



SpiderMiner.

SpiderMiner Partnership EXPLAINER



DEFINITION OF TERMS USED IN THE SPIDERMINER PARTNERSHIP AGREEMENT

- a) Miner Sale Period** - The period of time where miners are sold in advance of the miner start date. All miners sold and delivered during this period are dormant and incapable of mining until the miner start date and time.
- b) Miner Start Date & Time** - 14:00 GMT on the agreed and published date when the SpiderMiner will begin operation. The mining start date is published and promoted in advance during the miner sale period.
- c) Mining Period** - a one year period starting at the Mining Start date and time.
- d) The Mining Group** - The name given to the various project participants of the SpiderMiner project on any single miner.
- e) Mining and Staking Rewards** - The 2 states that the SpiderMiner can be in during operation. Mining only attracts a lower APY than Mining and Staking together. These rates are published in advance of any miner sales
- f) APY** - The Annual Percentage Yield, a miner owner, can expect expressed in tokens. There are two variations on the APY. The Mining only APY (lowest) and the Mining and Staking APY (The highest)
- g) Mining Group Tokens** - The list of Tokens that will mine on any given SpiderMiner.
- h) Mining Swap Wallets** - The time-locked wallets where all SPDR tokens are swapped and sent to each mining group participant after the miner start date and time. These wallets are time-locked until the end of the mining period.
- i) Project Mining Wallet** - The Wallet where all mining partner tokens are held during the mining period. All mining rewards (in tokens) are issued from this wallet to miners in line with the project APY rates and schedule.
- j) Administration fee** - The fee charged by SpiderDAO to administer the mining project is paid in partner tokens and sent to the locked mining fee wallet.
- k) Mining Administration Fee Wallet** - The wallet where all partner tokens generated from the Administration fee are sent. This wallet is time-locked until 30 days after the mining period begins.
- l) POPS** (Proof of Privacy Staking) - This is the mining Protocol used by the SpiderMiner and is explained in greater detail on our miner specification document; a link can be found [here](#).

THE MINING PARTNERSHIP PROCESS IN DETAIL

There will be minimal administration and blockchain interaction costs as a result of using an OTC (Over The Counter) Atomic swap style method of token swaps as outlined below.

Step 1

Each partner within a proposed Spider Mining Project, collectively named “The Mining Group”, agrees to a minimum amount of token commitment to the mining project measured in USD\$. In this document for illustration purposes, we will use a five Mining Group Member project as an example (including SpiderDAO).

Each member of the mining group will contribute \$20,000 (or whatever the minimum agreed participation amount is) worth of their tokens plus a 10% administration fee also paid in their tokens to the mining project. This total will include both the Mining and Staking APY rewards over the mining period.

Step 2

Each member of the Mining Group understands that the exact quantity of tokens they will commit to the project will be determined by the spot market price of their token on the Miner Start Date at 14:00 GMT and will be equivalent to \$20,000 (or whatever the minimum agreed participation amount is).

The exact spot price and therefore, the exact quantity of tokens that each mining group member will contribute to the mining project will be determined by the token price expressed in USD published on [www.coinmarketcap.com](#) at the mining start date and time. This price will be automatically captured and integrated into the contract as part of the process.

Step 3

On the Miner Start date at 14:00 GMT, all the Mining Group Tokens (including SPDR tokens) are transferred to the “Project Mining Wallet”. This is a time-locked wallet that will be visible to all parties and exclusively used to distribute the mined and staked tokens to the miner owners based on the agreed and published APY schedule over the Mining Period (1 year from the Mining Start Date). The Administration Fee will be the equivalent of an additional 10% of the miner group tokens committed and will be sent to a separate “Mining Administration Fee Wallet”.

Step 4

On the Miner start date at 14:00 GMT, each of the other four members of the mining group (excluding SpiderDAO) will receive \$20,000 worth of SPDR tokens to each of their “Mining Swap Wallets”. These are time-locked wallets (the exact quantity of swapped SPDR tokens will be determined by the Spot market price of SPDR tokens on the Miner Start Date at 14:00 as determined on [www.coinmarketcap.com](#)). The time-lock end date will be agreed and determined in advance of the mining project and written and executed into the transaction contract, this time-lock will be no less than 1 year after the miner start date and time.

An example of each miner group members’ total token commitment to the Spider mining project (based on a \$20,000 commitment for each miner group member):

- Token A**
- SpiderDAO SPDR: **Spot Price** on Mining Start Date at 14:00 GMT: **\$0.025**.
 - Qty of tokens to be committed and sent to the project mining wallet **(\$20,000/\$0.025) = 800,000 tokens**.
- Token B**
- Spot Price** on Mining Start Date at 14:00 GMT: **\$0.85**.
 - Qty of tokens to be committed and sent to the project mining wallet **(\$20,000/\$0.85) = 23,529 tokens**.
- Token C**
- Spot Price** on Mining Start Date at 14:00 GMT: **\$1.25**.
 - Qty of tokens to be committed and sent to the project mining wallet **(\$20,000/\$1.25) = 16,000 tokens**.
- Token D**
- Spot Price on Mining Start Date at 14:00 GMT: **\$0.0073**.
 - Qty of tokens to be committed and sent to the project mining wallet **(\$20,000/\$0.073) = 2,739,726 tokens**.
- Token E**
- Spot Price on Mining Start Date at 14:00 GMT: **\$6.88**.
 - Qty of tokens to be committed and sent to the project mining wallet **(\$20,000/\$6.88) = 2,907 tokens**.

In the above example on the mining start date at 14:00 GMT, each mining group member will receive the equivalent \$20,000 worth of SPDR tokens that will be sent to their individual time-locked Mining Swap wallets, the time lock end date will be agreed and determined in advance of the mining project and written into the transaction contract and will be no less than 1 year after the miner start date and time.

BENEFITS TO MINING GROUP PARTNERS

A comprehensive range of benefits are available to projects who join with SpiderDAO to create a Spider Mining Group, some of which are outlined below.

1. Unlike existing Staking Pools or Token Farms (for example PancakeSwap or UNI Farm) projects that create a Miner Group on the SpiderMiner do not donate or freely provide their tokens. At its heart, the SpiderMiner is created from partners who only exchange their tokens for SPDR and only pay a modest administration fee (paid in Staking tokens).
2. Hardware Crypto mining is a very attractive proposition for many crypto enthusiasts as existing hardware mining manufacturers will only produce miners for the "big" coins (such as BTC, ETH, LTC etc). It is rare to find a true hardware miner that offers multi-token mining at a reasonable and profitable price.
3. Unlike the vast majority of other projects, mining partners are able to promote and market their token as a hardware mineable token giving partners the opportunity to market their token without having to develop their own hardware. Multi-token hardware mining automatically creates a spread of risk for end-user participants and hence a much more attractive proposition than single token mining or staking.
4. Through our unique hardware mining model, mining partners can offer a predictable and compoundable (through staking) return on investment (ROI) for their community members based on a variety of tokens.
5. Mining partners can generate new Marketing & Promotional Opportunities based around the news that their token will be participating in a unique hardware mining group, this will automatically distinguish your available staking/ farming opportunities from your competitors
6. Mining partners can generate new exposure, adoption & Staking of their token previously unavailable to their members and new users.
7. The availability of full Interaction with partner miners including joint marketing and launch announcements
8. Through participation in a mining group project, participants can form new joint agreements and marketing opportunities that foster cross-project collaboration and exposure.
9. Mining participants can automatically generate wider token exposure to other partner projects which in turn can generate positive announcements & P.R opportunities.
10. Participation in a mining project promotes loyalty and long term commitments from members and in turn generates positive feedback from users.

