

GLOSSARY

ALLOY - A solid mixture of two or more chemical elements, including at least one metal. In the case of gold, it is mixed with a baser metal or metals to lower the purity, influence the colour or add durability.

ANODE - Generally refers to impure copper cast into a special shape for incorporating into an electrolytic refinery for the final purification process

ASSAY – The testing of gold or silver to determine its fineness or purity.

ASSAY MARK - The stamp by an assayer on a bar or piece of precious metal to guarantee its fineness

BLANK - A blank disc of metal with milled edges used to make a coin

BULLION – The generic word for gold and silver in bar, ingot and bullion coin form.

BULLION COINS – Contemporary precious metal coins minted by official agencies in unlimited numbers for investment purposes where the value of the coin is directly ascribed to the market value of the precious metal content of the coin.

BENEFICIATION - Beneficiation of gold product means adding value to gold beyond the price at which gold is traded internationally.

CARAT

1. A measure of the proportion of gold in a gold alloy, on the basis that 24 carat is pure gold, often expressed as K or k, eg 18k is 75% gold
2. A measure of the weight of precious stones. 1 carat = 0.2053 gm

COMEX - The Commodity Exchange in New York, a division of NYMEX

CONSIGNMENT STOCKS - Gold or silver bars which are placed by an organisation with a client against a guarantee of payment at the prevailing price as the metal is taken out of the stock.

CUSTOM SMELTING - where materials received from customers (mostly borax slags and dust) are loaded through an arc furnace, mixed with fluxes and reductant to form three major products: slag, metal and flue dust.

DELIVERY -The transfer of the ownership of gold or silver. It may not involve physical movement of metal and is usually made by a simple paper transfer in the LBMA clearing system

DORE – An unrefined (therefore impure) alloy of gold with variable quantities of silver and smaller quantities of base metals, which is produced at a mine before passing on to a refinery for upgrading to London Good Delivery standard, usually consists of 85% gold on average.

EAGLE – The earliest legal tender US gold coin first minted in 1795. It is 900 fine.

FACE VALUE – The value of a coin or paper money, as printed on the coin or bill itself by the minting authority. While the face value usually refers to the true value of the coin or bill in question, it can sometimes be symbolic, as is usually the case with bullion coins.

FINENESS – The proportion of precious metal in an alloy expressed as parts per 1000

GOLD – Latin name Aurum. Chemical symbol Au.

GOLD FIXING – Held twice in London each business day at 10.30am and 3.00pm GMT

GOLD LOAN – The provision of finance in gold for a gold-related project or business, typically in mining or jewellery inventory finance, which provides a combination of generally inexpensive funding together with built-in hedging

GOLD STANDARD – A monetary system with a fixed price for gold, and with gold coin either forming the whole circulation of currency within a country or with notes representing and redeemable in gold

GOOD DELIVERY – The specification which a bar must meet in order to be acceptable for delivery in a particular market eg London Good Delivery

GRAIN – One of the earliest units of weight for gold, one grain being the equivalent of one grain of wheat taken from the middle of the ear

GRANULES – Bullion, including its various alloys presented for sale in granulated form, often referred to as grain

HALLMARK – a mark or number of marks made on gold or silver jewellery and other fabricated products to confirm that the quality is of the fineness marked on the item.

INTERNATIONAL STANDARDS ORGANISATION - The ISO is a network of national standards institutes in 153 countries on the basis of one member per country. The Central Secretariat is based in Geneva and the South African member of the ISO is the South African Bureau of Standards (SABS).

KILOBARS-(1000 grams) is the world's most widely traded small gold bar, popular among investors and jewellery manufacturers as it is normally sold at an extremely low premium above the prevailing value of its gold content. Equivalent to 32.150748429 troy ounces.

KRUGERRAND – South African gold bullion coin first issued in 1967 with a fineness of 916.6

LEGAL TENDER – Legal tender is payment that, by law, cannot be refused in settlement of a debt denominated in the same currency

LBMA – the London Bullion Market Association was formally incorporated on 14 December 1987 to represent the interest of the participants in the wholesale bullion market and to encourage the development of the London market in every possible way

LBMA GOOD DELIVERY LISTS – Lists of acceptable refiners of gold and silver whose bars meet the required standard (of fineness, weight, marks and appearance) of the London Bullion Market Association

LONDON GOOD DELIVERY - This is an international standard in terms of which gold bars must have a minimum gold purity of 99.5%. Central banks normally hold gold in the form of these bars.

LOCO – The place – location – at which a commodity eg loco London gold, is physically held

MILLER CHLORINATION PROCESS - This is a pyrometallurgical process whereby gold dore is heated in furnace crucibles. The process is able to separate gold from impurities by using chlorine gas which is added to the crucibles once the gold is molten. Chlorine gas does not react with gold but will combine with silver and base metals to form chlorides. Once the chlorides have formed they float to the surface as slag or escape as volatile gases. The surface melt and the fumes containing the impurities are collected and further refined to extract the gold and silver.

This process can take up to 90 minutes produces gold which is at least 99.5% pure with silver being the main remaining component. This gold can be cast into bars as 99.5% gold purity meets the minimum London Good Delivery requirements of the London bullion markets.

However some customers such as jewellers and other industrial end users require gold that is almost 100% pure, so further refining is necessary. In this case, gold using the Miller process is cast into anodes which are then sent to an electrolytic plant. The final product is 99.99% pure gold sponge that can then be melted to produce various end products suited to the needs of the customer.

MAPLE LEAF – Canadian gold coin with a fineness of 999.9

NUMISMATICS – The specialized sector of the coin business for the study and collection of rare coins and other media of exchange, particularly those with archaeological and historic interest

NYMEX – A US futures exchange consisting of two divisions, NYMEX (the New York Mercantile Exchange) and COMEX (the Commodities Exchange)

Website: www.nymex.com

ORE – Originally from the Old English for crude or unwrought metal. It refers to any economic mineral deposit of precious or other metal

PARALLEL STREAM SAMPLING refers to the process whereby two samples are taken simultaneously from the same feed material in order to verify that the end result would not have a variance of more than 1%. This means that if sample A has a specific grade, sample B should not vary by more than 1% when compared to sample A. If this is not the case, the deposit is resampled to ensure that the required conditions are met.

PRECIOUS METALS – Metal of great value being gold, silver, platinum and other platinum group metals

REFINING – The separating and purifying of gold and silver from other metals.

ROLLED GOLD – The process in which a layer of carat gold alloy is mechanically bonded to another metal

SCRAP GOLD – The broad term for any gold which is sent back to a refiner or processor for recycling

SILVER – Latin name Argentum. The chemical symbol is Ag

SMELTING – The process of melting ores or concentrates to separate out the metal content from impurities

STANDARD BAR (or Good Delivery Bar)

1. Gold bar weighing approximately 400 troy ounces or 12.86 kilograms and having a minimum fineness of 995 parts per 1,000 pure gold
2. Silver bar weighing approximately 1,000 troy ounces or 32.15 kilograms with a minimum fineness of 999

Tael – Traditional Chinese unit of weight for gold, widely traded in the Far East. 1 tael = 1.20337 troy ounces = 37.4290 grams. The nominal fineness of a Hong Kong tael bar is 99 but in Taiwan 5 and 10 tael bars can be 999.9 fine

TOCOM – The Tokyo Commodity Exchange, established in 1984. Website: www.tocom.or.jp

TOLA - Traditional Indian unit of weight for gold

1 tola = 0.375 troy ounces = 11.6638 grams. The most popular sized bar is 10 tola = 3.75 troy ounces. **Tola Bars:** An Indian unit of weight, the most popular size being the 10 tola (equivalent to 116.64 grams). These bars are used widely in jewellery manufacture and are traded in the Middle and Far East.

TROY OUNCE - A precious metal unit of mass equivalent to 31.103475 grams. Not to be confused with the ounce that is lighter and equivalent to 28.349523125 grams.

WHITE GOLD - A gold alloy containing whitening agents such as silver, palladium or nickel as well as other base metals. Often used as a setting for diamond jewellery.