



Suite 114 – 990 Beach Avenue
Vancouver, BC V6Z 2N9

Tel: 1.844.282.2140 / Fax: 1.877.420.7950

www.blockchaingroup.io

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NEWS RELEASE

CSE: BIGG

BIG Blockchain Intelligence Group Supports Canada's New Cryptocurrency Regulations Draft Focused on AML and KYC

BIG Blockchain Intelligence Group Inc. ("BIG"), a leading developer of Blockchain technology search, risk-scoring and data analytics solutions, supports and comments on Canada's draft of new regulations related to Anti-Money Laundering (AML), Anti-Terrorist Financing (ATF) and Know Your Customer (KYC) rules within the cryptocurrency space.

- Draft comes days after the U.S. Securities and Exchange Commission (SEC) created the new role of Senior Advisor for Digital Assets and Innovation to balance consumer protection with innovation in multi-billion-dollar cryptocurrency market
- Proposed regulations to treat cryptocurrency exchanges & payment processors as money service businesses (MSBs)
- MSBs to report transactions over \$10,000 CAD; new Know Your Customer (KYC) transaction threshold of \$1,000 CAD

VANCOUVER, BC – June 27, 2018 – BIG Blockchain Intelligence Group Inc. ("BIG" or "the Company") (CSE: BIGG)(WKN: A2JSKG)(OTC: BBKCF), a leading developer of Blockchain technology search, risk-scoring and data analytics solutions, as a company founded in Canada, is pleased to support the Government of Canada's June 9, 2018 release of an official draft of new regulations (the "Regulations") related to the country's Anti-Money Laundering (AML) and Anti-Terrorist Financing (ATF) Regime, specifically in application to cryptocurrencies. BIG offers the following comments on the proposed legislation.

The Regulations are designed to strengthen Canada's AML/ATF Regime while addressing a number of related deficiencies that the Financial Action Task Force (FATF) identified in 2015-16. The Regulations propose to treat cryptocurrency exchanges and payment processors as money service businesses (MSB), which requires:

- reporting large transactions (i.e., over \$10,000 CAN or ~\$7,700 USD)
- a new Know Your Customer (KYC) transaction threshold of \$1,000 CAN (~\$770 USD)



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“We are very pleased with this new cryptocurrency regulations draft,” said BIG CEO, Lance Morginn. “It’s understandable that there will be some marketplace opposition as these proposed regulations will require businesses to acquire and retain more customer data, which will add to the cost and complexity of business. At the same time, the introduction of cryptocurrencies to the financial sector means regulators need to update legal frameworks to prevent loopholes that could be exploited by criminals, while still allowing for market innovation. The marketplace can’t expect to achieve the desired level of security when it comes to cryptocurrencies if it doesn’t have adequate regulations and the tools needed to ensure accountability. The finance regulations of all nations were originally crafted to only address the vulnerabilities of traditional financial services and brick-and-mortar institutions.”

According to the draft, the new Canadian regulations would:

- strengthen Canada’s AML/ATF Regime and enhance its effectiveness by improving customer due diligence standards, closing loopholes, and strengthening information sharing;
- help improve compliance of reporting entities, such as cryptocurrency exchanges and payment processors, with regulatory requirements;
- help improve the monitoring and enforcement efforts of Canada’s Financial Transactions and Reports Analysis Centre (FINTRAC), particularly enhancing the quality and scope of disclosures of financial intelligence to law enforcement and disclosure recipients, which should better assist them in their investigations; and,
- improve Canada’s compliance with international standards.

BIG welcomes the new Canadian regulations as a positive development, in line with the Company’s goal of bringing cryptocurrency mainstream. Regulations of this nature legitimize the digital currency space by confirming that government, regulators and financial institutions are becoming more accepting of and embracing cryptocurrency entities and transactions. BIG also considers the Regulations to represent an opportunity for market players to demonstrate a commitment to protecting consumers and the market itself by complying with the new rules needed to create a defined, accountable and sustainably growing industry and marketplace.

Robert Whitaker, BIG’s Director of Forensics and Investigations, and Former Department of U.S. Homeland Security, Homeland Security Investigations (HSI) Illicit Finance & Proceeds of Crime Unit, Supervisory Special Agent, commented: *“While BIG helps bring security and accountability to the new era of cryptocurrency through our tools and services, the cryptocurrency space also needs modern legislation and regulations designed to prevent and deter nefarious actors from engaging in illicit activities such as money laundering, terrorist financing, human trafficking, drug trafficking, weapons trafficking, child*



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pornography, corruption, bribery, and other cyber crimes. Seen in this light, these regulations provide a necessary framework for ensuring the market entities involved are vigilant about knowing their customers and the risks associated with the funds behind their transactions. And in the cases where illicit activity is not prevented or deterred, such regulations serve to protect the overall marketplace by requiring that cryptocurrency transaction data be gathered, which is then available, within legal bounds, to help law enforcement and national security agencies in the investigation, apprehension and prosecution of money launderers, terrorist financiers and other criminals engaged in fraudulent or illegal activities."

The Regulations come only days after the U.S. Securities and Exchange Commission (SEC) created and filled the new role of Senior Advisor for Digital Assets and Innovation at a key time for the SEC and the multi-billion-dollar cryptocurrency market, as both make efforts to balance consumer protection with innovation. The SEC stated that the Senior Advisor will "coordinate efforts across all SEC Divisions and Offices regarding the application of U.S. securities laws to emerging digital asset technologies and innovations, including Initial Coin Offerings and cryptocurrencies."

Canada's AML/ATF Regime, first established in 2000-2001, is adapted regularly in response to the evolving financial services landscape, including ongoing modernization of the financial sector and cryptocurrencies, especially decentralized digital payment platforms, like Bitcoin, which operate outside the traditional financial system.

Canada is a founding member of the intergovernmental FATF, a 37-nation group set up by the G7 industrial powers; the FATF sets standards and promotes effective implementation of legal, regulatory and operational measures for combating money laundering, terrorist activity financing, and other related threats to the integrity of the international financial system. During the G20 financial summit in March 2018, finance ministers and central bankers from the world's 20 largest economies suggested to follow FATF standards related to cryptocurrencies.

On behalf of the Board,

Lance Morginn
Chief Executive Officer

About BIG Blockchain Intelligence Group Inc.

BIG Blockchain Intelligence Group Inc. (BIG) brings security and accountability to the new era of cryptocurrency. BIG has developed from the ground up a Blockchain-agnostic search and analytics engine, QLU[™], enabling Law Enforcement, RegTech, Regulators and Government Agencies to visually trace, track



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and monitor cryptocurrency transactions at a forensic level. Our commercial product, BitRank Verified™, offers a “risk score” for Bitcoin wallets, enabling RegTech, banks, ATMs, exchanges, and retailers to meet traditional regulatory/compliance requirements. Our Forensic Services Division brings our team of investigative experts into action for investigations that require in-depth expertise and experience, either in conjunction with or supplemental to our user-friendly search, risk-scoring and data analytics tools.

About BitRank Verified™

BIG developed BitRank Verified™ to be the industry gold standard in ranking and verifying cryptocurrency transactions. BitRank Verified™ offers the financial world a simplified front-end results page, enabling consumer-facing bank tellers, exchanges, eCommerce sites and retailers to know whether a proposed transaction is safe to accept, questionable, or should be denied. BitRank Verified™ and its API are custom tailored to provide the RegTech sector with a reliable tool for meeting their regulatory requirements while mitigating exposure to risk of money laundering or other criminal activities.

About QLUETM

QLUE™ (Qualitative Law Enforcement Unified Edge) enables Law Enforcement, RegTech, Regulators and Government Agencies to literally “follow the virtual money”. QLUETM incorporates advanced techniques and unique search algorithms to detect suspicious activity within bitcoin and cryptocurrency transactions, enabling investigators to quickly and visually trace, track and monitor transactions in their fight against terrorist financing, human trafficking, drug trafficking, weapons trafficking, child pornography, corruption, bribery, money laundering, and other cyber crimes.

Investor Relations - USA

KCSA Strategic Communications
Valter Pinto, Managing Director
Scott Eckstein, VP of Market Intelligence
email: BlockChainGroup@KCSA.com
D: +1-212-896-1254

Investor Relations - Canada

Skanderbeg Capital Advisors
Adam Ross
email: adam@skanderbegcapital.com
P: +1-604-687-7130



Suite 114 – 990 Beach Avenue
Vancouver, BC V6Z 2N9
Tel: 1.844.282.2140 / Fax: 1.877.420.7950
www.blockchaingroup.io

BIG Investor Relations

Anthony Zelen
D: +1-778-819-8705
email: anthony@blockchaingroup.io

For more information and to register to BIG's mailing list, please visit our website at <https://www.blockchaingroup.io/>. Follow [@blocksearch on Twitter](https://twitter.com/blocksearch). Or visit SEDAR at www.sedar.com.

Forward-Looking Statements:

Certain statements in this release are forward-looking statements, which include completion of the search technology software and other matters. Forward-looking statements consist of statements that are not purely historical, including any statements regarding beliefs, plans, expectations or intentions regarding the future. Such information can generally be identified by the use of forwarding-looking wording such as "may", "expect", "estimate", "anticipate", "intend", "believe" and "continue" or the negative thereof or similar variations. Readers are cautioned not to place undue reliance on forward-looking statements, as there can be no assurance that the plans, intentions or expectations upon which they are based will occur. By their nature, forward-looking statements involve numerous assumptions, known and unknown risks and uncertainties, both general and specific that contribute to the possibility that the predictions, estimates, forecasts, projections and other forward-looking statements will not occur. These assumptions, risks and uncertainties include, among other things, the state of the economy in general and capital markets in particular, and other factors, many of which are beyond the control of BIG. Forward-looking statements contained in this press release are expressly qualified by this cautionary statement. Undue reliance should not be placed on the forward-looking information because BIG can give no assurance that they will prove to be correct. Important factors that could cause actual results to differ materially from BIG's expectations include, consumer sentiment towards BIG's products and Blockchain technology generally, technology failures, competition, and failure of counterparties to perform their contractual obligations.

The forward-looking statements contained in this press release are made as of the date of this press release. Except as required by law, BIG disclaims any intention and assumes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Additionally, BIG undertakes no obligation to comment on the expectations of, or statements made by, third parties in respect of the matters discussed above.