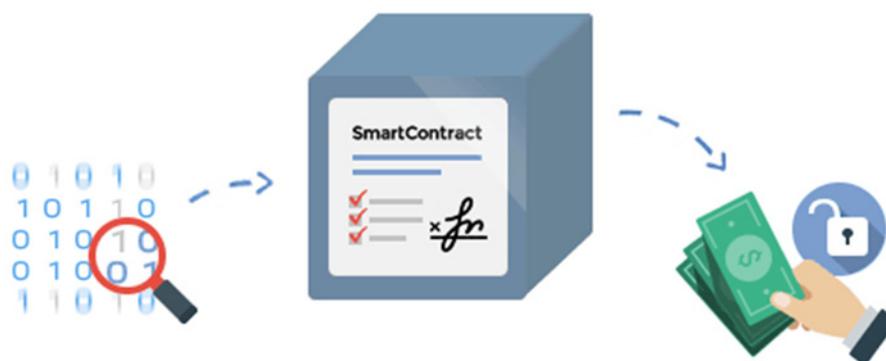


SMART MINING EHF.

WHITEPAPER

Revision | 14.11.2018



THE FUTURE OF CRYPTO CURRENCY MINING AS A
RELIABLE, SECURE AND TRANSPARENT PLATFORM

.....**TABLE OF CONTENTS**.....

Legal Disclaimer	3	
Abstract	4	
Mining Pool Details	5	
	6	Agreement Duration
	7	Restrictions For Clients
	7	Know Your Customer (KYC)
	8	Token Allocation
	8	Voting Rights
	9	Mining Results; Calculator
	10	Mining Results Delivery
	11	Usage Of Proceeds
	13	Participation in the Mining Pool
Roadmap	14	

LEGAL DISCLAIMER

The purpose of this Whitepaper is to present Smart Mining ehf., its technology, provided services and the SMT token to potential clients in connection with the proposed mining pool. The information set forth below may not be exhaustive and does not imply any elements of a contractual relationship. Its sole purpose is to provide relevant and reasonable information to potential clients in order for them to determine whether to undertake a thorough analysis of the company with the intent of participating in the mining pool. All relevant legal information is contained in the SMT "Mining Pool Agreement".

This White Paper does not constitute an offer or a solicitation to participate in the SMT mining pool in any jurisdiction in which it is unlawful to make such an offer or solicitation. Neither the Swiss FINMA nor the United States Securities and Exchange Commission nor any other foreign regulatory authority has approved the participation in the mining pool.

Certain statements, estimates and financial information contained herein constitute forward-looking statements or information. Such forward-looking statements or information concern known and unknown risks and uncertainties, which may cause actual events or results to differ materially from the estimates or the results implied or expressed in such forward-looking statements.

This English-language Whitepaper is the primary official source of information about the SMT mining-pool. The information contained herein may be translated into other languages from time to time or may be used in the course of written or verbal communications with existing and prospective community members, partners, etc. In the course of a translation or communication like this, some of the information contained in this paper may be lost, corrupted or misrepresented. The accuracy of such alternative communications cannot be guaranteed. In the event of any conflicts or inconsistencies between such translations and communications and this official English-language Whitepaper, the provisions of the original English-language document shall prevail.

ABSTRACT

Mining Cryptocurrencies has seen an exponential growth in popularity, but due to high energy prices and warm climate conditions during most of the year it is only possible in a few regions of the world to run a profitable and durable mining facility all year round.

The cloud-mining market was literally overrun for this reason during last year. Consequently, we have seen problems with the providers, which led to uncertainty in different ways in our crypto community.

Smart Mining has developed and founded a totally smart-contract based mining operation to bring trust back to the community with full transparency over every process and movement of money.

Our partner company "Spreadblock ehf." has more than 18 months of experience in Iceland alone as a Cryptocurrency mining data-center. Spreadblock started a year before with their first mining racks in Germany.

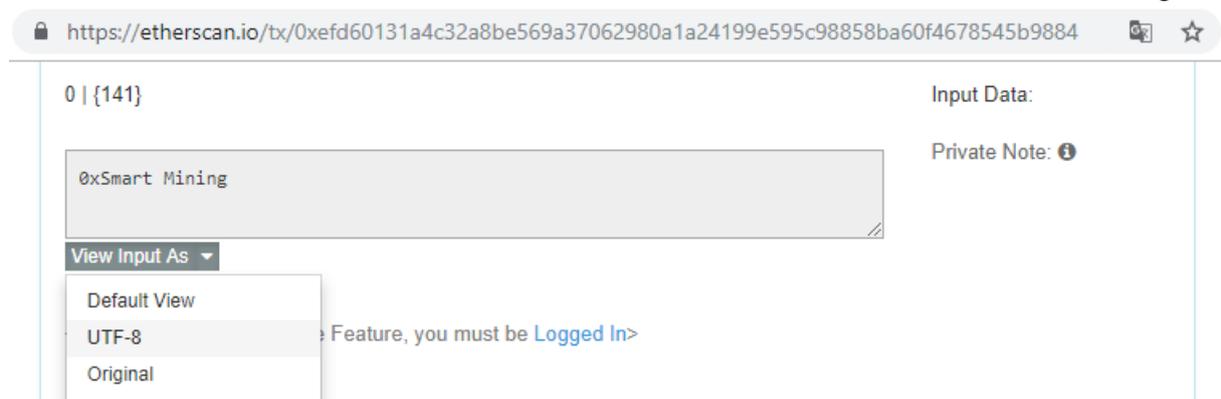
Spreadblock provides Smart Mining with an optimized infrastructure and a self-developed software system to scale our current trial mining-racks, which are already running in the facility from ~7.5 GH/s to about 131.6 GH/s in a smooth process.

The solution Smart Mining provides will ensure that the mining-pool clients will have full control over their mined Ethers at all time time during the 4-year contract-period and do not have to worry about lack of transparency, hacking, or non-availability of providers due to the decentralized nature of our smart-contracts.

The mining hardware that Smart Mining utilizes can be monitored on this nanopool.org address:

<https://eth.nanopool.org/account/0xee88D304A9422D7B8f56c115865a6dA78436A83c>

The 2nd transaction-data on this ETH-address, contains UTF-8 encoded "Smart Mining".



The screenshot shows a transaction on Etherscan with the address `0xSmart Mining`. A dropdown menu is open, showing options: 'Default View', 'UTF-8', and 'Original'. The 'UTF-8' option is highlighted. The transaction ID is `0xefd60131a4c32a8be569a37062980a1a24199e595c98858ba60f4678545b9884`. There is a 'Private Note' icon and a 'Feature, you must be Logged In' message.

<https://etherscan.io/tx/0xefd60131a4c32a8be569a37062980a1a24199e595c98858ba60f4678545b9884>

The Ethereum address `0xee88D304A9422D7B8f56c115865a6dA78436A83c` furthermore will interact with the SMT smart-contract to initiate the automated client withdrawals and is a safe address of our API where regularly funds walk through to pay for transaction-fees of the automation process.

SMT smart-contracts: <https://github.com/smart-mining>

MINING POOL DETAILS

The SmartMining-Token (SMT) is an EIP-20 (ERC20) standard-compatible token, with the exclusion that it does not provide a transfer function to move them to other accounts.

SMT tokens grant their holders the right to:

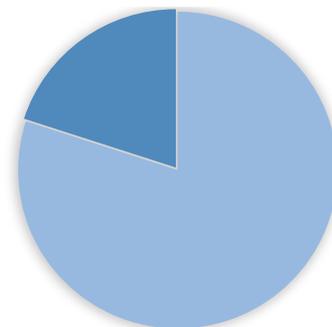
- 1 receive 100% of the mining operation results during the 4-year contract-period, distributed immediately by our smart-contract on a daily schedule.
- 2 voting and vetoing in important decisions about the mining-operation
- 3 Special benefits in our next upcoming mining-pool to scale even bigger.

The Token Subscription Period will be 14 days, starting on November 14th, 2018 and ending on November 27th, 2018.

SMT mining pool is conducted by Smart Mining ehf. – the future of cryptocurrency cloud-mining as a reliable and secure smart-contract platform.

Mining Pool Volume	10,000 SMT / 12,800 ETH all tokens must be sold out
Pledged ETH Price at Issue	EUR 156.28
SMT Token Price	ETH 1.6
Minimum Participation (can vary)	20 ETH
Distribution	80% mining pool clients 20% Smart Mining team

Smart Mining team -----
Mining-pool clients -----



Website	smart-mining.io
Accepted Form of Participation	Ether transfer to our smart-contract from a whitelisted EIP-20 compatible wallet.
Token Subscription Start Date	November 14, 2018, 8 PM UTC
Token Subscription End Date	November 27, 2018
Use of Proceeds	64% Investment in Mining Hardware 11% Infrastructure Upgrade 3% Roll-Out Process (Assembly) 22% Team Share

The tokens are distributed by the smart-contract instantly during the participation-tx.

There are **no discounts** at any time due to our real offers and service agreements, which are prepared for a smooth start of production according to our roadmap.

AGREEMENT DURATION

- The "Mining Pool Agreement" between Smart Mining and each client will go into effect after a whitelisted client successfully transfers Ether to the smart-contract and consequently receives SMT tokens from the smart-contract to their wallet addresses in the same Ethereum transaction during the Subscription Period.
- The mining pool will be operated for a 4-year period, which will begin when
 - 1) the mining pool limit has been reached, which is 4,416 graphics-cards assembled, and
 - 2) the mining is running at the desired hashrate of about 131.6 GH/s

The expected mining results on a daily schedule should start corresponding with the Smart Mining's roadmap in January 2019 and terminate without further notification exactly 4-years (four-years) after it has started.

Smart Mining ehf. together with Spreadblock ehf. and their partners and service-providers carefully planned the needed timeline to upgrade the infrastructure such as the transformer-station, ventilation-system and energy distribution-system to the new requirements. Due to unforeseen events, it is not possible to calculate the exact day when the 4-years period begins, but it will be: "As soon as possible after the needed infrastructural work is finished from the contracted service providers and all Hardware is up and running as desired – Expected January 2019."

- The total mining-operation time for the mining pool can be longer than the targeted 4-years with partial hashrate during the roll-out time, because some already build-up racks will probably be powered on before all graphic cards are assembled and mining as desired.
- Clients can watch the assembly progress, statistical data and access all related mining-pool addresses to watch the work of the miners on their websites (e.g. nanopool.org) via the registered Website area. Smart Mining's mining hardware will exclusively mine on the clients mining-smart-contract address (the "client" address). All client's addresses can be read through any Blockchain explorer on the SMT smart-contract.
- All smart-contracts, their functionality, and related data will forever stay on the Ethereum Blockchain after the 4-year period, but there will be no more deposits after this point to the smart-contract.

RESTRICTIONS FOR CLIENTS

Neither the Swiss FINMA nor the United States Securities and Exchange Commission nor any other foreign regulatory authority has approved a participation in the SMT mining pool, and clients must check by themselves if it is lawful to participate in the SMT mining pool.

KNOW YOUR CLIENT (KYC)

To comply with worldwide Anti-Money-Laundering (AML) rules, Smart Mining needs to know who is contributing funds to the mining-pool. Therefore, clients must pass an anti-money laundering/know-your-client-check (AML/KYC) during the registration process before they can participate by sending Ether to the mining pool smart-contract and consequently obtain SMT tokens.

The primary objective of the mining pool registration is to enforce a mandatory AML/KYC-check to prevent identity theft, terrorist financing, money laundering and financial fraud. It also allows our team to understand our Token Holders better and manage risks prudently. We take social responsibility very seriously, thus, we believe that it is important to play our part in combating money laundering and terrorism financing.

Privacy and security are our top priority during the AML/KYC-check and we take all steps to ensure the security of your data. Your data is not retrievable even if the password is compromised, but we recommend enabling Google-2FA during the registration process or after your registration is finished.

Never send Ethereum to any address during the registration process. There is only one public mining-pool registration process, which is available on our website: <https://smart-mining.io>

Bookmark the registration page and never visit the registration site following any email links. Never trust emails related to the particular sale details (such as the Ethereum address to send to, etc.). Perform all your operations on our website only. You can check your registration status on our website using your account. All data collected during the AML/KYC-check will be only and exclusively stored and processed on our company computers. Once the process is finished, the AML/KYC-data will be encrypted and stored privately for potential future audit requests from authorities.

- Company clients must provide during the KYC-check documents as follows:
 - Certificate of incorporation
 - Structured diagram up to any (natural) person holding 20% directly or indirectly of the relevant company
 - Copies of passports or id-cards of directors and owners
 - Proof of residence of directors and owners (utility bill or bank statement)
- Individual clients must provide during the KYC-check documents as follows:
 - Copy of passport or id-card
 - Proof of residence (utility bill, bank statement)

TOKEN ALLOCATION

SMT tokens are based on EIP-20, the Ethereum ERC20 Protocol, which determines that during the smart-contract creation there will be created a total amount of 10,000 SMT tokens, of which 20% (2,000) are directly transferred to the team-contract address and the remaining 80% (8,000) will be allocated to the SMT smart-contract itself and will be available for clients of the mining pool during the subscription period.

The allocation is set up as follows:

- 80% (8,000 SMT) mining pool clients
- 20% (2,000 SMT) Smart Mining team

In other words, the amount of tokens will be 10,000 from the start of the mining process and will not change. An amount of 8,000 tokens will be available to clients, whereas 2,000 tokens will be allocated to Smart Mining .

The smart-contract allocates the tokens with the accuracy of 18 decimal places as known from Ether itself, which avoids noticeable rounding during allocation and profit share calculations.

VOTING RIGHTS

The tokens carry voting rights. From time to time, when Smart Mining must take strategic decisions regarding the mining operation, the company will bring these decisions to a vote with token holders who have the right to veto the company's proposals. Smart Mining will conduct an easy voting process on the registered area of the website where voting power is based on the amount of SMT tokens that a client has (Send 0 Ether TX to one of two specified addresses for yes/no and the SMT amount of each token holder address will be evaluated to count the total votes. The 2,000 tokens held by Smart Mining will also carry voting power. A proposal can only be vetoed if a majority of casted votes support the decision to veto.

MINING RESULTS; CALCULATOR

The tokens carry the right to receive a mining-share from the mining operation. In consideration to their token amount, the clients shall be entitled to a proportion of the results of the mining operation as follows.

Results of the mining pool shall be the total mining rewards received by Smart Mining, minus operation costs such as, but not limited to, costs for electricity, rent for the facility, accounting/legal services and hardware replacements (due to depreciation or broken parts) to ensure the continuity of the mining operation (stabilize the mining-operations performance – running state), (the "**Result**"). For this reason, Smart Mining's design includes a second mining-smart-contract which is responsible for the payouts of the mining-pool where the mining-rigs are working on and stores the pool-rewards until a daily EUR withdrawal will be initiated through

an Oracle (using oraclize.it) for the operation-costs which are also calculated on a daily basis. A total of 100% of the remaining Ethers are automatically forwarded by the mining-smart-contract to the SMT Token smart-contract where they are distributed to all clients according to their SMT token amount automatically. The address of the mining-smart-contract, which stores forever all detailed mining-records on the Blockchain, can be read by any Blockchain explorer from the SMT Token smart-contract.

Smart Mining provides a unique dynamic hashrate calculator (the "Calculator") on the public website, <https://smart-mining.io/#calculator>, which is the official source for the client to calculate the resulting hashrate for their participation amount over the contract duration of 4-years (*four-years*). The Calculator compares the Operator's provided dynamic hashrate, which will fluctuate relatively strong according to the exchange-rate of ETH/EUR to pay for the operation costs and due to the difficulty fluctuations in the Ethereum network, against the biggest Cloud Mining Provider on the market which offers a static hashrate, but whose hashrate also fluctuate in a scale due to their maintenance costs which vary also due ETH/EUR exchange-rate and difficulty fluctuations as they must be paid in USD. The mining operation used for comparison offers Ethereum mining-contracts for a two-year period. The Calculator doubles the official two-year competitor price to get a basis for comparison.

We take pride in in our name 'Smart Mining'. As such, we have analyzed in a very resource intensive process the whole history of Ethereum to provide you with real and accurate difficulty-levels, mining rewards and ETH/EUR exchange rates which covers almost the whole lifetime of Ethereum. The slider on the Calculator can be moved from the averages of the current week to years back, even to the early days of Ethereum to get the best estimation on how the mining operation results will look like during the agreement duration of 4-years.

The calculation of results will be done automatically by the smart-contracts with the help of an ETH/EUR exchange-rate Oracle provided by oraclize.it and whose accounting is publicly stored on the Ethereum Blockchain forever. Operation-cost calculation will be audited by the auditors of Smart Mining and published on the registered area of the Website for the Clients.

MINING RESULTS DELIVERY

● Delivery; due dates

Delivery of the mining results shall be due on every calendar day of the year (the "Due Date") to the SMT smart-contract. Smart Mining will take all necessary steps to guarantee near 100% uptime of the automatic daily processed withdrawal of the operation-cost from the mining-smart-contract. Consequently, the remaining mined Ethers of the day are wired to the SMT smart-contract which then processes how much Ether each client shall receive with regards to SMT tokens he/she holds. Ethers that have been withdrawn from the mining-smart-contract to pay for the operation-costs will be sold at market value instantly through an automated process provided by the smart-contract Oracle, which queries the exchange-API prior to the withdrawal regarding the exchange-rate.

● Unforeseen delays

Due to possible problems with contracted service providers, unforeseen delays during the 4-year contract period can happen where a profit distribution cannot be processed as usual. Smart Mining will take in such cases all necessary steps to catch up as soon as possible to the usual schedule and will process the operation-cost withdrawal to initiate the profit distribution manually if necessary. No interest shall accrue on any circumstances.

● Withdrawals

Clients can initiate Ether withdrawals from the mining pool / smart-contract to their personal wallets at any time by sending a transaction to the smart-contract's withdrawal-function over any Blockchain client like mycrypto.com, Etherscan.io, local-Geth, and many more, signed by their participation-wallets. Easy to understand instruction-pdfs will be available in the registered Website area for different Ethereum Clients.

Smart Mining will initiate withdrawals for clients when their unpaid amount in the smart-contract has reached a minimum amount which will for now be ETH 0.5 (*zero point five Ether*). Clients do have the option to configure the automated withdrawal amount in the registered Website area. Smart Mining might change the default minimum amount if needed, such as if Smart-Mining needs to adopt new Blockchain requirements or other with regards to other optimizations, such as Gas-usage improvements.

USAGE OF PROCEEDS

Smart Mining's test mining racks are currently mining at around 7.5 GH/s inside the facility where Smart Mining has 245m² of optimized space for new mining racks, provided by Spreadblock ehf., near to the Icelandic international Airport.

Smart Mining has finished and optimized the development of all systems for the mining operation and is now ready to scale the mining operation near instantly to 100% with exactly 4,418 new running graphic-cards to a total of targeted ~131.6 GH/s, whereas the whole results of this operation are distributed by the smart-contract to clients according to their SMT tokens.

We have received multiple binding offers for the mining hardware from our German distributors. The costs for the required mining hardware will be:

- 64 %
- graphic cards (82.8 % of mining hardware costs): EUR 1,055,500
- mining related hardware (rack, motherboard, CPU, ...): EUR 224,500

Despite having fully prepared the development of our systems for the mining operation, the facility must also undergo expensive infrastructural upgrades to support the energy-usage and heat discharge of the graphics cards for optimal

performance during the 4-year contract period. This includes, but is not limited to, costs for the transformer-station, roof-blower, distribution panels and their assembly costs. The provisional total costs of the facility upgrade is as follows:

- 11 %
- costs for facility infrastructure upgrade: 220,000 €

When the facility upgrade is finished, Smart Mining seeks to roll-out all mining-hardware in a timeframe of 1-month, so that the mining operation can reach the planned 100% mining capacity as soon as possible. For the build-up, we will hire a short-term roll-out team which will help us assembly all mining-hardware within this 1-month timeframe. The total costs for this roll-out is expected to be:

- 3 %
- total costs for the roll-out process: 60,000 €

The Smart Mining team will in advance receive a one-time payment for the months of work, continuous administration, research, maintenance and development of the mining operation, and to maintain the highest possible profitability for the SMT token holders:

- 22 %
- team one-time payment: 440,000 €

Smart Mining has carefully calculated the related costs. Some of the cost factors can be calculated very precisely such as the cost the mining hardware where Smart Mining has binding offers from distributors. Other costs such as the infrastructural upgrade include partially reserves for each individual offer from our service providers to cover unforeseen difficulties.

Most likely, Smart Mining's real costs will be less than the estimated costs. If that will be the case, the difference will be used to cover the operation-costs of the mining-operation during the beginning. This situation would benefit all clients considerably because proceeds from the mining operation would not be deducted from the mining results, but instead surplus from the build-up/infrastructure upgrade is used.

The provisional total cost to build the mining operation up to the planned state (hardware, Infrastructure-upgrade, roll-out costs and one-time team payment thus will be:

EUR 2,000,400.

The SMT Mining Pool may not raise enough proceeds to sell all tokens in order to start the mining operation. In this case, Smart Mining will refund payments to all already included clients within two weeks of the Subscription Period ending.



PARTICIPATION IN THE MINING POOL

● Participation Process

- Subscriptions to the mining pool are carried out on the Website. The client will be guided through the process required for the subscription (the "Subscription Process"). The online subscription form requires the client to input the amount of Ether that the client expects to participate with in the mining pool. However, Smart Mining has full authority to limit the participation to a lower amount. The minimal participation amount in the mining pool / smart-contract will be ETH 20 (twenty Ether), but the minimum amount can in some cases be lowered by contacting Smart Mining directly. The client can view and correct entries at any time before sending Ether to the smart-contract by using the corrective aids provided and explained in the Subscription Process or by contacting Smart Mining.
- Participation in the mining pool is only valid if the client accepts the Agreement by ticking the checkboxes (I) "I hereby accept the SMT Mining Pool Agreement and therein contained risk indications." and (II) "I hereby accept the SMT Whitepaper"
- After receiving the registration form, Smart Mining will send an email to the client confirming the approval or rejection of his AML/KYC application.
- If the AML/KYC application is accepted, the client will be guided by the website to the smart-contract address on the Ethereum Blockchain, where he/she/it can send Ether to the smart-contract address to participate in the mining pool and receive the SMT tokens in the same transaction.

● Participation Amount

- The Ether price is pledged to EUR 156.28 (*one hundred fifty-six point twenty-eight*) during the Subscription Period to cover exchange fluctuations, as Smart Mining's business plan is based on real offers and service agreements with partners to deliver a smooth start of production according the roadmap. The participation in the mining pool per Token is ETH 1.6 (*one point six Ether*) (the "**Participation per Token**") which is equivalent to EUR 250.048 (two hundred fifty point zero four eight *euros*) at the pledged ETH price.
- The minimum participation amount in the smart-contract is by default 20 ETH (*twenty Ether*), but can be lowered for some clients by way of special request to Smart Mining.
- There is no maximum participation amount by default. The only limitations are the availability of tokens and the mining pool limit in the smart-contract.
- Smart Mining will inform the client about the client's minimum whitelisted participation amount via e-mail and over the registered area of the website. It is not possible for the client to send an Ethereum transaction to the smart-contract which will exhaust the whitelisted participation limits.



● Transfer of Participation Amount

- The only way for the client to participate is to send the participation amount directly to the official Smart Mining smart-contract address, which is exclusively written on the website on the registered area for whitelisted clients.
- Clients can send multiple transactions to the smart-contract, but the first transactions must reach their individual Minimum Participation Amount (default ETH 20). Further transactions to the smart-contract can be made without a minimum Ether amount limitation on the transaction till the mining pool limit is reached.

ROADMAP

