

**PAXOS TRUST COMPANY, LLC**  
**Examination of Management Assertions**  
**PAX Gold (PAXG) Token**  
**May 31, 2024 at 5:00 PM Eastern Time**  
**With Independent Accountant's Report**

**Paxos Trust Company, LLC**  
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**May 31, 2024**

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## INDEPENDENT ACCOUNTANT'S REPORT

Paxos Trust Company, LLC  
New York, NY 10011:

We have examined Paxos Trust Company, LLC's (the "Company") below assertions. Paxos Trust Company, LLC's management is responsible for its assertions. Our responsibility is to express an opinion on management's assertions based on our examination. Management's assertions, which are summarized in the attached report, (hereafter referred to as the "Redemption Assets Report"), which we examined are as follows:

- The Redemption Assets Report refers to the supply of PAX Gold tokens ("PAXG") as of May 31, 2024 at 5:00 pm Eastern Time ("ET") (the "Report Date and Time"). Such PAXG as denoted under contract 0x45804880De22913dAFE09f4980848ECE6EcbAf78 on the Report Date and Time is 184,251.184.
- The Redemption Assets Report refers to the amounts (in troy ounces) of gold held by the Company within the custody of third parties in the United Kingdom. The total troy ounces held in custody is at least equal to or greater than 184,251.184 ounces at the Report Date and Time.
- The PAXG supply, as represented by management in the Redemption Assets Report, does not exceed the balance of the Redemption Assets reported by the Company.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform procedures to obtain reasonable assurance about whether management's assertions are fairly stated, in all material respects. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of management's assertions whether due to fraud or error.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

In performing our risk assessment, we considered the Company's internal controls relevant to the aforementioned assertions, in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we did not test the operating effectiveness of such controls and express no such opinion on such controls.

Further, while we did obtain confirmation of gold balances from the third-party custodians, our procedures did not include the observation of gold held by these custodians and did not include any validation of the quality of gold held by these custodian(s) on behalf of the Company and the PAXG token holders. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We direct your attention to the accompanying notes of the Redemption Assets Report for risks and uncertainties related to cryptocurrencies and gold commodities and background information provided by management. We have not audited, reviewed or performed any procedures to provide assurance with respect to these notes. Accordingly, we provide no opinion, conclusion, or any other form of assurance with respect to these accompanying notes to the Redemption Assets Report.



Management's assertion does not address the assets and liabilities of the Company, other than its PAXG tokens and related PAXG redemption assets. Our procedures were limited to the related PAXG redemption assets, and therefore do not constitute an audit or examination of the Company or its financial position.

We were not engaged to perform and did not perform an examination of the Company's compliance with laws or regulations. We also were not engaged to perform and did not perform an examination of the Company's compliance with its contractual obligations to its clients.

The expressed examination opinion on the above assertions are limited solely to the Redemption Assets Report at the Report Date and Time noted above. Any activity prior to or after May 31, 2024 at 5:00 pm ET was not considered when testing the assertions described above. In addition, we have not performed any procedures or provided any level of assurance on the financial or non-financial activity of the Redemption Assets on dates or times other than the Report Date and Time noted within this report.

In our opinion, management's assertions noted above are fairly stated as of May 31, 2024 at 5:00 pm ET, in all material respects.

*Withum Smith + Brown, PC*

June 21, 2024

## **REDEMPTION ASSETS REPORT**

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Paxos Trust Company, LLC (the “Company”) is responsible for the completeness, accuracy, and validity of the Redemption Assets Report as of May 31, 2024 at 5:00 pm ET (the “Report Date and Time”). The management of the Company asserts that the amount (in troy ounces) of gold held by the Company, representing the redemption assets, is at least equal to or greater than the PAXG in circulation and hereby makes the following assertions as of:

<b>Report Date</b>	May 31, 2024
<b>PAXG tokens in circulation</b>	184,251.184
<b>Redemption Assets (in troy ounces of gold)</b>	184,251.232

### **NOTES**

- The supply of PAXG as denoted under contract 0x45804880De22913dAFE09f4980848ECE6EcbAf78 at 5:00 pm ET on May 31, 2024 (the “Report Date and Time”) is 184,251.184.
- The Redemption Assets Report refers to the amount (in troy ounces) of gold held by the Company within the custody of third parties in the United Kingdom. The total troy ounces held in custody is at least 184,251.184 ounces at the Report Date and Time.
- The PAXG supply does not exceed the balance of the Redemption Assets of the Company.

To the best of the knowledge and belief of the undersigned, the information contained in the Redemption Assets Report as of May 31, 2024 at 5:00pm ET is accurate and complete.

DocuSigned by:  
  
1F87E5948E174AC

Adam Ackermann, Head of Portfolio Management  
Paxos Trust Company, LLC

June 21, 2024

\_\_\_\_\_  
Date

**Paxos Trust Company, LLC**  
**Notes to the Redemption Assets Report**  
**May 31, 2024 at 5:00pm ET**  
**(No Assurance Provided by the Independent Accountant on These Notes)**

**1. BACKGROUND INFORMATION PROVIDED BY PAXOS TRUST COMPANY, LLC**

Paxos Trust Company, LLC (the “Company”) is a New York limited purpose trust company. The Company received its trust charter from the New York Department of Financial Services in 2015 and has been a long-time leader in both crypto asset services and the creation of blockchain technologies for the financial world.

The PAX Gold token is a cryptographic stored-value token, which allows financial market participants to transact in tokenized London Good Delivery gold over the blockchain, as each token represents ownership of an allocated troy ounce of London Good Delivery gold held in vaults for the benefit of the Company. PAX Gold is an ERC-20 token, which is built on the Ethereum public blockchain and as such, the total number of PAX Gold tokens in circulation is fully and transparently viewable at all times by anyone through any publicly available ethereum block explorer (e.g., etherscan).

The Company purchases their gold from INTL FCStone, Ltd., a company registered in England and Wales (“INTL”). London Good Delivery bars are governed and defined by the London Bullion Market Association (“LBMA”), a precious metals bullion trade association. The London Good Delivery gold bars are stored with Brink’s Global Services Ltd., Hongkong and Shanghai Banking Corporation (HSBC), and Industrial and Commercial Bank of China Ltd (ICBC) Standard Bank, all of which are LBMA approved vaults. INTL is a registered broker-dealer and is subject to regulatory requirements imposed by the Securities and Exchange Commission, Commodity Futures Trading Commission, Financial Industry Regulatory Authority, and other regulatory bodies both within the United States and United Kingdom. While these entities are subjected to regulation within the gold and commodities industry, this report does not contemplate the impact of these regulatory authorities on the third parties ability to effectively custody assets on behalf of the Company.

PAX Gold is assigned a redemption value on a 1:1 basis to a troy ounce of gold. As with all commodities, the value of gold will fluctuate daily and may be negatively impacted by a wide variety of factors including but not limited to both local and global economic, political and social unrest. This report does not contemplate the quality, liquidity, or availability of the gold held in custody of third parties. Investment in commodities such as gold or instruments approximating the value or weight of gold should be made by those who are informed of the risks and rewards associated with these instruments. The monitoring of the value of gold and its volatility is strictly the responsibility of PAX Gold token holders.

**Paxos Trust Company, LLC**  
**Notes to the Redemption Assets Report**  
**May 31, 2024 at 5:00pm ET**  
**(No Assurance Provided by the Independent Accountant on These Notes)**

**2. DISCUSSIONS RELATED TO CRYPTO ASSETS GENERALLY**

As of the date of this report, crypto assets remain an evolving area of technology and market place activity. Those who choose to invest in crypto assets should inform themselves of the general risks and uncertainties associated with such assets.

(1) Crypto assets are owned anonymously. While the public keys of virtual wallets holding crypto assets reside on the distributed networks and can be viewed publicly, the ownership of the wallets are normally not registered and therefore, anonymous. Ownership of crypto assets is evidenced primarily by the possession of the underlying private key (e.g. passcode). The possessor of the private key controls the corresponding crypto asset wallet.

(2) Risk of irreversible transactions. Transactions for most crypto assets that occur over the blockchain are generally irreversible, even if such transactions occur fraudulently or accidentally. If a private key is lost or fraudulently used, the crypto assets in the corresponding wallet may not be recoverable.

(3) Regulatory uncertainty. Legislative and regulatory changes or actions at the state or federal level may change or affect the use, transfer, exchange, and value of crypto assets. The effects of any such changes are not determinable as of the date of this report.