

The logo for IBV Gold features the letters 'IBV' in a large, light blue, serif font. A stylized gold flame or drop shape is positioned over the letter 'B'.

Gold Glossary: Essential Terms for Precious Metals

This comprehensive glossary covers essential terminology related to gold and precious metals. It includes definitions for various aspects of gold processing, trading, measurement, and products. The glossary provides valuable insights into the technical, financial, and practical aspects of the gold industry.

IBV GOLD

Gold Basics and Alloys

GOLD

Latin name Aurum. Chemical symbol Au.

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.

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.

ROLLED GOLD

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

Gold Measurement and Purity

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

FINENESS

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

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.

Other units of measurement include:

- **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
- **TAEL:** Traditional Chinese unit of weight for gold, widely traded in the Far East. 1 tael = 1.20337 troy ounces = 37.4290 grams.
- **TOLA:** Traditional Indian unit of weight for gold. 1 tola = 0.375 troy ounces = 11.6638 grams.

Gold Products and Forms



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.



GRANULES

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

Other notable gold products include:

- **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.
- **STANDARD BAR (or Good Delivery Bar):** Gold bar weighing approximately 400 troy ounces or 12.86 kilograms and having a minimum fineness of 995 parts per 1,000 pure gold.
- **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.

Gold Coins and Legal Tender

1

KRUGERRAND

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

2

EAGLE

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

3

MAPLE LEAF

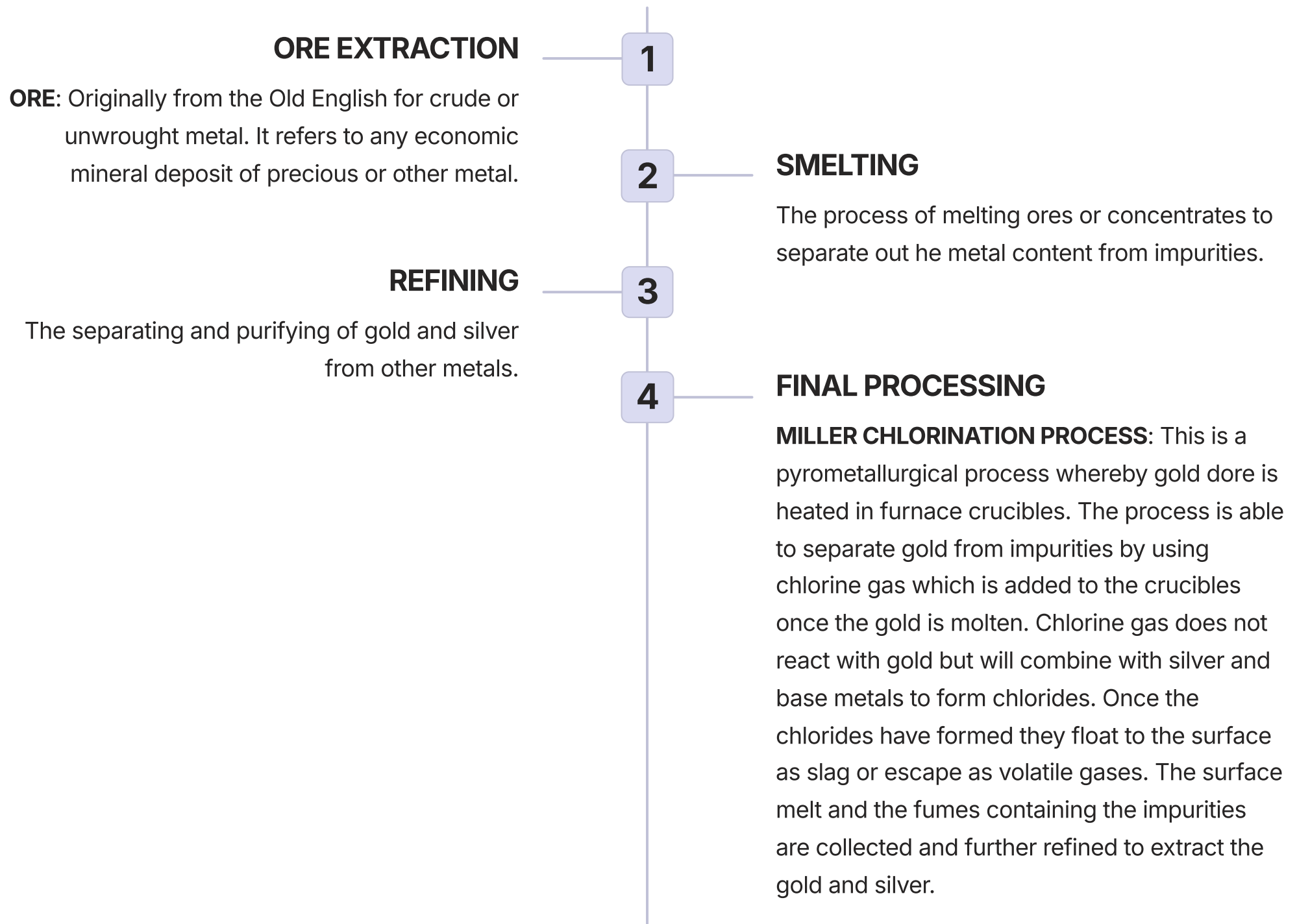
Canadian gold coin with a fineness of 999.9

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.

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

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.

Gold Processing and Refining



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.

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

Gold Trading and Markets



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.



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.



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.

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.

Key trading markets and organizations:

- **COMEX:** The Commodity Exchange in New York, a division of NYMEX
- **NYMEX:** A US futures exchange consisting of two divisions, NYMEX (the New York Mercantile Exchange) and COMEX (the Commodities Exchange) Website: www.nymex.com
- **TOCOM:** The Tokyo Commodity Exchange, established in 1984. Website: www.tocom.or.jp
- **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

Standards and Regulations

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

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.

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.