

## **SELECT COMMITTEE ON THE PERTH MINT AND COMMONWEALTH REGULATORY COMPLIANCE**

### **Response by The Perth Mint to Questions on Notice received on 15 March 2024 from Senator the Hon Linda Reynolds CSC**

Reference to previous Questions: refer to Answers from Questions on Notice received 9 February from Senator the Hon Linda Reynolds CSC and tabled on 15 February 2024

#### **Question 1: Regarding Question 2 from Written Questions on Notice, 9 February 2024**

*Regarding your answer to Question 2(d) please provide all external advisors or consultants who were used in setting up the Perth Mint Gold ETF?*

##### **Response**

In addition to the engagement of Exchange Traded Concepts Limited Liability Company (LLC) as The Perth Mint's primary partner and co-sponsor, external parties engaged to support the setting up the Perth Mint Physical Gold ETF were:

- Corrs Chambers Westgarth (Legal support)
- Morgan Lewis (Legal support)
- PwC (Tax and accounting support)

Other external parties that, while not directly involved in setting up the ETF, were required for the day-to-day operation of the ETF and therefore were engaged during the setting up process were:

- Bank of New York Mellon (Trustee)
- Virtu (Authorised Participant)
- New York Stock Exchange (Exchange).

#### **Additional Questions Relating to the Perth Mint Product PMGOLD**

##### **Question 2: How does PMGOLD operate?**

##### **Response**

PMGOLD is an exchange traded product (ETP) that allows investors to trade in gold via a stock broking account.

PMGOLD has been listed on the Australian Stock Exchange (ASX) since 9 May 2003.

Shares/units in PMGOLD may be bought and sold on the ASX market in the same manner as any other listed product on the exchange.

PMGOLD provides a mechanism for investment in gold. Each unit of PMGOLD entitles the holder to a right to physical gold bullion held by The Perth Mint.

The investor has the option to then convert their PMGOLD holdings to physical gold that can be subsequently collected or delivered to the investor.

##### **Question 3: How does the Perth Mint act as the custodian for PMGOLD?**

##### **Response**

The fund is backed by unallocated gold which is part of The Perth Mint's working inventory. PMGOLD is limited to the issuance of 100 tonnes of gold, of which approximately 8 tonnes are currently issued.

The Perth Mint has appointed Wilson Advisory Services to act as an agency broker to provide bid and offer prices for PMGOLD during ASX trading hours and to trade with investors.

At the end of each trading day, The Perth Mint settles the net transaction volume Wilson Advisory Services has executed on the ASX, and these are processed in Perth Mint systems resulting in a receipt (or payment) of funds from (or to) Wilson Advisory Services in exchange for delivery (or receipt) of PMGOLD units to (or from) Wilson Advisory Services.

The Perth Mint continually hedges PMGOLD transactions on wholesale gold markets buying (or selling) the requisite amount of gold to back the PMGOLD units. This mitigates The Perth Mint's risk of exposure to fluctuations in the metal price.

#### **Question 4: Does a State Government Guarantee exist for PMGOLD?**

##### **Response**

Section 22 of the *Gold Corporation Act 1987* (WA) (GC Act) provides for the 'Government Guarantee' of The Perth Mint by the Government of Western Australia (WA).

The Government Guarantee means that if The Perth Mint was liable to pay a quantity of precious metal or a sum of money to another party, and this liability exceeded its assets, payment of this liability would be made by the WA government.

On this basis, the Government Guarantee extends to all of the liabilities and obligations of The Perth Mint, including those related to PMGOLD.

In practice, The Perth Mint's precious metal holdings are protected by The Perth Mint's insurance policy, which would be expected to cover the value of the holdings in the event of loss or theft.

#### **Question 5: What risks are involved with the Perth Mint operating PMGOLD?**

##### **Response**

The Perth Mint has a range of systems and processes in place to mitigate the general business risks related to PMGOLD, such as trade execution and settlement, hedging of price exposure and safe storage of the gold backing the product.

Investors are encouraged to consider the risks are set out in Part 3 of the publicly available Product Disclosure Statement (PDS) for PMGOLD, provided at Appendix 1.

#### **Question 6: What compliance obligations does the Perth Mint have in operating PMGOLD?**

##### **Response**

The Perth Mint's primary regulatory obligations in relation to PMGOLD include the ASX Operating Rules, such as Product Issuer Compliance and ASX Operating Rule Compliance.

More information is available via the ASX at: <https://www.asx.com.au/about/regulation> and at <https://www.asx.com.au/issuers/investment-products/how-to-issue>.

#### **Question 7: What external parties were used in setting up PMGOLD?**

##### **Response**

The Perth Mint listed PMGOLD on 9 May 2003. Historical records indicate that the only external party involved in setting it up was Baker McKenzie, a law firm that specialises in setting up listed products.

### **Question 8: Regarding Question 4 from Written Questions on Notice, 9 February 2024**

*Regarding your answer to Question 4(a) please provide further detail regarding the confidentiality obligations under the GC Act and why this precludes the Perth Mint from answering questions from the Committee about previous business relationships?*

#### **Response**

Section 74(1) of the GC Act provides that a person who is or was an officer or employee of Gold Corporation, or a subsidiary or associate of Gold Corporation, is prohibited either directly or indirectly from:

- (a) making a record of, or divulging to any person, any information concerning the business affairs of another person acquired by them by reason of their office or employment under or for the purposes of the Act; or
- (b) producing to any person any document relating to the business affairs of another person furnished for the purposes of the Act.

unless:

- (c) the prior permission of the person owning or operating the business to which that information or document relates has been obtained; or
- (d) the person does so in the performance of a function under or in connection with the Act, any other Act or for the purposes of reporting to Gold Corporation's Board and Gold Corporation's Responsible Minister.

A person who breaches this section faces a \$10 000 fine and imprisonment for one year.

Accordingly, The Perth Mint and its officers and employees are precluded from disclosing information regarding previous, current or potential customers. Whilst this prohibition is subject to other exceptions, such as producing a document to a court in the course of criminal proceedings, no relevant exceptions apply to permit disclosure to the Committee in the present circumstances.

### **Regarding Question 5 from Written Questions on Notice, 9 February 2024**

**Question 9: Regarding your answer to Question 5(c) please provide all the vendors that were used in the ERP Project:**

- a) For each vendor, provide the following information:**
  - i. Name?**
  - ii. Specific details as to their role in facilitating the ERP Program?**
  - iii. Length of business relationship with the Perth Mint?**
  - iv. Did any Perth Mint Executives, Directors or Staff declare an Interest in any/all the above ERP Providers? If so, please detail which person and the vendor they declared an interest in?**

#### **Response**

i)-iii) Name of vendors, their role and length of business relationship:

<b>Name</b>	<b>Role</b>	<b>Length*</b>
AGuylKnow	Tutorial Videos	1
Advance Press	Instructional Posters	1
AP4 Services Trading	Technical Program Management Support	1
Asterisk Information Security	Third Party Risk Management	2
Australian Institute of Management	Training	1
BDO Advisory	Assurance Support	1

Braestone	Solution Architecture & Business Analyst Support	3
Bulletproof	AWS Hosting	3
Cathara Consulting	Business Analyst Support	1
Churchill Consulting	Project Manager	3
Computest Services	Assurance Support	1
Corrs Chambers Westgarth	Legal Support	3
Cubility	Data Analyst Support	3
CyberCX	Security Architecture Support	2
Data #3	Readiness Assessment	1
Deloitte Risk Advisory	Assurance Support	2
Diversus	Business Analyst & Environment Release Support	3
Empired	Website Implementation Partner	3
EpiServer/Optimizely	Website Provider	3
Experian	Data Cleansing Support	3
Gold Republic	Website Implementation Partner	3
Infosys	Software Support	3
Insight	Architecture & Engineering Support	3
Jennifer Robson	Content Design Support	1
Journey One	Data Migration Support	2
KPMG	Assurance Support	3
Landell Consulting	Assurance Support	1
Lenox Hill	Website Advisory	3
Mantra on Hay	Accommodation	1
Market Creations	Software Licences	1
Microsoft	ERP Provider	3
Motive Travel	Corporate Travel Support	3
Nicjosh	Software Licences	1
Planit	Testing Support	3
PwC	ERP Implementation Partner	3
Ranorex	Software Licences	1
Ricoh	Printing Support	2
Robert Walters	Temporary Staffing Support	2
Ross McGregor Consulting	Program Management Support	1
Silverfern	Software Licences	3
SmartyStreets	Software Licences	1
Talent	Temporary Staffing Support	3
Telstra	Equipment Support	2
Total Quality Certification Services	Assurance Support	1
Wedderburn	Software Support	2
Winc	Stationery	1
Xignite	Information Services	3

\*1 < six months, 2 = six to twelve months, 3 > one year

iv) Historical records indicate that no Perth Mint Executives, Directors or employees declared an interest in any of the above ERP providers, in relation to the One Future Project undertaken from 2013/14 to 2021/22.

**Question 10: Regarding your answer to Question 5 (d) “The Perth Mint’s Board and senior staff included former employees of firms that worked on the One Future project”.**

- a) Which firms that worked on the One Future Project had employees that became Perth Mint Executives and or Senior Staff?
- b) For each Board Member and Senior Staff that worked for firms that performed work on the Perth Mint One Future Project provide:
- c) Name of each Board Member/ Senior Staff?
- d) The dates each Board Member/Senior Staff who worked for firms that performed work on the Perth Mint One Future Project?
- e) The dates each employee became a Perth Mint Board Member or Senior Employee?

**Response**

a)-d) See below a list of all current or former Directors or Executives who have been employed by The Perth Mint, and who also were previously employed by a firm engaged by The Perth Mint to provide professional services in relation to the historical One Future Project.

Note 1: The table lists individuals’ estimated period of employment at a relevant former employer, as indicated in publicly available records discoverable from open-source searches which should not be relied on as a detailed record.

Note 2: The WA Government and/or The Perth Mint undertook the appointment of the individuals listed below in accordance with the relevant legislative and policy requirements.

<b>Name</b>	<b>Relevant Former Employer</b>	<b>Estimated period at Relevant Former Employer<sup>1</sup></b>	<b>Perth Mint Start Date</b>	<b>Currently engaged at Perth Mint</b>
John O’Connor Director	PwC	1979 – 2013	01/01/2016	Yes
Mark Puzey Former Director	KPMG	1983 - 2016	01/02/2018	No
Jane Muirsmith Former Director*	Lenox Hill	2014 - Present	10/03/2022	No
Caroline Preuss Former Chief Financial Officer (CFO)	PwC	2004 – 2013	16/12/2013	No
James Sawyer CFO	PwC	2011 – 2014	27/06/2014	Yes
Nigel Elders Chief Information Officer (CIO)	Diversus	2020 - 2022	01/07/2022	Yes
Brad Wearn Former CIO	Churchill Consulting	2018 – 2020	19/07/2021	No
Nick Foster Former Chief Risk Officer/ General Counsel/ Deputy CEO	Corrs Chambers Westgarth	2013 – 2021	12/07/2021	No
Sawan Tanna Treasurer	PwC	2002 – 2006	08/03/2016	Yes
Stephanie Ward Former Chief Sustainability Officer	Churchill Consulting	2019 – 2021	12/04/2021	No

\*Refer Note 30 of the 2022-23 Financial Report in the 2023 Annual Report: Ms Jane Muirsmith, a director of the consolidated entity [Gold Corporation] 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 engagements. 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.

### **Questions relating to Sapien Cyber (SC8) and Procurement/Governance Issues**

**Question 11: Please detail the history of the relationship between Sapien Cyber and its predecessor (SC8) and the Perth Mint.**

#### **Response**

There is not, and never has been, a relationship between Sapien Cyber and its predecessor (SC8) and The Perth Mint.

**Question 12: Has Sapien Cyber (SC8) ever performed any paid work for the Perth Mint or any of its subsidiaries?**

#### **Response**

No.

**Question 13: What were the specific details of the Sapien Cyber Conflict issue and how was it resolved?**

#### **Response**

As advised in The Perth Mint's evidence at the public hearing on 19 February 2024, and in The Perth Mint's written response to questions taken on notice at that hearing and tabled on 6 March 2024:

The then Chair, Mr Don Mackay-Coghill, the then Chief Executive Officer (CEO), Mr Richard Hayes, and the then Perth Mint Treasurer/Deputy CEO Mr Gerard (Joe) Metcalfe declared a conflict of interest in the form of shareholdings in relation to cybersecurity company Sapien Cyber. These conflicts of interest were declared at the Board meeting held on 22 November 2018.

Mr Mackay-Coghill advocated for the Board to consider the procurement of cybersecurity services from Sapien Cyber. As advised above, and reported in the media, Sapien Cyber was not engaged by The Perth Mint and, under the leadership of Chair Mr Sam Walsh AO, the matter was examined by both Stantons, an independent external organisation with relevant expertise, and the WA Corruption and Crime Commission (CCC).

**Question 14: Regarding section 2.8 of the Interim Report explain why the Perth Mint Board chose not to follow legal advice and refer allegations of impropriety relating to employment and procurement matters to the WA Crime and Corruption Commission?**

#### **Response**

Per public statements in 2020, that are included in the media reports referenced in the Interim Report, The Perth Mint did obtain, and consider, legal advice in relation to recruitment and procurement matters raised in 2017. As stated in 2020, at no time was any Perth Mint representative provided advice to report the matters to the CCC.

**Question 15: Regarding section 2.9 of the Interim Report what was the Sapien Cyber procurement process issue?**

- a) **What recommendations were implemented because of the review mentioned in section 2.9 of the Interim Report?**

**Response**

15. As advised in:

- The Perth Mint's written response to questions taken on notice at the 3 November 2023 hearing and tabled to the Select Committee on 24 November 2023;
- the 'Clarifications by The Perth Mint to the Interim Report' document tabled to the Select Committee on 16 February 2024; and
- The Perth Mint's written response to questions taken on notice at the 19 February 2024 hearing and tabled on 6 March 2024:

Following his commencement as Chair, Mr Walsh addressed concerns regarding a proposal by the former Chair, Mr Don Mackay-Coghill, for The Perth Mint to consider procuring services from cybersecurity company, Sapien Cyber. The company was not engaged by The Perth Mint.

Under Mr Walsh's leadership, the matter was examined by both Stantons International (Stantons) and the CCC. The resolution of this governance matter in 2019 has been in the public domain through media reports and other public documents since June 2020.

- a) The Perth Mint took steps to give effect to the recommendations made by Stantons in its Report, which may be summarised as follows:

- Procurements should continue to follow the probity requirements outlined in the Department of Finance State Supply Guidelines.
- All Executive, Non-Executive Directors and staff should comply with the internal policies and procedures. Consideration should also be given to formulating a Terms of Reference for the Board to define processes and rules to ensure good governance over decisions where there are actual or perceived conflicts of interest.
- All personnel who have a real or perceived conflict of interest in purchasing decisions must make appropriate declarations.
- Directors must ensure that they comply with the requirements of Schedule 1 of the GC Act.

**Question 16: Regarding Section 2.10 of the Interim Report can the Perth Mint provide a comprehensive outline as to the Stanton Report findings and the referral to the WA Crime and Corruption Commission?**

**Response**

**Findings**

As found in *The West Australian* report on 29 June 2020 from which partial quotes are utilised in the Interim Report, and as advised The Perth Mint's written response to questions taken on notice at the hearings on 3 November 2023 on 19 February 2024 and tabled on 24 November 2024 and 6 March 2024 respectively, Stantons undertook a forensic audit review of the matter.

In early 2019, Stantons made findings and recommendations in relation to procurement processes, board governance, and conduct including the management of conflicts of interest. The Perth Mint took steps to give effect to the Stantons recommendations. Refer to Question 15a).

**Referral**

As found in *The West Australian* report on 29 June 2020 from which partial quotes are utilised in the Interim Report, and as advised The Perth Mint's written response to questions taken on notice at the

hearings on 3 November 2023 on 19 February 2024 and tabled on 24 November 2024 and 6 March 2024 respectively,

On 8 March 2019, Stantons provided Mr Walsh with a forensic audit review report relating to the Sapien Cyber matter. On 13 March 2019, the Department of the Premier and Cabinet (DPC) referred the matter to the CCC for review and appropriate action.

On 24 June 2019, the CCC wrote to the DPC stating that the information had been assessed and that the CCC had made its own enquiries.

On the evidence available, the CCC determined that there was an insufficient basis to form a reasonable suspicion of serious misconduct in the circumstances.

**Question 17: Has the matter mentioned in section 2.10 of the Interim Report been referred to the WA Public Sector Commission?**

- a) **If yes, please provide details regarding the referral?**
- b) **If no, explain why not?**

**Response**

17-a). No.

b) As advised in the ‘Clarifications by The Perth Mint to the Interim Report’ document tabled to the Select Committee on 16 February 2024, and found in *The West Australian* report of 29 June 2020 from which partial quotes are in the Interim Report:

In June 2019, the CCC determined that any Public Sector Commission investigation of potential minor misconduct, such as breaches of procurement policies and procedures and the Corporation’s Code of Conduct, would not have had any force because Mr Mackay-Coghill had retired from his position prior to the consideration of the matter.

For the avoidance of doubt, an extract of relevant information from the *West Australian* report referenced in the Interim Report is provided below:

"The new chair, former Rio Tinto boss Sam Walsh, was instructed by Mr McGowan to investigate Gold Corp’s links to Sapien. The corporation’s general manager for risk and corporate governance, David Koch, started a probe and discovered the declarations about Sapien Cyber. Stantons International followed up with a forensic audit.

A spokeswoman for Gold Corp said inquiries showed no wrongdoing.

“Sam Walsh was appointed chairman of Gold Corporation in January 2019, at which time, under request of the Premier, he initiated an independent review of governance practices at the Perth Mint,” she said.

“The review confirmed the Perth Mint chief executive, former chair and the former deputy chief executive appropriately declared all shareholdings. It further determined the chief executive acted appropriately during the process.

“The independent review was provided to Mr Walsh and shared with government. Where opportunities for improvement were found, actions were taken. Since that time, the board has undergone a process of renewal and four new directors have been appointed.”

A spokesperson for Mr McGowan detailed a more thorough review.

“Following the appointment of Sam Walsh as the chair of the Gold Corporation in December 2018, the Premier, through his Department, requested that the new chair commission an independent audit in relation to an IT procurement process that had occurred prior to Mr Walsh’s appointment,” the spokesperson said.

“On March 8, 2019, Stantons International provided Mr Walsh with a forensic audit review report relating to the procurement process.

“The review reported a number of findings and recommendations relating to procurement processes, board governance, and conduct including the management of conflicts of interest.

“On March 13, 2019, the Department of the Premier and Cabinet referred the ... matter to the Corruption and Crime Commission for review and appropriate action.

“On June 24, 2019, the Corruption and Crime Commission wrote to the Department of the Premier and Cabinet stating that the information had been assessed and that the Commission had made its own enquiries.

“On the evidence available, the Commission determined that there was an insufficient basis to form a reasonable suspicion of serious misconduct in the circumstances.

“The Commission noted that breaches of procurement policies and procedures and the organisation’s code of conduct may amount to an allegation of minor misconduct and that these matters could be referred to the Public Sector Commission.

“Given that the former chair retired from his position prior to the consideration of these matters, any investigation and determination of potential minor misconduct matters would not have any force.”

### **Regarding Question 9 and the GoldPass App**

**Question 18: Regarding your answer to Question 9 (c) and (d) what were all the external parties that were used by the Perth Mint in establishing the GoldPass app:**

- a) For each external party used outline what services they provided and length of relationship with the Perth Mint?
- b) Did any Perth Mint Board member or Senior Staff declare an interest or have any previous relationships with any of the external parties that performed work on the Perth Mint GoldPass app? if so, who?

### **Response**

a)

<b>Advisor</b>	<b>Type of service</b>	<b>Length*</b>
Corrs Chambers Westgarth	Legal advice	3
Jones Day	Legal advice	1
Zirilio Cyber Security	Penetration testing	1
Casobe	Privacy impact assessment	1

\*1 < six months, 2 = six to twelve months, 3 > one year

b) Historical records indicate that no interests were declared by Board members.

**Question 19: Regarding your answer to Question 9(f) specifically “All GoldPass accounts were subject to transaction monitoring, due diligence, and reporting, in accordance with The Perth Mint’s regulatory obligations under the AML/CTF Act and Rules”.**

- a) How did all GoldPass accounts comply with AML/CTF rules?
- b) Did any external parties advise the Perth Mint not to report Perth Mint GoldPass transactions to AUSTRAC? If yes, provide details.
- c) Was the GoldPass app a remittance service provider as defined by AUSTRAC?

## Response

- a) As advised in The Perth Mint's written response to questions on notice received on 9 February 2024 and tabled on 15 February 2024, a prospective GoldPass customer was required to provide appropriate identification documents and a know your customer (KYC) check was undertaken in accordance with the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (Cth) (AML/CTF Act) and *Anti-Money Laundering and Counter-Terrorism Financing Rules Instrument 2007 (No. 1)* (Rules).

All prospective GoldPass customers were subject to KYC verification prior to the potential validation of their GoldPass account. All GoldPass transactions were subject to transaction monitoring in accordance with AML/CTF Act and Rules. Transaction monitoring reports were generated and reviewed daily by the Risk & Compliance (R&C) Team at The Perth Mint. Account activity that was deemed unusual was subject to further investigation. Where a suspicion was formed following that investigation, then a Suspicious Matter Report (SMR) was lodged with AUSTRAC, in accordance with the AML/CTF Act and Rules.

- b)-c) No.

## Question 20: Regarding your answer to Question 9(f) did the Perth Mint have any oversight of Trulioo KYC procedures for the GoldPass App?

- a) Did any staff member from the Perth Mint have access to the KYC checks done by Trulioo?  
b) Did any staff member from the Perth Mint do any due diligence of the KYC procedures conducted by Trulioo?  
c) Did any Perth Mint staff member raise concerns about the KYC checks done by Trulioo and vice versa by Trulioo to the Perth Mint?

## Response

20. Yes.

a)-b) Yes.

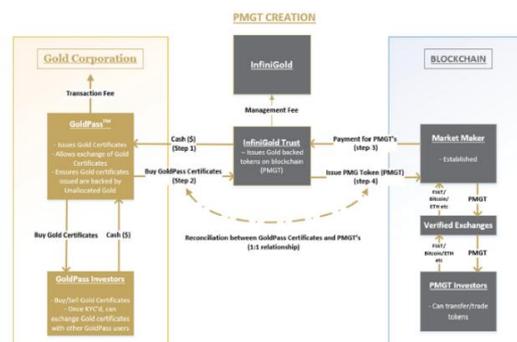
c) No.

## Question 21: Regarding your answer to Question 9(g) how did customers convert PMGT tokens to Gold Pass certificates?

- a) How many times did this occur?

## Response

21. As advised in The Perth Mint's response to questions on notice received on 9 February 2024 and tabled on 15 February 2024, a PMGT token holder was able to open a GoldPass account via the GoldPass App, subject to KYC verification, and then through a verified account request to convert PMGT tokens to digital GoldPass certificates on a 1:1 basis. A diagram is provided below:



a) There were 71 account holders who converted PMGT to GoldPass certificates. The total number of conversions was 164, for a total value of 581.51 ounces of gold.

### **Additional Questions Relating to the GoldPass App**

**Questions regarding evidence given at the Perth Mint and Commonwealth Regulatory Compliance Select Committee on Monday 19th of February 2024.**

**Question 22: In regard to evidence given by Mr O'Connor at the hearing he stated "The other thing in terms of GoldPass was that there were no other reporting obligations because there were no IFTIs associated with GoldPass—zero. So there were no reporting of IFTIs which we omitted, because they are not associated with GoldPass, despite what has been said in the press over recent months. So that is how I can deal with GoldPass".**

a) **Can the Perth Mint explain why International Funds Transfer Instructions (IFTIs) were not applicable for the GoldPass App?**

#### **Response**

a) The AML/CTF Act provides for the reporting of International Funds Transfer Instructions (IFTIs), instruction to transfer money or property either from Australia to another country, or into Australia from another country.

As advised in The Perth Mint's response to questions on notice received on 9 February 2024 and tabled on 15 February 2024, the GoldPass app entailed the purchase or sale of a digital GoldPass certificate which recorded an entitlement to gold (or silver) backed by precious metal held by The Perth Mint.

During its period of operation, the app was available to customers based in Australia or the US.

The app enabled peer to peer (P2P) transactions between GoldPass account holders. Importantly, the accounts that were maintained with The Perth Mint through the use of the GoldPass app were held at a permanent establishment of The Perth Mint in Australia.

On this basis, P2P transactions in GoldPass did not constitute an instruction to transfer money or property either from Australia to another country, or into Australia from another country, and therefore did not raise an IFTI obligation.

**Question 23: Provide a step-by-step detail of the functionality of the GoldPass App in the steps followed by the user.**

#### **Response**

As advised in The Perth Mint's response to questions on notice received on 9 February 2024 and tabled on 15 February 2024, the GoldPass app entailed the purchase or sale of a digital GoldPass certificate which recorded an entitlement to gold (or silver) backed by precious metal held by The Perth Mint.

As stated in the WA Parliament on 9 May 2023 in response to Question on Notice 715, the gold (and silver) in GoldPass accounts was unallocated metal. The customer did not own the metal but rather held an entitlement to metal in The Perth Mint's inventory.

The customer could either sell the entitlement back to The Perth Mint at the prevailing gold (or silver) price or pay a fabrication fee to convert the entitlement into physical metal, at which point the customer would take ownership of the gold (or silver).

The app enabled P2P transactions between GoldPass account holders. The Perth Mint subjected these transactions to strict rules that both the sender and recipient had to be:

- individual persons (neither account could be a company or trust)
- KYC verified in accordance with AML/CTF requirements
- confirmed as a resident in the same country (i.e. both Australia or both United States)
- holding a GoldPass account delimited in the same base fiat currency (i.e. both AUD or both USD).

All prospective GoldPass customers were subject to KYC verification prior to the potential validation of their GoldPass account. All GoldPass transactions were subject to transaction monitoring in accordance with the AML/CTF Act and Rules.

**Question 24: What were the regulatory obligations for the Perth Mint GoldPass App?**

**Response**

Refer to Question 19a).

**Question 25: What advice did the Perth Mint rely on not to register as a Remittance Service Provider and to not report GoldPass Transactions to AUSTRAC?**

**Response**

The Perth Mint has not identified any advice that was relied on by its previous management team in failing to register as a remittance service provider prior to 5 March 2021.

As advised at Question 22, transactions in GoldPass did not constitute an instruction to transfer money or property either from Australia to another country, or into Australia from another country, and therefore did not raise an IFTI reporting obligation.

**Promotion and Features of the GoldPass App**

**Question 26: Is it correct to say that one of the main marketed and promoted features of the GoldPass App is that it operates to digitise gold, which is held by the Perth Mint and the digital certificate can be exchanged for currency including USD anywhere in the world?**

**Response**

No.

**Question 27: Was one of the promoted features that each certificate created under GoldPass can be exchanged with any other GoldPass user, anywhere in the world?**

**Response**

No.

**Question 28: Was one of the promoted features of GoldPass is that the digital certificates it creates can be exchanged 1 for 1 with the PMGT Gold Tokens?**

- Are those Perth Mint Gold Tokens able to be tracked by authorities and be subject to KYC procedures?**

**Response**

28. Yes, for the period that GoldPass and PMGT were both in operation. Refer to Question 21.

- As advised in The Perth Mint's response to questions on notice received on 9 February 2024 and tabled on 15 February 2024, PMGT was a Trovio product, and the primary onus for AML/CTF

compliance rested with Trovivo. As advised, The Perth Mint obtained advice and implemented AML/CTF risk mitigation measures that aligned with its role in the PMGT matter.

**Question 29: Do the GoldPass certificates fit the definition of digital currency?**

**Response**

No. As advised in The Perth Mint's response to questions on notice received on 9 February 2024 and tabled on 15 February 2024, a digital GoldPass certificate recorded an entitlement to gold (or silver) backed by precious metal held by The Perth Mint. The customer did not own the metal but rather held an entitlement to metal in The Perth Mint's inventory.

**Discontinuance of the GoldPass App**

**Question 30: Provide the reasons why the Perth Mint Management and Board discontinued the GoldPass App?**

- a) **Did the Perth Mint hire any external advisors to assist in the decision to discontinue the GoldPass App? if yes, provide who, role and length of relationship.**

**Response**

30. As publicly stated by The Perth Mint and reported by the media in March 2023, The Perth Mint made the decision to exit GoldPass in December 2021 following a regular review of all Perth Mint's customer offerings and products and an update of The Perth Mint's business strategy and general market conditions.

- a) No.

**Question 31: What processes did the Perth Mint go through to discontinue the GoldPass App?**

- a) **How did the Perth Mint advise customers of its GoldPass App that it was discontinuing the product?**  
b) **Were all GoldPass customers contacted directly about the discontinuance of the GoldPass App?**

**Response**

31. Following its public statements in March 2023, from early April 2023, The Perth Mint commenced an orderly winddown of GoldPass, which was flagged with a public notice on its corporate website.

From May 2023, The Perth Mint notified GoldPass account holders via Electronic Direct Mail on eight occasions that GC would cease offering GoldPass after 30 November 2023 and would close accounts with a nil balance. The Perth Mint outlined a range of liquidation options for cash and metal holdings.

The Perth Mint provided individualised support via email and telephone to GoldPass account holders in relation to the liquidation of their holdings.

In addition, The Perth Mint made updates to customer information in the app, the GoldPass Terms and Conditions and the app functionality via releases in Google Play Store & Apple Android Store.

The Perth Mint also provided regular updates to the Minister, the Board and other relevant stakeholders on the progress of the GoldPass winddown.

- a) Refer to Question 31.  
b) Yes.

**Regarding Question 10 and the Perth Mint Gold Token (PMGT) and Note 8 from Written Questions on Notice, 9 February 2024**

**Question 32: What specific Perth Mint branding did Trovio utilise in selling and marketing the Perth Mint Gold Token?**

**Response**

As advised, there was a license agreement (now ceased) that enabled Trovio to utilise limited Perth Mint branding for PMGT. The branding was reflected in Trovio's marketing materials for PMGT that were in the public domain prior to the delisting of PMGT.

The Perth Mint is precluded from disclosing further information due to confidentiality obligations set out in its contract with Trovio.

**Question 33: Did any Perth Mint Senior Management/ Directors or Staff have any discussions with KuCoin prior to the PMGT being listed on its digital currency exchange?**

**Response**

No. As advised, Trovio listed PMGT. The Perth Mint completed due diligence on KuCoin.

**Question 34: Did the Perth Mint conduct any due diligence on KuCoin? If yes, what?**

**Response**

The due diligence process conducted by The Perth Mint on KuCoin included:

- Preparation by InfiniGold and review by Perth Mint of the Know Your Partner review document including but not limited to the following considerations:
  - Ownership and senior management
  - Regulatory considerations
  - Standards and business practices
  - Long term viability
  - Listing process
  - Market integrity
  - Liquidity
  - AML/CTF
  - Cybersecurity
  - Connectivity
- Review of KuCoin website including relevant policies (privacy, AML/CTF) and terms and conditions. Analysis that policies reflect those of developed markets and akin to Australian regulatory standards
- Negative and positive news search
- Review of significant fintech investors in KuCoin for capital raising purposes
- Electronic checks on declared beneficial owner
- Review of Certificate of Incorporation and Listing Agreement to review client identification and verification procedures and adherence to AML/CTF regulations
- Due diligence on market maker.

**Question 35: Did the Perth Mint Board consider that the Perth Mint Gold Token was listed on a foreign digital currency exchange?**

**Response**

Yes.

**Question 36: Did any Perth Mint Executive or Director declare an interest in KuCoin?**

**Response**

Historical records indicate that no interests were declared by any Perth Mint Executive or Directors.

**Question 37: Did Trovio provide the reasoning to Perth Mint as to why it delisted the PMGT from KuCoin? If so, what was it?**

**Response**

Yes. Trovio advised The Perth Mint that it had formed concerns regarding some internal KuCoin processes which became apparent following a cybersecurity incident at KuCoin in September 2020.

**Question 38: Did any Perth Mint Senior Management/ Directors or Staff have any discussions with Independent Reserve prior to PMGT listing on its exchange?**

**Response**

No. As advised, Trovio listed PMGT.

**Question 39: Did the Perth Mint conduct any due diligence on Independent Reserve?**

**Response**

Yes.

**Question 40: Did any Perth Mint Executive or Director declare an interest in Independent Reserve?**

**Response**

Historical records indicate that no interests were declared by any Perth Mint Executive or Directors.

**Regarding responses to Question 10 continued**

**Question 41: Regarding the answer to Question 10 (a) to (c) what are the reasons as to why the Perth Mint cannot provide the information requested?**

- a) **Has the Perth Mint considered proving the information requested in confidence to the committee?**

**Response**

41. The Perth Mint is precluded by contractual confidentiality obligations from providing information to the Committee (whether publicly or in confidence) regarding the substance of its commercial discussions and negotiations in relation to the licensing of PMGT.

- a) Yes. The Perth Mint's contractual obligations of confidence apply irrespective of whether disclosure is made in public or in private. The Perth Mint takes its legal obligations seriously and is not in a position to breach its contractual obligations.

**Question 42: Regarding the answer to Question 10 (d) please provide all external parties that were used? Please include name, role, and length of relationship.**

**Response**

PwC was engaged from around March to August 2019 to provide risk related advice in relation to PMGT.

Corrs Chambers Westgarth was engaged from around August to October 2019 to provide legal advice in relation to PMGT.

No other external advisors were engaged by Gold Corporation to provide advice on initially setting up PMGT.

**Question 43: Regarding the answer to Question 10 (e) did the Perth Mint have any compliance issues with the PMGT?**

**Response**

As advised, PMGT was a Trovio product developed, listed and managed by Trovio. The Perth Mint is not aware of any instances of PMGT being used for money laundering, nor is it aware of any characteristics of PMGT that made it vulnerable to money laundering.

**Question 44: Did any external party advise the Perth Mint not to report Perth Mint Gold Token Transactions?**

**Response**

Not applicable, on the basis that “report[ing] transactions” is a reference to reporting obligations in the AML/CTF Act and Rules, and as advised, PMGT was a Trovio product and the primary onus for AML/CTF compliance rested with Trovio.

**Question 45: Regarding the answer to Question 10 (f) why did the Chair did not formally brief the then Responsible Minister or the Department of Treasury about the Perth Mint Gold Token?**

- a) **When did the Perth Mint advise the Responsible Minister about the Perth Mint Gold Token?**
- b) **Did the Responsible Minister ever enquire about the Perth Mint Gold Token?**

**Response**

45. Historical records indicate that the then Chair Mr Don Mackay-Coghill did not formally brief the then Responsible Minister or the Department of Treasury in relation to PMGT.

In the absence of historical records that outline the considerations made by Mr Mackay-Coghill as the then Chair, The Perth Mint is not able to provide additional information regarding this matter.

- a) The Perth Mint advised the former Minister Mr Bill Johnston MLA regarding PMGT shortly after Mr Johnston was appointed Responsible Minister in April 2021.
- b) Yes, the former Responsible Minister Johnston made enquiries regarding PMGT, and The Perth Mint provided regular advice and briefings as required.

**Additional Questions about the Perth Mint Gold Token**

**Question 46: Provide a step-by-step detail of the functionality of PMGT in the steps followed by the User?**

**Response**

As advised, PMGT was a Trovio product developed, listed and managed by Trovio. The Perth Mint was the custodian of the gold that was purchased by Trovio to back the PMGT, which was issued in the form of GoldPass certificates through a verified GoldPass account held by Trovio. Given PMGT was a Trovio product, The Perth Mint is not in a position to provide additional information.

**Question 47: *Is it correct that the Perth Mint Gold Token was marketed as “The Bridge between physical gold and the digital asset ecosystem”?***

**Response**

The Perth Mint understands that Trovio elected to utilise this phrase when publishing information about its PMGT product. Publicly available records that are discoverable from open-source searches show that this phrase is commonly used for market information regarding the digitalisation of physical assets such as precious metals.

**Question 48: Explain the reasons why the Perth Mint Management and Board discontinued the Perth Mint Gold Token?**

- a) **Did the Perth Mint hire any external advisors to assist in the discontinuation the Perth Mint Gold Token? If yes, provide who, role and length of relationship?**

**Response**

As publicly stated by The Perth Mint and reported by the media in March 2023, The Perth Mint made the decision to exit GoldPass in December 2021 following a regular review of all Perth Mint’s customer offerings and products and incorporated an update of The Perth Mint’s business strategy and general market conditions.

As advised, the gold that backed PMGT at that time was purchased by Trovio in the form of GoldPass certificates through a verified GoldPass account held by Trovio. The Perth Mint’s exit from GoldPass resulted in the discontinuation of PMGT.

**Question 49: What process did the Perth Mint go through in discontinuing the Perth Mint Gold Token?**

- a) **Did the Perth Mint encounter any issues in the process of discontinuing the Perth Mint Gold Token?**

**Response**

PMGT was a Trovio product, and Trovio undertook the delisting process.

**Question 50: Detail the relationship between the Perth Mint Gold Token and the Ethereum network?**

**Response**

Trovio developed PMGT on the Ethereum network by using the ERC20 standard for fungible tokens built using the Ethereum blockchain.

**Question 51: *Could a customer move a PMGT token outside of the GoldPass App or onto many other Ethereum compatible platforms and transfer the token to a USB device called a hardware wallet? If not, why not?***

**Response**

Not applicable. As advised, PMGT was not traded on the GoldPass app, which enabled the trading of GoldPass certificates (not PMGT or any other digital tokens).

**Question 52: Could a USB device hardware wallet be loaded with any amount of PMGT and be transferred freely without any awareness by authorities? If not, why not?**

**Response**

As advised, PMGT was a Trovio product developed, listed and managed by Trovio. The Perth Mint is unable to provide responsive information in this instance.

**Question 53: Did any Perth Mint executives, management or consultants hold PMGT on Crypto Hardware wallets for their own use?****Response**

Historical records do not indicate that any Perth Mint Executive or Directors held PMGT on a crypto hardware wallet.

**Question 54: Was the Ledger USB Hardware Wallets recommended to customers as a way to store, secure and take anywhere in the world PMGT tokens?****Response**

As advised, PMGT was a Trovio product developed, listed and managed by Trovio. The Perth Mint is unable to provide responsive information in this instance.

**Questions not related to Previous Questions on Notice****Perth Mint Relationship with SMX****Question 55: What services did SMX (Security Matters Limited) provide to the Perth Mint or any of its subsidiaries?****Response**

Security Matters Limited (SMX) has not provided The Perth Mint with any services to date. Under the trueGold project, a Gold Bar Integrity initiative, The Perth Mint has assisted SMX to test its supply chain integrity solution and provide developmental and technical assistance.

**Question 56: Did the Perth Mint tender the work performed by SMX to any other firms other than SMX?****Response**

No services were provided by SMX.

**Question 57: Did any other firms offer to do the work performed by SMX?****Response**

No services were provided by SMX.

**Question 58: Detail the entire length of the business relationship between the Perth Mint (including subsidiaries) and SMX?****Response**

In 2018, SMX and The Perth Mint engaged in exploratory discussions with respect to a sustainable supply chain assurance solution. In 2020, The Perth Mint agreed to work with SMX to investigate the development of a digital solution to track gold bars and coins along the supply chain.

In April 2020, The Perth Mint agreed to contribute \$5,000 per month plus GST to the cost of development of the supply chain assurance solution for 12 months. This agreement was extended for a short period, resulting in a total spend of \$90,000 plus GST over the period from May 2020 to November 2021.

In July 2020, W.A. Mint Pty Ltd (a wholly owned subsidiary of Gold Corporation) became a shareholder in trueGold Consortium Pty Ltd.

**Question 59: Did SMX approach the Perth Mint or did the Perth Mint approach SMX?**

**Response**

Historical records indicate that Security Matters Limited proposed the establishment of trueGold.

**Question 60: Were any external advisors involved in setting up the business relationship between the Perth Mint and SMX? If so, who?**

**Response**

The Perth Mint has not identified any advice that was relied on by its previous management team in setting up the business relationship between SMX and The Perth Mint.

**Question 61: Did any conflicts exist between SMX and the Perth Mint regarding personnel?**

**Response**

Historical records indicate that there were no conflicts between SMX and The Perth Mint regarding personnel.

**Question 62: Did any Perth Mint Board Member or Senior Management declare an interest in SMX?**

**Response**

Historical records indicate that no Perth Mint Executives, Directors or employees declared an interest in SMX.

**Regarding The Perth Mint Subsidiaries**

**Question 63: Please provide a list of all Gold Corporation and Perth Mint subsidiaries that are current and those that have operated over the past 10 years**

and

**Question 64: For each subsidiary (mentioned above), provide a detailed overview of the ownership structure and purpose.**

**Response**

For Question 63 and 64:

<b>Name</b>	<b>Ownership</b>	<b>Purpose</b>
GoldCorp Australia	100%	This entity was formed as part of the GC Act. It was responsible for the marketing of The Perth Mint's minted products and the operation of the Perth Mint's retail shop and exhibition prior to those operations

		being centralised in Gold Corporation in 2018. It is now a dormant entity.
Western Australian Mint	100%	This entity was formed as part of the GC Act. It was responsible for the operation of The Perth Mint's refinery and manufacturing operations prior to those operations being centralised in Gold Corporation in 2018. It owns the title to The Perth Mint's land and buildings and was the owner of the shares in AGR Management Services Pty Ltd prior to its deregistration in 2022-23.
AGR Management Services Pty Ltd	100%	This entity used to be the employment entity that employed staff at the Refinery prior to the transfer of those staff to Gold Corporation agreements. This entity was deregistered during the 2022-23 financial year.
W.A. Mint Pty Ltd	100%	This entity was established on 18 October 1991 and was established solely to provide protection for the Mint's name under corporations law. It remained dormant until the 2020-21 year in which it acquired an investment in the trueGold Consortium Pty Ltd.
Perth Mint Physical Gold ETF	69%-33%	<p>Perth Mint Physical Gold ETF (the "Trust") was formed pursuant to a Trust Agreement incepted 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.</p> <p>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 was responsible for administrative functions.</p> <p>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 fluctuated during the period of ownership. The shares in the Trust had no voting rights attached to them.</p> <p>The prevailing accounting standards dictated that despite this being a listed ETF intended to enable investors to get exposure to gold, the 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 (and therefore a subsidiary).</p>

		<p>The consolidated entity agreed to transfer its Custodial Sponsorship of the Trust on 11 December 2020 with an effective date of 13 December 2020 for USD \$2,500,000 (AUD \$3,305,000). This payment related solely to the transfer of Custodial Sponsorship, at the point of transfer Gold Corporation still held all of its shares in the Trust. As a result of this event Gold Corporation no longer controls the Trust.</p> <p>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.</p>
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**Question 65: For each subsidiary provide the profit for each financial year from the operations of each subsidiary.**

**Response**

For all of the above subsidiaries (with the exception of the Perth Mint Physical Gold ETF), the operations were transferred into Gold Corporation in 2018 and therefore they did not generate any stand-alone profit or loss from this date.

Prior to 2018 the contribution to the consolidated result of each entity was disclosed in in the ‘Subsidiaries’ note of the publicly available financial statements, however given the vertically integrated nature of the business it is not possible to glean any meaningful information from these contributions.

For example, Western Australian Mint bore the costs of manufacturing minted products, GoldCorp Australia earned the revenues from selling these products, there was a transfer price between the two entitles to recognise the cost of manufacture, and both entities paid a dividend to Gold Corporation. As such the individual result of any subsidiary was not meaningful to understanding the performance of the consolidated entity, and this is why the decision was made to consolidate the operations into Gold Corporation in 2018.

The Perth Mint’s investment in the Perth Mint Physical Gold ETF generated a nil profit or loss for The Perth Mint, as its shares in the ETF were fully hedged to eliminate any exposure to movements in the gold price. These shares were purchased for the sole purpose of ‘seeding’ the fund to provide assurance to institutional investors that the fund was sufficient in size and had demonstrated operational performance in tracking the gold price as intended.

**Question 66: Provide a detailed outline of how the AGR Matthey Joint Venture operated.**

**Response**

The AGR Joint Venture partnership was formed on 1 December 1998 between Western Australian Mint and Golden West (Australasia) Pty Ltd, combining the refining and industrial products businesses of both partners. In 2001, Golden West (Australasia) Pty Ltd sold its interest to Australian Gold Alliance Pty Ltd, a wholly owned subsidiary of Newmont Australia Ltd. Each partner held a 50% interest in the AGR Joint Venture partnership.

In 2002, the partners in AGR Joint Venture and Johnson Matthey (Aust) Ltd agreed to combine their existing Australian and New Zealand businesses. A new partnership, AGR Matthey, was formed on 3 October 2002 between Western Australian Mint, Australian Gold Alliance Pty Ltd and Johnson Matthey (Aust) Ltd. The partners held a 40%, 40% and 20% interest in the AGR Matthey partnership respectively.

AGR Matthey was dissolved on 29 March 2010 and the Western Australian Mint acquired 100% of the refinery assets and business of AGR Matthey in exchange for its interest in the partnership and a cash payment of \$9.5 million.

The business activities of AGR Joint Venture and AGR Matthey included gold and silver refining, finished jewellery and semi-fabricated gold and silver products for the jewellery, electrical, building, photographic and plating industries.

AGR Joint Venture and AGR Matthey operated as separate businesses at arm's length to Gold Corporation with their own management team and Board of Directors, to which each partner was entitled to proportionate representation.

The policy of the Board of Gold Corporation was to appoint Gold Corporation Directors to the AGR Matthey Board to provide direct oversight on the activities of AGR Matthey. Gold Corporation Directors also held positions on AGR Matthey Board sub-committees, such as the Audit Committee.

**Question 67: What was the role of Newmont Mining Corporation in the AGR Matthey Joint Venture?**

**Response**

Refer Question 66.

**Question 68: What was the role of Gold Corporation (Perth Mint) in the AGR Matthey Joint Venture?**

**Response**

Refer Question 66.

### Perth Mint Sales

**Question 69: What are the Perth Mint's sales over the last 10 years? In answering provide the figures for each precious metal, both in terms of nominal sales values and the weight of products sold.**

- a) **Include the percentage change year-on-year for each nominal sales value and weight of products sold for each type of precious metal?**

**Response**

69.-a) See below a table showing The Perth Mint's revenue in each of the last ten years, as well as the number of ounces of gold and silver sold during each year. All figures (except percentages) are in thousands of Australian Dollars or thousands of troy ounces.

Year	Revenue	% Change	Gold Oz	% Change	Silver Oz	% Change
2014	5,166,393		11,411		15,843	
2015	6,606,277	28%	9,458	-17%	15,649	-1%
2016	9,007,746	36%	10,515	11%	22,537	44%
2017	8,103,905	-10%	10,838	3%	17,347	-23%
2018*	18,812,100	132%	11,074	2%	16,229	-6%
2019	18,070,297	-4%	10,223	-8%	17,987	11%

<b>2020</b>	23,865,821	32%	10,001	-2%	16,957	-6%
<b>2021</b>	26,346,258	10%	9,895	-1%	19,737	16%
<b>2022</b>	21,768,481	-17%	8,105	-18%	24,472	24%
<b>2023</b>	23,185,903	7%	7,986	-1%	24,959	2%

\*Note: The large increase in revenue from the 2018 financial year onwards is due to the adoption of the new accounting standard AASB 15 Revenue from Contracts with Customers from 1 July 2017.

Where The Perth Mint sells precious metal products, certain customers groups are provided the option to settle the transaction via one of two methods. These settlement methods are wholly in currency, or a through a combination of currency and unallocated metal account credits. The selection of settlement method is made unilaterally by the Customer.

Under The Perth Mint's previous accounting policy, in accordance with AASB 118 Revenue, no revenue (or corresponding cost of sale) was recognised for the fair value of unallocated metal account credits received in part consideration from a customer.

The adoption of AASB 15 resulted in The Perth Mint recognising revenue (along with a corresponding cost of sale) for the sale of physical goods to its customers at the total fair value of consideration received or receivable, regardless of whether the total transaction price is settled in currency or part in currency and part non-monetary consideration.

The value of the non-monetary consideration is the fair value of the unallocated metal credits received or receivable in the contract with the customer. Because the corresponding change in the cost of sales is equal in value to the change in revenue, this change in accounting policy had no effect on reported profits of the consolidated entity.

### **Regarding trueGold Consortium**

#### **Question 70: What is the trueGold Consortium?**

##### **Response**

TrueGold Consortium Pty Ltd (trueGold) is a proprietary company formed in July 2020 and limited by shares.

TrueGold was established to investigate the feasibility of commercialising Security Matters Limited (SMX) molecular marking technology to digitally monitor gold in the global supply chain and thereby provide enhanced assurance regarding gold integrity, provenance and chain of custody.

#### **Question 71: What is the purpose of the trueGold Consortium?**

##### **Response**

The purpose of trueGold is to investigate the feasibility of commercialising SMX technology to digitally monitor gold in the global supply chain.

As announced in March 2022, the London Bullion Market Association (LBMA) and the World Gold Council (WGC) have established a Gold Bar Integrity (GBI) Programme with the aim of developing and implementing an international system of gold integrity, provenance, and chain of custody. The Perth Mint is a participant in the GBI Programme.

As reported in the media in early 2023, trueGold received accreditation from the LBMA for its security feature that can place a durable invisible marker on gold products to enable the tracking of

gold from a mine to the end consumer, with the aim of increasing transparency and strengthening governance across the gold supply chain.

Further information is available at: <https://www.lbma.org.uk/good-delivery/gold-bar-security-features#->.

**Question 72: What is the Perth Mint's role in the trueGold Consortium?**

**Response**

A wholly owned subsidiary of Gold Corporation, W.A. Mint Pty. Ltd., is a large minority shareholder (less than 40% holding) in trueGold.

**Question 73: What is the role of SMX in the trueGold Consortium?**

**Response**

SMX is a shareholder of trueGold.

**Question 74: How much did the Perth Mint spend in setting up the trueGold Consortium?**

**Response**

In July 2020, Gold Corporation acquired its shares in trueGold for the sum of \$500.

**Question 75: Which party proposed setting up the trueGold Consortium?**

**Response**

Historical records indicate that Security Matters Limited proposed the establishment of trueGold.

**Question 76: Did the Perth Mint hire any external advisors regarding the trueGold consortium? If so, who?**

**Response**

Historical records indicate that The Perth Mint did not hire any external advisors in relation to this matter.

**Question 77: Did any Perth Mint Director of Executive declare an interest in any of the parties related to the trueGold Consortium?**

**Response**

Historical records indicate that no Perth Mint Executives, Directors or employees declared an interest.

**Question 78: Which Perth Mint directors have been or are currently board members of the trueGold Consortium? Provide name and duration of time served.**

**Response**

Former Board members were Mr Richard Hayes (7 June 2020 to 7 June 2022); and Mr Jason Waters (27 May 2022 to 23 January 2024).

The Perth Mint is in the process of nominating a new Board member.

**Question 79: Did any Perth Mint member on the trueGold consortium board receive any remuneration for sitting on the trueGold consortium board?**

- a) If yes, provide amount for each board member for each financial year?
- b) If no, why not?
- c) Were any other incentives offered to Perth Mint directors who were on the board of the trueGold consortium?
- d) If yes, outline the incentives offered for each board member and the financial year it occurred in?

**Response**

79. No.

- a) Not applicable.
- b) The Perth Mint has nominated Executive employees to sit on the Board of trueGold as part of their role and duties at The Perth Mint.
- c) No.
- d) Not applicable.

**Question 80: How much for each financial year has the Perth Mint spent on the trueGold consortium?**

**Response**

\$500 in 2021/22.

**Question 81: How much revenue for each financial year has the Perth Mint received from its ownership stake in the trueGold consortium?**

**Response**

Nil.

**Question 82: How much profit for each financial year has the Perth Mint received from its ownership stake in the trueGold consortium?**

**Response**

Nil.

# Perth Mint Gold

(ASX: PMGOLD)

Product Disclosure Statement

Issuer  
Gold Corporation

ABN 98 838 298 431

A statutory authority of the Government of Western Australia

28 June 2021



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# Term Sheet

This Term Sheet forms part of the Terms and Conditions of the Perth Mint Gold ("PMG").

Issuer Gold Corporation, a statutory authority of the Government of Western Australia.

## ASX Code PMGOLD

Underlying Parcel 1/100th of a troy ounce of Fine Gold until 31 December 2021. From 1 January 2022 metal entitlement per PMG will defray over time as per the Metal Entitlement Guarantees each PMG will be fully covered by Fine Gold held by Gold Corporation in line with the Metal Entitlement. The liabilities of Gold Corporation, including its obligations under the PMG Terms and Conditions, are guaranteed under section 22 of the *Gold Corporation Act 1987*, an Act of the Western Australian Parliament.

Issue Date 9 May 2003

PMG Management Fee 0.15% annually (inclusive of any applicable GST).

Exercisable at any time.

Settlement Method: Storage settlement, with gold stored at The Perth Mint.

## Storage Settlement

Settlement Date 5 Business Days after the Exercise Date (subject to the Holder having an existing Perth Mint Depository Account at the time of Exercise. Otherwise, subject to the application and onboarding process for a Perth Mint Depository Account).

Stored as Unallocated Gold with The Perth Mint and subject to the terms and conditions of the relevant Depository Account.

*This Term Sheet is only a summary of the key features of the PMG. Investors should read this entire Product Disclosure Statement ("PDS") including the Terms, which replaces the Product Disclosure Statement for the Perth Mint Gold Quoted Product dated 31 July 2020, before making an investment decision. All fees payable from time to time are set out in the Exercise Schedule in Part 12 of this PDS.*

*Note: There is no application form in this PDS because PMGs can only be purchased by investors on the ASX.*



# Additional information about Perth Mint Gold

If you have any questions about the procedure for investing in Perth Mint Gold or how to complete the Exercise Notice, please contact Gold Corporation on 1300 651 465 or visit the investment section of Gold Corporation's website at [www.perthmint.com](http://www.perthmint.com).

Gold Corporation may waive any or all fees payable under the Terms at Gold Corporation's discretion, at any time.

## Disclosures

**Product Disclosure Statement:** This Product Disclosure Statement (the "PDS") replaces the Product Disclosure Statement for the Perth Mint Gold Quoted Product dated 21 February 2019. This PDS has been prepared by Gold Corporation ABN 98 838 298 431 ("Gold Corporation"), a statutory authority of the Government of Western Australia established under the *Gold Corporation Act 1987*, and the issuer of Perth Mint Gold ("PMG").

A copy of this PDS has not been and is not required to be lodged with the Australian Securities and Investment Commission ("ASIC"). ASIC takes no responsibility for the contents of this PDS. Nevertheless a PDS In-use Notice has been lodged with ASIC.

Gold Corporation is exempt from the *Corporations Act* (except Chapter 5) as it is an "exempt public authority" as defined in section 9 of the *Corporations Act*. However, this PDS has been prepared in accordance with Chapter 7 of the *Corporations Act*. Gold Corporation is bound by the provisions of the *Fair Trading Act 1987 (WA)* which prohibits Gold Corporation from engaging in conduct that is misleading or deceptive or likely to mislead or deceive by this PDS. Also, Gold Corporation will be liable for the contents of this PDS in accordance with ordinary common law principles.

**Investment Decisions:** It is impossible in a document of this type to take into account the investment objectives, financial situation and particular needs of each reader. Accordingly, nothing in this PDS should be construed as a recommendation by Gold Corporation, or any associate of Gold Corporation or any other person concerning an investment in PMG. Readers should not rely on this PDS as the sole or principal basis of a decision to invest in PMG and should seek independent financial and taxation advice before making a decision whether to invest in PMG. No person is authorised by Gold Corporation to give any information or to make any representation not contained in this PDS. Any information or representation not contained in this PDS must not be relied upon as having been authorised by or on behalf of Gold Corporation. Nothing in this PDS is, or may be relied upon as, a representation as to the future performance of PMG.

**Jurisdiction and Selling Restrictions:** This PDS is not an offer or invitation for PMG in any place in which, or to any person to whom, it would not be lawful to make that offer or invitation. The distribution of this PDS outside Australia may be restricted by the laws of places where it is distributed and therefore persons into whose possession this document comes should seek advice on and observe those restrictions. Failure to comply with relevant restrictions may violate those laws.

## The Terms

This PDS has been prepared by Gold Corporation in accordance with the financial product disclosure requirements under the *Corporations Act*.

The PMG product is entered into between the Investor and Gold Corporation on the terms set out in the Terms and Conditions (the "Terms") which are contained in Part 6 of this PDS. It is important that you read the Terms (including the Term Sheet) in full as these set out your rights and obligations in relation to PMG.

## Disclaimer

The gold market is volatile. Investments in gold involve a high degree of risk and are not suitable for all persons. Losses may be incurred both as a result of gold price diminution and if any price gains do not exceed applicable management, handling, delivery and related fees.

Gold Corporation has not offered or given and will not provide any investment advice in connection with this PDS or PMG. If you are in any doubt as to the suitability of precious metals as an investment you should contact your legal and financial adviser before investing in PMG.

The meaning of any capitalised term appearing in this PDS is explained in Part 7.

# 1. Information about Perth Mint Gold

## What is PMG?

Perth Mint Gold (“PMG”) is essentially a right created on-market by Gold Corporation to enable you to invest in gold on the Australian Securities Exchange (“ASX”).

PMG is structured as a call option in accordance with the ASX Operating Rules. Each PMG entitles you to acquire gold from The Perth Mint and may be exercised by you at any time (subject to you having an existing Depository Account at the time of Exercise).

The ASX price of PMG is intended to track closely the international over-the-counter spot price of gold unhedged in Australian dollars and will be based on the market value of the gold backing a PMG at the time of trading.

## PMG is a WA Government Guaranteed Product

One of PMG’s strengths is the status of its issuer. Gold Corporation is a statutory authority of the Government of Western Australia. At the date of this PDS the Government of Western Australia’s debt is rated A-1+ by the US international credit rating agency, Standard and Poor’s, its highest short-term rating category, and its long-term rating is AA+.

The liabilities of Gold Corporation, including its obligations under the PMG Terms and Conditions, are guaranteed under section 22 of the *Gold Corporation Act 1987*, an Act of the Western Australian Parliament.

## PMG IS FULLY COVERED BY GOLD

PMG will be fully covered by unallocated gold held by Gold Corporation.

Unallocated gold held by Gold Corporation is predominantly stored as

- Physical gold that is in unsegregated form in Gold Corporation’s operations (refining, minting)
- Physical gold bars and coins held in Gold Corporation’s vaults
- Gold held in Gold Corporation’s London metal accounts

Every ounce of unallocated gold is 100% backed by gold held by Gold Corporation. The gold that Gold Corporation holds to back unallocated metal is recorded on Gold Corporation’s balance sheet as an asset, whilst the unallocated ounces sold to investors are recorded as a liability.

Every PMG you own will entitle you (upon exercise) to gold from Gold Corporation.

## What are the benefits of investing in PMG?

The possible benefits of investing in PMG include:

- acquiring a non-leveraged product that tracks closely the international over-the-counter market spot price of gold (unhedged in Australian dollars);
- owning an investment managed by Gold Corporation, a statutory authority of the Government of Western Australia;
- gaining a Government guaranteed right to acquire physical gold from Australia’s leading precious metals mint, which has over a century’s involvement in the nation’s gold industry;
- owning an investment that can be traded on the ASX, which provides a transparent and regulated market; and
- avoiding the risks and costs associated with personal storage of gold bullion.

## What are the risks of investing in PMG?

When reading this PDS, you also should consider carefully the risks described in greater detail in Part 3 of the PDS (on pages 13 - 15). The risks include, without limitation:

- general market risks;
- risk of non-performance by Gold Corporation;
- risk of changes in the PMG Management Fee,
- market liquidity risk; and
- volatility risk in the international gold and currency markets.

As with any investment, it is very important that you understand and appreciate the risks involved in investing in PMG. Losses may be incurred as a result of gold price declines and adverse currency movements, or if any price gains do not exceed the PMG Management Fee.

## How do I obtain PMG?

You can buy a PMG only on the ASX. You cannot subscribe for a PMG directly from Gold Corporation.

## PMG quoted on the ASX

Gold Corporation was granted approval by ASX, for the admission of PMG to quotation as an AQUA product on the ASX trading market. You are able to acquire PMGs through your stockbroker. Gold Corporation has made a primary issue to GoldCorp Australia (see “How are PMGs created?” below).

## AQUA Rules

The ASX's AQUA Rules enables quotation of managed funds, ETFs and structured products on ASX. Trading for structured products quoted on ASX under the AQUA Rules operates in the same way that warrants are traded on the ASX market.

The ASX AQUA Rules in Section 10A of the ASX Operating Rules are based upon, and similar to the ASX Warrant Rules in Section 10 of the ASX Operating Rules. The key difference in principle between the ASX Warrant Rules and the ASX AQUA Rules, in respect of products such as PMG, is that the AQUA Rules provide greater flexibility in product structures and the underlying instruments. The AQUA Rules are considered to be more appropriate than the Warrant Rules for PMGs as the underlying instrument is gold bullion rather than equities and the PMGs have no maturity.

Unlike the Warrant Rules, the AQUA Rules do not require Gold Corporation to lodge a statement of assets, liabilities and equity or to make a copy of its current annual report available to Holders. However, Gold Corporation is required to table its annual report to the Parliament of Western Australia and makes it available at its website.

The Warrant Rules include provisions dealing with payment of the intrinsic value of expiry of unexercised warrants and the liquidated damages payable for failure to deliver exercised deliverable warrants, neither of these are required under the AQUA Rules and so will not apply to PMGs. However, under Clause 11 of the Terms any failure by Gold Corporation to deliver the Underlying Parcel will result in Gold Corporation being required to deliver or pay 110% of the Underlying Parcel.

## Historical amendments made to this PDS

The amendments to the Product Disclosure Statement dated 7 May 2003 made by the PDS dated 1 July 2010 are as follows:

- Application has been made for the PMGs to be listed under the ASX AQUA Rules in Section 10A of the ASX Operating Rules instead of being listed under the ASX Warrant Rules in Section 10 of the ASX Operating Rules. The PMGs are now described as an option rather than a warrant.
- The ASX code will change from ZAUWBA to PMGOLD.
- Physical Settlement is no longer subject to a minimum of 100 PMGs.
- The Exercise Price has been reduced from \$0.50 per ounce to zero.
- The 31 December 2013 Expiry Date of the PMGs has been removed.
- The restriction on Gold Corporation from expiring PMG if there were more than 10 million PMGs held has been removed. Gold Corporation will now be able to expire the PMGs at any time with six months' notice.
- The PMG Management Fee has been reduced to 0.15% per annum.
- The requirement to expire the PMGs in the event of a Force Majeure has been removed. Instead, once a Force Majeure has occurred and is continuing, the obligations of Gold Corporation under the PMGs will be suspended and deferred until the event giving rise to the Force Majeure ceases to exist.

- Under ASX Operating Rules, Gold Corporation is obliged to either make markets by quoting buy and sell offers for PMG or appoint Market Maker(s) to ensure that a reasonable bid and volume is maintained in the market for 90% of the time that the ASX trading market is open. For further information, see section "Market Making in PMGs?" on page 10.

These changes were consequential changes to the PDS and the PMG Terms, and, as such, the changes were made by a resolution approved by 75% or more of votes cast by PMG Holders (disregarding the Issuer and its associates).

The amendments to the Product Disclosure Statement dated 1 July 2010 made by the PDS dated 21 February 2019 are as follows:

- Add Storage Settlement.
- Updates to historical information listed in the PDS.
- Update to tax information described in section 4 of the PDS

The amendments to the Product Disclosure Statement dated 21 February 2019 made by the PDS dated 31 July 2020 are as follows:

- Clarify the PMGs track the price of gold unhedged in Australian dollars.
- Clarify the PMGs are backed by unallocated gold held by The Perth Mint
- Amend the PMG Management Fee so that there is no annual PMG deduction for Holders of less than 667 PMGs.
- Clarify the PMG Management Fee is inclusive of GST.
- Update to tax information described in section 4 of the PDS in respect of GST.
- Updates to historical information listed in the PDS.
- Other minor amendments and clarifications.

The amendments to the Product Disclosure Statement dated 31 July 2020 made by this PDS dated 28 June 2021 are as follows:

- Remove Cash Settlement and Physical Settlement options
- Alter the PMG Management fee so that it is no longer charged as an end of year unit reduction, with declines in the Metal Entitlement coming into effect on 1 January 2022
- Clarify that the PMG trading fee will be removed from 1 January 2022
- Remove the deferred settlement period
- Clarify that all exercises into physical gold must be processed as credits of unallocated gold to a Perth Mint Depository Account
- Other minor amendments and clarifications of Terms

## You are bound by the PMG Terms and Conditions when you buy a PMG

Perth Mint Gold is issued by Gold Corporation on the Terms set out in this PDS and in particular in Part 6. You should ensure that you read and understand the Terms. By purchasing a PMG on ASX you will become bound by the Terms.

## How are PMGs created?

Gold Corporation has issued 321,500,000 units of PMGs as treasury stock to GoldCorp Australia ABN 49 230 812 547 ("GoldCorp"), a body corporate created under the *Gold Corporation Act 1987*, representing the authorised amount of PMGs that can be sold to general investors through the ASX under this PDS (approximately 100 tonnes of gold).

## Market Making in PMGs?

Under ASX Operating Rules, Gold Corporation is obliged either to make markets by quoting buy and sell offers for PMG or appoint Market Maker(s) to ensure that a reasonable bid and volume is maintained in the market for 90% of the time that the ASX trading market is open.

By quoting PMG buy and sell offers, the Market Maker(s) will provide:

### (a) Reference Pricing

The provision of continuous buy offers and sell offers (while PMG treasury stock is available) by the Market Maker(s) will provide investors with information about the intra-day over-the-counter spot gold price and provide a link between the spot gold market and PMG trading on the ASX.

### (b) Liquidity

The Market Maker(s) will act as buyers or sellers of last resort, enabling investors to acquire or dispose of PMG via the ASX. Liquidity is also available by exercising the PMGs at any time.

However, if the number of PMGs sold equals the total issued PMG treasury stock, Gold Corporation will inform the market immediately via ASX's CAP that there are no more PMGs available for offer from Gold Corporation. The Market Maker(s) therefore will cease to quote sell offers for PMGs until Gold Corporation notifies the market that it has available PMG treasury stock on which the Market Maker(s) can resume quoting sell offers.

During this time, the Market Maker(s) will continue to maintain reasonable PMG bid prices and volumes to enable investors to sell their PMGs.

## How much does PMG cost?

All fees that you must pay for the PMG are set out in the Exercise Schedule in Part 12 of this PDS. This Schedule will vary during the life of the PMG because some of the costs will change from time to time.

Gold Corporation will provide notification of any such change by updating its Exercise Schedule and making it available from the investment section of its website at [www.perthmint.com](http://www.perthmint.com). A summary of all the costs and fees payable is set out below.

## Purchase Price

The cost of PMG will be equal to the price you pay to buy a PMG on the ASX.

## Brokerage Fees

You may incur brokerage fees on the purchase and sale of a PMG on the ASX if you use a broker.

## Holding Fees

All owners of PMG will pay the PMG Management Fee, for the period that they hold the product

## PMG Management Fee

The PMG Management Fee covers the following operating expenses incurred by Gold Corporation:

- (a) any shipment, storage and insurance costs associated with the management of the gold underlying each PMG;
- (b) the cost of making this product available to you;
- (c) registry and CHESSE costs associated with trading in PMG by its Holders;
- (d) any other costs incurred by Gold Corporation at any time in the future in the management of this product. At the date of issue of this PDS, Gold Corporation is not aware of any such costs.

The PMG Management Fee will vary over the life of the PMGs because storage, insurance, CHESSE, registry and other management costs will change. Gold Corporation will give Holders three months' written notification of any change to the PMG Management Fee.

The PMG Management Fee is currently fixed at a rate of 1 PMG for every 667 PMGs held by a Holder (equivalent to 0.15% annually) and includes any applicable GST.

## PMG Management Fee until the end of 2021

The PMG Management Fee is incorporated into the daily bid and ask prices quoted by the Market Maker(s) and will be charged each year at the close of trading on ASX on 31 December. If you become a Holder after 31 December, then you will be charged the PMG Management Fee on the following 31 December. Gold Corporation will deduct the appropriate number of PMGs from your holding at a rate of 1 PMG for every 667 PMGs held, according to the following schedule

- If you hold less than 667 PMGs, no PMG will be deducted
- If you hold 667 to 1333 PMGs, 1 PMG will be deducted
- If you hold 1334 to 2000 PMGs, 2 PMGs will be deducted
- If you hold 2001 to 2667 PMGs, 3 PMGs will be deducted

## PMG Management Fee from 2022 onward

From 1 January 2022, the PMG Management Fee will no longer be charged via a PMG deduction, and will instead accrue via a daily reduction in the Metal Entitlement. The Metal Entitlement of each PMG will be publicly available. The PMG trading fee will also be removed from 1 January 2022.

Cash payment of the PMG Management fee will not be required or accepted by Gold Corporation.

## Exercise Fees

There is no exercise fee for this product.

## Storage Settlement

Holder's exercising their PMG must elect Storage Settlement. Holders electing Storage Settlement must hold or open a Depository Account with The Perth Mint. As at the date of this PDS, there are no storage fees applying to Depository Accounts holding Unallocated Gold.

There may be transaction fees to buy and sell within your Depository Account and fabrication fees and storage fees should you wish to convert your Unallocated Gold into allocated bars.

To obtain more information regarding Depository Accounts please contact The Perth Mint Depository office on 08 9421 7250 or go to our website: [www.perthmint.com/storage](http://www.perthmint.com/storage).

Further details on Storage Settlement can be found in Part 11 of this PDS. Part 12 of this PDS is the Exercise Schedule.

If any of these fees change from time to time, an updated Exercise Product & Price Schedule will be available from the section of Gold Corporation's website ([www.perthmint.com](http://www.perthmint.com)) that contains relevant information for PMGOLD.

## Gold Corporation may waive Fees

Gold Corporation may waive any or all fees payable under the Terms at Gold Corporation's discretion, at any time.

## Commissions, fees and expenses

There is no commission or establishment fees charged to you in respect of the PMG other than the fees described above.

## How do I exit my PMG investment?

Under the PMG Terms and Conditions you have the right to either:

- (a) sell your PMGs on the ASX through your broker; or
- (b) convert your PMGs into unallocated gold held in a Perth Mint Depository account by Exercising your PMG holdings at any time.

## How do I exercise my PMG?

You can exercise your PMG by converting them into gold stored at The Perth Mint. This is known as a Storage Settlement.

Further details on Storage Settlement at The Perth Mint can be found in Part 11 of this PDS.

## When do PMGs expire?

The PMGs expire:

- (a) at the Settlement Date after a valid Exercise Notice is received; or
- (b) you call for a liquidated damages amount to be paid, as described in clause 11 of the Terms (in Part 6 of this PDS); or
- (c) six months after the date of a CAP Announcement by Gold Corporation that it is no longer offering the PMG product, at Gold Corporation's absolute discretion.

If you have not exercised the PMG before they expire, Gold Corporation may:

- (a) sell the gold held by Gold Corporation as cover for your PMGs on the over-the-counter market and send the sale proceeds to you, less Gold Corporation's costs and expenses in selling the gold; or
- (b) give you the option of continuing to hold your gold in a direct account with Gold Corporation. If so, Gold Corporation will provide you with information regarding our direct account facilities through which you can hold your gold. You must have opened a direct account with Gold Corporation before the PMGs expire, otherwise this option is not available to you.

As at the issue date of this PDS, Gold Corporation has no intention of removing the PMG product from the ASX or otherwise ceasing to offer the PMG product.

## Can the PMG Terms change?

Yes. The Terms (see Part 6 of this PDS) may be amended or varied if authorised by Holders, or if necessary to comply with the law or ASX requirements or to correct an inconsistency or error in the Terms in Part 6. You will be notified of any such changes. You should read clause 19 of the Terms to fully understand your rights and obligations if these Terms are amended.

## Announcements to ASX

The Issuer will make company announcements to ASX through the CAP for the PMGs if any event(s) occurs that will have a material effect on the price of PMGs. The Issuer will also release its financial statements through the CAP.

Where the Issuer makes an announcement through CAP, the announcement will be listed as made by "GCB" (the ASX code for the Issuer).

## Disputes concerning PMG

You may make a complaint relating to the PMG directly to Gold Corporation via telephone on 1300 651 465. If the complaint cannot be resolved in the first instance, the relevant officer will forward the complaint to senior management to instigate an investigation and seek a resolution. We will inform you of the outcome. If you are not satisfied with the way in which Gold Corporation deals with your complaint, you may refer it to:

The Parliamentary Commissioner for Administrative Investigations  
Level 2  
Albert Facey House  
469 Wellington Street  
Perth, Western Australia, 6000  
[www.ombudsman.wa.gov.au](http://www.ombudsman.wa.gov.au)

## 2. Information about Gold Corporation

### Who is Gold Corporation?

Gold Corporation is Australia's largest precious metals refining, minting, depository and value-adding group, providing high quality services and precious metal products to domestic and international markets. Gold Corporation was established by the *Gold Corporation Act 1987* on 30 June 1988 and is wholly owned by the Government of Western Australia. The *Gold Corporation Act 1987* also formalised the merger of the Western Australian Mint (also known as The Perth Mint) and GoldCorp Australia, a new body corporate created under the Act.

The mission of Gold Corporation is:

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

Gold Corporation's functions, as described in sections 10, 36 and 49 of the *Gold Corporation Act 1987*, include:

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

The liabilities of Gold Corporation are guaranteed by the Government of Western Australia under section 22 of the *Gold Corporation Act 1987*. Gold Corporation's Board of Directors includes a representative of the Under Treasurer of the State of Western Australia. Gold Corporation is audited annually by the State Auditor General to ensure compliance with the *Financial Administration & Audit Act 1985* and the *Gold Corporation Act 1987*.

### Gold Corporation's Operations

Gold Corporation is the holding company of two wholly owned subsidiaries, the Western Australian Mint and GoldCorp Australia. Gold Corporation provides central services to the group, including treasury, bullion services and settlement, accounting, personnel management, business development, information systems, public affairs, government relations, security and records management.

Gold Corporation was formed in 1986 to manage the redevelopment of the Western Australian Mint and to mint and market Australia's first legal tender precious metal bullion coin program internationally, under a unique agreement with the Commonwealth of Australia. Gold Corporation is a significant participant in international markets for value-added precious metal investment and collectable coin products, marketing a wide range of legal tender bullion and collector coins, and precious and base metal medallions.

Perth Mint Depository, a division of Gold Corporation, has developed an international reputation as a safe haven precious metal depository. The Depository offers precious metal storage services to domestic and international private clients, trusts, superannuation funds and corporations seeking secure storage under government guarantee.

Gold Corporation also runs Australia's largest London Bullion Market Association accredited gold refinery, which refines most of Australia's gold production, gold from surrounding countries and also secondary gold, mainly from Asia. It is one of the highest throughput gold refineries in the world and also refines considerable quantities of silver.

## Gold Corporation's Financial Position

The following table highlights Gold Corporation's financial performance, and the changes in Gold Corporation's total assets, liabilities and net equity since 2015.

All figures are in Australian dollars and are the amounts attributable to Gold Corporation only.

	FY 2020	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015
Income	23.8bn	18.08bn	18.86bn	8.12bn	9.02bn	6.6bn
Net Profit (Before Tax)	47.5m	13.3m	10.05m	24.45m	41.04m	19.9m
Net Profit (After Tax)	31.3m	7.94m	6.67m	17.00m	29.54m	14.06m
Total Assets	6.8bn	4.70bn	4.13bn	3.83bn	4.29bn	3.25bn
Total Liabilities	6.7bn	4.57bn	4.00bn	3.70bn	4.15bn	3.12bn
Equity	152.9m	128.42m	126.6m	132.9m	138.2m	121.5m

Gold Corporation's Annual Report is available at [www.perthmint.com](http://www.perthmint.com). With regard to the financial position of the Government of Western Australia, a Quarterly Financial Results Report is available at [www.treasury.wa.gov.au](http://www.treasury.wa.gov.au).

## CORPORATE GOVERNANCE

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

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

The Board's authority is limited by the provisions in the *Gold Corporation Act 1987* and by Ministerial direction. The Board is committed to sound corporate governance principles, high standards of legislative compliance, and financial and ethical behaviour. The Board regards directorial and managerial conduct seriously and as an integral part of sound governance practices. In accordance with that, the Board has established and committed itself to a Statement of Business Principles and a Corporate Governance Charter. The Board acknowledges its accountability to the Corporation's only shareholder, the Government of Western Australia.

# 3. Risks of investing in Perth Mint Gold

Investing in PMGs involves a degree of risk. This section is a general summary of some of these risks.

This section does not purport to be a comprehensive summary of all of the risks associated with an investment in a PMG but describes the significant risks associated with an investment in a PMG. Further, by its nature, this section cannot identify all of the relevant considerations that may be a risk for individual potential investors and is not a substitute for independent advice.

PMG is considered by Gold Corporation to be suitable only for investors who understand fully and accept all of the following risks involved in investing in this gold ASX quoted product. This PDS does not take into account a potential investor's own financial needs, investment goals or financial circumstances.

Gold Corporation recommends that you obtain independent financial advice before buying a PMG.

## Trading Analysis

While the PMGs are admitted to Trading Status on the ASX markets, the Issuer must comply with its market making obligation under the ASX Operating Rules. Subject to these rules, the Issuer has appointed the Market Maker(s) to ensure that there are always buy and sell offers for PMG quoted on the ASX and that these offers track the AUD price of gold available in the worldwide wholesale over-the-counter market, and the Metal Entitlement of each PMG.

Below is a graph of the of the PMG price compared to spot gold price unhedged in Australian dollars from for physical gold from March 2003 to March 2021.

### PMG price and unhedged AUD spot gold price



Data from March 2003 to March 2021  
*(Past performance is not an indication of future performance)*

The graph demonstrates that the price of PMG has closely tracked the price of gold unhedged in Australian dollars. As PMGs are designed to track the AUD price of gold, investors should be aware that the price of PMGs will reflect the same risks associated with a direct investment in gold – these risks are discussed in detail below.

In addition, the market price of PMGs will be a function of supply and demand amongst investors wishing to buy and sell PMGs and the bid-offer spread that the Market Maker(s) quotes. At any given time the price of PMG trading on the ASX may not reflect accurately the AUD price of gold.

## General Market Risks

The general economic and political climate, general movements in local and international stock markets, prevailing and future economic conditions, investor sentiment, interest rates, and other events and factors outside the control of Gold Corporation could all affect the value of your PMG.

Although the Holder may exercise their PMGs at any time, a PMG is a financial instrument with no maturity. It may fall in price at or before it is exercised or otherwise expires. The market value of your PMGs will be determined by market conditions, including:

- (a) the volatility of the over-the-counter gold and foreign exchange markets; and
- (b) the liquidity of the over-the-counter gold and foreign exchange markets.

Changing market conditions may cause a change in the PMG's price on the ASX.

## Gold Price and Exchange Rate Volatility Risks

Gold generally is traded internationally in US dollars (USD). As PMG will be traded on the ASX in Australian dollars (AUD), your PMG investment will be affected by movements both in the AUD/USD exchange rate and the USD gold price. Increases in the AUD gold price may arise from increases in the USD gold price and/or decreases in the AUD/USD exchange rate.

## World Events

World events such as terrorism, war, pandemics, political and economic trends, can all have an impact on the market price of gold and the AUD/USD exchange rate and hence the market value of PMG.

The USD gold price can fluctuate significantly in response to investor sentiment, industrial demand, mine supply, central bank policies, and other factors outside the control of Gold Corporation.

The AUD/USD exchange rate is also volatile. It can fluctuate in response to changes in Australia's economic environment, political climate, stock market performance, interest rates, and other events and factors outside the control of Gold Corporation.

Investors interested in further information on the above data should visit the investment section of Gold Corporation's website at [www.perthmint.com](http://www.perthmint.com) where The Perth Mint's extensive historical records of precious metal spot prices, exchange rates, London Fix prices and interest rates may be accessed free of charge.

### **Risk of Non-performance by Gold Corporation**

While Gold Corporation will fully cover each PMG with physical gold held by Gold Corporation, Holders of a PMG have no proprietary rights or beneficial interest in any such physical gold. As PMG is backed by unallocated gold, there is some credit risk in this product.

The PMG is an unsecured obligation of Gold Corporation ranking equally with all other unsecured obligations of Gold Corporation. However, as the liabilities of Gold Corporation, including its obligations under the PMG Terms, are guaranteed by the Government of Western Australia under the *Gold Corporation Act 1987*, any such failure by Gold Corporation to fully cover each PMG means that you ultimately have an exposure to the Government of Western Australia.

The State's [A-1+ short term credit rating, and AA+ long term credit rating (as per Standard & Poor's), as at the date of this PDS may change from time to time in response to changes in its economic performance. Any such change in the State's credit rating may affect the perceived strength of Government Guarantee mentioned above.

### **Risk of Changes in the PMG Management Fee**

The PMG Management Fee may vary over the life of the PMG's because storage, insurance, CHES, registry and other management costs will change. Gold Corporation may increase the PMG Management Fee in subsequent periods if the costs associated with the operation of PMG increase or Gold Corporation has underestimated these costs. Gold Corporation will give Holders three months written notification of any change in the PMG Management Fee.

### **Exercise of discretion by Gold Corporation**

The PMG Terms confer discretions on Gold Corporation regarding PMG Exercise. The exercise or non-exercise of these discretions could affect adversely the value of the PMG. You do not have the power to direct Gold Corporation concerning the exercise of any discretion. These discretions include, but are not limited to, those set out in clauses 7.4, 9.1, 12.1(c), 13.2 and 19.1 in the Terms contained in Part 6 of this PDS.

### **Suspension of trading by ASX**

ASX as the operator of the AQUA trading platform has the discretion to halt or suspend trading of any AQUA Product in accordance with the provisions of the ASX Operating Rules.

# 4. Tax Summary

## Introduction

The following summary of Australian tax implications has been prepared by Baker & McKenzie for inclusion in this Product Disclosure Statement issued by Gold Corporation for the proposed offer of Perth Mint Gold ("PMG").

This discussion is a general guide to the key Australian tax implications arising for an Australian resident individual taxpayer who acquires PMGs.

This discussion is necessarily general in nature and does not take into account the specific taxation circumstances of each individual Holder. Potential Holders should not rely on this summary and should seek their own independent advice on the taxation implications relevant to their own circumstances before making any investment decision.

Each Holder should be aware that the ultimate interpretation of the taxation law rests with the Courts and that the law, and the way the Commissioner of Taxation administers the law, may change at any time.

In this discussion, the "1936 Tax Act" means the Income Tax Assessment Act 1936 and "CGT" refers to the capital gains tax provisions contained in the Income Tax Assessment Act 1997 ("1997 Tax Act"). Capitalised terms used in this summary that are not defined in this summary have the same meaning as in the Product Disclosure Statement.

## Summary of Tax Implications

### Taxation of financial arrangements

Division 230 of the *Income Tax Assessment Act 1997* contains the final stages of the taxation of financial arrangement (TOFA) reforms.

Division 230 applies to financial arrangements that a taxpayer "starts to have" on or after 1 July 2010 (although taxpayers may have elected in early for the income year commencing on or after 1 July 2009). Various exclusions exist under the provisions. For example, financial arrangements held by individuals, superannuation entities and managed investment schemes where the assets held are less than \$100 million and Australian depository institutions with an aggregated turnover of less than \$20 million are excluded provided the financial arrangements held are not qualifying securities or are qualifying securities that will end not more than 12 months after the time of acquisition. In this regard, it is considered that a PMG should not be regarded as a qualifying security.

As the taxation profile of each Holder is different, each Holder should seek their own independent taxation advice.

### Characterisation of PMG for income tax purposes

Division 16E of Part III of the 1936 Tax Act applies to tax the holder of "qualifying securities" on an accruals basis. It is considered that a PMG is not a security as defined for the purposes of Division 16E. Consequently, Division 16E does not apply to a PMG.

Sections 26BB and 70B of the 1936 Tax Act treat (broadly) any gains or losses on the redemption or disposal of a traditional security as ordinary income or losses. As a PMG is an option to acquire gold bullion, it is not a security as defined and so sections 26BB and 70B will not apply on the disposal or redemption of a PMG.

### Unit Trusts

Broadly speaking, Division 6C of Part III of the 1936 Tax Act taxes "public trading trusts" as if they were companies. If a Holder is a unit trust that is not a public trading trust before investing in the PMG, then the investment in the PMG will not of itself cause the Holder to become a public trading trust.

Unit trusts who complete an Exercise Notice and take delivery of the gold will be holding physical gold bullion and not a financial instrument. The holding of physical gold bullion is not an "eligible investment business" for the purposes of Division 6C of Part III of the 1936 Tax Act.

## Holders who hold PMG on capital account

For CGT purposes, a PMG is a “CGT asset”. The CGT asset is the option itself and not the Underlying Parcel (that is, gold). The CGT consequences of an investment into PMG are summarised below.

Exit mechanism	Capital gains tax impact
Sale of PMG on ASX	Disposal of PMG is a taxable CGT event. Discount may be available if PMG held for more than 12 months.
Storage Settlement	No CGT event. Costs of acquisition and exercise of PMG become part of cost base of the gold.

Fee/Reduction	Capital gains tax impact
PMG Management Fee	Not deductible in the year in which it is incurred. Forms part of the cost base of the PMG. Can be utilised to reduce any capital gain on the disposal or cancellation of the PMG. Does not form part of the reduced costs base of the PMG and so cannot increase any capital loss on disposal or cancellation of a PMG. Not a cost of acquiring or exercising the PMG. Will not become part of the cost base of any physical gold a Holder acquires through exercising the PMG.

## Holders who hold PMG on revenue account

If a PMG is held on revenue account (because the Holder acquired the PMG in the course of carrying on a business of trading in options, or as part of a profit making scheme), the Holder may be taxed on any gain made on their investment as ordinary income. The gain would be determined by reference to consideration received on disposal of the PMG. Where a Holder elects Storage Settlement of a PMG, then the taxable gain should be determined on the future disposal of the gold. In this case, the Holder should be entitled to a deduction for the PMG Management Fee at the time it is payable.

## Stamp duty and GST

No stamp duty should be payable on the acquisition or subsequent trading in a PMG. No stamp duty should be payable if a PMG is exercised via a Storage Settlement.

No GST should apply on the issue, acquisition or subsequent trading in a PMG as these transactions are treated as input taxed financial supplies. No GST should be payable if a PMG is exercised via a Storage Settlement.

GST will be payable by the Holder as part of the PMG Management Fee (unless the Holder is not a resident of Australia and is not in Australia in which case GST may not apply). The amount of applicable GST will be factored into the calculation of the PMG Management Fee.

GST may also be payable on any brokerage fees should the Holder use a broker to deal in PMGs.

# 5. Consents and Disclosures

## Consents

Baker & McKenzie, solicitors, has given its written consent to being named as having acted as solicitors to Gold Corporation in connection with Perth Mint Gold pursuant to this PDS. Baker & McKenzie has given its written consent to being named as having acted as tax advisers to Gold Corporation in connection with Perth Mint Gold pursuant to this PDS and to the inclusion of the taxation summary in this PDS in the form and context in which it appears. Baker & McKenzie take no responsibility for any part of this PDS other than the tax summary. Baker & McKenzie does not make any statement in this PDS nor does any statement herein purport to be based on a statement made by Baker & McKenzie. Baker & McKenzie has not authorised or caused the issue of this PDS.

## Interests of Experts and Advisers

No expert and no firm in which an expert is a partner, has at the date of this PDS any material interest in connection with the formation or promotion of either Gold Corporation or the PMG. Baker & McKenzie will receive legal fees for their professional services in connection with this PDS as solicitors to Gold Corporation.

## Director and Related Entity Interests

Neither Gold Corporation nor its related bodies corporate, nor any director or proposed director of Gold Corporation, nor any firm in which a director or proposed director of Gold Corporation is a partner, has, at the date of this PDS, any material interest in connection with the formation or promotion of either Gold Corporation or the PMG.

# 6. Terms and Conditions

## Perth Mint Gold (“PMG”)

**Terms of the PMGs:** The PMGs are issued by Gold Corporation (the “Issuer”) to GoldCorp Australia (“GoldCorp”) as subscriber. Gold Corporation has issued the PMGs to GoldCorp under the following Terms:

### 1. Title and transfer of PMG

- 1.1 The Issuer will grant the relevant PMGs to the subscriber in return for the subscriber paying consideration to the Issuer.
- 1.2 The PMGs will be CHESS Approved Securities. Certificates will not be issued to Holders.
- 1.3 PMGs are transferable in accordance with the ASX Operating Rules and ASX Settlement Operating Rules.
- 1.4 Title to a PMG will pass to a Holder upon registration of a transfer of the PMGs in the Register. No PMG transaction may take place on the ASX after the close of business on the Expiry Date.

### 2. Register of PMGs

- 2.1 The Issuer must maintain a Register of PMGs, in accordance with the ASX Operating Rules and the ASX Settlement Operating Rules.
- 2.2 The property in the PMG, being the rights conferred on the Holder under clause 4, is situated at the place where the Register is located.
- 2.3 Except as otherwise provided in these Terms, the Issuer must recognise the registered Holder from time to time as the absolute owner of the PMG and all persons must act accordingly.

### 3. Status of PMGs

- 3.1 The PMGs are unsecured obligations of the Issuer. However, the Issuer is a statutory authority of the Government of Western Australia established under the Gold Corporation Act 1987. Under section 22 of the Gold Corporation Act 1987, the cash equivalent of gold due, payable and deliverable by Gold Corporation or GoldCorp is guaranteed by the Treasurer, in the name and on behalf of the Crown in right of the State.
- 3.2 The Issuer will fully cover each PMG at all times until the Expiry Date or until the Holder gives a valid Exercise Notice by buying and holding the relevant amount of unallocated gold.

### 4. Nature of PMGs

- 4.1 Each PMG:
  - (a) confers on the Holder the right, but not the obligation, to acquire the Underlying Parcel from the Issuer, on giving the Issuer a valid Exercise Notice electing Storage Settlement of the PMG; and
  - (b) does not confer on the Holder any right to or interest in any Underlying Parcel unless and until the right in sub-clause (a) above is validly exercised.

## 5. Exercise of PMGs

- 5.1 PMGs may be exercised at any time before the Expiry Date (see clause 12).
- 5.2 The Holder may exercise the PMG at any time before 5.00pm Perth time on the Expiry Date by giving to the Issuer a valid Exercise Notice.
- 5.3 Where an Exercise Notice has been issued to exercise a PMG under this clause 5 and it is received before 5.00pm Perth time on a Business Day, the PMG is deemed to be exercised on that Business Day. Where the Exercise Notice is received after 5.00pm Perth time on a Business Day or a non-Business Day, the PMG is deemed to be exercised on the next Business Day that follows immediately after.

### Exercise Notice Irrevocable

- 5.4 An Exercise Notice given to the Issuer cannot be revoked.

### Validity of Exercise Notice

- 5.5 An Exercise Notice is valid if and only if:
  - (a) it is given by the Holder, or a person who claims to be entitled to be registered as the Holder, to the Issuer; and
  - (b) the PMGs to be exercised have not expired; and
  - (c) the Holder elects Storage Settlement on its Exercise Notice; and
  - (d) the Holder is a holder of a Depository Account; or
  - (e) if the Holder is not a holder of a Depository Account, the Holder opens a Depository Account subject to the Terms and Conditions of The Perth Mint Depository and the successful onboarding of the Holder (including all necessary know your client (KYC) and anti-money laundering (AML) checks required by the Depository), within a reasonable period of time following the submission of the Exercise Notice, as determined by Issuer in its sole discretion.
- 5.6 If the number of PMGs included in the Exercise Notice exceeds the number of PMGs held by the Holder, the Exercise Notice is valid only to the extent of the number of PMGs held by the Holder.
- 5.7 If more than one Exercise Notice is given in respect of a PMG, the valid Exercise Notice will be the Exercise Notice which the Issuer knows or reasonably believes was given by the last of those persons who became entitled to be the Holder of those PMGs before 5.00 pm Perth time on the Exercise Date.
- 5.8 The Issuer's registrar will certify to the Issuer that a person purporting to exercise PMGs is the Holder of the number of PMGs being exercised.
- 5.9 The Issuer may determine whether an Exercise Notice is valid. An invalid Exercise Notice will be void. The Issuer will promptly notify the Holder that an Exercise Notice is invalid.

## 6. Effect of Valid Exercise Notice

6.1 If the Holder complies with clause 5:

- (a) the Issuer will undertake all acts necessary to effect the settlement, on the Settlement Date, for the number of PMGs exercised; and
- (b) the PMGs that are exercised will expire.

## 7. Storage Settlement

7.1 If the Holder elects Storage Settlement on its Exercise Notice, the Issuer will arrange for the Underlying Parcel to be transferred to the Holder's Depository Account where it will be held as Unallocated Gold.

7.2 The Holder acknowledges that:

- (a) under clause 7.1, following transfer to the Depository Account, the Issuer will be deemed to have delivered or caused to be delivered to the Holder, an Underlying Parcel for the purposes of clause 11.1, on the date that the Underlying Parcel is registered in the Holder's Depository Account;
- (b) following transfer to the Depository Account, the Holder's physical gold will be held as Unallocated Gold under the terms and conditions applying to the relevant Depository Account and the Issuer's obligations in respect of the Holder's exercised PMGs will have been satisfied in full;
- (c) if the Holder does not open a Depository Account the Issuer will not be able to effect Storage Settlement and the Issuer may declare the Holder's Exercise Notice to be invalid in accordance with clause 5.5; and
- (d) the minimum amount of PMG that a Holder may Exercise in any one transfer into Storage Settlement is the number of PMG that equates to 1 troy ounce of Fine Gold at that time.

## 8. Fees

8.1 Notwithstanding any of the fees described in this clause 8, the Issuer may waive any or all of these fees at the Issuer's absolute discretion.

### **PMG Management Fee**

9.1 A Holder must pay the PMG Management Fee, which will be determined by the Issuer in accordance with clauses 9.2. The Issuer will give the Holder three months written notice of any change in the PMG Management Fee.

9.2 From 1 January 2022, the PMG Management Fee (including any applicable GST) will be charged via a daily reduction in the Metal Entitlement of each PMG. There will be no more end of calendar year reductions of PMG s held by Holders as per the PMG Management Fee in place at the time this PDS is published.

## 10. Termination of Delivery Contract

10.1 The delivery contracts arising under clause 7 terminate automatically at the close of business on the Settlement Date unless the person who gave the Issuer an Exercise Notice is registered as the Holder of the PMGs being exercised.

## 11. Failure to Perform

*[Failure of Issuer to Perform*

11.1 If the Issuer does not by the Settlement Date, for each Minimum Exercise Set exercised, deliver or cause to be delivered to the Holder, an Underlying Parcel, the Issuer must, if required in writing by the Holder, either:

- (a) deliver to the Holder 110% of the Underlying Parcel due on the Settlement Date; or
- (b) pay to the Holder the cash equivalent of 110% of the Underlying Parcel calculated pursuant to the London Fix on the Exercise Date (or the earliest London Fix thereafter if there is no London Fix on the Exercise Date) divided by the WM/Reuters Australian Dollar 4pm Reference Rate on the Exercise Date (or the earliest WM/Reuters Australian Dollar 4pm Reference Rate thereafter if there is no WM/Reuters Australian Dollar 4pm Reference Rate on the Exercise Date).]

### **Acknowledgment**

11.2 The Holder and the Issuer acknowledge to each other that the amount of damages calculated in accordance with clause 11.1 is a genuine pre-estimate of the damage that the Holder would suffer from the failure of the Issuer to perform its obligations under clauses 6, 7 and 8 (whichever is applicable) and that on the receipt of a notice under clause 11.1, the Issuer is relieved of its obligations under clauses 6, 7 and 8 and its only obligation is to make the payments required by clause 11.1

## 12. Expiry of PMGs

12.1 A PMG expires under any of the following circumstances:

- (a) when the Underlying Parcel is transferred; or
- (b) when the Holder gives the Issuer notice under clause 11.1; or
- (c) six months after the date of a CAP Announcement by the Issuer that it is no longer offering the PMG product, at the Issuer's absolute discretion; or
- (d) if the Issuer has bought back all outstanding PMGs so that there are no longer any Holders recorded and the Issuer notifies the ASX that the PMGs have expired.

12.2 If a PMG expires under clauses 12.1(d) and it has an intrinsic value, the Issuer will pay to the Holder the intrinsic value of the PMG, being the London Fix on the Business Day after the Expiry Date (or the earliest London Fix thereafter if there is no London Fix on the Business Day after the Expiry Date) divided by the WM/Reuters Australian Dollar 4pm Reference Rate on the Business Day after the Expiry Date (or the earliest WM/Reuters Australian Dollar 4pm Reference Rate thereafter if there is no WM/Reuters Australian Dollar 4pm Reference Rate on the Business Day after the Expiry Date) less the Issuer's costs and expenses in storing and selling the gold.

### **Effect of PMG Expiry**

12.3 When a PMG expires, it is automatically and permanently cancelled and all rights and obligations created by or in respect of it are terminated except:

- (a) in respect of any payment required under clauses 11.1 or 12.2; and
- (b) for any other rights the Holder may have arising out of a breach of the Terms by the Issuer.

### 13. Dealing in PMGs by Issuer

13.1 The Issuer may at any time deal in PMGs at any price in the open-market on its own account or through its Market Maker(s).

13.2 Any PMGs purchased by the Issuer will not be cancelled automatically and may be resold, however, they may be cancelled at the discretion of the Issuer.

### 14. Further Issues of PMGs

14.1 The Issuer may, with consent of the ASX, issue further PMGs having the same Terms as these PMGs so as to form a single series with these PMGs.

### 15. Taxation of PMGs

15.1 The Issuer is not liable for any Taxes and Duties incurred by a Holder arising from the ownership, transfer or exercise of a PMG.

15.2 Holders must pay all Taxes and Duties in connection with the ownership, transfer and exercise of their PMGs.

### 16. Force Majeure

16.1 If a Force Majeure has occurred and is continuing, then, subject to ASX consent, the obligations of the Issuer under the PMGs will be suspended and deferred until the event giving rise to the Force Majeure ceases to exist.

### 17. Law Governing PMGs

17.1 The PMGs are governed by the law of New South Wales.

### 18. Suspension of PMG Trading

18.1 The ASX may, under the ASX Operating Rules, suspend the PMGs from trading.

### 19. Amendment of Terms

19.1 The Issuer may amend these Terms where:

- (a) the amendment is authorised by a resolution of Holders; or
- (b) subject to ASX's consent, the amendment is desirable in the Issuer's reasonable opinion to comply with the law or rules or a requirement of the ASX or other governmental or regulatory body; or
- (c) the amendment is desirable to correct an inconsistency or error in these Terms (but only if such amendment does not, in the opinion of the Issuer, prejudice the interest of the Holders and the ASX does not object to the amendment); or
- (d) subject to ASX's consent, the Terms, in the Issuer's reasonable opinion, become impossible or unworkable to comply with (for example, if the London Bullion Market Association's Gold Fixing, or the over-the-counter spot gold market, ceases to operate or exist); or
- (e) there are no longer any Holders (except any amendment to the Expiry Date).

19.2 The Issuer must notify all Holders in writing of a proposed amendment together with a ballot paper.

19.3 Holders may return ballot papers to the Issuer by no later than 20 Business Days after the date of the notice. Each Holder is entitled to one vote for each PMG held.

19.4 A resolution is duly passed if 75% or more of the votes cast are in favour of the amendment. The registrar shall determine the validity of all ballot papers and add together all of the votes cast on valid ballot papers during the voting period.

19.5 If there are no Holders of the PMG other than the Issuer, the Issuer will proceed with the amendment after informing the ASX and making an announcement over the CAP.

19.6 The Issuer or its associates must not vote unless they are voting as trustee or nominee for a person who is not an associate.

19.7 An amendment must be notified to the ASX.

### 20. Market Rules

20.1 All provisions of these Terms are subject to any contrary requirement from time to time of the ASX Operating Rules or, when applicable, the ASX Settlement Rules unless the ASX or, if appropriate, ASX Settlement gives or has given a waiver or consent in respect of the PMGs of any of those rules.

### 21. Set off

21.1 All monetary obligations imposed on a Holder under these Terms are:

- (a) absolute; and
- (b) free of any right to counterclaim or set off; and
- (c) may only be satisfied once the payment has cleared.

21.2 The Issuer may:

- (a) set off any amount payable to the Issuer or any of their agents by a Holder against any amount payable by the Issuer to the Holder; and
- (b) withhold any amount payable by the Issuer or any of their agents to a Holder in satisfaction of any amount payable to the Issuer or any of their agents by the Holder.

### 22. Service of Documents

22.1 A notice may be given by the Issuer to any Holder either personally, by facsimile or electronically to the relevant facsimile number or electronic address of the Holder as shown on the Register or provided by the Holder, by sending it by post addressed to the Holder at its address as shown in the Register or otherwise by any method (including by advertisement) as the Issuers may determine.

22.2 In the case of a Holder whose registered address is outside Australia, a notice sent by post will be sent by airmail.

22.3 A notice may be given by the Issuer to the joint Holders of a PMG by giving the notice to the joint Holder whose name appears first in the Register and that notice will be sufficient notice to all the joint Holders.

22.4 Any notice by advertisement will be deemed to have been served on the day of publication of the newspaper containing the advertisement.

22.5 Any notice sent by post will be deemed to have been served on the day following the day on which the notice is posted unless sent by airmail to an address outside the country in which it was posted, in which case it will be deemed to have been served on the fifth day following the day on which it is posted.

22.6 A notice sent by facsimile or other electronic means will be deemed to have been served on the same day that it is sent.

# 7. Interpretation

In this PDS, unless the context requires otherwise requires:

**"AQUA Rules"** means the rules and framework enabling the quotation of structured products and managed funds on ASX and contained in Section 10A and 10B of the ASX Operating Rules;

**"ASIC"** means Australian Securities & Investments Commission;

**"ASX"** means ASX Limited (ACN 008 624 691);

**"ASX Settlement"** means ASX Settlement Pty Limited (ACN 008 504 532);

**"ASX Settlement Operating Rules"** means the operating rules of ASX Settlement for CHESS as amended from time to time;

**"AUSTRAC"** means Australian Transaction Reports & Analysis Centre, the government agency responsible for implementing the legislative requirements of the *Financial Transaction Reports Act (1988)* (Cth) and the *Anti-Money Laundering and Counter-Terrorism Financing Act (2006)* (Cth);

**"Business Day"** means a day on which banks are open for business in Perth, Sydney and Melbourne;

**"CAP"** means ASX's Company Announcement Platform;

**"CAP Announcement"** means an announcement made on ASX's Company Announcement Platform;

**"Cash Equivalent Amount"** means the cash equivalent of the Underlying Parcel corresponding to the PMGs exercised calculated pursuant to the London Fix on the Exercise Date (or the earliest London Fix thereafter if there is no London Fix on the Exercise Date) divided by the WM/Reuters Australian Dollar 4pm Reference Rate on the Exercise Date (or the earliest WM/Reuters Australian Dollar 4pm Reference Rate thereafter if there is no WM/Reuters Australian Dollar 4pm Reference Rate on the Exercise Date);

**"CHESS"** means the Clearing House Electronic Subregister System operated by the ASX;

**"Corporations Act"** means the *Corporations Act (Cth)* 2001;

**"Depository Account"** means a The Perth Mint Depository Online account or Depository Program account;

**"Depository Program"** means a The Perth Mint offline unallocated account;

**"Exercise Date"** means any time before the Expiry Date and specifically, the date on which the Holder delivers a valid Exercise Notice to the Issuer;

**"Exercise Notice"** means a notice in the form set out on page 36 of the PDS headed "Exercise Notice";

**"Exercise Schedule"** means the exercise schedule available from the Issuer or the Issuer's website. An indicative Exercise Schedule as at the date of this PDS is set out in Part 12 of this PDS;

**"Expiry Date"** means the earlier of:

- (a) the Settlement Date; or
- (b) six months after the date of a CAP Announcement by Gold Corporation that it is no longer offering the PMG product;

**"Fine Gold"** means the amount of pure gold in a product;

**"Force Majeure"** means any act of God, act of state (other than the State of Western Australia), war, sabotage, riot, insurrection, civil commotion, national emergency (whether in fact or law) strikes, lock-outs or other industrial disturbance, accidents, uncontrollable delays in transportation, inability to obtain any necessary equipment, facilities or qualified employees or the effect of any applicable laws, orders, rules or regulations (other than those of the State of Western Australia) and any other matters beyond the reasonable control of the Issuer and which prevents the Issuer from (a) fulfilling its obligations under these Terms or (b) acquiring, storing or disposing of the gold covering the PMGs;

**"Gold Corporation Act 1987"** means the Act of Parliament of the State of Western Australia, being an Act to constitute the Gold Corporation and provide for its functions and the conduct of its business;

**"GoldCorp"** means GoldCorp Australia (ABN 49 230 812 547) a body corporate created under the Gold Corporation Act 1987;

**"GST"** has the same meaning as under the *A New Tax System (Goods and Services Tax) Act 1999*.

**"Holder"** means a person whose name appears in the Register of PMGs from time to time;

**"Issuer"** means Gold Corporation (ABN 98 838 298 431);

**"London Fix"** means the last USD London gold fix per troy ounce on a day (if any) as set by the members of the London Bullion Market Association's Gold Fixing;

**"London Good Delivery Bar"** is a gold bar that conforms to the good delivery specifications of the London Bullion Market Association;

**"Market Maker"** means such one or more person(s) whom the Issuer appoints for the purpose of making a market in the PMG;

**“Metal Entitlement”** means the amount of gold (expressed in fractions of troy ounces) that each PMG equates to. Up until 31 December 2021 this equates to 0.01 (i.e. 1 PMG equals 1/100th of a troy ounce of gold). From 1 January 2022, the metal entitlement will decay on a daily basis in line with the 0.15% per annum management fee.

**“PDS”** means Product Disclosure Statement for Perth Mint Gold Quoted Product dated 31st July 2020 that replaces the Product Disclosure Statement for Perth Mint Gold Quoted Product dated 21 February 2019;

**“PMG”** means the Perth Mint Gold product being issued under the PDS;

**“PMG Management Fee”** until 31 December 2021 means a fee charged each year at the close of trading on ASX on 31 December which covers the operating expenses incurred by the Issuer for the PMG in accordance with clause 9. From 1 January 2022 means the fee paid by investors through daily reductions in the Metal Entitlement of a PMG;

**“Register”** means a register of PMGs to be maintained in accordance with clause 2;

**“Settlement Date”** means 5 Business Days after the Exercise Date (subject to the Holder having a Depository Account at the time of Exercise);

**“Storage Settlement”** means when, under an Exercise Notice, the Holder elects to store the Underlying Parcel corresponding to the Holder’s PMGs with The Perth Mint in a Depository Account in accordance with clause 7;

**“Taxes and Duties”** means any tax, duty, or other charge including GST arising from ownership, transfer or exercise of a PMG;

**“Terms”** means the Terms and Conditions which are contained in Part 6;

**“Term Sheet”** means the Term Sheet distributed by the Issuer and attached to this PDS;

**“The Perth Mint”** means 310 Hay Street, East Perth, Western Australia 6004, or such other location as specified by the Issuer;

**“Unallocated Gold”** means, with respect to a holding of gold, that the holder is entitled to receive delivery of physical gold in the amount standing to the credit of the holder’s account, but the holder has no ownership interest in any particular gold that The Perth Mint maintaining that account owns or holds;

**“Underlying Parcel”** means the metal entitlement (in troy ounces of Fine Gold) of each PMG; and

**“Warrant Rules”** means the rules and framework relating to the quotation of warrants on the ASX and contained Section 10 of the ASX Operating Rules.

**“WM/Reuters Australian Dollar 4pm Reference Rate”** means the Australian Foreign Exchange Committee’s Australian dollar reference rate that, as at the date of this PDS, is sourced from page AUDFIX on Thomson Reuters.

Terms defined in the ASX Operating Rules or in the ASX Settlement Operating Rules have the same meaning in this document unless they are specifically defined in this document or the context otherwise requires.

## 8. Privacy Statement

Any personal information submitted by You to Us is subject to and will be handled in accordance with Our Privacy Policy set out at [www.perthmint.com/privacy.aspx](http://www.perthmint.com/privacy.aspx). You agree that, by using our product or service, You have read the Privacy Policy, understood its contents and consented to its requirements.

## 9. Additional Information

### ASX waiver

Gold Corporation has applied for a waiver from ASX Operating Rule 10A.2.2 which would otherwise require that the guarantee provided by the Government of Western Australia in respect of the Gold Corporation's obligations under the PMGs Terms must be unconditional and irrevocable and explicitly in favour of the PMG Holders. In fact the guarantee is created by statute under section 22 of the *Gold Corporation Act 1987*, an Act of the Western Australian Parliament, so it is not specifically expressed to be unconditional, irrevocable or in favour of the PMG Holders. The ASX has granted the waiver on the basis that:

- (a) the Statutory Guarantee is unconditional because it does not place any qualifications on the circumstances in which the Treasurer of Western Australia will guarantee the Issuer's obligations;
- (b) the Statutory Guarantee is in favour of a class of persons which includes, but is not limited to, the AQUA Product Holders (i.e., the PMG Holders); and
- (c) under common law, the Statutory Guarantee cannot be revoked in respect of any pre-existing obligations of the Issuer that have accrued up to the date that such revocation is purported to be made.

For further information on the WA Government's guarantee, see heading "PMG is a WA Government Guaranteed Product" on page 7.

# 10. Directory - Contact details

## PMG Issuer

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

Postal Address:  
GPO Box M924, Perth  
Western Australia 6843

Telephone: 1300 651 465  
Facsimile: (08) 9221 7074  
Website: [www.perthmint.com](http://www.perthmint.com)

## PMG Registrar

Link Market Services Limited  
Level 12, 680 George Street,  
Sydney, NSW, Australia, 2000  
General Telephone line: 1300 554 474  
Fax: +61 02 9287 0303

Postal address  
Locked bag A14, Sydney South, NSW, 1235

Website  
[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

General enquiries email:  
[Registrars@linkmarketservices.com.au](mailto:Registrars@linkmarketservices.com.au)



# 11. Exercise Procedure

## Your guide to the Exercise Notice

You can choose to exercise your PMG by converting them into gold stored at The Perth Mint (a Storage Settlement).

Please note that the minimum amount of PMG that you may convert into gold in a Storage Settlement is the number of PMG that equates to 1 troy ounce of Fine Gold at that time. If the balance of your Metal Entitlement is less than 1 troy ounce of Fine Gold, you will be unable to utilise Storage Settlement.

## Storage Settlement

If you wish to store your gold with The Perth Mint in a Depository Account by transferring your PMGs to The Perth Mint then you must complete the Exercise Notice included in this PDS.

Under the Storage Option the gold represented by your PMGs will be transferred to a Depository Account and held as Unallocated Gold.

If you choose this option you will need to open either a Depository Online account or a Depository Program account or already be a holder of one of these account types. There are no fees associated with transferring your PMGs to a Depository Account nor are there any storage charges to hold Unallocated Gold.

There may be transaction fees to buy and sell within your Depository Account and fabrication fees and storage fees should you wish to convert your Unallocated Gold into allocated bars.

The Metal Entitlement that each PMG entitles you to declines over time, in line with the 0.15% PMG Management Fee charged to PMG holders. The relevant amount of gold an investor is entitled to on any given day is determined by the Issuer (using a pre-determined Metal Entitlement formula) and is calculated based on the number of PMGs the investor exercises and the date the exercise is actioned.

## Where do I send the Exercise Notice?

The Exercise Notice should be delivered to:

By Mail: Perth Mint Depository  
GPO Box M924  
Perth  
Western Australia 6843

In Person or By Courier: Perth Mint Depository  
310 Hay St  
East Perth  
Western Australia 6004

To obtain more information regarding these accounts please contact The Perth Mint Depository office on 08 9421 7250 or go to our website: [www.perthmint.com/storage](http://www.perthmint.com/storage)

## What if my Exercise Notice is invalid?

If your Exercise Notice is invalid for any reason whatsoever, we will notify you and you will need to submit a new Exercise Notice.

## How do I complete the Exercise Notice?

Please complete all sections of the Exercise Notice in BLOCK LETTERS, using black ink. You must complete all sections.

### A - HOLDER DETAILS

Please complete your name(s) and address as it appears on the register of PMG.

### B –CONTACT DETAILS

Please enter your daytime telephone number, including your area code and your email address so that we can contact you about this Notice.

### C – CHESS DETAILS

Please supply your PID and HIN if the PMGs are held on the CHESSE Sub-register. Please supply your SRN if the PMGs are held on the Issuer Sponsored Subregister.

### D – SIGNATURES

An individual Holder must sign the Exercise Notice personally, or have his/her attorney(s) sign. Joint Holders must all sign the Exercise Notice, or have their attorney(s) sign. A corporate Holder must sign under seal (if required by the constitution of the corporation) or by its authorised attorney(s).

# 12. Exercise Schedule

The Exercise Schedule in this Part 12 is current as at the date of this PDS. The Exercise Schedule will be updated from time to time and will be available from Gold Corporation or Gold Corporation's website.

## Part A – Fees and Reductions

(a) Brokerage Fees: as notified to you by your broker.

### Storage Settlement

(b) No exercise fees are applicable to Holders electing Storage Settlement. Holders electing Storage Settlement must hold or open a Depository Account with The Perth Mint. As at the date of this PDS there are no storage fees applicable to online Depository Accounts holding Unallocated Gold. Please refer to the terms and conditions of the relevant Depository Account for any other fees that may apply.

### Examples

The following example illustrates how Gold Corporation will determine the number of ounces of unallocated gold an investor would receive in their Depository Account on exercise of their PMG, assuming the investor exercised 1,000 PMG on 30 June 2021

Number of PMG exercised	1,000
Metal Entitlement as at 30 June 2021	0.010000000
Unallocated ounces of gold credited to Depository account	10.0000

The following example illustrates how Gold Corporation will determine the number of ounces of unallocated gold an investor would receive in their Depository Account on exercise of their PMG, assuming the investor exercised 1,000 PMG on 31 December 2022

Number of PMG exercised	1,000
Metal Entitlement as at 31 December 2022	0.009985000
Unallocated ounces of gold credited to Depository account	9.9850



# Corporate Directory

## REGISTERED OFFICE

Perth Mint Buildings  
310 Hay Street  
East Perth  
Western Australia 6004

Telephone: +61 8 9421 7250  
Facsimile: +61 8 9221 7074

E-mail: [pmds@perthmint.com](mailto:pmds@perthmint.com)

Postal Address: GPO Box M924, Perth  
Western Australia 6843

[www.perthmint.com](http://www.perthmint.com)

## MINISTER

Hon Bill Johnson MLA  
Minister for Mines and Petroleum; Energy; Corrective Services

## STATUTE

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

