



**BLOCKCHAIN
INTELLIGENCE
GROUP**

Platform Due Diligence Report

June 17, 2020

bitbuy

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Introduction to Blockchain Intelligence Group

BIG - Blockchain Intelligence Group is a search and analytics company providing risk and compliance solutions to the blockchain and virtual asset ecosphere. Blockchain Intelligence Group, a public company trading on the Canadian Stock Exchange as BIGG has been providing data, analytics and investigation tools since 2015.

CSE: BIGG

OTC: BBKCF

WKN: A2JSKC

Purpose Scope Methods

This review provides a third party, unbiased and objective review of the counterparty risk associated with using the Bitbuy Platform. This analysis includes historical research as well as current research and analytics to provide a comprehensive and chronological review of the entity. A sample of transactional data from the most recent calendar quarter of operations is summarized, with the following key areas reviewed:

- Identified KYC Policy – implemented and enforced
- Operates in High Risk Jurisdiction
- Adverse Media
- Jurisdiction registration requirements and valid registration
- Regulatory or Law Enforcement Actions
- High Risk Business other than Virtual Assets
- Offered Goods or Services on Darknet Markets
- Cybercrime
- Associated with Terrorism
- Requires encrypted communication to obtain service

Proof of Reserve Audit:

- Assessment of Bitbuy Client Funds in Cold Storage

Confidentiality

This Enhanced Due Diligence report is private and confidential and may not be disseminated to any third party. The information and transaction analysis data supplied are for the sole purpose of providing a third-party assessment of the Bitbuy Platform, and to provide assurance to its clients that their funds are stored securely and backed up 1:1.

Entity Review

Entity: Bitbuy
Type of Service: Virtual Asset Service Provider
Primary Location: Toronto, Ontario, Canada

AML/TF Score:	100 – Low Risk
Aggregate Transactional Risk Score Q1:	98.92 – Low Risk
Aggregate Transactional Risk Score Q2:	99 – Low Risk

Bitbuy is one of Canada's premier virtual asset service providers, with a well-known reputation for being reliable, secure, and compliant. Originally founded in 2016, Bitbuy operates the website (<https://bitbuy.ca/>).

Bitbuy has established its mission; "To provide reliable, secure, and convenient access to Bitcoin and other virtual assets". As of June 2020, Bitbuy enables users to trade with the following seven virtual assets: Bitcoin, Litecoin, Ethereum, Bitcoin Cash, Ripple, Stellar, EOS.¹ Currently, Bitbuy offers its clients three options: Bitbuy Express, Bitbuy Pro and Bitbuy OTC. The different options are available whether a customer wishes to buy or sell with ease and convenience, with more advanced functionality, or by fulfilling large amounts with a concierge service.

CipherBlade was previously employed by Bitbuy to conduct a proof of reserve audit, released May 2, 2019, which yielded results stating that not only were the fiscal reserves for their cold wallet storage 100% verified, but at the time Bitbuy was also in complete compliance with relevant regulation.² In its continued effort to maintain the highest standards of corporate transparency and compliance, Bitbuy has authorized a forensic analysis by Blockchain Intelligence Group.

Bitbuy's security policy has a mandate of 95 % of its client's funds to be securely custodied in segregated cold-wallet storage as well as enforcing two-factor authentication for all client accounts. Bitbuy has released its primary cold wallet addresses for Blockchain Intelligence Group to review and verify. The results of the reviewed addresses for this cold wallet proof of reserve are the below:

¹ <https://support.bitbuy.ca/hc/en-us/articles/360002036751-Which-cryptocurrencies-does-Bitbuy-offer->

²

<https://bitbuy.ca/assets/documents/Bitbuy%20Proof%20of%20Reserve%20and%20Security%20Audit%20Report.pdf>

Crypto Device	Total Bitbuy Customer Funds ³	Crypto Funds in Cold Wallet Storage ⁴	Fiat Value of Cold Wallet Storage	Percentage of Funds in Cold Storage	Audit Timestamp
Bitcoin				97.29 %	(6/17/20) 11:01 AM
Ethereum				97.65 %	(6/17/20) 11:01 AM
Litecoin				97.22 %	(6/17/20) 11:20 AM

As shown in the table above, Bitbuy meets and exceeds its' mandate requiring 95% of customer funds to be held in cold wallet storage. The percentages of customer funds held in cold wallet storage for Bitcoin, Litecoin, and Ethereum are all above 97%. The slight variance in percentage between the virtual assets is minimal, with an average cold wallet storage of 97.38 %.

Bitbuy diligently makes the effort to not only protect its customers but to also warn its potential customers and existing clientele of the inherent risks and potential losses that can occur in the crypto space due to market vulnerabilities and volatility. The site's user agreement includes clauses which provide clarity regarding the potentially high-risk nature of virtual assets.⁵ Bitbuy also regularly updates and informs its clients on the ever-changing dangers of virtual asset related scams via social, newsletter, client service calls, emails and on-site banners.⁶

Bitbuy maintains a very robust compliance regime, which meets the federal compliance requirements.⁷ As of June 1st, 2020, all businesses in Canada that deal with virtual assets must come into compliance with the national PCMLTF Act. Bitbuy implemented measures that met these compliance requirements well before the deadline and is currently regulated by FINTRAC as a Virtual Asset Service Provider (VASP) MSB.⁸ The measures implemented and enforced by Bitbuy include but are not limited to:

- Assigning a compliance officer,
- Implementing a risk-based approach to combat money laundering and the financing of terrorism,
- Acquiring board level approval of the compliance regime,
- Enforcing know your customer and customer due diligence for all its customers,

³ Bitbuy Technologies Inc. has transparently and proactively furnished all relevant compliance and company information to Blockchain Intelligence Group in order to facilitate an easier review process.

⁴ Blockchain Intelligence Group Compliance Suite – Quantitative Law Enforcement Unified Edge (QLUE)

⁵ <https://bitbuy.ca/en/terms>

⁶ <https://bitbuy.ca/resources/updates-2/>

⁷ <https://bitbuy.ca/en/compliance>

⁸ <https://www.fintrac-canafe.gc.ca/covid19/vcmsb-listing-eng>

- Enforcing limits based on verification levels,
- Transaction reporting and recordkeeping,
- Risk-based suspicious activity monitoring,
- Regular compliance training for Bitbuy employees,
- Voluntary reporting of suspicious activities to FINTRAC (mandatory after June 1, 2020),
- Reporting of large virtual currency transactions to FINTRAC,
- Effectiveness reviews of compliance programs.⁹

The above AML compliance program not only meets the national regulatory requirements in Canada, but closely follows the recommendations for Virtual Asset Service Providers prescribed internationally by the FATF.¹⁰

Bitbuy administers its Anti-Money Laundering policy by requiring its customers to fulfil KYC/CIP requirements upon registration. Bitbuy has engaged Trulioo to electronically verify customer identities by validating the relevant personal information required by FINTRAC. However, if a user is unable to pass the electronic identity verification, they can submit relevant and FINTRAC compliant identity information to Bitbuy for a manual verification process.¹¹

Once KYC requirements have been fulfilled, customers are given access to engage the full suite of services on the Bitbuy Platform. Bitbuy's AML policy, designed to prevent the facilitation of illicit financial crimes, authorizes the company to limit the amount of funds that can be deposited and withdraw per order.¹² The below table shows the order limits for both fiat and crypto funding transactions.

Deposits	Minimum Requirement	Maximum Limit
CAD Wire Transfer	\$20,000	\$10,000,000
Interac E-Transfer	\$100	\$10,000
Interac Express E-Transfer	\$500	\$10,000
Virtual Assets	No Minimum	No Maximum

Withdrawals	Minimum Requirement	Maximum Limit
Interac e-Transfer	\$50	\$10,000
Electronic Funds Transfer (EFT)	\$10,000	\$25,000
Express Bank Transfer	\$10,000	\$25,000
Wire Transfer	\$25,000	\$500,000
Virtual Assets	Varies based on virtual assets	No maximum

⁹ Bitbuy Technologies Inc. has transparently and proactively furnished all relevant compliance and company information to Blockchain Intelligence Group in order to facilitate an easier review process.

¹⁰ <http://www.fatf-gafi.org/publications/fatfrecommendations/documents/guidance-rba-virtual-assets.html>

¹¹ <https://support.bitbuy.ca/hc/en-us/articles/360002011332-How-do-I-get-verified->

¹² <https://bitbuy.ca/en/fees>

In addition to obligatory identity verification and spending limits, Bitbuy has developed proprietary methods and engages third-party tools that help mitigate the risk of fraud as well as promote forensic traceability and track darknet market attributions.¹³ Some of the third-party tools that are used by Bitbuy include but are not limited to: Chainalysis, Maxmind and Trulioo.¹⁴

Bitbuy collaborates with governmental agencies to aid the development of regulatory compliance and oversight in the virtual asset sector. The company's continued engagement with law enforcement and government authorities has proliferated Bitbuy's reputation as not only a secure platform, but a trusted actor in the virtual asset community.

Legally operating as "Bitbuy Technologies Inc.", Bitbuy is a wholly owned subsidiary of "First Ledger Corporation". A list of First Ledger Corporation subsidiaries includes but is not limited to:

- "Bitbuy Technologies Inc.",
- "Monitex Inc.",
- "Blockchain Markets Inc."
- "Canada's Bitcoin Index" (a.k.a CBIX)

Bitbuy is registered with FINTRAC, an entity of the federal government of Canada, and offers its services strictly to Canadian persons at this time. Because of this, Bitbuy only supports Canadian dollars for fiat.¹⁵

According to the Basel Institute on Governance – Canada is rated 4.92 which is within acceptable limits. The mean average per Basel is 5.39. The report states the countries were accessed according to the new FATF (Financial Action Task Force) methodology.¹⁶

A search of the U.S. Treasury's Office of Foreign Assets Control sanctions database examining Bitbuy as well as associated members of senior management yielded no relevant results.¹⁷

An additional search concluded that members of senior staff at Bitbuy are not politically exposed persons. Those investigated were Adam Goldman (Founder and President), Jordan Anderson (Chief Operating Officer), Dean Skurka (Chief Financial Officer and Chief Compliance Officer), and Joseph Iuso (Chief AML Officer).ⁱ

¹³ Bitbuy Technologies Inc. has transparently and proactively furnished all relevant compliance and company information to Blockchain Intelligence Group in order to facilitate an easier review process.

¹⁴ <https://bitbuy.ca/resources/updates-2/bitbuys-commitment-to-security-and-compliance/>

¹⁵ <https://support.bitbuy.ca/hc/en-us/articles/360031037892-Can-I-fund-my-account-with-USD-EUR-etc->

¹⁶ <https://www.baselgovernance.org/sites/default/files/2019-08/Basel%20AML%20Index%202019.pdf>

¹⁷ <https://sanctionssearch.ofac.treas.gov/>

Licensing/Regulator:

Canada:

Financial Transactions and Reporting Analysis Centre (FinTRAC) – “Bitbuy Technologies Inc.” (d.b.a Bitbuy) is registered in Canada under the Ministry of Finance as a Money Service Business and Virtual Asset Service Provider with the business ID number M20728803.¹⁸

Canada Business Corporations Act – “Bitbuy Technologies Inc.” is registered federally in Canada under the Canada Business Corporations Act with the business number [REDACTED] and corporation number [REDACTED].¹⁹

Registraire Des Entreprises de Québec– “First Ledger Corporation” is registered in Canada with the Québec registrar of companies under the company number [REDACTED].²⁰ “First Ledger Corporation” is also known with the registrar of companies in Québec as “Premier Grand Livre”.

Bitbuy’s policies explicitly describe KYC/AML procedures, which were verified at the time of review. The company and its parent organization hold the appropriate licensing and registration with the Canadian federal government and the Financial Transactions and Reporting Analysis Centre. Bitbuy’s reserve of cold wallet storage was also reviewed, with the analysis showing that Bitbuy maintains its policy of holding 95% of its custodial funds in cold wallet storage. Based on the research findings; Bitbuy is considered to be at a lower risk for theft, fraud, money laundering, sanctions evasion and terrorist financing.

Score Determination Factors:

- Identified KYC Policy – Implemented and Enforced
- Operates in Low Risk Jurisdiction – Canada
- No Negative Media Associated with Bitbuy
- Jurisdiction Registration Requirements Met and Valid Registration Verified
- No Regulatory or Law Enforcement Actions Taken Against Bitbuy
- No High-Risk Business Associations
- No Goods or Services Offered on Darknet Markets
- No Associations with Cybercrime
- No Associations with Terrorism
- Does Not Require Encrypted Communication

¹⁸ <https://www.fintrac-canafe.gc.ca/covid19/vcmsb-listing-eng>

¹⁹ <https://www.ic.gc.ca/app/scr/cc/CorporationsCanada/fdriCpDtls.html?lang=eng&corpld=9592466>

²⁰ https://www.registreentreprises.gouv.qc.ca/RQAnonymeGR/GR/GR03/GR03A2_19A_PIU_RechEnt_PC/PageEtatRens.aspx?T1.JetonStatic=ed3c0837-9e32-420a-849d-06eab08654fa&T1.CodeService=S00436

Proof of Reserve Factors:

- Cold Wallet Storage Audit – Average 97.38% of Funds Held in Cold Wallet Storage

Locations:

- [REDACTED]²¹

Management Team:

- **Adam Goldman – President and Founder**
 - Adam originally created InstaBT in early 2014, which subsequently evolved into what is now known as Bitbuy. His vision was to offload the heavy lifting and provide a quick and simple way for Canadians to obtain Bitcoin.²²
- **Jordan Anderson – Chief Operating Officer**
 - Jordan oversees sales operations, marketing, and customer experience. He is responsible for delivering and scaling the business through operational excellence. Before Bitbuy, Jordan spent 3 years growing Yahoo! Canada's Mid-market Division to over 10MM+ in recurring yearly revenue.²³
- **Dean Skurka – Chief Financial Officer & Chief Compliance Officer**
 - Since joining Bitbuy in January 2018, Dean has led their Finance and Compliance teams and demonstrates extensive knowledge in virtual asset trading and the regulatory landscape within the industry. Dean is a business professional with 10+ years' experience providing financial and accounting services. Prior to Bitbuy, Dean spent 5+ years in corporate restructuring and insolvency.²⁴
- **Joseph Iuso – Chief AML Officer**
 - Joseph Iuso, CAMS, is a solutions-focused Senior Executive and Consultant with more than 30 years of success across the IT, AML compliance, banking, financial services, e-commerce, digital currency, and identity industries. He has leveraged his extensive experience in support of the financial services and retail payments sectors to ensure optimal

²¹ <https://www.linkedin.com/company/bitbuyca/about/>

²² Ibid.

²³ Ibid.

²⁴ Ibid.

ROI. Mr. Iuso currently serves as the Executive Director of the Canadian Money Service Business Association (CMSBA).²⁵

Adverse Media:

There is no adverse media identified with Bitbuy, notable articles identified are as follows:

May 27, 2020, Forbes.com: Bitbuy and Knox have formed a partnership that establishes the world first fully insured virtual asset deposit. The article quotes a press release as stating, “Bitbuy the world’s first platform to find a way to keep the full value of its bitcoin cold storage holdings insured.” The insurance coverage, which is provided by Knox’s broker Marsh, would cover incidences like theft, internal collusion, and other losses.²⁶

May 25, 2020, Bitbuy Staff: Bitbuy released a statement which announced the partnership with Knox that establishes the companies as being the first in the crypto sphere to deal in fully insured virtual assets. The statement explains that existing Bitbuy holdings have been moved to an offline segregated storage vault handled by Knox. According to the statement, “The partnership...allows Bitbuy users to store their bitcoin holdings in an offline vault with insurance up to the full value of the holdings.”²⁷

July 15, 2019, Pymnts.com: In an interview with Pymnts.com, the founder and president of Bitbuy Adam Goldman discussed combatting financial crime in the blockchain sector in general and how Bitbuy’s policies help to thwart these inimical actions. The article discussed both KYC enforcement within Bitbuy as well as internal controls that Bitbuy performs as a measure to ensure security, “This process includes verifying that the trading platform has the fiat and cryptocurrency holdings claimed, as well as assessing capabilities like transaction flows, private key management systems, segregated accounts and more.”²⁸

May 2, 2019, Global Newswire: In 2019 Bitbuy employed US based CipherBlade to conduct a proof of reserve audit which examined Bitbuy’s security and financial reserves, about which Rich Sanders from CipherBlade stated the following:

Bitbuy was extremely forthcoming in the information they provided, and this information was provided in a timely and complete matter. This commitment to transparency is something that should be both a consumer expectation and self-regulatory best practice. A new dawn of higher expectations and accountability is something that will be great for both the Canadian space and blockchain industry.²⁹

²⁵ Ibid.

²⁶ <https://www.forbes.com/sites/colinharper/2020/05/27/bitcoin-exchange-bitbuy-partners-with-knox-security-to-offer-full-deposit-insurance/#e1518715b7d5>

²⁷ <https://bitbuy.ca/resources/updates-2/bitbuy-knox-insured-bitcoin-partnership/>

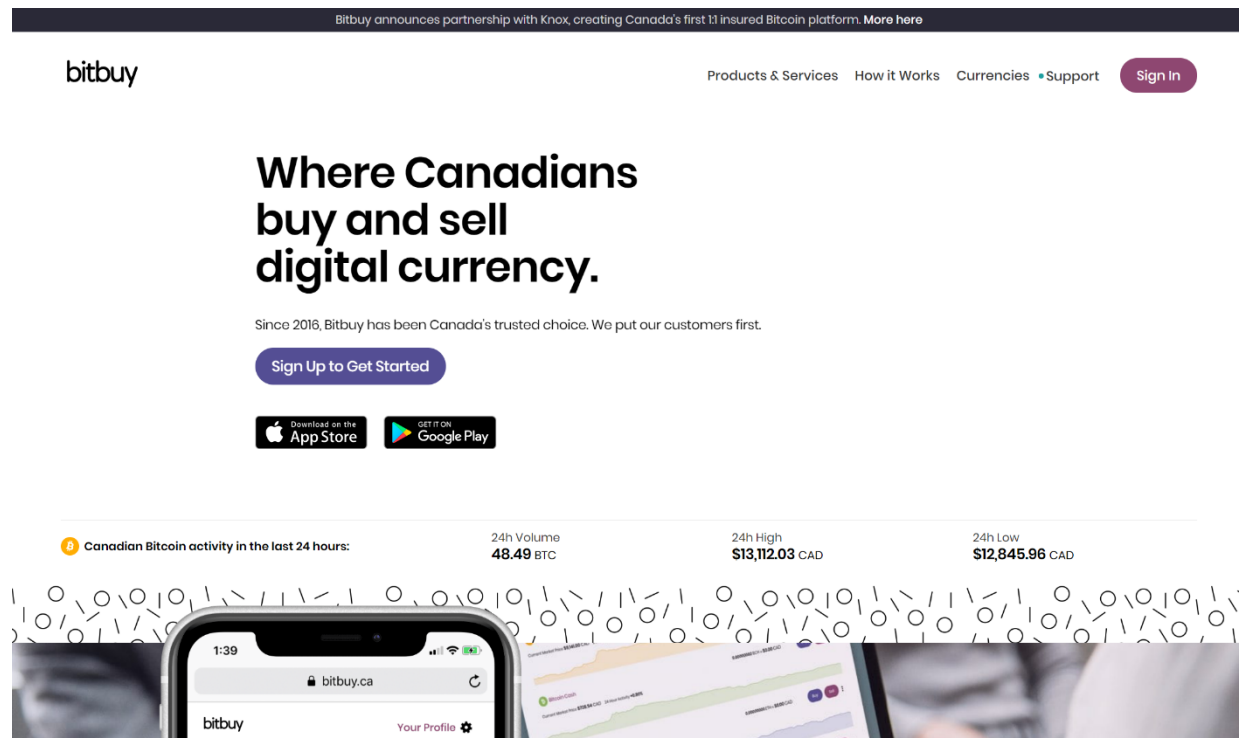
²⁸ <https://www.pymnts.com/aml/2019/bitbuy-keeping-crime-scam-fraud-crypto/>

²⁹ <https://www.globenewswire.com/news-release/2019/05/02/1815562/0/en/Bitbuy-Completes-Proof-of-Reserve-Audit-Launches-Pro-Trade-and-OTC-Desk.html>

December 15, 2018, Cryptoknowmics: In 2018 First Ledger Corporation acquired the company “Blockchain Markets Inc.” as well as CBIX.ca. The company showed an outstanding year despite market decline. The article published by Cryptoknowmics forecasted, “With its major acquisition of Blockchain Markets Inc. and the roll-out of Bitbuy Pro, FLC is well positioned to reach new heights and become a force to be reckoned with in the global blockchain and crypto community.”³⁰

Website:

<https://bitbuy.ca/en>

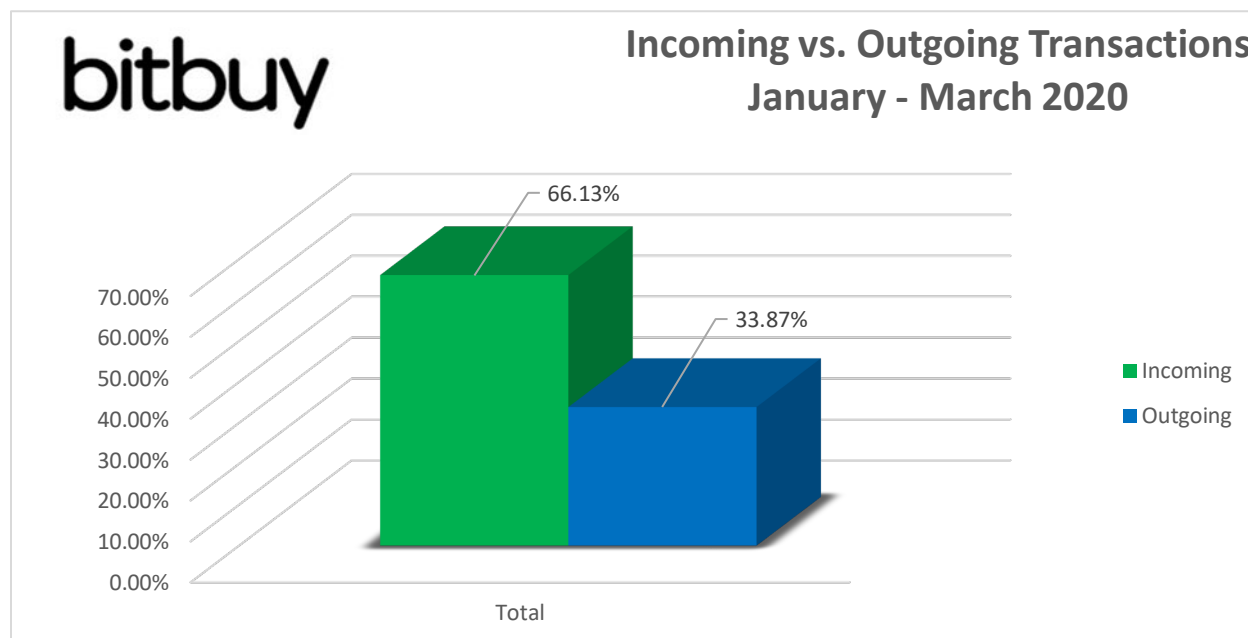
**Bitbuy Website URL'S:**

- Landing Page (<https://bitbuy.ca/en>)
- About Bitbuy (<https://support.bitbuy.ca/hc/en-us/articles/360002036711-What-is-Bitbuy->)
- Terms and Conditions (<https://bitbuy.ca/en/terms>)
- Privacy Policy (<https://bitbuy.ca/en/privacy>)
- License Statement (<https://support.bitbuy.ca/hc/en-us/articles/360030985012-Is-Bitbuy-a-registered-Money-Service-Business-MSB->)
- Compliance Statement (<https://bitbuy.ca/en/compliance>)
- Support Page (<https://support.bitbuy.ca/hc/en-us>)
- Security Information Page (<https://bitbuy.ca/en/security>)
- Trading, Withdrawal, and Deposit Fees Page (<https://bitbuy.ca/en/fees>)

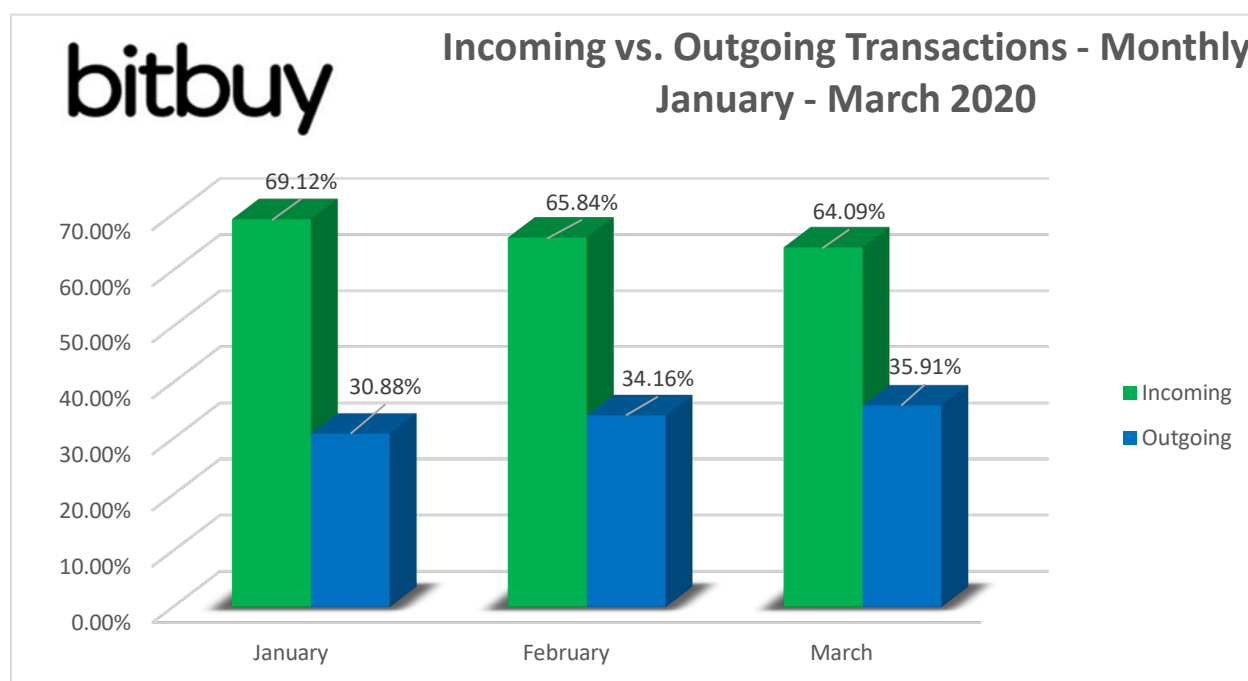
³⁰ <https://www.cryptoknowmics.com/news/first-ledger-corp-acquires-blockchain-markets-inc-continues-to-expand-presence-in-blockchain-and-crypto-community>

Transactional Analysis – Scoring BTC Q1

An analysis was performed on a sampling of the incoming and outgoing Bitcoin transactions associated with Bitbuy for a 90-day period between January – March 2020.ⁱⁱ During the review period there were [REDACTED] transactions identified in the dataset with [REDACTED] incoming transactions and [REDACTED] outgoing transactions.



The monthly incoming and outgoing transactions from the sample are depicted in the below graph. Across the 90-day review period; the volume of transactions in the dataset increased.

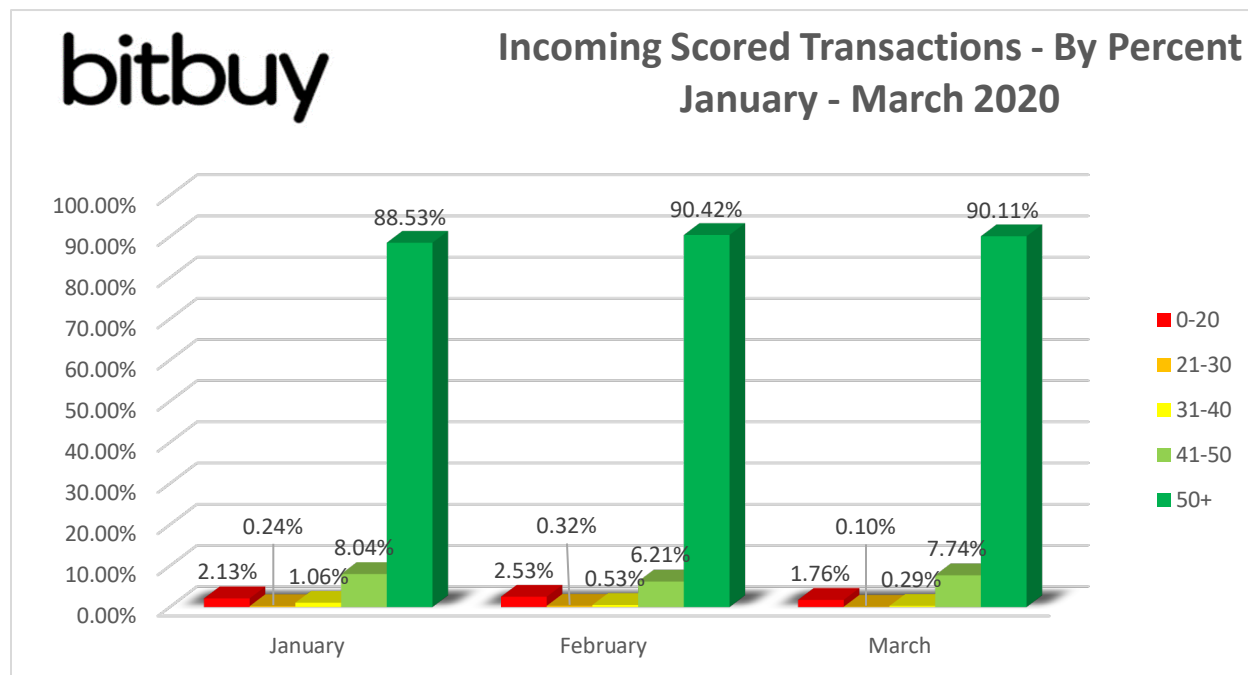


Risk Scoring Classification Table

	50+	Low Risk
	41-50	Acceptable
	31-40	Medium Risk
	21-30	High Risk
	0-20	Unacceptable

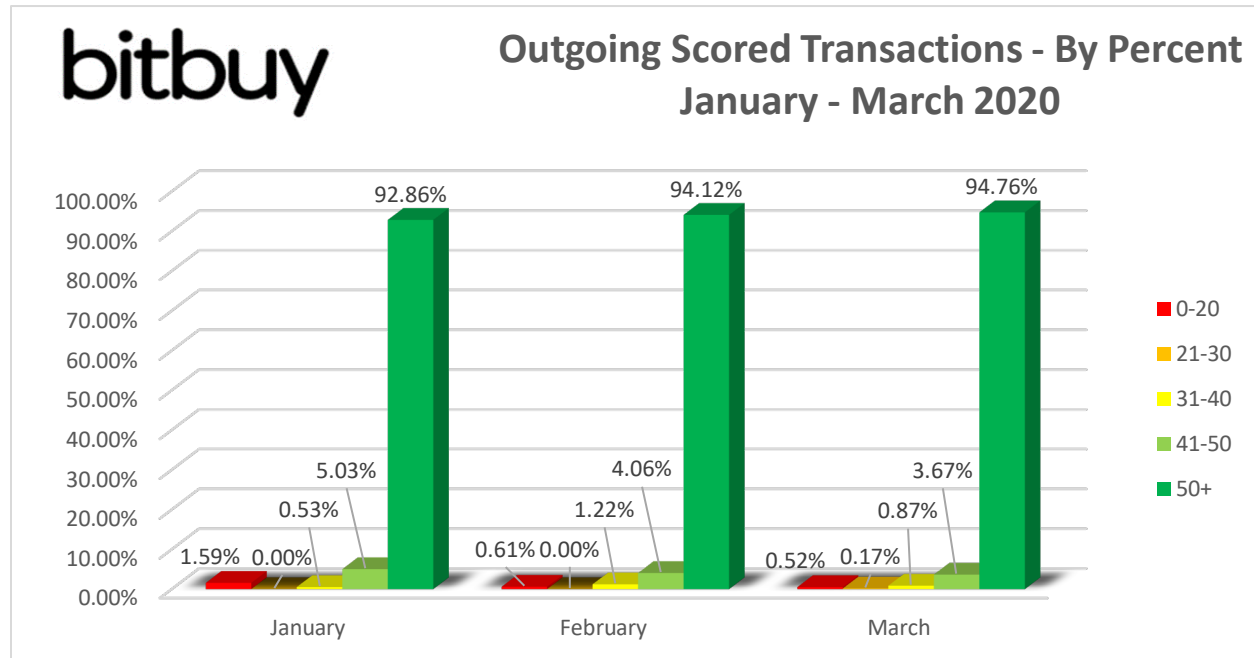
Incoming Analysis

There were [REDACTED] incoming transactions identified during the 90-day review sample. Results of the Incoming Analysis indicates that approximately 90 % of the incoming transactions scored in the range of 50+ with a slight increase noted in February. The transactions scoring in the highest risk range (0-20) slightly fluctuated through the sample period from 2.13 % in January to 1.76 % in March.



Outgoing Analysis

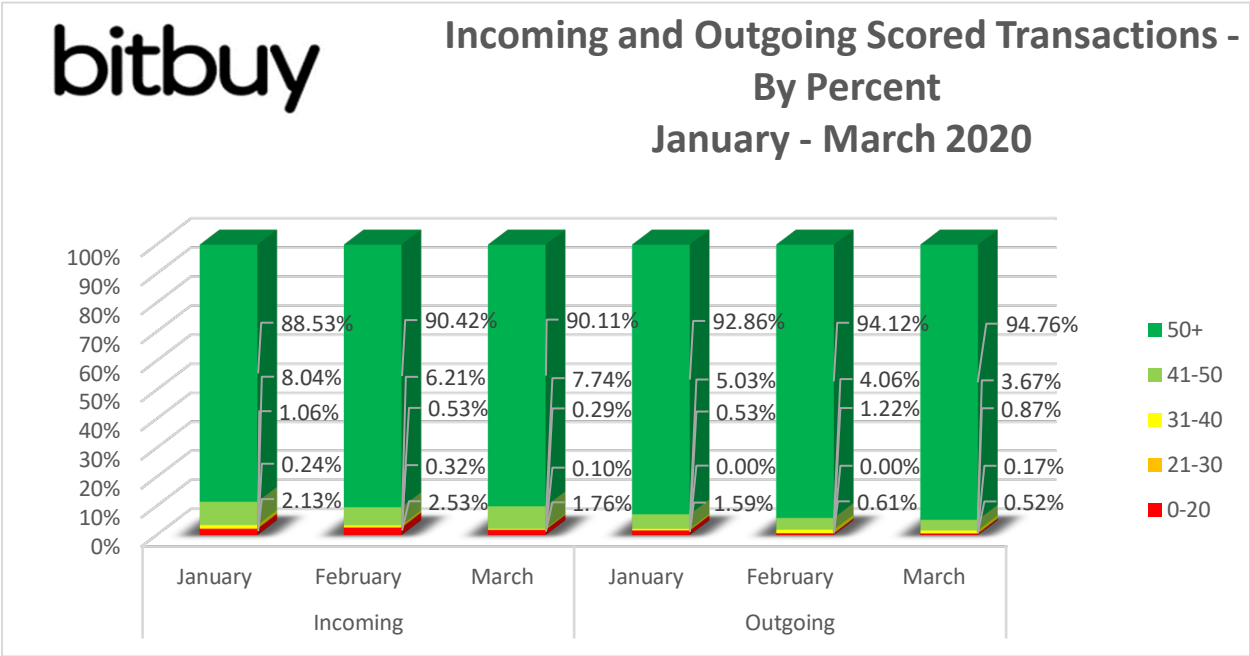
There were █████ outgoing transactions identified during the 90-day review. Results of the Outgoing Analysis indicates that between approximately 92 % - 94 % of the outgoing transactions scored in the range of 50+ with the range increasing through the 90-day period. The transactions scoring in the highest risk range (0-20) decreased through the 90-day review with a peak identified in January with 1.59 % down to 0.52 % in March.



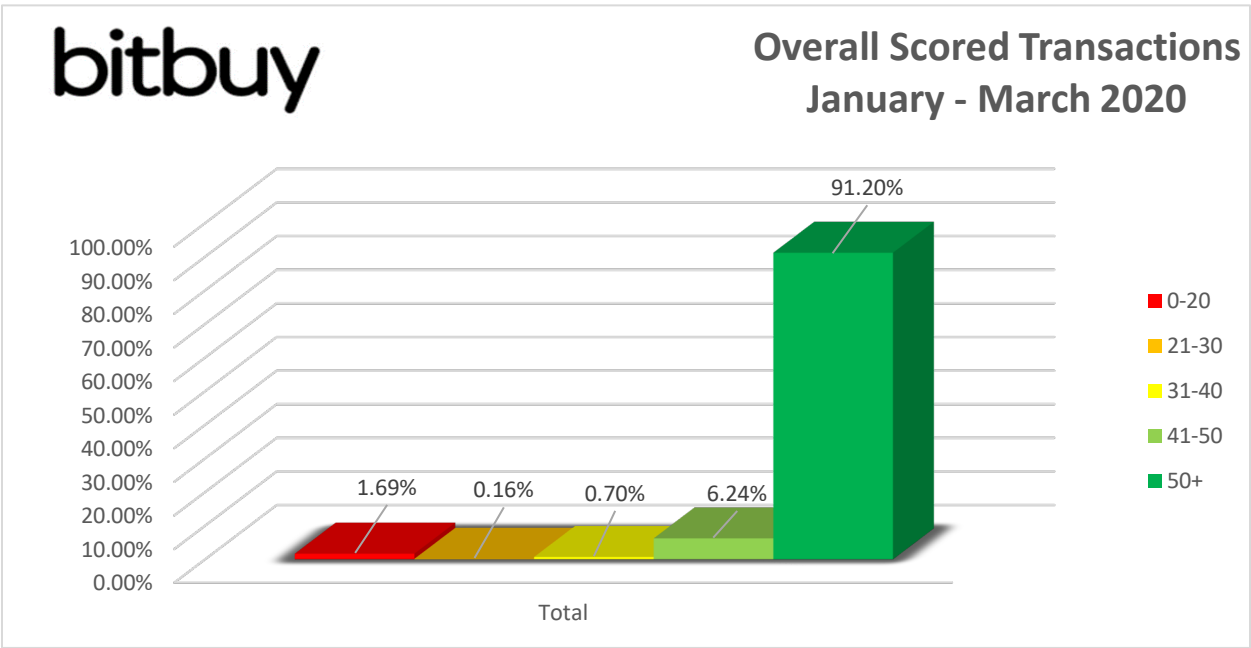
Minimum Score Analysis

The minimum score identifies the highest risk addresses associated with a transaction. In the chart below the lowest scored addresses were calculated based on percentage per month during the 90-day review (sample).

The incoming activity reveals an average of 2.36 % of the transactions were associated with high-risk addresses while the high-risk associations for the outgoing activity showed an average of 0.96 %.



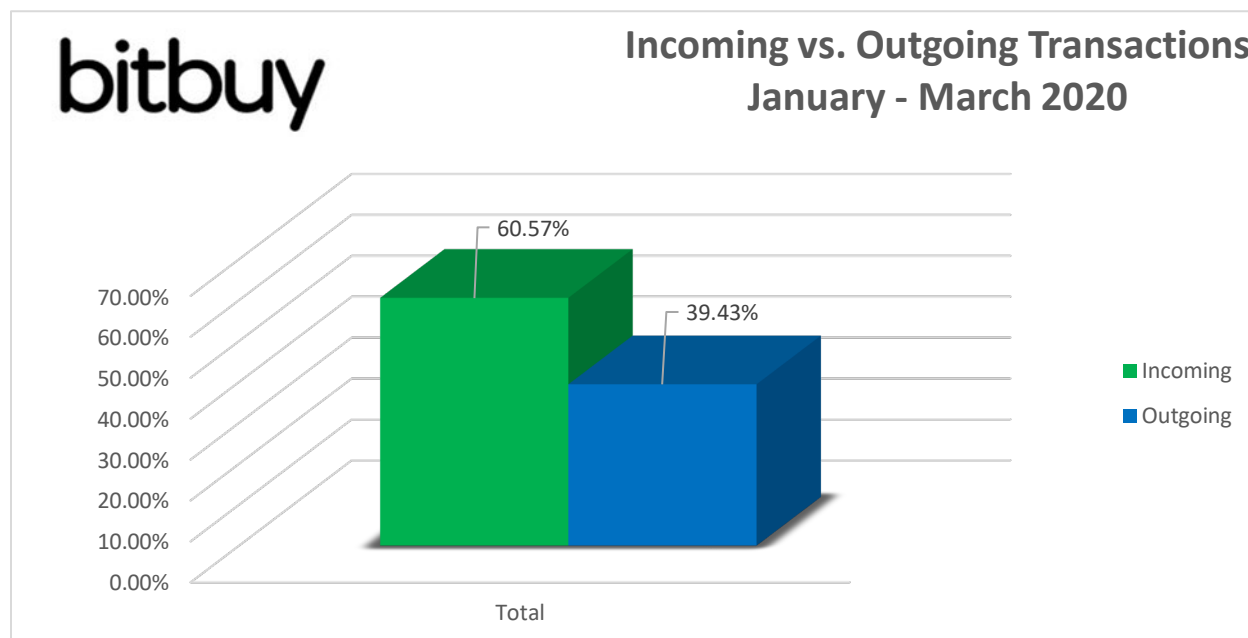
A Transactional Risk Score represents the percentage of transactions that scored in an acceptable range (low to medium risk). Based on the 90-day activity sample; the Bitbuy Transactional Risk Score is: 98.14 % (Low Risk).



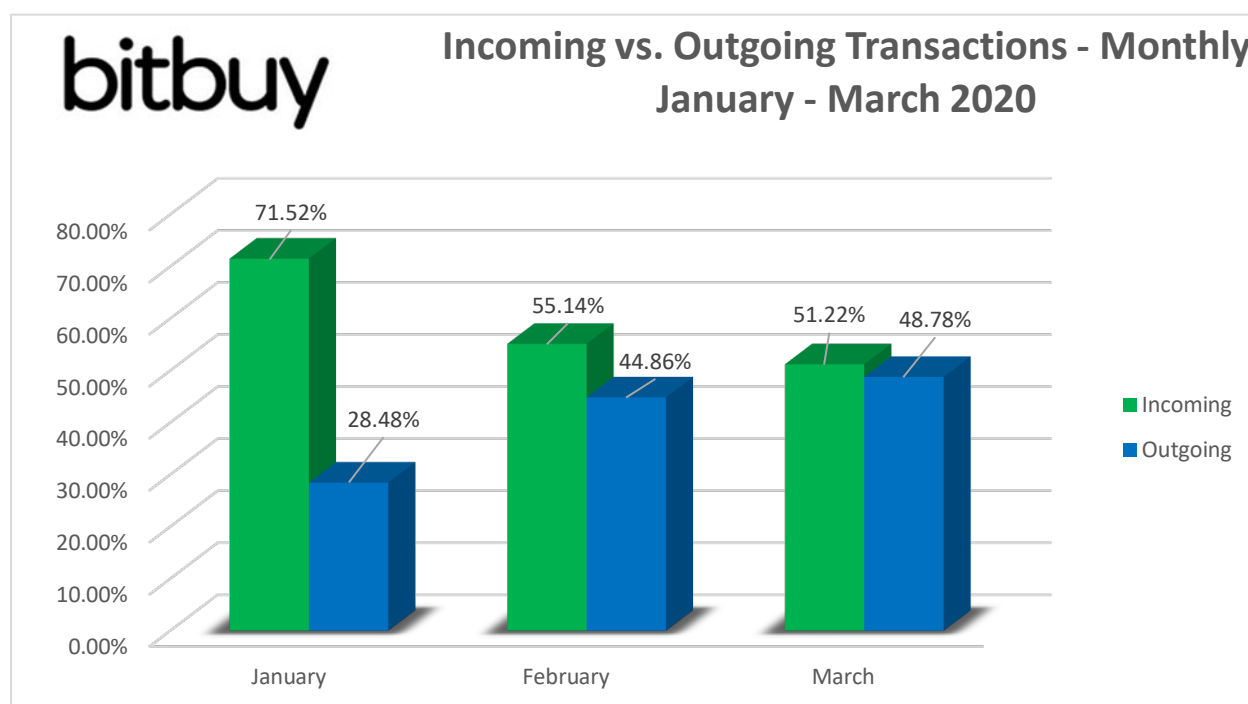
Transactional Analysis – Scoring LTC Q1

An analysis was performed on a sampling of the incoming and outgoing Litecoin transactions associated with Bitbuy for a 90-day period between January – March 2020.ⁱⁱⁱ

During the review period there were [REDACTED] transactions identified in the dataset with [REDACTED] incoming transactions and [REDACTED] outgoing transactions.

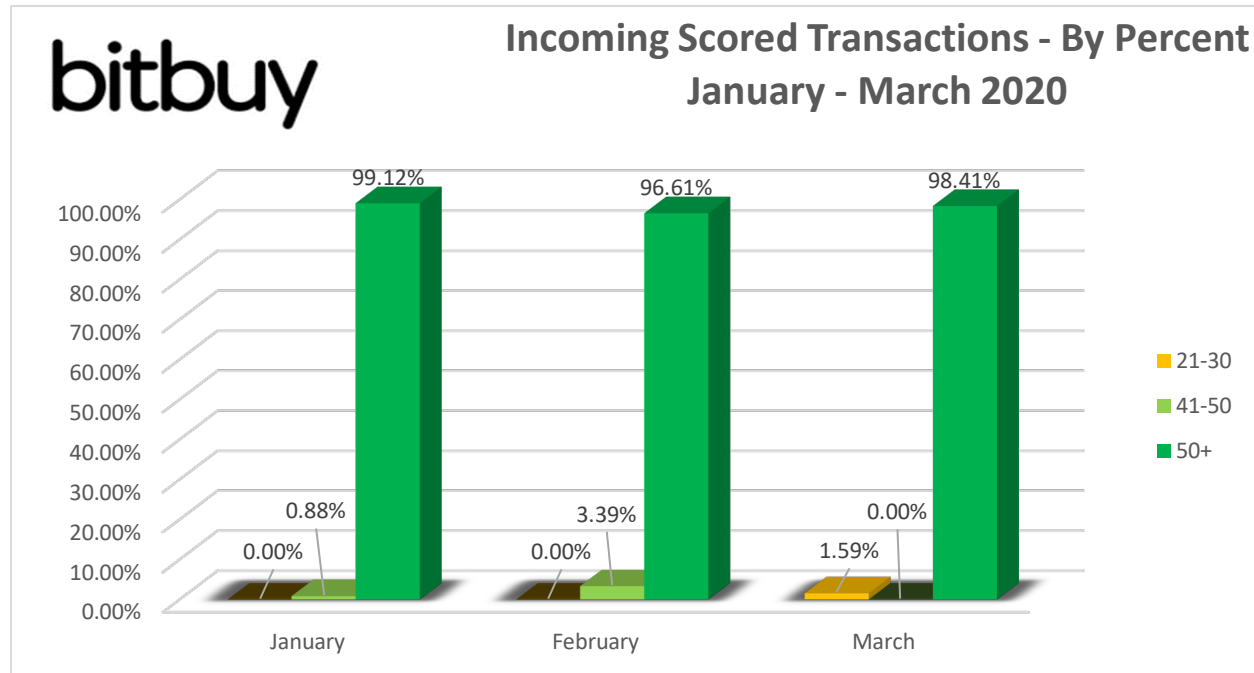


The monthly incoming and outgoing transactions from the sample are depicted in the below graph. Across the 90-day period; the volume of incoming transactions fluctuated. Similarly, the outgoing volume fluctuated through the 90-day period with a peak in March.



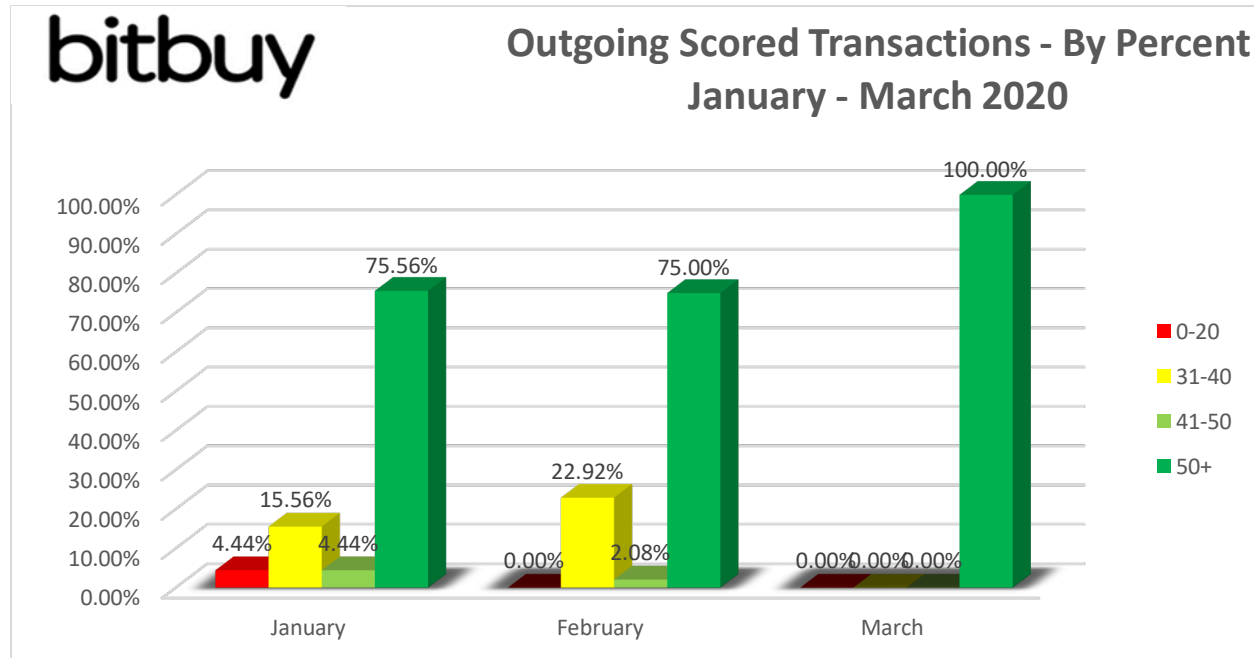
Incoming Analysis

There were [REDACTED] incoming transactions identified during the 90-day review sample. Results of the Incoming Analysis indicates that approximately 98 % of the incoming transactions scored in the range of 50+ with a slight decrease in February. There were no transactions scoring in the highest risk range (0-20). An identified 1.59 % of incoming transactions scored in the high-risk range (21-30) during the month of March.



Outgoing Analysis

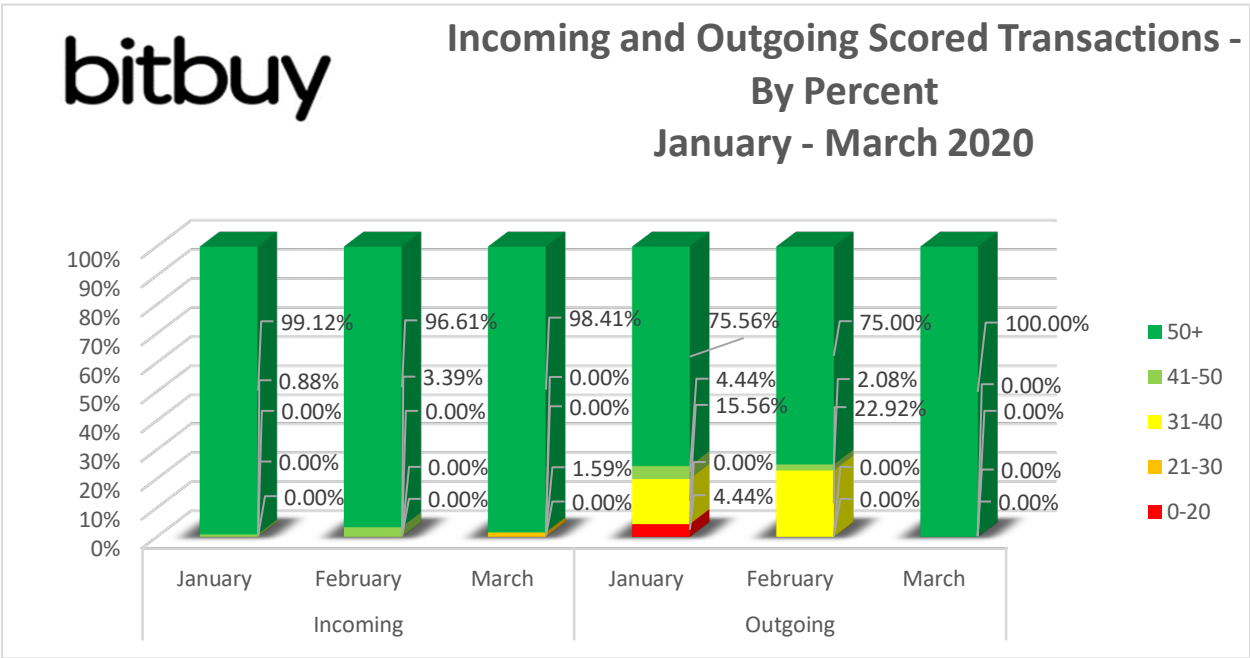
There were [REDACTED] outgoing transactions identified during the 90-day review. Results of the Outgoing Analysis indicates that between approximately 75 % - 100 % of the outgoing transactions scored in the range of 50+ with the range fluctuating through the 90-day period. The transactions scoring in the highest risk range (0-20) appeared in only one month during the 90-day review with 4.44 % identified in January.



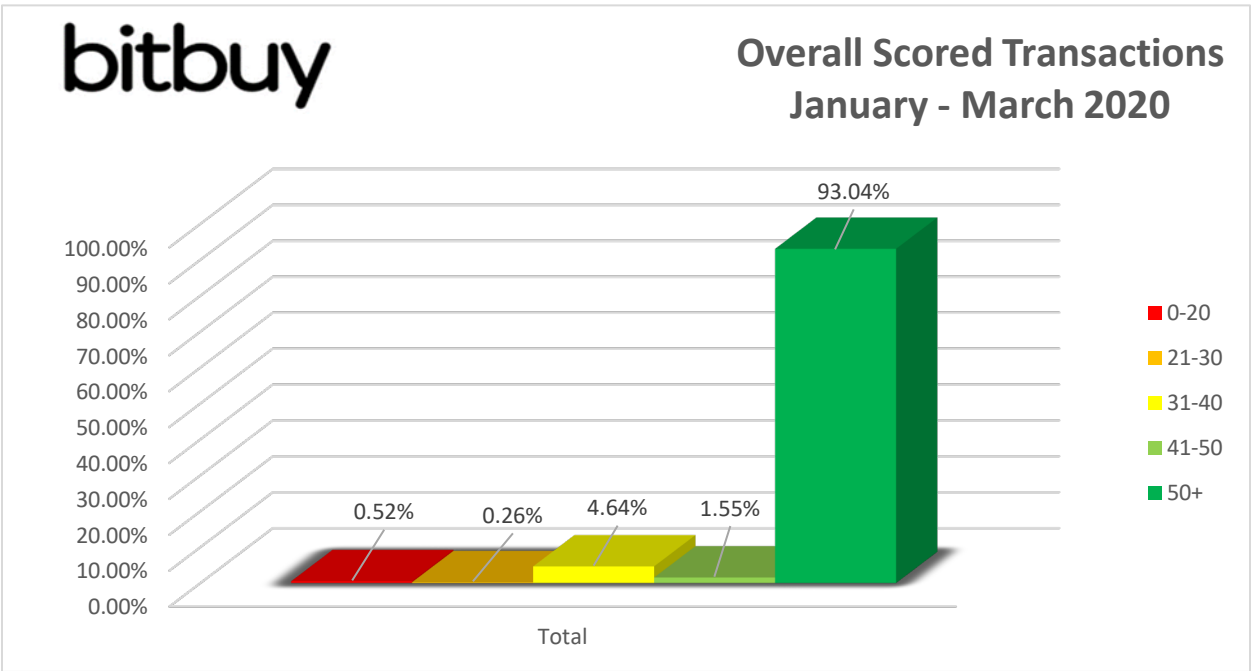
Minimum Score Analysis

The minimum score identifies the highest risk addresses associated with a transaction. In the chart below the lowest scored addresses were calculated based on percentage per month during the 90-day review (sample).

The incoming activity reveals an average of 0.53 % of the transactions were associated with high-risk addresses while the high-risk associations for the outgoing activity showed an average of 1.48 %.



A Transactional Risk Score represents the percentage of transactions that scored in an acceptable range (low to medium risk). Based on the 90-day activity sample; the Bitbuy Transactional Risk Score is: 99.23 % (Low Risk).

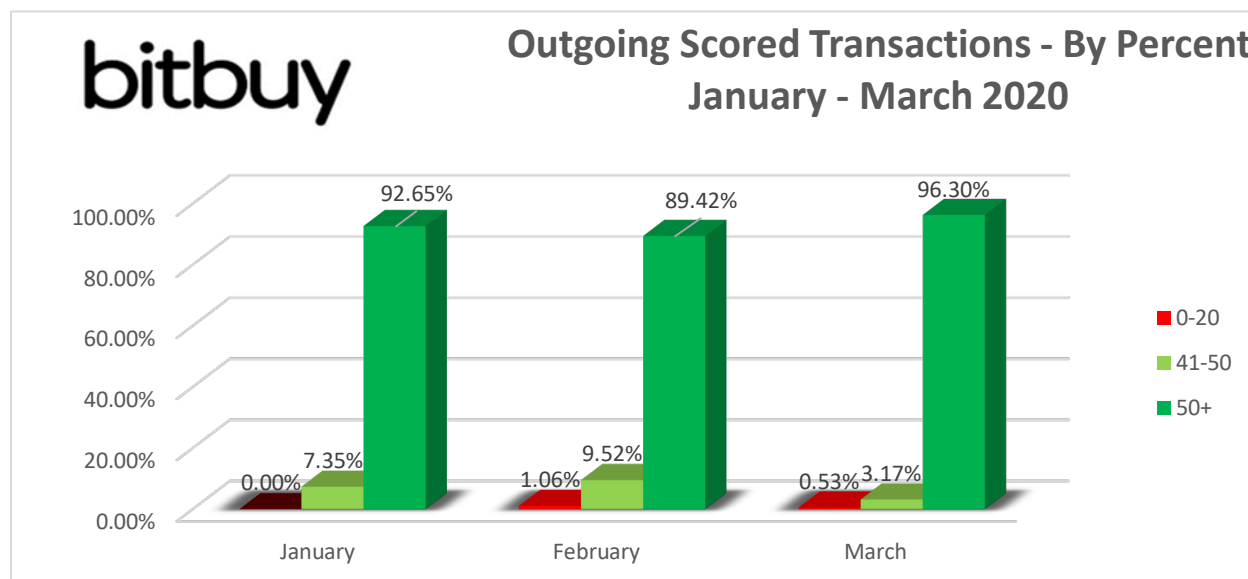


Transactional Analysis – Scoring ETH Q1

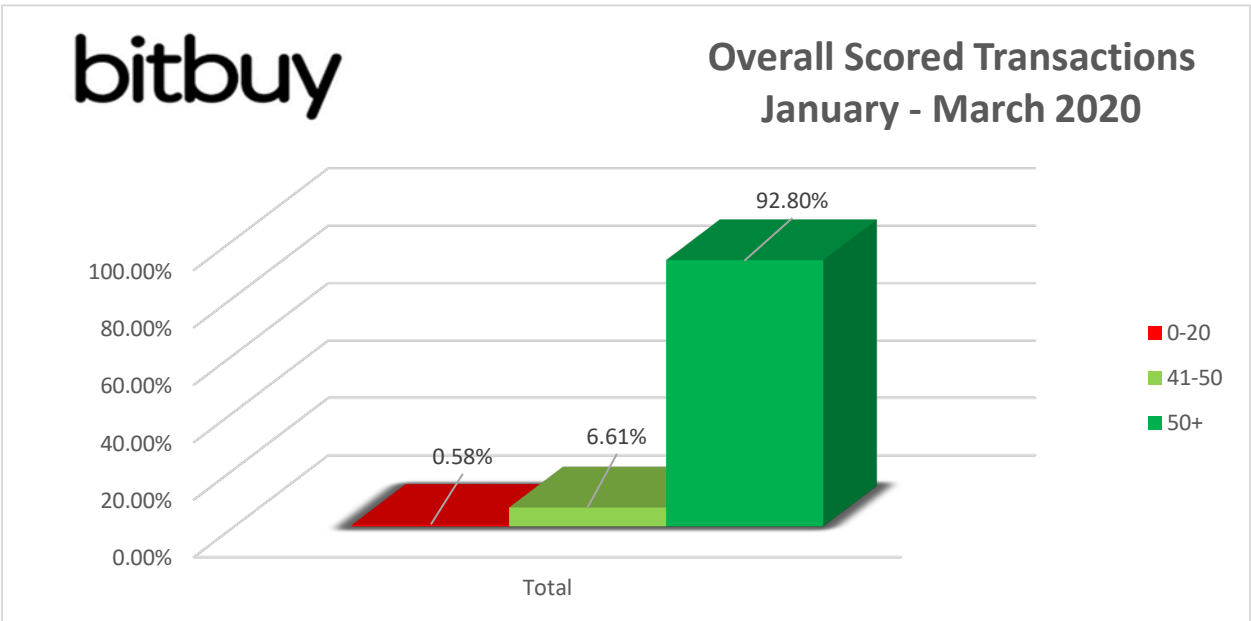
An analysis was performed on a sampling of the outgoing Ethereum transactions associated with Bitbuy for a 90-day period between January – March 2020.^{iv}

Outgoing Analysis

During the review period there were [REDACTED] outgoing transactions identified in the dataset during the 90-day review. Results of the Outgoing Analysis indicates that between approximately 89 % - 96 % of the outgoing transactions scored in the range of 50+ with a moderate decreasing in February. The transactions scoring in the highest risk range (0-20) appeared only February and March with 1.06 % identified in February and 0.53 % identified in March.

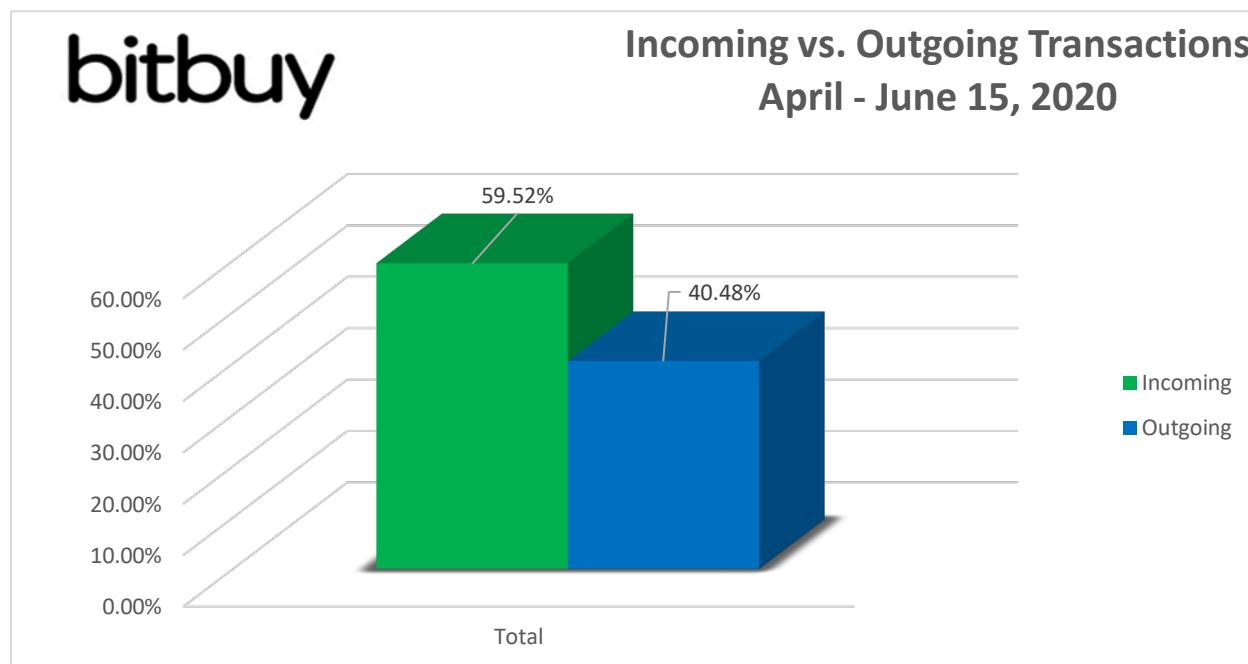


A Transactional Risk Score represents the percentage of transactions that scored in an acceptable range (low to medium risk). Based on the 90-day activity sample; the Bitbuy Transactional Risk Score is: 99.41 % (Low Risk).

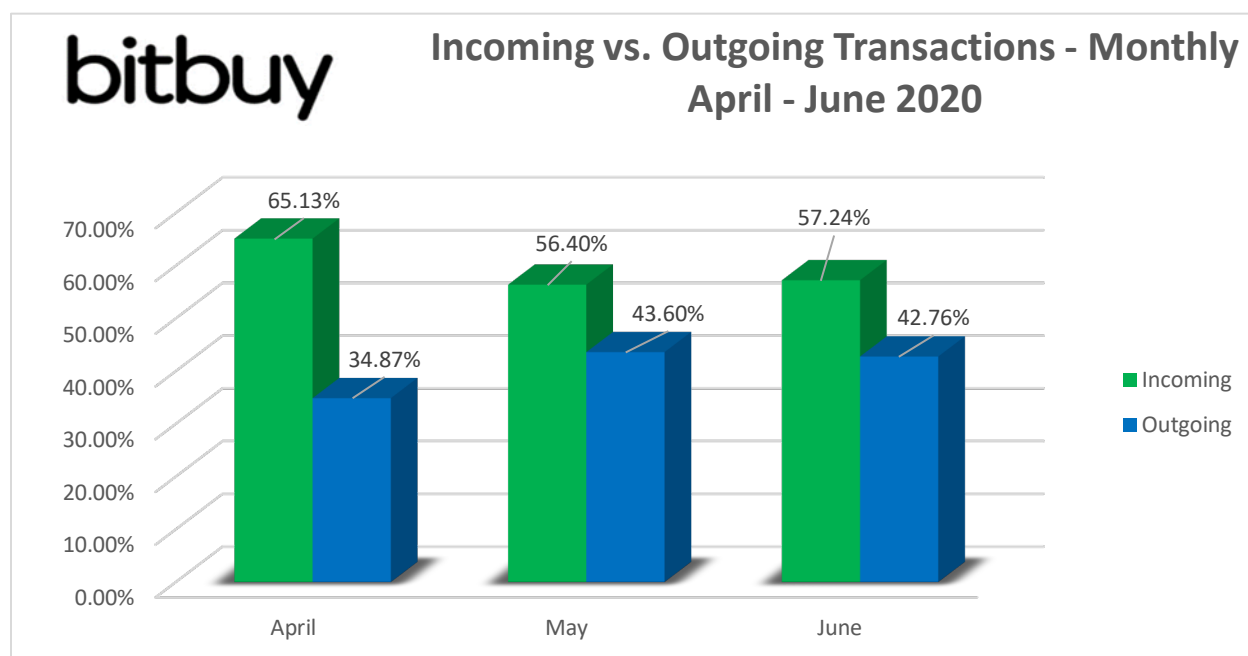


Transactional Analysis – Scoring BTC Q2

An analysis was performed on a sampling of the incoming and outgoing Bitcoin transactions associated with Bitbuy for a 75-day period between April – June 15, 2020.^v During the review period there were [REDACTED] transactions identified in the dataset with [REDACTED] incoming transactions and [REDACTED] outgoing transactions.

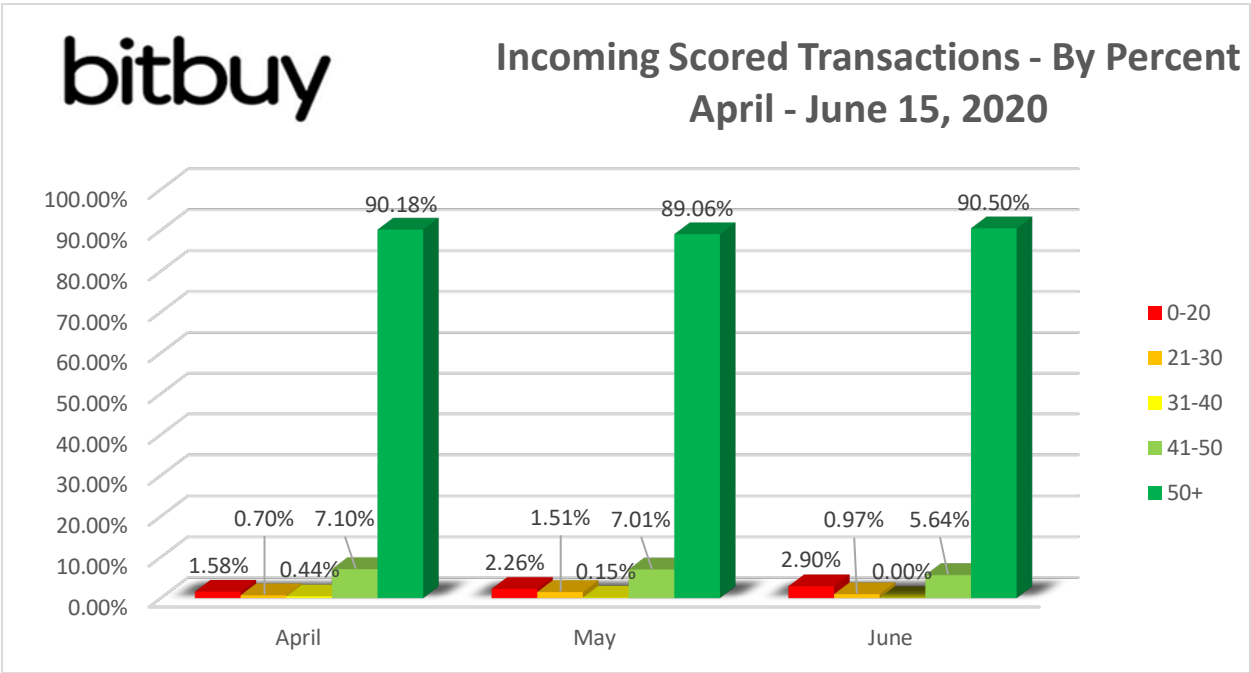


The monthly incoming and outgoing transactions from the sample are depicted in the below graph. Across the review period, the volume of incoming and outgoing transactions fluctuated.



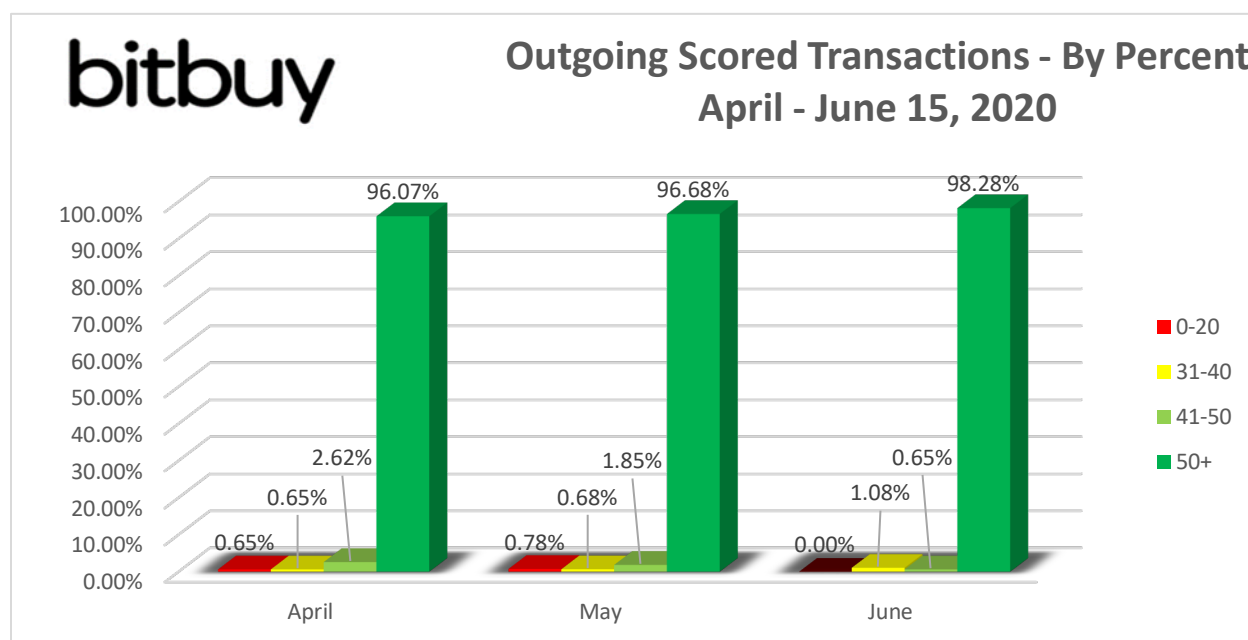
Incoming Analysis

There were █████ incoming transactions identified during the review sample. Results of the Incoming Analysis indicate that an average 89.91 % of the incoming transactions scored in the range of 50+ with a slight decrease in May. The transactions scoring in the highest risk range (0-20) showed an increase through the sample period from 1.58 % in April to 2.90 % in June.



Outgoing Analysis

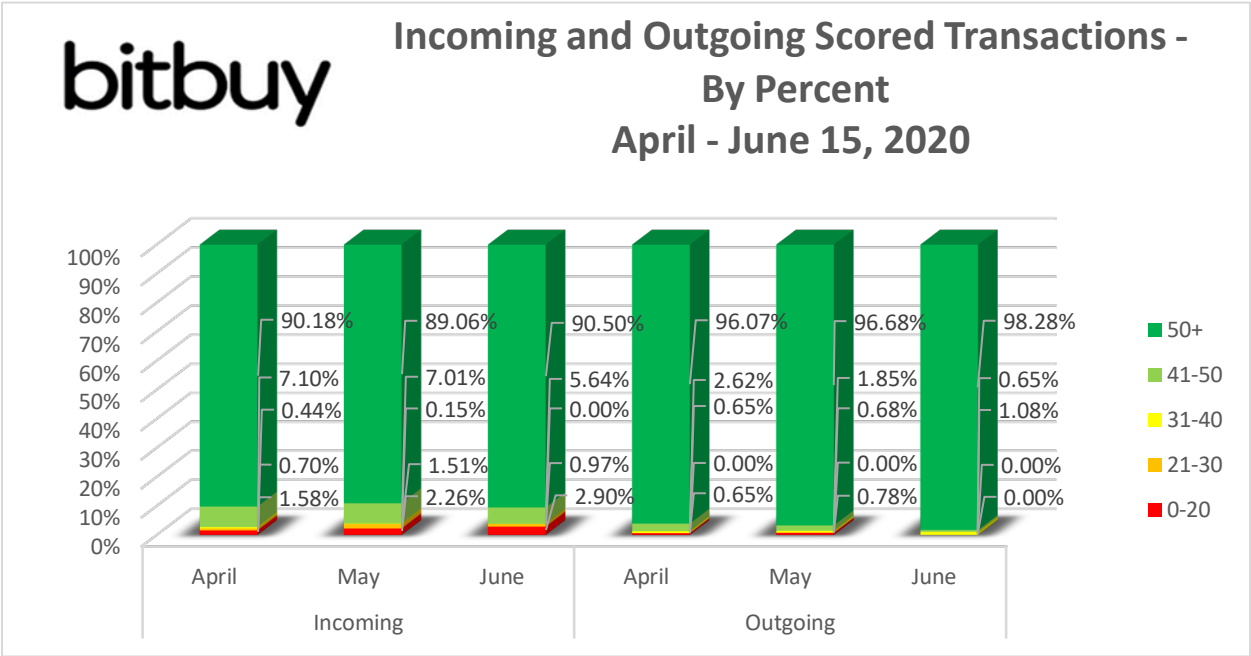
There were [REDACTED] outgoing transactions identified during the review sample. Results of the Outgoing Analysis indicates that between approximately 96 % - 98 % of the outgoing transactions scored in the range of 50+ with the range increasing through the review period. The transactions scoring in the highest risk range (0-20) fluctuated through the review with a peak identified in May with 0.78 %, up from 0.65 % in April and down to 0.00 % in June.



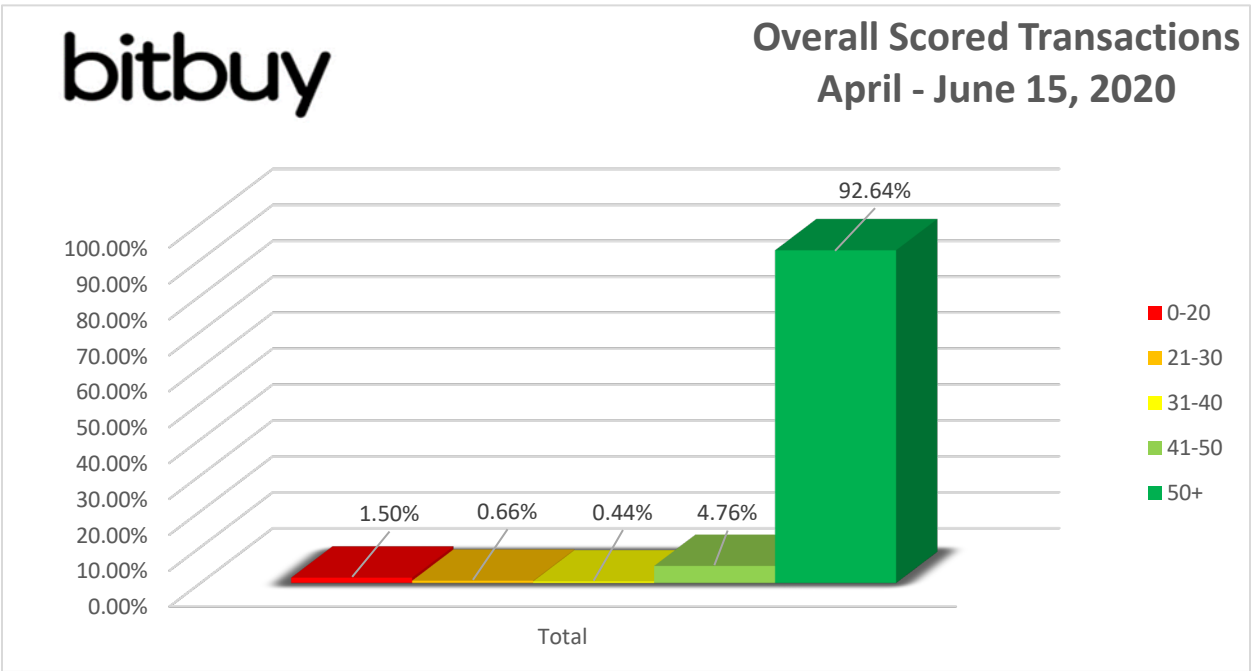
Minimum Score Analysis

The minimum score identifies the highest risk addresses associated with a transaction. In the chart below the lowest scored addresses were calculated based on percentage per month during the 75-day review period.

The incoming activity reveals an average of 3.31 % of the transactions were associated with high-risk addresses while the high-risk associations for the outgoing activity showed an average of 0.47 %.

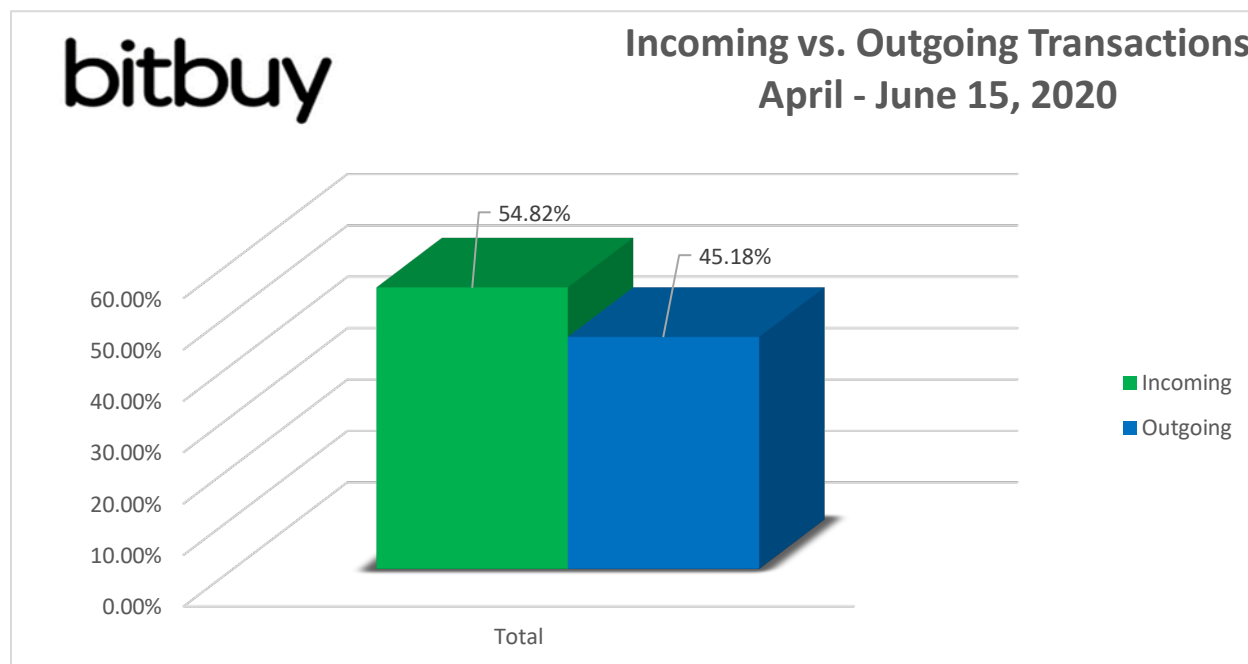


A Transactional Risk Score represents the percentage of transactions that scored in an acceptable range (low to medium risk). Based on the 75-day activity sample; the Bitbuy Transactional Risk Score is: 97.84 % (Low Risk).

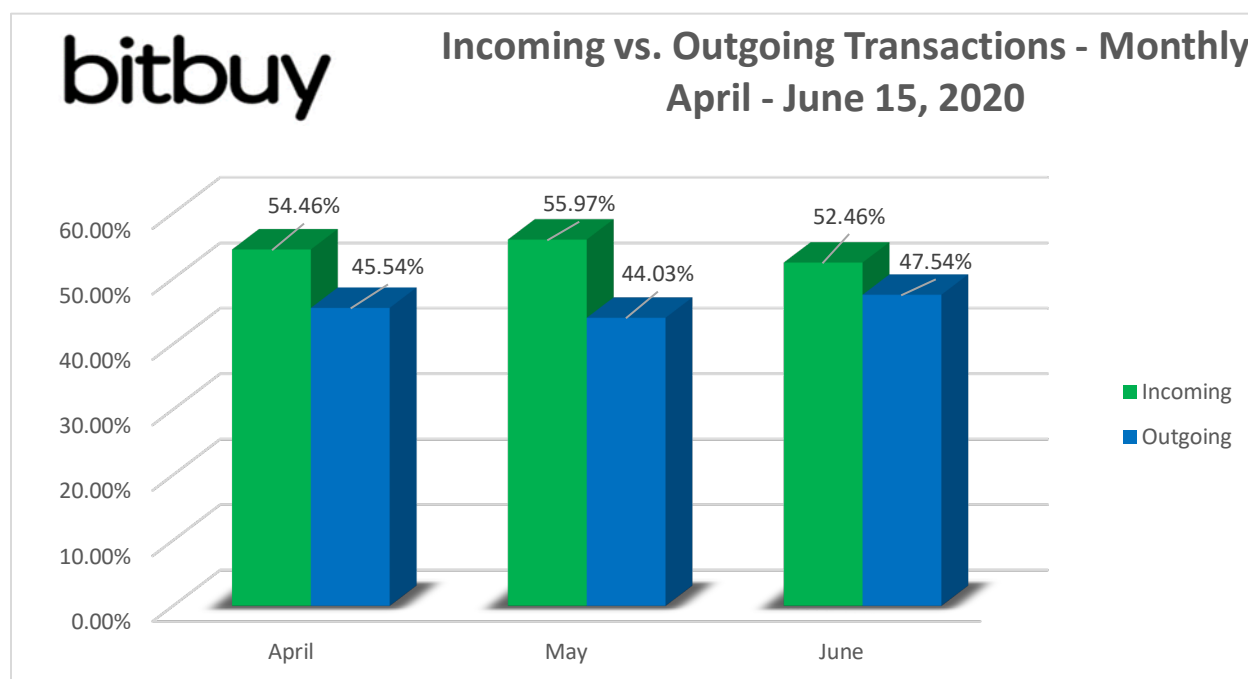


Transactional Analysis – Scoring LTC Q2

An analysis was performed on a sampling of the incoming and outgoing Litecoin transactions associated with Bitbuy for a 75-day period between April – June 15, 2020.^{vi} During the review period there were [REDACTED] transactions identified in the dataset with [REDACTED] incoming transactions and [REDACTED] outgoing transactions.

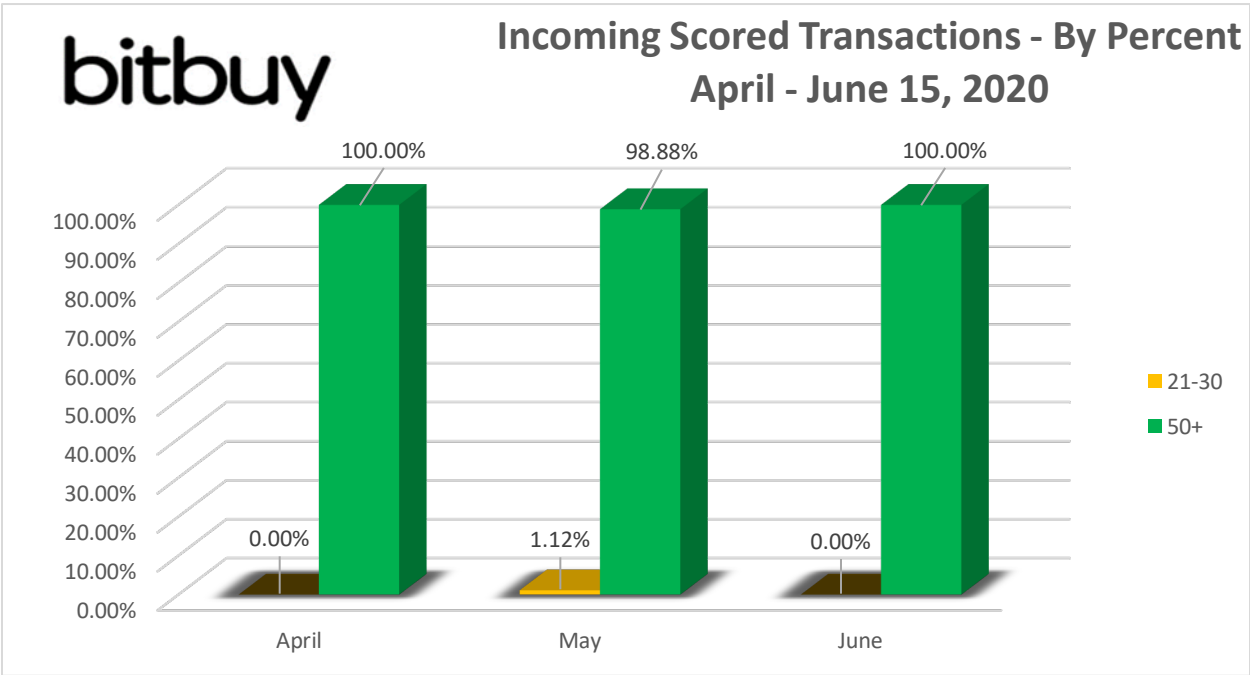


The monthly incoming and outgoing transactions from the sample are depicted in the below graph. Across the review period, the volume of incoming and outgoing transactions fluctuated.



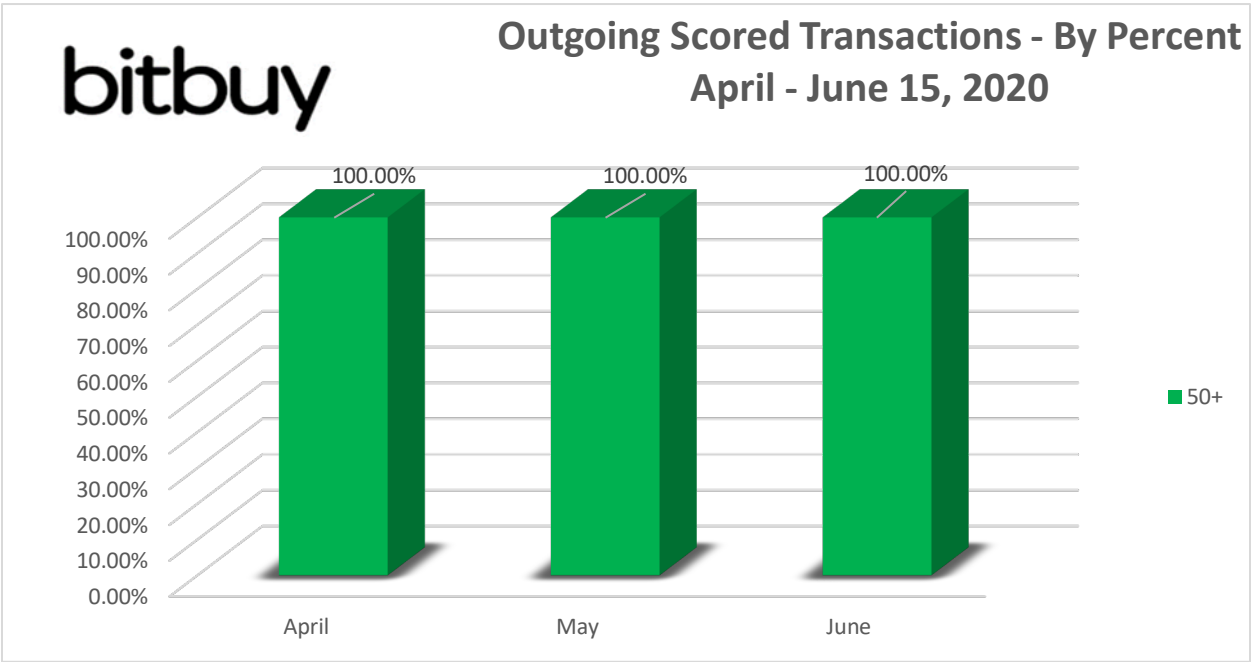
Incoming Analysis

There were █████ incoming transactions identified during the review period. Results of the Incoming Analysis indicates that an average 99 % of the incoming transactions scored in the range of 50+ with a slight decrease identified in May. There were no transactions scoring in the highest risk range (0-20) and only 1.12% of the incoming transactions were identified in the high-risk range (21-30).



Outgoing Analysis

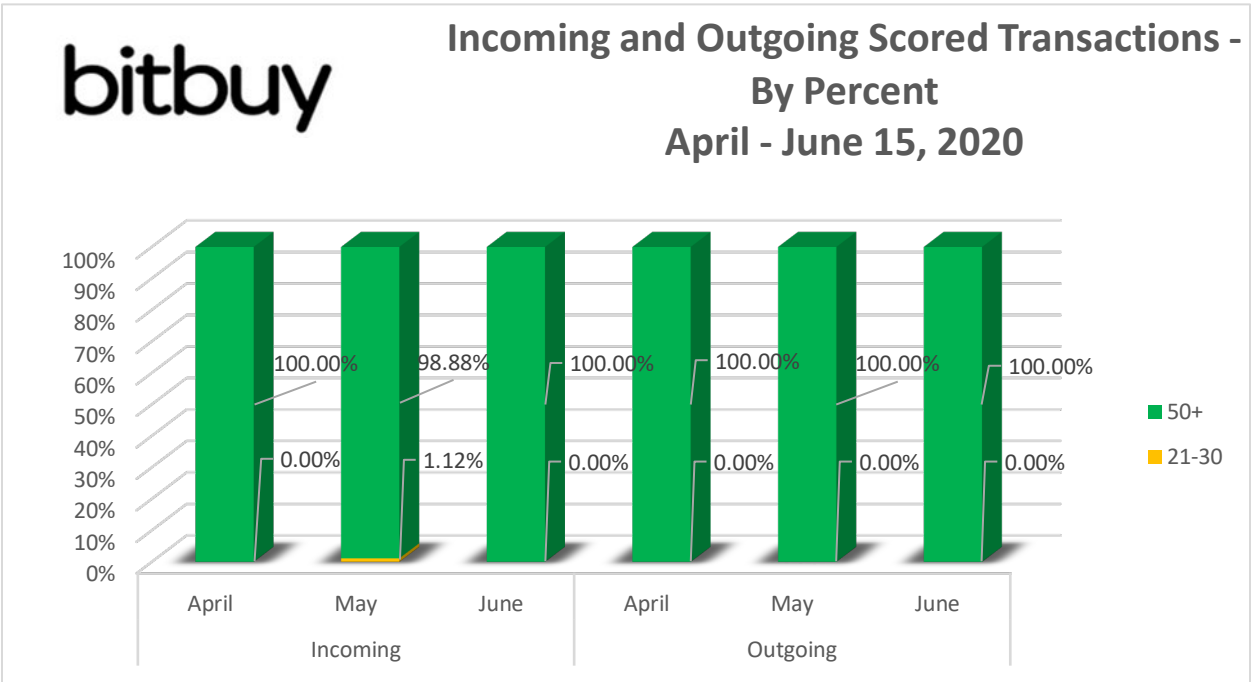
There were █████ outgoing transactions identified during the review. Results of the Outgoing Analysis indicates that exactly 100 % of the outgoing transactions scored in the range of 50+ through the sample period. There were no transactions scoring in the highest risk range (0-20) during the review, nor were there any identified transactions scoring in the high-risk range (21-30).



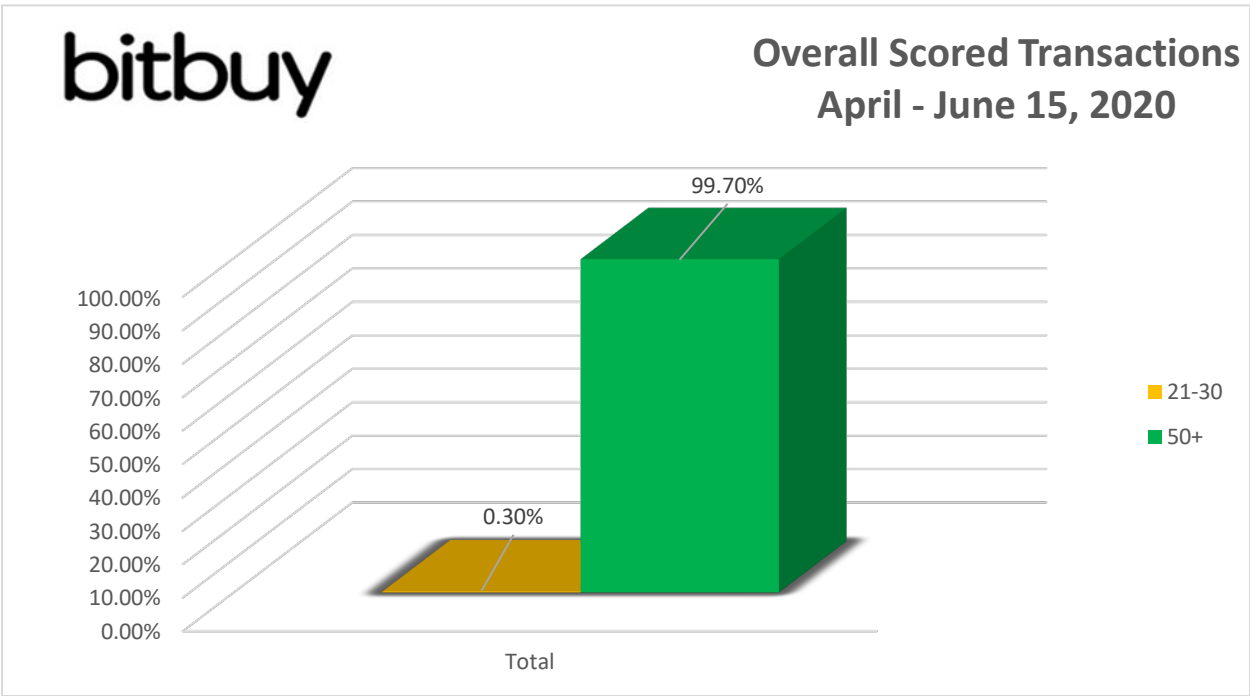
Minimum Score Analysis

The minimum score identifies the highest risk addresses associated with a transaction. In the chart below the lowest scored addresses were calculated based on percentage per month during the 75-day review (sample).

The incoming activity reveals an average of 0.37 % of the transactions were associated with high-risk addresses, with May having an identified 1.12 % of transactions scoring in the high-risk range (21-30). The high-risk associations for the outgoing activity showed an average of 0.00 %.



A Transactional Risk Score represents the percentage of transactions that scored in an acceptable range (low to medium risk). Based on the 75-day activity sample; the Bitbuy Transactional Risk Score is: 99.70 % (Low Risk).

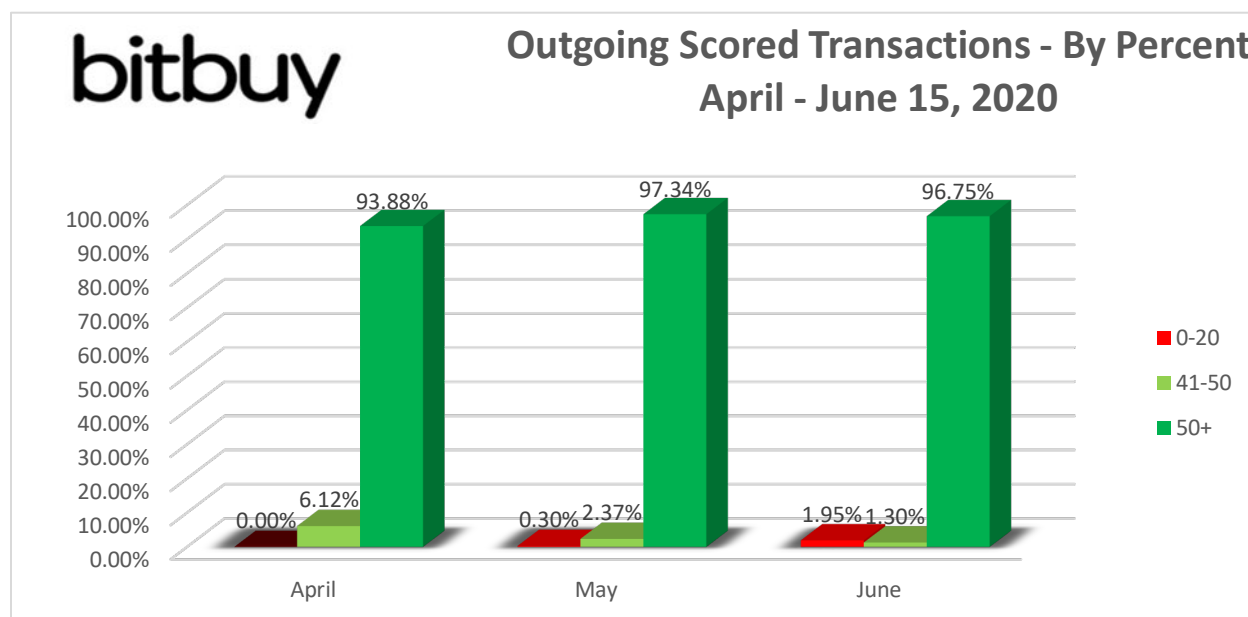


Transactional Analysis – Scoring ETH Q2

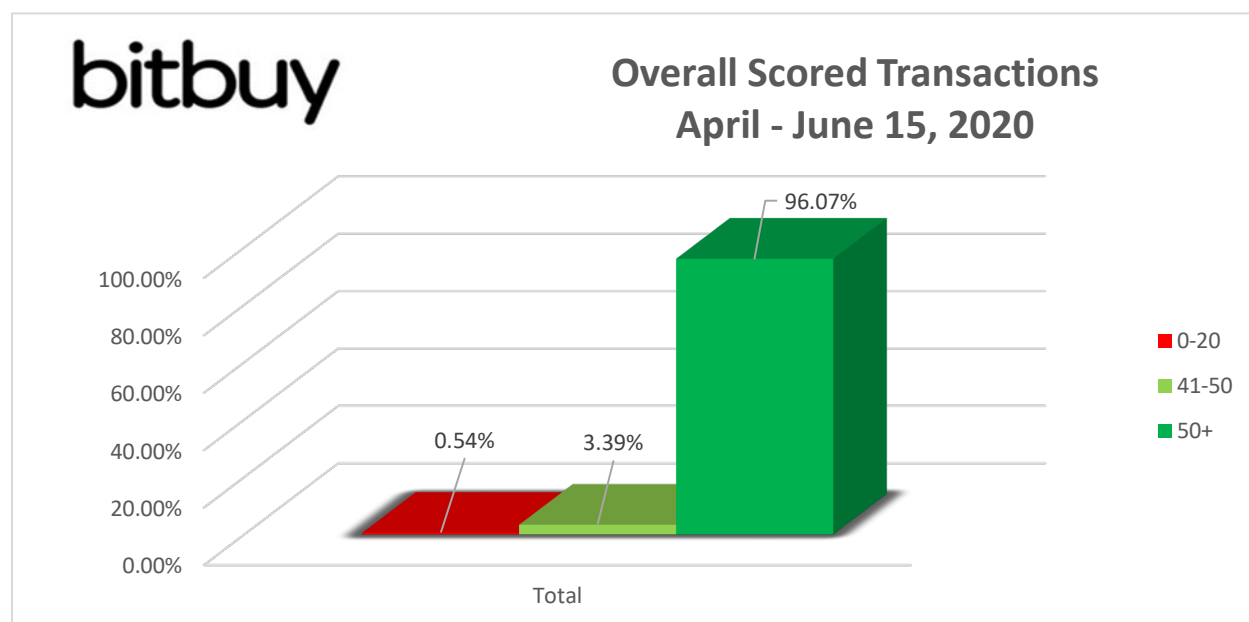
An analysis was performed on a sampling of the outgoing Ethereum transactions associated with Bitbuy for a 75-day period between April – June 15, 2020.^{vii}

Outgoing Analysis

During the review period there were [REDACTED] outgoing transactions identified in the dataset during the 75-day review period. Results of the Outgoing Analysis indicates that between approximately 93 % - 97 % of the outgoing transactions scored in the range of 50+ with a slight decreasing in June. The transactions scoring in the highest risk range (0-20) increased during the review period from 0 % identified in April to 1.95% in June.



A Transactional Risk Score represents the percentage of transactions that scored in an acceptable range (low to medium risk). Based on the 75-day activity sample; the Bitbuy Transactional Risk Score is: 99.46 % (Low Risk).



ⁱ Some information included in this report was furnished by a third-party risk provider.

ⁱⁱ The analysis was performed using data from Blockchain Intelligence Group™ proprietary heuristic methods.

ⁱⁱⁱ Ibid.

^{iv} Ibid.

^v Ibid.

^{vi} Ibid.

^{vii} Ibid.