



ASSET BACKED DIGITAL CURRENCIES

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MANAGING THE TRANSITION TO THE ASSET-BACKED DIGITAL ECONOMY

As the legacy global banking system fails, there is a need to assist and advise the poor, yet resource rich, emerging nations in the transition to the new digital economy.

This process begins with valuing the vast natural resources and precious minerals (gold, diamonds, cobalt, oil, gas, cocoa, etc.) available in the emerging nations.

By using the value of such assets to collateralize newly-issued currencies (called "Asset Backed Currencies") for the benefit of the collective sovereign of the people of such Emerging Nations, the result will be a dramatic and positive improvement in the realized wealth of the people.¹

Two transformative circumstances have recently become available.

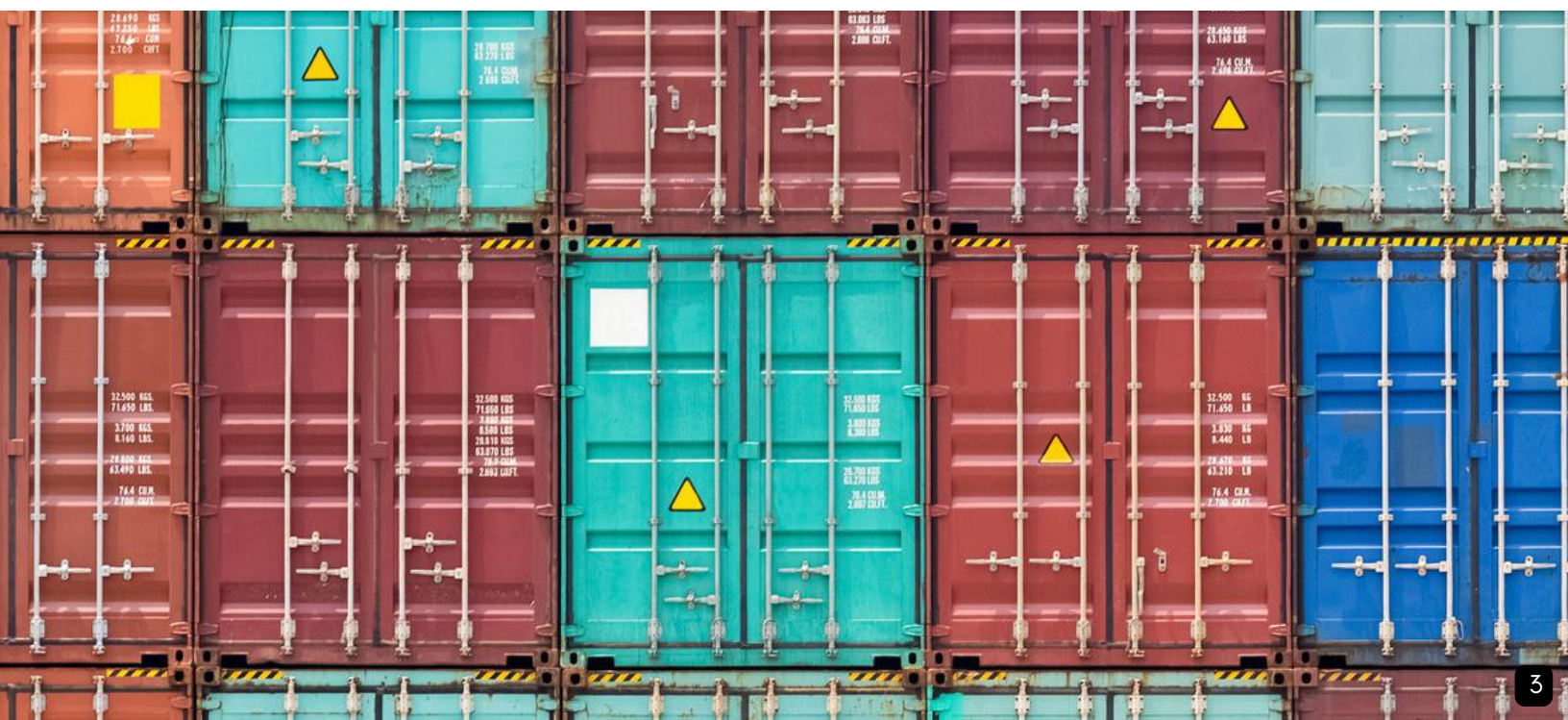
I. The ODL/Liquidity Hub products offered by Ripple Labs, Inc. This platform provides “on-demand liquidity” to otherwise illiquid currency and digital asset markets/pairs using the digital virtual currency known as XRP.²

II. The occurrence of geopolitical events resulting in the BRICS nations which collectively represent over one quarter of the world’s land and 40% of the global population.³

Other nations are also “opting out” of using the US dollar for cross border commodities transactions, desiring instead to implement an Asset Backed Currency system⁴(e.g. Russia). This group is referred to as “Accelerated Digital Adopting Nations.”

It is expected that these Asset Backed Currencies will become digital (hence the name “Asset Backed Digital Currencies” or “ABDCs”) and adopted as the desired payments systems for engaging in cross border commodities transactions.

This is initially expected among the commodity producing areas within the BRICS nations and expanding into South America, the Middle East and Europe.



Emerging Nations will need assistance in the transition to the new digital economy. A successful launch requires a unique team that is capable of providing a high level of such transition advisory services.

Advisors in this process should have knowledge, experience, leadership and achievements in the emerging digital asset sector, and partnership experience with global commodities trading enterprises, such as Navexwan (www.navexwan.com).

Through their extensive network in the digital asset sector, advisors will build relationships with leading digital asset businesses to provide the technological expertise to create, collateralize and issue ABDCs on behalf of Emerging Nations.

Advisors will engage the resource reserve engineers to provide licensed and certified reserve reports of the resource commodity assets in place (the "Asset Reserves").

They will also use the determined present value of such Asset Reserves to collateralize the designated distributed ledger network on which the ABDCs are transmitted.

Finally, Emerging Nations must be provided access to the physical commodities trading network and relationships with commodities producers and suppliers working within the Accelerated Digital Adopting Nations to obtain base commodities resources (food and energy).

This will ensure that the people remain outside the grip of the legacy banking system. ⁵



In connection with the transition, Emerging Nations may conduct significant “airdrop blasts” of universal basic income to the people (particularly to the elderly) in the form of the newly issued ABDC.

These funds may be paid as a royalty to the people derived from the development of appropriate commodities trading infrastructure (i.e., shipping ports, roads, and communications) and commodities trading market activities.

These royalty payments may continue following the transition period as the Asset Reserves are produced and/or consumed - to the extent not renewable (e.g., agricultural commodities) - in global trade.

Such royalty payments may be calibrated and programmed into the distributed ledger network of the applicable ABDC, whereby the payments are automatically distributed directly to the people without the need of a centralized counterparty.

This is in contrast to the current legacy banking system, which is highly centralized.



INTEROPERABLE LIQUIDITY

The global economy is experiencing a network effect with respect to the adoption of digital assets and virtual currencies, including central bank digital currencies (“CBDCs”), ABDCs and public cryptocurrencies – like Bitcoin.

Digital Asset Currencies must be interoperable for there to be sufficient liquidity to ensure its success.

Each Digital Asset Currency exists upon its own specific network and operates pursuant to its own specific protocol, such as proof-of work (“PoW”), proof-of-stake (“PoS”) and consensus protocols.

Because of the network-specific attributes of each Digital Asset Currency, most are incapable of communicating value from its native network to another network protocol that uses a different currency as its native value-transmitting asset.

The circumstance is no different than a native English-speaking person attempting to engage in conversation with a native Russian-speaking person (absent one having knowledge of the others’ language), their language protocols are simply not compatible or “interoperable,” as commonly referred within the digital asset sector.

XRP is the native value transmitting asset on the decentralized distributed ledger protocol known as the XRP Ledger or “XRPL.” The XRPL is interoperable with various network protocols that support other Digital Asset Currencies and digital assets (like tokenized securities and bonds) which means the value being transmitted by XRP may be transferred to another network protocol.

The interoperable nature of XRP significantly enhances the available liquidity in the broader currency and asset markets because a user may transform anything of value into anything else of value – so long as it’s digital.



Moreover, Ripple announced its “Liquidity Hub” product will be available for enterprise use which means that enterprises can easily and efficiently source other digital assets from the broader digital asset marketplace.

As a digital asset liquidity platform built for enterprises, Liquidity Hub will unleash the potential to access deep liquidity within markets, accelerating the shift to Digital Asset Currencies.

Liquidity Hub leverages smart order routing to source digital assets at optimized prices from market makers, exchanges, and over-the-counter (“OTC”) desks.

Enterprises will use Liquidity Hub to easily and seamlessly provide their end customers with the ability to buy, sell and hold digital assets at the best possible prices across a range of venues.

Liquidity Hub solves specific pain points of enterprise customers, avoiding long and resource-heavy integrations through a streamlined application programming interface (“API”), and eliminating pre-funding requirements that will free up working capital.

Liquidity Hub will initially support Bitcoin (BTC), Ethereum (ETH), Litecoin (LTC), Ethereum Classic (ETC), Bitcoin Cash (BCH) and XRP (availability will vary by geography) with plans to add additional digital assets over time.

THE NATIONAL SWITCH: TRANSITION TO NEW DIGITAL ECONOMY

Many Emerging Nations are currently engaged with third party service providers, fintech companies and mobile money operators to establish a “National Switch” within their nations.⁶

Once the Emerging Nations establish a “National Switch,” their central banks, commercial banks, and commodities trading companies obtain access to the extensive liquidity resources that are being made available in the new digital economy.

The “National Switch” enables interoperability of ABDCs (and other Digital Asset Currencies) with the legacy banking system, facilitates broader and more efficient access to financial services across the country/region, accelerates the growth of digital financial services and reduces the use of cash.

The “National Switch” also provides interoperability to existing financial service providers’ switches and allows for future scalability to accommodate additional payment services such as card production, ATM and POS management, connectivity to regional and international gateways.

COLLATERALIZING ABDCs

The process to collateralize a newly issued ABDC is similar to the asset securitization process. The primary difference involves the use of the blockchain and distributed ledger technology in lieu of traditional debt securities.

An effort must be undertaken to identify the Emerging Nation’s Asset Reserves⁷ and determine the present value of such Asset Reserves in place.

The nation may need to enter into partnerships to construct and operate the infrastructure to develop and produce such Asset Reserves and develop an auditable, serial number identification system to “attach” the physical commodity (once produced) to the ABDC. All of this information is immutably stored on the applicable DLT network.



One such process presently being pursued is the Sovereign Gold Bond (“SGB”) project being undertaken by the Government of India and the Reserve Bank of India (“RBI”).

SGBs are government securities denominated in grams of gold and essentially act as a substitute for holding gold directly. The government will use its Rupee (or cash) to source and purchase gold and secure such gold in the governmental vaults.

The RBI issues SGBs on behalf of the government based upon the gold collateral held in the government’s vault. The SGBs are sold to commercial banks and investors, and in the process, such SGBs are “minted” or “digitized” into digital assets - and may be further used to collateralize India’s new CBDC.

The SGBs will exist and be transferred on the Stellar blockchain, and the CBDC will become interoperable with other Digital Asset Currencies through the XRPL using XRP.

To further support such “collateralization process,” the BRICS nations have established the New Development Bank and brought together several material commodities projects (including gold mining projects) being undertaken by various parties within their jurisdictions.⁸

Notably, the Kluchevskoye Gold Mining Project (“KGM Project”), located in Chita Region of Russia, is projected to yield 6.5 - 8 tons of gold annually, and return net profits of approximately US\$2 billion per year.⁹

The KGM Project is being undertaken by a joint venture where India (indirectly through Sun Gold) holds a 30.0% interest in the joint venture and China (indirectly through China Gold) holds a 70.0% interest in the joint venture.

Additional capital resources are being provided to the KGM Project from investment funds and cooperatives located in Brazil and South Africa.¹⁰



PROCESS

CONNECTING PHYSICAL ASSETS TO DIGITAL CURRENCIES



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Valhil Capital Underwrites First NFT Securities Offering in History - "Buen Viaje"

HOUSTON, Oct. 15, 2021 /PRNewswire/ -- Valhil NFT L.L.C., a wholly owned subsidiary of Valhil Capital, LLC (the "Issuer"), issued 9 NFTs of 10 minted NFTs in a series titled "Buen Viaje" as securities for the first time in history, through a competitive sale that occurred on October 8, 2021 at the Texas Blockchain Summit. [the "Offering"]. The Offering was underwritten by Valhil Capital, LLC. The NFT securities were marketed and sold to "accredited investors" (as defined under Regulation D, each an "investor") in a private transaction in reliance on, and in compliance with, an exemption from the registration requirements of the Securities Act provided by Rule 506(c) of Regulation D under the Securities Act. The NFT securities are "restricted securities" as defined in Rule 144 under the Securities Act.



BLOCKGATES.IO

HOME CRYPTOCURRENCY NEWS BITCOIN ETHEREUM BLOCKCHAIN ALTCOIN HOT PICKS GAMING AND NFTS LIBRARY

December 15, 2020

Valhil Capital Announces Investment in Astrolight Media Group, an Austin-based blockchain media company



July 22, 2021

Valhil Capital Invests in Deltawave Energy

HOUSTON, July 22, 2021 – Valhil Capital, LLC, a leading blockchain technology investment firm ("Valhil"), today announced the closing of its initial equity commitment in Deltawave Energy, LLC, a blockchain-based energy company headquartered in Houston, Texas. "We believe the quest to achieve carbon neutrality is the single most pressing issue facing our energy industry today. Moreover, we can leverage blockchain technology to dramatically speed up the settlement of transactions in the energy sector. Our investment in Deltawave is targeted to achieve both," said Jimmy Vallee, Managing Director.

FINANCIAL TIMES

HOME WORLD US COMPANIES TECH MARKETS CLIMATE OPINION WORK & CAREERS LIFE & ARTS HTSI

Valhil Capital Announces the Launch as the Next Evolution of Private Equity under President Scott Minett

Texas billion-dollar dealmaker Jimmy Vallee reveals new investment firm Valhil Capital and its president



15 Outstanding Panels of Exceptional Investors & Entrepreneurs Look Back To Look Forward At Linqto's Global Investor Conference
Entrepreneurs / 10th November 2021

Linqto's Global Investor Conference kicks off on December 7th: a one-day knowledge-sharing event for accredited investors to gather and discuss future tech and investments.

Attendees should expect a bumper day of panels as the conference virtually travels around the world demystifying trends and cutting through the noise by gathering insights from the brightest minds and the most influential investors. Speakers, to name a few, include Greg Kidd, CEO & cofounder of GlobalID, JP Theriot, CEO of Uphold, **James Vallee, Managing Director of Valhil Capital**, James Row, Managing Partner of Entoro, Angelina Kwan, Senior Advisor of Hashkey, Erőőenne vanKruys, Managing Partner of digital asset fund TRGC and Taha-Khan Aqul, Managing Partner of Axis Capital.



HU TO HOST VIRTUAL CONFERENCES ON CRYPTOCURRENCY, BLOCKCHAIN, AND BITCOIN

The brightest minds and biggest innovators in their fields will convene online in March, April and May to explore business strategies, the future of finance, investment strategies, gaming, entrepreneurship, cyber threats, and other hot topics – all from a blockchain/crypto-centric perspective, during this two-track, virtual conference.

Track #2 Investing in Crypto

Speakers will include:

- Jimmy Vallee, Managing Director, Valhil Capital, LLC.

Medium: The Legal Observer

April 18, 2019

The New Movers and Shakers: Are These Superstar Lawyers Bigger Than Their Firms?

By Veronica Pomoukaghlian Viera



Energy Team, Jimmy Vallee

In the past, the lawyer is seen all about which firm would hire them. It's somewhat well-known firm recent position, different clients, and the promise of a bright future. While this is still the case for most in the profession, there is a unique client seeking attorney where firms may be dependent on them, rather than the other way around.

An image firm because increasingly over-modified, the most powerful clients are more and more inclined to value

lawyers with personal brand power above their firms. When these lawyers move, brand value, clients, and potential for growth travel with them. The Financial Times and others are beginning to call them, "Superstar Lawyers," and I believe the term is right on point.

CONTRIBUTOR LEADERSHIP COLUMNIST: JIMMY VALLEE
A prime example of today's

superstar lawyer is Energy titan Jimmy Vallee, who has sold hard clients on global energy deals, surpassing \$500 million and is recognized in his peers as one of the top dealmakers in Texas. Vallee recently left Paul Hastings to become a partner at Winston & Strawn. The news may prove a transformative step for the firm, which brought him on to transform the midsize Houston practice into a top-lawyer powerhouse.



May 17, 2017

Dealmaker Jimmy Vallee Hits Best Seller With 1st Book: Giant Shifts



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ENDNOTES

1. According to “Debt Data Portal,” published by Debt Justice at <https://data.debtjustice.org.uk>, Emerging Nations facing debt crisis include many (a) African nations, including Cameroon, Ghana, Liberia, Nigeria and Sierra Leone, (b) South American nations, including Argentina, Colombia, Suriname and Venezuela, and (c) Central American countries, including Belize, Costa Rica, El Salvador and Panama.
2. Ripple Labs, Inc. is an American technology company which develops the Ripple payment protocol and exchange network. Originally named OpenCoin and renamed in 2015, the company was founded in 2012 and is headquartered in San Francisco, California.
3. The BRICS countries, namely Brazil, Russia, India, China, and South Africa, are considered the five foremost emerging economies in the world.
4. In April 2022, the Russian central bank moved to fix the price of 5,000 rubles to a gram of gold. Following the announcement, Russia’s finance ministry also announced that it would require payment for oil, natural gas and other of its significant commodity exports in rubles – now “goldbacked.” As of the time of this writing, the Russian ruble to US dollar pair increased in value from a low of 120:1 (immediately following the implementation of SWIFT sanctions by the Western NATO alliance countries) to 57:1. Few Western investors or executives noticed.
5. See, e.g., Sri Lanka defaults on foreign debts, prepares to implement IMF austerity, <https://www.wsws.org/en/articles/2022/05/24/swvq-m24.html>
6. For example, the government of Sierra Leone received financing from the World Bank towards the cost of Sierra Leone’s financial inclusion project, a portion of which was applied towards the creation of Sierra Leone’s National Switch. See Request for Bid, Sierra Leone National Switch (Design, Supply and Installation) (Without Prequalification) (Issued February 7, 2020), https://mof.gov.sl/wpcontent/uploads/2020/03/Bid-Extension-SPN_RFB-for-Sierra-Leone-National-Switch-Design-supply-and-Installation.pdf
7. The relevant Asset Reserves will vary from Emerging Nation to Emerging Nation. For example, African countries are resource wealthy in gold, diamonds and other resource commodities that are necessary for technology – like cobalt, whereas Middle Eastern nations are more resource wealthy in hydrocarbon-based commodities.
8. See, e.g., New Development Bank and State Bank of India Sign Memorandum of Understanding to Establish Partnership, https://www.ndb.int/press_release/new-development-bank-state-bank-india-sign-memorandum-understanding-establish-partnership
9. See Indian-driven gold mining project in Russia praised at BRICS Summit (July 27, 2018), <https://timesofindia.indiatimes.com/business/international-business/indian-driven-gold-mining-project-in-russia-praised-at-bricssummit/articleshow/65157455.cms>
10. See id.