

# DXNPot Protocol

## Pooled DXN Staking with VRF-Weighted Distribution & Deflationary Mechanics

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### What is DXNPot?

DXNPot is a non-custodial pooled staking protocol that aggregates DXN tokens to stake through dbXen, then distributes ETH fees using Chainlink VRF-weighted randomness. Users maintain full custody of their DXN while participating in a high-variance yield strategy that simultaneously burns DXN supply and mints GOLD - a passive income token.

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### Core Mechanics

#### 1. Pooled Staking

- Users deposit DXN → Protocol stakes all DXN into dbXen
- dbXen generates daily ETH fees based on XEN burn activity
- Users retain ownership and can unstake anytime (subject to dbXen lock rules)

#### 2. Fee Distribution (VRF-Weighted)

- Anyone can call `executeFeeDistribution()` to claim dbXen fees
- ETH is split four ways:
  - **3.69%** → Buy & Burn bucket (accumulates for DXN burns)
  - **90%** → Random distribution pool (one staker selected via Chainlink VRF)
  - **10%** → GOLD token holders (proportional passive income)
  - **≤20%** → Operations funding (VRF gas costs, capped automatically)
- **Selection is weighted by stake** - larger stakes = higher probability
- **Selection uses Chainlink VRF** - provably fair, manipulation-resistant

#### 3. Ticket System

- Calling fee distribution = 1 ticket (GOLD allocation rights)
- Calling buy & burn = 1 ticket
- Stakers collectively earn 1 ticket per fee claim (starting epoch 25)
- Tickets determine GOLD distribution, NOT ETH selection

#### 4. Buy & Burn Cycle

- Anyone can call `executeBuyBurn()` using accumulated 3.69% ETH
- Swaps ETH → DXN on Uniswap → sends DXN to burn address (0xdead)
- Mints GOLD tokens equal to DXN burned
- Distributes GOLD to ticket holders (callers + stakers proportionally)
- **Ends epoch** → tickets reset, new cycle begins

#### 5. GOLD Passive Income

- GOLD holders receive 10% of ALL future ETH fee distributions
- Claimable anytime via `claimGoldHolderEth()`
- GOLD accumulates over time from participation, providing guaranteed yield
- **GOLD compensates stakers who aren't selected for ETH distribution**

#### 6. Big Bonus Day (Epoch 25)

- Stakers who join epochs 1-24 are locked until epoch 26
  - Starting epoch 25, early stakers earn bonus GOLD allocation:
    - Epoch 1 stakers: **100% bonus** (2x GOLD per ticket)
    - Epoch 24 stakers: **~4% bonus**
    - Linear decay between epochs
  - Rewards long-term commitment and early adoption
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### Value Propositions

#### For Active Stakers

- **High upside potential** - small stakes can receive large ETH distributions
- **Guaranteed GOLD accumulation** - passive income layer grows over time
- **Gas efficiency** - pooled claims reduce individual gas costs
- **DXN burn acceleration** - every cycle permanently reduces supply

#### For GOLD Holders

- **Passive ETH income** - 10% of all future protocol fees
- **No staking required** - can buy GOLD on secondary market
- **Deflationary supply** - GOLD only minted through DXN burns

- **Predictable yield** - proportional to GOLD holdings

### For DXN Ecosystem

- **Supply reduction** - continuous DXN burns create scarcity
  - **New primitive** - GOLD creates additional tradable asset
  - **Increased utility** - new reason to hold/stake DXN
  - **Fair launch** - no pre-mine, no team allocation, no admin fees
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## Risk Considerations

### Probability Distribution

- Smaller stakers have proportionally lower selection probability
- Large stakers will be selected more frequently over time
- Expected value converges to proportional share over many epochs
- **GOLD accumulation provides guaranteed yield for all participants**

### Smart Contract Risk

- Protocol uses UUPS upgradeable pattern (OpenZeppelin standard)
- Chainlink VRF ensures randomness cannot be manipulated
- Operations funding capped at 20% (immutable constant)
- No admin keys that can withdraw user funds

### Market Risk

- ETH fee amounts depend on XEN burn activity (external variable)
  - DXN price volatility affects USD value of staked assets
  - GOLD secondary market liquidity depends on adoption
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## Technical Stack

- **Solidity 0.8.24** - Smart contract language
- **OpenZeppelin Upgradeable** - Security & upgradeability framework
- **Chainlink VRF V2** - Verifiable randomness

- **Uniswap V3** - DXN buy & burn execution
  - **dbXen Protocol** - Underlying staking mechanism
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## First Principles Alignment

DXNPot adheres to crypto's first principles:

-  **Self-custody** - users control their DXN at all times
  -  **Decentralization** - no admin can manipulate outcomes
  -  **Transparency** - all code open-source, all transactions on-chain
  -  **Fair launch** - no pre-mine, no private allocation, no dev fees
  -  **Immutability** - core parameters locked (20% ops cap permanent)
  -  **Verifiability** - Chainlink VRF provides cryptographic proof of fairness
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## Launch Status

**Current Phase:** Testnet deployment & auditing **Mainnet Launch:** Q1 2026 (pending security review) **Initial Deployment:** Ethereum mainnet **Future Chains:** BSC, Avalanche, Base, Optimism, Arbitrum (DXN multi-chain expansion)

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## Resources

- **Website:** [dxnpot.com](https://dxnpot.com)
  - **Documentation:** [GitHub repo URL]
  - **Contract Code:** [Etherscan verified contract]
  - **Community:** [Telegram/Discord]
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## Disclaimer

DXNPot is experimental DeFi software. Users should understand the protocol mechanics and associated risks before participating. This is not financial advice. Always DYOR (Do Your Own Research).

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**DXNPot: Non-custodial. Verifiable. Deflationary.**