

EXAU Gold

The digital token gold-backed by gold bars stored in Switzerland and redeemable at any time



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DISCLAIMER

IMPORTANT: YOU MUST READ THE FOLLOWING DISCLAIMER IN FULL BEFORE CONTINUING

The sale (Token Sale) by Ephelia Capital GmbH a Swiss-based Asset Manager authorised and regulated by Swiss Financial Market Supervisory Authority FINMA with registered office in Lugano CH-6900, Via Nassa 3A and Registration Number: CH-501.4.025.377-3 (Token Issuer) of the EXAU Gold Token, issued on Binance Smart Chain blockchain network as detailed in this whitepaper (Whitepaper) is only intended for, made to or directed at, only certain persons. Moreover, this Whitepaper is not a prospectus or offer document of any sort and is not intended to constitute an offer or securities of any form, units in a business trust, units in a collective investment scheme or any other form of investment, or a solicitation for any form of investment in any jurisdiction. No regulatory authority has examined or approved of any of the information set out in this Whitepaper. This Whitepaper has not been registered with any regulatory authority in any jurisdiction. References in this Whitepaper to "we" or "us" refers to the Coin Issuer and "our" shall be construed accordingly. "You" refers to any person accessing, perusing or reviewing this Whitepaper and "your" shall be construed accordingly. By accessing and/or accepting possession of any information in this Whitepaper or such part thereof (as the case may be), you represent and warrant to Coin Issuer that you are not located, you are not citizen (tax or otherwise) of, or domiciled in, any Country where buying digital assets such as stable coins, security tokens and utility tokens is prohibited, restricted or unauthorized in any form or manner whether in full or in part under its laws, regulatory requirements or rules.

You agree to be bound by the limitations and restrictions described herein; and you acknowledge that this Whitepaper has been prepared to assist you in considering whether or not to purchase the token set forth herein without any solicitation. You acknowledge that this Whitepaper may be updated as required and the updated version will supersede any prior versions. The latest whitepaper will always be available on the website <https://exaugold.io> The information set out in this Whitepaper is for information purposes only and does not constitute any form of financial or other advice and should not be relied on or treated as a substitute for specific advice relevant to particular circumstances and is not intended to be relied upon by you in making (or refraining from making) any specific decisions.

IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR LEGAL, FINANCIAL, TAX OR OTHER PROFESSIONAL ADVISOR(S).





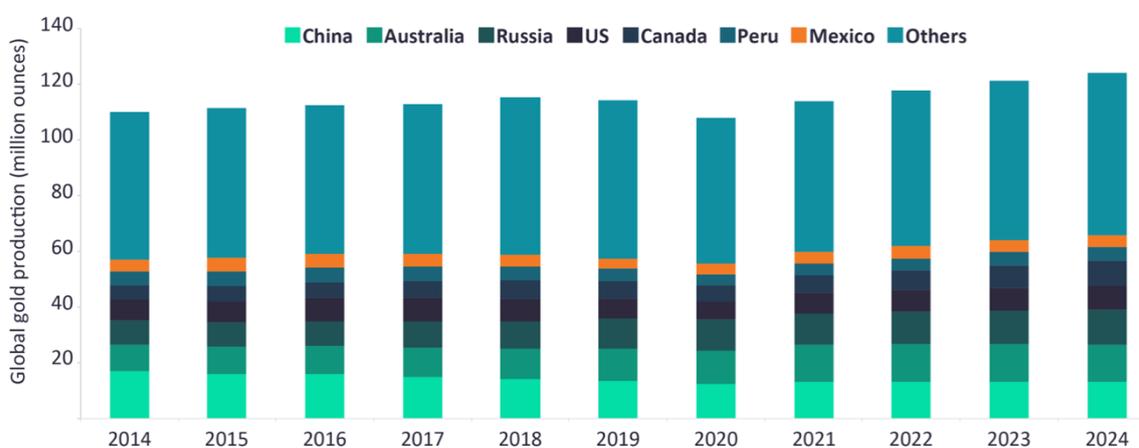
Gold production

The global mine production of gold steadily rose after the 2008 economic crisis. In 2008, gold mine production worldwide totalled 2,280 metric tons and increased to more than three thousand metric tons in each year since 2015.

Gold mining is a global business with operations on every continent, except Antarctica, and gold is extracted from mines of widely varying types and scale.

At a country level, China was the largest producer in the world in 2020 and accounted for around 11 per cent of total global production.

Gold production is expected to increase to 113.9moz in 2021 and grow to 124.1moz by 2024 – a 2.9% compound annual growth rate (CAGR). Canada, Indonesia, Peru, and the US will be the key contributors to this growth. Combined production in these countries is expected to recover from an estimated 20.1moz in 2021 to 25.3moz in 2024.



Source: GlobalData, Mining Intelligence Center

Gold demand

Last year (2022) has been the strongest year for gold demand in over a decade. Colossal central bank purchases, aided by vigorous retail investor buying and slower ETF outflows, lifted annual demand to an 11-year high.

Annual gold demand (excluding OTC) jumped 18% to 4,741t, almost on a par with 2011 – a time of exceptional investment demand. The strong full-year total was aided by record Q4 demand of 1,337t.

Jewellery consumption softened a fraction in 2022, down by 3% at 2,086t. Much of the weakness came through in the fourth quarter as the gold price surged.

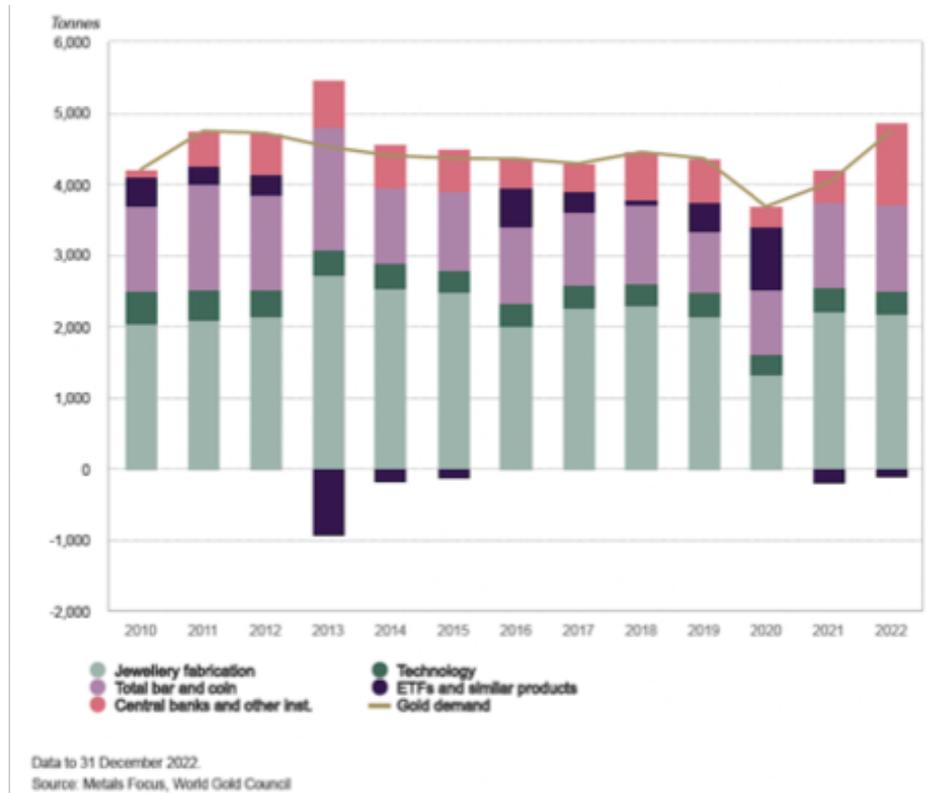
Investment demand (excluding OTC) reached 1,107t (+10%) in 2022. Demand for gold bars and coins grew 2% to 1,217t, while holdings of gold ETFs fell by a smaller amount than in 2021 (-110t vs. -189t), which further contributed to total investment growth. Quarterly fluctuations in OTC demand largely netted out over the year.

A second consecutive quarter of huge central bank demand (417t) took annual buying in the sector to a high of 1,136t, the majority of which was unreported.



Demand for gold in technology saw a sharp Q4 drop, resulting in a full-year decline of 7%. Deteriorating global economic conditions hampered demand for consumer electronics.

Total annual gold supply increased by 2% in 2022, to 4,755t. Mine production inched up to a four-year high of 3,612t.



Gold as investment

Gold is evaluated throughout the world for its always growing value and rich history, which has been interwoven into cultures for thousands of years.

Throughout the centuries, people have continued to hold gold for various reasons. Societies, and now economies, have placed value on gold, thus perpetuating its worth. It is the metal we fall back on when other forms of currency don't work, which means it always has some value as insurance against tough times. Below are seven practical reasons to think about owning some gold today.

Gold through the centuries

Unlike currencies or other assets, gold has maintained its value throughout the centuries. Investors see gold as a way to pass on and preserve their wealth from one generation to the next. Gold doesn't corrode and can be melted over a common flame, making it easy to work with and stamp as a coin.



Gold vs USD

Although the US dollar is one of the most important reserve currencies in the global landscape, whenever the value of the dollar falls against other currencies (e.g. between 1998 and 2008) investors, both institutional and private, seek refuge in the safety of gold, effectively driving up its price. One must consider that the price of gold almost tripled between 1998 and 2008 and almost doubled between 2008 and 2012, crossing the \$2,000 mark. The correlation between the US dollar and gold can be described as cyclical, and it should therefore be considered as a hedge against the weakening of the US dollar.

Gold vs Cryptos (Bitcoins)

Although the cryptocurrency industry has experienced a moment of great turmoil, the cryptocurrency market has been plagued by scandals, price collapses and investors' flight to safer havens such as gold and precious metals.

This has led some investors to question whether cryptocurrencies and Bitcoin, in particular, are capable of playing a similar role to gold within an investment portfolio.

According to the World Gold Council, Bitcoin is not a safe haven asset because it is highly speculative and volatile. In contrast, gold has an established track record as a safe haven asset.

In late 2020, Goldman Sachs analysts said they did not see Bitcoin's growing popularity 'as an existential threat to gold's status as a currency of last resort'.

Like many other assets, gold prices rise and fall, but not as much as Bitcoin.

Since its launch, Bitcoin prices have been 4-5 times more volatile than those of gold. According to Bloomberg Intelligence, Bitcoin's average intraday price variation over the past three years has exceeded 5%, while gold's volatility has remained fairly stable.

Until now, buying physical gold, entailed certain logistical and shipping requirements while cryptocurrencies could be purchased through stock exchanges or brokers. Exau fixes this problem and it is now possible to have a secure digital currency that has the same qualities of gold without having the troubles of cryptocurrencies.

Gold as inflation hedge

Gold has historically been an excellent hedge against inflation. The price naturally tends to rise when the cost of life increases. Over the past 50 years, investors have seen gold prices skyrocket when the stock market crashes during years of high inflation. This is because when traditional currencies lose their purchasing power due to inflation, gold is priced in the same currency units and therefore tends to rise along with everything else. In addition, gold is seen as an excellent store of value, so investors are encouraged to buy gold as a protection against their local currency.



Deflation protection

Deflation is defined as a period when prices fall, when business activity slows, and the economy is burdened by excessive debt. An event that was perfectly analysed globally in the Great Depression of the 1930s and marginally also in the 2008 financial crisis in some parts of the world. During the Depression, the relative purchasing power of gold rose while all other prices fell sharply. Investors naturally chose to accumulate value not in cash, so what safer place than gold.

Gold in times of geopolitical uncertainty

Gold retains its value not only in times of financial uncertainty, but in times of geopolitical uncertainty. Investors flee to its relative safety when global tensions rise; at such times, it often outperforms other investments. For example, gold prices have experienced some major price movements in response to the ongoing crisis in the European Union. Its price often rises more when confidence in governments is low.

Gold increasing demand

For many years, the increasing wealth of emerging market economies has increased the demand for gold. In many of these countries, gold is embedded in the culture. In China, gold bars are a traditional form of savings ensuring that demand is constant. India is the second largest gold consuming nation in the world, mainly in jewellery but also as investment bars.

The demand for gold continues to grow among investors. Many are now starting to see commodities, particularly gold, as an investment class into which funds should be allocated. It is worth noting that the SPDR Gold Trust, has become one of the largest ETFs in the US, as well as the largest holder of gold bullion in the world as of 2019.

Negative correlation – Portfolio diversification

The key to portfolio diversification is to find investments that are not closely correlated with each other; gold has historically had a negative correlation with both equities and other financial instruments. Recent history demonstrates this:

- The 1970s were great for gold, but terrible for equities.
- The 1980s and 1990s were wonderful for equities, but horrible for gold.
- 2008 saw equities fall substantially as consumers migrated to gold.

Properly diversified investors combine gold with stocks and bonds in a portfolio to reduce volatility and overall risk.



Conclusions



As we have seen, gold has been the ultimate haven asset for centuries. It is a necessary commodity to maintain a diversification in one's portfolio that can provide shelter from financial and geopolitical factors. Gold is undoubtedly a long-term investment with certainties of sustainability and with guarantees of appreciation when the markets are overheated.

Tokens and Blockchain

Evolution

The tokenization of assets is not the future - it is the present. It is deeply transformative and is offering exciting possibilities for financial markets. The tokenization of assets offers promising possibilities for capital raising. Novel fundraising and distribution platform vehicle provide a higher degree of regulation and transparency for investors. Further, STOs are an efficient method to raise capital from a broader investment pool than it has been possible with traditional fundraising methods. It is, however, still in infancy stage and market adoption will still need time. Despite an exponentially increasing interest in tokenized assets, "traditional" financial institutions and national authorities still approach asset tokenization with caution. However, countries like Switzerland, well-known for its innovation-friendly stance, are going to help to drive and foster the remarkable potential of tokenized assets. Although international frameworks could take a few more years to come to fruition, asset tokenization is likely to play a crucial role in the management and trade of illiquid assets in the long term. If well designed, Stable Coins and CBDCs could be an enabler for better cross border payments. An international cooperation is required for cross border transactions of tokenized assets to limit regulatory arbitrage. Central banks are likely to collaborate with each other to carry out proof-of-concept work and pilot projects on cross-border payment and securities settlement arrangements. Key to the future of tokenization



will be creating interoperability with existing systems to enable a more widespread adoption. All participants in the value chain should get closer to each other and look for ways to bridge the traditional financial sector with new DLT-related businesses.

EXAU Gold

Financial Instrument or Stable Coin?

EXAU Gold is designed to provide its holder an alternative asset that has a broad scope of use and can serve as a shelter, as collateral but also as a mean of payment. Due to its nature, EXAU Gold is an instrument that ensures considerable reliability both for holders and for financial institutions that may consider it as collateral. Using EXAU as a mean of payment, its holder benefits of an e-cryptocurrency without taking the risk of extreme volatility often seen in classic cryptocurrencies.

Token

Features

EXAU Gold is issued using the BEP-20 protocol of the Binance Smart Chain to ensure maximum security and compatibility of centralised and decentralised exchanges.

Structure

EXAU Gold is 100% backed by 24k LBMA certified physical gold. The price is always expressed in US dollars and the size is 1 troy ounce ingots.

Token holder right and protection

The EXAU Gold token must be considered a store-of-value token. The EXAU Gold token therefore does entitle its holder to redeem gold equal to the value of the token held.

The gold underlying the token is held in trust by a third-party company (all the documents are in the relevant section online on <https://exaugold.io> where the ultimate beneficiary is Ephelia Capital GmbH as issuer of the token. The trust is intended to be irrevocable and discretionary and is intended to protect the token holder in the unlikely event of a liquidation of Ephelia Capital GmbH. Should this event occur, then the beneficiary of the gold will be the new entity taking over the continuation of operations. In the unfortunate event that it is not possible to assign the role of issuer to a new party, then the gold beneficiaries will become the token holders on a pro-rata basis. You can find the deed of trust on <https://exaugold.io> in the relevant section.

Gold Supply



We use several refineries, mainly based in Switzerland. The refineries are regulated, LBMA recognised and have passed the strictest anti-money laundering checks in order to have a complete gold traceability. Particular attention is paid to ESG criteria with which each supplier must demonstrate its compliance. In the unlikely event that gold is temporarily not available on the market, the token will be asset backed by US dollars until gold is made available at the required quality.

Not a payment instrument

It is not intention of the issuer to use the EXAU Gold token as a payment instrument, but only as a store of value. The issuer will never support the use of the token as a financial payment and even might decide to revoke the use of the token if this would be the case.

Listing

EXAU Gold is potentially traded on all centralised exchanges that allow the listing of tokens issued in Binance Smart Chain. The updated list can be found at <https://www.exaugold.io>

How to buy it

EXAU Gold is available for purchase through several platforms listed at <https://www.exaugold.io>

Usage

EXAU Gold consists of ingots of 1oz at 24k LBMA certified along with a small percentage of cash (USD). EXAU Gold retains all the features which categorise it as both a financial instrument and expendable currency. A solution trustable for:

- Banks in case a collateral is needed for a bridge loan;
- Holders as an asset against the market volatility;
- Exchange platforms as a reliable gold token.

Redemption

The token can only be redeemed under the following conditions:

- The individual or corporate entity requesting the redemption must complete an identification process (KYC) by opening an account on the platforms distributing the token visible at the link <https://www.exaugold.io>
- Redemption cannot take place with fractions of tokens.
- The issuer has been liquidated and no further company willing to run the token has been found.
- Any authority, included but not limited to financial supervision authorities, has request to terminate the managing of the token.



Fees

Issuance Fees

Issuance fees or subscription fees is 3.5% and must be paid upfront and they don't affect the token valuation, so if a client would like to buy one EXAU, he will spend \$10,350 of which \$ 10,000 to get the token a \$350 to pay the issuance fees.

Redemption fees

Redemption costs vary depending on the valuation of the gold, the cost of the courier, and the refinery's stamping.

Legal and Security

Initial Audit

Each gold ingot is delivered sealed with LBMA certifications directly from the refinery to the vault and placed in the safety box.

Transportation

Golds are transported through certified and insured companies that guarantee the highest security in terms of protection of the goods and compliance with the law. Brink's is currently used.

High-Security Custody

The Gold is kept in a high-security deposit based in Switzerland. The current provider is Aurofin SA
Via Valdani 1 · 6830 Chiasso · Switzerland

Annual Audit

On an annual basis or whenever the safe deposit box needs to be opened, an audit of the Gold deposited takes place. The audit is carried out by recognised auditors only appointed time-by-time.

Blockchain

The token is issued in Binance Smart Chains.



Legal Structure

The company responsible for the purchase of the gold is: Ephelia Capital GmbH a Swiss-based Asset Manager authorised and regulated by Swiss Financial Market Supervisory Authority FINMA with registered office in Lugano CH-6900, Via Nassa 3A and Registration Number: CH-501.4.025.377-3.

The custody service is intended to be a dual signature service with the appointed trustee. Ephelia Capital has no power to withdraw or move gold on a single signature basis.

EXAU Gold is a token that represents gold held in custody by a trusted third party to secure the value of the token, does not give any financial right and therefore qualifies as a non-security asset token.

Acquiring the EXAU Gold tokens and storing them involves various risks, in particular (but not limited to) the risk to lose the token. Any interested person who is not in the position to accept or to understand the risks associated with the custody of a token representing gold or any other risks as indicated in this whitepaper shall not acquire EXAU Gold. The Company assumes no liability or responsibility whatsoever for any loss of the EXAU Gold or situations making it impossible to access the EXAU Gold, which may result from any actions or omissions of the user, as well as in case of hacker attacks. As far as possible, the Company will apply a procedure similar to Art. 973h of the Swiss Code of Obligation in order to avoid any potential damage caused by the lost or hack of the EXAU Gold token.

EXAU Gold do not confer any direct or indirect right to Company's capital or income and, in particular, do not grant any right to dividends or interests or to any other share or participation to the Company or Company's Group revenue or earnings. The EXAU Gold token is just a proof of ownership of the gold held by a trust in the name of the Company.

The offering of the EXAU Gold token on a platform is done to allow additional users to purchase gold on a digital way and not for speculative purposes.

Jurisdiction

Switzerland

Final Conclusions

EXAU Gold is unquestionably a financial instrument covering several needs.

The digital nature of the token allows it to be portable and tradable in any situation. Where the need is to have a financial instrument in which to invest, that guarantees an historical profitability and an haven asset, then EXAU Gold is the most appropriate solution.

For a secure, immediate, and non-currency related means of payment, EXAU Gold is second to none. When the need is for a collateral in order to provide a security for the financial institution to obtain credit, EXAU Gold is the solution.

Plus... it's cool!

