



# ONEGOLD

**THE CASE FOR A DIGITAL  
PRECIOUS METALS MARKETPLACE**

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# Precious Metals and Physical Asset Digitization

Global market participants have become increasingly focused on leveraging fast and efficient delivery of their products and services to businesses and consumers. End users are dealing more frequently and often primarily through web and mobile based B2C and B2B platforms and have an elevated expectation of speed, security and data access as core features of their product and service experiences. This trend toward an increasingly data-focused and web-based economy has not only driven growth in the digitization of traditionally paper-based assets like currencies but has also driven a trend toward the digitization of physical assets and commodities. Assets like gold and silver, which previously moved through a relatively inefficient supply chain with low levels of programmatic access and data production, are now being re-imagined where all aspects of their economic cycle are wrapped up in highly efficient, data-rich ecosystems.

## Existing Metals Products

Precious metals product development focuses primarily on solving the problems associated with existing metals products, which today are primarily those in physical and financial form. Physical products have a long history but are largely inaccessible to smaller-volume consumers due to the high touch nature of storing and handling physical metals. Both transaction and storage for the individual consumer usually come at a high premium, where costs tend to soar for the lower-volume consumer. This barrier to entry historically restricted the broad adoption of precious metals as a store of value, since significant cost appreciation of the asset itself is required to achieve even a breakeven price scenario for the buyer. Metals like silver that historically trade at lower dollar per ounce price very quickly become costly to store physically, adding to ownership friction for the smaller-volume consumer.

Several financial-based consumer products attempt to solve some of the challenges associated with physical precious metals, but several create additional issues. The first issue with popular financial-based metals products revolves around ownership records. Due to the segregated nature of record keeping between financial institutions, there is no universally true and accepted record of ownership of the instruments and their underlying assets. In periods where solvency is a concern, this creates a risk for the end consumer of the financial-based product and may result in assets that become inaccessible or illiquid. The second issue with financial metals products is the reconciliation and relationship between actual physical assets and the financial product. The

financial ecosystem does not strictly and universally enforce a 1-to-1 relationship between the financial instrument representing the physical asset and the physical asset itself, which may be further amplified by the interconnective lending and credit arrangements that could entangle these instruments.

## **Existing Metals Marketplaces**

While several new digital products have been or are in development stages and address the issues above, they still need to reach to the consumer through an appropriate distribution channel. The drawbacks associated with both physical and financial metals ownership are a function of the product but also a result of the shortcomings of each product's distribution channel. In the case of physical metals, the distribution channel and ecosystem carry very high costs due to the physical infrastructure required and risks associated with vaulting and transporting. As mentioned above, the lower volume consumer tends to be at a disadvantage in this ecosystem. The financial distribution channel on the other hand, while carrying some advantages versus physical, was not explicitly designed for physical assets, and while liquidity and pricing tend to be more competitive, the primary disadvantage is in conversion from financial to physical form. Many financial metals products either highly restrict conversions or outright deny the end user redemption for physical metals, or a restriction may be imposed by multiple parties in the chain of custody. The only choice for conversion to physical is often a full liquidation of the financial asset to cash and then a metals purchase through a completely different channel, which can be very costly for the consumer.

## **ONEGOLD, Inc. – A Marketplace Designed for Digital Metals Products**

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The trending development of digital precious metals products that both leverage the advantages and functionality of digital assets and solve some of the challenges of both traditional physical and financial-based precious metals products presented a clear opportunity: develop an appropriate distribution channel for these new digital precious metals products. In early 2018, two industry players with a depth of knowledge and experience in physical and financial precious metals came together to form ONEGOLD, Inc. with a vision to deliver the future of precious metals by developing a unique online marketplace.

## **Marketplace Design Philosophy**

The founders of ONEGOLD, Inc. decided a marketplace had to serve its customers in several ways. ONEGOLD, Inc.'s first function as a marketplace is to leverage the combined knowledge and experience of its founders to monitor the evolution of precious metals products. The digitization trend has been enabled by rapid advancements in technology that allow for a lightning-fast product development cycle. Being highly aware of how these products evolve, and what constitutes a sound product design from both a technological and operational perspective, is a primary function of ONEGOLD, Inc. Secondly, ONEGOLD exists to act as a gatekeeper, selecting only the highest quality products for its customers. Where a product may need further proof or development or carry unnecessary design risks due to unproven or experimental technology, ONEGOLD acts as a control point, only allowing super products access to its customers. Third, ONEGOLD is dedicated to developing marketplace features that are uniquely beneficial to the precious metals consumer, where a less-focused marketplace selling similar products may not be able to prioritize such targeted feature development.

## **Marketplace Features**

As a ground-up build, ONEGOLD, Inc. is an online, digital-first, multi-platform marketplace that has launched with some highly unique features that are of particular benefit to the precious metals consumer and a vision for building additional features over time.

### [Security](#)

ONEGOLD, Inc. is built with several security features designed to protect the user from the typical threats of online marketplaces, including a 2-factor authentication process, an extensive account activity log and device access control.

### [User-Friendly Design](#)

ONEGOLD, Inc. has been designed with an intense focus on delivering the best user experience possible. From the easy-to-use dashboard, buy/sell pages, redeem section and funding, the entire user experience has been designed to make navigating and using the marketplace smooth and effortless. ONEGOLD, Inc. was designed to be mobile and desktop friendly, with a responsive user interface.

### [Multiple Payment Options](#)

ONEGOLD, Inc. has been launched with multiple payment options for users, including the

ability to deposit to an account via check, ACH or bank transfer, and also the ability to link a credit card or PayPal account for immediate purchases. ONEGOLD, Inc. offers users the option to either pre-fund an account and hold cash with the intention of buying, or fund immediately after locking in a metals purchase price. ONEGOLD, Inc. intends to continue to expand payment options post-launch.

### **Physical Redemption**

ONEGOLD, Inc. has been built for easy physical redemption, a primary feature of the marketplace built specifically for metals. Users are able to convert their digital metals holdings into physical metals that will be delivered right to their doorstep, without the hassle of having to sell digital metal to get the funds to then buy physical. Additionally, ONEGOLD, Inc. focuses on making redemption accessible, where smaller-form physical precious metals are made available for redemption. Redemption products are available from 1 gram up to kilo sized bars and coins.

### **Continuity Program**

ONEGOLD, Inc. offers users a unique continuity program, where a user can sign up for a recurring buy schedule and add to their digital metals holdings over time.

## **ONEGOLD, Inc. Product Strategy**

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ONEGOLD, Inc. has developed a product strategy that focuses on a high degree of product due diligence prior to onboarding. When considering a product for onboarding to the ONEGOLD, Inc. platform, all aspects of the product are evaluated, including, but not limited to:

- Vaulting Providers
- Record Management Technology
- Trading Ecosystem
- Security Features
- Insurance and Loss Protection Features
- Product Development Roadmap
- Physical Redemption Abilities
- Liquidity & Trading Abilities
- Product Team
- Costs

## **Product Road Map**

ONEGOLD, Inc. is committed to continually expanding its product offering to customers. Following launch, ongoing consideration for products with unique features with a diverse vaulting footprint will be considered for inclusion in the marketplace.

## **Launch Product**

For the launch of ONEGOLD, Inc., TradeWindMarkets VaultChain™ has been chosen as the flagship digital metals product. VaultChain™ carries several unique product features:

- Royal Canadian Mint Vaulting and Backing
- Corda R3 Distributed Ledger Record Management Technology
- Built in ECN Exchange Trading Ecosystem
- Redeemable at RCM
- Fully Audited
- 100% Metal Backed

## **About the ONEGOLD, Inc. Founders**

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ONEGOLD, Inc. is the result of the knowledge, experience and resources of two globally recognized industry players, APMEX, Inc. and Sprott Inc. With a deep understanding of precious metals that is unmatched in any competing business, these entities came together with a shared vision for the evolution of precious metals ownership and set out on a path to create a company to deliver that vision. They are working to make ONEGOLD, Inc. the precious metals experience of the future, where customers get the features and benefits of both physical and digital products in an easy-to-use, efficient and secure online marketplace. Together, APMEX, Inc. and Sprott, Inc. are committed to building ONEGOLD, Inc into the best experience for anyone who wants to own precious metals.

### **Sprott Inc.**

Sprott Inc. is an alternative asset manager and a global leader in precious metal and real asset investments. Through its subsidiaries in Canada, the U.S. and Asia, the corporation is dedicated to providing investors with best-in-class investment strategies that include Exchange Listed Products, Alternative Asset Management and Private Resource Investments. The corporation also operates Merchant Banking and Brokerage businesses in both the U.S. and Canada. Sprott, Inc. is based in Toronto with offices in New York, Carlsbad and Vancouver.

## **APMEX, Inc.**

APMEX, Inc. has been a leading online dealer of precious metals products for more than 15 years. Headquartered in Oklahoma City, Oklahoma, APMEX, Inc. has long had a reputation as an industry leader and innovator in physical precious metals. APMEX, Inc. has one of the most extensive online product selections and a dedication to customer satisfaction that time and again brings customers back for the best traditional metals buying experience.

## **Disclaimer**

This document was prepared by persons engaged by ONEGOLD, Inc. for purposes of presenting, in a simple form, ONEGOLD, Inc. and its product offering.

This document is provided solely for informational purposes. This document is not a comprehensive discussion of ONEGOLD, Inc., its products or the markets in which ONEGOLD, Inc. operates, and this document is not a substitute for fully informing oneself about ONEGOLD, Inc., its products or its markets, as well as the related benefits and risks.

This document is not a substitute for reviewing the User Agreement and the other policies of ONEGOLD, Inc. All users and prospective users should carefully review the User Agreement and such policies.

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