

COLLECTING THE

AUSTRALIAN GOLD SOVEREIGN

History and our fascination with Gold are just some of the reasons for collecting Australia's first Coins. This booklet introduces the pleasure and rewarding experience of collecting the classic Gold Sovereigns minted in Australia between the years 1855 and 1931



AN INFORMATIVE CONTRIBUTION TO NUMISMATICS
BY THE
AUSTRALASIAN NUMISMATIC DEALERS ASSOCIATION Inc.

The Fascination of Gold

Throughout the centuries, Gold has played a major part in the history of many countries as well as the accumulation of wealth for Governments and private individuals. Its role as a store of value is undisputed, even in today's world, where values of many kinds have changed significantly.

It only stands to reason that numismatics should play a part in this fascination we all have for Gold. Who would argue that there is greater pleasure to be gained from looking at a well designed, well made and aesthetically pleasing Gold Coin when compared with a plain bar of Gold? Our fantasy may be exercised by the silent story embedded in this coin from a time long before our own. If these coins could only talk. Or don't they?

This brochure then will introduce the reader to one of the most interesting and desirable series of Gold Coins ever produced. You will meet the very first type struck in Australia in 1852, the Adelaide Pound. You may marvel at a magnificently diverse series of Half Sovereigns and Sovereigns, spanning the amazing 47 years of reign of Queen Victoria (1855 - 1901). The early years of a newly federated Australia (Edward VII 1902-1910). The turbulent era from 1911 to 1931, encompassing the First World War and the Great Depression (George V).

History and our fascination with Gold are major motives for why Australian Gold Sovereigns enjoy a strong following with today's collector. The acquisition of a Type Collection is a viable hobby even for collectors with limited means. If your budget permits you to do so, or you are considering investment, then you may choose to assemble a set with an eye for rarity and better than average quality and thereby marry the motives of collecting and investing. The result may be a valuable asset with the likelihood of solid financial gain.

When wisely considering the investment aspects of acquiring Australian Gold Sovereigns, along with the collecting motive which underpins the hobby, it will be difficult not to conclude that assembling a collection made from the noblest of metals should be a most rewarding and gratifying experience.



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History and Folklore

"Put it away Mr. Clarke, or we shall all have our throats' cut." - Governor Gipps

Gold - who found it first - will we ever know
 In the early 1800's the Government of the day frowned on the hunt for Gold for fear of finds causing convict insurrection and the loss of man power needed for the development of the Colony. There were many discoveries well before the official government announcement. As early as 1823 a Government Assistant Surveyor, James McBrien, told of finds in the Fish River near Bathurst.



Governor Gipps hid the announcement of Gold discovery from the world when he said 'Put it away Mr. Clarke, or we shall all have our throats' cut'. With that one statement, he took away the Reverend W.B. Clarke's place in history as the first person to find payable Gold in Australia.

History records that Edward Hammond Hargraves was the first claimant to find payable Gold. This was despite the fact the discovery was made by his partners Lister and the Toms on April 7, 1851 at Yorkey's Corner near Ophir.

Hargraves presented the news without their knowledge and arranged for the Gold to be hammered or fused to make a more presentable nugget to claim a handsome government reward. The exciting news echoed across the world, leading to mass migration to Australia. The rush was on!

On May 15th, 1851, the Sydney Morning Herald carried word of Gold into every house in Sydney. Much of the Gold in Western NSW was alluvial and it could be discovered without the need for machinery or capital.

Gold was the financial salvation in an age without lotteries or the dole. Finding Gold was the only chance that the working class had of bettering themselves, of gaining independence from the landowners and capitalists which they made wealthy through their labours. They

responded to Hargrave's discovery in droves, abandoning shops, schools, police stations, factories & farms.

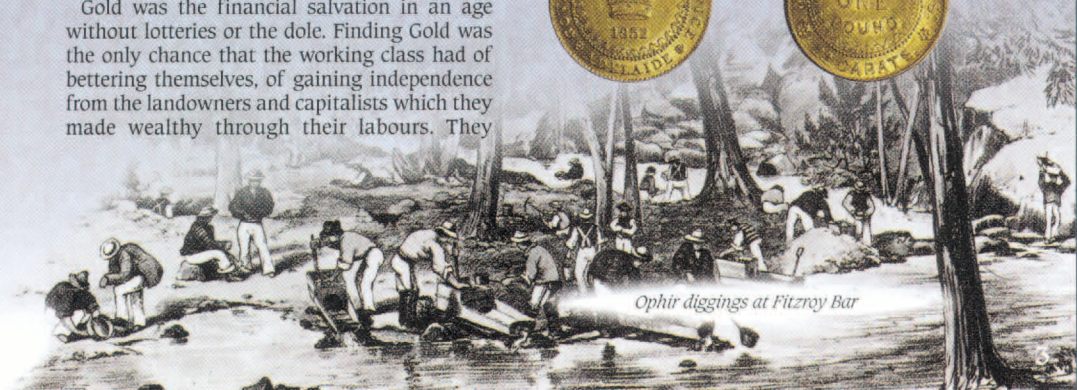
Many men were winning an ounce or two a day with only a tin dish, and as much in a fortnight of digging Gold as they had earned in a year digging drains.

A Sovereign was known as good for £1 any time, recognised the world over and never refused. Sovereigns were sought by diggers, hoarded by them and of course spent by them. Sovereigns were the currency of the 1800's.

Many generations of Australians have long known the value of Gold Sovereigns. These easily recognised Gold Coins were an integral part of day to day trade throughout the land for near on a century. Folklore has it that Sovereigns were taken in change wherever possible, and given out in business only reluctantly. The wealth of a family was often measured not by the balance it held with a bank, but by the number of Sovereigns it kept safely at home.

Despite being phased out of Australia's economy in the mid-1900's, Gold Sovereigns did not lose their appeal. Many have been passed down through the generations, the coins spoken about in hushed tones, the children told not to spend or even touch them under sufferance of grim punishment.

As younger generations come to understand the importance of these coins, collecting Sovereigns continues to appeal. Although they have never used Sovereigns as money, they appreciate the hardship the diggers endured.



Ophir diggings at Fitzroy Bar

AUSTRALIAN GOLD SOVEREIGN TYPES (1852 - 1931)



Adelaide Pound



Type I & II
1852



Queen Victoria
Type I



Sydney Mint
1855 & 1856



Queen Victoria
Type II



Sydney Mint
1857 - 1870



Queen Victoria
Young Head



Shield
1871 - 1887



Queen Victoria
Young Head



St George
1871 - 1887

The Adelaide Pound was the very first Gold Coin struck on Australian soil, directly from the nuggets & dust unearthed by the diggers in Ballarat & Bendigo. All examples are quite rare, with just 20 of Type I in existence, and perhaps 200 Type II's. Much sought after by collectors and investors.

The very first Sovereign struck outside of the British Royal Mint, and the only type with a portrait different to that used in London. Inspiration for the reverse design was taken from the prevalent English shilling. Reasonably affordable in lower grade, while of the highest rarity in Mint State.

With an Acacia wreath, the Type II portrait is more Australian than the Type I. Australian Sovereigns circulated the globe, being seen as far and wide as London, Canada, South America and India. Some coins dated 1868 to 1870 have a more pronounced "golden" appearance, as the 8.33% silver content of previous dates was replaced by copper.

The Australian Mints used the Shield design primarily on those coins exported to India and Ceylon. Consequently, they are on average far scarcer than the equivalent Young Head dates. The Shield is a hard-wearing reverse design, attractive in all grades.

The Young Head type features the renown St George & Dragon reverse design on an Australian sovereign for the first time. Despite being well over 110 years old, it is quite possible to collect most Young Heads for little more than their bullion value.

Reputed to be Queen Victoria's favourite portrait of herself, just 14 coins make up the Australian Jubilee series. Again, most dates can be found in circulated quality for little more than bullion value, while a complete set in UNC is a real achievement. The 1887 S is the key date in the Jubilees.

The Veiled Head design reflects many cultural values current during the Victorian period, and was used up until her death in 1901. The Perth Mint began production in 1899, and the 1899 P Sovereign is the rarest coin in the series. In Choice Uncirculated grade, Veils are considered quite under-valued.

No real rarities have as yet emerged among the 27 coins in the King Edward Sovereign series, so it really is the most affordable set to complete in UNC quality. A dedicated date collector will tell you that some coins are tougher to find than others though - the question is, which ones?

A date set of Large Head KGV Sovereigns in UNC quality is possible for the collector on a budget, though for the investor, there are mintmarks which are extremely rare. In fact, the hardest coin in this series, the 1920 S, is so rare, it can only ever be owned by 3 or 4 collectors.

The KGV portrait was revised in 1929 to improve technical aspects in production, leaving collectors with a short series (just 6 coins) to finish off with. Small Head Sovereigns have the appeal of being the last Australian Gold coins produced for 5 decades.



Queen Victoria
Jubilee Head



St George
1887 - 1893



Queen Victoria
Veiled Head



St George
1893 - 1901



King Edward VII



St George
1902 - 1910



King George V
Large Head



St George
1911 - 1928



King George V
Small Head



St George
1929 - 1931

Why Collect Sovereigns?

The collector's crowning achievement – a solid investment in Gold Sovereigns

For many collectors, the greatest appeal Gold Sovereigns have is their undeniable investment potential. Beauty, history and rarity aside, investment is clearly a strong motivating factor in the Sovereign collector market. Many a numismatist has profited from the sale of a painstakingly built Sovereign collection, and as the graph on this page clearly demonstrates, provided certain fundamental rules are followed, a well-selected Gold Sovereign has the potential to be a very sound investment indeed.

Profiting from your coin collection is simple enough – provided you buy only those coins you are certain another collector will pay you more for when you sell them! This pleasant result is possible because collecting sovereigns is a timeless hobby, one enjoyed by Australians of all generations. As more collectors come into the market and the number of available coins diminishes, market values can do nothing but rise further.

There are three traits particular to any coin that increases in value – keep these in mind when you are evaluating a Gold Sovereign for your collection.

1. Rarity: A coin must obviously be of some rarity before it has any chance of increasing in value. The fewer there are, the more a collector has to pay to obtain one. This is particularly the case for historic coins in top quality.

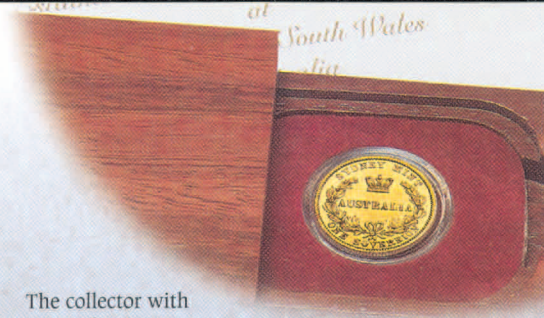
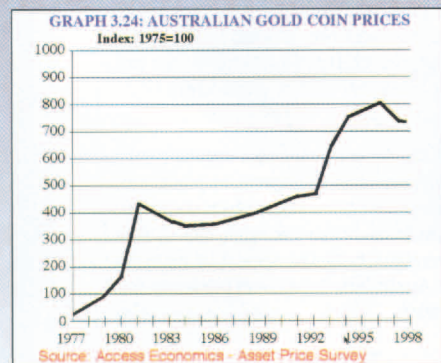
2. Quality: The market has long valued attractive or perfect coins higher than those that are either slightly worn or damaged. Any new record prices paid are usually only for coins of absolute top quality. The ability to “grade”, or determine the numismatic quality of a coin is an asset here.

3. Demand: Inexperienced collectors often overlook the importance demand has on the investment value of their collection. The discerning collector takes advantage of trends or major events by timing their purchases (and sales) to suit ebbs and flows in the market.

The collector with an eye for investment can expect a well-selected collection to increase its value over the medium to long term. As Gold has an appeal that spans generations and even centuries, it is not unreasonable to presume that this price growth will continue.

At the same time, the collector market for Sovereigns does not rest solely upon the price of Gold. Without doubt, the market for Sovereigns does become increasingly active when the Gold price moves up. However many coins have increased in value several-fold during years when the Gold price has been less than bullish. Collectors aware of this fact are able to build a first rate collection at a time when quality Sovereigns offer superb value for money. After all, a low Gold price doesn't reduce the value of a Gold Sovereign of which there are only three examples known!

The knowledge that these historic coins were regarded as solid wealth during times of hardship, war and depression, only increases the value they have. The crowning achievement for any collector is to enjoy the many rewards the hobby offers for a number of years, and then sell their collection for a profit when the time comes to do so. By selecting rare and historic Gold Sovereigns in superior quality, this is not only a possibility but a highly probable outcome to look forward to.



How to get started...

Some tips and helpful advice

By its very nature, a booklet like this can only be an introduction to this great hobby of collecting or investing in Gold Sovereigns. Has it sparked your interest? Congratulations! You can now tell your friends you are well on the way to be a “Numismatist” !! If they pat you on the back and wish you a speedy recovery from your illness, just remember ignorance can be bliss. Here is what you should do next:

Information:

Books, Books, Books. The very first thing to do now is to buy a good numismatic book or coin guide. If you picked up this brochure from a local coin dealer, his address may be on the back page. Contact him, and he will suggest a suitable publication. You will then be able to learn about other aspects of collecting Australian Gold Coins. Such as different types and dates and mintmarks, mintage figures (a guide to rarity), and the basics about grading and how it affects the value of a coin.

You may also consider purchasing both of the hobbies Trade Magazines at your local coin dealer or newsagency. The AUSTRALASIAN COIN AND BANKNOTE MAGAZINE (CAB) 02 6344 1421 and the AUSTRALIAN COIN REVIEW (ACR) 02 9353 0874 can be valuable sources of information. Both magazines carry advertisements which reflect the latest market trends and news and offer subscriptions.

Motive & Strategy:

Depending on your reason for collecting and the depth of your pockets, you should make a plan. Firstly, consider why you are going to collect. Is it for the enjoyment of the hobby, or for the purpose of investment. Most likely and ideally, it should be a mixture of the two. Let's consider various motives.

Investing: If your predominant interest is investment, consider what you will be able to spend, and buy the “most suitable” coin of any given type that comes your way. “Most suitable” in that case means a coin in uncirculated (as new) condition, though if a particular date is so scarce that you can count the coins available to collectors with the fingers of one hand, just about any condition will do. You are looking for top grade and/or rarity.

Collecting & Investing: If the collecting bug gets to you as it probably will, the question may be what to collect. Oddly enough, Sovereigns

will generally be cheaper to acquire than Half Sovereigns. That's because far fewer Half Sovereigns were produced than full Sovereigns. You then may consider if you should collect the full series by date, or maybe the period of reign of a particular monarch only. Another alternative is a type set, which means one date only, preferably in top grade, of all the different designs and monarchs. Remember that your motives are enjoyment of the hobby and investment. Therefore, common dates should be in uncirculated condition. At the same time, don't let “condition mania” spoil the enjoyment of what you are doing. A scarce coin in pleasant condition will still appreciate in value in years to come. However, a common bullion coin (low grade, worth Gold only) should be a stop gap purchase until a better coin comes your way.

Just collecting, thanks: If your finances are very limited, remember, you can purchase quite presentable Sovereigns in grades up to EF for little more than the value of bullion Gold. But it's still Gold, and that doesn't come for a song in any form. So is collecting average grade and common Sovereigns just a waste of money?

Consider this. You may not have purchased a numismatically rare and valuable coin, but if the price of Gold were to go up by say 20%, you are already looking at a profit, even accounting for a coin dealer's margin. There are many average grade to almost new coins out there which look very nice (have eye appeal). You will still own a collection of GOLD COINS, and you will enjoy many hours of pleasure building it at relative minimal cost and risk. Further more, if you ever decide to upgrade to a numismatically valuable coin, just about every dealer will trade back your Gold Sovereign for the price you originally paid.

THE VERDICT? You will discover collecting Gold Sovereigns to be one of the most fascinating and rewarding hobbies you will ever find. Go for it, and enjoy collecting.

Look to an ANDA member for service and professional advice

ANDA is committed to providing professional and ethical services to the Numismatic Industry. Dealing with an ANDA member means you obtain advice based on an intimate knowledge of the industry and a total service commitment to collectors and investors.



Come to the Fair

Welcome! ANDA holds a number of exciting fairs throughout Australia each year. Dealer members and Mints mount educational product displays and offer advice and outstanding collector items. You can even have your coins and banknotes valued free and buy or sell in a friendly, professional environment.

Don't miss the opportunity to attend.

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Look for the ANDA logo in shops or your local Telephone Book

