

BLOCKCHAIN ASSETS AI, Inc.

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**"Building a U.S. Regulatory-Compliant
Approach With Securitized and Asset-
Backed Crypto-Tokens"****OFFERING****SUMMARY**

OFFERING UP TO ONE MILLION (1,000,000) SHARES OF 6% CONVERTIBLE PREFERRED STOCK AT \$5.00 PER SHARE. EACH SHARE IS CONVERTIBLE TO TEN (10) SHARES OF CLASS A COMMON STOCK WITH ATTACHED WARRANTS, AFTER ONE (1) YEAR AND ONE (1) DAY OF RECORD OF OWNERSHIP. IF ALL PREFERRED SHARES ARE ISSUED AND CONVERTED, THIS CONVERSION WILL REPRESENT 10% OF THE AUTHORIZED COMMON STOCK OF THE COMPANY. THE MINIMUM INVESTMENT IS \$50,000.00.

**CONTACT:
Blockchain Assets AI, Inc.**

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The following summary is qualified in its entirety by the detailed information appearing in the Private Placement Memorandum of the Company, including the Exhibits attached thereto. Each prospective investor is urged to read the Offering Memorandum, and Exhibits thereto, in their entirety. This summary is for informational purposes ONLY, and this Offering is only open to "Accredited Investors".

The Company and Its Goals: Blockchain Assets AI™, Inc. ("BAAI" or the "Company"), is a Wyoming C-Corporation. The goal of the Company is to make a profit for its stockholders by creating certain classes of "U.S. compliant" securitized hard-asset-backed crypto-tokens, which we call the "Numeum™", as well as forming and operating the "Blockchain Token Exchange, LLC ("BTOKX")" an SEC-licensed Alternative Trading System (a private securities exchange or "ATS") responsible for the secure and efficient transfer/trading of the crypto-tokens issued by the Company and other issuers of U.S. compliant crypto-tokens/currencies on the blockchain. The Company has also formed Blockchain Assets Advisors, LLC, as a wholly-owned subsidiary that will also acquire, manage, hedge, trade, store, and safeguard the "hard-assets" that are used for the backing and price indexing of the Company's Numeum™ tokens. Note that there is currently NO SEC-compliant crypto-currency/token issuer located in the U.S. that has securitized its crypto-currency/token through SEC "qualification". (Note that the SEC maintains that a crypto-currency/token is a "security", and the issuance of such falls under its regulatory umbrella. Also, the Commodity Futures Trading Commission has asserted that cryptos that involve "commodities" fall under that regulatory jurisdiction.) The Company plans to be the first securitized crypto-token issuer in the U.S. And, it also intends to form a licensed Broker-Dealer, Blockchain Assets Securities, LLC, which will aid in the issuance of the Numeum Tokens™ and other crypto-securities operating on the blockchain.

The Subsidiaries:

A. Blockchain Assets Advisors™, LLC ("BAA"), is a Wyoming limited liability company that is a wholly-owned subsidiary of Blockchain Assets AI, Inc. The Subsidiary will provide certain functions relating to the acquisition, management, accounting, trading and hedging of the hard-assets acquired by the Company in support of its crypto-tokens. BAA will also offer consulting services to other crypto-companies desirous of becoming U.S. compliant in the securitized token arena. BAA may also apply for membership in various stock and futures exchanges if volumes of trading and resulting execution costs would make that action economically viable. BAA is NOT offering any securities in this private placement offering.

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B. Blockchain Token Exchange™, LLC (the "BTOKX"), is a Wyoming limited liability company that is currently a wholly-owned subsidiary of Blockchain Assets AI, Inc. Its purpose is to register as an ATS (Automated Trading System, "ATS", a private exchange) with the SEC. This platform will allow the active trading of listed securitized crypto-currencies/tokens (that are legal in the U.S.) issued by the Company, as well as other U.S. compliant issuers. BTOKX is NOT offering any securities in this private placement offering.

C. Blockchain Assets Securities™, LLC ("BAS"), will be a Wyoming limited liability company that is a wholly-owned subsidiary of the Company. It will be a member of SIPC/FINRA, and will perform BD functions related to the offering of securities in private offerings, Regulation A and possibly S-1 filings, for others desirous of making entry into the blockchain arena. It will also function as a securities consultant, providing its capitalization and regulatory models to the blockchain industry.

The Securities of the Company: The Board of Directors of the Company has authorized One Million (1,000,000) shares of **6% Convertible Preferred Stock** (the "Preferred"), which are offered to "accredited investors" in this Regulation D, Rule 506(c) private placement offering. Each share of the Preferred is convertible to ten (10) shares of the Class A Common Stock of the Company after one year and one day of ownership of the Preferred. (This stock is restricted as to its transfer until that time.) If all shares of Preferred were converted at a conversion ratio of 10:1, the resulting conversion would result in 10% ownership of the Class A Common Stock of the Company.

The Board of Directors of the Company has also authorized One Hundred Million (100,000,000) **Class A Voting Common Stock Shares with non-detachable warrants attached**, and each warrant may be exercised to purchase One hundred (100) asset-backed Numeum Tokens™ at a discount to NAV, when and if issued. This Common Stock plus warrants is **NOT** being offered under this private placement offering, but is intended to be issued subject to "qualification" by filing with the SEC under a Regulation A, Tier 2 offering in the near future, with an anticipated offering price of \$2.50 per share.

The Board of Directors of the Company has also authorized One Hundred Billion (100,000,000,000) **securitized asset-backed crypto-tokens, to be known as "Numeum Tokens™" or the "Numeum"™**. These tokens will be sold to investors and to warrant holders owning the common stock of the Company, who are exercising their warrants subject to the terms of the warrants, subsequent to this offering becoming "effective" under an S-1 filing ("IPO") with the SEC. Numeums™ will be backed by actively managed "hard-assets". The Numeum™ tokens will give non-accredited investors the ability to participate in potential appreciation of their tokens from hedging and trading operations performed to create "alpha" (appreciation in the value of the tokens). There are currently planned various classes of Numeum™ Tokens, identified by the hard asset classes backing the particular token. Numeum Tokens™ are **NOT** being offered under this private placement.

This Offering: The Company is offering 6% Convertible Preferred Stock (the "Preferred") of the Company to "accredited investors", as defined under Regulation D, Rule 501(a) of the Securities Act of 1933. This Offering is being made in the form of a Regulation D, Rule 506(c) non-registered securities offering pursuant to the Securities Act of 1933, as amended. A Form D has been filed with the SEC claiming exemption from registration of these securities. **The minimum investment amount is \$50,000.** Investors may be required to produce third-party confirmation of financial classification, subject to interpretation of current regulations. The Company is making this private placement offering of its Preferred Stock as a "self directed" or "issuer" offering, without the use of a licensed Broker-Dealer, though a licensed Broker-Dealer may ultimately be engaged, if necessary and at the sole discretion of the Board of Directors of the Company.

Executive Summary:

The goal of the Company is to create a total U.S.-Compliant "securitized token" with its associated supporting infrastructure, composed of various wholly-owned subsidiaries and operations. The resulting "crypto-token" is the Numeum™, a hard-asset backed token to be issued by the Company. The motto of the Company is:

"A token worth its weight in real assets. An ecosystem for digitized finance."

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U.S. compliance is the primary concern shaping the design of the Numeum™ ecosystem. Where most other blockchain businesses are operating outside the US with refusal to do any business with US residents, the Company is positioned to serve the high demands of US-regulated markets. Between securities laws, trade restrictions, money transmitter laws, and tax reporting requirements, the barriers to entry are set high, and we will be working closely with regulators to build a better, stronger, faster financial system.

Blockchains are distributed digital registries for property. **Tokens** are digital contracts you own. To bring the old financial world fully in to the digital era, consider tokens a form of 'electronic security paper' with anti-counterfeiting measures only made possible through computer cryptography. A user's 'private key' is a digital equivalent to their signature, thumb print and retinal scan, rolled in to a string of numbers and letters that must match exactly in order to transfer any of the user's property, or to authenticate as the user. The designs of blockchain technologies mathematically enforce these rules.

The Numeum Token™ - Numeum™ is a '**securitized token**' that the Company shall issue at the time this token is "qualified" by the SEC in a Regulation A, Tier 2 filing. The Company intends to issue this token in accordance with SEC regulations, and to become a model for U.S.-Compliant token issues.

The Numeum™ Pricing Mechanism - Up to One-half (50%) of capital raised in funding rounds is being allocated to the "Numeum Reserve™" (the "Reserve"), for accounts managed to support the asset backing and value of the initial tokens for the tokenholders. The excess of this capital over that allocated to the Reserve, less expenses, shall be allocated to "Numeum Alpha™" (the "Alpha") accounts, accounts professionally managed to create "alpha" or increase in value of the circulating tokens. Numeum Tokens™ are non-voting and represent a pro rata ownership interest in the Reserve plus the Alpha, and their segregated funds and affiliated sub-funds that are to be managed by Blockchain Assets Advisors, LLC ("BAA"), a wholly-owned subsidiary of the Company. Numeums™ are NOT shareholder interests in BAAI itself or any subsidiaries of the Company. Therefore, other activities and interests of BAAI are NOT reflected in the value of Numeum Tokens™, only the performance of the underlying "reserve" funds. The market price of the Numeum™ should closely track the Net Asset Value of the Reserve plus Alpha accounts, divided by the number of circulating Numeum Tokens™. And, the lower boundary of the Numeum™ price should not drop much below liquidation value of the Numeum Reserve™ under the worst circumstances. The Numeum Reserve™ and the Numeum Alpha™ are in essence a portfolio of managed trading accounts in multiple markets with the Reserve portion held as hard assets (or derivatives representing those assets) in secured vaults and/or bonded warehouses. Asset classes backing the Numeum Tokens™ may include commodities, equities, bonds, currencies, and crypto-assets. An array of different algorithms shall be trading segregated strategies, \within a risk management framework. Machine learning shall be employed to constantly improve and generate algorithms in ways that humans can't. Trading algorithms operate in every liquid market today. When physical holdings are depreciating, hedging operations will be performed to mitigate drawdown in token value. Professional traders shall oversee daily operations and step in as needed. By distributing risk and opportunity across several independent marketplaces, we aim to reduce Numeum's™ price volatility and attempt to minimize the effects from negative market impacts. By focusing on safer asset classes, hedging operations, and active AI management, we aim to increase the opportunities for token price appreciation. Additionally, fees and other income generated by the Numeum™ ecosystem may be fed back in to the reserve, constantly increasing the backing and the value of each circulating Numeum Token™. The reserve acts as a liquidity pool for the entire Numeum™ ecosystem, reducing costs in backing the creation of various asset-denominated tokens on demand. The Company will earn a significant income from the management of Numeum Reserve's™ and Numeum Alpha's™ trading operations, as income and gains provide a performance-based management incentive. Transparent bookkeeping and regular audits of the Reserve and Alpha accounts assure accurate pricing of Numeum™, and verify backing of all tokens in the ecosystem. Token owners will have access to Numeum's™ transparent books throughout the day, which will be summarized as a signed message on the blockchain and pushed to a web page.

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Numeum™ shall be liquid and fully backed. During business hours, verified Numeum™ holders may redeem their tokens for national currency (via bank transfer) or any number of assets used in establishing the Reserve. Premiums and delivery costs will be incurred. Minimum block requirements for redemption may also apply. Optionally, there will also be a number of discounted products available for redemption, such as gift cards and airfare. By partnering with companies we plan to be able to provide greater redemption value in products and services at sub-market rates. We may partner with local businesses for redemption offers, and have particular interest in building a network of coin & bullion dealers. Market maker algorithms may be deployed on Numeums™ and other tokens in the ecosystem to provide liquidity and stability with price shelves and ceilings. This allows market participants to trade within a range of spot pricing.

The Numeum™ token supply, when and if issued, is currently capped a one-hundred billion (100,000,000,000) tokens. The selling price of newly issued Numeum™ is anticipated to be sold at \$.10 per token, with a small mark-up, absorbing high market demand and stabilizing price. The purchase price of newly issued Numeum™, less fees, goes into the Reserve and Alpha accounts. Tokens represent wealth stored in the Numeum™ ecosystem and this redeemable, circulating token supply shall recirculate through the system when holders claim redemption value, naturally expanding and contracting supply as needed.

The Numeum™ Ecosystem

Numeum™ is more than just a token, and it has the ability to become a kernel of our asset-backed financial system. The intent is for Numeum™ to provide the framework, vision, resources, and liquidity to power a suite of services anchored in real-world wealth. With the intention of minimizing costs and maximizing economic flow, we are building what we intend to become a fully-licensed payment network, which will include cross-border remittances. A debit card is intended to be provided for spending from accounts. Transfer fees should not exceed 1% and in most cases will be nominal. Our platform will appeal to merchants for lowering costs, expanding market reach, nullifying inflation, and providing market data. Merchant services will include the ability to seamlessly process cryptocurrency payments. User friendly web and smartphone apps integrate wallet, transfers, trading, and merchant features. Tax reporting features shall be built-in for IRS compliance and user convenience. Capital gains and income are shall be automatically tracked and logged and made available for user's accounting needs. Account restrictions will be required for US regulations, meaning that only KYC/AML-approved parties will be allowed to participate in the Numeum™ ecosystem. Some transfers may be prohibited due to securities or commodities regulations. We are working to minimize the impacts of US-specific regulations on non-US users, and find the best ways to serve our global community. International crypto exchanges may list Numeum™ and other tokens, with only users registered in the Numeum™ ecosystem able to withdraw.

The Company will offer referral incentives to grow the Numeum™ user base. Merchants can send rewards to their customers. There are advertisers that pay incentives for actions, views and purchases, and the Company may give users opportunities to earn tokens in these ways. The Company will continually develop applications and partnerships to expand the Numeum™ ecosystem.

Information Security

As with all financial technologies and especially when handling blockchain assets, security is our top priority. There have been too many horror stories of poor security standards with trusted parties. We anticipate building our security procedures around the highest standards available in the industry, and are even plan to attempt to improve on these protocols. Not only shall account funds be highly secured, personal information is kept encrypted. Multi-signature keys segregate account authority, making accounts much harder to compromise. BitShares supports a unique 'account recovery' feature which allows a user's lost keys to be restored. Offline air-gapped cold storage wallets are kept in vaults for signing crypto-asset transactions out of the reserve. For this reason, there may be some delays to withdraw. Strict anti-fraud measures will be in place to prevent unauthorized withdrawal, sacrificing convenience for safety. We encourage all blockchain users to employ air-gapped wallets for long-term holdings. We will work to educate and empower our users to follow best practices, including distribution of hardware wallets.

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The Blockchain Token Exchange™

The Blockchain Token Exchange™ (BTOKX™.com) is to be established for token traders as an “Alternative Trading System” and with its wholly-owned Broker-Dealer, the Company may facilitate the regulated launch and trade of US-compliant tokens. Platform fees may be discounted when paid with Numeum Token™. One feature that enables the exchange of regulated securities is the instant transfer of buyer's verified KYC/AML data to a token issuer upon purchase of their token. When users register accounts at BTOKX, a 3rd party KYC/AML verifying agency must approve them, possibly verifying 'accredited investor' status in the process. The KYC/AML agency then enters approved user data & documents into the BTOKX database, possibly using a blockchain for storing encrypted user data, easily shared with token issuers upon user consent. The *initial* trading platform may be built on industry standard technology. BTOKX™ may simply form a front-end interface over the existing Numeum™ ecosystem running on BitShares. We plan to develop a *decentralized exchange* running on the BitShares or EOS blockchains. Choosing the best technology to build a decentralized exchange on largely comes down to regulatory acceptance. The main advantage to a decentralized design is that account custody remains in the hands of the user, so any asset issued natively (not by gateway) on the blockchain is immune to counterparty risk normally posed by centralized exchange operators holding customer funds. There are many other advantages to decentralized exchanges that should satisfy both regulators and traders.

Highly liquid cryptocurrencies (BTC, ETH, LTC, etc.) may be among the markets offered on the BTOKX™, subject to U.S. regulatory constraints. Though this is not the primary focus of the BTOKX™, we anticipate potentially high volumes in these markets. Margin trading functionality for some BTOKX™ accounts is planned, subject to U.S. regulatory approval.

A Choice of Blockchains

BitShares provides an ideal established platform to issue Numeum™ and other tokens. BitShares is designed to provide many financial services in a decentralized and community-governed way, including the first open source decentralized exchange. Built on Dan Larimer's original Graphene Blockchain design, the same engine powering the Steem social media network (Steemit.com). The bottlenecks in scalability facing other blockchains will not be a problem. EOS is the latest incarnation of Graphene Blockchain technology, with a focus on executable Web Assembly programming, making it the most capable blockchain distributed computer yet – but still very new. The Company may develop future applications with EOS as it proves itself secure.

BitShares features that may be beneficial include:

- 3-second block time (fastest)
- Up to 100,000 transactions per second
- Very low fees (under \$0.01 today)
- Human-readable addressing
- Account recovery options (unique)
- Secure token smart contracts with features
- Decentralized exchange engine (provably fair)
- Open source wallets for mobile, web & desktop
- Active community governance & development

Uses of Funds: Note that full pro forma Sources and Uses of Funds, as well as supporting financial projections are being professionally prepared for the Reg. A+ offering of the Common Stock. Funds from this Private Placement Offering will be primarily utilized to build out the infrastructure plans and to make the filings for the Reg. A+ (for the Common Stock) and the S-1 (the IPO for the Numeums™) excess funds will establish the "Reserve" and "Alpha" fund structures, invest into these structures, and begin to develop the trading operations. See the Private Placement Memorandum for supporting info.

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The Team (see Resume's in the Private Placement Memorandum):

Matthew Jon Fagenstrom, Founder/CEO - Jon Fagenstrom began his career in numismatics at the age of ten buying his first coin deal with \$2000 dollars borrowed from his parents. He made a profit of \$700 and was hooked on the numismatics business. Jon was instrumental in forming several coin companies in Idaho, and in becoming a private broker specializing in the acquisition of rare coins, gold and silver bullion. With an interest in the blockchain and wanting to add real-world assets to a security token, Jon partnered with his co-founders and Blockchain Assets AI was born.

Pete Likins, Founder/Sec./Treas. - Pete Likins is a digital marketer turned AI developer. Pete remains dedicated to helping people create abundance so they can spend more time doing what they love. He is an active web developer since 1998 and marketing strategist since 2010. Pete built a cryptocurrency mining setup in 2013 and took immediate interest in the emerging "smart contract" technologies. Trading Bitcoin sparked an affinity for programming algorithmic strategies and machine learning applications. An advocate for sound money and resilient economies, Pete designs tokens with intrinsic value.

Mills Rooks, Founder/Securities Consultant - Mills Rooks is an experienced securities consultant. Through his firm, Lowcountry Asset Management Group, LLC (a Branch Office of Moody Capital Solutions, Inc., Member FINRA/SIPC), he provides securities consulting, primarily to startups. He is also a trading consultant and algorithmic trading system programmer through his firm PPX Capital Management, LLC, a CFTC registered CTA/CPO firm. He has over 35 years of experience in the financial markets and securities arena, and will provide certain securities licensing requirements (Series 3, 7, 24, 27, and 63) and trading support to the Company as needed. Mills is driven by a passion for "impact investing" which improves lives and the world in which we live.

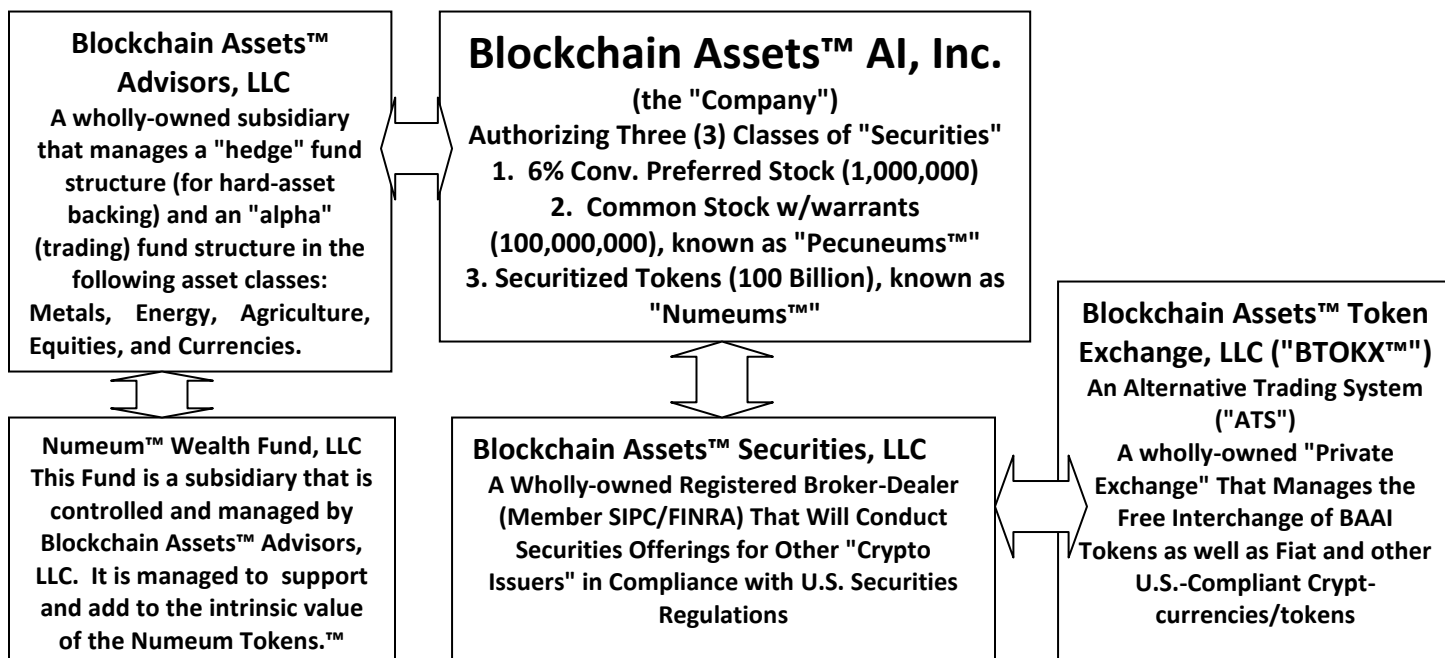
THE INFORMATION CONTAINED HEREUPON IS DEEMED CONFIDENTIAL BY BLOCKCHAIN ASSETS AI, INC., HAS NOT NECESSARILY BEEN RELEASED PUBLICLY, AND IS DISCLOSED FOR THE SOLE PURPOSE OF PROVIDING SUMMARY INFORMATION FOR EVALUATION BY A POTENTIAL PURCHASER OF THE PREFERRED SHARES BEING OFFERED. THE PREFERRED SHARES REFERRED TO HEREUPON ARE NOT BEING REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, IN RELIANCE UPON THE EXEMPTION FROM REGISTRATION FOR TRANSACTIONS BY AN ISSUER NOT INVOLVING ANY PUBLIC OFFERING, UNDER REGULATION D, RULE 506(c) OF THE SECURITIES ACT OF 1933, AS AMENDED (the "ACT"). THESE PREFERRED SHARES ARE BEING OFFERED TO INVESTORS WHOM THE COMPANY BELIEVES ARE "ACCREDITED INVESTORS" AS THAT TERM IS DEFINED IN RULE 501(A) OF REGULATION D OF THE ACT. THE PREFERRED SHARES OFFERED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 AS AMENDED OR UNDER APPLICABLE STATE SECURITIES LAWS NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS SUMMARY OR ENDORSED THE MERITS OF THIS OFFERING. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE. THIS OFFERING SUMMARY DOES NOT CONSTITUTE AN OFFER TO SELL OR SOLICITATION OF AN OFFER TO BUY SECURITIES IN ANY STATE OR ANY JURISDICTION TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR SOLICITATION IN SUCH STATE OR JURISDICTION. THESE SHARES ARE RESTRICTED WITH RESPECT TO THEIR TRANSFER, AND AN INVESTOR MAY BE REQUIRED TO OWN THESE SECURITIES INDEFINITELY. NEITHER THE DELIVERY OF THIS SUMMARY NOR ANY SALE PURSUANT TO THE PRIVATE PLACEMENT OFFERING MEMORANDUM OF THE COMPANY SHALL CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE COMPANY OR THE FACTS HEREIN SET FORTH SINCE THE DATE HEREOF. INTERESTED POTENTIAL INVESTORS SHOULD REQUEST A FULL PRIVATE PLACEMENT MEMORANDUM FROM THE COMPANY.

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Organizational Chart of Blockchain Assets™ AI, Inc. and Wholly-Owned Subsidiary Companies



BAAI Authorized Equities

1. 1,000,000 6% Convertible Preferred Shares offered in a Reg. D, Rule 506(a) private placement at \$5.00 per share (total investment \$5.0 million), shares are restricted for 1 year and 1 day, and then may be converted to common shares with warrants at a conversion ratio of 10:1 (10 common shares with warrants for each preferred share converted, representing 10% of the authorized Common if all are converted).
2. 100,000,000 Common Stock Shares plus warrants to be offered in a Reg. A, Tier 2 offering at \$2.50 per share. Warrants give the holder 100 Numeum Tokens™ upon exercise. This is voting stock. It may be traded on a U.S. stock exchange (NYSE, NASDAQ, OTC, etc.), should that become desirable, at the sole discretion of the Board of Directors.
3. 100 Billion Numeum Tokens, if and when issued, will be authorized by the Numeum™ Wealth Fund, LLC, and issued through an S-1 filing (an "IPO"), when and if deemed "effective" by the SEC. These Numeum Tokens™ are "securitized tokens" representing percentage ownership in designated segregated trading accounts managed by Blockchain Assets Advisors, LLC (a wholly-owned subsidiary of the Company), which hold hard assets and derivatives backing the Numeums™. The initial offering price of the tokens is anticipated to be \$.10 per token. Numeum Tokens™, when and if issued, are planned to be traded on the BTOKX™, and possibly on NASDAQ.
 - a) Numeum Tokens™ are non-voting and represent a pro rata ownership interest in the "Numeum™ Wealth Fund, LLC" and its sub-funds. These are segregated funds "wrapped" in a separate LLC structure. The Fund is managed by Blockchain Assets Advisors, LLC ("BAA"), a wholly-owned subsidiary of the Parent Company, and Numeums™ are NOT shareholder interests in BAAI itself or BAA. Numeums™ are "membership interests" in the Fund structure.
 - b) Approximately 50% of the total purchase price of newly issued Numeum Tokens™ is invested in "Physical" hard-assets through the "hedge" fund structures. These "physicals" may be composed of actual physical commodities, equities, foreign currency deposits, or Treasury instruments and/or "derivatives" (futures contracts, ETFs, Forex contracts, options, warehouse receipts and others). The other approximately 50% is invested into the "alpha" fund structures created and managed for "alpha". Under this approach, the "value" of the Numeum Tokens™ should be supported well above at least 50% of the offering price, as a minimum.