JENSEN DENTAL

REFINING SUCCESS STORY III

A STRONG CASE FOR PUTTING ALL YOUR EGGS IN JENSEN'S BASKET

BACKGROUND:

An existing Jensen alloy account approached Jensen and asked us to comment on the $1,500 in net refining results that the lab was receiving annually from another refiner. The lab had never refined with Jensen, thinking that it was imprudent to "put all his eggs in one basket," but sought out our opinion thanks to the persistence of their Jensen sales consultant, who echoed the same concern based on their scrap knowledge.

PROCESS AND METHODOLOGY:

A thorough review of the lab's annual alloy purchases generated the following observations:

- Of the four alloys in play over the last two years that we knew of, the JPW alloy accounted for 75-85% of annual consumption, while the JP5 accounted for 10-20%. As such, we would have predicted the assay percentages in the scrap to average in the low-to-mid-30's for both Au and Pd, unless other alloys were involved.
- Granted, not all alloys produce the same scrap rates, but generally speaking, the ratio of gold to palladium in the scrap recovery should mirror the same ratio in the alloy combination within reason at 1-to-1.
- Given the alloy volume purchased the year before, Jensen Refining's team would have predicted that the annual refining outcome would have generated 12-18 troy ounces of total metal recovery in the annual scrap, assuming a 15%-25% overall scrap rate.
- Based on current precious metal markets and the relative alloy mix weighting, the average per ounce intrinsic value of the alloy was $510/ozt.
- Contrary to the other refiner's last $1,500 net scrap outcome, Jensen predicted a theoretical annual scrap outcome ranging from $6,000 – $10,000.
- For the lab to be only recovering $1,500 annually from scrap and a different Au-Pd ratio than 1-to-1 strongly implies that the lab is having collection and housekeeping problems, poor service from their incumbent refiner, or both.

RESULTS:

The customer's initial scrap lot to Jensen consisted of scrap that was accumulated for refining only three (3) months and yielded the following:

- Total Recovery = 4.14 troz
- Ratio Au-to-Pd = 0.96-to-1
- Assays = 32% Au and 34% Pd
- Net Payout = $1,809 (3-month's worth)

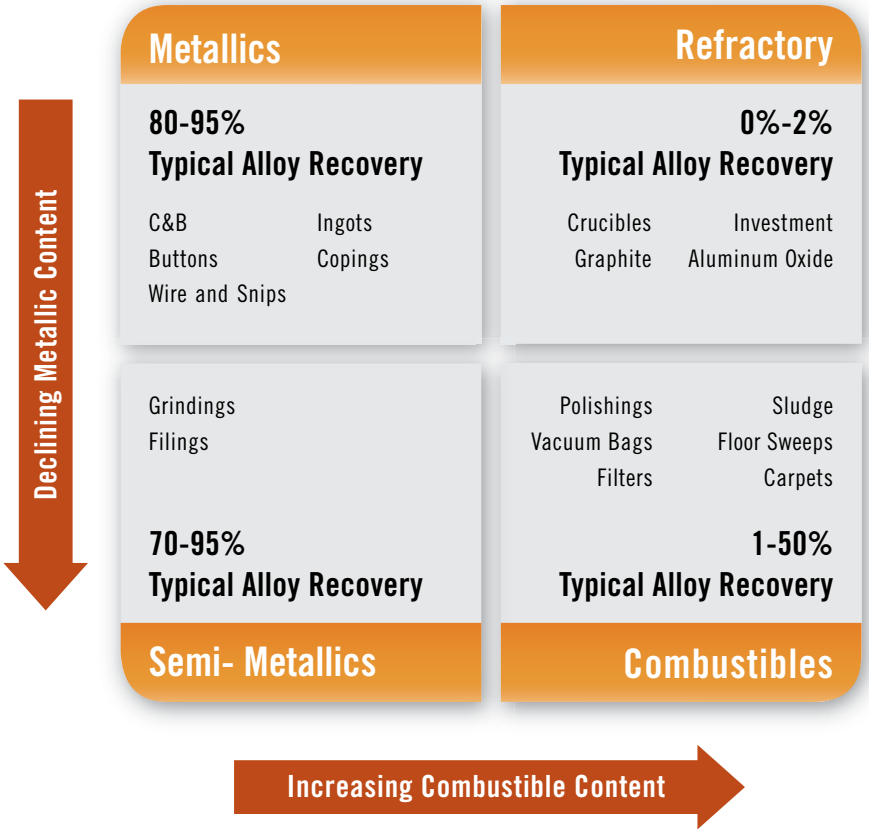
Originally, this customer normally thought that it would take up to a year to accumulate $1,500 in scrap. In fact, the lab was generating at least $7,000 per year in scrap, but failed to realize it due to the incumbent refiner's poor performance.

BOTTOM LINE:

If you buy alloy from Jensen it also makes very good sense to refine with Jensen. There is no better assurance for a lab looking to optimize their alloy consumption and ensure their profitability. As demonstrated above, Jensen Dental can provide compelling insights by using our unique vantage point for the customer's overall benefit. Simply put, we have an unparalleled advantage that allows us to "*connect all the dots*" and ensure that the customer's scrap outcome is optimized. Last, but not least, at Jensen – the buck stops here.

CHARACTERISTICS OF DENTAL SCRAP AND TYPICAL RANGES OF TOTAL METAL RECOVERY BY TYPE[1]

(1) Where Expected Recovery % is defined as the total after-process metal recovery divided by the original before processing weight received, stated in percent, where the % reflects what portion of a given material is metallic versus non-metallic (i.e., combustible, ceramic, refractory, etc.).



CATEGORY DESCRIPTION:	DESCRIPTIONS OF TYPICAL COMPOSITION:
Metallics	Castings, buttons, sprues, trees, flashings, snips, solder wire, unwanted ingots, and returned coins
Semi-Metallics	Grindings and filings
Medium-Grade Combustibles	Polishings and vacuum bags containing bench sweeps
Low-Grade Combustibles and Wet Sweeps	Floor sweeps, low-grade vacuum bags, filters, sludge, non-toxic electrocleaning residues, and carpeting
Low-Grade Refractory	Crucibles, refractory, aluminum oxide, and dry investment
Deleterious or Hazardous	Nickel beryllium, mercury, cyanide, sulfates, and chrome

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