

XeNFT x CryptoCell Labs AMA (Ft. BroLeon Community)

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YoRHa@CryptoCell.Guru

<https://cryptocell.guru/>

<https://twitter.com/CryptoCellLabs>

AMA Recording:

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Host Parties:

XEN Network, CryptoCell Labs, BroLeon Community

Host:

Quincy: Business Director of CryptoCell Labs

Leon: Founder of BroLeon Community

Guest:

Jack Levin: Founder of XEN Crypto

Tang: XEN Chinese Litepaper Translator

Tiger: Crypto Investor

1. When will XENFT launch?

XENFT's launch is aimed at mid-December and no later than Christmas.

2. What is the balance between the bulk-minting before the NFT launch and your vision of fair distribution?

There are at least two bulk-minter tools that are freely available to everyone, mct.xyc and Cointools. We see that Cointools is leading right now in terms of all the activity. I would say 60% of the people are using bulk minter today, so it obviously makes it fair.

3. If I have redeemed my XENFT, is there any other value left in the XENFT?

It depends on the NFT category.

The last category, the collector category, will just have the collectable value in a sense that it will have the serial number of the NFT. And that serial number also combine together with the cRank. So, cRanks are rare, and they always increase in value. For example, if you're in the first 10,000 cRanks, then it's actually rare because you were early, so that becomes kind of a certificate of your OG status.

The other NFT's categories specifically be Rare and the Limited. They have burned XEN. We will have up to at least 1 billion XEN needs to be burnt for the Rare category.

The burn function itself is what gives NFT value. Because you have collected XEN first and then you burned it, that action actually transferred the value from XEN to the NFT. So even after claiming your bulk mint, the burnt XEN inside the NFT is actually what gives it the value.

4. Is burning a minimum 1 billion XEN to get a Rare NFT a confirmed information?

It isn't confirmed because we're looking at the tokenomics right now. But the Rare categories likely will be at least a billion but could be as much as 10 billion per NFT.

5. Would you consider that in addition to the mint functions that has been made into NFT, would the stake function also be made into NFT for trading on OpenSea?

Yes. Staking NFT is definitely going to be in the works as soon as we launch the burning NFT. Staking NFT is very useful because XEN when staked could be portable and trade it on the NFT market. And that is obviously very useful because the yield that you get from staking XEN can be embedded into a tradable instrument. So, yes, that is definitely coming.

- 6. Compared with people who choose to mint XEN, only a very small proportion of people choose to Stake, which to a certain extent shows that people are still not optimistic about the stability of XEN's price in the long run. Although most projects now encourage users to hold tokens for a long time, the current yields of XEN Stake doesn't seem to make up for the selling pressure caused by the XEN inflation. Does that mean the yields of staking should be improved?**

Yes and no.

To answer your last question, the yield cannot be improved because it's an immutable contract and we cannot change the code, so it stays exactly the same forever.

The argument that people are not certain about the price is a true argument, but there are two sides.

Number one is that we have a lot of people who are minting for 2-3 days or maybe a week. And then some people are minting in the future for 400 days plus. Obviously, 400 days plus people cannot yet stake. So there are long term investors and holders. But the people who are minting in the short term, their obvious plan and desire is to convert the gas that they spent into the money that they make on the open market. So, it is obvious that, because the project is very new, most of the people will be selling XEN and not staking it.

The staking now is about 10% of the total supply, which is actually very healthy for the early stage of the project.

As the future mints come in, those people who have minted for the future likely will also decide to stake more. So, we expect the rate of staking to the total supply to improve over time. Specifically, 300 days plus from now, we should see a lot a lot more people staking for sure.

- 7. In addition to XENFT burning, will XEN have any other scenarios in the ecosystem**

that also require XEN to be burned?

XEN protocol does have the Proof of Burn, so it can be used in many different scenarios. For example, there could be a Defi protocol that would implement XEN burn and create new tokens when XEN is burned. I actually saw a project that was burning XEN. But pretty much anything that you can imagine. So, it's completely an open-platform in a way that it could be used. It could be used for gaming, for Proof of Burn NFTs, like just very simple NFTs that specify how much XEN you have decided to burn, and many other options. So, trading XEN for when you burn it you should either yield or new tokens. So, pretty much unlimited possibilities. We're very excited about that. Because obviously XEN is going to be held by many people, so there will be a huge market for the new developers to use XEN and burn XEN in their applications.

8. Why other Defi projects are willing to burn XEN instead of other tokens to help their own ecosystem?

I think the simple answer is that if 100 million or 200 million people hold XEN, then having people pay XEN to for other Defi projects functionality is a great way to tap into the very large ecosystem.

9. What do you think about the decline in XEN prices, and what will happen after the release of NFT?

if you bought XEN at the top, obviously you're suffering a little bit because you bought it high.

But if you are minting XEN, and if you're minting XEN on the weekend when the gas prices are low like right now, you can mint XEN for \$2.80 on the Ethereum, and you can spend about \$0.10 on Binance, \$0.5 on Polygon, and \$0.005 on Phantom.

So, there are many options to get XEN very cheap, and you will always have a market to trade it. so you're not really suffering.

Most of the people that we see are minters, and there are some people who are buyers.

We always encourage people at this point of the project to mint XEN because it's so new, and we expect the market to have the equalization of the price discovery when our NFT is launch and XEN is actually used to mint NFT.

And if you think about it, OpenSea and many other platforms that work with NFTs, there is a very vibrant community on polygon as well as Binance. We're obviously going to see a transfer of XEN's liquidity into NFTs, and therefore reduction of the total supply available, which likely will move the price of XEN higher.

If the launch is successful and everybody loves NFTs, then we expect at least the year of the supply of XEN to be burned. But it is not possible to burn all of XEN, so people will have to buy it on the open market. They will not be able to mint enough if NFT is successful, so we likely see the price appreciation

10.If an individual or small team has a DApp idea based on XEN but lacks development strength, what kind of support will the XEN core team provide to help them jointly build the XEN ecosystem?

We will be providing 100% support for all of the new projects that are using XEN and that includes marketing, technical support, and anything that the team would like us to do. For example, we worked with the bulk minter from Cointools to make sure that the contract that their building is safe to use. So, we have been providing some of the technical support for them as well.

11.What are your plans for XEN's ecosystem dapps? And when will you launch them?

Our first DApp is the NFT. And our team is pretty small, so we are 100% focused on that and not even thinking about anything else. But at the same time, we would like to provide support for anybody out there who are building on XEN and coming up with different

ideas.

12. When will the XEN provide a governance mechanism to allow users holding XEN to participate in proposals, voting, and etc.?

We haven't really considered any sort of DAO yet because, you're totally right, XEN is the token of exchange, so we're focusing on people exchanging XEN with other cryptocurrencies as well as using XEN as liquidity for other projects. But it may be considered in the future, when our community grows larger, to release another governance stocking that will allow people to vote on different proposals or choose the direction of our foundation.

13. Have you considered developing XEN on the Lightning Network to be Bitcoin's first token?

We haven't considered it yet because there's many options on the Ethereum compatible networks. there are many networks and blockchains are reaching out to us about launching XEN on various CVM-compatible blockchains. We're quite busy with that ecosystem. But, it is possible that we will also work with Lightning in the future.

14. Have you considered increasing the cost of mining XEN through Proof of Work?

The contract is immutable, so we cannot make any changes to it. But we do exist on the chain that's Proof of Work, specifically Ethereum Proof of Work. And there to get the gas money you have to either buy their token or you have to do Proof of Work.

It is possible that in the future we will use XEN with NFTs and combine NFTs with Proof of Work. so that's the possibility.

15. What countermeasures will XEN have in the future to effectively prevent the

manipulation of Whales?

Manipulation of whales is generally governed by the gas cost.

Whales are the people with a lot of crypto that could potentially mint a lot. But it is my hope that the gas prices will move higher and make XEN mint very expensive and therefore reduce the exposure to the whale manipulation. and we actually see it on the Ethereum.

So on the chains that have the cheapest gas, there are actually a lot of whales.

But on the Ethereum there is very little skewing towards the single holders, where a single holder holds a lot and that's because the gas price reacts strongly to very massive mints. So, I feel like XEN protocol, by definition, is resistant to the whale accumulation. now of course, we can argue that somebody could simply go to the open market and buy XEN, but then I would say everyone benefits because the prices will go up too for XEN.

16. Could you tell us under what circumstances you think there will be a death spiral for the XEN price? Or what is the worst-case scenario that would have caused this project to fail?

I think it will be very difficult to have the price falling. Very hard even right now.

XEN is free to mint (only gas fee is required). You do not need to buy the tokens except pay for Ethereum gas.

And what we see right now on the open market is that the price actually is not falling to zero because there are two functions. one is the liquidity. The liquidity is still very low, so it's very easy for people who want to buy XEN on the Uniswap or centralized exchanges. They push price up very well. So a \$1,000 pushes XEN about 1%. So, imagine, hundred thousand dollars or a million dollars per day, which is a volume that is not uncommon in crypto. That is what's keeping the price high because some people do not want to spend the time to mint. And, specifically, like somebody who is choosing to mint for 300 days may choose to purchase XEN right away, and therefore, they purchase time. It's a very interesting game dynamic that's keeping the price relatively stable.

And one interesting thing that I want to point out when FTX's fiasco occurred, we saw gas prices spike to 650 Gwei, or maybe even higher, and every cryptocurrency started to fall, except XEN. XEN actually went up in price.

I think the reason why it happened is because XEN became very difficult to mint and nobody wanted to mint XEN anymore. So all of the short-term minters decided to buy XEN on the open market, rather than spending all the gas money to buy it. So, the gas condition on the Ethereum, and the Ethereum being obviously the very large chain and having a lot of projects, will have the gas price move higher to maybe 100 Gwei, or maybe even 200 Gwei in the bull market, which will push XEN value high as well. And by then, a lot of people will be holding XEN, so I think all of those people will be very happy when the Ethereum network gets busy, and we saw the preview of that with FTX. FTX happened, gas prices went up, and XEN went up also. It actually rallied where all of the other cryptocurrency started to fall.

17. Who is buying XEN?

People who are buying XEN are not willing to wait 300 days.

For example, for you to mint 10 billion XEN, you have to mint with many wallets, you have to pay a lot of gas, or you specify the longest time possible, 400 days.

Now 400 days is a long time in the crypto world. so potentially, to acquire 10 billion XEN is actually not technically that expensive, and it is an equivalent of acquiring ten thousand wallets that have been waiting for 100 days. So, people who are not willing to burn gas, people who are not willing to wait, they just go ahead and buy it. And there's always a price equilibrium between gas and mint.

And again, going back to my original statement, whenever the gas price is spiked during the middle of the week, XEN mint action drops, and the XEN price is trying to catch up with the absence of minting.

18. Why are people even minting XEN? If it's worth nothing or should be worth nothing,

why are people spending money on gas to mint it?

They are spending money on gas because they are trying to mint for the future. Because, eventually, when the bear market is going to be over and the XEN mechanics in economics will kick in, and it will be more difficult to mint XEN next year, then the value likely will move higher.

Now, obviously there is also situations where other projects and other protocols end up using XEN, which actually will give XEN more popularity and more exposure, so that will also likely will move the price higher.

So, people who are specially minting XEN for 400 days plus, they are hoping for XEN's value to be higher than the gas that they paid. Now, again, when the gas prices are too high, those people simply choose to buy XEN on the open market. I think that is the story because XEN is very much like Bitcoin. It has been modeled on Bitcoin.

Bitcoin, within the first two years, was worth nothing. It was said that there was no market, nobody knew, and there were no tools. People were mining Bitcoin, and we were getting it for basically free because the Bitcoin difficulty was very low.

Now, XEN models the Bitcoin tokenomics. It also adds the amplification for the social engagement specifically. Not a lot of people noticed, but if you are minting XEN for the long term, and if more people join during this adaption period, then you are actually getting more rewards.

The longer you mint, the more rewards you get due to more people joining the protocol. It is actually in the formula, and it's opposite of Bitcoin. With Bitcoin, the more miners we had, the more difficult it was to mint Bitcoin. But with XEN, it's the opposite. The more people join the network, the bigger the mint is for everyone. So that's what a lot of the long-term minters choose now.

The difficulty is based on time. The difficulty is increasing by about one tenth of a percent every day. The XEN mint is dropping every day. In about 4 years, we will have the half time period, where the XEN mint will drop by about one half, that is 50% less. And in about 8

years, the mint will basically stop, and it's going to be less than 1%.

I think people realize that this is a long-term project. It has a lot of potential. It will reach a lot of people, and it will also be impossible to make XEN in the future. So, a lot of people are very happy and very excited to join the project during the first year, and it's only been 50 days by the way.

If you look at the Ethereum activity, we are in every block. Every block has XEN transactions. And we are the top gas burner on Ethereum, and we've been the top gas burner on Ethereum every day since launch.

19.XEN price prediction on the open market:

Anytime the gas jumps, it's causing XEN to be more valuable. If you look at the Ethereum price, it is 1,207 right now. Ethereum became deflationary or a lot of Ethereum got burned because of the XEN protocol, so XEN's activity actually makes Ethereum more expensive in dollar terms, which actually makes gas more expensive too. Because imagine Ethereum is 10 times more expensive, let's say it's \$12,000, that actually makes XEN mint 10 times more expensive, even if we are at the same level of Gwei. So even if we stay at 10-12 Gwei, but Ethereum rallies, it actually makes XEN value jump up also. So, we're very much linked to the performance of the Ethereum blockchain.

20.I have seen that the number of followers on XEN Crypto Official is far less than the number of followers on your personal Twitter. Do you think this project can still run smoothly and reach the same consensus as Bitcoin without a person in charge?

I think so because the code is on chain and it's immutable. There are no administrative keys, and we have 50,000 members in our communities. So, our community is extremely strong, and even if I'm not present, nothing is going to disappear. that's the beauty of blockchain.

This is something very different from all of the projects that have been launched in the

last five years. It's really going back to the Bitcoin's original idea that the code and the project belongs to the people, and it can reach, I guess, the most people in the world in a fair manner.

So, I'm very excited about that.

21. You call XEN the Crypto of the people. In addition to referring to the improvement in the distribution method so that everyone can easily mine, does it mean that in the future XEN can become a store of value that most people can trust and own, just like Bitcoin or Dogecoin?

I believe we're better than Bitcoin, and we're better than Dogecoin because Dogecoin requires you to understand how to mine it, and Bitcoin is really more like digital gold, and its blockchain is extremely slow.

Because XEN is omnichain, it exists on many different chains. I believe it will be the most popular and widely used crypto of the people. and it also fair. The distribution and the production of XEN is really made by the people and not by the founding team. So, I think the story is very clean and clear. It gives a lot of opportunities to build interesting ideas on top of XEN.

It might be a stored value, but my hope that it will become a token of exchange more than the stored value. Token of exchange means that if everybody is using XEN for their Defi protocols or even in the real world, it actually becomes something that is the most abundant thing in the cryptoverse. And at the same time is extremely useful to trade with. XEN is like a hybrid of Dogecoin with genetic code of Bitcoin.

Dogecoin is very easy to get because it is so abundant and the price is low. Bitcoin is too expensive and impossible to make. XEN borrows the aspects from both Bitcoin and Dogecoin, and it adds fair distribution to it.

I'm hoping XEN is going to be the best of both worlds. We are definitely seeing this in this first fifty days. we're seeing extreme adoption and a lot of excitement in the community

and around the world. and we see it on chain. It's something that cannot be faked. I think the network effect will take hold over the years and will make XEN the project quite successful.

22.Is XEN a meme coin?

It can be. With XEN, the meme is fair distribution. It's people's coin, and that is the meme. So, really just something that belongs to everyone. I think this is the meme that we want the world to understand and to participate in.

So, it can be because, if you think about it, everybody is so serious about crypto. And obviously, it's important to be serious because it's people's money. But money is just a part of the equation. You also need distribution and adoption.

Unfortunately, crypto has not been yet widely adopted in the world. There are only 5% of people in the world actually understand and hold crypto (or being exposed to crypto) one way or the other.

With XEN, we aim to bring in 95% of population that hasn't been in crypto yet. We think this is the target audience that is going to be adopted and to hold XEN in the near future. Obviously, this is a very large market because 95% of people is billions of people. And right now, I think a lot of projects due to their complexity and the unavailability are slowing down the crypto adoption, so we're trying to solve the crypto adoption for the world.