



Buying Precious Metals

A guide for investors in gold, silver
and platinum bullion



Gold. Silver. Platinum.

Acclaimed for their beauty and recognized as a store of value, precious metals have captivated humanity throughout history. Today, they continue to attract investors with their rarity and economic value.

If you're curious about what's involved in buying and owning precious metals, this guide offers you an introduction to the world of gold, silver and platinum bullion.



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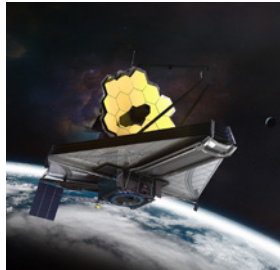
London Good Delivery Bars

Why Investors Choose Bullion

Precious metals have been valued and traded throughout history. Whether used for adornment, in ceremonies or as currency, gold, silver and platinum have always been held in high regard and remain, to this day, a popular choice for investment.

Investing in gold, silver and platinum may help reduce overexposure to any one particular asset class and balance risk in investment portfolios. If you're looking to invest in precious metals, the Royal

Canadian Mint offers traditional options such as bars or coins (with guaranteed weight and purity) as well as alternative options such as gold and silver exchange traded receipts (ETRs).



Some of the oldest minted coins on record originated from the Kingdom of Lydia, now part of modern-day Turkey, dating back to around 560 BCE. Today, gold, silver and platinum are not only in high demand for jewellery but also play a crucial role in research and technology, with applications from electronics and aerospace to renewable energy and medical treatments.

A Tangible Store of Wealth

Because precious metals are real physical assets with perceived inherent value that lasts over time, they aren't subject to the same forces that drive financial markets up and down. That's why many people consider

them a "safe haven" investment to weather times of economic uncertainty. They can also help you create a more balanced and diversified investment portfolio.

[Experts at the World Gold Council](#) highlight that, unlike silver and platinum, the demand for gold as an investment far outweighs its demand for industrial uses. As of the date of publication of this guide, only 8% of world demand for gold is for technical uses.¹

¹[World Gold Council: Gold Market Structure and Flows](#)



A Strategic Asset

According to experts, bullion (particularly gold) may be an appealing investment because:



It has high **liquidity**, meaning it can easily be sold for cash or traded for goods and services.²



It has historically provided **higher returns over the long term** compared to “paper” investments such as bonds.³



It has tended to gain value when stocks and other financial assets fall, helping investors **protect their wealth** during market downturns.⁴



It has shown to **hold its value over time**, unlike fiat currencies.^{5*}

? ***Fiat currency:** Currency for trade/commerce whose worth is assigned by the government that issues it.

² [World Gold Council: Gold as a strategic asset: 2024 edition](#)

³ [World Gold Council: Gold as a strategic asset: 2024 edition](#)

⁴ [LBMA: Gold Resilient in Adversity](#)

⁵ [Mining.com: Gold versus fiat](#)



Gold Maple Leaf (GML) bullion coins

Bullion 101

Get to know the technical terms that go along with bullion to make navigating the buying process easier.

Precious Metal Categories

Precious metals are made available in several different ways, each offering unique opportunities for investors and collectors alike.



Coins

Coins are the most convenient way to buy and sell precious metals. They come in many sizes, with Royal Canadian Mint bullion coins ranging from $\frac{1}{20}$ of a troy ounce (t oz.) to multiple ounces of pure precious metal. [\(Learn more about troy ounces.\)](#)

In Canada, bullion coins produced by the Royal Canadian Mint are legal tender, but their face value is lower than their market value. For example, the face value of a one-ounce Gold Maple Leaf (GML) coin is \$50—but the market value of the coin is determined by the current market price of its gold content. At the time of publication, the coin's price exceeded \$3,000, with variations depending on the retailer.



Bars

Bars, like coins, can be purchased in a variety of sizes, usually up to one kilogram (32.15 t oz.) in weight. Some are even larger—as much as 400 t oz.—but these are traded mostly by central banks and institutional investors. Unlike coins, bars are not considered legal tender.

An alternative to owning (and having to store) precious metals is exchange-traded funds (ETFs), sometimes also referred to as exchange-traded products (ETPs). Gold ETFs have been available since 2003 and give investors ownership of the proportion of the gold that underlies a specific fund.



Silver Maple Leaf (SML) bullion coins



Numismatic coin

What's the difference between bullion and numismatic coins?

Bullion

Bullion coins are made of pure precious metal in undetermined numbers. They are tangible physical assets made for investment and are highly liquid, traded on commodity markets across the globe.

Numismatic

Numismatic coins are designed specifically for collectors. They usually contain precious metal, but their real appeal is in their elaborate designs, innovative features, craftsmanship, plating, finishes* and other elements.

? ***Finish:** The appearance or surface texture of a coin's relief. For example, the maple leaf on our signature GML, Silver Maple Leaf (SML) and Platinum Maple Leaf (PtML) bullion coins has a radial line finish.

Precious Metal Types

Whether you decide to purchase gold, silver or platinum, it is important to assess which options align best with your investment portfolio.



Gold

Gold is a sought-after commodity because it has historically been less affected than other investments by currency fluctuations, inflation and economic uncertainty.⁶ Even governments have traditionally stored gold bullion—typically bars or coins—in vaults to back their currencies.⁷ Experts classify gold as a highly liquid asset, easily sold for cash on the global market.⁸



Silver

For centuries, silver has been used as a form of currency and a store of value. To this day, silver is a sought-after commodity and used to diversify investment portfolios.⁹ The price of silver has historically been less stable than gold, often correlating directly to industrial demand.¹⁰ But because it is usually sold in smaller increments, silver is relatively easy to trade and sell.



Platinum

Much rarer than gold and silver, platinum has become a desirable commodity. Like silver, platinum's price tends to be influenced by market supply and demand.¹¹

Guaranteed Purity and Weight

Purity is the percentage of a bar or coin that is made up of precious metal. According to the London Bullion Market Association, a bar must be at least 99.5% pure to be considered "bullion,"¹² meaning it contains low quantities of alloy metals* or impurities. At the Royal Canadian Mint, we uphold a higher standard. Our fine gold and silver must meet a purity level of at least 99.99%.

The purest gold available for investment is 99.999% pure ("five nines")—and the Royal Canadian Mint was the first to offer this level of purity. Some mints can offer 24-karat gold that is 99.99% pure ("four nines"), while others are limited to 22-karat gold that is 91.67% pure.

? Alloy: A metal made of two or more different metals. Precious metals are often mixed (or "alloyed") with other metals like copper, nickel or zinc. Alloy metals are removed or added depending on the desired purity.

⁶ LBMA: [Gold Resilient in Adversity](#)

⁷ World Gold Council: [The Classical Gold Standard](#)

⁸ World Gold Council: [Gold as a strategic asset: 2024 edition](#)

⁹ The Silver Institute: [The Relevance of Silver in a Global Multi-Asset Portfolio](#)

¹⁰ The Silver Institute: [Factors that Determine the Silver Price](#)

¹¹ World Platinum Investment Council: [Platinum Diverse Drivers of Demand](#)

¹² LBMA: [The Guide: An Introduction to the Global Precious Metals OTC Market](#)



Royal Canadian Mint 1 kilo gold bars

London Bullion Market Association (LBMA)

The LBMA is the international trade association for the gold and silver bullion market—and the global authority on precious metals. It sets refining standards, maintains the list of accredited refiners and serves as a

point of contact for regulatory authorities. Gold, silver and platinum price auctions take place in London every business day—with those prices becoming the benchmark prices used all over the world.

“I can think of no clearer demonstration of gold’s role as a store of value than the enthusiasm with which investors across the world have turned to the metal during the unique social and economic turmoil of [the pandemic]. Gold has once again proved to be the safe haven of choice in periods of uncertainty and high volatility.”

RUTH CROWELL, CEO, LBMA



Spot, Bid and Ask Prices

Gold, silver and platinum are traded just like stocks and other securities, so the price is always changing. The current price for one troy ounce is called the “spot price”.

The spot price is largely influenced by institutional and large-scale investors. It reflects the average “bid price”, which is the price at which dealers are willing to purchase. This is different from the “ask price”, which is the price dealers are currently seeking for the bullion they have to sell. The bid and ask prices are usually quite close but

will vary from one dealer to the next, which is why it’s best to shop around.

Note that spot price should not be confused with the LBMA price, which is a benchmark price determined through an auction that happens twice daily for gold and platinum, and once daily for silver. The LBMA prices for gold and silver are administered independently by the ICE Benchmark Administration; for platinum, it is administered by the London Metal Exchange.¹³



Premium or Mark Up

There are costs involved in the manufacturing, transportation and delivery of bullion, so dealers will typically charge a “premium” on top of the spot price to cover those costs.

Smaller bars and coins will have higher premiums than larger ones, reflecting the higher cost of production relative to their bullion weight.



Troy Ounces

The troy ounce is a unit of measurement that dates back to the Middle Ages and is used today specifically for weighing precious metals. One troy ounce (abbreviated as “t oz.”) is equal to 31.1 grams. That’s different

than the ounces used to measure flour or sugar, which equal just 28.35 grams. Any time a bullion product is described in terms of ounces, “troy ounce” is implied.

¹³ LBMA: About LBMA Daily Auction Prices



Be an Informed Bullion Buyer

If you're thinking about buying precious metals, it's a good idea to do some research first. There are some key things you'll need to know—and questions to ask—to make sure you get the most from your precious metal purchase.

How Can I Buy Physical Bullion?

One of the easiest ways to purchase physical bullion coins and bars is through a local precious metals dealer.

[Visit our website to find an authorized Royal Canadian Mint dealer near you.](#) If your bank offers investment services, you may also want to contact them.

Most mints, including the Royal Canadian Mint, sell their products either directly in specialized outlets or to distributors who, in turn, re-sell to bullion dealers and retailers all over the world.



What Should I Look For In a Bullion Dealer?

Before you buy, do your homework to find the dealer that best suits your needs. Here are three main things to consider when choosing a bullion dealer: price, trust and accessibility.



Price

It's important to get good service and value for your money when buying bullion. Shop around: visit different dealers' websites and ask for competitive quotes to make sure you're paying a fair price. You can check their quotes against the current spot price listed on precious metals exchanges such as the [LBMA](#).

Remember, you should expect to pay a premium above the spot price. Because of their size, national bullion retailers can take advantage of economies of scale that may translate into lower premiums.



Trust

Look for an established dealer who understands the bullion market. Look into how long they've been in business and if they have a history of satisfied customers. Reading reviews on coin blogs and forums is one of the best ways to tell if a dealer is reliable. Ask for recommendations from your financial advisor or other investors.

If a dealer is located in your hometown, visiting them in person provides an opportunity to establish a relationship—and save on any shipping costs.



Accessibility

You want a dealer who can provide great service, useful advice and fast delivery—in other words, somebody who makes it easy for you to acquire the products you want. If they have an online shop and a physical retail store, that gives you more ways to buy. Be sure to ask about their "buyback" policies: how simple is the process to sell your bullion back to the dealer?

The importance of objective marketing and sales efforts

When investing in precious metals, it's essential to proceed with caution and choose a trustworthy provider. Collect objective information about the product and its potential performance, and be wary of providers who make guarantees or overly optimistic promises. Before making any decisions, carefully assess your risk and weigh that against your potential reward. Keep in mind that precious metals price can be volatile.

To mitigate some of the potential investment risks, there are several precautionary steps you can take. For example, the Royal Canadian Mint provides an assay certificate for select bullion coins that certifies the authenticity and purity. And for managed gold products, ensure the providers collaborate with trustworthy vault operators. Their products should be both insured and regularly audited.



You should never feel pressured into purchasing investment products. Key red flags include:

- Aggressive sales tactics, such as rushing you into a decision
- Unsolicited contact
- Misleading endorsements
- Aggressive ads
- Claims that your savings are in jeopardy if you don't invest in their offerings

Why it is important for a provider to adhere to regulatory and voluntary standards

While some retail precious metal investment products are subject to regulatory supervision, many operate outside regulated frameworks. It is important to do your research before making a purchasing decision, including checking whether a company complies with regulatory and voluntary standards, adheres to industry codes, and follows recognized practices. Purchasing from regulated service providers can offer additional protection through

compensation schemes, which may cover operational errors on the organization's part.

The [LBMA's Global Precious Metals Code](#) outlines expected standards and best practices for participants of the over-the-counter precious metals wholesale market. The Royal Canadian Mint and several Canadian retail providers are affiliated with the LBMA and adhere to its guidelines.



Should I Buy Coins, Bars or ETFs?

Coins

Coins are typically more affordable than bars because they weigh less—though their smaller size means they have higher premiums than bars. They can also be easier to sell if you need to liquidate part of your investment. For example, 32 one-ounce coins contain roughly the same amount of gold as a one-kilogram bar. You can always sell a few coins, but with a bar you'd have to sell the entire asset at once.

While some coins are available in fractional amounts (including $\frac{1}{2}$ -, $\frac{1}{4}$ -, $\frac{1}{10}$ - and $\frac{1}{20}$ -ounce), you'll pay a higher premium than you would if you were to buy the full ounce. Bullion coins also have aesthetic value, featuring the unique design of the mint that made them.

Bars

Bars are often chosen by financial institutions, investment funds, corporations and others looking to invest in large quantities of precious metals and benefit from lower premiums.

Like coins, bars vary in size: the Royal Canadian Mint offers gold bars as small as 10g and silver bars as small as 10 ounces.

ETFs

In addition to physical coins or bars, you can also acquire precious metals as ETFs. They offer the liquidity of stock investments and may be favoured by investors who want to avoid the logistical challenges of storing, transporting and insuring physical assets.



How Is the Price of Precious Metals Determined?

Gold is traded around the clock on precious metal exchanges around the world, including in London, New York, Tokyo, Singapore and Shanghai. The value of one ounce of gold (the spot price) fluctuates constantly throughout the day based on buyer and seller activity on these exchanges, but twice a day the LBMA sets a “fix price”. This price is used as a benchmark by banks, mines and other large market participants. The LBMA uses a similar process to set the prices of silver and platinum.

Various factors influence the retail sale price of gold and other precious metals. When the stock market has done well (a “bull” market) or the value of the US dollar has gone up, the price of gold has historically gone down. In “bearish” market conditions with low investor confidence—or during times of crisis such as political upheaval or pandemics—“safe haven” investments like gold have historically increased in popularity, driving its price up.

What Other Costs and Fees Are Involved?

Beyond the base investment price, buying and selling bullion comes with certain additional fees and costs.

When you purchase bullion, you can expect to see a purchase fee, also referred to as a transaction fee or commission, which is usually a percentage of the investment amount.

Providers typically also charge a purchase premium, which compensates them for the

production and transportation of the bullion products. While providers typically list their purchase fees, details about purchase premiums might not be as transparent. Different coins with equal precious metals content can also carry different premiums, leading to different overall prices. You can calculate the premium by subtracting the value of the metal the bullion contains from the purchase price.

Typically, smaller items like coins command higher premiums compared to larger items like bars.

Selling bullion also comes with its own additional costs, including selling fees and selling discounts. In addition, it’s important to note that how you choose to store your bullion may also incur additional fees. [Learn more about storing precious metals.](#)



How Can I Tell If My Coins Are Secure?

It is rare to find counterfeit bullion circulating in Canada, but there are ways to make sure you're buying the real thing. First, look at the coin's security features. The Royal Canadian Mint uses specific processes during manufacturing to make sure its coins are hard to copy. These include:

- **Security marks** that are micro-engraved with laser technology, with fine details visible only under magnification
- **Radial lines** that stretch across the coin's surface, precisely machined to within microns*

- **Bullion DNA™** (digital non-destructive activation) anti-counterfeiting technology to authenticate registered bullion products—available with one-ounce GML and SML coins from the Royal Canadian Mint

Second, it's also smart to examine the packaging of your bullion products to ensure it hasn't been altered, previously opened or tampered with in any way.

? ***Micron:** Also called a micrometre, one micron is equal to one-thousandth of a millimetre.



How Should I Store Precious Metals?

Before you buy, you should consider how (and where) you're going to store your bullion. Some people keep it in a safety deposit box at their bank. Others bring it home and keep it in a safe.

If you choose to take your bullion home, the place where you store it should be controlled for both temperature and humidity. This will help keep your bullion in good condition.

Some bullion dealers offer their own storage services for a fee. This makes it easier in some cases to sell your precious metals back to the dealer because the "chain of custody" is never broken.

ETFs and other managed gold products eliminate the need to worry about storage. The providers of such products store your holdings on your behalf in secure, professional vaults. These companies typically offer two storage options: allocated or unallocated bullion. Allocated storage grants you ownership of specific physical bars or coins, whereas with unallocated storage, your investment represents a share in a larger, aggregate reserve of bullion. Unallocated storage typically incurs lower storage fees, but you do not have a claim to any specific physical bullion property.

As always, do your research first to make sure you're storing your precious metals with a reputable company.



Gold Maple Leaf (GML) bullion coins

Why Buy Bullion Made By the Royal Canadian Mint?

After more than a century of operation, the Royal Canadian Mint has one of the most technically advanced gold and silver refineries and coin-minting facilities in the world.

The Royal Canadian Mint was founded in 1908 and our refinery began operations in 1911 to meet Canada’s need for its own coins.

We introduced our first 999 fine gold bullion coin in the mid-1960s. In 1982, we introduced the world’s first 99.99% pure gold bullion coin—and have since produced some of the finest bullion products on the market. Our coins and bars are recognized worldwide for their quality, security, popular designs and global liquidity.

The weight, content and purity of our bullion bars and coins are backed by the Government of Canada. Our bullion products are accepted by all major precious metal exchanges around the world.



The Royal Canadian Mint provides highly secure storage of globally recognized precious metal products for financial institutions, investment funds, corporations and other high net worth clients through a network of secure vaults around the world.

A History of Industry Firsts



1982

The world’s first 99.99% pure gold bullion coin



1988

The world’s first 99.99% pure silver bullion coin



2007

Record-setting 100-kilogram, 99.999% pure gold coin—the Million Dollar Coin—with a \$1 million face value



2016

Introduction of Bullion DNA™ security features, making the Royal Canadian Mint’s coins the most secure in the world

Committed to Responsible Sourcing

The Royal Canadian Mint refines gold and silver received from mines, recyclers, financial institutions and other sources. Because today's buyers want to know where their precious metals come from, we established the Responsible Precious Metals Program to identify and validate the chain of custody of all incoming gold- and silver-bearing refining deposits.

We firmly oppose all activities that finance or contribute to abuses of human rights, including the illegal mining or trading of "conflict minerals" within the gold and silver

sectors. To promote the responsible sourcing of precious metals used in our processes and products, we require our refining customers and suppliers to participate in our program. That means:

- Having strong management systems in place to identify and assess risks in their supply chains
- Arranging for audits of their supply chain by an independent, third-party provider
- Reporting publicly on the results of their audits



The Royal Canadian Mint is an accredited LBMA Good Delivery refiner, agreeing to a set of obligations and standards on how we source precious metals from suppliers and customers.



Agnico Eagle's Meliadine mine

Our refinery is an ISO:9001 and ISO14001 accredited facility, which means we're accredited to international standards for our quality and environmental management systems.

A Wide Selection of Bullion Products

The Royal Canadian Mint produces bullion products that are globally recognized for their innovation, ingenuity and excellence.



Maple Leaf bullion coins

Maple Leaf bullion coins are sought-after around the world for their excellent quality, innovative technology and exquisite design.



Limited-edition bullion coins

We routinely produce special coins to mark significant occasions or to celebrate Canadian flora and fauna—perfect for investors, collectors and gift-givers alike.



Bars

Our bars come in a variety of sizes to meet every investor's unique needs.



For more information about bullion products from the Royal Canadian Mint or to find an authorized Bullion DNA dealer:

[Get Into Bullion | The Royal Canadian Mint](#)



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