DIVINE RAY COIN

WHITEPAPER

00 Table of Contents

01 Date of Notification: 23rd April 2025

02 Statement in Accordance with Article 6(3) of Regulation (EU) 2024/1114

This crypto-asset white paper has not been approved by any competent authority in any Member State of the European Union. The offeror of the crypto-asset is solely responsible for the content of this crypto-asset white paper.

03 Compliance Statement in Accordance with Article 6(6) of Regulation (EU) 2023/1114

This crypto-asset white paper complies with Title II of Regulation (EU) 2023/1114 of the European Parliament and of the Council and, to the best of the knowledge of the management body, the information presented in the crypto-asset white paper is fair, clear and not misleading and the crypto-asset white paper makes no omission likely to affect its import.

04 Statement in accordance with Article 6(5), points (a),(b),(c), of Regulation (EU) 2023/1114

The crypto-asset referred to in this crypto-asset white paper may lose its value in part or in full, may not always be transferable and may not be liquid.

05 Statement in accordance with Article 6(5), point (d), of Regulation (EU) 2023/1114

The utility token referred to in this white paper may not be exchangeable against the good or service promised in this white paper, especially in the case of a failure or discontinuation of the crypto-asset project.

06 Statement in accordance with Article 6(5), points (e) and (f), of Regulation (EU) 2023/1114

The crypto-asset referred to in this white paper is not covered by the investor compensation schemes under Directive 97/9/EC of the European Parliament and of the Council or the

deposit guarantee schemes under Directive 2014/49/EU of the European Parliament and of the Council.

SUMMARY

07 Warning in accordance with Article 6(7), second subparagraph, of Regulation (EU) 2023/1114

This summary should be read as an introduction to the crypto-asset white paper.

The prospective holder should base any decision to purchase this crypto–asset on the content of the crypto-asset white paper as a whole and not on the summary alone.

The offer to the public of this crypto-asset does not constitute an offer or solicitation to purchase financial instruments and any such offer or solicitation can be made only by means of a prospectus or other offer documents pursuant to the applicable national law.

This crypto-asset white paper does not constitute a prospectus as referred to in Regulation (EU) 2017/1129 of the European Parliament and of the Council or any other offer document pursuant to Union or national law.

08 Characteristics of Crypto-Asset

Divine Ray Coin (DRC) is a groundbreaking cryptocurrency ecosystem designed to foster spiritual growth and holistic well-being through a decentralized application (DApp). The Divine Ray Coin project was born out of a collective vision to create a platform where spirituality and cryptocurrency intersect to support personal growth and mindfulness. In an increasingly digital world, the need for holistic well-being has never been more important, and Divine Ray Coin aims to bridge the gap by providing a space for spiritual exploration and self-improvement.

Through Divine Ray Coin, the offeror aims to create a thriving ecosystem where users and creators actively engage in spiritual practices, share their experiences, and grow together. By harnessing the power of blockchain technology and cryptocurrency, Divine Ray Coin aims to

empower individuals to embark on their spiritual journeys while being rewarded for their efforts.

The Divine Ray Wallet offers a secure and intuitive platform for users to manage their Divine Ray Coin (the "**DRC**") tokens. The wallet allows users to store, send, receive, and utilize DRCs seamlessly within the DApp ecosystem. All transactions are recorded on the Cosmos blockchain, ensuring transparency, security, and accountability.

DRCs serve various functions within the ecosystem. Purchasers of the DRC are granted the following rights within the Divine Ray ecosystem:

a) In-App Utility:
   - Purchasers and users can redeem DRCs within the Divine Ray App for purchasing NFTs.
   - Tokens can be used for app memberships and to promote user-created content via ads, driving visibility within the platform.
   - The ability to purchase NFTs is immediately available, while ad promotion and membership functionalities are set to launch in Phase 1 (as described later in this whitepaper).

b) Rewards and Incentives:
   - Users can earn DRC as rewards for activities such as time spent in the app, liking or being liked on content, and sharing videos from the app.
   - Estimated reward generation is set at 20 billion tokens per million users, with continual issuance based on engagement levels.

c) Staking Rights:
   - In Phase 3 (as described later in this whitepaper), users will have the right to stake tokens on content within the app, rewarding content creators and supporting platform engagement.
   - Stakers will receive additional rewards, and creators whose content is staked on will earn tokens, incentivizing quality content creation.

d) Governance Participation:

- DRC holders will gain voting rights in Phase 3 on certain platform decisions, such as app features, upgrades, and community guidelines.
- Eligibility criteria, including minimum token holding amounts, will be specified closer to the release of governance functionality.

e) External Utility Expansion:

- Phase 4 (as described later in this whitepaper) aims to expand DRC's utility through partnerships, allowing users to redeem tokens with external partners for goods or services, promoting DRC beyond the Divine Ray platform.

Conditions for the modification of rights: Rights associated with DRC may be adjusted to comply with future regulatory requirements or to improve platform functionality. The Company will notify users of significant changes through in-app notifications and public announcements. In the event of a major shift in token utility, users will be given a grace period to adjust or redeem tokens according to the new terms.

After the initial coin offering (the "**ICO**") in Phase 1, no further public offerings of DRC are planned at this time. However, additional fundraising or token distribution phases may be considered to support strategic growth.

09 Quality and Quantity of Goods and Services to which the Utility Token give access

DRC can be used within the app to purchase NFTs and promote user content. In Phase 4, DRC utility will extend through partnerships with external businesses to enable token use for additional goods and services, details of which will be provided upon formal agreements with partners.

Tokens can be redeemed in-app immediately for NFTs and later for membership and ad services. The redemption mechanism will expand with each phase to include staking, rewards, and external partnerships as planned in Phase 4.

During the ICO, DRC can be purchased directly from the Divine Ray platform. Following the ICO, the team will seek exchange listings (targeted in Phase 2 as described later in this whitepaper) to provide additional purchasing options for users.

DRC may have limited transferability within the app during Phase 1. Transferability to external wallets and exchanges will depend on listings secured during Phase 2 and later.

10 Key Information About the Offer to the Public

The initial token distribution will total 5 trillion tokens. Distribution is allocated as follows:

- 25% for the Executive team and developers;
- 40% for R&D, marketing, and exchange listings;
- 30% for the ICO; and
- 5% for influencers.

Rewards and staking incentives are issued from a perpetual reward pool, estimated at 20 billion tokens per million active users. The protocol will use continuous generation for rewards and staking based on user engagement metrics.

With maximum funding goals (100% or $3 million) the Company can implement its comprehensive business plan, including:

a) Multiple exchange listings across multiple many platforms to enhance liquidity and accessibility;
b) Robust marketing initiatives to drive user growth and token awareness; and
c) Complete app development and security features for a seamless user experience.

In the event of partial funding (50% or $1.5 million), the Company will proceed with a streamlined rollout plan, prioritizing key areas:

- **Selective Exchange Listings**: Focus on a smaller number of high-impact exchanges to maximize token visibility while optimizing listing costs.
- **Reduced Marketing**: Concentrated marketing efforts on targeted platforms to maintain cost-efficiency while still driving user engagement.
- **Core App Development**: Ensure essential features and security measures are delivered, with additional enhancements phased in as funds allow.

At minimum funding, (25% or $750,000), the Company will adopt a foundational approach, focusing resources on core priorities to initiate the project. Major rollout will be solely with

Executive Summary – ICO Phases Overview

This page replaces the prior overview table to align with the finalized tiered pricing and $3,000,000 hard cap.

Phase	Weeks	Price / DRC	Tokens Allocated	Funds Raised
1	1–2	$0.0000015	375,000,000,000	$562,500
2	3–4	$0.0000019	375,000,000,000	$712,500
3	5–6	$0.0000022	375,000,000,000	$825,000
4	7–8	$0.0000024	375,000,000,000	$900,000
Total	8 weeks	—	1,500,000,000,000	$3,000,000

Note: ICO Allocation = 1.5T DRC (30% of total supply). Soft cap $750k; Hard cap $3M.

b. Revenue Raised: $750,000

The Divine Ray ecosystem is powered by the **Cosmos blockchain framework**, leveraging its modularity, scalability, and efficiency to create a robust decentralized platform. The Cosmos blockchain uses **Tendermint BFT** consensus to validate and secure transactions.

PART A – INFORMATION ABOUT THE OFFEROR

A.1 Name

Divine Ray Limited

A.2 Legal Form

Private Limited Liability Company

A.3 Registered Address

152/No.9, Triq in-Naxxar, San Gwann, SGN 9030, Malta

A.4 Head Office

152/No.9, Triq in-Naxxar, San Gwann, SGN 9030, Malta

A.5 Registration Date

01/02/2024

A.6 Legal Entity Identifier

N/A

A.7 Identifier under Applicable Law

Registration number under Maltese Law: C 107597

A.8 Contact Telephone Number

+2047973907

A.9 E-Mail Address

contact@divineray.ca

A.10 Response Time (days)

3 business days

A.11 Parent Company

N/A

A.12 Members of Management Body

Directors:

1. Mr. David Nugent Williams, holder of Canadian Passport number HN848918 and resident at 1027 Mulvey Ave Winnipeg R3M 169 Canada;
2. Mr. Willian John Homann, holder of USA Passport number 506277127 and resident at 2405 Beechwood Drive La Porte, Indiana 46350, USA.

CEO: Mr. David Starr, holder of Canadian passport number HN848918 and resident at 1027 Mulvey Ave, Winnipeg MB R3M1G9.

The CEO's role is to provide strategic vision and leadership, oversee the entire ICO process, present the project to investors and stakeholders and to ensure alignment between all teams (technical, legal, marketing).

CTO: Toptal LLC with registered address at 2810 N. Church St #36879 Wilmington DE 19802.

The CTO's role is to lead the development of blockchain architecture and smart contracts. He shall also ensure the blockchain infrastructure is secure and scalable, collaborate with

developers and cybersecurity teams, and supervise technical token distribution mechanisms.

CFO: Mr. David Starr, holder of Canadian passport number HN848918 and resident at 1027 Mulvey Ave, Winnipeg MB R3M1G9.

The CFO's role shall be to develop the tokenomics model (supply, distribution, rewards), plan and manage ICO-raised funds, ensure transparent financial reporting and manage financial risks and investor relations.

Chief Marketing Officer (CMO): Galaxy Media with registered address at 3117 Midvale Avenue Los Angeles, CA 90034.

The CMO's role shall be to develop and execute marketing strategies, build partnerships with influencers and organizations, oversee social media campaigns and PR activities and drive community-building efforts to promote the ICO.

A.13 Business Activity

The Divine Ray App is a holistic social media platform designed to assist with spirituality, consciousness expansion, and community connection. It provides a high-vibration space for users to engage in spiritual discussions, content sharing, and learning experiences.

1. Premium Membership ($7.99/month)

   Premium users unlock advanced features, including:

   - Live streaming
   - Creating groups
   - Posting longer videos:
     - Free Members: Can upload videos up to 30 seconds.
     - Premium Members: Can upload videos up to 90 seconds.

2. Advertising & Video Promotion
   - Users can pay to promote their videos within the platform.
   - The ad rotation system is based on budget:
     - 15% rotation for lower-budget ads

- 1% top rotation for higher-budget ads

3. Blockchain & Future Token Integration
    - Currently, the advertising system operates outside blockchain.
    - In Phases 3 and 4, the Divine Ray Token will be integrated into the platform's ad system and other financial utilities.

This holistic digital space is designed to support awakening, conscious community building, and spiritual content creation while providing sustainable monetization options for users.

A.14 Parent Company Business Activity

N/A

A.15 Newly Established

Yes – established in February 2024.

A.16 Financial Condition for the Past Three Years

N/A

A.17 Financial Condition since Registration

The Company has been established since the 1st February 2024. From the date of its establishment up until the 31st December 2024, the Company recorded a loss of €24,735 since it is not yet operational and has been undertaking expenses to set up its operations and engaging professionals to assist it in doing so, displaying its commitment to offer professional services to its clients. Despite the losses, the Company does hold intangible assets which amount to €31,226.

PART B – INFORMATION ABOUT THE ISSUER, IF DIFFERENT FROM THE OFFEROR

B.1 Issuer Different from Offeror

False.

B.2 Name

N/A

B.3 Legal Form

N/A

B.4 Registered Address

N/A

B.5 Head Office

N/A

B.6 Registration Date

N/A

B.7 Legal Entity Identifier

N/A

B.8 Identifier under Applicable Law

N/A

B.9 Parent Company

N/A

B.10 Members of Management Body

N/A

B.11 Business Activity

N/A

B.12 Parent Company Business Activity

N/A

PART C – INFORMATION ABOUT THE OPERATOR OF THE TRADING PLATFORM IN CASES WHERE IT DRAWS UP THE CRYPTO-ASSET WHITE PAPER AND INFORMATION ABOUT OTHER PERSONS DRAWING THE CRYPTO-ASSET WHITE PAPER PUSUANT TO ARTICLE 6(1), SECOND SUBPARAGRAPH, OF REGULATION (EU) 2023/1114

C.1 Name

N/A

C.2 Legal Form

N/A

C.3 Registered Address

N/A

C.4 Head Office

N/A

C.5 Registration Date

N/A

C.6 Legal Entity Identifier

N/A

C.7 Identifier under Applicable Law

N/A

C.8 Parent Company

N/A

C.9 Reason for Crypto-Asset White Paper Preparation

N/A

C.10 Members of Management Body

N/A

C.11 Operator Business Activity

N/A

C.12 Parent Company Business Activity

N/A

C.13 Other Persons Drawing Up the Crypto-Asset White Paper According to Article 6(1), Second Subparagraph, of Regulation (EU) 2023/1114

N/A

C.14 Reason for Drawing Up the Crypto-Asset White Paper According to Article 6(1), Second Subparagraph, of Regulation (EU) 2023/1114

N/A

PART D – INFORMATION ABOUT THE CRYPTO-ASSET PROJECT

D.1 Crypto-asset Project Name

Divine Ray Coin

D.2 Crypto-assets Name

Divine Ray Coin Token

D.3 Abbreviation

DRC

D.4 Crypto-asset Project Description

The Company’s vision is to create a thriving ecosystem where users and creators actively engage in spiritual practices, share their experiences, and grow together. By harnessing the power of blockchain technology and cryptocurrency, Divine Ray Coin aims to empower individuals to embark on their spiritual journeys while being rewarded for their efforts.

Divine Ray Coin leverages a blockchain infrastructure for transparency, security, and decentralization. It will initially launch on a public blockchain, ensuring immutability and a high level of trust. SDK Rollups are the backbone of Divine Ray Coin, enabling automated reward distribution, content management, and governance. These contracts will be open-source to ensure security and fairness.

Divine Ray Coin's primary objectives include:

- **Promoting Mindfulness:** Encourage users to engage in practices that foster mindfulness, meditation, and self-awareness.
- **Incentivizing Participation:** Reward active users for their contributions to the community.

- **Empowering Creators:** Provide a platform for content creators in the spiritual space to monetize their work.
- **Building a Community:** Foster a supportive and vibrant community centered around personal growth and spirituality.

D.5 Details of All Natural or Legal Persons Involved in the Implementation of the Crypto-Asset Project

In addition to the persons indicated under A.12 above, the following are involved in the implementation of the crypto-asset project:

Blockchain Developer(s): Toptal LLC, with registered address at 2810 N Church St #36879 Wilmington DE 19802.

Their role is to rite, test, and deploy smart contracts for token minting and staking, ensure blockchain integrity and functionality, develop NFT and fungible token functionalities and integrate tokens with the DApp and marketplace.

Cybersecurity Expert: Toptal LLC, with registered address at 2810 N Church St #36879 Wilmington DE 19802.

Its role shall be to audit smart contracts for vulnerabilities, protect ICO platforms and wallets from cyber threats, implement encryption and secure token distribution and regularly review and update security protocols.

Legal Counsel: Gonzi & Associates, Advocates, a law firm incorporated in Malta bearing registration number LPA 91 and having its registered address at 115B, Old Mint Street, Valletta, VLT 1515, Malta.

The Legal Counsel's role shall include ensuring compliance with regulations such as MICA, draft terms and conditions, disclaimers, and agreements, address legal risks related to the ICO and oversee intellectual property and data privacy policies.

Community Manager: Mr. David Starr, holder of Canadian passport number HN848918 and resident at 1027 Mulvey Ave, Winnipeg MB R3M1G9.

The Community Manager's role shall include engaging with potential investors and users on platforms like Telegram and Discord, address user queries and concerns, organize community events and contests to build excitement, and foster loyalty and maintain community engagement.

Tokenomics Specialist: Mr. David Starr, holder of Canadian passport number HN848918 and resident at 1027 Mulvey Ave, Winnipeg MB R3M1G9.

The Tokenomics Specialist shall design the token utility and economic model, plan initial token supply, staking rewards, and distribution, optimize token pricing and scarcity mechanisms and align tokenomics with project goals for sustainability.

Investor Relations Manager: Mr. David Starr, holder of Canadian passport number HN848918 and resident at 1027 Mulvey Ave, Winnipeg MB R3M1G9.

The Investor Relations Manager shall act as the primary liaison for larger investors, organize investor webinars and pitch events, provide updates and build confidence among investors and address investor concerns and queries promptly.

Project Manager: Ms. Kathleen McInerney, holder of British passport number 532529529 and resident at Saffron Heights Little Rollright Chipping Norton West Oxfordshire Ox7 5qb.

The Project Manager shall coordinate tasks and deadlines across teams, ensure the ICO stays on schedule, track project milestones and deliverables and facilitate communication between technical, legal, and marketing teams.

D.6 Utility Token Classification

True

D.7 Key Features of Goods/Services for Utility Token Projects

The Divine Ray Coin token (DRC) serves various functions within the ecosystem:

1. Rewards: Users receive DRC for participating in mindfulness activities and engaging with the DApp.

2. Content Monetization: Creators & Users can earn DRC by sharing valuable spiritual content.
3. Governance: Token holders have voting rights for decision-making and platform improvements.
4. Creators & Users can use tokens to purchase NFT's inside the app and eventually purchase additional features benefits from membership by using the Divine Ray Coins.
5. Initial Token: FT (Fungible Token): The system starts with a supply of fungible tokens, which are typically identical and interchangeable with one another, like common cryptocurrencies such as Bitcoin or Ethereum.
6. Desired Token: NFT (Non-Fungible Token): The goal is to create non-fungible tokens (NFTs) from the existing FTs. NFTs represent unique digital assets that cannot be replicated, making them suitable for representing unique spiritual or divine experiences within the mobile app.
7. Minting NFTs: Minting NFTs will be done through the blockchain and the DApp. The data and attributes of these NFTs could represent various spiritual experiences, achievements, high vibrational digital art or other unique digital assets related to the mobile app's spiritual content.
8. DRC Incentives: Users and creators of the mobile app can earn DRCs as incentives. DRC could be a separate token in the ecosystem that is rewarded to users and creators for their participation, engagement, or creation of valuable spiritual content within the app.
9. Utility for the Mobile Spiritual App: The mobile spiritual app could use these NFTs as a way to represent and verify unique spiritual journeys, divine beings or high vibrational art.
10. Marketplace and Interactions: Users may also have the option to trade, sell, or showcase their NFTs in a marketplace, fostering a sense of community and ownership within the app. Creators could design unique NFTs, which could be acquired by users or even auctioned.

D.8 Plans for the Token

Future enhancements may include cross-chain compatibility, a mobile app, and partnerships with spiritual influencers and organizations.

The Divine Ray platform, built on the Cosmos blockchain, prioritizes sustainability by leveraging the energy-efficient Proof-of-Stake (PoS) mechanism. The Cosmos network's architecture enables Divine Ray to minimize its environmental footprint while maintaining high performance and scalability.

Cross-Chain Compatibility: Using Cosmos's IBC, Divine Ray will expand its ecosystem while maintaining low resource consumption.

Mobile App Integration: Optimized mobile apps will focus on energy-efficient processing, reducing device-level power usage.

Partnerships for Environmental Impact: Divine Ray intends to collaborate with spiritual influencers and organizations to promote initiatives aligned with sustainability and environmental consciousness.

By building on the Cosmos blockchain, Divine Ray ensures that its operations are not only efficient but also aligned with a future where technology and environmental sustainability coexist.

D.9 Resource Allocation

N/A

D.10 Planned Use of Collected Funds or Crypto-Assets

With maximum funding goals (100% or $3 million) the Company can implement its comprehensive business plan, including:

d) Multiple exchange listings across multiple many platforms to enhance liquidity and accessibility;
e) Robust marketing initiatives to drive user growth and token awareness; and
f) Complete app development and security features for a seamless user experience.

In the event of partial funding (50% or $1.5 million), the Company will proceed with a streamlined rollout plan, prioritizing key areas:

- **Selective Exchange Listings**: Focus on a smaller number of high-impact exchanges to maximize token visibility while optimizing listing costs.
- **Reduced Marketing**: Concentrated marketing efforts on targeted platforms to maintain cost-efficiency while still driving user engagement.
- **Core App Development**: Ensure essential features and security measures are delivered, with additional enhancements phased in as funds allow.

At minimum funding, (25% or $750,000), the Company will adopt a foundational approach, focusing resources on core priorities to initiate the project. Major rollout will be solely with liquidity pools to drive token demand but to ensure token liquidity. There will also be a focus on organic marketing efforts and community-driven growth to build a strong foundational user base. DApp functionality will be basic, in that it will roll out with critical app features with security essentials, gradually expanding functionality as the ecosystem grows.

PART E – INFORMATION ABOUT THE OFFER TO THE PUBLIC OF CRYPTO-ASSETS

E.1 Public Offering or Admission to Trading

OTPC – The Crypto-Asset white paper concerns an offer to the public.

E.2 Reasons for Public Offer

The public offering of the DRC is designed to fund the development, growth, and expansion of the Divine Ray ecosystem, which aims to deliver a secure, high-vibration holistic social media platform for spirituality enthusiasts. Proceeds from the offering will be allocated toward:

1. App development and security enhancements.
2. Building liquidity pools and pursuing exchange listings for token accessibility.
3. Community engagement through staking, governance, and rewards mechanisms.

Strategic partnerships to expand the utility of DRC within and beyond the app.

E.3 Fundraising Target

$3,000,000

E.4 Minimum Subscription Goals

$750,000

E.5 Maximum Subscription Goals

$3,000,000

E.6 Oversubscription Acceptance

E.8 Issue Price (Revised)

The initial offering price for DRC tokens will follow a tiered structure across four phases of the ICO. Prices start lower in Phase 1 and increase in subsequent phases, ensuring early participants are rewarded while aligning with the $3,000,000 hard cap and 1.5 trillion token allocation for the ICO. See Section E.10 for the detailed breakdown.

Summary of Tiered Pricing

- Phase 1 (Weeks 1–2): $0.0000015 per DRC (375B tokens)
- Phase 2 (Weeks 3–4): $0.0000019 per DRC (375B tokens)
- Phase 3 (Weeks 5–6): $0.0000022 per DRC (375B tokens)
- Phase 4 (Weeks 7–8): $0.0000024 per DRC (375B tokens)

E.10 Subscription Fee (Revised)

The public offering will run over an 8-week period, structured into four distinct phases. Each phase will release 375 billion DRC tokens, with pricing increasing in later phases to reward early participants and incentivize timely commitment.

Phase	Weeks	Price per DRC	Tokens Allocated	Funds Raised
Phase 1	Weeks 1–2	$0.0000015	375,000,000,000	$562,500
Phase 2	Weeks 3–4	$0.0000019	375,000,000,000	$712,500
Phase 3	Weeks 5–6	$0.0000022	375,000,000,000	$825,000
Phase 4	Weeks 7–8	$0.0000024	375,000,000,000	$900,000
Total	8 weeks	—	1,500,000,000,000	$3,000,000

E.15 Reimbursement Notice

Purchasers participating in the offer to the public of crypto-asset will be able to be reimbursed if the minimum target subscription goal is not reached at the end of the offer to the public, if they exercise the right to withdrawal provided for in Article 13 of Regulation (EU) 2023/1114 of the European Parliament and of the Council or if the offer is cancelled.

E.16 Refund Mechanism

Customers shall have a period of 14 days from the date of the agreement to purchase DRC within which to withdraw from their agreement to purchase DRC without incurring any fees or costs and without being required to provide reasons.

All payments received from a retail holder including, if applicable, any charges, shall be reimbursed without undue delay and in any event no later than 14 days from the date on which the offeror or the crypto-asset service provider placing crypto-assets on behalf of that offeror is informed of the retail holder's decision to withdraw from the agreement to purchase those crypto-assets. Such reimbursement shall be carried out using the same means of payment as that used by the retail holder for the initial transaction, unless the retail holder expressly agrees otherwise and provided that the retail holder does not incur any fees or costs as a result of such reimbursement. The right of withdrawal shall not be exercised after the end of the subscription period.

E.17 Refund Timeline

Within 14 days from the date on which the offeror is informed that the customer will withdraw from the agreement to purchase those crypto-assets.

E.18 Offer Phases

Phase 1 – Initial Setup and Launch

1. DApp Development & Testing: Launch of the initial Divine Ray App and token.
2. Token Creation & Initial Distribution: 5 trillion tokens distributed among the executive team, R&D, marketing, ICO, and influencers.
3. In-App Utility: Users can redeem DRC for NFTs, membership options, and ad promotions within the app.
4. Exchange & Compliance: Proceeds from the ICO go toward expanding blockchain security, data encryption, listings, and auditing.

Phase 2 – Expansion and Security

1. App Version 2: Enhanced security features and app functionalities.
2. Exchange Listings: Aggressive pursuit of additional exchange listings and liquidity pools to expand DRC's availability.
3. Liquidity and Accessibility: Improved transferability and exchange options for DRC users.

Phase 3 – Community Engagement and Governance

1. Staking Features: Users can stake DRC on app content, providing rewards to both stakers and content creators to promote engagement.
2. Governance Implementation: DRC holders gain voting rights on app features, upgrades, and community guidelines.

Phase 4 – External Utility and Partnerships

1. Partnerships for External Utility: Expansion of DRC's use through partnerships, allowing it to be exchanged for goods and services beyond the Divine Ray platform.
2. Token Ecosystem Growth: Final expansion phase to enhance the DRC ecosystem and utility in both in-app and external environments.

E.19 Early Purchase Discount

The public offering will run over an 8-week period, structured with tiered discounts to encourage participation:

1. Week 1-2: Tokens are offered at a 25% discount.

a. Base Price Before Discount: $0.000003.
b. Discounted Price: $0.000002.
c. Tokens Allocated: 375 billion.
d. Revenue Raised: $750,000.

2. Week 3-4: Tokens are offered at a 15% discount.
   a. Base Price Before Discount: $0.0000024.
   b. Discounted Price: $0.000002.
   c. Tokens Allocated: 375 billion.
   d. Revenue Raised: $750,000.
3. Week 5-6: Tokens are offered at a 10% discount.
   a. Base Price Before Discount: $0.0000022.
   b. Discounted Price: $0.000002.
   c. Tokens Allocated: 375 billion.
   d. Revenue Raised: $750,000.
4. Week 7-8: Tokens are offered at the full price of $0.000002.
   a. Tokens Allocated: 375 billion.
   b. Revenue Raised: $750,000.

E.20 Time-limited Offer

Yes

E.21 Subscription Period Beginning

90 days from approval of the White Paper notification by the Authority.

E.22 Subscription Period End

8 weeks after the Subscription Period Beginning under E.21.

E.23 Safeguarding Arrangements for Offered Funds/Crypto-Assets

Safeguarding will be undertaken by a crypto-asset service provider providing custody and administration of crypto-assets on behalf of clients. The service provider will probably be Fireblocks but this will be determined following approval of the White Paper notification by the Authority.

E.24 Payment Methods for Crypto-Asset Purchase

Payment by Ethereum.

E.25 Value Transfer Methods for Reimbursement

The reimbursement will be by means of a transfer of Ethereum to their receiving address.

E.26 Right of Withdrawal

Retail holders shall have a right of withdrawal in accordance with Article 13 of Regulation (EU) 2023/1114. They shall have a period of 14 days from the date of the agreement to purchase DRC within which to withdraw from their agreement to purchase DRC without incurring any fees or costs and without being required to provide reasons.

All payments received from a retail holder including, if applicable, any charges, shall be reimbursed without undue delay and in any event no later than 14 days from the date on which the offeror or the crypto-asset service provider placing crypto-assets on behalf of that offeror is informed of the retail holder's decision to withdraw from the agreement to purchase those crypto-assets. Such reimbursement shall be carried out using the same means of payment as that used by the retail holder for the initial transaction, unless the retail holder expressly agrees otherwise and provided that the retail holder does not incur any fees or costs as a result of such reimbursement.

The right of withdrawal shall not be exercised after the end of the subscription period.

E.27 Transfer of Purchased Crypto-Assets

The Divine Ray Wallet offers a secure and intuitive platform for users to manage their DRC tokens. The wallet allows users to store, send, receive, and utilize DRC tokens seamlessly within the DApp ecosystem. All transactions are recorded on the Cosmos blockchain, ensuring transparency, security, and accountability. During the ICO, DRC can be purchased directly from the Divine Ray platform. Following the ICO, the team will seek exchange listings (targeted in Phase 2) to provide additional purchasing options for users.

E.28 Transfer Time Schedule

Purchased crypto-assets will be transferred to purchasers upon the completion of the ICO.

E.29 Purchaser's Technical Requirements

Purchasers will require a Divine Wallet ID which will be supplied upon completion of the ICO.

E.30 Crypto-Asset Service Provider (CASP) name

The service provider will probably be Fireblocks but this will be determined following approval of the White Paper notification by the Authority.

E.31 CASP Identifier

To be determined following approval of the White Paper notification by the Authority.

E.32 Placement Form

NTAV

E.33 Trading Platforms Name

To be determined following approval of the White Paper notification by the Authority.

E.34 Trading Platforms Market Identifier Code

To be determined following approval of the White Paper notification by the Authority.

E.35 Trading Platforms Access

Currently through Apple App Store and Google Play

E.36 Involved Costs

This will depend on the exchange platform on which the DRC will be listed. To be clarified following approval of the White Paper notification by the Authority.

E.37 Offer Expenses

This will depend on the involved costs as described above. To be clarified following approval of the White Paper notification by the Authority.

E.38 Conflicts of Interest

No potential conflict of interest were identified.

E.39 Applicable Law

The Divine Ray project operates under the jurisdiction of Malta, and any disputes will be resolved under Maltese law.

E.40 Competent Court

Competent courts in Malta will have authority over legal matters related to the Divine Ray Token and platform.

PART F – INFORMATION ABOUT THE CRYPTO-ASSETS

F.1 Crypto-asset Type

The Divine Ray Coin token

F.2 Crypto-Asset Functionality

The Divine Ray Coin token (DRC) serves various functions within the ecosystem:

1. Rewards: Users receive DRC for participating in mindfulness activities and engaging with the DApp.
2. Content Monetization: Creators & Users can earn DRC by sharing valuable spiritual content.
3. Governance: Token holders have voting rights for decision-making and platform improvements.
4. Creators & Users can use tokens to purchase NFT's inside the app and eventually purchase additional features benefits from membership by using the Divine Ray Coins.
5. Initial Token: FT (Fungible Token): The system starts with a supply of fungible tokens, which are typically identical and interchangeable with one another, like common cryptocurrencies such as Bitcoin or Ethereum.
6. Desired Token: NFT (Non-Fungible Token): The goal is to create non-fungible tokens (NFTs) from the existing FTs. NFTs represent unique digital assets that cannot be replicated, making them suitable for representing unique spiritual or divine experiences within the mobile app.
7. Minting NFTs: Minting NFTs will be done through the blockchain and the DApp. The data and attributes of these NFTs could represent various spiritual experiences, achievements, high vibrational digital art or other unique digital assets related to the mobile app's spiritual content.
8. DRC Incentives: Users and creators of the mobile app can earn DRCs as incentives. DRC could be a separate token in the ecosystem that is rewarded to users and creators for their participation, engagement, or creation of valuable spiritual content within the app.

9. Utility for the Mobile Spiritual App: The mobile spiritual app could use these NFTs as a way to represent and verify unique spiritual journeys, divine beings or high vibrational art.
10. Marketplace and Interactions: Users may also have the option to trade, sell, or showcase their NFTs in a marketplace, fostering a sense of community and ownership within the app. Creators could design unique NFTs, which could be acquired by users or even auctioned.

F.3 Planned Application of Functionalities

Phase 1 as detailed under E.18 will commence upon completion of the ICO. The phases are as divided as follows:

Phase 1 – Initial Setup and Launch

Phase 2 – Expansion and Security

Phase 3 – Community Engagement and Governance

Phase 4 – External Utility and Partnerships

Kindly refer to sectionE.18 of this whitepaper for more details about what each phase entails.

F.4 Type of Crypto-Asset White Paper

OTHR

F.5 The Type of Submission

NEWT

F.6 Crypto-Asset Characteristics

The Divine Ray Token is a cryptocurrency integrated into the Divine Ray App, a high-vibration holistic social media platform focused on spirituality. Its key characteristics include that it can be used within the Divine Ray App to purchase NFTs and access spiritual content; it can be earned as rewards for engaging with the app (e.g., participating in activities, sharing content); and its future utility includes staking, governance, and content monetization to reward.

F.7 Commercial Name or Trading Name

Divine Ray Coin

F.8 Website of Issuer

https://divineray.io/

F.9 Starting Date of Offer to the Public

90 days from approval of the White Paper notification by the Authority.

F.10 Publication Date

Upon approval of the White Paper notification by the Authority.

F.11 Any Other Services Provided by the Issuer

Advertising and membership services within the mobile application.

F.12 Language of the Crypto-Asset White Paper

English

F.13 Digital Token Identifier Code

DRC

F.14 Functionally Fungible Group Digital Token Identifier

N/A

F.15 Voluntary Data Flag

False

F.16 Personal Data Flag

True

F.17 LEI Eligibility

True

F.18 Home Member State

Malta

F.19 Host Member States

Malta

PART G – INFORMATION ON THE RIGHTS AND OBLIGATIONS ATTACHED TO THE CRYPTO-ASSETS

G.1 Purchaser Rights and Obligations

Purchasers of the DRC are granted the following rights within the Divine Ray ecosystem:

a) **In-App Utility**:

- Purchasers and users can redeem DRC within the Divine Ray App for purchasing NFTs.
- Tokens can be used for app memberships and to promote user-created content via ads, driving visibility within the platform.
- The ability to purchase NFTs is immediately available, while ad promotion and membership functionalities are set to launch in Phase 1.

b) **Rewards and Incentives**:

- Users can earn DRC as rewards for activities such as time spent in the app, liking or being liked on content, and sharing videos from the app.
- Estimated reward generation is set at 20 billion tokens per million users, with continual issuance based on engagement levels.

c) **Staking Rights**:

- In Phase 3, users will have the right to stake tokens on content within the app, rewarding content creators and supporting platform engagement.
- Stakers will receive additional rewards, and creators whose content is staked on will earn tokens, incentivizing quality content creation.

d) **Governance Participation**:

- DRC holders will gain voting rights in Phase 3 on certain platform decisions, such as app features, upgrades, and community guidelines.
- Eligibility criteria, including minimum token holding amounts, will be specified closer to the release of governance functionality.

e) **External Utility Expansion**:

- Phase 4 aims to expand DRC's utility through partnerships, allowing users to redeem tokens with external partners for goods or services, promoting DRC beyond the Divine Ray platform.

G.2 Exercise of Rights and Obligations

DRC can be used within the app to purchase NFTs and promote user content. In Phase 4, DRC utility will extend through partnerships with external businesses to enable token use for additional goods and services, details of which will be provided upon formal agreements with partners. Tokens can be redeemed in-app immediately for NFTs and later for membership and ad services. The redemption mechanism will expand with each phase to include staking, rewards, and external partnerships as planned in Phase 4.

G.3 Conditions for Modifications of Rights and Obligations

Rights associated with DRC may be adjusted to comply with future regulatory requirements or to improve platform functionality. The company will notify users of significant changes through in-app notifications and public announcements. In the event of a major shift in token utility, users will be given a grace period to adjust or redeem tokens according to the new terms.

G.4 Future Public Offers

After the ICO in Phase 1, no further public offerings of DRC are planned at this time. However, additional fundraising or token distribution phases may be considered to support strategic growth.

G.5 Issuer Retained Crypto-Assets

N/A

G.6 Utility Token Classification

True

G.7 Key Features of Goods/Services of Utility Tokens

The DRC serves various functions within the ecosystem:

1. Rewards: Users receive DRC for participating in mindfulness activities and engaging with the DApp.
2. Content Monetization: Creators & Users can earn DRC by sharing valuable spiritual content.
3. Governance: Token holders have voting rights for decision-making and platform improvements.
4. Creators & Users can use tokens to purchase NFT's inside the app and eventually purchase additional features benefits from membership by using the Divine Ray Coins.
5. Initial Token: FT (Fungible Token): The system starts with a supply of fungible tokens, which are typically identical and interchangeable with one another, like common cryptocurrencies such as Bitcoin or Ethereum.
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7. Minting NFTs: Minting NFTs will be done through the blockchain and the DApp. The data and attributes of these NFTs could represent various spiritual experiences, achievements, high vibrational digital art or other unique digital assets related to the mobile app's spiritual content.
8. DRC Incentives: Users and creators of the mobile app can earn DRCs as incentives. DRC could be a separate token in the ecosystem that is rewarded to users and creators for their participation, engagement, or creation of valuable spiritual content within the app.

9. Utility for the Mobile Spiritual App: The mobile spiritual app could use these NFTs as a way to represent and verify unique spiritual journeys, divine beings or high vibrational art.
10. Marketplace and Interactions: Users may also have the option to trade, sell, or showcase their NFTs in a marketplace, fostering a sense of community and ownership within the app. Creators could design unique NFTs, which could be acquired by users or even auctioned.

G.8 Utility Tokens Redemption

Tokens can be redeemed in-app immediately for NFTs and later for membership and ad services. The redemption mechanism will expand with each phase to include staking, rewards, and external partnerships as planned in Phase 4.

G.9 Non-Trading Request

False

G.10 Crypto-Assets Purchase or Sale Modalities

During the ICO, DRC can be purchased directly from the Divine Ray platform. Following the ICO, the team will seek exchange listings (targeted in Phase 2) to provide additional purchasing options for users.

G.11 Crypto-Assets Transfer Restrictions

DRC may have limited transferability within the app during Phase 1. Transferability to external wallets and exchanges will depend on listings secured during Phase 2 and later.

G.12 Supply Adjustment Protocols

False

G.13 Supply Adjustment Mechanisms

N/A

G.14 Token Value Protection Schemes

False

G.15 Token Value Protection Schemes Description

N/A

G.16 Compensation Schemes

False

G.17 Compensation Schemes Description

N/A

G.18 Applicable Law

The Divine Ray project operates under the jurisdiction of Malta, and any disputes will be resolved under Maltese law.

G.19 Competent Court

Competent courts in Malta will have authority over legal matters related to the Divine Ray Token and platform.

PART H – INFORMATION ON THE UNDERLYING TECHNOLOGY

H.1 Distributed Ledger Technology (DTL)

The **Divine Ray Wallet** offers a secure and intuitive platform for users to manage their Divine Ray Coin (DRC) tokens. The wallet allows users to store, send, receive, and utilize DRC tokens seamlessly within the DApp ecosystem. All transactions are recorded on the **Cosmos blockchain**, ensuring transparency, security, and accountability.

H.2 Protocols and Technical Standards

Key technical aspects:

- **Blockchain Protocol:** Built on the Cosmos SDK for an application-specific blockchain tailored to Divine Ray's ecosystem needs.
- **Consensus Mechanism:** Transactions are secured through **Tendermint BFT**, a highly efficient and secure Byzantine Fault Tolerant mechanism.
- **Token Standards:** The DRC token adheres to Cosmos SDK standards, ensuring compatibility and reliability.

H.3 Technology Used

The Divine Ray ecosystem is powered by the **Cosmos blockchain framework**, leveraging its modularity, scalability, and efficiency to create a robust decentralized platform.

H.4 Consensus Mechanism

The Cosmos blockchain uses Tendermint BFT consensus to validate and secure transactions. Its key features include:

- Energy Efficiency: Reducing environmental impact compared to traditional Proof-of-Work systems.
- High Throughput: Supporting thousands of transactions per second with rapid finality.

- Resilience: Secure against up to one-third malicious or faulty validators.

H.5 Incentive Mechanisms and Applicable Fees

User Participation Rewards: In the initial stages, incentives are focused on rewarding users for engagement within the ecosystem, including content creation and active participation.

Transaction Fees: Minimal blockchain transaction fees are applied, optimized to ensure accessibility for all users.

Future Incentives: Advanced rewards mechanisms, such as staking, will be introduced at a later stage to enhance engagement and support network security.

H.6 Use of Distributed Ledger Technology

False

H.7 DLT Functionality Description

Transactions within the Divine Ray ecosystem are immutably recorded on the Cosmos blockchain:

- **Transaction Validation:** Validators process user transactions using Tendermint BFT, ensuring security and accuracy.
- **Scalability:** The Cosmos SDK's modular design allows for the integration of advanced features as the ecosystem evolves.
- **Transparency:** Users can view all transactions and token movements via Cosmos blockchain explorers.

H.8 Audit

True

H.9 Audit Outcome

An independent security and functionality audit of the Divine Ray blockchain infrastructure is planned. The audit will be conducted by **Toptal**, with a focus on the following areas:

a) **Consensus Mechanism:** Evaluating the security and efficiency of Tendermint BFT.
b) **Economic Logic:** Validating tokenomics to ensure sustainability and fairness.
c) **System Integrity:** Ensuring secure handling of transactions and user data.
d) **Future Capabilities:** Assessing advanced functionalities such as staking and smart contracts for security and reliability.

PART I – INFORMATION ON RISKS

I.1 Offer-Related Risks

Like any cryptocurrency project, the DRC comes with certain risks that should be considered. These risks can be categorized into several areas:

1. Market & Economic Risks
    - Volatility: Cryptocurrency prices are highly volatile, and the token's value may fluctuate significantly.
    - Liquidity Risk: If the token is not widely adopted or listed on major exchanges, liquidity may be limited, making it harder to trade.
    - Adoption Challenges: If users do not engage with the Divine Ray App as expected, demand for the token may remain low.
2. Regulatory & Compliance Risks
    - Legal Uncertainty: Regulations on crypto and NFTs are evolving. Governments may impose restrictions that could impact the token’s use.
    - Apple Store & App Compliance: Since Apple rejected the NFT integration, further regulatory scrutiny could lead to additional app store compliance hurdles.
    - Taxation & Reporting: Users may face complex tax obligations depending on their country’s crypto regulations.
3. Security & Smart Contract Risks
    - Smart Contract Vulnerabilities: Even with auditing, smart contracts may have bugs or security flaws that could be exploited.
    - Hacking & Fraud: The platform and wallets storing Divine Ray Tokens could be targets for cyberattacks or phishing scams.
    - Loss of Private Keys: Users who lose access to their private keys could permanently lose their tokens.
4. Project Development & Execution Risks
    - Failure to Deliver: If the development team cannot meet promised milestones, the project's credibility and value may suffer.
    - Funding & Sustainability: The project relies on ICO funding and ongoing community engagement. A lack of funds could slow down development.

- Technical Scalability: If the Divine Ray App grows too fast, technical infrastructure may struggle to handle increased users and transactions.

5. Governance & Decentralization Risks
    - Centralization Issues: If too much token supply is controlled by early investors or the development team, it could lead to unfair influence over governance.
    - Decentralized Decision-Making Challenges: If governance is introduced, decision-making by token holders may slow progress or create conflicts.
6. External Risks
    - Competition: Other crypto-based spiritual or high-consciousness platforms may emerge, affecting adoption.
    - Global Economic Factors: A crypto market crash or financial crisis could reduce interest and investment in the token.
    - AI & Blockchain Evolution: Future advancements in AI and blockchain may require adapting or upgrading the token's structure.
    - Mitigation Strategies
    - Security Audits & Upgrades: Regular audits and security updates to protect against vulnerabilities.
    - Regulatory Compliance: Monitoring global regulations and adjusting policies accordingly.
    - Community Engagement: Expanding awareness and adoption through education, incentives, and partnerships.
    - Gradual Expansion: Ensuring phased rollouts are technically and financially sustainable.

I.2 Issuer-Related Risks

N/A

I.3 Crypto-Assets Related Risks

Crypto assets, including the DRC, come with inherent risks that investors and users should be aware of. Below are the primary risks associated with this asset:

1. Market Risks
    - High Volatility: Crypto markets are notoriously volatile. Prices can surge or plummet rapidly due to speculation, regulatory news, or macroeconomic conditions.
    - Liquidity Risk: If DRC lacks sufficient trading volume or exchange listings, it may be difficult to sell without significant price slippage.
    - Speculation-Driven Demand: The value of the token may depend on speculative interest rather than real-world adoption, leading to price instability.
2. Regulatory Risks
    - Uncertain Legal Framework: Regulations for crypto assets are evolving, and future laws could impose restrictions or requirements affecting DRC.
    - Potential Bans or Restrictions: Some governments may ban or limit crypto assets, making it harder for users to buy, sell, or hold the token.
    - Taxation Issues: Crypto transactions may be subject to capital gains taxes or other financial regulations, leading to unexpected tax liabilities.
3. Security Risks
    - Smart Contract Vulnerabilities: If the DRC operates on a blockchain with smart contracts, bugs or exploits could lead to theft or loss of funds.
    - Hacking & Cyberattacks: Crypto exchanges, wallets, and platforms storing DRCs could be targeted by hackers.
    - Loss of Private Keys: If a user loses access to their private keys, they may permanently lose their tokens, as there is no recovery mechanism.
4. Operational Risks
    - Project Failure: If the Divine Ray App does not gain traction or if development is abandoned, the token may lose its utility and value.
    - Team & Development Risks: The project's success depends on the team’s ability to execute its roadmap. Mismanagement, lack of funding, or internal conflicts could impact progress.

- Scalability Issues: As user demand grows, the blockchain or infrastructure may face technical limitations, leading to high fees or slow transactions.

5. Economic Risks
    - Inflation & Token Supply Management: If too many tokens are minted or released too quickly, it could lead to inflation and devaluation of the token.
    - Dependence on Speculative Interest: If the token's use case is not widely adopted, its value may rely on speculation rather than intrinsic demand.
    - Market Competition: Competing blockchain projects or similar crypto assets could overshadow the DRC, reducing its adoption.
6. Governance & Control Risks
    - Centralization Concerns: If a small group controls a large percentage of the token supply, it may lead to price manipulation or unfair governance decisions.
    - Lack of Transparency: If the project does not provide regular updates, audits, or clear decision-making processes, it could lead to distrust and loss of user confidence.
7. External Risks
    - Macroeconomic Factors: Global economic downturns, interest rate changes, or financial crises could impact crypto markets and reduce demand for the DRC.
    - Regulatory Crackdowns on Crypto: If major financial institutions or governments tighten restrictions on crypto assets, it could limit the token's growth.
    - Blockchain Network Dependence: If the token is built on a third-party blockchain (e.g., Ethereum or Binance Smart Chain), network congestion, high gas fees, or protocol changes could affect usability.

These risks can be mitigated as follows:

- Regulatory Compliance: Stay updated on crypto regulations and ensure the project complies with applicable laws.
- Security Enhancements: Conduct regular smart contract audits and improve cybersecurity measures.
- Transparent Governance: Introduce decentralized governance to prevent centralization issues.

I.4 Project Implementation-Related Risks

Implementing the DRC as part of the Divine Ray App and broader ecosystem comes with several challenges and risks. Below are the key risks categorized by project phases:

1. Development & Technical Risks

   Smart Contract & Blockchain Risks

   - Smart Contract Bugs: Vulnerabilities in smart contracts could lead to exploits, resulting in financial losses.
   - Blockchain Congestion: If the token relies on an overused blockchain (e.g., Ethereum), high transaction fees and slow processing times may affect usability.
   - Scalability Issues: As user adoption grows, the blockchain infrastructure must handle increasing transactions without lag or excessive gas fees.
   - Security Vulnerabilities: The app and token infrastructure could be targeted by hackers, requiring regular audits and security updates.

   App Development & Integration Risks

   - Apple & Google Store Compliance: The app must comply with Apple and Google's strict rules, especially regarding NFT purchases and digital assets.
   - Bugs & Performance Issues: If the app has frequent crashes, poor user experience, or technical glitches, adoption rates may drop.
   - Backend Infrastructure Challenges: Handling user authentication, transaction processing, and security at scale requires robust infrastructure.

2. Regulatory & Compliance Risks

   Legal Uncertainty & Restrictions

   - Crypto & NFT Regulations: Changing global laws could impact token usage, requiring adjustments in operations.
   - Taxation Issues: Users and the project team may face unexpected tax obligations for crypto transactions.
   - Decentralization vs. Compliance: A fully decentralized model may conflict with regulatory requirements for financial transactions and consumer protection.

App Store & Exchange Listings

- Apple & Google Policy Changes: If app stores change their policies on digital assets, the app could face additional restrictions or removal.
- Exchange Listings & Delays: Getting listed on major exchanges requires regulatory approval and compliance with stringent security and financial laws.

3. Adoption & Market Risks

User Engagement & Adoption Challenges

- Lack of Demand: If users do not engage with the app or token, its value and utility could decrease.
- Market Competition: Competing blockchain-based spiritual platforms may overshadow the Divine Ray ecosystem.
- Education & Awareness: Users unfamiliar with crypto may find the onboarding process difficult, leading to lower adoption rates.

Token Utility & Sustainability

- Limited Use Cases: If the token does not provide real value beyond speculation, its adoption may stagnate.
- Token Inflation: Poor tokenomics (e.g., excessive token minting) could dilute its value.
- Liquidity Concerns: If the token lacks sufficient trading volume or exchange support, it may be difficult for users to buy/sell.

4. Financial & Funding Risks

Funding Shortages & Budget Management

- Insufficient ICO Funds: If the ICO does not raise enough capital, development may slow down or stall.
- Misallocation of Funds: Poor financial management could lead to delays in development, marketing, or security.
- Investor Confidence: If early investors lose faith in the project due to delays or lack of transparency, token demand may drop.

Revenue Model & Sustainability

- Dependence on Token Price: If the project relies too much on token price appreciation for funding, it could be vulnerable to market downturns.
- Lack of Alternative Revenue Streams: Without diversified revenue models (e.g., partnerships, subscriptions), long-term sustainability is uncertain.

5. Governance & Project Management Risks

   Leadership & Team Risks

   - Key Team Members Leaving: If developers, founders, or key personnel leave, it could disrupt the project's direction.
   - Lack of Expertise: The team must have strong blockchain, security, and financial expertise to execute the project successfully.
   - Internal Conflicts: Differences in vision or strategy among team members could lead to delays or project restructuring.

   Decentralization & Governance Risks

   - Centralization Concerns: If a small group controls most of the tokens, governance decisions could be biased.
   - Slow Governance Decisions: Decentralized decision-making may slow down implementation, delaying critical updates.

6. External Risks

   Economic & Industry Risks

   - Crypto Market Crashes: A bear market in crypto could reduce interest and investment in the token.
   - Macroeconomic Factors: Global recessions, inflation, or financial crises may impact crypto adoption and investment.
   - Regulatory Crackdowns: If governments impose stricter regulations, it may limit the token’s usability or require compliance changes.

   Reputation & Brand Risks

   - Negative Publicity: If the project experiences security breaches, failed promises, or poor user experiences, it could damage credibility.

- Scams & Phishing Attacks: Fraudulent actors may attempt to scam users by creating fake versions of the token or platform.

Mitigation Strategies for Implementation Risks

a) Security & Compliance
   - Conduct regular smart contract audits to prevent exploits.
   - Work with legal advisors to ensure compliance with evolving regulations.
   - Implement secure infrastructure for transactions and user data protection.

b) Project Management & Development
   - Follow an agile development approach with phased rollouts.
   - Ensure proper funding allocation for long-term sustainability.
   - Build a strong team with blockchain, security, and compliance expertise.

c) Market & Adoption Strategy
   - Focus on community engagement and education to drive adoption.
   - Partner with spiritual leaders, influencers, and organizations for outreach.
   - Diversify token use cases to increase its real-world value.

d) Governance & Decentralization
   - Implement transparent governance mechanisms (e.g., DAO model).
   - Distribute tokens fairly to prevent centralization issues.

e) Alternative Revenue Models
   - Develop subscription-based features or partnerships to reduce dependency on token price fluctuations.
   - Explore staking rewards and other DeFi integrations to maintain ecosystem sustainability.

I.5 Technology-Related Risks

Since the DRC operates within a blockchain-based ecosystem, there are several technology-related risks that need to be managed. These risks can impact the security, scalability, and overall success of the project.

1. Blockchain & Smart Contract Risks

Smart Contract Vulnerabilities

- Coding Bugs & Exploits: Smart contracts can have vulnerabilities that malicious actors exploit, leading to token theft or loss.
- Immutable Errors: Once deployed, smart contracts cannot be easily modified. If there is a flaw, it may require a hard fork or contract migration.
- Oracles & External Data Risks: If smart contracts rely on external oracles for real-world data, these oracles could be compromised, leading to manipulation of token transactions.

Network Congestion & Transaction Delays

- Scalability Bottlenecks: If the blockchain experiences high traffic, transaction processing can slow down, affecting user experience.
- High Gas Fees: If DRC is built on Ethereum or similar chains, rising gas fees could make transactions expensive.
- Blockchain Forks & Instability: A major blockchain fork or technical failure could create uncertainty and affect token stability.

Interoperability Issues

- Limited Cross-Chain Functionality: If the token does not support multi-chain transactions, it may face adoption challenges.
- Integration Challenges with DeFi & Exchanges: If the token is not compatible with major DeFi protocols or exchanges, it could reduce liquidity and trading options.

2. Security Risks

   Hacking & Cyberattacks

- Exchange & Wallet Hacks: If the token is stored in an exchange that gets hacked, user funds could be lost.
- Phishing & Scams: Fake websites and wallet scams could trick users into sharing private keys or seed phrases.
- Distributed Denial-of-Service (DDoS) Attacks: The platform could be targeted with DDoS attacks, disrupting operations.

User Security Risks

- Private Key Loss: If a user loses access to their private key, they lose their tokens permanently.
- Malware & Keyloggers: Users accessing their wallets on infected devices risk having their credentials stolen.
- Social Engineering: Hackers may manipulate users into giving away sensitive information related to their tokens.

3. Infrastructure Risks

   Backend & Server Downtime

   - Cloud Server Failure: If the Divine Ray App relies on cloud services, downtime from providers (AWS, Google Cloud) could disrupt access.
   - Data Corruption & Loss: If transaction history or user data is lost due to database issues, it could impact token balances and trust.
   - Hosting Centralization: If the backend is not decentralized, it creates a single point of failure, increasing vulnerability.

   App & Platform Instability

   - Bugs in Mobile & Web App: Technical issues in the Divine Ray App could lead to crashes, login issues, or transaction failures.
   - Slow Load Times: Poor app performance could frustrate users and reduce engagement.
   - Compatibility Issues: The app must work seamlessly across multiple devices, operating systems, and screen sizes.

4. Compliance & Technology Integration Risks

   App Store Compliance

   - NFT & Token Purchases Flagged by Apple/Google: If Apple or Google considers token transactions as financial products, they may impose strict rules or block the app.
   - Transaction Transparency Requirements: Regulatory agencies may require transaction tracking, creating compliance challenges.

KYC & AML Compliance Risks

- Anonymity vs. Compliance Conflict: Fully anonymous transactions may violate Anti-Money Laundering (AML) laws.
- Decentralized vs. Regulated Exchange Issues: If DRC is listed on exchanges that require Know Your Customer (KYC) verification, it could limit adoption.

5. Upgradability & Future-Proofing Risks

   Difficulty in Upgrading Smart Contracts

   - Hard Fork Requirements: If the protocol needs updates, a hard fork may be required, which can split the community and reduce trust.
   - Lack of Flexibility for Future Enhancements: If the initial smart contract design is too rigid, integrating new features will be difficult.

   Blockchain Evolution Risks

   - Dependency on Specific Blockchains: If the project is built on a blockchain that becomes outdated or unpopular, migration may be costly.
   - Emerging Technologies: Advancements in quantum computing or AI could pose new security risks to existing blockchain encryption.

6. Governance & Decentralization Risks

   Centralization of Control

   - Majority Token Ownership Risks: If too much of the token supply is controlled by a small group, it could lead to manipulation.
   - Admin Key Risks: If developers retain too much control over smart contracts, they could be exploited or hacked.

   DAO & Decentralized Governance Challenges

   - Slow Decision-Making: A decentralized governance model (DAO) may slow down necessary updates.
   - Voting Manipulation: Large token holders could influence governance in ways that do not benefit all users.

7. External Technological Risks

Dependency on Third-Party Services

- Reliance on External APIs: If the app depends on third-party APIs (e.g., price tracking, wallet services), service disruptions could impact usability.
- Risk of External Platform Failure: If a major partner (e.g., an exchange or DeFi protocol) fails, it could impact token accessibility.

Quantum Computing Threats

- Breaking Cryptographic Security: Future quantum computers could potentially break current blockchain encryption methods.
- Need for Post-Quantum Security: Ensuring the token remains secure against future advancements in hacking technology.

I.6 Mitigation Measures

Mitigation Strategies for Technology Risks

1. Smart Contract Security
   - Conduct regular audits with reputable firms to identify vulnerabilities.
   - Implement multi-signature authentication for high-risk transactions.
2. Infrastructure & App Security
   - Use decentralized hosting solutions to prevent single points of failure.
   - Implement automated backups to protect user data and transactions.
3. User Security Best Practices
   - Educate users about phishing risks and provide security guides.
   - Encourage the use of hardware wallets for large token holdings.
4. Regulatory Compliance & Adaptability
   - Work with legal experts to ensure compliance with evolving regulations.
   - Consider hybrid decentralization models to balance privacy and compliance.
5. Future-Proofing & Upgradability
   - Design smart contracts with modular upgrades to allow improvements over time.
   - Monitor advancements in quantum security to prepare for potential threats

PART J – INFORMATION ON THE SUSTAINABILITY INDICATORS IN RELATION TO ADVERSE IMPACT ON THE CLIMATE AND OTHER ENVIRONMENT-RELATED ADVERSE IMPACTS

J.1 Adverse Impacts on Climate and Other Environment-Related Adverse Impacts

The Divine Ray platform, built on the Cosmos blockchain, prioritizes sustainability by leveraging the energy-efficient **Proof-of-Stake (PoS)** mechanism. The Cosmos network's architecture enables Divine Ray to minimize its environmental footprint while maintaining high performance and scalability.

Energy Use of Divine Ray on the Cosmos Network

Platform Operations:

a. Divine Ray utilizes the Cosmos blockchain for transaction validation, staking, and governance. The network operates on the Tendermint BFT consensus, which significantly reduces energy consumption compared to traditional Proof-of-Work (PoW) systems.

b. Running the entire network requires only a small amount of computational power, similar to the energy used by a small number of servers.

Crypto Asset Creation (DRC Tokens):

a. The creation of DRC on the Cosmos blockchain is computationally lightweight. Validators mint tokens without the energy-intensive mining process seen in PoW systems.

b. Energy required to mint tokens and validate transactions is estimated at less than 0.001 kWh per transaction, a negligible amount compared to PoW systems.

Validator Nodes:

a. Operating a validator node on the Cosmos network consumes approximately 100-300 watts per hour, comparable to a household appliance like a laptop or LED light bulb.

b. The number of validator nodes scales efficiently, ensuring that even with network growth, energy consumption remains minimal.

Sustainability of Divine Ray

The Cosmos network provides the foundation for Divine Ray's environmentally conscious approach, making the project inherently sustainable while aligning with its holistic values.

Energy-Efficient Blockchain:

a. The Cosmos blockchain's PoS design eliminates the need for resource-heavy mining, significantly reducing energy consumption and carbon emissions.

b. Transactions and staking activities on Divine Ray are processed with a fraction of the energy required by PoW blockchains.

Scalability Without Proportional Energy Impact:

a. The modular and scalable nature of the Cosmos SDK ensures that as the Divine Ray platform grows, its energy consumption remains stable.

b. By leveraging Cosmos's Inter-Blockchain Communication (IBC), Divine Ray can interact with other blockchains efficiently, reducing redundancy and optimizing resource use.

Commitment to Sustainable Growth:

a. Divine Ray's roadmap includes enhancements such as cross-chain compatibility, partnerships with spiritual organizations, and community governance, all implemented within the energy-efficient Cosmos ecosystem.

b. These initiatives will be designed to uphold the platform's commitment to sustainability while promoting environmental stewardship through its spiritual values.

Future Enhancements and Sustainability Goals

Cross-Chain Compatibility: Using Cosmos's IBC, Divine Ray will expand its ecosystem while maintaining low resource consumption.

Mobile App Integration: Optimized mobile apps will focus on energy-efficient processing, reducing device-level power usage.

Partnerships for Environmental Impact: Divine Ray intends to collaborate with spiritual influencers and organizations to promote initiatives aligned with sustainability and environmental consciousness.

By building on the Cosmos blockchain, Divine Ray ensures that its operations are not only efficient but also aligned with a future where technology and environmental sustainability coexist.