

November 6, 2014



A-Mark Precious Metals Reports Fiscal First Quarter 2015 Results

SANTA MONICA, Calif., Nov. 6, 2014 (GLOBE NEWSWIRE) --[A-Mark Precious Metals, Inc.](#) (Nasdaq:AMRK), a full-service precious metals trading company, reported results for its fiscal first quarter ended September 30, 2014.

Fiscal Q1 2015 Overview

- Revenues declined slightly due principally to lower gold ounces sold, partially offset by higher silver ounces sold.
- First quarter gross profit remained under pressure due primarily to lower premium spreads on primary products.
- Demand for higher margin value-added products continued to enhance gross profit.
- Continued development of the Las Vegas logistics center, which remains on schedule.
- Secured lending products showed a strong increase in loan volume.
- Made an initial investment in a successful online retailer.

Fiscal Q1 2015 Financial Results

Revenues were \$1.45 billion compared to \$1.50 billion in the same year-ago quarter. The decline was due to a decrease in the total number of gold ounces sold, partially offset by an increase in silver ounces sold during the quarter. The commodity prices for gold and silver decreased during the quarter, which also contributed to the decrease in revenues.

Gross profit was \$5.7 million (0.39% of revenues) compared to \$7.0 million (0.47% of revenues) in the year-ago quarter. The profit margin percentage decreased primarily due to lower premium spreads on the company's primary products, offset by sales of higher margin value-added products.

General and administrative expenses increased to \$4.2 million from \$3.6 million in the same year-ago quarter. The increase was primarily due to operational costs related to a new logistics center established to provide fulfillment services to A-Mark's customers. Expenses were also higher due to expenses associated with being a public company, including the addition of key personnel, and legal and accounting fees.

Net income totaled \$1.1 million or \$0.16 per diluted share compared \$2.4 million or \$0.30 per diluted share in the same year-ago quarter. The decrease was primarily due to lower revenues and gross margins due to lower levels of commodity price volatility.

Management Commentary

"Our fiscal first quarter performance was in line with our expectations," said Greg Roberts, A-Mark's CEO. "These results reflect the uniqueness of our business model, which is

structured to provide a steady stream of revenues and profitability even in low volatility market environments. While these trends have impacted our performance thus far in the fiscal second quarter of 2015, we continue to build capacity to capitalize on periods of higher volume, as well as execute on strategic initiatives to enhance our baseline financial performance."

"Along those lines, we continue to introduce new higher margin products to respond to demand for our value-added product pipeline, as well as anticipate growth in loan activity by our CFC financing subsidiary," added Roberts. "Additionally, our expanded sales team is actively selling new turnkey service offerings to our existing customer base, including finance, storage, and delivery solutions. We expect these complementary services to help increase overall customer retention and drive incremental revenue and gross profit in fiscal 2015."

Conference Call

A-Mark will hold a conference call tomorrow (Friday, November 7, 2014) to discuss these financial results. The company's CEO, Greg Roberts, and executive vice president and COO, Thor Gjerdrum, will host the call starting at 11:00 a.m. Eastern time (8:00 a.m. Pacific time). A question and answer session will follow management's presentation.

To participate, please dial the appropriate number at least five minutes prior to the start time and ask for the A-Mark Precious Metals conference call.

U.S. dial-in number: 1-877-407-0789

International number: 1-201-689-8562

Conference ID: 13594601

The conference call will be broadcast simultaneously and available for replay via the Investor Information section of A-Mark's website at www.amark.com. For the webcast, please access the link at least 15 minutes prior the call in order to register and install any necessary audio software. If you have any difficulty connecting with the conference call or webcast, please contact Liolios Group at 1-949-574-3860.

A replay of the call will be available after 2:00 p.m. Eastern time on the same day through November 21, 2014.

Toll-free replay number: 1-877-870-5176

International replay number: 1-858-384-5517

Conference ID: 13594601

About A-Mark Precious Metals

A-Mark Precious Metals, Inc. is a full-service precious metals trading company and an official distributor for many government mints throughout the world. The Company offers gold, silver, platinum and palladium in the form of bars, plates, powder, wafers, grain, ingots and coins. Its Industrial unit services manufacturers and fabricators of products utilizing or incorporating precious metals, while its Coin & Bar unit deals in over 200 coin and bar products in a variety of weights, shapes and sizes for distribution to dealers and other qualified purchasers. The Company operates trading centers in Santa Monica, California,

and Vienna, Austria, for buying and selling precious metals.

In addition to wholesale and trading activity, A-Mark offers customers a variety of services, including financing, consignment and various customized financial programs. As a U.S. Mint-authorized purchaser of gold, silver and platinum coins, A-Mark purchases bullion products directly from the U.S. Mint for sale to customers. A-Mark also has distributorships with other sovereign mints, including in Australia, Austria, Canada, China, Mexico and South Africa. Customers of A-Mark include mints, manufacturers and fabricators, refiners, coin and metal dealers, banks and other financial institutions, jewelers, investors and collectors. For more information about A-Mark Precious Metals, visit www.amark.com.

Through its subsidiary Collateral Finance Corporation, a licensed California Finance Lender, the Company offers loans collateralized by numismatic and semi-numismatic coins and bullion to coin and metal dealers, investors and collectors. Through its Transcontinental Depository Services subsidiary, it offers a variety of managed storage options for precious metals products to financial institutions, dealers, investors and collectors around the world.

Important Causations Regarding Forward-Looking Statements

Statements in this press release that relate to future plans, objectives, expectations, performance, events and the like are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 and the Securities Exchange Act of 1934. Future events, risks and uncertainties, individually or in the aggregate, could cause actual results to differ materially from those expressed or implied in these statements. Factors that could cause actual results to differ are identified in the Company's public filings with the Securities and Exchange Commission (SEC) and include the following: our inability to execute our growth strategy; our inability to maintain the security of customer or company information; the impact of complying with laws and regulations relating to our trading and financing operations; changes in our liquidity and capital requirements; changes in the political or economic environments of the countries in which we do business; the loss of key management or trading personnel; our exposure to commodity price risks, concentration of credit risk, and the risks of default of our counterparties; the demand nature of our credit facility; the possible loss of a key government distributorship arrangement; potential losses in connection with our financing operations; the inability of our historical financial statements to be indicative of our future performance; the impact of increased costs associated with being a public company; our inability to maintain effective internal controls as a public company; our inability or determination not to pay dividends; low trading volume of our capital stock due to limited liquidity or a lack of analyst coverage; and the ability of our principal shareholders to exert substantial control over us or prevent a change of control.

More information about factors that could affect the Company's business and financial results included in its public filings with the SEC, which are available on the SEC's website at www.sec.gov.

The words "should," "believe," "estimate," "expect," "intend," "anticipate," "foresee," "plan" and similar expressions and variations thereof identify certain of such forward-looking statements, which speak only as of the dates on which they were made. Additionally, any statements related to future improved performance and estimates of revenues and earnings per share are forward-looking statements. The Company undertakes no obligation to publicly update or revise any forward-looking statements. Readers are cautioned not to place undue

reliance on these forward-looking statements.

A-MARK PRECIOUS METALS, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(amounts in thousands, except share data)
(unaudited)

	September 30, 2014	June 30, 2014
ASSETS		
Current assets:		
Cash	\$ 4,657	\$ 13,193
Receivables, net	143,482	102,824
Inventories:		
Inventories	138,627	150,944
Restricted inventories	20,613	24,610
	159,240	175,554
Income taxes receivable from Former Parent	3,139	3,139
Prepaid expenses and other assets	728	613
Total current assets	311,246	295,323
Property and equipment, net	1,599	1,678
Goodwill	4,884	4,884
Intangibles, net	2,657	2,753
Investments	1,611	500
Total assets	\$ 321,997	\$ 305,138
 LIABILITIES, AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Lines of credit	\$ 128,000	\$ 135,200
Liability on borrowed metals	11,998	8,709
Product financing arrangement	20,613	24,610
Accounts payable	104,922	77,426
Accrued liabilities	3,935	6,070
Income taxes payable	384	2,178
Deferred tax liability - current	1,456	1,456
Total current liabilities	271,308	255,649
Deferred tax liabilities	33	33
Total liabilities	271,341	255,682
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, \$0.01 par value, authorized 10,000,000 shares; issued and outstanding: none as of September 30, 2014 and June 30, 2014	—	—
Common Stock, par value \$0.01; 40,000,000 authorized; 6,962,742 and 6,962,742 issued and outstanding as of September 30, 2014 and June 30, 2014, respectively	70	70
Additional paid-in capital	22,379	22,317
Retaining earnings	28,207	27,069

Total stockholders' equity	50,656	49,456
Total liabilities and stockholders' equity	<u>\$ 321,997</u>	<u>\$ 305,138</u>

A-MARK PRECIOUS METALS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(in thousands, except for share and per share data)
(unaudited)

	<u>Three Months Ended</u>	
	<u>September 30, 2014</u>	<u>September 30, 2013</u>
Revenues	\$ 1,453,466	\$ 1,496,025
Cost of sales	<u>1,447,736</u>	<u>1,488,996</u>
Gross profit	5,730	7,029
Selling, general and administrative expenses	(4,219)	(3,648)
Interest income	1,477	1,457
Interest expense	(1,063)	(988)
Unrealized gains (losses) on foreign exchange	<u>(9)</u>	<u>36</u>
Net income before provision for income taxes	1,916	3,886
Provision for income taxes	<u>(778)</u>	<u>(1,520)</u>
Net income	<u>\$ 1,138</u>	<u>\$ 2,366</u>
Basic and diluted income per share:		
Basic - net income	<u>\$ 0.16</u>	<u>\$ 0.31</u>
Diluted - net income	<u>\$ 0.16</u>	<u>\$ 0.30</u>
Weighted average shares outstanding:		
Basic	<u>6,962,742</u>	<u>7,729,500</u>
Diluted	<u>7,065,700</u>	<u>7,875,250</u>

A-MARK PRECIOUS METALS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(amounts in thousands)
(unaudited)

	<u>Three Months Ended September 30,</u>	<u>2014</u>	<u>2013</u>
Cash flows from operating activities:			
Net Income		\$ 1,138	\$ 2,366
Adjustments to reconcile net income to net cash (used in) provided by operating activities:			
Depreciation and amortization		228	220
Interest added to principal of secured loans		(91)	—
Provision for doubtful accounts		—	(72)
Share-based compensation		62	37
Changes in assets and liabilities:			
Receivables		(38,758)	46,937

Inventories	16,314	(12,988)
Prepaid expenses and other current assets	(115)	(242)
Accounts payable	27,496	(37,879)
Liabilities on borrowed metals	3,289	(6,809)
Accrued liabilities	(2,135)	(1,245)
Receivable from/ payables to Former Parent	—	(1,329)
Income taxes payables	<u>(1,794)</u>	<u>—</u>
Net cash provided by (used in) operating activities	<u>5,634</u>	<u>(11,004)</u>
Cash flows from investing activities:		
Capital expenditures for property and equipment	(53)	(196)
Purchase of cost method investment	(1,111)	—
Secured loans acquired	(3,669)	(350)
Principal collections on secured loans acquired	<u>1,860</u>	<u>—</u>
Net cash used in investing activities	<u>(2,973)</u>	<u>(546)</u>
Cash flows from financing activities:		
Product financing arrangement, net	(3,997)	6,902
Dividends paid to Former Parent	—	(5,000)
Borrowings (repayments) under lines of credit, net	<u>(7,200)</u>	<u>4,700</u>
Net cash (used in) provided by financing activities	<u>(11,197)</u>	<u>6,602</u>
Net decrease in cash and cash equivalents	(8,536)	(4,948)
Cash and cash equivalents, beginning of period	<u>13,193</u>	<u>21,565</u>
Cash and cash equivalents, end of period	<u>\$ 4,657</u>	<u>\$ 16,617</u>
Supplemental disclosures of cash flow information:		
Cash paid during the period for:		
Interest expense	<u>\$ 1,003</u>	<u>\$ 774</u>
Income taxes	<u>\$ 2,572</u>	<u>\$ 2,800</u>
Non-cash investing and financing activities:		
Interest added to principal of secured loans	<u>\$ 91</u>	<u>\$ —</u>
Secured loans received in satisfaction of customer receivable	<u>\$ —</u>	<u>\$ 12,800</u>

Results of Operations Three Months Ended September 30, 2014 and 2013

The operating results of our business for the three months ended September 30, 2014 and 2013 are as follows:

in thousands, except per share data

Three Months Ended September 30,	2014		2013		\$	%
		% of		% of	Increase/	Increase/
	\$	revenue	\$	revenue	(decrease)	(decrease)
Revenue	\$ 1,453,466	100.000%	\$ 1,496,025	100.000%	\$ (42,559)	(2.845)%
Gross profit	5,730	0.394%	7,029	0.470%	(1,299)	(18.481)%
Selling, general and administrative expenses	(4,219)	(0.290)%	(3,648)	(0.244)%	571	15.652%
Interest income	1,477	0.102%	1,457	0.097%	20	1.373%
Interest expense	(1,063)	(0.073)%	(988)	(0.066)%	75	7.591%
Unrealized gains (losses) on foreign exchange	(9)	—%	36	0.002%	(45)	NM
Net income before provision for income taxes	1,916	0.132%	3,886	0.260%	(1,970)	(50.695)%
Provision for income taxes	(778)	(0.054)%	(1,520)	(0.102)%	(742)	(48.816)%
Net income	<u>\$ 1,138</u>	<u>0.078%</u>	<u>\$ 2,366</u>	<u>0.158%</u>	<u>\$ (1,228)</u>	<u>(51.902)%</u>

Per Share Data:

Basic	<u>\$ 0.16</u>	NA	<u>\$ 0.31</u>	NA	<u>\$ (0.15)</u>	<u>(48.387)%</u>
Diluted	<u>\$ 0.16</u>	NA	<u>\$ 0.30</u>	NA	<u>\$ (0.14)</u>	<u>(46.667)%</u>

NM - Not meaningful.

NA - Not applicable.

Company Contact

Steve Reiner, Executive Vice President, Capital Markets & Investor Relations
A-Mark Precious Metals, Inc.

310-587-1410

sreiner@amark.com

Investor Relations Contact:

Matt Glover

Liolios Group, Inc.

949-574-3860

AMRK@liolios.com

Source: A-Mark Precious Metals