THE PERTH MINT AUSTRALIA

Gold Corporation

Annual Report 2012

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STATEMENT OF COMPLIANCE

14 September 2012

The Honourable Colin Barnett MLA
Premier; Minister for State Development
24th Floor, Governor Stirling Tower
197 St Georges Terrace
PERTH WA 6000

STATEMENT OF COMPLIANCE

In accordance with the *Financial Management Act 2006,* we hereby submit for your information and for presentation to the Parliament, the Annual Report of Gold Corporation for the year ended 30 June 2012.

The Annual Report has been prepared in accordance with the provisions of the *Financial Management Act 2006.*

K G SANDERSON
Chair

M E HARBUZ
Executive Director

THE YEAR IN BRIEF

- Pre-tax profit was $40.1 million – the best on record
- Dividend of $14.7 million and tax equivalent of $7.9 million were paid to the Government of Western Australia
- Turnover was $6.8 billion
- The value of client metal on deposit increased to $3.5 billion from $3.3 billion
- Most of the gold produced in Australia was refined in Perth, together with gold from nearby countries and a large amount of recycled gold
- Most of the gold refined was supplied as value-added bars to customers
- Nearly 4.2 million coins and minted bars were sold, representing 20.83 tonnes of gold, 288 tonnes of silver and 1.04 tonnes of platinum
- Australian numismatic coins included:
  - Famous Battles in Australian History
  - Celebrate Australia – World Heritage Sites
  - Australian Sea Life – The Reef II
  - Her Majesty Queen Elizabeth II Diamond Jubilee
  - Australian Olympic Team
- The number of people visiting the exhibition increased to over 80,000
- The record breaking Australian Kangaroo one tonne gold coin was unveiled

GOLD CORPORATION – MORE THAN A CENTURY IN PRECIOUS METALS

Gold Corporation's history started with the founding of the Perth branch of Britain's Royal Mint in 1899. At that time, gold sovereigns and half sovereigns were used throughout the British Empire as everyday circulating coins and it was the Royal Mint's responsibility to supply them. Rather than shipping gold to London, minting sovereigns and then distributing them back to Britain's colonies, the Royal Mint built a number of branch mints throughout the Empire in places where gold was found. The Perth Mint was one of these – built to refine gold mined in Western Australia and turn it into sovereigns.

When sovereigns were withdrawn from circulation in 1931, the Mint turned its skills to the production of base metal coins, although it still continued to refine gold. It remained under British ownership until 1970, when control passed to the Government of Western Australia.

Gold Corporation was created by the *Gold Corporation Act 1987* to take over the operations of the Mint and launch Australia's bullion coin programme. The Australian Nugget bullion coin was launched in 1987, and was followed by many other successful bullion coin programmes, numismatic and commemorative coins.

The Mint's refining activities eventually outgrew the old premises in the city of Perth and a new refinery was built near Perth's international airport. This facility commenced operation in 1990.

Gold Corporation has two wholly owned subsidiaries – Western Australian Mint and GoldCorp Australia.

MISSION STATEMENT

Gold Corporation and its subsidiaries, trading as The Perth Mint, supply precious metal related products and services, including:

- Refining of gold and silver and producing London Good Delivery bars;
- Value-added cast bars, minted bars and Australian legal tender bullion coins which promote the ownership of precious metals;
- Precious metal depository products which enable investors to own precious metals without having to deal with the security, insurance and other issues associated with taking physical possession of precious metals;
- Proof, numismatic and commemorative coins which are legal tender of Australia and other countries;
- Storage and safekeeping of precious metals; and
- Coin blanks and other precious metal products.

It also operates a tourist attraction based on the themes of gold, coins and their history, and offers assaying and other services to the gold industry.

Gold Corporation commits to:

- Supplying products, services and experiences which delight customers and users;
- Promoting the history and heritage of Australia locally and internationally through its coins;
- Preserving its heritage assets and history for the benefit of the community;
- Providing fulfilment, development, security and fair reward to its employees;
- Generating an acceptable financial return to its shareholder, the Government of Western Australia; and
- Paying a fair royalty to Australian Treasury on Australian legal tender coins issued.

It is committed to high ethical standards, respect for people and the environment, and enlightened business practices.

CHAIRMAN'S REVIEW

ROSS BOWE

I am pleased to report another successful year for Gold Corporation; indeed one in which a record profit was achieved. Uncertainty in the world economy continued and precious metals remained an attractive option for some investors. High demand for precious metals provided opportunities for many of Gold Corporation's activities and we were able to exploit these, resulting in a profit before tax of $40.1 million compared to the previous year's $28.1 million.

This was another year in which economic reporting continued its negative tone; concentrating on Europe's sovereign debt crisis but with a constant undercurrent of news of problems elsewhere as well. Bullion coin sales were buoyant, helped by the year's Dragon theme on the Lunar series coins, as were sales of value-added gold bars, mainly in Asia. Depository also benefited with both buying and selling resulting in very high levels of activity. Again, the organisation's capacity was tested. Multiple shifts or extended working hours were necessary in much of the organisation and the extra capacity and capabilities resulting from the ongoing capital expenditure programme were well utilised.

The gold refinery business enjoyed increased volumes of both gold and silver, and high demand for small gold bars meant that most of the gold was shipped as value-added product. The investment in enhanced bar casting facilities proved advantageous. Australia continued to be the world's second largest gold producer, after China, and most of this gold, as well as gold produced in nearby countries, was refined in Perth.

Much excitement was generated in the coin and gold industries by the launch of the Australian Kangaroo one tonne gold coin by the Premier, the Honourable Colin Barnett MLA, at the Official State Dinner of the Commonwealth Business Forum on 26th October 2011; it is by far the biggest coin ever made. It illustrates Gold Corporation's willingness to innovate and to test new boundaries. The extensive worldwide publicity has increased awareness of Gold Corporation's bullion coin programme as well as its other businesses, and will continue to do so.

Numismatic coins also had a successful year; these are popular both in Australia and internationally. Over a million numismatic coins were sold – a substantial increase over the previous year. These coins were designed by The Perth Mint's own artists and the necessary dies and tooling to mint the coins, as well as the coin blanks, were all made on site. Once again, the themes of the coins reflected aspects of Australia and promoted the country internationally. Many of the coins sold out their full mintage. There were many coins issued; a few deserving special mention are:

- Discover Australia – Australian Fauna
- Famous Battles in Australian History
- Celebrate Australia – World Heritage Sites
- Australian Sea Life – The Reef II
- Her Majesty Queen Elizabeth II Diamond Jubilee
- Australian Olympic Team

The value of metal held in Depository increased slightly. There were large inflows of metal but some of these inflows were offset by outflows as customers sold some of their existing holdings either to take profits or adjust their portfolios. The value of metal held at the end of the financial year stood at $3.5 billion.

Difficulties in the tourism industry have been well publicised. Despite these, it is pleasing to report that the number of visitors to the exhibition at The Perth Mint increased from 71,080 to 80,031. The retail outlet continued to perform well, boosted by its offerings of The Perth Mint's coins as well as other treasures unique to Australia such as natural gold nuggets, opals, South Sea pearls and pink diamonds.

The Perth Mint is well known in the coin and gold industries worldwide; indeed most of its business is done internationally. Its success, both in Australia and around the world would not be possible without the numerous agents, dealers, distributors, banks and counterparties with which it deals. These relationships, some long standing, are essential to the success of the business. A presence in so many markets and in so many countries would not be possible without them. I would again like to extend my thanks to all of them and hope that the mutually profitable relationships will continue.

The precious metals business has been transformed in less than a decade. The ongoing economic difficulties in the world have resulted in greatly increased investment demand for these metals and prices at levels not seen before. The use of gold in jewellery might have declined significantly but this has been more than offset by private and institutional demand for gold as an alternative investment asset – true to a lesser extent of silver and platinum as well. Central banks, after being net sellers of gold for a long time, have started buying the metal. These are favourable conditions for Gold Corporation, and we have been able to exploit them to our significant advantage. An extensive capital expenditure programme has been necessary but we have been able to generate the cash resources to fund this without borrowing, while still meeting our tax equivalent and dividend payments to our shareholder, the Western Australian Government. There seems to be no prospect of a convincing return to confidence in the world in the near future so current conditions in the precious metals market will probably continue for a number of years – a favourable environment for Gold Corporation. Ultimately, when confidence returns, the dynamics of the precious metals markets will change. There are likely to be periods of low demand or even net disinvestment but it is possible that the residual interest remaining will be stronger than before the onset of the economic crisis – time will tell. In any event, at some time in the future, Gold Corporation will have to adapt to significantly changed circumstances with new challenges.

It has been a privilege and a pleasure to serve on the Board of Gold Corporation, and as Chairman in a period during which the business expanded significantly. I would like to take this opportunity to welcome the new Chair of Gold Corporation, Mrs Kerry Sanderson, whose appointment by the Western Australian Government will take effect from the end of August 2012, upon my retirement from the position. I wish her and everyone in Gold Corporation every success.

I would like to thank the Minister responsible for Gold Corporation, the Honourable Colin Barnett MLA, Premier; Minister for State Development for his interest and support. I also thank my fellow Board members for their diligence and enthusiasm, and acknowledge the additional work done by those on Board committees.

Lastly, I would like to thank our Chief Executive Officer, Ed Harbuz, our Chief Financial Officer, Richard Hayes, other executives, management and staff for rising to the many challenges which the business presented and for achieving a record result. Market conditions have been favourable but it was the effort, determination, dedication and creativity of all involved that turned opportunities into excellent performance.

R G BOWE
Chairman

30 June 2012

REVIEW OF OPERATIONS

M EDWARD HARBUZ
CHIEF EXECUTIVE OFFICER

The heightened interest in precious metals as an investment asset continued in the period, resulting in good sales of bullion coins, bullion bars and Depository products. This interest, together with buying of gold by central banks, resulted in high precious metal prices being maintained although with considerable fluctuation during the year. Business was good in both directions – buying and selling. Sales of the Year of the Dragon coins, depicting the most popular theme in the twelve year lunar cycle, exceeded all expectations.

The almost immediate sell out of the products with limited mintages transferred the demand to other coin sizes and products, resulting in the best year ever for this long running series. Together with increased volumes through the refinery, these factors contributed to a very pleasing record year for Gold Corporation.

The profit before tax was $40.1 million compared to the previous year's $28.1 million. Turnover was $6.8 billion compared to the previous year's $5.5 billion. As mentioned, there were high volumes of business in both directions. Sales of bullion coins and bars as well as recycling of gold products back to the refinery were at elevated levels. The same occurred in Depository where there was much selling as customers took profits, and high levels of buying. The strength of the Australian dollar depressed the realised margins on certain products but this was more than offset by the sheer volumes of sales.

Payments to the Government of Western Australia during the financial year included income tax equivalent payments totalling $7.9 million and a dividend of $14.7 million. Royalty payments to Australian Treasury, in terms of the agreement under which Gold Corporation mints and issues Australian legal tender coins, was $5.4 million.

Gold Corporation's pleasing performance would not have been possible without the ongoing well directed capital expenditure programme – aimed at increasing output, flexibility, quality and efficiency, and decreasing costs. This ongoing programme continued during the year and a total of $8.2 million was invested. This expenditure was fully funded from internal cash resources without resorting to increased borrowings. In fact, the only long term loan of $3.5 million was repaid during the year. Considerable modernisation of the mint, refinery and the information infrastructure has been achieved and the programme continues. A highlight of the expenditure programme was the commissioning of a third automatic coining press with improved automation. It has been minting coins almost continuously since it was commissioned and will prove invaluable as high demand for coins continues.

Gold Refinery

The Perth Mint operates Australia's only major gold refinery which refines large quantities of silver as well. Australia was the world's second largest producer of gold after China in 2011 and will likely maintain this status in the 2012 calendar year. The Perth facility refined almost all of Australia's gold production during the financial year as well as gold mined in New Zealand, Papua New Guinea, Fiji, Solomon Islands, Thailand, Malaysia and the USA. A significant amount of scrap gold, mainly from Asia, was refined as well. There was a significant increase in the quantity of silver refined and this is expected to continue into the future. The total quantity of gold and silver refined in the financial year makes this refinery one of the largest in the world. The refinery supplies Gold Corporation's own physical gold and silver needs and many customers throughout the world. During the year, it shipped most of its gold in value-added bar form to these customers and only a small amount was shipped in the form of 400 ounce good delivery bars to the London bullion market. The market for small gold bars in Asia, particularly in China, has grown significantly.

Coins

The Perth Mint is the exclusive producer and issuer of Australia's gold, silver and platinum bullion coins. These are distributed internationally and The Perth Mint has achieved a significant worldwide market share. It also produces and markets worldwide a range of Australian legal tender numismatic coins in gold, silver, platinum and base metal, as well as numismatic coins on behalf of other issuing authorities. Minted bars in tamper-evident packaging, produced by the same minting process as coins, have become another important product range. All Australian coins are minted under an agreement with Australian Treasury which receives a royalty or seignorage on each coin sold.

Almost 4.2 million coins and minted bars were sold during 2011/2012, compared with 3.8 million in the previous financial year. Over a million of these were numismatic coins, also a substantial increase over the previous year. These sales resulted in The Perth Mint adding value to 20.83 tonnes of gold, 288 tonnes of silver and 1.04 tonnes of platinum. The previous year's figures were 12.85 tonnes of gold, 330 tonnes of silver and 438 kilograms of platinum.

Demand for precious metals in all forms continued to be strong, and bullion coins were no exception. Despite The Perth Mint's disadvantages of distance from the main markets and the strength of the Australian dollar, it held its own. The following bullion coins with limited mintages sold out: the 2012 1oz Australian Kookaburra silver (500,000); the 2012 1oz Year of the Dragon silver (300,000); the 2012 1oz Year of the Dragon gold (30,000) and the 2011 1oz Australian Platypus platinum (30,000).

Sales of numismatic coins continued strongly and numerous sell outs were achieved with these as well. The market is changing – and growing worldwide. Theme collectors and purchasers of coins as gifts are increasing and the popularity of these coins is spreading to new countries. The Perth Mint's high quality standards, innovative techniques and increasing use of high-relief designs contributed to its ongoing success in a market crowded with many formidable competitors. Some of the successful Australian legal tender commemorative and theme coins issued were:

- Discover Australia – Australian Fauna
- Famous Battles in Australian History
- Celebrate Australia – World Heritage Sites
- Australian Sea Life – The Reef II
- Her Majesty Queen Elizabeth II Diamond Jubilee
- Australian Olympic Team
- Australian Lunar – Year of the Dragon
- Young Collectors – Animal Athletes
- Ginger Meggs 90th Anniversary

Special themes of interest to many collectors were accommodated by issuing coins on behalf of overseas issuing authorities, including the governments of Tuvalu and Cook Islands.

In Australian bullion coins, Australian numismatic coins and foreign issuing authority numismatic coins, the Lunar Calendar Year of the Dragon coins proved particularly successful. This is the most popular theme of the twelve year cycle and, although good sales were expected, the demand exceeded all expectations. The successful marketing of this design was a major contributor to the success of the coin business in the financial year.

October 2011 saw The Perth Mint unveil the Australian Kangaroo one tonne gold coin, which has already been awarded the title of the largest coin by Guinness World Records. Made from 99.99% pure gold, the coin is Australian legal tender and its purpose is to promote the Australian Kangaroo and The Perth Mint's other bullion coins throughout the world. It has generated much interest and publicity in various media and continues to do so. It is now on permanent display in The Perth Mint exhibition.

The record coin sales put considerable pressure on the production facilities. Two and often three shift operation was necessary for most of the year. The commissioning of the third automatic coining press relieved some of the pressure as did various other new pieces of equipment and various process improvements, but the levels of production required are growing so much that continued enhancement of production facilities will be necessary. Despite the pressure, the ISO 9001.2001 quality certification and the AS/NZS 4801.2001 accreditation for health and safety were both maintained.

Precious Metal Coin Blanks

The Perth Mint manufactures precious metal coin blanks for some other mints around the world as well as meeting its needs for its own coins. The ISO 9001.2001 quality certification plays an important role in the consistent achievement of quality standards.

About 8.4 million coin blanks were manufactured during the year. This was a slight decrease on the previous year, as external demand softened towards the end of the period.

Visitor Experience

Despite the slowdown in the tourism industry, the number of visitors to The Perth Mint showed a pleasing increase from the previous year's 71,080 to 80,031. There were several contributing factors, among them the displaying of the Australian Kangaroo one tonne gold coin and growth in the number of tourists from China visiting Western Australia. The commencement of direct flights from China to Perth has had a positive effect.

The popularity of the Year of the Dragon coins drew people to the shop in large numbers, as did the launch of the unwanted gold jewellery buyback business. Demand for bullion coins and bars was also strong for most of the year. The shop draws local people, interstate visitors and international tourists for whom a range of uniquely Australian products is an attraction. These include The Perth Mint's own bullion and numismatic coins, jewellery containing these, pink diamonds, South Sea pearls, natural gold nuggets and opals.

Perth Mint Depository

Ongoing economic instability coupled with sovereign debt issues in Europe created the basis for volatile precious metal markets, with gold trading in a USD403 range during the period. Central banks continued to add to their gold holdings and demand for gold from China overtook India for the first time. Perth Mint Depository experienced significant buying and selling of precious metals as clients rebalanced their portfolios.

The number of clients, from 105 countries, increased from 20,000 to 23,000 and the value of metal held increased slightly to $3.5 billion by the end of the financial year. Of this, $565 million was held in the form of allocated metal, with the balance held as either unallocated or pool allocated product.

Allocated and pool allocated metal is stored in vaults while some of the unallocated metal belonging to investors is used to support the minting and refining operations. The three programmes; Perth Mint Depository Program, Perth Mint Certificate Program and the ASX listed Perth Mint Gold continued to be popular.

State Batteries

A number of state batteries (Government owned mineral processing facilities) were vested in Western Australian Mint (a subsidiary of Gold Corporation) in the late 1980s. Some of the reserves have been leased to private operators and the others are abandoned. Twenty four of these sites have been classified as “Possibly Contaminated – Investigation Required" in terms of the *Contaminated Sites Act 2003.* The investigations are being carried out on a priority basis.

The Northampton battery reserve was identified as a priority site requiring remediation. A containment cell for the lead tailings was completed during 2010. Revegetation of the site is in progress and the cell is monitored regularly to ensure there is no leaching of the lead or erosion of the cell. The cost of building the cell, revegetation, monitoring, evaluation and repairs was, and continues to be, funded by the Department of Environment from its Contaminated Sites Fund.

The contamination of these sites and any other problems they may contain were not caused by Gold Corporation and are a result of operations on the sites long before they were vested in Western Australian Mint. Although most of the costs associated with remediation are dealt with as described above, the ongoing monitoring of such geographically dispersed sites represents a cost to Gold Corporation and requires management time.

Staff

Due to increased activity levels in the organisation, the number of permanent staff increased from 317 to 357. These employees were assigned to the business entities as shown below:

	30 June 2012	30 June 2011
Gold Corporation	70	57
Western Australian Mint	232	208
GoldCorp Australia	55	52
	357	**317**

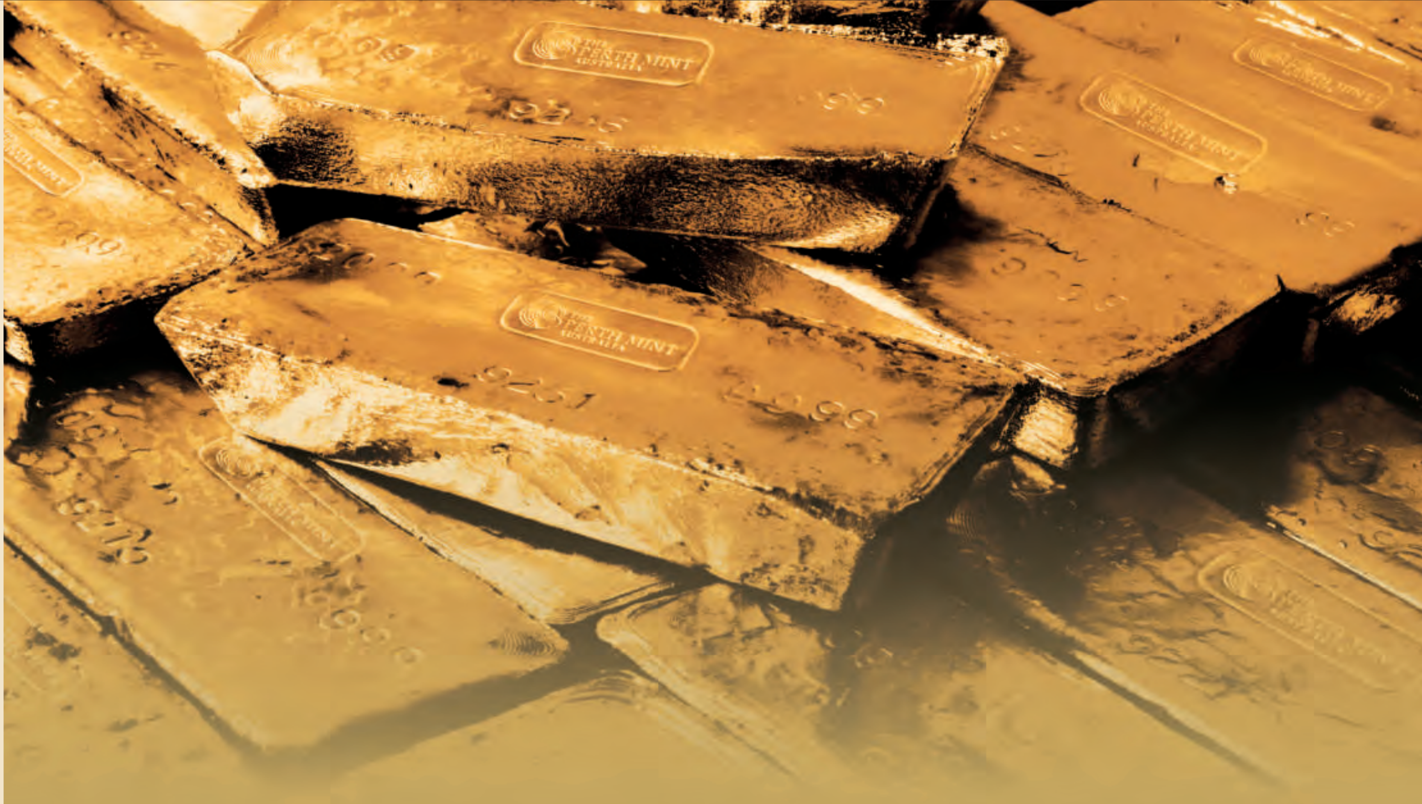
There were 230 salaried employees and 127 award or collective agreement staff members employed as at 30 June 2012. The workforce consisted of 44.2% women (44% in 2011). Female Tier 2 managers remained at 33.3% and female Tier 3 managers increased to 42.4% from 37.5%. The average age of employees increased slightly to 45.52 from 45.08. Youth workers (less than 25 years old) decreased to 6.6% from 7.5% and mature workers (older than 45 years) decreased to 47.9% from 49.4%. Staff turnover increased slightly from 12% to 12.9%.

Complaints Policy and Customer Service Charter

Gold Corporation recognises the importance of delighting its customers. As a public statement of its commitment to service and complaints handling, the Corporation's Complaints Policy and Customer Service Charter embodies the following elements:

- A documented and whole-of-organisation commitment to the efficient and fair resolution of complaints;
- Fairness to the complainant;
- Adequate staff resources, with a high level of delegated authority;
- Speedy and courteous responses;
- No charges for the handling of complaints;
- A formal system to determine causes and implement remedies;
- Systematic recording of complaints and their outcomes;
- Regular reviews of the quality management and complaints review process.

In the coin business, a record total of 52,667 orders were processed, increasing by 2,858 from the previous year, with 10 complaints received; half the number reported in 2010/11. Most of these were related to coins or packaging damaged in transit.



Following the release of the highly anticipated Australian Lunar Year of the Dragon coins, a number of concerns were received on social media about the efficiency of Perth Mint websites www.perthmint.com.au and www.perthmintbullion.com.au. The temporary difficulties experienced on both sites were caused by the inability of the organisation's systems to handle such a large volume of orders in a short time. Action has been taken to alleviate the problem in future.

Depository processed 40,877 orders and received two complaints. There were 10 complaints about the shop predominantly relating to queuing times during periods of high demand, with four complaints received about the exhibition. There were no complaints related to the gold refining service.

Industry and Community Participation

As part of its functions under the *Gold Corporation Act 1987,* the Corporation is mandated to encourage interest in precious metals and to support the Australian gold industry. Its Mission Statement also requires it to promote the history and heritage of Australia through its coins, and preserve its heritage assets and history for the benefit of the community.

The Perth Mint involves itself in the local tourism industry and business community through its memberships of the Perth Convention Bureau, Tourism Council of Western Australia, Tourism Australia, Tourism Western Australia, Association of Perth Attractions, Perth Regional Tourism Association (Experience Perth), and the International Business Council.

During the year, The Perth Mint also supported local industry associations through the sponsorship of the WA Tourism Awards hosted by the Tourism Council of Western Australia and the Western Australian Chinese Chamber of Commerce.

As an active participant in the Australasian Numismatic Dealers' Association Coin, Banknote and Stamp Shows, the Mint attended events held in Sydney, Melbourne, Perth and Brisbane during the year.

Internationally, The Perth Mint attended the annual London Bullion Market Association Conference, the European World Money Fair, the American World's Fair of Money, the Beijing Coin Expo, the Tokyo International Coin Convention, the bi-annual XXVII Mint Directors' Conference in Vienna and the 2012 Coin Constellation Conference in Russia.

Through sponsorships and donations, The Perth Mint assisted the fundraising efforts of organisations which benefited 52 local charities and 112 schools, clubs and special interest groups.

In support of Western Australia's performing arts, The Perth Mint maintained its sponsorship of the West Australian Symphony Orchestra's Private Giving Program for the eighth consecutive year.

The Perth Mint was also the official producer of the commemorative medallions for the XXIV Hyundai Hopman Cup, a major international tennis tournament hosted in Perth.

Closing Comments

Continuing uncertainty in the world economy, currently focussed on the sovereign debt issues in Europe, has created an environment in which precious metals continue to be regarded as a viable alternative investment asset. Not only individuals and institutions have shown interest but central banks have become significant buyers of gold after a long period of being net sellers. Although gold demand for jewellery has dropped significantly, investment and central bank buying have more than offset this decline and the gold price remains at a high level. The silver price has also been influenced by investment demand. Gold Corporation's extensive range of bullion investment products has provided opportunities for growth which it has been able to grasp, partly because of the comprehensive capital expenditure and organisation development programmes in the past. The year's good performance was a result of this.

Gold Corporation's various businesses are specialised and many of the skills required are quite unique. Fortunately the team is dedicated and there is a mix of many long serving employees and new team members bringing fresh ideas. I would like to thank all members of the team for their dedication, their professionalism, the spirit in which they tackled some enormous challenges and the good nature which prevails despite extended periods of pressure. I would also like to recognise the creativity displayed by many and the willingness of staff to accept new ideas and challenge convention. The Chairman and the Board have been extremely supportive and I would like to thank them for this, and for their guidance and insights.

I would like to extend special thanks to Ross Bowe, whose term as Chairman ended on 31 August 2012. His guidance and wisdom were particularly helpful in what were four exciting and eventful years. I wish him well in his future endeavours.

Looking to the future, there seems to be no immediate solutions to many of the profound problems affecting the world economy. In this scenario, interest in precious metals as an alternative investment asset class is likely to continue. If one considers that this interest is not widespread – currently only a small minority of investors actually own precious metals – then there could be significant potential for further growth and opportunities for Gold Corporation. This could develop over the next few years. Of course, eventually there will be a convincing economic recovery. When this happens, the attraction of stocks, bonds, bank deposits and investment property will probably lead to a loss of interest in precious metals and even significant divestment. This will create a different set of challenges for Gold Corporation.

The new financial year has started and already looks promising. Precious metals are still of interest and the demand is steady. This is likely to continue although the periods of frenetic demand which have occurred in the recent past may or may not be repeated. Another pleasing year can be anticipated.

M E HARBUZ
Chief Executive Officer

BUSINESS ACTIVITIES

Gold Refining

The refinery, located adjacent to Perth Airport, is Australia's only major gold and silver refiner. It refines most of Australia's gold, as well as gold from nearby countries. It also refines scrap gold from domestic and Asian sources.

The refinery is accredited by the London Bullion Market Association (LBMA), the Tokyo Commodity Exchange (TOCOM), the New York Commodity Exchange (COMEX) and the Dubai Multi Commodity Centre (DMCC). It holds ISO accreditation for safety and environmental management.

In 2011, The Perth Mint refinery committed to ensuring that its refining operations only source feed material that is deemed to be Conflict Free Metal and complies with all related legal obligations and socially responsible expectations.

The refinery produces 400oz 99.5% gold and 1000oz 99.9 silver London Good Delivery Bars, and has the capacity to convert all its gold and silver feed into value-added good delivery products which include 1kg, 100g, 50oz, 20oz, 10oz, 5oz, 2.5oz, 1oz and ½ oz 99.99% gold bars; 1kg 99.5% gold bars, and 1kg, 100oz, 20oz, and 10oz 99.9% silver bars.

Bullion Coins and Bars

The Perth Mint is the official producer of the Australian Bullion Coin Programme.

Issued as legal tender under the Australian *Currency Act 1965,* its pure gold, silver and platinum bullion coins portray iconic Australian fauna or animals from the Asian lunar calendar.

The complete bullion range comprises:

- 99.99% pure gold Australian Kangaroo coins;
- 99.9% pure silver Australian Kookaburra coins;
- 99.9% pure silver Australian Koala coins;
- 99.99% pure gold and 99.9% pure silver Australian Lunar coins;
- 99.95% pure platinum Australian Platypus coins.

Together with a range of minted gold bullion bars, and gold and silver cast bars, The Perth Mint's bullion coins are distributed through an international network of authorised agents, financial institutions and coin dealers. In addition, Australian investors can purchase directly from www.perthmintbullion.com with plans in place to expand this service to Asia in the coming year.

Perth Mint Depository

For those investors not wishing to deal with the issues (security, insurance etc) of taking physical possession of their precious metal, Perth Mint Depository offers the following storage options for unallocated, pool allocated and allocated precious metals:

- Perth Mint Depository Program (PMDP) offers a range of precious metal purchase, storage and trading facilities on competitive terms. The service is promoted principally via the internet and is tailored to suit larger investors;
- Perth Mint Certificate Program (PMCP) offers precious metals investments via an international network of approved dealers. Investors receive a certificate confirming their ownership of precious metals stored at The Perth Mint;
- Perth Mint Gold (ASX code: PMGOLD) is for investors who prefer the convenience of trading on the Australian Securities Exchange. It is listed on the AQUA platform.

Numismatic and Commemorative Coins

The Perth Mint designs, manufactures and markets gold, silver, platinum and base metal numismatic coins. These are issued as Australian legal tender, or legal tender of Tuvalu or Cook Islands. The coins are distinguished by:

- Design themes of interest to collectors or topics which celebrate historic milestones, natural heritage, acclaimed people and places of beauty;
- High quality proof finishes enhanced by special treatments including colour and gilding;
- Limited mintages;
- Certificates of Authenticity, which in most cases are numbered;
- Attractive presentation packaging, which complements each design theme.

With new coins issued each month, The Perth Mint's numismatic programme is one of the most extensive in the world. Designs are sometimes issued in a variety of weights and finishes and coins often feature innovations in design and presentation.

Precious Metal Coin Blanks

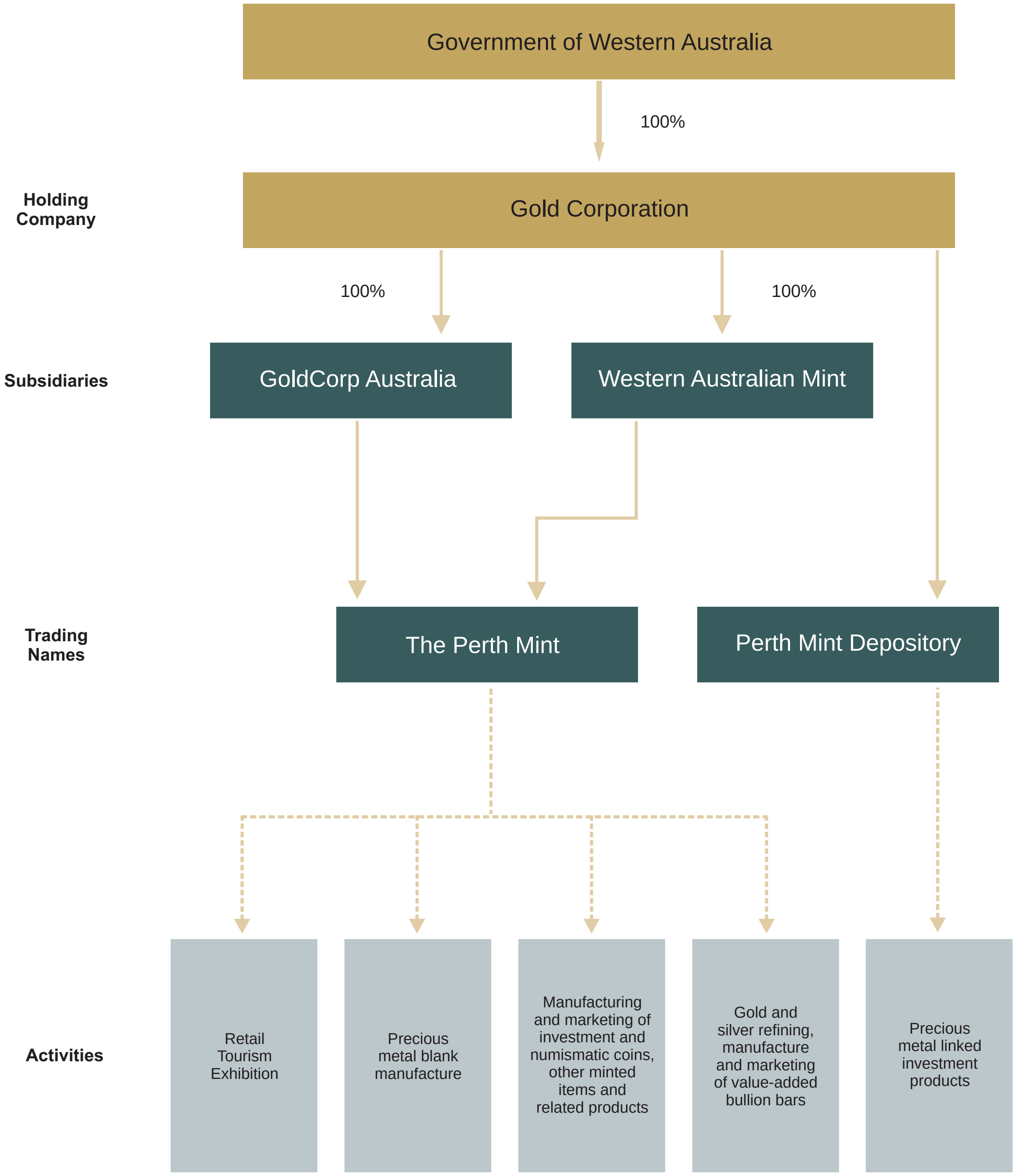
Gold Corporation, in addition to producing precious metal blanks for its own needs, is a supplier of blanks to other mints in the world. With its world class facilities and technology it is able to produce gold, silver and platinum blanks in an almost limitless variety of shapes, weights and sizes.

Tourism and Visitors

The Perth Mint is one of Western Australia's most popular tourist destinations. A winner of many tourism awards, it offers a unique and exciting visitor experience. Among the many highlights of the guided tour are the spectacular gold pour, the Australian Kangaroo one tonne gold coin, a stunning display of gold in many forms and displays of historic and contemporary coins. Welcoming more than 80,000 international, interstate and local visitors annually, The Perth Mint provides a fascinating glimpse into the history of gold and the minting of coins in Western Australia.

The recently refurbished shop also provides a unique opportunity to buy bullion, coins, unique Australian products such as gold nuggets, opals, pink diamonds and South Sea pearls as well as souvenirs and other products.

GROUP STRUCTURE



CORPORATE GOVERNANCE

BOARD OF DIRECTORS

The Board of Directors is the governing body of Gold Corporation. The *Gold Corporation Act 1987* empowers the Board to determine policies for the Corporation and its subsidiaries, and requires the Board to:

- promote and develop markets for gold and gold products in Australia and elsewhere;
- develop and expand the Corporation's business for the benefit and to the greatest advantage of the people of Australia;
- operate in accordance with prudent commercial principles; and
- strive to earn a commercial rate of return on its capital.

The Board's authority is limited by the provisions in the Act and by Ministerial direction. The Board acknowledges its accountability to the Corporation's only shareholder, the Government of Western Australia.

The Board is committed to sound corporate governance principles, high standards of legislative compliance, and appropriate financial and ethical behaviour. The Board regards directorial and managerial conduct seriously and as an integral part of sound governance practices. In accordance with that, the Board has committed itself to comply, wherever applicable, with the spirit and letter of the Australian Institute of Company Directors Code of Conduct and Guidelines. Additionally, Directors can seek independent professional advice on Board matters at the Corporation's expense, with the approval of the Chairman. No such advice was sought during the year.

Membership

Directors are appointed by the Governor of Western Australia on the nomination of the Minister and approval by Cabinet. Mr Bowe retired, and Mrs K G Sanderson was appointed, as Chair, effective 31 August 2012. At year-end the Gold Corporation Board consisted of six non-executive Directors and two executive Directors.

Director	Status	Expiry of Term
R G Bowe (Chair)	Non-executive	30 June 2012*
R B Bennett	Non-executive	30 June 2015
R F Edwards	Non-executive	30 June 2015
G M McMath	Non-executive	30 June 2013
J W F Murphy	Non-executive	N/A, ex-officio
C S Wharton	Non-executive	30 June 2013
M E Harbuz	Executive	30 June 2015
R G Hayes	Executive	30 June 2013

* Schedule 1, Clause 1(3) of the *Gold Corporation Act 1987* states:

"A director shall, unless the director has resigned or is removed from office, continue in office notwithstanding that his term of office has expired, until a successor assumes office."

Director Biographies

ROSS BOWE BEc

Ross Bowe is currently Chairman of Racing and Wagering Western Australia.

From 1988 to 1994 Mr Bowe was Under Treasurer of Western Australia and Chairman of the Western Australian Treasury Corporation.

KERRY SANDERSON AO, BSc, BEcons, HonDLitt, MAICD

From 2008 to 2011 Kerry Sanderson was Agent General for Western Australia and represented and promoted Western Australia throughout Europe including Russia. Prior to this from 1991 she was Chief Executive Officer of Fremantle Ports at a time when the Port underwent substantial change.

Before 1991 Kerry was Deputy Director General of Transport for Western Australia and with the State Treasury as Director of Treasury's Economic and Financial Policy Division.

She is currently on the boards of listed companies Downer EDI and Atlas Iron as well as St John of God Health Care. She chairs the State Emergency Management Committee and participates in a number of charitable and community activities including the Advisory Council for the Curtin University Business School, the Paraplegic Benefit Fund and the Senses Foundation.

Kerry was named an Officer of the Order of Australia (AO) in the 2004 Queen's Birthday Honours List. She has degrees in both science and in economics from the University of Western Australia and in 2005 was the recipient of an Honorary Doctorate of Letters.

RAY BENNETT MAICD

Ray Bennett has had an extensive background in finance and banking with over 25 years' experience in the banking industry. Mr Bennett was the General Manager Retail Banking for Challenge Bank immediately prior to leaving the banking industry.

Mr Bennett was subsequently appointed Chief Executive Officer of the then Western Australian Totalisator Agency Board in 1995. He remained as Chief Executive until the Totalisator Agency Board was abolished in 2003, and Racing and Wagering Western Australia established to continue the operations of the Totalisator Agency Board and take control of the integrity and management of the racing industry, including allocation of funds across the three racing codes. Mr Bennett was appointed Chief Executive of the new organisation, a position he held until his retirement in 2008.

Mr Bennett is a Commissioner with the Western Australian Lotteries Commission and is a member of a project committee investigating development options for Gloucester Park Raceway.

RON EDWARDS BEc (WA), MEd (Hons) (Syd), EdD (WA)

Ron Edwards is Chairman of Seafood Experience Australia, the promotion arm of the Australian seafood industry. He also is a founding member of the Graham (Polly) Farmer Foundation committed to providing opportunities for Indigenous youth; he is a Council Member of the Anglican Schools Commission. He also works as a consultant in the resources and seafood industries.

In 2006 Dr Edwards was awarded a Doctorate in Education from the University of Western Australia; his topic was social inclusion in the low fee Anglican School system in Western Australia. Formerly Dr Edwards was the Member for Stirling in the Federal Parliament and was Chairman of the Economics Committee for the Federal Government. Recently he has worked on European trade matters for the Australian seafood industry and provides strategic advice on various projects.

GAYE McMATH BCom MBA (Melb) FCPA, FAICD

Gaye McMath is the Executive Director, Finance and Resources at the University of Western Australia. Ms McMath previously held the position of Pro Vice-Chancellor (Resource Management) and Chief Financial Officer at Murdoch University. Ms McMath was employed with BHP Billiton for 23 years in a wide range of senior financial, strategic planning and commercial management positions in the steel, mining and treasury divisions. She was a BHP Billiton nominated director on various domestic and international Boards.

Ms McMath is currently a Director of the Western Australian Treasury Corporation and Verve Energy.

JOHN MURPHY BCom, MCom, GAICD

John Murphy represents the Western Australian Under Treasurer, Mr Timothy Marney. He is currently the acting Director of the Infrastructure Division in the Western Australian Department of Treasury. In this role Mr Murphy heads a team that provides advice to the government on the major Government owned infrastructure and commercial agencies.

Mr Murphy has worked within the State Public Service for over twenty years in a variety of financial, economic and policy roles. As well as working in the Department of Treasury and Finance he has worked in agencies dealing with the resources and transport sectors.

CHRIS WHARTON

Chris Wharton is Chief Executive Officer of Seven West Media WA (SWM).

Mr. Wharton is responsible for all SWM assets in Western Australia – The West Australian, West Regional Publications (23 mastheads), its on-line properties, WA Publishers, Redwave Media (9 regional licences) and Channel Seven Perth.

Before that he was Chief Executive Officer of West Australian Newspapers, a position he held from December 2008.

Prior to that, he was Managing Director of Channel Seven Perth Pty Limited for nine years. During this period Channel Seven Perth dominated its opposition.

Mr Wharton's career began as a journalist and he worked in every area of newspaper management in Sydney before being appointed Chief Executive Officer of Perth's Community Newspaper Group in 1995.

Mr Wharton's community and business involvement includes membership of the Telethon Trust, Australian Olympic & Commonwealth Games Team – WA Appeal Committee, Gold Corporation, Committee for Perth and the Australian Institute of Company Directors. He is Vice President of the Chamber of Commerce and Industry of WA.

M EDWARD HARBUZ BSC (Eng), MBL

Ed Harbuz was appointed Chief Executive Officer of Gold Corporation on 1 July 2003. Mr Harbuz was Managing Director of the South African Mint Company Pty Ltd for almost seven years until 2001 and Group Managing Director of Cullinan Holdings Ltd, one of South Africa's oldest industrial companies prior to that. Preceding this, he was Chief Executive of Cullinan Refractories and Managing Director of Steetley Refractories in the United Kingdom. Mr Harbuz holds a Master of Business Leadership from the University of South Africa and a BSc (Electrical Engineering) from the University of Natal.

RICHARD HAYES BComm, MBA, CPA, ACIS

Richard Hayes was appointed as Chief Financial Officer of Gold Corporation in March 2003. He was previously the Chief Operating Officer and an Executive Director of AGR Matthey from October 2002 to March 2003 and prior to that he was Director, Finance and Deputy Managing Director of AGR Joint Venture from December 1998 to October 2002. Prior to that, he was Chief Financial Officer and Company Secretary of Golden West Refining Corporation Ltd, an ASX-listed company controlled by N M Rothschild & Sons Ltd which, in December 1998, merged with Gold Corporation's refining and jewellery manufacturing business to become the AGR Joint Venture.

Mr Hayes came to Australia from Zimbabwe in 1987 and held a number of financial management positions with Boral Ltd prior to joining Golden West.

Meeting Attendance

There were five formal meetings of the Directors of Gold Corporation during the year ended 30 June 2012 and a number of informal meetings. The number of formal meetings attended by each Director is indicated in the table below.

Directors' Meeting Attendance

	Attended	Eligible
R G Bowe (Chair)	5	5
R B Bennett	5	5
R F Edwards	5	5
G M McMath	4	5
J W F Murphy	4	5
C S Wharton	5	5
M E Harbuz	5	5
R G Hayes	5	5

BOARD COMMITTEES

The Board has established two committees, chaired by independent non-executive Directors, to assist in the execution of its duties. These are the Audit and Risk Management Committee and the Remuneration and Allowances Committee.

Each committee member has only one vote and each resolution must be passed by unanimous agreement. In the event that agreement cannot be reached, the matter is referred to the Board for resolution.

Audit and Risk Management Committee

The Committee advises the Board on the quality, integrity, reliability and adequacy of the Corporation's information, accounting and control systems and the risk management process. The Committee acts as a communications interface between the Board and the Corporation's internal and external auditors.

Membership of the Committee at year end comprised Ms McMath (Chair), Mr Bennett and Mr Bowe.

Attendees at meetings of the Committee were Mr Hayes (CFO), Mr David Koch (Manager, Corporate Governance and Risk), and Mr Tony de Nobrega (Group Accountant). Mr Harbuz (CEO) is an invitee. Attendees and invitees do not have voting rights. The Audit and Risk Management Committee met five times during the financial year. Attendance at the meetings is indicated in the table below.

Audit and Risk Management Committee Meeting Attendance		
	Attended	**Eligible**
G M McMath (Chair)	5	5
R B Bennett	5	5
R G Bowe	5	5

Remuneration and Allowances Committee

The Board of Directors delegates authority for determining conditions of employment to the Remuneration and Allowances Committee. The Committee's responsibilities include determining senior staff salary levels, alterations to core conditions of employment and incentive bonus schemes.

The Remuneration and Allowances Committee consists of Mr Bowe (Chair), Mr Bennett and Mr Harbuz. Ms Susan Coutts-Wood, Manager Human Resources, also attends the meetings by invitation. The Committee met twice during the financial year. Attendance at the meetings is indicated in the table below.

Remuneration and Allowances Committee Meeting Attendance		
	Attended	**Eligible**
R G Bowe (Chair)	2	2
M E Harbuz	2	2
R B Bennett	2	2

MANAGEMENT COMMITTEE

Executive Management Committee

The Executive Management Committee consists of the senior managers of Gold Corporation. It meets weekly and is chaired by Mr Harbuz. Committee meetings provide a forum for senior managers to keep the management team abreast of key issues in their area and to discuss strategic issues facing the Corporation.

Risk Management

The Board actively monitors the Corporation's risk management system to ensure it is robust and fully integrated with the Corporation's business strategies and processes. Regular monthly and quarterly reports are submitted to the Board on group financial risk, credit risk, internal control matters, occupational safety and health, and environmental issues.

Corruption Prevention

Fraud and corruption controls are an integral component of Gold Corporation's Risk Management programme.

The organisation's policies and practices are reviewed regularly and are subject to internal and external audit programmes. Staff awareness sessions, including new staff inductions, are conducted. Gold Corporation is obliged to report any suspected or actual breaches to the Corruption and Crime Commission.

Public Interest Disclosure

Gold Corporation is committed to the aims and objectives of the *Public Interest Disclosure Act 2003* (Whistleblower Protection). It recognises the value and importance of contributions of staff to enhance administrative and management practices and strongly supports disclosures being made by staff as to corrupt or other improper conduct.

All staff are aware of the public interest disclosure process, and information on the process plus the appropriate forms are available on Gold Corporation's intranet.

The Public Interest Disclosure Officers are Mr David Koch and Mr Graham Segall.

No claims were submitted during the 2011 / 2012 period.

Public Sector Standards and Ethical Codes

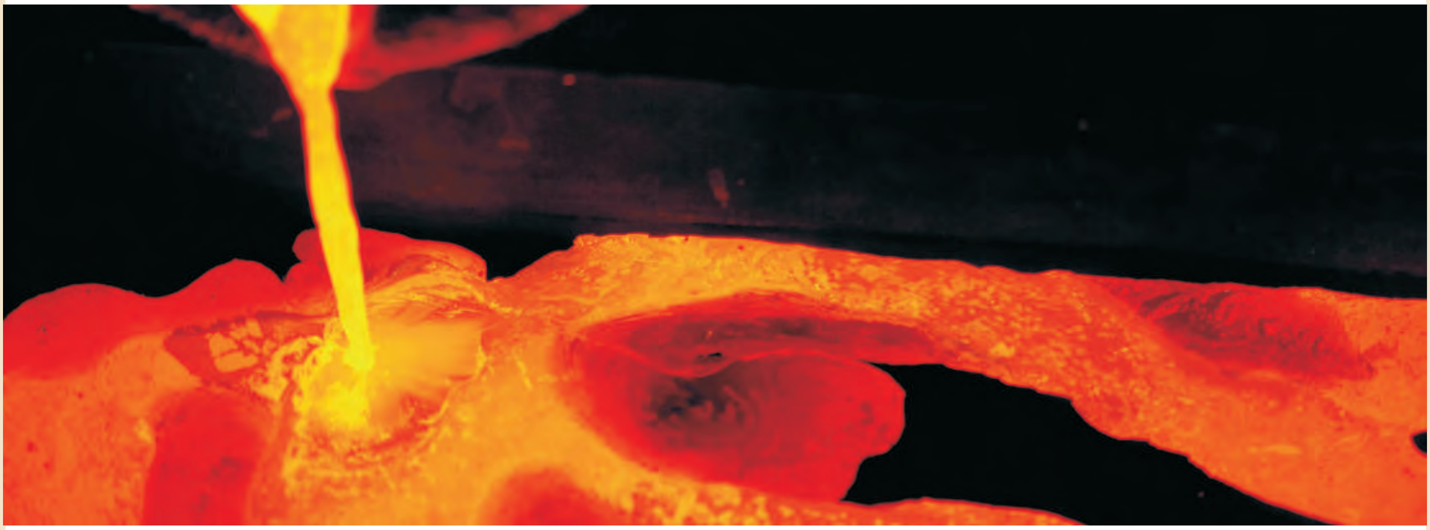
Gold Corporation is aware of the requirement to comply with Section 31(1) of the *Public Sector Management Act 1994.*

Gold Corporation is committed to promoting high ethical standards which are incorporated into the organisation's policies and practices.

Staff awareness sessions of the organisation's Code of Conduct and Conflict of Interest policies are conducted.

During the current financial year, no issues relating to non-compliance with the public sector standards, or the WA Code of Ethics were raised.

CORPORATE DIRECTORY



REGISTERED OFFICE

Street Address:

Perth Mint Buildings
310 Hay Street
East Perth, WA 6004
Australia

Tel: +61 8 9421 7222
Fax: +61 8 9221 7031
Email: info@perthmint.com.au

Postal Address:

GPO Box M924
Perth, WA 6843
Australia

Website: www.perthmint.com.au

MINISTER

The Honourable Colin Barnett MLA
Premier; Minister for State Development

STATUTE

Gold Corporation was established under the *Gold Corporation Act 1987.*

DIRECTORS

R G Bowe	(Non-executive), Chairman
R B Bennett	(Non-executive)
R F Edwards	(Non-executive)
G M McMath	(Non-executive)
J W F Murphy	(Non-executive)
C S Wharton	(Non-executive)
M E Harbuz	(Executive, CEO)
R G Hayes	(Executive, CFO)

COMPANY SECRETARY

A P Melville

BANKERS

Westpac Banking Corporation

GROUP DIRECTORY

GOLD CORPORATION

Street Address: Perth Mint Buildings,
310 Hay Street, East Perth, WA 6004, Australia
Tel: +61 8 9421 7222
Fax: +61 8 9221 7031
Postal Address: GPO Box M924, Perth, WA 6843, Australia
Email: info@perthmint.com.au
Website: www.perthmint.com.au
Contacts: M Edward Harbuz, Chief Executive Officer
Bee Ng, Executive Assistant to the Chief Executive Officer

REFINERY

Street Address: 131 Horrie Miller Drive,
Perth Airport, WA 6105, Australia
Tel: +61 8 9479 9999
Fax: +61 8 9479 9909

PERTH MINT DEPOSITORY

Street Address: Perth Mint Buildings,
310 Hay Street, East Perth, WA 6004, Australia
Tel: +61 8 9421 7280
Fax: +61 8 9221 7074
Email: pmds@perthmint.com.au
Contacts: Nigel Moffatt, Treasurer and Manager,
Perth Mint Depository
John Durham, Manager, Depository Services

WESTERN AUSTRALIAN MINT

Street Address: Perth Mint Buildings,
310 Hay Street, East Perth, WA 6004, Australia
Tel: +61 8 9421 7222
Fax: +61 8 9421 7499
Email: info@perthmint.com.au
Contact: Justin Kees, General Manager, Operations

THE PERTH MINT SHOP

Street Address: Perth Mint Buildings,
310 Hay Street, East Perth, WA 6004, Australia
Tel: +61 8 9421 7428
Fax: +61 8 9221 9804
Email: info@perthmint.com.au
Contact: Cathy Anza, Manager, Visitor Experience

GOLDCORP AUSTRALIA
THE PERTH MINT

Australia

Street Address: Perth Mint Buildings, 310 Hay Street,
East Perth, WA 6004, Australia
Tel: +61 8 9421 7222
Fax: +61 8 9221 3812
Email: info@perthmint.com.au
Contact: Irina Kizitskaya, Australian Wholesale Manager

The Americas

Tel: +1 514 519 2963
Email: r.di@sympatico.ca
Contact: Rosie Di Gregorio

Hong Kong and Taiwan

PMHK Ltd
Street Address: Room 1401, Jubilee Centre,
46 Gloucester Road, Wanchai, Hong Kong
Tel: +852 2525 1130
Fax: +852 2810 6809
Email: dominicl@PMHK.com.hk
clara@PMHK.com.hk
Contact: Dominic Leung
Clara Leung

Japan

K'dom Company Ltd
Street Address: 2-12-17 Hirakawacho, Chiyoda-ku
Tokyo 102-0093, Japan
Tel: +81 3 3237 3067
Fax: +81 3 3237 3068
Email: koji-ishikawa@tune.ocn.ne.jp
Contact: Koji Ishikawa

Europe

Street Address: Hildesheimerstr. 29
D-38159 Vechelde, Germany
Tel: +49 5302 930 426
Mobile: +49 160 991 41935
Email: guenther.wolters@t-online.de
Contact: Günther Wolters

China

Street Address: Western Australian Trade Office – China,
Room 2204 CITIC Square
1168 Nanjing Road West
Shanghai 200041 China
Tel: +86 21 5292 5899-28
Fax: +86 21 5292 5889
Email: perthmint@westernaustralia.cn
Contact: Rocky Lu, Business Development Manager

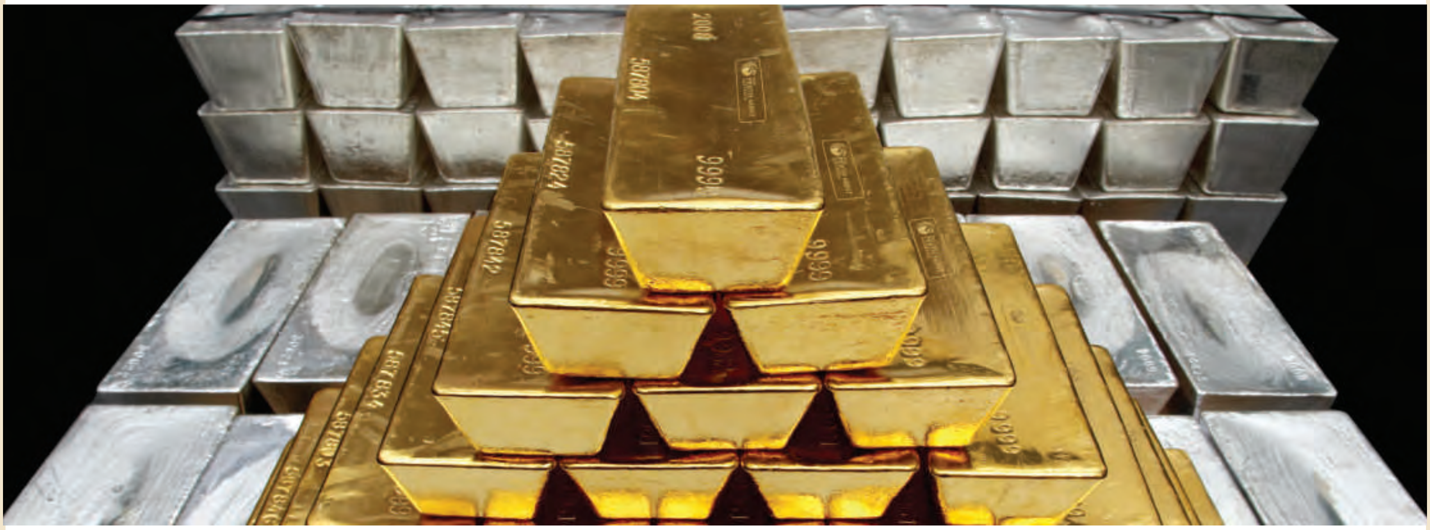
CIS Countries and Eastern Europe

Street Address: Perth Mint Buildings,
310 Hay Street, East Perth, WA 6004, Australia
Tel: +61 8 9421 7222
Fax: +61 8 9221 3812
Email: info@perthmint.com.au
Contact: Andrey Ignatchenko, CIS Wholesale Manager

Middle East

Street Address: Perth Mint Buildings,
310 Hay Street, East Perth, WA 6004, Australia
Tel: +61 8 9421 7222
Fax: +61 8 9221 3812
Email: info@perthmint.com.au
Contact: Andrey Ignatchenko, CIS Wholesale Manager

STATUTORY REPORTING REQUIREMENTS



FINANCIAL ESTIMATES

The following financial estimates for 2012 / 2013 are based on Gold Corporation's budget and are included to satisfy the requirements of the *Treasurer's Instruction 953.*

	$000
Total Revenue	8,078,382
Total Expenditure	8,044,522
Operating profit before income tax	33,860
Income tax expense	10,158
Operating profit after income tax	23,702
Dividend	17,777
Retained earnings	72,407

RECORDS MANAGEMENT

Under the requirements of the *State Records Act 2000,* Gold Corporation is obliged to report on its compliance with the Act and communicate this in its annual report. In April 2007, the organisation received an approved status from the State Records Office. The efficiency and effectiveness of Gold Corporation's current record keeping plan was revised and approved in April 2011.

Gold Corporation also reports on its record keeping training programme and its effectiveness and efficiency. Introductory sessions are offered to all relevant new staff which includes their individual responsibilities under the Act. Relevant staff then receive one-on-one training in the use of the organisation's electronic document and records management system. Additional training sessions are offered on an ad hoc basis or when an assessment of the current programme determines the need for changes to the programme. All inductions and training programmes are reinforced by manuals, policies and procedures.

GOLD CORPORATION

Gold Corporation was established by the *Gold Corporation Act 1987* and the Minister responsible for the Corporation is the Honourable Colin Barnett MLA; Premier; Minister for State Development. Details of the Corporation's Mission Statement, functions, structure and management are available elsewhere in this report.

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

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

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

FREEDOM OF INFORMATION STATEMENT

The following Information Statement has been prepared by Gold Corporation pursuant to Part 5 of the *Freedom of Information Act 1992 (WA)* and guidelines issued by the Office of the Information Commissioner on 13 May 1994.

The Corporation keeps documents and files relating to its administration and business activities. A number of these documents can be inspected only under the *Freedom of Information Act 1992 (WA)* [FOI].

The following were published by The Perth Mint:

90 Golden Years (published in 1989); The Perth Mint Numismatic Issues 1986 – 1996 (published in 1996); Striking Gold: 100 Years of The Perth Mint (published in 1999); and A Century of Minting Excellence – The History of Australian Coin Production at The Perth Mint (published in 1999).

Documents which can be obtained free-of-charge include Perth Mint brochures and catalogues, media statements, annual reports and the Numismatic Post newsletters.

FOI Exemption

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

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

FOI Procedures and Access

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

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

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

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

Applicants who are dissatisfied with a decision of the Corporation may request an internal review.

Application should be made in writing within 30 days of receiving the notice of decision. Applicants will be notified of the outcome of the review within 15 days.

No applications were lodged to Gold Corporation under Freedom of Information (FOI) legislation in 2011 / 2012.

FOI enquiries or applications should be made to the FOI Coordinator, Mr Graham Segall, Compliance and Risk Officer, Gold Corporation, 310 Hay Street, East Perth, WA 6004, telephone (08) 9421 7222, facsimile (08) 9221 7031, email Graham.Segall@perthmint.com.au   Inquiries or applications may also be directed to the Manager, Corporate Governance and Risk, Mr David Koch, email David.Koch@perthmint.com.au

OCCUPATIONAL HEALTH AND SAFETY

Commitment and Compliance

Gold Corporation has in place occupational health and safety systems to minimise health and safety risks to employees, customers, contractors, the public and the environment. The systems ensure that policies, procedures and work instructions are in place to comply with legislation, standards and codes of practice and take into account all the information regarding hazards and risks related to the Corporation's operations. Targets and objectives are set and performance in achieving the targets is monitored and reviewed. It adheres to relevant legislation related to health and safety.

Consultation

At the mint site there is regular consultation with employees and this is done through regular and ad hoc toolbox meetings, and monthly Occupational Health and Safety Committee meetings. Employees' representatives contribute significantly at these meetings and are fully engaged in inspections as well as approvals for equipment and process changes.

At the refinery site, there is regular consultation with employees through weekly toolbox meetings, as well as Occupational Health and Safety Committee meetings, which are attended by managers as well as the refinery's five safety and health representatives. Staff continued to participate actively in the site safety observation programme, with 817 observations conducted which contributed to site safety. Fifty six potential hazards were reported and the majority have been dealt with and closed out. The Occupational Health and Safety Committee met on twelve occasions to review safety performance and propose improvements.

Injury Management

Gold Corporation ensures compliance with the *Worker's Compensation* and *Injury Management Act 1981.* Management is committed to ensuring all injured employees return to work as soon as medically appropriate. Return to work programmes are developed and implemented and injury management consultants are engaged when appropriate.

Third Party Certification

The Mint site is subject to the Australian Standard AS4801:2001. In a recent audit it was acknowledged that the facilities and operations are maintained in accordance to the requirements of the Standard. The auditor noted there were no non-conformances and any areas of concern have been fully remedied.

The refinery is regarded as a mine site and is regulated by the *Mines Safety and Inspection Act 1994.* One site visit was conducted by a Mines Inspector during the period and no improvement notices were issued. The refinery underwent certification for international accreditation for Safety and Environment in September 2010. The annual ISO certification audits for The Perth Mint Refinery Safety Management System and Environmental Management System, namely AS/NZS 4801:2001; OHSAS 18001:2007 and AS/NZS ISO 14001:2004 were undertaken by Bureau Veritas in December 2011. The auditor found that the Safety and Environmental Management Systems were well established, maintained and controlled. Eighty six percent of the audit actions items have been completed.

Performance Against Targets

OSH ITEMS	MINT		REFINERY		TARGET
	2011	2012	2011	2012	
Number of fatalities	0	0	0	0	0
Lost Time Injury/ Diseases (LTI/D) Incident Rate	0.55 52% Reduction	0.82 16% Reduction	0 100% Reduction	2.2 328% Increase	0 or 10% improvement on the previous 3 years
Lost Time Injury Severity Rate	0	0	0	0	0 or 10% reduction
Percentage of workers returned to work within:					
(i) 13 weeks	100%	100%	100%	100%	
(ii) 26 weeks	100%	100%	100%	100%	>80%
Percentage of managers trained in occupational health and safety and injury management	100%	100%	100%	100%	>80%

SECTION 175ZE OF THE *ELECTORAL ACT 1907 (WA)*

Section 175ZE of the *Electoral Act 1907 (WA)* requires a public agency to include a statement in its annual report detailing all expenditure incurred by or on behalf of the agency during the financial year in relation to advertising, market research, polling, direct mail and media advertising:

1. Total expenditure for 2011 / 2012 was $339,657

2. Expenditure was incurred in the following areas:

Advertising agencies	$22,884	Marketforce	$22,884
Market research organisations	Nil	Nil	Nil
Polling organisations	Nil	Nil	Nil
Direct mail organisations	$138,336	Lasermail	$138,336
Media advertising organisations	$178,437	Fairfax Radio	$13,500
		Optimum Media Decisions Ltd	$97,529
		New Editions Film & Sound	$16,667
		Media Today Unit Trust	$44,392
		Perth Region Tourism Organisation	$6,349

SENIOR MANAGEMENT

Front row (from left) Justin Kees, Ron Currie, Ed Harbuz, Richard Hayes and Susan Coutts-Wood
Back row (from left) Bindesh Shah, Nigel Moffatt, David Woodford, Bron Suchecki, David Koch, Joe Metcalfe and Cathy Anza.
Inset Anne Melville

GOLD CORPORATION

Chief Executive Officer	M E Harbuz
Chief Financial Officer	R G Hayes
Treasurer and Manager, Perth Mint Depository	N P Moffatt
Director, Business Development	G J Metcalfe
Manager, Analysis and Strategy	B M Suchecki
Manager, Corporate Governance and Risk	D J Koch
Manager, Information Systems	B R Shah
Manager, Human Resources	S J Coutts-Wood

GOLDCORP AUSTRALIA

Sales and Marketing Director	R M Currie
Manager, Visitor Experience	C B Anza

WESTERN AUSTRALIAN MINT

General Manager, Operations	J K Kees
General Manager, Refinery	D E Woodford

Company Secretary	A P Melville

INDEPENDENT AUDITOR'S REPORT

To the Parliament of Western Australia

GOLD CORPORATION

Report on the Financial Statements

I have audited the accounts and financial statements of the Gold Corporation and the consolidated entity.

The financial statements comprise the Statement of Financial Position as at 30 June 2012, the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows of the Corporation and the consolidated entity for the year then ended, and Notes comprising a summary of significant accounting policies and other explanatory information.

Board's Responsibility for the Financial Statements

The Board is responsible for keeping proper accounts, and the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the Treasurer's Instructions, and for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the financial statements based on my audit. The audit was conducted in accordance with Australian Auditing Standards. Those Standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Corporation's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Board, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements are based on proper accounts and present fairly, in all material respects, the financial position of the Gold Corporation and the consolidated entity at 30 June 2012 and their financial performance and cash flows for the year then ended. They are in accordance with Australian Accounting Standards and the Treasurer's Instructions.

7th Floor Albert Facey House 469 Wellington Street Perth MAIL TO: Perth BC PO Box 8489 Perth WA 6849 TEL: 08 6557 7500 FAX: 08 6557 7600

Report on Controls
I have audited the controls exercised by the Gold Corporation during the year ended 30 June 2012.

Controls exercised by the Gold Corporation are those policies and procedures established by the Board to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions.

Board's Responsibility for Controls
The Board is responsible for maintaining an adequate system of internal control to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of public and other property, and the incurring of liabilities are in accordance with the Financial Management Act 2006 and the Treasurer's Instructions, and other relevant written law.

Auditor's Responsibility
As required by the Auditor General Act 2006, my responsibility is to express an opinion on the controls exercised by the Gold Corporation based on my audit conducted in accordance with Australian Auditing and Assurance Standards.

An audit involves performing procedures to obtain audit evidence about the adequacy of controls to ensure that the Corporation complies with the legislative provisions. The procedures selected depend on the auditor's judgement and include an evaluation of the design and implementation of relevant controls.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion
In my opinion, the controls exercised by the Gold Corporation are sufficiently adequate to provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions during the year ended 30 June 2012.

Report on the Key Performance Indicators
I have audited the key performance indicators of the Gold Corporation for the year ended 30 June 2012.

The key performance indicators are the key effectiveness indicators and the key efficiency indicators that provide information on outcome achievement and service provision.

Board's Responsibility for the Key Performance Indicators
The Board is responsible for the preparation and fair presentation of the key performance indicators in accordance with the Financial Management Act 2006 and the Treasurer's Instructions and for such controls as the Board determines necessary to ensure that the key performance indicators fairly represent indicated performance.

Auditor's Responsibility
As required by the Auditor General Act 2006, my responsibility is to express an opinion on the key performance indicators based on my audit conducted in accordance with Australian Auditing and Assurance Standards.

An audit involves performing procedures to obtain audit evidence about the key performance indicators. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the key performance indicators. In making these risk assessments the auditor considers internal control relevant to the Board's preparation and fair presentation of the key performance indicators in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the relevance and appropriateness of the key performance indicators for measuring the extent of outcome achievement and service provision.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion
In my opinion, the key performance indicators of the Gold Corporation are relevant and appropriate to assist users to assess the Corporation's performance and fairly represent indicated performance for the year ended 30 June 2012.

Independence
In conducting this audit, I have complied with the independence requirements of the Auditor General Act 2006 and Australian Auditing and Assurance Standards, and other relevant ethical requirements.

Matters Relating to the Electronic Publication of the Audited Financial Statements and Key Performance Indicators
This auditor's report relates to the financial statements and key performance indicators of Gold Corporation for the year ended 30 June 2012 included on the Corporation's website. The Corporation is responsible for the integrity of the Corporation's website. This audit does not provide assurance on the integrity of the Corporation's website. The auditor's report refers only to the financial statements and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements or key performance indicators. If users of the financial statements and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial statements and key performance indicators to confirm the information contained in this website version of the financial statements and key performance indicators.

COLIN MURPHY
AUDITOR GENERAL
FOR WESTERN AUSTRALIA
Perth, Western Australia
14 September 2012

KEY PERFORMANCE INDICATORS

Gold Corporation is a body corporate incorporated in terms of the *Gold Corporation Act 1987* of Western Australia.

The purpose of Gold Corporation is to:

- develop, manufacture and market Australian legal tender investment coins and other products that promote the ownership of physical precious metal for investment purposes;
- design, manufacture and market proof, commemorative and numismatic coins and related products;
- make available investment products that enable investors to have exposure to the value of precious metals without having to deal with the security and other issues associated with the keeping of the physical metal;
- provide storage and safekeeping facilities for precious metals;
- be a major supplier of precious metal blanks to the mints of the world;
- operate a tourist attraction, based on the themes of gold and minting, that is important to Perth and Western Australia;
- supply refining and other services to the gold industry of Australia; and
- preserve the historical Mint building and artefacts that are part of the heritage of Perth and Australia.

The Corporation is required to operate in accordance with prudent commercial principles, to generate revenue sufficient to meet its expenditure and to derive a profit that represents a commercial rate of return on its capital.

Under the *Treasurer's Instructions 904* and *905,* a statutory authority is required to provide appropriate key performance indicators in its Annual Report, namely:

- relevant agency level government desired outcome(s);
- key effectiveness indicators which provide information on the extent of achievement of an agency level government desired outcome; and
- key efficiency indicators relating an outcome to the level of resource input required to deliver it.

Given the above Treasurer's Instructions and taking into account the Corporation's functions under the *Gold Corporation Act 1987,* its outcomes are:

1 Maximisation of the Value-added to, and Income Derived from, Precious Metal Coins and Other Products and Services

The Australian Kangaroo and Lunar bullion gold coins and Kookaburra, Koala and Lunar silver coins have a noted world market share. The Perth Mint's various proof, numismatic and commemorative coins made of gold, silver and platinum are added value precious metal products which are also distributed worldwide. Coin blanks are supplied in increasing quantities to other mints in the world.

2 Preservation and Promotion of The Perth Mint's Heritage Assets and History

The Perth Mint exhibition includes gold pouring demonstrations, the Industry Collection of Gold Bars Worldwide, historical information on the gold industry in Western Australia and a comprehensive range of investor and numismatic coins. It is an integral part of The Perth Mint's heritage and is a premier tourist destination.

THE RELATIONSHIP BETWEEN GOVERNMENT GOALS AND GOLD CORPORATION'S PERFORMANCE

The Goal most aligned to Gold Corporation's business operations is:

FINANCIAL AND ECONOMIC RESPONSIBILITY

RESPONSIBLY MANAGING THE STATE'S FINANCES THROUGH THE EFFICIENT AND EFFECTIVE DELIVERY OF SERVICES, ENCOURAGING ECONOMIC ACTIVITY AND REDUCING REGULATORY BURDENS ON THE PRIVATE SECTOR

KEY EFFECTIVENESS INDICATORS

		2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	Target
The key effectiveness indicators for outcome No. 1 are:							
1 Global market share of Australian gold bullion coins	(Note 1)	8%	7%	5%	6%	7%	9%
2 Coins and bars - value-added to gold, silver and platinum							
(a) Total premium income	(Note 2)	$27.6m	$50.4m	$44.2m	$49.0m	$62.0m	$48.0m
(b) Total premium income expressed as a percentage of precious metal value	(Note 2)	12.7%	8.3%	8.2%	5.3%	4.2%	4.9%
3 Estimated proportion of Australian fine gold production refined by The Perth Mint	(Note 3)	99.9%	99.9%	99.9%	99.9%	99.9%	99.9%
4 Return on equity	(Note 4)	5.2%	39%	17.5%	26.6%	33.8%	18.1%
5 Dividends/income tax equivalent payable to the Western Australian Government	(Note 5)	$3.2m	$29.1m	$15.4m	$14.7m	$20.7m	$10.7m
The key effectiveness indicators for outcome No. 2 are:							
6 (a) Visitors to Perth Mint exhibition	(Note 6)	82,000	77,000	77,000	71,000	80,000	78,000
(b) Visitors' satisfaction level		99.9%	99.9%	99.9%	99.5%	99.9%	99.9%

Notes:

1. *The figures are based on Gold Fields Mineral Services data for the previous calendar year.*
2. *The calculation is the total premium income (amount of income received above metal cost) for all legal tender coins and minted bar sales, which is expressed as a percentage of the value of the precious metal value of the coins and bars. The key effectiveness indicator includes all Australian legal tender coins and bars, as well as coins produced for other countries.*
3. *This calculation is based on the refinery's records and an estimate of the total Australian fine gold production.*
4. *The percentages show Gold Corporation's return on equity for each respective financial year, based on ordinary activities before income tax. This performance measure is referred to in the Gold Corporation Act 1987.*
5. *Income tax equivalent, calculated as if the Corporation were a public company, is payable to the WA Government on profit from ordinary activities. Dividends are payable annually as a percentage of after-tax profit. These payments are forecast annually in Gold Corporation's business plan, and included in the Financial Estimates in the Annual Report.*
6. a *Total number of visitors (to nearest thousand) to the Exhibition annually, based on recorded daily visitor traffic.*
   b *Satisfaction levels are derived from random sampling of comments entered into the visitors' book which is available in the foyer of The Perth Mint.*

SERVICES

1 Precious Metal Products and Services

Gold Corporation renders refining, assaying and other services to the gold industry and markets the gold in ways which maximise value-added and which encourage demand for gold.

Demand for gold is encouraged by making it convenient to acquire and own gold; by means of bullion coins, gold bars and various Depository products. Depository products make it possible for gold to be owned without having to deal with the security and other issues associated with the keeping of the physical metal – the metal is held in safe storage on behalf of its owners.

Proof, numismatic and commemorative coins add significant value to precious metal as does the manufacture of precious metal coin blanks for other mints in the world.

2 Cultural Heritage Conservation

Gold Corporation continually upgrades The Perth Mint heritage building situated at 310 Hay Street. It also preserves historical artefacts and documents related to minting and the gold industry in Western Australia.

KEY EFFICIENCY INDICATORS

		2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	Target
The key efficiency indicators for service No. 1 are:							
1 Trading profit as a proportion of sales revenue	(Note 1)	3.0%	2.6%	3.1%	1.29%	1.34%	0.85%
2 Staff costs as a proportion of trading profit	(Note 2)	52.4%	33.9%	35.3%	37.4%	35.1%	52.8%
The key efficiency indicator for service No. 2 is:							
3 Average cost per exhibition visitor expressed as an index	(Note 3)	167	176	154	175	157	

Notes:

1 *The percentages show the proportion of Gold Corporation's sales revenue represented by the trading profit (gross margin) for the respective financial year. The percentage decreased in 2010 / 2011 and beyond due to the inclusion of the refinery. Margins on the refinery's high volume bullion products are lower than those on the smaller volume but higher margin coin products, lowering the overall percentage.*

2 *Staff costs include employee benefits on-costs and contract staff costs, expressed as a percentage of trading profit (gross margin). Staff costs are Gold Corporation's major expenditure, after the cost of precious metals.*

3 *Average cost per Exhibition visitor is derived by calculation of total costs of Exhibition divided by annual number of visitors expressed as an index, with the 2002 / 2003 year indexed as 100. The number of visitors increased in 2011 / 2012.*

CERTIFICATION OF KEY PERFORMANCE INDICATORS

CERTIFICATION OF KEY PERFORMANCE INDICATORS

In our opinion, the Key Performance Indicators for Gold Corporation and its subsidiaries contained in this report are based on proper records, are relevant and appropriate for assisting users to assess the performance of Gold Corporation and its subsidiaries, and fairly represent the performance of the Group for the year ended 30 June 2012.

K G SANDERSON
Chair

M E HARBUZ
Executive Director

14 September 2012

CERTIFICATION OF FINANCIAL STATEMENTS

CERTIFICATION OF FINANCIAL STATEMENTS

The accompanying financial statements of Gold Corporation and the accompanying consolidated financial statements have been prepared in compliance with the provisions of the *Financial Management Act 2006* from proper accounts and records to present fairly the financial transactions for the year ended 30 June 2012, and the financial position as at 30 June 2012.

At the date of signing, we are not aware of any circumstances which would render the particulars included in these financial statements misleading or inaccurate.

K G SANDERSON	**M E HARBUZ**	**R G HAYES**
Chair	Executive Director	Chief Finance Officer

14 September 2012

FINANCIAL STATEMENTS

Gold Corporation and Subsidiaries

Trading as The Perth Mint
ABN 98 838 298 431

Financial Report - 30 June 2012

Gold Corporation and Subsidiaries
Statements of comprehensive income
For the year ended 30 June 2012

		Consolidated		Gold Corporation	
	Note	2012 $'000	2011 $'000	2012 $'000	2011 $'000
Revenue	4	6,815,050	5,470,230	5,168,982	4,408,086
Dividends from subsidiaries	5	-	-	45,000	35,000
Charges for technical services		-	-	2,972	2,523
Fees and rents		15,306	15,377	7,186	4,224
Interest revenue		2,918	2,148	2,918	2,148
Expenses					
Cost of goods sold	6	(6,724,026)	(5,399,210)	(5,159,009)	(4,396,839)
Employee benefits expense	7	(29,661)	(26,411)	(10,356)	(8,779)
Material and services		(31,595)	(26,901)	(7,434)	(7,579)
Depreciation and amortisation expense	6	(4,798)	(4,384)	(682)	(715)
Loss on disposal of assets		(123)	(1)	-	-
Write off of assets		(1,258)	-	(1,258)	-
Computer rental		(255)	(309)	(255)	(309)
Finance costs	6	(1,074)	(820)	(1,057)	(639)
Revaluation decrease in buildings		(400)	(1,642)	-	-
Profit before income tax expense		40,084	28,077	47,007	37,121
Income tax expense	8	(12,481)	(8,502)	(12,481)	(8,502)
Profit after income tax expense for the year attributable to the owners of Gold Corporation and Subsidiaries	31	27,603	19,575	34,526	28,619
Other comprehensive income					
Gain on the revaluation of land and buildings	17	800	(200)	-	-
Loss on the revaluation of buildings		(889)	(480)	-	-
Other comprehensive income for the year		(89)	(680)	-	-
Income tax on items of other comprehensive income		(3,943)	144	-	-
Total other comprehensive income		(4,032)	(536)	-	-
Total comprehensive income for the year attributable to the owners of Gold Corporation and Subsidiaries		23,571	19,039	34,526	28,619

The above statements of comprehensive income should be read in conjunction with the accompanying notes

Gold Corporation and Subsidiaries
Statements of financial position
As at 30 June 2012

		Consolidated		Gold Corporation	
	Note	**2012 $'000**	**2011 $'000**	**2012 $'000**	**2011 $'000**
Assets					
Current assets					
Cash and cash equivalents	9	52,566	60,207	15,903	25,051
Trade and other receivables	10	9,028	8,934	5,118	145
Inventories	11	3,063,666	3,082,622	3,037,485	3,047,622
Income tax refund due	12	-	2,106	-	2,106
Other	13	43,464	22,278	43,174	22,082
Total current assets		3,168,724	3,176,147	3,101,680	3,097,006
Non-current assets					
Receivables	14	-	-	346,229	254,159
Other financial assets	15	-	-	21,608	21,608
Investment properties	16	1,688	1,682	-	-
Property, plant and equipment	17	70,596	68,374	1,368	1,397
Intangibles	18	298	647	298	647
Deferred tax assets	19	3,601	3,703	3,601	3,703
Total non-current assets		76,183	74,406	373,104	281,514
Total assets		3,244,907	3,250,553	3,474,784	3,378,520
Liabilities					
Current liabilities					
Trade and other payables	20	73,273	84,852	54,606	57,288
Borrowings - interest bearing	21	137,485	49,088	137,485	45,588
Income tax payable	22	3,026	-	3,026	-
Employee benefits	23	3,943	3,682	2,644	2,204
Provisions	24	2,521	2,024	2,521	2,024
Precious metal borrowings	25	2,903,861	3,002,353	2,903,861	3,002,353
Total current liabilities		3,124,109	3,141,999	3,104,143	3,109,457
Non-current liabilities					
Deferred tax liabilities	26	6,039	2,781	6,039	2,781
Employee benefits	27	423	328	217	156
Payables	28	-	-	262,992	184,579
Total non-current liabilities		6,462	3,109	269,248	187,516
Total liabilities		3,130,571	3,145,108	3,373,391	3,296,973
Net assets		114,336	105,445	101,393	81,547
Equity					
Issued capital	29	31,603	31,603	31,603	31,603
Reserves	30	16,251	20,283	-	-
Retained profits	31	66,482	53,559	69,790	49,944
Total equity		114,336	105,445	101,393	81,547

The above statements of financial position should be read in conjunction with the accompanying notes

Gold Corporation and Subsidiaries
Statements of changes in equity
For the year ended 30 June 2012

Consolidated	Contributed Equity $'000	Asset Revaluation Reserve $'000	Retained Profits $'000	Total Equity $'000
Balance at 1 July 2010	31,603	20,819	43,755	96,177
Profit after income tax expense for the year	-	-	19,575	19,575
Other comprehensive income for the year, net of tax	-	(536)	-	(536)
Total comprehensive income for the year	-	(536)	19,575	19,039
Transactions with owners in their capacity as owners:				
Dividends paid	-	-	(9,771)	(9,771)
Balance at 30 June 2011	31,603	20,283	53,559	105,445

Consolidated	Contributed Equity $'000	Asset Revaluation Reserve $'000	Retained Profits $'000	Total Equity $'000
Balance at 1 July 2011	31,603	20,283	53,559	105,445
Profit after income tax expense for the year	-	-	27,603	27,603
Other comprehensive income for the year, net of tax	-	(4,032)	-	(4,032)
Total comprehensive income for the year	-	(4,032)	27,603	23,571
Transactions with owners in their capacity as owners:				
Dividends paid	-	-	(14,680)	(14,680)
Balance at 30 June 2012	31,603	16,251	66,482	114,336

The above statements of changes in equity should be read in conjunction with the accompanying notes

Gold Corporation and Subsidiaries
Statements of changes in equity
For the year ended 30 June 2012

	Contributed Equity $'000	Asset Revaluation Reserve $'000	Retained Profits $'000	Total Equity $'000
Gold Corporation				
Balance at 1 July 2010	31,603	-	31,096	62,699
Profit after income tax expense for the year	-	-	28,619	28,619
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	28,619	28,619
Transactions with owners in their capacity as owners:				
Dividends paid	-	-	(9,771)	(9,771)
Balance at 30 June 2011	31,603	-	49,944	81,547

	Contributed Equity $'000	Asset Revaluation Reserve $'000	Retained Profits $'000	Total Equity $'000
Gold Corporation				
Balance at 1 July 2011	31,603	-	49,944	81,547
Profit after income tax expense for the year	-	-	34,526	34,526
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	34,526	34,526
Transactions with owners in their capacity as owners:				
Dividends paid	-	-	(14,680)	(14,680)
Balance at 30 June 2012	31,603	-	69,790	101,393

The above statements of changes in equity should be read in conjunction with the accompanying notes

Gold Corporation and Subsidiaries
Statements of cash flows
For the year ended 30 June 2012

	Note	Consolidated 2012 $'000	Consolidated 2011 $'000	Gold Corporation 2012 $'000	Gold Corporation 2011 $'000
Cash flows from operating activities					
Receipts from customers		6,830,075	5,482,918	5,131,307	4,415,310
Payments to suppliers and employees		(6,784,164)	(5,461,084)	(5,097,101)	(4,389,623)
		45,911	21,834	34,206	25,687
Interest received		2,919	2,148	2,918	2,148
Interest and other finance costs paid		(1,074)	(820)	(1,057)	(638)
Net cash from operating activities	39	47,756	23,162	36,067	27,197
Cash flows from investing activities					
Payments for investment property	16	(91)	(146)	-	-
Payments for property, plant and equipment	17	(8,177)	(8,409)	(1,586)	(103)
Payments for intangibles	18	(16)	(646)	(16)	(646)
Deferred payments made		-	(3,500)	-	-
Deposits net		(21,000)	(20,000)	(21,000)	(20,000)
Proceeds from sale of property, plant and equipment		-	18	-	-
Net cash used in investing activities		(29,284)	(32,683)	(22,602)	(20,749)
Cash flows to State Government					
Income tax equivalent paid		(7,933)	(14,770)	(7,933)	(14,770)
Dividend paid		(14,680)	(9,771)	(14,680)	(9,771)
Repayment of borrowings		(3,500)	-	-	-
Net cash used in financing activities		(26,113)	(24,541)	(22,613)	(24,541)
Net decrease in cash and cash equivalents		(7,641)	(34,062)	(9,148)	(18,093)
Cash and cash equivalents at the beginning of the financial year		60,207	94,269	25,051	43,144
Cash and cash equivalents at the end of the financial year	9	52,566	60,207	15,903	25,051

The above statements of cash flows should be read in conjunction with the accompanying notes

Gold Corporation and Subsidiaries
Notes to the financial statements
30 June 2012

Note 1. General information

The financial report covers both Gold Corporation as an individual entity and the consolidated entity consisting of Gold Corporation and Subsidiaries and the entities it controlled during the year. The financial report is presented in Australian dollars, which is Gold Corporation and Subsidiaries functional and presentation currency.

The financial report consists of the financial statements, notes to the financial statements and the directors' declaration.

Gold Corporation and Subsidiaries are corporations incorporated by the *Gold Corporation Act 1987* and domiciled in Australia. Its registered office and principal place of business is:

310 Hay Street
East Perth
Western Australia
Australia

The nature of the consolidated entity's operations is the supply of precious metal related products and services. Its principal activities are the refining of gold and silver, the production of value added cast bars, minted bars and Australian legal tender bullion coins, the supply of precious metal depository storage products, the supply of proof, numismatic and commemorative coins and the operation of a tourist attraction. Gold Corporation is classified as a “for profit entity” by the Western Australian Government.

The financial report was authorised for issue, in accordance with a resolution of directors, on 14 September 2012. The directors have the power to amend and reissue the financial report.

The *Financial Management Act 2006* and the *Treasurer's Instructions* are legislative provisions governing the preparation of financial statements and take precedence over the Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board.

The *Treasurer's Instructions* may modify or clarify their application, disclosure, format and wording to provide certainty and to ensure consistency and appropriate reporting across the public sector. 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 effects are disclosed in individual notes to the financial report.

Note 2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New, revised or amending Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Any significant impact on the accounting policies of the consolidated entity from the adoption of these Accounting Standards and Interpretations are disclosed in the relevant accounting policy. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

Gold Corporation and Subsidiaries
Notes to the financial statements
30 June 2012

The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

AASB 2010-4 Amendments to Australian Accounting Standards arising from the Annual Improvements Project
The consolidated entity has applied AASB 2010-4 amendments from 1 July 2011. The amendments made numerous non-urgent but necessary amendments to a range of Australian Accounting Standards and Interpretations. The amendments provided clarification of disclosures in *AASB 7 'Financial Instruments*: *Disclosures*', in particular emphasis of the interaction between quantitative and qualitative disclosures and the nature and extent of risks associated with financial instruments; clarified that an entity can present an analysis of other comprehensive income for each component of equity, either in the statement of changes in equity or in the notes in accordance with *AASB 101 'Presentation of Financial Instruments'*.

AASB 2010-5 Amendments to Australian Accounting Standards
The consolidated entity has applied AASB 2010-5 amendments from 1 July 2011. The amendments made numerous editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of International Financial Reporting Standards by the International Accounting Standards Board.

New Accounting Standards and Interpretations not yet mandatory or early adopted
Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2012. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below.

AASB 9 Financial Instruments, 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 and 2010-7 Amendments to Australian Accounting Standards arising from AASB 9
This standard and its consequential amendments are applicable to annual reporting periods beginning on or after 1 July 2015 and completes phase I of the IASB's project to replace *IAS 39* (being the international equivalent to *AASB 139 'Financial Instruments: Recognition and Measurement'*). This standard introduces new classification and measurement models for financial assets, using a single approach to determine whether a financial asset is measured at amortised cost or fair value. To be classified and measured at amortised cost, assets must satisfy the business model test for managing the financial assets and have certain contractual cash flow characteristics. All other financial instrument assets are to be classified and measured at fair value. This standard allows an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income, with dividends as a return on these investments being recognised in profit or loss. In addition, those equity instruments measured at fair value through other comprehensive income would no longer have to apply any impairment requirements nor would there be any ‘recycling’ of gains or losses through profit or loss on disposal. The accounting for financial liabilities continues to be classified and measured in accordance with AASB 139, with one exception, being that the portion of a change of fair value relating to the entity’s own credit risk is to be presented in other comprehensive income unless it would create an accounting mismatch. The consolidated entity will adopt this standard from 1 July 2015 but the impact of its adoption is yet to be assessed by the consolidated entity.

AASB 2010-8 Amendments to Australian Accounting Standards- Deferred Tax: Recovery of Underlying Assets
These amendments are applicable to annual reporting periods beginning on or after 1 January 2012 and are a practical approach for the measurement of deferred tax relating to investment properties measured at fair value, property, plant and equipment and intangible assets measured using the revaluation model. The measurement of deferred tax for these specified assets is based on the presumption that the carrying amount of the underlying asset will be recovered entirely through sale, unless the entity has clear evidence that economic benefits of the underlying asset will be consumed during its economic life. The consolidated entity is yet to quantify the tax effect of adopting these amendments from 1 July 2012.

AASB 119 Employee Benefits (September 2011)
This revised standard is applicable to annual reporting periods beginning on or after 1 January 2013. The amendments eliminate the corridor approach for the deferral of gains and losses; streamlines the presentation of changes in assets and liabilities arising from defined benefit plans, including requiring re-measurements to be presented in other comprehensive income; and enhances the disclosure requirements for defined benefit plans. The adoption of the revised standard from 1 July 2013 will require increased disclosures by the consolidated entity.

Gold Corporation and Subsidiaries
Notes to the financial statements
30 June 2012

AASB 10 Consolidated Financial Statements
This standard is applicable to annual reporting periods beginning on or after 1 January 2013. The standard has a new definition of 'control'. Control exists when the reporting entity is exposed, or has the rights, to variable returns (e.g. dividends, remuneration, returns that are not available to other interest holders including losses) from its involvement with another entity and has the ability to affect those returns through its 'power' over that other entity. A reporting entity has power when it has rights (e.g. voting rights, potential voting rights, rights to appoint key management, decision making rights, kick out rights) that give it the current ability to direct the activities that significantly affect the investee's returns (e.g. operating policies, capital decisions, appointment of key management). The consolidated entity will not only have to consider its holdings and rights but also the holdings and rights of other shareholders in order to determine whether it has the necessary power for consolidation purposes. The adoption of this standard from 1 July 2013 may have an impact where the consolidated entity has a holding of less than 50% in an entity, has de facto control, and is not currently consolidating that entity.

AASB 13 Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13
This standard and its consequential amendments are applicable to annual reporting periods beginning on or after 1 January 2013. The standard provides a single robust measurement framework, with clear measurement objectives, for measuring fair value using the 'exit price' and it provides guidance on measuring fair value when a market becomes less active. The 'highest and best use' approach would be used to measure assets whereas liabilities would be based on transfer value. As the standard does not introduce any new requirements for the use of fair value, its impact on adoption by the consolidated entity from 1 July 2013 should be minimal, although there will be increased disclosures where fair value is used.

AASB 2011-9 Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income
These amendments are applicable to annual reporting periods beginning on or after 1 July 2012. The amendments requires grouping together of items within other comprehensive income on the basis of whether they will eventually be 'recycled' to the profit or loss (reclassification adjustments). The change provides clarity about the nature of items presented as other comprehensive income and the related tax presentation. The adoption of the revised standard from 1 July 2012 will impact the consolidated entity's presentation of its statement of comprehensive income.

Basis of preparation
These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the *Corporations Act 2001*, as appropriate for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention
The financial statements have been prepared under the historical cost convention except for, where applicable, precious metal holdings & inventories, the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through the profit and loss, investment properties, certain classes of property, plant and equipment and derivative financial instruments, rounded to the nearest thousand dollars in accordance with Treasurer's Instruction 948.

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's and parent entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Principles of consolidation
The consolidated financial statements incorporate the assets and liabilities of Gold Corporation ('company' or 'parent entity') and its subsidiaries as at 30 June 2012. Gold Corporation and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Gold Corporation and Subsidiaries
Notes to the financial statements
30 June 2012

Subsidiaries are all those entities over which the consolidated entity has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The effects of potential exercisable voting rights are considered when assessing whether control exists. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Special purpose entities ('SPEs') are those entities where the consolidated entity, in substance, controls the SPE so as to obtain the majority of benefits without having any ownership interest.

The consolidated financial statements have been prepared by combining the financial statements of Gold Corporation and all controlled entities in accordance with *AASB127 'Consolidated and Separate Financial Statements'* and modified by the Treasurer's Instruction 1105.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries and special purpose entities have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity. Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Revenue recognition

Revenue is recognised when it is probable that the economic benefit will flow to the consolidated entity and the parent entity and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Sale of goods

Sales revenue represents revenue earned from the sale of precious metals, precious metal products and other products, fees and services. 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 value date. Other sales are recognised on trade date basis.

Funds received from Government

Government grants are recognised in the balance sheet initially as deferred income when there is reasonable assurance that they will be received and that the consolidated entity will comply with the conditions associated with the grant. A grant that compensates the consolidated entity for expenses incurred is recognised in the income statement on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the consolidated entity for the cost of an asset are recognised in the income statement on a systematic basis over the useful life of an asset.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Dividends

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.

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Foreign currency translation
Transactions denominated in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance date are translated to Australian dollars at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the start of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the period. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to Australian dollars at foreign exchange rates ruling at the dates the fair value was determined.

Foreign currency gains and losses are reported on a net basis.

Financial Instruments
Derivative financial instruments
The consolidated entity may use derivative financial instruments to hedge its exposure to foreign exchange risks arising from operating, financing and investing activities. In accordance with its treasury policy, the consolidated entity does not hold or issue derivative financial instruments for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

Derivatives are recognised initially at fair value; attributable transaction costs are recognised in the statement of comprehensive income when incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are accounted for as described below.

Cash flow hedges
Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognised directly in equity to the extent that the hedge is effective. To the extent that the hedge is ineffective, changes in fair value are recognised in the income statement.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognised in equity remains there until the forecast transaction occurs. When the hedged item is a non-financial asset, the amount recognised in equity is transferred to the carrying amount of the asset when it is recognised. In other cases the amount recognised in equity is transferred to the income statement in the same period that the hedged item affects the income statement.

Non-derivative financial instruments
Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through the statement of comprehensive income, any directly attributable transaction costs, except as described below. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

A financial instrument is recognised if the consolidated entity becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the consolidated entity's contractual rights to the cash flows from the financial assets expire or if the Group transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Regular purchases and sales of financial assets are accounted for at trade date, i.e. the date that the consolidated entity commits itself to purchase or sell the asset. Financial liabilities are derecognised if the consolidated entity's obligations specified in the contract expire or are discharged or cancelled.

Other non-derivative financial instruments are measured at amortised cost using the effective interest method, less any impairment losses.

Income tax

Gold Corporation is subject to 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. Under the NTER, the income tax equivalent revenue is remitted to the Treasurer of Western Australia, for credit of the Consolidated Fund. The calculation of the liability in respect of income tax is governed by NTER guidelines and directions approved by Government. As a consequence of participation in the NTER, Gold Corporation is required to comply with AASB 112 "Income Taxes". Income tax for the year comprises current and deferred tax. Income tax is recognised in the Statement of comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year adjusted by changes in deferred tax assets and liabilities, using tax rates enacted at Statements of financial position date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the Statements of financial position liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that they probably will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities but they intend to settle current tax liabilities and assets on a net basis or that tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised. The Corporation has formed a tax consolidated group with effect from 1 July 2002, and the Group is taxed as a single entity. All tax assets and liabilities, expenses and benefits, are recognised in Gold Corporation, which according to its legislation is liable to pay income tax on behalf of its subsidiaries.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an on-going basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. A provision for impairment of trade receivables is raised when there is objective evidence that the consolidated entity or parent entity will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 60 days overdue) are considered indicators that the trade receivable may be impaired. The amount of the impairment allowance is the difference between the asset’s carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

Other receivables are recognised at amortised cost, less any provision for impairment.

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Inventories

Precious metal inventories are valued at fair value, being market prices ruling at balance date. Other inventories are stated at the lower of cost or net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. Cost is assigned on a first in first out basis except for retail inventories where a weighted average method is used. In the case of manufactured inventories and work in progress, cost includes an appropriate share of overheads based on normal operating capacity.

Precious metal borrowings and unallocated precious metal owned by the consolidated entity's customers is shown as inventory due to the fungible nature of precious metal.

Investment properties

Investment properties principally comprise of freehold land and buildings held for long-term rental and capital appreciation that are not occupied by the consolidated entity. Investment properties are initially recognised at cost, including transaction costs, and are subsequently re-measured annually at fair value, based on similar assets, location and market conditions. Movements in fair value are recognised directly to profit or loss.

Investment properties are derecognised when disposed of or when there is no future economic benefit expected.

Transfers to and from investment properties to property, plant and equipment are determined by a change in use of owner-occupation. The fair value on the date of change of use from investment properties to property, plant and equipment are used as deemed cost for the subsequent accounting. The existing carrying amount of property, plant and equipment is used for the subsequent accounting cost of investment properties on date of change of use.

Investment properties also include properties under construction for future use as investment properties. These are carried at fair value, or at cost where fair value cannot be reliably determined and the construction is incomplete.

Property, plant and equipment

Land and buildings are shown at fair value, based on periodic, at least every year, valuations by external independent valuers, plus post valuation additions and less subsequent depreciation and impairment for buildings. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the re-valued amount of the asset. Increases in the carrying amounts arising on revaluation of land and buildings are credited to the revaluation surplus reserve in equity. Any revaluation decrements are initially taken to the revaluation surplus reserve to the extent of any previous revaluation surplus of the same asset. Thereafter the decrements are taken to Statements of comprehensive income.

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Buildings	40 years
Plant & equipment	3-12 years
Office equipment	5 years
Software	3 years
Motor vehicles	6 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements and plant and equipment under lease are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

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Gains and losses
Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within "other income" in the Statements of comprehensive income. When revalued assets are sold, the amounts included in the revaluation reserve are transferred to retained earnings.

Capitalisation/expensing of assets
Items of property, plant & equipment costing $2,000 or more are recognised as assets and the cost of utilising assets is expensed (depreciated) over their useful lives. Items of property, plant & equipment costing less than $2,000 are expensed direct to the income statement (other than where they form part of a group of similar items which are significant in total).

Impairment
Financial assets
A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in the income statement.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost, the reversal is recognised in the income statement.

Intangible assets
Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangibles are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Software
Significant costs associated with software are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 3 years.

Impairment of non-financial assets
Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset’s fair value less costs to sell and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables
These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

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Borrowings
Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non-current.

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings on an effective interest basis.

Provisions
Provisions are recognised when the consolidated entity has a present (legal or constructive) obligation as a result of a past event, it is probable the consolidated entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Employee benefits
Wages and salaries and annual leave
Liabilities for wages and salaries, including non-monetary benefits, and annual leave expected to be settled within 12 months of the reporting date are recognised in current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Long service leave
The liability for long service leave is recognised in current and non-current liabilities, depending on the unconditional right to defer settlement of the liability for at least 12 months after the reporting date. The liability is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution plans
A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as a personnel expense in profit or loss when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or reduction in future payments is available.

Issued capital
Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Dividends
Dividends are recognised when declared during the financial year.

Precious metal borrowings
Precious metal borrowings, including unallocated precious metal owned by the consolidated entity's customers are brought to account at market prices ruling at Statements of financial position date.

Operating Leases
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 income statement in the periods in which they are incurred over the term of the lease, as this represents the pattern of benefits derived from the leased assets.

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Goods and Services Tax ('GST') and other similar taxes
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the Statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Comparatives
When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates may differ to the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Provision for impairment of receivables
The provision for impairment of receivables assessment requires a degree of estimation and judgement. The level of provision is assessed by taking into account the recent sales experience, the ageing of receivables, historical collection rates and specific knowledge of the individual debtors financial position.

Provision for impairment of inventories
The provision for impairment of inventories assessment requires a degree of estimation and judgement. The level of the provision is assessed by taking into account the recent sales experience, the ageing of inventories and other factors that affect inventory obsolescence.

Fair value and hierarchy of financial instruments
The consolidated entity is required to classify financial instruments, measured at fair value, using a three level hierarchy, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs). An instrument is required to be classified in its entirety on the basis of the lowest level of valuation inputs that is significant to fair value. Considerable judgement is required to determine what is significant to fair value and therefore which category the financial instrument is placed in can be subjective.

Estimation of useful lives of assets
The consolidated entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

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Impairment of non-financial assets other than goodwill and other indefinite life intangible assets
The consolidated entity assesses impairment of non-financial assets at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs to sell or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Recovery of deferred tax assets
Deferred tax assets are recognised for deductible temporary differences only if the consolidated entity considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Long service leave provision
As discussed in note 2, the liability for long service leave is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Note 4. Revenue

	Consolidated		Gold Corporation	
	2012 $'000	2011 $'000	2012 $'000	2011 $'000
Sales revenue				
Sale of goods	6,784,547	5,458,770	5,168,982	4,408,086
Sale of services	30,503	11,460	-	-
Revenue	6,815,050	5,470,230	5,168,982	4,408,086

Note 5. Dividends from subsidiaries

	Consolidated		Gold Corporation	
	2012 $'000	2011 $'000	2012 $'000	2011 $'000
GoldCorp Australia	-	-	25,000	30,000
Western Australian Mint	-	-	20,000	5,000
Dividends from subsidiaries	-	-	45,000	35,000

In accordance with sections 44(b) and 53(b) of the *Gold Corporation Act 1987*, the Board has determined that dividends be paid to the consolidated entity by its subsidiaries.

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Note 6. Expenses

	Consolidated		Gold Corporation	
	2012	2011	2012	2011
	$'000	$'000	$'000	$'000
Profit before income tax includes the following specific expenses:				
Depreciation				
Buildings	146	85	-	-
Freehold improvements	651	682	-	-
Plant and equipment	3,899	3,389	580	536
Investment property	-	49	-	-
Total depreciation	4,696	4,205	580	536
Amortisation				
Software	102	179	102	179
Total depreciation and amortisation	4,798	4,384	682	715

	Consolidated		Gold Corporation	
	2012	2011	2012	2011
	$'000	$'000	$'000	$'000
Trading Profit				
Sales	6,815,050	5,470,230	5,168,982	4,408,086
Opening trading inventories	3,082,622	2,711,035	3,047,622	2,672,086
Purchases	6,705,070	5,770,797	5,148,872	4,772,375
Less closing trading inventories	(3,063,666)	(3,082,622)	(3,037,485)	(3,047,622)
Cost of goods sold	6,724,026	5,399,210	5,159,009	4,396,839
Trading Profit	91,024	71,020	9,973	11,247
Finance costs				
Finance costs	1,074	820	1,057	639

Note 7. Employee benefits expense

	Consolidated		Gold Corporation	
	2012	2011	2012	2011
	$'000	$'000	$'000	$'000
Wages and salaries (a)	25,017	23,267	8,830	7,826
Superannuation	2,242	2,061	633	562
Annual leave (b)	1,693	974	546	377
Long service leave (b)	709	109	347	14
	29,661	26,411	10,356	8,779

(a) Includes the value of the fringe benefit to the employee plus the fringe benefits tax component.
(b) Includes a superannuation contribution component.

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Note 8. Income tax expense

	Consolidated		Gold Corporation	
	2012	2011	2012	2011
	$'000	$'000	$'000	$'000
Income tax expense				
Current tax	13,064	9,411	13,064	9,411
Deferred tax - origination and reversal of temporary differences	(583)	(909)	(583)	(909)
Aggregate income tax expense	12,481	8,502	12,481	8,502
Deferred tax included in income tax expense comprises:				
Decrease/(increase) in deferred tax assets (note 19)	102	(664)	102	(664)
Decrease in deferred tax liabilities (note 26)	(685)	(245)	(685)	(245)
Deferred tax - origination and reversal of temporary differences	(583)	(909)	(583)	(909)
Numerical reconciliation of income tax expense and tax at the statutory rate				
Profit before income tax expense	40,084	28,077	47,007	37,121
Tax at the statutory tax rate of 30% (2011: 30%)	12,025	8,423	14,102	11,136
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:				
Depreciation of property, plant and equipment	157	44	-	-
Other non-deductible items	299	35	-	-
	12,481	8,502	14,102	11,136
Obligations of Gold Corporation for income tax on behalf of subsidiaries (a)	-	-	(1,621)	(2,634)
Income tax expense	12,481	8,502	12,481	8,502
Amounts credited directly to equity				
Deferred tax liabilities (note 26)	3,943	(144)	3,943	(144)

(a) Difference
Gold Corporation's income tax expense of $12,480,676 (2011: $8,501,783) includes the obligation in relation to the income of its subsidiaries, Western Australian Mint and GoldCorp Australia, in accordance with its legislation.

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Note 9. Current assets - cash and cash equivalents

	Consolidated		Gold Corporation	
	2012	2011	2012	2011
	$'000	$'000	$'000	$'000
Cash on hand	30	20	18	8
Cash at bank	52,536	60,187	15,885	25,043
	52,566	60,207	15,903	25,051

For the purposes of the Statements of cash flows, cash includes cash on hand and at bank, short term deposits at call and commercial bills.

Commercial bills with a maturity date of more than ninety days are reflected in note 13.

The consolidated entity's exposure to interest rate risk and sensitivity analysis for financial assets and liabilities is disclosed in note 33.

Note 10. Current assets - trade and other receivables

	Consolidated		Gold Corporation	
	2012	2011	2012	2011
	$'000	$'000	$'000	$'000
Trade receivables	4,895	8,927	1,270	145
Less: Provision for impairment of receivables	-	(1)	-	-
	4,895	8,926	1,270	145
Other receivables	4,133	8	3,848	-
	9,028	8,934	5,118	145

The consolidated entity’s exposure to credit and currency risks and impairment losses related to trade and other receivables are disclosed in note 33.

The consolidated entity trades only with recognised, creditworthy counterparties. The consolidated entity has policies in place to ensure that credit sales of products and services are made to customers with an appropriate credit history. In addition, receivable balances are monitored on an on-going basis with the result that the consolidated entity’s exposure to bad debts is minimal. There are no significant concentrations of credit risk. The consolidated entity does not have any significant exposure to any individual customer or counterparty.

Impairment of receivables
The ageing of the impaired receivables provided for above are as follows:

	Consolidated		Gold Corporation	
	2012	2011	2012	2011
	$'000	$'000	$'000	$'000
Over 6 months overdue	-	1	-	-

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Movements in the provision for impairment of receivables are as follows:

	Consolidated		Gold Corporation	
	2012	2011	2012	2011
	$'000	$'000	$'000	$'000
Additional provisions recognised	-	1	-	-

Based on historical default rates, the consolidated entity believes that no impairment allowance is necessary in respect of trade receivables not past due or past due by up to 30 days.

No allowance for impairment in respect of held-to-maturity investments was made during the year (2011 Nil).

The allowance in respect of trade receivables and held-to-maturity investments is used to record impairment losses unless the consolidated entity is satisfied that no recovery of the amount owing is possible; at that point the amount is considered irrecoverable and is written off against the financial asset directly.

Past due but not impaired
Customers with balances past due but without provision for impairment of receivables amount to $9,028,000 as at 30 June 2012 ($8,934,000 as at 30 June 2011).

The consolidated entity does not consider there to be a credit risk on the aggregate balances after reviewing credit terms of customers based on recent collection practices.

The ageing of the past due but not impaired receivables are as follows:

	Consolidated		Gold Corporation	
	2012	2011	2012	2011
	$'000	$'000	$'000	$'000
0 to 3 months overdue	9,028	8,934	5,118	145

Note 11. Current assets - inventories

	Consolidated		Gold Corporation	
	2012	2011	2012	2011
	$'000	$'000	$'000	$'000
Precious Metal	3,047,876	3,069,560	3,036,481	3,047,102
Finished goods	12,402	9,860	1,004	520
Work in progress - at cost	1,673	1,649	-	-
Consumables – at cost	1,715	1,553	-	-
	3,063,666	3,082,622	3,037,485	3,047,622

In 2012 inventory provisioning adjustments of $1,302,014 (2011: $332,839) have been written back to the inventory carrying value.

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Note 12. Current assets - income tax refund due

	Consolidated		Gold Corporation	
	2012	2011	2012	2011
	$'000	$'000	$'000	$'000
Income tax refund due	-	2,106	-	2,106

Refer to note 22.

Note 13. Current assets - other

	Consolidated		Gold Corporation	
	2012	2011	2012	2011
	$'000	$'000	$'000	$'000
Prepayments	2,464	2,278	2,174	2,082
Other deposits	41,000	20,000	41,000	20,000
	43,464	22,278	43,174	22,082

Other deposits represent commercial bills with maturity date greater than 90 days, with interest rates varying between 4.55% and 5.30% (2011: 5.35% and 5.36%).

Note 14. Non-current assets - receivables

	Consolidated		Gold Corporation	
	2012	2011	2012	2011
	$'000	$'000	$'000	$'000
Amounts owed by subsidiaries	-	-	301,229	219,159
Dividends receivable	-	-	45,000	35,000
	-	-	346,229	254,159

Loans to subsidiaries are interest free and have no fixed terms of repayment.

Note 15. Non-current assets - other financial assets

	Consolidated		Gold Corporation	
	2012	2011	2012	2011
	$'000	$'000	$'000	$'000
GoldCorp Australia	-	-	5,000	5,000
Western Australian Mint	-	-	16,603	16,603
AGR Management Service Pty Ltd	-	-	5	5
	-	-	21,608	21,608

All subsidiaries are 100% wholly owned and are incorporated in Western Australia. Refer to note 38 for contribution to the consolidated entity's results.

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Note 16. Non-current assets - investment properties

	Consolidated		Gold Corporation	
	2012	2011	2012	2011
	$'000	$'000	$'000	$'000
Investment property - at fair value	1,688	1,682	-	-

Reconciliation

Reconciliation of the fair values at the beginning and end of the current and previous financial year are set out below:

	Consolidated 2012 $'000	Consolidated 2011 $'000	Gold Corporation 2012 $'000	Gold Corporation 2011 $'000
Opening fair value	1,682	1,532	-	-
Additions	91	199	-	-
Impairment of assets	(85)	(49)	-	-
Closing fair value	1,688	1,682	-	-

Investment property comprises vacant land at Thomastown, Victoria. Independent valuation is $4,220,000 (2011: $4,205,000). This property was formerly used by AGR Matthey Partnership. The former partners own the property as joint tenants in common, with WAM's share being 40%.

Note 17. Non-current assets - property, plant and equipment

	Consolidated		Gold Corporation	
	2012	2011	2012	2011
	$'000	$'000	$'000	$'000
Land - at independent valuation	15,645	14,844	-	-
Land and buildings - at independent valuation	30,975	30,578	-	-
Plant and equipment - at cost	44,630	41,439	5,064	5,406
Less: Accumulated depreciation	(20,654)	(18,487)	(3,696)	(4,009)
	70,596	68,374	1,368	1,397

Valuations of land and buildings

The Board resolved to adopt Landgate's valuation of the Western Australian Mint's properties at 292, 300 and 310 Hay Street, Perth and Horrie Miller Drive, Perth Airport. The land and buildings were revalued as at 1 July 2011 in accordance with Landgate's valuation as at the date. The fair value of all land and buildings was determined by reference to current use value for the land and depreciated replacement value for the buildings. The total revaluation which includes post valuation additions at cost, resulted in a decrease of $488,783 (land $800,600 positive and buildings $1,289,383 negative). The revaluation decrement in 2011 was $2,322,080 (land $147,124 and buildings $2,174,956 negative). Included in the total revaluation increment in 2012 were building revaluation decrements amounting to $400,235 (2011: $1,641,747) that were debited to income statement to the extent that there were not amounts available in the corresponding revaluation reserve. The deferred tax of $3,943,208 (2011:$144,130) was recognised against the increment of $800,600 (2011:$680,333). Net transfer to revaluation reserve thus amount to $3,142,608 (2011 $536,203). For each revalued property at Hay Street, the carrying amount that would have been recognised had the assets been carried under the cost model is impracticable to determine, due to the fact that the original cost is not available.

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Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Leasehold Building	Freehold Land	Freehold Building	Plant & Equipment	Total
	$'000	$'000	$'000	$'000	$'000
Consolidated					
Balance at 1 July 2010	4,850	15,044	27,298	19,322	66,514
Additions	300	-	1,071	7,038	8,409
Disposals	-	-	-	(19)	(19)
Revaluation decrements	(317)	(200)	(1,857)	-	(2,374)
Depreciation expense	(85)	-	(682)	(3,389)	(4,156)
Balance at 30 June 2011	4,748	14,844	25,830	22,952	68,374
Additions	1,747	-	736	5,694	8,177
Disposals	-	-	-	(123)	(123)
Revaluation increments	-	801	-	-	801
Revaluation decrements	(9)	-	(1,280)	-	(1,289)
Write off of assets	-	-	-	(648)	(648)
Depreciation expense	(146)	-	(651)	(3,899)	(4,696)
Balance at 30 June 2012	6,340	15,645	24,635	23,976	70,596

	Plant & Equipment	Total
	$'000	$'000
Gold Corporation		
Balance at 1 July 2010	1,872	1,872
Additions	103	103
Disposals	(42)	(42)
Depreciation expense	(536)	(536)
Balance at 30 June 2011	1,397	1,397
Additions	1,586	1,586
Write off of assets	(648)	(648)
Transfers in/(out)	(387)	(387)
Depreciation expense	(580)	(580)
Balance at 30 June 2012	1,368	1,368

Note 18. Non-current assets - intangibles

	Consolidated		**Gold Corporation**	
	2012	**2011**	**2012**	**2011**
	$'000	**$'000**	**$'000**	**$'000**
Software - at cost	3,202	3,405	3,202	3,405
Less: Accumulated amortisation	(2,904)	(2,758)	(2,904)	(2,758)
	298	647	298	647

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There were no indications of impairment to intangible assets at 30 June 2012. The consolidated entity held no goodwill or intangible assets with an indefinite useful life during the reporting period and at reporting date there were no intangible assets not yet available for use.

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Computer Software	Total
	$'000	$'000
Consolidated		
Balance at 1 July 2010	395	395
Additions	646	646
Disposals	(215)	(215)
Amortisation expense	(179)	(179)
Balance at 30 June 2011	647	647
Additions	16	16
Write off of assets	(610)	(610)
Transfers in/(out)	347	347
Amortisation expense	(102)	(102)
Balance at 30 June 2012	298	298

	Computer Software	Total
	$'000	$'000
Gold Corporation		
Balance at 1 July 2010	395	395
Additions	646	646
Disposals	(215)	(215)
Amortisation expense	(179)	(179)
Balance at 30 June 2011	647	647
Additions	16	16
Write off of assets	(610)	(610)
Transfers in/(out)	347	347
Amortisation expense	(102)	(102)
Balance at 30 June 2012	298	298

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Note 19. Non-current assets - deferred tax

	Consolidated		Gold Corporation	
	2012	2011	2012	2011
	$'000	$'000	$'000	$'000
Deferred tax asset comprises temporary differences attributable to:				
Amounts recognised in profit or loss:				
Impairment of receivables	94	-	94	-
Property, plant and equipment	988	1,073	988	1,073
Employee benefits	1,310	1,791	1,310	1,791
Other payables	819	202	819	202
Write-down of inventories	390	637	390	637
Deferred tax asset	3,601	3,703	3,601	3,703
Deferred tax asset to be recovered after more than 12 months	3,601	3,703	3,601	3,703
Movements:				
Opening balance	3,703	3,039	3,703	3,039
Credited/(charged) to profit or loss (note 8)	(102)	664	(102)	664
Closing balance	3,601	3,703	3,601	3,703

Note 20. Current liabilities - trade and other payables

	Consolidated		Gold Corporation	
	2012	2011	2012	2011
	$'000	$'000	$'000	$'000
Trade payables	64,464	83,811	54,606	56,254
Other payables and accrued expenses	8,809	1,041	-	1,034
	73,273	84,852	54,606	57,288

Refer to note 33 for further information on financial instruments.

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Note 21. Current liabilities - borrowings - interest bearing

		Consolidated		Gold Corporation	
		2012	2011	2012	2011
		$'000	$'000	$'000	$'000
Borrowings - cash	(a)	-	3,500	-	-
Precious Metal borrowings	(b)	137,485	45,588	137,485	45,588
		137,485	49,088	137,485	45,588

(a) Borrowings from Western Australian Treasury Corporation at commercial rates, repayable on 12 December 2011.
(b) Precious metal borrowings and customer owned precious metal are guaranteed by Government of Western Australia under Section 22 (1) of the *Gold Corporation Act 1987*, with annual limits for gold, silver, platinum and palladium approved by the Treasurer.

Note 22. Current liabilities - income tax

	Consolidated		Gold Corporation	
	2012	2011	2012	2011
	$'000	$'000	$'000	$'000
Opening balance	(2,106)	3,253	(2,106)	3,253
Provision for current year	13,064	9,411	13,064	9,411
Amount paid during the year	(7,932)	(14,770)	(7,932)	(14,770)
Closing balance	3,026	(2,106)	3,026	(2,106)

Note 23. Current liabilities - employee benefits

	Consolidated		Gold Corporation	
	2012	2011	2012	2011
	$'000	$'000	$'000	$'000
Annual leave	1,730	1,582	1,116	927
Long service leave	1,920	1,769	1,332	1,113
Employment on-costs	293	331	196	164
	3,943	3,682	2,644	2,204

Annual leave liabilities and long service leave have been classified as current where there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period.

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Note 24. Current liabilities - provisions

	Consolidated		Gold Corporation	
	2012	**2011**	**2012**	**2011**
	$'000	**$'000**	**$'000**	**$'000**
Other	2,521	2,024	2,521	2,024

Incentive plan
The consolidated entity's incentive plan was originally approved by the Board in 2003 and is designed to motivate all staff to strive towards the consolidated entity achieving an acceptable return on assets. A plan was put into place whereby an ever increasing profit target was set over a number of years. If the target for any year is exceeded then a certain proportion of the amount by which the profit exceeds target is available for distribution to employees. All employees are eligible for payments in terms of the scheme.

There are upper limits on payments to employees and an upper limit to the total amount which can be paid out. The total amount to be paid out in any year must be approved by the Board at its discretion and then all individual payments must be approved by the Remuneration and Allowances Committee.

In the 2011/12 financial year the consolidated entity did exceed its profit target, so employees will be eligible for incentive payments of $ 2,521,058 (2011: $2,024,000).

Movements in provisions
Movements in each class of provision during the current financial year, other than employee benefits, are set out below:

	Incentive
	$'000
Consolidated - 2012	
Carrying amount at the start of the year	2,024
Additional provisions recognised	2,521
Payments	(2,024)
Carrying amount at the end of the year	2,521

	Incentive
	$'000
Gold Corporation - 2012	
Carrying amount at the start of the year	2,024
Additional provisions recognised	2,521
Payments	(2,024)
Carrying amount at the end of the year	2,521

Note 25. Current liabilities – precious metal borrowings – non-interest bearing

	Consolidated		Gold Corporation	
	2012	**2011**	**2012**	**2011**
	$'000	**$'000**	**$'000**	**$'000**
Precious metal borrowings	2,903,861	3,002,353	2,903,861	3,002,353

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Security for Borrowings
Precious metal borrowings are guaranteed by the Government of Western Australia under Section 22 (1) of the *Gold Corporation Act 1987*, with annual limits for gold, silver, platinum and palladium approved by the Treasurer. These do not attract interest and are utilised in the consolidated entity's operations.

Note 26. Non-current liabilities - deferred tax

	Consolidated		Gold Corporation	
	2012 $'000	2011 $'000	2012 $'000	2011 $'000
Deferred tax liability comprises temporary differences attributable to:				
Amounts recognised in profit or loss:				
Property, plant and equipment	5,953	2,097	5,953	2,097
Prepayments	86	684	86	684
Deferred tax liability	6,039	2,781	6,039	2,781
Deferred tax liability to be settled after more than 12 months	6,039	2,781	6,039	2,781
Movements:				
Opening balance	2,781	3,170	2,781	3,170
Credited to profit or loss (note 8)	(685)	(245)	(685)	(245)
Credited to equity (note 8)	3,943	(144)	3,943	(144)
Closing balance	6,039	2,781	6,039	2,781

Note 27. Non-current liabilities - employee benefits

	Consolidated		Gold Corporation	
	2012 $'000	2011 $'000	2012 $'000	2011 $'000
Long service leave	308	232	200	144
Employment on-costs	25	20	17	12
Employee superannuation benefits	90	76	-	-
	423	328	217	156

Superannuation commitments
The consolidated entity contributes to a superannuation fund, the Spectrum Superannuation Fund, which is operated and administrated by Spectrum Super.

All permanent employees of the consolidated entity are entitled to join the fund. Trustee, funds management and administration services are provided by IOOF Investment Management Ltd. The Spectrum Superannuation Fund provides benefits on retirement, total and permanent disability or death. The consolidated entity contributes to the fund at rates based on the salary of each member employee.

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The consolidated entity's employees not wishing to, or who are ineligible to join the Spectrum Superannuation Fund are members of the OnePath Master Fund, to which the consolidated entity contributes at the current rate required by superannuation guarantee legislation.

All the consolidated entity's employees can request that contributions be made to a fund of their own choice, rather than the Spectrum Superannuation Fund or the OnePath Master Fund, in accordance with legislation.

Award-based employees of the Western Australian Mint who made the election prior to December 1996 are 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 Government Employees Superannuation Board.

Western Australian Mint award employees who do not wish to, 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 of choice of fund and to make personal contributions.

Note 28. Non-current liabilities - Payables

	Consolidated		Gold Corporation	
	2012 $'000	2011 $'000	2012 $'000	2011 $'000
Amounts owed to subsidiaries	-	-	262,992	184,579

The consolidated entity's exposure to currency and liquidity risk related to trade and other payables is disclosed in note 33.

Note 29. Equity - issued capital

	Consolidated and Gold Corporation		Consolidated and Gold Corporation	
	2012 Shares	2011 Shares	2012 $'000	2011 $'000
Ordinary shares - fully paid	31,602,852	31,602,852	31,603	31,603

Ordinary shares
Ordinary shares entitle the holder to participate in dividends

Capital risk management
The consolidated entity's and parent entity's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

The Board's policy is to maintain an adequate capital base so as to sustain the future development of the business. The Board of Directors monitors the return on capital, which the consolidated entity defines as net operating income divided by total shareholders' equity. The level of dividends payable is defined in accordance with government policy.

The consolidated entity’s target is to achieve a return on equity of 19.5%; before Income Tax equivalent. During the year ended 30 June 2012 the return was 35.1% (2011: 26.6%).

Neither the consolidated entity nor any of its subsidiaries are subject to externally imposed capital requirements.
The capital risk management policy remains unchanged from the 30 June 2011 Annual Report.

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Note 30. Equity - reserves

	Consolidated		Gold Corporation	
	2012	2011	2012	2011
	$'000	$'000	$'000	$'000
Reserve - asset revaluation	16,251	20,283	-	-

Revaluation surplus reserve
The reserve is used to recognise increments and decrements in the fair value of land and buildings, excluding investment properties.

Note 31. Equity - retained profits

	Consolidated		Gold Corporation	
	2012	2011	2012	2011
	$'000	$'000	$'000	$'000
Retained profits at the beginning of the financial year	53,559	43,755	49,944	31,096
Profit after income tax expense for the year	27,603	19,575	34,526	28,619
Dividends paid (note 32)	(14,680)	(9,771)	(14,680)	(9,771)
Retained profits at the end of the financial year	66,482	53,559	69,790	49,944

Note 32. Equity - dividends

	Gold Corporation	
	2012	2011
	$'000	$'000
Western Australian Government	14,680	9,771

In accordance with section 21(4) of the *Gold Corporation Act 1987* the Board recommended to the Treasurer that an amount of $20,703,077 (2011: $14,680,064) be payable as dividend for the financial year ended 30 June 2012. The dividend was declared and approved after the end of the financial year and therefore has not been provided for in the financial statements.

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Note 33. Financial instruments

Financial risk management objectives

The consolidated entity has exposure to the following risks:
* market risk
* credit risk
* liquidity risk

This note presents information about the consolidated entity's exposure to each of the above risks, its objectives, policies and processes for measuring and managing risk, and the management of capital. Further quantitative disclosures are included throughout the financial report.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Board has established the Audit & Risk Management Committee, which is responsible for reviewing and monitoring risk management policies. The committee reports regularly to the Board of Directors on its activities.

Risk management policies are established to identify and analyse the risks faced by the consolidated entity, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the consolidated entity's activities.

The consolidated entity, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations. The primary risk management document is the Prudential Management Policy which describes the risks the consolidated entity is exposed to, how those risks are to be managed and within what parameters exposure to risks can be taken.

The consolidated entity's Audit & Risk Management Committee oversees how management monitors compliance with the consolidated entity's risk management policies and procedures, and reviews the adequacy and effectiveness of the risk management framework in relation to the risks faced by the consolidated entity. The consolidated entity's Audit & Risk Management Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the consolidated entity's Audit & Risk Management Committee.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, will affect the consolidated entity's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Prudential Management Policy determines what instruments can be used to manage market risk. These include spot deferred and forward transactions, options and currency swaps, all within pre-determined limits.

The consolidated entity currently does not use hedging or derivatives to manage this risk other than for purchases of capital equipment.

Currency risk

The consolidated entity is exposed to currency risk on sales and purchases that are denominated in a currency other than the respective functional currency of the consolidated entity, the Australian dollar.

The consolidated entity does not hedge its estimated foreign currency exposure in respect of forecast sales and purchases. The consolidated entity does not hedge trade receivables, but may hedge trade payables denominated in a foreign currency where appropriate. The consolidated entity uses forward exchange contracts to hedge this currency risk, most with maturity of less than one year from the reporting date. When necessary, forward exchange contracts are rolled at maturity.

In respect of other monetary assets and liabilities denominated in foreign currencies, the consolidated entity ensures that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

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The average exchange rates and reporting date exchange rates applied were as follows:

	Average exchange rates		Reporting date exchange rates	
	2012	**2011**	**2012**	**2011**
	$'000	**$'000**	**$'000**	**$'000**
Australian dollars				
USD 1	1.0003	1.0721	1.0164	1.0600
EURO 1	0.7965	0.7392	0.8063	0.7371
HKD 1	7.7473	8.3223	7.7858	8.2623
CAD 1	1.0364	1.0354	1.0373	-
GBP 1	0.6420	0.6656	0.6470	0.6545
NZD 1	-	1.3661	-	1.3646

The carrying amount of the consolidated entity's and parent entity's foreign currency denominated financial assets and financial liabilities at the reporting date was as follows:

	Assets		Liabilities	
	2012	**2011**	**2012**	**2011**
	$'000	**$'000**	**$'000**	**$'000**
Consolidated				
US dollars	2,872	1,311	(38,096)	(43,942)
Euros	83	344	(12)	(11)
Pound Sterling	312	-	(4)	(3)
New Zealand dollars	-	84	-	-
Canadian dollars	-	-	(1)	-
Hong Kong dollars	-	-	(10)	(8)
	3,267	1,739	(38,123)	(43,964)

	Assets		Liabilities	
	2012	**2011**	**2012**	**2011**
	$'000	**$'000**	**$'000**	**$'000**
Gold Corporation				
US dollars	2,100	-	(33,997)	(34,668)
Euros	-	-	(219)	-
Pound Sterling	-	-	(362)	-
	2,100	-	(34,578)	(34,668)

The group is exposed to foreign currency risk on sales and purchases in currencies other than Australian dollars. The currencies giving rise to this risk are primarily US dollars. Foreign currency risk on sales and purchases are generally not hedged, except for purchases of certain capital items. The group uses forward exchange contracts to hedge such purchases, and contracts have maturity of less than one year after reporting date.

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A (strengthening) weakening of the Australian dollar against other currencies at 30 June would have (increased) decreased equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. This analysis is performed on the same basis for 2011.

		AUD strengthened			AUD weakened	
Consolidated - 2012	**% change**	**Effect on profit before tax $'000**	**Effect on equity $'000**	**% change**	**Effect on profit before tax $'000**	**Effect on equity $'000**
USD	10%	(3,522)	(2,465)	10%	3,522	2,465
EURO	10%	(14)	(10)	10%	14	10
GBP	10%	(5)	(4)	10%	5	4
		(3,541)	(2,479)		3,541	2,479

		AUD strengthened			AUD weakened	
Consolidated - 2011	**% change**	**Effect on profit before tax**	**Effect on equity**	**% change**	**Effect on profit before tax**	**Effect on equity**
USD	10%	(4,263)	(2,984)	10%	4,263	2,984
EURO	10%	(51)	(36)	10%	51	36
NZD	10%	(8)	(6)	10%	8	6
		(4,322)	(3,026)		4,322	3,026

		AUD strengthened			AUD weakened	
Gold Corporation - 2012	**% change**	**Effect on profit before tax**	**Effect on equity**	**% change**	**Effect on profit before tax**	**Effect on equity**
USD	10%	(3,190)	(2,233)	10%	3,190	2,233
EURO	10%	(22)	(15)	10%	22	15
GBP	10%	(36)	(25)	10%	36	25
		(3,248)	(2,273)		3,248	2,273

		AUD strengthened			AUD weakened	
Gold Corporation - 2011	**% change**	**Effect on profit before tax**	**Effect on equity**	**% change**	**Effect on profit before tax**	**Effect on equity**
USD	10%	(3,467)	(2,427)	10%	3,467	2,427

Price risk
The consolidated entity and parent entity are not exposed to any significant price risk.

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Metal price risk

The consolidated entity does not enter into commodity (precious metals) contracts other than to meet the consolidated entity's expected sale requirements, and then only on a back to back basis so as to eliminate the risk of movements in precious metal prices. The consolidated entity has a policy of minimising its long or short precious metal positions by utilising leased precious metal and unallocated precious metal owned by the consolidated entity's customers in its working inventories.

Interest rate risk

The consolidated entity adopts a policy of not hedging its exposure to change in interest rates on borrowings.

At the reporting date the interest rate profile of the consolidated entity interest-bearing financial instruments was:

	2012		**2011**	
	Weighted average interest rate %	**Balance $'000**	**Weighted average interest rate %**	**Balance $'000**
Consolidated				
Fixed rate - Financial liabilities Interest	-	-	5.18	(181)
Fixed rate - Financial liabilities Metal Lease	0.40	(550)	0.30	(14)
Variable rate - Financial assets Interest	2.79	2,610	5.44	2,499
Net exposure to cash flow interest rate risk		2,060		2,304

	2012		**2011**	
	Weighted average interest rate %	**Balance $'000**	**Weighted average interest rate %**	**Balance $'000**
Gold Corporation				
Fixed rate - Financial liabilities Metal lease	0.40	(550)	0.30	(14)
Variable rate - Financial assets Interest	4.40	2,528	5.44	2,499
Net exposure to cash flow interest rate risk		1,978		2,485

The consolidated entity’s exposure to interest rate risk and the effective weighted average interest rate for each class of financial assets and financial liabilities are set out below. No interest rate hedging has been entered into during the period.

Fair value sensitivity analysis for fixed rate instruments

The consolidated entity does not account for any fixed rate financial assets and liabilities at fair value through the Statements of comprehensive income.

Cash flow sensitivity analysis for variable rate instruments

A change of 50 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amount shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. This analysis is performed on the same basis for 2011.

	Basis points increase			Basis points decrease		
Consolidated - 2012	**Basis points change**	**Effect on profit before tax**	**Effect on equity**	**Basis points change**	**Effect on profit before tax**	**Effect on equity**
Variable rate instruments	50	302	211	50	(302)	(211)

	Basis points increase			Basis points decrease		
Consolidated - 2011	**Basis points change**	**Effect on profit before tax**	**Effect on equity**	**Basis points change**	**Effect on profit before tax**	**Effect on equity**
Variable rate instruments	50	401	281	50	(401)	(281)

	Basis points increase			Basis points decrease		
Gold Corporation - 2012	**Basis points change**	**Effect on profit before tax**	**Effect on equity**	**Basis points change**	**Effect on profit before tax**	**Effect on equity**
Variable rate instruments	50	284	199	50	(284)	(199)

	Basis points increase			Basis points decrease		
Gold Corporation - 2011	**Basis points change**	**Effect on profit before tax**	**Effect on equity**	**Basis points change**	**Effect on profit before tax**	**Effect on equity**
Variable rate instruments	50	225	158	50	(225)	(158)

Credit risk

Credit risk is the risk of financial loss to the consolidated entity if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the consolidated entity's receivables from customers, subsidiaries and investment securities. The consolidated entity's exposure to credit risk can occur through the provision of trade credit (both within Australia and internationally), the provision of consignment stock facilities and the provision of bullion trading and settlement facilities. The Prudential Management Policy determines the levels of credit exposure the consolidated entity can take to various categories of customers and counterparties.

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Trade and other receivables

The consolidated entity's exposure to credit risk is influenced mainly by the individual financial characteristics of each customer. The demographics of the consolidated entity's customer base, including the default risk of the industry and country in which customers operate, has less of an influence on credit risk. No significant percentage of the consolidated entity's revenue is attributable to sales transactions with a single customer. Geographically there is no concentration of credit risk.

The Audit & Risk Management Committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the consolidated entity's standard payment and delivery terms and conditions are offered. The review includes external ratings, when available, and in some cases bank references. Credit and settlement limits are established for each customer, which represents the maximum open amount without requiring approval from the Audit & Risk Management Committee; these limits are reviewed annually. Customers that fail to meet the consolidated entity's benchmark creditworthiness may transact with the consolidated entity only on a prepayment basis or against the provision of acceptable security such as letters of credit, bank guarantees and other forms of payment guarantees.

The majority of the trade and other receivables customers have been transacting with the consolidated entity for over four years, and losses have occurred infrequently. The consolidated entity's trade and other receivables relate mainly to wholesale customers. Customers that are graded as "high risk" are placed on a restricted customer list, and future sales are made on a prepayment basis.

Goods are sold subject to retention of title clauses, so that in the event of non-payment the consolidated entity may have a secured claim. The consolidated entity may require collateral in respect of trade and other receivables.

The consolidated entity has established an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for the group of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payments statistics for similar financial assets.

The maximum exposure to credit risk for trade receivables at the reporting date by geographic region was:

	Consolidated		**Gold Corporation**	
	2012	**2011**	**2012**	**2011**
	$'000	**$'000**	**$'000**	**$'000**
Australia	7,880	7,251	3,018	145
United States	691	336	2,100	-
Europe	457	290	-	-
Asia	-	81	-	-
Other countries	-	976	-	-
	9,028	8,934	5,118	145

The maximum exposure to credit risk for trade receivables at the reporting date by type of customer was:

	Consolidated		**Gold Corporation**	
	2012	**2011**	**2012**	**2011**
	$'000	**$'000**	**$'000**	**$'000**
Wholesale customers	9,028	8,934	5,118	145

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The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Consolidated		Gold Corporation	
	2012	2011	2012	2011
	$'000	$'000	$'000	$'000
Commercial bills	41,000	20,000	41,000	20,000
Trade receivables	9,028	8,934	5,117	145
Cash and cash equivalents	52,566	60,207	15,904	25,050
	102,594	89,141	62,021	45,195

Guarantees

The consolidated entity does not provide financial guarantees.

Liquidity risk

Prudent liquidity risk management requires the consolidated entity to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The consolidated entity manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Remaining contractual maturities

The following tables detail the remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Consolidated - 2012	1 year or less $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000	Remaining contractual maturities $'000
Non-derivatives					
Non-interest bearing					
Trade payables	(64,464)	-	-	-	(64,464)
Total non-derivatives	(64,464)	-	-	-	(64,464)

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Consolidated - 2011	1 year or less $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000	Remaining contractual maturities $'000
Non-derivatives					
Non-interest bearing					
Trade payables	(83,811)	-	-	-	(83,811)
Interest-bearing - fixed rate					
Unsecured bank loans	(3,593)	-	-	-	(3,593)
Total non-derivatives	(87,404)	-	-	-	(87,404)

Gold Corporation - 2012	1 year or less $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000	Remaining contractual maturities $'000
Non-derivatives					
Non-interest bearing					
Trade payables	(54,606)	-	-	-	(54,606)
Total non-derivatives	(54,606)	-	-	-	(54,606)

Gold Corporation - 2011	1 year or less $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000	Remaining contractual maturities $'000
Non-derivatives					
Non-interest bearing					
Trade payables	(56,254)	-	-	-	(56,254)
Total non-derivatives	(56,254)	-	-	-	(56,254)

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Fair value of financial instruments

The following tables detail the consolidated entity's and parent entity's fair values of financial instruments categorised by the following levels:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices)

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

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Consolidated - 2012	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Assets				
Receivables	-	-	9,028	9,028
Other	-	41,000	-	41,000
Total assets	-	41,000	9,028	50,028
Liabilities				
Payables	-	-	73,273	73,273
Precious metal borrowings	137,485	-	-	137,485
Total liabilities	137,485	-	73,273	210,758

Consolidated - 2011	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Assets				
Receivables	-	-	8,934	8,934
Other	-	20,000	-	20,000
Total assets	-	20,000	8,934	28,934
Liabilities				
Payables	-	-	84,852	84,852
Borrowings	-	-	3,500	3,500
Precious metal borrowings	49,088	-	-	49,088
Total liabilities	49,088	-	88,352	137,440

Gold Corporation - 2012	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Assets				
Receivables	-	-	347,137	347,137
Other financial assets	-	41,000	-	41,000
Total assets	-	41,000	347,137	388,137
Liabilities				
Payables	-	-	54,606	54,606
Precious metal borrowings	45,588	-	-	45,588
Total liabilities	45,588	-	54,606	100,194

Gold Corporation - 2011	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Assets				
Receivables	-	-	254,304	254,304
Other financial assets	-	20,000	-	20,000
Total assets	-	20,000	254,304	274,304

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Liabilities				
Payables	-	-	57,288	57,288
Precious metal borrowings	45,588	-	-	45,588
Total liabilities	45,588	-	57,288	102,876

There were no transfers between levels during the financial year.

The fair values of financial assets and liabilities, together with their carrying amounts in the Statement of financial position, for the consolidated entity are as follows:

Consolidated	2012 Carrying amount $'000	2012 Fair value $'000	2011 Carrying amount $'000	2011 Fair value $'000
Assets				
Precious metal inventories	3,047,876	3,047,876	3,069,560	3,069,560
	3,047,876	3,047,876	3,069,560	3,069,560
Liabilities				
Precious metal borrowings interest bearing	(137,485)	(137,485)	(45,588)	(45,588)
Precious metal borrowings non- interest bearing	(2,903,861)	(2,903,861)	(3,002,353)	(3,002,353)
	(3,041,346)	(3,041,346)	(3,047,941)	(3,047,941)

The $2,903,861 (2011: $3,002,353) of precious metal deposited by Perth Mint Depository clients (note 25) was used in operations by the consolidated entity as working inventory.

Note 34. Key management personnel disclosures

Compensation

The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	Consolidated 2012 $'000	Consolidated 2011 $'000	Gold Corporation 2012 $'000	Gold Corporation 2011 $'000
Short-term employee benefits	3,189	2,667	2,227	1,890
Post-employment benefits	303	261	215	186
	3,492	2,928	2,442	2,076

Total fees received by non-executive directors was $277,950 (2011: $277,950).

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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:

	Consolidated		Gold Corporation	
	2012	2011	2012	2011
$0 - $10,000	1	1	1	1
$40,001 - $50,000	4	4	4	4
$90,001 - $100,000	1	1	1	1
$360,001 - $370,000	-	1	-	1
$450,001 - $460,000	1	-	1	-
$460,001 - $470,000	-	1	-	1
$580,001 - $590,000	1	-	1	-
	8	8	8	8

Number of senior offices 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:

	Consolidated		Gold Corporation	
	2012	2011	2012	2011
$70,001 - $80,000	1	-	1	-
$80,001 - $150,000	-	3	-	2
$150,001 - $160,000	1	-	-	-
$160,001 - $170,000	-	2	-	2
$170,001 - $180,000	1	-	1	-
$190,001 - $200,000	1	2	1	2
$210,001 - $220,000	1	-	1	-
$230,001 - $240,000	2	3	2	-
$280,001- $290,000	2	-	-	-
$310,001 - $320,000	1	-	-	-
	10	10	6	6

Note 35. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by the Office of the Auditor General, the auditor of the consolidated entity:

	Consolidated		Gold Corporation	
	2012 $'000	2011 $'000	2012 $'000	2011 $'000
Audit and review of financial statements and key performance indicators	210	279	210	279

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Note 36. Contingent liabilities

In addition to the liabilities included in the financial statements, there is the following contingent liability.

In prior years, ground water contamination occurred at the Newburn site of the AGR Matthey refinery. The AGR Joint Venture partners (Western Australian Mint and Australian Gold Alliance Pty Ltd) were responsible for any remediation and restoration of the site. Pursuant to the dissolution of the AGR Matthey Partnership on 29 March 2010, Western Australian Mint has assumed full responsibility for any future liabilities. Expenses incurred to date have been expensed in the financial statements. It is difficult to estimate the future long-term costs, if any, of remediation. Hence it is not possible to quantify these as at 30 June 2012.

Note 37. Commitments

	Consolidated		Gold Corporation	
	2012 $'000	2011 $'000	2012 $'000	2011 $'000
Capital commitments - Property, plant and equipment				
Committed at the reporting date but not recognised as liabilities, payable:				
Within one year	1,740	3,444	-	1,272
Lease commitments - operating				
Committed at the reporting date but not recognised as liabilities, payable:				
Within one year	227	178	227	178
One to five years	436	170	436	170
	663	348	663	348

The operating lease commitments are for leases of computer equipment. The terms of these are various, with the maximum term being until June 2016. During 2012 $254,568 was recognised as an expense in the income statement in respect of operating leases (2011: $309,495).

Note 38. Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2:

		Equity holding		Contribution to Consolidated Results	
Name of entity	Country of incorporation	2012 %	2011 %	2012 $'000	2011 $'000
Gold Corporation	Western Australia	100.00	100.00	1,199	2,649
Subsidiaries of Gold Corporation:					
GoldCorp Australia	Western Australia	100.00	100.00	20,079	13,529
Western Australian Mint	Western Australia	100.00	100.00	6,325	3,397
AGR Management Service Pty Ltd	Western Australia	100.00	100.00	-	-
				27,603	19,575

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Note 39. Reconciliation of profit after income tax to net cash from operating activities

	Consolidated		Gold Corporation	
	2012 $'000	2011 $'000	2012 $'000	2011 $'000
Profit after income tax expense for the year	27,603	19,575	34,526	28,619
Adjustments for:				
Depreciation and amortisation	4,798	4,384	682	715
Impairment of property, plant and equipment	400	1,642	-	-
Write off of property, plant and equipment	1,258	-	1,258	-
Net loss on disposal of property, plant and equipment	123	1	-	-
Inventory provision adjustment	(1,302)	(332)	-	-
Employee benefits	356	203	501	355
Income tax	12,481	8,502	12,481	8,502
Increase/(Decrease) in precious metal leases	(98,492)	543,734	-	543,734
Increase/(Decrease) in inventories	18,956	(371,587)	10,137	(375,536)
Increase/(Decrease) in prepayments	(187)	(237)	(92)	(206)
Increase/(Decrease) in receivables	(94)	(2,784)	(4,973)	(34,522)
Increase/(Decrease) in payables	(6,541)	(12,026)	(110,350)	23,449
Increase/(Decrease) in borrowings	88,397	(167,913)	91,897	(167,913)
Net cash from operating activities	47,756	23,162	36,067	27,197

Note 40. Explanatory statement

Section 40 of the *Financial Management 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 consolidated entity's business plans for 2011/12 projected an operating result before income tax equivalent of $20.422 million against an actual profit before income tax equivalent of $40.085 million. The most significant variations were:

- Better than anticipated sales of a variety of bullion and numismatic coins, most notably the "Year of the Dragon" lunar coin series.
- Stronger than anticipated interest in Depository and Treasury precious metals products as uncertainty continued to impact on world financial markets

Variations from previous year

Treasurer's Instruction 945 requires an explanatory statement providing reasons for, and the detailing 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 were:

Sales revenue
Sales revenue of $6.82 billion in 2011/12 was 24.7% higher than the $5.47 billion revenue in 2010/11 due to higher activity levels across all divisions. This was driven by continuing uncertainty in world financial markets coupled with a number of one-off selling opportunities.

Cost of sales
Cost of sales of $6.72 billion was 24.5% higher than the $5.4 billion cost of sales in 2010/11 in line with the increase in revenue.

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Gross profit
Gross profit increased to $97.1 million in 2011/12, 38.4% above the gross profit of $70.69 million in 2010/11. This was due to increased margins earned on a range of products and services.

Employee Benefits expense
Employee benefits expense increased by $3.25 million to $29.66 million in 2011/12. This is attributable to additional staffing requirements and additional provisions for employee entitlements in accordance with the accounting standards.

Materials and Services
Materials and services increased to $31.59 million, up from $26.41 million in 2010/11 in line with the additional turnover and volume throughput in 2011/12.