



TO: End Buyer, Buyer Mandate

Our Ref: fgmc/31052-A2593

**We hereby issue this Offer with given terms and conditions as stated in this offer to confirm our readiness to execute a Sales and Purchase Agreement with end buyer, with the ability to supply the following commodity according to the terms and conditions as below.**

PRODUCT : AU GOLD BULLION (Not in the GLD Banking System) HALLMARK

Internationally Recognized Hallmark

SIZE 12.5kg or 1 Kg Gold Bullion Bars

Purity : 999.96/1000 (Min).

Age : at buyers choice

Quantity : trial 500 kg and total 12MT

Origin : GOLD Various Countries: Non – Criminal Origin

Delivery: FOB Dubai, Zurich & London, Germany, USA

Duration: 1 MT per Month for 12 Months

Reference: LBMA London Bullion Market Association

Discount: 9% Gross, 8% Net to Buyer for Less than 5 years old or 11% Gross, 10% Net to Buyer for more than 5 years old basis LBMA 2nd Fixing Of The Day

Payment: Prime Bank Swift Mt 103 Ledger-To-Ledger Transfer

Commission: 1% for the buyer side

Authenticating Documents – White Slip Copy, Black Slip Copy, Remittance Advice, Debit Note, MT940 Ledger Statement and ECB Release Code for the Value of Trial Delivery of 500 Kg to be followed by monthly delivery of 1 MT for 12 Months or at such Intervals to be agreed during TTM

CURRENT LOCATION: Stock Held in A Prime Custodian Banks Vault / Warehouse address shall Be detailed In The Safe-Keeping Receipt (SKR).

### **Procedure as below..**

a) The buyer issue a LOI and CIS to SELLER COMPANY and the Seller respond issuing FCO which basic terms and conditions acceptable to the Buyer subject to the final SPA and buyer have signed the FCO and to proceed. Upon receipt of the signed FCO, LOI and CIS from the buyer, Seller IMMEDIATELY issues Sales and Purchase Agreement “SPA + NCNDA + IMFPA” for Buyer to review, accept, initial and return to Seller.

b) After mutual agreement with the final SPA, The Buyer (first) and The Seller (second) will sign and seal this Sales and Purchase Agreement with their full banking coordinates within the SPA, NCNDA and IMFPA.

- c) Upon receipt of the duly completed SPA + NDNCA + IMFPA, seller issues the Commercial Invoice for the first trial of 500 KG and send to the buyer together with the CIS of sellers fiduciary receiver.
- d) Buyer's Bank issues SWIFT LEDGER TO LEDGER PAYMENT TRANSFER as Payment Guarantee to Seller's nominated Bank for the trial delivery of 500 KG and buyer sends the following documents for authentication purposes;
- 1/. WHITE SLIP COPY,
  - 2/. BLACK SLIP COPY,
  - 3/. REMITTANCE ADVICE,
  - 4/. DEBIT NOTE,
  - 5/. MT940 LEDGER STATEMENT and
  - 6/. ECB RELEASE CODE on the same day.
- e) Upon receipt confirmation from buyers Ledger to Ledger swift confirmation with evidence of Swift correspondence document, seller will issue a 2% PB to buyer against non performance of the contract and seller draws 2% from buyers Ledger-to-Ledger account should buyer did not perform the contract.
- f) Upon receipt and authentication of the Buyer's supplied documents;
- 1/. WHITE SLIP COPY,
  - 2/. BLACK SLIP COPY,
  - 3/. REMITTANCE ADVICE,
  - 4/. DEBIT NOTE,
  - 5/. MT940, and
  - 6/. ECB RELEASE CODE on the same day, the Sellers Gold Bars Custody Bank shall issue to the Buyer a Depository Confirmation Letter (DCL) along with Authority To View - "ATV" and evidence of Proof of Product "POP" via SWIFT MT600 to Buyer's Bank and copy made available by email to Signatory Buyer only.
- g) Within three (3) banking days or lesser, the Buyer or his Appointed Agent will be invited by ATV to the Vault/Gold Bullion storage facility of the Custodian Bank for physical inspection.
- h) Once the gold has been delivered to the buyer or his appointed refinery and assay certificate has been issued and the Buyer has settled the cost of the trial tranche of 500 KG, Gold Bullion Bars with the Seller of the gold, the title of ownership of the first transaction of 500 Kg. Gold Bullion Bars shall be transferred to Buyer.
- i) The delivery of 1 MT per month shall commence immediately after successful 1st trial, following the same process which is full payment of the commercial invoice for each of the 1 MT monthly followed by assay and ownership transfer OR AT SUCH INTERVALS TO BE AGREED DURING TTM.
- j) After Post Inspection and acceptable Assay Report, Buyer instructs his bank to RELEASE



payment for the Gold Bullion into the Sellers Nominated Bank Account via SWIFT MT103 while the LEDGER TO LEDGER PAYMENT TRANSFER instrument revolves until the entire quantity is exhausted, with tranches as per refinery schedule, to be determined.

k) Parties execute the change of Title of Ownership between Seller and Buyer, upon each settlement.

l) Seller pays both the Seller Side Nominated Beneficiaries or to the Nominated Pay Master of the Beneficiaries and Buyer's Side Nominated Beneficiaries in the IMFPA.

m) TRANSACTION CONCLUDED.

Pls feel free to contact us for further discussion

Sincerely

Fugo Materials