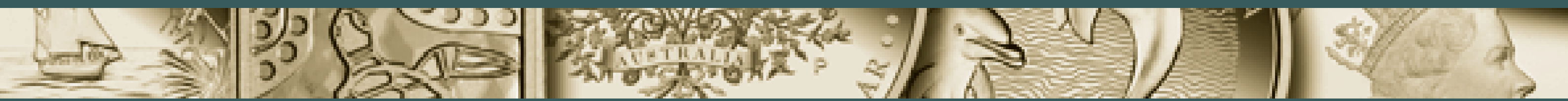
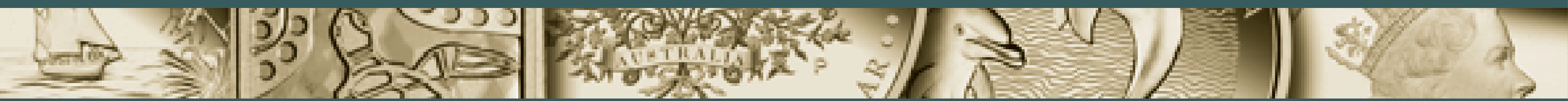
GOLD CORPORATION



ANNUAL REPORT 2008

THE PERTH MINT AUSTRALIA



The principle trading name of Gold Corporation is The Perth Mint.

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STATEMENT OF COMPLIANCE

17 September 2008

The Hon Colin James Barnett MLA
Premier
Minister for State Development
24th Floor, 197 St Georges Terrace
PERTH WA 6000

STATEMENT OF COMPLIANCE

In accordance with the *Financial Management Act 2006,* we hereby submit for your information and for presentation to the Parliament, the Annual Report of Gold Corporation for the year ended 30 June 2008.

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

R G BOWE
Chairman

M E Harbuz
Executive Director

THE YEAR IN BRIEF

- **GOLD CORPORATION SOLD 1.8 MILLION COINS, MEDALLIONS AND BARS, COMPARED WITH 1.4 MILLION IN THE PREVIOUS YEAR.**
- **THESE PRODUCTS ADDED VALUE TO 4.99 TONNES OF GOLD, 140 TONNES OF SILVER AND 13 KILOGRAMS OF PLATINUM.**
- **WORLD MARKET SHARE IN GOLD BULLION COINS WAS 8%.**
- **AUSTRALIAN NUMISMATIC COINS INCLUDED COINS COMMEMORATING:**
  - **100TH ANNIVERSARY OF THE COMMONWEALTH COAT OF ARMS**
  - **220TH ANNIVERSARY OF THE FIRST FLEET**
  - **200TH ANNIVERSARY OF THE RUM REBELLION**
  - **THE DIAMOND WEDDING ANNIVERSARY OF HER MAJESTY QUEEN ELIZABETH II**
  - **WORLD YOUTH DAY SYDNEY 2008**
  - **150TH ANNIVERSARY OF AUSTRALIAN RULES FOOTBALL**
- **THE PERTH MINT WON THE MARKETING AND DESIGN EXCELLENCE AWARD AND THE LARGE ADVANCED MANUFACTURER AWARD AT THE WESTERN AUSTRALIAN INDUSTRY AND EXPORT AWARDS.**
- **THE PERTH MINT SUPPLIED 5.7 MILLION PRECIOUS METAL COIN BLANKS TO OTHER MINTS AROUND THE WORLD.**
- **ABOUT 120,000 PEOPLE CAME TO THE PERTH MINT, OF WHICH 82,000 PAID TO VISIT THE EXHIBITION WITH ITS RENOWNED HOURLY GOLD POUR.**
- **THE VALUE OF CLIENTS' PRECIOUS METALS ON DEPOSIT INCREASED FROM $1 BILLION TO $1.5 BILLION.**
- **PROFIT BEFORE TAX DECLINED TO $3.7 MILLION AS A RESULT OF A PROVISION FOR SOME RESTRUCTURING COSTS IN AGR MATTHEY.**

GOLD CORPORATION - MORE THAN A CENTURY IN PRECIOUS METALS

THE HISTORY OF GOLD CORPORATION STARTED WITH THE FOUNDING OF THE PERTH BRANCH OF BRITAIN'S ROYAL MINT IN 1899. AT THAT TIME, GOLD SOVEREIGNS AND HALF SOVEREIGNS WERE USED THROUGHOUT THE BRITISH EMPIRE AS EVERYDAY CIRCULATING COINS AND IT WAS THE ROYAL MINT'S RESPONSIBILITY TO SUPPLY THEM. RATHER THAN SHIPPING GOLD TO LONDON, MINTING SOVEREIGNS AND THEN DISTRIBUTING THEM BACK TO BRITAIN'S COLONIES, THE ROYAL MINT BUILT A NUMBER OF BRANCH MINTS THROUGHOUT THE EMPIRE IN PLACES WHERE GOLD WAS FOUND. THE PERTH MINT WAS ONE OF THESE – BUILT TO REFINE GOLD MINED IN WESTERN AUSTRALIA AND TURN IT INTO SOVEREIGNS.

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

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

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

Gold Corporation has two wholly owned subsidiaries – the Western Australian Mint and GoldCorp Australia. The refining and associated activities are now carried out by AGR Matthey, in which Gold Corporation has a 40% interest.

MISSION STATEMENT

Gold Corporation develops and supplies precious metal related products and services, including:

- Australian legal tender investment coins and bars, which promote the ownership of precious metal for investment purposes;
- precious metal depository products which enable investors to invest in precious metals without having to deal with the security and other issues associated with the keeping of physical metal;
- proof, numismatic and commemorative coins which are legal tender of Australia and other countries;
- storage and safekeeping for precious metals;
- coin blanks and other precious metal products.

It also operates a tourist attraction based on the themes of gold, coins and their history at The Perth Mint. Through the AGR Matthey partnership, refining, assaying and other services are supplied to the gold industry. These enhance the value-added and export income derived from gold production.

Gold Corporation commits to:

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

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

CHAIRMAN'S REVIEW

HAVING ASSUMED OFFICE AS CHAIRMAN OF GOLD CORPORATION ON 1 JULY 2008, I WOULD LIKE TO THANK THE RETIRING CHAIRMAN, PETER UNSWORTH, FOR HIS MANY YEARS OF SUCCESSFUL SERVICE, FIRST AS A DIRECTOR AND THEN IN THE CHAIR. I WISH HIM WELL IN HIS FUTURE ENDEAVOURS. I WOULD ALSO LIKE TO THANK AND GIVE MY BEST WISHES TO JOHN LANGOULANT WHO HAS RETIRED AS A DIRECTOR.

Gold Corporation has had another successful year with all its ongoing businesses performing well. Its financial result was unfortunately affected by a provision for the restructuring of the precious metals products business in AGR Matthey – the gold refining business in which Gold Corporation owns 40%. As a result of the provision, profit before tax fell to $3.7 million compared to the previous year's $9.8 million.

Precious metals prices increased significantly, with large fluctuations from time to time. The gold price reached a record $1,023.50 on 17 March 2008. Investor interest in coins, bars and Perth Mint Depository products was strong. There was much buying but also some selling as investors took profits. In Perth Mint Depository, the value of metal held on behalf of investors increased to $1.5 billion by the end of the year. There are now more than 6,500 clients from around the world. Demand for bullion coins remained strong with Gold Corporation achieving a worldwide market share of 8% in gold investment coins and significant growth in the sales of 1 kg silver coins.

Again, significant sales of numismatic or collector coins were achieved. The three year Discover Australia programme continued to be popular as the series was coming to its end and there were a number of Australian legal tender coins commemorating anniversaries or events. Interesting theme coins which were legal tender of New Zealand and Tuvalu were also issued. The number of precious metal coin blanks made for other mints declined slightly but this activity still remained a significant contributor to the business.

Gold Corporation continues to be one of the major exporters in Western Australia and, in the review year, 74% of its turnover was from exports. Recent performance in new markets in Eastern Europe is particularly pleasing.

The tourism industry in Western Australia continued to be weak but, nevertheless, visitor numbers to The Perth Mint were maintained. Contracts have been awarded for the design of an enhanced visitor experience and work on this has started.

Once more, Gold Corporation's local and international business partners – its agents, distributors and dealers throughout the world, rose to the many challenges and opportunities in the markets and made a significant contribution to its success. Some of these relationships are long standing and those in new markets have just commenced. All deserve special thanks for their dedication, professionalism and sheer hard work.

The gold refining business of AGR Matthey, the partnership in which Gold Corporation owns a 40% interest, performed well and refined most of Australia's gold. Unfortunately it was time for a significant restructuring of AGR Matthey's precious metals products business but the result of this will be a leaner and more focussed refinery business which will again contribute significantly to Gold Corporation's profits in the future.

I would like to thank the Minister responsible for Gold Corporation, the Hon Ljiljanna Ravlich MLC, Minister for Local Government; Racing and Gaming; Multicultural Interests and Citizenship; Government Enterprises; Minister Assisting the Minister for Planning and Infrastructure; Goldfields-Esperance; Youth for her support and interest in the activities of Gold Corporation. I would also like to thank my colleagues on the Board for their valuable service and to say that I look forward to working with them in the future as Chairman. I welcome Dr Ron Edwards back to the Board and Ray Bennett as a new member. Both assumed office on 1 July 2008.

Lastly, I would like to thank the management and staff of Gold Corporation for rising to the many challenges in this complex business and wish them well for the future.

I have no doubt that Gold Corporation will continue to do well in the new financial year and beyond and that all its stakeholders will continue to benefit from its activities.

R G BOWE, CHAIRMAN

16 September 2008

(Ross Bowe has been appointed Chairman as from 1 July 2008)


Australian
Olympic
Queen Elizabeth II
The Duke Of Edinburgh
20.11.1947
WEDDING

REVIEW OF OPERATIONS

FINANCIAL SUMMARY

GOLD CORPORATION'S OPERATIONS HAD ANOTHER SUCCESSFUL YEAR. ITS FINANCIAL RESULT WAS, HOWEVER, AFFECTED BY A PROVISION FOR THE RESTRUCTURING OF THE PRODUCTS DIVISION IN AGR MATTHEY, THE GOLD REFINING BUSINESS OF WHICH GOLD CORPORATION OWNS 40%. AFTER THE PROVISION, PROFIT BEFORE TAX WAS $3.7 MILLION COMPARED TO $9.8 MILLION IN THE PREVIOUS YEAR. WITHOUT THE PROVISION, THE PROFIT BEFORE TAX WOULD HAVE BEEN $9.8 MILLION. SALES REVENUE INCREASED TO $1.19 BILLION FROM $841 MILLION, REFLECTING BOTH INCREASED ACTIVITY AND HIGHER PRECIOUS METAL PRICES.

Payments to the Western Australian Government for the 2007/2008 year will include income tax equivalent of $2.4 million and a dividend of $0.8 million. The royalty payment to the Australian Treasury under the terms of the agreement enabling Gold Corporation to issue Australian legal tender coins will be $2 million for the year. These payments will bring to $63 million the amounts paid to the State and Federal Governments by Gold Corporation since 1988.

The programme to update equipment, facilities and information systems continued, resulting in capital expenditure amounting to $2.9 million.

BUSINESS ACTIVITIES

Coins

Gold Corporation, operator of The Perth Mint, is the official producer of Australia's legal tender gold and silver investment coins. It also mints and markets Australian numismatic or commemorative coins and produces numismatic coins on behalf of the issuing authorities of other countries.

All Australian legal tender coins are produced in terms of an agreement with the Australian Treasury, which receives a royalty or 'seigniorage' on each coin sold.

In total, Gold Corporation sold more than 1.8 million coins, medallions and bars during a year characterised by high and volatile precious metal prices. Coin, medallion and bar sales in 2007/2008 added value to 4.99 tonnes of gold (4.75 in the previous year), 140 tonnes of silver (70 tonnes in the previous year) and 13 kilograms of platinum.

Approximately 88% of Gold Corporation's revenue from sales of coins and other precious metal products was generated from exports. Its extensive international marketing network includes banks, direct marketing companies and coin dealers. A number of new distributors were appointed in the growing Eastern European market during the year, further extending the reach of the organisation.

World market share in the gold bullion coin market was a creditable 8% and the sale of silver bullion products increased significantly. The demand for silver bullion products was extremely buoyant, especially in Europe. The new Australian silver Koala coins proved popular. The silver 1 kilogram coins which could be offered at competitive prices due to a dedicated high volume production process sold in large quantities.

Australian numismatic coins continued to be popular, with The Perth Mint's leading programme, the Discover Australia series, continuing its successful run. The second series of Australian Lunar coins, commencing with the 2008-dated Year of the Mouse coins, had an encouraging start. These coins, originally destined for the Chinese market, have proved popular throughout the world. The Treasures of Australia series – coins incorporating a transparent locket containing small fragments of Australian gems – have received favourable comment because of their innovative design, and are selling well.

A number of anniversaries and events were commemorated on Australian legal tender coins:

- The 100th Anniversary of the Commonwealth Coat of Arms
- The 220th Anniversary of the First Fleet
- The 200th Anniversary of the Rum Rebellion
- The Diamond Wedding Anniversary of Her Majesty Queen Elizabeth II
- World Youth Day Sydney 2008
- The Australian Beijing Olympic Team
- The 25th Anniversary of Australia II's America's Cup Victory
- The 150th Anniversary of Australian Football

There is a growing interest worldwide in coins with military themes. The Tuvalu legal tender Fighter Planes of World War II and Fighting Ships of World War II were particularly successful. On a similar theme, a custom set of coins was minted for the Ukraine market bearing images of aeroplanes produced in that country. Gold and silver New Zealand legal tender coins were minted commemorating the life of Sir Edmund Hillary.

The internet as a sales channel is becoming increasingly important and the website (www.perthmint.com.au), with its online store, is upgraded regularly. Sales through the online store increased by 100% during the financial year.

The Perth Mint received public recognition for its innovative coin programmes at the Western Australian Industry and Export Awards. It won the Marketing and Design Excellence Award for the seventh time and the Large Advanced Manufacturer category for the second time.

Ongoing capital expenditure to modernise the factory continued with spending on new or improved technology and equipment to improve quality, efficiency, environmental protection, safety and operator ergonomics.

Precious Metal Coin Blanks

Besides supplying its own needs for precious metal blanks, The Perth Mint is an important supplier of gold, silver, platinum and palladium blanks to a number of mints in the world. ISO quality certification is an essential requirement for such business and this certification, together with the continuous improvement process associated with it, has been in place for a number of years.

The number of blanks produced was 8.1 million, compared to 9.6 million in the previous year; the reduction resulting from reduced demand from a major customer. About 30% of the blanks were used by the two Australian mints and the rest were exported.

Perth Mint Visitor Experience

The Perth Mint's beautiful century-old heritage listed building, houses the gold exhibition, a retail outlet and a tea garden.

Over 120,000 visitors came to the Mint, of which 82,000 paid to visit the exhibition with its hourly gold pour. These figures were similar to the previous year's which was pleasing in view of the decline in the number of tourists visiting Western Australia.

Sales in the retail outlet included, of course, bullion coins and bars as well as numismatic coins. Other Australian offerings like natural nuggets, pink diamonds, opals and South Sea pearls were of great interest, particularly to tourists.

The visitor experience is actively marketed to the tourism industry throughout the world and it is part of many tour packages to Western Australia. Planning is continuing for the upgrade of the facilities, and the refurbishment and extension of the retail area should be completed in the current financial year.

2008 100th ANNIVERSARY OF COMMONWEALTH COAT OF ARMS
SILVER COIN

Perth Mint Depository

During the year volatility in precious metals markets increased, leading to much investor interest and activity. There were metal outflows as investors took profits but also strong inflows, leading to an increase in the quantity and value of metals held. At year end there were some 6,500 clients from more than 90 countries entrusting precious metals to the value of $1.5 billion to Gold Corporation. This value has increased from $1 billion at the end of the previous year due both to the increased quantity of metals and their prices.

Perth Mint Depository's three products; Perth Mint Depository Services, Perth Mint Certificate Program and the ASX-listed Perth Mint Gold all showed good growth.

AGR Matthey

Gold Corporation owns 40% of AGR Matthey, whose refinery at Newburn, near Perth's international airport, refines gold and silver and produces gold and silver bars and bullion in other forms. Almost all of Australia's gold was refined at AGR Matthey during the financial year, as well as gold produced in nearby countries. A significant quantity of recycled gold, mainly from Asia, also went through the refinery. This is one of the highest throughput gold refineries in the world.

AGR Matthey's precious metals products business, producing jewellery and industrial products, is based in Melbourne. A decision was made during the financial year to restructure and significantly reduce the size of this business, as a result of a severe downturn in jewellery sales and adverse developments in the markets for industrial products. Much of the cost of this restructuring was provided for in the financial year.

Demand for physical gold in Asian markets was depressed because of the high gold price but, despite this, the refinery operation was able to generate significant profits. The provision for the cost of the product division restructuring resulted in AGR Matthey making an overall loss, significantly reducing the profits of Gold Corporation.

Westmill - Kaltails

Gold Corporation's Westmill division holds a 10% interest in the Kaltails gold tailings retreatment project in Kalgoorlie, with Newmont Australia owning the other 90%. Newmont is the managing partner. Activity in the past financial year has been limited to ongoing rehabilitation and maintenance of the site at minimal cost. Negotiations are currently taking place for the sale of the Kaltails JV to KCGM.

State Batteries

A number of State Batteries (Government owned minerals processing facilities) were vested in Gold Corporation some time ago but these have all been closed. Westmill has inherited responsibility for them and, even though they are no longer operating, some have been leased at nominal revenue to independent operators for various uses.

Nineteen State Battery sites have been reported as contaminated sites or suspected contaminated sites in terms of the *Contaminated Sites Act 2003*. The Northampton site has been identified as requiring remediation and the process of obtaining approval for the remediation plan from the Department of Environment and Conservation is under way. Funds from the Contaminated Sites Management Fund will be made available to carry out the work once approval has been obtained.

Employees

The total number of permanent and contract staff increased from 198 to 215 during the year. Of these, 207 were full time and 8 were part time. The employees were assigned to the various business entities as shown below:

	30 JUNE 2008	30 JUNE 2007
Gold Corporation	39	32
Western Australian Mint	121	114
GoldCorp Australia	55	52
Total	215	198

There were 149 salaried employees and 66 award staff members employed by the organisation at 30 June 2008, of which women comprised 45%. Of the Tier 2 managers (reporting to the CEO) 42.9% were women and of the Tier 3 employees, 29.4% were women.

Gross staff turnover dropped from 17% in the previous year to 15%. The average age of employees was 45 years and the average years of service 6.6 years.

2008 DISCOVER AUSTRALIA FRILLED NECK LIZARD
1/2OZ GOLD COIN

COMPLAINTS POLICY AND CUSTOMER SERVICE CHARTER

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

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

In the coin business, a total of 25,950 orders were processed and 84 complaints were received. Most of these related to coins or packaging damaged in transit. Depository processed 10,875 orders with no complaint.

INDUSTRY AND COMMUNITY PARTICIPATION

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

The Perth Mint is a member of the Perth Convention Bureau, Tourism Council of Western Australia, Tourism Australia, Tourism WA Network, Association of Perth Attractions and The Perth Regional Tourism Association (Experience Perth).

The Perth Mint participated in the Australian Numismatic Dealers Association Stamp and Coin Shows in Sydney, Melbourne, Brisbane, Adelaide and Perth and the annual Licensed Post Office Conference in Melbourne.

Internationally, it took part in the American Numismatic Association Coin Show in Milwaukee, the Berlin World Money Fair and the Beijing International Stamp and Coin Exposition.

During the year, sponsorships and donations benefited 36 charities and 147 schools, clubs and not-for-profit organisations. In the arts, The Perth Mint maintained its sponsorship of the Western Australian Symphony Orchestra's Patron's Programme for the fourth consecutive year.

Production of The Perth Mint newsletter and the Australian Numismatic Post continued and was mailed, together with new product information, to subscribers and members throughout the year.

CLOSING COMMENTS

Despite the financial result being adversely affected by the costs associated with the restructuring of the Products Division in AGR Matthey, Gold Corporation's own operations and the refinery business in AGR Matthey had a successful year. I would like to thank Gold Corporation's management and staff for their commitment and dedication during the year, and also the Board for its support and encouragement.

Prospects for the new financial year are positive, despite continuing uncertainty in world markets. There is every reason to believe that Gold Corporation will have a successful 2008/2009.

M E HARBUZ, CHIEF EXECUTIVE OFFICER

2008 AUSTRALIAN KOOKABURRA
1OZ SILVER COIN


AUSTRALIAN FOOTBALL
Australian $1 Coin
OFFICIAL LICENSED PRODUCT
AUSTRALIAN FOOTBALL
Australian $1 Coin
OFFICIAL LICENSED PRODUCT

ACTIVITIES

Precious Metal Investment Products

Gold is regarded by investors worldwide as a trusted asset and convenient method of diversifying an investment portfolio.

Gold Corporation offers the following products to investors:

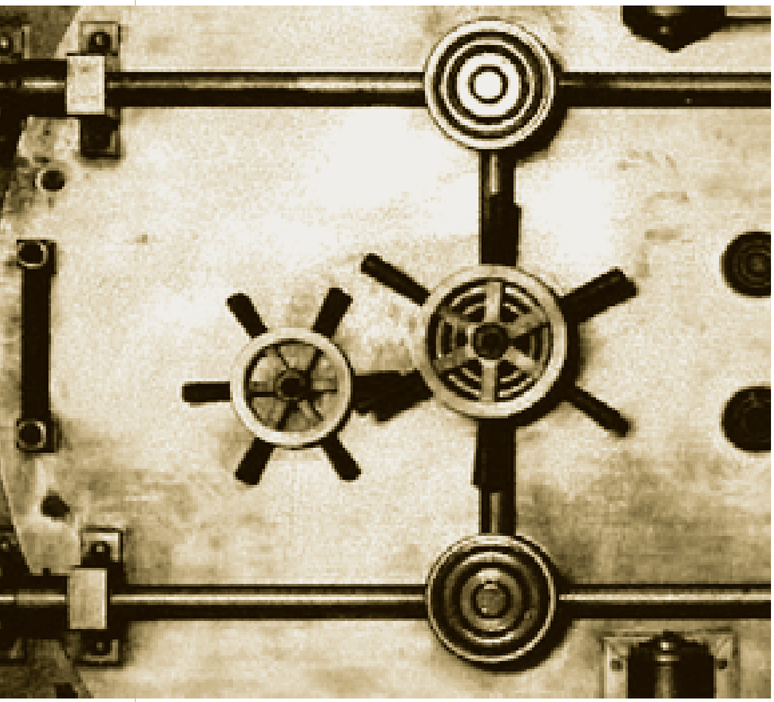
BULLION COINS AND BARS

- Gold Corporation, the operator of The Perth Mint, is the producer of Australia's official investment or bullion coins.
- Each coin is issued as legal tender under the *Australian Currency Act 1965.*

The appeal of investor coins struck by The Perth Mint is enhanced by superb artistry portraying iconic Australian animals:

- 99.99% pure gold Australian Kangaroo coins
- 99.9% pure silver Australian Kookaburra coins
- 99.9% pure silver Australian Koala coins

The investor programme also includes the Australian Lunar Gold and Silver Bullion Coin Series. Together with a popular range of minted gold bars, The Perth Mint's bullion coins are distributed through an international network of authorised agents, banks and dealers.



PERTH MINT DEPOSITORY

Perth Mint Depository provides investors with the opportunity of investing in precious metals without having to deal with the issues related to taking physical possession. It has three products: Perth Mint Depository Services, the Perth Mint Certificate Program and the Australian Stock Exchange listed product, Perth Mint Gold.

Perth Mint Depository Services

Perth Mint Depository Services (PMDS) offers a range of precious metal purchase, storage and trading facilities on internationally competitive terms to both national and international investors. The service is promoted principally via the internet (http://www.perthmint.com.au/depositoryservices.aspx).

The minimum investment is US$50,000 for international clients and $50,000 for Australian residents.

Perth Mint Certificate Program

The Perth Mint Certificate Program (PMCP) offers precious metal investments via an international network of approved dealers. With this product, investors receive a certificate confirming their acquisition of precious metal stored at The Perth Mint. The minimum investment is US$10,000 for USA domiciled investors, with varying minimum amounts for other regions.

Perth Mint Gold

For investors who prefer the convenience of trading on the Australian Stock Exchange, Perth Mint Gold (ASX code: ZAUWBA) is structured as a warrant and enables both large and small investors to have an exposure to gold in their portfolios.

Commemorative and Numismatic Coins

The Perth Mint designs, manufactures and markets precious metal numismatic coins that are distinguished by their:

- Collector and commemorative design themes
- Mirror-like proof quality finishes
- Limited mintages
- Numbered Certificates of Authenticity
- Luxury presentation packaging

Marking a range of popular anniversaries, people and events, numismatic coins also celebrate the uniqueness of the Australian continent and the heritage, history and culture of its people. These coins are not only sold successfully in Australia, but also throughout the world, using the Mint's international marketing network.

In addition to the traditional numismatists, there are increasing numbers of collectors and gift-buyers interested in unusual and innovative releases. As part of its strategy to grow this sector of the numismatic market, The Perth Mint has developed a reputation for innovative coin treatments and pioneering coin manufacturing techniques.

As a result, the Mint has made popular coins with unusual shapes, coloured designs, moving images, selective 24-carat gilding and integral 'lockets' containing free-moving objects.

The majority of Perth Mint numismatic releases are issued as Australian legal tender. However, the Mint also produces collector coins issued as legal tender of other countries.

Precious Metal Coin Blanks

Gold Corporation also manufactures precious metal coin blanks for other mints. With world-class manufacturing technology and unrivalled expertise in all areas of blank production, it can create gold, silver, platinum and palladium blanks in an almost limitless number of shapes, weights and sizes.

Tourism

The Perth Mint is one of Western Australia's most popular tourist destinations. A winner of many tourism awards, it offers a unique and exciting visitor experience. Among the many highlights of a guided tour of The Perth Mint are the spectacular gold pouring demonstration, the opportunity to lift a gold bar, and stunning displays of gold in its many forms.

Welcoming more than 120,000 international, interstate and local visitors annually, including many educational groups, The Perth Mint also provides an important glimpse into the history of gold production and precious metal coining in Western Australia since the late nineteenth century.

An elegantly appointed shop in which visitors can acquire coins, nuggets, jewellery and souvenirs, and an elegant Tea Garden, are important and popular elements of The Perth Mint visitor experience.

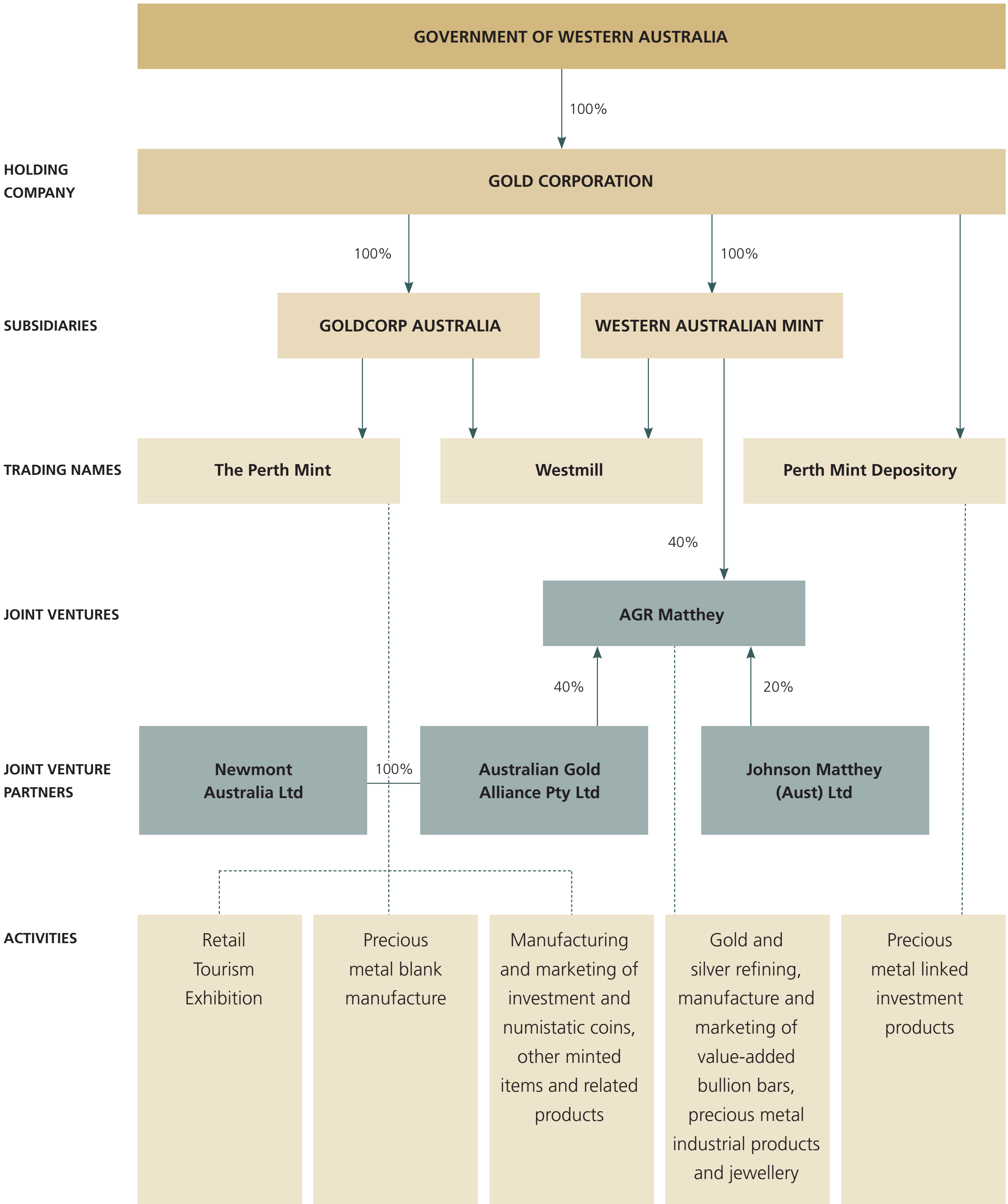
Gold Refining

Gold Corporation has a 40% interest in the AGR Matthey partnership, Australia's only major gold refiner. The other two partners are subsidiaries of Newmont Mining Corporation (40%), a USA based international gold producer; and Johnson Matthey plc (20%), a major UK company in the business of precious metals, catalysts and chemicals.

The refinery in Perth refines virtually all of Australia's gold, gold from Pacific countries and recycled gold, mainly from Asia. It is one of the largest gold refineries in the world and also refines significant quantities of silver.

AGR Matthey is responsible for exporting most of the gold that it refines, largely in the form of value-added products. It is one of Western Australia's major exporters.

GROUP STRUCTURE



CORPORATE GOVERNANCE

Board of Directors

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

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

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

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

MEMBERSHIP

Directors are appointed by the Governor of Western Australia on the nomination of the Minister and approval by Cabinet. Mr Ross Bowe and Ms Gaye McMath were appointed to the Board on 1 July 2007 to replace Dr Ron Edwards and Dr Sue Boyd. The terms of Ms Martine Pop, Mr Chris Wharton and Richard Hayes were renewed for three years in 2007. At year-end the Gold Corporation Board consisted of eight non-executive Directors and two executive Directors.

DIRECTOR	STATUS	EXPIRY OF TERM
P J Unsworth (Chair)	Non-executive	30 June 2008
R G Bowe	Non-executive	30 June 2010
J L Langoulant	Non-executive	30 June 2008
D Mackay-Coghill	Non-executive	30 June 2009
G McMath	Non-executive	30 June 2010
M D Pop	Non-executive	30 June 2010
D R Smith	Non-executive	N/A, ex-officio
C S Wharton	Non-executive	31 October 2010
M E Harbuz	Executive	30 June 2009
R G Hayes	Executive	30 June 2010

Director Biographies

PETER UNSWORTH, CA, B.COM

Peter Unsworth was appointed Chairman of Gold Corporation, effective from 1 July 2001. A Chartered Accountant and corporate finance specialist, Mr Unsworth has extensive experience as a public and private company director, and is a director of AGR Matthey. Formerly an Executive Director of a leading Western Australian stock broking company, his career has included six years with an international accounting firm in Perth and Sydney and six years with the Perth Stock Exchange.

ROSS BOWE B. EC

Ross Bowe is currently Chairman of Racing and Wagering Western Australia, Chairman of the Metropolitan Cemeteries Board and Board member of LandCorp (Western Australian Land Authority).

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

JOHN LANGOULANT, B.EC (HONS)

John Langoulant is the Chief Executive of Australian Capital Equity.

He was the Chief Executive of the Chamber of Commerce and Industry of Western Australia between 2004 and 2008.

Between 1995 and 2004 Mr Langoulant held the position of Under Treasurer of the Western Australian Treasury department. He was with the WA Treasury from 1988 and prior to that worked in the Australian Government Treasury in Canberra from 1975.

Mr Langoulant is a graduate of the University of Western Australia.

In addition to his roles across these organisations Mr Langoulant has a range of other interests through a number of bodies. These include being a Senator at the University of Western Australia, a member of the Board of the Telethon Institute for Child Health Research, The Western Australian Ballet, a member of the Council of Australian Governments' Reform Council and the Committee for Perth.

DON MACKAY-COGHILL

Don Mackay-Coghill retired as the inaugural Chief Executive Officer of Gold Corporation on 30 June 2003 after leading the Corporation for 17 years. Mr Mackay-Coghill emigrated from South Africa in 1986 to take up the dual positions of Chief Executive Officer of GoldCorp Australia and Managing Director of the Western Australian Mint. Before that, he had a 15-year career with International Gold Corporation (Intergold), being appointed Chief Executive, Worldwide, in 1979. During his time at Intergold, Mr Mackay-Coghill was responsible for the introduction of the Krugerrand to world markets, which created the first global market for bullion coins.

In recognition of his achievements he received the South African Marketing Award of the Year in 1978. In 2007, Mr Mackay-Coghill received the Australian Institute of Export's Australian Export Hero Award. Mr Mackay-Coghill is Chairman of AGR Matthey.

MARTINE POP, PHD EEC COMMERCIAL LAW

Martine Pop had more than 13 years of credit, risk management and control management experience with Macquarie Bank and Challenge Bank, in senior and executive positions. Ms Pop has worked for the last twelve years as a Consultant, including six years with Ernst & Young, providing risk management and corporate management/governance advisory services to the private and public sectors. She is currently on the boards of Verve Energy and Wheat Exports Australia and chairs the Audit and Risk Management Committee for a number of WA agencies. She was a member of the 2004 Review of Australian Wheat Export Arrangements commissioned by the Federal Government. During the last twelve years Ms Pop has held board positions with the Australian Rail Track Corporation, SBS, The Grain Pool of WA and chaired the Western Australian Meat Industry Authority.

DAVID SMITH, B.ECON (HONS)

David Smith represents the Western Australian Under Treasurer, Mr Timothy Marney. He is currently the Executive Director of the Economic area in the Western Australian Department of Treasury and Finance. In this role Mr Smith heads a team that provides advice to the government of the day on the state and structure of the WA economy.

This encompasses State revenue now and into the future as well as financial arrangements with the Commonwealth.

Mr Smith has been with the Department of Treasury and Finance for eleven years in a number of roles. These have included a period as Chief of Staff in the Treasurer's office. Prior to moving to Perth, Mr Smith had a long career with the Commonwealth public service, working most recently in the Department of the Prime Minister and Cabinet and the Department of Foreign Affairs and Trade on international trade issues. He has worked overseas with government including three years in Geneva working on the original World Trade Organisation negotiations and in the private sector with a London-based economic research unit.

CHRIS WHARTON

Chris Wharton is the Managing Director of Channel Seven Perth, a position he has held since 2000. Prior to joining Channel Seven, Mr Wharton was the Chief Executive Officer of the Community Newspaper Group (since 1995) and had over 17 years' experience with News Limited companies in a variety of roles. Mr Wharton is a member of the WA Olympic and Commonwealth Games Fundraising Committees and is on the Board of Trustees of the Telethon Trust.

MS GAYE MCMATH BCOM MBA Melb., FCPA, FAICD

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

Ms McMath is currently a Director of the Silver Chain Nursing Association and the Western Australian Treasury Corporation. She is a member of the Methodist Ladies College school council.

M EDWARD HARBUZ, B.SC (ENG), MBL

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

RICHARD HAYES, B.COMM, MBA, CPA, ACIS

Richard Hayes was appointed as Chief Financial Officer of Gold Corporation in March 2003. He was previously the Chief Operating Officer and a Director of AGR Matthey from October 2002 to March 2003 and prior to that he was Director, Finance and Deputy Managing Director of AGR Joint Venture from December 1998 to October 2002. He was Chief Financial Officer and Company Secretary of Golden West Refining Corporation Ltd, an ASX listed company controlled by N M Rothschild & Sons Ltd which, in December 1998, merged with Gold Corporation's refining and jewellery manufacturing business to become AGR Joint Venture. Mr Hayes came to Australia from Zimbabwe in 1987 and held a number of financial management positions with Boral Ltd prior to joining Golden West.

2008 TURTLE DREAMING
10G GOLD COIN

MEETING ATTENDANCE

There were eight formal meetings of the Directors of Gold Corporation during the year ended 30 June 2008 and a number of informal meetings. The number of formal meetings attended by each Director is indicated in the table below.

DIRECTORS' MEETING ATTENDANCE

	ATTENDED	ELIGIBLE
P J Unsworth (Chair)	8	8
R G Bowe	7	8
J L Langoulant	6	8
D Mackay-Coghill	7	8
G McMath	8	8
M D Pop	8	8
D R Smith	6	8
C S Wharton	8	8
M E Harbuz	8	8
R G Hayes	8	8

BOARD COMMITTEES

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

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

AUDIT COMMITTEE

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

Membership of the Committee comprised Ms Pop (Chair), Mr Mackay-Coghill and Ms McMath, who was appointed in September 2007 upon the resignation of Mr Unsworth from the Committee.

Attendees at meetings of the Committee were Mr Hayes (CFO), Mr Bartsh (Manager, Corporate Governance & Risk), who replaced Mr Suchecki in November 2007, and Mr de Nobrega (Group Accountant). Mr Harbuz (CEO) is an invitee. Attendees and invitees do not have voting rights. The Audit Committee met six times during the financial year. Attendance at the meetings is indicated in the table below.

AUDIT COMMITTEE MEETING ATTENDANCE

	ATTENDED	ELIGIBLE
M D Pop (Chair)	6	6
D Mackay-Coghill	6	6
G McMath	4	5
P J Unsworth	3	3

REMUNERATION AND ALLOWANCES COMMITTEE

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

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

REMUNERATION AND ALLOWANCES COMMITTEE MEETING ATTENDANCE

	ATTENDED	ELIGIBLE
P J Unsworth (Chair)	1	1
M E Harbuz	1	1
D Mackay-Coghill	1	1

Management Committees

EXECUTIVE MANAGEMENT COMMITTEE

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

RISK MANAGEMENT

The Board actively monitors the Corporation's risk management system to ensure it is comprehensive and integrated with key processes such as decision making, project management and planning. Regular monthly and quarterly reports are submitted to the Board on group financial risk, credit and audit and internal control matters, occupational safety and health, and environmental issues.

CORRUPTION PREVENTION

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

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

PUBLIC INTEREST DISCLOSURE

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

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

The Public Interest Disclosure Officer is Mr Bartsh who replaced Mr Suchecki in November 2007. No claims were submitted during the 2007/2008 period.

PUBLIC SECTOR STANDARDS AND ETHICAL CODES

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

During the current financial year, no issues relating to non-compliance with the Ethical Codes were raised.

AGR MATTHEY

Gold Corporation, through its subsidiary Western Australian Mint, has a 40% interest in the AGR Matthey partnership. This interest entitles Gold Corporation to representation on the AGR Matthey Board of Directors. The representatives were Mr Unsworth, Mr Mackay-Coghill and Mr Harbuz.

In addition to the above, Mr Mackay-Coghill holds the position of Chairman of the AGR Matthey Board of Directors and Mr Harbuz serves on AGR Matthey's Audit Committee.

There were seven meetings of the Directors of AGR Matthey during the year ended 30 June 2008. The number of meetings attended by each Gold Corporation Director is indicated in the table below.

AGR MATTHEY DIRECTORS' MEETINGS ATTENDANCE

	ATTENDED	ELIGIBLE
D Mackay-Coghill (Chair)	6	7
M E Harbuz	7	7
P J Unsworth	7	7

CORPORATE DIRECTORY

REGISTERED OFFICE

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

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

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

Website: www.perthmint.com.au

MINISTER

The Hon Ljiljanna Ravlich MLC
Minister for Local Government; Racing and Gaming;

Multicultural Interests and Citizenship; Government Enterprises; Minister assisting the Minister for Planning and Infrastructure; Goldfields-Esperance; Youth

STATUTE

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

DIRECTORS

P J Unsworth	(Non-executive, Chairman)
R G Bowe	(Non-executive)
J L Langoulant	(Non-executive)
D Mackay-Coghill	(Non-executive)
G McMath	(Non-executive)
M D Pop	(Non-executive)
D R Smith	(Non-executive)
C S Wharton	(Non-executive)
M E Harbuz	(Executive, CEO)
R G Hayes	(Executive, CFO)

COMPANY SECRETARY

A P Melville

BANKERS

Westpac Banking Corporation

GROUP DIRECTORY

GOLD CORPORATION

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

PERTH MINT DEPOSITORY

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

WESTERN AUSTRALIAN MINT

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

THE PERTH MINT SHOP

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

GOLDCORP AUSTRALIA THE PERTH MINT

Australia

Street Address: Perth Mint Buildings
310 Hay Street, East Perth, WA 6004,
Australia
Tel: +61 8 9421 7222
Fax: +61 8 9221 3812
E-mail: info@perthmint.com.au
Contact: Ron Currie, Sales and
Marketing Director

The Americas

Street Address: Perth Mint Buildings
310 Hay Street, East Perth, WA 6004,
Australia
Tel: +61 8 9421 7222
Fax: +61 8 9221 3812
E-mail: info@perthmint.com.au
Contact: Neil Vance, Wholesale
Manager

Hong Kong

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

Japan

K'dom Company Ltd
Street Adress: Eminence
Hirakawacho 401
2-12-17 Hirakawacho Chiyoda-ku
Tokyo 102-0093
Tel: +81 3 3237 3067
Fax: +81 3 3237 3068
Email: koji-ishikawa@tune.ocn.ne.jp
Contact: Koji Ishikawa

Europe

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

Middle East & India

Address: P O Box 42982, Dubai
United Arab Emirates (U.A.E.)
Tel: +971 4 348 5424
Fax: +971 4 348 5422
Email: savara@emirates.net.ae
Contact: Neera Savara

China

Street Address: Perth Mint Buildings
310 Hay Street, East Perth, WA 6004,
Australia
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Fax: +61 8 9221 3812
E-mail: info@perthmint.com.au
Contact: Ron Currie, Sales and
Marketing Director

CIS Countries

Street Address: Perth Mint Buildings
310 Hay Street, East Perth, WA 6004,
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Tel: +61 8 9421 7222
Fax: +61 8 9221 3812
E-mail: info@perthmint.com.au
Contact: Ron Currie, Sales and
Marketing Director

AGR MATTHEY

Street Address: 131 Horrie Miller Drive,
Perth Airport, WA 6105
Tel: +61 8 9479 9999
Fax: +61 8 9479 9909
E-mail: admin@agrmatthey.com.au
Contacts: John Shephard,
Chief Executive Officer
Emily Keenan, Personal Assistant
to the Chief Executive Officer

STATUTORY REPORTING REQUIREMENTS

FINANCIAL ESTIMATES

The following financial estimates for 2008/2009 are based on Gold Corporation's budget and are included to satisfy the requirements of Treasurer's Instruction 953.

	$000
Total Revenue	1,867,205
Total Expenditure	1,862,303
Operating profit before income tax	4,902
Income tax expense	1,495
Operating profit after income tax	3,407
Dividend	1,703
Retained earnings	23,578

RECORDS MANAGEMENT

Under the requirements of the *State Records Act 2000*, Gold Corporation is obliged to report on its compliance with the Act and communicate this in its annual report. Significant progress was achieved during the past year to complete outstanding sections of Gold Corporation's Record Keeping Plan. In April 2007, the organisation received an approved status from the State Records Office. The efficiency and effectiveness of Gold Corporation's current record keeping plan will be reviewed every five years.

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

GOLD CORPORATION

Gold Corporation was established by the *Gold Corporation Act 1987* and the Minister responsible for the Corporation is the Hon Ljiljanna Ravlich MLC, Minister for Local Government; Racing and Gaming; Multicultural Interests and Citizenship; Government Enterprises; Minister assisting the Minister for Planning and Infrastructure; Goldfields-Esperance; Youth. Details of the Corporation's mission statement, functions, structure and management are available elsewhere in this report.

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

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

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

FREEDOM OF INFORMATION STATEMENT

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

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

The following were published by The Perth Mint:

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

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

FOI Exemption

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

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

FOI Procedures and Access

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

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

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

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

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

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

FOI inquiries or applications should be made to the FOI Coordinator, Ms Bee Ng, Executive Assistant to the Chief Executive Officer, Gold Corporation, 310 Hay Street, East Perth, WA 6004, telephone (08) 9421-7222, facsimile (08) 9221-7031, email: Bee.Ng@perthmint.com.au. Inquiries or applications may also be directed to the Manager, Corporate Governance and Risk, Mr Brian Bartsh, email: Brian.Bartsh@perthmint.com.au

FREEDOM OF INFORMATION

One application was lodged to Gold Corporation under Freedom of Information (FOI) legislation in 2007/2008.

Sustainability

Gold Corporation accepts that it has a responsibility to the community and future generations to conduct its activities, as far as possible, in a manner which minimises any negative impact on the environment.

An Environmental Policy has been developed and implemented to provide guidance in this regard.

Occupational Safety and Health

Gold Corporation maintains an Occupational Safety and Health System that minimises risks to employees, customers, the public, contractors and the environment. The system is based on applicable legislation, regulatory standards and codes of practice.

Gold Corporation is committed to continual improvement in the prevention of injuries and injury management. In this regard, it has established policies, procedures and work instructions in consultation with its employees.

There is a formal OSH Committee that meets monthly to manage this function.

The Corporation adheres to the *Workers' Compensation and Injury Management Act 1981* and has an injury management policy and procedures in place to manage the return to work programme.

There have been no fatalities and the lost time injury severity rate for the current year is zero.

SECTION 175ZE OF THE ELECTORAL ACT 1907 (WA)

1 Section 175ZE of the *Electoral Act 1907 (WA)* requires a public agency to include a statement in its annual report detailing all expenditure incurred by or on behalf of the agency during the financial year in relation to:

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

2 Details of this expenditure are as follows:

a total expenditure;	$257,132
b in relation to each class of expenditure:	
i amount of expenditure:	
advertising agencies	$5,478
market research organisations	$1,800
polling organisations	Nil
direct mail organisations	$181,965
media advertising organisations	$67,888
ii details of persons, agencies or organisations to whom the expenditure was paid:	
advertising agencies	
- Linx Advertising	$4,103
- Universal Publishers	$1,375
market research organisation	
- Nielsen/Netratings	$1,800
direct mail organisation	
- Lasermail	$181,965
media advertising organisations	
- Media Decisions	$6,926
- Marketforce Productions	$60,962

SENIOR MANAGEMENT

(at 30 June 2008)

FROM LEFT: N P MOFFATT (BACK), B T BARTSH, S J COUTTS-WOOD, R G HAYES (BACK), M E HARBUZ, B M SUCHECKI (BACK), B R SHAH, R CURRIE AND J KEES

GOLD CORPORATION

Chief Executive Officer:	M E Harbuz
Chief Financial Officer:	R G Hayes
Treasurer & Manager, Perth Mint Depository:	N P Moffatt
Project Manager, Refurbishment	B M Suchecki
Manager, Corporate Governance and Risk	B T Bartsh
Manager, Information Systems	B R Shah
Manager, Human Resources	S J Coutts-Wood

GOLDCORP AUSTRALIA

Sales and Marketing Director	R Currie

WESTERN AUSTRALIAN MINT

General Manager, Operations	J K Kees

AUDITOR GENERAL'S OPINION

Auditor General

INDEPENDENT AUDIT OPINION

To the Parliament of Western Australia

GOLD CORPORATION
FINANCIAL STATEMENTS AND KEY PERFORMANCE INDICATORS FOR THE YEAR ENDED 30 JUNE 2008

I have audited the accounts, financial statements, controls and key performance indicators of Gold Corporation and the consolidated entity.

The financial statements comprise the Balance Sheet as at 30 June 2008, and the Income Statement, Statement of Changes in Equity and Cash Flow Statement of the Corporation and the consolidated entity for the year then ended, a summary of significant accounting policies and other explanatory Notes.

The key performance indicators consist of key indicators of effectiveness and efficiency.

Board's Responsibility for the Financial Statements and Key Performance Indicators
The Board is responsible for keeping proper accounts, and the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Treasurer's Instructions, and the key performance indicators. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements and key performance indicators that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; making accounting estimates that are reasonable in the circumstances; and complying with the Financial Management Act 2006 and other relevant written law.

Summary of my Role
As required by the Auditor General Act 2006, my responsibility is to express an opinion on the financial statements, controls and key performance indicators based on my audit. This was done by testing selected samples of the audit evidence. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion. Further information on my audit approach is provided in my audit practice statement. Refer "http://www.audit.wa.gov.au/pubs/Audit-Practice-Statement.pdf".

An audit does not guarantee that every amount and disclosure in the financial statements and key performance indicators is error free. The term "reasonable assurance" recognises that an audit does not examine all evidence and every transaction. However, my audit procedures should identify errors or omissions significant enough to adversely affect the decisions of users of the financial statements and key performance indicators.

4th Floor Dumas House 2 Havelock Street West Perth 6005 Western Australia Tel: 08 9222 7500 Fax: 08 9322 5664

Gold Corporation
Financial Statements and Key Performance Indicators for the year ended 30 June 2008

Audit Opinion

In my opinion,

(i) the financial statements are based on proper accounts and present fairly the financial position of Gold Corporation and the consolidated entity at 30 June 2008 and their financial performance and cash flows for the year ended on that date. They are in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Treasurer's Instructions;

(ii) the controls exercised by the Corporation 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; and

(iii) the key performance indicators of the Corporation are relevant and appropriate to help users assess the Corporation's performance and fairly represent the indicated performance for the year ended 30 June 2008.

COLIN MURPHY
AUDITOR GENERAL
17 September 2008

PERFORMANCE INDICATORS

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

The purpose of Gold Corporation is to:

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

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

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

- relevant agency level government desired outcome(s);
- key effectiveness indicators which provide information on the extent of achievement of an agency level government desired outcome;
- 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 Nugget and Lunar bullion gold coins and Kookaburra silver coins have a noted world market share. The Perth Mint's various proof, numismatic and commemorative coins made of gold, silver and platinum are added value precious metal products which are also distributed worldwide. Coin blanks are supplied in increasing quantities to the US Mint and other mints in the world.

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

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

> **TO DEVELOP A STRONG ECONOMY THAT DELIVERS MORE JOBS, MORE OPPORTUNITIES AND GREATER WEALTH TO WESTERN AUSTRALIANS BY CREATING THE CONDITIONS REQUIRED FOR INVESTMENT AND GROWTH**

Gold Corporation contributes to creating the conditions required for investment and growth by its substantial support and promotion of the gold industry.

EFFECTIVENESS INDICATORS

			2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	TARGET
The key effectiveness indicators for outcome No. 1 are:								
1	Global market share of Australian Nugget gold bullion coin	(Note 1)	9%	11.3%	11.6%	13%	8%	13%
2	Coin programs - value added to gold, silver, platinum & palladium:	(Note 2)						
	(a) Total premium income		$15.8m	$20.5m	$22.8m	$26.1m	$27.6m	$20.2m
	(b) Total premium income expressed as a percentage of precious metal value		18.4%	20.0%	17.3%	16.1%	12.7%	10.3%
3	Estimated proportion of Australian fine gold production refined by AGR Matthey	(Note 3)	99.9%	99.9%	99.9%	99.9%	99.9%	99.9%
4	Return on equity	(Note 4)	10.5%	3.9%	11.6%	14.1%	5.2%	14.1%
5	Dividends/income tax equivalent payable to the West Australian Government	(Note 5)	-0-	$2.4m	$3.0m	$7.0m	$3.2m	$6.3m
The key effectiveness indicators for outcome No. 2 are:								
6	(a) Visitors to Perth Mint Exhibition		78,000	81,000	86,000	82,000	82,126	72,217
	(b) Visitors' satisfaction level	(Note 6)	98.6%	98.6%	99.9%	99.9%	99.9%	100%

Notes:

1 The figures are based on Gold Fields Mineral Services data for the previous calendar year.

2 The calculation is the total premium income (amount of income received above metal cost) for all financial year legal tender coin sales, which is also expressed as a percentage of the value of the precious metal content of the coins. The effectiveness indicator includes all Australian legal tender coins, as well as coins produced for other countries. A significant volume of non-coin precious metal product (eg medallions and coin blanks) was produced also during the financial year.

3 This calculation is based on AGR Matthey's records and an estimate of total Australian fine gold production provided by the Australian Bureau of Agricultural and Resource Economics.

4 The percentages show Gold Corporation's return on equity at the end of the respective financial year, based on the profit from ordinary activities before income tax. This is the performance measure referred to in the *Gold Corporation Act 1987*. Provided the Corporation derives a profit, the WA Government receives the benefit of receipt of income tax equivalents and annual dividends from the Corporation.

5 Income tax equivalent, calculated as if the Corporation were a public company, is payable to the WA Government on profit from ordinary activities. Dividends are payable annually as a percentage of after-tax profit. These payments are forecast annually in Gold Corporation's business plan, and included in the Financial Estimates in the Annual Report.

6 (a) Total number of visitors (to nearest thousand) to the Exhibition annually, based on recorded daily visitor traffic.

(b) Satisfaction levels are derived from random sampling of comments entered into the visitors' book which is available in the foyer of The Perth Mint.

7 Comparative figures have been adjusted where necessary to conform with changes in presentation of the financial statements under AIFRS.

SERVICES

1 Precious Metal Coins, Other Products and Services

Bullion or investment coins represent a significant market for gold and it is important that The Perth Mint increases demand by promoting its well-known gold Kangaroo and its other bullion coins.

It is also important that proof, commemorative and numismatic coins are promoted as these add significant value to precious metal. Most of these coins are exported.

Value is also added to precious metals in the manufacture and supply of coin blanks to other mints in the world.

2 Cultural Heritage Conservation

Gold Corporation continually upgrades The Perth Mint heritage buildings situated at 310 Hay Street, and currently has a project underway to renovate and conserve the historically significant building at 292 Hay Street in the grounds of The Perth Mint. It also preserves historical artefacts and documents related to minting and the gold industry in Western Australia.

EFFICIENCY INDICATORS

		2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	TARGET
The key efficiency indicators for service No. 1 are:							
1 Trading profit as a proportion of sales revenue	(Note 1)	5.3%	6.1%	2.9%	4.0%	3.0%	3.7%
2 Staff costs as a proportion of trading profit	(Note 2)	49.0%	54.5%	53.6%	55%	52.4%	52.1%
The key efficiency indicator for service No. 2 is:							
3 Average cost per Exhibition/visitor expressed as an index	(Note 3)	113	129	133	143	167	

Notes:

1 The percentages show the proportion of Gold Corporation's sales revenue represented by the trading profit (gross margin) for the respective financial year.

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

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

CERTIFICATION OF PERFORMANCE INDICATORS

CERTIFICATION OF PERFORMANCE INDICATORS

In our opinion, the Performance Indicators for Gold Corporation and its subsidiaries contained in this report are based on proper records, are relevant and appropriate for assisting users to assess the performance of Gold Corporation and its subsidiaries, and fairly represent the performance of the Group for the year ended 30 June 2008.

R G BOWE	**M E Harbuz**
Chairman	**Executive Director**

17 September 2008

CERTIFICATION OF FINANCIAL STATEMENTS

CERTIFICATION OF FINANCIAL STATEMENTS

The accompanying financial statements of Gold Corporation and the accompanying consolidated financial statements have been prepared in compliance with the provisions of the *Financial Management Act 2006* from proper accounts and records to present fairly the financial transactions for the year ended 30 June 2008, and the financial position as at 30 June 2008.

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.

R G BOWE	**M E Harbuz**	**R G Hayes**
Chairman	**Executive Director**	**Chief Finance Officer**

17 September 2008

FINANCIAL STATEMENTS

GOLD CORPORATION AND SUBSIDIARIES

INCOME STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008

		Consolidated		Gold Corporation	
INCOME	Note	2008	2007	2008	2007
Revenue		$000	$000	$000	$000
Sales	2,33	1,190,171	840,991	1,087,224	762,835
Charges for technical services		-	244	-	-
Fees and rents		2,239	1,786	1,893	3,584
Interest revenue		5,469	5,338	5,467	5,338
Other Income					
Revaluation increase in buildings		334	393	-	-
Dividends from subsidiaries	3b	-	-	3,500	8,000
Charges to divisions		-	-	1,400	-
Share of profits of joint venture partnerships	10	-	3,868	-	-
Total Income		1,198,213	852,620	1,099,484	779,757
EXPENSES					
Cost of sales	2,33	1,154,870	808,610	1,083,374	761,121
Employee benefits	4	14,232	12,628	4,443	3,922
Materials and services	33	16,625	17,069	3,787	3,705
Depreciation	12	2,065	1,898	128	125
Amortisation	13	567	566	567	566
Computer rentals		254	289	254	289
Finance costs		2,159	960	2,175	960
Net loss on sale of assets	12	7	37	7	35
Currency translation movements		-	601	-	601
Foreign currency hedging		-	1	-	1
Inventory write-down to NRV		1,026	131	-	-
Share of loss of joint venture partnerships	10	2,676	-	-	-
Total Expenses		1,194,481	842,790	1,094,735	771,325
PROFIT BEFORE INCOME TAX EQUIVALENT EXPENSE		3,732	9,830	4,749	8,432
Income tax equivalent expense	5	2,361	2,775	2,361	2,775
PROFIT FOR THE PERIOD		**1,371**	**7,055**	**2,388**	**5,657**

The Income Statements are
to be read in conjunction with the Notes to the Financial Statement.

GOLD CORPORATION AND SUBSIDIARIES

BALANCE SHEETS

AS AT 30 JUNE 2008

	Note	Consolidated 2008 $000	Consolidated 2007 $000	Gold Corporation 2008 $000	Gold Corporation 2007 $000
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	6	23,282	25,705	19,104	24,571
Receivables	7	5,328	3,299	4,989	9,490
Precious metal leases	8a	1,080,364	715,705	1,080,364	715,705
Inventories	8b	761,140	388,712	749,338	379,573
Current tax assets	5e	897	-	897	-
Prepayments		619	593	587	531
Total current assets		1,871,630	1,134,014	1,855,279	1,129,870
NON-CURRENT ASSETS					
Investments accounted for using the equity method	10	11,855	16,504	-	-
Loans to subsidiaries	7	-	-	79,074	41,411
Other financial assets	11	-	-	21,603	21,603
Property, plant and equipment	12	50,786	43,875	481	583
Intangible assets	13	1,575	2,139	1,575	2,139
Total non-current assets		64,216	62,518	102,733	65,736
TOTAL ASSETS		1,935,846	1,196,532	1,958,012	1,195,606
LIABILITIES					
CURRENT LIABILITIES					
Payables	14	27,805	22,385	22,304	17,618
Interest-bearing borrowings	15	445,341	219,727	441,841	216,227
Current tax liabilities	5e	-	1,993	-	1,993
Provisions	17	671	1,545	308	529
Employee benefits	16	1,919	1,735	1,444	1,221
Other liabilities	18	1,387,590	879,602	1,387,590	879,602
Total current liabilities		1,863,326	1,126,987	1,853,487	1,117,190
NON-CURRENT LIABILITIES					
Employee benefits	16	191	160	118	66
Loans from subsidiaries	14	-	-	64,438	37,534
Deferred tax liability	5c	1,027	27	1,027	27
Total non-current liabilities		1,218	187	65,583	37,627
TOTAL LIABILITIES		1,864,544	1,127,174	1,919,070	1,154,817
NET ASSETS		**71,302**	**69,358**	**38,942**	**40,789**
EQUITY					
Contributed equity	19	31,603	31,603	31,603	31,603
Asset revaluation reserve	19	19,211	14,015	-	-
Hedge reserve	19	(404)	(16)	-	-
Retained earnings		20,892	23,756	7,339	9,186
TOTAL EQUITY		**71,302**	**69,358**	**38,942**	**40,789**

The Balance Sheets are
to be read in conjunction with the Notes to the Financial Statements.

GOLD CORPORATION AND SUBSIDIARIES

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2008

	Note	Consolidated 2008 $000	Consolidated 2007 $000	Gold Corporation 2008 $000	Gold Corporation 2007 $000
Total equity at beginning of financial year		**69,358**	**62,032**	**40,789**	**38,036**
CONTRIBUTED EQUITY					
Balance at beginning of financial year	19	31,603	31,603	31,603	31,603
Balance at end of financial year		**31,603**	**31,603**	**31,603**	**31,603**
RESERVES					
Asset Revaluation Reserve					
Balance at beginning of financial year		14,015	11,456	-	-
Revaluation land	12	3,900	1,200	-	-
Revaluation buildings		1,296	1,359	-	-
Balance at end of financial year	19	**19,211**	**14,015**	**-**	**-**
Hedge Reserve					
Balance at beginning of financial year		(16)	(632)	-	-
Share of AGR Matthey hedge reserve		(388)	616	-	-
Balance at end of financial year	19	**(404)**	**(16)**	**-**	**-**
RETAINED EARNINGS					
Balance at beginning of financial year		23,756	19,605	9,186	6,433
Net profit for the period		1,371	7,055	2,388	5,657
Dividends to shareholder		(4,235)	(2,904)	(4,235)	(2,904)
Balance at end of financial year		**20,892**	**23,756**	**7,339**	**9,186**
Total equity at end of financial year		**71,302**	**69,358**	**38,942**	**40,789**
Total recognised income and expense for the period		**6,179**	**10,230**	**2,388**	**5,657**

The Statements of Changes in Equity are to be read in conjunction with the Notes to the Financial Statements.

GOLD CORPORATION AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2008

	Note	Consolidated 2008 $000	Consolidated 2007 $000	Gold Corporation 2008 $000	Gold Corporation 2007 $000
Cash flows from operating activities					
Cash receipts from customers		1,189,869	843,771	1,095,786	727,506
Cash paid to suppliers and employees		(1,184,778)	(837,038)	(1,095,441)	(722,856)
Interest received		5,469	5,338	5,467	5,338
Interest paid		(2,159)	(960)	(2,175)	(960)
Net cash provided by operating activities	20	8,401	11,111	3,637	9,028
Cash flows from investing activities					
Profit distribution from joint venture partnership		1,146	-	-	-
Payments for plant and equipment		(2,938)	(2,418)	(72)	(389)
Payments for intangibles-computer software		(3)	(510)	(3)	(510)
Proceeds from sale of plant and equipment		12	220	12	219
Net cash provided by/(used in) investing activities		(1,783)	(2,708)	(63)	(680)
Cash flows to Government					
Income tax equivalent paid		(4,806)	(2,903)	(4,806)	(2,903)
Dividend paid		(4,235)	(2,904)	(4,235)	(2,904)
Net cash flow to Government		(9,041)	(5,807)	(9,041)	(5,807)
Net (Decrease)/ Increase in cash and cash equivalent		(2,423)	2,596	(5,467)	2,541
Cash and cash equivalents at 1 July		25,705	23,109	24,571	22,030
Cash and cash equivalents at 30 June	6	23,282	25,705	19,104	24,571

GOLD CORPORATION AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008

1 SIGNIFICANT ACCOUNTING POLICIES

Gold Corporation is an entity domiciled in Australia.

The consolidated financial report of Gold Corporation for the year ended 30 June 2008 comprises Gold Corporation (the Corporation) and its subsidiaries (together referred to as the Group) and its interest in associates and jointly controlled entities.

The significant accounting policies adopted by Gold Corporation and its subsidiaries are stated to assist in the general understanding of the financial statements. These policies have been applied consistently to all periods presented in the consolidated financial report and have been applied consistently by Group entities.

(a) Statement of Compliance

The Corporation's financial statements for the year ended 30 June 2008 have been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRS), which comprise a Framework for the Preparation and Presentation of Financial Statements (the Framework) and Australian Accounting Standards (including the Australian Accounting Interpretations).

The financial report constitutes a general purpose financial report which has been prepared in accordance with Australian Accounting Standards (AASBs) adopted by the Australian Accounting Standards Board (AASB) and UIG Interpretations, as applied by the Treasurer's Instructions.

In preparing these financial statements the Corporation has adopted, where relevant to its operations, new and revised Standards and Interpretations from their operative dates as issued by the AASB and formerly the Urgent Issues Group (UIG).

The Australian Accounting Interpretations are adopted through AASB 1048 *'Interpretation and Application of Standards'* and are classified into those corresponding to IASB Interpretations and those only applicable in Australia.

The Financial Management Act 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 effect are disclosed in individual notes to the financial report.

GOLD CORPORATION AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Basis of preparation

The financial report is prepared on the accrual basis of accounting using the historical cost convention except for precious metal inventories, derivative financial instruments and land and buildings, which are stated at fair value. The financial report is presented in Australian dollars, which is the Group's functional and presentation currency, rounded to the nearest thousand dollars in accordance with Treasurer's Instruction 948.

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the valuation of financial instrument note.

The Corporation cannot early adopt an Australian Accounting Standard or Australian Accounting Interpretation unless specifically permitted by TI 1101 *'Application of Australian Accounting Standards and Other Pronouncements'*. No Standards and Interpretations that have been issued or amended but are not yet effective have been early adopted by the Corporation for the annual reporting period ended 30 June 2008. Consequently, the Corporation has not applied the following Australian Accounting Standards and Australian Accounting Interpretations that have been issued but are not yet effective. These will be applied from their application date:

(1) AASB 8 'O*perating Segments*' introduces the "management approach" to segment reporting. AASB 8, which becomes mandatory for the Corporation's June 2009 financial statements will require the disclosure of segment information based on the internal reports regularity reviewed by the Corporation's management in order to assess each segment's performance and to allocate resources to them. Currently the Corporation presents segment information in respect of its business and geographical segments. Under the management approach, the Corporation will present segment information in respect of its business and geographical segment (note 22)

(2) AASB 101 "Presentation of Financial Statements" (September 2007). This Standard has been revised and will change the structure of the financial statements. These changes will require that owner changes in equity are presented separately from non-owner changes in equity.

GOLD CORPORATION AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008

1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Basis of preparation (continued)

(3) Revised AASB 123 "Borrowing Costs" removes the option to expense borrowing costs and requires that an entity capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. The revised AASB 123 will become mandatory for the Corporation's 30 June 2010 financial statements and will constitute a change in accounting policy for the Corporation. In accordance with the traditional provision the Corporation will apply the revised AASB 123 to qualifying assets for which capitalisation of borrowing costs commences on or after the effective date.

(4) AASB 2007-3 *'Amendments to Australian Accounting Standards'* arising from AASB 8 makes amendments to AASB 5 *'Non-current Assets Held for Sale and Discontinued Operations',* AASB 6 *'Exploration for and Evaluation of Mineral Resources'*, AASB 102 *'Inventories',* AASB 107 *'Cash Flow Statements'*, AASB 119 *'Employee Benefits'*, AASB 127 *'Consolidated and Separate Financial Statements'*, AASB 134 *'Interim Financial Reporting',* AASB 136 *'Impairment Assets', AASB 1023 'General Insurance Contracts'* and AASB 1038 *'Life Insurance Contracts'*. AASB 2007-3 is applicable for annual reporting periods beginning on or after 1 January 2009 and must be adopted in conjunction with AASB 8 *'Operating Segments'*. This standard is not expected to impact disclosures contained within the financial report.

(c) Basis of consolidation

(i) Subsidiaries

The consolidated financial statements have been prepared by combining the financial statements of Gold Corporation and all controlled entities in accordance with AASB127 *'Consolidated and Separate Financial Statements'* and modified by the Treasurer's Instruction 1105. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Corporation. A controlled entity is an entity where Gold Corporation has the capacity to dominate the decision - making in relation to the financial and operating policies of another entity so that the other entity operates with the Corporation to achieve its objectives.

Where controlled entities enter or leave the Group during the year, their operating results are included from the date control was obtained or until the date control ceased.

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

(ii) Associates and Joint Ventures

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Joint ventures are those entities over whose activities the Group has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions. Associates and joint ventures, including partnerships, are accounted for using the equity method (equity accounted investees). The consolidated financial statements include the Group's share of the income and expenses of equity accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases. When the Group's share of losses exceeds its interests in an equity accounted investee, the carrying amount of that interest (including long-term investments) is reduced to nil and the recognition of further losses is discontinued except to the extent that the Group has an obligation to make or has made payments on behalf of the investee.

GOLD CORPORATION AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008

1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(iii) Transactions eliminated on consolidation

Intergroup balances and any unrealised gains and losses or income and expenses arising from intergroup transactions are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with associates and jointly controlled entities are eliminated to the extent of the Group's interest in the entity. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment. Gains and losses are recognised as the contributed assets are consumed or sold by the associate or jointly controlled entities or, if not consumed or sold by the associate or jointly controlled entity, when the Group's interest in such entities is disposed of.

(d) Foreign currency transactions

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance date are translated to Australian dollars at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning 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.

(e) Financial Instruments

(i) Derivative financial instruments

The Group uses 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 Group 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 income statement when incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are accounted for as described below.

Cash flow hedges

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

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

GOLD CORPORATION AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(ii) Non-derivative financial instruments

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

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through the income statement, 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 Group becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Group's contractual rights to the cash flows from the financial assets expire or if the Group transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Regular purchases and sales of financial assets are accounted for at trade date, i.e. the date that the Group commits itself to purchase or sell the asset. Financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled.

Cash and cash equivalents comprise cash balances and call deposits.

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

(f) Receivables

Trade and other receivables are stated at their amortised cost less impairment losses (see Note 1i).

(g) Inventories

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

(h) Property, plant and equipment

(i) Capitalisation/expensing of assets

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

(ii) Initial recognition and measurement

All items of property, plant & equipment are initially recognised at cost. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the cost of dismantling and removing the item and restoring the site on which it is located. Cost also may include transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment. Borrowing costs related to the acquisition or construction of qualifying assets are recognised in profit or loss as incurred.

GOLD CORPORATION AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(iii) Subsequent measurement

After recognition as an asset, the Corporation uses the revaluation model for the measurement of land and buildings and the cost model for all other property, plant & equipment. Land and building are carried at fair value less accumulated depreciation on buildings and accumulated impairment losses. All other items of property, plant & equipment are carried at cost less accumulated depreciation and accumulated impairment losses.

Where market-based evidence is available, the fair value of land and buildings is determined on the basis of current market buying values determined by reference to recent market transactions. When buildings are revalued by reference to recent market transactions, the accumulated depreciation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount.

Where market-based evidence is not available, the fair value of land and buildings is determined on the basis of existing use. This normally applies where buildings are specialised or where land use is restricted. Fair value for existing use assets is determined by reference to the cost of replacing the remaining future economic benefits embodied in the asset, i.e. the written-down current replacement cost. Where the fair value of buildings is dependent on using the depreciated replacement cost, the gross carrying amount and the accumulated depreciation are restated proportionately. Independent valuations of land and buildings are provided annually by the Western Australian Land Information Authority (Valuation Services) and recognised with sufficient regularity to ensure that the carrying amount does not differ materially from the asset's fair value at the balance sheet date.

The most significant assumptions in estimating fair value are made in assessing whether to apply the existing use basis to assets and in determining estimated useful life. Professional judgement by the valuer is required where the evidence does not provide a clear distinction between market value type assets and existing use assets.

(iv) Depreciation

All non-current assets having a limited useful life are systematically depreciated over their estimated useful lives in a manner that reflects the consumption of their future economic benefits. Land is not depreciated. Depreciation on other assets is calculated using the straight line method, using rates which are reviewed annually. Estimated useful lives for each class of depreciable asset are:

Buildings	40 years
Plant & equipment	3-8 years
Office Equipment	5 years
Software	3 years
Motor Vehicles	6 years

Where parts of an item of property, plant & equipment have different useful lives, they are accounted for as separate items of property, plant & equipment.

(i) Impairment

(i) Financial assets

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

GOLD CORPORATION AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

1 SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

All impairment losses are recognised in the income statement.

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

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, recoverable amount is estimated at each reporting date.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in the income statement. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

The recoverable amount of an asset of a cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

GOLD CORPORATION AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008

1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Intangible Assets

(i) Capitalisation / expensing assets

Acquisitions of intangible assets costing $2,000 or more are capitalised. The cost of utilising the assets is expensed (amortised) over their useful lives. Costs incurred of less than $2,000 are immediately expensed directly to the income statement.

All computer software which is not integral to the operation of computer hardware is classified as an intangible asset with a finite useful life, and is stated at cost less accumulated amortisation and impairment losses. For assets acquired at no cost or for nominal cost, cost is the fair value at the date of acquisition. Software that is an integral part of the related hardware is treated as property, plant & equipment.

Amortisation is charged to the income statement on a straight-line basis over the estimated useful life of the intangible asset. Intangible assets are amortised from the date they are available for use. The estimated useful lives in the current and comparative periods are:

Computer software	3 - 5 years

Subsequent expenditure on capitalised intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

(k) Employee benefits -Defined contribution plans

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

(i) Annual Leave and Long Service Leave

The liability for annual and long service leave expected to be settled within 12 months after the end of the balance sheet date is recognised and measured at the undiscounted amounts expected to be paid when the liabilities are settled. Annual and long service leave expected to be settled more than 12 months after the end of the balance sheet date is measured at the present value of amounts expected to be paid when the liabilities are settled. Leave liabilities are in respect of services provided by employees up to the balance sheet date.

When assessing expected future payments consideration is given to expected future wage and salary levels including non-salary components such as employer superannuation contributions. In addition, the long service leave liability also considers the experience of employee departures and periods of service.

The expected future payments are discounted to present value using market yields at the balance sheet date on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

All annual leave and unconditional long service leave provisions are classified as current liabilities as the Corporation does not have an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

(l) Precious metal borrowings

Precious metal borrowings are brought to account at market prices ruling at balance sheet date.

GOLD CORPORATION AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008

1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Income tax

Gold Corporation is subject to the National Tax Equivalent Regime (NTER), under the State Enterprises (Commonwealth Tax Equivalents) Act 1996. The NTER is administered by the Australian Taxation Office (ATO) on behalf of the States. Under the NTER, the income tax equivalent revenue is remitted to the Treasurer of Western Australia, for credit of the Consolidated Fund. The calculation of the liability in respect of income tax is governed by NTER guidelines and directions approved by Government. As a consequence of participation in the NTER, Gold Corporation is required to comply with AASB 112 *'Income Taxes'*. Income tax on the income statement for the year comprises current and deferred tax. Income tax is recognised in the income statement 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 balance sheet date, and any adjustment to tax payable in respect of previous years.

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

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

The Corporation has formed a tax consolidated group with effect from 1 July 2002, and is taxed as a single entity. All tax assets and liabilities, expenses and benefits, are recognised in Gold Corporation, which according to its legislation is liable to pay income tax on behalf of its subsidiaries.

(n) Operating Leases

Leases under which all risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Operating lease payments are charged to the income statement in the periods in which they are incurred over the term of the lease, as this represents the pattern of benefits derived from the leased assets.

(o) Revenue

(i) Sales revenue

Sales revenue represents revenue earned from the sale of precious metals, precious metal products and other products and services. It also includes margins on transactions known as metal location swaps, where a quantity of metal is sold in one location, and simultaneously an equivalent quantity is purchased in another location. Bullion sales are recognised on value date. Proof coin sales are recognised on despatch of the coins.

GOLD CORPORATION AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Revenue (continued)

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

Revenue is recognised in the income statement when the significant risks and rewards of ownership have been transferred to the purchaser, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

(ii) Interest revenue

Interest revenue is recognised as it accrues. The effective interest method, 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, is used where applicable.

(iii) Dividends

Dividend revenue is recognised when the right to receive a dividend has been established. Dividends received from associates and joint venture entities are accounted for in accordance with the equity method of accounting.

(iv) 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 profit or loss. When revalued assets are sold, the amounts included in the revaluation reserve are transferred to retained earnings

(p) Funds received from Government

Government grants are recognised in the balance sheet initially as deferred income when there is reasonable assurance that they will be received and that the Group will comply with the conditions associated with the grant.

A grant that compensates the Group for expenses incurred is recognised in the income statement on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the group for the cost of an asset are recognised in the income statement on a systematic basis over the useful life of an asset.

(q) Payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Trade and other payables are stated at their amortised cost. The amounts are non-interest bearing and are usually paid within 30 days of recognition.

(r) Finance costs

Finance costs include interest and amortisation of discounts or premiums relating to borrowings, and are recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Interest payments in respect of financial instruments classified as liabilities are included in finance costs.

(s) Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs.

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

GOLD CORPORATION AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008

1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(t) Goods and services tax

Revenue, expenditure and assets are recognised net of the amount of goods and services tax (GST) except where the amount of GST incurred is not recoverable from the ATO. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as an expense. Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the balance sheet.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities that are recoverable from, or payable to, the ATO are classified as operating cash flows.

(u) Financial risk management

Overview

The Corporation has exposure to the following risks:

* credit risk
* liquidity risk
* market risk

This note presents information about the Corporation'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 Committee, which is responsible for developing and monitoring risk management policies. The committee reports regularly to the Board of Directors on its activities.

Risk management policies are established to identify and analyse the risks faced by the Corporation, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Corporation's activities. The Corporation, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations. The primary risk management document is the Prudential Management Policy which describes the risks the Corporation is exposed to, how those risks are to be managed and within what parameters exposure to risks can be taken.

The Corporation's Audit Committee oversees how management monitors compliance with the Corporation'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 Corporation. The Corporation's Audit 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 Corporation's Audit Committee.

Credit risk

Credit risk is the risk of financial loss to the Corporation if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Corporation's receivables from customers, subsidiaries and investment securities. The Corporation'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 Corporation can take to various categories of customers and counterparties.

GOLD CORPORATION AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

1 SIGNIFICANT ACCOUNTING POLICIES (continued)

Trade and other receivables

The Corporation's exposure to credit risk is influenced mainly by the individual financial characteristics of each customer. The demographics of the Corporation'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 Corporation's revenue is attributable to sales transactions with a single customer.
However, geographically there is no concentration of credit risk.

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

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

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

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

Guarantees

The Corporation does not provide financial guarantees.

Liquidity risk

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they fall due. The Corporation's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Corporation's reputation.

The Prudential Management Policy details the minimum liquidity requirements for metals borrowings as well as the lease tenor profile of metal leases to AGR Matthey.

The Corporation has structured its business such that it has sufficient cash funds available to meet its expected operational requirements for the forthcoming year, including the servicing of financial obligations. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. In addition the Corporation maintains the following lines of credit:

Borrowing of $8.5 million obtained from Western Australian Treasury Corporation. Interest is payable at commercial rates.

GOLD CORPORATION AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

1 SIGNIFICANT ACCOUNTING POLICIES (continued)

Market risk

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

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

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

Currency risk

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

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

In respect of other monetary assets and liabilities denominated in foreign currencies, the Corporation 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

Interest rate risk

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

Metal price risk

The Corporation does not enter into commodity (precious metals) contracts other than to meet the Corporation's expected usage and sale requirements, and then only on a back to back basis so as to eliminate the risk of movements in precious metal prices.

Capital management

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 Corporation defines as net operating income divided by total shareholders' equity. The level of dividends payable is defined in accordance with government policy.

The Corporation's target is to achieve a return on equity of 15 percent; before Income tax equivalent. During the year ended 30 June 2008 the return was 6.6 percent (2007: 14.5 percent).

There were no changes in the Corporation's approach to capital management during the year.

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

(x) Segment reporting

A segment is a distinguishable component of the consolidated entity that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. The Group's primary format for segment reporting is based on business segments (Note 22).

GOLD CORPORATION AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008

2 GROSS PROFIT

	Note	Consolidated 2008 $000	Consolidated 2007 $000	Gold Corporation 2008 $000	Gold Corporation 2007 $000
Sales	33	1,190,171	840,991	1,087,224	762,835
Cost of sales					
Opening trading inventories		8,207	6,723	(549)	(270)
Purchases		1,151,170	810,094	1,083,651	761,940
		1,159,377	816,817	1,083,102	761,670
Less closing trading inventories		4,507	8,207	(272)	549
Cost of sales		1,154,870	808,610	1,083,374	761,121
Gross Profit		35,301	32,381	3,850	1,714

3 DIVIDENDS

(a) DIVIDEND TO WA GOVERNMENT

In accordance with section 21 (4) of the Gold Corporation Act, the Board recommended to the Treasurer that an amount of $823,009 (2007: $4,233,000) be payable as dividend for the financial year ended 30 June 2008. The dividend was declared and approved after the end of the financial year and therefore has not been provided for in the financial statements.

(b) DIVIDENDS FROM SUBSIDIARIES

	2008 $000	2007 $000
In accordance with sections 44(b) and 53(b) of the Gold Corporation Act, the Board has determined that dividends be paid to the Corporation by its subsidiaries as follows:		
Goldcorp Australia	3,500	8,000
	3,500	8,000

4 EMPLOYEE BENEFITS EXPENSE

	Consolidated 2008 $000	Consolidated 2007 $000	Gold Corporation 2008 $000	Gold Corporation 2007 $000
Wages and salaries (a)	11,921	10,381	3,336	2,616
Superannuation	1,754	1,450	492	464
Annual Leave	(7)	118	27	134
Long service leave	225	99	249	128
Other related expenses	339	580	339	580
	14,232	12,628	4,443	3,922

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

GOLD CORPORATION AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008

	Note	Consolidated 2008 $000	Consolidated 2007 $000	Gold Corporation 2008 $000	Gold Corporation 2007 $000
5 INCOME TAX					
(a) Income Tax Expense					
Current tax expense					
Current year		2,107	3,209	2,107	3,209
Over / Under provision of tax in prior year		(191)	(252)	(191)	(252)
Deferred tax expense					
Origination and reversal of temporary differences		1,000	401	1,000	401
Recognised in asset revaluation reserve (in equity in subsidiaries)		(555)	(583)	(555)	(583)
Total income tax expense in income statement		2,361	2,775	2,361	2,775
(b) Numerical reconciliation between tax expense and pre-tax net profit					
Profit before income tax		3,732	9,830	4,749	8,432
Prima facie income tax on pre-tax accounting profit calculated at 30% (2007: 30%)		1,120	2,949	1,425	2,530
Increase in income tax expense due to:					
Non-deductible depreciation on buildings		13	12	-	-
Difference in accounting profit and taxable income of partnerships		1,212	-	-	-
Other non-deductible items		14	66	-	-
Decrease in income tax expense due to:					
Non-assessable income		(45)	-	-	-
Dividends from subsidiaries/ Paid		-	-	(1,050)	(2,400)
		2,314	3,027	375	130
Over / Under-provision of income tax in prior year		(191)	(252)	(191)	(252)
Under-provision of deferred tax asset in prior year		238	-	238	-
Income tax expense/(benefit) on pre-tax profit		2,361	2,775	422	(122)
Obligations of Gold Corporation for income tax on behalf of subsidiaries	(i)	-	-	1,939	2,897
		2,361	2,775	2,361	2,775

Note (i) Difference

Gold Corporation's income tax expense of $2,361,000 (2007: $2,775,000) includes the obligation in relation to the income of its subsidiaries, Western Australian Mint and Goldcorp Australia, in accordance with its legislation.

GOLD CORPORATION AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

	Consolidated		Gold Corporation	
	2008	2007	2008	2007
5 INCOME TAX (Continued)	$000	$000	$000	$000
(c) Deferred tax assets and liabilities				
Deferred tax assets				
Doubtful debts	1	6	1	6
Write-down of inventories	601	586	601	586
Plant and equipment	19	21	19	21
Other payables	31	372	31	372
Employee benefits	736	757	736	757
Deferred revenue	-	7	-	7
	1,388	1,749	1,388	1,749
Deferred tax liabilities				
Interest revenue	(17)	(29)	(17)	(29)
Property, plant and equipment	(2,397)	(1,747)	(2,397)	(1,747)
Deferred tax assets/(liabilities) after set-off	(1,027)	(27)	(1,027)	(27)
(d) Movement in deferred tax assets/(liabilities)				
Opening balance	(27)	373	(27)	373
Employee benefits	(21)	253	(21)	253
Deferred revenue	(7)	(3)	(7)	(3)
Doubtful debts	(5)	-	(5)	-
Write-down of inventories	15	39	15	39
Property, plant and equipment	(653)	(789)	(653)	(789)
Other payables	(341)	111	(341)	111
Interest revenue	12	(11)	12	(11)
Closing balance	(1,027)	(27)	(1,027)	(27)
(e) Movement in current tax liability:				
Opening balance	1,993	1,939	1,993	1,939
Provision for current year	2,107	3,209	2,107	3,209
Over / under-provision for prior year	(191)	(252)	(191)	(252)
Amount paid during the year	(4,806)	(2,903)	(4,806)	(2,903)
Closing balance	(897)	1,993	(897)	1,993

GOLD CORPORATION AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008

		Consolidated		Gold Corporation	
		2008	2007	2008	2007
6 CASH AND CASH EQUIVALENTS		$000	$000	$000	$000
Cash and cash equivalents		23,282	25,705	19,104	24,571

Reconciliation of Cash

For the purposes of the Statements of Cash Flows, cash includes cash on hand and at bank, short term deposits at call and commercial bills. Cash as at the end of the financial year as shown in the Statements of Cash Flows is reconciled to the related items in the Balance Sheets as follows:

Cash at bank and on hand	4,160	1,331	(18)	212
Call deposits	11,274	11,571	11,274	11,552
Commercial bills	7,848	12,803	7,848	12,807
	23,282	25,705	19,104	24,571

The Corporation's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in note 26.

7 RECEIVABLES

Current					
Trade receivables		3,842	1,828	-	-
Other receivables		1,489	1,490	1,489	1,490
Provision for doubtful debts		(3)	(19)	-	-
Loans to subsidiaries	(i)	-	-	3,500	8,000
		5,328	3,299	4,989	9,490
Non Current					
Loans to subsidiaries	(i)	-	-	79,074	41,411

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

(ii) The Corporation's exposure to credit and currency risks and impairment losses related to trade and other receivables are disclosed in note 26.

8a PRECIOUS METAL LEASES

Current					
Precious metal leases - related entity	(i)	1,080,364	715,705	1,080,364	715,705

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

8b INVENTORIES

Current				
Precious metals	751,704	381,115	749,338	379,573
Inventories				
Finished goods	7,463	6,269	-	-
Work in progress	957	479	-	-
Consumables	1,016	849	-	-
	761,140	388,712	749,338	379,573

In 2008 financial year, consumables and changes in finished goods and work in progress recognised as cost of sales amounted to $1,154,870 (2007: $808,610). In 2008 the net write-down of inventories to net realisable value amounted to $1,025,688 (2007: $131,000).

GOLD CORPORATION AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

9 INVESTMENTS IN ASSOCIATED ENTITIES

Entity	Principal Activities	Consolidated Ownership Interest		Consolidated Carrying Amount of Investment	
		2008	2007	2008	2007
Associated Companies		%	%	$000	$000
AGR Management Services Pty Ltd	Management services	40.0	40.0	-	-
Partnerships					
AGR Matthey	Metal refining and precious metal products business	40.0	40.0	11,855	16,503
AGR Joint Venture	Metal refining and precious metal products business	50.0	50.0	-	-
Group's Share in Partnership's Direct Interest in Associates					
Metals Refining Operations Pty Ltd	Metal refining	18.0	18.0	-	-
Alloy and Gold Supply (NSW) Pty Ltd	Precious metals	20.0	20.0	-	-
AGR Matthey (NZ) Limited	Sales precious metal products	40.0	40.0	-	-
AGR Hong Kong Limited	Wholesaling metals	40.0	40.0	-	-

All the above investments are held by Western Australian Mint.

The Group's interests in the above investments, except for AGR Matthey (NZ) Limited, and AGR Hong Kong Ltd took effect from 1 December 1998 with the commencement of the AGR Joint Venture, and were subsequently transferred into the AGR Matthey partnership on 3 October 2002

The investment in AGR Management Services Pty Ltd comprises a 40% interest in the ordinary share capital of the associate and is held by Western Australian Mint.

The investment in AGR Matthey (NZ) Limited commenced upon its incorporation in New Zealand on 29 August 2003. The investment comprises a 40% interest in the ordinary share capital of the associate and is held via the group's interest in AGR Matthey.

The investment in Metals Refining Operations Pty Ltd comprises an 18% interest in the ordinary share capital of the associate and is held via the Group's interest in AGR Matthey. However AGR Matthey wrote-down the investment in this associate to a nominal value as at 30 June 2005 and ceased the equity accounting of this investment, due to the loss of management control and the deterioration in its operating performance subsequent to the transfer of management control to the majority shareholder.

AGR Hong Kong Limited was incorporated on 20 July 2006 and commenced operations on 1 October 2006. The investment comprises a 40% interest in the ordinary share capital of the associate and is held via the Group's interest in AGR Matthey.

The balance date of the associated entities is 30 June. Their country of incorporation/residence is Australia, except for Metals Refining Operations Pty Ltd, AGR Matthey (NZ) Limited and AGR Hong Kong Ltd which are in Papua New Guinea, New Zealand and Hong Kong respectively.

GOLD CORPORATION AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008

		Consolidated	
		2008	2007
10 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD		$000	$000
Share of (loss)/profit from AGR Matthey	10b	(2,676)	3,868
Non-current Investments			
Investment in AGR Matthey	10b	11,855	16,504

10a INVESTMENT IN AGR JOINT VENTURE

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

10b INVESTMENT IN AGR MATTHEY

		2008	2007
Balance at 1 July		16,504	14,819
Plus: Share of partnership profit/(loss) before tax	(i)	(2,676)	3,868
Less: Profit distributions received		(1,146)	(2,800)
Add: Share of movement in hedge reserve		(231)	643
Less: Foreign Currency Translation Reserve		(172)	(26)
Less: Accrual for overseas tax		(424)	-
Balance at 30 June		11,855	16,504

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

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

The Group equity accounts its interest in the AGR Matthey partnership. The Group's share of the assets and liabilities of the AGR Matthey partnership at 30 June 2008 comprised:

	Consolidated		AGR Matthey 100%	
	2008	2007	2008	2007
	$000	$000	$000	$000
Total assets	494,221	388,431	1,235,552	971,078
Total liabilities	(482,028)	(372,000)	(1,205,070)	(929,999)
NET ASSETS	12,193	16,431	30,482	41,079
(i) Results attributable to Partnership				
Revenue	5,966,000	4,528,503	14,914,999	11,321,257
Expenses	(5,968,676)	(4,524,635)	(14,921,690)	(11,311,588)
Operating (loss)/profit before income tax	(2,676)	3,868	(6,691)	9,669

GOLD CORPORATION AND SUBSIDIARIES

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10b INVESTMENT IN AGR MATTHEY (continued)

	Consolidated 2008 $000	Consolidated 2007 $000	AGR Matthey - 100% 2008 $000	AGR Matthey - 100% 2007 $000
(ii) Capital Commitments				
The Group's share of Partnership's commitments to purchase plant and equipment at balance date was	354	44	884	111
(iii) Lease Commitments				
The Group's share of Partnership's aggregate operating lease expenditure contracted for at balance date, but not provided for, in the financial statements:				
Payable no later than one year	483	562	1,206	1,406
Payable later than one, but no later than five years	889	1,051	2,222	2,627
Payable later than five years	1,937	1,592	4,842	3,979
	3,309	3,205	8,270	8,012

11 OTHER FINANCIAL ASSETS

Corporation	Place of Incorporation	Ownership Interest	Book value of investment 2008 $000	Book value of investment 2007 $000	Contribution to Company result 2008 $000	Contribution to Company result 2007 $000
Parent entity:						
Gold Corporation	Western Australia	100%	-	-	870	638
Subsidiaries of Gold Corporation:						
Goldcorp Australia	Western Australia	100%	5,000	5,000	5,761	6,318
Western Australian Mint	Western Australia	100%	16,603	16,603	(5,259)	99
			21,603	21,603	1,372	7,055

All subsidiaries are wholly owned.
W.A. Mint Pty Ltd has never operated. The investment is recorded at no cost.

12 PROPERTY, PLANT AND EQUIPMENT

	Consolidated 2008 $000	Consolidated 2007 $000	Gold Corporation 2008 $000	Gold Corporation 2007 $000
Freehold land and buildings				
at fair value	41,045	35,569	-	-
Plant and equipment				
at cost	22,687	20,169	3,426	3,457
less : accumulated depreciation	(12,946)	(11,863)	(2,945)	(2,874)
	9,741	8,306	481	583
Total Property, Plant and Equipment	50,786	43,875	481	583

GOLD CORPORATION AND SUBSIDIARIES
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FOR THE YEAR ENDED 30 JUNE 2008

12 PROPERTY, PLANT AND EQUIPMENT (Continued)

The Board resolved to adopt the Valuer General's valuation of the Western Australian Mint's property at 292, 300 & 310 Hay Street, Perth. The land and buildings were revalued as at 30 June 2008 in accordance with the Valuer General'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 increment was $6,085,456 (land $3,900,000 and buildings $2,185,456).
Revaluation increment in 2007 was $ 3,536,000 (land $1,200,000 and building $2,336,000). Revaluation increment of $333,474 (2007: $393,000) was credited to the income statement as it offsets similar revaluation decrements charged to retained earnings in prior years. The deferred tax of $555,594 (2007:$583,000) was recognised against the increment of $5,751,982 (2007:$3,142,000).Net transfer to revaluation reserve thus amounted to $5,196,388 (2007:$2,559,000).
For each revalued property, the carrying amount that would have been recognised had the assets been carried under the cost model is impracticable to determine, due to the fact that the original cost is not available.

Movements in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current and previous financial years:

	Freehold Land	Freehold Buildings	Plant & Equipment	Total
Group - 2008	$000	$000	$000	$000
Opening balance	11,100	24,469	8,306	43,875
Additions	-	-	2,938	2,938
Disposals	-	-	(47)	(47)
Revaluation	3,900	2,185	-	6,085
Depreciation	-	(609)	(1,456)	(2,065)
	15,000	26,045	9,741	50,786
Group - 2007				
Opening balance	9,900	22,701	7,477	40,078
Additions	-	-	2,410	2,410
Disposals	-	-	(251)	(251)
Revaluation	1,200	2,336	-	3,536
Depreciation	-	(568)	(1,330)	(1,898)
	11,100	24,469	8,306	43,875
Gold Corporation - 2008				
Opening balance	-	-	583	583
Additions	-	-	72	72
Disposals	-	-	(46)	(46)
Depreciation	-	-	(128)	(128)
	-	-	481	481
Gold Corporation - 2007				
Opening balance	-	-	576	576
Additions	-	-	381	381
Disposals	-	-	(249)	(249)
Depreciation	-	-	(125)	(125)
	-	-	583	583

	Consolidated		Gold Corporation	
Net profit/(loss) on sale	2008	2007	2008	2007
of non-current assets	$000	$000	$000	$000
Plant and equipment				
Gross proceeds on sale/disposal of assets	12	220	12	219
Carrying value of assets sold/disposed	19	257	19	254
Net profit/(loss) on sale/disposal	(7)	(37)	(7)	(35)

GOLD CORPORATION AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

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		Consolidated		Gold Corporation	
		2008	2007	2008	2007
		$000	$000	$000	$000
13 INTANGIBLE ASSETS					
Computer software, at cost		3,165	3,163	3,165	3,163
Less: accumulated amortisation		(1,590)	(1,024)	(1,590)	(1,024)
		1,575	2,139	1,575	2,139
Movement in the carrying amount for computer software between the beginning and end of the financial year					
Opening balance		2,139	2,195	2,139	2,195
Additions		3	510	3	510
Amortisation expense		(567)	(566)	(567)	(566)
Closing balance		1,575	2,139	1,575	2,139

There were no indications of impairment to property, plant and equipment, and intangible assets at 30 June 2008. The Corporation held no goodwill or intangible assets with an indefinite useful life during the reporting period and at balance sheet date there were no intangible assets not yet available for use.

14 PAYABLES					
Current - unsecured					
Trade creditors		1,471	504	49	593
Other payables and accrued expenses		26,212	21,843	22,255	17,025
Funds received from Government		122	38	-	-
		27,805	22,385	22,304	17,618
Non Current - unsecured					
Loans from subsidiaries		-	-	64,438	37,534

The Corporation's exposure to currency and liquidity risk related to trade and other payables is disclosed in note 26.

15 INTEREST-BEARING BORROWINGS					
Current - secured					
Borrowings	(a)	3,500	3,500	-	-
Precious metal borrowings	(b)	441,841	216,227	441,841	216,227
		445,341	219,727	441,841	216,227

Security for Borrowings

(a) Borrowings from Western Australian Treasury Corporation at commercial rates, repayable on 21 December 2008

Finance facility - utilised at reporting date	3,500	3,500	-	-
Finance facility - not utilised at reporting date	5,000	5,000	-	-
Total finance facility available	8,500	8,500	-	-

(b) Precious metal borrowings are guaranteed by the Government of Western Australia under Section 22 (1) of the Gold Corporation Act, with annual limits for gold, silver, platinum and palladium approved by the Treasurer.

GOLD CORPORATION AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008

	Consolidated 2008 $000	Consolidated 2007 $000	Gold Corporation 2008 $000	Gold Corporation 2007 $000
16 EMPLOYEE BENEFITS				
Current				
Employee benefits - annual leave	804	812	638	613
Employee benefits - long service leave	972	795	699	518
	1,776	1,607	1,337	1,131
Non-current				
Employee benefits - long service leave	125	95	109	61
Employee superannuation benefits	55	57	-	-
	180	152	109	61
Other Provisions				
Current				
Employment on-costs	143	128	107	90
Non-current				
Employment on-costs	11	8	9	5
Employment on-cost provision				
Carrying amount at start of year	136	116	95	75
Additional provisions recognised	194	92	(7)	69
Payments/other sacrifices of economic benefits	(176)	(72)	28	(49)
Carrying amount at end of year	154	136	116	95

17 PROVISIONS

	GST Liabilities	External Audit Fees	AGR JV	Westmill	Total
Consolidated - 2008					
Balance at 1 July 2007	255	274	988	28	1,545
Provisions made during the period	-	247	270	-	517
Provisions used during the period	-	(221)	(91)	(24)	(312)
Provisions reversed during the period	(134)	(113)	(832)	-	(1,079)
Balance at 30 June 2008	121	187	335	4	671
Company - 2008					
Balance at 1 July 2007	255	274	-	-	529
Provisions made during the period	-	270	-	-	270
Provisions used during the period	-	(221)	-	-	(221)
Provisions reversed during the period	(134)	(136)	-	-	(270)
Balance at 30 June 2008	121	187	-	-	308

AGR Joint Venture

An amount of $50,000 has been provided for costs associated with the final winding up of the AGR Joint Venture. An additional amount of $285,000 has been provided for environmental remediation work.

GOLD CORPORATION AND SUBSIDIARIES

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	Consolidated		Gold Corporation	
	2008	2007	2008	2007
	$000	$000	$000	$000
18 OTHER LIABILITIES				
Current - secured				
Precious metal borrowings	1,387,590	879,602	1,387,590	879,602

Security for Borrowings

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

19 CAPITAL AND RESERVES

Contributed Equity				
Issued and fully paid : 31,602,852 shares	31,603	31,603	31,603	31,603

Asset Revaluation Reserve

The revaluation reserve relates to property measured at fair value in accordance with applicable Australian Accounting Standards.

Hedge Reserve

The hedge reserve, being the Group's share of AGR Matthey's hedge reserve, comprises the effective portion in the cumulative net change in the fair value of hedging instruments related to hedged transactions that have not yet occurred. AGR Matthey, in order to protect against adverse gold price movements on the recoupment of funds from precious metal retentions, entered into spot deferred sale contracts and put/call options to sell future gold retentions during the period. AGR Matthey, in order to protect against adverse exchange rate movements on the recoupment of funds from the foreign related entities to the partnership and on foreign accounts payables and receivables, have entered into foreign exchange contracts to sell currencies.

20 RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES

Cash flows from operating activities				
Profit for the period	1,371	7,055	2,388	5,657
Non-cash items:				
Depreciation and amortisation	2,632	2,464	695	691
Share of loss/(profit) of joint venture partnerships	2,676	(1,684)	-	-
Revaluation of buildings	(334)	(393)	-	-
Amounts credited to:				
employee benefits	215	217	275	262
income tax	2,361	3,358	2,361	3,358
Amounts written back /paid from:				
doubtful debts	15	-	-	-
(Profit)/loss on sales of plant and equipment	7	37	35	36
Changes in assets and liabilities				
Decrease/(increase) in receivables	(2,029)	1,319	(33,162)	21,456
Decrease/(Increase) in precious metal leases	(364,659)	(125,565)	(364,659)	(125,565)
Decrease/(Increase) in inventories	(372,428)	125,281	(369,765)	95,417
Decrease/(increase) in prepayments	(26)	20	(57)	(80)
Increase/(Decrease) in payables	512,986	(6,959)	539,911	24,671
Increase/(Decrease) in borrowings	225,614	5,961	225,614	(16,875)
Cash flows from operations	8,401	11,111	3,637	9,028

GOLD CORPORATION AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

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21 SUBSEQUENT EVENTS

There were no events subsequent to the reporting date.

22 SEGMENT REPORTING

(a) Primary reporting-Business segments	Product Sales	Refining	TOTAL
Group - 2008	$000	$000	$000
Income			
External sales and other income	1,197,879	-	1,197,879
Revaluation of buildings	-	-	334
Total income	1,197,879	-	1,198,213
Profit/(loss) before income tax expense	3,732	-	3,732
Income tax (expense)/benefit		-	(2,361)
Net Profit	**3,732**	**-**	**1,371**
Segment assets	1,923,991	11,855	1,935,846
Total assets	-	-	1,935,846
Segment liabilities	1,864,544	-	1,864,544
Other			
Investments accounted for using the equity method	-	11,855	11,855
Acquisition of non-current segment assets	2,941	-	2,941
Depreciation and amortisation of segment assets	(2,632)	-	(2,632)
Group - 2007	$000	$000	$000
Income			
External sales and other income	848,359	-	848,359
Revaluation of buildings	-	-	393
Share of net profit of investments accounted for using the equity method	-	3,868	3,868
Total income	848,359	3,868	852,620
Profit/(loss) before income tax expense	5,962	3,868	9,830
Income tax (expense)/benefit	-	-	(2,775)
Net Profit	5,962	3,868	7,055
Segment assets	1,180,001	16,531	1,196,532
Unallocated assets	-	-	-
Total assets	-	-	1,196,532
Segment liabilities	1,127,174	-	1,127,174
Other			
Investments accounted for using the equity method	-	16,531	16,531
Acquisition of non-current segment assets	2,928	-	2,928
Depreciation and amortisation of segment assets	(2,464)	-	(2,464)

GOLD CORPORATION AND SUBSIDIARIES
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22 SEGMENT REPORTING (Continued)

Business Segments

Segment information is presented in respect of the Group's business and geographical segments. The primary format, business segments, is based on the Group's management and internal reporting structure. Gold Corporation operates predominantly in the precious metal industry. Its revenue is derived from manufacture and marketing of precious metals and precious metal value added products, the provision of services related to precious metals, such as trading, metal leasing and consultancy, and from the refining of gold and silver (through its investment in AGR Matthey).

The group has two business segments as follows:

- **Minting and Retailing - Product Sales**
  This segment includes the manufacture and marketing, including wholesale and retail sales, of precious metal coins, medallions, value added precious metal products and collectables, and metal trading, leasing and depository services.
- **Refining**
  This segment comprises the investment in the AGR Matthey partnership which is engaged in refining of precious metals and manufacture of industrial products.

Accounting Policies

Segment information is presented in respect of the Group's business and geographical segments. Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items consist of revaluations, income tax expense and assets.

Intersegment Transfers

Segment revenue, expenses and results include transfers between segments. Inter-segment pricing is determined on an arm's length basis. The transfer prices are eliminated on consolidation.

(b) Secondary reporting - Geographical segments

	Segment Revenues from External customers		Carrying Amount of Segment Assets		Acquisitions of Non-current Segment Assets	
	2008	2007	2008	2007	2008	2007
Geographical location:	$000	$000	$000	$000	$000	$000
Europe	315,318	270,928	-	-	-	-
Asia	246,480	128,205	-	-	-	-
United States	283,281	193,842	-	-	-	-
Other countries	35,414	26,786	-	-	-	-
Australia	309,678	221,230	1,935,846	1,196,532	2,941	2,928
	1,190,171	840,991	1,935,846	1,196,532	2,941	2,928

The Group's business segments are located in Australia. There are agents in Europe, Hong Kong, Japan and the Middle East. Sales revenue is derived from precious metal products exported from Australia. In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of the assets.

GOLD CORPORATION AND SUBSIDIARIES
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	Consolidated		Gold Corporation	
	2008	2007	2008	2007
23 LEASE COMMITMENTS	$000	$000	$000	$000
Aggregate non-cancellable operating lease expenditure contracted for at balance date but not provided for in the accounts :				
Payable no later than one year	186	241	186	241
Payable later than one, but no later than five years	93	229	93	229
	279	470	279	470

The operating lease commitments are for leases of computer equipment.
The terms of these are various, with the maximum term being until December 2010.
During the year ended 30 June 2008, $254,408 was recognised as an expense in the income statement in respect of operating leases (2007: $289,000)

24 CAPITAL COMMITMENTS

Aggregate capital expenditure contracted for, but not provided for in the financial statements :				
Payable no later than one year	429	449	-	103

25 REMUNERATION OF AUDITORS

Fees paid or due and payable to the Auditor General for the financial year:				
Fees for external audit of financial statements and performance indicators	169	157	169	157

26 FINANCIAL INSTRUMENTS

(a) *Exposure to credit risk*

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

	Consolidated		Gold Corporation	
	2008	2007	2008	2007
	$000	$000	$000	$000
Held-to-maturity investments - Bills	7,848	13,407	7,848	13,403
Loans and receivables	5,328	3,299	4,988	9,490
Cash and cash equivalents	15,434	12,298	11,256	11,168
Forward exchange contracts used for hedging Liabilities	(114)	(233)	(114)	(233)
	28,496	28,771	23,978	33,828

GOLD CORPORATION AND SUBSIDIARIES
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26 FINANCIAL INSTRUMENTS (continued)

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

	Consolidated		Gold Corporation	
	2008	2007	2008	2007
	$000	$000	$000	$000
Australia	2,875	1,700	1,489	1,490
Europe	1,577	81	-	-
Asia	10	475	-	-
Other countries	-	1	-	-
United States	866	1,042	-	-
	5,328	3,299	1,489	1,490

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

Retail customers	28	24	-	-
Wholesale customers	5,300	3,275	1,489	1,490
	5,328	3,299	1,489	1,490

The Corporation trades only with recognised, creditworthy third parties. The Corporation has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. In addition, receivable balances are monitored on an ongoing basis with the result that the Corporation's exposure to bad debts is minimal. There are no significant concentrations of credit risk.
The Group does not have any significant exposure to any individual customer or counterparty, with the exception of precious metal leases to a related entity, AGR Matthey, under the terms of the Metal Facility Agreement, (Note 8a).

Impaired losses

	Gross	Impairment	Gross	Impairment
The ageing of trade receivables was:	2008	2008	2007	2007
Not past due	5,275	-	3,409	-
Past due 0-30 days	56	-	201	-
Past due 31-120 days	-	3	(311)	-
Past due 121 days to one year	-	-	-	-
More than one year	-	-	-	-
Total	5,331	3	3,299	-

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

	2008	2007
Balance at 1 July	18	18
Impairment loss recognised	(15)	-
Balance at 30 June	3	18

Based on historical default rates, the Corporation believes that no impairment allowance is necessary in respect of trade receivables not past due or past due by up to 30 days. The balance relates to customers that have a good credit history with the Corporation.

GOLD CORPORATION AND SUBSIDIARIES
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26 FINANCIAL INSTRUMENTS (continued)

No allowance for impairment in respect of held-to-maturity investments was made during the year (2007 Nil)

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

Liquidity risk

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

	Carrying amount $000	Contractual cash flow $000	6 mths or less $000	6-12 mths $000	1-2 years $000	2-5 years $000	More than 5 years $000
Consolidated - 2008							
Non-derivative financial liabilities							
Secured bank loans	3,500	(3,640)	(3,640)	-		-	-
Trade and other payables	27,805	(27,805)	(27,344)	(461)		-	-
Derivative financial liabilities							
Forward exchange contracts used for hedging							
Outflow	114	(114)	(114)	-	-	-	-
Total	31,419	(31,559)	(31,098)	(461)	-	-	-

	Carrying amount	Contractual cash flow	6 mths or less	6-12 mths	1-2 years	2-5 years	More than 5 years
Consolidated - 2007							
Non-derivative financial liabilities							
Secured bank loans	3,500	(3,614)	(3,614)	-		-	-
Trade and other payables	22,385	(22,385)	(21,964)	(271)	(150)	-	-
Derivative financial liabilities							
Forward exchange contracts used for hedging							
Outflow	233	(233)	(233)	-	-	-	-
Total	26,118	(26,232)	(25,811)	(271)	(150)	-	-

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26 FINANCIAL INSTRUMENTS (continued)

	Carrying amount	Contractual cash flows	6 mths or less	6-12 mths	1-2 years	2-5 years	More than 5 years
	$000	$000	$000	$000	$000	$000	$000
Company - 2008							
Non-derivative financial liabilities							
Trade and other payables	22,304	(22,304)	(22,304)	-	-	-	-
Derivative financial liabilities							
Forward exchange contracts used for hedging							
Outflow	114	(114)	(114)	-	-	-	-
Total	22,418	(22,418)	(22,418)	-	-	-	-

	Carrying amount	Contractual cash flows	6 mths or less	6-12 mths	1-2 years	2-5 years	More than 5 years
Company - 2007							
Non-derivative financial liabilities							
Trade and other payables	17,618	(17,618)	(17,618)	-	-	-	-
Derivative financial liabilities							
Forward exchange contracts used for hedging							
Outflow	233	(233)	(233)	-	-	-	-
Total	17,851	(17,851)	(17,851)	-	-	-	-

Currency risk
Exposure to currency risk
The Group's exposure to foreign currency risk was as follows based on notional amounts:
Consolidated

	2008			
In thousand of AUD	AUD	USD	EURO	GBP
	$000	$000	$000	$000
Trade receivables	2,887	2,441	-	-
Trade payables	(27,805)	-	-	-
Gross balance sheet exposure	(24,918)	2,441	-	-
Forward exchange contracts	-	-	(114)	-
Net exposure	(24,918)	2,441	(114)	-

	2007			
In thousand of AUD	AUD	USD	EURO	GBP
Trade receivables	1,699	1,600	-	-
Trade payables	(22,385)	-	(13)	(65)
Gross balance sheet exposure	(20,686)	1,600	(13)	(65)
Forward exchange contracts	(121)	-	(111)	-
Net exposure	(20,807)	1,600	(124)	(65)

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26 FINANCIAL INSTRUMENTS (continued)

Company	**2008**				**2007**			
In thousand of AUD	AUD	USD	EURO	GBP	AUD	USD	EURO	GBP
Trade receivables	1,489	-	-	-	107	1,383	-	-
Trade payables	(22,304)	-	-	-	(17,618)	-	-	-
Gross balance sheet exposure	(20,815)	-	-	-	(17,511)	1,383	-	-
Forward exchange contracts	-	-	(114)	-	(121)	-	(111)	-
Net exposure	(20,815)	-	(114)	-	(17,632)	1,383	(111)	-

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

The following significant exchange rates applied during the year

Aus dollar	**Average rate**		**Reporting date spot rate**	
	2008	**2007**	**2008**	**2007**
USD 1	0.8969	0.7862	0.9518	0.8424
EURO 1	0.7434	0.6020	0.6113	0.6279
GBP 1	0.4477	0.4067	0.4838	0.4241

Hedging Sensitivity Analysis

A 10 percent strengthening of the Australian dollar against the US dollar 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 2007

	Consolidated				Gold Corporation			
	2008 $000		**2007 $000**		**2008 $000**		**2007 $000**	
	Equity	Profit or (Loss)	Equity	Profit or (Loss)	Equity	Profit or (Loss)	Equity	Profit or (Loss)
USD	-	(222)	-	(145)	-	-	-	(125)
EURO	-	10	-	11	-	10	-	10
GBP	-	-	-	6	-	-	-	-

A 10 percent weakening of the of the Australian dollar against the above currencies at 30 June would have had a similar but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

	Consolidated				Gold Corporation			
	2008 $000		**2007 $000**		**2008 $000**		**2007 $000**	
	Equity	Profit or (Loss)	Equity	Profit or (Loss)	Equity	Profit or (Loss)	Equity	Profit or (Loss)
USD	-	271	-	178	-	-	-	155
EURO	-	(13)	-	(14)	-	(13)	-	(12)
GBP	-	-	-	(7)	-	-	-	-

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26 FINANCIAL INSTRUMENTS (continued)
Interest rate risk
Profile
At the reporting date the interest rate profile of the Corporation's interest-bearing financial instruments was:

	Consolidated Carrying amount		Gold Corporation Carrying amount	
	2008	2007	2008	2007
	$000	$000	$000	$000
Fixed rate instruments				
Financial assets	1,080,364	715,705	1,080,364	715,705
Financial liabilities	(445,341)	(219,727)	(441,840)	(219,727)
	635,023	495,978	638,524	495,978
Variable rate instruments				
Financial assets	23,267	25,705	19,098	24,571
	23,267	25,705	19,098	24,571

The Group's exposure to interest rate risk and the effective weighted average interest rate for each class of financial assets and financial liabilities is set out on the following pages. No interest rate hedging has been entered into during the period.

Fair value sensitivity analysis for fixed rate instruments
The Corporation does not account for any fixed rate financial assets and liabilities at fair value through profit or loss.

Cash flow sensitivity analysis for variable rate instruments
A change of 100 basis points in interest rates and 10 basis points for precious metal lease rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2007.

	Profit or loss		Equity	
	Basis points increase	Basis points decrease	Basis points increase	Basis points decrease
	$000	$000	$000	$000
Consolidated -2008				
Variable rate instruments	233	(233)	-	-
Fixed rate instruments	717	(717)	-	-
Cash flow sensitivity (net)	950	(950)	-	-
Consolidated -2007				
Variable rate instruments	257	(257)	-	-
Fixed rate instruments	500	(500)	-	-
Cash flow sensitivity (net)	757	(757)	-	-
Company -2008				
Variable rate instruments	191	(191)	-	-
Fixed rate instruments	717	(717)	-	-
Cash flow sensitivity (net)	908	(908)	-	-
Company -2007				
Variable rate instruments	245	(245)	-	-
Fixed rate instruments	500	(500)	-	-
Cash flow sensitivity (net)	745	(745)	-	-

GOLD CORPORATION AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008

26 FINANCIAL INSTRUMENTS (continued)
Fair Values

	Notes	Floating interest rate	Fixed interest maturing in 1 year or less	Non- interest bearing	Total
2008		$000	$000	$000	$000
Financial and Precious Metal Assets					
Cash and cash equivalents	6	23,267	-	15	23,282
Receivables	7	-	-	5,328	5,328
Precious metal leases	8a	-	1,080,364	-	1,080,364
Precious metal inventories	8b	-	-	751,704	751,704
		23,267	1,080,364	757,047	1,860,678
Weighted average interest rate					
- cash		*4.52%*			
- precious metal leases			*0.47%*		
Financial and Precious Metal Liabilities					
Payables	14	-	-	(27,805)	(27,805)
Borrowings	15	-	(3,500)	-	(3,500)
Precious metal borrowings	15,18	-	(441,841)	(1,387,590)	(1,829,431)
		-	(445,341)	(1,415,395)	(1,860,736)
Weighted average interest rate					
- precious metal borrowings			*0.35%*		
Net financial and precious metal assets/(liabilities)		**23,267**	**635,023**	**(658,348)**	**(58)**
2007					
Financial and Precious Metal Assets					
Cash and cash equivalents	6	25,705	-	-	25,705
Receivables	7	-	-	3,299	3,299
Precious metal leases	8a	-	715,705	-	715,705
Precious metal inventories	8b	-	-	381,115	381,115
		25,705	715,705	384,414	1,125,824
Weighted average interest rate					
- cash		*4.93%*			
- precious metal leases			*0.43%*		
Financial and Precious Metal Liabilities					
Payables	14	-	-	(22,385)	(22,385)
Borrowings	15	-	(3,500)	-	(3,500)
Precious metal borrowings	15,18	-	(216,227)	(879,602)	(1,095,829)
		-	(219,727)	(901,987)	(1,121,714)
Weighted average interest rate					
- borrowings			*6.31%*		
- precious metal borrowings			*0.34%*		
Net financial and precious metal assets/(liabilities)		**25,705**	**495,978**	**(517,573)**	**4,110**

GOLD CORPORATION AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

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26 FINANCIAL INSTRUMENTS (continued)

Reconciliation of Net Financial and Precious Metal Assets to Net Assets as disclosed in the Balance Sheet

	Notes	Consolidated 2008 $000	Consolidated 2007 $000
Net financial and precious metal assets/(liabilities) as above		(58)	4,110
Non-financial assets and liabilities:			
Inventories	8b	9,436	7,597
Prepayments		619	593
Investments accounted for using the equity method	10	11,855	16,504
Provisions	17	(671)	(1,545)
Deferred tax assets/(liability)	5c	(1,027)	(27)
Property, plant & equipment	12	50,786	43,875
Intangible assets - computer software	13	1,575	2,139
Current tax Asset (liabilities)	5e	897	(1,993)
Employee benefits	16	(2,110)	(1,895)
Net assets per Balance Sheet		71,302	69,358

(a) Net Fair Value of Financial Assets and Liabilities

The net fair value of cash and cash equivalents and non-interest bearing monetary financial assets and financial liabilities of the consolidated and company approximates their carrying value.

(b) Precious Metal Assets and Liabilities		Consolidated 2008 $000	Consolidated 2007 $000	Gold Corporation 2008 $000	Gold Corporation 2007 $000
Assets					
Precious metal leases	8a	1,080,364	715,705	1,080,364	715,705
Inventories	8b	751,704	381,115	749,338	379,573
Total precious metal assets		1,832,068	1,096,820	1,829,702	1,095,278
Liabilities					
Precious metal borrowings (secured, interest bearing)	15b	441,841	216,227	441,841	216,227
Precious metal borrowings (secured)	18	1,387,590	879,602	1,387,590	879,602
Total precious metal liabilities		1,829,431	1,095,829	1,829,431	1,095,829
Net Precious Metal Position		2,637	991	271	(551)

The $1,388 million of precious metals deposited by Perth Mint Depository clients (note 18) was used in operations by Gold Corporation as inventory ($752million - Note 8b) with the balance in the refining operations of AGR Matthey (Note 8a).

GOLD CORPORATION AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008

27 REMUNERATION OF DIRECTORS AND SENIOR OFFICERS

Key management personnel

In addition to their salaries, the Group provides non-cash benefits to key management personnel and contributes to superannuation funds on their behalf.

	Consolidated		Gold Corporation	
	2008	2007	2008	2007
	$000	$000	$000	$000
Salaries, fees and non-cash benefits	2,010	1,563	1,475	1,288
Superannuation	362	406	264	342
	2,372	1,969	1,739	1,630

Total fees received by non-executive directors was $371,000 (2007: $372,000).

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

	Consolidated		Gold Corporation	
	2008	2007	2008	2007
$0 - $10,000	1	1	1	1
$30,001 - $40,000	-	5	-	5
$40,001 - $50,000	6	-	6	-
$80,001 - $90,000	-	2	-	2
$90,001 - $100,000	1	-	1	-
$290,001 - $300,000	1	1	1	1
$370,001 - $380,000	-	1	-	1
$390,001 - $400,000	1	-	1	-

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

$80,001 - $90,000	1	-	1	-
$100,001 - $110,000	-	1	-	1
$110,001 - $120,000	-	1	-	1
$120,001 - $130,000	1	3	1	3
$130,001 - $140,000	1	-	1	-
$140,001 - $150,000	1	-	1	-
$150,001 - $160,000	-	-	-	-
$160,001 - $170,000	1	1	-	-
$170,001 - $180,000	-	1	-	-
$180,001 - $190,000	2	-	1	-
$270,001 - $280,000	1	-	-	-

The superannuation included here represents the superannuation expense incurred by Gold Corporation in respect of senior officers other than senior officers reported as members of the accountable authority.

GOLD CORPORATION AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008

28 SUPERANNUATION COMMITMENTS

Gold Corporation contributes to a superannuation fund, the GC-AGR Superannuation Fund, which is operated by Spectrum Super.

All permanent employees of Gold Corporation are entitled to join the fund. Trustee, funds management and administration services are provided by SMF Funds Management Limited. The GC-AGR Superannuation Fund provides benefits on retirement, total and permanent disability or death. Gold Corporation contributes to the fund at rates based on the salary of each member employee.

Gold Corporation employees not wishing or ineligible to join the GC-AGR Superannuation Fund are members of the ING Master Fund, to which the Corporation contributes at the current rate required by superannuation guarantee legislation.

All Gold Corporation employees can request that contributions be made to a fund of their own choice, rather than the GC-AGR Superannuation Fund or the ING Master Fund, in accordance with legislation.

Award-based employees of the Western Australian Mint who made the election prior to December 1996 were entitled to contributory membership of the Western Australian Government Employees Superannuation Fund (Gold State Super). Such employees contribute to that Fund at specified percentages of their wages and salaries. The Western Australian Mint contributes to the Fund at rates set by Government Employees Superannuation Board.

Western Australian Mint award employees who did not wish, or who are ineligible to join Gold State Super are entitled to non-contributory membership of West State Super, to which the Western Australian Mint contributes at the current rate required by superannuation legislation. Members also have the option to make personal contributions.

29 INCENTIVE PLAN

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

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

In the 2007/08 financial year Gold Corporation's own operations (excluding AGR Matthey) exceeded their profit target, so employees will be eligible for payments. An amount of $338,800 (2007: $580,000) has been accrued in the financial statements for the year ended 30 June 2008.

GOLD CORPORATION AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
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30 CONTINGENT LIABILITIES

In addition to the liabilities included in the financial statements, there are the following contingent liabilities:

(a) Gold Corporation's Westmill division holds a 10% interest in the Kaltails Joint Venture, which was engaged in gold tailings treatment. The operations ceased during the year ended 30 June 2000. There is a closure plan for the operation which would require capping of the storage facility within the next ten years, and this could result in considerable expense for the joint venture. Another option, not requiring the expensive capping, is being explored.

(b) 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) are responsible for any remediation and restoration of the site. Expenses incurred to date and expected to be incurred in the near future have been accrued for in the financial statements.

It is difficult to estimate the future long-term costs, if any, of remediation. Hence it is not possible to quantify these as at 30 June 2008.

31 RELATED PARTIES

(a) During the course of its business, the Group conducts transactions with related parties.

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Aggregate amounts included in the determination of profit before income tax that resulted from transactions with each class of other related parties were as follows:

	2008		2007	
	Supply of goods and services	Precious metal lease fees	Supply of goods and services	Precious metal lease fees
	$000	$000	$000	$000
Amounts paid to related parties arising from normal trading activities				
AGR Matthey	(2,351)	-	(3,425)	-
Amounts charged to related parties arising from normal trading activities				
AGR Matthey	564	3,612	1,329	4,429
Amounts receivable from or (payable) to related parties				
AGR Matthey	(1,787)	3,612	(2,096)	4,429

(b) Contribution to superannuation funds on behalf of employees are disclosed in notes 16 and note 28

GOLD CORPORATION AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
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32 EXPLANATORY STATEMENT

Section 40 of the Financial Management Act requires statutory authorities to prepare annual budget estimates. Treasurer's Instruction 945 requires an explanation of significant variations between these estimates and actual results.

The Group's business plans for 2007/08 projected an operating result before income tax of $8,751 million compared to the actual profit of $3,732 million before tax. The most significant variations were:

- Losses incurred in AGR Matthey resulting from costs associated with the ongoing closure of the Products Division.
- Sales of both investment and numismatic coins were greater than planned, and
- Greater levels of trading and other activities than anticipated in both Treasury and Depository.

33 VARIATIONS FROM PREVIOUS YEAR

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

Sales Revenue, Cost of Sales and Gross Profit
Sales revenue of $1.19 billion in 2008 was 41% higher than the $841 million revenue in 2007, due to higher metal prices and increased investor activity in precious metals. Cost of Sales, comprising mostly precious metals, was $346 million or 43% higher than in 2007, reflecting the higher sales revenue. Gross profit was $3 million or 9% higher than in 2007 due to increased sales of higher margin products.

Materials and Services Expenditure
Materials and Services costs were $0.4m or 3% lower than in the preceding year due to the introduction of more efficient manufacturing processes and cost reductions on a variety of manufacturing inputs due to the strenghthening AUD.