



OROCRYPT

# Roadmap

June 28 2017

# The Orocrypt plan

## Vision

We envision a world in which anyone can buy, trade and exchange physical assets, digitally without a middleman. Where every one has control of his possessions.

## 1. Which are Orocrypt future development plans?

We have received a number of questions from investors and potential investors asking for more details of our road map for the future direction of the business and management felt it would be helpful to set out an outline of our plans.

In addition to the launch our gold token in September 2017 and our silver token in October 2017, we are working on a solution to bring to market a token based on un-mined gold, where the assets have been properly valued and assessed by independent auditors of impeccable reputation.

We will take careful consideration of the cost of extraction of the gold but we believe the margins can be substantial enough for this to represent a significant investment opportunity. Orocrypt will then be a position to launch asset backed tokens for other minerals. We expect to start working soon on the unmined token structure in order to make is so there is a valid legal claim on the digital assets.

This token will provide a solid and less volatile ethereum based investment for those to expect gold price to increase in the medium and long term. More details will be announced as the negotiations and legal opinions progress.

Further down the road in March 2018, we expect to start working on a token that will represent participations in a quantitatively managed fund comprised of a mix of crypto currencies and precious metals.

## 2. OROC tokens (company shares) are enforced by KYC procedures

All our tokens, as ERC20, will be compatible with any ether wallet. As such, our registered clients will be able to sell or trade them anywhere they are accepted. Orocrypt does not have any control, nor can exercise control over who buys the tokens from our registered clients. They can be freely traded, bought or sold in exchanges or P2P. Only when Orocrypt declares a dividend the then token holders will need to register with us to collect it. The same if the company is sold or merge or does an IPO.



### 3. What are the exchanges that Orocrypt is planning to make its tokens available once the ICO is over?

All major high-volume exchanges serving non-US persons will be approached.

### 4. How is an investor going to benefit from holding Orocrypt's OROC tokens (company shares)?

Investors in Orocrypt equity tokens should realise that investing in any startup carries high risk as well as the potential for high rewards.

The main risks of investing in Orocrypt are that the gold tokens will not appeal to investors or that governments pass adverse legislation or that the company is poorly managed failing to profit from opportunities. There is also the risk of the blockchains themselves facing a "black swan" event. ([https://en.wikipedia.org/wiki/Black\\_swan\\_theory](https://en.wikipedia.org/wiki/Black_swan_theory)).

The benefits are that if the company gets it right, there will be very high returns. Why? Because the gold investment market is liquid and large, the business is scalable, marginal costs are minimal, newly structured tokens of different asset classes can easily be added and the managing team has experience not only about running businesses profitably, but also about spotting investment opportunities with the potential for high profits.

The CEO has the view that asset digitisation will be an important part of the capital markets. Capital markets are defined as markets in which money is provided for periods longer than a year channelling the wealth of savers to those who can put it to long-term productive use, such as companies long-term investments ([https://en.wikipedia.org/wiki/Capital\\_market](https://en.wikipedia.org/wiki/Capital_market)). Companies and entrepreneurs are already starting to prefer crowdsales and ICOs to traditional funding mechanisms.

For instance, Following is the description of a deal opportunity from early 2015. All the numbers can be verified. Oil spot and forward prices are published by the CME, and oil tanker rates at [platts.com](http://platts.com).

Early 2015, the difference in price of Texas light crude for immediate delivery and one year delivery was 20% due to the then oil glut. An investor could buy oil, immediately sell it to be delivered in one year for 20% more, store for one year and then deliver it to the new buyer. The storage costs were between 10-58 cents per barrel per month. Texas WTI oil was at around \$43 per barrel. The one year forward rate was \$51.6. Therefore if one invested \$43 in one barrel and sold it for \$51.6, the gross profit was \$8.6 per barrel. To store it for one year did cost between \$1.2- \$6.96, leaving a margin range of 17.2%-3.81%. Obviously, securing storage at a good price was essential. Following is an excerpt of a real exchange of emails about an oil arbitrage deal involving one of our Board member. It has been edited only to preserve confidentiality. The dates and email contents are unedited.



*Subject: Re: Oil carry arbitrage*  
*Date: Tue, 17 Feb 2015 15:29:19 +0000*

*We cld go to the mkt as well and the difference as u said is, we can keep the stored tanker at bar on berth..*

*So why don't we go to the mkt fr an ULCC??*

*----- Original Message -----*

*Subject: RE: Oil carry arbitrage*

*I believe storage is a big hurdle in this play, just heard a few moments ago that Glencore hired a 300,000 dwt vsl for a lump sum of Usd.1 mill a month, so if you have sources for storage please advise.*

*-----Original Message-----*

*Sent: Tuesday, February 17, 2015 5:19 PM*

*Subject: Re: Oil carry arbitrage*

*Please let me know if you would like me to try to find storage for the deal, or you would prefer to try alternatives among your contacts.*

*On Tue, 17 Feb 2015*

*Further to our pleasant telcon of today, I have contacted my friends at xxxxx, storage facility in xxxxxx. Currently they have 700,000 mts of storage capacity which equates to around 5 mill barrels however they are 100% covered/booked. The cost per barrel currently stands at 58 cents per barrels which is more than the range we discussed i.e. 10 - 50 cents.*

*The method of loading is by sea transport, they can accommodate 80,000 dwt tankers and have are about to bring on line their new pier that can accommodate 200,000 dwt vessels.*

*I will speak to them again once I filtered the information and see how we can take advantage of their facility.*

*They are starting construction of an additional 300,000 mts of storage facility nearby.*

*-----Original Message-----*

*Sent: Tuesday, February 17, 2015 8:08 AM*

*Subject: Re: Oil carry arbitrage*

*About the numbers you requested, at this point the profitability of the operation would be determined by factors that I would need to discuss with you, such as how much oil we are in the position to buy, storage costs, and any other fees that depend on the storage location.*

*Please remember that this is not a trade but an arbitrage that involves taking physical delivery of crude oil, storing it and re-delivering it.*

*Crude oil today has a forward six month differential of approximately 27% annualized (compounding the six month returns) and a 20% one year forward. If the operation is leveraged, the returns increase substantially. This is another point I would need to discuss with you.*



*That brute return has to be adjusted depending of the amount involved, where the oil would be delivered for storage, the storage costs, insurance cost and other incidentals like port and inspection fees. A further adjustment comes from the quality and type of crude, which would need to be decided once the other elements are in place.*

*If xxx prefers to leverage the operation, then we would need to determine where the financing would come from and the amount of leverage. The beauty of this deal is that once it is done, all the variables are locked in so the risk is eliminated. The purchase and sale price are known, as well as the cost of storing the oil. The financing costs would also be known and there is insurance to cover catastrophic events. One could negotiate very favourable oil-backed financing terms.*

*I already have very good relations with an important oil dealer located in Houston. For him to give me an idea of the type of oil and delivery costs I would need to tell him how much and where the oil would be delivered. We could then discuss that information during our conference call.*

*To give you an idea, I know someone who is now chartering a general purpose ship with 40 DWT capacity equivalent to 250 thousand barrels of oil. The vessel will just be used as storage so the charter price is low. It is currently in Curacao. Right now he is discussing with an oil dealer for the type of oil that he will buy. If xxx did the same deal but with an Aframax with capacity of 120 thousand DWT, the costs per barrel would be less.*

This is only one example of what a bespoke token structure may represent. The gold token is the management team's first entry in the Fintech world. We thought prudent to start with a straightforward uncomplicated token. We expect that by the end of 2018, Orocrypt will be in a position to create more bespoke profitable tokens.

## **5. Does the company have a physical office in Panama?**

The company currently has a representative office in Panama. After the ICO, the company will have an office. The CEO will be working from that office as well as the future marketing staff, the IT team and the back office and administration team. Servers will be physically located at the office.

## **6. Why are we doing this?**

We want to create:

- a. a good and safe alternative for Blockchain Crypto Investors to store their earnings and assets;
- b. an avenue for traditional investors to invest in precious Metals like Gold and Silver;
- c. investment privacy;
- d. Less volatile crypto assets.



We do it for:

- a. Blockchain crypto investors;
- b. Traditional investors.

Gold Bar Demand Increased by 9% worldwide. On June 6th, about 339,000 bitcoins changed hands for the price of 2900 USD. On June 11th when the price of bitcoins collapsed by 600 USD, the people who purchased those bitcoins on that day, have lost together over 203,000,000 USD. That is crazy. We want to provide a safe place for people to stash their coins and have more peace of mind.

## 7. How do people buy gold now?

- a. Vaultoro
- b. Goldmoney
- c. Bullionvault
- d. Traditionally as jewellery, in a vault in their name, in a vault receipt document, in a bank safety deposit box, or in their homes in safes, etc.
- e. Indirect precious metals investments as ETF shares or the futures markets.
- f. How are we Different: see point 12

## 8. How will we make money?

We will be charging people a transaction fee for each gold token bought (1%) or exchanged (.04%). We will launch new tokens with superior expected returns. i.e. our gold in the ground token and our bitcoin/gold/ether/silver mix fund. We will earn arrangement fees and profit participation.

## 9. How do we benefit mankind and any type of community?

We want to give peace of mind to the average person.  
We want to give everyone more control over their assets.  
We want to contribute to the creation of a crypto asset digitisation community.



## 10. Can we do it?

We are quite sure we can. We have the Legal and Financial Expertise, as well as top Blockchain advisors consulting us.

We have a company that will operate in the traditional way whilst benefiting from the token structural advantages.

## 11. Why Panama?

We chose Panama after a careful consideration of the global regulatory infrastructure. The Panamanian regulator allowed us to proceed with our crowdsale plans. The company would be exempt from corporate taxes and the shareholders registry is private.

## 12. What makes us different?

- a. We have extensive traditional financial and regulatory experience, which is more than most of the competitors.
- b. Some companies have tried to do this before but they were either scams, or simply lacked the required expertise or couldn't get bank accounts.
- c. We have several new tokenized products in the pipeline.
- d. Our gold will be stored in multiple vaults.
- e. We will be tokenizing audited unmined precious metals.
- f. We have done actual legal due diligence.
- g. We are a real company.
- h. The Public can benefit from our work by owning our equity.
- i. All our tokens will be tradeable and exchangeable.

## 13. How we will be spending money

Startup costs (EUR)

|                           |                  |
|---------------------------|------------------|
| Legal fees                | 100 000          |
| Web infrastructure and IT | 450 000          |
| Marketing                 | 300 000          |
| Office setup              | 60 000           |
| Staff Salaries (4)        | 250 000          |
| Back Office (3)           | 80 000           |
| <b>TOTAL</b>              | <b>1 240 000</b> |



## Ongoing expenses

|                           |                  |
|---------------------------|------------------|
| Legal fees                | 100 000          |
| Web infrastructure and IT | 240 000          |
| Marketing                 | 300 000          |
| Office Maintenance        | 40 000           |
| Staff Salaries (4)        | 250 000          |
| Back Office (3)           | 80 000           |
| <b>TOTAL</b>              | <b>1 010 000</b> |

From the funds invested in the ICO, we will keep a portion in cash to cover our short term expenses. The rest will be kept in a mix of bitcoin, ether and gold. Please see our Proforma balance sheet in our Prospectus.

