Learn About Cryptocurrency

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Learn the essentials of cryptocurrency: setting up secure trading accounts, obtaining hardware wallets, and protecting your investments with SLIP-39 mnemonic recovery cards.

This guide covers the three key steps to getting started with cryptocurrency: establishing an exchange account, securing your funds with a hardware wallet, and creating SLIP-39 protected seed backups for maximum security. (PDF, Text)

Contents

1 Setting Up Your Cryptocurrency Exchange Account

Just like you need a stock trading account to buy and sell stocks with CAD$, you need a cryptocurrency exchange account to convert between fiat currency and cryptocurrency.

1.1 Recommended Exchange: Netcoins.app

Netcoins.app is a registered Canadian "Money Services Business" that provides a reliable experience for buying and selling cryptocurrency. As a regulated entity, they require KYC (Know Your Client) verification:

1. **Proof of Identity**: Passport or driver's license

2. **Proof of Residency**: Recent utility bill or bank statement with current address

Once verified, you can:

- Deposit CAD$ via e-transfer

- Buy cryptocurrency (BTC, ETH, etc.)

- Withdraw to your personal wallet

1.2 Security Essentials

1.2.1 Password Manager

Use a unique, strong password generated by a password manager. Never reuse passwords between accounts.

1.2.2 Two-Factor Authentication (2FA)

Enable 2FA on your exchange account and primary email using an authenticator app like Twilio Authy. This significantly reduces the risk of account compromise.

2 Obtaining a Hardware Wallet

Hardware wallets provide the highest security for storing cryptocurrency by keeping your private keys offline.

2.1 Recommended Hardware Wallets

2.1.1 Trezor Safe 3 (Recommended)

The Trezor Safe 3 directly supports SLIP-39 mnemonic recovery, making it the ideal choice for maximum security. It also supports standard BIP-39 recovery.

2.1.2 Ledger Nano X

The Ledger Nano X is an excellent alternative that supports BIP-39 recovery. While it doesn't directly support SLIP-39, you can use the SLIP-39 App to convert between formats.

2.2 Do You Need One Immediately?

If you're just buying and holding cryptocurrency, you don't need a hardware wallet right away. Your SLIP-39 paper backup is actually the most secure storage method. Hardware wallets are primarily needed when you want to actively spend or trade your cryptocurrency.

3   Creating SLIP-39 Protected Seed Backups

SLIP-39 provides superior security over traditional BIP-39 by allowing you to split your seed into multiple recovery cards with threshold requirements.

3.1   Generate Your Seed

1. Download the SLIP-39 App for your computer

2. **For existing wallets**: Enter your 24-word BIP-39 mnemonic and click "Save"

3. **For new wallets**: Select "Create", choose "256-bit" seed source, and click "Save"

3.2   Print and Secure Your Cards

The app generates a PDF with your recovery cards containing:

- Multiple mnemonic shares (typically 2-of-3 or 3-of-5)

- QR codes for major cryptocurrencies (BTC, ETH)

- Clear instructions for recovery

3.3   Security Best Practices

- Save the PDF to a USB drive, print from there, then securely destroy the USB drive (macOS supports printing directly to a printer)

- Store printed cards in separate secure locations

- Share cards with trusted family members according to your threshold scheme

- Never store digital copies on your computer or cloud storage

4   Recovery Process

4.1   Hardware Wallet with SLIP-39 support, eg. Trezor

1. Connect your hardware wallet and open the companion app

2. Select "Recover wallet" during setup

3. Enter your SLIP-39 mnemonic shares when prompted

4. Set up PIN and select cryptocurrencies

4.2   Hardware Wallet with BIP-39 support

1. Open the SLIP-39 App (or follow instructions at github.com/pythyn-slip39)

2. Select Recover, then SLIP-39 Seed Source, then Using BIP-39

3. Enter your SLIP-39 shares, and see the recovered BIP-39

4. Enter your BIP-39 Mnemonic Phrase when prompted, to recover your hardware wallet

4.3   Hidden Wallets (Optional; differs for each hardware wallet vendor)

Consider setting up hidden wallet sub-accounts for different purposes:

- Default wallet: Small decoy amount

- Hidden wallet 1: Personal funds

- Hidden wallet 2: Long-term savings

5   Getting Started

The complete process involves:

1. **Exchange Setup**: Create and verify your Netcoins.app account

2. **Security**: Enable 2FA and use a password manager

3. **Backup Creation**: Generate and print SLIP-39 recovery cards

4. **Hardware Wallet**: Set up your Trezor or Ledger device

5. **First Transaction**: Buy crypto, withdraw to your personal wallet

This foundation provides you with secure, self-custodial cryptocurrency storage while maintaining the ability to convert between fiat and crypto as needed.