Metaltech Coin White Paper v3.8.1

1. Introduction
   I. A crypto-financial hybrid
   II. The minting and issuance of a Metaltech Coin
   III. The Metaltech Coin basket of metals
   IV. Technology metals: the most profitable step in the value chain

2. The Metaltech Coin Solution
   I. The problem with cryptocurrency markets
   II. Benefits of the Metaltech Coin
   III. Who uses the Metaltech Coin
   IV. Warehouse costs and inflation
   V. A note on inflation

3. What supports the integrity of the Metaltech Coin network?
   I. Decentralized digital assets (cryptocurrency)
   II. Decentralized physical assets (metal)

4. What is the “intrinsic value” and “price floor”?
   I. How do I exchange a coin for physical metal (the “cancelation” process)?
   II. I can’t take delivery of metal – so how does the price floor of the coin apply to me?

5. Understanding the market price
   I. Protecting the price floor through arbitrage
   II. A detailed example of Metaltech supporting the price floor (arbitrage of the lower bound)
   III. An example of cancellation, from the perspective of the consumer

6. Who is Metaltech

7. Cost structure

8. Legal Overview
I. Metaltech Coin in a nutshell
II. Contractual situation related to the Metaltech Coin
III. Exit scenarios
IV. Financial market regulatory considerations

9. Legal Structure of the Metaltech Coin
1. INTRODUCTION

The Metaltech Coin grants the holder direct ownership of a special basket of metals, chosen for their unique industrial applications to future technology and commodity growth sectors. The Metaltech Coin is comprised of both a digital (crypto) and physical (metal) component, where the link between the two is maintained by Metaltech, but decentralized through the use of independent service providers. The holder of a coin can take delivery of the underlying metal, which supports the minimum price of the coin and grants full transparency. The integrity of our network is maintained by rational economic principals, which are a consequence of using competing service providers, warehouses, and auditors. Put simply: our coin can never hit zero and we are decentralized.

Our unique legal, technology, regulatory, and trading framework makes us the only provider to grant such transparent ownership and liquidity, which paves the way for Metaltech to disrupt the global commodities trading industry. The Metaltech Coin is only the first step, and a proof-of-concept, as we embark on a journey to revolutionize and disrupt commodities and trade finance – one of the largest industries in the world. We have a vision of truly democratizing commodities markets.

Take the first step in profiting from the metal markets being unlocked to the retail investor through the power of the blockchain. Like never before, tap into an exciting basket of technology metals which have been uniquely selected to leverage strategic commodity growth themes.

I. A crypto-financial hybrid

Human prosperity in its very essence is derived from technology's ability to create value. Over US$ 32 trillion of new economic growth will be unleashed by technologies such as advanced robotics and AI (+US$ 11tn), IoT and cloud technology (+US$ 12tn), and autonomous electric vehicles (+US$ 4.5tn). Look to the future and you see that growth and technology are intertwined and unstoppable. Everyday devices are becoming “smarter”, technology is becoming more integrated and wearable, and it's all made of metal.

Technology is metal, and metal is the Metaltech Coin. It sits at the intersection of cryptocurrencies and traditional financial markets, pioneering the realm of commodity-backed coins.
The Metaltech Coin grants direct ownership of metal which is held in Metaltech custody on behalf of the coin holder. The metal can be physically delivered in exchange for the coins, providing the Metaltech Coin with an intrinsic value and therefore a price floor. An identical and static basket of metal underlies each Metaltech Coin - so each coin is alike and equivalent (fungible).

II. The minting and issuance of a Metaltech Coin

We are strictly in the business of selling metal on the blockchain. Upon an initial purchase, as opposed to buying the coin in the secondary market, Metaltech will enter into a direct sales agreement for nothing other than the basket of physical metal. The Metaltech Coin is only issued afterward to enhance the customer experience and make the metal more easily tradable. The real product is always the underlying metal, whereas the Metaltech Coin is nothing other than a digital identification tool. The old-world parallel would be the purchase of metal from a smelter, and then asking a warehouse company to issue an identification paper upon the underlying product – something like a “warehouse receipt”. When you hold or re-sell the warehouse receipt you are still dealing with the underlying metal directly, but in the form of paper. You’re not trading the warehouse receipt itself, but it will still be changing hands because it is the tool that accounts for the metal.

This is why Metaltech is issuing and selling physical metal, and not selling a Metaltech Coin. The Metaltech Coin is the accounting tool, similar to a warehouse receipt. We are minting the Metaltech Coin later in order to apply the most cutting-edge technology to the old-world process. Welcome to the next step in the evolution of commodity markets.
III. The Metaltech Coin basket of metals

The Metaltech Coin ("Coin") is the first crypto-financial product which grants you direct ownership to our basket of strategic metals that are key to future technologies. The metal is held and audited by independent warehouses, and available for delivery upon request. Every coin can be thought of as a digital identification for the ownership of:

- **Technology metals**: 25g copper, 5g tin
- **Electric Vehicle metals**: 25g aluminium, 6g nickel, 1g cobalt
- **Stability metals**: 3m g gold, 1.5m g platinum

We only mint coins after the underlying metal has been acquired and inspected by a third party, so you can trust that the coin price can never hit zero. The Metaltech Coin has all the upside of technology markets, but none of the downside of Bitcoin. This composition has been specified to optimize the risk profile, volatility, and the cost of carrying the underlying basket.

We are conducting an Initial Metals Sale ("IMS"), and not an Initial Coin Offering ("ICO"). Unlike an ICO, we are not selling a product for far-dated delivery or crowdfunding on behalf of product development. We are selling metal within a fully developed legal, regulatory, and technological framework.

IV. Technology metals: the most profitable step in the value chain

Everyone agrees that technology is unstoppable but investing in companies can be risky because competition means that a stock can go to zero. Even in cases where there is a clear commodity theme, like the inevitability of Electric Vehicles, how can you choose the right investment? There are so many companies competing in the space, even analysts on Wall Street find it impossible to predict which will be the clear winner. Stocks are a relatively risky way to get exposure to any trend. By their very nature, emerging technologies need to be better or cheaper in order to win market share. Profit margins shrink for investors in companies like Tesla due to the need to engineer some level of cost parity for Electric Vehicles relative to regular automobiles. In cases like this, it is the shareholder who takes the hit, not the consumer.

Natural resource companies are also not the best way to benefit from technology growth trends. Mining companies are usually controlled by emerging market governments which are known to seize a large part of the profit margin.

All the technology metals in our basket have been chosen to benefit from a strategic commodity theme, and all, with the exception of gold, have industrial uses and therefore will always command some intrinsic value. The underlying metal basket can be delivered on request, which creates a price floor to the coin.
The Metaltech Coin will list under the ticker METALTECH COIN. The exact price of the coin at Initial Metals Sale depends on the price of the metal at that date, but the intrinsic value of the basket is close to CHF 0.70 at the time of writing.

We believe the price of this basket will outperform over the medium and long term, driven by the implementation of new technologies such as robotics, drones, and wearable tech. Investors in cryptocurrencies are by their very nature forward-looking and would agree that the technology metals’ growth story is a key driver of prices. In terms of the Electric Vehicle/EV play, we have already seen a great appreciation in the prices of key battery metals - notably cobalt. Growth projections for other base metals - like nickel, copper, and aluminum - forecast greater demand stemming from Technology and Electric Vehicle proliferation. Stability metals have been chosen to lower the cost of carry and decrease volatility. The use of gold also provides enhanced liquidity and protection against currency and inflation risk.

2. THE TIBERIUS COIN SOLUTION

I. The problem with cryptocurrency markets

Cryptocurrencies may have no intrinsic value – so asset-backed coins make sense – but the main problem is that they’re just too volatile and highly correlated. It doesn’t matter how many different cryptocurrencies you own, when prices fall it is like you hold just one in your portfolio. Diversification is hard to find. The reason why all coins plummet together (correlation and volatility) is that there is simply not enough crypto-to-fiat liquidity during a market panic. You can trade Bitcoin, Ethereum, and a few other cryptocurrencies against only a handful of fiat currencies. When this happens, the panic selling is the same as being in a crowd where everyone is pushing to exit through the same door. This panic is called “illiquidity”.

When you exchange the Metaltech Coin for fiat currency you are really going through metal markets as a hidden middle step. Metal markets are large and liquid enough to soak up any volatility in cryptocurrency markets, providing a stable price floor – solving the illiquidity problem - but without capping any of the upside.

II. Benefits of the Metaltech Coin

The Metaltech Coin, in essence, boils down to having less price risk than other cryptocurrencies. Although our metal-backed cryptocurrency has multiple applications and users of varying background, the Metaltech Coin begins and ends with being safer. Safety means both stability and security.
More “stable”
Having less price risk during normal trading means that the Metaltech Coin is (1) less volatile than other cryptocurrencies and (2) can only drop by a limited amount. The stability of the coin is supported by the intrinsic value of the underlying metal. Commodity markets are already much larger and more sophisticated than cryptocurrencies. You can tap into these growth markets through the Metaltech Coin.

More “secure”
Security means protection of your wealth through accountability and good practices. Your metal is held in-warehouse and inspected by independent parties. You are protected as the owner of the underlying metal under the legal jurisdiction of Switzerland, the country in which we are based. The underlying metal is always 100% collateralized and thus has value protection, even in the case of a global melt-down or otherwise.

III. Who uses the Metaltech Coin

Investors
The Metaltech Coin provides exposure to the cryptocurrency market and is designed to have a price floor which can never, and will never, go to zero.

Correlation protection when cryptocurrency markets crash
There is a huge bottleneck in liquidity between cryptocurrencies and fiat currencies. Only a few cryptocurrencies can be exchanged for fiat, driving huge price drops when these few crypto-to-fiat liquidity channels become distressed
General cryptocurrency market hedge
The Metaltech Coin is not only more stable in price, but it solves the biggest problem in the crypto market, namely crypto-to-fiat liquidity. The Metaltech Coin is not only easily exchangeable for commodities, but the commodities themselves are uncorrelated to cryptocurrency markets.

Cryptocurrency market participation
We are in the midst of the legitimization of cryptocurrencies as an asset class, which means a huge inflow of institutional capital. The Metaltech Coin risk profile perfectly lends itself as a means of participation for funds, family offices, and high net worth individuals. The Metaltech Coin is an excellent sales pitch for the new entrant money manager desiring crypto exposure: an investor who has less trust in cryptocurrency markets than millennials but has a lot more capital to deploy.

Consumers: both retail and industrial
The Metaltech Coin enables all the clever applications of the blockchain but is safer for consumer finance uses than conventional cryptocurrencies.

Currency risk in emerging markets like Turkey and Argentina
Currency risk is one of the greatest issues associated with living in an emerging market nation. Not only is wealth disparity crippling low-income populations around the world, but serious issues surrounding wealth erosion compound low living standards and inequality. It is sovereign credit issues which drive this destruction of value, with the “decentralization of value” in the form of Bitcoin being born just months after nothing less than the US housing credit crisis of the late 2000s.

Commodities in consumer finance
A little inflation is healthy for the economy, it means that asset prices are rising. However, run-away inflation in countries such as Venezuela (approaching 1 million percent), Argentina (c. 40%), and Turkey (c. 15%), means that prices of everything from food to medicine are far outpacing any real economic growth. Inflation becomes a problem when prices are rising but wages aren’t. Commodities, and in particular metals, have long been known to be an inflation hedge. Metals are traded in every currency, which means that the holder of a Metaltech Coin – the owner of metal – is never subject to the currency risks of any one nation. If one currency goes down, you can still exchange metal for another which is going up. In reality, the Metaltech Coin is protected as it will be tradable against multiple currencies (crypto and fiat).
**Commodities as inflation protection**

Commodities are, in their very essence, an inflation protection. The price of a metal in the long run, simplistically, can be thought of as being close to the cost of production. When prices rise due to inflation, it drives up the costs of producing the commodities. As a result of higher wages, more expensive mining equipment, and the costs associated with digging minerals out of the earth, as per the definition of inflation, the price of the metal increases.

In the 23 emerging market countries which have annual inflation rates in excess of 10%, it is clear that it pays to hold the Metaltech Coin. Metaltech wants to help disrupt consumer finance for millions of people by combining the power of commodities and the blockchain as a savings tool.

**Wealth management tool**

As stated previously, the Metaltech Coin provides exposure to a crypto-decorrelated, inflation-hedged, and currency hedged basket of metals – perfectly combining commodity investment with blockchain consumer finance solutions.

**Consumers of metal**

The Metaltech Coin offers value for metal traders and corporate consumers alike. For example, treasury departments of large automotive companies traditionally sit on a lot of cash yet continually consume metal.

**IV. Warehouse costs and inflation**

There is a cost associated with storing metal. This is because we need to pay fees to independent third parties to keep the metal safe, insured, and available for you in-warehouse upon demand. The costs of holding the metal in-warehouse will be paid by Metaltech for the first year after the Initial Sale – this means you are getting free warehouse rental after the initial issuance!

Eventually, warehousing costs need to be passed on to the owner of the metal – which is the Metaltech Coin holder. The owner of the metal must eventually pay for their own storage costs in order to prevent large commodities traders from using the Metaltech Coin as a way of getting free rent! Warehouse costs are less than 2.5% of the value of the metal per year, 12-months post-Initial Metals Sale.

We make paying warehouse fees very simple by charging it in Metaltech Coin directly from your wallet. After the 12-month free rental post-Initial Sale, METALTECH COIN will be charged directly at source through technology. The Metaltech Coin rental in METALTECH COIN will be gathered by Metaltech Technology Ventures, the initial seller of
the metal, and will be traded for Bitcoin and then fiat currency to be paid directly to the warehousing company. This method of charging warehouse fees can be thought of as being an “evaporation model” because, over time, Metaltech Coins will be used to directly fund their own costs.

Warehouse fees will eventually be charged on a daily basis, with the scalability and breakeven cost challenges of the daily drawdown being tackled by more efficient consensus algorithms. The Metaltech Coin eventually intends on doing a hard fork to the Zilliqa platform, which has lower transaction costs than an ERC-20 coin and is linearly scalable.

The small annual cost of carrying the metal is below inflation forecasts for many economies, justifying the warehouse fees as necessary in protecting the notional value of your holdings over the long term (protection against inflation). We can show that holding metal through high inflation is actually much better than holding cash, even with warehouse fees.

V. A note on inflation

If you hold a CHF 100 note it will still have the same number printed on it after a year regardless of inflationary pressures. However, after one year your CHF 100 may only be worth CHF 98 in real terms.

If you own CHF 100 worth of metal, you may pay CHF 2.50 over a year to the warehouse, but the inflation hedge can earn you CHF 3 over the same period. After one year, your CHF 100 worth of metal could be safer than holding cash over the same period.

Long-term inflation rates are higher than annual warehouse costs. In Emerging Markets, you comparably earn by holding metal over cash.
3. WHAT SUPPORTS THE INTEGRITY OF THE TIBERIUS COIN NETWORK?

The Metaltech Coin, in its entirety, is made up of both physical (metal) and digital (crypto) components or assets. It is the job of Metaltech to maintain the link between the two. We decentralize this responsibility through the use of competing independent service providers and auditors.

I. Decentralized digital assets (cryptocurrency)

We use the blockchain to maintain the integrity of the digital (cryptocurrency) assets. The consensus algorithm that supports our blockchain of choice enhances safety and mitigates the risk of theft. The Ethereum ERC-20 coin standard used at the Initial Metals Sale (IMS) uses a Proof-of-Work (PoW) protocol which is planned to be replaced by Proof-of-Stake (PoS).

At a later date, we will move to the Zilliqa platform, which uses a practical Byzantine Fault Tolerant (pBFT) protocol. The use of Zilliqa will solve any scalability issues and drastically improve the economics and handling of metadata for our coin. We see Zilliqa as a market leader in terms of cryptocurrency technology.

II. Decentralized physical assets (metal)

We use a diversified network of independent and competing service providers to support the physical (metal) assets. Our metal is sourced from many locations globally, across a number of independent and competing companies. The decentralized nature of the network enhances safety and mitigates the risk of theft. Further, the metal will be monitored and insured by an independent party. Integrity and security are paramount at Metaltech, as Metaltech Asset Management – part of the Metaltech group of companies – is regulated by FINMA (Switzerland) and BaFin (Germany).
The Metaltech Coin network

<table>
<thead>
<tr>
<th>Component</th>
<th>Digital asset</th>
<th>Physical asset</th>
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<tbody>
<tr>
<td>Exists in the form of</td>
<td>Cryptocurrency</td>
<td>Metal in-warehouse and in-vault</td>
</tr>
<tr>
<td>Decentralization scheme</td>
<td>Distributed Ledger or DLT</td>
<td>Sourced &gt;600 warehouses globally</td>
</tr>
<tr>
<td>Specifications</td>
<td>ETH ERC-20 (later ZIL)</td>
<td>Static basket of metal</td>
</tr>
<tr>
<td>Auditing</td>
<td>Proof-of-Work (later pBFT)</td>
<td>Proof-of-Reputation (PoR)</td>
</tr>
<tr>
<td>Rationale of auditing integrity</td>
<td>Game theory principals</td>
<td>Heuristic economic principals</td>
</tr>
<tr>
<td>Cheating mechanism</td>
<td>51% attacks</td>
<td>Business fraud and collusion between competitors</td>
</tr>
<tr>
<td>Cost of cheating</td>
<td>Loss of hypothetical investment, being too large to risk</td>
<td>Destruction of legacy business, credibility, and lawsuit</td>
</tr>
<tr>
<td>Pay-off of cheating</td>
<td>Much less than required investment</td>
<td>Much less than the legacy business that would be risked</td>
</tr>
<tr>
<td>Probability of success of cheating</td>
<td>Extremely low</td>
<td>Extremely low</td>
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### 4. What is the “Intrinsic Value” and “Price Floor”?  

The “intrinsic value” refers to the market price of the basket of underlying metal, which you own outright when you hold a Metaltech Coin. The price of a Metaltech Coin should not stay far below the intrinsic value because of economically rational incentives. Metaltech and other market participants will always be willing to buy a Metaltech Coin in the market for almost as much as the underlying metal can be sold for (i.e. the intrinsic value). When the Metaltech Coin is too cheap you can buy the undervalued coin in order to obtain the metal, which can then be sold higher at a profit (this is called “arbitrage”). Free money doesn’t exist for long because traders will actively seek to make a risk-free profit by buying undervalued coins. When the market decides upon the lowest fair value and price of the coin, buying operations will support the price. The price floor strengthens as competition increases as traders compete to exploit risk-free profits from “cheap” coins.

Delivery of the underlying metal is done by “cancelling” the coin using the Metaltech Coin app or website. Simple instructions, which are secured using the blockchain, instruct Metaltech to make delivery of the metal.

The coin is destroyed and will thus be removed from circulation as it is no longer collateralized (hence “cancelled”). The former holder of the coin will now be entitled to receive the physical material but has forgone ownership of the coin. This entire process is decentralized using smart contracts. Each coin that is cancelled decreases the total number of circulating coins and hence lowers the market cap of the Metaltech Coin network, keeping the number of coins in-line with the amount of metal secured in-warehouse.
II. I can’t take delivery of metal – so how does the price floor of the coin apply to me?

Even if you can’t transport metal there will always be an investor who can. It is the job of investors to keep markets efficient, not regular people. Investors support the price floor, not retail customers. If prices fall too much below the intrinsic value, there should always be an investor in the market who will be willing to buy the coin for a higher price.

Think about currencies, or when you buy gas to fill up your car: regular people only make up a small portion of the market, it is the investors who act on a much larger scale who keep prices stable.

5. UNDERSTANDING THE MARKET PRICE

The market price of the METALTECH COIN coin can be thought of as:

\[
\text{Coin Price (METALTECH COIN )} = \text{Intrinsic Value (IV)} + \text{Market Premium (MP)}
\]

**Intrinsic value (IV)**

IV is the total market value of the basket of metal underpinning each coin.

**Market Premium (MP)**

MP is the differential between the coin market price (METALTECH COIN) and the value of the underlying metal, or intrinsic value (IV). The market premium (MP) is expected to be positive at most points in time, as market participants should pay a premium for the utility provided by the coin. It is important to note that the market premium can go also negative, in cases where there is a broader market sell-off or when liquidity is thin.

At any point in time, the basket of metal which you own by holding each coin will be disclosed to the public on the Metaltech website, meaning that anyone is able to calculate the IV of each coin and back-solve to find the MP.

I. Protecting the price floor through arbitrage

The price floor is based on economically rational arbitrage principles, which means market participants are incentivized to support the coin price (and can expect to profit in doing so). This is done by buying cheap coins and canceling them in order to receive the more valuable underlying physical metal – aka arbitrage. As any coin holder has the right to cancel a coin, the free participation in this arbitrage activity provides the cornerstone for mitigating price risk. Retail investors still benefit from the liquidity that investors provide in protecting the price floor (buying undervalued coins) because investors should always provide a bid (buy order to support prices) for fractions of coins as they aggregate full units. The economic break-even to arbitrage the lower bound is determined by (i) the tradable coin price (METALTECH COIN), (ii) the estimated intrinsic value (IV*) of the basket inclusive of costs which is observable at any time (and can be reasonably estimated given basket composition and live prices), and (iii) and some risk premium (RISK) demanded by the investor.
The RISK will be a function of liquidity constraints and incorporates the volatility of the securities, market depth, and expected time required to sell the metal on an exchange or otherwise. Investors, including Metaltech, are incentivized to place a bid (buy order which support the market) at the given price:

\[ \text{TXC} \leq \text{IV}^* - \text{RISK}_{\text{est}} \]

Metaltech intends to work a “perpetual bid” (PB) in the market, such that at any time a seller is able to find liquidity and use it as a price floor. The transparent pricing of metal exchanges, as well as the fact that some of the underlying metal contracts can be sold on-exchange (without incurring costs of physical delivery), should increase investor participation and incentivize competition which improves the best bid in the market.

II. A detailed example of Metaltech supporting the price floor (arbitrage of the lower bound)

1. Assume that market conditions are such that, according to Metaltech, the Coin trades well below the estimated intrinsic value IV* (what US$ value Metaltech expects to receive in the market per toke less the cost of execution, RISK)

   \[ \text{METALTECH COIN} \leq \text{PB} << \text{IV}^* - \text{RISK}_{\text{est}} \]

2. Metaltech works a bid (works to buy) at PB \( T=t \). Over some interval of time \( \text{METALTECH COIN} = \text{PB} \ T \) such that Metaltech has acquired, e.g. METALTECH COIN 1,000,000 at an average cost of PB ave

3. Metaltech, the owner of METALTECH COIN 1,000,000, uses the smart contract features of the coin to trigger the cancellation procedure of a full basket. Metaltech instructs the independent holder and auditor of all the metal in the Metaltech Coin network to break apart the global certificate and gather the metal which corresponds to the amount of metal owed to Metaltech.

4. The independent holder and auditor of all the metal in the Metaltech Coin network now creates a new global certificate to hold all the metal ownership contracts still in their custody.

5. The independent holder and auditor of all the metal in the Metaltech Coin network delivers the ownership documents owed to Metaltech, which correspond to the coins which were cancelled earlier.

6. The full basket of metal is received by Metaltech. Metaltech assumes the costs of the cancellation process, which include a 2% fee owed to Metaltech Technology Ventures AG and is relative the value of the underlying metal benchmarked against the day of cancellation’s LME cash price for base metals and either LBMA daily fixing for gold and silver at the discretion of Metaltech Technology Ventures AG. In this case, Metaltech is trading with itself. Metaltech now has two possibilities:
i. Metaltech can sell the exchange-cleared products directly on liquid metal exchanges. This is the quickest and least risky method of liquidation and can be done in USD, EUR, or JPY.

ii. Metaltech could further instruct delivery of the underlying metals from the warehouses and vaults.

iii. If Metaltech were to need specific metals, such as in the case of consumers, they could also sell additional contracts on an exchange while taking physical delivery of others.

7. Regardless of the chosen method of liquidation of the basket, it can be assumed that Metaltech receives some sale price net of costs (SALE) in the form of fiat currency.

For Metaltech Pay-off = SALE – PB average + RISK realised

So, Metaltech makes money if SALE > PB average + RISK realised

8. Metaltech will cancel the coin to reduce the total supply of coins

9. This will support the price of each METALTECH COIN coin, therefore protecting the price floor

III. An example of cancelation, from the perspective of the consumer

1. An investor holds coins which are tradable on the Metaltech in-house wallet such that these coins grant the investor direct ownership of an entire basket of metal. One entire basket of metal corresponds to 1,000,000 METALTECH COIN coins.

2. The investor wants to cancel 1,000,000 coins in order to receive the physical metal corresponding to one basket, so they visit the website or the Metaltech Coin app.

3. There are two requirements for the holder to be able to cancel the coins and exchange them for metal or cash.

3.i. As the investor has 1,000,000 METALTECH COIN coins in their in-house wallet, which amounts to one full basket, when they go onto the website/app they see the "cancel basket" button active and not greyed out as it would be if they held less than a full basket worth of coins in their in-house wallet.

3.ii. As there is a KYC/Anti-Money Laundering protocol all users need to go through before they can actually cancel coins, they would need to submit some documents and sign some digital agreements as well as disclose some personal details and recipient information before they would be able to cancel coins. The button would also be greyed out until this is completed.

4. The investor clicks "cancel basket" as it is not greyed out and is prompted to confirm completion of the process via 2FA. The investor confirms they require delivery of the metal and digitally confirms and agrees to the conditions. This occurs on either the website or the app.

5. The 1,000,000 (1m) ii) METALTECH COIN coins corresponding to one full basket are pulled from the holder's wallet by smart art contracts. The coin holder is no longer a holder of the 1m ii coins. Metaltech will then have the independent auditor remove the metal pertaining to this customer from the global certificate, which contains all the metal of the Metaltech Coin network as part of the legal structure. The legal structure means that the holder of the coins is always the direct owner of the metal although the metal was simply held in the global certificate, was audited and held in the custody of a third party as Metaltech waited for the owner of the metal (i.e. the coin holder) to cancel their coins and request delivery of the bearer ownership documents that entitles them to the underlying metal.

6. The global certificate is broken and the ownership documents for 1 basket are retrieved.
7. Metaltech delivers the documents to the rightful owner. These documents mean the owner can then instruct delivery for the metal directly from the warehousing company as Metaltech is no longer involved in the process. The owner could also go to a broker for an exchange like the LME and request to sell the metal directly to them, such that the owner will receive cash in their bank. This would entail forwarding the ownership documents to this broker.

8. There will be a 2% cancelation fee which needs to be paid to Metaltech Technology Ventures AG. This is 2% of the total value of the basket of metal, benchmarked against the LME official cash prices for base metals and either of the LB MA daily fixings for precious metals on the day that cancelation was instructed. These legally binding terms will be included in the cancelation agreement which was signed upon cancelation agreement in step 4. The fee needs to be paid to Metaltech Technology Ventures AG in cash.

6. WHO ISTIBERIUS

Metaltech is a leading global commodity asset manager, mining operator, metal merchant trader, and Commodity Technology (Com Tech) investor based in Zug, Switzerland. Our domicile of Zug has long been a center for commodity trading but has recently also gained a reputation as a blockchain hub and is affectionately known as “Crypto Valley”. Metaltech's history goes back to 2005 when we launched Europe’s first actively managed commodity fund, which eventually grew to US$3bn in assets under management. Commodity and financial market participation has been central to Metaltech for over a decade and a venture into the world of commodity backed cryptocurrencies is a natural extension of Metaltech's core competencies. Metaltech Asset Management – part of the Metaltech group of companies – is regulated by FINMA (Switzerland) and BaFin (Germany).

7. COSTSTRUCTURE

No one likes fees, we understand that. It’s also not an easy task to place a product subject to fees into a fee-free environment. Metaltech Coin is still the cheapest way to gain exposure to the given basket of metals and is the cheapest commodity to pick in the market.

The Metaltech Coin grants direct ownership of metal and most importantly acts as an ownership identifier of the “asset” which is held in the custody of a third party. These assets need to be bought first. Keep in mind, our coin grants ownership over a basket of metals. The moment the metal leaves the warehouse, we need to make sure that the coin is destroyed. The coin supply is thus continually adjusted to correspond to the amount of metal held in the custody of Metaltech.

Protecting our investors and ensuring the price of the coin and the price of the underpinning metal moves in synch requires oversight by someone in the background. Metaltech Coin holders don’t need to worry about this and they shouldn’t have to. As you can imagine, there is a lot that needs to be done in the background to guarantee that the coin maintains these attributes. This leads to the following cost structure:
One time issuance cost of 9.00% can be broken down into:

**Legal and Compliance (3.00%)**
- Due diligence of the metal, warehouse receipts, bank account statements and the whole company on a quarterly basis
- Lawyers to conduct and approve the due diligence
- Management of the global certificate together with external lawyers
- KYC and AML execution and verification processes

**Liquidity Premium (2.50%)**
- Acquiring the metal (bid/ask spread)
- Execution of our best price policy and assumed price risk
- Managing the cash/basket quota (Most investors won’t buy 1,000,000 coins, i.e. a full basket) We have to own and manage a certain part of a basket to be able to issue e.g. only 100

**Management Fees (1.50%)**
- Hedging. We need to lock-in prices once we receive money, especially if it’s not enough to acquire a full basket
- Arbitrage. This will protect our investors and makes sure that the Metaltech Coin price and the metals basket price stays as close as possible together
- Accounting and booking all positions. Fill out all necessary reports and collect all bank statements

**Brokerage Fees (Metal Broker) (1.00%)**
- Costs related when you trade with brokers

**Exchange Fees (Metals Exchange) (1.00%)**
- Costs related when you trade with an exchange. Essentially the broker will pass these costs over to us.

**Warehouse Fees (only for the first 12 months) (0.00%)**
- For the first twelve months we’ll not collect warehouse fees
- After 12 months, warehouse fees will be collected on a daily basis for the total amount of Metaltech Coin you own
- The fees amount to around 2.5% per year and are used to pay the rent for the warehouses holding your metal
I. Metaltech Coin in a nutshell

The purchase of the Metaltech Coin is equivalent to the purchase of physical metal. The purchaser of the metal instructs Metaltech Technology Ventures Ltd. ("TIC") to leave the metal in custody with a warehouse. The warehouse then issues a warehouse receipt that represents the underlying commodity. The individual warehouse receipts are held in custody by TIC which replaces the individual warehouse receipts with a global certificate. The initial purchaser then gets "dynam ic co-ownership" ("labiles Miteigentum ") in the global certificate equivalent to its share in the aggregate of the underlying warehouse receipts. The Metaltech Coin represents this co-ownership share and grants in addition also a claim to the warehouse receipts that are the underlyings of the global certificate. The Metaltech Coin is thus a security. It is however not a derivative, because the transaction envisioned is a spot transaction ("K assageschäft"). The purchase of the metal is settled within the ordinary settlement periods of the underlying metal. The Metaltech Coin is also not a book entry security, because it is not issued by a depository under the Swiss Book Entry Securities Act ("Verwahrstelle") and is neither a claim to the metal nor a membership right. TIC will create an uncertificated securities register ("Wertrechtebuch"). The initial purchaser explicitly instructs TIC to subscribe the Metaltech Coin on behalf of the buyer and to assign them subsequently in blank (B lankozession) to the Buyer. The Metaltech Coin is also a means of identification that will ensure that the warehouse receipts representing the underlying metal will only be delivered to the rightful owner who identifies itself as the holder of the required amount of Metaltech Coins.

II. Contractual situation related to the Metaltech Coin

Purchase Agreement

The initial purchaser of the Metaltech Coin is entering into three contractual agreements with TIC, the issuer of the Metaltech Coin. The first is a purchase agreement of a basket of metals. An additional clause in the purchase agreement is the obligation to put the metals in a bonded warehouse for storage. The initial purchaser will buy the metal from TIC which will purchase metal in the market or from other companies. The initial buyer purchases a fixed metal allocation at the time T, when the purchase price is deposited on the account of TIC. Purchases of Metaltech Coins will be settled on a rolling basis, meaning that the Metaltech Coins will be bought each time the purchase price will be debited on the account of TIC and in such a way aggregated amounts will allow the purchase of an entire basket of metal which amounts to approx. CHF 800'000. The risk of fluctuating prices between the purchase and the settlement is borne by TIC. The number of Metaltech Coins the initial investor gets, will thus be different depending upon the market price fluctuations of the fixed allocation of the metal. The ongoing settlement eliminates the risk to engage in a collective investment scheme by pooling cash for the purchase of metal. The Metaltech Coin serves also as a means of identification in case of redemption of the physical metal. Each warehouse receipt represents a standardized quantity of the underlying basket of metals (e.g. installments of USD 5'000 per warehouse receipt). The warehouse receipts are issued in the form of instruments payable to the order endorsed in blank ("blankoindossierte Orderpapiere"). The endorsement in blank allows the initial holder of the warehouse receipts to transfer the warehouse receipt like a bearer security. The initial holder of the warehouse receipts will be TIC. Each warehouse receipt represents a certain quantity/basket of base
metals/precious metals with a fixed allocation and which are priced at the point in time the Metaltech Coin has been issued. The metal is held in allocated form at the warehouse. The warehouses are bonded warehouses (“Zollfreilager”). The underlying physical metals are therefore not subject to VAT (if at all).

Custody Agreement
The second agreement is a custody agreement. The custody agreement entered into between the initial purchaser and TIC sets forth that the warehouse receipts will be held in custody by TIC. TIC will replace the individual warehouse receipts with a global certificate (Globalurkunde). The certificates will be kept by TIC in a safe of a reputable Swiss bank. Each initial purchaser will get shared ownership in the global certificate representing the underlying warehouse receipts. This ownership share corresponds to the share of each purchaser in the total amount of warehouse receipts held in custody (“labiles Miteigentum”). This share is an uncertificated security (“Wertrecht”). TIC will hold the global certificate and the underlying individual warehouse receipts in custody for the benefit of the holder of the Metaltech Coin. The initial purchaser can transfer its share in the global certificate representing the underlying warehouse receipts. The underlying warehouse receipts will only be delivered to a holder of the required amount of Metaltech Coin for requesting physical delivery of the underlying metals.

Agreement to hold possession on behalf of the Metaltech Coin holder (Besitzanweisungsvertrag)
The third agreement is an agreement that the custodian of the warehouse receipts/global certificate shall hold possession in these securities for each future holder of the Metaltech Coin (“Besitzanweisungsvertrag”). TIC has agreed to hold the global certificate and the underlying warehouse receipts in possession for any potential future purchaser of a share in the ownership of the global certificate. The transfer of the ownership is thus done based on a sales agreement and the agreement that the custodian will possess the securities for any future owner to whom the shared ownership will be transferred (“Besitzanweisungsvertrag”). The transfer of the ownership in the security is the transfer of the underlying metal itself (Art. 925 CC). The initial purchaser agrees however that the Metaltech Coin is in this context a means of identification of the owner of the dynamic ownership in the global certificate respectively the underlying warehouse receipts.

III. Exit scenarios
Investor
A holder of the Metaltech Coin will have two main exit scenarios. The first will be a sale and the second a redemption of its Metaltech Coins for delivery of the actual underlying metals. A holder of the Metaltech Coin will request from TIC the warehouse receipts that are the underlyings of the global certificate. The global certificate will thus be amended and reflects the altered number of underlying warehouse receipts. The warehouse receipts will then entitle the holder to claim the physical metals. It is likely that a holder of the warehouse receipts will not have suffi
cient receipts to match completely the different quantities the metals are stored in (e.g. Copper is stored in lots of 25 tons). The terms and conditions of the Metaltech Coin sets forth that physical delivery can only be requested if a certain amount of Metaltech Coins has been presented to the warehouse. Any “odd lots” can only request physical delivery if they pay the price of the efforts required to provide the physical metals. Another alternative to get physical delivery will be a repurchase of the Metaltech Coins in the sole discretion of TIC. These exit scenarios are compliant with applicable rules and regulations to the extent these features are disclosed in the terms and conditions of the Metaltech Coin.
Metaltech Technology Ventures Limited

TIC will also be entitled to “cancel” a coin and to call off the initial coin issuance under certain clearly defined circumstances. These conditions will be defined in the terms and conditions of the Metaltech Coin. TIC will have a right to cancel a Metaltech Coin if:

- A Metaltech Coin is used for illicit activities or has been involved in illicit activities, unless the current holder has received it in good faith (in such a case the holder has no right to the underlying warehouse certificates).
- Metaltech Coins have been repurchased by TIC with own funds in compliance with the terms and conditions of the Metaltech Coin (in such a case the holder has no right to the underlying warehouse certificates).
- Changes in laws and regulations as well as case law require TIC to cancel some or all of the Metaltech Coins (in such a case the holders will receive the underlying warehouse certificates).

TIC has also the right to call off the initial coin issuance or to limit the issuance of Metaltech Coins to a certain amount if:

- Not more than CHF 20 mio. will be raised during the initial coin issuance.
- The investor base will consist of a majority of investors that are domiciled in jurisdictions that are very restrictive for coin offerings or forbid initial coin offerings altogether.
- It will be impossible to execute the planned structure of the Metaltech Coin for reasons that are not attributable to TIC.

TIC will also reserve the right not to accept certain investors and not to issue Metaltech Coins if there are “odd lots” (Spitzenausgleich).

IV. Financial market regulatory considerations

Classification of the Metaltech Coin

The Metaltech Coin is a security in the form of an uncertificated security. It is not a derivative, because it is not a financial instrument that derives its value from an underlying. The Metaltech Coin is a means of transfer of the underlying commodity itself (see Art. 925 CC). Metaltech Coin is an asset coin. At least for now the Metaltech Coin does however not have any characteristics as payment coin. This might however change as time progresses and/or the necessary regulatory framework mutates.

Metaltech Technology Ventures AG

TIC is issuing the Metaltech Coin. The issuance of own securities in the form of uncertificated securities is not subject to AML-requirements. Metaltech Technology Ventures will however nevertheless identify all initial purchasers and beneficial owners according to the identification rules under AML-legislations and will be in compliance with all the AML-obligations.

The warehouse receipts and global certificate will be held in custody by TIC. The securities are held in custody in a safe of a bank and are segregated from the other assets of TIC. They are thus not deposits in the sense of the Banking Act. The holder of Metaltech Coins can at all times require the delivery of the underlying warehouse receipts.
according to TIC. Holding securities in custody is an activity of a financial intermediary subject to AML-requirements according to Art. 6 para. 1 lit. c AMLO. The warehouse receipts are securities, the global certificate however not, because it is not apt for mass trading. There will only be one global certificate. TIC will identify the contractual partners to the custody agreement and the beneficial owner of the contractual partner at the time of sale of the warehouse receipts and will in addition also comply with the other AML-duties, such as PEP identification, sanctions/embargo check, and suspicious transaction reporting. It has however according to FINMA practice not to identify the owners and beneficial owners of the global certificate which might change over time assuming that the initial purchaser will sell its shared ownership. This view has been confirmed by FINMA (Olivier Baumberger).

Holding securities in custody does not require a securities dealer license. There are thus no legal consequences under the securities dealer act. TIC will however identify anyone requesting physical delivery of the warehouse receipts according to the AML-identification requirements. It will not deliver the warehouse certificate in case of suspicion of money laundering activities and will require additional evidence of the background of the purchase of the Metaltech Coins.

**Bonded warehouse (Zollfreilager)**

The bonded warehouse is not subject to AML-requirements. It will issue warehouse receipts that are instruments payable to the order of TIC. These warehouse certificates will be endorsed in blank. They will be issued in a certain installment or multiples therefrom (e.g. for each CHF 10,000) representing a certain quantity of a metal or a metal basket at the time of purchase. The warehouse receipts will be endorsed in blank and are thus transferable like a bearer instrument. The warehouse will deliver the metal to the person that presents the warehouse receipt. The warehouse is not subject to other regulatory obligations.

**Prospectus requirements**

The Metaltech Coin is not subject to prospectus requirements in Switzerland. The Metaltech Coin will however nevertheless be accompanied with a white paper which will explain the working and mechanics of the Metaltech Coin.

**Subsequent issuances of Metaltech Coins**

TIC is planning to issue additional coins after the sale. The metal will be purchased at the prevailing market price at the time of the second issuance in the same allocation of the metals determined at the time of issuance of the Metaltech Coins at the initial coin offering. The variable element will thus be the amount of coins. In case one of the metals will no longer be available, such as Cobalt, no new Metaltech Coins will be issued. This means in other words that all Metaltech Coins will have the same metal content. TIC reserves the right to purchase metals only in the allocation determined at the first issuance of the Metaltech Coin. TIC will thus reserve the right not to issue new Metaltech Coin will also happen to accommodate the surplus settlement ("Spitzenausgleich"), because the second installment can only be purchased in certain pre-defined quantities (e.g. 1 ton of Cobalt).
9. LEGAL STRUCTURE OF THE TIBERIUS COIN

The Metaltech Coin ("Coin") entitles its holders to hold direct ownership in a basket of metals. The purchase of a Coin is effectively the purchase of a basket of metals. This is ensured by means of the following sequence of transactions/actions:

**Set-up of the structure**

1. Any first buyer of a Coin enters initially into three contracts with Metaltech Technology Ventures Ltd. ("Metaltech") which are governed by Swiss law: (i) a purchase agreement of a basket of pre-defined metals, (ii) a custodian agreement and (iii) an agreement that Metaltech or its agents will hold the global certificate (as mentioned below in 4) on behalf of the initial purchaser or any of his successors.

2. The first buyer of the Coin will purchase at the time $T$ a pre-defined basket of metals designated by Metaltech for the purchase price determined at the time $T$ from Metaltech.

3. Metaltech will deliver the metals which determine the basket to a bonded warehouse which is exempted from any taxes or duties. The warehouse will issue warehouse receipts in various forms for the deposited metals.

4. The warehouse receipts will be deposited with Metaltech or a contracted agent which will issue a global certificate replacing the individual warehouse receipts. Each buyer will receive partial ownership share in the global certificate corresponding to his fractional ownership in the aggregated amount of the deposited warehouse certificates.

5. The Coins will be issued subsequently representing partial ownership in the global certificate. Sale, purchase and transfer of the Coin

6. The Coin can be transferred by the initial purchaser or any subsequent owner by sending the Coin to the wallet of any subsequent buyer.

7. The sale, purchase and transfer of the Coin can only be conducted according to the terms and conditions of the White Paper ("White Paper") and the respective corresponding contracts. Further, the Coin can only be bought and sold on cryptocurrency platforms or exchanges which are governed by AML/KYC requirements according to FATF-principles. Redemption of the Coin and delivery of metals
- Any owner of a Coin who is in compliance with before mentioned AML/KYC requirement can redeem a Coin for the physical underlying metal, by requesting the warehouse certificates which are represented in the fractional ownership of the global certificate from Metaltech. It is worth noting, that Metaltech is not delivering the physical metals but the warehouse certificates which are documents endorsed in blank that can be transferred like a bearer security and which entitle the owner for physical delivery of the metals.

- The owner of the warehouse certificates can claim physical delivery of said metals from the warehouse/s.

1. Important Information about the issuer Metaltech Group Limited

Metaltech Group Limited (“TIG”) owns a minority stake of ca. 40% in TTV. TTV is therefore not formally considered a subsidiary of Metaltech Group Ltd. The balance is held by the management team, contractors, consultants, employees and other investors. TIG was founded on 27 October 2014 and has its domicile at Dorfstrasse 13, 6340 Baar. It is registered in the commercial register of the Canton of Zug with the number CHE-330.291.097.

TIG has a share capital of CHF 125,000 in aggregate consisting of 125,000 restricted registered shares with a nominal value of CHF 1 per share. It intends to trade in goods of all kinds, in particular commodities on own or on behalf of third parties in Switzerland and abroad.

Christoph Eibl is the sole director having sole signature rights. Michael Meredith has authority to sole signature rights as well.

TIG is audited by Grant Thornton Bankrevision Limited, Zurich, Switzerland.

Metaltech Technology Ventures Limited

Metaltech Technology Ventures Limited (“TTV”) is the seller of the Basket and the issuer of the Coin. It has its domicile at Dorfstrasse 13, 6340 Baar and is registered with the commercial register of the Canton of Zug with the number CHE-415.610.273 and has a share capital of CHF 111’111 consisting of 111’111 restricted registered shares with a nominal value of CHF 1.

TTV has been founded on 22 December 2017 for an infinite duration. It is a corporation subject to Swiss law and intends to develop, fabricate, and trade in new technologies as well as to provide services of all kinds in particular related to the blockchain technology.

Giuseppe Rapallo and Rafael Torreblanca are the Managing Directors having sole signature rights. TIG directly and indirectly owns ca. 40% in TTV.

Metaltech Asset Management Limited

Metaltech Asset Management Limited (“TAM”) is the intended custodian of the warehouse receipts. TAM was founded in 2005 as a Swiss asset management company regulated by the Swiss Financial Market Supervisory Authority FINMA (“FINMA”). Metaltech Asset Management Limited specializes in the active management of commodity investments with exposure to Energy Commodities, Industrial Metals, Precious Metals and Agriculture derivatives.
TAM has its domicile at Dorfstrasse 13, 6340 Baaar and is registered with the commercial register of the Canton of Zug with the number CHE-112.444.404 and has a share capital of CHF 215'053.76 consisting of 21'505'376 registered shares with a nominal value of CHF 0.01.

TAM has been founded on 12 July 2005 for an infinite duration. It is a corporation subject to Swiss law and intends to actively manage investments, in particular funds, which are registered in Switzerland and are distributed in Switzerland.

Christoph Eibl and Giuseppe Rapallo are the Managing Directors of TAM having each joint signature rights.

Nicolas Maduz, Dr. Bernd Früh and Dr. Stefan Peter Johannes Kastner are members of the board of directors having joint signature rights.

TAM is audited by Grant Thornton Bankrevision Limited, Zurich, Switzerland.

3. Important legal information

The purchase of the Basket and therefore Coins involves a high degree of risk. You should consider carefully the risks described below, together with all of the other information contained in the White Paper before making a decision to buy the Basket and acquire Coins.

It is imperative that TTV reserves the right to provide only partial fills (“partial fills”, “partial filling”) to any client and is able return any amount of IMS-money deposited back to the investor, at the discretion of TTV, including the case where TTV actually buys metal but is forced to sell the metal again in order to return the money to the client (who will bear any trading loss incurred trading into and out of the metal, including FX and brokerage costs). TTV does not intend on providing partial fills, however, operational restriction dictate that only certain quantities of metal can be acquired which might lead to partial filling.

Purpose of the White Paper

The White Paper has been prepared by TTV in good faith and to the best of its ability. The purpose of the White Paper is the presentation of the function of the Coin to potential future owners of the Coin. Recipients should however make their own independent investigations and enquiries regarding matters in the White Paper, and rely upon their own judgment as to the accuracy and completeness of any information. The Coin may not be suitable for every interested party and any offering may be restricted to those parties that meet certain criteria imposed by applicable law, regulation or the terms and conditions disclosed by TTV.

Buying metals which are then held in custody poses substantial risk and unlimited loss is possible. This is in theory also possible with the purchase a Basket which is represented by a Coin. There are a plethora of risks, however it is not the intention to list and identify all the possible risk adversely affecting the purchase of a Basket and the ownership of a Coin. Any interested party should ensure that they fully understand the terms of the transaction, including the relevant risk factors and any legal, tax, regulatory or accounting considerations applicable to them, prior to transacting. No information set out or referred to in this document shall form the basis of any contract.
White Paper is no offer to sell or solicitation.
The information contained in the White Paper shall not constitute an offer to sell or the solicitation of an offer to buy Coins. This White Paper is in particular not addressed to investors (i) domiciled in the following countries: USA (incl. US persons), Kyrgyzstan, Ecuador, Iceland, Morocco, Nepal, Bolivia, Bangladesh, Algeria and any other jurisdiction in which Coins are or might be prohibited or (ii) affected by sanctions issued by the USA, the European Union or the United Nations, such as sanctions related to Belarus, Burundi, Central African Republic, Cuba, Democratic Republic of Congo, Iran, Iraq, Lebanon, Libya, North Korea, Somalia, Sudan, South Sudan, Syria, Ukraine, Russia, Venezuela, Yemen, and Zimbabwe.

White Paper is no prospectus in the sense of art. 1156 and 652a Swiss Code of Obligations or any other applicable regulations.
The White Paper is not a prospectus as set forth and regulated in Art. 1156 and 652a Swiss Code of Obligations, under the European Prospectus Regulation or under any other applicable law and regulations. The White Paper is a draft and any buyer of a Basket and the subsequent ownership of a Coin should re-assess the final White Paper at the time of issuance of the Coin based on the final version. Please note that updated versions of the White Paper are published on the Coin webpage (www.MetalTechCoin.com) on an irregular basis. The White Paper has not been reviewed by any regulator. No regulatory authority has examined or approved of any of the information set out in the White Paper. No such action has been or will be taken under the laws, regulatory requirements or rules of any jurisdiction. The publication, distribution or dissemination of the White Paper does not imply that the applicable laws, regulatory requirements or rules have been complied with. The Coin will not be registered with any regulator or authority as security or financial instrument as the Coin constitutes as means of identification for a prior occurred purchase of a Basket.

Cautionary Note on Forward-Looking Statements.
The White Paper may contain certain forward-looking statements including, but not limited to, statements as to plans that involve risks and uncertainties. TTV uses words such as “expects”, “anticipates”, “believes”, “estimates”, the negative of these terms and similar expressions to identify forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors.

No investment, business, legal, regulatory, tax, or technology advice.
No information in the White Paper should be considered to be investment, business, legal, financial, tax, or technology advice regarding the Coin and the sale of Coin. You should consult your own investment, legal, financial, tax or other professional adviser regarding Coin and their respective businesses and operations, the Coins, and the sale of the Coin. You should be aware that you may be required to bear the financial risk of any purchase of Coins for an indefinite period of time.

The tax characterization of the Coin is uncertain, and each investor must seek its own tax advice in connection with the acquisition of the Coin. The acquisition of Coins may result in adverse tax consequences to buyers, including withholding taxes, income taxes and tax reporting requirements. Each person acquiring Coins should
consult with and must rely upon the advice of its own professional tax advisors with respect to the tax treatment of an acquisition of the Coins.

You should consult with your own advisor regarding your legal, regulator, and tax position.

The regulatory regime governing the blockchain technologies, cryptocurrencies, coins and coin offerings such as Coin is uncertain, and new regulations or policies may materially adversely affect the utility of the Coins.

Regulation of coins (including the Coin) and coin offerings as to what certain regulators could affect the Coin ownership to be characterized, cryptocurrencies, blockchain technologies, and cryptocurrency exchanges currently is undeveloped and likely to rapidly evolve, varies significantly among international, federal, state and local jurisdictions and is subject to significant uncertainty. Various legislative and executive bodies in the United States and in other countries may in the future adopt laws, regulations, guidance, or other actions, which may severely impact the Coin. Failure by TTV or certain owners of the Coin to comply with any laws, rules and regulations, some of which may not yet exist or are subject to interpretation and may be subject to change, could result in a variety of adverse consequences, including civil penalties and fines.

Cryptocurrencies also face an uncertain regulatory landscape in many non-U.S. jurisdictions such as the European Union, China and Russia. Various non-U.S. jurisdictions may, in the near future, adopt laws, regulations or directives that affect the Coin. Such laws, regulations or directives may conflict with those of the U.S. or may directly and negatively impact our business. The effect of any future regulatory change is impossible to predict, but such change could be substantial and materially adverse to the development and growth of the Coin and the adoption and utility of the Coin. New or changing laws and regulations or interpretations of existing laws and regulations, in the U.S. and other jurisdictions, may materially and adversely impact the value of virtual currencies used to acquire Coins and otherwise materially and adversely affect the structure or Coins and the rights of the holders of Coins.

The Coin may be the target of malicious cyber-attacks or may contain exploitable flaws in its underlying code, which may result in security breaches and the loss or theft of Coins. If the Coin Protocol’s security is compromised or if the Coin is subjected to attacks that frustrate or thwart the users’ ability to access their Coins, users may cut back on or stop using the Coins altogether, which could seriously curtail the utilization of the Coins.
The Coin structural foundation, the software application and other interfaces or applications built upon the Coin are still in an early development stage and are unproven, and there can be no assurances that the Coin and the creating, transfer or storage of the Coins will be uninterrupted or fully secure, which may result in a partial or complete loss of users’ Coins or an unwillingness of users to access, adopt, utilize and build upon the Coin Protocol. Further, the Coins may also be the target of malicious attacks seeking to identify and exploit weaknesses in the software, which may result in the loss or theft of Coins. For example, if Coin are subject to unknown and known security attacks (such as double-spend attacks, 51% attacks, or other malicious attacks), this may materially and adversely affect the Coin.

All limitations of liability apply not only to services or external parties built upon the Coin in its entirety but also any service or external party which the Coin in its entirety may interact with such as a cryptocurrency exchanges, which may result in a partial or complete loss of users’ Coins or an unwillingness of users to access, adopt, utilize and build upon the Coin Protocol.

All limitations of liability also apply to all parties which been used by TTV in the operation of the Coin in its entirety, such as service providers who store the Basket, trade the Basket, or insure the Basket which the Coin represents, which may result in a partial or complete loss of users’ Coins or an unwillingness of users to access, adopt, utilize and build upon the Coin Protocol.

The further development and acceptance of blockchain networks, including the Coin, which are part of a new and rapidly changing industry, are subject to a variety of factors that are difficult to evaluate.

The growth of the blockchain industry in general, as well as the blockchain networks and applications on which the Coin will rely and interact upon, is subject to a high degree of uncertainty. The factors affecting the further development of the cryptocurrency industry, as well as blockchain networks, include, without limitation:

- Worldwide growth in the adoption and use of ETH, Zilliqa or any other cryptocurrency, and other blockchain technologies;

- Government and quasi-government regulation of ETH, Zilliqa or any other cryptocurrency, and other blockchain assets and their use, or restrictions on or regulation of access to and operation of blockchain networks or similar systems;

- The maintenance and development of the open-source software protocol of the ETH, Zilliqa or any other cryptocurrency networks;

- Changes in consumer demographics and public tastes and preferences;

- The availability and popularity of other forms or methods of buying and selling goods and services, or trading assets including new means of using fiat currencies or existing networks; or
General economic conditions and the regulatory environment relating to cryptocurrencies.

A decline in the popularity or acceptance of ETH, Zilliqa, or other blockchain-based coins would adversely affect the results of TTV operations.

The slowing or stopping of the development, general acceptance and adoption and usage of blockchain networks and blockchain assets may deter or delay the acceptance and adoption of the Coins.

Restrictions on the Coin.
TTV reserves the right to call off the sale of Baskets and the subsequent issuance of coin if no more than CHF 20 million notional in interest will be raised during the Initial Metals Sale (“IMS”) event, the interested buyers are in their majority domiciled in jurisdictions that are very restrictive to coin sales, it will be impossible to execute the planned structure of the T-Coin for reasons that are not attributable to TTV, or for any other reasons. TTV reserves the right to cancel any Coin in case of illicit behaviour and activities and in any other case if it is deemed to be adequate. Coins can only be transferred on a cryptocurrency exchange that is subject to AML/KYC-requirements that are in line with the AML-principles set forth by the FATF and not affected by sanctions issued by the USA, such as sanctions related to Belarus, Burundi, Central African Republic, Cuba, Democratic Republic of Congo, Iran, Iraq, Lebanon, Libya, North Korea, Somalia, Sudan, South Sudan, Syria, Ukraine, Russia, Venezuela, Yemen, and Zimbabwe.

The Coin can only be transferred to exchanges, and therefore all the wallets under the control of the exchange, if the exchange has been explicitly approved as a working partner by TTV. Coin can only be traded on TTV approved exchanges.

Loss of private key and risks associated with the wallet.
Coins can only be accessed by using a cryptocurrency wallet with a combination of the investor’s account information and private key or password. The Coin can be stolen if the private key or password gets lost or stolen. TTV and any of its employees, bodies, or contractors are not responsible for the wallet to which Coins are transferred to and they are not responsible for the access and security of a wallet, for any security breach, any loss resulting from a service wallet provider, including any termination of service by the wallet provider and/or bankruptcy of the wallet provider. Anyone investing in Coins confirms that they understand the working of a wallet and the related risks.
Lack of consensus of miners and risks related to forking.
The network of miners are ultimately in control of Coin and that there is no warranty or assurance that the network of miners will allocate the Coin to the investor as proposed by any terms. The network of miners could agree at any time to make changes to the Coin and to run a new version of the smart contract. A group of people may take the software and modify it to accept a different set of coins, or no coins, which might devalue the Coin. TTV might consider and implement a hard fork of the Coin, meaning a splitting of the path of a blockchain by invalidating transactions confirmed by nodes that have not been upgraded to the new version of the protocol software.

No reliance or warranty.
Potential buyers of Baskets and subsequently the Coin may place no reliance on the information contained in the White Paper and the accompanying verbal presentation or the completeness or accuracy of such information. No representation or warranty, express or implied, is given as to the accuracy or completeness of the information or opinions contained and the accompanying verbal presentation. All opinions and estimates contained in the White Paper and the accompanying verbal presentation are subject to change without notice and are provided in good faith but without legal responsibility.

Prohibition of distribution and dissemination in restricted jurisdictions.
The distribution or dissemination of the White Paper or any part thereof may be prohibited or restricted by the laws, regulatory requirements and rules of any jurisdiction. In the case where any restriction applies, you are to inform yourself about, and to observe, any restrictions which are applicable to your possession of the White Paper such part thereof (as the case may be) at your own expense and without liability to Coin, TTV or any of its management or employees. Persons to whom a copy of the White Paper has been distributed or disseminated, provided access to or who otherwise have the White Paper in their possession shall not circulate it to any other persons, reproduce or otherwise distribute the White Paper or any information contained herein for any purpose whatsoever not permitted or cause the same to occur.

Citizens or residents (tax or otherwise) of the following countries are not entitled to purchase Baskets and Coins or enter into a legal relationship with TTV: Green Card Holders of the United States of America (“USA”) or citizens or residents (tax or otherwise) of the USA, Kyrgyzstan, Ecuador, Iceland, Morocco, Nepal, Bolivia, Bangladesh, Algeria are neither entitled to purchase Baskets and Coins or enter into a legal relationship with TTV. Baskets and Coins cannot be purchased by more than 150 non-qualified investors resident in an EU-member state.

Exclusion of liability and losses associated to the purchase of Coin.
To the maximum extent permitted by the applicable laws, regulations and rules, Coin, TTV or any of its management or employees shall not be liable for any indirect, special, incidental, consequential or other losses
of any kind, in tort, contract or otherwise (including but not limited to loss of revenue, income or profits, and loss of use or data), arising out of or in connection with any acceptance of or reliance on the White Paper or any part thereof by you.

The value of the Coin can go down as well as go up. The value is affected by market volatility, the underlying metals, fluctuations in exchange rates, and other factors. TTV does not assume any liability for possible losses.

Translations and Amendment of this White Paper.

The White Paper might be translated in other languages or used in the course of written or verbal communications with external parties. In the course of such translation some of the information contained in the White Paper might be lost, corrupted or misrepresented. The accuracy of such alternative translations is not guaranteed. In case of any conflicts of inconsistencies between the White Paper and such alternative communication, the White Paper shall prevail.

Metaltech reserves the right to change the terms and conditions of the Whitepaper, all associated contracts and the accompanying documents as published on the webpage at any time without prior notice.

Intellectual Property.

The White Paper is copyright-protected. All rights appertaining thereto, even in case of only partial use, shall remain reserved, particularly with regard to the following: translation, reprinting, recital, use of images and graphics, broadcasting, duplication via microfiche or other means, and/or storage in data processing equipment. A duplication of this publication or portions thereof shall not be allowed. Any breaches may be subject to the penalties provided for under law.

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