Digital Mine Token (DiMiTo) White Paper

***Abstract*—The Digital Mine Token (DiMiTo) project introduces a novel framework for democratizing investment in the traditional mining sector through the use of decentralized finance (DeFi) principles. By tokenizing the future net benefits of mining operations, DiMiTo aims to provide a transparent, liquid, and accessible investment vehicle for a sector historically restricted to institutional and high-net-worth investors. The core mechanism involves the issuance of standardized ERC-20 tokens on the Binance Smart Chain (BSC), with each token representing a claim on a portion of the profits from a specific mining project. Capital raised through presales is primarily used to enhance downstream infrastructure, such as refining facilities, thereby increasing overall profitability. The project's tokenomics are designed to create value through on-chain mechanisms, including token buybacks, liquidity injections, and secondary market making, rather than traditional dividends. A robust legal and reporting framework ensures transparency and accountability, protecting token holders from operational risks while binding mine owners to strict contractual commitments. This white paper outlines the problem statement, operational model, token specifications, distribution mechanisms, and legal safeguards that underpin the DiMiTo ecosystem.**

I. Introduction

A. Bridging Traditional Mining and Decentralized Finance

The integration of blockchain technology with tangible assets creates mechanisms for unlocking liquidity, enhancing transparency, and expanding market access in traditionally capital-intensive industries. One of the most effective applications of this integration is the tokenization of mining revenue streams, enabling fractional participation in the economic output of physical resources.

DiMiTo issues digital tokens representing a defined share of the future net benefits (excluding ownership) from one or more mining projects. Token holders are entitled to a proportional share of financial returns generated by these operations, without assuming the operational responsibilities of direct mine ownership.

B. Market Problem

Historically, mining investment has been restricted to institutional actors and private stakeholders due to regulatory barriers, high capital requirements, and geographic limitations. These restrictions have limited participation in one of the world's most resource-rich industries.

Tokenization reduces entry barriers and introduces a transparent, permissionless vehicle for individuals to participate in mining-based cash flows.

C. Operational Model

Tokens are issued via structured presales, with each token linked to a predefined portion of net benefits from one or multiple mining sites. Raised capital is primarily allocated to downstream infrastructure development (e.g., refining facilities), enhancing the value of extracted raw materials. Development typically spans 6–12 months before profit distribution commences.

Once production begins, token holders receive exposure to mine profits through:

- **Token Buyback**: Repurchasing tokens from open markets to reduce circulating supply and support price.
- **Liquidity Addition**: Injecting profits into decentralized exchanges to improve market depth and price support.
- **Market Making in Secondary Market**: Strategic buy/sell positions on-chain to reinforce market stability.

A portion of presale funds is allocated to an initial liquidity pool to ensure immediate tradability post-sale, while a secondary market allows for peer-to-peer token exchanges at user-defined prices.

D. Transparency and Reporting

A real-time reporting interface provides complete visibility into capital allocation, construction milestones, operational expenses, and profit generation. This system ensures accountability throughout the project lifecycle.

E. Legal Framework and Commitments

Token buyers participate without operational obligations, whereas mine owners are required to submit verified licenses, feasibility studies, and enforceable collateral. This framework safeguards token holders from operational risks while ensuring compliance and accountability from mine operators.

II. Token Specifications

A factory smart contract generates standardized ERC-20 tokens for each mining project:

- **Unique Name and Symbol**: Sequential identifiers (e.g., Digital Mine Token #1 / DMT1).
- **Underlying Asset:** Each token corresponds to a predefined portion of net profits from specific mining operations.
- **Standard:** ERC-20, ensuring compatibility with wallets, decentralized exchanges, and DeFi infrastructure.

- **Blockchain:** Binance Smart Chain (BSC) for low transaction costs and rapid block finality.
- **Supply and Decimals:** Total supply of 1,000,000,000 units with 18 decimals.

III. Token Distribution & Presale Structure

Token generation and distribution within the DiMiTo ecosystem are fully automated through a dedicated factory smart contract, which standardizes the deployment of each mine token and manages its associated presale. This approach ensures efficiency, traceability, and transparency, while maintaining strict separation between individual offerings.

A. Token Deployment Process

Upon initiation, the factory performs the following actions:

- **ERC-20 Token Deployment**: A new token contract is created with a fixed total supply predefined for the specific mining project. This supply is immutable, ensuring that token holders can fully quantify their participation.
- **Initial Liquidity Pool Creation**: Immediately upon token deployment, a minimal liquidity pool is established on a decentralized exchange, seeded with a single token. This initial liquidity serves as the foundation for post-sale trading and ensures that token holders have immediate market access, even at a low depth.
- **Presale Contract Initialization**: The entire token supply is allocated to presale smart contract. This ensures that no tokens are pre-allocated to any party, guaranteeing a market-driven, transparent initial offering.

B. Presale Structure and Mechanics

DiMiTo presales are structured to support multiple, independent sales for different mining projects, allowing the ecosystem to scale seamlessly across diverse assets. Each presale is **project-specific**, meaning that the tokenized benefits, risk profile, and allocation logic are clearly defined and communicated to participants in advance.

During the presale:

- Participants purchase tokens at a **fixed, publicly disclosed presale price**.
- No tokens are reserved for internal stakeholders, founders, or early partners. The full allocation is distributed exclusively via the presale smart contract.
- Each presale instance functions autonomously, isolating risk and ensuring that capital raised for one mining project cannot be diverted to another.

C. Fund Allocation

Capital raised during the presale is allocated according to a clearly defined structure to ensure **efficient deployment and market functionality**:

- **Development Capital (90%)**: The majority of presale proceeds are directed toward **downstream infrastructure development**, such as construction or upgrading of refining facilities. This allocation enhances the value extracted from raw materials and accelerates the timeline to profitability.
- **Initial Liquidity (10%)**: A portion of funds is reserved to establish liquidity pools on decentralized exchanges. This ensures immediate buy/sell access for early participants and supports orderly market functioning.

The presale and distribution model are designed to balance **liquidity, transparency, and project accountability**:

- By allocating a defined portion to liquidity immediately, early participants are assured of tradability without waiting for secondary market matching.
- Full allocation via presale contracts ensures **market-driven token pricing**, eliminating pre-allocation biases.
- Segregated presale instances for each mine guarantee **project-specific transparency** and simplify profit tracking, reporting, and legal compliance.

Through this structured approach, DiMiTo ensures that token distribution is fair, predictable, and aligned with both the operational needs of mining projects and the financial interests of token holders.

IV. Secondary Market

each DMT token is supported by an on-chain secondary market, allowing participants to trade tokens directly with one another in a peer-to-peer manner. This market complements the automated liquidity pools and provides flexibility for those who prefer strategic trading over immediate execution.

Key features include:

- **Custom Pricing**: Participants can set their own buy or sell prices, enabling organic price discovery based on supply and demand. This allows sellers to wait for favorable pricing and buyers to seek advantageous entry points.
- **Non-Custodial Settlement**: All trades occur directly on-chain via smart contracts, eliminating the need for intermediaries and ensuring that funds are securely exchanged without counterparty risk.
- **Strategic Exit Option**: The secondary market enables participants to plan exits according to market conditions rather than being forced to sell immediately at prevailing AMM prices.
- **Complement to AMM Liquidity**: While automated market maker pools provide instant, low-depth trading, the secondary market gives participants greater control over price and trade execution, particularly for larger transactions or

longer-term strategies.

This dual structure (liquidity pools for immediate trading and the secondary market for controlled, strategic exchanges) ensures that all token holders can participate according to their individual goals and risk preferences.

V. Transparency Platform

To ensure **full accountability** and foster long-term trust within the DiMiTo ecosystem, a dedicated **Transparency Platform** is available via the project's website. This platform provides both real-time and historical visibility into the financial and operational performance of each mining-backed token offering.

Key Features:

- **Expenditure Breakdown:** A comprehensive overview of how presale funds are allocated and utilized, including:
  - Refining infrastructure
  - Equipment acquisition
  - Legal and compliance expenses
  - Operational reserves
  - Liquidity provisioning
- **Profit Tracking**: Continuous monitoring of mining and refining operations, providing:
  - Gross and net profit tracking
  - Profit trends over time
  - Indicators of distribution readiness for token holders
- **Token Economics Dashboard**: For each Mine Token, users can access detailed metrics such as:
  - Total and circulating supply
  - Presale price and current market price
  - Amounts of profits allocated to buybacks or liquidity injections

Stakeholder Benefits:

This transparent reporting framework ensures that all participants (from retail investors to institutional partners) can confidently:

- Assess the financial and operational performance of each project.
- Verify claims related to development progress and profit generation.
- Track the distribution and reinvestment of profits.

By combining real-time data with historical reporting, the Transparency Platform reinforces accountability, reduces informational asymmetry, and strengthens trust across the DiMiTo ecosystem.

VI. Legal Terms & Commitments

To ensure fairness, transparency, and the protection of all participants, DiMiTo establishes clear legal boundaries and contractual obligations. While token buyers participate without operational responsibilities, mine owners must provide verified documentation, enforceable collateral, and formal contractual commitments. These measures protect token holders from operational and financial risks, ensure accountability for project operators, and maintain the integrity of the DiMiTo ecosystem.

A. Token Buyer Rights and Responsibilities

- No operational or legal commitments.
- Token ownership represents participation in future net benefits, not equity or ownership.
- Buyers are not liable for mine owners' obligations.
- Financial risk is limited solely to the invested capital.

B. Mine Owner Obligations

Exploration Documentation Requirements

- Valid exploration license.
- Approved technical feasibility study.
- Collateral equal to 2.5× the financing received.

Extraction & Operation Documentation Requirements

- Valid exploitation/operating license.
- Approved technical and economic feasibility report.
- Expert report from a certified court expert.
- Collateral equal to 2.5× the financing received.

Processing & Refining Documentation Requirements

- Valid processing/factory license.
- Approved technical and economic feasibility report.
- Expert report from a certified court expert.
- Collateral equal to 2.5× the financing received.

General Commitments

- Formal contract with the platform listing pledged collateral, licenses, equipment, and project site.
- Collateral legally registered under platform custody.
- Collateral and documentation stored in a bank deposit box.
- If collateral is insufficient, additional real estate must be pledged, or financing will be reduced.

Enforcement & Compliance

- Non-compliance triggers legal remedies and enforcement of pledged collateral.
- The platform may suspend or terminate participation of any mine failing to meet legal or operational commitments.

VII. Conclusion

The Digital Mine Token (DiMiTo) ecosystem represents a transformative convergence of traditional mining and decentralized finance. By tokenizing the future net benefits of mining operations, DiMiTo provides a **transparent, liquid, and accessible investment vehicle** for a sector historically reserved for institutional actors and high-net-worth investors.

Through a combination of structured presales, automated ERC-20 token deployment, on-chain secondary markets, and robust profit distribution mechanisms—including buybacks, liquidity injections, and market-making—the DiMiTo framework aligns the interests of token holders with the

operational success of mining projects. Token holders gain exposure to economic returns without assuming operational or legal obligations, while mine owners are bound by enforceable collateral, verified documentation, and contractual commitments, ensuring accountability and risk mitigation.

The platform's **Transparency Module** further strengthens trust by providing real-time and historical insight into financial allocations, operational milestones, and token economics. This ensures stakeholders can verify project performance, track profit reinvestment, and participate with confidence.

Ultimately, each DiMiTo token serves as a bridge between physical resource extraction and decentralized financial markets, **democratizing access to one of the world's most profitable industries** while maintaining legal, operational, and financial integrity. By combining innovation, accountability, and transparency, the DiMiTo project establishes a model for the future of asset-backed tokenization in the mining sector.