

Thanks for accessing this special report. The subject today is "The Hidden Profits in Platinum". For a good general background on platinum, its characteristics, and uses, refer to my January and February 2002 issues of "The Recycling Entrepreneur" link:

<<http://recyclebiz.com/newsletter%20archive.htm>>

Platinum has a very interesting history. Frequently mistaken for silver or "immature gold" by ancient prospectors, it was thrown back into the streams and rivers from whence it was panned. One of the characteristics which led the prospectors to believe it to be more like gold than silver is its weight or specific gravity.

Today, platinum and its brother metals are primarily used in industrial applications. However, in many countries (especially Japan), platinum jewelry is highly desired. It used to be much more popular in the US in jewelry and is making a resurgence in demand.

This report concerns primarily scrap platinum from jewelry sources because this is the second most plentiful type of platinum scrap after catalytic convertors. Complete details for profiting from scrap "cats" is found in The Recycler's Library. If you are not already an owner of these manuals, go to:

<<http://recyclebiz.com/newsletter.htm>>

OK, so what's so special about scrap platinum jewelry from the recycler's standpoint? Thought you'd never ask! First of all, the number of knowledgeable buyers is extremely low. The things you will learn from this report will give you the edge over 99% of people recycling precious metals (unless they have my manuals).

Do this: check your local phone directory for companies buying scrap gold. This might include pawn shops, scrap metal dealers, junk yards, and coin shops and jewelers. Notice how many of them advertise to buy scrap platinum. Also check the classified ads in your local newspaper for the same info.

Call a few of these companies and ask how much they're paying per ounce (or gram, or pennyweight) for these types of scrap: 10k gold, 14k gold, 18k gold, yellow dental gold, and platinum. The unit of measurement is unimportant - you only want a comparison of what is being paid for these metals locally. Make notes of this info and try to get it from more than one local source. Also, if you find any gold refiners, call them for their prices.

Now go to: <www.kitco.com> for current precious metals prices. These will all be in troy ounces, so if your scrap prices you've gathered are in pennyweights, multiply the price by 20 for the per ounce weight. If you got price per gram, multiply by 31.1. You'll most likely find that most buyers are paying about the same for platinum

jewelry as for 14k gold. Some may be paying close to 18k gold prices for platinum.

So what, you ask? Well, here's hidden profit tip one: While 14k gold is 58.3% gold and 18k is 75% pure, platinum jewelry is always 90% pure platinum! Combine that fact with the fact that platinum generally enjoys a much higher price per ounce than gold, and you'll see why platinum buyers LOVE platinum!

These folks enjoy substantially higher profits when buying platinum than they do buying gold. If you ask them why their buying prices are so low for platinum in comparison to its value, they'll tell you that it costs much more to refine platinum and their profits are actually LOWER. BULL!! They are either lying to protect their gravy train profits, or they simply do not know their own business. There is absolutely no reason for them to be getting a lower return for their platinum than they do for gold.

The bottom line here is that the key to being able to compete with ANYONE other than the major platinum refiners (and there are only a couple dozen of them), is finding the BEST buyer/refiner for your scrap! Here's how: go to <http://www.thomasregister.com> and register with them for free.

Do a search on platinum refiners, especially in your area. Email them and get their refining schedule or purchase prices. But BEFORE you do this, read the rest of the report, because we're not done yet!

OK, Scott, what's "the rest of the story"? Remember that jewelry platinum is 90% pure? Good! Bear in mind that gold jewelry is only partially gold. Do you know what the balance is? If you guessed some base metal such as copper or zinc, go to the head of the class! Bet you don't know what platinum is alloyed with!?! Well, it is always another platinum group metal, usually iridium. If you come across any type of industrial platinum (alloyed metal, not catalyst such as from convertors) you'll find it is combined with rhodium, palladium, rhodium, and/or iridium.

Does anyone ever pay for these values when buying scrap? The answer is absolutely not. This is the other hidden value in dealing with platinum scrap. Your goal is to locate a buyer/refiner who will pay you for the "residual" values in your scrap alloy. The key here is that you'll need to guarantee that you'll be providing a minimum of 10 to 20 troy ounces of scrap in order to be paid for ALL your metal rather than just the 90% which is platinum. Keep looking until you find the right refiner or buyer for your material.

Follow the techniques for buying scrap explained in The Recycler's Library and go out there and find that scrap. Other types of industrial platinum scrap are platinum crucibles, platinum wire, and thermocouples. But the volume is going to be in jewelry. Be sure to obey all local and state regulations regarding buying scrap precious metals from the public, and expect to be contacted by local law enforcement if you do any advertising to the public. Keep a low profile and market heavily using referrals and word of mouth rather than print or

media ads.

Once you are satisfied that you are competitive in your market place, make offers to current buyers of scrap, especially pawn shops and junk yards, to buy their scrap platinum. You could potentially offer them more than they are getting from their buyers if you're able to get paid for the residual values! Then things will REALLY get interesting, because your volume will multiply by orders of magnitude.

So, good luck, and happy platinum hunting. As always, let me know of your successes and challenges. I have a sincere desire to see you succeed with this information!