

FORMAL OFFER TO SELL
HONG KONG GOLD BULLION
METALOR REFINERY ASSAY AND DELIVERY

1. SELLER ATTESTATION

We are knowledgeable and experienced Sellers engaged exclusively in the “off-market” sale of large-volume “investment-grade” bullion. We hold title of ownership to one of the largest inventories of GLD-compliant bullion on the market.

We hereby declare, with full authority and legal responsibility, that we are ready, willing and able to sell and deliver the below high-quality bullion in accordance with the specifications, terms and conditions set forth herein.

2. GOLD SPECIFICATIONS

Commodity	:	GLD-compliant bullion, refined in an LBMA-accredited refinery
Format	:	12.5 KG Bars
Purity	:	999.5 – 999.9 parts per 1,000 fine gold
Quantity	:	"Large-tonnage" inventory, regularly replenished
Assay Reports	:	Less than five (5) years old
Hallmarks	:	Metalor refinery (Hong Kong)
Serial Numbers	:	Stamped, recorded and registered with the LBMA
Location	:	Multiple private, high-security warehouses in Hong Kong
Insurance	:	Insured by Lloyd’s of London for full LBMA market value
Trade Status	:	Liftable and tradable and freely exportable All government/regulatory clearances and approvals Export permits already issued in name of Seller

3. TERMS OF PURCHASE

Modality	:	Bank-managed transactions. Major world Banks only.
Seller’s Bank	:	HSBC, Hong Kong or HSBC, London, Headquarters Branch
Contract Size	:	Minimum 200 MT. Large-tonnage, multi-Lift contracts available.
Discount	:	Gross 8% and Net 6% to Buyer (LBMA, 2nd fix)
First Lift	:	200 MT (fixed amount). Smaller lot sizes not permitted.
Subsequent Lifts	:	Flexible Lift size / Lift frequency. Minimum 200 MT Lift amounts.
Final Assay	:	Metalor refinery, Hong Kong to perform assay and certification at Seller’s expense (preferred option). Buyer may appoint observers.
Delivery	:	Metalor refinery, Hong Kong <u>or</u> Seller's private security warehouse
Settlement	:	“Ledger-to-Ledger” transfer of payment. United States Dollars payment currency. Other major world currencies considered.
Consulting Fees	:	2% Consultancy Fees payable by Seller as follows: 1% to Seller's side (closed), disbursed by Seller 1% to Buyer's side, disbursed by Seller or Buyer

PRINCIPAL FEATURES

1. TABLE TOP MEETING (HSBC, HONG KONG)

We can, at the Buyer's request, convene a Table Top Meeting inside HSBC, Hong Kong. At the meeting, our Bank Officer will provide the Buyer with original copies of the Seller's product documents and, thereafter, proceed to conclude the transaction.

Procedurally, once the POP/POF verification has concluded and the Buyer has transferred its funds into the Settlement Bank, our Bank Officer will issue a Bank Invitation Letter inviting the Buyer's delegation to attend inside HSBC, Hong Kong.

2. METALOR REFINERY ASSAY & DELIVERY

We hold an active metal account in good standing with LBMA-accredited Metalor refinery, Hong Kong. Metalor refinery is part of the premier Swiss-based Metalor Technologies Group and enjoys an excellent global reputation.

We recommend utilizing Metalor refinery to perform the final assay and certification. Buyers may appoint two (2) "witnesses" to observe the assay process. As an added benefit, we will cover all transport & refinery costs required to certify the Lift amount.

This option also allows Buyers to take delivery of **pure GLD** – that is, newly certified bullion maintained within the GLD system. GLD regularly trades at prevailing, non-discounted LBMA gold prices and is much sought-after on world markets.

3. SHIPPING AND EXPORT

The bullion is sold with full Government Export Approval and Tax-Paid Clearances. Our Bank Officer will confirm, **with Full Bank Responsibility**, that the bullion is freely exportable. The licenses have already issued and will be listed in the contract.

Keep in mind, Hong Kong is a major Free Trade Port and the third largest exporter of gold in the world. There are no restrictions or customs duty on gold exports. We work closely with Brink's, Hong Kong and can, upon request, facilitate introductions.

We are also willing to provide Buyers, after title transfer, with two (2)-weeks free warehouse storage and two (2)-weeks free insurance cover. Alternatively, we will deliver the Lift amount to the Hong Kong International Airport, Free Trade Zone.

4. BANK-MANAGED TRANSACTIONS

Transactions are managed exclusively with the banking system under full banking scrutiny and vigilance, utilizing secure banking means and channels and in full compliance with applicable laws and international regulations.

We utilize a slate of four (4) "executive-level" Bank Officers in HSBC, Hong Kong to oversee the transaction within the Bank.

Bullion sales are also subject to rigorous governmental and regulatory oversight. We work closely with the Hong Kong Monetary Authority. The US FED and the Bank for International Settlements (Basel, Switzerland) are notified of impending transactions.

5. "IN-BANK" ESCROW (HSBC, HONG KONG)

Buyers who elect to utilize HSBC, Hong Kong as the Settlement Bank may, at their option, appoint the Seller's Bank Officer to conclude the transaction on their behalf.

The Seller's Bank Officer will then manage the transaction on behalf of the Buyer and Seller, and each of them, under a fiduciary duty of care owed to the Parties, jointly, as the Parties' duly appointed Escrow Officer.

Procedurally, the Seller's Bank Officer will arrange the Buyer's and Seller's account into one Escrow Account for easier internal verification and "ledger-to ledger" transfer of payment and title exchange.

6. ASSAY & DELIVERY OPTIONS

(a) Delivery to Metalor Refinery. We are willing to move the Lift amount to Metalor refinery for a final assay/certification at our expense. Buyers may take delivery from Metalor storage as pure GLD or we will return the bullion to our security warehouse.

(b) Metalor Assayer Team / Seller's Warehouse. We are willing to engage the Assayer Team from Metalor refinery to attend at our private security warehouse to conduct the final assay and certification at Seller's expense.

(c) Bank Vault Storage (HSBC, Hong Kong). We can arrange, at our expense, for HSBC, Hong Kong to collect the newly certified Lift amount directly from Metalor refinery and transfer the bullion into the Bank's vault or outside bullion depository. Upon closing, the Buyer will receive a new Bank Safekeeping Receipt.

(d) Buyer's Certified Assayers / Seller's Warehouse. Buyers may utilize their own certified Assayers to attend at our private security warehouse to perform the final assay and certification, and we will cooperate fully therewith.

(e) Appointment of Observers. Buyers may designate two (2) "representatives" to observe Metalor refinery perform the final assay and certification prior to purchase.

7. "PER WAREHOUSE" LIFT OPERATIONS

Buyers who are contemplating a large bullion purchase may, subject to agreement, purchase our remaining bullion stock on a consecutive "per warehouse" basis, coupled with an assignment by the Seller of the outstanding warehouse lease(s).

This option would enable large-tonnage Buyers to acquire the entire contents of the Seller's private security warehouse(s) and, simultaneously, take-over the Seller's warehouse contractual commitments.

8. SETTLEMENT PROCEDURES

The final settlement shall be concluded on a "ledger-to-ledger" basis within the agreed Settlement Bank. This ensures the prompt and orderly payment on closing, help protect confidentiality and eliminates the risk of international trade disputes.

The method of settlement is "delivery (transfer-of-title)-versus-payment". The closing will be managed under the direct supervision of the Parties' Bank Officers.

Buyers may nominate HSBC, Hong Kong as the Settlement Bank to settle the cost of the Lift amount. Alternatively, Buyers may utilize **HSBC, London, Headquarters Branch**, a respected Bullion Bank, as the Settlement Bank.

9. ORIGIN & PROVENANCE

The bullion assets are beneficially owned by an alliance of Asia-Pacific countries and are managed by an Advisory Committee under a longstanding international Treaty. The Treaty provides for the sale of the bullion privately on an “off-the-market” basis.

The inventory is being sold to advance the general welfare and betterment of the countries involved. Sale proceeds are used to finance the construction of large-scale, government infrastructure projects and other (non-profit) public interest works.

The bullion represents fully documented, tax-paid assets of non-criminal origin. This is not Thailand, Philippines or Indonesian gold. Nor is it China (PRC), Russian or Korean bullion. The complete records are maintained at HSBC, Hong Kong.

10. PROOF OF PRODUCT / PROOF OF FUNDS

We do not observe Swiss procedures. Given the nature and sensitivity of these large-scale bullion transactions, we do not provide Proof of Product upon request. Equally, for the same reason, we do not require Proof of Funds from potential Buyers.

Such matters, out of an abundance of caution, are best managed on a “bank-to-bank” basis via secure banking means and channels. This ensures that the Buyer and Seller’s private and confidential data does not fall into the wrong hands.

11. ADHERENCE TO SELLER’S PROCEDURES

We require that Buyers observe our procedures as presented. The Seller’s procedures. Not the Buyer’s procedures. Otherwise, unfortunately, we are unable to supply bullion to the Buyer, notwithstanding the Buyer’s interest or financial capability.

This “strict adherence” requirement is not because our procedures are superior; they may not be. It is because this is a multi-government offering; there are controlling Treaty provisions in place that dictate the terms of purchase that Buyers must follow.

12. NON-PERFORMANCE PENALTY

We would be pleased, at the Buyer’s request, to include a **Two Percent (2%) penalty provision** for non-performance, based on the purchase value of the Lift amount. This equates to a minimum \$240 Million USD damages award payable to the aggrieved Party as agreed compensation in the event of a breach of contract.

Keep in mind, as well, that under Hong Kong law any Seller found promoting a non-performing bullion offer is guilty of fraud, punishable by a mandatory 16-year jail sentence. This legal constraint acts as a powerful deterrent against Seller impropriety.

Notice: Our preference is to engage with knowledgeable and experienced Buyers only, of good moral character, who possess the discipline and focus necessary to undertake and complete a large-scale, bank-managed transaction - and do so in an orderly, timely and professional manner. Buyers are encouraged to engage competent legal counsel as appropriate.

TRANSACTION PROCEDURES

1. CLOSING PROCESS

The closing procedures are fully **Bank-compliant** and have been approved by the Seller's Transacting Bank, HSBC, Hong Kong (the Legal Dept.):

1. The Buyer and Seller sign the contract electronically, in two (2) separately numbered and signed counterparts, and lodge the legally binding agreement with their respective Banks.
2. The Seller's Bank Officer contacts the Buyer's Bank Officer during the appointed Bank "window time". The Bank Officers engage in a full and frank discussion confirming the "readiness" status of their bank customers.
3. The Buyer's Bank Officer transmits a Bank Confirmation Letter via SWIFT MT 799 to the Seller's Bank Officer confirming the Buyer's financial capability. The Seller's Bank Officer, during the same two-hour bank "window time", remits a SWIFT MT 600 confirming the authenticity of the Seller's product documents.

Note: Where the Buyer's Bank is **HSBC, Hong Kong**, POF/POP verification is conducted internally inside the Bank. The Buyer's Bank Officer transmits a Bank Tear Sheet via bank fax to the Seller's Bank Officer and receives, in return, via bank fax, an authenticated copy of the Seller's Safekeeping Receipt.

4. After the POF/POP verification has concluded, the Buyer transfers its funds into the agreed Settlement Bank - **HSBC, Hong Kong or HSBC, London, Headquarters Branch** - into a dedicated account in the Buyer's own name, to facilitate the "ledger-to-ledger" transfer of payment upon closing.

Note: The Seller's Bank Office can, upon request, open a dedicated account for the Buyer in HSBC, Hong Kong. Personal (non-corporate) accounts only.

5. Once the Buyer's funds have cleared on deposit in the Settlement Bank, the Seller's Bank Officer provides the Buyer's Bank Officer with true copies of the product documents necessary to pass legal title of the Lift amount to the Buyer.

Note: Alternatively, at the Buyer's request, the Seller convenes a Table Top Meeting inside HSBC, Hong Kong. The Seller's Bank Officer will issue a Bank Invitation Letter inviting the Parties to attend a sit-down meeting in the Bank.

6. The Buyer's Bank Officer, after positive verification of the Seller's product documents, blocks the Buyer's funds under the Buyer's Bank Officer's control for the value of the 200 MT Lift amount as a guarantee of payment for the Au Metal.

7. The next day, the Seller delivers the Lift amount to Metalor refinery, Hong Kong for a final assay. Alternatively, the Buyer may request that the Seller engage Metalor's Assayer Team to conduct the final assay at Seller's security warehouse

Note: Alternatively, the Buyer may utilize their own certified Assayers to attend at the Seller's security warehouse and conduct the final assay in place. Or the Buyer may request that HSBC, Hong Kong collect the newly assayed Lift amount from Metalor refinery and move the bullion into Bank's vault storage.

8. After assay completion, the Parties' Bank Officers jointly calculate the purchase price, transfer the product documents into the Buyer's name, and then proceed to close the transaction on a "delivery (transfer of title)-versus-payment" basis.