



ORMEUS COIN

## THE TOKENIZATION OF INDUSTRIAL CRYPTOCURRENCY MINING

An analysis of the Ormeus Coin industrial crypto mining operation and decentralized backup currency Ormeus Reserve Vault (ORV).

### A WHITE PAPER

By James Edward McDonald, Barrister-at-Law

VERSION 2.0 - FEBRUARY 2018



## LEGAL DISCLAIMER

This white paper audits and analyzes certain aspects of Ormeus Coin and its underlying cryptocurrency industrial mining operation. The white paper and the information stated herein is not legally binding and the study focuses exclusively on the activities and assets of Ormeus Coin. This white paper does not constitute an offer of Ormeus Coin (ORME) nor an invitation for an offer to exchange any amount of cryptocurrency for ORME. For a description of the risks associated with the Ormeus Coin enterprise, please see the white paper section entitled 'Challenges' and 'Ormeus Coin – Commodity, Currency, Security?'

Forward-Looking Statements: The white paper contains certain forward-looking statements. A forward-looking statement is a statement that does not relate to historical facts and events. The forward-looking statements are based on forecasts of future results and estimates of amounts not yet determinable or foreseeable. Such forward-looking statements are identified by the use of terms and phrases such as anticipate, believe, could, estimate, expect, intend, plan, predict, project, will and similar terms, including references and assumptions. This applies, in particular, to statements in this white paper containing information on future developments of Ormeus Coin or its industrial mining operation, plans, and expectations regarding ORME or its growth of value. Forward-looking statements are based on current estimates and assumptions that the author makes based on verified present knowledge.





( ORME )  
ORMEUS COIN

## **BUILT ON ETHEREUM - BACKED BY INDUSTRIAL CRYPTO MINING**

### **ABSTRACT**

Ormeus Coin (asset symbol ORME) is a ground-breaking digital money system secured by one of the biggest industrial cryptocurrency mining operations in the world. The coin is cryptographically linked to a publicly identifiable currency vault funded by a USD \$250 million North American mining business powered by green energy. Revenue from the mining farm is tied to the Ormeus Reserve Vault (ORV) through proof of asset technology and self-executing Ethereum Blockchain smart contracts, (ERC20 compliant). The reserve vault is currently being enhanced to act as a DAO – Decentralized Autonomous Organization. By using a proprietary Artificial Intelligence engine, the Ormeus mining hardware can be allocated instantly to mine a variety of mainstream crypto coins that use the same authentication hashing algorithm, encryption type: Sha256, Script, X11, Ethash. Unlike companies engaged in the flawed Initial Coin Offering (ICO) model that rewards future business ideas, Ormeus Coin has already commenced its cryptocurrency mining operation through private investment and is not seeking public money through an ICO. The company is also running a post-mining automated algorithmic trading program with audited returns out-performing the market, which ORME Coin holders can benefit from. Predefined re-investment smart contract rules result in the Ormeus Reserve having a constantly increasing store of the top mainstream coins and gold standard style security for currency users. Programmable smart contracts of Ethereum ensure that Ormeus Coin stays linked to the real-world assets; transparent for all to see, without susceptibility to fraud, hacking or tampering. ORME can, therefore, be distinguished as a stable, next-generation digital currency and store of value backed by real-world assets.





( ORME )  
ORMEUS COIN

## INTRODUCTION

In 1976, F.A. Hayek published his classic 'Denationalization of Money'<sup>1</sup>, where he argued that money is no different than other commodities and should be supplied by competition among private issuers - not the government. Over 40 years after Hayek's thesis, IMF boss Christine Lagarde cautioned that cryptocurrencies can displace central banks, conventional banking and national monies in the long term.<sup>2</sup> After two centuries of State monopoly money, private cash is re-emerging in the form of digital cryptocurrencies and has the potential to dominate.

Bitcoin, Ethereum, and other new currencies enable users to make transactions of electronic cash without going through a financial institution. This is accomplished through the use of Blockchain technology; a tamperproof distributed ledger system whereby one central database no longer controls all the information. Blockchains are secured and maintained by "miners", which are nodes of computers that validate and indelibly capture transactions using substantial computational power in return for a cryptocurrency reward<sup>3</sup>.

Blockchains allow for the constant development of "smart contracts"<sup>4</sup>; a computerized transaction protocol that executes the terms of a contract . And it is this unalterable record with proof of asset technology that paves the way for new digital cash such as 'Orme' - a Medieval alchemist's term for turning base metal into gold<sup>5</sup>.



<sup>1</sup> Hayek, F. A. (1978) 'The Denationalisation of Money, 2nd ed. London: Institute of Economic Affairs'

<sup>2</sup> Tucker, Jeffrey (Sep 2017) Foundation for Economic Education: 'IMF Head Foresees the end of Banking and the Triumph of Cryptocurrency'

<sup>3</sup> Nakamoto, S. (2008). 'Bitcoin: A Peer-to-Peer Electronic Cash System,' <https://bitcoin.org/bitcoin.pdf>

<sup>4</sup> Szabo, N. (1994) 'Smart Contracts'

<sup>5</sup> Berstein, P. (2000) 'The Power of Gold: The History of an Obsession'



## INITIAL COIN OFFERING

It was labeled 'the year of the ICO'. In fact, 2017 was the year of 'the Great Crypto Heist'. The market was teeming with Frankenstein ICO projects pumping Blockchain concepts into dubious business plans raising almost USD \$5 billion according to Forbes. Estimates from Baker & McKenzie law firm in London suggest that approximately 80% of all Initial Coin Offerings were fraudulent<sup>6</sup>. Against this backdrop, legislative watchdogs delivered legal half-measures resulting in haphazard 'rules'.

2018 should be the year where cryptocurrencies with identifiable tangible assets are in vogue. However, ICO Bench Listing<sup>7</sup> reports that more than 180 new ICOs are already scheduled to launch this year, many of which are dipped in fiction. Investors, qualified or not, should begin to realize that investing in a mere idea from an ICO white paper without any proof of underlying assets is reckless folly. The refrain, "we've got a really strong team, a realistic project idea, and industry experience" should no longer justify or be a source of confidence or a rational reason for investment.

Ormeus Coin is not engaging in an ICO. Rather, the company raised USD \$30 million seed money through founders' personal capital and then participated in the habitually rigorous second round VC and family office fundraising campaign. At the time of writing, the company is in 'soft launch' mode, gathering data and feedback regarding its virtual currency, mining operations, reserve vault, and acceptance in the marketplace. This pragmatic approach can be compared to the farcical pre-ICO stage of funding where companies peddle a future idea and drum up support for their public offering some months later.



<sup>6</sup> Huertas, M. (2017) 'Regulators' Warnings Zoom in on Initial Coin Offerings'. Baker & McKenzie for Mondaq Business Briefing

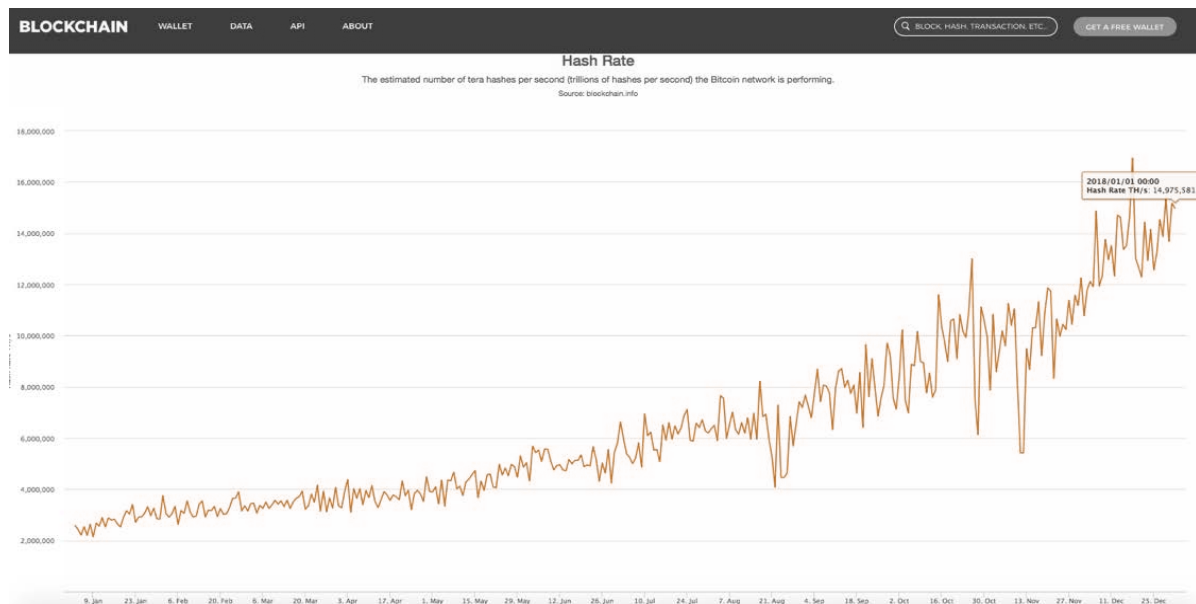
<sup>7</sup> ICO Bench Listing, [www.icobench.com/icos?status=upcoming](http://www.icobench.com/icos?status=upcoming)

## COINING IT: INDUSTRIAL MINING PROFITABILITY

The age of industrial cryptocurrency mining is upon us. As home and retail miners reach a profitability limit, scalable professional-grade infrastructure is essential to support Blockchain ecosystems. Digital rigs verify transactions and harvest cryptocurrency by being the first to solve a complex mathematical puzzle called 'hashing'. This steady addition of new coins is analogous to gold miners expending resources to add gold to circulation<sup>8</sup>. With industrial crypto mining, it is CPU time and electricity that is expended. Yet even with these overheads, it is an extremely profitable business.



Money in mining has a lot to do with coin price and 'Hash Rate'; the speed at which a computer is completing the mathematical transaction puzzle. A higher hash rate is superior when mining as it increases your opportunity of finding the next block and getting paid.



TAKING BITCOIN AS AN EXAMPLE, THE GRAPHIC ABOVE<sup>9</sup> FROM JANUARY 1ST, 2018<sup>10</sup> SEES A POSITIVE INCREASE IN HASH RATE – OR MORE SERVERS BEING ADDED TO THE BITCOIN NETWORK. THE PRICE OF BITCOIN MOTIVATES INDUSTRIAL MINING COMPANIES TO ACQUIRE MORE COMPUTER SERVERS, AND JUDGING FROM THE RAPID INCREASING HASH RATE, MULTIPLE MINERS ARE RECEIVING SHIPMENTS OF NEW HARDWARE.

<sup>8</sup> Nakamoto, S. (2008). Bitcoin: A Peer-to-Peer Electronic Cash System <https://bitcoin.org/bitcoin.pdf>

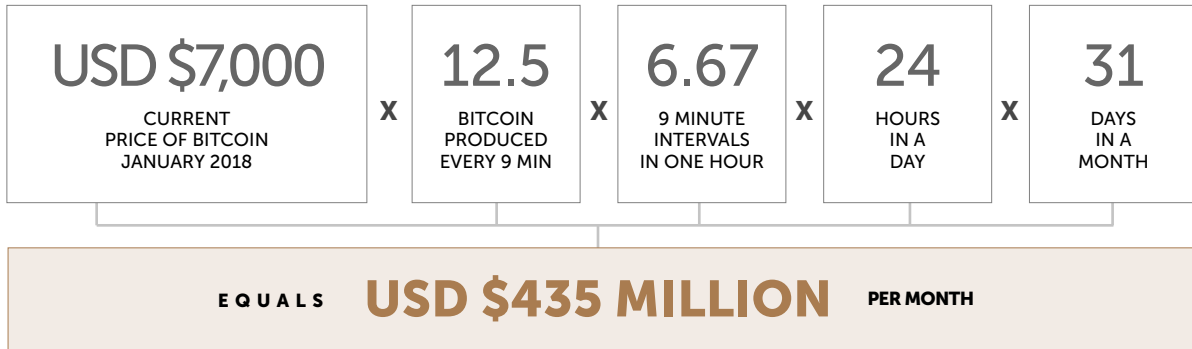
<sup>9</sup> Blockchain Info: [blockchain.info/charts/hash-rate](https://blockchain.info/charts/hash-rate)

<sup>10</sup> Pilot, R., Safe Haven Magazine, (Oct 18th 2017), 'The mind boggling profitability of crypto mining'



## COLLECTIVE MONTHLY MINING REVENUE

As of February 2nd, 2018, Bitcoin is hovering around USD \$7,000 with 12.5 Bitcoins being mined every nine minutes. Therefore, the collective monthly revenue for Bitcoin miners in February can be summarized as follows:



Bitcoin miners alone are making around USD \$500 million per month in mining, plus additional transaction fees which can total USD \$22 million per day, (e.g., December 22nd, 2017).

According to Safe Haven Magazine, the market capitalization of cryptocurrency mining will be USD \$11.5 billion by the end of 2018<sup>10</sup>. By comparison, the market cap of the top ten silver companies is USD \$18.94 US billion.



THE SIMPLE EXAMPLES ABOVE INTRODUCE HOW PROFITABLE INDUSTRIAL MINING IS FOR ORMEUS COIN WHILE MINING MAINSTREAM CURRENCIES SUCH AS DASH, LITECOIN, BITCOIN CASH ET AL OFFERS SEPARATE, LUCRATIVE GAINS.

<sup>10</sup> Pilot, R., Safe Haven Magazine, (Oct 18th 2017), 'The mind boggling profitability of crypto mining'

## CASE STUDIES: CRYPTO MINING COMPETITION

Industrial miners are cashing in on the rocketing fortunes of digital assets. Companies are now eager to secure hardware orders and raise capital in an effort to create new digital coins and earn fees. Below are three North American and Canadian companies that demonstrate how successful industrial crypto mining actually is:

### BitFury Group:

Founded in 2011, BitFury was originally backed by VC money and started as a Bitcoin mining operation. It generated USD \$93.7 million revenue in the fiscal year 2017 - a 70% increase on the previous 12 months and has an 11% market share. Of that revenue, earnings before interest, tax, depreciation, and amortization were USD \$24.7 million based on a 26 percent margin. In addition to Bitfury Group's revenue generated by Bitcoin transaction fees, the company also lists a total of 500,000 bitcoins generated to date from the protocol's block rewards, which at today's prices would be worth USD \$7.5 billion. By the year 2021, BitFury says it will be generating USD \$585 million in revenue, 52% of which will come from transaction fees<sup>11</sup>.

### HashChain Technology:

Having gone public on the Canadian TSX Venture stock exchange in December 2017, HashChain has raised USD \$20 million to date and invested in high-performance ASIC 100 Dash mining rigs and also purchased 770 ASIC Bitcoin rigs. The firm is following Ormeus with its flexible mining strategy of having equipment that can scale and mine across all major currencies. Overall returns to shareholders have been greater than 1,300 percent in the past 24 months<sup>12</sup>.

### Hut 8:

After raising USD \$38 million of institutional capital in a private placement, Hut8 took control of 22 Bitfury BlockBox mining machines, (the same model as Ormeus has acquired), operating at 24.2 MW / 165 PH/s. In Q1 of 2018, a public listing on a Canadian stock exchange is expected and phase II of the deal is scheduled to be completed, increasing control to an additional 35 Block Box data centers operating at 38.5 MW / 262.5 PH/s<sup>13</sup>.



<sup>11</sup> Del Castillo, M. (July 2017) Coindesk, 'Think Bitcoin is small business? Bitfury is making almost \$100Million annually'. [www.coindesk.com/think-bitcoin-small-business-bitfury-making-almost-100-million-annually/](http://www.coindesk.com/think-bitcoin-small-business-bitfury-making-almost-100-million-annually/)

<sup>12</sup> Financial Deals Tracker (Dec 2017) HashChain Technology to raise USD20m in private placement of units'

<sup>13</sup> Journal of Engineering, (Dec 2017) Hut8 Partners with the Bitfury Group to Establish North America's Largest Bitcoin Datacenters



## HOW ORMEUS COMPARES:

### USD \$250 MILLION INDUSTRIAL MINING OPERATION

Pursuant to the USD \$250 million purchase contracts signed in November 2017, the company has commenced the acquisition of mining rig infrastructure and is currently mining Bitcoin, Dash, and Litecoin via initial operations in North America. Hash rates, temperatures, rig statuses, and power consumption are being monitored through market leading software. Audited accounts and verified purchase receipts confirm that Ormeus currently commands:

- Ⓢ 85PHs of Bitcoin (Sha256) miners;
- Ⓢ 57,000 GHs of DASH (X11) mining power;
- Ⓢ 3,100,000 MHz of Litecoin (Scrypt) miners.

The mining units include Green Box AC Air Cooled Mobile Datacenters. There are 179 miners in each 40-foot mobile Green Box data center and the boxes are capable of working at up to 7.5PH/s of computer power served through 16nm ASIC. These containerized and modular mining units can be moved if required and sold on the secondary market for liquidation or ownership transfer.

Ormeus guarantees that 40% of the profits from mining operations shall be deposited on a daily basis and retained in a designated multi-signature digital wallet. This secure digital wallet will be used to store the digital currencies being mined, (Ormeus Reserve Vault), and will be visible to the public via smart contract programming from the mining rigs to the currency reserve.

The company will liquidate a further 40% from mining operations to re-invest into acquiring additional mining machines and energy. Ormeus will then allocate 10% of the mining revenue towards market making buy-back to benefit from price appreciation/volatility, and the remaining 10% goes towards backend software development.

A custom built Artificial Intelligence (AI) engine optimizes mining activity for Ormeus by maximizing yield related to quantity and value of the currency mined. In its algorithmic paradigm, this AI system has a lot in common with the quantitative analysis deployed in high-frequency trading. Every few milliseconds, the engine demands a lookup request and finds the most profitable coin to dedicate processing power to from hardware GPUs.

Using mining and trading proceeds, the Company will aggressively expand its mining capacity and acquire additional rigs. The power load will grow to 1 gW or approximately 8,000 Petahash in the equivalent of 1,000 Green Box rigs by end of fourth quarter 2019. The Company is in the process of negotiating a further 2 gW of power by 2020.

The consideration payable by the company in respect of Phase 1 for buying mining equipment and the sourcing of 125 megawatts of energy commitment comprises staged payments totaling USD \$250 million, plus applicable taxes, subject to increase in certain circumstances, of which USD \$14 million has already been paid. A further USD \$16 million has been invested in Dash and Litecoin miners.

Important future milestones for the company include launching DAO mechanisms along with an exclusive storefront for users to trade their cryptocurrency directly from Ormeus and enhancing the firm's monitoring software to scrutinize all aspects of mining, maximizing efficiency.



## FINANCIAL REPORT: CRYPTO MINING




### PHASE 1: CURRENT AUDITED MINING REVENUE (SPRING 2018)

Bitcoin Mining: Ormeus currently commands 85 PHs of Bitcoin (Sha256) mining hash power. Assuming a Bitcoin price of USD \$7,000, this amounts to USD \$3.4 million per month.




Dash Mining: Ormeus currently commands 57 THs of DASH (X11) mining hash power. Assuming a DASH price of USD \$450, this amounts to USD \$350,000 per month.

Litecoin Mining: Ormeus currently commands 3.1 THs of Litecoin (Scrypt) mining hash power. Assuming a Litecoin price of USD \$125, this amounts to USD \$1.6 million per month.

Current Monthly Revenue: USD \$5.4 million

	MINING POWER	ASSUMED PRICE (USD)	MONTHLY REVENUE (USD)
	85 PHs	\$7000	<b>\$3,444,000</b>
	57 THs	\$450	<b>\$350,000</b>
	3.1 THs	\$125	<b>\$1,612,346</b>
<b>TOTAL MONTHLY REVENUE</b>			<b>\$5,406,346</b>

### PHASE 2: PROJECTED MINING REVENUE (MAY-DECEMBER 2018)

	MINING POWER	ASSUMED PRICE (USD)	MONTHLY REVENUE (USD)
	198 PHs	\$9000	<b>\$3,949,988</b>
	67 THs	\$570	<b>\$399,526</b>
	4.8 THs	\$200	<b>\$2,370,696</b>
<b>TOTAL MONTHLY REVENUE</b>			<b>\$6,720,210</b>

## FINANCIAL REPORT: ORMEUS AUTOMATED ALGORITHMIC TRADING

Developed in-house by Ormeus Coin, the company's algorithmic trader is up over 150% since being released in September 2017. The trading bot is programmed with parameters that align to buy/sell signals and is permanently plugged into exchanges to execute a trade.

The sophistication of the automated algorithmic trader is that it allows the company to out-perform most other bots in the market and even 'out-trade' them. The trader is delivering dependable results and is mostly tuned for a specific market and time period where Ormeus believes the best profits can be achieved. The following charts demonstrate a unique inside look at the trader's profitability:



EVEN WITH A SIGNIFICANT MARKET CORRECTION IN LATE JANUARY AND EARLY FEBRUARY 2018, THE COMPANY'S ALGORITHMIC TRADER IS STILL UP 23% SINCE THE BEGINNING OF THE YEAR



## CRYPTO MINING WITH RENEWABLE ENERGY

As virtual currencies increase in value, so does their potential to expand and be transacted, which means more strain on power grids. If the Bitcoin network alone continues expanding at the current rate, it could draw over 14 Gigawatts of electricity by 2020, which is the same total power generation capacity as a country like Denmark<sup>14</sup>.

Since energy prices are vital to the mining process and the primary cost factor over time, Ormeus has conducted a microscopic evaluation of the energy market to identify the best power supply and the solution for Blockchain's carbon footprint. The findings of the company investigation are that mining with renewable energy is the only way forward for both profitabilities, avoiding regulatory and tax sanctions, and a sustainable healthful environment.

External verified reports show that Ormeus is exclusively using green energy harnessed predominantly from hydro near the Canadian border with production costs as low as a few cents per kilowatt hour. Hydropower is generally thought to be one of the most effective and lowest-cost renewable energy resources. It is environmentally friendly, carbon-neutral and natural.

One independent commissioned report states that Ormeus works with "Wind, Solar, Hydro and other sources of power to lower the energy cost to support the different Blockchains". The report goes on to say that Ormeus leases, owns, and partners with low-cost power generators all over the world "constantly searching for low-cost power and to optimize operation support for the Blockchain".

Ormeus has secured agreements for 1gW of power from a number of renewable energy providers including a major hydropower station. This power load will be fully subscribed to by the end of the fourth quarter 2019. By 2020, the company will secure a further 2gW of energy. The company currently controls 125 megawatts of energy.

Over time, crypto mining will vanish from all areas with higher energy prices. As a consequence, the best way to stay competitive is to avoid network costs and tax hikes by using inexpensive energy sources that are carbon friendly.



<sup>14</sup> Ou, E. (Dec 2017) Bloomberg, 'No Bitcoin won't melt the polar ice caps'

## **ORMEUS COIN – COMMODITY, CURRENCY, SECURITY?**

When President Nixon took the US dollar off the gold standard it was simply secured with a different commodity – Saudi Arabian oil. The move to ‘fiat currency’ was therefore never authentic and the US dollar is now backed by around \$1.3 Trillion in debts - or ‘the full faith and credit of the US government’.

According to Apple co-founder Steve Wozniak, the dollar is “phony” because more can always be printed. Bitcoin is “stable” because it can’t be diluted Wozniak says, and its future supply is fixed at 21 million: “Maybe there’s a finite amount of gold in the world, but Bitcoin is even more mathematical and regulated and nobody can change mathematics”.

The biggest condemnation of cryptocurrencies is early stage market volatility, and that crypto has no secure backing - but neither it seems does the dollar. Ormeus Coin, however, is backed and stabilized by a cryptocurrency Fort Knox - the Ormeus Reserve Vault, which is fed by one of the biggest industrial crypto mining operations in the world.

Evaluating whether cryptocurrencies like Ormeus Coin are commodities, currencies or securities is challenging when dealing with laws such as the Securities Act in the United States, which was enacted over ten years before the construction of the first fully-functional Turing complete digital computer in 1946 ; something which speaks for itself.

We can rely on sparse case-law and entities such as the U.S. Commodity Futures Trading Commission which has been considering Bitcoin and other virtual currencies as commodities since September 2015. The IRS taxman in the States considers digital currencies a property while the Securities Exchange Commission (SEC) prefers to take matters on a case-by-case basis, enjoying the crypto media limelight without offering a definitive guide.

Most countries, commentators, and companies say digital currencies are similar to commodities such as gold. The Goldman Sachs global head of commodities research Jeff Currie agrees, stating that cryptocurrencies are commodities since “a security, by definition, has a liability attached to it. Take a dollar bill, it has a liability to the US government. Commodities do not have liabilities. They are bearer assets, and when you think about it in that context, you look at bitcoin, it’s not that much different than gold.”

Meanwhile, the Bank of England has also reasoned that the popularity of cryptocurrencies “largely derives from their ability to serve as an asset class. As such they may have more conceptual similarities to commodities, such as gold, than money”.

Whether or not a particular cryptocurrency is a security becomes crucial for participants in the market. If Bitcoin, for example, were found to be a security, then sellers of Bitcoin, exchanges for the transfer of the coin, and special purpose vehicles formed to hold Bitcoin would be subject to burdensome regulatory requirements and hefty penalties for failing to meet these rules.

The issuance and transfer of securities are highly regulated by similar laws from around the world. In the US for example, it is illegal to offer or sell securities unless the offer and sale are exempt under the federal securities laws or made pursuant to an effective registration statement filed with the SEC. One kind of a security under federal law is an "investment contract."

An investment contract for purposes of the Securities Act as outlined in the 1946 Supreme Court decision in SEC v. W.J. Howey Co., means a contract, transaction, or scheme whereby a person invests his money in a common enterprise and is led to expect profits solely from the efforts of the promoter or a third party.

**Courts often break the Howey test into four prongs to determine:**

- (i) whether there exists an investment of money;
- (ii) whether there exists a common enterprise;
- (iii) whether there exists an expectation of profits;
- (iv) whether the expectation of profits is solely from the efforts of others.

If all prongs are satisfied, then a contract, scheme, or arrangement passes the Howey test and represents a security. If any one of the prongs is not met, the arrangement fails the Howey test and there is no security.

The nutshell analysis in terms of Ormeus Coin suggests that the final prong of the Howey test cannot be satisfied. Ormeus fails this part of the test because even purchasers of Orme who buy in expectation of profits do not anticipate these profits to result from the action of the seller or promoter. If the expectation of economic return is based solely on market forces, and not on the efforts of the promoter, then this prong of the Howey test is not satisfied and the instrument in question cannot be a security.

Furthermore, comments made by Securities and Exchange Commission chairman Jay Clayton in February 2018 to a Senate Banking Committee suggested that if companies engage in an ICO – then a security is being created. Ormeus Coin is not engaging in an ICO which further strengthens its position as a non-security.

Just like in the case of Noa v. Key Futures, purchasers of Ormeus Coin acquire a commodity like silver, the value of which may fluctuate, but based solely on market forces and not on the efforts of a promoter. Ormeus Coin cannot control the mining results of Bitcoin, Dash or Litecoin for example which feed its reserve vault. Ormeus cannot control the mining algorithm that selects the cryptocurrencies to be mined. Developing the DAO system will strengthen this position.

Securities law is not irrelevant to virtual currency investments, however, new legislation is required globally to reconcile the regulatory issues that currently engulf the virtual currency world. Without new laws, entrepreneurs and virtual currency users encounter huge uncertainty regarding the lawfulness of their behavior and potential liability.

Still, even with a lack of legislative framework, we can work towards a definition of what Ormeus Coin actually is. It is a 'mathematical certainty' as Wozniak describes; a currency/commodity hybrid - a next generation payment option and a viable store of value.



## CHALLENGES

The activities of Ormeus are subject to risks inherent in the cryptocurrency industry as well as the risks normally encountered in a newly established business.

The company is locking up certain assets required by the contract for payment of the additional data centers to avoid any risk to business expansion. That said, the Company's cryptocurrency inventory or reserve vault can still be negatively affected by market prices or malicious actions via hacking.

Other challenges can include the algorithm for cryptocurrencies changing, resulting in the company losing its competitive edge. Blockchain rewards may decrease resulting in the value of a cryptocurrency mined by or held in the company vault to decrease. This can fall to a level where there is not ample incentive for the company to continue mining.

The mining reward for Bitcoin is cut in half every 210,000 blocks for example, with the next 'halving' set to occur in 2020. Ideally, the price of Bitcoin will increase enough to outweigh the continuing decline of the mining reward.

The introduction of new services and technologies could render the company's hardware and equipment at its facilities obsolete and it may not be cost-effective to upgrade the company's hardware and equipment to remain competitive.

One of the most substantial overheads for industrial mining is the cost of electricity needed in both running the hardware and cooling systems. Ormeus has already contracted for a certain amount of renewable power, but future prices can rise and fall.

Furthermore, as mentioned in the previous section, there can always be changes in national and local government legislation with new crypto laws, taxation, controls or simply put political or economic developments in North America where the mining operations are currently situated.

The issue of fees, hashing, and difficulty also abounds. Around 75% of Bitcoin mining is in the hands of 5 mining pools<sup>24</sup>. Two of these firms, Antpool and BTC.com, are run by one company, Bitmain<sup>25</sup>.

Finally, just like the computer mining nodes vote with their CPU power, the perception of the crypto start-up value is also generated by voter-like dynamics<sup>26</sup> where opinions immediately form from information in a Telegram Group or Twitter feed. Adverse public relations events can always be a challenge for any company.



<sup>24</sup> Blockchain Info: <https://blockchain.info/pools>

<sup>25</sup> Joon, I., (Aug, 2017) Quartz Magazine: "China's Bitmain Dominates Bitcoin Mining"

<sup>26</sup> Bornholdt, S., & Sneppen, K. (2014). 'Do Bitcoins make the world go round? On the dynamics of competing crypto-currencies'. Cornell University Library, Ithaca, USA



## ORMEUS COIN & RESERVE VAULT SPECIFICATIONS

Ormeus Coin is built as an ERC-20 Compliant<sup>27</sup> token on the Ethereum Blockchain. All mining revenues and smart contracts can be viewed and confirmed on the public ledger in order to provide transparency and security. The Ormeus Reserve Vault is a multi-signature wallet address where mined cryptocurrencies from the industrial mining operation are deposited as a back-up for the ORME digital currency.

The Reserve Vault is currently being upgraded to act as a Decentralized Autonomous Organization, (DAO). In short, Ormeus aims to hard-code certain rules that the company will adhere to and cannot be changed once deployed to the Ethereum Blockchain, i.e, setting aside a certain percentage of vault earnings. In the abstract, this is similar to how a normal company works. The big difference is that the rules of normal companies are not enforced digitally<sup>28</sup>.

**The ORME Enhanced Smart Contract is now providing built-in functions to support:**

- Ⓞ Verification of regular mining deposits from the Ormeus mine that serves as a "Proof of Mining" to validate the ongoing robust operation of the Ormeus mining operations;
- Ⓞ On-demand verification of the Ormeus Reserve Vault (ORV) crypto balance through direct query of the total available reserve;
- Ⓞ Functionality to "lock" and "unlock" the Cryptocurrencies deposited to the ORV by the Ormeus Miners;
- Ⓞ Making Ormeus Vault a DAO - using the Blockchain to automate or "smart contract-ify" the existing Ormeus organizational structures and rules.

## PRIVACY & SECURITY

The elements of privacy and security are of key importance and priority in the realm of Blockchain and many of the various implementations of the technology exhibit a diverse range of methodology and schools of thought. Ormeus Coin is fully secured with the same standards as are employed by the Ethereum Blockchain. The primary principles behind Ethereum security leverage the technology of public key cryptography<sup>29</sup> to carry out all manner of functions. This form of cryptography is implemented in numerous ways to accomplish the desired functions of the smart contract.

Operating on the Ethereum Blockchain as an ERC-20 token provides a great deal of privacy and security. In fact, with both the Ethereum and Bitcoin Blockchains, wallet addresses contain no explicit PII (Personally Identifiable Information). This helps to ensure a reasonable balance between the security of privacy and accountability of transparency.

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<sup>27</sup> 'ERC20 Token Standard', (Mar 2017), [https://theethereum.wiki/w/index.php/ERC20\\_Token\\_Standard](https://theethereum.wiki/w/index.php/ERC20_Token_Standard)

<sup>28</sup> Coin Desk, 'What is DAO': <https://www.coindesk.com/information/what-is-a-dao-ethereum/>

<sup>29</sup> Public Key Cryptography: [nrich.maths.org/2200](http://nrich.maths.org/2200)

## TECHNICAL SPECIFICATIONS

**Ormeus Coin Ethereum contract wallet address:**

0x516E5436bAfdc11083654DE7Bb9b95382d08d5DE

**Ormeus Coin was created with the following transaction:**

0xb259f99639bb16848f370b14c358d8e17d1c70cc99cca9984bcac78f946c3b76

**The Ormeus Coin creation transaction was added to the Ethereum blockchain at block #4110554.**

**The following table of technical specifications for Ormeus Coin can be viewed and verified with the EtherScan tool located here:**

<https://etherscan.io/token/0x516e5436bafdc11083654de7bb9b95382d08d5de>

### ORMEUS COIN TECHNICAL SPECIFICATIONS

<b>BLOCKCHAIN PLATFORM</b>	Ethereum
<b>CONTRACT TYPE</b>	ERC-20
<b>TICKER SYMBOL</b>	ORME
<b>COIN NAME IN FULL</b>	Ormeus Coin
<b>IMAGE (48X48 &amp; 260X260, PNG)</b>	PENDING
<b>DIVISIBILITY (DECIMAL PLACES)</b>	8
<b>INITIAL ISSUE AMOUNT</b>	200,000,000



## ROADMAP

The following table displays deliverable objectives which make up the core development roadmap for Ormeus Coin along with the corresponding timeframe targets (represented in quarters of the year). The current status of each item has also been verified and is presented as either "complete" or "pending".

	OBJECTIVE	TIMEFRAME	STATUS
2017	Build and initialize ERC-20 Ethereum token, "ORME"	Q1-2017	COMPLETE
	Assemble the core team and design the Ormeus brand	Q1-2017	COMPLETE
	Deploy baseline mining infrastructure of 30 PH/s	Q2-2017	COMPLETE
	Construct and implement Ormeus Reserve Vault (ORV)	Q2-2017	COMPLETE
	Develop and release enhanced ORME smart contract	Q3-2017	COMPLETE
	Launch the ORME Initial Coin Offering	Q3-2017	COMPLETE
	Public Exchange Listing	Q4-2017	COMPLETE
	CoinMarketCap.com Listing	Q4-2017	COMPLETE
2018	30 Petahash	Q4-2017	COMPLETE
	60 Petahash	Q1-2018	COMPLETE
	Ormeus ATM	Q2-2018	PENDING
	Ormeus Debit Card	Q2-2018	PENDING
	100 Petahash	Q2-2018	PENDING
	AltCoin Smart Contract	Q3-2018	PENDING
	150 Petahash	Q3-2018	PENDING
2020	Custom Branded Wallet	Q4-2018	PENDING
	250 Petahash	Q4-2018	PENDING
	1% ORME Foundation Charity Profit Donation	Q4-2020	PENDING
	2% ORME Foundation Charity Profit Donation	Q4-2021	PENDING
	4% ORME Foundation Charity Profit Donation	Q4-2022	PENDING

## CONCLUSION

At first glance, the author was sceptical about Ormeus Coin and its underlying industrial mining operations. However, after obtaining third-party validation in relation to purchase receipts, having organized on-site visits, audited the automated mining results and reserve vault technology, it is fair to say that Ormeus Coin can become one of the most profitable and technically advanced industrial cryptocurrency mining operations in the world.

For many people, it can be challenging to cope with the realization that the greatest gold rush of our generation is staring right at us. This is still the case at the time of writing, even when 100 Billion dollars has been wiped off the value of the cryptocurrency industry. Why? Because much of the new technology securing the industry actually works.

Still, people are right to be sceptical about cryptocurrency and should only introduce themselves to this new world by supporting virtual currencies which are secured by underlying assets and substantiated new operating systems and ledger technology.

Ormeus Coin is supported by industrial crypto mining and built with the programmable smart contracts of Ethereum where there is always consistency. With Ormeus, real-world assets are tokenized and mining transactions obey smart contract rules where there can be no exceptions.



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