

The logo for BitNational, featuring a stylized Bitcoin symbol (a capital 'B' with two vertical lines) followed by the word 'itNATIONAL' in a bold, sans-serif font. The 'i' is lowercase and the 'NATIONAL' is uppercase.

BitNATIONAL



BitNational Token (BNL) Overview

A loyalty-based asset for low-fee trading for use with BitNational's Online Exchange

bitnational.com

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White Paper Disclaimer

This white paper ("White Paper") is meant to describe the currently anticipated plans of BitNational Inc. (the "Company" or "BitNational") for developing the first Canadian-based cryptocurrency and cryptoasset online exchange (the "BitNational Exchange") to offer a native trading pair token of its own, the BitNational Token ("BNL") sold by the Company. This White Paper is intended for persons who are highly sophisticated in the blockchain and digital asset space. It is not a finance document nor a description of securities. Nothing in this document should be treated or read as a guarantee or promise of how or whether the Company or BNL will develop or of the features, utility or value of the Company or BNL. This White Paper outlines the Company's current plans, which could change at its discretion, and the success of which will depend on many factors outside the Company's control, including technological and engineering developments, market-based factors and factors within the money transfer and cryptocurrency industries, among others. This White Paper also describes what is believed to be a utility to enhance the user experience and value on the BitNational Exchange. Any statements about future events are based solely on the Company's analyses of the issues described in this document. Those analyses may prove to be incorrect.

This document does not constitute an offer for sale of BNL, or any other mechanism for BNL, and should not be considered as an offering of securities or a promotion, invitation or solicitation for investment purposes in any jurisdiction. This White Paper does not include or contain any information or indication that might be considered as a recommendation or that might be used as a basis for any investment decision. Any offer or sale of BNL or any related instrument will occur based only on definitive offering documents for the applicable tokens or the applicable instrument.

THE COMPANY IS NOT OFFERING BNL FOR PURCHASE AND SALE IN CHINA OR THE UNITED STATES OF AMERICA. THERE IS CURRENTLY NO SECONDARY MARKET FOR BNL AND WHILE A SECONDARY MARKET MAY DEVELOP, THE COMPANY WILL IN NO WAY MAKE EFFORTS TO PROMOTE OR CREATE SECONDARY MARKETS FOR BNL.

PURCHASING BNL INVOLVES AND RELATES TO THE DEVELOPMENT AND USE OF EXPERIMENTAL SOFTWARE AND TECHNOLOGIES THAT MAY NOT COME TO FRUITION OR ACHIEVE THE OBJECTIVES SPECIFIED IN THIS WHITE PAPER. THE PURCHASE OF BNL REPRESENTS A HIGH RISK TO ANY PURCHASERS. BNL DO NOT REPRESENT EQUITY, SHARES, UNITS, ROYALTIES OR RIGHTS TO CAPITAL, PROFIT OR INCOME IN THE NETWORK OR SOFTWARE OR IN THE ENTITY THAT ISSUES BNL OR ANY OTHER COMPANY OR INTELLECTUAL PROPERTY ASSOCIATED WITH THE NETWORK OR ANY OTHER PUBLIC OR PRIVATE ENTERPRISE, CORPORATION, FOUNDATION OR OTHER ENTITY IN ANY JURISDICTION. BNL IS NOT THEREFORE INTENDED TO REPRESENT A SECURITY INTEREST. ANY PERSON PURCHASING BNL SHOULD BE AWARE OF THE CURRENT UNKNOWN OR UNDEVELOPED STATUS OF LAWS REGARDING DIGITAL ASSETS AND BE AWARE NOT JUST OF THE RISK OF BEING A PURCHASER (ALL FUNDS YOU CONTRIBUTE COULD BE LOST), BUT THE RISK THAT ONE OR MORE SECURITIES REGULATORS MAY DECIDE THAT BNL ARE SECURITIES WHICH COULD RESULT IN CEASE TRADES AFFECTING OR PREVENTING LIQUIDITY, RESALE AND PRICING OF BNL. NO PERSON SHOULD PURCHASE BNL UNLESS THEY ARE WILLING TO SUFFER COMPLETE LOSS OF THEIR FINANCIAL CONTRIBUTION.

THIS VERSION OF THE WHITE PAPER SUPERCEDES ANY PREVIOUS VERSIONS AND ANY TRANSLATED VERSIONS AS THE OFFICIAL BNL WHITE PAPER.

Abstract

The BitNational Exchange is anticipated to be the first Canadian-based cryptocurrency and cryptoasset exchange to offer a native trading pair of its own, the BitNational Token (BNL). BNL is expected to give users reduced fees and an additional funding method to gain entry to the BitNational Exchange's live markets with 15+ digital currencies and assets upon launch.

Introduction

The BitNational Exchange is set for launch on August 1st, 2018, which is anticipated to occur during the sale process of BNL described below. The BitNational Exchange will not require the proceeds from the sale of BNL to fund its development, and the launch of the BitNational Exchange will occur regardless of the number of BNL sold.

The BitNational Exchange will commence with four trading pairs; Canadian dollars ("CAD"), Bitcoin ("BTC"), Ethereum ("ETH") and BitNational Token ("BNL"). These order books will be subject to trading fees, however the BNL order books will offer the benefit of an initial reduction in fees greater than 50% for both maker and taker sides of the order books. The BNL token will run natively on the Ethereum blockchain as an ERC 20 token.

BitNational History

BitNational Inc. was incorporated in Canada in 2013 and brought access to bitcoin through Canada's 6th Cryptocurrency Automated Teller Machine ("CATM") located at North America's largest mall, West Edmonton Mall. BitNational proceeded to expand its CATM and over-the-counter ("OTC") network across Canada and the Company now operates one of the largest cryptocurrency brokerage networks in Canada with over 50 CATMs and three OTC branches, one in Vancouver and two in Calgary. The OTC branches provide education and a personable experience for clients with BitNational staff.

The BitNational Exchange is expected to commence operation on August 1st, 2018. The BitNational

Exchange will be host to 15+ digital currencies and assets with an advanced trading engine to support the demand capable of handling 1,000,000 orders per second. The extensive testing of the trading engine has ensured ample room for growth of the BitNational Exchange.

Development of the BitNational Exchange commenced in April 2017. Fine tuning the user interface, extensive penetration testing, and multiple third-party vulnerability assessments have been conducted. The Company has applied the necessary changes for all verdicts and assessments of this platform which will ensure the best possible experience for potential users. The BitNational team prides itself on understanding the importance of launching with scalability in mind. Seeing the sudden growing pains of various cryptocurrency exchange launches across the world before 2018 led the Company to offer upgrades and alterations for a more simplistic and enjoyable onboarding and support system for the anticipated users. Although the BitNational Exchange has been substantially developed and ready for launch, the Company has waited for the right time to enter the market based on management's assessment of current conditions and near-term threats (i.e. no immediate hard-forks or impending security risks).

The implementation of the BNL trading pair is nearly the last addition made to the platform for the benefit and gratitude to initial users. BitNational has identified the opportunity to create a cryptocurrency and cryptoasset exchange marketplace with unquestionable respect for return users seeking low-fee convertibility between cryptocurrencies and CAD, particularly in times of intensive market volatility.

Existing Exchange Concerns

Delays, Transfer Difficulties, Unnecessary Fees

The Canadian-based online cryptocurrency and cryptoasset exchanges suffer from minimal and prolonged funding methods, delays in verification for customers, and limited options for coins. The BitNational Exchange is expected to address all of these problems upon launch.

Evidence from the 2017 Canadian Dollar market depicts an environment of minimal competition, ample room for improvement with trading fees, and room for greater variation of the cryptocurrency and cryptoassets that are available within Canadian-based exchanges. The majority market share holder currently offers only 5 digital currencies; Bitcoin (BTC), Bitcoin Cash (BCH), Bitcoin Gold (BTG), Ethereum (ETH) and Litecoin (LTC) and it is observable that the top three national leading exchanges have fees ranging from 0.5% to 0.1% (based on volume)¹. Trading on the BitNational Exchange with BNLs will give the customer instant 0.1% fees, based on its fee structure and it will ensure the user is receiving the best fees possible.

The BitNational Exchange Platform Solutions and Features

Onboarding

BitNational realizes that with most online exchanges, the onboarding process remains a pain point for users. The Company has partnered with, in management's view, one of the most advanced identification platforms in the world to help improve this experience for BitNational Exchange users. With onboarding taking less than a few minutes in most cases, it will allow the BitNational Exchange to open its doors to the masses as the cryptocurrency and cryptoasset exchange industries continue to grow exponentially. Most online exchanges are forced to limit the number of users during peak times and suffer from a backlog of registrants due to manual and tedious verification practices. Our team has extensive experience in the industry and utilizes many cryptocurrency exchanges around the world. Dissecting common frustrations from customers of other platforms enabled us to pinpoint key problems, streamline the process and give our users the simplest form of entry to the market, all while keeping their personal data secure.

Support System

BitNational acknowledges that timely and accurate customer support has been one of the most frustrating and unnecessary nuisances in the cryptocurrency online exchange industry. The Company takes pride in customer support because every transaction matters and experience within the industry has provided ample incentive for the Company to alleviate these pain points. Having this core value means that BitNational prioritizes consistency in customer care even with a well-scaled userbase and especially at times of high transactional volume. Management intends for the expected quality of BitNational's customer support to

¹ <https://www.cryptocanada.com/canadian-dollar-bitcoin-exchanges/>

progress on an ongoing basis in response to both the needs of the BitNational Exchange as well as of our customers. BitNational strives towards superior customer support by leveraging inside industry expertise and firsthand experience to guarantee dependable customer satisfaction.

Enterprise Matching Engine

Since the inception of this project, the company has developed the BitNational Exchange to be prepared to process immediate and consistent transactional volume. Its trade matching engine is anticipated to have a throughput of nearly 1 million transactions per second, ensuring that orders will be executed and not stuck in the queue. In addition, the BitNational Exchange's advanced Application Programming Interface ("API") is expected to allow for third-party applications and financial integrations to smoothly run settlement layers, allowing the BitNational Exchange to be vetted by industry leaders in real time.

Institution-grade Security

The BitNational Exchange platform will be operated from a secure and private location. All access points will be sufficiently encrypted and inaccessible to anyone who is not designated with the operation of the platform. Only an operational balance of liquidity will be accessible online and the balance will be stored offline in the Company's industry-standard cold storage solutions.

Order books

The BitNational Exchange will support the following trading pairs for order books:

- Canadian Dollar (CAD)
- Bitcoin (BTC)
- Ethereum (ETH)
- BitNational Token (BNL)

Supported Coins

Upon launch, the BitNational Exchange will support 15+ coins and additional coins are expected to be added over time. The Company will ensure coins that are added to the BitNational Exchange for trading are properly vetted by its team, the community and meet certain criteria before being added to the marketplace. The Company will only add coins that are credible, have market liquidity and a strong user base.

Fees

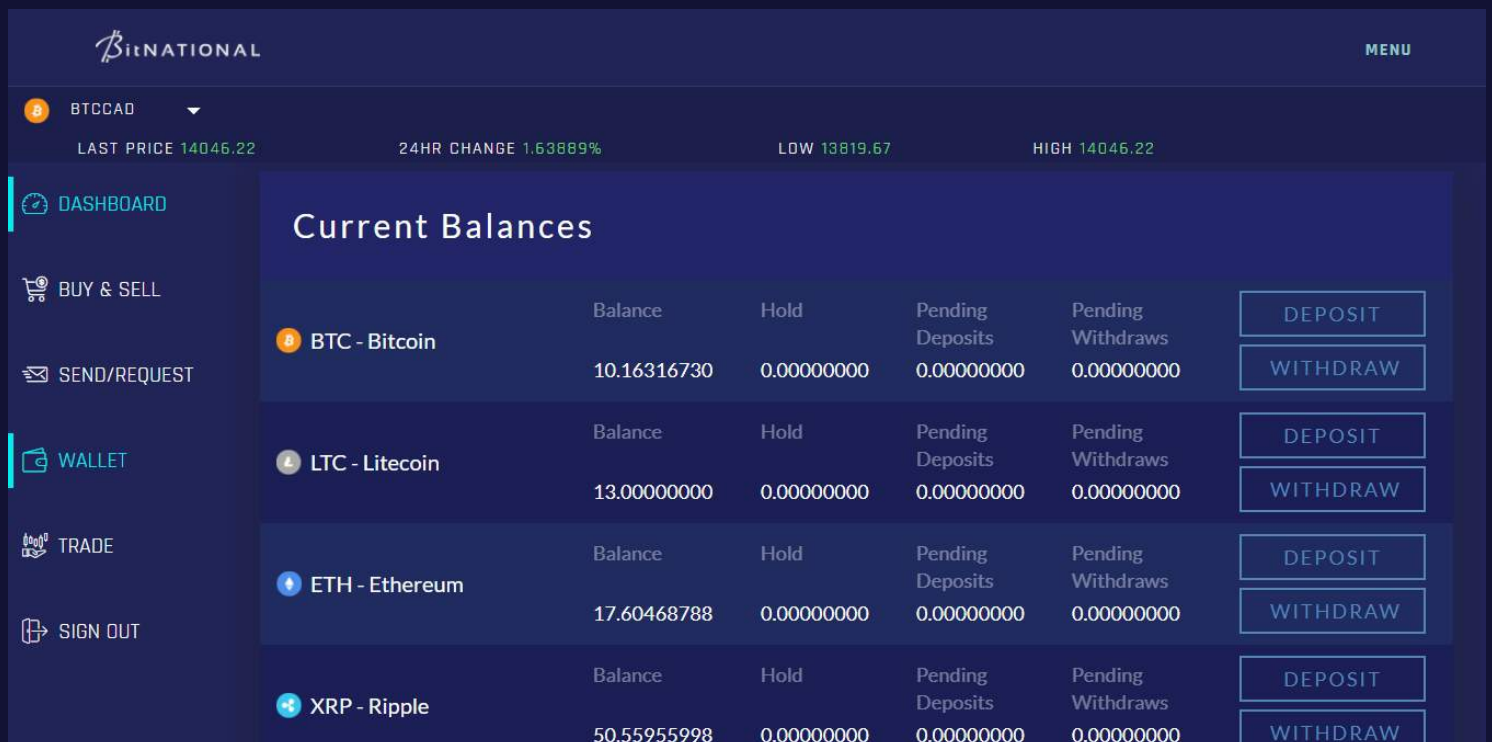
When you use the base trading pair BNL on the BitNational Exchange, a significant discount is applied:

Year	Discount Rate
1 st	50%
2 nd	25%
3 rd	12.5%
4 th	6.75%
5 th	No discount

Advanced APIs

Users will have access to BitNational's advanced APIs:

- Connect to FIX
- Binary
- WebSocket
- REST
- Custom APIs



BitNATIONAL MENU

● BTCCAD ▼

LAST PRICE 14046.22 24HR CHANGE 1.63889% LOW 13819.67 HIGH 14046.22

[DASHBOARD](#) [SETTINGS](#) [HELP](#)

[BUY & SELL](#)

[SEND/REQUEST](#)

[WALLET](#)

[TRADE](#)

[SIGN OUT](#)

MARKET

LAST 24 HOURS

Coming Soon...

WALLET

LEGEND

BitNATIONAL MENU

● BTCCAD ▼

LAST PRICE 14046.22 24HR CHANGE 1.63889% LOW 13819.67 HIGH 14046.22

[DASHBOARD](#) [SEND BITCOIN](#) [REQUEST BITCOIN](#)

[BUY & SELL](#) [BTC](#) [LTC](#) [ETH](#) [XRP](#) [ETC](#)

[SEND/REQUEST](#)

Select Amount to Send

BTC

Enter the amount of Bitcoin you wish to send.

Recipient

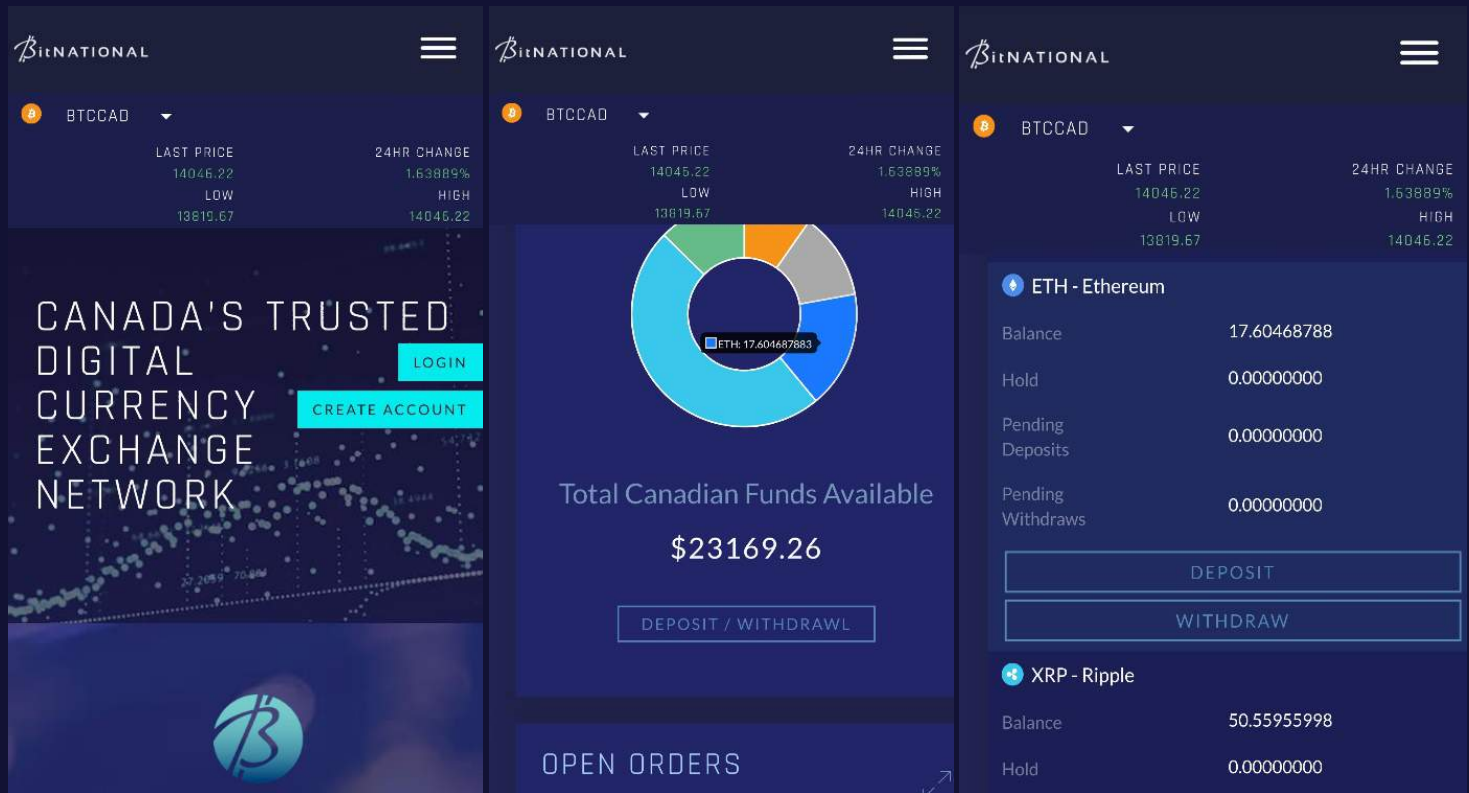
Note - if the receipt is not a registered user of Bitnational, they will receive an email invitation to create an account and claim their funds.

[WALLET](#)

[TRADE](#)

[SIGN OUT](#)

Web-based Mobile UI



Implementation & Sustainability Plan

Upon the launch of the BitNational Exchange, BNLs will be paired with more than fifteen different digital currencies and assets. The BitNational Exchange is intended to cater to the Canadian market, but also outside of Canada, with fees as low as 0.1%, competitive order book depth and multiple advanced trading options as discussed above.

Upon each anniversary of the launch of the BitNational Exchange, BitNational will purchase certain amounts of BNLs within the market. All repurchased BNLs will be held off the market and be added to an auditable BitNational User Protection Fund. This fund will be held in a multi-signature wallet with a neutral third-party. If situations arise surrounding exchange vulnerability, hacks or emergencies, this fund will act as a buffer to mitigate

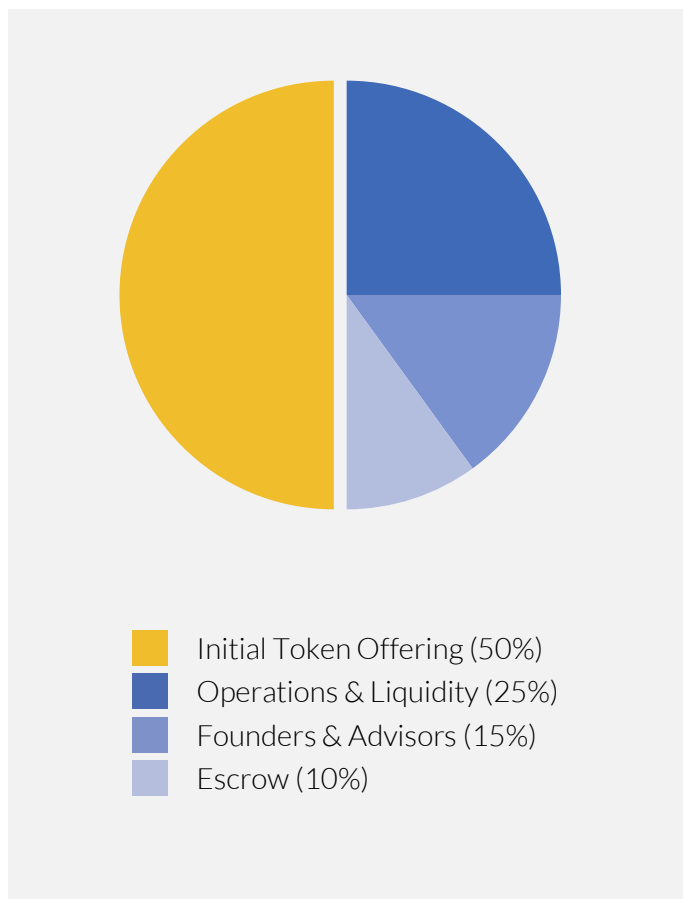
damages incurred by BitNational and ensure minimal disruption is experienced for our users. Any funds utilized will be transparently described via public cryptocurrency forums and posted on the company's blog prior to pulling the funds. BitNational will use a small portion of annual revenue (1-5%) to buyback BNLs off the market to scale the fund value in connection with the platform growth. Like the initial tokens of the User Protection Fund, the repurchased BNLs will be held to protect users of the BitNational Exchange and compensate for their losses if certain issues arise in the future.

The Token

BNL will be a standard ERC 20 token running natively on the Ethereum blockchain. There will be a hard cap of 100M BNL created and this number will never increase. 50% of these tokens will be distributed during the Initial Token Offering (ITO), 25% for operations and liquidity, 15% given to the founders and advisors and 10% held in escrow for potential emergencies related to customer deposits and the security of those holding BNL. Any BNL not purchased under the Initial Token Offering of BNL will be burned and no further BNL will be created. It is noteworthy that any token percentages distributed to BitNational, the founders and advisors and the escrow fund will be proportional to the percentage of BNLs sold during the ITO and the remainder will be burned. All tokens awarded to BitNational and the founders will be vested as per the table below. Tokens awarded to advisors will be vested over 6 months.

Initial Release	After Year 1	After Year 2	After Year 3	After Year 4
20%	20%	20%	20%	20%

Distribution of Funds to BitNational



ITO (Initial Token Offering)

This loyalty ITO will be developed to bring in a new method for trading on the BitNational Exchange platform. As the developers of BNL, the Company will give out tokens which become a new cryptocurrency. Once purchased with ETH during the ITO, purchasers will be able to exchange BNL for the older and more established coins such as BTC, ETH and approximately 15 others. The use case for this token will be to enable a discounted fee for trading on the BitNational Exchange and attempt to obtain a certain “stickiness” for users and their trading needs. See the below diagram for a visual interpretation of how the tokens will be distributed upon the launch of the ITO.



The ITO will be conducted strictly in ETH and investors will receive BNL tokens immediately and they will be unlocked within 5 business days after the ITO finishes by reaching its hard cap of 74,074.074 ETH. If the ITO does not reach its hard cap, the remaining tokens will be burned. The offering will be conducted from July 1st, 2018, until August 15th, 2018, and 1 ETH will purchase 675 BNL.

The Team



Matt Haddon
Co-Founder & President

Matthew began his working career in the energy sector of Canada's economy with Concord Well Servicing in early 2004 and quickly elevated to new heights within various positions for Precision Drilling, Lutz Productions, Greywolf Productions and Tartan Controls. He built and refined his skill sets to the point he was managing multi-million-dollar gas production facilities for Petronas. Matthew left the energy industry in 2010 when he founded a landscape architecture corporation generating near millions in revenue annually at the point of exit. He shifted gears to uncharted territories in 2013 where he began trading bitcoin & digital currencies ultimately leading to co-founding BitNational. His new-found love for the revolutionary space of blockchain technology was enabled.



Drew Glover
Co-Founder &
Head of Decentralization

Drew is an iron-willed entrepreneur with untiring passion for his beliefs and a Certified Bitcoin Professional with over five years of intensive experience in cryptocurrency. After nearly a decade of experience as a supervisor in the natural gas industry, Drew attended the University of Victoria, majoring in Commerce. Upon discovering his calling within the Decentralization movement in 2011, this unique skill set was applied to the creation of BitNational. Drew has also traveled to over 40 nations and this international experience guides his search for a brighter future for all humanity via BitNational and the Greater Decentralization Movement.



Ziad Sabbagh
Head of Operations

Ziad began his professional career in the Financial sector with Olympia Financial Group, a publicly traded Calgary based corporation specializing in financial, insurance, FX, and ATM products. Ziad quickly began running operations and data analytics for the then new start-up divisions of Olympia ATM and Olympia FX ATM for all 400+ ATMs and \$20 million in cash assets nationwide, under the guidance of Olympia's CFO and respective VPs for each division. With a bachelor's degree from the University of Calgary in Supply Chain & Operations Management and a passion for data, Ziad saw the potential in cryptocurrencies to transform the financial industry and beyond. Ziad left Olympia in pursuit of being a part of that bleeding edge industry. Eventually finding BitNational and transforming the business strategy, operations, and data analytics back-end.



Ben Perrin
Head of Marketing

Ben is a passionate advocate of Bitcoin and cryptocurrency, drawn to the industry by its power to disrupt and upend the entire financial industry. With a background in education and the arts, he has found his niche helping crypto-newcomers navigate murky waters in a friendly and entertaining way - through his informative YouTube channel "BTC Sessions." Since 2014 Ben has worked for 3 different cryptocurrency brokers, documented his life living on Bitcoin, interviewed countless industry leaders including Erik Voorhees/Arthur Hayes/Trace Mayer/etc. and amassed nearly 2 million views on his original content.



Tom Hagel

Head of Customer Relations

Thomas has a background in wealth management as a Personal Financial Planner. He previously managed investment portfolios greater than \$130 million in his company which he succeeded and sold at the age of 27. Thomas' passion for global economics/geopolitics, knowledge of international debt entanglement, and pending inversion of the corporate yield curve drives his conviction in cryptocurrency. Thomas is an expert in security analysis, portfolio management, risk management, and strategic tax planning. His business accruement is process design to deliver exceptional product return, and has great focus is in providing outstanding customer satisfaction.



Ayman Kamoun

Head of Sales

With a background in Electrical Engineering from the Schulich School of Engineering at the University of Calgary, Ayman Kamoun saw the potential in Blockchain technologies merging the worlds of programming and the global commerce network. Ayman spends his extra time researching new applications using Blockchain technology specifically the Ethereum Network. With extensive experience in the sales industry, Ayman is no stranger to providing superior customer service and care. Ayman currently runs the day to day operations of the sales team, responsible for planting ATMs across Western Canada from individual vendors to corporate offices, and malls.

Advisors



Chris Kitze

A technology innovator and investor. He is a serial entrepreneur, creating companies with over \$7 billion of market capitalization during a 25-year career. He has been part of the Lycos' IPO team, was founder and CEO of Xoom.com (IPO: 1998), and was CEO of NBCi, formed by the merger of Xoom.com and Snap.com, in addition to other companies in digital media and payments, such as Wine.com and Unseen.is. Currently, he is working on several very interesting blockchain related projects, and helping the Alphabit Fund.



Patrick Onyekweli

Patrick, director at Canaccord Genuity Corp., is an experienced finance professional with almost a decade of investment banking experience at leading bank-owned and boutique dealers in Canada. Over the course of his career, he has helped to raise in excess of \$2 billion in capital and advise on over \$6 billion in M&A transactions. Patrick is a CFA charterholder, holds an MBA from Queen's University and received a BComm with Distinction from the University of Calgary. Patrick is an active angel investor with over 100 portfolio companies globally, including several focused on advancing blockchain initiatives.



Hanif Joshaghani

With a proven track record in entrepreneurship and business development, Hanif has founded four companies, with three of those resulting in full or partial exits including his two most recent technology companies Aimsio and Symend. In addition, Hanif is an active technology angel investor, with investor / advisor roles at BitNational, Leankor, Arcus Power, Athenian, Acuspire, and Bidali. Prior to his entrepreneurial career Hanif spent 15 years in hedge funds and investment banking. His exceptional talent for establishing lasting relationships with clients, partners, advisors, investors and team members; is a catalyst for bringing together successful partnerships and teams.



Michael Saliken

Michael's practice is focused on securities and corporate finance with an emphasis on corporate mergers & acquisitions, oil and gas, information technology and renewable energy. Acting for Kelt Exploration Ltd. in connection with its aggregate \$460M private placement financings in 2013 & 2014 and Kelt's \$307M acquisition of Artek in 2015. Acting for Beaumont Energy Inc. in connection with its \$517M acquisition by Whitecap Resources Inc. in 2015. Acting for AutoCanada Inc. in connection with its \$3.2 Billion acquisition by ExxonMobil Canada in 2013. Acting for agents/underwriters in respect of equity/debt offerings and advisory work, including National Bank-led \$25M financing of High Arctic Energy Services Inc. in 2014 and Raymond James-led \$172M financing of Trinidad Drilling Ltd. in 2013 acting across all industries.



Karim Teja

Karim is an accomplished financial and operations executive with almost two decades of success in technology commercialization, public company management, financings, mergers and acquisitions, intellectual property, securities and exchange regulations and foreign currency. He has an extensive background in bringing new products to market, manufacturing and distribution of technologies and mergers and acquisition work. He was a winner of the coveted Ernst and Young Entrepreneur of the Year Award for his instrumental work in rapidly commercializing and global distribution of a new healthcare product. Karim is recognized for his financial expertise, strong negotiating skills, providing excellent customer service and meeting fiduciary obligations to Board of Directors and shareholders. Karim has significant experience in financial technology (fintech) and cryptocurrency related issues and innovations through holding senior and executive positions at a number of companies in that space.



Colin Pape

Colin Pape is an entrepreneur, speaker, advisor, community organizer, and thought leader in the field of decentralization and internet technology. Born and raised in a small Canadian town called Midland, Pape is the founder and project lead for Presearch, a decentralized search engine. He is also the founder and CEO of ShopCity.com, a local search platform building digital main streets, and representing more than 80,000 small businesses.



Cyndi McLeod

Cyndi is an award-winning, globally-minded executive. With a vast international network that spans over 100 countries, Cyndi's expertise lies in building strategic business and educational connections. Cyndi has held senior leadership roles in Canadian public universities and later launched her consultancy business, Globally CMc. Cyndi recently joined Global University Systems as CEO, Canada leading the group's expansion and Canadian operations. She is also the CEO of KidzCan Global Education, a Canadian provider of early childhood education programs internationally and CEO of Smrt English Asia, an education technology company. Cyndi holds a master's degree in International Business from Asia Pacific International University.



Gary Lachance

Gary has been a tireless advocate of Radical Decentralization for nearly a decade. He believes wholeheartedly that this movement has the power to unlock humanity's full potential and catalyze a magnificent new era that will maximize freedom, creation and loving connection. His advocacy work includes writings, films, and other creative projects, including a "Dialogues On Decentralization" speaker's series at Burning Man that helped turn thousands on to these revolutionary new ideas and ideals. For the past eight years, Gary has been operating the Decentralized Dance Party; a powerful demonstration of what a Decentralized future might not only look but feel like. This open-source Party concept has united hundreds of thousands worldwide in revolutionary acts of shared experience. Visit TheDDP.com to learn more.



Alex Sterk

Alex and the Ubiq technologies team work closely with several leading exchanges for their technical integrations and providing best practices of the exchange industry. Their team is quite skilled and experienced in building, deploying and maintaining blockchain and their assets with the main example being Ubiq independent smart contract network. The Ubiq teams' knowledge of the ethereum smart contract programming language allows for auditing of the crowdsale and token contract to ensure no vulnerabilities exist.