

INVESTOR MEMORANDUM

Silver-Backed Digital Token

Date: 3 March 2026

1. INTRODUCTION AND EXECUTIVE SUMMARY

This Investor Memorandum provides an overview of the Silver-Backed Digital Token (“the Token”), a digital asset fully backed by physical silver.

Each Token represents fractional or full ownership in one (1) troy ounce of 999 fine silver securely stored in professional vault facilities operated by an independent third-party custodian.

The Token is designed to combine the intrinsic value of physical silver with the efficiency, accessibility, and transferability of digital asset infrastructure. Investors are able to purchase, hold, and trade silver exposure in a digital format, subject to the applicable platform rules and terms.

Silver serves a dual function globally as both:

- A precious metal and store of value; and
- A critical industrial commodity used in electronics, renewable energy systems, healthcare technologies, and other sectors.

Each Token is fully backed by physical silver held in custody. Independent audits and reconciliation procedures are conducted to ensure that Tokens in circulation correspond to underlying silver holdings.

This Memorandum outlines:

- The structure and mechanics of the Token
- The silver market landscape
- Trading and redemption procedures
- Applicable pricing and fees
- Risk disclosures
- Legal disclaimers

2. THE TOKEN STRUCTURE

2.1 What the Token Represents

Each Token corresponds to fractional or full ownership of one (1) troy ounce of 999 fine silver held in secure vault facilities.

The Token provides direct exposure to physical silver and is not a derivative instrument or synthetic exposure.

All Tokens issued are fully collateralised by physical silver held in custody.

2.2 How the Token Operates

Tokens may be:

- Purchased via a digital asset trading platform
- Held in a secure digital wallet
- Transferred subject to platform rules
- Traded at prevailing market prices

Transactions are executed on a spot basis unless otherwise specified.

2.3 Custody and Backing

Physical silver backing the Tokens:

- Is sourced from reputable suppliers
- Is stored in professional high-security vaults
- Is insured under commercial insurance policies
- Is subject to periodic reconciliation and independent audit

The issuer maintains a 1:1 relationship between Tokens in circulation and silver held in custody.

3. SILVER AS AN ASSET CLASS

3.1 Role in the Global Economy

Silver functions both as:

- A monetary metal historically used as a store of value; and
- An industrial commodity essential in manufacturing and technology sectors.

This dual demand profile distinguishes silver from purely financial assets.

3.2 Historical Performance

Silver has historically experienced periods of price appreciation and consolidation influenced by:

- Inflationary pressures
- Interest rate cycles
- Geopolitical developments
- Supply-demand dynamics
- Investor sentiment

Silver may exhibit greater volatility than gold.

Past performance is not indicative of future results.

3.3 Supply and Demand Considerations

Demand drivers include:

- Industrial usage (electronics, solar panels, electric vehicles, medical technologies)
- Investment demand during economic uncertainty

Supply constraints may arise from:

- Mining output limitations
 - By-product production dependency
 - Regulatory or geopolitical factors
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4. TOKEN MECHANICS

4.1 Purchase and Trading

Token pricing is determined at the time of transaction execution and is based on:

- The prevailing global silver spot price
- Applicable spreads
- Platform fees
- Vaulting and insurance costs
- Taxes where applicable

Settlement is final upon trade confirmation.

Liquidity is dependent on market activity. No guarantee of continuous trading is provided.

4.2 Vaulting and Insurance

Vaulting and insurance fees may:

- Be incorporated into transaction pricing; or
- Be charged separately on a periodic basis

Fees may be amended in accordance with operational and market conditions, subject to notice where required.

4.3 Physical Redemption

Token holders may request physical redemption subject to:

- Minimum redemption thresholds (e.g., kilogram increments or as specified)
- Completion of compliance and identity verification procedures
- Payment of applicable handling, delivery, and tax costs

The redemption process generally includes:

1. Submission of a formal redemption request
2. Completion of compliance checks
3. Temporary restriction of Tokens pending settlement
4. Delivery or collection arrangement
5. Permanent removal (“burning”) of redeemed Tokens

Redemption timelines may vary depending on operational and logistical factors.

5. RISK DISCLOSURES

Investment in the Token involves significant risk.

5.1 Market Risk

The value of the Token is directly linked to the global silver price, which may fluctuate significantly due to:

- Macroeconomic conditions
- Currency movements
- Interest rates
- Geopolitical events
- Supply-demand imbalances

Extended periods of price decline may occur.

5.2 Liquidity Risk

Market activity may be limited. Investors may be unable to sell Tokens promptly or at preferred prices.

5.3 Custodial Risk

Although silver holdings are insured, insurance coverage may:

- Be subject to policy limits
- Contain exclusions

In extreme circumstances, recovery may be impaired.

5.4 Redemption Risk

Redemption may be delayed or suspended due to:

- Operational disruptions
- Regulatory intervention
- Force majeure events
- Compliance requirements

Temporary unallocated periods may arise during settlement processes.

5.5 Technology and Cybersecurity Risk

The Token relies on digital infrastructure and distributed ledger technology.

Risks include:

- Cyberattacks
- System outages
- Smart contract vulnerabilities
- Blockchain protocol changes

Absolute security cannot be guaranteed.

5.6 Operational Risk

Digital platforms may experience downtime or transaction delays.

Insolvency of the issuer or service providers may impair trading or redemption.

5.7 Regulatory and Legal Risk

Regulatory frameworks governing digital assets may change.

Reclassification or new compliance requirements may impact issuance, trading, or redemption.

Investors are responsible for compliance with applicable tax and legal obligations.

5.8 Force Majeure

Extraordinary events including natural disasters, pandemics, armed conflict, or infrastructure failure may disrupt operations or access to vault facilities.

6. CONFLICTS OF INTEREST

Commercial arrangements between the issuer and service providers may give rise to potential conflicts of interest.

Policies and internal controls are implemented to mitigate such risks.

7. NO ASSURANCE OF PROFIT

Investment in physical silver and digital tokens is speculative in nature.

There is no guarantee of profit.

Investors may incur partial or total loss of capital.

8. NO INVESTMENT ADVICE

This Memorandum constitutes general information only and does not constitute financial, legal, or tax advice.

Prospective investors should consult appropriately qualified professionals before making any investment decision.

9. NON-EXHAUSTIVE RISK STATEMENT

The risks described in this Memorandum are not exhaustive.

Additional or unforeseen risks may arise and adversely affect value, liquidity, or usability.

10. LIMITATION OF LIABILITY

To the maximum extent permitted by law, the issuer and associated service providers disclaim liability for direct, indirect, incidental, or consequential losses arising from acquisition, holding, trading, or redemption of the Token.

11. INVESTOR ACKNOWLEDGMENT

By purchasing or trading the Token, investors acknowledge that they:

- Have read and understood this Memorandum;
- Accept the risks described herein; and
- Agree to be bound by the applicable terms and conditions governing the Token.