

Ethereum Gold Whitepaper

Blockchain based platform which operates gold-backed cryptoassets GOLD

1. INTRODUCTION

Of all the precious metals, gold is the most popular as an investment. Customers generally buy gold as a way of diversifying risks, especially through the use of futures contracts and derivatives. The gold market is subject to speculation and volatility as are other markets. Compared to other precious metals used for investment, gold has the most effective safe haven and hedging properties among a number of countries.

Gold's relative scarcity, its portability (you can carry small bars, coins or jewelry), and its great demand in industrial applications, make it a highly desired commodity. Cryptocurrency has adopted some of gold's benefits with the creation of a bitcoin that is scarce: through the introduction of a digital coin that can be easily and effortlessly transmitted and by the creation of a distributed, decentralized blockchain that aids business. Cryptocurrency also adds value by making one's transactions fast, secure and transparent.

Recent cryptocurrency startups have succeeded in integrating physical gold into the blockchain. Gold has always been a difficult asset to move. People would have to buy gold blocks and place them into a secure vault.

The process was clumsy, laborious, slow, expensive and vulnerable to hacking, among other problems. The blockchain makes the process quicker and easier helping to protect your gold, slashing expenses, allowing the asset to be moved effortlessly across borders, all the while shielding your investment from theft and loss.

The following is the Ethereum Gold blockchain solution for protecting and using your gold in a way that is simple, secure and effortless.

Ethereum Gold premises:

Ethereum Gold gives you a cryptoasset (called GOLD) whose value is based on Gold. This asset runs on a decentralized blockchain and provides the following benefits:

- It serves as a type of futures contract in that there is a legal agreement to buy or sell the gold at a predetermined price at a specified time in the future.
- You can hedge cryptotrading risks.

If you invest in gold, you'll find that GOLD benefits you in the following ways:

- GOLD helps you use your gold-backed investments as credible collateral.
- You'll be able to trade gold quickly and easily.
- You'll gain higher returns from your gold funds as bullion prices rise.

Ethereum Gold developers have a long history of working with gold and cryptocurrency. They also possess the marketing, programming, logical, technical, and operational skills needed to accomplish this project.

By now miners have extracted more than 60,000 tons of gold from the earth, half of which finds its way into the pockets and accounts of "ordinary" people. Our idea is nothing short of revolutionary: we plan to convert this gold into blockchain-encrypted tokens to help owners protect their valuables, to help customers move their gold rapidly and easily from one part of the world to another, and to help companies and individuals hedge their gold against market volatility.

We plan to move in three stages:

- To gain access to 1% of global gold circulation (over 300 tons) by launching Ether Bot automated storage facilities in pawnshops around the world.
- To gain access to another 5% of gold circulation by introducing Ether Bot to shopping centers.
- To gradually gain access to a final 10% of gold reserves, worth more than \$100 billion, and to develop a special version of Ether Bot for popular installation.

In this way, we predict that in five to seven years, gold will be stored in, traded, and invested by automated vending machines, and that our GOLD cryptoasset will become the trading unit for these operations.

2.ABOUT ETHEREUM GOLD

2.1. WHAT IS ETHEREUM GOLD?

Ethereum Gold runs on a blockchain ledger and works through a digitized cryptoasset called GOLD whose cryptocurrency value is based on physical gold. The decentralized platform uses a special blockchain that helps gold owners trade, loan, invest in and, generally, use their commodities for profit.

Ethereum Gold buys, sells and repurchases GOLD at the current market price for physical gold. The company uses exchange-traded funds (ETF) or physical gold (of 999 quality) as its security. Ethereum Gold's gold reserves equal or exceed its mined amounts of GOLD.

Differences between Ethereum Gold and other gold cryptocurrency blockchains include the following:

- Ethereum Gold uses its own blockchain and altcoin, called ETG, for GOLD transactions.
- Ethereum Gold uses Proof-of-Stake where miners are doled out blocks/ transactions according to the amount of ETG they have. Proof of stake (PoS) is faster, simpler and cheaper than proof of work (PoW).
- Physical gold and ETFs are stored in a programmed decentralized storage unit.
- Ether Bot — Ethereum Gold's innovative storage unit is programmed to automatically identify and store gold jewelry, small ingots (up to 100 grams) and coins, without human intervention.

The characteristics of the GOLD cryptoasset include the following:

- 100% transparency of information about all Gold owned by Ethereum Gold, disclosing the company's gold reserves and its ability to buy back GOLD at its current trading price.
- Ethereum Gold uses the decentralized blockchain for smart contracts and for harboring its cryptoassets.
- Ethereum Gold uses ETF for liquidity and elasticity. ETF helps you trade gold much faster than physical gold does.
- A secured loan may contain gold, like jewelry or coins. Ethereum Gold helps you store this collateral in its unique Ether Bot.
- The ability to receive passive income as market price of GOLD rises.
- Buyback of GOLD for fiat according to the current price of GOLD.
- A fast user registration system and identification.

The Ethereum Gold platform includes:

- Its own blockchain that uses GOLD and ETG cryptoassets.
- Programmed safe deposits – namely, Ether Bot.
- Application Programming Interface (API) for building application software and for helping software components interact.

2.2. TARGET MARKET

- **Crypto traders** – These participants can use GOLD for hedging cryptocurrency volatility, as described in the white paper. GOLD can also be used to convert cryptocurrency into fiat.
- **Standard customers** – These customers may want to buy GOLD as cryptocurrency or as a type of security.
- **E-commerce and self-employed individuals** – GOLD can be used to pay for goods and services. Its low volatility as an asset and its predictability make it an invaluable form of currency.
- **Banks** – GOLD cryptoassets give banks new opportunities. There is free liquidity and extra earning potential from trading gold into fiat and vice versa. The use of cryptocurrency has become a major industry. Banks can profit from earning standard commissions, commissions on gold storage, and from using the Ethereum Gold cash management system. At the same time, banks that invest in GOLD reinforce GOLD's reputation, which increases their profit. Banks also earn commissions from participating in the Ethereum Gold partner program.

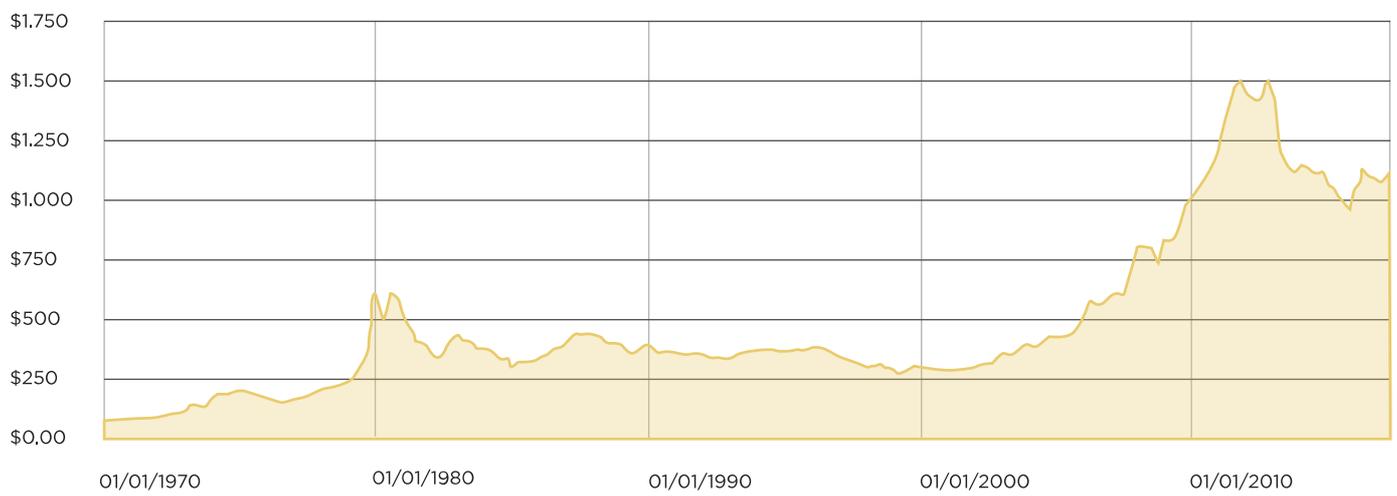
Today, overall cryptocurrency circulation has exceeded \$700 billion a year and the commissions for deposit and withdrawal are more than 5%. In case the bank sets lower commissions for GOLD buy/sell for a client, most transactions (cryptocurrency deposit and withdrawal) will switch from underground exchanges to the banks. At the same time, the integration with GOLD only is necessary, while all the other cryptocurrencies can be purchased on a cryptoexchange directly. Banks also have revenues from cash management and commissions charged for stored gold owned by Ethereum Gold. Another source of income for banks is revenue from the partner program which includes adding GOLD digital assets to the product line of the bank's department of wealth management.

3.GOLD: ITS APPLICATIONS

The following sections provide some applications of how you can use GOLD cryptoassets. Of course, GOLD can be used in many other ways. In some cases, you'll want to use blockchain to protect or record your transactions, while at other times you'll want to connect to Ethereum Gold's API. You'll use customer relations logic in all other situations.

3.1. SAVINGS STORAGE

GOLD cryptoassets can be stored long-term in a special and secure storage bot with options of either converting the gold to fiat or to some form of cryptocurrency, such as BTC, ETH, Dash, etc. GOLD uses the current price of gold set on the LBMA Gold Price, so its market value fluctuates accordingly.



3.2. HEDGING CRYPTOTRADING RISKS

Commercial producers and gold workers, like miners, jewelers, or the government, tend to use gold options, futures and ETF as hedging tools.

Today, a significant number of customers prefer to use gold to hedge against inflation or to diversify their investments. In fact, gold has become the common investment for all metals having a legendary history as both a commodity and as coin. Like other commodities, gold depends on micro and macro economic and political events, resulting in a value that fluctuates with these events. Ethereum Gold helps you cushion the risk of this volatility as well as giving you the option of taking a short position in physical gold bullion, coins or mining stocks.

Here are some reasons why customers choose Ethereum Gold:

- You can hedge your investment in gold using the GOLD token. Doing so protects your gold from bear market conditions. Customers can chose to convert any portion of their assets with this GOLD cryptoasset.
- GOLD is based on real physical gold and therefore possesses far more face value credibility than other cryptocurrencies, including Bitcoin.

The gold market/gold returns look promising. Ethereum Gold helps customers hedge their risks and promises more for their investments.

3.3. USING GOLD FOR ICOS

Ethereum Gold helps ICO who use GOLD hedge their risks in declining markets by providing guaranteed return and value of their money.

4. GOLD CRYPTOASSET AND ETG INTERNAL TOKEN DETAILS

Here's how Ethereum Gold uses its GOLD crypto asset and its internal ETG currency.

Title	GOLD	ETG

Title	GOLD	ETG
Description	Cryptoasset. Cost and buyback are 100% based on LBMA price of gold.	Ethereum Gold's cryptocurrency is used to confirm GOLD cryptoasset transactions.
Emission	Depends on how much GOLD is needed but never exceeds the total cost of gold in Ethereum Gold's reserves.	Max. 210 000 000 ETG
Exchange rate	Emission: 1 GOLD = cost of 1 ounce of gold on stock exchanges + 5% commission for fiat-GOLD-fiat – no more than 4% Buyback: 1 GOLD = cost of 1 ounce of gold on stock exchanges + max. 5% commission for fiat-GOLD-fiat – no more than 4%	ICO: 1 ETG = 1 USD Cost will be determined by the cryptocurrency exchanges
Application	Depends on the agreement described by Ethereum Gold	PoS: Amount of ETG determines amount of GOLD transactions.
Features	Value depends on amount of gold in reserves/ circulation	Growth of ETG depends on turnover of GOLD.
Destruction	GOLD assets are destroyed in case physical GOLD is withdrawn from the custody / Ethereum Bot.	ETG tokens cannot be burnt
Purchase and sale	People who want to trade GOLD for fiat or cryptocurrency need to undergo Ethereum Gold's KYC procedure. Resale of GOLD occurs on stock exchanges or as direct transaction between parties. Ethereum Gold platform executes GOLD deals.	ETG (ETG pre-launch) is initially released via ICO, after which ETG tokens can be traded on Ethereum platform for internal ETG tokens (found only on Ethereum Gold's platform), using a 1/1 course. Max. ETG tokens on either Ethereum Gold or Ethereum can never exceed 230 000 000 at any given time.

4.1. GOLD

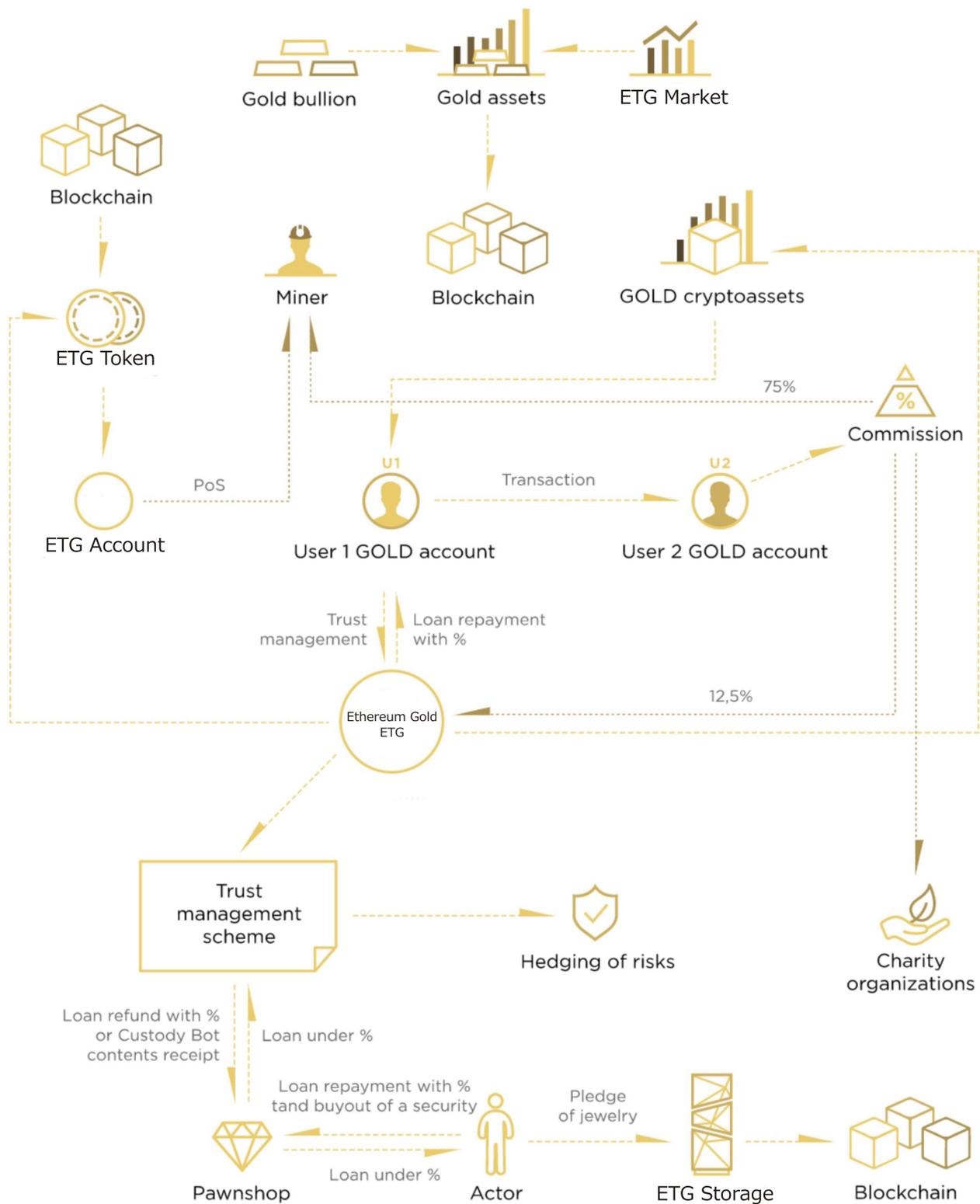
GOLD is a crypto asset issued by Ethereum Gold that uses the current price of gold set on the LBMA exchange at the time of sale.

GOLD: Its criterion

- Equal to one ounce (31,1035 grams) of gold (999 quality).
- Shards into 100,000 parts.
- Commissions are given in GOLD.

5. ETHEREUM GOLD ARCHITECTURE

Ethereum Gold uses a private blockchain, called the Graphene platform.



6. BUDGET

30% Marketing

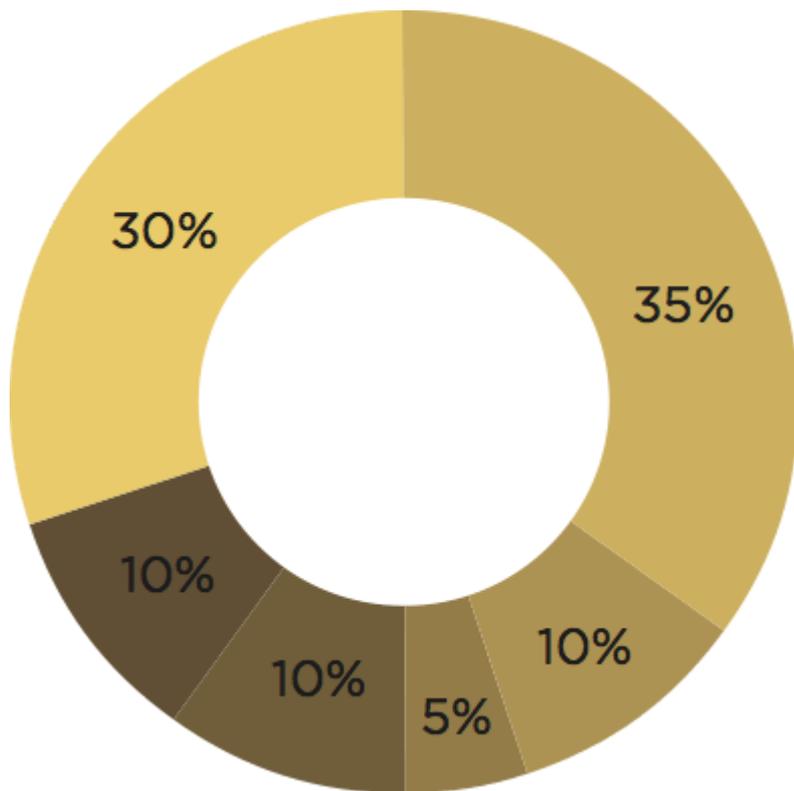
35% Development

10% Team

5% Legal, registration

10% Staff expansion

10% Other



7. ROADMAP: TECHNICAL

- ETG tokens will be found on Ethereum.
- Ethereum's ERC20 interface will carry the first mined ETG load.
- ETG tokens will migrate to Ethereum Gold's blockchain and given a ETG ticker.
- Ethereum Gold's blockchain, using the Graphene platform will be launched.

Advantages of using Ethereum Gold rather than Ethereum are as follows:

- Safer — Ethereum Gold's blockchain uses its own coins rather than Turing-complete smart contracts.
- Fungible — Ethereum Gold uses Point-of-Stake (PoS), and since it relegates its platform to GOLD transactions alone (rather than to additional ICOs) processes your transactions faster.
- Cheaper – There is no charge for ether commissions.
- The Graphene blockchain supports PoS.

Ethereum Gold also allows its users other platforms that include:

- [Openledger](#) – exchange
- [Bittrex](#) – exchange
- [Rudex](#) – exchange
- [YoBit](#) – exchange
- [Nova](#) – exchange

Qualities of the Ethereum Gold private blockchain:

Transparent

- Anyone can be a miner. You just need to download a program from the Ethereum Gold repository, launch it on your device, fine-tune it and start mining.

Consensus algorithm

- We use PoS as our primary mining system.

Miner rotation

- The amount of stakes depends on the amount of ETG a miner holds. So, if a miner owns 50% ETG, he will be chosen to process every second block.

Miner rewards

- A miner receives a GOLD commission from each processed block. No tokens are emitted once the block is processed.

Different incentives

- Since different blocks contain varying amounts of transactions, their total reward can vary from block to block. On the whole, however, the miner's reward correlates to his, or her, amount of ETG tokens.
- The amount of ETG is never more than 230,000,000.

8. BUSINESS MODEL

Ethereum Gold receives most of its revenues from:

- GOLD transfer commissions.
- GOLD security lending commissions.
- Revenue from exchanging physical gold into GOLD.

Most of Ethereum Gold's expenses come from the following:

- Legal expenses and taxes
- Staff – Development, marketing, business development.
- Fees for participating in conferences, travel.

- Marketing and PR
- Holding assets in gold – Payments for storage and management
- Ethereum costs
- Taxes

9. LEGAL ASPECTS

Ethereum Gold LTD is registered in United Kingdom. It owns accounts in United Kingdom and in the European Union (E.U.).

The company fully complies with all legal and regulatory laws of the operating countries.

First stage: GOLD is fixed to the current price of gold set on the London Bullion Market Association (LBMA). Full details of this transaction are downloaded to the blockchain. One GOLD is defined as a unit of digital goods, which the company contracts to buy back from the user at a predetermined price.

Larger stages: Applicants go through Ethereum Gold's KYC procedure for selling and buying GOLD. Ethereum Gold invests its proceeds of sales from GOLD on stocking its gold reserves for commissions (as well as for fulfilling its fundamental purposes). These commissions are different from the commissions made on GOLD transactions and are charged to a different account.

If the project requires government regulation, Deloitte CIS advises on obligatory regulations and legal requirements that may include needed registration or license types based on the targeted market and projected activities.

Ethereum Gold may check with the US Securities and Exchange Commission (SEC) and Financial Conduct Authority of United Kingdom (FCA) whether they consider ETG and ETG Token securities.



Ethereum Gold emits GOLD digital assets on its own and ensures their buy-back at the current gold

SUPPORT

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SUBSCRIBE

price. Physical gold and ETG
guarantee Ethereum Gold's pay
ability.

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