

DEFINITIONS: BAR TYPES

Gold bars are classified into two types, dependent on their method of manufacture: **cast** and **minted**.

GOLD BAR

A gold bar is broadly defined as a cast or minted gold item, regardless of shape, which is made by a recognized bar manufacturer. It is normally issued at a low premium above the prevailing value of its fine gold content.

The markings on bars are mainly functional, recording where required the name of the manufacturer or issuer, the bar's weight and gold purity, and a serial number.

However, it can be noted that the characteristics of bars manufactured worldwide can vary with many widely traded bars having their own distinctive features.

For example:

- London Good Delivery "400 oz" bars have variable weights and purities, and the weight is not normally recorded on the bar.
- The minimum or specified gold purity of bars, accepted as "good delivery" by leading associations and exchanges, can range from 99% to 99.99%.
- Most minted bars manufactured worldwide include a design or motif on the reverse side as a standard feature.
- While most cast bars record a serial number, like gold coins most small minted bars manufactured worldwide do not.
- Many cast bars have few or no markings, and variable weights and purities, when produced mainly for jewellery, industrial and other fabricators.

It can also be observed that the bulk of bars manufactured worldwide is absorbed by jewellery, industrial and other fabricators, and that all cast and minted bars have the capacity to be used by both fabricators and investors, when issued or available at a low premium above the prevailing value of their fine gold content.

CAST BARS

Cast bars are normally produced directly from gold that has been melted.

However, the way in which melted gold is used in their manufacture can vary.

The traditional method is to cast (i.e. pour) gold, which has been melted in a crucible, into a mould with appropriate dimensions.



Cast bars manufactured by Argor-Heraeus (Switzerland).



Most large cast bars are manufactured by pouring melted gold into an open mould.

Johnson Matthey
USA



Cast biscuit, boat and doughnut bars manufactured in Hong Kong.



A modern method, now widely used to manufacture a smaller cast bar, is to melt, in a furnace, a measured weight of gold granules or cut pieces of gold that have been placed in a mould with appropriate dimensions.

Another modern method, used to create a cast bar that is long and flat, notably for the manufacture of minted bars, is to pass melted gold through a die, which has a specified width and thickness and has been clamped between cooling blocks, in a continuous casting process.

Markings, if required, are usually applied manually or by a press.

When manufactured in an open mould, most cast bars are “inclined” (i.e. tapered) in shape to facilitate their removal from the mould. Consequently, the dimensions (length and width) of the top and base surface areas are not normally the same. While the top surface is usually smooth, the base surface and sides tend to be relatively rough.

Although cast bars are normally rectangular (broad or narrow, flat or inclined), some refiners also manufacture them in other shapes (e.g. rod, round, square).

MINTED BARS

Minted bars are normally cut from a cast bar that has been rolled to a uniform thickness. The cutting is usually done with a die to create blanks that have the required dimensions and weight.

All the surfaces (top, base and sides) are smooth and even. Markings are normally applied by a minting press.

Although most minted bars are rectangular, they are also manufactured in a variety of other shapes (e.g. round, square, oval).

Minted “pendant” bars, which incorporate a hook or hanger so they can be worn, are also manufactured.

Terminology: minted bars are also referred to as ingots, and in some countries as wafers, minted products or “coins”, when the shape is round.

FURTHER DEFINITIONS

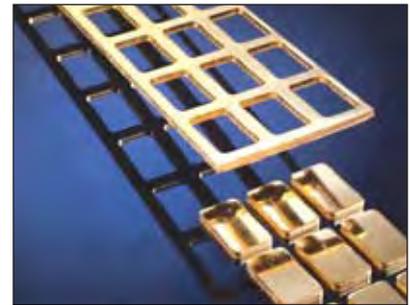
The following are broad definitions and classifications that are used by The Industry Collection of Gold Bars Worldwide.

Unwrought bars

The Industry Collection classifies low purity **cast gold bars** (i.e. newly-mined doré bars and bars made from melted down scrap), and refined cast gold bars used for fabrication or investment purposes, as unwrought bars.

It also classifies **minted gold bars** as unwrought bars for fabrication or investment purposes, when they are manufactured by a recognized bar manufacturer, include official markings, and are known to have been issued at a low premium above the prevailing value of their fine gold content.

However, it can be noted that, while some countries classify minted gold bars as “unwrought”, others classify them under some other category, notably as “other semi-manufactured forms” or as “other articles of precious metal”.



Minted bars are normally cut from a cast bar that has been rolled to a uniform thickness.

Heraeus
Germany



Minted investment products, in rectangular, round, oval and heart shapes, issued by Indian banks.

PAMP
Switzerland



Minted bars are often sealed in secure packaging.

Commerzbank
Germany



Investment bars

The Industry Collection also classifies a cast or minted bar as an investment bar, when known to have been issued by a recognized bar manufacturer or issuer at a low premium above the prevailing value of its fine gold content.

Ornamental bars

Within the Industry Collection, this classification applies to gold bars that are issued at a fixed price or at a high premium above the value of their fine gold content. This would include the limited edition of proof “Fine Art” bars from Singapore, and “model bars” from South Korea.

Note on pendant bars

The Industry Collection normally classifies minted pendant gold bars, i.e. those that incorporate a hook or hanger so they can also be worn, as investment bars. This classification is applied when the bars are issued by a recognized bar manufacturer or issuer, include the same official markings as standard minted bars, and are issued at a low premium above the prevailing value of their fine gold content.

CATEGORIES OF GOLD BARS

Cast and minted bars from around the world can be grouped into more than 50 categories. For concise information and an illustration of each category, refer to the International Bar Group Register, “**Categories of Gold Bars**”.

Reference to this section on external websites
 If an external website should wish to include the **text** of this section, in part or as a whole or adapted, it is free to do so, provided that it records the source as “Gold Bars Worldwide” and includes a link to www.goldbarsworldwide.com



A minted “Fine Art” ornamental bar for collectors.
 Singapore Mint
 Singapore



In many countries, minted pendant bars act as investment bars.
 PAMP
 Switzerland



Newly-mined cast doré bars for refining by The Perth Mint (Australia).



Traditional cast bars with markings in bas-relief.
 Tang Toh Kang
 Thailand

Refer to disclaimer on website: www.goldbarsworldwide.com

© Grendon International Research Pty Ltd 2013. All rights reserved.

