

## GOLD Bullion Securities

### A secure and cheap way to own gold bullion

#### The Security

<b>Issuer</b>	Gold Bullion Limited
<b>Security Name</b>	Gold Bullion Security
<b>ASX Code</b>	GOLD
<b>Stapled Security</b>	A Gold Bullion Security comprises a redeemable preference share of nominal value which has attached to it an entitlement to gold bullion held on trust for each holder.
<b>Trust Structure</b>	A separate bare trust is created for each holder so that each holder beneficially owns the gold.
<b>Issuance</b>	Similar to an open ended fund.  New GOLD are created when applicants deposit gold with the Custodian and are cancelled when holders redeem gold from the Custodian.
<b>Custodian</b>	HSBC Bank USA, London branch
<b>Gold Entitlement</b>	Each share is entitled to approximately 1/10th of an ounce of gold. This will be reduced by 0.02% at the end of every month (see Monthly Fee).
<b>Price</b>	The price of GOLD tracks the spot price of gold. The traded price on the ASX is expressed in A\$ (e.g. on 8 September 2003 the GOLD price was A\$58.12 and gold spot price was A\$580/oz).
<b>Liquidity</b>	As GOLD can be created or redeemed at any time for gold and is exchangeable for gold traded in the OTC market (one of the most liquid markets in the world), the liquidity of GOLD on the ASX is underpinned by the liquidity of the OTC gold market.
<b>Market-Makers</b>	Investors do not need to create and redeem shares; that can generally be done more easily through a market-maker. Any broker with a bullion capability is able to make a market in GOLD and those firms which are currently making a market in GOLD are listed on our website.
<b>Margin Lending</b>	GOLD has been approved for margin lending by a number of banks and brokers and those firms are shown on our website.

#### The Gold

<b>Physical Form</b>	All gold is held as London Good Delivery bars (c. 400oz) as specified by the London Bullion Market Association – see <a href="http://www.lbma.org.uk">www.lbma.org.uk</a>
<b>Identification</b> (Allocated Gold)	Each gold bar is uniquely identifiable, with the details shown on our website. The gold is physically segregated from other gold in the vault, does not form part of the Custodian's assets and cannot be lent out. This is referred to as "Allocated" gold.
<b>Storage and Insurance</b>	The Custodian, HSBC, holds all the gold in its London vaults (or in vaults of its sub-custodians) and the gold is insured under the group's global insurance policy.
<b>Physical Delivery</b>	Holders may at any time take physical delivery of their gold. Delivery will be in multiples of London Good Delivery bars (with any residual paid in cash), must be to an account at a member of the LBMA and will be within 2 business days.
<b>Cash Redemption</b>	Holders may at any time require their gold to be sold and the proceeds remitted to them in any currency they specify. Gold will be sold at the London AM Fixing Price (with a concurrent currency exchange if required) and funds will be paid within 2 business days.

## Fees

### Monthly Fee

A management fee of 0.02% per month (0.24% pa or \$24 per \$10,000) will be charged by the trustee selling a small portion of the gold in the trust (thereby reducing slightly the gold entitlement for each GOLD). The monthly fee will be deducted at the end of each month.

### Creation and Redemption Fees

Most creations and redemptions are being done by market-makers rather than investors. As such, investors will generally pay no fees other than brokerage to buy/sell on the ASX. Market-makers who create or redeem shares are charged a fee of 0.10% for creations and \$100 in total for any redemptions, which they will likely pass on to investors.

## How to Invest

Retail investors might simply buy on the ASX in their usual way. Institutional investors may wish to contact a market maker to obtain a price for a larger order.

For further information on how to invest, please see the "How to Invest" page on our website or contact your Broker or Financial Advisor.

## Contacts

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### Disclaimer

*This information does not constitute financial product advice. You should obtain your own independent financial, taxation and legal advice before making any decisions about GOLD. This information is not an offer for investment in GOLD and should not be used as the basis for any investment decision. The offer of GOLD is made in the prospectus issued by Gold Bullion Limited dated 21 March 2003. If you wish to acquire GOLD (and satisfy the criteria for acquiring GOLD through the prospectus), you will need to complete the application form that is in the prospectus or you may purchase GOLD on the ASX.*

