



Where Your Gold Is Worth More.®

FREE GUIDE – How to Sell Gold

Educating consumers about gold value has always been central to our mission. We've prepared this guide to selling gold to help consumers make good decisions.

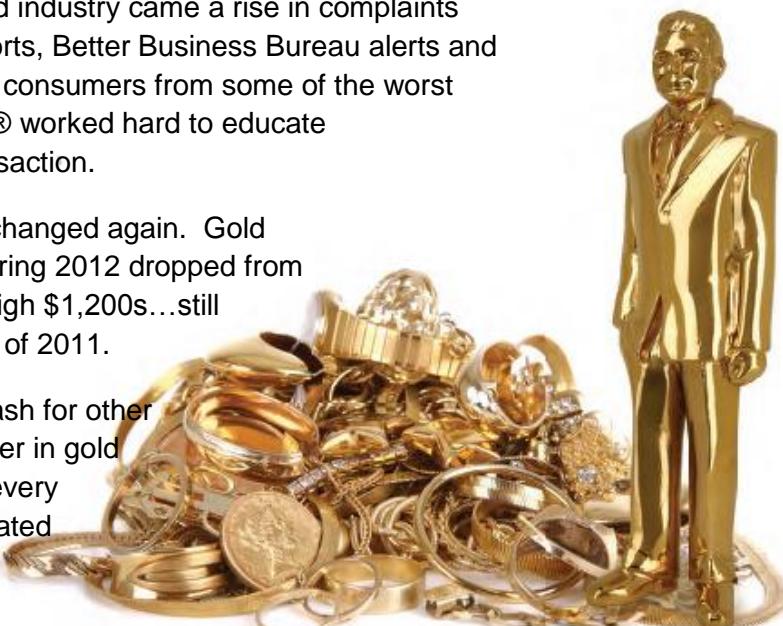
A little background about changes in the cash for gold industry:

When GoldFellow® began buying gold from consumers in 2007 there were only a handful of online gold buying companies, several of which advertised heavily on late night cable television and radio. Consumers who had never considered the value of their old jewelry suddenly discovered they could sell their old gold for cash to pay their mortgages, fund college educations, or put food on the table. And, as gold prices rose to new heights during the economic downturn opportunistic entrepreneurs entered the cash for gold industry, fueling a modern day gold rush. By late 2011, gold buying companies were everywhere. From online buying websites, "Tupperware®" style gold parties, traveling hotel buying road shows to cash for gold stores and mall kiosks, consumers had many choices for how and where to sell their gold.

But, with the growth of the cash for gold industry came a rise in complaints against gold buyers. Investigative reports, Better Business Bureau alerts and government regulations helped protect consumers from some of the worst gold buyers. All the while, GoldFellow® worked hard to educate consumers and provide an honest transaction.

Fast forward to 2013 and things have changed again. Gold prices which had been relatively flat during 2012 dropped from nearly \$1,800 per troy ounce into the high \$1,200s...still high – but less than the frenzied prices of 2011.

Selling gold is still a good way to get cash for other things – and GoldFellow® is still a leader in gold education. We still believe in treating every customer as we would expect to be treated ourselves and providing a safe, honest transaction.



Tips for Selling Gold from GoldFellow®

Know the lingo

A basic knowledge of gold industry terminology will go a long way toward helping you understand valuation and vetting trustworthy buyers.

London Afternoon Gold Price – This is a fixed price agreed upon every day by the voting members of the London Bullion Exchange at the close of their trading day. This is the only verifiable gold price held throughout the day.

Spot Price – is the price gold is currently trading at on world commodities markets. This price changes minute to minute throughout the day. You can check the London Afternoon Fix and all precious metals spot prices at www.kitco.com. Just be sure to refresh the page often.

Pennyweight – This is a weight unit commonly used in weighing and pricing precious metals. It's easy to use as there are 20 pennyweights to one ounce. Use a jeweler's scale set to DWT (pennyweight) to weigh gold, silver or platinum.

Gram – Another weight unit commonly used in weighing precious metals. But, don't confuse these grams (troy) with food (avoirdupois) grams. They are not equal. There are 31.1 troy grams to an ounce whereas there are 28 "food" grams to an ounce. And, note that grams are not interchangeable with pennyweights either.



Ounce – A troy ounce of gold contains 20 pennyweights or 31.1 grams.

Conversions - 31.1 troy grams = 1 ounce of gold = 20 pennyweights.

To convert grams to pennyweights, divide the number of grams by 1.555 as in this example using 100 grams of gold:

$$100 \text{ grams} \div 1.555 = 64.5 \text{ DWT}$$

To convert pennyweights (DWT) to grams multiply the number of pennyweights by 1.555 as shown in this example using 100 pennyweights of gold:

$$100 \text{ DWT} \times 1.555 = 155.5 \text{ grams}$$

Simply put there are more gram units to an ounce of gold than there are pennyweights. Consequently, for the price to be the same, the gram pricing would be lower per gram than the pennyweight pricing.

 Don't be confused by dealer weights and pricing. Keep it simple. Price in grams = pay in grams. Price in pennyweight = pay in pennyweight. No weight unit and price mixing.

Scrap gold – Most gold jewelry that is being resold to gold buyers will likely be melted down and refined so the gold can be extracted from the karat gold alloy. For that reason, scrap gold is not valued as jewelry – but only for the weight of the gold contained in the piece. While your jewelry may hold special meaning to you – unless it's a collectible, vintage or well-known designer piece such as Tiffany or Cartier – the item is considered scrap gold and is valued according to its weight and purity. After being melted and refined back to its pure state, your old gold jewelry may later become another piece of jewelry, a bullion coin or ingot - or even part of a computer or cell phone component.

Understand how karat relates to gold value

Karat indicates the amount of gold in an item as a percentage of pure (24K).

The higher the karat...the more gold in the piece

Karat gold – is actually a gold alloy which means it contains gold combined with other metals such as copper and silver which impart color and durability. Most jewelry is karat gold as pure gold is too soft for every day wear. Items likely to be pure gold are gold ingots, bars and some bullion coins.

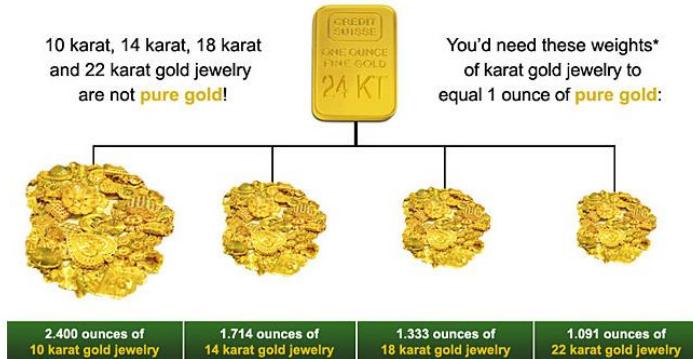


Quality stamp – This is the karat marking stamped right into the metal on a piece of jewelry, indicating the item's purity (karat) as a percentage of pure. This karat marking is denoted by either a fraction or decimal. In the US, the lowest amount of gold legally allowable for jewelry manufacture is 10 Karat.

Below are the various karats of gold and their gold content as a percentage of pure.

- 10K – Marked 10K or .417 which means 10K gold contains 41.7% gold.
- 14K – Marked 14K or .585 which means 14K gold contains 58.5% gold.
- 18K – Marked 18K or .750 which means 18K gold contains 75.0% gold.
- 22K – Marked 22K or .916 which means 22K gold contains 91.6% gold.
- 24K – Marked 24K or .999 which means 24K gold contains 99.9% gold.

Not Every Ounce of Gold is Equal



Other Precious Metals:

- Platinum – Marked PLAT or .950
- Sterling Silver – Marked STER, STERLING, SILVER or .925, .999
- Vermeil – Gold plating over Sterling Silver, sometimes marked .925 and valued as silver – not gold.

The designations below are not considered to have any scrap gold value:

- Gold Plated – Usually marked HGE (Heavy Gold Electroplated) or RGP (Rolled Gold Plated), EGP and GP
- Gold Filled – Usually marked 1/10 GF or 1/20 GF

Examine and sort your jewelry by karat

The best way to sell your jewelry is to first know what you have to sell.



Magnet Test – If you've got a pile of jewelry and want to find out what has value and what doesn't, begin with a good magnet. They're inexpensive and sold in hardware stores. Why? Gold isn't magnetic. Neither are silver and platinum. So, if you run a magnet over your jewelry and it adheres to the magnet, it isn't gold, silver or platinum. In gold buyer parlance, these are considered "no-value" though they may have sentimental value to you – and may even fetch something at a flea market or on eBay – but these items are not precious metal and shouldn't be sent to a gold dealer.

Examine for Karat Markings – Every piece of jewelry manufactured in the US must be quality marked with the karat stamped right into the metal. Use a magnifying glass or a jeweler's loupe to read the tiny marking. Then sort your jewelry by karat. This is how buyers buy your jewelry...in karat lots.



Be aware, there are fakes in circulation so while a professional gold buyer will look at the mark – the buyer will also likely perform a purity test using a variety of methods which may include a scratch test with acid or gel acid – or even a type of x-ray analysis performed by an XRF Spectrometer.



Examine Hallmarks – Every piece of jewelry should also bear the manufacturers mark. That will tell you if you have something special like a Tiffany or Cartier piece. Also, if you didn't do the recommended magnet test, you should weed out costume jewelry including those marked Brighton® Speidel® Monet® Napier® Trifari® Sarah Coventry® and Swank® as they have no precious metal value.

Sort your jewelry – Make separate piles of each karat of gold you have. You can do the same for silver and platinum.

Understand how scrap gold is priced

Have reasonable expectations of your scrap gold value based on what you have to sell and your understanding of how scrap gold is purchased.

Recoverable value – This is the value of the gold content of a piece of jewelry. If you have a pile of 10K jewelry that weighs one ounce, the gold content of the pile is 10/24 or 41.6%. If gold price is \$1,000 per ounce of pure, then an ounce of 10K new gold would be $.416 \times \$1,000 = \416 . But, since scrap gold is not new gold – it has to be melted and refined back to pure - you would not be paid \$416 for your one ounce of 10K scrap gold jewelry. Dealers would pay you a percentage of that price. That percentage will vary dealer to dealer based on the dealer's costs of doing business and the profit margin earned on the transaction.

🚩 Some companies may pay as little as 15% of recoverable value. Others claim to pay 98%! Most prices will fall between 50% and 75% of recoverable value. Armed with the math, you can figure this out for yourself rather than taking a dealers word for what percentages they pay!

Get a ball park estimate of your gold's value

Before you go to sell your gold, follow our suggestions below to get an idea of your scrap gold value.

Sort – Separate your scrap gold and other metals by karat to the best of your ability.



Weigh – Use a jewelry scale set to pennyweight to weigh your separated karat batches. Don't have a jewelry scale? GoldFellow® suggests trying a food or postal scale – but to avoid confusion, set the scale to "ounces". From ounces, it is easy to convert to "troy" grams or pennyweights. To convert to pennyweights, multiply the number of ounces by 20. To convert to troy grams, multiply the number of ounces by 31.1. For example, if all your 14K gold weighs 3 ounces on a food scale, then $3 \text{ ounces} \times 31.1 = 93.3 \text{ grams}$ of 14K gold – or $3 \text{ ounces} \times 20 = 60 \text{ pennyweights}$ of 14K gold. Make sure you are paid according to the pricing for the weight unit you're using...they are not interchangeable.

Weight deductions – If your jewelry contains precious or semi-precious stones or other non-precious metal, you will need to deduct some weight from the overall weight of the jewelry. A dealer will only pay for the weight of the gold.



This 14 karat ring weighs 4.2 dwt
On its own the stone weighs 1.1 dwt
 $4.2 \text{ dwt} - 1.1 \text{ dwt} = 3.1 \text{ dwt}$

3.1 dwt is the true weight of the gold

Diamonds - Before sending diamond jewelry to a gold buyer, ask if they will make an offer on your diamonds – or if not – remove and return them. Be aware, diamonds smaller than ¼ carat (like little chips) may be too small to make an offer on as they have little value and are time consuming to remove. To avoid disappointment, ask the dealer in advance what their diamond policy is.

Get pricing – Armed with your best idea of your karats and weights, you can call a few online or local gold buyers, provide your weights and karats, and request an estimate. You can also do-it-yourself using GoldFellow®'s scrap gold value estimator, available at:

<http://www.goldfellow.com/our-prices/>.

Just select the weight unit you weighed your gold in (grams or pennyweight (DWT), enter your weights in the appropriate boxes and click "Estimate" to get a ball park idea of what your gold would be worth on that day (assuming all karats and weights are correct). Its pricing is updated daily (after the Afternoon London Gold Price has been set at approximately 11:00 am EST) so you can use it as often as you like to get that day's price for your gold. Any estimate you receive from a gold buyer - or do yourself using the calculator - is just a ball park idea of value. A true valuation depends on the gold price on the day of sale, inspection of the items by the buyer, and weighing of the items on a calibrated jewelry scale.



Research Buyers

The best buyer for your gold may not be down the street.

Who should you trust – You have to do some research. We always recommend beginning with the Better Business Bureau (www.bbb.org) since they are independent and work with businesses and consumers to resolve their issues. Ask friends where they sell their gold. Read review sites like yelp which has a filter to winnow out fake reviews as best as possible. Note: That is not always the case for "review" websites which may actually be owned by one of the businesses being reviewed and therefore unreliable. Lastly, if considering a local transaction, search Google and your local newspaper and news station's websites for investigative reports about gold buyers in your area.

Don't make assumptions about online versus in-store gold selling – A face-to-face transaction isn't necessarily safer or more profitable than an online transaction. Think about what is best for you. For some people, carrying valuables from dealer to dealer is inadvisable. Whichever way you choose to sell gold, do your research as there are reputable and disreputable businesses everywhere. And note: Your online gold buyer might actually be someone else's local gold buyer down the street. It isn't uncommon for online companies to



have brick and mortar locations as well – so even though you may be shipping your gold to their online processing center, you might be receiving the same pricing and service as their walk-in store customers and vice versa.

Compare Gold Buyers

Store transactions are subject to state law enforcement and second hand dealer regulations. Online transactions come under different regulations regarding holding periods. All gold selling transactions will require proper identification.

Comparing Online Gold Buyers

Read the fine print on the website

- 🚩 ***Shipping*** – Only accept insured track-able shipping like FedEx® or UPS. Never send gold in the mail.
- 🚩 ***Insurance*** - Usually buried somewhere in the website's terms and conditions is very important information about the shipping insurance provided by the buyer. How much is your package actually insured for? If something happens, what do you need in order to be compensated? Websites that devote paragraph after paragraph filled with detailed requirements and stipulations for filing claims are telling you they will make you jump through hoops before you can collect anything over \$30 - \$100 of insurance.
- 🚩 ***Posted prices*** – Gold buyers should be clear about their pricing. They should tell you how much they pay every day for all karats of gold – even for small amounts – right on the website. Stating the day's "gold price", showing pictures of how much they paid for a particular item without updating it daily according to current prices, or saying they pay a certain percentage of "gold price" is ambiguous and sometimes misleading. See Get Pricing above.
- 🚩 ***Written settlement offer*** – You should demand a written valuation of your items so you can review and make a thoughtful decision. Don't settle for less than an itemized quote via website or email. A take-it-or-leave-it phone settlement offer – or a "surprise check in the mail" are both unacceptable in this day and age.
- 🚩 ***Return policy*** – If you choose not to accept the offer from the gold buyer, by what method will your items be returned? Will they be insured? Will you have to pay the return shipping? How quickly will they ship your items back to you?
- 🚩 ***Compare apples to apples*** – This means, after you've narrowed down your potential gold buyers according to the 5 previous criteria, you also need to see how forthcoming they are with pricing information and how helpful their customer service is. We suggest you pick a few that meet most of your criteria and call, asking each to quote you the price they would pay



that day for ONE pennyweight of 14K gold when selling LESS THAN ONE OUNCE OF GOLD. Obtain these quotes all on the same day. Then compare and select the dealer who seems most transparent, pays fairly, is open to communications and has policies in place to protect you. If you can't be satisfied before you ship your gold, what are the chances, if you have a problem, they'll be easy to deal with?

 **Red Flags** – Look at the company's website for specific red flags such as: companies that don't publish their physical addresses and make it difficult to find out where they are located; companies that use PO Boxes for receiving your gold; companies that have "call center agents" rather than on-site customer service agents who can discuss your specific gold packages; and companies that don't tell you the names of the owners and their experience in the gold industry.

Comparing in-Store Gold Buyers

If you've chosen to run around town with your gold trying to get the best price, follow these simple rules.

-  **Make sure your gold is always within plain sight** – Basically, you want a gold buyer to test, weigh and price your items in front of you – not take it to the back room.
-  **Ask to see your items on the scale** – If the weights you had prior to entering the store differ significantly from your weight, ask for an explanation and to see the scale readout.
-  **Ask lots of questions about policies** – You should feel comfortable with dealer policies regarding identification, payment methods, holding periods and returns.

Gold Scams to beware of

If you have followed our suggestions and know what you have, you are less likely to become a victim of a gold scam. Here are a few potential issues to beware of:

-  **Karat accuracy** – If you've followed our advice and pre-sorted your gold, you should have a pretty fair idea of what you have. There are fakes out there, particularly in "white gold" and 18K "gold" so if your karats don't match up with the gold buyer's karats (his are lower) ask for a re-test. Anyone can make a grading mistake and consumers have unknowingly purchased counterfeit jewelry as real – but under-karating is not unheard of in our industry either. Know what you have before you sell. It's difficult to trick someone who knows their stuff.
-  **Weight discrepancy** – If there's a significant difference between your weight and the gold buyer's weight, ask for more details. There are some good reasons weight would differ such as: you may have mistakenly included gold filled and gold plated items in your initial weight; you may have been weighing in grams and them in pennyweights or vice-versa

(remember, weight units are not interchangeable); you may not have used a calibrated jewelry scale (kitchen and postal scales were not intended to weigh jewelry and will likely be off); you may have included gems and non-precious metals in your initial weight (buyers deduct weight for semi-precious stones and don't consider vermeil, gold-filled or gold-plated). There are also bad reasons for a discrepancy in weight. Bottom line, ask for an explanation if your weights are significantly off and if selling in person, ask to see the items on the scale before you are satisfied.

🚩 **Karat mixing on the scale** – This is a Big No-No. Gold should be sorted, weighed and valued separately according to karat. NEVER let different karats be thrown together on the scale or agree to be paid one-price-for-all. It doesn't work like that. Take your gold and run.

🚩 **Weight and price unit mixing** – Gold jewelry is usually weighed and priced in either grams or pennyweights (DWT). They are not equal (20 DWT = 1 Ounce; 31.1 grams also = 1 Ounce). So, if the scale says DWT, the pricing must be per pennyweight. If the scale says gram, the pricing must be per gram. Beware of weighing in pennyweights and pricing in grams...another Big No-No.

🚩 **Identification and Holding Periods** – Store gold buyers are subject to local law enforcement and second hand dealer requirements. They should be asking for proper identification, paying you by company check, and be able to tell you how long they must hold your goods in their safe before they melt it. Online buyers also have identification requirements and holding periods.

🚩 **Return Policy** – What happens if you have seller's remorse? Can you get your items back? How many days do you have to request a return? If the buyer says they melt your gold immediately, find another buyer.

Extra precautions to take before you ship gold

If you decide to use an online buyer who provides free FedEx® or UPS ®shipping, there are a few additional precautions you can take to increase your chances of having a successful shipping experience.

Shipping label – Check to make sure the shipping label doesn't say anything that might give away the contents of your package. The word "gold" should not appear on the shipping label (even if it's part of the company's name). Even abbreviations of the company name or words like "Processing Department" and "Receiving Department" are recognizable to thieves.

Never ship on a Friday if you can help it – It's not so much that your items will be sitting in a warehouse over the weekend but sometimes even express shipments may be transported by the most vulnerable shipping method (truck) rather than jet if the company can still deliver on schedule.

Take inventory – Most legitimate companies will want you to tell them what you're sending by completing a packing slip. Take a photo of your packing slip with your camera or smart phone – or make a photocopy.

Take photos – Photograph everything you've listed on your packing slip. If your package arrives broken, tampered with or disappears entirely before arriving at the gold buyer's location, photos will be helpful for the carrier to search through lost and found items - and if a claim must be filed. It will also jog your memory in case you forgot what you shipped.

Pack properly – Put all your items in a sealed poly bag with your packing slip. Then tightly wrap everything in bubble wrap or newspaper so nothing jingles. If you have an item that is sharp or oddly shaped and may push through the shipping envelope (they may go on conveyor belts), or if your items are too large or heavy for the shipping envelope provided, switch to a shipping box and pack it well. If your shipping label is not transferable, contact the gold buyer to email you a new shipping label.

If at all possible make sure your package is scanned into the shipping system – Never leave your package on the counter at a shipping store or hand it over to a clerk without a receipt! Either place your items in a secure FedEx® box where it will be safe until picked up – or hand it to a FedEx® Office employee and request a receipt – or hand it to a FedEx® driver and ask for the package to be scanned right there. The same would be true for UPS.