

What is the difference between an ICO and an STO?

On the surface, both Initial Coin Offerings (ICO) and Security Token Offerings (STO) follow a similar process where an investor gets a crypto coin or token which represents their investment. The two main differences is that ICO are not regulated and with an ICO one does not get an asset, share or participation of a company but rather gives you access to a specific network, platform or service. Unlike an ICO, a security token comes with an underlying investment asset, like stocks, bonds, funds or real estate investment trusts.

We all know that the ICO space is huge. In fact, 2017 saw *start-ups* raise a massive US\$5.6 billion. However, considering that trillions of dollars' worth of securities are stampeding towards the Blockchain, US\$5.6 billion is a mere drop in the ocean.

What does an STO give an investor?

To put it simply, a security is an economic instrument representing an actual asset. Stocks, bonds and managed property trusts are examples of securities. Traditionally, when a security is purchased, the operation is done the old fashion way, on paper. A security token performs equally in functionality; the difference is that it confirms ownership through Blockchain transactions (that are encrypted and shared between thousands of computers across the globe). Security tokens offer a number of financial rights to investors such as equity, profit dividends, income shares, vote casting and access to many other investment mechanisms.

Although BHM token holders do not have any voting rights, the BHM tokens are directly linked to a co-ownership of the Blue Hill Mine (1 BHM token = 0.00000004% co-ownership). Meaning that when you buy a BHM token, you will be part owner of the Blue Hill Mine, which is digital asset-backed "programmable ownership". Additional benefits is that Blue Hill Mining aims to create sustainable growth by continuously building up a portfolio of additional mining projects similar to Blue Hill Mine, using part of the profits generated from the future Blue Hill Platform* and sale of the raw material to the market. The balance of the profits will be used to buy tokens back from the crypto exchange and these purchased tokens will be burned and removed from circulation, in order to secure a strong market value (the fewer tokens available, the more they are worth).

*The Blue Hill Platform is developing a peer-to-peer platform based on Blockchain technology, created to provide a digital form of trading and tracking mineral resources between mine owners, smelters, investors and logistics companies. The goal is to present a faster, global way to place orders, trade and track the origins of the commodities while ensuring they are produced according to fair trade and ethical standards.

How do I buy BHM tokens?

BHM Tokens will be available for sale once fully licensed under the Swiss Financial Market Supervisory Authority FINMA foreseen to be in Q4-2019.

What is the BHM token price?

The limited private sale of the BHM tokens at US\$0.09 is already fully reserved. The public price at B.H.Mining-STO launch will start at US\$0.14 (although prices may increase during the token sale).

What Blockchain function does B.H.Mining have?

To accurate data-log the ownership to production, logistics, storage, sales and audits on to the ledger Blockchain. Additionally the Blue Hill Platform is a peer to peer service connecting mine-companies, smelters, logistic companies, banks and multinational companies. Blue Hill Mining intends to create this platform similar to two giants, Glencore and Vale, representing approximately US\$205 billion and US\$34 billion of annual revenue (2017), onto the ledger Blockchain technology. Blue Hill Mining can additionally offer certified, ethically sourced and fair-trade raw materials and concentrates by showing where the raw materials were mined, how they were transported which is currently still ineffective and opaque in the traditional way. Blue Hill Platform allows to make direct bids while cutting out middlemen's margins and bringing more transparency to the mining industry.



In which crypto exchanges will BHM tokens be listed and when?

The crypto exchanges will be chosen closer to the time of the listing (outlined on the roadmap), as the market is changing rapidly due to the focus and high demand of the STO market.

Are BHM tokens limited?

Yes, the BHM tokens are limited. There are a total of 700 million BHM tokens which represents 30% co-ownership of Blue Hill Mine and 30% co-ownership of the future Blue Hill Platform. Additional minting of BHM tokens is prohibited.

Are any BHM tokens going to be burnt?

Yes, once the hard-cap is reached the rest of the unsold BHM tokens will be burned and removed from circulation. Additionally a total of 50% of BHM tokens will be burnt using the profits generated from the sale of raw materials and the profits generated by the Blue Hill Platform to buy BHM tokens and the repurchased BHM tokens will be burned. In the unlikely case that the hard-cap is not reached then Blue Hill Foundation acts as a buffer as it is the main investor into the Blue Hill Mining and all the unsold tokens will be exchanged for the balance of the co-ownership of Blue Hill Mining project.

Is BHM a fully licensed token?

The intention is for BHM to be fully licensed under the Swiss Financial Market Supervisory Authority "FINMA" foreseen to be in Q4-2019 and thereon after with the Securities and Exchange Commission "SEC".

Are BHM tokens part of any additional mining project?

Yes, BHM tokens are linked to all future mining projects that Blue Hill Mining will acquire using the operational profit from the Blue Hill Mine and Blue Hill Platform. This means that BHM tokens will be linked to multiple mining projects providing an additional long-term scalable benefit for the BHM token holders.

What are the different brands associated with Blue Hill Mining?

Blue Hill Mining is a Swiss based STO company that is offering the fully approved BHM security tokens. The acronym for Blue Hill Mining is B.H.Mining

Blue Hill Mine is the actual Mine with concession numbers 14307X & 14308X. The acronym for Blue Hill Mine is B.H.Mine

Blue Hill Foundation is the Dutch "Stichting" that is the co-owner of Blue Hill Mine. The acronym for Blue Hill Foundation is B.H.Foundation.

Blue Hill Platform is the Blockchain commodity trading platform. The acronym for Blue Hill Platform is B.H.Platform.

What is the soft and hard-cap?

As Blue Hill Foundation already is the co-owner of Blue Hill Mining and has exchanged BHM tokens for the ownership of Blue Hill Mining therefore there is no soft-cap. The hard-cap of Blue Hill Mining is US\$38,070,000. Once the hard cap has been fulfilled the rest of the BHM tokens will be burnt and removed from circulation.

What happens when the STO does not reach its hard cap?

Depending on the volume raised according the previous mentioned milestones it will take longer for BHM tokens to reach its full capacity. Nevertheless, each milestone serves to reach major steps that will help with the main goal, which is the buyback plan via the stock market listing.

Why is there no soft-cap and what is the use of funds and which are the milestones during the STO phase?

Blue Hill Foundation accepts to exchange 30% co-ownership of the Blue Hill Mine for equivalent value in BHM tokens therefore there is no soft-cap that can block this project from moving forward. The use of funds, are outlined below in the 3 milestones that will help the BHM token holders increase the value of the tokens during the STO. In the case that none of the BHM tokens are sold it will still enable early tenders with mine operators to extract the copper, nickel, cobalt and gold from the Blue Hill Mine and sell to the market and thus achieve its final goal, the buyback plan.

Milestone I

In the case that 30% of the BHM tokens are sold (147 million sold BHM tokens), this will enable to complete the first phase of the drilling program of the 10% target area. That will dramatically increase the value of the Blue Hill Mine and therefore, the BHM token.

Milestone II

In the case that 60% of the BHM tokens are sold (294 million sold BHM tokens), this will enable to complete the validation of the additional areas of interest within the vast 90% surface area. Plus, it will enable to make additional tenders with more mine operators to explore other areas to extract copper, nickel, cobalt and gold from the Blue Hill Mine and sell to the market, dramatically increasing the production volume and thus reflecting on the value of the BHM token.

Milestone III

In the case that 100% of the BHM tokens are sold (490 million sold BHM tokens), this will enable to fully develop the Blue Hill Platform, which will be an extraordinary tool to create added value to the BHM tokens. This can generate large amounts for the BHM token holders, due to cutting out the middlemen in the mining industry, which in some cases adds up to as much as 30% of the costs of raw materials, which are phenomenal values further boosting the value of the BHM token.

The BHM token will reflect in price according to the above milestones, meaning that there is a higher risk and reward for the earlier token holders.

What are the risks associated with investing in the BHM token?

Every investment carries an element of risk and you should never invest anything that you cannot afford to lose. BHM are fully regulated asset-backed tokens which are directly linked to a co-ownership of the Blue Hill Mine and future Blue Hill Platform which minimises the risk (700 million BHM token represents 30% co-ownership of the Blue Hill Mine and 30% co-ownership of the future Blue Hill Platform). All risk factors will be outlined in the terms and conditions.

How can I make sure my investment is safe?

Each investment carries an element of risk however, unlike most ICOs, Blue Hill Mining has real assets linked to the BHM token, meaning that when you buy a BHM token you are co-owner of the Blue Hill Mine and the future Blue Hill Platform. The tokens are digital asset-backed “programmable ownership”, just like Bitcoin is programmable money. BHM tokens can be traced on the ledger Blockchain thus they are very transparent.

Why haven't I heard about you before?

Although it has gone through 8 years of geological research already, the Blue Hill Mine in Mongolia is relatively new and the mining industry is usually a very closed, traditional sector. How many articles do you read about mining per day, if you're not working within this area? Blue Hill Mining is about to bring the mining industry to the ledger Blockchain, especially with the traceability of raw materials and concentrates that is currently still ineffective and opaque, in the traditional way. By now, we are starting to get traction and visibility.

Are BHM tokens only for credited investors and in which countries are they available?

No. BHM are available for all types of individual investors. Qualified investors' rules apply for UK citizens and other jurisdictions set by FINMA (Financial Market Supervisory Authority). BHM will only be sold once approved by FINMA and the BHM tokens will only be available to the US market after BHM has been regulated by SEC (Securities and Exchange Commission). BHM tokens will strictly follow the FINMA and SEC rules and regulations. The jurisdictions and credited investors conditions will be outlined in the terms and conditions.

Are BHM tokens equal to a shareholding, what definite proof does any investor have into the BHM tokens?

BHM are digital asset-backed tokenized shares that are directly linked to the co-ownership of the Blue Hill Mining project. As Bitcoin is considered "programmable money", BHM security tokens can be considered "programmable ownership". The 700 million BHM tokens are equal to 30% ownership in the Blue Hill Mine with a trustee controlled by one of the top rated Swiss law firms protecting the interests of the BHM token holders, making BHM one of the most secured tokens. Since each BHM token represents part ownership of Blue Hill Mine, the Mine ownership, sales and international audits of Blue Hill Mining will be registered on the Blockchain. This will allow for transparent information exchange, accessible and trust-free for all BHM token holders (this information will be sent to all BHM token holders).

How and when will the BHM token appreciate in value?

Although BHM is a long-term investment token that will continue to gain value over time, the short-term increases will be considerable, as the largest gains of the tokens are expected to be greater at first. The early stages include the additional drilling program that will start in Q2-2020, confirming the volumes of Gold, Copper Nickel and Cobalt within the target area and raising the Blue Hill Mining project to international standards. The longer-term gains will be supported by further geological investigations outside the target area (the remaining 90% of the Blue Hill Mine area, which covers a vast area of 134km²), discovering additional resource volumes including Tungsten, Yttrium and Ytterbium already identified, followed by a feasibility study and International audit reflecting on its true market value. The goal is to make a buyback via a stock market listing for US\$30 per BHM token.

What is the buyback plan?

Blue Hill Mining projects will be evaluated from Q3-2022 onwards by one of the top auditing companies - PWC, KPMG, EY or Deloitte - known as the "Big Four Accounting Firms", to activate the buyback plan via a stock market listing once the underlying value of BHM will be equal to US\$30 per BHM token. This means that all BHM tokens will be repurchased for the equivalent value raised from the stock market listing (equal to or greater than US\$30 per BHM token) and all BHM tokens will be removed from circulation (burning process).

What happens if the underlying value does not reach US\$30 per BHM token?

Blue Hill Mining aims to create sustainable growth by continuously building up a portfolio of additional mine projects similar to Blue Hill Mine, using part of the profits generated from the Blue Hill Platform and from sale of the raw materials to the market, turning the BHM token into a scalable investment and thus always increasing in price. It becomes a question of "time" when the underlying value of Blue Hill Mine will reach an equivalent of US\$30 per BHM Token. Token holders not wanting to wait for this common goal can exit any time by selling their tokens on the crypto exchange(s). The value of Blue Hill Mine will be validated and audited by one of the top auditing companies - PWC, KPMG, EY or Deloitte - known as the "Big Four Accounting Firms" from Q2-2022 onwards and made publicly available on the Blue Hill Mining website (www.bluehillmining.com), providing tokens holders with an indication of the underlying value every quarter.



What is the Blue Hill Foundation, who owns it and what are its other assets or activities? Blue Hill Foundation is a Dutch Stichting (Foundation) that owns 24% of the Blue Hill Mine. The sole purpose of Blue Hill Foundation is to hold the ownership of Blue Hill Mine without other business activity or any assets apart from Blue Hill Mine. Blue Hill Foundation is owned by private equity partners.

Is it possible to schedule a personal meeting?

Yes, the Blue Hill Mining office is located at Loewen-Koester strasse 6, 44534D-Luenen Germany and/or Haupstrasse, 71 9113 Degersheim, Switzerland. We would be more than happy to schedule a personal meeting. Please contact us via email: info@bluehillmining.com in order to plan a meeting (we are also able to support any further questions you might have via email).

Can anyone visit the Blue Hill Mine?

Tokens holders who purchase 55,000 USDT (equivalent) or more worth of BHM tokens will be personally invited to join us and come to see the Blue Hill Mine. The invitation consists of 7 days in total, which will be 2 days at the Blue Sky Hotel in Ulaanbaatar, logistics to and from the Blue Hill Mining project located in the Bayankhongor province, which is a memorable and unique experience traveling through 750km of Mongolian country side (airline tickets not included).