

AURUS

**Tokenized Physical
Assets**

**Chapter 1:
Empowering Precious Metals**

whitepaper

“Gold is a constant. It’s like the North Star.”

Steve Forbes, founder of Forbes.

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1. Executive Summary

1.1. ERC-20 TOKENS

AurusGOLD (AWG) is:

- 1 gram of 99.99% LBMA-accredited gold
- An ERC-20 token deployed on the public Ethereum blockchain
- Backed by gold bullion sitting securely in a specialized, fully insured, and audited vault.
- Created by established and approved gold traders around the world
- Fully backed by gold bullion, traceable through a Smart Contract
- Redeemable to physical gold at any time
- 100% liquid to fiat money or physical gold bullion

AurusSILVER (AWS) is:

- 1 gram of 99.9% LBMA-accredited silver
- An ERC-20 token deployed on the public Ethereum blockchain
- Backed by silver bullion sitting securely in a specialized, fully insured, and audited vault.
- Created by established and approved silver traders around the world
- Fully backed by silver bullion, traceable through a Smart Contract
- Redeemable to physical silver at any time
- 100% liquid to fiat money or physical silver bullion

AurusPLATINUM (AWP) is:

- 1 gram of 99.95% LBMA-accredited platinum
- An ERC-20 token deployed on the public Ethereum blockchain
- Backed by platinum bullion sitting securely in a specialized, fully insured, and audited vault.
- Created by established and approved platinum traders around the world
- Fully backed by platinum bullion, traceable through a Smart Contract
- Redeemable to physical platinum at any time
- 100% liquid to fiat money or physical platinum bullion

AurusDeFi (AWX) is:

- An ERC-20 token deployed on the public Ethereum blockchain
- Limited to 30,000,000 tokens
- Entitled to a proportional share of 50% of the fees generated by AurusGOLD, and 30% of the fees generated by AurusPLATINUM.

1.2. OUR VISION OF GOLD AS A CRYPTOCURRENCY

AurusGOLD is well positioned to succeed as a gold-backed token on the Ethereum blockchain because it fully meets the definition of money. AurusGOLD starts with gold's unmatched history as a store of value and a unit of account. By adding the advantages of cryptocurrencies as a medium of exchange, AurusGOLD is designed to be the perfect currency.

1.3. OUR VISION FOR TOKENIZED SILVER AND PLATINUM

AurusSILVER and AurusPLATINUM have since been added to the platform's offerings as we seek to reposition both silver and platinum as a highly accessible, convenient and liquid investment instrument.

1.4. AURUS FEES AND THE DISTRIBUTION OF FEES

While a long-term vision is essential, we also know that reasonable fees are crucial to success in the present. Aurus charges modest fees associated with the usage of the precious metal-backed tokens. There are no annual fees or transaction fees for AurusDeFi (AWX).

AurusGOLD (AWG):

- Tokenization fee 0.5%
- Transaction fee 0.15% for the initiator of the transaction
- Storage fee 0.4% p.a. (2% for non-KYC'ed wallets)

AurusSILVER (AWS) and AurusPLATINUM (AWP):

- Minting fee 1%
- Transaction fee 0.45% for the initiator of the transaction
- Storage fee 0.75% p.a. (Non-KYC'ed wallets: 2%)

All accumulated minting, transaction, and storage fees are distributed back to the ecosystem as follows: 50% of AurusGOLD fees to AurusDeFi holders, and 50% to Aurus minting partners (25% Vaults, 25% Providers). With AurusSILVER and AurusPLATINUM 30% goes to AurusDeFi holders, and 70% to minting partners (35% Vaults, 35% Providers). The reason for the fee discrepancy for silver and platinum is due to the smaller market size accompanied by higher handling and storage costs. This unique revenue-sharing mechanism enables the ecosystem to be highly scalable and financially self-sustaining.

1.5. THE PRECIOUS METALS MARKET

Aurus begins with a strong base in the precious metals market. AurusGOLD was designed to meet the high standards of gold investors. Only gold sourced from LBMA-accredited refineries can serve as AurusGOLD. Additionally, our decentralized Vault Partnership structure protects gold investors from idiosyncratic risks. The Vault Partnership structure also enables local vaults that gold investors trust to remain competitive with the centralized vaults used by other gold-backed cryptocurrencies. Similarly, Distributor Partnership helps existing physical gold distributors remain competitive and gives AurusGOLD broader distribution.

1.6. THE WEB AND MOBILE PAYMENTS MARKET

The web and mobile payments market is dominated by network externalities, so starting with a base in the gold market helps AurusGOLD immensely. Since AurusGOLD has the stability of gold, consumers searching for a more stable cryptocurrency are another group of potential early adopters. As gold investors and stability seekers adopt AurusGOLD, merchants will become more willing to accept it directly as payment.

1.7. THE CRYPTOCURRENCY MARKET

The stability of AurusGOLD is likely to attract more users during declines in the overall cryptocurrency market. That will increase the revenues that AurusDeFi receives from AurusGOLD fees, which will probably send the price of AurusDeFi higher. The countercyclical strength of AurusGOLD and AurusDeFi makes them attractive to cryptocurrency investors, traders, and exchanges. The fact that AurusDeFi operates more like a traditional business and generates income could also prove as a welcome addition for digital asset investors.

1.8. AURUS ETHEREUM TOKENS

Aurus has secure token minting and burning procedures so that each AurusGOLD (AWG) token is fully backed by one gram of 99.99% LBMA-approved gold. Only approved Provider Partners (professional gold traders of the highest integrity) are capable of initiating the AWG minting process, and new tokens are only minted after the gold is audited and accepted by approved Vault Partners. When gold is withdrawn from the AurusGOLD system, the appropriate number of AWG are burned.

1.9. FUTURE PLANS

Aurus is in the tokenization business. The technology behind Aurus is very versatile allowing us to expand and incorporate other commodities in the future. Hence streamlining the commodity trading business.

1.10. CONCLUSION: A MARKET BASED GROWTH STORY

Aurus will be able to attract users and enrich investors by offering cryptocurrencies with the stability of a precious metal-backing. Ultimately, Aurus is in the business of tokenization-as-a-service and will be able to continue to grow by tokenizing commodities and other goods.

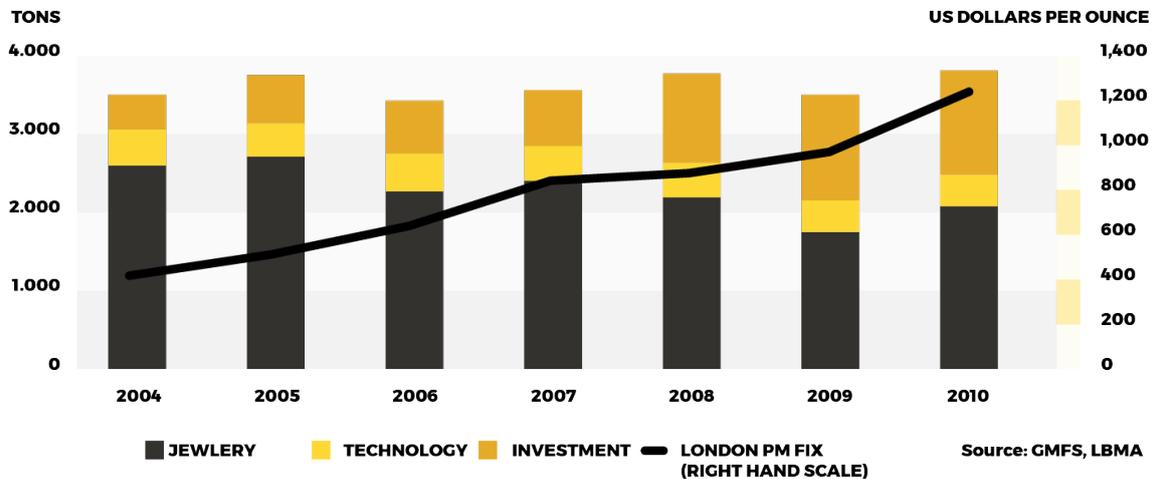
2. Our Vision: Tokenized Gold as Cryptocurrency

2.1. CURRENCY AND THE DEFINITION OF MONEY

What is money? Answering that simple question explains why so many currencies fail and why some succeed. Most economics textbooks use a definition derived from Jevons (1875) to define money as a store of value, a unit of account, and a medium of exchange.

2.2. THE FAILURE OF FIAT AS A STORE OF VALUE

Fiat currencies have failed as a store of value. The US dollar has lost approximately 97% of its purchasing power in relation to gold in the nearly 50 years since the United States went off the gold standard in 1971 (LBMA, 2018). The euro has lost over 75% of its value on a gold basis since the single European currency debuted in 1999 (LBMA, 2018). No fiat currency has maintained its value against gold in the long-run.



2.3. THE FAILURE OF PURE CRYPTOCURRENCIES AS UNITS OF ACCOUNT

The most successful pure cryptocurrencies, such as Bitcoin and Ethereum, have appreciated in price substantially. They have been far better stores of value than fiat currencies during the few years that they have existed. However, they are so unstable in price that they cannot be used as units of account. Most goods continue to be priced in fiat money.

2.4. THE FAILURE OF PHYSICAL GOLD AS A MEDIUM OF EXCHANGE

Gold has served as a store of value for over six thousand years, making it the best long-term store of value. What is more, gold also makes an excellent unit of account. When fiat money fails, we usually revert to accounting on a gold basis. We did so ourselves earlier in this paper to illustrate the decline of the

US dollar and the decline of the euro.

Where physical gold fails is as a medium of exchange. Gold is so valuable that it cannot be subdivided into small enough parts for use in everyday transactions. Furthermore, most transactions today are conducted electronically, and physical gold cannot be used directly.

2.5. AURUSGOLD: THE DEFINITION OF MONEY

By creating gold-backed tokens, Aurus seeks to add the advantages of cryptocurrencies to the advantages of physical gold. In theory, AurusGOLD will be an excellent store of value and will even be able to serve as a unit of account because it is backed by physical gold. As a token on the blockchain, AurusGOLD will also serve as a medium of exchange by allowing the division of a gram of gold to 18 decimal places and enabling decentralized electronic transactions using gold.

	Store of Value	Unit of Account	Medium of Exchange
AurusGOLD Tokens	Yes	Yes	Yes
Physical Gold	Yes	Yes	-
Pure Cryptocurrencies	-	-	Yes
Fiat Money	-	Yes	Yes

Although other cryptocurrencies have attempted to combine the advantages of gold with the advantages of pure cryptocurrencies, all of them have been too centralized, or attempted to play too many money games to cover costs or make profits.

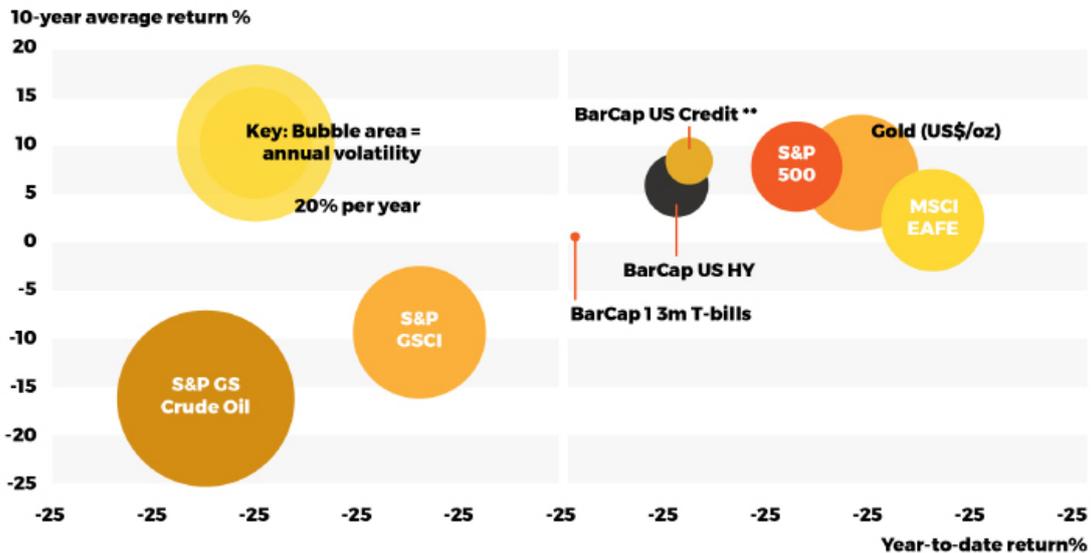
2.6. FRIEDMAN'S K-PERCENT RULE: GOLD AS IDEAL MONEY

We have seen that AurusGOLD fully meets the definition of money, but is it the best possible money? According to Nobel prize-winning economist Milton Friedman, the ideal money supply would grow by a fixed percentage each year (Friedman, 1960). This is known as Friedman's k-percent rule. Gold follows Friedman's k-percent rule fairly well in actual practice, while fiat money and pure cryptocurrencies fail. The money supply for fiat currencies expands and contracts erratically, mostly for political reasons. The most successful cryptocurrencies were designed to have continuously decreasing money supply growth rates. This is one of the reasons for price instability in cryptocurrency markets and the failure of pure cryptocurrencies as units of account.

2.7. THE UNTAPPED POTENTIAL: THE DEPTH OF THE GOLD MARKET

The instability in pure cryptocurrency prices when there is a surge in their use highlights the dangers of a temporary shortage of money. Fortunately, the global gold market is incredibly large and deep. All the world's gold has a market value of over 11 trillion US dollars. In April 2021, the total market capitalization for all cryptocurrencies combined was only 1.8 trillion US dollars according to CoinMarketCap (2021). AurusGOLD has multiple links to the global gold market that ensure that the price of a unit of AurusGOLD will divert far from the price of a gram of gold in the over-the-counter market.

Gold actually trades more than many other financial assets, with daily trading volumes between 150 and 200 billion US dollars according to the World Gold Council (2020).



2.8. TOKENIZING THE WORLD

Gold is just the beginning. The full value of tokenized gold will only be realized when consumers can use it to buy other goods directly on the blockchain. We believe that the general direction of the world economy is toward tokenization using distributed ledger technology, and recent research by Baum (2017) supports this view. By establishing a strong gold-backed cryptocurrency early on, Aurus will be well positioned to tokenize silver and other commodities in the future.

3. Aurus Fees and the Distribution of Fees

3.1. LOWER FEES IN THE FUTURE

All fees on the Aurus Platform are subject to change. The current fees are necessary to cover present-day costs and win support from vaults and investors. Fees can be lowered once mass adoption takes place, just as annual fees have fallen for credit cards and mutual funds. The entire Aurus system will benefit from lower cost transactions backed by higher transaction volume. However, fee values will be capped through Smart Contract conditions and can never be higher than these predetermined caps.

3.2. DISTRIBUTION OF FEES TO INVESTORS AND PARTNERS

All tokenization, transaction, storage fees for AurusGOLD, AurusSILVER, and AurusPLATINUM are collected by the protocol and split as follows: 50% of AurusGOLD fees go to AurusDeFi holders, and 50% to Aurus minting partners (25% Vaults, 25% Providers). 30% of AurusSILVER and AurusPLATINUM fees to AurusDeFi holders, and 70% to minting partners (35% Vaults, 35% Providers).

3.3. SENSIBLE TOKENIZATION FEES

Aurus tokenizes gold bullion and mints new units of AurusGOLD (AWG) for a sensible fee of 0.5%.

3.4. LOW TRANSACTION FEES FOR AURUS TOKENS

Aurus charges a modest transaction fee of 0.15% to the initiator of each AurusGOLD transaction. Whereas for AurusSILVER and AurusPLATINUM the transaction fee is set at 0.45%. There are also Ethereum related (gas) fees for Aurus tokens but we have implemented a feeless structure in which we allow users to use our service without paying any Ethereum transaction fees. Fees will scale according to the growth of the protocol.

3.5. REASONABLE STORAGE FEES FOR AURUS TOKENS

Aurus also charges an annual storage fee of 0.4% p.a. competing with ETFs. A maximum of 2% per year is charged on wallets without KYC, encouraging the whitelisting of wallets. These custody fees are calculated on each AurusGOLD, AurusSILVER, and AurusPLATINUM in circulation which is calculated using a daily time factor of 0.00547945% (at 2% p.a.). This fee helps to pay for storage, insurance, and regular independent (external) auditing. Due to the structure of Ethereum tokens and wallets, Aurus can only collect the annual fee when the token is transferred because charging a monthly fee breaks the business models of many market participants, so the transaction fee practically includes the annual storage fee.

A simple formula is used to calculate and collect outstanding annual fees whenever a transaction occurs. Suppose that a new AWG holder initially receives 100 AWG on July 1, 2021. She then decides to send out 10 AWG on January 1, 2022. The annual fee would be calculated as follows:

$1/2$ of a year x 2% per year fee x 100 AWG = 1 AWG annual fee

This is the formula used in the smart contract:

$(\text{currentTimestamp} - \text{previousTimestamp}) * \text{yearlyFee} * \text{walletBalance}$

So, the AWG holder would send 10 AWG, pay 1 AWG for the annual fee, pay 0.15 AWG as a transaction fee, and be left with a remaining balance of 88.85 AWG. Note that the annual fee is applied to the entire balance, while the transaction fee is applied only to the amount transferred. The annual fee is also collected whenever AWG holders receive AWG, while transaction fees are only paid by senders.

After 50 years, accumulated annual fees for AWG will reach 100% if no transactions are made. At that point, the outstanding annual fees will be automatically collected and the entire AWG balance for that address will be distributed to AurusDeFi holders and Aurus minting partners. Given that gold has returned an average of over 7% per year in US dollar terms since 1971, AurusGOLD holders who make at least one transaction every year have an expected annual return of approximately 5% in US dollars.

3.6. REALISTIC WITHDRAWAL FEES

For users, the fees for users redeeming physical gold, silver or platinum is dependent on the Provider Partner that is facilitating the exchange. For Providers, there are currently no fees set for burning AWG, AWS, AWP tokens. Additionally, users may be subject to shipping and handling fees charged by the vault. For silver and platinum a VAT cost may be charged depending on your local regulations, which is to be paid in fiat upon delivery. This does not apply to gold as it is classified as a VAT exempt good globally.

It should also be noted that any outstanding annual storage fees will be automatically collected when AurusGOLD is withdrawn from the system.

All Vault Partners are established and respected businesses. The withdrawal of gold is therefore subject to the Know Your Customer and Anti Money Laundering procedures carried out by the Vault Partner before withdrawal.

3.7. NO ADDITIONAL FEES FOR AURUSDEFI

There are no additional transaction fees or annual fees for AurusDeFi (AWX). However, AWX holders must still pay Ethereum related transaction fees.

4. The Gold Market

4.1. GOLD INVESTORS

AurusGOLD was created to meet the standards of demanding gold investors. We made every effort to create a blockchain version of holding gold.

4.1.1. AurusGOLD is backed by LBMA-Approved and Audited Gold

AurusGOLD (AWG) is an ERC-20 token backed by 1 gram of 99.99% LBMA-accredited gold. It is created by experienced gold traders, known as Provider Partners, using the Aurus asset-tokenization protocol. As AurusGOLD are tokens on the Ethereum blockchain fully backed by gold, issuing new tokens into the market requires gold bars to be stored with an approved Vault Partner and audited. AurusGOLD is physical gold from a market standpoint, which means that it will maintain a stable value close to that of gold bullion (56.1 US dollars/gram as of April 2021). The value of AurusGOLD will remain close to the value of gold because of the ability of traders and individual investors to buy and sell gold between markets. The only gold capable of backing AurusGOLD tokens is gold sourced from LBMA member refineries to ensure the highest quality whilst maintaining global redemption fungibility.

4.1.2. AurusGOLD as an Inheritance

A multi-signature wallet mechanism allows AurusGOLD (AWG) holders to transfer their AWG to their heirs through lawyers that act as trustees or under power of attorney. Smart Contracts help to prevent fraud by keeping the funds

frozen after the transfer, and they give the initial wallet owner the capability to reverse the process for a specified time.

4.1.3. Decentralized Vaults Provide Protection from Disaster

Aurus is in the process of partnering with independent Vault Partners in various locations. Having gold in multiple locations protects investors from a variety of financial and natural disasters. If a Vault Partner is unable or unwilling to continue being a Vault Partner, they are required to transport all AurusGOLD to another partner vault. All AurusGOLD will continue to belong to AurusGOLD investors during this process. If there is a natural disaster in a particular location, the gold is insured. Investors will usually be able to withdraw gold from unaffected vaults in the event of a disaster. The benefits of decentralization will increase as Aurus takes on more partners. Decentralized vaults reduce idiosyncratic risks without reducing returns.

4.1.4. AurusGOLD is Independent of Aurus

Aurus has no claim on investor gold. Regardless of what happens to us, AurusGOLD always belongs to the gold investors. It is the property of the investor address from the beginning. The gold is physically stored by independent Vault Partners while the investor holds it. In the end, the investor is able to withdraw the gold from a Vault Partner.

4.1.5. Aurus Works with Local Vaults and Physical Gold Retailers

Aurus plans to partner with many qualified local vaults. Most investors should eventually be able to withdraw gold from a location close to home. Decentralization also means that investor gold holdings will be diversified

rather than being concentrated in a single centralized vault that may be far from where the investor lives. Aurus also has plans to partner with physical gold retailers through our distributor partnerships. Distributor Partners will be able to sell AurusGOLD directly to the public. We support the physical gold retailers who have earned the trust of investors over the years.

4.1.6. Decentralization Keeps the Price Close to Gold

Our decentralized partnership structure also keeps the price of AurusGOLD close to the price of gold on the over-the-counter market. Aurus Provider and Distributor Partners have market incentives to sell off the surpluses and alleviate the shortages that cause price discrepancies. Centralized gold cryptocurrencies will continue to experience the same surpluses, shortages, and mispricing that characterize any centrally planned system.

4.1.7. AurusGOLD Compared to Other Gold-Backed Tokens

There are a number of gold-backed Ethereum tokens on the market or coming soon, and we believe that the following table best illustrates the advantages of AurusGOLD.

	Only LBMA approved gold bullion	Convertible to Physical Gold	Decentralized Vault Partners	Partnerships with Gold Distributors
Aurus	Yes	Yes	Yes	Yes
Digix	Yes	Yes*	-	-
GoldMint	?	?	-	-
Xaurum	?	Yes	-	-

*only to 100 gram bars

4.2. GOLD VAULTS - VAULT PARTNERS

Vault Partners are responsible for safeguarding the physical gold bars, as well as managing the insurance. Vault Partners are crucial to the success of AurusGOLD.

4.2.1. Remaining Competitive

As new gold-backed cryptocurrencies are launched, gold is starting to flow out of traditional vaults and into the new cryptocurrencies. Many gold-backed cryptocurrencies, such as Digix, have already chosen a single preferred vault. Only Aurus offers multiple approved vaults the opportunity to become Vault Partners and profit from the move to cryptocurrencies.

4.2.2. Vault Partners Receive 25% of AurusGOLD Fees

Instead of receiving fixed fees, Vault Partners receive 25% of all fees generated by the AurusGOLD system. Fees are distributed to the vaults proportional to the amount of gold they are storing. Vaults will receive fees each month based on the following formula:

$$F_T \times \frac{V_R}{T_S} \times .25 = V_R$$

FT - Total amount of transaction fees and annual fees collected in the past month

VS - The amount of gold stored (grams) by the vault

TS - Total available supply of AurusGOLD (grams of gold in the system)

VR - Total revenue distributed to the vault (in AurusGOLD tokens)

The fees are automatically distributed to the Ethereum addresses that identify the Vault Partners. These are the same addresses used by the Vault Partners to sign various transactions on the blockchain.

4.2.3. Vault Partners Can Provide Additional Services

Vault Partners are free to provide additional services (such as delivery) for extra fees. Vault Partners can directly collect fees for these services. The Vault Partners can specify payment in AWG or the fiat currency of their choice.

4.2.4. Vault Partners Can Exit

If business interests change, a Vault Partner can exit the AurusGOLD system after giving sufficient notice. The exiting Vault Partner will then physically transport all AurusGOLD to the vaults of other Vault Partners.

4.3. GOLD TRADERS - PROVIDER PARTNERS

Provider Partners provide physical gold to the Aurus system, which allows new AurusGOLD (AWG) tokens to be created. Provider Partners also help keep the price of AWG close to the price of physical gold.

4.3.1. Opportunities to Profit from Arbitrage

Provider Partners will be able to profit from discrepancies between the current price of AurusGOLD and the Net Asset Value (NAV) of AurusGOLD in the global over-the-counter market for gold. Whenever the price of AurusGOLD is sufficiently above the NAV plus the tokenization fee of 0.5%, Provider Partners will be able to profit by providing gold to the AurusGOLD system. The supply of

gold then increases in the AurusGOLD system and the price of AurusGOLD falls toward the NAV. If the price of AurusGOLD is sufficiently below the NAV less the withdrawal fee, Provider Partners will be able to profit by withdrawing gold from the AurusGOLD system. The supply of gold then decreases in the AurusGOLD system and the price of AurusGOLD rises toward the NAV. Arbitrage ensures that the price of AurusGOLD remains near the price of gold bullion.

4.4. PHYSICAL GOLD BROKERS - DISTRIBUTOR PARTNERS

Aurus seeks to partner with the established physical gold distributors that investors trust.

4.4.1. Remaining Competitive

Physical gold distributors could lose a substantial amount of business if their customers start adopting a more centralized gold-backed cryptocurrency like Digix. By becoming Distributor Partners with Aurus, independent physical gold distributors will be able to offer a gold-backed cryptocurrency and generate new business for their existing profit centers.

4.4.2. APIs and Plugins for Easy Integration

The web application provides a REST API for direct selling of AurusGOLD (AWG) tokens. We have also built a plugin for gold distributors to buy and sell AurusGOLD from their own websites, enabling them to more easily service their existing clients and to extend their reach to new ones.

4.4.3. Ability to Buy and Sell at Their Own Prices

All AurusGOLD (AWG) Distributor Partners certified by the The Aurus Consortium will be able to integrate Plugins and APIs that allow them to buy and sell AurusGOLD (AWG) tokens at their own prices and according to their own supplies. This widens the availability of AWG and contributes to maintaining a stable value.

4.4.4. Opportunity to Trade AurusGOLD

Distributor Partners are in a unique position to profit from trading AurusGOLD and help their customers in the process. Any Distributor Partner can withdraw large amounts of gold from AurusGOLD and pay lower withdrawal fees than small investors. They can then pass on some of the savings to their customers and offer additional services.

4.4.5. Ability to Offer Additional Services

Distributor Partners can also offer additional services. In particular, Distributor Partners are in a better position to take delivery from the Vault Partners than most individual investors. At a reasonable price, this service could prove popular. Easier conversion to physical gold bullion for individual gold investors extends the reach of AurusGOLD to investors living further away from vaults.

4.4.6. Ability to Become Provider Partners

Finally, Distributor Partners can also become Provider Partners. As Provider Partners, they can tokenize their gold and gain access to all the other arbitrage opportunities that Provider Partners enjoy.

5. The Web and Mobile Payments Market

5.1. BUYERS

5.1.1. Gold is a Stable Store of Value

Gold is dramatically more stable in price than any pure cryptocurrency. Since it is fully backed by gold, AurusGOLD is also far more stable than pure cryptocurrencies like Bitcoin and Ethereum.

Because AurusGOLD is fully backed by gold, it can function as a store of value for savvy cryptocurrency users even before it is widely adopted by vendors. If a buyer wants to convert one thousand euros to cryptocurrency and make sure that they still have more or less a thousand euros of purchasing power next week, then AurusGOLD is an excellent solution. The downturn in the cryptocurrency market in early 2018 highlights this benefit.

5.1.2. The Widespread Acceptance of Cryptocurrency as a Medium of Exchange

A method of payment is usually only valuable to buyers if they can use it to buy from their favorite merchants. Fortunately, many merchants already accept cryptocurrencies as payment. Since AurusGOLD is an ERC-20 token on the Ethereum blockchain, early adopters can easily exchange it with other cryptocurrencies on major exchanges to make purchases.

5.1.3. Safe and Friendly Web and Mobile Front End Applications

We are also building a user-friendly mobile and web wallet for storing and trading the Aurus tokens. The Aurus wallets will guide users through creating a cryptocurrency wallet, explain how public and private keys work, provide the option of creating a simple (web) wallet or a custom (secured) wallet. The wallets will also allow users to store AurusGOLD tokens, see their worth, undertake transactions, view trading history, and perform other actions. Safety is also important, so Aurus plans to provide support for the Universal Second Factor (U2F) authentication offered by hardware wallets (e.g. Ledger, Trezor).

By offering an interface that is more user-friendly and accessible than many competing wallets, we aim to reach beyond the specialized worlds of those familiar with cryptocurrencies and professional gold traders.

5.1.4. Plans for Direct Acceptance by Online Merchants

As more buyers adopt AurusGOLD as a store of value, merchants will find it more attractive to accept AurusGOLD as a method of payment. We will be integrating AurusGOLD in as many payment gateways as possible, allowing users to spend AurusGOLD at merchants all over the world.

5.1.5. Plans for a Vault Signer Card

Future functionalities include the ability to integrate debit cards, allowing consumers to pay in mainstream stores through instant fiat currency conversion and to order physical gold to their location should they so desire.

Our wallet will be integrated with a debit card solution that will provide an

automated exchange to fiat currency at low rates from AurusGOLD partners. By making gold more liquid, we are helping consumers to use a stable asset in their daily lives. This will be done through the issuing of gold debit cards and the integration of Aurus tokens with different payment providers.

5.2. MERCHANTS

5.2.1. Easy and Profitable for Merchants Already Accepting Cryptocurrencies

AurusGOLD is an ERC-20 token on the Ethereum blockchain, so it should be easy for merchants already accepting cryptocurrencies to accept AurusGOLD. What is more, merchants can profit by pricing goods directly in AurusGOLD while charging a slight premium for doing the conversion.

5.2.2. The Stability of Gold Allows AurusGOLD to Serve as a Unit of Account

Pure cryptocurrencies are so unstable in price that they are currently mostly used by merchants only as a medium of exchange. AurusGOLD shares the stability of gold, so it will be stable enough in price to serve as a unit of account. Merchants will be able to price items directly in AurusGOLD rather than fiat money. Pricing in AurusGOLD is particularly beneficial for merchants selling to international customers who typically use a variety of different currencies.

5.2.3. The Popularity of Gold in the Emerging Markets

In many emerging market economies, consumers commonly hold gold as a store of value rather than using fiat currencies. E-commerce is just getting

started in many of these countries, and it is still growing at a fantastic pace. By offering these customers the opportunity to buy merchandise in a currency that they know and trust, namely gold, merchants can gain an advantage in the emerging markets.

5.2.4. Plans for Easy Integration

In addition to the benefits listed above, Aurus also has plans to make it easier to integrate AurusGOLD payments with merchant websites.

5.2.5. How Aurus Can Get Everyone on Board

According to Rochet and Tirole (2003), platforms for payments systems must “get both sides of the market on board” to succeed. Consumers only want to use payment systems that are supported by enough merchants, and merchants only want to support payment systems that have a sufficient number of users. When more users join the system, even existing users benefit because more merchants will accept payments in the system. Payment systems are said to have positive network externalities because all users benefit as additional users join the system. Network externalities generally make it very difficult for new payment systems to gain a enough users to be attractive to merchants.

Fortunately, there is a way around this “chicken and egg” problem. Luther (2016) suggested that alt-coins could benefit from a second-mover advantage. By identifying and correcting some of the problems that have occurred with Bitcoin, alt-coins might be able to compete in the payments market. Luther also identified excessive volatility as a major problem with Bitcoin, and AurusGOLD directly addresses the problem of volatility by offering gold backed stability.

Cryptocurrency holders seeking stability could create a large enough user base for AurusGOLD to attract merchants and overcome the “chicken and egg” problem caused by network externalities.

5.3. PEER-TO-PEER

5.3.1. True Peer-to-Peer

The instability of pure cryptocurrencies often limits them to use as a medium of exchange. In actual practice, this means that one person wishing to make a payment to another via cryptocurrency often starts out with a fiat money account, has the money transferred to cryptocurrency, and then it is transferred to someone else’s fiat money account. This requires third-party exchanges, so it is not genuinely peer-to-peer. The stability of AurusGOLD as a store of value will enable direct peer-to-peer transactions without transfers to fiat money accounts.

5.3.2. Smarter Smart Contracts

It does very little good to specify payment for a service in ETH because the price of ETH varies so dramatically. AurusGOLD can serve as a unit of account when specifying payment for services because it is a gold-backed token. A gram of gold this month typically has approximately the same purchasing power as a gram of gold next month. That is why Smart Contracts that specify payment in AurusGOLD are smarter Smart Contracts.

5.3.3. Gold and Small Firms in the Developing World

As much as half of the economic activity in developing economies takes

place outside the formal economy (La Porta and Shleifer, 2014). These small businesses often transact directly with each other, and many of them are familiar with gold as a store of value. A blockchain version of gold, such as AurusGOLD, is a natural choice for them in the peer-to-peer market.

6. The Cryptocurrency Market

6.1. CRYPTOCURRENCY INVESTORS

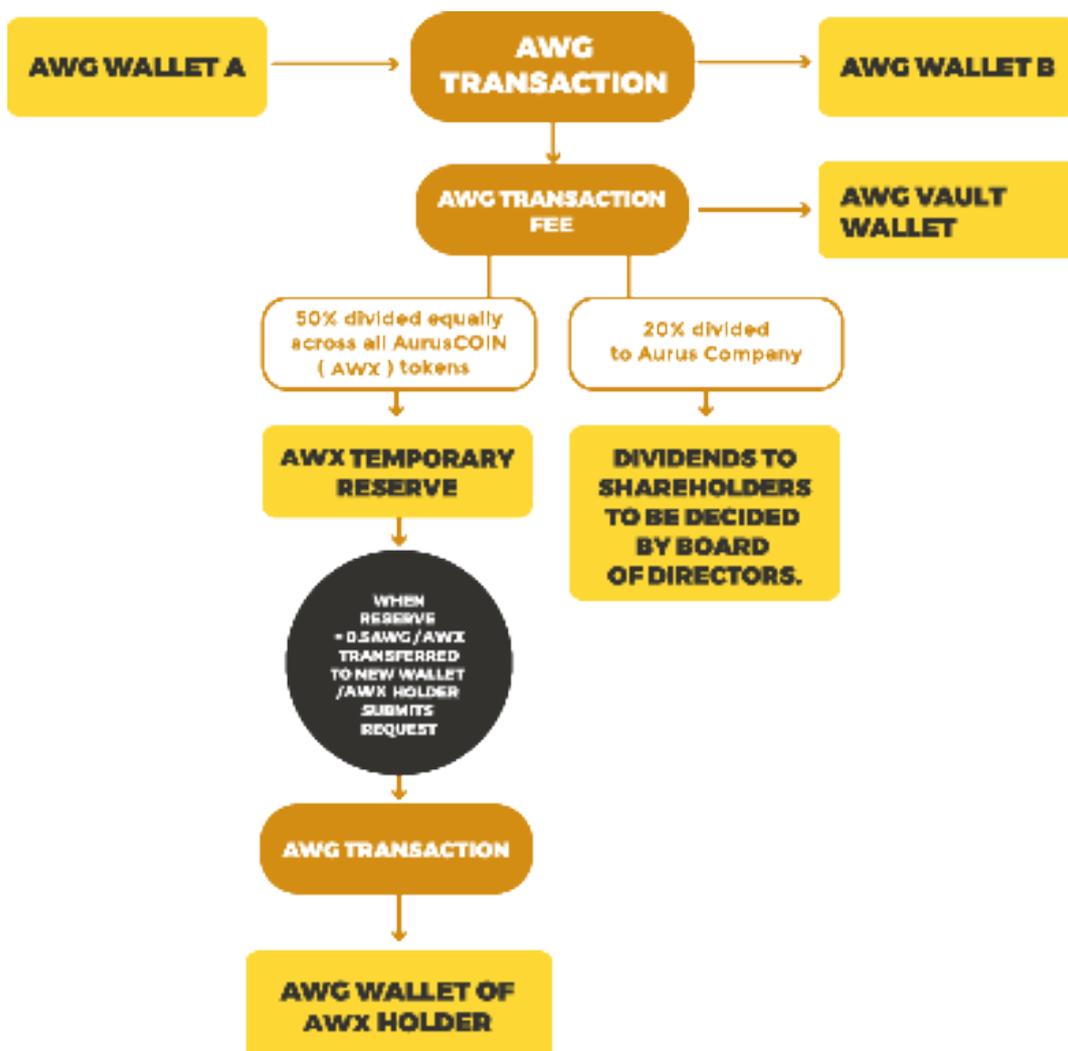
6.1.1. AurusDeFi (AWX): A Passive Income Stream in Precious Metals

AurusDeFi (AWX) is an ERC-20 Ethereum-based token that enables contributors to invest in the Aurus platform and provides a means of return on investment. It has a maximum supply of 30,000,000 units. All AurusDeFi tokens are pre-mined, with a limited supply of 30,000,000 to be used by the Aurus platform as a funding mechanism.

As people around the world use and trade AurusGOLD, AurusSILVER, and AurusPLATINUM, a portion of the revenues (generated by minting, transaction and storage fees) are distributed to the holders of AurusDeFi. Holders receive 50% from AurusGOLD, and 30% from AurusSILVER and AurusPLATINUM. These revenues are paid out in their native tokens, essentially a passive-income stream in gold, silver and platinum. AurusDeFi poses as a great way to invest in the success of Aurus; as the ecosystem scales, so do the revenues generated. The Aurus fee system has not yet been activated.

Fees are not distributed instantly to the AurusDeFi holders because of the costs and limitations of the Ethereum platform. As the fees are collected, a user can choose to withdraw his or her share of the fees back to his or her AurusDeFi token holder address. AurusDeFi holders will be able to determine

their share of the fees via a special Smart Contract function and then decide if it is worthwhile to make a withdrawal. The withdrawal must be initiated by the AurusDeFi holder, so the AurusDeFi holder must also pay any Ethereum related fees incurred by the withdrawal.



6.1.2. Gold Investors Give Aurus a Strong Base Market

Most cryptocurrencies have difficulty attracting actual users, but the unique benefits that AurusGOLD offers to gold investors help to ensure that

AurusGOLD will have a strong base market. Many gold investors rightly consider gold to be an excellent store of value and also use it as a unit of account. However, they have been forced to use fiat money as a medium of exchange for many years because it is too difficult to divide gold into sufficiently small units for everyday expenses. By bringing the advantages of cryptocurrency to the gold market and making gold a medium of exchange, Aurus is giving gold investors precisely what they have always wanted.

6.1.3. The Distributor Partnership Structure Enables Aurus to Expand

Existing physical gold distributors will be interested in partnering with Aurus because they can profit by offering a variety of AurusGOLD related services to their existing customers rather than losing customers to more centralized gold cryptocurrency solutions. This allows Aurus to expand more rapidly because it is much easier for third parties to integrate APIs and plugins into their websites than it is for a new cryptocurrency to market itself directly to potential users. Gold investors will be able to buy AurusGOLD from the distributors that they already trust rather than having to find new websites.

6.1.4. The Advantages of AurusGOLD in the Web and Mobile Payments Market

To fully succeed in realizing the benefits of gold as a medium of exchange, Aurus will have to expand beyond traditional gold investors. Because gold is far more stable in value than any pure cryptocurrency, consumers in the web and mobile payments market have the incentive to adopt it as a store of value even before it is widely accepted as a medium of exchange.

Once a sufficient number of consumers start using AurusGOLD as a store of value, merchants should begin to accept it as a medium of exchange. Once enough merchants adopt AurusGOLD as a medium of exchange, the stability of gold will allow goods to be priced directly in AurusGOLD. AurusGOLD can then also be a unit of account and fully function as a currency.

6.1.5 The Cryptocurrency Transaction Fee Paradox

All pure cryptocurrencies suffer from the transaction fee paradox. Increases in transaction volume raise transaction fees, which makes pure cryptocurrencies less attractive for consumers just as the cryptocurrencies are becoming more popular. Speculation makes the problem even worse. If you are familiar with the transaction fee paradox and the transaction fee crisis of late 2017, feel free to skip ahead. If not, the following digression may help you to understand some of the advantages of Aurus tokens.

As the price of Bitcoin went from \$963 to as high as \$19,870 in 2017 (Yahoo, 2018) the average transaction fee soared from only \$0.35 to over \$25 by the end of the year according to BitInfoCharts (2018). The enormous volume of speculative transactions on the Bitcoin blockchain in late 2017 pushed the system's capacity to make transactions to the limit, and fantastically high transaction fees were the result.

A cryptocurrency with \$25 transaction fees cannot be used for everyday transactions, so Bitcoin's viability as a currency was called into question even as the price was being bid to record highs. The core of the cryptocurrency transaction fee paradox is that the higher volumes of trading associated with bull markets push up transaction fees and destroy the ability to use the cryptocurrency for transactions in the real economy. Without a base in the real

economy, the value of the cryptocurrency is bound to collapse.

The price of Bitcoin fell below \$6,000 in 2018, and transaction fees for Bitcoin dropped below \$1 as speculators departed and transaction volume declined. Sensible Bitcoin transaction fees mean that Bitcoin is once again a competitive way to pay for goods and services in the real economy. Bitcoin was used as the example here because the transaction fee crisis was most severe for Bitcoin, but all pure cryptocurrencies are afflicted by the transaction fee paradox.

6.1.6. Why Aurus Stands to Gain During Downturns in the Cryptocurrency Market

The instability of other cryptocurrencies becomes more of a problem for consumers during downturns in the overall cryptocurrency market. The experience of losing a considerable amount of money is a powerful motivation to look for something more stable. What is more, transaction costs tend to explode during uptrends in the cryptocurrency market, slowing the adoption of a cryptocurrency as an actual medium of exchange rather than a speculative vehicle.

During a downtrend in the cryptocurrency market, the price stability of AurusGOLD becomes more attractive to consumers. Furthermore, transaction costs fall during cryptocurrency bear markets, and cryptocurrencies become more attractive as actual currencies. For these reasons, AurusGOLD is likely to gain more acceptance during a cryptocurrency bear market. This outstanding performance is likely to attract favorable press coverage and introduce more potential users to AurusGOLD.

Finally, as gold investors, consumers, and even cryptocurrency traders are

drawn to AurusGOLD during downtrends in the overall cryptocurrency market, the revenue from fees related to AurusGOLD will increase considerably. This has the direct benefit of generating more income for AurusDeFi holders and is also likely to increase the price of AurusDeFi.

6.1.7. How Gold Traders Enable Aurus to Expand

The gold market is valued at over 6 trillion US dollars. Because of the ability of traders to arbitrage between AurusGOLD and the over-the-counter gold market, the price of AurusGOLD will remain close to the price of gold bullion. Therefore, the price of AurusGOLD will not increase very much as early users adopt AurusGOLD. Whenever consumers start adopting pure cryptocurrencies, the speculators move in, the prices rise, the transaction fees increase, and it becomes harder to use the cryptocurrency as a real medium of exchange. The size of the gold market allows AurusGOLD to expand without encountering the same bottlenecks.

All the speculative energy will be channeled into AurusDeFi. AurusDeFi will benefit from the increase in the usage of AurusGOLD as the revenues from fees rise. The price of AurusDeFi will go up rather than the price of AurusGOLD. The medium of exchange will stay stable, and the holders of AurusDeFi are likely to profit.

6.1.8. How the Decentralized Vault Partnership Structure Enables Aurus to Expand

Rather than having a single centralized vault like other gold-backed cryptocurrencies, Aurus has a decentralized Vault Partnership structure that allows new vaults with proven credentials to more easily enter the system.

Whenever demand heats up for AurusGOLD, it increases the demand for vault space as well as demand for gold itself. When demand is high, profits will also be high, and it should be easy to find new partners. AurusGOLD continues to remain relatively stable in price even as demand rises, enabling expansion.

The decentralized partnership structure also allows Aurus to expand to other geographical areas. We are based in the Netherlands, so Europe is our home market. However, we can easily accommodate qualified Vault Partners from other parts of the world. As more Vault Partners enter the system, the system itself gains credibility and customers.

6.1.9. Aurus Is in the Tokenization Business

Aurus profits by offering tokenization-as-a-service. We have plans to expand the platform into tokenizing other commodities as well. According to Baum (2017), much of the economy could be tokenized over the coming decades. By being here at the beginning, Aurus will establish a reputation for tokenization that will enable us to profit in the rapidly growing tokenization market.

6.1.10. AurusGOLD Provides ICO Volatility Protection

Investors in other cryptocurrencies can also benefit from AurusGOLD (AWG). Many believe the ICO is the venture capital financing mechanism of the future. Many startups promise long-term visions to the market and raise large amounts to deliver on them. Cryptocurrency volatility can negatively impact this process, with companies potentially losing substantial value before the funds can be used. Gold benefits from long-term stable values, hence ICO funds can be placed in AWG to hedge against falls.

6.2. CRYPTOCURRENCY TRADERS

6.2.1. AurusGOLD Provides a Safe Haven for Traders

The cryptocurrency market has proven to be highly volatile for traders as well as investors. As a gold-backed cryptocurrency, AWG could prove useful to hedge against potential losses and provide sanctuary from volatility while maintaining liquidity.

6.2.2. AWG/ETH Trading Opportunities

All Aurus tokens are ERC-20 tokens, which means that they require ETH to transact. This ongoing AWG/ETH trade creates opportunities for traders, similar to those that exist when consumers must exchange fiat currencies.

6.2.3. AurusDeFi May Present Trading Opportunities During Bear Markets

As consumers, traders, and even investors adopt AurusGOLD to avoid massive losses during cryptocurrency bear markets, the revenue from fees going to AurusDeFi (AWX) holders increases. This could send the value of AWX much higher during downturns in the overall cryptocurrency market. With AurusDeFi (AWX), traders may be able to make substantial profits in bear markets.

6.2.4. Only Ethereum Fees for Trading AurusDeFi

The AurusDeFi token (AWX) is an ERC-20 token which requires only the base ETH transaction fee to be paid upon transfer.

6.3. CRYPTOCURRENCY EXCHANGES

6.3.1. AurusGOLD Helps Retain Customers by Offering a Safe Haven

By offering AurusGOLD (AWG), cryptocurrency exchanges will be able to give their customers a safe place to park their money in cryptocurrency bear markets and occasional downtrends. This will give customers an alternative to cashing out and potentially leaving the cryptocurrency exchanges forever.

6.3.2. AurusDeFi Can Attract Traders in Down Markets

AurusDeFi (AWX) could do for cryptocurrency exchanges what gold ETFs, gold mining stocks and government bond ETFs have done for stock exchanges during stock market crashes. Namely, AWX gives cryptocurrency exchanges a product the traders will want to trade during bear markets. Because of AWX's potential for countercyclical gains, exchanges may be able to attract new customers with AWX during cryptocurrency bear markets.

6.3.3. Aurus ERC-20 Tokens Are Compatible with Exchanges

AurusGOLD, AurusSILVER, AurusPLATINUM and AurusDeFi are all ERC-20 tokens, which makes them compatible with most major exchanges. All cryptocurrencies face compatibility issues, but tokenizing gold also presents unique challenges. Gold requires storage and insurance fees, but existing wallets and cryptocurrency exchanges are not well equipped to pass on these fees.

For third-party integration with wallets and exchanges, the Smart Contract enables developers to calculate the fee of sending Aurus tokens without

actually pushing forward the transaction. This function will be used mainly by shared, centralized wallets that hold tokens for multiple users and cannot accommodate an individual fee adequately. Once the fees are calculated, the exchange can push forward the transaction and charge their own fees to the appropriate traders.

AurusGOLD, AurusSILVER and AurusPLATINUM fees have a very simple, linear mathematical model, allowing exchanges to integrate a dynamic fee token as simply as possible and however they best see fit.

AurusDeFi fees are similar to any other standard ERC-20 token.

7. Aurus Ethereum Tokens

7.1. TOKEN SPECIFICATIONS

7.1.1. AurusGOLD (AWG)

- ERC-20 Ethereum token issued on the public Ethereum blockchain
- The token has the identifier “AurusGOLD” and a short name of “AWG”
- The token has 18 digits after the decimal point
- The total and available supply are dynamic, based on the amount of gold stored in the vaults
- The token is open-source and auditable on the Ethereum explorer etherscan.io (total supply, available supply, wallet balances, source code).
- Smart Contract: 0x696acc2de564b48682d71d0847b3632f87c9a402

7.1.2. AurusSILVER (AWS)

- ERC-20 Ethereum token issued on the public Ethereum blockchain
- The token has the identifier “AurusSILVER” and a short name of “AWS”
- The token has 18 digits after the decimal point
- The total and available supply are dynamic, based on the amount of silver stored in the vaults
- The token is open-source and auditable on the Ethereum explorer etherscan.io (total supply, available supply, wallet balances, source code).
- Smart Contract: 0xb89903dde3899f0280b99913168ee833a7896b93

7.1.3. AurusPLATINUM (AWP)

- ERC-20 Ethereum token issued on the public Ethereum blockchain
- The token has the identifier “AurusPLATINUM” and a short name of “AWP”
- The token has 18 digits after the decimal point
- The total and available supply are dynamic, based on the amount of platinum stored in the vaults
- The token is open-source and auditable on the Ethereum explorer etherscan.io (total supply, available supply, wallet balances, source code).
- Smart Contract: 0xa96d47c621a8316d4f9539e3b38180c7067e84ca

7.1.4. AurusDeFi (AWX)

- ERC-20 Ethereum token deployed on the public Ethereum blockchain
- The token has the identifier “AurusDeFi” and a short name of “AWX”
- Pre-mined with a limited total supply of 30,000,000 units
- Token has 18 digits after the decimal point
- Smart Contract: 0x1efdfc6146cad8909817284ae99325ef1caf623e

7.1.5. Bullion Tokens

- ERC-721 Ethereum token deployed on the public Ethereum blockchain
- Each token is mapped to an individual gold bullion
- There is 1 AWG created for each gram of mapped gold bullion
- Every token has an ID identical with the unique LBMA serial number of the mapped bullion
- Additional details for each Bullion Token are available in a decentralized file system, such as the InterPlanetary File System (IPFS)

7.2. TOKEN MINTING

Only Aurus Provider Partners can begin the token minting process by initiating a token issue request. Only 99.99% pure gold bullion, 99.9% silver bullion, and 99.95% platinum bullion approved by the London Bullion Market Association (LBMA) is capable of backing Aurus tokens. Full details on the minting process can be found in the **Aurus Blockchain Platform Technical Specifications**.

Before tokens can be generated, the providence of the gold bullion must be established and proof of ownership documents must be provided. The proof of ownership is recorded and timestamped on the InterPlanetary File System (IPFS) blockchain.

The proof of ownership documents are:

- Invoice and proof of payment
- Delivery note

The proof of ownership documents are public, which allows them to be audited by Aurus Partners and all AWG, AWS, AWP token holders.

When the Provider Partner initiates the token issue request, the Provider Partner must submit all of the following:

- Proof of ownership documents
- Serial number of the gold/silver/platinum bullion
- Weight of the gold/silver/platinum bullion in grams
- Purity of the gold/silver/platinum bullion
- Manufacturer of the gold/silver/platinum bullion

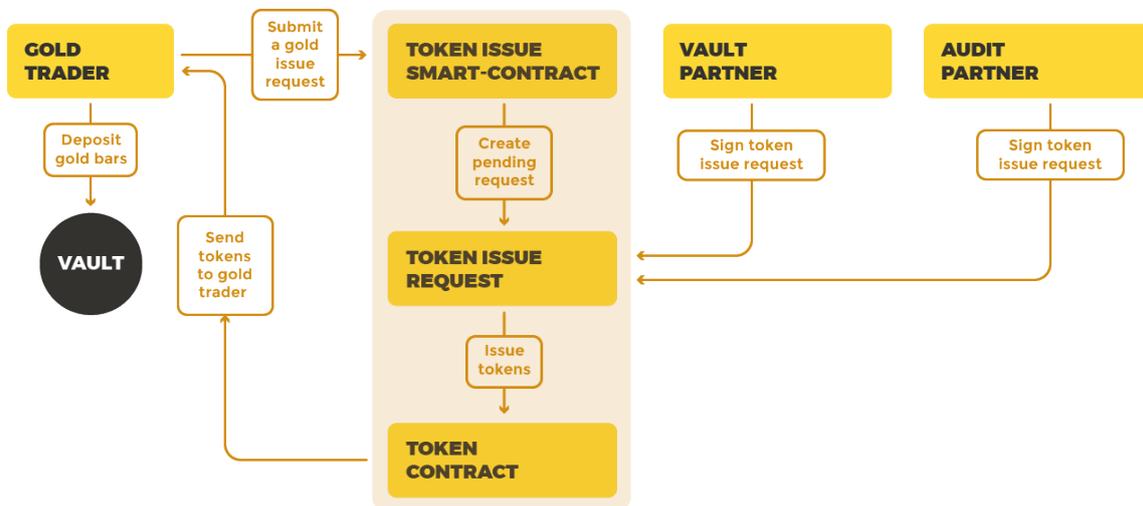
- Public address of the wallet designated to receive AWG, AWS, AWP tokens

No tokens are created when the request is submitted, and the token issue request must be signed by the Vault Partner within one week for any tokens to be minted.

After the Vault Partner receives the physical bullion, inspects it, and performs an internal audit, the Vault Partner signs the token issue request using a private key. A Bullion Token is immediately issued for each gold, silver, platinum bullion received. An AurusGOLD, AurusSILVER, or AurusPLATINUM token is simultaneously minted for each gram of gold, silver, or platinum received that meets the criteria.

The Bullion Tokens issued are held by the Vault Partners that store the corresponding gold bullion. The Bullion Token is an ERC-721 token on the public Ethereum Blockchain. ERC-721 was chosen for the Bullion Token because ERC-721 is capable of storing unique information about each token, such as the unique LBMA serial number of each gold bullion. This uniqueness comes at a high cost on the public Ethereum Blockchain, so additional details on the gold bullion are stored in a decentralized file system, such as the InterPlanetary File System (IPFS).

The other cost of using ERC-721 for the Bullion Tokens is that ERC-721 is not compatible with most wallets, and it is not supported by major exchanges. We know that a method of payment must be accepted by merchants in order to be successful, so AurusGOLD (AWG) gold-backed tokens are ERC-20 tokens. ERC-20 has widespread acceptance, and every AurusGOLD (AWG) token is fully backed by 1 gram of LBMA-approved 99.99% pure gold bullion.



7.3. TOKEN BURNING

Any holder of AurusGOLD, AurusSILVER or AurusPLATINUM can initiate the token burning process through the dedicated WebUI after paying the withdrawal fee. A withdrawal is a transaction from a technical point of view, so any outstanding annual fees on the AWG are automatically paid when a withdrawal is made. The amount of AWG, AWS, AWP to pay all the fees - the amount being withdrawn must be available in the token holder's wallet balance. Currently, there are no set token burning fees. More information on withdrawal fees can be found in the "Aurus Fees and the Distribution of Fees" section of this document, and full details on the token burning process can be found in the **Aurus Blockchain Platform Technical Specifications**.

The dedicated WebUI allows AurusGOLD, AurusSILVER and AurusPLATINUM holders to withdraw a specific amount of gold from a selected vault. Tokens are backed by individual gold, silver and platinum bars with unique LBMA serial

numbers, so the amounts taken out of the vault must match the bullion bars held by that specific vault. If a particular vault has only 100 gram bars, then Aurus token holders can only withdraw from that vault in increments of 100 grams.

After the withdrawal requested is placed, the Vault Partner is given notification to process the transaction. The status of appropriate Bullion Tokens held at the specified vault will then be changed from “available” to “pending extraction”. The appropriate Bullion Tokens are those with a total recorded weight in grams equal to the number of AWG/AWS/AWP to be burned. The AWG/AWS/AWP holder who requested the gold is then notified of the bullion’s availability and has ten days to pick-up the gold, silver or platinum.

If the withdrawal requester fails to appear at the vault within ten days, the transaction is automatically canceled by the Smart Contract. The status of the Bullion Tokens will change back from “pending extraction” to “available” and the corresponding AWG tokens will be returned to the withdrawal requester. The withdrawal fees are nonrefundable, so they will not be returned to the AWG holder.

If the withdrawal requester appears at the vault within ten days, the requester is given the opportunity to inspect the physical gold bullion. The withdrawal requester must sign the extraction transaction with their private key to accept the physical gold, silver or platinum bullion. The Vault Partner must also sign the transaction with a private key. Once both parties have signed this “handshake” transaction, the withdrawal process comes to an end. The status of the Bullion Tokens mapped to the gold, silver or platinum bullion withdrawn is changed from “pending extraction” to “extracted”. The appropriate number of AWG/AWS/AWP tokens are burned. The tokens burned are equal in number to

8. Future Plans

8.1. THE AURUS CONSORTIUM

Precious metal traders and other partners who work with Aurus to deliver a new future for precious metal will hold a place in The Aurus Consortium. Each partner will have a say in the future of the entire system through a voting mechanism. The mission of The Aurus Consortium is to grow through strong and reliable partners and to shape the future of the industry, together.

8.2. TRACING METAL PROVENANCE

Aurus proposes a supply chain blockchain solution to be made in parallel to our metal-backed tokens. We will use our blockchain expertise to provide a free and transparent solution to tracking precious metals through the supply chain. This solution will assist in the efforts against money laundering, illegal mining, and so-called blood gold.

8.3. A FUND FOR GOLDEN IDEAS

Aurus will be allocating a portion of funds to be controlled by the Aurus Technologies Ltd. shareholders and The Aurus Consortium. These funds will be invested in precious metal-oriented cryptocurrency startups and initiatives to support the growth and widespread circulation of Aurus tokens.

8.4. TOKENIZATION OF COMMODITIES AND OTHER ASSETS

After the introduction of gold as a cryptocurrency, we aim to introduce tokens based on other valuable commodities and assets. These assets include silver, platinum, and even works of art. By starting with gold, we can prove the worth of our asset tokenization protocol and build the trust necessary to work with other valuable physical assets.

9. Conclusion: A Market Based Growth Story

9.1. AURUS OFFERS STABILITY

It seems that every cryptocurrency has plans for a wallet, plans for expansion, and plans for the future. The difference between the successful cryptocurrencies and the rest is that the successful ones all offered the market something genuinely different. Bitcoin was first. Ethereum was flexible. Ripple was more attractive to corporations. Bitcoin Cash offered lower transaction fees. AurusGOLD will be more stable.

AurusGOLD offers stability, so it has a much better growth story. Because of the role of network externalities in the online payments market, cryptocurrencies only work if enough users adopt them. Aurus is the proverbial goose that lays the golden eggs, and the world will flock to the stability of gold.

9.2. HOW AURUSGOLD BECOMES A CURRENCY

It starts with the gold market. There are already gold investors looking for a gold-backed cryptocurrency, and many gold distributors already accept Bitcoin as a method of payment. The partnerships that Aurus offers to vaults and distributors will also play a crucial role in speeding the adoption of AurusGOLD in the gold market. What is more, the high cost of physical gold coins means that gold investors must save up for them. Many have resorted to gold

ETFs for this purpose, and most who have done so would gladly switch to a decentralized gold cryptocurrency like AurusGOLD (AWG).

Next, the web and mobile payments market will begin to realize the benefits of AurusGOLD. Since AurusGOLD tokens are ERC-20 tokens on the Ethereum blockchain, AurusGOLD will be directly convertible to other cryptocurrencies on major exchanges. Any consumer wishing to buy goods and services rather than speculate with cryptocurrencies can achieve much more stable purchasing power with AurusGOLD. As more cryptocurrency users start to use AurusGOLD as a store of value, it will become more accepted as a medium of exchange by sellers. Once AurusGOLD is accepted by sellers, they will realize that AurusGOLD can do something that no pure cryptocurrency can: it can be used as a unit of account. Gold is stable enough in value that goods and services can be priced directly in AurusGOLD. As a store of value, a medium of exchange, and a unit of account, AurusGOLD will fully meet the definition of money.

9.3. BEYOND CURRENCY

In the Ethereum white paper, it is claimed that the Ethereum protocol moves far beyond just currency. Aurus plans to do the same with tokenization-as-a-service. Gold naturally comes first because of its history as a store of value and a currency. Silver is next because it has many of the same favorable properties as gold. However, we see great opportunities in tokenizing commodities and other physical objects. By moving beyond currencies, Aurus hopes to benefit our users, our investors, and the world.

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Disclaimer:

At the time of writing this, the information provided in the whitepaper is based on the use of the Ethereum blockchain.

In an effort to make the Aurus tokens as efficient as possible we will be experimenting with the EOS platform. Using this platform will potentially allow us to provide our users with lower fees and a more stable environment.

The information in this whitepaper is not final and is subject to change and revision in an attempt to make our product as viable as possible.



For more information visit

www.aurus.io