

Frequently asked questions on financed metals program

1. What is the product?

The products are gold, silver, platinum, and palladium bullion. This is not futures and is not a contract for difference. You are buying actual metal bullion that can be delivered to you anytime upon request and full payment.

2. How much financing is available?

We are willing to provide you with over 80% financing if that is your desire. This would allow you to leverage 6 times more metal than you ordinarily could in a typical bullion purchase. While this leverage gives you the opportunity to achieve a greater return should the market price of your bullion move in your direction; it also would cause you to incur a larger loss should the bullion price move against you.

3. How do I get the metal delivered?

We purchase your metal along with many other customers' metal from a commercial wholesaler. This volume purchasing allows us to receive the very best pricing available. We can arrange delivery for you, upon receipt of full payment for your bullion. We will hold your metal, on your behalf at a secured facility until you choose to take delivery.

Delivery can be made directly to your residence or to the recognized depository of your choice.

4. Do I have to take delivery? Can I sell the metal?

You are not required to take delivery of your metal and can sell it in the open market at any time once it is paid for. Should you wish to sell your metal prior to settling the unpaid balance, we will do our best to accommodate you. While we can not guarantee that we will be able to buy your metal back from you, we do make a market in precious metal bullion and regularly buy metal from our retail customers.

5. Who holds the metal?

Metal is held for you on our behalf with one of our institutional counterparties. We do this to safeguard your metal and make sure that proper delivery is available to you directly from a depository.

6. What are the interest charges?

Because you are financing precious metal bullion our financing rates are very reasonable, usually no more than prime plus 4 ½%

7. What does bid/ask mean?

In order for metal wholesalers to make money in their metal trading business they need to sell at prices higher than they buy for and buy for prices less than they sell metal for. The difference between what they are willing to buy metal for and what they are willing to sell at is called the spread. The price they are willing to buy metal for is referred to as the bid and the price that they are willing to sell metal for is the ask. Typically the ask is a higher price than the bid. Although based on supply and demand it is possible for a spread to widen narrow or possibly reverse.

8. What happens if the market moves against me?

If the market moves against you and you financed your metal, it is possible that you may be asked to add more equity to your position and make a margin call. Should you not desire to do this, you may decide to reduce your metal holdings or sell them in their entirety.

You will never be asked to send anymore than your unpaid financed balance.

If, however, you paid for your metals in full, you would be able to withstand any adverse move and would never be required to send additional money.

9. How do I profit?

Should the price of the precious metal you buy move in your favor you could profit to that

degree less your actual cost of commission, interest (if you financed your purchase), and bid/ask spread. If you did choose to finance your purchase the leverage could allow you to profit as much as \$6 for every \$1 move in your favor. Of course in the advent of an adverse move, you could conceivably lose \$6 for every \$1 move against you.

10. Can I short the market?

Unlike many other dealers it is our policy to allow customers to take either side of the market. To short the market we must find another customer who owns the actual metal and is willing to lend you the metal so that you may short sell it. To exit the transaction you must buy back the metal in the open market and replace the metal you borrowed. We facilitate the entire short between the parties so that you are left with a seamless transaction.

11. What products can I buy?

We currently offer physical gold, silver, platinum and palladium on a financed basis. We also offer bullion, rare coins, and other metal products for cash sale and immediate delivery.

12. How can I open an account?

Opening an account is very simple. The paperwork for our finance program is available on our web site or we can mail, fax, or email it to you on request. To buy product for immediate delivery we require good funds wired to us and we would require very little paperwork.