




Business Continuity Resources, LLC

Cryptocurrency/Blockchain/Artificial Intelligence (AI) / Infrastructure Solutions

Investment Overview

December 2021





Bitcoin mining is suddenly one of the most profitable businesses on the planet

Fortune Daily / August 5, 2021

“Would you believe that Bitcoin mining generates just as much revenue as the age-old pursuit of unearthing gold and silver ore? Right now, minting this most unorthodox asset may also rank as the most profitable major industry on the planet.”



Crypto Price Prediction: Bitcoin Forecast To Hit \$5 Million As Price Soars Through 2021

Oct 23, 2021

“Now, a panel of 50 bitcoin and cryptocurrency experts has predicted the bitcoin price will continue to climb through 2021, hitting highs of around \$80,000, before surging to \$250,000 by 2025 and a staggering \$5 million per bitcoin by 2030.”



What is Bitcoin?



**World's largest
Cryptocurrency**

**Best performing
Asset in 21st century**

**Bitcoin as
Digital Gold**

**Hedge against
Inflation**

**Global Settlement
Network**

**Protection Against
Seizure Of Assets**

Launched in 2009, Bitcoin is the world's largest cryptocurrency by market capitalization. Unlike fiat currency, Bitcoin is decentralized digital currency created, distributed, traded, and stored with the use of a decentralized ledger system, known as a blockchain. It is not controlled by any government, entity or person (as compared to fiat currency)

Bitcoin has been the best performing asset in the 21st century. With almost a 200% compounded annual return over the last decade, simply equates to tripling your money every single year for the last 10 years.

Bitcoin referred as digital gold because it improves upon many of physical gold's characteristics. Not only is bitcoin scarce and durable, but it also is divisible, verifiable, portable, and transferable, all of which protect from the threat of centralization.

Finite supply of 21 million with 18.88 million Bitcoins in circulation as of 11/22/21. This is a scarce asset that can serve as a hedge against inflation.

Bitcoin could become a settlement system for banks and businesses. Unlike traditional settlement systems, the Bitcoin network is global, it cannot censor transactions, and its money cannot be inflated by institutions like central banks.

Bitcoin is a uniquely seizure-resistant type of property. There is no amount of physical force or legal coercion that can transfer bitcoin from one party to another without the corresponding private keys. Bitcoin is strongest, most secure and most decentralized network of all crypto currencies.



Returned **5,200,000%**
over last decade

Unbelievable Growth History

As CaseBitcoin summarized, at 196.7%, Bitcoin's 10-year CAGR "is unmatched in financial history."

10-year Compounded Annual Growth Rates (CAGR)



CASEBITCOIN

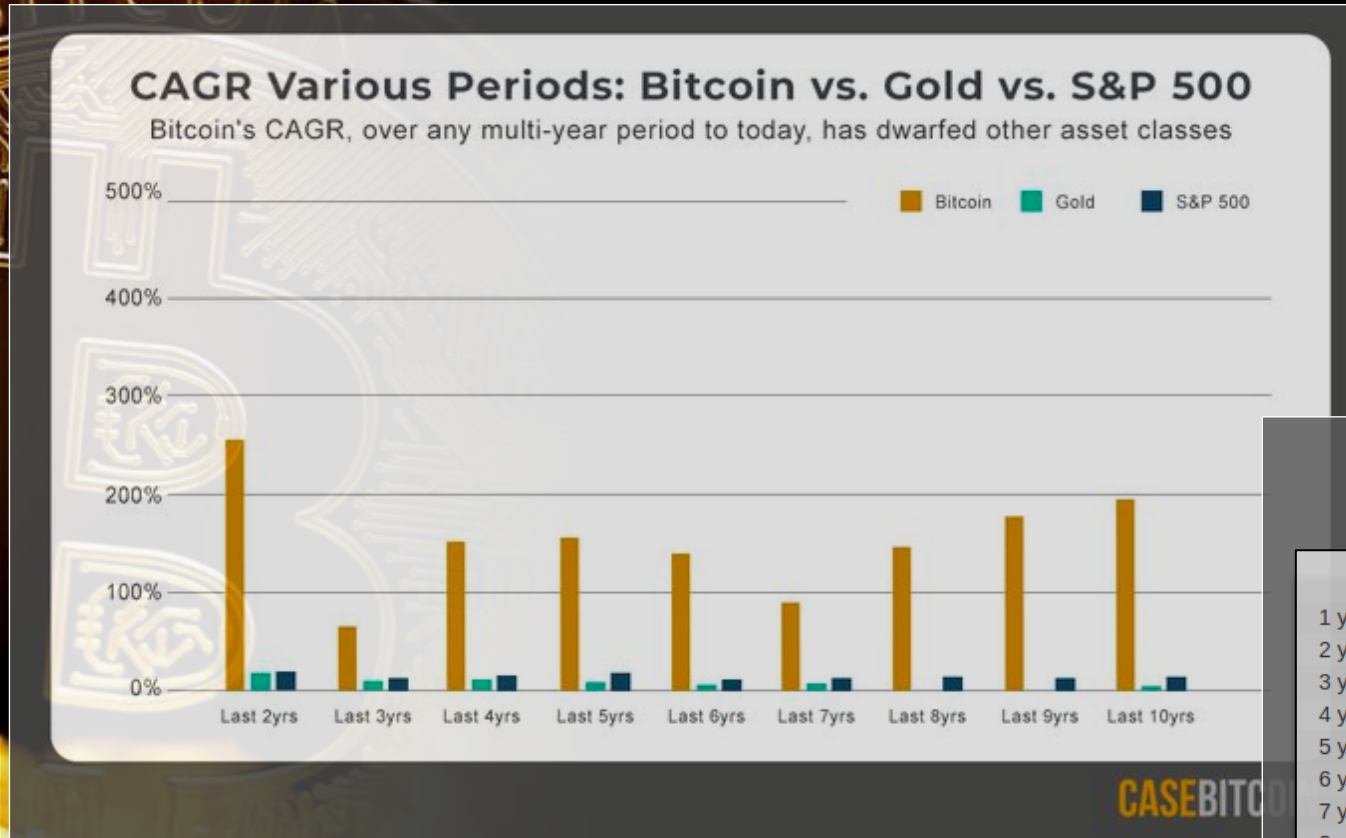


Bitcoin's growth history is solid

BlackRock's Rieder says bitcoin can replace gold "to a large extent" and crypto is "here to stay"

Billionaire investor Paul Tudor Jones says, "crypto is his preferred inflation hedge over gold right now"

Chamath Palihapitiya is the Founder of Social Capital and Co-Owner of the Golden State Warriors, Said, "Bitcoin has replaced Gold"



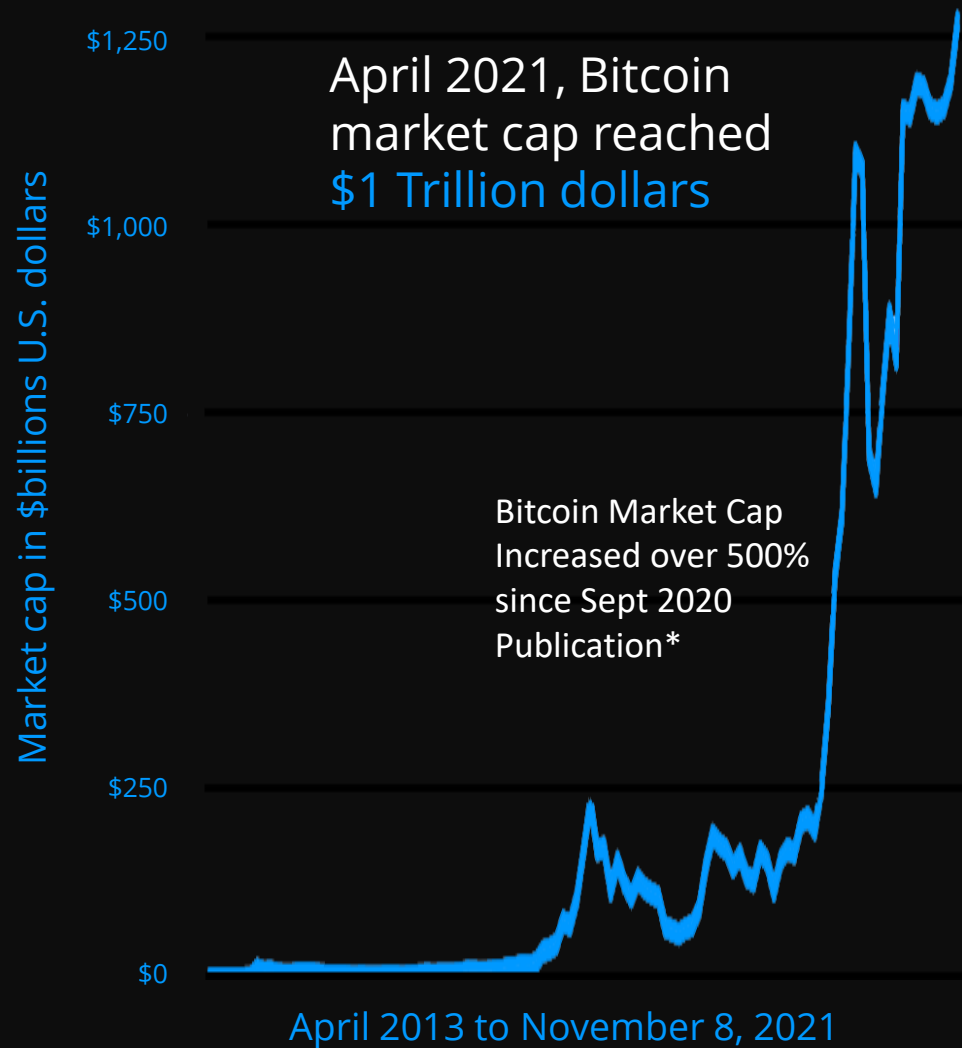
Bitcoin vs traditional asset's CAGR over any multi-year period

	Bitcoin	Gold	S&P 500
1 year:	+454%	+9%	+26%
2 year:	+256%	+15%	+17%
3 year:	+63%	+10%	+13%
4 year:	+148%	+9%	+13%
5 year:	+158%	+7%	+14%
6 year:	+136%	+6%	+11%
7 year:	+86%	+4%	+11%
8 year:	+147%	+1%	+12%
9 year:	+179%	+0%	+12%
10 year:	+197%	+2%	+11%

<https://twitter.com/case4bitcoin/status/1366404949349830656>

<https://cointelegraph.com/news/bitcoin-s-compound-annual-growth-is-an-unheard-of-200-cagr>





Market Capitalization

Bitcoin offers one of the most compelling risk-reward profiles among assets, as our analysis suggests it should scale from roughly \$200 billion today to **\$1-5 trillion** network capitalization during the next five to ten years.



*Bitcoin as an Investment:
White paper was published:
September 17, 2020

'Unstoppable' – Bitcoin to Become \$100 Trillion Asset Class, a 100X Increase

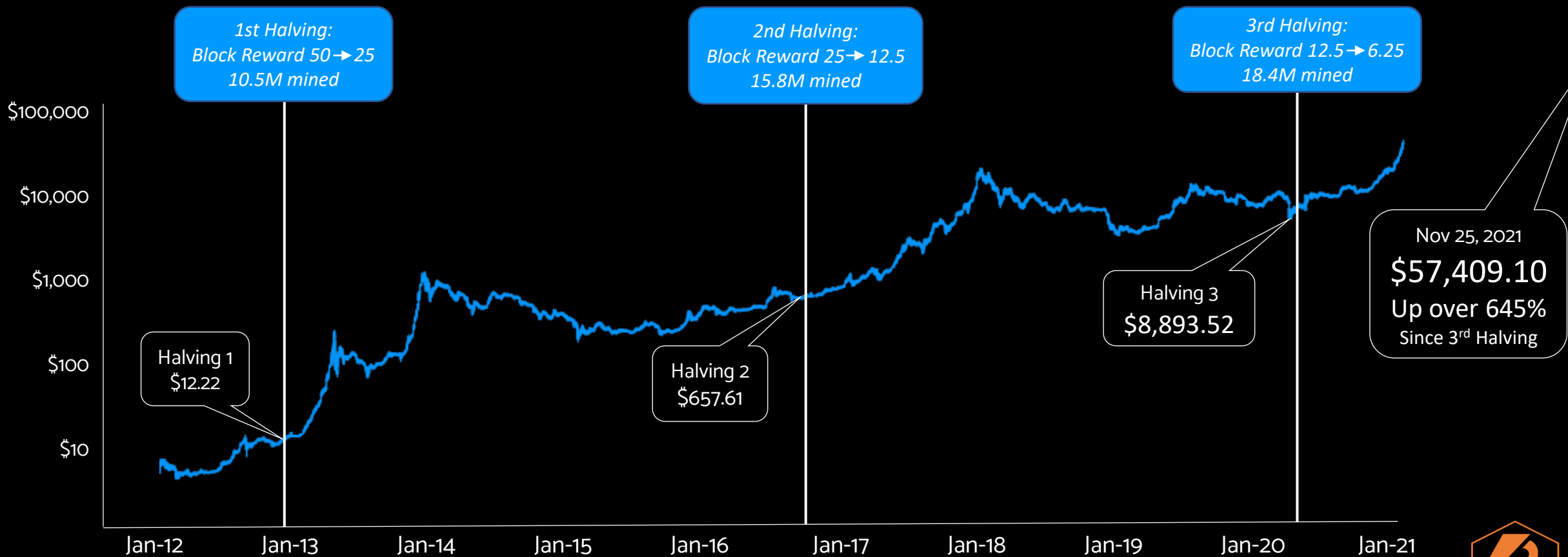
CEO Michael Saylor **MicroStrategy®**
November 21, 2021



Halving Drives Bitcoin Scarcity

Bitcoin Halvings have Led to Dramatic Price Increases

- Following each halving, Bitcoin miners receive half the Bitcoin per block mined
- Halving will occur until 2140, when bitcoin outstanding will reach its maximum fixed supply of 21 million Bitcoins
- Bitcoin mining block rewards have halved twice prior to May 2020, in 2012 and 2016, each seeing significant appreciation in price in the ensuing 18 months



* Source: Morningstar. Data as of 3/31/2021



Growing Bitcoin Acceptance Among Institutions . . .

- ❖ Institutional Investors Now Hold \$70B of Bitcoin
- ❖ 42 Companies Hold More Than \$65B of Bitcoin
- ❖ 14 ETFs Worldwide hold more than \$38B of Bitcoin
- ❖ 55% of the world's top 100 banks are investing in the crypto and blockchain space. Here are a few of the top players:

- Standard Charter: \$380 million and 6 investments
- BNY Mellon - \$321 million and 5 investments
- Citibank - \$279 million and 14 investments
- UBS - \$266 million and 5 investments
- BNP Paribas - \$236 million and 9 investment
- Morgan Stanley - \$234 million with 3 investments
- JP Morgan Chase - \$206 million and 8 investments
- Goldman Sachs - \$204 million and 8 investments
- MUFG - \$185 million and 6 investments
- ING - \$170 million and 6 investments
- BBVA - \$167 million and 5 investments
- Nomura - \$146 million and 5 investments
- Barclays - \$12 million and 22 investments



Strong Momentum in Crypto Adoption

Among the Movers & Shakers



Fidelity Clearing Canada ULC (FCC) has become Canada's first regulated entity to offer bitcoin custody and trading services for institutional investors.

BlackRock

BlackRock's Rieder says bitcoin can replace gold "to a large extent" and crypto is "here to stay"

twitter

Twitter and Square CEO Jack Dorsey said, "Bitcoin absolutely changes everything" and "I don't think there's anything more important in my lifetime to work on."

Square

Square bought \$170 million in Bitcoin, February 23, 2021

MicroStrategy

Holds \$3.3 Billion in Bitcoin as of July 16, 2021

**MILLER
VALUE
PARTNERS**

Legendary investor Bill Miller touts bitcoin and says, "I think of bitcoin as digital gold. The key is the demand for this particular type of protection against financial catastrophe."

TUDOR

Billionaire investor Paul Tudor Jones says crypto is his preferred inflation hedge over gold right now

TESLA

Tesla invested an aggregate of \$1.5 billion in bitcoin

And the list goes on and on ...





Company History

Business Continuity Resources comprises over 50+ years of combined real-world information technology, datacenter infrastructure and facilities construction, real estate, power/utilities, and manufacturing experience. Our team has acquired and built Tier 1 to 3 level datacenters from the ground up and more importantly have developed strong relationships with power companies, data center companies, cryptocurrency mining equipment manufacturers and large-scale miners.

We have over 20+ years experience successfully delivering fully managed IT services to Fortune 500 companies. Our business thrives at being at the forefront of new technologies such as blockchain, immersion cooling and hyperscale high density modular data center solutions so we can constantly evolve and pivot to develop new agile solutions.



Key success factor



BOB COWLES
Chief Executive Officer

A seasoned leader possessing 38 years of C level marketing and sales experience with a passion for solving complex technology, real-estate, and infrastructure business challenges. Bob's experience runs deep purchasing and running several technology companies into some of the worlds most profitable network infrastructure that we utilize today.



GARY SMITH
Chief Operation Officer

A relentless visionary and strategist with 26 years of C level sales and technical experience delivering cutting edge innovations and solutions to technology industry leaders. Gary has taken telecom, internet, and hosting company's products and services to the IT marketplace utilizing large distribution strategies generating hundreds of millions of annual revenue dollars for companies like AT&T and Switch and Data.



BILL MCNUTT
Chief Technology Officer

A highly organized results-oriented C level technical leader with 23 years of proven leadership and experience managing multi-site 24/7 SOC2/SOC3/PCI-DSS/HIPPA/ISO compliant certified mission critical high availability Collocation/Scale Data Centers across the United States, Asia-Pacific & Europe. Bill has built and operated data center / network infrastructure for companies like Digital Reality Trust, Core Scientific, and OnFiber Communications.

Our team



Our Vision



Create the world's most
efficient, eco-friendly, speed to
market, crypto mining company



Bitcoin mining explained

Block created

Bitcoin transactions are pooled together in a “block”

Miners compete to solve cryptographic equation

Once a block is formed, miners compete using sophisticated hardware that solves a cryptographic equation, that is very hard to do.

Transactions Verified

On a high-level, miners are computers dedicated to the network to validate (“verify”) all transactions and prohibit any bad actors. Users create cryptographically secure transactions and broadcast them to the network of miners.

Verified transactions are added to Blockchain

The miners gather up as many transactions as can fit into a block and go through a mathematical process to verify the block and is attached to a chain of prior blocks (“blockchain”).

Miners receive Bitcoin

Bitcoin miners receive Bitcoin as a reward for completing ”blocks” of verified transactions. In other words, miners are rewarded for contributing their computing resources to the network. Current block reward amounts to 6.25 Bitcoin per block. These rewards are cut in half (halving) approximately every four years

Hashrate is the speed of mining

Hashrate is a measure of the computational power per second used when mining. More simply, it is the speed of mining. It is measured in units of hash/second, meaning how many calculations per second can be performed. Machines with a high hash power are highly efficient and can process a lot of data in a single second.

Profitability dependent on electricity

The name of the game is deploying and maintaining the fastest antminer machines available with the lowest power consumption. Combine these two key actions with also having the lowest constant electricity flat rate is a winning strategy. The profitability in mining is heavily dependent on how much you pay for electricity.

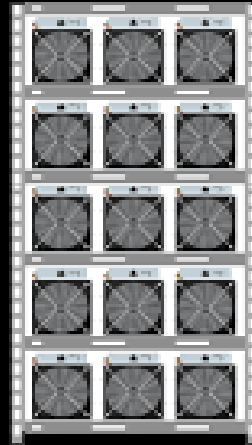


Scalable Business Model Overview

Power Source



Mining Equipment



Computer Power

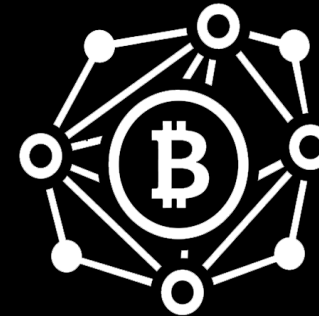


Bitcoin Rewards



Transaction Fees

Bitcoin Network



Transaction Processing & Assignment of Rewards

\$1.72 billion⁽¹⁾

Bitcoin Network Revenue for month ended, October 2021

*Profitability in mining is heavily dependent on how much you pay for electricity

Bitcoin Mining Underlying Forces

- Data center revenue consists of a reward (“Bitcoin”) for the block mined plus a transaction fee
- Average block time is about 10 minutes (time for Bitcoin system to mine a new block)
- Block is rewarded based on ratio of data centers computer power to entire Bitcoin network
- Current block reward given is 6.25 Bitcoin per block ⁽²⁾ and halves approximately every 4 years
- Transaction fees are additional Bitcoin paid to miners for confirming transactions





Negotiated
\$0.0385 /kWh
flat rate

Dalton Utilities is carbon emissions free (green).
Receiving their power from the following sources:
60% natural gas / 30% nuclear / 9% hydro / <1% other

Key Success Factor **Electricity**

- The profitability in mining is heavily dependent on how much you pay for electricity
- Accessing reliable, low-cost power is a major competitive advantage
- Power cost comprises approximately 80% of mining cost
- Currently, lowest cost of power drives competitive advantage
- Having a 12-year long relationship with Dalton Utilities is significant
 - Electricity discounted at over 68%*
 - 25MW available at \$0.0385 per kWh flat rate
 - Negotiated flat rate is extraordinary
- Long term vision to secure over 120 megawatt of 100% net carbon neutral electricity

* Georgia's average residential rate was \$.1226 per kWh , September 2021



Phase 1 Expansion Opportunity

- 2 properties already under lease with Dalton Utilities to be developed and construct infrastructure designed to support cryptocurrency mining solutions
- 7 MW already under contract with Dalton Utilities
- Initially expanding current .3 MW operations to a 2 MW facility yielding an annualized EBITA margin of over 90%*
- Purchase 650-Bitmain Antminer S19J Pro (104 Th/s)
- Constructing three new buildings to house up to 1,950 Bitmain Antminers that will triple our capacity to 6 MW
- **An investment in Phase 1 will pave the way for phase 2 & 3 to be self-funded in years 3 -5 !**

Deposit on 25MW of additional power from Dalton Utilities (**Phase 2**). In addition, an option from Dalton Utilities to develop (first right of refusal) on an additional 120MW of power (**Phase 3**)

*Based on BCR's financial assumptions herein



Future growth plans

7 MW of electricity already secured at \$.0385 kWh with Dalton Utilities (DU)

2 properties already under lease with DU with room to hold three new 2MW facilities

Phase 1 begins with building a 2MW building to house 650-Bitmain Antminer S19J Pro (90 days start to finish)

Path to Revenue and Profitability



Build four more 2MW buildings to house an additional 2,600-Bitmain Antminer S19J Pro

Phase 2 expansion starts with early stages of utilizing the additional 25MW available of electricity secured with DU

Utilizing 100% Carbon Free Electricity from DU

Start discussions about future usage of 120MW with DU



Build ten more 2MW buildings to house an additional 6,500-Bitmain Antminer S19J Pro

Utilizing almost 30MW of 100% Carbon Free Electricity

Explore other profitable crypto currencies to mine

Finalize discussions about 120MW with DU

Pay off all existing investor debt and or convert debt to company equity and welcome new shareholders



Continue scaling operations and begin expansion *Phase 3*

Begin mining operations of other profitable Crypto Currencies

Generate multiple recurring revenue streams

Continue to secure or build 100% Carbon Free power at competitive rates

REWARD existing shareholders with quarterly dividends to be paid out in Bitcoin or Cash

Within 1st year

2 - 3 years

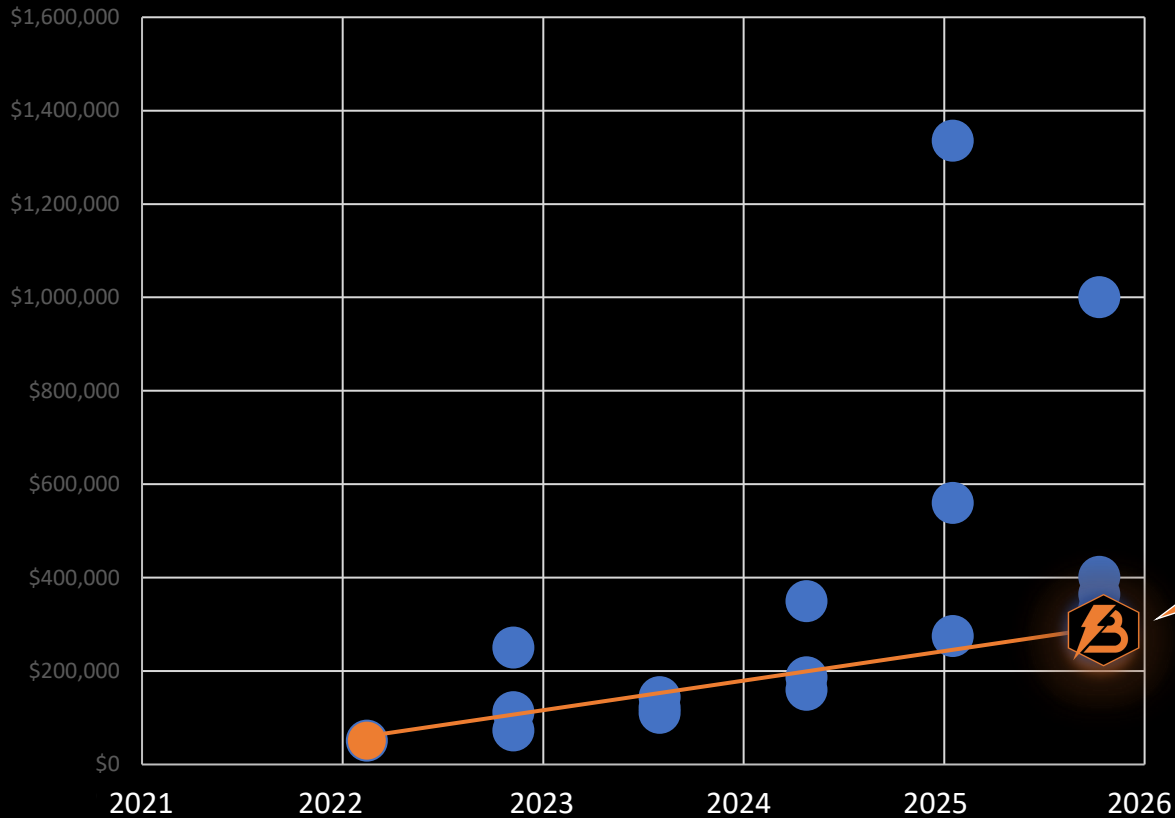
4 - 5 years

6 - 7 years



Predicting Bitcoin's Future Price

Bitcoin Price Predictions



Bitcoin Price Prediction
\$298,986

Bitcoin vs traditional asset's CAGR over any multi-year period

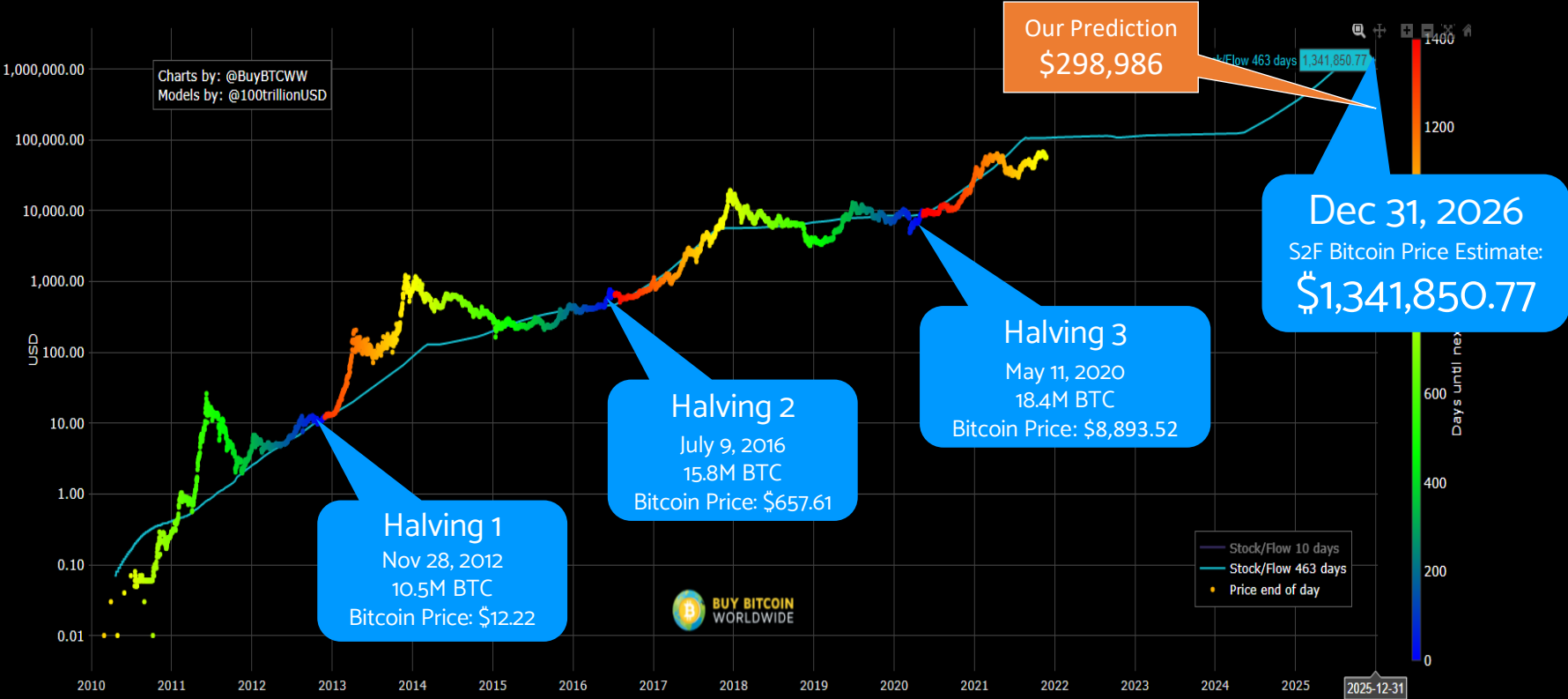
	Bitcoin	Gold	S&P 500
1 year:	+454%	+9%	+26%
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3 year:	+63%	+10%	+13%
4 year:	+148%	+9%	+13%
5 year:	+158%	+7%	+14%
6 year:	+136%	+6%	+11%
7 year:	+86%	+4%	+11%
8 year:	+147%	+1%	+12%
9 year:	+179%	+0%	+12%
10 year:	+197%	+2%	+11%

Conservative Estimate: 43%
20% lower than the lowest CAGR



\$50,000 for 5 years at 43% CAGR = \$298,986 for 2026E
BCRs linear assumption growth will be \$50k at 2021E to \$298,986 at 2026E

Stock-to-Flow Model



Is Bitcoin stock-to-flow real?

The results have been very compelling. In fact, S2F has probably been the most accurate tool that we have for predicting bitcoin's price. Review for yourself.

Also note, given the increasing scarcity induced by halvings, historically the price of bitcoin has increased following halvings* over the course of Bitcoin's life cycle.

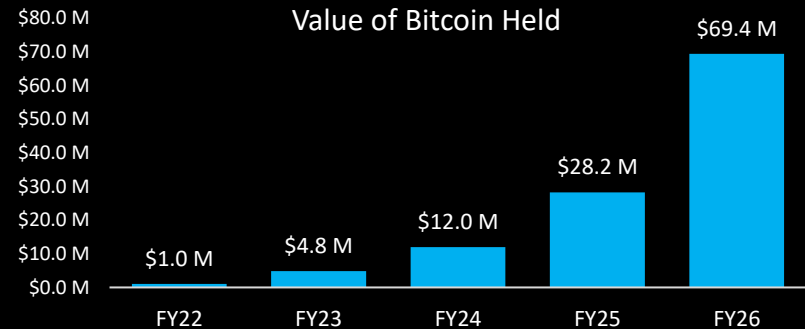
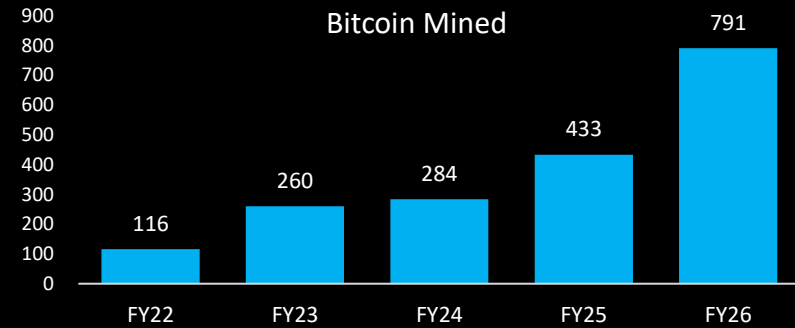
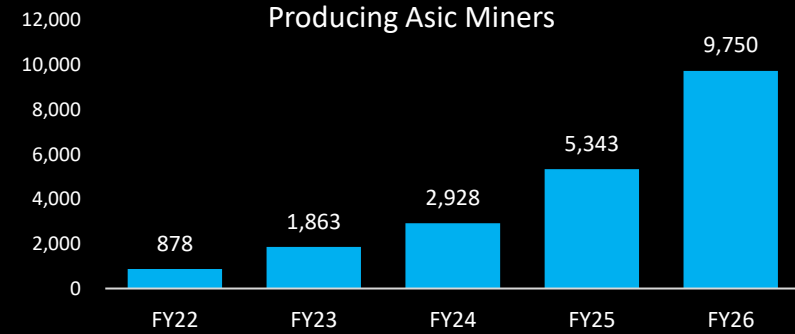
The stock to flow ratio is defined as the amount of an asset that is held in reserves divided by the amount of that asset produced for a selected time period. The below stock to flow data suggest that bitcoin may have potential to grow based on historical data and scarcity characteristics of bitcoin, gold and silver

* Source: Morningstar. Data as of 3/31/2021
<https://simplemoneylyfe.com/bitcoin-stock-to-flow-model>
<https://stats.buybitcoinworldwide.com/stock-to-flow/>



Financial & Production Forecasts

Annual Revenue



Source: Management estimates.
 Predictions based on Bitcoin's linear assumption growth from \$50k at 2021E to \$294,580 at 2026E



Financial projection overview

\$ IN MILLIONS

	2022E	2023E	2024E	2025E	2026E	Total
Total Revenue	\$7.4	\$23.0	\$34.9	\$77.8	\$202.5	\$345.7
% Growth	NM	209%	52%	123%	160%	
(-) CGS	(\$0.7)	(\$1.7)	(\$3.0)	(\$5.7)	(\$11.4)	(\$22.5)
Gross margin	\$6.7	\$21.3	\$31.9	\$72.1	\$191.1	\$323.1
% Margin	90%	93%	91%	93%	94%	93%
(-) SGA	(\$0.4)	(\$0.5)	(\$0.7)	(\$0.9)	(\$1.3)	(\$3.8)
EBITDA	\$6.3	\$20.7	\$31.2	\$71.2	\$189.8	\$319.3
% Margin	85%	90%	89%	91%	94%	92%
(-) Capex	(\$12.9)	(\$11.0)	(\$20.2)	(\$37.1)	(\$68.4)	(\$149.5)
(+) Investments	\$9.4					
Gain on Bitcoin Held	\$0.1	\$0.9	\$2.8	\$6.6	\$15.8	\$26.2
% Margin	1%	4%	8%	8%	8%	8%
Pre-Tax Cash Flow (including Appreciated Bitcoin Held)	\$3.0	\$10.7	\$13.9	\$40.6	\$137.2	\$205.4
% Margin	40%	46%	40%	52%	68%	59%

Expected long-term gross profit margin **> 93%**

Expected EBITDA margin **> 92%**

Holding 12.5% of mined Bitcoin created extra gain of **\$26.2 Million**

Source: Management estimates.
Predictions based on Bitcoin's linear assumption growth from \$50k at 2021E to \$294,580 at 2026E



Why is EBITDA > 90%

Many of the traditional business expenses are not required in this Business Model

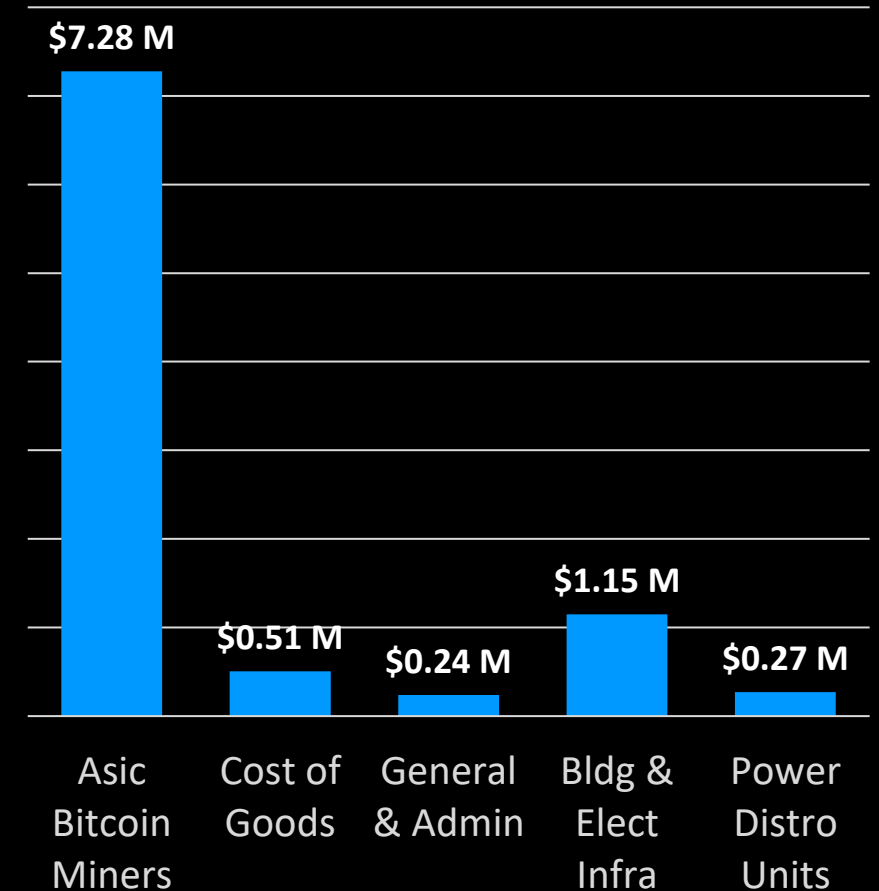
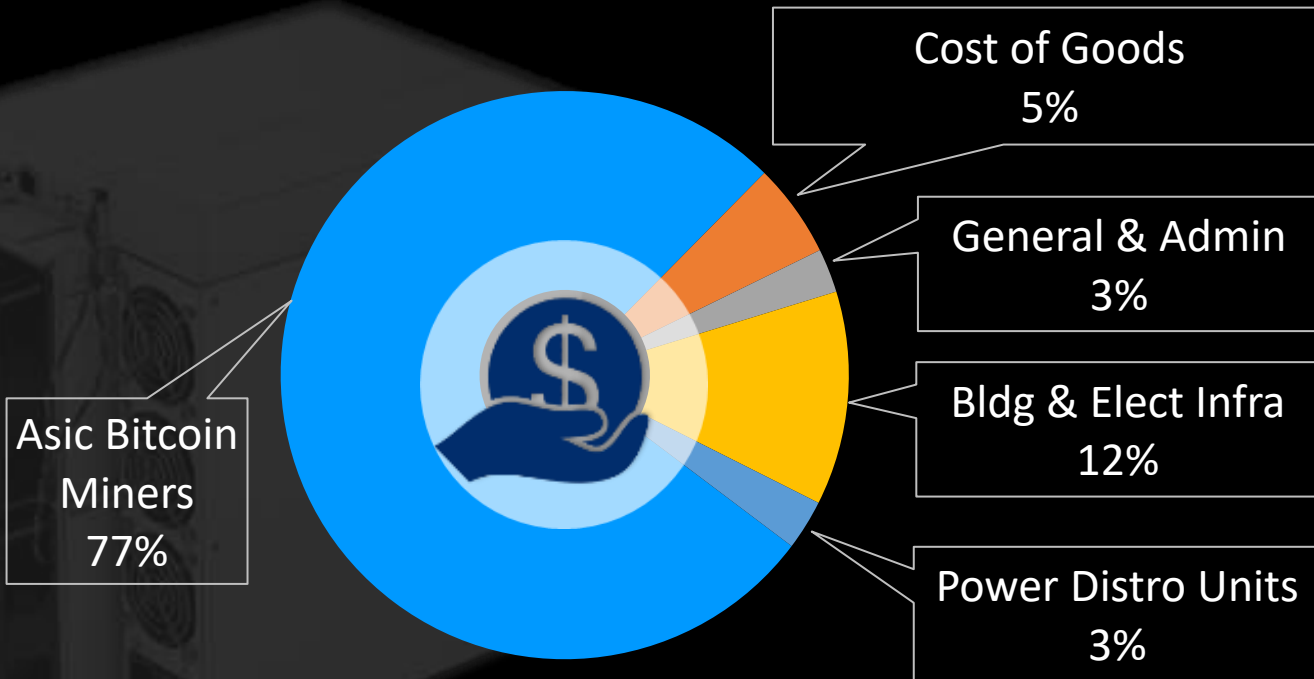
- No inventory ordering, holding, shortage, spoilage or carrying costs
- No sales expenses
- No travel and entertainment expenses
- No marketing or advertising expenses
- No customer acquisition costs
- No commission expenses
- No bad debt expenses
- Extremely low overhead cost

Many of the traditional job positions such as Accounts Receivable, Sales or Marketing people are just not required



Use of funds

\$ IN MILLIONS



Request of Funds

\$9.5 IN MILLION for Phase 1

Source: Management estimates.
Adding a 2.0 MW building with 650 Bitminer S19J Pro



Exit strategies

Plan A:

Exit in 5 years

5-Year Lump Sum Secured Promissory Note

- 30% annual interest rate
- All interest and principal is paid in one large lump amount at end of year five
- Compound annual growth rate of 20.11% for each of the five years
- 150% Return on Investment

Plan B:

Exit in 5 years or continue as shareholder

5-Year Convertible Note

- 20% annual interest rate
- All interest and principal is paid in one large lump amount at end of year five if lender foregoes debt conversion
- If lender forgoes debt conversion, then compound annual growth rate of 14.87% is paid for each of the five years
- 100% Return on Investment

If lender wishes to forego lump sum payment, they then have the choice to convert the principal and accumulated interest into a predetermined ownership equity position into the company.



Investment highlights

Competitive Advantage

Secure, Low-Cost Power
Negotiated \$0.0385 /kWh flat rate

Access to Available Power & Land

25MW available w / 120MW option
350MW buildout in 12-18 months
Access to 30 acres for large scale buildout

Large Addressable Market

Bitcoin mining revenue jumps to its second-highest level ever, topping \$1.72 billion in October 2021*

World-Class Management

50+ years of combined real-world information technology, datacenter infrastructure and facilities construction, real estate, power/utilities, and manufacturing experience

Predefined Exit Strategies

Plan A / Debt: 150% Return on Investment
Plan B / Convertible Debt: 100% ROI, with opportunity to convert debt into equity

Proprietary Design

Created an adiabatic intake that can be turned on that cools down the air as it comes in just enough to take the edge off and protects the rigs from shutting down from thermal overload

Speed to Market

Build 2MW buildings including electric infrastructure and ASIC miners within 90 Days



*<https://compassmining.io/education/bitcoin-mining-october-2021-revenue/>

Closing Key Items

Jim Miloch 630-863-5561

Bob Cowles 770-310-3288

- Current market conditions support Bitcoin
- Strong Momentum in Crypto Adoption
- Bitcoin's halving increases scarcity. This halving process has historically increased the price of bitcoin
- Bitcoin has been the best performing asset in the 21st century. With almost a 200% compounded annual return over the last decade, which equates to tripling your money every single year for the last 10 years, compounded
- Scalable Business Model which returns a > than 90% annualized EBITDA . Why?
 - No Inventory carrying costs
 - No sales and marketing costs
 - No customer acquisition costs
 - No bad debt expenses
 - Extremely low overhead cost
- Our access to reliable, low-cost power is a major competitive advantage
- Rare opportunity to be on the ground floor to hedge your investment into Bitcoin

