QUESTIONNAIRE

Note:you can decline to answer certain questions (like marketing / go to market) which may be trade secrets and we will put in "declined to answer due to current trade secret".

1. General

1. Which blockchain / DLT are you building on top of? Ethereum, ERC20.

2. How does the stablecoin work?

Each coin is physically backed by 1g of gold bullion, fully stored and insured with the world's most secure vaulting facilities.The coins are also fully redeemable for the physical gold.

3. What is your revenue model?

Revenue is generated through trading fees and additional services such as Cold Storage and physical redemption.

2. Launch & marketing

1. What does the market need to be confident in the stability of your token? Gold is the world's most accepted and recognised asset, confidence is not needed in the stability in the asset. Instead our task is to demonstrate through regular third party audits that the gold needed is fully accounted for.

2. How are you bootstrapping to that level of confidence?

By utilising a network of the world's leading vaults, live feeds of current gold holdings combined with multi-level audits from independent world class firms. Additionally, our global partner network of gold dealers provides customers with the opportunity to physically interact with and the ability to redeem their GOLD coins for physical gold. This feature is also available through the online platform, with the ability for physical gold to be delivered worldwide.

3. What is your go-to-market strategies?

3. Economics

1. What is your coin stable with respect to?

Gold is stable in respect to tradition fiat and crypto currencies.

2. How much volatility can this peg withstand? Is that the same for upwards and downwards pressure? How wide is the band of behavior it can support?

Gold is the only commodity that can withstand the large scale volatility we

see in the cryptocurrency marketplace, due to the supply and purchasing capabilities of the greater gold industry, large volumes created by market volatility can be handled with relative ease.

3. How easy is it to analyze the band of behavior from which it can recover?

4. How expensive is it to maintain the peg/stability mechanism?
The key cost in maintaining the peg/stability is the storage and insurance of the GOLD, this is done at an extremely low cost leveraging off the IP of the founding partner Melbourne Mint.
1. How transparently can traders observe the true market conditions?
Gold is an existing market with the ability to view global trading through a variety of portals. In terms of the MELD gold supply and holding changes will always be available to see. Gold trading will not just be taking place within the crypto space, we will be buying and selling live within the traditional gold marketplaces burning and issuing GOLD coins as needed.

5. Which monetary theory (theoretical) assumptions do you think are not true and how does your protocol account for that?

6. Does your stablecoin supply scale in response to demand? If so, how? We are tapping into some of the largest gold traders and suppliers in the world combined with developing our own network of gold partners around the globe to offer a scalable supply.

7. Who provides the capital to maintain exchange rate peg? How are they compensated / Why do you think they would continue to lock up capital, given other investment opps?
Pegging as such is not needed as the underlying asset is physically owned, with the cost of acquiring being the original purchase of the issued tokens.
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An eventuality plan in case of a “black swan” event [1] [2] The 1% case will happen eventually. In the case the coins or tokens cease to exist the physical gold is owned
and held on behalf of token holders and physical redemption of liquidation would be facilitated.

3. Tech
9. Are any novel consensus mechanisms used, over and above the underlying blockchain?

Proof of stake will be used by gold partners, where they will be able to stake MELD Tokens which will allow them to mint and burn GOLD tokens to a total value no more than the value staked. Providing a penalty for bad actors that outweighs the benefits.
10. What transaction throughput can the blockchain currently handle and how does it plan to scale? Do its plans coincide with your plans for your estimated demand?

Ethereum is working on scalability with Casper and Sharding expected to be rolled out over the next three years. We expect on chain GOLD movements to be done with larger amounts hence being less frequent and more than capable of being handled by the Ethereum network.
Smaller transactions and day to day trading we expected will be done off chain for example the MELD platform will offer payment, brokerage and cold storage services all of which are facilitated off chain. Scalability will be required in the future as all transacting becomes truly decentralised and on chain, something we expect to adopt when the technology reaches a point of development where the costs (time, fees, ease) are outweighed by the benefits. We are also ensuring we have the ability to migrate blockchain tech should the need ever arise and as blockchain technology develops we are able to transition to offer users an improved service.

11. What tradeoffs does your protocol make and why did you make those tradeoffs? (supply/demand, temporarily peg breaking) (censorship resistance) (privacy tradeoffs) (accuracy of present market data and ease of manipulation of the data feed protocol uses (responsiveness of market and ease of manipulation)
Physically storing and insuring GOLD was a tradeoff necessary to offer a truly backed currency that is globally accepted, understood and still logistically simple. The key factor with creating a currency that is truly backed is there is always going to be a cost to do so. We believe this is something the marketplace has come to understand and accept. The apparent ‘zero cost’ financial system has ended up costing the world more than they ever bargained for.

12. Are there any centralized components of your system? Would any of these be easy for govs to shut down?
Gold storage and redemption is in a way, centralised. By storing across the world with a range of vaults and building a global network of gold dealers (Gold Bank Branches) we are offering the most decentralised ecosystem such a currency can exist in. In terms of a government shutdown, by again spreading the network across the world it is not centralised to one government authority. Gold is also a long-accepted

asset held by governments and offered by government mints across the globe. Governments such as China and India actually encourage gold ownership for their citizens. By adopting Blockchain tech we are revolutionising the way gold is owned and traded returning it to the position of a true global currency.

13. Does your protocol require information outside the blockchain such as a feed of price data? If so, how does this oracle work? Who manages it, what are the incentives for managing it, and what happens if the data they provide has a glitch?
There is a global live gold price feed, which is the current trading price across the world. There are multiple sources providing the price feed providing a redundancy in the case of glitches. The incentive comes from the trading MELD does by acting as a market maker. In the case where all feeds went down, the pricing would be manually managed with the spreads increased by a fraction of a percent to compensate.

14. Which participants can see which transactions? What is the data and metadata available, and to whom? How does this impact privacy?

15. Are you doing anything with formal verification? Smart contracts used?

16. What is the rebase period? (Length of time between currency adjustments.)
This is automated and can be done in millisecond intervals.

17. Can we make this automated? Certainly, it is planned to automated.
1. Do we use a smart contract, or network rules of the blockchain operators?
There are set protocols around burning and issuing new tokens to ensure multiple parties are involved to ensure gold holdings always outweigh the coins on issue and to remove any incentive for bad actors.

4. Regulation
1. What are your perceptions of local and global regulation in supporting stable coin, asset backed token economies?
There are long established regulations around gold and gold offerings in this format, the difference in this case, being that the method of offering gold differs with this technology base. With gold certificates or unallocated bullion holdings, which offer physical gold ownership through databases, physically issued title and promissory notes. Blockchain tech is simply a superior way of offering the same product.

2. What could be done to improve regulation in terms of speed, quality, value for your company?

5. Testing
1. What kind of simulations have you done and what have they helped you learn? (simulating broad array of market conditions)
1. Mental models for simulations
2. Econometric models
3. Agent-based Modelling / Computer simulations
4. Other (Please describe)
We have run a range of simulations including Econometric, Agent-based, Discrete event and Mental models. It has helped us identify consumer needs both now and in the future, what the barriers to entry are and what is needed to fix. How the supply chain needs to work in order to facilitate gold as a currency. What benefits we can offer both partners and users and where the risks lie. It in turn has given us insights into what, where and who to market different aspects of the product to.

[1] https://en.wikipedia.org/wiki/Black_swan_theory

Additional Questions:

1. What is the purpose of your coin? What does it aim to achieve and which problems does it solve?

Giving individuals the chance to take control over their own wealth. By creating a platform that allows participation from the global gold network we are creating the most decentralised offering of a physically backed currency. This means Gold can be used as a true currency utilising technology such as blockchain without the burden of having to physically hold the gold yourself.

2. When we say something is stable what do you think it means? And when it comes to monetary policy specifically?

Stability is relative, in terms of a global currency it means the value and tradability afford you the same today as it will tomorrow. The smaller the variation from this the more stable a currency is. In monetary policy stable is sought in many areas, stable growth of the economy, stability in employment and stability in value of the sovereign currency.