Coinfer

Coinfer ICO

Mining diversity for everyone

whitepaper

November 2017

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ABSTRACT

Mining today is a long-term and highly profitable business that will remain relevant for a long time. Mining bitcoin has been started more than 8 years and this process does not lose its relevance today.

We are engaged in mining altcoyins such as ZCash and ETH, which are just gaining popularity and are beginning to be used in accordance with their intended purpose. The surge in activity in the field of mining now led to a rising in price and a shortage of components for mining equipment. More and more people are interested in cryptomining business, but they faced a lot of difficulties. Mining in industrial scale is very expensive and specific, mining at home is accompanied by a number of inconveniences for unprofessional miners.

However, industrial mining is discredited by the presence of unscrupulous market participants such as "cloud mining", according to statistics, 85% of such companies operate under the Ponzi scheme.

We are the first company today that offers to become co-owners of mining equipment, in turn, others offer their equipment for rent.

1. PROSPECTS FOR MINING

1.1 Mining cryptocurrencies in details - ETH

- ETH

In year of 2017, the rates of ETH depend on two main milestones in the Ethereum.

1. The release of Metropolis.
2. Release Serenity.

Accordingly, interest in this crypto currency will grow exponentially. Then the surge and the rapid growth of the course of the Etherium are expected. By the way, it is the Ether can become the second crypto currency, the capitalization of which will overcome the mark of one billion dollars. At the moment, this can boast only bitcoin, the capitalization of which exceeds 14 billion.

As we can see, the forecasts for the ETH course inspire some optimism. Well, the main income can be calculated closer to the end of the year. In December predicts the maximum rate of ETH in 2017. The rates dynamics for 3 month 2017 you can see below (conmarketcap):

Ethereum Charts

- Zcash

Zcash (ZEC) appeared on October 28, 2016, and the developers described their offspring as follows: "If Bitcoin can be compared to http for money, then Zcash is https." Crypto currency really has an interesting feature: transactions Zcash allow you to hide the sender, the recipient and the amount of the transaction. This level of anonymity immediately attracted the attention of investors, miners and, of course, cybercriminals.

Zcash uses a zero-disclosure proof scheme called zk-SNARK, developed by the project team. The algorithms used allow the network to maintain a secure balance sheet without disclosing the sides and amounts involved in the network. Unlike bitcoin, where information about the sender, recipient and the amount of funds is available to everyone, the transaction metadata is encrypted in Zcash, and zk-SNARKs is used to prove that none of the network participants deceives anyone.

At the start, the cost of 1 ZEC reached $ 30,000, but soon the course came to more adequate indicators, and currently holds at around 0.07-0.01 ZEC / BTC (about $ 70). Nevertheless, Zcash's mining remains one of the most profitable in comparison with other existing crypto-currencies. Dynamic of the ZCash for 3 last month you can see below (coinmarketcap).

The number of new users is constantly growing, especially taking into account the investment and technical attractiveness of cryptocurrency. In connection with the increase in the number of transactions, more equipment is needed for their confirmation. Thus, the relevance of this direction will persist with the growth in the number of users and the emergence of new cryptocurrencies.

1.2. CLOUD MINING

Besides the traditional mining we also provide the cloud mining. Cloud Mining is a service for regular users which allows them to use industrial capacities for a fee. In this case a user doesn't need to buy equipment, search for an appropriate premise, but they just pay for such services to the owners of industrial farms.

Our company also plans to provide the cloud mining services for our inves- tors and customers. Around 40% of our power capacities will be leased. The rest will be used for in-house mining.

Advantages of cloud mining with Coinfer

1. Diversification of the sources of income.
2. Reduction of risks associated with cryptocurrency rates and increasing mining complexity.
3. Cost-sharing of energy consumption expenses.

Benefits of the cloud mining for a customer or investor:
1. 100% ongoing mining.
2. Instant accessibility to power capacity.
3. Configured and fault-tolerant system.
4. No need to purchase additional equipment to increase the capacity.
5. Cheap service.

2. ABOUT THE PROJECT

Coinfer is a project aimed on cryptomining farms construction. We plan to build a large industrial platform, the capacity of which will reach up to 2,000 farms*. Further, the number of calculated capacity will be increased continuously. The capacities will be used for obtaining direct profit from mining. Over the time, capacities will be leased for cloud mining.

2.1 OUR FINANCIAL ICO GOALS

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500K $
Space for 150 farms

This is the first goal of our ICO. Upon successful investment we will be able to run at least 150 farms. This is the minimal amount needed for the project payback.

1. 340 000$ — Purchase of mining equipment.
2. 130 000$ — Real estate + utilities.
3. 30 000$ — operating expenses (personnel, insurance, security, legal support, etc.).

1M $
Space for 300 farms

Achieving this goal will allow to run a minimum of 300 farms in a 300 sq.m space. This goal gives more prospects in terms of a further increase of the amount of farms without enlarging the premises. Reinvesting profit from the ongoing farms into the purchase of new equipment will allow to increase the number of farms up to 1200.

1. 680 000$ — purchase of mining equipment.
2. 270 000$ — cloud mining data center establishing
3. 50 000$ — Operating expenses (personnel, insurance, security, legal support, etc.)

5M $
Space for 2000 farms

Achieving this goal will allow us to set up the maximum number of farms (2000 items), which will provide an opportunity of high profit immediately after the launch. Moreover, the $5 000 000 investment can reduce of economic risks due to the rapid implementation of the third stage of the project — renting out the capacities.

1. $ 4,500,000 — purchase of mining equipment. Objectives 1 and 2 assume that the 100% equipment installation will be done on company's own funds, reinvested from future profits.
2. 400 000 $ — real estate purchasing.
3. 100 000$ — operating expenses (personnel, insurance, security, legal support, etc.).

10M $
Space for 4,000 farms

Achieving this goal will accelerate the development of the company, ensure high

economic stability, also it will help to diversify incomes via launching Coinfer own exchange. Estimated amount of dividends for the first year, which will be distributed among the investors, is $ 12,288,000.

1. 9 000 000$ — mining equipment.
2. 800 000$ — Coinfer exchange launching
3. 200 000$ — operating expenses (personnel, insurance, security, legal support, etc.).

3. PROJECT STAGES

1st stage.

The first stage of the project is the rental premises, equipment installation and the launch of the mining farms. 100% set-up of the premises may be arranged immediately or within six months from the launch. It will mostly depend on the amount of the raised funds.

2nd stage.

As soon as the first stage is be completed, we will begin renting the capacities out. Rent can be carried out in exchange for tokens. For investors the price will be lower than the retail one.

3rd stage.

In the third stage, after renting the capacities out for the project investors, renting will be available for all customers. (The implementation of the third stage is scheduled no later than eighteen months after the date of the ICO).

4th stage.

The fourth stage of the project will focus on the reinvestment of funds and the increase of the amount of mining farms.

5th stage.

This stage involves the launch of our own exchanger and the circulating assets of this exchanger will be backed up by the mined currencies.

4. ICO STAGES

✅ **PRE-ICO**

Start: 4.12.2017 12.00 UTC
End: 24.12.2017 12.00 UTC
Accepted currency: ETH
Price: 1 CNF token = 1 USD
Number of tokens per person: unlimited
Minimum transaction amount: 50 CNF tokens

✅ **BONUSES:**

+ 30% in the form of adding extra CNF tokens to the number of tokens you bought.
Example: By purchasing 1000 CNF tokens, you get 1300 CNF tokens.

By buying 3000+ CNF tokens, you get + 50% in the form of adding extra CNF tokens to the number of tokens you bought.
Example: By purchasing 4000 CNF tokens, you get 5600 CNF tokens.

By purchasing 9000+ CNF tokens, you get + 70% in the form of adding extra CNF tokens to the number of tokens you bought.
Example: By purchasing 10,000 CNF tokens, you get 17,000 CNF tokens.

STAGE 1

Start: 11.01.2018 12.00 UTC

End: 18.01.2018 12.00 UTC

Accepted currency: ETH

Price: 1 CNF token = 1 USD

Number of tokens per person: unlimited

Minimum transaction amount: 50 CNF tokens

BONUSES:

+ 30% in the form of adding extra CNF tokens to the number of tokens you bought.

Example: By purchasing 1000 CNF tokens, you get 1300 CNF tokens.

STAGE 2

Start: 18.01.2018 12.00 UTC

End: 25.01.2018 12.00 UTC

 Accepted currency: ETH

Price: 1 CNF token = 1 USD

Number of tokens per person: unlimited

Minimum transaction amount: 50 CNF tokens

BONUSES:

+ 20% in the form of adding extra CNF tokens to the number of tokens you bought.
Example: By purchasing 1000 CNF tokens, you get 1200 CNF tokens.

STAGE 3

Start: 25.01.2018 12.00 UTC
End: 01.02.2018 12.00 UTC
Accepted currency: ETH
Price: 1 CNF токен = 1 USD
Number of tokens per person: unlimited
Minimum transaction amount: 50 CNF tokens

BONUSES:

+ 15% in the form of adding extra CNF tokens to the number of tokens you bought.
Example: By purchasing 1000 CNF tokens, you get 1150 CNF tokens.

STAGE 4

Start: 01.02.2018 12.00 UTC

End: 07.02.2018 12.00 UTC

Accepted currency: ETH

Price: 1 CNF token = 1 USD

Number of tokens per person: unlimited

Minimum transaction amount: 50 CNF tokens

BONUSES:

+ 10% in the form of adding extra CNF tokens to the number of tokens you bought.

Example: By purchasing 1000 CNF tokens, you get 1100 CNF tokens.

STAGE 5

Start: 07.02.2018 12.00 UTC

End: 10.02.2018 12.00 UTC

Accepted currency: ETH

Price: 1 CNF token = 1 USD

Number of tokens per person: unlimited

Minimum transaction amount: 50 CNF tokens

5. INVESTMENT ATTRACTIVENESS OF COINFER PROJECT

Overall investment needs for large scaling cryptomining farms and launching data Centre calculated in different scenarios: from 500 000 dollars to 10 million dollars. The main source of the project's income is the mining process and capacities rental for mining. Most of the raised funds will be invested in equipment and rental estate. The remaining funds will be allocated to cover operating expenses (personnel, insurance, security, legal support, etc.).

40% of the net profit will annually be distributed as dividends among the investors. According to our estimations, in the 18 months of operation, the amount of dividends paid to the investors will exceed the initial investment amount. This suggests a high level of profitability of the project.

Moreover, the cryptomining market is growing rapidly as well as the capacities of the industrial mining farms. Those investors who have invested money in mining in 2013 have now received more than 500% profit. This is higher than 100% per year. Cryptocurrency mining is becoming more and more difficult each day. For instance, mining Bitcoins at home is no longer profitable - it has been replaced by Ethereum. However, the complexity of Ethereum extraction grows continu ously.

In a short time it may happen that the ETH home mining wouldn't be profitable at all. There will be only large industrial farms and the cryptocurrency extraction market will become a kind of a monopoly. Any materials, the extraction of which is limited, become more valuable - for example, the oil, the gas, the gold and so on. Therefore, investing in the industry mining now, you get a kind of a ticket to a private club in the future, because the production and the extraction of coins will be very limited. Naturally, this situation will affect the value of the token in the future - it will, of course, only grow.

Now you have the opportunity to invest in the initial stage of the industrial farm launch. The entry threshold into this market now is low. After a few years it can be significantly higher. Because the complexity of cryptocurrency ex- traction continuously grows, it will affect in the growth of your investment.

Goal:	500 000 $	1 000 000 $	5 000 000 $	10 000 000 $
Real estate	100 кв. м.	200 кв. м.	500 кв. м.	1000 кв. м.
Number of farms	220	440	2200	440
Eectricity, mVt	0,27	0,54		
Planned minimum net profit for the first year	875 000 $	1 750 000 $	9 435 000 $	
Planned amount to be distributed between investors as dividends for the first year, $	480 000 $	985 000 $	6 125 000 $	12 250 000 $

6. PROFITABILITY MODEL AND RISK MANAGEMENT

The main Coinfer source of income is the cryptocurrency mining and renting out the capacity for mining. We plan to extract different cryptocurrencies based on the Equihash, Dagger-Hashimoto, EtHash, CryptoNight algorithms. Extraction of various types of cryptocurrency reduces the risks associated with exchange rates and the increasing production complexity. We plan to rent out about 40% of capacities to investors and miners. In some cases, it gives a lower profit, but reduces the risks of the company.

A part of the received profit is planned to be immediately converted into the fiat currency, another part will be put aside in order to profit on the rates increase. In the first 12 months the investors will be paid a raised percent of the net profit. 40% is the minimal threshold for the payment to the investors.

Profitability of the Coinfer token for investors

1.   One of the most profitable options is to keep the token in the wallet and receive dividends for each financial year. 40% of the company's net profit is distributed between the investors.

2.   In exchange for tokens it will be possible to rent computing capacities for mining in the future. Prices for token holders will be more appealing than those for the new customers.

3.   Upon completion of ICO, you can always sell the token on the exchanges.

6.1 RISK MANAGEMENT ISSUES

Before starting the project we have carefully calculated all the possible financial and other risks we may face during its implementation.

6.1.1 POTENTIAL JUMPS OF CRYPTOCURRENCY RATES

The diversification of assets

The main objective of our farms is the production (mining) of the cryptocurrencies. We receive all income in cryptocurrency. The financial models includes a sharp rate drop. We diversify the risk via mining a variety of coins. Only a part of the funds will be kept in cryptocurrency (about 40%), the remaining 60% will be converted into the fiat currency.

6.1.2 SWITCH OF ETHEREUM INTO THE POS MODE

The business model of StartMining allows a possibility to work with different coins and on different equipment. We do not mine a particular currency, but try to diversify risks. In this case, we will move to Ethereum Classic. Given the fact that a part of available assets will be kept in different cryptocurrencies, availabile funds will be used for the PoS extraction of Ethereum along with mining of other currencies.

7. MINING EQUIPMENT

The most modern mining equipment will be used to create farms. We will aim to diversify risks and to extract various kinds of cryptocurrency, so the farms configuration will be different. We plan to extract the currency based on the Equihash, Dagger-Hashimoto, CryptoNight.

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First line coins for Coinfer mining:

1.   Ethereum (2nd place in terms of capitalization).

2.   Ethereum Classic (5th place in terms of capitalization).

3.   Monero (11th place in terms of capitalization).

4.   ZCash (12th place in terms of capitalization).

For the 1st goal achieving and installing farms we will use a video cards based on the AMD Polaris chip (card series RX470, RX480, RX570, RX580). We plan to use Sapphire and MSI manufacturers. We are waiting for the release of the cards based on AMD VEGA, they will be the core of the cluster and will be purchased as soon as they are available for order.

Technically we plan to use solutions from Nvidia, such as videocards from the series GTX series in 1070, 1080, 1080ti, Titan XP, as well as the specialized solutions designed for mining, such as MSI GP106-100, ASUS GP106-100.

We would prefer to use cards with memory of at least 6 GB as the market grows very fast. It may not be sufficient to use 4GB cards for mining of some cryp- tocurrencies or it can significantly reduce the productivity.

We constantly monitor the appearance of new technologies and we we aim to constantly upgrade our equipment. The farms will work on ASRock and Biostar motherboards, which support the maximum number of cards. We are considering Biostar 12GPU TB250 Version 2 (12 cards) and ASRock H110 PRO BTC + (13 cards).

The profitability data is estimated at the time of creating the presentation and may be subject to change. The abovementioned configuration presents one of many possibilities, we plan to assemble mini-farms with 6 cards and use Nvidia cards.

The decision about the choice of a manufacturer will be made on the basis of the equipment performance data, cost of the equipment, the shipment terms, the logistics costs and manufacturer's warranty obligations.

In later stages of development, we will use the solutions not only based on the GPU, but will broaden our technical facilities by adding solutions
based on ASIC and other various solutions, including the experimental ones such as mining on the basis of hard disk drives (Burst).

The delivery period of the equipment is approximately 2 months after the order and order confirmation from the manufacturer.

8. SUSTAINABILITY

The principal amount of funds received as a result of ICO will be invested in highly marketable assets such as real estate and equipment. These assets become the investment insurance.

Gained profits will be reinvested in further increases of capacity. In the next few years we plan to become one of the important players on the rapidly growing market of mining.

Coinfer Company conducts public activities, we will provide the maximum cover of all project stages and the company's plans.

In order to conduct ICO we will use Escrow to provide the maximum transparency of the investment and the safety of investors' funds.

9. GLOSSARY

Blockchain — method of the distributed data storage or a digital registry of transactions, contracts

ICO (Initial Coin Offerings) — a way to raise the primary capital with the use of cryptocurrency

Bitcoin — the first cryptocurrency

Ethereum — a cryptocurrency and a platform to create decentralized online services based on blockchain

Smart contract — an electronic algorithm that describes a set of conditions which entails some of the events in the real world and the digital systems

Mining — the cryptocurrency extraction process which supports the operation of the network chosen for cryptocurrency mining

Miner — a person or a company engaged in mining

Mining farm — a platform with the installed equipment for mining

Cloud Mining — renting out the capacities for mining, does not require the purchase of the equipment and the search for a platform for its installation