

Why Canyu.do Is Employing a 2 Tier Coin System

The vast majority of transactions processed via the Canyu.do mobile application will be on a *user data secure* basis, with records updated to a private distributed ledger and made available only to the parties to those transactions (secure logon required). For these transactions our primary currency CanyudoCoin (CYD) will be utilised.

Examples of transaction types recorded to the private distributed ledger are as follows:

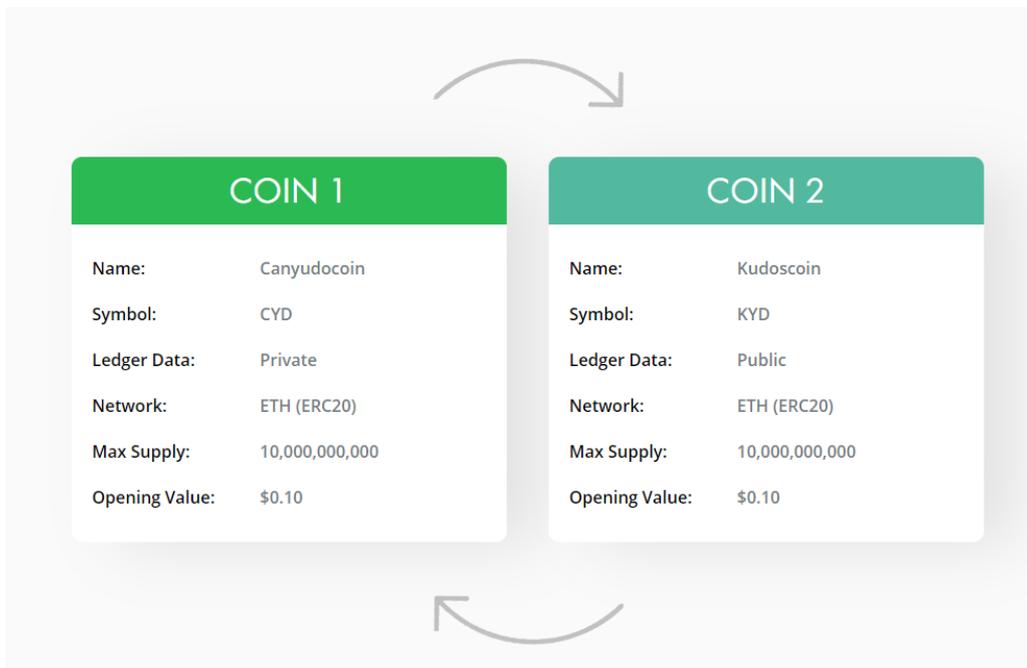
- Users sending payments to one another
- Users paying for goods sold via the app
- Users paying for micro-job tasks completed by other app users
- Users creating validated digital activity / proof of agreement records
- Fees charged by Canyudo for the smart contracts executed above

We do however want to track some of the transactions processed via the app, namely those on behalf of charitable enterprise, and we want to make that data public in order to evidence how a charitable donation has been utilised to do good.

Transaction records for tasks created by a registered charity using the app to organise an event will be updated to a public distributed ledger, and will be processed in the secondary currency KudosCoin (KYD).

This will be credited on a monthly basis to the in-app wallets of registered charities from the income derived from transactions processed in CYD (we pledge a third to charity and users get to nominate the charity we donate to), and from one-off donations received from app users.

As we intend to operate two completely separate distributed ledgers (one private and one public) it makes sense to use 2 coins also to emphasise the distinction between the two.



**please note that the max supply figure quoted for KYD assumes all CYD is converted, but in real terms this is very unlikely - the maximum supply held between the 2 coins is therefore 10,000,000.*

CanyudoCoin (CYD) can be bought and sold at crypto exchanges and held in wallets outside of our app. It has all the same features as any other publicly traded cryptocurrency, with its value governed by market speculation and/or user demand.

Kudoscoin (KYD) is created via a 'burn' process that turns Canyudocoin into a separate fully tracked and traceable coin. KYD is essentially a derivative of CYD, with the burn process transferring value between the 2 coins.

Kudoscoin can be held within canyudo app wallets only, and will not be available for trade at the crypto exchanges. In order to sell KYD at the exchanges it must first be converted back to CYD, which we will perform on behalf of users free of charge at a fixed exchange rate of 1:1.

When employing the burn process, we are simply changing its form from a 'non-trackable' to a 'trackable' version - the value is the same. Whatever CYD is worth in real terms at the time of the burn is transferred to KYD; and with the fixed exchange rate in operation this is the same when we convert back to CYD.

The Canyudo Pay It Forward Model

Charity primarily consists of people performing selfless acts for the benefit of others with very little fanfare. Most of us don't like to talk about our good deeds, but to encourage this behaviour in others we should probably do it more and we think being able to demonstrate how many lives a donation has impacted positively would be a powerful motivational force.

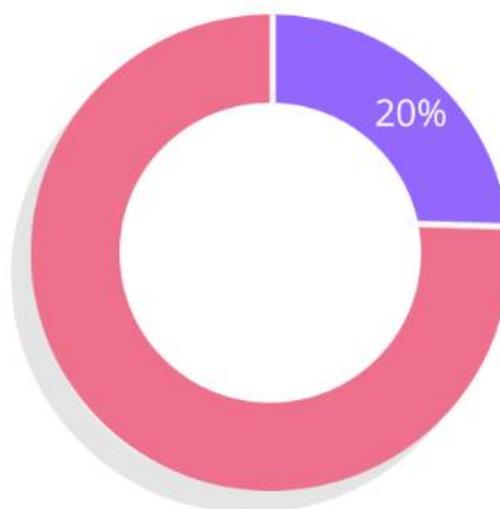
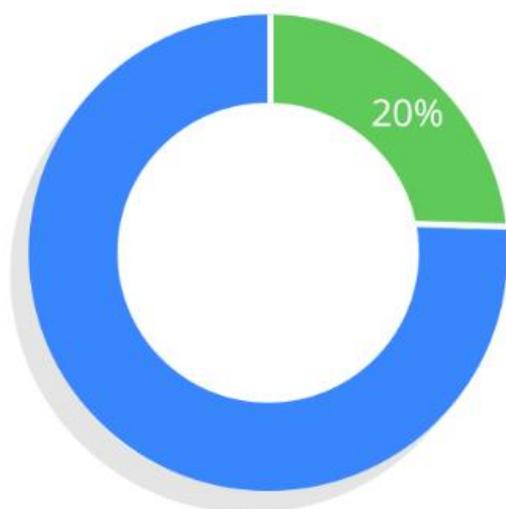
We have no way of tracking cash in real time and therefore no way to evidence how a charitable donation is utilised (prove how much good work was achieved), but with the advent of cryptocurrency this facility now exists and we intend to do that with the 'Kudos' we provide to charities free of charge on a monthly basis.

We hope that charities use the app to organise their events and this income to incentivize participation, but we impose no restriction upon them to do so. Kudos is therefore a reward system charities can use to generate alpha via the app, or it can be used in their normal activities by converting back to CYD and utilising the money elsewhere.

We pledge 20% of the cash raised from our token sale to charitable use, but in order to kick-start the pay it forward model we will also allocate 20% of all the token being created during our token sale. This amounts to a minimum \$40M of income per year (+/- fluctuation) and credit this to registered charities over a 5 year period following our product launch in 2019.

We will of course credit any donation we receive from app users, but we are also pledging a third of our revenues in perpetuity to the pay it forward model. We believe that the income generated from our token sale and paid out by charities will aid mass market adoption of our app, and we hope that there will be sufficient app use to generate a similar level of income once this 5 year period is complete.

CANYUDO IS CREATING \$200M FOR CHARITY



In terms of the data generated from records updated to our public distributed ledger, we will collect information about the charity sponsored events incentivised with Kudoscoin and use that as promotion for our pay it forward model. App users who donate to charity via the app will receive this information up until such time as the coin is converted back to CYD.

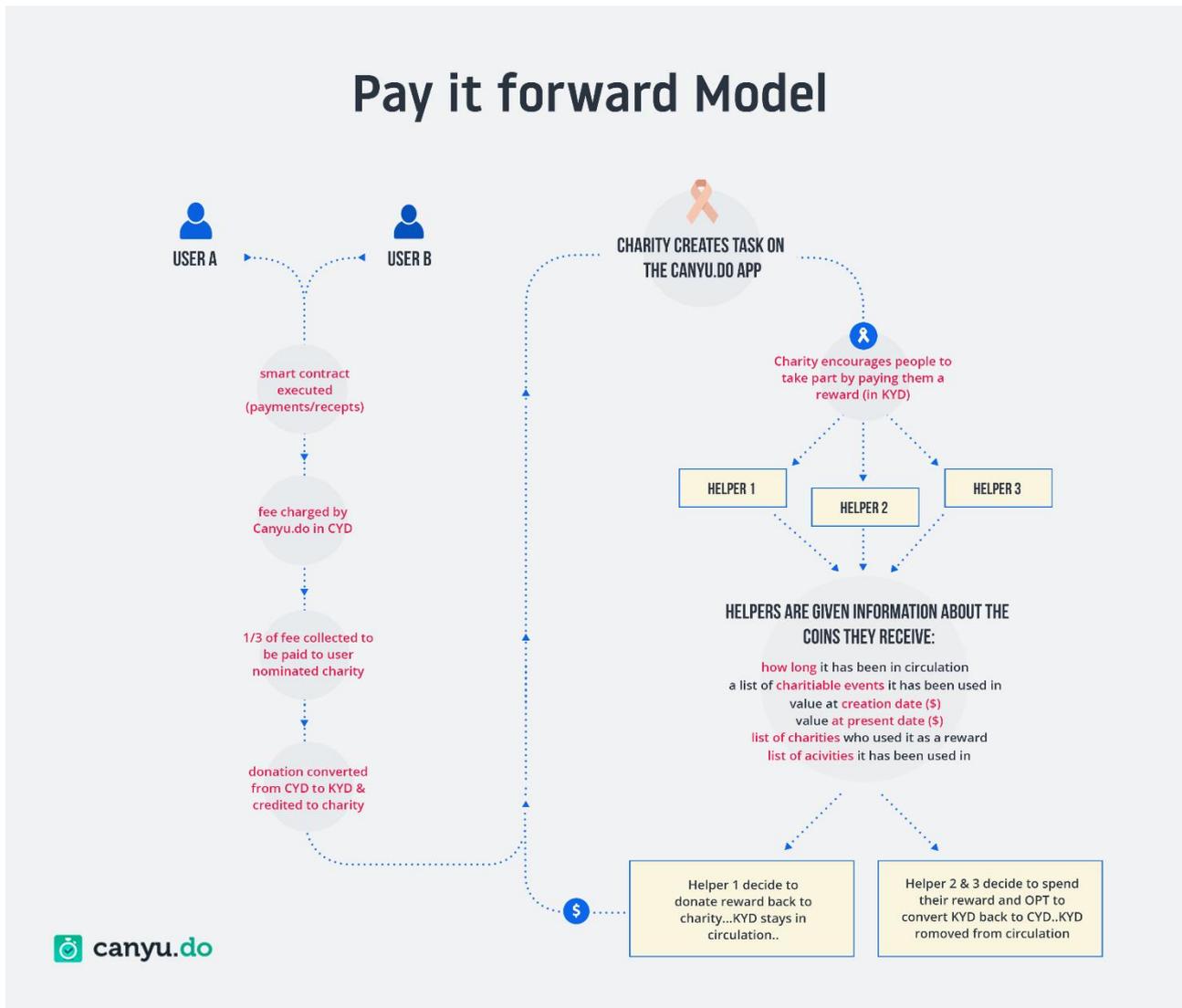
When charities organise an event via our app and pay helpers in Kudos, those volunteers will also get information about the coins they receive, some of which will be as follows:

- Creation date (how long it has been in operation)
- Value at creation (expressed in the home currency of the user)
- Value at the present time (expressed in the home currency of the user)
- A list of the activities it has sponsored throughout its life cycle
- A list of the charities who have used it in the course of their activities

By including the 'value at creation vs. value at present' metric we will be able to show how much the coin has grown in 'worth' whilst in charitable operation. The list of charities that have used the coin and the charitable events it has been involved in show the user the total good that has been achieved.

Over time the oldest coins in circulation will have typically been involved in the most charitable events, and we think they will become something of a 'hot token' in the respect that people receiving them will think more carefully about converting back to CYD and spending it. Instead we feel they will be more likely to donate them back to a charity to be used once again in a charitable event.

We envision the pay it forward model to operate as per the graphic below:



For more information about the model, or if you are a charity who would like to become involved with Canyudo, please contact us directly via charities@canyu.do