



White Paper: Kinesis Minting Programme

Version 1.3

1. The Kinesis Minting Programme

The [Kinesis Minting Programme \(KMP\)](#) is designed to reward users for minting gold-backed digital asset, gold (KAU), through a simple and transparent incentive structure. Each gold (KAU) is backed by 1 gram of fully allocated physical gold, securely stored in audited vaults and redeemable by the owner.

Through the KMP, users who mint gold (KAU) receive a reward of **2 basis points (0.02%) in gold (KAU)**, calculated at the time of minting. In addition, the programme provides a rebate of the standard minting-related fees, including:

- **Minting Fee:** 0.45%
- **Exchange Fee (KAU/USD):** 0.22%
- **Spread:** Fixed at \$0.20 per KAU (difference between Kinesis Mint buy price and Kinesis platform sell price)

*These rewards apply to minting volumes of **up to \$1,000,000 per user per day**, in line with the participant's Tier, with rebates and bonuses settled weekly.*

In addition to minting rewards, qualifying participants also gain access to [Kinesis' broader yield system](#), which redistributes a 57.5% share of global platform fee revenue every month across:

- **Minter's Yield (5% of total fees):** For users who mint and transact gold (KAU)
- **Velocity Yield (10% of total fees):** For users who actively spend or trade gold (KAU)

Each yield pool is distributed proportionally, rewarding users based on their level of participation.

2. What is Minting?

In the Kinesis ecosystem, [minting](#) is the process of creating new Kinesis gold (KAU) tokens. When participants mint gold (KAU), they create digital assets backed by allocated physical gold, each KAU being fully redeemable for the underlying physical bullion.

To initiate the minting process, participants convert USD fiat currency into gold (KAU). Once minted, these gold-backed digital assets are issued onto the blockchain via the Kinesis platform, entering circulation as stable, secure digital assets.

3. The Mint Cycling Process: Key Steps

Minting gold (KAU) on the Kinesis platform is designed to be a streamlined, repeatable, and rewarding process. By following the steps below, participants can engage in mint cycling, receive rewards and unlock yield opportunities across the Kinesis ecosystem.

1. Fund Your Account

- Deposit fiat currency, stablecoin, digital or cryptocurrency into your verified Kinesis account on the [Kinesis platform](#).
- Transferred funds can be moved instantly to the Kinesis Mint.

2. Mint gold (KAU)

- Convert USD into gold (KAU) using the Kinesis Mint.
- Receive gold (KAU), each representing 1 gram of fully allocated physical gold, securely stored and ready for use.

3. Sell your gold (KAU)

- Sell the newly minted gold (KAU) on the Kinesis Exchange for USD.

4. Transfer USD to the Kinesis Mint and repeat the minting process

- Transfer USD into your Mint account, with only a \$5 withdrawal fee.
- Repeat the minting process to continue accumulating rewards and earning yields.

5. Earn Rewards

Weekly rebates and settlement:

- Receive a 0.02% (2bps) reward in gold (KAU) calculated at the time of minting
- 0.45% Minting Fee
- 0.22% Exchange Fee
- Fixed at \$0.20 per KAU Spread (*Difference between Mint buy and KMS sell price*)

6. Unlock Monthly Rewards

- Access **Minter's Yield** and **Velocity Yield** to earn additional rewards.

Market Risks and Volatility

In a flat market, where a mint cycle occurs without significant price movement and with sufficient liquidity, standard costs include 0.45% minting, 0.22% exchange, and a fixed \$0.20 spread. The spread is the difference between the offer price at the

mint and the bid price at the KMS at any given time - the difference in price to acquire at mint vs the sell price at the KMS.

Under the KMP, these costs are rebated, and a 0.02% (2bps) reward in gold is calculated at the time of minting. All rebates and rewards are paid weekly. This typically results in a net benefit of 2bps per cycle, excluding the \$5 withdrawal fee. Returns may vary with market conditions.

Participants engaging in blind, automated, or rapid mint cycling without assessing market spreads, order book depth, or timing risks may experience reduced returns or net losses. It is the responsibility of each participant to ensure informed execution aligned with market conditions.

4. Entry Requirements for the KMP

Entry into the **KMP** comes with a one-time **qualification requirement** designed to ensure participants actively contribute to the growth and liquidity of the ecosystem before accessing its full range of benefits.

These requirements are built on the principle that **active participation drives collective success**. By meeting one of the following qualifications, you earn your place in the Kinesis ecosystem and gain access to its powerful reward mechanisms.

Before minting gold (KAU) and unlocking the system's rewards, participants must first meet **one** of the following **entry qualification requirements**:

1. Own **KVTs** for More Than One Year
2. Purchase 10 KVTs via the Kinesis Exchange (*KVTs must be purchased directly on the Kinesis Exchange, remain in the Kinesis account and not be transferred to external wallets or received as deposits. Only direct purchases qualify.*)
3. Sign Up Ten Individuals
4. Sign Up Three Businesses
5. Trade \$500,000 on the **Kinesis Exchange**
6. Spend \$10,000 in **Metalback**
7. Spend \$10,000 Using the **Kinesis Virtual Card**

Qualification requirements start from 00:00 Tuesday, 4th March 2025

5. Monthly Tier Eligibility Criteria for the KMP

The programme uses a three-tier system based on monthly platform engagement. Each month, users must meet the criteria to qualify or maintain their tier. Activity counted towards tier system eligibility resets monthly and does not carry over.

Tier Structure

Tier 1

- Daily minting limit: \$100,000
- Default access for users who have met the Entry Requirements

Tier 2

- Daily minting limit: \$500,000
- Must meet all of the following each month:
 - Refer 2 new verified users (Individual or Business)
 - Spend \$200 via Metalback (or with a Kinesis Pay Merchant)
 - Trade \$200,000 on the Kinesis Exchange in any pair excluding KAU/USD

Tier 3

- Daily minting limit: \$1,000,000
- Must meet all of the following each month:
 - Refer 3 new verified users (Individual or Business)
 - Spend \$1,000 via Metalback (or with a Kinesis Pay Merchant)
 - Trade \$1,000,000+ on the Kinesis Exchange in any pair excluding KAU/USD

First month: All users who have met the Entry Requirements as per section 4 are granted Tier 2 access for their first month, giving them up to \$500,000 daily minting limit. To retain Tier 2 or move up to Tier 3 \$1,000,000 daily minting limit, users must meet the monthly qualification criteria during their first 30 days.

Note: Trading volume may be spread across multiple eligible pairs. Volume from mint cycling is excluded.

Users are notified of their tier status at the end of each month. There is no grace period; users must requalify monthly to maintain or move up a tier, otherwise they will revert to Tier 1 as default.

The new Tier structure will come into effect as of 1st July 2025 00:00 (UTC).

This white paper replaces earlier public communications and reflects the current terms of the programme.