



## RISK DISCLOSURE STATEMENT

**THE PRICES OF PRECIOUS METALS AND PHYSICAL COMMODITIES ARE UNPREDICTABLE AND VOLATILE. BORROWING MONEY TO ACQUIRE COMMODITIES INCREASES THE RISK OF THE INVESTMENT. INVESTMENTS IN COMMODITIES THAT ARE FINANCED ARE VERY HIGH IN RISK. YOUR RISK OF LOSS WHEN INVESTING IN COMMODITIES IS HIGH REGARDLESS OF HOW CURRENT PRICES COMPARE TO PAST MARKET PRICES OF THOSE COMMODITIES.**

**Madison Precious Metals, Inc. makes no representations as to the advisability of investing in physical commodities. Madison Precious Metals, Inc. encourages you to understand your risks of investing. If you have any questions regarding this document or the accompanying documents, you may telephone Madison Precious Metals, Inc. at (804) 897-4450.**

### STATEMENT OF ADDITIONAL RISKS IMPORTANT INFORMATION PLEASE READ CAREFULLY

1. You will only make money investing in commodities if the value of the commodity moves favorably enough to compensate you for various fees, including:

- (a) Commissions imposed by Madison Precious Metals, Inc.;
- (b) The "spread" between the bid and ask prices of the commodity, quoted by Madison Precious Metals, Inc.; and
- (c) Interest and service fees charged by Madison Precious Metals, Inc.

The "Statement of Estimated Costs and Break-Even" provided by Madison Precious Metals, Inc. sets forth these costs. Please read the statement very carefully before you invest.

2. You are required to maintain sufficient equity in your account to meet the Madison Precious Metals, Inc. minimum equity requirements that will be disclosed, in detail, during a tape-recorded telephone conversation prior to each opening transaction and confirmed in writing that will be mailed to you within two business days after each transaction is confirmed. In the event the value of your collateral causes your equity to fall below the amount required, a call for additional funds ("Equity Call") to increase your equity may be triggered. In this event, you will be required to remit funds to meet the call within short notice (i.e. within 5 business days).

3. If at any time the equity in your account falls below the forced liquidation equity level regardless of whether an equity call has been issued, or if an equity call is not met within the required time, the collateral in your account may be force liquidated. If you owe Madison Precious Metals, Inc commodity that you have borrowed, the action taken is a forced purchase.

You must read the Madison Precious Metals, Inc. Loan, Security and Storage Agreement for full terms and conditions. Please make sure that you understand equity calls and forced liquidations before you invest.

4. Any verbal or written statements made to you by any representative of Madison Precious Metals, Inc. that is inconsistent with the risks set forth herein should be reported immediately to the Managing Director of Madison Precious Metals, Inc (e.g., "realistically, at its current price, your metal can only go up in value"). If at any time you perceive any communication with a representative to be offensive or unprofessional in nature (e.g., high pressure, unresponsive to requests), or you have some other complaint, it should be reported to the Managing Director of Madison Precious Metals, Inc., preferably in writing. You should ascertain from your representative the availability of a limited right to rescind your first transaction and the exact terms describing such right.

Company Contact Information: Madison Previous Metals, Inc., 13817 Village Mill Drive, Suite 101, Midlothian, VA 23114, Phone: (804) 897-4450 FAX: (804) 897-4480.

Acknowledged and Agreed to this \_\_\_\_ day of \_\_\_\_\_, 2\_\_\_\_.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature