

WHITEPAPER

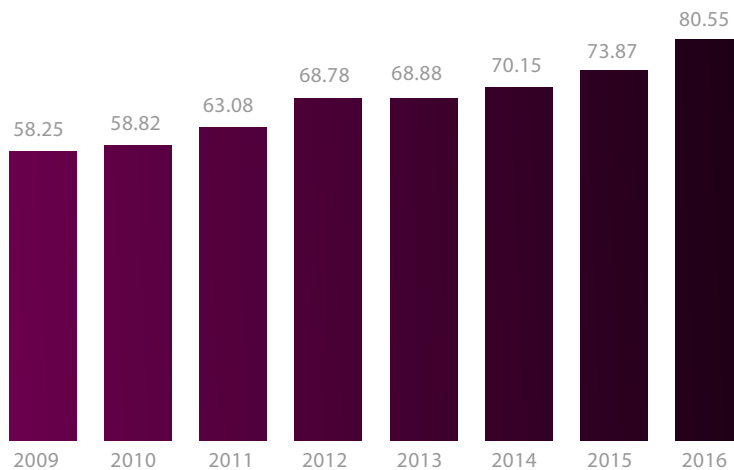
WHITE PAPER

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Introduction

It happens so that people like to risk a little in order to get more. They are attracted with the probability of big winnings – sports betting, gambling, poker, "one-armed bandits" and of course the lottery. This is a stable market which has existed for a long time and will grow and develop further. The global lottery market is steadily increasing from \$ 187 billion in 2004, up to \$ 294.3 billion in 2016, showing an average growth of 4.3% per year.



At the same time, the growing number of Internet and mobile users contributes to the rapid growth of online lotteries. The total revenue of lotteries on mobile devices in 2013 is estimated at 34 billion dollars, of which 44% - in Europe and North America. The pace of mobile technology adoption may be even faster in developing markets.

Our mission.

Our mission is to create an autonomous decentralized lottery platform. We want to make fair lotteries with high level of participants' gains, as well as to minimize losses receiving the prizes.

The problem and the solution

In the world of lotteries – one of the most popular games in the world – there exist many questions and doubts about the honesty of the prizes distribution, as well as the whole process of drawings:

- Is the winner random?
- Is it fair to dispose of less than 40-60% of the ticket sales by lottery?
- What is the managers' fee and is such a remuneration justified?

Moreover, these problems are getting worse due to the difficulty of obtaining a prize, high commissions and taxation. With the introduction of blockchain technology, these problems have become quite solvable.

On the Gexan platform, all stages of the draws, including the purchase of tickets, random numbers generation, distribution of the fund prize, verification of the winners are based on the technology of the distributed register. Moreover, everything is built on open source code, which will be published on Github.

What do we offer?

Our team will develop an ecosystem consisting of its own blockchain with masternode functions, hybrid POW+POS consensus algorithm, GEX coins, lottery platform, smart contracts, participant wallets, Fiat site gateways and mobile applications. Thus, we will get the following advantages over traditional online lotteries:

- The blockchain technology makes the movement of funds transparent: so it is possible to track whether, when and to what extent the payments were made.
- Smart contracts regulate the lottery system. Open source is available for anyone willing and can't be adjusted, so the winnings can not be tampered with.
- Costs for sales outlets, staff, distributors, printing, lottery ticket verification and more are reduced. All these costs become part of the participants' winnings, not the profits of third parties.
- A reasonable developers' fee, only 5% of the sold tickets amount, which are possible budget for additional promotion of the project.
- Blockchain lottery blurs the boundaries and allows you to choose the optimal tax regime: with low or no tax rates on winnings and there are the agreements on avoidance of double taxation with most countries of the world.

All the above-mentioned advantages will be implemented on the Gexan platform. It is an ecosystem at the interface of the most advanced technologies:

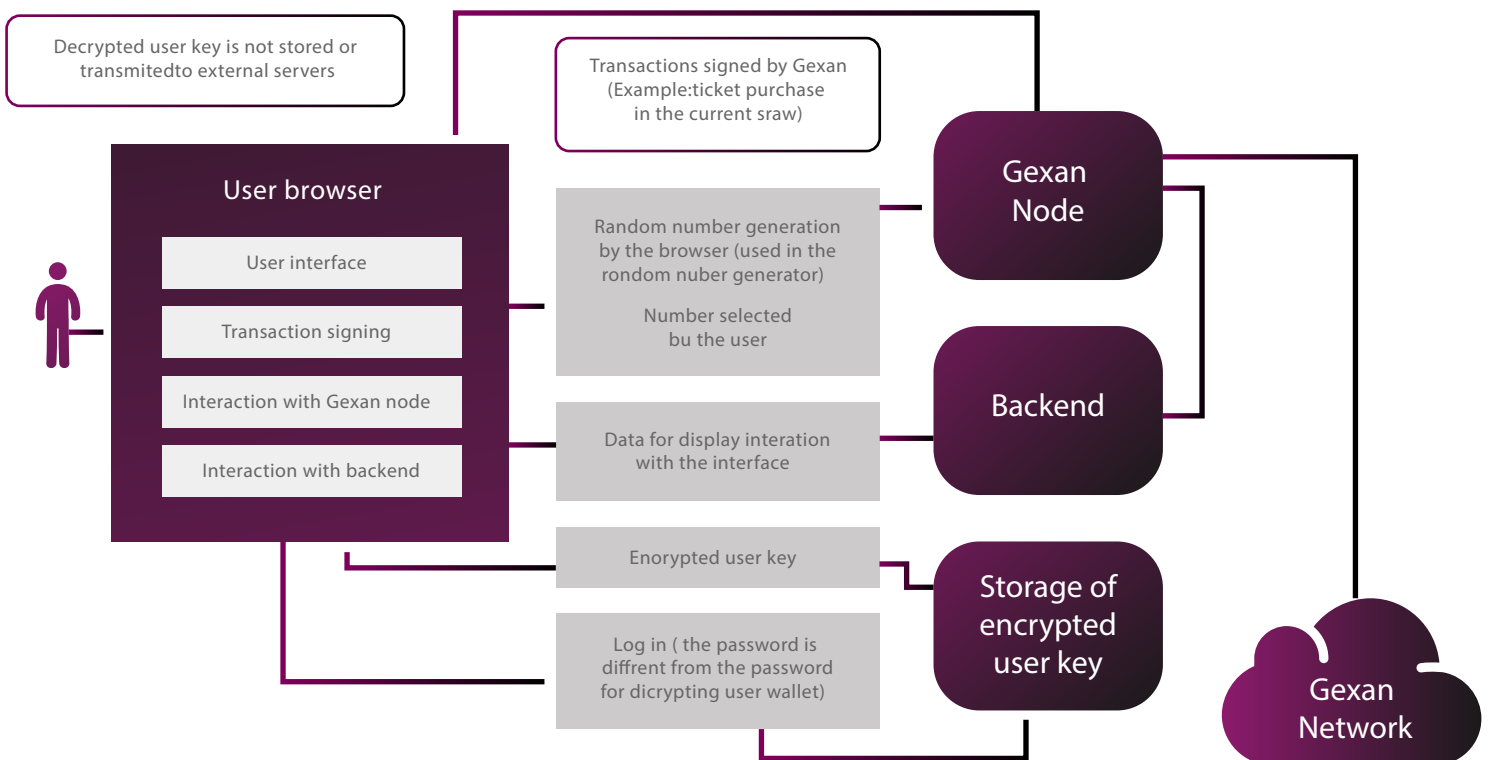
- Blockchain
- Smartcontracts
- Masternodes+hybrid POW+POS algorithm
- Fiat gateways on the website and in the mobile application
- internal exchange (any currency \rightleftharpoons GEX \rightleftharpoons any currency)

The Gexan Lottery will be international and anonymous platform. The main differences are set out in table format for ease:

| Blockchain lottery | Traditional lottery |
|---|--|
| Open source code of the random number generator | A closed system of the winner selecting |
| Transparent system of awards distribution, tickets sold, etc. | The organizing companies do not disclose this information |
| The chances of winning the jackpot are 50 times higher | Average jackpot chances are 1 to 70'000'000 |
| Even if desired, no one can affect the payment of winnings | Nominees winners are possible |
| Anonymity, no need to disclose personal information | The winners' names become public |
| Minimum costs for the lottery operation | Huge expenses on network distribution, offices, sales points. |
| Payments of winnings are carried out instantly, without the participation of third parties. | A personal appearance in the head offices is needed for large payments. Often there is a time limit of six months to a year. |

Gexan Platform

The interaction of players, smart contract, website, blockchain nodes is presented schematically in the Figure. The key factor in this architecture is maximum security with high transaction processing speed.



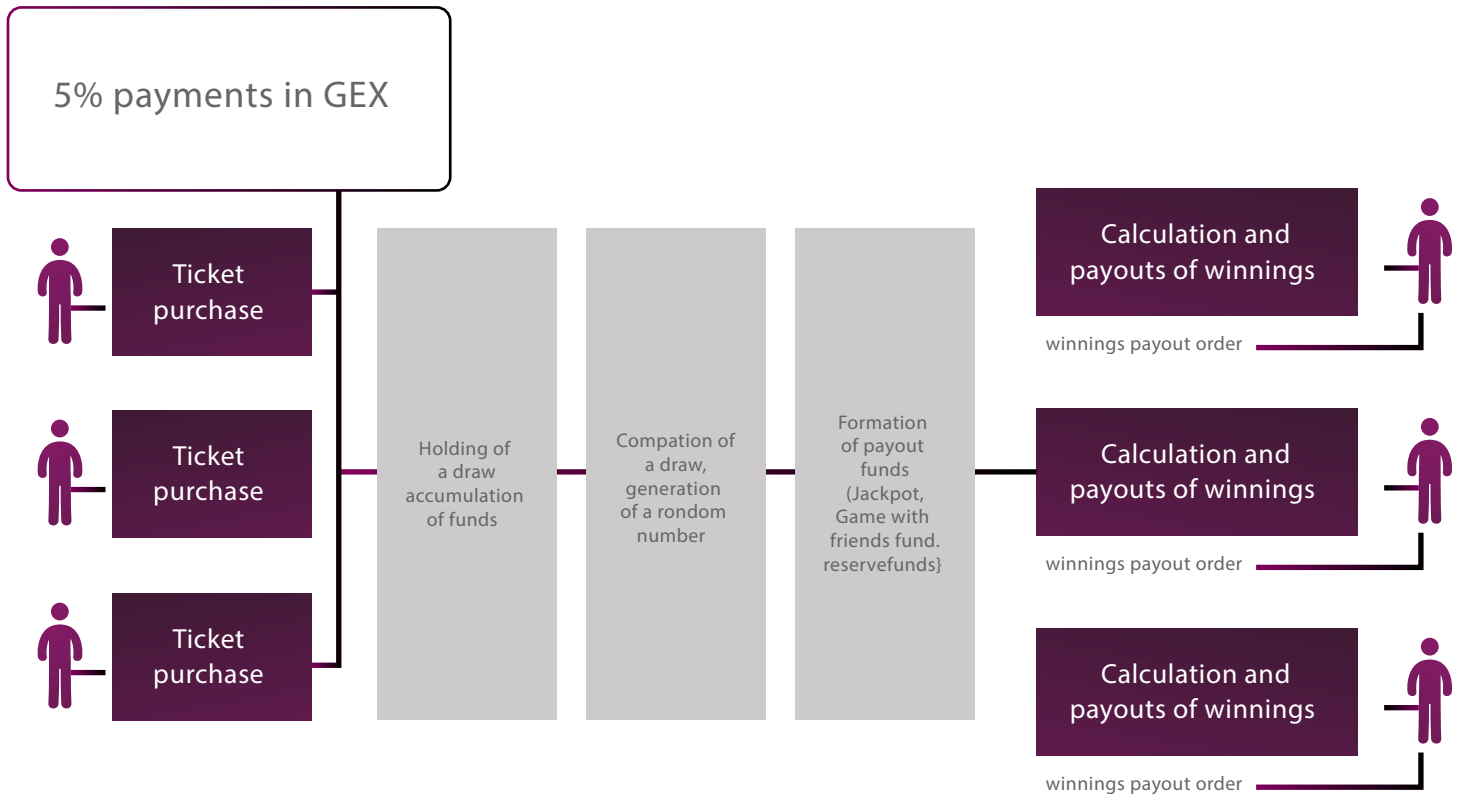
There are many kinds of lotteries that we are going to implement:

5/36.

First of all, the lottery code will be written - some kind of Powerball game. The participant must "guess" the five main balls (choices are from 1 to 36), as well as one ball is additional one. Just it is called the ball "Powerball". In total, this gambling game has nine prize categories. The minimum prize will be obtained if you guess the ball "Powerball" (values from 1 to 10). You just have to choose 5 numbers in the purchased ticket. The draw will take place every day, and the fall of balls with numbers in the system is calculated according the random number generator. Thus, no one can predict the fallen numbers in advance, and the these numbers are completely random. The source code of the algorithm for calculating the dropped numbers will be available on Github.

Pool.

The next type of lottery will have guaranteed winners. The draw will be held in the following way: all participants send the desired number of tickets to the common pool, to the smart contract that records incoming transactions. Then there is a probabilities calculation of each participant according to the number of tickets sent to them. The more tickets the player has sent, the higher chances he/she has to take prizes. After that, there is a "mixing" of all tickets and randomly the winners is determined. The first three places take most of the pool. Also, several dozen of players who receive small prizes in the amount of two or three ticket prices are randomly determined. All calculations and payments are made in THE Gex coin. Then the winning players decide whether to sell them on the stock exchange or participate in the next draw again. 5% of the total pool goes to the development team, the remaining amount is distributed among the players.



Promo Lottery.

A few weeks after the completion of the Presale stage, the promo lottery with large prizes in the form of BTC will be held. To participate in such lotteries, a relatively expensive entrance threshold is provided, but the main prize will be drawn among the lottery participants 100%. Details of each of them will be announced in advance through social channels.

We are not going to stop there in the future and we will introduce new types of lotteries to attract more players. Our goal is to present all the best and popular traditional lotteries on the Gexan blockchain platform.

Benefits for investors at the IEO stage.

Investors at the IEO stage have a unique opportunity to buy a masternode or a certain amount of GEX for POS-stacking.

| Blocks | POS 2 min | POW 2 min | MN 1 min | MASTERNODES | | | |
|----------------|--------------|--------------|-------------|-------------|-------|-------|-------|
| | | | | 10 MN | 15 MN | 30 MN | 50 MN |
| 0-50000 | 0.2 | 0.4 | 0,2 | 210% | 140% | 70% | 42% |
| 50001 - 70000 | 3.2 | 6.4 | 3.2 | 3364% | 2243% | 1121% | 673% |
| 70001 - 200000 | 2 | 4 | 2 | 2102% | 1402% | 701% | 420% |
| 200001-460000 | 1.2 | 2.4 | 1.2 | 1261% | 841% | 420% | 252% |
| over 460000 | 0.8 | 1.6 | 0.8 | 841% | 561% | 280% | 168% |

Purchasing a certain amount of GEX at the IEO stage, you will receive new GEX every day after withdraw to your wallet. Really it is a unique opportunity for the blockchain lottery.

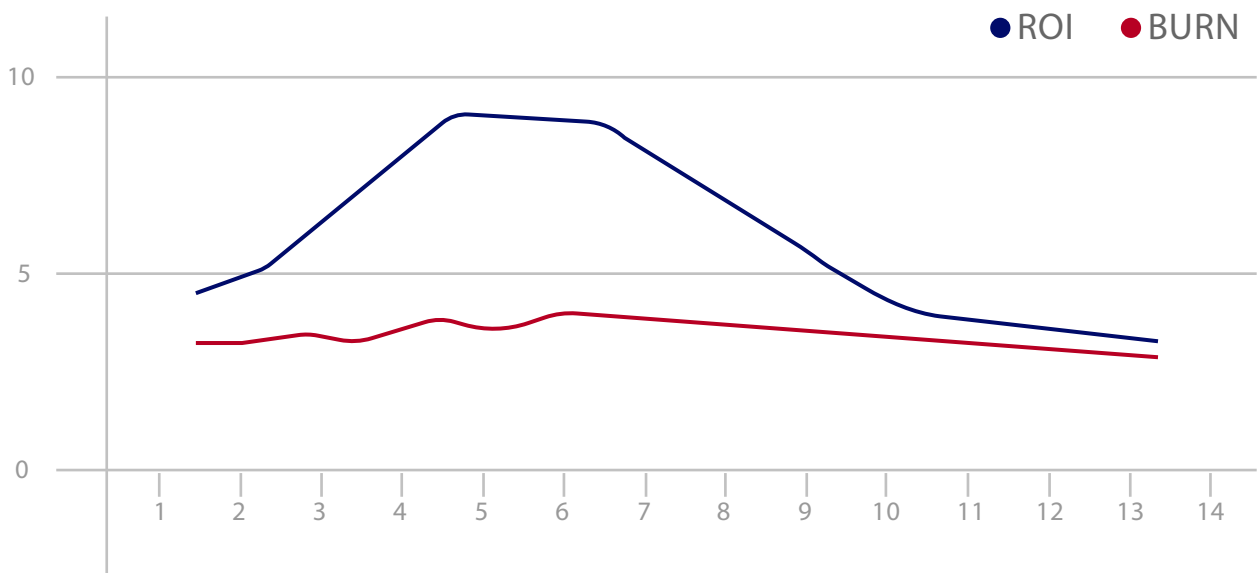
And the sooner you take part in the purchase of coins, the sooner you will begin to generate new GEX in your wallet.

The installation guide is published on the site Gexan.io to install Masternode.

To get GEX through the hybrid POW+POS algorithm, you only need to store coins in your wallet, they will be credited to you automatically.

In addition to the high ROI, investors will be able to use their tickets to participate in daily lotteries. This is a double benefit only for the earliest investors.

According to the table of block generation, the maximum profitability falls on the first 3 months of the project. Over the next 6 months, ROI gradually decreases and stops at a small level. Along with this process, the development team will "burn" coins after each lottery draw. This is done in order to balance the primary strong inflation. After 9 months, in accordance with the specified parameters, inflation and the level of burning coins reach parity.



The main advantages of investing in the Gexan project:

- benefit: the highest possible ROI is only at the initial stage of the project.
- luck: the ability to use the generated tickets to participate in lotteries.
- stability: the "burning" system of GEX will contribute to the coin price stability.
- calmness: time-tested idea, millions of people have played and will play the lottery. We bring openness, increased payout ratios, anonymity, low tax rates.
- originality: we create a lottery on the blockchain with masternode, which has no analogues.
- sufficiency: a small aggregate offer of GEX of 21 million coins.
- guarantee: if a Soft cap of only 13.45 BTC is not reached - we will issue a refund.
- trust: the project team is open, appropriate, has serious experience for implement the plans. The budget is calculated and well planned. Hard cap is just 117,5 BTC.

Why us?

The differences from the competitors.

We have a clear understanding that we are entering a new, promising and competitive market. According to the roadmap, our immediate goal is to create an MVP, to build a base of players and the community, and then to find a strategic investor who will help us to scale quickly. This is the essential requirement.

We have identified three major advantages over other blockchain lotteries:

1. Fast and secure blockchain, which has proven itself for several months. It will introduce smartcontract and masternode will provide fast transaction speed.

2. 85% of the sold tickets are players ' winnings! This is a key success factor, other projects have a rate of no more than 70%. The more and more people win, the more new participants will be.

3. Participants will collect Masternodes or POS stacks for daily generation of new tickets. It is profitable and convenient. Why buy a ticket every time, if you can buy them once in the right amount and get them free. This is a unique feature of the Gexan lottery.

The parameters of the blockchain

We have been developing blockchain parameters for the maximum benefit of early investors.

| Blocks | POS 2 min | POW 2 min | MN 1 min | MASTERNODES | | | |
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| over 460000 | 0.8 | 1.6 | 0.8 | 841% | 561% | 280% | 168% |

The maximum profitability falls on the first 3 months of the project. Over the next 6 months, ROI gradually decreases and stops at a small level.

| Coin options | Indicator | Coin options | Indicator |
|-----------------|-----------------|-----------------------|---------------------|
| Symbol | GEX | Masternode collateral | 5000 |
| Coin type | HYBRID POW/POS | Stake age | 1 hour |
| Block Time | 60 sec | Premine | 1'480'000 |
| Coin maturity | 6 confirmations | Rewards | 40%MN-40%POW-20%POS |
| Max coin supply | 21'000'000 | Block rewards | 0.5 - 8 GEX |

Road map

According to our mission, we plan to create and distribute around the world a new type of fair, transparent lotteries, where each participant will be able to check the rewards fairness and payments speed. We understand that to develop a product to such a level, we need serious investments in advertising and promotion of the product, so our first task is to create a working product that corresponds to the key parameters:

1. The lottery pays itself and does not require finances to maintain the work.
 2. Stimulating marketing system is built in such a way that provides an influx of new players due to the activity of existing participants.
 3. The presence of the initial base of loyal players.
 4. The key KPIs indicators (jackpot size, daily turnover, number of participants, etc.) have been achieved.
- When the planned results are achieved, we reach out to strategic investors (venture funds, business angels, etc.) for the purpose of product scaling. Next, the new structure of the roadmap will be determined based on the company's selling share and the amount of investments received.

Stage 1.

1. Concept created
2. Core team established
3. White paper 1.0
4. Development and implementation of marketing strategy
5. Website & Design Re-Branding
6. SMM channels creation

Stage 2.

1. GEXAN Mainnet launch
2. Marketing campaign - 1st round
3. Mining pools listings
4. Smart contracts for 5/36 lotto
5. Crypto trackers listings
6. Initial exchange offering

Stage 3.

1. Referral program launch
2. Legal entity, license
3. Coinbase & CoinPayments listings
4. 5 new lotteries
5. Listing on Exchanges - 2nd round
6. Gateway bridge for Crypto withdrawals
7. Marketing campaign - 2nd round
8. Mobile Wallets release

Stage 4.

1. IOS & ANDROID app launch
2. partnerships with DAPPS developers
3. Cryptoexchange gate on website
4. User interface decentralization (MIST)
5. Listing on Exchanges - 3rd round
6. KPI achivments for investors promo
7. Marketing campaign - 3rd round
8. 8 new lotteries
9. Provide company share to a strategic investor

Adjustment and presentation of the updated road map every quarter. Planning is an important part of the working process, so we'll keep the community informed about where we're going and what we're working on.

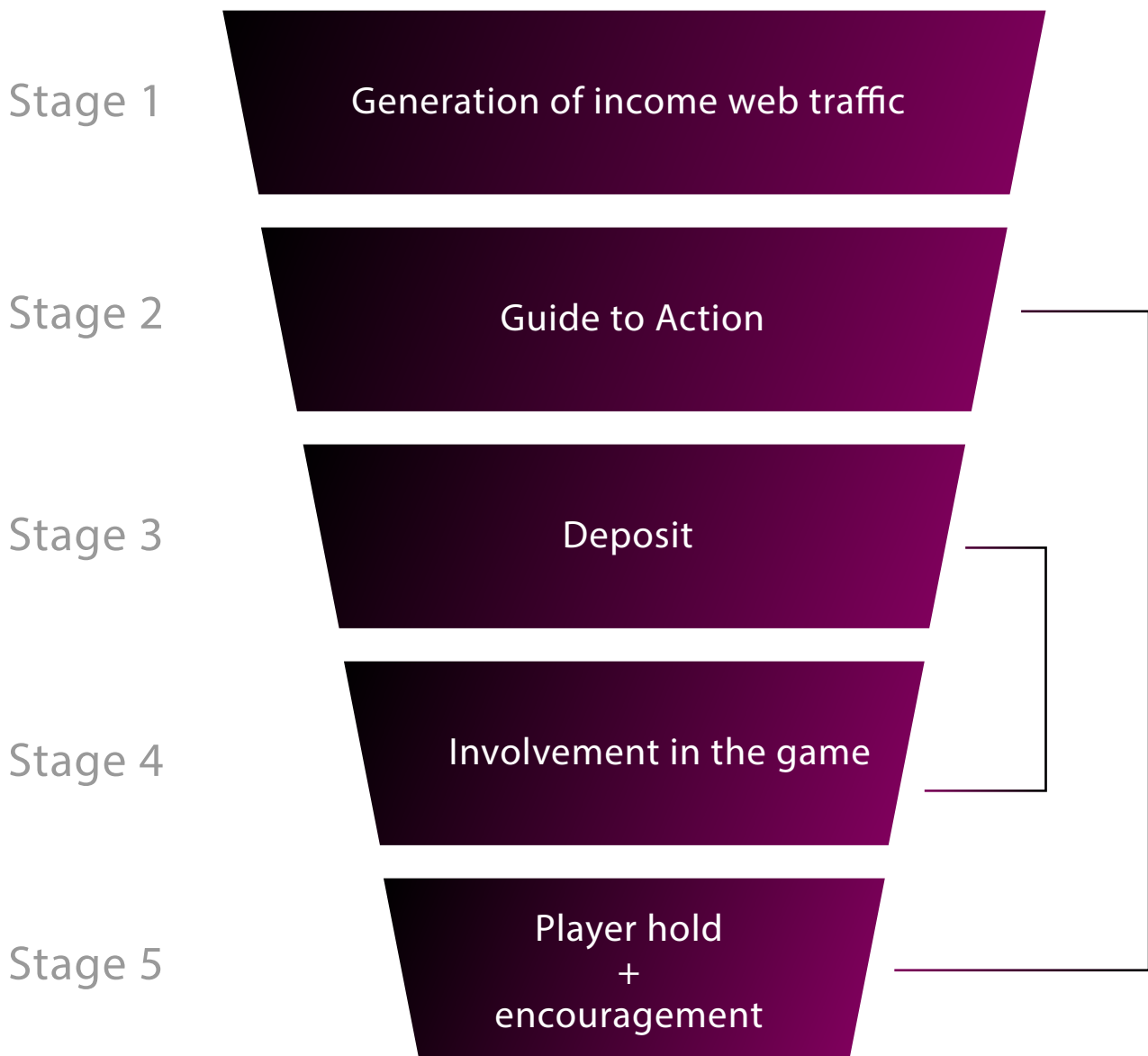
Marketing strategy.

We understand that marketing is the key to the success of any lottery. Without it, even the most interesting and original ideas will fail. Therefore, in our work we will pay special attention to the platform promotion. The main emphasis will be placed not on expensive paid resources, but on the referral system and viral marketing. Participants themselves will be rewarded with lottery tickets for attracting new players to our ecosystem.

Referral system and structure of invites will be built in such a way as to maximize financial interest to invite friends and acquaintances. As a result, we will be able to achieve exponential growth of the players community in a relatively short period of time. The influx of new players will increase the amount of draws and jackpots. An honest and transparent system of distribution of awards will reveal the winners.

We plan to publish constantly "stories of success " of the drawings participants, who were lucky to win big prizes. These publications will also be one of the foundations of the marketing and promotion of our lotteries. The dissemination of the information about the lottery will be carried out through social networks and messengers, specialized groups and channels, for example bitcointalk.com (iGaming section), [Askgamblers](https://askgamblers.com), [OnlineCasinoReports](https://onlinecasino.com), [IGamingforums](https://igamingforums.com), [Casinomeister](https://casinomeister.com), [Casinolistings](https://casinolistings.com), etc.

SALES FUNNEL



Later, we will prepare a program for partners, providing a reward as a part of the profits of our affiliates. This program will be a powerful marketing tool that will influence the development of our platform.

Additionally, players will be divided according to their activity:

1. Low activity - 1 time a week the offer to play on increased probabilities (+1-2 fields in the ticket).
2. Average activity - lottery limited in time (24 hours) with increased chances.
3. High activity - every 6 tickets is free.

Referral system:

- free GEX for invited new member
- free GEX to new invitee
- 5% of the Jackpot size is received by the invited participant

Additional bonuses will also be introduced during the draws. Later there will be a rating and status of participants to form a full-fledged gaming community.

Initial exchange offering (IEO).

Coin name - Gexan

Ticker - GEX.

Premine-1'480'000 GEX.

Total for sale is 1'000'000 GEX.

Price for 1 GEX - 0.0001175 BTC.

Max supply – 21 '000 '000 GEX-will be generated within 20 years.

Inflation per year (starting from the second year) is 918000 GEX.

Burning per year (starting from the second year) is 438000 GEX.

Generate new GEX-immediately after installing the masternode/wallet.

IEO will take place in one step (no private sales), until the soft cap will not be collected. When soft cap is reached, the IEO stage cannot last longer than a month.

Not sold GEX will be used for marketing purposes/jackpot, or in the reserve of the project.

Soft cap and Hard Cap.

Summing up all the above-mentioned items we get a total budget of 13.45 BTC.

This is the minimum amount that we need to collect for the implementation of all plans. With a lack of funding to start the project will not make sense.

Thus, according to the results of the IEO stage, we make decisions:

1. In case of not reaching the minimum investment level (Soft cap) of 13.45 BTC - we return the funds to investors.
2. The maximum amount of the required investment (Hard cap) is 117.5 BTC.

Funds received from investors in total, more than soft cap will be spent on marketing, attracting new users and on the development of functionality, types of lotteries.

The following types of packages will be sold at the IEO stage:

1. Masternode – 5000Gex (Collateral)
2. POS packages for stacking

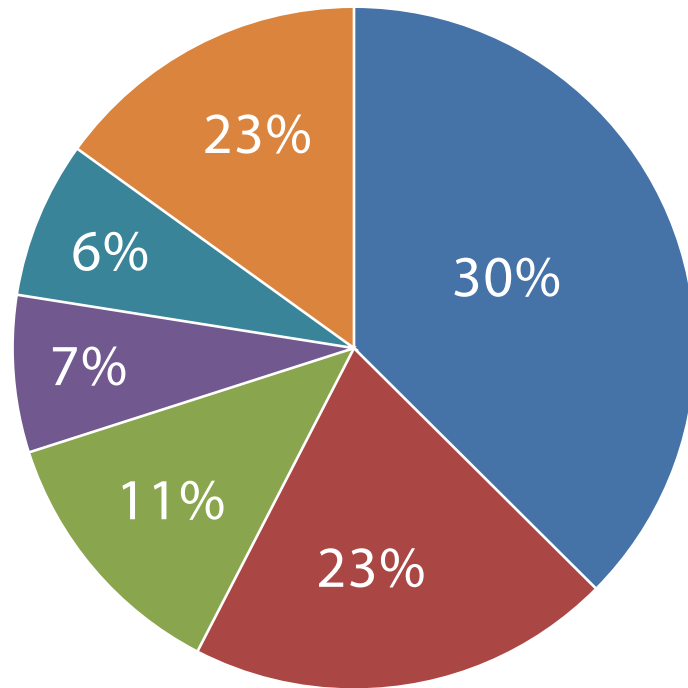
Accepted cryptocurrencies: BTC, ETH, USD.







The number of the dispensed coins:

First IEO - 400'000 GEX

Second IEO - 600'000 GEX (if held, otherwise these coin will locked or burn)

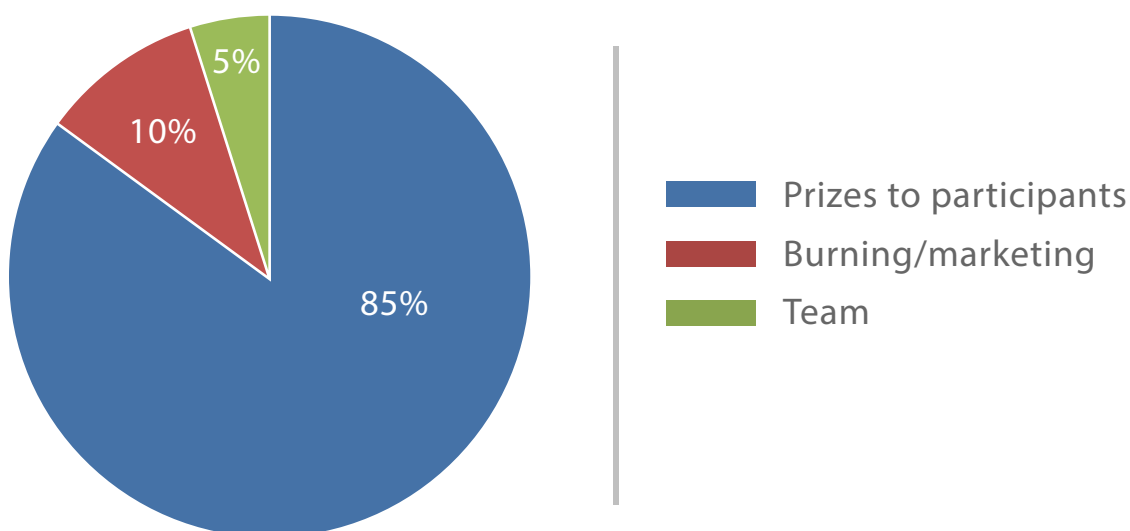
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| | | | | |
|---|-------------------|-----|--------|-----|
|  | Masternode owners | 27% | 400000 | GEX |
|  | POS staking | 40% | 600000 | GEX |
|  | Bounty | 7% | 100000 | GEX |
|  | Airdrops | 6% | 50000 | GEX |
|  | Invite company | 4% | 60000 | GEX |
|  | Prize fund | 18% | 270000 | GEX |

Distribution of funds, project budget.

According to the main mission of Gexan, almost all collected funds will be distributed among the lottery participants. The team will keep a symbolic 5% of the turnover.

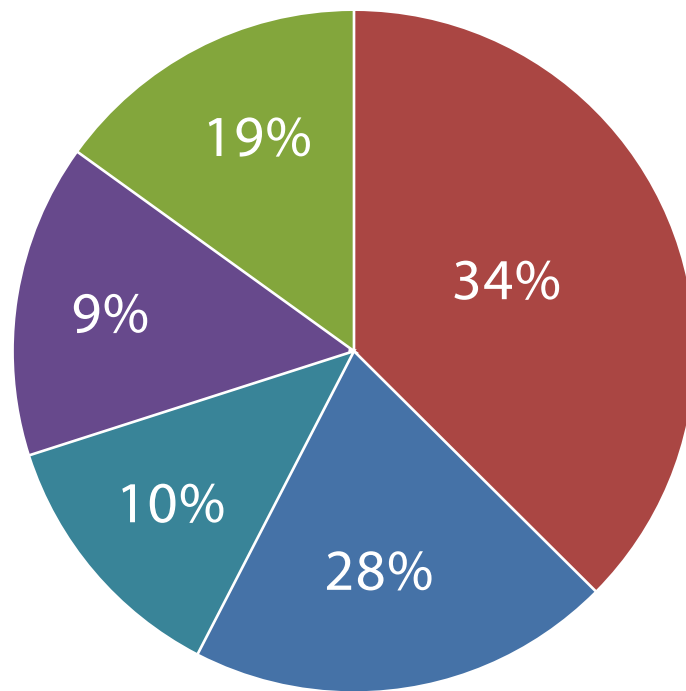







Also, 10% of the total pool will either be burned to maintain the price at an acceptable level, or spent on marketing according to the marketing strategy. This item is left to the team's discretion and will vary depending on the market conditions and the requirements of the competitive environment.

The budget will be spent as follows:

1. Blockchain and site development, network start, seed nodes, Explorer, marketing to the stage of Presale – with fundings of the developers.
 2. Crypto trackers listings, Crypto charts listing– 2 BTC.
 3. Listing on Exchanges - 1st round - 31.5 BTC
 4. Development of smart contracts for 16 types of lotteries – 4.8 BTC.
 5. Marketing campaign– 20,5 BTC.
 6. IOS & ANDROID app lauch– 4.5 BTC.
 7. Cryptoexchange gate on website – 2 BTC.
 8. Promo lottery with prizes in the form of BTC and marketing – 10 BTC.
 9. Legal entity, license– 7.5 BTC.
 10. Team - 3 BTC
 11. Reserve for development - 31.7 BTC
- Total: 117,5 BTC

Distribution of collected funds, BTC



| | | |
|---|--------------------------------|-----|
|  | Exchanges | 28% |
|  | Marketing and promo lottery | 34% |
|  | Web site and Apps | 9% |
|  | Legal entity, license | 19% |
|  | Development of smart-contracts | 10% |

Project risks:

1. Legislative risks of the blockchain industry.

The wide audience has known Blockchain technology recently, so only now in different countries the laws which has to regulate this area are written and published. We cannot assume what restrictions may be imposed on this industry in different countries.

2. Risks of the hacker attacks.

Scammers are constantly searching for vulnerabilities of smart contracts, websites, user wallets. We can't exclude hackers attempt to attack our ecosystem.

3. Legislative risks of the lottery market.

Despite the fact that the legislation of most countries concerning lotteries is written and applied, we do not exclude the fact that there may be any changes in certain countries and jurisdictions that will impose certain restrictions on our users.

4. Financial risks of the project.

The market of gambling in general and lotteries in particular is highly competitive. We do not guarantee the achievement of the planned results. The GEX coin is intended only for payment of lottery tickets on our platform (Utility). Its price can vary greatly depending on external conditions. The investor may suffer significant losses. Invest only the part of the funds you are ready to risk.

Conclusion

In present Whitepaper we reviewed the strong and weak points of the Gexan lottery, showed the distinctive features that, in our opinion, will lead to success and help to take a leading position among such projects.

We recall that those investors who are willing to finance the project Gexan at the IEO stage, receive obvious advantages:

1. By purchasing a masternode or share for POS stacking you will get a huge ROI in the form of new GEX. (table above)
2. Regardless of the prices on the exchanges, investors will be able to use GEX for its intended purpose, that is, to participate in daily lotteries and have a chance to win big prizes.

Additionally, we have a fast and secure blockchain, which has proven itself for several months. We are also sure that the maximum payout rate of 85% is a key success factor.

The Gexan lottery blockchain does not need to assume the cost of maintaining a network of distributors to sell lottery tickets. As a result, all operating expenses of the team are reduced to the development of new lotteries, legal issues and functional development. This will contribute to the rapid project development and take a leading position in the new market of blockchain lotteries.

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