



DeMi

White Paper

ver 1.1

The cryptocurrency mining landscape has grown more challenging in recent years, with rising network difficulty making it increasingly hard for individual miners to remain competitive and profitable

Alongside this, the escalating cost of mining equipment has become a significant barrier to entry for many. Factors like energy expenses, regulatory uncertainties, and environmental considerations also add layers of complexity, further limiting the feasibility of solo mining operations.

Consequently, more individuals are opting to participate in collaborative mining projects and platforms. By pooling resources and utilizing economies of scale, these projects offer a more accessible and economically viable approach to mining, expanding participation in the decentralized economy and democratizing access to cryptocurrency rewards.



DeMi Token Ecosystem

In response to the high entry barriers and complexities in cryptocurrency mining, the DeMi team developed a platform designed to streamline the process for both newcomers and seasoned miners.

The DeMi platform eliminates the need for specialized mining equipment, allowing users to start earning by simply purchasing and staking DeMi tokens. Daily BTC rewards are then distributed based on each user's share of the mining pool's total power, with all mining equipment already acquired, installed, and tokenized.

Early Metrics

October 11, 2023

DEMI smart contract was created

10,800

DEMI tokens were issued and backed by 1,080 terahash

9 pieces

of Whatsminer M50

Future token emissions will be directly tied to the amount and power of connected equipment, with the company transparently announcing all emissions and equipment acquisitions on its social channels.



Token was developed using the BEP-20 standard on the BNB Chain network

The smart contract address on BNB chain:

0x5C9ac6CBAdfb0900a17735C9FFaACD20c60cfc15

In order to get daily rewards user has to put tokens in staking

The minimum amount of payouts is 0.001 BTC. Therefore, the number of tokens yielding these rewards varies depending on the mining difficulty, the value of Bitcoin and timeframe.

Rewards are credited to the BTC address that the holder specifies in a personal account on the platform.

Smart contract address for staking:

0xfebb58f69B9836d6A43C77E9eAF65f020e5386B9

There is also a BRC-20 based token called DEMX

BRC-20 is a token standard created for the Bitcoin blockchain, mirroring the ERC-20 standard on Ethereum. This standard enhances the Bitcoin blockchain's capabilities by incorporating smart contract functionality and tokenized assets. DEMX tokens are equivalent to DeMi but are issued on a different standard.

The smart contract address for DEMX is:

57061996

The Demi platform team oversees the administration of the primary Multisig address:

0xF0f39d83090b0acAD2ca9160970Be88b616dDc75,

a pivotal component within the Demi token contract.

The Transfer of Rights transaction involves granting authority to this multisig, empowering it to execute the functionalities embedded in the smart contract for Demi token issuance and distribution.

Management Structure and Distribution of Roles

Cryptocurrency mining is a collaborative effort, bringing together participants who operate equipment, execute strategic tasks, and aim for optimal efficiency. It emphasizes teamwork, strategic planning, and adherence to the principles of blockchain and decentralization.

Consuls

In the DeMi ecosystem, Consuls ensure smooth operations and enforce rules within the mining process. Acting as both arbitrators and managers, they oversee equipment functionality, proper resource use, and participant compliance with established protocols.

Consuls' responsibilities include monitoring and controlling equipment operations, organizing regular inspections, providing support to participants when issues arise, and safeguarding resources against external threats, including cyber attacks, operational issues, or unforeseen events.

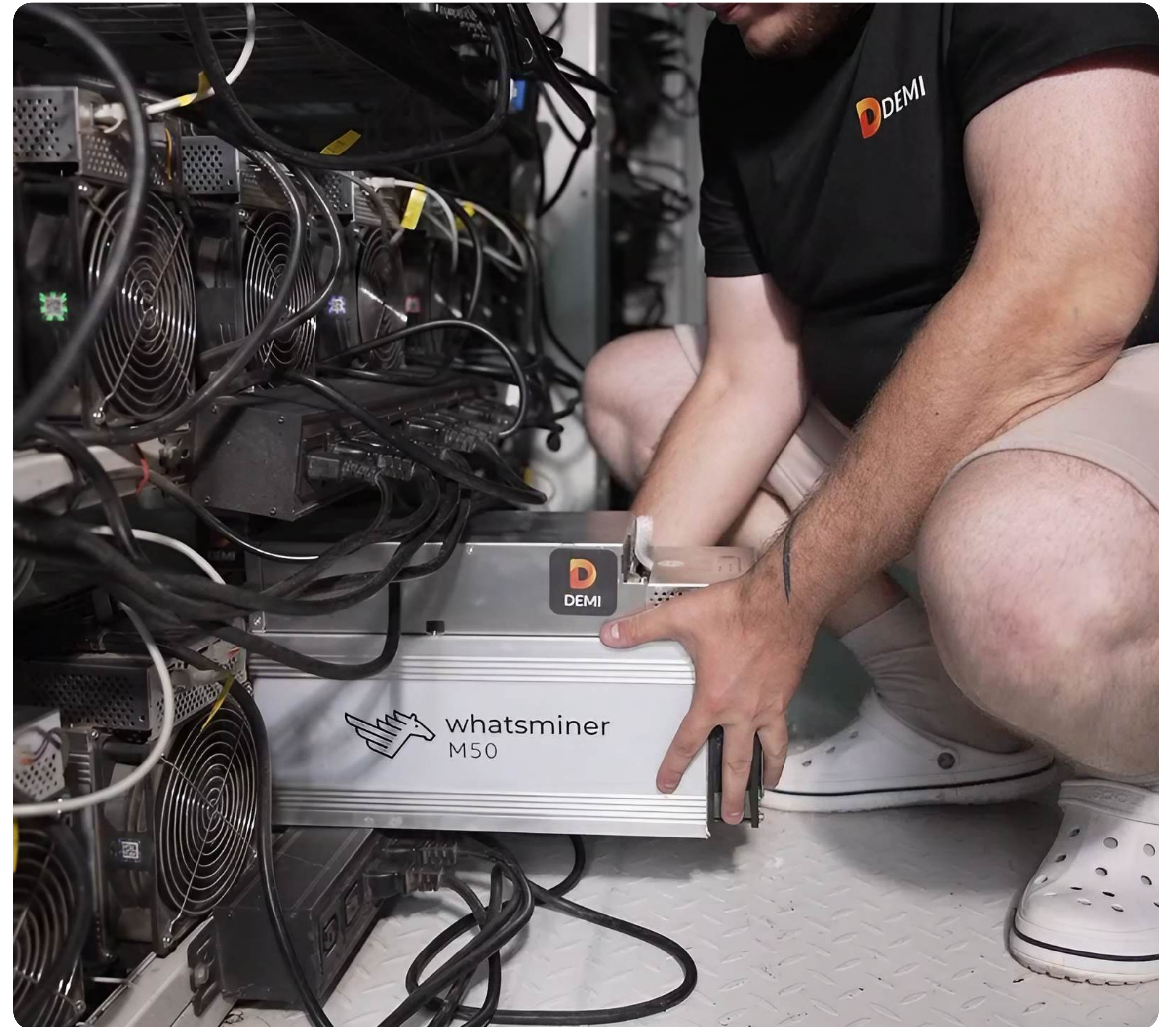


Equipment Operators

Operators are verified data centers with years of experience in managing equipment for extracting rare resources. Their expertise lies in the technical aspects, configuring and optimizing equipment for peak efficiency. Operators are also responsible for monitoring equipment conditions, performing maintenance, and implementing upgrades.

Key tasks of Operators include:

- Optimizing and fine-tuning mining equipment
- Conducting regular maintenance and upgrading of machinery
- Managing resource extraction and overseeing the production process
- Collaborating with Consuls and other roles to ensure seamless operations.

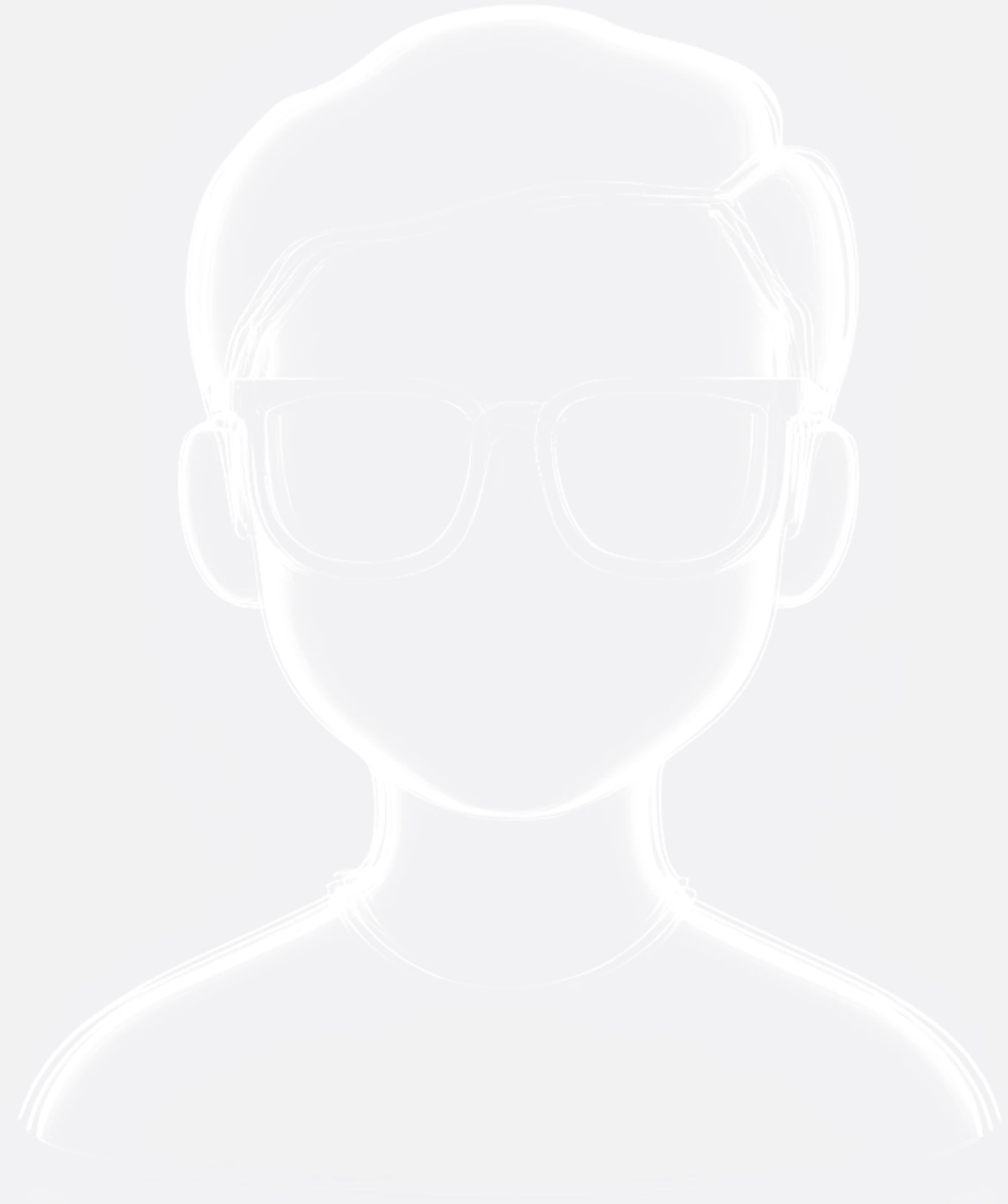


Token Holders

DeMi token holders own a share of the total mining income and participate in the mining pool. These tokens grant them the right to engage in managing mining equipment and influence the project's growth.

Key tasks of Operators include:

- Participating in voting and decision-making on crucial matters related to the mining pool
- Monitoring the token market and making decisions to increase their share
- Collaborating with other participants to ensure the sustainability and continued development of the mining pool.



From hashrate focus to **energy efficiency** paradigm

The DeMi token was initially structured around a hashrate-backed system, where each DeMi token represented 0.1 TH/s. "Terahash per second" (TH/s) measures the computational power needed for cryptocurrency mining. The higher a mining pool's TH/s, the greater its chances of solving the next blockchain block and earning Bitcoin rewards. DeMi oversees all connected devices in the mining pool.

The original hashrate-backed model is detailed in the first version of the DeMi White Paper (ver.1.0). However, following the purchase of more energy-efficient equipment, the fixed 0.1 TH/s paradigm evolved to focus more on the efficiency of devices within the mining fleet.

To explain this shift, we use the following formula:

DeMi = Base DeMi Rate + Cost Variance Ratio

- **Base DeMi Rate** refers to the standard amount of DeMi tokens (e.g., 1 DeMi = 0.1 TH/s) for equipment with a base consumption of 30 W/TH.
- **Cost Variance Ratio** calculates how much more profitable energy-efficient equipment is compared to base models. This is determined by:
- **Cost difference between energy-efficient and basic equipment / Cost of basic equipment.**

Example

We tokenized 1 DeMi as 0.1 TH/s using hardware with a power consumption of 30W. Our electricity cost at the data center is \$0.05 per kWh.

Over two years, this hardware would consume:

$$30W / 1000 \times 732 \text{ hours/month} \times 24 \text{ months} \times \$0.05 = \$2.63.$$

For equipment consuming 20W, the cost would be:

$$20W / 1000 \times 732 \times 24 \times \$0.05 = \$1.76.$$

The cost difference is $\$2.63 - \$1.76 = \$0.88$.

The ratio is $\$0.88 / \$2.63 = 0.33$.

This ratio indicates that more DeMi tokens should be issued for energy-efficient equipment. For 0.1 TH/s and 20W, instead of 1 DeMi, 1.33 DeMi is issued, reflecting greater profitability.

— **Energy efficiency:** The lower the watts per 1 TH/s, the more DeMi is earned, signaling the higher profitability of energy-efficient equipment.

— **Financial savings:** Lower electricity costs mean more Bitcoin profit. For example:

- 1 TH/s at 30W = 10 DeMi (or 1 DeMi for 0.1 TH/s).
- 1 TH/s at 20W = 13.3 DeMi (or 1.33 DeMi for 0.1 TH/s).
- 1 TH/s at 18W = 14 DeMi (or 1.4 DeMi for 0.1 TH/s).

This model ensures fair revenue distribution between token holders with different hardware efficiencies. It incentivizes upgrading to more energy-efficient devices, maximizing profits and supporting Bitcoin network decentralization.

How rewards are calculated

User rewards are calculated according to the following principle. The equipment is connected to the mining pool. The mining pool participates in the process of Bitcoin mining in real time.

This allows the company to track every payout on the blockchain. Once the mined amount arrives at the distribution address, we exclude the costs of electricity, maintenance and developer fees and send Bitcoin rewards to DeMi holders (to their Bitcoin wallets).

Payments are made according to the accumulation of a minimum balance (0.001 BTC). This allows to save on network transaction costs and maximize mining profits.

We determine the total reward of the mining pool the following way:

Total Mining Pool Reward=(mining pool reward×dev fee)–(electricity costs+equipment repair costs)



Here is a brief explanation of what the total mining reward consists of:

- **Fixed cost of electricity** = 0.05 USD/kwh
- **Mining pool reward** = bitcoin mined by miners connected to the DEMI mining pool
- **Dev Fee** (developer fee) = 1%
- **Equipment repair costs** = variable, depending on the amount of equipment that needs repair

We determine the share of each user in the pool:

$$\text{User Share} = \frac{\text{User's DeMi tokens}}{\text{Total DeMi tokens in a pool}}$$

$$\text{User Reward} = \text{Total Mining Pool Reward} \times \text{User Share}$$

Reward calculation to each user:

$$\text{User Reward} = \text{Total Mining Pool Reward} \times \text{User Share}$$

For DeMi BEP20 holders

- 1 The user connects his EVM wallet with a Bitcoin address through a staking smart contract.
- 2 The smart contract registers the connection between the EVM address and the Bitcoin address.
- 3 Rewards are calculated based on the share of DeMi tokens that the user owns and are distributed to the linked Bitcoin address.

For DeMi BRC20 holders

- 1 By purchasing DeMi (ticker DEMX), the user automatically links his Bitcoin wallet to the system.
- 2 The system automatically determines the user's Bitcoin wallet address as a share of ownership in the mining pool.
- 3 Rewards are calculated based on the share of DeMi tokens and are automatically distributed to the corresponding Bitcoin address.

DEMI is more profitable than traditional mining

no need to:

- search for equipment
- think about logistics
- repair equipment
- search for a data center with low electricity costs

+ easy to sell the token at any time due to high liquidity



One of the advantages of the project is the **low cost of electricity in the amount of \$0.05 per kWh**

For example, the average price in the USA is \$0.075. This model allows us to survive any changes in the world of cryptocurrencies: from a long crypto winter to halving.

With its accumulated experience and understanding of the challenges investors face in the crypto world, the launch of the new DeMi aims to be a one-stop solution, solving major problems and making it easy for anyone to get into digital assets.

DeMi's main goal is to make mining simple and accessible to everyone, whether they're beginners or experts. By using DeMi, people can earn BTC rewards, encouraging more people to join and creating a diverse and welcoming community.



Trading cryptocurrencies and engaging in blockchain projects involve significant risks, and the user assumes all risks when using the platform's services. Token prices can be highly volatile due to a variety of factors, including supply and demand dynamics, market news, technological developments, and changes in national regulations. These fluctuations can lead to substantial financial losses, sometimes within a very short period.

The value of the DeMi token can rise and fall unpredictably, as can the mining rewards, which can have a direct impact on the staked amounts and potential returns.

The Company does not offer any investment advice or recommendations regarding the potential profitability of such activities. Users must acknowledge that speculative trading in tokens is inherently risky and that any investment decisions made are solely their own responsibility. Understanding the volatile nature of the crypto market and the specific risks related to both trading and staking is essential for anyone looking to participate in these activities. Users are advised to conduct thorough research and consider their risk tolerance before engaging in cryptocurrency transactions on the platform.

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17

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