

THE PERTH MINT / 2022

Annual Report



Acknowledgement of Country

We acknowledge the traditional owners of the land on which our business operates and lands throughout Australia. We pay our respects to Aboriginal and Torres Strait Islander cultures, and to elders past, present and emerging.



“Innovation” by Paige Pryor

The artwork represents The Perth Mint’s reconciliation journey – including past and present partnerships and the strengthening of relationships with Aboriginal and Torres Strait Islander peoples. It will feature in The Perth Mint’s ‘Innovate’ Reconciliation Action Plan.

Our cover: The Maali (black swan) coin we produced for 2022 National Reconciliation Week. The 2oz silver antiqued coloured coin was designed by Whadjuk-Yuet-Ballardong artist Kevin Bynder, based on his original painting. The design features the maali descending on the Swan River with the sun in the background – a scene familiar to West Australians.



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Statement of compliance

7 September 2022

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

STATEMENT OF COMPLIANCE

In accordance with Section 63 of the *Financial Management Act 2006*, we hereby submit for your information and presentation to Parliament, the Annual Report of Gold Corporation for the year ended 30 June 2022.

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



S M C WALSH AO
Chair



J R WATERS
Executive Director

The year in brief



\$21.77B

annual turnover



\$40.28M

annual profit before tax



\$25.61M

dividend and tax equivalent paid to the Government of Western Australia



34,440

visitors to The Perth Mint Gold Tour



\$6.23B

of client metal on deposit



19.70M

coins, medallions and minted bars sold, valued at \$3.60B



3.10

Lost Time Injury Frequency Rate (LTIFR)

13.44

Total Recordable Injury Frequency Rate (TRIFR), (LTI, RWI & MTI)

17.68M

total refining throughput was 17.68M ounces of gold and silver doré

91%

of gold refined was supplied as value-added product, with a gross value of \$19.1B

54%

of tier 1-3 leaders are female

46%

of total workforce is female

Scope 1 and 2 GHG emissions =

5,807.1 tCO_{2-e}

Scope 3 GHG emissions =

30,371.4 tCo_{2-e}



Our strategic intent

Gold Corporation's intent is to inspire excellence in the precious metals industry, achieved by:

1

Continuing to innovate and grow while displaying leadership in key markets in precious metals trading and distribution.

2

Being a trusted partner to our customers and suppliers, both domestically and internationally.

3

Operating sustainably and always within agreed envelopes of appropriate risk and risk management.



"Eight in every 10 ounces of newly mined gold doré in Australia were sent to our refinery for processing and settlement, underscoring the role The Perth Mint plays as the gold sector's partner of choice."



Our vision

To inspire excellence in the precious metals industry.

Our mission

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



Our values

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

RESPONSIBILITY

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

INTEGRITY

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

SAFETY

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

EXCELLENCE

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



Our charter

Gold Corporation is a unique, vertically integrated global enterprise operating across the precious metals value chain including refining, manufacturing, distribution, investing and storage. Based in our original premises opened in 1899, and later expanded, we are also one of Western Australia's premier tourist destinations.





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

Promote

- To participate and engage in the precious metals industry in Australia and worldwide.
- To establish and promote Perth as an international bullion centre.
- To promote and develop markets for precious metals in Australia and worldwide.

Refine

- To crush, mill, recover, extract, process, smelt, sample, refine, assay and work precious metals.
- To maintain our reputation, qualifications, skills and international accreditations.

Distribute

- To maximise value added and export income from precious metals.

Mint

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

Store

- To provide storage and safekeeping facilities for precious metals.

Services

- To provide technical and consulting services.

Tourism

- To support Perth as a tourism destination.
-

Chair's review

The past year has been, without doubt, one of the most challenging in The Perth Mint's 123-year history.



The impact of the global pandemic has been enduring and heightened geopolitical tensions and economic uncertainty in increasing parts of the world have challenged our business and our customers.

It is often said that turbulence is good for gold and should therefore seamlessly translate into positive outcomes for an organisation the size, quality and with the reputation of The Perth Mint and its corporate entity Gold Corporation.

While it again proved a driver of our strong performance in the 2021-22 financial year, it ignores the headwinds we faced to remain a safe and reliable operator.

At the same time, our valued customers across the refinery, minted products and depository businesses faced their own significant challenges, which had an impact on us. For example, government-imposed restrictions and mandates due to the COVID pandemic had a significant effect on visitor numbers at our historic East Perth site, which for years was one of the most popular tourist destinations in Western Australia.

Despite these external forces, we performed strongly during the year, focussed on protecting our people and servicing our customers. We maintained a global benchmark, particularly with our high-quality gold and precious metals products.

As one of the largest and most reputable refiners in the southern hemisphere, we processed 263 tonnes of newly mined gold for our customers last year. Put another way, eight in every 10 ounces of newly mined gold doré in Australia were sent to our refinery for processing and settlement, underscoring the role The Perth Mint plays as the gold sector's partner of choice.

It is difficult to imagine a successful Australian gold sector without the support of our well-functioning business, which operates across the value chain. It is this responsibility that drives us to continuously improve our performance.

This drive also reflects our strategic intent to be a trusted partner to customers and suppliers and to operate sustainably and always within agreed envelopes of appropriate risk.

For the year to 30 June 2022, the Corporation reported a profit before tax of \$40.28 million.

Our strong profitability was primarily driven by ongoing strong sales of minted products, with a record 19.7 million coins, medallions and minted bars sold to customers around the world.

More details of the financial achievements of the past year are contained in this report. The Corporation remains on a strong financial footing, further assisted by Government policy that enabled us to retain the dividend that would have ordinarily been payable for the 2020-21 financial year. These funds have been quarantined and will be used for future capital investment opportunities.

I am proud of our history as a self-funding Government Trading Enterprise that has consistently delivered profits and declared dividends.

Yet the financial results tell only part of the story of Gold Corporation's year.

During the year, our team completed the introduction of a fit-for-purpose Enterprise Resource Planning (ERP) solution, which is the foundation for the Corporation's core financial and front-end customer facing ecommerce platform.

“I am proud of our history as a self-funding Government Trading Enterprise that has consistently delivered profits and declared dividends.”

This was a major project and I commend the team’s ability to minimise the operational impact on our business and customers during the ERP’s implementation. Success of projects of this scale cannot be delivered overnight but it is already clear that this ERP upgrade was long overdue and will deliver positive outcomes.

The Perth Mint has continued along the sustainability journey of improving our environmental footprint as well as providing a safe and respectful workplace. I am pleased with the progress.

This extends to continuously improving our governance, which includes strengthening risk management structures, ensuring compliance with the requirements laid out in the *Gold Corporation Act 1987* and delivering on the expectation of our owner, the Western Australian Government. Our main focus has been on uplifting AML/CTF compliance with a program of works to address areas of concern.

Our 123-year-old business – owned by the people of Western Australia, with customers and stakeholders around the world – necessarily faces a degree of complexity.

The leadership team continued to identify areas of improvement. These included addressing historic practices that are no longer fit for purpose as well as devising new ways of enhancing our refinery service and delivering Australian gold and precious metals products to the world.

During the year we farewelled Richard Hayes, who joined in 2003 and had served as CEO since 2015. Richard’s impact on The Perth Mint has been profound. On behalf of the Board and entire organisation, I thank him for his service and leadership and wish him well in retirement.

Following an extensive search by external advisers, in January I was pleased to announce the appointment of Jason Waters as the new CEO. I acknowledge the efforts of Board member John Collins and Deputy CEO Jane King, who both served as acting CEO until Jason joined in April.

Jason is experienced in Government Trading Enterprises, having led Synergy for eight years and prior to that Verve Energy. Jason is a successful CEO with strong commercial acumen, extensive experience in government and stakeholder management and a leader of large workforces that developed strong safety cultures.

Jason has already made a positive impact on the organisation as he sets out his agenda to drive our next chapter of safe and sustainable growth.

At the Board level, we farewelled directors John Collins, Liam Twigger and Mark Puzey and welcomed Neil Roberts and Jane Muirsmith. The Board maintains the right balance of experience and expertise and I thank all directors for their dedication and support.

I also acknowledge the Hon. Bill Johnston MLA, the Minister for Mines and Petroleum; Energy; Corrective Services; Industrial Relations and Government Minister responsible for Gold Corporation, which trades as The Perth Mint, for his support and guidance.

Finally, I want to thank all the people who make up The Perth Mint’s team for their efforts and dedication over the past year.

Sam Walsh AO
Chair

Chief Executive Officer's year in review

I am delighted to present my first CEO's address since assuming the role in April this year.



It is an honour to have been chosen as just the fourth CEO since the organisation was established by the *Gold Corporation Act 1987* and only the 15th leader since The Perth Mint opened in 1899. It speaks volumes about the longevity and stability of this organisation and highlights its strategic importance to all stakeholders.

The Perth Mint is a remarkable business with a proud history that plays a vital role in ensuring the health and prosperity of the Australian gold and precious metals sector.

I am aware of the responsibility that comes with leading this organisation and the need to ensure it continues to grow with – and for – all our stakeholders.

Our charter is contained within the *Gold Corporation Act 1987*. Backed by our mission to inspire excellence in the precious metals industry, our charter is our licence to operate across the industry's value chain.

I come to The Perth Mint following a career in Western Australia's energy sector that included leadership of Synergy and Verve Energy, which are also Government Trading Enterprises.

I appreciate and understand the importance of leading an organisation that is, ultimately, owned by the people of Western Australia but touches so many parts of our society – as an employer, a service provider, a partner and a value creator.

It is hard to imagine how Western Australia's – and, in fact, Australia's – gold and precious metals sector could continue to be so successful without the knowledge that its newly mined doré can be safely, securely and reliably processed within our operations.

What attracted me to the CEO's role was the vision to inspire excellence in the precious metals industry and the potential to build on more than a century of success. This includes playing a role in shaping the future of the global industry through the innovation, expertise and values of our people. As the Chair reported, The Perth Mint achieved a profit before tax of \$40.28 million for the 2021-22 financial year – a strong result in the face of COVID-19 and myriad other challenges, and one that highlights the resilience of our business.

Equally important is our ability to operate safely and sustainably to build a positive legacy.

The safety of our people is our first priority and I am committed to improving our safety performance to make us best in class in the category that matters most.

Strong relationships and reliable performance have always been important to me and, along with a supportive and inclusive workplace culture, are at the core of my approach to leadership.

In the meetings I have had with our employees it is clear they are dedicated and enthusiastic about The Perth Mint and deserve to be valued by the organisation. As an organisation we have taken great strides since the onset of the pandemic to continue to offer a safe, flexible and respectful workplace though I know more can be done.

I have spent my first months in this role meeting our people, customers and partners. These conversations will feed into a refreshed corporate strategy, which I look forward to presenting later in 2022.

“Strong relationships and reliable performance have always been important to me and, along with a supportive and inclusive workplace culture, are at the core of my approach to leadership.”

For all the potential in this organisation, I am also cognisant of the challenges we face.

Many relate to uncertainty in today's world triggered by ongoing impacts of the pandemic, geopolitical tensions that will continue to influence the gold price and investor attitudes and, more recently, the inflationary pressures that are affecting all parts of society, including our customers.

The Perth Mint also faces many challenges related to past activities and legacy issues that I am committed to addressing with the same rigour and transparency as demanded under our charter. This is coupled with a clear focus on meeting the constantly evolving expectations of our owners, regulators, key partners and customers.

We are about to embark on a whole-of-organisation review of our global customer base to better understand their needs and our relationship with them – but also to ensure The Perth Mint lives up to the responsibilities demanded of our licence to operate.

We have already identified areas that are being prioritised for improvement, including cases of historic non-compliance with the United States Model State Commodity Code 1985. We will also continue to work with AUSTRAC, as we have done throughout the year, on ensuring our AML/CTF program is robust and appropriate with strategic initiatives planned around data, processes and technology. I am proud of the proactive and positive approach our team has taken to coming up with appropriate solutions.

Similarly, as we have disclosed in this Annual Report, The Perth Mint has begun the process to assess the best way to rehabilitate the more than 20 state batteries that have been vested in us by the State Government since the 1980s. This is an important project that will take many years to complete.

I am excited at what the future holds for The Perth Mint and confident about the years ahead.

In closing, I would like to acknowledge my predecessor, Richard Hayes, as well as Board member John Collins and our Deputy CEO Jane King who served as Acting CEOs until I commenced in April.

I also thank our Chair Sam Walsh AO and his Board for the faith shown in me and the Hon. Bill Johnston, MLA, the Minister for Mines and Petroleum, who I look forward to working with closely.

Finally, I thank all our people for their warm welcome and their dedication towards delivering sustained, across-the-board success at The Perth Mint.

Jason Waters
Chief Executive Officer

Review of operations

GOLD AND SILVER REFINING

As a major global player in precious metals, The Perth Mint Refinery takes its responsibility to the industry seriously. Our commitment to sustainability is key to everything we do and a major part of our ongoing investment in the industry.

During the year we refined the majority of Australia's gold doré as well as gold from the Oceania region, and from Australian-owned projects in North America and Africa. Our facility is also a significant refiner of silver doré, receiving metal as a by-product of gold mining and from domestic base metal smelters.

Almost all the gold we refined was cast into value-added products or manufactured into a variety of minted products, including bars and coins.

CAST BAR PRODUCTION

Demand for small bars was very strong throughout 2021-22, resulting in a higher than average conversion rate of incoming gold to meet market demand.

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

Silver was supplied to local and overseas markets in the form of value-added cast bars.

MINTED PRODUCTS

The Perth Mint continued to be a major gold, silver and platinum coin and minted bar supplier to collector and investor markets worldwide in 2021-22.

In a record-setting year, we sold 19.70 million coins and bars, up from 17.39 million in the previous year. The increase in demand for bullion coins was driven primarily by the COVID-19 pandemic, which caused a flight of investor funds into precious metals. Inflation and the war in Ukraine added further uncertainty. We added value to 33 tonnes of gold (the same as in 2020-21), 746 tonnes of silver (up from 614 tonnes) and 1.27 tonnes of platinum (down from 1.76 tonnes). A total of 87% of revenue from the sale of these products was derived from exports, the same as the previous year.

Our two largest markets, the USA and Germany, both showed strong demand for silver and gold minted products. The silver kangaroo coin was on allocation each month for the full year with demand exceeding capacity. We streamlined our gold range to focus on 1oz and 1/4oz coins and 1oz and 10oz bars. During quieter periods we produced other sizes, enabling the record production numbers to be achieved.

Highlights included selling out of the 2022 1oz Year of the Tiger gold bullion coin (30,000 mintage) and 2022 1oz Year of the Tiger silver bullion coin (300,000 mintage). The 2022 koala 1oz silver bullion coin also sold out (300,000 mintage). Other successful bullion products included the follow up to the Super Pit coin, made from gold sourced exclusively from the Super Pit in Kalgoorlie. A new wombat 1oz silver bullion coin was introduced. Successful licensed bullion products included items featuring *James Bond* and *The Simpsons*.

Our numismatic coin program had an excellent year, with collectors enthused by our designs and themes. We continued to work on our ultra-high relief coins with the 2022 wedge-tailed eagle coins again a highlight. High-value gold coins in larger formats, such as 2oz and 5oz, and gold coins with diamonds, such as The Jewelled Koi, sold well to collectors worldwide. Innovative features, new finishes, quality packaging and limited mintages maintained their appeal to collectors.

During the year we issued 198 Australian legal tender proprietary collector coins, either as individual pieces or in sets, compared with 180 in 2020-21. A further 77 coins were released under authority of the Government of Tuvalu, compared with 56 in 2020-21. There were full mintage sell-outs in 58 coin programs, compared with 60 in 2020-21.



Although the pandemic limited some of our production and process improvements, we continued to review, upgrade and replace critical production equipment, ensuring our minting production facility was well placed to meet the strong demand.

Cost reduction initiatives and waste (including reject rates) were managed however, additional labour resources were required to ensure the pandemic did not significantly reduce our production capacity.

PRECIOUS METAL COIN BLANKS

The Perth Mint produces gold, platinum and silver coin blanks for its own use and for mints around the world. In recent years, most blanks manufactured have been used internally but we signed a significant international gold blank supply contract in 2021-22.

This year, we produced 21.8 million blanks, up from the 18.3 million the previous year.

PERTH MINT SHOP AND EXHIBITION

Following a record year in 2020-21, the Perth Mint Shop and Exhibition recorded its second-best result in 2021-22 despite disruption to retail and tourism operations caused by the COVID pandemic.

The primary drivers of this result were luxury jewellery sales, bullion trading and buybacks of scrap gold jewellery and bullion products. Consumer demand for loose pink diamonds and pink diamond jewellery remained strong as Argyle Pink Diamonds, from the Argyle Mine which closed in 2020, announced its last tender in October 2021. Yellow diamonds and yellow diamond jewellery were also increasingly popular. The Perth Mint went cashless in August 2021.

With renovations in the heritage building completed, we offer an improved retail experience for visitors, including people with disability, with better displays and lighting. More upgrades are planned in the Bullion and Coin rooms in 2022-23.

PERTH MINT DEPOSITORY

Depository recorded a 7% increase in the value of metals held over the 2021-22 financial year. Holdings in unallocated storage of gold, silver and platinum all rose, with demand driven by fears of global slowdown and inflation.

Our Australian exchange traded product (ETP) Perth Mint Gold (ASX code PMGOLD) recorded another strong year, with volumes growing by 10% to more than 258,000 ounces of gold.

“Investments in technology and critical information systems will drive productivity and increase capacity”.

CAPITAL WORKS AND CAPACITY ENHANCEMENT PROGRAMS

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

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

Capital expenditure over the year was \$8.87 million. We are entirely self-supporting and do not receive any funding from the State Government, nor do we have any cash borrowings.

BUSINESS TECHNOLOGY

Cyber Security, Data and Privacy is a material topic under our Sustainability strategy. Business Technology supported the information and cyber security transformation in line with our plan, increasing protection of The Perth Mint’s information, data and technology assets. We also continued to improve governance, management and usage of the Corporation’s data, while maintaining our focus on the privacy of our customers.

The implementation of the ERP and e-commerce programs, both designed to ensure we remain abreast of current technology practices, were completed in November 2021.

RISK AND COMPLIANCE

The strengthening of our enterprise risk management capability continued this year, including an ongoing focus on AML / CTF enhancement, which also remains a material topic for the organisation. We have developed a comprehensive uplift program across three core streams of work, which we are confident will address concerns raised by AUSTRAC. This work will continue into 2022-23 and beyond as we improve our processes and systems to ensure we meet the expectations of our customers, owners and external third parties in this critical component of our business.

We will also address historic non-compliance issues with the Model State Commodity Code 1985 in the United States, which we have been proactive in identifying and addressing.





Our directors



Sam Walsh AO

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

He is Chair of the Accenture Global Mining Council (UK), the Perth Diocesan Trust and the Royal Flying Doctor Service (WA Ops) and is a non-executive director of Mitsui & Co (Japan).

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

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



Jason Waters

BEng (Hons), GradDipBus

Appointed Chief Executive Officer in April 2022, Jason is the fourth CEO of Gold Corporation and 15th leader since The Perth Mint opened in 1899. Prior to joining The Perth Mint, he led government trading enterprises Synergy as CEO from 2014-22 and Verve Energy as CEO from 2012-13.

With more than 30 years' experience in the Western Australian energy sector, he has strong commercial, strategic and leadership skills.

He is a graduate of Curtin University of Technology (Bachelor of Mechanical Engineering, Graduate Diploma of Business) and Harvard Business School (Executive Education – Program for Leadership Development).

**Melanie Cave**

LLB BA, GAICD, FLWA

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

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

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

**Sally Langer**

Bcom, CA, GAICD

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

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

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

**John O'Connor**

BSc (Hons) FICA, FICAEW, FAICD

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

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

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



Neil Roberts

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

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

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



Jane Muirsmith

BCom (Hons), FCA, GAICD

Appointed in March 2022. Jane is a digital and marketing strategist and has held executive positions in Sydney, New York, Melbourne, Singapore and Perth. She is Chair of Healthdirect Australia and is a non-executive director of Cedar Woods Properties (CWP), Australian Finance Group (AFG) and the Telethon Kids Institute. She is Chair of the Risk and Audit Committee at CWP and Chair of the Technology and Data Committee at AFG. She is also Managing Director of Lenox Hill, a digital strategy and advisory firm.

Jane is the WA representative on the business advisory committee at Chartered Accountants in Australia and New Zealand, a member of the UWA Business School's Ambassadorial Council and a former president of the Western Australian Women's Advisory Council to the Minister for Women's Interests.

She is a graduate of the Australian Institute of Company Directors and a Fellow of Chartered Accountants in Australia and New Zealand.



Richard Watson

BEC (Hons), MPhil

Appointed in February 2019, Richard is the Assistant Under Treasurer, Agency Budgeting and Governance in the Department of Treasury and is responsible for overseeing the budgeting and governance of general government agencies and government trading enterprises within the Government of Western Australia. He has also been the executive director of Treasury's Economic Business Unit.

Richard is also a non-executive director of Synergy.

**Jane King**

CAHRI, M.E.R

Appointed in September 2014 as General Manager People and Culture. Prior to joining Gold Corporation, Jane was Amec Foster Wheeler's human resources director Asia Pacific where she oversaw the human resources functions in China, Malaysia, South Africa, Philippines and Australia while working closely with the UK head office team.

She has also spent time with Ergon Energy in North Queensland, in the oil and gas sector as well as in site-based roles in iron ore mining. Jane migrated from the UK in 2003, where she held senior leadership roles with British Telecom. She is a Certified Professional Member of the Australian Human Resources Institute and holds a Masters of Employment Relations.

**Liam Twigger**

BEc, Grad Dip Fin, CPA

Appointed in January 2016, Liam retired in August 2021.

Liam has more than 30 years' experience in investment banking and corporate finance including his current role as deputy chairman of Argonaut Limited.

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

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

**Mark Puzey**

FCA, FAICD, CGEIT

Appointed in February 2018, Mark retired in February 2022.

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

He is currently audit and risk committee chair and non-executive director of DUG Technology Limited; and non-executive chairman of M8 Sustainable Limited. Since retiring from the KPMG partnership he has held board and strategic advisory roles for IT enabled companies, and in the energy, technology and financial services sectors.

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

**John M Collins**

BSBA, MBA, GAICD

Appointed in February 2019, John retired in January 2022.

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

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

**Richard Hayes**

BCom, CPA, MBA, ACIS, GAICD

Richard was appointed Chief Executive Officer of The Perth Mint on 1 July 2015 after joining the organisation as Chief Financial Officer and Deputy CEO in March 2003. He retired in April 2022.

Richard has 25 years' experience as a senior executive in the precious metals industry and actively continues to contribute to the West Australian community as a non-executive director of several entities.



Our business activities and capabilities

OUR HISTORY

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

When sovereigns were withdrawn from circulation in 1931, we turned our skills to the production of base metal coins, though we continued to also refine gold. We remained under British ownership until 1970 when control passed to the Government of Western Australia.

Gold Corporation was created by the *Gold Corporation Act 1987* to take over the operations of The Perth Mint and launch Australia's official Bullion Coin Program. The Australian Nugget bullion coin was launched in 1987 and was followed by many other successful bullion, numismatic and commemorative coin programs.

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

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

A GLOBAL FORCE IN PRECIOUS METALS

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

CREDENTIALS

Our reputation in the precious metals industry is built on a 123-year history of striving towards excellence. We are recognised worldwide for our innovation, superior technical abilities and artisanship, as well as the quality of our precious metal products. As Western Australia's fourth largest exporter we have customers in more than 130 countries. Sustainability, including environmental, social and governance capabilities, underpin our business model and are at the heart of our decision-making processes.

REFINING

The Perth Mint Refinery is among a select group of global top tier gold refiners with accreditation from five of the world's major gold exchanges, including:

- London Bullion Market Association (LBMA)
- Chicago Mercantile Exchange (CME)
- Shanghai Gold Exchange (SGE)
- Osaka Securities Exchange (OSE)
- Dubai Multi-Commodity Centre (DMCC)

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

Refining a large portion of Australia's newly mined gold as well as production from the Oceania region and Australian-owned projects in North America and Africa, we are one of the largest refiners worldwide.

The Perth Mint Refinery's supply chain due diligence procedures are compliant with the standards required under the LBMA's Responsible Sourcing Program and the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict and High-Risk Areas. We remain committed to continuous improvement of our responsible sourcing obligations and maintain the highest level of leadership, integrity and transparency in the global precious metals market.

“Our reputation in the precious metals industry is built on a 123-year history of striving towards excellence.”



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

CAST BULLION BARS

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

BULLION COINS

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

- Australian kangaroo 99.99% pure gold coin series
- Australian kangaroo 99.99% pure silver coin series
- Australian kangaroo 99.95% pure platinum coin series
- Australian kookaburra 99.99% pure silver coin series
- Australian koala 99.99% pure silver coin series
- Australian lunar 99.99% pure gold coin series
- Australian lunar 99.99% pure silver coin series
- Australian lunar 99.95% pure platinum coin series

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

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

NUMISMATIC COINS

We manufacture and market internationally gold, silver, platinum and base metal non-circulating legal tender coins for collectors and gift buyers. They are distinguished from investment (or bullion) coins by:

- extremely limited mintages
- a variety of high-quality numismatic treatments and finishes
- the coins are issued as Australian legal tender or released as legal tender of Tuvalu.



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

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

Designed in-house, the programs feature a variety of Australian native wildlife including kangaroos, kookaburras, koalas and wedge-tailed eagles. The programs also include historical events, the Chinese lunar calendar and licensed products.

The Chinese lunar calendar themes have become an important part of our portfolio with strong exports into Asia, Germany and the USA as well as domestic sales. Our current series is our third 12-year cycle and highlights the longevity and popularity of the series. This year was extremely well received with the Year of the Tiger.

The most popular commemorative theme this year was the platinum jubilee celebrations of Her Majesty Queen Elizabeth II which was featured on silver and gold coins. Another highlight was the release of our new Maali black swan 2oz silver coin. Designed by local Aboriginal artist Kevin Bynder, it was an important release for The Perth Mint as part of our Reconciliation Action Plan and well received by our collectors.

Licensed products have had a strong focus as we attract new younger collectors into the coin market. *The Simpsons* coin program was extended into its fourth year with more planned for 2022-23. We also continued the exciting new range of coins celebrating *James Bond 007* which have been sought after by fans of the famous fictional spy and other collectors. A highlight of the year was completing a popular 25-coin subscription series featuring each Bond movie.

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

COIN BLANKS

Using the latest weight control and production technology, The Perth Mint produces precious metal coin blanks in a variety of shapes, weights and sizes, enabling us to manufacture innovative numismatic coins. In addition to producing for our own use, we supply blanks to leading sovereign and private mints around the world.

DEPOSITORY

For over a quarter of a century, our Depository has offered the world's only government guaranteed precious metals storage and investment program. We offer safekeeping of the metal within central bank grade vaults in the safe geopolitical environment of Western Australia, with our extensive network of vaults clients can purchase and store precious metals directly (online, by phone or with an app) or via one of our authorised distributors.

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

- Perth Mint Depository Online (PMDO) provides web-based access to precious metals with a low cost, live-priced 24/7 service. We market this service directly and it is also available through select distributors.
 - Perth Mint Depository Program Account (PMDP) is modelled on a traditional service with personalised contact. PMDP is tailored to investors who wish to operate their account by phone or email.
 - Perth Mint Certificate Program (PMCP) offers similar services to PMDP and is marketed through an international network of distributors. PMCP investors receive confirmation of their holdings via a certificate issued by The Perth Mint.
 - Perth Mint Depository Distributor Online (PMDDO) is marketed through an international network of distributors seeking to offer their clients precious metals investment and storage.
 - Perth Mint Gold (ASX code PMGOLD) is listed on the Australian Securities Exchange and offers unallocated storage to investors who prefer to deal through their stockbroker or online trading account.
- GoldPass is a phone-based app that gives investors the unique ability to securely buy, store and sell physical gold and silver via digital certificates. The app also allows the instantaneous transfer of gold and silver to other GoldPass users.

TOURISM

Housed in our late 19th century heritage building, The Perth Mint Shop and Exhibition demonstrates our commitment to sharing with the global community the fascinating story of Western Australian gold and our own rich history.

The Perth Mint Gold Tour showcases our attractions including the record-breaking Australian Kangaroo One Tonne Gold Coin, Australia's most spectacular display of natural gold nuggets and a traditional gold pour. This year we added Aboriginal stories to the tour. We have also installed a mosaic, designed by a local Aboriginal artist depicting the story of gold and its connection to Western Australia's Indigenous people, which is now the starting point for our tours.

For the nine months from July 2021 to March 2022 the exhibition was limited to 35% of capacity due to COVID-related government regulations and mandates, a limit that was often not reached.

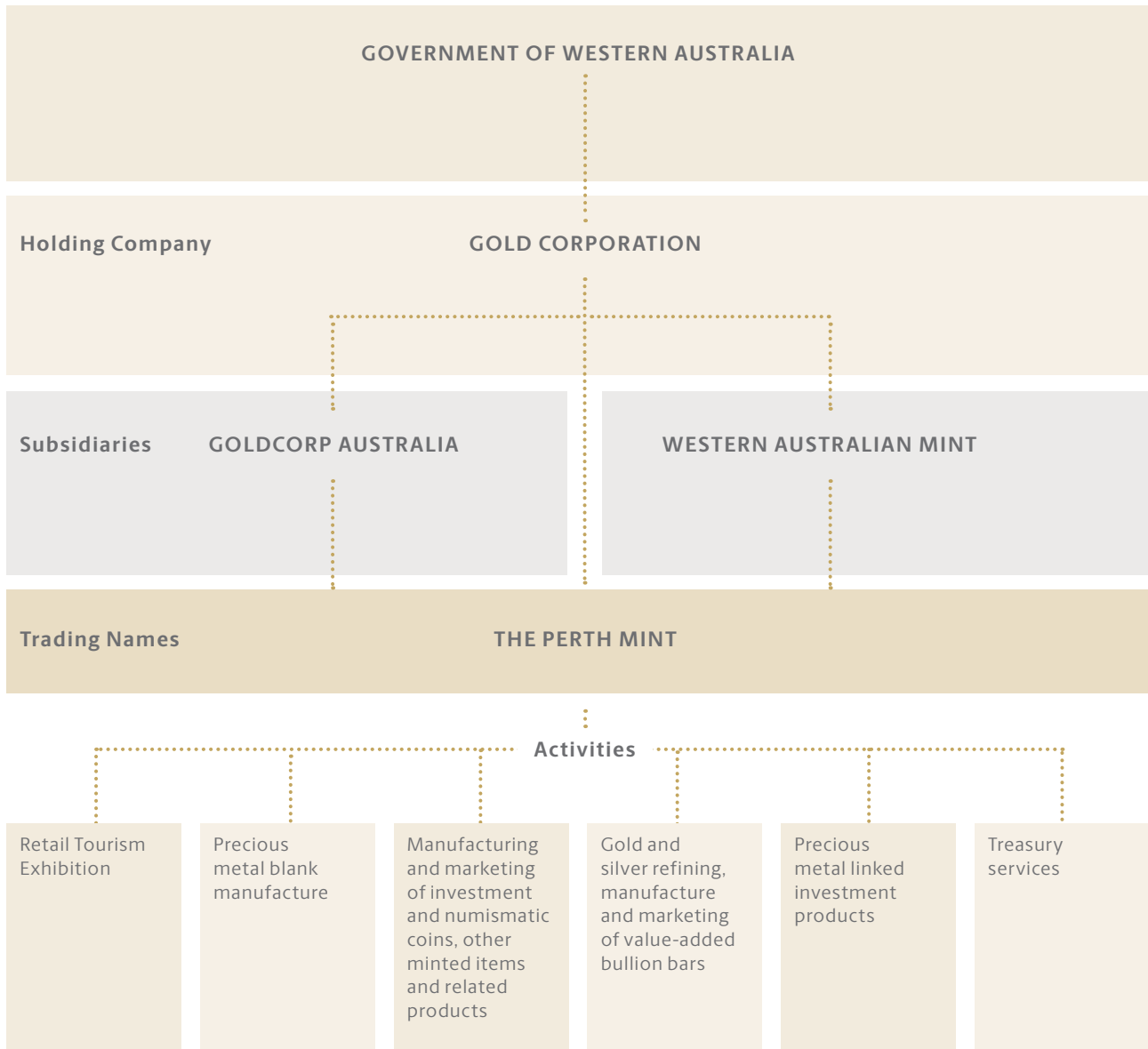
However, once the international borders were opened and local restrictions lifted in March 2022, we saw exponential growth in visitor numbers each month and by the end of June we saw close to pre-COVID numbers. In total, we hosted 34,440 visitors in 2021-22 compared with 12,137 in the previous year. With consumer confidence slowly returning this growth is expected to continue over the coming year.

The vaccination requirements and mask mandates that applied to indoor entertainment venues, which covered the exhibition, also had to be applied to our retail spaces as these could not be separated. This required controls at our external gate and restricted customer access to the premises. We responded by adapting our operations and procedures where possible to accommodate customer transactions.

Our newly renovated shop continues to evolve its offering of unique Australian jewellery featuring Argyle Pink Diamonds, South Sea Pearls and opals, natural gold nuggets, coin watches and a range of gold, silver and platinum coins as well as gifts and souvenirs for tourists.

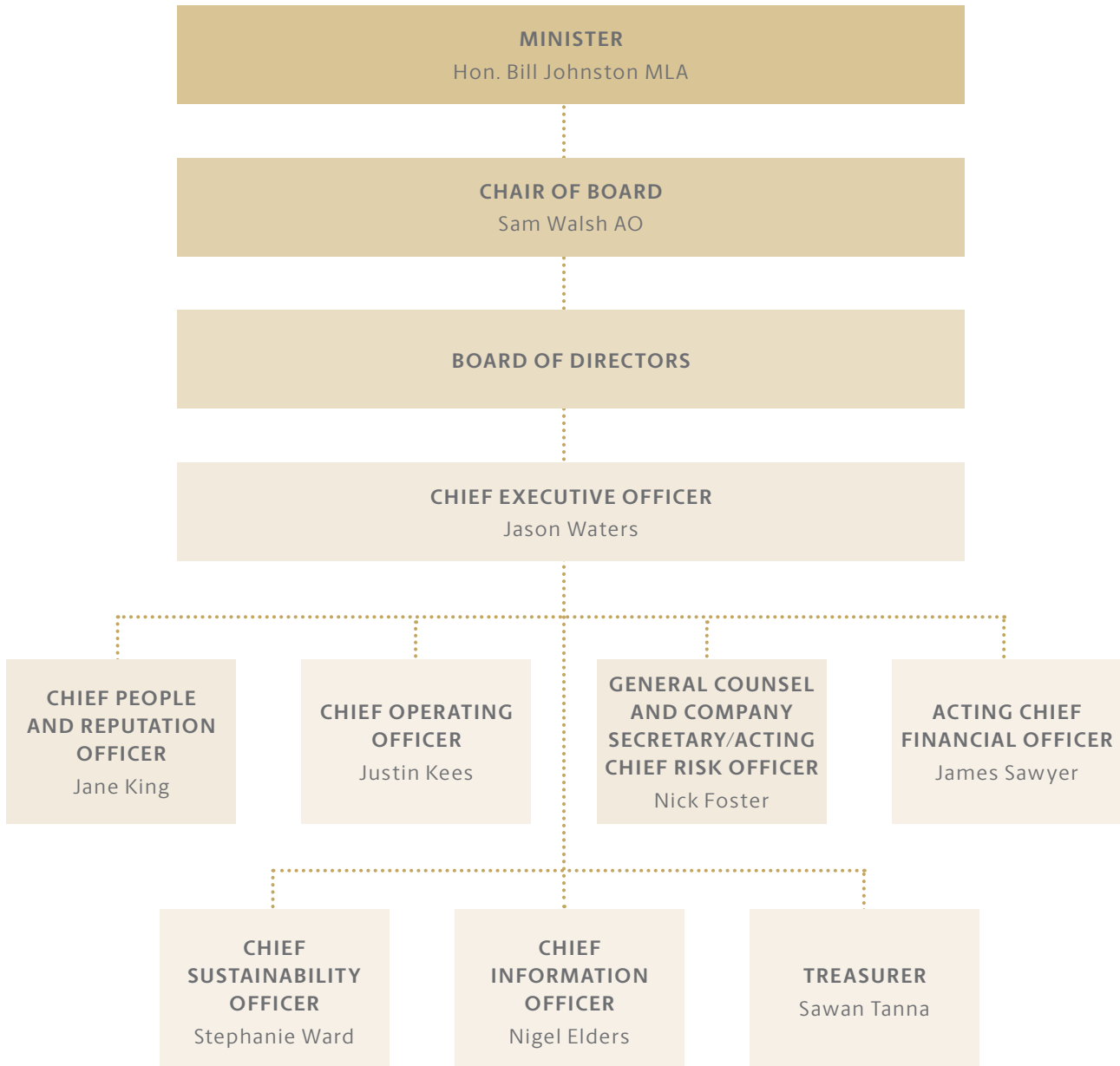


Our group structure





Organisational structure

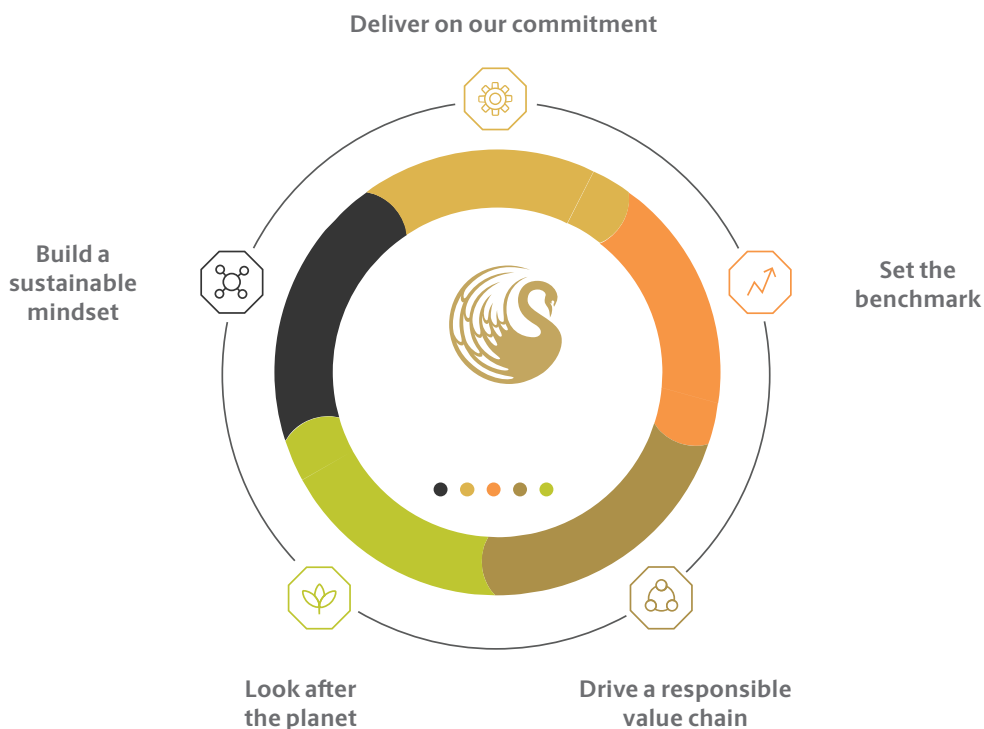


Sustainable operations

The Perth Mint maintained a strong focus on sustainability in all our operations in 2021-22.

Success in the first pillar of our Sustainability Strategy – to build a sustainable mindset – was called out in the annual “pulse survey” of employees as a notable change across the business. With this shift in mindset, we focussed on the remaining four pillars by challenging the way things have always been done in our business.

The five pillars of sustainability inform the material topics of focus for our organisation.



Build a sustainable mindset

We will embrace a sustainability mindset. Sustainability is everyone’s responsibility – we aim to be the sustainability benchmark.



Deliver on our commitment

We will continue to build the policies, expectations, standards, tools and procedures to become the ESG benchmark.



Set the benchmark

We will take a proactive approach to external engagement, being open and transparent in our communications.



Drive a responsible value chain

Our value chain will be responsible and sustainable, forming the benchmark for the industry and attracting the value chain partners with whom we want to work.



Look after the planet

We will take responsibility for the local environments where our people live, work and operate, delivering initiatives to protect and improve them.

Material topics

In late 2020, using the Global Reporting Initiative (GRI) methodology, The Perth Mint identified seven material topics as key areas of focus:



Safety and wellbeing

The health and safety of all our stakeholders are at the heart of our activities. Employee wellbeing is embedded in our culture, from the top down.



Anti-Money Laundering (AML) and Counter Terrorism Financing (CTF)

A clear, transparent and appropriate risk appetite drives our customer and supplier onboarding decision-making process and is the filter through which we continually evaluate all our business relationships.



Waste and hazardous materials management

Our respect for the environment motivates us to do more than just meet external compliance standards.



Ethical and sustainable supply chain

We aim to consistently exceed societal expectations in the ethical sourcing of our inputs and the placement of our products across the global value chain.



Ethics and values

We strive to be considered 'clean', above board and beyond reproach by the industry.



Cyber, data and privacy

We seek to ensure that our data and the data of those we interact with is secure, protected, safe and well managed.



Air emissions and quality

We will focus on reducing all atmospheric emissions from our operations. We will develop a roadmap to net-zero carbon, set ambitious targets and invest resources in meeting them.

In addition to the identified material topics and in alignment to our values, we have continued to invest in **employee diversity, inclusion and engagement and community relations**. These topics are an integral part of who we are at The Perth Mint and, as such, we will also include the key activities and outcomes against these in this Report.

SUSTAINABLE DEVELOPMENT GOALS



With only seven months of focus prior to the start of the 2021-22 reporting period we chose to retain our material topics for a further 12 months. We continued to implement initiatives to deliver outcomes against them, for the benefit of The Perth Mint and our stakeholders.

With the links between our material topics and the UN Sustainable Development Goals remaining consistent we continued to encourage teams to be more aware of these connections and of our impact on the local and global stage.

We achieved this through training and education sessions including:

- Continuing modern slavery training to all staff
- Delivering anti-money laundering and counter terrorism financing training to all customer-facing staff and senior management
- Delivering responsible metal and supply chain training to relevant refinery and treasury employees and senior management
- Making sustainability training available to all staff

- Continuing the roll out of cultural awareness training to all staff
- Yarning and art sessions during NAIDOC week
- Conducting pride education workshops for the executive and staff
- Hosting workshops and webinars focussed on sustainability at home
- Continuing the sustainability conversation at townhalls, toolboxes and other meetings.

RESPONSIBLE SOURCING

Responsible sourcing remained a key focus across our precious metals and non-precious metals supply chains.

MODERN SLAVERY

In September 2021 we published our second voluntary Modern Slavery Statement detailing our ongoing commitment to eliminating modern slavery practices in our supply chains. It outlined commitments for 2021-22, including:

- Reviewing the supplier code of conduct
- Rolling out a revised human rights policy to all suppliers

- Continuing to roll out updated refining agreements to refinery customers
- Continuing to embed modern slavery awareness in the organisation.

The supplier code of conduct review was completed while the other items were initiated, and all are now part of our usual business activities. We also completed a review of our supplier environmental, social and governance (ESG) questionnaire for non-precious metals suppliers. An updated questionnaire will be rolled out to all new suppliers in the first quarter of 2022-23.

LBMA AUDIT

Our annual LBMA (London Bullion Market Association) Responsible Sourcing Audit was completed in September 2021 by Deloitte Italy. The audit found no key deviations from LBMA's Responsible Gold Guidance (RGG) v8 requirements.

With RGG v9 coming into effect on 1 January 2023, The Perth Mint is focussed on identifying and closing any gaps in our current Responsible Metals procedures for this updated guidance.



This includes further improvement in our counterparty due diligence process for precious metals suppliers and updating our customer ESG due diligence questionnaire (precious metals) required during customer onboarding.

ON-SITE AUDITS

In accordance with our responsible metals and supply chain policy, all customers operating mines in high or very-high risk jurisdictions (as identified under our jurisdiction risk assessment) are required, where possible, to have annual on-site audits completed.

Our external auditor completed on-site assessments of four West African operations in the reporting period. COVID restrictions in Papua New Guinea meant we were unable to complete an on-site assessment for an operation in this jurisdiction, however we intend to complete this audit by the end of calendar year 2022.

ESG POLICY UPDATES

A collaborative project to refresh key ESG policies was completed during 2021-22. Policies reviewed and updated included:

- Occupational health and safety policy
- Environmental policy
- Equal opportunity policy
- Responsible metals and supply chain policy
- Anti bribery and corruption policy
- Whistleblower policy
- Code of conduct
- Customer code of conduct
- Human rights policy (minor updates following review in 2020-21).

These policies are all available on The Perth Mint website.

NET ZERO ROADMAP

The Perth Mint continued to focus on emissions reduction this year.

Scope 1 and 2 emissions have reduced from our previous audit for calendar year 2020.

Initiatives that helped drive this reduction included:

- Switching to carbon neutral electricity (green power) at our historic East Perth site
- Switching to carbon neutral gas at our East Perth site
- Continuing to upgrade lighting across both sites. This included replacing general lighting with LED fittings and connecting motion detectors and upgrading the emergency lighting services with LED fittings in Campbell Forrest House. Lighting at the refinery was upgraded as required, with a program to be formalised in 2022-23.



We committed to installing a 25mW solar photovoltaic (PV) system on one of our buildings at 300 Hay Street, East Perth. Installation was planned for 2021-22 but delayed due to COVID. We completed a feasibility study for a 100mW PV system for the Campbell Forrest House building in East Perth. We are in discussions with our leaseholder, Perth Airport Pty Ltd, for a larger PV system at the refinery.

Scope 3 emissions have increased from our previous audit, mostly due to increases in freight. Increases can be attributed to:

- More coins sold to USA and Europe (up 12% from 2020-21)
- Increased production resulted in more inbound freight for equipment, supplies and capital planning
- Increases to travel distances due to the closure of some flight routes.

A change in audit methodology also contributed to the increase in freight-related emissions. We will reset the baseline for our Scope 3 emissions as a result of this audit and double down on our focus on freight as our major source of emissions.

CYBER SECURITY, DATA AND PRIVACY

The cyber security uplift program continued in 2021-22 with the Information Security team continuing to focus on increased protection of business and technology assets. This included the implementation of additional information security solutions and controls to reduce cyber risks. We continue to support the strategic goals of the corporation through improved governance, management and usage of The Perth Mint's data while maintaining the privacy of our customers.

RECYCLING

The Green Taskforce – a group of sustainability focussed individuals from across The Perth Mint – improved the in-house recycling program. Rubbish bins were removed from desks and three-waste disposal stations were installed. Battery and e-waste recycling was introduced at both sites and as the COVID pandemic progressed disposable mask recycling bins were provided.

Information on the impact of reducing, reusing and recycling was provided to employees on the staff intranet and desktop screensavers.



Our people

The Perth Mint's full-time equivalent employees increased by 11.2% in 2021-22, mostly due to an increase in casual employment.

SALARY AND ENTERPRISE AGREEMENT

| | 30 June 2021 | 30 June 2022 |
|----------------------|--------------|--------------|
| Salaried | 311 | 340 |
| Enterprise agreement | 205 | 234 |
| Total | 516 | 574 |



Employee demographics



46% 44%

Women



29% 50%

Female tier 1 (Executives)



54% 42%

Female tier 2
(general/group managers)



59% 55%

Female tier 3
(managers reporting to tier 2)



43 44

Average age



7% 7%

Employees <25 years old



42% 43%

Employees >45 years old



19.2% 12.6%

Employees initiated turnover



EMPLOYEE DEMOGRAPHICS

For the first time since The Perth Mint started reporting on the number of females in leadership roles, this year saw more females in leadership roles than males across tiers 1-3.



CULTURAL DIVERSITY

Employees originate from a range of national, cultural and ethnic backgrounds.

593

total individual employees:

213 (36%)

are classified as culturally and linguistically diverse with English as their second language

28 (4.7%)

have a disability

11 (1.9%)

identify as Aboriginal or Torres Strait Islander

We offer a variety of leave types which employees have accessed through the year. With the peak of COVID hitting Western Australia during the second quarter, 379 employees accessed COVID leave to receive a COVID vaccination or while isolating. Three employees accessed cultural and ceremonial leave, which allows employees to celebrate cultural or religious days of observance not coinciding with an existing public holiday. Of the eight employees who accessed paid parental leave as the primary carer, three were male.

There has been an increase in employee-initiated turnover, with the main reasons for leaving being higher pay and career development. This reflects the current market in Australia with a skills shortage and labour demands nationwide. To help alleviate this, The Perth Mint permanently promoted 70 employees and temporarily seconded 41 employees into higher-level positions in the last 12 months.

LEADERSHIP

In January 2022, we introduced a tailored Certificate IV in Leadership and Management program for 30 supervisors and leading hands to complete over 12 months. The program aims to empower our leaders to make more effective and efficient decisions; hold them to account and deliver on expectations; work collaboratively and build diverse teams; demonstrate empathy; be leaders in safety and lead effective teams by upholding our values.



OPERATING
INSTRUCTIONS TO BE
KEPT BEFORE
WORKING AT MACHINE

ELIZABETH II AUSTRALIA
1 DOLLAR

Culture, wellness and engagement

Our people, processes and programs are critical to our success. In 2021-22 we continued to improve culture at The Perth Mint with the focus on wellbeing, engagement and inclusion. Several significant initiatives were undertaken including:

ENGAGEMENT

An annual employee engagement survey was completed in January 2022, with several engagement initiatives implemented as a result.

These included:

- promotion of internal secondments
- job shops to showcase internal vacancies
- planning for a career mapping process which will support career development
- commencing an employee branding project which will enhance employee experience
- improved communications around employee departures
- implemented strategies to improve collaboration between refinery and East Perth sites
- increased physical presence of technology support.

HEALTH AND WELLNESS BENEFITS

A variety of health and wellness programs were offered to all employees. These included:

- Flu vaccinations
- Health checks
- Skin checks
- Vision screening
- Yoga sessions
- Healthy eating programs
- Mindfulness workshops
- Financial wellbeing sessions

DIVERSITY AND INCLUSION

Diversity, equity and inclusion continued to be a business-wide priority in 2021-22, with the Diversity, Equity and Inclusion Steering Committee completing the implementation of the Diversity and Inclusion Strategy deliverables in June 2022. The Perth Mint's strategic priorities focussed on gender, LGBTIQ+, mental health, people with disability, culturally and linguistically diverse (CALD) and Aboriginal and Torres Strait Islander people. The committee has started developing the 2023 to 2025 Diversity, Equity and Inclusion Strategy.

Some of the initiatives implemented in 2021-22 include:

Aboriginal and Torres Strait

Islander people: We successfully completed the deliverables in the Reflect Reconciliation Action Plan (RAP). Key achievements included:

- official raising of the Aboriginal and Torres Strait Islander flags at East Perth and refinery sites
- delivery of cultural awareness training across the organisation

- becoming a Supply Nation member
- refreshing The Perth Mint tour content to celebrate and educate visitors about Aboriginal and Torres Strait Islander history
- installation of an Indigenous mosaic in the East Perth courtyard, demonstrating our respect for the land we are built on.

The Perth Mint has partnered with Indigenous Consulting Group to guide the development of our next plan, an Innovate RAP. An employee steering group, which has more than 50% Aboriginal and Torres Strait Islander employees as well as key internal stakeholders, has been working on the plan. An indigenous identified position has been created to guide the work.

LGBTIQ+ (Pride): In November, employees celebrated Pride Month. Throughout the month they:

- participated in education sessions delivered by the Curtin University Diversity Taskforce
- completed online awareness training
- raised funds for the Pinnacle Foundation
- invited to share preferred pronouns on their email signatures.

As part of the ongoing commitment to raising awareness and educating employees about LGBTIQ+ matters, LGBTIQ+ awareness training has been included as part of standard onboarding training packages for new employees.

“The Perth Mint’s strategic priorities focussed on gender, LGBTIQ+, mental health, people with disability, culturally and linguistically diverse (CALD) and Aboriginal and Torres Strait Islander people.”



To support these initiatives, the executive team participated in a gender and sexuality awareness workshop, designed to increase awareness of LGBTIQ+ issues and promote inclusive leadership. To continue to improve in this area, The Perth Mint lodged a submission with the Australian Workplace Equality Index to benchmark its practices and learn from other organisations.

Mental health: We have continued to deliver mental health first aid training across the business and supported employee wellbeing initiatives by increasing greater flexible working opportunities and facilitating ‘safe to speak up’ campaigns. The Perth Mint celebrated R U OK? Day and Mental Health Month with a series of wellness workshops, focussed on holistic wellbeing.

In recognition of the mentally healthy workplace program, The Perth Mint received the Health and Wellness Award from IFAP in October 2021.

In March 2022, we partnered with a new Employee Assistance Program provider, People Sense, to deliver more inclusive and higher quality services to employees.

Disability access and inclusion: The Perth Mint celebrated International Day of People with Disability in December through storytelling. To raise awareness, two employees shared their stories about living with disability, through internal and external communication channels.

Gender: In support of gender equality, The Perth Mint commenced an inclusion-based mentoring program delivered by specialist consultants Emberin in January 2022 to encourage shared learning and inclusive leadership practices.

The Perth Mint celebrated International Women's Day with an "open door day" activity where employees had the opportunity to meet with a senior female leader to pitch an idea or seek career advice. The Perth Mint also launched a tribute video put together by employees. International Men's Day was celebrated by hosting an interactive panel discussion around toxic masculinity and men's mental health.

Culturally and linguistically diverse: In 2021, The Perth Mint partnered with Red Cross to help support refugees who had recently arrived in Perth. This resulted in the appointment of three candidates to The Perth Mint positions.

The Perth Mint celebrated Harmony Day with an artwork project where employees were encouraged to contribute to collaborative mindfulness by colouring in posters. We also joined the "Racism. It Stops With Me" campaign run by the Australian Human Rights Commission. We acknowledged the partnership with the release of a racism awareness video featuring employees sharing their pledges to eliminate racism.

A 50-week English literacy program was completed in June 2022. The program was designed to ensure all employees have equal opportunities to participate in the workplace and better understand and follow safety procedures.



Pictured (L to R) Officer Talent Acquisition Diversity and Inclusion Riaana Raywood, Executive Administrator Alejandra Larez Velasquez and Group Manager Organisational and Cultural Development Kristen Potter.

Alejandra's journey

The Perth Mint was proud to recognise our multicultural workplace as part of Harmony Week celebrations this year.

We have employees from more than 50 countries who call Australia their adopted home, and more than a third of our people come from Culturally and Linguistically Diverse (CALD) backgrounds.

Among them is Alejandra, who is part of The Perth Mint executive administration team. Alejandra and her family were forced to leave their home in Venezuela in 2016 because of political unrest but it was a long, arduous process, including being granted refugee status in Trinidad and Tobago, before they could finally settle in Australia.

They arrived in Perth in 2021 and Alejandra, an English teacher in Venezuela, was able to find a position at The Perth Mint's East Perth offices.

She is happy to have found a peaceful, supportive working environment, and is keen to be seen not as a "refugee".

"I just want to be seen as 'Alejandra'," she says. "This is my new home."

"I just want to be seen as 'Alejandra'," she says. "This is my new home."



Disability Access and Inclusion Plan 2020-2025

.....

We are committed to the needs of people with disability as set out in our five-year Disability Access and Inclusion Plan (DAIP).

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

The Perth Mint's original East Perth building is heritage listed and has access limitations in certain areas. Most of our administration buildings have wheelchair access and accessible toilets, except the second and third floors of the original buildings, which are not serviced by a lift. The primary functions of this building are retailing and tourism, which are restricted to the ground floor and are covered under the DAIP.

In 2021-22, we completed a 12-month partnership with Job Access and the National Disability Support Coordinator program to review and enhance the recruitment and retention of people with disability. The partnership resulted in a full accessibility recruitment review, inclusive policy review, establishment of partnerships with local disability employment service providers and the delivery of disability awareness training across the business. We continue to receive support through Job Access as an alumni partner.

Our ongoing partnerships with JobAccess and Advanced Personnel Management have resulted in a number of placements and ongoing support of people working with disability. Recent partnerships with Down Syndrome WA and Autism WA have resulted in several more employment opportunities.



ARTWORK by..
KEVIN BYNDER
2021
Whadjuk Nyungar
Widi Badimia
YAMATUI



Health, safety and environment

Underpinning everything we do is our safety promise which all staff at The Perth Mint see each day as we enter our premises: "Safe people. Safe workplace. Safely home."

COMMITMENT

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

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

The nature of our industry and its reliance on manual handling, along with the added complexities of COVID have challenged us this year, but we remain committed to reducing the potential for injury in our workplace.

SAFETY AND ENVIRONMENT MANAGEMENT SYSTEMS

The Perth Mint's Safety Management System is accredited to AS/NZS 4801:2001. The refinery's Environmental Management System is accredited to ISO 14001:2015. We are working towards accreditation to ISO 45001:2018 – Occupational Health and Safety Management System across all sites.

The refinery is regulated by the *Airports (Environmental Protection) Regulations 1997* and is subject to regular auditing by Perth Airport.

SAFETY

In response to Western Australia's new *Western Australian Work Health and Safety Legislation*, which began in March 2022, several health and safety initiatives were implemented by The Perth Mint to improve processes in the following areas:

- Manual handling
- Automation
- Ergonomics
- Health and hygiene management

We ensure compliance with the *Workers Compensation and Injury Management Act 1981*.

We are committed to ensuring all injured employees return to work as soon as is practicable and medically appropriate. Mental health awareness continues to be promoted and we have increased the number of mental health first aid officers, including providing training for leadership.

COVID

To maintain a safe working environment for all our employees, contractors and visitors, our sites continue to improve our response to the COVID pandemic. A COVID-19 management team was formed and meets on a regular basis to review current health advice and implement safety controls. Both sites continued operating at full capacity throughout the year by employing controls such as split shifts, work from home, social distancing, increased cleaning rosters and personal hygiene promotion.

WASTE AND HAZARDOUS MATERIALS

Our respect for the environment obliges us to do more than just meet external compliance standards.

Environmental reporting

There were no significant environmental incidents or exceedances from our operations during the year. The National Pollutant Inventory (NPI) report was submitted with no exceedances reported.

Wastewater management

The Perth Mint regularly tests and monitors all wastewater from its refinery operations and water runoff (rain) from the site to ensure no contaminants are entering the groundwater. Effluent discharge from the operation is tested daily with results reported to Water Corporation in line with our Trade Waste Permit. There were no exceedances in 2021-22.

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

Hazardous waste

All controlled hazardous waste is disposed of in accordance with the relevant consignment authorisations using an approved controlled waste carrier.

CONSULTATION

The Perth Mint consults with employees through regular toolbox meetings and monthly HSE committee meetings.

We have elected health and safety representatives who contribute to HSE changes in the workplace.

Additionally, they are fully engaged in safety inspections and incident investigations. Suggestions for improvements are supported and employees continue to participate in the site safety observation program.

PERFORMANCE

Recordable injury statistics

| LTIFR | LTIFR target | TRIFR | TRIFR target |
|-------|--------------|-------|--------------|
| 3.10 | 0.00 | 13.44 | <10.0 |

Number of Recordable Injuries

| LTI | RWI | MTI |
|-----|-----|-----|
| 3 | 9 | 1 |

TIFR – Lost Time Injury Frequency Rate

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

LTI – Lost Time Injury

RWI – Restricted Work Injury

MTI – Medical Treatment Injury

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

Our customers and community

NATIONAL HERITAGE

As Australia's only remaining "goldrush mint", with our foundation stone laid in 1896, we are committed to sharing Australia's history with local, interstate and overseas visitors. Our heritage-listed building, a landmark on Hay Street, East Perth, successfully blends our history with a modern retail and tourism experience. In 2021-22, we updated our tour script to include information about Indigenous culture and commissioned an Aboriginal-designed mosaic for our forecourt so that we can better acknowledge and engage with the Aboriginal and Torres Strait Islander community.

THE GOLD INDUSTRY GROUP

This member-based, not-for-profit independent organisation promotes the gold industry's valuable contribution to the nation through education, community initiatives and issue representation. It is governed by a board of directors which includes a representative from The Perth Mint.

The Perth Mint has supported Gold Industry Group's national gold education program since inception, which educates school students about the industry's contribution to the economy, the importance of Science, Technology, Engineering and Maths (STEM) subjects and the diverse range of careers available in the sector. Our employees delivered 10 sessions to primary and secondary schools in 2021-22.



Pictured (L to R) Netball WA and West Coast Fever CEO Simone Hansen, Artist Kevin Bynder, Gold Industry Group CEO Rebecca Johnston, The Perth Mint Chief Sustainability Officer Stephanie Ward.

Shooting stars

The Perth Mint provided a special touch for the stars of the 2022 NAIDOC Netball Carnival.

Our team worked with Whadjuk-Yuet-Ballardong artist Kevin Bynder to design and produce the medals awarded to the most valuable players at the annual tournament in July.

The MVP medals were produced as part of our role as a proud funding partner of the Gold Industry Group's principal partnership with Netball WA.

Kevin describes his striking design as a celebration of the NAIDOC carnival and its role in bringing young people together to compete in "warrior mode". We have worked with Kevin on several projects, with his designs gracing coin releases, including the maali (black swan) coin for Reconciliation Week in 2022.

The Perth Mint Chief Sustainability Officer, Stephanie Ward, said sponsorship of the NAIDOC Netball Carnival was an important part of strengthening connections with First Nations people.



CORPORATE VOLUNTEERING

Our volunteering program provides one day of paid leave for employees to participate in volunteering activities to support the community. In 2021-22, employees participated in 10 volunteering activities at Foodbank WA, The Salvation Army, Dress for Success, Activ Foundation and Wirambi Landcare.

CHARITY COMMITTEE

Our Charity Committee continued financial and in-kind support for three focus charities – Ronald McDonald House Charity WA, Salvation Army and Deadly Sista Girlz.

The committee raised \$11,000 to continue sponsorship of The Perth Mint Room at Ronald McDonald House Charity WA's Nedlands facility. The room has provided a home away from home for 48 sick children and their families for 310 days and nights.

In October, we hosted the Salvation Army Anti-Poverty Week Art Exhibition, showcasing artwork by people affected by poverty. We also donated to the Red Shield Appeal and employees volunteered at the Salvation Army Christmas Giving program.

We raised funds for Deadly Sista Girlz via the auction of office furniture and other goods no longer used by The Perth Mint.

CUSTOMER SERVICE AND CUSTOMER COMPLAINTS

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

- A documented and whole-of-organisation commitment to the efficient and fair resolution of complaints

- Fairness to the complainant
- Adequate resources with a high level of employee delegated authority
- Speedy and courteous responses
- No charges for the handling of complaints
- A formal system to determine causes and implement remedies
- Systematic recording of complaints and their outcomes
- Regular reviews of the quality management and complaints review process

Our profile on social media platforms provides the opportunity for unprecedented customer feedback and interaction. While much feedback during the year was positive, negative comments and complaints provided opportunities to address issues which otherwise may have not been raised.



Most coin complaints related to late delivery or products damaged in transit. There was also an increased number of complaints about registering for our new website. Complaints about the shop and exhibition related to policies and procedures, customer service, conditions of entry requirements (particularly COVID mitigation measures), queues for the bullion room, bullion production delays and tour admission charges.

Depository complaints were primarily in response to logistics and delivery delays, technical issues, fees and charges and requirements to open accounts, all of which are being monitored and reviewed to reduce occurrence when possible. Refinery complaints were in response to product quality issues that are subject to corrective actions to reduce reoccurrence.

| | Orders Processed | Complaints Received |
|---------------------|------------------|---------------------|
| Coins | 48,979 | 67 |
| Depository | 55,275 | 10 |
| Shop and exhibition | 27,351 | 17 |
| Refinery | 9,490 | 9 |



INDUSTRY AND COMMUNITY PARTICIPATION

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

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

- Tourism Australia
- Tourism Western Australia
- Tourism Council of Western Australia
- Association of Perth Attractions
- Destination Perth
- Committee for Perth
- Gold Industry Group
- Business Events Perth
- Chamber of Minerals and Energy
- Association of Mining and Exploration Companies
- Minerals Council of Australia
- Chamber of Commerce and Industry (WA)
- West Australian German Business Association
- German-Australian Chamber of Industry and Commerce
- Singapore Bullion Market Association

COVID again affected our ability to participate in the Australasian Numismatic Dealers' Association banknote and stamp trade shows and international events in Berlin, Beijing and Chicago. This year we attended the virtual World Money Fair in Berlin but did not attend other shows.

In May our people attended the Australian Tourism Exchange in Sydney where they were able to connect with inbound tour operators from our key markets.

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

In August 2021 we attended Diggers and Dealers, Australia's leading gold mining forum as an exhibitor and award sponsor. The Perth Mint has sponsored the Diggers and Dealers awards for more than 20 years as part of our commitment to the industry and seeing our customers recognised for excellence. More than 2400 industry representatives and delegates attended the event in Kalgoorlie, including miners, producers, explorers, brokers, bankers, investors, financiers and mining services representatives.

We were an exhibitor and closing drinks sponsor of NewGenGold conference in Perth and an exhibitor at the Australian Gold Conference in Sydney. We presented virtually with the Australian Shareholders' Association ETF Forum, Superannuation Association, Financial Advisers Association and SMSF Association.

STATE BATTERIES

A number of state battery reserves (government-owned mineral processing facilities) were vested in the Western Australian Mint in the late 1980s for the purposes of mineral processing. They are mostly in remote and unpopulated areas. We continued to work through the process of transferring the sites to other agencies more appropriately equipped and better placed to manage the issues associated with the sites.

Meanwhile, we have initiated a process to obtain external environmental advisers to investigate remediation requirements on one of the reserves. We will use the results of that investigation to inform our next steps.

Corporate governance

Gold Corporation, trading as The Perth Mint, was established by the *Gold Corporation Act 1987* (WA). The Minister responsible for the Corporation is the Honourable Bill Johnston MLA, Minister for Mines and Petroleum; Energy; Corrective Services; Industrial Relations.

Section 10 of the Act sets out the functions of Gold Corporation. These include:

- promoting and developing markets for gold and gold products in Australia and elsewhere
- minting, making, issuing, buying, selling, distributing and otherwise dealing in coins, medallions and other artifacts containing gold
- recovering, extracting, processing, smelting, sampling, refining, assaying and working gold and anything containing gold.

We have no policy role in government, make no laws or regulations except in relation to the conduct of our own affairs and administer no schemes that confer benefits on or place imposts on the public.

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

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

BOARD OF DIRECTORS

The Board of Directors is our governing body. Section 6 of the Act empowers the Board to determine policies for Gold Corporation and its subsidiaries, and to determine the respective functions and operations to be performed by Gold Corporation and its subsidiaries. Subject to the Act, the Board is required to:

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

The Board's authority is limited by the provisions in the Act and by ministerial direction as set out in a formal Statement of Expectations. The Board acknowledges its accountability is to its only shareholder, the Government of Western Australia.

The Board is committed to sound corporate governance principles and high standards of legislative compliance, supported by commensurate financial, environmental, occupational safety and health, and ethical behaviour.

The Board has serious regard to directorial and managerial conduct and reputation as an integral part of sound governance practices. The Board has committed itself and Gold Corporation to comply, wherever applicable, with the spirit and letter of the Australian Institute of Company Directors Code of Conduct and Guidelines and Ministerial Expectations for Government Boards. Directors can seek independent professional advice on Board matters at Gold Corporation's expense, with the approval of the Chair.

KEY ACTIVITIES

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

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

- risk management and risk issues
- environmental, social and governance issues
- strategic issues and key operational matters
- operational performance and financial matters
- safety and environmental performance.

MEMBERSHIP

Directors are appointed by the Governor of Western Australia on the nomination of the Minister and approval by Cabinet. At year-end the Gold Corporation Board consisted of seven non-executive directors and two executive directors.

| Director | Status | Expiry of term |
|------------------------|---------------|------------------|
| M J Cave | Non-executive | 31 August 2025 |
| J King (Deputy CEO) | Executive | 18 November 2025 |
| S K Langer | Non-executive | 31 January 2024 |
| J Muirsmith | Non-executive | 10 March 2025 |
| J P O'Connor | Non-executive | 31 May 2025 |
| N Roberts | Non-executive | 1 August 2024 |
| S M C Walsh AO (Chair) | Non-executive | 31 December 2024 |
| J Waters (CEO) | Executive | 25 April 2026 |
| R K Watson | Non-executive | Ex-officio |

MEETING ATTENDANCE

There were seven formal meetings of the directors of Gold Corporation during the year ended 30 June 2022. The number of formal meetings attended by each director is indicated in the table below.

Directors' meeting attendance

| | Attended | Eligible |
|------------------------|----------|----------|
| M J Cave | 7 | 7 |
| J Collins | 3 | 5 |
| R Hayes | 2 | 6 |
| J King | 4 | 4 |
| S K Langer | 7 | 7 |
| J Muirsmith | 1 | 1 |
| J P O'Connor | 7 | 7 |
| M Puzey | 6 | 6 |
| N Roberts | 7 | 7 |
| L Twigger | 1 | 1 |
| S M C Walsh AO (Chair) | 7 | 7 |
| J Waters | 1 | 1 |
| R K Watson | 5 | 7 |

BOARD COMMITTEES

The Board has established four committees, chaired by independent non-executive directors, to assist in the execution of its duties and responsibilities. These are the Audit and Risk Management Committee; the Nominations and Remuneration Committee; the Health, Safety and Environment Committee; and the Treasury Committee.

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



Audit and Risk Management Committee

The committee reviews the quality, integrity, reliability and adequacy of our information, finance, accounting, and control systems, as well as the risk management framework and compliance with laws, regulations, and key internal policies. It advises the Board accordingly, while also acting as a communications interface between the Board and our auditors, both internal and external.

Membership of the committee at year-end comprised John O'Connor (Chair), Jane Muirsmith and Richard Watson.

The committee met five times during the financial year.

Audit and Risk Management Committee meeting attendance

| | Attended | Eligible |
|----------------------|----------|----------|
| J P O'Connor (Chair) | 5 | 5 |
| R K Watson | 5 | 5 |
| M Puzey | 3 | 3 |

Nominations and Remuneration Committee

The Board delegates authority for determining conditions of employment to the Nominations and Remuneration Committee. The committee's responsibilities include providing the Board with advice on executive appointments and succession planning; reviewing and advising the Board on remuneration policy; determining senior employee salary levels; alterations to core conditions of employment and employee incentive schemes. To ensure we attract and retain qualified and experienced

personnel in competition with private sector organisations, we benchmark against employment conditions in the wider economy.

Membership of the committee at year-end comprised Sam Walsh AO (Chair), Jason Waters (CEO), Sally Langer and Jane King (Deputy CEO and Chief People and Reputation Officer).

The committee met once during the financial year with all four members attending.

Health, Safety and Environment Committee

The key objectives of the committee are to:

- ensure leading edge safety and environmental strategies are in place
- review health, safety and environmental performance
- determine that systems and procedures are in place to ensure compliance with our policies, legislative requirements and Australian Standards
- review activities carrying potentially inappropriate levels of risk

- ensure management plans are in place to mitigate these risks

Membership of the committee at year-end comprised Sam Walsh AO (Chair), Jason Waters (CEO) and Jane King (Deputy CEO and Chief People and Reputation Officer).

The committee met four times during the financial year.

Health, Safety and Environment Committee meeting attendance

| | Attended | Eligible |
|------------------------|----------|----------|
| S M C Walsh AO (Chair) | 4 | 4 |
| J E King | 4 | 4 |
| Richard Hayes | 2 | 2 |
| Jason Waters | 1 | 1 |

Treasury Committee

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

The functions of the Treasury Committee are currently paused.

MANAGEMENT COMMITTEES

Executive Committee

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

Other committees

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

PUBLIC INTEREST DISCLOSURE

We are committed to the aims and objectives of the *Public Interest Disclosure Act 2003* (WA). We recognise the value and importance of employee contributions to enhance administrative and management practices and strongly support disclosures by staff as to corrupt or other improper conduct. All employees are made aware of our whistleblower policy and the processes in place to make a disclosure.

The public interest disclosure officers are Nick Foster and Emma Soactar.

No notifications were received during 2021-22.

PUBLIC SECTOR STANDARDS AND ETHICAL CODES

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

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

During 2021-22, no issues relating to non-compliance with the public sector standards or the WA Code of Ethics were raised.

RECORDS MANAGEMENT

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

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

The Gold Corporation Record Keeping Plan is a statutory requirement under the Act. It identifies the strategy, processes and tools that ensure business critical information is identified, secured and retained in compliance with legislation. The plan was reviewed and submitted to the State Records Commission in June 2022 and is expected to be affirmed in the coming months. The next review will be in 2027.

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

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

The records management function provides continuous assistance to the business to achieve the annual Quality Assurance 9001 audit standard for document control. The process is controlled and coordinated through the corporate electronic document records management system. Improvements to the system include introduction of scheduled workflows and enhanced security and access controls.

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

FREEDOM OF INFORMATION (FOI) STATEMENT

Pursuant to Part 5 of the *Freedom of Information Act 1992 (WA)* and guidelines issued by the Office of the Information Commissioner in January 2018, we have prepared an information statement.

The information below, in addition to information about Gold Corporation's functions and enabling legislation found in this Corporate Governance section, comprise the information statement.

Mission statement

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

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

Documents held by the agency

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

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

FOI exemption

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

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

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

Operation of FOI

Access applications (for personal and non-personal applications) must:

- (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
- (iv) be lodged at Gold Corporation, together with any application fee payable.

Applications will be acknowledged in writing and the applicant will be notified of the decision within 30 (personal information) or 45 (non-personal information) days.

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

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

No applications were lodged or transferred to Gold Corporation under FOI legislation in 2021-22.

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

Access

Access to documents can be granted by way of inspection, a copy of a document, a copy of an audio or video tape, a computer disk, or a transcript of a recorded, shorthand or encoded document from which words can be reproduced.

The procedure for making an application for an amendment of personal information is the same as for an access application.

Fees

Gold Corporation is entitled to charge the following fees:

| | |
|--|------------------|
| Personal information about the applicant | No fee or charge |
| Application fee for non-personal information | \$30 |
| Charge for time dealing with the application (per hour, or pro rata) | \$30 |
| Access time supervised by staff (per hour, or pro rata) | \$30 |
| Photocopying staff time (per hour, or pro rata) | \$30 |
| Per photocopy | \$0.20 |
| Transcribing from tape, film or computer (per hour, or pro rata) | \$30 |
| Duplicating a tape, film or computer information | Actual cost |
| Delivery, packaging and postage | Actual cost |

An estimate of charges will be provided if the cost is expected to exceed \$25. For impecunious applicants or those issued with prescribed pensioner concession cards, any charges payable are reduced by 25%.

REMUNERATION REPORT

This remuneration report details the remuneration arrangements for persons having authority and responsibility for planning, directing and controlling the major activities of Gold Corporation indirectly or directly, including any director.

REMUNERATION GOVERNANCE

The Nomination and Remuneration Committee has delegated decision-making authority in relation to various matters including the remuneration arrangements for executives including the CEO and is required to make recommendations to the board for the CEO remuneration, which has to be aligned to the Salary and Allowances Tribunal.

The Committee meets prior to the annual salary review process and then as required through the year. The CEO is not present during any discussions related to his own remuneration arrangements.



DIRECTOR REMUNERATION ARRANGEMENTS

The Minister sets remuneration for directors in accordance with the Act.

Directors do not receive any retirement benefits (apart from statutory superannuation) nor do they participate in incentive programs. Details of directors' fees are set out in table 1.

EXECUTIVE REMUNERATION

Gold Corporation's approach to executive remunerations is designed to attract and retain high-performing individuals who, due to the nature of the business, need to remain competitive aligned to industry standard. Total remuneration for executives consists of fixed remuneration comprising base salary (which is calculated on a total cost basis, including accrued annual leave and long service leave entitlements) and a modest short-term incentive scheme which covers all staff plus superannuation. The Corporation does not provide any other allowances, such as cars.

INDEMNIFICATION OF DIRECTORS AND OFFICERS

During the reporting period, a directors' and officers' liability insurance policy was maintained to ensure that directors and officers had adequate coverage.

The policy indemnifies directors and officers of the Corporation from losses arising from a claim or claims made against them, jointly or severally during the period or insurance by reason of any wrongful act (as defined in the policy) in their capacity as a director or officer of the Corporation.

DIRECTORS REMUNERATION

| Total remuneration band \$ | Number of directors* | | Short term \$'000 | | | | Post employment \$'000 | | | | Total \$'000 | |
|----------------------------|----------------------|------|-------------------|------|---------|-------|------------------------|------|-------------|------|--------------|------|
| | | | Salary & Fees | | Other** | | Super | | Termination | | Total | |
| | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 |
| 0–49,999 | 2 | 4 | 11 | 18 | – | – | 1 | 2 | – | – | 12 | 20 |
| 50,000–99,999 | 5 | 4 | 55 | 56 | – | – | 5 | 6 | – | – | 60 | 62 |
| 100,000–149,999 | 1 | 3 | 95 | 105 | – | 9 | 9 | 10 | – | – | 104 | 124 |
| 450,000–499,999 | – | 2 | – | 599 | – | (154) | – | 23 | – | 4 | – | 472 |
| 650,000–699,999 | 1 | – | 500 | – | 133 | – | 63 | – | – | – | 696 | – |

* Where there is more than one director in a remuneration band the average remuneration is shown

** "Other" includes leave and incentive accruals. Negative values arise from large reversal of leave accruals due to leave being taken, cashed out or paid out upon termination.

NAMES AND POSITIONS OF EXECUTIVES

| | |
|----------------------------|---|
| Justin Kees* | Chief Operating Officer |
| Sawan Tanna* | Treasurer |
| Nick Foster* | General Counsel and Company Secretary / Acting Chief Risk Officer |
| James Sawyer* | Acting Chief Financial Officer |
| Nigel Elders ¹ | Chief Information Officer |
| Stephanie Ward | Chief Sustainability Officer |
| David Koch | General Manager Corporate Governance and Legal (exited 17 September 2021) |
| Caroline Preuss | Chief Financial Officer (exited 31 December 2021) |
| Amanda Noble ^{2*} | Chief Risk Officer (exited 23 May 2022) |
| Brad Wearn ³ | Chief Information Officer (exited 29 October 2021) |

* Denotes the five executives with the highest total remuneration during 2021-22.

1 Nigel Elders provided Chief Information Officer services under a separate service agreement between Gold Corporation and Diversus.

2 Amanda Noble provided Chief Risk Officer services under a separate service agreement between Gold Corporation and 43 North.

3 Brad Wearn provided Chief Information Officer services under a separate service agreement between Gold Corporation and BJM Performance Pty Ltd.

EXECUTIVE REMUNERATION

| Total remuneration band \$ | Number of executives* | | Short term \$'000 | | | | Post employment \$'000 | | | | Total \$'000 | |
|----------------------------|-----------------------|------|-------------------|------|---------|-------|------------------------|------|-------------|------|--------------|------|
| | | | Salary & Fees | | Other** | | Super | | Termination | | Total | |
| | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 |
| 50,000–99,999 | 1 | 1 | 56 | 65 | 9 | – | 6 | – | – | – | 71 | 65 |
| 150,000–199,999 | 1 | 1 | 119 | 184 | 19 | – | 12 | – | – | – | 150 | 184 |
| 250,000–299,999 | – | 1 | – | 194 | – | (103) | – | 12 | – | 194 | – | 297 |
| 300,000–349,999 | 1 | 3 | 250 | 202 | 42 | 18 | 29 | 22 | – | 88 | 321 | 330 |
| 350,000 – 399,999 | 1 | 1 | 300 | 287 | 50 | 57 | 35 | 30 | – | – | 385 | 374 |
| 400,000–449,999 | 2 | 2 | 313 | 308 | 67 | 90 | 49 | 28 | – | – | 429 | 426 |
| 700,000–749,000 | – | 1 | – | 726 | – | – | – | – | – | – | – | 726 |

* Where there is more than one executive in a remuneration band the average remuneration is shown. In accordance with government policy, salaries were not increased. Variations in total remuneration are caused by factors including leave accrual and other adjustments.

** "Other" includes leave and incentive accruals. Negative values arise from large reversal of leave accruals due to leave being taken, cashed out or paid out upon termination.

Corporate directory

Registered office

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

Postal address:

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

Minister

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

Statute

Gold Corporation was established under the
Gold Corporation Act 1987 (WA).

Directors

| | |
|------------------------|---------------|
| M J Cave | Non-executive |
| J King (Deputy CEO) | Executive |
| S K Langer | Non-executive |
| J Muirsmith | Non-executive |
| J P O'Connor | Non-executive |
| N Roberts | Non-executive |
| S M C Walsh AO (Chair) | Non-executive |
| J Waters (CEO) | Executive |
| R K Watson | Non-executive |

Company Secretary

Nick Foster

Bankers

Westpac Banking Corporation
JP Morgan





Group directory

GOLD CORPORATION

Head Office Street Address: 310 Hay Street, East Perth, WA, 6004, Australia
Tel: (61 8) 9421 7222
Postal address: GPO Box M924, Perth, WA, 6843, Australia
Email: info@perthmint.com
Website: perthmint.com
Contacts: Jason Waters, Chief Executive Officer
Tanya Lawes, Executive Assistant to the Chief Executive Officer

TREASURY

Street Address: 310 Hay Street, East Perth, WA, 6004, Australia
Tel: (61 8) 9421 7272
Email: sawan.tanna@perthmint.com
Contact: Sawan Tanna, Treasurer

REFINERY

Street Address: 131 Horrie Miller Drive, Perth Airport, WA, 6105, Australia
Tel: (61 8) 9479 9999
Email: jacques.dutoit@perthmint.com
Contact: Jacques Du Toit, General Manager, Refinery

PERTH MINT DEPOSITORY

Street Address: 310 Hay Street, East Perth, WA, 6004, Australia
Tel: (61 8) 9421 7250
Email: pmds@perthmint.com
Website: dol.perthmint.com
Contact: Caroline Campbell-Watt, Manager, Depository

THE PERTH MINT SHOP

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

Counter sales

Tel: (61 8) 9421 7376
Email: shop@perthmint.com

Exhibition

Tel: (61 8) 9421 7223
Email: reception@perthmint.com
Contact: Tina Kircher, Group Manager, Retail

MINTED PRODUCTS

Australia

Street Address:
310 Hay Street, East Perth, WA 6004, Australia
Tel: (61 8) 9421 7222
Email: info@perthmint.com
Contact: Neil Vance, General Manager, Minted Products

Middle East

Street Address:
310 Hay Street, East Perth, WA 6004, Australia
Tel: (61 8) 9421 7222
Email: info@perthmint.com
Contact: Neil Vance, General Manager, Minted Products

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

Tel: (1 405) 627 3694
Email: Nathanowens.tpm@outlook.com
Contact: Nathan Owens

Hong Kong and Taiwan

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

Japan

Street Address: E210, Kamiasao 4-19-3,
Asao-ku Kawaski-shi
Kanagawa 215-0021, Japan
Tel: (81) 80 5882 6905
Fax: (81) 44 951 9510
Email: toshiharu.kato@nuggetcoins.com
Contact: Toshiharu Kato

Europe

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

China

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



Statutory reporting requirements

FINANCIAL ESTIMATES

The following financial estimates for 2022-23 are based on Gold Corporation's budget and are included to satisfy the requirements of the Treasurer's Instruction 953.

| | \$000 |
|------------------------------------|------------|
| Total revenue | 25,754,392 |
| Total expenditure | 25,731,648 |
| Operating profit before income tax | 22,744 |
| Income tax expense | 6,824 |
| Operating profit after income tax | 15,920 |
| Dividend | 14,164 |
| Retained earnings | 142,339 |

Section 175ZE of the *Electoral Act 1907 (WA)*

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

1. Total expenditure for 2021-22 was \$2,167,097.

2. Expenditure was incurred in the following areas:

| | | | |
|---------------------------------|-----------|-----------------------------|-----------|
| Advertising agencies | 1,881,366 | The Brand Agency | 1,838,008 |
| | | 303 Mullenlowe | 43,358 |
| Market research organisations | - | | - |
| Polling organisations | - | | - |
| Direct mail organisations | 114,404 | Quickmail | 79,487 |
| | | Fischer Druck | 27,091 |
| | | Buscher Direkt | 7,826 |
| Media advertising organisations | 171,327 | Paydirt Media | 44,400 |
| | | Momentum Media | 27,608 |
| | | Aspermont | 21,040 |
| | | K.K.Kojimachi Direction | 14,191 |
| | | Metals Daily | 12,890 |
| | | Livewire Markets | 12,250 |
| | | Australian Associated Press | 6,720 |
| | | Destination Perth | 5,359 |
| | | Medianet Australia | 4,032 |
| | | Paper and Spark Digital | 4,000 |
| | | Tourism Brochure Exchange | 3,575 |
| | | Travelwest Publications | 3,485 |
| | | Jorbens Luxury Hotel Guides | 3,455 |
| | | LetsGoKids WA | 3,360 |
| | | Amos Media Group | 2,881 |
| | | Countrywide Publications | 2,082 |



Auditor General

INDEPENDENT AUDITOR'S REPORT 2022 Gold Corporation

To the Parliament of Western Australia

Report on the audit of the financial statements

Opinion

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

- the Consolidated Statement of Financial Position at 30 June 2022, and the Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows for the year then ended
- Notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements are:

- based on proper accounts and present fairly, in all material respects, the operating results and cash flows of Gold Corporation for the year ended 30 June 2022 and the financial position at the end of that period
- in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions.

Basis for opinion

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

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

Emphasis of Matters

I draw attention to the two matters below. My opinion is not modified in respect of these matters.

Change in accounting policy

I draw attention to Note 2(a)(i) of the financial report which states that the amounts reported in the previously issued 30 June 2021 financial report have been restated and disclosed as comparatives in this financial report.

Subsequent event

I draw attention to Note 36 of the financial report which states that the Australian Transaction Reports and Analysis Centre (AUSTRAC) has notified Gold Corporation to appoint an external auditor to conduct a compliance audit in accordance with the Anti-Money Laundering and Counter-Terrorism Financing legislative provisions.

Responsibilities of the Board for the financial statements

The Board is responsible for:

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

Report on the audit of controls

Opinion

I have undertaken a reasonable assurance engagement on the design and implementation of controls exercised by Gold Corporation. The controls exercised by the Board are those policies and procedures established to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions (the overall control objectives).

In my opinion, in all material respects, the controls exercised by Gold Corporation are sufficiently adequate to provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities have been in accordance with legislative provisions during the year ended 30 June 2022.

The Board's responsibilities

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

Auditor General's responsibilities

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

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

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

Limitations of controls

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

Report on the audit of the key performance indicators

Opinion

I have undertaken a reasonable assurance engagement on the key performance indicators of Gold Corporation for the year ended 30 June 2022. The key performance indicators are the Under Treasurer-approved key effectiveness indicators and key efficiency indicators that provide performance information about achieving outcomes and delivering services.

In my opinion, in all material respects, the key performance indicators of Gold Corporation are relevant and appropriate to assist users to assess the Corporation's performance and fairly represent indicated performance for the year ended 30 June 2022.

The Board's responsibilities for the key performance indicators

The Board is responsible for the preparation and fair presentation of the key performance indicators in accordance with the *Financial Management Act 2006* and the Treasurer's Instructions and for such internal control as the Board determines necessary to enable the preparation of key performance indicators that are free from material misstatement, whether due to fraud or error.

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

Auditor General's responsibilities

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

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

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

My independence and quality control relating to the report on financial statements, controls and key performance indicators

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

Other information

The Board is responsible for the other information. The other information is the information in the Corporation's annual report for the year ended 30 June 2022, but not the financial statements, key performance indicators and my auditor's report.

My opinions on the financial statements, controls and key performance indicators do not cover the other information and, accordingly, I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, controls and key performance indicators my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I did not receive the other information prior to the date of this auditor's report. When I do receive it, I will read it and if I conclude that there is a material misstatement in this information, I am required to communicate the matter to those charged with governance and request them to correct the misstated information. If the misstated information is not corrected, I may need to retract this auditor's report and re-issue an amended report.

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

This auditor's report relates to the financial statements and key performance indicators of Gold Corporation for the year ended 30 June 2022 included in the annual report on the Corporation's website. The Corporation's management is responsible for the integrity of the Corporation's website. This audit does not provide assurance on the integrity of the Corporation's website. The auditor's report refers only to the financial statements, controls and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from the annual report. If users of the financial statements and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to contact the entity to confirm the information contained in the website version.



Caroline Spencer
Auditor General for Western Australia
Perth, Western Australia
11 September 2022

Key performance indicators

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

The purpose of Gold Corporation is to:

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

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

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

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

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

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

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

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

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

The relationship between government goals and Gold Corporation's performance

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

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

| | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 | Target |
|---|---------|---------|---------|----------|----------|---------|
| The key effectiveness indicators for outcome No. 1 are: | | | | | | |
| 1 Global market share of Australian gold bullion coins <small>(Note 1)</small> | 8% | 7% | 7% | 11% | 12% | 12% |
| 2 Coins and bars – value-added to gold, silver and platinum <small>(Note 2)</small> | | | | | | |
| (a) Total premium income | \$49.7m | \$51.9m | \$84.9m | \$111.0m | \$136.9m | \$63.9m |
| (b) Total premium income expressed as a percentage of <small>(Note 2)</small> precious metal value | 6.3% | 5.4% | 3.9% | 3.3% | 3.9% | 4.2% |
| 3 Estimated proportion of Australian gold doré production refined by The Perth Mint <small>(Note 3)</small> | 90% | 93% | 87% | 83% | 79% | 80% |
| 4 Return on equity <small>(Note 4)</small> | 7.9% | 10.3% | 31.1% | 27.0% | 23.0% | 13.7% |
| 5 Dividends/income tax equivalent payable to the Western Australian Government <small>(Note 5)</small> | \$16.2m | \$9.0m | \$6.0m | \$41.0m | \$25.6m | \$6.6m |
| The key effectiveness indicators for outcome No. 2 are: | | | | | | |
| 6 a) Visitors to Perth Mint Exhibition <small>(Note 6)</small> | 74,000 | 73,000 | 60,000 | 12,000 | 34,000 | 75,000 |
| b) Visitors' satisfaction level | 99.7% | 99.7% | 99.5% | 97.9% | 96.0% | 99.9% |

Notes:

- The figures are based on Gold Fields Mineral Services data for the previous calendar year.
- The calculation is the total premium income (amount of income received above metal cost) for all legal tender coins and bar sales, which is expressed as a percentage of the value of the precious metal value of the coins and bars. The key effectiveness indicator includes all Australian legal tender coins and bars, as well as coins produced for other countries. Premium income was above target as a result of additional demand for the Corporation's products due to ongoing uncertainty arising from the COVID pandemic, inflation concerns and other global events. Premium income as a percentage of precious metal value was below target due to product mix differentials, with a very high volume of bullion coins being sold during the period which have a lower premium than numismatic products.
- This calculation is based on the refinery's records and an estimate of the total Australian gold doré production.
- The percentages show Gold Corporation's return on equity for each respective financial year, based on ordinary activities before income tax (and excluding profit attributable to non-controlling interests). This performance measure is referred to in the Gold Corporation Act 1987. The 2020-21 figure has been restated in accordance with the change of accounting policy documented in Note 2(a)(i) of the financial statements. Return on equity was well above target as a result of ongoing additional demand for the Corporation's products due to uncertainty arising from the COVID pandemic, inflation concerns and other global events, however was lower than the previous year due primarily to a significant increase in equity as a result of retaining the 2021-22 dividend payment.
- Income tax equivalent, calculated as if the Corporation were a public company, is payable to the WA Government on profit from ordinary activities. Dividends are payable annually as a percentage of after-tax profit. These payments are forecast annually in Gold Corporation's business plan, and included in the Financial Estimates in the Annual Report. The above target result is due primarily to above budget profitability contributing to higher than expected income tax payments.
- (a) Total number of visitors (to nearest thousand) to the Exhibition annually, based on recorded daily visitor traffic. These were below target due to the ongoing closures and visitor restrictions during the period owing to COVID restrictions.
(b) Satisfaction levels are derived from surveys completed by visitors to The Perth Mint.

SERVICES

1 Precious Metal Products and Services

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

Demand for gold is encouraged by making it convenient to acquire and own gold; by means of bullion coins, gold bars and various Depository products.

Depository products make it possible for gold to be owned without having to deal with the security and other issues associated with the keeping of the physical metal – the metal is held in safe storage on behalf of its owners.

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

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

| | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 | Target |
|---|---------|---------|---------|---------|---------|--------|
| The key efficiency indicators for service No. 1 are: | | | | | | |
| 1 Trading profit as a proportion of sales revenue ^(Note 1) | 0.47% | 0.53% | 0.61% | 0.63% | 0.81% | 0.50% |
| 2 Staff costs as a proportion of trading profit ^(Note 2) | 43.61% | 38.35% | 29.84% | 30.39% | 34.39% | 34.10% |
| The key efficiency indicator for service No. 2 is: | | | | | | |
| 3 Average cost per Exhibition visitor expressed as an index ^(Note 3) | 189 | 185 | 227 | 715 | 346 | 194 |

Notes:

- The percentages show the proportion of Gold Corporation's sales revenue represented by the trading profit for the respective financial year. The above target result is due to above budget premium income (driving higher profitability) combined with fewer overall ounces of gold being sold during the period (driving lower revenue).
- 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.
- Average cost per Exhibition visitor is derived by calculation of total costs of Exhibition divided by annual number of visitors expressed as an index, with the 2002/2003 year indexed as 100. The number of visitors remained depressed in 2021-22 due to the ongoing closures and visitor restrictions during the period owing to the COVID pandemic which drove the above target result.

Certification of key performance indicators

.....

In our opinion, the Key Performance Indicators for Gold Corporation and its subsidiaries contained in this report are based on proper records, are relevant and appropriate for assisting users to assess the performance of Gold Corporation and its subsidiaries, and fairly represent the performance of Gold Corporation and its subsidiaries for the reporting period ended 30 June 2022.



S M C WALSH AO

Chair

7 September 2022



J R WATERS

Executive Director

Certification of financial statements

.....

The accompanying financial statements of Gold Corporation and its subsidiaries have been prepared in compliance with the provisions of the *Financial Management Act 2006* from proper accounts and records to present fairly the financial transactions for the reporting period ended 30 June 2022, and the financial position as at 30 June 2022.

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



S M C WALSH AO
Chairman
7 September 2022



J R WATERS
Executive Director



J R H SAWYER
Acting Chief Financial Officer



Gold Corporation

Trading as The Perth Mint

ABN 98 838 298 431

Financial Report - 30 June 2022



Gold Corporation
Consolidated statement of profit or loss and other comprehensive income
For the year ended 30 June 2022

| | Notes | 2022 \$'000 | 2021* \$'000 |
|--|--------------|------------------------------|-------------------------------|
| Revenue from contracts with customers | 4 | 21,768,481 | 26,346,258 |
| Finance income | | 224 | 418 |
| Revaluation increase in buildings | 5 | 1,067 | 452 |
| Net foreign exchange gains | | - | 44 |
| Gain on disposal of subsidiary | 34 | - | 3,305 |
| Fair value on assets at fair value through profit or loss | 34 | - | (39,315) |
| Expenses | | | |
| Cost of goods sold | | (21,592,511) | (26,179,969) |
| Employee benefits expense | 7 | (60,510) | (50,532) |
| Materials and services | | (64,171) | (63,328) |
| Depreciation and amortisation expense | 6 | (8,337) | (8,965) |
| Impairment of assets | 14 | - | (2,570) |
| Finance costs | | (3,885) | (4,915) |
| Revaluation decrease in buildings | 5 | (67) | (10) |
| Net foreign exchange losses | | (14) | - |
| Profit before income tax expense | | 40,277 | 873 |
| Income tax expense | 8 | (12,092) | (11,980) |
| Profit/(loss) after income tax expense for the year | | 28,185 | (11,107) |
| Profit/(loss) is attributable to: | | | |
| Owner of Gold Corporation | | 28,185 | 28,208 |
| Non-controlling interests | 34 | - | (39,315) |
| | | 28,185 | (11,107) |

*Comparative information has been restated to reflect the change in accounting policy and prior period restatements detailed in Note 2(a)(i).

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



Gold Corporation
Consolidated statement of profit or loss and other comprehensive income
For the year ended 30 June 2022
(continued)

| | Notes | 2022 \$'000 | 2021* \$'000 |
|---|--------------|------------------------------|-------------------------------|
| Other Comprehensive Income | | | |
| <i>Items that will be reclassified subsequently to profit or loss</i> | | | |
| Exchange differences on translation of foreign operations | | - | 3 |
| <i>Items that will not be reclassified subsequently to profit or loss</i> | | | |
| Loss on revaluation of land and buildings | 13 | (139) | (202) |
| Gain on revaluation of land and buildings | 13 | 1,895 | 58 |
| Income tax on items of other comprehensive income | 8 | (506) | 42 |
| Loss on cash flow hedges | | (69) | - |
| Total other comprehensive income/(loss) for the year | | 1,181 | (99) |
| Total comprehensive income/(loss) for the year | | 29,366 | (11,206) |
| Total comprehensive income/(loss) for the year is attributable to: | | | |
| Owner of Gold Corporation | | 29,366 | 28,109 |
| Non-controlling interests | | - | (39,315) |
| | | 29,366 | (11,206) |

*Comparative information has been restated to reflect the change in accounting policy and prior period restatements detailed in Note 2(a)(i).

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



Gold Corporation
Consolidated statement of financial position
As at 30 June 2022

| | Notes | 2022 \$'000 | 2021* \$'000 | 1 July 2020* \$'000 |
|--|-------|------------------|------------------|------------------------|
| ASSETS | | | | |
| Current assets | | | | |
| Cash and cash equivalents | 9 | 192,037 | 191,871 | 127,082 |
| Trade and other receivables | 10 | 351,592 | 385,339 | 886,277 |
| Inventories | 11 | 6,474,655 | 5,606,639 | 5,996,743 |
| Derivative assets | | - | 1,020 | 1,832 |
| Other | 12 | 5,070 | 5,934 | 5,794 |
| Total current assets | | 7,023,354 | 6,190,803 | 7,017,728 |
| Non-current assets | | | | |
| Property, plant and equipment | 13 | 99,176 | 94,269 | 95,579 |
| Intangibles | 14 | 1,253 | 951 | 3,958 |
| Deferred tax assets | 15 | 13,280 | 11,373 | 5,419 |
| Right-of-use assets | 26 | 16,225 | 16,358 | 17,404 |
| Total non-current assets | | 129,934 | 122,951 | 122,360 |
| Total assets | | 7,153,288 | 6,313,754 | 7,140,088 |
| LIABILITIES | | | | |
| Current liabilities | | | | |
| Trade and other payables | 16 | 171,351 | 195,383 | 202,119 |
| Precious metal borrowings - interest bearing | 17 | 1,536,488 | 724,475 | 1,721,461 |
| Derivative liabilities | | 542 | 2,001 | 1,249 |
| Income tax payable | | 234 | 11,343 | 10,985 |
| Employee benefits | 18 | 7,190 | 6,446 | 5,436 |
| Provisions | 19 | 4,411 | 4,305 | 5,380 |
| Precious metal borrowings - non-interest bearing | 20 | 5,228,459 | 5,195,646 | 4,676,918 |
| Lease liabilities | 26 | 1,586 | 1,570 | 1,353 |
| Total current liabilities | | 6,950,261 | 6,141,169 | 6,624,901 |
| Non-current liabilities | | | | |
| Provisions | 21 | 8,819 | 7,728 | 8,799 |
| Employee benefits | 22 | 327 | 585 | 555 |
| Lease liabilities | 26 | 18,722 | 18,479 | 19,295 |
| Total non-current liabilities | | 27,868 | 26,792 | 28,649 |
| Total liabilities | | 6,978,129 | 6,167,961 | 6,653,550 |
| Net assets | | 175,159 | 145,793 | 486,538 |

*Comparative information has been restated to reflect the change in accounting policy and prior period restatements detailed in Note 2(a)(i).

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



Gold Corporation
Consolidated statement of financial position
As at 30 June 2022
(continued)

| | Notes | 2022 \$'000 | 2021* \$'000 | 1 July 2020* \$'000 |
|---|-------|----------------|-----------------|------------------------|
| EQUITY | | | | |
| Issued capital | 23 | 31,603 | 31,603 | 31,603 |
| Reserves | 24 | 16,536 | 15,355 | 15,454 |
| Retained profits | | 127,020 | 98,835 | 94,076 |
| Capital and reserves attributable to the owner of Gold Corporation | | 175,159 | 145,793 | 141,133 |
| Non-controlling interests | 34(a) | - | - | 345,405 |
| Total equity | | 175,159 | 145,793 | 486,538 |

*Comparative information has been restated to reflect the change in accounting policy and prior period restatements detailed in Note 2(a)(i).

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



Gold Corporation
Consolidated statement of changes in equity
For the year ended 30 June 2022

| | Attributable to owners of Gold Corporation | | | | | Non-controlling interests | Total equity |
|--|--|----------------|-------------------|-----------------|------------------|---------------------------|--------------|
| | Share capital | Other reserves | Retained earnings | Total | | | |
| Notes | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | |
| Opening balance at 1 July 2020 | 31,603 | 15,454 | 105,892 | 152,949 | 345,405 | 498,354 | |
| Change in accounting policy | - | - | (11,816) | (11,816) | - | (11,816) | |
| Restated opening balance at 1 July 2020 | 31,603 | 15,454 | 94,076 | 141,133 | 345,405 | 486,538 | |
| Profit/(loss) after income tax expense for the year, net of restatement | - | - | 28,208 | 28,208 | (39,315) | (11,107) | |
| Other comprehensive loss for the year, net of tax | - | (99) | - | (99) | - | (99) | |
| Total comprehensive income/(loss) for the year | - | (99) | 28,208 | 28,109 | (39,315) | (11,206) | |
| Transactions with owners in their capacity as owners: | | | | | | | |
| Transactions with non-controlling interests of the Perth Mint Physical Gold ETF | 34 | - | - | - | 215,051 | 215,051 | |
| Dividends paid | 25 | - | (23,449) | (23,449) | - | (23,449) | |
| Derecognition of non-controlling interests on disposal of the Perth Mint Physical Gold ETF | | - | - | - | (521,141) | (521,141) | |
| Total transactions with owners | - | - | (23,449) | (23,449) | (306,090) | (329,539) | |
| Closing balance at 30 June 2021 | 31,603 | 15,355 | 98,835 | 145,793 | - | 145,793 | |

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



Gold Corporation
Consolidated statement of changes in equity
For the year ended 30 June 2022
(continued)

| | Attributable to owners of Gold Corporation | | | |
|---|--|--------------------------|-----------------------------|------------------------|
| | Share capital \$'000 | Other reserves \$'000 | Retained earnings \$'000 | Total equity \$'000 |
| Opening balance at 1 July 2021 | 31,603 | 15,355 | 98,835 | 145,793 |
| Profit after income tax expense for the year | - | - | 28,185 | 28,185 |
| Other comprehensive income for the year, net of tax | - | 1,181 | - | 1,181 |
| Total comprehensive income for the year | - | 1,181 | 28,185 | 29,366 |
| Closing balance at 30 June 2022 | 31,603 | 16,536 | 127,020 | 175,159 |

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



Gold Corporation
Consolidated statement of cash flows
For the year ended 30 June 2022

| | 2022 | 2021* |
|---|-----------------|-----------------|
| Notes | \$'000 | \$'000 |
| Cash flows from operating activities | | |
| Receipts from customers (inclusive of GST) | 13,891,634 | 14,890,508 |
| Payments to suppliers and employees (inclusive of GST) | (13,854,887) | (14,782,132) |
| | <u>36,747</u> | <u>108,376</u> |
| Interest and other finance income/revenue received | 2,654 | 6,209 |
| Interest and other finance costs paid | (3,766) | (4,838) |
| Net cash inflow from operating activities | 35 | 109,747 |
| Cash flows from investing activities | | |
| Payments for property, plant and equipment | (8,206) | (5,858) |
| Payments for intangibles | (662) | (497) |
| Proceeds from disposal of Perth Mint Physical Gold ETF | - | 3,305 |
| Net cash flows used in investing activities | (8,868) | (3,050) |
| Cash flows from financing activities | | |
| Principal element of lease payments | (987) | (925) |
| Net cash flows used in financing activities | (987) | (925) |
| Cash flows to State Government | | |
| Income tax equivalent paid | (25,614) | (17,534) |
| Dividend paid | - | (23,449) |
| Net cash flows to State Government | (25,614) | (40,983) |
| Net increase in cash and cash equivalents | 166 | 64,789 |
| Cash and cash equivalents at the beginning of the financial year | 191,871 | 127,082 |
| Cash and cash equivalents at the end of the financial year | 9 | 191,871 |

*Comparative information has been restated to reflect the change in accounting policy and prior period restatements detailed in Note 2(a)(i).

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



Gold Corporation
Notes to the consolidated financial statements
30 June 2022

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Gold Corporation
Notes to the consolidated financial statements
30 June 2022
(continued)

1 General information

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

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

Gold Corporation and subsidiaries are corporations incorporated by the *Gold Corporation Act 1987 (WA)* and domiciled in Australia (with the exception of Perth Mint Physical Gold ETF which was not incorporated by the *Gold Corporation Act 1987 (WA)* and was domiciled in the United States of America). Gold Corporation's registered office and principal place of business is:

310 Hay Street
East Perth
Western Australia
Australia

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

The financial report was authorised for issue, in accordance with a resolution of directors, on 7 September 2022. The directors have the power to amend and reissue the financial report.

The *Financial Management Act 2006 (WA)* and the Treasurer's Instructions are legislative provisions governing the preparation of financial statements and take precedence over the Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board. The Treasurer's Instructions may modify or clarify their application, disclosure, format and wording to provide certainty and to ensure consistency and appropriate reporting across the public sector. If any such modification has a material or significant financial effect upon the reported results, details of that modification and, where practicable, the resulting financial effects are disclosed in individual notes to the financial report.

2 Significant accounting policies

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

Gold Corporation
Notes to the consolidated financial statements
30 June 2022
 (continued)

2 Significant accounting policies (continued)

(a) New, revised or amending Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting year. No Accounting Standards were early adopted during the year.

(i) Configuration or Customisation Costs in a Cloud Computing Arrangement

The International Financial Reporting Standards Interpretations Committee (IFRS IC) issued a final agenda decision for configuration and customisation costs incurred related to a software-as-a-service arrangement. The consolidated entity has changed its accounting policy in relation to configuration and customisation costs incurred in implementing a SaaS arrangement. The nature and effect of the changes as a result of changing this policy is described below.

The consolidated entity's accounting policy has historically been to capitalise all costs related to the configuration of SaaS arrangements as intangible assets in the consolidated statement of financial position. The adoption of the above IFRS IC agenda decision resulted in a reclassification of these intangible assets to recognition as an expense in the consolidated statement of profit or loss and other comprehensive income. The change in policy has been retrospectively applied and comparative financial information has been restated.

The following tables summarise the impact of the change in accounting policy on the consolidated entity's financial statements.

1 July 2020

| | Previously reported \$'000 | Restated \$'000 | Adjustment \$'000 |
|---|----------------------------------|--------------------|----------------------|
| Consolidated statement of financial position | | | |
| Intangible assets | 20,839 | 3,958 | (16,881) |
| Deferred tax assets | 354 | 5,419 | 5,065 |
| Net impact on assets | | | (11,816) |
| Retained profits | 105,892 | 94,076 | (11,816) |

Gold Corporation
Notes to the consolidated financial statements
30 June 2022
 (continued)

2 Significant accounting policies (continued)

(a) New, revised or amending Accounting Standards and Interpretations adopted (continued)

(i) Configuration or Customisation Costs in a Cloud Computing Arrangement (continued)

30 June 2021

| | Previously reported \$'000 | Restated \$'000 | Adjustment \$'000 |
|--|----------------------------------|--------------------|------------------------|
| Consolidated statement of financial position | | | |
| Intangible assets | 33,607 | 951 | (32,656) |
| Deferred tax assets | 1,576 | 11,373 | 9,797 |
| Net impact on assets | | | <u>(22,859)</u> |
| Retained profits | 121,694 | 98,835 | (22,859) |
| Consolidated statement of profit or loss and other comprehensive income | | | |
| Materials and services | 47,553 | 63,328 | 15,775 |
| Income tax expense | 16,712 | 11,980 | (4,732) |
| Net reduction in profit | | | <u>11,043</u> |
| Consolidated statement of cash flows | | | |
| Payments to suppliers and employees (inclusive of GST) | 14,767,741 | 14,782,132 | 14,391 |
| Payments for intangibles | 14,888 | 497 | (14,391) |
| Net impact on cash flow | | | <u>-</u> |

During the 2022 year, the consolidated entity incurred costs of \$14,161,000 in relation to implementing SaaS arrangements. As a result of the accounting policy change, these costs have been classified as materials and services expenses rather than capitalised as an intangible asset. Further, a deferred tax asset of \$4,248,000 has been recognised in relation to these costs.

(b) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board, *Financial Management Act 2006 (WA)* and the Treasurer's Instructions as appropriate for for-profit oriented entities.

(i) Compliance with IFRS

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

Gold Corporation
Notes to the consolidated financial statements
30 June 2022
(continued)

2 Significant accounting policies (continued)

(b) Basis of preparation (continued)

(ii) Historical cost convention

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

(iii) Critical estimates & judgements

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

(iv) Comparatives

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

(v) Rounding

Figures have been rounded to the nearest thousand dollars.

(c) Parent entity financial information

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

(d) Revenue recognition

(i) Sale of goods

Background

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

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

Gold Corporation
Notes to the consolidated financial statements
30 June 2022
(continued)

2 Significant accounting policies (continued)

(d) Revenue recognition (continued)

(i) Sale of goods (continued)

Background (continued)

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

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

Recognition

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

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

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

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

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

Gold Corporation
Notes to the consolidated financial statements
30 June 2022
(continued)

2 Significant accounting policies (continued)

(d) Revenue recognition (continued)

(i) Sale of goods (continued)

Recognition (continued)

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

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

Measurement

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

(ii) Services

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

Gold Corporation
Notes to the consolidated financial statements
30 June 2022
(continued)

2 Significant accounting policies (continued)

(e) Finance income

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

(f) Foreign currency translation

(i) Transactions and balances

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

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

(ii) Group companies

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

(g) Financial instruments

(i) Derivative financial instruments

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

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

Gold Corporation
Notes to the consolidated financial statements
30 June 2022
(continued)

2 Significant accounting policies (continued)

(g) Financial instruments (continued)

(i) *Derivative financial instruments (continued)*

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

(ii) *Cash flow hedge*

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

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

(iii) *Non-derivative financial instruments*

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

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

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

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

Gold Corporation
Notes to the consolidated financial statements
30 June 2022
(continued)

2 Significant accounting policies (continued)

(h) Income tax

The consolidated entity is subject to the National Tax Equivalent Regime (NTER), under the *State Enterprises (Commonwealth Tax Equivalents) Act 1996* (WA). The NTER is administered by the Australian Taxation Office (ATO) on behalf of the states. Under the NTER, the income tax equivalent revenue is remitted to the Treasurer of Western Australia, for credit of the Consolidated Fund. The calculation of the liability in respect of income tax is governed by NTER guidelines and directions approved by Government. As a consequence of participation in the NTER, the consolidated entity is required to comply with *AASB 112 Income Taxes*. Income tax in the consolidated statement of profit or loss and other comprehensive income for the year comprises current and deferred tax. Income tax is recognised in the consolidated statement of profit or loss and other comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

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

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

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 consolidated entity has formed a tax consolidated group and is taxed as a single entity (with the exception of Perth Mint Physical Gold ETF).

(i) Cash and cash equivalents

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

Gold Corporation
Notes to the consolidated financial statements
30 June 2022
(continued)

2 Significant accounting policies (continued)

(j) Trade and other receivables

(i) Trade receivables

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

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

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

(ii) Receivables and advances to customers at fair value

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

(iii) Other receivables

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

(k) Inventories

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

(l) Property, plant and equipment

Land and buildings are shown at fair value, based on annual valuations by external independent valuers, plus post valuation additions and less subsequent depreciation and impairment for buildings. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Increases in the carrying amounts arising on revaluation of land and buildings are generally recognised, net of tax, in other comprehensive income and accumulated in reserves in shareholders' equity. However, to the extent that the increase reverses a decrease previously recognised in profit or loss, the increase is first recognised in profit or loss. Decreases that reverse previous increases of the same asset are first recognised in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to profit or loss.

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

Gold Corporation
Notes to the consolidated financial statements
30 June 2022
(continued)

2 Significant accounting policies (continued)

(l) Property, plant and equipment (continued)

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

| | |
|-------------------|------------|
| Buildings | 40 years |
| Plant & equipment | 3-16 years |
| Office equipment | 5 years |
| Motor vehicles | 6 years |

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

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

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

(i) Gains and losses

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

(ii) Capitalisation and expensing of assets

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

(m) Impairment of non-financial assets

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

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

Gold Corporation
Notes to the consolidated financial statements
30 June 2022
(continued)

2 Significant accounting policies (continued)

(n) Intangible assets

Certain internal and external costs directly incurred in acquiring and developing software are capitalised where it is expected future economic benefits will be generated from the specifically identifiable intangible asset, the asset is controlled by the consolidated entity, and the costs can be reliably determined. Such intangible assets are amortised over their estimated useful life on a straight line basis, which for software currently in a location and condition capable of being operated in the manner intended by management is 3-5 years.

(o) Trade and other payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid, and customer deposits lodged in advance of allocation to future purchases. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured. Trade payables are usually paid within 20 days of recognition.

(p) Provisions

(i) General

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

(ii) Decommissioning liability

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

(q) Employee benefits

(i) Wages and salaries and annual leave

The annual leave liability is recognised and measured at the present value of amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

Gold Corporation
Notes to the consolidated financial statements
30 June 2022
(continued)

2 Significant accounting policies (continued)

(q) Employee benefits (continued)

(i) Wages and salaries and annual leave (continued)

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

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

(ii) Long service leave

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

(iii) Defined contribution plans

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

(r) Issued capital

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

(s) Dividends

Dividends are recognised when declared during the financial year.

Gold Corporation
Notes to the consolidated financial statements
30 June 2022
(continued)

2 Significant accounting policies (continued)

(t) Leases

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

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

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

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

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

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

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

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

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

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

Gold Corporation
Notes to the consolidated financial statements
30 June 2022
(continued)

2 Significant accounting policies (continued)

(u) Precious metal borrowings

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

(v) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

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

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

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

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

(w) Principles of consolidation

(i) Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of Gold Corporation ('company' or 'parent entity') and its subsidiaries as at 30 June 2022. Gold Corporation and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

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

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

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

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



Gold Corporation
Notes to the consolidated financial statements
30 June 2022
(continued)

2 Significant accounting policies (continued)

(w) Principles of consolidation (continued)

(ii) Equity method

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

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

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

(x) Fair value measurement

The consolidated entity measures financial instruments, such as derivatives and certain non-financial assets, at fair value at each reporting date. Fair values of financial instruments measured at amortised cost are also disclosed in note 28.

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

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

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

The consolidated entity uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. For further details of the consolidated entity's valuation techniques refer to note 28.

Gold Corporation
Notes to the consolidated financial statements
30 June 2022
(continued)

3 Critical estimates, judgements and assumptions

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

(a) Provision for impairment of inventories

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

(b) Estimation of useful lives of assets

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

(c) Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

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

(d) Provision for decommissioning

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

(e) Revaluation of property, plant and equipment

The consolidated entity measures land and buildings at revalued amounts with changes in fair value being recognised in the statement of profit or loss and other comprehensive income. Land and buildings are valued by reference to market-based evidence, using comparable prices adjusted for specific market factors such as nature, location and condition of the property. The key assumptions used to determine the fair value of the properties are provided in note 28.



Gold Corporation
Notes to the consolidated financial statements
30 June 2022
(continued)

4 Revenue from contracts with customers

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

| | 2022 | 2021 |
|--|-------------------|-------------------|
| | \$'000 | \$'000 |
| Revenue from contracts with customers | | |
| Sale of goods | 21,737,118 | 26,310,410 |
| Provision of services | 28,933 | 31,529 |
| Finance revenue | 2,430 | 4,319 |
| Total Revenue | 21,768,481 | 26,346,258 |

5 Revaluation increase/(decrease)

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

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

| | 2022 | 2021 |
|--|---------------|---------------|
| | \$'000 | \$'000 |
| Revaluation decrease in buildings (note 13(a)) | (67) | (10) |
| Revaluation increase in buildings (note 13(a)) | 1,067 | 452 |
| Net revaluation increase | 1,000 | 442 |



Gold Corporation
Notes to the consolidated financial statements
30 June 2022
(continued)

6 Depreciation and amortisation expense

| | 2022 \$'000 | 2021 \$'000 |
|--|----------------|----------------|
| Depreciation and amortisation expense relates to the following specific assets: | | |
| Leasehold buildings | 1,620 | 1,460 |
| Freehold buildings | 711 | 655 |
| Plant, property and equipment | 4,327 | 4,492 |
| Software | 306 | 987 |
| Right-of-use assets | 1,373 | 1,371 |
| Total depreciation and amortisation | 8,337 | 8,965 |

7 Employee benefits expense

| | 2022 \$'000 | 2021 \$'000 |
|--------------------------------|----------------|----------------|
| Wages and salaries (a) | 51,657 | 43,027 |
| Superannuation | 4,687 | 3,747 |
| Annual leave (b) | 3,435 | 3,006 |
| Long service leave (b) | 731 | 752 |
| Total employee benefits | 60,510 | 50,532 |

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

(b) Includes a superannuation contribution component.



Gold Corporation
Notes to the consolidated financial statements
30 June 2022
(continued)

8 Income tax expense

| | 2022 | 2021* |
|--|---------------|---------------|
| | \$'000 | \$'000 |
| Income tax expense | | |
| Current tax on profits for the year | 14,434 | 17,760 |
| Deferred tax - origination and reversal of temporary differences | (2,342) | (5,767) |
| Adjustments for current tax of prior periods | 71 | 132 |
| Adjustments for deferred tax of prior periods | (71) | (145) |
| Aggregate income tax expense | 12,092 | 11,980 |

Numerical reconciliation of income tax expense and tax at statutory rate

| | | |
|--|---------------|---------------|
| Profit before income tax expense | 40,277 | 873 |
| Tax at the Australian tax rate of 30.0% (2021 - 30.0%) | 12,083 | 262 |
| Tax effect of amounts which are not deductible (taxable) in calculating taxable income: | | |
| Other non-deductible items | 9 | 11 |
| Recognition of deferred tax assets previously unrecognised | - | (75) |
| Effect of the Perth Mint Physical Gold ETF not being subject to federal income tax in the USA | - | 11,795 |
| Adjustments recognised for current tax of prior periods | 71 | 132 |
| Adjustments recognised for deferred tax of prior periods | (71) | (145) |
| Income tax expense | 12,092 | 11,980 |

*Comparative information has been restated to reflect the change in accounting policy and prior period restatements detailed in Note 2(a)(i).

| | 2022 | 2021 |
|--|---------------|---------------|
| | \$'000 | \$'000 |
| Amounts charged/(credited) directly to reserves | | |
| Deferred tax assets/liabilities (note 15) | 506 | (42) |



Gold Corporation
Notes to the consolidated financial statements
30 June 2022
(continued)

9 Current assets - cash and cash equivalents

| | 2022 | 2021 |
|--|----------------|----------------|
| | \$'000 | \$'000 |
| Cash on hand | 56 | 65 |
| Cash at bank | 191,981 | 191,806 |
| Total cash and cash equivalents | 192,037 | 191,871 |

(a) Classification of cash and cash equivalents

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

The consolidated entity's exposure to interest rate risk and sensitivity analysis for financial assets and liabilities is disclosed in note 27.

10 Current assets - trade and other receivables

| | 2022 | 2021 |
|--|----------------|----------------|
| | \$'000 | \$'000 |
| Trade receivables | 24,970 | 26,406 |
| Provision for impairment | (1) | (1) |
| | <u>24,969</u> | <u>26,405</u> |
| Receivables and advances to customers at fair value (ii) | 321,890 | 354,150 |
| Other receivables | 4,733 | 4,784 |
| Total trade and other receivables | 351,592 | 385,339 |

(i) Classification as trade receivables

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



Gold Corporation
Notes to the consolidated financial statements
30 June 2022
(continued)

10 Current assets - trade and other receivables (continued)

(ii) Receivables and advances to customers at fair value

Receivables and advances to customers at fair value contain advances made to mining customers on delivery of precious metal for refining. Mining customers may be contractually entitled to an advance payment (in ounces) on their metal account after the consolidated entity has taken physical possession of the underlying precious metal, but prior to the consolidated entity receiving title to that precious metal at outturn. In these instances, the ounce advance is recorded as a receivable until the inventory is recognised at outturn. These advances represented \$309,195,000 (2021: \$329,640,000) of the total balance.

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

The commodity price risk associated with these receivables is managed as outlined in note 27. The consolidated entity generally transfers the credit risk to third parties in such arrangements, except where Board approved credit limits that apply to certain customers are utilised from time to time. The consolidated entity earns finance revenue through providing these facilities to its customers.

(iii) Impairment and risk exposure

The consolidated entity's exposure to credit and currency risks and impairment losses related to trade and other receivables is disclosed in note 27.

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

(iv) Impairment of trade receivables

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

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

Gold Corporation
Notes to the consolidated financial statements
30 June 2022
 (continued)

10 Current assets - trade and other receivables (continued)

(iv) Impairment of trade receivables (continued)

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

The calculated loss rate is insignificant.

On that basis, the loss allowance as at 30 June 2022 and 30 June 2021 was determined to be as follows:

| | 2022 \$'000 | 2021 \$'000 |
|--------------------------------|----------------|----------------|
| Gross receivables | 24,970 | 26,406 |
| Expected credit loss provision | (1) | (1) |
| | <u>24,969</u> | <u>26,405</u> |

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

| | 2022 \$'000 | 2021 \$'000 |
|--|----------------|----------------|
| Opening balance | 1 | 7 |
| Receivables written off during the year as uncollectible | - | (2) |
| Unused amounts reversed | - | (4) |
| Closing balance | <u>1</u> | <u>1</u> |

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

(v) Past due but not impaired

Customers with balances past due but without provision for impairment of trade receivables amount to \$1,054,000 as at 30 June 2022 (30 June 2021: \$860,000).

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

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



Gold Corporation
Notes to the consolidated financial statements
30 June 2022
(continued)

10 Current assets - trade and other receivables (continued)**(v) Past due but not impaired (continued)**

| | 2022 | 2021 |
|--|---------------|---------------|
| | \$'000 | \$'000 |
| 0 to 3 months overdue | 677 | 802 |
| Over 3 months overdue | 377 | 58 |
| Total past due but not impaired | 1,054 | 860 |

11 Current assets - inventories

| | 2022 | 2021 |
|--|------------------|------------------|
| | \$'000 | \$'000 |
| Precious metal - at fair value | 6,456,699 | 5,592,020 |
| Finished goods - at lower of cost and net realisable value | 11,121 | 11,843 |
| Work in progress - at cost | 1,866 | 764 |
| Consumables - at lower of cost and net realisable value | 4,969 | 2,012 |
| Total inventories | 6,474,655 | 5,606,639 |

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

A gain of \$558,000 was recognised in 2022 for inventories carried at net realisable value (2021: loss of \$48,000). This amount is recognised in cost of sales.

12 Current assets - other current assets

| | 2022 | 2021 |
|--------------------|---------------|---------------|
| | \$'000 | \$'000 |
| Prepayments | 5,070 | 5,934 |

Gold Corporation
Notes to the consolidated financial statements
30 June 2022
 (continued)

13 Non-current assets - property, plant and equipment

| | 2022 \$'000 | 2021 \$'000 |
|---|----------------|----------------|
| Land - at independent valuation | 14,490 | 13,800 |
| Buildings - at independent valuation | 46,946 | 46,896 |
| Decommissioning asset | 5,358 | 4,697 |
| Plant and equipment - at cost | 78,609 | 75,337 |
| Less: accumulated depreciation and impairment | (55,209) | (50,882) |
| Assets under construction | 8,982 | 4,421 |
| Total property, plant and equipment | 99,176 | 94,269 |

(a) Valuations of land and buildings

The Board resolved to adopt Landgate's valuation of the Western Australian Mint's properties at 292, 300 and 310 Hay Street, East Perth and Horrie Miller Drive, Perth Airport. Some of these properties are heritage listed and are therefore subject to certain restrictions. The land and buildings were revalued as at 1 July 2021 in accordance with Landgate's valuation as at that date. The fair value of all land and buildings was determined by reference to current use value for the land and depreciated replacement value for the buildings. The reconciliation of revaluation movements is presented in Note 13(b) below.

Information on fair value measurements is provided at note 28.

(b) Reconciliation

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



Gold Corporation
Notes to the consolidated financial statements
30 June 2022
(continued)

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

(b) Reconciliation (continued)

| | Leasehold buildings \$'000 | Freehold land \$'000 | Freehold Freehold buildings \$'000 | Plant and equipment \$'000 | Assets under construction \$'000 | Total \$'000 |
|--|----------------------------------|----------------------------|---|----------------------------------|--|-----------------|
| Year ended 30 June 2021 | | | | | | |
| Opening net book amount | 21,249 | 13,800 | 26,212 | 21,321 | 12,997 | 95,579 |
| Additions | - | - | - | - | 6,146 | 6,146 |
| Revaluation surplus (through profit or loss) | 359 | - | 93 | - | - | 452 |
| Revaluation surplus (through other comprehensive income) | 58 | - | - | - | - | 58 |
| Revaluation decrement (through profit or loss) | - | - | (10) | - | - | (10) |
| Revaluation decrement (through other comprehensive income) | (71) | - | (131) | - | - | (202) |
| Depreciation charge | (1,460) | - | (655) | (4,492) | - | (6,607) |
| Transfers | 6,745 | - | 351 | 7,626 | (14,722) | - |
| Remeasurement of decommissioning provision | (1,147) | - | - | - | - | (1,147) |
| Balance at 30 June 2021 | 25,733 | 13,800 | 25,860 | 24,455 | 4,421 | 94,269 |
| Year ended 30 June 2022 | | | | | | |
| Opening net book amount | 25,733 | 13,800 | 25,860 | 24,455 | 4,421 | 94,269 |
| Additions | - | - | - | - | 7,833 | 7,833 |
| Revaluation surplus (through profit or loss) | - | - | 1,067 | - | - | 1,067 |
| Revaluation surplus (through other comprehensive income) | - | 690 | 1,205 | - | - | 1,895 |
| Revaluation decrement (through profit or loss) | (58) | - | (9) | - | - | (67) |
| Revaluation decrement (through other comprehensive income) | (139) | - | - | - | - | (139) |
| Depreciation charge | (1,620) | - | (711) | (4,327) | - | (6,658) |
| Transfers | - | - | - | 3,272 | (3,272) | - |
| Remeasurement of decommissioning provision | 976 | - | - | - | - | 976 |
| Balance at 30 June 2022 | 24,892 | 14,490 | 27,412 | 23,400 | 8,982 | 99,176 |

Gold Corporation
Notes to the consolidated financial statements
30 June 2022
 (continued)

14 Non-current assets - intangible assets

| | 2022 \$'000 | 2021* \$'000 |
|---|----------------|-----------------|
| Software - at cost | 2,234 | 9,167 |
| Less: impairment and accumulated amortisation | (981) | (8,216) |
| Total intangible assets | 1,253 | 951 |

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

(i) *Reconciliation*

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

| | Assets under construction \$'000 | Computer software \$'000 | Total \$'000 |
|-----------------------------------|--|--------------------------------|-----------------|
| Year ended 30 June 2021* | | | |
| Opening net book amount | 258 | 3,700 | 3,958 |
| Additions | 550 | - | 550 |
| Impairment charge | - | (2,570) | (2,570) |
| Amortisation expense | - | (987) | (987) |
| Transfers | (585) | 585 | - |
| Balance as at 30 June 2021 | 223 | 728 | 951 |
| Year ended 30 June 2022 | | | |
| Opening net book amount | 223 | 728 | 951 |
| Additions | 608 | - | 608 |
| Amortisation expense | - | (306) | (306) |
| Transfers | (255) | 255 | - |
| Balance as at 30 June 2022 | 576 | 677 | 1,253 |

*Comparative information has been restated to reflect the change in accounting policy and prior period restatements detailed in Note 2(a)(i).

Gold Corporation
Notes to the consolidated financial statements
30 June 2022
 (continued)

14 Non-current assets - intangible assets (continued)

(ii) Impairment loss

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

15 Non-current assets - deferred tax

| | 2022 \$'000 | 2021* \$'000 |
|--|----------------|-----------------|
| Deferred tax asset comprises temporary differences attributable to: | | |
| Deferred tax assets | | |
| Other | 31 | - |
| Employee benefits | 2,252 | 2,096 |
| Inventories | 273 | 396 |
| Other payables | 8,080 | 7,802 |
| Decommissioning provision | 2,646 | 2,110 |
| Intangible assets | 10,496 | 8,129 |
| Total deferred tax assets | 23,778 | 20,533 |
| Deferred tax liabilities | | |
| Prepayments | - | 1 |
| Decommissioning asset | 1,608 | 1,200 |
| Property, plant and equipment | 8,890 | 7,959 |
| Total deferred tax liabilities | 10,498 | 9,160 |
| Net deferred tax assets | 13,280 | 11,373 |
| Movements: | | |
| Opening balance | 11,373 | 5,419 |
| Charged to the profit or loss (note 8) | 2,413 | 5,912 |
| Credited to reserves (note 8) | (506) | 42 |
| Closing balance | 13,280 | 11,373 |

*Comparative information has been restated to reflect the change in accounting policy and prior period restatements detailed in Note 2(a)(i).



Gold Corporation
Notes to the consolidated financial statements
30 June 2022
(continued)

16 Current liabilities - trade and other payables

| | 2022 | 2021 |
|---------------------------------------|----------------|----------------|
| | \$'000 | \$'000 |
| Trade payables | 158,528 | 179,448 |
| Other payables and accrued expenses | 12,823 | 15,935 |
| Total trade and other payables | 171,351 | 195,383 |

Refer to note 27 for further information on financial instruments.

17 Current liabilities - precious metal borrowings - interest bearing

| | 2022 | 2021 |
|--|---------------|---------------|
| | \$'000 | \$'000 |
| Precious metal borrowings - interest bearing | 1,536,488 | 724,475 |

These borrowings represent precious metal leases (in ounces) from banks. The commodity price risk associated with these borrowings is managed as outlined in note 27. Precious metal borrowings and customer owned precious metal are guaranteed by the Government of Western Australia under subsection 22(1) of the *Gold Corporation Act 1987 (WA)*.

18 Current liabilities - employee benefits

| | 2022 | 2021 |
|--------------------------------|---------------|---------------|
| | \$'000 | \$'000 |
| Annual leave | 3,782 | 3,368 |
| Long service leave | 2,963 | 2,641 |
| Purchased leave | 10 | 44 |
| Employment on-costs | 435 | 393 |
| Total employee benefits | 7,190 | 6,446 |

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



Gold Corporation
Notes to the consolidated financial statements
30 June 2022
(continued)

19 Current liabilities - provisions

| | 2022 | 2021 |
|-----------------------------------|---------------|---------------|
| | \$'000 | \$'000 |
| Other provisions (a) | 103 | 183 |
| Employee incentive provisions (b) | 4,308 | 4,122 |
| Total provisions | 4,411 | 4,305 |

(a) Movement in provisions

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

| | Other provisions |
|--|-------------------------|
| | \$'000 |
| Year ended 30 June 2021 | |
| Carrying amount at the start of the year | 590 |
| Additional provisions recognised | 178 |
| Payments | (585) |
| Total | 183 |
| Year ended 30 June 2022 | |
| Carrying amount at the start of the year | 183 |
| Payments | (80) |
| Total | 103 |

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

(b) Incentive plan

The consolidated entity's general incentive plan was approved by the Board in 2015 and is designed to motivate all staff to strive towards the consolidated entity achieving an acceptable return on equity. If the target for any year is exceeded, then a certain proportion of the amount by which the profit exceeds target is available for distribution to employees. All employees are eligible for payments under the terms of the scheme.



Gold Corporation
Notes to the consolidated financial statements
30 June 2022
(continued)

19 Current liabilities - provisions (continued)

(b) Incentive plan (continued)

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

In the 2022 financial year the consolidated entity did exceed its return on equity target, so employees will be eligible for incentive payments.

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

| | 2022 \$'000 | 2021 \$'000 |
|--|----------------|----------------|
| Precious metal borrowings - non-interest bearing | 5,228,459 | 5,195,646 |

(a) Security for borrowings

These borrowings represent precious metal obligations (in ounces) to customers. The consolidated entity always maintains sufficient precious metal inventory (note 11) to back these obligations. The commodity price risk associated with these borrowings is managed as outlined in note 27. Precious metal borrowings and customer owned precious metal are guaranteed by the Government of Western Australia under subsection 22(1) of the *Gold Corporation Act 1987 (WA)*.



Gold Corporation
Notes to the consolidated financial statements
30 June 2022
(continued)

21 Non-current liabilities - provisions

| | 2022 | 2021 |
|---------------------------|---------------|---------------|
| | \$'000 | \$'000 |
| Decommissioning provision | 8,819 | 7,728 |

(a) Movements in provisions

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

| Year ended 30 June 2021 | \$'000 |
|-----------------------------------|---------------|
| Opening balance | 8,799 |
| Unwinding of discount | 76 |
| Remeasurement | (1,147) |
| Balance as at 30 June 2021 | 7,728 |
| | |
| Year ended 30 June 2022 | |
| Opening balance | 7,728 |
| Unwinding of discount | 115 |
| Remeasurement | 976 |
| Balance as at 30 June 2022 | 8,819 |

22 Non-current liabilities - employee benefits

| | 2022 | 2021 |
|--------------------------------|---------------|---------------|
| | \$'000 | \$'000 |
| Long service leave | 307 | 549 |
| Employment on-costs | 20 | 36 |
| Total employee benefits | 327 | 585 |

(a) Superannuation commitments

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

Gold Corporation
Notes to the consolidated financial statements
30 June 2022
 (continued)

22 Non-current liabilities - employee benefits (continued)

(a) Superannuation commitments (continued)

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

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

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

Employees who do not wish to, or who are ineligible to join Gold State Super are entitled to non-contributory membership of West State Super or Government Employee Superannuation Board (GESB). Members also have the option of choice of fund and to make personal contributions.

23 Equity - issued capital

| | 2022 Shares | 2021 Shares | 2022 \$'000 | 2021 \$'000 |
|------------|----------------|----------------|----------------|----------------|
| Fully paid | 31,602,582 | 31,602,582 | 31,603 | 31,603 |

(a) Ordinary shares

Ordinary shares entitle the holder to participate in dividends.

(b) Capital risk management

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

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

The consolidated entity's target was to achieve a return on equity of 13.7% before Income Tax equivalent. During the year ended 30 June 2022 the return was 23.0% (2021 restated: 27.6%).

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



Gold Corporation
Notes to the consolidated financial statements
30 June 2022
(continued)

24 Equity - reserves

| | 2022 | 2021 |
|-----------------------|---------------|---------------|
| | \$'000 | \$'000 |
| Asset revaluation (a) | 16,585 | 15,355 |
| Cash flow hedges | (49) | - |
| | 16,536 | 15,355 |

(a) Asset revaluation

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

25 Equity - dividend

| | 2022 | 2021 |
|---------------------------------|---------------|---------------|
| | \$'000 | \$'000 |
| Government of Western Australia | - | 23,449 |

In accordance with subsection 21(4) of the *Gold Corporation Act 1987* (WA), the Board recommended to the Treasurer that an amount of \$21,139,000 (2021: \$nil) be paid as dividend for the financial year ended 30 June 2022. In accordance with Government policy, the consolidated entity retained its dividend payment of \$29,438,000 in respect of the year ended 30 June 2021 to instead contribute to funding approved infrastructure investment. The unspent funds remain quarantined by the consolidated entity.

Gold Corporation
Notes to the consolidated financial statements
30 June 2022
 (continued)

26 Leases

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

(a) Assets and liabilities recognised relating to leases

The consolidated entity recognised the following amounts relating to leases:

| | 2022 \$'000 | 2021 \$'000 |
|----------------------------|----------------|----------------|
| Right-of-use assets | | |
| Land | 14,661 | 15,715 |
| Buildings | 1,543 | 574 |
| Others | 21 | 69 |
| | 16,225 | 16,358 |
| Lease liabilities | | |
| Current | 1,586 | 1,570 |
| Non-current | 18,722 | 18,479 |
| | 20,308 | 20,049 |

Additions to the right-of-use assets during the 2022 financial year were \$1,239,000 (2021: \$325,000).

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

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

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

| | 2022 \$'000 | 2021 \$'000 |
|---|----------------|----------------|
| Depreciation charge for right-of-use assets | | |
| Land | 1,053 | 1,053 |
| Buildings | 269 | 244 |
| Other | 51 | 74 |
| | 1,373 | 1,371 |
| Interest expense (included in finance cost) | 615 | 639 |
| Expense relating to short-term leases (included in cost of goods sold) | - | 27 |
| Expense relating to leases of low-value assets that are not shown above as short-term leases (included in materials and services) | 240 | 240 |

Gold Corporation
Notes to the consolidated financial statements
30 June 2022
(continued)

26 Leases (continued)

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

The total cash outflow for leases in 2022 was \$1,839,000 (2021: \$1,819,000).

27 Financial risk management

(a) Financial risk management objectives

The consolidated entity has exposure to the following risks:

- market risk
- credit risk
- liquidity risk

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

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Board has established the Audit & Risk Management Committee, which is responsible for reviewing and monitoring risk management policies and making recommendations to the Board of Directors in relation to changes that may be considered necessary from time to time. The Committee reports regularly to the Board of Directors on its activities.

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

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

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

Gold Corporation
Notes to the consolidated financial statements
30 June 2022
 (continued)

27 Financial risk management (continued)

(b) Market risk

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

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

(i) Currency risk

The consolidated entity is exposed to currency risk on sales and purchases that are denominated in a currency other than the respective functional currency of the entities within the consolidated entity, the Australian dollar (with the exception of Perth Mint Physical Gold ETF whose functional currency was United States dollars).

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

| | Average exchange rates | | Reporting date exchange rates | |
|---------------------------|---------------------------|---------|----------------------------------|---------|
| | 2022 | 2021 | 2022 | 2021 |
| Australian dollars | | | | |
| USD | 0.7258 | 0.7473 | 0.6903 | 0.7500 |
| EUR | 0.6440 | 0.6299 | 0.6626 | 0.6315 |
| JPY | 85.1057 | 79.6050 | 93.8086 | 83.0427 |
| GBP | 0.5455 | 0.5545 | 0.5676 | 0.5428 |
| CNH | 4.6849 | 4.9414 | 4.6224 | 4.8586 |
| NZD | 1.0666 | 1.0743 | 1.1060 | 1.0743 |
| CAD | 0.9184 | 0.9575 | 0.8899 | 0.9318 |

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



Gold Corporation
Notes to the consolidated financial statements
30 June 2022
(continued)

27 Financial risk management (continued)

(b) Market risk (continued)

(i) Currency risk (continued)

| | Assets | | Liabilities | |
|-----|----------------|----------------|------------------|-----------------|
| | 2022 \$'000 | 2021 \$'000 | 2022 \$'000 | 2021 \$'000 |
| USD | 115,528 | 176,819 | (118,806) | (82,384) |
| EUR | 2,077 | 28 | (186) | (609) |
| JPY | 22 | 9 | - | - |
| CNH | 348 | 336 | (346) | (329) |
| NZD | 206 | 16 | (191) | (197) |
| GBP | 103 | - | (1) | (44) |
| CAD | 13 | 6 | - | - |
| | 118,297 | 177,214 | (119,530) | (83,563) |

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

Based on the consolidated entity's foreign currency denominated financial assets and financial liabilities at the reporting date, a strengthening/weakening of the Australian dollar against other currencies at 30 June would have increased/(decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. This analysis is performed on the same basis for 2021.



Gold Corporation
Notes to the consolidated financial statements
30 June 2022
(continued)

27 Financial risk management (continued)

(b) Market risk (continued)

(i) Currency risk (continued)

| Year ended 30 June 2022 | % change | AUD strengthened | | % change | AUD weakened | |
|----------------------------|----------|---|-------------------------------------|----------|---|-------------------------------------|
| | | Effect on profit before tax \$'000 | Effect on other equity \$'000 | | Effect on profit before tax \$'000 | Effect on other equity \$'000 |
| USD | 10% | 298 | - | 10% | (364) | - |
| EUR | 10% | (70) | 102 | 10% | 86 | (124) |
| JPY | 10% | (2) | - | 10% | 2 | - |
| CNH | 10% | - | - | 10% | - | - |
| NZD | 10% | (1) | - | 10% | 2 | - |
| GBP | 10% | (9) | - | 10% | 11 | - |
| CAD | 10% | (1) | - | 10% | 1 | - |
| | | 215 | 102 | | (262) | (124) |

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

Gold Corporation
Notes to the consolidated financial statements
30 June 2022
 (continued)

27 Financial risk management (continued)

(b) Market risk (continued)

(ii) Metal price risk

The consolidated entity (with the exception of Perth Mint Physical Gold ETF) does not enter into commodity (precious metals) contracts other than to meet the consolidated entity's expected purchase and sale requirements, and then only on a back to back basis so as to eliminate the risk of movements in precious metal prices. The consolidated entity has a policy of minimising its long or short precious metal positions by matching precious metal leases and unallocated precious metal owing to the consolidated entity's customers with its working inventories, and other assets with an underlying metal price exposure. The net long or short position held at any time, and therefore exposed to metal price risk, is required to be within Board approved limits that minimises the exposure to potential adverse market movement and therefore loss.

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

| | 2022 | 2021 |
|---|--------------|-------------|
| | \$'000 | \$'000 |
| Precious metal denominated assets | | |
| Precious metal inventory (note 11) | 6,456,699 | 5,592,020 |
| Receivables and advances to customers at fair value (note 10) | 321,890 | 354,150 |
| Total precious metal denominated assets | 6,778,589 | 5,946,170 |
| Precious metal denominated liabilities | | |
| Precious metal borrowings – non-interest bearing (note 20) | (5,228,459) | (5,195,646) |
| Precious metal borrowings – interest bearing (note 17) | (1,536,488) | (724,475) |
| Total precious metal denominated liabilities | (6,764,947) | (5,920,121) |
| Net precious metal denominated assets | | |
| Other price exposures (see below) | (11,065) | (25,728) |
| Total precious metal price exposure | 2,577 | 321 |

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

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



Gold Corporation
Notes to the consolidated financial statements
30 June 2022
(continued)

27 Financial risk management (continued)

(b) Market risk (continued)

(iii) Interest and lease rate risk

| | 2022 | | 2021 | |
|---|----------------------------------|----------------|----------------------------------|----------------|
| | Weighted average interest rate % | Balance \$'000 | Weighted average interest rate % | Balance \$'000 |
| Variable rate - financial assets interest | 0.1% | 191,981 | 0.1% | 191,871 |
| Net exposure to cash flow interest/lease rate risk | | 191,981 | | 191,871 |

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

Cash flow sensitivity analysis for variable rate instruments

A change of 50 basis points in interest rates at the reporting date would have increased/(decreased) equity and profit or loss by the amount shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. This analysis is performed on the same basis for 2021.

| | Impact on pre-tax profit | | Impact on other components of equity | |
|---|--------------------------|-------------|--------------------------------------|-------------|
| | 2022 \$'000 | 2021 \$'000 | 2022 \$'000 | 2021 \$'000 |
| Interest rates - increase by 50 basis points (50 bps) | 960 | 959 | - | - |
| Interest rates - decrease by 50 basis points (50 bps) | (960) | (959) | - | - |

(v) Price risk

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

Gold Corporation
Notes to the consolidated financial statements
30 June 2022
(continued)

27 Financial risk management (continued)

(c) Credit risk

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

The consolidated entity has two types of financial assets that are subject to AASB 9's expected credit loss model:

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

(i) Trade and other receivables

The consolidated entity's exposure to credit risk is influenced mainly by the individual financial characteristics of each customer. The demographics of the consolidated entity's customer base, including the default risk of the industry and country in which customers operate, has less of an influence on credit risk. No significant percentage of the consolidated entity's trade receivables are attributable to a single customer. Key geographical exposures to trade and other receivables are discussed further later in this note.

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

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

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

Gold Corporation
Notes to the consolidated financial statements
30 June 2022
 (continued)

27 Financial risk management (continued)

(c) Credit risk (continued)

(i) Trade and other receivables (continued)

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

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

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

| | 2022 | 2021 |
|---------------------|---------------|---------------|
| | \$'000 | \$'000 |
| Wholesale customers | 24,970 | 26,406 |

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

| | 2022 | 2021 |
|-----------------------------|----------------|----------------|
| | \$'000 | \$'000 |
| Trade and other receivables | 351,592 | 385,339 |
| Cash and cash equivalents | 192,037 | 191,871 |
| | 543,629 | 577,210 |

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

(ii) Guarantees

The consolidated entity does not provide financial guarantees.



Gold Corporation
Notes to the consolidated financial statements
30 June 2022
(continued)

27 Financial risk management (continued)

(d) Liquidity risk

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

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

(i) Remaining contractual maturities

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

| | 1 year or less \$'000 | Between 1 and 2 years \$'000 | Between 2 and 5 years \$'000 | Over 5 years \$'000 | Remaining contractual maturities \$'000 |
|--|-----------------------------|---------------------------------------|---------------------------------------|---------------------------|--|
| At 30 June 2021 | | | | | |
| Non-derivatives | | | | | |
| Trade payables | (179,448) | - | - | - | (179,448) |
| Borrowings - interest bearing | (724,475) | - | - | - | (724,475) |
| Precious metal borrowings - non interest bearing | (5,195,646) | - | - | - | (5,195,646) |
| Total non-derivatives | (6,099,569) | - | - | - | (6,099,569) |
| Derivatives | | | | | |
| Trading derivatives | (2,001) | - | - | - | (2,001) |
| Total derivatives | (2,001) | - | - | - | (2,001) |

Gold Corporation
Notes to the consolidated financial statements
30 June 2022
 (continued)

27 Financial risk management (continued)

(d) Liquidity risk (continued)

(i) Remaining contractual maturities (continued)

| At 30 June 2022 | 1 year or less \$'000 | Between 1 and 2 years \$'000 | Between 2 and 5 years \$'000 | Over 5 years \$'000 | Remaining contractual maturities \$'000 |
|--|-----------------------------|---------------------------------------|---------------------------------------|---------------------------|--|
| Non-derivatives | | | | | |
| Trade payables | (158,528) | - | - | - | (158,528) |
| Borrowings - interest bearing | (1,536,488) | - | - | - | (1,536,488) |
| Precious metal borrowings - non interest bearing | (5,228,459) | - | - | - | (5,228,459) |
| Total non-derivatives | (6,923,475) | - | - | - | (6,923,475) |
| Derivatives | | | | | |
| Trading derivatives | (542) | - | - | - | (542) |
| Total derivatives | (542) | - | - | - | (542) |

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

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

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

28 Fair value measurement

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

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

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

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



Gold Corporation
Notes to the consolidated financial statements
30 June 2022
(continued)

28 Fair value measurement (continued)

| At 30 June 2021 | Notes | Level 1 \$'000 | Level 2 \$'000 | Level 3 \$'000 | Total \$'000 |
|---|-------|-------------------|-------------------|-------------------|------------------|
| Assets | | | | | |
| Receivables and advances to customers at fair value | | - | 354,150 | - | 354,150 |
| Precious metal inventory | | 5,592,020 | - | - | 5,592,020 |
| Buildings | | - | - | 51,593 | 51,593 |
| Land | | - | - | 13,800 | 13,800 |
| Total assets | | 5,592,020 | 354,150 | 65,393 | 6,011,563 |
| Liabilities | | | | | |
| Borrowings - interest bearing | | 724,475 | - | - | 724,475 |
| Precious metal borrowings - non interest bearing | | 5,195,646 | - | - | 5,195,646 |
| Total liabilities | | 5,920,121 | - | - | 5,920,121 |
| | | | | | |
| At 30 June 2022 | Notes | Level 1 \$'000 | Level 2 \$'000 | Level 3 \$'000 | Total \$'000 |
| Assets | | | | | |
| Receivables and advances to customers at fair value | | - | 321,890 | - | 321,890 |
| Precious metal inventory | | 6,456,699 | - | - | 6,456,699 |
| Buildings | | - | - | 52,304 | 52,304 |
| Land | | - | - | 14,490 | 14,490 |
| Total assets | | 6,456,699 | 321,890 | 66,794 | 6,845,383 |
| Liabilities | | | | | |
| Borrowings - interest bearing | | 1,536,488 | - | - | 1,536,488 |
| Precious metal borrowings - non interest bearing | | 5,228,459 | - | - | 5,228,459 |
| Total liabilities | | 6,764,947 | - | - | 6,764,947 |

There were no transfers between levels during the financial year.

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



Gold Corporation
Notes to the consolidated financial statements
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(continued)

28 Fair value measurement (continued)

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

The following table presents the changes in level 3 items for the years ended 30 June 2022 and 30 June 2021:

| | Land \$'000 | Buildings \$'000 | Total \$'000 |
|---|----------------|---------------------|-----------------|
| Opening balance 1 July 2020 | 13,800 | 47,461 | 61,261 |
| Losses recognised in other comprehensive income | - | (202) | (202) |
| Losses recognised in profit or loss | - | (10) | (10) |
| Gains recognised in other comprehensive income | - | 58 | 58 |
| Gains recognised in profit or loss | - | 452 | 452 |
| Remeasurement of decommissioning provision | - | (1,147) | (1,147) |
| Transfers | - | 7,096 | 7,096 |
| Depreciation expense | - | (2,115) | (2,115) |
| Closing balance 30 June 2021 | 13,800 | 51,593 | 65,393 |
| Opening balance 1 July 2021 | 13,800 | 51,593 | 65,393 |
| Losses recognised in other comprehensive income | - | (139) | (139) |
| Losses recognised in profit or loss | - | (67) | (67) |
| Gains recognised in other comprehensive income | 690 | 1,205 | 1,895 |
| Gains recognised in profit or loss | - | 1,067 | 1,067 |
| Remeasurement of decommissioning provision | - | 976 | 976 |
| Depreciation expense | - | (2,331) | (2,331) |
| Closing balance 30 June 2022 | 14,490 | 52,304 | 66,794 |



Gold Corporation
Notes to the consolidated financial statements
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(continued)

28 Fair value measurement (continued)

(b) Significant level 3 inputs

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

Historical cost per square metre floor area (m2)

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

Consumed economic benefit/obsolescence of asset

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

Selection of land with restricted utility

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

Historical cost per cubic metre (m3)

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

| Description | Fair value at 30 June 2022 \$'000 | Unobservable inputs | Range of inputs (probability - weighted average) | Relationship of unobservable inputs to fair value |
|-------------|-----------------------------------|------------------------------|--|--|
| Land | 14,490 | Restricted use | \$1,212/sqm | Higher value of similar land increases the estimated fair value. |
| Buildings | 52,304 | Depreciated replacement cost | 2.5% - 7.0% per annum | Greater consumption of economic benefit or increased obsolescence lowers fair value. |

(c) Basis of valuation

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

Gold Corporation
Notes to the consolidated financial statements
30 June 2022
 (continued)

29 Key management personnel disclosures

Compensation

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

| | 2022 | 2021 |
|----------------------------------|---------------|---------------|
| | \$'000 | \$'000 |
| Short-term employment benefits | 4,400 | 2,630 |
| Termination benefits | 464 | - |
| Superannuation | 271 | 281 |
| Total employment benefits | 5,135 | 2,911 |

The increase in employment benefits in 2022 is attributable to an expanded executive team. Total fees received by non-executive directors were \$452,000 (2021: \$431,000).

30 Related party transactions

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

Related parties of the consolidated entity include:

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

(a) Significant transactions with government related entities

Significant transactions include:

- superannuation payments to GESB on behalf of employees for a total value of \$916,000 (2021: \$561,000) (Note 22); and



Gold Corporation
Notes to the consolidated financial statements
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(continued)

30 Related party transactions (continued)

- guarantee fee payments to Department of Treasury in respect of the guarantee by the Government of Western Australia for a total value of \$1,782,000 (2021: \$1,885,000) (Note 17); and
- audit fees payable to the Auditor General (Note 31).

(b) Material transactions with related parties

Jane Muirsmith, a director of the consolidated entity since March 2022, is the Managing Director and majority shareholder of Lenox Hill. The consolidated entity has contracted with Lenox Hill for the provision of digital marketing and advisory services during the period. The consolidated entity's relationship with Lenox Hill pre-dates Ms Muirsmith's appointment as a director of the consolidated entity. All engagements between the consolidated entity and Lenox Hill are conducted on an arms-length basis and Ms Muirsmith is not involved in the process. For the year ended 30 June 2022, expenses totalling \$103,000 were incurred under these engagement. At 30 June 2022, \$15,000 was payable to Lenox Hill in relation to these engagements, this amount was paid in full on 1 July 2022.

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

31 Remuneration of auditors

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

| | 2022 | 2021 |
|--|---------|---------|
| | \$ | \$ |
| <i>Office of the Auditor General</i> | | |
| Audit of financial statements and key performance indicators | 300,000 | 247,000 |

32 Contingent liabilities

In prior years, ground water contamination occurred at the Newburn site of the AGR Matthey refinery. The AGR Joint Venture partners (Western Australian Mint and Australian Gold Alliance Pty Ltd) were responsible for any remediation and restoration of the site. Pursuant to the dissolution of the AGR Matthey Partnership on 29 March 2010, Western Australian Mint has assumed full responsibility for any future liabilities. Expenses incurred to date have been expensed in the financial statements. The Corporation is still assessing the estimated potential financial effects, if any, of remediation. Hence it is not possible to quantify these as at 30 June 2022.



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Notes to the consolidated financial statements
30 June 2022
(continued)

32 Contingent liabilities (continued)

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

Through its Depository program, the consolidated entity enables investors from the United States of America to invest in precious metal assets that are securely stored by the consolidated entity. Investigation is currently underway regarding the extent to which the consolidated entity has not complied with obligations imposed under legislation enacted by certain states in the United States of America and is in the process of engaging with the relevant regulators. It is not possible to quantify the potential financial effects, if any, of any non-compliance.

33 Commitments

(a) Capital commitments

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

| | 2022 | 2021* |
|---|---------------|---------------|
| | \$'000 | \$'000 |
| Capital commitments - property, plant and equipment | | |
| Within one year | 1,119 | 1,074 |
| Total capital commitments | 1,119 | 1,074 |

*Comparative information has been restated to reflect the change in accounting policy and prior period restatements detailed in Note 2(a)(i).

Gold Corporation
Notes to the consolidated financial statements
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 (continued)

34 Subsidiaries

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

| Name of entity | Country of incorporation | Equity holding | |
|--|--------------------------|----------------|-----------|
| | | 2022 % | 2021 % |
| Gold Corporation | Australia | | |
| Subsidiaries of Gold Corporation: | | | |
| GoldCorp Australia | Australia | 100 | 100 |
| Western Australian Mint | Australia | 100 | 100 |
| AGR Management Service Pty Ltd | Australia | 100 | 100 |
| Perth Mint Physical Gold ETF | USA | - | - |
| W.A. MINT PTY. LTD. | Australia | 100 | 100 |

(a) Non-controlling interests (NCI)

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

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

The directors had determined that ownership of a significant holding of the Trust's shares, in combination with the legal agreements which govern the Trust, resulted in the Trust being controlled by Gold Corporation. The results, assets and liabilities of the Trust were therefore consolidated into the results of the consolidated entity from the date of acquisition which has been deemed to be the date of the initial investment in the shares of the Trust. This continued until the disposal of the Trust on 13 December 2020 (note 34(b)).

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



Gold Corporation
Notes to the consolidated financial statements
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(continued)

34 Subsidiaries (continued)**(a) Non-controlling interests (NCI) (continued)**

| | Perth Mint Physical Gold ETF | |
|--|---|---------------|
| | 2022 | 2021 |
| | \$'000 | \$'000 |
| Summarised balance sheet | | |
| Current net assets | - | - |
| Non-current net assets | - | - |
| Net assets | - | - |
| | | |
| | Perth Mint Physical Gold ETF | |
| | 2022 | 2021 |
| | \$'000 | \$'000 |
| Summarised statement of comprehensive income | | |
| Loss for the period | - | (49,158) |
| Total comprehensive income | - | (49,158) |
| | | |
| (Loss)/profit allocated to NCI | - | (39,315) |

Perth Mint Physical Gold ETF as a stand-alone entity earned a loss in 2021 of \$49,158,000 due to movements in the gold price. The parent entity, Gold Corporation, had an investment in Perth Mint Physical Gold ETF, and managed its metal price exposure using the methods described in note 27(b)(ii). As such, the movement in value on the precious metal inventory within the Perth Mint Physical Gold ETF attributable to the owner of Gold Corporation was offset by an equivalent and opposing movement on the position to manage the associated metal price risk, resulting in a loss of \$39,315,000 in 2021 to the consolidated entity, which was entirely attributable to non-controlling interests.

Perth Mint Physical Gold ETF had no cash flows.



Gold Corporation
Notes to the consolidated financial statements
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(continued)

34 Subsidiaries (continued)

(b) Disposal of Perth Mint Physical Gold ETF

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

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

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

Gold Corporation
Notes to the consolidated financial statements
30 June 2022
 (continued)

35 Cash flow information

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

| | 2022 | 2021* |
|--|---------------|----------------|
| | \$'000 | \$'000 |
| Profit/(loss) after income tax expense for the year | 28,185 | (11,107) |
| Depreciation and amortisation | 8,337 | 8,965 |
| Provision for doubtful debts | - | (4) |
| Revaluation of land and buildings | (1,000) | (442) |
| Impairment of intangible assets | - | 2,570 |
| Fair value gains on assets at fair value through profit and loss | - | 39,315 |
| Income tax expense | 12,092 | 11,980 |
| Unwinding of discount on provisions | 115 | 76 |
| Gain on disposal of Perth Mint Physical Gold ETF | - | (3,305) |
| Change in operating assets and liabilities: | | |
| Increase in employee benefits | 486 | 1,040 |
| Decrease in precious metal holdings | 11,968 | 57,576 |
| Increase in inventories | (3,337) | (799) |
| Decrease/(increase) in prepayments | 864 | (140) |
| Decrease in receivables | 1,487 | 12,169 |
| Decrease in payables | (23,748) | (7,479) |
| Increase/(decrease) in provisions | 186 | (668) |
| Net cash inflow from operating activities | 35,635 | 109,747 |

*Comparative information has been restated to reflect the change in accounting policy and prior period restatements detailed in Note 2(a)(i).

36 Events occurring after the reporting period

On 30 August 2022, AUSTRAC ordered the appointment of an external auditor to the consolidated entity under section 162(2) of the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (AML/CTF Act). The external auditor will be appointed by the consolidated entity and authorised by AUSTRAC to assess the consolidated entity's compliance with the AML/CTF Act and *Anti-Money Laundering and Counter-Terrorism Financing Rules Instrument 2007 (No. 1)*.



Gold Corporation
Notes to the consolidated financial statements
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(continued)

37 Explanatory statement

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

The consolidated entity's business plans for 2021/2022 projected an operating result before income tax equivalent of \$20.76 million against an actual profit before income tax equivalent (attributable to the owner of Gold Corporation) of \$40.28 million. This favourable variance was primarily driven by a surge in demand for the consolidated entity's products during the year primarily due to ongoing uncertainty arising from the COVID pandemic, inflation concerns and other global events.

Variations from previous year

Treasurer's Instruction 945P requires an explanatory statement providing reasons for and the detailing of any significant variations between actual revenue and expenditure for the financial year and the corresponding item in the financial statements of the immediately preceding year. The most significant variations over; (i) 10% of the balance and \$5,000,000; or (ii) \$10,000,000 were:

(i) *Revenue from contracts with customers*

Revenue of \$21.77 billion in 2022 was 17% lower than the \$26.35 billion of revenue in 2021 due primarily to fewer ounces of gold being sold throughout the year.

(ii) *Cost of sales*

Cost of sales in 2022 of \$21.59 billion was 18% lower than the \$26.18 billion of cost of sales in 2021, in line with the decrease in revenue.

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

Fair value loss/gain on assets at fair value through profit or loss was a loss of \$nil in 2022 compared to a loss of \$39.32 million in 2021. This loss in 2021 has arisen as a result of the consolidation of the Perth Mint Physical Gold ETF and was entirely attributable to non-controlling interests (note 34). The reduction to nil is a result of the deconsolidation of the Perth Mint Physical Gold ETF on 13 December 2020.

(iv) *Employee benefits expense*

Employee benefits expense was \$60.51 million in 2022 compared to \$50.53 million in 2021, with the increase primarily attributable to higher labour costs arising from increased coin production volumes during the year.