



**IPMB**

# **Whitepaper**

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# Problems with the Crypto/Digital-Asset Industry and Existing Gold Ownership Options

## Problems with Modern Day Gold Ownership

Gold has been recognised as a strategic asset and mainstream allocation in a diversified portfolio for centuries. Investors are attracted to its safe-haven status during periods of uncertainty as well as its proven store of value. However, physical gold ownership has some well-known drawbacks.

- Bars are heavy, bulky and difficult to handle and verify authenticity which restricts tradability and liquidity.
  - Keeping physical gold safe requires repeated security and storage costs
  - Traditional methods of owning exposure to gold have the following drawbacks.
- **Institutional OTC Trading challenges:** Physical ownership, storage, and transportation incur significant costs, fees and charges, while delivery or movement corresponds to extra time and cost for investors
  - **Gold ETFs and Futures challenges:** Gold ETFs are backed by physical gold or futures contracts, and these products have a total expense ratio that makes the investment a negative-carry asset. Gold futures represent the price of a fixed quantity of gold for future delivery, often used for speculation or price hedging. However, futures involve leverage and may be regarded as complex financial instruments, and so unattractive to unsophisticated investors.
  - **Retail Gold Outlets challenges:** Smaller bars and coins have higher mark-up costs and may lack guaranteed purity. Retail buyers usually lack the capital and storage capabilities for large institutional-grade bars or the ability to handle the complexity of directly buying London Good Delivery bars.

## Major Problems of Cryptocurrencies

Despite its potential to revolutionize financial systems and offer enhanced control over funds, the cryptocurrency market is plagued by several significant challenges. These issues hinder its widespread adoption and utilization, both at an individual and institutional level.

### 1. Distrust in Cryptocurrency and Regulatory Ambiguity

- **Distrust in Crypto:** The lack of clear and harmonized regulatory frameworks creates an environment of uncertainty and scepticism. Potential users and investors often hesitate due to the unpredictable legal status of cryptocurrencies across different jurisdictions.
- **Regulatory Uncertainties:** Varied regulatory stances across countries contribute to distrust. In some regions, cryptocurrencies are banned or heavily regulated, raising concerns about their legitimacy and future viability. This regulatory ambiguity dissuades both individuals and institutions from fully embracing cryptocurrencies.

### 2. Lack of Mass Adoption

- **Limited Adoption:** Although some regions, especially those with failing fiat currencies and high inflation rates, show high adoption, these are relatively few. Most of the population generally lacks an understanding of how cryptocurrencies work, making using them on a day-to-day basis challenging.
- **Knowledge Gap:** The complexity and difficulties of user experience further hinder mass adoption. Many people are unfamiliar with how to use cryptocurrencies effectively and safely.

## 1. Low Institutional and Retail Use

- **Institutional Hesitation:** Even prominent cryptocurrencies like Bitcoin see low usage among institutional and retail investors. Institutional use has started to increase only recently with the introduction of Bitcoin ETFs and other anticipated cryptocurrency ETFs.
- **Security Concerns:** High-profile scams and rug pulls exacerbate fears, leading to a loss of wealth and deterring potential investors.

## What causes these problems?

### Volatility

- **Financial Risks:** Cryptocurrencies are highly volatile, posing significant financial risks that can result in substantial economic losses. This volatility makes it difficult for businesses to price goods and services accurately and manage financial planning.
- **Impact on Low-Risk Investors:** The high volatility is a major deterrent for low-risk investors, reducing overall market participation. Investors who have previously incurred losses are particularly hesitant to re-invest.

### Scalability Issues

- **Transaction Limits:** Prominent cryptocurrencies like Bitcoin and Ethereum face scalability issues, handling a limited number of transactions per second. This limitation hinders their ability to support high-volume transactions necessary for mainstream adoption. However, efforts such as Layer 2 solutions address scalability concerns.

### Security Challenges

- **Digital Asset Security:** Concerns about the security of digital assets, including fears of hacks and other cyber threats, remain a significant barrier. Investors are wary of the risks associated with storing and transacting with cryptocurrencies.

### Educational Deficit

- **Lack of Education:** There is a widespread lack of familiarity and education about cryptocurrencies. This educational gap leads to a poor user experience and difficulty in navigating the cryptocurrency landscape, further hindering adoption.

IPMB (International Precious Metals Bullion) provides a solution by linking digital assets to physical gold. This reduces the volatility and financial risks associated with typical cryptocurrencies, offering a more stable option and increasing confidence and participation in the market.

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## Market Opportunities

The gold market presents substantial opportunities, especially when considering the intersection of technological advancements and gold's traditional investment benefits. They enhance transparency and expand market accessibility to a broader audience.

One key opportunity in gold investment is its role as a hedge against inflation. In economic scenarios where inflation devalues paper currencies such as the United States Dollar, gold often maintains or increases its value, preserving the purchasing power of the holder's capital. Additionally, gold is considered a safe haven asset. In times of economic uncertainty or geopolitical unrest, gold tends to retain or increase its value, offering reliable financial protection.

Furthermore, new technology and market venues are emerging, each offering unique characteristics to help address the challenges of investing in physical gold. These innovations contribute to a more dynamic and accessible gold market, allowing investors to engage with gold in ways that were not previously possible.

Due to its unique features, blockchain technology presents a range of opportunities. Its decentralized nature means that information is distributed across a network of nodes, reducing the risk of a single failure point and enhancing security against potential attacks or corruption. This decentralization also ensures that there is no central authority with undue control over the system.

Transparency is another crucial aspect of blockchain. Transactions are recorded on a public ledger, which provides a high level of clarity and visibility. This makes it ideal for applications that require audit trails or where transparency is paramount, such as supply chain management or public governance.

In terms of security, blockchain excels by making recorded transactions nearly immutable. Once confirmed, it becomes exceedingly difficult to alter any data, ensuring the integrity and reliability of the information stored on the blockchain.

Blockchain also significantly reduces transaction costs. Eliminating the need for intermediaries, such as banks or third-party verification services, offers a more cost-effective way of conducting transactions. This aspect is particularly appealing in the financial sector and for cross-border transactions.

The efficiency and speed of blockchain-based systems are notable. They streamline traditional systems, often paper-based and manual processes, leading to quicker and more efficient transaction processing.

Smart contracts, which are self-executing contracts with the terms written into code, automate and enforce the execution of agreements. This innovation significantly increases efficiency and reduces the need for intermediaries in contract execution and management.

Lastly, blockchain opens doors to financial inclusion by offering services to individuals outside of traditional banking systems. This is especially significant in regions where banking infrastructure is limited or non-existent, providing access to financial services and resources that were previously unattainable.

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## Our Solution

### IPMB

The new standard in global digital payments and the world's most effective gold acquisition platform!

We are the world's most responsible, trustworthy, and innovative tokenized gold platform. Through our multifaceted, complex, yet synergistic platform, we provide the world with a gold-backed, regulated, compliant, secure, and scalable token ecosystem that will optimize how states, institutions, retail businesses and individuals exchange commodities and trade on a day-to-day basis.

This paper explores the IPMB Ecosystem and sets out how we seek to re-invent the world's payment standard.

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## IPM Group

IPM Group is a conglomerate engaged in the precious metals, banking and digital sectors.

IPM's mission is to provide the world access to economic freedom and opportunity, giving choice and control to accelerate a global transition to a low-cost, unified and transparent global currency.

The foundation of the IPM Group focuses on the procurement, distribution and refinement of gold. Operations centre around sourcing non-refined gold, commonly known as doré, directly from gold mines. This raw gold is then processed and refined into gold bars by accredited refineries in Europe. These refineries meet the standards set by the London Bullion Market Association (LBMA) for the production of investment-grade gold.

A critical aspect of IPM's business model is its commitment to responsible sourcing and transparency throughout its supply chain. This commitment is demonstrated in various ways:

- **Strategic Long-Term Sourcing Contracts:** IPM has established long-term contracts with carefully selected gold mines. These contracts not only ensure a stable and secure supply of gold doré but also allow IPM to maintain a comprehensive understanding of the labour and environmental practices at these mining locations. This approach is fundamental to IPM's commitment to responsible sourcing.
- **Choice of Refineries:** The company places a high emphasis on the selection of refineries. Refineries are chosen based on their industrial efficiency and compliance with specific environmental criteria. This meticulous selection process spans several continents, reflecting IPM's global reach and its dedication to environmental standards.
- **Experienced Management Team:** The management team at IPMB brings extensive experience in traditional finance and the precious metals industry. This expertise is crucial for ensuring that the entire value chain, from sourcing gold doré to delivering refined gold bars, is managed professionally, seamlessly and securely. The team's experience and track record are key components in maintaining the high standards of operation and product quality that characterise IPMB.

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## The Technologies

### Blockchain Technology

Blockchain technology has emerged as a game changer in the world of real-world asset tokenization, offering unparalleled advantages for bridging real-world assets to the digital realm. Tokens leverage the power of blockchain to provide enhanced security, immutability and encryption.

Blockchain technology is a distributed ledger system that securely links together growing lists of records called blocks. Each block contains a cryptographic hash of the previous block, a timestamp and transaction data. The blocks form a chain, with each additional block linking to the ones before it, making the transactions recorded in the blockchain irreversible without altering subsequent blocks. Blockchains are typically managed by a peer-to-peer computer network using a consensus algorithm protocol to add and validate new transaction blocks.

This technology was created to serve as the public distributed ledger for cryptocurrency transactions, and it has since been applied to various industries due to its secure and decentralised nature.

### Smart Contracts

Smart contracts are computer programs that automatically execute and enforce the terms of an agreement between two or more parties. These contracts are built on blockchain technology and employ code to ensure the transparent, efficient and secure execution of agreements. Smart contracts play a crucial role in enabling tokenization by providing the framework to represent, manage and transfer these digital assets.

By utilising smart contracts, the ownership and transfer of tokenized assets can be automatically and securely executed without the need for intermediaries or centralised authorities. Smart contracts ensure that the tokenized assets are governed by predefined rules, such as ownership rights, transfer conditions and any associated payments or royalties.

### Tokenization

Tokenization is a process that involves representing real-world assets as digital tokens on a blockchain, such as gold being represented as an NFT. Each token represents ownership of the underlying physical asset. This innovative approach offers several advantages in the financial and investment landscape.

With the use of tokenization, investors can achieve an undisputable identification of their assets while eliminating the need for intermediaries except for the vault and security services for physical assets. In addition, tokenization enables fractional ownership, allowing investors to own a portion of an asset, such as gold, with a lower minimum investment requirement. This improves accessibility to traditionally high-value assets, making them available to a broader range of investors.

Tokenizing assets allows them to be traded on blockchain networks, thereby enhancing liquidity and providing opportunities for 24/7 real-time settlement. By leveraging blockchain technology, tokenized assets can be bought, sold and transferred more efficiently, creating a more liquid market environment.

By converting physical assets like gold into digital tokens, management fees, storage costs and insurance costs associated with physical assets can be reduced or eliminated. Tokenization bridges the physical realm with the digital, ensuring proof of ownership of real-world assets or even a fraction of those assets and can streamline administrative processes, resulting in potential cost savings for asset owners and investors.

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## IPMB Ecosystem

All digital operations within the IPM Group fall under the IPMB Ecosystem.

The IPMB Ecosystem features an array of products and services carefully designed to address the world's wants and needs.

IPM Group manages the entire gold supply chain, from the sourcing of gold doré to the storage of refined investment-grade gold. IPM uses the proceeds generated from the procurement of refined gold to fund and operate the IPMB Ecosystem and provide our stakeholders access to a low-fee environment.

### **IPMB Ecosystem products;**

**IPMB Token** - A gold-backed cryptocurrency that provides the foundation for the project, the IPMB Token provides access to tokenized gold and is a payment tool being used to inspire the mass adoption of crypto and solve the problems with fiat money. IPMB Tokens can be staked to unlock up to an 11% discount on 24-carat gold via GEM.

**GEM NFT** - GEM NFTs are a 'Stable-NFT' product. This is where a non-fungible token has a real-world value that tracks the price of a tangible good, in this case, investment-grade gold.

Globally Exchanged Metal (GEM) NFTs are digital promissory notes for investment-grade gold. They provide the lowest entry and management fees for investment-grade gold. Each GEM NFT is minted in a quantified amount. For example, a GEM1000 is a digital certificate promising delivery of 1000 grams of traceable and compliant investment-grade gold. Each GEM NFT is allocated to a specific gold bar or coin.

**IPMB Wallet** - We have released our own non-custodial wallet In order to simplify future developments and house critical features of our ecosystem. The IPMB Wallet is the only place token holders are able to stake their IPMB Tokens to unlock a discount on gold. The IPMB wallet also hosts a number of features you would expect from a leading non-custodial wallet and provides storage for hundreds of crypto assets.

**IPMB Marketplace** - The IPMB Marketplace aims to become the home of crypto spending. It will be a platform where users can advertise and sell products exclusively for cryptocurrencies. The mission of IPMB Marketplace is to drive crypto adoption in the global retail market.



**IPMB Vantage** - IPMB Vantage falls under the umbrella of IPMB Marketplace. Vantage is a platform hosting exclusive goods and services. Vantage can be used to find luxury brands accepting IPMB Tokens or reputable professional service providers from industries such as construction or close protection.

**IPMB X** - IPMB also provides crypto payment services with IPMB X. IPMB X allows businesses and individuals to accept crypto payments and receive either crypto or fiat at the end of the transaction. IPMB X can provide invoicing, monthly subscriptions and PoS services.

**Goldtrace360** - Goldtrace360 is a product that focuses on procuring traceable and compliant investment-grade gold. Goldtrace360 uses blockchain, smart contracts and IoT devices across the gold supply chain to provide information about the provenance and production of investment-grade gold. All the data associated with a gold product is embedded on-chain within the metadata of the GEM NFT that allocates that specific bar or coin, ensuring stakeholders have full access to responsible sourcing and journey of their gold.

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## Product - Investment-Grade Gold

IPM follows strict rules to ensure its gold is of the highest quality and meets international standards. IPM works with trusted refineries to make gold bars and coins. IPMB offers 1kg bars of 99.99% purity and 12.5kg bars of 99.5% purity, which are quality standards observed in professional markets like the London OTC Bullion Market, the Chicago Mercantile Exchange and the Shanghai Gold Exchange. IPMB also produces gold coins varying in weight and will produce coins of 10 grams, 25 grams and 33 grams.

Following the refinement of 22-carat gold doré into 24-carat gold bars, IPMB (a company within the IPM Group) purchases and takes control of the investment-grade products.

IPMB will also have smaller physical bars available from 1 gram, 2.5 grams, 5 grams, 10 grams, 20 grams, 50 grams, 100 grams, 250 grams and 500 grams. All redeemable products will be of

24-carat quality, which can be bought via the IPMB Ecosystem. Each IPMB refined bar and coin has a unique number to show where and when it was made and to track its provenance as part of Goldtrace360.

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## Product Standards & Quality Control

### Insurance

IPMB has built strong relationships with various partners in the gold production process, which facilitates reliable operations. To keep the gold safe at every step, IPMB works with third parties to obtain extensive insurance coverage. Furthermore, IPMB also employs world-class legal professionals to assist and maintain its security and process manuals to the highest standards.

### Gold Bar Quality

IPMB only works with LBMA-accredited refiners but also has other strict control measures to guarantee the quality of the gold bars. These include having their materiality and quality verified by trusted well-known verification companies. This process ensures that IPMB gold bars meet investment-grade standards.

### Monthly Agreed Upon Procedures Regarding the Verification of Proof of Reserves

IPMB ensures transparency and accountability in its operations by having its inventory regularly confirmed by Grant Thornton's subsidiary, Grant Thornton Cyprus. These regular, agreed-upon procedures to confirm the quantity and quality of reserves by a globally reputable firm help maintain high standards and reliability of the company's handling of gold bars.

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## The IPMB Token

The IPMB Token is a gold-backed cryptocurrency that provides the foundation for the project, the IPMB Token provides access to tokenized gold and is a hybrid payment/utility token.

Each IPMB Token is backed by 1 gram of 22-carat gold doré - third-party verified by Grant Thornton.

IPMB Tokens can be converted to GEM NFTs, which can be redeemed into physical 24-carat gold. The IPMB Token is not a stablecoin; its value floats and can diverge from the price of gold.

The ability to redeem physical gold provides a floor for the IPMB Token at the price of 1 gram of gold because when the price of the IPMB Token falls below the price of gold, there is an arbitrage opportunity. Therefore, demand is created, pushing the price back on par with the price of gold.

As the IPMB Ecosystem grows, the utility of the IPMB Token also grows. This means more value is derived from using the IPMB Token, which may lead to a price premium developing for the IPMB Token on top of the price of gold.

The IPMB Token's gold backing aims to create stability, but the token's additional utilities are designed to allow for price appreciation in the long term and hold a significant premium over the price of gold.

We have selected to deploy our tokens on the EVM (Ethereum Virtual Machine) compatible Polygon network. Polygon, formerly known as Matic Network, is a blockchain company that aims to provide solutions for Ethereum scalability and infrastructure development.

The Polygon network is an Ethereum Layer 2 scaling solution that offers fast and low-cost transactions and is particularly ESG-friendly. Layer 2 solutions aim to improve scalability and reduce congestion on the Ethereum network. By leveraging Layer 2 technology, Polygon aims to enhance transaction throughput while maintaining interoperability with the Ethereum blockchain. Increased scalability can lead to more efficient energy usage than congested networks with high energy consumption.

Polygon utilizes a Proof-of-Stake (PoS) consensus mechanism, which is more energy-efficient than the traditional Proof-of-Work (PoW) mechanism used by cryptocurrencies like Bitcoin. PoS consensus mechanisms allow validators to secure the network and create new blocks based on the amount of cryptocurrency they hold and "stake" in the system rather than relying on intensive computational power.

Polygon offers a framework and protocol for building and connecting Ethereum-compatible blockchain networks. Their core component, the Polygon SDK, offers an easy-to-use platform for developers to build and deploy decentralized applications (dApps) on Ethereum. By utilizing the Polygon framework, developers can leverage its scalability solutions and infrastructure to create scalable blockchain networks while benefiting from the Ethereum network's security.

The maximum supply of IPMB Tokens is 200 million, which corresponds to 200,000 kilograms or 200 tons of 22-carat gold doré bars.

At the time of writing - 18th July 2024 - there are 10,081,000 grams of gold backing approximately 3,500,000 IPMB Tokens in circulation. This means each token is well-over twice collateralised. Additionally, IPMB has an annual supply chain of over 65,000 kilograms of gold doré from compliant mines, which can be used for future releases of tokens.

As previously mentioned, the price of the IPMB Token is influenced by several factors. Primarily, the price of gold has some implications of the IPMB Token price, given its gold backing and provides a natural floor for the token price.

Also, the floor of the IPMB Token is provided by the convertibility into GEM NFTs and subsequently, physical gold.

GEM NFTs, as an alternative to modern-day gold ownership, offer many benefits and eliminate many costs typically associated with gold ownership, such as storage, management, insurance, and other fees.

IPMB Tokens can also be staked, allowing stakeholders to access up to an 11% discount on GEM NFTs, essentially an 11% discount on gold.

The discount potential and savings gained by utilising GEM as a gold ownership solution should also be reflected in the additional value of the IPMB Token, which should add a premium to the floor price.

The value of the IPMB Token is also subject to rise with the growth of products such as IPMB Marketplace and IPMB X.

As the IPMB Marketplace grows, so will demand for the IPMB Token. Consumers will be able to purchase goods and services at a discount by using IPMB Tokens on our platform, adding value to the token. IPMB X will also see payments in IPMB Tokens outside of the IPMB Ecosystem, further growing the reach and purchasing power of the IPMB Token.

The added value and utility of the IPMB Token will increase its premium on the open market, leading to its further divergence from the price of gold.

**These are the IPMB Token's 4 main utilities:**

1. The safest global token/payment currency used for day-to-day trading applicable for a vast array of goods and services.
2. Mass adoption through the IPMB Marketplace.
3. Staking IPMB gives a discount on GEM (discount on gold).
4. Portfolio diversification against volatility.

**Why IPMB Token > Most Tokens and Gold-Backed Cryptocurrencies**

1. Less volatile and greater stability, suitable for everyday transactions.
2. IPMB Token Backed 11 by real gold and not pegged for a reason.
3. IPMB Token's potential to increase in value, increasing potential returns.
4. GEM Token pegged to gold, converting IPMB Token to GEM Token provides exposure to tokenized gold, without the traditional costs of gold ownership.
5. Higher blockchain transaction capabilities than most tokens present in the market.
6. The only vertically integrated token operation in the world.
7. A huge ecosystem in development with user experience and ease of transactions prioritized.

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## GEM NFTs

GEM NFTs are a 'Stable-NFT' product. This is where a non-fungible token has a real-world value that tracks the price of a tangible good, in this case, investment-grade gold.

Globally Exchanged Metal (GEM) NFTs are digital promissory notes for investment-grade gold. They provide the lowest entry and management fees for investment-grade gold. Each GEM NFT is minted in a quantified amount. For example, a GEM1000 is a digital certificate promising delivery of 1000 grams of traceable and compliant investment-grade gold.

GEM NFTs are directly backed, 1:1, by investment-grade gold reserves securely held by IPMB at Sharps Pixley in London. Each GEM NFT corresponds to a specific weight of gold, providing a digital representation of real-world gold holdings. Each GEM NFT is directly allocated to a specific bar by an allocated identification number.

The most major unique selling point for GEM is the ability to obtain a GEM NFT at up to an 11% discount after staking IPMB Tokens. This mechanism essentially offers an 11% discount on gold when staking IPMB Tokens.

Another significant attribute of GEM NFTs is the option for physical redemption.

Holders are entitled to demand the free delivery or collection of underlying gold behind their GEM NFT 12 months after the GEM NFT's creation (or 'minting' as NFT creation is known in the crypto industry), provided the holding equates to at least 100 grams of gold.

The associated GEM NFT is burned upon redemption, signifying the exchange from digital ownership to physical possession

Should the GEM NFT holders own less than 100 grams, they incur the cost of delivery during redemption.

Physical delivery of gold is subject to the relevant jurisdiction of the delivery address.

GEM NFTs are distinguished by their comprehensive adherence to Environmental, Social, and Governance (ESG) criteria.

Under the umbrella of Goldtrace360, each gold bar linked to a GEM NFT is accompanied by data detailing its environmental and social footprint, ensuring compliance with stringent ESG standards. This immutable and transparent data is embedded on-chain and provides GEM NFT holders with verifiable assurance of the gold's sustainability and origin.

One key advantage of GEM NFTs is the exclusion of traditional custodial costs typically associated with gold ownership.

For the first five years after GEM NFTs are minted, GEM holders are exempt from storage, insurance, and management fees, reducing the financial overhead of gold ownership and enhancing the asset's net value.

Following the initial five-year period, a fee for each GEM NFT is decided on a case-by-case basis by IPMB. If no agreement can be reached, IPMB will sell a portion of the holding on behalf of the owner to cover any fees due.

If the amount is not sufficient to cover the fees, IPMB will decide whether to liquidate the holding or hold the gold until all payments due are made.

GEM NFTs provide owners with a streamlined mechanism for utilising their gold. This fluidity in conversion from digital to physical assets, or vice versa, is a substantial benefit for stakeholders in the gold market.

The minting options for GEM NFTs extend to many standard denominations with the number equating to the underlying weight of gold in grams: GEM1, GEM2.5, GEM5, GEM10, GEM20, GEM50, GEM100, GEM250, GEM500, GEM1000, GEM5000, GeM12500.

In addition to these features, an important and unique selling point for GEM NFTs is that holders may receive an annual loyalty reward in the form of physical 24-carat gold at the company's discretion.

Loyalty rewards are exclusive to GEM NFT holders who own any GEMs of 100 grams or more. Those holding GEMs under 100 grams would not be eligible to receive loyalty rewards.

### **Approved Members of IPMB**

In addition to the above, clients who own physical, investment-grade gold can deposit their holding into IPMB vaults and receive a bespoke GEM NFT of equivalent value. This will provide the client with access to the benefits of GEM NFTs, such as free storage, insurance, and security for five years.

Gold owners must become "Approved Members of IPMB" to effect this. Like a membership to any club, to become an approved member of IPMB, you must own 10% of the equivalent value of your gold deposit in IPMB Tokens.

For example, to deposit \$1,000,000 of physical gold, the Approved Member must own \$100,000 worth of IPMB Tokens. Approved members who deposit precious metals must undergo an Enhanced Due Diligence assessment to gain Approved Member status.

### **Why IPMB Gold (GEM) > Modern Day Gold Ownership**

1. Lowest cost gold acquisition platform: Waived fees/Discounts on tokenized gold through IPMB staking
2. Free physical access\* for quantities above 100 grams
3. Large savings in the shipment, validation, authentication, and notarization of gold
4. Backing assets by GeM rather than gold allows for additional income for holders
5. Traceable to Origin
6. ESG-compliant
7. Exchangeable for digital assets and highly liquid
8. Long-term sourcing contracts with carefully selected gold mines
9. Standards and Storage: All gold produced will fully comply with LBMA, OECD, and international regulations at 99.5% purity. Gold bars will be securely stored at Sharps Pixley in Piccadilly, London or other recognized storage facilities in Zurich and Singapore.



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## Staking

A huge utility for the IPMB Token is obtaining gold at a discount via GEM.

Discounts on GEM NFTs are unlocked after staking IPMB Tokens.

The staking mechanism has been carefully designed to maximise the value of staking when the IPMB Token trades at a premium but in a way which is not detrimental to the logistics of the company's ability to procure and deliver gold to allocate behind the GEM NFTs.

This means that if the IPMB Token price is trading at a premium to the price of gold when you stake IPMB Tokens, you get the full value of the gold, but you also maintain some additional value in the IPMB Tokens you converted.

Conversely, if the IPMB Token is trading below the market price of gold, IPMB guarantees a 1:1 conversion of the IPMB Token to GEM. For example, the IPMB Token could trade at \$0, if you staked 100 IPMB Tokens, we would allow you to obtain 100 grams of gold via GEM.

This mechanism is the foundation of the IPMB Token's value floor, as the redemption capability always exists.

The following section outlines the rules and conditions for staking IPMB Tokens.

### **Reward Structure: Staking IPMB for discounts on GEM NFTs**

- 3 months staking - 2% discount
- 6 months staking - 5% discount
- 9 months staking - 8% discount
- 12 months staking - 11% discount

### **Monthly Staking Rules & Limits:**

Each month, a specific amount of IPMB Tokens will be allocated for staking. For example, there may be 200,000 IPMB Tokens allocated for staking in a given month, which means that no more than 200,000 IPMB Tokens could enter a staking contract during that month.

Entering Staking Contracts is based upon a first-come-first-serve basis. The amount of tokens allocated per month may be updated on a monthly or quarterly basis depending on demand for staking and several other factors.

GEM NFTs are minted in specific quantities, within each monthly total allocation a certain amount of each GEM are allocated for staking. For example, see the table below for how a 200,000 monthly allocation may be distributed.

| <b>GEM</b>    | <b>Grams</b>   | <b>Quantity NFTs</b> | <b>Total</b>      | <b>%</b>       |
|---------------|----------------|----------------------|-------------------|----------------|
| GEM1          | 1              | 35,000               | 35000             | 17.500         |
| GEM2.5        | 2.5            | 12000                | 30000             | 15.000         |
| GEM5          | 5              | 6000                 | 30000             | 15.000         |
| GEM10         | 10             | 2000                 | 20000             | 10.000         |
| GEM20         | 20             | 1000                 | 20000             | 10.000         |
| GEM50         | 50             | 400                  | 20000             | 10.000         |
| GEM100        | 100            | 100                  | 10000             | 5.000          |
| GEM250        | 250            | 20                   | 5000              | 2.500          |
| GEM500        | 500            | 15                   | 7500              | 3.750          |
| GEM1000       | 1000           | 5                    | 5000              | 2.500          |
| GEM5000       | 5000           | 1                    | 5000              | 2.500          |
| GEM12500      | 12500          | 1                    | 12500             | 6.250          |
| <b>Totals</b> | <b>200,000</b> | <b>56,542</b>        | <b>200,000.00</b> | <b>100.000</b> |

In order to enter a staking contract for a GEM, for each gram of gold represented by a GEM, one must hold an equal amount of IPMB Tokens, regardless of the price of the IPMB Token.

In practice, this means that in order to stake for a GEM100, I must stake 100 IPMB Tokens.

When entering the staking contract, holders must choose the desired amount of time to stake - the longer staked, the larger the discount on GEM. The periods are shown above.

Token holders who leave the staking contract prior to maturity forfeit the discount and must wait 21 days before being able to take back control of their IPMB Tokens. This means if you select to stake for 12 months and you unstake 10 months into the contract, you forfeit any discount and must wait 21 days until you are able to move your tokens.

Because the price of the IPMB Token is not pegged to the price of gold, conversion calculations are complex. In order to protect stakers and the company, conversions are subject to 4 possible scenarios.

**Scenario 1 - The price of IPMB is less than the price of Gold when entering the staking contract and also when converting to GEM.**

- We provide a guaranteed discount and 1-to-1 conversion, ensuring value retention on the gold weight basis of IPMB. Staking 100 IPMB Tokens results in converting 89 IPMB Tokens for a GEM100. Maintaining the floor of the IPMB Token.

**Scenario 2 - The price of IPMB is greater than the price of Gold when entering the staking contract but is below the price of gold when converting to GEM.**

- We provide a guaranteed discount and 1-to-1 conversion, ensuring value retention on the gold weight basis of IPMB. Staking 100 IPMB Tokens results in converting 89 IPMB Tokens for a GEM100. Maintaining the floor of the IPMB Token.

**Scenario 3 - The price of IPMB is less than the price of Gold when entering the staking contract but is above the price of gold when converting to GEM.**

- We provide a guaranteed discount on gold based on the value of IPMB. This means stakers receive a discount on the GEM NFT but still maintain the benefits of the IPMB Token appreciating. If the price appreciation of the IPMB Token during the staking period is more than the discount obtained when staking, then no discount is received. The conversion is based upon the value of the IPMB Tokens staked as opposed to the quantity. This way, stakers can still capitalise on the price appreciation of IPMB, which is more than the discount on a value basis.

**Scenario 4 - The price of IPMB is more than the price of Gold when entering the staking contract and is also above the price of gold when converting to GEM.**

- We provide a guaranteed discount on gold based on the value of IPMB. This means stakers receive a discount on the GEM NFT but still maintain the benefits of the IPMB Token appreciating. If the price appreciation of the IPMB Token during the staking period is more than the discount obtained when staking, then no discount is received. The conversion is based upon the value of the IPMB Tokens staked as opposed to the quantity. This way, stakers can still capitalise on the price appreciation of IPMB, which is more than the discount on a value basis.

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## IPMB Security

IPMB has launched the first-of-its-kind protection for our biggest token holders.

Whilst the future outlook for the gold market is strong, each IPMB Token, being backed by gold, still carries a market risk of the gold price fluctuations for our token holders.

**However, we have still made steps to protect our holders in any situation.**

Any large investors over a threshold of \$1 million USD will be protected under our new system. Once the transaction is processed, IPMB takes a hedge at the equivalent gold value of the IPMB Tokens against a drop in the price of gold. Practically, those who thus invest in IPMB Tokens are protected against a drop in the price of gold.

This makes IPMB the most attractive offering for investors in the market!

This means that IPMB Token holders who stake for 12 months, convert to GEM, and then hold for a year are subject to:

- An 11% discount on their gold,
- May obtain a physical loyalty reward,
- And are protected against a drop in the gold price.

IPMB once more covers the hedging fees, **creating a situation where the token holder enters a zero-risk trade** as they are protected when the gold price drops or the IPMB Token price drops. In addition, IPMB covers all gold custody fees!

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## Goldtrace360

Goldtrace360, a critical part of the IPMB Ecosystem, is a proprietary product focused on providing refined pure gold from certified sources. Scheduled for launch in Q4 2024, it aims to enhance transparency and responsibility in the gold supply chain. Goldtrace360 involves sourcing gold doré from selected mines under long-term contracts, prioritising awareness of labour and environmental practices at these mines.

The sourced gold is processed by accredited refineries across various continents, chosen for their compliance with environmental standards and efficiency. All gold bars provided under Goldtrace360 must be produced by LBMA, EPMF or OECD-approved and accredited refineries that meet fine gold investment standards, hence becoming a part of the IPMB Ecosystem.

A key feature of Goldtrace360 is the amalgamation and integration of blockchain technology, smart contracts, IoT devices and sensors throughout the supply chain, from the mine to the vault and in the cloud. These technologies are deployed to maintain transparency in the supply chain and to preserve detailed records within the metadata of each GEM NFT.

The product enables stakeholders to verify critical information about the gold, such as its origin, responsible sourcing practices, certifications, and supply chain data. The verification process ensures that the gold adheres to ethical and sustainability standards. Goldtrace360 also enforces criteria for responsible gold mining, including fair labour practices and environmental impact mitigation. The product's ability to enforce these criteria is instrumental in maintaining responsible mining practices.

The use of blockchain technology in Goldtrace360 allows for transparency, enabling stakeholders, including consumers and regulatory bodies, to monitor and validate adherence to sustainability standards. This aspect of Goldtrace360 is designed to facilitate trust and credibility in the IPM gold supply chain.

In the case that additional gold is required to be added to the ecosystem, IPMB will purchase gold from external parties. It should be noted again that only bars produced by accredited LBMA refineries will be introduced into the IPMB Ecosystem.

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## **IPMB Wallet**

We have released a non-custodial wallet to house staking and simplify entry and usability of the IPMB Ecosystem.

The IPMB Wallet is available on the Chrome Webstore, Google Play Store and App Store.

It boasts all of the features you would associate with a leading web3 wallet and will only improve and gain more features as the IPMB Ecosystem develops.

The largest use case for the IPMB Wallet is exclusive access to staking IPMB Tokens.

Staking is housed in our wallet and can also be accessed by connecting your wallet to our website and navigating through the staking portal.

The staking portal lets you enter staking contracts, manage your staked assets and activate conversion from IPMB Tokens to GEM NFTs.

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## **IPMB Marketplace**

A big milestone laid out in our roadmap is the IPMB Marketplace.

IPMB Marketplace is a platform that provides the Web3 community a safe place to spend their crypto on goods and services from trusted and verified vendors.

More details regarding IPMB Marketplace will be provided closer to the launch of this platform.

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## **IPMB Vantage**

Vantage is the first step in creating the IPMB Marketplace and is live today. Vantage provides a list of trusted high-end vendors that accept the IPMB Token as payment. Vantages' goal is to provide those with an interest in crypto a safe space to find an array of luxury goods and services that accept crypto as tender. Vantage also provides professional services such as construction or close protection. This is a highly-reputable as we only accept select Vantage merchants.

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## **IPMB X**

Tying IPMB Marketplace together will be our crypto payment gateway service. IPMB X allows consumers to easily make crypto payments. All of our vendors are onboarded and have the option to provide IPMB X to their customers.

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## Competitive Advantage on Gold & Crypto

IPMB's approach to digital tokens and gold offers several advantages over traditional means. These advantages stem from a combination of physical gold backing, enhanced access to physical assets, reduced costs, commitment to fair trade gold, regulatory compliance, security, transparency and professional management.

**Physical Gold Backing:** One of the primary features setting IPMB apart from many other digital tokens is its backing by physical gold. In a market where most digital currencies are subject to rapid and unpredictable fluctuations, IPMB's gold backing aims to provide stability and security.

**Limited Supply and Inflation Resistance:** The maximum supply of IPMB Tokens is capped, mirroring the finite nature of physical gold. This finite supply contrasts with many digital tokens, which can be subject to inflationary pressures due to increasing token supplies. IPMB maintains its scarcity and value over time by limiting the number of tokens, making it an attractive proposition in the face of potential inflation.

**Access to Physical Gold:** IPMB introduces token holders to discounts on GEM NFTs, which can be redeemed for investment-grade, 24-carat gold. This option adds a tangible aspect to digital asset ownership, allowing holders to possess physical gold if they choose, thus bridging the gap between digital and physical assets.

**Staking and Rewards:** Token holders receive discounts on GEM NFTs, offering a cost-effective way to participate in physical gold ownership. By staking IPMB Tokens, holders gain access to physical gold at a discounted rate, enhancing the value proposition of holding IPMB Tokens for prolonged periods of time.

**Waived Fees:** Unlike traditional gold ownership, IPMB waives standard fees for storage, security, insurance, and management. This elimination of fees reduces the overall cost of gold ownership, making it more accessible and financially attractive to a broader range of parties.

**Commitment to Fair Trade Gold:** IPMB's focus on responsibly sourced gold ensures that all gold is compliant with LBMA and EPMF certifications. This commitment underscores the company's dedication to ethical and environmentally friendly practices in gold sourcing and refining.

**Regulatory Compliance:** IPMB actively seeks to work with regulatory authorities and deploys top-tier Know Your Client (KYC) and Anti-Money Laundering (AML) compliance software. This proactive approach to compliance enhances the trustworthiness of the product proposition and ensures adherence to financial regulations.



**Security and Transparency:** The integration of blockchain technology and IoT devices in tracking gold from mining to delivery offers a high level of security and transparency. Gold owners can track the movement of their gold and receive detailed information about its journey, instilling confidence in the company and its operations.

**Regular Verification of Reserves:** Engaging Grant Thornton Cyprus to provide regular reports on gold reserves adds another layer of transparency and confidence. This practice ensures that the physical backing of IPMB Tokens is verifiable and that the portfolio value is accurately reflected.

**Professional Management:** IPMB benefits from the oversight and management of experienced professionals well-versed in both the gold market and financial regulations. This expertise ensures that the entire process, from the sourcing of gold to the issuance of tokens, is handled with high professionalism and in compliance with industry standards.

## Competition Analysis

| PRODUCT                               | OTC GOLD | GOLD ETF | PAX GOLD | TETHER GOLD | IPMB Ecosystem |
|---------------------------------------|----------|----------|----------|-------------|----------------|
| Gold-Backed                           | ✓        | ✓        | ✓        | ✓           | ✓              |
| Gold-Pegged                           | ✓        | ✓        | ✓        | ✓           | ✓              |
| On-Chain                              | ✗        | ✗        | ✓        | ✓           | ✓              |
| Free Physical Access                  | ✗        | ✗        | ✗        | ✗           | ✓              |
| Waived Fees                           | ✗        | ✗        | ✗        | ✗           | ✓              |
| Exchangeable for Digital Assets       | ✓        | ✗        | ✗        | ✗           | ✓              |
| Offers Staking and Rewards to Holders | ✗        | ✗        | ✓        | ✓           | ✓              |
| Verified Proof of Reserves            | ✗        | ✓        | ✓        | ✓           | ✓              |
| Traceable to Origin                   | ✗        | ✗        | ✗        | ✗           | ✓              |
| Supports Local Communities            | ✗        | ✗        | ✗        | ✗           | ✓              |
| Vertically Integrated                 | ✗        | ✗        | ✗        | ✗           | ✓              |

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## Target Audience

IPMB has the benefit of holding a plethora of use cases and therefore, appeals to many markets. IPMB holds no bias toward any organisation or body and therefore, is fully non-political, not institutionalised and not influenced by economic groups or entities.

**Institutions:** Institutions seeking a gold-backed blockchain token for their liquidity, scalability, transparency and auditability. These tokens meet their compliance and reporting requirements, offering reduced counterparty risks linked to gold reserves.

**Corporate Treasurers:** The use of IPMB Tokens or GEM NFTs within the IPMB Ecosystem offers a viable alternative to traditional gold exposure for corporate treasurers. These tokens offer security, avoid the complexities of physical gold management, and incur no storage, insurance, or management costs.

**Fund Managers:** Fund Managers can use GEM NFTs as a cost-effective alternative to gold ETFs and structured products. These tokens provide the benefits of financial gold products with physical gold security, offering liquidity, accurate gold price tracking and conversion options to investment-grade gold.

**Retail Investors:** Retail investors value the convenience, security and flexibility of IPMB Tokens along with other IPMB Ecosystem products such as Marketplace or Vantage. The IPMB Token opens avenues for access to gold that was not previously available in such an affordable and liquid way to the retail market. The IPMB Token also offers discounts on real-world products that may appeal to the retail market.

**Brokers & Liquidity Providers:** For brokers, IPMB Tokens or GEM NFTs fill a gap in offering a fully backed gold product for retail investors. Unlike gold spots, futures, or CFDs, these tokens are backed by physical gold and offer the benefits of digital gold with lower transaction and maintenance fees.

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## Roadmap & Developments

### Q2: 2023

- Initiation of the business idea to digitise the physical business
- Brainstorming, networking and conducting market research

### Q3: 2023

- Execution of the business plan
- Whitepaper preparation
- Development and testing of ERC-20 Smart Contracts

### Q4: 2023

- ERC-20 Smart Contract audit
- Obtained an EU VASP licence from the Czech Republic
- Listing on exchanges

### Q1: 2024

- Audited Proof of Reserves engagement
- Listing on further exchanges
- Obtain FINMA Licence (Switzerland)
- Launch of IPMB Web3 wallet
- Partnerships with premium brand merchants

### Q2: 2024

- Listing on further exchanges
- Partnerships with premium brand merchants

### Q3: 2024

- Expansion of partnerships with premium brand merchants
- Development, testing and audit of GeM NFT and staking smart contracts
- Goldtrace360 beta
- Preparation of 3 smelters, a refinery and a vault to be operated and managed in-house for the IPMB Ecosystem (these sites have already been agreed upon)
- Development and testing of Goldtrace360
- Obtain licences to operate through partnerships with regulated financial institutions in the UK (FCA) and UAE (VARA)

## Q4: 2024

- Creating of a crypto payment gateway platform (offramp) for vendors providing goods and services with IPMB
- Goldtrace360 launch

## Q1 2025:

- Establishing banking licences and operations in Switzerland. Credit card processing and IPMB debit cards.
- Layer 2 Solutions: Implement Layer 2 scaling solutions to enhance transaction speed and reduce costs, ensuring seamless and efficient operations on the blockchain.
- **Interoperability:** Develop interoperability protocols to allow IPMB tokens and GeM NFTs to interact with other blockchains, increasing their utility and accessibility across different ecosystems.
- **AI-Powered Smart Contracts:** Integrate AI to create adaptive smart contracts that can automatically adjust terms based on market conditions, enhancing the functionality and flexibility of transactions.
- **Smart Oracles:** Use decentralized oracles to provide real-time data feeds for smart contracts, ensuring accurate and up-to-date information for automated processes.
- **Smart Sensors:** Deploy IoT sensors with AI capabilities to monitor gold's physical attributes and environmental conditions, ensuring the highest standards of quality and authenticity.
- **Predictive Analytics:** Utilise AI-driven predictive analytics to forecast market trends and optimise supply chain management.

## Q2 2025:

- **Token Swap Features:** Develop a decentralized exchange (DEX) where users can swap IPMB tokens with other tokenized assets, increasing liquidity and utility.
- **Collateralization Options:** Enable IPMB tokens to be used as collateral for various DeFi applications, including lending and borrowing platforms.

## Q3 2025:

- **Fractional Gold Ownership:** Micro-GeM NFTs: Develop fractional GeM NFTs representing smaller amounts of gold, making gold investment accessible to a wider audience.
- **Gold-Backed Stablecoins:** Stablecoin Development: Introduce a stablecoin fully backed by physical gold, offering a stable digital asset that appeals to risk-averse investors.
- **NFT Marketplace:** GeM NFT Marketplace: Launch a dedicated marketplace for buying, selling, and trading GeM NFTs, providing a centralized platform for gold-backed digital assets.

## Q4 2025:

- Apply for a Money Transmitter Licence for IPMB or a no-action letter confirming that a licence is not required in the U.S.
- Register as a Money Services Business with the U.S. Department of Treasury's Financial Crimes Enforcement Network (FinCEN)

## Q1 2026:

- **API Development:** Develop robust APIs to integrate GeM NFTs into banking platforms, allowing banks to offer gold-backed digital assets to their customers.
- **Collaborative Products:** Work with financial institutions to develop joint products, such as gold-backed savings accounts and investment products.

## Q2 2026:

- **Global Partnerships:** Establish strategic alliances with leading banks and financial institutions worldwide to expand the reach and adoption of IPMB products.

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# Tokenomics

## Token Vesting Schedule

The vesting schedule for the Founders' tokens involves a gradual release of their allocation over a period of time, managed by a smart contract.

**Cliff Period:** After 8 months from the Token Generation Event, the Founders will be entitled to receive 1% of their total token allocation per month. This marks the end of the initial waiting period, allowing them to access a small portion of their tokens.

**Gradual Distribution:** Following the Cliff Period, the remaining 99% of the Founders' token allocation will be distributed to them over the next 99 months, ending on the 25th of July, 3032. This extended period ensures a steady and controlled release of tokens, promoting long-term commitment and alignment of interests.

For its annual supply chain, IPM has access to over 65,000 kilograms of gold doré each year from compliant mines. This substantial supply is intended to support future issuances of IPMB Tokens, ensuring a consistent and reliable asset base for the token's ongoing stability and value.

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## Logistics

The organisational process for IPMB Tokens involves several key steps. Digital sales of IPMB Tokens generate funds for the operation. The gold sourcing and supply phase includes obtaining gold from IPM's dedicated mines, joint ventures, partner mines, local smelters and other providers. Gold may also be sourced from government departments. All sources undergo ESG checks to ensure responsible production and sourcing.

Once the gold is received from all sources, it must be in the form of approximately one-kilogram bars with a minimum quality of 91.67% gold (22-carat). These bars are taken to the local government assay office, where royalties and export fees are paid and export documents are generated. Logistics companies are engaged to facilitate transportation. The logistics companies handle the secure delivery of the gold directly to an accredited refinery in Europe.

Upon arrival, the refinery assays the gold to verify its quality. Once the quality is agreed upon, the refining process begins. The refinery transforms the gold bars into London Good Delivery bars, which are stamped, numbered, dated and certificated. These standardised and certificated bars are then delivered to IPMB-affiliated vaults and allocated to the appropriate GEM NFT contracts as required. This ensures transparency, traceability and the highest standards of quality for the gold backing the IPMB Token and GEM NFTs.

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## Use of Funds

The primary use of funds is the purchase of gold. IPMB ensures a secure and compliant supply chain for its tokens, sourcing gold from various channels. The main focus is on obtaining gold directly from dedicated mines and on-the-ground resources, establishing a direct link from the mine to the vault and in the cloud. Complementing this process, IPMB also collects gold from other compliant operations in source countries. When necessary, IPMB purchases investment-grade bars from accredited refiners to supplement its existing stocks in the vaults.

Alongside acquiring physical gold, funds will be used to support local production requirements in terms of processing and equipment as well as the maintenance and expansion of the ecosystem's own smelting operations.

All gold undergoes rigorous compliance checks and is delivered to accredited partner refineries in Europe to produce investment-grade, stamped bars, which are then recorded in the IPMB ledger. Through these measures, IPMB maintains the highest standards of quality and compliance in its gold supply chain.

Funds will also be used to expand the operation of the company in areas such as marketing activities. Allocating funds for marketing initiatives is essential for promoting the company's products and services, increasing brand awareness and reaching target customers. Marketing activities can include advertising campaigns, digital marketing strategies, social media marketing, content creation, promotions, public relations and market research that will enhance brand awareness and allow us to form global partnerships with vendors. These initiatives will increase the value proposition and expand the benefits of IPMB Tokens and GEM NFTs.

Another portion of funds will be allocated for research and development of proprietary technologies, such as Goldtrace360, to gain a competitive advantage in the market. This will further enhance operational efficiency through technology implementation which can help differentiate IPMB's offering from its competitors, enhance the value proposition and potentially open new market opportunities.

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## Economics

### **The following steps are involved in the economic aspect of the operations:**

- Gold is purchased directly from the source by IPM at local source prices, with the LBMA-quoted price serving as the base. IPM applies a percentage discount to the LBMA price, which generates the physical business profit.
- The purchased gold is then taken to the government assay office, where royalties, export taxes and fees are paid by IPM. These costs typically amount to approximately 4% of the value; however, it varies from country to country.
- Next, the gold is handed over to a logistics company along with the necessary documentation, and the export company transports it to a refinery located in Europe.
- Upon arrival at the refinery, the metals undergo the refining process to achieve a minimum purity level of 99.95% gold (24-carat). The refinery also provides the necessary stamping, assay and certification documents for the refined gold.
- The refined gold is then taken under the management of IPMB and moved to approved vaults for safe-keeping and allocation to specifically nominated GEM NFTs.
- At this stage, the gold is stored as a 24-carat bar within the IPMB Ecosystem, ensuring its quality and integrity



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## Gold Audit Formulas

### **Total Ecosystem Gold Reserves $\geq$ IPMB Tokens in Circulation + GeM NFT Tokens Minted**

**IPMB Tokens in Circulation:** These are IPMB Tokens issued within the ecosystem. It is important to note that IPMB Tokens in circulation exclude tokens that are not actively in circulation. These excluded tokens are held by IPMB in a master wallet, to be released back to the ecosystem through sales. This process occurs as part of the company's gold sourcing and mining operations.

**GEM NFTs Minted:** These are NFTs representing physical gold and are minted when physical gold is deposited into the ecosystem or when IPMB Tokens are exchanged to mint the GEM NFTs.

**Total Ecosystem Gold Reserves:** This is the sum of the gold that backs the IPMB Tokens in circulation and the gold that underlies the minted GEM NFTs. In other words, it calculates the total amount of gold that is being managed within the IPMB Ecosystem.

**IPMB Monthly Agreed Upon Procedures Report regarding Gold Stock in Supply Chain:** This refers to monthly verification reports conducted on the gold stock within the supply chain. These Agreed Upon Procedures are carried out to ensure that the actual amount of physical gold corresponds to the amount represented by the IPMB Tokens.

### **GEM NFT Monthly Agreed Upon Procedures Report regarding Gold stores in Vaults:**

This pertains to monthly verification reports conducted on the gold that is stored in the vaults and prepared for physical delivery. These Agreed Upon Procedures ensure that the physical gold stored matches the amount represented by the GEM NFTs.

The IPMB Ecosystem aims to provide a way to represent physical gold digitally through IPMB Tokens and GEM NFTs, allowing for easier trading and management. Monthly reports are crucial to ensure transparency and trust in the ecosystem, making sure that the amount of physical gold matches the digital representations.

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## The Team

The IPMB team is formed of a group of industry-leading professionals from the finance, blockchain and precious metals sectors. The team comprises over 250 combined years of experience.

### **JOHN VAKIS - Chief Executive Officer & Founder**

John Vakis is a professional with a diverse background in corporate insolvency, trading and mining operations. He began his career in corporate insolvency before transitioning to trading at LIFFE, where he executed trades for major banks such as Credit Suisse, UBS and Barclays. John then developed his own trading system and joined Commodities Corporation in Paris before moving to Goldman Sachs in London, where he provided pricing and hedging strategies in metals. After leaving Goldman Sachs, he ventured into the mining industry in South America and established compliant operations in various countries, including Peru, Ghana, Zambia and Mongolia and now has over 25 years of physical gold experience across the value chain.

### **MIHAI ALBU - Director & Co-Founder**

Mihai has more than 22 years of entrepreneurial experience, starting his career in close protection security and then transitioning to advising governments and corporations on international security and cyber solutions. Throughout his career, Mihai has built a significant network of High Net Worth (HNW) and Ultra-High Net Worth (UHNW) individuals and governments. He has also played a crucial role in establishing relationships between multinational companies and governments across Europe, the United Kingdom, Africa and the Middle East. Mihai's extensive experience and network position him to introduce IPMB (International Precious Metals Bullion) at the government level in Europe, Africa and the Middle East. His expertise in security and cyber solutions, combined with his established relationships, will likely contribute to the successful implementation of IPM's initiatives and partnerships within these regions.

### **SCOTT PAGEL - Head of Investment Strategy & Co-Founder**

Scott is a highly accomplished professional in the finance industry. He graduated as valedictorian with a BA in Economics from Northwestern University in 1994. Scott began his career at Goldman Sachs Asset Management (GSAM) in New York, specialising in equity and global tactical asset allocation strategies. He later transferred to GSAM's London office as a research analyst covering technology securities. Scott's involvement in hedge fund management included the start-up and management of two successful European equity hedge funds with assets over \$1 billion. In 1997, he joined Adelphi Capital Limited as a research analyst/portfolio manager before co-founding Gradient Capital Partners LLP in 2001. Over two decades, Scott led Gradient Capital as a managing partner, later transitioning it into a family office focused on managing internal capital. His expertise and experience in investment management, particularly in European equities and hedge funds, have been instrumental in his successful career.

### **GEORGE AGATHANGELOU - Chief Operating Officer & Co-Founder**

George Agathangelou has served most of his career as an executive for Cyprus Investment Firms and is a holder of the CySEC professional competence certificate. With over 16 years of experience in regulated financial markets and a decade of experience in Bitcoin, as an international public speaker, George has delivered presentations on DLT (Distributed Ledger Technology) and blockchain in numerous countries. George holds a MSc in Digital Currencies and Blockchain Technology (Cum Laude), an MBA and a BA in Economics. His experience across the board in Distributed Ledger Technologies, Virtual Asset Service Providers' services, DeFi (Decentralised Finance), Asset Tokenization, Metaverse, Web3 and NFTs (Non-Fungible Tokens) will prove invaluable as the ecosystem grows across different platforms.

### **MARCUS GRUBB - Chief Product Officer**

Marcus is a highly experienced professional with a remarkable 30 years' worth of experience in the financial industry. He has held significant positions at prestigious financial institutions such as the World Platinum Investment Council (WPIC), the World Gold Council (WGC), UBS, Salomon Brothers, Rabobank, and Warburg. Throughout his career, he has served in various roles, including Director of WPIC, Managing Director of Investment at WGC, and Chief Executive of a derivatives exchange. Marcus has overseen market development, the ETF (Exchange Traded Fund) program, global marketing, and research, making him an asset in the C-suite and as a board member in the financial sector. Additionally, he is currently a non-executive Director and advisor for an asset management firm in London and Luxembourg, as well as London-based fintech companies. Marcus Grubb's expertise spans investment strategy, capital markets, asset allocation, and precious metals. He is recognised as a leading commentator on macro investment trends and has made significant contributions to the development and marketing of investment products in the industry.

### **Dr. KLITOS CHRISTODOULOU - Chief Technical Officer**

Dr. Klitos Christodoulou stands out as an accomplished academic with a robust technical background, expertly navigating the Web3 landscape through on-chain and off-chain blockchain Web services and decentralised applications. His applied research prominently spans the domains of blockchain, the metaverse and cryptocurrencies, underpinned by his profound knowledge and experience as a senior blockchain architect. Notably proficient in programming with Solidity for smart contracts on the Ethereum Virtual Machine (EVM), Dr. Christodoulou has significantly contributed to the field with a strong publication record in esteemed journals, covering a range of topics from blockchain applications, NFTs and Metaverse innovations to blockchain architectures and analytics, as well as DeFi (Decentralised Finance). His expertise extends beyond technical, as he is also well experienced in project management, skilfully leading and guiding research initiatives and technological projects in these cutting-edge areas. Klitos will be leading and advising our technical team, utilising his extensive expertise to drive the technical direction of the project and broaden our engagement with the technology ecosystem.

### **ZEIN CHAMAS - Chief Marketing Officer**

Zein has a proven record of developing and implementing successful marketing strategies for small- and medium-sized businesses. Alongside his certification of specialisation in strategy from Harvard, Zein has gained 8 years of experience in startups, business development and digital marketing. Previously, the CMO of a blockchain SaaS startup, he is well versed in the Web3 space. Zein has been featured on the blockchain marketing podcast, where he gave tips on how to best market and strategize in Web3. In addition, he has given an NFT marketing lecture on NextMBA, a platform hosting leaders in the world of marketing and business development such as the father of marketing, Philip Kotler. Zein plays a key role in delivering both our IPMB Tokens and GeM NFTs to the forefront of digital tokens.

### **H.H MOHAMMED BIN FAISAL BIN SAUD AL SAUD - Head of Strategy, MENA Region**

Born in Saudi Arabia, Mohammed has extensive business, investment and political experience around the globe. With positions ranging from Vice Consul to Los Angeles to President of the Al-Hilal football club, Mohammed is also an experienced real estate investor with years of investment history and has been a digital asset and technology investor across the globe for the past decade. His experience across the MENA region, as well as across the USA, will assist IPMB in penetrating numerous countries and placing the token into the right networks with confidence.

### **DUAH AGYEMAN - Head of Africa and Ground Operations**

Duah is an essential part of the IPM Group. With extensive experience and networks across Africa, Duah has been mining and procuring gold since he was 18 years old. After graduating from the Doyer Institute of Intelligence and Investigations, he has held positions in several mining companies and also with the National Security Ministry Special Office Directorate specialising in Fraud Investigations. Duah has vast expertise in different types of mining and has the respect of our workers and miners on the ground.

### **ALEXANDROS ALEXANDROU - Senior Legal Officer**

After graduating with a Master of Law following his law degree, Alexandros used his knowledge of law to jump into the digital world. Working initially at Banc de Binary and the FXVC foreign exchange company, he went on to set up his law firm providing legal support in the digital and crypto industry. As well as running his law firm, he is currently a Director of uQualify providing legal and e-services to payments and crypto operators. Alexandros is accredited by the Cyprus Securities and Exchange Commission as well as CISI and ACAMS. His experience and knowledge in navigating the ever-changing world of compliance will ensure the IPMB Ecosystem adheres to all compliance requirements.

### **CHRISTIANA ARISTIDOU - Legal Advisor**

Christiana is the founder and director of “The Hybrid LawTech Firm,” empowered by Christiana Aristidou LLC which operates exclusively at the intersection of law, business and technology. An industry technology law and digital transformation expert and a member of the Cyprus Bar Association since 1997, Christiana notably served as the President of the Technology Committee of the Cyprus Bar Association. She is the Head of the Delegation for Cyprus to the ISO TC/307 for DLTs and Blockchain, acting as a project leader of WG3 on Taxonomy and Classification of Smart Contracts and contributing to WG6 on Blockchain use cases, a member of ISO/TC68 for Financial Services, a member of ISO/TC 322 for Sustainable Finance and has served in ITU-FG-DLTs. Christiana is a Certified International Legal Project Practitioner (IILPM), a member of the PMI Cyprus Chapter, a Certified GDPR expert, an approved HRD Trainer and the Ambassador of the European Legal Technology Association (ELTA) in Cyprus. She was the co-founder and the Vice-Chair of the Cyprus Blockchain Association which has recently merged with the Cyprus Blockchain Technologies (CBTs). She is currently a board member of CBTs and holds advisory and directorship positions in selected companies. Christiana is also an HRDA certified trainer and has trained regulators, public authorities, incumbents, private organisations of all sizes, investors and entrepreneurs in Cyprus, the EU and internationally. She is a regular speaker at local and international Law and Technology conferences and a reviewer for regional and international journals.

### **DOMINIC D’SOUZA - Advisory Board**

Dominic is a highly influential figure and has advisory roles with many family offices and as the Senior Trustee for a Middle Eastern Royal Family’s Technology and Security Systems. With over two decades of experience, he has served as a senior advisor to a Royal Family Fund network, overseeing Precious Metals Holdings and digital currency endeavours. Dominic’s expertise spans the domains of technology and the environment, where he has made significant contributions. He has successfully established forest harvesting, carbon capture and photovoltaic parks in Europe and Africa, providing sustainable energy solutions to both urban centres and remote locations. Dominic’s commitment to promoting environmentally friendly practices and renewable energy sources reflects his dedication to a more sustainable future and also provides an overview for continuous improvements in all of our and partner ground operations.

### **LINDA COSTEA - Back Office and Compliance Officer**

Linda is a seasoned professional with a formidable track record in compliance, operations, and customer support, particularly within the dynamic realms of finance and cryptocurrency. Armed with extensive experience, she possesses an unparalleled understanding of blockchain technology and the intricacies of virtual asset service providers. Her expertise encompasses the meticulous implementation of KYC, KYT, and KYB processes across diverse technical platforms. Moreover, Linda has consistently demonstrated her ability to forge tight collaborations with compliance departments, seamlessly integrating crucial regulations to proactively mitigate risks.

**YIANNIS KOLOSIDES - Senior Designer**

A senior UI designer with a BA in Visual and Communication Design and 17 years of industry experience, he blends aesthetics with utility, bringing clarity and elegance to every interface. Since 2008, he's been crafting memorable, user-centric designs that resonate with audiences and stand the test of time. His commitment to continuous learning ensures each project not only meets but exceeds expectations.

**JAMIE TURNER - Business Development and Marketing Manager**

Jamie is a highly skilled professional with over ten years of experience in team leadership, customer service, community management, social media management and content creation. He has hosted numerous events and is an experienced public speaker. His skill set includes marketing, design and content creation, with a particular interest and passion for blockchain and cryptocurrency. Graduating from Bristol University, he has been Head of Communications and Community Management at Neon EVM and Naoris Protocol. Jamie will be key in developing and growing our community and developing and promoting further community events globally. Jamie will coordinate and manage the IPM marketing function and ensure community access and functionality for the IPMB Ecosystem.

**NATHAN SANDBERG - Product and Accounts Manager**

Studying at the London Institute of Banking & Finance, Nathan joins the company on his industry placement with a path in place to join full-time on completion of his degree. He has held a key interest in traditional finance and the crypto space since a young age. Leveraging his writing skills, observance and problem-solving abilities, Nathan helps the company's operations across multiple realms.

**GRANT THORNTON (BLOCKCHAIN) CYPRUS LTD**

Grant Thornton, a prominent global professional services firm, has a Distributed Ledger Technology division that plays a crucial role in ensuring the security and compliance of the IPMB Ecosystem. With its expertise in blockchain and crypto, Grant Thornton Cyprus's dedicated unit is recognised as a leading entity in the sector worldwide. Leveraging its extensive global network and deep knowledge in digital asset auditing and compliance, Grant Thornton (Blockchain) Cyprus collaborates with IPM Group to maintain the highest levels of security, verification of physical gold inventory and compliance. This collaboration aims to alleviate concerns, eliminate fear and dispel scepticism among investors and token holders, providing them with a trustworthy and reliable platform.

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## Regulatory Environment

Tokenization regulation and compliance predominantly align with existing but outdated securities laws in the United States. Moreover, in most of Latin America, there is still a lack of specific legislation on tokenization. Even if a single country were to establish a legal framework, neighbouring countries may have differing perspectives and laws, making it challenging to achieve uniform compliance across individual territories.

Nevertheless, there is a crucial set of international laws that most token platforms must adhere to, primarily focusing on anti-money laundering regulations. Governments worldwide have collaborated to prevent the movement of funds associated with terrorists, drug cartels, and other dangerous sanctioned entities. This collective effort aims to ensure the integrity and security of financial systems in the face of illicit activities.

The term “compliant gold” has various interpretations worldwide, but the highest recognised standard is established by the London Bullion Market Association (LBMA). The LBMA sets the global gold price twice a day and upholds high environmental, social, and governance (ESG) standards through their guidelines, particularly with their London Good Delivery bars.

To achieve the highest accreditations in gold sourcing, production, and operations, the IPMB Ecosystem must adhere to the latest rules and regulations aimed at combating issues such as money laundering, slavery, child labour, women’s rights, human rights, terrorism, environmental protection, due diligence on buyers and suppliers, and disclosure of the source of funds for all clients.

In addition to operating under the laws of Cyprus and the European Union as a Cyprus-based company, IPMB will aim to become a member of the London Bullion Market Association and the European Precious Metals Federation. It will adhere to the Organisation for Economic Co-Operation and Development, as well as monitoring protocols established by the International Monetary Fund (IMF), the World Bank, the World Gold Council and the United Nations.

Furthermore, IPMB will establish its own operational protocols to address these requirements. Also note that the aforementioned organisations provide guidelines and recommendations, and gold can be freely traded as a commodity in many countries without necessarily adhering to these recommendations. However, for IPMB to uphold integrity, credibility, and responsibility in its business, it must meet or exceed these recommendations. Doing so will support IPMB application for LBMA accreditation and attract interest from globally regulated funds. At IPMB, we are fully committed to complying with international regulations and guidelines to ensure responsible business practices. Specifically, we will adhere to the following guidelines:

**1. Anti-Money Laundering and Combating Terrorism Financing:** IPMB will follow the regulations outlined by the European Union (EU), including the Fifth Anti-Money Laundering Directive (2018/843/EC) and the Sixth Anti-Money Laundering Directive (2018/1673/EC). These directives provide a framework for preventing money laundering and terrorist financing. Furthermore, as Switzerland is a key processing country for gold, refining about 70% of annual production, we will also comply with the Swiss Anti-Money Laundering Act (AMLA).

**2. Conflict Minerals Regulation:** In line with the Conflict Minerals Regulation (EU) 2017/821, which came into effect on January 1, 2021, we will ensure compliance for companies importing over 100kg of gold. This regulation requires companies to formalise their management systems according to the LBMA's Responsible Gold Guidance and the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.

**3. EU DLT Pilot Regime:** We will work closely with the regulatory authorities in our EU member state Cyprus, and request consultation and a temporary exemption to allow direct retail investor access while providing adequate investor protection safeguards, while also complying with any additional investor protection measures required by the competent authorities.

**4. Markets in Crypto Assets Regulation (MiCAR):** We will adhere to compliance with the MiCAR designed to govern the issuance, trading, and custody of distinct types of crypto assets within the European Union (EU), as an issuer of an asset-referenced token. Under the EU Markets in Crypto Assets Regulation (MiCAR), different rules apply to distinct categories of crypto assets and activities. For crypto assets categorised as Asset-Referenced Tokens (ARTs) which are often referred to as stablecoins, there are additional concerns regarding financial stability and monetary sovereignty. Therefore, the issuance, offering to the public, and trading of ARTs are subject to more stringent regulations compared to Other Crypto-Assets. Under MiCAR, the European Banking Authority (EBA) has the authority to designate ARTs as significant based on specific criteria such as the number of holders, market capitalisation, issuer's gatekeeper status, or their interconnectedness with the financial system. Issuers of significant ARTs fall under the supervision of the EBA instead of the national competent authority, and they may be subject to higher capital requirements and additional regulations to ensure financial stability. Our legal advisors are taking into consideration all the developments on the regulatory front regarding the status of IPMB and GeM NFT tokens and will seek authorisation as a Crypto Asset Service Provider (CASP) in Cyprus and the European Banking Authority (EBA) once the specific criteria have been met.

**5. EU Digital Operational Readiness Act (DORA):** We will also adhere to compliance from DORA to ensure high standards of IT and cybersecurity.

By adhering to these and other relevant regulations (i.e., GDPR – General Data Protection Regulation), we aim to maintain the highest standards of integrity, transparency, and responsible sourcing throughout our operations.



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## Regulatory Roadmap

IPMB's regulatory roadmap includes compliance with several laws and regulations. Here are the milestones:

- **VASP within the EU**

IPMB has recently obtained a VASP license, affirming our compliance with European regulatory standards, including robust AML and CTF measures. This license, essential for our virtual asset services in Europe, underscores our commitment to legal compliance, customer security, and operational integrity in the rapidly evolving virtual asset landscape.

- **FINMA (Financial Market Supervisory Authority) Switzerland:**

IPMB will confirm with the Swiss Financial Market Supervisory Authority (FINMA) that IPMB wallet activities under the Anti-Money Laundering Act (AMLA) do not require a license and have registered with the Financial Services Standards Association (VQF) in Switzerland.

- **CASP (Crypto Asset Service Provider)**

IPMB is preparing for the MiCAR requirements by aligning with the upcoming EU rules for crypto-asset services. We aim to meet CASP criteria and obtain a CASP license in Cyprus under the supervision of the Cyprus Securities and Exchange Commission (CySEC), ensuring compliance with MiCAR standards and leveraging the passporting mechanism for EU-wide service provision.

- **CSSF (Commission de Surveillance du Secteur Financier) Luxembourg:**

IPMB will seek to receive a no-action letter from the Commission de Surveillance du Secteur Financier (CSSF) in Luxembourg.

- **FinCEN (Financial Crimes Enforcement Network) US:**

IPMB will register as a Money Services Business with the U.S. Department of Treasury's Financial Crimes Enforcement Network (FinCEN).

- **Money Transmission Laws US:**

IPMB will seek to obtain money transmitter licenses for IPMB in the 14 U.S. states that require them. In the remaining U.S. states, it has obtained a no-action letter confirming that a license is not required or has provided notice of its legal position that a license is not required.

- **Securities and Commodities Laws US:**

The U.S. Securities and Exchange Commission (SEC) performs the Howey Test to determine whether a token is a security or a utility token.

The Howey Test consists of four prongs, all of which must be satisfied for the SEC to classify a transaction as a security. The four elements are as follows: [1] An investment of money [2] in a common enterprise [3] with expectations of a profit [4] to be derived from the efforts of others.

IPMB's definition as a utility token providing access to discounts on physical gold and backed by a minimum of one gram of Investment-Grade Gold suggests that it is considered neither a commodity nor a security, and is therefore exempt from securities regulations. Nonetheless, the plan is to work closely with regulatory authorities and seek authorisation to operate and advise on the token status, to mitigate any legal risks.

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## Reporting & Auditing

At IPMB, we are committed to transparency and traceability in every step of the gold supply chain. For each gram of gold we handle, whether it is received, refined, sold or stored, we can provide you with detailed information, including:

- Information on the mine from which the gold originated.
- The ownership of the mine and its financial standing.
- The operating guidelines of the mine, including the extraction process and chemicals used.
- The smelting process involved in transforming the gold into a bar.
- The seller's identity and the source of funds if the gold is not directly from the mine.
- The royalties and taxes paid in relation to the gold.
- Documentation related to the export of gold.
- A comprehensive logistics audit trail, including information about the transporting aircraft.
- Assay composition details at the export location, upon arrival and after the final assay.
- The refining process deployed to further purify the gold.
- The current storage location of the gold.

By providing this level of transparency, we aim to instil confidence and trust in our operations and ensure the highest standards of responsible and accountable gold sourcing, production and storage.

To ensure the integrity of the ecosystem, the developer has engaged Grant Thornton Cyprus, a prominent audit and assurance company, to conduct a study on the design effectiveness of the IPMB Ecosystem. Grant Thornton Cyprus collaborates with the developer to implement robust digital asset risk management, with a specific focus on the processes and rules related to the issuance and burning of GEM NFTs. Furthermore, the deployed GEM NFT Smart Contract running on the Polygon network makes its source code publicly available. This allows anyone to inspect and verify the code, promoting transparency and trust within the IPMB Ecosystem.

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## Compliance Strategy

### **KYC & AML**

Our organisation is implementing an advanced Know Your Customer (KYC) and Anti-Money Laundering (AML) compliance software package provided by SumSub. SumSub is a comprehensive verification platform specifically designed to assist businesses in meeting compliance regulations globally. This reg-tech package will enhance our ability to effectively verify and authenticate customer identities, ensuring adherence to KYC and AML requirements across various jurisdictions. By leveraging SumSub's solution, we aim to streamline our compliance processes and maintain the highest standards of regulatory compliance in our operations.

### **GEM Partners' Customers**

GEM Partners will require customers to fully comply with all relevant KYC/AML regulations before they can engage in buying or selling GEM. The Company conducts ongoing transaction monitoring and risk assessments on transactions occurring on the Polygon blockchain network, specifically interacting with the Company's smart contract. To ensure compliance and prevent or detect money laundering and terrorism financing, the addresses involved must be whitelisted before they can interact with the contract and request the physical delivery of gold.

If the Company detects, becomes aware of, suspects, or has reasonable grounds to suspect a suspicious transaction or activity within the smart contract, it will investigate and may report such activities to the appropriate authorities by applicable laws. To protect GEM users from engaging with accounts sanctioned by various governments and to promote regulatory compliance, the Company maintains a list of prohibited addresses that are denied access to the GEM smart contract.

In line with the Company's commitment to transparency, traceability, and integrity throughout the gold production supply chain, these same attributes are also crucial in the verification and validation of customers. This approach establishes a gold standard not only for the value chain but also for client onboarding, ensuring a robust and compliant process.

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# Risk Analysis

## General Market Risks

Market volatility, commodity prices, economic conditions, political events, and various other factors, both domestic and international, can significantly impact the value of IPMB and GEM tokens. Additionally, factors such as war, natural disasters, changes in government, monetary policies, taxation, and regulations can also influence its value. However, it is important to note that IPMB and GEM tokens were specifically designed to mitigate the potential risks associated with these external factors and provide stability to the value of the tokens in day-to-day transactions.

## Tax Risks

Changes in tax laws and policies, including those related to IPMB and GEM tokens, have the potential to affect the value of IPMB and GEM tokens. It is difficult to predict how tax rules and policies may change in the future. Each token holder is responsible for understanding and complying with their own tax obligations. Token holders are advised to seek professional tax advice regarding the potential tax implications of purchasing and selling IPMB and GEM tokens.

## Counterparty Risks

The issuer of IPMB and GEM tokens faces various operational risks, such as system failures, regulatory compliance, documentation risks, fraud, legal risks, and unforeseen events. These risks have the potential to impact the value of IPMB and GEM tokens held by token holders. To address these concerns, IPMB as the custodian, holds the Certificates on behalf of token holders, providing a level of management and security for these operational risks. It is important to note that IPMB creditors do not have automatic access to these Certificates. Additionally, it is emphasized that all Certificates are fully backed by physical gold, providing assurance of the value and security of GEM.

## IPMB Specific Risks

The value of IPMB is determined by the market value of the underlying assets, which are linked to the price of gold, the value of the utility of the token and market demand. As the price of gold fluctuates, the value of these assets may rise or fall, thereby affecting the value of IPMB. It is important to note that the market price of IPMB may significantly deviate from its initial issue price as well as the underlying price of gold, as market participants may attribute additional value to IPMB based on its convenience as a currency and its utility. However, it is crucial to understand that the company does not make any promises or guarantees regarding the future price of IPMB. To help protect IPMB owners, should the price of IPMB fall below the price of gold, IPMBs can be exchanged to GEM with the company, on a one-to-one basis on weight rather than the price of IPMB. Hence IPMB is floored and underwritten by gold.

### **GEM Specific Risks**

The value of GEM is determined by the market value of the underlying assets, which is primarily driven by the price of gold. As the price of gold fluctuates, the value of these assets and consequently the value of GEM may rise or fall. GEM carries a specific risk of illiquidity, meaning that there may be limited demand for the token, making it difficult for token holders to sell their GEM. However, even in the absence of a secondary market, token holders with a validated GEM Certificates account will have the option to exchange their GEM for Certificates. These Certificates can then be further exchanged for physical gold at our Mint, providing an alternative avenue for realizing the value of GEM holdings. It is essential to understand that the company does not provide any guarantees or promises regarding the future price of GeM.

### **Software Risks**

The IPMB website, platform, software, and content are provided on an “as is” and “as available” basis. There is no guarantee that the IPMB Ltd website and platform creation procedure will be completely free of errors. It is possible for the software to have flaws, vulnerabilities, bugs, or other issues that may result in the complete loss of IPMB and GEM tokens, the website, or the platform. However, the company is committed to taking proactive measures to mitigate this risk. This includes continuously enhancing the platform and website and addressing any system flaws or vulnerabilities in order to minimize the potential for significant loss of IPMB and GEM tokens.

### **Risk of loss of private keys**

To control and transfer IPMB and GEM tokens stored in a digital wallet, holders must possess a private key or a combination of private keys (multi-signature wallet). Losing the required private key(s) can render the IPMB and GEM tokens unusable for the token holder. Additionally, unauthorized access to the private key(s) can lead to the misappropriation of the holder’s IPMB and GEM tokens. It is essential for token holders to ensure the secure storage of their private keys and prevent unauthorized access to their private keys.

### **Risks associated with the Polygon blockchain network**

The success and accessibility of the IPMB and GEM tokens, which are built on the Polygon blockchain network, are dependent on the stability and reliability of the Polygon network. Any failure, breakdown, or abandonment of the Polygon network, as well as other technological challenges, could have a significant negative impact on the platform and impede access to and usage of the tokens. Additionally, advancements in cryptography or technology, such as the emergence of quantum computing, could potentially render the cryptographic consensus mechanism of the Polygon blockchain ineffective, posing a risk to the tokens and the platform. It is important to note that blockchain transactions involving tokens are irreversible, so any losses resulting from fraudulent or unintentional transactions may not be recoverable.

## **Cybersecurity Risks**

The Company acknowledges the potential risks posed by various methods employed by hackers and malicious parties to tamper with the platform or the tokens such as malware attacks, denial of service attacks, consensus-based assaults, Sybil attacks, surfing, and spoofing. To safeguard against such threats, the Company is committed to maintaining robust security systems and implementing necessary measures to prevent interference or compromise.

## **Market Risks**

When third-party exchanges choose to support IPMB and GEM tokens trading independently, there are certain risks to consider. These exchanges may be new and lack regulatory oversight, making them more susceptible to fraud and manipulation. It is important to note that IPMB and GEM tokens are not legal currencies, so if third parties assign an external exchange value to IPMB and GEM tokens, that value can be highly volatile and even disappear over time. Additionally, it is worth mentioning that crypto assets, including IPMB and GEM tokens, are not protected by financial compensation schemes. Therefore, token holders should exercise caution and understand the potential risks associated with trading IPMB and GEM tokens on third-party exchanges.

## **Risk of Uninsured Losses**

It is important to note that while physical gold held by IPMB is insured by international insurance markets and underwriters, such as Lloyds of London, GEM tokens are uninsured unless token holders arrange their own insurance. Unlike bank accounts or accounts at regulated financial institutions, GEM tokens do not have built-in insurance coverage for their value or digital existence. Therefore, in the event of loss or erosion of utility and or price value, there is no established insurance provided by the developer for token holders to rely on. Only the physically allocated gold behind the GEM is insured and secured. If token holders wish to protect their GEM token holdings, they should consider obtaining their own insurance or seek expert advice on the matter.

## **Regulatory Risks**

Government legislation, regulations, and policies can significantly impact the value of IPMB and GEM tokens and the operation of the platform. The regulatory landscape for digital assets and blockchain technology varies across jurisdictions and is often unpredictable. Changes in laws and regulations, including taxation laws, can affect the platform, IPMB and GEM tokens. It is difficult to predict how regulatory authorities will apply existing or new regulations, and they may prohibit or regulate token sales. The Company may cease operations in jurisdictions where regulatory measures render it illegal or commercially unattractive. Additionally, after acquiring IPMB and GEM tokens, buyers may be subject to investigations or regulatory actions by authorities in their jurisdiction. The Company plans to monitor and respond to policy changes as they arise.

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## Summary

**We are the best solution in the market for retail and institutional users when it comes to:**

- Global digital payments.
- The only truly vertically integrated token operation in the world.
- A means of portfolio diversification against volatility, with additional benefits through exposure to precious metals such as gold.
- A safe token/payment currency used for day-to-day trading and exchange, applicable for a vast array of goods and services.
- The lowest-cost gold acquisition platform in the world.
- The provenance and authenticity of the asset are traceable and verifiable for buyers.
- Tokenized gold offering with a positive carry trade.

**To start your IPMB Journey, explore our [website](#) or visit our communities below.**

