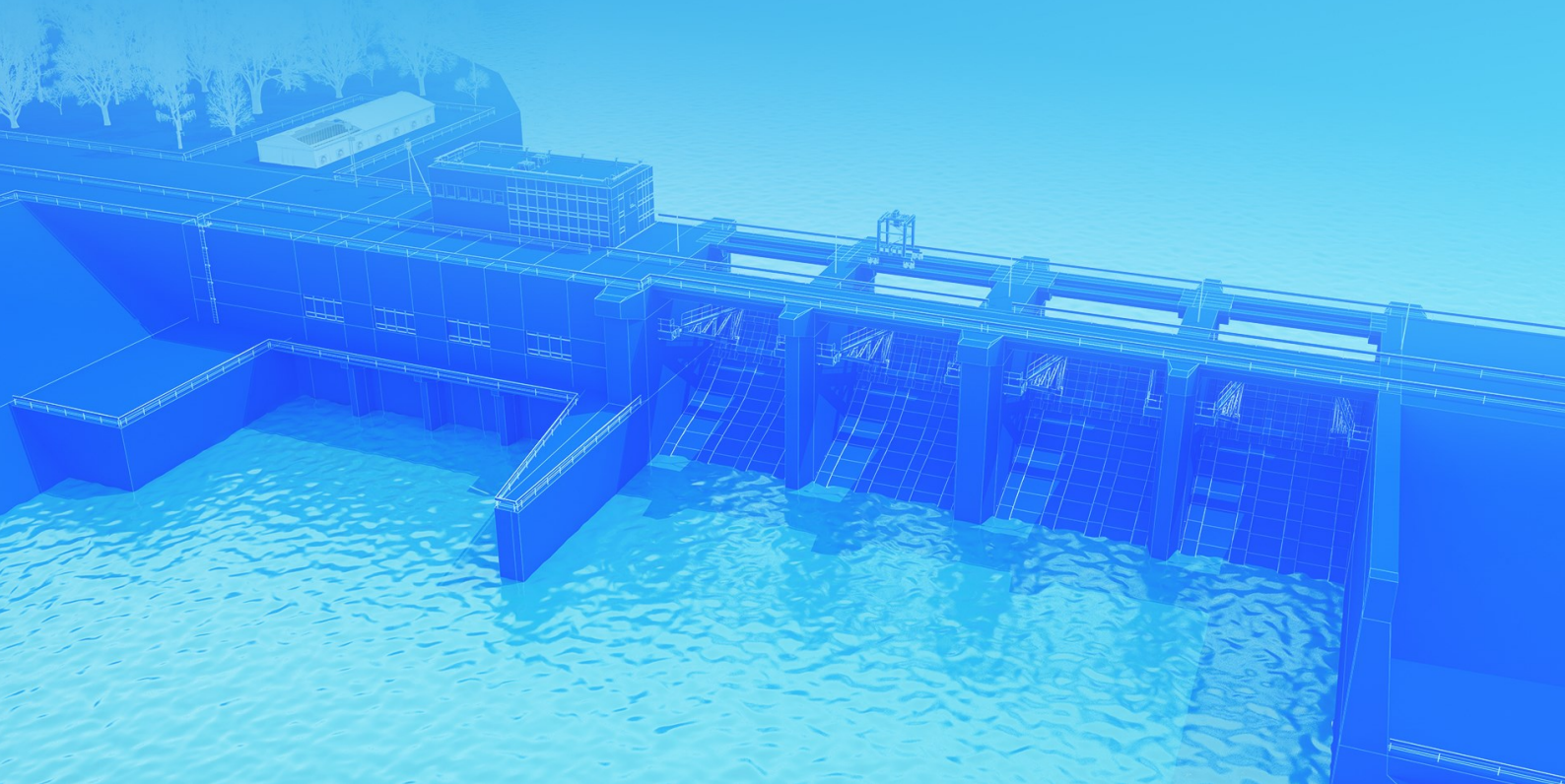




TRUE
North Mining

Whitepaper

Profitable green mining
with buy back guarantee





I. INTRODUCTION

DISCLAIMER - this White paper is public and has no mathematical equations, schemes or tables. Find them in Technical White paper available at truenorthmining.com

Recently cryptocurrency mining community has witnessed the movement of Chinese mining companies from mainland China to Mongolia. This change has not been radical enough.

We propose the establishment of mining farms in the TRUE North regions of Russia. We will lower both cooling and electricity costs compared to Chinese mining farms in Mongolia. This will provide our mining organization with competitive advantages for the years to come.

Cooling costs will be lowered by strategically placing our farms at 59° North latitude and further north. FREE electricity will be achieved by refurbishing old hydroelectric power plants. We keep an eye on five of them with the potential energy output ranging from 0.3 to 0.5 mWh.



II. OUR COMPETITIVE ADVANTAGES

TRUE North Mining, a boutique mining organization, predicts that cryptocurrency mining industry will become more and more competitive. We would like to position ourselves today for the highly competitive market of tomorrow. Below are our key competitive advantages which will allow us to successfully compete in the years to come.

A. TRUE North

Our office and facilities are already located in the Northern part of Russia. We have a track record of successful operations in Russia in the harsh Northern weather conditions.

Already located at 59° North latitude, we plan to expand our mining farms further North.

True North Mining are second to none when it comes to competing on the cooling costs.

B. FREE3 Electricity

There is no perpetuum mobile, however nature provides us with something very close to it. It is called hydropower. Initial capital costs are somewhat high – these are the costs of acquisition and reconstruction of the old hydroelectric plants. But once in operation, the maintenance costs are low and, hence, the electricity costs are low as well.

In 1950s and 1960s Soviet government changed its focus from many small rural hydropower plants to larger strategically positioned power plants. As a result many small rural hydroelectric plants were dismantled but dams have survived.

Compared to building from scratch, these old hydropower plants can be inexpensively rebuilt with the brand new hardware equipment installed. These hydropower plants can consistently and reliably generate electricity at the cost of about \$0.01 kWh with minimal maintenance going forward. Each plant can potentially generate around 0.36 MWh which is enough to mine approximately 14.9 Bitcoins per month.



II. OUR COMPETITIVE ADVANTAGES

C. Technical expertise

Our staff has experience in reconstruction of the small hydropower plants. We know how to get approval for the reconstruction project, find hydropower equipment manufacturers and experienced subcontractors.

D. Commitment to green energy

Russia has a vast territory, all climate zones, and abundant natural resources. Hydropower, wind, solar, and tidal energy – you name it – Russia has all kinds of green energy sources.

TRUE North Mining company considers them as possibilities for our future growth.



III. TOKEN

Our token will have TNM ticker which is the abbreviation for the TRUE North Mining. TNM token is an ERC20 token on Ethereum platform.

The number of tokens will be capped at 300,000,000. Our goal is to raise \$15,000,000 from both pre-ICO and ICO participants.

A. Initial token distribution

Three hundred million TNM tokens will be distributed

as follows:

- 30,000,000 to qualified pre-ICO participants to acquire old hydropower plants (\$0.10 per token)
- 6,000,000 □ 20% bonus to qualified pre-ICO participants
- 120,000,000 to ICO participants (\$0.10 per token)
- 99,000,000 □ Reserve fund to expand hydropower mining operations in the future
- 30,000,000 □ Founders fund (these TNM tokens will be frozen for 2 years to ensure alignment of interests)
- 15,000,000 to Bounty campaign participants, listings on exchanges, etc.

B. Possible ICO outcomes

Our goal is to raise \$15,000,000. Reaching this target will allow us to acquire and reconstruct 5 small hydropower plants as well as start our mining operations on all of them.



III. TOKEN

B. Possible ICO outcomes

Our goal is to raise \$15,000,000. Reaching this target will allow us to acquire and reconstruct 5 small hydropower plants as well as start our mining operations on all of them.

We realize that this is quite an ambitious goal. Therefore, we prepared contingency plans to cover various ICO outcomes. The contingency plan will depend on the amount of funds F raised:

- $\$3,000,000 \leq F < \$15,000,000$ we will work on the acquisition and reconstruction of some hydropower plants, the remaining funds will be applied towards building mining facilities running on the power grid;
- $\$1,000,000 \leq F < \$3,000,000$ not enough funds to acquire and reconstruct even one hydropower plant, all funds will be directed towards building mining facilities running on the power grid. Fortunately, these facilities are profitable in the TRUE Russian North environment.
- $F < \$1,000,000$ ICO officially failed, all contributions will be fully refunded back to the participants.



III. TOKEN

C. Mining proceeds distribution

Cryptocurrency mining proceeds will be distributed as follows:

- X share will be immediately converted to BTC or ETH and used to buy back TNM token on the market;
- $(1-X)$ share will be immediately converted to fiat and used for operational expenses (including keeping our mining equipment up to date).

The buy back of TNM token on the market should result in its price being driven up.

When the mining is done using our own electricity, this expense line will be greatly reduced.

Hence, we will allocate a larger share of the mining proceeds $X = 50\%$ towards TNM token buy back. Some of our mining facilities may run on purchased electricity. For these facilities we will apply a smaller share of the mining proceeds $X = 25\%$ towards TNM token buy back.

D. Proof-of-burn

TRUE North Mining uses a Proof-Of-Burn concept to reward its' contributors. All bought back TNM tokens will be burned i.e. sent to 0x000... Ether address, which has no private key to withdraw tokens. Reducing the total supply should force the remaining TNM tokens to appreciate in value, thus, rewarding long-term TNM token holders. A total of 156,000,000 TNM tokens will be distributed during both pre-ICO and ICO rounds. Unsold tokens will be burned as well.



IV. MINING RESOURCE ALLOCATION

Most cryptocurrencies can be mined either on ASICs or video cards. Payback periods are different and depend on the cryptocurrency rates which fluctuate. At the time of the writing, ASICs provide 5-6 months payback period, while video cards give around 11-12 months. Possible raise in cryptocurrency rates (in USD) will shorten payback periods. On the other hand, hardware warranty periods for ASICs and video cards are different as well: 1 year for ASICs vs. 3 years for video cards.

We believe that ICO participants should determine respective allocation of the mining resources among ASICs and video cards. Once ICO contribution has been made, a participant will be able to vote for the allocation of the funds between ASICs and video cards. The number of votes will be linearly proportional to the contribution amount made.



V. MAKING A POSITIVE IMPACT

Compared to the competition we offer green solution. Hydropower is a clean fuel source that doesn't pollute the air like fossil fuel power plants. Our hydropower mining operations will benefit crypto as well as local communities.

A. Benefits to the crypto community

In the spirit of Satoshi Nakamoto Bitcoin and altcoin mining operations should be decentralized. Unfortunately, most of them are now concentrated in China. By building more mining facilities in Russia we will take our part in decentralization of Bitcoin and altcoin mining operations.

B. Benefits to the local communities

Local communities will obtain a backup energy source making them energy independent.

Impoundment hydropower will create a water reservoir that provide a large shallow water surface for the fish spawning. It will benefit both fishing and tourism industries



VI. KEY TEAM MEMBERS

Dr. Sergey Vorozhtsov, CEO and Co-Founder

Sergey holds Ph.D. degree in Physics (Quantum Computing) from Duke University.⁸ In 2005 he co-founded S3 Stores, Inc. – internet retailer rated A+ by BBB. Sergey is both technology and business administration expert with more than 12 years of experience.

Mr. Michael Che, COO and Co-Founder

Michael holds B.S. degree in Operations Management from Vokoda Auto University, Czech Republic. Working with S3 Stores, Inc. since 2014 Michael brought excellence to everyday corporate operations according to the standards of EFQM.

Mr. Roman Novokshonov, CTO and Co-Founder

Roman holds M.A. degree in Computer Science. He has more than 17 years of experience in system programming. Roman is an expert in blockchain technology with hands-on experience in programming smart contracts as well as building cryptocurrency mining farms.

Dr. Dmitry Kislitsyn, P. Eng.

Dmitry holds Ph.D. degree in Physics (Hydroelectric Power Plants) from St. Petersburg Polytechnic University. He has more than 30 years of experience designing and supervising the construction of dams and hydroelectric power plants.



VII. CONCLUSION

Despite the creation of many cryptocurrencies based on the proof-of-stake concept, when it comes to making sure that our digital money are truly secured, there are no alternatives to the proof-of-work concept. Thus, we expect that PoW cryptocurrencies will be around for the years to come.

We believe that even if the competition could get access to a cheap electricity source we would still be able to compete with our FREE hydropower electricity. In addition, the fact that we are a boutique operation will always allow us to find our niche.

When it comes to weather, we already beat Reykjavik, Iceland on average daily temperatures. Nonetheless, we will continue to explore more Northern hydropower sites. The energy we will be generating is green and our goals are fully aligned with the benefits of the local communities. We managed to assemble a powerful leadership team with deep technical and legal expertise. Should unexpected problems arise we are confident that we will find strong solutions to address them.



VIII. ACKNOWLEDGEMENTS

We are grateful to Alexei Novikov, Richard Yary, and Stanislav Skopin for the fruitful discussions. We would like to thank Julia and Michael Okatiev for the graphic work.

Subscribe to our newsletter

Subscribe