Whitepaper **V1.3**

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Quorium

Stablecoin

Dear Readers of this Whitepaper,

We would like to draw your attention to the "Important Considerations" section of this whitepaper. It is imperative that you carefully review this section, as it contains vital information regarding the nature, purpose, and limitations of this document. By choosing to read this whitepaper, you acknowledge, accept, and agree to the contents of the "Important Considerations" section.

We urge you to read this section thoroughly to gain a comprehensive understanding of the information presented in this whitepaper. We believe that it will provide you with valuable insights and enable you to make informed decisions regarding our offering.

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Introduction

Gold, once synonymous with money, holds immense historical significance and cultural relevance. Despite this, gold is no longer synonymous with money, and there exists a vast array of currencies, each associated with a sovereign political authority and used primarily within national borders. These national monetary systems were originally based on redeemability to fixed amounts of gold, either directly or through a peg to the U.S. dollar. The introduction of representative paper money improved the economic functionality of gold by enabling it to be divided, stored, and transported more easily, thereby stimulating trade. However, it also introduced new problems related to trust in scarcity. With geophysical limits to the supply of physical gold, a dishonest issuer can print representative notes exceeding the gold supply they hold, creating new counterparty risks. Gold-representative paper is therefore an inherently lesser store of value than gold itself.

In light of this, Quorium seeks to offer a stablecoin that is pegged to troy ounces of gold. By backing our stablecoin with physical gold, we can offer a trustworthy and secure digital asset that retains the value and benefits of gold. Our stablecoin enables investors to own digitally allocated gold in small sums, which are highly transferable and come with comparably low fees. By providing a new form of digital ownership of gold, we aim to revolutionize the way investors think about gold as an investment asset.

This whitepaper outlines the principles behind Quorium and highlights the innovative and beneficial features of our stablecoin.

The Transforming Financial Landscape

For contemporary finance professionals, the notion of fixed exchange rates for national currencies linked to the US dollar or gold is foreign. Since the 1970s, these rates have been allowed to float, which means they are decided in the global foreign exchange markets based on supply and demand, relative to other fiat currencies. This new system has had several major implications for global finance.

First, the global money supply is no longer tied in any way to the global gold supply. This has led high levels of inflation within many domestic economies and as a result a sharp increase in gold prices.

With these new fiat money supplies completely unlinked from gold, the scarcity of money is artificially ensured. Trust in the physical scarcity of gold and its existence within vaults has been replaced by trust in the economic stewardship of national monetary authorities.
Second, and relatedly, the emergence of global foreign exchange markets was observed. With rates no longer fixed, market mechanisms were necessary to determine the relative prices of foreign currencies. The fixed exchange rates under the gold-based system largely precluded speculation, whereas freely-floating rates transformed the foreign exchange markets into a global arena for speculative activity, wholly separate from the production of goods and services. According to the Bank of International Settlements, foreign exchange turnover has clearly increased more than the underlying economic activity since 1992, whether measured by GDP, equity turnover, or gross trade flows.

These and other problems related to physically unconstrained fiat monies are what has sustained the economic role of gold. Despite its reduced monetary function, gold remains a universally popular 'safe-haven' asset, and many central banks still hold it. Approximately 6.1 billion ounces of physical gold are above ground, of which about half are associated with financial markets, implying a market cap of around $4.7 trillion USD. With over $200 billion combined daily trading volume, gold markets are among the most liquid in the world. One of the key reasons gold remains in many investment portfolios is as a hedge against financial instability.

Fiat Money & Financial Instability

The use of unbacked, fiat money since the post-Bretton Woods era has resulted in various currency-related financial crises globally, including the Latin American debt crisis in the 1980s, the 1997 Asian financial crisis, and other smaller-scale emergencies. The recent Global Financial Crisis has exposed the financial instability associated with debt-based fiat money and raised concerns about the economic stewardship of leading central banks.

Bitcoin & Digital Tokens

Bitcoin, introduced in 2009, was designed to address the problems and moral hazards associated with fiat money and the concentration of economic power in the hands of monetary authorities and major banks. Bitcoin's financial aspect is payments, but it also has a fully internal, decentrally secured monetary unit called bitcoins. The invention of digital scarcity, with a hard cap of 21 million bitcoins, is a significant monetary innovation, earning it the nickname "digital gold." Bitcoin's market value has seen significant fluctuations since its inception, with extreme volatility causing media coverage to soar in 2017. Some consider bitcoin money, while others do not due to its association with nefarious activities, lack of government backing, and volatile price.

The first bitcoin 'block' contained a reference to a British headline about the Global Financial Crisis, which is believed to indicate the motivation of the pseudonymous creator of Bitcoin, Satoshi Nakamoto. Bitcoin and its underlying technologies were designed to address the problems and moral hazards associated with fiat money and the concentration of economic power in the hands of monetary authorities and major banks. Bitcoins were first used to purchase a real-world item in 2010 when 10,000 bitcoins were used to pay for two pizzas in Jacksonville, Florida. Since then, Bitcoin's market value has experienced extreme volatility, regularly expanding and contracting by over 50%. Bitcoin's meteoric rise in value led to increased media coverage, causing politicians and financial regulators to take notice. The debate over whether Bitcoin is money or not continues, with proponents touting its superiority while detractors criticize its association with illicit activities and lack of government backing.

The question of what constitutes money was brought to the forefront by these debates. Despite the lack of consensus among dictionary definitions, one common method of conceptualizing the term is by examining its three main functions: being a 'medium-of-exchange', a 'store-of-value', and a 'unit-of-account'. Critics of bitcoin argued that its frequent price fluctuations rendered it unsuitable as a store-of-value and therefore ineligible to be considered as money. Additionally, the uncertainty of purchasing power associated with holding such a volatile asset would make it impractical for use as a medium-of-exchange.

Stablecoins

The emergence of stablecoins was a response to the volatility of bitcoin's price, which hindered its potential to enhance the transactional utility of money through functions like cheap and fast global transfers. Stablecoins aimed to combine the transactional utility of decentralized digital tokens with the price stability of fiat money by pegging the value of a digital token to a fiat monetary unit. These tokens are known as stablecoins.

Tether, created on October 6th, 2014, was one of the first stablecoins to address the market need for quick and global fund transfers with the stability of fiat money. Its outstanding value has exceeded $4 billion, with versions available on various blockchains and in different fiat denominations. Tether maintains price stability by valuing the token at the monetary unit to which it is pegged and holding reserves equivalent to all outstanding tethers. This policy generates arbitrage activity in secondary markets, ensuring prices remain close to their pegged fiat values.

As the global leader in fiat-backed stablecoins with the highest daily traded volume of any digital token, Tether's effective unbundling of monetary principles represents a new frontier in the evolution of money, especially in terms of transactional utility.

Quorium

Unlike other stablecoins that are pegged to fiat currencies, Quorium's QGOLD token is backed by gold. This provides a level of stability that is unmatched by other stablecoins, as gold has been a reliable store of value for centuries. By backing their token with gold, Quorium is able to offer the same benefits of other stablecoins - fast and cheap global transactions - while also providing the security and stability of a tangible asset. QGOLD's value is tied to the price of gold, which is a much less volatile asset than cryptocurrencies or fiat currencies. This makes QGOLD an ideal choice for those who want to transact in a stable digital asset without the risk of significant price fluctuations.

QGold: Key Metrics

01	**Starting Supply:** • 84,000 QGold • Each token backed by one troy ounce of gold.
02	**Exploration Scope:** • One Mining Area • Exclusive mining rights secured. • Verified ownership of valuable resources.
03	**Additional Tokenization:** • Potential $4.7 Billion • Resources available for tokenization.
04	**Market Standing:** • 4th largest stablecoin (USDT, USDC, DAI). • 15th largest currency by market capitalization.
05	**Gold-Backed Stability:** • Ensuring value and security.

Target Audience

Investing in Physical Gold The London bullion market is the global standard for investment-grade physical gold, where trading takes place amongst members of the London Bullion Market Association (LBMA), and is loosely overseen by the Bank of England. The LBMA issues a Good Delivery specification, which lays down rules regarding the physical characteristics of the gold and silver bars used in settlement in the market. However, this market is typically accessible only indirectly through third parties, as most members are major international bullion dealers and refiners.

Exchange-Traded Gold Products Exchange-traded products, such as ETFs, ETNs, and CEFs, provide an alternative way for investors to gain exposure to the price of gold without the need for physical ownership. These products trade on major stock exchanges and are designed to track the price of physical gold or invest in companies that specialize in gold. Although they offer investors indirect exposure to gold prices, they save them from the burden of storage and verification of physical gold, and they allow small investors to put their capital to work more effectively.

Gold Derivatives Gold forwards, futures, and options are financial derivatives that provide investors with economic exposure to the fiat price changes of physical gold. These products trade on public exchanges worldwide, as well as in various OTC private markets. Gold futures are used by commercial producers and users of gold as hedging tools, facilitating both global gold price discovery and opportunities for portfolio diversification. However, derivatives require fine tuning and sophistication and are not a cost-effective way for typical investors to gain economic exposure to gold prices.

Quorium QGOLD Stablecoin Backed by Physical Gold is a stablecoin that offers a unique way to gain economic exposure to physical gold. Backed by physical gold bullion stored in highly secure locations or NI43101 geologically double verified gold reserves, QGOLD allows investors to access the highly liquid market for physical gold without the costs of storage, transfer, and verification associated with physical ownership. By combining the benefits of physical gold ownership with the convenience of a stablecoin, QGOLD provides investors with a reliable and efficient way to invest in gold.

Use-cases

QGOLD, a gold-pegged stablecoin, offers even greater transactional utility by providing a highly mobile and liquid representation of physical gold.

Physical gold has long been considered a safe-haven asset, but its cumbersome nature has made it difficult and costly to transact and store. QGOLD removes these barriers by allowing seamless ownership and value transfer of economic qualities associated with physical gold. QGOLD also democratizes access to physical gold as an asset class, providing smaller denominations at wholesale prices for a wider range of investors.

Moreover, QGOLD has the potential to become the first widely-traded sovereign-neutral monetary unit with a high degree of price stability. Combining the desirable qualities of gold and bitcoin, QGOLD provides a new and feasible monetary basis for global trade. While governments may no longer adhere to a gold standard, individuals can use QGOLD as a monetary unit to base their trades and investments.

Important Considerations

Please read this section carefully. It contains important information about the nature, purpose, and limitations of this whitepaper as well as what you acknowledge, accept, and agree to should you choose to read this whitepaper.

This whitepaper has been prepared by and for the benefit of Quorium Global B.V., using the tradename Quorium, and any affiliate or related entity of Quorium, and any natural or legal person or entity associated with any of them (collectively, Quorium Associates).

This whitepaper is confidential and by accepting delivery of this document, you agree to keep confidential all information contained herein. This whitepaper is a marketing document and is not intended to be legally binding. It is also not a representation or warranty of any kind by any Quorium Associate including about any Quorium Associate, the Quorium tokens (QGold tokens or otherwise), or any services, products, or operations of any Quorium Associate. The information in this whitepaper does not constitute an encouragement, inducement, advice, or a recommendation by any person to purchase the QGold tokens or any other cryptographic token or currency, and neither Quorium nor any Quorium Associate has authorized any person to make any such encouragement, inducement, advice, or recommendation.

Nothing in this whitepaper shall be deemed to constitute a prospectus of any sort or a solicitation for investment, nor does it in any way pertain to an offering or a solicitation of an offer to buy any securities in any jurisdiction.

Any offer or sale of QGold tokens or any related instrument will occur only on Quorium's terms of sale and service, which are available (as at the date of this whitepaper) at quorium.io/legal (the Terms) and may be withdrawn or modified at any time.

Interested parties should, amongst other things, conduct their own investigations and analysis of Quorium and QGold tokens and seek further information and professional advice as to their use and value. In particular, persons contemplating purchasing QGold tokens should review the Terms, including the risk disclosure statement referenced in, and forming a part of the Terms.

The Terms will apply to purchasers regardless of whether they purchase QGold tokens directly from Quorium or in a secondary market transaction.

The sale of QGold tokens is not directed at, and each purchaser of QGold tokens will be required to represent, among other things, that they are not: (a) a citizen, resident (tax or otherwise) of, a person located or domiciled in, or any entity organized in or owned by certain persons in (i) the United States, or (ii) Cuba, Democratic People's Republic of Korea (North Korea), the Government of Venezuela, Iran, Pakistan, Syria, or Crimea (a region of Ukraine annexed by the Russian Federation); (b) a person under the age of 18 years, and (c) any other persons who are "Prohibited Persons" as defined in the Terms (any such person falling under (a), (b), or (c), a Restricted Person).

You must make your own assessment as to your ability to purchase QGold tokens pursuant to laws applicable to you and to confirm that you are not a Restricted Person. No registration or other action has been or will be taken in any jurisdiction that would, or is intended to, permit the sale of QGold tokens in any country or jurisdiction where registration or other action for that purpose is required. None of Quorium or any Quorium Associate makes any representation or warranty to any potential purchaser.

Quorium Global B.V. has acquired all assets related to the Quorium brand and its activities from Qommodity QAAA B.V.

Qommodity QAAA B.V. is no longer affiliated with or involved in any aspect of the Quorium brand.