



Administrative  
Appeals Tribunal

DECISION AND  
REASONS FOR DECISION

**Eastwin Trade Pty Ltd and Commissioner of Taxation (Taxation) [2017]**  
**AATA 140 (10 February 2017)**

Division: TAXATION & COMMERCIAL DIVISION

File Number(s): **2015/3875**

Re: **Eastwin Trade Pty Ltd**

APPLICANT

And **Commissioner of Taxation**

RESPONDENT

**DECISION**

Tribunal: **Mr P W Taylor SC, Senior Member**

Date: **10 February 2017**

Place: **Sydney**

The assessment and penalty decisions under review are affirmed.

.....[sgd].....

Mr P W Taylor SC, Senior Member

## CATCHWORDS

*TAXATION – Goods and Services Tax – creditable acquisition – precious metal or scrap gold – gold bullion or gold dore – conversion – disclosure of net profit on BAS – no claim for input tax credits – onus obligation – penalty – decisions affirmed*

## LEGISLATION

*A New Tax System (Goods and Services Tax) Act 1999 (Cth) ss 9-5, 9-15, 9-20, 9-25, 9-30, 11-5, 11-15, 11-20, 11-25, 23-5, 23-15, 27-5, 29-10, 29-70, 40-100, 188-10, 188-15, 188-20, 195-1, Division 40*

*A New Tax System (Goods and Services Tax) Regulations 1999 (Cth) r 23-15.01*

*Taxation Administration Act 1953 (Cth) ss 14ZZK, 284-75, 284-80, 284-90, 284-220, 284-224, 284-225, 298-20*

## CASES

*Bayconnection Property Developments Pty Ltd and Commissioner of Taxation [2013] AATA 40; (2013) 90 ATR 488*

*Krew v Commissioner of Taxation (1971) 45 ALJR 324*

*Rawson Finances Pty Ltd v Commissioner of Taxation [2013] FCAFC 26; 133 ALD 39*

*Richard Walter Pty Ltd v Commissioner of Taxation (1996) 67 FCR 243*

*RV Investments (Aust) Pty Ltd as Trustee for the RV Unit Trust and Commissioner of Taxation [2014] AATA 158; (2014) 94 ATR 670*

## SECONDARY MATERIALS

*Goods and Services Tax Ruling GSTR 2013/1*

## REASONS FOR DECISION

**Mr P W Taylor SC, Senior Member**

**10 February 2017**

1. Mr Xudong (Chris) Wang incorporated Eastwin Trade Pty Ltd ("Eastwin"), and registered it for GST, on 16 September 2011. He has been its only director and shareholder, and the only person actively involved in its activities. According to Mr Wang, in January 2014 Eastwin began to operate, by taking over the business of a friend ("Ethan") who had returned to China. The business was buying and selling gold dore. In support of the claim that Eastwin carried on such a business, Mr Wang relied on the company's bank accounts and
  - (a) more than 90 invoices, dated from 13 January to 25 September 2014, purportedly evidencing Eastwin's expenditure of \$143.3m on the purchase of about three tonnes of gold dore (see **Schedule 1: Eastwin purchase invoices – January to September 2014**);
  - (b) approximately 356 invoices, dated from 8 January to 26 September 2014, purportedly evidencing total sales of \$143.9m of a similar quantity of gold dore (see **Schedules 2.1 to 2.3: Eastwin sales invoices – January to September 2014**).
2. After its registration Eastwin reported GST quarterly on a cash basis. In 2014 it lodged Business Activity Statements ("BAS") for each of the March, June and September quarters. Prior to lodging those statements, and indeed before Eastwin started to operate its business, Mr Wang knew that Ethan had (i) invoiced sales in his own company's name, rather than act as an agent selling "on consignment", (ii) only reported his net sales, (iii) incurred a GST liability as a result of that under-reporting, and (iv) as a result of the GST problem he had encountered, had incorporated a new company to carry on the business. Notwithstanding that knowledge, and Eastwin's own apparent practice of issuing sale invoices in its own name, Eastwin's three 2014 BAS statements only reported the net amount of the payments into and out of Eastwin's bank account. That net amount reflected what Mr Wang described as Eastwin's "commission" – at a rate of 0.3% (for the March quarter) and 0.45% (for the June and September quarters). This resulted in significant understatement of the sales, purchase and GST amounts shown on the face of Eastwin's various invoices.

3. In mid July 2014 ATO personnel interviewed Mr Wang about aspects of Eastwin's activities – apparently as a result of some kind of complaint by purchasers who had collected gold (on 10 or 11 July 2014) but refused to pay for it, because of a GST dispute and the absence of invoices for the sale. On 11 August 2014 the Commissioner initiated an audit of Eastwin's BAS related transactions. The audit included a formal interview with Mr Wang on 22 August 2014. In both interviews Mr Wang said that the gold dore Eastwin purchased had ranged in purity (from about 85% to 92%). All of Eastwin's gold purchases had been supplied, and invoiced, by Oz Group Trade Pty Ltd ("Oz Group"). His friend Ethan had the same gold supplier, and either Ethan (or Ethan's friend Michael) had introduced him to the company. Mr Wang described Oz Group as part of a large China based corporate group, known to him as Jin Fan (Shen Zhen) International Precious Metal Trading Pty Ltd. In the July 2014 interview Mr Wang said that the person he dealt with was a Mr Song. In the August 2014 interview he said his contact person was a Mr (Wen Fan) Li and that Mr Song delivered the gold. He also said that he obtained Oz Group's bank account payment details from, and only from, the invoices it emailed to him.
4. As a result of the audit, the Commissioner issued amended assessments on 29 January 2015. The assessments were based on the amount of Eastwin's invoiced gold dore sales, but did not accept that Eastwin held valid tax invoices, or was otherwise entitled to input tax credits, for the GST amounts purportedly recorded on Oz Group's invoices. The Commissioner's reasons for refusing to recognise any material input tax credit entitlement included the following:-
  - (a) ***pre incorporation invoices***:- 20 invoices, dated between 13 January and 24 March 2014, preceded the 1 April 2014 incorporation of Oz Group Trade Pty Ltd.
  - (b) ***no supplier's ABN***:- Oz Group Trade Pty Ltd had never been registered for GST and did not have an active ABN.
  - (c) ***undocumented, irregular "supply"***:- all Eastwin's asserted purchases were undocumented (apart from the invoices), and were said to have been arranged, exclusively via email or electronic messaging, with "Mr Li", and delivered at night, in suburban car parks, by a person Mr Wang knew only as Mr Song Zhiming – for whom Mr Wang claimed to have no contact details.

- (d) ***payments made to a bank account unrelated to the purported tax invoice issuers***:- the payments Eastwin claimed to have made for its purchases had been credited to an account which was actually held by an entity unrelated to Oz Group – New Access Investments Group Pty Ltd (“New Access”).
- (e) ***questionable supply***:- the mode of delivery by an uncontactable person, the irregularities in the purchase invoices, the absence of other supporting documentation, and Eastwin’s bank account payments to an otherwise uninvolved entity, called into question the reality of the “supply” purportedly evidenced by the Oz Group invoices.

5. The Commissioner’s January 2015 amended assessment resulted in Eastwin having a \$13m tax shortfall, and being subjected to related penalties totalling \$7.8m. Eastwin’s 20 February 2015 objection to those decisions was supported by a five page submission, and almost 350 pages of assertedly substantiating material. The substance of the objection was that, despite some irregularities, all of Eastwin’s purchase invoices were (or in relation to invoices dated 24 March 2014, should be treated as) valid tax invoices. The supporting material included all the Oz Group invoices from 13 January to 20 October 2014. It also included (i) invoices from Jin Fan (Shen Zhen) Precious Metals (“Jin Fan (Shen Zhen)”) dated from 13 January to 22 March 2014, (ii) Eastwin’s bank statements, (iii) email correspondence between Eastwin and “szjinfan@yeah.net” (or “.net1”) dated from 2 January to 7 May 2014, and later emails dated January 2015, (iv) email correspondence between Eastwin and “ozgroup@163.com” dated from 18 April 2014 to 21 January 2015, (v) various company search results, and (vi) purported identity documentation for “Mr Li”.

6. In April 2015 Mr Wang provided further information in support of Eastwin’s objection. That information included the following matters:-

- (a) In April 2014 he had discovered that the Jin Fan (Shen Zhen) Precious Metals invoices did not contain basic required information, and stated an incorrect ABN number. He had queried the invoices with “Mr Li” and then been provided with replacement invoices from Oz Group.
- (b) As an example of the way Eastwin conducted its business he described a sequence of events in which (i) Mr Li gave instructions for the gold delivery, (ii) Mr

Wang would contact potential buyers, (ii) Mr Wang would take delivery of the gold, (iii) he would “lock in” the price when Eastwin’s buyers came to pick up the gold, (iv) Eastwin would remit payment to Oz Group bank account, and (v) Eastwin would receive the Jin Fan / Oz Group purchase invoice a few days later.

- (c) Mr Song delivered the gold to him, at night, in car parks at Maroubra and Kingsford.
- (d) On the first few deliveries Mr Song used a hand held machine to test the gold. When Mr Wang later provided the gold to his customers, it almost always met “the requirement”. There was only one significant occasion, involving a shortfall of \$5,280, where there was a shortage in the gold content of the dore bars Eastwin sold.

7. The Commissioner’s 10 July 2015 objection decision substantially adhered to the amended assessments, but reduced the associated penalties (to approximately \$7.5m). (The relevant content of Eastwin’s original BAS returns, the January 2015 audit and amended assessment, as well as the July 2015 objection decision, are summarised in a further Schedule to these reasons:- see ***Schedule 3: Eastwin’s BAS and Assessments***.) The principal objection decision reasons involved the following propositions:

- (a) ***inconsistent supply information***:- In the July and August 2014 interviews Mr Wang had identified Oz Group as Eastwin’s only supplier, and had only provided information about the Jin Fan (Shen Zhen) invoices with Eastwin’s objection submission – after being told that Oz Group had only been incorporated in April 2014.
- (b) ***incorrect or cancelled ABNs***:- The ABN number on the Jin Fan (Shen Zhen) invoices was that of an apparently unrelated entity – Jin Australia Pty Ltd. The ABN had, in any event, been cancelled on 28 April 2014. Oz Group’s ABN was cancelled in September 2014, with effect from 1 April 2014.
- (c) ***no GST registration***:- Neither Jin Fan (Shen Zhen) nor Oz Group was registered for GST. Jin Australia Pty Ltd’s GST registration had been cancelled on 28 April 2014.

- (d) ***unrelated payments / absence of consideration***:- All the payments Eastwin contended had been made to Jin Fan (Shen Zhen) or Oz Group, were transfers to a bank account held by New Access – a company with no demonstrable connection with either of those entities, nor even with Jin Australia Pty Ltd.
- (e) ***uncorroborated supply***:- Eastwin could not provide any contact details for either Wen Fan Li, Song Zhiming, or any representatives of either Jin Fan (Shen Zhen) or Oz Group. That inability, the “car park” mode of delivery for three tonnes of gold, and the payments to New Access, led to an absence of satisfaction that any of the three entities alluded to in the various invoice “identifiers” had in fact supplied the invoiced items to Eastwin.
- (f) ***no basis to treat documents as a tax invoice***:- in the absence of satisfaction that a “creditable supply” had in fact occurred there was no basis to exercise the discretion conferred by *A New Tax System (Goods and Services Tax) Act 1999* (“GST Act”) s 29-70(1B).

## **INPUT TAX CREDIT ENTITLEMENT**

- 8. A taxpayer is entitled to input tax credits for any “creditable acquisition” they make:- GST Act s 11-20. The criteria for such an acquisition are that:
  - (a) the supply was taxable
  - (b) the taxpayer
    - (i) provided consideration for the supply
    - (ii) was either registered, or required to be registered, for GST (ie., carried on an enterprise and their GST turnover (in effect, the value of their taxable supplies – GST Act s 188-15) met the \$75,000 registration threshold:- see GST Act s 23-15 & *A New Tax System (Goods and Services Tax) Regulations 1999* r 23-15.01), GST Act s 23-5
    - (iii) made the acquisition for a “creditable purpose”:- GST Act s 11-5.
- 9. A supply is taxable if it is neither GST free nor input taxed (see GST Act s 9-30(2) and Division 40) and

- (a) the supplier is either registered, or required to be registered, for GST (see GST Act s 23-5), and
- (b) the supply is
  - (i) made for consideration,
  - (ii) in the course or furtherance of the enterprise (in effect, an activity in the form of a business or in the nature of trade:- GST Act s 9-20) carried on by the supplier, and
  - (iii) connected with the indirect tax zone (ie., delivered in Australia – GST Act s 9-25, 195-1):- GST Act s 9-5.

10. An acquisition satisfies the “creditable purpose” criterion if

- (a) the supply is neither “input taxed” nor of a private or domestic nature, and
- (b) it was acquired for the purpose of carrying on the taxpayer’s enterprise:- GST Act s 11-15.

11. The amount of any input tax credit entitlement equals the GST payable on the supply to the taxpayer:- see GST Act s 11-25. That entitlement is attributable to particular “tax period(s)”:- GST Act s 29-10. Ordinarily, and in Eastwin’s case, that attribution relates to particular quarterly “tax periods”:- see GST Act s 27-5. More specifically, because Eastwin reported on a cash basis, the entitlement is attributable to any tax period in which it provided any part of the consideration for the supply – provided it held a tax invoice for the supply when it submitted its GST return for that period:- see GST Act s 29-10(2)&(3)(a). If a taxpayer did not hold such a tax invoice at that time, the entitlement is attributable to the first tax period when it provided a return after obtaining the tax invoice:- see GST Act s 29-10(3)(b).

## **TAX INVOICE FORMALITIES**

12. The requirements of a valid tax invoice are set out in GST Act s 29-70. Those requirements, applied to Eastwin’s circumstances, are that the document must:-

- (a) have been issued by Eastwin’s gold dore supplier

- (b) be in the approved form (in effect, comply with GSTR 2013/1 by containing the information required by s 29-70), and
- (c) contain information permitting the clear ascertainment of
  - (i) the supplier's identity and ABN
  - (ii) Eastwin's identity or ABN
  - (iii) the thing supplied, including its quantity and price
  - (iv) the extent to which the supply is taxable
  - (v) the date of issue
  - (vi) the applicable GST amount
  - (vii) an intention that the document is a tax invoice.

13. If a particular document does not satisfy the tax invoice criteria

- (a) a taxpayer recipient may treat it as a tax invoice, if all the missing information can be clearly ascertained from other documents the supplier has provided to the taxpayer:- see GST Act s 29-70(1A);
- (b) the Commissioner may exercise a statutory discretion to treat it as valid tax invoice: see GST Act s 29-70(1B).

14. As I note in paragraph 17 below, the Commissioner conceded it would be appropriate to exercise that discretion, if the Tribunal was satisfied Eastwin had in fact made the creditable acquisitions it claimed.

### **EASTWIN'S CONTENTIONS**

15. Eastwin challenged the July objection decision on the basis of two primary contentions. They were (i) that it had made creditable acquisitions and (ii) that it held valid tax invoices for them. Various specific propositions elaborated on those primary contentions, and involved the following submissions:-

- (a) **real transactions**:- Eastwin's evidence (the various invoices and witness testimony) established that Eastwin had in fact acquired "scrap gold", on sold it to various customers, and then received and made substantial payments. The fact (or possibility) that Eastwin's supplier did not discharge their GST liabilities provided no basis to impugn the reality of Eastwin's core purchase transactions.
- (b) **taxable supply**:- The supplier of Eastwin's various car park collections of "scrap gold" (irrespective of their proper identity) would at least have been "required to be registered" - essentially because every such collection inherently involved a supply "of a commercial nature" and no collection involved "scrap gold" priced at less than \$75,000.
- (c) **consideration for taxable supply**:- Eastwin's bank accounts record the receipt and payment of substantial amounts, consistent with the various purchase and sale invoices. The payments evidence Eastwin providing consideration for the "scrap gold" supplied, irrespective of whether or not they were made to the actual supplier – because they were made in accordance with the supplier's instruction.
- (d) **creditable purpose**:- Eastwin acquired "scrap gold" (not input taxed "precious metal" – see GST Act s 40-100 & 195-1), for the purpose of profitable on-sale as part of a series of business activities.
- (e) **correct quarterly attribution**:- Eastwin's bank accounts evidence the date of its payments and establish the reporting quarter to which they apply. At the time Eastwin lodged each quarterly BAS (apparently in May, August and November 2014) it held related tax invoices.
- (f) **tax invoice intention**:- Each invoice was headed "Tax Invoice".
- (g) **the thing supplied including quantity and price**:- Each invoice described the goods supplied as "scrap gold" and set out its quantity and price.
- (h) **supplier's identity**:- Eastwin's supplier was / were "Jin Fan" and "Oz Group" – both being entities that Mr Wang believed were associated with "Mr Li". The names of those suppliers were clearly stated on the respective purchase invoices.
- (i) **Eastwin and supplier's ABN**:- All the purchase invoices contained Eastwin's ABN. The Jin Fan (Shen Zhen) invoices (see paragraph 5 above) all contained an

ABN that had not been cancelled until 28 April 2014, and was thus valid when Eastwin received those invoices. The ABN was that of a company with a similar name to Jin Fan (Shen Zhen). The Oz Group invoices correctly stated that entity's ABN.

16. Eastwin advanced two alternative or secondary submissions:-

- (a) if the Tribunal was not satisfied that the various purchase invoices were tax invoices, but accepted that Eastwin had made creditable acquisitions, the Tribunal should exercise the discretion in GST Act s 29-70(1B) – and nevertheless treat all those documents as tax invoices;
- (b) if the Tribunal was not satisfied that Eastwin had made any creditable acquisition, it should also determine that it had no GST liability in relation to its own sale invoices. This was because either (i) dissatisfaction about the reality of Eastwin's acquisitions would correspondingly preclude satisfaction about the reality of its sale transactions, or (ii) a finding that Eastwin's acquisitions were not "creditable" – because they were acquisitions of input taxed precious metal (as one of the Commissioner's arguments hypothesised), would correspondingly preclude satisfaction that its own sales were of gold dore, and thus constituted a "taxable supply".

## THE COMMISSIONER'S CONTENTIONS

17. The Commissioner's final submissions disputed that any of Eastwin's purchase invoices was a valid tax invoice for the purposes of GST Act s 29-70, but conceded that invalidity would not defeat Eastwin's input tax credit entitlement – if the Tribunal was otherwise satisfied Eastwin had made "creditable acquisitions". The Commissioner's submissions then advanced a number of reasons why the Tribunal could not be so satisfied. Those reasons were set out at length. But they condense into a number of specific propositions.
18. ***Burden of proof & inadequate evidence of dore supply***:- Eastwin's case was said to depend critically on acceptance of Mr Wang's evidence about what he collected from Mr Song in the car park deliveries. The Commissioner contended that unless Mr Wang's evidence was accepted Eastwin could not discharge the onus of proof imposed on it by the *Taxation Administration Act 1953* ("TAA 53") s 14ZZK. The Commissioner said that

Mr Wang's evidence, that he acquired gold dore, was not credible and should not be accepted – for various reasons, that can be summarised as follows:-

- (a) ***improbable delivery circumstances***:- Mr Wang's evidence of a regular series of night time "car park" deliveries, arranged only by electronic messaging, and made by people for whom he had no contact details, and with whom (on his own account) he had lost contact since early 2015, was implausible and improbable. It was particularly improbable in the light of Mr Wang's evidence that he never weighed the gold he received, was never required to pay or provide security for the gold delivered, and was provided with invoices only after he had sold the gold.
- (b) ***invoice anomalies – purported issuer***:- None of the entities referred to on the purchase invoices (whether by name or ABN) was likely to have supplied any gold dore. In particular (i) Mr Wang never alluded to the Jin Fan (Shen Zhen) invoices during either of the July and August 2014 interviews, and (ii) the Oz Group invoices dated before its 1 April 2014 incorporation were clearly contrivances. Many of the later Oz Group invoices were known to have been prepared by a Mr Yang. He is a person known to be associated with New Access – rather than with any of the suppliers claimed or suggested by Eastwin. (Those invoices are noted in Schedule 1 to these reasons – see column F.)
- (c) ***invoice anomalies – dates and quantities***:- The purchase invoices do not reflect the date when Eastwin's purchasers paid money into its bank account, or even the date of Eastwin's own sale invoices. None of the Eastwin purchase invoices state the weight of the dore itself – as distinct from purporting to state the weight of the actual gold content. The consistent use of such a weight in the purchase invoices was inconsistent with an actual supply of gold dore bars. This was because, on Mr Wang's own evidence, the dore bars he said he acquired varied substantially in purity, and apart from a few initial instances, neither he nor Mr Song ever tested them. Furthermore, Eastwin's sales invoices (at least those dated between January and early June 2014) showed "gross" and "estimated" weights – which Mr Wang said (at one stage of his oral evidence) referred respectively to (i) the actual weight of the dore bar(s) and (ii) the estimated weight of their actual gold content. However, comparison of the "gross" and "estimated" weights recorded on those invoices showed that the "estimated weight" was consistently 97.09% of the stated "gross" weight. This kind of invoicing practice was inconsistent with Mr Wang's

claims that he acquired, and simply sold on, dore bars that varied in purity across a range from 85% to 97%, and were most often only about 90% purity.

(d) ***invoice anomalies – quantities and absence of complaint***:- All of Eastwin's sales invoices described the items sold as "mixed size and grade dore bars" – with specific "gross" and / or "estimated" weights. After mid June 2014, but not entirely consistently, Eastwin altered the format of its sales invoices to record only the "gross" weight or the "pure" weight of the dore bars it sold. The "pure" weight, Mr Wang said, represented the actual gold content in the dore bars, and had been given to him by "Mr Li". He also discounted the significance of the "gross" weight shown on Eastwin's sales invoices. He said it was unimportant – because his customers were only interested in the gold content. He had included it on the invoices "in a hurry" and it had merely been calculated using the 97% originally reported to him by Mr Song. The identification, and inclusion on the sales invoices, of such specific weights for the gold content of dore bars was highly unlikely to be accurate – given the range of gold purity that Mr Wang said typified the dore bars he acquired. Consistent with that unlikelihood, after early September 2014, the Eastwin sales invoices included only an "Estimated Pure Weight". On the other hand, Mr Wang's evidence was that almost none of his customers ever complained about variation in the gold content of what they acquired. This combined apparent precise statement of gold content, absence of complaint, and Mr Wang's denial that he processed any dore bars (so as to create products of a consistent purity), was inconsistent with the credibility of Mr Wang's claim that he actually acquired gold dore bars of the kind that he claimed.

19. ***No taxable supply – inadequate evidence of what was supplied***:- Allied to the contention that the purchase invoices were unreliable evidence of what had been supplied, and to the various irregularities concerning the identification of Jin Fan and Oz Group, the Commissioner contended that the invoices were sham documents.
20. ***No taxable supply – registration***:- Eastwin, unable to establish the identity of its dore supplier, had to rely on the proposition that the supplier, irrespective of their identity, was required to be registered for GST. The Commissioner contended that Eastwin could not establish that registration requirement – because (i) there was no evidence that the payments to New Access were "in connection with" the dore supply (see GST Act s 9-15)

– and thus no basis for finding that the supplier had a GST registration threshold turnover, (ii) there was no evidence that the supplier was carrying on an enterprise (see paragraph 21 below), and (iii) insufficient evidence to establish that the supplier provided dore, rather than bullion, which was “input taxed” and excluded from GST turnover for the purposes of any registration requirement: see GST Act ss 188-10(2), 188-15(1)(a) & 188-20(1)(a).

21. ***No taxable supply – no enterprise***:- The absence of evidence about the real identity of the supplier of each of Eastwin’s contentious gold dore deliveries precluded satisfaction that any such supplier conducted an “enterprise” for the purposes of GST Act s 9-20. The essence of the concept of enterprise was said to be an activity in the nature of trade. The Commissioner contended that satisfaction about the “enterprise” activity of Eastwin’s supplier(s) would require evidence of some profit making purpose to its activities. But there was said to be no such evidence, and indeed the generation of a trading profit seemed improbable, because Eastwin paid New Access the whole amount of each of the “supplier” invoices.
22. ***No taxable supply or acquisition – no consideration***:- Eastwin has not provided any basis for characterising the payments to the New Access bank accounts as having been made “in connection with” the supply of gold dore – so as to satisfy the requirement of GST Act s 9-15. Whilst a directed payment made to a third party may satisfy the necessary “connection” requirement, there was said to be no evidence that the purported supplier knew the payments were being made to New Access. There was also said to be no evidence to explain any link between the bullion supplied by New Access, and the car park deliveries to Eastwin, to provide a basis for inferring the existence of, or the relevant payment direction by, an intervening acquirer of the bullion.
23. The Commissioner further contended, in response to Eastwin’s alternative submission (see paragraph 16(b) above), that absence of satisfaction Eastwin had made a “creditable acquisition” did not warrant the corresponding conclusion it had made no taxable supply. The Commissioner’s submissions hypothesised that Eastwin could feasibly and practicably have supplied dore or scrap gold to its customers, even if its contentious acquisitions had been of input taxed precious metal. (I address this matter in paragraph 82 below.)

## THE REAL TRANSACTION ISSUE

24. Eastwin's submissions accepted that the evidentiary onus imposed on it by TAA 53 s 14ZZK required it to establish, on the balance of probabilities, that its asserted purchases and sales of gold dore were real transactions. That reality is not sufficiently established either by the invoices themselves:- see *Bayconnection Property Developments Pty Ltd and Commissioner of Taxation* [2013] AATA 40; (2013) 90 ATR 488 at [86] and *RV Investments (Aust) Pty Ltd as Trustee for the RV Unit Trust and Commissioner of Taxation* [2014] AATA 158; (2014) 94 ATR 670 at [72]; or by a taxpayer's accounting records:- *Richard Walter Pty Ltd v Commissioner of Taxation* (1996) 67 FCR 243 at 247 per Lockhart J. Nevertheless, invoices may provide part of the evidence establishing the reality of the underlying transaction, and Eastwin relied on them. This involved Eastwin in grappling with two main factual questions – (i) who was its supplier, and (ii) what was delivered to it.
25. Eastwin ultimately contended that its suppliers were "Jin Fan" and "Oz Group". This contention glosses over some significant facts. Those facts relate to (i) the nature of those two entities, (ii) the circumstances of Oz Group's incorporation, (iii) the form of the March 2014 purchase invoices, (iv) other anomalies in the purchase and sale invoices, and (v) the fact and circumstances of the payments made to New Access. I deal with each of those matters in the following paragraphs of these reasons.
26. **Jin Fan**:- Eastwin's reference to "Jin Fan" as its supplier conflates the distinction between Jin Fan (Shen Zhen) and Jin Australia Pty Ltd. As to the former, there is evidence that no such entity ever had an ABN, and no evidence that any such entity ever existed. (Indeed, Mr Wang conceded he had not been able to substantiate the existence of any such entity.) As to the latter, its only director and shareholder was a person (Xiaoxia Jin) with an address in Vermont, Victoria. There is no evidence (and neither the partial similarity of name, nor the use of its ABN on invoices, is any such evidence) linking it to either Jin Fan (Shen Zhen), Mr Li, Mr Song or indeed, any of the gold deliveries asserted by Mr Wang. Moreover, if Jin Australia in fact had any relationship with "Mr Li" and was the actual supplier of any of the gold, there would have been no reason for it to have sought voluntary deregistration in early April 2014, and no reason for its invoices to have been replaced by Oz Group invoices – in the light of the facts that it (unlike Oz Group) (i) had been incorporated before any of the March 2014 quarter deliveries, and (ii) it had been

registered for GST (until 28 April 2014). Eastwin has not established that Jin Australia was its supplier.

27. **Oz Group**:- Oz Group was only incorporated on 1 April 2014. It cannot have been the supplier of any gold that may have been delivered to Eastwin before that date – as Eastwin had expressly conceded in earlier submissions. The only Oz Group director and shareholder was a person (Xuan Zhang) with a residential address in Artarmon, NSW. That address was also recorded as the company's principal place of business. In addition, Oz Group's recorded category of business was "textile product wholesaling". On the other hand every Oz Group invoice contained a Brisbane city office address. There is nothing (apart from the invoices) to connect either that person, or Oz Group itself, with Jin Fan (Shen Zhen), Mr Li, Mr Song or Mr Wang and Eastwin. Indeed, the fact that Oz Group could not have been the supplier of gold delivered before 1 April 2014, and was never registered for GST, provides at least some additional basis for absence of satisfaction that it was the supplier of the gold Mr Wang claims Eastwin collected in the asserted car park deliveries. For all these reasons, Eastwin has not established that Oz Group was its supplier.
28. **Identity and ABN – March quarter invoices**:- The criteria for a tax invoice include the requirement that the document contains information permitting both the supplier's identity and ABN to be "clearly ascertained". In relation to the March 2014 quarter invoices (a) no supplier was identified in the Jin Fan (Shen Zhen) invoices – because no such entity existed, and (b) the ABN stated on the invoice simply could not be ascertained to be that of the supplier. These matters provide additional reasons for concluding that Eastwin has not established who its asserted supplier was.
29. **Other anomalies in the purchase and sale invoices**:- I have referred earlier (in paragraphs 18(c) and (d)) to the Commissioner's various complaints about the form of the purchase invoices. The summary of the Jin Fan (Shen Zhen) and Oz Group invoices set out in Schedule 1, together with the other information the Schedule details, reveals a number of matters which tend to substantiate the Commissioner's criticisms. In particular:-

- (a) None of the purchase invoices described the supply of “scrap gold” (the expression used in Eastwin’s submissions) or even the weight of the gold dore bars to which they are purported to relate.
- (b) Every invoice described the thing supplied as a single (ie “Quantity – 1”) “dore metal bar”, with a specific gram weight of gold. Given Mr Wang’s evidence about the typical size, and variable purity, of the dore bars he said were delivered (see paragraph 39 below), this description could not have been accurate. Eastwin’s asserted car park deliveries ranged in weight from 3kg to about 85kg. This means that any particular delivery would have involved at least one dore bar, and may have involved more than 40. Those bars would have varied in purity – to the extent Mr Wang acknowledged in his evidence (see paragraph 40 below). A consequence of the inaccuracy of the invoice description, given the likely quantities of dore bars involved, is that the information in the purchase invoices could not have provided a basis for Eastwin to determine the gold content of the smaller gold quantities that were the subject of its various sale invoices. (Eastwin’s asserted purchases were typically the subject of at least three, and sometimes as many as eight, sale transactions involving quantities ranging from about 4kg to 14kg; - see **Schedules 2.1 to 2.3 Eastwin sales invoices - columns H to K..**)
- (c) In the March 2014 quarter, the purchase invoices were typically dated after the first of Eastwin’s, apparently corresponding, sale invoices. Rather more surprisingly, the invoice dates often preceded the date of the price confirmation purportedly provided by “Mr Li” in email exchanges with Eastwin. Another surprising circumstance is the fact that whilst those exchanges reveal Mr Wang requesting confirmation for the sale of a specific weight of gold, they do not evidence any earlier communication from “Mr Li”. In particular, they do not evidence any communication in which “Mr Li” quantified the amount of any gold likely to be available for delivery. Most surprising of all, there are instances where the supposed date of “Mr Li’s” confirmation is later than the date Eastwin transferred payment to the New Access bank account. Examples of these instances are Items 9, 12, 13, 15, 17, 18 & 19 in Schedule 1. (I comment further on this matter in paragraph 36 below.)

(d) In contrast to the trend evident in the March quarter, in the June and September 2014 quarters, the date of the purchase invoices typically preceded, occasionally by several days, the date of the first of Eastwin's, apparently corresponding, sale invoices. In further contrast to the March quarter, Eastwin did not provide a single instance of any "confirmation" by "Mr Li". Eastwin did however provide some translations of emails which it claimed to have sent requesting confirmation of particular proposed transactions. Those requests, like those referred to in the preceding paragraph, appear to contain the first documented statement purporting to describe the weight of the gold to be delivered. They also uniformly refer to the total weight of the delivery, and do not detail the individual "on sale" transactions that Mr Wang claimed he would typically have arranged beforehand. (I also comment on some of these instances in paragraph 36 below.)

30. There was good reason (at least as a matter of ordinary and prudent commercial practice) for the purchase invoices to have accurately described and quantified the actual things being delivered. It would also have been practicable, and ordinary, prudent commercial practice, for the invoices to have been provided, and at the very least been dated, when each supposed car park delivery occurred. The persistent inaccuracy in the quantity of dore bars, and the apparent idiosyncrasy in the dating, and the provision, of the supply invoices is inherently surprising. It adds to the reasons to doubt the authenticity of the invoices, and the true nature of the supply they purport to describe.

31. There are a number of curiosities about the time when Eastwin actually received the purchase invoices. As I noted in paragraph 3 above, at the July 2014 interview Mr Wang referred only to invoices from Oz Group. On Monday 14 July 2014 an ATO officer emailed Mr Wang a request that he provide "[a] couple of invoices issued to you from Oz Group". On Thursday 17 July 2014 Mr Wang replied that he was busy with meetings, had not brought the invoices with him, and would provide them later. The following day, 18 July 2014, Mr Wang sent three portable document format Oz Group invoices that he described as "randomly selected". Those three invoices are the May and June invoices listed as No's 34, 44 & 47 on Schedule 1 and, as the Schedule records, had in fact been created by Mr Leo Yang on 16 and 17 July 2014:- see Schedule 1, column F.

32. Subsequently provided purchase invoices, when read with other email communications proffered by Mr Wang, establish beyond doubt that there were significant delays, and

some discrepancies, in the purchase invoices Eastwin said it had received. This is relevantly demonstrated by reference to various dated communications – as follows:-

- (a) **14 April 2014**:- Mr Wang produced an email addressed to “Mr Li”, pointing out some irregularities in the Jin Fan (Shen Zhen) invoices, and asking for their replacement.
- (b) **18 April 2014**:- Mr Wang received 15 invoices by email from the Oz Group email address.
- (c) **24 April 2014**:- Mr Wang received a further three invoices by email from the Oz Group email address.
- (d) **30 April 2014**:- Mr Wang sent an email to “Mr Li” at the Oz Group email address, acknowledging receipt of replacement emails. The email listed a further seven invoices that were said to be outstanding. (They were the invoices listed as No's 19 to 24 & 26 on Schedule 1, but did not include the invoices dated 28 and 29 April 2014 – No's 25 & 27 on Schedule 1.)
- (e) **9 May 2014**:- Mr Wang sent a further email to “Mr Li” complaining that 15 listed invoices had still not been sent. (They were the invoices listed as No's 23 to 37 on Schedule 1 – and thus included, unrealistically, invoices dated after 9 May 2014.)
- (f) **12 June 2014**:- Mr Wang sent a further email to “Mr Li” at the Oz Group email complaining that 13 listed invoices had still not been sent. (They were the invoices listed as No's 25, 28 and 32 to 42 on Schedule 1.)
- (g) **13 to 18 June 2014**:- Eastwin received emails from Oz Group attaching 18 separate purchase invoices. Inexplicably, a 17 June 2014 email purported to attach an invoice dated 15 May 2014 (ie Item 34 on Schedule 1 – an invoice that was apparently not created until 17 July 2014 – see paragraph 31 above).
- (h) **15 July 2014**:- Oz Group sent Mr Wang an email complaining that “you do not pay for items which you pick up on 10th July ... please pay the invoices ASAP.”
- (i) **18 July 2014**:- (as I noted in the previous paragraph) Eastwin sent to the ATO three Oz Group invoices (including the 15 May 2014 invoice listed as Item No 34 on Schedule 1) that had been created by Mr Leo Yang on 16 and 17 July 2014.

(Mr Wang agreed that these were sent to him in response to a specific request he made – though he claimed it was one he made to “Mr Li” rather than to Mr Yang.)

- (j) **18 July 2014**:- Oz Group sent Mr Wang an email with a tax invoice attachment described as “Tax Invoice 0224.p...”
- (k) **14 August 2014**:- Oz Group sent Eastwin various emails with a total of 15 tax invoice attachments. Those attachments, all apparently created by Mr Leo Yang, relate to the invoices listed as Items 57 to 71 on Schedule 1 – with the exception that the attachment allocated, to the Item 69 invoice, the non-existent date “31 June 2014”.
- (l) **21 August 2014**:- Oz Group sent Eastwin a further email, with six tax invoice attachments. Those attachments, again all apparently created by Mr Leo Yang, relate to the invoices listed as Items 72 to 77 on Schedule 1. That sequence completed the invoices dated prior to Mr Wang’s 22 August 2014 ATO audit interview, at which he presented copies of all the Oz Group invoices.

33. A number of observations can be made in the light of the events listed in the previous paragraph. The first is that Eastwin probably did not receive any Oz Group invoices until 18 April 2014, at the earliest. The second is that Oz Group provided invoices sporadically, and typically long after the purported transactions to which they related. Thirdly, whilst the 9 May 2014 email, purportedly listing outstanding invoices, suggests some degree of contemporaneity in following up invoices, it is difficult to accept as a genuine document. The difficulty is that it purports to request invoices for later dated transactions. A possible explanation for this obvious anomaly is that the email was wrongly dated – and was perhaps written in June 2014. But it is not easy to see how, given the apparent automatic software dating of emails, such a misdating could have occurred. Fourthly, the 9 May 2014 and 12 June 2014 emails, even taken at face value, tend to confirm Oz Group’s tardy provision of invoices. And that impression of indifference to the prompt and accurate documentation of transactions involving millions of dollars, provides yet another reason to be dissatisfied about the authenticity of the proffered invoices. Fifthly, the July and August 2014 creation of Oz Group supply invoices by Mr Yang, apparently prompted by ATO enquiries, and completed shortly before Mr Wang’s 22 August 2014 ATO audit interview, suggests a degree of collaboration between Mr Wang and Mr Yang.

34. That suggestion is given additional credibility by the 15 and 18 July 2014 emails. The first email complains about non-payment for gold that had been picked up without payment the preceding week. This was an obvious reference to the complaint that had prompted the ATO's 14 July 2014 interview:- see paragraph 3 above. But it is not at all apparent how that matter came to the attention of Oz Group. Neither is it apparent why Oz Group should be requesting payment of invoices – when Mr Wang's evidence (and the events summarised above) indicated that the supplier invoices were typically not provided until long after payment had been made and the purported transactions all completed. Finally, the fact that Oz Group sent Eastwin an email on 18 July 2014 with a copy of "Tax Invoice 0224.p..." is very peculiar. That style of tax invoice reference corresponds with Eastwin's own sales invoicing practices, rather than the numbering style of the supposed Oz Group supply invoices. The fact of that communication suggests that Oz Group, in particular Mr Yang, had copies of the Eastwin invoice, and that there was a relevant and close connection between Eastwin and Mr Yang. The significance of that suggestion is highlighted by the fact that Eastwin's tax invoice 224 was dated 8 July 2014 and that Mr Wang telephoned Mr Yang on five occasions on 7 and 8 July 2014 – calls Mr Wang could not explain. It is further highlighted by an understanding of the reality of the payments that Eastwin made for its contentious gold dore supplies. I refer to that matter later – starting in paragraph 62.
35. I referred in paragraph 29(c) above to some surprising aspects of the "confirmation" email correspondence between Eastwin and "Mr Li". One of the confirmation emails that Mr Wang included in the documents lodged with his assessment objection was a 10 January 2014 email confirmation request relating to the first purchase invoice. The translation of that email was the subject of evidence in the course of the hearing, and revealed that a material part of the request included the words "I can confirm I would be able to receive it" – the "it" being the "pure" gold weight later included in the invoice. This translation was relied on as clarifying that, at the time of the request, Eastwin had not yet received the gold. However, the justification for attaching any significance to that "clarification" is removed by examination of other such emails, and contrasting their contents with the actual payment dates to which the purported request related.
36. The first such examination involves Items 9, 12, 13, 15, 17, 18 & 19 in Schedule 1. Translations of the confirmation requests for those transaction items typically included a statement to the effect that the gold was now "ready to be received". The second

examination applies, at least, to June 2014 quarter Items 58 and 71, whose confirmation requests contained similar wording. In every case Eastwin appears to have paid the invoice before receiving any confirmation. More significantly, it seems to have sent its confirmation request – with the announcement that the gold was “ready to be received” – on the same day that it in fact received payment from its customers, delivered the gold to them, and transferred payment to the New Access bank account. In at least one instance (see Item 71) Eastwin purported to request confirmation days after it had delivered the gold to its customers and made the payment to the New Access account. These various propositions are apparent from the details in the following Table.

Item	Invoice	Inv Date	Confirmation		P'ment Date
			Request	Response	
9	20140212	12-Feb-14	12-Feb-2014	17-Feb-2014	12-Feb-14
12	20140218	18-Feb-14	18-Feb-2014	4-Mar-2014	24-Feb-14
13	20140224	24-Feb-14	24-Feb-2014	4-Mar-2014	25-Feb-14
15	20140305	05-Mar-14	5-Mar-2014	13-Mar-2014	5-Mar-14
17	20140319	19-Mar-14	19-Mar-2014	27-Mar-2014	24-Mar-14
18	20140322	22-Mar-14	22-Mar-2014	27-Mar-2014	24-Mar-14
19	20140324	24-Mar-14	28-Mar-2014	31-Mar-2014	28-Mar-14
58	20140712	12-Jul-14	23-Jul-2014	na	17-Jul-14
71	20140804	04-Aug-14	11-Aug-2014	na	11-Aug-14

37. The apparent contemporaneity of Eastwin’s typical confirmation emails (containing an announcement of Eastwin’s willingness to accept delivery) and payment by its customers is significant because Mr Wang’s evidence was that typical transactions involved (i) nocturnal gold deliveries by Mr Song in suburban car parks, (ii) customers picking up the gold from his office the following day, and (iii) customers paying for the gold before picking it up. This asserted typical pattern of sales transactions requires that the gold would already have been in Eastwin’s possession at least the night before any payment was made by its customers. But that requirement, applied to the timing summarised in the Table above, would dictate the conclusion that the “ready to be received” announcement in the confirmation emails was merely formulaic and cannot be taken at face value. Moreover, the existence of purported requests for confirmation about deliveries that had apparently already been made, and sale transactions that had been completed, removes any basis for confidence that the email confirmation requests themselves can be accepted as authentic. Indeed, the irregularities I have highlighted provide a sufficient basis for

dissatisfaction about two matters. They are (i) the underlying reality of any “confirmation” communication with “Mr Li” – or indeed, anyone; and (ii) that the dates of the confirmation requests provide a basis for determining the earliest possible date after which Eastwin could have obtained the gold, and made it available to its purchaser customers.

38. The Commissioner’s criticisms of Eastwin’s sales invoices, in particular their initial implicit adoption of a 97% purity in the description of the “weight” of the items involved, and their subsequent variable practices in the adjectival description of that “weight”, are borne out by the details summarised in Schedule 2: see Schedules 2.1 to 2.3 – columns H-K. The apparent precision in the actual gold content consistently asserted in each of the Eastwin sales invoices is difficult to understand – given Mr Wang’s evidence about the practices involved in the delivery of the gold he claimed to have obtained.
39. The delivery scenario Mr Wang described was one where “Mr Li” would message him the precise gold content of the gold he proposed to provide. Then, after Eastwin had arranged its various onsales to its own customers, the gold would be the subject of night time delivery in suburban car parks. In the course of the delivery process Mr Wang was required to sign some sort of receipt or acknowledgment, but was neither required to pay, nor provide any security.
40. As I pointed out in paragraph 3 above, in both his July and August 2014 interviews Mr Wang said that the gold dore bars varied in purity from 85% to 92%. Consistent with that evidence, during the July 2014 interview, Mr Wang produced three dore bars. They were photographed, weighed and tested at the time. In the course of his oral evidence Mr Wang confirmed that the three bars were typical of the dore with which he dealt. In particular, he said that the dore bars typically varied in weight between about 1 and 3kg – and sometimes were even smaller. They had a purity around 88% – as tested during the July 2014 interview. When challenged with the proposition that none of the dore bars had a gold content of 97% (ie the percentage implicit in Eastwin’s sales invoices until mid June 2014) he asserted that Mr Song’s initial delivery testing had indeed resulted in that level of reported purity. However, he then said that the purity of the dore bars he received varied between about 88% and 97% and that overall, most of the bars he received had a gold purity of around about 90%.

41. Against this background the precision in the actual gold content consistently asserted in the Eastwin sales is difficult to understand for a number of reasons. Firstly, the gold was supposedly delivered in dore bars, of variable number, size and purity. Secondly, the purchase invoices provide no basis for allocating gold content to any individual bars. Thirdly, there is no evidence (apart from Mr Wang's belated and unhelpfully vague assertion in his oral evidence in reply – see paragraph 42 below) that the gold content of individual bars, or even groups of bars, was identified and recorded at the time of the asserted car park deliveries. Fourthly, Eastwin never had any occasion to cut or smelt down and divide individual dore bars, in order to apportion any delivery accurately between the purchasers it claimed to have arranged. Fifthly, Eastwin's sales invoices, with their apparently accurate statement of gold content, were dated, and typically sent by email, before customers came to collect the gold.

42. Nevertheless, the accuracy of the sales invoices, in their declaration of the relevant gold content, is corroborated by the evidence of a lack of any significant complaint by Eastwin's purchasing customers. This invoice accuracy was apparently able to be asserted, and consistently maintained, throughout the whole nine months of operation covered by the contentious quarterly BAS. Moreover this accuracy was maintained notwithstanding that (i) all of Eastwin's sales involved "mixed size and grade dore bars", and (ii) the "mixed grade" involved dore bars that varied significantly in their gold content. This consistent accuracy means that Mr Wang probably knew the gold content of each of the dore bars he supplied to customers or, at least, he knew the gold content of the collection of dore bars supplied to each customer. But, as I have already pointed out, he could not have got that information from the purchase invoices, and there is only Mr Wang's belated evidence to suggest that Mr Li or Mr Song may have delivered the gold "split" into separate parcels for the ultimate customers. (That belated evidence, including his December 2016 witness statement (see paragraph 64 below) is not reliable for a number of reasons:- (i) it was not reflected in Mr Wang's 23 November 2015 statement of his "typical" transaction practice, (ii) it is inconsistent with his initial assertions that he obtained the gold before negotiating with his customers (see paragraph 6 above), (iii) it was not contained in Mr Wang's oral evidence about his "typical" transaction practice, and (iv) perhaps most important of all, it is not reflected in any of the "ready to be received" confirmation emails Mr Wang claims to have sent:- see paragraphs 35 – 37 above.) Conversely, if any of Messrs Yang, Song or Li had actually delivered to Mr Wang the "9999" gold which New Access treated as paid for by Eastwin's payments into its bank account (see paragraph 46 below), that gold

would have provided Mr Wang with a means of accurately determining the gold content of any dore bars created by smelting down the bullion.

43. In relation to the New Access invoice records Mr Wang submitted a spreadsheet that he said cross referenced all the New Access bullion sales invoices to "Mr Li Wei" with the Eastwin purchase and sales invoices. Mr Wang's submissions sought to explain the significance of this document. The submissions pointed out (i) the differences in the various amounts paid by (a) Easwin's customers, (b) Eastwin, and (c) New Access, and (ii) differences between (a) the "gold weight" specified in the New Access bullion invoices and (b) the (typically lesser) "estimated gold content" in the apparently corresponding Eastwin sales invoices. The essential submission was that the cross reference document showed that Eastwin had in fact acquired gold dore and had not modified its form or purity in any way.
44. The actual values shown in Mr Wang's spreadsheet analysis may not be the most accurate values to be compared with the New Access purchase invoices. (This is because of Eastwin's different practices in describing gold content in its sales invoices:- see Schedules 2.1 to 2.3. Nevertheless, the analysis does show that the gold content in the sales invoices was typically less than gold weight of the apparently related New Access bullion purchase invoices. Similarly, and in Eastwin's submission, more significantly, the gold content of the sales invoices matched the gold content of Eastwin's purchase invoices. It was this latter correspondence that appeared to provide the primary basis for Eastwin's submission that it had not undertaken any gold content variation process, and had merely onsold the dore bars Mr Song had delivered. Some support for this submission could perhaps be derived from the appearance that the "estimated gold content" in the Eastwin sales invoices (as recorded in the analysis document) do not correspond with mere numerical division of the total number of gold bars identified in the New Access bullion purchase invoices. (On the basis that the "odd" values in the Eastwin invoices were arguably consistent with either (i) some other source of the gold delivered to Eastwin, or (ii) "Mr Li" having "processed" the bullion in some way, before its delivery to Mr Wang.)
45. However, Mr Wang's spreadsheet analysis document is ultimately of little significance. Its argumentative force rests on the proposition that the estimated gold content in the Eastwin sales invoices was typically accurate, and corresponded with the gold content in

the contentious Oz Group supply invoices. That combination of (i) apparent accuracy, and (ii) correspondence between “supply” and “sale” quantities, does not provide any probative basis for satisfaction that Eastwin in fact acquired gold dore (ie gold not in the form of “precious metal”). Rather it provokes enquiry as to (i) how Eastwin could possibly have achieved that consistent accuracy of its sales invoices, without actual knowledge of the real gold content of the dore bars it sold, and (ii) the most likely source of that knowledge.

46. ***Payments to the New Access Investments Group Pty Ltd bank account:-*** All the payments Eastwin made in relation to its asserted purchase of gold dore bars were by way of transfer to a bank account operated by New Access. As I noted in paragraph 3 above, in his 22 August 2014 interview Mr Wang said that he got the bank account payment details from the “Oz Group” invoices. However, that statement cannot “have been true – for the obvious reason that Eastwin made many payments into the New Access account during January, February and March 2014, long before it received any of the Oz Group invoices. But it was repeated in Eastwin’s 20 February 2015 objection submission, and in a further (20 April 2015) response to the ATO. In the latter communication Mr Wang told the ATO, in response to specific questions, that (i) he was not aware payments had been made to New Access, (ii) he did not recall “Mr Li” asking him to make any payments to any third party, and (iii) neither his wife, nor any of his relatives had any direct or indirect relationship with New Access “for the gold acquired from Oz Group”. In a 27 July 2016 witness statement Mr Wang gave evidence of an undated discussion he said he had with Mr Zhou (to whom I refer I paragraph 59 below) some time apparently after the 22 August 2014 ATO interview. In Mr Wang’s account of that conversation, he claimed not to know any man called Yang, and to have been told about Mr Leo Yang, and New Access, by Mr Zhou. In the course of the present proceedings Mr Wang said that, prior to discoveries he subsequently made, before 2015 he did not know that Mr Yang owned New Access. These two latter statements were not accurate.

## **NEW ACCESS INVESTMENTS GROUP PTY LTD**

47. New Access was incorporated on 31 December 2013. It had one issued share and only one director – a Mr Tao (“Leo”) Yang. Despite that date Westpac’s records report New Access as having opened its bank account – the account shown on the Oz Group invoices

– on 18 December 2013. Mr Yang was the only signatory on the bank account. New Access issued numerous invoices – dated between 10 January and 24 September 2014 – to a Mr Li Wei. The invoices were for the purchase of gold bullion – typically in the form of 1kg bars, and often also including 100g and 50g bars. A connection between these purported purchase transactions by Mr Li Wei, and Eastwin's car park gold deliveries arranged by Mr Wen Fan Li is suggested by the fact of the bank account payments Eastwin made. The significance of that connection is underscored by (i) comparison of the timing, date and amount of the respective invoices issued by New Access and “Oz Group” – see Schedule 1; (ii) awareness of the sequence of events involved in some examples of the Eastwin and New Access purported transactions.

48. **Sequence 1:-** The first example of an apparently relevant sequence of events relates to Eastwin's initial acquisitions, and its first six sales invoices. That sequence of events involves the following events:-

- (a) **18 December 2013**:- Mr Yang opened the New Access Investments Group Pty Ltd a/c 032-028 // 35-7155.
- (b) **24 December 2013**:- Mr Wang made a \$1 “open access” transfer from Eastwin's a/c to the New Access Investments Pty Ltd bank account.
- (c) **27 December 2013**:- Mr Wang's \$1 “open access” transfer from Eastwin's a/c was credited to the New Access Investments Pty Ltd bank account.
- (d) **6 January 2014**:- Mr Wang's wife, and another person, each transferred a \$300,000 “investment” deposit into the New Access Investments Pty Ltd bank account – and New Access withdrew the total \$600,000 amount to purchase gold bullion.
- (e) **7 January 2014**:- The New Access bank account received further funds totalling \$580,000. Mr Wang made a \$2 “open access” transfer from Eastwin's a/c to the New Access Investments Pty Ltd bank account. The New Access bank account recorded the “open access” transfer. New Access then withdrew a further \$580,000 to purchase gold bullion.
- (f) **8 to 14 January 2014**:- Eastwin dated its first six sales invoices (at prices varying from \$40.71/gram to \$41.98/gram) for a total price of approximately \$2.83m. The

“dore” described in the invoices had a total weight of 61.9kg and an estimated gold content of 60.16kg.

- (g) **10 January 2014**:- New Access placed five orders with Bullion Club Australia for the purchase of approximately 31kg of “9999” gold – in a mixture of 1kg and 100g bars, at unit prices ranging from \$44.7/gram to \$45.9/gram.
- (h) **10 January 2014**:- Eastwin purportedly sent an email to “Mr Li” informing him that “the items you supplied before which is 30,485g” Eastwin could collect, and that “our quote for you is \$1,418,980”.
- (i) **13 January 2014**:- Jin Fan (Shen Zhen) and Oz Group addressed to Eastwin invoices bearing this date, and each describing the item sold as “1” “Dore metal bar AU content” and quantifying the respective gold content as 30,485g and 29,671g. The invoice amounts were \$1,427,460 and \$1,390,339.
- (j) **14 January 2014**:- “Mr Li” purportedly emailed Eastwin agreeing to the price quoted in the 10 January 2014 email.
- (k) **15 January 2014**:- Mr Wang’s wife increased her New Access investment amount to \$500,000.
- (l) **15 January 2014**:- New Access placed 4 orders with Bullion Club Australia for the purchase of approximately 30kg of “9999” gold – at unit prices ranging from \$45.03/gram to \$45.05/gram.
- (m) **15 January 2014**:- New Access issued an invoice to Mr Li Wei for the purchase of “9999” gold weighing 31,600 grams for a total cost of \$1,427,460.48 – an amount that reflected a unit price of \$45.17/gram, but corresponded (to the dollar) with the total of Eastwin’s first purchase invoice (relating to an item described as “dore metal bar AU content 30,485g”). (New Access likely also issued a further invoice (for \$1,390,339) – although it was not contained in the invoice sequence placed in evidence.)
- (n) **15 January 2014**:- Eastwin purportedly sent an email to “Mr Li” informing him that “the items you supplied before which is 29,671.49g” Eastwin could collect and that “our price for you is \$1,394,510”.

(o) **15 January 2014**:- Eastwin received bank account transfers totalling approximately \$2,826,252 (representing payment of its first six sales invoices) and immediately transferred \$1,427,460 (the amount of its 13 January 2014 purchase invoices) and \$1,390,339 (the amount of its 15 January 2014 purchase invoices) into the New Access bank account. (Eastwin thus withheld about 0.3% of the total payments it had received.) New Access immediately made nine separate bank account transfers (totalling \$1.416m + \$1.379m = \$2.796m) in obvious payment of the orders it had placed with Bullion Club Australia.

(p) **15 January 2014**:- New Access paid \$2,250 to Mr Wang's wife in relation to a completed transaction.

49. **Sequence 2**:- Subsequent comparison of the bank account transfers and the New Access invoices shows a continual pattern where the amount of the invoices New Access issued to Mr Li Wei for specific quantities of "9999" gold were issued at about the same time, and for typically the same dollar amount, as Eastwin's various purchase invoices:- see Schedule 1 – columns E, K, AA & AB. A further example highlights the sequence of events:-

- (a) **8 May 2014**:- Oz Group dated a tax invoice addressed to Eastwin for the sale of "1" "Dore metal bar AU content" and quantified the gold content as 85,201g, for a total price of \$3,968,611.
- (b) **8 to 14 May 2014**:- Eastwin dated its eight sales invoices (No's 117 to 124) (at prices varying from \$41.24/gram to \$41.30/gram) for a total price of \$3,987,269. The "dore" described in the invoices had a total weight of 87.57kg and an estimated gold content of 85.3kg.
- (c) **12 May 2014**:- New Access placed nine orders with Bullion Club Australia for 787 100g bars of "9999" gold with a total weight of 78.7kg
- (d) **16 May 2014**:- Eastwin received payment (by bank transfers into its account) for its invoices 117 to 124. On the same day it transferred \$3,968,611 into the New Access bank account (ie Eastwin withheld about 0.46% of the total payment it had received).

- (e) **16 May 2014**:- New Access transferred out of its account \$3.942m in respect of a payment for “D20140516” – a code likely to indicate a “9999” gold delivery, or statement of account, dated 16 May 2014.
- (f) **16 May 2014**:- New Access paid \$1,680 to Mr Wang’s wife in relation to a completed transaction.
- (g) **17 May 2014**:- New Access dated an invoice to “Mr Li Wei” for 88kg of “9999” gold for a total price of \$3,968,610.80 (exactly matching the Oz Group sale invoice to Eastwin) and reflecting a unit price of \$45.09/gram.

50. When that pattern of activity (both invoicing and payments into the New Access bank account) is taken into account, and combined with the evidence of Mr Yang’s creation of at least some of the Eastwin purchase invoices, there is yet further basis for dissatisfaction that the uncontactable Messrs “Li” and “Song” were involved in any of the car park deliveries, and that the Eastwin purchase invoices reflect the reality of its gold acquisitions.

51. Dissatisfaction about those matters is fuelled by further considerations – namely (i) Mr Wang’s “open access” bank transactions into the New Access account, (ii) his unreliable disclaimer of any business dealings with Mr Yang, (iii) Mr Wang’s wife’s substantial investment with “New Access”, and (iv) his insistence that he had no knowledge that New Access was involved in the gold industry. I will comment on each of those matters.

52. **The “open access” deposits**:- Eastwin’s two “open access” deposits on 24 December 2013 and 7 January 2014 were the subject of cross examination in the proceedings. In that evidence he initially agreed with the propositions that these were “test” transactions and, like a test he had asked his solicitor to carry out for the purpose of these proceedings, the reason for the test was to show that payments could be made to a numerically identified bank account, even if the person making the payment did not know, had the wrong name, or did not want to record, the correct name of the transferee’s account. Then he denied that he would ever have carried out such a test for that purpose. He suggested such test transactions were ordinary, and that his own customers had in fact carried them out. But that assertion was not borne out by Eastwin’s bank statements. Rather more importantly, and contrary to the explanations he had previously given (see paragraph 46 above), Mr Wang said that he had been told by “Mr Li” to link his bank

account with the payment account – so that “Mr Li” would be able “to receive it immediately or see the coming funds”. This explanation, which implies that “Mr Li” had given him the New Access / purported Oz Group bank account before the “test” deposits, was contrary to Mr Wang’s previous explanation that he had only obtained those bank details from the Oz Group invoices. That explanation was clearly wrong, indeed fanciful – given the fact that 18 April 2014 was the earliest date Mr Wang could have received any of those invoices. The fact that Mr Wang had initially proffered, and then persisted in, this fanciful explanation quite undermines confidence in the accuracy of his evidence.

53. ***Business dealings with Mr Yang***:- Mr Yang was also the sole director and shareholder of E-Young Investments Group Pty Ltd. Like the subsequently incorporated New Access, it purchased gold bullion and received substantial, unspecified, payments into its bank account. It appears to have funded its activities by “investments” from third parties, to whom its bank account records various payments. They included Mr Wang’s wife – who received payments in at least August and September 2013. One of those payments was the return of a \$500,000 investment on 2 September 2013. Mr Wang himself made two deposits to the E-Young bank account in September 2013 – neither of which he could explain, and which he insisted were not for any business purpose. But he offered no reason to explain why he would make a \$10,000 bank account deposit to one of Mr Yang’s companies, other than for such a purpose, and the second of his payments was described as making up for a trading loss. That particular payment suggested Mr Wang was well aware of the nature of the company’s activities. Indeed he described Mr Yang as a man who was well known in the Chinese community as a funds manager, and agreed that his own wife had invested \$500,000 in one of Mr Yang’s “funds”. He conceded that was a very big sum – for both himself and his wife – but he claimed to have no knowledge of the nature or purpose of the investment. He ultimately agreed that his own \$10,000 deposit was probably an investment – and one that he probably made on his wife’s advice.
54. Mr Wang later agreed with, the plainly irresistible, proposition that his wife had been an investor in New Access since shortly after its incorporation, and had received numerous payments from it – typically on the same day that Eastwin transferred funds to New Access. But Mr Wang insisted he had no knowledge of the nature and purpose of his wife’s investment, or the activities of New Access. In particular, he said he had no knowledge that New Access was involved in the gold industry. However, he later claimed,

when confronted with entries in his own bank account records for August 2013, that he himself had been an investor in the gold trading business that his friend Ethan had carried on, and which Eastwin had supposedly taken over. But he then clarified that this “investment” had involved buying gold from a bullion supplier and giving it to Ethan to trade. However, when he was further challenged to identify what his own actual personal investment in this bullion purchasing activity was, he was unable to do so. Indeed he acknowledged, and was unable to contradict, the proposition that the transactions in his personal bank account suggested that, as far back as July 2013, his own activities had involved trading gold, in exactly the same manner that Eastwin later carried on its activities.

55. ***Mr Wang's wife's investments & knowledge of New Access' activities***:- The history of Mr Wang's wife's investment in gold trading activities carried on first by E-Young Investments and later by New Access, is apparent from the details to which I have referred in previous paragraphs. Those investments were substantial. Mr Wang made his own investment in E-Young Investments, supposedly on his wife's advice. The \$0.3m and \$0.5m amounts Mr Wang's wife invested were, on his own admission, substantial. Mr Wang himself was familiar with the gold trading business carried on by his friend Ethan, and appears to have participated in it, as early as July 2013. He personally deposited funds to the E-Young Investments bank account to make up for a trading loss. He was well aware – despite the contrary assertion in his July 2016 witness statement (see paragraph 46 above) – of Mr Yang's supposed repute as a fund's manager. In July 2014, at a time of some controversy with Eastwin's sales, he made several phones calls to Mr Yang. When the totality of these considerations is taken into account, it stretches credulity, beyond limits I regard as reasonable, to accept Mr Wang's evidence that he did not know either about the nature of his wife's interest in New Access, or that New Access was an entity that traded in gold. The most basic curiosity and commercial prudence would have required some information about the nature of New Access' activities, and risks they involved and the basis of anticipated returns. Mr Wang was, on my assessment of his presentation as a witness, clearly a thorough, intelligent, articulate and commercially astute person. I do not accept as credible his disavowal of any real awareness of the activities of Mr Yang, and New Access.

## THE PROBATIVE VALUE OF THE PURCHASE INVOICES

56. The combined effect of the matters to which I have referred in the previous section of these reasons is to leave me dissatisfied that the contentious 93 purchase invoices listed in Schedule 1 are relevantly probative of the nature of Eastwin's gold acquisitions. And apart from the evidence of Mr Wang, there was no other evidence that bore directly on the nature of Eastwin's gold purchases.

57. The Eastwin sales invoices listed in Schedules 2.1 to 2.3 disclose that one of Eastwin's invoiced customers, after late March 2014, was Australian Coin Exchange Pty Ltd ("ACX"). Ms Katherine Prosser, who had some limited experience in working for a gold refining company, joined ACX on about 8 September 2014, and gave some evidence of Eastwin's dealings with her employer. According to the dates of the invoices listed in Schedule 2.3, those dealings involved, at most, about 15 transactions, and in all of them the sales invoices stated only an estimated gold content. Notwithstanding the limited direct involvement Ms Prosser had with the bulk of the sales transactions on which Eastwin relied, significant aspects of Ms Prosser's evidence were to the following effect:-

- (a) Eastwin supplied gold dore to ACX, and was the only one of its suppliers who could provide gold weights in the vicinity of 10kg.
- (b) Eastwin's gold dore was unusual, because it had been smelted, and allowed to cool, in a cylindrical crucible – rather than poured into a bar mould and allowed to cool.
- (c) Eastwin's cylindrical gold cylinders were difficult to test for gold quantity.
- (d) The only way to determine accurately the gold content of a dore bar was to refine it to "9999" purity and weigh the resultant gold.
- (e) Despite the unusual appearance, and the difficulty in testing, Eastwin's gold dore bars, they had generally contained a quantity of gold very close to the amount that Eastwin said it did. The only check she made of Eastwin's gold dore was to check the gross weight of the bars delivered.
- (f) Her recollection was that Eastwin's dore typically had a silver content, and was usually up to 5% silver.

- (g) After she told Mr Wang the gold weight that her clients wanted to buy, he would deliver the gold to her personally.
- (h) Some clients would personally inspect the gold, including checking the gross weight of the dore bars, before making payment and arranging collection.

58. Ms Prosser's evidence provided no direct support for Eastwin's evidence about its claimed purchases. In some respects it provided reason to question the reliability of Eastwin's claims. First of all, Ms Prosser's evidence confirmed the appearance of variability in the gold content of Eastwin's dore bars. Secondly, it confirmed that the purity of dore bars could only be accurately determined after refining. Thirdly it confirmed the general accuracy of Eastwin's gold content claims. Fourthly, it suggested that Eastwin provided information about, and that she and her customers checked, the gross weight of its dore bars – notwithstanding the absence of any evidence that those gross weights could be derived from either (i) the purchase invoices, or (ii) any of the Eastwin sales invoices (at least those dated after about mid June 2014). Finally, Ms Prosser's evidence suggested that Eastwin's dore bars had been produced in a rather unusual, not to say crude, manner.

59. ACX's principal was a Mr Simon Zhou. He gave evidence of his acquisitions of gold dore from Eastwin – apparently from the outset of its operations in early 2014. He described a process of dealing with Eastwin that typically involved the following:-

- (a) Mr Wang contacting him and telling him that a quantity of gold dore "has just come in".
- (b) After contacting his own customers, Mr Zhou confirmed the price and quantity of his purchase with Mr Wang.
- (c) Mr Wang delivering the gold to his office, where he would sometimes weigh and test the gold, but he later came to accept that the dore typically corresponded with Eastwin's gold content claims.
- (d) After ACX's early transactions with Eastwin, Mr Wang would deliver the gold dore and leave it with Mr Zhou, and accept later payment from ACX (when its own customers paid).

60. Mr Zhou's evidence in relation to his dealings with Eastwin was, like that of Ms Prosser, of no real significance in corroborating the asserted reality of Eastwin's purchase transactions. But also like Ms Prosser's evidence it tended to emphasise the consistent accuracy of Eastwin's gold content estimates. Estimates which, in the light of the evidence of both Ms Prosser, and Mr Wang himself, could not reasonably have proven to be consistently reliable, if what Eastwin had in fact purchased, and sold on without change to its customers, was the invoiced description of "mixed size and grade dore bars" – ie the consistent description used in its sales invoices – see Schedules 2.1 to 2.3 column G.
61. Mr Zhou's other relevance to the proceedings was that he had previously operated under the trading name "Bullion Club Australia" – to which I referred in paragraphs 48 and 49 above, as a supplier of bullion to New Access. He was also the chief executive of Australian Gold and Silver Exchange Pty Ltd ("AGSX"). That company provided gold bullion to New Access between June and December 2014. Mr Zhou confirmed that all the dealings with New Access involving either Bullion Club Australia, or AGSX, had exclusively involved the supply of gold bullion to New Access.

### **MR WANG'S EVIDENCE ABOUT THE PURCHASE TRANSACTIONS**

62. Eastwin's contention about the reality of its purchase transactions depends on the acceptance of Mr Wang's evidence, and its suggested corroboration by (i) the contents of the purchase and sale invoices, and (ii) the movement of funds recorded in its bank account statements. For the reasons I have set out earlier, the purchase invoices themselves are plainly inaccurate – at least in their description of the quantity of dore bars sold. In addition they were not provided contemporaneously with the delivery transactions and, in many instances, appear to have emanated from Mr Yang in the course of the ATO audit process. In those circumstances Mr Wang's evidence is critically important in evaluating Eastwin's claim to have purchased gold dore.
63. Mr Wang gave various accounts of the sequence of events usually involved in his acquisition and sale of gold dore bars:-
  - (a) ***the 2014 interviews***:- Mr Wang gave brief accounts of his delivery and sale practices in both his July and August 2014 interview. In the July interview he tended to convey the impression that he took delivery of the gold before negotiating with his customers and locking in prices. The contents of his August

interview were less detailed, but did include reference to the practice of at least some customers attending and weighing the dore bars before making payment and taking delivery.

- (b) **April 2015 additional information**:- In paragraph 6 above I referred to the additional information Mr Wang provided in support of his assessment objection. That information again suggested a sequence of events in which he would pick up the gold and customer prices would be fixed at a later time, typically when they came to pick up the gold.
- (c) **23 November 2015 witness statement**:- In this statement Mr Wang described what he said was the sequence of events involved in a typical Eastwin transaction. He would be notified by Mr Li about a delivery of gold. He would then message back asking for the delivery weight and the pick up location. After obtaining that information from Mr Li, he would then contact Eastwin's "customers". Once he had confirmed that Eastwin could on sell the gold, he would again contact Mr Li and give instructions for the delivery. After confirming the delivery time, Mr Wang would telephone his "customers" and advise them accordingly. He would pick up the gold – usually at a car park around 8 or 9:00pm, take it to his home, and then bring it to his city office the following day. (Shortly after the gold delivery Mr Li would email a tax invoice to Eastwin.) Eastwin's "customers" would collect the gold from his office on the same day. However, before they did so Eastwin provided them with a sales invoice, and they transferred payment into Eastwin's account. Once Eastwin received payment from its customers it transferred payment to the bank account nominated by Mr Li.
- (d) **21 April 2016 witness statement**:- In this statement Mr Wang adhered to his November 2015 description of the typical sequence of events involved in all of Eastwin's transactions. He described the gold delivered to him as being of irregular shape, sometimes cylindrical and sometimes rectangular, with varying levels of "gold and other compounds". He sold the gold, unchanged in form, to various customers. He claimed that customers did not weigh any of the gold dore bars when they picked them up – but did so when they returned to their own premises.

(e) **December 2016 witness statement:-** Mr Wang repeated the substance of his April 2016 witness statement about the form of the gold delivered to him. He said the closest description he could give of the appearance of gold was "like a rock or stone". It had become cylindrical in form around June or July 2014. He said that at the time of every delivery he was asked to sign a piece of paper that detailed his name, the pick up date, the pure weight and the number of pieces of gold. But he never thought it necessary for him to keep a copy of what he signed. He claimed that his customers did not weigh the gold when it was delivered, but they did later check the gold content.

(f) **cross examination evidence:-** At one point Mr Wang agreed that he "locked in" prices with purchasers after he received the gold. Indeed he explained that this was inevitably the case, because neither he nor the customers would know the weight involved until after the gold had been delivered. But he disputed that the dates of his sales invoices marked the last date by which he must have received the gold. He said he did the sales invoices in a hurry just before people came to pick up their gold. He suggested that the invoice dates related to when he first arranged a price with his customers. They did not relate to the date of payment – and were essentially unimportant. Despite that dispute about the potential significance of the invoice date, Mr Wang was taken to examples of various purchase invoices, payments and transport documents dealing with customer's collection of gold from his premises. He agreed with, but was unable to explain, an appearance that in some instances he had retained the gold for four or five days after receiving payment for it. In addition, he was taken to documents relating to a purchase invoice dated 4 June 2014 (see Schedule 1 Item 42). As the Schedule records it was the subject of sales invoices No's 167 to 172. Those six sales invoices were dated either 5, 6 or 10 June 2014. The purchasing customer for the invoices dated 5 June 2014 was a person Ms Prosser identified as someone who would attend personally to check the gold before agreeing on a price and accepting it. All the invoices were paid on 13 June 2014. After being shown the relevant documents, Mr Wang nevertheless insisted that he did not receive the relevant gold delivery until 12 June 2014.

(g) Later in his cross examination, when pressed to clarify his general practice in dating Eastwin's sales invoices, Mr Wang said he typically dated the invoices when

he “made the transaction” – an expression he used to describe the date when the customer agreed on a gold price (rather than the payment / collection date).

(h) Then when it was pointed out to him that this seemed to suggest that he had the gold for several days between the invoice date and the payment date, Mr Wang said (i) he was sure he only created the invoices when the customer came to collect the gold (or shortly before), but (ii) the sales invoices were always dated a few days before the payment transaction. He adopted this practice of arbitrary “back-dating” the sales invoices because his customer APM (see Schedule 2.1 Items 1 to 66) told him that was how it should be done. But he offered no explanation for that advice being given. And when he was asked why he did not use “the transaction date” for Eastwin’s invoices Mr Wang then said he now realised he should have done that, and that his practice in selecting a random date for his invoices was mistaken.

(i) Later in his cross examination Mr Wang was taken through the sequence of events relating to the first purchase invoice (Item 1 on Schedule 1) and his corresponding sales invoices (Items 1 – 3 on Schedule 2.1). In the course of so doing Mr Wang referred to his 10 January 2014 email (with its price confirmation and assertion that Eastwin would be able to receive the gold). He said that this would definitely have been a follow up of an earlier message from “Mr Li” about the amount of gold he could provide, and his own enquiries of prospective purchasers. After sending that confirmation to Mr Li, he would wait for instructions as to when to lock in the price. Once he got that confirmation he would re-contact his customers and ask them to lock in the price. (This would involve a total cost, based on the weight Mr Wang provided to them.) When he got the price from the customers he would then send it to Mr Li and get his confirmation. Mr Wang said that the confirmation would normally be sent by the QQ messaging application – rather than by email. Then he would have to wait for Mr Li’s delivery information. Once he picked up the gold, he would take it to his office the following day. His customers would then come to pay for and collect the gold. Normally it would be about four days after customers had “locked in” their prices that he would pick up the gold in one of the night time deliveries. In the case of this particular first delivery transaction, Mr Wang said he got confirmation from Mr Li on 14 January 2014, and issued the sales invoices on the same day. Mr Li would have given the delivery information the same day, and he would have collected it that night – based on the fact of the payments that were

made on the following day. He then said that the date on his sales invoices “might” reflect / “should be” the time of Mr Li’s initial supply message.

(j) **re-examination evidence**:- Finally in re-examination, Mr Wang gave evidence that he would message Mr Li with the number of customers he had, and the weights that each was prepared to take. Mr Li’s would then deliver the gold in the separate parcels reflecting the customer’s agreed quantity.

64. Mr Wang’s evidence about the details of his purchase transactions is inconsistent and unconvincing. There is a basic inconsistency in his explanations about the sequence of events relating to “locking in” the price with customers, and the timing of the gold delivery. In his initial dealings with the ATO he described a sequence in which prices were “locked” after the gold had been delivered. In his oral evidence, he gave a specific explanation as to why that was a necessity. This explanation was given in his early oral evidence, notwithstanding that in his December 2016 witness statement he claimed that the gold was delivered only after deals had been struck with customers, and that he requested the delivery of specific quantities, corresponding with the customers’ intended purchasers, from Mr Li. Later when cross examined with specific suggestions that he typically had the gold for several days before it was paid for and collected by customers, he insisted that he only kept the gold for a night after each delivery.

65. The inconsistency in Mr Wang’s evidence about the typical sequence of events in the gold delivery transactions detracts significantly from any confidence in the reliability of his evidence. Another significant detraction is the inaccuracy of the purchase invoices, their lack of contemporaneous provision to him, the evidence implicating Mr Yang in their creation, and the dubious authenticity of the email confirmation correspondence to which I have referred earlier in these reasons. Underlying all of those is the credulity required to accept the proposition that, as a sensible, prudent and reliable person, Mr Wang would have engaged in a legitimate series of purchase transactions, involving in excess of \$140m, without making the most rudimentary efforts to record accurately what he received, when he received it, what he sold, and when he contracted to sell it.

66. And, in a final emphasis on the credulity required to accept Mr Wang’s evidence, there is the difficulty created by three aspects of his evidence. The first is his failure to reveal to the ATO, at the outset, his claim that Jin Fan (Shen Zhen) was his supplier – and his

contrary claim that Oz Group was his sole supplier. The second was his fanciful claim to the ATO that he obtained the Oz Group bank account details from its invoices. The third was his initial disavowal of any knowledge of Mr Leo Yang. That claim was one which the details that emerged in Mr Wang's subsequent cross examination – specifically his knowledge of Mr Yang's repute, his wife's investments with E-Young and New Access, and his phone calls to Mr Yang in July 2014 – demonstrate was not reliable.

67. For all these reasons, I do not accept Mr Wang's evidence that he purchased gold dore, in the manner and circumstances that he claimed.

### WHAT DID EASTWIN ACQUIRE

68. Independently of any reliance on Mr Wang's testimony, Eastwin's evidence does establish, that it actually sold gold dore (ie, gold that was less than "99.5% fineness") during the contentious March, June and September 2014 quarters. That evidence comes from Ms Prosser, Mr Zhou and from the transport documents to which I referred in paragraph 63(f) above. The transport documents relate to gold collected from Eastwin's premises and, more specifically, deal with gold that Eastwin supplied to one of its customers. The transport invoices include a basic description of the goods, their weight and value. Those details can be analysed to determine that (i) the goods were almost always described by the carrier as "precious scrap metal", (ii) on two occasions (but with doubtful accuracy) the goods were described as bullion, and (iii) in the March to September 2014 period the goods' indicated \$ value per gram ranged from about \$28 to \$43, a value range that was inconsistent with them being either gold of "99.5% fineness", or gold dore of the typical purity Mr Wang claimed to have acquired. The analysis prompting those observations is outlined in a further Schedule to these reasons: see ***Schedule 4: Summary of Toll transport invoices.***
69. The fact that Eastwin did sell gold dore is at least consistent with it also having purchased gold dore. But it is not itself relevantly probative of dore purchases. In disputing the probative value of Eastwin's dore sales the Commissioner relied on a number of matters, in addition to the general unreliability of Mr Wang's evidence. Those four reasons were:-
  - (a) Eastwin's sales invoicing practices, with their precise statement of gold content, and absence of complaint from customers, indicated an actual gold content

knowledge that could only have been possessed by someone who had created the dore bars from bullion.

- (b) there were practicable means, and a significant commercial incentive, for a person to engage in a practice of purchasing gold bullion and smelting it into dore.
- (c) Eastwin's dore bars had a physical appearance consistent with such an operation having been carried out.
- (d) Eastwin's various transaction records tended to establish the likelihood that it had possession of the gold for long enough to have undertaken such a smelting process.

70. I have referred earlier to the surprising accuracy of the gold content stated in Eastwin's sales invoices:- see paragraphs 41 and 42 above. Mr Wang sought to explain this accuracy by attributing to "Mr Li" statements about the actual gold content of a car park delivery, and responsibility for splitting the gold into the sales parcels:- see paragraphs 41, 42, and 64 above. But if the car park deliveries had truly involved gold dore of "mixed size and grade" (ie the typical Eastwin sales invoice description) it is difficult to understand Mr Wang having any real confidence in the precise gold content information that he asserts Mr Li gave him. It is even more difficult to understand that Mr Wang rarely, if ever, had cause to complain to Mr Li about the gold content of any delivery. On the contrary, Mr Wang said he was content to accept the 97% gold content supposedly initially reported by Mr Song, notwithstanding his concession in the present proceedings, that it was not in fact a reliable and accurate estimate of the gold dore bars he typically received. All of those considerations incline me to find that (i) Mr Wang probably knew the accurate gold content of the dore bars he sold, and (ii) Mr Wang has not satisfied me that he probably got that specific information from anyone else, including the reputed "Mr Wen Fan Li".

71. Mr Wang, and later Ms Prosser, gave evidence seeking to establish the impracticability of smelting fine gold / bullion into dore bars. Their evidence asserted a lack of time, lack of reliable means, cost, lack of suitable premises, and danger. None of their evidence on these topics was at all reliable or persuasive. Mr Elvish, a distinguished metallurgist the Commissioner called as an expert witness, identified an inexpensive, comparatively low energy, furnace that could safely be used in a domestic home, garage or small apartment. It could be used to produce gold alloy ingots, similar in size and appearance to those

described by Mr Wang and Ms Prosser, at a rate of up to 50kg a day. Ms Prosser conceded that she had no knowledge of the furnace to which Mr Elvish referred, and could not offer any opinion contrary to what he had said.

72. The Commissioner's hypothesis about the commercial motivation to purchase bullion – in a disguised transaction – and then convert it to dore, involves two main assumptions. The first assumption is that the dore is saleable at a GST inclusive price less than 110% of the "spot price" for fine gold. That assumption was made out both by Mr Wang's evidence and that of Ms Prosser. Mr Wang described the process of price setting involving Marmar Pty Ltd (a consignee entity shown in Schedule 4) and Eastwin's customer AUAG Pty Ltd (see Schedule 2). Mr Wang typically negotiated the sale price direct with Marmar, and it was typically "spot plus 6% – inclusive of GST". Ms Prosser gave a differently expressed, but substantially similar example, and referred to a typical price of "95% of spot price plus GST".
73. The second assumption is that the disguised transaction involved a bullion purchase being dishonestly presented as a taxable supply, and either the GST component of the sale not reported (by the vendor), or made the subject of a false claim for input tax credits (by the purchaser). Once that assumption was made, the Commissioner's submissions explained how the smelting of bullion, and its subsequent sale as a taxable supply, could provide a significant commercial benefit to the seller. The steps in that hypothesis, and the demonstration of their potential impact, having regard to Eastwin's sales invoice values, are depicted in the following Table.

<b>Commissioner's hypothesis</b>							
<b>Step</b>		<b>Price</b>	<b>GST incl</b>	<b>GST incl</b>	<b>ITC</b>	<b>Gold value</b>	<b>Cost</b>
			“true”	“false”	benefit	“real”	(cumulative)
		\$1m	\$1m	\$1m	\$1m	\$1m	\$1m
<b>Hypothesis</b>							
1	Bullion purchase	1.1		0.100		1.100	1.100
2	False ITC claim				0.100		1.000
3	Convert bullion to dore						
4	Set sale price at “spot” + 6%						
5	Sell dore (containing bullion value)	1.166	0.106		-0.106		-0.060
	<b>Resultant “cost”</b>						<b>-0.060</b>
<b>Application to Eastwin transactions</b>							
1	Total purchases (bullion)	153		13.909		153.000	153.000
2	False ITC claim				13.909		139.091
3	Convert bullion to dore						
4	Set sale price at “spot” + 6%						
5	Sell dore (containing bullion value)	162.18	14.744		-14.744		-8.345
	<b>Resultant “cost”</b>						<b>-8.345</b>

74. The conceptual logic of the Commissioner's hypothesis – as illustrated in the preceding Table – can hardly be disputed. It is also not the only way in which a bullion purchaser could derive an advantage. Instead of selling all the purchased bullion in the form of dore / alloy at a higher price than the bullion purchase, the purchaser could sell a lesser quantity for the same price. And instead of acquiring bullion under a purportedly “taxable supply”, and subsequently lodging a false input tax credit claim, the original bullion purchaser could interpose a subsequent sale / purchase between themselves and a “compliant” intermediary, and simply collect, but not return, the GST charged to the intermediary purchaser (and passed on by it to subsequent purchasers).

75. Mr Wang's reply submissions objected, on the ground of procedural unfairness, to any significance being attached to the Commissioner's hypothesis, and the commercial analysis it involves. The complaint was that it involved an allegation Mr Wang had never been afforded an opportunity to address. This objection was misconceived. Well before the hearing the Commissioner had given notice of Mr Elvish's witness statements, and highlighted the practicability of converting bullion to gold dore or alloy. Mr Wang's December 2016 witness statement addressed the substance of Mr Elvish's evidence. It asserted that Mr Wang (i) had no facilities to engage in the kind of "simple" smelting process Mr Elvish had identified as practicable, (ii) had never considered undertaking such a procedure, and (iii) would not have had sufficient time, between his delivery collections and subsequent sales, to smelt the gold in the manner Mr Elvish described. Mr Wang's July 2016 Reply submissions detailed an argument attempting to show that Mr Wang had not derived any profit consistent with the hypothesised "conversion" of bullion. And in the course of his cross examination Mr Wang was repeatedly challenged with (and rejected) the proposition that he had in fact acquired gold bullion and converted it to dore or scrap. He was also cross examined to highlight his knowledge of the reality that a purchaser of gold dore or scrap, could derive a significant commercial advantage by buying at "GST inclusive prices", if they were then able to on sell the gold (eg after refinement) on a GST exclusive basis.

76. The witness statements, and submissions, to which I referred in the previous paragraph make it clear that, for some time prior to the oral hearing, Mr Wang was well aware of the Commissioner's dissatisfaction that Eastwin had acquired gold dore, and the corresponding hypothesis that Eastwin had in fact acquired bullion and converted it to dore. It was implicit in the Commissioner's hypothesis that there was a rational reason why a person might undertake such a procedure. The explanation summarised in paragraph 73 above was the Commissioner's specific response to my invitation for both parties to address, in their written submissions, the possible motives for bullion "conversion". I issued that invitation on the basis that the existence (or absence) of such a motive might be a relevant consideration in assessing the sufficiency of Eastwin's evidence about the nature of its gold acquisitions, especially in the light of the "conversion" challenge that had been so clearly made in the Commissioner's cross examination of Mr Wang, and partially addressed in Mr Wang's July 2016 submissions. The paragraph 73 explanation was not really a separate specific allegation that Eastwin and Mr Wang had directly profited from a process of bullion "conversion" and sale. The

substance of that allegation had already been made in the course of the hearing. The explanation merely expanded on that allegation, by highlighting the possible financial advantage related to, and thus a possible reason why a person might be motivated towards, a gold trading activity involving “conversion” of bullion to gold alloy.

77. But the question remains whether the hypothesis is relevant, and if so to what extent, in evaluating Eastwin’s objection to the January 2015 assessment, and its challenge to the decision under review. That question has some poignancy for at least two reasons. The first is that there is no directly probative evidence Eastwin in fact undertook any bullion conversion activity. (The substance of Mr Wang’s submissions was that, in the absence of probative evidence of conversion, the Commissioner’s hypothesis was merely speculative and could not justify rejection of Mr Wang’s evidence – involving dore purchase and disavowal of bullion acquisition and conversion.) The second reason is that Eastwin did not originally make any explicit claim for input tax credits. (As I pointed out in paragraph 2, Eastwin lodged its contentious BAS containing a “net” value of its purchase and sale transactions, without disclosing their respective actual values – and thus without making an explicit claim for input tax credits.)

## **THE ONUS ISSUE**

78. The Commissioner’s and Eastwin’s submissions reflected a basic difference about the effect of the onus obligation imposed by TAA 53 s 14ZZK(b)(i) (of showing that the Commissioner’s assessment decision was excessive). The principal submission made on Mr Wang’s behalf was that, despite justifiable criticism of the credibility of aspects of his evidence, the Tribunal ought accept his dore purchase claims – because (i) the evidence of unverifiable car park deliveries was unlikely to have been invented, (ii) there was no direct evidence of gold bullion purchases from New Access, (iii) there was evidence of Eastwin’s dore sales, and (iv) there was no evidence that Eastwin had actually undertaken any gold bullion “conversion”. The Commissioner’s essential submission was that Eastwin’s dore supply claim was not relevantly corroborated by any other documentary or oral testimony, depended primarily on the oral evidence of Mr Wang, and ought not be accepted – partly because of Mr Wang’s lack of credibility, and partly because of various inconsistencies, and lack of reliability, in detailed aspects of his evidence.

79. The ultimate difference between the Commissioner and Mr Wang on the onus question was one of application, rather than principle. Mr Wang's submissions emphasised that mere disbelief of a witness' uncorroborated evidence cannot provide a proper basis for an affirmative contrary finding. But those submissions explicitly conceded that such disbelief could permit an agnostic conclusion – that is to say, a conclusion that the decision maker "did not know one way or another" whether Eastwin had in fact acquired dore. Such a conclusion would be fatal to Eastwin's review application in the present case – because of the onus obligation imposed by TAA 53 s 14ZZK(b)(i). This follows from the observations made by Jagot J in *Rawson Finances Pty Ltd v Commissioner of Taxation* [2013] FCAFC 26; 133 ALD 39 at [111]. There Her Honour said this:

*[111] The review process in a case to which s 14ZZK(b)(i) applies does not necessarily include the tribunal in reaching any state of satisfaction that there is a proper basis for deciding that the facts as found by the tribunal give rise to the amount of the liability in the impugned decision. The only state of satisfaction that the tribunal is required to reach in a review subject to s 14ZZK(b)(i) is whether on the facts as found the applicant has proved that the assessment is excessive. If that state of satisfaction cannot be reached, the application for review must be dismissed irrespective of the tribunal being satisfied or not satisfied that the facts as found by the tribunal give rise to the amount of the liability in the impugned decision.*

80. This emphasis on Eastwin's actual onus is particularly important in the present case, because of the Commissioner's "conversion" challenge, and the contention that the contentious purchase invoices were "sham" documents (at least because they were not genuine documents issued by the gold supplier, and (inferentially) because they intentionally misdescribed "bullion" as "dore"). Because of those challenges, and their contest by Eastwin, it is necessary to consider and assess the nature and quality of the evidence relied on to support the Commissioner's contentions. And in that context the parties have traded submissions as to whether or not the Commissioner bears any onus in substantiating his contentions. But the position is, in reality, clear. The Commissioner does not bear any ultimate onus. As Lockhart J said in *Richard Walter Pty Ltd v Commissioner of Taxation* (1996) 67 FCR 243:

*Use of the word 'sham' in some cases ... obscures the fundamental issue between the parties. Essentially, it is for the taxpayer to prove that an assessment is excessive: *McAndrew v Federal Commissioner of Taxation* (1956) 98 CLR 263; *Federal Commissioner of Taxation v Dalco* (1990) 168 CLR 614; and *Federal Commissioner of Taxation v Australia and New Zealand Savings Bank Limited* (1994) 94 ATC 4,844. The onus of proving that the assessment is excessive lies upon the taxpayer; although the evidentiary onus in a particular case may shift from time to time. ...*

*it is a misconception ... to assert that the Commissioner has the burden of establishing that a transaction is a sham. The Commissioner may, as he did in this case, submit that the relevant transactions were a sham and of no force or effect. In some cases the evidentiary onus may shift to the Commissioner to establish what the real transaction is for which the sham transaction is a cloak (assuming there is a real transaction); but at most this is an evidentiary onus which may shift back and forth depending upon the facts of the case and inferences which it is proper for the Court to draw. It remains that the burden of proving that an assessment is excessive lies upon the taxpayer.*

81. When that reasoning is translated to the circumstances of the present case, it required Eastwin to show that it had made a relevant creditable acquisition. Eastwin's case was that its creditable acquisition was of "dore metal bar" / "mixed size and grade dore bars" (to use the descriptions in the respective purchase and sale invoices). Eastwin thus bore the onus of establishing, to the Tribunal's satisfaction on the balance of probabilities, that it had in fact made those acquisitions. The Commissioner's contentions and hypothesis about bullion conversion, and the extent of the evidence available to support them, were relevant considerations in determining whether Eastwin had discharged its onus: see *Krew v Commissioner of Taxation* (1971) 45 ALJR 324 at 327 per Walsh J. But they were relevant only in that overall context: see *Richard Walter Pty Ltd v Commissioner of Taxation* (1996) 67 FCR 243 per Hill J at 259B-F. The Commissioner bore no onus of establishing affirmatively either that Eastwin had in fact (i) acquired gold bullion, (ii) converted it to dore, or (iii) relevantly profited from, or intended to profit from, the GST amounts purportedly involved in the contentious transactions.

## **ABSENCE OF DIRECT EVIDENCE OF BULLION PURCHASE AND CONVERSIONS**

82. As I have already indicated, there is no direct evidence that Eastwin either carried out any bullion conversion activities or incurred costs of the kind likely to be associated with any such activities. It was this absence of direct and circumstantial evidence that led Eastwin to characterise as merely speculative conjecture, the Commissioner's hypothesis of bullion acquisition and conversion. Moreover, Eastwin contended that comparison of the quantities of its acquisition and sale activities was inconsistent with "conversion" – see paragraphs 43 to 45 above. Finally, Eastwin contended that the typical sequence and timing of its respective purchase and sale transactions (involving night time car park collection and "next day" supply to purchasing customers) would not have afforded it a practicable opportunity to smelt the quantities of gold alloy stated in its invoices.

83. There might have been some force in Eastwin's impracticability contention if Mr Wang had given consistent and reliable evidence of Eastwin's transactions, and if his evidence had been corroborated by the contents of the relevant invoices. However, I referred above to the inconsistent evidence as to whether or not Eastwin collected the gold before dealing with its customers, to the formulaic and unreliable delivery assertions evidenced in the "confirmation requests", and to the apparent idiosyncrasy in the dating of the sales invoices:- see paragraphs 35 to 37. I also referred to the various instances in which Mr Wang effectively conceded, and was unable to contradict, instances where contemporaneous documents appeared to establish that he had control of the gold for several days:- see paragraph 63(f) above.
84. Notwithstanding the unsatisfactory nature of Mr Wang's oral evidence, I have attempted to quantify the limits of Eastwin's possible possession of the gold it sold. The shortest period would be the "overnight delivery / next day sale" scenario claimed (in my assessment, unreliably) by Mr Wang. The longest possible period would be that between the date of the supply invoice (which this possibility assumes is the actual delivery date) and the payment date (on the assumption that purchasers took possession immediately after payment). Comparison of those dates results in possible periods of up to 15 days – during which Eastwin may have held the gold:- see Schedule 1 column AJ. This comparison, when evaluated against the background of Mr Wang's unsatisfactory evidence, and the variable dating practices in the purchase and sales invoices, leaves me unsatisfied that Eastwin lacked a practical opportunity to undertake the smelting hypothesised by the Commissioner.
85. A pointer that might minimise the possible period of Eastwin's possession of the gold it acquired, comes from comparison of Eastwin's payment dates and the dates of the New Access bullion invoices to "Mr Li Wei". The comparison of those dates is relevant because New Access was conceivably the source of any bullion (the non-existent) "Mr Wen Fan Li" provided to Eastwin. As Schedule 1 shows, New Access typically issued its invoices to "Mr Li Wei" usually on the same day that it received payment from Eastwin:- see Schedule 1 – columns J & AA. If (i) that comparison could be taken at face value, and (ii) it were reasonable to assume that New Access would not have released bullion to "Mr Li" before payment, the comparison would seem to contradict the likelihood that Eastwin either acquired bullion from New Access, or took possession of it in sufficient time to undertake any conversion to dore or gold alloy.

86. However, I do not think that assumptions and inferences based on the apparent dates of transactions involving New Access, and its principal Mr Leo Yang, can properly be taken at face value. Mr Yang's apparent role in providing the various Eastwin sales invoices, suggests that he directly facilitated the activities of the non-existent "Mr Wen Fan Li". And New Access' receipt of the Eastwin payments rather tends to re-inforce that apprehension. But even if the New Access invoice and payment dates comparison were taken at face value it would not be sufficient to provide me with confidence that Eastwin's contentious purchases were indeed of gold dore. This is because of the emphasis I place on Mr Wang's general unreliability as a witness (in the respects I have detailed earlier in these reasons) and Eastwin's apparent accurate knowledge of the gold content of the dore bars it sold.

87. Leaving aside the inconclusive evidence of New Access' bullion sales, Eastwin was right to emphasise the absence of evidence tending to establish its participation in the purchase, and subsequent "conversion", of bullion. But the critical matter that Eastwin had to establish was what it did in fact acquire. And, as I previously pointed out, the fact that the gold quantities in Eastwin's acquisition and sale invoices so neatly corresponded more demanded explanation for the apparently sustained accuracy than satisfactorily established that Eastwin's acquisitions were of gold dore:- see paragraph 45 above. That apparently accurate knowledge was corroborated in the experience of its customers, and had no obvious reliable source. Eastwin's suggested explanation for that consistent accuracy – that Mr Wang merely accepted the gold quantity estimates provided by Mr Li – is one that I have rejected, for the reasons set out in paragraphs 42 and 70 above. Eastwin's apparently accurate knowledge of the gold content of the dore it sold, Mr Wang's concession that such accuracy could only come from either making, or refining, the particular dore bars, and the absence of any credible information that it came from "Mr Li", provide three pointers to the likelihood that Eastwin acquired gold bullion. They are more persuasive, of that kind of acquisition, than any potential contradiction, and suggestion of dore acquisition, provided by Eastwin's reliance on the absence of actual evidence of "conversion".

#### **APPARENT ABSENCE OF DIRECT COMMERCIAL ADVANTAGE**

88. Mr Wang's July 2016 Reply submissions emphasised that the purchase and sale invoices, with the payment records, demonstrated that Eastwin's only profit from the contentious

transactions was its small “commission” – see paragraph 2 above. Furthermore Eastwin’s three contentious 2014 BAS did not include an explicit claim for input tax credits – such a claim being, arguably, significant to the Commissioner’s “conversion” hypothesis:- see the example in paragraph 73 above.

89. Neither of these matters is, however, meaningfully probative (either directly or indirectly) of the nature of Eastwin’s gold acquisitions. The practical effect of Eastwin’s disclosure of only its “net” transactions in the contentious BAS was the same as if it had reported the GST charged and claimed corresponding input tax credits for its purchases. Moreover, it is difficult to understand why Mr Wang had Eastwin report on that net basis, given that he was aware that such a practice had given rise to the GST problems “Ethan” had encountered in 2013:- see paragraph 2 above.
90. Irrespective of the reason for Eastwin’s “net” BAS reporting, the evidence does show that Eastwin paid the full purchase invoice amounts to New Access. It may also be inferred that Eastwin’s unidentified supplier did not remit or return the GST component of the purchase invoice amounts. On the basis of that inference it is apparent that the Eastwin supplier received and retained the full GST inclusive price, and derived the kind of advantage hypothesised in the Commissioner’s contentions.
91. Eastwin’s submissions characterised the unidentified supplier as a “rogue” and argued that his GST default and dishonesty could not provide a basis for impugning the reality of Eastwin’s purchases. That proposition may be accepted as correct. But it is misdirected. The critical matter Eastwin had to establish was what it acquired. The question of financial advantage, and more particularly the quality of the evidence tending to demonstrate its existence or absence, was but one consideration relevant to assessing the reliability of Eastwin’s acquisition evidence. As I have detailed earlier in these reasons, Mr Wang’s evidence of those acquisitions was not reliable. And its questionable reliability was not meaningfully improved or enhanced by the financial advantage evidence to which Eastwin’s submissions pointed. There are several reasons for that conclusion. First of all, Eastwin did profit from the transactions. Its commission was not as large as the possibility contemplated by the Commissioner’s paragraph 73 example. But it was a significant advantage. This is especially so in the context of Eastwin’s rather unusual business – where, as a “one-man” company with no gold industry experience, it was the sole customer of an unidentified entity able to supply tonnes of gold, and itself initially had

only one customer. Moreover, it is far from apparent that the question of financial advantage ends with the limited evidence of the largely unexplained payments made to New Access. As I pointed out earlier in these reasons, Mr Wang's wife was a substantial investor in New Access, and apparently received "investment" returns shortly after Eastwin made its payments to New Access. Mr Wang's claimed ignorance of the nature of New Access' activities, and of his wife's substantial investments, as well as his initially claimed ignorance of Mr Yang himself, were not credible. The incomplete evidence about the true identity and reality of Eastwin's "supplier", and the relationship between Eastwin, Mr Wang, his wife, New Access and Mr Yang leave me quite unsatisfied that the various invoices and payment records, in so far as they appear to indicate that Eastwin's only financial advantage was its "commission" retention, are in any sense relevantly probative of Eastwin's contention that it acquired gold dore.

## **ASSESSMENT CONCLUSION**

92. For the reasons I have set out above, Eastwin has not satisfied me that it acquired gold dore, as purportedly indicated in the contentious purchase invoices. It follows that Eastwin's review application in relation to the assessments must fail, irrespective of the Commissioner's additional contentions about "registration", "enterprise" and "consideration" – see paragraphs 20 to 22. In ordinary circumstances it would be appropriate to address each of those contentions, and make specific findings about them – against the possibility of further proceedings being initiated in another place. But my view is that it is both unnecessary and inappropriate to do so in the present circumstances – where, on the findings I have made Eastwin has completely failed to establish the identity and reality of any "supplier" entity. My view is that meaningful conclusions about the detailed "registration", "enterprise" and "consideration" contentions could not be reached where the evidence merely points to the fact of some kind of acquisition, but is devoid of any credible details about the identity and reality of the "supplier" and that entity's circumstances and activities.

## **THE PENALTY DECISION**

93. Penalty liability conditionally arises where a person makes a materially false or misleading statement to the Commissioner:- TAA 53 s 284-75(1). One condition that excludes penalty liability is that the person took reasonable care in connection with making the statement:- TAA 53 s 284-75(5). Another excluding condition may apply where the

person engaged a registered tax agent and provided the agent with “all relevant taxation information”:- TAA 53 s 284-75(6).

94. The penalty amount depends on two primary considerations – (i) whether the person has a “shortfall amount”, and (ii) in such a case, the character of the person’s conduct that gave rise to the shortfall. If the conduct involved recklessness “as to the operation of a taxation law”, the base penalty is 50% of the shortfall amount:- TAA 53 s 284-90(1) Item 2. The base penalty amount is increased by 20% if, amongst other things, the person was previously subject to a similar base penalty:- TAA 53 s 284-220(1)(c). The base penalty amount may also be reduced – in various limited circumstances not presently relevant to Eastwin’s particular circumstances:- TAA 53 ss 284-224 & 284-225.
95. A person has a “shortfall amount” if the amount of “a tax-related liability ... for an accounting period” has been worked out on the basis of a false or misleading statement made to the Commissioner, and was less than it would have been but for the error in the statement:- TAA 53 s 284-80(1) and Item 1.
96. The \$7.5m penalty decision (see paragraph 7 and Schedule 3) was imposed because Eastwin could not demonstrate it had supplied all relevant information to its tax agent (so as to fall within the qualified protection provided for by TAA 53 s 284-75(6)). The particular bases of the penalty decision were that (i) Eastwin had overstated the amount of its creditable acquisitions, (ii) because of that overstatement, Eastwin had a shortfall amount in relation to each of its contentious BAS, and (iii) that shortfall resulted from “recklessness as to the operation of a taxation law”.
97. The particular grounds on which the Commissioner’s January 2015 objection decision characterised Eastwin’s conduct as reckless were as follows:-
  - (a) ***absence of tax invoices***:- Eastwin traded for at least the first three months of 2014 without having any tax invoices with a valid ABN).
  - (b) ***failure to check GST registration details***:- Eastwin did not check Oz Group’s registration details, despite delays in receiving invoices.

- (c) **unexplained payment instructions**:- Eastwin had given an implausible explanation for the source of its instruction to make payments to the New Access bank account.
- (d) **wrong tax invoices**:- Eastwin received tax invoices from entities that were not its suppliers, and had only belatedly claimed to have received tax invoices from Jin Fan.
- (e) **unsubstantiated transactions**:- Eastwin has been unable to substantiate, or provide meaningful corroboration of, (i) the identity of its asserted supplier, (ii) that person's relevant connection with either Jin Australia or Oz Group, and (iii) the fact and nature of its contentious acquisitions.

98. The objection decision's reasoning on the penalty liability proceeded on the basis that the only, or perhaps the principally, relevant Eastwin statement was its claim to have made "creditable acquisitions" – in the amounts indicated in Schedule 3 in columns Y & Z. Eastwin had of course made that claim both in the course of the audit investigation, and in the February 2015 objection submissions. But prior to those statements, Eastwin had lodged its three contentious BAS. And in those documents it had reported its activities on a net basis – see paragraph 2 above and Schedule 3: columns C & D. The effect of the content of these three "net" BAS was that Eastwin (i) did not disclose the amount of its gold dore sales, and (ii) made no claim for input tax credits in relation to its asserted dore purchases.

99. Consequently, Eastwin's relevant "tax-related liability" worked out on the basis of the contentious BAS reflected (i) an inaccurate (grossly understated) value of its dore sales, and (ii) no value for any "taxable supply" related to its contentious gold acquisitions. The literal and practical effect of the three contentious BAS was that Eastwin had made no statement claiming any entitlement to input tax credits. What it had done was grossly underestimate its own sales, including the GST it had charged. And it was that gross understatement, rather than the contentious "creditable acquisition" claims made later in connection with Eastwin's objection to the January 2015 assessment decisions, that resulted in the material tax shortfall for each of the BAS periods.

100. Under TAA 53 s 14ZZK(b)(iii) Eastwin bore the onus of showing that the penalty decision should not have been made, or should have been made differently. There are three

reasons why it cannot discharge that onus. The first is that Eastwin knew, as a result of “Ethan’s” experience in 2013, that if it engaged in purchase and sale transactions it could not merely lodge its BAS on a net basis:- see paragraph 2 above. As I commented in paragraph 89 above, it is difficult to understand the content of Eastwin’s BAS lodgements, given Mr Wang’s knowledge of Ethan’s previous difficulties.

101. Mr Wang said that when he “first started” Eastwin he had been orally advised by his accountant that, because he was only “running a business on consignment”, he only had to report his profit margin and neither had to pay GST on his sales, nor entitled to claim input credits on his purchases, and could lodge his BAS on a “net” basis. But this claim, even disregarding the exquisite ambiguity in the reference to when Eastwin “first started”, leads on to the second reason why Eastwin cannot discharge its onus in relation to the penalty decisions. Mr Wang’s claim is uncorroborated and not credible. I do not accept it. Whatever Mr Wang might have thought was an arguable vernacular description of Eastwin’s business, two things are clear. The first is that he well understood the concept of selling “on consignment”, and that understanding was not consistent with Eastwin itself being a purchaser, and then a vendor, of the gold it obtained in the car park deliveries. The second thing is that Eastwin both solicited the purchase invoices, and issued sales invoices in which it expressly assumed the role of vendor. There is not the slightest evidence to substantiate the proposition that Eastwin’s business was that of selling gold on consignment, as a merely commission remunerated agent. Against that background, of specifically recorded purchase and sales invoices, it would take more than Mr Wang’s uncorroborated evidence to satisfy me that any competent accountant would have advised Eastwin that it only needed to report its net sales, without disclosing its GST charges and payments.
102. The third reason why I do not accept Mr Wang’s claim to have relied on his accountant’s advice in submitting BAS on a “net” basis, is that the better view of the evidence is that Eastwin did not provide its accountants with the relevant invoices. Despite Mr Wang’s claims to have done so, the accountants produced no such invoice documents in their response to a summons served on them for the purposes of the review proceedings. What the accountants did produce was a “transfer” record that listed Eastwin’s various receipts and payments, but did not patently disclose that they related to invoiced transactions in which Eastwin apparently acted as a principal in the sequential roles of “purchaser” and “vendor”. This limited response by the accountants, otherwise

unexplained by any further evidence from them, tends to suggest that (i) they were never fully and accurately informed about the nature and extent of Eastwin's activities, and (ii) they never advised Eastwin that its BAS could be lodged on a "net" basis, notwithstanding its participation in the explicitly invoiced transactions.

103. In these circumstances it seems to me to be clear that Eastwin's originally lodged BAS contained false statements about its sales. It is also clear that Eastwin did not provide its accountants (who, it may be assumed were registered tax agents) with "all relevant taxation information". And the totality of the circumstances, including that non-disclosure, at least preclude satisfaction that the penalty decision, based on a finding that Eastwin had been "reckless", ought to have been made differently. On the contrary, my view is that in the absence of credible evidence that Eastwin had fully disclosed both its purchase and sales invoicing practices to its accountants, Eastwin had indeed been reckless in submitting its respective quarterly BAS on a net basis.
104. The conclusion I have reached in the previous paragraph makes it unnecessary to consider the Commissioner's more specific contentions about the recklessness of Eastwin's conduct – as summarised in paragraph 97 above. However, I record my scepticism that any of those matters involve "recklessness" that relevantly resulted in the tax shortfall. What all of those matters tend to suggest is Eastwin's lack of judgment and documentary rigour in the process by which it acquired gold. But those deficiencies operate at an evidentiary level in precluding Eastwin from satisfactorily establishing that it acquired gold *dore*. It seems to me that those various deficiencies are more properly characterised as "recklessness" in relation to Eastwin's ability to demonstrate compliance with taxation laws, than they are indicative of "recklessness" as to the operation of those laws. That view seems to me to be consistent with the Commissioner's ultimate view that, if the Tribunal had otherwise been satisfied that Eastwin had made a creditable acquisition, the various contentious issues about the validity of its tax invoices would not have provided a basis to resist its asserted entitlement to input tax credits:- see paragraph 17 above.

## **PENALTY CONCLUSION**

105. Even where a penalty has been properly imposed, the Commissioner retains a discretion to remit the penalty – either wholly or in part:- see TAA 53 Schedule 1 s 298-20.

However, on the basis of the findings I have made, there is no possible basis on which the exercise of that discretion would be appropriate.

## DECISION

106. The assessment and penalty decisions under review are affirmed.

*I certify that the preceding 106 (one hundred and six) paragraphs are a true copy of the reasons for the decision herein of Mr P W Taylor SC, Senior Member*

.....[sgd].....

Associate

Dated: 10 February 2017

Date(s) of hearing:	<b>5, 6, 7, 8 &amp; 9 December 2016</b>
Date final submissions received:	<b>19 December 2016</b>
Counsel for the Applicant:	<b>L McBride</b>
Solicitors for the Applicant:	<b>Waterhouse Lawyers</b>
Counsel for the Respondent:	<b>K Stern SC &amp; T O'Brien</b>
Solicitors for the Respondent:	<b>Australian Government Solicitor</b>

# Schedule 1: Eastwin purchase invoices – January to September 2014

C	D	E	F	I	J	K	L	N	O	P	Q	U	W	X	Y	Z	AA	AB	AC	AG	AH	AI	AJ	AK		
3	Schedule 1: Eastwin purchase invoices - January to September 2014																									
4	No	Inv No	Dates				Price		Purchase Invoice content:				Sales				New Access invoices			P'chase Inv delay		EW P'mnt delay		NA inv delay		
5			Face	Creation	Confirmn	Payment	(incl GST)	GST	Description	AU content	Q'ty	Rate	Eastwin invoices								(after C'frnn)	after EW 1st sale inv	(after invoice)	after EW P'mnt		
6			(Yang)	Date	Date		\$	\$		grams		\$/gm	Inv No's	First	Last	Date	\$	grams					days	days		
8	1	20140113	13-Jan-14	14-Jan-14	15-Jan-14	\$1,427,460	\$129,769	Dore metal bar AU content	30,483	1	46.82	1 to 3	08-Jan-14	10-Jan-14	15-Jan-14	15-Jan-14	\$1,427,460	31,600	-1	5	2	0				
9	2	20140115	15-Jan-14	15-Jan-14	15-Jan-14	\$1,390,339	\$126,394	Dore metal bar AU content	29,671	1	46.86	4 to 6	10-Jan-14	15-Jan-14										5		
10	3	20140119	19-Jan-14	18-Jan-14	22-Jan-14	\$1,715,237	\$155,931	Dore metal bar AU content	36,057	1	47.57	7 to 9	15-Jan-14	17-Jan-14	22-Jan-14	22-Jan-14	\$1,715,237	37,250	1	4	3	0				
11	4	20140122	22-Jan-14	22-Jan-14	22-Jan-14	\$1,425,567	\$129,597	Dore metal bar AU content	29,867	1	47.73	10 to 12	17-Jan-14	21-Jan-14	22-Jan-14	24-Jan-14	\$1,425,567	30,800	0	5	0	0				
12	5	20140128	28-Jan-14	23-Jan-14	30-Jan-14	\$2,613,735	\$237,612	Dore metal bar AU content	56,750	1	46.06	13 to 17	22-Jan-14	24-Jan-14	30-Jan-14	\$2,613,735	56,750	5	6	2	0					
13	6	20140130	30-Jan-14	30-Jan-14	30-Jan-14	\$684,235	\$62,203	Dore metal bar AU content	13,955	1	49.03	18 to 20	27-Jan-14	29-Jan-14	30-Jan-14	\$684,235	14,030	0	3	0	0					
14	7	20140205	05-Feb-14	6-Feb-14	6-Feb-14	\$1,429,079	\$129,916	Dore metal bar AU content	30,015	1	47.61	26 to 28	03-Feb-14	06-Feb-14	05-Feb-14	\$1,429,079	31,000	-1	2	1	-1					
15	8	20140131	31-Jan-14	6-Feb-14	11-Feb-14	\$2,602,977	\$236,634	Dore metal bar AU content	53,188	1	48.94	21 to 26	29-Jan-14	04-Feb-14	11-Feb-14	\$2,602,977	52,000	-6	2	11	0					
16	9	20140212	12-Feb-14	17-Feb-14	12-Feb-14	\$1,216,441	\$110,586	Dore metal bar AU content	25,209	1	48.25	34 to 36	10-Feb-14	12-Feb-14	12-Feb-14	\$1,216,441	26,200	-5	2	0	0					
17	10	20140211	11-Feb-14	17-Feb-14	17-Feb-14	\$2,654,332	\$241,303	Dore metal bar AU content	55,055	1	48.21	29 to 33	10-Feb-14	12-Feb-14	18-Feb-14	\$2,654,332	50,050	-6	1	6	1					
18	11	20140217	17-Feb-14	17-Feb-14	18-Feb-14	\$1,581,818	\$143,802	Dore metal bar AU content	32,002	1	49.43	37 to 39	12-Feb-14	14-Feb-14	18-Feb-14	\$1,581,818	33,000	0	5	1	0					
19	12	20140218	18-Feb-14	4-Mar-14	24-Feb-14	\$2,571,205	\$233,746	Dore metal bar AU content	52,051	1	49.40	40 to 44	14-Feb-14	18-Feb-14	24-Feb-14	\$2,571,205	54,050	-14	4	6	0					
20	13	20140224	24-Feb-14	16-Jul-14	4-Mar-14	\$1,553,320	\$141,211	Dore metal bar AU content	31,154	1	49.86	45 to 47	19-Feb-14	21-Feb-14	25-Feb-14	\$1,553,320	32,250	-8	5	1	0					
21	14	20140225	25-Feb-14	4-Mar-14	4-Mar-14	\$2,902,210	\$263,837	Dore metal bar AU content	58,050	1	50.00	48 to 52	21-Feb-14	25-Feb-14	04-Mar-14	\$2,902,210	58,050	-7	4	7	0					
22	15	20140305	05-Mar-14	13-Mar-14	5-Mar-14	\$1,534,616	\$139,511	Dore metal bar AU content	30,153	1	50.89	53 to 55	27-Feb-14	03-Mar-14	05-Mar-14	\$1,534,616	31,150	-8	6	0	0					
23	16	20140318	18-Mar-14	18-Mar-14	18-Mar-14	\$1,533,534	\$139,412	Dore metal bar AU content	30,003	1	51.11	56 to 58	13-Mar-14	17-Mar-14	18-Mar-14	\$1,533,534	30,700	5	0	0	0					
24	17	20140319	19-Mar-14	27-Mar-14	24-Mar-14	\$2,876,615	\$261,510	Dore metal bar AU content	57,050	1	50.42	59 to 63	17-Mar-14	19-Mar-14	22-Mar-14	\$2,876,615	59,050	-8	2	5	-2					
25	18	20140322	22-Mar-14	27-Mar-14	24-Mar-14	\$932,489	\$84,772	Dore metal bar AU content	18,702	1	49.86	64 to 66	19-Mar-14	21-Mar-04	24-Mar-14	\$932,489	19,300	-5	3	2	0					
26	19	20140324	24-Mar-14	31-Mar-14	18-Mar-14	\$895,611	\$81,419	Dore metal bar AU content	18,764	1	47.73	67 to 69	25-Mar-14	27-Mar-14	28-Mar-14	\$895,611	19,010	-7	-1	4	0					
27	20	20140324	24-Mar-14		4-Apr-14	\$943,210	\$85,746	Dore metal bar AU content	20,035	1	47.08	70 to 72	25-Mar-14	27-Mar-14	04-Apr-14	\$943,210	20,600	-1	11	0	0					
28						<b>\$3,484,030</b>	<b>\$3,134,912</b>		<b>708,216</b>																	
29	21	20140406	06-Apr-14	14-Apr-14	14-Apr-14	\$3,578,463	\$323,315	Dore metal bar AU content	75,987	1	47.09	73 to 79	07-Apr-14	10-Apr-14	14-Apr-14	\$3,578,463	78,700	-1	8	0	0					
30	22	20140409	09-Apr-14	15-Apr-14	15-Apr-14	\$1,140,912	\$103,719	Dore metal bar AU content	23,886	1	47.76	80 to 82	10-Apr-14	14-Apr-14	14-Apr-14	\$1,140,912	23,600	-1	6	-1	0					
31	23	20140409	09-Apr-14	22-Apr-14	22-Apr-14	\$3,602,083	\$327,462	Dore metal bar AU content	75,250	1	47.87	83 to 89	10-Apr-14	15-Apr-14	22-Apr-14	\$3,602,083	78,000	-1	13	0	0					
32	24	20140416	16-Apr-14	24-Apr-14	24-Apr-14	\$1,075,999	\$97,818	Dore metal bar AU content	23,002	1	46.78	97 to 99	17-Apr-14	22-Apr-14	24-Apr-14	\$1,075,999	24,750	-1	8	0	0					
33	25	20140428	28-Apr-14	1-May-14	1-May-14	\$1,087,241	\$98,840	Dore metal bar AU content	23,001	1	47.27	100 to 102	29-Apr-14	01-May-14	01-May-14	\$1,087,241	24,850				0					
34	26	20140416	16-Apr-14	30-Apr-14	30-Apr-14	\$3,792,180	\$344,744	Dore metal bar AU content	81,003	1	46.82	90 to 96	17-Apr-14	23-Apr-14	30-Apr-14	\$3,792,180	83,500	-1	14	0	0					
35	27	20140429	29-Apr-14	12-May-14	12-May-14	\$3,933,671	\$337,606	Dore metal bar AU content	84,002	1	46.83	103 to 110	30-Apr-14	05-May-14	12-May-14	\$3,933,671	86,800	-1	13	0	0					
36	28	20140501	01-May-14	7-May-14	7-May-14	\$1,089,692	\$99,063	Dore metal bar AU content	23,002	1	47.37	111 to 113	05-May-14	06-May-14	07-May-14	\$1,089,692	24,750	-4	6	0	0					
37	29	20140507	07-May-14	12-May-14	12-May-14	\$1,218,627	\$110,784	Dore metal bar AU content	26,201	1	46.51	114 to 116	06-May-14	10-May-14	12-May-14	\$1,218,627	27,150				0					
38	30	20140508	08-May-14	16-May-14	16-May-14	\$3,968,611	\$360,783	Dore metal bar AU content	83,201	1	46.58	117 to 124	06-May-14	14-May-14	17-May-14	\$3,968,611	88,000	0	8	1	0					
39	31	20140519	19-May-14	19-May-14	19-May-14	\$1,223,768	\$111,232	Dore metal bar AU content	26,001	1	47.07	125 to 127	14-May-14	16-May-14	19-May-14	\$1,223,768	27,150	5	0	0	0					
40	32	20140518	18-May-14	23-May-14	23-May-14	\$2,024,242	\$184,023	Dore metal bar AU content	43,002	1	47.07	131 to 134	19-May-14	21-May-14	23-May-14	\$2,024,242	44,300	-1	5	0	0					
41	33	20140519	19-May-14	23-May-14	23-May-14	\$1,486,992	\$135,181	Dore metal bar AU content	31,499	1	47.21	135 to 137	20-May-14	22-May-14	23-May-14	\$1,486,992	32,550				0					
42	34	20140515	15-May-14	17-Jul-14	21-May-14	\$1,470,990	\$133,726	Dore metal bar AU content	31,300	1	47.00	128 to 130	16-May-14	20-May-14	21-May-14	\$1,470,990	33,350	-1	6	0	0					
43	35	20140522	22-May-14	28-May-14	28-May-14	\$1,482,633	\$134,785	Dore metal bar AU content	31,499	1	47.07	148 to 150	23-May-14	27-May-14	28-May-14	\$1,482,633	33,250				0					
44	36	20140519	19-May-14	28-May-14	28-May-14	\$2,696,220	\$245,111	Dore metal bar AU content	57,000	1	47.30	144 to 147	26-May-14	27-May-14	28-May-14	\$2,696,220	59,000	-7	9	0	0					
45	37	20140525	25-May-14	3-Jun-14	3-Jun-14	\$2,032,286	\$184,753	Dore metal bar AU content	43,100	1	47.15	144 to 147	26-May-14	27-May-14	03-Jun-14	\$2,032,286	44,300	-1	9	0	0					
46	38	20140527	27-May-14	3-Jun-14	3-Jun-14	\$1,433,256	\$130,296	Dore metal bar AU content	31,502	1	45.50	151 to 153	28-May-14	30-May-14	03-Jun-14	\$1,433,256	32,550				0					
47	39	20140528	28-May-14	6-Jun-14	6-Jun-14	\$2,592,143	\$235,649	Dore metal bar AU content	57,001	1	45.48	154 to 159	29-May-14	03-Jun-14	06-Jun-14	\$2,592,143	48,600	-1	9	0	0					
48	40	20140602	02-Jun-14	10-Jun-14	10-Jun-14	\$2,033,148	\$184,832	Dore metal bar AU content	44,700	1	45.48	160 to 163	03-Jun-14	03-Jun-14	10-Jun-14	\$2,033,148	46,000	-1	8	0	0					
49	41	20140603	03-Jun-14	10-Jun-14	10-Jun-14	\$1,431,848	\$130,168	Dore metal bar AU content	31,500	1	45.46	164 to 166	04-Jun-14	06-Jun-14	10-Jun-14	\$1,431,848	32,550	-1	7	0	0					
50	42	20140604	04-Jun-14	13-Jun-14	13-Jun-14	\$2,576,785	\$243,233	Dore metal bar AU content	56,900	1																

C	D	E	F	I	J	K	L	N	O	P	Q	U	W	X	Y	Z	AA	AB	AC	AG	AH	AI	AJ	AK	
62	53	20140701	01-Jul-14		4-Jul-14	\$763,494	\$69,409	Dore metal bar AU content	16,003	1	47.71		215 to 217	01-Jul-14	03-Jul-14	04-Jul-14	\$763,494				0	3	0	0	
63	54	20140701	01-Jul-14		9-Jul-14	\$2,570,386	\$233,671	Dore metal bar AU content	53,903	1	47.69		218 to 223	02-Jul-14	04-Jul-14	03-Jul-14	\$2,570,386	\$5,600			-1	8	-6		
64	55	20140707	07-Jul-14		15-Jul-14	\$2,285,365	\$207,760	Dore metal bar AU content	48,102	1	47.51		224 to 228	08-Jul-14	10-Jul-14	08-Jul-14	\$2,285,368	49,700			-1	8	-7		
65	56	20140705	05-Jul-14		9-Jul-14	\$1,493,618	\$135,802	Dore metal bar AU content	31,501	1	47.42		229 to 231	07-Jul-14	09-Jul-14	09-Jul-14	\$1,493,818	\$2,500			-2	4	0		
66	57	20140705	05-Jul-14	13-Aug-14	17-Jul-14	\$867,973	\$78,907	Dore metal bar AU content	17,998	1	48.23		235 to 237	14-Jul-14	16-Jul-14	14-Jul-14	\$1,502,172		33,100		-9	12	-3		
67	58	20140712	12-Jul-14	13-Aug-14	17-Jul-14	\$634,199	\$57,654	Dore metal bar AU content	13,501	1	46.97		235 to 237										5		
68	59	20140720	20-Jul-14	13-Aug-14	23-Jul-14	\$965,712	\$87,792	Dore metal bar AU content	20,502	1	47.10		238 to 240	21-Jul-14	23-Jul-14	23-Jul-14	\$965,712	32,700			-1	3	0		
69	60	20140719	19-Jul-14	13-Aug-14	23-Jul-14	\$518,231	\$47,112	Dore metal bar AU content	11,002	1	47.10		241 to 243	21-Jul-14	22-Jul-14	23-Jul-14	\$518,231				-2	4	0		
70	61	20140721	21-Jul-14	13-Aug-14	28-Jul-14	\$1,481,173	\$134,652	Dore metal bar AU content	31,505	1	47.01		244 to 246	24-Jul-14	25-Jul-14	28-Jul-14	\$1,481,173	32,600			-3	7	0		
71	62	20140725	25-Jul-14	13-Aug-14	4-Aug-14	\$2,580,294	\$234,572	Dore metal bar AU content	55,100	1	46.83		247 to 252	28-Jul-14	30-Jul-14	31-Jul-14	\$2,580,294	56,700			-3	10	-4		
72	63	20140725	27-Jul-14	13-Aug-14		\$235,112	\$21,374	Dore metal bar AU content	5,002	1	47.00		259 to 261												
73	64	20140728	28-Jul-14	13-Aug-14	31-Jul-14	\$869,527	\$79,048	Dore metal bar AU content	18,499	1	47.00		259 to 261	29-Jul-14	30-Jul-14	31-Jul-14	\$1,480,718	32,600			-1	3	0		
74	65	20140729	29-Jul-14	13-Aug-14		\$376,079	\$34,189	Dore metal bar AU content	8,001	1	47.00		259 to 261												
75	66	20140730	30-Jul-14	13-Aug-14	5-Aug-14	\$2,285,133	\$207,739	Dore metal bar AU content	48,606	1	47.01		262 to 266	30-Jul-14	01-Aug-14	01-Aug-14	\$2,285,133	50,000			0	6	-4		
76	67	20140731	31-Jul-14	13-Aug-14	5-Aug-14	\$701,726	\$63,793	Dore metal bar AU content	15,002	1	46.78		267 to 269	01-Aug-14	04-Aug-14	03-Aug-14	\$701,726	32,200			-1	5	0		
77	68	20140729	29-Jul-14	13-Aug-14	5-Aug-14	\$771,349	\$70,123	Dore metal bar AU content	16,501	1	46.75		270 to 272	01-Aug-14	04-Aug-14	03-Aug-14	\$771,349				-3	7	0		
78	69	20140801	01-Aug-14	13-Aug-14	8-Aug-14	\$2,572,779	\$233,889	Dore metal bar AU content	54,998	1	46.78		273 to 278	01-Aug-14	05-Aug-14	03-Aug-14	\$2,572,779	56,800			0	7	-3		
79	70	20140802	02-Aug-14	13-Aug-14	11-Aug-14	\$2,394,712	\$217,701	Dore metal bar AU content	51,007	1	46.95		279 to 283	04-Aug-14	06-Aug-14	07-Aug-14	\$2,394,712	52,600			-2	9	-4		
80	71	20140804	04-Aug-14	13-Aug-14	11-Aug-14	\$1,503,377	\$136,671	Dore metal bar AU content	31,498	1	47.73		284 to 286	07-Aug-14	08-Aug-14	11-Aug-14	\$1,503,377	32,600			-3	7	0		
81	72	20140807	07-Aug-14	21-Aug-14	15-Aug-14	\$2,564,975	\$233,180	Dore metal bar AU content	53,902	1	47.59		287 to 292	07-Aug-14	11-Aug-14	11-Aug-14	\$2,564,975	55,600			0	8	-4		
82	73	20140812	12-Aug-14	21-Aug-14	19-Aug-14	\$1,406,986	\$127,908	Dore metal bar AU content	29,503	1	47.69		293 to 297	12-Aug-14	14-Aug-14	14-Aug-14	\$1,406,986	51,000			0	7	-5		
83	74	20140812	12-Aug-14	21-Aug-14	19-Aug-14	\$954,318	\$86,756	Dore metal bar AU content	19,999	1	47.72		298 to 302	12-Aug-14	14-Aug-14	14-Aug-14	\$954,318				0	7	-5		
84	75	20140813	13-Aug-14	21-Aug-14	15-Aug-14	\$187,919	\$77,993	Dore metal bar AU content	18,001	1	47.66		303 to 305	13-Aug-14	14-Aug-14	15-Aug-14	\$187,919	32,800			0	2	0		
85	76	20140812	12-Aug-14	21-Aug-14	15-Aug-14	\$166,733	\$15,119	Dore metal bar AU content	3,501	1	47.63		306 to 308	13-Aug-14	14-Aug-14	15-Aug-14	\$166,733				-1	3	0		
86	77	20140813	13-Aug-14	21-Aug-14	19-Aug-14	\$476,833	\$43,348	Dore metal bar AU content	10,005	1	47.66		309 to 311	13-Aug-14	14-Aug-14	15-Aug-14	\$476,833				0	6	-4		
87	78	20140826	26-Aug-14		2-Sep-14	\$466,379	\$42,398	Dore metal bar AU content	10,001	1	46.83		312 to 314	28-Aug-14	29-Aug-14	01-Sep-14	\$466,379	32,700			-2	7	-1		
88	79	20140827	27-Aug-14		2-Sep-14	\$535,795	\$48,709	Dore metal bar AU content	11,501	1	46.59		318 to 320	28-Aug-14	29-Aug-14	01-Sep-14	\$1,001,756				-1	6	-1		
89	80	20140828	28-Aug-14			\$465,961	\$42,360	Dore metal bar AU content	10,002	1	46.59		318 to 320	28-Aug-14	29-Aug-14	01-Sep-14					0				
90	81	20140902	02-Sep-14			\$457,863	\$41,624	Dore metal bar AU content	9,999	1	45.79		327 to 329	04-Sep-14	05-Sep-14						-2				
91	82	20140903	03-Sep-14		8-Sep-14	\$526,470	\$47,861	Dore metal bar AU content	11,502	1	45.77		327 to 329	04-Sep-14	05-Sep-14	08-Sep-14	\$1,441,970	32,600			-1	5	0		
92	83	20140904	04-Sep-14			\$457,637	\$41,603	Dore metal bar AU content	10,001	1	45.76		327 to 329	04-Sep-14	05-Sep-14							0			
93	84	20140907	07-Sep-14		22-Sep-14	\$461,748	\$41,977	Dore metal bar AU content	10,001	1	46.17		336 to 338	10-Sep-14	11-Sep-14						-3	15			
94	85	20140908	08-Sep-14		15-Sep-14	\$529,602	\$48,146	Dore metal bar AU content	11,503	1	46.04		336 to 338	10-Sep-14	11-Sep-14	14-Sep-14	\$1,451,955	32,800			-2	7	-1		
95	86	20140909	09-Sep-14			\$460,605	\$41,873	Dore metal bar AU content	9,998	1	46.07		336 to 338	10-Sep-14	11-Sep-14						-1				
96	87	20140913	13-Sep-14		18-Sep-14	\$650,335	\$59,121	Dore metal bar AU content	14,101	1	46.12		339 to 341	15-Sep-14	16-Sep-14						-2	5			
97	88	20140914	14-Sep-14		18-Sep-14	\$1,135,411	\$103,219	Dore metal bar AU content	24,603	1	46.15		342 to 344	16-Sep-14	17-Sep-14						-2	4			
98	89	20140917	17-Sep-14		24-Sep-14	\$1,254,188	\$114,017	Dore metal bar AU content	27,099	1	46.28		345 to 347	18-Sep-14	19-Sep-14	24-Sep-14	\$1,254,188	44,500			-1	7	0		
99	90	20140918	18-Sep-14		24-Sep-14	\$741,944	\$67,449	Dore metal bar AU content	16,008	1	46.35		348 to 350	19-Sep-14	22-Sep-14	24-Sep-14	\$741,944				-1	6	0		
100	91	20140922	22-Sep-14		29-Sep-14	\$1,115,674	\$101,423	Dore metal bar AU content	23,601	1	47.27		351 to 353	24-Sep-14	25-Sep-14						-2	7			
101	92	20140924	24-Sep-14		29-Sep-14	\$952,682	\$86,607	Dore metal bar AU content	20,202	1	47.16		354 to 356	25-Sep-14	26-Sep-14						-1	5			
102	93	20140925	25/09/2014		29-Sep-14	\$365,268	\$33,206	Dore metal bar AU content	7,701	1	47.43		357 to 359	25-Sep-14	26-Sep-14						0	4			
103						\$43,616,811	\$3,965,165		926,468.00																

## Schedule 2.1: Eastwin sales invoices – March 2014 Quarter

	C	D	E	F	G	H	I	J	K	N	O	P	Q	S	T	V		
4	Schedule 2.1 - Eastwin sales invoices - March 2014 Quarter - date order																	
5	No	Date		Addressee	Description				Weight			Price				Payment	P'ment delay	
6		Invoice	Payment						Gross	Pure	Estimated		inc GST	excl GST	GST	Est (Pure) / gram	Date	(after invoice)
7									gm	gm	gm	Est %				inc GST	exc GST	days
8													\$	\$	\$	\$		
9																		
10	1	8-Jan-14	15-Jan-14	APM Trading Corp pl	Mixed size and grade dore bars	9,518		9,241	97.09%	426,195	387,450	38,745	46.12	41.93	15-Jan-14	7		
11	2	9-Jan-14	15-Jan-14	APM Trading Corp pl	Mixed size and grade dore bars	13,656		13,258	97.09%	625,731	568,046	56,885	47.20	42.91	15-Jan-14	6		
12	3	10-Jan-14	15-Jan-14	APM Trading Corp pl	Mixed size and grade dore bars	8,226		7,986	97.09%	379,815	345,287	34,528	47.56	43.24	15-Jan-14	5		
13	4	10-Jan-14	15-Jan-14	APM Trading Corp pl	Mixed size and grade dore bars	7,567		7,356	97.21%	342,201	311,092	31,109	46.52	42.29	15-Jan-14	5		
14	5	13-Jan-14	15-Jan-14	APM Trading Corp pl	Mixed size and grade dore bars	10,815		10,500	97.09%	494,550	449,591	44,959	47.10	42.82	15-Jan-14	2		
15	6	14-Jan-14	15-Jan-14	APM Trading Corp pl	Mixed size and grade dore bars	12,170		11,815	97.09%	557,759	507,054	50,705	47.21	42.91	15-Jan-14	1		
16	7	15-Jan-14	22-Jan-14	APM Trading Corp pl	Mixed size and grade dore bars	10,650		10,340	97.09%	493,321	448,474	44,847	47.71	43.37	22-Jan-14	7		
17	8	16-Jan-14	22-Jan-14	APM Trading Corp pl	Mixed size and grade dore bars	12,741		12,370	97.09%	590,173	536,521	53,652	47.71	43.37	22-Jan-14	6		
18	9	17-Jan-14	22-Jan-14	APM Trading Corp pl	Mixed size and grade dore bars	13,747		13,347	97.09%	636,889	578,990	57,899	47.72	43.38	22-Jan-14	5		
19	10	17-Jan-14	22-Jan-14	APM Trading Corp pl	Mixed size and grade dore bars	10,279		9,980	97.09%	477,842	434,402	43,440	47.88	43.53	22-Jan-14	5		
20	11	20-Jan-14	22-Jan-14	APM Trading Corp pl	Mixed size and grade dore bars	9,308		9,037	97.09%	432,722	393,388	39,334	47.89	43.53	22-Jan-14	2		
21	12	21-Jan-14	22-Jan-14	APM Trading Corp pl	Mixed size and grade dore bars	11,176		10,850	97.09%	519,330	472,118	47,212	47.86	43.51	22-Jan-14	1		
22	13	22-Jan-14	30-Jan-14	APM Trading Corp pl	Mixed size and grade dore bars	11,866		11,520	97.09%	532,169	483,790	48,379	46.20	42.00	30-Jan-14	8		
23	14	22-Jan-14	30-Jan-14	APM Trading Corp pl	Mixed size and grade dore bars	10,568		10,260	97.09%	473,963	430,875	43,088	46.20	42.00	30-Jan-14	8		
24	15	23-Jan-14	30-Jan-14	APM Trading Corp pl	Mixed size and grade dore bars	11,721		11,380	97.09%	525,701	477,910	47,791	46.20	42.00	30-Jan-14	7		
25	16	23-Jan-14	30-Jan-14	APM Trading Corp pl	Mixed size and grade dore bars	11,237		10,910	97.09%	503,990	458,173	45,817	46.20	42.00	30-Jan-14	7		
26	17	24-Jan-14	30-Jan-14	APM Trading Corp pl	Mixed size and grade dore bars	13,060		12,680	97.09%	585,753	532,503	53,250	46.20	42.00	30-Jan-14	6		
27	18	27-Jan-14	30-Jan-14	APM Trading Corp pl	Mixed size and grade dore bars	4,074		3,955	97.09%	193,803	176,185	17,618	49.00	44.55	30-Jan-14	3		
28	19	28-Jan-14	30-Jan-14	APM Trading Corp pl	Mixed size and grade dore bars	5,057		4,910	97.09%	241,571	219,611	21,960	49.20	44.73	30-Jan-14	2		
29	20	29-Jan-14	30-Jan-14	APM Trading Corp pl	Mixed size and grade dore bars	5,243		5,090	97.09%	250,912	228,102	22,810	49.30	44.81	30-Jan-14	1		
30	21	29-Jan-14	11-Feb-14	APM Trading Corp pl	Mixed size and grade dore bars	9,414		9,140	97.09%	448,646	407,860	40,786	49.09	44.62	11-Feb-14	13		
31	22	29-Jan-14	11-Feb-14	APM Trading Corp pl	Mixed size and grade dore bars	10,496		10,190	97.09%	500,186	454,715	45,471	49.09	44.62	11-Feb-14	13		
32	23	30-Jan-14	11-Feb-14	APM Trading Corp pl	Mixed size and grade dore bars	11,773		11,430	97.09%	561,053	510,048	51,005	49.09	44.62	11-Feb-14	12		
33	24	30-Jan-14	11-Feb-14	APM Trading Corp pl	Mixed size and grade dore bars	10,494		10,188	97.09%	500,088	454,625	45,463	49.09	44.62	11-Feb-14	12		
34	25	31-Jan-14	11-Feb-14	APM Trading Corp pl	Mixed size and grade dore bars	12,607		12,240	97.09%	600,813	546,194	54,619	49.09	44.62	11-Feb-14	11		
35	26	3-Feb-14	6-Feb-14	APM Trading Corp pl	Mixed size and grade dore bars	9,013		8,750	97.09%	417,856	379,069	37,987	47.75	43.41	6-Feb-14	3		
36	27	4-Feb-14	6-Feb-14	APM Trading Corp pl	Mixed size and grade dore bars	10,110		9,815	97.09%	468,715	426,105	42,610	47.75	43.41	6-Feb-14	2		
37	28	4-Feb-14	6-Feb-14	APM Trading Corp pl	Mixed size and grade dore bars	11,794		11,450	97.09%	546,795	497,086	49,709	47.76	43.41	6-Feb-14	2		
38	29	10-Feb-14	17-Feb-14	APM Trading Corp pl	Mixed size and grade dore bars	10,460		10,155	97.09%	491,065	446,423	44,642	48.36	43.96	17-Feb-14	7		
39	30	10-Feb-14	17-Feb-14	APM Trading Corp pl	Mixed size and grade dore bars	12,762		12,390	97.09%	599,143	544,675	54,468	48.36	43.96	17-Feb-14	7		
40	34	10-Feb-14	12-Feb-14	APM Trading Corp pl	Mixed size and grade dore bars	9,929		9,640	97.09%	466,566	424,151	42,415	48.40	44.00	12-Feb-14	2		
41	31	11-Feb-14	17-Feb-14	APM Trading Corp pl	Mixed size and grade dore bars	10,269		9,970	97.09%	482,119	438,290	43,829	48.36	43.96	17-Feb-14	6		
42	32	11-Feb-14	17-Feb-14	APM Trading Corp pl	Mixed size and grade dore bars	11,206		10,880	97.09%	526,124	478,295	47,829	48.36	43.96	17-Feb-14	6		
43	35	11-Feb-14	12-Feb-14	APM Trading Corp pl	Mixed size and grade dore bars	8,507		8,259	97.09%	399,727	363,388	36,339	48.40	44.00	12-Feb-14	1		
44	33	12-Feb-14	17-Feb-14	APM Trading Corp pl	Mixed size and grade dore bars	12,010		11,660	97.09%	563,844	512,585	51,259	48.36	43.96	17-Feb-14	5		
45	36	12-Feb-14	12-Feb-14	APM Trading Corp pl	Mixed size and grade dore bars	7,529		7,310	97.09%	353,797	321,634	32,163	48.40	44.00	12-Feb-14	0		
46	37	12-Feb-14	18-Feb-14	APM Trading Corp pl	Mixed size and grade dore bars	11,332		11,002	97.09%	545,446	495,860	49,586	49.58	45.07	18-Feb-14	6		
47	38	13-Feb-14	18-Feb-14	APM Trading Corp pl	Mixed size and grade dore bars	11,464		11,130	97.09%	551,792	501,629	50,163	49.58	45.07	18-Feb-14	5		
48	39	14-Feb-14	18-Feb-14	APM Trading Corp pl	Mixed size and grade dore bars	10,166		9,870	97.09%	489,325	444,841	44,484	49.58	45.07	18-Feb-14	4		
49	40	14-Feb-14	24-Feb-14	APM Trading Corp pl	Mixed size and grade dore bars	10,353		10,051	97.09%	497,987	452,715	45,272	49.55	45.04	24-Feb-14	10		
50	41	14-Feb-14	24-Feb-14	APM Trading Corp pl	Mixed size and grade dore bars	11,876		11,530	97.09%	571,265	519,332	51,933	49.55	45.04	24-Feb-14	10		
51	42	17-Feb-14	24-Feb-14	APM Trading Corp pl	Mixed size and grade dore bars	9,960		9,670	97.09%	479,110	435,555	43,555	49.55	45.04	24-Feb-14	7		
52	43	17-Feb-14	24-Feb-14	APM Trading Corp pl	Mixed size and grade dore bars	11,917		11,570	97.09%	573,247	521,134	52,113	49.55	45.04	24-Feb-14	7		
53	44	18-Feb-14	24-Feb-14	APM Trading Corp pl	Mixed size and grade dore bars	9,507		9,230	97.09%	457,310	415,736	41,574	49.55	45.04	24-Feb-14	6		
54	45	19-Feb-14	25-Feb-14	APM Trading Corp pl	Mixed size and grade dore bars	10,253		9,954	97.09%	497,790	452,536	45,254	50.01	45.46	25-Feb-14	6		
55	46	20-Feb-14	25-Feb-14	APM Trading Corp pl	Mixed size and grade dore bars	11,186		10,860	97.09%	543,098	493,725	49,373	50.01	45.46	25-Feb-14	5		
56	47	21-Feb-14	25-Feb-14	APM Trading Corp pl	Mixed size and grade dore bars	10,650		10,340	97.09%	517,092	470,084	47,008	50.01	45.46	25-Feb-14	4		

C	D	E	F	G	H	I	J	K	N	O	P	Q	S	T	V					
4 Schedule 2.1 - Eastwin sales invoices - March 2014 Quarter - date order																				
5	No	Date		Addressee	Description				Weight				Price							
6		Invoice	Payment						Gross	Pure	Estimated		inc GST	excl GST	GST	Est (Pure) / gram	Payment	P'ment delay		
57	48	21-Feb-14	4-Mar-14	APM Trading Corp pl	Mixed size and grade dore bars	12,525			12,160	97.09%		609,763	554,330	55,433	50.14	45.59	4-Mar-14	11		
58	49	24-Feb-14	4-Mar-14	APM Trading Corp pl	Mixed size and grade dore bars	11,155			10,830	97.09%		543,070	493,700	49,370	50.14	45.59	4-Mar-14	8		
59	50	24-Feb-14	4-Mar-14	APM Trading Corp pl	Mixed size and grade dore bars	12,309			11,950	97.09%		599,233	544,757	54,476	50.15	45.59	4-Mar-14	8		
60	51	25-Feb-14	4-Mar-14	APM Trading Corp pl	Mixed size and grade dore bars	11,485			11,150	97.09%		559,117	508,288	50,829	50.15	45.59	4-Mar-14	7		
61	52	25-Feb-14	4-Mar-14	APM Trading Corp pl	Mixed size and grade dore bars	12,319			11,960	97.09%		599,734	545,213	54,521	50.14	45.59	4-Mar-14	7		
62	53	27-Feb-14	5-Mar-14	APM Trading Corp pl	Mixed size and grade dore bars	10,046			9,753	97.09%		497,861	452,601	45,260	51.05	46.41	5-Mar-14	6		
63	54	28-Feb-14	5-Mar-14	APM Trading Corp pl	Mixed size and grade dore bars	10,516			10,210	97.09%		521,190	473,809	47,381	51.05	46.41	5-Mar-14	5		
64	55	3-Mar-14	5-Mar-14	APM Trading Corp pl	Mixed size and grade dore bars	10,496			10,190	97.09%		520,169	472,881	47,288	51.05	46.41	5-Mar-14	2		
65	56	13-Mar-14	18-Mar-14	APM Trading Corp pl	Mixed size and grade dore bars	11,076			10,753	97.09%		551,263	501,148	50,115	51.27	46.61	18-Mar-14	5		
66	57	14-Mar-14	18-Mar-14	APM Trading Corp pl	Mixed size and grade dore bars	10,326			10,020	97.04%		513,605	466,986	46,699	51.27	46.61	18-Mar-14	4		
67	58	17-Mar-14	18-Mar-14	APM Trading Corp pl	Mixed size and grade dore bars	9,507			9,230	97.09%		473,186	430,169	43,017	51.27	46.61	18-Mar-14	1		
68	59	17-Mar-14	24-Mar-14	APM Trading Corp pl	Mixed size and grade dore bars	11,382			11,050	97.09%		558,843	508,039	50,804	50.57	45.98	24-Mar-14	7		
69	60	17-Mar-14	24-Mar-14	APM Trading Corp pl	Mixed size and grade dore bars	11,752			11,410	97.09%		577,409	524,950	52,459	50.61	46.01	24-Mar-14	7		
70	61	18-Mar-14	24-Mar-14	APM Trading Corp pl	Mixed size and grade dore bars	12,360			12,000	97.09%		606,888	551,716	55,172	50.57	45.98	24-Mar-14	6		
71	62	18-Mar-14	24-Mar-14	APM Trading Corp pl	Mixed size and grade dore bars	11,402			11,070	97.09%		559,854	508,958	50,896	50.57	45.98	24-Mar-14	6		
72	63	19-Mar-14	24-Mar-14	APM Trading Corp pl	Mixed size and grade dore bars	11,866			11,520	97.09%		582,613	529,648	52,965	50.57	45.98	24-Mar-14	5		
73	64	19-Mar-14	24-Mar-14	APM Trading Corp pl	Mixed size and grade dore bars	6,697			6,502	97.09%		325,165	295,605	29,560	50.01	45.46	24-Mar-14	5		
74	65	20-Mar-14	24-Mar-14	APM Trading Corp pl	Mixed size and grade dore bars	7,313			7,100	97.09%		355,071	322,792	32,279	50.01	45.46	24-Mar-14	4		
75	66	21-Mar-14	24-Mar-14	APM Trading Corp pl	Mixed size and grade dore bars	5,253			5,100	97.09%		255,051	231,865	23,186	50.01	45.46	24-Mar-14	3		
76	67	25-Mar-14	28-Mar-14	Aust Coin Exch pl	Mixed size and grade dore bars	6,452			6,264	97.09%		300,316	273,015	27,301	47.95	43.59	28-Mar-14	3		
77	70	25-Mar-14	4-Apr-14	Aust Coin Exch pl	Mixed size and grade dore bars	7,246			7,035	97.09%		332,685	302,441	30,244	47.29	42.99	4-Apr-14	10		
78	68	26-Mar-14	28-Mar-14	Aust Coin Exch pl	Mixed size and grade dore bars	5,284			5,130	97.09%		245,963	223,603	22,360	47.95	43.59	28-Mar-14	2		
79	71	26-Mar-14	4-Apr-14	Aust Coin Exch pl	Mixed size and grade dore bars	6,201			6,020	97.09%		284,686	258,805	25,881	47.29	42.99	4-Apr-14	9		
80	69	27-Mar-14	28-Mar-14	Aust Coin Exch pl	Mixed size and grade dore bars	7,591			7,370	97.09%		353,362	321,238	32,124	47.95	43.59	28-Mar-14	1		
81	72	27-Mar-14	4-Apr-14	Aust Coin Exch pl	Mixed size and grade dore bars	7,189			6,980	97.09%		330,084	300,076	30,008	47.29	42.99	4-Apr-14	8		
82					Total - March Qtr				729,458			708,216			34,590,650	31,446,085	3,144,565	47.42	44.40	

## Schedule 2.2: Eastwin sales invoices – June 2014 Quarter

C	D	E	F	G	H	I	J	K	N	O	P	Q	S	T	V	
4 Schedule 2.2 - Eastwin sales invoices - June 2014 Quarter - date order																
5	No		Date	Addressee	Description				Weight				Price			
	Invoice	Payment			Gross	Pure	Estimated	Est %	inc GST	excl GST	GST	Est (Pure) / gram	inc GST	exc GST	Date	(after invoice) days
gm	gm	gm			\$	\$	\$	\$	\$	\$	\$	\$	\$	\$		
83	73	7-Apr-14	14-Apr-14	Aust Coin Exch pl	Mixed size and grade dore bars	10,702	10,390	97.09%	491,499	446,817	44,682	47.31	43.00	14-Apr-14	7	
84	74	8-Apr-14	14-Apr-14	Aust Coin Exch pl	Mixed size and grade dore bars	11,969	11,620	97.09%	549,684	499,713	49,971	47.30	43.00	14-Apr-14	6	
85	75	8-Apr-14	14-Apr-14	Aust Coin Exch pl	Mixed size and grade dore bars	11,317	10,987	97.09%	519,740	472,491	47,249	47.30	43.00	14-Apr-14	6	
86	76	9-Apr-14	14-Apr-14	Aust Coin Exch pl	Mixed size and grade dore bars	12,401	12,040	97.09%	569,552	517,775	51,777	47.30	43.00	14-Apr-14	5	
87	77	9-Apr-14	14-Apr-14	Aust Coin Exch pl	Mixed size and grade dore bars	11,703	11,430	97.67%	540,696	491,542	49,154	47.30	43.00	14-Apr-14	5	
88	78	10-Apr-14	14-Apr-14	Aust Coin Exch pl	Mixed size and grade dore bars	10,300	10,000	97.09%	473,050	430,045	43,005	47.31	43.00	14-Apr-14	4	
89	79	10-Apr-14	14-Apr-14	Aust Coin Exch pl	Mixed size and grade dore bars	9,806	9,520	97.09%	450,344	409,404	40,940	47.31	43.00	14-Apr-14	4	
90	80	10-Apr-14	15-Apr-14	Aust Coin Exch pl	Mixed size and grade dore bars	7814	7586	97.08%	363,988	330,098	33,090	47.98	43.62	15-Apr-14	5	
91	83	10-Apr-14	22-Apr-14	Aust Coin Exch pl	Mixed size and grade dore bars	11,268	10,940	97.09%	526,034	478,213	47,821	48.08	43.71	22-Apr-14	12	
92	81	11-Apr-14	15-Apr-14	Aust Coin Exch pl	Mixed size and grade dore bars	7,159	6,950	97.09%	333,454	303,140	30,314	47.98	43.62	15-Apr-14	4	
93	84	11-Apr-14	22-Apr-14	Aust Coin Exch pl	Mixed size and grade dore bars	11,021	10,700	97.09%	514,494	467,722	46,772	48.08	43.71	22-Apr-14	11	
94	85	11-Apr-14	22-Apr-14	Aust Coin Exch pl	Mixed size and grade dore bars	10,249	9,950	97.09%	478,432	434,938	43,494	48.08	43.71	22-Apr-14	11	
95	82	14-Apr-14	15-Apr-14	Aust Coin Exch pl	Mixed size and grade dore bars	9,631	9,350	97.09%	448,604	407,822	40,782	47.98	43.62	15-Apr-14	1	
96	86	14-Apr-14	22-Apr-14	Aust Coin Exch pl	Mixed size and grade dore bars	13,009	12,630	97.09%	607,296	552,087	55,209	48.08	43.71	22-Apr-14	8	
97	87	14-Apr-14	22-Apr-14	Aust Coin Exch pl	Mixed size and grade dore bars	12,154	11,800	97.09%	567,306	515,805	51,581	48.08	43.71	22-Apr-14	8	
98	88	15-Apr-14	22-Apr-14	Aust Coin Exch pl	Mixed size and grade dore bars	11,258	10,930	97.09%	525,554	477,776	47,778	48.08	43.71	22-Apr-14	7	
99	89	15-Apr-14	22-Apr-14	Aust Coin Exch pl	Mixed size and grade dore bars	8,549	8,300	97.09%	399,096	362,815	36,281	48.08	43.71	22-Apr-14	7	
100	90	17-Apr-14	30-Apr-14	Aust Coin Exch pl	Mixed size and grade dore bars	11,145	10,820	97.09%	508,821	462,565	46,256	47.03	42.75	30-Apr-14	13	
101	91	17-Apr-14	30-Apr-14	Aust Coin Exch pl	Mixed size and grade dore bars	11,652	11,313	97.09%	532,005	483,641	48,364	47.03	42.75	30-Apr-14	13	
102	97	17-Apr-14	24-Apr-14	Aust Coin Exch pl	Mixed size and grade dore bars	8,139	7,902	97.09%	371,307	337,552	33,755	46.99	42.72	24-Apr-14	7	
103	92	18-Apr-14	30-Apr-14	Aust Coin Exch pl	Mixed size and grade dore bars	10,496	10,190	97.09%	479,195	435,632	43,563	47.03	42.75	30-Apr-14	12	
104	93	18-Apr-14	30-Apr-14	Aust Coin Exch pl	Mixed size and grade dore bars	11,917	11,560	97.00%	544,091	494,628	49,463	47.07	42.79	30-Apr-14	12	
105	98	18-Apr-14	24-Apr-14	Aust Coin Exch pl	Mixed size and grade dore bars	8,405	8,160	97.09%	383,430	348,573	34,857	46.99	42.72	24-Apr-14	6	
106	94	22-Apr-14	30-Apr-14	Aust Coin Exch pl	Mixed size and grade dore bars	11,536	11,200	97.09%	526,691	478,810	47,881	47.03	42.75	30-Apr-14	8	
107	95	22-Apr-14	30-Apr-14	Aust Coin Exch pl	Mixed size and grade dore bars	12,442	12,080	97.09%	568,074	516,431	51,643	47.03	42.75	30-Apr-14	8	
108	99	22-Apr-14	24-Apr-14	Aust Coin Exch pl	Mixed size and grade dore bars	7,148	6,940	97.09%	326,104	296,458	29,646	46.99	42.72	24-Apr-14	2	
109	96	23-Apr-14	30-Apr-14	Aust Coin Exch pl	Mixed size and grade dore bars	14,245	13,830	97.09%	650,370	591,245	59,125	47.03	42.75	30-Apr-14	7	
110	100	29-Apr-14	1-May-14	Aust Coin Exch pl	Mixed size and grade dore bars	7,756	7,530	97.09%	357,539	325,035	32,504	47.48	43.17	1-May-14	2	
111	101	30-Apr-14	1-May-14	Aust Coin Exch pl	Mixed size and grade dore bars	6,181	6,001	97.09%	284,939	259,035	25,904	47.48	43.17	1-May-14	1	
112	103	30-Apr-14	12-May-14	Aust Coin Exch pl	Mixed size and grade dore bars	11,443	11,110	97.09%	522,603	475,094	47,509	47.04	42.76	12-May-14	12	
113	104	30-Apr-14	12-May-14	Aust Coin Exch pl	Mixed size and grade dore bars	10,672	10,362	97.10%	487,418	443,107	44,311	47.04	42.76	12-May-14	12	
114	102	1-May-14	1-May-14	Aust Coin Exch pl	Mixed size and grade dore bars	9,754	9,470	97.09%	449,655	408,777	40,878	47.48	43.17	1-May-14	0	
115	105	1-May-14	12-May-14	Aust Coin Exch pl	Mixed size and grade dore bars	10,382	10,080	97.09%	474,153	431,048	43,105	47.04	42.76	12-May-14	11	
116	106	1-May-14	12-May-14	Aust Coin Exch pl	Mixed size and grade dore bars	10,764	10,450	97.09%	491,558	446,871	44,687	47.04	42.76	12-May-14	11	
117	107	2-May-14	12-May-14	Aust Coin Exch pl	Mixed size and grade dore bars	11,567	11,230	97.09%	528,248	480,225	48,023	47.04	42.76	12-May-14	10	
118	108	2-May-14	12-May-14	Aust Coin Exch pl	Mixed size and grade dore bars	10,187	9,890	97.09%	465,216	422,924	42,292	47.04	42.76	12-May-14	10	
119	109	5-May-14	12-May-14	Aust Coin Exch pl	Mixed size and grade dore bars	11,073	10,750	97.09%	505,669	459,699	45,970	47.04	42.76	12-May-14	7	
120	110	5-May-14	12-May-14	Aust Coin Exch pl	Mixed size and grade dore bars	10,434	10,130	97.09%	476,505	433,186	43,319	47.04	42.76	12-May-14	7	
121	111	5-May-14	7-May-14	Aust Coin Exch pl	Mixed size and grade dore bars	8,716	8,462	97.09%	402,681	366,074	36,607	47.59	43.26	7-May-14	2	
122	112	5-May-14	7-May-14	Aust Coin Exch pl	Mixed size and grade dore bars	7,406	7,190	97.09%	342,151	311,046	31,105	47.59	43.26	7-May-14	2	
123	113	6-May-14	7-May-14	Aust Coin Exch pl	Mixed size and grade dore bars	7,571	7,350	97.09%	349,764	317,967	31,797	47.59	43.26	7-May-14	1	
124	114	8-May-14	12-May-14	Aust Coin Exch pl	Mixed size and grade dore bars	7,220	7,010	97.09%	327,507	297,734	29,773	46.72	42.47	12-May-14	4	
125	117	8-May-14	16-May-14	Aust Coin Exch pl	Mixed size and grade dore bars	10,640	10,330	97.09%	483,330	439,391	43,939	46.79	42.54	16-May-14	8	
126	118	8-May-14	16-May-14	Aust Coin Exch pl	Mixed size and grade dore bars	10,599	10,290	97.09%	481,459	437,690	43,769	46.79	42.54	16-May-14	8	
127	115	9-May-14	12-May-14	Aust Coin Exch pl	Mixed size and grade dore bars	9,878	9,590	97.09%	448,045	407,314	40,731	46.72	42.47	12-May-14	3	
128	119	9-May-14	16-May-14	Aust Coin Exch pl	Mixed size and grade dore bars	10,382	10,080	97.09%	471,633	428,757	42,876	46.79	42.54	16-May-14	7	

Verify version

C	D	E	F	G	H	I	J	K	N	O	P	Q	S	T	V	
4 Schedule 2.2 - Eastwin sales invoices - June 2014 Quarter - date order																
5	No	Date		Addressee	Description		Weight			Price				Payment	P'ment delay	
6		Invoice	Payment				Gross	Pure	Estimated	inc GST	excl GST	GST	Est (Pure) / gram	Date	(after invoice)	
129	120	9-May-14	16-May-14	Aust Coin Exch pl	Mixed size and grade dore bars	9,477		9,201	97.09%	431,305	391,368	39,937	46.88	42.54	16-May-14	7
130	116	10-May-14	12-May-14	Aust Coin Exch pl	Mixed size and grade dore bars	9,889		9,601	97.09%	448,559	407,781	40,778	46.72	42.47	12-May-14	2
131	121	12-May-14	16-May-14	Aust Coin Exch pl	Mixed size and grade dore bars	11,909		11,640	97.09%	544,624	495,113	49,511	46.79	42.54	16-May-14	4
132	122	12-May-14	16-May-14	Aust Coin Exch pl	Mixed size and grade dore bars	11,330		11,000	97.09%	514,679	467,890	46,789	46.79	42.54	16-May-14	4
133	123	13-May-14	16-May-14	Aust Coin Exch pl	Mixed size and grade dore bars	11,309		10,980	97.09%	513,743	467,039	46,704	46.79	42.54	16-May-14	3
134	124	14-May-14	16-May-14	Aust Coin Exch pl	Mixed size and grade dore bars	12,030		11,680	97.09%	546,496	496,815	49,681	46.79	42.54	16-May-14	2
135	125	14-May-14	19-May-14	Aust Coin Exch pl	Mixed size and grade dore bars	8,260		8,020	97.09%	379,170	344,700	34,470	47.28	42.98	19-May-14	5
136	126	15-May-14	19-May-14	Aust Coin Exch pl	Mixed size and grade dore bars	9,847		9,560	97.09%	451,978	410,889	41,089	47.28	42.98	19-May-14	4
137	127	16-May-14	19-May-14	Aust Coin Exch pl	Mixed size and grade dore bars	8,673		8,421	97.09%	398,127	361,934	36,193	47.28	42.98	19-May-14	3
138	128	16-May-14	21-May-14	Aust Coin Exch pl	Mixed size and grade dore bars	9,806		9,520	97.09%	449,420	408,564	40,856	47.21	42.92	21-May-14	5
139	129	19-May-14	21-May-14	Aust Coin Exch pl	Mixed size and grade dore bars	10,506		10,200	97.09%	481,522	437,747	43,775	47.21	42.92	21-May-14	2
140	131	19-May-14	23-May-14	Aust Coin Exch pl	Mixed size and grade dore bars	10,846		10,530	97.09%	497,911	452,646	45,265	47.28	42.99	23-May-14	4
141	138	19-May-14	28-May-14	Aust Coin Exch pl	Mixed size and grade dore bars	9,806		9,520	97.09%	452,343	411,221	41,122	47.52	43.20	28-May-14	9
142	130	20-May-14	21-May-14	Aust Coin Exch pl	Mixed size and grade dore bars	11,927		11,580	97.09%	546,668	496,971	49,697	47.21	42.92	21-May-14	1
143	132	20-May-14	23-May-14	Aust Coin Exch pl	Mixed size and grade dore bars	10,434		10,130	97.09%	478,997	435,452	43,545	47.28	42.99	23-May-14	3
144	135	20-May-14	23-May-14	Aust Coin Exch pl	Mixed size and grade dore bars	10,825		10,510	97.09%	498,384	453,076	45,308	47.42	43.11	23-May-14	3
145	139	20-May-14	28-May-14	Aust Coin Exch pl	Mixed size and grade dore bars	10,290		9,990	97.09%	474,675	431,523	43,152	47.52	43.20	28-May-14	8
146	140	20-May-14	28-May-14	Aust Coin Exch pl	Mixed size and grade dore bars	10,764		10,450	97.09%	496,532	451,393	45,139	47.52	43.20	28-May-14	8
147	133	21-May-14	23-May-14	Aust Coin Exch pl	Mixed size and grade dore bars	11,176		10,850	97.09%	513,042	466,402	46,640	47.28	42.99	23-May-14	2
148	134	21-May-14	23-May-14	Aust Coin Exch pl	Mixed size and grade dore bars	11,837		11,492	97.09%	543,400	494,000	49,400	47.29	42.99	23-May-14	2
149	136	21-May-14	23-May-14	Aust Coin Exch pl	Mixed size and grade dore bars	10,980		10,660	97.09%	505,497	459,543	45,954	47.42	43.11	23-May-14	2
150	141	21-May-14	28-May-14	Aust Coin Exch pl	Mixed size and grade dore bars	10,393		10,090	97.09%	479,426	435,842	43,584	47.51	43.20	28-May-14	7
151	142	21-May-14	28-May-14	Aust Coin Exch pl	Mixed size and grade dore bars	10,176		9,880	97.09%	469,448	426,771	42,677	47.51	43.20	28-May-14	7
152	137	22-May-14	23-May-14	Aust Coin Exch pl	Mixed size and grade dore bars	10,639		10,329	97.09%	489,802	445,275	44,527	47.42	43.11	23-May-14	1
153	143	22-May-14	28-May-14	Aust Coin Exch pl	Mixed size and grade dore bars	7,282		7,070	97.09%	335,931	305,392	30,539	47.51	43.20	28-May-14	6
154	148	23-May-14	28-May-14	Aust Coin Exch pl	Mixed size and grade dore bars	10,640		10,330	97.09%	488,413	444,012	44,401	47.28	42.98	28-May-14	5
155	144	26-May-14	3-Jun-14	Aust Coin Exch pl	Mixed size and grade dore bars	10,846		10,530	97.09%	498,753	453,412	45,341	47.36	43.06	3-Jun-14	8
156	145	26-May-14	3-Jun-14	Aust Coin Exch pl	Mixed size and grade dore bars	11,258		10,930	97.09%	517,699	470,635	47,064	47.36	43.06	3-Jun-14	
157	149	26-May-14	28-May-14	Aust Coin Exch pl	Mixed size and grade dore bars	10,814		10,499	97.09%	496,403	451,275	45,128	47.28	42.98	28-May-14	2
158	146	27-May-14	3-Jun-14	Aust Coin Exch pl	Mixed size and grade dore bars	11,206		10,880	97.09%	515,331	468,483	46,848	47.36	43.06	3-Jun-14	
159	147	27-May-14	3-Jun-14	Aust Coin Exch pl	Mixed size and grade dore bars	11,083		10,760	97.09%	509,649	463,317	46,332	47.37	43.06	3-Jun-14	
160	150	27-May-14	28-May-14	Aust Coin Exch pl	Mixed size and grade dore bars	10,990		10,670	97.09%	504,488	458,625	45,863	47.28	42.98	28-May-14	1
161	151	28-May-14	3-Jun-14	Aust Coin Exch pl	Mixed size and grade dore bars	10,279		9,980	97.09%	456,106	414,642	41,464	45.70	41.55	3-Jun-14	6
162	152	29-May-14	3-Jun-14	Aust Coin Exch pl	Mixed size and grade dore bars	11,176		10,850	97.09%	495,867	450,788	45,079	45.70	41.55	3-Jun-14	5
163	154	29-May-14	6-Jun-14	VIC Holdings pl	Mixed size and grade dore bars	10,537		10,230	97.09%	467,306	424,824	42,482	45.68	41.53	6-Jun-14	8
164	153	30-May-14	3-Jun-14	Aust Coin Exch pl	Mixed size and grade dore bars	10,992		10,672	97.09%	487,731	443,392	44,339	45.70	41.55	3-Jun-14	4
165	155	30-May-14	6-Jun-14	VIC Holdings pl	Mixed size and grade dore bars	9,826		9,540	97.09%	435,787	396,170	39,617	45.68	41.53	6-Jun-14	7
166	156	30-May-14	6-Jun-14	VIC Holdings pl	Mixed size and grade dore bars	10,589		10,281	97.09%	469,636	426,942	42,694	45.68	41.53	6-Jun-14	7
167	157	2-Jun-14	6-Jun-14	VIC Holdings pl	Mixed size and grade dore bars	10,331		10,030	97.09%	458,170	416,518	41,652	45.68	41.53	6-Jun-14	4
168	158	2-Jun-14	6-Jun-14	VIC Holdings pl	Mixed size and grade dore bars	10,269		9,970	97.09%	455,430	414,027	41,403	45.68	41.53	6-Jun-14	4
169	160	3-Jun-14	10-Jun-14	Aust Coin Exch pl	Mixed size and grade dore bars	11,412		11,080	97.09%	506,234	460,213	46,021	45.69	41.54	10-Jun-14	7
170	159	3-Jun-14	6-Jun-14	VIC Holdings pl	Mixed size and grade dore bars	7,159		6,950	97.09%	317,477	288,615	28,862	45.68	41.53	6-Jun-14	3
171	161	4-Jun-14	10-Jun-14	Aust Coin Exch pl	Mixed size and grade dore bars	11,279		10,950	97.09%	500,295	454,814	45,481	45.69	41.54	10-Jun-14	6
172	162	4-Jun-14	10-Jun-14	Aust Coin Exch pl	Mixed size and grade dore bars	11,711		11,370	97.09%	519,480	472,254	47,226	45.69	41.54	10-Jun-14	6
173	164	4-Jun-14	10-Jun-14	Aust Coin Exch pl	Mixed size and grade dore bars	10,166		9,870	97.09%	450,664	409,695	40,969	45.66	41.51	10-Jun-14	6
174	163	5-Jun-14	10-Jun-14	Aust Coin Exch pl	Mixed size and grade dore bars	11,639		11,300	97.09%	516,285	469,350	46,935	45.69	41.54	10-Jun-14	5
175	165	5-Jun-14	10-Jun-14	Aust Coin Exch pl	Mixed size and grade dore bars	10,856		10,540	97.09%	481,256	437,505	43,751	45.66	41.51	10-Jun-14	5
176	167	5-Jun-14	13-Jun-14	VIC Holdings pl	Mixed size and grade dore bars	9,332		9,060	97.09%	412,139	374,672	37,467	45.49	41.35	13-Jun-14	8
177	168	5-Jun-14	13-Jun-14	VIC Holdings pl	Mixed size and grade dore bars	10,382		10,080	97.09%	458,539	416,854	41,685	45.49	41.35	13-Jun-14	8

C	D	E	F	G	H	I	J	K	N	O	P	Q	S	T	V			
4 Schedule 2.2 - Eastwin sales invoices - June 2014 Quarter - date order																		
5	No	Date		Addressee	Description			Weight			Price				Payment	P'ment delay		
6		Invoice	Payment					Gross	Pure	Estimated	inc GST	excl GST	GST	Est (Pure) / gram	Date	(after invoice)		
178	166	6-Jun-14	10-Jun-14	Aust Coin Exch pl	Mixed size and grade dore bars			11,423		11,090	97.09%	506,370	460,336	46,034	45.66	41.51	10-Jun-14	4
179	169	6-Jun-14	13-Jun-14	VIC Holdings pl	Mixed size and grade dore bars			11,351		11,020	97.09%	501,300	455,727	45,573	45.49	41.35	13-Jun-14	7
180	170	6-Jun-14	13-Jun-14	VIC Holdings pl	Mixed size and grade dore bars			9,342		9,070	97.09%	412,594	375,085	37,509	45.49	41.35	13-Jun-14	7
181	173	10-Jun-14	18-Jun-14	Aust Coin Exch pl	Mixed size and grade dore bars			11,258		10,930	97.09%	502,540	456,855	45,685	45.98	41.80	18-Jun-14	8
182	171	10-Jun-14	13-Jun-14	VIC Holdings pl	Mixed size and grade dore bars			8,395		8,150	97.09%	370,744	337,040	33,704	45.49	41.35	13-Jun-14	3
183	172	10-Jun-14	13-Jun-14	VIC Holdings pl	Mixed size and grade dore bars			9,806		9,520	97.09%	433,065	393,695	39,370	45.49	41.35	13-Jun-14	3
184	177	11-Jun-14	16-Jun-14	AUAG Exchange pl	Mixed size and grade dore bars			10,250				474,443	431,312	43,131	46.29	42.08	16-Jun-14	5
185	174	11-Jun-14	18-Jun-14	Aust Coin Exch pl	Mixed size and grade dore bars			11,381		11,050	97.09%	508,057	461,870	46,187	45.98	41.80	18-Jun-14	7
186	178	12-Jun-14	16-Jun-14	AUAG Exchange pl	Mixed size and grade dore bars			10,370				479,998	436,362	43,636	46.29	42.08	16-Jun-14	4
187	180	12-Jun-14	20-Jun-14	AUAG Exchange pl	Mixed size and grade dore bars					9,830		455,397	413,997	41,400	46.33	42.12	20-Jun-14	8
188	175	12-Jun-14	18-Jun-14	Aust Coin Exch pl	Mixed size and grade dore bars			12,020		11,670	97.09%	536,563	487,785	48,778	45.98	41.80	18-Jun-14	6
189	179	13-Jun-14	16-Jun-14	AUAG Exchange pl	Mixed size and grade dore bars			10,880				503,606	457,824	45,782	46.29	42.08	16-Jun-14	3
190	181	13-Jun-14	20-Jun-14	AUAG Exchange pl	Mixed size and grade dore bars					9,750		451,691	410,628	41,063	46.33	42.12	20-Jun-14	7
191	182	13-Jun-14	20-Jun-14	AUAG Exchange pl	Mixed size and grade dore bars					10,320		478,098	434,635	43,463	46.33	42.12	20-Jun-14	7
192	176	13-Jun-14	18-Jun-14	Aust Coin Exch pl	Mixed size and grade dore bars			11,485		11,150	97.09%	512,054	466,049	46,005	45.92	41.80	18-Jun-14	5
193	183	16-Jun-14	20-Jun-14	AUAG Exchange pl	Mixed size and grade dore bars					9,930		460,029	418,208	41,821	46.33	42.12	20-Jun-14	4
194	184	16-Jun-14	20-Jun-14	AUAG Exchange pl	Mixed size and grade dore bars					9,080		420,652	382,411	38,241	46.33	42.12	20-Jun-14	4
195	186	16-Jun-14	19-Jun-14	AUAG Exchange pl	Mixed size and grade dore bars			10,860				501,489	455,899	45,590	46.18	41.98	19-Jun-14	3
196	189	16-Jun-14	24-Jun-14	AUAG Exchange pl	Mixed size and grade dore bars			10,980				507,250	461,136	46,114	46.20	42.00	24-Jun-14	8
197	185	17-Jun-14	20-Jun-14	AUAG Exchange pl	Mixed size and grade dore bars			6,990				323,828	294,389	29,439	46.33	42.12	20-Jun-14	3
198	187	17-Jun-14	19-Jun-14	AUAG Exchange pl	Mixed size and grade dore bars			10,530				486,250	442,045	44,205	46.18	41.98	19-Jun-14	2
199	190	17-Jun-14	24-Jun-14	AUAG Exchange pl	Mixed size and grade dore bars			10,870				502,168	456,516	45,652	46.20	42.00	24-Jun-14	7
200	188	18-Jun-14	19-Jun-14	AUAG Exchange pl	Mixed size and grade dore bars			10,110				466,855	424,414	42,441	46.18	41.98	19-Jun-14	1
201	191	18-Jun-14	24-Jun-14	AUAG Exchange pl	Mixed size and grade dore bars			11,230				518,799	471,635	47,164	46.20	42.00	24-Jun-14	6
202	192	19-Jun-14	24-Jun-14	AUAG Exchange pl	Mixed size and grade dore bars			11,020				509,097	462,815	46,282	46.20	42.00	24-Jun-14	5
203	193	19-Jun-14	27-Jun-14	VIC Holdings pl	Mixed size and grade dore bars					9,510		451,535	410,406	41,049	47.48	43.16	27-Jun-14	8
204	194	20-Jun-14	27-Jun-14	VIC Holdings pl	Mixed size and grade dore bars					9,130		433,492	394,084	39,406	47.48	43.16	27-Jun-14	7
205	195	20-Jun-14	27-Jun-14	VIC Holdings pl	Mixed size and grade dore bars					9,770		463,880	421,709	42,171	47.48	43.16	27-Jun-14	7
206	196	23-Jun-14	27-Jun-14	VIC Holdings pl	Mixed size and grade dore bars					9,080		431,118	391,925	39,193	47.48	43.16	27-Jun-14	4
207	197	23-Jun-14	27-Jun-14	VIC Holdings pl	Mixed size and grade dore bars					9,190		436,341	396,674	39,667	47.48	43.16	27-Jun-14	4
208	199	24-Jun-14	27-Jun-14	AUAG Exchange pl	Mixed size and grade dore bars			10,930				519,120	471,927	47,193	47.49	43.18	27-Jun-14	3
209	198	24-Jun-14	27-Jun-14	VIC Holdings pl	Mixed size and grade dore bars					7,820		371,294	337,540	33,754	47.48	43.16	27-Jun-14	3
210	200	25-Jun-14	27-Jun-14	AUAG Exchange pl	Mixed size and grade dore bars			9,940				472,100	429,182	42,918	47.49	43.18	27-Jun-14	2
211	201	26-Jun-14	27-Jun-14	AUAG Exchange pl	Mixed size and grade dore bars			10,643				505,490	459,536	45,954	47.50	43.18	27-Jun-14	1
212	208	30-Jun-14	8-Jul-14	AUAG Exchange pl	Mixed size and grade dore bars			10,598				506,948	460,862	46,086	47.83	43.49	8-Jul-14	8
213	209	30-Jun-14	8-Jul-14	AUAG Exchange pl	Mixed size and grade dore bars			11,080				530,004	481,822	48,182	47.83	43.49	8-Jul-14	8
214					Total - June Qtr			1,249,057				61,904,140	56,276,308	5,627,832	49.56			

### Schedule 2.3: Eastwin sales invoices – September 2014 Quarter

	C	D	E	F	G	H	I	J	K	N	O	P	Q	S	T	V	
4	Schedule 2.3 - Eastwin sales invoices - September 2014 Quarter - date order																
5	No	Date		Addressee	Description		Weight				Price				Payment	P'ment delay	
6		Invoice	Payment				Gross	Pure	Estimated	Est %	inc GST	excl GST	GST	Est (Pure) / gram	Date	(after invoice) days	
7							gm	gm	gm		\$	\$	\$	\$			
8																	
9																	
215	210	1-Jul-14	8-Jul-14	AUAG Exchange pl	Mixed size and grade dore bars	10,680					510,870	464,427	46,443	47.83	43.49	8-Jul-14	7
216	211	1-Jul-14	8-Jul-14	AUAG Exchange pl	Mixed size and grade dore bars	10,140					485,040	440,945	44,095	47.83	43.49	8-Jul-14	7
217	212	1-Jul-14	4-Jul-14	AUAG Exchange pl	Mixed size and grade dore bars	5,503					264,221	240,201	24,020	48.01	43.65	4-Jul-14	3
218	215	1-Jul-14	4-Jul-14	AUAG Exchange pl	Mixed size and grade dore bars	5,003					239,764	217,967	21,797	47.92	43.57	4-Jul-14	3
219	202	1-Jul-14	3-Jul-14	VIC Holdings pl	Mixed size and grade dore bars	9,020					427,909	389,008	38,901	47.44	43.13	3-Jul-14	2
220	203	1-Jul-14	3-Jul-14	VIC Holdings pl	Mixed size and grade dore bars	9,700					460,168	418,335	41,833	47.44	43.13	3-Jul-14	2
221	213	2-Jul-14	4-Jul-14	AUAG Exchange pl	Mixed size and grade dore bars	4,920					236,229	214,754	21,475	48.01	43.65	4-Jul-14	2
222	216	2-Jul-14	4-Jul-14	AUAG Exchange pl	Mixed size and grade dore bars	5,060					242,496	220,451	22,045	47.92	43.57	4-Jul-14	2
223	204	2-Jul-14	3-Jul-14	VIC Holdings pl	Mixed size and grade dore bars		8,930				423,639	385,126	38,513	47.44	43.13	3-Jul-14	1
224	205	2-Jul-14	3-Jul-14	VIC Holdings pl	Mixed size and grade dore bars	9,280					440,243	400,221	40,022	47.44	43.13	3-Jul-14	1
225	218	2-Jul-14	9-Jul-14	VIC Holdings pl	Mixed size and grade dore bars	9,103					436,034	396,395	39,639	47.90	43.55	9-Jul-14	7
226	219	2-Jul-14	9-Jul-14	VIC Holdings pl	Mixed size and grade dore bars	9,350					447,865	407,150	40,715	47.90	43.55	9-Jul-14	7
227	214	3-Jul-14	4-Jul-14	AUAG Exchange pl	Mixed size and grade dore bars	5,080					243,911	221,737	22,174	48.01	43.65	4-Jul-14	1
228	217	3-Jul-14	4-Jul-14	AUAG Exchange pl	Mixed size and grade dore bars	5940					284,669	258790	25879	47.92	43.57	4-Jul-14	1
229	206	3-Jul-14	3-Jul-14	VIC Holdings pl	Mixed size and grade dore bars	9,550					453,052	411,865	41,187	47.44	43.13	3-Jul-14	0
230	207	3-Jul-14	3-Jul-14	VIC Holdings pl	Mixed size and grade dore bars		8,123				385,355	350,323	35,032	47.44	43.13	3-Jul-14	0
231	220	3-Jul-14	9-Jul-14	VIC Holdings pl	Mixed size and grade dore bars	8,780					420,562	382,329	38,233	47.90	43.55	9-Jul-14	6
232	221	3-Jul-14	9-Jul-14	VIC Holdings pl	Mixed size and grade dore bars	9,220					441,638	401,489	40,149	47.90	43.55	9-Jul-14	6
233	222	4-Jul-14	9-Jul-14	VIC Holdings pl	Mixed size and grade dore bars	9,430					451,697	410,634	41,063	47.90	43.55	9-Jul-14	5
234	223	4-Jul-14	9-Jul-14	VIC Holdings pl	Mixed size and grade dore bars	8,020					384,158	349,235	34,923	47.90	43.55	9-Jul-14	5
235	229	7-Jul-14	9-Jul-14	AUAG Exchange pl	Mixed size and grade dore bars	10,631					506,404	460,367	46,037	47.63	43.30	9-Jul-14	2
236	224	8-Jul-14	16-Jul-14	AUAG Exchange pl	Mixed size and grade dore bars	9,872					471,137	428,306	42,831	47.72	43.39	16-Jul-14	8
237	225	8-Jul-14	16-Jul-14	AUAG Exchange pl	Mixed size and grade dore bars	9,650					460,542	418,675	41,867	47.72	43.39	16-Jul-14	8
238	230	8-Jul-14	9-Jul-14	AUAG Exchange pl	Mixed size and grade dore bars	10,390					494,925	449,932	44,993	47.63	43.30	9-Jul-14	1
239	226	9-Jul-14	16-Jul-14	AUAG Exchange pl	Mixed size and grade dore bars	9,530					454,815	413,468	41,347	47.72	43.39	16-Jul-14	7
240	227	9-Jul-14	16-Jul-14	AUAG Exchange pl	Mixed size and grade dore bars	10,200					486,791	442,537	44,254	47.72	43.39	16-Jul-14	7
241	231	9-Jul-14	9-Jul-14	AUAG Exchange pl	Mixed size and grade dore bars	10,480					499,212	453,029	45,303	47.63	43.30	9-Jul-14	0
242	228	10-Jul-14	16-Jul-14	AUAG Exchange pl	Mixed size and grade dore bars	8,850					422,364	383,967	38,397	47.72	43.39	16-Jul-14	6
243	232	10-Jul-14	17-Jul-14	AUAG Exchange pl	Mixed size and grade dore bars		5,398				261,496	237,724	23,772	48.44	44.04	17-Jul-14	7
244	233	10-Jul-14	17-Jul-14	AUAG Exchange pl	Mixed size and grade dore bars	6,200					300,347	273,043	27,304	48.44	44.04	17-Jul-14	7
245	234	11-Jul-14	17-Jul-14	AUAG Exchange pl	Mixed size and grade dore bars		6,400				310,036	281,051	28,105	48.44	44.04	17-Jul-14	6
246	235	14-Jul-14	17-Jul-14	AUAG Exchange pl	Mixed size and grade dore bars	4,501					212,462	193,075	19,387	47.20	42.90	17-Jul-14	3
247	236	15-Jul-14	17-Jul-14	AUAG Exchange pl	Mixed size and grade dore bars	3,960					186,055	169,868	16,987	47.19	42.90	17-Jul-14	2
248	237	16-Jul-14	17-Jul-14	AUAG Exchange pl	Mixed size and grade dore bars	5,040					237,816	216,196	21,620	47.19	42.90	17-Jul-14	1
249	238	21-Jul-14	23-Jul-14	AUAG Exchange pl	Mixed size and grade dore bars	6,202					293,449	266,772	26,677	47.32	43.01	23-Jul-14	2
250	239	21-Jul-14	23-Jul-14	AUAG Exchange pl	Mixed size and grade dore bars	7,050					333,573	303,248	30,325	47.32	43.01	23-Jul-14	2
251	241	21-Jul-14	23-Jul-14	AUAG Exchange pl	Mixed size and grade dore bars	3,202					151,504	137,731	13,773	47.32	43.01	23-Jul-14	2
252	242	22-Jul-14	23-Jul-14	AUAG Exchange pl	Mixed size and grade dore bars	4,020					190,208	172,916	17,292	47.32	43.01	23-Jul-14	1
253	243	22-Jul-14	23-Jul-14	AUAG Exchange pl	Mixed size and grade dore bars	3,780					178,851	162,592	16,259	47.32	43.01	23-Jul-14	1
254	240	23-Jul-14	23-Jul-14	AUAG Exchange pl	Mixed size and grade dore bars	7,250					343,036	311,851	31,105	47.32	43.01	23-Jul-14	0
255	244	24-Jul-14	28-Jul-14	AUAG Exchange pl	Mixed size and grade dore bars	10,255					484,298	440271	44027	47.23	42.93	28-Jul-14	4
256	245	25-Jul-14	28-Jul-14	AUAG Exchange pl	Mixed size and grade dore bars	10,860					512,869	466245	46624	47.23	42.93	28-Jul-14	3
257	246	25-Jul-14	28-Jul-14	AUAG Exchange pl	Mixed size and grade dore bars	10,390					490,672	446065	44607	47.23	42.93	28-Jul-14	3
258	247	28-Jul-14	4-Aug-14	VIC Holdings pl	Mixed size and grade dore bars	9,030					424,771	386155	38616	47.04	42.76	4-Aug-14	7
259	248	28-Jul-14	4-Aug-14	VIC Holdings pl	Mixed size and grade dore bars	8,970					421,949	383,590	38,359	47.04	42.76	4-Aug-14	7
260	257	29-Jul-14	31-Jul-14	AUAG Exchange pl	Mixed size and grade dore bars		6,290				296,985	269,986	26,999	47.22	42.92	31-Jul-14	2

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4	Schedule 2.3 - Eastwin sales invoices - September 2014 Quarter - date order																	
5	No	Date		Addressee	Description			Weight			Price				Payment	P'ment delay		
6		Invoice	Payment					Gross	Pure	Estimated		inc GST	excl GST	GST	Est (Pure) / gram	Date	(after invoice)	
261	259	29-Jul-14	31-Jul-14	AUAG Exchange pl	Mixed size and grade dore bars			2,301				108,643	98,766	9,877	47.22	42.92	31-Jul-14	2
262	260	29-Jul-14	31-Jul-14	AUAG Exchange pl	Mixed size and grade dore bars			3,020				142,591	129,628	12,963	47.22	42.92	31-Jul-14	2
263	253	29-Jul-14	31-Jul-14	Aust Coin Exch pl	Mixed size and grade dore bars			1,502				70,917	64,470	6,447	47.22	42.92	31-Jul-14	2
264	254	29-Jul-14	31-Jul-14	Aust Coin Exch pl	Mixed size and grade dore bars			1,880				88,764	80,695	8,069	47.21	42.92	31-Jul-14	2
265	256	29-Jul-14	31-Jul-14	Aust Coin Exch pl	Mixed size and grade dore bars			6,099				287,967	261,788	26,179	47.22	42.92	31-Jul-14	2
266	249	29-Jul-14	4-Aug-14	VIC Holdings pl	Mixed size and grade dore bars			9,590				451,114	410,104	41,010	47.04	42.76	4-Aug-14	6
267	250	29-Jul-14	4-Aug-14	VIC Holdings pl	Mixed size and grade dore bars			9,350				439,824	399,840	39,984	47.04	42.76	4-Aug-14	6
268	258	30-Jul-14	31-Jul-14	AUAG Exchange pl	Mixed size and grade dore bars			6,110				288,488	262,262	26,226	47.22	42.92	31-Jul-14	1
269	261	30-Jul-14	31-Jul-14	AUAG Exchange pl	Mixed size and grade dore bars			2,680				126,537	115,034	11,503	47.22	42.92	31-Jul-14	1
270	255	30-Jul-14	31-Jul-14	Aust Coin Exch pl	Mixed size and grade dore bars			1,620				76,488	69,535	6,953	47.21	42.92	31-Jul-14	1
271	262	30-Jul-14	5-Aug-14	Aust Coin Exch pl	Mixed size and grade dore bars			9,506				448,921	408,110	40,811	47.23	42.93	5-Aug-14	6
272	263	30-Jul-14	5-Aug-14	Aust Coin Exch pl	Mixed size and grade dore bars			9,820				463,750	421,591	42,159	47.23	42.93	5-Aug-14	6
273	251	30-Jul-14	4-Aug-14	VIC Holdings pl	Mixed size and grade dore bars			8,940				420,538	382,307	38,231	47.04	42.76	4-Aug-14	5
274	252	30-Jul-14	4-Aug-14	VIC Holdings pl	Mixed size and grade dore bars			9,220				433,708	394,280	39,428	47.04	42.76	4-Aug-14	5
275	264	31-Jul-14	5-Aug-14	Aust Coin Exch pl	Mixed size and grade dore bars			10,080				476,028	432,753	43,275	47.23	42.93	5-Aug-14	5
276	265	31-Jul-14	5-Aug-14	Aust Coin Exch pl	Mixed size and grade dore bars			9,910				468,000	425,455	42,545	47.23	42.93	5-Aug-14	5
277	270	1-Aug-14	5-Aug-14	AUAG Exchange pl	Mixed size and grade dore bars			5,201				244,218	222,016	22,202	46.96	42.69	5-Aug-14	4
278	271	1-Aug-14	5-Aug-14	AUAG Exchange pl	Mixed size and grade dore bars			4,780				224,450	204,045	20,405	46.96	42.69	5-Aug-14	4
279	266	1-Aug-14	5-Aug-14	Aust Coin Exch pl	Mixed size and grade dore bars			9,290				438,719	398,835	39,884	47.22	42.93	5-Aug-14	4
280	267	1-Aug-14	5-Aug-14	Aust Coin Exch pl	Mixed size and grade dore bars			5,002				235,024	213,658	21,366	46.99	42.71	5-Aug-14	4
281	268	1-Aug-14	5-Aug-14	Aust Coin Exch pl	Mixed size and grade dore bars			4,840				227,412	206,738	20,674	46.99	42.71	5-Aug-14	4
282	273	1-Aug-14	8-Aug-14	VIC Holdings pl	Mixed size and grade dore bars			9,078				426,575	387,795	38,780	46.99	42.72	8-Aug-14	7
283	274	1-Aug-14	8-Aug-14	VIC Holdings pl	Mixed size and grade dore bars			9,280				436,067	396,425	39,642	46.99	42.72	8-Aug-14	7
284	272	4-Aug-14	5-Aug-14	AUAG Exchange pl	Mixed size and grade dore bars			6,520				306,153	278,321	27,832	46.96	42.69	5-Aug-14	1
285	269	4-Aug-14	5-Aug-14	Aust Coin Exch pl	Mixed size and grade dore bars			5,160				242,448	220,407	22,041	46.99	42.71	5-Aug-14	1
286	279	4-Aug-14	11-Aug-14	Aust Coin Exch pl	Mixed size and grade dore bars			10,107				476,646	433,315	43,331	47.16	42.87	11-Aug-14	7
287	275	4-Aug-14	8-Aug-14	VIC Holdings pl	Mixed size and grade dore bars			8,810				413,982	376,347	37,635	46.99	42.72	8-Aug-14	4
288	276	4-Aug-14	8-Aug-14	VIC Holdings pl	Mixed size and grade dore bars			9,350				439,357	399,415	39,942	46.99	42.72	8-Aug-14	4
289	280	5-Aug-14	11-Aug-14	Aust Coin Exch pl	Mixed size and grade dore bars			10,350				488,106	443,733	44,373	47.16	42.87	11-Aug-14	6
290	281	5-Aug-14	11-Aug-14	Aust Coin Exch pl	Mixed size and grade dore bars			10,290				485,276	441,160	44,116	47.16	42.87	11-Aug-14	6
291	277	5-Aug-14	8-Aug-14	VIC Holdings pl	Mixed size and grade dore bars			8,980				421,970	383,609	38,361	46.99	42.72	8-Aug-14	3
292	278	5-Aug-14	8-Aug-14	VIC Holdings pl	Mixed size and grade dore bars			9,500				446,405	405,823	40,582	46.99	42.72	8-Aug-14	3
293	282	6-Aug-14	11-Aug-14	Aust Coin Exch pl	Mixed size and grade dore bars			10,090				475,844	432,585	43,259	47.16	42.87	11-Aug-14	5
294	283	6-Aug-14	11-Aug-14	Aust Coin Exch pl	Mixed size and grade dore bars			10,170				479,618	436,016	43,602	47.16	42.87	11-Aug-14	5
295	284	7-Aug-14	11-Aug-14	AUAG Exchange pl	Mixed size and grade dore bars			10,508				503,797	457,997	45,800	47.94	43.59	11-Aug-14	4
296	285	7-Aug-14	11-Aug-14	AUAG Exchange pl	Mixed size and grade dore bars			10,660				511,084	464,622	46,462	47.94	43.59	11-Aug-14	4
297	287	7-Aug-14	15-Aug-14	VIC Holdings pl	Mixed size and grade dore bars			9,352				447,026	406,387	40,639	47.80	43.45	15-Aug-14	8
298	288	7-Aug-14	15-Aug-14	VIC Holdings pl	Mixed size and grade dore bars			9,270				443,106	402,824	40,282	47.80	43.45	15-Aug-14	8
299	286	8-Aug-14	11-Aug-14	AUAG Exchange pl	Mixed size and grade dore bars			10,330				495,262	450,238	45,024	47.94	43.59	11-Aug-14	3
300	289	8-Aug-14	15-Aug-14	VIC Holdings pl	Mixed size and grade dore bars			8,350				399,130	362,845	36,285	47.80	43.45	15-Aug-14	7
301	290	8-Aug-14	15-Aug-14	VIC Holdings pl	Mixed size and grade dore bars			9,600				458,880	417,164	41,716	47.80	43.45	15-Aug-14	7
302	291	11-Aug-14	15-Aug-14	VIC Holdings pl	Mixed size and grade dore bars			8,080				386,224	351,113	35,111	47.80	43.45	15-Aug-14	4
303	292	11-Aug-14	15-Aug-14	VIC Holdings pl	Mixed size and grade dore bars			9,250				442,150	401,955	40,195	47.80	43.45	15-Aug-14	4
304	293	12-Aug-14	19-Aug-14	AUAG Exchange pl	Mixed size and grade dore bars			5,673				271,761	247,055	24,706	47.90	43.55	19-Aug-14	7
305	294	12-Aug-14	19-Aug-14	AUAG Exchange pl	Mixed size and grade dore bars			5,820				278,802	253,456	25,346	47.90	43.55	19-Aug-14	7
306	298	12-Aug-14	19-Aug-14	Aust Coin Exch pl	Mixed size and grade dore bars			3,599				172,511	156,828	15,683	47.93	43.58	19-Aug-14	7
307	299	12-Aug-14	19-Aug-14	Aust Coin Exch pl	Mixed size and grade dore bars			3,660				175,435	159,486	15,949	47.93	43.58	19-Aug-14	7
308	295	13-Aug-14	19-Aug-14	AUAG Exchange pl	Mixed size and grade dore bars			5,370				257,246	233,860	23,386	47.90	43.55	19-Aug-14	6
309	296	13-Aug-14	19-Aug-14	AUAG Exchange pl	Mixed size and grade dore bars			6,020				288,383	262,166	26,217	47.90	43.55	19-Aug-14	6

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4	Schedule 2.3 - Eastwin sales invoices - September 2014 Quarter - date order																
5	No	Date		Addressee	Description			Weight			Price				Payment	P'ment delay	
6		Invoice	Payment					Gross	Pure	Estimated		inc GST	excl GST	GST	Est (Pure) / gram	Date	(after invoice)
310	306	13-Aug-14	15-Aug-14	AUAG Exchange pl	Mixed size and grade dore bars			1,060			50,715	46,105	4,610	47.84	43.50	15-Aug-14	2
311	307	13-Aug-14	15-Aug-14	AUAG Exchange pl	Mixed size and grade dore bars			991			47,414	43,104	4,310	47.84	43.50	15-Aug-14	2
312	300	13-Aug-14	19-Aug-14	Aust Coin Exch pl	Mixed size and grade dore bars			4,020			192,691	175,174	17,517	47.93	43.58	19-Aug-14	6
313	301	13-Aug-14	19-Aug-14	Aust Coin Exch pl	Mixed size and grade dore bars			3,480			166,807	151,643	15,164	47.93	43.58	19-Aug-14	6
314	303	13-Aug-14	15-Aug-14	Aust Coin Exch pl	Mixed size and grade dore bars			5,230			250,381	227,619	22,762	47.87	43.52	15-Aug-14	2
315	304	13-Aug-14	15-Aug-14	Aust Coin Exch pl	Mixed size and grade dore bars			6,321			302,612	275,102	27,510	47.87	43.52	15-Aug-14	2
316	309	13-Aug-14	19-Aug-14	Aust Coin Exch pl	Mixed size and grade dore bars			2,985			142,904	129,913	12,991	47.87	43.52	19-Aug-14	6
317	310	13-Aug-14	19-Aug-14	Aust Coin Exch pl	Mixed size and grade dore bars			3,240			155,112	141,011	14,101	47.87	43.52	19-Aug-14	6
318	297	14-Aug-14	19-Aug-14	AUAG Exchange pl	Mixed size and grade dore bars			6,620			317,126	288,296	28,830	47.90	43.55	19-Aug-14	5
319	308	14-Aug-14	15-Aug-14	AUAG Exchange pl	Mixed size and grade dore bars			1,450			69,374	63,067	6,307	47.84	43.49	15-Aug-14	1
320	302	14-Aug-14	19-Aug-14	Aust Coin Exch pl	Mixed size and grade dore bars			5,240			251,168	228,335	22,833	47.93	43.58	19-Aug-14	5
321	305	14-Aug-14	15-Aug-14	Aust Coin Exch pl	Mixed size and grade dore bars			6,450			308,787	280,715	28,072	47.87	43.52	15-Aug-14	1
322	311	14-Aug-14	19-Aug-14	Aust Coin Exch pl	Mixed size and grade dore bars			3,780			180,963	164,512	16,451	47.87	43.52	19-Aug-14	5
323	315	28-Aug-14	2-Sep-14	AUAG Exchange pl	Mixed size and grade dore bars			3,631			169,918	154,471	15,447	46.80	42.54	2-Sep-14	5
324	318	28-Aug-14	2-Sep-14	AUAG Exchange pl	Mixed size and grade dore bars			2,980			139,453	126,775	12,678	46.80	42.54	2-Sep-14	5
325	312	28-Aug-14	2-Sep-14	Aust Coin Exch pl	Mixed size and grade dore bars			2,091			135,423	123,112	12,311	46.84	42.58	2-Sep-14	5
326	313	28-Aug-14	2-Sep-14	Aust Coin Exch pl	Mixed size and grade dore bars			3,590			168,166	152,878	15,288	46.84	42.58	2-Sep-14	5
327	316	29-Aug-14	2-Sep-14	AUAG Exchange pl	Mixed size and grade dore bars			3,080			144,133	131,030	13,103	46.80	42.54	2-Sep-14	4
328	317	29-Aug-14	2-Sep-14	AUAG Exchange pl	Mixed size and grade dore bars			4,790			224,154	203,776	20,378	46.80	42.54	2-Sep-14	4
329	319	29-Aug-14	2-Sep-14	AUAG Exchange pl	Mixed size and grade dore bars			2,851			133,417	121,288	12,129	46.80	42.54	2-Sep-14	4
330	320	29-Aug-14	2-Sep-14	AUAG Exchange pl	Mixed size and grade dore bars			4,171			195,188	177,444	17,744	46.80	42.54	2-Sep-14	4
331	314	29-Aug-14	2-Sep-14	Aust Coin Exch pl	Mixed size and grade dore bars			3,520			164,888	149,896	14,990	46.84	42.58	2-Sep-14	4
332	324	4-Sep-14	8-Sep-14	AUAG Exchange pl	Mixed size and grade dore bars			3,950			181,613	165,103	16,510	45.98	41.80	8-Sep-14	4
333	325	4-Sep-14	8-Sep-14	AUAG Exchange pl	Mixed size and grade dore bars			4,122			189,521	172,292	17,229	45.98	41.80	8-Sep-14	4
334	327	4-Sep-14	8-Sep-14	AUAG Exchange pl	Mixed size and grade dore bars			2,870			131,920	119,927	11,993	45.97	41.79	8-Sep-14	4
335	321	4-Sep-14	8-Sep-14	Aust Coin Exch pl	Mixed size and grade dore bars			2,399			110,347	100,315	10,032	46.00	41.82	8-Sep-14	4
336	326	5-Sep-14	8-Sep-14	AUAG Exchange pl	Mixed size and grade dore bars			3,430			157,705	143,368	14,337	45.98	41.80	8-Sep-14	3
337	328	5-Sep-14	8-Sep-14	AUAG Exchange pl	Mixed size and grade dore bars			4,151			190,801	173,455	17,346	45.97	41.79	8-Sep-14	3
338	329	5-Sep-14	8-Sep-14	AUAG Exchange pl	Mixed size and grade dore bars			2,980			136,975	124,523	12,452	45.96	41.79	8-Sep-14	3
339	322	5-Sep-14	8-Sep-14	Aust Coin Exch pl	Mixed size and grade dore bars			3,470			159,610	145,100	14,510	46.00	41.82	8-Sep-14	3
340	323	5-Sep-14	8-Sep-14	Aust Coin Exch pl	Mixed size and grade dore bars			4,130			189,967	172,697	17,270	46.00	41.82	8-Sep-14	3
341	330	9-Sep-14	12-Sep-14	Aust Coin Exch pl	Mixed size and grade dore bars			2,997			138,995	126,359	12,636	46.38	42.16	12-Sep-14	3
342	331	9-Sep-14	12-Sep-14	Aust Coin Exch pl	Mixed size and grade dore bars			3,860			179,019	162,745	16,274	46.38	42.16	12-Sep-14	3
343	333	10-Sep-14	15-Sep-14	AUAG Exchange pl	Mixed size and grade dore bars			3,015			139,436	126,760	12,676	46.25	42.04	15-Sep-14	5
344	334	10-Sep-14	15-Sep-14	AUAG Exchange pl	Mixed size and grade dore bars			2,518			116,451	105,865	10,586	46.25	42.04	15-Sep-14	5
345	332	10-Sep-14	12-Sep-14	Aust Coin Exch pl	Mixed size and grade dore bars			3,144			145,812	132,556	13,256	46.38	42.16	12-Sep-14	2
346	336	10-Sep-14	15-Sep-14	Aust Coin Exch pl	Mixed size and grade dore bars			3,074			142,255	129,323	12,932	46.28	42.07	15-Sep-14	5
347	337	10-Sep-14	15-Sep-14	Aust Coin Exch pl	Mixed size and grade dore bars			2,984			138,091	125,537	12,554	46.28	42.07	15-Sep-14	5
348	335	11-Sep-14	15-Sep-14	AUAG Exchange pl	Mixed size and grade dore bars			5,970			276,098	250,998	25,100	46.25	42.04	15-Sep-14	4
349	338	11-Sep-14	15-Sep-14	Aust Coin Exch pl	Mixed size and grade dore bars			3,940			182,331	165,755	16,576	46.28	42.07	15-Sep-14	4
350	339	15-Sep-14	18-Sep-14	AUAG Exchange pl	Mixed size and grade dore bars			5,022			232,656	211,505	21,151	46.33	42.12	18-Sep-14	3
351	340	15-Sep-14	18-Sep-14	AUAG Exchange pl	Mixed size and grade dore bars			3,899			180,630	164,209	16,421	46.33	42.12	18-Sep-14	3
352	341	16-Sep-14	18-Sep-14	AUAG Exchange pl	Mixed size and grade dore bars			5,180			239,975	218,159	21,816	46.33	42.12	18-Sep-14	2
353	342	16-Sep-14	18-Sep-14	Aust Coin Exch pl	Mixed size and grade dore bars			7,905			366,452	333,136	33,314	46.36	42.14	18-Sep-14	2
354	343	16-Sep-14	18-Sep-14	Aust Coin Exch pl	Mixed size and grade dore bars			8,213			380,730	346,116	34,612	46.36	42.14	18-Sep-14	2
355	344	17-Sep-14	18-Sep-14	Aust Coin Exch pl	Mixed size and grade dore bars			8,485			393,339	357,581	35,758	46.36	42.14	18-Sep-14	1
356	345	18-Sep-14	24-Sep-14	Aust Coin Exch pl	Mixed size and grade dore bars			9,214			428,359	389,417	38,942	46.49	42.26	24-Sep-14	6
357	348	19-Sep-14	24-Sep-14	AUAG Exchange pl	Mixed size and grade dore bars			5,742			267,330	243,027	24,303	46.56	42.32	24-Sep-14	5
358	349	19-Sep-14	24-Sep-14	AUAG Exchange pl	Mixed size and grade dore bars			5,006			233,064	211,876	21,188	46.56	42.32	24-Sep-14	5

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5	No	Date		Addressee	Description				Weight			Price				Payment	P'ment delay
6		Invoice	Payment			Gross	Pure	Estimated		inc GST	excl GST	GST	Est (Pure) / gram	Date	(after invoice)		
359	346	19-Sep-14	24-Sep-14	Aust Coin Exch pl	Mixed size and grade dore bars			8,995		418,178	380,162	38,016	46.49	42.26	24-Sep-14	5	
360	347	19-Sep-14	24-Sep-14	Aust Coin Exch pl	Mixed size and grade dore bars			8,890		413,296	375,724	37,572	46.49	42.26	24-Sep-14	5	
361	350	22-Sep-14	24-Sep-14	AUAG Exchange pl	Mixed size and grade dore bars			5,260		244,889	222,626	22,263	46.56	42.32	24-Sep-14	2	
362	351	24-Sep-14	29-Sep-14	AUAG Exchange pl	Mixed size and grade dore bars			8,022		380,925	346,295	34,630	47.49	43.17	29-Sep-14	5	
363	352	25-Sep-14	29-Sep-14	AUAG Exchange pl	Mixed size and grade dore bars			7,989		379,358	344,871	34,487	47.49	43.17	29-Sep-14	4	
364	353	25-Sep-14	29-Sep-14	AUAG Exchange pl	Mixed size and grade dore bars			7,590		360,410	327,645	32,765	47.48	43.17	29-Sep-14	4	
365	357	25-Sep-14	29-Sep-14	AUAG Exchange pl	Mixed size and grade dore bars			2,381		113,442	103,129	10,313	47.64	43.31	29-Sep-14	4	
366	354	25-Sep-14	29-Sep-14	Aust Coin Exch pl	Mixed size and grade dore bars			7,525		356,459	324,054	32,405	47.37	43.06	29-Sep-14	4	
367	355	25-Sep-14	29-Sep-14	Aust Coin Exch pl	Mixed size and grade dore bars			6,587		312,026	283,660	28,366	47.37	43.06	29-Sep-14	4	
368	358	26-Sep-14	29-Sep-14	AUAG Exchange pl	Mixed size and grade dore bars			3,070		146,269	132,972	13,297	47.64	43.31	29-Sep-14	3	
369	359	26-Sep-14	29-Sep-14	AUAG Exchange pl	Mixed size and grade dore bars			2,250		107,201	97,455	9,746	47.64	43.31	29-Sep-14	3	
370	356	26-Sep-14	29-Sep-14	Aust Coin Exch pl	Mixed size and grade dore bars			6,090		288,484	262,256	26,226	47.37	43.06	29-Sep-14	3	
371				Total - Sept Qtr		100,428	736,646	164,817		47,399,445	43,090,326	4,309,119					

### Schedule 3: Eastwin Trade Pty Ltd – BAS and Assessments

	B	C	D	F	G	H	I	K	L	M	Y	Z	AB	AC	AD	AE
2	Schedule 3 - Eastwin Trade Pty Ltd - BAS and Assessments															
3	Quarter	BAS - as lodged		Audit / assessment 29 Jan 2015							Objection - 20 Feb 15		Objection Decision - 10 July 2015			
4		Sales	GST	Sales	Purchases	GST on sales		Penalty - GST on sales			Purchases	GST - prchs	GST on sales & Penalty			
5				GST included	GST included	Total	Shortfall	Base	Uplift	Total	GST included		Shortfall	Base penalty	Uplift	Total
6						50%	20%						50%	20%		
7																
8	31-Mar-14	101,967	9,270	33,642,787	33,540,820	3,058,435	3,049,165	1,524,583	304,917	1,829,499	33,642,787	3,058,435	3,049,165	1,524,583	0	4,573,748
9	30-Jun-14	271,759	24,694	61,815,875	61,544,237	5,619,625	5,595,016	2,797,466	559,493	3,356,959	61,537,531	5,594,321	5,594,931	2,797,466	559,493	8,951,890
10	30-Sep-14	216,484	19,631	48,436,317	48,219,329	4,403,301	4,383,725	2,191,835	438,367	2,630,202	48,219,329	4,383,575	4,383,670	2,191,835	438,367	7,013,872
11																
12	Total	590,210	53,595	143,894,979	143,304,386	13,081,361	13,027,906	6,513,883	1,302,777	7,816,660	143,399,647	13,036,332	13,027,766	6,513,883	997,860	20,539,509

## Schedule 4: Summary of Toll transport invoices

C	D	E	F	G	H	I	J	K	M	
3	Schedule 4 - Summary of Toll transport invoices									
4	No	Date	Sender	Consignee	Description	Weight	Bags	Value		
5		name	address			kg		Total	\$/gm	
6										
7	190018	4-Feb-14	Eastwin	5 / 428 George St	MarMar Pty Ltd	Precious scrap metal	59	5	2,500,000	42.37
8	129819	13-Jun-14		5 / 428 George St	MarMar Pty Ltd	Precious metal scrap	58	3	2,455,000	42.33
9	176017	27-Jun-14			MarMar Pty Ltd	Precious metal scrap	72	7	2,500,000	34.72
10	175303	3-Jul-14		5 / 428 George St	MarMar Pty Ltd		63	6	2,600,000	41.27
11	175304	4-Jul-14	Eastwin	5 / 428 George St	MarMar Pty Ltd	Precious metal scrap	66	6	2,710,000	41.06
12	175305	9-Jul-14	Eastwin		MarMar Pty Ltd	Bullion	129	12	4,250,000	32.95
13	175306	11-Jul-14	Eastwin	5 / 428 George St	MarMar Pty Ltd	Precious scrap metal	51	4	2,200,000	43.14
14	175307	17-Jul-14	Eastwin	5 / 428 George St	MarMar Pty Ltd	Precious scrap metal	15	1	600,000	40.00
15	175308	23-Jul-14	Eastwin		MarMar Pty Ltd	Bullion	35	4	995,000	28.43
16	190019	5-Aug-14	Eastwin	5 / 428 George St	MarMar Pty Ltd	Precious scrap metal	55	6	2,400,000	43.64
17	190020	8-Aug-14	Eastwin	5 / 428 George St	MarMar Pty Ltd	Precious scrap metal	59	5	2,510,000	42.54
18	190021	14-Aug-14		12A / 5 / 428 George St	MarMar Pty Ltd	Bullion	92	8	3,900,000	42.39
19	190023	15-Aug-14		5 / 428 George St	MarMar Pty Ltd	Precious scrap metal	64	5	2,725,000	42.58
20	175309	1-Sep-14	Eastwin	5 / 428 George St	MarMar Pty Ltd	Scrap precious metal	15	2	600,000	40.00
21	190025	8-Sep-14	Eastwin	12A / 5 / 428 George St	MarMar Pty Ltd	Precious scrap metal	20	2	770,000	38.50
22	175311	18-Sep-14	Eastwin	12A / 5 / 428 George St	MarMar Pty Ltd	Precious scrap metal	17	2	660,000	38.82
23	175312	24-Sep-14	Eastwin	12A / 5 / 428 George St	MarMar Pty Ltd	Precious scrap metal	18	2	750,000	41.67
24	190026	29-Sep-14	Eastwin	12 / 5 / 428 George St	MarMar Pty Ltd	Precious metal scrap	26	2	1,100,000	42.31
25	190027	7-Oct-14	Eastwin	12A / 5 / 428 George St	MarMar Pty Ltd	Precious scrap metal	23	2	910,000	39.57
29	175313	11-Oct-14	Eastwin	12A / 5 / 428 George St	MarMar Pty Ltd	Precious scrap metal	21	2	810,000	38.57
30	175314	16-Oct-14	Eastwin	12A / 5 / 428 George St	MarMar Pty Ltd	Precious scrap metal	38	4	1,600,000	42.11
31	175316	29-Oct-14	Eastwin	12 / 5 / 428 George St	MarMar Pty Ltd	Precious scrap metal	23	2	910,000	39.57
32	175317	5-Nov-14	Eastwin	5 / 428 George St	MarMar Pty Ltd	Precious scrap metal	32	3	1,440,000	45.00
34	190029	12-Nov-14	Eastwin	12A / 5 / 428 George St	MarMar Pty Ltd	Precious scrap metal	33	3	1,320,000	40.00
36	190031	19-Nov-14	Eastwin		MarMar Pty Ltd	Precious scrap metal		6		
37	190032	29-Nov-14	Eastwin	12A / 5 / 428 George St	MarMar Pty Ltd	Precious scrap metal	33	3	1,410,000	42.73
38	175318	1-Dec-14			MarMar Pty Ltd	Precious metal scrap	62	6	2,110,000	34.03
39	175319	5-Dec-14		12A / 5 / 428 George St	MarMar Pty Ltd	Precious scrap metal	48	4	1,990,000	41.46
40	175320	16-Dec-14	Eastwin	12 / 5 / 428 George St	MarMar Pty Ltd	Precious metal scrap	64	6	2,990,000	46.72
41	175321	22-Dec-14		5 / 428 George St	MarMar Pty Ltd	Scrap precious metal	51	4	2,300,000	45.10
42	190035	30-Dec-14		5 / 428 George St	MarMar Pty Ltd	Scrap precious metal	74.3	6	3,300,000	44.41
43	190036	8-Jan-15	Eastwin		MarMar Pty Ltd	Precious scrap metal	58	5	2,520,000	43.45
44	190037	15-Jan-15	Eastwin	12 / 5 / 428 George St	MarMar Pty Ltd	Precious metal scrap	56	5	2,700,000	48.21
45	190038	21-Jan-15	Eastwin		MarMar Pty Ltd	Precious scrap metal	66	6	3,360,000	50.91

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