



KINESIS MONETARY SYSTEM

The evolution of the gold standard

A yield-bearing digital currency based on physical gold and silver

WHITE PAPER - SUMMARY EXPLANATION v1.3

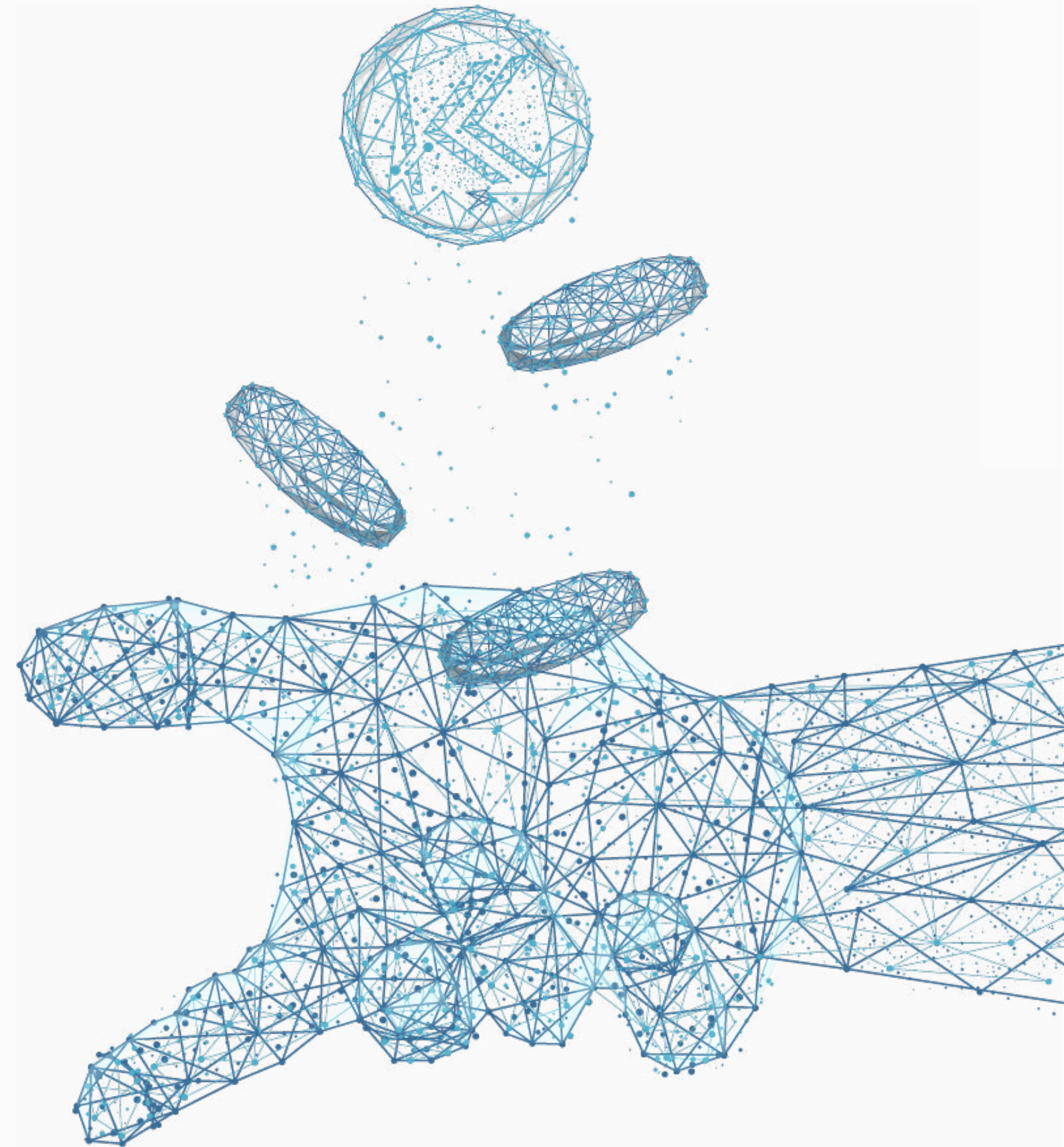
The Kinesis Velocity Token

INTRODUCTION

The vision for Kinesis is to deliver an evolutionary step beyond any monetary and banking system available today.

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This is achieved by basing the Kinesis currencies 1:1 on directly allocated physical gold and silver. Use is incentivised by attaching a unique multifaceted yield system. This promotes the use of Kinesis as a medium of exchange while distributing back the wealth generated according to proportionate KVT holdings and velocity.



KINESIS DIGITAL CURRENCY

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THE SITUATION	THE SOLUTION
<p>PROBLEM: Cryptocurrencies suffer from severe price volatility, limiting their utility as a currency.</p> <p>IMPLICATION: Cryptocurrencies are frequently used for speculation and subject to a holding mentality, not used as a store of value or as a currency.</p>	<p>An asset-backed digital currency combining blockchain technology with two of the greatest stable and definable stores of value: gold and silver.</p>
<p>PROBLEM: Precious metals and many other physical assets have no yield attached to them - they instead typically cost money to hold securely.</p> <p>IMPLICATION: Yielding assets, like interest-bearing bank deposits or stocks paying dividends, become more attractive for investors.</p>	<p>A monetary system to give yield to these precious metals, incentivising their use and velocity by attaching multiple types of yield for varying degrees of passive or active participation.</p>
<p>PROBLEM: Slow speed of transactions and high, fixed processing fees limit the everyday use of existing cryptocurrencies.</p> <p>IMPLICATION: Limited trade velocity, low everyday use and lacking real-world application as a currency.</p>	<p>A cryptocurrency with high processing speeds and percentage-based transaction fees attached to payment infrastructure allowing everyday use.</p>

KINESIS DIGITAL CURRENCY

Physical Gold and Silver

Kinesis' primary currencies, KAU and KAG, are based 1:1 on allocated physical gold and silver, two of the greatest stable and definable stores of value for use in trade and investment.

'Allocated' means that full direct title to the bullion backing the KAU and KAG coins is held by the owner of the respective coin.

The Kinesis debit card allows for instant conversion of KAU and KAG into fiat currency anywhere in the world where Visa / Mastercard is accepted, even allowing Kinesis currency holders to withdraw funds at an ATM.



KINESIS DIGITAL CURRENCY

Bespoke Blockchain Technology

The Kinesis Money team has developed a proprietary blockchain network forked off the Stellar blockchain for the Kinesis currency suite.

The Kinesis Blockchain Network provides very high transaction speeds, coupled with customisable, percentage-based transaction fees, which has created optimal conditions for the Kinesis currency.

This allows for the high velocity required in the Kinesis currencies, core to the Kinesis model.



KINESIS DIGITAL CURRENCY

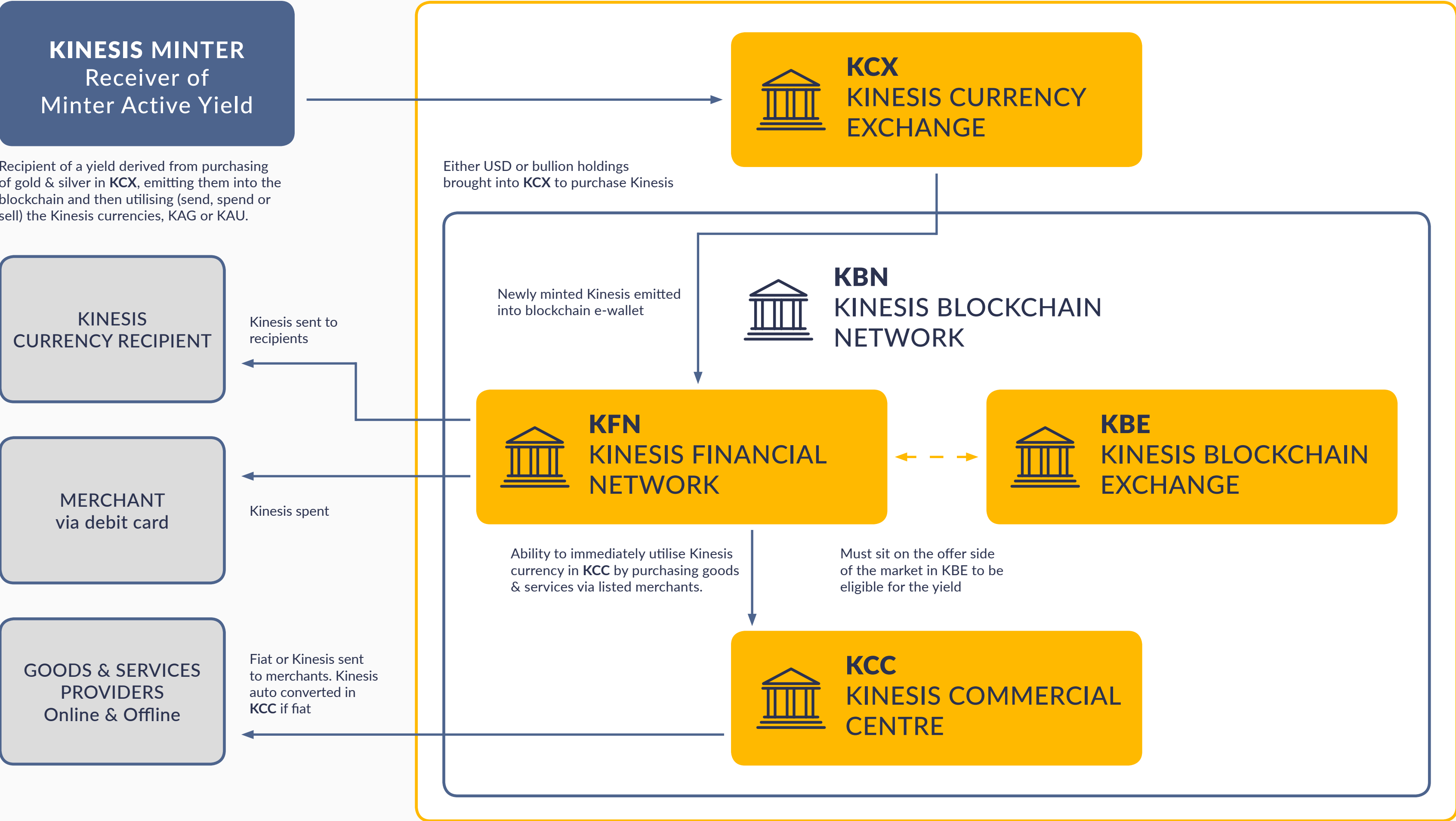
Yield

The Kinesis Monetary System attaches a yield to physical gold and silver for varying degrees of passive or active participation.

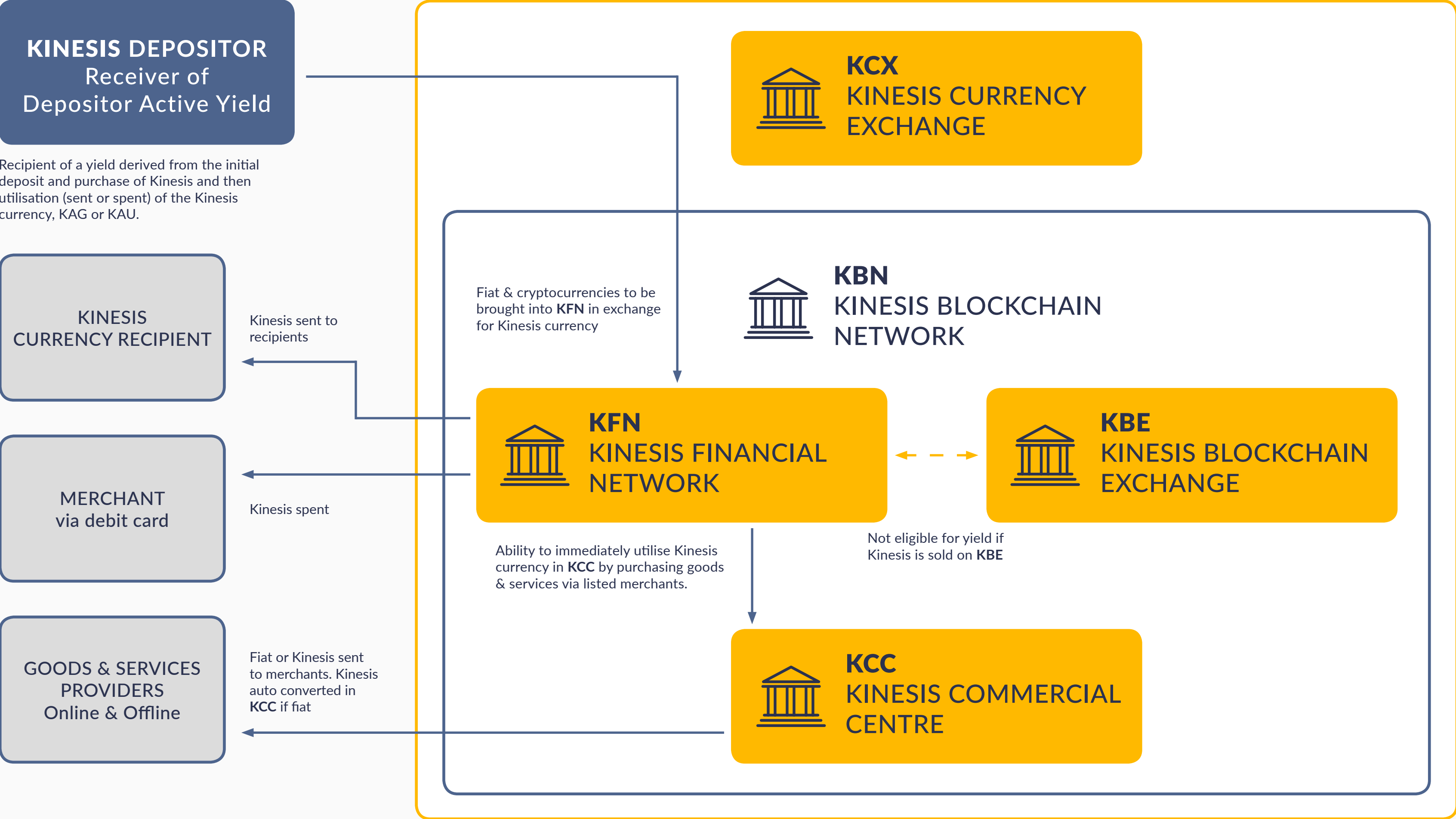
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- » **Minter Yield:** Minters receive a proportional 5% share of the transaction fees on the Kinesis coins they created and then used. Minting is the process of converting fiat currency or physical bullion holdings into KAU and KAG coins; this is done in the Kinesis Primary Market.
- » **Depositors Yield:** Kinesis depositors will receive a 5% share of transaction fees on their initial deposit and then use of Kinesis coins from their Kinesis Wallet.
- » **Holder Yield:** Kinesis holders receive a 15% share of the transaction fees generated while holding the currencies, calculated on a daily basis and credited to their e-Wallets monthly.
- » **Recruiter Yield:** The recruiter yield rewards people or corporations who recruit and refer new users to Kinesis.

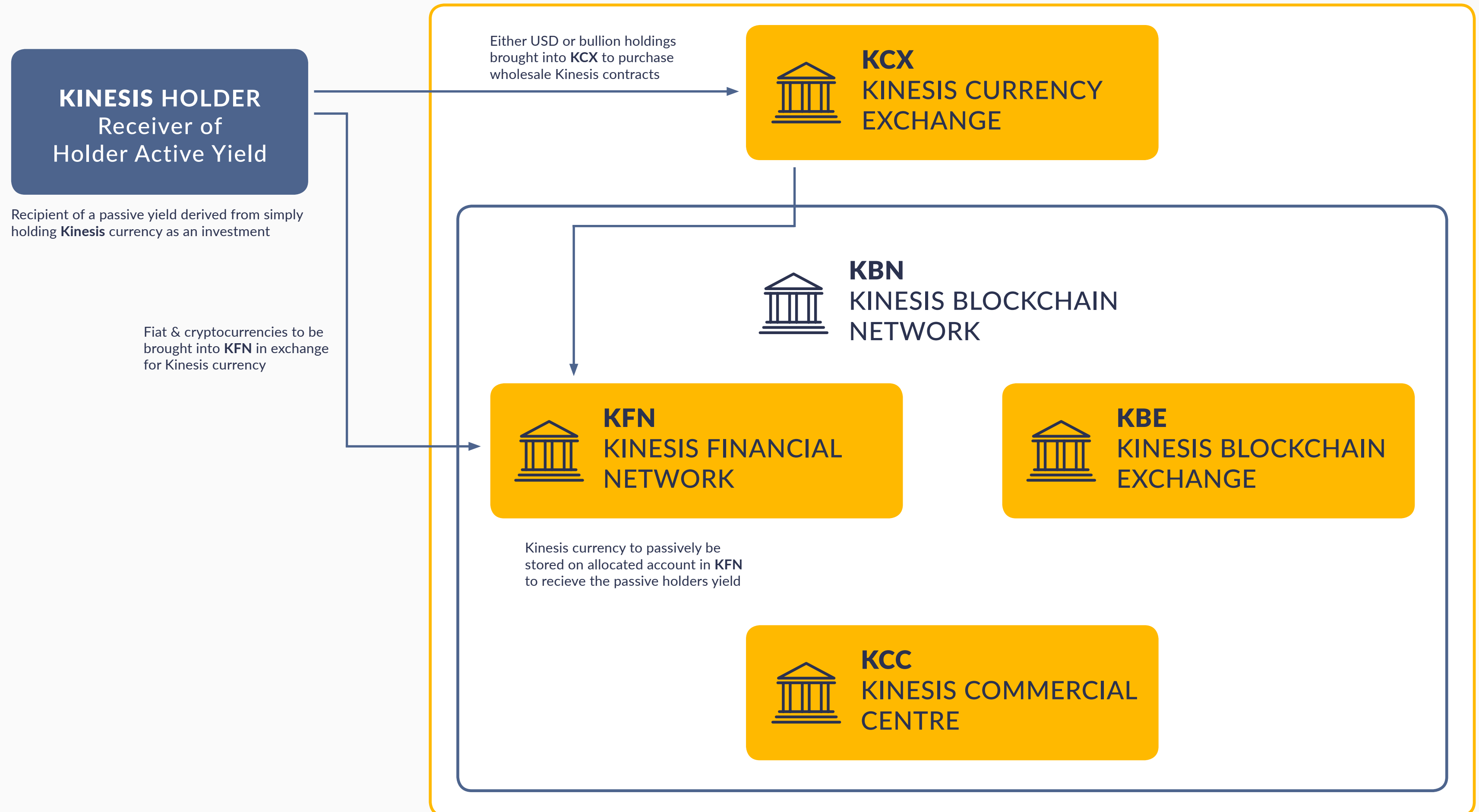
KINESIS MINTER



KINESIS DEPOSITOR



KINESIS HOLDER



KINESIS MONETARY SYSTEM: Featured Components

Kinesis Currency Exchange (KCX)

KCX functions as the wholesale market where the currency is created and minted. This occurs in an institutional centrally cleared exchange with deep liquidity and connectivity into global wholesale trading organisations via Allocated Bullion Exchange (ABX).

Kinesis Blockchain Network (KBN)

KBN is the blockchain technology upon which the Kinesis suite of cryptocurrencies is built. Kinesis currencies can be sent, spent, saved, or traded through the blockchain. Coins purchased in the wholesale market are emitted into the KBN with yields based on money velocity.

Kinesis Blockchain Exchange (KBE)

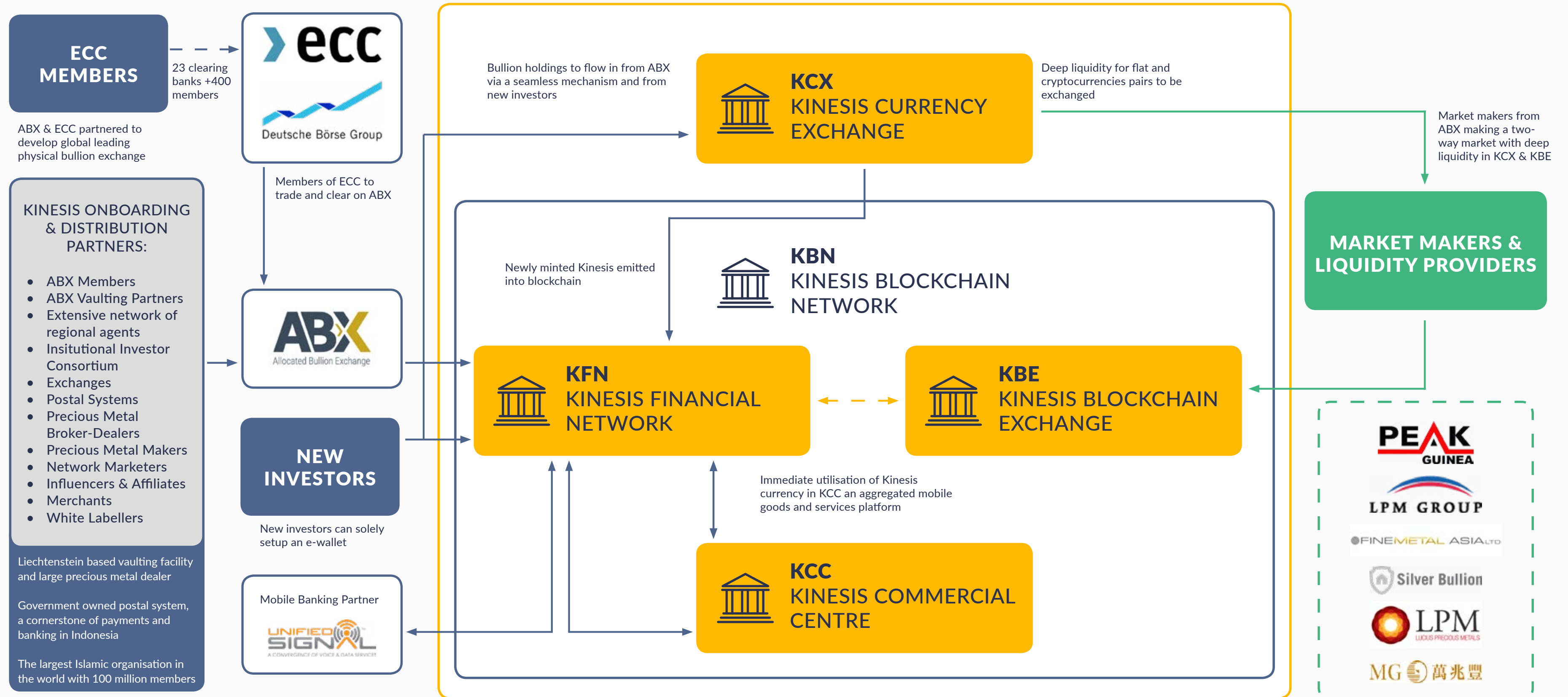
KBE operates as a blockchain digital currency exchange where Kinesis and other digital currencies can be traded. This is being developed internally to ensure deep liquidity for the Kinesis currencies.

Kinesis Financial Network (KFN)

The KFN serves as a mobile financial system where Kinesis currencies can be used for savings or payments, remittances, and money movement. This facility also has a Mastercard and Visa debit card, providing the ability to use Kinesis as a payment currency across the world.

THE KINESIS SYSTEM

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KINESIS VELOCITY TOKEN (KVT) ITO

The Kinesis Velocity Token is an ERC20 utility token that receives a portion of the transaction fees from the Kinesis Monetary System.

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KVT holders receive a proportional 20% share of all transaction fees associated with all Kinesis currencies and a further incentive of 20% of all commissions from the Kinesis Commercial Centre (KCC).



KINESIS VELOCITY TOKEN (KVT) ITO

SEPT 10 2018 - KVT PUBLIC SALE

300,000 KVT (HARD CAP)



Token Type
ERC20

Bonus Rate
2.5% ends 9th Sept 2018

Min. KVT Purchase
1 KVT

Token Value
1 KVT = \$1,000 USD

Max. KVT Purchase
No

Hard Cap
300,000

A minimum of 5% and a maximum of 20% of transaction fees of the Kinesis system will go towards buying back the tokens at market prices, which will then be held by Kinesis Cayman.

KINESIS VELOCITY TOKEN (KVT) ITO

PROJECTED KINESIS REVENUE TOKEN FINANCIALS

	Year				
	1	2	3	4	5
Average Market Capitalization (USD)	7,824,194,352	45,862,973,550	105,595,759,080	233,394,791,580	384,265,166,400
Velocity	30%	30%	30%	30%	30%
Days in Year	365	365	366	365	365
Yearly volume (USD)	856,749,281,544	5,021,995,603,725	11,594,414,346,984	25,556,729,678,010	42,077,035,720,800
Transaction Fee %	0.45%	0.45%	0.45%	0.45%	0.45%
Transactions Fees (USD)	3,855,371,767	22,598,980,217	52,174,864,561	115,005,283,551	189,346,660,744
Commercial Centre Transactions					
Share of Total Transactions (%)	0.5%	1.0%	2.0%	3.0%	3.0%
Share of Total Transactions (\$)	4,283,746,408	50,219,956,037	231,888,286,940	766,701,890,340	1,262,311,071,624
Average Commission Rate	5%	5%	5%	5%	5%
Total Commission Income	214,187,320	2,510,997,802	11,594,414,347	38,335,094,517	63,115,553,581
KVT Share %	20%	20%	20%	20%	20%
KVT Transaction Revenue (USD)	771,074,353	4,519,796,043	10,434,972,912	23,001,056,710	37,869,332,149
KVT Commission Revenue (USD)	42,837,464	502,199,560	2,318,882,869	7,667,018,903	12,623,110,716
Projected KVT Revenue (USD)	813,911,817	5,021,995,604	12,753,855,782	30,668,075,614	50,492,442,865
KVT Issued	300,000	300,000	300,000	300,000	300,000
Per KVT	2,713.04	16,739.99	42,512.85	102,226.92	168,308.14
Cost per KVT (100% Price)					
Full Price	1,000				
NPV* (5% Discount rate)					
Full Price	256,636.08				

KINESIS VELOCITY TOKEN (KVT) ITO

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GOLD MARKET					
	Year				
	1	2	3	4	5
Above ground gold reserves (tonnes) (source: World Gold Council)	187,200	187,200	190,200	193,200	196,200
Gold production per annum (tonnes) (source: World Gold Council)		3,000	3,000	3,000	3,000
Sum of gold reserves and production	187,200	190,200	193,200	196,200	199,200
Gold Price US\$ (assumed)	1,300	1,500	1,700	1,850	2,000
Above ground gold reserves in US\$ terms	7,824,194,352,000	9,172,594,710,000	10,559,575,908,000	11,669,739,579,000	12,808,838,880,000
Market Infiltration (assumed)	0.10%	0.50%	1%	2%	3%
Average Market Capitalization (USD)	7,824,194,352	45,862,973,550	105,595,759,080	233,394,791,580	384,265,166,400

MARKET INFILTRATION ASSUMPTIONS	
Physical Gold Market	Modest infiltration
Physical Silver Market	Not taken into account
Paper Gold Market	Not taken into account
Paper Silver Market	Not taken into account
Cryptocurrency Market	Not taken into account
Fiat Currency Market	Not taken into account
Investment Asset Market	Not taken into account

LAUNCH SCHEDULE

Ending 9 Sept 2018
KVT Pre-Sale Phase 5
(2.5% discount)

12 Nov 2018 – 28 Feb 2019
Kinesis Currency Pre-ICO Begins

10 Sept 2018 – 11 Nov 2018
KVT Initial Token Offering -
Public Sale

1 March 2019
Kinesis Currency Public
ICO Begins

*To participate in the Pre-ICO, subscription is required in the KVT ITO.

The above is a summary of our white paper. It is not intended to and does not represent an offer of any form of security or investment product. If you are interested in participating further in the growth of the Kinesis system then our legal advisors will be able to provide you with more comprehensive information and terms and conditions as well confirming your ability to participate.

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