XABETA

Xabeta Gold, Xabeta Silver

Whitepaper

Version: 1.0

Date: September 2025

Issuer: Xabeta Technologies, www.xabeta.com

Notice to all recipients of this whitepaper:

Recipients are advised to carefully review the “Important considerations” section of this document. It contains essential information regarding the nature, purpose, and limitations of this whitepaper, as well as the acknowledgements, acceptances, and agreements you will be deemed to make by choosing to read it.

XABETA

Contents

Abstract

Xabeta Gold – XTG (gold-backed) and Xabeta Silver – XTS (silver-backed) are institutional-grade digital currencies issued by Xabeta on Ethereum as ERC-20 tokens.

Each token targets full economic exposure to the underlying metal, maintained as approximately 25% allocated physical reserves held with accredited custodians and 75% hedged exposure (e.g., exchange-traded futures/forwards) with approved counterparties, within a regulatory-compliant framework..

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 assets meet the expectations of both institutional participants and regulatory bodies.

1. Introduction

In an increasingly interconnected global economy, the need for stable, transparent, and efficient mechanisms to hold and transfer value is growing rapidly. Volatility in fiat currencies, cross-border transaction inefficiencies, and regulatory pressures have driven demand for exchangeable, asset-referenced digital commodities that combine the assurance of traditional, audited reserves with the programmability of public blockchains.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.

2. Market overview

The global financial system is experiencing structural shifts:

- Growing demand for liquid, on-chain real-world assets (RWAs) with audited exposure and ready exchangeability across compliant venues and wallets.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. While leading gold tokens (e.g., PAXG, XAUT) provide institutional custody and compliance, XTG/XTS focus on distinct strengths: a unified policy across all channels, on-chain transfer controls with allowlisting, transparent 25% physical / 75% hedged exposure attestations, and enterprise-grade tooling for institutional workflows, including those provided and embedded by the Xabeta service ecosystem: messaging, credit transfers, exchange, and clearing. 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: Transfers occur on public networks in a policy-compliant manner, using on-chain controls (allowlisting, pause/freeze) to preserve asset integrity and interoperability.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 token holders 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.

3. Value proposition

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

- Economically fully backed – 25% allocated physical reserves (independently attested) plus 75% hedged exposure (independently verified). .
- Clear and auditable proof-of-reserves (PoR) mechanics and hedge attestations.
- Regional regulatory compliance – Operating under applicable UAE and international frameworks.

Programmable utility (objective): Designed to be compatible with smart-contract workflows and to support potential DeFi and collateralized-lending integrations, subject to regulatory, counterparty, and risk approvals.

4. Asset backing model

XTG and XTS target 1:1 economic exposure to their underlying metal. Each whole token corresponds to 1 troy ounce reference exposure, maintained via ~25% allocated physical reserves (LBMA-certified metal) and ~75% hedged exposure (e.g., exchange-traded futures/forwards) with approved counterparties. Tokens use ERC-20 decimals to support fractional transfers.

Reserves are:

- Stored in secure, insured vaults under the custody of regulated entities.
- Verified through regular third-party audits (PoR).

The backing model ensures that circulating supply is matched by combined physical reserves and verified hedge positions; redemption terms (physical vs. cash equivalent) are defined in program documentation and may reflect physical allocation, market conditions, and jurisdictional rules.

5. Potential applicability and use cases

XTG and XTS are versatile digital assets whose applicability extends well beyond basic transactions. Their stability and asset-backing make them ideal for institutions and the general public (subject to KYC/AML and jurisdictional restrictions) for a variety of use cases, including:

- Treasury and liquidity management: Financial institutions and corporate entities can hold XTG/XTS as part of their treasury portfolios, leveraging the tokens' intrinsic value and instant liquidity within the Xabeta network. 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.

6. Technical architecture

XTG and XTS are implemented as ERC-20 tokens on Ethereum mainnet.

XTG and XTS follow the ERC-20 token standard, ensuring compatibility with common wallet and exchange infrastructure.

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 economically backed (physical allocation + hedged exposure) at all times.

Tokens are freely transferable on Ethereum; compliance is enforced at issuance/redemption and via regulated service providers.

Operational resilience is enhanced through PoR and hedge-exposure attestations, ensuring tokens are not minted beyond total economic backing (allocated physical + verified hedge).

Field	Description
Chain and standard	Ethereum mainnet · ERC-20 (EIP-2612 permit)
Symbol and decimals	XTG (5), XTS (5)
Supply policy	Elastic within verified reserves; mint only vs. metal deposit; burn prior to redemption
Mint/burn authority	Timelocked n-of-m multisig (issuer-controlled)
Upgradeability	Immutable
Emergency controls	[Pause / blocklist] for legal/security events; actions disclosed within 48h
Official contract	[0x…XTG] (Etherscan)
Canonical registry	[https://www.xabeta.com/contracts] (ABI, hashes, audits, changelog) – to be published
Wallet and exchange Support	Standard ERC-20 wallets, custodians, CEX/DEX

Table 1. Token details and contract registry.

7. Governance and compliance

Transaction histories are immutable and traceable for regulatory reporting while maintaining participant privacy through pseudonymous addressing. Wallet-screening for AML purposes for any create/redeem transaction.

Xabeta engages independent third-party audit and assurance providers to oversee financial reporting, operational controls, and reserve/hedge attestations; their findings are reported to an external audit/assurance committee and publicly summarized.Key governance mechanisms include:

- On-chain oracle–based, near real-time Proof-of-Reserves and pricing: circulating supply is reconciled continuously via an oracle that publishes allocated physical holdings (25%) and verified hedge exposure (75%) alongside reference metal prices; results are written on-chain for public verification, with periodic independent audits as an additional assurance layer.A documented chain-of-custody process ensuring all gold and silver reserves are securely stored, insured, and traceable.

Dispute Resolution

Disputes arising from XTG/XTS token terms or related services are resolved by arbitration under recognized institutional rules (e.g., ICC or DIAC), with seat and governing law specified in the applicable agreement with the counterparty. On-chain technical actions (pauses, freezes, reversals) are operational remedies only and do not replace legal recourse.Regulatory Compliance

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 only between qualified, allowlisted addresses on Ethereum. Transfers to non-allowlisted addresses revert. Eligibility is determined by Xabeta’s unified compliance framework (KYC/AML at onboarding and ongoing screening), with contract-level pause/freeze controls as safeguards.Redemption: The holder requests redemption; tokens are burned, and Xabeta (or its agent) liquidates the corresponding metal exposure and settles the proceeds in approved stablecoin (e.g., USDC/USDT on Ethereum) to the holder’s allowlisted wallet. Physical delivery is not offered under the token program.

Item	Description
Objective	Reconcile on-chain circulating supply with allocated physical metal and verified hedge positions (total economic backing) in line with policy.
Cadence	On-chain, near real-time Proof-of-Reserves and pricing via an oracle, reconciling circulating supply with ~25% allocated physical and ~75% verified hedge exposure, published on-chain for public verification; periodic independent audits provide an additional assurance layer.
Snapshot	Public UTC timestamp and Ethereum block number for each attestation.
Method	All or selected: (1) Circulating supply at snapshot (ex-issuer non-circulating) (2) Vault bar lists (IDs, weight, fineness, location) (3) Economic exposure reconciliation (physical allocation + hedge positions vs. circulating supply). (4) Counterparty/position attestations and collateral/cash margin summaries (as applicable).
Transparency	(For institutional use and view): - Publish PDF report + CSV bar list; include Merkle root of underlying records. - Publish hedge exposure attestation summary (instrument types, expiries, venues, counterparties—aggregated) alongside bar lists; include Merkle roots for both datasets.
On-chain anchoring	Post report hash & Merkle root via the Registry contract; include tx hash in the report.
Publication	[https://www.xabeta.com/proof-of-reserves] with archives, changelog, and RSS/JSON feeds.
Retention	Retain all reports as per regulatory requirements.
Variance handling	If reserves < supply: halt minting, prioritize redemptions, publish incident report within 48h, and disclose remediation steps.
Scope limits	Attestations are point-in-time; audits assess controls but cannot eliminate all risk.

Table 2. Proof-of-Reserves (PoR) and audits.

8. Risk management

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

- Operational risk – Mitigated through reliance on Ethereum's decentralized validator set, diverse third-party infrastructure (RPC/providers), redundant internal systems, continuous monitoring.
- 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 economically backed (physical + hedged),, 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.
- Smart contract risk – Despite audits, vulnerabilities may exist
- Ethereum network risk – Gas price spikes and congestion can delay or increase costs
- Liquidity risk – Exchange or pool depth may vary; listings can change over time

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.

9. 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 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 as ERC-20 tokens on Ethereum, each token targets 1:1 economic exposure to LBMA-standard metal, maintained via 25% allocated physical reserves (audited, insured) and 75% hedged exposure (independently verified).XTG and XTS are usable by institutions and the general public (subject to KYC/AML and jurisdictional restrictions) for:

- Stability – Through full economic backing (allocated physical + verified hedges) with transparent attestations.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.