

NOBLEMETALS **PAST, PRESENT &** **FUTURE**

NOBLEMETALS WHITE PAPER
UPDATED NOVEMBER 28TH, 2024



Liquid Noble

A Letter From Our Founders

Dear Valued Investor,

In times of financial uncertainty like the ones we're seeing today, the wisdom of diversification becomes increasingly evident.

At Liquid Noble, we recognize the pivotal role precious metals, particularly gold, have played, - and continue to play - in helping stabilize and diversify investment portfolios. Gold's enduring value is not only rooted in its historical significance but also in its potential to sail through turbulent markets with resilience.

Our commitment to you extends beyond offering digital savings accounts backed by physical gold. We strive to empower you with

comprehensive knowledge and research to help you make educated decisions about your financial well-being.

I encourage you, as stewards of your financial futures, to harness the insights presented in our report, "Gold Present, Past, and Future: The Broken Financial System and Return of the Gold Standard."

You'll learn about Gold's enduring history as a store of value, and how you can potentially hedge economic volatility and inflation through diversification in precious metals. Secure your wealth with confidence, and tap into the power of informed decision-making.

Sincerely,

Dan Dragoon, Annette Fortner, and Chia-Yen Hsiang





The Gold Standard: A Historical Anchor

In a world where financial uncertainty seems to have a part written into every chapter of our economic narrative, the desire for a stable, timeless haven to secure wealth is more than understandable—it's necessary. Gold, an element birthed in the cauldron of supernovas and revered through human history, has historically stood as a reliable store of value. But what does gold's lustrous legacy mean for modern-day investors? And why should you consider it in managing your financial future?

Table of Contents

01	From Currency to Commodity	2
	Explore gold's role in finance from the beginning of civilization to the strategic asset it is respected as today.	
02	The Rise of Gold as a Safe-Haven Asset	6
	Discover the potential benefits of having gold in your portfolio and why investors have flocked to it during economic uncertainty.	
03	NobleGold (GAU)	15
	We cover NobleGold's key features, technology, use cases, and compliance.	





Introduction

The financial landscape has undergone significant transformation, yet gold continues to hold its position as a fundamental pillar of value in an ever-shifting global economy. However, owning physical gold comes with significant drawbacks, including costly storage and insurance fees, a lack of divisibility, and restricted liquidity, making it less practical for investors. To adapt this enduring asset to modern needs, Liquid Noble has introduced NobleGold (GAU), a digital token that captures the timeless appeal of gold while harnessing the advanced capabilities of blockchain technology. NobleGold seamlessly connects the reliability of traditional precious metal investments with the innovative possibilities of the cryptocurrency market, offering a new era of accessible, secure, and efficient gold ownership.

The distinct benefits of NobleGold include:

- Fully backed by physical gold;
- 24/7 Accessibility;
- Transferability;
- Physical Delivery of gold product;
- Extreme Divisibility;
- Transparent Fee Structure; and
- Accountability.

With its backing in physical gold reserves and advanced blockchain infrastructure, NobleGold provides modern financial solutions designed to meet the unique needs for individuals and institutions alike. This whitepaper outlines the historical significance of gold, its modern relevance, and the innovative features of NobleGold.

From Commodity to Currency

From ancient Mesopotamia to Inca empires, gold has captivated civilizations for a millennia. While its luster made it an object of desire, its malleability and rarity also made it versatile for crafting, religious symbols, and transactions, leading to its emergence as an early form of money.

As civilizations grew and trade expanded, the use of gold as a medium of exchange became more prevalent. Its inherent value made it an ideal means for commerce. Eventually, coinage systems emerged to standardize and

regulate its use. For example, Ancient societies like Lydia, now Turkiye, minted standardized gold coins, facilitating trade and establishing gold's advantages as a medium of exchange:¹ durability, divisibility, and portability.

The evolution of modern money saw the transition from physical gold coins to paper currency backed by gold reserves – the gold standard. Below is a brief history of gold from it's early beginnings, up until the early cracks in the gold standard after World War I.

The Rise and Fall of the Gold Standard

560 BCE

The kingdom of Lydia in modern-day Turkey creates the first known gold coins likely made from gold & silver mix. This standardizes value and simplifies trade.



3,000 BCE

Early Egyptians are among the first to value and use gold, for decoration, religious objects, and possibly as a measure of value.²



14th-18th Centuries

The rise and fall of various empires, along with new trade routes, lead to a global gold market.⁴ Gold becomes a key metal for storing wealth and financing global trade.⁵



1st Century CE

The Romans become major players in gold mining and refine mining techniques like hydraulic fracturing.³ Gold is widely used as currency throughout the empire.



1914-1918

The demands of World War I force most countries to abandon the gold standard to finance the war effort.⁷ Printing money without gold backing becomes the norm.



1870

Germany adopts the gold standard, prompting a domino effect.⁶ Major global economies like the UK & US follow suit, solidifying the international gold standard.





The Beginning of the End - WWI

During the war, the gold standard limited a government's ability to print money. However, the high costs of war necessitated massive spending. By the time World War I was finished, it cost the allied powers of the West approximately \$125,266,000,000.⁸ Countries like Germany and Britain printed money to finance their war efforts, effectively going off the gold standard altogether.⁹ Public trust in currencies also wavered as governments printed more money. This led to inflation, as the increased money supply devalued existing currency. By the war's end, the gold standard was in disarray and governments well in debt.

“By the time World War I was finished, it cost the allied powers of the West approximately \$125,266,000,000.”

The Dollar Takes Center Stage

After World War II, The Bretton Woods System, signed in 1944, aimed to create a more stable international monetary system.¹⁰ It established the International Monetary Fund (IMF) and revived a modified gold standard, ushering in a new era of financial stability. Major currencies were pegged to the U.S. dollar, which in turn was backed by gold.

This system fostered international trade by providing a predictable exchange rate framework. The U.S. emerged as a dominant economic power following the war, solidifying the U.S. dollar's position as the world's reserve currency.¹¹





The End of an Era

In 1971, President Nixon unilaterally ended the convertibility of the US dollar to gold. This severed the last major link between currencies and gold, effectively ending the Bretton Woods system and the international gold standard.

Nixon's decision to sever the dollar's tie to gold stemmed from a confluence of factors. The Vietnam War had drained US gold reserves, making it difficult to maintain the fixed exchange rate. Additionally, a trade deficit meant foreign governments were steadily converting their dollars into gold, further depleting US reserves.¹²

Inflation was also on the rise, and the gold standard limited the government's ability to print money to combat it. By taking the dollar off the gold standard, Nixon aimed to address these issues, allowing for greater flexibility in managing the economy and exchange rates. However, this move also welcomed floating exchange rates, bringing its own set of challenges to the global financial system, often referred to as "Nixon Shock".¹³ Challenges like:



Inflation

Discretionary control over the money supply raise concerns about inflation, as governments can print more money to finance spending. This erodes the purchasing power.



Debt

The ability to print money can lead to increased government debt, potentially crowding out private investment and hindering long-term economic growth.



Manipulation

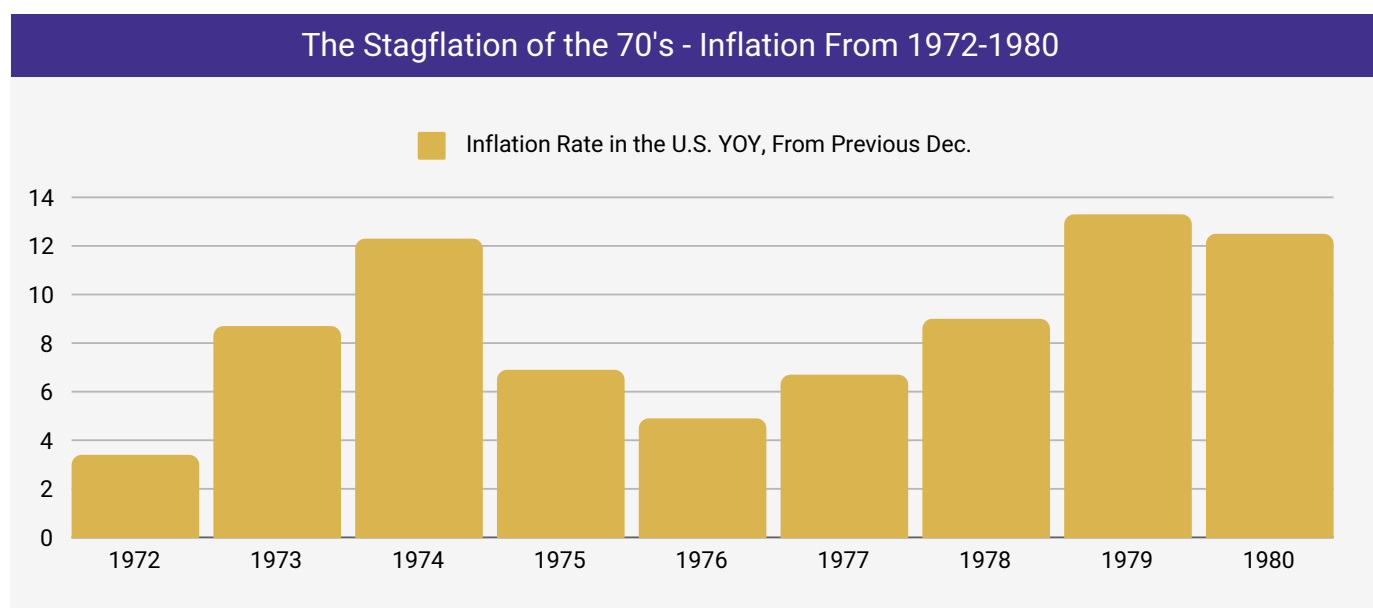
Governments could manipulate exchange rates to gain a competitive advantage in international trade, creating uncertainty for businesses and consumers.

These challenges became reality shortly after the collapse of the Bretton Woods System. The Stagflation of the 1970s was a particularly troubling economic phenomenon, characterized by the simultaneous occurrence of high inflation, high unemployment, and stagnant demand within the economy.

The removal of the gold standard may have played a pivotal role in the stagflation of the 1970s.¹⁴ Prior to its removal, currencies were tied to physical gold reserves, which inherently limited the amount of money that could be printed. This constraint helped control inflation by ensuring that currency issuance was backed by a tangible asset, but as one can imagine, the collapse of the gold standard dramatically shifted monetary policy. Without the need to tie currency to gold reserves, there was a considerable increase in the money supply, facilitated by the government's ability to print money at will.



This may have led to devaluation of the dollar and contributed to global inflation. Take a look at the inflation rates shortly after the collapse of the gold standard in 1971 below.



Source: Bureau of Labor Statistics

The 1970's saw inflation as high as 13.30%.¹⁵ The ability to expand the money supply without the direct checks and balances provided by gold backing allowed for more aggressive fiscal policies, which, when combined with the oil price shocks and the existing economic challenges, further fueled inflation rates without stimulating demand or reducing unemployment. Essentially, the detachment from the gold standard removed a critical stabilizing force from the global economy, which contributed to the dynamics that led to stagflation.

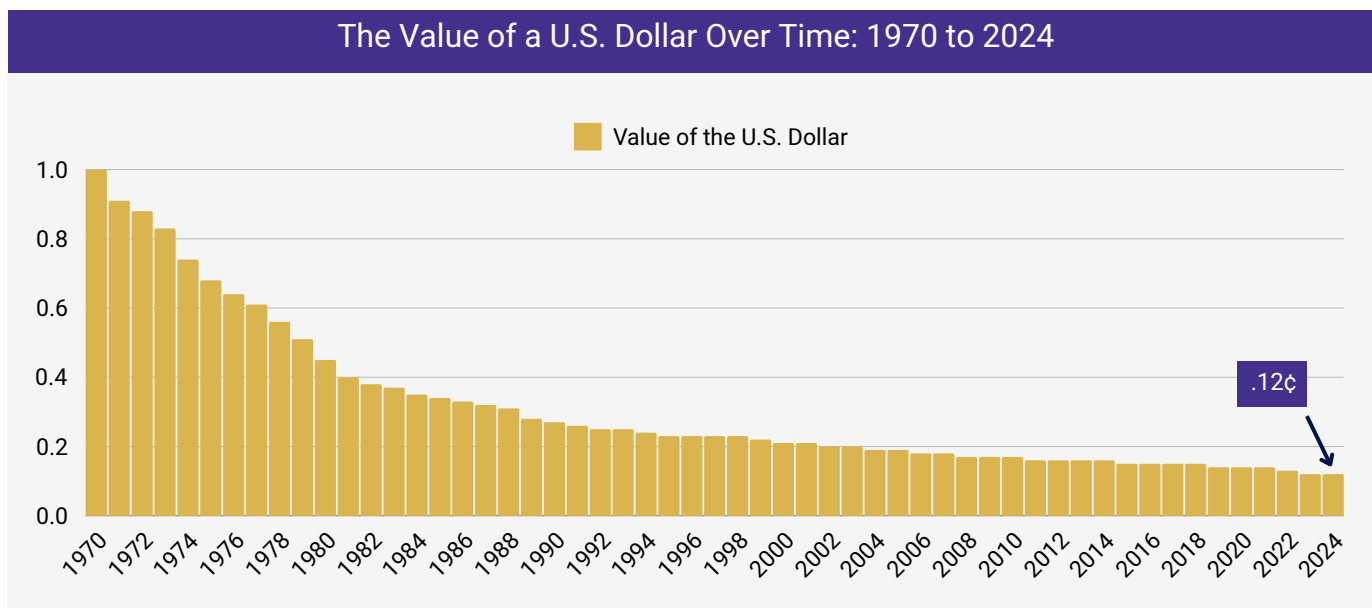
The Rise of Gold as a Safe Haven Asset

The end of the gold standard marked a pivotal shift in the investment landscape, essentially transforming gold from a currency base into a coveted investment asset. [This transition was spurred by investors seeking refuge from the newfound volatility and uncertainty that plagued fiat currencies in the absence of a tangible value anchor.](#)¹⁶ Without the gold standard, currencies became more vulnerable to inflation, prompting investors to look for stores of value that could withstand economic fluctuations. Gold emerged as a natural choice due to its historical stability, scarcity, and independence from government policies. This change set the stage for a surge in gold investing, as individuals and institutions alike aimed to hedge against inflation and safeguard their wealth in an era defined by economic unpredictability. The newfound demand for gold as an investment solidified its status as a crucial component of diversified portfolios, underpinning its value in both turbulent and stable financial times. In this chapter, we will be exploring many of the potential benefits of gold, and why so many investors and banks diversify their assets with the precious metal.



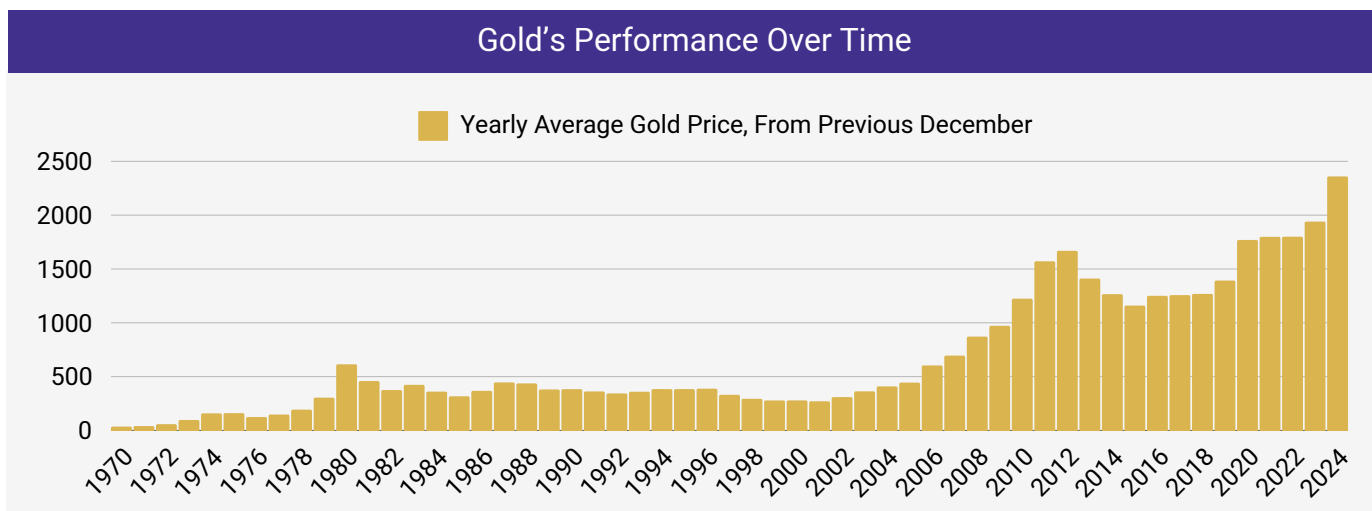
Gold as a Store of Value

Gold has been considered valuable for thousands of years. Regardless of the existing social, political, or financial climate in the world, gold has never gone to zero or defrauded an investor. It is real, time-tested money. [The U.S. dollar, like other fiat currencies, lacks intrinsic value and is vulnerable to depreciation due to inflation and changes in monetary policy.](#)¹⁷ Unlike gold, which can't be produced at will, a government's ability to print more money can lead to inflation, diminishing the purchasing power of the currency. Take a look at the U.S. Dollar's depreciation since 1970 in the chart below.



Source: Bureau of Labor and Statistics, In2013Dollars.com

According to the Bureau of Labor Statistics, it would take you \$8.26 in 2024 to buy what \$1 in 1970 would have afforded you.¹⁸ This loss of purchasing power was particularly relevant in the 1970's, when inflation hit double digits and people were left without good options for protecting their wealth. Consequently, individuals and investors turn to gold as a potential hedge against the erosion of the dollar's value. Take a look at gold's yearly performance since 1970 below.



Source: World Gold Council Data Hub, MacroTrends

As you can see, gold has seen a remarkable appreciation in value over time, a trend that holds significant importance for investors. Its performance over the decades, especially during times of economic uncertainty, has reaffirmed its reputation as a durable asset capable of preserving value. For investors, gold's historical appreciation may not only enhance portfolio diversity but may also offer a hedge against inflation and currency devaluation, potentially safeguarding wealth across generations. Take a look at how gold has preserved its wealth, using tangible, real-world examples, below.

Gold vs. USD - Purchasing Power from 1972 Compared to 2024

In 1972, the average gold price was \$38 USD. In 2024, it has risen to \$2,393.70 per Troy Ounce. We will use these numbers as givens in the chart below.



Source: MacroTrends - Gold Spot price for May 16th, 2024, National Mining Association for average gold price in 1972, <https://ipropertymanagement.com/research/average-rent-by-year>

In short, had you invested \$38 into one ounce of gold in 1970, you would've been able to preserve the value of your portfolio, or as demonstrated here, seen a potential upside. Unfortunately, many lost 86% of their money's purchasing power by saving in fiat currency. But here's the thing, people generally don't understand how savings accounts work. They think that investing in gold is risky, as with any investment, but that saving in fiat currency is not. However, that's not true.

The Reality of "Saving" in Fiat Currency

Traditional savings accounts provide a "secure" place for individuals to store their cash, offering interest earnings as an incentive. However, the interest rates for these accounts are typically much lower than the rate of inflation. This discrepancy means that, although the nominal amount of money in the account increases, its purchasing power decreases. **Consequently, the funds saved in these accounts can buy less over time, making savings accounts an inadequate hedge against inflation.**¹⁹ But don't take our word for it, let's take a look at Bob's situation below.

Money in a Savings Account - The Expectation



Bob wants to open a savings account and deposits \$300,000.



He's happy because the account offers a .57% yield. He thinks, "Woohoo! Free money!"



After one year, Bob is happy because he now has \$301,710.00 in the account.

Bob used a simple interest formula like this one: $A = P(1 + rt)$ that makes him think he got \$1,710 of "free" money. But there's a problem. Bob's math doesn't tell the full story of what's happening to his money in terms of inflation and purchasing power.

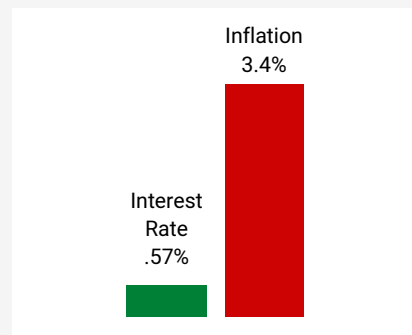
The Reality



Bob's savings account may offer a .57% yield



But if the inflation rate is sitting at 3.4%



Bob actually lost purchasing power. This discrepancy is often ignored

This means that at the end of the year, Bob may have had \$301,710.00 in his savings account, but the purchasing power was actually worth \$291,451.86 - meaning he lost \$8,548.14 in value.

Source: TradingEconomics data for inflation rate in May 2024, Bankrate for average savings account yield in May 2024.

This reality is what prompts investors and savers to seek alternative assets, like gold, that can better preserve value and potentially offer protection against the diluting effects of rising prices in the economy. However, it's not the only reason why investors flock to gold as a hedge.



Gold's Intrinsic Value & Cultural Significance

Gold's intrinsic value extends beyond its historical role as a safe haven during times of economic and geopolitical uncertainty. One of the most fundamental aspects of gold's inherent worth is its rarity and the physical properties that make it highly desirable. Gold is resistant to corrosion and tarnish, allowing it to retain its luster and value over time. Its malleability and ductility enable it to be shaped into various forms without breaking, making it an ideal material for crafting jewelry and decorative items.²⁰ For instance, gold's durability and attractiveness make it a popular choice in wedding bands and heirloom pieces that can be passed down through generations, symbolizing eternal value and love.

In countries like India, gold's role in the passing on of generational wealth is deeply ingrained in cultural traditions and societal values. In Indian weddings, gold is often seen as a symbol of prosperity, purity, and auspiciousness. It is customary for the bride to be adorned with intricate gold jewelry, which includes necklaces, bangles, earrings, and sometimes even elaborate headpieces. According to the World Gold Council with an estimated 13 million weddings per year, and more than half of the country's 600 million population below the age of 25, demand for gold bridal jewelry "looks to remain strong over the long term".²¹

Gold's significance, however, extends beyond the wedding day itself, as it plays a vital role in the concept of generational wealth. Families often pass down gold jewelry and heirlooms from generation to generation, creating a tangible link to their heritage and ancestors.²² These pieces are treasured not only for their monetary value but also for their sentimental and cultural significance. As gold maintains its value over time, it serves as a reliable method for preserving wealth within families, helping to ensure financial security for generations.

Gold's Industrial Demand and Applications

Beyond aesthetic appeal, gold is indispensable in various industrial applications due to its excellent conductivity and non-reactive nature. In the electronics industry, gold is used extensively for its reliable performance in critical components. For example, [gold connectors and edge connectors are common in high-performance electronic devices like computers and smartphones, ensuring a stable and efficient transfer of data.](#)²³ The aerospace industry also leverages gold's properties; [NASA uses gold-coated materials in satellite equipment and space suits to reflect infrared radiation and protect astronauts from harmful solar radiation.](#)²⁴ These examples illustrate how gold's unique characteristics make it an essential material in sectors where reliability and performance are paramount.

Furthermore, gold's conductive properties play a crucial role in the medical field, specifically in advanced diagnostic and therapeutic applications. [Gold nanoparticles are used in targeted drug delivery systems, where their bio-compatibility and ability to bind with specific molecules offer precise treatment options for conditions such as cancer.](#)²⁵ Additionally, [gold is used in various medical diagnostic tests, like the lateral flow assays seen in pregnancy test kits,](#)²⁶ due to its ability to provide clear and accurate results. Through these diverse industrial applications, gold demonstrates its intrinsic value, underpinning industries that rely on its distinct properties to innovate and improve human life.





The saying may go “Gold has its uses, but war is won with iron”, but it depends on the war you’re fighting.

A Hedge Against Geopolitical Volatility

Gold’s standing as a reliable protector of wealth during geopolitical volatility is evidenced by its price movements following major historical events. [During the 1979 Iranian Revolution the price of gold soared. As the revolution unfolded, uncertainties about global oil supplies and the broader geopolitical ramifications led investors to seek refuge in gold. By January 1980, gold prices had surged to an all-time high at that time of approximately \\$850 per ounce, reflecting a dramatic increase from the \\$226 per ounce seen just a year earlier.²⁷](#) This more than threefold rise underscored gold's appeal as a safe haven investment during periods of intense geopolitical instability.

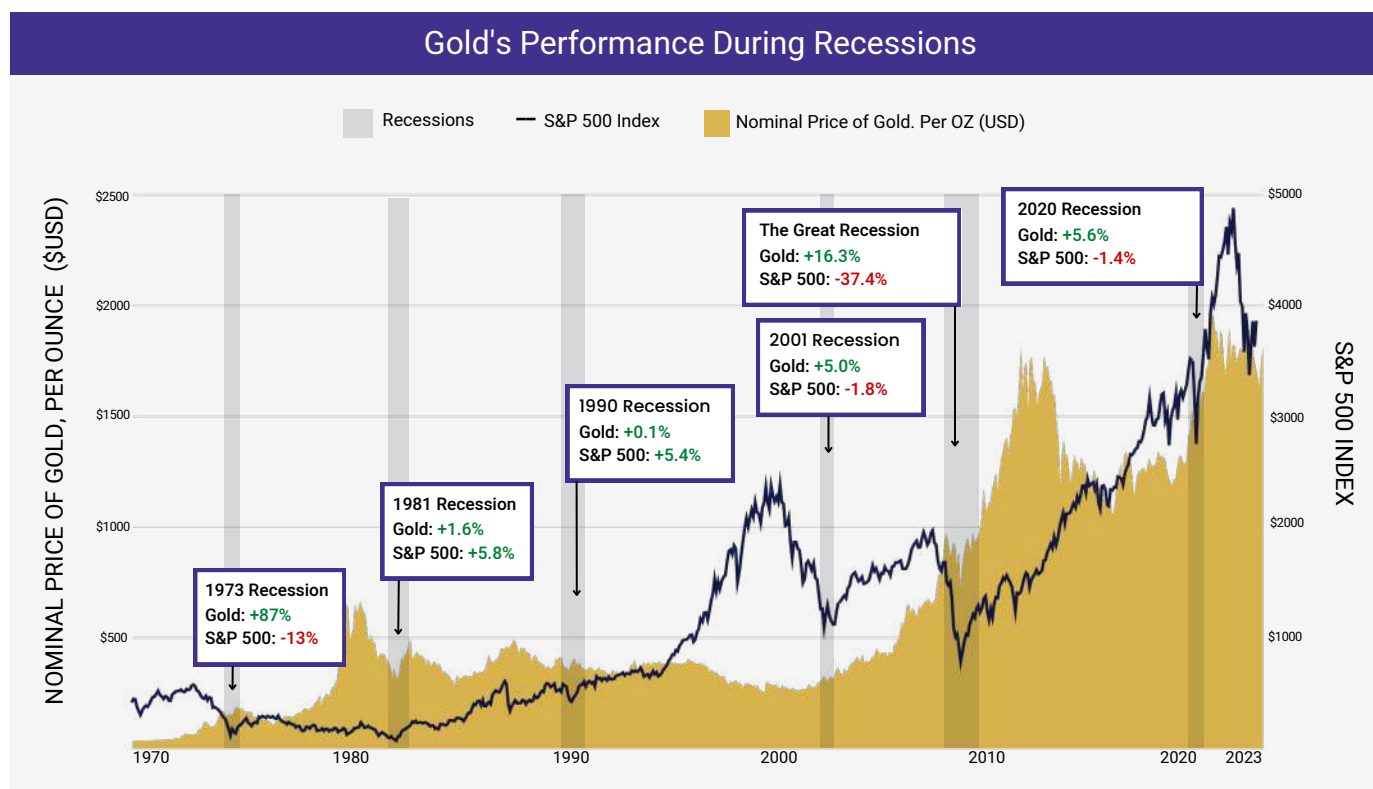
Another stark example of gold’s performance during geopolitical turbulence can be seen during the financial crisis of 2008. [As the crisis deepened, fears of a collapsing financial system, bank failures, and plummeting stock markets drove investors towards gold.²⁸](#) The price of gold rose sharply from around \$800 per ounce at the beginning of 2008 to about \$1,000 per ounce by the end of that year. The surge continued into the subsequent years, with gold peaking at approximately \$1,900 per ounce in September 2011, almost doubling its value from the onset of the crisis. This period highlighted gold’s crucial role in wealth preservation as traditional financial markets faltered.

More recently, during the COVID-19 pandemic, gold once again demonstrated its capacity to safeguard wealth amid global uncertainty. As the pandemic caused unprecedented economic disruptions worldwide, gold prices rallied from around \$1,500 per ounce in January 2020 to over \$2,000 per ounce by August 2020. This marked a new all-time high, reflecting the heightened demand for a secure store of value amidst a landscape of economic instability, market volatility, and heightened geopolitical tensions, such as the U.S.-China trade disputes and other global conflicts.

Gold's tendency to appreciate during such times affirms its status as a resilient asset capable of protecting wealth when traditional financial instruments prove vulnerable to geopolitical shocks.



With almost every period of market turmoil, you can see a subsequent uptick in gold prices surged by investors seeking security amidst the uncertainty, inflationary pressures and currency devaluation fears. Take a look at its performance during recessions since 1970.



Source: MacroTrends, VisualCapitalist



Owning Gold in the 21st Century

As you can see, gold has been a historical protector of wealth for centuries which is why investors, especially high-net-worth and ultra-high-net-worth individuals, usually have an allocation in the metal. Traditionally, investors only had two options when trying to diversify their wealth with gold: physical ownership, and gold ETFs. These options come with notable disadvantages that impact the potential benefits gold has historically offered.

Physical gold is susceptible to theft and loss, requiring investors to take significant precautions to safeguard their holdings. Furthermore, buying and selling physical gold can involve substantial transaction fees and logistical complications, making it less liquid compared to digital or paper gold investments. The physical nature of gold also means that it cannot be easily divided or transferred, which may limit flexibility for smaller investments or rapid portfolio adjustments. Not to mention that if you choose to defer the responsibility of storage, you will be required to pay for vaulting and insurance fees which can eat away at any gains an investor would've seen on their gold investment.

While Gold ETFs provide a convenient way to gain exposure to gold without holding the physical asset, they also come with several drawbacks that investors need to consider. One significant downside is that these funds are typically not backed by physical gold, meaning investors do not have direct ownership or claim over the actual metal. This lack of direct linkage can lead to discrepancies in value, especially in turbulent markets. Additionally, Gold ETFs are subject to management fees and other expenses that can erode returns over time. Investors are also exposed to market and counterparty risks associated with the financial institutions managing the ETFs. In times of economic crisis or financial instability, the value and liquidity of Gold ETFs can be adversely affected, which may not provide the same level of security and stability as owning physical gold.

However, there is one solution that we believe stands well above the rest.



**Buy, Sell, and Transact in
Gold, Facilitated by the
Most Efficient & Scalable
Blockchain in the World**



NobleGold (GAU)

Each NobleGold token represents 1 gram of investment-grade gold stored in secure facilities provided and insured by our network of vaulting service providers in Australia. New NobleGold Tokens will only be minted, or previously redeemed tokens reintroduced into circulation, when the Liquid Noble holds a sufficient quantity of bullion to maintain a 1:1 ratio, with one gram of precious metal backing each NobleGold token in circulation.

NobleGold Tokens are issued to users in exchange for fiat currency or cryptocurrency, and transactions are governed by the NobleGold Token Smart Contract, making them final and non-reversible. Users can acquire, sell, or transfer NobleGold Tokens directly through Liquid Noble's platform via in-app transactions or through any exchange where NobleGold Tokens are listed. The price of each token is generally linked to the current market price of the precious metals held in our reserves and tracks with the spot price.

Key Features

Fully-Backed By Physical Gold

Each NobleGold is backed by a corresponding amount of physical gold (1 unit = 1 gram) stored in secure vaults in Australia. Vaults are regularly audited by independent chartered accountants and assurance reports are provided at regular intervals.

Low Fees

All applicable fees are transparently detailed at liquidnoble.com/docs/fees. Currently, a transaction fee of 0.22% applies to buy orders, while sell orders are subject to a fee of 0.33% or \$3, whichever is higher. Additionally, there are no storage or insurance costs, and the BSV gas fees are fully covered by Liquid Noble. This commitment to transparency ensures that the fee structure is straightforward and designed to make NobleGold accessible and cost-effective for all customers.



24/7 Accessibility

Buy and sell gold at any time with our user-friendly platform. We provide round-the-clock access to your assets, ensuring you're never restricted by banking hours, gold markets, or geographical boundaries.



Extreme Divisibility

The minimum amount of NobleGold tokens that can be bought or sold through Liquid Noble in exchange for fiat currencies (e.g. AUD) is as little as ~US\$3.00 providing everyone the opportunity to invest.



Transferability

Ownership of the physical gold is seamlessly transferred along with the token, enabling efficient trading of underlying gold. At present, as little as 0.000 002g NobleGold can be transferred between on-chain wallets managed by Liquid Noble or Tokenized Pty Ltd. The range of supported wallets can be expanded in the future based on the demand of users.



Physical Delivery of Gold Product

Users may utilize Liquid Noble's platform to convert their NobleGold tokens into a specific physical gold product of their choice from Liquid Noble's item catalog. A Withdrawal Fee, along with any applicable Barring Premium, will be applied as part of the redemption and delivery process.

Accountability

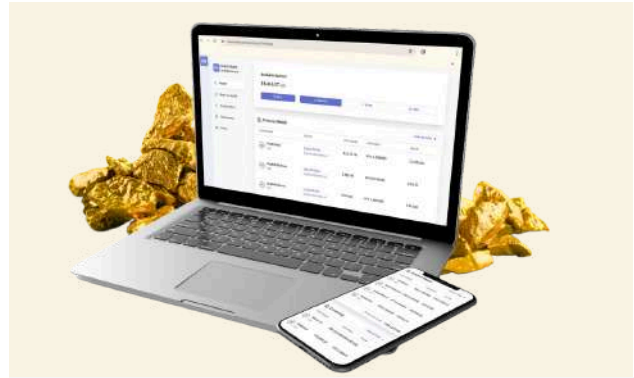
The non-custodial nature of wallets means that only the original owner can access or manipulate the assets. The permanent, on-chain proof of ownership and audit trails cannot be tampered with or removed by Liquid Noble, or any other party.

No longer do you have to imagine a future where gold is seamlessly integrated into your everyday financial activities. Liquid Noble brings that vision to life today. We combine timeless value with modern financial technology to bring back the gold standard on your terms.

How it Works



Liquid Noble owns a precious metals reserve in Australia, managed, stored, insured, and audited by our trusted vaulting partners.



We provide our clients the ability to purchase a portion of our precious metals reserve, kept free of storage fees in their digital wallet.



They get all of the benefits of gold, but in a practical and affordable way that lets them spend it like their normal money using a gold-backed tokens.



Our users can then choose to keep, sell, transact in, or take physical delivery of their precious metals holdings, like NobleGold, at any time.

A Precious Metals Solution for Every Investor



NobleGold

NobleGold shatters the limitations of owning physical gold by granting you ownership while unlocking the power and flexibility of a digital currency. Portable, with 24H liquidity, and divisible into increments as small as ~0.000001 grams.



NobleSilver

Beyond its status as a time-tested hedge against inflation and, silver boasts widespread industrial applications in sectors like electronics, solar energy, and healthcare. This dual nature, combining safe-haven appeal with growth potential, makes it an attractive addition to diversified portfolios.



NoblePlatinum

Get the benefit of a precious metal with diverse industrial uses, particularly in automotive catalytic converters and in various electronics. Additionally, platinum often serves as a hedge against inflation and currency devaluation, adding a layer of financial security for investors during economic uncertainties.



Unparalleled Transparency & Security

In financial services there are a lot of bad actors. We are working with industry leaders in both blockchain technology and the precious metals industry to provide our users a digital gold they can trust. Which is why we are committed to the highest standards of transparency and security.



All Tokens Are Backed 1:1

We invest in gold before we ever ask our customers to do the same. This not only is for good-faith and transparency with our customers, but also allows us to offer 24/7 trading, offer close-to-spot prices, and instant order fulfillment. This backing also gives our tokens their tangible value.



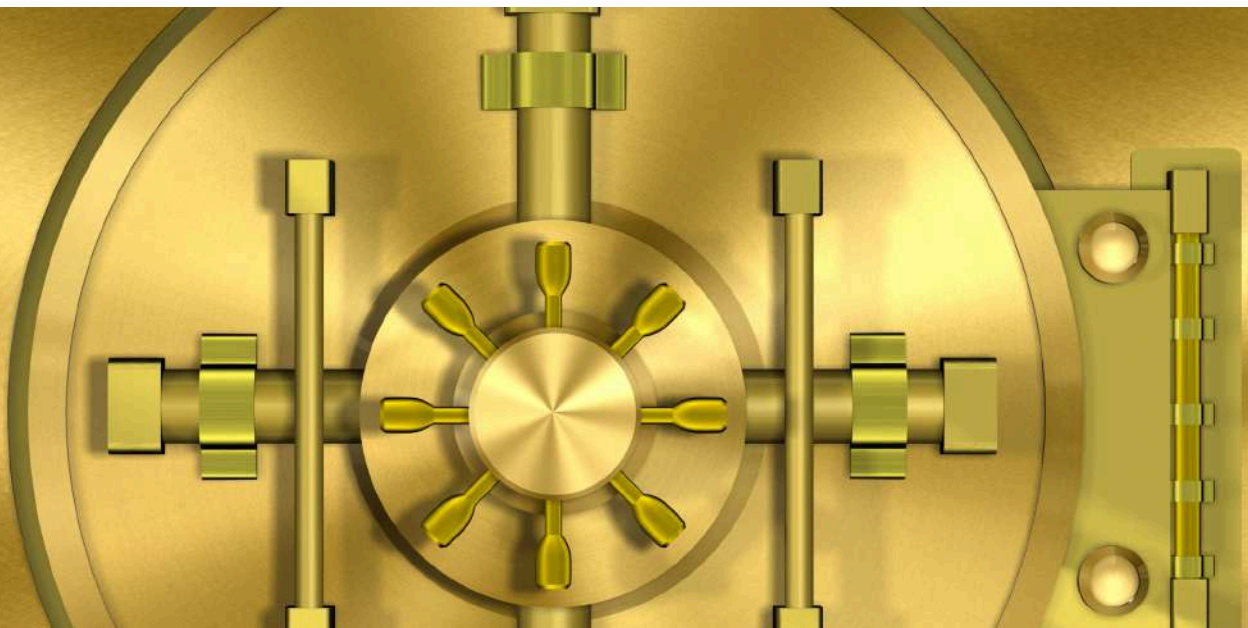
Multiple Levels of Accountability

Unlike traditional banks & off-chain solutions, the non-custodial nature of our wallets means that only the original owner can access or manipulate the assets. The permanent, on-chain proof of ownership and audit trails cannot be tampered with or removed by Liquid Noble, or any other party.



Proof of Reserves Audited Yearly

Each digital precious metal token on Liquid Noble is backed by a corresponding amount of physical precious metals (1 unit = 1 gram) stored in secure vaults. Vaults are regularly audited by independent chartered accountants and confirmation statements are provided at regular intervals.



Liquid Noble's Technology & Architecture

To make tokenized precious metals accessible, practical, and secure for everyone, NobleGold is built on BSV Blockchain, ensuring unparalleled scalability and cost-efficiency. Complementing this is the API built using Python and the adoption of Liquid Noble Bridge Protocol (LQNBP), which provide seamless integration between traditional business systems and blockchain technology, making it a perfect fit for the demands of the modern digital economy. This platform ensures decentralization, transparency, and security, with the added capability to integrate smart contracts. These contracts automate crucial processes such as token issuance, transactions, and redemptions, streamlining operations and eliminating the need for intermediaries.

The Unique Features of BSV Blockchain and Liquid Noble's Protocol Include:

Scalability and Low Transaction Costs

The BSV Blockchain is designed to scale dynamically to meet network demands. Its ability to expand and compress block sizes makes it suitable for enterprise-level applications. Each transaction is compact, enabling millions of transactions to occur within a single BSV block. This approach minimizes transaction costs while supporting high-volume use cases.

Privacy and Accountability

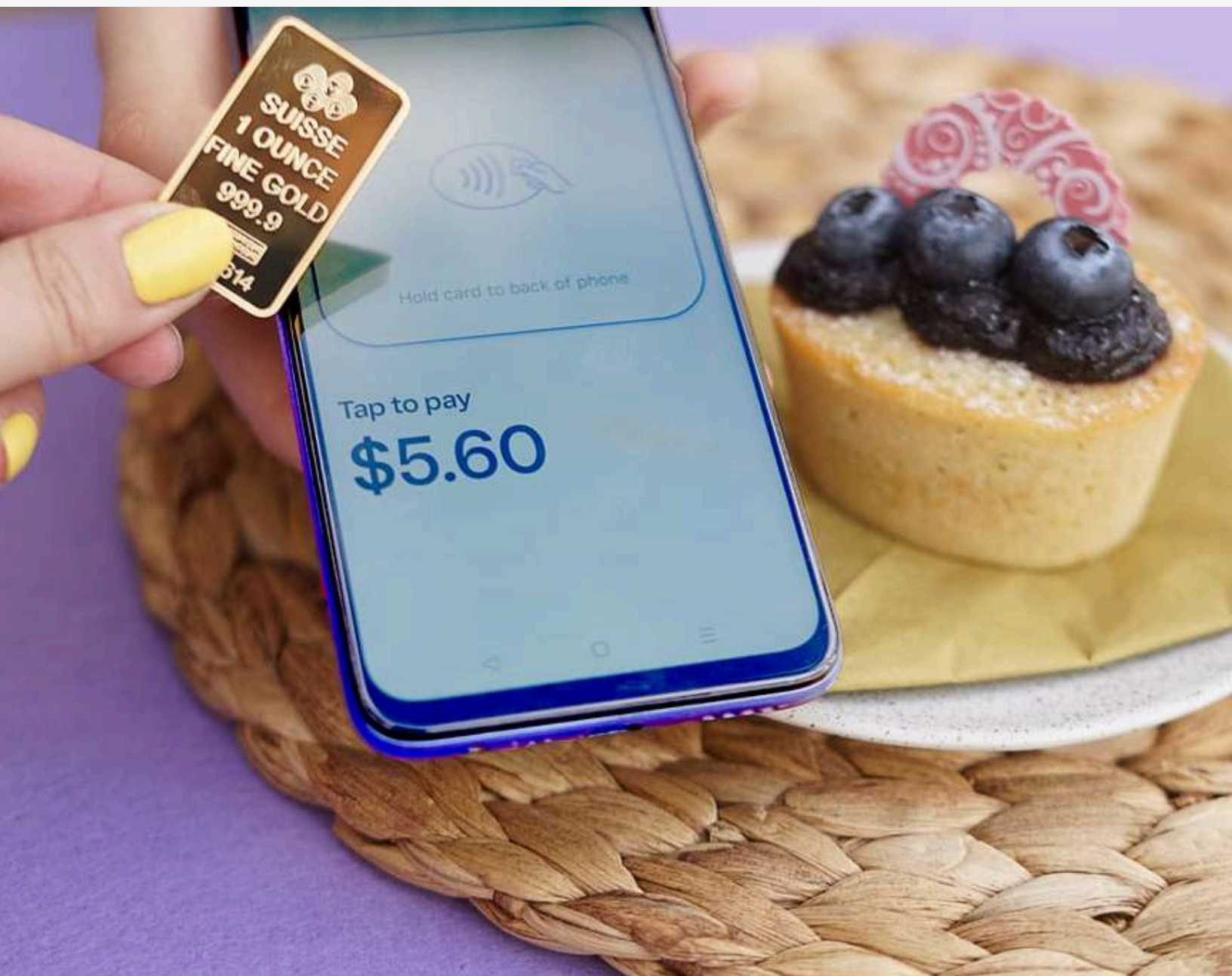
BSV handles privacy by separating identities of the two parties transacting from the transactions and generating unique addresses for each transaction to provide privacy to the users. Furthermore, every party in a transaction published through LQNBP is represented by distinct P2PKH (Pay-to-PubKey-Hash) addresses derived from their wallets. This ensures verifiable ownership while safeguarding personal data. Simultaneously, the ledger remains transparent and auditable, promoting accountability across all transactions.

Non-Custodial Wallets for Enhanced Security and Robust Recovery

LQNBP establishes a non-custodial wallet for every registered user, secured by an extended private key (master key). This key is accessible only via a client-specific Unlocking Key, which is uniquely encrypted per session and stored on the user's device. To mitigate the risks of users' permanent asset loss due to misplaced private keys, LQNBP incorporates a robust recovery mechanism. Tokens are tied to a user's verified identity rather than the private key, enabling the reissuance of tokens to a new wallet in case of loss.

User-Friendly Design

LQNBP is designed for simplicity and ease of use. Users are not required to hold or manage BSV currency as Liquid Noble's service account broadcasts and pays for all transactions, ensuring a frictionless experience. Additionally, businesses can integrate it into their existing infrastructure using a traditional REST API, eliminating the need for blockchain expertise. LQNBP is purpose-built for the real-world tokenization of assets, supporting all core operations essential to our business. These include token transfers, payment requests, atomic swaps, on-chain agreements, custom token issuance, and the freezing/unfreezing of assets. By focusing on a specific set of features, LQNBP streamlines interactions involving two or three parties (such as a transaction initiator, counterparty, and contract operator), making it ideal for businesses and individuals seeking straightforward token solutions. For more information, refer to [Introducing the Liquid Noble Bridge Protocol \(LQNBP\)](#).





NobleGold Use Cases





NobleGold provides versatile financial solutions designed to meet the unique needs of individuals, small businesses, and institutions. By leveraging advanced blockchain technology, it ensures security, transparency, and efficiency in managing and transacting precious metal-backed assets.

For individuals, NobleGold offers a modern way to diversify their wealth in the same way that high-net-worth individuals, institutions, countries, and banks have been protecting their holdings for centuries, but in a practical and affordable way. Consumers can purchase gold at prices near the spot market, enjoy the convenience of digital ownership without incurring storage or insurance fees, and benefit from fractional ownership. NobleGold allows users to utilize their holdings for everyday transactions, making it as practical as regular money. Additionally, it serves as a stable store of value and a hedge against inflation, helping individuals preserve their wealth during economic uncertainties.

Small businesses can take advantage of NobleGold's features to enhance financial management and operations. By accepting payments in NobleGold, businesses can reduce transaction costs and mitigate risks associated with currency volatility and inflation. They can also diversify their wealth by holding payments in digital tokens backed by precious metals, offering a secure and affordable alternative to traditional currency systems. Integrating Liquid Noble into business operations not only reduces costs but also promotes financial resilience and stability.



Institutions can leverage NobleGold to enhance their client offerings and streamline financial operations. By incorporating digital gold and silver into their products, institutions can appeal to clients seeking innovative investment solutions and diversification options. NobleGold simplifies integration with existing financial systems, reducing the complexities of introducing new asset classes. Its high-performance and reliable API supports efficient and seamless transactions, making it an ideal solution for institutions prioritizing operational excellence and modern financial strategies.



Compliance

Liquid Noble is dedicated to fostering trust and credibility by ensuring complete transparency in its operations, engaging independent third-party to validate its practices, and rigorously adhering to all relevant compliance standards. This commitment reflects the company's proactive approach to maintaining the highest levels of accountability, safeguarding customer interests, and aligning its processes with global regulatory frameworks. By integrating robust oversight mechanisms and prioritizing regulatory compliance, Liquid Noble aims to set a benchmark for integrity and reliability in the digital asset and bullion trading industry.

Regulatory Compliance

Liquid Noble has been registered as a Digital Currency Exchange, Bullion Dealer and Independent Remittance Dealer with the Australian Transaction Reports and Analysis Centre ("AUSTRAC") and is committed to complying with its obligations under Anti-Money Laundering and Counter-Terrorism Financing (AML/CTF) regulation. Furthermore, based on the legal advice, NobleGold should not be classified as a financial product under the Corporations Act in Australia, providing additional clarity and compliance assurance.

Audit

To uphold transparency, Liquid Noble partners with an independent accounting firm to conduct audits at least once a year. These audits verify that NobleGold tokens are backed 1:1 by physical gold held in secure vaults managed by trusted third-party custodians. The resulting assurance reports will be made publicly available on Liquid Noble's website, reinforcing accountability and trust among stakeholders.

Customer Due Diligence and Transaction Monitoring

Liquid Noble works in partnership with a trusted verification partner to ensure the highest standards of security and compliance. Integrating their ID verification services into Liquid Noble's platform offers numerous advantages, including enhanced security through advanced AI-driven identity verification, robust compliance with KYC and AML regulations, and capability of supporting a global customer base. The service ensures a seamless and efficient user experience, reduces operational costs through automation, and provides scalability as the platform grows. Additionally, our partner's commitment to GDPR compliance and secure data handling protects user privacy, while real-time monitoring and in-depth document checks prevent fraud. This integration not only boosts Liquid Noble's credibility and trustworthiness but also demonstrates a commitment to safeguarding user assets and personal information, essential for building long-term trust with customers and investors.



Transaction Processing

Transactions on the Liquid Noble platform are processed using blockchain technology, which offers inherent security features:

- **Decentralization:** The blockchain's decentralized nature means that no single point of failure can compromise the integrity of the transaction ledger.
- **Consensus Mechanisms:** Transactions are verified by consensus among participants in the blockchain network, ensuring that each transaction is validated according to the rules of the platform.
- **Immutability:** Once a transaction is recorded on the blockchain, it cannot be altered or deleted, which prevents fraud and ensures transparency.
- **Smart Contracts:** These are on-chain agreements encoded in a machine-readable format, with their terms transparently recorded on the blockchain. Unlike traditional self-executing smart contracts, LQNBP leverages an off-chain API for preliminary negotiations, enabling parties to discuss and refine the terms before reaching an agreement. Once finalized and digitally signed by all relevant parties, the contract is broadcast to the blockchain, ensuring enforcement and transparency of the agreed terms.
- **Cryptographic Security:** Transactions are encrypted and linked to the previous one using cryptographic hashes, making it highly secure against tampering.

The combination of these technologies and methods provides a robust framework for Liquid Noble, ensuring that it not only meets the current demands of digital asset trading but also adheres to high standards of security and operational efficiency. This framework allows users to confidently and safely engage in the buying, selling, and holding of tokenized precious metals.

Sources:

1. <https://www.lbma.org.uk/wonders-of-gold/items/lydian-electrum-coin>
2. https://www.metmuseum.org/toah/hd/egold/hd_egold.htm
3. <https://academic.oup.com/book/5195/chapter-abstract/147856204?redirectedFrom=fulltext>
4. <https://www.britannica.com/topic/Silk-Road-trade-route>
5. <https://silk-road.com/currency-along-the-silk-road/>
6. <https://www.imf.org/en/Publications/WP/Issues/2019/02/15/Destabilizing-the-Global-Monetary-System-Germanys-Adoption-of-the-Gold-Standard-in-the-Early-46548>
7. <https://fraser.stlouisfed.org/files/docs/meltzer/craint89.pdf>
8. <https://mappinghistory.uoregon.edu/english/US/US31-06.html>
9. https://encyclopedia.1914-1918-online.net/article/war_finance_germany
10. <https://www.federalreservehistory.org/essays/bretton-woods-created>
11. <https://www.bloomberg.com/features/usd-strong-dollar-dominance/>
12. <https://insights.som.yale.edu/insights/how-the-nixon-shock-remade-the-world-economy>
13. <https://history.state.gov/milestones/1969-1976/nixon-shock>
14. <https://www.investopedia.com/terms/s/stagflation.asp>
15. <https://data.bls.gov/cgi-bin/cpicalc.pl>
16. <https://www.economicsobservatory.com/is-gold-a-safe-haven-for-investors#:~:text=Ultimately%2C%20gold%20is%20a%20safe,and%20diversification%20for%20investors'%20portfolios.>
17. <https://www.businessinsider.com/personal-finance/flat-money>
18. <https://data.bls.gov/cgi-bin/cpicalc.pl>
19. <https://www.investopedia.com/articles/investing/090715/how-inflation-affects-your-cash-savings.asp>
20. <https://www.britannica.com/science/gold-chemical-element>
21. <https://www.gold.org/goldhub/research/jewellery-demand-and-trade-india-gold-market-series>
22. <https://www.gold.org/goldhub/research/jewellery-demand-and-trade-india-gold-market-series>
23. <https://www.bbc.com/news/blogs-magazine-monitor-28802646>
24. <https://www.nesdis.noaa.gov/news/good-gold-are-satellites-covered-gold-foil#:~:text=Gold%20is%20also%20used%20by,their%20eyes%20from%20unfiltered%20sunlight.>
25. <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3473940/>
26. <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC9140445/>
27. <https://katusaresearch.com/oils-crisis-spikes-and-the-impact-on-the-gold-price/>
28. <https://www.bls.gov/opub/btn/volume-2/pdf/gold-prices-during-and-after-the-great-recession.pdf>



Disclaimer

This whitepaper has been prepared by Liquid Noble Pty Ltd (ABN 71 674 454 776) (Liquid Noble). The information contained in this whitepaper or through any related internet link (collectively, Document) is provided solely for informational purposes and is of a general nature. It is not intended to constitute advice or influence any decisions regarding the purchase of precious metals or related products. It is also not intended to be legally binding. Any advice provided in this Document is general advice only and has not been tailored to your personal objectives, financial situation, or needs (your Personal Circumstances). Before acting on any such general advice, we recommend that you seek professional advice to determine its suitability for your Personal Circumstances. If the advice pertains to the acquisition or potential acquisition of any precious metal or related product, independent professional advice should be obtained prior to making any decisions.

While the information and opinions in this document are derived from sources we believe to be reliable, Liquid Noble and its associated entities do not make any express or implied warranties or representations as to the accuracy, completeness, reliability, or currency of the information, to the extent permitted by law. The information is subject to change without notice, and we are not obligated to update it. Historical performance is not indicative of future performance.

This whitepaper may contain forward-looking statements or references to future events and plans. Such statements are subject to both known and unknown risks and uncertainties, which could cause actual outcomes to differ significantly from those anticipated. Readers are advised not to place undue reliance on these forward-looking statements or projections.

If you intend to rely on the information, you should independently verify its accuracy and completeness and seek professional advice regarding its appropriateness for your personal circumstances. Liquid Noble, its associated entities, and any of its or their officers, employees, and agents accept no liability for any loss or damage arising from any use or reliance on the information in this document.

This document is confidential and intended for use by Liquid Noble clients and may not be distributed or reproduced without permission.

