

Lite Paper

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Introduction

Gold's unique properties—scarcity, durability, and widespread acceptance—have cemented its status as a reliable store of wealth and a cornerstone of financial security for centuries. Even after losing its formal monetary role, gold continues to be cherished as a safe haven asset, providing stability in turbulent times.

Yet today's values-driven investors are increasingly focused on where their gold comes from and at what cost. While most never touch the gold they own—holding paper assets like ETFs, tokenized representations, or futures contracts—the environmental, social, and economic toll of traditional gold mining is impossible to ignore. This extraction process damages ecosystems, displaces communities, and burdens society with steep financial costs. As Sir Paul McCartney put it, “There must be a better way to make the things we want, a way that doesn't spoil the sky, or the rain or the land.” There is, and it's called NatGold Digital Mining. By reimagining how gold's value is captured, NatGold offers a sustainable, ethical alternative that eliminates these costs while still delivering gold's financial benefits.

Gold Production Under Pressure in the Era of Values-Driven Investing

Despite gold's safe-haven reputation, the modern era has brought growing scrutiny to the ways it is sourced. Communities and investors alike have become increasingly aware of the environmental and social impacts of mining. Projects face steep regulatory hurdles, community opposition, and lengthy approval processes that raise costs, delay timelines, and strand gold deposits worldwide. This resistance ripples through the entire supply chain, reducing exploration, curtailing production, and drying up the pipeline of new gold discoveries. Billions of dollars' worth of gold remains locked underground, with ethical concerns pushing traditional mining further into the spotlight.

A Better Way Forward: Sustainable, Non-Dilutive Gold Investment

Imagine a future where the negative impacts of traditional gold mining are eliminated entirely—a world where gold's value is captured in a sustainable, transparent way.

NatGold Digital Mining makes this future possible. Through blockchain-based tokenization, certified in-ground gold deposits remain undisturbed, while their value is unlocked digitally. This approach eliminates environmental degradation, social upheaval, and many of the costs associated with gold extraction. Without the need for vaulting fees, transportation, or physical handling, NatGold's approach to tokenizing this real-world asset creates a non-dilutive investment vehicle aligned with the values of today's socially and environmentally conscious investors.

By seamlessly combining gold's timeless value with cutting-edge technology, NatGold Digital Mining will transform how investors interact with this precious resource. It is a more ethical, efficient, and transparent way to invest—one that redefines gold's role in the modern financial world.

Certifying the Gold

The foundation of the NatGold Digital model lies in the concept of Certified NatGold Resources. Not all in-ground gold deposits qualify. To be tokenized, resources must meet a set of stringent criteria designed to ensure accuracy, reliability, and transparency. These resources are verified through globally recognized reporting standards—such as the JORC Code, NI 43-101, and S-K 1300—trusted by stock exchanges, mining financiers, and

executives worldwide. Simply stated, there is no higher reporting standard available for independently verifying the existence of in-ground gold deposits.

The NatGold certification process also includes rigorous mineral rights title reviews. Only perpetual titles with no annual carrying costs are considered, and these must be free from any active mining or exploration activity. This ensures that every Certified NatGold Resource is secure, legitimate, and fully transferable. In essence, before a single NatGold Token is minted, the gold resource and the people behind it are thoroughly vetted, providing a rock-solid foundation for the entire ecosystem.

The Role of Technology in Tokenization

Once the gold resources are certified, they enter the NatGold Tokenization Queue, a system designed to match token supply with market demand, ensuring a stable and reliable marketplace. This queue exists to maintain market stability, prevent over-supply, and help NatGold Tokens develop into a sustainable and widely accepted instrument. When a tokenization date is reached, the process involves transferring the mineral rights title containing the Certified NatGold Resources to NatGold Integrity Vault LLC, marking the official exchange and registration of these rights.

From that point, NatGold Digital will employ Fireblocks' multi-chain protocol tokenization capabilities to digitize the resource. Fireblocks, headquartered in New York City, is a globally recognized leader in digital asset infrastructure and a trusted partner for many of the world's largest financial institutions. Its technology provides a secure, scalable framework for converting Certified NatGold Resources into NatGold Tokens.

To qualify for tokenization as Certified NatGold Resources, the following criteria must be met:

1. Gold resources must be verified in a technical report compliant with JORC Code, NI 43-101, or S-K 1300 standards.
2. Technical reports must undergo and pass rigorous independent technical validation and mineral rights title verification.
3. Title owners must successfully clear KYC and Anti-Money Laundering (AML) checks.
4. Titles must not be associated with active exploration or mining operations.
5. Titles must be fully transferable
6. Titles must be perpetual, ensuring ownership does not expire.
7. An independent mining engineering firm must complete a NatGold Digital Mining Tokenization Certificate, applying the standardized NatGold Digital Mining Cutoff Grade to accurately determine the quantity of Certified NatGold Resources eligible for tokenization.

Standardized ratios embedded in smart contracts determine how NatGold Tokens are created. The tokenization ratios are carefully designed to reflect the level of geological certainty of each type of resource, ensuring consistency and transparency within the NatGold ecosystem. Specifically:

- **Measured Resources:** These are the most reliable and thoroughly verified resources. Each troy ounce of measured gold resources will be tokenized at 0.80 NatGold Tokens.

- **Indicated Resources:** While slightly less certain than measured resources, indicated resources are still verified to a high standard. Each troy ounce of indicated gold resources will be tokenized at 0.40 NatGold Tokens.

- **Inferred Resources:** These represent the least certain category, typically based on limited data and preliminary geological modeling. Each troy ounce of inferred gold resources will be tokenized at 0.20 NatGold Tokens.

These standardized ratios are embedded in NatGold’s **patent-pending digital mining model (11 patents in total)**, using advanced blockchain smart contracts to enforce consistent and transparent conversion rates. The ratios were determined by assessing the confidence levels associated with each resource category—using input from investment bankers, mining engineers, and Qualified Persons—and aligning tokenization output with recognized geological reporting standards (e.g., JORC Code, NI 43-101, and S-K 1300). By applying these carefully established ratios, the ecosystem ensures homogeneity of the NatGold Tokens, meaning that each token will consistently represent a verified amount of in-ground gold. This provides investors with a reliable, uniform, and transparent tokenized gold resource that underpins the value of every NatGold Token.

All patents pending, trademarks, and related intellectual property underlying NatGold’s digital mining model and technology infrastructure are held by NatGold IP Holdings LLC, a Delaware limited liability company **owned and managed by NatGold Digital Ltd.** This structure ensures the centralization, protection, and long-term control of the NatGold ecosystem’s proprietary innovations—supporting scalable deployment and licensing across global markets.

Allocation, Custody, Trading, and Market Accessibility

Once minted, NatGold Tokens will be securely stored and managed through Anchorage Digital. Anchorage provides institutional-grade custody, ensuring that the tokens are held in a highly secure, regulated environment. This not only protects investors but also gives institutions confidence in the ecosystem’s safety and compliance standards.

Anchorage’s advanced trading platform and trading partnerships play a crucial role in enabling liquidity. Institutional investors will be able to trade NatGold Tokens seamlessly, with all transactions occurring within a secure, transparent environment. Beyond this, NatGold Digital’s downstream market initiatives to promote market adoption aim to expand access, making these tokens available to a broader audience. By fostering liquidity and global accessibility, NatGold Digital will build the market structure to ensure that both institutional and individual commodity traders can easily participate.

Moreover, the ecosystem incorporates a NatGold Contingency Fund, to serve as a form of industry self-insurance. A small percentage of every token minted will be automatically allocated to the fund, providing a financial safeguard against unforeseen issues—such as illegal mining or other activities that might jeopardize the integrity of Certified NatGold Resources. This ensures that, even in the event of disruptions, the ecosystem remains secure, trustworthy, and resilient.

NatGold Token Allocation

The process begins with the allocation of newly minted NatGold Tokens—with the first event expected to occur in Q2 2025. Each token distribution is structured to ensure that all

participants in the ecosystem benefit appropriately while maintaining stability and transparency. Specifically:

- 20% of each token allocation provided to NatGold Digital.
- 5% set aside in the NatGold Contingency Fund.
- 2% goes to the NatGold Social Giveback Program.
- 73% of the tokens allocated directly to the mining company that contributed the Certified NatGold Resources.

NatGold Integrity Vault™ and Anchorage Custody: A Unified Approach to Security and Stability

At the heart of the NatGold ecosystem is the NatGold Integrity Vault LLC, the essential keystone designed to support and secure every aspect of this groundbreaking digital mining model. The Vault will be the central custodian, holding all subsurface mineral rights titles exclusively for the benefit of NatGold Token holders. This provides a layer of security, transparency, and accountability that investors demand in today's rapidly evolving digital asset landscape.

To preserve the non-dilutive value of NatGold Tokens, the corresponding surface rights are legally severed and held by a separate entity, NatGold Property Holdings LLC. This structural separation ensures that no ongoing carrying costs, such as property taxes or maintenance fees, are associated with the subsurface mineral rights held by NatGold Integrity Vault LLC. Instead, any such costs related to the surface rights are absorbed by NatGold Property Holdings LLC. Both entities are Delaware limited liability companies owned and managed by NatGold Digital Ltd., which ensures unified control, operational integrity, and long-term stability across the NatGold ecosystem.

To cover these costs, a portion of the 2% NatGold Social Giveback Program is allocated to NatGold Property Holdings LLC. This allocation ensures that the holding of surface rights remains cost-neutral to the token ecosystem while preserving additional funds for environmental engagement and social good initiatives. The severance of surface and subsurface rights is a foundational component of NatGold's architecture, designed to uphold the purity, sustainability, and non-dilutive integrity of every NatGold Token issued.

The Vault is more than just a digital repository; it is designed to operate under strict best practices for both online security and physical gold commodity vaulting. By incorporating advanced security protocols and working closely with trusted vendors like Anchorage, the NatGold Integrity Vault sets a new benchmark for custody and distribution. Anchorage has been selected as the custodian vendor to provide the Vault with industry-leading safeguards, including institutional-grade solutions, insurance protections, and seamless integration with blockchain technology. This robust security infrastructure will protect all digital and real-world gold assets within the ecosystem, offering a level of trust and resilience that is unmatched in the marketplace.

In addition to its core custodial functions, the NatGold Integrity Vault will manage the 5% NatGold Integrity Fund. This fund is an industry self-insurance, allowing the system to address unforeseen issues, such as illegal mining activity or threats to the integrity of Certified NatGold Resources. If a resource is found to be compromised, the Vault will implement its contingency procedures to remove the linked mineral rights title, burns the corresponding amount of NatGold Tokens, and preserves the stability of the ecosystem. This

ensures that the token pool remains reliable and transparent, reinforcing NatGold's commitment to integrity and investor trust.

Anchorage's custody and security protocols also support the direct distribution of tokens, ensuring that each stakeholder—NatGold Digital, mining companies, the Social Giveback Program, and the NatGold Contingency Fund—receives tokens securely and transparently. The combination of Anchorage's custody expertise and the Integrity Vault's central role will create a seamless, secure environment that underpins the entire NatGold ecosystem.

The NatGold Integrity Vault is structured to model commodity warehouses storing above-ground gold, but with novelty of security gold in the ground for generations to come. Whereas a standard commodity warehouse employs above-ground security vaults, NatGold Integrity Vault will initially assess its risk to a certain gold deposit by determining the enforceability of property rights within relevant jurisdictions and monitoring tokenized gold deposits to ensure those deposits remain undisturbed and vaulted in perpetuity. In this way the NatGold Integrity Vault protects the gold commodity, keeping it safe and where it belongs—in the ground. Similar to other commodity warehouses, NatGold Integrity Vault will issue warehouse receipts for the commingled asset of in-ground vaulted gold at a denomination of 1 troy ounce per token, thereby establishing the correlation between the NatGold Token digital asset and the real world asset of in-ground vaulted gold.

Institutional and Global Token Trading

Anchorage's institutional trading platform lies at the center of NatGold's liquidity strategy. Its infrastructure enables NatGold Digital to conduct large-scale trades with major institutional participants in a highly secure environment. By leveraging Anchorage's advanced platform, NatGold can facilitate high-volume transactions that help maintain robust liquidity across the ecosystem. Institutional investors benefit from best-in-class trading tools, stringent compliance measures, and the confidence that comes from engaging with a well-protected and transparent token ecosystem.

Beyond the institutional framework, NatGold Tokens are designed to offer unparalleled accessibility through their high divisibility. Each token can be divided up to 18 decimal places, enabling ownership and trading in fractions far smaller than a full troy ounce.

The minimum tradable amount is just 0.01 of a one troy ounce NatGold Token, allowing investors to purchase and trade precisely the amount they need. This flexibility caters to both large-scale institutions and individual investors seeking smaller increments, making NatGold Tokens an attractive and versatile option for participants at all levels.

NatGold's multi-chain token compatibility will ensure seamless integration with a wide range of international trading platforms, further expanding accessibility. This approach broadens the token's market reach, making it available to investors in major financial hubs around the world. Multi-chain compatibility also helps ensure that tokens can be traded and settled in various jurisdictions without undue friction, enhancing global liquidity.

NatGold's international market development strategy will further solidify its position as a universally accepted digital asset. Through strategic partnerships with global exchanges, over-the-counter desks, and digital asset trading venues, NatGold Digital will be well-positioned to achieve deep market penetration. This approach creates a truly global token trading ecosystem, enabling participants from diverse regulatory and market environments to engage with NatGold Tokens effortlessly. By combining Anchorage's secure institutional

platform, high divisibility, and a global trading network, NatGold sets a new standard for accessibility, liquidity, and trust in the digital gold marketplace.

Intrinsically Valuing NatGold Tokens

The NatGold Baseline Intrinsic Value serves as the fundamental measure of value for NatGold Tokens, representing the intrinsic profitability of Certified NatGold Resources before extraction. It reflects a consistent baseline that investors can rely on to understand the economic worth of tokenized in-ground gold.

This baseline intrinsic value is calculated using the following formula:

NatGold Baseline Intrinsic Value = COMEX Spot Gold Price — NatGold Real-Time AISC Index™.

What is the AISC?

The All-In Sustaining Cost (AISC), developed by the World Gold Council, represents the full cost of producing a troy ounce of gold. It includes not only mining and refining expenses but also marketing, transportation, and ongoing sustaining capital costs. As a widely accepted industry benchmark, the AISC provides a reliable measure of the average per-ounce cost incurred by gold producers. It serves as a key indicator of production efficiency and profitability.

The Role of the NatGold Real-Time AISC Index™

NatGold Digital's Real-Time AISC Index™ is a weighted average index that aggregates and continuously updates AISC and production data from publicly reporting global gold producers. Unlike the World Gold Council's quarterly updates, the NatGold Real-Time AISC Index™ provides a dynamic, real-time figure, reflecting the most current market conditions. This allows for a more accurate assessment of gold's economic value at any given time.

Intrinsic Value in the Ground

By subtracting the NatGold Real-Time AISC Index™ from the live COMEX spot gold price, NatGold Digital calculates the average profit margin for producing an ounce of gold. This profit margin is then equated to the intrinsic value of gold that remains securely stored in nature's vault. In other words, it's the economic worth of gold left untouched, without the environmental, social, and financial costs associated with extraction.

This innovative approach enables investors to see the intrinsic value of gold in the ground in a transparent and consistent manner. With the NatGold Baseline Intrinsic Value serving as the foundation, investors gain a clearer understanding of the true worth of their tokenized holdings, reinforced by real-time, data-driven insights.

Sustainable Investment Premium

Unlike traditional gold investments, which are often marred by the environmental degradation and social costs associated with physical mining, NatGold Tokens represent Certified NatGold Resources left securely in the ground. This innovative approach

eliminates the high environmental, social, and financial costs of extraction, positioning NatGold as a more sustainable, eco-conscious investment option.

The sustainable investment premium emerges from a growing global demand for responsible financial products. Increasingly, investors seek opportunities that align with their values, looking beyond returns to consider environmental impact, social responsibility, and ethical governance. By tokenizing in-ground gold resources and employing transparent, blockchain-based verification methods, NatGold Digital addresses these concerns, capitalizing on this trend to make NatGold Tokens particularly attractive to the rising wave of values-driven investors.

As the market continues to reward sustainability, the attributes of NatGold Tokens—no environmental harm, no displacement of communities, and a commitment to transparency—can add a significant premium to their baseline intrinsic value. Over time, this sustainable investment premium may grow, enhancing the long-term attractiveness of NatGold Tokens as a values-driven instrument.

Non-Dilutive Investment Premium

In addition to their sustainable investment appeal, NatGold Tokens are designed to offer a non-dilutive structure that sets them apart from many other gold investment vehicles. Traditional gold funds, ETFs, and even some digital tokens often require ongoing fees, operational expenses, or additional issuance to cover costs. These fees and dilutions eat into returns, undermining the gold-to-investment relationship and eroding long-term value.

By contrast, NatGold Tokens are inherently non-dilutive. The tokenization process is designed to dispense with recurring fees or ongoing costs that diminish the value of the tokens over time. Instead, the value remains tied directly to the underlying Certified NatGold Resources. This will ensure that token holders retain the full benefit of value without the constant threat of dilution.

Furthermore, the use of advanced blockchain technology and smart contracts eliminates many of the inefficiencies and costs associated with traditional gold investments. This streamlined, non-dilutive approach has broad appeal—especially those seeking a stable, long-term store of value without hidden fees or diminishing returns.

A Revolutionary Path Forward: NatGold Tokens and the New Era of Gold Investment

As Sir Paul McCartney reminds us, “There must be a better way to make the things we want, a way that doesn’t spoil the sky, or the rain or the land.” NatGold Tokens answer this call, by promoting adoption of a groundbreaking approach to investing in gold that aligns with today’s values-driven world. By rethinking how gold’s value is captured and delivered, NatGold Tokens make it possible to preserve gold’s timeless appeal as a store of wealth while eliminating the social and environmental costs traditionally associated with mining.

NatGold Tokens will be the world’s first responsibly produced, non-dilutive gold commodity. For buyers, this means a transparent, ethical asset free from the dilution and hidden costs that undermine other gold-related products. More than that, NatGold Tokens will fundamentally transform the speed and elasticity with which gold’s value can be brought to market. By tokenizing certified in-ground gold resources, NatGold Digital is tapping into a vast, untapped supply, enabling a model that’s as agile and scalable as printing fiat currency, yet grounded in the intrinsic value of gold.

This shift has far-reaching implications for the broader financial system. A responsibly produced, elastic gold-backed token challenges outdated criticisms of gold's supposed "inelasticity." By employing blockchain technology and sustainable practices, NatGold Tokens provide a digital mining process that's faster, more efficient, and significantly less damaging than traditional extraction methods. Over time, this model positions NatGold Tokens not just as a trading tool but as a cornerstone for monetary stability and economic trust in a rapidly changing financial world.

Even more compelling is the potential for NatGold Tokens to earn substantial environmental credit offsets, making them a true leader in responsible investing. By removing the destructive processes of traditional mining from the equation, NatGold Tokens pave the way for a future where financial growth, environmental sustainability, and ethical responsibility go hand in hand.

As we conclude this overview, it's clear that NatGold Tokens represent a revolutionary step forward. By delivering the timeless value of gold in a way that aligns with modern standards of transparency, sustainability, and ethical production, NatGold Digital will set a new benchmark for gold trading in the 21st century. This is truly a better way forward—one that doesn't spoil the sky, the rain, or the land—fulfilling the vision expressed at the start of this paper.

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