

BULLION OWNERSHIP

REAL WEALTH PROTECTION

A LEADING PROVIDER OF PRECIOUS METALS
 In 2002, BMG introduced BMG BullionFund, the world's first open-ended mutual fund trust that invests in equal dollar amounts of fully allocated physical gold, silver and platinum bullion. In 2008, BMG BullionBars launched a unique investment vehicle that allows Canadian and international investors to easily purchase and safely store individual bars of investment-grade gold, silver and platinum bullion. The following year the company expanded by adding BMG Gold BullionFund for those investors seeking a core holding in uncompromised physical gold bullion in an open-ended mutual fund trust. Since its inception, BMG has successfully grown to manage over CDN\$600 million in physical bullion.



For those who wish to learn more about precious metals:

BMG SPECIAL REPORTS

For the *Six Biggest Myths About Gold* report on the benefits of bullion and why commonly held myths do not hold up to scrutiny visit: www.goldmyths.com

For the *How to Buy Gold and Other Precious Metals* report on advantages and disadvantages of the different methods and merits of holding precious metals visit: www.howtobuygoldreport.com

BMG offers bullion investors the most convenient and secure way to purchase and store bullion. To learn more about BMG BullionBars and the wealth-protection benefits of buying and holding precious metals bullion, call your BMG BullionBars Authorized Dealer or Bullion Management Group Inc.

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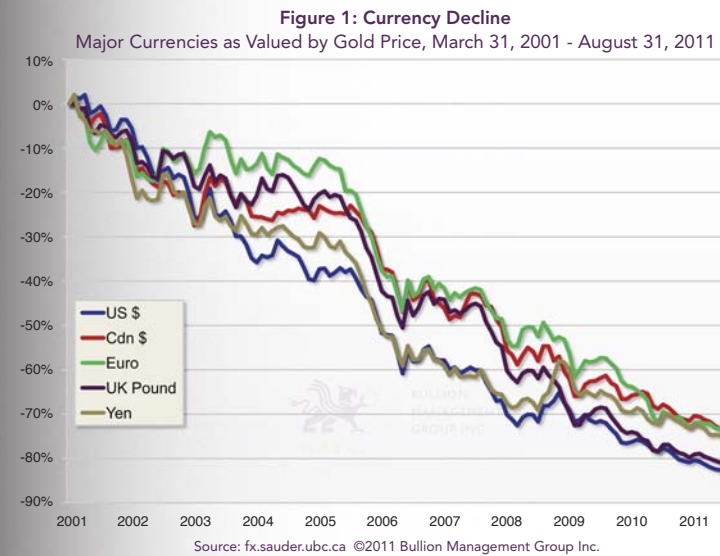


BULLION MANAGEMENT GROUP INC.

BMG BullionBars
 SECURE • COST-EFFECTIVE • CONVENIENT

Real Wealth Protection... Why precious metals bullion?

The value of virtually every major currency is rapidly eroding due to unprecedented currency creation by governments around the world. Because currencies are shrinking in value, so, too, is the value of currency-denominated stocks, bonds and other financial assets held in an investor's portfolio. Investors may be surprised to learn that the Canadian and US dollar have lost more than 82 percent of their purchasing power since 1971. In contrast, precious metals continue to rise in value against all currencies. Gold* is reclaiming its historical role as money: a store of value and a proven source of real wealth and portfolio protection. (See Figure 1).

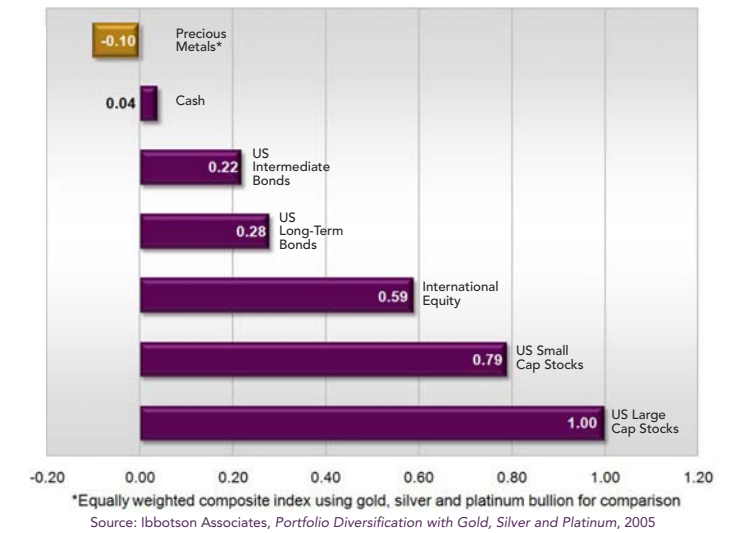


1. PROTECTS AGAINST INFLATION

Globally, government debt has soared to staggering and unsustainable levels. The only politically acceptable way to reduce this debt is to inflate it away through massive paper currency creation. This lowers the purchasing power of paper currencies resulting in a rise in the cost of living, ultimately lowering the real value of investment portfolios. Gold is not a currency, but something far more valuable. It is tangible money, a store of value and an asset class that will protect against inflation no matter how much paper currency governments create.

*Although we refer specifically to gold, the characteristics are attributable to all precious metals: gold, silver and platinum.

Figure 2: Most Negatively Correlated Asset Class
 Correlation Coefficients of Annual Total Returns, 1972-2004 Compared to US Large Cap Stocks



2. PROVIDES TRUE PORTFOLIO DIVERSIFICATION

Of all the major asset classes, only precious metals are negatively correlated to all other asset classes. This simply means that when the prices of stocks, bonds, real estate and treasury bills fall, precious metals tend to rise in value. Confirmed by a landmark Ibbotson Associates study, this negative correlation between precious metals and paper financial assets is essential for true portfolio protection. (See Figure 2)

3. BULLION WILL ALWAYS BE IN LIMITED SUPPLY

Gold is returning to its status as the only real money, putting it into direct competition with the US dollar. Fortunately, gold bullion cannot be created out of thin air like paper currencies, and this has preserved its value for thousands of years. While the demand for gold is surging, mine supply has been declining for well over a decade. At present, the total value of available, investable, above ground gold bullion amounts to about \$3 trillion, which is held by central banks and private investors. In contrast, total global financial assets (stocks and bonds) are valued at an astronomical \$200 trillion or more. As Figure 3 shows, gold is priced at barely one percent of total financial assets. What do you think will happen when just a portion of these paper assets attempts to rebalance into physical bullion? The only logical way to secure your financial future is through ownership of physical precious metals bullion.

Figure 3: Gold vs. Financial Assets
 Too Much Money Chasing Too Little Gold





Why BMG BullionBars?

BMG BullionBars provide the utmost in privacy and protection in order to meet the most rigorous standards of wealthy clients who demand an unbroken continuance of discrete generational wealth.

Purchasing BMG BullionBars from Bullion Custodial Services Inc., a wholly owned BMG* subsidiary, is the most secure, cost-effective and convenient way for investors to buy and store certified investment-grade (*Good Delivery Standards*) gold, silver and platinum bullion.

Much of the bullion that is purchased and traded on the world's bullion markets is owned in unallocated form. Holders of unallocated bullion do not own any specific bullion bars; they merely have a claim on an unspecified portion of a general pool of bullion or an equivalent liability. As a result, they take the risk that their bullion may be leased out without their knowledge or consent, or that the implied bullion may not be there at all.

With BMG BullionBars, the investor may take delivery or, at the investor's option, BMG will store allocated and insured bars under custodial agreement with The Bank of Nova Scotia. The Bank of Nova Scotia is a Canadian chartered bank and a member of the London Bullion Market Association (LBMA) through its Scotia Mocatta division.

In the event of bankruptcy of the custodian, the holders of unallocated bullion rank as unsecured creditors. In contrast, BMG BullionBars are allocated to the purchaser, who receives title to specific bars identified by refiner, exact weight, fineness and serial number. Allocated bullion does not form part of the custodian's assets and may not be leased into the market or used in any way. In the event of bankruptcy or insolvency, allocated BMG BullionBars are not subject to third-party claims.

CONVENIENT

Until now, financial advisors have not been able to offer any direct form of individual bullion investment to their clients. BMG BullionBars may be purchased through a BMG BullionBars Authorized Dealer, making the process of purchase, custodial storage and sale of allocated bullion easy and convenient.

COST-EFFECTIVE

Buyers of precious metals are normally required to pay significant premiums. Not so with BMG BullionBars. Because BMG is an established high-volume purchaser of investment-grade bullion, purchasers pay only a small premium to market price, plus reasonable dealer fees.

BMG BULLIONBARS

BMG BullionBars are available in five different forms: Gold in 1-kilogram, 100-ounce and 400-ounce bars; silver in 1,000-ounce bars; and platinum in 50-ounce bars. Most investment-grade bullion bars vary slightly in weight. The 100-ounce and 400-ounce gold bars can vary in weight up to +/-5%, the silver and platinum bars vary by +/-10%, while the gold 1-kilogram bar does not vary in weight.



BULLION DEEDS

For each BMG BullionBar purchased, a registered bullion deed showing the owner's name, bar weight, assayer, purity and bar serial number is issued.

EASY ORDER PROCESS – PRIVATE AND SECURE

Starting the purchasing process is similar to opening a traditional brokerage account. BMG verifies the investor's personal information for the protection of both BMG and the investor, and ensures the procedure is FINTRAC compliant. Once approved and the account has been funded, placing orders is as easy as purchasing stocks and bonds. The orders are placed online by a BMG BullionBars Authorized Dealer using BMG's proprietary system. All statements and account transactions are processed on the system by identification only to ensure privacy. All client information is kept strictly confidential and is not shared with anyone. For each bar of gold, silver or platinum purchased and stored, BMG issues a numbered bullion deed printed on serialized security paper.

This approach to business forms the core of BMG's high level of commitment to our clients' privacy and security.

CUSTODIAL STORAGE

To ensure proper custodial or "allocated" storage, each BMG BullionBar must be identified as belonging to a specific owner.

Under a custodial agreement with The Bank of Nova Scotia, Bullion Custodial Services Inc., a BMG company, provides insured custodial storage in Toronto, Hong Kong and New York.

LIQUIDITY

Because BMG BullionBars meet Good Delivery Standards and are stored in an LBMA member vault, the bullion's Chain of Integrity is maintained. As a result, they can be sold quickly and simply without delay or re-assay cost.



AUDITED ANNUALLY

The Bank of Nova Scotia issues a monthly report to BMG that records bars added or removed from the vault, thus providing a complete audit trail of the bar inventory. BMG's auditors annually review the bar lists against vault holdings and issued bullion deeds.

STORAGE VS. DELIVERY

There are many advantages to storing bullion purchased through the bullion bars program with BMG rather than taking delivery, which is why most of our customers prefer to hold their bullion in our secure vaults. Taking delivery means incurring administrative and shipping costs, and most armoured delivery services will only deliver bullion to commercial locations. Bullion stored at a residence means worries about break-ins and theft. In addition, it is difficult, if not impossible, to obtain home insurance for physical bullion stored at a residence.

Finally, if investors were to take delivery, they would be removing the bullion from the certified LBMA vault. This would break the Good Delivery Standards qualification of the bar, which means it may need to be re-assayed before an investor could sell it. Depending on the type of assay required, this could be costly and time consuming.

THE SELLING PROCESS

Bullion purchased through BMG is easy to sell provided it has remained in storage. The seller simply contacts the BMG BullionBars Authorized Dealer identifies the BMG BullionBars they plan to sell, then sends the corresponding BullionDeed(s) to BMG. Once receipt of the bullion deed has been confirmed, the dealer will contact the seller and execute the sale transaction based on the seller's limit price. A small transaction fee will be charged on the sale price of the bars.

BMG procedures are FINTRAC compliant. The Financial Transactions Reports Analysis Centre of Canada (FINTRAC) is Canada's financial intelligence unit, specializing in the collection, analysis and disclosure of financial information and intelligence on suspected money laundering and terrorist financing activities.

BMG Difference:

UNCOMPROMISED BULLION

The BMG philosophy is clear: Outright ownership of precious metals is the most reliable way of preserving wealth. BMG sets the gold standard when it comes to bullion protection by offering investors the absolute security of allocated and insured gold, silver and platinum bullion, without compromising any of the fundamental attributes of precious metals ownership:

- Absolute Liquidity**
- No Reliance on Management Skills**
- No Counterparty Risk**

Our integrity, service, outlook, philosophy and research methods further distinguish us from other providers.

** "BMG" refers both collectively and individually to Bullion Management Group Inc. and its wholly owned subsidiary Bullion Custodial Services Inc.*

