

Executive Summary

Sudan Gold Coin (SGC) is a cutting edge cryptocurrency **Project**, which provides its ICO investors with a unique opportunity to invest both in crypto and real worlds by backing digital tokens (Sudan Gold Coin) with a defined amount of physical gold.

The amount of gold, assigned to each token initially, at every stage of the Project realization except post-ICO stages is constant and equals 0,05 grams. Yet, the price of the token differs at each stage of the Project Maturity from 50 cents up to 1,9 dollars. After launching the gold mining operation in Sudan, which is the eventual purpose of ICO Project-Part realization, the mined gold starts to be distributed between tokens until the initial obligation of 0,05 grams per token is met.

However, the most interesting option for investors is the ever-growing weight of the acquired token. Bought at the early stages of the project for 0,5-1,25\$, the tokens are not only 0,05 grams liabilities but a surefire way to quarterly bring their holders approximately 0,03 grams in the weight of gold per each token, distributed from the mined gold. Such proposition allows investors to choose the most desired and appropriate strategy:

- To indefinitely continue accumulating the gold amount assigned to each token through quarterly gold distributions.
- To exchange tokens for gold, which can be sold either by SGC or by the investor himself or passed to the investor in the form of solid gold.
- To combine the above-described two strategies.

Sudan Gold Coin Project utilizes a blockchain based technology of ETHEREUM SMART CONTRACT that provides maximum security and transparency of the invested funds, while keeping up with the most recent global ICO legislation developments. Thus, all the investments are placed not with Sudan or Dubai company but with the holding company, located in Zug, Switzerland, where the ICO project is initially audited and the permission for ICO activities is officially given by FINMA, the organization responsible for financial monitoring of ICO projects.

The Main Project advantages:

- ✓ SGC is one of the first projects, which combines blockchain technologies and real production sector with high transparency and fair distribution of the profit.
- ✓ Highly professional, balanced and committed team of professionals involving IT and digital security experts, legal advisers, gold mining engineers, and marketing specialists.
- ✓ Legal framework is designed to maximize the safety and security of the investments.

- ✓ Agreements with the number of leading marketing agencies for assistance in marketing and promotion of the ICO through existing base of more than 50,000 active investors.
- ✓ The place of mining operations - the government of Sudan has created and is still creating a viable set of laws, regulations and initiatives, which smooth the investment path and allow an investor maximizing his ROI (return on investments).
- ✓ All types of leases can be easily obtained from GRAS (Sudanese Regulatory Body) with minimal costs. Mining leases grant exploitation of commercial resources to a period of 21 years in minimum.
- ✓ The Government of Sudan doesn't insist on having the major part of profit shares and treats both foreign and international investors equally.
- ✓ An FDI company has the right to directly export or ship its share of metal or hard currency outside the country.
- ✓ Of all the Agreements, which have been signed for the exploration and extraction of minerals between the Government of Sudan and national or foreign companies, none (0%) has been reviewed, called back, changed or broken during the last 70 years.
- ✓ Mining projects are exempted from profit taxes for ten years from the beginning of commercial production.
- ✓ The projects are also exempted from customs and other taxes during exploration.

SGC Project Legal Framework is designed to secure the investments and provide the full transparency of the ICO and the project realization:

Swiss Company - a legal entity registered in Switzerland (canton Zug) with a license for conducting cryptocurrency activities and an account in a local bank which is friendly to crypto-currency transactions. This legal entity will make a collection of the crypto currency during the ICO and the sale of tokens, and the received fiat money will be transferred to the UAE company for purchasing the equipment and conducting business activities.

UAE Company - a legal entity registered in the UAE (Dubai). This company will act as a foreign direct investor in Sudan. The company will not be used to raise funds for the ICO. The company will be the custodian of the gold extracted by Sudan Gold Coin Project.

Sudanese Company - the company, which will hold the rights to extract gold in Sudan and accept FDI (foreign direct investments) from UAE Company. The company will perform the main operational activities for the extraction of gold.

The Swiss company is planning to raise from \$10 to \$28 million till the end of 2018. The ICO plan is the following:

- ✓ 25 million tokens will be emitted by the ETH blockchain, without the possibility of additional emission.
- ✓ The minimum desired amount of ICO is \$10 million, the target amount is \$28 million. Tokens could be purchased by the investors with the use of the major cryptocurrencies (BTC, ETH, LTC, BCH, etc.) or with the fiat currencies (debit cards or wire transfer).
- ✓ Tokens will be sold through the Ethereum based smart contract, in order to ensure full transparency and proper recording of all receivables and investor's shares.
- ✓ All investors will be able to track and monitor the purchases through the investors back office.
- ✓ After ICO completion all accumulated funds will be used by parent Swiss company for financing subsidiary Dubai Company, which will invest and manage the mining facilities in Sudan.
- ✓ As the committed partner, Dubai Company will be getting revenue from Sudan Company and will be obligated to use the half of the net income for buyback of the tokens from the market or exchange then into bank gold certificates.

The project provides that SGC tokens will be purchased from the market by the Swiss Company starting from the second year of gold mining launch. The following system of the token price determination will be used:

- ✓ Token will be always tied to the weight of the gold, with the basic ratio - 10 tokens = 0.5 g of the gold (i.e. 1 token = 2 USD).
- ✓ Depending on the amount of gold extracted and financial result of the Swiss company, the token to gold ratio will be changed.
- ✓ Swiss Company will announce the financial results and respectively the token to gold ratio will change.
- ✓ Shall the budgeted results be achieved, the token to gold ratio will be established at the level of: 10 SGC tokens = 0.5 g of the gold (i.e. 1 token = 2 USD). After the first year of mining the weight of 10 SGC tokens is projected on the level not less than 1,1 g of the gold (i.e. 1 token = 4 USD).
- ✓ In practice, SGC tokens to gold ratio and price will also increase each year, because of reduction of the SGC tokens quantity after each buy-back.
- ✓ It is planned that the at the end of the first year of mining, Dubai SG mining Co will provide option to exchange of the tokens to a banking gold certificates in selected location of the world (e.g. Dubai, Switzerland, etc.).

All SGC tokens purchased-back by the Swiss company from the market or exchanged for banking gold certificates will be burned.

Gold Mining Operations and Technology in Sudan

Sudan is one of the largest countries in Africa, covering about 1881998 square Km. It falls between latitudes 8.45-23.8 N and longitudes 21.49-38.34 E. The population is 33.419.625 million. The back bone of Sudan economy is Agriculture. The mining sector contribution to the national economy is not exceeding 8% nowadays. Currently, the only resources mined in Sudan, are gold, chromium ores, gypsum, salt and building materials mainly cement raw materials.

With such big area and diversified geology, which merges across the boundaries between seven countries, Sudan has a huge mineral potential yet to be evaluated and developed. Geological studies indicate the variability and abundance of Sudan mineral resources, Gold in particular, with most deposits having geology and structure that are highly favorable for exploration and mineral extraction.

However, the large area of Sudan requires considerable resources and investments, which the country currently lacks, in order to develop and improve the infrastructure fit for minerals exploration. Thus, the Government is now undertaking numerous steps in order to encourage investment (namely FDI) in precious metals (gold and others) mining, especially in the north, north east and Blue Nile areas, making the industry development a priority task for Sudan Ministry of Energy and Mining.

The SGC intends to operate a gold deposit, which contains mineralization on the surface and spatially distributed in a manner that is suitable for open pit mining methods. Gold grade distribution and the results of preliminary mineral-processing testing indicate that ore from this deposit can be processed by conventional Heap Leaching methods and CIL (Cyanide-In-Leach).

The method of material transport evaluated for this study is open pit mining using excavators and trucks of 30 ton. Mining is planned on a 6 day per week schedule, with two 8-hour shifts per day, 312 days per annum. Ore production is planned at a nominal rate of 2000 tpd, equivalent to 740,000 tons per annum in case of collecting \$10 million. As it was mentioned, the project is scalable so the ore production will be increased proportionally.

The amount of capital investments is \$9,864,000 in case of collecting \$10 million during the ICO. Considering the high scalability of the project, the capital investments are \$24,660,000 in case of collecting the desired \$28,000,000. Total operating costs of the Project are \$35,98 per tone of the ore mined.

Assuring the safety of the mining sector is essential for Sudan's economy, which aims to develop mineral extraction industry. Thus, The National Plan of Environmental Preservation, was put in motion and Special Mining Security police unit was established to protect the operations of mining companies from

smugglers, including safety measures taken to avoid the exposure of miners to poisonous mercury.

Mining companies can hire these special mining police personnel at a cost of less than \$80 per month per guard whose primary job would be to secure the site and provide the safety during the transportation of gold from the site to the Refinery. No major incidents of robbery either at the site or during transportation have been reported during the period of twenty years.

The Sudan Gold Refinery Company, with full ownership rights vested with the Central Bank of Sudan, the Ministry of Minerals, and the Ministry of Finance and Natural Economy, is the organization that is setup to refine gold in Sudan. The gold is refined as per the national standards setup and accepted by the Central Bank of Sudan as per the concession agreement with the mining company and the remaining gold bars that a company is allowed to export are sent directly via freight to Dubai, using local freight forwarders. If needed, these gold bars can also be locally stored within secure bank vaults at a cost of less than \$70 per vault per year.

Conclusions

- Investing in the SGC Project is one of the best opportunities to convert cryptocurrency into tangible asset that has eternal value – Gold!
- Investing in the SGC Project presents a new-era lucrative investment possibility that allows our investors to multiply their money in two worlds simultaneously!
- In crypto world, the Coin constantly grows since the moment it hits the market!
- In real world, the Coin constantly increases its value as its weight in gold steadily grows!