

A stylized graphic on the left side of the cover features a person standing at the bottom of a wide, light-yellow path that slopes upwards towards a large, rounded mountain peak. The mountain is covered in a dense, yellowish-orange texture. The background behind the path and mountain is a solid orange.

# Bitcoin User Manual

## THE EASY WAY TO GET STARTED

# Welcome to the Bitcoin User Manual!

By reading this manual, you are now one step away from learning how to become a sovereign Bitcoin user who embraces self-custody in a safe and responsible manner. The future of finance and technology awaits you!

A few easy steps is all it takes for you to embark on your Bitcoin adventure. Learn how to conduct transactions and safely store your assets.

Congratulations on your responsible approach.

Time to embark on your journey to explore the exciting world of Bitcoin!

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## **HOW CAN I GET BITCOIN?**

There are many ways to acquire Bitcoin. The most popular method is via purchase on cryptocurrency exchanges, where you can trade traditional currencies (like dollars, Euros, Yen) for Bitcoin.

You can also accept payment for goods or services in Bitcoin.

Consider asking your employer about paying your salary, or part of it, in bitcoin.

Remember, even though exchanges are a popular and easy way to acquire Bitcoin, they're not recommended for long-term storage due to many risks. Assets stored on an exchange aren't fully yours, since you don't control the private keys to your wallet. Hence goes the saying:

### **“NOT YOUR KEYS, NOT YOUR BITCOIN”**

In legal terms, you are not the owner of assets deposited on an exchange, you are only entitled to make a claim for their withdrawal.

Ensure the safety of your Bitcoin by using your own hardware wallet for storage.



# HOW CAN I GET BITCOIN?

Trade or Earn

Wages vary, but we all earn money by working, and our work is measured in hours. If time is money, here are some suggestions for you depending on how much of your time/money you invest in Bitcoin. These will help you figure out how playful you can be and when it's time to upgrade to something more serious:

**one hour's worth of work:**

experiment with transactions, test various online apps,

**a day's work:**

decide which free app to install on your smartphone,

**two weeks:**

decide which hardware wallet to buy,

**one month:**

acquire a metal backup to create a permanent backup for your recovery seed phrase. You can then recover your assets in case you lost your hardware wallet.

Bitcoin, like any traditional currency, is divided into subunits. Each bitcoin is a whopping one hundred million Satoshis (100,000,000 SATS). This makes it possible to buy bitcoin with a fraction of a cent.

# TOOLS FOR HANDLING DIGITAL MONEY

**SAFE**

HARDWARE WALLET  
generate and authorize  
blockchain transactions



**VERSATILE**

THE LIGHTNING NETWORK  
fast payments at your fingertips

**SECURE**

METAL BACKUP  
Durable recovery seed storage solutions



## HARDWARE WALLET SETUP

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While modern computers and smartphones are capable of running the cryptographic algorithms required to use Bitcoin, they are inherently insecure.

These devices perform multiple tasks, such as taking photos or browsing. Generally, the more a device can do, the greater security vulnerabilities it may have.

### HARDWARE WALLET

#### BITCOIN GLOSSARY:

**PRIVATE KEY**  
a very strong password

A hardware wallet is an electronic device that can perform a limited number of tasks: creating a password, calculating a Bitcoin address, or authenticating a transaction. The risk of succumbing to a hack attempt is mitigated by reducing the functionality of the device.

### ADDITIONAL DISPLAY

Hardware wallet devices are designed with a built-in display. Validation on this additional display prevents unauthorized access and boosts security.

### PRIVATE KEYS

To keep your coins secure, a hardware wallet isolates your private key in offline encrypted memory, and will never send your private keys to the computer it is connected to.

In alphabetic order: Bitbox, Blockstream, ColdCard, Foundation, Ledger, and Trezor are the leading hardware wallet brands.



## HARDWARE WALLET SETUP

What's a hardware wallet and why  
do I need one?

Prepare to set up your hardware wallet – it shouldn't take longer than 30 minutes.

Prepare your computer, a piece of paper and something to write with. Make sure you have internet access and a moment of peace and quiet.

Make sure no one interrupts or observes you during this procedure – this will ensure the process is conducted safely and efficiently.

**Most of the operations in this guide involve sensitive data – we recommend conducting them in a private location.**

Remember, your hardware wallet can be easily reset to factory settings and you won't lose your coins as long as you still have the seed phrase for recovery. You can repeat this step several times if you feel the need to practice.



Find a quiet spot - bring a pen and paper

## HARDWARE WALLET SETUP

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## DOWNLOAD THE APP

### **Setting up Your Hardware Wallet**

This process usually begins with installing software on your computer that allows convenient use of the hardware wallet.

Carefully follow the instructions shown on your computer screen and the display on the device. Add additional security measures (usually a PIN code) according to the manufacturer's instructions. Next, write down the words displayed on the hardware wallet screen - this is your secret recovery seed phrase.

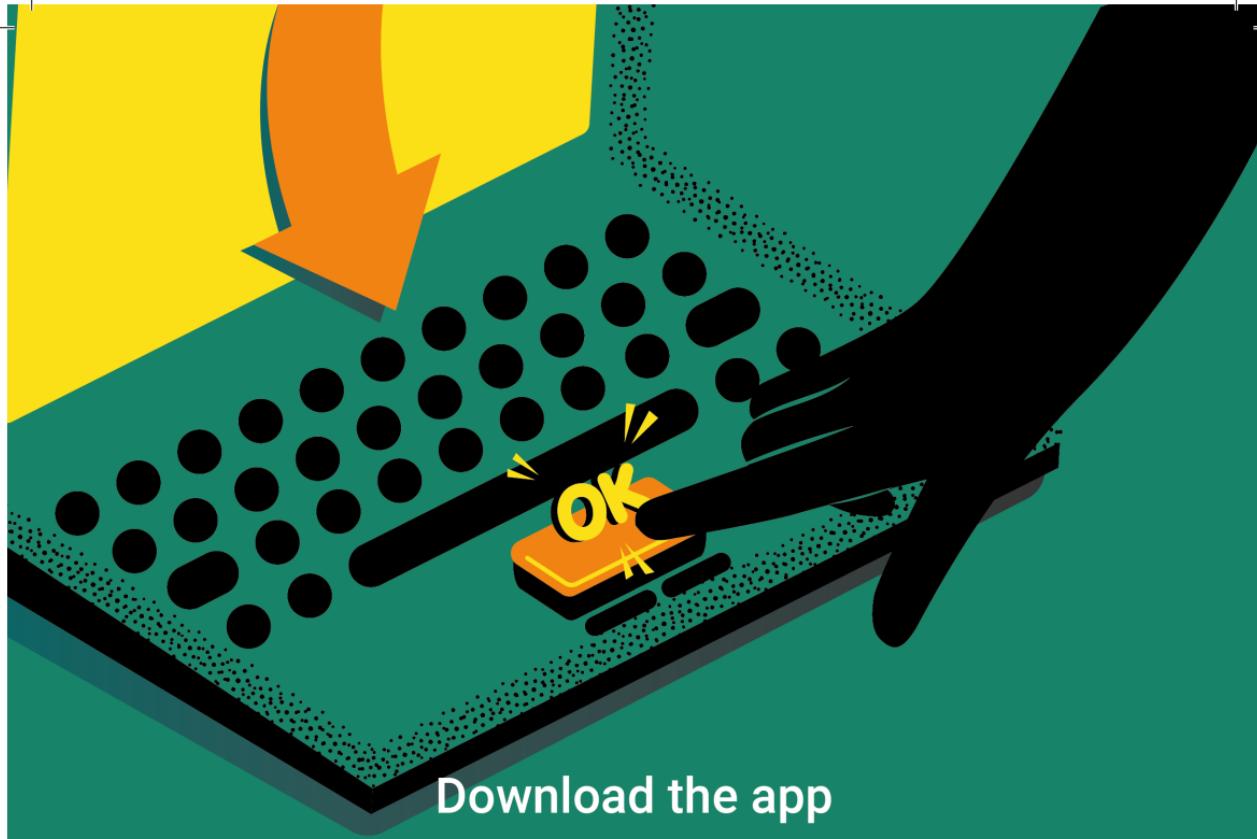
### **Secure Your Recovery Seed Phrase**

**The seed phrase is extremely important and indispensable for retrieving assets in case the hardware wallet is lost, damaged, or destroyed. It should be stored in a safe location.**

### **Transferring Assets to Your Hardware Wallet**

After a proper wallet setup, you can transfer bitcoin assets to it from another wallet or from an exchange.

We recommend reading the instruction manual supplied by the manufacturer, since the process may differ depending on the wallet model.



Download the app

## HARDWARE WALLET SETUP

## PRIVATE KEY

Hardware wallets are designed in such a way that only their owner can access the private key – this boosts security.

The recovery seed phrase is usually a sequence of 12 or 24 words that encode the private key to your wallet. Remember, these words allow access to your assets!

### BITCOIN GLOSSARY

#### RECOVERY SEED PHRASE

a private key used as a backup in case of hardware wallet failure

A seed phrase can be transferred between hardware wallets made by different manufacturers. **The recovery seed phrase is more important than the device that holds it.**

Lost your hardware wallet? Or has it stopped working? Or perhaps you'd like to replace it with another model? No problem! Just enter your recovery seed phrase into the new wallet to regain access to your assets.

**Protect your seed phrase – it's the only method to regain access to your assets in case you lose your hardware wallet.**

Without your seed phrase, you irreversibly lose access to your cryptocurrency holdings and the ability to manage them.

#### WARNING!

NEVER CREATE A DIGITAL COPY (PHOTO, TEXT MESSAGE, EMAIL) OF YOUR RECOVERY SEED. ALSO, NEVER READ YOUR SEED PHRASE OUT LOUD AND AVOID TYPING IT ON A COMPUTER CONNECTED TO THE INTERNET!



Your device will generate a strong  
password - keep it safe - back it up!

## **BACKUP MANAGEMENT**

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### **Why do I need a recovery seed backup?**

You're the only person who has access to your seed phrase, so make sure to create a backup. Backup management is simple and secure as long as it stays offline.

Electronic devices seldom survive for longer than 10 or 20 years: they're not a good solution for long-term asset storage.

A recovery seed phrase backup provides effective protection in case of errors related to software and firmware updates.

Retrieving a backup-up recovery seed phrase takes just a few minutes.

Make sure your seed phrase backup is never posted, uploaded, attached or sent online. Don't take pictures of your passwords and don't store them in the form of digital content.

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PASSWOR

## BACKUP MANAGEMENT

You need a safe backup for restoring  
access if you damage or lose your wallet

Your Hardware Wallet generates an offline seed phrase - it is never uploaded to the Internet from your hardware wallet, as this type of device is always offline. This makes it much safer than a mobile phone or a computer app.

**Never take pictures of your seed phrase!**

**Remember, photos can be seen or accessed – even without your knowledge!**

**BITCOIN GLOSSARY****METAL BACKUP**

- a permanent metal backup copy of the your recovery seed phrase

No-one other than you should access that seed phrase - the moment the device is initiated, it's stored in the hardware wallet's encrypted memory. You should already have an initial paper backup copy.

**Protect your seed phrase – create a permanent, metal backup.**

Creating a metal backup will take about 30 minutes.

This will protect your seed phrase from hazards like water, fire, electrical shocks, or and physical degradation over time.

Buy a ready-made backup tool or check online tutorials for DIY solutions.

You can also use tutorials available on [youtube.com/@Cryptosteel](https://youtube.com/@Cryptosteel).



Prepare the right tools

Creating a metal backup of your seed phrase ensures durability and higher resistance to damage compared to other storage methods.

Metal backups are highly resistant to electric shock, fire, water, and physical degradation over time.

**A METAL BACKUP IS THE BEST WAY TO PROTECT YOUR SEED PHRASE IN CASE OF UNFORESEEN SITUATIONS.**

Cryptosteel is a patented, easy to use, and extremely durable device.

Manually stamping a password onto a metal plate using dots is an alternative solution. It has also been widely tested, although it's much more time consuming. After deciphering, the dots represent private keys or a recovery seed phrase.

If you prefer budget, DIY solutions, you can buy a set of engraving tools, a metal plate, and etch your seed phrase onto it. Nevertheless, this solution may be less safe due to low-quality materials and illegibility.



Make sure your seed phrase backup works before it's ever needed: in days, months, or years.

**TEST YOUR BACKUP IMMEDIATELY INSTEAD OF ASSUMING IT'S CORRECT**

To finalize the backup procedure, make sure the seed won't fail you when you most need it.

**THE TEST**

- Transfer a small amount to your new seed phrase
- Reset the device
- Conduct the recovery process

The test is successful if you can access your assets after conducting the recovery process. Congratulations! Your backup is properly configured and will allow you to recover access to your assets in the future, any time you need it.

**ATTENTION!**

**ONLY A TESTED BACKUP WILL ENSURE FUTURE ACCESS TO YOUR ASSETS. WALLET RECOVERY IS IMPOSSIBLE IF THE SEED PHRASE IS INCORRECT.**



Test your backup copy

## THE LIGHTNING NETWORK

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**The Lightning Network** is the second layer of the Bitcoin network. The Lightning Networks work by locking money on the Bitcoin blockchain and issuing a corresponding amount on Lightning. This allows for Bitcoin transactions essentially at the speed of your internet connection.

### BTC GLOSSARY

**LIGHTNING NETWORK**  
the second layer of  
the Bitcoin network,  
used for fast and easy  
transactions

**The Lightning Network** establishes direct payment channels between users, and thus enables near-real time transactions. There's no need to confirm every transfer on the blockchain in the blockchain network. This translates into lower fees and immediate payments.

**The Lightning Network** is an independent network that facilitates using Bitcoin in everyday life, thanks to fast and low-cost transactions across a growing number of apps.

**The Lightning Network** has been integrated into a multitude of apps. Their assortment is wide and dynamically evolving, varying according to needs, preferences, and new developments in technology.

# THE LIGHTNING NETWORK

Shopping time!



## THE LIGHTNING NETWORK

## INSTALL APP

To help you experience the benefits and explore the possibilities of the Lightning Network, we've selected hot wallet apps (connected to the internet) that can be installed on your smartphone. Cryptosteel recommends two options: Wallet of Satoshi (for beginners) and Breez (some technical knowledge required).

If you're planning to make your first Lightning Network transactions, **Wallet of Satoshi** is the better choice. It's a custodial wallet offering ease of use; as such, it's recommended for beginner users. The app is ready immediately after installation.

Nonetheless, you should aim to adopt a fully self-custodial wallet like **Breez**. In this case, you are charged for opening the Lightning channels, and by owning your own channel, you have greater control over your assets. If you choose the Breez app, you will be charged a small fee (usually less than \$1) for opening your channel.

Wallet of Satoshi can  
be downloaded from  
[walletofsatoshi.com](http://walletofsatoshi.com)



Breez can  
be downloaded from  
[breez.technology](http://breez.technology)



**Remember, both the Wallet of Satoshi and Breez are good and tested options for the Lightning Network.**



Download and install app

It's recommended that beginner users operate with a smaller amount in order to get familiar with the functioning of the Lightning Network and conduct their first transaction. This will take about 20 minutes of your time.

- Generate your receiving address:
  - by clicking the "Receive" button and choosing the option "Bitcoin On-Chain" in Wallet of Satoshi
  - or "Receive via BTC Address" in Breez.
- Copy the address to your computer
- Enter the received address to your hardware wallet
- Conduct a small transaction and wait for it to be confirmed on the blockchain.  
Depending on the fees you choose to pay, this could take up to or over an hour.
- Your assets will fuel the Lightning app account, and now you will be able to conduct instant transitions

The precise steps required to deposit on a Lightning wallet may vary depending on the chosen app. The efficacy of the Lightning Network is based on the fundamental principle of full backing in Bitcoin assets. By depositing your assets in the Lightning Network, your Bitcoin becomes a Lightning Network deposit. Withdrawing funds from the Lightning Network dispatches a respective reserve in the Bitcoin network. All costs related to the Lightning Network are presented before confirming a transaction.

**ATTENTION!**

**REGULAR WITHDRAWALS FROM THE LIGHTNING NETWORK ARE RECOMMENDED AS THE BITCOIN NETWORK IS SAFER AND BETTER SUITED FOR LONG TERM STORAGE.**



Fuelling your Lightning account

## THE LIGHTNING NETWORK

## PAY AND RECEIVE

We've saved the best for the end, so you can enjoy fast and low-cost transactions on the Lightning Network. The below recommendation will allow you to not only spend, but also earn Bitcoin.



[www.bitrefill.com](http://www.bitrefill.com)

**Bitrefill** provides instant purchase coupons, vouchers, and gift cards for some of the biggest shops, retailers & online services.



[shopinbit.com](http://shopinbit.com)

**ShopinBit** offers over 800,000 products you can buy via Lightning including mobile phones, laptops, watches, video games, and more.



[www.thndr.games](http://www.thndr.games)

THNDR developed a series of video games that pay you via Lightning for playing them. Try Bitcoin Bounce, Bitcoin Bay, Turbo84, Bitcoin Snake, Tetro Tiles, or Club Bitcoin: Solitaire, on your smartphone.



[nostr.how](http://nostr.how)

Nostr is the future of social media, an open standard for censorship-resistant and globally decentralized publishing on the web.



Pay and receive

**Since you know how to operate Bitcoin...**



**YOU ARE NOW**

**A BITCOINER!**

Special thanks to:

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Joko and btc21.de

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