

Media Release

15 May 2003

Strong International Demand for Gold Bullion Securities

European and North American institutions have become the major investors in Gold Bullion Limited in recent weeks, accounting for more than \$25 million of the more than \$33 million of shares sold since the company listed on the ASX at the end of March.

During that time, two of the world's major investment banks - Citigroup and Deutsche Bank, have become market-makers in GOLD and this has enabled institutional investors to buy GOLD 24 hours a day, even when the ASX is not open.

The company is still the only one in the world that offers investors a way to buy and sell gold bars through trading shares on a stock exchange. Buying gold bullion securities (ASX code: GOLD) gives investors one tenth of an ounce of gold, held for them in HSBC's London gold vault.

Chairman of the company, Graham Tuckwell, said investment in GOLD had more than doubled in the past two weeks, with \$18 million of additional funds inflow, compared to the \$15 million of investment in the first month since listing.

"Australian individual and institutional investors have invested some \$7 million since the company listed" he added.

Mr Tuckwell reasoned that the exceptional interest in the shares from overseas investors was because GOLD securities were the cheapest and easiest way for institutions anywhere in the world to own gold bullion and that those investors were very comfortable with the security offered by the company.

"Our presentations to a small number of European and North American investors in recent weeks were very well received and it is apparent that many have been quick to understand the benefits that our securities offer," he added.

Highlights of trading since GOLD securities listed on the ASX on 27 March include:

- Sales of GOLD have exceeded A\$33 million;
- Average daily turnover on the ASX has exceeded A\$1m;
- More than 60,800 ounces of gold is now held on trust for investors with the Custodian Bank. The uniquely identifiable individual gold bars in the trust (comprising 150 London Good Delivery bars) can be seen on our website at www.goldbullion.com.au/holdings/gb_holdings.asp; and
- More than 600,000 GOLD are now on issue. Each security is equivalent to 1/10th of one ounce of gold held in the trust.

Mr Tuckwell noted that GOLD has continued to closely track the price of gold, generally trading at a small premium (of less than 1%) to the spot gold price.

BACKGROUND:

The listing of GOLD on the ASX is a world first and gives investors an unprecedented ability to buy a direct interest in bars of gold bullion easily, cost-

effectively and securely. Investors in GOLD 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 is held in London vaults and insured by the Custodian Bank (HSBC USA), with all receipts and payments of gold being 'ring-fenced' for optimum security.

Further information

Gold Bullion Limited:

Mr Graham Tuckwell

Chairman

Tel: +61 3 9629 7088

Mobile: +61 0411 806 400

Email: gt@goldbullion.com.au

Mr Nik Bienkowski

Head of Institutional Investment

Tel: +61 3 9629 7088

Mobile: +61 0402 724 720

Email: nb@goldbullion.com.au

Additional Information:

- Gold bullion securities prospectus : www.goldbullion.com.au
- '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 first as every individual's investment objectives and circumstances are different.