



DIGITAL GOLD

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**Securely Store and Make
payments in Gold**



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1. EXECUTIVE SUMMARY

Digital Gold is a blockchain-based project, designed to encourage the digitalization of the financial markets, and their afferent investment instruments. It hopes to achieve this by enabling users to purchase coverage in physical gold, via the ERC-20 Ethereum-based GOLD token.

The project holds numerous advantages for its users, the gold market, but also for blockchain technology as a whole.

With this in mind, customers can use the platform to instantly purchase the GOLD token, each coin being equal to one gram of 99.99% FINE gold that is stored in the company's vaults. As such, the tokens enable users to indirectly use gold to make monetary transactions, or to leverage it as a wealth storage method. This is achieved without requiring users to follow complicated procedures.

The token is pegged to the value of the gold spot price, thus also acting as a stablecoin. This makes it useful for protecting against market volatility on the cryptocurrency market, while also allowing users to benefit off long-term gold price uptrends.

Liquidity is ensured at all times, granted that independent live audits can be verified to cross-check the number of tokens in circulation, with the amount of vault-stored gold.

The digitalization of gold is bound to also increase the worldwide appeal of the precious metal, which has been sought for and used by mankind for thousands of years. The cross-implementation between gold and blockchain technology serves as yet another successful use case scenario, showcasing blockchain's potential in revolutionizing the financial market.

Speaking of blockchain, its application in the Digital Gold project allows for several innovative features, including, but not limited to: instant, low-cost transactions carried out via the Ethereum blockchain, immutability for all confirmed transactions (no chargeback risk), overall network security and protection from cyber-attacks, smart contract functionality (propping an instant gold purchase for each token bought), market transparency, support for all ERC-20 wallets, and support for trading the GOLD token on partner exchanges.

The GOLD token community can utilize the Digital Gold Marketplace to instantly purchase and/or sale the token. As the parent company is also a liquidity supplier, users are free to carry out as many transactions as they wish,

with no additional costs apart from the yearly service fee and the general ‘gas’ cost for Ethereum-based transactions.

The Digital Gold project is not an Initial Coin Offering, as no crowdfunding effort is being carried out. All operations are self-funded, thus any acquisition of the GOLD token results in an instantaneous smart contract-based purchase of physical gold.

The worldwide interest in the gold market is well-known, whereas the value of gold Exchange-Traded Funds (ETFs) exceeds the \$100 billion threshold. With the GOLD token, the precious metal can now be more than a wealth storage method and investment tool. With the help of blockchain, gold can now act as a payment method for transactions of all types.



2. INTRODUCTION

Over the last couple of years, the digital ecosystem was introduced to a smarter and more efficient value management and storage system, referred to as blockchain technology. Its entire implications upon society are not completely understood at this moment, since the full potential of blockchain has not yet been unveiled.

Blockchain technology is generally described as a decentralized, transparent, immutable, shared and incorruptible database network that can be leveraged to record and store value. The initial use cases of blockchain were limited to digital currencies. The market fully appreciated its features, since it brings decentralization to digital asset storage. This concept is essential to the success of blockchain technology, granted that it prevents any central authorities from editing the stored data. Transparency improves overall trustworthiness of the network, whereas its cryptographic support allows for highly-secure, yet cheap transactions to be carried out instantly.

For several years, blockchains were used solely to record cryptocurrency transactions. Bitcoin's rapid success and growth as the world's most valuable digital asset convinced people throughout the world that value could indeed be securely stored online. It also opened up a box of possibilities, as most people that are well-versed in blockchain agree that it can disrupt and revolutionize most of the world's industries. At this time, full-scale implementation is closer than most people think, granted that governments, financial institutions, NGOs, corporations, and start-ups are actively researching and developing blockchain-based projects.

Gold, on the other hand, is one of the world's oldest trading commodities, as society has used it for thousands of years. During its long-span history, gold served many uses. It acted as a superior payment method, trading commodity, and excellent storage of value. Today, the prevalence of gold as a payment method has decreased, yet people continue to seek it thanks to its low price volatility, and excellent monetary storage potential. However, purchasing, storing and trading gold is not for everyone. Complicated procedures, alongside high purchase requirements have led to a decrease in gold usage by the general population. Its relevance remains, however, and it is believed that gold will continue to play an important role in the worldwide financial and asset markets.

Digital Gold represents a courageous and innovative project, meant to bridge the gap between gold and the digital ecosystem. The purpose of this white paper is to describe why and how blockchain technology can be leveraged to trade, store and use gold, via a method that is easy to comprehend and carry out.

2.1. The Potential of Blockchain Technology

At first, consumers had the tendency of associating blockchain technology exclusively with digital currencies. This trend quickly changed, as more and more people found that blockchain technology holds superior potential in revolutionizing the entire financial market. Yet, this statement isn't complete. At this time, analysts, developers and business owners are quickly realizing that blockchain technology can positively change most, if not all of the world's industries.

This section is dedicated to creating a more inclusive perspective on the overall potential of blockchain technology, with focus being centred on the financial market.

◆ The Financial Ecosystems

Billions of dollars move through the world's financial institutions on a daily basis. For decades, banks have been the sole providers of financial services, yet this is actively changing with the appearance of new service-focused financial entities that facilitate a variety of different transaction types.

The problem with the current financial system is that most of these entities offer services that are too slow, too expensive, or too difficult to carry out. However, blockchains can handle any and all types of financial transactions, as long as blockchain-based services are implemented. Most of the world's financial institutions are researching, investing and developing blockchain systems, meant to improve service efficiency, trust and features.

With time, implementations of this kind will lead to the appearance of a worldwide, all-inclusive financial system, where money can be sent, stored and received effortlessly, anywhere in the world. The financial investment market will also profit off blockchain advancements, as these systems will allow users to easily purchase assets, hold commodities, and engage with a variety of financial tools. Blockchain-based systems that can scale and handle the services mentioned above already exist, despite the fact that implementation and worldwide adoption is taking longer.

◆ A trustworthy, fraud-free world market

Financial liberation is not the full gist of blockchain technology. Rather, this technological revolution will facilitate the appearance of a worldwide market where trustworthiness between transacting parties is no longer an exhausting preoccupation.

Any blockchain-based system that holds a user base, or is run on a blockchain platform like Ethereum, is bound to be trustworthy for all users involved. Decentralization, immutability and transparency make sure of this. As such, this aspect is especially relevant when dealing with other financial instruments, commodities and monetary assets like gold.

2.2. Blockchain Meets The Gold Market

At this moment in time, the fintech market is home to several start-ups that offer blockchain-based gold services. To put things into perspective, we will describe several use cases that showcase how blockchain can positively influence the gold market:

◆ **Allowing gold to achieve consumer acceptance**

Despite its high popularity, most people avoid gold-based investments due to its inability of allowing for a monetary replacement. Generally, it is investors mostly who choose to purchase gold, and use it to store their wealth. Prior to our in-depth description below, it is important to point out that blockchain can make gold tradable, and usable as a payment mechanism, thus removing the restraints imposed on the market until now.

◆ **Ensuring asset security**

Another argument explaining why consumers do not usually purchase gold rests in its high security concerns. As an extremely-valuable metal, most of those who are interested in gold are not happy to store it in their homes due to a variety of risks. On the other hand, blockchain-based gold tokens backed by physical gold offer considerable security measures. As long as good digital security practices are followed, digital gold cannot be hacked.

Blockchain also holds a potential use case scenario for improving the supply chain of gold. While most of the world's gold is accurately tracked, managed and stored, the overall supply chain continues to deal with gold that has been illegally mined, or used to carry out illegal financial operations. With a blockchain-based system, newly-mined gold can be tracked from its first day, all the way to your doorstep, while retaining all relevant information. However, this is only possible with the cooperation of everyone involved in the industry.

2.3. A Brief Description of the Digital Gold Token

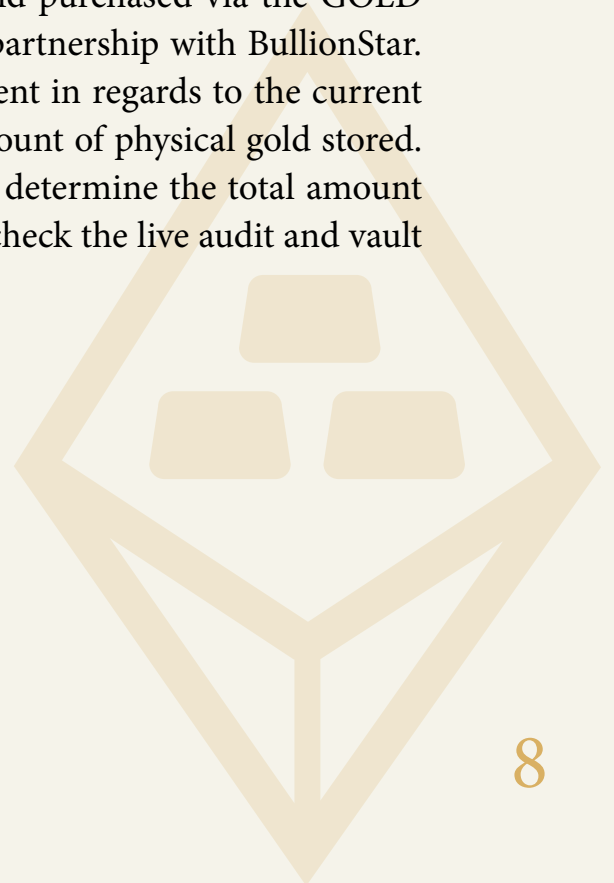
The main purpose of the Digital Gold project, is to create an Ethereum-based, ERC-20 token that users can leverage to easily buy, sell, trade, store, or transfer investment-grade gold. These actions can be carried out conveniently and securely, while preserving user anonymity.

It is essential to keep in mind that the ERC-20 GOLD token is backed by physical gold, stored in the company's secure vault. As liquidity is guaranteed, the token takes the form of a stablecoin, since its price is directly linked to the current gold spot prices.

Trust is easily attained by relying on the Ethereum blockchain platform, well-known for its ERC-20 token support, and smart contract functionality. Therefore, upon purchasing one GOLD token, users enter a smart contract which ensures that the amount of tokens in circulation is always equal to the amount of gold bullion the company stores in its vault. This way, users are fully-protected from liquidity issues, as there will always be enough gold to cover all tokens in circulation. Whenever they see fit, users can purchase, sell and trade their gold with ease.

One GOLD token will allow users to purchase coverage of 1 gram of 99.99% FINE gold. In terms of token prices, since the parent company is a liquidity supplier, gold can be purchased at a price that is very close to current market rates. Users are also allowed to carry out an unlimited number of transactions.

To help provide a superior degree of trust, all gold purchased via the GOLD token is stored in the company's secure vault, in partnership with BullionStar. The Digital Gold project also aims to be transparent in regards to the current amount of tokens in circulation, and the total amount of physical gold stored. BullionStar also carries out audits of the vault, to determine the total amount of gold being stored. Token users are welcome to check the live audit and vault certificate for peace of mind.



3. THE DIGITAL GOLD PROJECT

Before focusing on the Digital Gold project in-depth, it is appropriate to give a bit of perspective on why digitized gold is highly relevant for the cryptocurrency market. Currently, the financial market holds several huge gold exchange-traded funds (ETFs), with enormous amounts of funds. For instance, the SPDR Gold Shares (GLD) currently has a market cap of over \$36 billion, thus proving that gold remains an attractive asset for people worldwide. The total value of the gold market cap is difficult to determine, yet it exceeds the \$100 billion threshold.

The sheer amount of capital invested into these funds, when compared to the amount of gold that is purchased and stored, leads to a simple conclusion: *The general public is not keen on buying, storing and transacting physical gold.*

The reasons backing this claim vary, yet many users are already accustomed to the financial market as it is. Buying and storing actual gold leads to complications, such as following strict legal procedures, and ensuring security measures. Therefore, consumers prefer hiring a third party to handle these aspects for them. In this scenario, a suitable alternative to ETFs is purchasing tokenized gold. This is exactly what the Digital Gold project aims to do, while also providing users with several benefits.

By leveraging the GOLD token to purchase digitized gold, customers do not face the risk of having their accounts blocked. This often happens with brokers due to their strict terms, such as limited country availability, trading limits, or invasive requests for personal information. On the other hand, the GOLD token allows users to trade as much as they would like, without needing to disclose their identities.

3.1. The Features of Digital Gold

The GOLD token boasts several impressive features that aim to facilitate the usage of blockchain for digitizing assets. By purchasing gold via the token, customers get access to:

- ◆ **A low-cost token that entails no transfer fees**

Thanks to its Ethereum ERC-20 support, customers can choose to send the token anywhere in the world, without having to worry about volatile transfer fees, since all transfers are free. Users are also permitted to make unlimited payments, as the service does not impose account limits. Users should note that transfers still entail the 'gas' tax charged by the Ethereum network.

To make the project sustainable, a service cost has been implemented. As such, GOLD token users can expect to have a small percentage of their holdings charged on a daily basis. It is important to consider that the service cost is designed to be either comparable, or lower than the fees associated with storing gold at a depository or bank. Users can expect to pay a 0.99% annual storage fee.

◆ **The opportunity to diversify portfolios, and keep wealth in a safe haven**

The current cryptocurrency market conditions usually involve volatile price swings, thus giving all purchases a high-risk factor. Most of the currently-available coins are not trusted to keep their value in the long-run, as the market is still in its nascence.

However, gold represents a financial asset that has held its value for thousands of years. With time, it gave holders access to unprecedented purchasing power backed by stability. Without a doubt, gold is one of the world's safest assets to own for wealth storage. Its digitization via the GOLD token enables users to purchase coverage in physical gold, which can then be used to exercise protection against poor market conditions, volatility and regulatory changes.

The GOLD token can be easily and instantly purchased, sold, and traded, thus proving why it represents a powerful addition to current customer cryptocurrency portfolios.

◆ **Secure gold ownership**

The challenges related to purchasing and storing gold have been briefly outlined above. The process generally involves quite a bit of hassle. To purchase gold, those who are interested need to find a reliable supplier, handle paperwork, and then proceed to secure the newly-purchased precious metal. Hosting it in a bank is a safe choice, yet it involves even more paperwork, alongside storage fees. The inherent dangers associated with storing gold at home are well-known, since to this day, burglary remains a problem that society has to protect against.

These challenges can be disregarded with Digital Gold. With the GOLD token, customers purchase coverage in actual gold, stored by the company in secure vaults. All physical gold is insured, therefore the risks are minimal. All risks are covered at full replacement value. The insurance contract is currently provided by one of the world's largest insurance underwriters, the Chubb Insurance Company. The insured gold is stored in Singapore, which is a perfectly-viable location thanks to its strong property rights.

It is also relevant to mention that blockchain technology provides security against cyber-risks as well. So far, blockchain remains impenetrable, granted that no public blockchain ledger has been hacked to this day. Security on the

user-side can be ensured as long as token users protect themselves against key-loggers and other forms of computer malware. However, no third party can gain access to a user account without discovering the wallet identifier and the associated private key. Additionally, blockchain immutability ensures that all transactions are permanent, thus token users face no chargeback risk.

Lastly, 100% of purchased tokens are covered by physical gold. With this in mind, the total amount of GOLD tokens put into circulation can be confirmed via any Ethereum block explorer. The amount is equal to the value of physical gold that is purchased on the behalf of consumers, and stored in a BullionStar-based secure vault. Users are free to carry out their due diligence by verifying the BullionStar live audit reports. As such, a third party audit report is issued on a quarterly basis, thus confirming the value of gold being stored.

◆ **High liquidity Digital Gold**

The GOLD token ensures high liquidity, since the token issuer company, DIGITAL GOLD LTD, also works as a liquidity supplier. Users are permitted to instantly purchase and sell large amounts of tokens, via the Digital Gold Marketplace, or partner exchanges.

Another benefit worth pointing out is that with Digital Gold, customers do not have to consider local business hours, since the service is available 24/7. Liquidity is therefore available on demand, and the rates always closely match current gold market prices.

◆ **A private gold ownership experience**

As briefly mentioned above, dealing with physical gold entails that users disclose personal information to remain in compliance with national regulatory frameworks. The general lack of standardization backed by the sheer amount of data collection, has led to the appearance of a society that is more privacy-conscious. The GOLD token allows for physical gold ownership while remaining private.

◆ **Guaranteed long-term life expectancy of purchased GOLD**

Most financial analysts agree that the life expectancy of gold vastly outweighs our own. This conclusion is backed by the Lindy Effect, a concept that describes how the future life expectancy of an asset is directly proportional to its current age. Gold's prevalence for thousands of years guarantees that the precious metal will remain relevant for many years to come.

3.2. The Digital Gold Stablecoin

As it has been mentioned above, the GOLD token has been designed to act as a stablecoin, pegged to the price of gold. When it comes down to stablecoins, they are generally pegged to other assets or currencies, but are also collateralized. This means that the number of coins put into circulation is directly backed by assets that are stored in company reserves. This way, user tokens are protected against high-market volatility, whereas the value of the tokens remains stable through time. These aspects fully apply to the GOLD token, thanks to its stablecoin status.

Apart from being a stablecoin, the GOLD token is an ERC-20 compatible token that is based directly on the Ethereum blockchain. This means that users can expect to leverage all of the advantages associated with the Ethereum blockchain, including instant transactions, immutability, fund security, automatic records, and smart contract functionality.

As such, any purchase of the GOLD token is carried out via Ethereum-based smart contracts. Additionally, smart contract functionality also ensures that the number of coins in circulation remains equal to the amount of gold being stored in the vaults.

The Ethereum-based blockchain provides a degree of trustworthiness that many other cryptocurrencies fail to achieve. Ethereum has already been around for a while, and users throughout the world see it as a solid, trustworthy, and bug-free platform. Its open source code provides an even higher degree of trust, granted that tokens based on the ETH blockchain cannot be directly controlled by any centralized entity once they have been put into circulation.

Granted that it runs on-top of the Ethereum blockchain, the GOLD token can be stored on a multitude of token-compatible wallets, including:

◆ MyEtherWallet

Generally considered as one of the best ETH and token wallets, it offers a great user interface, and helps facilitate token-based transactions. Smart contracts are also available.

◆ MetaMask

This wallet is generally suited to those that prefer browser extensions. MetaMask allows users to store Ether and tokens, yet also gives access to decentralized applications. All private keys held on this wallet are encrypted and kept locally, to ensure superior security.

◆ **Guarda**

Yet another non-custodial wallet platform, Guarda supports numerous cryptocurrencies, including ERC-20 tokens. Users can store, receive, send, buy, exchange and stake their coins with ease.

◆ **Ledger Nano S**

Industry practices dictate that high-value cryptocurrency portfolios should be kept on hardware, or paper wallets, as a security safeguard. Ledger Nano S provides a compact hardware wallet that supports a plethora of digital currencies and ERC-20 tokens.

◆ **Trezor**

Last but not least, the GOLD token is also supported by the Trezor hardware wallet. Similarly to Ledger, Trezor supports numerous cryptocurrencies, and grants users access to extra security options, including PIN codes, passphrases and more.

It is important to consider the fact that stablecoins are generally designed to be low-risk assets. Thus, the potential value increase associated with the GOLD token is directly proportional to the evolution of the gold spot price. Analysts believe that in the future, as resources continue to deplete, the gold spot price will follow an uptrend, thanks to the laws of supply and demand. The introduction of digitized gold is also bound to increase gold's usage worldwide, thus fulfilling the conditions for a long-term price growth. Regardless of the price trends, the GOLD token is a stable, solid purchase that acts as an excellent means of storing wealth.

For further clarification on the purchase procedure for the GOLD token, it is essential to point out that Digital Gold is not an Initial Coin Offering (ICO). As such, the management team is not in need of public-based crowdfunding to finance and launch the project. Rather, self-owned sources of funding are utilized to finance this project.



4. THE DIGITAL GOLD MARKETPLACE

In this section of the white paper, readers will get to learn more about the procedure associated with purchasing, or selling the GOLD token.

To facilitate an easy, effective and efficient purchase/sale system, the Digital Gold project has opted for the creation of a marketplace. By using the Digital Gold Marketplace, users can simply fill out a form that initiates a smart contract, which then transfers the newly-minted GOLD tokens. The Marketplace acts as the best choice for GOLD token purchases and sales, as it allows users to carry out these transactions instantly.

With this in mind, users must enter the sum they wish to purchase and the ERC-20 Ethereum address where the tokens will be credited. Users are also permitted to enter optional details, like their BTC return address, or email address for email-based confirmation of the purchase. Once it is fully functional, the marketplace will support both purchases and sales of the GOLD token.

Pricing information is always displayed on the marketplace. Upon accessing it, potential customers will get to see the current spot price of gold, purchase price, and redemption price, in both bitcoin (BTC) and ether (ETH). A chart displaying the evolution of the gold spot price over the last couple of days is also available to facilitate smarter analysis of the current gold market price trends.

When using the marketplace, users experiencing difficulties can easily address Digital Gold's customer support team. Support is available 24/7, and the team comprises of several well-experienced representatives that can be contacted via live chat. Phone-based support is also available Monday through Friday, between 09:00 – 17:00 (CET). Lastly, communication with the Digital Gold team can also be carried out via email.



5. PROJECT ROADMAP

Project roadmaps are essential for giving users insight on how companies plan to evolve in the short-term future. Here is the pre-planned roadmap of the Digital Gold project:

