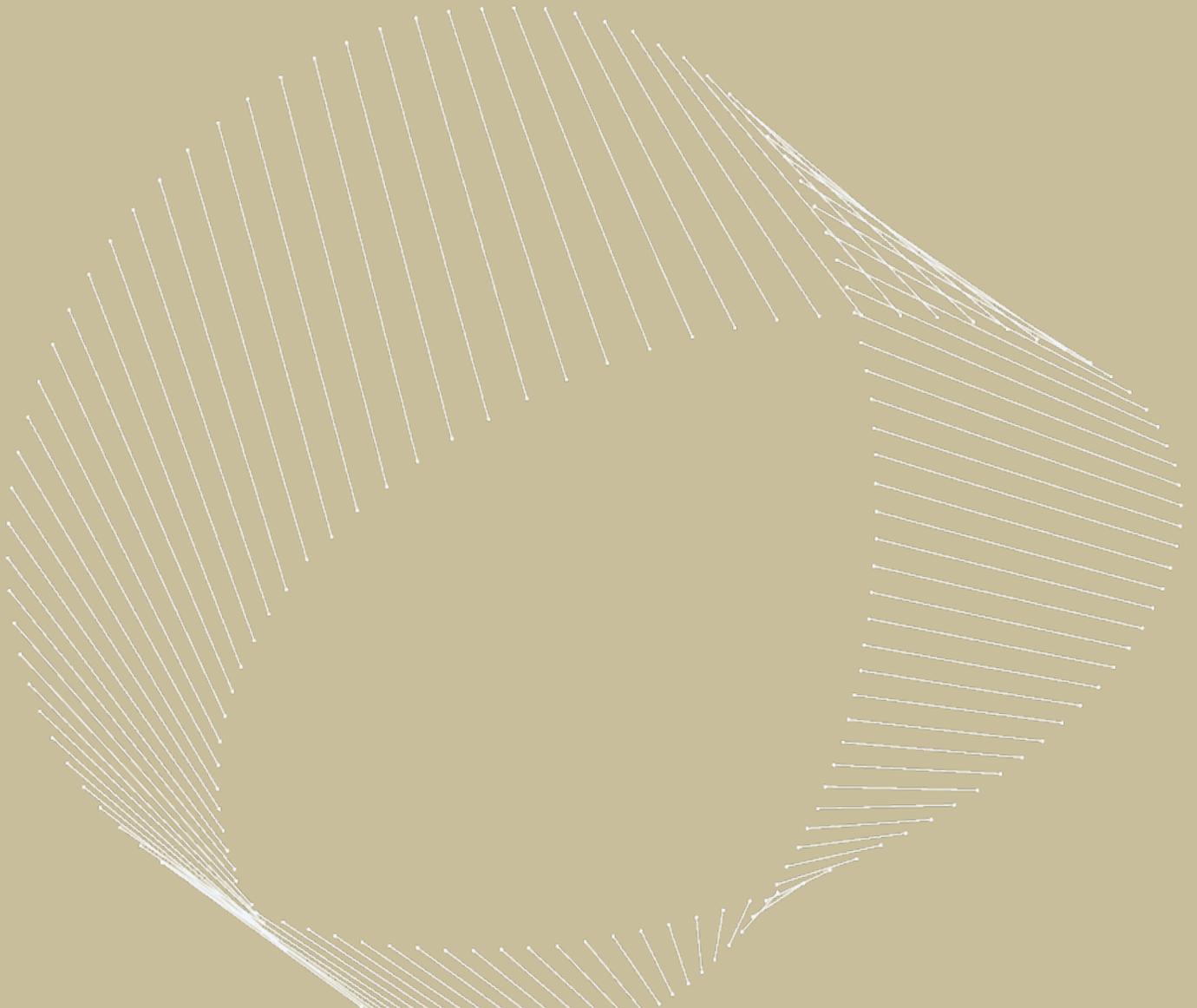


VNX Gold

Whitepaper
December 2021, v 1.0



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1. Executive Summary

What is VNX Gold:

VNX Gold token is an Ethereum-based (ERC 20) digital token that represents ownership in specified physical gold bars purchased and stored in the VNX Gold holder's name in a highly secured professional vault in the Principality of Liechtenstein.

VNX Gold token holder is the only lawful owner of the underlying gold subject to successful registration, identification and passing anti-money laundering checks on the VNX Platform.

VNX Gold tokens are freely transferrable on the Ethereum blockchain and can be transferred to any wallet supporting the ERC20 standard.

1 VNX Gold = 1 gram of gold.

Quality of Gold:

The gold itself complies with the LBMA (London Bullion Market Association) investment standards, is purchased from professional dealers in precious metals and securely stored in a specialized gold bullion storage facility operated by OZL (Offenes Zollager in Liechtenstein AG, www.ozl.li).

VNX Gold opportunities:

As VNX Gold is backed by real gold bars any VNX Gold holder may (subject to successful registration, identification and passing anti-money laundering checks on the VNX Platform):

- Obtain physical gold bar in the vault (Liechtenstein) or request delivery of gold to a specified address (with a minimum weight of 1 kg!);
- Instruct VNX Commodities AG to sell gold and receive cash proceeds to a bank account or in supported cryptocurrencies;
- Sell VNX Gold on a third-party crypto exchange (subject to availability).

Who is VNX:

VNX Commodities AG (Liechtenstein) is offering services in the sphere of purchase, sale and storage of precious metals, as well as the generation, maintenance, transfer and cancellation of tokens representing a property right to specific precious metal through a technological platform operated by VNX Commodities AG at <https://invest.vnx.li> (the "VNX Platform").

VNX Commodities holds the business (trade) license granted by Office of National Economy of the Principality of Liechtenstein.

VNX Commodities AG is registered by the Financial Market Authority (Liechtenstein) in accordance with the Token and Trusted Technology Service Provider Act (TVTGA, aka "Blockchain Act") and acts as a TT Service Provider with the following registration approvals:

- TT Token Generator;
- TT Exchange Service Provider;
- TT Token Depositary;
- TT Key Depositary;
- TT Identity Service Provider.

Official list of registrations is available at:

[https://fmaregister.fma-li.li/search?searchText=&number=&category=.](https://fmaregister.fma-li.li/search?searchText=&number=&category=)

2. Introduction

VNX Gold is a way of real gold into the world of cryptoassets

Gold has proven its attractiveness as an asset class over the ages. It offers some of the highest liquidity in the commodity markets and has more often than not increased in value over time. Investors generally view gold as a good asset for a balanced portfolio. Gold is also a very attractive hedge against political and economic uncertainty and inflation.

The World Gold Council¹ brightly demonstrates **the advantages of gold:**

“Gold is a unique asset: highly liquid, yet scarce; it’s a luxury good as much as an investment. Gold is no one’s liability and carries no counterparty risk. As such, it can play a fundamental role in an investment portfolio.

Gold acts as a diversifier and a vehicle to mitigate losses in times of market stress. It can serve as a hedge against inflation and currency risk.

Key facts that investors should know:

- *Gold is a mainstream asset driven by many factors, not just investment demand*
- *Gold is one of the most effective diversifiers*
- *Gold provides competitive returns compared to other major financial assets*
- *Gold offers downside protection and positive performance*
- *Over time, fiat currencies – including the US dollar – tend to fall in value against gold.”*

Investors traditionally have several options for investing in gold:

- **Physical Gold.** The most direct and traditional way to own gold is to purchase physical gold bars or coins. It could be purchased from banks and require additional formalities and costs such as insurance and storage.
- **ETF/ETC.** Exchange-traded funds (ETFs) is one of the alternatives to a purchase of gold bullion. Each share of these specialized instruments represents a fixed amount of gold. This set up allows you to track the underlying price of gold without having to physically hold the asset.
- **Derivatives.** A gold derivative such as gold options, futures and forwards are based on the value of gold. They do not serve as a property confirmation and do not entitle their holder to physical gold. If the issuer of a derivative becomes insolvent, that derivative may become worthless.

In the end of the day each of the above options has its pros and cons and a reasonable investor shall think of many factors, including storage, investments’ limits, reliability of the counterparties, associated fees and ability to quickly dispose of the gold.

By contrast with gold market, crypto market is literally a synonym for volatility meaning that prices for cryptocurrencies can experience a significant rise but also can come down sharply. This makes crypto a good speculative instrument, but not suitable for savings and hedge.

¹ <https://www.gold.org/what-we-do/gold-investment/why-invest-gold>

For instance, the most popular - Bitcoin rose from the level of around \$5,000 at the height of the coronavirus pandemic sell-off in March 2020 to almost \$65,000 in April 2021 before plunging by over 50% to around \$30,000 in June 2021. The price has since exceeded \$68,000 in November 2021 and fell again to \$42,000 in December 2021.

Nowadays crypto investors who want to use a steady price instrument use various stablecoins primary purpose of which is managing cryptocurrencies volatility by linking to generally accepted stable assets.

Nevertheless, stablecoins share many of the same risks associated with other cryptocurrencies, including those related to cybersecurity and regulatory uncertainty. Moreover, stablecoins may also carry potential risks concerning how any reserve assets backing the stablecoin are held and maintained².

At the mature stage of the crypto market, investors will need diverse instruments for effective management of their investments. This is creating a room for the market of new crypto instruments for hedge and saving strategies.

VNX Gold

We offer our clients a new form of investment in gold – the purchase of digital assets (tokens) certifying the title to the specific gold bar from the company registered with the Financial Markets Authority of Liechtenstein.

The algorithm for such an investment is simple: a client purchases gold, the gold is put for storage into a specially designated security vault in the name of the client and as a confirmation of the ownership right they receive a digital token (instead of a paper certificate) "recorded" on the Ethereum blockchain. The token can be exchanged for real gold at any time – it can be donated, sold, pledged, or used otherwise.

Each token is unique and confirms the owner's right to a specific amount of gold from a specific numbered gold bar. The gold itself complies with the highest LBMA investment standards, is purchased from the professional dealers in precious metals on behalf of the client and deposited in a specialized gold bullion storage facility.

Key benefits of VNX Gold may be summarized as follows:

- **Online transactions:** registration on the platform and execution of transactions with precious metals does not require a physical visit to our office – everything is managed online.
- **Speed:** the purchase of VNX Gold tokens are usually instantaneous. However, when the client purchases large amounts of precious metals, the procedure may take a little more time.

² <https://www.finra.org/investors/insights/3-things-stablecoins>

- **Variety of payment methods:** on the VNX platform, clients can pay in the classic "fiat" currency (euro) and cryptocurrencies – Bitcoin (BTC), Ether (ETH) or USDC, additional cryptocurrencies may be supported from time to time.
- **Ease of transactions:** the client can freely transfer their VNX Gold tokens from the Platform to an "external" wallet (i.e. located outside the Platform – for example, their personal wallet) on the Ethereum blockchain and then dispose of them at their own discretion.
- **Fragmented:** it is possible to transfer the rights to a small amount of gold without physically dividing gold bars.
- **Taxes:** transactions with gold on the VNX Platform are not subject to VAT (in Liechtenstein), unlike transactions with gold, in some jurisdictions.
- **Liquidity:** VNX Gold tokens can be easily traded on crypto exchanges (subject to availability).
- **Absence of delisting risks:** you do not need a crypto exchange to sell your VNX Gold. VNX Platform is always available for your transactions with your VNX Gold.
- **Access to physical gold:** an authorized VNX Gold holder can collect physical bullion from the Liechtenstein vault or request worldwide delivery.
- **Globality:** VNX Gold tokens are available to customers around the world, regardless of travel restrictions, customs, and borders.
- **Interoperability:** VNX Gold tokens are issued on the Ethereum blockchain according to the ERC-20 standard and, accordingly, can interact with other products and systems of the Ethereum network without any restrictions.
- **Regulatory Compliance:** VNX Commodities AG is registered with the financial markets' regulator. The Liechtenstein Financial Market Authority (FMA) is responsible for monitoring compliance with due diligence provisions and audits us and our business activities at regular intervals, which in turn entails further protection for you and your precious metals.
- **Protection of personal data:** VNX Commodities AG is subject to strict European personal data protection rules (GDPR). Personal information is not covered by the requirements on automatic exchange of information.

3. What is VNX Gold

VNX Gold terms & conditions

Operations with VNX Gold through the VNX Platform are governed by the Terms and Conditions available at: www.vnx.li (the “Terms”). Purchase of the VNX Gold through other venues are governed by the terms of the relevant crypto exchange or other platforms.

VNX Gold token details

VNX Gold is an Ethereum-based token generated by VNX Commodities AG that represents ownership in a certain specified quantity of gold bars purchased, held, and stored by VNX Commodities AG in the VNX Gold holder’s name, on the VNX Gold holder’s behalf and at the VNX Gold holder’s expense. VNX Commodities AG will only generate VNX Gold tokens which are backed by physical gold stored in the vault.

Each one VNX Gold token certifies ownership of one gram of gold in a certain gold bar.

VNX Gold token is denominated in Euro there will be no fixed denomination as the price will fluctuate depending on the gold price fluctuations.

VNX Gold tokens are freely transferrable on the Ethereum network and can be transferred to any wallet supporting the ERC20 standard. Ownership rights in gold from one VNX Gold token holder to another are transferred together with every transfer of the VNX Gold (subject to successful registration, identification and passing anti-money laundering checks by the transferee on the VNX Platform).

There is no ultimate VNX Gold supply limitation, as the number of VNX Gold tokens generated is driven by demand from clients. There is no maturity period of the VNX Gold tokens. VNX Commodities AG does not have a redemption right or a call option or similar regarding the VNX Gold tokens. The VNX Gold tokens grant no voting or management right to the token holders over VNX Commodities AG or any third party.

The VNX Gold tokens do not qualify as securities in the meaning of MiFID II and/or the Prospectus Regulation 2017/1129/EC. The VNX Gold is a “Beweisurkunde” (documentary evidence) according to para. 122 SchlAbt of Personen und Gesellschaftsrecht (Liechtenstein Persons and Companies Act).

VNX Gold smartcontract

VNX Gold’s smart contract was designed and generated by VNX Commodities AG in-house tech team. It was then audited

by independent experts of SnT - Interdisciplinary Centre of Security, Reliability and Trust of University of Luxembourg (<https://www.en.uni.lu/snt/research/sedan>).

Register of gold bars

VNX Commodities AG maintains the register of gold entitlements that correspond to specific wallets (the “Gold Entitlements Register”). Token holders may get access to information from the Gold Entitlements Register either from their user account on the VNX Platform (if the VNX Gold tokens are held on the VNX Platform wallet) or on the website: www.vnx.li by inserting unique Ethereum address of the relevant Token Holders’ wallet. In case of co-ownership of the specific piece of gold, the Gold Entitlements Register will reflect the relevant proportionate ownership in that piece.

VNX Gold transfers

No consent of VNX Commodities AG is required for the VNX Gold transfers. However, the token holder must notify and disclose to VNX Commodities AG details of the recipient (email and name) in case of VNX Gold transfer, such new recipient (if not known to VNX Commodities AG) will receive email notification from VNX Commodities AG with the invitation to register a user account on the VNX Platform.

If the former token holder fails to notify VNX Commodities AG details of new recipient and/or new recipient of VNX Gold fails to open a user account on the VNX Platform and comply with eligibility requirements as stipulated by the Terms, VNX Commodities AG as custodian won’t be able to update the information on the gold/token holder. At the same time such new VNX Gold holder won’t be able to submit the gold sale, collection or delivery requests through the VNX Platform or use other services of VNX Commodities AG.

VNX Gold token holder, who has the right of disposal over the VNX Gold token, is the only lawful owner of the gold, no other person may claim sale, collection or delivery of the gold or otherwise transact with VNX Commodities AG with respect to the gold.

4. Quality and storage of the underlying physical gold

LBMA standard

Gold bars underlying the VNX Gold tokens in terms of fineness, comply at least with the requirements specified in the rules adopted by The London Bullion Market Association (or a successor organization representing market participants in the London gold trading market) for the delivery of gold bars, as amended from time to time. At the date of these whitepaper, such requirements provide for a minimum fineness of 995 parts per 1000 pure gold. This guarantees the quality and reliable origin of the commodity.

Vault and Insurance

VNX Commodities purchases gold bars from specialized precious metals dealers, including but not limited to, Rheingold Edelmetall AG (Liechtenstein). The physical gold bars are securely stored in a specialized vault operated by OZL Offenes Zollager in Liechtenstein AG (Liechtenstein), who acts as a sub custodian of VNX Commodities AG. A specially designed security system, designed and executed by Swiss experts, guarantees the highest security standards in the whole building according to strictly defined procedures.

Gold stored in the vault is comprehensively covered by all-risk insurance, the coverage includes the risks related to: burglary, robbery, damage by natural forces, loss, damage. In addition to the basic risks, there is full insurance against the risk of embezzlement. All employees of the vault are subject to the strictest security processes, are regularly screened and are part of the insurance concept.

Segregated from other assets

The client's gold is always kept segregated from assets of VNX Commodities AG, does not belong to VNX Commodities AG (it is not the VNX Commodities' AG property) and is not included in its liquidation in the event of bankruptcy. This means that no one, other than the authorized VNX Gold holder, can claim the rights to receive gold, the ownership of which is confirmed by the corresponding token. In the event of bankruptcy or liquidation procedure, in accordance with the law a manager will be appointed to ensure that VNX Gold holders receive gold / cash equivalent. VNX Gold holders who are registered on the Platform and have activated their account will be notified accordingly.

Asset protection in Liechtenstein

Your gold is stored physically in a specialized vault in Liechtenstein, this location brings additional value for protection of your assets.

Liechtenstein has not acceded to any of the international treaties in the field of recognition and enforcement of foreign judgements. Liechtenstein is neither party to the 1968 Brussels Convention (on jurisdiction and the enforcement of judgments in civil and commercial matters) nor to the 1988 (nor 2007) Lugano Convention (on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters).

This means that a judgment originating from another country (except for Austria and Switzerland) is simply not enforceable in the Principality of Liechtenstein and the matter always needs to be independently considered by courts in Liechtenstein.

5. Operations with VNX Gold on the VNX Platform

VNX Commodities AG client may through the VNX Platform:

- Purchase gold and receive VNX Gold token
- Sell VNX Gold and receive the sale proceeds in fiat or in supported cryptocurrencies;
- Collect gold bars at the vault;
- Request delivery of gold to the specified address (subject to confirmation in each case).

VNX Commodities AG supports operations in Euro and in cryptocurrencies. As of the date of this whitepaper supported cryptocurrencies include Bitcoin (BTC), Ethereum (ETH) and USDC.

Physical collection and delivery of gold bars is possible in gold bars starting from 1 kg or multiples thereof. Sale and purchase transactions with VNX Gold tokens on the VNX Platform is possible in smaller amount.

Transactions with VNX Gold tokens on the VNX Platform are performed in an automated manner. Transactions (purchase and sale) with large weights (e.g. starting from 1 kg) are usually done within 1 (one) business day. However, in extraordinary circumstances (e.g. market disruptions, delays in bank transfers of funds, etc.) it could take longer.

6. Fees

Information about the fees charged by VNX Commodities AG for its services can be found in Annex II “Fee Schedule” of the Terms. Please refer to: <https://invest.vnx.li>.

7. Information about VNX Commodities AG

VNX Commodities is a duly incorporated company under the laws of the Principality of Liechtenstein, registered in the Liechtenstein Company Register with register number FL0002.654.2718 and having its registered office at Dr. Grass-Strasse 12, 9490, Vaduz, Liechtenstein; email: support@vnx.li.

VNX Commodities AG (Liechtenstein) is offering services in the sphere of purchase, sale and storage of precious metals, as well as the generation, maintenance, transfer and cancellation of tokens representing a property right to specific precious metal through a technological platform operated by VNX Commodities AG at <https://invest.vnx.li>.

VNX Commodities AG is registered as TT Service Provider with the Financial Market Authority Liechtenstein (FMA), namely as Token Generator, TT Exchange Service Provider, TT Token Depository, TT Key Depository and TT Identity Service Provider. The registrations can be checked at the official website of the FMA: <https://fmaregister.fma-li.li/search>.

VNX Commodities AG holds the business (trade) license granted by Office of National Economy of the Principality of Liechtenstein.

8. Disclaimers

ONLY TERMS AND CONDITIONS (THE “TERMS”) AVAILABLE AT: <https://invest.vnx.li>. GOVERN THE PROCESS OF PURCHASE, SALE AND STORAGE OF GOLD ON THE VNX PLATFORM, AS WELL AS GENERATION, MAINTENANCE, TRANSFER, CANCELLATION OF VNX GOLD AND DELIVERY OF VNX GOLD TO YOU.

BY PURCHASING OR OTHERWISE ACQUIRING VNX GOLD YOU AGREE (OR WILL BE DEEMED TO HAVE AGREED – IN CASE OF THE VNX GOLD ACQUISITION FROM THE TOKEN HOLDER (I.E. NOT THROUGH THE PLATFORM)) THAT YOU HAVE CAREFULLY READ AND UNDERSTOOD THE RIGHTS AND OBLIGATIONS ASSOCIATED WITH THE VNX GOLD AND CONFIRM THAT YOU FULLY UNDERSTAND THE RISKS, COSTS, BENEFITS AND OTHER CONSEQUENCES OF ACQUISITION OF THE VNX GOLD AND THE UNDERLYING GOLD. IN ANY CASE YOU WILL HAVE THE POSSIBILITY TO REVIEW THE TERMS AND ACCEPT THEM.

This whitepaper (the “Presentation”) is prepared by VNX Commodities AG (hereinafter – “we”, “us” or the “Company”).

This Presentation is not and shall not be considered as the Basic Information to Art. 30 et seq of Tokens and TT Service Provider Act, Liechtenstein.

The Presentation contains our estimates, assessments, adjustments, judgments and forward-looking statements, which have not been verified by an independent expert. Market information provided in the Presentation, therefore, unless otherwise attributed exclusively to a third-party sources, is to a certain degree subjective. While the Company believes that its own estimates, assessments, adjustments, judgments and forward-looking statements are reasonable and that the market information prepared by the Company appropriately reflects the industry and the markets in which it operates, there is no assurance that the Company’s own estimates, assessments, adjustments, judgments and forward-looking statements are appropriate for making any determinations, conclusions and/or decisions.

The Presentation may contain description of issues that might be assessed in different ways. There is no warranty of suitability and/or fitness for purpose of the information set out in the Presentation. The Presentation shall not replace and/or be used as a substitute of Investors obligation to research, due diligence and collect/analyze/verify information about the Company, its business, etc. prior to making any decision.

No Investor and/or third party shall rely on the Presentation and make any conclusions or decisions on the basis of the Presentation alone. Investor shall use the Presentation solely at its own risk provided that we VNX does not assume any liability for damages of any kind that may be suffered in connection with the use of the Presentation, including direct, indirect, incidental or consequential damages. Investor shall have no right to state any claims arising out of or in connection with the Presentation.

The Presentation is provided as a good will gesture and without any representations or warranties. By its consent to review and proceeding with review the Presentation YOU UNCONDITIONALLY AGREE TO INDEMNIFY AND HOLD VNX COMMODITIES AG, ITS AFFILIATES, OFFICERS, DIRECTORS, ADVISERS AND EMPLOYEES HARMLESS FROM ANY DAMAGES OF ANY NATURE (ACTUAL, THREATENED, DIRECT, INDIRECT, CONSEQUENTIAL, INCIDENTAL, ETC.) ARISING OUT OF OR IN CONNECTION WITH THE PRESENTATION, INCURRED BY (OR THREATENED TO BE INCURRED BY) YOU AND/OR ANY OF ITS REPRESENTATIVES, AFFILIATES, AGENTS AND/OR CLIENTS.

The Company and its respective agents, employees or advisors do not intend to, and expressly disclaim any duty, undertaking or obligation to make or disseminate any supplement, amendment, update or revision to any of the information, opinions or forward-looking statements contained in this Presentation.

9. Risk Factors

Transactions with gold and VNX Gold involve various risks. The risk factors described below are not an exhaustive list or explanation of all the risks which you may face and should be used as guidance only.

Prospective customers should consider carefully whether the VNX Gold purchase and operations with VNX Gold are suitable for them in light of the information in this whitepaper, the Terms and/or their personal circumstances.

RISKS RELATED TO VNX COMMODITIES AG

VNX Commodities is a newly formed entity with no operating history

VNX Commodities was incorporated on March 3rd, 2021 in Liechtenstein. VNX Commodities will be subject to all of the business risks and uncertainties associated with any new business which could have material adverse effect on the Token Holders'.

Risk of loss of key personnel

There is a risk that specialist knowledge will no longer be available if key personnel ceases to work for VNX Commodities. Comprehensive development, implementation and ongoing further development of the business operations of VNX Commodities may, as a consequence, be delayed or no longer be possible.

Risk of changes in regulatory requirements

One should anticipate that blockchain and related services, specifically financial services, will become substantially more regulated in the future. This may make it necessary for VNX Commodities to adapt its business model accordingly. As a result, it cannot be excluded that VNX Commodities may no longer be able to provide certain services or to provide them in the manner described in the Terms. Also, additional costs may arise due to the necessity to adapt VNX Commodities' business model and operations.

It cannot be excluded that VNX Commodities may need additional regulatory licenses for the implementation or further operation of its business model. This may delay or jeopardize the implementation of the business model of VNX Commodities, may require extensive adjustments or may even make it impossible for VNX Commodities to further pursue its business model.

Partnership risks

Implementation of VNX Commodities' business model requires stable partnerships and cooperation with precious metal traders as well as with precious metal storage and delivery service providers. There is a risk that VNX Commodities may not be able to establish or maintain such partnerships and business relations or may lose other relevant business partners. This may result in VNX Commodities being unable to, for example, generate further VNX Golds or procure their listing on crypto exchanges, which may negatively impact VNX Commodities' business.

Cybersecurity risks

VNX Commodities, the Platform are subject to cyber security and data loss risks or other security breaches

VNX Commodities' business involves storage and transmission of users' proprietary information, and security breaches could cause a risk of loss or misuse of this information, and to resulting claims, fines and litigation.

VNX Commodities and the Platform may be subjected to a variety of cyber-attacks, which may occur from time to time. Cyber-attacks may target VNX Commodities and/or the Platform, customers, suppliers, banks, e-commerce in general or the communication infrastructure. An attack or a breach of security could result in a loss of private data, unauthorized trades, an interruption of trading for an extended period of time, violation of applicable privacy and other laws, significant legal and financial exposure, damage to reputation, and a loss of confidence in security measures, any of which could have a material adverse effect on VNX Commodities financial results and business. Any such attack or breach could adversely affect the ability of VNX Commodities and the Platform to operate. Any breach of data security that exposes or compromises the security of any private digital keys used to authorize or validate transaction orders, or that enables any unauthorized person to generate any of the private digital keys, could result in an unauthorized trades and would have a material adverse effect on VNX Commodities and Token Holders. Because trades utilizing blockchain technology settle on the trade date, it could be impossible to correct unauthorized trades.

Furthermore, attackers can manipulate the cryptocurrency market. The price of cryptocurrencies, such as BTC and ETH, are set by several exchanges. If an exchange is attacked such that it is taken offline, traders can take advantage of price differences. Additionally, attackers can target platforms that buy and sell cryptocurrencies and digital wallets that hold cryptocurrencies. It is possible that such an attack could adversely affect the value of the Token Holders' digital wallets.

Risk of Insolvency

In case of insolvency of VNX Commodities, the Token Holders' Commodity represented by the VNX Golds and held, administered and stored by VNX Commodities in its function as administrator and custodian, does not form part of the bankrupt's estate. Pursuant to the Terms, in case of liquidation, dissolution or insolvency of VNX Commodities, unless otherwise was agreed upon between the Parties, it is authorized and obliged to appoint a successor for the management and custody of the Collective Token Holders Commodity Deposit which successor will be bound by the Terms. However, there is a risk that such successor won't be appointed. Thus, the Token Holders may be requested to raise their claims for delivery of their Commodity against the trustee in bankruptcy.

RISKS RELATED TO THE VNX GOLD

General risk in relation to the VNX Gold

It's Your decision whether or not the purchase of gold is suitable for You. In particular You should:

- have sufficient knowledge and experience to comprehensively assess gold and the benefits and risks of investing in it;
- have sufficient financial resources and liquidity to bear all risks associated with the purchase;

- fully understand the Terms and be aware of trends and the development of relevant indicators of the gold market; and
- be able, on Your own or with the assistance of a professional, to evaluate possible scenarios of economic trends, interest rates and other factors that may affect the investment in gold and Your ability to bear potential risks;
- it is furthermore recommended that You have in-depth knowledge and experience of the functionality of blockchains, smart contracts and cryptographic tokens in general or acquire them prior to purchasing the VNX Gold.

You bear the risk that an investment in gold may not be appropriate for You.

Trading and liquidity risk

As of the date of the Terms the VNX Gold is not admitted to trading on a regulated or unregulated market but can be transferred on a bilateral basis.

There is no guarantee that a secondary market for such bilateral trades of the VNX Gold will develop and will be and remain liquid. You may therefore not be able to sell the VNX Gold or not within a certain time frame, at a reasonable price or at a price that is at least equal to the capital invested.

Software Risks

Smart contract systems, decentralized cloud and distributed ledger technology generally used by VNX Commodities as well as the related software, technology and technical concepts and theories (including blockchain, cryptography, etc.) are in an ongoing development process and are therefore subject to significant operational and technological risks. There is no guarantee that the processes for acquiring, selling, receiving, using and holding the VNX Golds and for receiving payments, e.g. in case of the sale of the VNX Gold, will function without interruption or error. There is a risk that software and other technologies and may have weaknesses, vulnerabilities, bugs or other errors. In the worst case, this can lead to the irretrievable loss of the VNX Gold.

VNX Commodities assumes no liability and makes no warranties or representations with respect to the functionality of smart contracts programmed, used or applied in relation to the VNX Golds in the widest sense.

Risk of loss of access data

It is Your sole responsibility to safely store Your access data to Your user account on the Platform and/or wallets including the wallet(s) where the VNX Gold is stored. If access data is lost or stolen, You irretrievably lose all access to the VNX Golds and assets deposited at the address in question. Upon Your request VNX Commodities can only issue new access code (password) to Your user account on the Platform. Other than that VNX Commodities can neither restore, "reset" or reissue access codes or "reset" VNX Gold or issue new ones.

Legal risks

The legal classification of crypto currencies and tokens as well as their admissibility, effectiveness and enforceability of contracts concluded in this context can vary from jurisdiction to jurisdiction. It cannot be ruled out that in individual countries, including Your country of residence, transactions in connection with tokens are prohibited or will be prohibited in the future or that corresponding contracts and legal transactions are not legally enforceable.

Regulatory Risks

The VNX Gold as well as blockchain technologies and business models in general are of innovative nature. It cannot be ruled out that legal provisions, in particular provisions on the regulation of financial services, may be applied to the VNX Gold or VNX Commodities' business operations in individual jurisdictions or that new regulatory developments may generally apply to the transactions in question. This may lead to conflicts and problems in connection with automated processes based on smart contracts or with smart contract systems in general and decentralized "cloud" and distributed ledger concepts. As a result, it may become necessary, among other things, for VNX Commodities' business activities to be substantially adapted or even discontinued.

Risk of theft or loss

Smart contract systems and other technological components for or in connection with the issuance of tokens may be subject to hacking attacks which may result in the theft or loss of tokens already assigned to customers.

Compliance risks

VNX Commodities is subject to Liechtenstein Due Diligence Law and regular supervision to combat money laundering, organized crime, and terrorist financing by state authorities. Persons who fail to pass the respective know your customer (KYC) and anti-money laundering (AML) procedures of VNX Commodities are not eligible to use the Platform and the Services of VNX Commodities. Please note that if You purchase the VNX Gold outside the Platform Your access to the Services of VNX Commodities is conditional upon satisfactory results of You KYC/AML/CTF checks. In other words, if You fail to pass KYC/AML/CTF checks You would not be able get access to the Services and get use of the VNX Gold which You acquired outside the Platform.

ADDITIONAL RISKS SPECIFIC TO GOLD

Risk of incomplete return of the invested amounts

VNX Commodities is obliged upon receipt of the relevant request of the Token Holder (e.g. gold sale request or gold delivery request) to procure sale of the relevant amount of gold and transfer the sale proceeds (less fees) to the Token Holder or to procure delivery of gold to the Token Holder.

You bear the risk that the value of gold at the time of sale/delivery (i.e. Your exit from the investment) will be less than its market value at the time of gold purchase (i.e. Your entry into the investment).

Physical Delivery of gold

Under the Terms We may establish minimum or maximum quantity of gold that maybe requested to be sold or delivered. If such minimum quantity is established herein then only Token Holders who hold the relevant amount of the VNX Gold Tokens individually or jointly with other Token Holders may submit gold sale or delivery request. If certain Token Holder does not hold the relevant amount of VNX Gold corresponding to the minimum quantity of gold that may be requested for sale or delivery then such Token Holder may either acquire the missing amount of the VNX Gold from other Token Holders wishing to sell or at his/her own expense ask VNX Commodities to exchange a piece of gold into several smaller pieces, if possible, and subject to VNX Commodities' consent and then, deduct applicable expenses and procure their sale or delivery to the Token Holder.

Example: Type of commodity – gold. The minimum amount of gold that may be requested to be sold or delivered is 1 kg which is equal to 1,000 VNX Gold tokens. If a Token Holder holds 900 VNX Gold he/she may purchase the missing 100 VNX Gold from other Token Holders wishing to sell (if any). If he/she purchases the missing 100 VNX Gold he/she can request VNX Commodities to procure sale or delivery of 1 kg gold bar to him/her after deduction of applicable fees and costs. If there are no Token Holders wishing to sell 100 VNX Gold, then such Token Holder may ask VNX Commodities to procure exchange of the 1 kg gold bar to 10 gold bars 100g each at the expense of such Token Holder. If that is doable at a reasonable cost and VNX Commodities agrees to do it, then upon completion of the exchange such Token Holder may submit gold sale request or gold delivery request (as applicable) for the delivery of the relevant quantity of gold bars of 100g each less applicable fees and expenses.

Personal collection of physical gold

If the Token Holder wishes to submit gold delivery request, such Token Holder may choose to either personally collect gold or to have it delivered to an address notified to VNX Commodities.

Personal collection is only possible after coordination with VNX Commodities (support@vnx.li) who in turn will coordinate with the relevant precious metal storage service provider where the gold is stored.

Transport risk, transport costs

If the Token Holder submits gold delivery request, gold bars will be delivered to the location specified by the Token Holder at his/her own expense and risk.

In case of delivery a “handling fee” may apply, please refer to the fee schedule.

VNX Commodities assumes no liability for the transportation of the physical gold. Any and all risks (such as loss, damage, destruction, theft etc.) pass onto the Token Holder as soon as gold leaves the high-security warehouse and is handed over to the relevant transportation/delivery service provider.

It is the Token Holder's obligation to ensure smooth and compliant import of gold into the country indicated as the cargo destination. The Token Holders therefore bear the risk that gold cannot be delivered or that only a part of the gold can

be delivered to the location requested by the Token Holder.

Risk of theft or loss

Each VNX Gold represents ownership in a certain quantity of gold, which is held and managed by VNX Commodities in a Collective Commodity Deposit for and on behalf of the Token Holders. The Collective Commodity Deposit is stored at a high-security facility so that losses due to theft, fire, natural disasters etc. are not likely but cannot totally be excluded. Risks of theft or loss are to be borne by the Token Holders directly in their capacity as owners of gold.

There are further risks of theft or loss during delivery or transportation of gold from the high-security facility to the address indicated by the Token Holder for delivery of gold. Costs and risks of such transportation and delivery are on the Token Holders.



Contacts:

support@vnx.li

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