KOR Blockchain

The Worlds First Mining Service on Web3

An Introduction To Crypto Mining & Our Service

In this whitepaper we will take you through the logic and reasoning on why we decided to create our service the way we did. The purpose of this document is to define a basic understanding of crypto mining and provide a transparent explanation of our service. We understand that the crypto space and mining can be a learning curve for some so basic terms will be used in pursuit of closing that gap.

Crypto Mining in its simplest form is the process of contributing computational power to a specific blockchain in return for rewards. Traditionally, a miner is configured to a mining pool and set to send profits to the wallet of choice. The profits will be sent in the form of the crypto that is used for governance of that specific blockchain (Example: Bitcoin for Bitcoin's blockchain & Ether for Ethereum's blockchain). There are different types of payout methods offered by mining pools to take in consideration. We have decided PPLNS is the best payout method for the service we are running.

Leave the trading to the traders. Crypto mining is a safer form of investing due to the profits being made everyday. A good example to depict this is if you spent $10,000 on a miner that made $30 a day you would have made $10,950 in a year. If you used that same amount of capital to buy just crypto there are a couple of possibilities that would result: After a year the price would be trading the same, meaning your capital did nothing for you after a year. Second, the price would be trading higher and you would've gained either less or more than you would've made by buying a miner. Third, the price of the crypto would be trading lower and you would have lost capital after a year. Picture crypto mining as a consistent linear trendline to your ROI rather than an unexpected rollercoaster ride. Another thing to keep in mind is the equity of your miner that you can always sell back after you are done mining.

Before one decides to get into mining they need to know many things; Who to buy from, What miner to buy, Where to put it, How to ventilate it, What Mining Pool to set it too, What wallet to send profits too, How to configure it and other factors such as will it be too loud? Will it be too hot? Do I have the correct electrical setup?

KOR Blockchain was created with the goal of helping bring passive income opportunities in the crypto space to the public. We started as a home mining operation with six miners. After hours of research and our first miner set up, we realized there was a knowledge barrier to overcome. We know that time is everyone's most valuable asset and there are many people with the capital to purchase a miner but could never participate because of their current Jobs and family life. We saw the creation of KOR as a solution to this problem.

The next paragraphs will discuss the traditional cloud mining model, KOR's old model, and KOR's new model. We believe through these models we have optimized the user experience, risk and profitability to become the best mining service in the world.

The traditional cloud mining model other businesses offer consists of buying a given hashrate for a duration of time. Based on the daily profit of the hashrate you buy they will lock you in with an ROI day. Hashrate is the "strength" of the miner and is directly correlated with the payout of your miner. With this model you are buying a fixed amount of income per day that is paid in fiat. If the miner or crypto the hashrate is associated with goes up in price then your contract payout will stay the same; they would benefit from the market growth. (Example: You have a bitcoin miner and the price of bitcoin goes up, the miner will make more profit which will cause your miner to be worth more money). This model takes away the financial opportunity destined from the ever growing crypto market.

After this year's crypto and NFT boom, it can be concluded that Web3 is undoubtedly here to stay so we decided to build our service with that in mind.

KOR wanted people to be excited about their investment, so we decided to veer away from the traditional model. KOR's old model consisted of someone buying a miner and receiving payouts in USDC. This allows the profit you mined to remain on Web3 so you can reinvest it into crypto. Also, you own your miner as an NFT which means you can sell it whenever you desire on an NFT marketplace. To put in perspective how much you would miss out by joining a traditional cloud mining business rather than KOR we have provided an example of someone who joined during our old model. (Example: A client of KOR bought a Goldshell KD5. Goldshell KD5's mine a crypto called Kadena, the governance token for Kadena's Blockchain. The miner was bought for $17,500. At that time the miner was making around $60 per day and Kadena was trading for around $2. Kadena saw a massive increase in price and peaked at $25. Due to the price increase of Kadena the miner was now making around $400 a day. The miner was then worth $60,000. The client gained $42,500 worth of equity on the miner and saw an increase in daily payouts. If the customer spent the same amount of money at a traditional cloud mining business their payout would be the same as it was from the start and they would not have any equity in their contract. We understand that this is not going to happen to everyone and this is an extreme example but we feel this highlights the benefits of mining with KOR.

Although this model has been successful, there are still some problems. Due to the payout being in USDC, the client did not earn as much when the price of Kadena went up. If he was paid out in KDA and held he would've made dramatically more. We want people to have the full crypto mining experience.

Enter KOR's new model. Here is an example that can best illustrate how the joining process would work. Example: Person Z wants to get into crypto mining but does not have the time or space to run a miner. Person Z learns about KORs service so he goes to KOR's web application to learn more. After doing his own research, Person Z feels buying Kadena hashrate from KOR and using their service is a good idea. Person Z connects his wallet to KOR's application and browses the farm that is available. Person Z feels that 20TH of a Kadena miner is the best option so he decides that he wants to buy it. Person Z buys the miner with USDC that is in his wallet.

As a receipt KOR will send him an NFT with the properties of the hashrate he has bought. As long as Person Z holds that specific NFT, KOR will continue to send him profits every two weeks in the form of the crypto that is being mined. (KOR will take out service fee before sending profits, service fee is 25% of total mined). Once Person Z has reached his ROI and made enough profit he decides his time with crypto mining is done. His hashrate is stored on the blockchain as an NFT so he can sell it on an NFT marketplace to someone else who desires to get into crypto mining. The new owner of the NFT will be sent profits every two weeks until the contract expires.

We have decided to buy the miners up front, reducing shipping risk for the public. KOR will sell hashrate that is already at our facility. We have decided to take on the risk of the miners malfunctioning at the cost of your contract expiring after 4 years. This ensures that even if your miner goes down, you will still receive profits for four years. The average life for an ASIC miner is 3-6 years so we have decided to meet in the middle. This will be enough time to reach your ROI.

We have decided to move to a DAPP (decentralized application) governed by smart contracts for a plethora of reasons. Automated payouts make our job easier, as well as reduce the chance for human error. Our contracts will be audited by a reputable service, to ensure KOR is executing the functionality, and transactions that we promised. The creation of KORs DAPP also allows the public to buy miners with crypto to start mining immediately as well as receive their profits in crypto.

We have decided to make your hashrate an NFT for many reasons as well. Not only do you have a receipt that is permanently stored on the blockchain, the NFT allows you to be able to trade your hashrate instantly. No more using 3rd parties such as ebay and alibaba that will cost shipping and time. It is more efficient to keep the miner at KORs facility and you can sell to someone who is interested in our service. With NFT marketplaces growing we feel there will be sufficient demand for your hashrate causing it to sell faster. We understand that the crypto market is in its infancy and with this comes volatility. Moves need to be made as fast as possible so we find the NFT marketplace integration as an advantage for both the buyer and seller. Buyers can immediately start receiving mining profits before a bull run and sellers can sell the highest value of the machine before a bear run.

We saved this part for last, as we feel this is what separates us from the rest of the pack. We have decided to invest in immersion cooling tanks. Immersion tanks offer the ability to immerse crypto miners in dielectric fluid. By submerging the miners in dielectric fluid the internal temperatures can be dropped significantly. When the temperatures are dropped then the miner can be “Overclocked”. Overclocking in its simplest form, is adjusting parameters so your miner can run faster/harder than factory specifications. This will create a greater hashrate emitted by the miner. This extra work will cause more heat which can be displaced better by dielectric fluid vs. conventional air cooled setups. Due to the increase in hashrate we are able to create we can provide the public with competitive hashrate prices. On the next page you will find the KOR values that separate us from other mining services.

KOR Values

- Payments in Crypto
- Overclock
- Immersion cooling
- Audited for security
- Trade on Marketplace
- Non Fungible Token
- Scheduled Maintenance
- Remote Support
- Web3 Integrated