



PRESS RELEASE

For immediate publication

Kitco continues to categorically reject all of the Agence du revenu du Québec's allegations

Montreal, QC, December 9th, 2013 — Contrary to the Agence du revenu du Québec's ("ARQ") allegations in a press release published today, Kitco Metals Inc. ("Kitco") has never made false statements in a return nor attempted to obtain a rebate to which it is not entitled. In all respects, Kitco continues to vigorously contest all aspects of the ARQ's actions..

Kitco believes that the ARQ's continuous pursuit in this case is an abuse of their authority and has caused substantial harm to Kitco's ongoing operations and development. Evidence in a July 26, 2011 court document indicates that the ARQ directed at least one witness to provide false testimony about Kitco, or suffer consequences for refusing to give the false testimony. ([Cour superieure - District de Montreal No. 500-17-038645-103 p. 29](#)). This abuse of authority, along with other actions by the ARQ, has left Kitco with no other choice than to file a damages claim against them. On June 6th, 2012 Kitco filed suit against the ARQ seeking damages in the order of \$122 million in the Québec Superior Court. These damages will escalate as a result of this most recent action taken by the ARQ.

Among Kitco's lines of business is the purchase of scrap precious metals. Kitco pays the companies' sales taxes on these purchases and receives tax credits for the corresponding amounts. It is then the companies' responsibility to remit these taxes to the ARQ. Alleging that some of these companies have not paid back the taxes owed to it, the ARQ is unjustly holding Kitco responsible for these unremitted taxes.

Part of Kitco's internal due diligence process included advising the ARQ about taxable gold transactions and seeking direction from the ARQ. Starting in November 2005 Kitco sent detailed transaction reports to the ARQ every month. Each report clearly stated Kitco's concerns about the validity of tax remittances. In each monthly report to the ARQ Kitco requested that they verify that taxes being paid to companies by Kitco were being properly remitted to the ARQ. The ARQ did not respond nor provide any advice or direction to Kitco despite having received over 60 such reports over a 5-year period. If the ARQ had acted upon the information in Kitco's reports in a timely manner, their tax losses could have been prevented.

For more information:

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About Kitco Metals Inc.

A Canadian corporation originally founded in 1977, Kitco Metals Inc. is an international company employing over 100 individuals in its Montreal headquarters. With the bulk of its customers from outside of Canada, Kitco is one of the world's most recognized retailers of precious metals and a specialized supplier of refining services. Being one of few authorized resellers of products made by some of the most prestigious government mints, the company provides a vast array of gold, silver, platinum, palladium and rhodium products to customers worldwide. Considered to be the leading precious metals reference, Kitco's website (www.kitco.com) is visited daily by close to a million people around the world. Kitco has earned a solid reputation for itself as a leading innovator in the industry. It earned this reputation by creating real-time market information, news, analysis and applications for smart phones and by being the first precious metals company to carry out its activities online.

www.kitco.ca