements		721	201	974	346
Doubtful loan		97	-	-	-
Inventory write-down to net realisable value		1,608	1,170	-	-
Unrealised loss on currency hedging		-	158	-	158
		284,631	195,554	246,151	166,144
PROFIT/(LOSS) FROM ORDINARY ACTIVITIES					
BEFORE INCOME TAX		(2,880)	(981)	(2,398)	585
Income tax expense/(benefit)	4	(558)	5	(558)	5
NET PROFIT/(LOSS)		**(2,322)**	**(986)**	**(1,840)**	**580**

GOLD CORPORATION AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2003

	Note	Group		Gold Corporation	
		2003 $000	2002 $000	2003 $000	2002 $000
CURRENT ASSETS					
Cash assets	5	10,297	7,653	6,080	2,502
Receivables	6	2,762	1,700	13,096	16,828
Precious metal leases	7a	334,095	133,268	334,095	133,268
Inventories	7b	79,882	96,244	59,811	86,949
Prepayments		323	285	139	93
Total current assets		427,359	239,150	413,221	239,640
NON-CURRENT ASSETS					
Receivables	6	-	96	-	-
Property, plant and equipment	8	31,717	30,841	447	765
Other financial assets	9	-	-	21,603	21,603
Investments accounted for using the equity method	11	14,402	10,582	-	-
Intangibles	12	1,040	1,304	-	-
Deferred tax assets	4	3,603	3,045	3,603	3,045
Total non-current assets		50,762	45,868	25,653	25,413
TOTAL ASSETS		478,121	285,018	438,874	265,053
CURRENT LIABILITIES					
Payables	13	16,567	10,239	11,237	6,930
Interest-bearing liabilities	14	221,209	111,823	217,700	111,802
Provisions	15	1,199	1,239	801	927
Other liabilities	16	190,416	110,653	176,252	110,653
Total current liabilities		429,391	233,954	405,990	230,312
NON-CURRENT LIABILITIES					
Interest-bearing liabilities	14	-	11	-	-
Provisions	15	225	226	66	83
Total non-current liabilities		225	237	66	83
TOTAL LIABILITIES		429,616	234,191	406,056	230,395
NET ASSETS		**48,505**	**50,827**	**32,818**	**34,658**
EQUITY					
Contributed equity	17	31,603	31,603	31,603	31,603
Retained profits	18	16,902	19,224	1,215	3,055
TOTAL EQUITY		**48,505**	**50,827**	**32,818**	**34,658**

GOLD CORPORATION AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2003

		Group		Gold Corporation	
	Note	2003 $000	2002 $000	2003 $000	2002 $000
Cash flows from operating activities					
Receipts from operations		277,253	192,866	162,375	161,709
Payments to suppliers and employees		(271,523)	(189,631)	(158,777)	(168,779)
Interest received		2,509	2,514	2,501	2,497
Interest paid		(1,716)	(1,505)	(1,628)	(1,505)
Net cash provided by/(used in) operating activities	19	6,523	4,244	4,471	(6,078)
Cash flows from investing activities					
Payments for property, plant and equipment		(2,867)	(6,773)	(76)	(476)
Proceeds from sale of property, plant and equipment		157	178	157	160
Payment for investment in partnership		(3,925)	-	-	-
Net cash provided by/(used in) investing activities		(6,635)	(6,595)	81	(316)
Cash flows from financing activities					
Borrowings		3,500	-	-	-
Principal repayments under finance lease		(23)	(27)	-	-
Net cash provided by (used in) financing activities		3,477	(27)	-	-
NET INCREASE/(DECREASE) IN CASH		3,365	(2,378)	4,552	(6,394)
Cash at 1 July		7,653	10,232	2,502	9,242
Effect of exchange rate changes on cash held in foreign currencies		(721)	(201)	(974)	(346)
CASH AT 30 JUNE	5	10,297	7,653	6,080	2,502

GOLD CORPORATION AND SUBSIDIARIES

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2003

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted by Gold Corporation and its subsidiaries are stated to assist in 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. (Note 8)

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, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board 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, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board 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 9 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.

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) 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 statement of financial performance.

(ii) Subsidiaries

Investments in subsidiaries are brought to account at cost in Gold Corporation. 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.

(f) Inventories

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

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

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or valuation less, where applicable, any accumulated depreciation. (Note 8)

Freehold land and buildings are carried at cost and at valuation
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

(h) Leases

Assets acquired under finance leases are included as plant and equipment under finance lease 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.

(i) 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.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) 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 a annual basis and adjusted where it is considered to be in excess of the future economic benefits to be derived from the asset.

(k) Employee entitlements

Employee entitlements for annual leave and long service leave are provided for in accordance with Accounting Standard AASB 1028, Employee Benefits.

(l) 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.

(m) Income tax/Statutory contribution

Under section 20 of the Gold Corporation Act 1987, Gold Corporation 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.
From 1 July 2002, Gold Corporation entered into the National Tax Equivalent Regime (NTER), under the State Enterprises (Commonwealth Tax Equivalents) Act 1996. The NTER is administered by the Australian Taxation Office (ATO) on behalf of the States. The income tax equivalent revenue continues to be remitted to the Treasurer of Western Australia.

Tax effect accounting procedures are followed in accordance with Accounting Standard AAS 3, Accounting for Income Tax (Tax-effect Accounting).

(n) 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. Proof coin sales are recognised on despatch of the coins.

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.

(o) 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.

(p) Comparative figures

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

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) 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.

	Group		Gold Corporation	
	2003	2002	2003	2002
2 TRADING PROFIT	$000	$000	$000	$000
Sales revenue	275,624	186,674	236,150	159,520
Cost of sales				
Opening trading inventories	9,106	9,443	(2,237)	(357)
Purchases	253,703	168,470	238,400	156,837
	262,809	177,913	236,163	156,480
Less closing trading inventories	6,963	9,106	(46)	(2,237)
	255,846	168,807	236,209	158,717
Trading Profit	19,778	17,867	(59)	803

	2003	2002
3 DIVIDENDS FROM SUBSIDIARIES	$000	$000
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	-	500
GoldCorp Australia	3,000	1,500
	3,000	2,000

GOLD CORPORATION AND SUBSIDIARIES

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2003

		Group		Gold Corporation	
		2003	2002	2003	2002
4 INCOME TAX		$000	$000	$000	$000
Prima facie income tax on pre-tax accounting profit/(loss) calculated at 30% (2002: 30%)		(864)	(294)	(719)	175
Add/(Less) Tax effect of permanent differences					
Non-deductible depreciation on buildings		28	28	-	-
Amortisation of goodwill		79	79	-	-
Difference in accounting profit and taxable income of partnership		88	30	-	-
Losses of overseas subsidiary not carried forward as future income tax benefit		27	157	-	-
Other non-deductible items		84	5	81	3
Dividends from subsidiaries		-	-	(900)	(600)
		306	299	(819)	(597)
Income tax expense/(benefit) attributable to profit/(loss) from ordinary activities		(558)	5	(1,538)	(422)
Obligations of Gold Corporation for income tax on behalf of subsidiaries	(i)	-	-	980	427
		(558)	5	(558)	5
Comprising :					
Provision for deferred income tax		(22)	11	(22)	11
Future income tax benefit		(536)	(6)	(536)	(6)
		(558)	5	(558)	5

Note (i)

Gold Corporation's income tax expense/(benefit) of $(558,000) (2002: $5,000) includes the obligation in relation to the income of its subsidiaries, Western Australian Mint and GoldCorp Australia.

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

	Group 2003	Group 2002	Gold Corporation 2003	Gold Corporation 2002
Carrying amount at beginning of financial year	3,045	3,050	3,045	3,050
Amount arising during the year	558	(5)	558	(5)
Carrying amount at end of financial year	3,603	3,045	3,603	3,045

		Group		Gold Corporation	
		2003	2002	2003	2002
5 CASH ASSETS		$000	$000	$000	$000
Cash at bank and on hand		10,297	7,653	6,080	2,502

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		10,297	7,653	6,080	2,502
		10,297	7,653	6,080	2,502

6 RECEIVABLES					
Current					
Trade debtors		1,587	753	154	30
Other debtors		1,460	1,234	1,460	1,225
less provision for doubtful debts		(302)	(310)	(212)	(212)
Loan - secured	(i)	114	23	-	-
less provision for doubtful loan		(97)	-	-	-
Due from subsidiaries		-	-	11,694	15,785
		2,762	1,700	13,096	16,828
Non-current					
Loan - secured	(i)	-	96	-	-

(i) **Secured loan**
The loan is secured by a registered second mortgage over a property. Receivers and Managers were appointed to the mortgagor's business on 18 September 2002. Provision has been made for non-recovery of 85% of the loan, based on information available at balance date.

7a PRECIOUS METAL LEASES					
Precious metal leases - related entity	(i)	334,095	133,268	334,095	133,268

(i) **Precious metal leases - related entity**
The ounce based leases of precious metals to AGR Matthey are provided under the terms of a Gold Leasing Facility Agreement, and are held as inventory by AGR Matthey.

7b INVENTORIES				
Precious metals	75,003	88,244	59,811	86,949
Inventories				
Finished goods - at net realisable value	3,614	6,475	-	-
Consumables - at cost	794	1,525	-	-
Consumables - at net realisable value	471	-	-	-
	79,882	96,244	59,811	86,949

GOLD CORPORATION AND SUBSIDIARIES

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2003

8 PROPERTY, PLANT AND EQUIPMENT	Group 2003 $000	Group 2002 $000	Gold Corporation 2003 $000	Gold Corporation 2002 $000
Freehold land and buildings				
at valuation	8,067	8,067	-	-
at cost	20,752	20,735	-	-
	28,819	28,802	-	-
less accumulated depreciation	(3,694)	(3,008)	-	-
	25,125	25,794	-	-
Plant and equipment				
at cost	17,547	15,239	3,133	3,444
less accumulated depreciation	(10,978)	(10,242)	(2,686)	(2,679)
	6,569	4,997	447	765
Plant and equipment				
under finance lease	108	108	-	-
less accumulated depreciation	(85)	(58)	-	-
	23	50	-	-
Total Property, Plant and Equipment	31,717	30,841	447	765

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 valuation represents the Board's valuation at that time.

8 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 financial year:

	Freehold Land & Buildings	Plant & equipment	Leased plant & equipment	Total
Group	$000	$000	$000	$000
Opening balance	25,794	4,997	50	30,841
Additions	17	2,850	-	2,867
Disposals	-	(177)	-	(177)
Depreciation	(686)	(1,101)	(27)	(1,814)
	25,125	6,569	23	31,717
Gold Corporation				
Opening balance	-	765	-	765
Additions	-	76	-	76
Disposals	-	(172)	-	(172)
Depreciation	-	(222)	-	(222)
	-	447	-	447

	Group		Gold Corporation	
Net profit/(loss) on sale	2003	2002	2003	2002
of non-current assets	$000	$000	$000	$000
Plant and equipment				
Gross proceeds on disposal of assets	157	178	157	160
Carrying value of assets sold/disposed	177	246	172	209
Net profit/(loss) on sale/disposal	(20)	(68)	(15)	(49)

9 OTHER FINANCIAL ASSETS

Corporation	Place of Incorporation	Book value of investment		Contribution to Group result	
		2003	2002	2003	2002
		$000	$000	$000	$000
Gold Corporation	Western Australia			(3,860)	(985)
Subsidiaries of Gold Corporation:					
GoldCorp Australia	Western Australia	5,000	5,000	3,348	971
Western Australian Mint	Western Australia	16,603	16,603	(1,735)	(532)
W.A. Mint Pty Ltd	Western Australia	-	-	-	-
Gold Corporation (Thailand) Limited	Thailand	-	-	-	-
Perth Mint (Hong Kong) Limited	Hong Kong	-	-	(75)	(440)
		21,603	21,603	(2,322)	(986)

All subsidiaries are wholly owned with the exception of :

- Gold Corporation (Thailand) Limited 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.

Perth Mint (Hong Kong) Limited carries on business as the Group's representative in Hong Kong and is wholly owned by GoldCorp Australia. The company changed its name from GoldCorp Australia (Hong Kong) Limited to Perth Mint (Hong Kong) Limited with effect from 8 April 2002. The investment is recorded in the books of GoldCorp Australia at an amount of $1,780.
The company is being transferred to third party Hong Kong ownership effective 1 August 2003. (Note 29)

Gold Corporation (Thailand) Limited ceased trading in early October 2002. It operated within the AGR Joint Venture and consequently has not been consolidated for the purposes of AAS 24 (Notes 10,11b and 28)

10 INVESTMENTS IN ASSOCIATED ENTITIES

Entity	Principal Activities	Group Ownership Interest 2003 %	Group Ownership Interest 2002 %	Group Carrying Amount of Investment 2003 $000	Group Carrying Amount of Investment 2002 $000
Associated Company					
AGR Management Services Pty Ltd	Management services	40.0	50.0	-	-
Partnerships					
AGR Joint Venture	Metal refining and precious metal products business	50.0	50.0	-	10,582
AGR Matthey	Metal refining and precious metal products business	40.0	-	14,402	-
Group's Share in Partnership's Direct Interest in Associates					
Gold Corporation (Thailand) Ltd	Sales precious metal products	50.0	50.0	-	-
Metals Refining Operations Pty Ltd	Metal refining	18.0	22.5	-	-
Alloy and Gold Supply (NSW) Pty Ltd	Precious metals	20.0	25.0	-	-
Analytical Platinum Supplies Pty Ltd	Platinum lab ware	20.0	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 9 and 11b)
The Group's interests in the above investments, except for Gold Corporation (Thailand) Limited, took effect from 1 December 1998 with the commencement of the AGR Joint Venture, and were subsequently transferred into the AGR Matthey partnership on 3 October 2002. (Notes 11b and 11c)

The investment in AGR Management Services Pty Ltd comprises a 40% (2002: 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.
Gold Corporation (Thailand) Limited ceased trading in early October 2002. (Note 28)
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 an 18% (2002: 22.5%) interest in the ordinary share capital of the associate and is held via the Group's interest in AGR Matthey. (2002: AGR Joint Venture)

The investment in Alloy and Gold Supply (NSW) Pty Limited comprises an 20% (2002: 25%) interest in trust capital in the PBM Unit Trust and is held via the Group's interest in AGR Matthey. (2002: AGR Joint Venture)

The investment in Analytical Platinum Supplies Pty Ltd comprises a 20% (2002: 25%) interest in the ordinary share capital of the associate and is held via the Group's interest in AGR Matthey (2002: AGR Joint Venture)

The balance date of the associated entities is 30 June.

11 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

		Group 2003 $000	Group 2002 $000
Share of profit from S2000 Olympic Coin Program	11a	-	126
Share of profit from AGR JV	11b	1,887	3,535
Share of loss from AGR Matthey	11c	(1,598)	-
		289	3,661
Investment in S2000 Olympic Coin Program	11a	-	-
Investment in AGR JV	11b	-	10,582
Investment in AGR Matthey	11c	14,402	-
		14,402	10,582

11a 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.   The partnership concluded in June 2002.

The Sydney 2000 Olympic Coin Program consisted of eight gold coins, 16 silver coins, 28 base metal coins and a one kilo silver coin.

Profit distribution

Distribution of profits in 2001/02 was 50% to The Perth Mint and 50% to the Royal Australian Mint.

(ii) **Investment in Partnership**

The investment in the partnership is reflected in the Group's balance sheet at $ Nil (2002: $ Nil) being the entitlement to its share of profit, less distributions received, from the formation of the partnership to 30 June 2002. The carrying value of this investment reflected the undrawn balance of the Group's interest in profits distributed on the basis above.

	2003 $000	2002 $000
Balance at 1 July	-	1,970
Plus: Share of partnership profits before tax	-	126
Less: Profit distributions received	-	(2,096)
	-	-

(iii) **Results attributable to Partnership**

	2003 $000	2002 $000
Revenue	-	1,493
Expenses	-	1,367
Operating profit before income tax	-	126

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

		Group 2003 $000	Group 2002 $000
11b INVESTMENT IN AGR JOINT VENTURE			
Balance at 1 July	(i)	10,582	9,751
Plus: Share of partnership profits before tax	(ii)	1,887	3,535
Less: Profit distributions received		(2,676)	(2,704)
Less: Establishment costs written back		(153)	-
Transfer investment to AGR Matthey partnership		(9,640)	-
		-	10,582

(i) The AGR Joint Venture partnership was formed on 1 December 1998 between Western Australian Mint and Golden West (Australasia) Pty Ltd. In 2001, Golden West (Australasia) Pty Ltd sold its interest to Australian Gold Alliance Pty Ltd, a wholly owned subsidiary of Newmont Australia Ltd. Each partner held a 50% interest in the AGR Joint Venture partnership.

The investment in AGR Joint Venture partnership comprised the fair value of the Group's contributed assets and post formation profits. The balance date of the partnership was 30 June.

In 2002, the partners in AGR Joint Venture and Johnson Matthey (Aust) Ltd agreed to combine their existing Australian and New Zealand businesses. A new partnership, AGR Matthey, was formed on 3 October 2002 between Western Australian Mint, Australian Gold Alliance Pty Ltd and Johnson Matthey (Aust) Ltd. The interests of the parties are 40%, 40% and 20% respectively.

The Group equity accounted its interest in the AGR Joint Venture partnership. The Group's share of the assets, excluding cash and debtors, and liabilities of the AGR Joint Venture were transferred to the AGR Matthey partnership as at 3 October 2002. The AGR Joint Venture partnership ceased trading on 2 October 2002, but remains in existence for winding-up purposes.

	Group 2003 $000	Group 2002 $000
Current assets		
Cash assets	-	3,707
Receivables	-	8,210
Other	-	129,336
	-	141,253
Non-current assets		
Investments	-	1,531
Property, plant and equipment	-	6,652
Intangibles	-	7,087
	-	15,270
TOTAL ASSETS	-	156,523
Current liabilities		
Payables	-	19,095
Interest-bearing liabilities	-	117,139
Other	-	938
	-	137,172
Non-current liabilities		
Interest-bearing liabilities	-	441
TOTAL LIABILITIES	-	137,613
NET ASSETS	-	18,910

		2003	2002
(ii)	Results attributable to Partnership		
	Revenue	262,737	981,769
	Expenses	260,850	978,234
	Operating profits before income tax	1,887	3,535

Capital Commitments

The Group's share of Partnership's aggregate capital expenditure contracted for, but not provided for, in the financial statements

	2003	2002
Payable no later than one year	-	45

		Group	
		2003	2002
11b INVESTMENT IN AGR JOINT VENTURE (continued)		$000	$000
Lease Commitments			
The Group's share of 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		-	414
Payable later than one, but no later than five years		-	785
Payable later than five years		-	1,480
		-	2,679
11c INVESTMENT IN AGR MATTHEY			
The group's initial contribution to the AGR Matthey partnership was accounted for as follows:			
Transfer investment from AGR Joint Venture		9,640	-
Asset acquisition		3,500	-
Establishment costs		850	-
Profit arising on transfer of investment		2,010	-
Investment in AGR Matthey at 3 October 2002	(i)	16,000	-
Less: Share of partnership loss before tax	(ii)	(1,598)	-
		14,402	-

(i) The AGR Matthey partnership was formed on 3 October 2002 between Western Australian Mint, Australian Gold Alliance Pty Ltd and Johnson Matthey (Aust) Ltd. The partners hold a 40%, 40%, 20% interest in the AGR Matthey partnership respectively.

The investment in AGR Matthey partnership comprises the fair value of the Group's contributed assets and post formation profits. The balance date of the partnership is 30 June.

The Group equity accounts its interest in the AGR Matthey partnership. The Group's share of the assets and liabilities of the AGR Matthey partnership at 30 June 2003 comprised:

	Group	
	2003	2002
Current assets	$000	$000
Cash assets	4	-
Receivables	17,512	-
Inventories	191,460	
Other	4,684	-
	213,660	-
Non-current assets		
Receivables	933	-
Investments	1,199	-
Property, plant and equipment	8,708	-
Intangibles	3,656	-
	14,496	-
TOTAL ASSETS	228,156	-
Current liabilities		
Payables	9,718	-
Precious metal leases	189,954	
Interest-bearing liabilities	12,024	-
Other	1,327	-
	213,023	-
Non-current liabilities		
Payables	380	
Interest-bearing liabilities	9	-
TOTAL LIABILITIES	213,412	-
NET ASSETS	14,744	-

	Group 2003 $000	Group 2002 $000
11c INVESTMENT IN AGR MATTHEY (continued)		
(ii) Results attributable to Partnership		
Revenue	709,803	-
Expenses	711,401	-
Operating profits before income tax	(1,598)	-

Capital Commitments

The Partnership had no commitments to purchase plant and equipment at balance date

Lease Commitments

The Group's share of Partnership's aggregate operating lease expenditure contracted for at balance date, but not provided for, in the financial statements

	Group 2003 $000	Group 2002 $000
Payable no later than one year	613	-
Payable later than one, but no later than five years	781	-
Payable later than five years	1,478	-
	2,872	-

12 INTANGIBLES

	Group 2003 $000	Group 2002 $000
Goodwill, at cost	5,000	5,000
Less: accumulated amortisation	(3,960)	(3,696)
	1,040	1,304

Movement in the carrying amount of goodwill between the beginning and end of the current and previous financial years:

	Group 2003 $000	Group 2002 $000
Goodwill - opening balance	1,304	1,568
Amortisation expense	(264)	(264)
Goodwill - closing balance	1,040	1,304

	Group		Gold Corporation	
	2003	2002	2003	2002
13 PAYABLES	$000	$000	$000	$000
Current - unsecured				
Trade creditors	2,422	890	244	169
Other creditors and accrued expenses	14,145	9,349	10,993	6,761
	16,567	10,239	11,237	6,930

	Group		Gold Corporation	
	2003	2002	2003	2002
	$000	$000	$000	$000
14 INTEREST-BEARING LIABILITIES				
Current - secured				
Lease liabilities (a)	9	21	-	-
Borrowings (b)	3,500	-	-	-
Precious metal borrowings (c)	217,700	111,802	217,700	111,802
	221,209	111,823	217,700	111,802
Non-current - secured				
Lease liabilities (a)	-	11	-	-

Security for Borrowings

(a) Effectively secured over the leased asset, being a motor vehicle in Hong Kong (Note 21) The carrying value of the asset is $23,000 (Note 8)

(b) Borrowings from Western Australian Treasury Corporation

(c) 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.

15 PROVISIONS

	Group 2003	Group 2002	Gold Corporation 2003	Gold Corporation 2002
Current				
Employee entitlements	1,199	1,081	801	769
Unrealised loss currency hedging	-	158	-	158
	1,199	1,239	801	927
Non-current				
Employee entitlements	110	116	66	83
Employee superannuation liability (a)	115	110	-	-
	225	226	66	83

(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.

16 OTHER LIABILITIES

	Group 2003	Group 2002	Gold Corporation 2003	Gold Corporation 2002
Current - secured				
Precious metal borrowings (a)	190,416	110,653	176,252	110,653

Security for Borrowings

(a) 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. These borrowings do not attract interest, and are utilised in the Corporation's operations.

GOLD CORPORATION AND SUBSIDIARIES

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2003

	Group		Gold Corporation	
	2003	2002	2003	2002
	$000	$000	$000	$000
17 CONTRIBUTED EQUITY				
Issued and fully paid : 31,602,852 shares	31,603	31,603	31,603	31,603
18 RETAINED PROFITS				
Retained profits at the beginning of the financial year	19,224	20,210	3,055	2,475
Net profit/(loss)	(2,322)	(986)	(1,840)	580
	16,902	19,224	1,215	3,055
19 NOTES TO THE STATEMENT OF CASH FLOWS				
Reconciliation of cash flow from operations with profit/(loss) from ordinary activities after statutory contribution:				
Profit/(loss) from ordinary activities after statutory contribution	(2,322)	(986)	(1,840)	580
Non-cash items:				
Depreciation and amortisation	2,078	1,864	222	231
Amounts credited to provisions for :				
doubtful debts	97	-	-	-
employee entitlements	745	661	491	444
superannuation	9	-	-	-
unrealised loss currency trading	-	158	-	158
inventory write-down to net realisable value	1,608	1,170	-	-
Amounts written back to provisions :				
doubtful debts	(8)	(102)	-	-
unrealised loss currency trading	(158)	(3,511)	(158)	(3,511)
(Profit)/loss on sales of property, plant and equipment	20	68	15	49
Exchange losses/(gains)	721	201	974	346
Payments from provisions for :				
employee entitlements	(632)	(848)	(476)	(568)
superannuation	(4)		-	
overseas tax	-	(103)	-	(91)
Changes in assets and liabilities				
Decrease/(increase) in receivables	(201,851)	62,028	(197,109)	50,885
Decrease/(increase) in inventories	14,754	(45,083)	27,138	(45,572)
Decrease/(increase) in prepayments	(38)	210	(46)	3
Decrease/(increase) in investments	105	1,139	-	-
Decrease/(increase) deferred tax assets	(558)	5	(558)	5
Increase/(decrease) in payables	6,296	(471)	4,321	3,119
Increase/(decrease) in borrowings	185,661	(12,156)	171,497	(12,156)
Cash flows from operations	6,523	4,244	4,471	(6,078)

GOLD CORPORATION AND SUBSIDIARIES

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2003

20 SEGMENT REPORTING

(a) Primary reporting-Business segments	**Product Sales**	**Refining**	**TOTAL**
Group - 2003	$000	$000	$000
Revenue			
External sales and other revenue	281,462	-	281,462
Share of net profits of investments accounted for using the equity method		289	289
Total revenue from ordinary activities	281,462	289	281,751
Profit/(loss) from ordinary activities before statutory contribution expense	(3,169)	289	(2,880)
Income tax (expense)/benefit			558
Net Profit/(Loss)			**(2,322)**
Segment assets	460,116	14,402	474,518
Unallocated assets			3,603
Total assets			478,121
Segment liabilities	429,616	-	429,616
Other			
Investments accounted for using the equity method		14,402	14,402
Acquisition of non-current segment assets	2,867	3,925	6,792
Depreciation and amortisation of segment assets	2,078		2,078
Other non-cash segment expenses	2,450		2,450
Group - 2002			
Revenue			
External sales and other revenue	190,734		190,734
Share of net profits of investments accounted for using the equity method	126	3,535	3,661
Total revenue from ordinary activities	190,860	3,535	194,395
Profit/(loss) from ordinary activities before statutory contribution expense	(4,516)	3,535	(981)
Income tax (expense)/benefit			(5)
Net Profit/(Loss)			**(986)**
Segment assets	271,391	10,582	281,973
Unallocated assets			3,045
Total assets			285,018
Segment liabilities	234,191	-	234,191
Other			
Investments accounted for using the equity method		10,582	10,582
Acquisition of non-current segment assets	6,773		6,773
Depreciation and amortisation of segment assets	1,864		1,864
Other non-cash segment expenses	4,609		4,609

Segment information has been disclosed by output

20 SEGMENT REPORTING (Continued)

Business Segments

Gold Corporation operates predominantly in the precious metal industry. Its revenue is derived from manufacture and marketing of precious metals and precious metal value added products, the provision of services related to precious metals, such as trading, metal leasing and consultancy, and from the refining of gold and silver (through its investment in AGR Matthey).

The group has two business segments as follows:

- **Minting and Retailing - Product Sales**

  This segment includes the manufacture and marketing, including wholesale and retail sales, of precious metal coins, medallions, value added precious metal products and collectables, and metal trading, leasing and depository services.

- **Refining**

  This segment comprises the investment in the AGR Matthey partnership and AGR Joint Venture, which are engaged in refining of precious metals and manufacture of industrial products.

Accounting Policies

Segment revenues are those directly attributable to the segments. Segment assets include all assets used by a segment and consist principally of cash, receivables, inventories, intangibles and property, plant and equipment net of accumulated depreciation and amortisation. Segment liabilities consist principally of accounts payable, interest-bearing liabilities, and provisions.

Intersegment Transfers

Segment revenue, expenses and results include transfers between segments. The prices charged on inter-segment transactions are the same as those charged for similar products to parties outside the group at arm's length. These transfers are eliminated on consolidation.

(b) Secondary reporting - Geographical segments

	Segment Revenues from External customers		Carrying Amount of Segment Assets		Acquisitions of Non-current Segment Assets	
	2003	2002	2003	2002	2003	2002
Geographical location:	$000	$000	$000	$000	$000	$000
Europe	46,938	30,127	0	0	0	0
Asia	61,001	36,621	393	629	1	10
U S A	76,230	53,438	0	0	0	0
Other countries	34,309	21,552	0	0	0	0
Australia	63,273	52,657	477,728	284,389	6,791	6,763
	281,751	194,395	478,121	285,018	6,792	6,773

Geographical segments

The group's business segments are located in Australia. There are regional marketing managers and agents in Europe, Hong Kong and Japan. Sales revenue is derived from precious metal products exported from Australia.

	Group		Gold Corporation	
	2003	2002	2003	2002
21 LEASE COMMITMENTS	$000	$000	$000	$000
Analysis of finance lease commitments :				
Payable no later than one year	12	26	-	-
Payable later than one, but no later than five years	-	13	-	-
	12	39	-	-
less: future finance charges	3	7		
Finance lease liabilities	9	32	-	-
Included in financial statements as:				
Current (Note 14)	9	21	-	-
Non-current (Note 14)	-	11	-	-
	9	32	-	-

The finance lease commitment is for the lease of a motor vehicle by Perth Mint (Hong Kong) Ltd

	Group 2003	Group 2002	Gold Corporation 2003	Gold Corporation 2002
Aggregate non-cancellable operating lease expenditure contracted for at balance date but not provided for in the accounts :				
Payable no later than one year	286	365	239	294
Payable later than one, but no later than five years	252	334	210	218
	538	699	449	512

The operating lease commitments are for leases of computer equipment, for lease of a property to provide additional storage facilities in Perth, and for lease of office accommodation in Hong Kong.
The terms of the computer equipment leases are various, with the maximum term being until June 2006
The term of the Perth lease is until September 2003
The term of the Hong Kong lease is until April 2005

22 CAPITAL COMMITMENTS

	Group 2003	Group 2002	Gold Corporation 2003	Gold Corporation 2002
Aggregate capital expenditure contracted for, but not provided for, in the financial statements				
Payable no later than one year	113	25	-	25

23 RECEIVABLES AND PAYABLES DENOMINATED IN FOREIGN CURRENCIES

	Group		Gold Corporation	
Amounts not effectively hedged	2003	2002	2003	2002
Receivables	$000	$000	$000	$000
Due within twelve months				
US dollars	753	342	745	304
HK dollars	43	107	-	-
Payables				
Due within twelve months				
US dollars	585	261	581	257
HK dollars	125	96	-	-
Euro	130	-	-	-
Due after twelve months				
HK dollars	-	11	-	-

24 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 were (Australian dollar equivalents):

Sell US Dollars	Buy Australian Dollars		Average Exchange Rate	
	2003	2002	2003	2002
	$000	$000		
Maturity				
0 - 12 months	-	8,831	-	0.5662

(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.

25 FINANCIAL INSTRUMENTS (continued)

	Notes	Floating interest rate	Fixed interest maturing in: 1 year or less	over 1 to 5 years	more than 5 years	Non- interest bearing	Total
2003		$000	$000	$000	$000	$000	$000
Financial and Precious Metal Assets							
Cash and deposits	5	8,038	2,233	-	-	26	10,297
Receivables	6	-	-	-	-	2,762	2,762
Precious metal leases	7a	-	334,095	-	-	-	334,095
Precious metal inventories	7b	-	-	-	-	75,003	75,003
		8,038	336,328	-	-	77,791	422,157
Weighted average interest rate							
- cash		1.00%	4.74%				
- precious metal leases			0.79%				
Financial and Precious Metal Liabilities							
Trade and other creditors	13	-	-	-	-	16,567	16,567
Borrowings	14	-	3,500	-	-	-	3,500
Lease liabilities	14	-	9	-	-	-	9
Precious metal borrowings	14,16	-	217,700	-	-	190,416	408,116
Employee entitlements	15	-	-	-	-	1,309	1,309
		-	221,209	-	-	208,292	429,501
Weighted average interest rate							
Borrowings			4.94%				
Lease liabilities			5.25%				
Precious metal borrowings			0.58%				
Net financial and precious metal assets/(liabilities)		**8,038**	**115,119**	**-**	**-**	**(130,501)**	**(7,344)**
2002							
Financial and Precious Metal Assets							
Cash and deposits	5	7,548	57	-	-	48	7,653
Receivables	6	-	23	96	-	1,677	1,796
Precious metal leases	7a	-	133,268	-	-	-	133,268
Precious metal inventories	7b	-	-	-	-	88,244	88,244
		7,548	133,348	96	-	89,969	230,961
Weighted average interest rate							
- cash		1.20%	4.55%				
- receivables			6.50%	6.50%			
- precious metal leases			1.51%	6.50%			
Financial and Precious Metal Liabilities							
Trade and other creditors	13	-	-	-	-	10,239	10,239
Lease liabilities	14	-	21	11	-	-	32
Precious metal borrowings	14,16	-	111,802	-	-	110,653	222,455
Employee entitlements	15	-	-	-	-	1,197	1,197
		-	111,823	11	-	122,089	233,923
Weighted average interest rate							
- lease liabilities			5.25%	5.25%			
- precious metal borrowings			1.33%				
Net financial and precious metal assets/(liabilities)		**7,548**	**21,525**	**85**	**-**	**(32,120)**	**(2,962)**

24 FINANCIAL INSTRUMENTS (continued)

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

	Notes	2003 $'000	2002 $'000
Net financial and precious metal assets/(liabilities) as above		(7,344)	(2,962)
Non-financial assets and liabilities:			
Inventories	7b	4,879	8,000
Investments accounted for using the equity method	11	14,402	10,582
Property, plant & equipment	8	31,717	30,841
Intangibles	12	1,040	1,304
Prepayments		323	285
Deferred tax assets	4	3,603	3,045
Provisions	15	(115)	(268)
Net assets per Statements of Financial Position		48,505	50,827

(c) 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.

(d) Credit Risk Exposure

The credit risk on financial assets of Gold Corporation which have been recognised on the statement of financial position 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 Matthey, under the terms of the gold leasing agreement. (Note 6)

	Group		Gold Corporation	
	2003	2002	2003	2002
25 REMUNERATION OF DIRECTORS AND SENIOR OFFICERS	$000	$000	$000	$000
Total fees, salaries, superannuation and other benefits received or due and receivable by directors from the Corporation or any related body for the financial year	1,216	594	1,216	594
Total fees, salaries, superannuation 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	1,185	1,154	802	728
	2,401	1,748	2,018	1,322

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

	Group		Gold Corporation	
	2003	2002	2003	2002
$0 - $10,000	1	1	1	1
$30,001 - $40,000	2	2	2	2
$40,001 - $50,000	1	1	1	1
$50,001 - $60,000	-	1	-	1
$80,001 - $90,000	1	-	1	-
$420,001 - $430,000	-	1	-	1
$1,010,000 - $1,020,000 *	1	-	1	-

* Includes entitlements on retirement

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

$40,001 - $50,000	1	-	1	-
$50,001 - $60,000	1	-	1	-
$60,001 - $70,000	1	-	1	-
$70,001 - $80,000	2	2	2	2
$80,001 - $90,000	2	2	2	2
$90,001 - $100,000	2	1	2	-
$100,001 - $110,000	1	3	-	1
$110,001 - $120,000	1	-	-	-
$120,001 - $130,000	1	1	1	-
$130,001 - $140,000	-	1	-	1
$160,001 - $170,000	1	-	-	-
$170,001 - $180,000	-	1	-	1

	Group		Gold Corporation	
	2003	2002	2003	2002
	$000	$000	$000	$000
26 REMUNERATION OF AUDITORS				
Fees paid or due and payable to the Auditor General for the financial year:				
fees for external audit of financial statements and performance indicators	88	82	88	82
Fees paid or due and payable to auditors other than the Auditor General for the financial year:				
fees for external audits of overseas subsidiaries	13	11	-	-
	101	93	88	82

27 SUPERANNUATION COMMITMENTS

Gold Corporation operates a superannuation fund which all permanent employees of Gold Corporation in Australia are entitled to join. Trustee, funds management and administration services are provided by NSP Buck Pty Ltd and associated companies. 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 individual contracts are able to join GC Superannuation Fund, ING or West State Super.

28 CONTINGENT LIABILITIES

(a) The Australian Taxation Office (ATO) commenced a GST audit of the AGR Joint Venture (AGR JV) in June 2001. The audit included a review of the AGR JV's procedures for the charging of GST on coin blanks toll manufactured from customers' precious metal, whereby GST is charged only on the fabrication fee. This treatment is consistent with verbal advice received from the ATO in August 2000.

In June 2002, pursuant to the audit, the ATO advised AGR JV that GST should have been charged on the full value of the coin blank, including the value of the customer supplied metal.

AGR JV management estimates that should the ATO seek to issue a GST assessment, an amount of $2,886,000 is the likely assessment. AGR JV will defend such an assessment.

If AGR JV's defence were unsuccessful, it has been estimated by AGR JV management that GC's share of such an assessment would be $2 million. In such an instance, GC's contingent liability would be estimated to be in the order of $300,000, being the non-recoverable input tax credits relating to GC's share.

(b) Gold Corporation (Thailand) Limited ceased trading in early October 2002, following the apparent fraudulent activities of a customer against Gold Corporation (Thailand) Limited and other bullion and diamond suppliers. In respect to the alleged fraud, AGR JV have received legal advice that Gold Corporation (Thailand) Limited has grounds to lodge a claim against the insurance company being Lloyds. This claim has been lodged and it is anticipated that the claim will be successful.

29 EVENTS SUBSEQUENT TO BALANCE DATE

Perth Mint (Hong Kong) Limited, a wholly owned subsidiary of GoldCorp Australia, is being sold to the Managing Director of the company in Hong Kong, who has been appointed an agent and distributor for The Perth Mint's products in Hong Kong and the S E Asia region.
The effective date of the transfer of the company is 1 August 2003. Under the terms of the Sale and Purchase Agreement, the company will continue to trade as Perth Mint (Hong Kong) Limited until 30 April 2004. The effects of the above sale have not been brought to account as at 30 June 2003.

30 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 2002/03 projected an operating profit before statutory contribution of $2,127,000 compared to the actual loss of $2,880,000. The most significant variations are:

- Loss from AGR Matthey partnership in its first nine months of trading;
- Provision for slow moving and obsolete inventory;
  offset by,
- Profit distribution from AGR Joint Venture above budget;
- Profit arising from transfer of investment from AGR Joint Venture to AGR Matthey;
- Profits from the treasury division well above budget

31 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
Sales revenue of $276 million in 2003, against $187 million in the preceding year, was higher by 48%. Treasury division sales, at higher gold prices, were 90% higher than in 2002 and accounted for the majority of the increase.
The trading profit of $19.8 million in 2003, compared with $17.9 million in 2002, was 11% higher.

Foreign Currency hedging
Profit of $0.6 million on currency hedging was realised in the financial year ended 30 June 2003, compared with the profit of $1.08 million in 2002.

Profit from Joint Venture Partnerships
Income from the group's investment in the AGR Joint Venture was $1.9 million, including extraordinary metal recoveries, for the period 1 July to 2 October 2002.
However income from the group's investment in AGR Matthey partnership was a loss of $1.6 million from the commencement of the partnership on 3 October 2002 to 30 June 2003. The loss was largely due to integration costs and asset rationalisation relating to the commencement of the new partnership.
This resulted in a combined income of $0.3 million from the two partnerships for the financial year, compared to $3.5 million from AGR Joint Venture in 2002.
Profit of $2 million from the transfer of the group's investment in AGR Joint Venture to AGR Matthey was brought to account in 2003.

Expenditure
Cost of goods sold was 51% higher than in 2002, reflecting the higher sales revenue as above. Cost of sales is comprised mainly of precious metals, the price of which is directly correlated to the sales price.

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