Gold Bullion Limited

A joint initiative with WORLD GOLD COUNCIL

Media Release

27 March 2003

World first: Listing of Gold Bullion Securities on ASX

Tomorrow's listing on the Australian Stock Exchange of Gold Bullion Securities (ASX Code: GOLD) gives investors an unprecedented ability to buy a direct interest in bars of gold bullion easily, cost-effectively and securely.

Investors in Gold Bullion Securities will own a specific portion of a gold bar, not just a promise by a bank or other party to pay in gold. The physical gold will be insured and held in London vaults by the custodian bank, HSBC Bank USA, and all receipts and payments of gold are 'ring-fenced' for optimum security.

The development of Gold Bullion Securities is a joint initiative between the World Gold Council and Australian company Gold Bullion Limited. The World Gold Council is the international marketing organisation of the gold industry with the objectives of stimulating the demand and retention of gold in all its forms.

The listing of gold bullion on a stock exchange is a world-first and offers significant advantage to investors, Jim Burton, Chief Executive of the World Gold Council said.

"In the past, many investors have found investing in gold a cumbersome and costly process. Retail and institutional investors have encountered barriers to entry in the form of difficulties with purchase, storage and insurance. The securitisation of gold, as proposed by Gold Bullion Limited in this Australian initiative, is a means of addressing these issues," Mr Burton said.

Retail and institutional investors can now buy gold bullion by buying and selling Gold Bullion Securities on the ASX. Each Gold Bullion Security represents 1/10th of an ounce of gold and there is no minimum trading amount. A management fee of 0.02% per month covers all corporate, storage and insurance charges associated with holding the gold bullion.

Graham Tuckwell, Chairman, Gold Bullion Limited said that securities have been structured to provide maximum liquidity and security for investors.

"This new form of holding gold is effectively a securitisation of the highly liquid London gold bullion market. This means that the price should closely track that of spot gold, with the securities being highly liquid because of the unique creation and redemption feature," Mr Tuckwell said.

While the World Gold Council and Gold Bullion Limited have been working on Gold Bullion Securities for some time, its listing is particularly timely given current international events and the volatility of international markets.

A recent PricewaterhouseCoopers report by leading actuarial consultant Dr David Knox, released in November 2002, found that the introduction of gold bullion into an investment portfolio in the last five or ten years would have reduced the volatility of investment returns.

"Gold is very different from other major asset classes such as shares, property and fixed income and its performance tends to be negatively correlated with these" Dr

Knox said. "The inclusion of gold in a portfolio can lower risk and reduce the possibility of very negative returns, particularly when markets are volatile".

Tamara Gorrie, Chief Executive Officer, Australian Gold Council welcomed the listing of Gold Bullion Securities. "We believe that on the back of a rising gold price and positive industry outlook, this initiative will help generate increased gold sector investment in Australia," Ms Gorrie said.

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Further information

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Additional Information

- Gold bullion securities prospectus :
  www.goldbullion.com.au/download/prospectus.pdf

- 'Gold bullion and superannuation investment policies' report by PricewaterhouseCoopers Actuarial :
  www.goldbullion. com.au/download/PWCreport.pdf
  The report was commissioned by Gold Bullion Limited.

Legal Disclosure
Any comments expressed in this media release do not constitute financial advice. Anyone considering making an investment in Gold Bullion Securities should consult their financial planner and read the Prospectus in full first, as every individual's investment objectives and circumstances are different.

Fact Sheet

Gold Bullion Securities (“GOLD’)

- **Security:** A “GOLD” is a share of nominal value stapled to a beneficial interest in 1/10th of one fine troy ounce of gold bullion held on trust for each holder.
- **The gold bullion:** The gold will be held in London vaults by the custodian bank, HSBC Bank USA, or its sub-custodians. The trust deed establishes a separate trust for each holder of “GOLD” so that a holder is absolutely entitled to the gold bullion held in the vaults. All gold will be held in allocated form (that is, as uniquely identifiable bars physically segregated in the vaults), ensuring that holders of “GOLD” will actually own gold rather than just a right, subject to third-party risk, to receive gold in the future. Only London Good Delivery bars (approximately 400 ounces), as prescribed by the London Bullion Market Association, will be held in the trust. A list of all gold bars held for investors will be published at the end of each month on the company website.
- **Liquidity:** As “GOLD” can be created or redeemed at any time in exchange for London Good Delivery bars, its liquidity is backed by the London Bullion Market. With its reported A$9 billion in daily transactions, it is one of the most liquid markets in the world.
- **Fees for ASX investors:** Apart from normal brokerage, there are no front-end fees for investors who buy on the ASX (investors who buy new “GOLD” direct from the Company will be charged a fee of 0.10% flat). There will be a management fee of 0.02% per month from end-June 2003. This means that an investor with a AUD$10,000 investment in “GOLD” will pay approximately AUD$24 per annum in ongoing fees. This fee is funded by selling gold so that each “GOLD” will be equivalent to a slightly reduced amount going forward.

Gold Bullion Limited

Gold Bullion Limited is a special purpose vehicle created to offer “GOLD” and related securities to the public. The company is owned by Investor Resources Limited, an independent corporate advisory firm specialising in financial, technical and strategic solutions for the resources industry.

The directors of Gold Bullion Limited are:

- **Graham Tuckwell – Executive chairman** Managing Director of Investor Resources Limited, with more than twenty years corporate and investment banking experience, gained at Salomon Brothers, Normandy Mining and Credit Suisse First Boston.
- **Dr Vince FitzGerald – Non-executive director** Chairman of The Allen Consulting Group Pty Ltd, a leading Australian consulting company in economics, public policy and economic and financial regulation. Formerly a senior government official in the departments of Treasury; Prime Minister and Cabinet; Finance; Trade; and Employment, Education and Training.
- **Simon Village - Non-executive director** A Managing Director at the World Gold Council, responsible for developing gold investment products and services for both the retail and institutional markets.

World Gold Council

Founded in 1987, the World Gold Council is a global advocate for gold, promoting both private and institutional ownership of gold. The Council seeks to lower barriers to the ownership of gold products enhance distribution systems and promote the role of gold as a reserve asset in the official sector. It also acts as an information source for the gold industry. The Council is funded by the world's leading gold mining companies. For further information : **www.gold.org**