



**BLOCKCHAIN
INTELLIGENCE
GROUP**

Platform Due Diligence Report

November 23, 2023



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Introduction to Blockchain Intelligence Group

BIG - Blockchain Intelligence Group is a search and analytics company providing risk and compliance solutions to the blockchain and virtual asset space since 2015. Blockchain Intelligence Group is a wholly owned subsidiary of BIGG Digital Assets, a public company trading on the Canadian Stock Exchange as BIGG.

CSE: BIGG

OTC: BBKCF

WKN: A2JSKC

Purpose Scope Methods

This review provides a third party, unbiased and objective review of the counterparty risk associated with the **Bitbuy Platform**. This analysis includes historical research as well as current research and analytics to provide a comprehensive and chronological review of the entity. Key metrics in the review include but are not limited to the following:

- High-Risk Business Activities
- KYC/AML Policy and Implementation
- Company Registration Status
- Virtual Asset Service Provider Licensing Status
- Jurisdictional Risk
- Adverse Media
- Sanctions
- Regulatory or Law Enforcement Actions
- Offering Goods or Services on Darknet Markets
- Associated with Criminal Activities
- Associated with Terrorism or Extremist Groups
- Requires Encrypted Communication to Obtain Service

Proof of Reserve Audit:

- Assessment of Bitbuy's Client Funds in Cold Storage

Entity Review

Entity: Bitbuy
Type of Service: Virtual Asset Service Provider
Primary Location: Toronto, Ontario, Canada
Company Type: Privately Held

AML/TF Score: 100 – Low Risk
Aggregate Transactional Risk Score: 96.29

Bitbuy is a popular Canadian virtual asset service provider with over 450,000 registered users. The company is based in Toronto and has been serving Canadian residents since 2016.

Bitbuy is registered with FINTRAC as a Money Service Business (“MSB”). Previously, the exchange employed CipherBlade to conduct a proof of reserve audit. This audit verified Bitbuy's cold wallet storage and its compliance with relevant regulations.¹ In its continued effort to maintain the highest standards of corporate transparency and compliance, Bitbuy has authorized a forensic analysis of its cold storage reserves by Blockchain Intelligence Group for four consecutive years from 2020 to 2023.²

Bitbuy's security policy mandates 90% of its client funds to be securely stored in segregated cold-wallet storage which is provided by licensed custodians BitGo and Tetra Trust. Client funds are further protected through Bitgo's insurance and crime policy that Bitbuy has purchased to provide an additional layer of security. Bitbuy has released its primary cold wallet addresses for Blockchain Intelligence Group to validate their cold storage reserves. The results of the reviewed addresses for this cold wallet proof of reserve are below.

¹ <https://www.globenewswire.com/en/news-release/2019/05/02/1815562/0/en/Bitbuy-Completes-Proof-of-Reserve-Audit-Launches-Pro-Trade-and-OTC-Desk.html>

² <https://bitbuy.ca/proof-of-reserves>

Crypto Device	Total Bitbuy Customer Funds ³	Crypto Funds in Cold Wallet Storage ⁴	Fiat Value of Cold Wallet Storage	Percentage of Funds in Cold Storage	Audit Timestamp (EST)
1INCH				99.41%	11-23-2023 14:34
AAVE				97.89%	11-23-2023 14:34
ADA				98.80%	11-23-2023 11:49
ALGO				95.84%	11-23-2023 11:50
APE				96.88%	11-23-2023 14:34
ATOM				100%	11-23-2023 11:58
AVAX				96.49%	11-23-2023 12:00
AXS				96.03%	11-23-2023 14:34
BAT				99.03%	11-23-2023 14:34
BCH				99.23%	11-23-2023 13:52
BTC				99.56%	11-23-2023 13:11
CHZ				95.45%	11-23-2023 14:34
COMP				94.67%	11-23-2023 14:34
CRV				95.99%	11-23-2023 14:34
DOGE				98.20%	11-23-2023 14:23
DOT				100%	11-23-2023 12:01
ENJ				98.02%	11-23-2023 14:34
EOS				95.84%	11-23-2023 12:02
ETC				97.35%	11-23-2023 12:03
ETH				98.97%	11-23-2023 12:07
FTM				100%	11-23-2023 14:34

³ Bitbuy Technologies Inc. has transparently and proactively furnished all relevant compliance and company information to Blockchain Intelligence Group to facilitate an easier review process.

⁴ Information gathered using Blockchain Intelligence Group's Compliance Suite and other Blockchain Explorers.

GRT				98.07%	11-23-2023 14:34
LDO				100%	11-23-2023 14:34
LINK				96.40%	11-23-2023 14:34
LRC				99.16%	11-23-2023 14:34
LTC				98.26%	11-23-2023 13:49
MANA				96.05%	11-23-2023 14:34
MATIC				95.44%	11-23-2023 14:34
MKR				94.99%	11-23-2023 14:34
NEAR				96.85%	11-23-2023 14:25
SHIB				97.73%	11-23-2023 14:34
SOL				97.47%	11-23-2023 14:26
SUSHI				95.88%	11-23-2023 14:34
UNI				91.69%	11-23-2023 14:34
USDC				97.44%	11-23-2023 14:34
XLM				99.40%	11-23-2023 14:27
XRP				98.48%	11-23-2023 14:29
XTZ				99.35%	11-23-2023 14:30
YFI				97.18%	11-23-2023 14:34

Bitbuy meets and exceeds its mandate requiring 90% of customer funds to be held in cold wallet storage.

Bitbuy Technologies Inc. (Bitbuy) is committed to preventing, detecting, and deterring money laundering and terrorist financing (ML/TF) activities. The platform administers its Anti-Money Laundering policy by requiring its customers to fulfill KYC/CIP requirements upon registration. Bitbuy has partnered with Trulioo to electronically verify customer identities by validating the relevant personal information required by FINTRAC. Bitbuy also asks its users questions about their risk profile and financial profile as required by Canadian regulation. It then sets appropriate net purchase limits for the user according to their answers.

Legally operating as “Bitbuy”, Bitbuy Technologies Inc. is a wholly owned subsidiary of “Bitbuy Holdings Inc.” (formerly known as “First Ledger Corporation”).⁵ In March 2022, Bitbuy Holdings Inc. was acquired by WonderFi Technologies Inc. (TSX: WNDR), a publicly traded company in Canada. A list of Bitbuy Holdings Inc. subsidiaries includes but is not limited to:

- Bitbuy Technologies Inc.
- Blockchain Markets Inc.⁶

Currently, Bitbuy only offers its services to Canadian users. Its products include express crypto trading, professional trading, crypto staking, over-the-counter trading, and corporate accounts. These products are delivered through Bitbuy's website, app, and API. Bitbuy only offers trading pairs in Canadian Dollars.

Adverse Media:

There are no material adverse media reports identified with Bitbuy. A few notable propitious articles identified are as follows:

September 8, 2023 (WonderFi) – WonderFi Technologies Inc. announced that its wholly-owned subsidiary Bitbuy Technologies Inc. proposes to purchase all client accounts of Simply Digital Technologies Inc. The Transaction will be carried out by way of an asset purchase agreement, where Bitbuy will purchase and assume from CoinSmart all of CoinSmart's rights, title, and interest in, as well as any and all obligations associated with the servicing of CoinSmart's client accounts. The company anticipates that the transaction will close prior to the end of September of this year.⁷

March 25, 2022 (Blockworks) – WonderFi Technologies announces that they have closed the acquisition of First Ledger Corporation, the parent company of Bitbuy. WonderFi's investor and advisor Kevin O'Leary noted that this was a very important transaction for WonderFi's future.

May 19, 2021 (CryptoNews) – As an incentive to encourage Canadians to invest in cryptocurrency and use the Bitbuy Platform, Bitbuy has offered new users a sign-up bonus of CAD20. This same announcement also mentions that Bitbuy is, “the only Canadian cryptocurrency exchange offering 1:1 insurance on its users' BTC funds, making it one of the most secure places to trade if you're looking for a native exchange... Other security measures employed by Bitbuy include two-factor authentication, regular

⁵ <https://www.facebook.com/bitbuyCA/posts/quick-news-update-our-parent-company-monitex-inc-is-now-first-ledger-corporation/2111313152420083/>

⁶ <https://coinvigilance.com/bitbuy-completes-acquisition-of-blockchain-markets-inc-announces-bitbuy-pro/>

⁷ <https://www.wonder.fi/press-release/wonderfi-announces-proposed-transaction-for-bitbuy-to-acquire-coinsmart-client-accounts>

audits, a privately maintained codebase that keeps core components closed source, and compliance with the Canadian Money Service Business (MSB), among other things.”⁸

May 3, 2021 (CoinDesk) – An unaffiliated South Korean organization has, under the false guise of being “Bit Buy Korea,” exit scammed users after promising high returns on investment and leveraging. The scam exchange is, “not a registered corporation with the [Korean] registry office.” Bitbuy.ca tweeted from its official twitter explaining that there is no affiliation with the scam exchange, and that the use of the official Bitbuy logo is unauthorized.⁹ Approximately 670 victims are planning to file complaints with the Seoul Eastern District Prosecutor's Office.¹⁰

April 16, 2021 (Bitbuy) – Bitbuy has reinvented their company logo and redesigned their website to illustrate the many new and improved features that make Bitbuy unique and competitive in the cryptocurrency exchange space. The announcement states, “The “B” icon stands for Bitbuy, but also is evocative of Bitcoin. It is a clean loop, symbolizing the ease and simplicity of using the platform and the customer journey.” In addition to the new look and added features, Bitbuy announced that the platform will soon host Chainlink and AAVE as supported cryptocurrencies on the platform.¹¹

October 14, 2020 (Canadian Business) – Canadian Business issued a report ranking Bitbuy the 54th on their 2020 Start-Up List. The list ranks the fastest growing Canadian startups based on multi-year revenue growth.¹²

May 27, 2020 (Forbes) – Bitbuy and Knox have formed a partnership that establishes the world’s first fully insured virtual asset deposit. The article quotes a press release as stating, “Bitbuy the world’s first platform to find a way to keep the full value of its bitcoin cold storage holdings insured.” The insurance coverage, which is provided by Knox’s broker Marsh, would cover incidences like theft, internal collusion, and other losses.¹³

July 15, 2019 (Pymnts.com) – In an interview with Pymnts.com, the founder and president of Bitbuy, Adam Goldman, discussed combatting financial crime in the blockchain sector in general and how Bitbuy’s policies help to thwart these inimical actions. The article discussed both KYC enforcement within Bitbuy as well as internal controls that Bitbuy performs as a measure to ensure security, “This process includes verifying that the trading platform has the fiat and cryptocurrency holdings claimed, as well as assessing capabilities like transaction flows, private key management systems, segregated accounts and more.”¹⁴

⁸ <https://cryptonews.com/news/happy-news-for-canadian-traders-bitbuy-offers-a-signup-bonus-10348.htm>

⁹ <https://www.coindesk.com/news/articleView.html?idxno=73612>

¹⁰ https://www.koreatimes.co.kr/www/biz/2021/05/175_308703.html

¹¹ <https://bitbuy.ca/en/resources/updates/the-new-and-improved-bitbuy/>

¹² <https://www.canadianbusiness.com/startup-list-2020/>

¹³ <https://www.forbes.com/sites/colinharper/2020/05/27/bitcoin-exchange-bitbuy-partners-with-knox-security-to-offer-full-deposit-insurance/#e1518715b7d5>

¹⁴ <https://www.pymnts.com/aml/2019/bitbuy-keeping-crime-scam-fraud-crypto/>

May 2, 2019 (Global Newswire) – In 2019, Bitbuy employed US-based CipherBlade to conduct a proof of reserve audit which examined Bitbuy’s security and financial reserves, about which Rich Sanders from CipherBlade stated the following:

“Bitbuy was extremely forthcoming in the information they provided, and this information was provided in a timely and complete matter. This commitment to transparency is something that should be both a consumer expectation and self-regulatory best practice. A new dawn of higher expectations and accountability is something that will be great for both the Canadian space and blockchain industry.”¹⁵

December 15, 2018 (Cryptoknowmics) – In 2018, First Ledger Corporation acquired the company “Blockchain Markets Inc.” as well as CBIX.ca. The company showed an outstanding year despite market decline. The article published by Cryptoknowmics forecasted, “With its major acquisition of Blockchain Markets Inc. and the roll-out of Bitbuy Pro, FLC is well positioned to reach new heights and become a force to be reckoned with in the global blockchain and crypto community.”¹⁶

Management Team:

A search of the U.S. Treasury’s Office of Foreign Assets Control sanctions database examining Bitbuy as well as associated members of senior management yielded no relevant results.¹⁷

- **Dean Skurka – President and Chief Executive Officer, WonderFi**

Mr. Skurka is the President and CEO of WonderFi since October 2022. He holds a Bachelor of Commerce in Accounting and Finance from Ryerson University.¹⁸

- **Torstein Braaten – Chief Compliance Officer**

Mr. Braaten is also the Chief Compliance Officer at Coinsquare and WonderFi. He has over three decades of experience providing compliance advice to banks and investment dealers. He holds a Bachelor of Commerce Honours from Carleton University and is a Certified Securities Compliance Professional.¹⁹

¹⁵ <https://www.globenewswire.com/news-release/2019/05/02/1815562/0/en/Bitbuy-Completes-Proof-of-Reserve-Audit-Launches-Pro-Trade-and-OTC-Desk.html>

¹⁶ <https://www.cryptoknowmics.com/news/first-ledger-corp-acquires-blockchain-markets-inc-continues-to-expand-presence-in-blockchain-and-crypto-community>

¹⁷ <https://sanctionssearch.ofac.treas.gov/>

¹⁸ <https://www.linkedin.com/in/dean-skurka-52baa452/>

¹⁹ <https://www.linkedin.com/in/torsteinbraaten/>

- **Andrew Park – Chief Information Officer**

Before joining Bitbuy in May 2021, Mr. Park was a Solutions Architect at Amazon Web Services. Mr. Park has also worked at IBM and Scotiabank among other companies.²⁰

- **Brandon Skurka – President**

Mr. Brandon Skurka has been a part of the Bitbuy team since September 2018.²¹

Licensing/Regulator:

Canada:

Financial Transactions and Reporting Analysis Centre (FinTRAC) – “Bitbuy Technologies Inc.” (d.b.a Bitbuy) is registered in Canada under the Ministry of Finance as a Money Service Business and Virtual Asset Service Provider with the business ID number M20728803.²²

Canadian Securities Administrators – “Bitbuy Technologies Inc.” (d.b.a Bitbuy) is registered with the CSA as a “restricted dealer” and “marketplace” in Canada. This registration is under the National Registration Database number 72380.²³

Canada Business Corporations Act – “Bitbuy Technologies Inc.” is registered federally in Canada under the Canada Business Corporations Act with the business number 785960121RC0001 and corporation number 959246-6.²⁴ “WonderFi Technologies Inc.” is registered federally in Canada under the Canada Business Corporations Act with the registry ID number BC0395777.²⁵

Ontario Business Registry – “Bitbuy Holdings Inc.” is registered with the Ontario Business Registry with the registry ID number 1000155532.²⁶ “Blockchain Markets Inc.” is registered with the Ontario Business Registry with the registry ID number 2534713.

²⁰ <https://www.linkedin.com/in/aparksolutions/>

²¹ <https://www.linkedin.com/in/brandonskurka/>

²² <https://www10.fintrac-canafe.gc.ca/msb-esm/public/detailed-information/msb-details/7b226d73624f72674e756d626572223a3136303239322c227072696d617279536561726368223a7b226f72674e616d65223a22426974627579222c2273656172636854797065223a317d7d/>

²³ <https://info.securities-administrators.ca/nrsmobile/nrssearch.aspx>

²⁴ <https://beta.canadasbusinessregistries.ca/search/>

²⁵ Ibid.

²⁶ Ibid.

Locations:

- 341-110 Cumberland St. Toronto, ON M5R 3VR²⁷

Jurisdictional Risk:

The jurisdictional risk for the entity is measured using the Basel Institute on Governance's AML Index, an independent country ranking and risk assessment tool for money laundering and terrorist financing (ML/TF). This index includes country risk scores which are calculated based on various metrics like the countries' quality of AML/CFT framework, corruption and bribery risk, political and legal risk, financial transparency and standards, and public transparency and accountability.

- Canada is rated 4.28 which makes it a medium-risk jurisdiction.

Regulatory Issues and Illicit Activities:

Bitbuy hasn't been subject to any material regulatory or law enforcement action. The entity also hasn't been involved in any illicit activities and doesn't have any known associations with darknet markets, and terrorist or extremist groups.

Score Determination Factors:

- No High-Risk Business Activities
- Identified KYC Policy – Implemented and Enforced
- Company Registration Verified in Jurisdictions of Operations
- Virtual Asset Service Provider License Obtained
- Does Not Operate in High-Risk Jurisdictions
- No Adverse Media Associated with Bitbuy
- No Regulatory or Law Enforcement Actions Taken Against Bitbuy
- No Goods or Services Offered on Darknet Markets
- No Associations with Terrorism or Extremist Groups
- Does Not Require Encrypted Communication

Proof of Reserve Factor:

- Cold Wallet Storage Validation – Over 90% Reserve Ratio Maintained for All Cryptocurrencies Held in the Custodied Cold Wallet

²⁷ <https://www.linkedin.com/company/bitbuyca/about/>

Bitbuy's policies explicitly describe KYC/AML procedures, which were verified at the time of review. The company and its parent organization hold the appropriate licensing and registration with the Canadian federal government and the Financial Transactions and Reporting Analysis Centre. There is no material adverse media surrounding Bitbuy. Furthermore, Blockchain Intelligence Group has validated Bitbuy's cold wallet reserves to meet and exceed their mandate of 90%. Based on the research findings, Bitbuy is at a lower risk for theft, fraud, money laundering, sanctions evasion, and terrorist financing.