

Physical Gold. Digital Liquidity.



Whitepaper: DAU
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Background, Purpose, and Core Mission



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The world stands at the cusp of significant economic change, characterized by the rapid evolution of the global economy and geopolitical dynamics.

Today's financial systems, intricately interwoven within this landscape, are vulnerable to the impact of policy decisions and changing consumer behaviour.

Such scenarios require an exploration of different approaches, giving rise to our mission: To offer an ecosystem which provides for physical gold and digital liquidity of that gold (DAU) as a solution to these complexities.

Historically, traditional currencies have rested upon two primary trust assumptions: The worth of money today will remain stable tomorrow, and money owned can be freely used for transacting without restrictions. However, these assumptions are currently facing formidable challenges:

- **Questionable Stability of Value:** Fears around the intrinsic vulnerability of the fractional reserve banking system, and concerns regarding unrestrained monetary expansion without commensurate economic activity, are eroding trust in the stability of currency value.
- **Freedom of Ownership and Transactions Under Scrutiny:** At the national level, the weaponization of currencies implies that reserves and investments could be seized due to geopolitical reasons, undermining its role as a reliable store of value or medium of exchange.

For individuals and institutions, the increasing arbitrary application of KYC/AML by financial intermediaries is creating transactional friction and restricting the freedom to transact as desired.

- **Politicization of Financial Access:** Political differences can potentially lead to financial exclusion, where access to banking and fiat systems is indiscriminately severed, and assets are seized.

In such precarious times, gold has been a reliable safeguard due to its intrinsic value and self-custodial nature. However, the physical nature of gold has limitations: it is not easily divisible, susceptible to theft, and the verification of its authenticity and provenance is complex. Furthermore, physical gold transfer is burdened by logistical complications, such as the need to protect from damage or fraud, as well as complying with international trade and tax laws.

Cryptocurrencies emerged as a modern alternative, offering unique solutions, yet they too have limitations:

- They are based on relatively new and complex technologies, creating a barrier for mass understanding and adoption.
- The developing nature of their economic models leads to relative illiquidity compared to established commodity markets.
- Institutional usage is limited due to varying degrees of scepticism and regulatory constraints; ownership can be politically impeded, such as through governmental pressures on the banking network.

Amid these challenges, a solution that blends the stability of gold with the advantages of digital currencies emerges as a promising avenue.

Solution: DAU (道), the Digital Embodiment of Gold

By fusing the inherent stability and universal value of gold with the transparency, security, and efficiency of blockchain technology, DAU (道) aims to be a robust store of value that mitigates geopolitical and institutional risks while smoothly integrating into the 21st-century digital economy.

DAU not only represents a transformation in how we perceive and utilize precious metals, but also

signifies a new era for currencies. Each unit of DAU, recorded in digital form, gives title to one kilogram of LBMA-accredited physical gold bullion. The gold is fully allocated and securely stored in independent Swiss vaults, and may be collected at any time by the holders of DAU. DAU is issued by Du Bois Gold AG (DuBois), a regulated Swiss company.

DAU brings back trust from the era of the gold standard, serving as a reliable store of value, unit of account and medium of exchange. By integrating the stability offered by gold with the advantages of blockchain, DAU provides a versatile solution with transactional efficiency, transparency, flexibility, and verification of asset authenticity.

Moreover, with DAU, holders enjoy the security of owning vaulted gold without bearing holding costs such as transportation, storage, and insurance. Physical gold can be directly collected for DAU from Swiss vaults or sold on the secondary market for fiat currency.

Trust, transparency, and regulatory compliance are of utmost importance to DuBois, the issuer of DAU.

DuBois is a member of the VQF, a Self-Regulatory Organisation (SRO) recognized by FINMA under Swiss law. The allocated gold is securely stored and audited by LBMA-approved members, with audit reports publicly available each month. The DAU smart contract is regularly scrutinized for safety and security, ensuring protection of the digital representation and the enabling technology.

DAU stands apart in its efficiency and flexibility. Each unit, representing 1 kilogram of gold, can be divided up to 18 decimal places, allowing adaptability in managing gold holdings. There are no minimum transaction amounts or storage fees, and DAU can be transferred globally within seconds, attracting minimal transaction fees.

Ultimately, our vision for DAU goes beyond creating a digitised form of gold: we aim to foster an ecosystem where DAU serves as a medium of exchange for transactions, embodying a future where gold and currency converge.



The Evolving DAU Ecosystem



As the world of finance evolves, so do the expectations and requirements of its participants. The emergence of digital currencies and blockchain technologies has ushered in a new era of possibilities, enabling a more inclusive, efficient, and flexible financial ecosystem. In this landscape, DAU stands at the forefront, leveraging the inherent qualities of gold and the versatility of blockchain technology.

One of the fundamental objectives of the DAU ecosystem is the facilitation of exchange. By utilizing secure, widely adopted blockchains, such as Ethereum, DAU offers transparent, immutable, and swift transactions, whether it's between individuals, across different industries, or even across borders. With its potential to be divided and transferred at minimal cost, DAU eliminates many traditional barriers to transaction efficiency and accessibility. Furthermore, DAU's blockchain-based nature ensures you can custody your DAU independently, with your transactions free from undue scrutiny from third parties and intermediaries.

Another feature of the DAU ecosystem is access to and liquidity within both fiat and digital asset markets. DAU may be utilized in its form as a digital token, and exchanged for other digital assets on the blockchain, or it can be collected in physical form as gold bullion which can then be freely traded within bullion markets. This provides a level of interoperability between otherwise distinct financial systems, enabling holders to navigate both fiat and on-chain markets with ease.

As a digital asset, DAU is interoperable with many emerging technologies present today on public blockchains, including applications such as:

- Exchanges;
- Marketplaces;
- Lending protocols;
- Decentralized autonomous organisations;
- Philanthropic applications

As a result, DAU can promote financial inclusivity, through being used in open and publicly accessible financial applications.

Finally, DAU encourages innovation. By building on a public blockchain, individuals and institutions are empowered to create novel applications and products using DAU. This democratic access ensures the ecosystem can adapt to various needs and grow organically, underlining DAU's commitment to fostering an inclusive and flexible financial ecosystem.

A Brief History of Gold

Throughout history, gold has been a revered asset across every dominant civilization and geographic region.

Its scarcity and its unique physical properties, such as malleability, resistance to tarnish, and inherent beauty, have consistently placed it at the heart of economic systems. From crafting ornate jewellery and religious artifacts in 4000 B.C., to minting the first gold coins in Lydia around 700 B.C., the allure of gold has remained constant.

As societies evolved, so too did the role of gold. In a multipolar world, where no single society dominated over others, gold emerged as a universal standard for trade and a benchmark of value. This era encapsulates the power of gold as an agreed-upon medium of exchange, underlining the intrinsic trust civilizations placed in it.

However, the 20th century heralded significant shifts in the global economic landscape. The gold standard, which had facilitated international trade and economic stability, began to phase out, driven by economic, practical, and political reasons. In its place, economies transitioned to fiat money systems, a shift facilitated by the prevailing geopolitical conditions. Notably, this transition wasn't due to any inherent shortcomings of gold but rather external factors.

Fiat Money & Financial Instability

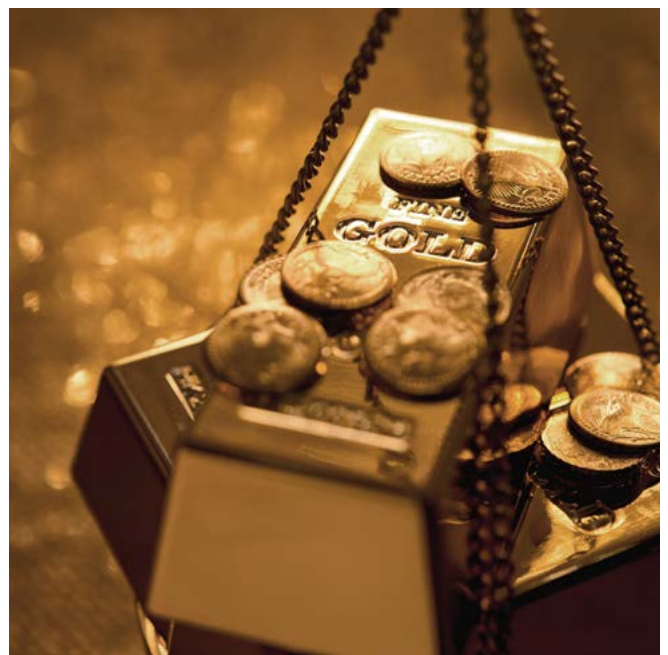
Fiat money is a type of currency that is not backed by a physical commodity like gold or silver. Instead, its value is derived from the trust and confidence people have in the government that issues it.

Fiat currencies became the norm worldwide after the collapse of the Bretton Woods system in the 1970s, which marked the end of the gold standard.

Fiat money has advantages, including the flexibility it gives to central banks to control money supply and avoids the practical challenges of maintaining the gold standard, such as mining, storing, and transporting the necessary gold. However, it has also been associated with financial instability. Because its value is not tied to a physical asset, fiat money is susceptible to inflation and even hyperinflation if a government increases the money supply recklessly. This potential for financial instability has fuelled interest in alternative forms of money, such as gold and digital currencies.

Bitcoin & Digital Tokens

With the advent of Bitcoin in 2009, the financial world witnessed the arrival of a new form of value transfer. Bitcoin, a decentralized medium of exchange not controlled by any government or central authority, operates on a technology called blockchain. This is a distributed ledger, which records all transactions across a decentralized network of computers, bringing an unprecedented level of transparency and security to financial transactions.



However, as fascinating as the rise of Bitcoin and other digital tokens is, they represent a relatively new and untested economic model. While they present a host of opportunities, they also bring with them a set of challenges, including regulatory uncertainty and concerns about security, privacy, and volatility.

Digitizing Gold: Historical Attempts and Challenges

The idea of digitizing gold has long held a certain allure. Attempts have been made throughout the years to create a 'digital gold', each demonstrating potential but also facing significant hurdles, particularly relating to security, convertibility, regulation, and user trust.

Blockchain technology has presented new opportunities to meet these challenges. However, the success of a digitised gold offering depends on how effectively this technology is used. Solutions like DAU offer promising prospects in this space, uniquely combining the historical significance of gold with the advantages of digital innovation.

Case Study

Zimbabwe's Gold-Backed Digital Currency

Zimbabwe's venture into creating a gold-backed digital currency aimed to bolster the value of the local currency in response to economic instability.

Despite the promising concept, the initiative has faced a host of challenges. Economic trust issues stemming from Zimbabwe's past financial instability and hyperinflation, practical matters of gold storage and accessibility, and geopolitical concerns have all presented barriers to success. These challenges serve as a reminder that while digital currencies offer novel opportunities, their success hinges on careful planning, robust technology, and transparent and trustworthy design.



Gold in the 21st Century

In the 21st century, gold maintains its profound influence on the global financial system. Its intrinsic value, historical stability, and global acceptability make it a desirable asset among individuals, corporations, and governments.

As our world becomes more digitally oriented, technologies like blockchain and tokenization present us with novel avenues to access, transact with and deploy gold, thereby reshaping its role and potential in our modern financial ecosystem.

Gold's timeless appeal and enduring value are a testament to the universal consensus that gold is a valuable asset. Its worth is not just a matter of historical agreement, but also a contemporary consensus, validated by its widespread use and hoarding by central banks alongside fiat currencies. This consensus transcends geopolitical divides and cultural differences, making gold an asset of universal acceptance. Its unchanging essence and global recognition are features, not bugs, in an increasingly multipolar world where few assets are universally accessible.

In this geopolitical landscape, it is this very universality and resilience that makes gold an integral part of the 21st-century financial architecture. As we delve deeper into the digital age, tools like DAU further enhance this role, making gold not just a static store of value, but a dynamic, transferable, and accessible asset that can play multiple roles in our financial systems and beyond.

Core Features of the Gold Market

The global gold market is a round-the-clock operation, mainly conducted in major trading hubs such as London, New York, Zurich, Hong Kong, and Shanghai. Despite most transactions occurring in U.S. dollars, gold can be traded in any currency. The gold market has multiple facets, as gold can serve various roles: in industry, as an investment, and a financial instrument.

Physical Commodity: Gold's demand is heavily influenced by its use in the jewellery sector, which accounts for about half of the global demand. Additionally, its properties like high conductivity and corrosion resistance make it an essential component in electronics and other industrial applications. The physical gold market spans gold bars, coins, and jewellery and involves a network of dealers, refineries, storage facilities, and individual buyers and sellers globally. However, ownership of physical gold carries its challenges, such as storage, insurance, security concerns, and significant transaction costs.

Investment: Gold's historical reputation as a reliable store of wealth makes it a preferred investment choice. Many investors are attracted to the intrinsic value and consistency of gold. Individual investors usually opt for gold coins and bars, while institutional investors often invest through Exchange-Traded Products (ETPs) like Exchange-Traded Funds (ETFs) and Exchange-Traded Notes (ETNs). These ETPs offer exposure to gold prices without the need for storing or insuring physical gold, and they trade on standard stock exchanges.

Furthermore, investment-grade gold has its own share of challenges:

- Standardized quantities and stringent onboarding requirements often render it inaccessible for average individuals and unsuitable for transactional purposes.

- The holding costs can be substantial.
- It can be challenging to transfer positions or redeem gold.

Financial Instrument: Gold can also act as a financial instrument as it has a developed derivatives market with future and option contracts trading on the Chicago Mercantile Exchange. The values of these instruments are derived from the price of gold, which allows participants to manage portfolio risk, such as economic downturn, inflation or currency fluctuations, or speculate on future prices.



DAU's Role in the Modern Gold Market

Traditional transactions of physical gold bullion primarily occur at physical gold brokers or dealers, with larger participants (institutions, governments, and central banks) having access to wholesale participants in the bullion markets, such as refiners. These channels feature significant premiums and transaction fees, particularly for smaller order sizes, as well as large minimum order and strict onboarding requirements for larger transactions.

DAU serves a pivotal role in the modern gold market as a unique digital embodiment of the physical commodity.

Unlike traditional investment products or financial instruments, DAU conveys direct proof of ownership of gold.

Its digital nature empowers gold to break free from its physical restrictions, allowing it to function as a medium of exchange.

Adhering strictly to authenticity and high-quality standards, DAU exclusively represents gold of the highest purity, sourced from LBMA-member Swiss refiners. The London Bullion Market Association (LBMA) provides the globally acknowledged gold standard that guarantees the widespread acceptance and liquidity of the gold, as well as its conflict-free provenance, and meticulously vetted and certified supply chain. The rigorous compliance and logistical standards that the LBMA maintains form a robust defence against counterfeit gold and gold of substandard quality. This stringent approach ensures that DAU holders possess an authentic and verifiable asset that truly encapsulates the inherent value of gold.

DAU stands as an innovation in the gold market, promoting speed, efficiency, and global accessibility. Its fungible nature facilitates transactions of any value, and adds to the utility of gold bullion. Furthermore, DAU eliminates the need for physical assays and ensures the traceability of gold provenance, enhancing the transparency and security of transactions.

Digital Ownership of Physical Gold

DAU is a digital title to gold. Each unit of DAU serves as digital proof that the holder owns a physical gold kilobar stored and insured safely in independent Swiss vaults.

For holdings of less than 1 bar, this represents co-ownership of a kilobar alongside other DAU holders. Holding less than 1 bar is analogous to holding an “Odd Lot” in equity markets and, similarly, may be traded on secondary markets for DAU.

The system is designed such that the co-ownership of the gold bullion is linked to the wallet address holding the DAU, **and whole units of DAU may be exchanged for kilobars of gold at any time.**

For instance, a wallet address holding 1.1 DAU could translate to full ownership of a specific kilobar of gold plus a partial ownership amounting to 10% of another kilobar, equivalent to 1.1 kilograms of gold in aggregate. Holders of DAU can easily verify this via a public database maintained by DuBois, where they can look up the allocation of their co-ownership interests among the bars held in storage. Specifically, each wallet address containing DAU will be able to look up the specific gold bars in which it currently holds an ownership or co-ownership interest in.

In the event of a DAU transfer, the public database promptly updates the ownership status of each DAU holder to ensure the accuracy and timeliness of ownership records.

The issuer holds the administration rights, or the authority to reallocate co-ownership rights of specific gold bars amongst different wallet addresses at its discretion. This flexibility streamlines the ownership distribution process and consolidates bar ownership to minimize the number of partial bar holdings.

At all times, physical possession of the gold remains with a Swiss custodian vault appointed by the issuer, and the gold in possession is audited on a regular basis. This ensures that the gold's security and integrity are upheld. Holders are always able to convert whole units of DAU to physical kilobars of gold, and partial units of DAU – “Odd Lots” – (which are co-ownership rights to kilobars of gold) may be traded for other currencies on the secondary market.

Key Product Characteristics

DAU capitalizes on the versatility of secure and open blockchain technology such as Ethereum. This technology is one of the most widely adopted platforms for creating and managing decentralized applications, providing an environment where DAU can not only be freely stored, secured, and transacted as a proof of ownership, but is also compatible and composable with numerous centralized and decentralized applications. As a fungible token, DAU uses the latest technology in asset tokenization and fractionalization, enabling physical gold to be seamlessly integrated into the digital economy.

One of DAU's key product benefits is the convenience it offers in using gold as a medium of exchange. By dividing gold into smaller units, DAU makes gold more accessible and usable in transactions of any value.

Furthermore, DAU brings transparency into gold trading. Operating on the blockchain facilitates a transparent and auditable ledger of transactions, providing holders with the confidence and assurance that their gold ownership is secure and verifiable at any given moment.

Gold Security

Gold represented by DAU is deposited and held in Swiss storage facilities operated by independent and specialized storage providers. The issuer engages the storage providers as sub-custodian(s) of the gold owned by holders of DAU.

There can never be fewer gold kilobars in the independent Swiss storage facilities than the total number of DAU on issue. The one-to-one correspondence between DAU and physical gold kilobars allows for any or all DAU holders to personally collect their DAU for physical gold at any time, and without the issuer present during the collection process.

The gold held on behalf of DAU holders is stored separately from the issuer's (DuBois) own stock. Specifically, neither the issuer nor the storage provider have any ownership claims over the vaulted physical gold. They are not permitted to use or dispose of it as their role is solely to provide storage for the physical gold directly owned by DAU holders. This means that:

- The kilobars of gold cannot be encumbered, making a bank run scenario impossible, and
- Even in the event of the issuer's bankruptcy and liquidation, the DAU holders' gold will be held separately from the estate of DuBois.

DuBois is actively developing a mechanism that allows DAU holders to retrieve their gold from the Swiss storage facilities in an independent and permissionless manner, such that DuBois' involvement is not required at any stage during the collection process.

Potential use cases

Highly Mobile 'Safe-Haven' Asset. As physical gold bullion in digital form, DAU combines the safety typically associated with gold and the high mobility of digital currencies. In times of economic uncertainty, gold has traditionally been sought after as a safe store of value. DAU provides a similar level of security, but with the added benefit of easy transferability. Unlike physical gold, DAU can be moved instantly across borders without the logistical challenges of transportation. This feature makes DAU a viable option for individuals seeking a reliable store of value that also offers high mobility.

Sovereign-Neutral Exchange Unit. With its basis on blockchain technology, DAU is not tied to any specific country's monetary policy, making it a sovereign-neutral unit of exchange. This could make DAU a favourable medium for individuals and businesses operating in

countries with volatile currencies or restrictive currency controls. DAU's sovereign neutrality, combined with the stability of gold, could make it an effective tool for financial transactions on a global scale.

Liquid & Effective Portfolio Hedge. DAU offers a compelling alternative to financial instruments offering a synthetic exposure to gold, such as Exchanged Traded Products and gold-underlying derivatives contracts, as a hedge against inflation and currency depreciation. As DAU represents ownership of the most liquid form of physical gold bullion (LBMA-accredited Swiss gold of '9999' fineness), it is accessible in institutional grade-quantities, and available to trade at all times. In contrast to gold-underlying derivatives and Exchange Traded Products, DAU is not dependent on centralized exchanges, offering a level of decentralization and reduced reliance on third parties.



Technology

Blockchain

DAU is structured as a Chain Agnostic ERC-20 token, aligning with an industry-standard protocol prevalent across numerous Ethereum Virtual Machine compatible blockchains.

Upon launch, DAU is deployed on the Ethereum blockchain and the Arbitrum One.

| Network | Ticker | Address |
|--------------|--------|--|
| Ethereum | DAU | 0x8a823DfDb9bf6E109f97fa77d790a138010fa434 |
| Arbitrum One | DAU | 0x8a823DfDb9bf6E109f97fa77d790a138010fa434 |

The benefits of deploying on Ethereum and Arbitrum One include:

- Robust guarantees of security and availability from one of the leading public blockchains, Ethereum, and its proof-of-stake model;
- Utilizing broadly adopted smart contract standards;
- Maintaining transparency in token supply, account balances, and on-chain operations;
- Compatible with smart contract applications and tools such as self custodial wallets, decentralized exchanges, collateralized debt protocols, and decentralized applications;

- Operating in a decentralized environment; and
- Low barriers to adoption; accessible to a global audience.

DAU is designed to be compatible with the Chain Agnostic Token Standard: DAU created on one blockchain can be transferred seamlessly and securely to another supported blockchain.

DAU token contracts have the same address on each Ethereum-Virtual-Machine compatible blockchain. When transferring DAU, the selected amount will be burned on the origin chain, and then minted on the destination chain.

Bar Allocation and Asset Integrity

The operational model of DAU ensures the appropriate allocation of gold bars and upholds the integrity of the asset, providing assurance to the holders of DAU.

Bar allocation is tied directly to wallet addresses holding DAU. When a wallet acquires DAU, it gains co-ownership of specific gold bars, the details of which can be traced in the public database maintained by the issuer. This comprehensive record-keeping provides transparency and traceability, enabling holders to verify their holdings and monitor the allocations at any time.

Upon any transfer of DAU, the public database promptly updates the co-ownership status. This process reflects the transferred co-ownership rights from one wallet address to another, underscoring the robustness of the bar allocation system.

While the ownership rights to the gold are digital, the integrity of the underlying asset is assured by its secured location in a Swiss custodian vault; vetted and selected by DuBois, and comprehensively insured. This enables DAU holders to have the confidence and peace of mind that their gold is secure and well-preserved, at all times.

Furthermore, under the terms and conditions neither DuBois nor the Swiss custodian vault possess any ownership rights to the physical vaulted gold bars: these bars are solely the assets of DAU holders. Holders of DAU can visit <https://dau.xyz> to view the serial numbers, purity, and weight of the gold bars their DAU is associated with.

The DAU smart contract has the following features:

| Function | Explanation |
|-------------------|--|
| Transfer | Enables DAU to be transferred from one address to another. An administration fee of 10bps is applied, deducting a small portion of the transfer amount and directing this to the DuBois fee accumulator wallet. |
| Fee Controller | Has the ability to set the fee recipient address and the fee rate. DuBois will never change the fee rate without prior notice, as trust and transparency are at the core of our offering. |
| Mint / Burn | Enables DAU to be created and deregistered in accordance with the physical gold administered and held by DuBois. |
| Freeze / Unfreeze | <p>Freezes / unfreezes specific addresses from transferring, or being transferred DAU.</p> <p>DuBois has included this function for regulatory compliance, so that it is able to comply with any court orders or other legal processes which DuBois is required to follow by law.</p> <p>DuBois will never execute these functions on its own accord, and these will be utilized pursuant to an order of court from a court of competent jurisdiction or when cybersecurity protocols determine its necessity.</p> |
| Pause / Unpause | Enables DuBois to freeze all interactions with the DAU smart contract. |
| Upgrade | Enables the contract to be upgraded. |

Issuer Overview

The issuer of DAU is Du Bois Gold AG (DuBois). Based in Switzerland, DuBois is engaged in the procurement and trading of gold, both on its own behalf and on behalf of its clients.

Name

Du Bois Gold AG

Legal Form

Swiss Company Limited by Shares (Ltd.) /
"Aktiengesellschaft (AG)"

Registered Address and Head Office

Baarerstrasse 8, 6300 Zug, Switzerland

Date of Registration

30th July 2020

Legal Entity Identifier

CHE 291.235.762

Financial Condition

In good standing

Governance Arrangements

Overseen by three directors (two independent directors and one executive director)

Auditors: Grant Thornton AG (Financial Statements and Agreed Upon Procedures), and Alex Stuart International (Monthly Inspections and Audits).

Regulatory Compliance

DuBois is a member of a Swiss Financial Services Standards Association (VQF), an official FINMA-recognized Self-Regulatory Organization (SRO).

For informational purposes, DuBois has sought an independent assessment from the Swiss Financial Market Supervisory Authority (FINMA) to confirm that as long as the legal framework of DAU continues to fulfil the key requirements for exemption from a security qualification, it will not be considered a security. This is aligned with the existing legal structure, and DuBois intends to continue to meet these requirements moving forward.

A Commitment to Sustainable Gold

DAU represents gold bullion of '9999' fineness procured from Swiss LBMA-member refiners and strictly adheres to the London Bullion Market Association's (LBMA) Responsible Gold Guidance (RGG) principles. LBMA's RGG promotes responsible sourcing and encompasses rigorous Environmental, Social, and Governance (ESG) standards in the precious metals sector.

Each gold bar associated with DAU is subject to the RGG's Five-Step Due Diligence Framework. This framework ensures careful risk assessment, diligent risk management strategies, and obtains independent assurance of compliance. Only gold sourced from Swiss refiners listed on LBMA's Good Delivery List, known for maintaining these standards, is represented by DAU.

Creation and Collection of DAU

Creation process

Creating digital proof of ownership for physical LBMA gold bars is a comprehensive and secure process:

- 1 Gold Procurement:** Gold bars of '9999' fineness (99.99% purity) from Swiss LBMA-member refiners are procured by DuBois, the issuer of DAU.
- 2 Gold Storage and Verification:** The LBMA gold bars are securely stored in independent LBMA-member vaults. A thorough verification process is carried out, confirming the fineness and provenance of the gold in accordance to LBMA standards.
- 3 Issuance of Ownership Receipts:** Upon successful verification, the vault issues a custodial receipt of ownership to DuBois.
- 4 Gold Digitization:** Upon request, the process of creating a digital proof of ownership for each gold bar is initiated. DuBois effectively tracks each gold bar that is digitised, ensuring a precise and transparent digital representation.
- 5 Creation of New DAU:** To represent the verified physical gold bars, new DAU is created matching the quantity of the physical gold marked for digitization.
- 6 Transfer of DAU:** The newly created DAU is transferred to the purchaser.

Collection Process

The process for collecting physical gold is simple and straightforward:

- 1 Initiating Collection Request:** Visit the Physical Collection webpage that explains the various options for collection, their processes and estimated costs. Follow the prompts to initiate a collection request.
- 2 Confirmation of Collection Request:** Upon submission of your request, a dedicated Relationship Manager will contact you to discuss the details of the collection and conduct the relevant onboarding procedures.
- 3 Preparation for Collection:** Your Relationship Manager will arrange a collection appointment with the storage provider and arrange the necessary administrative processes to prepare for your collection.
- 4 Transfer of DAU:** Once all the details are confirmed, your Relationship Manager will guide you through the process of transferring your DAU back to DuBois. This is a vital step, as the DAU need to be 'burned' (deregistered) in order to release the gold from storage.
- 5 Physical Gold Collection:** Finally, on the agreed date, you can visit the vault or another agreed-upon location to collect your gold upon signing an acknowledgement of receipt.
- 6 Confirmation of Process:** We send confirmation that the collection has been successfully carried out and that the relevant DAU has been burned.

The entire process is designed with maximum security and transparency, so you can confidently convert your digital gold for its physical equivalent.

Fees

To maintain clarity and transparency in our operations, we provide an exhaustive breakdown of the fees associated with DAU in the table below. We strive to keep these fees reasonable and competitive to ensure a seamless experience for all our users. Please note that some fees, such as the Ethereum network transaction fee, are subject to external factors and may vary.

| Fee | Cost |
|--|--|
| Network Fees | |
| Network Transaction Fee ("Gas") | Dynamic (depends on network congestion on the relevant blockchain) |
| Smart Contract Operation Fees | |
| DAU Transfer Fee | 10 bps (0.1% per transaction) |
| Collection Fees | |
| Physical Collection Fee (Self-service) | Fixed Administrative Fees Only |
| Concierge Service Fee (Assisted) | Administrative Fees Only |
| Other Fees | |
| Minting | No fee |
| Burning | No fee |
| Storage | No fee |
| Insurance | No fee |

Risks and Mitigations

We recognize the complexities and risks involved in creating a digital registry for title to gold and are committed to transparency and due diligence. Like any asset, DAU comes with its own set of risks that should be carefully considered.

Market Risk of Gold

Due to its nature, the value of DAU and the gold it represents is affected by various market factors. The value of gold may fluctuate in response to periods of instability, changes to monetary policy and economic growth, and the dynamic global environment. Other factors which may impact the value of DAU and the gold it represents include but are not limited to: large-scale sales of gold in times of distress; sales of gold via ETFs or other exchange-traded products, and central bank decisions to offload gold reserves.

Physical Gold Storage & Reserve Assets

- **Custodian Risk:** Potential risks arise when relying on a third-party custodian, including mismanagement, theft, loss, or damage. Even though the custodied gold is insured, such insurance does not cover instances of terrorism or war. Independent storage providers which custody gold on behalf of DAU holders are industry leading, LBMA-certified and based in Switzerland, a jurisdiction which has historically served as a neutral safe haven in times of conflict.

- **Asset Reserve Risk:** Given the inherent nature of DAU being a direct representation of physical gold, there is minimal risk of DuBois failing to meet its obligations due to inadequate asset reserves. DuBois's gold holdings are regularly audited by independent third parties. Audit reports are published publicly by DuBois.

Operational Risk

DuBois is reliant on third party service providers for many aspects of its operations, including its information technology and web hosting, audits and inspections of gold, and secure storage of gold. Internal and external factors outside of DuBois's control may impact its ability to deliver services effectively.

Technological Risks

- **Token Transfer Risk:** Transfers of DAU to incorrect addresses may result in a loss of ownership rights. Blockchain-related operations are immutable and DuBois is not able to reverse or alter transactions made by holders of DAU.
- **Smart Contract Vulnerabilities:** The presence of vulnerabilities in the DAU smart contract, or the public blockchain it is hosted upon may result in issues including theft and unauthorized creation or destruction of DAU. DuBois engages industry-leading security auditors to examine the DAU smart contract and its operational systems.
- **Network Congestion and High Transaction Fees:** High amounts of traffic on public blockchains such as Ethereum can impact the speed and cost of transactions involving DAU.

Conclusion

The rapidly evolving global economy and changing geopolitical landscape expose significant vulnerabilities in conventional financial systems. These challenges include the eroding trust in the stability of currency value, increasing restrictions on financial transactions, and the politicization of financial access.

In response, DAU presents a solution that leverages the intrinsic value and stability of gold, while overcoming its physical limitations. It reconciles two major challenges: the need for a stable, reliable store of value and the need for frictionless transactions. By offering physical gold bullion in digital form, DAU ensures the stability of value and mitigates concerns arising from fractional reserve systems and unrestrained monetary expansion.

Our core mission is clear: to offer DAU and its emerging ecosystem as an alternative to the complexities of today's financial system.

DAU isn't just about turning gold into a digital form. It's a new way to think about money and value. It brings together the best of both worlds: the age-old trust we have had in gold and the boundless possibilities of the digital era. As we continue to move forward, we hope you'll join us on this exciting journey.



