

GoldFinX
Fair Trade Crypto-Finance

FAQ - JUNE 2020

FAQ (FREQUENTLY ASKED QUESTIONS)

The following questions are extremely valuable as they are real-life enquiries asked by interested parties like you over the last 12 months.

1

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.

2

Is GiX subject to cryptocurrency volatility?

GiX is a cryptocurrency, and like any other crypto or fiat currency, it fluctuates. 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.

3

How many GiX Coins will be issued?

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

4

How can I purchase GiX Coins?

The only way to acquire GiX coins is via crypto exchanges. Today the GiX is traded on our primary exchange, Bitmart, as well as Coinsbit and Simex. Peer to Peer OTC (Over the Counter) deals are available upon request at: otc@goldfinx.com.

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Which ecosystem platform does GoldFinX use?

GoldFinX uses the Ethereum platform (ERC20 token standard). ERC20 tokens are quite popular and are supported by almost all crypto exchanges and wallets.

6

Is GoldFinX a decentralized system as envisioned by many cryptocurrencies?

GoldFinX is clearly not a totally decentralized system, but it introduces an essential upside that no other decentralized systems have: a floor value for the GiX coin materialized by the Gold accumulating in the vaults. While nothing prevents any decentralized digital coin to crash to the 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.

7

How does GoldFinX protect itself from hacking attacks?

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 all of the most known web related attacks, such as SQL Injection, CSRF or XSS. A full backup replica is set up to ensure data protection for all internet, API's, Files, and DataBase components.

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.

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How can I get updates about GiX news?

Buyers of the coin are provided with privileged access to the monthly newsletter. The general public can follow the progression of the operations on the website and via public social-media platforms such as Facebook, Instagram, Twitter, LinkedIn, GitHub, Telegram, Reddit, and other mediums.

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Does GoldFinX comply with money lending regulations?

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 are looking for 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.

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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 Secondary Offerings on the Stock Market. 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 coins.

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How does GoldFinX prevent illegal activities in the mines it finances?

1. GoldFinX built TrueOrigination, 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: the 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.

12 How are the mines selected?

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 of the technology (extraction and treatment). The MSC prioritizes the projects by the quantity of Reserve, easiness to extract, legal and political stability, and other criteria. It submits its recommendation to the Board for final approval.

13 Are there any geological studies on the selected mines?

Each mining 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 monitors all operations from a control center with a view on all operations. Also, it serves as a depository of all technical information related to each mine using a computerized data-base containing historical data and current on-going analytics.

14 Who is responsible for controlling the use of funds allocated to the mines?

GoldFinX releases payments against a timetable and milestones, and directly pays third parties, like equipment suppliers, whenever it is feasible.

STRATEGIES & PROJECTIONS

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16 Why is GoldFinX mentioning Canada, which is not an impoverished country, in its footprint list?

Even if Canada is 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.
3. 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.

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Why are major Gold producing countries such as Russia and South Africa left out of GoldFinX's initial focus?

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.

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How is GoldFinX providing the necessary transparency of its 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. However, it is also the policy of the company to go beyond basic transparency and act similarly to a public company in terms of communication and reporting. The Board ensures a culture of governance in line with the objectives of accountability and transparency.

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On what assumptions or opinions are the expectations of Gold-production based?

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 it is located.

GoldFinX focuses on alluvial/placer reserves, open pit, and light hard-rock milling reserves. 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, lots of mines are still experiencing.

The economic life of any mine 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.

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How did you come up with a Gold output for the 20 mines of 15 billion Euros in a period of 10 years?

The ideal mining projects for GoldFinX are small operations with huge potential. We are prioritizing the alluvial cooperatives and open-pit mining operations, and excluding the in-situ (underground) mining operations in our mine selection process. Each project is thoroughly analyzed internally by our in-house experts and validated by our Mining Selection Committee composed of experienced, seasoned geologists and mining industry experts.

The calculation of the planned combined production of €15B is the following: Ideally, each Co-op partnership should possess approximately 400,000 to 500,000+ oz of gold reserves. When this is multiplied by the current market price of €1,500 per ounce, each partnership should have generated approximately €750,000,000 by the end of its production life cycle. We estimate an average of 10 years as the economic life of the mines for the first 20 mines selected i.e., until it is no longer financially profitable to extract metal from the sites.

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How does GoldFinX protect itself from hacking attacks?

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 all of the most known web related attacks, such as SQL Injection, CSRF or XSS. A full backup replica is set up to ensure data protection for all internet, API's, Files, and DataBase components.

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GOLD IN VAULT & GOLDFINX TRUST

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On what contractual and legal basis is the GiX linked to the accumulated Gold in the bank vaults?

The Gold Reserve is under the exclusive ownership 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, and the beneficiaries are the GiX coin holders. The trustee is the GiX Private Trust Company (PTC), a company incorporated in Jersey (British Isles) for the sole purpose of managing the GiX Trust.

The GiX PTC's Board of Directors consists of lawyers, bankers, and trusted advisors with expertise in the monetary field and knowledge of the business background and strategy of GoldFinX.

GiX PTC watches over the scrupulous execution of the Trust Deed.

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 custodian 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 from continuing to exist, the Gold Reserve will be liquidated by the Board of Trustees and distributed to all GiX holders under the Jersey law.

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

The Board of Trustees of the GiX Trust will produce audit reports quarterly.

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What do you call a "catastrophic event" preventing the GiX from continuing to "exist," and how is the liquidation procedure of the Gold reserve followed?

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 GiX's continuing existence and stating that liquidation is the only option. A war, a natural disaster, and the disappearance of the Internet would all be examples of a catastrophic event preventing the GiX from continuing to exist.
- B. The liquidation procedures will be supervised by an audit firm.

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How are the Gold Reserve and the GiX Trust managed?

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

The GiX PTC's Board of Directors consists of licensed trustees, lawyers, and advisors with expertise in the monetary field and knowledge of the business background and strategy of GoldFinX. The GiX PTC ensures 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 in Jersey (British Isles). In addition to statutory requirements imposed on Jersey companies, a licensed trust company is required to perform due diligence as required by law. Such checks are imposed to ensure compliance with directives from the Jersey Financial Services Commission.

