

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” trade of large-volume bullion inventories. We hold legal title to one of the largest stockpiles of investment-grade 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-purity gold bullion** in accordance with the specifications, terms and conditions set forth herein.

2. GOLD SPECIFICATIONS

Commodity	:	GLD compliant bullion (refined to GLD specifications)
Quantity	:	"Large-tonnage" inventory, regularly replenished
Format	:	12.5 KG Bars
Purity	:	999.5 – 999.9 fineness
Assay Reports	:	Less than five (5) years old
Hallmarks	:	Metalor refinery (Hong Kong)
Serial Numbers	:	Stamped, recorded and registered with the LBMA
Location	:	Private security warehouse 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/agency clearances and approvals Export permits already issued in name of Seller

3. TERMS OF SALE

Modality	:	Bank-managed transactions. Major world Banks only.
Seller’s Bank	:	HSBC, Hong Kong, Main Office / HSBC, London, Head Office
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 quantities <u>not</u> permitted.
Subsequent Lifts	:	Flexible Lift size/Lift frequency. Minimum 200 MT Lift amounts.
Final Assay	:	Conducted by Metalor refinery Assayers, Hong Kong (preferred)
Delivery	:	Metalor refinery storage or HSBC, Hong Kong vault storage or Seller's private security warehouse - at Buyer’s option
Settlement	:	“Ledger-to-Ledger” transfer of cash funds. United States Dollars (“USD”). 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. METALOR REFINERY ASSAYERS

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

In these uncertain “COVID-19” times, we recommend utilizing Metalor Assayers to perform the final assay and GLD certification. This ensures that the assay and delivery process will proceed smoothly with minimal outside interference.

What’s more, this allows Buyers to take delivery of **pure GLD** - that is, newly certified bullion held within the GLD system. GLD is much sought-after on world markets and regularly trades at prevailing (non-discounted) LBMA gold prices. That’s because Buyers accept GLD without a fresh assay when delivered in settlement of a sale.

2. ASSAY & DELIVERY OPTIONS

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

(b) Security Warehouse Assay. We are willing to engage Metalor’s Assayer Team at our expense to assay the Lift amount at our security warehouse. Alternatively, Buyers may utilize their own certified Assayers to perform the final assay in place.

(c) Bank Vault Storage. We are willing to instruct HSBC, Hong Kong to collect the newly certified bars from Metalor refinery at our expense and move the bullion into the Bank’s vault/depository. Buyers may take delivery directly from HSBC, Hong Kong.

3. SHIPPING AND EXPORT

The bullion is freely exportable and sold with full Government Export Approval and Tax-Paid Clearances. The export permits have already been issued and will be listed in the contract and confirmed to the Buyer on a “bank officer-to-bank officer” basis.

Hong Kong is a major gold exporter and a world-renowned Free Trade Zone. There are no restrictions or customs duty on bullion exports (www.customs.gov.hk). We work closely with Brink’s, Hong Kong and can facilitate introductions upon request.

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

4. SETTLEMENT PROCEDURES

Settling payment is managed within the same Bank on a "ledger-to-ledger" basis. This ensures the prompt and orderly transfer of payment-versus-delivery on closing, helps preserve confidentiality and eliminates the risk of international trade disputes.

Buyers may nominate HSBC, Hong Kong as the Settlement Bank. Our Bank Officer can, upon request, arrange a dedicated bank account for the Buyer. Alternatively, Buyers are welcome to utilize HSBC, London, Headquarters Branch - a respected Bullion Bank in its own right – to settle the cost of the Lift amount(s).

5. BANK-MANAGED TRANSACTIONS

Transactions are managed exclusively within the safe and secure confines of the banking system under full banking scrutiny and vigilance, utilizing standard SWIFT protocols and in full compliance with applicable laws and international regulations.

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.

6. ORIGIN & PROVENANCE

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

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

This is not Thailand, Philippines or Indonesian gold. China (PRC) and Russia not part of the “basket” of nations. The complete records are maintained at HSBC, Hong Kong.

7. PROOF OF PRODUCT / PROOF OF FUNDS

Given the nature and sensitivity of these large-scale bullion transactions, we do not, as a matter of prudent policy, provide Proof of Product on demand. Equally, for the same reason, we do not require advance Proof of Funds from interested Buyers.

Such matters, out of an abundance of caution, are best managed on a “bank officer-to-bank officer” 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.

8. 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 that dictate the terms of purchase that Buyers must follow.

9. NON-PERFORMANCE PENALTY CLAUSE

We would be pleased to include a **Two Percent (2%) Penalty Provision** for non-performance based on the purchase value of the Lift amount. Depending on Lift size, 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.

Penalty for Non-Performance: Should either Party fail to perform the transaction in accordance with the terms of the Agreement, the defaulting Party shall pay the innocent Party an amount equivalent to Two Percent (2%) of the purchase value of the Lift amount as compensation for the damages which the innocent Party has suffered. Nothing in this section shall affect the non-offending Party’s right to pursue its legal remedies in a court of law or other competent tribunal.

TRANSACTION PROCEDURES

1. CLOSING PROCESS

The closing procedures are fully **Bank-compliant** and have been approved by the Seller's Transacting Bank:

1. The Buyer and Seller sign the contract electronically, and lodge the legally binding agreement with their respective Banks.

Note: The Parties can arrange, via their Bank Officers, for the exchange of manually signed contracts prior to final settlement.

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 POP/POF status of their respective bank customers.

3. The Buyer's Bank Officer transmits a Bank Confirmation Letter via SWIFT MT 600 to the Seller's Bank Officer confirming the Buyer's financial capacity. The Seller's Bank Officer, during the same bank "window time" where feasible, remits a SWIFT MT 600 to the Buyer's Bank Officer confirming the Seller's product.

Note: Where the Buyer's Bank is located in Hong Kong, POP/POF verification is conducted via bank-secure fax. No SWIFT messages required. The Buyer's Bank Officer transmits a Bank Tear Sheet to the Seller's Bank Officer and receives, in return, an authenticated copy of the Seller's Custodial Safekeeping Receipt.

4. After the POP/POF verification has concluded, the Buyer transfers his funds into HSBC, Hong Kong, into an account in the Buyer's own name, to facilitate the "ledger-to-ledger" transfer of payment upon closing. The Seller's Bank Officer, upon request, can open a dedicated bank account for the Buyer.

Note: Alternatively, the Buyer may transfer his funds into HSBC, London, Head Office and utilize the London, Headquarters Branch as the Settlement Bank.

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

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

7. The Seller delivers the Lift amount to Metalor refinery, Hong Kong for a final assay/GLD certificate. Alternatively, the Seller engages Metalor refinery's Assayers to conduct the final assay at the Seller's security warehouse. Or the Buyer may use their own certified Assayers to perform the final assay in place.

Note: The Seller is also willing, upon request, to arrange for HSBC, Hong Kong to collect the newly assayed bullion directly from Metalor refinery and move the Lift amount into the Bank's vault or outside Bank-controlled depository.

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 "payment-versus-delivery (transfer of title)" basis.

Notice: Our preference is to engage with knowledgeable and experienced Buyers 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 utilize competent legal counsel as appropriate.