



# Smart Contract Security Audit Report

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**NXM**

January 2023

Security Status



[www.hacksafe.io](http://www.hacksafe.io)



# Audit Details



## Audited project

NXM



## Deployer address

0x1b541c2dc0653fd060e8320d2f763733ba8cffe3



## Client contacts

NXM



## Blockchain

Ethereum



## Website

<https://nexusmutual.io/>



# Disclaimer

This is a limited report on our findings based on our analysis, in accordance with good industry practice as at the date of this report, in relation to cybersecurity vulnerabilities and issues in the framework and algorithms based on smart contracts, the details of which are set out in this report. In order to get a full view of our analysis, it is crucial for you to read the full report. While we have done our best in conducting our analysis and producing this report, it is important to note that you should not rely on this report and cannot claim against us on the basis of what it says or doesn't say, or how we produced it, and it is important for you to conduct your own independent investigations before making any decisions. We go into more detail on this in the below disclaimer below – please make sure to read it in full.

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The analysis of the security is purely based on the smart contracts alone. No applications or operations were reviewed for security. No product code has been reviewed.



# Procedure

## **Step 1 - In-Depth Manual Review**

Manual line-by-line code reviews to ensure the logic behind each function is sound and safe from various attack vectors. This is the most important and lengthy portion of the audit process (as automated tools often cannot find the nuances that lead to exploits such as flash loan attacks).

## **Step 2 - Automated Testing**

Simulation of a variety of interactions with your Smart Contract on a test blockchain leveraging a combination of automated test tools and manual testing to determine if any security vulnerabilities exist.

## **Step 3 – Leadership Review**

The engineers assigned to the audit will schedule meetings with our leadership team to review the contracts, any comments or findings, and ask questions to further apply adversarial thinking to discuss less common attack vectors.

## **Step 4 - Resolution of Issues**

Consulting with the team to provide our recommendations to ensure the code's security and optimize its gas efficiency, if possible. We assist project team's in resolving any outstanding issues or implementing our recommendations.

## **Step 5 - Published Audit Report**

Boiling down results and findings into an easy-to-read report tailored to the project. Our audit reports highlight resolved issues and any risks that exist to the project or its users, along with any remaining suggested remediation measures. Diagrams are included at the end of each report to help users understand the interactions which occur within the project.

# Background

HackSafe was commissioned by NXM to perform an audit of smart contracts:

- <https://etherscan.io/token/0xd7c49cee7e9188cca6ad8ff264c1da2e69d4cf3b#code>

The purpose of the audit was to achieve the following:

- Ensure that the smart contract functions as intended.
- Identify potential security issues with the smart contract.

The information in this report should be understood to understand the risk exposure of the smart contract, and as a guide to improve the security posture of the smart contract by remediating the issues that were identified.

# Contract Details

## Token contract details for 25.01.2023

Token Type	: DEFI
Contract name	: NXMToken
Contract address	: 0xd7c49CEE7E9188cCa6AD8FF264C1DA2e69D4Cf3B
Total supply	: 6,773,240.08443962450086314
Token ticker	: NXM
Decimals	: 18
Token Holders	: 4,087
Transactions count	: 120,552
Compiler version	: v0.5.7+commit.6da8b019
Contract deployer address	: 0x1b541c2dc0653fd060e8320d2f763733ba8cffe3
Owner address	: 0x5407381b6c251cFd498ccD4A1d877739CB7960B8

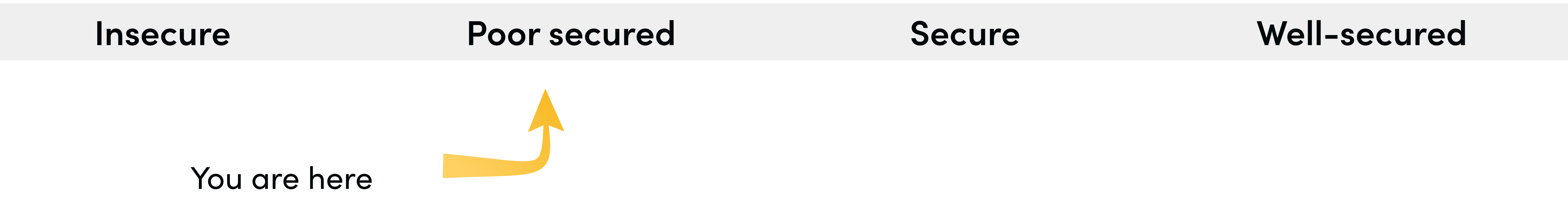


# Social profiles

Github profile	: <a href="https://github.com/NexusMutual">https://github.com/NexusMutual</a>
Twitter profile	: <a href="https://twitter.com/nexusmutual">https://twitter.com/nexusmutual</a>
Coinmarketcap profile	: <a href="https://coinmarketcap.com/currencies/nxm/">https://coinmarketcap.com/currencies/nxm/</a>

# Audit Summary

According to the standard audit assessment, Customer`s solidity smart contracts are **“Poor secure”**. This token contract does contain owner control, which do not make it fully decentralized.



We used various tools like Slither, Mythril and Remix IDE. At the same time this finding is based on critical analysis of the manual audit. All issues found during automated analysis were manually reviewed and applicable vulnerabilities are presented in the issues checking status.

We found 0 critical, 0 high, 1 medium and 1 low.



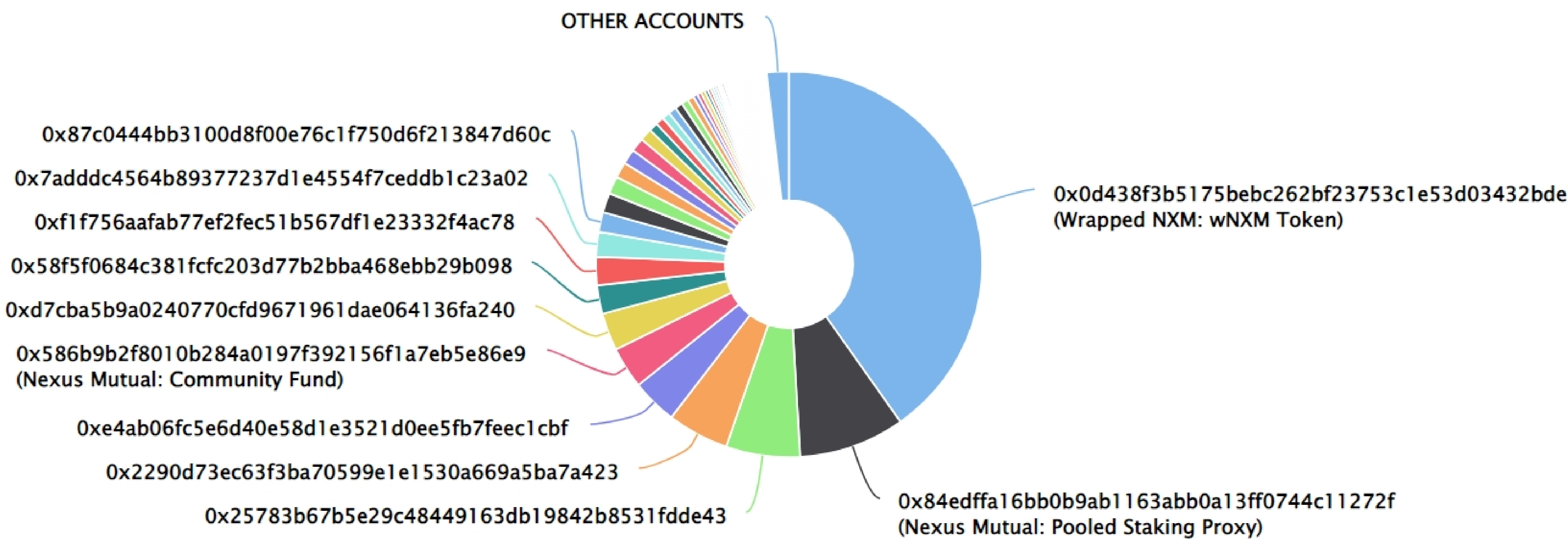
# NXM Token Distribution

💡 The top 100 holders collectively own 98.14% (6,647,443.51 Tokens) of NXM

💡 Token Total Supply: 6,773,240.08 Token | Total Token Holders: 4,087





## NXM Top 100 Token Holders

Source: Etherscan.io



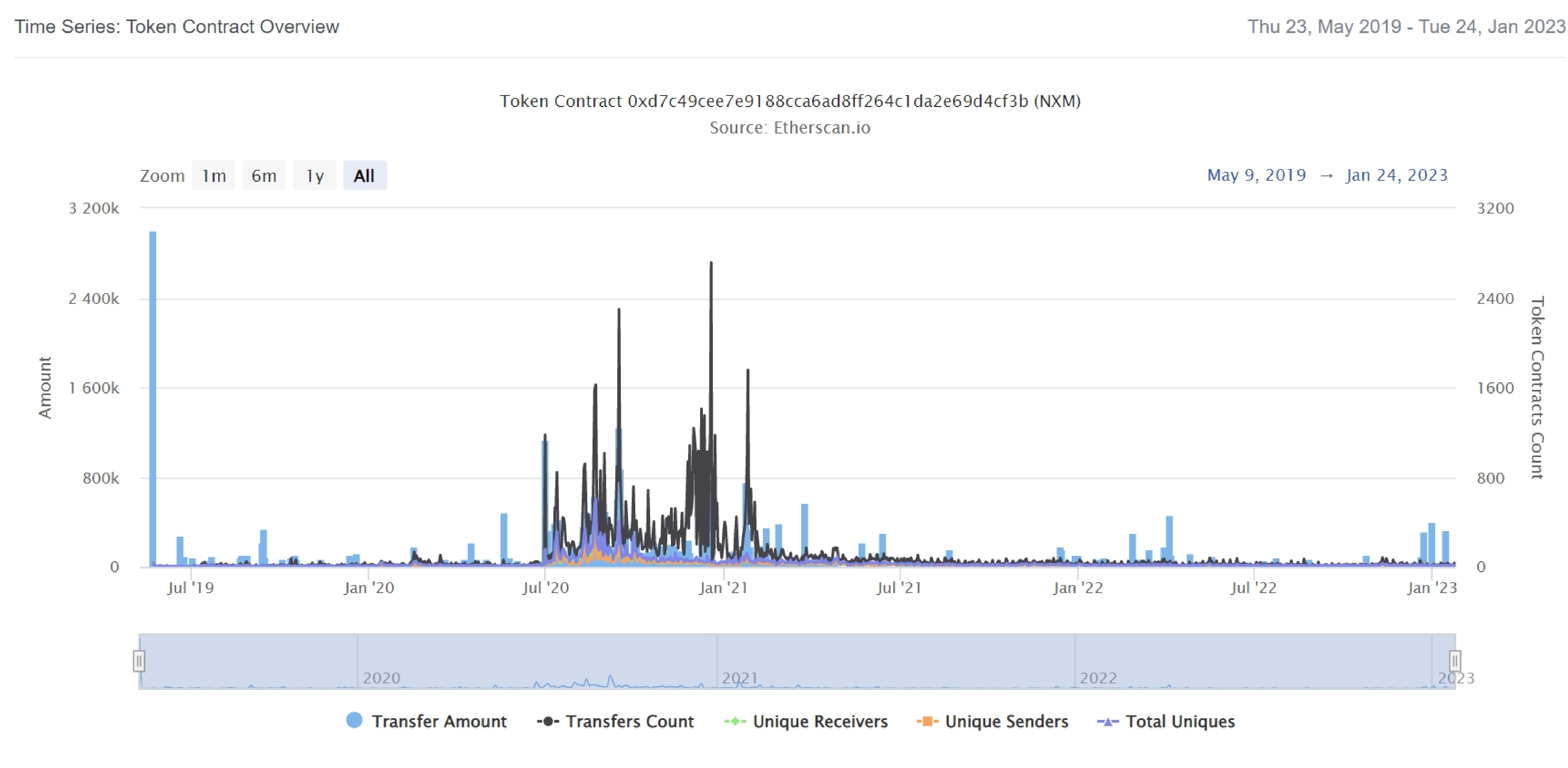
## NXM Token Top 20 Token Holders

(A total of 6,647,443.51 tokens held by the top 100 accounts from the total supply of 6,773,240.08 token)

Rank	Address	Quantity (Token)	Percentage
1	 Wrapped NXM: wNXM Token	2,724,395.854021550896378274	40.2229%
2	 Nexus Mutual: Pooled Staking Proxy	599,630.81105640739312481	8.8529%
3	<a href="#">0x25783b67b5e29c48449163db19842b8531fdde43</a>	420,590.205473232923890158	6.2096%
4	<a href="#">0x2290d73ec63f3ba70599e1e1530a669a5ba7a423</a>	347,819	5.1352%
5	<a href="#">0xe4ab06fc5e6d40e58d1e3521d0ee5fb7feec1cbf</a>	259,190.587345014958613502	3.8267%
6	 Nexus Mutual: Community Fund	234,832.66	3.4671%
7	<a href="#">0xd7cba5b9a0240770cfd9671961dae064136fa240</a>	213,232.922583900120290487	3.1482%
8	<a href="#">0x58f5f0684c381fcfc203d77b2bba468ebb29b098</a>	162,577.944704765079442926	2.4003%
9	<a href="#">0xf1f756aafab77ef2fec51b567df1e23332f4ac78</a>	160,000.00425714485899822	2.3622%
10	<a href="#">0x7adddc4564b89377237d1e4554f7ceddb1c23a02</a>	140,273.866605352077788419	2.0710%
11	<a href="#">0x87c0444bb3100d8f00e76c1f750d6f213847d60c</a>	112,330	1.6584%
12	<a href="#">0xa179f67882711957307edf3df0c9ee4f63026a12</a>	110,680.067685973922162139	1.6341%
13	<a href="#">0xb7a2c9f9f52f7d575c1d1cdb8b3d046d69990991</a>	100,002.987632897573625926	1.4764%
14	<a href="#">Nexus Mutual: Foundation</a>	89,505.261739000872442852	1.3215%
15	 Nexus Mutual: Token Controller Proxy	85,344.673885509651367477	1.2600%
16	<a href="#">0x88d88212b180fe600f54b93d495aa075220110eb</a>	78,450.437977422529637822	1.1582%
17	<a href="#">0x0f6c5f5ec55ba1a5b665f135984ecf74102a19a1</a>	69,564	1.0270%
18	<a href="#">0xee2826453a4fd5afeb7ceffeef3ffa2320081268</a>	50,088.906887093848566989	0.7395%
19	<a href="#">0x0960da039bb8151cacfef620476e8baf34bd9565</a>	48,125.899250678771240388	0.7105%
20	<a href="#">0x15fccc7889212b603413464bf5e61957b07cc242</a>	45,477.979803535022474454	0.6714%

# NXM Token Distribution

## NXM Contract Overview





# Contract functions details

## **+[Int]** IERC20

- [Ext] transfer
- [Ext] approve
- [Ext] transferFrom
- [Ext] totalSupply
- [Ext] balanceOf
- [Ext] allowance

## **+[Lib]** SafeMath

- [Int] mul
- [Int] div
- [Int] sub
- [Int] add
- [Int] mod

## **+NXMToken** (IERC20)

- [Pub] <constructor>
- [Pub] totalSupply
- [Pub] balanceOf
- [Pub] allowance
- [Pub] approve #
- [Pub] increaseAllowance #
- [Pub] decreaseAllowance #
- [Pub] addToWhiteList #
  - modifiers: onlyOperator
- [Pub] removeFromWhiteList #
  - modifiers: onlyOperator
- [Pub] changeOperator #
  - modifiers: onlyOperator
- [Pub] burn #
- [Pub] burnFrom #
- [Pub] mint #
  - modifiers: onlyOperator
- [Pub] transfer #
  - modifiers: canTransfer
- [Pub] operatorTransfer #
  - modifiers: onlyOperator
- [Pub] transferFrom #
  - modifiers: canTransfer

# Contract functions details

-[Pub] lockForMemberVote #

-modifiers: onlyOperator

-[Int] \_transfer #

-[Int] \_transferFrom #

-[Int] \_mint #

-[Int] \_burn #

-[Int] \_burnFrom #

(\$) = payable function

# = non-constant function



# Issues Checking Status

No.	Title	Status
1.	Compiler error	Passed
2.	Missing Input Validation	Passed
3.	Race conditions and Reentrancy. Cross-function race conditions.	Passed
4.	Possible delays in data delivery	Passed
5.	Oracle calls.	Passed
6.	Timestamp dependence.	Medium issue
7.	Integer Overflow and Underflow	Passed
8.	DoS with Revert.	Passed
9.	DoS with block gas limit.	Passed
10.	Methods execution permissions.	Passed
11.	Economy model of the contract.	Passed
12.	Private use data leaks.	Passed
13.	Malicious Event log.	Passed
14.	Scoping and Declarations.	Passed
15.	Uninitialized storage pointers.	Passed
16.	Arithmetic accuracy.	Passed
17.	Design Logic.	Passed
18.	Safe Open Zeppelin contracts implementation and usage.	Passed
19.	Incorrect Naming State Variable	Passed
20.	Too old version	Low issue

# Severity Definitions

Risk Level	Description
Critical	Critical vulnerabilities are usually straightforward to exploit and can lead to assets loss or data manipulations.
High	High-level vulnerabilities are difficult to exploit; however, they also have a significant impact on smart contract execution, e.g., public access to crucial functions
Medium	Medium-level vulnerabilities are important to fix; however, they can't lead to assets loss or data manipulations.
Low	Low-level vulnerabilities are mostly related to outdated, unused, etc. code snippets that can't have a significant impact on execution.



# Security Issues

## ✓ Critical Severity Issues

No critical severity issue found.

## ✓ High Severity Issues

No high severity issue found.

## ✓ Medium Severity Issues

One medium severity issue found.

### 1. Time stamp dependency

- **Issue:**

This smart contract contain following functions transferFrom, lockForMemberVote, transfer which uses now means functions or contract can be manipulated by miners if they have some incentive to do so as miners can adjust the timestamp.

- **Recommendation**

It is advisable that Block timestamps/now should not be used for entropy or generating random numbers – i.e. they should not be the deciding factor (either directly or through some derivation) for changing an important state (if assumed to be random). This can be unnecessary if contracts aren't particularly concerned with miner manipulations of the block timestamp, but it is something to be aware of when developing contracts.

## ✓ Low Severity Issues

One low severity issue found.

### 1. Old compiler version

- **Description**

Contract has been deployed using too old solidity version.

- **Recommendation**

It is advisable to deploy contract using any of the latest version of solidity.

# Centralization

## Owner/ Operator Privileges :

- NXM Contract:
  - Operator can transfer Operator.
  - Operator can lock For Member Vote.
  - Operator can add and remove from white list.
  - Operator can mint.

This smart contract has some functions which can be executed by the admin (Owner) only. If the admin wallet private key would be compromised, then it would create trouble, as smart contract ownership has not been renounced. Following are the owner function:

- operatorTransfer
- lockForMemberVote
- operatorTransfer
- addToWhiteList
- removeFromWhiteList
- changeOperator



# Conclusion

Smart contract contains low and medium severity issues! The further transfer and operations with the fund raised are not related to this particular contract.

HackSafe note: Please check the disclaimer above and note, the audit makes no statements or warranties on business model, investment attractiveness or code sustainability. The report is provided for the only contract mentioned in the report and does not include any other potential contracts deployed by Owner.