White paper

RIB Group Holdings Ltd.

Royal Gold Stablecoin

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Contents

1. Executive Summary

The Royal Gold stablecoin White Paper provides a comprehensive exploration of the development, operational framework, and core attributes of the Royal Gold stablecoin (symbol: RXAU), issued by RIB Group Holdings Ltd. ('RIBG'). Royal Gold transcends traditional fiat-backing to embrace the concept of a bank-grade fiat-guarantee. Unlike other stablecoins, Royal Gold stablecoins are fully collateralized upon minting, eliminating the necessity to receive funds from holders to mint and establish collateral. This paradigm shift ensures that Royal Gold is a bank-grade fiat-guaranteed stablecoin, backed by the full assurance of a banking institution supported by robust risk management protocols and risk-averse practices.

Royal Gold utilizes the innovative Verified Reserve Fund Deployment held in custody by tier-one banks to collateralize Euro cash, ensuring pegging with the spot gold market price of one troy ounce of gold. This stablecoin facilitates global gold deposits for minting and offers the redemption of physical gold coins. Operating within a comprehensive asset segregation framework, the Royal Gold ensures that the cash collateral supporting the stablecoin remains entirely separate from the activities of the RIBG. Locked in tier-one bank account ensures meticulous management of this collateral segregation providing transparency and leveraging Decentralized Oracle Nodes for verification for real-time verification. This contrasts with many stablecoins that rely on off-chain issuer testament statements.

The operational framework for minting Royal Gold integrates several crucial components, including the Master Minter, CPIR algorithm, and Blacklist/Whitelist Management protocols. These elements work together to maintain the collateral-to-circulating supply ratio of Royal Gold through processes such as minting, burning, balancing, security, compliance, and stability, collectively safeguarding the integrity of the Royal Gold ecosystem as it is issued across multiple public blockchains. The initial blockchains selected for the issuance of Royal Gold include MaalChain, Ethereum, Binance, Polygon, and Avalanche and to extend the issuance to other blockchains over time.

The innovative structure, notably the real-time availability of proof of reserves, Royal Gold is positioned to achieve widespread adoption as dependable store of value, capitalizing on the gold global acceptance for cross-border settlements, and wealth management. While providing options to purchase Royal Gold with physical gold and redeeming for gold coins.

Section 1 | Royal Gold Stablecoin:

Fundamental Concepts

1. Advancing asset tokenization

Financial institutions and cryptocurrency companies are increasingly leveraging blockchain technology to issue, secure, and trade assets. With the significant advancements and growing adoption of Distributed Ledger Technology (“DLT”), policymakers worldwide are increasingly concerned about regulating DLT. Current DLT promoters barely consider the highly regulated environment of financial markets and the complexity of operations within existing market infrastructures, which are real barriers to adoption.

Several key regulations have been proposed or adopted regarding digital assets built on blockchain technology, such as the Market in Crypto Assets Regulation ("MiCA") and the "Pilot Regime" Regulation in the European Union. This underscores the necessity for public discourse on asset tokenization, including the establishment of common operational standards for verifying off-chain assets. Standardizing market practices and operational models will help mitigate the risks of fragmentation and facilitate interoperability among various tokenization projects. Moreover, such standardization is vital for ensuring compliance with financial regulations and fostering the development of a regulated digital asset industry.

In this whitepaper, asset tokenization denotes the process of transforming rights to an asset into a digital token using DLT. This procedure enables assets, whether physical (such as real estate or commodities) or financial (like fiat currency, stocks, or bonds), to be digitally represented and traded in a decentralized manner. Each token typically signifies a fraction or complete unit of the underlying asset, facilitating fractional ownership and enabling secure and efficient ownership transfer on a DLT platform.

The process of asset tokenization, as outlined in this White Paper, comprises a multifaceted concept that encompasses various stages involved in registering an asset on a blockchain, including pre-trade, trade, and post-trade phases. Best practices for asset tokenization should incorporate the following fundamental principles and objectives:

i. Digitization of financial assets from legacy physical documents. This entails moving away from conventional paper-based financial instruments to digital assets managed through DLTs, marking a significant advancement in capital markets. Asset tokenization introduces inherent digitized and potentially automated features to assets, facilitating faster and transparent property transfer processes, minimizing settlement, credit, and counterparty risks, and enabling seamless integration with digital asset and

decentralized finance (DeFi) technologies. It aims to bridge centralized finance (CeFi) and decentralized finance markets, combining centralized wisdom and blockchain governance.

ii. Embracing decentralized blockchains as fundamental infrastructures of Web3. Disruptive market infrastructures and new business models will predominantly emerge from decentralized DLTs and native digital assets, akin to the birth of the information industry with the advent of the Web1.0. While challenges such as transaction costs and energy consumption persist, the inherent qualities of public DLTs, including adoption by vast IT developer ecosystems, interoperability, and resilience to cybersecurity risks, make them compelling for widespread adoption in regulated sectors like capital markets that face strong regulatory scrutiny.

iii. Permissioned access to assets and services regardless of the underlying technology (public or private blockchains). Permissioned assets and services on blockchains serve as effective tools for regulatory compliance, enhancing the accountability of service providers towards users and public authorities. Frameworks should be supported for tokenization to ensure confidence in markets for digital assets and the integrity of blockchain markets such as outlined in Regulation (EU) 2023/1114 of the European Parliament and of the Council dated 31st May 2023 on Markets in Crypto-Assets Regulation (“MiCA”), which came into force in June 2023 (Official Journal of the European Union, 2023).

iv. Avoiding prejudice against decentralized DLT technology is crucial. Decentralized Distributed Ledger Technologies (DLTs) serve as tools that offer services to clients. It is important to impartially evaluate different DLTs to determine which ones are most relevant for upcoming digital markets. Prioritizing cross-chain interoperability and finding the right balance between innovation and security through iterative and "test and learn" methods are vital for the progress of decentralized DLTs.

v. Regulatory compliance as a primary concern. While innovation is integral to the financial sector, and open finance principles underpin this philosophy, any digital asset-related projects must prioritize compliance with existing regulatory requirements. Blockchains facilitate new interactions between market participants, regulators, and academics, enabling embedded compliance and supervision of digital markets. Enhanced data aggregation and standardization on blockchains offer transparency, aiding in regulatory compliance and risk management.

vi. Collaborative competition between market participants to develop standards, frameworks, and open-source software on digital assets to develop active use cases and products. This approach allows participants to benefit from each other's strengths, share resources, and create mutual value, while still striving to outperform each other in the market.

2. Stablecoins

Stablecoins have emerged as a popular solution within the digital asset market, offering stability amidst the volatility commonly associated with digital currencies. Their utility extends to various applications, catering to the needs of users and businesses operating within the blockchain ecosystem. However, concerns regarding regulatory compliance, reserve transparency, and redemption mechanisms highlight potential risks associated with stablecoins. It's crucial to recognize that the adoption and usage of stablecoins can vary depending on market dynamics, user preferences, and regulatory frameworks.

The stablecoin market has experienced significant growth in recent years, with the total market capitalization of stablecoins expanding rapidly. As of the latest available data, the size of the stablecoin market is estimated to be in the range of billions of dollars. According to a BIS paper (Kosse, Glowka, & Mattei, November 2023) , the market capitalization of stablecoins grew more than ninefold from 2020 to 2021, with the total market capitalization exceeding 35 times its value at the onset of the pandemic at the end of 2019. This growth was primarily driven by the increasing adoption of stablecoins like Tether and the introduction of new stablecoin projects into the market.

While the stablecoin market has shown substantial growth, it is essential to note that market conditions and dynamics can impact the size and trajectory of the stablecoin market. Factors such as regulatory developments, market volatility, and technological advancements can influence the growth projections of the stablecoin market. The primary uses of stablecoins are:

- Medium of Exchange: Stablecoins serve as a reliable medium of exchange within the crypto ecosystem, facilitating transactions and trading activities with their stable value compared to volatile cryptocurrencies.
- Store of Value: Some users leverage stablecoins as a hedge against inflation and a means to preserve purchasing power during economic uncertainty, utilizing them as a store of value.

- Liquidity Providers in DeFi: Stablecoins play a vital role in decentralized finance (DeFi) platforms, where they act as liquidity providers for various financial services, mirroring traditional financial systems.
- Payment Purposes: While not extensively utilized for payments beyond the crypto sphere, stablecoins hold potential as widely accepted payment methods due to their stability compared to other cryptocurrencies.

Stablecoins have become a dependable and consistent option within the crypto market, offering users and businesses a range of advantages. Stablecoins offer a reliable and stable alternative within the blockchain ecosystem, providing users and businesses with benefits including price predictability, transaction efficiency, and risk management capabilities. The main advantages of stablecoins are:

- Price Stability: Stablecoins maintain a stable value relative to a binding, such as a fiat currency or a basket of assets, reducing volatility and providing predictability as a medium of exchange and store of value.
- Facilitate Transactions: Stablecoins enable fast and cost-effective transactions within the crypto ecosystem, facilitating international payments and remittances.
- Liquidity Provision: Crucial for DeFi platforms, stablecoins serve as collateral for borrowing and lending, trading pairs on exchanges, and stable assets for various financial services.
- Accessibility: Serving as a bridge between traditional financial systems and the crypto world, stablecoins allow for easy conversion between fiat currency and cryptocurrencies, making them accessible to a broad user base.
- Risk Mitigation: By binding their value to stable assets, stablecoins help mitigate the risk of price fluctuations, offering stability for users seeking to hedge against market volatility.

As stablecoins continue to gain traction, their benefits extend beyond price stability to encompass enhanced transactional efficiency and robust risk management capabilities for users and businesses alike.

The stablecoin market has experienced significant growth and evolution in recent years, emerging as a crucial component of the broader digital asset ecosystem. Stablecoins are digital assets designed to maintain a stable value relative to a specific reference asset, such as fiat

currencies like the US dollar or commodities like gold. They offer users the benefits of digital currencies, such as fast and borderless transactions, while mitigating the price volatility typically associated with other digital currencies like Bitcoin or Ethereum. The stablecoin market boasts a diverse array of options, with approximately 200 stablecoins available today (Bitpay, 2023)

One of the key drivers of the stablecoin market's growth is its utility in facilitating efficient and low-cost transactions within the digital asset space. Stablecoins serve as a bridge between traditional financial systems and blockchain-based platforms, enabling users to transact with the stability and security of established fiat currencies or commodities while leveraging the innovative features of blockchain technology.

Furthermore, stablecoins play a vital role in decentralized finance (DeFi) applications, where they serve as a fundamental building block for lending, borrowing, and trading digital assets. By providing a stable unit of value, stablecoins enable DeFi platforms to offer users access to a wide range of financial services without exposure to the volatility of traditional digital currencies.

The stablecoin market encompasses various types of stablecoins, including fiat-backed stablecoins, crypto-backed stablecoins, and algorithmic stablecoins. Fiat-backed stablecoins are bound to fiat currencies held in reserve accounts, ensuring a fixed parity between the stablecoin's value and the underlying asset. Digital-backed stablecoins collateralize their value with other digital tokens, while algorithmic stablecoins use smart contracts and algorithmic mechanisms to maintain price stability.

Despite their benefits, stablecoins also face regulatory scrutiny and operational risks. Regulatory concerns primarily revolve around issues such as compliance with anti-money laundering (AML) and know-your-customer (KYC) regulations, as well as the potential systemic risks posed by stablecoin issuers in ensuring the collateral backing the stablecoin.

2.1 Growing usage of stablecoins

Stablecoins have witnessed a remarkable surge in adoption, emerging as a vital component of the digital asset landscape. Although their usage compared to fiat currency remains small. Stablecoins designed to maintain a stable value relative to a reference asset like fiat currency or commodities, are gaining traction due to their stability and versatility. With advantages such as price predictability, transaction efficiency, and risk management capabilities, stablecoins are

increasingly being utilized for various purposes beyond reference for digital assets. The uses range from facilitating international payments and remittances to serving as collateral for decentralized finance (DeFi) platforms, stablecoins are proving to be reliable and accessible instruments in the ever-expanding realm of digital finance. Some of the uses of stablecoins are:

- Visa has partnered with Circle to enable merchants to accept USDC payments.
- Mastercard has partnered with Gemini to enable merchants to accept Gemini Dollar payments.
- Microsoft accepts stablecoins, for certain purchases.
- Starbucks allow customers to pay with stablecoins, through the Starbucks app.
- Expedia allows customers to book travel stablecoins.
- Overstock a major retailer accepts stablecoins.
- Shopify allows merchants to accept stablecoins, through its payment gateway.

3. Ensuring Adequate Reserves: Stablecoin Stability

Ensuring an adequate level of reserves is paramount for stablecoins to maintain their binding value to fiat currency or commodities like gold. Typically, stablecoins achieve this stability by holding reserves in the form of the bounded currency or other assets, such as short-term government securities or cash equivalents, in reserve accounts. However, if a stablecoin issuer lacks sufficient reserves to cover the circulating supply, it can raise concerns about the stability and solvency of the stablecoin.

Insufficient reserves can lead to situations where the stablecoin deviates from its intended value, resulting in volatility and potential losses for holders. Many existing stablecoins, including the top market leaders, face potential risks due to the lack of transparency regarding their reserves and the ability to quickly liquidate non-cash securities in the event of a redemption "run." Other common issues include:

- Lack of Transparency: Many stablecoin issuers do not provide sufficient information about the composition, quality, and sufficiency of their reserves, making it challenging for users to assess the stability and reliability of the stablecoin.
- Audit and Verification: It is often unclear whether the reserve holdings of stablecoins have been audited by independent third parties and when they audited the audits are based on management reporting not the actual existence of the

reserves. The absence of real time on-chain verification raises doubts about the accuracy and legitimacy of the reserve assets claimed to back the stablecoins.

- Reserve Composition: The composition of reserves backing stablecoins can also be a point of concern. Some stablecoins hold heterogeneous portfolios of assets, including reverse repos, debt securities, and cash equivalents. This raises issue of convertibility and liquidity to the underlying asset.
- Frequency of Reporting: While some stablecoins provide daily or monthly reports on their reserves, others disclose information less frequently, such as quarterly or semi-annually. The lack of real time on-chain reporting can hinder transparency and make it difficult for users to stay informed about the backing assets.
- Bank Grade: A prevalent challenge in the stablecoin ecosystem lies in the inability of many issuers to provide what can be termed as "bank-grade" stablecoins. Unlike traditional financial institutions, these issuers often lack the comprehensive understanding of compliance, fiduciary responsibilities, and reporting obligations prevalent in regulated environments. Consequently, they struggle to uphold the rigorous standards necessary for maintaining reserve holdings—a fundamental requirement for stablecoin stability. This deficiency not only exposes stablecoin holders to potential risks but also undermines the credibility of the stablecoin itself. Without adherence to regulatory standards and robust reserve management practices akin to those of traditional banks, the stability and reliability of such stablecoins remain uncertain.

4. RIB Group Holdings Ltd.

RIBG comprises regulated entities that offer a wide range of services, including:

i. A fully integrated and regulated investment bank (license number 220147B1) that is based in Labuan, Malaysia, and governed by the Labuan Financial Services Authority ("LFSA") authorized to provide a range of investment and ancillary services, including:

    - The business of providing credit facilities
    - The business of providing consultancy and advisory services relating to corporate and investment matters including dealing in securities, or making and managing investments on behalf of any person

- The business of undertaking foreign exchange transactions, interest rate swaps, dealings in derivative instruments or derivative financial instruments or any other similar risk management activities
- Labuan Islamic investment banking business
- Labuan financial business.
- Other business as Labuan FSA may specify, with the approval of the Minister of Finance, in any currency (including in Malaysian Ringgit were permitted by the Financial Services Act 2013 or such other relevant law in force).

ii. Stablecoin technology development in partnership with MaalChain DLT team of Tijarah Holding Ltd. which is registered as an Islamic Digital Asset Service Provider in Labuan regulated by the LFSA, to provide the following regulated services:

- Development of blockchain technology solutions.
- Development of smart contracts and other technical framework
- Smart contract audits and security implementation

RIBG utilizing the expertise of the MaalChain DLT team builds open, secure, and institutional-grade frameworks and models for digital assets such as stablecoin operations, underpinned by banking class security and full regulatory compliance.

iii. Remittance activities and dealing in digital assets RIBG has partnered with GC Global Finance Ltd. which is registered as a Money Services Business in Canada under the supervision of FINTRAC, to provide the following regulated services:

- Foreign exchange dealing
- Money transferring
- Dealing in virtual currencies
- Payment service provider

iv. Trading in digital assets RIBG subsidiary entity Darlitana UAB that is registered as a "Virtual Asset Exchange Operator and Virtual Asset Wallet Operator" in Lithuania under the supervision of the Financial Crime Investigation Services ("FCIS"), authorized to provide the following regulated services:

- Exchange digital asset to digital asset.

- Exchange digital asset to fiat and fiat to digital asset.
- Storage digital asset on behalf of the users.
- Informational services on the balance.
- Send digital asset to the 3rd party on behalf of the client.
- Staking.
- Fiat storage and Exchange.
- Initial Exchange Offering/ Initial Coin Offering.

Based on this observation, along with its licenses and technology partnerships, and its unique position bridging Capital Markets and Digital Assets Markets, RIBG is dedicated to offering the digital economy a regulated and banking-grade stablecoin.

5. Royal Gold Stablecoin

Existing stablecoins suffer from shortcomings related to real-time on-chain verification of collateral and transparency regarding the assets backing the stablecoin. Moreover, these shortcomings can lead to liquidity constraints and delays in meeting redemption requests, especially during market stress. Royal Gold solves these existing stablecoins problems.

Royal Gold utilizes Verified Reserve Fund Deployment held in custody by tier-one banks to collateralize Euro cash, ensuring alignment with the spot gold market price of one troy ounce of gold. This establishes a comprehensive asset segregation framework, guaranteeing that the cash collateral remains entirely separate from the activities of the RIBG while remaining redeemable, divisible, and transferable to holders of Royal Gold. Decentralized Oracle Nodes provide real-time on-chain verification of the proof of reserves, representing a stark contrast with many stablecoins that rely on off-chain issuer testament statements.

Royal Gold addresses critical shortcomings within the stablecoin market by offering stability tied to the price of gold through real-time transparency reporting in proof of reserves. Moreover, it offers the unique advantage of accepting physical gold for minting and facilitating redemption in physical gold coins. Positioned to garner broad and increasing adoption, Royal Gold capitalizes on the global acceptance of gold, particularly in staking, collateralization, margining, and cross-border settlements. Furthermore, serving as a reliable store of value, it presents users with diverse options for preserving wealth and allocating assets.

Expanding beyond the realm of trading, Royal Gold offers solutions to a plethora of wholesale processes and wealth management services. Leveraging the universal acceptance of gold, it serves purposes such as cross-border settlements, wealth preservation, and risk management against inflation and economic disruptions. Additionally, it provides an innovative approach to liquidity funding and refinancing solutions. With its banking-grade quality, Royal Gold facilitates atomic on-chain settlement and payment solutions in the digital asset ecosystem, ensuring compliance with security token regulations. This pioneering initiative seamlessly aligns with RIBG's dedication to delivering innovative settlement and wealth management solutions for institutional clients, representing a significant advancement in the stablecoin landscape.

The Royal Gold is poised to be available on leading centralized digital exchanges and through OTC. The stablecoin is strategically designed to cater to various wholesale processes, including:

- A robust settlement asset for on-chain transactions.
- An innovative solution for risk and wealth management.
- On-chain liquidity funding and refinancing solutions.
- Wealth preservation.
- Digital financial instruments.
- Trade finance.
- Cross border remittances.

Leveraging its accumulated knowledge, network, and experience in banking, finance, and commercial trading activities, RIBG's entry into the digital asset universe comes at an opportune time, coinciding with the increasing emphasis on compliance and verification of proof of reserves for blockchain-based digital assets. The bank-grade quality and fiat guarantee inherent in Royal Gold position it as a vehicle for settling transactions using digital assets on-chain. Moreover, the option of redemption in physical gold coins sets a new standard in the stablecoin landscape.

Section 2 | Royal Gold Stablecoin: Foundational Elements

1. Overview

This section of the Royal Gold (symbol: RXAU) White Paper provides a comprehensive overview of the pivotal aspects involved in the minting/issuing, distribution, and management of the Royal Gold stablecoin. Moreover, it delves into the fundamental identity and vision of RIBG, emphasizing transparency, compliance, and legal certainty in the utilization of Royal Gold. Unlike other stablecoins, Royal Gold stablecoins are fully collateralized, eliminating the necessity to receive funds from holders at the time of minting to establish collateral. This addresses one of the primary challenges faced by existing stablecoins in establishing proof of reserves.

The Royal Gold is a stablecoin meticulously pegged to one troy ounce of gold at the prevailing market price, backed by Euro fiat currency as collateral. This facilitates global gold deposits for minting and offers the unique feature of physical gold coin redemption. The Euro cash reserves are securely deposited by RIBG into a top-tier bank, such as Deutsche Bank, HSBC, and Barclays. Subsequently, these reserves are safeguarded through a stringent blocking mechanism to prevent access by RIBG through Verified Reserve Fund Deployment that is integrated with a decentralized oracle network for real-time on-chain proof of reserves verification. This provides unprecedented legal protection and ensures redemption, divisibility, and transferability of the Royal Gold in circulation.

The management of the supply of Royal Gold to the gold price peg is entrusted to an advanced Constant Price Impact Ratio ('CPIR') algorithm. This algorithm intricately adjusts the supply of Royal Gold in response to fluctuations in the gold price. Importantly, the market gold price is seamlessly interfaced into the CPIR using APIs, guaranteeing precision and reliability in maintaining the peg and ensuring collateralization of the issued stablecoins. The minted stablecoins are held in a RIBG treasury wallet until distribution, ensuring rigorous control and oversight over the circulating supply. There are options to purchase Royal Gold with physical gold and redeeming gold coins.

The distribution of the Royal Gold will be conducted through listing on top-tier centralized exchanges across various blockchains and RIBG OTC platforms. Upon distribution, the funds received will be meticulously managed by RIBG to ensure prudent financial oversight and stability. These funds complement the already locked cash collateral, thereby providing an additional layer of security and trust in proof of reserves.

2. Legal Structure

Royal Gold sets a new legal structure by integrating tier-1 banking standards, on-chain real-time verification of proof of reserves, 100% collateralization of the peg, and a comprehensive legal recourse mechanism for redemption. In contrast, many existing stablecoins lack transparency in providing real-time on-chain verification of proof of reserves, depend on collecting funds from holders to establish collateral, and lack a robust legal redemption mechanism. This deficiency undermines their credibility as reliable payment instruments and financial tools, especially for corporates and financial market participants. Furthermore, reliance on non-Web3 redemption processes introduces uncertainty and compromises trust and security for holders. Recognizing these challenges as obstacles to wider stablecoin adoption, RIBG, drawing on its expertise and experience in banking and commercial trading, developed Royal Gold.

i. Full Segregation of Assets (Euro cash): The Euro cash supporting the value of Royal Gold is entirely segregated and separated from RIBG's own assets and operations. RIBG employs a 100% collateralization strategy to bolster stability in alignment with the one troy ounce gold market price. This pegging is maintained through the Verified Reserve Fund Deployment controlled by a tier-1 bank such as Deutsche Bank, HSBC, or Barclays, operating within the relevant legal framework. This complete segregation ensures that the Euro cash is exclusively dedicated to serving as collateral for Royal Gold. Real-time transparency in the on-chain verification proof of reserves is facilitated by a decentralized oracle network.

ii. Direct Holder Recourse: Royal Gold holders enjoy direct recourse on the Euro fiat collateral, setting it apart from many other stablecoins. This provides redeemability, divisibility, and transferability of the Royal Gold, bolstering trust and confidence among holders.

iii. Maintenance of Peg to the One Troy Ounce Gold Price: The CPIR algorithm, governed by a smart contract linked to the gold market price regulates the minting and burning of Royal Gold to sustain its peg. This meticulous mechanism ensures that the circulating supply remains steadfastly bound to the one troy ounce gold price. The collateral is established at the time of minting and does not rely on receiving funds from holders to establish the collateral, further safeguarding the stability of the peg.

iv. Regulated Issuer: RIBG, through its regulated investment bank provides credibility, trust, and legal obligations to maintain regulatory compliance in the issuance of Royal Gold. This regulatory oversight not only enhances protection for holders of the

stablecoin but also provides clear legal redemption structures and mitigates proof of reserves risks, positioning the Royal Gold as a bank-grade fiat guarantee stablecoin.

This robust framework not only ensures security but also offers continuous protection for stablecoin holders. Moreover, it remains flexible and adaptable to evolving regulatory standards and technological advancements. Such a multi-faceted approach highlights the Royal Gold's resilience and versatility, solidifying its position as a leading player in the stablecoin landscape.

3. Collateral Structure

In delivering groundbreaking solutions and establishing unprecedented levels of trust with the Royal Gold stablecoin, RIBG has strategically partnered with the MaalChain DLT Team, proof of reserve providers, and decentralized Oracle networks. Through collaborative efforts, blockchain technology has been leveraged to revolutionize the stability of the Royal Gold's peg and enhance the transparency and real-time reporting of proof of reserves. The development of Royal Gold incorporates cutting-edge proof of reserve solutions, characterized by enhanced security measures and an efficient mechanism for maintaining a stable peg to one troy ounce of gold. Furthermore, this framework ensures real-time transparency of collateral assets and provides exceptional liquidity for on/off-ramp transactions. With the option to redeem in physical gold coins. These distinctive attributes set Royal Gold apart, positioning it as unparalleled among existing stablecoins.

The Royal Gold features a unique guaranteed fiat currency proof of reserve mechanism, distinguishing itself as the premier bank-grade fiat guarantee stablecoin. This is achieved through this fiat cash mechanism, which serves as the cornerstone for the issuance of the Royal Gold.

i. A designated amount of Euros is transferred to top tier-1 banks such as Deutsche Bank, Barclays, and HSBC. This cash is meticulously blocked (locked) from RIBG and segregated by the banks to act as collateral to facilitate the minting of Royal Gold. These off-chain reserves held in the tier-1 banks are reported in real-time onto the DLT through renowned oracle service providers. The Euro 100% cash collateral permits the Royal Gold to be minted and pegged with the one troy ounce gold price, ensuring full collateralization.

ii. The minted Royal Gold are subsequently distributed, with a portion held in RIBG's multi-sig treasury wallet, which is intricately linked to the dynamic minting and burning

server. This linkage is governed by the CPIR algorithm, guiding the minting, or burning of Royal Gold in response to fluctuations in the gold market price.

iii. The Euro cash serving as proof of reserves is disclosed on the DLT in real-time, providing unprecedented transparency throughout the process.

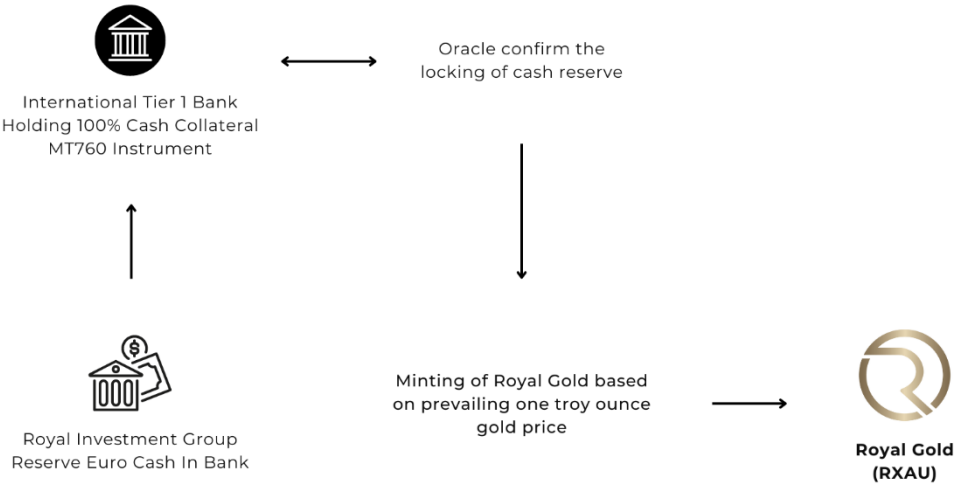
The defining feature of the Royal Gold lies in its pioneering strategy of ensuring 100% cash collateralization in minting stablecoin and eliminating the necessity for stablecoin market sales to develop the proof of reserves. This innovative notion of fiat-guarantee prior to minting establishes a robust and secure foundation for the Royal Gold, setting it apart in the stablecoin sphere and ensuring the provision of a stablecoin of bank-grade quality.

4. Supply Management

The RIBG's treasury wallet is intricately connected to a server, where the dynamic minting and burning of Royal Gold occurs under the influence of the CPIR algorithm. The CPIR mechanism reacts to fluctuations in the gold market price. Facilitating this linkage are APIs, ensuring seamless integration. Key operational smart contract components, fortified with Multi-Party Computation (MPC) capabilities, are deployed to oversee, and manage the supply of Royal Gold, including:

- Master Minter: The Master Minter undertakes the initial minting of Royal Gold to ensure collateralization with Euros.
- Minter: Controls the minting of Royal Gold in response to fluctuations in the market price of gold.
- Burner: Controls the burning of Royal Gold in response to fluctuations in the price of gold.
- Blacklist and Whitelist Management: Allows Externally Owned Addresses (EOA's) that violate regulatory requirements to be blacklisted. This enhances adherence to banking and regulatory compliance standards and increasing the difficulty for cyber criminals to misappropriate Royal Gold. Blacklisted addresses will not be able to transact Royal Gold. EOA's that have met RIBG's compliance requirements can be Whitelisted to improve interaction speed.
- Rescuer Protocol: An autonomous and specialized protocol is in place to rectify incorrectly sent Royal Gold on the protocol of the blockchain.

- Pauser Protocol: An independent and dedicated protocol as a prudent precaution to halt minting and burning of Royal Gold in an unforeseen circumstance arise that necessitates freezing the minting and burning server. Pausing will not affect the finality of Royal Gold transactions.



5. Distribution of Royal Gold

During the pre-IEO phase, Royal Gold will be available for purchase directly from RIBG's OTC platform or through approved third-party OTC providers. To participate, counterparties must undergo rigorous banking and regulatory compliance procedures, including KYC, AML-CFT, and Sanctions-Embargoes checks, ensuring a secure and compliant transaction environment. Users opting for RIBG's OTC can deposit fiat funds into the bank account specified by RIBG. Upon verification, Royal Gold is then issued to the holder's wallet.

Following the successful completion of the IEO, Royal Gold will become publicly available for purchase and redemption on top tier-one digital centralized exchanges, subject to compliance measures imposed by the respective exchanges. This listing not only facilitates trading but also plays a pivotal role in expanding the adoption of the Royal Gold within the broader ecosystem. To ensure liquidity, RIBG has forged partnerships with leading liquidity providers, enhancing the on/off-ramp capabilities of Royal Gold including the redemption for physical gold coins.

Even after the IEO, Royal Gold will remain accessible through RIBG's OTC platform or approved third-party OTC providers. This distribution strategy aims to promote transparency, accessibility, and market integration, fostering wider adoption of the Royal Gold for various

financial activities, including payments and the development of financial instruments. Moreover, the Royal Gold is poised to serve as a bank-grade fiat guarantee stablecoin for a myriad of on-chain cross-border settlements, staking, risk and wealth management.

The redemption process operates in reverse, with the Royal Gold being burned upon accessing an off-ramp, such as a web application maintained by a licensed RIBG issuing member. Upon successful validation, Euro funds are transferred to the user's designated bank account or physical gold coins are delivered to the nominated address with a cost for delivery.

5.1 Availability on Blockchains

Royal Gold will be issued across multiple public blockchains to ensure widespread accessibility and interoperability. The initial blockchains selected for the issuance of Royal Gold include MaalChain, Ethereum, Binance Smart Chain, Polygon, and Avalanche. Plans are underway to extend the issuance of the Royal Gold to additional blockchains over time, enhancing the versatility and reach. The initial Royal Gold addresses on the blockchains are as follows:

Network	Address
Ethereum	https://etherscan.io/address/0xa43f43334f9fa36d0fe4f483d2e620c83a9f925e
MaalChain	https://maalscan.io/address/0x46cc498404aFb0Cf5d5496CDaE1cED62b8a048B2
Binance	https://bscscan.com/address/0x8479f126da5d5f07db14206d6c316c9413ec6071
Polygon	https://polygonscan.com/address/0x8479f126da5d5f07db14206d6c316c9413ec6071
Avalanche	https://43114.routescan.io/address/0x8479F126da5d5F07dB14206d6c316C9413EC6071

Appendix I: Disclaimer and Risk Warning

This whitepaper serves to outline the principal risks associated with the Royal Gold stablecoin ("RXAU") issued by RIBG ("Issuer") and recorded via distributed ledger technology. It is not exhaustive in its coverage of risks.

Potential holders of stablecoins are urged to carefully review the documentation associated with the Royal Gold stablecoin, considering any associated risk factors, and consult with their own professional advisors to determine the suitability of acquiring this asset based on their individual circumstances.

- Prospective purchasers are responsible for assessing the suitability of their acquisition based on their individual circumstances. Specifically, they may wish to consider, either independently or with the guidance of professional advisors:
- Their level of knowledge and experience in conducting a comprehensive evaluation of the Royal Gold and the associated fiduciary structure.
- Whether they possess the necessary access to, and familiarity with, appropriate analytical tools to assess the purchase of Royal Gold within the context of their specific situation.
- Their financial resources and liquidity to manage all risks associated with holding Royal Gold.
- A thorough understanding of the terms governing the Royal Gold and the underlying fiduciary structure.
- Their ability to assess potential scenarios involving economic, interest rate, and other factors that could impact their purchase and capacity to withstand associated risks.

Before considering an investment in the digital assets offered by RIBG, prospective subscribers should evaluate whether such an investment aligns with their unique investment goals, financial circumstances, and objectives. They are encouraged to seek advice from the appropriate legal professional, tax/accounting professional, and financial advisor.

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Appendix II - References

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