



# MaxiMine

## MAXIMINE WHITEPAPER

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<b>Token Name</b>	<b>Maximine Coin</b>
<b>Token Ticker</b>	<b>MXM</b>
<b>Smart Contract Address</b>	<b>0x6a750d255416483bec1a31ca7050c6dac4263b57</b>

[WWW.MAXIMINE.IO](http://WWW.MAXIMINE.IO)

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# 1. BACKGROUND



# 1. BACKGROUND

In early 2009, the genesis block of the Bitcoin network was mined by Satoshi Nakamoto, launching Bitcoin into existence with the release of the first open source client and the issuance of the first Bitcoins. Since then, Bitcoin has seen tremendous growth and following, from being a niche currency used only in very small circles, to worldwide adoption and publicity in mainstream media. One of the key driving factors for its success lies within its innovative usage of cryptography in its underlying technology through a process known as “mining”.

## 1.1 Mining Industry

Mining refers to the process of adding new transactional records to Bitcoin's distributed public ledger. The ledger itself is known as the blockchain because transactional records are packaged into blocks before being linked together as a database.

The blockchain is used to confirm that transactions carried out within the network are verified. It also serves to testify towards the authenticity and legitimacy of individual transactions to prevent a potential case of “double-spending”.

## 1.2 Proof-of-Work

Proof-of-work refers to the concept used to define the requirement for the generation of a new set of transactions to be added to the distributed transaction database. Every set of transactions is packaged into a block containing a block header. The block header contains a short string of meaningless data – called a nonce – attached to them. Mining computers are required to search for the right meaningless string such that the block as a whole satisfies a certain arbitrary condition. For Bitcoin, it is required that the SHA-256 hash of the block will have a certain number of leading zeros.

The popularity of Bitcoin has also raised the visibility of the proof-of-work consensus algorithm, with many other early cryptocurrencies adopting it in their technological stack and making a myriad of improvements and modifications to it.



### 1.3 Equipment

In the early days, the primary form of mining placed emphasis on CPUs and GPUs. However, as cryptocurrency mining became more and more profitable, Application Specific Integrated Circuits (ASICs) were designed for the sole purpose of mining and were more efficient than traditional hardware by an order of magnitude. These specialized devices were not only more powerful than GPU miners, they also consumed less electricity and thereby incurred less cost for the miner, ultimately increasing their profit margins.





## 2. PROBLEM

Despite the profitability of mining, high barriers-to-entry exist in this industry, preventing most people from taking part in it. Initially, the only way to get into cryptocurrency mining was to be an independent miner and purchase and configure equipment to mine. This system proved to be effective for most individuals who had both the technical expertise and capital to manage their own mining equipment. As the industry progressed, coordinated efforts proved to be significantly more effective than independent mining and key players were quickly able to dominate the mining industry. Efforts to lower the difficulty and increase adoption and participation, combined with the widespread adoption of cryptocurrencies resulted in an infrastructure known as “cloud mining”. Cloud mining allowed firms to set up mining farms and rent out hashing power at a cost to individuals, increasing participation of lower skilled miners.

Today, both independent and cloud mining are provided as options for retail investors and miners alike, each with their own set of advantages and disadvantages.

### 2.1 Independent Mining

Independent mining can produce very high returns if the owner is experienced and the equipment is well maintained. However, the skills needed to set up and configure the mining rigs may prove difficult to individuals who lack a complimentary background. In addition to that, external factors out of their control such as electrical fees and climate could negatively impact the returns from mining.

#### 2.1.1 Getting Equipment

The purchasing process of cryptocurrency mining equipment is usually the first challenge faced by aspiring miners. Procuring ASICs directly from Bitmain or other manufacturers is an unpredictable process as the stock is usually sold out within a very short period of time and delivery times may turn out to be longer than advertised. The low supply of ASICs and a strong monopoly in the manufacturing of such equipment also causes prices to soar in the secondary market, with listings as high as two to three times of the retail prices. Attempts to purchase graphics cards to construct mining rigs for cryptocurrencies without ASIC mining capabilities prove to be equally challenging due to similar problems in supply and demand.



### 2.1.2 Expertise and Skill

Even if an independent miner is able to receive the equipment needed for mining, a high level of expertise and skill is required to configure the equipment and ensure maximum efficiency and output of the equipment. Optimization is especially challenging due to the additional factors for consideration, such as the increased heat output from the overclocking process. Any mistake made could potentially damage the equipment and reduce the output and efficiency of the capital spent.

### 2.1.3 Climate and Electricity

External factors outside the control of the miner are able to heavily impact the returns from mining, with the two most important factors being climate and electrical cost. In this regard, climate refers mainly to the temperature and humidity of the mining farm. An ideal climate would be a cold and dry one as a cold climate offsets the high heat dissipated by the mining rig and a humid climate would damage the equipment if they are exposed. Electrical costs generally account for over 30% of the running cost for operating a mining farm and if the rates per kilowatt hour is high, the profit margins from mining would be reduced drastically.

### 2.1.4 Sunk Cost for Equipment

Purchasing and owning equipment results in a high sunk cost involved in the initial capital commitment as some of the equipment such as ASICs are heavily specialized and are difficult to liquidate after using them. Some manufacturers and resellers have also defined rules against equipment that has been used for mining as their lifespan would be reduced drastically in the process.

## 2.2 Cloud Mining

Remote hosting and cloud-based mining helps reduce the cost and barrier to entry for investors and provides access to the same mining capabilities for mining rewards. However, a different set of problems and issues can arise from cloud mining due to the lack of ownership over the equipment.

### 2.2.1 Risk of Fraud

For cloud mining, hashing power is generally purchased through mining contracts in place of buying the actual equipment. This brings about additional risk as investors often do not get to see the mining rigs or farm, making it a very common way to run Ponzi schemes. Since the funds are committed up front, in the event of liquidation of the cloud mining farm or service, investors would get nothing in return as they are paying for the service and agreeing to no ownership over any of the underlying assets and equipment.



### 2.2.2 Perpetual Recurring Cost

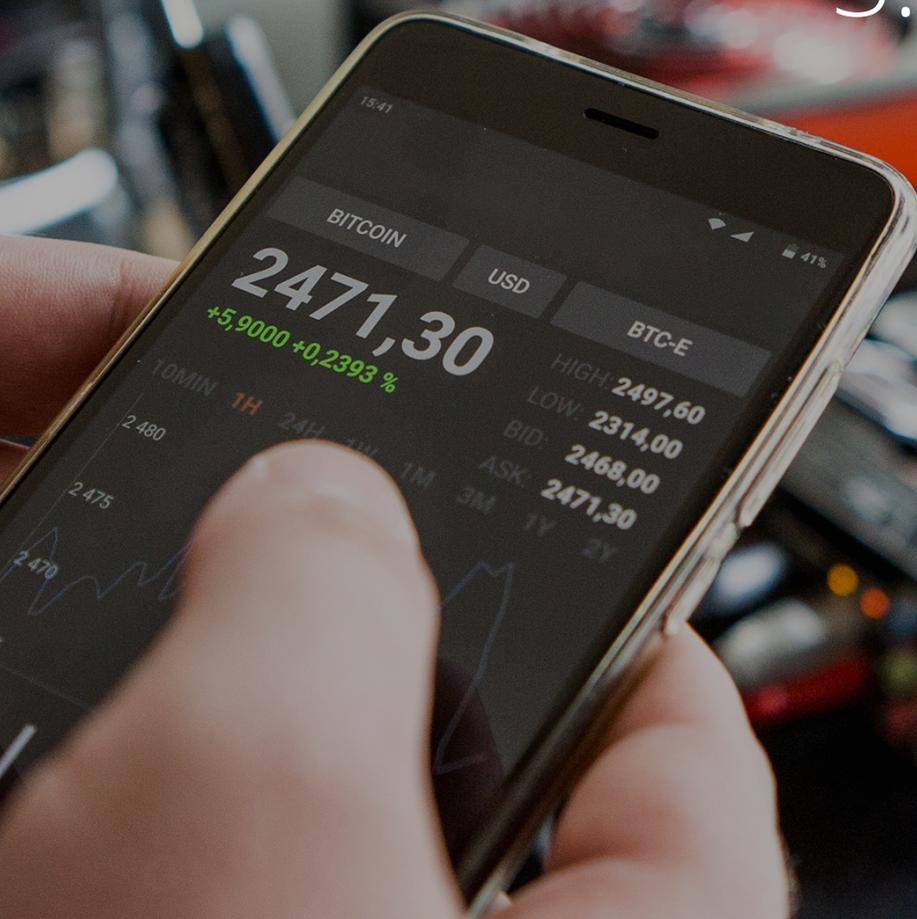
The requirement to purchase contracts for mining duration would eventually add up to a high amount of recurring cost due to the lack of ownership over the equipment and assets. This means that if the investor plans to mine for a prolonged period of time, the profit margin would be lower unless the cloud mining company reduces their fee structure. For miners who own the equipment, the profit margin would increase once the rig has earned more than its cost.

### 2.2.3 Lack of Transparency and Control

Cloud mining services are fully owned by the service provider and the processes and calculations are generally not made public and non-transparent. Mining service providers can also charge hidden fees such as through the absorption or under declaration of the transaction fees collected from each block. Service providers are also free to modify their pricing as they deem fit, resulting in a business model that may not be very beneficial to investors purchasing and renewing short term contracts.



### 3. MAXIMINE



## 3. MAXIMINE

In view of the challenges in the industry, MaxiMine proposes a decentralized cloud mining pool based on blockchain technology to provide an open, fair, accessible and transparent mining pool for investors. Investors will also be able to benefit from the overall services based on the rich experiences and resources of the founders and team members. Although it is a cloud mining service, the main differentiating factor for MaxiMine is the staking process, instead of a traditional fixed cost and payment, investors are required to deposit capital for the duration of the mining contract, resulting in minimal capital loss incurred in mining.

### 3.1 Introduction and Location

MaxiMine leverages on a few key resources that provide a strong competitive edge in the industry while bringing high value to its investors. The wealth of experience amassed by the founding team members expands on the deep knowledge and understanding they have in both cryptocurrency mining and business management. The deep ties and strong partnerships that they have forged are also used to enable strategic value through networks and connections. Over the years, the team has devised innovative means to optimize and improve the mining process and increase the returns and output of any mining farm.

MaxiMine has its technology headquarters in the United States and Singapore. Its first batch of mining farms will be located in several countries, with the largest one in Xinjiang, Northern China.



Mining Farm

The most efficient and effective mining rigs are manufactured in China, along with all the parts required in servicing. Over 60% of the global hashing power is generated in this country and it has proven itself as an industry leader attracting the best talent and resources into its mining community.

Situating a flagship mining farm in Northern China would therefore bring about a number of benefits and geographical advantages such as a reduction on foreign exchange risk as the primary currency utilized in both the farm and in dealing with vendors. Time and resources consumed in transport and logistics are also reduced due to the closer proximity to key suppliers and partners.



### 3.2 Climate and Power

Situating the mining farm in Xinjiang brings about benefits that can reduce operational overhead. The vast expanse of land combined with a low population allows for land and labour costs to be among the lowest in the world.

In addition, the area has significant power wastage resulting in extremely low electrical fees of about 28 cents CNY (4 cents USD) per kWh. With a local steppe climate and an average annual temperature of 13.2 degrees Celsius, cost savings are also accrued in the reduced machine and farm cooling costs.

### 3.3 Strategic Partnerships

MaxiMine has formed multiple strategic partnerships with experienced firms and industry professionals. Two such examples of the many key strategic partners are Bitmain and its associated pool, Antpool. Bitmain is the leader of mining chips, and MaxiMine is the champion of mining farm management and operation with many proprietary technologies and patents. By combining the best of both worlds, MaxiMine has established a hyper efficient and highly profitably mining farm business model.

By leveraging on deep ties to Bitmain and other strategic partners, MaxiMine will be able to gain priority access to newly released products such as the Ethash ASIC, the Antminer E3 that were acquired months before the mass market. Delivery of equipment and orders will also be expedited to reduce capital lockup and allow for quicker establishment and setup for the farm.

### 3.4 Farm and Equipment

The first mining farm for MaxiMine is planned to house 40,000 Antminer S9i 14T mining rigs designed for ASIC mining the SHA-256 algorithm used in Bitcoin and Bitcoin Cash. Based on statistical analysis, with a conservative estimate of a 50 cent CNY (7 cents USD) electrical cost, each mining rig has a breakeven point of about 161 days. In this scenario, electrical costs accounted for slightly over 30% of the total cost. Applying dynamic prediction to this model would generate an annualized ROI in CNY of 77% excluding machine depreciation and 45% including machine depreciation, with an annualized ROI in BTC at 100% excluding depreciation and 98% including depreciation.



### 3.5 Patents and Proprietary Technology

MaxiMine owns more than 20 patents related to mining rigs and mining operations, which provide a significant competitive edge in the market.

For example, MaxiMine owns a full series of rig container-related patents: 201711275292.X; 201711274897.7; 201711274978.7; 201721678581.X; 201721678731.7; 201830165533.4; 201830165883.0; 201820590678.3; 201820589919.2; 201820589918.8; 201830173682.5, etc.

To use a patent as an example, BTC-BOX is an Invention Patent (201711275292.X) that allows the construction of a modularized mining rig container.



BTC-BOX brings about major benefits in terms of better internal climate, temperature and humidity control and real-time monitoring capabilities. Heat dissipation and cooling have also been optimized through rigorous testing and innovation along with the durability of the containment unit throughout the four different seasons. With proper cooling cycles and intelligent humidity control systems, mining rigs can function at peak capacity all year round and increase the annualized return on investment per rig.

The BTC-BOX is currently in its third generation (Invention Patent 20171127498.7) and has received multiple improvements and upgrades since its initial conception. It is deployed live and used on a daily basis in private mining farms owned by one of the founders.



In the rare event that the farm has to be relocated due to regulatory requirements or natural disasters, the modular design will be able to accelerate and expedite the relocation process, allowing the relocation to be completed in a very short time. Post relocation, it will also enable rapid redeployment of the mining rigs at the new farm, reducing downtime and increasing efficiency.



# 4. MINING INDUSTRY ANALYSIS



## 4. MINING INDUSTRY ANALYSIS

### 4.1 Mining Equipment Investment Analysis

Our primary report and analysis are done based on corporate finance and investment analysis methodology. We have made use of web crawler technology to collect data from a broad source, and subsequently we present the data in a visualized style.

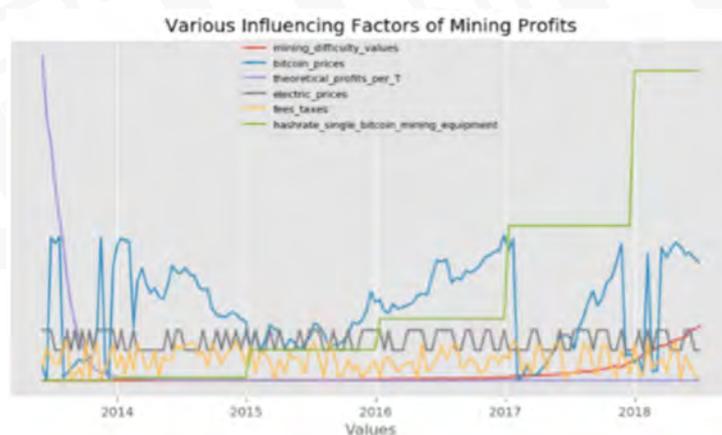
#### 4.1.1 Purpose of Analysis

We will use Bitcoin mining as the example in our analysis. Based on the same point, we will analyse the profitability of different mining rigs. We will also analyse and compare the profitability of the same mining rig at different time points.

#### 4.1.2 Influencing Factors for Mining Profit Projections

Human nature is complicated. As such, an ecosystem that is established on human nature will be a subjected to influence from multiple factors and mechanisms. The figure below indicates the main factors that affect the profitability of mining from the prospect of investment analysis. In reality, the factors that affects bitcoin mining are more complicated.

We have taken into consideration multiple factors, including but not exclusive to mining difficulty, bitcoin price, theoretical mining revenue, electricity cost, additional taxes and fees, cost of mining rigs and hash power. A multitude of secondary factors such as changes in exchange rate would also impact the projections to some degree. It should be mentioned that these factors fall into different categories and cannot be represented clearly under the same scale in a single figure. We have therefore made adjustment by upscaling or downscaling certain figures. The adjustment will not affect their historical trend.



### 4.1.3 Computation Methodology for Investment Analysis

Project investment analysis generally makes use of NPV and ROI. In NPV analysis, only projects with positive NPVs are accepted. Under ROI analysis, the ROI of a project should be higher than the opportunity cost of the investment. In the following sections, we will use ROI to analyse the MaxiMine project. When there is sufficient company data, NPV can also be used. The last section of this chapter will briefly explain the formula used in the calculations.

Mining Difficulty and Corresponding Hash Power

Formula for mining difficulty dictated by encryption algorithm

$$D = \frac{DOT}{CH} \quad (1.1)$$

DOT represents the number of HASH when the difficulty is at 1. It is a very big constant. It is usually labelled as 0x1d00ffff and is a compression marker. CH is the current target HASH. It has been compressed and then stored in the block. Only CH needs to be adjusted when the difficulty changes. The smaller CH is, the greater the difficulty, and vice versa.

Through derivation of the above equation, we can obtain a new equation (1.2). We can therefore calculate the HASH required (number of HASH) for block generation when the current difficulty is equal to D.

$$CH = \frac{D * (2^{32})}{600} \quad (1.2)$$

#### Theoretical Return on Investment for Bitcoin Mining

The difficulty of mining (the number of HASH required for generation of a block) determines the demand for computational power, which is directly correlated to the performance of the mining rigs.

Therefore, the theoretical return of any bitcoin mining device can be calculated by the following formula (1.3, 1.4, 1.5, 1.6, and 1.7)

$$HT = \frac{CH}{M} \quad (1.3)$$

$$PHT = \frac{HT}{V} \quad (1.4)$$

$$EPHT = \frac{PHT}{XT} \quad (1.5)$$

$$DEPHT = \frac{EPHT}{N} \quad (1.6)$$

$$PPT = \frac{1}{DEPHT * XT} \quad (1.7)$$



Where M is equal to 1012, the unit multiplier of hashing power (1 KH/s\*M=1 TH/s), HT is the hashing power, V is the current number of bitcoins, and PHT is indicative of the computing power (unit is TH/s) for acquiring a bitcoin. XT equals to the hashing power of a mining rig (unit is TH/s). EPHT refers to the number of mining rigs needed to calculate the power of XT for one bitcoin. N equals to the number of blocks created in one day. DEPHT represents the number of mining rigs needed to acquire a bitcoin in one day, and PPT is the share of a bitcoin that a mining rig whose computing power is XT and one of the power unit T can acquire in a day. Based on the above information, we can derive the theoretical gain in Bitcoin obtained per day and express it as the following:

$$PPT = \frac{M*V*N}{CH} \quad (1.8)$$

## Actual Mining Profit Calculation

### Gross Profit calculation

Using the above formula, we can calculate the theoretical gain per unit of has power per day based on the performance of the mining rig. Using the following formula (1.9), we can calculate the actual daily profit of the mining rig:

$$GP = \text{Price}_{\text{btc}} * XT * PPT \quad (1.9)$$

Among them, Price<sub>Bitcoin</sub> refers to the actual price of bitcoin on that day; GP is the gross profit of the mining machine for one day.

### Net Profit Calculation

The net profit equals to the gross profit minus the fixed cost (such as depreciation) and the variable cost (such as electricity charges). The following formula can be used to calculate the daily net profit per mining rig:

$$NP = GP - \frac{W*24*Price_{\text{electric}}}{1000} - Q \quad (1.10)$$

Where W refers to the power consumption of the mining machine (unit w) and Q refers to the fixed cost.



## Payback Period Calculation

Based on the daily net profit calculated in the previous step, we can then calculate the return period (in days) of the mining rig with the formula:

$$PP = \frac{Price\_equipment}{NP} \quad (1.11)$$

## Investment Analysis for MaxiMine Mining Farm

With the formulae defined above, an in-depth analysis of the different mining rigs in the market can be conducted.

## Other Project Investment Analysis Indicators

### NPV

The equation (1.12) reflects the dynamic profitability of the project within the time frame of construction and production. It is the gross summation of NPV of the annual cash flow (according to certain discount rate) during the construction and production period.

$$NPV = \sum_{t=0}^n \frac{NCF_t}{(1+r_s)^t} \quad (1.12)$$

In this formula, Net Cash Flow (NCF), Discount Rate (r) and project cycle (n) are factors affecting NPV.

### IRR

Formula (1.13) represents the discount rate when the NPV of the project equals to zero or the discount rate when the NPV of cash inflow equals to the NPV of cash outflow.

$$NPV = \sum_{t=0}^n NCF_t(1 + IRR)^{-t} = 0 \quad (1.13)$$

In this equation, IRR is used to evaluate the profitability of the project. It is calculated based on the cash flow of the project. IRR is not related to capital but associated with project decision making. The cost of capital is the lowest IRR demanded by the investor when investing in the project. When making a decision, the project is deemed feasible when IRR equals to or is greater than the cost of capital. Otherwise, the project is not feasible.



## Profitability Index

PI (profitability index) is also called current value index. Formula (1.14) represents the ratio between the NPV of the future cash inflow (CIF) and the NPV of the future cash outflow (COF).

$$PI = \frac{\sum_{t=0}^n CIF_t(1+r_t)^{-t}}{\sum_{t=0}^n COF_t(1+r_t)^{-t}} \quad (1.14)$$

When  $PI > 1$ , the project is feasible. Otherwise, it is not feasible.

## Pay Back Period

PP (payback period) is the time taken for net cash flow to get back the investment. When the annual net cash flows are different, we use the following formula (1.15).

$$PP = N_{\text{accumulative-net-cash-flow}} - 1 + \frac{|LNCFN-1|}{CNCFN} \quad (1.15)$$

$N_{\text{accumulative-net-cash-flow}}$  represents the number of years taken before the accumulated net cash flow turns to positive.  $LNCFN-1$  represents the absolute value of the accumulated cash flow the year before.  $CNCFN$  represents the cash flow in the current year. In the calculation of PP, the time span is in days and the assumption is that the daily net cash flow is equal

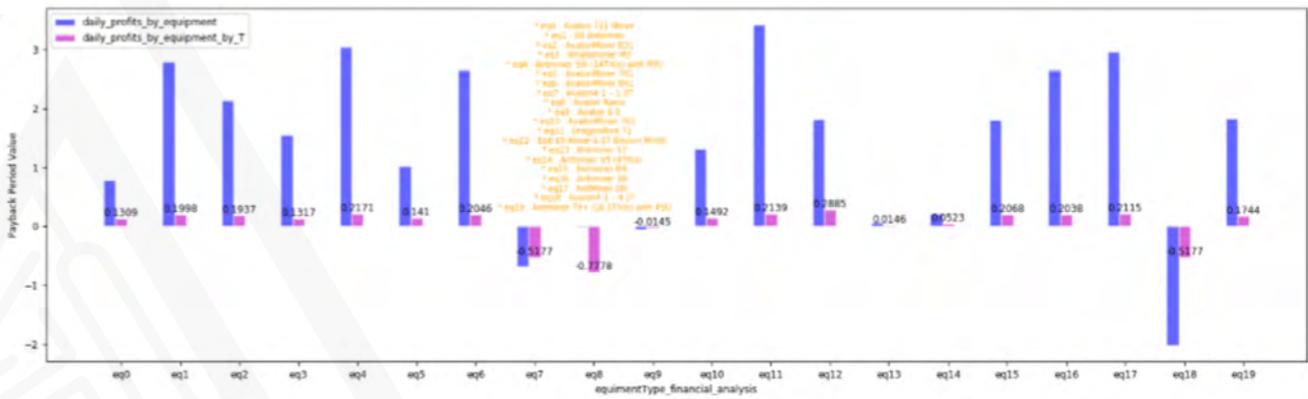
## 4.2 Maximine Investment Study

### 4.2.1 Mining Rig Performance Within the Same Timeframe

This section selects various types of mining pools or miners and compares and analyse relevant data of 20 different mainstream bitcoin mining equipment, focusing on the same time period (July 2018), to compare and analyse three indicators related to the earnings of mining rigs. The evaluation indicators include the daily net profit of a single mining rig, the daily net income per time period of a single mining rig, and the daily return period of a single mining rig (under fixed net income).

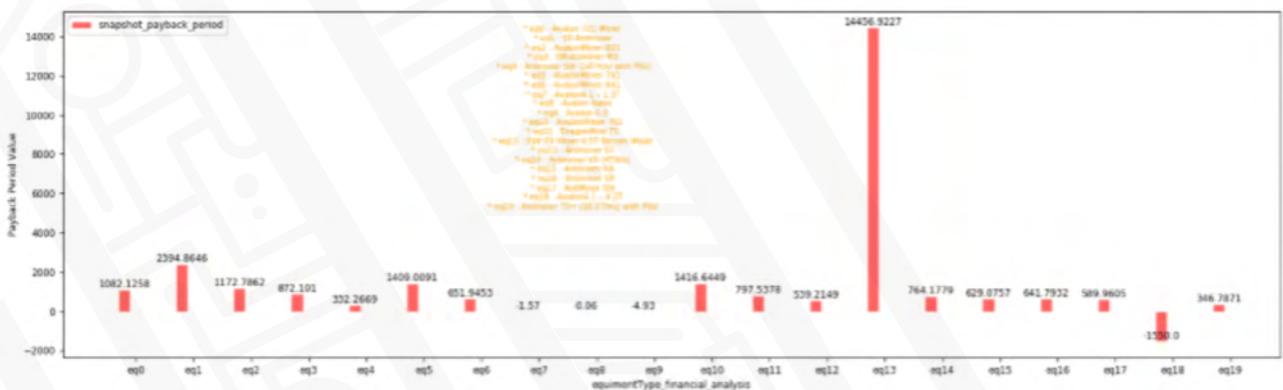
The histogram below shows the comparison results of specific daily net income and daily net income per time period calculation for 20 different types of mining rigs.





Based on the above information, the payback period can be calculated for the different mining rigs. It should be noted that when the net income is negative, this report will set the payback period to the negative mining price. This setting is only for the simple labelling of models of mining rigs with poor investment returns.

The larger the first two indicators, the greater the expectation of future investment returns. The larger the third indicator, the higher the future investment risk. This analysis is based on one time point (when there is sufficient data, we can choose more historical points to compare and not just the current point). To ensure the reliability and consistency of the analysis result, we will pick only the top 5 mining rigs for comparison in the next analysis.



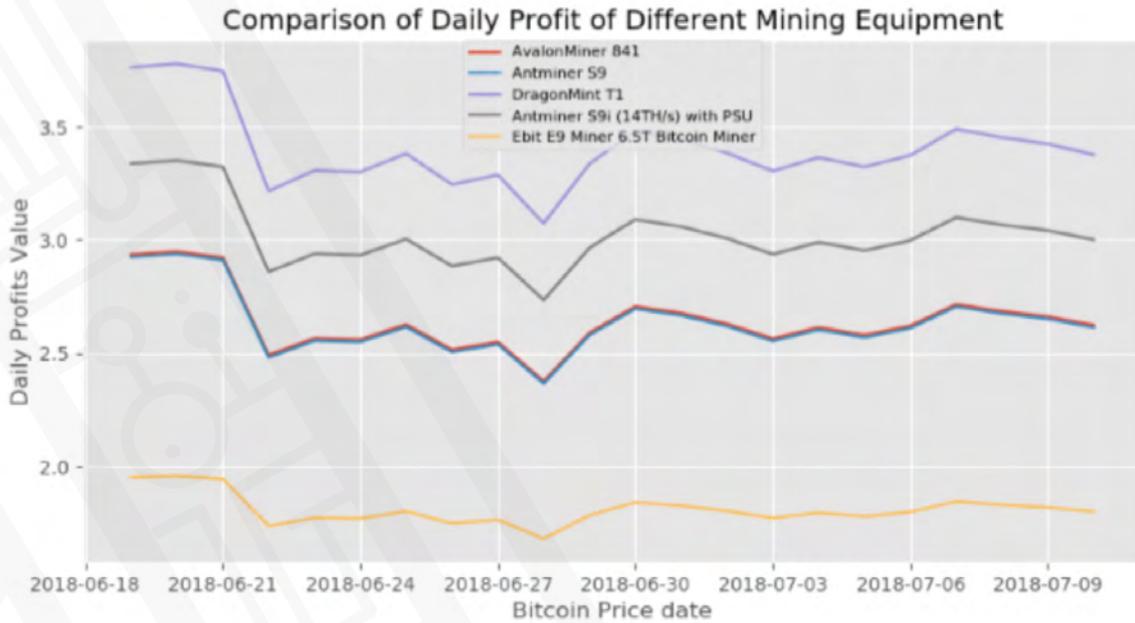
#### 4.2.2 Investment Analysis of the Same Mining Rig at Different Time Points

Using the above selected mining rigs, we extend the time points under analysis and calculate three indicators using dynamic data. It should be noted that there is a lack of long-term data on mining rigs such as the most optimized mining rig every month in six years and their hashing power, price and power consumption. As such, it is not possible to do a more wholistic calculation. The following analysis is based on the assumption that the parameters related to the mining rigs are not changed in the recent two months.



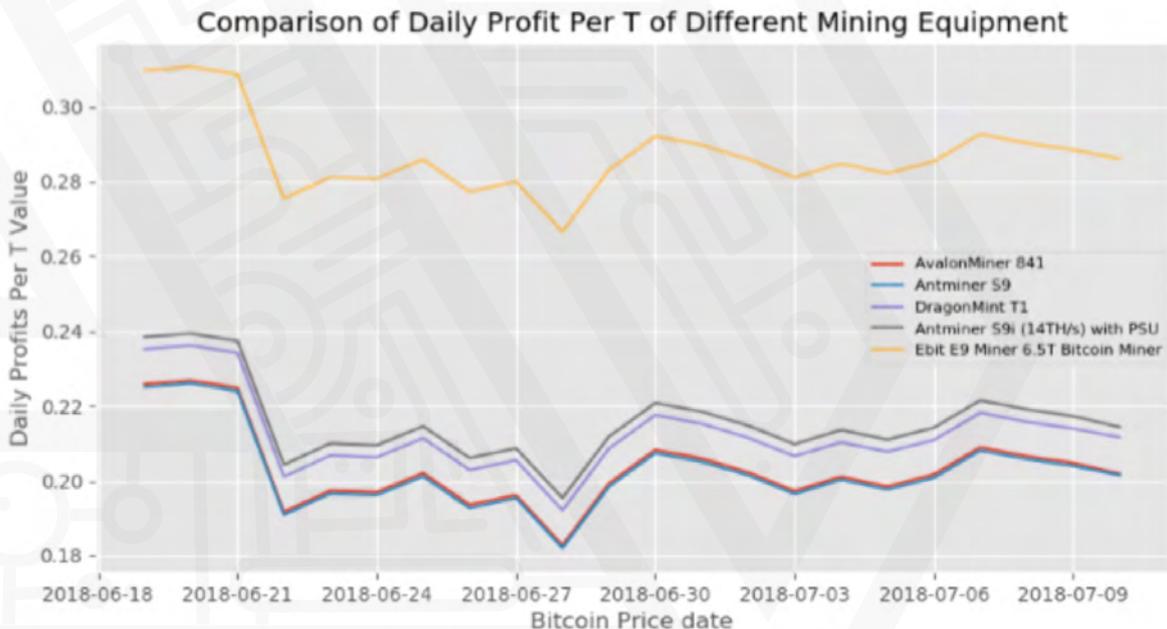
### Daily Income of Mining Rigs at Different Time Periods

The daily income of the top five mining rigs over a two-month period can then be compared. The red line (AvalonMiner 841) and the blue line (Antminer S9 (13TH/s)) mining rigs, whose income trends are basically the same is due to their similarity in performance and parameters.



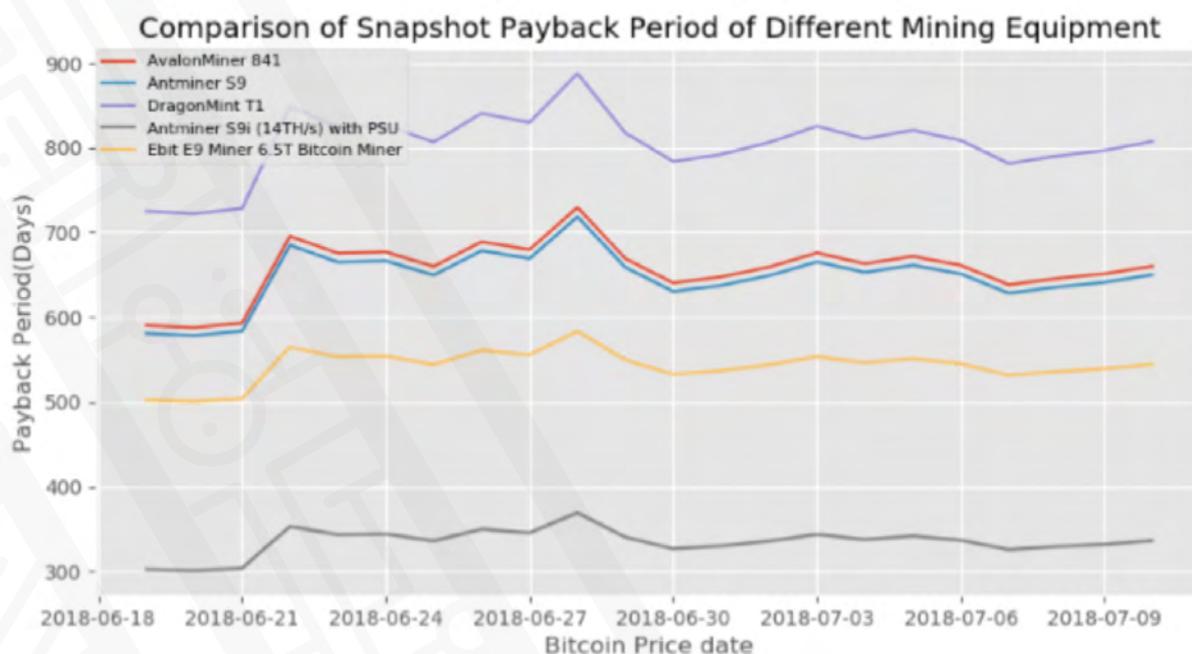
### Daily Income of Per Time Period of Mining Rigs

The daily income based on hashing power over the two-month span of the five mining rigs can be plotted on the following chart. Among them, the yellow line (Ebit E9 Miner 6.5T Bitcoin Miner) represents the highest returns per mining rig, primarily due to its lower price.



## The Payback Period of Mining Equipment at Different Time Point

The five-month time span of the five mining rigs can be plotted on the following chart. Among them, the gray line (Antminer S9i (14TH/s) with PSU) achieved the best performance, which is due to its low cost out-performing is high daily return.



Since the price of electricity, the difficulty of mining and the price of mining machines have become fixed variables in a short span of time, changes at different points are mainly caused by the price of Bitcoin. In addition, these calculations do not consider depreciation expenses and the cost of taxes for simplicity.

### 4.3 MaxiMine Investment and Risk Monitoring System

#### 4.3.1 Real-time Monitoring

⚠ Daily income per unit of hash power

Compare the performance of different mining rigs, and send risk warning when the performance drops to different risk levels.

⚠ Investment Return Period

Evaluate the duration of the investment return period of different mining rigs.

⚠ Profitability Index

Real-time monitoring of the farm based on NPV.

⚠ IRR

Real-time monitoring of the balance point of mining rig investment returns.





## 5. MXM TOKEN



## 5. MXM TOKEN

### 5.1 Minekonony

MaxiMine is the first to propose Minekonony whereby Solidity-based MaxiMine (MXM) is used as the value equivalent and media in the mining economy. Compared with traditional cloud mining, MaxiMine does not sell or rent hashing power, but create liquidity in hash power and equipment through the use of tokens.

By depositing MXM into a fixed duration smart contract, an amount of hashing power will be provided to the user for the specific coin throughout the deposit period. The calculations for the allocated hashing power will be based on multiple factors including:

- △ Price of each mining rig
- △ Hashing power of each rig
- △ Weighted average price of MXM over the last three days
- △ Deposit period
- △ Network difficulty
- △ Capacity and efficiency of the entire farm

It can also be expressed as a simple function as below:

$$\textit{The mining reward per day} = f(\textit{Price}_{MXM}, \textit{Amount}_{MXM}, \textit{Price}_{rigs}, \textit{Duration}_{lockup}, \textit{Network}_{diff})$$

### 5.2 System Design

We will implement the computation and distribution of the profit on the Ethereum network to ensure fairness and transparency of the whole process. In the future, MaxiMine will also launch our own protocol.

#### 5.2.1 Staking Contracts

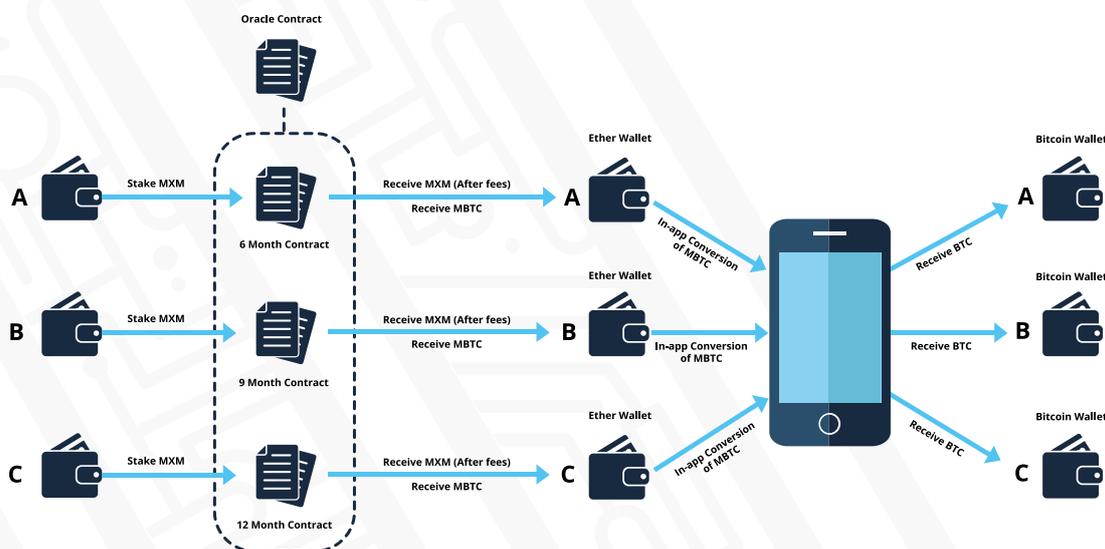
The different staking options will be split into multiple contracts on the blockchain and will function independent to each other. Bonus tier structures and applicable fees will also be hardcoded into the contract to emphasis on transparency and fairness. Each contract will receive inputs directly from the investor's wallet, with communication protocols set up and executed through the mobile application. They will also read supplementary off-chain information directly from the oracle contract to assist in their calculations. The staking contracts will be able to process network information and calculate the mining rewards per investor autonomously.



They will individually track each and every investor wallet and send out the mining rewards and deposit at the end of the stake duration. As the mining rewards may not be Ether, MXM will mint new ERC20 tokens for each mineable cryptocurrency with a “M” header such as “MBTC”. These tokens will not have any value or utility and will instead function as a temporary placeholder for the actual cryptocurrency. Therefore, the tokens released by the smart contract will be ERC20 equivalents of the actual mining reward to track the value of each wallet and investor. Each contract will hold the total supply of the placeholders to ensure there is enough for distribution. They will be periodically topped-up by MaxiMine at the end of each staking period post distribution.

### 5.2.2 “Oracle” Contract

Due to the nature of the MaxiMine project and the multi-chain mining capabilities, a number of inputs and parameters can only be accessed off-chain (such as the Bitcoin network difficulty). To facilitate this requirement, MaxiMine will create an Ethereum Oracle and set up multiple trusted data feeds to send information over to it. The Oracle smart contract will then store the information collected off-chain onto the Ethereum network itself, allowing other smart contracts to read the data from it directly.

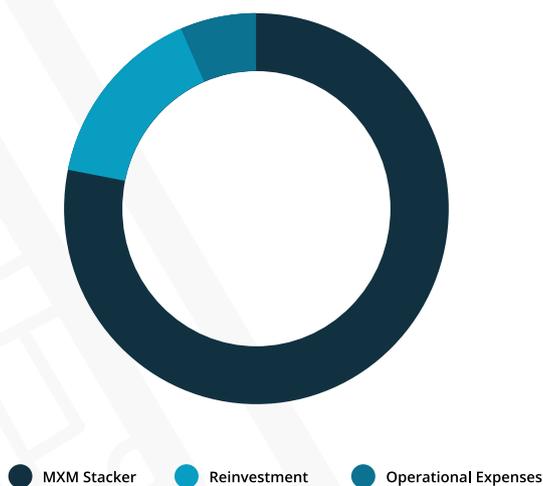


In the initial considerations for the Oracle setup, each depositing contract would function as an Oracle with off-chain data being fed directly to each of them. However, the long-term transactional cost and data efficiency would be lower as compared with setting up one primary oracle for the other contracts to collect data from.



The data feeds will be done through multiple wallet addresses to ensure reliability and redundancy of information. This process will be done automatically through API calls with a publicly available codebase to encourage transparency and reduce manual intervention. Most of the data will be collected directly from the Bitcoin blockchain to execute the computations and calculations for network difficulty and mining rewards, while cross referencing the realized mining rewards directly from the miner address utilized.

### 5.2.3 Mining Reward Distribution



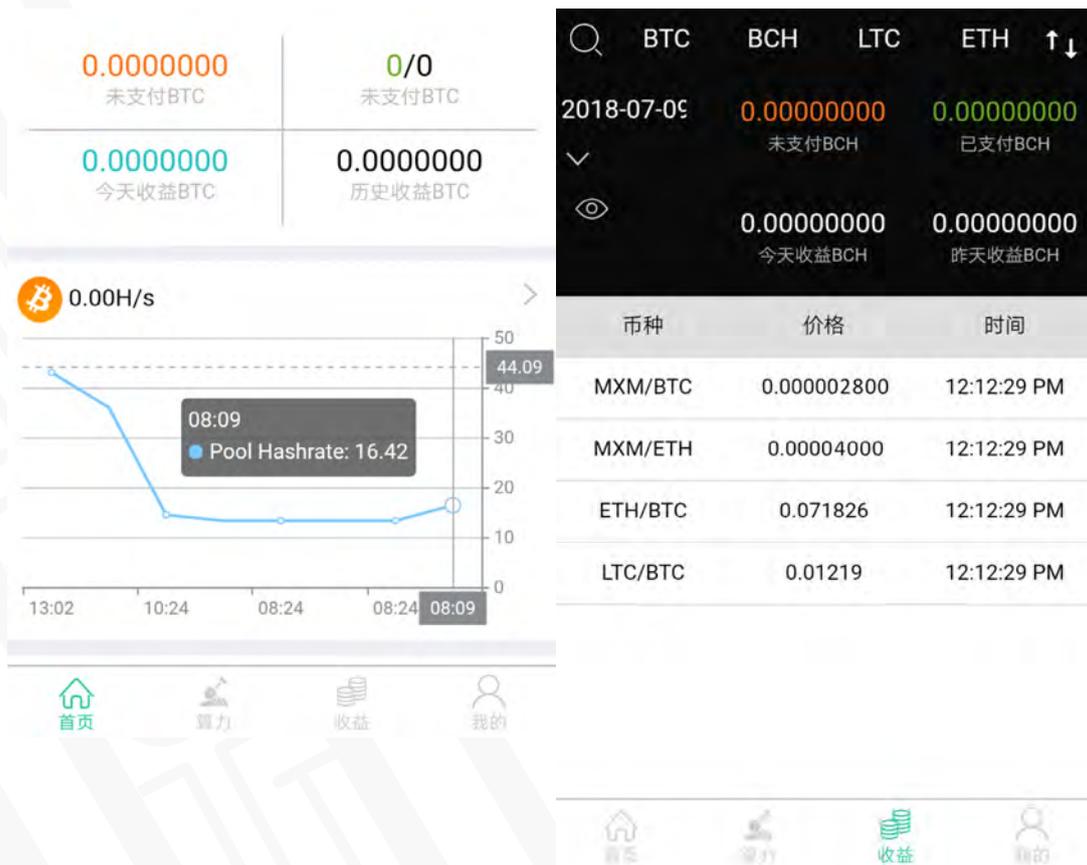
The mining rewards earned for each mining rig per hash owned by MXM investors will be distributed into the following ratios:

- ⚠ 80% of mining rewards will be given to the investors who deposited MXM
- ⚠ 16% of mining rewards will be reinvested into the mining farm
- ⚠ 4% of mining rewards will be used to cover operational expenses

The bulk of the mining rewards will be distributed to the investors as investment returns. A small portion of the remainder will be used to cover the operational expenses incurred in daily maintenance and servicing of the mining rigs as well as the staff required on site to provide 24h monitoring and diagnostics. The balance will be reinvested into the mining farm and used to purchase more mining rigs for expansion. The additional reinvestment will also be used to increase the returns of MXM in the long run as there will be more hashing power allocated per token.

The primary interface for MXM holders to stake their tokens for hashing power would be a mobile application available on both iOS and Android.





A mobile application was chosen as it would allow for a simple control interface accessible by most of our investors in any place. In addition to that, the risk of users being phished is lower as the application is installed on the phone and less prone to web attack vectors.

Within the app, users will be able carry out MXM related functions:

- ⚠ View account balance and active contracts
- ⚠ Manage account and profile
- ⚠ Compare various contract rates and returns
- ⚠ Stake MXM to additional contracts
- ⚠ Synchronize and verify wallet addresses across all mineable cryptocurrencies
- ⚠ View daily returns and forecasts
- ⚠ Withdraw mining rewards

In the long run, the application would also be able to function as a part of a larger MXM ecosystem and transition into a multi-purpose app, capable of handling payments, investment and many other features.





## 6. MAXIMINE ECOSYSTEM



## 6. MAXIMINE ECOSYSTEM

### 6.1 MaxiMine Decentralized Operating System (MDOS)

After the initial launch phase of MaxiMine and the establishment of the mining farm, excess resources will be used to develop a protocol to fuel the MXM ecosystem. The envisioned protocol will be able to solve the primary challenges faced by most public blockchains in the industry and will serve as the underlying backbone for the decentralized applications and tokens launched within this ecosystem.

### 6.2 MaxiMine Protocol

The MaxiMine protocol is designed to be a decentralized operating system powered by the entire network and secured by the combined hashing power of all cryptocurrency mining farms. It consists of a three-tier architecture comprising of a transactional layer, functional layer and application layer.

#### Transactional Layer

The transactional layer is designed as a directed acyclic graph (DAG) with transactions propagating between various wallet addresses without using blocks to store transactional data. Instead, each wallet will function as a pseudo-blockchain and record transaction inputs and outputs. Database sharding and segregated witness technologies will reduce the network load per wallet address and enable each node to store minimal data while ensuring the overall integrity of the entire network. Network sharding and off-chain technologies will be applied to accelerate transactional throughput and network functionalities. Conservative estimates for the transactional layer have surfaced a million transactions per second as the effective network load, scaling linearly together with an increase in nodes and transactions.

#### Functional Layer

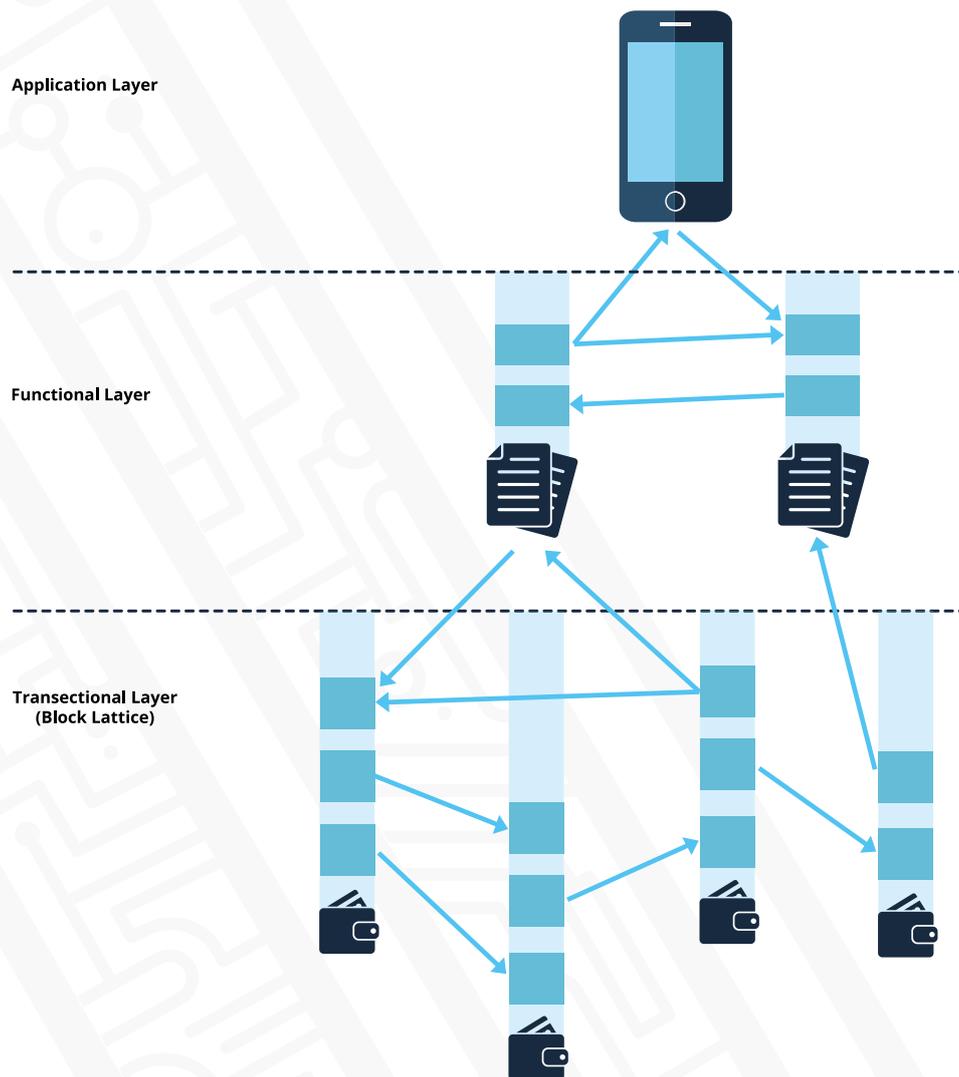
Smart contracts would be deployed on the functional layer of the protocol and run on a POW consensus algorithm within a blockchain optimized for smart contract calculations. This would essentially function as a sidechain to the transactional layer while allowing for seamless data transfer and interactions with the transactional layer. One such example would be the minting of tokens using the MXM-001 standard on MDOS. The contract would be deployed from a wallet in the transactional layer and then hosted within the functional layer blockchain for future references. Function calls would also be executed onto the smart contract directly from the wallets.



## Application Layer

The application layer will be an interface to collect, read and access data across multiple smart contracts for decentralized applications to interact with the other two layers.

In addition to that, side-chain verification techniques using cryptographic signatures will allow transactions to be executed offline, using either the camera for QR code recognition or the speaker and microphone of smartphones for high frequency audio QR data exchange.



## 6.3 MaxiMine Ecosystem

As a value equivalent backed by real and tangible asset, MXM can be used to establish an entire ecosystem. The project team and advisory board include leading industrial player, high-tech professional and product expert. The prerequisites for building a super ecosystem are all in place, and preparation work has already been done.

### 6.3.1 Cross-border transaction system

MXM being the medium of exchange will be able to carry out direct wallet transaction from a business and consumer point of perspective. In addition, the ecosystem support USD, Euros, RMB and digital currency. Users can choose to pay or exchange using digital fiat currency, cryptocurrency or any digital asset within the MaxiMine ecosystem.

We will construct a new cross-border transactional structure, using distributed network system to replace centralised organisations. This will reduce intermediary cost as well as eliminate lengthy and complex transaction process.

### 6.3.2 On-chain Data sharing

We will have dApps build on the MaxiMine ecosystem to provide credit services for individual users and SMEs. Subsequently, this can establish a big data sharing economy for every user on the platform. Currently the credit industry core issue lies with data. Such problems include data isolation, lack of shared data economy and data ownership protection, as well as high data acquisition cost. MaxiMine on-chain credit utilise blockchain technology to establish a decentralised, open and immutable credit data platform for businesses and merchants.

The source of MaxiMine credit data originates from early data owners who go through an approved panel of credit service agencies as a mean of data review before broadcasting on-chain. The authentication of the data is guaranteed and endorsed by the data reviewers. On-chain credit can be classified into a few categories: credit data enquirers, credit data contributors, credit data owners. The originate of data sources include transaction data, contract data, asset data, creditor data which will be encrypted and stored on the blockchain.



### 6.3.3 Shared economy

MaxiMine will be pushing out shared smart contract on the blockchain. People can use their houses, cars or shared objects to sign a smart leasing contract on the blockchain, eliminating the need of paying commission to intermediaries. Related outcomes coming from the smart contract such as fees, losses, disputes will be stored on the blockchain. This will be integrated with the blockchain credit system to establish an efficient, fair and transparent shared economic platform.

### 6.3.4 P2P loan

The loan smart contract and the related data outcome will be stored in a distributed ledger, increasing the cost of a default or to cause potential attack. In the MaxiMine lending platform, users can use cryptocurrency, digital fiat currency to initiate loan globally and not restricted to specific country or region. Due to the characteristic of distributed ledger, it reinforces the safety, transparency and immutability of the lending platform, increasing the efficiency of P2P loan.

### 6.3.5 Initial Coin Offering (ICO)

Community member can engage MaxiMine platform for crowdfunding. MaxiMine Foundation will provide quality projects with funds and technical support. In comparison with traditional investment and financing, MaxiMine crowdfunding platform will help projects with their initial phase development as well as creating much ideal community.

### 6.3.6 Intellectual platform

The blockchain technical aspect and intellectual platform will provide the original content with confirmation and traceability. Users who publish original content on the MaxiMine intellectual platform will be stored on the blockchain. Movie, gaming and other intellectual companies can access the platform to search for original quality content and purchase the content copyright. Decentralised intellectual platform and intellectual marketplace have greatly reduced the intermediary cost and eliminate the monopolisation of quality content. This provide original content creators, consumers, movie firms, gaming companies and other vendors in the intellectual marketplace a transparent network environment.

### 6.3.7 Blockchain Games

The main attribute for open source games is that gamers' assets are protected. It is immutable and cannot be encroached. This give gaming equipment the circulating value, eliminating the potential possibility of cheating from game developers. In the MaxiMine ecosystem, developers can develop community type and autonomous type of blockchain games. This in combination with the existing MaxiMine community will be a breakthrough in the traditional gaming market for developers and users, providing transparency, interaction and exchange of value within the blockchain gaming community.





## 7. TOKEN SALE



# 7. TOKEN SALE

## 7.1 Fundraising

A total of 16 billion of MaxiMine (MXM) will be issued. Part of the tokens will be sold to accredited investors to raise funds needed for early development of the project. The soft cap for the sale is 5,000 ETH and the hard cap is 30,000 ETH.

MXM will go through 3 stages of fund raising.

### Cornerstone Investors

During the MaxiMine development state, many industry leaders and organizations made great contributions. To maintain long-term relationships with these cornerstone investors and in appreciation of their efforts and investments, they will be receiving 3b MXM at a discount.

### Private Placement Sales

To thank MaxiMine's early investors for their support as well as attract resources to fund MaxiMine's development, it will issue 3.2b MXM to accredited investors and institutional investors, with a conversion rate of 1ETH:80,000 MXM.

### Crowd Sales

MaxiMine will issue 1.8b MXM at an exchange rate of 1ETH:60,000 MXM. MXM will have a hard cap of 30,000ETH. The soft cap is 5,000ETH which has already been achieved in the private sale.

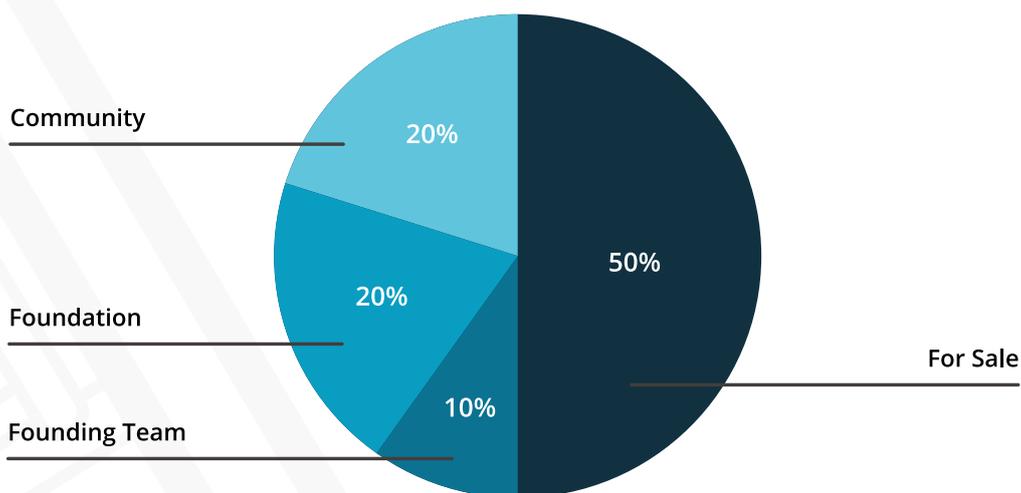
<b>MXM Sales Period</b>	25 April 2018 to 26 June 2018
<b>Accepted Currency</b>	ETH
<b>Minimum Investment</b>	0.1ETH

## Token distribution

50% of MXM will be for token sales, 20% will be set aside for community support and incentive schemes, 20% will be kept by the foundation as reserves, 10% will be set aside for the founding team. In addition, the tokens held by the founding team will be locked up and gradually vested in accordance with the project roadmap.



## TOKEN DISTRIBUTION

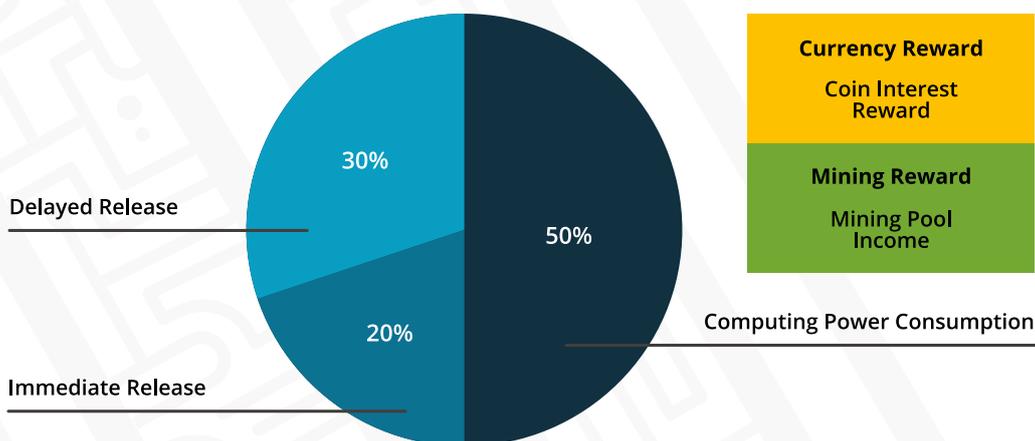


MXM Holders	Allocation	Number of Tokens
Token Sales	50%	8.0b MXM
Community Support	20%	3.2b MXM
Founding Team	10%	1.6b MXM
Foundation	20%	3.2b MXM

## 7.2 Fixed Deposit Plan

All MXM tokens sold during ICO will be subjected to the following fixed deposit schedule and incentives based on duration.

## REWARD DISTRIBUTION



50% of MaxiMine will be based on a scheduled released:

- △ 20% will be released at the end of the sale
- △ 15% will be released 1 month after the end of the sale
- △ 15% will be released 2 months after the end of the sale

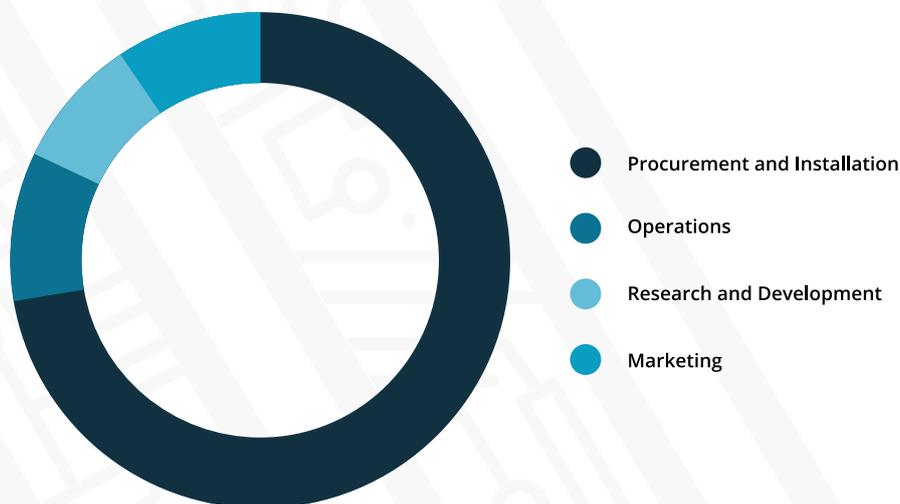


50% of MaxiMine will be placed in a fixed deposit based on the token holder's preferred period to gain interest rewards. The deposits start at a minimum of 6 months with a 4% annual interest rate (minus operation fee and electricity fee) and a maximum of 24 months with a 10% interest rate, with an additional 1% interest rate provided per quarter of deposit. This deposit privilege is only applicable for the MXM acquired from the three sales stages. MXM acquired through other channels can only be used to exchange hashing power. Such MXM will not be returned and will not carry any interest.

MXM issued through cornerstone, presale and public sales will be priced at 0.0064 USD when depositing for hash power. The price of mining rig and hash power will be determined by MaxiMine with reference to the official mining rig price and hash power price published by Antpool. Minimum unit of hash power to be exchanged is 14T.

In addition, as an indirect reward to MXM token holders, 20% of the coins mined by the farm will be used to buy back MXM coins in the market.

### 7.3 Use of Funds



The amount raised in the ICO will be split into the following distribution:

- 70% of the funds will be used for procurement and installation
- 10% of the funds will be used for variable and operational costs
- 10% of the funds will be used for research and development and equipment renewal
- 10% of the funds will be used for marketing and other miscellaneous costs



# 8. ROADMAP



## 8. ROADMAP

### **Project Launch - 20 July 2017**

In July 2017, the MaxiMine team researched the feasibility and profitability of cryptocurrency mining via an ambitious token offering. The team studied existing mining pools, such as antpool and cloud mining facilities. The study concludes: Developing a mining pool with distributed revenue system to manage large-scale cloud mining is an ideal programme.

### **MXM Pre-sale & Public Offering – Apr-Jun 2018**

MaxiMine team will conduct pre-sale for high net worth investors to buy tokens in bulk. Most of the money obtained from the pre-sale will enable the team to pay a deposit for the required mining equipment. The public offering will allow investors around the world to be part of the MaxiMine community.

### **Equipment Purchase – May 2018**

MaxiMine team will contact hardware vendors to bulk purchase mining equipment, this phase of the funds will be used to pay equipment down payment and surveying feasible locations for the construction of mining facilities.

### **Construction of Mining Facilities – Sep 2018**

MaxiMine has secured an area for its mining pool in Northern China. The team will oversee the building of the mining facilities. Recruitment will also be conducted for experienced individuals in related sectors such as datacentres and strict background checks will be conducted for all individuals.

### **First Mining Reward Payout – Dec 2018**

MaxiMine will pay investors who have pledged MXM at the start with the earnings from the mining operations. These payments will be distributed on a monthly basis from this point onwards and sent to the individual wallets of each investor. Investor confidence will also increase once tangible returns have been deposited into their holdings.

### **Expansion of Mining Facilities – Early 2019**

MaxiMine will use operating profits to expand the mining pool. This will provide accretive value to the mining pool and MXM tokens while increasing the return-on-investment for all existing and early stage investors. The increased ROI would also positively impact the perception of the token.





# 9. TEAM AND ADVISORY



## 9. TEAM AND ADVISORY

### 9.1 Team Members

Team MaxiMine currently has more than 320 staff, including management, mining farm operators, platform developers, technicians, investment analyst, publicity officers, community managers, etc. We only list out here several representative staff from different departments.



#### Sky Fernández (General Operation)

After graduating from Boston Business School with a bachelor's degree in Business Administration, Sky worked in several retail companies on cross-border E-commerce as risk manager, strategic resource manager and human resource manager. Sky has successfully grown many offline retail shops to large cross-border online retail corporates. He has extensive online and offline resources. Till date, Sky has successfully established more than ten companies. Its business spans across the entire globe. He has also established crypto OTC platform and set up complete channel for cryptocurrency trading. Sky is responsible for MaxiMine business operation and assisting in the supervision and monitoring of the mining farm.

<https://www.linkedin.com/in/sky-fern%C3%A1ndez-899a93176/>



#### Hua Cai (Mining Farm Management)

Hua Cai has 7 years of experience in the financial industry and is one of the earliest investors and believers in Bitcoin. He is also one of the early partners of AntPool (antpool.com) and made significant contributions to the development of Bitcoin. Hua Cai employs a huge number of Aliyun servers and deploys many mining pool nodes that automatically allocate network loads to the nearest user for mining, ensuring stability and minimizing delays in mining. The bitcoin mining pools Hua Cai established has been expanding and providing miners with user-friendly interface, comprehensive features, transparent operation and high profitability. Today, Hua Cai has established large-scale mining pools in Inner Mongolia, Sichuan and other areas, which continue to expand in scale. His mining team owns many patents and proprietary technologies.

<https://www.linkedin.com/in/hua-cai-759669177/>





### Tim Douglass (Corporate Strategy)

Tim graduated from Cambridge University and obtained a bachelor's degree in Mathematics. He then joined a one-year volunteer program in Ho Chi Minh City in Vietnam to improve local sanitation and reforestation. Subsequently he obtained a master's degree in Stanford University and was an active member of the PE club. He then joined JP Morgan in charge of investment and portfolio management from the investment division. He has helped many important clients restructure their investment. Afterwards, he joined McKinsey as a senior consultant to offer corporate optimization solutions to PE firms and assist with execution of the plans. He has also helped several large financial institutions with their turnaround plan. Tim is a well-recognized expert in corporate strategy formulation and execution.

<https://www.linkedin.com/in/tim-douglass-079a90176/>



### Vincent De Looz (Investment and Portfolio)

Vincent is a senior investment professional from France. He graduated from Université de Paris with a bachelor's degree and a master's degree in computer engineering. He also organized several international investment forums during his study. After graduation, he assumed the role of Vice President at HSBC in charge of global investment management as well as stock analysis and prediction to search for new investment opportunities. He was later promoted to President of the region and led a 5-year growth plan for Europe. Vincent has dedicated himself in cryptocurrency investment and analysis in the recent years, and he applied the methodology of traditional investment into cryptocurrency trading. He has invested in several tens of cryptocurrencies and generated more than 10X of profit.

<https://www.linkedin.com/in/vincent-de-looz-686a92176/>



### Evelyn Brown (Marketing Officer)

Evelyn graduated from the University of Nottingham in UK. She has a bachelor's degree in business. After graduation, she worked on various projects at Amazon and Facebook, and she gained a wealth of practical experience before progressing on to the blockchain industry. She plays an important role in several blockchain projects for their incorporation, foundation and marketing strategy. She has worked in several renowned blockchain companies that helped to sharpen her knowledge in the industry and broaden her network. She has established her reputation for formulating highly efficient marketing strategies.

<https://www.linkedin.com/in/evelyn-brown-07a844177/>





### Mark Julian Borg (Designer)

Mark is an award-winning young innovative and creative director and design consultant based in Malta with traditional fine art background and over 10 years of professional experience. In 2013, Mark co-founded a game company in the Netherlands, which became a leading HTML5 game studio and successfully launched games with multi-million gameplays and works with leaders including Futureplay, Playrix, Rovio and Big Fish. Mark has won many international awards, including 1st prize in GameDev Challenge 2011 and Design Firms Branding award 2010 - 2011. Mark is deeply involved in design for the blockchain industry. He is the Creative Director for DELTA Summit, a famous global blockchain event endorsed by the Government of Malta.

<https://www.linkedin.com/in/markjborg/>



### Kerwin Naidoo (Community Manager)

Kerwin has a wealth of experience in the management of cryptocurrency communities, having worked on 12 different ICO communities. For TheKey, he served as a moderator right from the start and throughout the duration of the ICO, reporting directly to Catherine Li, the top 10 influential Chinese woman 2017. Kerwin also has an entrepreneurial background and founded two companies, leveraging on his financial, accounting and software development background to take up multiple key roles for increased productivity and capital efficiency. <https://www.linkedin.com/in/kerwin-naidoo-b0431641/>



### Olawumi (Community Manager)

Olawumi has strong passion for blockchain. She is an experienced community manager and content creator. Prior to MaxiMine, she has already supported the community work for a number of projects including Fairgame, Equitybase, Vsports, XMED chain, ERC20, Btcred, Bpeso, Superset, Kakushin Ecosystem, Smartshare, Shizzlenizzle, Thekey, Alive Casino, Boltcoin, YottaChain, DeepcloudAI and Autoba. As a very experienced community manager, she is determined to dedicate her passion to bringing the best service to every committee member of MaxiMine.

<https://www.linkedin.com/in/olatunbosun-olawumi-764a3a144/>





### Garrett Geiger (Legal Advisor)

Garrett graduated from the National University of Singapore with a lawyer's certificate, securities trading certificate, and Futures Trading certificate. He used to work in several Fortune 500 companies and was responsible for their international business. He has since become a blockchain project lawyer, and has helped hundreds of companies establish their legal frameworks and projects both onshore and offshore, including Usechain, Showhand, Youlive, etc. He is now the most sought-after legal advisors in the Singapore blockchain sector.

<https://www.linkedin.com/in/garrett-geiger-59ba94176/>



### Cheng Zhenyu

Mr Cheng Zhenyu is presently the Chairman of the Board of Shosen Tian Ci (International), Chairman and President of Shosen Tian Ci (Beijing), Founder of Shosen Hua Cheng Incubator, Chairman of Shosen Wan Jing Xin Energy, Vice President of China Photovoltaic Agricultural Working Committee, Strategic Development Leader of the Photovoltaic Smart City 5.0 and Master Planner of China's "Super Partner" business platform. Mr Cheng has a highly regarded reputation as he continues to make it his duty to give back to the community and society through efforts in environmental conservatism and philanthropic activities; in 2017 he set up Shosen Tian Ci Charitable Fund. Over the span of his illustrious career, he was awarded 2015 China Honest & Outstanding Entrepreneur, 2015 Leader of Green Initiatives Development in China, 2016 National Patriotic Technopreneur of China has appeared in 《中国爱国国典》 (China Patriotic Leaders Book), 2017 Red Love China Entrepreneur and was 2017's Outstanding Branding Person of the Year.

<https://www.linkedin.com/in/zhenyu-cheng-658842177/> | <http://www.shosen.cn/>





# 10. MAXIMINE FOUNDATION



## 10. MAXIMINE FOUNDATION

MaxiMine is set up as MaxiMine Foundation (MMF). The Foundation will be a Non-Profit Organisation, with the purpose of speeding up the use of blockchain technology and the development of MaxiMine systems. The Foundation will also allow for the registration of members. It accepts donations and will operate for the public interest of blockchain technology and the MaxiMine systems. MMF is a registered company limited by guarantee in Singapore.

### 10.1 Corporate Governance

MMF's principles are to support and coordinate blockchain community resources, supervise and protect the operation of MaxiMine pool mining, while at the same time, helping people to better understand the changes brought about by blockchain technology and the development of MaxiMine project. This would be done by promoting the use of blockchain technology and related technologies by MaxiMine enthusiasts, developers, regulators, technicians, practitioners and users worldwide, through joint efforts in education and publicity activities.

### 10.2 Corporate Structure

MMF will engage in the following activities:

-  Instruct and supervise MaxiMine's development and the maintenance of systems
-  Use the best practice governance principles to promote the security and stability of MaxiMine blockchain ecosystem.
-  Fund activities which promote the development of MaxiMine ecosystem and its related projects



### 10.3 Advisory Committee

The Advisory Committee will:

- △ Consist of at least 5 people, including at least one MMF member and two independent consultants
- △ Convene a meeting at least four times a year
- △ Advise MMF members on the governance of MMF
- △ Ensure the continuity by setting the initial terms of committee members to be 1 year and 2 years. Thereafter, all consultants will have a 2-year term.

Members of MMF will be responsible for the appointment or dismissal of the MMF's management team. MaxiMine plans to appoint a finance director and a legal director to form the initial management team for MMF operations. The management team will be responsible for:

- △ Legal and financial management
- △ The oversight of authorisation management process, coverage of application management, financial tracking and reporting, and operational delivery and reporting
- △ Regular submissions of reports to the Advisory Committee





# 11. LEGAL & DISCLAIMER



# 11. LEGAL & DISCLAIMER

## 11.1 Legal Risks

According to the “Development of China’s Blockchain Technology and Applications Whitepaper” published on 18 October 2016 by the Ministry of Industry and Information Technology of the People’s Republic of China, blockchains are used as an integrated application for distributed data storage, point-to-point transmission, blockchain confirmation mechanism, encryption mechanism and other technologies. In recent years, it has become a hot topic of research and discussion by international organisations like the United Nations (UN), the International Monetary Fund (IMF), and many countries. The industry has also increased investments. Currently, the application of blockchain has been extended to many Internet of Things (IoT), Supply Chain Management, Digital Asset Trading. It will also bring new opportunities for the development of next-generation information technologies such as Cloud Computing, Big Data, and Mobile Internet. It has the ability to trigger a new round of technological innovation and industrial change.

The blockchain is currently starting its transition to individual application development. Some typical applications have been presented, and the financial and commodity industries also show broad application prospects. The scope of the applications can be roughly divided into three parts of transaction – before, during, and after transaction. Pre-transaction includes the understanding of customers, anti-money laundering, information disclosure, etc; transaction itself includes stocks, bonds, debt collection tools, and issuance and transfer of derivatives; post-transaction includes registration, custody, liquidation, settlement, data sharing, splitting of shares, voting of shareholders, dividend payment, collateral management, and crowdfunding management. At present, there are differences in the attitude and regulation of blockchain technology among countries.

On 5 December 2013, the People’s Bank of China, Ministry of Industry and Information Technology, China Banking Regulatory Commission, China Securities Regulatory Commission, and the China Insurance Regulatory Commission jointly issued “Notice on Prevention of Bitcoin Risks” (Yinfa [2013] No. 289). The main content of the “Notice” is on clear Bitcoin attributes. It is believed that Bitcoin does not have any monetary attributes such as legality and mandatory compensatory currency attributes, and that it is not a real currency. In terms of the nature, Bitcoin is a specific virtual commodity that does not have the same legal status as currency and should not be used as a currency for circulation in the market. Financial institutions and payment agencies are also prohibited from developing Bitcoin related businesses. Financial institutions and payment agencies



are not allowed to price their products or services with Bitcoin currency. They are also not to buy or sell Bitcoin, or be a central counterparty that buys or sells Bitcoin. They also are not to underwrite insurance services related to Bitcoin, or to include Bitcoin in insurance coverage, or to serve customers with Bitcoin e.g. providing Bitcoin registration, transaction, clearing, settlement and other services to customers. They are not to accept or use Bitcoin as a payment settlement tool. Other restrictions include, Bitcoin-RMB-foreign currency exchange services, Bitcoin storage, custody, mortgage and other businesses, the distribution of Bitcoin-related financial products, Bitcoin as a trust, funds and other investment targets. With that, there is a request to enhance the management of Bitcoin internet sites. Internet sites that provide services such as Bitcoin registration and trading services must be filed with the telecommunications regulatory agencies in accordance with the relevant provisions of the “Telecommunications Regulations of the People’s Republic of China” and the “Administrative Measures for Internet Information Services”. There is also the requirement to strengthen the prevention of bitcoin money laundering risks. Firstly, all branches of the People’s Bank of China are required to pay close attention to the trends of Bitcoin and other similar virtual goods which have the features of anonymity and cross-border circulation convenience. They have to consider the risk of money laundering, and study to formulate preventive measures. Each branch should incorporate into the anti-money laundering regulation the institutions that are legally established in the jurisdiction, provide services such as bitcoin registration and transactions, and urge them to strengthen anti-money laundering monitoring. Second, Internet sites that require the provision of services such as bitcoin registration and transaction services should effectively fulfil their anti-money laundering obligations by identifying user identities through requiring users to use their real names, ID numbers and other information when registering. Thirdly, all financial institutions, payment institutions, and internet stations that provide services such as Bitcoin registration and transaction services should immediately report to the China Anti-Money Laundering Monitoring and Analysis Center and cooperate with the People’s Bank of China if any suspicious transactions related to Bitcoin and other virtual goods are found. For the discovery of the use of bitcoin for fraud, gambling, money-laundering and other criminal activity clues, it should promptly report the case to the public safety agencies. In March 2014, the People’s Bank of China once again issued the “Notice on Further Strengthening Bitcoin Risk Prevention Work”, requesting all banks and third-party payment agencies to close all trading accounts of all bitcoin platforms in China by 15 April. This means that it is illegal for financial institutions to open accounts for the trading accounts of the Bitcoin website platforms. However, the “Notice” mentioned above does not prohibit Bitcoin transactions. As a result, Bitcoin transactions are still active in the market as a commodity trading activity on the Internet, and are also sought after by some capitals. It is required to educate and strengthen the investment risk awareness of the public’s currency knowledge. The



“Notice” requires the correct understanding of currency, proper viewing of virtual goods and virtual currency, rational investment, reasonable control of investment risks, and maintenance of own property safety be incorporated into the contents of financial knowledge dissemination activities, in order to guide the public to establish a correct currency and investment mindsets.

The US federal government’s main focus on blockchain technology is focused on virtual currency regulation of blockchain technology. Some government agencies have specifically issued guidance documents on blockchain technology and ICO. In 2013, the US Department of the Treasury’s law enforcement agency, FinCEN, included the “exchangeable virtual currency” was included in the “money service business” in the Banking Secrecy Act (BSA). Hence, according to this, in the United States, the virtual currency transaction needs to be registered with the Ministry of Finance and is also involved in the anti-money laundering project. However, the Act and the “Application of Financial Crimes Law Enforcement Network Regulations in Personal Management, Exchange, and Use of Virtual Currencies”, issued by the law enforcement agency, all consider virtual currency “a valuable though unlawful currency” which does not have all the attributes of the actual currency and legal currency status. The Commodity Exchange Act (CEA) of the US Commodity Futures Trading Commission (CFTC) can be applied to virtual currencies since the definition of “goods” is very broad; the definition can include “bonds, stocks, and currencies, etc”. In March 2014, the U.S. Federal Bureau of Taxation issued a circular stating that bitcoin and other virtual currencies are assets, similar to other valuable goods, not currencies, and that bitcoin mining, trading, and use should be applied Tax rules, tax returns. In 3 June 2015, New York State, after approximately one year, from the initial motion of Bitcoin Licensing, to the resumption of the motion, and finally to the legal provisions, the New York State Department of Financial Services released the final The “Bitcoin Licensing Regulation” with the aim to regulate “virtual currency business”. According to the “Bitcoin Licensing Regulations,” “virtual currency” is defined to include decentralized currency based on blockchain technology, where “virtual currency business activities” include: (1) the transmission of virtual currency, (2) the use of virtual money for others, (3) the purchase or sale of virtual currency as a customer business, (4) the provision of transaction services as a customer business, and (5) control, management or issuance of virtual currency. The main contents of the “Bitcoin Licensing Regulations” include: first, safeguarding the assets of consumers; second, after completing any transaction, the trading platform should provide detailed information to customers; third, establish a consumer complaints policy; fourth, have a disclosure of risks for customers; fifth is the establishment of an anti-money laundering mechanism; sixth is the establishment of a cyber security plan; seventh is the establishment of a chief information security officer; eighth is the maintenance of books and records; ninth is a report and financial disclosure; tenth



is a funding requirement; eleventh is a Compliance Executive Officer; twelfth is that each licensee should establish business continuity and disaster recovery plans, and so on. It is widely believed that the New York State's legal rules for the introduction of virtual currency are at least a meaningful exploration and attempt. There will be two short-term results: first, it will increase the spending of participants in the market because of their mandatory procedures – password security, consumer protection, financial reporting and anti-money laundering. Indeed, many companies have opted out of New York because the full cost of complying with the rules and enforcement will be between \$50,000 and \$100,000. Second, the certainty of the license makes the company's legal risk in this area lower, so it is very likely that there will be a smoother path for the integration of blockchain business with the already established banking system. In the United States judicial trials, there have been cases concerning blockchain technology, mainly involving money laundering in criminal cases, where the technology used by the defendant for money laundering is blockchain technology. For example, in November 2014, a number of websites in New York State of the United States involved the use of blockchain technology and virtual currency for money laundering transactions. These websites were eventually sentenced to confiscation of property; in April 2015, in the case of US v. Ross Ulbricht, the defendant was involved in a number of charges such as narcotics trading, computer hacking, and money laundering where the technology used by the defendant was blockchain technology.

The EU implemented legal restrictions on blockchain on 5 July 2016 where the European Commission passed a bill to amend the Fourth Anti-Money Laundering Act (4AMLD). The Act explicitly includes the transactions of virtual currencies in the anti-money laundering framework. In August 2013, Germany recognized the legal status of Bitcoin and incorporated it into the national regulatory system, thus becoming the first country in the world to recognize the legal status of Bitcoin. The German government stated that Bitcoin can be used as a private currency and currency unit. Bitcoin is tax-exempt for personal use within one year, but it is taxed for commercial purposes. The German Financial Supervisory Authority believes that Bitcoin is a value token used to exchange real economic goods or services that are circulated in barter clubs, private bazaars or other payment systems. At present,

Germany's policy on Bitcoin is relatively clear. Bitcoin.de, the German Bitcoin trading platform, has also cooperated with Fidor Bank. In August 2014, the Australian Taxation Office (ATO) issued bitcoin taxation guidelines and formally incorporated Bitcoin and related business practices into the existing tax system. The Australian Taxation Bureau (ATO) does not regard Bitcoin as a currency nor does it clarify the positioning of its financial assets. It treats it as ordinary assets. The main content is as follows: personal use of Bitcoin



transactions should not involve any goods tax and income tax; when an enterprise uses Bitcoin to purchase goods or services, the value of the goods purchased must be converted into Australian dollars and recorded as revenue of the company; capital gains, that is, as an asset, involve capital gains tax when the company cleans up bitcoin; Bitcoin can be used to pay wages, and such payments are similar to fringe benefits for businesses where employers may pay a fringe benefit tax for this purpose; mining (production) Bitcoin, and the revenue derived from mining (production) Bitcoin for commercial purposes, will be regarded as taxable income.

With regard to Thailand's legal regulation on blockchain, senior officials of Thailand's foreign exchange administration and policy department have stated that the following bitcoin activities are considered illegal in Thailand due to the lack of applicable legal and capital controls and that Bitcoin crosses a variety of financial businesses, such as, Bitcoin trading, buying and selling any goods or services using Bitcoin, or have Bitcoins exchanges with anyone outside of Thailand.

In Singapore, the Monetary Authority of Singapore (MAS) announced on 1 August 2017 that the token must be regulated by the Securities Act of Singapore (No. 289 of the National Assembly Act). The Token Issuance Instruction issued by the MAS on 14 November 2017 states that if a token has a capital market financial product as defined in the Singapore Securities Act, they should be incorporated into the supervision of the Monetary Authority of Singapore. They include securities, futures contracts, leveraged foreign exchange contracts or arrangements. For example, a digital currency has the following properties: (1) shares, including the rights conferred or represented on behalf of the owner of the company or business, represent the owner's legal obligations; (2) bonds, constituting a token issuer or token holder may lend (3) The Collective Investment Scheme (CIS), which represents the rights and obligations of the investment group or the right to choose an investment plan, shall be subject to the jurisdiction of the MAS.



## 11.2 DISCLAIMER

This document is intended for use by the MaxiMine team, only for planning statements for the miner's platform business and MaxiMine token functionality. The MaxiMine team may adjust the planning of the actual business according to the requirements of industry development and related laws, administrative regulations, local regulations and department regulations. This document does not constitute a legal opinion regarding the purchase or sale of MaxiMine tokens or their associated companies, corporate equity, claims or owners' equity. Any similar proposal or price will be applied under the applicable securities law and other relevant laws and regulations. The information or analysis in this document does not constitute investment opinion or advice. It does not constitute non-constitution and should not be interpreted as any civil offer, civil promise, civil action or civil contract. MaxiMine tokens are virtual tokens issued by MaxiMine platform. MaxiMine token holders can redeem points on the MaxiMine platform. The MaxiMine team may increase or adjust the MaxiMine token's service contents according to business development needs. The price of MaxiMine tokens will be determined through market transactions. Users who purchase and hold MaxiMine tokens may profit from the price increase of MaxiMine tokens. However, they may also suffer losses due to falling prices. The MaxiMine team makes no promises or guarantees regarding the future price of MaxiMine tokens.

The MaxiMine team made it clear that MaxiMine users should be aware of the risks of the projects invested by MaxiMine platform. Individual investors or institutional investors participate in the MaxiMine token investment to understand and accept the risk of the project, and are willing to bear all consequences and risks accordingly. MaxiMine clearly states that it will not bear any direct or indirect losses caused by MaxiMine's investment projects, including loss of economic benefits due to users' own operations; loss of economic benefits due to user's own mistakes, negligence, or inaccurate information; loss of economic benefits caused by the user's transaction of blockchain products; loss of economic benefits due to any failure of the Ethereum blockchain; loss of economic benefits due to force majeure, unforeseen risks; loss of economic benefits due to regulatory blockchain technology laws and regulations. MaxiMine tokens are not an investment wealth management product. Under certain circumstances, the value of MaxiMine tokens may decrease. The MaxiMine team does not guarantee the increase in value of MaxiMine tokens. MaxiMine tokens should not be considered as having the nature of ownership, control, or decision-making power of the MaxiMine Platform or its affiliates and companies. MaxiMine tokens are of commercial nature and do not have the nature of securities. Non-traditional financial products should not be registered as securities in any country or region.





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