



Phaeton

Phaeton
White Paper
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PHAETON WHITE PAPER

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1. EXECUTIVE SUMMARY

The creation of Blockchain Technology has disrupted the financial sector, with Cryptocurrencies making a solid impact on payments, remittances, and foreign exchange. The global Blockchain Technology market is forecast to generate \$20bn in revenue by 2024. In 2018, \$2.1bn was spent on Blockchain solutions globally and is forecast to grow to \$11.7bn by 2022, representing a growth of just under 460%.

While significant financial gains can be made, it is essential to utilise this technology to improve people's lives around the globe. In line with Phaeton's philosophy to use blockchain technology in making the world a better place for all communities, Phaeton has created a Blockchain Incubation Platform for enterprises that want to make a Social Impact.

History

Phaeton was Founded in January 2018 by Chai Shepherd. Phaeton's unique business model is like Ethereum, Cardano and PolkaDot, which provides the Platform for other new enterprises and developers to host their business.

Business model

Phaeton's business model is different from its competitors. Instead of waiting for new enterprises to use the Phaeton Blockchain, Phaeton has created an Incubator Platform for Social Impact enterprises. In addition, Phaeton, under the motto of "Action Yields Results," has initiated several of its own projects. Most of the public is under the pretext that Blockchain Technology is Bitcoin. As there are so many scams in the promotion of Bitcoin, they align Blockchain Technology in a similar mould. It could not be further from the truth, as Blockchain is only the software behind Bitcoin. Furthermore, the business model of many Blockchain Platforms like Ethereum, Cardano and more is based on digital formats, which are cloud-based and intangible.

Therefore, making it more difficult for the public to understand Blockchain.

Phaeton's goal is to change this paradigm. That is, to demonstrate how Blockchain Technology can be incorporated in real-life situations and not purely through cryptocurrency. Phaeton's strategy is to integrate Blockchain with other technology movements such as FinTech, ConTech and AgriTech.

With this goal, we have created Phaeton Network Off-grid Modular Data Centres. On the technology side, Phaeton has created Phaeton Personal Identity, Phaeton

Helios Deployer and Phaeton Artemis Node to support Phaeton's real-life projects. We are delivering Australian Carbon Credit Trading and Unicity from a client services aspect. All these projects are powered by Phaeton's core

and unique technologies, which include:

- **Phaeton Blockchain:** Phaeton has a decentralised ledger system with a 250KB block size (potential of one million transactions) and five-second creation time.
- **Phaeton ID:** Phaeton ID is a single-sign-on platform with multi-factor authentication and biometric identity validation for smart contracts, KYC, and cosignatory transaction authorisation.
- **Phaeton Coins:** Phaeton has issued 500 million pre-mined approved Phaeton Coins (PHAE), with approximately 250 million in circulation and the balance of 250 million reserved and stored for incubation projects and growth of the business.
- **Phaeton Sidechains:** Phaeton's Sidechain model is designed to allow client projects to create a sidechain on the Phaeton Blockchain.

Exchange Listing

PHAE Coins are currently listed on five international exchanges, namely P2PB2B, LA Token, AAX, Cointiger and LBank

Since adopting its new business model, considerable progress has been made. This growth has seen Phaeton gaining significant public interest. Recently, Phaeton has

been approached by three stockbroking organisations to list on the Stock Exchange, which includes the CSE (Canadian Securities Exchange and NASDAQ (National Association of Securities Dealers Automated Quotations), just to name a few we are reviewing.

A close-up photograph of a person's hands holding a small, textured globe of the Earth. The globe is painted with vibrant colors: blue for the oceans, green for the continents, and white for the polar regions. The globe is resting on a large, fresh green leaf. The background is a soft, out-of-focus grey.

**Phaeton utilises
Blockchain Technology
to create sustainable
environments for future
generations.**

2. INTRODUCING PHAETON

What is Blockchain?

A blockchain is software, developed to store digital currency, such as Bitcoin securely. With Blockchain, no single entity is in control of information. Instead, it is accessible by multiple entities, offering a better way to verify information, therefore, combatting fraud. Blockchain creates a better system for recording and providing access to information in real-time. It enables greater universal access so everyone can work from the same information much faster and easier, as well as in a more secure and fluid way.

Who is Phaeton?

Phaeton is a Blockchain Technology and Services company. In line with Phaeton's philosophy to utilise blockchain technology to make the world a better place for all communities, Phaeton has created a Blockchain platform to make a positive Social Impact. Phaeton Technology has created a Social Impact Platform that incubates, develops, and collaborates with new and established business enterprises that address social and environmental challenges in line with the United Nation's Sustainable Development Goals.

Our Mission

Our mission is to find current social problems within our communities and analyse how they can be resolved through Blockchain technology. Also, we want to collaborate with all business levels, government agencies, not-for-profit organisations, impact investors, philanthropists and technologists who want to make a social change.

The sectors that we are looking at include:

- Renewable energy and conservation
- Carbon credits and climate change
- Small business and microfinance
- Sustainable products and agriculture
- Supply Chain management

How do we do it?

With our unique Phaeton Blockchain Technology, we have developed a platform that offers enterprises access to faster transaction speeds, higher security, cost-effective technology, and total independence through our Sidechain Technology. Through our Social Impact Incubator, our current initiatives include:

- Infrastructure and office support.
- Networking and business contacts.
- Advisory and consultation on blockchain projects.
- Access to investors and seed capital.
- Assistance with R & D Grants.
- Training and mentoring

To meet the community's demand for new social change, we aim to leverage Blockchain's decentralised technology and ensure that the community's needs are delivered right to the people. The focus would be to make a difference in broader society, empower ordinary people and engage the masses who need and want to be involved. The blockchain alternative should be based on solidarity and placing "People before Profit" with a structure that can benefit communities in need. The technology can protect the public's interest to another level in history and stop bribery and corruption in our society.

Why Use Blockchain?



Transparency

Blockchain establishes transparency through recording all transaction, whether it's financial or non-financial in real time. The information cannot be changed.



Efficiency

Blockchain is designed to remove the requirement of 3rd-party intermediaries to verify each transaction creating efficiency and cost reductions in real time.



Security

Blockchain provides enhanced layer of security for enterprises, decreasing the chance of tampering and manipulation of transaction records and hacking of information.



Trust

Blockchain technology creates a layer of trust between parties when it comes to transaction and record history. It adds an unprecedented layer of accountability.



The blockchain alternative should be based on solidarity and placing **“People before Profit”** with a structure that can benefit communities in need.

3. PHAETON'S CORE TECHNOLOGIES

Phaeton was established in January 2018. The principal place of business is in Perth, Western Australia. Phaeton continues to develop its core technologies, as listed below.

Phaeton Blockchain

Phaeton Blockchain has a decentralised ledger system with a 250kb block size (potential of one million transactions) and five-second creation time. Phaeton Blockchain is based upon the Delegated Proof of Stake plus Delegated Byzantine Fault Tolerance (DPoS+dBFT) consensus algorithm, improving energy efficiency. Phaeton remains an independent blockchain that focuses on providing a platform for enterprises to use, whether for monetary, transaction, data, or smart contracts. The ability for individuals to host a node is critical for the speed, scalability, and security of the Blockchain.

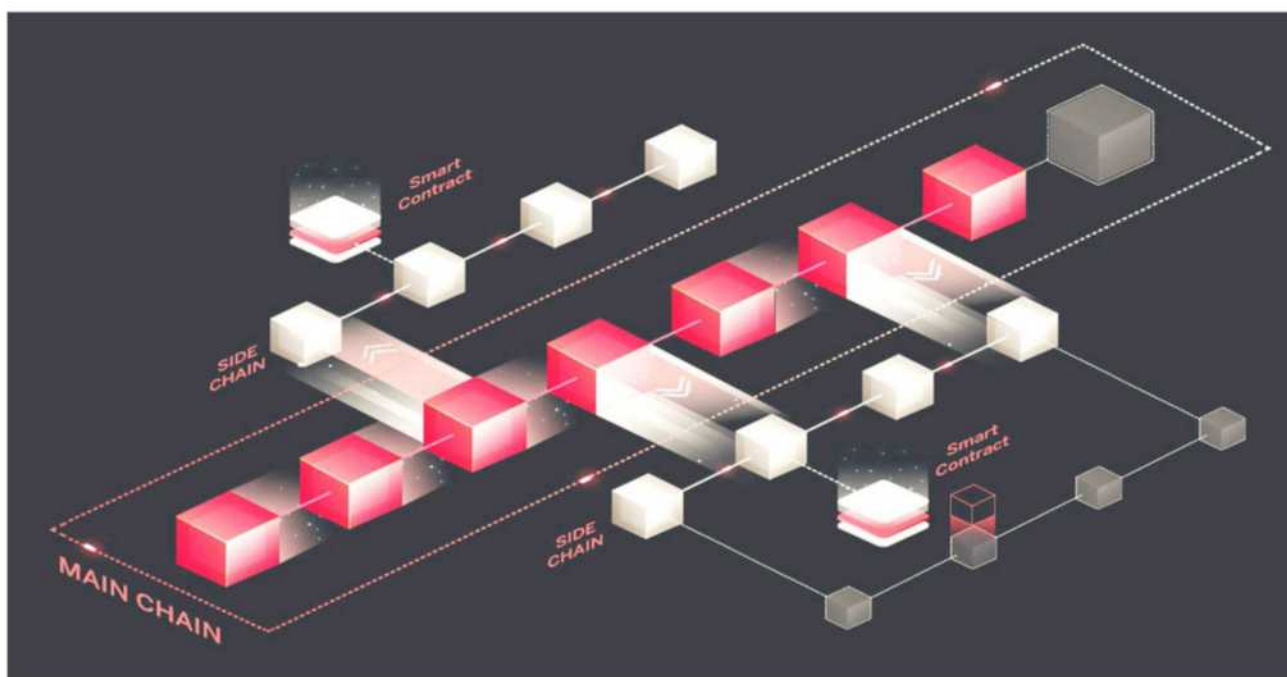
- A network powered by interoperability to improve accessibility
- Possibility of creating a public or isolated blockchain network
- A secured and scalable environment with the delegated proof of stake
- A truly decentralized governance model creating an unbiased network
- Hashing algorithm that is faster than popular alternatives like MD5, SHA-3, secure against length extension attacks, parallelizable on multi-core architecture.

Phaeton ID

Using Phaeton blockchain for identity management allows individuals to own their identity by creating a universal identity to serve multiple purposes. Blockchain offers a solution by providing users with a sense of security that no third party can share their ID without their consent. A blockchain platform can be established to protect an individual's identity from any breaches or theft. Users can be free to create self- sovereign and encrypted digital identities and remove multiple usernames and passwords. This white paper explains how Phaeton has created a unique blockchain identity management system.

Phaeton Sidechains

The Phaeton Blockchain platform is built on the consensus of a dPoS model (delegate proof of stake), unlike the norm of PoW (proof of work) models used by Ethereum and others. Phaeton's Sidechain model is designed to allow projects or subsidiaries to create a sidechain on the Phaeton Blockchain. A Sidechain is a type of Blockchain that exists alongside its parent chain (Phaeton Blockchain). The Sidechain can be defined as the "child chain."



4. BUSINESS MODEL

Phaeton has established a new path to grow its business value and its Phaeton Coin. As an Incubator Blockchain Platform, Phaeton aims to be able to assist Social Impact start-ups and enterprises with our range of Blockchain Technology Services. Our business model is based upon only taking on projects that (1) create a Social Impact and (2) are tangible real-life where Blockchain can make a positive change. The reason for Phaeton's business model is due to the following problems.

Problem 1

Blockchain Technology is gaining popularity. At the same time, most major corporations have adopted Blockchain or are in the process of adopting it. Over 90% of the public do not understand it, including SMEs.

- Over 70% of businesses do not understand Blockchain Technology or know how Blockchain can enhance their business.
- There are only a handful of Blockchain technology service companies that can assist businesses.

Problem 2

While there are Blockchain technology companies that can assist, the problems that remain:

- Businesses that have embraced Blockchain are using Ethereum's Platform resulting in congestion.
- The cost of establishing a Blockchain enterprise is high, outdated, and slow.

Problem 3

There is significant capital from various Ethical and Impact Funds, but few investment projects pass the test.

Phaeton Blockchain can improve this by:

- Investment from these funds can be implemented through smart contracts when certain milestones are reached.
- With Blockchain's ledger, investors can see where their funds have been directed.



The Sidechain application, Biometric card and Supply Chain application are designed and well-suited to complement and improve transparency, security, trust, and efficiency for our customers. All sectors will be considered if they have a Social Impact with their Blockchain application.

Some of the barriers to creating and developing blockchain enterprises are common, and there are also specific challenges in the industry. Access to finance and cumbersome administrative and tax payment procedures represent familiar challenges. However, additional challenges related to the lack of understanding of Blockchain technology and the specific regulatory requirements with targeted policy initiatives. As noted earlier, Phaeton's Incubation Platform is

designed to support several Sidechains. It is not merely a single blockchain that exists in isolation. There are several advantages to its approach:

- **Scalability:** Phaeton supports multiple blockchains through a mechanism called "Sidechains". It allows transactions to be processed efficiently and in parallel.
- **Interoperability:** Different Phaeton Sidechains and applications can share information and functionality thanks to Sidechain's operating design and compatibility between chains.
- **Specialisation:** Each Sidechain can be tailored to a specific use case or application.

5. PHAETON'S BUSINESS INCUBATOR

Incubators are not unique. Many Governments and universities have established incubators providing infrastructure, grants, and support to incumbent start-ups. Phaeton's Incubation strategy is based on these initiatives' success, except we focus on assisting enterprises interested in the benefits of Blockchain technology that can make a Social Impact.

What is Phaeton's Blockchain Incubator?

As an incubator, we focus on helping Social Impact businesses who have conceived innovative ideas, that require blockchain guidance during their initial stages until they can sustain themselves in the market.

Included

will be an accelerator program that provides investors, mentorship, and other support to help them stabilise their business.

What are the benefits?

New start-ups are created every minute, which is an excellent opportunity for Phaeton to tap into this ever-increasing market and make our business model grow.

The benefits include:

- By helping existing businesses incubate ideas, we develop an ecosystem around our current products, making the market tilt towards our technology products.
- By providing mentorship, guidance, and seed capital to entrepreneurs, we will take an equity position, improving Phaeton's holdings and increasing Phaeton coin value.
- By attracting start-ups with innovative ideas, there is the potential to find a "unicorn" idea that will disrupt the market.

How do we assist?

Besides assisting these enterprises with our proven technology, we can provide support in the form of:

Infrastructure:

We are located at 91 High Street, Fremantle Western Australia. We can offer office workspaces with supporting services that complement Phaeton's future development.

Networking:

Working under one roof, enterprises can connect with other entrepreneurs working in the same industry, which helps them gain insights to improve their products.

Advisory services:

These include financial and accounting, legal, corporate, and intellectual property protection so that entrepreneurs can make well-informed decisions.

Investors:

Venture capitalists and angel investors are attracted to investing in innovative ideas. We have conference facilities where entrepreneurs can pitch their ideas to these potential investors.

Seed capital:

New start-ups are always in need of seed capital to fund the initial stages of their business. The money is required for a business plan, pitch the idea, and develop the concept.

R & D Grants:

The incubator will assist entrepreneurial businesses with applying for Research and Development Government grants.

Training and mentoring:

The incubator will provide training from market experts on how to develop and implement ideas. Mentors will monitor the entrepreneur and guide them to improve their reach and target market.



6. BLOCKCHAIN MARKET

Conditions across Phaeton's target markets and industries are conducive to the business case and support even the most aggressive company's expansion forecasts. The Directors believe that the market is currently in the initial stages of Blockchain 3 (the third phase of Blockchain innovation). Blockchain 1 is Bitcoin, and Blockchain 2 is Ethereum.

Blockchain in Industry

The number of use cases in the industry for Blockchain technologies has exploded over the last five years. The global Blockchain technology market is forecast to generate \$20bn in revenue by 2024. In 2018, \$2.1bn was being spent on Blockchain solutions globally and is forecast to grow to \$11.7bn by 2022, representing a growth of 457% over this period.

One of the fastest-growing applications of this technology is in the finance sector, with 90% of American and European banks exploring the technology. The International Center for Monetary and Banking Studies estimates Blockchain can reduce up to 30% of banks' infrastructure costs, with annual savings potential across the \$12bn banking industry. Despite often being lumped together with cryptocurrency and thus being affected by the negative press that this often receives, Blockchain is being taken very seriously in several industries.

It is estimated that the industry spent the following amounts on Blockchain (USD) in 2018:

Industry Sector	US\$
Banking & Finance	\$552m
Distribution & Services	\$379m
Manufacturing & Resources	\$334m

The average spend by a company initiating a Blockchain Technology project was \$1m in 2018, highlighting the commercial case for Phaeton in developing and implementing these projects.

Digital currencies

While it is estimated that less than 3% of the world's population is currently transacting with cryptocurrencies, this still equates to a considerable number of potential users. The number of cryptocurrency wallets worldwide is growing exponentially, with more than 40 million estimated to be in existence currently.

Following the so-called 'Crypto Winter' of 2018 - in which the rampant speculation of late 2017 saw a violent overcorrection of prices - the first half of 2019 saw a significant market recovery, with the 24-hour trading volume hitting an all-time high in early April. Cryptocurrency markets have performed strongly during the COVID period, with Bitcoin and Ethereum adding 150% - 300% respectively to their valuations over the last 12 months.

It is critical to distinguish between the types of cryptocurrency, divided into coins and tokens. Coins are developed for the sole function of being a means of payment, while tokens have broader functionality, delivering value beyond their use as 'money'.

International Exchanges

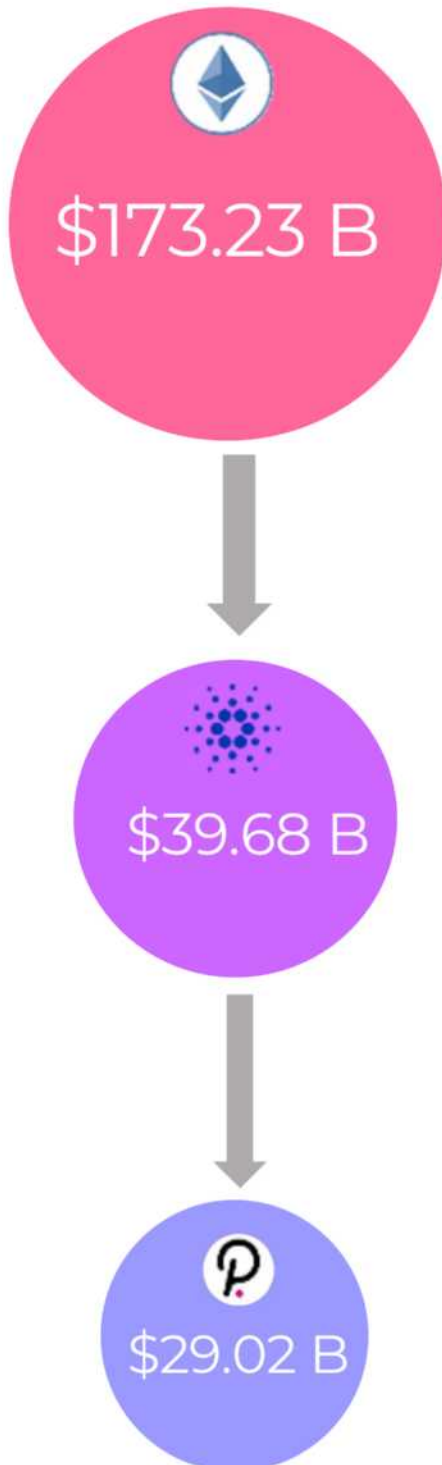
The number of Exchange Platforms for cryptocurrencies is increasing, with more than 190 estimated to exist, trading 1,568 different currencies, equating to 654 tokens and 914 coins.

Cryptocurrency exchanges were initially subject to minimal regulation, meaning little transparency or security surrounding funds transferred and stored on these platforms. Many consumers that consider themselves early adopters of technology remain hesitant to interact with cryptocurrency exchanges even if they can see the value in Blockchain and alternative currencies. Of the top 10 exchanges by trading volume globally, seven did not exist before 2017. It highlights the potential for market entrants.

The global Blockchain Technology market is forecast to generate \$20bn in revenue by 2024. In 2018, \$2.1bn was spent on Blockchain solutions globally and is forecast to grow to \$11.7bn by 2022, representing a growth of just under 460%.

7. COMPETITIVE ANALYSIS

The competitive analysis is a critical part of Phaeton's marketing plan. Evaluating similar business models makes Phaeton's Incubation Platform unique to attract our target market.



ETHEREUM

Ethereum is a decentralised, open-source blockchain featuring smart contracts functionality. Ether (ETH) is the native coin of the Blockchain platform. It is the second-largest cryptocurrency by market capitalisation, after Bitcoin. Ethereum is the most actively used Blockchain. Vitalik Buterin proposed the Ethereum idea in 2013, and development was crowdfunded in 2014 with 72 million coins pre-mined. The Ethereum network went live on July 30th, 2015.

- The Ethereum platform went live on July 30th, 2015. Ether coins were sold for between \$1 and \$3 US dollars within a month.
- Today, Ethereum has a market cap of \$472.78B, at \$3977.92 ETH with 118,853,081 ETH in circulating supply.

CARDANO

Cardano is like Ethereum. It was under development for three years before launching in 2017. It was created by technologist Jeremy Wood and Ethereum co-founder Charles Hoskinson. From the very beginning, the founders of Cardano emphasised a unique research-driven approach. They build the development around the concept of peer-reviewed papers.

- Cardano launched in September 2017, starting price of USD 0.22.
- The start of 2021 saw continued rises, with sharp peaks occurring late January through to February, where Cardano is now one of the largest by market rank with a market cap of \$43.35 Billion.

POLKADOT

Gavin Wood, Thiel Fellow Robert Habermeier and Peter Czaban are the co-founders of PolkaDot. Gavin Wood was previously the Chief Technology Officer and is co-founder of the Ethereum Project. PolkaDot's flexible and adaptive architecture facilitates building technology, including smart contract platforms. As a fully extensible and scalable blockchain testbed that can host and connect a wide range of upgradeable smart contract platforms.

- PolkaDot's first token sale closed on October 27th, 2017, raising a total of 485,331 ETH, which at the time would have been worth around USD 145M.
- PolkaDot native coin, DOT has a current market cap of \$29.83 Billion with a circulating supply of 1,067,549,259 DOT with a total collection of 1,148497643 DOT coins.

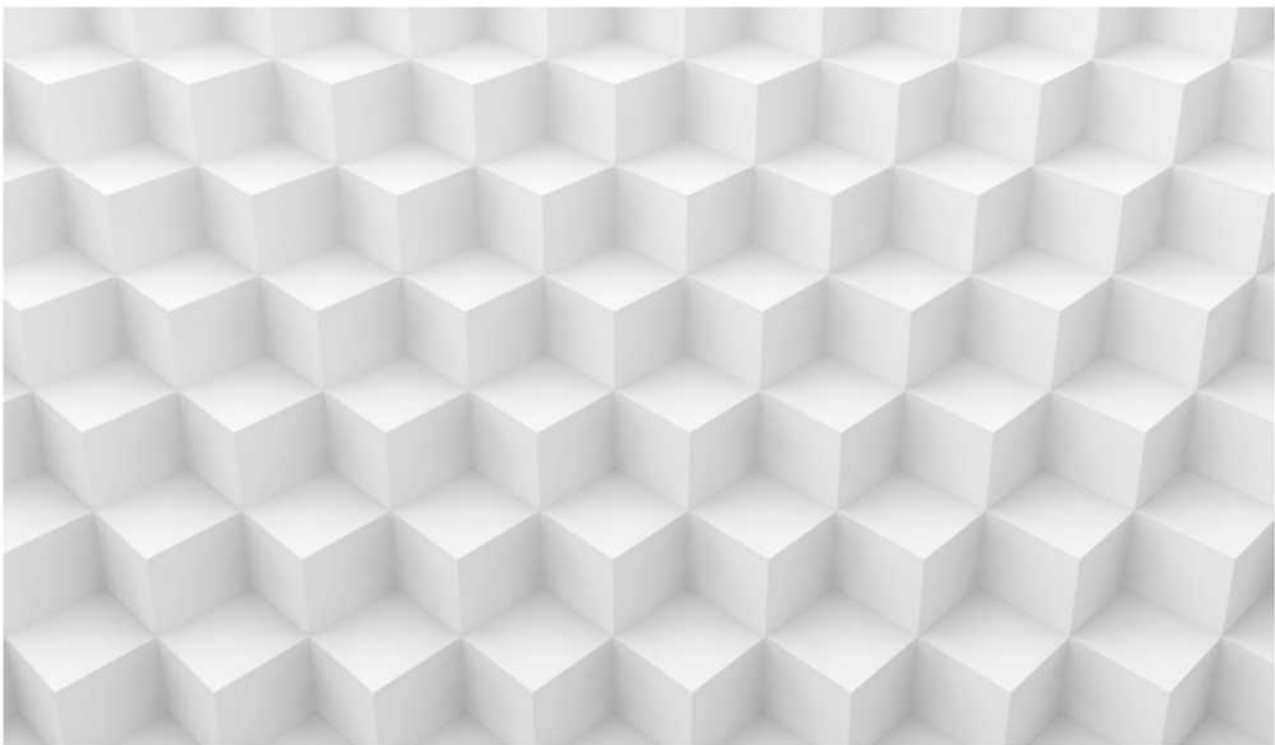
Key Points of Difference between Phaeton and Ethereum

Phaeton	Ethereum
<ul style="list-style-type: none"> • The ability for a project/company to create their token using Phaeton's Sidechain • Ability to host and deploy their nodes to the market to increase speed and security • Speed and security are not slowed due to mainchain traffic. • Block Creation Time: 5 second • Ability to provide staking rewards to the token holders for every transaction that occurred on the Phaeton Blockchain • Ownership of the token nodes • Scalable Sidechain • Cost-effective • Smart Contracts Ability • Blake3 Hashing Algorithm • Innovative technology supporting WEB3 • Interoperability between networks 	<ul style="list-style-type: none"> • Proof of Word model • Token created off the mainchain. • The speed of transactions is getting slower due to the high traffic of tokens on the mainchain. • Block Creation Time – 14 seconds • Mining machine commonly used or transaction validations • Shale256 bit security • Struggling to be scalable to increase speed and security of transaction • Old technology

There is significant interest in cryptocurrency due to the increased valuation of some critical currencies such as Bitcoin, Ethereum, Cardano, PolkaDot and Ripple. However, hundreds of other currencies are dormant due to low trading volumes and poor brand recognition. Furthermore, these popular currencies are based on supply and demand but are not backed by any hardcore asset or real value.

Utilising its Phaeton Blockchain, Phaeton intends to establish a service by assisting enterprises in establishing their own

"Asset-backed Tokens" owned and operated under a company structure. These enterprises will be Sidechains of the Phaeton Blockchain. In establishing additional Sidechains, Phaeton Coin should increase in value through "staking" technology. It means that whenever a transaction takes place in a Sidechain, a small percentage of the transaction fee is transferred to the Phaeton Coin.



8. MILESTONES

Milestones Achieved to Date

The milestones that have been achieved to date include the following:

2018

- January: Chai Shepherd Founded Phaeton
- January: ERC20 PLK Token Created
- January: Development of Phaeton Blockchain Research and Development
- January: Research on Token Economics
- February: Research on Consensus Algorithm
- February: Research on Hashing Algorithm
- February: Research on Data Storage and Computer Science

2019

- February: Phaeton Blockchain MainNet Launch February: ERC20 PLK Swap to PHA
- July: Phaeton TestNet Release (Rivet Network)
- July: Phaeton Explorer Release
- August: Research on Side Chain Technology
- August: Research on Smart Contract Standard
- August: Research on NFT
- December: Phaeton V3 Started Development
- December: Research was done on Delegate Penalty
- December: Research was done on Password Hashing

2020

- April: Feasibility research done on Modular Data Centers
- July: Research on Renewable Energies
- September: New business strategy established
- October: Start work on Sidechains
- November: Start Work on NFT and Smart Contracts
- December: Update from Blake2b to Blake3 after research analysis

2021

- January: Start of capital raising
- February: Appointed to create a Carbon Credit Marketplace
- February: Start Work on Smart Contract Standard
- February: Research on Side Chain and IoT Integration
- March: Initiated Phaeton Network
- May: Start Development of Helios Deployer
- June: Initiated Phaeton TNFT Real Estate Marketplace
- June: Approved by P2P2B2B and LAToken to list PHAE Coins
- June: Construction Started Phaeton Modular Data Centre
- July: Initiated Phaeton Personal ID and Phaeton Artemis Node.
- July: Approached by brokers to list Phaeton on the Stock Exchange
- July: Start Development of Phaeton Identity
- August: Phaeton V3 MainNet Swap PHA to PHAE
- August: Start Research & Development of Artemis Node
- September: Started IEO on P2PB2B and LAToken
- October: Established Phaeton Energy

2022

- January: Initiated Development of Bond marketplace
- January: Approved by AAX, Cointiger and LBank to list PHAE Coins
- February: Start Development of NFT modules
- March: Research & Development of Network Interoperability
- June: Research & Development with Aus Industries approved
- July: Appointment of new Board

9. EXECUTIVE TEAM AND ADVISORS

Corporate governance is critical and fundamental to Phaeton's longevity. It will help to control risks, ensure compliance, and assist Phaeton to achieve its strategic objectives. The Phaeton Board has a mix of experienced business and entrepreneurial members, consisting of four Executive Directors and one Non-Executive Director. Additional Independent Directors will be added as the company grows. The Board is supported by an advisory board of entities with the commercial understanding required to make Phaeton sustainable and scalable. The Company has a support team of 30 Technology staff.



Chai Shepherd: Founder & Chief Technical Officer

Chai is a respected subject matter expert in the blockchain and cryptocurrency scene and has professional qualifications in front-end development, cybersecurity, and digital penetration testing. Chai is also training as a Full-Stack Developer to increase Phaeton's capacity to perform code audits and in-house maintenance. Chai will be responsible for the backend of the Company's systems and service offerings and Phaeton infrastructure's ongoing development. As Chief Technical Officer, he will lead development work fulfilled by internal or external resources.



Sandra Morell

Sandra has had over 30 years of experience in management and general management positions in banking, commerce, training, and hospitality. She has most recently been COO of Entrepreneur Resorts, overseeing a multimillion-dollar portfolio of companies and a global leadership team with offices in Australia, Indonesia, Singapore, Japan, Thailand, South Africa, and England. Sandra extensive experience in managing and mentoring entrepreneurs and entrepreneurial teams globally provides Phaeton with an invaluable leader to the team.



James Newcombe

James is a Chartered Accountant who specialises in business services and is partner in the practice and joined Accura (formerly NCA) in 1994. James works with business owners to gain an in-depth understanding of their business and personal affairs, building relationships that empower his clients to achieve their financial and life goals. James has come on as a director as well as Accura Accounting to provide commercial accounting advice. James also sits on the committee of the Inventors Association of Western Australia.



Abel Jardim

Abel is a director and business owner of Multiply Property Group, Abel expertise is unique in property investment strategies and ability to project management and deliver each project within budget and in a timely manner is unrivalled and the reason Multiply Property Group is the most desired wealth partner in Western Australia. Abel specialises on manufacturing growth through various value add strategies, to ensure Phaeton is well optimised.

10. PROJECTS AND CLIENTS

Phaeton's core business is providing Blockchain Technology services to businesses. However, to demonstrate the value of Blockchain, Phaeton has initiated our bespoke projects. Each of these projects is based on Phaeton's strategy, namely (1) does the project create a Social Impact and (2) is it a tangible project that benefits the daily lives of people. Below we outline the range of services offered to our clients, followed by our internal and client projects. Each project falls under a stand-alone Sidechain.

Service Fees

Phaeton will provide technical support and a platform for business to create their Blockchain and tokenisation through its Sidechain operations. Fees for this service will vary according to the size and scope of the Project. Depending on resourcing requirements and contract duration, fees can range from \$20,000 to \$10m

Staking

Engaging in cryptocurrency staking is another new way of increasing your cryptocurrency holdings. Staking refers to locking cryptocurrencies in a wallet for a fixed period and collecting interest on them. It may be likened to earning interest on cash deposits in a traditional bank's designated savings account.

Projected Ratio of Project Sector

The business offers four sales channels that represent different revenue models based on clients needs and level of service agreements. The design of the four sales channels is each client we onboard will need to use at least two of our services.

They are as follows in terms of sales ratio:

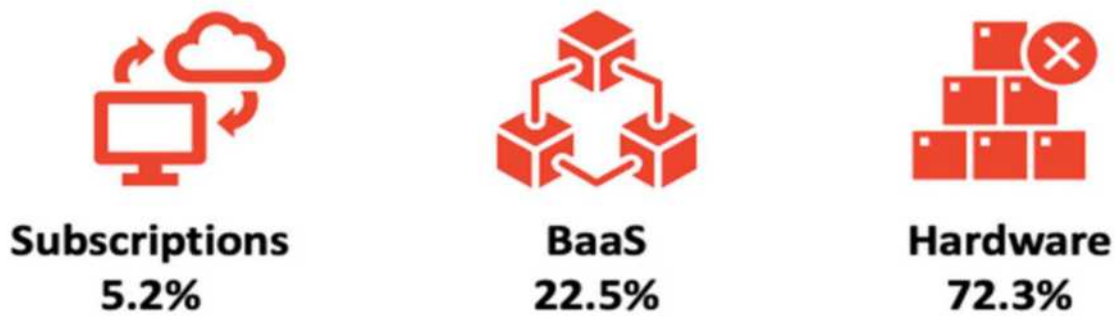


Table 3 – Customers & Revenue Assumptions

SIDECHAIN AND BLOCKCHAIN PROJECTS

With the launch of Phaeton's new business strategy in September 2021, Phaeton has gained significant interest from the business community in Western Australia alone. This interest has not been through any expensive marketing campaign but through referrals within the business community.

We believe that if we undertake a national marketing campaign, Phaeton will have endless opportunities as there is a growing market of existing businesses and start-ups looking at adopting Blockchain Technology. Listed below are several projects where Phaeton has been contracted to develop Blockchain solutions.

PHAETON BRANDED PROJECTS

Team Phaeton has initiated the projects listed below:



Phaeton Network was created in partnership between Phaeton and Kstar, specifically to design and build the first of its kind, Modular Off-grid Data Centres aimed at reducing Carbon Emissions. These modular, scalable data centres are powered by four levels of renewable energy, namely solar, wind, hydro, and Geothermal technology.

- An OMD centre is an entirely remote design network system that can interrogate data networks, securely up-load, and download network information - be it for data storage or crypto mining. The design is modular, meaning we can easily increase a data centre's size and deploy quickly, making the system completely scalable.
- This OMD design is not reliant on consumer energy. The system is powered and backed up by a unified renewable energy structure with a dual backup that can run indefinitely.
- The OMD centre is secured through physical biometrics and an advanced network security protocol. The network can be managed and monitored 24/7/365 remotely. Most importantly, these centres can be deployed in any location, be it on top of a building or, a remote mine site or in the middle of the desert.
- The OMD centre can be flat packed to a site for erection or deployed as a transportable module. The design is solar wrapped with all security wired and inbuilt. The satellite communications are pre-mounted then launched when on site.
- The servers and racks are housed in the dust secure, temperature-controlled, static-free module. We have three designs: a Vortexed Tower, Single level HIVE, or singular Cubes designed to be locked together to increase the data storage footprint.

Phaeton Cooling Container:

Efficient recooling systems in the container frame, ready to connect and system-tested with redundant chillers, free-cooling mode or additional free cooler and network functions

Phaeton Data Center Container:

Ready-to-connect IT infrastructure in a robust container shell, as standardised IT modules in a range of output categories for SME, Cloud and Edge applications



Server racks:

Pre-configured type TS IT for server installation, with cable guide rails and two PDUs for redundant power supply in the server exhaust air zone

Network racks:

Pre-configured type TS IT for installing network technology and structured cabling, with two PDUs for redundant power supply



Phaeton Real Estate

Phaeton Real Estate Tangible Non-Fungible Tokens (TNFTs) Marketplace is a “Sidechain” of Phaeton Blockchain. It is a marketplace where real estate enthusiasts and investors can trade TNFTs. It is also a form of “crowdfunding” where sponsors and developers can mint tokens of the real estate projects and sell them on the marketplace.

- **TNFT as Shares:** The TNFT represents a share of a company that owns the property. Sponsors and developers can promote investment property or projects under company ownership.
- **TNFT as a Title:** The TNFT represents and owns the title to the property. Property owners can directly sell their property to an interested buyer.
- **TNFT as a Timeshare:** The TNFT represents a timeshare in holiday accommodation. For owners of hotels, TNFTs can be created with set holiday periods.
- **TNFT as Co-sharing:** A group of TNFT Holders can jointly buy a home and share ownership. With housing affordability at an all-time high. A group of homebuyers can together purchase a home by creating TNFTs.
- **TNFT as Decentralised Finance (DeFi):** TNFT Investors can provide finance in the form of a mortgage. Homebuyers can seek debt finance from investors to buy a home. It is a form of peer-to-peer lending that blockchain was designed for.





Phaeton ESG Bond Exchange

Phaeton Bond Exchange is a marketplace where new blockchain bonds can be issued and traded conveniently and fluidly. It will provide access to both primary and secondary markets with bonds issued at an affordable level, allowing Millennials to enter the market. The platform will focus primarily on Green Bonds as it ties into Phaeton's policy of creating a positive social impact and its drive toward creating an ecologically sustainable planet for future generations.

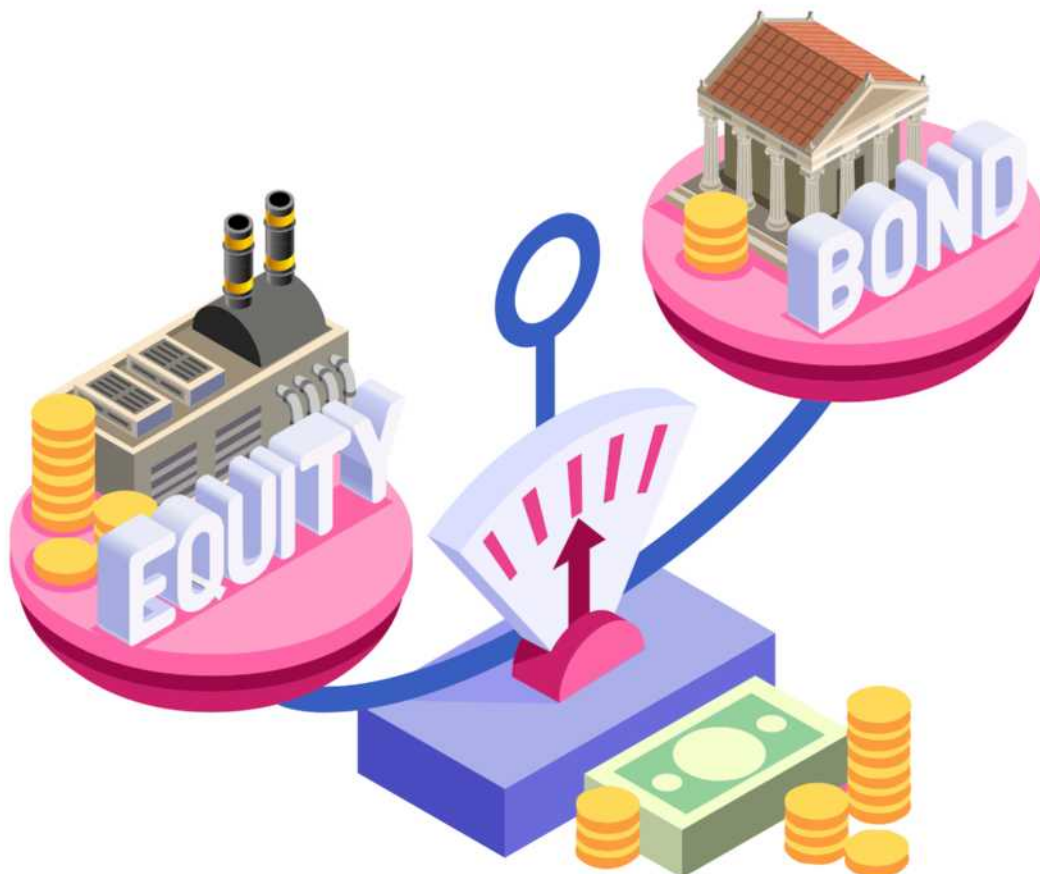
Key Objectives

- Design the solution of a Blockchain Bond Trading Platform
- The web interfaces will be built using responsive User Interface (UI), and the platform will be accessible across different devices like desktop, mobile and tablets. The platform will be tested across other popular and latest browsers and resolutions. Intuitive menu-based navigation will be designed for easy navigation.
- Act as the bridge between the database and User Interface for seamlessly capturing requisite data
- Manage Blockchain-based Digital Format Bonds
- Generate regular reports for improvement
- Updating & generating correctness of the given data

Protocol

Phaeton protocol is built with the following values in mind:

- Comply with regulatory and legal framework throughout the bond lifecycle, including primary and secondary market transactions
- Automation and disintermediation of administrative processes
- Decentralized collaboration among stakeholders
- Transparency and Privacy
- Core flexibility – the Protocol needs to adapt to changing market structure





Phaeton Energy

Phaeton energy is not a typical standalone renewable energy source such as an isolated solar farm or a hydrogen plant. Instead, Phaeton's approach maximises a project's value by integrating other Phaeton business elements into an energy project. For example, when evaluating a property for a solar farm or wind farm, Phaeton will determine its viability by considering the integration of the following elements:

- The size of the solar farm and is there enough space for battery storage and future expansion should the demand for power increase over time.
- Depending on the size of the property, its location and soil conditions, evaluate whether agrivoltaics can be incorporated.
- Incorporate a Phaeton Network Datacentre powered by renewable energy.
- Incorporate Hydrogen energy as a backup supply source.
- Evaluate whether a Smart Housing Community development can be incorporated.
- Evaluate whether a Smart Commercial Centre development can be incorporated.

Each of these elements will be powered by Phaeton Blockchain Technology.





Phaeton Supply Chain

Supply Chain Management (SCM) is the approach to managing the flow of resources, goods, information, and services through converting raw inputs into complete outputs for end consumers. The entire process holds seven crucial elements: information, source, planning, production, inventory, goods return, and Transportation. The components are used to build the fundamental structure of a supplier or manufacturer. The use of blockchain can provide a number of benefits.

- **Live tracking:** A blockchain-based SCM system is built on a decentralisation system based on transparency. It helps the business monitor every activity in real-time.
- **Quick processing time:** Current supply chains handle large and sophisticated databases, and the process is delayed due to too many intermediaries. Smart Contracts can eliminate paperwork and many of the intermediaries.
- **Improved traceability:** Integrating Blockchain in the supply chain will reduce counterfeit products' supply in the market. With Blockchain Ledger, there is a record of the source which cannot be tampered with, therefore improving traceability.
- **Higher ROI:** With Blockchain, businesses are establishing premium brand prestige, resulting in a higher return on investment.
- **Enhanced trading:** Ownership and licensing evolve a bit with the help of Blockchain. Since every organisation possesses a similar ledger version, they can easily monitor the ownership records.
- **Healthy consumer relationships:** Providing the needed product-related information is simple with Blockchain, taking customer experience to a new level. Plus, it allows them to check the product's authenticity.





Phaeton Blockchain Identity offers a decentralised and secure solution that gives users total control through a distributed trust model. Our blockchain technology benefits several industries with transparency, security, and trust adding value to our clients. We have the ideal technology to transform the current workings of identity management in a highly secure manner.

Three Pillars of Phaeton Identity

- **Verifiable Credentials:** These are statements made by an issuer privately. Verifiable credentials, in essence, allow for the digital watermarking of claims with a combination of public-key cryptography and privacy-preserving techniques to prevent correlation. The result is that not only can physical credentials be safely digitised, but holders of these credentials can also selectively disclose specific information without exposing the actual data. Furthermore, third parties can verify this data without having to call upon the issuer.
- **Decentralised Identifiers:** These are global, unique, and persistent identifiers. The identity owner controls them. They are independent of centralised registries, authorities, or identity providers. When an organisation issues you a Verifiable Credential, they attach their Public DID to that credential. The same Public DID is also stored on the blockchain, an immutable record of data. So, when someone wants to verify the authenticity or validity of the credential, they can check the DID on the blockchain to see who issued it without contacting the issuing party.
- **Distributed Ledger:** The Blockchain acts as a verifiable data registry. It is like a phonebook where anyone can consult to verify the Public DID and its specific organisation. In identity management, a distributed ledger (a “blockchain”) enables everyone in the network to have the exact source of verification. It ensures that the credentials are valid and who attested to the validity of the data without revealing the actual data.



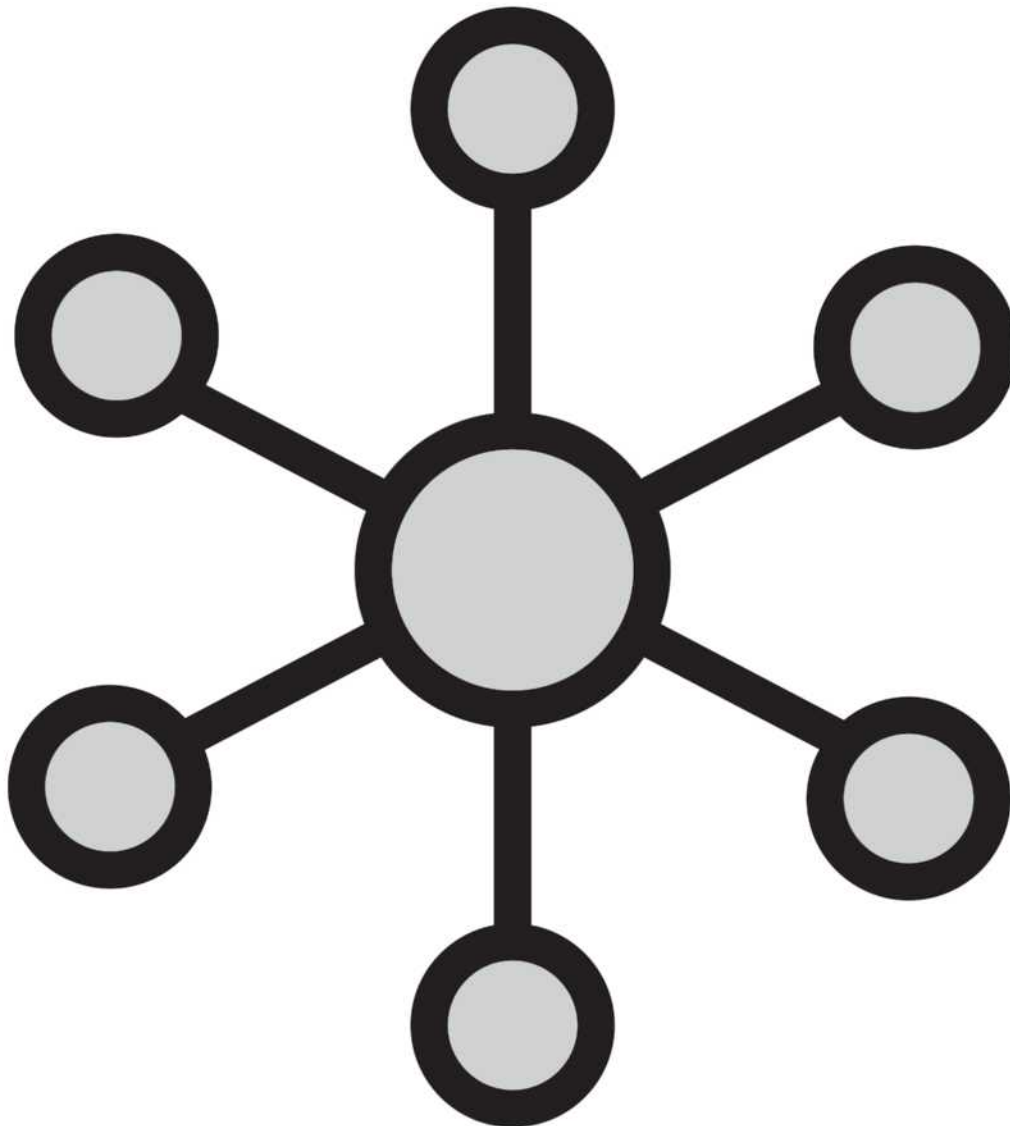


Phaeton Artemis Node

Compared to other Blockchain platforms that facilitate staking, Phaeton offers a sustainable alternative for staking and generating a passive income. The use of DPoS makes Phaeton an energy efficient Blockchain as well as an infinitely scalable platform. Furthermore, the Phaeton Blockchain is structured to support a sidechain architecture. Sidechains can be used to create separate small Blockchains that is connected to the main Blockchain. Therefore, the transactions or activity on the

Blockchain can be segregated among these sidechains, allowing the network to be free from congestion.

The rewards are shared among the delegates and validators. It allows the Blockchain network to be more scalable and complete significantly more transactions per second for example, Phaeton's current tps = 1Mtps. Moreover, the validators are chosen through a voting system, enabling the network to be truly democratic and decentralised. Here, the node selected to become a validator must be an owner of Phaeton's native token, PHAE. All validators put their PHAE at stake and then delegates the validation activity to a selected node that holds PHAE. After the validation process a block is created, then both the selected Delegate and other validators (Voter) are able to share the rewards with the delegate. The delegate has full rights on the distribution of the rewards via a smart contract arrangement to voters.



POWERED BY PHAETON TECHNOLOGY

These are projects where clients have appointed Phaeton to provide Blockchain Technology services.



Phaeton Carbon Credit Exchange

Phaeton has been approached to investigate setting up a Carbon Credit Marketplace where Australian Carbon Credit Units (ACCUs) can be tokenised and traded. It is a joint venture arrangement between three parties: the founder, corporate advisor, and Phaeton. By tokenising Carbon Credit Units into TNFT, we can accelerate the trade of emission-reduction credits. It is achieved through global access, real-time transparency, instant settlement, increased liquidity,

and numerous other synergies that come from being tied to the greater cryptocurrency ecosystem, such as liquidity and the ability to self-custody. Each ACCU NFT represents a one-year tonne of CO2 emissions averted, substantiated by the Commonwealth of Australia or the Clean Energy Regulator. Each token can be "burned" at any time to offset one tonne of carbon emissions. Until burned, a carbon credit can be held and traded.

ICCE STAKEHOLDERS

The stakeholders with an ICCE Platform include the following:

- **Producers:** Landowners, Framers, and entities who comply with the Clean Energy Regulator's policies.
- **Investors:** Investors can range from institutions to small everyday investors (Moms and Dads and Millennials)
- **Emitters:** Industrialists, coal-fired plants, manufacturers
- **Smart Contracts:** Smart contracts acts as the Custodian, which an independent auditor regularly audits



12. STAGE OF BUSINESS AND GROWTH PLAN

Over the past ten months, Phaeton's business has grown at an exceptional rate. The growth is due to an adoption of a new business strategy, philosophy and policies implemented by a new Board. Like all successful businesses, the Phaeton Board's first goal was to lay a solid foundation based on ethics, culture, and values. Once these were established, Phaeton's business strategy and roll-out are broken into three main stages described hereafter.

Stage One (completed)

Activities

- Establishment of business strategy, vision, and mission statement.
- Adoption of corporate governance structures and seeking corporate advice.
- Seek acquisition and implementation of required internal systems and infrastructure.
- Additional background development of Phaeton blockchain and Sidechain applications.
- Complete Information Memorandum and PHAE Coin offer.

Results

- Added additional directors to the Phaeton Board
- Completion of Phaeton Smart Contracts module.
- Completion of Phaeton Sidechains module.

Stage Two (completed)

Activities

- Promotion of the Phaeton Blockchain Sidechain application to Enterprise companies in all sectors.
- Business development to acquire additional use cases.
- Listing of Phaeton Coin on international exchanges to increase awareness, flexibility.
- Raise sufficient investment capital to springboard onto the next development stage.

Results

- Secured 4 Sidechain projects to date.
- Deploy another 2 Sidechain applications.
- Raised the required capital.
- Phaeton Coin listed on five international currency exchanges.
- Increase supply and demand of Phaeton on public exchanges.

Stage Three (current)

Intended activities

- Implement current Phaeton Brand projects.
- Employ skilled managers and staff to ensure delivery success.
- Develop and complete support technology, including Personal ID, Phaeton Smarter Bond Exchange, and Phaeton Urban Agriculture.
- Attract additional Independent Board members to compliment growth.
- Employ a Business Development Manager to Increase Client Service project
- Further Exchange Listing targeting geographical locations to increase exposure into other markets.

Longer-term goals

Phaeton intends to test most of the branded projects in Australia to ensure its success. After that, the aim would be to promote these internationally.

Three stockbroking organisations have approached phaeton to list on the Stock Exchange, which includes the ASX (Australian Stock Exchange), CSE (Canadian Securities Exchange) and NASDAQ (National Association of Securities Dealers Automated Quotations).



“Goodness is the only
investment that never fails.”

Henry David Thoreau



Phaeton

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