



Moria

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Abstract

This post ICO whitepaper discusses Moria, the world's first royalty paying decentralized investment platform targeting the field of precious metals extraction.

Gold mines produce billions of dollars in revenue and have provided attractive investment opportunities for centuries. This Whitepaper lays out how investors can participate in gold mining revenue through the purchase of digital assets - a purchase that combines the world's oldest and newest systems of value.

Moria Token was created as an ERC 20 compliant token to tokenize royalties in the GS Mining Company's (the "Company") revenues from operations at the Bates Hunter Mine ("Bates"), the Clay County Mine ("Clay"), the Becker Bates Mine ("Becker"), the Carr Mine and the Golden Gilpin Mill ("Gilpin") located in Colorado and any additional mines or mills purchased or developed by the Company (collectively, the "Mines") and to utilize those revenues to pay Token holders royalties, thereby creating a token which combines monetary and trading value.

Notice To Investors

It is the responsibility of every person wishing to subscribe to purchase the unsecured digitized tokens in the form of distributed ledger units (the “Tokens”) described in this whitepaper and associated documents (the “offering documents”) to inform themselves of and to observe all applicable laws and regulations of any relevant jurisdictions. Prospective investors should inform themselves as to the legal requirements and tax consequences within the countries of their citizenship, residence, domicile and place of business with respect to the acquisition, holding or disposal of these Tokens, and any U.S. or non-U.S. exchange restrictions that may be relevant thereto. These offering documents constitute an offer of Tokens only in those jurisdictions and to those persons where and to whom they lawfully may be offered for sale. This offering document does not constitute an offer to subscribe for Tokens except to the extent permitted by the laws of each applicable jurisdiction.

In particular, any potential investor confirms that (1) any discussions between representatives of the potential investors and of the issuer and its affiliates regarding a potential investment

in the tokens were initiated by one or more representatives of such potential investor, and (2) prior to delivery of this offering document or other offering of tokens, none of the issuer or its affiliates has made an interest in the tokens available for purchase by such potential investors, either as an offer that can be accepted by potential investor or as an invitation extended to potential investor to make an offer to subscribe for the investment.

Nothing in this whitepaper is intended to create a contract for the investment in the tokens, and each potential investor acknowledges that the issuer will rely on this assertion of a potential investor’s statements with respect to compliance with the laws of the jurisdiction in which potential investor is legally domiciled.

Investors should carefully review appendices, notices to investors, and risk disclosures, prior to making any investment in the tokens. No person other than the company’s chief executive officer or chief financial officer is authorized to make any representation or commitment relative to moria tokens or the gs mining company and its affiliates.

Mining Background

Gold was first discovered in Colorado in 1858. By 1859 over one hundred thousand people were heading west hoping to strike it rich. One of those people was a fellow named John H. Gregory. He is credited with the discovery of the “Gregory Lode” in a gulch near what is now Central City. That gulch came to be known as “the richest square mile on earth.” The Bates Hunter and Becker Bates Mines take their names from the Bates vein that is part of the Gregory Lode.

Since 1859, official tax records show that the Central City district has produced over four million ounces of gold, of which Bates Hunter produced seven hundred and fifty thousand ounces (these are tax reporting figures.) The Bates Hunter closed in 1936 after President Roosevelt declared ownership of monetary gold to be illegal and ordered all Americans to turn in their gold in exchange for \$20.67 an ounce. The prohibition remained until 1974 when President Ford legalized gold ownership. That year gold reached \$183 an ounce. At the date of this paper, gold was trading at over \$1,700 an ounce.

The Bates Hunter Gold Mine is the focus of the Company’s mining efforts. It consists of a series of proven gold veins. The operation is permitted, holding a section 110(2) permit for mining and milling operations and includes an EPA approved water treatment facility. There is an approximate 750-foot shaft in place, and most of it has never had gold extracted. Other area mines have extended recovery to 2,200 feet.

Independent third party expert reports (available on www.gsminingcompany.com) of the Bates Hunter mine indicate substantial gold reserves at lower depths. Current reporting and vein mapping put the future reasonably expected estimate (just to 800 feet) at over 1 to 3 million oz of gold, with the potential for significantly more at greater depths. The mine is currently served by infrastructure that would cost approximately \$40 million dollars to replicate today. It has an elevator system that can service the entire “main” shaft of approximately 800 feet. It has its own mill that can process the tons of ore bearing rock that will be converted to gold. It has an EPA water purification system.

Based on recent gold pricing of \$1,900 an ounce, it is projected that at full production in four to five years the gross revenue from the Bates Hunter will approximate \$190 million a year. As the mineral rights controlled by the company, especially in the Becker Bates mine and the connection to the Bates Hunter shaft are further exploited and richer veins expanded this revenue is expected to increase.

Overall, the expected EBITDA (earnings before interest, taxes, depreciation and amortization) for this type of hard rock mine should approximate 66% of gross. However, it is important to note that the Moria Token royalty is not dependent upon calculations of net revenue, but instead is based upon 10% of gross revenue.

Overview of Company

The GS Mining Company, LLC's goal is the generation of income through responsible mining practices, which in turn provide the Company with wealth for stakeholders, employees, and the communities with which the company partners.

The Company is focused on growing free cash flow per share over the long term. To do this, the Company will maintain and grow industry leading margins, driven by innovation and its digital transformation; while managing the Company portfolio and allocating capital with discipline and rigor; and leveraging distinctive partnership culture as a competitive advantage.

MANAGEMENT & CONSULTANTS

DEB KING

MANAGING DIRECTOR | COMPANY CEO

Mrs. King brings thirty years of corporate management and leadership experience to the role of CEO. She has been a principal, operator, investor, and advisor.

She has owned and operated two minority certified women owned businesses dealing with Fortune 100 and 500 companies, small closely held businesses, and private equity investors.

Mrs. King was a consultant to mining companies with operations in Asia, the United State and Latin America where she focused on strategic planning and fund raising.

FRANKLIN LEVY

MANAGING DIRECTOR | COMPANY CFO

Mr. Levy has extensive experience in the entrepreneurial world as both a principal and trusted adviser. His diverse experience includes both start-up enterprises and the organization of one of the country's largest family offices.

For the last several years he has been on the Board of the Maanshan Xiaonanshan Mining Company in the People's Republic of China and as such has been involved in all aspects of production and development at this iron ore

mine. He has been hands on in China at the mine dealing with mine management, mining and exploration plans and local government regulators.

MATT COLLINS

DIRECTOR OF MINING OPERATIONS

Mr. Collins is a Colorado mining engineer with thirty years of experience in and around the mines of Central City. He holds a Bachelor of Science in Mining Engineering from the Colorado School of Mines where he has also served as an adjunct faculty member.

He is a Colorado registered engineer; a member of the Colorado Society of Mining Engineers, the Mining and Metallurgical Society of America and the Association for Mineral Exploration. He has been a general manager and Chief Operating Officer for Sutter Gold Mining Inc. and has consulted for numerous other ventures. He is well known in the Central City area and has the respect of state and municipal regulatory bodies.

Find out more about our team on our website at gsminingcompany.com



\$600+ Billion

Cryptocurrency
Market Value

\$26+ Billion

Invested into
ICOs

Initial Coin Offering Overview

WHAT IS AN ICO?

An ICO is a new form of fundraising that has become increasingly popular since May of 2016. The whole point of the ICO is to democratize the investment process while lowering risk to investors in ways that were not possible for early-stage projects. In order to conduct an ICO, a digital coin or token on top of a blockchain* is created. This coin is typically correlated to the growth of a company or product. After the coin is created, this coin or token is offered for sale in an initial offering.

The token can be purchased by anyone in the world and, upon expiration of any relevant holding period, trades on secondary markets in a peer-to-peer fashion. This gives investors from countries anywhere in the world the ability to take part in early-stage ventures while fostering liquid markets for investors to be able to trade with one another.

The secondary market tradability means that, in many cases, investors are no longer locked into an early-stage investment until there is an exit, but instead can sell any percentage off into the market at any time, lowering the risk to investors.

Even where there are initial lock-ups and holding periods, the peer-to-peer, global marketplace for tokens makes them superior to traditional offerings in terms of transparency, liquidity, ease of transfer, and price discovery.

Initial coin offerings (ICO) became increasingly popular in late 2016 and into 2017.

The first ICO was held by Mastercoin in July 2013, raising a respectable \$500,000. Considering it was the first ICO and not many knew what an ICO was at the time, it was considered a success.

Ethereum raised money with a token sale in 2014, raising 3,700 BTC in its first 12 hours, equal to approximately \$2.3 million at the time.

In May of 2017, the ICO for a new web browser called Brave generated about \$35 million in under 30 seconds.

Following a speculative boom in cryptocurrency prices that peaked in December 2017, regulation of cryptocurrencies has since been rapidly changing.



Blockchain Overview

HISTORY OF BLOCKCHAIN

A blockchain is a digital record of transactions. The name comes from its structure, in which individual records, called blocks, are linked together in single list, called a chain. Blockchains are used for recording transactions made with cryptocurrencies, such as Bitcoin, and have many other applications.

First and foremost, blockchain is a public electronic ledger built around a P2P (peer-to-peer) system that can be openly shared among disparate users to create an unchangeable record of transactions, each time-stamped and linked to the previous one.

By design, a blockchain is resistant to modification of its data. This is because once recorded, the data in any given block cannot be altered retroactively without alteration of all subsequent blocks.

A blockchain is typically managed by a peer-to-peer network collectively adhering to a protocol for inter-node communication and validating new blocks. The blockchain has been described as “an open, distributed ledger that can record transactions between two parties efficiently and in a verifiable and permanent way”.

The blockchain was invented by a person (or group of people) using the name Satoshi Nakamoto in 2008 to serve as the public transaction ledger of the cryptocurrency bitcoin. The identity of Satoshi Nakamoto remains unknown. The invention of the blockchain for bitcoin made it the first digital currency to solve the double-spending problem without the need of a trusted authority or central server.

The bitcoin design has inspired other applications and blockchains that are readable by the public and are widely used by cryptocurrencies. The blockchain is considered a type of payment rail.

Bitcoin has since grown to almost a \$1 trillion market cap and has the potential to grow to be a bedrock of the worldwide record-keeping systems, despite being launched just 10 years ago.



Moria Token (MOR) Details

The Moria Token ICO was completed in February 2018 and sales of Moria continued after that date. There are now 51,551,579 Moria Tokens held by investors in digital wallets and held by the Company's treasury. Moria continues to be an opportunity for investors around the world to fund the Company's future potential gold mining revenue as well as the continued development of the Moria Token.

PAYOUTS

As set forth herein, after the company commences material non-pilot gold production resulting in revenue, Moria Token holders will be entitled to receive annual royalties equal to each token's pro-rata share of 10% of the annual gross revenues or \$0.20 per token, whichever is greater. Royalty payments will be made on a quarterly basis in U.S. dollars, Ether (ETH), or Moria Tokens, at the sole option of the Holder.

In the event royalties are insufficient to meet the minimum of \$.20 per token after such production

commences, the amount of any royalty not paid in whole or in part will accrue and shall be paid in ETH, USD, or Moria Tokens at the discretion of the Company as to both the type and time of payment.

All royalties paid in Moria Tokens shall be at market value, but no less than \$4.00 per token.

There can be no guarantee that the Company will ever generate sufficient revenues to pay the royalty.

DISTRIBUTION OF TOKENS

The following distribution of tokens has occurred:

96% Open Market/Company Treasury
3% Management/Owners
1% Advisors/Vendors



MORIA PORTAL

GS Mining Company, LLC is working with blockchain veteran developers, to develop a portal for the Moria Token. The goal of the portal is to help investors receive token payouts, receive communications from the company, track MOR pricing and utilize API to connect the investors to potential trading platforms. The portal will have the following functionality:

- * MOR wallet functionality
- * Quarterly/Yearly Updates
- * MOR Price Tracking
- * Additional data and communication regarding Investor Relations Payout Claims
- * Executable API protocols

To claim royalty payouts, the user must hold tokens in their wallet address at the time of payout. Royalties can be claimed via the portal or the Blockchain directly.

The Company will have no ownership of tokens held inside of the Moria app. Instead, the tokens will be stored by the user. The wallet software is based on secure, open source software. *

*Disclosure: There are risks associated with holding your own tokens. For example, managing access to your wallet is important to ensure unauthorized users cannot access your token. These will be discussed below in the Security appendix.



Mine Financial Overview

The Company has options to acquire ownership of both the Bates Hunter Mine and the Golden Gilpin Mill, as well as the Carr Mine and Clay County Mines. It holds thirty year leases on significant mineral rights which include the Becker Bates mine. Substantial work has progressed in bringing the Bates into production and the Mill into service. The Clay County and Carr Mines have significant potential that will be put into exploration once the Bates is in revenue.

Additional modernization of the Mill and the possible use of third-party services can increase production so that estimates of yearly gross revenue in excess of one hundred and ninety million per year at full production (from the Bates at current prices) could be reached. Should the

Clay County and Carr Mines be brought into production, gross revenues could continue to grow above the two hundred million dollar per year number. However, as of the date of this Whitepaper, none of the Company's operations have produced revenue, although pilot gold production has taken place.

The previous references to gross revenue and production are reasonable estimates should the production of revenue occur. However, the Company cannot guarantee that its operations will ever result in revenue.



\$190,000,000

PROJECTED GROSS REVENUE FROM THE BATES HUNTER MINE
IN FULL PRODUCTUON AND GOLD PRICE AT \$1,900 PER OZ

USE OF FUNDS

The Company organizes its expenditures and work so that generation of revenue receives primary priority. If sufficient revenue is raised the Company may be able to undertake all of the items listed below. Depending on the amount raised, the Company will proceed with the items listed below in a program designed to generate revenue and become self-sustaining as expeditiously as possible in management's sole discretion and judgment.

Such work will include, without limitation, the following work on the Mines in order of priority

Visit the company website to dig in more on the company's website:

www.gsminingcompany.com

1. Begin the extraction of gold bearing ore from the Bates Hunter Mine
2. Finish the rehabilitation of the Golden Gilpin Mill so that it can process ore delivered from the Bates-Hunter Mine.
3. Explore, mine and extract gold bearing ore in all available areas from the Mines
4. Commence the re-opening of the Becker Bates and the Clay County Mine.
5. Commence work on the Carr Mine
6. Exercise the Option for the Bates-Hunter Mine, the Golden Gilpin Mill, and the Clay County Mine

Appendix A: Risk Considerations for Moria Token

I. TECHNOLOGY & SECURITY PROCEDURES

Watching the news and seeing hackers attempt to disrupt almost anything on the Internet, it is no surprise that security is a major consideration for businesses, system developers and investors. The purpose of security is to ensure the confidentiality of data and the integrity of operations, and enable confidence in those systems we use to deliver ICOs. Here we delve into some of the details for how security is integrated into the Moria ICO. First security incorporated into the underlying blockchain technology is discussed and then the security architecture upon which that technology is implemented.

Blockchain and ICO Security

ICOs use blockchain technology in fundamentally the same way as Bitcoin. If we think of ICOs and Bitcoins as simply data that must be secured for integrity or immutability, i.e., to prevent and detect any modification of the data, then we realize this is no different than many other standard applications with the same requirement. Whether you are supporting a simple web page or running online banking you no doubt desire that only authorized changes are allowed to the data being processed and the underlying systems and applications. Likewise, when implementing blockchain technologies we only want authorized changes to the systems and data they process.

From a security standpoint blockchain relies upon the inherent security found in cryptography and specifically in the asymmetric public key cryptography upon which it is based. Cryptography is the science that provides the means for secure communications. A primary feature of cryptography is that it provides both data confidentiality and integrity. Asymmetric cryptographic systems or protocols are well understood and have been evaluated and found to be reliably secure for many financial and other

types of transactions, e.g., simple PIN based debit card transactions or online shopping using HTTPS. Thus, ICOs using blockchain technology can be considered secure and provide both confidentiality and integrity, when using a properly implemented cryptographic protocol.

Operationally, ICO security is derived from the decentralized nature of the blockchain. By maintaining copies of the electronic ledger upon which the blockchain uses, one can verify any entry at any time and ensure the integrity of all transactions. This is referred to as consensus security since everyone participating must agree with each entry of the blockchain. With a consensus, one gains trust which is the core of any secure system and certainly those that must be relied upon such as ICOs and Bitcoins. This decentralization ensures that an attacker cannot corrupt a single source of the transaction, as could potentially happen with a more traditional non-blockchain based systems. Through decentralization we gain transparency and auditability of all transactions, and thus integrity and immutability.

ERC 20 Ethereum Security

Ethereum is a blockchain network sometimes referred to as an ecosystem. The most common aspect of Ethereum is the ERC20 token standard. Standards provide greater interoperability and are typically well vetted and thus enable strong security and integrity. The standard provides the common rules for the issuance of cryptographic tokens used for smart contracts and ICOs. As a standard Ethereum relies upon

the security of the application code and system upon which it runs. For this reason, a strong security architecture and operational security are critical. For example, if a developer created a poor or flawed implementation of the standard in their application one would rely upon strong operational security procedures such as quality assurance and change control to identify those flawed before they could be deployed.

Smart Contract Security

Keeping the smart contract simple and following industry best practices on Ethereum with ERC20 token is very prudent. As noted below in the discussion on security architecture, smart contracts are simply data that must be secured. By implementing a strong security architecture

with appropriate operational controls, one can secure their smart contract. The security controls for smart contract apply to wherever they exist; within a wallet, transiting a network, and processed or stored within an application.

Ethereum Wallet

An Ethereum wallet is used to store and manage tokens. As with a physical wallet that one uses to hold their everyday cash an Ethereum wallet must be secured. In the virtual world this requires taking certain precautions. All blockchain based systems rely upon cryptographic systems and cryptographic keys to functions. The cryptographic keys are unique to every individual and must be secured for both confidentiality and integrity. If you lose your keys or for whatever reason cannot access them, then you cannot access the tokens held by your wallet. This means that wherever a wallet exists, there should be controls implemented such as, physical access controls, an authentication and access control process and a means to securely store the cryptographic keys. In short, the wallet

must exist within its own secure environment that implements a security architecture as described below.

This present an issue for all users. Namely, selecting a wallet or more specifically, an Ethereum wallet client. There are several choices and each of these has advantages and disadvantages. For example, one can rely upon others such as the exchange to hold their wallet, but this means trusting the exchange while losing some level of control over their wallet and the keys within it. Likewise, one can maintain their wallet on their local system. This provides a greater level of control over their wallet but if one is not technically savvy and loses or corrupts the wallet, they then could lose their tokens.

Security Architecture

Whether ICOs or Bitcoins the reliance on blockchain requires that all processing be performed within the secure confines of a security architecture. This is to ensure that all data and processing resources such as coins, cryptographic keys, user passwords, application code and system configuration information are generated, processed and stored in a secure manner, in all locations including the wallet, ICO application, all systems, storage devices and networks.

A security architecture is simply the implementation of hardware, software and operational security controls working in conjunction. Components of a security architecture includes hardened operating systems, identity and access management, network firewalls, anti-virus, threat detection, cryptographic and similar functions. These are implemented in a coherent and mutually supportive fashion such that the notion of defense in depth is realized. Using a defense in depth strategy for security is considered the industry standard and is intended to cost effectively reduce potential risks. For this reason, the ICO system is built upon a high grade and industry standard security architecture.

The ICO application and its web interface, when built upon a secure architecture and using strong operational security will itself provide a secure platform for token creation, distribution and management. This is important to prevent misdirection of tokens such as has occurred in some attacks as noted below.

Regardless if one is running a blockchain based application or a more traditional legacy system, there is an imperative that a security architecture be implemented. Here is but one example of the necessity for a secure infrastructure; secure cryptography and key management. In

a blockchain application as in a traditional PIN based credit card system, the cryptographic operations performed to verify a transaction should be carried out within a tamper resistant security module or TRSM. This is to ensure the confidentiality and integrity of all data processed within it. A TRSM is also referred to as a Hardware Security Module or HSM and is considered the industry standard for performing sensitive functions such verifying blockchain transactions. In conjunction with a TRSM a comprehensive key management process should be implemented. This is to ensure that the cryptographic keys used to generate and verify transactions are free from disclosure or modification. Note that a secure coin wallet should have similar characteristics as a TRSM in that one's unique cryptographic keys are store in their wallet and thus require strong security controls.

To summarize, a blockchain based system must be implemented within a comprehensive security architecture. The architecture should be implemented on a secure hardware platform which itself is physically secured. The TRSM noted above is considered part of the secure hardware infrastructure. That hardware should then run a secure operating system (and any virtualization manager) that is hardened and minimized and implements a least privilege model for access to administrative functions. Additionally, the actual blockchain application is secured by identity and

access management controls to ensure the application runs as designed and only authorized changes to it are allowed.

With the ICO system using strong cryptography and implemented on an industry standard security architecture, we can reduce the likelihood of hacker attacks and safeguard the data representing everyone's investments.

Issues, Hacks and Attacks

Blockchain based technologies such as an ICO are extremely secure. The technologies are very mature and have been well vetted over time. Discussing hacking and attacks against blockchain technologies is important as we can always learn something from how an adversary might possibly attempt an attack. Understanding an adversary's motives and techniques enables us to build more secure systems. Here we discuss some of the attacks that have been made against ICOs (or rather company's websites). The critical point here is that with a well design security architecture as a foundation and solid operational security practices in place, attacks and their repercussions can be eliminated or minimized.

For example, a recent attack on Enigma highlights this (<http://www.enigma.co>). Enigma was planning an ICO when their website was hacked. Because of lax operational security (what appeared to be poor password account management and a lack of multifactor authentication) attackers were able to redirect almost \$500,000 worth of Ether coins. Note that the attack was not against the underlying blockchain technology or even the Enigma ICO; rather, potential investors were scammed of the Ether coins.

Another example was CoinDash. Like Enigma, CoinDash had their website hacked and attackers were able to misdirect \$7 million in cyber currency. The attackers basically tricked users by modifying the Ethereum address for the ICO so funds went to their own wallets instead of CoinDash's. Note as with Enigma, the underlying ICO technology was not compromised. Rather, it appears basic security hygiene was not implemented, and this allowed attackers to corrupt CoinDash's website.

One last attack should be mentioned. The Parity wallet hack. This hack is important to understand as it was an attack that took advantage of a vulnerability in the program or code of the Parity wallet. A vulnerability is an inherent flaw in software and the attackers exploited that flaw. Essentially a bug in the code. As this was an unknown flaw it was considered a zero-day attack. In the Parity hack, over 150,000 ETH were misdirected or stolen. What the Parity hack demonstrates is that wallet and system providers must have strong quality assurance testing and controls over their code. That is, the code should be well vetted and reviewed to ensure that vulnerabilities can be discovered before the code is released.

II. COMPLIANCE & REGULATION

In accordance with The Securities Act of 1933, GS Mining Company, LLC will employ the following to remain in compliance with jurisdictional regulation and provide investor protections:

Know-Your-Customer (“KYC”) Due Diligence

According to the securities act of 1933 we must identify all of the shareholders of MOR in order to do so, we plan to partner with third party services whom provide KYC Due Diligence as a service. By partnering with various third parties, we can ensure compliance while streamlining the on-boarding process.

Proper Disclosures

Investors should carefully consider and review the disclosures below in sections iii and iv of this Appendix.

Transparency

To keep investors informed of the status of the mining operations, the Company will provide reasonable reporting concerning milestones and an annual report of revenue to Token holders of record. Updates, reports and communications from management will be available via the Moria application.

III. MINE RISK FACTORS

The company's earnings will be affected by the price of gold.

The Company's revenues will have derived primarily from the sale of gold. As a result, the Company's earnings will be directly related to the prices of this precious metal. Gold prices fluctuate widely and are affected by numerous factors including:

- expectations for inflation;
- speculative activities;
- relative exchange rate of the U.S. dollar;
- global and regional demand and production;
- political and economic conditions; and
- production costs in major producing regions.

These factors are beyond the Company's control and are impossible to predict. If the market prices for gold falls below the costs to produce it for a sustained period, the Company may have to discontinue its exploration, development or mining operations.

The development of ore bodies may cost more and provide less return than estimated.

The Company's operations will be dependent to a large extent on its ability to develop and remove ore at the mine. Before it can begin a development project, the Company must first determine whether it is economically feasible to do so. This determination will be based on estimates of several factors, including:

- resources;
- expected recovery rates of metals from the ore;
- facility and equipment costs;
- capital and operating costs of a development project;
- future metals prices;
- comparable facility and equipment costs; and
- anticipated climate conditions.

The company's operations may be adversely affected by risks and hazards associated with the mining industry.

The Company's business will be subject to a number of risks and hazards including:

- environmental hazards;
- political and country risks;
- industrial accidents;
- labor disputes;
- unusual or unexpected geologic formations;
- cave-ins;
- explosive rock failures; and
- flooding and periodic interruptions due to inclement or hazardous weather conditions.

Such risks could result in:

- damage to or destruction of mineral properties or producing facilities;
- personal injury;
- environmental damage;
- delays in mining;
- monetary losses; and
- legal liability.

For some of these risks, the Company plans to maintain insurance to protect against losses at levels consistent with industry practice. However, the Company may not be able to maintain this insurance, particularly if there is a significant increase in the cost of premiums. Insurance against environmental risks may generally be either unavailable or too expensive, in which case the Company would not maintain environmental insurance. To the extent the Company is subject to environmental liabilities, it would have to pay for these liabilities. Moreover, in the event that the Company is unable to fully pay for the cost of remedying an environmental problem, the Company might be required to suspend operations or enter into other interim compliance measures.

The company will be required to obtain government permits to conduct mining operations.

Although at the date of this Memorandum the Mine is permitted by the State of Colorado, those permits will need to be maintained and regularly extended or upgraded to comply with changing regulations. Obtaining the necessary government permits is a complex and time-consuming process involving numerous jurisdictions and often involving public hearings and costly undertakings. The duration and success of efforts to obtain permits will be contingent upon many variables not within the Company's control. Obtaining environmental protection permits, including the approval of reclamation plans, may increase costs and

cause delays depending on the nature of the activity to be permitted and the interpretation of applicable requirements implemented by the permitting authority. There can be no assurance that all necessary permits

will be obtained and, if obtained, that the costs involved will not exceed those previously estimated. It is possible that the costs and delays associated with the compliance with such standards and regulations could become so significant that the Company would not proceed with the development or operation of a mine or mines.

The company will face substantial governmental regulation and environmental risks.

The Company's business is subject to extensive federal, state and local laws and regulations governing development, production, labor standards, occupational health, waste disposal, use of toxic substances, environmental regulations, mine safety and other matters.

The Company may be required to maintain reserves for costs associated with mine closure, reclamation of land and other environmental matters. Future expenditures related to closure, reclamation and environmental expenditures are difficult to estimate due to:

- the uncertainties relating to the costs and remediation methods that will be required in specific situations;
- the possible participation of other potentially responsible parties; and
- changing environmental laws, regulations and interpretations.

Various laws and permits require that financial assurances be in place for certain environmental and reclamation obligations and other potential liabilities. The amount of the financial assurances

and the amount required to be set aside as collateral for financial assurances are dependent upon many factors, including reclamation cost estimates. The Company may be unable to maintain the financial assurances that may be required.

From time to time, the U.S. Congress considers proposed amendments to the General Mining Law of 1872, as amended, which governs mining claims and related activities on federal lands. Legislation previously introduced in Congress would have changed the current patent procedures, imposed certain royalties on production and enacted new reclamation, environmental controls and restoration requirements with respect to mining activities on federal lands. The extent of any such changes is not known and the potential impact on the Company because of congressional action is difficult to predict. Changes to the General Mining Law, if adopted, could adversely affect the Company's ability to economically develop mineral resources on federal lands.

III. ADDITIONAL DISCLOSURES

Cryptocurrency is not legal tender, is not backed by the government, and accounts and value balances are not subject to Federal Deposit Insurance Corporation or Securities Investor Protection Corporation protections. There is substantial uncertainty surrounding the current and future regulation of Cryptocurrencies and Token markets.

Regulation in the United States

Many U.S. states have either brought enforcement actions or introduced legislation regarding regulation of Cryptocurrency and Tokens, with widely varied approaches and results. New York, California, and Texas agencies have all issued opinions, opened investigations, or otherwise become involved directly in Cryptocurrency Regulation. New York adopted a 'BitLicense' regulatory regime in June 2015, which purports to place requirements and restrictions not only on New York residents, but anyone worldwide transacting business under New York law or with New York counterparties. Conversely, Texas has

many Cryptocurrency-related businesses from registration under the Texas Money Services Act, albeit with abundant exceptions. Arizona has passed legislation providing for enforceability of 'smart contracts' in local courts. The state-to-state regulatory environment is currently extremely fluid. Many other states may attempt to institute regulations or bring enforcement actions. Similarly, taxation and treatment may vary from state to state, as well, either now or in the future. These factors could negatively impact the value of an investment in the Units.

Foreign Regulation

It may be now, or become in the future, illegal to buy, hold, sell, or use bitcoins or other Tokens in one or more countries. One or more countries have or may in the future adopt, alter, or implement laws and regulations which adversely affect the Fund's positions. Because the market for tokens is global, to the extent this suppresses demand or creates distrust, slowing or preventing mass commercial and consumer adoption, this could have an adverse effect upon the value of an investment in the Units.

Individual nations have taken widely different approaches to regulating Cryptocurrency, Tokens and their related markets. These range from recognition of bitcoins as legal tender (Japan); unpredictable or fragmented regulatory

frameworks (United States, where regulation has emerged from a patchwork of decisions by multiple regulatory bodies); simple illegality (Nigeria & Macau have banned all banks and other financial institutions from engaging in any virtual currency related transactions; China has banned all ICO activities and ordered the closure of Cryptocurrency Exchanges; South Korea has banned all ICOs and margin trading of virtual currencies); to simply nonexistent, with many countries providing little to no guidance as to their regulatory treatment of Cryptocurrency – related activities (the EU, which takes the position that it cannot comprehensively regulate Cryptocurrency markets absent legislative or treaty changes).

Unique Operational and Market Risks

- Transactions in cryptocurrency may be irreversible, and, accordingly, losses due to fraudulent or accidental transactions may not be recoverable.
- Some cryptocurrency transactions shall be deemed to be made when recorded on a public ledger, which is not necessarily the date or time that the customer initiates the transaction.
- The value of cryptocurrency may be derived from the continued willingness of market participants to exchange fiat currency for cryptocurrency, which may result in the potential for permanent and total loss of value of a cryptocurrency should the market for that virtual currency disappear.
- There is no assurance that a person who accepts a cryptocurrency as payment today will continue to do so in the future.
- The volatility and unpredictability of the price of cryptocurrency relative to fiat currency may result in significant loss over a short period of time.
- The nature of cryptocurrency may lead to an increased risk of fraud or cyber-attack.

Cautionary Statement For Purposes Of The Safe Harbor Provisions Of The Private Securities Litigation Reform Act Of 1995

This memorandum may be deemed to contain “forward-looking” statements. We desire to take advantage of the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995 and we are including this statement for the express purpose of availing ourselves of the protections of such safe harbor with respect to all of such forward-looking statements. Examples of forward-looking statements include, but are not limited to (i) projections of revenues, income or loss, earnings or loss per share, capital expenditures, growth prospects, dividends, capital structure and other financial items, (ii) statements of plans and objectives of ours or our management or Board of Directors, including the introduction of new products or services, or estimates or predictions of actions by customers, suppliers, competitors or regulating authorities, (iii) statements of future economic performance and (iv) statements of assumptions

underlying other statements and statements about us or our business.

Our ability to predict projected results or to predict the effect of any legislation or other pending events on our operating results is inherently uncertain. Therefore, we wish to caution each reader of the memorandum to carefully consider specific factors, including competition for products, services and technology; the uncertainty of developing or obtaining rights to new products, services or technologies that will be accepted by the market; the effects of government regulations and other factors discussed herein because such factors in some cases have affected; and in the future (together with other factors) could affect, our ability to achieve our projected results and may cause actual results to differ materially from those expressed herein.

Appendix B: Investor Notices

TO INVESTORS GENERALLY:

IT IS THE RESPONSIBILITY OF ANY PERSONS WISHING TO PURCHASE THE SECURITIES DESCRIBED IN THIS WHITE PAPER TO INFORM THEMSELVES OF AND TO OBSERVE ALL APPLICABLE LAWS AND REGULATIONS OF ANY RELEVANT JURISDICTIONS. PROSPECTIVE INVESTORS SHOULD INFORM THEMSELVES AS TO THE LEGAL REQUIREMENTS AND TAX CONSEQUENCES WITHIN THE COUNTRIES OF THEIR CITIZENSHIP, RESIDENCE, DOMICILE AND PLACE OF BUSINESS WITH RESPECT TO THE ACQUISITION, HOLDING OR DISPOSAL OF THESE SECURITIES, AND ANY NON-U.S. EXCHANGE RESTRICTIONS THAT MAY BE RELEVANT THERETO.

AN INVESTMENT IN VIRTUAL CURRENCY TRADING ACTIVITIES IS SPECULATIVE, POTENTIALLY ILLIQUID AND INVOLVES A HIGH DEGREE OF RISK INCLUDING THE POTENTIAL FOR TOTAL LOSS OF THE INVESTMENT. SEE THE "APPENDIX A: RISK CONSIDERATIONS" SECTION OF THIS WHITE PAPER FOR AN EXPLANATION OF THE MANY RISKS ASSOCIATED WITH AN INVESTMENT IN THE TOKENS. AS A RESULT, AN INVESTMENT IN THE TOKENS IS SUITABLE ONLY FOR PERSONS WHO MEET THE REQUIREMENTS SET FORTH BELOW UNDER "INVESTOR SUITABILITY STANDARDS", HAVE NO NEED FOR LIQUIDITY FROM THE INVESTMENT, ARE ABLE TO BEAR THE POSSIBLE LOSS OF THEIR ENTIRE INVESTMENT, ARE SOPHISTICATED REGARDING FINANCIAL MATTERS AND ARE FAMILIAR WITH THE RISKS ASSOCIATED WITH INVESTMENTS SIMILAR TO AN INVESTMENT IN THE TOKENS.

THE TOKENS HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "1933 ACT"), OR ANY U.S. STATE SECURITIES LAWS. IT IS ANTICIPATED THAT THE OFFERING AND SALE OF THE UNITS WILL BE EXEMPT FROM REGISTRATION PURSUANT TO SECTION 4(2) AND REGULATION D PROMULGATED

UNDER THE 1933 ACT AND OTHER EXEMPTIONS OF SIMILAR IMPORT UNDER THE LAWS OF THE STATES.

EACH PURCHASER WILL BE REQUIRED TO REPRESENT, AMONG OTHER THINGS, THAT IT IS A SUITABLE INVESTOR WITHIN THE MEANING OF APPLICABLE FEDERAL SECURITIES LAWS AND THAT IT IS ACQUIRING THE TOKENS PURCHASED BY IT FOR INVESTMENT PURPOSES ONLY AND NOT WITH A VIEW FOR RESALE OR DISTRIBUTION. THERE IS NO PUBLIC MARKET FOR THE UNITS, AND NO SUCH MARKET MAY EVER DEVELOP. THE TOKENS ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SMART CONTRACT RESTRICTIONS ON TRANSFER IN EACH TOKEN, THE 1933 ACT, AND APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. INVESTORS SHOULD BE AWARE THAT THEY WILL BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AT LEAST THE DURATION OF THE INITIAL RESALE RESTRICTION PERIOD, AS APPLICABLE, UNDER THE APPLICABLE U.S. SECURITIES LAWS AND REGULATIONS.

THIS WHITE PAPER AND ASSOCIATED AGREEMENTS CONSTITUTES AN OFFER OF SECURITIES ONLY IN THOSE JURISDICTIONS AND TO THOSE PERSONS WHERE AND TO WHOM THEY LAWFULLY MAY BE OFFERED FOR SALE. THIS MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO SUBSCRIBE FOR SECURITIES EXCEPT TO THE EXTENT PERMITTED BY THE LAWS OF EACH APPLICABLE JURISDICTION. EACH POTENTIAL INVESTOR ACKNOWLEDGES THAT THE COMPANY WILL RELY ON THIS ASSERTION OF A POTENTIAL INVESTOR'S STATEMENTS WITH RESPECT TO COMPLIANCE WITH THE LAWS OF THE JURISDICTION IN WHICH POTENTIAL INVESTOR IS LEGALLY DOMICILED.

