



# Magnetic

## White Paper

v 1.2

This white paper introduces the main ideas and principles of operation of the Magnetic. The document describes the Magnetic DEX; Magnetic Swap; Magnetic NFTs; Magnetic Mining and Proof Of Trade Concept; Vote; Magnetic Tournaments; Magnetic Dice; Magnetic Faucet; Integration XAHAU Network in Magnetic; \$MAG in XAHAU Network; Bridge between XRPL and XAHAU



# 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 earn through trading.

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

Magnetic provides the opportunity to participate in tournaments with wonderful prizes, play dice to double your balance.

Magnetic provides the opportunity to use all the tools not only of XRPL, but also of the XAHAU sidechain.

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.

It is also possible to add a token from another project to a dice, hold tournaments, and add it to a bridge between two networks: XRPL and XAHAU!

## 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 and XAHAU.

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

Using Magnetic DEX you can conveniently place orders, view the chart and trading history, move between pairs available for trading and perform any transactions with XRPL and XAHAU!

### 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 or XAHAU token for any other token in a couple of clicks (with available liquidity).

### 2.3 Magnetic Tournaments

Tournaments are a way to give users the opportunity to compete, in the process increasing the demand for a particular token (for which the tournament is held), and also giving users valuable prizes for their efforts.

The winner is determined according to the points scored for completing quests (all quests are related to the token for which the tournament is taking place)

## 2.4 Magnetic Vote

MAG is the governance token of the Magnetic project. All important decisions are made by voting.

A poll is created on the voting page, and this is announced in the community.

All MAG holders can vote. The more MAG they have on their balance, the more weight their vote has.

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.

## 2.5 Magnetic XRP/XAH Faucet

In Magnetic Bot you can receive free XRP every hour. It's very easy to do:

1. Go to the bot, register using XUMM.
2. Click "Get Free XRP/XAH".
3. XRP/XAH successfully sent to you wallet

[XRPL Faucet](#)

[XAHAU Faucet](#)

## 2.6 NFT on Magnetic

Magnetic does not yet have a full-fledged marketplace, but now you can search for NFT using search, through user accounts. You can submit and accept offers and view meta data. This is the first step towards creating a marketplace and you can already use it now.

## 2.7 Magnetic Bridge between networks.

Using the bridge, you can send tokens or XRP from the XRPL network to the XAHAU network. The Magnetic commission is included in the exchange price in advance. Usually it is 5-10% (to avoid losses due to spreads, etc.).

It is possible to add other tokens to the bridge and Magnetic will offer projects this opportunity, leaving itself a small fee and/or commission for using the bridge.

There will be two exchange options: exchange of identical tokens 1:(or other fixed ratio) or exchange of tokens at the current market rate in both networks.

The bridge works in both direction. XRPL -> XAHAU or XAHAU -> XRPL

## 3. Magnetic Mining & Proof Of Trade

While trading on the Magnetic DEX, you will receive some of XRPL or XAHAU 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)

- make required trade(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 hold Magnetic NFT (received by all users who have met the conditions and hold Magnetic NFT)
- for hold 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.

# 4. Cryptocurrency MAG and Mining

## 4.1 MAG Token

In total, no more than 5000 MAG will be mined, which will be distributed among all miners. (about 50% of all tokens will burn during the mining process, so the final emission will be much smaller)

MAG distribution will not be traditional (as all XRPL or XAHAU 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.

**!** Trading between your wallets and similar things is prohibited. If a wallet is found to have fake trading volumes, the wallet and all of its NFT will be blocked. The cost to unlock for the first time is 200-5000 XRP. Each time after this the amount increases. The Magnetic itself determines the size of the fine and is not obliged to explain why the fine was exactly that. If the Magnetic team detects fake volumes, the wallet and everything associated with it, as well as all NFT, will be immediately blocked and only unlocked after paying a fine. Any disputes and negotiations are not allowed. The fine is not discussed.



## 4.2 MAG Pool

### Characteristics:

- Miners: the total number of miners who participated in the extraction of the last block
  - Burn In Last Block: amount of MAG that were burned when the last block was mined
  - Reward in Last Block: amount of MAG 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
  - Power: Your power in a specific mining pool. You need to aim to maintain power around 100% to receive maximum rewards. The power is determined by the required number of MAG(or orther token) that need to be hold and it increases every hour.
- \*Power cannot drop below 50%. That is, even without a hold, you will always be entitled to a reward for mining

### 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 Minimum block amount

Each block has minimum MAG 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, Magnteic team receives all the remaining MAG.

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)

## 4.5 Automining

Auto-mining is the second option of mining, in which the user does not need to perform any actions. How does it work?

- 1) user chooses the mining pools for which he wants to start auto-mining
- 2) user chooses how many blocks the auto-miner will work
- 3) user transfers XRP to bot auto-miner account

=> every hour the bot will buy a token in the pool and send the purchased tokens to the user. Also at the end of each hour user receives rewards for mining as he would get them for normal mining

### **Additional rewards for auto-mining:**

By default, users receive 115% of the reward for auto-mining. When holding special NFT (AutoNFT) rewards are measured as follows

- AutoCommon: 130%
- AutoRare: 150%
- AutoEpic: 180%
- AutoLegendary: 200%
- AutoMythic: 225%

Thus, you can get even more passively than you would get with manual mining.

\*The AutoNFT coefficient cannot be summed up.

## 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 MAG (burning index is also working here)

## 5. Magnetic NFT in XRPL

First of all, NFT 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
- Rare
- Epic
- Legendary
- Mythic

### 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. AutoMining: your regular mining rewards increase up to 225% with AutoNFT
3. Dice: With NFT, your chances of winning increase by 2.9%
4. Tournaments: With NFT, your tournament points are multiplied up to 2.5
5. Future products such as games, various contests, bots will also use NFT and bring additional profit.

## 5.1 Magnetic NFT in XAHAU

Plans for issuing NFTs at XAHAU have not yet been developed. For the first time, NFTs in the XRPL network will take part in mining at XAHAU. But at any time Magnetic can cancel the participation of NFTs from the XRPL network in the XAHAU network. Most likely, this will be when Magnetic release a new collection at XAHAU.

## 6. Magnetic \$MAG in XAHAU

Xahau will have a similar token distribution process, but with some changes.

In total, no more than 5000 MAG will be released, as in XRPL.

- 1) (All burned MAG in XRPL-200 MAG) will be burned in XAHAU once at the official launch of mining in the XAHAU network
- 2) All existing MAG in the XRPL network will be separated from the total amount of tokens in the XAHAU network and will be used for the bridge. During the ENTIRE time, no more than the allocated amount of MAG can be transferred across the bridge
- 3) 200 tokens that will not be burned will be allocated to the Magnetic team to maintain liquidity on the MAG/XAH pair and also be used in any direction at the discretion of the Magnetic team. In addition to these tokens, the Team is not entitled to a fixed share of MAG tokens and will receive tokens according to the Proof of Trade algorithm, as happens in the XRPL network.

## 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.

