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BASIQ[®] PM-PRO and BASIQ[®] OpenPM
Precious Metals Management Software

Metal Ownership

The core of a solid metal inventory control and security system is the seamless allocation of metal ownership. From the moment precious metal is physically received, accountability is assigned not only to specific departments but also to authorized individuals within the department.

The transfer of ownership from one department to another, therefore, requires a handshake between two authorized individuals, one from each department. A "handshake" typically occurs when the two partners to a transaction agree on the reading of a scale and document their agreement. In the precious metals industry, this process is known as the "4 Eye Principle" (short 4EP), elsewhere known as the "Two Man Rule".



Both BASIQ® PM-PRO and BASIQ® OpenPM are capable of including 4EP records for each metal transaction record, be it an electronic signature, a photographic document or a video clip from surveillance equipment.

For more detailed information on metal security implications of this procedure please refer to our "SmartSecurity" publication.

Metal Gains and Losses

Any kind of metal fabrication process, chemical or metallurgical, will yield less than 100% of product. The same is true for recycling processes. To manage such losses contractually, buyer and seller usually agree on a fixed metal loss, yield or return rate. This rate can be expressed either in percent of precious metal deducted / to be oversupplied, or as its equivalent in currency.

As a result, upon completion of each business there will be a difference between the contractually agreed metal losses versus the loss actually incurred. Actual losses become even harder to track when metal moves further downstream into filters, pipes, wipes or other places that can only be cleaned periodically. Materials recovered from these areas often require the services of a third party and lead to additional charges and metal losses. Knowing the actual process yield becomes a growing challenge with each such step or event.

BASIQ® PM-PRO and BASIQ® OpenPM will help your organization track all metal quantities along the way, including third party processors or suppliers.

Our team of consultants is experienced in all aspects of the precious metals industry. We will help you design your manufacturing and business processes in ways that will improve visibility and traceability of your metals.

Optimizing the high level design of these processes before setting up a precious metals management solution will keep processes simple, and help pinpoint areas that should be improved.

Settlement Process

The settlement of refining lots is a particular challenge for most IT solutions.

Refining lots are challenging because the exact precious metals content is unknown at the time a refining batch is received. Options are to

1. Estimate the precious metals content based on customer data or experience or
2. Leave the content unrecorded (a common practice although problematic with respect to liability).

Whichever method is applied, the transaction needs to be adjusted at the end of the process when the exact precious metals content is known.

Three methods are in use to accomplish this:

- A. Reversal of the initial transaction, and creation of a new record. Simple to use but all information on deviation between estimate and reality is lost.
- B. Adjustment of the discrepancy between estimate and actual. Book the balance to a special Gain/Loss account and settle it periodically. All data are preserved.
- C. Settle based on option B above with no data on the original material.

BASIQ® PM-PRO and BASIQ® OpenPM support all of these settlement processes.

Reports

BASIQ® PM-PRO and BASIQ® OpenPM are designed to never write to your standard ERP system (unless configured otherwise by you). The two products will read from your ERP system, process data according to formulae or algorithms managed by special program adapters, and provide all output by means of reports.

The following standard reports are included in the software:

- List of documents / records (with many options to create filters)
- List of inventories (with many options to create filters)
- Inventory history (shows 12 months of history)

Additional reports are available after customization:

- Account details, showing start and end history, and all documents in the respective period
- Reconciliation report for MM (Material Management) records – adjusted to customer’s classification criteria
- Reconciliation report for SD (Sales and Distribution) – adjusted to customer’s classification and pricing conditions
- BOM Report – balance of Bills of Materials – adjusted to customer’s configuration
- Production Order Report – balances in and out of precious metals in production orders
- Pool Account Statement – metal balances and account history for customer information

BASIQ® PM-PRO: the world's leading software for managing precious metals in SAP.

The two fundamental issues that SAP and other business management software have with precious metals are that precious metals:

- need to carry a fluctuating system price or value and
- can be consumed or converted by processing.

BASIQ® PM-PRO solves these problems by extracting the weights of all precious metals from standard SAP and writing them into a custom system of tables with double-entry accounting. Numbers in these tables can act like currency and thus be valued differently at any time required. This is the key to near limitless flexibility in precious metals valuation and accounting, suiting the needs of any metals controlling or accounting rules.

In addition, by offering the possibility of creating an indefinite amount of accounts BASIQ® PM-PRO enables its users to track metals anywhere in production, storage, multiple sites or outside partners; monitor ownership of particular lots or batches of precious metals at all times and manage the settlement process of precious metals in refining processes.

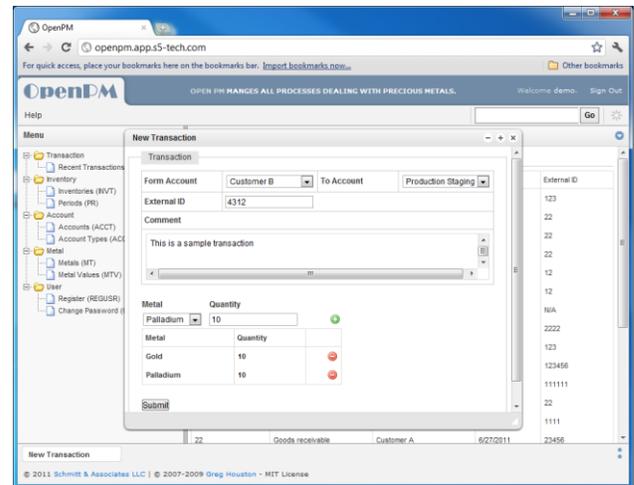
As a result, your business will be enabled to

- Precisely pinpoint losses and gains
- Reduce metal inventory by planning more accurately
- Have complete accountability for all physical metal quantities, and seamless "Four Eye Principle" metal transfers
- Forecast metal requirements, location and availability by date

BASIQ® OpenPM: manage your precious metals in any software environment.

SAP is not for everyone: smaller companies in particular prefer other solutions for managing their businesses.

BASIQ® OpenPM is designed as a standalone solution capable of interfacing with practically any ERP or business management system available.



The product is similar to BASIQ® PM-PRO in all key features and can be customized to capture any business process already in place.

BASIQ® OpenPM is browser based and requires no installation or maintenance on its user's workstations. It can be installed securely on a local server or in the Cloud, and is completely serviceable remotely.

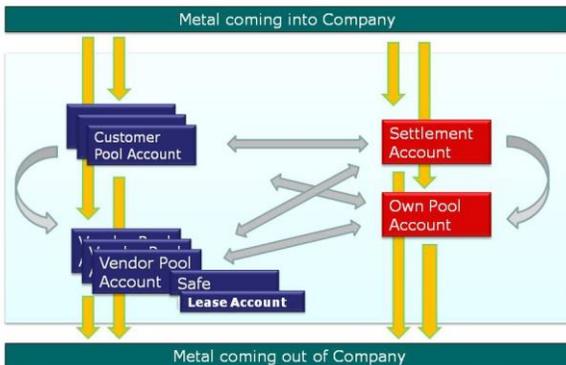
As an add-on, this product can be equipped with unique 4EP functionality (see next page) to combine metal tracking with metal security in a seamless manner.

Method and Workflow

BASIQ® PM-PRO and BASIQ® OpenPM complement enterprise resource planning (ERP) systems. Our products store relevant information in a database and provide reports based on this information.

This will allow you to track quantities and ownership as well as metal losses or gains accurately at all times. The system handles, manages and provides information such as inventory levels, production yields, accountability and pool account balances. The “look and feel” is consistent throughout each module.

The internal workflow is as follows:

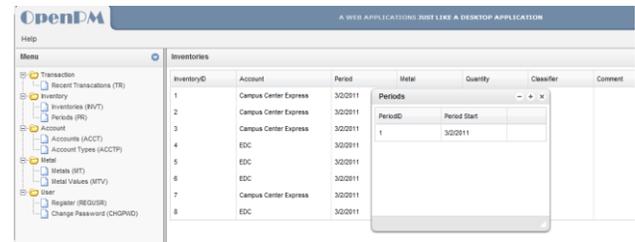


To unlock the software’s full capabilities, your ERP software of choice must provide for batch management.

Technology

BASIQ® PM-PRO is an add-on to SAP. It will work seamlessly with all current SAP releases after initial setup and basic configuration. All screens follow SAP’s standard layouts and methodology.

BASIQ® OpenPM takes advantage of Microsoft’s WTF ASP.net technology. This technology provides for a modern WEB 2.0 look-and-feel and allows safe and robust software development.



It may be used on a server license or subscription basis without local installation. Although it will work as standalone software we recommend integrating it with ERP or business management software to avoid redundant or incorrect data entry that would lead to discrepancies between the two systems.

Some Facts

BASIQ® PM-PRO is designed as an add-on for SAP only. It will not work as a standalone product, and it requires customization to use.

BASIQ® PM-PRO is release-independent and can be used with any version of SAP.

BASIQ® OpenPM can be used either in connection with an ERP system, or as a standalone product. Basic configuration is required.

Metal trading features (trades, hedges and leases) can also be managed by our software. These processes are, however, very specific to individual customers so we custom-configure them individually for each project.

BASIQ® PM-PRO and BASIQ® OpenPM are inventory management systems. SAP users will want to use values stored in their standard software, and create valuation on the reporting level. Users of BASIQ® OpenPM have the option of an enhancement that will also record values.

Please contact us for pricing information, and for an estimate of the amount of configuration or customization required.

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We solve problems.