



Magnetic

White Paper

v 1.1

This white paper introduces the main ideas and principles of operation of the Magnetic V1.1. The document describes the Magnetic DEX; Magnetic Swap; Magnetic NFTs; Magnetic Mining and Proof Of Trade Concept; Project Business model; Project Roadmap; Vote;



MAGNETIC

1. Introduction

Magnetic has been created to develop interfaces for applications that work with XRPL.

Missions:

- > to provide maximum comfort for all users using blockchain tools
- > to present new concepts of making money through trading.

Magnetic gives you all necessary tools for convenient trading. Also, it can help you mint your NFT collection without paying a fee.

For other XRPL projects, Magnetic provides the ability to mine their tokens using the **Proof Of Trade algorithm**. Due to this, popularity of the token will rise as well as the overall activity on the entire XRP Ledger blockchain.

2. Services

2.1 [Magnetic DEX](#)

Magnetic DEX is an interface for interaction with XRP Ledger DEX, that uses decentralized peer-to-peer protocol, with all functionality of XRPL.

There are no fee for any transactions.
All tools absolutely free to use.

!!! PRIVACY !!!

Magnetic doesn't store personal user data, it hasn't access to users' balances and wallets.

2.2 Magnetic Swap

Magnetic Swap is an easy-to-learn exchanger. It can be used by both beginners and more experienced traders who need to make a deal as quickly as possible.

Magnetic Swap allows you to exchange any XRPL token for any other token in a couple of clicks (with available liquidity).

3. Magnetic Mining & Proof Of Trade

While trading on the Magnetic DEX, you will receive some of XRPL tokens from *pools*. That's how mining process is organized.

Pool is a certain number of tokens that the project has allocated using the Proof Of Trade model. These tokens are specially for distribution.

On the mining pools page, users will be able to see all available pools, conditions and rewards, balance of funds in a particular pool and other info (number of miners, difficulty and burning index).

Before adding a new pool, the project will be verified. Then, needed tokens to reward users of Magnetic wallet will be received.

When the pool is exhausted (no tokens left), it will be deleted (unless the project replenishes the pool with new tokens).

3.1 Pool Terms

To get a reward from the pool, user has to meet conditions of it (the same for all pools):

- trade the required volume (required volume and the pair(e.g. MAG/XRP) are indicated in the conditions of each pool)

- conduct required transaction (buy | sell | buy-sell)

- Hold more tokens to earn higher rewards (the default reward is available for everyone and doesn't depend on this condition)

- Hold more NFT Magnetic Girls to earn big rewards (the default reward is available for everyone and doesn't depend on this condition)

3.2 Types of rewards

There are 3 types of rewards for each pool:

- for fulfilling the conditions (received by all users who have met the conditions)
- for holding Magnetic NFT (received by all users who have met the conditions and held Magnetic NFT)
- for holding tokens (received by all users who have met the conditions and hold tokens. Needed token is indicated in the conditions of each pool)

User can receive each type of reward from each pool once per block.

3.3 Block

Every 60 minutes new block is generated, after that all users, who has met the conditions, receive their rewards. Information in old block becomes irrelevant.

New block contains info about all rewards and conditions for all pools.

3.4 Halving

Proof of trade alone can control mining rewards. This is done in order to avoid excessive inflation and a sharp drop in prices. Rewards will change in proportion to the price of the \$MAG token.

MAG price  -> rewards 

MAG price  -> rewards 

4. Cryptocurrency MAG and Mining

4.1 MAG Token

No more than 500,000,000 MAG have been produced and will be distributed to Magnetic users.

MAG distribution will not be traditional (as all XRPL projects):

- 1) Develop team will NOT get their fixed share
- 2) All distribution of tokens will depend on the users themselves.
- 3) People will not get tokens just like that

MAG is the first token that uses the Proof Of Trade distribution model.

100% of tokens will be issued and distributed only using the Proof Of Trade algorithm (paragraph 3 of this White Paper).

According to the documentation, every hour a block with rewards for all miners will be formed.

The more time passes, the more MAG pools will be added. In some moment, users will mine absolutely all tokens.

! It is forbidden to cheat on the volume of trades. If a wallet is spotted scaling volumes in order to mine more tokens, the wallet and all of its NFTs will be blocked for mining. The cost of unblocking is 100 XRP for the first time. Each time after that, the amount is doubled for each wallet.

4.2 MAG Pool

Characteristics:

- **Min Reward:** the minimum amount that must be mined for the correct increase in emission (but these are only recommendations, there is no goal to strive for this amount.)
- **Miners:** the total number of miners who participated in the extraction of the last block
- **Burn In Last Block:** amount of MAG tokens that were burned when the last block was mined
- **Reward in Last Block:** amount of MAG tokens that the miners shared among themselves
- **Pool:** the number of remaining tokens in the pool.
- **Burn Index:** Percentage of the reward that will be burned when a block is mined
- **Complexity Index:** the required number of tokens for a higher reward.

Pool conditions:

- **Pair:** the pair to trade on
- **Min Volume:** the minimum volume for which you need to trade
- **Trade Type:** what type of trade you need to gain the required volume

Rewards:

- **Guaranteed:**

A reward that you will receive in any case if you fulfill the conditions of the pool

- **Hold Tokens:**

A reward for holding tokens. The reward will differ depending on your balance.

- **Hold NFTs:**

A reward for holding NFT. The reward will differ depending on the rarity

If you have several NFTs, the reward for them is summed up as follows: you get the full reward for the rarest NFT and 25% of the reward for all your other NFTs.

4.3 Burning

Burning index is percentage of burned tokens from reward in each MAG pool. To reduce the issuance of tokens and ensure future demand, this index will increase by 0.0125% with each new block.

Pool's start index is a fixed number(usually, zero).

Burning will not increase if the index is 65%.

4.4 Mining difficulty

Mining difficulty shows, how much MAG tokens should be holding on the balance to get rewards (the more tokens user holds, the bigger reward he gets).

With each new block difficulty will increase by 0.0125%.

4.5 Minimum block amount

Each block has minimum tokens amount that needs to be mined in order for fully block forming. Also, it has required amount of MAG to be released into circulation.

The amount in one block can be either less or more than the minimum amount. This is not a limitation, but a recommendation.

If the amount in the block is less than the minimum, develop team receives all the remaining tokens to use them for the development of the project.

The minimum amount is formed as follows

— If **< 70%** of the minimum amount was mined for this block, then the next minimum amount

$$= (\text{Previous minimum amount}) * 0.75$$

— If **>= 70%** of the minimum amount was mined for this block, then the next minimum amount

$$= (\text{Previous minimum amount}) * 1.25$$

*The minimum amount cannot be less than the starting minimum amount (fixed value for each pool)

4.6 Team reward

With each block the validating team receives its own reward. The reward is calculated as follows:

- 1) If users have mined more than the minimum amount of the pool, the team **does not receive anything**.
- 2) If users have mined less than the minimum amount, the team receives the remaining amount (burning index is also working here)

4.7 Business model

The tokens that the team will receive will be divided as follows

41% - project development (advertising, listing on stock exchanges, etc.)

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27% - a fund for promotions, airdrops, participation in staking programs, etc.

rMAGnTv4eMWktZnhKa5cHcDiY84ZiKUaQm

16% - remuneration of the CEO and investors

16% - team reward

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5. Magnetic NFT

In total, no more than 5,000 NFT will be issued. First of all, they will be used to receive higher rewards for Magnetic Mining, as well as receive other rewards for various contests and promotions.

NFTs will be of various rarities. From the most frequent (Common) to the rarest (Mythic). There will be seven rarities in total:

- Common (3250 pc)
- Rare (1150 pc)
- Epic(400 pc)
- Legendary (150 pc)
- Mythic (50 pc)

Usage of NFT

NFTs will be used by all Magnetic products.

1. Mining: you will get much more reward if you have NFT on your balance.
2. Ticket Bot: if you have NFTs on your balance you will get more tickets from both the "get tickets" button and your referrals.
3. Future products such as games, various contests, bots will also use NFT and bring additional profit.

6. Magnetic Vote

Voting on Magnetic is used to add new mining pools or to make important decisions about Magnetic's development.

- Voting for adding mining pools:

MAG Holders need to choose a project that they think should be added to the mining pool. The project with the highest number of votes is added to mining. The more MAGs on the balance, the greater the strength of the vote.

- Voting for the Magnetic development decision:

The Magnetic team can put the issue to a vote.

All Holders of Magnetic vote for the option they are interested in and after the vote, the winning option will be added to Magnetic.

7. Road Map for 2022-2023

- Launch of the main page with information about the Magnetic project
- Start Magnetic DEX
- Launch of pools for cryptocurrency mining (including pools of partner projects)
- Release and start of sales of the Magnetic NFT collection
- Start Magnetic Swap
- Marketplace launch
- Release of the Magnetic application built into the XUMM wallet(if it will be possible)

8. DECLARATION OF RISKS & DISCLAIMER

Magnetic is obligated to inform all Magnetic holders (Current & Future) about the accompanying risks for users when spending money on blockchain technology. Holding an Magnetic token or NFT represents an understanding and willingness to accept the risks that accompany spending money on blockchain technology. These risks include, but are not limited to the following:

Policy risk: constantly changing political and regulatory trends may lead to significant price volatility

Transaction risk: The behavior of traders on the secondary market will always have an influence on the price of MAG. The secondary market for currencies that utilize blockchain technology has significant volatility which may drastically affect the value of your MAG token.

Technical risk: Blockchain technology is a rapidly developing technological field. This dynamic environment may lead to many unforeseen technological issues, challenges, but also disruptive trends, all of which may influence the value of your MAG token.

Operational Risk: All transactions involve inherent risks. Many factors that can be caused by factors such as diseases of key stakeholders, major strategic disagreements, breakdown of the main equipment at key moments, etc. Operational risks can always affect success project and/or cost of operating assets. Potential purchasers of the MAG token should be aware of this responsibility and conduct a thorough and thorough analysis. Introduction and description of the main state of the project in this document is an invitation to the general public. This is not an obligation and guaranteed.

