

News Release

28 March 2003

Successful listing for Gold Bullion Limited

Investors bought more than 700 ounces of gold on the ASX today – the first time it has been possible for funds and individual traders to buy gold bars on the stock exchange.

The trading followed listing today of Gold Bullion Limited's securities (ASX code: 'GOLD'). Each GOLD security gives the investor a tenth of an ounce of gold bullion, held in the London vaults of custodian bank, HSBC Bank USA.

Chairman of Gold Bullion Limited, Graham Tuckwell, was pleased with the first day of trading, saying the price of the securities closely tracked the gold price throughout the day and traded at a small premium of less than 0.9% to the gold price.

"We expected a slight premium and we are confident the price of our securities will continue to mirror the movements of the world gold price. Opening trading confirms that investors are quickly realising GOLD securities give them the ability to buy gold very cheaply in comparison to existing alternatives, which have premiums of up to 5%," he said.

For much of the day and at the close of trading the bid-offer spread was only 5 cents per GOLD security, equivalent to only 50c per ounce. This is even tighter than the approximate A\$1.50 spread in the spot gold market.

7,386 GOLD securities were traded for prices ranging from \$55.50 to \$56.00 today. The average trade was 172 securities – or 17.2 ounces of gold per investor at \$9,540 per trade, indicating individual investors were the main traders on the opening day.

BACKGROUND:

The listing of GOLD securities 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 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, with 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.

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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 million 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



A joint initiative with

WORLD GOLD COUNCIL

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**