Silverdrop Coin - Important Disclosures

Silverdrop Coin ("SDRP") is a digital cryptocurrency asset. It is not a bank deposit, security, savings account, stablecoin, or guaranteed store of value.

SDRP is not redeemable with Silverdrop for U.S. dollars or any other asset at a fixed price. Silverdrop does not promise, guarantee, or undertake any legal obligation to purchase SDRP from any holder at any price.

The market price of SDRP is determined by trading activity on third-party markets and may rise or fall substantially. SDRP may trade above or below one U.S. dollar, may lose significant value, and could potentially become worthless.

Silverdrop's Proprietary Trading Activities

Silverdrop may buy and sell SDRP using its own assets and accounts on independent third-party exchanges or other trading venues.

As a matter of current proprietary trading strategy, Silverdrop presently intends to conduct market-making and arbitrage activity that generally seeks to increase purchases of SDRP when its market price falls materially below approximately US$1 and increase sales when its market price rises materially above approximately US$1.

This trading strategy is intended to provide liquidity and may have the practical effect of tending to keep SDRP trading within a range near US$1. However:

- Silverdrop does not guarantee that SDRP will trade at or near US$1.
- Silverdrop does not guarantee any minimum or maximum market price.
- Silverdrop has no obligation to buy SDRP from any holder.
- Silverdrop has no obligation to continue market-making activity.
- Silverdrop may modify, suspend, reduce, or discontinue its trading strategy at any time.
- Market conditions, liquidity, exchange availability, regulatory changes, financial conditions, or other circumstances may prevent Silverdrop from carrying out its intended trading strategy.

All Silverdrop trading activity is undertaken for Silverdrop's own account and economic benefit. Silverdrop does not execute trades on behalf of SDRP holders and does not represent that its trading activity is undertaken as a fiduciary or agent for holders.

No Redemption or Reserve Rights

Silverdrop may maintain cash, deposits, government securities, bonds, or other liquid assets as part of its own treasury and risk-management strategy.

These assets are the property of Silverdrop. Ownership of SDRP does not provide the holder with ownership of, a security interest in, a lien on, or any contractual claim against Silverdrop's treasury assets.

Silverdrop may consider the amount of SDRP in circulation when determining the amount of liquidity or treasury assets it maintains for its proprietary market-making activities. This is an internal financial policy and does not constitute a promise that any SDRP is individually or collectively "backed" by a particular asset or amount of money.

No SDRP holder has a contractual right to present SDRP to Silverdrop and demand US$1, or any other amount, in exchange.

No Investment Return

SDRP does not pay interest, dividends, staking rewards, revenue distributions, profit sharing, or other returns merely because a person owns SDRP.

Silverdrop does not promise that SDRP will appreciate in value and does not market SDRP on the basis of expected price appreciation.

Indeed, Silverdrop's currently intended proprietary trading strategy may involve selling SDRP when its market price rises materially above approximately US$1, which may tend to limit upward price movements.

Purchasers should not acquire SDRP based on an expectation that Silverdrop will cause its market price to increase.

No Guarantee Against Loss

Cryptocurrency markets involve significant risks, including market volatility, loss of liquidity, exchange failures, blockchain or software vulnerabilities, regulatory changes, operational failures, and loss of access to digital assets.

Any person acquiring SDRP assumes the risk that the market value of SDRP may decline, including potentially to zero.

Past trading behavior by Silverdrop should not be interpreted as a promise that Silverdrop will engage in similar activity in the future.

Third-Party Exchanges

Silverdrop does not guarantee the operation, solvency, security, liquidity, availability, or regulatory status of any third-party exchange on which SDRP may trade.

The listing of SDRP by an exchange does not constitute a guarantee by Silverdrop or the exchange regarding SDRP's value, liquidity, suitability, or future market performance.

No Guarantee of Regulatory Classification

Descriptions used by Silverdrop are intended to explain how SDRP operates and are not representations concerning how any government agency, court, regulator, exchange, or other third party may legally classify SDRP.

Applicable laws and regulations may change over time.

Summary

In simple terms:

SDRP is a freely tradeable cryptocurrency with no guaranteed value and no contractual redemption right.

Silverdrop presently intends to trade SDRP using its own funds and may use market-making and arbitrage strategies that seek to keep its market price generally near US$1.

That behavior is a voluntary proprietary trading strategy - not a promise, peg, guarantee, redemption obligation, or entitlement held by SDRP owners.

Anyone purchasing SDRP should do so only with the understanding that Silverdrop may change or discontinue that strategy and that SDRP may trade at any price, including substantially below US$1 or potentially zero.