

**GoldFinX**  
*Fair Trade Crypto-Finance*

**FAQ - SEPTEMBER 2019**

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# # FAQ (FREQUENTLY ASKED QUESTIONS)

The following questions are extremely valuable as they are real-life enquiries asked by interested parties like you over the course of the last 12 months. There are a varied amount of issues confronted and they are broken down into different categories below.

## 1 BASIC QUESTIONS

### GENERAL

#### **What are cryptocurrencies?**

Cryptocurrencies are digital, decentralized monetary structures, created via blockchain technology. Most cryptocurrencies can be exchanged for fiat currencies (USD, EUROS, YEN) or other cryptocurrencies like Bitcoin or Ether.

#### **Will GiX be subject to cryptocurrency volatility?**

GiX is a cryptocurrency, and like any other crypto or fiat currency, it will fluctuate. The case of the GiX is a bit different as it's protected by a physical Gold asset sitting in secured vaults. The Gold captively accumulating in the vault supports the value of the coin, making the investment a more secure option than a typical coin offering.

#### **How can I get updates about GiX news?**

Buyers of the coin will be provided with a privileged access to the monthly newsletter and the information review on the website. The general public will be able to follow the progression of the platform and its success via public social-media platform such as: Facebook, Instagram, Twitter, LinkedIn, GitHub, Telegram, Reddit and other mediums.

### **Which ecosystem platform does GoldFinX use?**

GoldFinX uses the Ethereum platform (ERC20 token standard). Industry experts note that such tokens are quite popular, and they are supported by almost all crypto exchanges and wallets that meet this standard.

## **TOKEN SALE**

### **How can I purchase GiX Coins?**

The only way to acquire GiX coins is via the website [www.goldfinx.com](http://www.goldfinx.com). You will have to enter all data required for signing up. You need to input your Email and Password, confirm that you've read and agreed to our Terms and Conditions, and follow the link for the account activation email.

### **How many GiX Coin will be issued?**

GFX is creating 1Billion coins, and 250 million coins will be sold during Phase I.

### **When will the GiX Coin be traded?**

GiX, like any cryptocurrency, will be tradable and exchangeable on public crypto exchanges. Every year more exchanges are created to accommodate the volume and diversity of the new coins released. We anticipate having the GiX trading on major exchanges (Binance, Huobi, Kucoin) in December, 2019.

### **Will there be a minimum purchase requirement?**

Yes, the minimum purchase quantity is €1,000, or 100 Euros using Bitcoin (BTC), Ether (ETH), Ripple (XRP), Tether (USDT), PayPal, or Payoneer.

## 2 IN-DEPHT QUESTIONS

### COIN CATEGORY & PRICE

#### **Why aren't we doing a Security Token Offering (STO)?**

1. In Singapore, and under the current regulatory rules, STOs must comply with securities laws and are obliged to register with the Monetary Authority of Singapore. This is a long, cumbersome, and costly process involving underwriting banks and many other third parties. This process is not appealing for startups and carries heavy restrictions on marketing.
2. Being registered as a security in Singapore only allows you to sell your coin in this country. According to existing international financial rules, you need to be registered in ALL the countries you want to sell your security in.
3. Time is of the essence with this project, and slowing down/stopping all marketing efforts to apply for a license in Singapore, as well as all other countries we are targeting, is simply not a viable option.
4. Being a security gives investors the false impression of confidence. Security scams all around the world are commonplace. What really is of utmost importance is having a robust business plan, a seasoned team to execute it, and the solid track record of the founders.
5. The notion of a "Protected Coin", as defined under the MAS guidelines, gives us the best of two worlds: the fast implementation and flexibility of a utility coin and the protection of a growing asset.
6. An ICO is easily convertible to becoming an STO, and if an investor or several investors commit to a substantial investment, we are ready to initiate the process of registration in Singapore and in the countries of residence of these investors.
7. Please note GiX is not sold to US investors, therefore we will never be "on the radar" of the SEC.

## Why is the GiX official price set at 2 euros for the public offering?

1. The face value of any crypto coin is only relevant when linked to the total number of coins minted and allocated to coin holders. Mathematically speaking, 125 million coins at 2 Euros is the same as 12.5 billion coins at 0.02 Euros.
2. In the spirit of “If it ain’t broke, don’t fix it”, the first generation of cryptocurrencies followed the path of Bitcoin which initially traded for a price of 0.0007 USD. However, we are now entering the maturity phase of Blockchain-based currencies.
3. Many of the first-generation crypto coins were created to help finance their software, protocols, and platforms. The GoldFinX project combines crypto coins and Gold mines, and the unit price reflects the vision of the founders to offer a different type of financial product.
4. Unlike most other digital coins, there is a minimum purchase of GiX of 1,000 Euros (100 Euros if you are buying with cryptocurrencies). In this vein, GoldFinX is not targeting a pool of hundreds of thousands of GiX buyers, but rather it is seeking serious institutional and retail investors.
5. One of the main reasons the first generation of crypto projects priced their coins so low—usually between \$0.01-\$1.00—was simply due to a copycat hysteria running rampant between 2016 and 2018, regardless of the true merits of the individual projects. Just like shares of a public company, price alone does not determine if a particular token is “cheap” or “expensive”.
6. In addition, the perception in the past that lower priced coins were ultimately better became its own self-fulfilling prophecy as these coins outperformed higher priced coins for no good economically-sound reasons. This dynamic is not sustainable long term. As the crypto and ICO markets continue to mature, and more sophisticated investors jump into the fray, these irrational behaviors and elementary notions regarding initial token prices will vanish.

**Are we regulatory compliant because lending money—especially for gold—requires special types of licenses and approvals depending on the geography, and in some parts of the world can only be done by government?**

Firstly, GoldFinX is not a lender. It is a Platform as a Service (PaaS), where small gold mines lacking access to financing meet investors who don't have access to gold mines investment opportunities. We describe ourselves as "the Uber of Gold Mines Financing". Secondly, GoldFinX doesn't lend money or take any equity in mining companies or any gold mine; it prepays a production and gets royalties for the life of the mines.

GoldFinX is not the custodian of the funds. Under Singapore law, the Fintech sells a token. The proceeds are directed to the pre-purchase of gold production. After delivery, the Fintech continues to assist the gold mines and gets a royalty share in physical gold equal to 20% of the production for the lifetime of the mine. This gold accumulates and backs the token issued all the way to the point it overtakes the amount raised by a multiple. This activity is not subject to any financial, lending, or banking law in Singapore

**Let us assume all the issued coins are sold and the price on the stock exchanges becomes 5 Euros. At what price will the GiX be offered and sold in Phase II and how will it prevent the price of the GiX sold in Phase I from being negatively impacted or the value diluted?**

The Phase II & III process will be similar to a Secondary Offerings on the Stock Market after an IPO. The new coins will be offered in priority to current coin holders and institutional investors with a discount on the market price.

The issuance of new coins will be carefully calculated in terms of amount, timing, and price in order to protect the price of the GiX. There should be no real dilution effect as each incrementally raised funds will generate more Gold in the reserve and therefore should have the opposite effect of positively influencing the price of GiX.

Moreover, it must be noted that in addition to Phase II & III Coins issuance, there is also the option to finance further expansion and the continued growth of the GiX value by collateralizing the reserve to finance new mines without issuing new coin.

## AUDITS & CONTROL OF FUNDS/GOLD PRODUCTION

**Audits are a very important part of the process since there are lots of smuggling and other illegal activities happening... how do we control that?**

1. GoldFinX is building a Supply Chain Management System (SCMS) supported by Blockchain Technology to document and ensure the source integrity of the gold extracted
2. Using security technology, GoldFinX will have a decent overview of each site and have an appropriate feed of telemetric value to remotely monitor from a central operational dashboard (control center). The sites will be equipped with sensors monitoring the following: flow of slurry-soil treated, working hours, GPS location and movement, magnetic resistance for gold estimate and other telemetric data, and video and still images of the sites taken by drones.
3. GoldFinX will have ground personnel for audits, security, and management support. They will be responsible to capture, secure, and ship to the refinery 100% of the gold extracted and pulled from the machinery.
4. We are in discussion with Deloitte for the Audit of the Fintech accounts as well as the audit of the Gold Reserve.



**It's unclear who actually interacts with the local miners. If GoldFinX is just a platform that connects investors and small miners, how can we ensure that the gold received from these mines is legitimate? They mention relying on local authorities, but in many countries, I imagine they are quite corrupt.**

It is true that GFX is a platform that connects investors and small miners, but we have a set of procedures and systems in place to ensure that each participant of this platform is being fully looked after as well as also making sure everyone is complying with their commitment to the business model.

Please see the following excerpt from the Whitepaper (page 23) covering this topic:

### **OPERATIONAL CONTROL**

The equipment and systems co-selected and approved by GFX will provide efficient means to monitor and control the production and volume of gold extracted. The mobile stations will be equipped with sensors monitoring the following: flow of slurry-soil treated; working hours; GPS location and movement; magnetic resistance for gold estimate and other telemetric data; and video and still images of the stations in key areas.

Each mining property will be mapped digitally. This will not only allow for better ongoing operational management but also provide the possibility to validate the production and extraction volume reported. The use of drones allows us today to accurately estimate changes in the terrain (e.g. where soil has been removed or added, or calculating a volumetric estimate of a pile such as tailing.)

Essentially, today's technology will allow GoldFinX to have a decent overview of each mobile station operating worldwide and have an appropriate feed of telemetric value to remotely monitor from a central operational dashboard (control center) at the Headquarters of GFX.



Additionally, as per the contract mining agreement, GFX will have ground personnel for audits, security, management support, NGO and local government coordination, and logistical aid related to the gold expedited to refiners.

GFX will require a lien on the equipment provided until the advanced purchased quantity of gold is delivered. After which time GFX will also remain with a lien on the mineral rights of the ASGM to legally extract on the territory in order to ensure protection related to the payment of its 20% production share from each mine partner.

### **SUPPLY CHAIN MANAGEMENT**

GoldFinX will build a Supply Chain Management System (SCMS) supported by Blockchain Technology (BCT) to document and ensure the source integrity of the gold extracted all the way up to the refining process, at which point raw gold is transformed into an irrevocable valuable asset, granted by its LBMA certification (World authority in gold value) after refining.

A similar initiative is currently under trial using the new IBM TrustChain™ service. If successful, GoldFinX will evaluate the possibility of using IBM's service as part of our in-house TrueOrigination service.

This will help ensure the accurate documentation of its origin and will in turn satisfy the financial regulatory restrictions forbidding transactions of undocumented or insufficiently transparent origins. It will provide for a convenient and official transaction record system for the mines, and thus will increase the value of their gold production by allowing them to sell at higher prices due to proper documentation. It will also provide for a more precise and streamlined process to report the production volume of gold and pay relevant taxes/royalties to the Government.

**Who decides which 15 mines will be selected for Phase I?**

The GoldFinX Mining Selection Committee (MSC) is composed of geologists, mining industry experts, and executives of the company. The MSC selects from projects and operations of submitted or invited mines. It challenges the business plan and recommends any optimization on the technology (extraction and treatment). The MSC prioritizes the projects by quantity of reserve, easiness to extract, legal and political stability and other criteria. It submits its recommendation to the Board for final approval.

**Are there any geological studies on the individual mines, who has commissioned them, who has created them, to whom are they accessible, and where are they going to be kept?**

Each mine project is carefully analyzed. The quality of the documentation on the reserve is a dominant aspect of the analysis. GoldFinX validates the documentation produced by the mine promoter by:

- A. Verifying the existence and validity of the analysis with the laboratory which conducted them.
- B. Conducting on-site verification taking its own samplings to be sent for analysis to renowned laboratories (ALS Minerals or similar)

The GoldFinX mining division will monitor all operations from a control center with a view on all operations and will also serve as a depository of all technical information related to each mine using a computerized data-base containing historical data and current on-going analytics.

**Who is responsible for controlling the use of funds to ensure that the proceeds from the sale of the 250 million GiX are or were being used in accordance with the funds-allocation plan?**

- A.** At the GoldFinX level, the use of proceeds will be controlled by the Management under the supervision of the Board. Additionally, the GoldFinX banks have been provided with the investment plan and third parties identities, and will only authorize payments to entities related to the execution of the plan. The Financial Statements will be audited by an international firm (Deloitte) to ensure transparency and compliance.

**B.** At the mines level, GoldFinX will release payments against a timetable and milestones, and will directly pay third parties, like equipment suppliers, whenever it is feasible.

**What are the on-site facilities that exist at the mines to ensure the technical equipment provided is properly used; that Gold production is performing at its highest level; that production volumes are closely controlled; and GoldFinX's Gold content also arrives at the vaults of the contracted banks.**

GoldFinX will have a staff of experts on-site to monitor, analyze, and optimize the operations.

GoldFinX will only finance larger operations (but still artisanal by nature) that can support automatization for the extraction of the metal. We will have proper sensors on those machines monitoring GPS location, movement, production (metallic sensors), and video of the site, and make them available to the control center of GoldFinX.

GoldFinX will coordinate with the federal mining authority of the country to control the production and ensure that taxes owed to the government will be paid accordingly.

GoldFinX has created TrueOrigination, a supply-chain management system that will track and validate the origin of the metal extracted (quantity and quality). It will use an IBM supply-chain tracking system and reputedly secure precious metal transportation companies from the site of extraction to the refinery under contract with GoldFinX.

**Are GoldFinX employees or contractors controlling the process at the mines, and how is it ensured that all Gold owed to GoldFinX is delivered in total to the banks on behalf of GoldFinX?**

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**GoldFinX** has created TrueOrigination, a supply-chain management system that will track and validate the origin of the metal extracted (quantity and quality). It will use an IBM supply-chain tracking system and reputedly secure precious metal transportation companies from the site of extraction to the Swiss refinery.

The GiX Foundation will also take part in the control process as it has access to the data of the mines and has an overview on their production. It will take possession of its share of refined Gold at the refinery.

## **GOLD IN VAULT & GOLDFINX TRUST**

**On what contractual and legal basis is the GiX linked to the accumulated Gold in the bank vaults? Who controls and publishes the figures on the Gold holdings? Under what circumstances can the Gold reserve be sold and how is it ensured that the proceeds from the sale flow to the GiX owners?**

The Gold Reserve is under the exclusive authority of the GiX Trust, which is overseen by an independent Board of Trustees for the benefit of the coin holders.

The settlor of the GiX Trust is GoldFinX PTE, the beneficiaries are the GiX coin holders. The trustee is a Private Trust Company (PTC), a company incorporated for the sole purpose of owning and managing the GiX Trust.

The PTC's Board of Directors consists of lawyers, bankers and trusted advisors with an expertise in the monetary field and knowledge of the business background and strategy of GoldFinX. PTCs ensure effective control over the assets as well as provide access to professional managers and experts in the relevant asset class and efficient managerial and administrative assistance. **(For more information of the GiX Trust, please see addendum called An Overview of the GiX Trust)**

This PTC will watch over the scrupulous execution of the smart contract:

1. The general mandate of the Trust is to safeguard the Reserve permanently and increase its value.
2. The Trust has access to the data of the mines and has an overview on their production.
3. GiX Trust attends to the 75/25 split of the royalty payment in Gold and takes possession of its share at the refinery.
4. GiX Trust stores the metal at a specialized bank vault of its choice.
5. GiX Trust and GoldFinX contractually define the conditions of a collateralization of the Reserve to finance the Phase II & III stages instead of issuing new coins
6. Should the GiX be prevented to continue to exist, the Gold Reserve will be liquidated by the Board of Trustees and distributed to all GiX holders under the Singaporean law.

### **How can I check the availability of Gold in the vaults?**

The GiX Trust (Trustee) will produce audit reports on a regular basis and will report monthly on its progression.

### **What do you call a "catastrophic event" preventing the GiX continuing to "exist"? Where are the rules and regulations recorded for the liquidation procedure of the Gold reserve? Is there a trustee or a mandate to a third party (e.g. a bank or an audit company) to act in case of such an event?**

The Gold Reserve is under the exclusive authority of the GiX Trust governed by a Private Trust Company (PTC).

The liquidation procedure ("Black Swan clause") would follow these steps:

- A. A decision from the Board of Trustees citing exceptional circumstances as the reason to prevent the GiX's continuing existence and stating that liquidation is the only option
- B. The liquidation procedures will be supervised by an International audit firm (Deloitte).

A war, a natural disaster, and the disappearance of the Internet would all be examples of catastrophic event preventing the GiX from continuing to exist.

## STRATEGIES & PROJECTIONS

**GoldFinX is placing itself as the central node in this system, and claims that although they are not legally obligated to be transparent, it is their plan to do so. This is not a truly decentralized system as envisioned by many cryptocurrencies, so what added value does a crypto asset really bring (aside from raising capital and getting royalties for GoldFinX)?**

GoldFinX is clearly not a totally decentralized system but like many other non-decentralized cryptocurrencies like Ripple (XRP), the GiX Coin offers an ecosystem underpinning the real value behind it. Notably, GoldFinX introduces an important upside that Ripple doesn't have: a floor value for the GiX coin materialized by the Gold accumulating in the vaults. While nothing prevents the XRP crashing to a point of having no monetary worth, the value of the GiX cannot be lower than the value of its Gold Reserve. Moreover, the GiX coin will be supported by a community of about 200 million people related to the Mining Industry who are mostly unbanked today and for whom the use of the GiX as a store of value and a means of payment will be undoubtedly a beneficial option.

**GoldFinX mentions some countries, such as Canada, as a good place to start due to the political and business environment. But it would seem to me that raising financing for small miners would be most acute in more impoverished countries such as Peru. How much need is there in a country like Canada for this solution?**

Even if Canada is obviously not an impoverished country, there are still good reasons to finance a mine in the region:

1. The GoldFinX financing concept is all about diversification of risks, including geographical diversification.
2. The proximity to the world's biggest mining equipment suppliers, the infrastructure, the political and legal stability make Canada a good location for testing our procedures before getting to countries where conditions are more challenging.

**3.** The presence in Canada of institutional investors specialized in Mining operations who are considering substantial investments in GiX Coins at the public offering or on the secondary market.

**4.** By Canadian standards, the sub-industry of Artisanal and Small Gold Mining is by far one of the most underprivileged within the country. GoldFinX aims to have a social impact in this country too.

**Why are major gold producing countries such as Russia and South Africa left out of GoldFinX's initial focus? Also, how feasible is this plan in China (the world's largest gold producing country)?**

Russia and South Africa are the playing fields of big multinational companies (AngloGold, Polyus) investing billions of dollars in costly and risky hard rock gold mining. GoldFinX focusses on alluvial mining requiring limited investment for local communities. In China, the export of Gold out of the country is currently illegal.

**GoldFinX is a private company that does not need to publish its numbers and results. The standing and creditworthiness of the company will, in the future, essentially influence the assessment and performance of the GiX and not just the accumulated Gold reserves or other market influences. What is intended to be demonstrated to ensure the necessary transparency of business activities?**

Even if it is a private company, GoldFinX's business is mostly disclosed to the public by the mining and tax authorities of the countries where the mines operate.

But it is also the policy of the company to go beyond the typical transparency and act similarly to a public company in terms of communication and reporting.

A Board that also consists of some independent Directors will ensure a culture of governance in line with the objectives of accountability and transparency.

An international auditing firm will sign off on the Financial Statements of the company.



**On what assumptions or opinions are the expectations of Gold production based? What are the criteria for the selection of mines? Are the mine operators, with their knowledge and abilities, capable of mastering modern technology? Are there any insurances regarding the equipment in case of destruction or when expropriation is concluded?**

Gold mining is always a function of the expected concentration of Gold per cubic meter over the square kilometer area of the presumed reserve underground. It can be affected by the depth of the reserve and the surface terrain where such reserve is located.

GoldFinX will focus on alluvial/placer reserves, open pit, and light hard-rock milling reserves. The reserves should have at least 200,000-300,000 ounces of Gold with concentrations over 1gram per ton, and located no deeper than 20 meters.

We also prefer sites where mobile extraction units can be used to allow optimized production.

Nowadays, the latest generation of equipment suppliers guarantee a Gold recovery rate of 92-95%+, compared with the usual rate of 50-60% that even today a lot of mines are still experiencing.

The economic life of the mines is a function of the accessibility to the reserve and the total capacity of extraction per month. So, it will vary case by case but a 10-year life span has been used as a conservative average number.

Transfer of the Technological Know-How to the community of miners is part of the mission statement of the GoldFinX project. We will benefit from the equipment suppliers' training program. The suppliers contacted thus far are enthusiastic about this aspect of their involvement.

Insurance policies covering stolen, damaged or seized equipment are included in the budget and P&L of each mine.



**How did you come up with a Gold output for the 15 mines of 15 billion Euros in a period of 10 years? How long is the timeframe for the Royalty agreements? What is the average predicted time, calculated for the redemption of the investment in equipment, after the delivered and installed technique is operational?**

GoldFinX is already analyzing over 75 projects as of Q3-2019. It has an understanding of which project will be selected first (pending on-site and proper due diligence). The estimate is a conservative projection of those 15 prime projects.

The calculation of the planned combined production of €15B is the following: 1,500,000 ounces x current price of €1,050 per ounce. We took an average of 10 years as the economic life of the mines for the first 15 mines selected i.e. until it is no longer financially profitable to extract metal from the sites.

This number doesn't factor in the scenario of Gold gaining in value.

GoldFinX will favor mining projects in the form of a cooperative partnership, whereby multi-claims (mining territories) will be clustered together to allow a better optimization of the metal extraction by using mobile equipment, ensuring a higher reserve to deal with and diminished risk of production due to the mobility of the operations. Hence the reason for the average of 1M ounces per project for the first 15 mining projects.

The timetable to receive the full amount of the Gold covered by the Advance Purchase agreement depends on case-per-case factors, but it can be reasonably estimated at 7 to 10 months after extraction starts.

**What activities are planned to inform the crypto market about the Gold reserves associated with the GiX? The market's estimate of GiX's intrinsic value can only be accomplished if status of the current reserve in Swiss vaults is constantly updated and the flow of Gold production from the mines is regularly published.**

- A.** Every month, the GiX Trust will publish the amount of Gold stored in the Banks' vaults.
- B.** GoldFinX will retain the services of a Public Relations and advertising agency to build the communication strategy around the GiX. The goal is to expand the market from only crypto fans and include main stream investors as well.

Each mining operation is a source of rich marketing content : pictures, videos, and testimonials will be produced around not only the production of the mines, but also around the benefits to the community of miners. From schools and dispensaries financed by the project to the elimination of harmful chemicals, they will all be documented and published.

We also intend to have close relationships with NGOs and UN agencies involved in improving lives of mining communities, we expect substantial media exposure from these activities.

**There is always theft of crypto currencies in the industry. How does GoldFinX protect itself from such events, and how secure are the coin holders' personal information and the data in the system?**

All defensive programming practices such as penetration testing, code reviewing and architectural analysis were an integral part of the development effort for the GoldFinX platform.

The GiX Wallet and all of the GiXs' Web-exposed environment are under CloudFlares Services to block Denial of Service (DoS) attacks, and all requests made against our servers will be subject to sanity checks to prevent any of the most known web related attacks, such as SQL Injection, CSRF or XSS. A full backup replica is setup to ensure data protection for all web, API's, Files, and DataBase components.

Finally, the GoldFinX platform does not hold private keys, cannot access accounts, recover keys, reset passphrase, nor reverse transactions. All this information is stored on the Blockchain and secured by the system.

We recognize the significance of protecting information that is stored on our servers and relates to individuals, and we comply with current regulation like the General Data Protection Regulation of the European Union.

It must be noted that after listing, the GiX will be freely and anonymously traded on the crypto exchanges, and all the KYC data we collected during the presale and ICO will not be relevant anymore and will be destroyed.

## TEAM

### Does Our Team Have Any Prior Experience in This Business?

The CEO and COO have 15 years each in trading, sourcing and gold mines financing. The 4 mining advisors have solid experience and expertise in the gold mining operations worldwide.

Our Mining Experts/Advisors worked in the following countries and companies:

**Alain Berclaz:** Canada, Mali, Ghana, Guinea, Peru, Zimbabwe, Uganda

Eastmain Resources Ltd  
Jourdan Ress Ltd  
Cavan Ventures Inc - Silver  
St-Georges Eco-mining Corp-Platinum  
Magnor Exploration Inc  
Wemindji Exploration Inc  
Amixam Resources Inc - Palladium  
Threegold Resources Inc  
RSC MME Ltd  
Azimut Exploration Inc  
Murchinson Minerals Ltd, Silver Platinum

**Aldo Gorovatsky:** Chile, Spain, Israel, China

Bateman Engineering Ltd

**Marta Benito:** Canada, Spain, Chile, Brazil, Peru

Lunding Mining  
Vale: copper/gold  
Codelco: copper/gold

**Fernando Gallardo:** Ecuador, Chile, Peru, Bolivia, Canada

Minera Las Cenizas

Yamana Gold

Golbalcorp-Antofagasta

Echo Bay Mines: silver

## 3 ADDENDUM

### An Overview on the GiX Trust

#### *What is a Trust?*

A trust is a legal arrangement whereby the ownership of a property is divided between two parties, such that one person is entrusted with the legal title to the property (the trustee) whilst another person (the beneficiary) retains the beneficial ownership of the property.

The original owner of the property who creates the trust arrangement (the settlor) would enter into this arrangement in order to allow the trustee the control to manage and administer the property, whilst being assured the economic benefits from the property will accrue to the beneficiary. Real estate, cash, investment portfolio, business shares, art collections and of course gold are commonly placed in trust.

#### *Singapore Trust Law*

Singapore trust law has a strong foundation in English common law and trust principles. Singapore has enhanced the trust framework to adapt to modern requirements and meet international regulatory and compliance standards. The governing trust legislation in Singapore includes the

Trust Companies Act, Business Trusts Act, Civil Law Act and the Trustees Act.

The type of trust that is used for the GiX Trust is frequently established in Singapore for statutory compliance; for instance, a trust structured for insurance policy holders and their beneficiaries.

### *Creation of a Private Trust in Singapore*

A trust may be created by will, by deed or by declaration, and must generally possess certainty in relation to its intention (i.e. the desire to create a trust), its subject matter (clearly identifiable trust property), and its objects (clearly identifiable beneficiaries). Generally, in order to create a trust, the settlor must execute a written document (the trust instrument) along with the legal transfer of the property to the trustee.

Once the property is transferred from the settlor to the trustee, the trustee manages the property in the best interest of the beneficiaries and according to the terms specified in the trust instrument.

A trust can be fixed (where the settlor rigidly delineates the entitlements of the beneficiaries, with no discretion available to the trustee) or discretionary (where the trustee is granted the power to exercise discretion in the way he manages the trust for the benefit of the beneficiaries).

A discretionary trust is usually preferred for long-term management of assets. This is because the circumstances and other peripheral factors may change over time, and a discretionary trust would allow the trustee the flexibility to accommodate them. At the time of its setup the settlor usually provides guidance to the trustee for exercising the discretionary power. The GiX is therefore a discretionary trust and the general guidelines are already included in the Whitepaper. The trustees are expected to uphold these guidelines in order to be assured that they are fulfilling their fiduciary responsibilities.

### *Duration and Termination*

In Singapore, Trusts created on or after 15 December 2004 can continue for a maximum period of 100 years.

The GiX Trust has been established for this duration but according to its deed it will be terminated earlier if all the trust assets have been distributed to the beneficiaries.

### *Parties to the GiX Trust*

The settlor of the GiX Trust is GoldFinX PTE, the beneficiaries are the GiX coin holders.

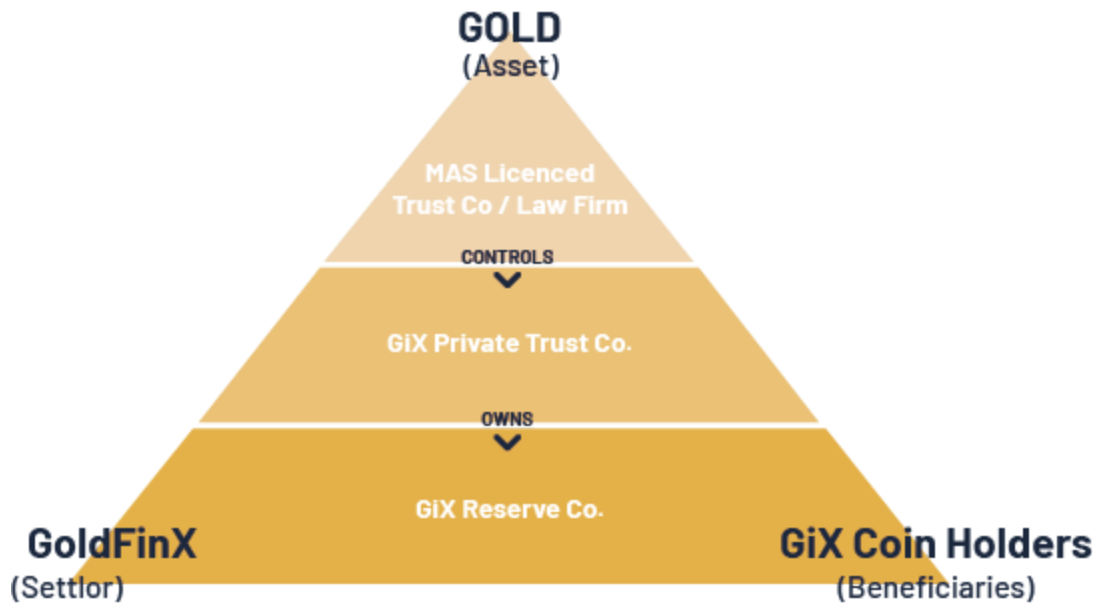
The trustee is a Private Trust Company (PTC), a company incorporated for the sole purpose of owning and managing the GiX Trust.

The PTC's Board of Directors consists of lawyers, bankers and trusted advisors with an expertise in the monetary field and knowledge of the business background and strategy of GoldFinX. PTCs ensure effective control over the assets as well as provide access to professional managers and experts in the relevant asset class and efficient managerial and administrative assistance.

The GiX PTC is formed by incorporating a private limited company. A Monetary Authority of Singapore's licensed trust company is appointed to own the shares of the PTC and manage the PTC according to the Trust Deed.

In addition to statutory requirements imposed on Singapore companies, the licensed trust company is required to perform due diligence as required by law. Such checks are imposed to ensure compliance with directives from the Monetary Authority of Singapore.

# The GiX Trust Structure



## Timing

The cost and compliance requirements in the case of PTC are not trivial, and these costs are running even if the Gold reserve did not start accumulating. Therefore, keeping in mind a rigorous policy for the use of the raised funds, the establishment of the GiX Trust will follow the timeframe below:

1. Creation and validation of the Trust Deed: July 2019
2. Registration of the PTC: August 2019
3. Appointment of the Licensed Trust Company: September 2019
4. Appointment of the Board Directors: November 2019



### *Advisors*

GoldFinX hired two Law Firms for the set-up of the GiX Trust instrument and the GiX Private Trust Company :

Ressos is an international law firm with offices in Singapore and Hong Kong with extensive experience in Trust creation and administration, and an expertise in Blockchain projects.

### *KGP Legal LLC*

KGP Legal is a Singapore-licensed law practice with the Ministry of Law Legal Services Regulatory Authority (License # LSRA/LLC/2017/00023) and duly licensed to render Singapore law advice. KGP Legal is a member of the InterAsia Law Alliance.