

TRUGOLD

Confidential

An electronic distribution system to digitize gold production.

WHITEPAPER

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1. Forward Looking Statements Disclaimer

Forward-Looking Statement Disclaimer Certain matters discussed in this document are about our future performance including, without limitation, the future revenues, earnings, strategies, and prospects of Magnum Mining Corp. and Goldchain, LLC. All statements that are not purely historical constitute “future-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements are subject to risks and uncertainties which could cause actual results to differ materially from those anticipated. Such statements are based on management’s beliefs as well as assumptions made by and information currently available to management. When used herein, the words “anticipate,” “intend,” “estimate,” “believe,” “expect,” “should,” “potential,” “forecast,” “project,” variations of such words and similar expressions are intended to identify forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements in making any personal decision.

2. Abstract

Proposed is an electronic distribution system to digitize the production of gold for peer-to-peer daily transactions, trade for other digital currencies—or for redemption of physical gold to be issued by trusted third-party custodians. There are certain properties that are ideal for money—the intrinsic value and properties of gold historically have deemed it an ideal form of currency. Bitcoin and other cryptocurrencies have great liquidity and fungibility; but high volatility, wild price fluctuations and perceived lack of intrinsic value limits them from being a stable store of value. Physical assets such as gold can be incorporated into the blockchain for the creation of fast, convenient, peer-to-peer digital gold transactions redeemable for physical gold by trusted third-party issuers. TruGold provides an ecosystem to connect gold producers to users on the network. The TruGold network—represented by Coin A—functions as a fuel to send, store or trade digital gold, create smart contracts, vote on proposals, and provide proof of provenance of gold in the production pipeline. A proof of stake (PoS) model will provide incentives for users to stake Coin A. Digital gold—represented by Coin B—may provide a stable safe-haven for users to store value, redeem for gold in its physical form; or to trade for other digital currencies. An exchange platform with digital gold trading pairs for Coin A and other cryptocurrencies will increase liquidity and allow for convenient trading. Our gold supply chain in cooperation with third-party proprietary gold mining technology has the capacity to generate a significant supply of conflict-free and responsibly-sourced gold that can be tokenized. Proof of provenance of gold in the supply chain can be obtained and various operations in the gold production pipeline can be monitored, inspected and verified using blockchain and IoT technology.

3. The Market & Industry

3.1. The Historical Gold Market

Throughout history, gold has played an important role in the international monetary system. The first gold coin was struck around 550 BC and has retained its value even after the introduction of paper money. During the mid-17th century, free exchange of paper money and gold led to the development of the Gold Standard.

The Classic Gold Standard system was used by nearly all countries wherein currencies were fixed to a specified amount of gold. Currencies and exchange rates were fixed in terms of gold and most countries had a minimum ratio of gold per currency note¹. By the turn of the 19th century, all countries except China and parts of Central America were on the gold standard. The Gold Standard evolved into an adjustable-peg exchange rate system under the Bretton Woods system, and is attributed to be a time when inflation was very low and stable².

3.2. The Gold Market Today

Gold is considered a safe asset that is ideal for legal currency. In times of economic uncertainty, gold has been a safe-haven. Central banks adjust their gold holdings in response to economic change and during extreme negative market shocks and in crisis periods, gold can act as stabilizing force³ to hedge against stock loss⁴. Its physical properties make it an ideal currency—it is scarce, indestructible, divisible, homogenous, malleable and portable. Aside being an ideal currency and store of wealth, gold has industrial value. Owing to its unique chemical properties, gold has industrial applications. In electronics, gold is valued for its thermal resistance, electrical conductance, and its corrosion-resistance⁵; and in medicine, it is studied for its pharmacologic and therapeutic properties.

The use of gold as a currency has changed over the last 50 years. In recent times, it has been replaced by fiat money or cash which allows for decentralized payments between individuals. However, fiat money can be printed out of thin air and in historical financial disasters, hyperinflation has impoverished households with large holdings of central bank currency⁶. Furthermore, most countries require third party involvement to issue cash—as is the case for central banks and treasuries which hold monopoly on currency. Gold is used as a stable hedge against hyperinflation and stable store of value.

¹ "Gold Standard | Monetary Systems | World Gold Council." World Gold Council - Gold Price & Gold Market News, www.gold.org/about-gold/history-of-gold/the-gold-standard.

² Bordo, Michael. "The Gold Standard, Bretton Woods and Other Monetary Regimes: An Historical Appraisal." 1993

³ Baur, Dirk G., and Thomas K.J. Mcdermott. "Is Gold a Safe Haven? International Evidence." SSRN Electronic Journal, 2009

⁴ Virginie Coudert and H el ene Raymond-Feingold, (2011) "Gold and financial assets: Are there any safe havens in bear markets?", Economics Bulletin, Vol. 31 no.2 pp. 2011.

⁵ Holliday, R., and P. Goodman. "Going for Gold [Gold in Electronics Industry]." IEE Review, vol. 48, no. 3, Jan. 2002

⁶ Berentsen, Aleksander, and Fabian Schar. "The Case for Central Bank Electronic Money and the Non-Case for Central Bank Cryptocurrencies." Review, vol. 100, no. 2, 2018,

In 2012, the World Gold Council and its members set in place a conflict-free gold standard. The conflict-free gold standard aims to be a common approach in which gold producers can assess and provide assurance that their gold is extracted in a responsible manner that does not contribute to serious human rights abuse, breach international humanitarian laws; or contribute to, support or cause unlawful armed conflict⁷. The demand for responsibly-sourced conflict-free gold is increasing among gold dealers, electronics manufacturers and jewelers.

3.3. The Gold Market of the Future

Blockchain technology and the invention of Bitcoin have allowed for convenient, decentralized electronic payments between peers without the need of third party financial institutions⁸. In countries like Venezuela, both gold and Bitcoin offer protection against devalued government currency and hyperinflation. However, high volatility of digital assets and huge price fluctuations may be unattractive and warrants the development of stable currency based on the gold standard⁹.

Ownership of gold assets that live outside of the blockchain network can be recorded on the blockchain--a public electronic immutable ledger. Gold can be accounted for, physically stored, and electronically minted for blockchain distribution and day-to-day transactions. Many digital assets have a high volatility with large price fluctuations occurring around fear, hype and government regulation. The ability to peg physical gold to digital currency may stabilize volatility and provide lower risk.

The gold market of the future will involve platforms that directly link responsible gold producers to custodian vaults, market makers and dealers so that the trading process can be more efficient. Digital currencies may enable users to trade gold for other assets in a highly liquid manner. Gold-backed digital assets will emerge for users to buy and trade gold and other precious metals electronically and cryptographically.

⁷ "Conflict-Free Gold Standard | World Gold Council." World Gold Council - Gold Price & Gold Market News, www.gold.org/who-we-are/our-members/responsible-gold/conflict-free-gold-standard.

⁸ Nak, Satoshi. Bitcoin: A Peer-to-Peer Electronic Cash System. 2009, www.bitcoin.org.

⁹ Gilbert, Scott, and Hio Loi. "Digital Currency Risk." International Journal of Economics and Finance, vol. 10, no. 2, Oct. 2018

4. Use Cases

The TruGold Network provides a service that is best described as a gold supply chain and payment network for end users to procure responsibly-produced gold for peer-to-peer transactions on the blockchain. Selected miners and refiners are given the opportunity to supply physical gold to the TruGold Network in exchange for spot price value of the metal.

4.1. Send, Store or Trade Gold

Coin A can be used to access the TruGold network for peer to peer tokenized gold trading, pay custodian fees and transaction fees for sending digital gold (Coin B), and provides access to the network to create a digital vault (wallet); store digital gold; and pay custodian fees on physically stored precious metals. The proposed digital gold (Coin B) can serve as a stable means to exchange value, considering it is backed by and redeemable for physical gold. Using blockchain technology, gold transactions can be fast and efficient.

4.2. Hedge Against Volatility

TruGold digital gold assets can be purchased for making transactions on the blockchain and can provide a stable store of value and can be used to hedge against other digital assets losing value. The market can be unstable and at times it can lose more than half of its market cap. The demand for stable coins as a hedge is increasing. Using gold as a hedge in times of uncertainty can protect from significant value loss.

4.3. Supply Chain Automation

The demand for responsibly-sourced and conflict-free gold is increasing and many of the world's gold supply chains cannot verify its origin and whether it has been responsibly sourced. The TruGold network incorporates blockchain technology to verify the provenance of gold and to validate processes in the network that require trust. Gold within the supply chain is responsibly sourced and conflict-free, thus it can be labeled, tracked and validated at various checkpoints in the gold supply chain--from precious metals producers--to dealers and jewelers.

4.3. Smart Contracts

Smart contracts can allow users to do many things such as write a legal binding contract, finance agreement, or for payment and deposit of funds. There are limitations to smart contracts. Dapps allow developers to write applications on the network to provide more functionality to the user aside from smart contracts.

4.4. Community Participation

Use cases for Coin A also include rights to voting on proposals within the TruGold community. Similar to decentralized autonomous organizations (DAOs), TruGold will allow community members to create proposals for the development, improvement and adoption of TruGold. Community members can then use their coins for voting on proposals for improvement of the network.

5. A Strong Foundation

5.1. Gold Producers

TruGold has developed an exclusive partnership with Magnum Mining Corporation, a precious mineral mining corporation in the United States that will provide physical gold to the TruGold Network. Magnum Mining Corp extracts precious minerals from the earth using proprietary technology and stores it with third-party custodian vaults where it can be accounted for and tokenized for use on the TruGold Platform. While intending to place its focus on the mining and production of gold, Magnum also plans to pursue the production of other minerals discovered as a by-product of its gold mining operations. They are investigating opportunities which have presented themselves involving the production of gold, silver and other precious metals; as well as the production of clean, drinkable water from inexhaustible sources of salt-water and geothermal springs on specific properties.

5.2. Existing Business Partnerships

An exclusive strategic alliance with a company that possess proprietary gold leaching technology gives TruGold a unique value proposition relative to other projects on the market. The gold leaching technology that Magnum uses is eco-friendly, fast and efficient and specific to gold and silver. Their mining plant crushes and processes hard rock, free-milling placer and nuggets, leaches and removes gold and silver. Geological formations of alluvial, gold-bearing lode veins and other deposits contain high gold per tonnage (g.p.t.) and reports suggest specific deposits combined could contain between 1- 5 oz g.p.t.. Magnum Mining Corp's long-term goal is the development of multiple precious metals-producing plants across the United States.

5.3. Experience in the Industry

Magnum Mining Inc. was founded in February of 2016 to take advantage of gold and hard mineral mining opportunities in Arizona, USA. Magnum possesses 12 mining lease agreements and the right to recover minerals on the leases. At least one of the leases is bonded and we are working on bonding for the other leases. Magnum also owns excavating and mining equipment.

5.4. Past Success

Magnum has had past success in raising capital, allocating equipment and acquisition of land for mining. They have OSHA certified employees with a background in geology and hard mineral mining. Magnum has a construction team that is well capable of building and constructing hydrometallurgy extraction plants.

6. Blockchain Background

6.1. Blockchain

A blockchain is a continuously growing list of records, called blocks, which are linked and secured using cryptography. A blockchain can serve as an open, distributed ledger that can record transactions between two parties efficiently and in a verifiable and permanent way. Frequently, blockchains are managed by a peer-to-peer network which requires collusion of the network majority in order to change previous blocks. This enables decentralized consensus and makes blockchains inherently resistant to data modification without the need for trust of a central party. In turn, this makes blockchains suitable for recording of events, identify, transactions, provenance, property titles, supply chains and food traceability, among many others.

6.2. Cryptocurrencies

A cryptocurrency is a digital asset designed to work as a medium of exchange using cryptography to secure the transactions and to control the creation of additional units of the currency. While centrally managed digital currencies have existed for some time (e.g. electronic money and centralized banking systems), Bitcoin became the first decentralized cryptocurrency by using the blockchain as a distributed ledger. Since Bitcoin's emergence in 2009, numerous cryptocurrencies have been created. These are frequently called "altcoins".

Bitcoin became the first decentralized cryptocurrency in 2009. Since then, numerous cryptocurrencies have been created. These are frequently called altcoins, as a blend of "bitcoin alternative". Bitcoin and its derivatives use decentralized control as opposed to centralized electronic money/centralized banking systems. The decentralized control is related to the use of bitcoin's blockchain transaction database in the role of a distributed ledger.

6.3. Smart Contracts

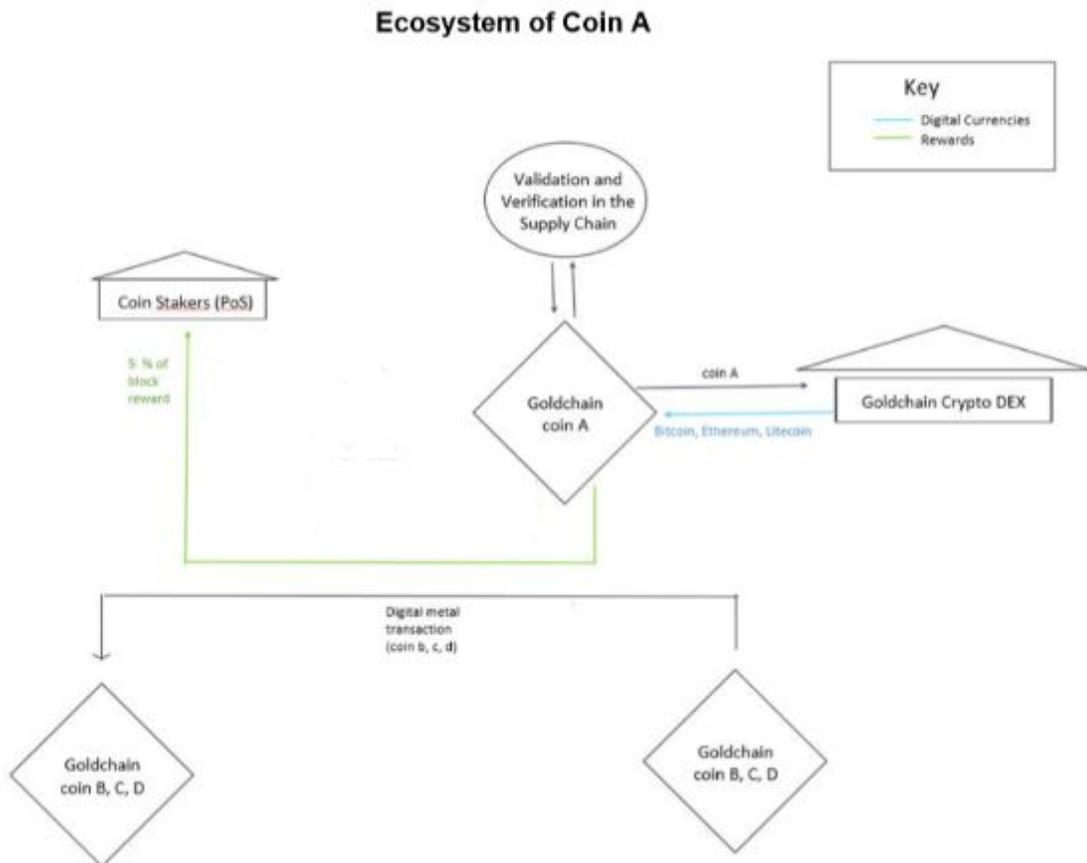
A smart contract is a computer protocol that resides in a blockchain. Smart Contracts can facilitate, verify, or enforce the negotiation or performance of a contract between two or more parties by executing pre-programmed logic without requiring human intervention, and thus without requiring central trust.¹⁰ This enables smart contracts to provide security superior to traditional contract law and to reduce costs associated with enforcement and settlement associated with traditional contracting. Smart contracts have been used primarily in association with cryptocurrencies. The most prominent smart contract implementation is the Ethereum blockchain platform.

¹⁰ First proposed by Nick Szabo in 1996

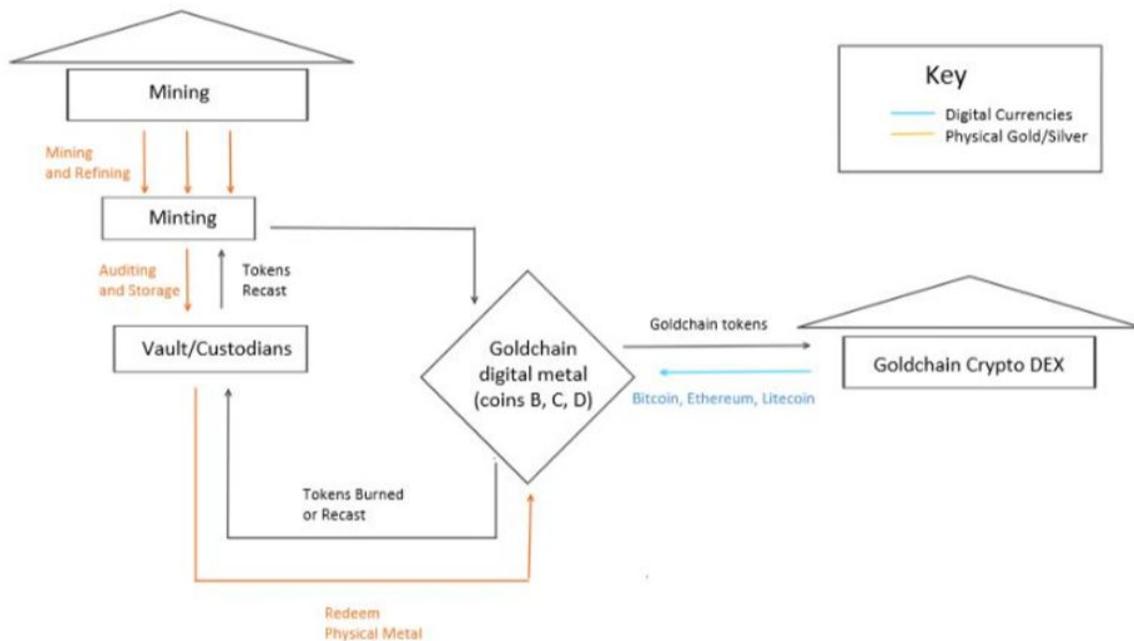
7. The Platform Ecosystem

7.1. Global Ecosystem Diagram

The TruGold ecosystem functions as a completely decentralized gold supply chain and payment network. Gold is produced, refined, physically stored and minted into digital coins (coin B) for peer-to-peer transactions or to trade for other cryptocurrencies. Coin A functions as a fuel to send Coin B,C,D (digitized metal) and thus, transaction fees are paid using Coin A. A proof of stake (PoS) consensus model will allow staking of Coin A to validate transactions on the network. Coin stakers will receive 50% of the block reward and masternode owners will receive 25% of the block reward. Coin A will also provide trust and validation of specific processes and procedures within the gold production pipeline (supply chain). Coin A will be tradeable on our proposed exchange and other exchanges for other digital assets such as Bitcoin and Ethereum.



Ecosystem of Coin B



7.2. Token Use

The model which we plan to use is a system whereby the user can buy ERC-20 tokens during our public crowd funding ICO phase, that can later be used to redeem for our native/blockchain coins (Coin A) to be used on the TruGold network. The native Coin A is a utility coin used for gaining access and providing functions on the TruGold network such as creating a digital wallet or vault, paying fees for digital gold transactions, and voting on proposals within the network. Users can also use Coin A to buy digital gold (Coin B).

Digital gold (Coin B) is minted by TruGold as physical gold is mined, stockpiled and stored with a trusted third-party custodians. To redeem gold, the user must present Coin A with digital gold (Coin B). After the ICO phase, when mining and stockpiling of gold is complete, users may buy Coin B directly from the exchange.

As it relates to cryptographic transactions within the blockchain network, a proof-of-stake system will be implemented to provide a distributed timestamp for peer-to-peer transactions. An incentive structure is planned to award users who stake tokens to help secure the network—there is a huge incentive for users to stake \$TruGold tokens considering block rewards are redeemable for physical gold. For staking Coin A, users will receive additional Coin A as rewards for securing the network. Coin A can be bought directly or can be traded for Coin B or vice versa. This incentive allows users the ability to redeem Coin B for staking Coin A.

7.3. Decentralized Exchange

Our digital gold trading platform will enable users to trade digital currencies for Coin A or digital gold (Coin B). A decentralized exchange platform will be engineered from the ground up for security, scalability and efficiency to provide high liquidity, safe and secure trading, and convenient customer service with multi-lingual support. The platform will accommodate high exchange volume via a powerful matching engine and will support digital currency trading pairs such as BTC, ETH, LTC, EOS, Coin A, Coin B (digital gold); as well as other coins that will be listed in the future. Device coverage will include a web client, android and IOS native clients (IOS client pending app store review), mobile HTML5 client and PC native client.

A 0.2% fixed fee for makers and takers will provide revenue for the TruGold Network. Additionally, withdrawal fees, listing fees and other fees will provide further revenue. Every quarter, we plan to buy back and destroy Coin A using 10% of the exchange revenue until there is only 50% of the total supply of Coin A remaining. The digital gold market is a unique market in that the value of digitized gold is greater than gold in its physical form. A decentralized settlement platform for gold traders and specimen gold traders to trade their physical gold for cryptocurrency is thereby warranted. Furthermore, specimen gold produced as a byproduct of mining can be offered to market buyers and sellers to bring additional value proposition to the TruGold Network.

8. TruGold Token Economic Model

Below are the five key uses of the token within the TruGold ecosystem. These uses are core to the system and success of the project.

8.1. Access

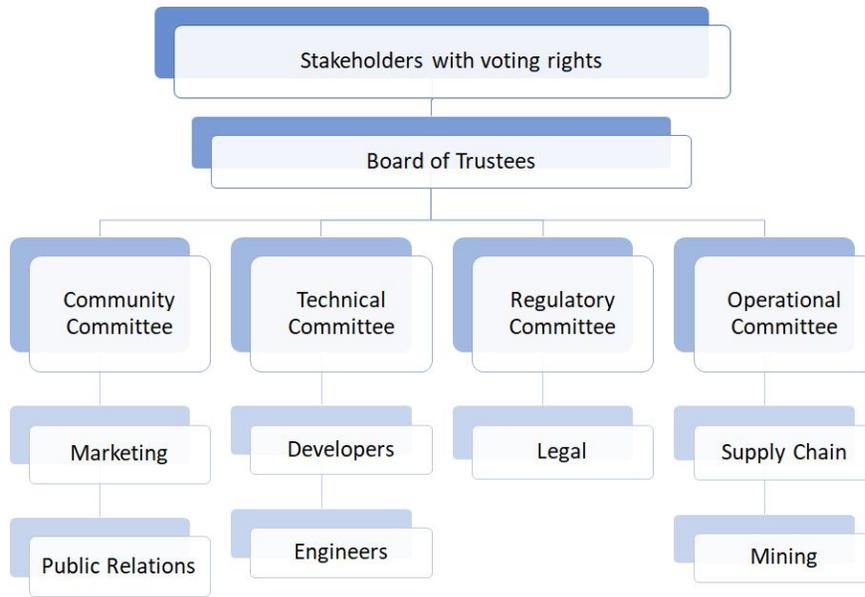
\$TruGold tokens (Coin A) are used to set up wallets or vaults, purchase gold and pay custodian fees. Coin A is used to make transactions, create smart contracts, and is the fuel that drives the TruGold network.

8.2. Rewards

Digital gold (coin B) transactions that take place on the blockchain are made possible by the proof of stake consensus model and distributed by full nodes. By staking coin A, users are rewarded with specific amounts of coin A according to the block reward for using their computing power to support the network. When sending digital gold (coin B), a percentage of coin B will be converted into coin A and rewarded to coin A stakers. Users are incentivized to help secure the network by locking tokens in their wallets and running the TruGold software client on their personal computers or servers.

8.3. Governance

\$TruGold Tokens give participants certain privileges that include rights to vote on proposals within the TruGold community in the future. TruGold will allow community members to create proposals for the development, improvement and adoption of TruGold. Community members can then use their tokens for voting on proposals. In this way, the community will control the network and make the decisions based on consensus of the network. A multi-stage approach will be taken in the roadmap to allow for the slow release of power to the community. A protocol is planned to be built to allow for the future support of smart contracts and possibly decentralized applications (Dapps).



8.4. Transaction Fees

Transaction fees for Coin B will be paid from the block reward using Coin A. We plan to use the proof of stake consensus model for validation of blocks and transactions on the blockchain. Token stakers can earn a percentage of the block reward by staking a certain number of tokens and by running a full blockchain node.

8.5. Supply Chain

The blockchain can be used in the gold supply chain to provide a time-stamp and validate transactions, as well as provide authentication that precious metals in the supply chain are conflict-free and responsibly sourced. Gold is physically stored, digitally minted and uploaded to the blockchain where it can be purchased for peer-to-peer trading or stored digitally in an electronic wallet or vault. As such, Coin A is used in the supply chain for microtransactions sent from IoT devices containing data for proof of provenance of gold in the supply chain.

9. Project History & Roadmap

Roadmap¹¹	
Q3 2017	Idea Development
Q1 2018	White Paper Development
Q3 2018	Private Presale
Q3 2018	Acquisition Identified
Q3 2018	CJC Media Currency Established
Q3 2019	Listed on Public Exchanges
Q4 2019	International Expansion

¹¹ To be completed by TruGold team.

10. Token Distribution Event

The \$TruGold token sale and token creation process will be managed by Goldchain, LLC, a United States company, and will be executed through Ethereum smart contracts. Participants will be able to fund using Ether tokens (ETH) or Bitcoin (BTC). The \$TruGold tokens will be minted immediately after the contribution and will be exchange tradable without delay. \$TruGold tokens are being sold by Goldchain, LLC, a for-profit company.

10.1. Token Economics

Total Issued Tokens

300,000,000

Private Presale Tokens

140,000,000 @ TBA (Until Sold)

ICO Tokens

66,000,000 for ICO (Until Sold)

ICO Hard Cap

66,000,000

ICO Soft Cap

33,000,000

ICO Contribution Tiers

22,000,000 @ TBA (Tier 1) (Until sold)

22,000,000 @ TBA (Tier 2) (Until sold)

22,000,000 @ TBA (Tier 3) (Until sold)

Operations & Marketing

13,750,000 \$TruGold for (Operations, Employees, Founders, PR, Marketing, Partnerships & Contractors)

Future

13,750,000 \$TruGold for Community Reserve

Advisors/Owners

32,000,000 \$TruGold for Advisors and Owners

Early Contributors

34,500,000 \$TruGold for Early Contributors



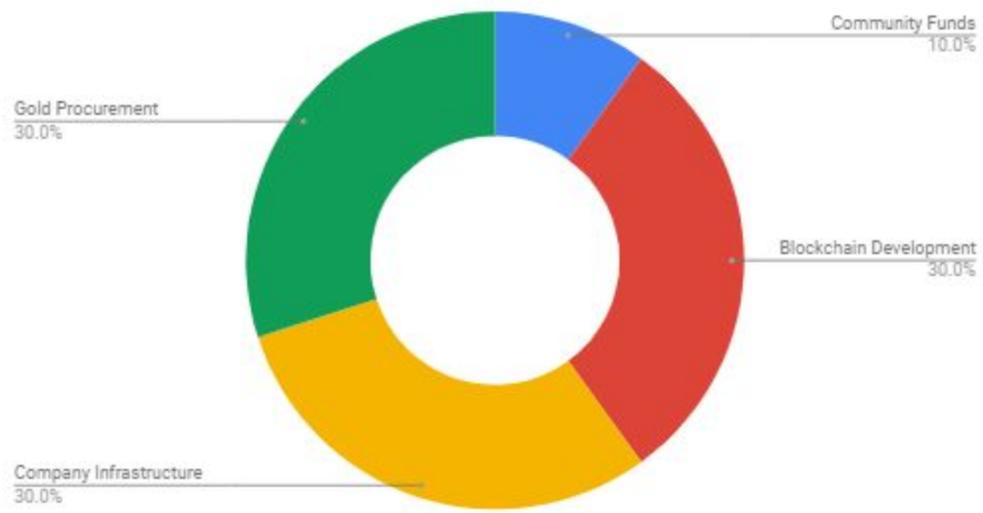
10.2. Token Allocation

Allocation	Description	Proportion
Token Distribution Event	Sold during the token distribution event	%
Operating Company	Reserved for the company to fund future operations, capitalize the Treasury, and compensate the team and early participants. Subject to a vesting schedule.	%
Advisors	Compensation to advisors, subject to vesting.	%
The Community Reward Pool		%
Early Participants		%

10.3. Use of ICO Proceeds¹²

Contributions will be used in an efficient method to ensure responsible use of funds. Thirty-percent of the funds from this ICO will be used procure responsibly-sourced and conflict-free gold, another thirty-percent will be used for building infrastructure, thirty-percent will be used for the blockchain and payment network and the remaining ten-percent will be reserved for the community.

¹² Use of ICO Proceeds speaks specifically to the proceeds from the sale.



11. Team

Charley Wall

Charley Wall is a co-founder of the Company. Since 2010 he has been president and chief operating officer of Pitts Industries, a leader in the manufacture of electromagnetic clutches since 1954 to the mining and marine markets. He was formerly president of First Responder Security Company, overseeing all ballistics, hardware, NCIC software to the first responder market. Previously he was Chief Executive Officer for Tactical Solution Partners, Inc., a provider of biometrics, analytics, and intelligence software, hardware, and tactical training services to federal agencies and the military. Mr. Wall has a bachelor of business administration degree from Dallas Baptist University.

Michael Neal

Michael Neal is a co-founder of the Company. Michael graduated from Texas A&M University with a bachelor's and master's degree in science and is a candidate for a 2nd masters degree in digital currencies at the University of Nicosia. Michael is passionate about science and blockchain technology and is researching new and innovative ways of merging physical sciences with blockchain, IoT and artificial intelligence.

12. Advisors

Ben Finch

In his time as a marketer, Ben has attracted over \$100M in sales and now leads the first multidisciplinary agency to specialise in blockchain development. Ben's Ledger Agency specialises in technology-driven marketing, strategic project planning, social media, and community building, applying best practices to the Cryptocurrency space for a number of start-ups and ICOs.

Stephen J. Wilensky, J.D.

Stephen J. Wilensky, J.D. is currently the founder and owner of Trinity Financial Partners. He practiced law for 14 years with stints at the Dallas County District Attorney's Office and Interfirst Bank Dallas, N.A. Stephen moved to his alma mater, SMU for 10 years before leaving for the financial advisory business with Smith Barney. He founded his own firm in 2003.

John Rustin

John Rustin has twenty-five years of direct marketing experience, where he helped well-known direct sales companies such as 2021 Interactive, Shaklee, NuSkin, New Vision, Nikken International, Avon, Mary Kay and many other multi-billion dollar direct sales organizations. He has also supported sales efforts of such billion-dollar icons as American Airlines, American Express, Match.com, Estara and Hitbox, and he helped create the Yahoo dating site while at Adnet International. John has been featured in Business Wire, Bloomberg Media Group, Thestreet and 4-traders.

Noble DraKoln

Noble DraKoln is the founder and president of Liverpool Derivatives Group Co. and a licensed futures professional. His latest book, "Winning the Trading Game", is set to be released in March 2008 and he is the author of the books "Futures for Small Speculators" (2002), "Futures for Small Speculators: Companion Guide" (2003), "Single Stock Futures for Small Speculators" (2003) and "Forex for Small Speculators" (2004). As a 13-year veteran of the futures industry, DraKoln focuses on bringing two seemingly divergent perspectives of the futures industry—the futures professional and the futures speculator—into his books, video seminar series "Speculating with Futures and Traditional Commodities", and speaking engagements around the world. DraKoln has also had the great fortune of working closely with the Bucharest Commodities Exchange and the Romanian Futures Exchange as both a consultant and featured speaker. As an economic ambassador of the United States of America International Development Agency (USAID), he has represented Romania's interest in using futures as a risk management tool in front of European Union ascension representatives. He has been a guest speaker at various futures and forex trading conferences around the world including Los Angeles, Las Vegas, Chicago, New York, Frankfurt and Madrid, and he was invited to speak at the China Derivatives Summit in Shanghai.

13. Risks¹³

\$TruGold Token Generation Event Risk Factors

You should carefully consider and evaluate each of the following risk factors and all other information contained in the Terms before deciding to participate in the \$TruGold Token Generation Event. To the best of [Goldchain, LLC (United States)] (the “Company”) knowledge and belief, all risk factors which are material to you in making an informed judgment to participate in the \$TruGold Token Generation Event have been set out below. If any of the following considerations, uncertainties or material risks develops into actual events, the business, financial position and/or results of operations of the Company and the maintenance and level of usage of the TruGold app and platform and the \$TruGold Tokens could be materially and adversely affected. In such cases, the trading price of \$TruGold Tokens (in the case where they are listed on a cryptocurrency exchange) could decline due to any of these considerations, uncertainties or material risks, and you may lose all or part of your \$TruGold Tokens.

1. RISKS RELATING TO PARTICIPATION IN THE TOKEN GENERATION EVENT

There is no prior market for \$TruGold Tokens and the \$TruGold Token Generation Event may not result in an active or liquid market for the \$TruGold Tokens.

Prior to the \$TruGold Token Generation Event, there has been no public market for the \$TruGold Tokens. Although the Company will use reasonable endeavours to seek the approval for availability of the \$TruGold Tokens for trading on a cryptocurrency exchange, there is no assurance that such approval will be obtained. Furthermore, even if such approval is granted by a cryptocurrency exchange, there is no assurance that an active or liquid trading market for the \$TruGold Tokens will develop, or if developed, will be sustained after the \$TruGold Tokens have been made available for trading on such cryptocurrency exchange. There is also no assurance that the market price of the \$TruGold Tokens will not decline below the original purchase price (the “Purchase Price”). The Purchase Price may not be indicative of the market price of the \$TruGold Tokens after they have been made available for trading on a cryptocurrency exchange.

A \$TruGold Token is not a currency issued by any central bank or national, supra-national or quasi-national organization, nor is it backed by any hard assets or other credit. The Company is not responsible for, nor does it pursue, the circulation and trading of \$TruGold Tokens on the market. Trading of \$TruGold Tokens will merely depend on the consensus on its value between the relevant market participants. No one is obliged to purchase any \$TruGold Token from any holder of the \$TruGold Token, including the purchasers, nor does anyone guarantee the liquidity or market price of \$TruGold Tokens to any extent at any time.

Furthermore, \$TruGold Tokens may not be resold to purchasers who are citizens or permanent residents of China or Singapore or any other jurisdiction where the purchase of \$TruGold Tokens may be in violation of applicable laws. Accordingly, the Company cannot ensure that there will be any demand or market for \$TruGold Tokens, or that the Purchase Price is indicative of the market price of \$TruGold Tokens after they have been made available for trading on a cryptocurrency exchange.

Future sales or issuance of the \$TruGold Tokens could materially and adversely affect the market price of \$TruGold Tokens.

Any future sale or issuance of the \$TruGold Tokens would increase the supply of \$TruGold Tokens in the market and this may result in a downward price pressure on the \$TruGold Token. The sale or distribution of a significant number of \$TruGold Tokens outside of the \$TruGold Token Generation Event (including but not limited to the sales of \$TruGold Tokens undertaken after the completion of the initial crowdsale, issuance of \$TruGold Tokens to persons other than purchasers for purposes of community initiatives, business development, academic research, education and market expansion and issuance of \$TruGold Tokens as a reward to users of the \$TruGold platform), or the perception that such further sales or

¹³ Risks for your White Paper will need to be reviewed by counsel and inserted here. The copy here is generic, but can be used as a starting point for your review.

issuance may occur, could adversely affect the trading price of the \$TruGold Tokens.

Negative publicity may materially and adversely affect the price of the \$TruGold Tokens

Negative publicity involving the Company, Goldchain, LLC. (the \$TruGold Token project's operating entity organized under the laws of the state of Nevada, USA), the TruGold platform, the \$TruGold Tokens or any of the key personnel of the Company or Goldchain, LLC, regulation of the gold market in the US or worldwide, and/or regulation of cryptocurrencies in the US or worldwide, may materially and adversely affect the market perception or market price of the \$TruGold Tokens, whether or not it is justified.

We may not be able to pay any anticipated rewards in the future.

There is no assurance that there will be sufficient engagement in the TruGold platform such that you will receive any rewards anticipated to be distributed to active users of the TruGold platform. Further, even in the event there is substantial engagement and interactions among the users and the TruGold platform, there is no assurance you personally will receive any part of the rewards. This is because the ability of the Company to pay any reward to you will depend on the future results of operations and the future business and financial condition of the Company and/or Goldchain, LLC, and there is no assurance of the future results of operations and the future business and financial condition of the Company or Goldchain, LLC. There is no assurance of any success of TruGold Platform or any Future Business Line.

The value of, and demand for, the \$TruGold Tokens hinges heavily on the performance of the TruGold platform and the continuous active engagement of its users and success of its contemplated business lines. There is no assurance that the TruGold platform will gain traction after its launch and achieve any commercial success. Furthermore, there is no assurance that any of the business lines contemplated by Goldchain, LLC will be launched and generate sufficient customer traction. Such contemplated business lines currently include but are not limited to: (a) create an immutable ledger for gold supply chain industry related data via the TruGold application and intelligence tool, (b) offer payment for gold production related services and supplies through \$TruGold Tokens, (c) establish niche coworking spaces via the TruGold platform, (d) organize and unite under the conflict-free gold standard set in place by the World Gold Council efforts through the TruGold platform, and (e) bring standardization of licensing, transactions, supply chain, inventory management and ID verification through the TruGold application and business intelligence tool. Although Goldchain, LLC has performed several market studies testing the demand for the TruGold platform with relatively positive results, the TruGold platform has not been fully developed and finalized and is subject to further changes, updates, and adjustments prior to its launch. Such changes may result in unexpected and unforeseen effects on its projected appeal to users, possibly due to the failure to meet users' preconceived expectations based on the beta version, and hence, impact its success. While the Company has made every effort to provide a realistic estimate, there is also no assurance that the cryptocurrencies raised in the \$TruGold Token Generation Event will be sufficient for the development of the TruGold platform and/or for the proper structuring and licensing of the anticipated \$TruGold Token future anticipated business lines. For the foregoing or any other reason, the development of the TruGold platform and launch of the anticipated \$TruGold Token future business lines may not be completed and there is no assurance that it will be launched at all. As such, distributed \$TruGold Tokens may hold little worth or value.

The funds raised in the Token Generation Event are exposed to risks of theft

The Company will make every effort to ensure that the funds received from the \$TruGold Token Generation Event will be securely held in an escrow wallet, which is a multi-signature address with access thereto by private keys held by reputable and trusted parties. Further, upon receipt of the funds from the Company, Goldchain, LLC will make every effort to ensure that the funds received by it from the Company will be securely held through the implementation of security measures. Notwithstanding such security measures, there is no assurance that there will be no theft of the cryptocurrencies as a result of hacks, sophisticated cyber-attacks, distributed denials of service or errors, vulnerabilities or defects on the \$TruGold Token Generation Event website, in the smart contract(s) on which the escrow wallet and the \$TruGold Token Generation Event relies, on the Ethereum or any other blockchain, or otherwise.

Such events may include, for example, flaws in programming or source code leading to exploitation or

abuse thereof. In such event, even if the \$TruGold Token Generation Event is completed, the Company or Goldchain, LLC may not be able to receive the cryptocurrencies raised and Goldchain, LLC may not be able to use such funds for the development of the TruGold platform and/or for launching any future business line, including but not limited to the structuring and licensing of the \$TruGold Token future business lines. In such case, the launch of the TruGold platform and the structuring and licensing of the \$TruGold Token future business lines might be temporarily or permanently curtailed. As such, distributed \$TruGold Tokens may hold little worth or value.

2. RISKS RELATING TO THE ESCROW WALLET

The private keys to the escrow wallet may be compromised and the cryptocurrencies may not be able to be disbursed.

The escrow wallet is designed to be secure. Each of the holders of the three (3) private keys to the escrow wallet will use all reasonable efforts to safeguard their respective keys, but in the unlikely event that any two (2) of the three (3) keys to the escrow wallet are, for any reason whatsoever, lost, destroyed or otherwise compromised, the funds held by the escrow wallet may not be able to be retrieved and disbursed, and may be permanently unrecoverable. In such event, even if the \$TruGold Token Generation Event is successful, the Company will not be able to receive the funds raised and Goldchain, LLC will not be able to use such funds for the development of the TruGold platform and the structuring and licensing of the \$TruGold Token future business lines. As such, distributed \$TruGold Tokens may hold little worth or value.

3. RISKS RELATING TO GOLDCHAIN, LLC

The TruGold platform is developed, operated, and maintained by Goldchain, LLC. Any events or circumstances which adversely affect Goldchain, LLC or any of its successor operating entities (collectively referred to herein as "Goldchain, LLC") may have a corresponding adverse effect on the TruGold platform and any future business line, including but not limited to structuring and launch of the \$TruGold Token future business lines. Such adverse effects would correspondingly have an impact on the utility, liquidity, and the trading price of the \$TruGold Tokens.

Goldchain, LLC may be materially and adversely affected if it fails to effectively manage its operations as its business develops and evolves, which would have a direct impact on its ability to maintain the TruGold platform and/or launch any future business lines

The financial technology and cryptocurrency industries and the gold markets in which Goldchain, LLC competes have grown rapidly over the past years and continue to evolve in response to new technological advances, changing business models, shifting regulations and other factors. As a result of this constantly changing environment, Goldchain, LLC. may face operational difficulties in adjusting to the changes, and the sustainability of Goldchain, LLC. will depend on its ability to manage its operations, ensure that it hires qualified and competent employees, and provides proper training for its personnel. As its business evolves, Goldchain, LLC. must also expand and adapt its operational infrastructure.

Goldchain, LLC.'s business relies on its blockchain-based software systems, cryptocurrency wallets or other related token storage mechanisms, blockchain technology and smart contract technology, and efficient real estate management. All of these systems, tools, and skillsets represent complex, costly, and rapidly changing technical infrastructure. In order to demonstrate continued ability to effectively manage technical support infrastructure for the TruGold platform, Goldchain, LLC will need to continue to upgrade and improve its data systems and other operational systems, procedures, and controls. These upgrades and improvements will require a dedication of resources and are likely to be complex and increasingly rely on hosted computer services from third parties that Goldchain, LLC. does not control. If Goldchain, LLC. is unable to adapt its systems and organization in a timely, efficient, and cost-effective manner to accommodate changing circumstances, its business, financial condition and results of operations may be adversely affected. If the third parties whom Goldchain, LLC. relies on are subject to a security breach or otherwise suffer disruptions that impact the services Goldchain, LLC. uses, the integrity and availability of its internal information could be compromised, which may consequently cause the loss of confidential or proprietary information and economic loss. The loss of financial, labor or other resources, and any other

adverse effect on Goldchain, LLC's business, financial condition and operations, would have a direct adverse effect on Goldchain, LLC's ability to maintain the TruGold platform and/or to structure and license the anticipated \$TruGold Token future business lines. Any adverse effects affecting Goldchain, LLC's business or technology are likely to also adversely impact the utility, liquidity, and trading price of the \$TruGold Tokens.

Goldchain, LLC may experience system failures, unplanned interruptions in its network or services, hardware or software defects, security breaches or other causes that could adversely affect Goldchain, LLC's infrastructure network, and/ or the TruGold platform

Goldchain, LLC is not able to anticipate any occurrences of hacks, cyber-attacks, distributed denials of service or errors, vulnerabilities or defects in the TruGold platform, the smart contracts on which the Company, Goldchain, LLC, or the TruGold platform relies or on the Ethereum or any other blockchain. Such events may include, for example, flaws in programming or source code leading to exploitation or abuse thereof. Goldchain, LLC may not be able to detect such hacks, cyber-attacks, distributed denials of service errors vulnerabilities or defects in a timely manner, and may not have sufficient resources to efficiently cope with multiple service incidents happening simultaneously or in rapid succession.

Goldchain, LLC's network or services, which would include the TruGold platform and, if successfully structured, licensed, and launched, the \$TruGold Token future business lines, could be disrupted by numerous events, including natural disasters, equipment breakdown, network connectivity downtime, power losses, or even intentional disruptions of its services, such as disruptions caused by software viruses or attacks by unauthorized users, some of which are beyond Goldchain, LLC's control. Although Goldchain, LLC has taken steps against malicious attacks on its appliances or its infrastructure, which are critical for the maintenance of the TruGold platform, there can be no assurance that cyber-attacks, such as distributed denials of service, will not be attempted in the future, that Goldchain, LLC's enhanced security measures will be effective. Goldchain, LLC may be prone to attacks on its infrastructure intended to steal information about its technology, financial data or user information or take other actions that would be damaging to Goldchain, LLC and/or holders of the \$TruGold Tokens. Any significant breach of Goldchain, LLC's security measures or other disruptions resulting in a compromise of the usability, stability, and security of the TruGold platform may adversely affect the utility, liquidity and/or trading price of the \$TruGold Tokens.

We are dependent in part on the location and data center facilities of third parties

Goldchain, LLC's current infrastructure network is in part established through servers which it owns and houses at the location facilities of third parties, and servers that it rents at data center facilities of third parties. If Goldchain, LLC is unable to renew its data facility lease on commercially reasonable terms or at all, Goldchain, LLC may be required to transfer its servers to a new data center facility, and may incur significant costs and possible service interruption in connection with the relocation. These facilities are also vulnerable to damage or interruption from, among others, natural disasters, arson, terrorist attacks, power losses, and telecommunication failures. Additionally, the third-party providers of such facilities may suffer a breach of security as a result of third-party action, employee error, malfeasance or otherwise, and a third party may obtain unauthorized access to the data in such servers. Inc. and the providers of such facilities may be unable to anticipate these techniques or to implement adequate preventive measures. General global market and economic conditions may have an adverse impact on \$TruGold Token's operating performance, results of operations, and cash flows.

Goldchain, LLC has been and could continue to be affected by general global economic and market conditions. Challenging economic conditions worldwide have from time to time, contributed, and may continue to contribute, to slowdowns in the information technology industry at large. Weakness in the economy could have a negative effect on Goldchain, LLC's business, operations and financial condition, including decreases in revenue and operating cash flows, and inability to attract future equity and/or debt financing on commercially reasonable terms. Additionally, in a down-cycle economic environment, Goldchain, LLC may experience the negative effects of a slowdown in trading and usage of the TruGold platform and may delay or cancel the structuring, licensing, and launch of the anticipated \$TruGold Token

future business lines. Suppliers on which Goldchain, LLC relies for servers, bandwidth, location and other services could also be negatively impacted by economic conditions that, in turn, could have a negative impact on Goldchain, LLC's operations or expenses. There can be no assurance, therefore, that current economic conditions or worsening economic conditions or a prolonged or recurring recession will not have a significant, adverse impact on Goldchain, LLC's business, financial condition and results of operations, and hence, the TruGold platform and/or ability to structure, license, and launch the \$TruGold Token future business lines. Any such circumstances would then correspondingly negatively impact the utility, liquidity, and/or trading price of the \$TruGold Tokens.

The Company, Goldchain, LLC or the \$TruGold Tokens may be affected by newly implemented regulations.

Cryptocurrency trading is generally unregulated worldwide, but numerous regulatory authorities across jurisdictions have been outspoken about considering the implementation of regulatory regimes which govern cryptocurrency or cryptocurrency markets. The Company or the \$TruGold Tokens may be affected by newly implemented regulations relating to cryptocurrencies or cryptocurrency markets, and/or the gold industry, including having to take measures to comply with such regulations, or having to deal with queries, notices, requests or enforcement actions by regulatory authorities, which may come at a substantial cost and may also require substantial modifications to the TruGold platform and/or the anticipated \$TruGold Token future business lines. This may impact the appeal of the TruGold platform and the anticipated \$TruGold Token future business lines for users and result in decreased usage of the TruGold platform and the \$TruGold Tokens. Further, should the costs (financial or otherwise) of complying with such newly implemented regulations exceed a certain threshold, maintaining the TruGold platform and structuring, licensing, and launching the \$TruGold Token future business lines may no longer be commercially viable, and the Company or Goldchain, LLC may opt to discontinue the TruGold platform, the anticipated \$TruGold Token future business lines, and/or the \$TruGold Tokens. Further, it is difficult to predict how or whether governments or regulatory authorities may implement any changes to laws and regulations affecting distributed ledger technology and its applications, including the TruGold platform, the anticipated \$TruGold Token future business lines and the \$TruGold Tokens.

The Company or Goldchain, LLC may also have to cease operations in a jurisdiction that makes it illegal to operate in such jurisdiction, or make it commercially unviable or undesirable to obtain the necessary regulatory approval(s) to operate in such jurisdiction. In scenarios such as the foregoing, the utility, liquidity, and/or trading price of \$TruGold Tokens will be adversely affected or \$TruGold Tokens may cease to be traded.

There may be unanticipated risks arising from the \$TruGold

Tokens Cryptographic tokens such as the \$TruGold Tokens are a relatively new and dynamic technology. In addition to the risks included in the above discussion of risk factors, there are other risks associated with your purchase, holding, and use of the \$TruGold Tokens, including those that the Company and Goldchain, LLC cannot anticipate. Such risks may further appear as unanticipated variations or combinations of the risks discussed above.

4. Risks relating to the U.S. federal laws affecting the gold market.

Certain activities involving gold market remain illegal under US federal laws. Such activities include but are not limited to: (i) (ii) (iii) (iv) (v) (vi).

To the extent the Company and/or Goldchain, LLC may not prevent certain of its users from using \$TruGold Tokens in violation of U.S. federal law, it may subject the Company and/or Goldchain, LLC to civil and/or criminal liability and the utility, liquidity, and/or trading price of \$TruGold Tokens will be adversely affected or \$TruGold Tokens may cease to be traded.

Certain statements in this White Paper regarding the proposed sale of \$TruGold Tokens by Goldchain, LLC, including any statements regarding the expected timetable for selling the \$TruGold Tokens, Goldchain, LLC's business model, platform, application, synergies, benefits and opportunities of the proposed sale of \$TruGold Tokens, future features and opportunities for \$TruGold Tokens, TruGold's products, future financial performance and any other statements regarding Goldchain, LLC's future

expectations, beliefs, plans, objectives, financial conditions, assumptions or future events or performance that are not historical facts are “forward-looking” statements made within the meaning of the Private Securities Litigation Reform Act of 1995. The words “anticipate,” “believe,” “ensure,” “expect,” “if,” “intend,” “estimate,” “probable,” “project,” “forecasts,” “predict,” “outlook,” “aim,” “will,” “could,” “should,” “would,” “potential,” “may,” “might,” “anticipate,” “likely” “plan,” “positioned,” “strategy,” and similar expressions, and the negative thereof, are intended to identify forward-looking statements.

All forward-looking information are subject to numerous risks and uncertainties, many of which are beyond the control of Goldchain, LLC and the \$TruGold Token, that could cause actual results to differ materially from the results expressed or implied by the statements. These risks and uncertainties include, but are not limited to: the timing to consummate the proposed sale of \$TruGold Tokens; the risk that the proposed sale of \$TruGold Tokens might otherwise not occur; the risk of criminalization of cryptocurrency and/or digital gold or digital precious metals related products by an applicable governmental jurisdiction (including the U.S.); the risk that a regulatory approval that may be required for the proposed sale is not obtained or is obtained subject to conditions that are not anticipated; the diversion of management time on transaction-related or issues; or the ability of Goldchain, LLC’s management to successfully implement its business plan. In addition, forward-looking statements may also be adversely affected by general market factors and federal and state regulations and legislation, among other factors. The forward-looking statements contained in this communication may become outdated over time. Goldchain, LLC and Goldchain, LLC Token, Inc. do not assume any responsibility for updating any forward-looking statements. The foregoing list of important factors is not exclusive. All forward-looking statements speak only as of the date on which they are made. Goldchain, LLC. and \$TruGold Token, Inc. assume no obligation to update or revise any forward-looking statements as a result of new information, future events or otherwise, except as may be required by law.

