



Xabeta Gold, Xabeta Silver

Whitepaper

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Abstract

Xabeta Gold – XTG (gold-backed) and Xabeta Silver – XTS (silver-backed) are institutional-grade digital currencies issued by Xabeta on a secure, private blockchain network. Each token is fully backed by audited physical reserves and operates within a regulatory-compliant ecosystem.

This whitepaper presents the rationale, design, and operational framework for XTG and XTS, highlighting their role as a trusted store of value, a stable settlement medium, and a versatile instrument for treasury management, cross-currency reconciliation, and collateralized services. It also outlines the governance model, technical architecture, compliance safeguards, and risk considerations, ensuring that the offering meets the expectations of both institutional participants and regulatory bodies.

1. Introduction

In an increasingly interconnected global economy, the need for stable, transparent, and efficient settlement mechanisms is growing rapidly. Volatility in fiat currencies, cross-border transaction inefficiencies, and regulatory pressures have driven demand for asset-backed digital currencies that combine the trust of traditional assets with the efficiency of blockchain technology.

XTG and XTS are designed to meet this demand. Each token represents a claim on a specific quantity of gold (XTG) or silver (XTS) securely held in audited reserves. Through the Xabeta private blockchain network, these tokens enable near-instant settlement, low transaction costs, and interoperability with existing financial infrastructure via ISO 20022-compliant messaging.

2. Market overview

The global financial system is experiencing structural shifts:

- Declining trust in fiat currencies due to inflationary pressures and macroeconomic instability.
- Growth in blockchain adoption for settlement and clearing among financial institutions.
- Increased regulatory scrutiny of digital assets, pushing the industry toward transparent and asset-backed models.
- Institutional demand for diversification into commodities-backed instruments to hedge against market volatility.

The market for gold and silver-backed tokens has grown steadily, with daily trading volumes in the hundreds of millions of USD across public and private networks. However, many existing solutions lack institutional-grade custody, compliance controls, and integration with real-world payment systems — gaps that XTG and XTS are designed to fill.

3. Separation of monetary functions

Traditional fiat currencies combine three core monetary functions:

1. Store of value – preserving purchasing power over time.
2. Unit of account – providing a standard measure for pricing goods, services, and contracts.
3. Medium of exchange – enabling settlement of transactions between parties.

While this unified approach has benefits, it also concentrates systemic risk — inflation, currency volatility, or payment network failures can disrupt all three functions at once.

XTG and **XTS** are designed to strategically separate these functions:

- Store of value: XTG (gold-backed) and XTS (silver-backed) maintain intrinsic value through direct linkage to audited physical reserves.
- Medium of exchange: The Xabeta private blockchain ensures low-latency, secure transfers within a regulated network, enabling real-time settlement without compromising asset integrity.
- Unit of account: Transactions can be denominated in fiat, XTG, XTS, or hybrid reference units, allowing counterparties to hedge against currency risk while still maintaining contractual clarity.

By separating these functions, Xabeta enables institutions and qualified individuals to choose the optimal monetary function for their specific need — whether it's long-term wealth preservation, operational liquidity, or transactional settlement.

This approach supports:

- Cross-currency reconciliation using a stable, asset-backed base unit.
- Treasury diversification without exposure to single-currency inflation.
- Programmable payment flows where settlement assets differ from pricing units.

4. Value proposition

XTG and XTS deliver a unique combination of attributes that set them apart from other digital assets:

- Fully asset-backed – 1:1 physical gold or silver reserves, independently audited.
- Regulatory compliance – Operating under applicable UAE and international frameworks.
- Interoperability – ISO 20022-compatible messaging for easy integration with banks and payment networks.
- Institutional focus – Designed for treasury, settlement, and liquidity management in a regulated environment.
- Low settlement latency – Near-instant clearing on the Xabeta blockchain.
- Programmable utility – Compatible with smart contract workflows, enabling DeFi and collateralized lending use cases.

5. Asset backing model

XTG and XTS are each backed 1:1 by physical gold or silver reserves:

- XTG – 1 token equals 1 troy ounce of LBMA-certified gold.

- XTS – 1 token equals 1 troy ounce of LBMA-certified silver.

Reserves are:

- Stored in secure, insured vaults under the custody of regulated entities.
- Verified through regular third-party audits.
- Tracked with a documented chain-of-custody to ensure full transparency.

The backing model ensures that every token in circulation is redeemable for its underlying metal, providing intrinsic value and long-term stability.

6. Potential applicability and use cases

XTG and XTS are versatile digital assets whose applicability extends well beyond basic transactions. Their stability, asset-backing, and integration within the Xabeta financial ecosystem make them ideal for a variety of institutional and qualified individual use cases, including:

- Treasury and liquidity management: Financial institutions can hold XTG/XTS as part of their treasury portfolios, leveraging the tokens' intrinsic value and instant liquidity within the Xabeta network. Qualified individuals may also utilize them for wealth preservation and quick asset mobilization.
- Base currency for reconciliation and settlement: Acting as a neutral, asset-backed settlement medium for cross-currency transactions, including credit transfers, foreign exchange trades, and clearing operations between institutions across different jurisdictions.
- Collateral for third-party services: Providing secure collateral for financial agreements, including blockchain-based DeFi platforms, traditional secured lending, and trade finance instruments.
- Hedging against currency volatility: Enabling institutions and individuals to hedge against inflation or instability in local currencies by holding stable, metal-backed digital tokens.
- Interbank and cross-network settlement: Facilitating rapid settlement between banks, payment providers, and fintechs within or outside the Xabeta network via interoperability protocols.
- Tokenized asset market participation: Serving as a stable exchange medium in tokenized commodity, security, and real estate marketplaces, enabling smooth transitions between asset classes.
- Programmable money applications: Supporting smart contract-based automated disbursements, escrow arrangements, and milestone-based payments in both traditional and DeFi contexts.

7. Technical architecture

The Xabeta blockchain network is implemented as a private, permissioned network using Proof of Authority (Clique) consensus. This architecture provides high throughput (up to 500 transactions per second), low latency, and resistance to common public blockchain attack vectors such as 51% attacks and Sybil attacks.

Key Technical Features:

- EVM compatibility – Full support for Solidity smart contracts, enabling custom financial logic and programmable settlement workflows.
- Consensus – Proof of Authority with designated validators ensuring deterministic block production.
- Finality – Transactions are considered final after a predefined number of blocks, ensuring settlement certainty.
- Security – AES-128-CTR encryption for private keys, managed through secure vault infrastructure.
- Off-chain storage – Certain system metadata is stored off-chain to optimize performance and reduce blockchain bloat.

XTG and XTS follow the ERC-20 token standard, ensuring compatibility with common wallet and exchange infrastructure within the Xabeta network. Minting and burning operations can only be executed by authorized system administrators and are triggered exclusively by verified asset deposits or redemptions, ensuring the token supply remains fully backed at all times.

The network's validator nodes are hosted in secure, redundant data centers with geographically distributed locations to ensure continuity under adverse conditions.

Operational resilience is enhanced through:

- Multi-tier failover systems to maintain uptime in the event of hardware or network failure.
- Automated node health monitoring with rapid fault detection and failover triggers.
- Disaster recovery planning with Recovery Time Objectives (RTO).
- Access controls using multi-factor authentication and role-based permissions, ensuring only authorized personnel can perform administrative actions.

8. Governance and compliance

Xabeta retains governance control over blockchain configuration, validator selection, and protocol upgrades. All participants must undergo KYC/AML verification in compliance with UAE regulations and relevant international standards.

Custodian relationships are formalized through legally binding agreements, and reserves are subject to regular third-party audits. Transaction histories are immutable

and traceable for regulatory reporting while maintaining participant privacy through pseudonymous addressing.

Xabeta maintains an independent audit committee overseeing both financial and operational transparency.

Key governance mechanisms include:

- Annual audits by internationally recognized firms, covering both smart contract code integrity and physical reserve verification.
- A documented chain-of-custody process ensuring all gold and silver reserves are securely stored, insured, and traceable.
- Clear roles and responsibilities within the network for validator nodes, custodians, and settlement agents.

Dispute Resolution

All disputes between network participants are handled under UAE jurisdiction via a structured arbitration process. Binding decisions are enforceable under network governance protocols.

Regulatory Compliance

The network operates in adherence to AML/KYC requirements, reporting obligations, and applicable virtual asset service provider regulations.

The issuance and redemption process is governed by strict operational controls:

- Deposit: Physical gold or silver is deposited with an accredited custodian.
- Verification: Custodian issues a certificate confirming quantity and quality.
- Minting: Upon verification, equivalent XTG or XTS tokens are minted and credited to the depositor's account.
- Circulation: Tokens are transferable between verified network participants.
- Redemption: Token holder requests redemption; tokens are burned and custodian releases physical metal.

9. Risk management

XTG and XTS operate under a robust risk management framework to ensure security, stability, and compliance:

- Operational risk – Mitigated through geographically distributed validator nodes, redundant infrastructure, continuous monitoring, and incident response protocols.
- Custodial risk – Physical reserves are stored in secure, insured vaults under the custody of regulated entities. Chain-of-custody procedures and independent audits ensure that reserve holdings match the circulating token supply.

- Market risk – Asset values may fluctuate in line with global gold and silver prices. While the tokens remain fully backed, fluctuations in commodity markets can influence perceived stability.
- Regulatory risk – Sudden changes in digital asset regulations could require operational adjustments or limit participation by certain jurisdictions.

Additional considerations:

- Geopolitical risk – Trade policy changes, sanctions, or political instability in relevant jurisdictions could impact operations.
- Commodity market risk – Large swings in gold or silver prices may influence market adoption.
- Systemic risk – Disruptions in global payment or commodity settlement systems could temporarily affect liquidity.

10. Important considerations

Participation in the XTG/XTS ecosystem is subject to the following:

- Eligibility – Only qualified institutions and approved participants under applicable regulations may transact.
- Not a public offering – This document does not constitute an offer to the general public and should not be interpreted as investment advice.
- No guaranteed returns – Holding XTG or XTS does not entitle the holder to interest, dividends, or any form of guaranteed appreciation.
- Redemption rights – Redemption into physical gold or silver may be subject to minimum thresholds, fees, and jurisdictional restrictions.
- Regulatory compliance – All participants must comply with applicable AML/KYC rules and reporting obligations.
- Forward-looking statements – Statements about future development, adoption, or regulatory changes are subject to risks and uncertainties; actual results may differ materially.

11. About Xabeta

Xabeta is a fintech infrastructure provider specializing in asset-backed digital currencies, cross-border settlement systems, and institutional blockchain solutions.

With a foundation in regulated virtual asset services, Xabeta's platform supports:

- Exchange services – Enabling seamless digital asset conversions within a compliant framework.
- Clearing and settlement – Providing low-latency transaction finality for cross-border and cross-currency operations.

- Messaging – supporting ISO 20022-compliant messaging for interoperability with existing financial infrastructure.
- Digital currency issuance – Offering a secure, audited framework for the creation and redemption of asset-backed tokens.

Xabeta's mission is to combine the trust and stability of real-world assets with the efficiency and programmability of blockchain technology, enabling financial institutions to transact securely, efficiently, and transparently.

Summary

XTG and XTS are institutional-grade, asset-backed digital currencies designed to combine the enduring value of gold and silver with the efficiency, programmability, and security of modern blockchain technology. Issued by Xabeta Technologies on a private, permissioned network, each XTG token is backed 1:1 by LBMA-certified gold, and each XTS token by LBMA-certified silver, held in audited, insured custody.

The platform leverages a robust governance and compliance framework, including independent reserve audits, ISO 20022 interoperability, AML/KYC adherence, and a clearly defined dispute resolution process under UAE jurisdiction. Technical operations are powered by a Go-Ethereum-based blockchain with Proof of Authority consensus, enabling high throughput, low latency, and deterministic settlement finality.

XTG and XTS are purpose-built for regulated financial institutions and qualified participants seeking:

- **Stability** – Through full physical asset backing and transparent reserve verification.
- **Efficiency** – Via low-latency clearing, automated reconciliation, and ISO 20022 compatibility.
- **Versatility** – Serving as a settlement currency, treasury asset, or collateral in both traditional finance and DeFi contexts.

By unbundling the store-of-value, medium-of-exchange, and unit-of-account functions, XTG and XTS allow participants to optimize their monetary operations for specific use cases — from cross-border liquidity management to commodity-linked trade finance.

This whitepaper outlines the vision, technical design, governance framework, and risk considerations for XTG and XTS, positioning them as a trusted foundation for next-generation digital finance.