

# HFi Holder Finance – Genesis Mining

## Genesis Mining Method:

The Genesis Mining is built on the top of *HolderSwap*\* and provides for minting 380 HFi. These HFi tokens are mintable through a staking process as follows:

### Bronze Mining LP



### Silver Mining LP



### Gold Mining LP

**HFi/HFi & HFi/HFS - SIMPLE STAKING POOL**



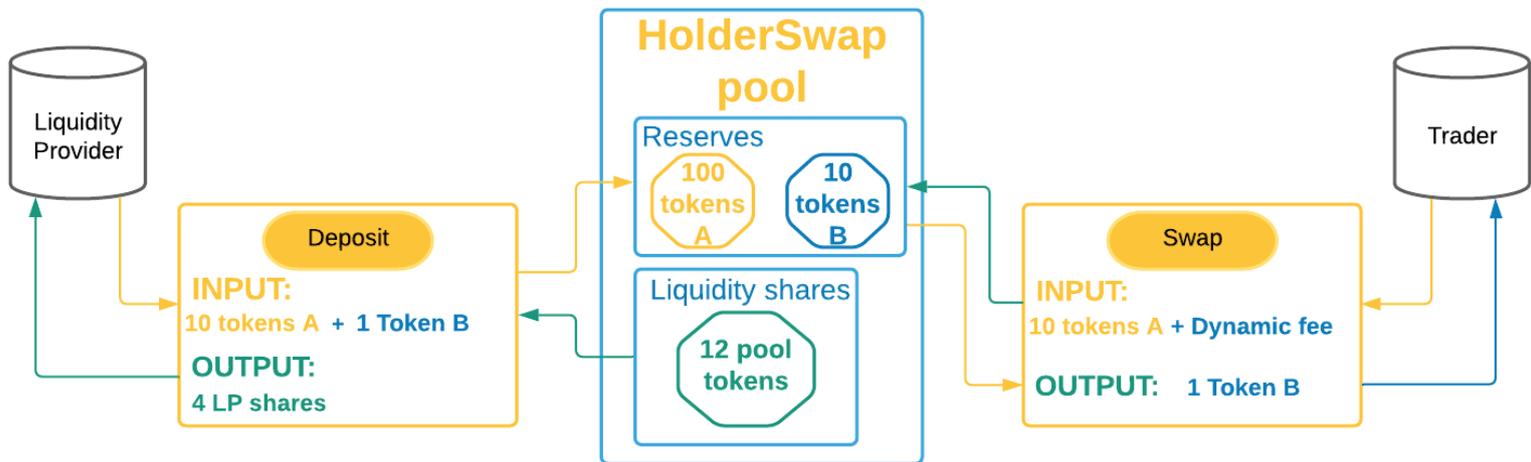
**Mining Formula Mining Rate per second**

**Total HFi / 60 days \* 24 hours\* 60 minutes \* 60 Seconds**

*\*See the HolderSwap explainer document for more information*

## What is a LP?

A Liquidity Pool (LP) is a way for you to provide liquidity (money) to the Decentralized Exchange (DEX) HolderSwap in order to operate our business in exchange for receiving a % of fees. In traditional markets, banks, financial companies, and principal trading firms (PTFs) serve as liquidity providers. The liquidity providers in the DeFi industry work similarly to make trades happen. By providing liquidity to the market, they enable traders to use the digital exchanges.



In addition to the rewards from the LP you provide liquidity for, you will be rewarded with HFi tokens for the different mining campaigns Holder.Finance is going to launch:

- Bronze Mining Liquidity Pools Pairs: USDT/ETH, USDC/ETH, DAI/ETH, wBTC/ETH.
- Silver Mining Liquidity Pools Pairs: HFi/ETH, HFi/wBTC, HFi/DAI, HFi/USDC.
- Gold Mining Liquidity Pools Pairs: HFi/HFi, HFi/HFS.

The Liquidity Pools for the Bronze Mining campaign will be generated at the launch of the last version HolderSwap (Holder.Finance's Decentralized Exchange). Holder.Finance will create LGEs as Liquidity Generation Events in early 2021. The liquidity providers will earn daily fees from the trading activity on their pair (Read the HolderSwap v4 – Liquidity Pools Cap for more information).

The HFi's early adopters are rewarded during the Genesis Mining campaign with a bonus, participating into the HFi private sale as follows:

Private sale round	Minting Bonus during the Genesis Mining
1	10%
2	7.5%
3	5%
4	2.5%

## What is a LGE?

A Liquidity Generation Event (LGE) is a concept that is used to mint and distribute HFi tokens fairly, depending on each Liquidity Provider share in the pool. The first Liquidity Generation Event will last from the launch of the LPs feature on HolderSwap until the start of the Genesis Mining with the Bronze Mining campaign. Each contributor will be able to supply an equal amount of USDT/ETH, USDC/ETH, DAI/ETH or wBTC/ETH to the HolderSwap smart contract. The liquidity created through the LGE are not locked up and the LP tokens given out can be redeemed for their underlying assets at any time. Anyway, to be eligible to mint HFi tokens through the Bronze Mining campaign, the contributors should leave their tokens in the respective Liquidity Pool.

The LGE participants received Liquidity Pool tokens in return of their pairs contribution as well as a fraction of HFi tokens when the Bronze Mining campaign starts. LGE will be created for each Genesis Mining campaign (Bronze, Silver and Gold Mining). HFi holders will have a 24H premium access to these Liquidity Pools.

## How the HFi token rewards are calculated?

Mining Formula Mining Rate per hour and per Liquidity Pool:

**Total HFi to be minted in the pool / (60 days \* 24 hours)\***

Genesis Mining Campaign	Formula	Reward per hour	Reward per day
Bronze Mining	$20/(60 \times 24) = 20/1440$	0.01388 HFi	0.33 HFi
Silver Mining	$50/(60 \times 24) = 50/1440$	0.03472 HFi	0.83 HFi
Gold Mining HFi/HFi	$70/(60 \times 24) = 70/1440$	0.04861 HFi	1.17 HFi
Gold Mining HFi/HFS	$30/(60 \times 24) = 30/1440$	0.02083 HFi	0.5 HFi

## What is the Genesis Mining APY?

Annual percentage yield or APY, is the annual percentage of profit earned on an investment, which takes into account the effect of compounding interest.

$APY = 100 * ((1 + r/n)^n) - 1$  where r is the stated annual interest rate as a decimal, and n is the number of compounding periods per year. (The carat ("^") means "raised to the power of.")

APY% would vary depending on the amount contributed by holders to LP. The amount minted per day is fixed at 0.33 to 1.17 HFi per day. The rewards are accrued every second and are distributed to all HFi LP providers in proportion to their share of the LP

### Bronze Mining LP:

Example for a fix number of Liquidity providers	Share in the LP	Reward per hour	Reward per day
Liquidity Provider #1	10%	0.001388 HFi	0.0333 HFi
Liquidity Provider #2	25%	0.00347 HFi	0.08328 HFi
Liquidity Provider #3	35%	0.004858 HFi	0.1166 HFi
Liquidity Provider #4	30%	0.004164 HFi	0.0999 HFi

### Gold Mining HFi/HFi:

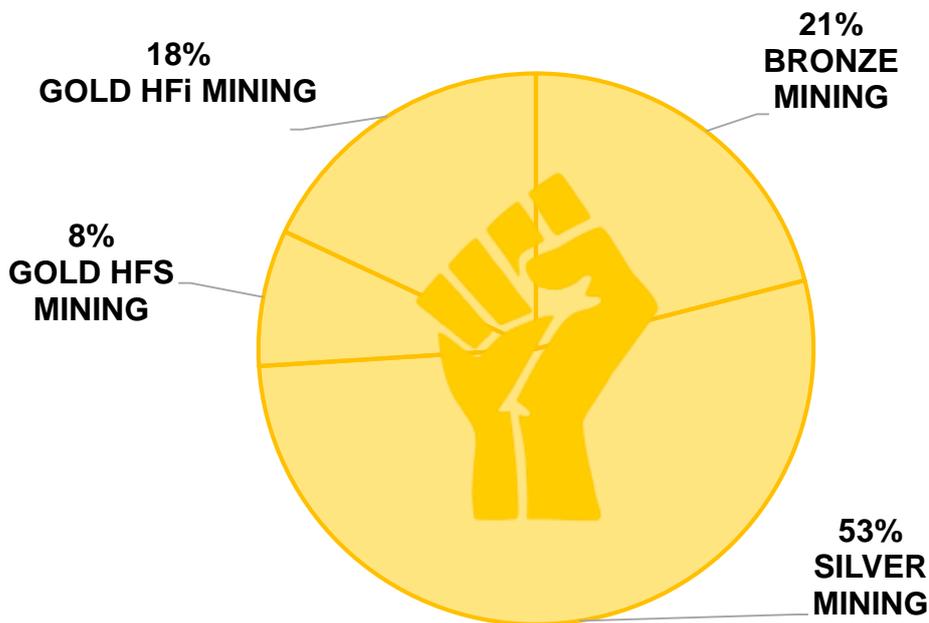
Example for a fix number of Liquidity providers	Share in the LP	Reward per hour	Reward per day
Liquidity Provider #1	10%	0.00486 HFi	0.11664 HFi
Liquidity Provider #2	25%	0.01215 HFi	0.2916 HFi
Liquidity Provider #3	35%	0.01701 HFi	0.40824 HFi
Liquidity Provider #4	30%	0.01458 HFi	0.34992 HFi

The rewards calculated in the tables above are subject to change due to the factors such as liquidity volume, HFi circulating supply and total supply. Those impacts will be automatically calculated and displayed in real-time through our algorithm.

### What is the Genesis Mining timeline?

HFi Genesis Mining formally kicks off in Q1 2021 and ends in Q3 2021. Each Genesis Mining campaign lasts 60 days or two months. There is a break of a week during each Genesis Mining campaign to launch a LGE for the next campaign.

### Genesis Mining rewards breakdown



Bronze Mining: 21% (Q1/Q2 2021)

Silver Mining: 53% (Q2 2021)

Gold HFS Mining: 8% (Q2/Q3 2021)

Gold HFi Mining: 18% (Q3 2021)

## What are the risks associated to a LP?

The downside risk of providing liquidity is Impermanent Loss, which is the difference of the coins between entering into a liquidity pool position versus simply holding your coins in your wallet. As the allocation of the coins in a pool changes based on supply and demand, you can end up with more of the undesirable coin. Automated Market Making (AMM) allows users to swap crypto assets without needing a centralized counterparty. This is unlike conventional exchanges that serve as intermediaries between token buyers and sellers, such as Coinbase, Kraken, Binance, etc.

One of the most significant virtues of AMMs is that certain consumers are expected to serve as providers of liquidity in the service. Liquidity suppliers contribute their own asset pairs to liquidity pools. Since your assets are locked in the liquidity pools, you can't benefit from any arbitrage that takes place due to the difference between the market price and the AMM price for the tokens. So you find yourself at a loss. This loss is the impermanent loss that most investors in the blockchain industry dread. You might be wondering why it is not simply called a loss. The reason behind that is the fact that this loss doesn't become permanent until you decide to withdraw your tokens. The AMM price for your tokens might eventually be equal to the market price. And when that happens, you would no longer be at a loss.

HolderSwap mitigates this risk by capping the total of liquidities in the pool, then rewarding better the liquidity providers.