

May 9, 2016



A-Mark Precious Metals Reports Fiscal Third Quarter 2016 Results

SANTA MONICA, Calif., May 09, 2016 (GLOBE NEWSWIRE) -- **A-Mark Precious Metals, Inc.** (NASDAQ:AMRK), a full-service precious metals trading company and an official distributor for all the major sovereign mints, reported results for the fiscal third quarter and nine months ended March 31, 2016.

Fiscal Q3 2016 Highlights (compared to the same year-ago quarter)

- Revenues decreased 7% to \$1.51 billion
- Gross profit increased 22% to \$6.9 million
- Net income decreased 29% to \$1.2 million or \$0.17 per diluted share
- Gold ounces sold increased 15% to 662,000 ounces
- Silver ounces sold increased 21% to 27.3 million ounces
- Trading ticket volume increased 5% to 21,807 tickets

Fiscal Q3 2016 Financial Results

Revenues decreased 7% to \$1.51 billion from \$1.62 billion in the same year-ago quarter. The decrease in revenue was primarily due to a 3% decline in the average spot price for gold and an 11% decline in the average spot price for silver, as well as higher forward sales in the same year ago period. The revenue decrease was partially offset by a 15% increase in gold ounces sold and 21% increase in silver ounces sold, driven by demand for the company's primary products.

Gross profit increased 22% to \$6.9 million (0.45% of revenue) from \$5.6 million (0.35% of revenue) in the same year-ago quarter. The improvement in gross profit margin was primarily due to increased performance of its higher-margin custom coin products. The company also experienced higher volatility and demand for its primary products, which drove a 5% increase in trading tickets compared to the same year-ago quarter.

Selling, general and administrative expenses increased 31% to \$5.4 million from \$4.1 million in the same year-ago quarter. The increase was due to higher performance-based compensation accruals and operational costs related to the Las Vegas logistics facility established to provide fulfillment services to customers.

Interest income increased 40% to \$2.3 million from \$1.6 million in same year-ago quarter, driven primarily by an increase in the size of the company's loan portfolio, as well as an improvement in certain finance products.

Interest expense increased 43% to \$1.7 million from \$1.2 million in same year-ago quarter, which was primarily due to greater usage of the company's lines of credit.

Net income decreased 29% to \$1.2 million or \$0.17 per diluted share from \$1.7 million or \$0.24 per diluted share in the same year-ago quarter. The decrease was primarily due to various non-recurring state tax provision benefits recorded in the same year-ago quarter, as well as higher interest expenses and selling, general and administrative expenses, offset by the increase in gross profit and interest income compared to the same year-ago quarter.

Fiscal Nine Months Highlights (compared to the same year-ago period)

- Revenues increased 9% to \$5.05 billion
- Gross profit increased 45% to \$27.0 million
- Net income increased 83% to \$8.2 million or \$1.15 per diluted share
- Gold ounces sold increased 44% to 2.3 million ounces
- Silver ounces sold increased 51% to 100.6 million ounces
- Trading ticket volume increased 8% to 67,522 tickets

Fiscal Nine Months 2016 Financial Results

Revenues increased 9% to \$5.05 billion from \$4.62 billion in the same year-ago period, driven primarily by an increase in the total amount of gold ounces and silver ounces sold. A key contributor to the increase in demand was higher volatility coupled with the decrease in commodity prices during fiscal Q1 2016.

Gross profit increased 45% to \$27.0 million (0.53% of revenue) from \$18.5 million (0.40% of revenue) in the same year-ago period. The increase in gross margin was due, in part, to higher premium spreads on the company's primary products, particularly during fiscal Q1 2016.

Selling, general and administrative expenses increased 25% to \$16.3 million from \$13.1 million in the same year-ago period. The increase was due to performance-based compensation accruals and the overall operational cost of the Las Vegas logistics facility.

Interest income increased 42% to \$6.4 million from \$4.5 million in the same year-ago period. The increase was primarily due to an increase in the size of the company's loan portfolio, as well as an improvement in certain finance products.

Interest expense increased 32% to \$4.2 million from \$3.2 million in the same year-ago period, which was primarily due to greater usage of the company's lines of credit.

Net income increased 83% to \$8.2 million or \$1.15 per diluted share from \$4.5 million or \$0.64 per diluted share in the same period last year. The increase was primarily due to higher revenue and gross profits, partially offset by higher selling, general and administrative expenses and income taxes.

Management Commentary

"The results for our fiscal third quarter of 2016 were generally in line with our expectations," said A-Mark CEO, Greg Roberts. "While our revenues were down due to a reduction in the spot prices for gold and silver, we saw an increase in sales of gold and silver ounces, as well as in trading ticket volume, reflecting higher customer demand. Our gross margin rose in our fiscal third quarter, due in part to improved performance of our higher margin custom coin products.

“Looking ahead to our outlook for the rest of fiscal 2016, we see precious metals pricing gaining traction, which has the potential to benefit our bottom line. We continue to believe A-Mark is in a strong position to grow, and we are focused on delivering this growth through the competitive advantages and versatility of our unique business model, and to continually look for strategic investments.”

Conference Call

A-Mark will hold a conference call today (May 9, 2016) to discuss these financial results. The company's CEO Greg Roberts COO Thor Gjerdrum and CFO Cary Dickson will host the call at 4:30 p.m. Eastern time (1:30 p.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: 13636769

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. If you have any difficulty connecting with the conference call or webcast, please contact Liolios Group at 949-574-3860.

A replay of the call will be available after 7:30 p.m. Eastern time on the same day through May 23, 2016.

Toll-free replay number: 1-877-870-5176
International replay number: 1-858-384-5517
Conference ID: 13636769

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. Through its A-M Global Logistic subsidiary, the company offers storage and order fulfillment services to our retail customers.

Important Cautions 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 include the following: the failure to execute our growth strategy as planned; greater than anticipated costs incurred to execute this strategy; changes in the current international political climate which has favorably contributed to demand and volatility in the precious metals markets; increased competition for our higher margin services, which could depress pricing; the failure of our business model to respond to changes in the market environment as anticipated; general risks of doing business in the commodity markets; and other business, economic, financial and governmental risks as described in the Company's public filings with the Securities and Exchange Commission.

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 for share data)
(unaudited)

	March 31, 2016	June 30, 2015
ASSETS		
Current assets:		
Cash	\$ 12,972	\$ 20,927
Receivables, net	25,928	30,025
Derivative assets	11,086	11,364
Secured loans receivables	64,227	48,666
Inventories:		
Inventories	180,805	152,076
Restricted inventories	93,168	39,425
	273,973	191,501
Income taxes receivable	8,845	7,846
Income taxes receivable from Former Parent	—	1,095
Prepaid expenses and other assets	1,662	1,202
Total current assets	398,693	312,626
Property and equipment, net	3,338	2,850
Goodwill	4,884	4,884
Intangibles, net	2,082	2,369
Long-term secured loans receivables	600	650
Long-term investments	7,785	2,500
Deferred tax assets - non-current	—	23
Total assets	\$ 417,382	\$ 325,902
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Lines of credit	\$ 190,000	\$ 147,000
Liability on borrowed metals	5,573	9,500
Product financing arrangement	93,168	39,425
Accounts payable	42,838	50,639
Derivative liabilities	11,073	17,897
Accrued liabilities	6,600	5,330
Income taxes payable to Former Parent	510	—
Deferred tax liability - current	4,398	149
Total current liabilities	354,160	269,940
Deferred tax liabilities - non-current	268	—
Total liabilities	354,428	269,940
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, \$0.01 par value, authorized 10,000,000 shares; issued and outstanding: none as of March 31, 2016 and June 30, 2015	—	—
Common Stock, par value \$0.01; 40,000,000 authorized; 6,996,964 and 6,973,549 issued and outstanding as of March 31, 2016 and June 30, 2015, respectively	70	70
Additional paid-in capital	22,444	22,470
Retaining earnings	40,440	33,422
Total stockholders' equity	62,954	55,962
Total liabilities and stockholders' equity	\$ 417,382	\$ 325,902

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

	Three Months Ended		Nine Months Ended	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Revenues	\$ 1,512,750	\$ 1,624,495	\$ 5,048,829	\$ 4,616,832
Cost of sales	1,505,892	1,618,871	5,021,871	4,598,285
Gross profit	6,858	5,624	26,958	18,547
Selling, general and administrative expenses	(5,366)	(4,089)	(16,302)	(13,062)
Interest income	2,250	1,607	6,365	4,482
Interest expense	(1,658)	(1,157)	(4,214)	(3,189)
Other income	107	—	613	—
Unrealized gains (losses) on foreign exchange	(102)	(123)	9	(207)
Net income before provision for income taxes	2,089	1,862	13,429	6,571
Provision for income taxes	(894)	(177)	(5,226)	(2,086)
Net income	<u>\$ 1,195</u>	<u>\$ 1,685</u>	<u>\$ 8,203</u>	<u>\$ 4,485</u>
Basic and diluted income per share:				
Basic - net income	<u>\$ 0.17</u>	<u>\$ 0.24</u>	<u>\$ 1.18</u>	<u>\$ 0.64</u>
Diluted - net income	<u>\$ 0.17</u>	<u>\$ 0.24</u>	<u>\$ 1.15</u>	<u>\$ 0.64</u>
Weighted average shares outstanding:				
Basic	<u>6,983,400</u>	<u>6,962,742</u>	<u>6,976,800</u>	<u>6,962,742</u>
Diluted	<u>7,146,100</u>	<u>7,061,600</u>	<u>7,111,900</u>	<u>7,061,700</u>

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

	Nine Months Ended	March 31, 2016	March 31, 2015
Cash flows from operating activities:			
Net income		\$ 8,203	\$ 4,485
Adjustments to reconcile net income to net cash provided by (used in) operating activities:			
Depreciation and amortization		911	678
Deferred income taxes		4,540	(747)
Interest added to principal of secured loans		(65)	(181)
Share-based compensation		224	180
Earnings from equity method investment		(613)	—
Changes in assets and liabilities:			
Receivables		4,097	(16,453)
Secured loans		2,404	381
Secured loans to Former Parent		(1,363)	538
Derivative assets		278	15,794
Income tax receivable		(999)	(5,643)
Inventories		(82,472)	(11,018)
Prepaid expenses and other current assets		(460)	(1,868)
Accounts payable		(7,801)	30,182
Derivative liabilities		(6,824)	(20,277)
Liabilities on borrowed metals		(3,927)	(2,214)
Accrued liabilities		1,270	(1,595)
Receivable from/ payables to Former Parent		1,605	(877)
Income taxes payable		—	(2,178)
Net cash used in operating activities		<u>(80,992)</u>	<u>(10,813)</u>
Cash flows from investing activities:			
Capital expenditures for property and equipment		(1,112)	(87)
Purchase of long-term investments		(4,672)	(1,111)
Secured loans, net		(16,487)	(5,736)
Net cash used in investing activities		<u>(22,271)</u>	<u>(6,934)</u>
Cash flows from financing activities:			
Product financing arrangement, net		53,743	23,504
Dividends paid		(1,185)	(349)
(Repayments) borrowings under lines of credit, net		43,000	(2,400)
Repurchase and retirement of restricted stock for payroll taxes		(250)	—
Net cash provided by financing activities		<u>95,308</u>	<u>20,755</u>
Net decrease (increase) in cash and cash equivalents		(7,955)	3,008
Cash and cash equivalents, beginning of period		20,927	13,193
Cash and cash equivalents, end of period		<u>\$ 12,972</u>	<u>\$ 16,201</u>
Supplemental disclosures of cash flow information:			
Cash paid during the period for:			
Interest expense		<u>\$ 3,997</u>	<u>\$ 3,038</u>
Income taxes		<u>\$ 151</u>	<u>\$ 11,751</u>
Non-cash investing and financing activities:			
Interest added to principal of secured loans		<u>\$ 65</u>	<u>\$ 181</u>

A-MARK PRECIOUS METALS, INC.
RESULTS OF OPERATIONS
(in thousands, except for per share data)
(unaudited)

Condensed Consolidated Results of Operations

The company's operating results for the three months ended March 31, 2016 and 2015 are as follows:

in thousands, except per share data

Three Months Ended March 31,	2016		2015		\$	%
	\$	% of revenue	\$	% of revenue		
Revenues	\$ 1,512,750	100.000 %	\$ 1,624,495	100.000 %	\$ (111,745)	(6.9)%
Gross profit	6,858	0.453 %	5,624	0.346 %	\$ 1,234	21.9 %
Selling, general and administrative expenses	(5,366)	(0.355)%	(4,089)	(0.251)%	\$ 1,277	31.2 %
Interest income	2,250	0.149 %	1,607	0.099 %	\$ 643	40.0 %
Interest expense	(1,658)	(0.110)%	(1,157)	(0.071)%	\$ 501	43.3 %
Other income	107	0.007 %	—	— %	\$ 107	— %
Unrealized losses on foreign exchange	(102)	(0.007)%	(123)	(0.008)%	\$ (21)	NM
Net income before provision for income taxes	2,089	0.138 %	1,862	0.115 %	\$ 227	12.2 %
Provision for income taxes	(894)	(0.059)%	(177)	(0.011)%	\$ 717	405.1 %
Net income	<u>\$ 1,195</u>	<u>0.079 %</u>	<u>\$ 1,685</u>	<u>0.104 %</u>	\$ (490)	(29.1)%
Per Share Data:						
Basic	<u>\$ 0.17</u>		<u>\$ 0.24</u>		\$ (0.07)	(29.2)%
Diluted	<u>\$ 0.17</u>		<u>\$ 0.24</u>		\$ (0.07)	(29.2)%

A-MARK PRECIOUS METALS, INC.
RESULTS OF OPERATIONS
(in thousands, except for per share data)
(unaudited)

Condensed Consolidated Results of Operations

The operating results of our business for the nine months ended March 31, 2016 and 2015 are as follows:

in thousands, except per share data

Nine Months Ended March 31,	2016		2015		\$	%
	\$	% of revenue	\$	% of revenue	Increase/ (decrease)	Increase/ (decrease)
Revenues	\$ 5,048,829	100.000 %	\$ 4,616,832	100.000 %	\$ 431,997	9.4 %
Gross profit	26,958	0.534 %	18,547	0.402 %	\$ 8,411	45.3 %
Selling, general and administrative expenses	(16,302)	(0.323)%	(13,062)	(0.284)%	\$ 3,240	24.8 %
Interest income	6,365	0.126 %	4,482	0.097 %	\$ 1,883	42.0 %
Interest expense	(4,214)	(0.083)%	(3,189)	(0.069)%	\$ 1,025	32.1 %
Other income	613	0.012 %	—	— %	\$ 613	— %
Unrealized gains (losses) on foreign exchange	9	— %	(207)	(0.004)%	\$ 216	NM
Net income before provision for income taxes	13,429	0.266 %	6,571	0.142 %	\$ 6,858	104.4 %
Provision for income taxes	(5,226)	(0.104)%	(2,086)	(0.045)%	\$ 3,140	150.5 %
Net income	<u>\$ 8,203</u>	<u>0.162 %</u>	<u>\$ 4,485</u>	<u>0.097 %</u>	<u>\$ 3,718</u>	<u>82.9 %</u>
Per Share Data:						
Basic	<u>\$ 1.18</u>		<u>\$ 0.64</u>		<u>\$ 0.54</u>	<u>84.4 %</u>
Diluted	<u>\$ 1.15</u>		<u>\$ 0.64</u>		<u>\$ 0.51</u>	<u>79.7 %</u>

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