



EUROPE'S MOST TRUSTED CRYPTO AND PRECIOUS METAL COMPANIES PARTNER TO CREATE GOLD TOKEN SECURED BY BITCOIN NETWORK

CoinShares, Blockchain, and MKS (Switzerland) SA form consortium behind DGLD, a network for digital gold secured by the Bitcoin blockchain

SWITZERLAND — OCTOBER 15, 2019 — A consortium comprising CoinShares, Europe's Largest Digital Asset Manager, Blockchain, the leading provider of cryptocurrency products including the World's most popular crypto wallet, and MKS (Switzerland) SA, part of the world's most trusted gold group, today announced that after two years in development, it has launched the DGLD network with more than \$20M in gold digitized.

DGLD is a digital asset (token) representing allocated physical gold stored in a Swiss vault and tokenized with a side-chain built on the Bitcoin network. Best understood as a digital proof of ownership of allocated gold, DGLD leverages the power and immutability of the Bitcoin blockchain to provide convenient purchasing of gold with the independence of physical gold ownership, and the 24/7 nature of digital assets.

Each DGLD token is the digital equivalent of 1/10th of a troy ounce of gold, vaulted in Switzerland. Before a new token is created, LBMA gold is allocated and placed in a Swiss vault. Then, DGLD representing that specific gold is created and sent to a DGLD wallet. This simple approach unleashes physical gold and renders it both digitally usable and physically redeemable.

Danny Masters, Chairman of CoinShares, commented on today's news, "DGLD combines the stability of the world's most enduring asset, gold, with the security of the world's most resilient network, Bitcoin. You can now have the peace of mind of Swiss vaulted physical gold, with the same convenience, but not the same layers of middlemen, as owning a gold ETF."

Gold has long been trusted as a hedge to geo-centric economic and political crisis, and inflationary monetary policy but gold ownership has always come with trade-offs. Traditionally, purchasers either buy a synthetic product such as an ETF for convenience, which comes with multiple layers of intermediaries, or buy and vault physical gold. DGLD represents a new format that provides convenience and security; without the middlemen.

DGLD is not intertwined in this same legacy structure; nor, under Swiss law, is it subject to the same regulatory constraints as synthetic gold investments (e.g. exchange traded products like ETFs). It falls under category 5 of FINMA's stablecoin taxonomy - 'linked to commodities with ownership rights.' In other words, if you hold a DGLD token, you hold title to the gold - no web of intermediaries and not subject to any prudential licensing requirements under Swiss law.

"DGLD is the natural progression of our work with gold, and gold formats at MKS. With DGLD, we've created a new format for gold ownership which makes vaulted physical gold, digitally useful, 24/7. This has the potential to profoundly change the way gold is used in every day life," said Marwan Shakarchi, Chairman of MKS (Switzerland) SA.

DGLD will first be available exclusively on The PIT, Blockchain's institutional-grade cryptocurrency exchange, later this quarter. The PIT has a diverse, global group of leading market makers and a deep lending pool to ensure constant liquidity on the platform. It is available to users in more than 200 countries, with an expansive global banking network to facilitate deposits, withdrawals, and fiat-to-crypto trading in USD, EUR, and GBP.

"For centuries, gold has played a vital role in how governments and institutions' manage global economic risks. But for retail investors, physical ownership of gold at any meaningful size has remained unattainable or their money is funneled into complex investment products," says Peter Smith, Co-founder and CEO of Blockchain. "With DGLD, global purchasers of all sizes will be able to own and secure gold just like financial giants, without the high barrier to entry of legacy options."

The DGLD network leverages a technology stack built on CommerceBlock's Ocean sidechain platform. CommerceBlock is a London-based blockchain infrastructure development firm building enterprise solutions on top of Bitcoin. Through CommerceBlock's MainStay attestation protocol, every DGLD token redemption for physical gold, or any transfer of tokens to another wallet is cryptographically attested and "proven" (validated) via the Bitcoin blockchain; the world's most secure network.

DGLD was designed for both retail and institutional investors, many of whom require a regulated custodian to safeguard their investments. To that end, the consortium has partnered with Globacap, the UK regulated capital markets firm to offer digital asset custody. Globacap is the first authorized custodian in Europe to provide digital asset custody for institutions with the same level of rigorous oversight and robust processes expected of a tier 1 global custodian.



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ABOUT MKS (SWITZERLAND) SA

MKS (Switzerland) SA, located in Geneva, is part of the MKS PAMP GROUP and has forged a reputation as one of the world's most trusted gold dealers. The refiner and vault operator PAMP SA, located in Castel San Pietro, Switzerland, is also part of the group.

The MKS PAMP GROUP specializes in all aspects of the precious metals business, covering areas spanning refining, producing and trading. Established in the early 1980s, the group prides itself on the highest quality standards based on solid foundations of honesty, integrity and trust. The relationships built in the early days of the group has seen MKS PAMP GROUP expand globally - with 700 employees spanning 15 offices in 12 countries, covering the world's major bullion markets. For more information, please visit: MKS.ch

ABOUT COINSHARES

The CoinShares Group manages approximately \$1 billion of assets on behalf of a global investor base, with offices in London, Jersey, and New York. The group creates, issues, and manages investment products that serve thousands of investors, including institutional and accredited investors. Our goal is to provide regulated, risk-managed investment products and services by which investors can participate in the growth of a new asset class, and a new technology paradigm.

CoinShares has a history of pioneering new approaches to digital asset investing, and collectively, the Group enjoys the world's longest track record of regulated investment management in digital assets. From our beginnings in 2013 to present, we have collaborated with lawmakers, financial institutions, and innovators to pioneer new offerings while also serving as a trusted partner and advisor to our clients.

With a proven track record, CoinShares has the breadth, depth, and scale needed to provide investment products and services to the world's most sophisticated investors. For more information, please visit: coinshares.co.uk

ABOUT BLOCKCHAIN

Blockchain is connecting the world to the future of finance. We are one of the most trusted and fastest growing digital assets companies, helping millions across the globe – from individuals to the largest institutions – get easy and safe access to their assets. Blockchain has raised over \$70 million in funding from leading investors including Lightspeed Venture Partners and Google Ventures. Board members include former Barclays CEO Antony Jenkins and Lightspeed Ventures Partner Jeremy Liew. (www.blockchain.com/press).