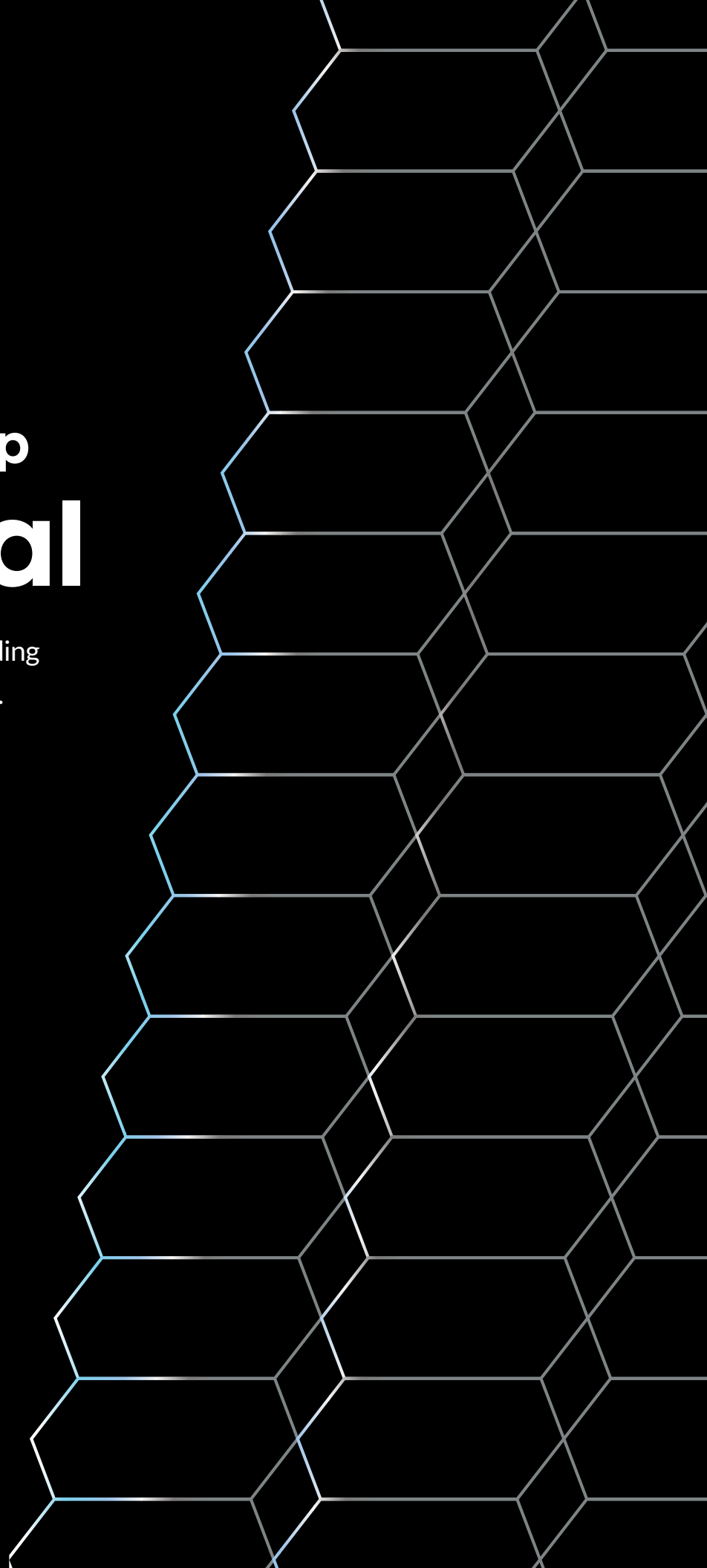
SHADOWS.

Shadows Dapp Tutorial

The hub for issuing, trading, lending and borrowing derivative assets.



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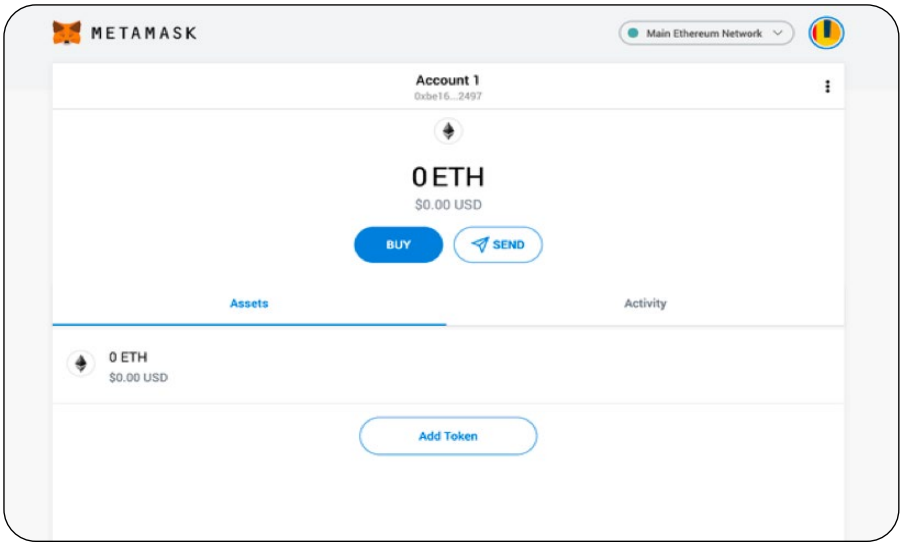
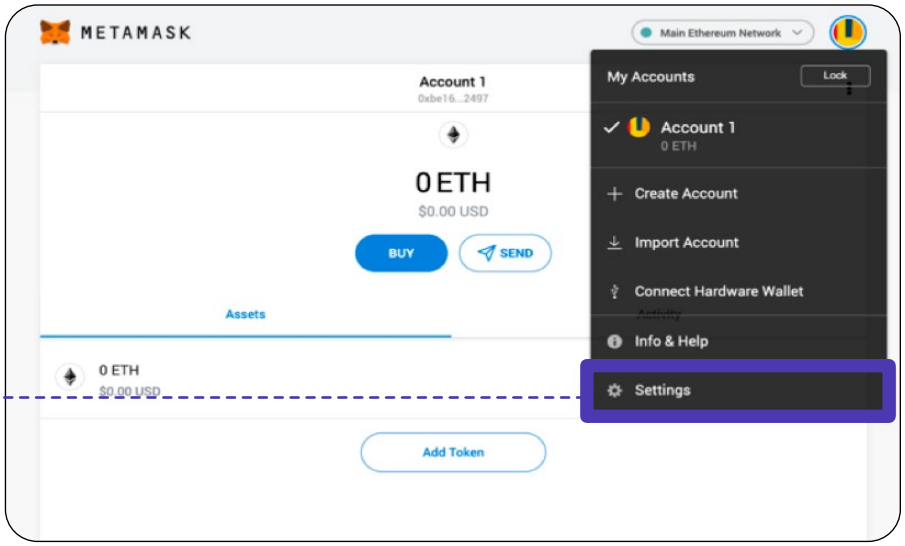
01

How to Set Up and Use Shadows Dapp

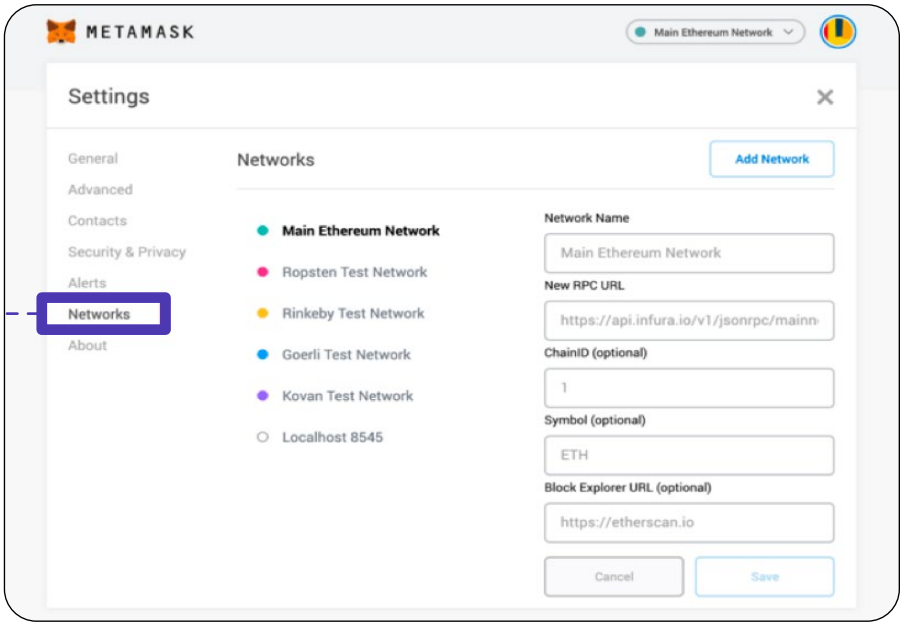
Step 01 **Add Binance Smart Chain (BSC) to the wallet.**



You may notice straight away that the wallet is on the Ethereum network. Let's change that by clicking **Settings**.



We then find the Networks button on the settings page.



Next, we need to manually configure BSC. Below are the parameters to fill in.

Network Name: Binance Smart Chain Mainnet

New RPC URL: https://bsc-dataseed.binance.org/

ChainID: 56

Symbol: bnb

Block Explorer URL: https://bscscan.com/

Step 02 Under asset, add DOWS and ShaUSD token.

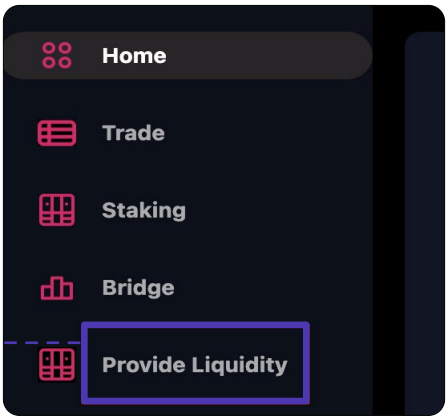
DOWS Address: 0xfb7400707df3d76084fbeae0109f41b178f71c02

ShaUSD Address: 0xEbadF16569Dc9FE2822149106ffDbCA650C237C4

Step 03

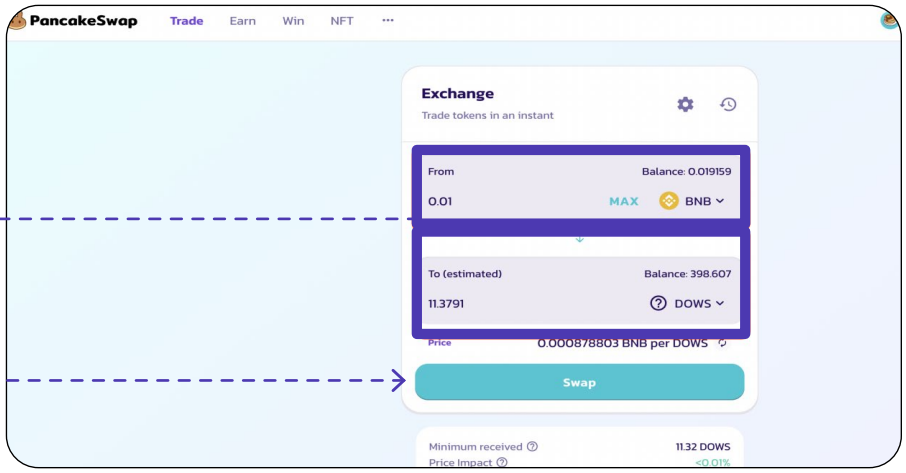
In order to trade synthetic assets, you will have to get DOWS first, we suggest you use Pancake Swap.

Click **Provide Liquidity** to access PancakeSwap.



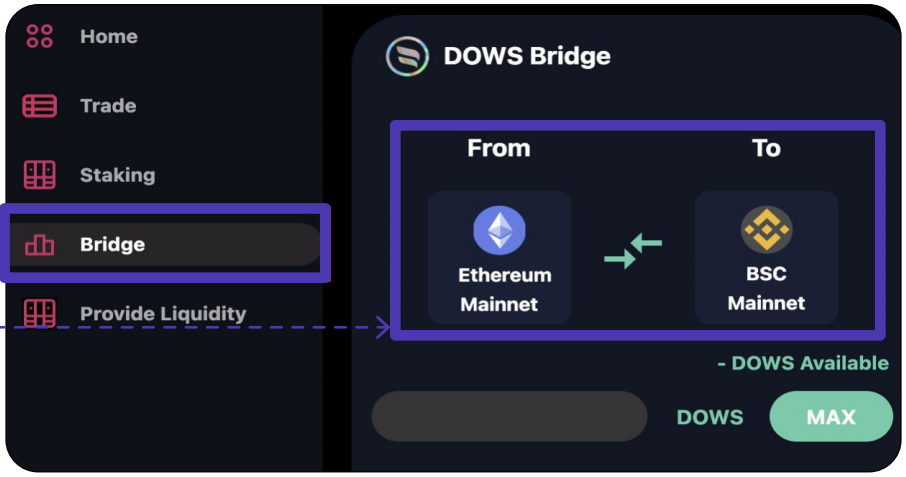
Let's say you have BNB in your wallet, put in the amount of BNB you wanna swap (make sure you leave enough transaction fee).

Click Swap to get DOWS.



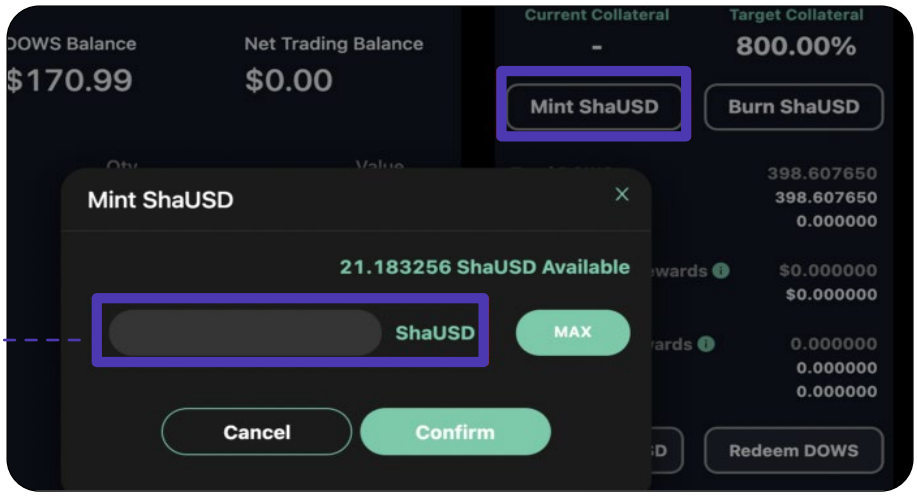
If you purchase DOWS from Gate.io or Uniswap, you use **Bridge** to swap DOWS on ETH chain to BSC chain.

Bridge ETH DOWS to BSC DOWS.



Step 04 Mint ShaUSD in order to trade synthetic assets.

Put in the amount of **ShaUSD** you want to mint.



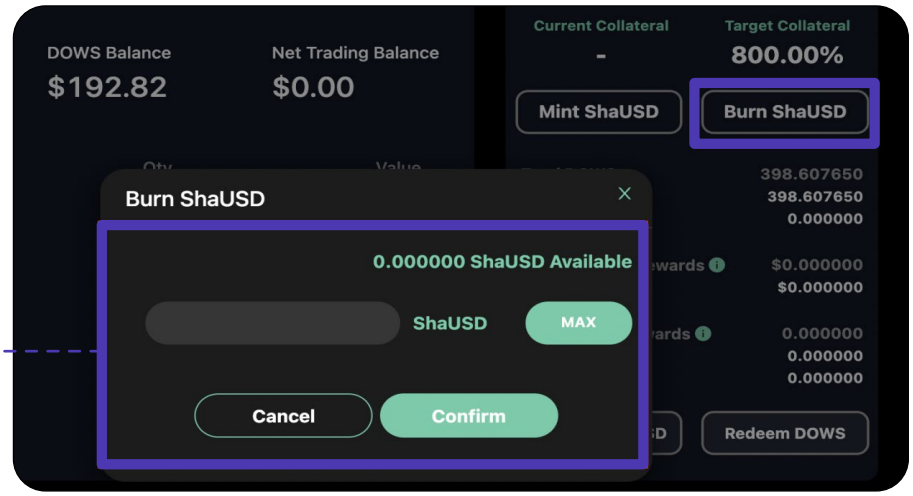
→ **Note:** In order to be able to redeem your rewards, you have to make sure the collateral rate is above 800%

For each transaction, the platform charge 0.3% transaction fee which will be distributed to our debt holders according to the ratio they take up in the debt pool.

Step 05 Choose the kind of synthetic asset you want to buy and start trading it by using the buy and sell button.

Locate the asset you are interested in.

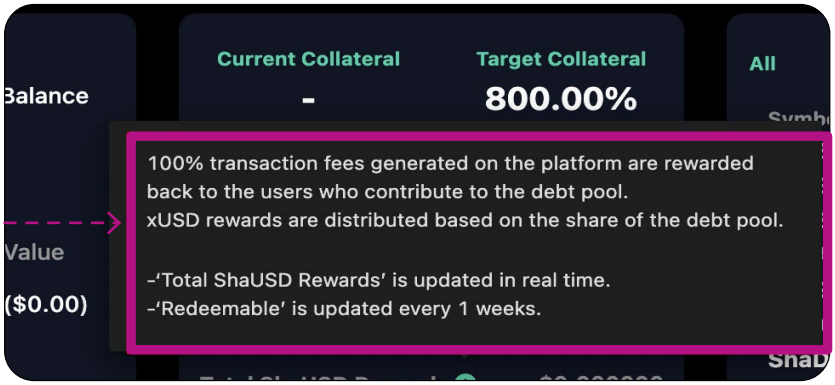
Step 06 Burn ShaUSD to get your locked DOWS back.



Put in the amount of **ShaUSD** you want to burn.

→ **Note:** When you have debt, you will be rewarded by ShaUSD and DOWS for every transaction that occurs on the platform.

→ **Note:** after you burned all the ShaUSD debt, you may still have some ShaUSD left as profit if you gain profits from your synthetic assets.



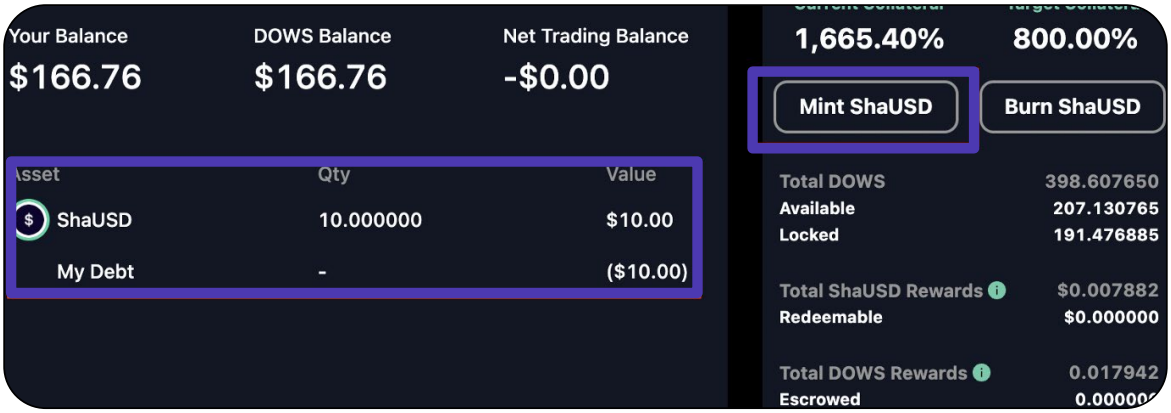
Click the icon i to learn more.

Steps Complete

02

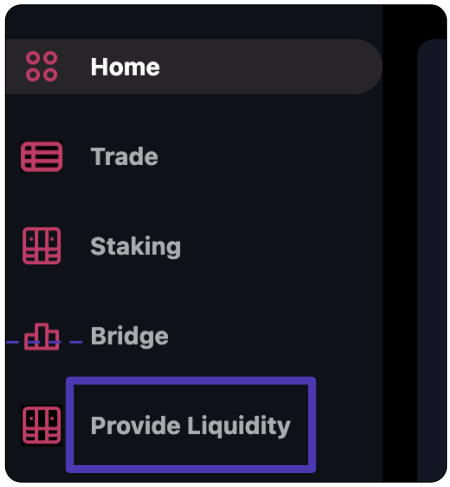
ShaUSD/BUSD LP Guide

Step 01 Mint ShaUSD in advance.



Step 02 On Shadows Dapp, click on Provide Liquidity to get access to PancakeSwap.

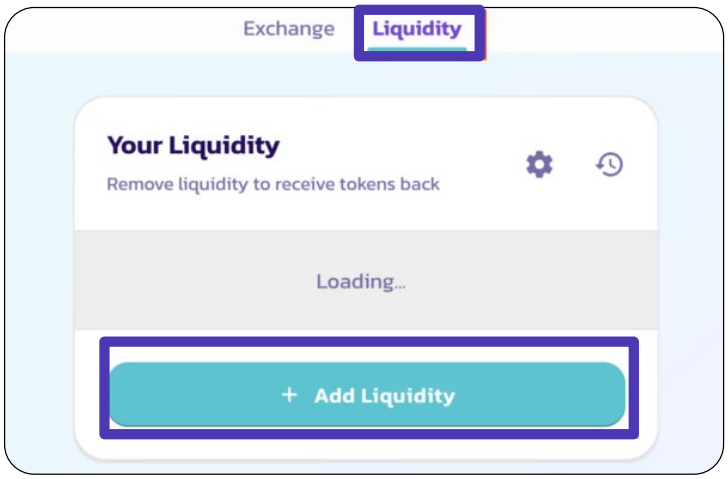
Click Provide Liquidity to access PancakeSwap.



Step 03

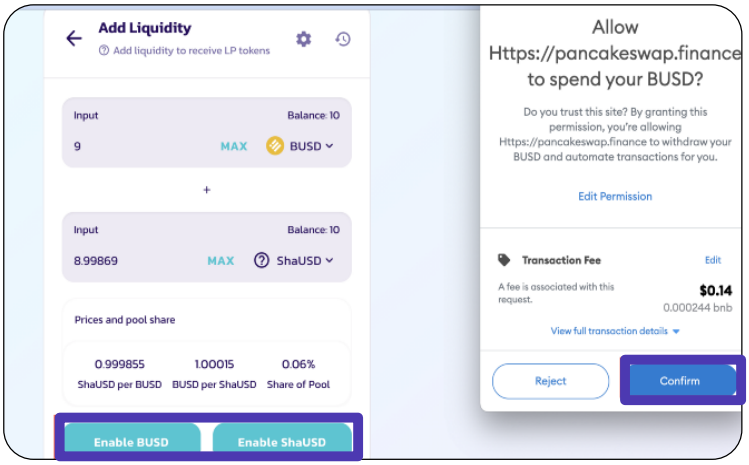
Then click on Add Liquidity to provide liquidity.

If any set of the tokens is not shown, you can click on the 'Select a currency' option and choose BUSD or ShaUSD from the drop-down menu.



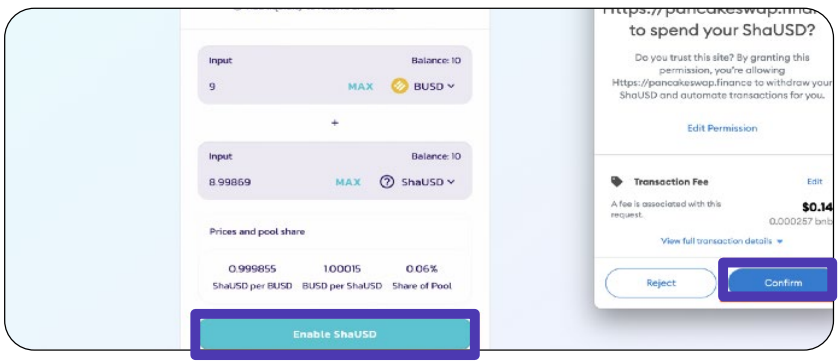
Step 04

Click on Enable BUSD and Confirm, a Metamask prompt will appear asking for confirmation, and you'll have to pay a gas fee (in BNB) at this step.



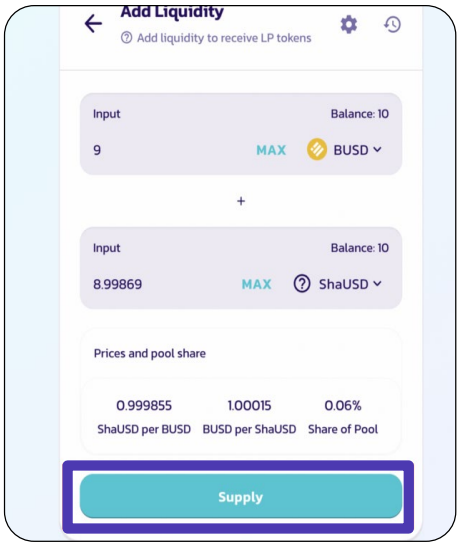
Click on Enable ShaUSD and Confirm. Once again, the gas fee will be charged.

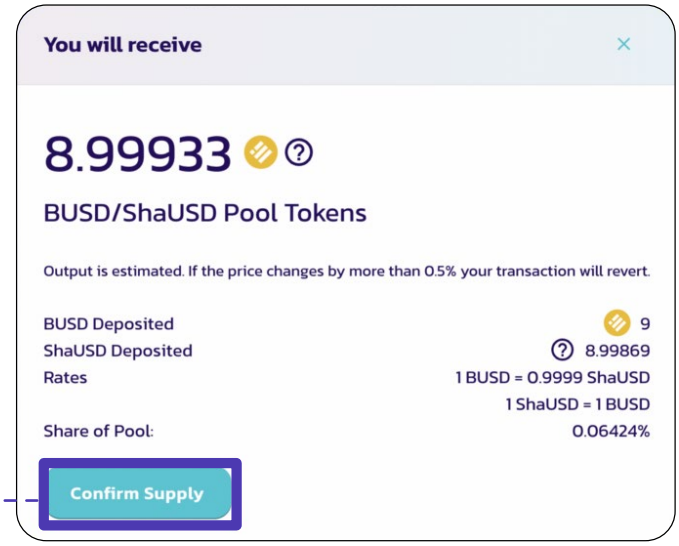
In the ShaUSD/BUSD LP, you have to stake ShaUSD and BUSD tokens of the same USD value. Make sure that you have sufficient assets of each type, and enter the equivalent amount of ShaUSD (or BUSD) that you want to stake.



Step 05

Now you will need to click on Supply and Confirm Supply.

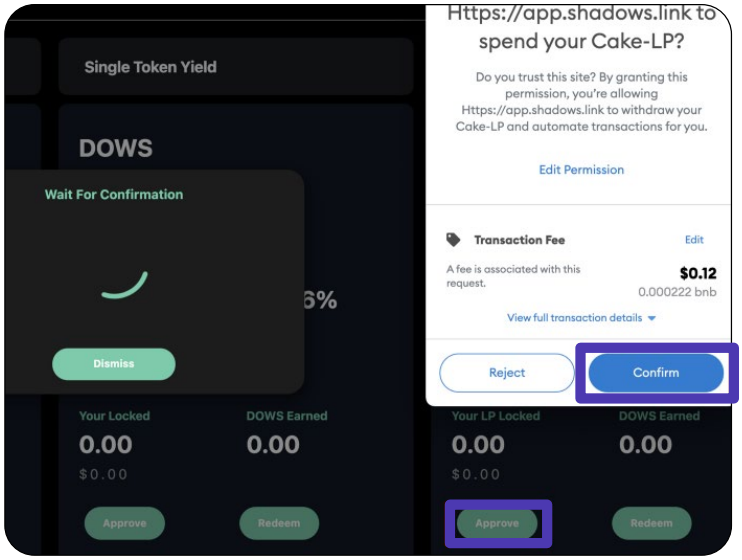




Click on the Confirm Supply button to receive the tokens.

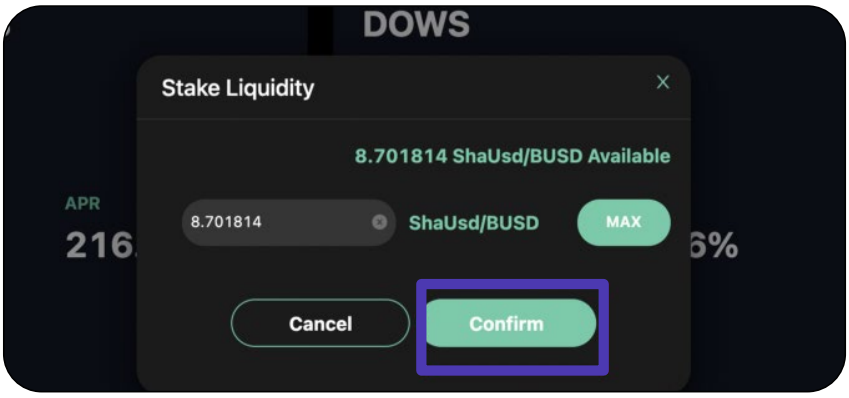
Step 06

Go to the Staking page link, click Approve button the first time providing LP tokens.



Step 07

After confirming transaction on MetaMask the approve button will change to a + button. Press + to select the number of LP tokens you would like to stake.



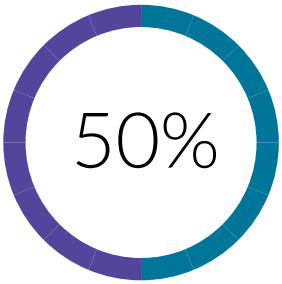
Now, you've successfully staked your ShaUSD/BUSD tokens! You start to earn yields. These tokens are earned in proportion to your contribution to the total liquidity pool, and can be redeemed anytime.

After completing this final confirmation to MetaMask, you are now earning profits!

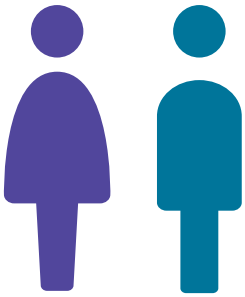
Steps Complete

03

Scenario for ShaUSD



Alice and **Bob** start with the same amount, and are each equally responsible for 50% (half) of the total pool debt.



Alice buys ShaBTC.

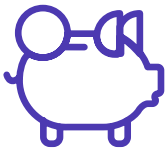
Bob stays in SHAUSD.
(stable coin always at $1)

↑ $12,500

BTC goes up 50%, Alice's position is now up $12,500, increasing the total pool debt by that same amount gained, $12,500.

position same

Bob's position stays the same, not increasing the total debt pool, but both are still each equally responsible for 50% (half) of the total pool debt ($31,250 each).



$6,250 in profits

–$6,250 in loses

Alice can now exit her position in profit above what she owes as debt to the total debt pool ($31,250-$25,000= $6,250 in profits).

When Alice's position is calculated against her share of debt owned to the total pool, it results in a profit of $6,250, while Bob's position calculated against the total debt pool results in a loss of (-$6,250).

Although Bob's position stayed flat at $25,000 Bob is at a loss below what he owes to the debt pool ($25,000-$31,250= -$6,250 in loses).

Scenario 1 for ShaUSD

		Alice	Bob	Total Debt
1	Beginning Balance ShaUSD	$25,000	$25,000	$50,000
2	ShaBTC	$25,000		50% of $50,000 ($25,000)
	ShaUSD		$25,000	50% of $50,000 ($25,000)
3	ShaBTC (up 50%)	$37,500		*50% of $62,500 ($31,250)*
	ShaUSD		$25,000	*50% of $62,500 ($31,250)*
4	Ending Balance	$37,500	$25,000	$62,500
	Debt Owned	*$31,250*	*$31,250*	$62,500
Net Profit (LOSS)		**$6,250**	**(-$6,250)**	

Scenario 2 for ShaUSD

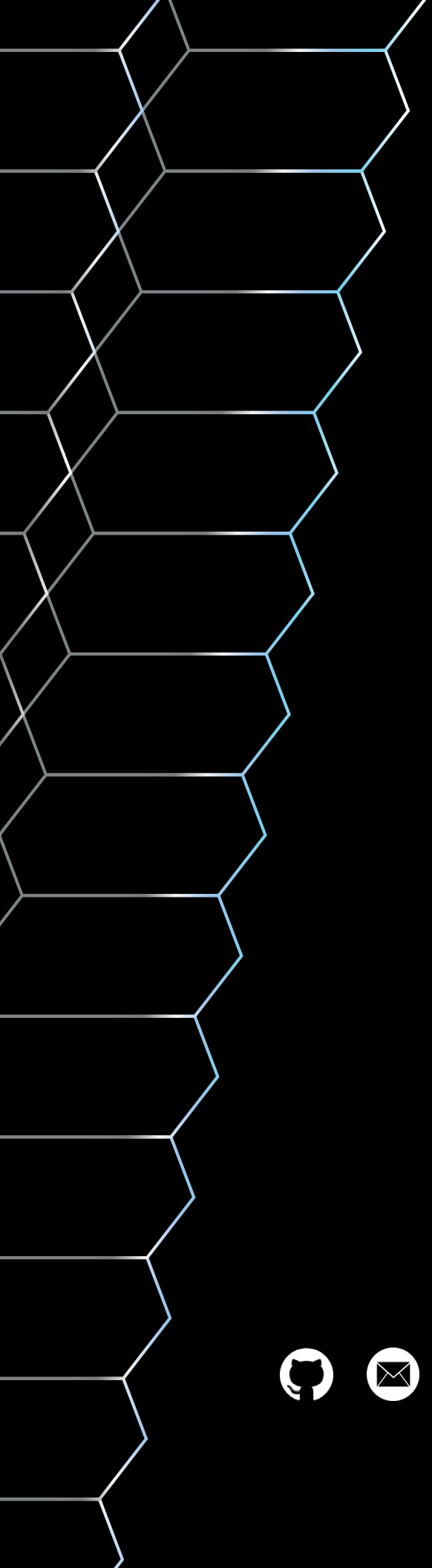
		Alice	Bob	Total Debt
1	Beginning Balance ShaUSD	$25,000	$25,000	$50,000
2	ShaBTC	$25,000		50% of $50,000 ($25,000)
	ShaUSD		$25,000	50% of $50,000 ($25,000)
3	ShaBTC (down 50%)	$12,500		*50% of $37,500 ($18,750)*
	ShaUSD		$25,000	*50% of $37,500 ($18,750)*
4	Ending Balance	$12,500	$25,000	$37,500
	Debt Owned	*$18,250*	*$18,750*	$37,500
Net Profit (LOSS)		**(-$6,250)**	**$6,250**	

→ **Notes:**

1 - Bob's position did not change but still incurred a loss, because relative to the 50% or half the debt pool he is responsible for, the total debt pool increased due to Alice's gains.

2 - Notice that in scenario 1 Alice only nets $6,250 from the $12,500 in gains (25% of the 50% gain), but she is equally only responsible for $6,250 of the $12,500 loss in scenario 2 (25% of the 50% loss). So while gains are limited to one's proportion to the total debt pool, losses are also limited to one's proportion to the total debt pool, and does not carry full loss.

Alice and bob would have to bring back that level to 800% to exit their trade, except in the event where DOWS market price increases more than the debt owned, returning the current ratio to 800% or above on its own.



SHADOWS.