

# ABOUT SILVERBITS

In the mining industry companies sell a Net Smelter Return [NSR] or Streaming Royalty against part of the property in order to raise fund for exploration and or development.

A Royalty Company may purchase a set amount of silver or gold in the ground from the mining company [before it is mined] at a discounted price.

Rather than selling 2.5 million ounces to one Royalty Company we are dividing our 2.5 million ounces of silver into grams, naming them Silverbits and offering them to a large number of people.

2,500,000 ounces times 31.103 grams per ounce equals 77,757,500 Silverbits.

Each Silverbit is represented by 1 gram of silver in the ground, secured by a Royalty. If and when the property goes to production the Silverbits could be redeemed for physical silver.

**There is no guarantee the property will go to production.**

If all the Silverbits were sold, about 7 to 15 million dollars could be raised for exploration over the next 3 - 4 years depending on the value of the next offering of Silverbits.

**The day is coming when your funds will be safer in the ground then in a Bank.**

At this time 20 million of the 77,757,500 Silverbits are offered in order to net about 1.6 million dollars after expenses.

**The Silverbits will be sold at a discount to the price of spot silver.** Today's price of one [1] ounce of silver is about \$17.50 US, and is expected to rise considerably over the next few years back to it's high of \$49.80 per ounce or higher, which it reached on April 25th 2011.

Silver is drastically undervalued at \$17.50 per ounce, so we believe

the Silverbits will continue to rise in price in the future as demand for physical silver increases. The Silverbits could also trade on the Crypto-currency Exchange which should add value as this should give them liquidity as they can be bought and sold as the price of silver fluctuates.

The funds raised will be used for a first stage drill program at the high grade vein system that has been defined on the property. As more funds are spent on the property the more information will be acquired about the deposit which will add value to the property and in turn would add value to the Silverbits.

The Tolstoi property is located in Alaska, 45 miles Northeast of Barrick Gold and Nova Gold's 40 million ounce gold deposit at Donlin Creek, which is North America's largest gold deposit.

The challenges in regards to the Tolstoi property is that it is helicopter access only at this time which adds costs.

A 5000 foot airstrip and camp are 15 miles from the property and the town of McGrath which has all needed facilities along with a major airport is 40 miles east of the property.

There is interest from Major mining companies in regards to the Tolstoi property and we believe after the first round of drilling we will be successful in acquiring a Joint Venture partner who could earn-in a percentage of the property by funding further work programs.

**The Tolstoi property has no resource at this time as no drilling to date has been done on the property.**

That said we strongly believe the Tolstoi will be a mine one day as our consultant believes the Tolstoi claim group constitutes a district play, which could mean there is more than one deposit on the property.

The added advantages of Silverbits is that they will trade on the crypto-currency exchange where the Silverbits could be bought and sold with a computer or a cell phone for very low fees. No trading accounts or brokers are needed to buy or trade crypto-currencies. All that is needed is a wallet to store your silverbits.

For those who do not have a wallet to go to Counterparty and acquire a wallet which is free. You will receive an address for your wallet where we can send your Silverbits.

To acquire a wallet go to: <https://counterwallet.io>

To learn about Counterparty go to: <http://counterparty.io>

To learn more about the Tolstoi property and Silver Phoenix go to: <http://silver-phoenix-resources-inc.listings.th...>

## **FREQUENTLY ASKED QUESTIONS**

**What is a Net Smelter Return (NSR)** is the net revenue that the owner of a mining property receives from the sale of the mine's metal/non metal products less transportation and refining costs. As a royalty it refers to the fraction of net smelter return that a mine operator is obligated to pay the owner of the royalty agreement.

### **What is a National Instrument 43-101**

National Instrument 43-101 (NI 43-101) is a rule developed by the Canadian Securities Administrators (CSA) and administered by the provincial securities commissions that govern how issuers disclose scientific and technical information about their mineral projects to the public.

**What is a “early stage exploration property”** means a property for which the technical report being filed has (a) no current mineral resources or mineral reserves defined;

### **What is a Crypto-currency?**

A cryptocurrency (or crypto currency) is a medium of exchange using cryptography to secure the transactions and to control the creation of new units.[1] Cryptocurrencies are a subset of alternative currencies, or specifically of digital currencies. Bitcoin became the first decentralized cryptocurrency in 2009.[2] Since then, numerous cryptocurrencies have been created.[3] These are frequently called altcoins, as a blend of bitcoin alternative.[4][5] Cryptocurrencies use decentralized control[6] as opposed to centralized electronic money/centralized banking systems.[7] The decentralized control is related to the use of bitcoin's block chain transaction database in

the role of a distributed ledger.[8]

## **What are Silverbits?**

Silverbits are a crypto currency that are secured by a Net Smelter Royalty [NSR] that is registered against a mining exploration property. Each silverbits is equal to 1 gram of silver in the ground yet to be mined.

## **How many Silverbits have been created?**

There are 77,757,500 silverbits that have been pre-mined. 2.5 million ounces of silver times 31.103 grams per ounce. All Silverbits will be secured by a NSR and will represent 1 gram of silver in the ground. Why Were Silverbits Pre-mined? The Silverbits were pre-mined so as to sell them at a discount to the price of silver. The price of silver today is \$17.50, [Oct. 14, 2016] and the silverbits will be offered at .15 cents or about \$4.66 per ounce in the ground. The silverbits will be sold over a period of 3 to 4 years to raise funds to drill the property.

## **Can Silverbits Become Worthless?**

Yes, Most crypto currencies have no intrinsic value but people trade them, the same could hold true for Silverbits. Our goals are to raise funds to drill the property and prove up a resource and to joint venture the property with a company with the expertise to develop the property.

## **Why Buy Silverbits?**

Silverbits could be a store of value, as the price of silver goes higher the price of Silverbits should also go higher. Also as more funds are spent on the property the more information will be acquired to add value to the property and the Silverbits.

## **Can I Trade Silverbits on a Exchange?**

Yes, the same way other crypto currencies trade. Because of the small transaction fees investors have the option of purchasing minimal dollar amounts [\$10.00] of Silverbits. Silverbits can be listed on Counterparty's exchange.

## **What is a Wallet?**

A wallet is where you store your Silverbits. A wallet is a small software program used for online purchase transactions. Many payment solution companies, offer free Wallet software that allows several methods of payment to be defined within the wallet . Get a free wallet at Counterparty.

## **Our Consultants: Pacific Rim Geological Consulting Inc.**

Tom Bundtzen of Pacific Rim Geological Consulting Inc. (PRGCI) is an Alaska S Corporation based in Fairbanks Alaska. Tom has carried out all work on our Alaska properties. Tom has published approximately 160 papers and chapters on Alaskan, Canadian, and Russian Far East Geology in Journals, State and federal publications, and books. He has 40 years of geological experience in Alaska, Yukon, Scandinavia, New Zealand and Eastern Russia and is one of the most respected geologists in Alaska.

## **Some Facts About Silver**

It is believed the element was discovered around 5000 BC.

It is the most reflective element, which makes it useful in mirrors, telescopes, microscopes and solar cells.

Most silver, about 80% comes as a byproduct from other minerals such as gold, copper, lead, and zinc ores.

Silver is germicidal, meaning it kills bacteria and other lower organisms

Silver is the best electric conductor of the elements. It is used as the standard by which other conductors are measured. On a scale of 0 to 100, silver ranks 100, copper 97 and gold 76.

An ounce of silver can be drawn into a wire 8,000 feet long.

Silver is used in more than 10,000 different applications.

The words for 'silver' and 'money' are the same in fourteen languages or more.

Coins minted in the United States prior to 1965 consists of about 90% silver.

Kennedy half dollars minted in the United States between 1965 to 1969 contained 40% silver.

In ancient Egypt and Medieval European countries, silver was valued more

highly than gold. This may happen again in the future as we consume silver and we accumulate gold.

The major worldwide producers of silver are Peru, Mexico, and China.

Silver has been coined to use as money since 700 BC.

Smallest Progress Bar

About 900 million ounces is mined each year.

About 1 billion ounces are consumed each year.

The estimated silver mined in all of history is about 55 billion ounces.

Mexico is the only country currently using silver in it's circulating coinage.

Silver supply in 2013 was 978 million ounces.

Silver consumption in 2013 was 1,081 million ounces, from silver institute.

74% of all silver has been mined since 1900.

A roman soldier was paid 1/10th of an ounce of silver per day.

In Jan. 18 /1980 silver went as high as \$50.35, in to-days money adjusting for inflation that would be over \$140.00.

Silver values are near their lows in history and the reserves at there lowest and cost of production at it's highest.

In the last 75 years we have used all, the above ground stockpile of silver [about 10 billion ounces in 1942] plus all that has been mined since.

The U.S. Geological Survey data indicates the below ground silver yet to be mined, is less [in terms of years of supply] than any other industrial or precious metal.

In 1792, U.S. Secretary of the Treasury, proposed the adoption of a gold and silver based monetary system.

The dollar struck by the US was 371.25 grains of silver, 480 grains equals 1 ounce.

The historical ratio of silver to gold was 16 to 1, today it is 80- to 1.

One day silver will be priced the same as gold, 1 – 1.

The Incas of Peru called silver "the tears of the moon", because of its' unusual gleam. There is no word that rhymes with the English word silver.

End Smallest Progress Bar

**We believe an investment in physical silver will return 5 times more profits than an investment in gold.**

## The Silverbits Logo

The Silverbits logo is a coin with a dollar sign in the centre, not one line but 2 parallel lines. The following is where the silver bits and the 2 parallel lines derived from.

Check out the number four key on your keyboard. Stamped above it is one of the most powerful symbols in the world: the almighty dollar sign. But the symbol doesn't just mark the US currency. Originally—and to this day—the emblem also represents the peso. Several Spanish-speaking countries consider it their own

Peso literally means “weight” in Spanish. The origin of the dollar (or peso) sign is uncertain. However, the reigning theory is that it comes from the engraving on Spanish colonial silver coins, called real de a ocho, or “piece of eight.” A “piece of eight” was divided up like a pie. One eighth of a dollar was one “bit”, so 2 bits was 25 cents, 4 bits was half a dollar, and 8 bits was a dollar.

**Our "Silverbits" are parts of an ounce or grams or "bits" of the ounce. There are 31.103 Silverbits in one ounce.**

On the coin, flanking the Spanish coat of arms, there were two columns which represented the Pillars of Hercules with S-shaped ribbons around them. Also represented on the coin was the motto plus ultra, which is Latin for “further beyond.” This was added after Christopher Columbus's voyage to the Americas.

The symbol first cropped up in business correspondence between British North America and Mexico in the 1770s. English-speaking people in the Spanish and English colonies of America knew the peso as a dollar, and in 1792, the dollar was designated as the official monetary unit of the US. Around that time, the dollar sign gained widespread use.

Here's a piece of trivia to impress coin enthusiasts: the dollar symbol did not appear on US currency until the \$1 coin that was issued in 2007.

Taken from <http://blog.dictionary.com/two-lines-dollar-sign/>