

Roadmap to tokenising royalties in the mining & metals industry

Initial planning

- 1** Identify underlying source of royalty
- 3** Identify all possible sources of capital for next financing round (including non-ICO/IEO/STO routes as well) and develop initial token structuring options
- 5** Prepare initial business financial and operating model
- 7** Diligence the royalty stream

Token economics design

- 8** Appoint token advisers
- 10** Select which blockchain protocol (with smart contract functionality) should be used to facilitate the token launch: Ethereum, Tezos, etc.

Detailed planning

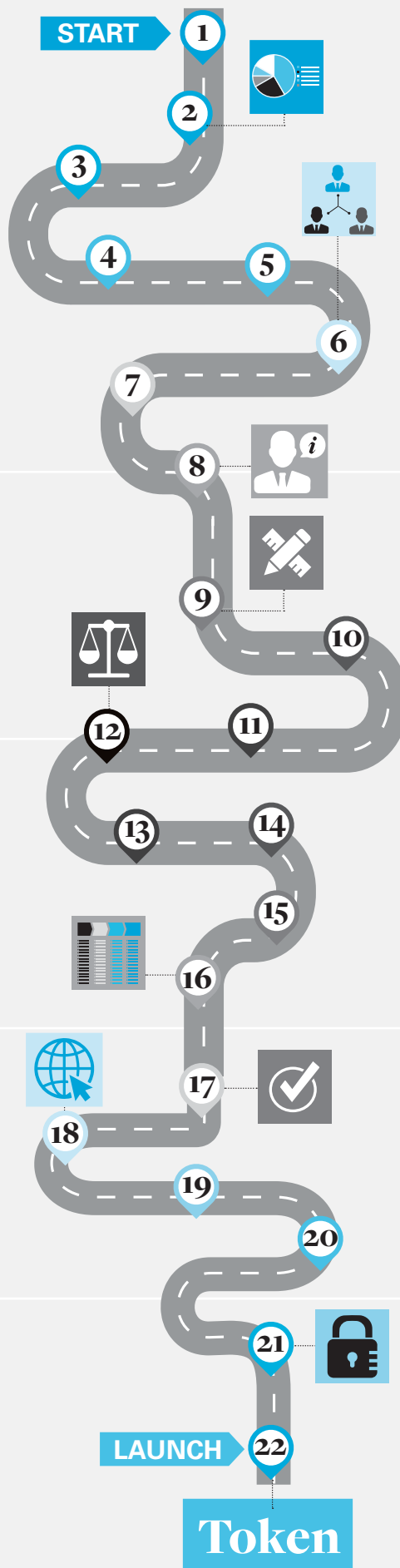
- 12** If not already done, appoint legal counsel, tax advisers and accounting firm
- 14** Analyse and structure token issuance so that it is consistent with relevant regulations and does not impact issuer's capital structure from a legal and tax perspective

Marketing and sales

- 15** Appoint marketing company to help with marketing and sales strategy (cf with a broker who typically receives a commission on each sale)
- 17** Finalise whitepaper

Token execution

- 19** Set up and finalise KYC and AML process and special-purpose vehicle (SPV) for token issuance
- 21** Audit smart contract code to ensure robust security, and that it accurately represents the terms contained in the whitepaper/other legal documentation



- 2** Understand current token market landscape (which is constantly evolving) and current pain points
- 4** Analyse the potential implications of token issuance on the issuer's existing capital structure and the regulatory landscape
- 6** Consider building out internal team and identify potential advisory firms (and appoint them if necessary) to assist with the token issuance
- 9** Design and refine token economics model and token valuation—will require valuation of the royalty stream
- 11** Prepare draft whitepaper
- 13** Analyse and select appropriate jurisdiction and regulatory framework for token issuance, and identify categories of investors to whom the tokens should be offered (and to whom not to offer!)
- 16** Prepare overall marketing and sales strategy and timetable for token issuance, and ensure search engine optimisation (SEO) for website
- 18** Launch website
- 20** Draft and finalise legal documentation (investment agreement, private/private pre-sale, main sale documentation, etc.) and ensure legal "nuts and bolts" in order
- 22** Launch royalty token!

Indicative timeline

