

OPENAURUM

Blockchain asset backed by
extraction and production of real
gold from Gold mines.



www.openaurum.io



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A GOLD INVESTMENT OPPORTUNITY POWERED BY THE BLOCKCHAIN



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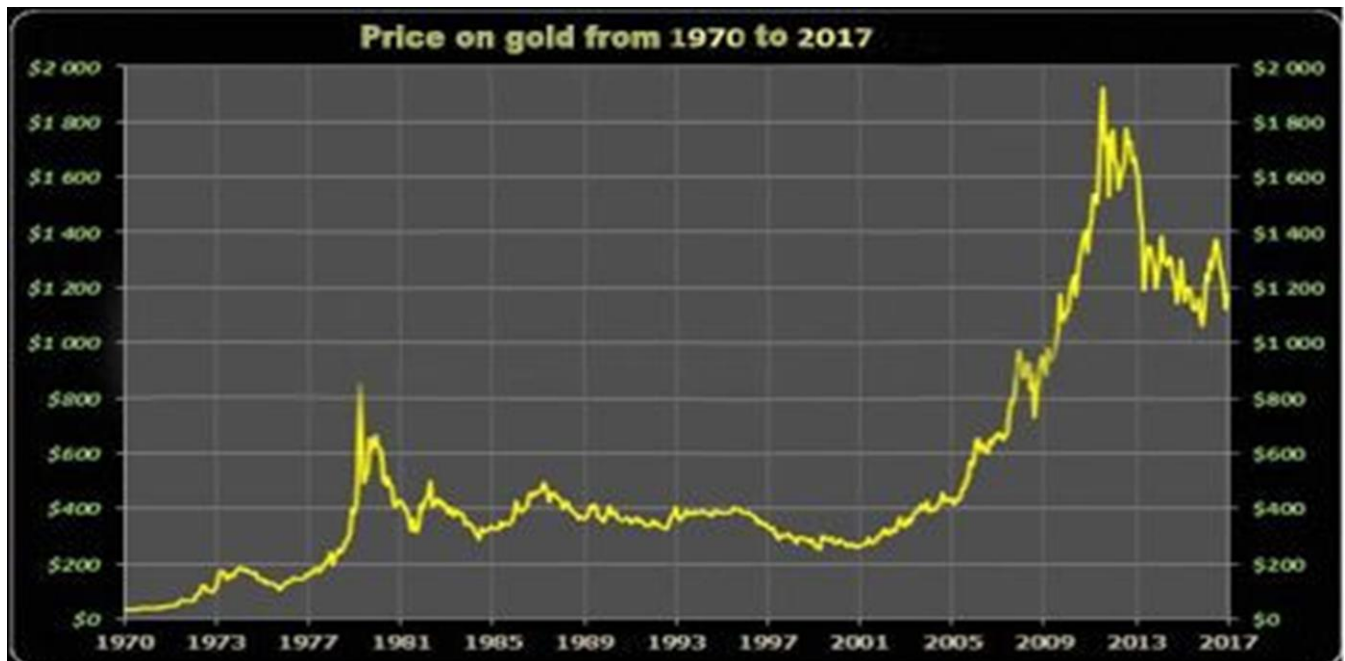
Introduction

Blockchain technology is coming to maturity. One of the evidences is the growing attention on the part of the state to regulating or at least establishing clear rules for the circulation of cryptocurrencies and tokens.

In many ways, the tasks that need to be addressed to all of the market participants are related to the definition of the blockchain as a real financial tool.

Our project offers a simple process of involving the blockchain in the real economy. The core economic idea: traditional risks of exploration and production of gold are exchanged for risks of volatility of cryptocurrencies and tokens (insecurity with valuable liquid assets and protection from inflation). The release of tokens is secured by a contract for the supply of goods. Fixing the risks ratio occurs in the price of the purchase of goods in the form of a discount from the market price and is fixed in a unit of physical mass. The commodity of the contract is gold, which is a universal measure of value.

These solutions create a simple secure investment tool for secondary circulation being an accurate measure of the value expressed in a unit weight and fulfilling the classical role of gold.



We have prepared a co-investment project for the simultaneous start of gold production and development of the gold deposit.

The Main Idea

The goal of the project is to release 420 million GOLD tokens to raise funds for the improvement of technology of the gold mine, to procure new mines and to start the extraction of gold concentrate in Madagascar. Owners of tokens become co-owners of the main Contract for the supply of gold. One token is equal to one share of equity in the OpenAurum project, having a share in the mines that are pegged to it. The contract is signed with the local partner company for gold mining for the supply of gold in the period starting since the launch of the gold-recovery plant (the gold plant). The delivery time of the metal under the contract is December 2018 to March 2022.

- The unit of mass of Precious metal is troy ounce which is 31.1034768 grams.
- The purity of gold corresponds to the international standard "London Good Delivery".
- The mass of pure gold in the gold ingot is from 350 to 450 troy ounces (10,886 g - 13,754 g).
- The weight of each ingot is expressed in troy ounces and is a multiple of 0.025 ounces.
- The purity of the metal is not less than 999 parts of chemically pure gold per 1,000 shares of the ligature mass.
- The ingot is marked as follows: serial number, fineness, brand of the manufacturer, year of manufacture.



The goal is to collect gold ore, to refine it into gold bars and peg it to the GLDS stable gold currency.

The transfer of metal under the contract to the owners of the tokens can be carried out in a physical form according to a pre-submitted order. After receiving the metal the buyer transfers the metal for storage to an international bank. After receiving the metal under the contract in full the buyer will open a metal account within 45 days. The buyer will enter into a contract with the escrow agent, the same bank is possible, and with the register of token holders. Detailed instructions will be published completely after the completion of the Pre-Sale.

Project Description

Madagascar is a huge island nation off the southeast coast of Africa. It's home to thousands of animal species, such as lemurs, found nowhere else, plus rainforests, beaches and reefs. Once a significant gold producer, Madagascar is once again focusing on its mining sector. The country is considered one of the best gold exploration targets in Africa.

Madagascar is an up and coming mining country, considered one of the best gold exploration targets in Africa. Madagascar is the fourth-largest island in the world, located approximately 400 km from the African mainland across the Mozambique Channel.

Thirty-years ago, Madagascar was one of the best geologically studied countries in Africa, but then the country experienced a period of political instability that resulted in exploration being put on the back-burner. Madagascar recently started to regain lost footing since 1993 when liberal democracy returned to the country.

Although considered a part of the African Continent in terms of geography, Madagascar is a micro-continent of its own, stranded between Africa and Southern Asia. This fact is apparent in the local geology, flora and fauna. The geology of Madagascar is more similar to South East Asia, particularly India and Sri Lanka, rather than Africa.

Madagascar's primary gold deposits are thought to be of mesothermal "lode" quartz-hosted type. This type of lode gold deposit is extremely valuable, accounting for nearly 20 percent of world gold deposits. The same type of deposits can also be found in Australia, Canada, Brazil and Ghana. Madagascar gold is found specifically in greenstone belts, quartz reefs and quartz veins, and as diffused mineral. Gold has also been recovered from ancient and recent alluvial accumulations and lateritic earth. The mineralization of vein deposits is mainly gold-quartz and gold-sulphide associations.

Primary gold deposits in Madagascar predate the breaking up of Gondwana, the southernmost of the two super continents that made up Pangea. This is an important fact, as it renders regional tectonics irrelevant to the gold deposition model. Madagascar's basement rocks- the oldest rocks in the area, have been divided into three main systems. From the youngest to the oldest these are: the Vohibory System the Graphite System, and the Androyen System. The Graphite system forms the greatest part of Madagascar's

basement and is the most consistently mineralized in gold. The Vohibory System also contains some gold districts.

Of the major gold producers in the region there is a company called Societe Mineral Jin Xin Sarl which owns a couple of mines in Madagascar. OpenAurum will be partnering with Jin Xin to help them to tokenise their mines in order to raise funds to improve the technology and efficiency of the mining process. <http://www.jinxinmining.io/>

Small gold mining is highly developed in the area. Mainly quartz veins are mined manually, less often compressors and excavators are used. The miners mill crude ore in small ball mills, the resulting ore sand is washed on the deck, and the concentrate remaining on the canvas is amalgamated. Small and bound gold does not stay on the deck and goes into tails. According to experimental and laboratory data, from 30 to 60% of gold remains in the tails. Tails are accumulated, and then either sold or processed by the method of tank leaching, which is very common in the area. The tank leaching is also not the most perfect method, due to which 50 to 70% of gold is extracted from the tailings, however, in view of the low construction cost, it is quite popular there. Currently, there are about 100 of such plants in the region with a total capacity of 300 kg of gold per month. Tails with a content of 5 to 10 grams / tonne are considered as rich gold-bearing tails, whereas secondary tailings consist of 0.5 to 1.5 g/t of gold, which are simply stored. Some of these sites have accumulated more than 100 thousand tons of secondary tailings.

The project of creating gold recovery production is based on the rich resource potential of the Madagascar gold ore region and the accumulated secondary gold-bearing raw materials. The contract for the supply of gold serves as a reliable method of placing investments for partners.

The attracted investments are directed towards:

1. The construction and launch of a gold-extracting plant for the processing of tailings and ore with a capacity of 80,000 tons per year. Such a plant is capable of extracting up to 95% gold.

The plant will be built at the selected site in the area of a large gold ore junction, with a large concentration of rich ore.

Fresh tails will be bought out in the district and brought for processing to the plant from the start of the project. By the beginning of the production a filled ore store will be formed.

2. In parallel, exploration will start on the license area. This is a gold ore deposit with potential reserves of more than 200,000 tonnes of ore, with a content of 10 g/t and possible extraction of 2.0 and more tons of gold at a depth of up to 10 meters.

This object was worked out in colonial times, about 40-50 thousand tons of ore were mined and 500 kg to 1,000 kg of gold were extracted. At the site there are more than 10 old colonial pits partially connected by drifts under the ground. All the colonial pits were filled up during the withdrawal of the colonialists. Now the prospecting work is underway.

The object is a sub-horizontal formation with a very gentle fall to the west, parallel to the slope of the mountain at a depth of 7-12 m. The thickness of the main vein varies from 0.5 to 1.5 meters, on average about 1 meter. In addition to the main vein, many differently oriented veins that are often very rich, are identified, which intersect with the main vein. The material of the vein is gray quartz with interlayers of white quartz, nests and vein lines of pyrite, chalcopyrite and galena. Analysis of the samples taken from the vein has shown 5, 17, 26, and 41 g/t, but after conducting follow-up exploration the contents will vary from a few to 100 grams per ton. Since it was a colonial mine, the gold content would be high. In passing, it is possible to extract quartz from diluvium, in which the metal content is about 5 g/t.

The output of the gold vein on the surface means that the metal can be easily, cheaply and quickly extracted by an excavator, bulldozer and a compressor with drilling and blasting operations.

Business Plan and Project Implementation.

STAGE 1. Collection of secondary ore. (tailings)

The raw materials will be bought out and brought to the factory on road from all over the area. At a capacity of 10 tons per hour, the plant is capable of processing 80,000 tons of ore per year, which is no more than 8% of the local secondary market.

The established price of tails varies from 50 to 100 thousand dollars per 1,000 tons, depending on the contents and availability. On average, this is equal to 15-20% of the value of gold in them.

The tails proposed in the project, on the average, contain 5-6 g/t, in the calculation of profitability the content is taken 5.5 g/t.

The process of buying and transporting begins with raw materials of high gold content, since the start of the construction of the plant. By the time of the launch, a reserve will be created for an uninterrupted operation during the first six months, before the commissioning of the Mezimoja field.

Business plan for the production of gold from secondary ore.

Tonnes per Hour	Tonnes per Six Months	Content, g/t	Gold, gr 95% yield	Revenue, USD	Price of tails + Transportation, USD	Processing \$20/t	Profit, USD
10	39,996	5.5	208,980	68,359,200	12,399,760	799,920	55,159,520

STAGE 2. Extraction of ore in the license area.

Currently, this type of activity is encouraged by the laws of Madagascar. The extraction will be organized after additional exploration of the licensed area. From the beginning of production, the ore will be taken for processing to a CIP plant. The analysis of samples taken from veins showed a gold content of 5 to 67 g/t.

In the long term, in order to expand production, there are a lot of rich and powerful ore bodies in the region, which have been worked from the surface by miners to a depth of 20-30 meters. Deeper application of the artisanal mining methods becomes impossible.

Business plan of extraction of ore in the license area.

Tonnes Per Hour	Tonnes per annum	Content, g/t	Gold, g	Revenue, USD	The cost of mining and processing	PSA 20%	Profit, USD
10	160,000	10.5	1,596,000	61,920,000	4,800,000	6,384,000	88,736,000

Financing of the Project. The main costs are summarized in the table.

Cost item	Cost, USD
Stage 1 - Processing of secondary ore (Tailings)	28,080,000
Mill, capacity 80,000 tonnes per year, turnkey	10,000,000
Truck FAW 15 m3 - 4 pcs.	280,000
Car jeep - 2 pcs.	70,000
Loader - 2 pcs.	140,000
Field facilities construction	5,000,000
Legal expenses	1,400,000
Purchase of secondary ore (12 months supply)	12,400,000
Stage 2 - Preparation of facilities for production	6,000,000
Drilling rig	2,000,000
Excavator	2,000,000
Compressor - 2 pcs.	500,000
Exploration work (geological survey)	1,000,000
Registration of permits, arrangement and security	500,000
Stage 3 – Development of facilities	10,990,000
Expenses on extraction	5,000,000
Trucks - 4 pcs.	443,000
Caterpillar D9R	420,000
Yutong TL 210 H	127,000
Overhead expenses - 15%	5,852,500
SUM total:	45,070,000

The project will fully pay for itself in less than 2 years after launch. In the calculation of profitability, the average content in the tails is taken 5.5 g/t, and the average content in the ore is 10.5 g/t. In reality, the contents will be higher.

In the first year after the launch of the project, the main raw materials will be tails. In 11 months after the start of investment, ore extracted from the license area will start coming for recycling.

The estimated capacity of the plant is 160,000 tons per year.



Main conclusions:

- The proposed area has a large established resource potential (the gold-bearing horst is under-explored).
- Two large companies are working in the district. In addition to them, there are only two factories in the district, with a technology of inferior extraction.
- The market share that can be occupied by a plant of the proposed capacity is no more than 8%.
- There are two large ore sites in the region with a large concentration of rich ore. They are located 60 km apart. And they are a bit smaller. In the future, it is possible to build two such plants in different places, they will complement each other.
- As a business prospect and a reserve for the resource base, agreements have been reached with the owners of four gold ore facilities, with two of them in the process of concluding contracts, on the basis of a production sharing agreement in the ratio of 80% to 20%.
- The legislative base allows conducting the proposed business without restrictions. Registration of all the permits, registration of companies and property is transparent and affordable - this is a standard procedure in a short time (1 month).
- The payback period of the project is less than 2 years.

Advantages of the Project

- Madagascar is the fourth largest island in the world.
- The legislation provides no profit tax in the first 5 years.
- Providing tokens in the form of a contract for the supply of gold. The contract provides for:
 - terms of delivery of metal with transfer to the buyer in accordance with Incoterms 2010;
- Transparent technology of the blockchain in the form of register of tokens.
- The discount principle applied is fixed in the price for the physical weight of the goods and is protected from inflation.
- Availability of government support in Madagascar for gold production projects.
- Cross-border circulation of goods (the possibility of using metal accounts).
- Constant control over the course of development of investments is carried out by an independent international auditor.

The Plan of Attraction and Development of Investments

This project involves crowd-funding investments in blockchain asset GOLD TOKENS which is backed by gold mine in Madagascar in physical terms and will be placed on the OpenAurum platform.

Of the total number of tokens in the course of Pre-Sale and Token-Sale, 85% GOLD TOKENS will be realized, 10% GOLD TOKENS team reserve, 3% GOLD TOKENS bounty campaign, 2% GOLD TOKENS advisors reserve.

Security token will be conducted in 6 different phases.

Phase 1 August 2018 @ US\$0.35

Phase 2 September 2018 @ US\$0.45

Phase 3 October 2018 @ US\$0.50

Phase 4 December 2018 @ US\$0.60

Phase 5 February 2019 @ US\$1.00

Phase 6 Q2 2019 to be listed in Coineal Exchange

The Open Aurum Ecosystem.

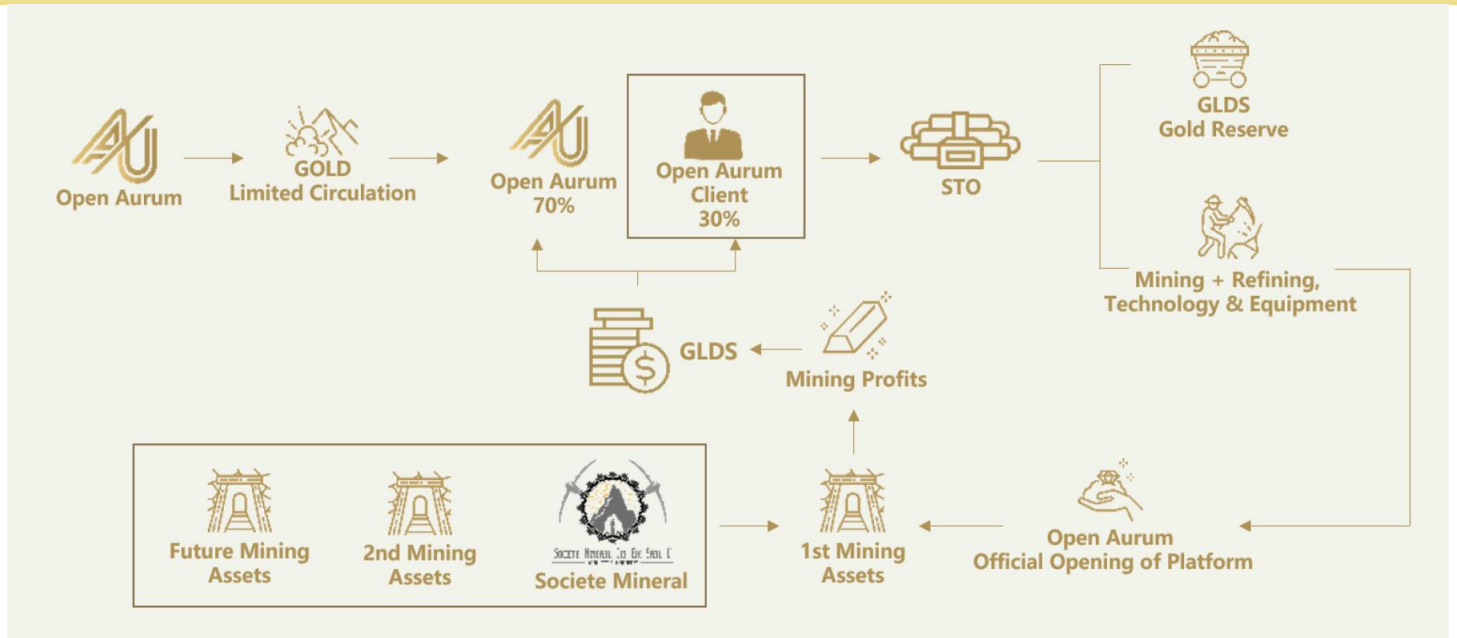
- Our ecosystem is powered by two native tokens: GLDS and GOLD
- GOLD is our primary product, the security token of Aurum Asset Management whose value is backed by physical gold mines and their production
- GLDS is our stable coin, backed by gold providing a safe haven for cryptocurrencies owners

STABLEGOLD [GLDS]

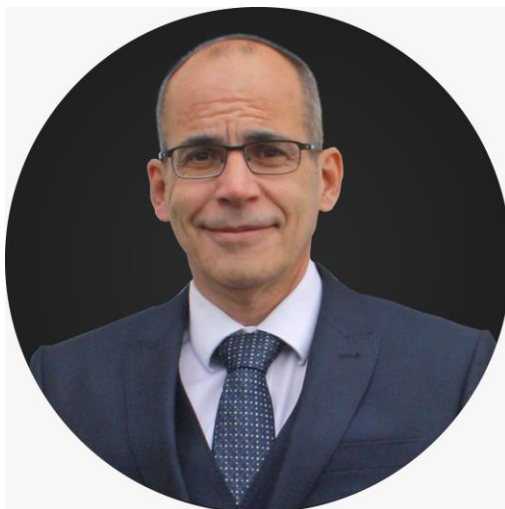
- The gold standard for value exchange in the Ethereum ecosystem
- Each token represents 1 gram of 99.99 gold
- Records can be publicly accessed and verified using our Asset Explorer
- Zero fractional reserves
- Physical redemption can be done with appointed partners

OPEN AURUM [GOLD]

- Tradable and transferable
- To be listed on a number of Crypto Exchanges, the first being Coineal Exchange
- Quarterly reported inner Gold value I.e. a stable and increasing Gold Floor linked to smart contract
- •GOLD can be used to purchase quarterly in-depth market commentary and analysis on all crypto and Gold developments
- GOLD held in the most secure Ethereum wallet
- Dividends will be given as GLDS, where token holders can exchange for physical gold



Team



MATEEN SAL KHALID

Chief Executive Officer

Mateen Sal Khalid set up Open Aurum in February 2016. In Open Aurum, he initiated Open-ended Asset Finance concept. At the same time, he launched its inclusive mining business and the company's crypto strategy.

Khalid studied at the Haas School of Business at the University of California, Berkeley, majoring in financial engineering. Before founding Open Aurum, Khalid served as regional marketing director for Rio Tinto's global subsidiary.

With more than 16 years of management experience and outstanding business foresight, Khalid believes that combining blockchain technology with valuable physical assets will lay the foundation for traditional financial markets as the world enters the new financial era.



JIM WARNER

Chief Operating Officer

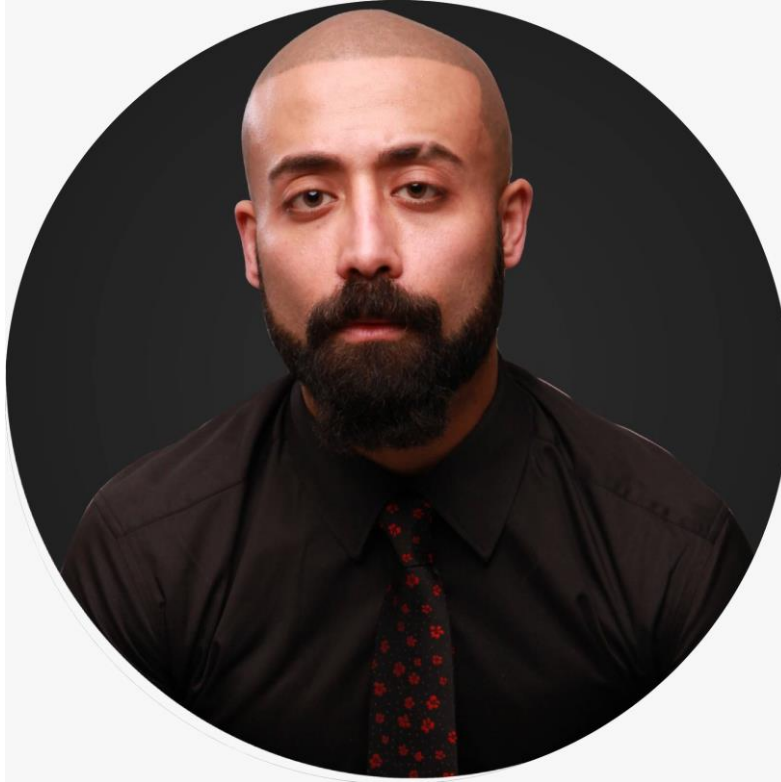
Jim Warner graduated from Imperial College of England with a double degree in applied Mathematics and statistics.

Warner was an operation director at Bouygues and was charged in the company's main construction business.

After that, Warner continually served as operation director for Australian FMG.

With more than 20 years of international experience in the construction and mining industry, Warner was appointed as COO of Open Aurum.

He resolved to bring Open Aurum to the frontier of the market.



MAZ KEEN

Chief Technical Officer

Maz Keen has a degree of master from Princeton University. He has rigorous logic ideation and a keen sense of business. After graduation, Keen's career began with Morgan Stanley. Later, he worked for Citibank in the United States.

After 2012, he devoted himself to decentralization technology. He went to South Bay, San Francisco, where high-tech businesses gathered, for further study. Keen joined Open Aurum in May 2016.

He has made a huge contribution to the development of technology platform, so that Open Aurum has been among the forefront of the crypto market.



NICODEMO LOWELL

Chief Marketing Officer

Nicodemo Lowell is responsible for the technology behind the Open Aurum project, and is one of the leading experts to start linking investment returns to security tokens.

Nicodemo is also a co-founder of the Aurum Asset Management. Nicodemo graduated from University of California, LA with a bachelor's and master's degree in science and is a candidate for a 2nd master's degree in digital currencies at the University of Nicosia.

Nicodemo is passionate about science and blockchain technology and is researching new and innovative ways of merging physical sciences with blockchain, IoT and artificial intelligence.

Summary

Following the latest trends in the development of the blockchain, the business world adopts bitcoin as an investment tool for projects that require quick decision making. The speed of investment and the lack of intermediaries give the chance to implement the project before the competition and get the result directly to the Investor. One of the best investment options that solve many blockchain problems is the creation of security for a token in the form of a contract for the supply of real gold. The reliability of the gold standard and the optimality of circulation of the blockchain are complementary creating an ideal investment product, namely, a gold token.

The project that we offer to the investors' community is simple and straightforward: Investments in gold production by advanced technology in a well-known mining area. Madagascar is the 3rd country in Africa in terms of reserves and production. Gold mining is at the start of growth. The removal of restrictions and the arrival of large companies in the country, can reasonably decide to create own gold production. Presence of residual ore stock accumulated in the previous period, extraction with large losses during the process created a resource base for secondary gold recovery applying the proven technology without risks in the composition of raw materials. The decision to create the production has been prepared by our specialists located in the area since 2009. Strong relations with all participants of the local market, including state bodies, have been created. A logistics project has been developed that combines 3 sources of resources:

1. Tailings with high gold content, small in size, constantly replenished.
2. Large volume tailings with a smaller gold content.
3. License area for own production of ore mass.

Contracts of the supply option with owners of tailing dumps and licenses for the operating deposit have been concluded. Thus, the conditions for a 5-year production load are created, regardless of external influences.

The project pays off within 30 months, with the possibility of reinvesting the revenue received into new issues of tokens or into own projects.

By owning the OpenAurum token, you protect your present and secure your future.