

Track and manage your metals position with real-time inventory control

Protect your metal assets with proactive management of fine metal inventory, raw material in process and precious metals scrap - wherever it's located.

If you're a wholesale trader and refiner of precious metals, it can be argued that nothing is more fundamental to your business than a 100% accurate, on-demand metals inventory control solution. If at any given time you don't precisely know, down to the ounce, what you hold, there's so much more you don't know. Do I have enough material or product to complete my commitments? What are my true yields? What are my losses?

A refiner's inventory is fluid and aggregated from a number of different sources and categories. Without the right controls and information, even the most diligent managers can see metal yields quickly spiral down. To fully understand your position - and provide customers, on-demand, with a true real-time picture - you need automated processes that systematically categorize and quantify your inventory based on location, account, asset class and metal types.

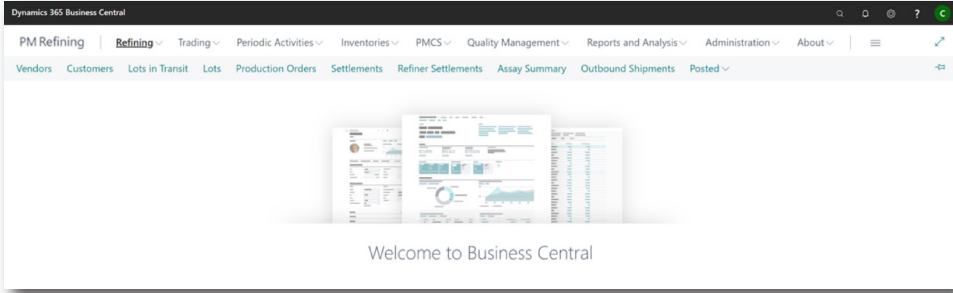
These systems also protect against metal losses are associated with (1) internal production, (2) assaying, (3) scrap reclamation, (4) theft and (5) credit extended to less than credit-worthy businesses. By frequency of occurrence, this order is about right; by severity of loss, it's hard to tell. The five are inextricably woven. A problem in one affects the others, and today's difficult environment makes companies more vulnerable to all five.

Know Your Metals Position Wherever Material Is Held

Today’s best-of-breed Precious Metals Control Software provides real-time inventory information, helps improve yields, prevents inventory shortages and pinpoints where material is being lost.

At any point in time - and regardless of where your metals are physically located: in your facility, at a third-party refiner, in a bank or other financial institution or at your customers on consignment - these systems let you manage and track precious metal to the individual stock item level (bar, coin etc.), flawlessly handle transfers in and out of vaults/depositories and movements between vaults/depositories, and upload bar / stock lists from external sources (e.g., Banks) and other depositories.

The best precious metals control software can easily identify every ounce of precious metals by a variety



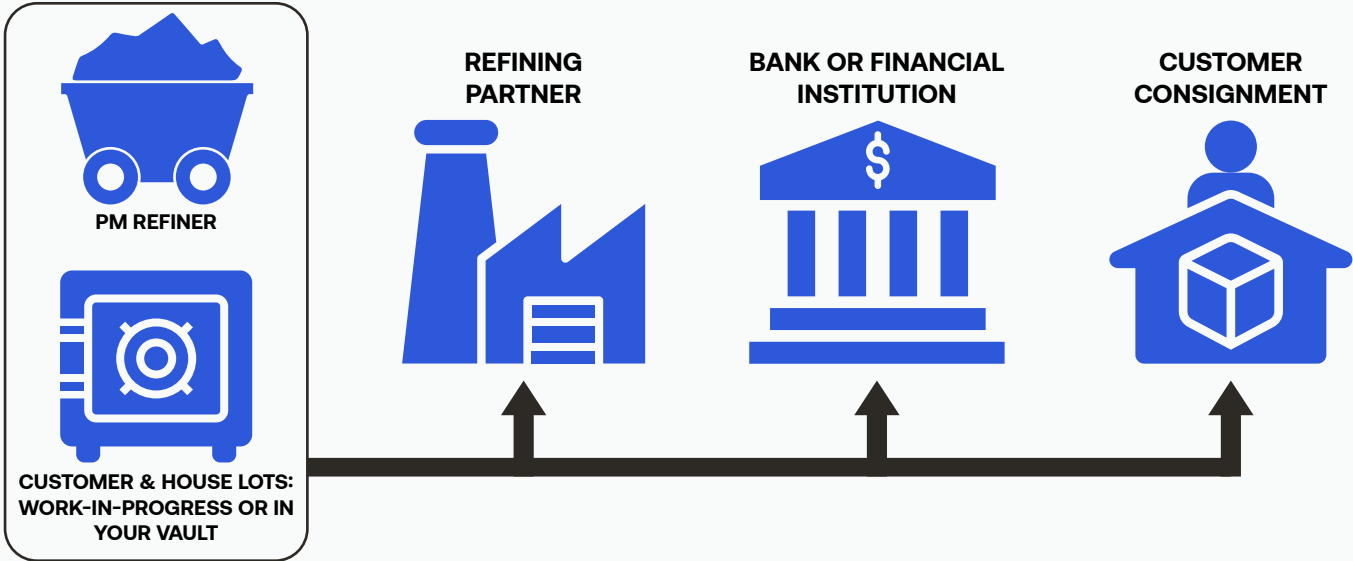
PM Refining’s dashboard is built using Microsoft Dynamics 365 with robust capabilities to monitor all aspects of your production

of variables, including:

- Lot or contract number, source, arrival / departure date.
- Its precise form; product, clean scrap, dirty scrap, sweeps, etc.
- Exact location: inside the plant or at outside refiners, fabricators, banks, and customers.
- The person accountable for the safekeeping and return of the metal contained.

you stand now, where you were before and what is coming up that might need attention are critical to your profitability. To the extent that your inventory control software provides this information, you can potentially eliminate hours poring over documents and manually entering data into spreadsheets. What’s more, the right software will help you identify and account for random error in inventory measurement, and protect against unauthorized trading, theft, and fraud.

On-demand availability of accurate, real-time position reports on where



Inventory as an Asset and a Liability

CAI Software, LLC (CAI) has been developing refining-specific business management software for over 15 years. Our PM Refining is a highly differentiated, end-to-end business management software solution, based on Microsoft’s industry-leading Dynamics™ Enterprise Resource Planning (ERP). PM Refining includes a full-featured metals inventory solution, precious metals inventory control solution ideal for today’s refiner.

A refiner’s inventory is fluid and

aggregated from a number of different sources and categories. Obtaining a true and reliable picture of your metals position requires an evaluation of your inventory as both a Liability and an Asset, depending on whether or not you have paid for the material.

Inventory classified as liabilities include both Customer Pool or Toll Accounts and Unsettled Lots. Evaluating these by account or account type provides an accurate, real-time picture for the refiner and his customer.

Inventory classified as assets can include Work in Process (WIP) that can be destined as a finished good

or a House Lots to be further refined. Finished goods, precious metals and House Lots are assets that must be categorized and quantified systematically to ensure an accurate and detailed view. Categorization can include location, asset classes and metal types.

Evaluating refining inventory as both an asset and liability requires automated processes that mirror the movement of material as it flows internally within the refining plant and as it transferred externally to others.

Dynamics 365 Business Central

PM Refining | Refining ▾ | Trading ▾ | Periodic Activities ▾ | **Inventories ▾** | PMCS ▾ | Quality Management ▾ | Reports and Analysis ▾ | Administration ▾

Inventory Types: All ▾ | 🔍 Search | Actions ▾

Inventory Type	Description	Weight	UOM	Au toz	Ag toz	Pt toz	Pd toz	Rh toz	Ru toz
AGBAR	Silver Bars	1,954.16622	TOZ	26.95551	222.11218	-	-	-	-
AGPIN	Silver Pin Sample	10.99583	TOZ	0.15022	1.33782	-	-	-	-
AUBAR	Gold Bars	692.70818	TOZ	12.23541	38.41726	-	-	-	-
AUPIN	Gold Pin Sample	129.07694	TOZ	4.71517	7.20981	0.13342	0.16032	0.04379	-
HOUSEBAR	House Bar	-	LBS	-	-	-	-	-	-
KILOBAR	Kilobar	-	TOZ	-	-	-	-	-	-
LABSAMPLES	Lab Samples	-	TOZ	-	-	-	-	-	-
PDBAR	Palladium Bar	3,281.24925	TOZ	-	-	9.98447	39.37499	5.39161	-
PTBAR	Platinum Bar	-	TOZ	-	-	-	-	-	-

Dashboard showing Asset by Inventory (Metal) Type

Regulatory Implications for Metals Held in Foreign Banks and Financial Accounts

Understanding your inventory and being able to generate reports on your metal position, particularly in pooled accounts held offshore or at international financial institutions, may become more important than ever for U.S.-based refiners. The International Precious Metals Institute (IPMI) recently reported that the IRS may soon require refiners to file a Report of Foreign Bank and Financial Accounts (FBAR) for all metal pool accounts held in foreign banks.

FBARs have been around for some time and are part of the Bank Secrecy Act of 1970. In fact, since 1972 filing has been mandatory for U.S. persons with a “financial interest” in “financial accounts” held in a foreign country. A financial interest generally refers to cash and securities, but they also include non-cash assets. Further, the IRS deems an account with a financial institution that is located in a foreign country to be a “financial account” for FBAR purposes whether the account

holds cash or non-monetary assets.

Precious metals companies are considered financial institutions for regulatory purposes. However, with most metal transactions based on conventional accounts-payable and accounts-receivable transactions, they do not involve a “financial account” and are, as such, exempt from a number of Anti-Money Laundering (AML) regulations applicable only to financial accounts.

Accounts not denominated in currency have not been considered financial accounts, and in fact, most precious metals pool accounts are denominated in units of weight e.g., troy ounces, grams, kilos). However, for the convenience of their investors, certain non-U.S. banks may denominate precious metals pool accounts in currency, indicating both the weight and the value of the metal. This small conversion can cause the commodities to be categorized by Treasury as financial assets held in financial accounts and therefore subject to FBAR requirements.

What remains to be seen is the extent to which the IRS will continue to blur the distinction between what is and

TD F 90-22.1
Rev. January 2013
 Do not use previous editions of this form.

REPORT OF FOREIGN BANK AND FINANCIAL ACCOUNTS
OMB No. 1545-0048
 1 The Report is to be Collected Year Ending 2013
 Do NOT file with your Federal Tax Return
 Amended

Part I Filer Information

2 Type of Filer:
 Individual Partnership Corporation Trust Fiduciary or Other - Enter type

3 U.S. Taxpayer Identification Number: Foreign Identification (Complete only if item 3 is not applicable)
 Type: Passport Other

4 Foreign Identification Number complete item 4. a. Number b. Country of Issue

5 Individual's Date of Birth (MM/DD/YYYY)

6 Last Name or Organization Name 7 First Name 8 Middle Initial

9 Address (Number, Street, and Apt. or Suite No.)

10 City 11 State 12 Zip/Postal Code 13 Country

14 Does the filer have a financial interest in 25 or more financial accounts?
 Yes. If "Yes" enter total number of accounts _____
If "Yes" is checked, do not complete Part II or Part III, but retain records of this information.
 No

Part II Information on Financial Account(s) Owned Separately

15 Maximum value of account during calendar year reported 16 Type of account: Bank Securities Other - Enter type below

17 Name of Financial Institution in which account is held

18 Account number or other designation 19 Mailing Address (Number, Street, Suite Number) of financial institution in which account is held

20 City 21 State, if known 22 Zip/Postal Code, if known 23 Country

Signature

24 Filer Signature 25 Filer Title, if not reporting a personal account 26 Date (MM/DD/YYYY)

File this form with: U.S. Department of the Treasury, P.O. Box 35261, Detroit, MI 48230-0621
This form should be used to report a financial interest in, signature authority, or other authority over one or more financial accounts in foreign countries, as required by the Department of the Treasury Regulations 31 CFR 101.350 formerly 31 CFR 103.24. No report is required if the aggregate value of the accounts is not more than \$10,000. See Restrictions For Submitters.
PRIVACY ACT AND PAPERWORK REDUCTION ACT NOTICE
Pursuant to the requirements of Public Law 90-274 (Privacy Act of 1974), notice is hereby given that the authority to collect information on TD F 90-22.1 in accordance with 5 USC 552a (a) is Public Law 91-508, 31 USC 5314, 5 USC 501; 31 CFR 101.350 (formerly 31 CFR 103.24). The principal purpose for collecting this information is to assure maintenance of reports which such reports or records have a high degree of usefulness in criminal, tax, or regulatory investigations or proceedings. The information collected may be provided to those offices and employees of any constituent or unit of the Department of the Treasury which have a need for the records in the performance of their duties. The records may be referred to any other department or agency of the United States upon the request of the head of such department or agency for use in a criminal, tax, or regulatory investigation or proceeding. The information collected may also be provided to appropriate state, local, and foreign law enforcement and regulatory personnel in the performance of their official duties. Disclosure of this information is mandatory. Civil and criminal penalties, including in certain circumstances a fine of not more than \$500,000 and imprisonment of not more than five years, are provided for failure to file a report, supply information, and for filing a false or fraudulent report. Disclosure of the Social Security number is mandatory. The authority to collect is 31 CFR 101.350 (formerly 31 CFR 103.24). The Social Security number will be used as a means to identify the individual who files the report.
 The estimated average burden associated with this collection of information is 75 minutes per respondent or record keeper, depending on individual circumstances. Comments regarding the accuracy of this burden estimate, and suggestions for reducing the burden should be directed to the Internal Revenue Service, Bank Secrecy Act Policy, 5000 ERI Road C-3-242, Lathrop MD 20706.
 Cat. No. 129980 Form TD F 90-22.1 (Rev. 1-2013)

IRS Form TD 90-22.1

what is not a financial asset. If the IRS makes FBARs mandatory, failure to comply will carry stiff civil and criminal penalties with fines up to 50 percent of the highest value of the unreported account. The bottom line here is to be sure that your metals inventory control software can accurately track, down to the last ounce and dollar, the amount and value of your precious metals pooled accounts in foreign financial institutions.



Green Gold Requires Comprehensive Inventory Tracking

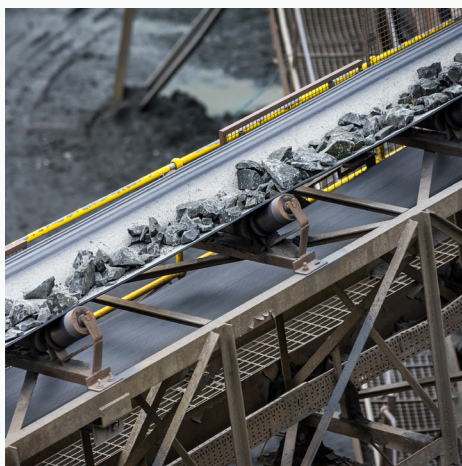
The expansion of mining activities into remote and undeveloped ecosystems brings with it opportunities for both the mining companies and the local communities. But with those opportunities come risks to the area's biodiversity. The mandate for accurate

inventory data is also being driven by the new "green" economy, with the emergence of the concept of "green gold."

With many consumers and businesses becoming increasingly aware of the environmental impact of the products they buy, they now look at the big picture, including manufacturing, transportation and even the sources of the raw materials in the items they buy. In short, before they pull out the credit

card, they consider the entire supply chain.

As a result, for some refiners, it's no longer enough to know the percentage of recycled materials in the packaging. Your metals inventory control software must be able to segment and manage "green" lots to avoid missing any business opportunities where only green gold is specified.



Multi-Language, Multi-Currency Support for Whenever You Do Business

If you have international trading partners or plan to grow your business beyond national borders, your metals inventory control software should support multiple languages and currencies.

Sites located in different countries may also need a business management and inventory control solution that meets local legal, regulatory and market requirements including industry-specific practices for bookkeeping, reports, and financial statements. Your business management and inventory control should be localized to address individual market and business requirements. Depending on where

and with whom you operate, the language-enabled software should allow users to simply change the language of the user interface screens while all functionality of the original software is unchanged.

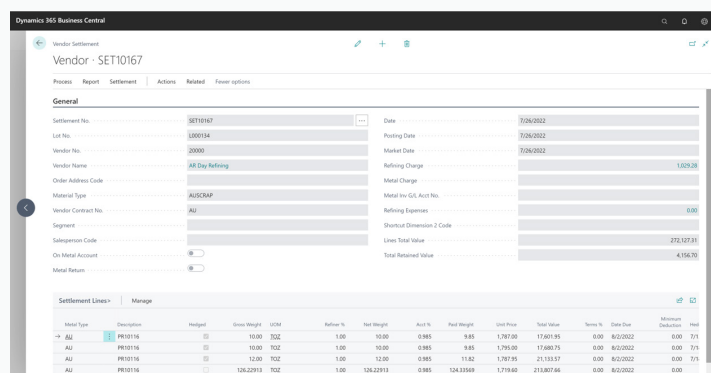
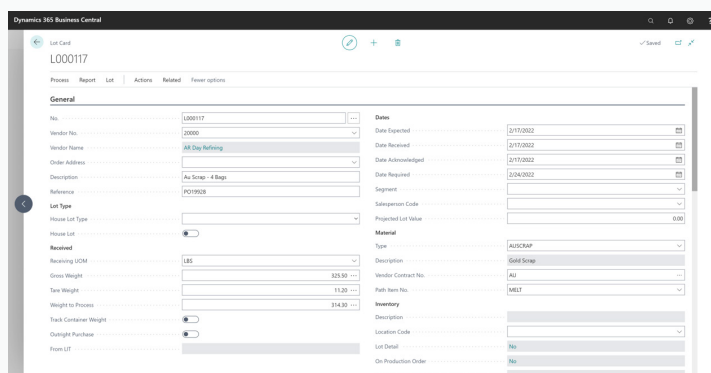
PM Refining Software: Managing Your Inventory With 100% Confidence

Managing your inventory and knowing your exact metals position can give you a key advantage in every business situation. CAI Software's PM Refining solution provides a complete Precious Metals Control System that lets you

track and transfer refining and finished goods inventory (i.e., bar, wire, shot, etc.) with 100% accuracy whether held in your own vault or elsewhere.

With PM Refining, you get immediate, real-time information on your customer and house lots stored as Work-In-Process (WIP), as well as your exact precious metals position at external locations, including banks,

outside refiners or on consignment at your customers' locations. Additionally, PM Refining tracks and reports refining customer pool accounts as well as unsettled customer lots.



PM Refining helps you operate more efficiently and profitably. When a lot is received, the software lets you create a detailed production order, split lots, and track the movement of samples and other materials throughout the refining process.

Work Smarter, Faster, and More Profitably with the Right Software Tools

PM Refining is an end-to-end business software solution that enables precious metals refiners, mining companies, non-ferrous metal recyclers and precious metals brokers to reduce operating costs, streamline processes and maximize customer service. This comprehensive software has been adopted by many IPMI member organizations.

PM Refining software helps you improve efficiency and reduce costs with a host of refining-specific software modules:

- Lot Control
- Hedges
- Settlements / Contracts
- Business Intelligence
- Advances
- Green Initiatives
- Accountability
- Accounting
- Metal on Account

Powered by Microsoft Dynamics 365

Based on Microsoft's Dynamics™ Enterprise Resource Planning (ERP) software, PM Refining's integrated financial, manufacturing, supply chain, sales and marketing and services management modules offer a user experience tailored to peoples' roles within your organization—helping them work productively, make confident decisions and respond quickly to new marketplace opportunities. Flexible and easy to use, Microsoft Dynamics ERP help everyone in the organization work productively, make confident decisions, and respond quickly to new marketplace opportunities.

- **Gain insight for confident decision-making**

Easily access and analyze accurate, up-to-the-minute data about every aspect of your operations, including individual

transactions, key performance indicators, trends, and growth opportunities. A variety of reporting and analytical options empowers people across your organization to extract and analyze data, generate and share reports, or export to Microsoft Office Excel or other familiar programs for further analysis and graphical presentation.

- **Maximize the value of your IT investments**

Achieve a low total cost of ownership and take advantage of innovative data management, collaboration, and information-sharing capabilities with a solution that integrates tightly with other Microsoft products and technologies, including Microsoft Windows Server and SQL Server.

- **Enhance connectivity**

A powerful Microsoft development platform makes it easy to integrate Microsoft Dynamics with existing

The logo features the text "Microsoft Dynamics 365" in white on a dark blue background, with "Certified" in dark blue on a white background below it, all enclosed in a dark blue border.

Microsoft
Dynamics 365

Certified

systems and share data across other applications and over the Internet. CAI can provide expert support for implementing your Microsoft Dynamics solution and help you benefit from a rich ecosystem of finely tailored, industry-specific offerings and add-on solutions.

Ready to get started with PM Refining?

Learn more at caisoft.com/pmrefining