



# **MINEDBLOCK**

MINING AS A SERVICE

Whitepaper

Version 2.0

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# Contents

Overview .....	3
Highlights .....	3
Background .....	4
Problem Statement .....	4
Solution .....	4
Transparency.....	4
Mining Activities .....	5
Strategy .....	5
Hardware .....	5
Locations .....	5
Adapting to Change .....	5
The MBTX Token .....	6
Benefits for Token Holders .....	6
A true 'Utility' Token.....	6
Token Sale .....	7
Token Distribution Strategy .....	8
Exchanges.....	8
Financials.....	9
Distribution of raised funding .....	9
Revenue .....	10
Growth .....	10
Token Buy Back and Burn .....	11
Implementation Plan .....	11
The Future.....	12
Priorities.....	12
Increasing our output.....	12
Reducing our costs.....	12
Feedback .....	12

## Overview

This document is designed to give you a full understanding of how MinedBlock will implement and manage our project and to outline our mining strategy following our Token Sale

Any calculations in this document are based on prices from July 2018 in line with the original version of the Whitepaper and ROI example document on our website

## Highlights

- MBTX Token holders will earn ETH just by holding our tokens
- We promise to be the most transparent mining company to date
- Variety of mined coins gives ultimate chance to increase ROI
- The direction of future expansion will be decided by our userbase
- You buy the tokens, we do the work, you get 75% of the revenue
- Token buy back scheme ensures an increase of future value

## Background

### Problem Statement

Mining is a fundamental part of the blockchain for any coins or tokens that aren't pre-mined. Miners form the basis of the decentralisation model of the Cryptocurrency arena but we are getting to a point where large amounts of hash power, the key ingredient to solving blocks, are becoming centralised.

This has two impacts:

1. It means that there is a risk of a single 'pool' or company being able to gain control of an entire blockchain. If a person or company managed to gain greater than 50% of the computing power or mining hash rate they would be able to prevent new transactions from gaining confirmations and be able to reverse transactions that were completed while they had control, so they could double spend coins. They wouldn't be able to create new coins or blocks, but it would have a huge reputational impact on the particular blockchain.
2. It means that for the average person mining isn't a worthwhile venture due to the cost of equipment, electricity and time for maintenance. The ROI isn't as beneficial as it used to be.

There are other solutions out there such as cloud mining services, but they aren't transparent or cost effective and we want to change that.

### Solution

MinedBlock offers the opportunity for investors to take advantage of using the resources from a large-scale mining operation without the need to buy, configure and maintain expensive mining equipment. We will offer a fully managed mining service where you can rely on our team to look after the equipment and ensure they are working at maximum productivity 24/7 with the lowest operating costs.

We will create a dedicated mining facility which focuses on mining multiple coins from within the top 50 by market cap to ensure a diverse range of revenue streams for customers to benefit from.

Through the proposed large scale operation, we will help improve the decentralisation of coins where there are already large pools dominating the hash rates of popular coins. MinedBlock will also be working towards decentralisation within our own network through global distribution of our mining data centres.

### Transparency

One of MinedBlock's key principles is providing transparency for our customers. We will be completely open with our plans, ongoing progress and revenue production.

Live dashboards will be produced and available via our website to show current hashrates across all currencies being actively mined along with details of revenue per MBTX token to allow customers to project potential earnings by using our service.

We want to shape our projects future based on feedback from our customers so will we actively engage via multiple social channels, weekly email updates will be provided and we will return customer queries as soon as we can.

## Mining Activities

### Strategy

Mining activities will be continuously monitored and switched between coins when the difficulty and success rates fluctuate. The ultimate goal will be to maintain maximum efficiency at all times.

Mining equipment will be regularly resold and replaced. There will be a split between suppliers of ASIC miners to prevent any kind of centralisation and to increase diversity available for customers to utilise.

MinedBlock will evaluate whether mining as part of an existing mining pool or being reliant on our own hash rate output is the most effective to produce coins.

### Hardware

MinedBlock will utilise a mixture of ASIC units alongside Custom Built GPU Mining Rigs.

### Locations

Electricity costs and climate are the key considerations for choice of location as well as considering the political attitude of hosting Countries towards crypto mining, the last thing we would want it to build a mining farm somewhere and then it become a restricted activity.

The first phase of our Mining Farm build will be using ASIC Bitcoin and Bitcoin Cash mining units as they are built ready to use. These will be hosted from a facility in Iceland where the climate and electricity costs are favourable.

Our GPU mining rigs will be built, configured and run from the United Kingdom initially to ensure they are reliable and easy to manage remotely before moving them to a facility in either Iceland, Canada or Sweden.

### Adapting to Change

Mining cryptocurrency isn't as simple as 'plug and play and walk away', the team at MinedBlock will constantly be monitoring our mining activities and evaluating where we could switch the miners to an alternative currency to increase profitability. Upcoming updates and forks will also be monitored to ensure we are always ready to adapt.

## The MBTX Token

### A true 'Utility' Token

The MBTX token will be pre-sold as a crowdfund prior to launch of the service but the token itself offers no redeemable value unless it is used to utilise our mining services. Whilst opportunities may arise for future airdrops to holders, they will be for other projects that the founding team are considering as future potential.

The MBTX token will be the key to accessing MinedBlock services and makes no promise or guarantee on future pricing potential.

### Benefits for Token Holders

The MinedBlock (MBTX) token is an ERC-20 token based on the Ethereum blockchain. The token is non-mintable and, therefore, will be limited in supply.

When the mining service goes live holders will be required to register their token wallets in our user dashboard. The dashboard will allow customers to monitor the mining operation, with information such as hash rates being achieved and earnings to date.

At the end of each calendar month 75% of mined revenue will be responsibly sold for ETH and will be distributed between registered token holders to their ETH wallets.

### Token Sale Details

The exact start date of the Token Sale is yet to be announced but there are some key points that we can call out at this stage:

- MinedBlock decided not to hold a private pre-sale, everyone should have the same opportunity to get involved
- Instead of a pre-sale there will be a huge bonus for the first 5% (20,000,000) MBTX tokens sold
- Tokens will be sold via an e-commerce platform and distributed via smart contracts
- There will be a soft cap target of \$3,500,000 – all funds will be refunded if soft cap not met

## Token Circulation

The MinedBlock (MBTX) token is an ERC-20 token based on the Ethereum blockchain. The token will be non-mintable.

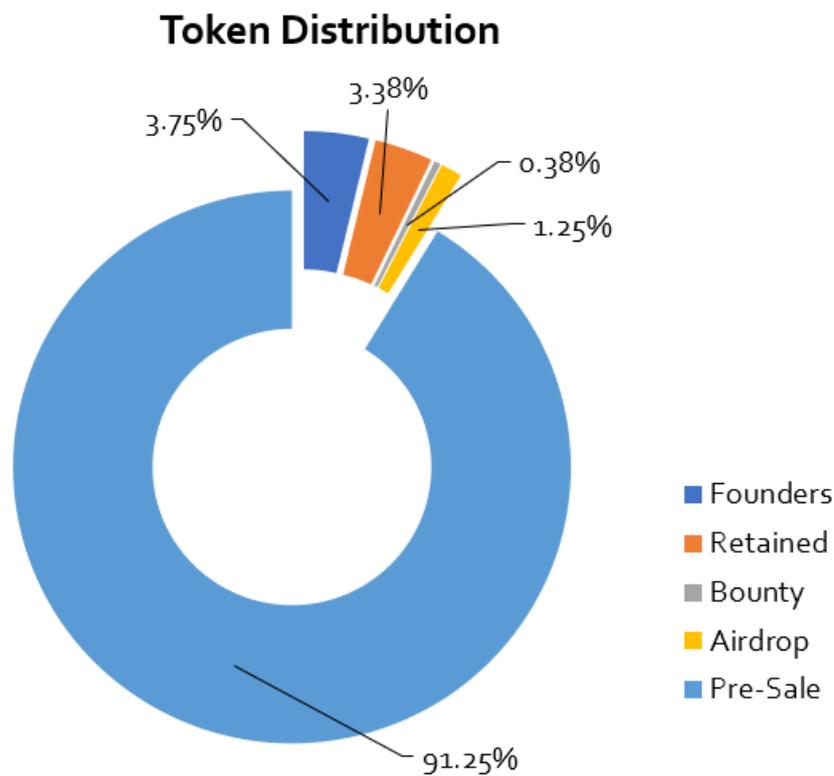
Tokens will be restricted to 400,000,000 and will be distributed as below:

Number of Tokens	Purpose
5,000,000	Airdrop Distribution
1,500,000	Referral Bounty
15,000,000	Founding Team*
13,500,000	Incentivisation**
365,000,000	Public Sale***

\* 15,000,000 MBTX tokens for Founders will be locked until 1<sup>st</sup> July 2019

\*\* 13,500,000 MBTX tokens will be retained by MinedBlock for the purpose of promotional events and marketing

\*\*\* Any tokens unsold during the pre-sale will be destroyed



## Token Distribution Strategy

MBTX tokens will be distributed throughout the Token Sale at the following intervals:

- When Soft Cap met
  - First distribution to early buyers
  - Airdrop Participants
  - Referral Bounty prize winners
- Every two weeks
  - Tokens purchased will be bundled and distributed on a two weekly cycle

## Exchanges

Part of the initial fundraise will be allocated to covering exchange listing fees to ensure the maximum exposure is available when token holders wish to buy or sell.

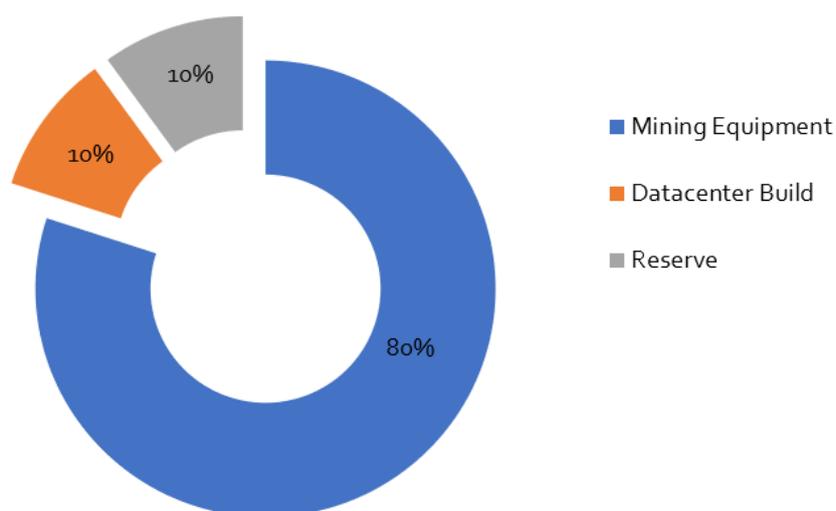
On a quarterly basis 5% of mining revenue will be used to buy back tokens from the circulating supply to be destroyed. We will buy back the MBTX tokens at the price listed on exchanges at the time.

## Financials

### Distribution of raised funding

Funds raised during the pre-sale will be used to commence the build of the first MinedBlock Mining Facility. The chart below details how the funds will be broken down regardless of the amount raised. The greater number of tokens that we can pre-sell the bigger the initial Mining Centre will be and therefore the greater the availability of hash rate for customer use.

**Plans for Raised ICO Funds**



The majority of the initial investment spend will be dedicated to mining hardware for:

- Bitcoin
- Bitcoin Cash
- Litecoin\*
- Dash\*
- Ethereum
- GPU Miners – Ethereum, Ethereum Classic and Callisto

\* Low mining profitability at this time so we may put Litecoin and Dash on hold until the conditions are more favourable

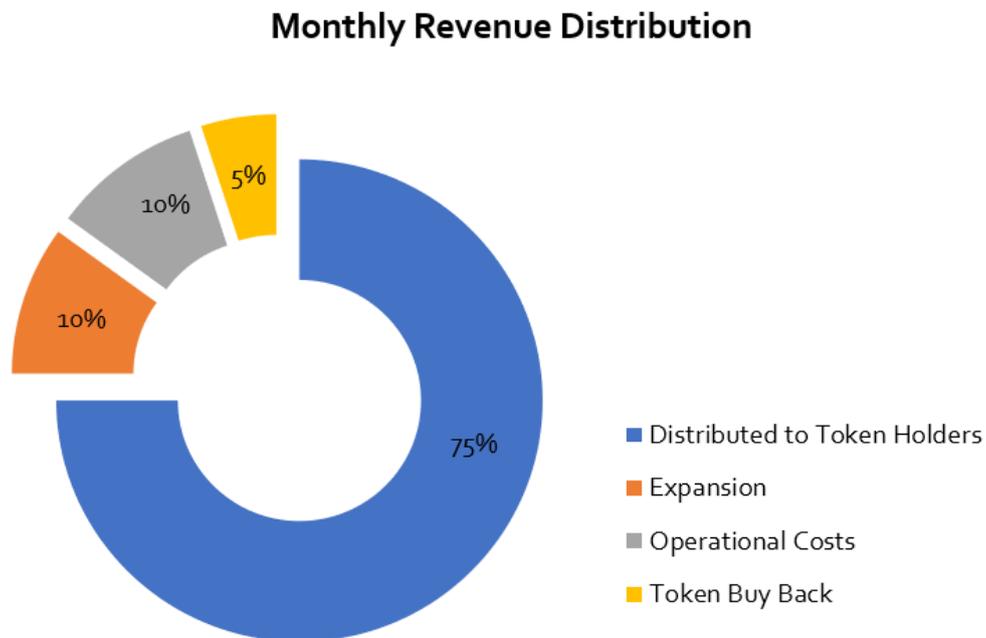
10% of revenue per month will be used to expand the mining operation. MinedBlock will consider several factors when deciding how to expand the offering, including but not limited to:

- Profitability
- Customer voting
- New coin release
- Running 'Masternodes' may be considered

Masternodes – Running a masternode involves running a full node on a blockchain with a minimum number of coins held in return for a reward or interest payment through transaction fees. Dash is a good example of this.

## Revenue

Revenue generated from mining the mining operation will be distributed as below:



See example ROI sheet on our website <https://www.minedblock.it/assets/ROI.pdf>

75% of mining revenue will be distributed to our token holders relative to the number of tokens held (i.e. if you hold 1% of all circulating tokens, you will get 1% of the distributed revenue)

Initially, we will distribute Ethereum (ETH) to the wallet holding your MBTX tokens. At a later stage we may offer distribution via a currency of a customers preference which will be configurable within the user dashboard.

Where we will be mining multiple coins (ETH, BTC, BCH...) we will sell these for ETH to distribute. In order to avoid any effect on price we will trade the mined coins for ETH across multiple exchanges throughout the month.

A wallet address will be published which will show the 'current' balance of distributable revenue at any time. Distribution will occur between the 1<sup>st</sup> and 5<sup>th</sup> of each calendar month

## Growth

To expand on the information in our original Whitepaper we will use 10% of the revenue each month to expand the mining facilities.

Part of our user interface dashboard will be focussed on future growth and understanding what our token holders would like us to mine. We will have the 'standard' options based on what we are already mining but holders will be able to nominate and vote for currencies that they would like us to add.

As our mining range and overall offering grows we will also be reducing token supply through our buy back process which will increase the average 'earning per token' for our token holders.

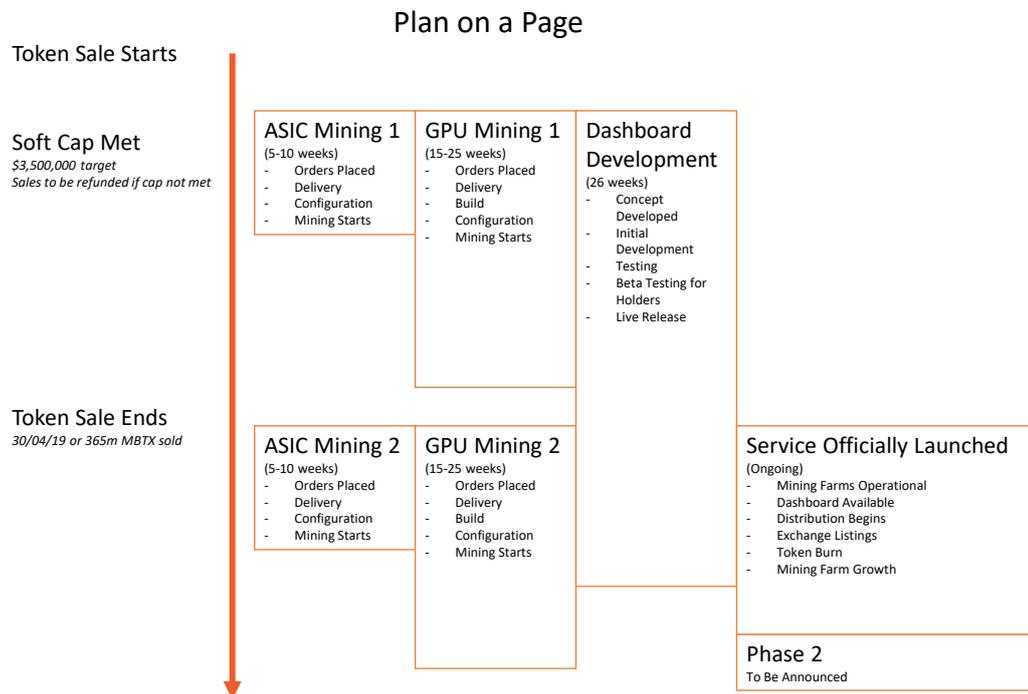
### Token Buy Back and Burn

On a quarterly basis 5% of mining revenue for the period will be used to buy back tokens from the circulating supply to be destroyed. This activity will continue until the supply is reduced by at least 50%.

The primary aim of the buy-back will be to reduce the supply and increase the 'return per token held' for our customers

### Implementation Plan

In order to get up and running as quickly as possible following our Token Sale we will follow the below plan.



Updated and detailed plans will be released as the Token Sale progresses

## The Future

### Priorities

MinedBlock has two key priorities following the initial Implementation plan to increase the potential Return on Investment for our Token Holders:

1. Increase our output
2. Reduce our costs

### Increasing our output

- Mining Farms will be expanded on a monthly basis
- Technology will be monitored to ensure we have the latest equipment
- Mining activities will be switched between coins to ensure we are the most profitable we can be

### Reducing our costs

- Reduction of electricity costs through solar power, different locations and alternative power generation methods
- Reduction of hosting costs through provisioning our own facilities

## Feedback

The team at MinedBlock are always keen to hear suggestions about how or what we could do better, Please reach us through our social channels or via email at [contact@minedblock.it](mailto:contact@minedblock.it)

[Twitter](#)

[Facebook](#)

[Telegram](#)

[Reddit](#)

[LinkedIn](#)