

THE PERTH MINT

Annual Report

2021



Acknowledgement of Country

We acknowledge the traditional owners of the land on which our business operates and lands throughout Australia.

We pay our respects to Aboriginal and Torres Strait Islander cultures, and to elders past, present and emerging.



“Kwobidak Boodja
(Pretty Country)”
by Kevin Bynder

Using a traditional Aboriginal painting method to represent modern Australian themes, the painting beautifully represents cross-cultural engagement. The bottom section of the artwork depicts the goldrush days with images of hills, water with gold nuggets and sand. The upper part includes shades of gold, silver and grey portraying coins.



Contents

3	Statement of Compliance
4	The Year in Brief
6	Our Strategic Intent, Vision and Values
10	Our Charter
12	Chairman's Review
14	Chief Executive Officer's Year in Review
19	Review of Operations
24	Our Directors
28	Our Business Activities and Capabilities
32	Our Group Structure
33	Organisational Structure
34	Our People
36	Culture, Wellness and Engagement
38	Health, Safety and Environment
40	Disability Access and Inclusion Plan 2020-2025
42	Our Customers and Community
44	Corporate Governance
50	Corporate Directory
51	Group Directory
53	Statutory Reporting Requirements
54	Section 175ZE of <i>the Electoral Act 1907</i> (WA)
55	Auditor General's Opinion
60	Key Performance Indicators
63	Certification of Key Performance Indicators
64	Certification of Financial Statements
65	Financial Statements
131	Our Safety Promise





Statement of Compliance

10 September 2021

The Honourable Bill Johnston MLA
Minister for Mines and Petroleum; Energy; Corrective Services
Level 9 Dumas House,
2 Havelock Street
WEST PERTH WA 6005

STATEMENT OF COMPLIANCE

In accordance with Section 63 of the *Financial Management Act 2006*, we hereby submit for your information and presentation to Parliament, the Annual Report of Gold Corporation for the year ended 30 June 2021.

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

S M C WALSH AO
Chairman

R G HAYES
Executive Director



The Year in Brief

\$26.35b

ANNUAL TURNOVER

\$55.96m

ANNUAL PROFIT BEFORE TAX

\$40.98m

DIVIDEND AND TAX EQUIVALENT
PAID TO THE GOVERNMENT OF
WESTERN AUSTRALIA

\$20.75m

CAPITAL EXPENDITURE SPEND

\$5.85b

OF CLIENT METAL ON DEPOSIT

12,000

VISITORS TO THE
PERTH MINT EXHIBITION

3rd

WESTERN AUSTRALIA'S THIRD
LARGEST EXPORTER

50%

OF STAFF REPORTING DIRECTLY
TO THE CEO ARE WOMEN

50%

OF OUR EMPLOYEES HAVE
CULTURALLY DIVERSE
BACKGROUNDS

59%

OF GOLD REFINED WAS SUPPLIED AS
VALUE-ADDED BARS, WITH A GROSS VALUE
OF \$14.47 BILLION

15.65m

TOTAL REFINING THROUGHPUT WAS
15.65M OUNCES OF GOLD AND SILVER
DORÉ

17.39m

COINS, MEDALLIONS AND
MINTED BARS WERE SOLD,
VALUED AT \$3.47B



LTIFR of

0.00

LOST TIME INJURY FREQUENCY RATE (LTIFR)

TRIFR of

5.88

TOTAL RECORDABLE INJURY FREQUENCY RATE (TRIFR), (LTI, RWI & MTI)

SCOPE 1 AND 2 GHG EMISSIONS =

9,090.6 tCO_{2-e}

SCOPE 1, 2 AND 3 GHG EMISSIONS =

22,008.5 tCO_{2-e}





Our Strategic Intent

Gold Corporation's intent is to be a global leader in the precious metals business, achieved by:

- 1** Continuing to innovate and grow while displaying leadership in key markets in precious metals trading and distribution.
- 2** Being a trusted partner to our customers and suppliers, both domestically and internationally.
- 3** Operating sustainably and always within agreed envelopes of appropriate risk and risk management.





Our Vision

To inspire excellence in the precious metals industry.



Our Mission

To continue to shape the future of the global precious metals industry through the innovation, expertise and values of our people.





Our Values

Our values are what we stand for. They shape our behaviours and attitudes, while determining how we achieve our vision.

R We will be **RESPONSIBLE** in how we source our precious metals, in how we treat our natural environment, in how we treat each other. We will be responsible for the work we do and the quality we put our name to.

I We will show **INTEGRITY** in what we do. We will be the trusted partner of those we work with and serve – our customers and suppliers. We take our government ownership seriously and will live up to the expectations of the people of Western Australia.

S **SAFETY** is our number one priority. We are each responsible for our own safety and for the safety of our colleagues. This is physical as well as mental safety. We will speak up if we see something. Safe at work, and safely home at the end of each day.

E We take pride in what we do. We strive for **EXCELLENCE** across our entire business.





RUOK?

PRIDE

KEEP YOUR DISTANCE
1.5
METRES
AT ALL TIMES



Our Charter

Gold Corporation is a unique, vertically integrated global enterprise operating across the precious metals value chain including refining, manufacturing, distribution, investing and storage.

Based in our original premises opened in 1899, and later expanded, we are also one of Western Australia's premier tourist destinations.

Our Charter is contained within the *Gold Corporation Act 1987*. With our intent to inspire excellence in the precious metals industry, our Charter is our licence to operate across the industry's value chain and to function as follows:





Promote

To participate and engage in the precious metals industry in Australia and worldwide.

To establish and promote Perth as an international bullion centre.

To promote and develop markets for precious metals in Australia and worldwide.

Refine

To crush, mill, recover, extract, process, smelt, sample, refine, assay and work precious metals.

To maintain our reputation, qualifications, skills and international accreditations.

Distribute

To maximise value added and export income from precious metals.

Mint

To mint and otherwise deal in coins, medallions and other precious metal products.

Store

To provide storage and safekeeping facilities for precious metals.

Services

To provide technical and consulting services.

Tourism

To promote Perth as a tourism destination.



Chairman's Review

Sustainability, Values Underpin Record Year



Our business is founded on the earth's bounty of precious metals.

For 122 years Gold Corporation, trading as The Perth Mint, has been privileged to support the Australian gold sector, one of the largest in the world today. We have continued this mission over the past year, thriving on the challenges that have come our way.

Our team, across management, staff and the Board of Directors, has more than risen to the occasion. We have increased the amount of precious metal we hold on behalf of more than 70,000 customers worldwide to almost \$6 billion, we have exceeded previous minted products sales volume records and ensured our Shop and Exhibition remained open to serve the people of Western Australia. Our refinery and production facilities continued operating throughout the year, ensuring we serviced our customers and clients when COVID caused others to close. We continued to grow our business footprint, and in the process increased staff numbers by almost 20% to satisfy the demands of a nervous and uncertain world as it sought safe-haven investment assets and trusted storage options. In delivering these outcomes, we continued to ensure the safety and wellbeing of our workforce, now numbering in excess of 500 people.

I am therefore delighted to announce that Gold Corporation has delivered another record profit (before tax and minority interests) of \$55.96 million for the year to 30 June 2021, well above the previous record of \$47.55 million set in 2019/20.

This is a very pleasing outcome for our owner, the Government of Western Australia and by extension, the people of our State. It would not have been possible without the foundation of our values framework, formed over more than a century of continuous operation. These values have underpinned the way we interact with our staff, customers, suppliers and other stakeholders and form the basis of how we do business.

Looking back on the past financial year, our record profit is a memorable achievement. However, while we have cause to celebrate, we also reflect on the COVID pandemic and the tremendous toll and social dislocations that have adversely impacted so many parts of the world, including many of our stakeholders. We will remember the pandemic for how it fundamentally changed our priorities and our lives, and drove rapid technological advances in how we communicate as well as in how we keep our data and information safe.

In line with past years, once again we returned 82.5% of our pre-tax profit to the State Government by way of taxation and dividends for reinvestment in public infrastructure, social services and community development. This past year Gold Corporation's dividends and tax payments amounted to \$40.98 million, supporting the West Australian economy and jobs.

We have begun the new financial year with a positive momentum while remaining resolutely focussed on making our workplace and our community an even better and safer place for all. This will be achieved, in part, by progress on our sustainability journey. Today, more than ever before, the desire to do the right thing by society and the environment is paramount, and Gold Corporation is steadfast in its commitment to being the best it can be for the generations to come.

I am pleased with the progress made on our Reconciliation Action Plan, which is one of several measures taken over the past year to foster a more diverse and inclusive workforce. This initiative, which is becoming well embedded, has helped all our employees understand more about engaging with Aboriginal and Torres Strait Islander cultures. It is part of our commitment to that community's sustainable long-term economic development and empowerment to provide meaningful business and employment opportunities.

Our journey on and commitment to embracing diversity of gender, culture, language and age progressed. We are achieving genuine and positive changes across our business and in the lives of those we interact with, be they employees or stakeholders, to better reflect the communities in which we operate.

“
We are committing significant resources to ensuring our sustainability and environmental, social and governance activities are better co-ordinated and managed across the whole business.

We are committing significant resources to ensuring our sustainability and environmental, social and governance activities are better co-ordinated and managed across the whole business. A key milestone in this ongoing journey was the appointment during the past year of our first Chief Sustainability Officer. This appointment, and the publication of our inaugural Sustainability Commitment document in April, are clear demonstrations of our strong commitment in this area.

We continue to strive to source the best people in our industry to give Gold Corporation the resources and commitment necessary to continue to serve the Australian gold industry with the same high level of distinction and dedication as we have since our foundation in 1899.

I thank all our employees, led ably by our Chief Executive Officer Richard Hayes and his Executive Team, for their hard work, resilience and commitment to drive and uphold Gold Corporation’s vision and values. I am also grateful for the strong support and sage advice I continued to receive from my fellow Board members.

Sam Walsh AO
Chairman





Chief Executive Officer's Year in Review

Gold and Silver Demand Highest in 122-year History



Our values are at the heart of our organisation and drive how we deal with each other, how we make decisions and with whom we will – and importantly – will not do business. Our focus in 2020/21 has been on improving our approach to environmental, governance matters and introducing sustainability across our business, embodied in a single phrase – our desire to do the right thing.

We remained true to our mandate to take Australian precious metals to the world and in doing so, we took additional steps to ensure we continued to meet the expectations of our owner, the Western Australian Government, as well as the broader community in which we operate.

The pandemic provided us with opportunities to better serve our customer base, from gold mining companies using our world-class refinery services through to retail investors and coin collectors as well as tourists attracted to our century old institution in East Perth. This, in turn, made it possible for us to support the Western Australian community despite the significant impact of COVID on our lives.

I congratulate and thank our entire team for staying true to our vision during this year of exceptional challenges.

Results

More so than in any other year in recent history, precious metals not only retained their status as safe-haven investments during turbulent market conditions but cemented even further their role in an uncertain world.

The demand for trusted gold and silver products was the highest that Gold Corporation has seen in its 122-year history, placing unprecedented pressure on our ability to service our worldwide client base. But it also delivered significant opportunities to build further our reach and reputation across the globe.

Our underlying profit before tax for the year was \$55.96 million, compared with \$47.55 million in the previous year. This was our largest on record and a credit to the entire Gold Corporation team.

Under Australian Accounting Standard AASB 10, the gains or losses accrued on gold held by external investors in The Perth Mint Physical Gold Exchange Traded Fund (AAAU ETF) until 13 December 2020, when the ETF vehicle was sold, are recognised in our statement of profit or loss and other comprehensive income. Our reported pre-tax profit for the year was thus \$16.65 million, which includes the unrealised accounting fair value loss (a paper loss) of \$39.32 million, leaving our underlying profit at \$55.96 million.

The record achievement was, in part, underpinned by management and organisational changes made over the past 18 months, especially in our treasury and depository teams but also in our refinery.

Turnover was \$26.35 billion compared with the previous year's \$23.87 billion, cementing our position as Western Australia's third largest exporter by value. As the Chairman noted, dividends and taxes paid to the Government of Western Australia for the year totalled \$40.98 million. Payments to the Australian Federal Treasury, relating to the terms of the agreement under which we mint and issue Australian legal tender coins, was \$4.48 million for the year.

Significantly, as the state's only for-profit Government Trading Enterprise, we have paid \$232.27 million in dividends and taxes to the State Government over the past 10 years. Gold Corporation consistently returns 82.5% of pre-tax profit to the State, for the benefit not just of the people of Western Australia but, indirectly, all of Australia.



“

The pandemic overshadowed everything that may have been newsworthy or of importance, creating an environment where the demand for Gold Corporation's products and services rose to all-time highs.

Economic outlook

The past financial year has been one of the most challenging the world has faced in many decades. The COVID pandemic was front and centre of every news broadcast and economic analysis. In response, governments introduced large stimulus support packages, many of which involved the creation of significant debt. Concurrently, interest rates fell to or remained at all-time lows, with negative interest rates being seen for the first time ever in some economies.

US yield curves inverted in the first half of 2020/21, signalling a future potentially deflationary environment. While equity markets remained strong, the hunt for yield remained a driving force in the minds of many investors, with gold providing a viable alternative to cash holdings.

Geopolitical tensions continued, supporting underlying demand for alternate hard-asset accumulation. Central bank buying, increases in gold-backed ETF holdings and institutional demand underpinned the gold price at around US\$1,800 per ounce throughout the year and reaffirmed the sustained role of precious metals in modern society.

COVID and its impact on demand for our products and services

The pandemic overshadowed everything that may have been newsworthy or of importance, creating an environment where the demand for Gold Corporation's products and services rose to all-time highs.

- **Minted Products:** Demand for bullion coins increased significantly, with gold and silver 1oz kangaroos selling especially well. Of 17.39 million coins sold in total during the year, 10.74 million were silver kangaroos. This compares with a combined total of 14.6 million coins, medallions and minted bars sold in 2019/20.
- **Depository:** Demand for the storage of both unallocated and allocated metal increased significantly over the year, with record holdings worth almost A\$6 billion achieved across all product offerings.
- **Treasury:** The treasury team enhanced its trading model and has been highly successful in supporting global bullion dealing counterparties while capitalising on new market opportunities not previously identified.

Coinciding with the increased demand for precious metals was a much stronger Australian dollar, which did provide some headwinds but failed to detract from the pleasing performances achieved.

Sustainability

Our commitment to sustainability remained a key focus and was reinforced over the past year with the appointment of a Chief Sustainability Officer to the Executive team. This new role demonstrates our strong commitment to this critical area of our business. The appointment also underpins our concerted efforts to further strengthen our focus on safety, quality and transparency, which have been hallmarks of Gold Corporation since its establishment.

In line with the United Nations Sustainable Development Goals our initiatives are grouped into three key areas – Environmental, Social and Governance (ESG). As an organisation, we identified seven material topics of focus under the ESG umbrella, and while we have previously delivered meaningful initiatives across the various topics, they haven't been optimally co-ordinated between departments. With increased cross-organisation focus our commitment to sustainability has gathered pace and significant support across all levels of the organisation.

In March we released our inaugural Modern Slavery Report. Although as a Government Trading Enterprise we are not required to report under the *Modern Slavery Act 2018*, as part of our commitment to corporate social responsibility and ethical supply chains we voluntarily published our inaugural statement in 2020.



The document explores the risks of human rights abuses that could be present in our supply chains and describes actions to identify and address these risks.

In April we published our Sustainability Commitment 2021 document, which outlines our responsibility for environmental and sustainability governance in our key business activities. We are committed to a more sustainable precious metals industry and our sustainability document outlines strategies, initiatives, and activities to achieve our vision – to be the sustainability benchmark globally for the precious metals industry.

As described in the sustainability document, we abide by and align with:

- the LBMA's Responsible Gold Guidance and Responsible Silver Guidance
- the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals – Supplement on Gold

Over 2020/21, we continued our work to enhance our processes to ensure supply chain accountability, integrity, and traceability.

Most recently, we engaged an accredited greenhouse gas (GHG) auditor to complete a GHG assessment for our operations as a first step in our roadmap to carbon neutrality.

We look forward to advising our stakeholders on the details of that roadmap in due course.

Further details of our sustainability activities can be found in our 2021 Sustainability Report, published following this Annual Report. The report, a first for Gold Corporation, provides a detailed and transparent description of our sustainability strategies, implementation, and achievements.

Supporting the Community

In a year that continued to be marked by the global COVID-19 pandemic, Gold Corporation operated at full capacity and full employment while maintaining a safe workplace.

Gold Corporation focussed its volunteering activities on providing meaningful and targeted support to those most affected.

In 2020/21, our people supported the Salvation Army Christmas Cheer project, provided maintenance work at the Salvation Army Women's Domestic Violence Refuge and cooked meals to support Foodbank.

Last August, we published our first Reconciliation Action Plan. In November, we followed up with a formal raising of the Aboriginal and Torres Strait Islander flags outside our East Perth site. The flag raising was held during NAIDOC Week and marked a significant moment for Gold Corporation, symbolising the official start of our reconciliation journey.

The feedback from the ceremony was extremely positive and incorporated into a similar flag raising and smoking ceremony at our refinery site at Perth Airport in April 2021. The Aboriginal and Torres Strait Islander flags fly proudly outside our two operating sites every day.



We also participated in Work Integrated Learning (WIL) programs, facilitated by Curtin University of Technology and the University of Western Australia. As part of these programs, Gold Corporation hosted several university students in work experience placements across our People and Culture, Health and Safety, and Finance teams. The WIL program is an excellent platform for young students to develop industry experience and contribute to meaningful projects at Gold Corporation.

Gold Industry Group

This independent body promotes the gold industry's valuable contribution to modern Australia through education, community initiatives and issue representation. The Gold Industry Group (GIG) is apolitical and not a lobby group.

Gold Corporation's leadership role assumed at the formation of the GIG continued during the past year. I stepped down after serving 5 years as the Group's inaugural chair, and remain on the Board to support the continuing work of GIG.

Innovation

We took ongoing steps to nurture our strong innovation culture across the business. This included empowering staff to take greater responsibility for their own actions and encouraging them to suggest and promote improvement ideas, given their role at the coalface of our business. This resulted in increased productivity in the refinery and minting operations.

In addition, key innovation initiatives carried out during the past year included:

- Advancing the development of the supply chain assurance solution, trueGold, to maintain the integrity of ethically sourced and processed gold;
- Producing innovative ultra-high relief coins not just in larger formats but also 1oz coins, with the unique designs well-received in the coin marketplace;
- Expanding our GoldPass smartphone app in the Australian and subsequently US markets and included silver as a purchase option.

Business Technology Initiatives

Our Business Technology team continued to support the One-Future and e-Commerce uplift programs, both designed to ensure Gold Corporation remains abreast of current practices in these areas.

Information and Cyber Security transformation continued in line with our strategic plan, increasing protection of Gold Corporation information, data and technology assets.

In Conclusion

Our core values of responsibility, integrity, safety and excellence will continue to guide us, including our constant, continuous work to support and improve the sustainability of the Corporation.

Over the past year our highly professional team continued to rise to the challenges presented by COVID while maintaining their own mental and physical wellbeing, which was confirmed by the positive outcomes of our employee wellbeing survey. This is an outcome I am immensely proud of.

I am pleased with the strong organisational culture at Gold Corporation, with an ever-increasing focus on safety and sustainability, and am confident that our team is stronger and more united than it has ever been. This has enabled us to serve our industry, customers and community like never before because we are united in embracing our mission to continue to shape the future of the global precious metals industry through the innovation, expertise and values of our people.

My thanks go to Gold Corporation's Board of Directors, who have given generously of their time and expertise across the full range of matters affecting the business, in particular occupational health and safety as well as risk and governance.

I would like to particularly acknowledge and thank our Chairman, Sam Walsh AO, for his guidance and support, as well as our Minister, the Honourable Bill Johnston MLA and his team.

The pandemic continues to impact the world. However, I am confident in our ability to remain a safe and inclusive employer and the trusted leader in precious metals for our customers across Australia and the world.

Richard G. Hayes
Chief Executive Officer





Review of Operations

Gold and Silver Refining

The Perth Mint Refinery's international reputation for integrity, excellence, quality, safety and efficiency makes it an exemplar among its peers. This year it maintained its status in the top echelon of global refiners by volume and reputation.

During the year we refined the vast bulk of Australia's gold doré as well as gold from the Oceania region, and from Australian owned projects in North America and Africa. Our facility is also a significant refiner of silver doré.

The majority of the metal we refine is cast into value added products or manufactured into a variety of minted products, including bars and coins. The balance is delivered to the London vaults as Good Delivery bars.

The global refining market remains saturated with significant overcapacity, resulting in significant pressure on refining fees and charges.

We maintained our continuing accreditation from the world's five major precious metals exchanges, an achievement few others across the globe can match.

In Australia, our facility remains the only London Bullion Market Association refiner fully accredited for gold and silver.

Cast Bar Production

Demand for small bars throughout 2020/21 was very strong, resulting in a higher than average conversion rate of incoming gold to meet market demand.

The refinery continued to be a major supplier of value added gold cast bars to China, the wider Asian region and North America.

Silver was supplied into local and overseas markets in the form of value added cast bars of various sizes and 1,000oz Good Delivery bars.

Minted Products

With more than a century of minting expertise, The Perth Mint continued to be a major gold, silver and platinum coin and minted bar supplier to collector and investor markets worldwide.

In a record-setting year for Minted Products, 17.39 million coins and bars were sold, well up on the 14.60 million sold in the prior year. The increase in demand for bullion coins was primarily driven by the COVID pandemic, which caused a flight of investor funds across the globe into precious metals. Value was added to 33 tonnes of gold (22.5 tonnes in 2019/20), 614 tonnes of silver (533 tonnes in 2019/20) and 1.76 tonnes of platinum (817kg in 2019/20). Approximately 87% of the revenue earned from the sale of these products was derived from exports, compared with 83% in 2019/20.

Our two largest markets, the USA and Germany, both showed unrelenting demand for silver and gold minted products throughout the year.

As well as maximising the production of 1oz silver kangaroo bullion coins, we streamlined our product range to achieve optimal production throughput, enabling the record production numbers achieved. Minting operations continued on a multiple shift basis over the whole period, including through the various COVID lockdowns, with additional safety precautions taken to protect both the health and mental wellbeing of our people.

Notable accomplishments during the year included the sell-out of the 2021 1oz Year of the Ox gold bullion coin (30,000 mintage) and the 2021 1oz Year of the Ox silver bullion coin (300,000 mintage). Other successful bullion products developed during the year included the Quokka bullion silver coin which achieved excellent media coverage and publicity. We also had success with a range of licensed bullion products including those featuring *James Bond* and *The Simpsons* which captures a new audience for our products. Innovative features, new finishes, quality packaging and limited mintages continued to hold appeal to collectors.

Our numismatic coin program had a record year, with collectors seeking us out for our unique designs and theming. A highlight for the year in terms of innovation was the release of our 2021 wedge-tailed eagle coin in ultra-high relief. The craftsmanship behind the design finish proved especially popular with collectors, ensuring the coins sold out easily.



High-value gold coins such as our 2oz and 5oz sizes and coins with diamonds such as The Jewelled Horse remained popular with collectors worldwide and continued to sell well.

During the year we issued 180 Australian legal tender proprietary collector coins, either as individual pieces or in sets, compared with 156 in 2019/20. A further 56 coins were released under authority of the Government of Tuvalu, compared with 65 in 2019/20. In total there were full mintage sell-outs in 60 coin programs, compared with 38 in 2019/20.

We also continued to review, upgrade and replace critical production equipment to ensure our minting production facility was well placed to meet strong demand throughout the year. There were some delays installing equipment due to COVID restrictions, but the facility was still able to produce a record number of coins and bars.

Cost reduction initiatives were maintained with specific focus on waste and reject rates. The ISO 9001.2001 Quality Certification and the AS/NZS 2801.2001 accreditation for Health and Safety were both maintained at our minting facility.

Precious Metal Coin Blanks

The Mint produces gold, platinum, and silver coin blanks both for its own use and for other mints around the world. In recent years, blank sales to other mints has not been a significant business line, with the majority of blanks manufactured consumed internally.

During 2020/21 we produced 18.31 million blanks, up from the 13.26 million the previous year.

Perth Mint Shop and Exhibition

The Perth Mint Shop and Exhibition recorded a 37% year-on-year increase in contribution in 2020/21, despite the closure of the exhibition for five months and significant disruption to retail and tourism operations caused by the COVID pandemic.

The primary drivers of this record result were luxury jewellery sales, bullion trading activities and scrap gold jewellery buybacks. Strong consumer demand for loose pink diamonds and pink diamond jewellery contributed to the shop's record jewellery sales, particularly in the months following the closure of Western Australia's Argyle Diamond Mine, the world's largest producer of pink diamonds.

Major renovations in the heritage Mint building were completed and will improve the retail and tourist experience.

The \$963,000 project resulted in an enhanced foyer area and upgraded luxury jewellery showrooms, including a new Pink Diamond Room. The renovation, involving 80 local contractors from 20 Perth-based companies, blends modern design with the heritage features of the 19th century building.

Further integrated upgrades are expected to take place in the Bullion and Coin rooms in the year ahead.

Perth Mint Depository

The 2020/21 financial year saw depository record a 4% increase in the value of metals held on the previous year. Global lockdown due to COVID, market volatility due to US elections and a spike in demand for physical silver contributed to an increase in demand for depository services.

By the end of the 2020/21 year, Perth Mint Depository's client base from over 130 countries had grown to 70,000, with precious metals stored surpassing A\$6 billion.



The flagship Perth Mint Depository Program storage product, as well as Depository Online and the Perth Mint Certificate Program all experienced steady growth over the year. Our GoldPass smartphone investment app continued to perform strongly in the local market and achieved modest growth in the USA.

Our Australian exchange traded product (ETP) Perth Mint Gold (ASX code PMGOLD) recorded another strong year, with volumes growing by 14% to more than 235,000 ounces of gold.

Capital Works and Capacity Enhancement Programs

Our ongoing capital expenditure program continued over the year, fully funded from internal resources.

Investments in new technology and critical information systems will drive productivity and increase capacity. Facility refurbishment and plant expansion, as well as continued carefully targeted spending on enhanced safety and environmental management all formed part of the capital works program.







“
Gold Corporation is entirely self-supporting and does not receive any funding from the State Government, nor does it have any cash borrowings.

Capital expenditure over the year amounted to \$20.75 million, slightly more than the \$19.83 million the previous year. Gold Corporation is entirely self-supporting and does not receive any funding from the State Government, nor does it have any cash borrowings.

Risk and Compliance Enhancement Programs

Over the past year, Perth Mint has undergone a transformation in its enterprise risk management capability. Various initiatives designed to enhance risk management capabilities are underway and have already resulted in strengthening this strategic capability for the Mint.

Deliverables to date from this program of work include:

- The design and implementation of a revised operating model for enterprise-wide risk management;
- Acquisition of increased depth and breadth in the capability and capacity of risk and compliance management specialists across the business;

- The establishment of dedicated Financial Crime and Responsible Metals Compliance teams;
- A substantial focus on data governance and information management; and
- Increased connectivity across different risk domains to strengthen support for the business.

The internal benefits of this model are already tangible. However, the benefits that the Perth Mint’s stronger risk management capability bring to both WA and the precious metals community are potentially even more valuable in the years ahead.





Our Directors



Sam Walsh AO

Appointed in January 2019, Sam has held leadership roles in the mining and automotive industries including Rio Tinto (25 years), General Motors and Nissan Australia (20 years combined).

He is Chair of the Accenture Global Mining Council (UK), the Perth Diocesan Trust and the Royal Flying Doctor Service (WA Ops), and is a non-executive director of Mitsui & Co (Japan), Ma'aden Mining (Saudi Arabia), and Banjima Native Title Aboriginal Corporation (Aust).

He has a Bachelor of Commerce (Melbourne University) and an Overseas Fellowship (Kettering University, Michigan)

In recognition of his distinguished service to the mining industry and to the community of Western Australia, Sam was appointed an Officer of the Order of Australia in 2010 and was Western Australian Citizen of the Year (Industry and Commerce) in 2007.



Liam Twigger

BEC, Grad Dip Fin, CPA

Appointed in January 2016, Liam has more than 30 years' experience in investment banking and corporate finance including his current role as Deputy Chairman of Argonaut Limited.

He has also held positions including senior vice president at Bankers Trust Australia and Head of Macquarie Bank in WA where he established the bullion and commodities division in Perth.

Liam is also Chairman of Lunnon Metals Limited (ASX listed) and SolGold Plc (LSE and TSX listed).



John O'Connor

BSc (Hons) FICA, FICAEW, FAICD

Appointed in January 2016, John is a former partner of PricewaterhouseCoopers (PwC) where he spent 34 years, including 24 years as an audit partner, before retiring in 2013.

John's leadership roles at PwC in Perth included being managing partner and head of the assurance practice. He has extensive audit experience in the resources sector in Australia and globally.

John holds a number of non-executive director roles. He is a fellow of the Institute of Chartered Accountants in Australia and New Zealand; the Institute of Chartered Accountants in England and Wales; and the Australian Institute of Company Directors.



Mark Puzey

FCA, FAICD, CGEIT

Appointed in February 2018, Mark spent 33 years with KPMG where his roles extended across internal and external audit, IT advisory, risk management, governance, strategy and business transformation. He held Asia Pacific leadership roles in IT governance and natural resources.

He is currently Audit and Risk Committee Chair and non-executive director of DUG Technology Limited (ASX:DUG); and non-executive chairman of M8 Sustainable Limited (ASX:M8S). Since retiring from the KPMG partnership his roles have included board and strategic advisory roles for IT enabled companies, and in the energy, technology and financial services sectors.

Mark is a fellow of the Australian Institute of Company Directors and Chartered Accountants ANZ. He is Certified in the Governance of Enterprise IT (CGEIT). He is also a major supporter of the arts community.



John M Collins

BSBA, MBA, GAICD

Appointed in February 2019, John was CEO and Director of Western Australian Treasury Corporation (WATC) from 2009-2019. He has more than 30 years' international experience in finance, with an emphasis on financial markets activities and banking.

He has held senior leadership roles at US-based Cargill as well as ANZ Bank, including as President Director of ANZ Panin Bank in Jakarta. Mr Collins acquired his Australian Financial Markets Association accreditation in 1998.



Melanie Cave

LLB BA, GAICD, FLWA

Appointed in June 2019, Melanie was a lawyer with Herbert Smith Freehills for more than 20 years including 11 as a partner.

She has advised on the delivery of large-scale infrastructure projects in the mining, water and natural resources and health industries, both in Australia and globally. These include Perth's Optus Stadium and Fiona Stanley Hospital.

Melanie has been a non-executive director for more than 10 years and is currently the Chair of Workpower Inc.



Sally Langer

Bcom, CA, GAICD

Appointed February 2021, Sally has more than 25 years' experience in professional services across multiple sectors with substantial experience in the resources sector, particularly in WA.

She has been responsible for management functions including strategy, business development, budgeting and human resources. Originally a chartered accountant with Arthur Andersen, Sally transitioned to executive search, working closely with boards and CEOs to advise on talent, culture and organisational structure.

She is a non-executive director of Northern Star, Sandfire Resources and MMA Offshore. Sally is a member of three Northern Star committees: Audit and Risk; Remuneration and Nomination; Environmental, Social and Safety. She is Chair of the People and Performance committee and a member of the Audit committee for Sandfire Resources.



Richard Watson

BEC (Hons), MPhil

Appointed in February 2019, Richard is the Executive Director of Infrastructure and Finance in the Department of Treasury, and is responsible for overseeing the budgeting and governance of trading enterprises within the Government of Western Australia. He supports the State's financial management framework, legislative and accounting standards.

Prior to starting this role in 2018, he was Executive Director of the Economic Business Unit in the Department of Treasury from 2014.



Richard Hayes

BCom, CPA, MBA, ACIS, GAICD

Richard was appointed Chief Executive Officer of Gold Corporation on 1 July 2015, having been Chief Financial Officer and Deputy CEO after joining the Corporation in March 2003. He has some 25 years' experience as a senior executive in the precious metals industry, and has spoken at numerous global conferences. He is involved in the London Bullion Market Association, sitting on both the Refiner's Committee and the Membership Committee. He is a Director of TrueGold Pty Ltd, an entity involved in the development of supply chain integrity and traceability technology for the global gold industry.

In 2015 Richard was appointed founding Chairman of the Gold Industry Group, a body established to give the gold industry a unified and stronger voice in promoting its significance to the Australian economy and community. In 2021, with the organisation well-established, he stepped down from the role of Chair and remains on the Board as a Director.

Richard actively contributes to the West Australian community as a Director of disability services organisation Interchange Inc, is a member of the Board of Governors of Wesley College and is a Director of the Motor Museum of Western Australia.



Neil Roberts

Appointed in August 2021, Neil has worked as a key member of leadership teams in a diverse range of government, commercial, representative and charitable organisations.

He has served as chief of staff to state and federal government ministers with responsibility for the resources and electricity sectors.

Neil has extensive experience in the resources sector, including as a director of gold producer Endeavour Resources Limited (now St Barbara Limited) and as a corporate counsel and company secretary of several listed companies.



Our Business Activities and Capabilities

Our history

The Perth Mint was established in 1899 by The Royal Mint of Britain. 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 there, 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, we turned our skills to the production of base metal coins, though we continued to also refine gold. We 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 Perth Mint and launch Australia's official Bullion Coin Program. The Australian Nugget bullion coin was launched in 1987 and was followed by many other successful bullion, numismatic and commemorative coin programs.

Our refining activities eventually outgrew the old premises in East Perth and a new refinery was built near Perth's international airport, commencing operations in 1990.

A number of extensions have been added across both sites since the millennium, expanding the minting and refining capacities to what they are today. A retail outlet and multi-award winning exhibition, which showcases the story of gold and features a theatrical gold pour as its centrepiece, occupies the ground floor of the original Mint building.

A Global Force in Precious Metals

We are now an internationally competitive precious metals refining, manufacturing, minting, marketing, distribution and storage business. Structured as a vertically integrated entity we operate across the precious metals value chain. Management responsibility is based on functional and business lines designed to provide a comprehensive and cohesive service to our many customers around the world.

Credentials

Our reputation in the precious metals industry is built on a 122 year history of striving towards excellence. We are recognised worldwide for our innovation, superior technical abilities and artisanship, as well as the quality of our precious metals products. As Western Australia's third largest exporter we have customers in more than 130 countries. Sustainability, including environmental, social and governance capabilities underpin our business model and are at the heart of our decision making processes.

Refining

Our Refinery is one of a select group of top tier gold refiners globally that has accreditation from five of the world's major gold exchanges:

- London Bullion Market Association (LBMA)
- Tokyo Commodity Exchange (TOCOM)
- New York Commodity Exchange (COMEX)
- Dubai Multi-Commodity Centre (DMCC)
- Shanghai Gold Exchange (SGE)

We are also Australia's only LBMA fully accredited gold and silver refiner.

Refining almost all of Australia's newly mined gold as well as production from the Oceania region, North America and Africa, we are one of the largest and most highly respected refiners worldwide.

We are committed to producing ethically responsible gold, silver and platinum. We therefore maintain our conflict-free accreditation under the LBMA Responsible Gold, DMCC Responsible Gold and Responsible Minerals Assurance Process (formerly the Conflict-Free Smelter Program).

The Refinery holds the following accreditations:

- AS/NZ 4801 Occupational Health & Safety Management Systems
- ISO 14001:2015. Environmental Management Standard
- OHSAS 18001:2007 Occupational Health and Safety Management System

“
**The quality and craftsmanship of
 The Perth Mint coins are highly regarded
 and sought after around the world.**”

To maintain transparency, annual audits that are independent of the financial audit and other consulting arrangements, are conducted to ensure compliance with applicable legal requirements, as well as with broader societal obligations and expectations.

Cast Bullion Bars

Our refinery produces 1kg, 100g, 50oz, 20oz, 10oz, 5oz, 2.5oz and 1oz 99.99% gold bars, as well as 1kg 99.5% gold bars. Silver bars of 99.99% purity are produced in 1kg, 100oz, 20oz and 10oz weights. These bars are promoted and distributed into a variety of target markets globally, either directly or via a network of intermediary organisations.

In times of low demand for the abovementioned value-added products, the refinery produces 400oz 99.5% gold and 1,000oz 99.99% silver London Good Delivery Bars for delivery into the London markets as well as to customers worldwide.

Bullion Coins

We are the inaugural producer of the official Australian Bullion Coin Program, issued as legal tender under the *Australian Currency Act 1965*. The annual program comprises three series portraying iconic native fauna and a fourth series celebrating the animals of the Chinese lunar calendar which featured the Year of the Ox this year:

- Australian Kangaroo 99.99% pure gold coin series
- Australian Kangaroo 99.99% pure silver coin series

- Australian Kangaroo 99.95% pure platinum coin series
- Australian Kookaburra 99.99% pure silver coin series
- Australian Koala 99.99% pure silver coin series
- Australian Lunar 99.99% pure gold coin series
- Australian Lunar 99.99% pure silver coin series
- Australian Lunar 99.95% pure platinum coin series

Together with a range of gold and silver minted bars, our bullion coins are distributed through an international network of authorised distributors including financial institutions, banks and coin distributors.

Investors in Australia, New Zealand and most countries within South-East Asia can also purchase bullion direct from www.perthmintbullion.com.

Numismatic Coins

We manufacture and internationally market gold, silver, platinum and base metal non-circulating legal tender coins for collectors and gift buyers. Distinguished from investment (or bullion) coins by their extremely limited mintages and a variety of high-quality numismatic treatments and finishes, the coins are issued as Australian legal tender, or released as legal tender of Tuvalu. The quality and craftsmanship of The Perth Mint coins are highly regarded and sought after around the world.

Designed in-house by a talented team, the programs feature a variety of Australian native wildlife with a focus on the kangaroo, kookaburra, koala and wedge-tailed eagle. The programs also include historical events, the Chinese lunar calendar and licensed products.





The Chinese lunar calendar themes have become an incredibly important part of our portfolio with strong exports into Asia, Germany, and the USA as well as domestic sales. This year was extremely popular with the Year of the Ox.

Licensed products have had a strong focus as we attract new younger collectors into the coin market. *The Simpsons* coin program has been very popular and was extended into its third year with more planned for the upcoming year. We also continued the exciting new range of coins celebrating *James Bond* 007 which have been highly sought-after by fans of the famous fictional spy and other collectors. A highlight of the year was releasing a 25-coin subscription series featuring each Bond movie.

We have continued to focus on a range of coins celebrating personal milestones such as births, weddings, anniversaries and birthdays as these have proven to be popular as gifts and attract new buyers.

Commemorative coins are issued in a variety of weights and sizes, as individual pieces and in sets. To add to their appeal, these coins are presented in themed packaging and accompanied by a certificate of authenticity with information about the design theme, official maximum mintage, purity and weight of the release.

Since the inception of Gold Corporation in 1987, approximately 108 million bullion and numismatic coins and bars have been minted and sold worldwide, adding value to 360 tonnes of gold and 5,075 tonnes of silver.

Coin Blanks

Using world class technology, the Mint produces precious metal coin blanks in a variety of shapes, weights and sizes. These have enabled the manufacture of innovative numismatic coins. In addition to producing for own use, the Mint also supplies blanks to leading sovereign mints around the world.

Depository

For over a quarter of a century, our Depository has offered the world's only government guaranteed precious metals storage and investment program. We offer safekeeping of the metal within central bank grade vaults in the safe geopolitical environment of Western Australia, with our extensive network of vaults being the largest in the southern hemisphere. Clients (currently numbering in excess of 70,000 from more than 130 countries) can purchase and store precious metals directly (online, by phone, or with an app) or via one of our authorised distributors.

Perth Mint Depository provides unallocated, pool allocated and allocated storage options within a convenient account-based structure:

- Perth Mint Depository Online (PMDO) provides web-based access to precious metals with a low cost, live-priced 24/7 service. We market this service directly and it is also available through select distributors.



- Perth Mint Depository Program Account (PMDP) is modelled on a traditional service with personalised contact. PMDP is tailored to investors who wish to operate their account by phone or email with the support of our in-house traders.
- Perth Mint Certificate Program (PMCP) offers similar services to PMDP and is marketed through an international network of distributors. PMCP investors receive confirmation of their holdings via a certificate issued by The Perth Mint.
- Perth Mint Depository Distributor Online (PMDDO) is marketed through an international network of distributors seeking to offer their clients precious metals investment and storage.
- Perth Mint Gold (ASX code PMGOLD) is listed on the Australian Securities Exchange and offers unallocated storage to investors who prefer to deal through their stockbroker or online trading account. This product is highly suited to the self-managed superannuation market.
- GoldPass is a phone-based app that gives investors the unique ability to securely buy, store and sell physical gold and silver via digital certificates. The app also allows the instantaneous transfer of gold and silver to other GoldPass users.

Tourism

Housed in our late 19th century heritage building, the shop and exhibition demonstrate our commitment to sharing with the global community the fascinating story of Western Australian gold and our own rich history.

The exhibition showcases a range of unique attractions including the Australian Kangaroo One Tonne Gold Coin, the largest coin ever made and worth more than \$80 million, Australia's most spectacular display of natural gold nuggets and the spectacle of a traditional gold pour.

The exhibition was closed for the first five months of the financial year due to the COVID pandemic. Upon re-opening in December 2020, exhibition tour bookings were affected by the continuing pandemic.

As a result, we hosted just 12,137 visitors in 2020/21, compared with 59,699 the previous year, which was also impacted by the pandemic in the final quarter.

Our newly renovated shop offers a unique experience showcasing exquisite Australian jewellery featuring Argyle Pink Diamonds, South Sea Pearls and opals. Also available are gifts and souvenirs such as natural gold nuggets, coin watches and a range of gold, silver and platinum coins.

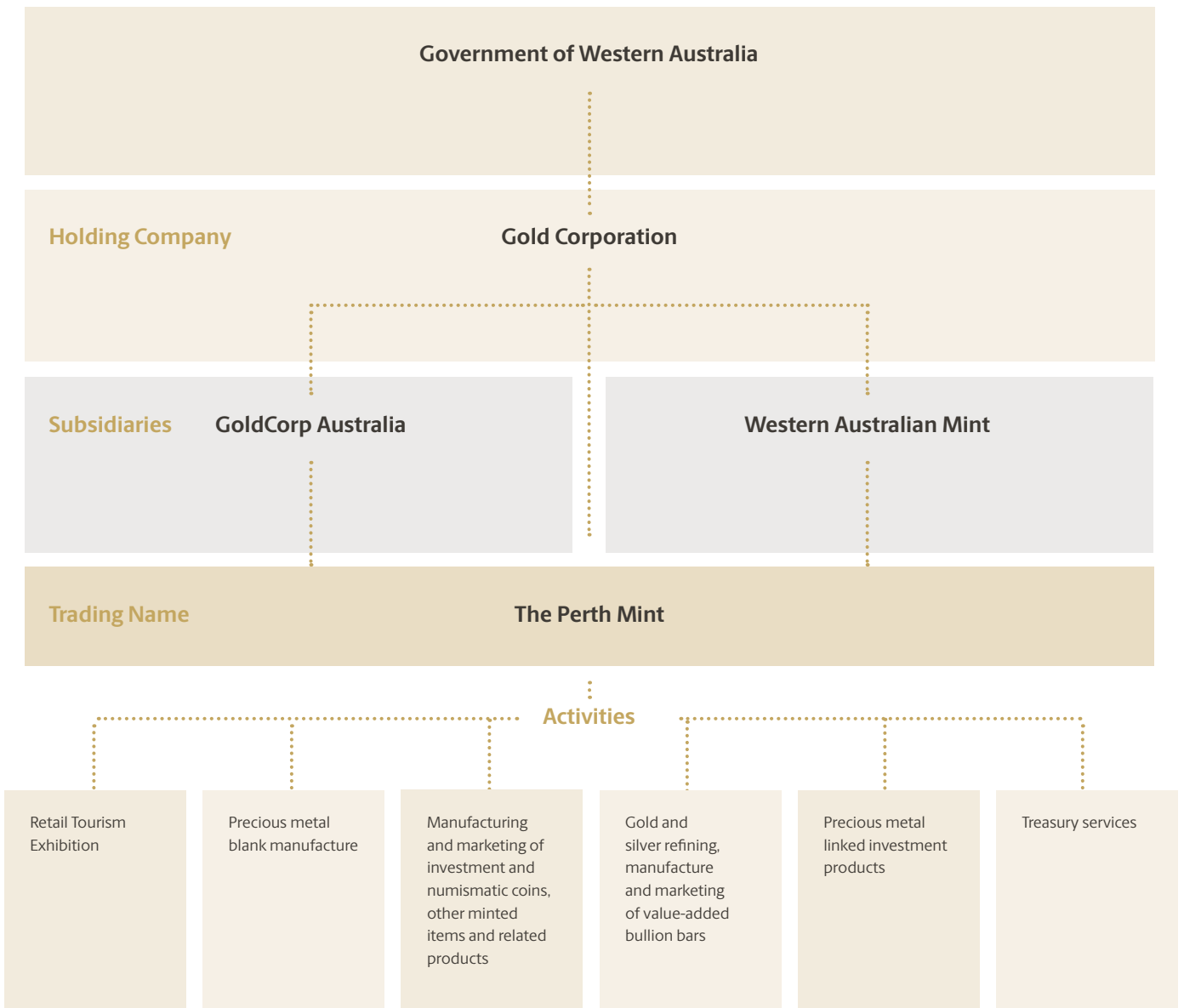
New developments

In line with previous periods, a number of new initiatives are in the pipeline, designed to take ownership and storage of precious metals to more new markets and even wider demographics of customers.





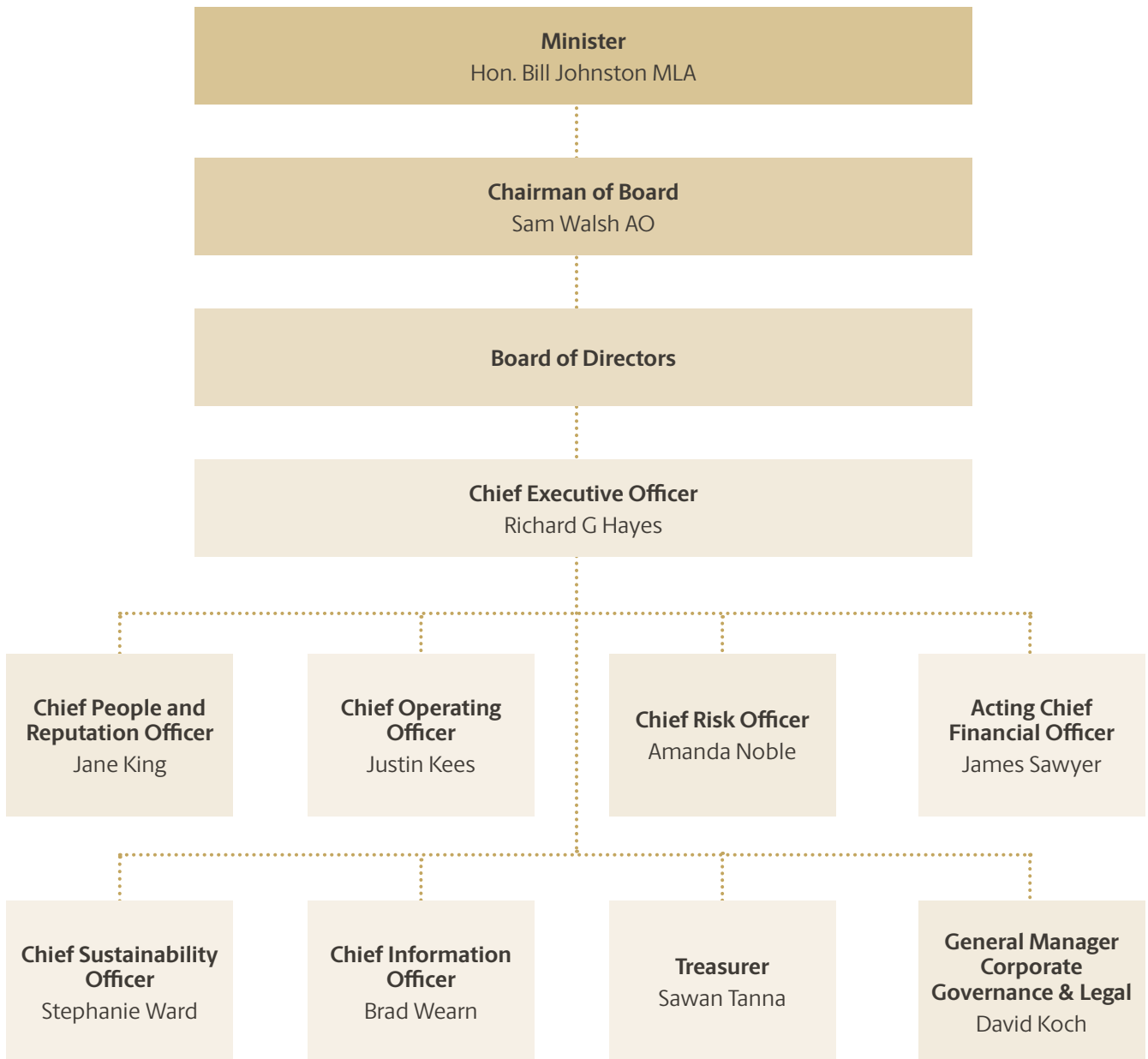
Our Group Structure*



*As incorporated under the *Gold Corporation Act 1987*



Organisational Structure





Our People

The Corporation's full-time equivalent employee headcount increased in 2020/21 by 18.2%. This was mostly due to an increase in casual employment within the coining division, refinery, group sales and the shop and exhibition. The full-time equivalent is as follows:

Salary vs Enterprise Agreement

Salaried	282	311
Enterprise agreement	155	205
Total	437	516

Gold Corporation employs both salaried and enterprise agreement employees, as shown above.

● 30 June 2020

● 30 June 2021

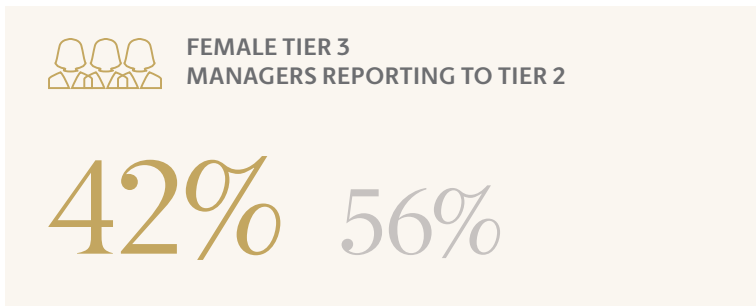
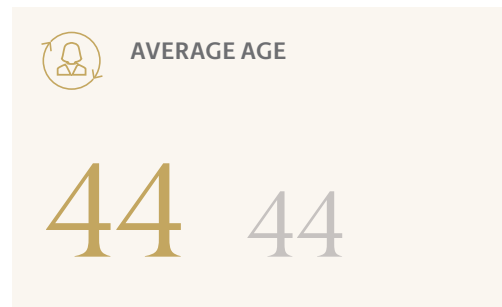
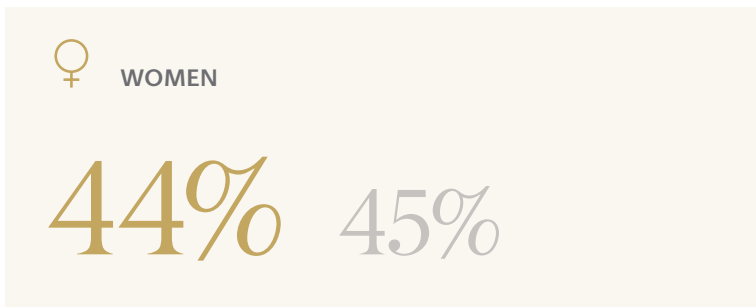
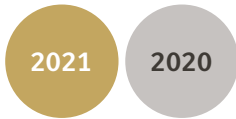
Cultural Diversity

Employees of the Corporation originate from a wide range of national, cultural and ethnic backgrounds. The introduction of a diversity and inclusion survey at the beginning of 2021 has allowed more accurate data to be captured and reported on. Of 532 employees, 36% are classified as being culturally and linguistically diverse as English is their second language. The survey also identified that 21 employees have a disability and 7 employees identify as Aboriginal or Torres Strait Islander.



Employee Demographics

The 2020/21 reporting is now demonstrating full-time equivalent employee numbers when previously it was recorded as headcount. An employee demographic snapshot is provided below:





Culture, Wellness and Engagement

As Australia's largest fully integrated precious metals business, our people, our processes and our projects are critical to our success.

During 2020/21 we continued to drive improvements to the culture of Gold Corporation which was underpinned by a focus on wellness and engagement. were undertaken to further improve the environment in which our employees operate. These initiatives included:

Engagement

Employee Surveys: Key projects from the 2019/20 engagement survey were implemented between July and November 2020. These include the installation of digital communication boards in the coining division, new employee benefits such as corporate volunteering, healthy lifestyle reimbursements and team recognition programs. The new intranet, a core component of the communication improvement efforts, was delivered in November 2020. The Corporation delivered its first pulse survey in February 2021 in place of the longer annual engagement surveys. Completing the survey in-house meant the Corporation was able to promptly analyse the data, communicate the results and commit to an action plan.

Outcomes delivered from the survey include:

- The introduction of a working from home policy
- Delivery of performance management training for managers and supervisors
- Completion of the first diversity, inclusion and wellbeing survey in April 2021

Health and wellness benefits

Throughout the year, a number of health and wellness programs were offered to all employees. The initiatives included:

- Flu vaccinations
- Health checks
- Skin checks
- Yoga sessions
- Healthy lifestyle programs

Diversity and inclusion

Diversity and inclusion (D&I) was a business wide priority in 2020/21 with the D&I Steering Committee publishing a refreshed and updated Diversity and Inclusion Strategy in December 2020. The Corporation's strategic priorities focused on gender, LGBTIQ+, mental health, people with a disability, Culturally and Linguistic Diversity (CALD), and Aboriginal and Torres Strait Islander people. To support the launch of the strategy, the committee collaborated on a #changeatwork video to highlight diversity and promote tolerance in the workplace which was shared on social media.

Some of the D&I initiatives the Corporation implemented in 2020/2021 include:

English Literacy: In November 2020 an English literacy program in the coining division commenced. The 50-week schedule of classes had been designed to ensure all staff have equal opportunities to better understand and follow safety procedures. Currently 34% of participants have completed the program, with the remaining due to graduate in October 2021.

LGBTIQ+ (Pride): Mental health first aid officers attended a LGBTIQ+ training focusing on challenges faced by people who identify as LGBTIQ+.

Mental Health: We have continued to deliver mental health first aid training across the business and continued to support employee wellbeing initiatives by increasing greater flexible working opportunities and facilitating 'Safe to Speak Up' workshops across the Corporation.

Aboriginal and Torres Strait Islander people: The Corporation has continued to prioritise its Reflect Reconciliation Action Plan (RAP). For NAIDOC week 2020 the official raising of the Aboriginal and Torres Strait Islander flags at East Perth was a significant event for the Corporation. This was replicated at the Refinery in April 2021, to demonstrate respect and commitment across both locations.

“
Several significant initiatives were undertaken to further improve the environment in which our employees operate.

The Corporation has completed the delivery of cultural awareness sessions across the business and will introduce refreshed exhibition tour content to include Aboriginal and Torres Strait Islander history in July 2021.

Disability Access and Inclusion:

Our partnership with JobAccess and Advanced Personnel Management have helped place people working with a disability in various areas across the business and provided ongoing support. Furthermore, a partnership established with Activ Foundation has generated a corporate volunteering opportunity for Gold Corporation employees.

Gender: In support of gender equality, in July 2020 the Corporation amended its existing parental leave policy, providing greater flexibility for either parent to access paid parental leave and continue to receive superannuation contributions while on unpaid parental leave for the initial first 12 months.

The Corporation celebrated International Men’s Day by launching a short video featuring men and women from across the Corporation talking about men’s mental health. For International Women’s Day the Corporation held a virtual panel event, showcasing four of its own gender champions. Discussions around gender bias, sexual discrimination, stereotypes and progressive strategies were well received by the audience.



Mental Health First Aid graduates



Health, Safety and Environment

Underpinning everything we do is our safety promise which everyone at Gold Corporation sees as we enter work for the day: “Safe people. Safe workplace. Safely home.”

Commitment

Our Health, Safety and Environment (HSE) systems aim to minimise risks to employees, customers, contractors, the public and the environment whilst embracing best practice. These systems ensure policies, procedures and work instructions are in place to not only comply with legislative requirements and codes of practice, but to do the right thing by all stakeholders. Objectives and targets are set, with performance against targets monitored and reviewed on a regular basis.

We are firmly committed to providing a safe workplace for all our employees and contractors, ensuring they return home safely at the end of each day.

Safety and environment management systems

The East Perth site achieved accreditation for its Safety Management System in 2009. An AS/NZS 4801:2001 recertification audit for our Safety Management System was conducted by Bureau Veritas in May 2021 with no non-conformances found. Both the East Perth and Refinery sites are seeking to be certified to the new ISO 45001:2018 Standard replacing AS/NZS 4801:2001. Both the Refinery and East Perth sites are also preparing their respective procedures in readiness for the *Work Health and Safety Act 2020* and regulations.

The Refinery achieved international accreditation for its Safety Management System and Environmental Management System in 2010. In November 2020 Bureau Veritas undertook the annual ISO surveillance audits for the refinery’s Safety Management System and Environmental Management System, namely AS/NZS 4801:2001, OHSAS 18001:2007 and AS/NZS ISO 14001:2015. No major non-conformances were raised.

The refinery is classified as a registered mine site and is regulated by the *Mines Safety and Inspection Act 1994*. Two site inspections were undertaken by the Department of Mines, Industry Regulation and Safety with a focus on mentally healthy workplaces.

Safety

To reflect the fluid and rapidly changing landscape of the COVID pandemic and maintain a safe working environment for all our employees, contractors and visitors, our sites continue to improve our response to the COVID pandemic in response to the changing nature of the pandemic. In addition to the COVID prevention policy, a comprehensive COVID Incident Response Plan has been enhanced to further supplement the existing controls already implemented. Both sites continued operating at full capacity throughout the year by employing controls such as split shifts, work from home, social distancing, increased cleaning rosters and personal hygiene promotion.

A number of initiatives were implemented across our operations to help improve safety during the year.

The Refinery and East Perth sites were lost-time injury free during 2020/21. The East Perth site has recorded over 500 lost-time injury free days and continues to reduce the number of medical treatment injuries.

We ensure compliance with the *Workers Compensation and Injury Management Act 1981*. Regardless of whether the injuries are work-related or non-work-related, we are committed to ensuring all injured employees return to work as soon as is practicable and medically appropriate. Mental health awareness continues to be promoted and we have increased the number of mental health first aid officers trained to levels comparable with first aid responders.

Environment

We have a responsibility to the community and future generations to conduct our activities, as far as possible, in a manner that minimises the impact to the environment. We therefore take part in sustainable environmental activities, such as recycling and upcycling programs, at both sites. No significant environmental incidents were recorded in the past year.

The Refinery is regulated by the *Airports (Environmental Protection) Regulations 1997* and is subject to regular auditing by Perth Airport. Emissions report received for stack testing confirmed no exceedances were reported. The annual Perth Airport Environmental audit was completed in June 2021 with no non-conformances recorded.



“
Underpinning everything we do is our safety promise which everyone at Gold Corporation sees as we enter work for the day: “Safe people. Safe workplace. Safely home.”

Consultation

Both our sites continuously consulted with employees through a process facilitated by regular toolbox meetings and monthly HSE committee meetings. The committees at the Refinery and East Perth met 12 times during 2020/21. Employee OHS representatives contributed significantly at these meetings.

Additionally, they were fully engaged in safety inspections and incident investigations. Employees were encouraged to contribute to the annual HSE Strategy and Plan. Suggestions for improvements were supported and employees continued to participate in the site safety observation program.

The sites continue to promote the ‘Above the Line Behaviours’ and our Safety promise: ‘*Safe people. Safe workplace. Safely home.*’

Achievements and discussion of statistics and trends

The continued focus on preventative safety measures during the 2020/21 period saw the Group TRIFR continued to reduce and the Group LTIFR remain at 0.00.

Performance

Group HSE Statistics	STATISTICS – 12-MONTH ROLLING			
	LTIFR	LTIFR TARGET	TRIFR	TRIFR TARGET
Refinery	0.00	0.00	5.77	<10.0
East Perth	0.00	0.00	5.91	<10.0
Group	0.00	0.00	5.88	<10.0

Injuries	12-MONTH ROLLING		
	LTI	RWI	MTI
Refinery	0	1	0
East Perth	0	4	0
Combined	0	5	0

LTIFR – Lost Time Injury Frequency Rate

TRIFR – Total Recordable Injury Frequency Rate which relates to the following categories of injuries: MTI, RWI and LTI.

RWI: – Restricted Work Injury

MTI: – Medical Treatment Injury

Please Note: The LTIFR and TRIFR refers to the number of injuries per million hours worked.



Disability Access and Inclusion Plan 2020-2025

We are committed to the needs of people with disability and our five-year Disability and Access Inclusion Plan.

- 1 People with disability have the same opportunities as other people to access the services of, and any events organised by, a public authority.
- 2 People with disability have the same opportunities as other people to access the buildings and other facilities of a public authority.
- 3 People with disability receive information from a public authority in a format that will enable them to access the information as readily as other people are able to access it.
- 4 People with disability receive the same level and quality of service from the staff of a public authority as other people receive from the staff of that public authority.
- 5 People with disability have the same opportunities as other people to make complaints to a public authority.
- 6 People with disability have the same opportunities as other people to participate in any public consultation by a public authority.
- 7 People with disability have the same opportunities as other people to obtain and maintain employment with a public authority.

The Perth Mint building is Heritage Listed and, as such, there are access limitations in certain areas. Most of the Mint's administration buildings have wheelchair access and accessible toilets, except the second and third floors of the original Mint building, which are not served by an elevator. The primary functions of this building are retailing and tourism, activities which are restricted to the ground floor and are covered under the DAIP plan.

In 2020/21, our partnership with Job Access under the National Disability Coordinator Program, resulted in a full inclusivity review of our recruitment processes, the delivery of disability awareness training to all managers and supervisors and the adoption of a reasonable adjustment policy. We also incorporated wheelchair-accessible counters in our newly renovated retail jewellery showrooms.



MAY OUR CAMP FIRE
DUMBASS
WE OF THE

NAIPOCYN 2020
ALWAYS WAS, ALWAYS WILL BE





Our Customers and Community

Customer service and customer complaints

We recognise the importance of delighting customers. As a public statement of our commitment to service and complaints handling, our Complaints Policy and Customer Service practices embody the following elements:

- A documented and whole-of-organisation commitment to the efficient and fair resolution of complaints.
- Fairness to the complainant.
- Adequate resources with a high level of employee 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.

The increasing use of blogs, discussion forums and social media platforms is providing unprecedented customer feedback. While much feedback during the year was positive, negative comments and complaints provided opportunities to address issues which otherwise may have not been raised.

The majority of coin complaints received related to late delivery or product damaged while in transit.

Complaints about the shop and exhibition related to policies and procedures, customer service, conditions of entry requirements (particularly COVID mitigation measures including contact tracing, mask-wearing, temperature-testing and metal disinfecting), phone messaging, the quality of the telephone reception, queues, renovation inconvenience, visitor information on the website, lighting of the nugget displays, bullion production delays, tour admission charges and the size of tour groups. Depository complaints were in response to online commentary and misinformation, technical issues, range of cast bars in stock and requirements to open accounts, all of which are being monitored and reviewed to reduce occurrence when possible. Refinery complaints were in response to product quality issues that are subject to corrective actions to reduce reoccurrence.

Industry and community participation

As part of our functions under the *Gold Corporation Act 1987*, we are mandated to encourage interest in precious metals and support the Australian gold industry, amongst other requirements of the Act.

We are involved in the local tourism industry and business community through memberships in the following organisations:

- Tourism Australia
- Tourism Western Australia
- Tourism Council of Western Australia
- Association of Perth Attractions
- Destination Perth
- Committee for Perth
- Gold Industry Group
- Historic Heart East Perth
- East End Revitalisation Construction Reference Group

	Orders Processed	Complaints Received
Coins	54,169	29
Depository	77,357	23
Shop and exhibition	35,106	15
Refinery	9,565	2



- Business Events Perth (formerly Perth Convention Bureau)
- Chamber of Minerals and Energy
- Association of Mining and Exploration Companies
- Chamber of Commerce and Industry (WA)
- German – Australian Chamber of Commerce

Prior to COVID we were an active participant in the coin, banknote and stamp trade shows of the Australasian Numismatic Dealers' Association and International events held in Berlin, Beijing, and Chicago. This year we attended the virtual World Money Fair in Berlin but did not attend other shows.

Due to the ongoing COVID pandemic, we did not attend any international jewellery or tourism trade shows this year, other than those presented via webinars.

We were active in several gold industry events in Perth, Kalgoorlie and virtually where in person attendance was not possible.

In October 2020 we attended Diggers and Dealers, Australia's leading gold mining forum as an exhibitor and Award sponsor. Hosted in Kalgoorlie, more than 1,950 representatives from the industry attended, with delegates including miners, producers, explorers, brokers, bankers, investors, financiers and mining services.

In October our Refinery fabricated the 2020 Telethon Gold Bar that was presented on behalf of Gold Fields. The bar was made of gold from each of Gold Fields four mines in the Goldfields region and combined it to create a special Telethon bar with proceeds going to the leading WA children's charity.

In February 2021 we attended and presented at the Self Managed Super Fund Association National Conference. This event brings together 1,100 SMSF trustees and financial advisors from all states and territories for a two-day virtual conference. We also presented at the Gold and Alternative Investments Conference Virtual Series and were a major sponsor of the February and April events.

State Batteries

A number of state batteries (Government owned mineral processing facilities) were vested in the Western Australian Mint in the late 1980s. They are mostly in remote and unpopulated areas. Twenty-two of these sites have been classified as, 'Possibly Contaminated – Investigation required', in terms of the *Contaminated Sites Act 2003*.

The process of working with the Department of Mines, Industry Regulation and Safety to transfer responsibility for these sites to a more appropriate arm of government continued during the year. We are not equipped nor do we have the expertise to manage the issues associated with these sites, nor do we have any staff located outside the Perth metropolitan area. Other agencies are more appropriately equipped and better placed to manage the sites.





Corporate Governance

Gold Corporation was established by the *Gold Corporation Act 1987* and the Minister responsible for the Corporation is the Honourable Bill Johnston MLA, Minister for Mines and Petroleum; Energy; Corrective Services. We have no policy role in government, make no laws or regulations except in relation to the conduct of our own affairs, and administer no schemes that confer benefits upon or place imposts on the public.

Section 6 of the Act empowers Gold 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...".

Strong corporate governance is at the heart of our culture, business practices and ethics. Our governance practices form a framework to support high standards of corporate behaviour and risk management.

Board of Directors

The Board of Directors is our governing body. The *Gold Corporation Act 1987* empowers the Board to determine policies for Gold 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 Gold Corporation's business for the benefit and to the greatest advantage of the people of Australia.

- Operate in accordance with prudent commercial principles.
- 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 as set out in a formal Statement of Expectations (SOE). The Board acknowledges its accountability to its only shareholder, the Government of Western Australia.

The Board is committed to sound corporate governance principles and high standards of legislative compliance, supported by commensurate financial, environmental, occupational safety and health, and ethical behaviour. The Board has serious regard to directorial and managerial conduct and reputation as an integral part of sound governance practices. In accordance with this, the Board has committed itself and Gold Corporation to comply, wherever applicable, with the spirit and letter of the Australian Institute of Company Directors Code of Conduct and Guidelines, and Ministerial Expectations for Government Boards. Directors can seek independent professional advice on Board matters at Gold Corporation's expense, with the approval of the Chairman.

Key activities

Supported by management, the Board approves the strategic direction of Gold Corporation. A Statement of Corporate Intent (SCI) covering the forthcoming 12-month period and a Strategic Development Plan (SDP) with a five-year timeframe are prepared on an annual basis. Together these documents outline our objectives, performance targets and strategic intent.

At its regular meetings, the Board has regard to the following areas by way of standing agenda items:

- Risk management and risk issues.
- Environmental, Social and Governance issues.
- Strategic issues and key operational matters.
- Operational performance and financial matters.
- Safety and environmental performance.

Membership

Directors are appointed by the Governor of Western Australia on the nomination of the Minister and approval by Cabinet. At year-end the Gold Corporation Board consisted of eight Non-Executive Directors and one Executive Director.



Director	Status	Expiry of Term
S M C Walsh AO (Chairman)	Non-Executive	31 December 2024
M J Cave	Non-Executive	31 May 2022
S K Langer	Non-Executive	31 January 2024
J M Collins V	Non-Executive	6 March 2022
J P O'Connor	Non-Executive	31 May 2022
M R Puzey	Non-Executive	31 January 2024
L A Twigger	Non-Executive	31 May 2022
R K Watson	Non-Executive	Ex-Officio
R G Hayes	Executive	31 May 2022

Meeting attendance

There were five formal meetings of the Directors of Gold Corporation during the year ended 30 June 2021. The number of formal meetings attended by each Director is indicated in the table below.

DIRECTORS' MEETING ATTENDANCE

	Attended	Eligible
S M C Walsh AO (Chairman)	5	5
M J Cave	5	5
S K Langer	2	2
J M Collins V	5	5
J P O'Connor	5	5
M R Puzey	5	5
L A Twigger	5	5
R K Watson	4	5
R G Hayes	5	5

Board committees

The Board has established five Committees, chaired by independent non-executive directors, to assist in the execution of its duties and responsibilities.

These are the Audit and Risk Management Committee, the Nominations and Remuneration Committee, the Health, Safety and Environment Committee, the Treasury Committee, and the One-Future 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 reviews the quality, integrity, reliability and adequacy of our information, finance, accounting, and control systems, as well as the risk management framework and compliance with laws, regulations, and key internal policies. It advises the Board accordingly while also acting as a communications interface between the Board and our auditors, both internal and external.

Membership of the Committee at year-end comprised John O'Connor (Chairman), Mark Puzey and Richard Watson.

Attendees at meetings of the Committee were Caroline Parry (Chief Financial Officer), David Koch (General Manager, Corporate Governance and Legal, and Company Secretary), Amanda Noble (Chief Risk Officer) and James Sawyer (Group Manager, Finance). Richard Hayes (CEO) was an invitee. Attendees and invitees do not have voting rights.



The Committee met five times during the financial year. Attendance of members at the meetings is indicated in the table below:

AUDIT AND RISK MANAGEMENT COMMITTEE MEETING ATTENDANCE

	Attended	Eligible
J P O'Connor (Chair)	5	5
M R Puzey	5	5
R K Watson	5	5

Nominations and Remuneration Committee

The Board of Directors delegates authority for determining conditions of employment to the Nominations and Remuneration Committee. The Committee's responsibilities include providing the Board with advice on Executive appointments and succession planning, reviewing, and advising the Board on remuneration policy, determining senior employee salary levels, alterations to core conditions of employment and employee incentive schemes. To ensure we are able to attract and retain suitably qualified and experienced personnel in competition with private sector organisations, benchmarking is conducted against a backdrop of employment conditions in the wider economy.

Membership of the Committee at year-end comprised Sam Walsh AO (Chairman), John O'Connor (Non-Executive Director) and Richard Hayes (CEO). Jane King (Deputy CEO and Chief People and Reputation Officer) was an invitee.

Due to COVID restrictions the Committee did not convene any formal meetings during the year. The Committee members elected to execute their responsibilities on an adhoc basis as required, and deliberate and agree on specific matters via circular resolution.

Health, Safety and Environment Committee

The key objectives of the Committee are to:

- Ensure leading edge safety and environmental strategies are in place.
- Review health, safety, and environmental performance.
- Determine that systems and procedures are in place to ensure compliance with our policies and legislative requirements, and Australian Standards.
- Review activities carrying potentially inappropriate levels of risk.
- Ensure management plans are in place to mitigate these risks.

Membership of the Committee at year end comprised Sam Walsh AO (Chairman), Richard Hayes (CEO) and Jane King (Deputy CEO/Chief People and Reputation Officer).

Attendees at meetings of the Committee were Justin Kees (Chief Operating Officer), Alex Gowland (General Manager, Refining Operations), Clive Wills (General Manager, Production Coining Operations), Robert Kelleher (Group Manager, HSE and Training), Jason Chaplin (Manager, Fabrication and Technical Services), Debbie Monaghan (Manager HSE, Refinery), Andrea Kavanagh (HSE Adviser, Refinery), Louie Naumoski (OHS Coordinator / OHS Committee Chairperson, East Perth Operations).

The Committee met four times during the financial year. Attendance of members at the meetings is indicated in the table below.

HEALTH, SAFETY AND ENVIRONMENT COMMITTEE MEETING ATTENDANCE

	Attended	Eligible
S M C Walsh AO (Chair)	4	4
R G Hayes	4	4
J E King	4	4

Treasury Committee

The Treasury Committee was established to provide visibility to the Board on the activities of our Treasury operations. The Committee provides informal support and oversight of Treasury. This includes monitoring performance, prudential management compliance, new product reviews, and alignment to the Corporation's Strategic Intent, Charter and Risk Appetite. The Committee also monitors emerging market trends, opportunities, and risks.



Membership of the Committee at year end comprised Liam Twigger (Chairman), J M Collins V (Non-Executive Director) and Richard Hayes (CEO), with Sawan Tanna (Treasurer) and Ronan Calleja (Deputy Treasurer) as permanent attendees.

The Committee met four times during the financial year. Attendance of members and permanent attendees at the meetings is indicated in the table below.

TREASURY COMMITTEE MEETING ATTENDANCE

	Attended	Eligible
L A Twigger (Chair)	4	4
J M Collins V	4	4
R G Hayes	4	4
S A Tanna	4	4
R T A Calleja	2	2

One-Future Committee

The One-Future Committee was established in May 2016. The key objective of this committee is to provide Board and Executive oversight of the replacement of critical information systems and building the foundation for further electronic commerce providing a platform for growth. The committee oversees managements' implementation of One-Future strategies, including monitoring and reviewing program management.

Membership of the committee at year end comprised Mark Puzey (Chairman), Richard Hayes (CEO), Caroline Parry (Chief Financial Officer), Bradley Wearn (Chief Information Officer) and Neil Vance (General Manager, Minted Products).

The Committee met four times during the financial year. Attendance of members at the meetings is indicated in the table below.

ONE-FUTURE COMMITTEE MEETING ATTENDANCE

	Attended	Eligible
M R Puzey (Chair)	4	4
R G Hayes	3	4
C J Parry	4	4
B Wearn	1	1
N Vance	4	4



Management Committees

Executive Committee

The Executive Committee consists of the executive and senior managers of Gold Corporation. The committee meets weekly and is chaired by the CEO. Committee meetings provide a forum for senior managers to ensure the leadership team is abreast of key issues in their area and discuss strategic business issues.

Other committees

Executive management has formed three sub-committees – the Enterprise Risk Committee, Tax Risk Management Committee and the Business Technology Governance and Oversight Committee. These Committees are populated by various management personnel and are designed to ensure adequate oversight is occurring in these critical areas of the business.

Risk Management and Compliance Frameworks

The Board actively monitors our risk management and regulatory compliance systems to ensure they are robust, fully integrated and aligned to our strategies, business undertakings and business processes. Regular monthly and quarterly reports are submitted to the Board on group financial risk, credit risk, third party risks, internal control matters, regulatory compliance, cyber security risks, data governance and occupational safety and health, and environmental issues.

Corruption prevention

The Organisation's compliance and corruption policies reflect the steps taken to identify, mitigate and manage the organisation's risks in areas including money laundering, theft, fraud, bribery and corruption. Risk exposures and designated controls for these areas are identified and managed within our Risk Management Framework.

The organisation's policies and processes are reviewed on an ongoing basis, and are subject to internal and external audit programs. We are obliged to report any suspected or actual breaches to the Public Sector Commission or to the Corruption and Crime Commission for serious misconduct matters.

Public interest disclosure

We are committed to the aims and objectives of the *Public Interest Disclosure Act 2003* (Whistle-blower Protection). We recognise the value and importance of employee contributions to enhance administrative and management practices, and strongly support disclosures being made by staff as to corrupt or other improper conduct.

All employees are made aware of our whistle-blower policy and the processes in place to make a disclosure.

The public interest disclosure officers are David Koch and Nick Foster.

No notifications were received during the 2020/21 period.

Public sector standards and ethical codes

We are required to comply with Section 31(1) of the *Public Sector Management Act 1994* and committed to promoting high ethical standards, which are incorporated into our policies and practices.

Employee awareness sessions of the organisation's code of conduct and conflict of interest policies are conducted regularly.

Records management

We are obliged to report on our conduct in compliance with the requirements of the *State Records Act 2000* and communicate this in the Annual Report.

Committed to improving the effectiveness of our records management capabilities, we engage all areas of the business in the requirements of a record keeping plan (RKP).

The Gold Corporation RKP is a statutory requirement under the Act. It identifies the strategy, processes and tools that ensure business critical information is identified, secured, and retained in compliance with legislation. The RKP was affirmed by the State Records Commission (SRC) in March 2017 and is periodically reviewed. The RKP will be reviewed and submitted to the SRC for reassessment next year.



In accordance with the RKP, all employees participate in training programs specific to their roles and work, which ensures compliance with records management requirements. Employees are trained in the use of records management policies, procedures, and systems. They are also provided with ongoing guidance and support in the management of business records.

Our records management processes are continuously monitored and developed to meet the needs of the business.

The records management function provides continuous assistance to the business to achieve the annual Quality Assurance (QA) 9001 audit standard for Document Control (DC). The QA DC process is controlled and coordinated through the corporate Electronic Document Records Management System (EDRMS). Further improvements to the EDRMS through the introduction of scheduled workflows, and enhanced security and access controls, continue to be developed in line with the wider strategic goals of the RKP.

These and other initiatives have reduced the costs associated with record keeping, while increasing the effectiveness, compliance and security of our records keeping systems.

Freedom of Information (FOI) Statement

We prepared the following Information Statement 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:

“Gold 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 which can be obtained free of charge include The Perth Mint brochures and catalogues, media statements and annual reports.”

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.
- A transaction relating to gold or other precious metal received or held by Gold Corporation.

FOI procedures and access

It is our aim to make information available promptly and at the least possible cost. 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 Gold 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 Gold 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 Gold Corporation may request an internal review.

Applications 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.

Two applications were lodged or transferred to Gold Corporation under FOI legislation in 2020/21.

FOI enquiries or applications should be made to the FOI Coordinator, Gold Corporation, 310 Hay Street, East Perth, WA 6004, telephone +61 8 9421 7632, facsimile (08) 9221 7031, email legal@perthmint.com.au.

Corporate Directory

Registered office

Street address:
Perth Mint buildings
310 Hay Street
East Perth, WA, 6004
Australia
Tel: (61 8) 9421 7222
Email: info@perthmint.com

Postal address:

GPO Box M924
Perth, WA, 6843
Australia
Website
perthmint.com

Minister

The Honourable Bill Johnston MLA,
Minister for Mines and Petroleum; Energy;
Corrective Services

Statute

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

Directors

S M C Walsh AO	Chairman
R K Watson	(Non-executive, Ex-Officio)
M J Cave	(Non-executive)
S K Langer	(Non-executive)
J P O'Connor	(Non-executive)
L A Twigger	(Non-executive)
M R Puzey	(Non-executive)
J M Collins V	(Non-executive)
R G Hayes	(Executive, CEO)
N Roberts	(Non-executive, appointed August 2021)

Company Secretary

D J Koch

Bankers

Westpac Banking Corporation
JP Morgan





Group Directory

GOLD CORPORATION

Head Office Street Address: 310 Hay Street, East Perth, WA, 6004, Australia

Tel: (61 8) 9421 7222

Postal address: GPO Box M924, Perth, WA, 6843, Australia

Email: info@perthmint.com

Website: perthmint.com

Contacts: Richard Hayes, Chief Executive Officer

Tanya Lawes, Executive Assistant to the Chief Executive Officer

TREASURY

Street Address: 310 Hay Street, East Perth, WA, 6004, Australia

Tel: (61 8) 9421 7272

Email: sawan.tanna@perthmint.com

Contact: Sawan Tanna, Treasurer

REFINERY

Street Address: 131 Horrie Miller Drive, Perth Airport, WA, 6105, Australia

Tel: (61 8) 9479 9999

Email: alex.gowland@perthmint.com

Contact: Alex Gowland, General Manager, Refinery

PERTH MINT DEPOSITORY

Street Address: 310 Hay Street, East Perth, WA, 6004, Australia

Tel: (61 8) 9421 7250

Email: pmds@perthmint.com

Website: perthmint.com/storage

Contact: Caroline Campbell-Watt, Manager, Depository

THE PERTH MINT SHOP

Street Address:

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

Counter sales

Tel: (61 8) 9421 7376

Email: shop@perthmint.com

Exhibition

Tel: (61 8) 9421 7223

Email: reception@perthmint.com

Corporate functions

Tel: (61 8) 9421 7433

Email: veronica.wilson@perthmint.com

Contact: Alison Puchy, Group Manager, Perth Mint Shop and Exhibition

MINTED PRODUCTS

AUSTRALIA

Street Address:

310 Hay Street, East Perth, WA 6004, Australia

Tel: (61 8) 9421 7222

Email: info@perthmint.com

Contacts: Neil Vance, General Manager, Minted Products

MIDDLE EAST

Street Address: 310 Hay Street, East Perth, WA 6004, Australia

Tel: (61 8) 9421 7222

Email: info@perthmint.com

Contact: Neil Vance, General Manager, Minted Products

**OVERSEAS INDEPENDENT AGENTS****North America**

Tel: (1 405) 627 3694

Email: Nathanowens.tpm@outlook.com

Contact: Nathan Owens

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 6805

Email: dominicl@PMHK.com.hk

claral@PMHK.com.hk

Contact: Dominic Leung, Clara Leung

Japan

Street Address: E210, Kamiasao 4-19-3,

Asao-ku Kawasaki-shi

Kanagawa 215-0021, Japan

Tel: (81) 80 5882 6905

Fax: (81) 44 951 9510

Email: toshiharu.kato@nuggetcoins.com

Contact: Toshiharu Kato

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



Statutory Reporting Requirements

Financial Estimates

The following financial estimates for 2021/2022 are based on Gold Corporation's budget and are included to satisfy the requirements of the Treasurer's Instruction 953.

	\$000
Total Revenue	24,591,567
Total Expenditure	24,570,812
Operating profit before income tax	20,755
Income tax expense	6,227
Operating profit after income tax	14,528
Dividend	–
Retained earnings	136,995



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 year in relation to advertising, market research, polling, direct mail and media advertising:

1. Total expenditure for 2020/2021 was \$2,943,041.
2. Expenditure was incurred in the following areas:

Advertising agencies	2,646,581	Anthologie	3,500
		The Brand Agency	2,575,729
		Unique Integrated Marketing	64,351
Market research organisations	51,000	Faster Horses	51,000
Polling organisations	–		–
Direct mail organisations	142,702	Buscher Direkt	8,066
		Fischer Druck	26,042
		Quickmail	108,593
Media advertising organisations	102,758	Amos Media	2,583
		Aspermont	11,600
		Australian Associated Press	16,127
		Countrywide Publications	1,950
		Katrin Oswald	3,252
		K.K.Kojimachi Direction	19,050
		Lets Go Kids	5,297
		Paydirt Media	40,400
		Sage Media Group	2,500



Auditor General's Opinion



Auditor General

INDEPENDENT AUDITOR'S OPINION 2021 Gold Corporation

To the Parliament of Western Australia

Report on the audit of the financial statements

Opinion

I have audited the financial statements of Gold Corporation and its controlled entities (the Corporation) which comprise:

- the Consolidated Statement of Financial Position at 30 June 2021, and the Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows for the year then ended
- Notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements are:

- based on proper accounts and present fairly, in all material respects, the operating results and cash flows of Gold Corporation for the year ended 30 June 2021 and the financial position at the end of that period
- in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions.

Basis for opinion

I conducted my audit in accordance with the Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my report.

I am independent of the Corporation in accordance with the *Auditor General Act 2006* and the relevant ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to my audit of the financial statements. I have also fulfilled my other ethical responsibilities in accordance with the Code.

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



Responsibilities of the Board for the financial statements

The Board is responsible for:

- keeping proper accounts
- preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions
- such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board is responsible for:

- assessing the entity's ability to continue as a going concern
- disclosing, as applicable, matters related to going concern
- using the going concern basis of accounting unless the Western Australian Government has made policy or funding decisions affecting the continued existence of the Corporation.

Auditor's responsibilities for the audit of the financial statements

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial statements. The objectives of my audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

A further description of my responsibilities for the audit of the financial statements is located on the Auditing and Assurance Standards Board website. This description forms part of my auditor's report and can be found at https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf.

Report on the audit of controls

Opinion

I have undertaken a reasonable assurance engagement on the design and implementation of controls exercised by Gold Corporation. The controls exercised by the 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 (the overall control objectives).

My opinion has been formed on the basis of the matters outlined in this report.



In my opinion, in all material respects, the controls exercised by 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 2021.

The Board's responsibilities

The Board is responsible for designing, implementing and maintaining controls to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities are in accordance with the *Financial Management Act 2006*, the Treasurer's Instructions and other relevant written law.

Auditor General's responsibilities

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the suitability of the design of the controls to achieve the overall control objectives and the implementation of the controls as designed. I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3150 *Assurance Engagements on Controls* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements and plan and perform my procedures to obtain reasonable assurance about whether, in all material respects, the controls are suitably designed to achieve the overall control objectives and were implemented as designed.

An assurance engagement involves performing procedures to obtain evidence about the suitability of the controls design to achieve the overall control objectives and the implementation of those controls. The procedures selected depend on my judgement, including an assessment of the risks that controls are not suitably designed or implemented as designed. My procedures included testing the implementation of those controls that I consider necessary to achieve the overall control objectives.

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

Limitations of controls

Because of the inherent limitations of any internal control structure, it is possible that, even if the controls are suitably designed and implemented as designed, once in operation, the overall control objectives may not be achieved so that fraud, error or non-compliance with laws and regulations may occur and not be detected. Any projection of the outcome of the evaluation of the suitability of the design of controls to future periods is subject to the risk that the controls may become unsuitable because of changes in conditions.

Report on the audit of the key performance indicators

Opinion

I have undertaken a reasonable assurance engagement on the key performance indicators of Gold Corporation for the year ended 30 June 2021. The key performance indicators are the Under Treasurer-approved key effectiveness indicators and key efficiency indicators that provide performance information about achieving outcomes and delivering services.

In my opinion, in all material respects, the key performance indicators of 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 2021.



The Board's responsibilities 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 internal control it determines necessary to enable the preparation of key performance indicators that are free from material misstatement, whether due to fraud or error.

In preparing the key performance indicators, the Board is responsible for identifying key performance indicators that are relevant and appropriate, having regard to their purpose in accordance with Treasurer's Instruction 904 *Key Performance Indicators*.

Auditor General's responsibilities

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the key performance indicators. The objectives of my engagement are to obtain reasonable assurance about whether the key performance indicators are relevant and appropriate to assist users to assess the entity's performance and whether the key performance indicators are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements relating to assurance engagements.

An assurance engagement involves performing procedures to obtain evidence about the amounts and disclosures in the key performance indicators. It also involves evaluating the relevance and appropriateness of the key performance indicators against the criteria and guidance in Treasurer's Instruction 904 for measuring the extent of outcome achievement and the efficiency of service delivery. The procedures selected depend on my judgement, including the assessment of the risks of material misstatement of the key performance indicators. In making these risk assessments I obtain an understanding of internal control relevant to the engagement in order to design procedures that are appropriate in the circumstances.

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

My independence and quality control relating to the reports on controls and key performance indicators

I have complied with the independence requirements of the *Auditor General Act 2006* and the relevant ethical requirements relating to assurance engagements. In accordance with ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements*, the Office of the Auditor General maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Other information

The Board is responsible for the other information. The other information is the information in the entity's annual report for the year ended 30 June 2021, but not the financial statements, key performance indicators and my auditor's report.

My opinions do not cover the other information and, accordingly, I do not express any form of assurance conclusion thereon.



Matters relating to the electronic publication of the audited financial statements and key performance indicators

This auditor's report relates to the financial statements, controls and key performance indicators of Gold Corporation for the year ended 30 June 2021 included on the Corporation's website. The Corporation's management 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, controls 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, controls or key performance indicators. If users of the financial statements, controls and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to contact the entity to confirm the information contained in the website version of the financial statements, controls and key performance indicators.

A handwritten signature in black ink, appearing to read 'Caroline Spencer'.

Caroline Spencer
Auditor General for Western Australia
Perth, Western Australia
13 September 2021



Key Performance Indicators

Gold Corporation is a body corporate incorporated in terms of the *Gold Corporation Act 1987* (WA).

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.

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

The Perth Mint exhibition includes gold pouring demonstrations, the 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:

Strong and sustainable finances: responsible, achievable, affordable service delivery

	2016-17	2017-18	2018-19	2019-20	2020-21	Target
The key effectiveness indicators for outcome No. 1 are:						
1 Global market share of Australian gold bullion coins (Note 1)	7%	8%	7%	7%	11%	12%
2 Coins and bars – value-added to gold, silver and platinum (Note 2)						
(a) Total premium income	\$59.5m	\$49.7m	\$51.9m	\$84.9m	\$111.0m	\$61.8m
(b) Total premium income expressed as a percentage of (Note 2) precious metal value	5.6%	6.3%	5.4%	3.9%	3.3%	4.4%
3 Estimated proportion of Australian gold doré production refined by The Perth Mint (Note 3)	91%	90%	93%	87%	83%	90%
4 Return on equity (Note 4)	18.4%	7.9%	10.3%	31.1%	33.2%	11.8%
5 Dividends/income tax equivalent payable to the Western Australian Government (Note 5)	\$31.0m	\$16.2m	\$9.0m	\$6.0m	\$41.0m	\$26.1m
The key effectiveness indicators for outcome No. 2 are:						
6 (a) Visitors to Perth Mint Exhibition (Note 6)	68,000	74,000	73,000	60,000	12,000	35,000
(b) Visitors' satisfaction level	99.4%	99.7%	99.7%	99.5%	97.9%	99.9%

Notes:

- The figures are based on Refinitiv Gold Bullion Coin Sales Report data for the previous calendar year. Market share increased as a result of shutdowns being necessary for a number of other major mints elsewhere in the world, which occurred in response to the COVID pandemic.
- The calculation is the total premium income (amount of income received above metal cost) for all legal tender coins and 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. Premium income was above target as a result of additional demand for the Corporation's products due to ongoing uncertainty arising from the COVID pandemic. Premium income as a percentage of precious metal value has decreased due to product mix differentials, with a very high volume of bullion coins being sold during the period which have a lower premium than numismatic products.
- This calculation is based on the refinery's records and an estimate of the total Australian gold doré production. The reduction experienced in 2020-21 is primarily due to ongoing aggressive competition in the industry.
- The percentages show Gold Corporation's return on equity for each respective financial year, based on ordinary activities before income tax (and excluding profit attributable to non-controlling interests). This performance measure is referred to in the Gold Corporation Act 1987. Return on equity was well above target as a result of ongoing additional demand for the Corporation's products due to uncertainty arising from the COVID pandemic.
- 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. The increase in 2020-21 was primarily attributable to the strong result in 2019-20 enabling a larger than usual dividend to be paid in December 2020.
- (a) Total number of visitors (to nearest thousand) to the Exhibition annually, based on recorded daily visitor traffic. These were below target due to the ongoing closures and visitor restrictions during the period owing to COVID restrictions.
(b) Satisfaction levels are derived from surveys completed by visitors to The Perth Mint



Services

1 Precious Metal Products and Services

Gold Corporation provides 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.

2016-17 2017-18 2018-19 2019-20 2020-21 Target

The key efficiency indicators for service No. 1 are:

1	Trading profit as a proportion of sales revenue ^(Note 1)	0.57%	0.47%	0.53%	0.61%	0.63%	0.36%
2	Staff costs as a proportion of trading profit ^(Note 2)	35.87%	43.61%	38.35%	29.84%	30.39%	34.97%

The key efficiency indicator for service No. 2 is:

3	Average cost per Exhibition visitor expressed as an index ^(Note 3)	208	189	185	227	715	328
---	---	-----	-----	-----	-----	-----	-----

Notes:

- The percentages show the proportion of Gold Corporation's sales revenue represented by the trading profit for the respective financial year.
- 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. The 2020-21 proportion was favourable against the target due to the significant increase in trading profit during the period as a result of additional demand for the Corporation's products due to ongoing uncertainty arising from the COVID pandemic.
- 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 decreased significantly in 2020-21 due to the ongoing closures and visitor restrictions during the period owing to the COVID pandemic which drove the big year-on-year increase despite significantly lower costs during the period.



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 Gold Corporation and its subsidiaries for the reporting period ended 30 June 2021.

S M C WALSH AO

Chairman

10 September 2021

R G HAYES

Executive Director



Certification of Financial Statements

The accompanying financial statements of Gold Corporation and its subsidiaries 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 reporting period ended 30 June 2021, and the financial position as at 30 June 2021.

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.

S M C WALSH AO

Chairman

10 September 2021

R G HAYES

Executive Director

J R H SAWYER

Acting Chief Financial Officer



Gold Corporation
Trading as The Perth Mint
ABN 98 838 298 431

Financial Report - 30 June 2021



Gold Corporation
Consolidated statement of profit or loss and other comprehensive income
For the year ended 30 June 2021

	Notes	2021 \$'000	2020 \$'000
Revenue from contracts with customers	4	26,346,258	23,865,821
Finance income		418	1,194
Revaluation increase in buildings	5	452	174
Other income		-	216
Net foreign exchange gains		44	238
Gain on disposal of subsidiary	35	3,305	-
Fair value (loss)/gain on assets at fair value through profit or loss	35	(39,315)	26,928
Expenses			
Cost of goods sold		(26,179,969)	(23,720,830)
Employee benefits expense	7	(50,532)	(43,266)
Materials and services		(47,553)	(42,401)
Depreciation and amortisation expense	6	(8,965)	(8,741)
Loss on disposal of assets		-	(8)
Impairment of assets	14, 13	(2,570)	(750)
Finance costs		(4,915)	(4,056)
Revaluation decrease in buildings	5	(10)	(45)
Profit before income tax expense		16,648	74,474
Income tax expense	8	(16,712)	(16,280)
(Loss)/profit after income tax expense for the year		(64)	58,194
(Loss)/profit is attributable to:			
Owner of Gold Corporation	25	39,251	31,266
Non-controlling interests	35	(39,315)	26,928
		(64)	58,194

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.



Gold Corporation
Consolidated statement of profit or loss and other comprehensive income
For the year ended 30 June 2021
(continued)

	Notes	2021 \$'000	2020 \$'000
Other Comprehensive Income			
<i>Items that will be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of foreign operations		3	17
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Loss on revaluation of land and buildings	13	(202)	(169)
Gain on revaluation of land and buildings	13	58	-
Income tax on items of other comprehensive income	8	42	51
Total other comprehensive loss for the year		(99)	(101)
Total comprehensive (loss)/income for the year		(163)	58,093
Total comprehensive (loss)/income for the year is attributable to:			
Owner of Gold Corporation		39,152	31,165
Non-controlling interests		(39,315)	26,928
		(163)	58,093

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.



Gold Corporation
Consolidated statement of financial position
As at 30 June 2021

	Notes	2021 \$'000	2020 \$'000
ASSETS			
Current assets			
Cash and cash equivalents	9	191,871	127,082
Trade and other receivables	10	385,339	886,277
Inventories	11	5,606,639	5,996,743
Derivative assets		1,020	1,832
Other	12	5,934	5,794
Total current assets		6,190,803	7,017,728
Non-current assets			
Property, plant and equipment	13	94,269	95,579
Intangibles	14	33,607	20,839
Deferred tax assets	15	1,576	354
Right-of-use assets	27	16,358	17,404
Total non-current assets		145,810	134,176
Total assets		6,336,613	7,151,904
LIABILITIES			
Current liabilities			
Trade and other payables	16	195,383	202,119
Precious metal borrowings - interest bearing	17	724,475	1,721,461
Derivative liabilities		2,001	1,249
Income tax payable		11,343	10,985
Employee benefits	18	6,446	5,436
Provisions	19	4,305	5,380
Precious metal borrowings - non-interest bearing	20	5,195,646	4,676,918
Lease liabilities	27	1,570	1,353
Total current liabilities		6,141,169	6,624,901
Non-current liabilities			
Provisions	21	7,728	8,799
Employee benefits	22	585	555
Lease liabilities	27	18,479	19,295
Total non-current liabilities		26,792	28,649
Total liabilities		6,167,961	6,653,550
Net assets		168,652	498,354

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.



Gold Corporation
Consolidated statement of financial position
As at 30 June 2021
 (continued)

	Notes	2021 \$'000	2020 \$'000
EQUITY			
Issued capital	23	31,603	31,603
Reserves	24	15,355	15,454
Retained profits	25	121,694	105,892
Capital and reserves attributable to the owner of Gold Corporation		168,652	152,949
Non-controlling interests	35(a)	-	345,405
Total equity		168,652	498,354

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.



Gold Corporation
Consolidated statement of changes in equity
For the year ended 30 June 2021

	Attributable to owners of Gold Corporation					Non-controlling interests	Total equity
	Share capital	Other reserves	Retained earnings	Total			
Notes	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Opening balance at 1 July 2019	31,603	15,555	81,262	128,420	58,474	186,894	
Adjustment on adoption of AASB 16	-	-	(677)	(677)	-	(677)	
Restated opening balance at 1 July 2019	31,603	15,555	80,585	127,743	58,474	186,217	
(Loss)/profit after income tax expense for the year	-	-	31,266	31,266	26,928	58,194	
Other comprehensive loss for the year, net of tax	-	(101)	-	(101)	-	(101)	
Total comprehensive income for the year	-	(101)	31,266	31,165	26,928	58,093	
Transactions with owners in their capacity as owners:							
Transactions with non-controlling interests of the Perth Mint Physical Gold ETF	35	-	-	-	260,003	260,003	
Dividends paid	26	-	(5,959)	(5,959)	-	(5,959)	
Total transactions with owners	-	-	(5,959)	(5,959)	260,003	254,044	
Closing balance at 30 June 2020	31,603	15,454	105,892	152,949	345,405	498,354	

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.



Gold Corporation
Consolidated statement of changes in equity
For the year ended 30 June 2021
(continued)

	Attributable to owners of Gold Corporation					Non-controlling interests	Total equity
	Share capital	Other reserves	Retained earnings	Total			
Notes	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Opening balance at 1 July 2020	31,603	15,454	105,892	152,949	345,405	498,354	
(Loss)/profit after income tax expense for the year	-	-	39,251	39,251	(39,315)	(64)	
Other comprehensive loss for the year, net of tax	-	(99)	-	(99)	-	(99)	
Total comprehensive (loss)/income for the year	-	(99)	39,251	39,152	(39,315)	(163)	
Transactions with owners in their capacity as owners:							
Transactions with non-controlling interests of the Perth Mint Physical Gold ETF	35	-	-	-	215,051	215,051	
Dividends paid	26	-	(23,449)	(23,449)	-	(23,449)	
Derecognition of non-controlling interests on disposal of the Perth Mint Physical Gold ETF		-	-	-	(521,141)	(521,141)	
Total transactions with owners		-	(23,449)	(23,449)	(306,090)	(329,539)	
Closing balance at 30 June 2021	31,603	15,355	121,694	168,652	-	168,652	

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.



Gold Corporation
Consolidated statement of cash flows
For the year ended 30 June 2021

	2021	2020
Notes	\$'000	\$'000
Cash flows from operating activities		
Receipts from customers (inclusive of GST)	14,890,508	14,688,279
Payments to suppliers and employees (inclusive of GST)	(14,767,741)	(14,660,666)
	<u>122,767</u>	<u>27,613</u>
Interest and other finance income/revenue received	6,209	6,850
Interest and other finance costs paid	(4,838)	(3,949)
Net cash inflow from operating activities	36	30,514
Cash flows from investing activities		
Payments for property, plant and equipment	(5,858)	(10,270)
Payments for intangibles	(14,888)	(9,557)
Proceeds from disposal of Perth Mint Physical Gold ETF	3,305	-
Net cash used in investing activities	(17,441)	(19,827)
Cash flows from financing activities		
Principal element of lease payments	(925)	(892)
Net cash flows used in financing activities	(925)	(892)
Cash flows to State Government		
Income tax equivalent paid	(17,534)	-
Dividend paid	(23,449)	(5,959)
Net cash to State Government	(40,983)	(5,959)
Net increase in cash and cash equivalents	64,789	3,836
Cash and cash equivalents at the beginning of the financial year	127,082	123,246
Cash and cash equivalents at the end of the financial year	9	127,082

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.



Gold Corporation
Notes to the consolidated financial statements
30 June 2021

Contents of the notes to the consolidated financial statements

		Page
1	General information	10
2	Significant accounting policies	10
3	Critical estimates, judgements and assumptions	24
4	Revenue from contracts with customers	25
5	Revaluation increase/(decrease)	26
6	Depreciation and amortisation expense	26
7	Employee benefits expense	27
8	Income tax expense	27
9	Current assets - cash and cash equivalents	28
10	Current assets - trade and other receivables	28
11	Current assets - inventories	31
12	Current assets - other current assets	31
13	Non-current assets - property, plant and equipment	32
14	Non-current assets - intangible assets	34
15	Non-current assets - deferred tax	35
16	Current liabilities - trade and other payables	36
17	Current liabilities - precious metal borrowings - interest bearing	36
18	Current liabilities - employee benefits	36
19	Current liabilities - provisions	37
20	Current liabilities - precious metal borrowings - non-interest bearing	38
21	Non-current liabilities - provisions	39
22	Non-current liabilities - employee benefits	40
23	Equity - issued capital	40
24	Equity - reserves	41
25	Equity - retained profits	42
26	Equity - dividend	42
27	Leases	42
28	Financial risk management	44
29	Fair value measurement	53



Gold Corporation
Notes to the consolidated financial statements
30 June 2021
(continued)

30	Key management personnel disclosures	57
31	Related party transactions	58
32	Remuneration of auditors	59
33	Contingent liabilities	59
34	Commitments	60
35	Subsidiaries	60
36	Cash flow information	63
37	Explanatory statement	64



Gold Corporation
Notes to the consolidated financial statements
30 June 2021
(continued)

1 General information

The financial report covers both Gold Corporation as an individual entity and the consolidated entity consisting of Gold Corporation and the entities it controlled during the year. The financial report is presented in Australian dollars, which is Gold Corporation and its subsidiaries' functional currency (with the exception of Perth Mint Physical Gold ETF whose functional currency was United States dollars).

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 (WA)* and domiciled in Australia (with the exception of Perth Mint Physical Gold ETF which was not incorporated by the *Gold Corporation Act 1987 (WA)* and was domiciled in the United States of America). Gold Corporation's 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 Government of Western Australia.

The financial report was authorised for issue, in accordance with a resolution of directors, on 10 September 2021. The directors have the power to amend and reissue the financial report.

The *Financial Management Act 2006 (WA)* 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.

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.



Gold Corporation
Notes to the consolidated financial statements
30 June 2021
(continued)

2 Significant accounting policies (continued)

(a) 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. No Accounting Standards were early adopted during the period.

(b) 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, *Financial Management Act 2006* (WA) and the Treasurer's Instructions as appropriate for for-profit oriented entities.

(i) Compliance with IFRS

These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

(ii) Historical cost convention

The financial statements have been prepared under the historical cost convention except for, where applicable, precious metal holdings & inventories, financial assets and liabilities at fair value through the consolidated statement of profit or loss and other comprehensive income, certain classes of property, plant and equipment and derivative financial instruments.

(iii) Critical estimates & judgements

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group'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.

(iv) Comparatives

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

(v) Rounding

Figures have been rounded to the nearest thousand dollars in accordance with *Treasurer's Instruction 948*.

(c) Parent entity financial information

In accordance with the *Treasurer's Instruction 1105, Consolidated Financial Statements*, these financial statements present the results of the consolidated entity only.



Gold Corporation
Notes to the consolidated financial statements
30 June 2021
(continued)

2 Significant accounting policies (continued)

(d) Revenue recognition

(i) Sale of goods

Background

The consolidated entity is a fully integrated precious metals enterprise, providing premium gold, silver and platinum products and services to markets throughout the world. The consolidated entity acquires the raw materials for production predominantly from global mining companies in the form of unrefined gold and silver. Title to and all inventory risk arising from the ownership of these raw materials is borne by the consolidated entity and they are refined and further fabricated to produce a wide array of investment grade products within the consolidated entity's accredited refinery and manufacturing facilities. The precious metal goods sold by the consolidated entity include: large and small bullion bars, legal tender bullion coins, collectable coins and medallions.

The consolidated entity sells its precious metal product range through bilateral arrangements with a globally diverse customer set. The consolidated entity's customer base is separate and distinct from its raw material supply base and the consolidated entity has formed the judgement that its customers do not operate in the same line of business.

The consolidated entity also operates a government guaranteed precious metals investment and storage program and through this provides pricing and custody services that allow investors to store their investments in the consolidated entity's secure vaulting facilities and take price exposure to precious metals.

The consolidated entity also sells a range of jewellery and giftware, along with operating a tourism experience.

Recognition

Revenues from the sale of physical precious metal products are recognised when control of the product has transferred to the customer. Precious metal transactions are generally executed with consideration and title to the metal being exchanged on the same date. This date is known as value (or settlement) date and generally also coincides with the date physical metal is delivered to the customer. Control in arrangements on such terms is deemed to have passed and therefore revenue recognised for the sale of precious metal goods on value date.

Revenue is recognised for the sale of precious metal goods at a different point in time where;

- the consolidated entity's risk management policies require verification of receipt of funds prior to releasing/delivering the product to the customer and consequently physical possession and therefore acceptance by the customer of the asset, may occur at a different point in time. Revenue recognition is deferred in these circumstances until the product is delivered;
- a customer purchases inventory from a consignment location, in which case revenue is recognised when the customer accepts that inventory; or
- the consolidated entity is required to deliver product into its secure storage facilities under a custody arrangement, revenue is recognised when the consolidated entity has recorded the transfer of ownership of the stored asset to the customer.



Gold Corporation
Notes to the consolidated financial statements
30 June 2021
(continued)

2 Significant accounting policies (continued)

(d) Revenue recognition (continued)

(i) Sale of goods (continued)

Recognition (continued)

Cash received in advance of satisfaction of the performance obligation is recognised as a contract liability (deferred revenue) and included within trade and other payables.

A receivable is recognised, or contract liability extinguished, when the goods are delivered and satisfy the applicable performance obligation. For transactions where the time between transfer of the promised goods or services to the customer and payment by the customer exceeds regular way settlement terms the customer is separately charged a funding cost. This financing revenue is charged separately to the customer and consequently no adjustment to the value recognised for the sale of goods is necessary. Any such finance revenue is recognised over time using the effective interest method.

When a customer contractually commits to buy precious metal products (trade date), but prior to the point in time when revenue is recognised for the sale of those products, the customer agrees to the transaction price and method of settlement. The consolidated entity has formed the judgement that it is a precious-metals broker-trader. As a broker-trader the consolidated entity recognises the change in precious metal value implicit in the customer contract between trade date and the date revenue is recognised. This change in value is recognised separately as a contract asset or liability with the corresponding gain/loss recognised within cost of sales. This gain or loss offsets the corresponding change in value of the underlying precious metal inventory to be sold between the same two dates. The consolidated entity applies this treatment equally to all assets, liabilities and contracts for the purchase or sale of precious metal across the consolidated entity, which ensures the economic effects of commodity price changes are transferred to or taken on by the consolidated entity from trade date consistently across the portfolio of precious metal assets and liabilities.

The consolidated entity undertakes a variety of transactions where unallocated precious metal credits are either received, transferred, issued or extinguished. Such transactions form a critical part of the consolidated entity's funding, liquidity, market price risk management practices and assist in the settlement and facilitation of other transactions involving the transfer of goods and services. The consolidated entity, with reference to the aforementioned factors and its business model, has formed the judgement that the transfer or issue of unallocated metal credits in return for cash or transactions to swap unallocated metal credits in one location for unallocated metal credits in another location are not transactions that involve the transfer of a good or service that is an output of the entity's ordinary activities. Consequently, these transactions do not give rise to the recognition of revenue, except for any fees that such transactions may generate in consideration for undertaking the transaction on behalf of a customer. Any such fees are recognised as part of revenue when the consolidated entity has fulfilled its obligation to facilitate the transaction.



Gold Corporation
Notes to the consolidated financial statements
30 June 2021
(continued)

2 Significant accounting policies (continued)

(d) Revenue recognition (continued)

(i) Sale of goods (continued)

Measurement

Revenue for the sale of physical precious metal products to the consolidated entity's customers is recognised at the amount of consideration to be received in exchange for transferring the promised goods to the customer (excluding any goods or services taxes, or other amounts, collected on behalf of third parties). The consolidated entity regularly receives a combination of monetary and non-cash consideration (unallocated metal credits) in settlement for satisfying a performance obligation. The settlement option is an election made by the customer at the time of entering into the transaction. Any non-cash consideration is measured at its fair value and is determined with reference to quoted market prices.

(ii) Services

Revenue derived from the provision of services is recognised in the accounting period in which the services are rendered at the amount of consideration received for performing that service.

(e) Finance income

Finance income 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.

(f) Foreign currency translation

(i) Transactions and balances

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 reporting 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 consolidated statement of profit or loss and other comprehensive income. 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.



Gold Corporation
Notes to the consolidated financial statements
30 June 2021
(continued)

2 Significant accounting policies (continued)

(f) Foreign currency translation (continued)

(ii) Group companies

On consolidation, the assets and liabilities of foreign subsidiaries are translated into Australian dollars at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. Exchange differences arising on consolidation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is reclassified to profit or loss, as part of the gain or loss on sale.

(g) Financial instruments

(i) Derivative financial instruments

Where the consolidated entity commits a sale or purchase of metal in advance of the settlement date, the difference between the committed price and the fair value of the metal is recognised as a derivative asset or liability.

The consolidated entity may also 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 consolidated statement of profit or loss and comprehensive income when incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are accounted for as described below.

(ii) Cash flow hedge

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 consolidated statement of profit or loss and other comprehensive income.

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 consolidated statement of profit or loss and other comprehensive income in the same period that the hedged item affects the consolidated statement of profit or loss and other comprehensive income.

(iii) 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.



Gold Corporation
Notes to the consolidated financial statements
30 June 2021
(continued)

2 Significant accounting policies (continued)

(g) Financial instruments (continued)

(iii) Non-derivative financial instruments (continued)

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through the consolidated statement of profit or loss and other 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 consolidated entity 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.

(h) Income tax

Gold Corporation is subject to the National Tax Equivalent Regime (NTER), under the *State Enterprises (Commonwealth Tax Equivalent) Act 1996* (WA). 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 in the consolidated statement of profit or loss and other comprehensive income for the year comprises current and deferred tax. Income tax is recognised in the consolidated statement of profit or loss and other 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 reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the statement of financial position 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 asset and liabilities will be realised simultaneously.



Gold Corporation
Notes to the consolidated financial statements
30 June 2021
(continued)

2 Significant accounting policies (continued)

(h) Income tax (continued)

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. Gold Corporation has formed a tax consolidated group with effect from 1 July 2002, and the consolidated entity is taxed as a single entity (with the exception of Perth Mint Physical Gold ETF).

(i) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions and 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.

(j) Trade and other receivables

(i) Trade 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.

The consolidated entity assesses, on a forward looking basis, the expected credit losses associated with its financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the consolidated group applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. Note 10 provides more information on this provision.

(ii) Receivables and advances to customers at fair value

Receivables and advances to customers at fair value are initially and subsequently recognised at fair value. Note 10 contains further information regarding the nature of receivables classified as receivables and other advances to customers at fair value.

(iii) Other receivables

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

(k) Inventories

Precious metal inventories are valued at fair value, being market prices ruling at reporting 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.



Gold Corporation
Notes to the consolidated financial statements
30 June 2021
(continued)

2 Significant accounting policies (continued)

(l) Property, plant and equipment

Land and buildings are shown at fair value, based on annual 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 revalued amount of the asset. Increases in the carrying amounts arising on revaluation of land and buildings are generally recognised, net of tax, in other comprehensive income and accumulated in reserves in shareholders' equity. However, to the extent that the increase reverses a decrease previously recognised in profit or loss, the increase is first recognised in profit or loss. Decreases that reverse previous increases of the same asset are first recognised in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to profit or loss.

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	3-16 years
Office equipment	5 years
Motor vehicles	6 years

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.

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

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.

(i) 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 consolidated statement of profit or loss and other comprehensive income. When revalued assets are sold, the amounts included in the revaluation reserve are transferred to retained earnings.

(ii) Capitalisation and expensing of assets

Items of property, plant and equipment costing \$5,000 or more are recognised as assets and the cost of utilising assets is expensed (depreciated) over their useful lives. Items of property, plant and equipment costing less than \$5,000 are expensed direct to the consolidated statement of profit or loss and other comprehensive income (other than where they form part of a group of similar items which are significant in total).



Gold Corporation
Notes to the consolidated financial statements
30 June 2021
(continued)

2 Significant accounting policies (continued)

(m) Impairment of non-financial assets

(i) *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.

The recoverable amount is the higher of an asset's fair value less costs of disposal 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.

(n) Intangible assets

(i) *Software*

Certain internal and external costs directly incurred in acquiring and developing software are capitalised where it is expected future economic benefits will be generated from the specifically identifiable intangible asset and the costs can be reliably determined. Such intangible assets are amortised over their estimated useful life on a straight line basis, which for Computer Software currently in a location and condition capable of being operated in the manner intended by management is 3-10 years.

(o) 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, and customer deposits lodged in advance of allocation to future purchases. 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 20 days of recognition.

(p) Provisions

(i) *General*

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.



Gold Corporation
Notes to the consolidated financial statements
30 June 2021
(continued)

2 Significant accounting policies (continued)

(p) Provisions (continued)

(ii) Decommissioning liability

The consolidated entity records a provision for decommissioning costs of its facility for the refining of precious metals. Decommissioning costs are provided for at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of the relevant asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognised in the consolidated statement of profit or loss and other comprehensive income as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs, or in the discount rate applied, are added to or deducted from the cost of the asset.

(q) Employee benefits

(i) Wages and salaries and annual leave

Annual leave that is not expected to be settled wholly within 12 months after the end of the reporting period is considered to be 'other long-term employee benefits'. The annual leave liability is recognised and measured at the present value of amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

When assessing expected future payments consideration is given to expected future wage and salary levels including non-salary components such as employer superannuation contributions, as well as the experience of employee departures and periods of service. The expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

The provision for annual leave is classified as current liability as the consolidated entity does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

(ii) 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 corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(iii) 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 the consolidated statement of profit or loss and other comprehensive income 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.



Gold Corporation
Notes to the consolidated financial statements
30 June 2021
(continued)

2 Significant accounting policies (continued)

(r) 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.

(s) Dividends

Dividends are recognised when declared during the financial year.

(t) Leases

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the consolidated entity. Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the consolidated entity under residual value guarantees
- the exercise price of a purchase option if the consolidated entity is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the consolidated entity exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the consolidated entity, the consolidated entity uses the incremental borrowing rate provided by Western Australia Treasury Corporation.

The consolidated entity is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.



Gold Corporation
Notes to the consolidated financial statements
30 June 2021
(continued)

2 Significant accounting policies (continued)

(t) Leases (continued)

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the consolidated entity is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. While the consolidated entity revalues its land and buildings that are presented within property, plant and equipment, it has chosen not to do so for the right-of-use buildings held by the consolidated entity.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets primarily comprise IT equipment.

(u) 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 reporting date.

(v) Goods and Services Tax (GST)

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 consolidated statement of financial position.

Applicable precious metal transactions are subject to the Reverse Charge regime. For such transactions, the GST is not paid to the supplier and is instead paid directly to the Australian Taxation Office.

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.

(w) Principles of consolidation

(i) Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of Gold Corporation ('company' or 'parent entity') and its subsidiaries as at 30 June 2021. Gold Corporation and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.



Gold Corporation
Notes to the consolidated financial statements
30 June 2021
(continued)

2 Significant accounting policies (continued)

(w) Principles of consolidation (continued)

(i) *Subsidiaries (continued)*

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 a majority ownership interest.

The consolidated financial statements have been prepared by combining the financial statements of Gold Corporation and all controlled entities in accordance with *AASB 10 Consolidated Financial Statements*.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Accounting policies of subsidiaries and special purpose entities have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

(ii) *Equity method*

Under the equity method of accounting, investments in associates and joint ventures are initially recognised at cost and adjusted thereafter to recognise the consolidated entity's share of the post-acquisition profits or losses of the investee in profit or loss, and the consolidated entity's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

Where the consolidated entity's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the consolidated entity does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

During the year ended 30 June 2021, the consolidated entity acquired an equity interest in True Gold Consortium Pty Ltd for \$500. Since acquisition, the consolidated entity's share of losses made by True Gold Consortium Pty Ltd has exceeded the initial \$500 investment and as a result the carrying amount of the investment is now recognised at \$nil.

(x) Fair value measurement

The consolidated entity measures financial instruments, such as derivatives and certain non-financial assets, at fair value at each reporting date. Fair values of financial instruments measured at amortised cost are also disclosed in note 29.



Gold Corporation
Notes to the consolidated financial statements
30 June 2021
(continued)

2 Significant accounting policies (continued)

(x) Fair value measurement (continued)

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to the consolidated entity. The fair value of an asset or a liability is measured using assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The consolidated entity uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. For further details of the consolidated entity's valuation techniques refer to note 29.

3 Critical estimates, judgements 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 that 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 (refer to the respective notes) within the next financial year are discussed below.

(a) 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.

(b) Revaluation of property, plant and equipment

The consolidated entity measures land and buildings at revalued amounts with changes in fair value being recognised in the statement of profit or loss and other comprehensive income. Land and buildings are valued by reference to market-based evidence, using comparable prices adjusted for specific market factors such as nature, location and condition of the property. The key assumptions used to determine the fair value of the properties are provided in note 29.



Gold Corporation
Notes to the consolidated financial statements
30 June 2021
(continued)

3 Critical estimates, judgements and assumptions (continued)

(c) 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, and technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

(d) 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 of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

(e) Provision for decommissioning

The consolidated entity has recognised a provision for decommissioning obligations associated with a refining facility. In determining the carrying amount of the provision, assumptions and estimates are made in relation to discount rates, the expected cost to dismantle and remove the facility from the site and the expected timing of those costs.

4 Revenue from contracts with customers

The consolidated entity derives revenue from the sale of goods at a point in time and revenue from the provision of services and financing over time:

	2021 \$'000	2020 \$'000
Revenue from contracts with customers		
Sale of goods	26,310,410	23,827,576
Provision of services	31,529	32,493
Finance revenue	4,319	5,752
Total Revenue	26,346,258	23,865,821



Gold Corporation
Notes to the consolidated financial statements
30 June 2021
(continued)

5 Revaluation increase/(decrease)

Increases in the carrying amounts arising on revaluation of land and buildings are generally recognised, net of tax, in other comprehensive income and accumulated in reserves in shareholders' equity. However, to the extent that the increase reverses a decrease previously recognised in profit or loss, the increase is first recognised in profit or loss. Decreases that reverse previous increases of the same asset are first recognised in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to profit or loss.

The following amounts were recognised in profit or loss related to revaluation increases and decreases in buildings:

	2021	2020
	\$'000	\$'000
Revaluation decrease in buildings (note 13(a))	(10)	(45)
Revaluation increase in buildings (note 13(a))	452	174
Net revaluation increase	442	129

6 Depreciation and amortisation expense

	2021	2020
	\$'000	\$'000

Depreciation and amortisation expense relates to the following specific assets:

Leasehold buildings	1,460	1,146
Freehold buildings	655	675
Plant, property and equipment	4,492	4,650
Software	987	951
Right-of-use assets	1,371	1,319
Total depreciation and amortisation	8,965	8,741



Gold Corporation
Notes to the consolidated financial statements
30 June 2021
(continued)

7 Employee benefits expense

	2021 \$'000	2020 \$'000
Wages and salaries (a)	43,027	36,772
Superannuation	3,747	3,222
Annual leave (b)	3,006	2,651
Long service leave (b)	752	621
Total employee benefits	50,532	43,266

(a) Includes the value of fringe benefits to the employee plus the fringe benefits tax component.

(b) Includes a superannuation contribution component.

8 Income tax expense

	2021 \$'000	2020 \$'000
Income tax expense		
Current tax on profits for the year	17,760	15,179
Deferred tax - origination and reversal of temporary differences	(1,035)	(962)
Adjustments for current tax of prior periods	132	190
Adjustments for deferred tax of prior periods	(145)	1,873
Aggregate income tax expense	16,712	16,280

Numerical reconciliation of income tax expense and tax at statutory rate

Profit before income tax expense	16,648	74,474
Tax at the Australian tax rate of 30.0% (2020 - 30.0%)	4,994	22,342
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Other non-deductible items	11	18
Government grants exempted from tax	-	(65)
Recognition of deferred tax assets previously unrecognised	(75)	-
Effect of the Perth Mint Physical Gold ETF not being subject to federal income tax in the USA	11,795	(8,078)
Adjustments recognised for current tax of prior periods	132	190
Adjustments recognised for deferred tax of prior periods	(145)	1,873
Income tax expense	16,712	16,280



Gold Corporation
Notes to the consolidated financial statements
30 June 2021
(continued)

8 Income tax expense (continued)

Numerical reconciliation of income tax expense to prima facie tax payable (continued)

In addition, in 2020 the consolidated entity recognised deferred tax amounts directly in retained earnings of \$291,000 as a result of the adoption of AASB 16 leases.

	2021 \$'000	2020 \$'000
Amounts charged/(credited) directly to reserves		
Deferred tax assets/liabilities (note 15)	(42)	(51)

9 Current assets - cash and cash equivalents

	2021 \$'000	2020 \$'000
Cash on hand	65	60
Cash at bank	191,806	127,022
Total cash and cash equivalents	191,871	127,082

(a) Classification of cash and cash equivalents

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

The consolidated entity's exposure to interest rate risk and sensitivity analysis for financial assets and liabilities is disclosed in note 28.

10 Current assets - trade and other receivables

	2021 \$'000	2020 \$'000
Trade receivables	26,406	38,251
Provision for impairment	(1)	(7)
	26,405	38,244
Receivables and advances to customers at fair value (ii)	354,150	842,919
Other receivables	4,784	5,114
Total trade and other receivables	385,339	886,277



Gold Corporation
Notes to the consolidated financial statements
30 June 2021
(continued)

10 Current assets - trade and other receivables (continued)

(i) Classification as trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within a period less than 30 days and therefore are all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

(ii) Receivables and advances to customers at fair value

Receivables and advances to customers at fair value contain advances made to mining customers on delivery of precious metal for refining. Mining customers may be contractually entitled to an advance payment (in ounces) on their metal account after the consolidated entity has taken physical possession of the underlying precious metal, but prior to the consolidated entity receiving title to that precious metal at outturn. In these instances, the ounce advance is recorded as a receivable until the inventory is recognised at outturn. These advances represented \$329,640,000 (2020: \$293,489,000) of the total balance.

The remainder of this balance represents amounts owing for metal (denominated in metal ounces) sold to and accepted by customers on deferred settlement terms. Within the contractual settlement window, the customer can choose when to settle the metal owing (in ounces), converted to currency at the ruling spot price. Whilst the consolidated entity holds this receivable with the objective to collect contractual cash flows, these contractual cash flows do not represent solely payments of principal and interest as defined within AASB 9 due to the underlying commodity price exposure, as the receivable is ounce denominated. As a result, these receivables are classified and measured at fair value through profit and loss.

The commodity price risk associated with these receivables is managed as outlined in note 28. The consolidated entity generally transfers the credit risk to third parties in such arrangements, except where Board approved credit limits that apply to certain customers are utilised from time to time. The consolidated entity earns finance revenue through providing these facilities to its customers.

(iii) Impairment and risk exposure

The consolidated entity's exposure to credit and currency risks and impairment losses related to trade and other receivables is disclosed in note 28.

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.

(iv) Impairment of trade receivables

The group applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected credit loss allowance for all trade receivables.



Gold Corporation
Notes to the consolidated financial statements
30 June 2021
(continued)

10 Current assets - trade and other receivables (continued)

(iv) Impairment of trade receivables (continued)

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics which has been determined to be the division within which the sale originated. This in turn drives the nature of the credit risk associated with the customer and resulting financial asset.

The expected loss rates are based on the payment profiles of sales over the previous 36 months and the corresponding historical credit losses experienced within this period. Only sales made on credit have been considered relevant in this analysis which is a relatively low proportion of the consolidated entity's sales. The historical loss rates are adjusted to reflect current and forward looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The consolidated entity has identified the GDP rate of Australia to be the most relevant factor, and accordingly adjusts the historical loss rates based on expected changes in this factor.

The calculated loss rate is insignificant.

On that basis, the loss allowance as at 30 June 2021 and 30 June 2020 was determined to be as follows:

	2021	2020
	\$'000	\$'000
Gross receivables	26,406	38,251
Expected credit loss provision	(1)	(7)
	26,405	38,244

The closing loss allowances for trade receivables and contract assets reconcile to the opening loss allowances as follows:

	2021	2020
	\$'000	\$'000
Opening balance	7	5
Additional provisions recognised	-	14
Receivables written off during the year as uncollectible	(2)	(12)
Unused amounts reversed	(4)	-
Closing balance	1	7

Trade receivables and contract assets are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the group, and a failure to make contractual payments for a significant period of time.



Gold Corporation
Notes to the consolidated financial statements
30 June 2021
(continued)

10 Current assets - trade and other receivables (continued)

(v) Past due but not impaired

Customers with balances past due but without provision for impairment of trade receivables amount to \$860,000 as at 30 June 2021 (30 June 2020: \$1,766,000).

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 trade receivables are as follows:

	2021	2020
	\$'000	\$'000
0 to 3 months overdue	802	1,605
3 to 6 months overdue	58	161
Total past due but not impaired	860	1,766

11 Current assets - inventories

	2021	2020
	\$'000	\$'000
Precious metal - at fair value	5,592,020	5,982,923
Finished goods - at lower of cost and net realisable value	11,843	11,854
Work in progress - at cost	764	801
Consumables - at lower of cost and net realisable value	2,012	1,165
Total inventories	5,606,639	5,996,743

The fair value of precious metal inventories is determined with reference to actively traded market prices and does not involve the use of estimation techniques.

An expense of \$48,000 was recognised in 2021 for inventories carried at net realisable value (2020: \$949,000). This amount is recognised in cost of sales.

12 Current assets - other current assets

	2021	2020
	\$'000	\$'000
Prepayments	5,934	5,794



Gold Corporation
Notes to the consolidated financial statements
30 June 2021
(continued)

13 Non-current assets - property, plant and equipment

	2021	2020
	\$'000	\$'000
Land - at independent valuation	13,800	13,800
Buildings - at independent valuation	46,896	41,224
Decommissioning asset	4,697	6,237
Plant and equipment - at cost	75,337	67,725
Less: accumulated depreciation	(50,882)	(46,404)
Assets under construction	4,421	12,997
Total property, plant and equipment	94,269	95,579

(a) 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, East Perth and Horrie Miller Drive, Perth Airport. Some of these properties are heritage listed and are therefore subject to certain restrictions. The land and buildings were revalued as at 1 July 2020 in accordance with Landgate's valuation as at that 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 an increase of \$298,000 (land \$nil and buildings \$298,000).

Included in the total revaluation increment in 2021 were net building revaluation increments amounting to \$442,000 (2020: net increments amounting to \$129,000) that were credited to profit or loss. Deferred tax of \$42,000 (2020: \$51,000) was recognised against the net decrements of \$144,000 (2020: decrements of \$169,000) that were recognised in other comprehensive income. Net transfer to revaluation reserve thus amounts to \$102,000 (2020: \$118,000).

Information on fair value measurements is provided at note 29.

(b) Reconciliation

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



Gold Corporation
Notes to the consolidated financial statements
30 June 2021
(continued)

13 Non-current assets - property, plant and equipment (continued)

(b) Reconciliation (continued)

	Leasehold buildings \$'000	Freehold land \$'000	Freehold Freehold buildings \$'000	Plant and equipment \$'000	Assets under construction \$'000	Total \$'000
Year ended 30 June 2020						
Opening net book amount	21,502	13,800	27,001	22,371	7,343	92,017
Additions	-	-	-	-	10,239	10,239
Disposals	-	-	-	(8)	-	(8)
Revaluation surplus (through profit or loss)	140	-	34	-	-	174
Revaluation decrement (through profit or loss)	-	-	(45)	-	-	(45)
Revaluation decrement (through other comprehensive income)	(50)	-	(119)	-	-	(169)
Transfers	211	-	16	4,358	(4,585)	-
Remeasurement of decommissioning provision	592	-	-	-	-	592
Depreciation charge	(1,146)	-	(675)	(4,650)	-	(6,471)
Impairment loss (ii)	-	-	-	(750)	-	(750)
Balance at 30 June 2020	21,249	13,800	26,212	21,321	12,997	95,579

	Leasehold buildings \$'000	Freehold land \$'000	Freehold buildings \$'000	Plant and equipment \$'000	Assets under construction \$'000	Total \$'000
Year ended 30 June 2021						
Opening net book amount	21,249	13,800	26,212	21,321	12,997	95,579
Additions	-	-	-	-	6,146	6,146
Revaluation surplus (through profit or loss)	359	-	93	-	-	452
Revaluation decrement (through profit or loss)	-	-	(10)	-	-	(10)
Revaluation decrement (through other comprehensive income)	(71)	-	(131)	-	-	(202)
Revaluation surplus (through other comprehensive income)	58	-	-	-	-	58
Transfers	6,745	-	351	7,626	(14,722)	-
Remeasurement of decommissioning provision	(1,147)	-	-	-	-	(1,147)
Depreciation charge	(1,460)	-	(655)	(4,492)	-	(6,607)
Balance at 30 June 2021	25,733	13,800	25,860	24,455	4,421	94,269



Gold Corporation
Notes to the consolidated financial statements
30 June 2021
(continued)

14 Non-current assets - intangible assets

	2021 \$'000	2020 \$'000
Software - at cost	41,823	25,497
Less: impairment and accumulated amortisation	(8,216)	(4,658)
Total intangible assets	33,607	20,839

The consolidated entity held no goodwill or intangible assets with an indefinite useful life during the reporting period.

(i) Reconciliation

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

	Assets under construction \$'000	Computer software \$'000	Total \$'000
Year ended 30 June 2020			
Opening net book amount	13,554	486	14,040
Additions	7,750	-	7,750
Amortisation expense	-	(951)	(951)
Transfers	(4,165)	4,165	-
Balance as at 30 June 2020	17,139	3,700	20,839
Year ended 30 June 2021			
Opening net book amount	17,139	3,700	20,839
Additions	16,325	-	16,325
Impairment charge	-	(2,570)	(2,570)
Amortisation expense	-	(987)	(987)
Transfers	(585)	585	-
Balance as at 30 June 2021	32,879	728	33,607

(ii) Impairment loss

In 2021, the impairment loss of \$2,570,000 represented the write-off of a piece of bespoke software that is not expected to generate any future returns. The impairment charge was recognised within the statement of profit and loss.



Gold Corporation
Notes to the consolidated financial statements
30 June 2021
(continued)

15 Non-current assets - deferred tax

	2021	2020
	\$'000	\$'000
Deferred tax asset comprises temporary differences attributable to:		
Deferred tax assets		
Impairment of receivables	-	2
Employee benefits	2,096	1,785
Inventories	396	874
Other payables	7,802	7,412
Decommissioning provision	2,110	2,640
Total deferred tax assets	12,404	12,713
Deferred tax liabilities		
Property, plant and equipment and intangibles	9,627	10,488
Prepayments	1	-
Decommissioning asset	1,200	1,871
Total deferred tax liabilities	10,828	12,359
Net deferred tax assets	1,576	354
Movements:		
Opening balance	354	923
Charged to the profit or loss (note 8)	1,180	(911)
Credited to reserves (note 8)	42	51
Credited to retained earnings (note 8)	-	291
Closing balance	1,576	354

As at 30 June 2021, the consolidated entity has carried forward group capital losses of \$nil (2020: \$249,000) and transferred capital losses of \$29,000 (2020: \$29,000) that are available indefinitely for offsetting against future taxable profits of a capital nature. During the 2021 period, a deferred tax asset in relation to \$249,000 of carried forward group capital losses was recognised and then consumed against capital gains realised during the period.

Deferred tax assets have not been recognised in respect of the transferred capital losses because no capital gains are anticipated in the foreseeable future against which they could be used.



Gold Corporation
Notes to the consolidated financial statements
30 June 2021
(continued)

16 Current liabilities - trade and other payables

	2021	2020
	\$'000	\$'000
Trade payables	179,448	191,295
Other payables and accrued expenses	15,935	10,824
Total trade and other payables	195,383	202,119

Refer to note 28 for further information on financial instruments.

17 Current liabilities - precious metal borrowings - interest bearing

	2021	2020
	\$'000	\$'000
Precious metal borrowings - interest bearing	724,475	1,721,461

These borrowings represent precious metal leases (in ounces) from banks. The commodity price risk associated with these borrowings is managed as outlined in note 28. Precious metal borrowings and customer owned precious metal are guaranteed by the Government of Western Australia under subsection 22(1) of the *Gold Corporation Act 1987 (WA)*.

18 Current liabilities - employee benefits

	2021	2020
	\$'000	\$'000
Annual leave	3,368	2,805
Long service leave	2,641	2,257
Purchased leave	44	41
Employment on-costs	393	333
Total employee benefits	6,446	5,436

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.



Gold Corporation
Notes to the consolidated financial statements
30 June 2021
(continued)

19 Current liabilities - provisions

	2021 \$'000	2020 \$'000
Other provisions (a)	183	590
Employee incentive provisions (b)	4,122	4,790
Total provisions	4,305	5,380

(a) Movement in provisions

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

	Other provisions \$'000
Year ended 30 June 2020	
Carrying amount at the start of the year	345
Additional provisions recognised	413
Payments	(168)
Total	590
Year ended 30 June 2021	
Carrying amount at the start of the year	590
Additional provisions recognised	178
Payments	(585)
Total	183

Other provisions relate primarily to provisions for electrical work that are required in some of the consolidated entity's facilities.

(b) Incentive plan

The consolidated entity's general incentive plan was approved by the Board in 2015 and is designed to motivate all staff to strive towards the consolidated entity achieving an acceptable return on equity. 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 under the terms of the scheme.



Gold Corporation
Notes to the consolidated financial statements
30 June 2021
(continued)

19 Current liabilities - provisions (continued)

(b) Incentive plan (continued)

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.

In the 2021 financial year the consolidated entity did exceed its return on equity target, so employees will be eligible for incentive payments (excluding statutory oncosts) of \$3,505,000 (2020: incentive payments of \$2,810,000).

A separate scheme was approved by the Board in 2014 that was limited to Treasury staff. The purpose of this scheme was to assist in attracting, retaining and motivating employees involved in the Treasury Business by providing a variable incentive (in addition to a fixed remuneration component) based solely on net profit generated by the business above an agreed performance hurdle with no upper limit. To assist in retention, 50% of any variable incentive awarded under the scheme was to be deferred one year and subject to the employee remaining employed by Gold Corporation at the time the payment was made. In June 2019 notice was served that the scheme was to be discontinued, with the 2020 financial year being the last period that the scheme will accrue. In accordance with the terms of the scheme, the deferred portion became current upon notification to the relevant staff that the scheme was being discontinued. As such, the final payment under the scheme was paid during the 2021 financial year.

20 Current liabilities - precious metal borrowings - non-interest bearing

	2021 \$'000	2020 \$'000
Precious metal borrowings - non-interest bearing	5,195,646	4,676,918

(a) Security for borrowings

These borrowings represent precious metal obligations (in ounces) to customers. The consolidated entity always maintains sufficient precious metal inventory (note 11) to back these obligations. The commodity price risk associated with these borrowings is managed as outlined in note 28. Precious metal borrowings and customer owned precious metal are guaranteed by the Government of Western Australia under subsection 22(1) of the *Gold Corporation Act 1987* (WA).



Gold Corporation
Notes to the consolidated financial statements
30 June 2021
 (continued)

21 Non-current liabilities - provisions

	2021	2020
	\$'000	\$'000
Decommissioning provision	7,728	8,799

(a) Movements in provisions

Movements in the provision during the financial year are set out below:

		\$'000
Year ended 30 June 2020		
Opening balance		8,100
Unwinding of discount		107
Remeasurement		592
Balance as at 30 June 2020		8,799
Year ended 30 June 2021		
Opening balance		8,799
Unwinding of discount		76
Remeasurement		(1,147)
Balance as at 30 June 2021		7,728



Gold Corporation
Notes to the consolidated financial statements
30 June 2021
(continued)

22 Non-current liabilities - employee benefits

	2021 \$'000	2020 \$'000
Long service leave	549	520
Employment on-costs	36	35
Total employee benefits	585	555

(a) Superannuation commitments

The consolidated entity contributes to a superannuation fund, the IOOF Employer Super, which is operated and administered by IOOF Investment Management Limited.

All 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 IOOF Employer 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.

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

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. The Western Australian Mint contributes to the Fund at rates set by Government Employee's Superannuation Board.

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 or Government Employee Superannuation Board (GESB). Members also have the option of choice of fund and to make personal contributions.

23 Equity - issued capital

	2021 Shares	2020 Shares	2021 \$'000	2020 \$'000
Fully paid	31,602,582	31,602,582	31,603	31,603

(a) Ordinary shares

Ordinary shares entitle the holder to participate in dividends.



Gold Corporation
Notes to the consolidated financial statements
30 June 2021
(continued)

23 Equity - issued capital (continued)

(b) Capital risk management

The consolidated entity's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it 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 was to achieve a return on equity of 11.8% before Income Tax equivalent. During the year ended 30 June 2021 the return was 33.2% (2020: 31.1%).

Neither the consolidated entity nor any of its subsidiaries are subject to externally imposed capital requirements.

24 Equity - reserves

	2021	2020
	\$'000	\$'000
Asset revaluation (a)	15,355	15,457
Foreign currency translation	-	(3)
	15,355	15,454

(a) Asset revaluation

The reserve is used to recognise increments and decrements in the fair value of land and buildings.



Gold Corporation
Notes to the consolidated financial statements
30 June 2021
(continued)

25 Equity - retained profits

	2021	2020
	\$'000	\$'000
Retained profits at the beginning of the financial year	105,892	81,262
Change in accounting policy AASB 16	-	(677)
Restated retained profits at the beginning of the financial year	105,892	80,585
Profit after income tax expense for the year	39,251	31,266
Dividends paid (note 26)	(23,449)	(5,959)
Retained profits at the end of the financial year	121,694	105,892

26 Equity - dividend

	2021	2020
	\$'000	\$'000
Government of Western Australia	23,449	5,959

In accordance with subsection 21(4) of the *Gold Corporation Act 1987 (WA)*, the Board recommended to the Treasurer that an amount of \$nil (2020: \$23,449,000) be paid as dividend for the financial year ended 30 June 2021. In accordance with Government policy, the consolidated entity will retain its 2021-22 dividend payment of \$29,438,000 to instead contribute to funding future infrastructure investment. The funds will be quarantined until the Government approves business cases for the strategic infrastructure requirements of the consolidated entity as part of future Budgets.

27 Leases

This note provides information for leases where the consolidated entity is a lessee.

(a) Assets and liabilities recognised relating to leases

The consolidated entity recognised the following amounts relating to leases:



Gold Corporation
Notes to the consolidated financial statements
30 June 2021
(continued)

27 Leases (continued)

(a) Assets and liabilities recognised relating to leases (continued)

	30 June 2021 \$'000	1 July 2020 \$'000
Right-of-use assets		
Land	15,715	16,768
Buildings	574	513
Others	69	123
	16,358	17,404
Lease liabilities		
Current	1,570	1,353
Non-current	18,479	19,295
	20,049	20,648

Additions to the right-of-use assets during the 2021 financial year were \$325,000 (2020: \$121,000).

The consolidated entity's leases related to land, storage facilities, and equipment. The terms of these are various, with the maximum term being until May 2036.

(b) Amounts recognised in the statement of profit or loss

The statement of profit or loss shows the following amounts relating to leases:

	2021 \$'000	2020 \$'000
Depreciation charge for right-of-use assets		
Land	1,053	1,053
Buildings	244	161
Other	74	105
	1,371	1,319
Interest expense (included in finance cost)	639	660
Expense relating to short-term leases (included in cost of goods sold)	27	105
Expense relating to leases of low-value assets that are not shown above as short-term leases (included in materials and services)	240	218

The total cash outflow for leases in 2021 was \$1,819,000 (2020: \$1,775,000).



Gold Corporation
Notes to the consolidated financial statements
30 June 2021
(continued)

28 Financial risk management

(a) 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 and making recommendations to the Board of Directors in relation to changes that may be considered necessary from time to time. 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 regulatory requirements.

The consolidated entity, through its training and risk 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.

(b) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, commodity prices 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.



Gold Corporation
Notes to the consolidated financial statements
30 June 2021
(continued)

28 Financial risk management (continued)

(b) Market risk (continued)

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.

(i) 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 entities within the consolidated group, the Australian dollar (with the exception of Perth Mint Physical Gold ETF whose functional currency was United States dollars).

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

	Average exchange rates		Reporting date exchange rates	
	2021	2020	2021	2020
Australian dollars				
USD	0.7473	0.6714	0.7500	0.6849
EUR	0.6299	0.6071	0.6315	0.6111
JPY	79.6050	72.6000	83.0427	73.9426
GBP	0.5545	0.5331	0.5428	0.5585
CNH	4.9414	4.7267	4.8586	4.8642
NZD	1.0743	1.0546	1.0743	1.0701
CAD	0.9575	0.9001	0.9318	0.9388

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

	Assets		Liabilities	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
USD	176,819	78,845	(82,384)	(98,331)
EUR	28	379	(609)	(433)
JPY	9	64	-	-
CNH	336	2	(329)	(329)
NZD	16	54	(197)	(198)
GBP	-	127	(44)	(37)
CAD	6	-	-	(1,036)
	177,214	79,471	(83,563)	(100,364)



Gold Corporation
Notes to the consolidated financial statements
30 June 2021
(continued)

28 Financial risk management (continued)

(b) Market risk (continued)

(i) Currency risk (continued)

The above table excludes the value of open USD denominated trades at 30 June 2021 which have been committed but not yet settled, and will give rise to a currency exposure. At 30 June 2021 these trades represented a notional liability of \$95,368,000 (2020: notional asset of 19,256,000).

The consolidated entity (with the exception of Perth Mint Physical Gold ETF whose functional currency was United States dollars) is exposed to foreign currency risk on sales and purchases in currencies other than Australian dollars. The currency giving rise to this risk is primarily the US dollar. Foreign currency risk on future sales and purchases are generally not hedged, except for purchases of certain capital items. The consolidated entity may use forward exchange contracts to hedge such purchases.

Based on the consolidated entity's foreign currency denominated financial assets and financial liabilities at the reporting date, 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 2020.



Gold Corporation
Notes to the consolidated financial statements
30 June 2021
(continued)

28 Financial risk management (continued)

(b) Market risk (continued)

(i) Currency risk (continued)

Year ended 30 June 2021	% change	AUD strengthened		% change	AUD weakened	
		Effect on profit before tax \$'000	Effect on other equity \$'000		Effect on profit before tax \$'000	Effect on other equity \$'000
USD	10%	(8,585)	-	10%	10,493	-
EUR	10%	53	-	10%	(65)	-
JPY	10%	(1)	-	10%	1	-
CNH	10%	(1)	-	10%	1	-
NZD	10%	16	-	10%	(20)	-
GBP	10%	4	-	10%	(5)	-
CAD	10%	(1)	-	10%	1	-
		(8,515)	-		10,406	-

Year ended 30 June 2020	% change	AUD strengthened		% change	AUD weakened	
		Effect on profit before tax \$'000	Effect on other equity \$'000		Effect on profit before tax \$'000	Effect on other equity \$'000
USD	10%	1,771	(48)	10%	(2,165)	59
EUR	10%	5	-	10%	(6)	-
JPY	10%	(6)	-	10%	7	-
CNH	10%	30	-	10%	(36)	-
NZD	10%	13	-	10%	(16)	-
GBP	10%	(8)	-	10%	10	-
CAD	10%	94	-	10%	(115)	-
		1,899	(48)		(2,321)	59

The above analysis excludes the value of open USD denominated trades at 30 June 2021 which have been committed but not yet settled, and will give rise to a currency exposure. If these amounts were included in the above analysis, the impact of a 10% strengthening/weakening of the Australian dollar against the US Dollar at 30 June 2021 would be to increase/(decrease) profit or loss by \$85,000/(\$104,000) respectively (2020: \$21,000/(\$26,000)).



Gold Corporation
Notes to the consolidated financial statements
30 June 2021
(continued)

28 Financial risk management (continued)

(b) Market risk (continued)

(ii) Metal price risk

The consolidated entity (with the exception of Perth Mint Physical Gold ETF) does not enter into commodity (precious metals) contracts other than to meet the consolidated entity's expected purchase and 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 matching precious metal leases and unallocated precious metal owing to the consolidated entity's customers with its working inventories, and other assets with an underlying metal price exposure. The net long or short position held at any time, and therefore exposed to metal price risk, is required to be within Board approved limits that minimises the exposure to potential adverse market movement and therefore loss.

The consolidated entity's precious metal price risk exposure at the reporting date was as follows:

	2021 \$'000	2020 \$'000
Precious metal denominated assets		
Precious metal inventory (note 11)	5,592,020	5,982,923
Less inventory attributable to non-controlling interests (note 35)	-	(345,405)
Receivables and advances to customers at fair value (note 10)	354,150	842,919
Total precious metal denominated assets	5,946,170	6,480,437
Precious metal denominated liabilities		
Precious metal borrowings – non-interest bearing (note 20)	(5,195,646)	(4,676,918)
Precious metal borrowings – interest bearing (note 17)	(724,475)	(1,721,461)
Total precious metal denominated liabilities	(5,920,121)	(6,398,379)
Net precious metal denominated assets	26,049	82,058
Other price exposures (see below)	(25,728)	(80,488)
Total precious metal price exposure	321	1,570

The 'other price exposures' are primarily related to open precious metal transactions where the trade to buy or sell has been committed, but the trade has yet to be settled and therefore the underlying precious metal inventory has not been recognised or derecognised respectively. These transactions give rise to a theoretical price exposure as soon as they are committed and therefore must be included in any analysis of price exposure.



Gold Corporation
Notes to the consolidated financial statements
30 June 2021
(continued)

28 Financial risk management (continued)

(b) Market risk (continued)

(ii) Metal price risk (continued)

Perth Mint Physical Gold ETF invested in physical gold with the objective of incurring a metal price exposure on behalf of its shareholders. To the extent that the parent entity, Gold Corporation, invested in precious metals through the acquisition of shares in Perth Mint Physical Gold ETF, it covered the metal price exposure using the methods described above. Therefore the metal price exposure was attributable to non-controlling interests and not to the owner of Gold Corporation.

(iii) Interest and lease rate risk

	2021		2020	
	Weighted average interest rate %	Balance \$'000	Weighted average interest rate %	Balance \$'000
Variable rate - financial assets interest	0.1%	191,871	0.4%	127,082
Net exposure to cash flow interest/lease rate risk		191,871		127,082

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

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 2020.

	Impact on pre-tax profit		Impact on other components of equity	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Interest rates - increase by 50 basis points (50 bps)	959	635	-	-
Interest rates - decrease by 50 basis points (50 bps)	(959)	(635)	-	-

(v) Price risk

The consolidated entity is not exposed to any significant non-metal price risk. The risk of exposure to metal prices is discussed in part (b)(iii) of this note.



Gold Corporation
Notes to the consolidated financial statements
30 June 2021
(continued)

28 Financial risk management (continued)

(c) 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, 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.

The group has two types of financial assets that are subject to AASB 9's expect credit loss model;

- trade receivables arising from the provision of goods and services to customers; and
- cash and cash equivalents.

For cash and cash equivalents there was determined to be no impairment loss provision since the consolidated entity has not experienced credit losses relating to cash holdings in the previous decade, and does not expect to in the future.

(i) 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 trade receivables are attributable to a single customer. Key geographical exposures to trade and other receivables are discussed further later in this note.

The Board of Directors has approved 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 Board of Directors; 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 trade receivables customers have been transacting with the consolidated entity for a number of years, and losses have rarely occurred. The consolidated entity's trade receivables relate mainly to wholesale customers and customers that are graded as "high risk" are placed on a restricted customer list, whereby future sales are made on a prepayment basis.



Gold Corporation
Notes to the consolidated financial statements
30 June 2021
(continued)

28 Financial risk management (continued)

(c) Credit risk (continued)

(i) Trade and other receivables (continued)

Receivables and advances to customers at fair value contains amounts owing from customers who have been delivered and have accepted metal on deferred settlement terms, in accordance with the consolidated entity's Prudential Management Policies, all whom have settlement durations of less than one year from origination; and advance payments made to producers and other third parties for metal yet to be outturned by the consolidated entity.

The consolidated entity applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics. The expected loss rates are based on the payment profiles of sales over the previous 36 months and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

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

	2021	2020
	\$'000	\$'000
Wholesale customers	26,406	38,251

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

	2021	2020
	\$'000	\$'000
Trade and other receivables	385,339	886,277
Cash and cash equivalents	191,871	127,082
	577,210	1,013,359

Trade and other receivables includes receivables and advances to customers at fair value. The consolidated entity has established practices for managing its exposures to credit risk arising from counter-parties, which have been outlined in note 10.



Gold Corporation
Notes to the consolidated financial statements
30 June 2021
(continued)

28 Financial risk management (continued)

(c) Credit risk (continued)

(i) *Trade and other receivables (continued)*

(ii) *Guarantees*

The consolidated entity does not provide financial guarantees.

(d) 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.

(i) *Remaining contractual maturities*

The following tables detail the consolidated entity's 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 consolidated statement of financial position.

At 30 June 2020	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					
Trade payables	(191,295)	-	-	-	(191,295)
Borrowings - interest bearing	(1,721,461)	-	-	-	(1,721,461)
Precious metal borrowings - non interest bearing	(4,676,918)	-	-	-	(4,676,918)
Total non-derivatives	(6,589,674)	-	-	-	(6,589,674)
Derivatives					
Trading derivatives	(1,249)	-	-	-	(1,249)
Total derivatives	(1,249)	-	-	-	(1,249)



Gold Corporation
Notes to the consolidated financial statements
30 June 2021
(continued)

28 Financial risk management (continued)

(d) Liquidity risk (continued)

(i) Remaining contractual maturities (continued)

At 30 June 2021	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					
Trade payables	(179,448)	-	-	-	(179,448)
Borrowings - interest bearing	(724,475)	-	-	-	(724,475)
Precious metal borrowings - non interest bearing	(5,195,646)	-	-	-	(5,195,646)
Total non-derivatives	(6,099,569)	-	-	-	(6,099,569)
Derivatives					
Trading derivatives	(2,001)	-	-	-	(2,001)
Total derivatives	(2,001)	-	-	-	(2,001)

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

In the case of Precious metal borrowings - interest bearing, the consolidated entity's contractual obligation is to return precious metal ounces (which are fungible) to the counterparty. The "lease rate" for borrowing those ounces is payable at maturity in cash.

Precious metal borrowings - non interest bearing are also, similarly to Borrowings - interest bearing, denominated in precious metal ounces and primarily relate to Perth Mint Depository customer ounces. Those ounces could be called on at demand and are therefore classified as current liabilities and "repayable" in the earliest time band disclosed. It is not expected that all of these ounces will be called in less than twelve months and depository holders may retain ounces in an account for many years.

29 Fair value measurement

The following tables detail the consolidated entity's fair values of assets and liabilities measured and recognised at their fair value categorised by the following levels:

Level 1: Quoted market 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)



Gold Corporation
Notes to the consolidated financial statements
30 June 2021
(continued)

29 Fair value measurement (continued)

At 30 June 2020	Notes	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Assets					
Receivables and advances to customers at fair value		-	842,919	-	842,919
Precious metal inventory		5,982,923	-	-	5,982,923
Buildings		-	-	47,461	47,461
Land		-	-	13,800	13,800
Total assets		5,982,923	842,919	61,261	6,887,103
Liabilities					
Borrowings - interest bearing		1,721,461	-	-	1,721,461
Precious metal borrowings - non interest bearing		4,676,918	-	-	4,676,918
Total liabilities		6,398,379	-	-	6,398,379
At 30 June 2021	Notes	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Assets					
Receivables and advances to customers at fair value		-	354,150	-	354,150
Precious metal inventory		5,592,020	-	-	5,592,020
Buildings		-	-	51,593	51,593
Land		-	-	13,800	13,800
Total assets		5,592,020	354,150	65,393	6,011,563
Liabilities					
Borrowings - interest bearing		724,475	-	-	724,475
Precious metal borrowings - non interest bearing		5,195,646	-	-	5,195,646
Total liabilities		5,920,121	-	-	5,920,121

There were no transfers between levels during the financial year.

The carrying values of financial assets and liabilities not included in the table above all approximate fair value.



Gold Corporation
Notes to the consolidated financial statements
30 June 2021
(continued)

29 Fair value measurement (continued)

(a) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the years ended 30 June 2021 and 30 June 2020:

	Land \$'000	Buildings \$'000	Total \$'000
Opening balance 1 July 2019	13,800	48,503	62,303
Losses recognised in other comprehensive income	-	(169)	(169)
Losses recognised in profit or loss	-	(45)	(45)
Gains recognised in profit or loss	-	174	174
Remeasurement of decommissioning provision	-	592	592
Transfers	-	227	227
Depreciation expense	-	(1,821)	(1,821)
Closing balance 30 June 2020	13,800	47,461	61,261
Opening balance 1 July 2020	13,800	47,461	61,261
Losses recognised in other comprehensive income	-	(202)	(202)
Losses recognised in profit or loss	-	(10)	(10)
Gains recognised in other comprehensive income	-	58	58
Gains recognised in profit or loss	-	452	452
Remeasurement of decommissioning provision	-	(1,147)	(1,147)
Transfers	-	7,096	7,096
Depreciation expense	-	(2,115)	(2,115)
Closing balance 30 June 2021	13,800	51,593	65,393



Gold Corporation
Notes to the consolidated financial statements
30 June 2021
(continued)

29 Fair value measurement (continued)

(b) Significant level 3 inputs

Significant Level 3 inputs used by the consolidated entity are derived and evaluated as follows:

Historical cost per square metre floor area (m2)

The costs of constructing specialised buildings with similar utility are extracted from financial records of the consolidated entity, then indexed by movements in CPI.

Consumed economic benefit/obsolescence of asset

These are estimated by the Western Australian Land Information Authority (Valuation Services).

Selection of land with restricted utility

Fair value for restricted use land is determined by comparison with market evidence for land with low level utility. Relevant comparators of land with low level utility are selected by the Western Australian Land Information Authority (Valuation Services).

Historical cost per cubic metre (m3)

The costs of construction of infrastructure are extracted from financial records of the consolidated entity and indexed by movements in construction costs by quantity surveyors.

Description	Fair value at 30 June 2021 \$'000	Unobservable inputs	Range of inputs (probability - weighted average)	Relationship of unobservable inputs to fair value
Land	13,800	Restricted use	\$1,154/sqm	Higher value of similar land increases the estimated fair value.
Buildings	51,593	Depreciated replacement cost	2.5% - 7.0% per annum	Greater consumption of economic benefit or increased obsolescence lowers fair value.

(c) Basis of valuation

In the absence of market-based evidence, due to the specialised nature of some assets, these assets are valued at level 3 of the fair value hierarchy on an existing use basis. The existing use basis recognises that restrictions or limitations have been placed on their use and disposal when they are not determined to be surplus to requirements.



Gold Corporation
Notes to the consolidated financial statements
30 June 2021
 (continued)

30 Key management personnel disclosures

Compensation

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

	2021	2020
	\$	\$
Short-term employment benefits	2,599,000	2,217,919
Superannuation	281,000	224,424
Other long-term employment benefits	31,000	26,318
Total employment benefits	2,911,000	2,468,661

Total fees received by non-executive directors were \$431,000 (2020: \$478,000).

The number of directors whose total of fees, salaries, superannuation and other benefits, received or due and receivable for the financial year, fell within the following bands are shown below:

	2021	2020
\$0 - \$10,000	1	1
\$20,001 - \$30,000	1	-
\$60,001 - \$70,000	5	6
\$100,001 - \$110,000	1	1
\$690,001 - \$700,000	1	1
	9	9



Gold Corporation
Notes to the consolidated financial statements
30 June 2021
(continued)

30 Key management personnel disclosures (continued)

Compensation (continued)

The number of senior officers other than directors whose total of fees, salaries, superannuation and other benefits, received or due and receivable for the financial year, fell within the following bands, are shown below:

	2021	2020
\$70,001 - \$80,000	1	-
\$150,001 - \$160,000	1	-
\$270,001 - \$280,000	-	1
\$280,001 - \$290,000	-	1
\$320,001 - \$330,000	1	-
\$350,001 - \$360,000	-	1
\$370,001 - \$380,000	-	1
\$380,001 - \$390,000	1	-
\$410,001 - \$420,000	1	-
\$440,001 - \$450,000	1	-
	6	4

31 Related party transactions

The consolidated entity is a wholly owned and controlled entity of the State of Western Australia. In conducting its activities, the consolidated entity is required to pay various taxes and levies based on the standard terms and conditions that apply to all tax and levy payers to the State and entities related to State.

Related parties of the consolidated entity include:

- all Ministers and their close family members, and their controlled or jointly controlled entities;
- all senior officers and their close family members, and their controlled or jointly controlled entities;
- other departments and public sector entities, including related bodies included in the whole of government consolidated financial statements;
- associates and joint ventures, that are included in the whole of government consolidated financial statements; and
- the Government Employees Superannuation Board (GESB).

(a) Significant transactions with government related entities

Significant transactions include:

- superannuation payments to GESB on behalf of employees for a total value of \$561,000 (2020: \$455,000) (Note 22); and



Gold Corporation
Notes to the consolidated financial statements
30 June 2021
(continued)

31 Related party transactions (continued)

- guarantee fee payments to Department of Treasury in respect of the guarantee by the Government of Western Australia for a total value of \$1,885,000 (2020: \$900,000) (Note 17); and
- audit fees payable to the Auditor General (Note 32).

(b) Material transactions with related parties

All other transactions (including general citizen type transactions) between the consolidated entity and Ministers/senior officers or their close family members or their controlled (or jointly controlled) entities are not material for disclosure.

32 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:

	2021	2020
	\$	\$
<i>Office of the Auditor General</i>		
Audit of financial statements and key performance indicators	247,000	250,000

33 Contingent liabilities

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. The Corporation is still assessing the estimated potential financial effects, if any, of remediation. Hence it is not possible to quantify these as at 30 June 2021.

Gold Corporation has a number of State Battery sites vested within its subsidiary the Western Australian Mint. The sites have been classified as "Possibly Contaminated Investigation Required" in accordance with the *Contaminated Sites Act 2003*. The ongoing maintenance of these sites has been undertaken by Gold Corporation with any significant expenditure being funded by other government agencies. Consultation with other agencies in Government is taking place so that the sites can be taken over by an agency or agencies in government better equipped to deal with these sites. It is not practicable to estimate the potential financial effects, if any, of the maintenance of these sites.



Gold Corporation
Notes to the consolidated financial statements
30 June 2021
(continued)

34 Commitments

(a) Capital commitments

Significant capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

	2021	2020
	\$'000	\$'000
Capital commitments - property, plant and equipment		
Within one year	9,992	6,328
Total capital commitments	9,992	6,328

35 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:

Name of entity	Country of incorporation	Equity holding	
		2021	2020
		%	%
Gold Corporation	Australia		
Subsidiaries of Gold Corporation:			
GoldCorp Australia	Australia	100	100
Western Australian Mint	Australia	100	100
AGR Management Service Pty Ltd	Australia	100	100
Perth Mint Physical Gold ETF	USA	-	33
W.A. MINT PTY. LTD.	Australia	100	100



Gold Corporation
Notes to the consolidated financial statements
30 June 2021
(continued)

35 Subsidiaries (continued)

(a) Non-controlling interests (NCI)

Perth Mint Physical Gold ETF (the "Trust") was formed pursuant to a Trust Agreement inceptioned on 26 July 2018. The Trust's primary objective was to give investors the opportunity to invest in physical gold through its shares, and have the gold securely stored by Gold Corporation in its role as the Custodian. The Trust's assets consisted entirely of gold held on deposit with Gold Corporation and the Trust had no officers, directors or employees. The Trust had an independent Trustee who managed operations of the Trust and an Administrative Sponsor who looked after administrative functions.

On 17 August 2018 Gold Corporation made an initial investment in the shares of the Trust and subsequently made a number of additional investments in the shares of the Trust. The Trust has also received significant investments from external investors and therefore Gold Corporation's ownership percentage of total issued share capital has fluctuated during the period. The shares in the Trust have no voting rights attached to them.

The directors had determined that ownership of a significant holding of the Trust's shares, in combination with the legal agreements which govern the Trust, resulted in the Trust being controlled by Gold Corporation. The results, assets and liabilities of the Trust were therefore consolidated into the results of the consolidated entity from the date of acquisition which has been deemed to be the date of the initial investment in the shares of the Trust. This continued until the disposal of the Trust on 13 December 2020 (note 35(c)).

Set out below is summarised financial information for Perth Mint Physical Gold ETF which was the only subsidiary that has non-controlling interests that are material to the group and was disposed of during the current financial year. The amounts disclosed are before inter-company eliminations.

	Perth Mint Physical	
	Gold ETF	
	2021	2020
	\$'000	\$'000
Summarised balance sheet		
Current assets	-	514,452
Current liabilities	-	73
Current net assets	-	514,379
Non-current net assets	-	-
Net assets	-	514,379
Accumulated NCI	-	345,405



Gold Corporation
Notes to the consolidated financial statements
30 June 2021
(continued)

35 Subsidiaries (continued)

(a) Non-controlling interests (NCI) (continued)

	Perth Mint Physical Gold ETF	
	2021	2020
	\$'000	\$'000
Summarised statement of comprehensive income		
(Loss)/profit for the period	(49,158)	63,812
Total comprehensive income	(49,158)	63,812
(Loss)/profit allocated to NCI	(39,315)	26,928

Perth Mint Physical Gold ETF as a stand-alone entity earned a loss for the period of \$49,158,000 (2020 gain of \$63,812,000) due to movements in the gold price. The parent entity, Gold Corporation, had an investment in Perth Mint Physical Gold ETF, and managed its metal price exposure using the methods described in note 28(b)(ii). As such, the movement in value on the precious metal inventory within the Perth Mint Physical Gold ETF attributable to the owner of Gold Corporation was offset by an equivalent and opposing movement on the position to manage the associated metal price risk, resulting in a loss of \$39,315,000 (2020: profit of \$26,928,000) to the consolidated entity, which is entirely attributable to non-controlling interests.

Perth Mint Physical Gold ETF had no cash flows during the year.

(b) Transactions with non-controlling interests

During the period until disposal on 13 December 2020, Perth Mint Physical Gold ETF issued new shares to non-controlling interests. The fair value of consideration received was \$230,989,000 (2020: \$267,369,000) which has been recorded as an increase in non-controlling interest.

Perth Mint Physical Gold ETF redeemed some shares held by non-controlling interests during the year until disposal on 13 December 2020. The value of the consideration paid was \$15,808,000 (2020: \$7,271,000) which has been recorded as a decrease in non-controlling interest.

During the period until disposal on 13 December 2020, some shareholders of the Perth Mint Physical Gold ETF have exercised their right to exchange their shares in the ETF for physical gold products supplied by Gold Corporation. The impact of these transactions is that Gold Corporation has acquired additional shares in the ETF in exchange for gold products with a fair value of \$130,000 (2020: \$95,000) which has been recorded as a decrease in non-controlling interest.

(c) Disposal of Perth Mint Physical Gold ETF

The consolidated entity agreed to transfer its Custodial Sponsorship of the Trust on 11 December 2020 with an effective date of 13 December 2020 for USD \$2,500,000 (AUD \$3,305,000). This payment related solely to the transfer of Custodial Sponsorship, at the point of transfer Gold Corporation still held all of its shares in the Trust. As a result of this event Gold Corporation no longer controls the Trust. The carrying amounts of assets and liabilities as at the date of sale (13 December 2020) were:



Gold Corporation
Notes to the consolidated financial statements
30 June 2021
(continued)

35 Subsidiaries (continued)

(c) Disposal of Perth Mint Physical Gold ETF (continued)

	13 December 2020 \$'000
Current Assets	679,879
Current Liabilities	-
Net assets	679,879

All remaining shares held by Gold Corporation in the Perth Mint Physical Gold ETF were sold subsequent to this transaction occurring, with the final tranche being sold on 28 January 2021.

36 Cash flow information

(a) Reconciliation of profit after income tax to net cash inflow from operating activities

	2021 \$'000	2020 \$'000
(Loss)/profit after income tax expense for the year	(64)	58,194
Depreciation and amortisation	8,965	8,741
Provision for doubtful debts	(4)	2
Revaluation of land and buildings	(442)	(129)
Impairment of intangible assets	2,570	750
Fair value gains on assets at fair value through profit and loss	39,315	(26,928)
Income tax expense	16,712	16,280
Unwinding of discount on provisions	76	107
Gain on disposal of Perth Mint Physical Gold ETF	(3,305)	-
Change in operating assets and liabilities:		
Increase in employee benefits	1,040	687
Decrease/(increase) in precious metal holdings	57,576	(99,367)
(Increase)/decrease in inventories	(799)	213
Increase in prepayments	(140)	(1,032)
Decrease/(increase) in receivables	12,169	(31,971)
(Decrease)/increase in payables	(8,863)	102,865
(Decrease)/increase in provisions	(668)	2,318
Decrease in income taxes payable	-	(216)
Net cash inflow from operating activities	124,138	30,514



Gold Corporation
Notes to the consolidated financial statements
30 June 2021
(continued)

37 Explanatory statement

Section 40 of the *Financial Management Act* requires statutory authorities to prepare annual budget estimates. *Treasurer's Instruction 945P* requires an explanation of significant variations between these estimates and actual results. Gold Corporation prepares a Strategic Development Plan and Statement of Corporate Intent for submission to the Minister in accordance with section 9B of the *Gold Corporation Act 1987 (WA)*.

The consolidated entity's business plans for 2020/2021 projected an operating result before income tax equivalent of \$16.70 million against an actual profit before income tax equivalent (attributable to the owner of Gold Corporation) of \$55.96 million. This favourable variance was primarily driven by a surge in demand for the consolidated entity's products during the year primarily due to uncertainty arising from the COVID-19 pandemic.

Variations from previous year

Treasurer's Instruction 945P 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 over; (i) 10% of the balance and \$5,000,000; or (ii) \$10,000,000 were:

(i) *Revenue from contracts with customers*

Revenue of \$26.35 billion in 2021 was 10% higher than the \$23.87 billion revenue in 2020 due primarily to increased precious metal prices throughout the year.

(ii) *Cost of sales*

Cost of sales in 2021 of \$26.18 billion was 10% increased from the \$23.72 billion cost of sales in 2020, in line with the increase in revenue.

(iii) *Fair value loss/gain on financial assets at fair value through profit or loss*

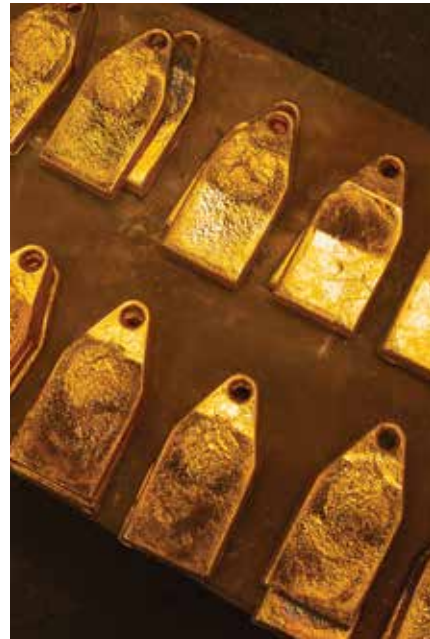
Fair value loss/gain on assets at fair value through profit or loss was a loss of \$39.32 million in 2021 compared to a gain of \$26.93 million in 2020. This gain/loss has arisen as a result of the consolidation of the Perth Mint Physical Gold ETF and is entirely attributable to non-controlling interests (note 35). The decrease was primarily attributable to the decrease in the AUD gold price during the period from 1 July 2020 until 13 December 2020 when the Perth Mint Physical Gold ETF was deconsolidated.

(iv) *Employee benefits expense*

Employee benefits expense was \$50.53 million in 2021 compared to \$43.27 million in 2020, with the increase primarily attributable to higher labour costs arising from increased production volumes during the year.

(v) *Materials and services*

Materials and services expense was \$47.55 million in 2021 compared to \$42.40 million in 2020, with the increase attributable to increased production volumes during the year.





Our Safety Promise

**Safe people.
Safe workplace.
Safely home.**

- There is no job that is too important that it cannot be done safely.

- Everyone deserves to go home at the end of the day in the same condition they arrived at work.

- A mental illness or injury is no different to a physical injury or illness.
