

Grading Commonwealth coins

A guide to the adjectival way of grading Australian Commonwealth Coins

Next to it being authentic, correct grading is a fundamentally important aspect when purchasing a coin. This fact applies particularly so with coins in a high grade of preservation. If scarcity is an additional factor, then the difference in value between one grade and another can mean many thousands of dollars.

In Australia, most coins are graded to an adjectival standard. Basic definitions for terms used are found in both our major Numismatic Guides, the McDonald and Renniks publications.

New collectors (and occasionally even some fairly advanced hobbyists) might not always easily come to terms with what is meant by Fine, VF, EF etc. Surprisingly, the grade UNC (Uncirculated) can be the most challenging to understand.

Adjectival grading favours descriptive terminology, which can be used in condensed form. The term Very Fine is therefore abbreviated to VF; Uncirculated becomes UNC etc. Generally speaking, information available to collectors in regards to the definition of individual grades is somewhat scant; even contradictory. Such lack of knowledge can be particularly costly when acquiring UNCIRCULATED coins, which by themselves have more than one grade.

Novice collectors may question why there are different grades of Uncirculated. Surely, a coin is either UNC or it is not. Unfortunately it is not quite as easy as that.

In the strictest sense of the word, all coins may be regarded as UNC until the Reserve Bank issues them for circulation. Some coins will obviously be "luckier" than others during the minting and pre-issue handling processes, where they may be subject to worn dies, resulting in a weak or poorly defined strike, or contact with each other, inviting nicks and scratches (Contact or Bagmarks). It follows then that the production process itself will create characteristics, which may be at odds with each other when grading a coin. As in a Weak Strike without Bagmarks (Contact or Detracting Marks), against a perfect strike with a fair number of these. Throw in a coarse finish plus a few Die Cracks from a well-used die, and an (strictly speaking) uncirculated coin may not be exactly what you had in mind for your collection.

Consequently, it is obvious that uncirculated coins will have varying degrees of appeal and therefore value to collectors. For that reason, a hierarchy of definitive terms such as

FDC Fleur de Coin (French for Flower of the Die)

GEM Gem-Uncirculated

CHU Choice- Uncirculated

UNC Uncirculated-typical

are justified and used by many dealers and collectors to allow for different grades of uncirculated coins.

Collectors will notice that the grade FDC (Fleur De Coin, French for "flower of the die") or a definition for it is not always listed in the pricing sections of general catalogues. FDC refers to perfection, and it is rare to encounter a circulation type coin that is deserving of this term. Collectors can expect to pay a significant premium for a perfect coin, if they are ever lucky enough to be offered one.

For coins that show wear to a lesser or greater extent, the Hierarchy of Terms continues as follows:

aUNC almost Uncirculated

EF Extra Fine

VF Very Fine

F Fine

VG Very Good

G Good

The basic Story

Grading, by its very nature, will always embody a degree of subjectivity. The key to limit subjectiveness is a definition, as accurately as possible, of the terms used to grade a coin. Price then depends on perceived current market values, which may well be a negotiating point between the buyer and the seller.

On the following pages, the reader is introduced to definitions for individual grades, and a pictorial Grading Guide that has been considered and approved by a number of experts from within the numismatic industry and ANDA. This guide may be referred to as the ANDA Approved Guide to grading Australian Commonwealth Coins, or in short: *The ANDA Coin Grading Guide*.

The basic Story – *continued*

Why a Guide and not a Standard? In discussions with industry experts, it was realized that a standard would have to incorporate a number of other aspects that relate to grading, which are beyond the scope of this brochure. In time, ANDA is planning to address the issue of a comprehensive Grading Standard, which will be promulgated when the task is done.

Dealers are encouraged to make use of this guide, and those who do, may state so in their marketing. Collectors, who familiarize themselves with this guide and feel comfortable with it, will have the opportunity to ask if a coin that is offered for sale by another party is graded to the definitions of *The ANDA Coin Grading Guide*. •

Intermediate Terms: The terms listed earlier are referred to as Major Grades. However, in many instances, the condition of a coin may be a little better, or not quite up to, the definition given for the Main Grade. Thus, for coins up to the condition UNC, intermediate grades are used to grade a coin that may be just a little better than the Main Grade, or not quite up to the given definition. Therefore, the grade of a slightly better than VF coin may be expressed as gVF = good VF. A coin that does not quite make a Main Grade may be offered as aEF = almost EF, or nEF = near EF or simply "about EF". The variations of additional adjectives are personal preferences that a seller may have; they do have the same meaning.

Split Grades are sometimes used to indicate that a coin is of a different quality on one side when compared with the other. Thus, CHU/UNC will indicate that the Obverse of a coin is in Choice-Uncirculated condition, while the Reverse grades UNC. The value of a split-graded coin is usually somewhat closer to the lower grade rather than the higher. (Please note: the Obverse or Portrait Side of a coin is always graded first).

Strike refers to the quality of detail visible on a freshly struck coin. As a die nears the end of

its working life and wears out, detail may be missing on the highest points of the design. Occasionally, a die would crack before being retired. Hence Die Cracks may result on the finished product.

Contact Marks are sometimes also referred to as Detracting Marks. These include Bagmarks and Edge Nicks. Scratches, hairlines and general surface marks are closely related. In the FDC to UNC range of grades, these must be of a virtually non-existent to relatively insignificant nature and in keeping with the definition for the given grade. If a coin would grade CHU or better when considering other aspects, but Detracting Marks are more than allowable for such a high grade, then the coin should only be graded UNC. Serious Detracting Marks however must always be mentioned separately.

Mint Bloom or Mint Lustre results from the radial flow of metal towards the rim of a coin during the striking process. This will cause the surface of a freshly minted coin to take on a dazzlingly reflective appearance. It can often still be seen on toned coins, (where it may be referred to as underlying Lustre) but rarely on coins that are worn. A most desirable aspect of a coin with original Mint Lustre is the so-

called Cartwheel Effect. Tilting a coin in a circular motion around its centre will show a strongly reflective line "cart wheeling" around the face of the coin.

Mint Lustre is negatively affected by cleaning, and cannot be reproduced on an un-professionally cleaned coin. Not to be confused with Brilliance, which is a term more suitable for original colour remaining on Bronze coins.

Eye Appeal is a combination of all the previously mentioned aspects. It is the most subjective feature of the art of grading. In a general sense, when pleasant overall Eye Appeal is present, it may influence the eventual grade in a slightly positive manner. An experienced grader will consider Eye Appeal before assigning a final grade. However, (and particularly so with the grades FDC or GEM), one or two superior characteristics cannot result in FDC or GEM if another major aspect is not in keeping with the overall definition for these high grades.

Examples: A coin with full Mint Bloom and a virtual absence of Detracting Marks, but not well struck. Or fairly obvious Detracting Marks on a well struck coin with fresh Mint Bloom.

Hands on Grading

A good quality magnifying glass and a suitable light source are suggested for a good result. A 5 x 2 magnifier and an incandescent light with a frosted 100-watt bulb (a common desk lamp, but check maximum power use permitted) are recommended.

Look at a coin through the 5 times magnifier. Check for Wear (if any), and quality of Strike, then Detracting- or Contact Marks (Bagmarks). Make sure you do not mistake a weak Strike for a worn coin. Check the circular legend, the beaded inner rim (if in place) for fullness of Strike, and the edges for Edge Nicks. On high-grade coins, note the quality of the surface and degree of Lustre or Mint Bloom that remains. Combine the two 5 x lenses of your magnifier to check out any Detracting Marks that may have attracted your attention. Then allocate a Main Grade.

Lastly (and objectively), consider if the Main Grade that has been given to a coin (say VF), is conservative or a little too high. If a coin does not quite make the definition of the Main Grade, it should receive the

grade aVF (almost VF). Alternatively, a coin that features aspects that seem superior to VF may deserve the grade gVF (good VF). Particularly with grades below UNC, averaging the "pros and cons" and then considering the overall Eye Appeal (or lack of it) may result in a one-third shift either way, when allocating a final grade.

The scope of this brochure allows for only a basic introduction to the art of grading coins. While the Florin series of George V has been chosen for the pictorial guide, the essence of the definitions does apply to all coins. The illustrations on the next five pages, together with given definitions, should go a long way to introduce interested collectors to the art of grading.

More in depth information on this subject may be available on the ANDA web site; please visit www.anda.com.au

Pictorial reference to major grades.

Please note: Uncirculated coins must show no wear, and missing design details should only be due to an inferior strike. Obvious rim knocks clearly visible to the naked eye must be mentioned in addition to the given grade, and will devalue a coin. Coin images have been enlarged.



Enlarged detail

Gem – Uncirculated Gem-Unc GEM

A superior coin with an almost perfect Strike. May show just a few minute Detracting Marks, barely visible to the naked eye. Virtually Full Lustre or Mint Bloom is present. An

attractive toning (if present) may enhance Eye Appeal, on silver coins, but is less desirable on bronze coins. Overall, a close to perfect coin.



Enlarged detail

Choice Uncirculated Ch-Unc CHU

Quite well struck, and only minor detail may be missing from the high points of the design. A scattering of fairly insignificant Detracting Marks may be present, but should not

attract undue attention. Mint Lustre or Mint Bloom should be of at least moderate presence. A very pleasing coin with much Eye Appeal.

Pictorial reference to major grades. (continued)



Enlarged detail

Uncirculated
UNC

May display some weakness of Strike and a small number of Detracting Marks of a moderate nature. If any of the above are excessive in an otherwise uncirculated coin, (i.e. no wear is apparent), then

such impediments should be mentioned separately, as they affect the coins value. Some Mint Bloom or Lustre should still be present but may be subdued. Quite desirable due to the absence of wear.

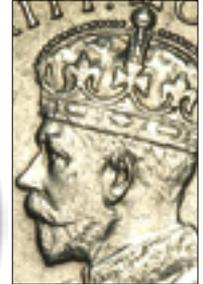


Enlarged detail

almost Uncirculated
aUNC

Mostly similar to UNC, though may still feature a good Strike. The major difference is faint traces of wear on the high points of the design. Some Mint Lustre usually remains, particularly in

the legends. Occasionally may have more Eye Appeal than UNC, but wear does not allow for a higher grade. Care must be taken not to mistake a weak strike for wear.



Enlarged detail

Extremely Fine
EF

Light wear is apparent on the high points of the design on both sides. A fair number of small Detracting Marks are likely to be evident. Lustre may still be present, but if so, then only in the

legend around the rim. On George V coins, the Centre Diamond in the band of the Monarchs crown should be well raised, and the pearls to the left of it should be well separated.



Enlarged detail

Very Fine
VF

Moderate wear has resulted in flat spots on the high points of the design, generally more evident on George V coins than later issues. Detracting Marks and minor Edge Nicks may be present, but if excessive,

should be mentioned separately. On the Obverse of George V coins, the centre diamond should show all four edges, but the pearls to the left have worn away. A pleasing collectors coin.

Pictorial reference to major grades. (continued)



Enlarged detail

Fine
F

Extensive Wear is evident on all design features, though the outline of the design is still fairly raised. Detracting Marks may be many, but should not be of an excessive nature. Prominent gauges or scratches are

not acceptable. George V coins: Reverse: Flat emu body with virtually all feathers worn away. Advance Australia is still bold. Obverse: Centre Diamond is worn away, but six pearls are still present.



Enlarged detail

Very Good
VG

Wear is around 4/5 from what was the top of the feature design. There may be many Detracting Marks, but not to the extent that a coin appears damaged. On the Reverse of George V coins, Advance

Australia may still be partly readable. This grade can still look attractive if shading (dirt) from everyday use highlights the outline of the design.



Enlarged detail

Good
G

Quite worn, but must still show the full outline of the design, even if only faintly. There may be many Detracting Marks, but some Eye Appeal should remain. With George V coins, all letters are readable except Advance Australia, which

is worn flat or nearly so. A "true collectors coins" that is usually only worth bullion, plus a small reward that a dealer considers reasonable for his time and effort in selling this coin.



GEM

CHU

UNC

aUNC

EF

VF

F

VG

G



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