Precious Metals INTERNATIONAL, Ltd

FREQUENTLY ASKED QUESTIONS

Question 1 - What Forms do Precious Metal Bullion Products come in?

Answer - Precious Metals Bullion Products are available in various forms, which carry premium costs. This premium is called a "Bullion Premium" or "Fabrication Cost" or "Bar Charge". These charges are in addition to the Ask Price charged, and will vary depending on Market conditions and the quantity being purchased. These products previously received a premium above the "Bid" when being sold, but this is now dependent on Market conditions and the quantity being sold. Please visit our Fabricated Products Price Page for our current Bid/Ask Price Indications.

All products are of Hallmark refineries such as Johnson Matthey, Handy Harman, Metalor (Credit Suisse) Engelhard, or Government Mints - such as US Mint, Royal Canadian Mint (RCM), etc. All products other than Industrial Bars are subject to availability.

Question 2 - If I take "Home Delivery", what additional costs are involved?

Answer - "Bullion Premium" or "Bar Charges"
Shipping - Register Post or Bonded Courier
Insurance, Applicable Local taxes of your home Country, State, or Province
Customs Duties (If Applicable)

Question 3 - How do I store my product that I have in my possession?

Answer - This is an individual preference

1. Safety Deposit Box
2. Bonded Insured Warehouse (If available in your area)
3. Home Safe, etc.

Question 4 - How do I go about selling my product that I have in my possession?

Answer - Depending on the Type of product you have, you may sell it to:

1. Local Coin Dealers
2. Your Original Dealer
3. Some Banks may be willing to buy it from you
4. Other Retail Dealers
5. PMI

Note: Once you have product in your possession, and you wish to sell it, you may be asked to have the product re-assayed, at your expense, prior to being given a Sale price. Generally, Assay costs are charged as a percentage of product or product value. This will ultimately reduce the amount you receive. There are also Security risks involved in handling the product, such as theft, or loss. During the time it takes you, once you have decided to sell your product, to safely get it to a Buyer and lock in a price - the price may go down and the price you receive may be significantly lower than when you made your decision to sell. Finally - depending on the size of Bars you have, you are limited to selling the entire Bar, when perhaps you would prefer to sell only a portion of that Bar.

Example: 1000 oz Bar must be sold as a 1000 oz Bar. You cannot sell a portion of it and keep the Balance.

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Question 5 - What Flexibility do I have with the product in my Account with PMI?

Answer - PMI provides you with the ability to Buy or Sell in increments of 1 oz - Gold, Silver, Platinum, and Palladium - without the premium costs related to "Bullion Premium or Bar Charges" and eliminating the difficulties or risks described in the answer to Question 4.

Question 6 - If I have product at home, can I place it in my Account with PMI.

Answer - Yes - Discuss your objectives with your Retail Dealer. Remember though, that in all likelihood your product will have to be assayed at your expense, prior to final credit to your Account.

Question 7 - Can I use paid for product in My Account with PMI as collateral to purchase product or receive funds?

Answer - Yes: Subject to the Terms & Conditions of your Account, PMI will advance up to 70% of the value of product in your Account, for whatever purpose you desire.

Question 8 - When I have product in my Account with PMI - Where is it stored?

Answer - PMI maintains omnibus storage Accounts with Internationally recognized depositories specializing in Precious Metals Products. This provides PMI with the ability to:

1. Provide - home delivery from your Account, whenever you request
2. Provide you with Credit facilities
3. Provide you with competitive prices whenever you wish to Buy or Sell product from your Account
4. Provide you with the ability to Buy or Sell in 1oz increments without the high costs related to Premium charged for "Bullion Premium" or "Bar Charges".

All products held by PMI for the Accounts of PMI are segregated from all other Assets and inventory owned by PMI. In order to assure this segregation, PMI employs an outside Accounting service, which monitors the daily transactions and inventories of all PMI Accounts. In addition, PMI employs a major international accounting firm which conducts a quarterly review of PMI's segregated holdings for all PMI customer accounts.

Question 9 - What about Certificates issued by Banks?

Answer - Certificates for Gold or Silver issued by Banks will vary in terms of quantity and price. They are subject to the Terms & Conditions printed on the Face and back of the Certificate. Generally they are transferable to third parties but must be sold to the Bank of issue, or to other Banks willing to recognize them. There are very few Banks who deal in certificates; therefore this is a Shrinking market. Bank issued certificates for Precious Metals are not FDIC or CDIC insured. For these reasons PMI does not deal in Precious Metals Certificates.

Question 10 - Why is there a difference between the "Ask" Price (price I pay when purchasing) and the "Bid" Price (price I get when I am selling)?

Answer - The spread between Ask and Bid on Precious Metals products is comprised of two components.

1. Wholesale Dealer Revenue Margins
2. Market Conditions relative to supply/demand

Note: When you purchase Precious Metals Bullion products, you will pay a premium over the "Spot" market. Generally speaking, as it is the "Bid" price you will receive, when you sell, it is the "Bid" price that

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must increase to the level of your “Original Ask” price, in order for you to be at Break Even. (This is exclusive of any fees you pay your Retail Dealer).

Question 11 - How does the Retail Dealer’s Fees charge affect my Break Even?

Answer - Generally speaking all charges you pay including fees should be added to arrive at your final cost, which then can be divided by the quantity of product you have purchased. The resulting figure is equal to your Break Even at the time of your purchase (exclusive of ongoing finance and storage/service charges, if applicable).

PLEASE RETAIN FOR YOUR RECORDS

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