

Precious metal prices soar but what next?



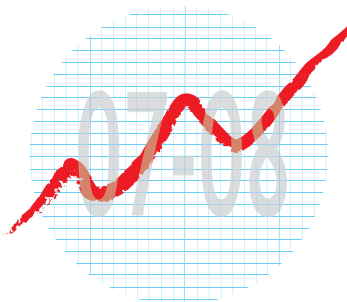
There was speculation at the beginning of 2007 that Gold prices would hit US\$800 per oz and yet the gold price slowly drifted down until the autumn. The problems in the USA in the money lending markets and homeowner markets saw investors switch funds from shares and currencies into commodities again. The result was gold reaching a 20-year high towards the latter end of 2007 and even at the beginning of the year we still have prices that are high yet are subject to considerable volatility.

Most precious metals have shown good gains especially Platinum and Rhodium whereas other such as Palladium has not performed as well.

The benefit of higher metal prices encourages recycling and we have seen this from record volumes of scrap received by Presman Bullion, down to the economic recovery of residues from the chemical industry that previously had gone to landfill.

With the continued fluctuations it is important that whichever industry you are in that you keep abreast of the current prices. Our website carries a pricing page where the daily London fixes are displayed, and also specifically for the jewellery trade there is a page showing the current Presman buying prices.

Keep up to date with what is happening and log onto www.mastermelts.co.uk/pages/prices.html



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Presman Registered Post Service



Since its launch in 2001 the Presman Postal Service has gone from strength to strength. From a typical level of 80 receipts a month in its early days, the number of envelopes received is now averaging over 400 a month and rising!

The convenience of being able to send scrap one day and receive a cheque back the next day is a service many retail jewellers appreciate. It not only allows them to turn round their stock quickly and avoid travelling into London but it's also free!

We have enclosed an envelope for your use and if you have not used this service yet then give it a try and see for yourself how easy it is.

If you need more envelopes then please contact Presman Bullion on the number below:

Tel: 020 7404 0903



PRESMAN MASTERMELT

metal matters

New Year 2008



Welcome to the winter edition of our newsletter. This summer Mastermelts Refining Services achieved accreditation for ISO 14001. Mastermelts Refining Services is the industrial arm of our group and I am particularly proud of this achievement as the processes at our Buxton site are environmentally challenging and the regulators very stringent.



PRESMAN MASTERMELT

PRECIOUS METAL RECLAMATION SERVICES

Material Processing • Analytical and Valuation Services • Practical and Fiscal Waste Management • Consultancy Service



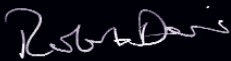
As a group we have seen increased activity in all areas and I believe the long term strategy of having ISO Quality systems and ISO Environmental systems sends a message to our customers which ensures we constantly deliver a high quality service, with environmental responsibility.

Precious metal prices continue to rise and the higher range of \$750- \$800 per ozt for Gold is being achieved.

I am particularly happy with the level of service Presman's have maintained during this period of high prices, especially on our one day service for scrap gold. It is also worth pointing out that during the Christmas period post often takes an extra day to deliver and yet we have still maintained our next day payment to our customers.

We know cash flow is an ever growing burden for a lot of our small companies which is why we are committed at all our sites to settle customer jobs quickly. To ensure we can achieve this we continually invest innovation and see this as an ongoing process to ensure our presence in the market place.

I would like to take the opportunity to wish you all a happy and successful year ahead.



Chairman
Robert Davis M.I.E.M.A. C.Env

Presman [Bullion] Ltd.



Presman is the oldest member of the Group being established in 1945. The company was acquired by Mastermelt in 1997 and has subsequently gone from strength to strength.

The principal activity of the company is purchasing gold and silver scrap from the retail jewellery and pawn broking sector. With gold prices soaring again during the year Presman Bullion has purchased record quantities of scrap from the trade.

Two types of service are offered, either in person by selling at the Presman counter or by using our registered post service (see back page). The latter has grown incredibly of the last five years and gives the customer an easier service rather than having to put up with the London traffic and congestion charges!

The registered envelopes are valued on the date received and that night a cheque is sent back in the post so you have the money the next morning, what could be simpler?

If you would like to know more about this service then please call the Presman counter on **020 7404 0903**

Mastermelt Refining Services Ltd.



Based in Buxton this is the Group's largest processing site dealing with tonnage quantities of materials containing precious metals. With its large capacity for incineration, milling, melting and chemical treatment the site is able to handle a variety of residues from all industries. Acquired in 2000 the company has developed an important customer base of major industrial companies throughout Europe.

Mastermelt Refining Services has recently achieved ISO 14001 accreditation and will be introducing over the next 12 months new gas abatement and gas scrubbing technology to ensure that we continue to meet and exceed the ever demanding environmental legislation.

Phoenix County Metals Ltd.



Our other associate company based in Daventry provides the Group with a site capable of handling more complex materials. As a site licensed to dispose of organics it allows us to pre treat catalysts if they are contaminated with solvents. They are also another ISO 14001 site. It also has a key role in performing a recycling operation for the MOD in the UK.

Mastermelt Ltd.



Robert Davis founded the company some 20 years ago offering a recovery of precious metals from sweeps and lemlens from the manufacturing jewellery industry. The company has since developed its refining services to process materials from the aerospace, electronics, chemical and pharmaceutical industries.

Although the treatment of jewellery sweeps still remains a core business to Mastermelt the emphasis is now on growing our customer base throughout Europe and the Far East for recycling opportunities in these new industrial sectors. The success is shown in that now over half our revenues comes from companies outside the UK.

Mastermelt Ltd are also the European agents for Johnson Matthey's Smopex® Technology.

As an ISO 14001 site and operating ISO 9001 our customers can be assured that they are using an environmentally aware company with strict operating procedures so maximising the return on whatever precious metal materials we treat.



Mastermelt America LLC



Our associate company, based in Tennessee is the newest addition to the Group. The company was founded to offer European standards of environmental precious metal recovery and sampling into the world's largest market for precious metal recycling.



The operation is similar to that of Buxton and is designed to service the industrial sector. Since it's formation in 2006 the growth has been incredible with the site now operating on three shifts to meet customer demand.

The Tennessee site provides our customers with the option of having the same standards of sampling and processing on either side of the Atlantic.

