

ProCoins



ProCoins Gold and Silver Coin Brief



We Buy large and small coins & collections



ProCoins

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Bullion & Foreign Gold Coins

- ❑ These are Coins or Bars that are made from Gold, Platinum and Silver in a variety of shapes, purity, sizes and denominations.
- ❑ The most popular gold bullion coins include American Gold Eagles, South African K-Rand and the Canadian Maple Leaves.
 - These are true bullion coins and contain one full ounce, half ounce, quarter ounce and one tenth ounce of gold and were manufactured for the sole purpose of selling gold to the public and were not made for commerce.
 - American Gold Eagles (AGE) and Canadian Maple Leavers can be used in self directed IRA's. K-Rands can not because they don't meet the purity requirements.
- ❑ The American Gold Eagles are made by the US mint in denominations of \$5 – 0.1 ounce, \$10 - 0.25 ounce, \$25- 0.50 ounce and \$50 - 1.0 ounce varieties.
 - The Denomination \$25 and weight 1/2 oz Fine Gold is stamped on the reverse of the coin.
 - The date is imprinted on the obverse of almost all US Coins as depicted.
- ❑ In 1986 the US Mint started producing American Gold and Silver Eagles and still in production to date.





Complete List of Bullion Coins

- These coins are all true bullion coins because they were minted for the sole purpose of investment.
 - Their gold weight is a full one *Troy Ounce* and fractions of a *Troy Ounce*.

Item	Country	Coin Name	Denomination	Troy Ounce
1a	USA	American Gold Eagle	\$50	1
1b			\$25	0.5
1c			\$10	0.25
1d			\$5	0.1
2	Australia	Kangaroo		1
3	Austria	Philharmonic		1
4	Canadian	Maple Leaf		1
5	China	Panda		1
6	South Africa	K-Rand		1
Not all of the coins have all of the denominations but most of them have the 1.0, 0.5, 0.25, and 0.1 Troy ounce coins.				0.5
				0.25
				0.1
				0.05



Purity & Gold Weight Gold Coin Varieties



American Eagle Gold Coins
IRA APPROVED



Canadian Maple Leaf Gold Coins
IRA APPROVED



Vienna Philharmonic Gold Coins
IRA APPROVED



South African Krugerrand Coins



Mexican Gold 50 Pesos



Pre-1933 U.S. Gold Coins

Name	Purity	Gold Wt (Oz)
American Gold Eagle	0.9167	1.00
Canadian Maple Leaf	0.9999	1.00
Vienna Philharmonic	0.9999	1.00
Krugerrand	0.9170	1.00
Mexican 50 Pesos	0.9000	1.20565
Pre-1933 Gold Coins	0.9000	0.96750

The coin purity times its weight equals the gold weight thus some coins of lower purity are heavier.



Troy Ounce

- All Gold and Silver coins are measured in Troy Ounces

Weights and Measure for Precious Metals is in Troy Units

The troy weight system has its own definition of a "troy" pound. A "troy pound" contains 12 troy ounces or 373.24 grams

Troy weights - One troy ounce = 480 grains, or 31.10 grams or 20 dwt (pennyweight).



Silver & Gold Market Price vs Spot Price

- The spot price of both silver and gold represents the present delivery price of the metal as a commodity being traded on the spot market and is also called the “cash price”. These commodity are related to the raw ore as it was originally mined.
 - The ore is refined and rolled into \$5000, and 10,000 ounce bars which are purchased by the US Government and sent to a rolling mill where the bars are rolled into sheet. Then gold and silver blanks with up-set rims are produced. .
 - Subsequently the Mint polishes the blanks, then with high pressure presses stamps the obverse and reverse coin design.
 - ◆ The two cost above are reflected in the price the US Mint charges the 13 US Primary dealers who distribute the coin to dealers like ProCoins. This cost is over and above the spot price of silver and gold.



Silver & Gold Market Price VS Spot Price Continued

- The 13 primary dealers then sell the coins to coin dealers like ProCoins.
- These costs discussed are over and above the published spot price of the gold and silver.
 - For AGE, K-Rands, Canadian Maple Leafs, ASE, 90% Silver coin and Silver bars or rounds the cost over and above the spot price is called the “Market Price” .
 - For AGE, K-Rands, Canadian Maple Leaves the incremental value over the spot price at the present time is up to about \$60 per ounce and up to \$2.00 per ounce for silver. This incremental level is highly volatile and changes with various external factors in addition to the ones mentioned on page 5.



Gold Foreign Coins

- ❑ There are a number of Gold Foreign coins that are collected for investment but have a different weight than the aforementioned coins on Page 3. See Appendix A.
- ❑ These coin include re-strikes which are coins made with the same dies as the original minted coins and have the same dates, composition, and dimensions as the original coin but were manufactured in a different year than the original coin was produced.
- ❑ The restrike coins are officially produced by the government and because of the quantity produced have no numismatic value and are valued on their intrinsic value only. The Government pick one date as the “Strike Date” of a particular coin. For Instance, the restrike date for the Austrian 100 Corona is 1915.



Gold Foreign Coins

- ❑ These coins carry different premiums than the other gold coins shown on page 5. These are often a good value but require more knowledge of the coin's "gold content" than is normally readily available. The uneducated collector never knows the amount of gold that is really in the coin. For this reason, if you are not an expert or have a trusted supplier, I would avoid these coins.
- ❑ For example, a 20 Frank Gold Angle coin has 0.1867 Troy Ounces of gold and is about the size of a \$10.00 American Gold Eagle, which contains 0.25 Troy Ounces of gold. Often, times the 20 Frank coin is mistaken to contain a full 0.25 Troy Ounces of gold.





Credit Suisse Gold Bars

- There are numerous gold bars and rounds that are used for bullion collection but one that deserves mention because of its popularity in the worldwide acceptance is the Credit Suisse gold bars. These pure gold bullion bars are very popular with gold bullion investors for many solid reasons. Including the following:
 - **24 Karat Pure Gold Bars** - Credit Suisse gold bars are refined to the highest standards of 99.99% fine gold. Each gold bar is of 24 karat gold purity and has the exact purity and weight stamped on each gold bar, then sealed for your safety and security.
 - **Guaranteed One Ounce** - The one troy ounce Credit Suisse gold bar is a convenient size, very popular with both U.S. and worldwide buyers. The gold bullion bars are about 1 5/8 inches by 15/16 inches and easy to store or carry in an emergency.
 - **Swiss Banking Security** - The pure gold content of each Credit Suisse gold bar is fully backed by the world renowned Credit Suisse Bank of Switzerland.



Credit Suisse Gold Bars

- ❑ The number 316317 on this bar is registered with the Swiss Bank in Zurich and the bar is accepted and traded worldwide and the most accepted commodity in international circles.
- ❑ This bar is manufactured in a variety of weights which include 1,5,10,50, 100 and 1000 gram bars and are manufactured by a number of US manufacturers including Engelhart the most trusted US manufacturer of silver and gold bars





Platinum

- ❑ Platinum is a rare metal and is often used as a form of investment but does not have the popularity of Gold and Silver.
- ❑ This metal is made in bars, rounds and bullion coin.
- ❑ Some numismatic coins are produced by some countries.
- ❑ The US has American Platinum Eagles which produced in the same weights as the American Gold Eagle (AGE) coin but the denomination is doubled. (i.e. the \$50 AGE is one (1) Troy Ounce
- ❑ This often is a point of confusion for some collectors and investors.

Country	Coin Name	Denomination	Troy Ounce
USA	American Platinum Eagle	\$100	1
		\$50	0.5
		\$25	0.25
		\$10	0.1



Gold Coins and Bars Conclusion

- The above discussion is certainly not exhaustive in its coverage but provides some fundamental information need to discuss the purchase options available in gold coins and bars.



Silver Bullion

- ❑ Silver Investing is accomplished via Silver Bullion and 90% Silver Coins. The most common methods include :
 - Silver Bars, Rounds
 - ◆ With a variety of designs all marked 0.999% Pure Silver - 1 Troy Ounce.
 - American Silver Eagles (ASE)
 - ◆ 0.999% Pure Silver – One (1) Troy Ounce.
 - 90% Silver coins prior to 1965.
- ❑ **90% Silver coins include Dimes, Quarters and Half Dollars prior to 1965 and investors purchase them for their silver content.**
- ❑ **In 1965 through 1970 the Kennedy Half was minted in 40% silver and these are still today available as an investment coin.**
- ❑ **The United States mint designed silver Dimes, Quarters and Half Dollars prior to 1965 so that one dollar face has the same silver content.**
- ❑ **This was necessary because these were commerce coins as used as a basis of exchange and it was necessary for every dollar of coin had the same intrinsic value.**



Silver Bullion

- ❑ If for example they did not have the same intrinsic value then individuals would have traded one dollar with the lesser quantity of silver, for another with more silver content.
- ❑ Therefore the US mint, minted coins and each dollar of silver as it was minted had 0.7234 Troy ounces of silver content.
 - Thus four quarter, ten dimes, and two half dollars all contain 0.7234 Troy ounces of silver as newly minted.
 - When purchasing any fixed dollar amount of silver 90% coin it doesn't matter if the dollar amount contains any combination of coins denominations.
 - It can contain \$25 of dimes, \$25 of quarters and \$50 of half dollars or any combination of coins denomination and the same exact amount of silver will be contained in the \$100 dollars.
- ❑ This is perfectly true if all of the coins were uncirculated but because of the coin wear over time and use some of the coins silver value has worn off dealers use 0.715 when computing the price for buying or selling.



Silver Bullion

- ❑ For the perfect analysis it is best to weigh the coins but this only becomes significant for large volume of coins.
- ❑ If there is a good mix of year and the batch contains some coins in the 1960 though 1964 then this becomes insignificant.
 - The latter year coins 1960 through 1964 did not have time to circulate and thus not much of the silver was worn off as opposed to early date coins which had decades to circulate and considerable wear. The buying and selling of 90% silver coin uses a factor of 0.715 instead of 0.7234 to compensate for wear.



90% Silver Coin Analysis

- ❑ The following table shows the weight of each denomination of coin and line 6.0 shows that 10 dimes, 4 quarters or two half dollars have the same exact silver weight.
- ❑ Each Dollar of 90% Silver coin has 0.715 ounces of silver. Page 17 provides a formula for calculating the price of a price of any amount of dollars of coin silver. An Example is provided to make it even clearer and so you can practice calculation the price of any given dollar amount of Dollars in coin silver.



These coins include Dimes, Quarters and Half Dollars minted prior to 1965



Troy Ounce

- \$1.00 of Silver coins has 0.7234 Troy Ounces of Silver.

Dime	Quarter	Half Dollar
Weight = 2.249g	Weight = 5.6934 g	Weight = 11.24 g
1 troy oz = 31.1 g	1 troy oz = 31.1 g	1 troy oz = 31.1 g
Dime Weight in oz = $2.218/31.1 = 0.07234$ oz	Quarter Weight in oz = $5.694/31.1g = 0.1831$ oz	Half Dollar in oz = $11.24g / 31.1 = 0.3617$ oz
10 dimes or \$1.00 has total weight of 0.7234 oz of silver.	4 Quarters or \$1.00 has total weight of 0.7234 oz of silver.	2 half dollars or \$1.00 has a total weight of 0.7234oz of silver.
All dealers use 0.715 when buying or selling 90% silver coin to make up for ware of the silver coins.:		
((Spot Price of silver per oz) * (0.715 ounces per dollars)+X) *(Dollar amount of Silver) = price paid		



Example: \$200 90% silver coin purchase

- ❑ The coin dealer has \$100 dollars Dimes, \$50 Dollars in Quarters and \$50 Dollars in Half Dollars and this totals to \$200 in 90% Silver Coins. All coins are dated 1964 and prior. Every dollar of 90% FACE Silver has 0.715 ounces of silver so there is no need to calculate the price for each individual batch of coins. Thus let's apply the formula above.
- ❑ (Dollars 20.00 per ounce (spot price)* (0.715Ounces per Dollar)+X) *(\$200)= Price Paid
- ❑ (9.00 +X)*\$200= Price Paid
 - This Quantity in RED is the "Spot Price Multiplier " and has been changing since 2006 when the value of "X" was zero.
 - In the last three (3) years the value has increased and continues to increase as the supply of silver and gold produced is limited and the number of investors grows.
 - According to many financial reports the demand for silver comes from Jeweler, photography, industrial and investment demand. The predicted spot price for 2009 /10 is between \$20 and \$30 dollars per ounce based on the growing demand and continuing supply deficit.
 - The "X" value at the present time varies between \$1.00 and \$2.00 depending on the supply and demand of 90% silver coins.
- ❑ In this example the spot price of silver is published daily on <http://www.procoins.com>



Silver Rounds and Bars

- ❑ This is probably the largest variety of shapes, sizes and weight of bullion silver available today. One common parameter is that it is all 0.999% pure silver and the shapes that are most popular are silver rounds and silver bars. The weight vary but the most popular are 1, 5 10, 100 and 1000 ounces.
- ❑ Most of the larger weights, 100, 1000 and up are bars not rounds.
- ❑ The Handling Difficulty limits the popularity of the 100 and 1000 ounce bars.
 - It should be mentioned that the larger the bars weight the less expensive because of the reduction in manufacturing effort.
 - It is for this reason; some investors choose to invest by purchasing the larger size bars.
 - Difficulty of transporting them has to be considered in the trade off analysis.



American Silver Eagles

- ❑ American Silver Eagles have been in production from the US mint since 1986 and have been produced each year in bullion coins and proof coins.
 - These are extremely popular among investors and collectors alike. The Bullion coins are one (1) ounce of 0.999% pure silver and are minted by the US Mint. They come in 20 coins to the roll and 25 rolls to the “Monster Green” boxes which contains 500 Troy Ounces of silver.





American Silver Eagles

- ❑ The US Mint produces proof versions of American Eagle Bullion coins for collectors.
- ❑ American Eagle (AE) Proof Coins undergo a specialized minting process, which begins by manually feeding polished coin blanks into presses fitted with special dies. The coin is struck multiple times so the softly frosted, yet detailed images seem to float above a mirror-like field. After scrutiny by white gloved inspectors, each AE Proof Coin is sealed in a protective plastic capsule and mounted in a handsome satin-lined velvet presentation case with its own official Certificate of Authenticity. Since American Eagle Proof Coins are produced by the United States Mint, each coin's content, weight and purity are guaranteed by the U S Government. American Eagle Gold, Silver, and Platinum Proof Coins have a limited mintage and in the year of issue can be purchased from the United States Mint.
- ❑ Proof American Gold Eagles (AGE) can be used in self directed IRA's and is beginning to cause these coins to appreciate well above the issue price and can be good short term investment.



American Silver Eagles

- ❑ American Platinum Eagle Uncirculated Coins carry the same reverse design as the American Eagle Platinum Proof Coins.
- ❑ In a process similar to that used to create the magnificent American Eagle Proof Coins, American Eagle Uncirculated Coins are hand-loaded into the coining press, struck on specially polished blanks and carry the "W" mint mark of the United States Mint at West Point.



CONCLUSION

- ❑ ProCoins buys and sells all of the coins discussed in this brief.
- ❑ We can evaluate your collection and suggest a path to sound positive growth.
- ❑ ProCoins can help you with Self Directed IRA's by supplying you Government approved gold and silver coins.
- ❑ We always buy back coin from our clients to provide you fast and easy liquidation.
- ❑ ProCoins buys small and large collections of coins and paper money of any kind.
- ❑ ProCoins is an American Numismatic Association (ANA), Professional Grading Service (PCGS), Numismatic Guarantee (NGC) and Certified Coin Exchange (CCE) member.



Silver & Gold Configuration Advantages and Disadvantages

Item	Silver & Gold Configuration	Advantages	Disadvantages
1	Silver Bars and Rounds (not coins)	Lowest Cost	Not easily recognized by all prospective Merchants
2	90% Silver Coins	All prospective Merchants recognize US Dimes, Quarters, and Half Dollars.	Not the absolute lowest cost.
3	Silver Eagles	Has some collector value which is part of the reason these are the highest price method of obtaining silver.	Highest Cost of obtaining Silver
4	Suisse Credits	Lowest possible price per ounce for gold	Not as easily recognized as American Gold Eagles in the US.
5	American Gold Eagles	Very accepted in the US and aboard.	More expensive than bars.
6	American Platinum Eagles	Lowest present value in history of the metal.	Highly dependent on Industrial usage in Automotive Industry. This Industry is at the present time not very stable.
7	Foreign Gold coins	Low Cost	Not easily recognized by all prospective Merchants



APPENDIX A – Foreign Gold Coins

Country	Units	AGW
Austrian	1 Ducat	0.1106
Austrian	4 Ducat	0.4438
Austrian	10 Corona	0.098
Austrian	20 Corona	0.196
Austrian	100 Corona	0.9802
Austrian	10 Frank	0.0933
Bahama	\$100 Dollar	0.4211
Belgium	20 Francs	0.1867
Britain	1/2 Sovereign	0.1177
Britain	1 Sovereign	0.2354
Canadian	100 dollars	0.2501
Columbian	5 Pesos	0.2354
Denmark	10 Kroner	0.1296
Denmark	20 Kroner	0.2592
Finland	10 Markkaa	0.0933
Finland	20 Markkaa	0.1867
France	10 Francs	0.0933
France	20 Francs	0.1867
German States	10 Marks	0.1152

Country	Units	AGW
German States	20 Marks	0.2305
Hungary	10 Korana	0.098
Hungary	20 Korana	0.196
Hungary	100 Korana	0.9802
Italy	20 Lira	0.1867
Mexican	2.0 Pesos	0.0482
Mexican	2.5 Pesos	0.0603
Mexican	5 Pesos	0.1206
Mexican	10 Pesos	0.2411
Mexican	20 Pesos	0.4823
Mexican	50 Pesos	1.2057
Netherlands	10 Guilders	0.1947
Norway	10 Kroner	0.2593
Peru	1 Libra	0.2354
Russia	5 Rubles	0.1245
Russia	10 Rubles	0.2489
Switzerland	10 Francs	0.0933
Spain	25 Pesetas	0.2334
Thursday, January 15, 2009		