

GOLD CORPORATION
2002 ANNUAL REPORT

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12 December 2002

Hon Nick Griffiths LLB MLC
Minister for Government Enterprises
10th Floor, 216 St George's Tce
PERTH WA 6000

STATEMENT OF COMPLIANCE

In accordance with Section 66 of the *Financial Administration and Audit Act 1985*, we hereby submit for your information and for presentation to Parliament, the Annual Report of Gold Corporation for the year ended 30 June 2002.

The Report has been prepared in accordance with the provisions of the *Financial Administration and Audit Act 1985*.

P J UNSWORTH
Chairman

D MACKAY-COGHILL
Director

THE YEAR IN BRIEF

- The 2001-2002 financial year was one of restructuring and consolidation, with the Corporation recording an operating profit of \$2 million before write-downs of, and provisioning for, slow-moving inventory. Before statutory contribution and after write-downs and provisions, a loss of \$981,000 was incurred, compared with a loss of \$5.8 million in the previous year.
- Australian Gold Refineries (AGR Joint Venture), in which the Corporation has a 50% interest, recorded an operating pre-tax profit of \$7.4 million for the 12 months to 30 June 2002. This was an increase of \$2.7 million or 58.5% on the previous year's profit. The Joint Venture's annual refined fine gold output was 240 tonnes, compared with 233.45 tonnes in 2000-2001. Ownership of AGR Joint Venture changed hands, with Gold Corporation's partner in the joint venture, Golden West (Australasia) Pty Ltd, disposing of its 50% interest to Australian Gold Alliance Pty Ltd.
- Perth Mint Depository exceeded budget significantly, due primarily to renewed investor interest in precious metals. A contributing factor was the decline in international equity markets, especially in the second half of the year.
- The number of visitors to The Perth Mint Shop and Exhibition declined in the aftermath of the Olympic Games, the collapse of Ansett Australia, and global travel insecurity following the 11 September terrorist attacks. However, the reduced tourist income was offset by a recovery in retail gold sales.
- GoldCorp Australia continued to focus on producing high-premium, limited-issue collector coinage, releasing several successful commemorative coin issues, including Buckingham Palace-approved designs celebrating The Queen's Golden Jubilee. A further highlight was the introduction of the world's first coins containing free-moving parts, the Crown Jewels Locket Coins.
- Gold Corporation and The Perth Mint won several prestigious awards, including two Western Australian Tourism Awards, the Western Australian Industry and Export Award for Design and Marketing Excellence, and a Gold Award and the inaugural Nadebaum Trophy in the WS Lonnie Awards for Excellence in Annual Reporting.
- Construction of state-of-the-art minting facilities adjacent to the existing Mint buildings was completed. The new building, which also houses marketing, e-commerce, public affairs and sales administration, will be opened officially in early 2003.

CHAIRMAN'S REVIEW

The 2001-2002 financial year was one of restructuring and consolidation, with the Corporation recording an operating profit of \$2 million before write-downs of, and provisioning for, slow-moving inventory. Before statutory contribution and after write-downs and provisions, a loss of \$981,000 was incurred, compared with a loss of \$5.8 million in the previous year.

The turn-around in the operating result was due to a significant reduction in Group overheads and better than expected performances from the Treasury division and Australian Gold Refineries (AGR Joint Venture), in which the Corporation holds a 50% interest.

AGR Joint Venture's operating pre-tax profit of \$7.4 million was a 58.5% increase on the previous year's profit, due primarily to a significant improvement in the Products division, reduced precious metal lease costs, a better than expected result from the AGR Joint Venture Treasury and an improved refining performance. Ownership of AGR Joint Venture changed hands during the year, with Gold Corporation's partner in the joint venture, Golden West (Australasia) Pty Ltd, disposing of its 50% interest to Australian Gold Alliance Pty Ltd.

Perth Mint Depository had a stellar year of growth, again exceeding budget significantly, on the back of renewed investor interest in precious metals following the decline in global equity markets and the September 11 terrorist attacks. This business is now firmly established and should continue to perform strongly in the years ahead.

The number of visitors to The Perth Mint Shop and Exhibition declined in the aftermath of the Olympic Games, the collapse of Ansett Australia and global travel insecurity following September 11, 2001. However, this was countered to some extent by recovery in retail gold demand, which helped to produce a satisfactory overall result.

GoldCorp Australia maintained its focus on high-premium, limited-issue collector coinage, releasing several successful commemorative coin issues, including Buckingham Palace-approved designs celebrating the Golden Jubilee of Queen Elizabeth II's Accession to the Throne. A further highlight was the introduction of the world's first coins containing free-moving parts, the Crown Jewels Locket Coins, which were unveiled at the World Money Fair in Switzerland in January.

Construction of state-of-the-art coin minting and blanking facilities, adjacent to the existing mint, was completed during the year. The new building, which also houses marketing, e-commerce, public affairs and sales administration, will be opened officially in the first half of the new financial year. The name of the four-level, 8,400 square metre building will be announced at that time.

The Perth Mint's reputation as a leading Western Australian tourist attraction and producer of premium quality collector coins was reinforced by its success in winning several prestigious awards during the year. These included two Western Australian Tourism Awards and the Western Australian Industry and Export Award for Design and Marketing Excellence.

Gold Corporation was also proud to receive a Gold award and the inaugural Margaret Nadebaum Trophy in the 2002 WS Lonnie Awards for Excellence in Annual Reporting, presented by the Institute of Public Administration Australia (WA). The awards recognise Western Australian government agencies that demonstrate effective communication of relevant and appropriate

information to key stakeholders. It was gratifying that the Corporation's first online annual report should receive this honour.

While the corporate restructure initiated at the end of the 2000-2001 financial year successfully reduced annual overhead expenses by some \$4.7 million (24%), this was not sufficient to return the organisation to an acceptable level of profitability. As a result, further organisational streamlining is being undertaken, aimed at further increasing efficiencies. I am confident that the Corporation will return to sustained profitability.

At the conclusion of my first full year as Chairman of Gold Corporation, I would like to thank the Management and Staff, and my fellow Directors, for their considerable efforts in difficult trading conditions and wish them well in the year ahead.

P J UNSWORTH

Chairman
25 November 2002

GROUP PROFILE

MISSION STATEMENT

The mission of Gold Corporation is:

to provide high quality refining, processing and other services to the gold industry and to develop and market globally, innovative, value-added precious metal products at a commercial rate of return acceptable to the shareholder.

Gold Corporation's history began more than a century ago with the opening of The Perth Mint on 20 June 1899. The Mint was established as a branch of Britain's Royal Mint to refine the increasing quantities of gold being discovered in Western Australia's eastern goldfields and to coin it into sovereigns and half-sovereigns for the Crown.

Today, the Corporation is Australia's leading precious metals refining, minting and value-adding Group, providing high quality services and precious metal products to domestic and international markets.

The Corporation is the holding company of two wholly owned subsidiaries, the Western Australian Mint and GoldCorp Australia. It provides central services to the Group, including treasury, bullion services and settlement, accounting, personnel management, business development, information systems, public affairs, government relations, security and records management. Some treasury services, such as depository and metal leasing, are also offered to external clients.

The Corporation was created by the *Gold Corporation Act 1987* on 30 June 1988 and is wholly owned by the Government of Western Australia. The Act formalised the merger of the Western Australian Mint (also known as The Perth Mint) and GoldCorp Australia.

GoldCorp Australia was formed in 1986 to manage the redevelopment of the Western Australian Mint and to mint and market Australia's first legal tender precious metal bullion coin program internationally, under a unique agreement with the Commonwealth of Australia.

GoldCorp Australia is a significant participant in international markets for value-added precious metal investment and collectable coin products, producing and marketing a wide range of legal tender bullion and collector coins, and precious and base metal medallions, and collectables.

The Western Australian Mint has a 50% interest in Australian Gold Refineries (AGR Joint Venture), one of the world's largest gold refiners, trading as Australian Gold Refineries (AGR).

Gold Corporation has one wholly owned international operating subsidiary, GoldCorp Australia (Hong Kong) Limited, and representative offices in Europe, Hong Kong and Japan.

FUNCTIONS

Gold Corporation's functions, as described in sections 10, 36 and 49 of the Act, include:

- providing high quality processing services to the precious metals industry;
- adding value to Australia's precious metals before export;
- generating consumer interest in, and demand for, precious metals;
- promoting and developing markets for gold; and
- providing international standard storage and safekeeping facilities for precious metals and other valuables.

OUTPUT MEASURES

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

- Government desired outcome(s) for each output;
- key efficiency indicators for each output, relating outputs to consumed inputs;
- key effectiveness indicators for each outcome, relating outputs to achieved outcomes; and
- comparative results for the output measures of quantity, quality, timeliness and cost.

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

- **high quality precious metal refining;**
- **value-added precious metal product manufacture and marketing; and**
- **a commercial rate of return on its equity.**

The key effectiveness indicators for the above outcomes are:

- the estimated proportion of Australian fine gold output per year by the Corporation's 50% owned precious metals refinery, AGR;
- the Australian Nugget's annual share of the world gold bullion coin market;
- the annual value added to precious metals in (i) coin production and (ii) other precious metal products (eg blanks);
- the Corporation's annual return on equity, (i) before and (ii) after abnormal items; and
- the average daily number of visitors to The Perth Mint Shop.

The Corporation's outputs are:

- **precious metals refining services; and**
- **precious metal product sales.**

The key efficiency indicators for the above outputs are:

- the Corporation's trading results as a proportion of sales revenue;
- the Corporation's expenditure as a proportion of total revenue; and
- the cost per ounce of refining gold expressed as an index.

The Corporation's key effectiveness and efficiency indicators since 1997-1998 are tabulated on pages 28 and 29 of this Report.

Under the Treasurer's Instructions, output measures describing quantity, quality, timeliness and cost are also to be included in a statutory authority's Annual Report for each output identified above. An output measure analysis is presented below:

OUTPUT MEASURE ANALYSIS

OUTPUT MEASURE	REFINING SERVICES		PRODUCT SALES		GROUP TOTAL	
	Actual \$M	Budget \$M	Actual \$M	Budget \$M	Actual \$M	Budget \$M
QUANTITY <i>(Note 1)</i>	3	2	22	38	25	40
COST <i>(Note 2)</i>	N/A	N/A	26	38	26	38
QUALITY	Gold and silver bars produced by The Perth Mint and the AGR Joint Venture are accredited for their accurate weight and purity by the London Bullion Market Association (LBMA), Tokyo Commodities Exchange (TOCOM) and the Comex Division of the New York Mercantile Exchange (Comex).		The weight and purity of all Australian legal tender precious metal coins manufactured by The Perth Mint are described in the <i>Currency Act 1965 (CTH)</i> . The Corporation has installed processing and management systems to ensure it meets these statutory specifications.		The Corporation sells some 90% of its precious metal coins and products in international markets. The Corporation is committed to maintaining the product quality standards described opposite to protect its international market status.	
TIMELINESS	The AGR Joint Venture melts, samples and assays primary precious metal doré within two business days of receipt at the Perth refinery. This turnaround time is equivalent to the most efficient international industry standards.		The Corporation's minting and marketing divisions operate in an international commercial environment and must be timely with regard to product releases and manufacture to remain competitive.		The Corporation complies with standard international two-day settlement terms on its precious metal and precious metal product purchases and sales.	

Note 1: The Group quantity measure is the actual trading profit and other revenue for the fiscal year, compared with the financial estimate in the Corporation's 2001 Annual Report. Refining Services' income is derived from the Group's investment in the AGR Joint Venture partnership. Income from the partnership is included as a single line item in the Group Statements of Financial Performance. Further information is presented in the Group Statements of Financial Performance and Note 2 of the Financial Statements.

Note 2: The cost measure of each output is the actual total expenditure for the fiscal year, compared with the financial estimate in the Corporation's 2001 Annual Report.

SENIOR MANAGEMENT (at 30 June 2002)

GOLD CORPORATION

Chief Executive Officer:	Don Mackay-Coghill
Chief Financial Officer:	Jesper Sentow
Group Accountant and Joint Company Secretary:	Anne Melville
Manager, Business Development and Joint Company Secretary:	Michael Kile
Manager, Personnel and Industrial Relations:	Giles Talbot
Manager, Communications and Public Affairs:	Alison Puchy
Manager, Risk Services:	Chris Mumme
Manager, Treasury Operations:	Nigel Moffatt

GOLDCORP AUSTRALIA

Managing Director:	Don Mackay-Coghill
General Manager:	Veronica Maguire
General Manager, Perth Mint Retail Operations:	Chris Rosagro
Director, Europe:	Ernst Jurgens
Managing Director, The Perth Mint (Hong Kong) Ltd:	Dominic Leung
Agent, Japan:	Koji Ishikawa

WESTERN AUSTRALIAN MINT

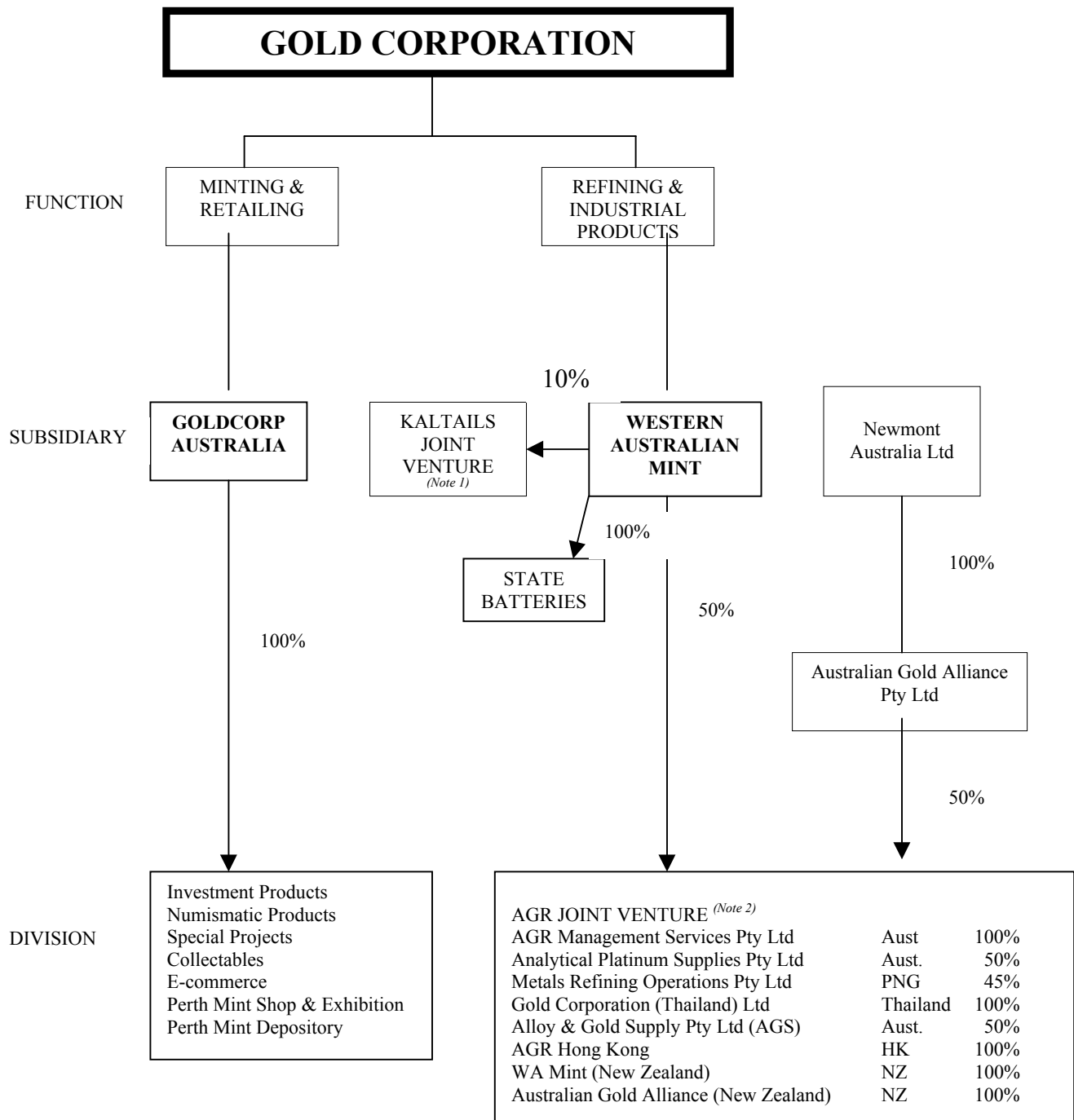
Managing Director:	Don Mackay-Coghill
Operations Manager:	Justin Kees

AGR MANAGEMENT SERVICES PTY LTD*

Managing Director:	Brian Bath
Deputy Managing Director and Director, Finance:	Richard Hayes
Associate Director, Marketing (Refining Services):	Michael Cotton
Manager, Risk:	Joe Metcalfe
Manager, Treasury Operations:	Roy Edmands
Associate Director, Technical Services:	Darrall Trainor
General Manager, Products Division:	Brian O'Connor
Operations Manager, Refining:	David Woodford
General Manager, Gold Corporation (Thailand) Ltd:	Kasame Chunhasomboon
Managing Director, Metals Refining Operations Ltd:	Geoff Whebell
General Manager, AGR Hong Kong:	Stephen Chak

*Australian Gold Refineries Management Services (AGRMS) is owned 50% by the Western Australian Mint and 50% by Australian Gold Alliance Pty Ltd (a wholly owned subsidiary of Newmont Australia Ltd). AGRMS manages Australian Gold Refineries (AGR Joint Venture), pursuant to the provisions of the Partnership Agreement. All Australian-based personnel engaged in the activities of AGR Joint Venture are employed by AGRMS.

GROUP STRUCTURE (at 30 June 2002)



Note 1: Gold Corporation has a 10% share in the Kaltails Joint Venture, the balance being held by Newmont Australia Ltd.

Note 2: In 2001-2002, Australian Gold Refineries (AGR Joint Venture) was a 50/50 partnership between the Western Australian Mint and Australian Gold Alliance Pty Ltd. The AGR Joint Venture was formed on 1 December 1998.

REPORT ON OPERATIONS

FINANCIAL SUMMARY

The Group recorded an annual operating profit of \$2 million before write-downs of, and provisioning for, slow-moving inventory. Before statutory contribution and after write-downs and provisions, a loss of \$981,000 was incurred, compared with a loss of \$5.8 million in the previous year.

No statutory contribution will be paid to the Western Australian Government in respect of the 2001-2002 fiscal year.

Since its establishment in 1988, Gold Corporation has made statutory contribution and dividend payments to the Western Australian Government of \$27 million.

The Corporation also pays royalties to the Commonwealth annually on all its Australian legal tender coin sales. An amount of \$1 million will be paid in this fiscal year, bringing to \$11 million the total royalty payments to the Commonwealth since fiscal 1991-1992.

Payments to the State and Federal Governments since the Corporation's inception now total \$38 million, or an average annual payment of \$2.7 million.

The Corporation's capital expenditure for the year was \$6.8 million, \$5.4 million of which was spent on the completion of a new coining and blanking facility adjacent to the existing Mint buildings.

GROUP SUBSIDIARIES

GOLDCORP AUSTRALIA

GoldCorp Australia's major products are precious metal coins and medallions. The main coin programs have legal tender status under the *Currency Act 1965* (CTH) and are manufactured and marketed by formal agreement with the Commonwealth Government. The Commonwealth receives a royalty on each coin sold by the Group.

The current range of coins includes the Australian Nugget gold, Australian Koala platinum, Australian Kookaburra silver and Australian Lunar gold and silver coin series. In addition to this standard annual range of coins, permission was granted for the release of special commemorative issues during 2001-2002, including a bi-metal and a silver coin commemorating the Jubilee of Queen Elizabeth II's Accession, both of which featured designs approved by Buckingham Palace.

GoldCorp Australia also mints coins under the authority of the Governments of the Cook Islands, Tuvalu, Zambia and Uganda, and produces a diverse range of medallions and special sets.

Coins and medallions are manufactured to proof and bullion or uncirculated quality. The introduction of colour to many new coins has also seen the creation of a new category of 'proof-like' coins.

Coin and medallion sales in 2001-2002 added value to 3.58 tonnes of gold (2.91 tonnes in 2000-01), 21.60 tonnes of silver (19.98 tonnes) and 0.03 tonnes of platinum (0.03 tonnes).

Analysis of the division over the past six years has shown declining sales revenue but rising margins, due to a shift from high volume, low-margin investment products, to lower-volume, high-margin products.

Investment Products

The overall market for international investment products remained depressed, with total ounces of gold bullion coins sold in the 2001 calendar year only 4.6% higher than the historically low figure in calendar 2000. According to the World Gold Council, the Australian Nugget's share of the world bullion coin market increased from 9.7% in calendar 2000 to 10.2% in the 2001 calendar year.

Apart from the Australian Nugget, GCA's portfolio of bullion coins includes the perennially popular silver Kookaburra issue and gold and silver versions of the Australian Lunar series, which feature designs drawn from the twelve-year Chinese Lunar calendar. These coins are attractive to a dual collector and investor market because of their annual design changes and high quality of manufacture.

Numismatic Products

Numismatic product sales continued to make a significant contribution to the division's performance in 2001-2002, but could not match the sales peaks achieved in 1999-2000 and 2000-2001, with coin programs commemorating the Perth Mint Centenary, the new Millennium and Australia's Centenary of Federation.

Commemorative proof coins were the main contributor to the Numismatic Products category during the year, providing 34% of the total contribution. The most significant commemorative program was for the Golden Jubilee of Her Majesty Queen Elizabeth II. This program comprised a silver and a bi-metal coin to mark the 50th anniversary of the Queen's Accession to the throne. The two Jubilee of Accession coins were included in Jubilee promotions by the British Royal Mint during the year. Two coins commemorating the Jubilee of the Queen's Coronation in 2003 will be released in the new financial year.

Special Projects

Several coin issues were released under the Special Projects banner during the year. Most popular among these were the Year of the Horse coins for South East Asia and a range of custom minting projects for clients in Taiwan.

Sales of products in the Special Projects category are influenced by precious metal investment demand and have therefore fluctuated in recent years. This category, however, is seen as a potential growth area, with custom minting expected to be a significant contributor in the years ahead.

Perth Mint Collectables

During the year, the Collectables portfolio was developed further, with products created for different markets, incorporating works by artists engaged in a variety of media.

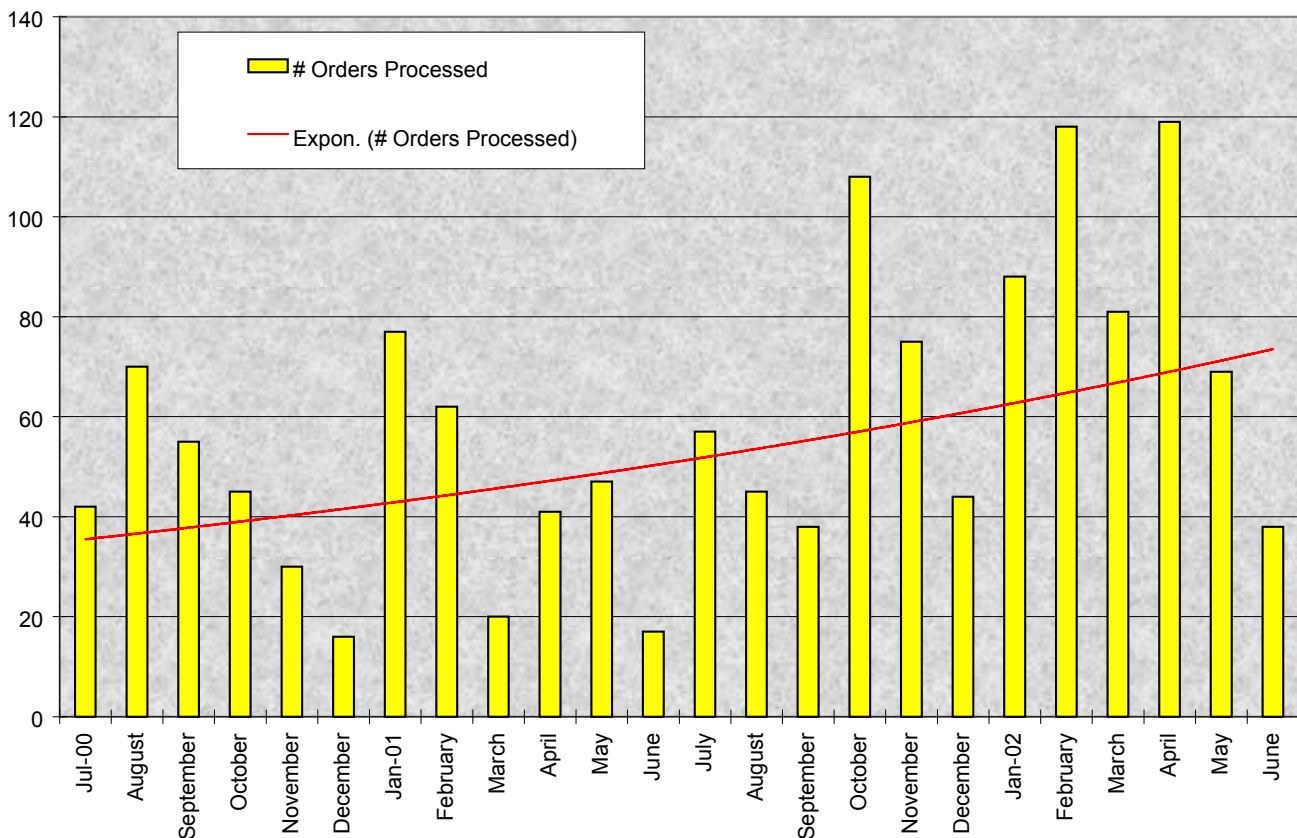
The first Collectable project to achieve sell-out status was the State Houses of Parliament series. By year-end, The Race of the Century and the glass art pieces, Abstract and Vivid, were also each close to selling out.

Direct viewing was identified as a successful marketing method for Collectables, and opportunities were progressed through a network of retail partners and through selective approaches to wholesalers in relevant industries across Australia.

E-Commerce

The value of e-commerce sales and the number of e-commerce orders increased by 63% and 69% respectively in 2001-2002 compared with the previous year. A number of promotional activities were undertaken to drive additional orders, including cross-promotion to traditional direct mail customers. It is anticipated that the e-commerce marketing channel will experience substantial growth over the next three years, in line with the upward trend in orders experienced since the establishment of the facility in July 2000.

Number of Orders Per Month



The Sydney 2000 Olympic Coin Program

The Sydney 2000 Olympic Coin Program, conducted in partnership with the Royal Australian Mint, was wound up at the end of June 2002. The Program delivered a small net profit of \$251,000 in respect of the 2001-2002 financial year, with Gold Corporation's share being \$126,000.

Gold Corporation's total profit share from the Sydney 2000 Olympic Coin Program Joint Venture was \$9.1 million. This figure does not include profit from the sale of Olympic products in The Perth Mint Shop and contribution to the Coining Department overhead.

The Perth Mint Shop and Gold Exhibition

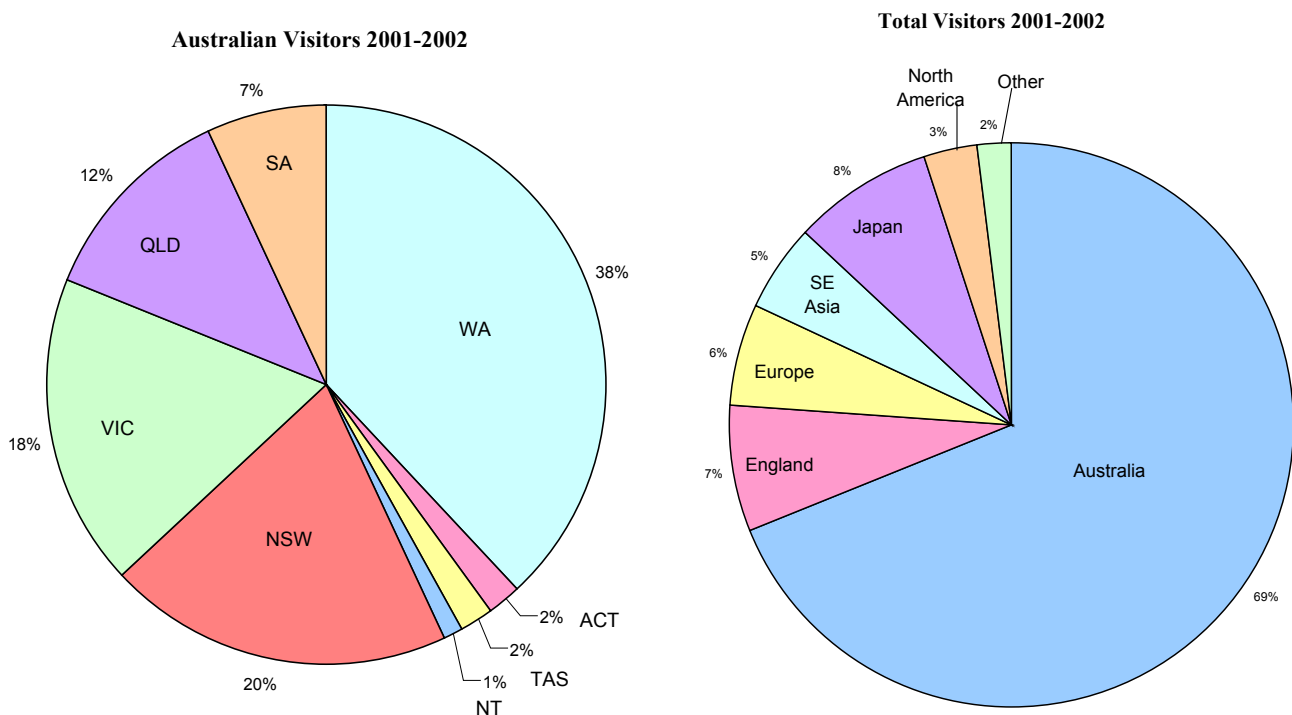
The Perth Mint Shop sells a wide variety of precious metal products to investors, collectors, jewellery buyers and tourists. The Gold Exhibition is a premier tourist destination, the main attraction being an hourly gold pouring demonstration.

The year highlighted the exposure of the business to external factors beyond its control. Turnover was higher than expected due to the revival of gold investment demand following the 11 September 2001 terrorist attacks on the USA. In September, retail bullion trading surged fifteen-fold to an all-time record level for the Shop. Staff and systems coped admirably with the increased volumes, allowing trading to continue at competitively low margins. After September, the level of bullion trading remained at about double that of the previous year due to continuing international political uncertainty and prolonged weakness in share markets.

The recovery in retail gold demand largely countered the weakness in the Western Australian tourism market. That weakness was apparent from mid-2001, initially as an aftermath of the Olympic Games. It was exacerbated by global travel insecurities following September 11 and by the collapse of Ansett Australia.

Of particular significance during the year was The Perth Mint's appointment as an Argyle Diamond stockist and the development of a dedicated natural nugget website (www.aussiegoldnugget.com) to showcase these iconic Australian rarities to the world. Natural nuggets, securely encased with customised Certificates of Authenticity, provide a unique product in an otherwise undifferentiated marketplace.

During the year, a study was initiated to examine ways of improving the Perth Mint Shop and Exhibition as an integrated business. This study, which is ongoing, is primarily aimed at reviewing the Mint's tourist facilities. After twelve years of operation, carefully planned reinvestment will ensure that The Perth Mint Shop and Exhibition maintains its position as a unique tourist attraction of national significance



Perth Mint Depository

The Perth Mint Depository division comprises two segments - Perth Mint Depository Services and the Perth Mint Certificate Program.

Perth Mint Depository Services (PMDS) offers confidential precious metal storage to international private clients, trusts and corporations seeking offshore storage and portfolio diversification under a Western Australian Government guarantee. The service is promoted via the internet (www.perthmint.com.au/depositary) and an international representative network. The minimum investment is USD50,000 for international clients and AUD50,000 for Australian residents.

The Perth Mint Certificate Program (PMCP) is designed to attract international precious metal investment via an international Approved Dealer network. The minimum investment is USD10,000 for US domiciled investors, with varying minimum amounts for other regions. The Certificate is a non-negotiable but transferable warehouse receipt and is not a bearer instrument.

The division's performance exceeded budget targets significantly, due primarily to renewed investor interest in precious metals. A contributing factor was the decline in international equity markets, especially in the second half of the year. Equity investors experienced a crisis of confidence in the wake of large US corporate collapses (Enron, WorldCom) and poor corporate governance and auditing. Political instability also intensified in the Middle East, adding to investor concerns.

New PMCP certificate dealers were appointed in Switzerland (EurAxxess AG) and the USA (Trinity International Inc), Australia (PSG Doyle Capital Limited) and Hong Kong (Trasy Gold Ex Limited).

WESTERN AUSTRALIAN MINT

Australian Gold Refineries (AGR Joint Venture)

Australian Gold Refineries (AGR Joint Venture) is a partnership jointly owned by the Western Australian Mint and Australian Gold Alliance Pty Ltd (AGA) in equal shares, and managed by AGR Management Services Pty Ltd.

AGR Joint Venture reported a group operating profit before tax of A\$7.4 million for the 12 months to 30 June 2002.

Ownership of AGR Joint Venture changed hands during 2001-2002, with the Western Australian Mint's original partner, Golden West (Australasia) Pty Ltd (GWA), disposing of its 50% interest to the AGA. The AGA purchase was negotiated by Normandy Mining Ltd (NML), which in turn was subsequently acquired by Newmont Australia Ltd. These changes introduced a new dynamic to AGR Joint Venture ownership structure, providing gold producers with a window to the value adding and distribution of precious metals.

At the end of 2001-2002, AGR Joint Venture was in advanced stages of negotiations aimed at bringing further efficiencies to the Australian precious metals industry.

Australian Gold Refineries

Total refined fine gold output at the Newburn precious metals refinery was 240 tonnes for the 12 months ended 30 June 2002, compared with 233.45 tonnes in the previous year.

Total Australian refined fine gold output was 185 tonnes for the year, or an estimated 68% of Australian refined gold production.

International demand for value added refinery products, such as kilo bars and tola bars, was subdued and irregular, with Australian Gold Refineries producing 64 tonnes of kilo bars and 32 tonnes of tola bars.

In addition, Australian Gold Refineries produced 13 tonnes of 99.999% pure gold for the electronics and computer industries. The subdued demand was essentially the result of a higher gold price in the second half of the year.

Refined fine silver output was 112 tonnes.

Products Division

AGR Joint Venture continued to review its product range, which consists of semi-fabricated forms of gold and silver for the jewellery, electronics, electrical and building industries. This review, together with greater cost control, contributed to a satisfactory performance in a competitive market.

The year also saw the AGR Joint Venture expand the Products Division's role in marketing manufactured jewellery, with the pending acquisition of a jewellery import business and the buy-out of a joint venture partner. These initiatives will further consolidate the domestic market and provide an enhanced product range and improved services to customers.

Gold Corporation (Thailand) Limited

Gold Corporation (Thailand) Limited operates a precious metal trading business and is a major supplier of kilobars, granules and other precious metal products to the Thai export jewellery sector and also to domestic bullion dealers and consumers. The business struggled in 2001-2002 in difficult markets, where regional refiners dumped both gold and silver at heavily discounted prices.

Hong Kong

AGR Hong Kong trades precious metals and supplies precious metal products, jewellery alloys and specialty chemicals to the local market and some limited areas of mainland China. The business performed satisfactorily after a mid-year review resulted in a transfer in marketing emphasis from chemicals and metal leasing to sterling silver and other silver products.

Metals Refining Operations

Metals Refining Operations (MRO) is a Port Moresby-based precious metal refinery in which AGR Joint Venture has a 45% interest. The other major shareholder is the Government of Papua New Guinea. MRO also offers support services to the domestic jewellery market and small gold producers. It performed satisfactorily throughout the year.

Westmill

Kaltails

Gold Corporation's Westmill division holds a 10% interest in the Kaltails gold tailings re-treatment project in Kalgoorlie. The project is 90% owned and operated by Newmont Australia Ltd.

As re-treatment operations ceased in 1999-2000, activity in the past financial year was limited to ongoing rehabilitation of the site.

State Batteries

Westmill also controls the remainder of the former State Battery system, having assumed control in 1988 to stem losses and realise the value of the tailings resulting from the operation of the batteries over many decades.

In 2000-2001, the State Government provided \$245,000 to determine the extent of rehabilitation required at the Northampton State Battery in order to make the site environmentally safe. During 2001-2002, the Corporation accepted an offer from the Department of Environmental Protection (DEP) to assist with a scope-of-works for the remediation of the site.

In the year ahead, a further 11 former State Battery sites will be examined.

STAFF

Staff numbers, which fell during the latter half of 2000-2001 due to the expected reduction in business activity after the completion of the Sydney 2000 Olympic Coin and Medallion Programs, continued to decline. This reflected the underlying trend of contraction in international precious metal coin markets, and increased competition from other mints and alternative products.

Total permanent and contract staff numbers in Gold Corporation and the Western Australian Mint fell from 188 (including 13 part-time) to 164 (including 6 part-time). The reductions occurred across the board, but particularly in engineering, security and management. Contract security work carried out for AGR Joint Venture ceased, and the mainly part-time staff were offered employment by that company.

At 30 June 2002, permanent and temporary contract staff were assigned as follows (2001 figures in brackets);

Gold Corporation	34	(33)
Western Australian Mint	88	(107)
GoldCorp Australia (including Europe)	38	(44)
GoldCorp Australia (Hong Kong) Ltd	4	(4)

Staff employed in Australia fell into the following broad categories:

Salaried	81	(94)
Wages	77	(88)

There were 158 staff (181) based in Western Australia, none (one) in the eastern states and six (six) in Hong Kong and Switzerland. Overseas staff are all residents of the countries concerned.

The proportion of women on the staff in Western Australia was 46.8% (45.6%). The number of women in middle and senior management or equivalent positions (Peromnes Grade 8 and above) was four (five).

Employees from non-English speaking backgrounds comprised 18.1% (20.7%) of staff in Australia.

Gross staff turnover was 18.2% (18.0%) for the year. This figure was inflated by redundancies from the reduction in business activity described earlier. The avoidable turnover rate in 2001-2002 (ie the rate excluding expired contracts, retirements, redundancies, ill health, employee relocation overseas and interstate etc) improved to 6.5% (8.8%).

The number of WA Mint staff employed under WA workplace agreements fell to 24 (59) as some staff chose to move to award conditions in advance of the changes in the industrial laws. There were 47 (29) staff employed under engineering, clerical and security awards.

During the year, there were no work stoppages, nor was there any other industrial activity.

The lost time injury rate improved from 13.5 lost time injuries per million hours worked in 2000-2001 to 13.1 in 2001-2002. The latter figure represents only four cases, all of which were minor, at a cost to the insurer equivalent to 0.24% of payroll. Gold Corporation's premium rate has, nevertheless, eased upwards from 2.3% to 2.4%, due to the highly publicised problems in the insurance industry.

The build-up of leave following a long period of intense business activity was addressed during the year, and annual leave per capita fell by a net 19%. Accrued long service leave per person fell by 22%.

Following the decision in 2000-2001 to transfer the trusteeship of the GC Superannuation Fund and responsibility for investment choice management to NSP Buck Pty Ltd, the existing Fund administrators, a policy committee was formed to represent the interests of the employers and members. The primary focus of the committee has been on Fund administration and the performance of the various investment fund managers.

An equal opportunity complaint dating from 1999, which had been dismissed by the Equal Opportunity Commission, was referred by the complainants to the Equal Opportunity Tribunal. The case was heard in June 2002, but no decision has yet been issued. This case involves linked complaints made on the grounds of race by two former labour hire agency personnel.

Following the decision to implement a formal performance appraisal system at all levels, all managerial and supervisory staff underwent training, and the appraisal process was completed towards the end of the financial year. Previously, the system had been optional. Feedback from staff has generally been positive.

An unfair dismissal complaint was made against the WA Mint following the termination of an employee on indefinite ill health absence. The matter has yet to be heard.

Discussions have been held with three unions in connection with the development of industrial agreements.

The Personnel and Industrial Relations department continued to provide personnel and payroll services to AGR Joint Venture on a fee basis. It is likely that this arrangement will be terminated or modified in 2002-2003, due to developments within the Joint Venture.

EVENTS POST BALANCE DATE

1. Australian Gold Refineries (AGR Joint Venture) completed and signed agreements for the purchase of the business activities of Australian Artimports Pty Ltd and Atlantis Chain and Century Findings Pty Ltd , effective from 1 August 2002. The effects of the above acquisitions had not been brought to account at 30 June 2002.
2. The shareholders of Australian Gold Refineries (AGR Joint Venture) and Johnson Matthey (Aust) Ltd (JMA) agreed to combine their existing Australian and New Zealand businesses with effect from 3 October 2002.

The expanded business, which will trade as AGR Matthey, is a partnership between Gold Corporation's Western Australian Mint subsidiary (40%), Australian Gold Alliance Pty Ltd (AGA) (40%) and Johnson Matthey (Aust) Ltd (20%).

The rationalisation will see all gold refined in Perth and the precious metal products manufacturing processes, together with the continuation of silver refining, consolidated at the JMA Thomastown site in Melbourne.

In addition to its refining, precious metal trading and industrial products businesses, AGR Matthey will include a Jewellery Products Division headquartered in Little Collins Street, Melbourne, and with branches in all major Australian cities and in New Zealand. It will wholesale finished jewellery in addition to the supply of precious metal plate, wire and sheet to the jewellery manufacturing industry.

The AGR Matthey board will comprise six non-Executive directors, two from each partner, and three executive directors being Brian Bath (Chief Executive Officer) Richard Hayes (Chief Operating Officer) and John Shephard (Chief Financial Officer). Greg McLeod and Brian O'Connor will manage the Industrial Products and Jewellery Products Divisions respectively.

COMPLAINTS POLICY AND CUSTOMER SERVICE CHARTER

Gold Corporation recognises the paramount importance of good service to its customers. As a public statement of commitment to service and complaint handling, Gold Corporation's Complaints Policy and Customer Service Charter embody 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.
- A speedy and courteous response.
- No charge to the complainant for complaint handling.
- A capacity to determine and implement remedies.
- Systematic recording of complaints and their outcomes.
- Analysis of complaints so that recurring problems can be addressed.
- Annual reviews of the complaint handling system.

The essential elements of the Customer Service Charter, in the form of a personal letter from the Chief Executive Officer, conveys to customers Gold Corporation's strong commitment to service and quality throughout the organisation.

Out of the total of some 974,363 items sold to customers in 2001/02, only 132 complaints were received, almost all of which were resolved speedily and to the satisfaction of customers. Most complaints related to small imperfections in products, or to packaging defects.

INDUSTRY AND COMMUNITY PARTICIPATION

As part of its functions under the *Gold Corporation Act 1987*, the Corporation is obliged to encourage industry and community interest in precious metals and the Australian gold industry.

AGR Joint Venture was again a major sponsor of Australia's premier gold forum, the Australian Gold Conference. The conference, arranged by the Chamber of Minerals and Energy of Western Australia, was held in Melbourne in April 2002. AGR Joint Venture was also a sponsor and exhibitor at Diggers and Dealers, held in Kalgoorlie in August 2001.

The AGR Joint Venture is an associate member of the Chamber of Minerals and Energy of Western Australia, the Association of Mining and Exploration Companies and the Australian Gold Council.

The Perth Mint is a member of the Western Australian Chinese Chamber of Commerce Inc. It is a Silver Member of the Perth Convention Bureau and a member of the Meetings Industry Association of Australia, the Association of Perth Attractions, Museums Australia, the Inbound Tour Operators Association, Tourism Council Australia and the Royal Western Australian Historical Society.

Gold Corporation is a member of the World Gold Council and an associate member of the Australian Gold Council. It is also a member of the Chamber of Commerce and Industry of Western Australia, the Australian Institute of Management and Standards Australia.

As part of its continual effort to promote The Perth Mint as a tourist attraction, the Mint participated in a number of trade shows during the year. These included the Inbound Tour Operators' Workshop, held in Perth in August 2001, the Japan Australia Mission, held in Tokyo and Osaka in February 2002, and the Australian Tourism Exchange, held in Brisbane in May-June 2002. In addition to promoting the Mint, participation in such initiatives was a tangible and practical demonstration of the Mint's support for the Western Australian tourism industry.

The Mint also participated in a range of Australian and overseas exhibitions aimed at showcasing its coins, medallions and collectables to distributors and the general public. These included the Australian Numismatic & Dealers Association Coin Fairs held in Sydney and Melbourne in August and October 2001, the American Numismatic Association Coin Show held in New York in August 2001, the World Money Fair held in Switzerland in January 2002, the Sydney Gift Fair in February 2002 and InteriorDesignex, held in Sydney in April 2002.

During the year, Gold Corporation sponsored several non-profit organisations through the donation of framed collectables for auction. Beneficiaries included the Salvation Army, the Australian Red Cross, the WA Speech and Hearing Centre, Blind Citizens WA, the Cancer Foundation WA, Cystic Fibrosis QLD, Juvenile Diabetes Research Foundation, and Princess Margaret Hospital for Children. Sales of Perth Mint baby coins again supported the Neurophysiology Department at the Princess Margaret Hospital.

The Perth Mint Shop and Exhibition again sponsored the WA Cricket Association's Gold Cup Awards for the year's best Western Australian cricketers.

Production of GoldCorp Australia's newsletter, *Australian Numismatic Post*, continued in 2001-2002. This was mailed, together with Perth Mint product catalogues, to the Mint's extensive national and international direct mail database four times during the year.

AWARDS

For the second successive year, The Perth Mint won the *Heritage and Cultural Tourism* and *Retail Tourism* categories in the Western Australian Tourism Awards. It was also a major winner in the 2001 Western Australian Industry and Export Awards, again taking out the *Design and Marketing Excellence* category. Gold Corporation's 2001 Annual Report won a Gold Award and the inaugural Nadebaum Prize in the W.S. Lonnie Awards for Excellence in Public Sector Reporting. This was the fourth successive year in which the Corporation had been honoured in the Awards, having won Bronze in 2000, Silver in 1999 and Bronze in 1998.

SECTION 175ZE OF THE ELECTORAL ACT 1907 (WA)

1 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:

- a** advertising agencies;
- b** market research organisations;
- c** polling organisations;
- d** direct mail organisations; and
- e** media advertising organisations.

2 Details of this expenditure are as follows:

- a** total expenditure: \$940,252
- b** in relation to each class of expenditure -

i amount of expenditure:

advertising agencies	\$682,058
market research organisations	Nil
polling organisations	Nil
direct mail organisations	\$149,955
media advertising organisations	\$108,239

ii details of persons, agencies or organisations to whom the expenditure was paid:

advertising agencies	
- Mindfield Group	\$3,363
- Bowtell Clarke & Yole	\$243,803
- H2O & Partners	\$261,075
- Linx Advertising Inc	\$9,900
- Unique Advertising Ltd	\$163,917
market research organisations	
	Nil
polling organisations	
	Nil
direct mail organisations	
- Lasermail	\$124,440
- Salmat Mailing Services	\$25,515
media advertising organisations	
- Media Decisions	\$84,361
- Marketforce Productions	\$11,416
- Verlagsgruppe Handelsblatt	\$12,462

BOARD OF DIRECTORS

CHAIRMAN

PETER UNSWORTH CA, B.Com

Peter Unsworth was appointed Chairman of Gold Corporation, effective from 1 July 2001. A corporate finance specialist, Mr Unsworth is a director of a number of public and private companies, including AGR Joint Venture. He was formerly an Executive Director of Western Australian stockbroking company Paterson Ord Minnett Ltd and his career has included six years with international accounting firm Coopers & Lybrand (now PricewaterhouseCoopers) in Perth and Sydney and six years with the Perth Stock Exchange Ltd.

DIRECTORS

PETER LALOR LL.B

Peter Lalor is the Executive Chair of Sons of Gwalia Ltd., one of Australia's largest and most successful mining companies. Mr Lalor is a law graduate from the University of Western Australia and practised in Perth prior to starting Sons of Gwalia Ltd. with his brother Chris, in 1981. He has significant legal and commercial experience and has been actively involved in Perth's business and industry sectors for many years. Mr Lalor is currently the President of the Chamber of Minerals & Energy of Western Australia (Inc.) and a Vice-President of the Executive Committee of the Minerals Council of Australia in Canberra. He is a member of the Board of the Scitech Discovery Centre. Mr Lalor is a member of the Western Australian Government's Premier's Science Council and State Development Forum.

MARTINE POP PhD EEC Commercial Law

Martine Pop had more than 12 years of credit, risk management and control management experience with Macquarie Bank and Challenge Bank, in senior and executive positions. She worked for more than six years as an Executive Consultant with Ernst & Young, providing risk management and corporate management/governance advisory services to the private and public sectors. She holds directorships on The Grain Pool of WA and the Australian Rail Track Corporation, and is the Deputy Chairperson of the Centre for Mental Health Services Research. Ms Pop is also on the Board of AGR Joint Venture.

JOHN LANGOULANT B Ec(Hons)

John Langoulant is the Western Australian Under Treasurer, a position he has held since June 1995. Prior to this appointment, he worked for 18 years in State and Federal Treasury Departments, developing and implementing economic and financial policies. More than a decade of this experience was with the Federal Treasury in Canberra. Mr Langoulant is also Chairman of the Western Australian Treasury Corporation.

VALERIE DAVIES MAICD

Communications specialist Valerie Davies is the principal of One.2.One Communications Pty Ltd and a Director of Iluka Resources Ltd, Integrated Workforce Ltd and Palandri Wines. A former newspaper journalist, Ms Davies was the first woman to read nightly news on commercial television in Perth and anchored the 11.30 News Report. The 1997 WA Telstra Business Woman of the Year specialises in strategic planning, coaching and mentoring on business, communication and life-skills.

DON MACKAY-COGHILL

Don Mackay-Coghill is the Chief Executive Officer of Gold Corporation, a position he has held since the proclamation of the *Gold Corporation Act 1987* on 30 June 1988. Mr Mackay-Coghill joined International Gold Corporation Limited (Intergold) in South Africa in 1971. The following year, he was appointed Manager of the Johannesburg Office of Intergold. He became Manager, Worldwide, in 1975 and was appointed Chief Executive, Worldwide, in 1979. During his time at Intergold, Mr Mackay-Coghill was responsible for the international marketing of the Krugerrand, which created the first global market for bullion coins. In recognition of his achievements he received the South African Marketing Award of the Year in 1978. He resigned from Intergold in 1986 and emigrated from South Africa to take up the dual position of Chief Executive Officer of GoldCorp Australia, and Managing Director of the Western Australian Mint. Mr Mackay-Coghill is a director of the World Gold Council and on 15 June 2001 was appointed Chairman of AGR Joint Venture.

CORPORATE GOVERNANCE

FUNCTIONS OF THE BOARD

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:

- 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 is committed to sound corporate governance principles, high standards of legislative compliance, and 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 established and committed itself to a Statement of Business Principles and a Corporate Governance Charter.

The Board acknowledges its accountability to the Corporation's only shareholder, the Government of Western Australia.

Board Membership

The Gold Corporation Board comprises executive and non-executive Directors. It has a majority of independent non-executive Directors, including the Chair.

During the 2001/2002 financial year, the Board consisted of five non-executive Directors: Mr Peter Unsworth, Mr Peter Lalor, Ms Martine Pop, Ms Valerie Davies and the Under Treasurer of the State of Western Australia, Mr John Langoulant, who was an *ex officio* non-executive Director. Mr Don Mackay-Coghill (Chief Executive Officer of Gold Corporation and Managing Director of GoldCorp Australia and the Western Australian Mint) was the only executive Director of the Board.

Apart from the Under Treasurer, each of the non-executive Directors was appointed by the Government of Western Australia, on the nomination of the Treasurer, for three-year terms commencing 1 July 2001.

Mr Peter Unsworth, Mr Don Mackay-Coghill and Ms Martine Pop (appointed 7 November 2001) were also members of the AGR Joint Venture Board. The other directors of AGR Joint Venture were Messrs Rick Lee (resigned 31/8/01), Sean Russo (resigned 31/8/01) and Mike Ryan (resigned 31/8/01). On 1 September 2001, Gold Corporation's 50% partner in AGR Joint Venture, The Australian Gold Alliance Pty Ltd, appointed three new Directors: Mr Darren Morcombe, Mr Andrew Strelein and Mr Bernard Wheelahan. Mr Wheelahan resigned in February 2002 and was replaced by Mr Bruce Kay. Messrs Brian Bath and Richard Hayes were non-voting Directors in their capacity as Managing Director and Financial Director, respectively.

Independent Advice

The Corporation's 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.

Directors' Meetings

There were seven meetings of the Directors of Gold Corporation and five meetings of the Directors of the AGR Joint Venture during the year ended 30 June 2002. The number of meetings attended by each Gold Corporation Director is indicated below:

DIRECTOR ATTENDANCE		
	Gold Corporation	AGR Joint Venture
P J Unsworth	7	5
D Mackay-Coghill	7	5
P K Lalor	5	n/a
J L Langoulant	6	n/a
M D F Pop	5	2 ¹
V Davies	7	n/a

1 Ms Pop attended all AGR Joint Venture Board meetings following her appointment on 7 November 2001.

n/a Not Applicable

Board Committees

The Board has established a number of committees, chaired by non-executive Directors, to assist in the execution of its duties, including an Audit Committee, Credit Committee and 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 Committee

The Audit Committee advises the Board on the quality, integrity, reliability and adequacy of the Corporation's information, accounting, and control systems. The committee also acts as a communications interface between the Board and the Corporation's auditors. It comprises four members, including a non-executive Director, who acts as Chairperson.

The Committee met four times during the year and the Committee members were:

M D F Pop (Chair)	-	Non-executive Director
P J Unsworth	-	Non-executive Director
J Sentow	-	Chief Financial Officer
A P Melville	-	Group Accountant and Joint Corporation Secretary

The Committee also actively monitors Group risk management to ensure it is comprehensive and integrated with key processes such as divisional decision making, project management and planning.

Credit Committee

The Credit Committee assists the Board in developing and implementing credit policy, procedures and controls required to ensure the Corporation operates in accordance with prudent commercial principles.

The Credit Committee met three times during the year and the Committee members were:

P J Unsworth (Chair)	-	Non-executive Director
J Sentow	-	Chief Financial Officer
A P Melville	-	Group Accountant and Joint Corporation Secretary
C J Mumme	-	Manager, Risk Services

Under the Committee's voting procedures, each member has only one vote, and each resolution must be passed unanimously. In the event that unanimity cannot be reached, the matter is referred to the Board for resolution.

The Committee monitors the Group Prudential Management Policy. The policy deals with all operational and financial risk management issues, and insurance compliance matters including Treasury dealing authorities, counter-party risk evaluation, credit application procedures and credit approval authorities, and ensures that adequate risk control measures are in place in the Group's divisions.

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 adjustments, alterations to core conditions of employment and incentive bonus schemes.

The Remuneration and Allowances Committee consists of two non-executive Directors and the Chief Executive Officer.

Membership of the Committee remained unchanged during 2001-2002. It comprised:

P J Unsworth (Chair)	-	Non-executive Director
P K Lalor	-	Non-executive Director
D Mackay-Coghill	-	Chief Executive Officer

MANAGEMENT COMMITTEES

Risk Management

Risk Management is essential for good corporate governance, sound management principles and effective internal controls.

The definition of 'Business Risk' used by Gold Corporation is 'the likelihood that an event or action will adversely affect Gold Corporation's ability to achieve its objectives'. The Corporation's Business Risk Management procedures are aimed at maximising the results of positive events as well as minimising the impact of negative events.

On a quarterly basis, the Board reviews reports on group financial risk, Credit and Audit Committee matters, Occupational Safety and Health, environmental issues and security. Division managers report on the identified major risk issues relating to their areas of responsibility. A detailed analysis of these risks is also incorporated into the annual Group Business Plan.

Occupational Safety and Health

Mr Chris Mumme, Manager, Risk Services, coordinates Occupational Safety and Health issues within the Corporation. Line management is responsible for Occupational Safety and Health at site level. The coordinator's role is to ensure that agreed policies, procedures and standards are implemented throughout the organisation. The Occupational Safety and Health Committee meets on a regular basis, with five formal meetings held during the year.

The 2001-2002 financial year saw only one Lost Time Injury compared with seven and fifteen in the previous two years. This one incident represented 62 hours lost for the year compared with 718 and 362 hours lost in the preceding two years. There is an ongoing focus on Safety throughout the organisation, with the aim to improve further the current satisfactory trend.

PERFORMANCE INDICATORS

The mission statement of Gold Corporation is: to provide high quality processing, refining and other services to the gold industry and to develop and market worldwide, innovative, value-added precious metal products at a commercial rate of return acceptable to the Western Australian Government.

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

- Government desired outcome(s) for each output;
- key efficiency indicators for each output, relating outputs to consumed inputs; and
- key effectiveness indicators for each outcome, relating outputs to achieved outcomes.

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

- high quality precious metal refining;
- value-added precious metal product manufacture and marketing; and
- a commercial rate of return on its equity.

EFFECTIVENESS INDICATORS

The key effectiveness indicators for the above outcomes are presented below.

		2001-02	2000-01	1999-00	1998-99	1997-98
1	Estimated proportion of Australian fine gold production refined by AGR <i>(Note 1)</i>	68%	65%	62%	58%	58%
2	Global market share of Australian Nugget gold bullion coin: <i>(Note 2)</i>	10%	10%	6%	5%	11%
3	Coin programs - value added to gold, silver, platinum & palladium: <i>(Note 3)</i>					
	(a) Total premium income:	\$13.0m	\$15.1m	\$17.9m	\$11.4m	\$11.3m
	(b) Total premium income expressed as a percentage of precious metal value:	19.8%	28.2%	21.7%	10.4%	8.7%
4	(a) Return on equity before abnormal items: <i>(Note 4)</i>	(1.9%)	(11.1%)	12.4%	12.0%	6.0%
	(b) Return on equity after abnormal items:	(1.9%)	(11.1%)	12.4%	26.4%	(6.2%)
5	Average daily number of visitors to The Perth Mint Shop: <i>(Note 5)</i>	295	326	322	309	272

Notes:

- 1 This figure represents 100% of AGR Joint Venture's share of total Australian refined fine gold production in 2001-2002. AGR Joint Venture processed 185 tonnes (or 68%) of Australia's total fine gold production in 2001-2002. This is based on AGR Joint Venture's records and an estimate of total Australian fine gold production (271 tonnes) provided by the Australian Bureau of Agricultural and Resource Economics.
- 2 Based on World Gold Council data for calendar 2001.
- 3 The calculation is the total premium income (amount of income received above metal cost) for all fiscal year legal tender coin sales, which is also expressed as a percentage of the value of the precious metal content of the coins. The effectiveness indicator for this financial year has been changed to include all Australian legal tender coins, as well as coins produced for other countries. Comparative figures have been changed accordingly. The premium income as a percentage of the precious metal content reflects the directional shift to higher premium products. A significant volume of non-coin precious metal product (eg medallions and coin blanks) was produced also during fiscal 2001-2002. The total premium income (amount of income received above metal cost) earned on these non-coin product sales was \$847,469 (2001 - \$3.2 million).
- 4 (a) The percentages show Group return on equity at the end of the respective fiscal year, based on the operating result before abnormal items and statutory contribution in lieu of Commonwealth income tax.
(b) The percentages show Group return on equity at the end of the respective fiscal year, based on the operating result after abnormal items and before statutory contribution in lieu of Commonwealth income tax.
- 5 Daily visitor traffic is recorded and the annual number of visitors divided by the number of trading days.

EFFICIENCY INDICATORS

Given the Treasurer's Instructions and taking into account the Corporation's functions under the *Act*, its outputs are:

- precious metal refining services; and
- precious metal product sales.

The key efficiency indicators for the above outputs are presented below.

		2001-02	2000-01	1999-00	1998-99	1997-98
All figures are percentages (except item 3)						
1 Trading results (gross margin) as a proportion of sales revenue:	(Note 1)	9.6%	19.3%	15.9%	3.9%	3.0%
2 Expenditure as a proportion of total revenue:	(Note 2)	13.7%	27.4%	19.2%	4.3%	3.9%
3 Gold refining cost per ounce expressed as an index:	(Note 3)	62	58	66	66	68

Notes:

- 1 *The percentages show the proportion of Group sales revenue represented by the trading result for the respective financial year. The significant change in percentage is due to the restructure of the Group's business in 1998-1999, wherein the refining and industrial products divisions transferred to the AGR Joint Venture partnership on 1 December 1998. Income from the partnership is included as a single-line item in the Group Statements of Financial Performance.*
- 2 *The percentages show the proportion of Group total revenue – trading and other – represented by total expenditure as shown in the Statements of Financial Performance for the respective financial year. The significant change in percentage is again due to the restructure of the Group's business, as set out under Note 1.*
- 3 *The cost per ounce is the annual total cost divided by the number of fine ounces of gold refined by the Group, expressed as an index, with the 1994-1995 year indexed as 100. The increase in 2001-2002 was largely a consequence of a changed product mix due to lower demand for value added product.*

CERTIFICATION OF PERFORMANCE INDICATORS

In our opinion, the 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 2002.

P J UNSWORTH
Chairman

D MACKAY-COGHILL
Executive Director

25 November 2002

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 Administration and Audit Act 1985 (WA)* from proper accounts and records to present fairly the financial transactions for the year ended 30 June 2002, and the financial position as at 30 June 2002.

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

P J UNSWORTH
Chairman

D MACKAY-COGHILL
Executive Director

A P MELVILLE
Principal Accounting Officer

25 November 2002

FINANCIAL ESTIMATES

The following financial estimates for 2002-2003 are based on Gold Corporation's budget and are included to satisfy the requirements of Treasurer's Instruction 953.

	\$000
Total revenue (Trading result plus Other)	30,000
Total expenditure	27,873
Operating profit before statutory contribution	2,127
Statutory contribution expense ^{Note}	638
Operating profit after statutory contribution	1,489
Retained earnings	20,713

Note: The estimated statutory contribution, as in the 2002-03 budget, will be reduced by the tax losses carried forward from the financial years ended 30 June 2001 and 2002.

FREEDOM OF INFORMATION

No applications were lodged at Gold Corporation under Freedom of Information (FOI) legislation in 2001-2002.

FREEDOM OF INFORMATION STATEMENT

This 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

Gold Corporation was established by the *Gold Corporation Act 1987* and the Minister responsible for the Corporation is the Hon. Nick Griffiths LLB MLC, Minister for Government Enterprises. 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.

DOCUMENTS

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

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

Documents that are available for purchase are: *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 that can be obtained free of charge include Perth Mint brochures and catalogues, media statements, annual reports and *The Australian Numismatic Post* newsletter. Back issues of *The Australian Nugget Journal*, which ceased publication in February 2001, are also available. These can be obtained on request by mail to GPO Box M924, Perth, Western Australia, 6843, or The Perth Mint website, www.perthmint.com.au

FOI EXEMPTION

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

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

FOI PROCEDURES AND ACCESS

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

If information is not routinely available, the *Freedom of Information Act 1992* (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.

FOI inquiries or applications should be made to the FOI Coordinator, Ms Alison Puchy, Manager, Communications & Public Affairs, Gold Corporation, 310 Hay Street, East Perth, WA 6004, telephone (08) 9421 7222, facsimile (08) 9221 3812, email: alisonp@goldcorp.com.au Inquiries or applications may also be directed to the Manager, Personnel and Industrial Relations, Mr Giles Talbot.

GROUP DIRECTORY

GOLD CORPORATION

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 Australia
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 Fax: (618) 9221 2258

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 Website: www.perthmint.com.au
 Contact: Don Mackay-Coghill,
 Chief Executive Officer

GOLDCORP AUSTRALIA

Australia

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 Contact: Veronica Maguire

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 Contact: Dominic Leung

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 Hirakawacho SK Bldg., 6th Floor
 1-5-5 Hirakawacho,
 Chiyoda-ku, Tokyo 102-0093
 Tel: (813) 3237 3067
 Fax: (813) 3237 3068
 Contact: Koji Ishikawa

PERTH MINT SHOP

Perth Mint Buildings
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 Fax: (618) 9221 9804
 E-mail: chrisr@perthmint.com.au
 Contact: Chris Rosagro

PERTH MINT DEPOSITORY SERVICES**Australia**

Perth Mint Buildings
 Tel: (618) 9421 7280
 Fax: (618) 9221 7074
 E-mail: pmds@perthmint.com.au
 Contact: Anita Wehrli, Customer Relations Coordinator, Perth Mint Depository

North America

C/o Mountainside Australian Gold, LLC
 United States of America
 Tel: (1603) 924 3624
 Fax: (1603) 924 4430
 E-mail: jhampson@perthmint.com.au
 Contact: Jonathan M. Hampson, Special Representative, Perth Mint Depository Services

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 Contact: Naresh Rajya

Latin America and the Caribbean

Sterling Precious Metals, Ltd
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 Nassau, Bahamas
 Tel: (1242) 325 7574
 Fax: (1242) 325 8030
 Email: hwoltz@sterlinggroup.bs
 Contact: Howell W. Woltz, Managing Director

PERTH MINT CERTIFICATE PROGRAM**Australia**

Perth Mint Buildings
 Tel: (618) 9421 7280
 Fax: (618) 9221 7074
 E-mail: pmds@perthmint.com.au
 Contact: Anita Wehrli, Client Relations Coordinator, Perth Mint Depository

PSG Doyle Private Client Services
 Level 32, The Chifley Tower
 2 Chifley Square
 Sydney NSW 2000
 Tel: (612) 9239 6000
 Fax: (612) 9239 6060
 Email: dillonh@psgpacific.com
 Contact: Dillon Hale, Head of Private Client Services

North America

Asset Strategies International, Inc
 1700 Rockville Pike, Suite 400
 Rockville, Maryland, 20852-1631
 United States of America
 Tel: (800) 831 0007
 (301) 881 8600
 Fax: (301) 881 1936
 Email: mcheckan@assetstrategies.com
 Contact: Michael Checkan, President

Kitco Precious Metals, Inc
 620 Cathcart, #900
 Montreal, Quebec, H3B 1M1
 Canada
 Tel: (1514) 875 4820
 187777 54826 toll free
 Fax: (1514) 875 6484
 Email: rgregorio@kitco.com
 Contact: Rosalina Di Gregorio

Latin America and the Carribean

Sterling Precious Metals, Ltd

See contact details under Perth Mint Depository Services (above).

Europe

EurAxxess AG

Zurichstrasse 108

CH-8123 Ebmatingen

Switzerland

Tel: (411) 980 4281

Fax: (411) 980 4255

Email: info@euraxxess.com

Contact: Bernarda Pesantez, Client Advisory Manager

Singapore / Hong Kong

Phillip GNI Futures Pte Ltd

95 South Bridge Road

#11-00 Pidemco Centre

Singapore 058717

Tel: (65) 535 7200

Fax: (65) 533 0593

Email: bullion@phillip.com.sg

Website: www.phillipfutures.com

Contact: Loh Mun Chun, Head of Foreign Exchange and Bullion Trading

TRASY Gold Ex Limited

14/F Cheung Fat Building

7-9 Hill Road,

Western District, Hong Kong

Tel: (852) 2975 6304

Fax: (852) 2975 6354

Email: info@trasy.com

Contact: Keith Chan, Director

AUSTRALIAN GOLD REFINERIES JOINT VENTURE**Australia**

Horrie Miller Drive, Newburn

WA 6104

Tel: (618) 9479 9999

Fax: (618) 9479 9909

E-mail: admin@agrjv.com.au

Website: www.agrjv.com.au

Contact: Brian Bath, Managing Director

208 Hume Highway, Somerton
 VIC 3062
 Tel: (613) 9930 4000
 Fax: (613) 9930 4001
 E-mail: agradmin@agrjv.com.au
 Contact: Brian O'Connor

28-30 Queen Street, Chippendale
 NSW 2000
 Tel: (612) 9699 9011
 Fax: (612) 9698 3845
 Contact: Mike Still

Level 11
 138 Albert Street, Brisbane
 QLD 4000
 Tel: (617) 3025 7700
 Fax: (617) 3221 5657
 Contact: Billie Baker

150 Hannan Street, Kalgoorlie
 WA 6430
 Tel: (618) 9021 5555
 Fax: (618) 9021 2517
 Email: agrjvkal@wn.com.au
 Contact: Doreen Karlson

New Zealand

1st Floor, 14 Maidstone St
 Ponsonby Auckland
 New Zealand
 Tel: (649) 360 4830
 Fax: (649) 360 4831
 Contact: Clare Goldsworthy

Hong Kong

Unit 9, 10th Floor
 Peninsula Square – West Wing
 18 Sung On Street
 Hung Hom, Kowloon
 Hong Kong
 Tel: (852) 2356 7889
 Fax: (852) 2303 1339
 Contact: Stephen Chak

Papua New Guinea

Metals Refining Operations Pty Ltd

PO Box 3980

Boroko Port Moresby

Tel: (675) 325 2647

Fax: (675) 325 2959

Contact: Geoff Whebell

CORPORATE DIRECTORY

DIRECTORS

P J Unsworth (Chairman)
D Mackay-Coghill (Executive)
J L Langoulant (Non-executive)
P K Lalor (Non-executive)
M D F Pop (Non-executive)
V Davies (Non-executive)

COMPANY SECRETARIES

M G Kile
A P Melville

REGISTERED OFFICE

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Facsimile: (618) 9221 2258
E-mail: info@goldcorp.com.au

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Perth WA 6843
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Website: www.perthmint.com.au

BANKERS

Westpac Banking Corporation

MINISTER

The Hon. N. D. Griffiths, LL.B, MLC
Minister for Government Enterprises

STATUTE

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