

Phoenix Gold Coin

Tokenomics and network allocation

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PGC is the utility and governance token of Phoenix Gold Network. PGN decentralizes physical custody across a worldwide network of independent, bonded custodians. Title is held in trust and Cyphers represent gold claims. PGC supports custody staking, governance and network participation; it does not represent title to gold.

The fixed lifetime economic supply is 21 million preminted PGC. The first 1 million PGC is allocated to network founders, and the remaining 20 million PGC supports network programmes. The allocation must reconcile existing Polygon holders, mining commitments and locked rewards. Migration cannot create additional economic supply or remove existing rights.

Supply and allocation overview

Token fact	Allocation or rule
Lifetime economic supply	21,000,000 preminted PGC
Network founders	1,000,000 PGC 4.7619%
Network programmes	20,000,000 PGC 95.2381%
New tokens from rewards	None; programmes distribute existing PGC
Purchased PGC	Permanently retired under the fee policy

The founder allocation represents 4.7619% of the lifetime supply. The remaining 95.2381% supports virtual mining, gold-holder rewards, custody adoption, liquidity, development and network reserves. All allocations come from the same existing supply; reward programmes distribute tokens rather than mint additional PGC.

What a PGC holder owns

PGC gives its holder the participation and governance rights established by the applicable network rules. It is distinct from Cyphers, which represent title to gold under the trust terms, and PANDA, which pays Panda Chain gas. Holding PGC does not itself confer company equity, a share of the trust's gold or a fixed payment from network revenues.

PGC's market price reflects supply and demand, including demand for its network uses and expectations of adoption. Token market capitalisation is not the value of gold held in custody or cash available to the network. The 21 million supply ceiling and fee-funded buybacks do not guarantee appreciation.

The January 2027 launch targets ten nodes, Cyphers, redemption, quotes, payments and holder income. Lending and optional Phoenix Yield follow progressively during 2027 as committed liquidity, underwriting and controls become available. A PGC holding does not automatically provide a loan or a lease return.

1 Allocation within the existing supply

Lifetime allocation	PGC	Supply share
Network founders	1,000,000	4.76%
Virtual mining	8,400,000	40.00%
Cypher holder rewards	5,250,000	25.00%
Node and ecosystem incentives	2,100,000	10.00%
Market liquidity inventory	1,050,000	5.00%
Development and contributor rewards	1,050,000	5.00%
Treasury and mission reserve	2,150,000	10.24%
Total	21,000,000	100.00%

Network programme allocations

Virtual mining receives 8.4 million PGC, or 40% of total supply. Cypher-holder rewards receive 5.25 million PGC, or 25%. Together they allocate 65% of supply to sustained participation. The other network budgets support custody, liquidity, development and reserves. The 1 million PGC dedicated founder allocation is separate from these 20 million network tokens.

Reconcile before reallocating

PGN's earlier mining materials describe 95% of supply as allocated to mining and a one-year lock for half of claimed rewards. [3] That historic design is a material constraint. Control of a large network wallet does not establish that every token in it is available for reallocation or free of obligations.

For each category, identify historical distributions H, enforceable outstanding commitments C and the proposed gross budget B. Discretionary remaining capacity is B minus H minus C. If the result is negative, the proposal cannot be implemented as written. The network must obtain valid consents, change the prospective allocation or preserve the existing programme. It cannot confiscate accrued entitlements to make the table balance.

Before activating this allocation, publish the snapshot block, controlling entities, wallet balances, founder holdings, miner rights, locked rewards and uncommitted inventory. Historical founder allocations count toward the 1 million total. Network budgets must not be relabelled as an additional founder reserve. Any conflict with existing enforceable rights must be resolved before distribution.

Treatment of legacy participants

Existing balances migrate one for one in economic terms, subject to the documented migration process. Existing locks, claims and device redemption rights continue unless beneficiaries validly agree to changes. Historical distributions are charged to their reconciled allocation categories. The proposed schedules govern new, uncommitted programme capacity; they do not retroactively reduce past awards.

If the full allocation cannot be supported, it must not be presented as implemented. A feasible schedule preserving the 21 million supply and all outstanding rights must first be approved and disclosed. Founder ownership, vesting status and remaining network budgets should be visible in the same reconciliation.

2 Founder allocation and proposed vesting

Network founders are allocated 1 million PGC in total. The proposed release schedule below aligns uncommitted founder inventory with network delivery. It is a proposed control, not a claim that all founder holdings are already locked on chain. Existing ownership and contractual restrictions must be reconciled before the schedule is activated.

Proposed release schedule

Define T0 as the later of a qualified PGN launch on Panda Chain and activation of the adopted founder vesting arrangements. A qualified launch requires the production deployments and transfer controls to be live, the core Cypher, redemption and payment services to operate, and the ten-node launch criteria to be evidenced. A calendar announcement alone does not start the clock.

Parameter	Proposed founder rule
Allocation	1,000,000 PGC in aggregate
Launch release	0% under the proposed schedule
Cliff	Three completed months after T0
Release period	24 equal monthly instalments
First and final releases	T0 plus 4 months and T0 plus 27 months
Aggregate release ceiling	210,000 PGC in any rolling 30 days
Schedule changes	No unilateral acceleration or adverse rewrite

Founder schedule milestone	Cumulative release	Still restricted
At T0	0 PGC	1,000,000 PGC
After month 12	375,000 PGC	625,000 PGC
After month 24	875,000 PGC	125,000 PGC
After month 27	1,000,000 PGC	0 PGC

If both conditions for T0 are met in January 2027, the illustrative releases run from May 2027 to April 2029. The schedule releases approximately 41,666.6667 PGC each month. Integer token units and cumulative vesting calculations must ensure the final instalment reconciles any rounding remainder.

Release limits and founder disclosure

Vesting limits when tokens become transferable from the founder allocation. After release, holders may retain tokens and later sell accumulated balances. The release schedule is therefore not a universal monthly resale restriction. The rolling ceiling applies to founder releases, not to all network programme distributions or secondary trading.

Publish founder beneficiaries, controlling wallets, existing allocations, lock status and actual releases. Splitting the allocation across wallets or changing the administrator must not reset its 1 million total or release counters. Unvested founder inventory has no discretionary governance vote under the proposed policy; voting begins as tokens vest.

3 Virtual mining with a finite reward budget

Virtual mining distributes preminted PGC to programme participants; it does not create proof-of-work block rewards or increase total supply. The recommended gross allocation is 8.4 million PGC. After legacy reconciliation, the proposed new programme has a ceiling of 70,000 PGC per monthly epoch over 120 epochs, equivalent to 840,000 per full year. Historical distributions and outstanding obligations reduce the available budget; awards stop when the remaining inventory is exhausted. The full 120-epoch ceiling assumes the entire allocation is available.

How rewards are allocated

The programme can retain a virtual-device interface. For new awards, recorded active mining units earn a proportion of the funded epoch pool according to their time active. A participant's allocation equals the distributed epoch budget multiplied by its eligible unit-time divided by total eligible unit-time. Adding more devices divides the same budget among more units; it does not increase the fixed pool.

Set the initial new-programme weight to one per qualifying unit, with no undisclosed referral multipliers. Record acquisitions, exits and transfers before updating reward accrual. Pending purchases earn no rewards. Missed claims can accumulate in the new account design without a daily attendance penalty; any change to legacy claim rules requires the relevant authority or consent.

Separate the miner reserve

A mining device and its redemption rights are distinct from the PGC tokens it earns. Existing public terms describe a reserve funded by most device-purchase proceeds. [3] The migration must establish actual reserve assets and contractual liabilities. Reserve money cannot be counted as freely available operating capital, Cypher backing or the public PGC buyback budget.

For any new device sale, publish the purchase price, fees, redemption formula, reserve asset, withdrawal restrictions and the effect of market stress. The sale contract must not take on redemption obligations greater than its approved reserve model permits. A bonding curve or published formula alone does not guarantee a funded exit at a particular price. Any use of the reserve in lending requires separate consent and a changed risk description.

Locking and distribution limits

The proposed treatment of new mining awards is 50% available when settled and 50% locked for 12 months from the award. This is compatible with the broad deferred-reward approach described by the existing programme, while preserving the actual terms of grandfathered awards. Token rewards are funded from the allocation, not from later participants' purchase money.

If the programme has no eligible participants or is paused, undistributed tokens remain in the programme reserve. There is no automatic later catch-up above the epoch ceiling. Increasing emissions requires a new published budget that fits the remaining allocation and respects existing contracts. The ten-year period is a distribution limit, not a promise that every device will generate a fixed amount or dollar return.

4 Gold holder rewards and earned income

The recommended gold-holder allocation is 5.25 million PGC over 120 monthly epochs, capped at 43,750 PGC per epoch and limited by the reconciled remaining allocation. It rewards genuine admitted gold participation. Separately, every active Cypher receives its share of actual holder fee distributions through the dynamic account; no additional staking or PGC purchase is required.

Ounce time rather than wallet count

For each reward epoch, calculate the time integral of eligible fine ounces owned. The participant's reward equals the distributed PGC budget multiplied by its fine-ounce time divided by the network's eligible total. Transfers allocate time to the owners who held the ounces. Splitting a Cypher into many wallets creates no extra gold or reward weight.

Pending orders, duplicate claims, local shop certificates and invalid inventory do not qualify. Loan-pledged claims follow a beneficiary rule. Phoenix Yield vaults credit ordinary eligible fee and reward entitlements once to the beneficial holder; the receipt adds no second award. Disputed quantities preserve earned rights while preventing rewards on fabricated inventory.

Worked example

If a participant holds 100 eligible fine ounces for a whole month and the network's eligible balance stays at 100,000 ounces, its share is 0.1%. At the full monthly reward ceiling, it earns 43.75 PGC. Under the proposed 50% immediate and 50% deferred policy, 21.875 PGC becomes claimable and 21.875 is locked for 12 months. The gold itself is not locked by that reward schedule.

If the same month produces \$100,000 in eligible fees, the proposed 10% holder pool is \$10,000. The participant's 0.1% share would be \$10, assuming the same eligible weighting throughout. The fee payment and the 43.75 PGC award are separate. The example is arithmetic, not a forecast of activity, fees or returns.

Reporting returns

Statements separate funded fee income, PGC awarded and locked, gold quantity and any opted-in lease income. Lease interest due remains a receivable until paid. Show the observation time and liquidity limits of reward valuations. Locked tokens and unpaid interest must not be described as realised income.

Rewards distribute a finite inventory; more eligible ounces reduce tokens per ounce at a fixed budget. Fees can be zero. Phoenix Yield adds contractual lessee payments with credit and maturity risk only for participating holders. It neither guarantees a 2–4% return nor replaces the ordinary holder fee share.

Unallocated rewards remain in the designated reserve. Any future reuse after the programme ends requires disclosed governance action; it does not justify exceeding the lifetime supply or taking away tokens already earned by participants.

5 Other allocations and release controls

Network allocation	Proposed availability	Control
Node incentives 2.1 million	Awards vest monthly over 24 months of qualified service	Bonded tokens stay locked and slashable while custody requires them
Development and contributors 1.05 million	12-month cliff then 36 monthly releases; first at month 13 and last at month 48	Earned network work; no automatic additional founder allocation
Liquidity 1.05 million	Initial illustration uses 30,000 PGC with separately funded counterpart assets	Further deployment requires funded assets and published approval
Treasury and mission reserve 2.15 million	Locked for 90 days then budgeted releases	Maximum 107,500 PGC per quarter; no automatic release

Development and contributor rewards pay for documented work that builds or operates the network. They are not an additional founder reserve. Any award to a founder-related party must identify the work, valuation and conflict approval; founder status alone creates no entitlement to this budget.

Node grants must stay useful as security

A node award may supply PGC needed for its approved bond and include a separately identified incentive. Vesting makes a grant earned; it does not make security freely withdrawable. A node that continues to hold gold for new Cypher owners still has custody obligations. Selling the claim therefore does not automatically end its service vesting or free its bond.

Award agreements should specify vesting adjustments if committed custody falls, default consequences and ownership of residual tokens. After all liabilities are resolved, vested residual tokens belong to the beneficiary and unvested residual tokens return under the award terms. A grant cannot be recalled from the bond while that would leave existing gold claims unsecured.

Treasury is a budget not circulating cash

The proposed quarterly ceiling equals 5% of the original 2.15 million treasury and mission reserve. It is a maximum authorised release, not an automatic distribution or dollar spending entitlement. Budgets disclose purpose, recipient, valuation and conflicts. Unused capacity does not accumulate. Network budgets cannot expand the dedicated founder allocation; service awards and liquidity deployment must be classified and reported separately.

The liquidity allocation is token inventory, not cash liquidity. The 30,000 PGC initial deployment used in section 7 is an illustration and requires separately funded counterpart assets. Neither token inventory nor an initial pool ratio establishes a price floor. LP ownership, withdrawal authority, market-maker mandates and any lending of tokens must be public.

Unallocated treasury, liquidity and programme inventory should have no discretionary governance vote. Founder and contributor voting begins only as tokens vest under the adopted policy. Bonded vested PGC can participate, with conflict rules for decisions involving its own node. The voting denominator must be published so reserved inventory cannot silently dominate governance.

6 Demand mechanisms and fee funded purchases

Decentralized custody and bond demand

The ordinary minimum is PGC equal to 10% of the node's required total custody bond, valued at approved market prices and haircuts. Let G be secured gold value and R the approved total bond ratio: the required bond is R times G , and its minimum PGC component is 10% times R times G . This replaces the earlier ordinary 5%-of-gold PGC rule. The remaining bond follows the node's approved collateral terms; higher PGC allocations require explicit approval.

At a 100% total bond ratio, required PGC is 10% of gold value. At an illustrative 10% total bond ratio it is 1%. Required PGC value is a constraint on custody capacity, not a token-price target. Market prices, haircuts, available token supply and achievable custody growth interact; section 11 quantifies both scenarios.

Nodes keep bonds while custody and unresolved liabilities require them. Admission uses stake, approved trust and auditability without a universal independent pre-mint inspection. PGN pays for audits and random real-delivery probes. Reduced trusted tiers require verified insurance; a policy does not automatically justify a 10% bond. A missed probe freezes new exposure pending evidence-based default resolution.

The specifically approved 20% XAUT plus 85% PGC arrangement remains a higher-PGC exception, not the ordinary minimum. It totals 105% of gold value. If PGC falls 50% while gold is unchanged, its coverage falls to 62.5% before costs. Its security therefore differs from a gold-denominated overcollateralised bond.

Activity funded buybacks

The PGN allocation is fixed across eligible fee classes: 40% nodes, 10% holders, 25% PGC purchase and retirement, and 25% PANDA purchases. Native genesis rates are 2.24% for first gold sales, 1.00% for merchant payments and 0.20% for secondary trades. Each buyback therefore receives 0.56%, 0.25% or 0.05% of the respective notional. Payments are capped at 1.00% under the launch policy. Principal, escrow, bonds, holder lease interest and PANDA gas are excluded from eligible fees.

PGC buybacks should use funded fee balances, competitive execution, price-deviation limits and published transaction records. Trades should not be timed or structured to manufacture volume or support a misleading price. Where execution would be unreasonable, funds remain in the designated account under a disclosed delay policy rather than buying at any price.

Treatment of purchased PGC

PGC bought with the 25% fee allocation is permanently retired using an audited burn function or verifiably non-spendable mechanism. Purchased tokens are not recycled into rewards, operating budgets or the founder allocation. Until retirement is executed, report inventory as held, not burned. Retirement records and the remaining economic supply must be public.

Retirement reduces outstanding economic supply below the original 21 million ceiling without increasing any separate allocation. The number of tokens acquired depends on market price and actual fee revenue. A buyback allocation is a source of demand, not a promise of appreciation or an exit at a particular price.

Network use rather than forced conversion

Customers can buy and sell gold using supported settlement assets without taking a large PGC position. PGC demand comes from custody and network economics. All PGN on-chain transactions also pay PANDA gas, including zero-application-fee movements; a sponsor may pay for a user. Gas paid from existing tokens is not a new market buyback. Any gas burn follows separately verified chain rules.

7 Distribution and release scenarios

The table models the new programmes at their full monthly reward ceilings, the complete 1 million PGC founder allocation under the proposed schedule, and an initial 30,000 PGC liquidity deployment. It assumes those inventories are available and unvested at T0. It measures tokens newly available for transfer during each twelve-month period, not total circulating supply. Reconciled legacy balances and commitments must be included separately without double counting.

Source	Year 1	Year 2	Year 3
Mining awards available	420,000	840,000	840,000
Gold-holder awards available	262,500	525,000	525,000
Founder releases	375,000	500,000	125,000
Initial market inventory	30,000	0	0
Modelled core additions	1,087,500	1,865,000	1,490,000

Reward awards occur at monthly period-ends. Half is available immediately and half after 12 months, so Year 1 releases half the annual reward budget. In Year 2, new immediate rewards and the preceding year's deferred awards both become available. Founder instalments occur in months 4 to 27: nine in Year 1, twelve in Year 2 and three in Year 3.

Additional potential supply

Item outside the core model	Release implication
Contributor awards fully granted at T0	0 in Year 1; then 350,000 in each of Years 2, 3 and 4
Node awards fully granted at T0	1.05 million vests in each of Years 1 and 2; bonded amounts remain unavailable
Treasury and further liquidity deployments	Variable amounts under approved budgets; not automatically zero
Existing Polygon balances and commitments	Adjust opening circulation and remaining allocations to avoid double counting

Vested, transferable and economically circulating are different measures. A node may own vested tokens that remain slashable collateral. A treasury may hold unlocked tokens that have not entered the market. An existing holder may have transferable tokens on day one even while the proposed founder schedule is running.

The dashboard must combine the certified opening snapshot with each new release, new restriction and permanent retirement. Publish both the gross release schedule and observed transferable circulation. Do not imply that founder vesting restricts sales by all other holders or count historical distributions again as new releases.

8 Fee yield and buyback sensitivities

These primary-sale scenarios assume \$100 million of average eligible gold, a 2.24% fee on all illustrated volume, 10% to holders and 25% to PGC buybacks. They are not a forecast of total turnover. Merchant payments use 1.00% and secondary trades 0.20%; free transfers and principal movements generate no notional fee. Section 11 models all three classes and a mixed case. PANDA receives the same fee-funded budget as PGC, separately from gas.

Annual qualified volume	\$50 million	\$250 million	\$1 billion
Eligible network fees	\$1,120,000	\$5,600,000	\$22,400,000
Holder fee allocation	\$112,000	\$560,000	\$2,240,000
Fee income as share of gold value	0.112%	0.560%	2.240%
PGC buyback cash	\$280,000	\$1,400,000	\$5,600,000
PGC bought at illustrative \$10	28,000	140,000	560,000

Token rewards are a different source

The full yearly gold-holder budget is 525,000 PGC. At a purely illustrative market price of \$10, that equals \$5.25 million, or 5.25% of \$100 million of eligible gold. This is a sensitivity assumption, not a quoted token price or promised yield. Only half of new awards is immediately available, and recipients may be unable to sell the full amount at the assumed price.

Mining and holder awards total at most 1.365 million PGC annually before legacy adjustments. At an assumed \$10, matching that amount through buybacks costs \$13.65 million, requiring \$54.6 million in eligible fees at a 25% allocation. That equals \$2.4375 billion of primary sales at 2.24%, \$5.46 billion of payments at 1.00%, or \$27.3 billion of secondary trades at 0.20%. This arithmetic excludes other unlocks and is not a price-support commitment.

What the sensitivity means

A fixed supply and buybacks can coexist with substantial distribution pressure. The network should judge incentives by customer retention, gold admitted, genuine transaction use and recovery performance, rather than by token distribution alone. Low activity means a low cash return and a small buyback budget, even if incentive awards continue at their permitted ceiling.

The network may distribute below an approved programme ceiling when eligibility or growth milestones are not met. It should not retroactively reduce earned grants or claim that an emission adjustment guarantees price stability. All changes to prospective budgets need notice, governance authority and a visible remaining-inventory calculation.

Bitcoin comparison

Bitcoin is a reference for finite supply and network adoption. PGC uses a 21 million ceiling with a disclosed founder allocation from a preminted supply. Bitcoin distributes new coins through proof-of-work mining, as described in its white paper. [17] The issuance, governance and security models differ; the comparison does not predict equivalent or faster price appreciation.

9 Liquidity and protection of network assets

PGC market liquidity and Cypher conversion liquidity are separate facilities. The 1.05 million PGC liquidity allocation supplies token inventory; it does not itself provide USDC, USDT or other counterpart assets. Each deployment requires funded balances, an approved mandate and published withdrawal authority. Token market value must not be reported as cash available for redemptions.

Separate accounts

Keep network operating accounts separate from customer purchase escrows, trust assets, node security, mining-device reserves and lender funds. Funds committed to one purpose cannot also be counted as available to another. Operating spending follows approved budgets with identified recipients, milestones and conflict controls.

Publish liquidity actually available, assets committed or restricted, open liabilities and withdrawal limits. Show recovery reserves at their funded asset value and distinguish them from unpaid insurance claims. Proposed budgets, token valuations and expected future fees are not current liquidity.

Progressive lending access

Lending liquidity comes online progressively during 2027 as the network grows and capital is independently committed to lending facilities. Holding PGC or a Cypher does not guarantee a borrowing amount, fixed rate or immediate exit. Loan eligibility, collateral requirements and available liquidity must be shown before a transaction.

Public reporting

Participants should be able to inspect the supply reconciliation, founder wallets and releases, programme balances, related-party awards, administrator and upgrade powers, fee allocations and permanent retirements. Custody reporting must distinguish operating nodes and documented capacity from planned locations.

Network terms should identify the entities responsible for each service and the rights attached to its assets. Product availability depends on implemented controls and applicable terms. Material changes to allocations, vesting or governance require an updated public schedule and implementation evidence.

10 Supply integrity and implementation specification

Migration accounting

Migration carries one economic supply across Polygon and Panda Chain. Each successor token must correspond to an authorised legacy balance that is burned or effectively locked. Never count originals and replacements twice. A balance snapshot alone does not prevent duplicate circulation.

The reconciliation must include device reserves, miner claims, reward locks, LP positions and treasury liabilities, not just ordinary wallet balances. Use replay-protected proofs, claim-status tracking and a procedure for failed or disputed migrations. Existing holders keep the economic quantities and restrictions to which they are entitled.

Contract and governance controls

Use identified vaults and bounded inventories. Enforce the 1 million PGC founder allocation, cumulative vesting and proposed 210,000 PGC rolling release ceiling. Historical allocations and later releases share counters that wallet transfers cannot reset. Treasury and liquidity deployment require published budgets; buybacks and retirement have separate accounts.

Operational contracts remain upgradeable under threshold authorisation, timelocks, storage checks and narrow emergency powers. Enforce the 21 million economic supply ceiling outside changeable issuance logic: upgrades cannot add economic supply or remint retired PGC. Migration only replaces valid existing tokens. Publish implementation evidence before describing the cap as technically immutable.

Quantitative checks before deployment

Verify that the 1 million founder allocation plus 20 million network allocation equals 21 million PGC. Check remaining budgets and annual award ceilings of 840,000 and 525,000. The full founder schedule releases approximately 41,666.67 PGC monthly within its rolling ceiling. Test the fixed 40/10/25/25 fee split at 2.24%, 1.00%, 0.20% and discounted rates, including rounding, refunds, merchant eligibility and duplicate lease rewards.

Publish integer arithmetic, rounding, epoch definitions, time sources and empty-pool treatment. Independently review ownership changes during accrual, simultaneous claims, upgrades, price-source failure and migration. Deployed controls must implement the published release schedules.

Approval sequence

First certify existing ownership and contractual liabilities. Then adopt the feasible allocation, founder vesting, fee policy, programme rules and spending controls. Complete beneficiary and service documentation, independently review the contracts and publish canonical addresses before describing proposed controls as operational. Material changes require updated public tokenomics.

References

[2] PGN transparency and published contract register. [Open source](#)

[3] PGN existing virtual mining programme. [Open source](#)

[4] PandaSea platform and founder information. [Open source](#)

[8] PolygonScan PGC token and holder reference. [Open source](#)

[17] Satoshi Nakamoto, Bitcoin A Peer-to-Peer Electronic Cash System, section 6. <https://bitcoin.org/bitcoin.pdf>

Read with the PGN Technical Overview for custody and service mechanics. This edition updates the PGC allocation and proposed release schedules; earlier descriptions must be aligned before reuse. Existing enforceable rights remain protected, and definitive terms and deployed controls must match the adopted policy.

11 Bond demand and tariff sensitivity

For secured gold G and approved total bond ratio R, the ordinary required PGC value is 0.10 times R times G. These examples assume no haircut and do not grant a particular tier. Reduced ratios require express approval and verified insurance. The 20% XAUT plus 85% PGC named exception remains separate.

Gold value	PGC value at R equal to 10%	PGC value at R equal to 100%
\$100 million	\$1 million	\$10 million
\$1 billion	\$10 million	\$100 million
\$1 trillion	\$10 billion	\$100 billion

At \$1 trillion, dividing required PGC value by all 21 million tokens gives \$476.19 to \$4,761.90 per token. This does not predict price. Some tokens are unavailable for bonds; haircuts can increase the gross value required. At a fixed market price, insufficient eligible PGC limits custody capacity. Grants and existing holdings can meet demand without new purchases.

The fee mix changes the return

Assume \$250 million annual fee-bearing volume and \$100 million average eligible gold. The mixed case assigns 10% to primary sales, 30% to merchant payments and 60% to secondary trades. Total fees equal 0.0224 times primary volume plus 0.0100 times payment volume plus 0.0020 times secondary volume. Count a checkout and its embedded conversion once. Gas, other services and costs are excluded; the mix is illustrative, not a forecast.

Annual volume scenario	Eligible fees	Holder share	Fee yield on gold	Each buyback
All primary at 2.24%	\$5,600,000	\$560,000	0.560%	\$1,400,000
All payments at 1.00%	\$2,500,000	\$250,000	0.250%	\$625,000
All secondary at 0.20%	\$500,000	\$50,000	0.050%	\$125,000
10% primary / 30% payments / 60% secondary	\$1,610,000	\$161,000	0.161%	\$402,500

The genesis tariff uses 2.24% for first standalone gold sales, a maximum 1.00% for genuine merchant checkout, and 0.20% for secondary trades. Transfers, intake, physical redemption and loan principal have no automatic percentage fee. Checkout includes embedded PGN conversion without a second trading fee. Approved merchant identity and invoice data distinguish purchases of non-financial goods or services from gold sales and cash-out. A qualifying checkout records its fee history and clears only the settled primary-unsold quantity. The router, refund rules and monitoring require implementation validation.

At 1.00%, each buyback receives 0.25% of payment notional; at 0.20%, it receives 0.05% of secondary notional. Matching the buyback dollars from primary sales at 2.24% requires 2.24 times as much payment volume or 11.2 times as much secondary volume, all else equal. These are break-even comparisons, not assumed volume responses. Free transfers generate gas expenditure without PGN application-fee buybacks.

For clarity, \$6.1 million in total eligible fees requires approximately \$272.3 million of primary volume at 2.24%, \$610 million of payment volume at 1.00%, or \$3.05 billion of secondary volume at 0.20%. The separate \$27.3 billion figure in section 8 funds \$13.65 million in one 25% buyback allocation, from \$54.6 million of total fees. Actual revenue follows the realised mix, discounts and refunds; each matched notional is counted once.

12 Phoenix Yield and funded risk controls

An additional source of income with separate consent

Phoenix Yield is a proposed Phase 2 product for 2027. Holders lock eligible unencumbered Cyphers against identified lease inventory. Qualified shops pay for its productive use under inventory, replacement, reporting and insurance covenants. Participation requires the lessee, term, rate, charges, exit rules and credit exposure to be accepted. Ordinary Cyphers remain outside leasing unless their holders opt in.

Underlying Cyphers, vault receipts and assigned gold are counted once. Lease gold is excluded from ordinary freely redeemable backing. Beneficial holders retain ordinary eligible fee and PGC accrual through the vault without an additional incentive multiplier. Pledged or leased gold cannot be pledged again. Early exit requires a funded buyer or agreed release and is not guaranteed.

Lease interest is earned from a business

Rates are agreed per facility. The lessee owes fine-ounce interest; distribute only collected assets after disclosed charges. New Cyphers require admitted backing, including when interest is paid in new metal. At an assumed 3% gross annual rate, 100 ounces produce 3 ounces due before fees and losses. This is an illustration, not a PGN quote or guaranteed return.

Lease principal and interest belonging to holders are excluded from the 40/10/25/25 network fee base. Only a separately disclosed PGN servicing fee enters that split. Lease losses follow the affected pool's enforceable documents and must not be hidden in ordinary holder balances. No new PGC allocation is created.

Insurance and probes have real costs

PGN funds random delivery probes and audits from approved operating budgets, excluding probe activity from organic-volume claims and incentive calculations. A verified timeout restricts new exposure; evidence review precedes slashing. Tests do not prove every ounce exists and are not assumed to be costless or unique to PGN.

Reduced trusted tiers require insurer-confirmed bullion coverage and an appropriate trustee endorsement. Supplemental Difference in Conditions and Difference in Limits cover is a procurement objective until actually bound. Exclusions, deductibles, limits, expiry and claim delays remain relevant. Neither uncollected insurance nor a proposed policy can count as liquid collateral. [15]

Insurance premiums and lease administration require funded operating budgets before activation; any recovery reserve is limited to its actual funded assets. Optional participation separates product risks but does not establish a securities exemption. Specific product and jurisdictional analysis is required. [16]

[15] Jewelers Mutual coverage limits and exclusions. [Open source](#)

[16] SEC transactions involving crypto assets. [Open source](#)