

White Paper Aureum Token



AUREUM

Acknowledgements

The Aureum (AUR) token would not exist without a dedicated team of professionals who believe in a better world—a world where it is not necessary to pollute our water, damage our soil, or harm animals and humans to realize economic potential. It is because this team committed to changing this paradigm that AUR was born.

We wish to extend our gratitude to every team member working tirelessly to make this vision a reality. We now have the opportunity to offer the world a choice. The ball is now in the court of the global crypto community; a decision must be made that will hopefully be used to bring prosperity to all of humanity.

Marcelo Erlitz

CEO

Summary

Aureum (AUR) is an innovative cryptographic protocol that collateralizes the AUR token with internationally certified, unmined gold reserves. AUR provides a robust alternative for backing stablecoins, supporting crypto protocols that require a store of value, and offering a gateway for new users to enter the crypto space without exposure to volatility or reliance on questionable fiat-based systems.

By reimagining the use of gold as collateral, AUR establishes itself as the most eco-friendly, sustainable, and stable store of value since the advent of Decentralized Finance (DeFi). AUR represents a true paradigm shift. Previously, profits from gold were confined to large mining corporations. Today, through AUR, these benefits can be distributed equitably to foster prosperity for all humankind.

Introduction

The world currently faces multiple significant economic challenges with no clear answers to many pressing questions. Some of the most urgent include:

- **How will governments manage fiat currency inflation?**

Since the beginning of the pandemic, governments have printed more fiat money than at any other point in history. This expansion of the money supply has led to a significant increase in inflation, eroding the value of money daily.

- **What options are available to hedge against inflation?**

Precious metals and cryptocurrencies have long been considered safe-haven assets for individuals, companies, and institutions seeking to preserve their financial stability. However, both present considerable challenges. Gold is difficult to acquire and store, requires technical expertise to verify, and involves costly logistics. It is also not easily divisible, complicating its use in partial transactions. Cryptocurrencies, on the other hand, are highly volatile and susceptible to external factors like market trends, geopolitical conflicts, and regulatory changes.

- **What about stablecoins?**

Stablecoins do not offer a perfect solution. Those backed by fiat are exposed to inflation, while crypto-backed stablecoins like DAI inherit the volatility of their underlying assets. Algorithmic stablecoins, though innovative, are often too complex for the average person to understand and lack the trust generated by tangible asset backing, which has hindered their mass adoption.

- **If stablecoins are not the answer, why does fiat money remain the standard?**

Public opinion surveys show that over 70% of people still believe fiat money is backed by gold in central banks. This misconception helps sustain the fiat system, as many are unaware that it lacks any tangible backing. The system where money was backed by gold was known as the Gold Standard.

- **Why is fiat money no longer backed by gold?**

The answer is straightforward: governments need the ability to issue more money. For instance, if a population grows while the monetary base remains fixed, per capita income falls, leading to poverty. Factors such as wars, government spending, and inflation also necessitate an expanding money supply. Under the Gold Standard, a government's ability to print money was restricted by its gold reserves, severely limiting its economic flexibility.

- **Why not just buy more gold?**

Firstly, purchasing gold requires money. If a government prints money to buy gold, that money flows to mining companies, creating a self-limiting cycle. Secondly, gold mining is a slow and complex process that cannot keep pace with the speed at which governments need to expand their monetary base, presenting a scalability problem.

Executive Summary

The Source AUR is an ecological project that converts certified, unmined gold deposits into collateral for cryptocurrencies and stablecoins. By unlocking the economic potential of gold without extraction, AUR transforms these reserves into a real source of value. The protocol's stabilization algorithm maintains parity with the spot price of gold, ensuring each AUR token is unconditionally backed by at least one gram of certified gold, guaranteeing both value stability and long-term sustainability.

The Situation Most crypto projects face significant hurdles in acquiring and maintaining assets to back their value. Fiat-backed initiatives often conflict with regulatory bodies, while crypto-collateralized projects suffer from high volatility and tax complications, limiting their appeal for widespread adoption.

The Solution This raises a logical question: Why should we harm the planet by extracting gold only to store it in vaults? Before AUR, only a select few mining corporations profited from extracted gold. AUR disrupts this model by demonstrating that gold does not need to be physically mined to serve as an economic backbone.

Leveraging blockchain technology, AUR tokenizes certificates of unmined gold reserves in compliance with international standards like Canada's NI 43-101. These certificates, which are widely accepted by banks and mining companies, represent a real estimation of gold reserves validated through extensive geological studies. This allows the gold to be used as a responsible, verifiable, and tradable store of value without extraction. AUR tokenizes these reserves at a 1 gram = 1 token standard, integrating them directly into the DeFi ecosystem. This approach enables a more equitable distribution of profits without environmental harm and paves the way for responsible, sustainable, and transparent investments.

The Value

Throughout history, gold has served as a reliable safe haven during times of financial uncertainty. AUR merges this historical strength with blockchain technology to create a new digital gold standard that is secure, understandable, and eco-friendly. A portion of the generated profits will be channeled into DeFi protocols, with benefits shared among AUR stakers. Additionally, the project will promote sustainable initiatives in local economies to foster development and well-being.

The Magnitude

The potential impact of AUR is immense. The first mining project alone is estimated to create reserves equivalent to 211,000 ounces. This journey has already commenced with a strategic contract signed with a leading mining organization. We plan to incorporate additional projects as they successfully complete our verification, KYC, and legal certification processes.

Objectives and Principles

Inspired by the principles of human prosperity and respect for nature, the AUR protocol is guided by three core objectives:

1. **Preserve the environment** by offering an ecological solution to the gold mining sector without sacrificing its economic potential.
2. **Provide a solid, decentralized tool** for the DeFi ecosystem and other crypto projects as a true store of value.
3. **Democratize gold profits** by distributing them among all participants, not just large mining corporations.

About Us

We are a Buenos Aires-based company composed of a multidisciplinary team of professionals dedicated to expanding the DeFi ecosystem through the Aureum project. We operate with high ethical standards and a strong commitment to environmental sustainability, believing that global well-being can be achieved through the responsible use of resources. Our purpose is to improve economic conditions for people while preserving the Earth for future generations.

Vision

Driven by a steadfast commitment to environmental sustainability and the technical and economic challenges of the crypto industry, our vision at AUR is to develop tools that foster a more equitable and sustainable global economy, expanding opportunities for all. Our goal is to provide an innovative financial solution that contributes to global economic prosperity, positioning AUR as the first truly ecological reserve-value token in the DeFi ecosystem.

Market Context

The high volatility of crypto-assets has been a defining characteristic since their inception. While many aspire to become global currencies, their price instability often relegates them to the status of speculative assets. Money serves three essential functions: a store of value, a unit of account, and a medium of exchange—all of which depend on stability. An asset with a constantly fluctuating value is unsuitable for storing wealth, setting prices, or conducting predictable transactions.

To mitigate these risks, many emerging currencies use collateral to back their value, establishing a price floor to reduce uncertainty. Dollar-pegged stablecoins, for example, maintain their value through arbitrage mechanisms. However, this model presents logistical and structural challenges. Storing large amounts of collateral, whether fiat or commodities, requires a high degree of centralization, which introduces risks related to transparency, manipulation, and compliance. Cash reserves are exposed to deposit insurance limits and opaque banking practices, while commodity reserves like gold face infrastructure and insurance constraints that further centralize the system.

An alternative is to use other cryptocurrencies as collateral, which allows for decentralization. However, this introduces the inherent volatility of the backing assets, requiring complex corrective mechanisms to prevent system collapse during sharp price fluctuations. Some projects have eliminated collateral entirely, relying on algorithms and market trust. While this reduces operational costs, it is highly vulnerable. Without a tangible asset backing its value, any shift in perception or technical failure can lead to an abrupt and irreversible collapse, as seen in numerous recent cases.

The Gold Industry

The gold business begins with the discovery of a deposit. Landowners must report the find to authorities and apply for a "possible mining project" classification. Geological studies are then conducted to confirm the presence of sufficient gold to justify further investigation. Authorities are then petitioned to upgrade the status to "mining project," and exploration permits are sought.

Once approved, international firms are hired for a three-stage process that certifies the reserves. These reserves represent the economically extractable portion of the mineral resource. The certification stages include:

- Inferred resources
- Proven resources
- Measured resources

This process can take years. Large mining companies often acquire projects with inferred or in-progress proven resource certifications, as the project's value at this stage is still economically viable for negotiation. This benefits both parties: the mining company secures a viable project, and the landowner receives a significant return on their investment of time and resources.

The Old Gold Standard

The gold standard was an international monetary system where a country's currency issuance was tied to its gold reserves. Gold coins and gold-backed banknotes were used as currency. This system was widespread until the 1970s, when most economies transitioned to floating fiat currency regimes. The primary failing of the gold standard was the inability of governments to maintain parity between their currency and gold reserves, making the system unsustainable.

The new "golden" system, from which our token derives its name, solves the problems of the old standard through new technologies combined with traditional collateral methods. Our method is rapidly and efficiently scalable, allowing us to deploy resources without the long delays of conventional mining, which can take up to 30 years. It is also ecological, preserving the environment and local economies. Thanks to blockchain, AUR is transparent, reliable, and immutable, preventing corruption.

Aureum's main goal is to transform the mining industry by replacing outdated workflows with modern technology. This allows us to utilize a resource's full potential without causing environmental damage. Why should we pollute the Earth to extract gold only to store it in costly high-security vaults? We can leave the gold in the world's best vault—the earth itself—certify its quality and quantity, and then use blockchain to unlock its economic potential.

Today, purchasing a gold bar from a bank involves extensive due diligence. If you pass, you receive a certificate of ownership, but not the physical gold. Given this, why does humanity continue to extract gold with 19th-century methods when modern technology offers a better way? AUR is changing how the economic potential of precious metals is utilized. The speed of our certification process offers a unique scalability that allows any economy, token, or country to use it as a store of value without the drawbacks of the old gold standard.

Project Overview

AUR: A Sustainable Solution for the Financial and Environmental Future

Our planet faces critical challenges from pollution, with devastating consequences. The use of cyanide and mercury in industrial processes like mining is particularly harmful to all living things. AUR (Aureum) was created to address these fundamental problems: water and soil contamination, environmental destruction, and the health impacts of traditional mining.

Driving Value and Equity Through Blockchain

At AUR, we use next-generation technologies like blockchain to preserve asset value and democratize access to economic benefits. This ensures that profits from these resources, which rightfully belong to all of humanity, are not concentrated in the hands of a few multinational corporations that are often indifferent to environmental preservation. In an ecosystem where people seek stable value, we believe a gold-backed token on the blockchain is the best solution.

The Advantage of Cryptographic Digital Assets

Digital currencies emerged as cryptographically secure payment systems, contrasting with fiat currencies that rely on third-party trust. Bitcoin opened the door to a new world of decentralized digital currencies. Key advantages include:

- Low transaction costs
- International transferability and easy convertibility
- Pseudonymity and real-time operational transparency
- Independence from bureaucracy and banking issues

We view digital assets as a powerful tool for improving quality of life and planetary well-being. To this end, we developed Aureum to mitigate mining pollution, provide a secure store of value, and generate returns while contributing to a decentralized financial ecosystem.

Generating Returns and Supporting Green Projects

Benefits and rewards in Aureum are generated through the network economy. Economies of scale allow for greater profits, which are distributed to AUR stakers. Crucially, these resources also fund industries and technologies dedicated to protecting our planet.

Our token's implementation is semi-decentralized. Each token is backed by a gold asset, classifying it as a Security Token. This requires strict compliance with regulations. At Aureum, we act as custodians of this store of value, believing this structure will pave the way for solutions to climate change and the environmental damage from traditional mining. We are also committed to creating a new model for generating dividends for a broad range of people, opposing the concentration of wealth in large mining corporations.

Key Advantages of Aureum

1. **Ecological Vocation:** Actively contributes to planetary care by offering an alternative to polluting mining.
2. **New Store of Value:** Provides an innovative, multi-purpose approach to value preservation.
3. **Cryptographic Stability:** Helps crypto economies find a stable backing asset without direct reliance on fiat currencies.
4. **Equitable Profit Distribution:** Profits are shared among many users rather than being concentrated in a few mining companies.
5. **Social Development:** AUR Communities will drive social projects like job creation loans and grants.
6. **Green Project Financing:** AUR will fund projects aimed at solving pollution problems.
7. **DeFi Grants:** A portion of profits will be allocated to grants for new DeFi projects.
8. **Humanitarian Benefit:** A share of profits will fund projects that directly benefit humanity.
9. **Transformation Potential:** Community adoption could incentivize mining companies to change their business models.

Why a Security Token?

Crypto tokens that distribute profits, pay dividends, or generate returns for holders are considered Security Tokens. Because they grant rights similar to traditional financial instruments, they are subject to financial regulations. A token is classified as a security when there is an expectation of profit from the efforts of others. It is an investment contract representing legal ownership of an asset. Non-compliance can lead to penalties, including project termination.

Benefits of Security Tokens

When compliant with regulations, emerging companies can offer tokens as a digital representation of equity. Benefits for holders include:

- Storage in various wallets
- Use as collateral for loans
- Exchange for other assets
- Redefinition of ownership

Security tokens redefine "ownership" by allowing assets like real estate to be fractionalized and sold to multiple investors. For example, instead of one person owning an expensive property, 100 people could each own a fraction and receive prorated returns.

Similarities between Security and Utility Tokens

Both token types are subject to market demand fluctuations. They are not cryptocurrencies in the sense that they are not intended for direct commercial use and are not comparable to fiat money as independent means of payment. It is important to note that utility tokens are often incorrectly marketed as investments, while security tokens are sometimes mistaken for utility tokens.

Our Ecological Commitment

The AUR system is inherently beneficial for the ecosystem because it avoids gold extraction, thus eliminating the negative environmental consequences of the dangerously polluting mining industry. Substances like cyanide used in gold mining contaminate water and surrounding areas, harming human settlements and wildlife. For this reason, traditional gold mining is not ecologically viable.

In contrast, AUR promotes sustainable development by allowing gold to serve as a store of value while remaining safely in the ground, without causing pollution or destruction. Our token is therefore disruptive and original, blending ecological consciousness with solid profitability.

Environmental care is a core value for AUR. The token will be hosted on a carbon-neutral blockchain, further enhancing its sustainability by reducing carbon emissions and supporting users and projects that promote environmentally friendly solutions.

AUR Token Overview

The AUR token is a native Token Extensions standard on the Solana blockchain, designed primarily as a store of value for the DeFi ecosystem. Each AUR token is backed by one gram of physical gold from a mining project where our protocol holds ownership or control.

To ensure transparency, the gold quantity is verified by proven reserve certifications integrated into our protocol. Each token issued corresponds to an NI 43-101 report, the industry standard for certifying gold deposits.

Pricing Mechanism

The price of an AUR token is set to the equivalent of one gram of 24-karat mined gold (1X), minus 15% of the quoted value. To determine this price, our protocol aggregates data from the London Bullion Market Association (LBMA) and three other primary sources. An average of these sources establishes the value of a gram of gold, setting the AUR price at 1X - 15%.

Underlying Mathematical Model

Our constant product market maker is based on the equation:

$$G_e \times G_m = T$$

Where:

- **G_e** is the amount of unmined gold.
- **G_m** is the amount of AUR in wallets.
- **T** is a constant.

From this, the price of AUR (P) is determined by:

$$P = G_e / G_m$$

Market stabilization algorithms featuring expansion and contraction will be implemented and validated through backtesting simulations.

Price Stabilization

AUR's stabilization approach is inspired by CELO's Mento algorithm, which mitigates the risk of liquidity depletion. The AUR protocol will maintain two virtual "buckets": one for AUR and another for a liquidity pair token (e.g., USDT, USDC). The amount in each bucket is recalibrated whenever the Oracle's price feed is updated.

Through this mechanism, AUR aims to achieve a stable price in equilibrium with supply and demand, maintained within a range of 1X-15% and 1X+5% on centralized exchanges (CEX).

Token Flow and Minting Function

The initial token issuance will be 320,400 AUR, which is 50% of the reserves from the following mines:

- La Higuera
- Cortadera
- La Suerte
- Bragada
- Don Gero
- Carmela
- San Ignacio
- La Barranca

Economic tools to manage token flow include:

- **Staking:** To increase the Total Value Locked (TVL) and the circulating supply.
- **Manual Liquidity Injection:** To add liquidity to pairs like AUR/USDT.
- **Price Oracles**

Price Oracles

AUR's oracle will source the price of gold from six major global stock markets to reach a consensus. Since these markets have specific operating hours, the oracle will also integrate three additional 24/7 sources from reputable websites and non-profits. Updates will occur within seconds to ensure an accurate price at all times. During weekends, the price will remain fixed between the last market close and the first market open in Asia on Monday.

Token Revenue Distribution

- **Returns System (55%):** Capital for a crypto investment fund to generate returns for staking and bond systems.
- **Preservation Fund (15%):** To fund the certification of new mining projects, enabling the issuance of more AUR tokens.

- **Eco Projects (2%):** To finance projects related to ecology, environmental care, and the development of sustainable technologies.
- **Social Programs (4%):** To fund new jobs and provide training for sustainable activities like aquaponics and smart agriculture. It will also finance education on using DeFi as a marketing tool.
- **Current Expenses (8%):** Covers operational costs, including salaries, professional services, and rent.
- **Management Team (6%):** Compensation for managers across all protocol areas.

Who is AUR for and Why Use It?

The blockchain industry has yet to establish a decentralized store of value not directly tied to fiat currency. AUR fills this gap as a superior alternative. Unlike other stablecoins, AUR is not subject to the volatility of other crypto assets, making it an ideal choice for any individual or organization seeking a reliable utility token with a stable store of value function.

Custody and Security of AUR Tokens

Users can store their AUR tokens in compatible digital wallets, including hardware wallets and approved exchanges. As a responsible custodian, AUR has a decentralized backup policy where an independent third-party provider will hold 90% of the available tokens. This enhances security and acts as a financial insurance policy for the ecosystem.

The remaining 10% will be distributed between two wallets:

1. **Immediate Reserve Wallet:** A high-protection reserve to replenish the operational wallet.
2. **Continuous Operational Use Wallet:** Provides daily liquidity for token acquisition and redemption.

These wallets will be managed under a multi-signature scheme. Transfers between them will be automated and audited every 24 hours. The custody wallet will be activated manually when the immediate reserve wallet drops to a predetermined threshold. The minimum balance for each wallet will be determined by governance, with a general rule to replenish when capacity falls to 50%.

Tokens for staking, bonds, and lotteries will be secured in a guaranteed cold wallet service. Our website will provide updated information on exchanges where AUR can be traded.

Acquiring AUR Tokens

AUR will be listed on various exchanges. Our website will maintain an updated list of official exchanges where the token can be acquired.

Note: Tokens allocated to developers, founders, and advisors may be released before the end of their one-year vesting period in a single transaction if the new holder's acquisition time is greater

than the remaining vesting period. This encourages long-term investment and contributes to price stability.

Technical Architecture

Compatible Networks

We envision AUR as a multi-blockchain token. It will initially be deployed on Ethereum, with plans to evaluate other EVM-compatible blockchains in the future. Once AUR gains consensus in the crypto world, our long-term goal is to implement it on the Bitcoin blockchain.

Legal

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