



# **Whitepaper (En)**

Decentralized cryptocurrency mining

V1.1

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# 1.



## Introduction to Bitcoin mining

The concept of Bitcoin, the world's first cryptocurrency, was introduced by Satoshi Nakamoto in 2008 as a solution to the problem of double spending in decentralized digital transactions. Since then, Bitcoin has revolutionized our perception of what money could be in an increasingly digital world.

One of Bitcoin's most fundamental innovations is the mining process, Bitcoin mining is a mechanism that allows the creation of new Bitcoin units while ensuring the security and immutability of the network. Miners solve complex math problems using powerful computers. By solving these problems, they verify Bitcoin transactions and add them to the blockchain, a public, tamper-resistant database. In return, miners are rewarded with new Bitcoin units and transaction fees.

Over the past decade, Bitcoin mining has undergone significant development. It went from being a hobby operation that could be run on personal computers to a multi-billion dollar industry with huge server farms, sophisticated mining machinery, and energy consumption comparable to some countries.

1.



## Introduction to Bitcoin mining

But what does the future hold for Bitcoin mining?

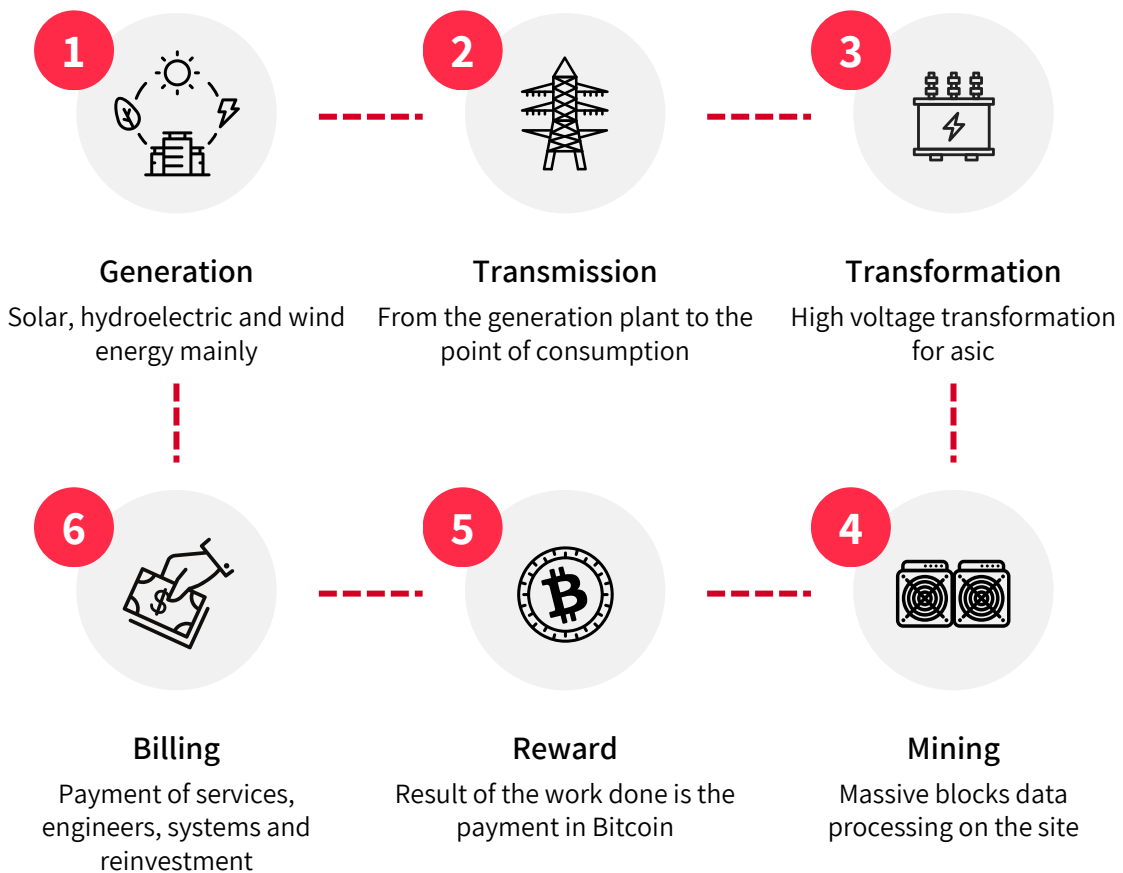
As with any other industry, the future of Bitcoin mining will largely depend on evolving market conditions and technology. The Bitcoin protocol is designed in such a way that the mining difficulty is adjusted approximately every two weeks, based on the total amount of hashing power in the network. With the increasing adoption of Bitcoin and increased competition among miners, the difficulty of mining is bound to increase in the long run.

Therefore, miners must continually improve their efficiency and processing power to keep up with the increasing level of difficulty and remain profitable. This implies the adoption of more advanced technologies, the optimization of energy management and the constant search for cheaper and more sustainable energy sources.

Our Bitcoin mining tokenization project is based precisely on this understanding. By tokenizing Bitcoin mining, we not only open the door for small and large investors to participate in Bitcoin mining, but we also establish a business model that is resilient, scalable, and sustainable in the long term.

## Introduction to Bitcoin mining

Let's see the Bitcoin mining cycle, from Bitthash perspective it begins with the generation of green energy or clean energy, to ensure the sustainability of the project and care for the environment.



## 2.

### Problems for small entrepreneurs

Bitcoin mining has evolved into a highly competitive and technical industry. Small investors looking to break into this domain are faced with a number of significant challenges that can hinder their entry and success.

#### 2.1 Technical problems

Technical problems are one of the main challenges for small-scale miners. Miners need to have a solid understanding of blockchain technologies and Bitcoin mining, as well as the setup and maintenance of mining hardware.

Miners use specialized hardware devices, known as ASICs, which are designed to perform a single task: solving the complex mathematical problems required in mining Bitcoin. However, these devices can be difficult to set up and maintain, especially for those without a technical background.

#### 2.2 Lots of noise and heat

Also, Bitcoin mining can be a noisy and hot operation, Bitcoin mining devices generate a considerable amount of heat due to the large amount of electricity they consume. To keep these devices running efficiently, it is essential to have a proper cooling system, which can further increase costs, in addition to the high noise level. This can be problematic, especially if you are mining in a residential area.

## Problems for small entrepreneurs

### 2.3 Investment in infrastructure

Small-scale miners must also face significant investment costs in electrical infrastructure. Bitcoin mining devices require a large amount of electricity to function. This means that miners need to have access to a reliable and affordable power source. In many cases, it may be necessary to make improvements to existing electrical infrastructure to support the power demands of Bitcoin mining.

In addition, miners also need to implement security measures to protect their electrical infrastructure. This may include the installation of surge protection systems, power backup systems, and fire detection and extinguishing devices.

### 2.4 Engineering and management challenges

Finally, small investors face significant challenges in terms of engineering and administration. Miners need to design and manage their mining operation efficiently to maximize their profits. This may involve selecting and configuring mining hardware, optimizing power consumption, managing heat and noise, and managing technical issues.

All of these issues and challenges can make Bitcoin mining a prohibitive undertaking for small investors. However, our Bitcoin mining tokenization project seeks to address these issues and make mining more accessible and profitable for everyone, regardless of size or experience.

# 3.



## The Solution: Tokenization of Bitcoin mining

The Bitcoin mining tokenization project seeks to solve all these challenges and democratize access to the whole world. Thanks to this project, we provide investors with the opportunity to profit from Bitcoin mining without having to deal with the technical, infrastructure and management challenges associated with this activity on their own.

### 3.1 Without direct intervention in mining

This project consists of investors acquiring tokens that represent a certain amount of hashing power in our Bitcoin mining operation. By owning these tokens, investors essentially become "miners" and can earn a share of the Bitcoins that are mined.

Unlike traditional mining, however, investors don't need to worry about mining hardware setup and maintenance, heat and noise management, or electrical infrastructure. Bhash takes care of all these aspects, allowing investors to focus on what really matters: getting rewarded daily in Bitcoin.

### 3.2 Our approach

The main objective of our project is to provide investors with a stable and sustainable source of income in the long term. We believe that Bitcoin mining, when done in an efficient and scalable manner, can be an extremely profitable investment.



# 3.



## The Solution: Tokenization of Bitcoin mining

As more and more people and businesses adopt Bitcoin, the demand for and value of Bitcoin will continue to increase. By investing in Bitcoin mining through our token, investors can earn a regular return on Bitcoin, which has the potential to appreciate significantly over time.

### 3.3 Sustainable project

We have extensive experience in mining Bitcoin and have developed a strategy and infrastructure that allow us to mine Bitcoin efficiently and profitably. By reinvesting a part of our income in new mining equipment and new sites (Mining Farms), we are committed to ensuring the growth and sustainability of our project in the long term.

By purchasing the Bhash token (BHASH), investors not only earn a return from mining Bitcoin, but also benefit from the long-term growth and stability of our project. We believe this is the smartest and safest approach to investing in Bitcoin mining in today's era.

### 3.4 Transparency

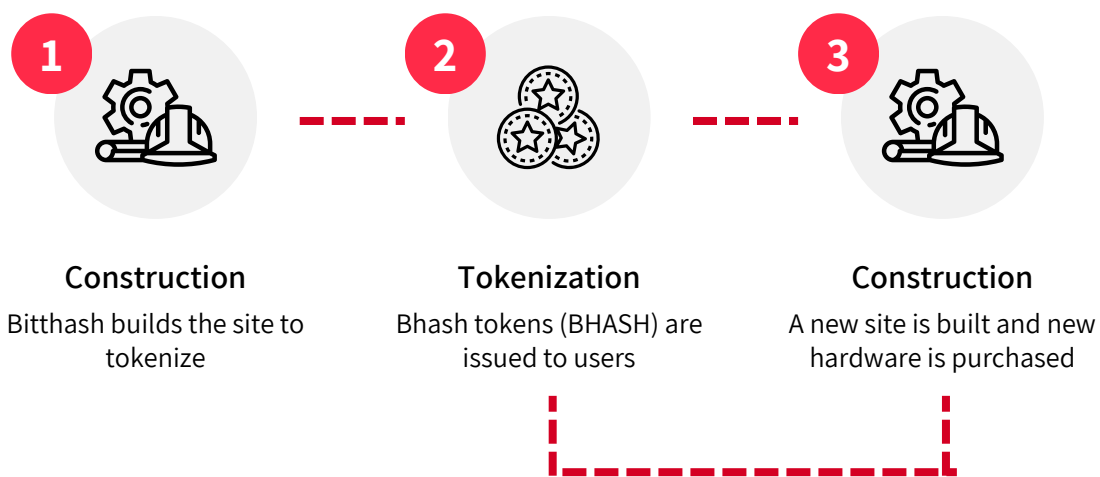
There is no better evidence or proof of distribution than the chain of blocks itself, Bhash will always keep transparent the income and distribution of his Bitcoin mining production, from the payment we receive from the pool (Via BTC or Antpool for example), to the automated daily dispersals to each of the token owners and for Bitthash himself.

With this, users participate in a real way in bitcoin mining and receive their mined bitcoin daily directly to their preferred wallet automatically if configured, or they can reinvest it or part of it, to make the most of compound interest.

### 3.

## The Solution: Tokenization of Bitcoin mining

Bhash main objectives are constant growth, transparency and security for users, which is why today it already has a complete site of 50,000 Ths and is currently in production for the first tokens to be issued. How does the Bhash token (BHASH) work?:



Additionally, reinvestment is made in technology, process improvement, platform development and updates, infrastructure improvements, among others. Bhash tokens (BHASH) can only be issued when you have a site in production or a new project that involves the participation of users due to its large scale.

To ensure that this cycle is successful, Bitthash's mission is to always be at the forefront of mining technology, seeking to be as efficient as possible compared to the energy it consumes.



## The experience

One of the key factors behind our tokenization solution is our extensive knowledge and experience in cryptocurrency mining. Over the years, we have faced and overcome a number of challenges and technical issues, which has allowed us to develop a highly efficient and profitable mining operation.

### 4.1 Bitcoin mining experience

Our team has years of experience in cryptocurrency mining. We have been through the ups and downs of the cryptocurrency market and have developed a deep understanding of how to optimize the efficiency and profitability of Bitcoin mining.

During this time, we have gained valuable experience in solving the technical and operational challenges associated with cryptocurrency mining. This experience, combined with our strong knowledge of the Bitcoin market and our passion for innovation, has allowed us to design and execute a mining strategy that maximizes performance and minimizes risk for our users.

### 4.2 Proprietary technology and agreements

We have excelled in cryptocurrency mining thanks to the use of our own technology and our strategic commercial agreements. We have developed custom mining software that allows us to maximize the efficiency of our mining operations.

In addition, we have established commercial agreements with mining hardware manufacturers and energy providers to ensure that we always have access to the most efficient equipment and the cheapest and most sustainable energy sources.

# 4.



## The experience

### 4.3 Infrastructure

Our team also has extensive experience building Bitcoin mining infrastructure. We take care of the entire process, from the selection and configuration of mining equipment to the installation of the necessary high-voltage electrical and cooling infrastructure.

This growing experience has allowed us to improve our high-quality and efficient mining infrastructure model, with our own specialized human capital fully dedicated to guaranteeing the stability of our mining operations.

### 4.4 Development of bitthash.app platform

One of our most significant achievements has been the development of an intelligent management, administration and statistics platform for cryptocurrency mining. This platform allows us to monitor and control our mining operations in real time, which helps us optimize efficiency and quickly anticipate and resolve problems.

Thanks to this platform, our investors can also monitor the performance of their investments in real time and receive regular updates and statistics. In this way, we not only provide them with an investment opportunity in Bitcoin mining, but also give them transparency and control over their investments.

## 5.



### Operation of the BHASH Token (BHASH)

Our BRC-20 Bhash (BHASH) token is the equivalent of 1 TH/s of SHA256 mining for Bitcoin and although unlimited in issuance, it is effectively limited by the actual number of TH/s “Terahashes” (SHA 256) that our project has in production or for a new project. At the same time, Bitthash will have 2 TH/s supported for each token that is issued, that is, the users' tokens or TH/s are backed 2:1 with real bitcoin mining with partners or Bitthash own mining.

#### 5.1 Process

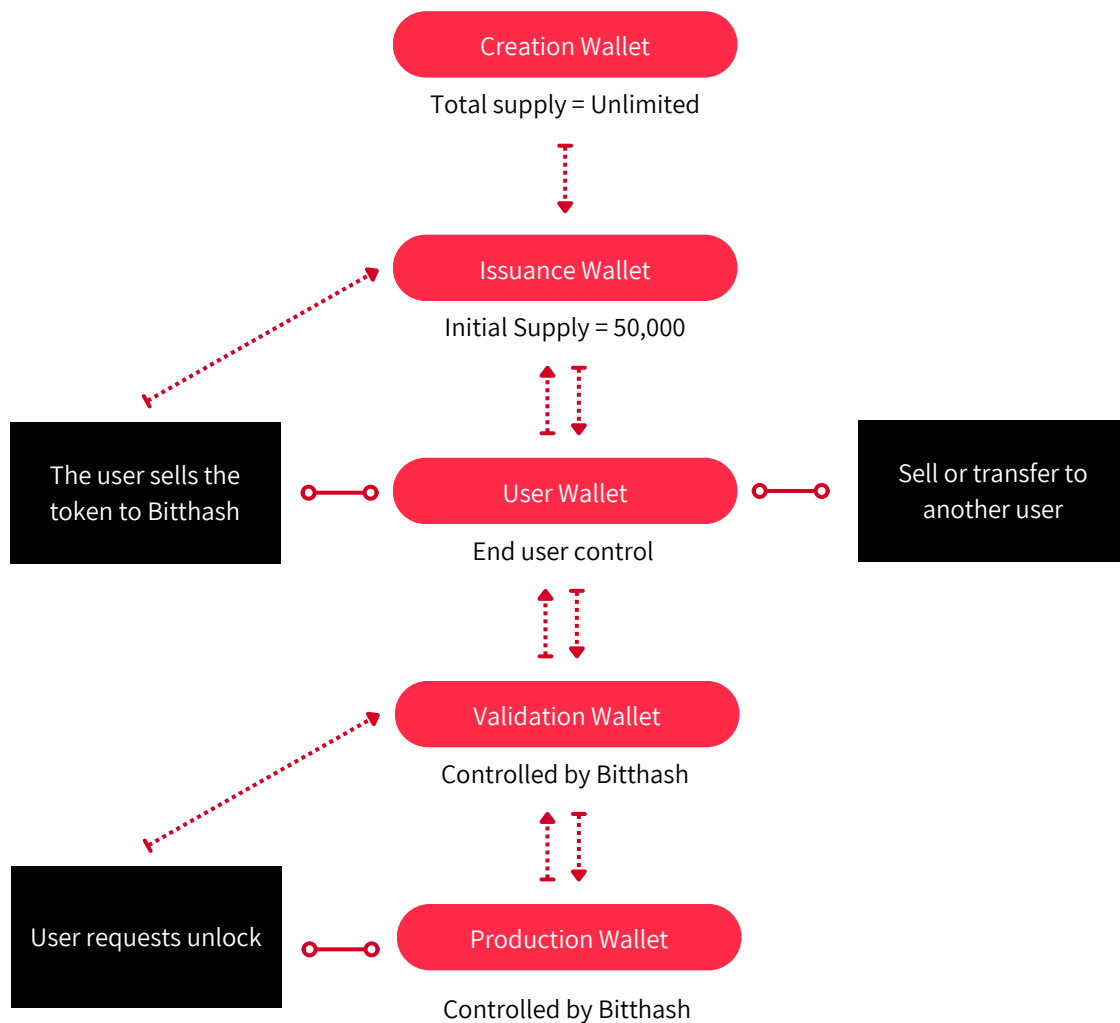
To receive the benefits of mining, token owners must buy them and block them on our platform, after 48 hours, they will start generating Bitcoin automatically every day, this "Validation" time implies several security processes for the project and TH/s allocation, where the tokens are transferred from the "User" owner wallet, to the "Validation" wallet and then to the "Production" wallet, these are managed solely by Bitthash, In this way, we raise the security level of our project against hacker attacks for example.

Immediately after they are blocked and validated, the owner of these tokens can request their unlocking in any case, transfer them to a third party or sell them. For example, if they need liquidity, for this token sale, a local exchange will be opened on the same platform for other interested parties, since the tokens will be limited by project and natural growth, we believe that there may be great interest in buying them and therefore great liquidity for users who decide to sell.

# 5.

## Operation of the BHASH Token (BHASH)

Let's see the complete process from the creation of the Bhash token (BHASH), issuance, sale of the token, owners and the different control wallets. All Bitthash wallet control is carried out through a self-developed smart contract.



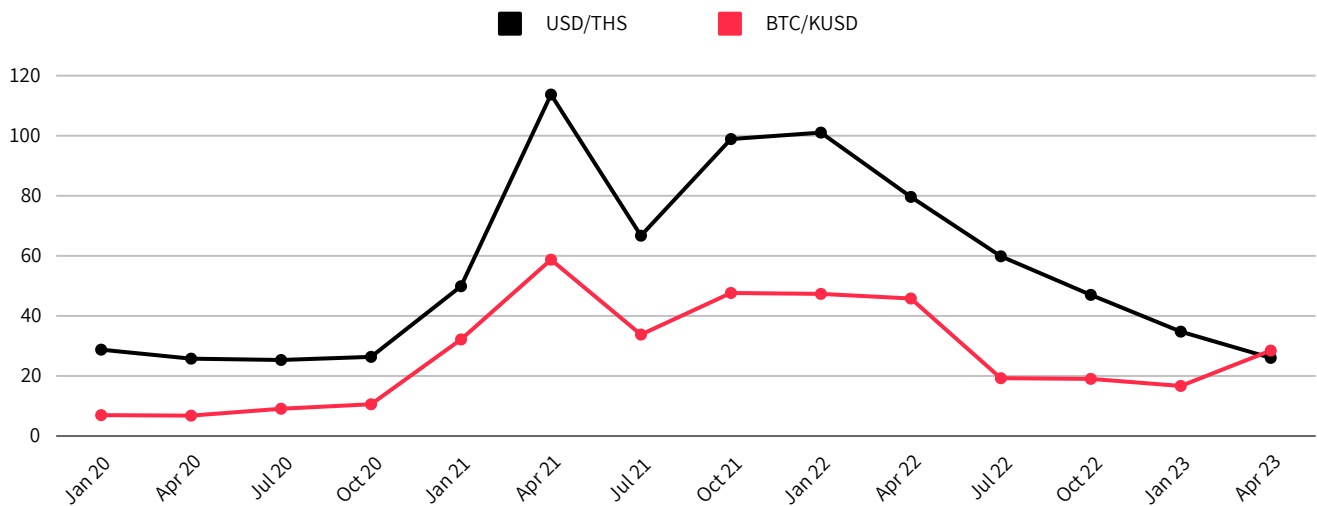
In this way and throughout the process, each transaction is registered in the blockchain for transparency of the users, in addition to the great security that this gives us against attacks, Bitthash will also provide backup in its database of all these transactions for the very unlikely case of a multi-wallet attack to be able to use an emergency "Red Button" and return to a point before the attack.

# 5.

## Operation of the BHASH Token (BHASH)

### 5.2 Token price

As this is equivalent to 1 TH/s of Bitcoin mining, its value comes directly from the cost of the hardware and infrastructure to support it, which is why the value of the BHASH token for the launch and pre-sale will be us\$40.00 per TH/s or Bhash token (BHASH), which is valued at the current price of top-level hardware and infrastructure, this directly implies that the price of the token may fluctuate according to the price of the hardware at that time, since it is confirmed that at higher Bitcoin price and the higher the yields of these mining equipment, the higher their price, on the other hand, situations like the current ones can arise, where the price of hardware is up to 3 times lower with Bitcoin below US\$30,000 in 2023 vs Bitcoin in ATH.



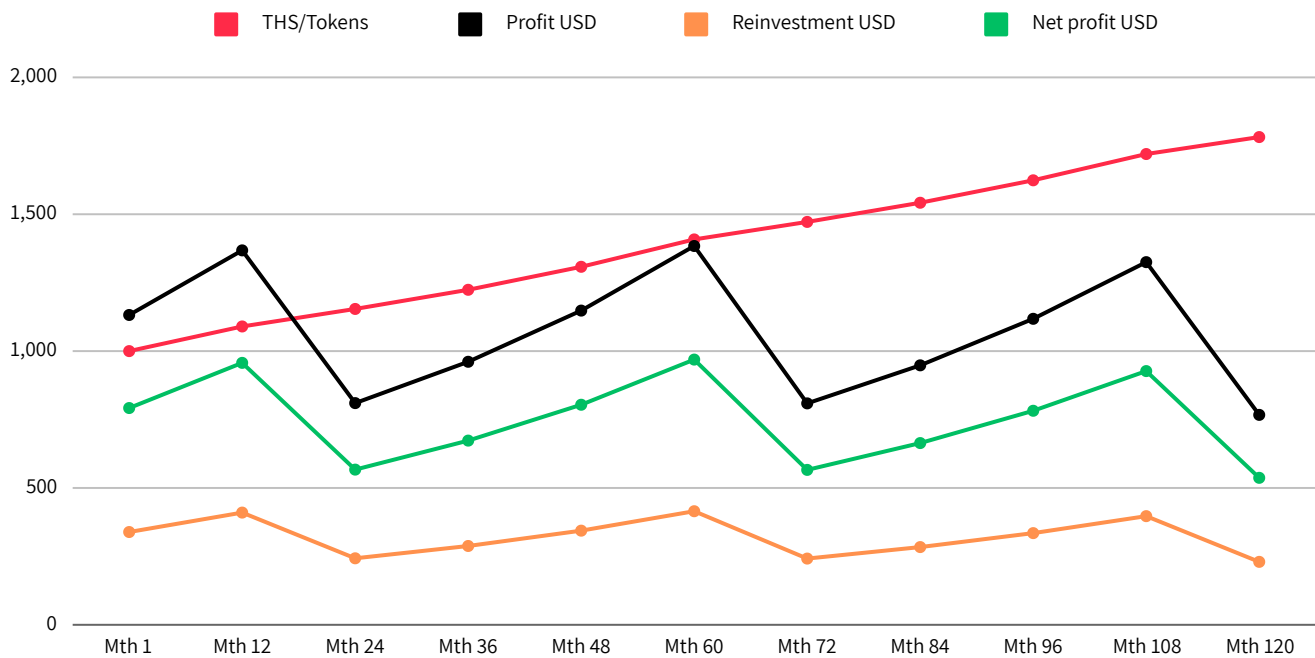
This opens up a great possibility that you, the owner of the token, in addition to generating daily returns in Bitcoin, can generate an extra profit due to the possible capital gain that the token may acquire over time.

Source: <https://data.hashrateindex.com/asic-index-data>

# 5.

## Operation of the BHASH Token (BHASH)

On the other hand, we have to consider that throughout its life, this token can be more or less efficient simply and simply due to the constant adjustments of difficulty, halving or Bitcoin price, which is why Bitthash highly recommends considering in your investment plan, making a constant reinvestment with the profits generated, or just enough, to keep your income more stable over time.



This graph is an example projection (informative only) for a reinvestment scheme, based on a 2% monthly increase in difficulty in Bitcoin mining, considering the following halvings, an increase in the average Bitcoin price of 3% per month and making a 20% reinvestment over profit, this for an exercise of 1000 Bhash tokens (BHASH) and an investment of us\$40,000.00.



## 5.

### Operation of the BHASH Token (BHASH)

Let's see the basis of this projection, the growth of Bitcoin in recent years:

Date	BTC price	Change %
01/01/20	\$9,367.40	29.95%
02/01/20	\$8,557.30	-8.65%
03/01/20	\$6,427.70	-24.89%
04/01/20	\$8,635.30	34.35%
05/01/20	\$9,452.10	9.46%
06/01/20	\$9,150.60	-3.19%
07/01/20	\$11,350.00	24.04%
08/01/20	\$11,671.00	2.83%
09/01/20	\$10,794.00	-7.51%
10/01/20	\$13,788.00	27.74%
11/01/20	\$19,686.00	42.78%
12/01/20	\$28,933.00	46.97%
01/01/21	\$33,141.00	14.54%
02/01/21	\$45,300.00	36.69%
03/01/21	\$58,796.00	29.79%
04/01/21	\$57,637.00	-1.97%
05/01/21	\$37,305.00	-35.28%
06/01/21	\$35,043.50	-6.06%
07/01/21	\$41,409.00	18.16%
08/01/21	\$47,157.00	13.88%
09/01/21	\$43,830.00	-7.06%
10/01/21	\$61,330.00	39.93%
11/01/21	\$56,938.00	-7.16%
12/01/21	\$46,218.00	-18.83%
01/01/22	\$38,526.00	-16.64%
02/01/22	\$43,202.00	12.14%
03/01/22	\$45,535.00	5.40%
04/01/22	\$37,662.00	-17.29%
05/01/22	\$31,792.00	-15.59%
06/01/22	\$19,938.00	-37.29%
07/01/22	\$23,294.00	16.83%
08/01/22	\$20,058.00	-13.89%
09/01/22	\$19,430.00	-3.13%
10/01/22	\$20,509.00	5.55%
11/01/22	\$17,182.00	-16.22%
12/01/22	\$16,564.00	-3.60%
01/01/23	\$23,135.00	39.67%
02/01/23	\$23,134.00	0.00%
03/01/23	\$28,460.00	23.02%
04/01/23	\$29,255.00	2.79%
	AVERAGE	5.81%

As we can see in this table, from January 2021 to April 2023, the average increase in the price of Bitcoin compared to the previous month has been 5.81%.

Based on our studies, from January 2019 to the same period in 2023, the average increase in the price of Bitcoin compared to the previous month is approximately 6.12%.

From January 2018 to the same period in 2023, the average increase in the price of Bitcoin over the previous month is approximately 3.45%.

Since 2017 it is 7.19%, since 2016 it is 7.31% and since 2013 (10 years ago) it has been approximately 11.37%, which is why we believe that a conservative number for this projection is 3% in the average monthly increase compared to the previous one in the price of Bitcoin.

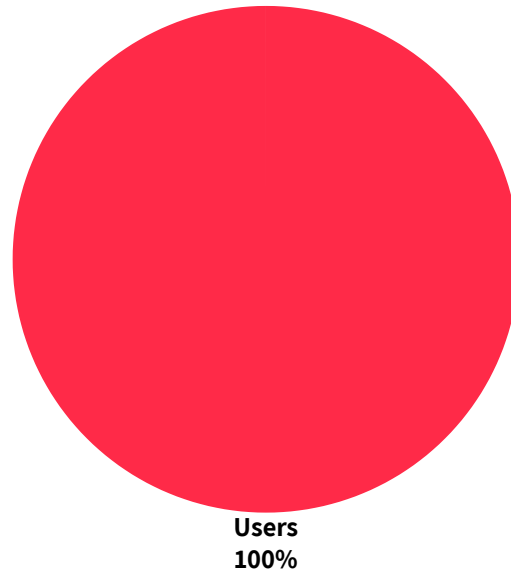
All the information about these changes in the price of Bitcoin and more historical data can be found at [investing.com](https://www.investing.com)

## 5.

### Operation of the BHASH Token (BHASH)

#### 5.3 Token Distribution

Being a token equivalent to 1 TH/s, 100% of the tokens issued to the market will be exclusively for users, since it is Bitthash task to maintain the sustainable business model with what we will describe below as "5.4 Mining distribution", where we take care of making investments in new infrastructure, specialized teams, research, development and marketing, among others.



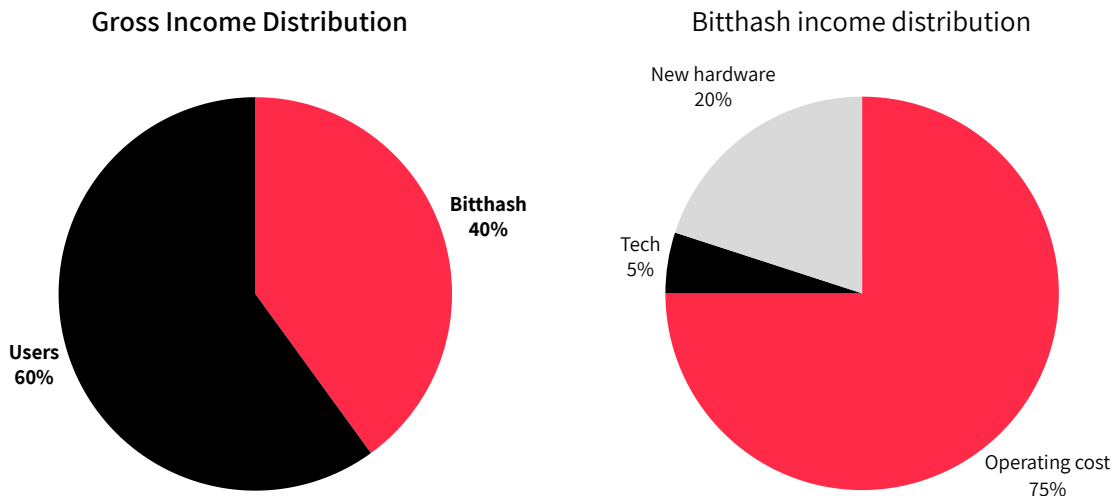
In this way we protect the project and the users from possible liquidation attacks, being a token with controlled issuance and compared to shitcoins (with trillions of tokens in circulation), the BHASH token is not designed to be volatile, tradeable or manipulable, since they only have one function and that is to be the equivalent of 1 TH/s of Bitcoin mining and facilitate entry into this world for all types of investors, the price of the token throughout the life of the project, will depend on the market conditions for this industry, how profitable it is and what value the users and owners themselves give to these tokens or TH/s.

# 5.

## Operation of the BHASH Token (BHASH)

### 5.4 Mining distribution

Of the Bitcoins mined every day and for each token or TH/s, 50% is for the owner of the token, monthly and they will automatically have the accumulated balance as available to withdraw, but daily they will be able to see the updated Bitcoin balance, both from the pool (All the hashrate in production), and their own, thus they will constantly monitor their investment. The remaining 50% is used to cover operating expenses of the sites, such as services, maintenance, engineers, etc. In addition, we reinvest in new, more efficient mining equipment, open new mining sites, and invest in technology to lower costs.



This type of distribution schemes are achieved thanks to all the experience obtained over the years in cryptocurrency mining, the development of our automated and intelligent platform, as well as commercial agreements, but even more, for selecting and mining Bitcoin with the most efficient air- and water-cooled equipment on the market.

We want to be very clear that this project is not sustainable if we do not strive to always have the best mining technology and the best prices and energy partners, in addition to this, Bitthash is improving its mining farm management software with AI, to seek to the last point of improvement in the overall performance of our operation.

## Token pre-sale

As part of our launch, we will carry out a token pre-sale for our phase 1. We will make available 50,000 BHASH tokens (BHASH), each at a price of \$40 USD, this pre-sale will last 120 days and is intended to mainly gauge user interest for this solution, if successful, we will present the next stages for the project, including new sites, opening to new partners (Mining Farms) and more investment products for other algorithms It's like Litecoin.

Before the launch, Bitthash already has a 2:1 backing for the 50,000 tokens it wants to launch, that is, more than 90 PHS in production distributed in several countries in the Americas. By the time the first pre-sale stage is completed, Bitthash will be able to double this mining capacity to provide greater sustainability and security to BHASH owners.

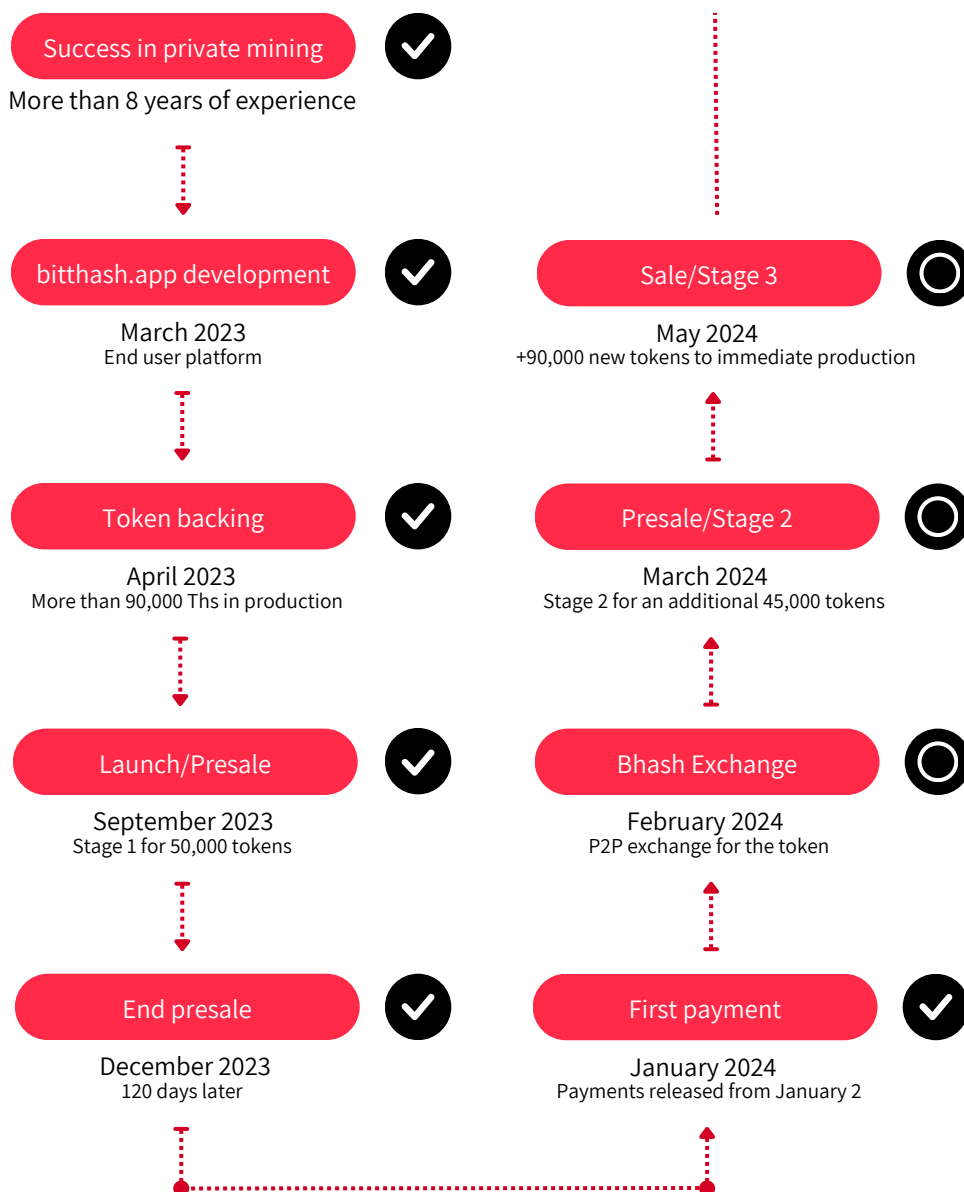
Each pre-sale or sale of tokens will be supported by a project or site already in production, with evidence for the community shown on our social networks, always respecting the vision of privacy that is held at that time.

Being a real and supported utility token, we cannot offer commissions for referrals, purchase bonuses or others, since this would directly impact the sustainability of the project, but for the following stages and according to the success obtained, Bitthash could consider some reward for our first buyers, or for example, early access to pre-sales or discounts on them.

# 7.

## Roadmap

At this point, we would like to offer a brief introduction to our roadmap, where the first year we will try to grow organically and for the following token issuances, we will open up to collaborate with other already established mining farms always seeking security and decentralization of the project.





## Anonymity

We understand that transparency is essential in any blockchain-based project, however, we also recognize the importance of protecting the privacy and security of our team and our investors. Therefore, we have decided to maintain a certain level of anonymity for the time being.

This anonymity is temporary and is intended solely to protect the security of the project and that of investors. In some countries, regulations around cryptocurrencies and Bitcoin mining are still unclear or contradictory. Without a solid legal strategy, our project and our investors could be affected.

We assure our investors that we are working diligently to form a sound and appropriate legal strategy. Once this is established, and it is ensured that the project is not affected by potential regulatory or legal issues, we will be more than willing to waive this anonymity.

Furthermore, it is important to highlight that despite this anonymity, our commitment to transparency and accountability is not affected. We continue to share as much information as possible about our operations and our performance. Investors can track the performance of their investments in real time through our platform and over the blockchain, which provides a high level of transparency despite the anonymous nature of our project.



## Anonymity

Ultimately, our goal is to strike a balance between transparency, privacy, and security. We take the protection of our investors very seriously and we believe that this decision is the best way to guarantee the success of the project in the long term.

Also considered by all the latest news about supposedly "decentralized" projects that, by belonging to a real and formal company, have had to adapt to the regulations imposed by different countries, putting an end to the ideology that bitcoin and cryptocurrencies represent, that is why we believe that there must also be a balance between the "centralization" of a project like Bhash, but that this in turn belongs to the community and together we can make it truly decentralized, while protecting it from attacks, blocks or regulations that have proven to be incompetent and off the main idea.

At the moment that the user sees the need, with the doubt or if it is not what he is looking for as an investment, he can immediately request the unlocking of his tokens to sell them to a friend or relative making transfers on chain, as well as a third party interested in the exchange incorporated in bhash.app or to Bhash himself, we will always be open to trying to re-buy the tokens from the users if they need it or the project is seen in a serious legal or financial point of no return.



**Let's mine Bitcoin together!**

Be part of our community

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