

DEMYSTIFYING GOLD

THE GOLD DEAL DUE DILIGENCE CHECKLIST

Five Pillars. Critical Questions. Better Decisions.

Before you commit to a gold transaction,
know what to question, what to verify and where to exercise caution.



JAMES A. EDWARDS



THE FRAMEWORK

A PROMISING OFFER IS NOT A VERIFIED TRANSACTION.

The physical gold market offers genuine commercial opportunities. But understanding the gold itself is only part of the equation. A transaction can involve genuine gold and convincing documents yet still fail because ownership is unclear, the parties cannot be verified, the procedure does not work or the payment arrangements are inadequate.

Effective due diligence means looking at the entire transaction — not simply taking the seller's word for it.

In Demystifying Gold, I bring this process together around five essential pillars.

The Five Pillars

1. COUNTERPARTY

Who are you dealing with, and are they authorised to complete the transaction?

2. PRODUCT

What gold is being offered, and does it meet the stated specifications?

3. PAPERWORK

Do the documents support the claims being made, and can they be independently verified?

4. PROCESS

Can the transaction be executed in a logical, commercially credible way?

5. PAYMENT

Are the payment arrangements transparent, properly documented and linked to the agreed transaction?



How to use this checklist

Work through the five pillars before committing funds or entering into binding obligations.

For each pillar, ask the questions, consider the warning sign and identify anything that remains unresolved.

Remember:

- An assurance is not the same as evidence.
- A document is only useful if it is genuine, relevant and verifiable.
- An attractive price does not make a transaction credible.
- Unanswered questions should be resolved, not ignored.

The objective is not to reject every opportunity. It is to understand the risks before deciding whether to proceed.





PILLARS 1 AND 2

PILLAR 1: THE COUNTERPARTY

Who are you really dealing with?

Before evaluating the gold, establish who is offering it and whether that party has the authority and ability to complete the transaction.

Ask yourself:

- ☐ Have I independently verified the seller's identity and business details?
- ☐ Do I know whether I am dealing directly with the owner or through an intermediary?
- ☐ Can the representative demonstrate their authority to act for the seller?
- ☐ Have I established who will be legally responsible for fulfilling the agreement?

Warning sign: The seller or intermediary makes impressive claims but cannot substantiate their identity, authority or role.

PILLAR 2: THE PRODUCT

What exactly is being offered?

The product must match the description, specifications and intended market. Genuine gold is not automatically suitable for every buyer or transaction.

Ask yourself:

- ☐ Have I established the form of gold, its stated weight and its purity or fineness?
- ☐ Where applicable, can refinery marks, bar identification numbers and relevant records be checked?
- ☐ Is there appropriate assay or testing evidence, and is independent testing required?
- ☐ Have I confirmed that the product is acceptable to the intended buyer, refinery or market?

Warning sign: The seller relies on photographs, visible markings or unverified certificates instead of allowing appropriate verification.



PILLARS 3, 4 AND 5

PILLAR 3: PAPERWORK

Do the documents prove what they claim to prove?

Gold transactions may involve ownership records, assay reports, bar lists, safekeeping receipts, contracts and transport documents. Their existence alone does not establish their authenticity or meaning.

Ask yourself:

- ☐ Is there credible evidence of ownership or the legal right to sell, rather than evidence of custody alone?
- ☐ Are the relevant documents consistent in their names, dates, quantities, serial numbers and locations?
- ☐ Have I independently verified important documents with their purported issuers?
- ☐ Have I identified missing documents, conflicting information or unexplained gaps in the gold's history?

Warning sign: Documents cannot be authenticated, material inconsistencies remain unexplained, or essential evidence is withheld until after payment.

Remember: Custody is not the same as ownership. A safekeeping receipt does not, by itself, establish who legally owns the gold or has the right to sell it.



PILLAR 4: PROCESS

Can the transaction actually work?

Even where the gold and the parties appear credible, the transaction can fail if the proposed procedure is unclear, impractical or commercially unbalanced.

Ask yourself:

- ☐ Is the sequence of events clear, logical and commercially credible?
- ☐ Are the responsibilities of the buyer, seller and relevant service providers clearly defined?
- ☐ Are inspection, testing, acceptance, delivery and transfer of ownership properly addressed?
- ☐ Have the logistics, insurance, costs and conditions for completing the transaction been agreed?

Warning sign: The procedure relies on unsupported assurances, repeatedly changes or requires one party to take significant risks without appropriate protection.





PILLAR 5: PAYMENT

How will money move, and what triggers payment?

Payment terms should be transparent, understood by the parties and consistent with the agreed transaction.

Ask yourself:

- ☐ Are the price, currency, fees, commissions and other costs clearly explained and documented?
- ☐ Are the payment conditions and the evidence required before payment becomes due clearly established?
- ☐ Have I verified the beneficiary and the purpose of any requested payment?
- ☐ Do I understand the proposed payment mechanism and what happens if the transaction fails?

Warning sign: You are pressured to pay substantial fees or transfer funds before material claims have been verified and appropriate contractual protections are in place.

A final reminder: Unfamiliar banking terminology or claims of institutional involvement do not, by themselves, prove that a transaction is legitimate.





THE FINAL DECISION

FIVE PILLARS. ONE DECISION.

You have considered the counterparty, the product, the paperwork, the process and the payment arrangements.

Now step back and assess the transaction as a whole.

Your review

Pillar	Verified	Outstanding
1. Counterparty	☐	☐
2. Product	☐	☐
3. Paperwork	☐	☐
4. Process	☐	☐
5. Payment	☐	☐

Before you proceed, ask yourself three questions.

1. What remains unverified?

Which claims, documents, ownership arrangements or payment conditions still need to be checked?

2. What needs to be resolved?

What additional evidence, clarification or independent advice is required?



3. What would make me stop?

Which unresolved issues would prevent me from proceeding with confidence?

The Walk-Away Test

If material questions about ownership, the product, documentation, execution or payment remain unresolved, pause before committing funds or entering into binding obligations.

Seek appropriate independent advice. If satisfactory evidence cannot be obtained, be prepared to decline the opportunity.

A genuine opportunity should be capable of withstanding reasonable questions. Commercial pressure, attractive pricing and promises of exceptional returns are no substitute for proper verification.

Walking away from an inadequately verified transaction is not a failure. It can be the most commercially responsible decision available.





GO FURTHER WITH DEMYSTIFYING GOLD

UNDERSTAND THE MARKET. QUESTION THE DEAL. RECOGNISE THE RISKS.

This checklist gives you a practical starting point for assessing a physical gold transaction. The full book explores the market in greater depth, explaining how gold is refined, valued, stored, transported and traded, and examining the documents, procedures, myths and risks that buyers and sellers encounter.

Demystifying Gold: Unlocking the Truth Behind Bullion, Bars, and Bullsht* draws on James A. Edwards' professional experience across commodities, financial markets and cross-border physical gold transactions.

It is written for readers who want to move beyond industry jargon, understand how the market works in practice and ask better questions before entering a transaction.



About the Author:

James A. Edwards is a commodities and financial markets professional with more than 25 years of international experience spanning precious metals, commodities trading, financial services, fintech and operational leadership.

His career has involved senior leadership roles across international markets and practical engagement with the people and businesses involved in physical gold transactions, including refiners, vault operators, logistics providers, brokers, family offices and financial institutions.



He wrote Demystifying Gold to help readers cut through misinformation and industry jargon, understand the mechanics of the physical gold market and distinguish credible opportunities from claims that do not withstand scrutiny.

Good deals survive scrutiny. Bad ones collapse under questions.

DEMYSTIFYING GOLD

Unlocking the Truth Behind Bullion, Bars, and Bullsht*

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Disclaimer

This checklist is provided for general educational and informational purposes only. It does not constitute legal, financial, investment, banking, compliance or other professional advice, and it does not certify that a transaction is legitimate or free from risk.

Due diligence requirements vary according to the product, transaction structure, parties and jurisdictions involved. Readers should obtain appropriate independent professional advice before entering into a transaction involving gold or other precious metals.

Completing this checklist does not guarantee the authenticity, ownership, legality or successful delivery of gold, or the performance of any counterparty. Responsibility for conducting appropriate due diligence and making transaction decisions remains with the relevant parties.



A BOOK BY
JAMES A.
EDWARDS