

GOLD CORPORATION
FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2002

GOLD CORPORATION AND SUBSIDIARIES
STATEMENTS OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2002

	<u>Note</u>	Group 2002 \$000	2001 \$000	Gold Corporation 2002 \$000	2001 \$000
REVENUE					
Revenue from ordinary activities					
Trading profit	2	17,867	28,846	803	169
Charges for technical services		162	639	1,213	3,231
Interest		2,573	4,748	2,556	4,681
Profit on sale property, plant & equipment	9	-	-	-	10
Currency hedging and trading		1,083	-	1,083	-
Exchange gains		-	121	-	197
Fees, royalties and rents		242	1,206	197	80
Profit S2000 Olympic coin program	12a	126	56	-	-
Profit AGR Joint Venture	12b	3,535	1,677	-	-
Dividends from subsidiaries	4	-	-	2,000	3,000
		<u>25,588</u>	<u>37,293</u>	<u>7,852</u>	<u>11,368</u>
EXPENDITURE					
Expenses from ordinary activities					
Employee benefits		9,288	10,156	2,427	2,950
Materials and services		11,432	23,457	1,885	3,604
Depreciation	9	1,600	1,649	231	352
Amortisation	13	264	264	-	-
Borrowing costs		1,727	3,614	1,727	3,614
Loss on sale property, plant & equipment	9	68	228	49	-
Currency hedging and trading		-	743	-	743
Exchange losses		201	-	346	-
Bad debt expense		-	24	-	-
Provision for					
employee entitlements		661	606	444	366
doubtful debts		-	200	-	-
inventory write-down to net realisable value		1,170	-	-	-
unrealised loss on currency hedging		158	2,348	158	2,348
		<u>26,569</u>	<u>43,289</u>	<u>7,267</u>	<u>13,977</u>
PROFIT/(LOSS) FROM ORDINARY ACTIVITIES BEFORE FUNDS FROM GOVERNMENT		(981)	(5,996)	585	(2,609)
Funds from W A Government	3	-	245	-	-
PROFIT/(LOSS) FROM ORDINARY ACTIVITIES BEFORE STATUTORY CONTRIBUTION		(981)	(5,751)	585	(2,609)
Statutory contribution expense/(benefit)	5	5	(1,058)	5	(1,058)
NET PROFIT/(LOSS)		<u>(986)</u>	<u>(4,693)</u>	<u>580</u>	<u>(1,551)</u>

The Statements of Financial Performance 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 2002

		Group		Gold Corporation	
	<u>Note</u>	2002	2001	2002	2001
		\$000	\$000	\$000	\$000
CURRENT ASSETS					
Cash assets	6	7,653	10,232	2,502	9,242
Receivables	7	134,968	197,837	150,096	200,759
Inventories	8	96,244	51,161	86,949	41,377
Investments accounted for using the equity method	12	-	1,970	-	-
Prepayments		285	495	93	96
Total current assets		<u>239,150</u>	<u>261,695</u>	<u>239,640</u>	<u>251,474</u>
NON-CURRENT ASSETS					
Receivables	7	96	101	-	-
Property, plant and equipment	9	30,841	25,914	765	729
Other financial assets	10	-	-	21,603	21,603
Investments accounted for using the equity method	12	10,582	9,751	-	-
Intangibles	13	1,304	1,568	-	-
Deferred tax assets	5	3,045	3,050	3,045	3,050
Total non-current assets		<u>45,868</u>	<u>40,384</u>	<u>25,413</u>	<u>25,382</u>
TOTAL ASSETS		<u>285,018</u>	<u>302,079</u>	<u>265,053</u>	<u>276,856</u>
CURRENT LIABILITIES					
Payables	14	10,239	10,488	6,930	3,589
Interest-bearing liabilities	15	111,823	192,901	111,802	192,877
Tax liabilities	16	-	103	-	91
Provisions	17	1,239	4,779	927	4,418
Other liabilities	18	110,653	41,734	110,653	41,734
Total current liabilities		<u>233,954</u>	<u>250,005</u>	<u>230,312</u>	<u>242,709</u>
NON-CURRENT LIABILITIES					
Interest-bearing liabilities	15	11	35	-	-
Provisions	17	226	226	83	69
Total non-current liabilities		<u>237</u>	<u>261</u>	<u>83</u>	<u>69</u>
TOTAL LIABILITIES		<u>234,191</u>	<u>250,266</u>	<u>230,395</u>	<u>242,778</u>
NET ASSETS		<u>50,827</u>	<u>51,813</u>	<u>34,658</u>	<u>34,078</u>
EQUITY					
Contributed equity	19	31,603	31,603	31,603	31,603
Retained profits	20	19,224	20,210	3,055	2,475
TOTAL EQUITY		<u>50,827</u>	<u>51,813</u>	<u>34,658</u>	<u>34,078</u>

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 2002**

		Group		Gold Corporation	
	Note	2002 \$000	2001 \$000	2002 \$000	2001 \$000
Cash flows from operating activities					
Receipts from operations		192,866	155,989	161,709	107,572
Payments to suppliers and employees		(189,631)	(146,305)	(168,779)	(104,918)
Interest received		2,514	5,319	2,497	5,252
Interest paid		(1,505)	(4,340)	(1,505)	(4,340)
Net cash provided by/(used in) operating activities	21	<u>4,244</u>	<u>10,663</u>	<u>(6,078)</u>	<u>3,566</u>
Cash flows from investing activities					
Payments for property, plant and equipment		(6,773)	(7,148)	(476)	(193)
Proceeds from sale of property, plant and equipment		178	92	160	91
Net cash provided by/(used in) investing activities		<u>(6,595)</u>	<u>(7,056)</u>	<u>(316)</u>	<u>(102)</u>
Cash flows from financing activities					
Principal repayments under finance lease		(27)	(12)	-	-
Net cash provided by (used in) financing activities		<u>(27)</u>	<u>(12)</u>	<u>-</u>	<u>-</u>
Cash flows from/(to) government					
Funds from W A Government		-	245	-	-
Statutory contributions paid		-	(3,311)	-	(3,311)
Dividend paid		-	(1,853)	-	(1,853)
Net cash flow from/(to) government		<u>-</u>	<u>(4,919)</u>	<u>-</u>	<u>(5,164)</u>
NET INCREASE/(DECREASE) IN CASH		(2,378)	(1,324)	(6,394)	(1,700)
Cash at 1 July		10,232	11,500	9,242	10,942
Effect of exchange rate changes on cash held in foreign currencies		<u>(201)</u>	<u>56</u>	<u>(346)</u>	<u>-</u>
CASH AT 30 JUNE	6	<u><u>7,653</u></u>	<u><u>10,232</u></u>	<u><u>2,502</u></u>	<u><u>9,242</u></u>

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 2002

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted by Gold Corporation and its subsidiaries are stated to assist in general understanding of these 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, 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 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 2002

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. 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 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.

**GOLD CORPORATION AND SUBSIDIARIES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2002**

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 an 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 AAS30, Accounting for Employee Entitlements.

(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) Statutory contributions

Under section 20 of the Gold Corporation Act 1987, the Group is required to pay to the Treasurer of Western Australia for credit of the Consolidated Fund an amount equivalent to the income tax which would have been payable under the law of the Commonwealth had the Corporation been a public company liable for payment of tax.

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

(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. 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.

(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.

GOLD CORPORATION AND SUBSIDIARIES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2002

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) 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

(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.

GOLD CORPORATION AND SUBSIDIARIES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2002

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	
	2002 \$000	2001 \$000	2002 \$000	2001 \$000
2 TRADING PROFIT				
Sales revenue	<u>186,674</u>	<u>149,381</u>	<u>159,520</u>	<u>105,662</u>
Cost of sales				
Opening trading inventories	9,443	14,842	(357)	(542)
Purchases	<u>168,470</u>	<u>115,136</u>	<u>156,837</u>	<u>105,678</u>
	177,913	129,978	156,480	105,136
Less closing trading inventories	<u>9,106</u>	<u>9,443</u>	<u>(2,237)</u>	<u>(357)</u>
	<u>168,807</u>	<u>120,535</u>	<u>158,717</u>	<u>105,493</u>
Trading Profit	<u><u>17,867</u></u>	<u><u>28,846</u></u>	<u><u>803</u></u>	<u><u>169</u></u>

3 FUNDS FROM W A 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. This work was still in progress at 30 June 2002.

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:

	2002 \$000	2001 \$000
Western Australian Mint	500	3,000
GoldCorp Australia	<u>1,500</u>	<u>-</u>
	<u><u>2,000</u></u>	<u><u>3,000</u></u>

GOLD CORPORATION AND SUBSIDIARIES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2002

	Group		Gold Corporation	
	2002 \$000	2001 \$000	2002 \$000	2001 \$000
5 STATUTORY CONTRIBUTION				
Prima facie statutory contribution on pre-tax accounting profit/(loss) calculated at 30% (2001: 34%)	(294)	(1,956)	175	(887)
Add/(Less) Tax effect of permanent differences				
Non-deductible depreciation on buildings	28	32	-	-
Amortisation of goodwill	79	90	-	-
Difference in accounting profit and taxable income of partnership	30	168	-	-
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	157	234	-	-
Adjustment to future tax benefit and provision for deferred tax for change in tax rate-to 30%	-	275		275
Other non-deductible items	5	8	3	6
Dividends from subsidiaries	-	-	(600)	(1,020)
	<u>299</u>	<u>898</u>	<u>(597)</u>	<u>(648)</u>
Statutory contribution and income tax expense/(benefit) attributable to profit/(loss) from ordinary activities	5	(1,058)	(422)	(1,535)
Obligations of Gold Corporation for statutory contribution on behalf of subsidiaries (i)	-	-	427	477
	<u>5</u>	<u>(1,058)</u>	<u>5</u>	<u>(1,058)</u>
Comprising :				
Provision for current statutory contribution	-	-	-	-
Under provision for overseas income tax prior year		91	-	91
Provision for deferred statutory contribution	11	(174)	11	(174)
Future statutory contribution benefit	(6)	(975)	(6)	(975)
	<u>5</u>	<u>(1,058)</u>	<u>5</u>	<u>(1,058)</u>

Note (i)

Gold Corporation's statutory contribution expense/(benefit) of \$5,034 (2001: \$(1,058,191)) 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	3,050	1,901	3,050	1,901
Amount arising during the year	(5)	1,424	(5)	1,424
Adjustment due to tax rate changes	-	(275)	-	(275)
Carrying amount at end of financial year	<u>3,045</u>	<u>3,050</u>	<u>3,045</u>	<u>3,050</u>

GOLD CORPORATION AND SUBSIDIARIES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2002

	Group		Gold Corporation	
	2002	2001	2002	2001
6 CASH ASSETS	\$000	\$000	\$000	\$000
Cash at bank and on hand	<u>7,653</u>	<u>10,232</u>	<u>2,502</u>	<u>9,242</u>

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	7,653	10,232	2,502	9,242
	<u>7,653</u>	<u>10,232</u>	<u>2,502</u>	<u>9,242</u>

7 RECEIVABLES

Current

Trade debtors	753	4,124	30	-
Other debtors	1,234	1,225	1,225	984
less provision for doubtful debts	(310)	(412)	(212)	(212)
Loans - related entity (i)	133,268	192,877	133,268	192,877
Loan - secured (ii)	23	23	-	-
Due from subsidiaries	-	-	15,785	7,110
	<u>134,968</u>	<u>197,837</u>	<u>150,096</u>	<u>200,759</u>

Non-current

Loan - secured (ii)	<u>96</u>	<u>101</u>	<u>-</u>	<u>-</u>
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(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	88,244	39,864	86,949	41,377
Inventories				
Finished goods - at cost	-	9,761	-	-
Finished goods - at net realisable value	6,475	-	-	-
Consumables - at cost	1,525	1,536	-	-
	<u>96,244</u>	<u>51,161</u>	<u>86,949</u>	<u>41,377</u>

GOLD CORPORATION AND SUBSIDIARIES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2002

	Group		Gold Corporation	
	2002	2001	2002	2001
9 PROPERTY, PLANT AND EQUIPMENT	\$000	\$000	\$000	\$000
Freehold land and buildings				
at fair value	8,067	8,067	-	-
at cost	20,735	5,811	-	-
	28,802	13,878	-	-
less accumulated depreciation	(3,008)	(2,578)	-	-
	25,794	11,300	-	-
Buildings under construction - at cost	-	9,570	-	-
	25,794	20,870	-	-
Plant and equipment				
at cost	15,239	14,399	3,444	3,419
less accumulated depreciation	(10,242)	(9,432)	(2,679)	(2,690)
	4,997	4,967	765	729
Plant and equipment				
under finance lease	108	108	-	-
less accumulated depreciation	(58)	(31)	-	-
	50	77	-	-
Total Property, Plant and Equipment	30,841	25,914	765	729

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 required 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).

	Note	Group	GPR	Group	GPR
		2002	2002	2001	2001
		\$000	\$000	\$000	\$000
Freehold land	(i)	1,612	9,680	1,612	6,250
Improvements - Freehold land	(i)	24,182	2,704	9,688	2,948
Crown Reserve land	(ii)	-	2	-	3
Improvements - Crown Reserve land	(ii)	-	58	-	56
		25,794	12,444	11,300	9,257

- (i) The Valuer-General's Office revalued the properties as of 1 July 2001. The GPR values do not include the new building for the minting facility. This was completed during 2001/02, and had a carrying value of \$14.9 million as at 30 June 2002. It is anticipated that the Valuer-General's Office will revalue the properties during 2002/03. 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 2002

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 financial year:

	Freehold Land & Buildings \$000	Buildings under construction \$000	Plant & equipment \$000	Leased plant & equipment \$000	Total \$000
Group - 2002					
Opening balance	11,300	9,570	4,967	77	25,914
Additions	5,354	-	1,419	-	6,773
Disposals	-	-	(246)	-	(246)
Transfers	9,570	(9,570)	-	-	-
Depreciation	(430)		(1,143)	(27)	(1,600)
	<u>25,794</u>	<u>-</u>	<u>4,997</u>	<u>50</u>	<u>30,841</u>

Gold Corporation - 2002

Opening balance	-	-	729	-	729
Additions	-	-	476	-	476
Disposals	-	-	(209)	-	(209)
Depreciation	-	-	(231)	-	(231)
	<u>-</u>	<u>-</u>	<u>765</u>	<u>-</u>	<u>765</u>

	Group		Gold Corporation	
	2002 \$000	2001 \$000	2002 \$000	2001 \$000
Net profit/(loss) on sale of non-current assets				
Plant and equipment	(68)	(228)	(49)	10
Gross proceeds on disposal of assets	178	92	160	91

GOLD CORPORATION AND SUBSIDIARIES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2002

10 OTHER FINANCIAL ASSETS

Corporation	Place of Incorporation	Book value of investment		Contribution to Group result	
		2002 \$000	2001 \$000	2002 \$000	2001 \$000
Gold Corporation	Western Australia			(985)	(4,077)
Subsidiaries of Gold Corporation:					
GoldCorp Australia	Western Australia	5,000	5,000	971	(981)
Western Australian Mint W.A. Mint Pty Ltd	Western Australia	16,603	16,603	(532)	940
Gold Corporation (Thailand) Limited	Thailand	-	-	-	-
Perth Mint (Hong Kong) Limited	Hong Kong	-	-	(440)	(575)
		<u>21,603</u>	<u>21,603</u>	<u>(986)</u>	<u>(4,693)</u>

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.

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 2002

11 INVESTMENTS IN ASSOCIATED ENTITIES

Entity	Principal Activities	Group Ownership Interest		Group Carrying Amount of Investment	
		2002 %	2001 %	2002 \$000	2001 \$000
Associated Company					
AGR Management Services Pty Ltd	Management services	50.0	50.0	-	-
Partnership					
AGR Joint Venture	Metal refining and precious metal products business	50.0	50.0	10,582	9,751
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	22.5	22.5	-	-
Alloy and Gold Supply (NSW) Pty Ltd	Precious metals	25.0	25.0	-	-
Analytical Platinum Supplies Pty Ltd	Platinum lab ware	25.0	25.0	-	-

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

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

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

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

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

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

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

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.

The balance date of the associated entities is 30 June.

GOLD CORPORATION AND SUBSIDIARIES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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		Group	
		2002	2001
		\$000	\$000
12 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD			
Investment in S2000 Olympic Coin Program	12a	0	1,970
Investment in AGR Joint Venture	12b	<u>10,582</u>	<u>9,751</u>
		<u>10,582</u>	<u>11,721</u>

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. 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	The Perth Mint		Royal Australian Mint	
	2002	2001	2002	2001
Distribution of profits was made on the following basis:				
Gold	50%	60%	50%	40%
Silver	50%	60%	50%	40%
Base metal	50%	40%	50%	60%

(ii) Investment in Partnership

The investment in the partnership is reflected in the Group's balance sheet at \$ Nil (2001: \$1,970,656) 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.

	2002	2001
	\$000	\$000
Balance at 1 July	1,970	6,914
Plus: Share of partnership profits before tax	126	56
Less: Profit distributions received	<u>(2,096)</u>	<u>(5,000)</u>
	<u>0</u>	<u>1,970</u>

GOLD CORPORATION AND SUBSIDIARIES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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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 2002 comprised:

	Group	
	2002	2001
	\$000	\$000
Current assets		
Cash	0	798
Receivables	0	707
Prepayments	0	1,377
	<u>0</u>	<u>2,882</u>
Liabilities		
Accrued expenses	0	401
Royalties payable	0	511
	<u>0</u>	<u>912</u>
NET ASSETS	<u>0</u>	<u>1,970</u>

(iii) Results attributable to Partnership

Revenue	1,493	20,959
Expenses	1,367	20,903
Operating profit before income tax	<u>126</u>	<u>56</u>

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.

GOLD CORPORATION AND SUBSIDIARIES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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	Group	
	2002	2001
	\$000	\$000
12b INVESTMENT IN AGR JOINT VENTURE		
Balance at 1 July	(i) 9,751	9,479
Plus: Share of partnership profits before tax	(ii) 3,535	1,677
Less: Profit distributions received	(2,704)	(1,405)
	<u>10,582</u>	<u>9,751</u>

- (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 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 30 June (2001: 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 2002 comprised:

	Group	
	2002	2001
	\$000	\$000
Current assets		
Cash assets	3,707	4,422
Receivables	8,210	7,740
Other	129,336	133,554
	<u>141,253</u>	<u>145,716</u>
Non-current assets		
Investments	1,531	1,302
Property, plant and equipment	6,652	7,392
Intangibles	7,087	7,519
	<u>15,270</u>	<u>16,213</u>
TOTAL ASSETS	156,523	161,929
Current liabilities		
Payables	19,095	20,432
Interest-bearing liabilities	117,139	123,082
Other	938	-
	<u>137,172</u>	<u>143,514</u>
Non-current liabilities		
Interest-bearing liabilities	441	423
TOTAL LIABILITIES	137,613	143,937
NET ASSETS	<u>18,910</u>	<u>17,992</u>

GOLD CORPORATION AND SUBSIDIARIES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2002

	Group	
	2002	2001
	\$000	\$000
12b INVESTMENT IN AGR JOINT VENTURE (continued)		
(ii) Results attributable to Partnership		
Revenue	981,769	908,701
Expenses	<u>978,234</u>	<u>907,024</u>
Operating profit before income tax	<u><u>3,535</u></u>	<u><u>1,677</u></u>
Capital Commitments		
The Group's share of Partnership's aggregate capital expenditure contracted for, but not provided for, in the financial statements		
Payable no later than one year	<u><u>45</u></u>	<u><u>14</u></u>
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	448
Payable later than one, but no later than five years	785	798
Payable later than five years	<u>1,480</u>	<u>1,575</u>
	<u><u>2,679</u></u>	<u><u>2,821</u></u>
13 INTANGIBLES		
Goodwill, at cost	5,000	5,000
Less: accumulated amortisation	<u>(3,696)</u>	<u>(3,432)</u>
	<u><u>1,304</u></u>	<u><u>1,568</u></u>
Movement in the carrying amount of goodwill between the beginning and end of the current and previous financial years:		
Goodwill - opening balance	1,568	1,832
Amortisation expense	<u>(264)</u>	<u>(264)</u>
Goodwill - closing balance	<u><u>1,304</u></u>	<u><u>1,568</u></u>

	Group		Gold Corporation	
	2002	2001	2002	2001
	\$000	\$000	\$000	\$000
14 PAYABLES				
Current - unsecured				
Trade creditors	890	555	169	155
Other creditors and accrued expenses	<u>9,349</u>	<u>9,933</u>	<u>6,761</u>	<u>3,434</u>
	<u><u>10,239</u></u>	<u><u>10,488</u></u>	<u><u>6,930</u></u>	<u><u>3,589</u></u>

GOLD CORPORATION AND SUBSIDIARIES**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30 JUNE 2002**

	Group		Gold Corporation	
	2002	2001	2002	2001
	\$000	\$000	\$000	\$000
15 INTEREST-BEARING LIABILITIES				
Current - secured				
Lease liabilities (a)	21	24	-	-
Precious metal borrowings (b)	<u>111,802</u>	<u>192,877</u>	<u>111,802</u>	<u>192,877</u>
	<u>111,823</u>	<u>192,901</u>	<u>111,802</u>	<u>192,877</u>
Non-current - secured				
Lease liabilities (a)	<u>11</u>	<u>35</u>	<u>-</u>	<u>-</u>

Security for Borrowings

- (a) Effectively secured over the leased asset, being a motor vehicle in Hong Kong (Note 23)
The carrying value of the asset is \$49,900 (Note 9)
- (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.

16 TAX LIABILITIES

Current

Overseas profits tax	<u>-</u>	<u>103</u>	<u>-</u>	<u>91</u>
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17 PROVISIONS

Current

Employee entitlements	1,081	1,268	769	907
Unrealised loss currency hedging	<u>158</u>	<u>3,511</u>	<u>158</u>	<u>3,511</u>
	<u>1,239</u>	<u>4,779</u>	<u>927</u>	<u>4,418</u>

Non-current

Employee entitlements	116	116	83	69
Employee superannuation liability (a)	<u>110</u>	<u>110</u>	<u>-</u>	<u>-</u>
	<u>226</u>	<u>226</u>	<u>83</u>	<u>69</u>

- (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.

18 OTHER LIABILITIES

Current - secured

Precious metal borrowings (a)	<u>110,653</u>	<u>41,734</u>	<u>110,653</u>	<u>41,734</u>
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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.

GOLD CORPORATION AND SUBSIDIARIES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2002

	Group		Gold Corporation	
	2002	2001	2002	2001
	\$000	\$000	\$000	\$000
19 CONTRIBUTED EQUITY				
Issued and fully paid : 31,602,852 shares	<u>31,603</u>	<u>31,603</u>	<u>31,603</u>	<u>31,603</u>
20 RETAINED PROFITS				
Retained profits at the beginning of the financial year	20,210	24,902	2,475	4,026
Net profit/(loss)	(986)	(4,693)	580	(1,551)
	<u>19,224</u>	<u>20,210</u>	<u>3,055</u>	<u>2,475</u>
21 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	(986)	(4,693)	580	(1,551)
Non-cash items:				
Depreciation and amortisation	1,864	1,913	231	352
Amounts credited to provisions for :				
doubtful debts	-	200	-	-
employee entitlements	661	606	444	366
unrealised loss currency trading	158	2,348	158	2,348
inventory write-down to net realisable value	1,170	-	-	-
overseas tax	-	91	-	91
Amounts written back to provisions :				
doubtful debts	(102)	-	-	-
unrealised loss currency trading	(3,511)	(660)	(3,511)	(660)
(Profit)/loss on sales of property, plant and equipment	68	228	49	(10)
Exchange losses/(gains)	201	(56)	346	-
Payments from provisions for :				
employee entitlements	(848)	(572)	(568)	(308)
overseas tax	(103)	-	(91)	-
Changes in assets and liabilities				
Decrease/(increase) in receivables	62,028	(14,145)	50,885	(12,289)
Decrease/(increase) in inventories	(45,083)	27,224	(45,572)	20,828
Decrease/(increase) in prepayments	210	1,147	3	167
Decrease/(increase) in investments	1,139	4,672	-	-
Decrease/(increase) deferred tax assets	5	(1,149)	5	(1,149)
Increase/(decrease) in payables	(471)	(1,785)	3,119	87
Increase/(decrease) in borrowings	(12,156)	(4,706)	(12,156)	(4,706)
Cash flows from operations	<u>4,244</u>	<u>10,663</u>	<u>(6,078)</u>	<u>3,566</u>

GOLD CORPORATION AND SUBSIDIARIES
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FOR THE YEAR ENDED 30 JUNE 2002

22 SEGMENT REPORTING

(a) Primary reporting-Business segments	Product	Refining	TOTAL
	Sales		
Group - 2002	\$000	\$000	\$000
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	<u>190,860</u>	<u>3,535</u>	<u>194,395</u>
Profit/(loss) from ordinary activities before statutory contribution expense	-4,516	3,535	(981)
Income tax expense/(benefit)			5
Net Profit/(Loss)			<u>(986)</u>
Segment assets	271,391	10,582	281,973
Unallocated assets			3,045
Total assets			285,018
Segment liabilities	<u>234,191</u>	<u>0</u>	<u>234,191</u>
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	<u>4,609</u>		<u>4,609</u>
Group - 2001			
Revenue			
External sales and other revenue	156,095		156,095
Share of net profits of investments accounted for using the equity method	56	1,677	1,733
Total revenue from ordinary activities	<u>156,151</u>	<u>1,677</u>	<u>157,828</u>
Profit/(loss) from ordinary activities before statutory contribution expense	-7,428	1,677	(5,751)
Income tax expense/(benefit)			(1,058)
Net Profit/(Loss)			<u>(4,693)</u>
Segment assets	289,278	9,751	299,029
Unallocated assets			3,050
Total assets			302,079
Segment liabilities	<u>250,266</u>		<u>250,266</u>
Other			
Investments accounted for using the equity method	1,970	9,751	11,721
Acquisition of non-current segment assets	9,790		9,790
Depreciation and amortisation of segment assets	1,913		1,913
Other non-cash segment expenses	<u>3,154</u>		<u>3,154</u>

Segment information has been disclosed by output

GOLD CORPORATION AND SUBSIDIARIES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2002

22 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 Joint Venture).

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 Joint Venture, which is 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

Geographical location:	Segment Revenues from		Carrying Amount of		Acquisitions of Non-	
	External customers		Segment Assets		current Segment Assets	
	2002	2001	2002	2001	2002	2001
	\$000	\$000	\$000	\$000	\$000	\$000
Europe	30,127	15,089	0	0	0	0
Asia	36,621	38,805	629	423	10	0
U S A	53,438	26,219	0	0	0	0
Other countries	21,552	4,871	0	0	0	0
Australia	52,657	72,844	284,389	301,656	6,763	9,790
	<u>194,395</u>	<u>157,828</u>	<u>285,018</u>	<u>302,079</u>	<u>6,773</u>	<u>9,790</u>

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.

GOLD CORPORATION AND SUBSIDIARIES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2002

	Group		Gold Corporation	
	2002	2001	2002	2001
23 LEASE COMMITMENTS	\$000	\$000	\$000	\$000
Analysis of finance lease commitments :				
Payable no later than one year	26	24	-	-
Payable later than one, but no later than five years	13	48	-	-
	<u>39</u>	<u>72</u>	<u>-</u>	<u>-</u>
less: future finance charges	7	13	-	-
Finance lease liabilities	<u>32</u>	<u>59</u>	<u>-</u>	<u>-</u>
Included in financial statements as:				
Current (Note 15)	21	24	-	-
Non-current (Note 15)	11	35	-	-
	<u>32</u>	<u>59</u>	<u>-</u>	<u>-</u>

The finance lease commitment is for the lease of a motor vehicle by Perth Mint (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	365	472	294	422
Payable later than one, but no later than five years	334	346	218	346
	<u>699</u>	<u>818</u>	<u>512</u>	<u>768</u>

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 April 2006. The term of the Perth lease is until December 2002. The term of the Hong Kong lease is until April 2005.

24 CAPITAL COMMITMENTS

Aggregate capital expenditure contracted for, but not provided for, in the financial statements

Payable no later than one year	<u>25</u>	<u>4,109</u>	<u>25</u>	<u>85</u>
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GOLD CORPORATION AND SUBSIDIARIES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2002

**25 RECEIVABLES AND PAYABLES DENOMINATED
 IN FOREIGN CURRENCIES**

Amounts not effectively hedged	Group		Gold Corporation	
	2002	2001	2002	2001
Receivables	\$000	\$000	\$000	\$000
Due within twelve months				
US dollars	342	880	304	326
HK dollars	107	45	-	-
Payables				
Due within twelve months				
US dollars	261	601	257	567
HK dollars	96	346	-	-
Due after twelve months				
HK dollars	11	35	-	-

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	
	2002	2001	2002	2001
	\$000	\$000		
Maturity				
0 - 12 months	8,831	10,556	0.5662	0.6726

(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
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26 FINANCIAL INSTRUMENTS (continued)

	Notes	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	
2002							
Financial Assets							
Cash and deposits	6	7,548	57	-	-	48	7,653
Receivables	7	-	133,291	96	-	1,677	135,064
		<u>7,548</u>	<u>133,348</u>	<u>96</u>	<u>-</u>	<u>1,725</u>	<u>142,717</u>
Weighted average interest rate							
- cash		1.20%	4.55%				
- receivables			1.51%	6.50%			
Financial Liabilities							
Trade and other creditors		-	-	-	-	10,239	10,239
Lease liabilities		-	21	11	-	-	32
	14,15	<u>-</u>	<u>21</u>	<u>11</u>	<u>-</u>	<u>10,239</u>	<u>10,271</u>
Weighted average interest rate			5.25%	5.25%			
Net financial assets/(liabilities)		<u>7,548</u>	<u>133,327</u>	<u>85</u>	<u>-</u>	<u>(8,514)</u>	<u>132,446</u>

	Notes	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	
2001							
Financial Assets							
Cash and deposits	6	3,394	6,791	-	-	47	10,232
Receivables	7	-	192,900	90	11	4,937	197,938
		<u>3,394</u>	<u>199,691</u>	<u>90</u>	<u>11</u>	<u>4,984</u>	<u>208,170</u>
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	<u>-</u>	<u>24</u>	<u>35</u>	<u>-</u>	<u>10,488</u>	<u>10,547</u>
Weighted average interest rate			5.25%	5.25%			
Net financial assets/(liabilities)		<u>3,394</u>	<u>199,667</u>	<u>55</u>	<u>11</u>	<u>(5,504)</u>	<u>197,623</u>

GOLD CORPORATION AND SUBSIDIARIES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2002

26 FINANCIAL INSTRUMENTS (continued)

	Notes	Fixed interest maturing in:					Total
		Floating interest rate	1 year or less	over 1 to 5 years	more than 5 years	Non- interest bearing	
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2002							
Precious Metal Inventories							
Gold		-	-	-	-	78,379	78,379
Silver		-	-	-	-	6,428	6,428
Other		-	-	-	-	3,437	3,437
	8	-	-	-	-	88,244	88,244
Precious Metal Borrowings							
Gold		-	101,012	-	-	89,863	190,875
Silver		-	9,352	-	-	16,411	25,763
Other		-	1,438	-	-	4,379	5,817
	15,18	-	111,802	-	-	110,653	222,455
Weighted average interest rate			1.33%				
Net metal assets (liabilities)		-	(111,802)	-	-	(22,409)	(134,211)
Net financial and precious metal assets/(liabilities)		7,548	21,525	85	-	(30,923)	(1,765)

	Notes	Fixed interest maturing in:					Total
		Floating interest rate	1 year or less	over 1 to 5 years	more than 5 years	Non- interest bearing	
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2001							
Precious Metal Inventories							
Gold		-	-	-	-	28,362	28,362
Silver		-	-	-	-	9,647	9,647
Other		-	-	-	-	1,855	1,855
	8	-	-	-	-	39,864	39,864
Precious Metal Borrowings							
Gold		-	174,840	-	-	29,905	204,745
Silver		-	16,142	-	-	8,832	24,974
Other		-	1,895	-	-	2,997	4,892
	16	-	192,877	-	-	41,734	234,611
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

GOLD CORPORATION AND SUBSIDIARIES
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FOR THE YEAR ENDED 30 JUNE 2002

26 FINANCIAL INSTRUMENTS (continued)

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

	Notes	2002 \$'000	2001 \$'000
Net financial and precious metal assets/(liabilities) as above		(1,765)	2,876
Non-financial assets and liabilities:			
Inventories	8	8,000	11,297
Investments accounted for using the equity method	12	10,582	11,721
Property, plant & equipment	9	30,841	25,914
Intangibles	13	1,304	1,568
Prepayments		285	495
Deferred tax assets	5	3,045	3,050
Tax liabilities	16	-	(103)
Provisions	17	(1,465)	(5,005)
Net assets per Statements of Financial Position		<u>50,827</u>	<u>51,813</u>

(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 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 2002**

	Group		Gold Corporation	
	2002	2001	2002	2001
27 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	594	591	594	591
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	<u>1,154</u>	<u>1,110</u>	<u>728</u>	<u>709</u>
	<u>1,748</u>	<u>1,701</u>	<u>1,322</u>	<u>1,300</u>

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	
	2002	2001	2002	2001
\$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	1	1
\$410,001 - \$420,000	0	1	0	1
\$420,001 - \$430,000	1	0	1	0

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:

\$60,001 - \$70,000	0	1	0	1
\$70,001 - \$80,000	2	1	2	1
\$80,001 - \$90,000	2	3	2	2
\$90,001 - \$100,000	1	1	0	0
\$100,001 - \$110,000	3	2	1	1
\$110,001 - \$120,000	0	1	0	0
\$120,001 - \$130,000	1	1	0	1
\$130,001 - \$140,000	1	0	1	0
\$160,001 - \$170,000	0	1	0	1
\$170,001 - \$180,000	1	0	1	0

GOLD CORPORATION AND SUBSIDIARIES**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30 JUNE 2002**

	Group		Gold Corporation	
	2002	2001	2002	2001
	\$000	\$000	\$000	\$000
28 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	82	78	82	78
Fees paid or due and payable to auditors other than the Auditor General for the financial year:				
fees for external audits of overseas subsidiaries	11	15	-	-
	<u>93</u>	<u>93</u>	<u>82</u>	<u>78</u>

29 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 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 2002

30 CONTINGENT LIABILITIES

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.

31 EVENTS SUBSEQUENT TO BALANCE DATE

AGR Joint Venture (AGR JV) have completed and signed agreements for the purchase of the business activities of Australian Artimports Pty Ltd and Atlantis Chain and Century Findings Pty Ltd. The acquisitions took effect from 1 August 2002. The effects of the above acquisitions have not been brought to account at 30 June 2002.

AGR JV has concluded successful negotiations with Johnson Matthey (Australia) Limited (JMA) on combining the business activities of AGR JV and JMA. A new partnership, AGR Matthey, has been formed between the Western Australian Mint, Australian Gold Alliance Pty Ltd and JMA. The interests of the parties are 40%, 40% and 20% respectively in the new partnership. The commencement date of the new partnership was 3 October 2002. The effects of the above merger have not been brought to account at 30 June 2002.

GOLD CORPORATION AND SUBSIDIARIES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2002

32 COMPARISONS OF ESTIMATES AND ACTUAL RESULTS

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

The Group's business plans for 2001/02 projected an operating profit before statutory contribution of \$2,536,000 compared to the actual loss of \$981,000. The most significant variations are:

- Reduced profits from GoldCorp Australia, with fewer commemorative coin programmes in the year;
- Write off and provision for write-down of surplus inventory;
offset by,
- Profit distribution from AGR Joint Venture 90% above budget;
- Significant profits from the treasury division, including currency hedging and trading;
- Perth Mint Depository results exceeding budget.

33 VARIATIONS FROM PREVIOUS YEAR

Treasurer's Instruction 945 requires an explanatory statement providing reasons for and details of any significant variations between actual revenue and expenditure for the financial year and the corresponding item in the financial statements of the immediately preceding year. The most significant variations are:

Sales Revenue

Total sales revenue of \$187 million in 2002, against \$149 million in the preceding year, was higher by 25%. However the trading profit of \$17.9 million in 2002, compared with \$28.8 million in 2001, was 38% lower, mainly due to some large volume metal transactions at low margins.

Profit from AGR Joint Venture

Income from the group's investment in the AGR Joint Venture was \$3.5 million for the year ended 30 June 2002, compared with \$1.7 million in the previous year. The increased income was mainly due to significantly higher results from the refining operations.

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 statement of financial position. Interest income includes the lease fees, as well as interest on funds on deposit. Interest income and expenses were lower by 46% and 52% respectively than in the previous year, due to the lower market rates during 2002.

Currency hedging and trading

Profits on currency trading of \$1.08 million on currency hedging and trading were realised in the financial year ended 30 June 2002, compared with losses and provision for unrealised losses of \$3.1 million in 2001.

Materials and services

Significant reductions in material and services costs, which include overhead expenses, were achieved during the year, with the total costs 50% below the preceding year.
