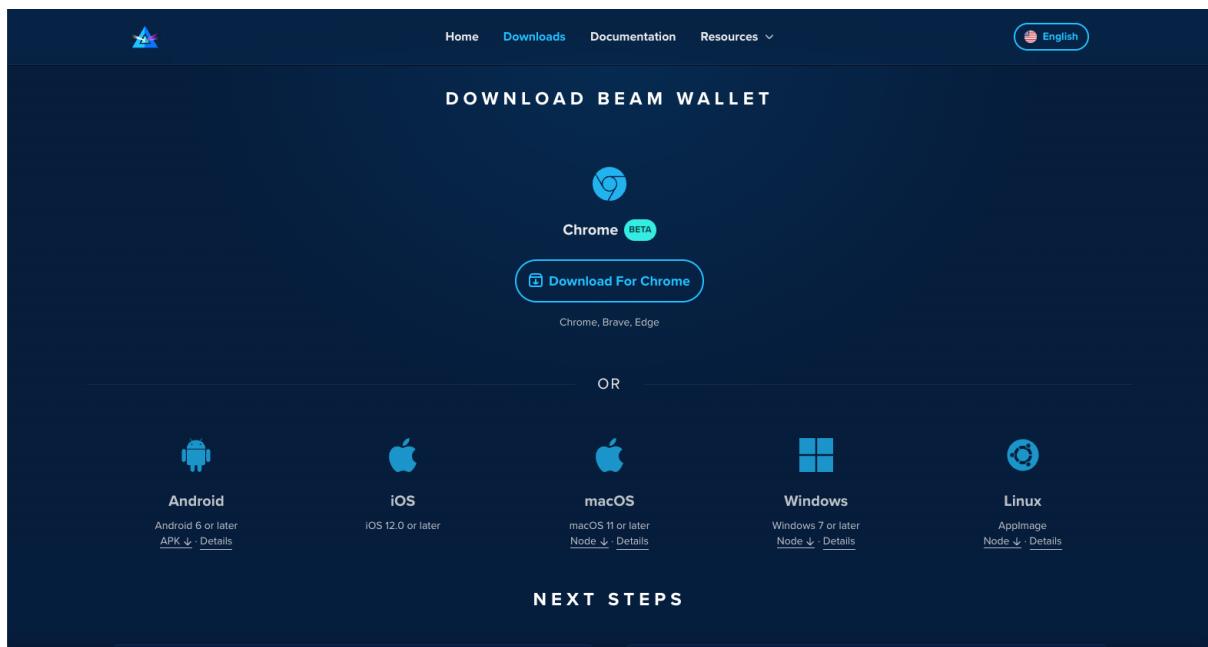


NEPHRITE GUIDE

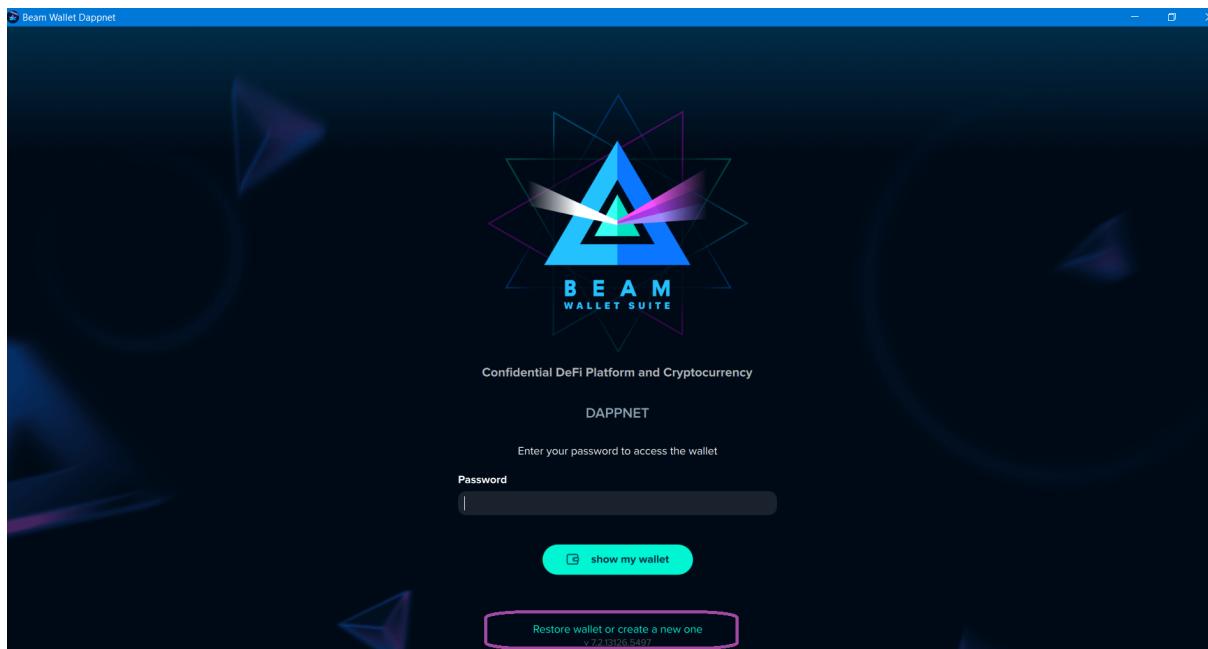
Here is a “How to use Nephrite” guide. We will walk through the whole flow starting with the Beam wallet installing and finishing with the NPH redemption. If you already have a Beam Wallet, you can skip the “Beam Wallet” section and go directly to the “Launching the Nephrite dApp” one.

Beam Wallet

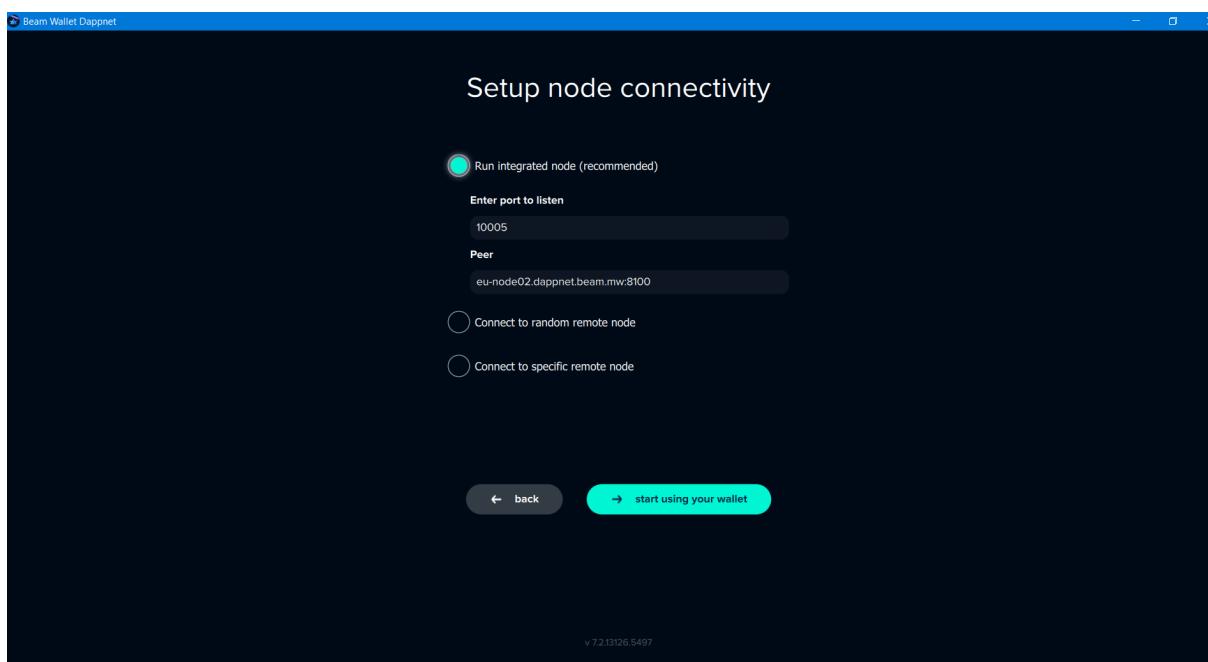
First of all, you need to download the [Beam wallet](#).



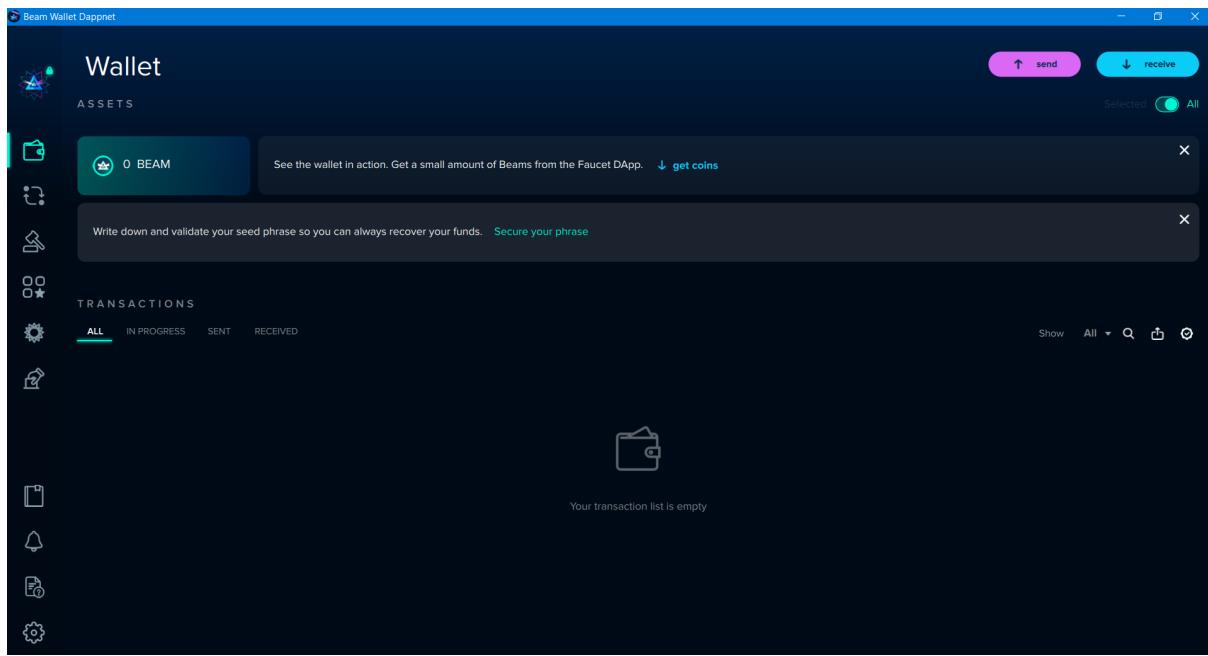
Click on a downloaded install file, and finish the wallet installation. After the wallet launch, you can choose the “Restore wallet or create a new one”.



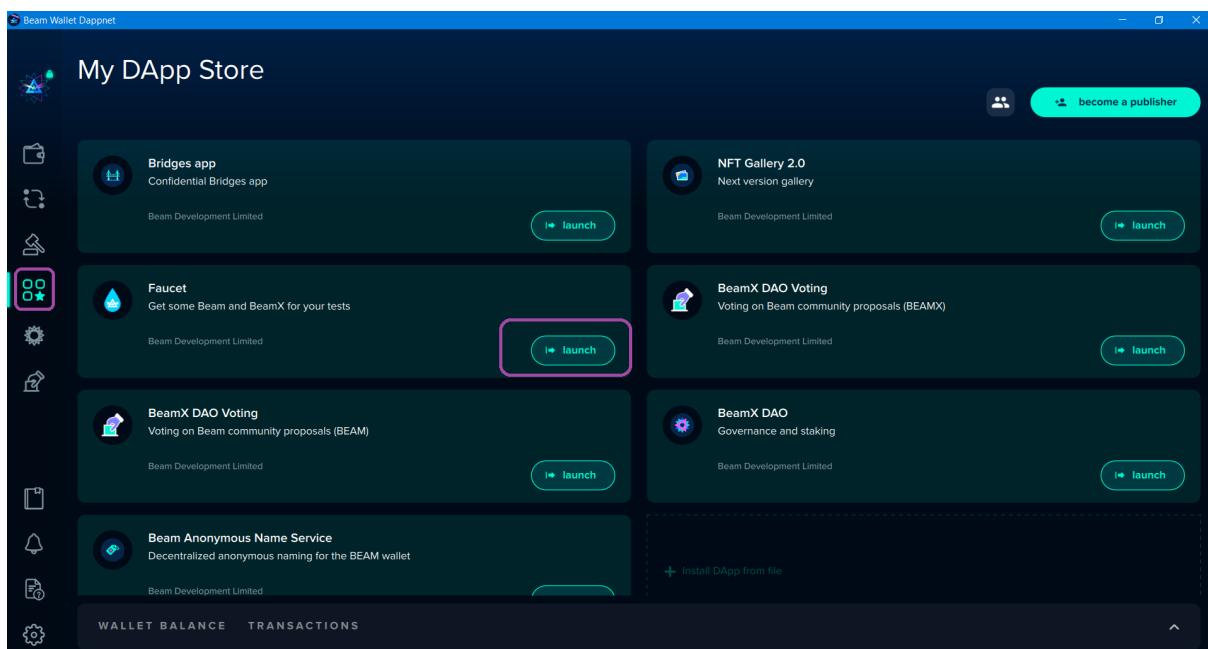
Then complete a regular wallet creation procedure: save your seed phrase and set your password. After that, choose a recommended option for node connectivity and click “Start using your wallet”.



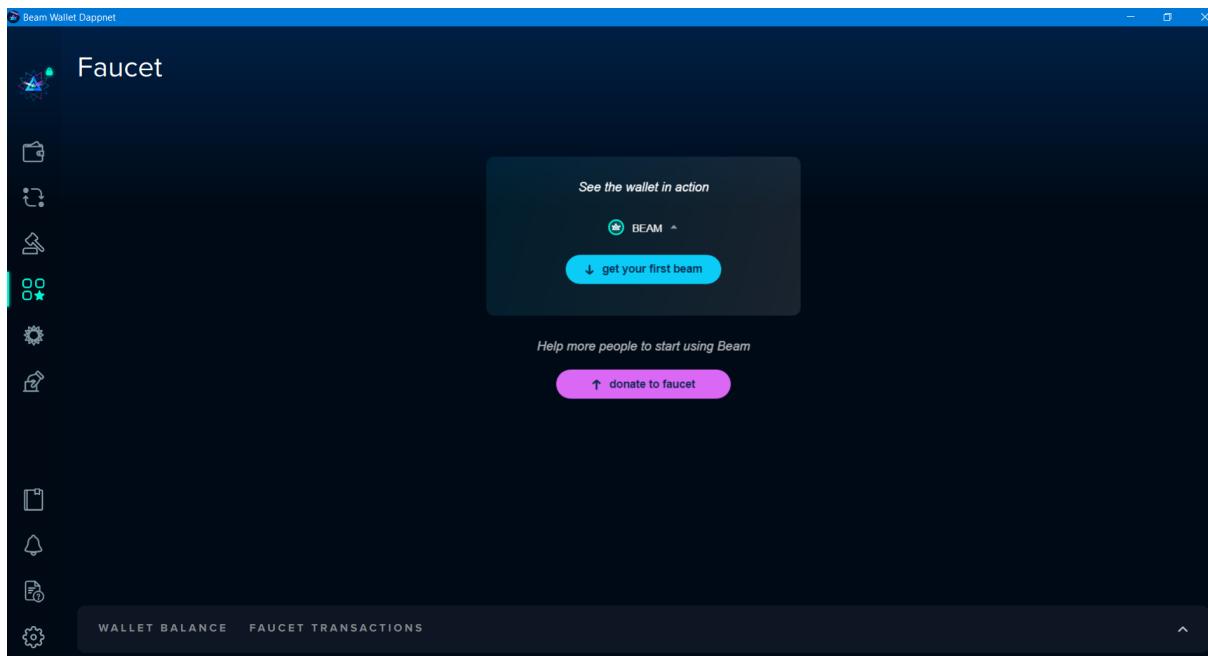
Rebuilding your wallet data will take some time, so please be patient - decentralization and privacy come at some costs.



Now you need some BEAM coins to be able to interact with dApps. Use a Faucet dApp in the “dApps” tab. Click “launch”.



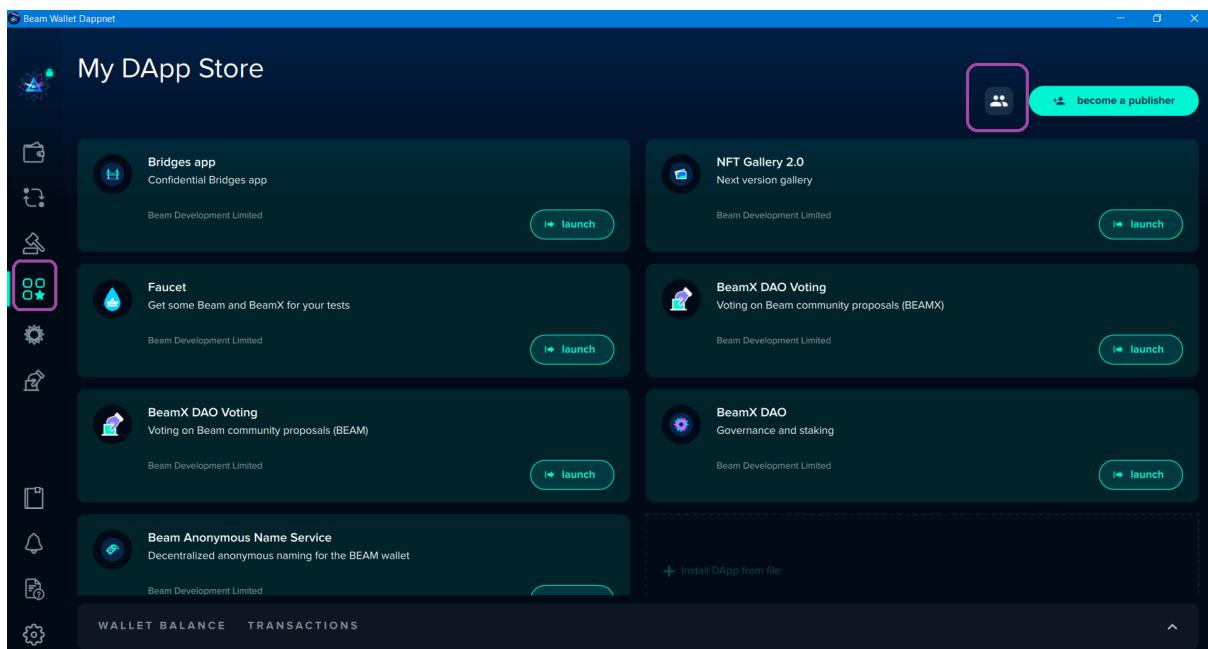
Click “Get your first beam”.



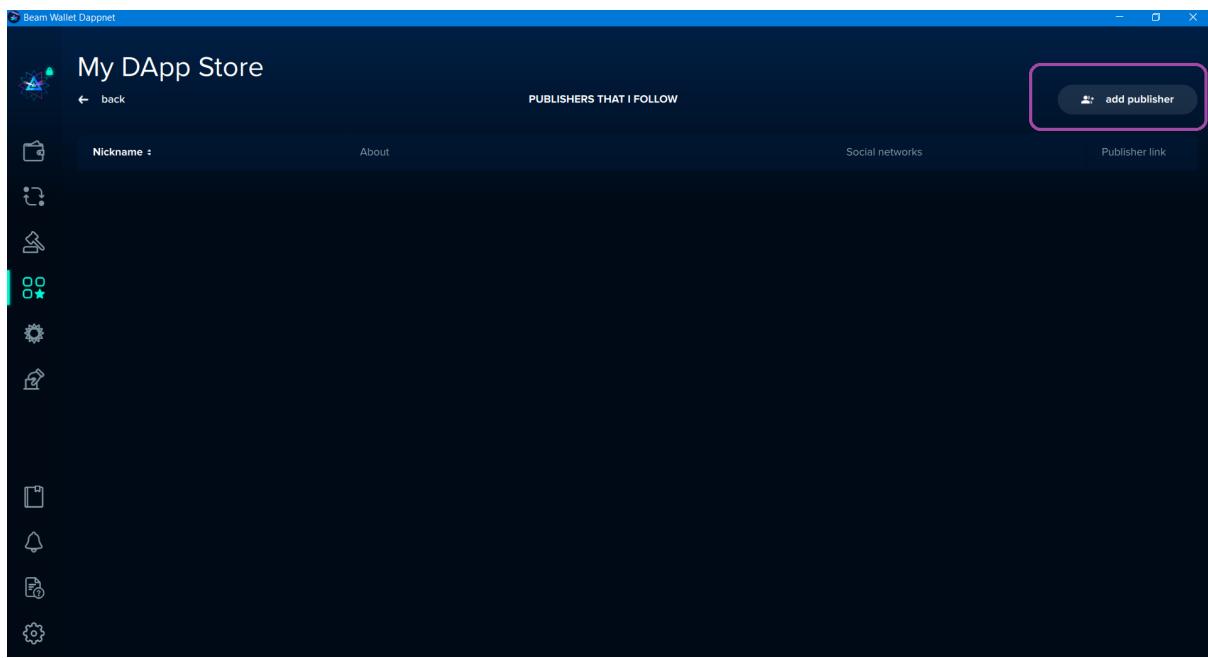
Now you are ready for launching the Nephrite dApp.

Launching the Nephrite dApp

Go to the “dApps” tab on the sidebar of your wallet and click on the small gray button in the upper right corner.



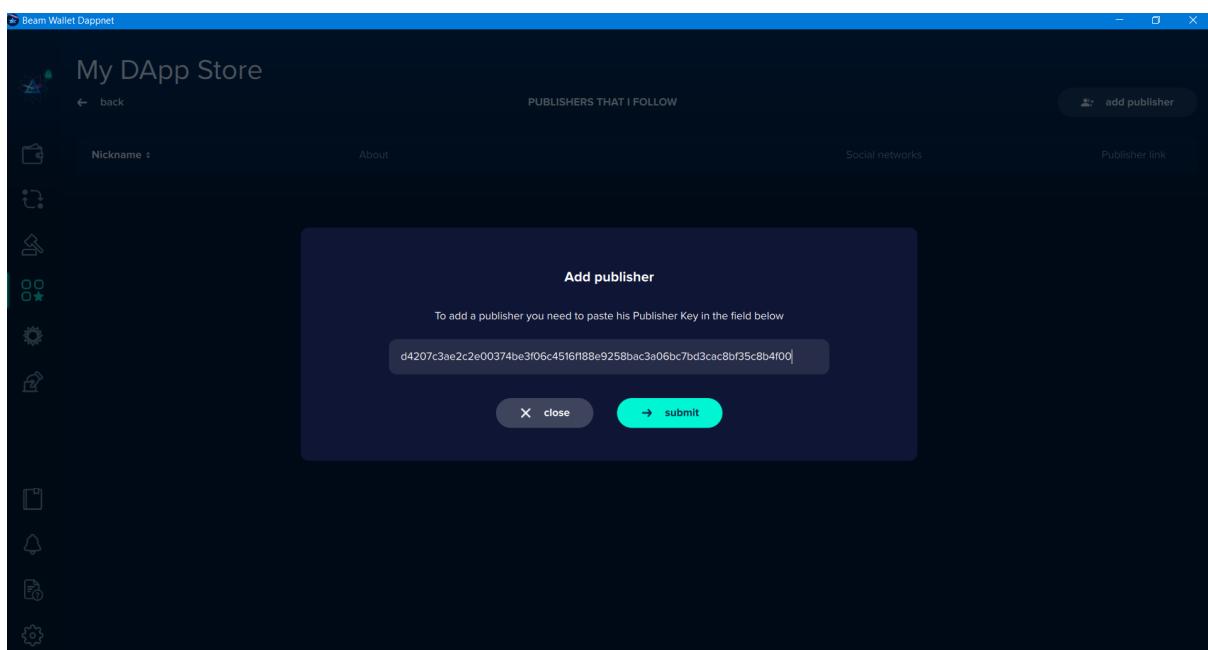
Click “add publisher”.



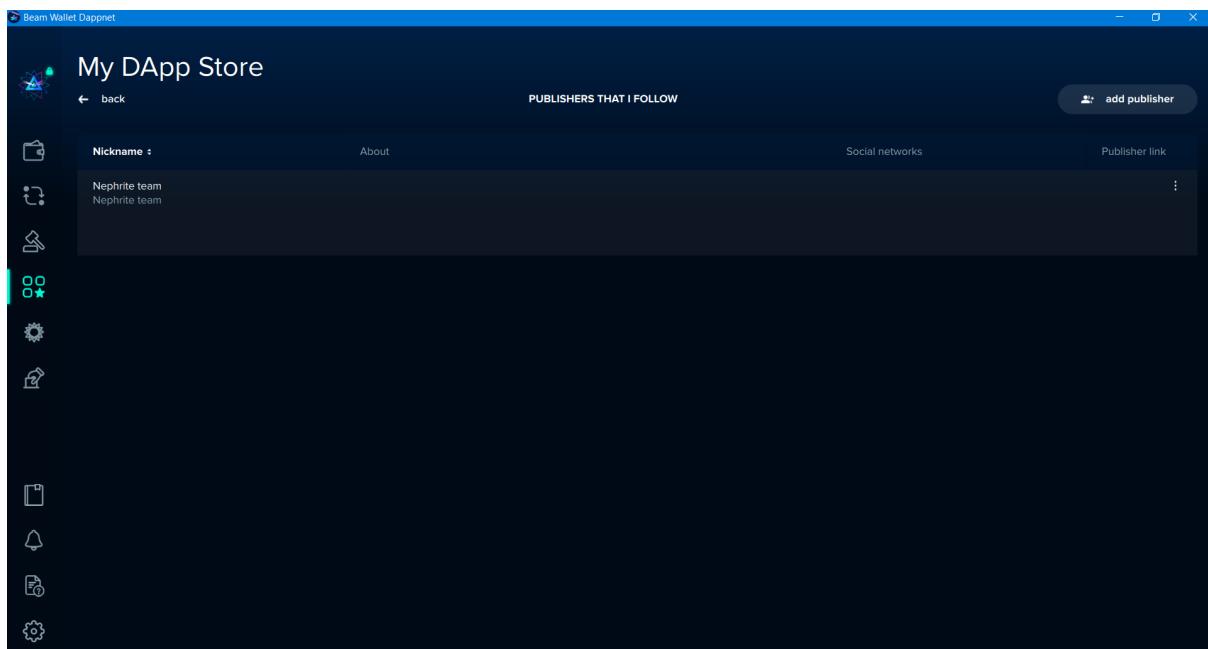
Now you can add the Nephrite team publisher key. Here is the address (you can also check it on [Nephrite's Twitter bio](#)):

ec725486345d3d36e7dd2eb6f736ee31f826f0f0f78717127c1c29cd14323b5600

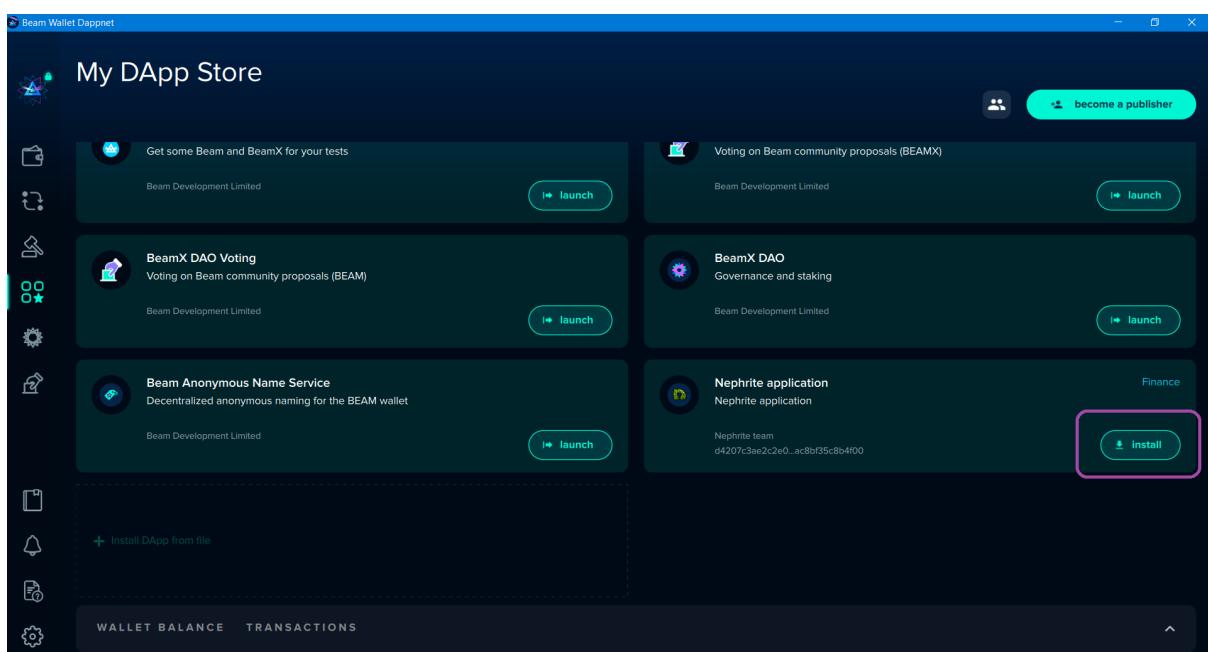
Copy this key, paste it into the field, and click “submit”.



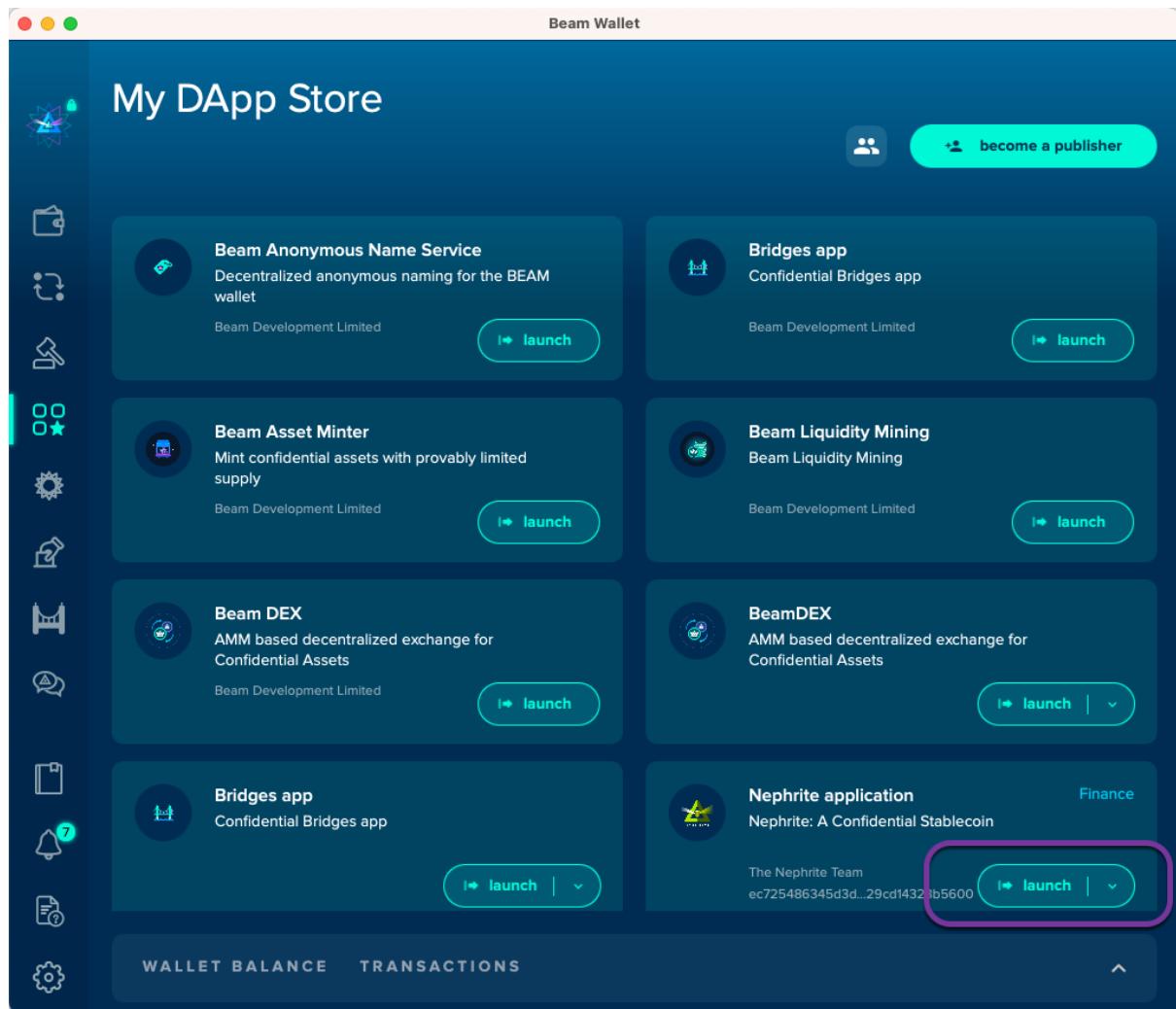
Now you see that the Nephrite team is added to your publisher list.



Get back to the “dApps” tab (click on the respective icon on the sidebar), find the Nephrite dApp, and click “install”.

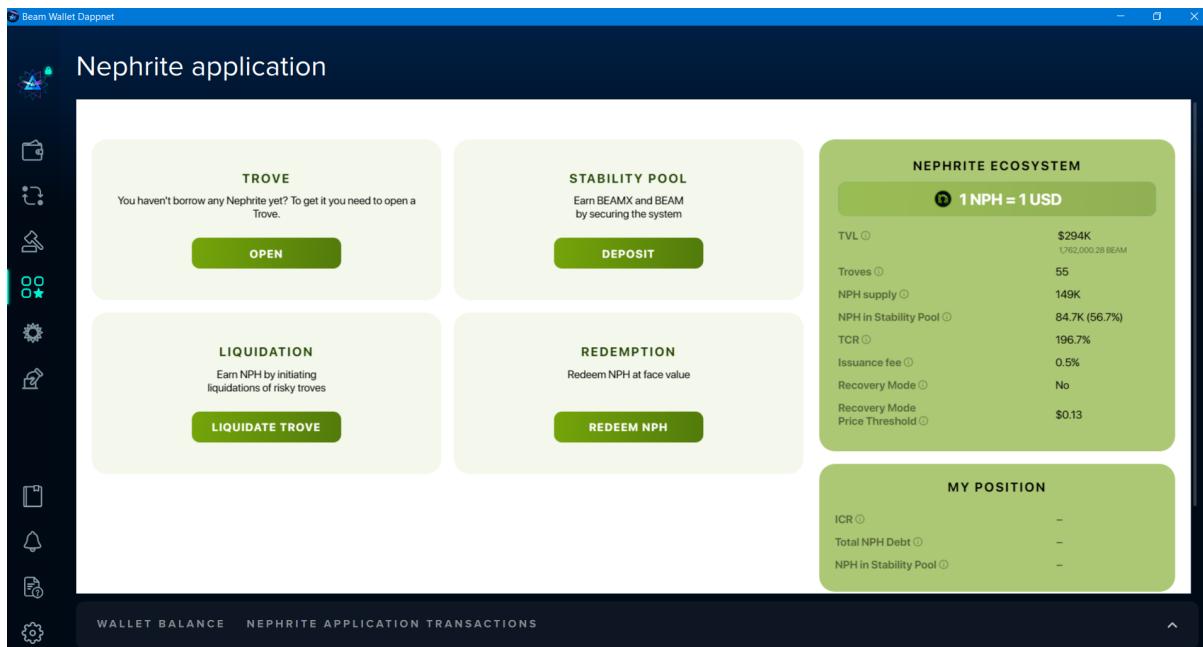


After the installation, you are just one step to the Nephrite dApp launch. Click “launch” and Ifg!



Nephrite: Main page

The first message you see when entering the Nephrite dApp for the first time is a disclaimer. Read it carefully and continue only if you agree to solely bear all the risks associated with your use of this dApp. After accepting the terms of use, you will see the main page.



On the right side of the main page, you can see the system metrics (NEPHRITE ECOSYSTEM) and the metrics of your position (MY POSITION). Each metric has its explanation which pops up after hovering your cursor on the respective “i” sign near it.

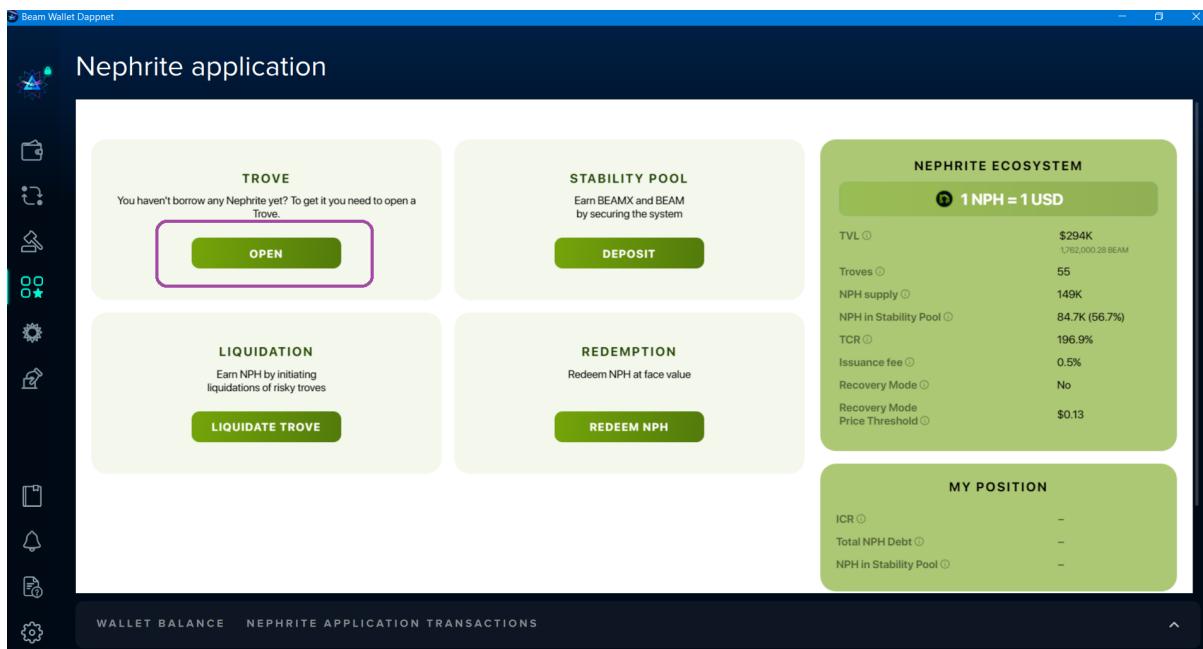
On the left side of the main page, there is an interaction area. The Nephrite dApp allows you to conduct four types of operations:

- TROVE (a.k.a. collateralized debt position, CDP). You can open a trove, adjust it, and close it.
- STABILITY POOL. You can deposit and withdraw NPH, and claim your rewards and liquidation revenue.
- LIQUIDATION. You can trigger liquidations of risky troves.
- REDEMPTION. You can redeem your NPH at face value for BEAM.

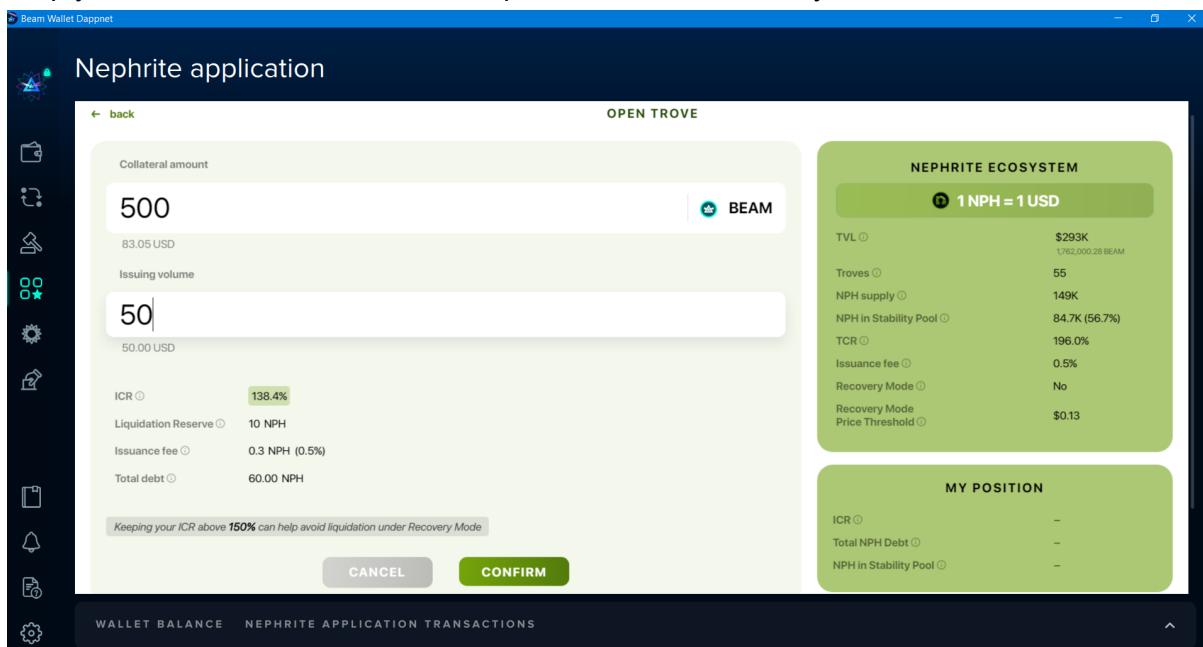
Let's dive deeper into each category.

Trove: Open

Let's start with creating some NPH. You have to open your trove for that so click the “Open” button.



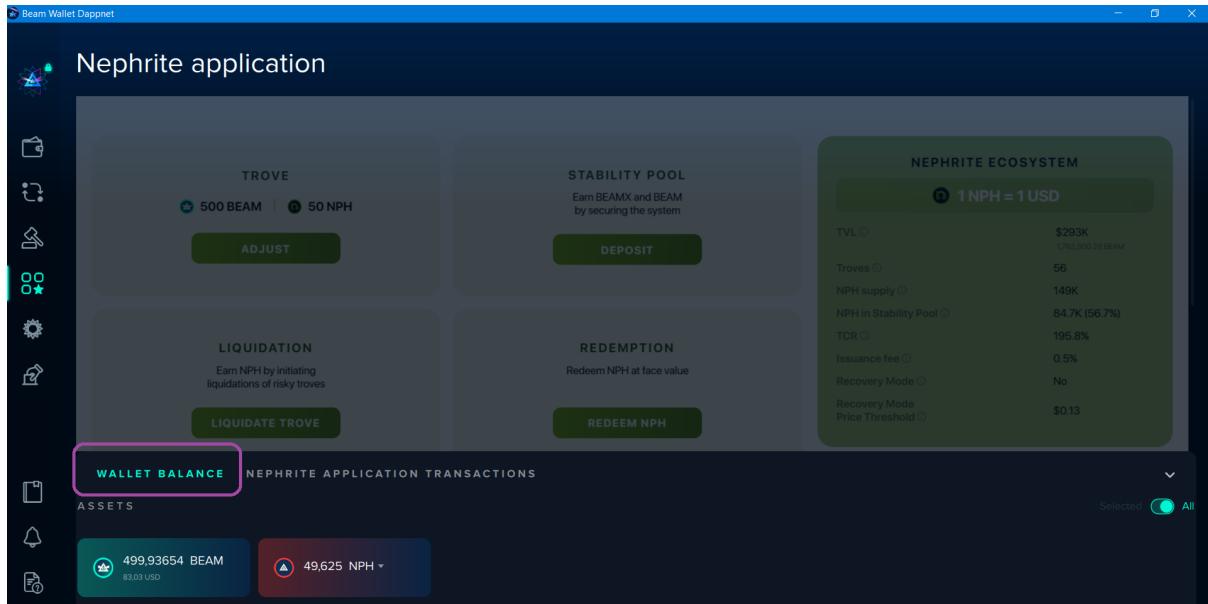
Enter the number of BEAM you want to provide as collateral in the “Collateral amount field”, and choose the desired number of NPH you want to issue with this collateral. Your ICR (Individual Collateral Ratio) has to be more than 110%, but we strongly recommend you keep your ICR above 150% to avoid liquidation under Recovery mode.



You also can see that the system will charge an Issuance fee and a Liquidation reserve. The fee is floating, the reserve is fixed. Please note that you will receive less NPH than you see in the Issuance volume field. In our example, we will receive 50 NPH - 0.3 NPH (Issuing volume - Issuance fee).

If you agree with your NPH issuance terms, press the “CONFIRM” button, and confirm the transaction from your wallet in a pop-up window.

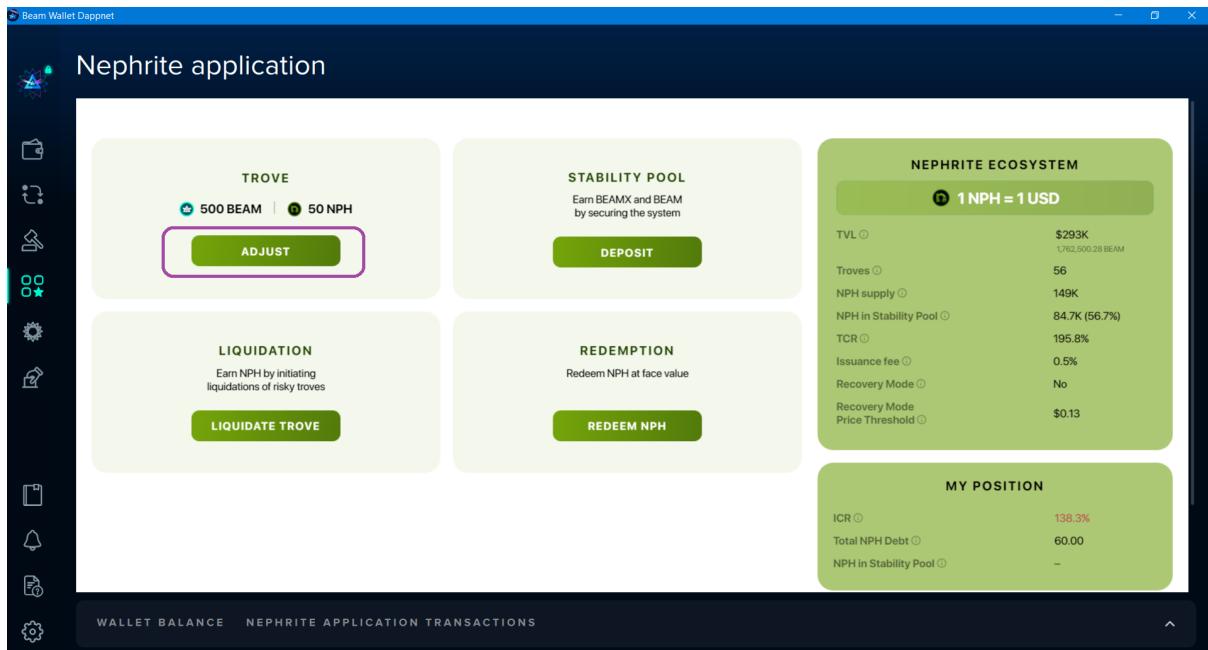
After the confirmation, you can find your newly minted NPH in your wallet. Click on the “WALLET BALANCE” at the bottom of the wallet screen.



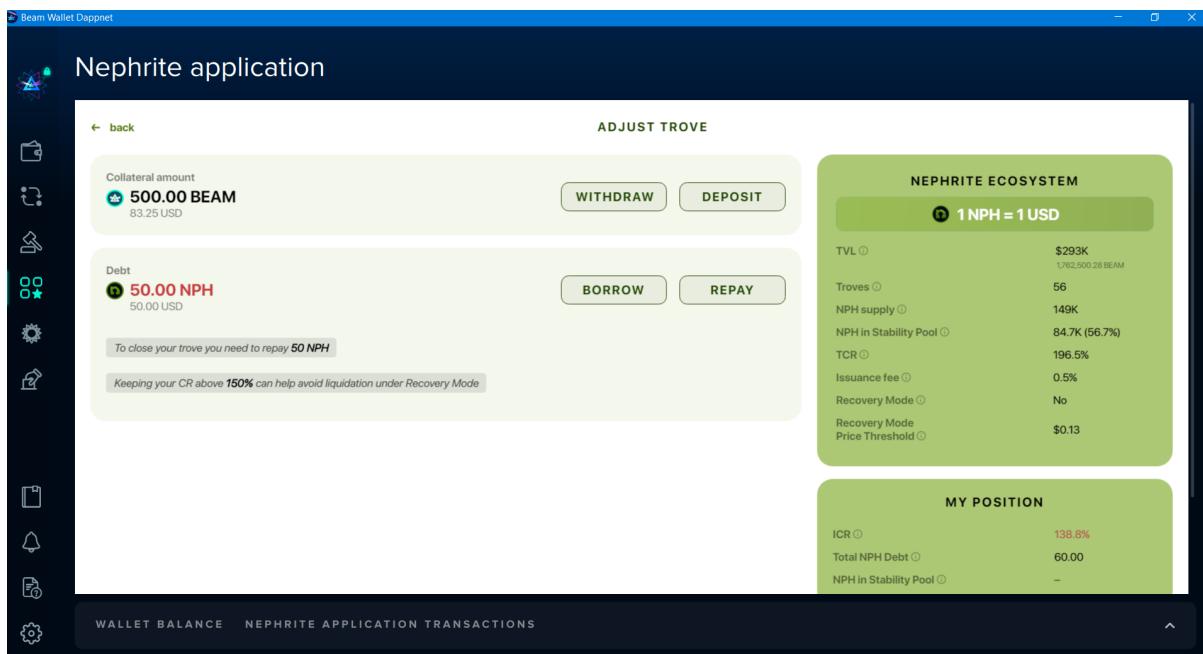
Now you have some NPH in your wallet, some BEAM in your trove, and some debt you have to repay for getting your BEAM back. Long story short, you have an open trove and now you can adjust it in different ways.

Trove: Adjust

Let's see what the trove adjustment means. Click the “Adjust” button.



There are two options for trove adjustment: using BEAM and using NPH.

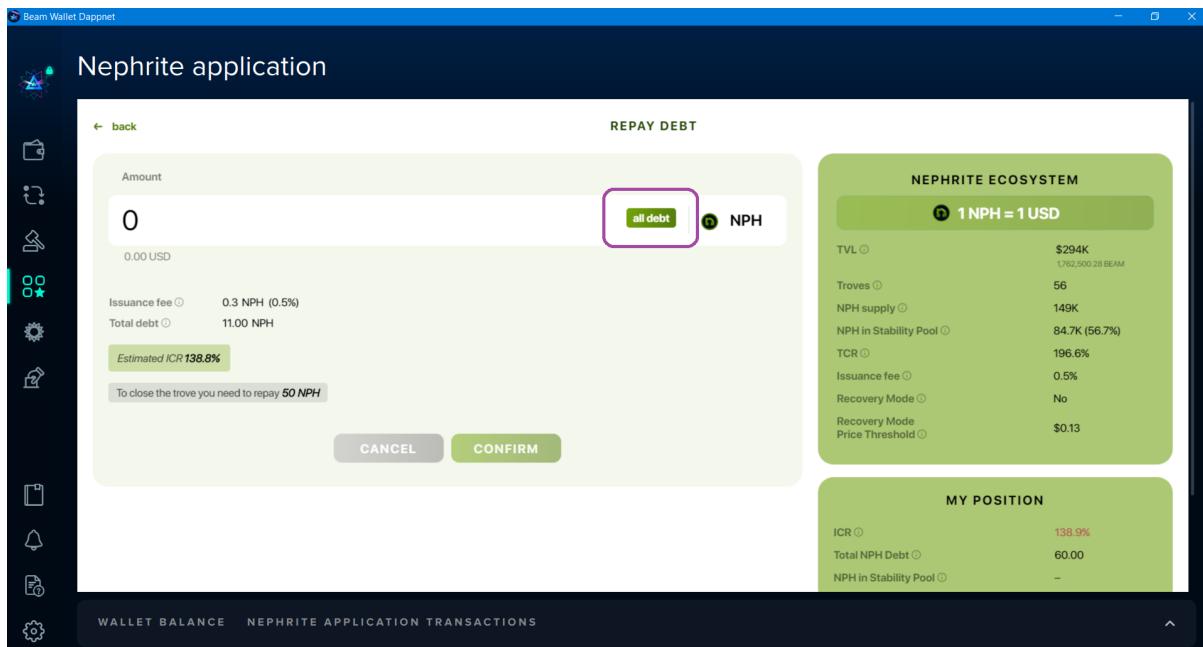


You can adjust your debt position by removing or adding BEAM to the trove (the “WITHDRAW” and “DEPOSIT” buttons, respectively). Adding BEAM to your trove increases your ICR, so this operation has no limits. Removing BEAM from your trove decreases your ICR so you can do this only if the withdrawal doesn’t decrease your ICR below 110%.

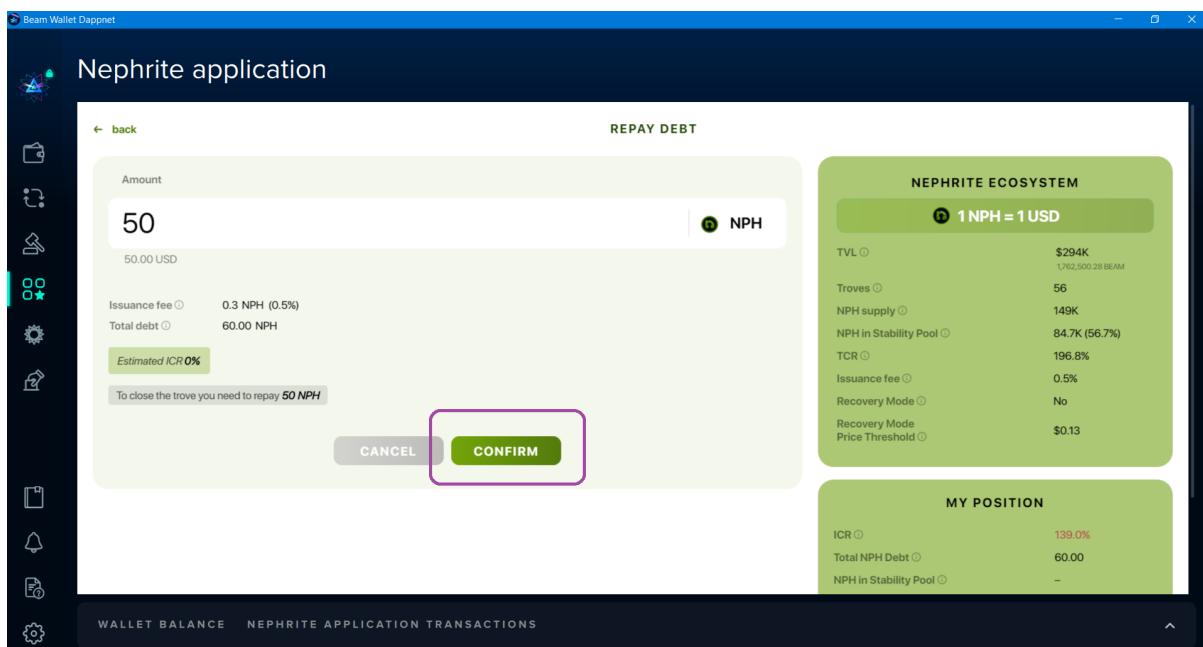
You also can adjust your debt position by issuing an additional amount of NPH or by repaying your NPH debt (the “BORROW” and “REPAY” buttons, respectively). Since an additional NPH issuance decreases your ICR, you can issue NPH only if this issuance doesn’t decrease your ICR below 110%. By clicking the “REPAY” button you can repay your NPH debt partially or fully. If you repay all your debt, you close your trove.

Trove: Close

To close your trove click the “ADJUST” button in the TROVE area on the main page - you will get to the “ADJUST TROVE” page. Click the “REPAY” button there. After that, you will get to the repayment page. Click the “all debt” button - the system will paste the number of NPH you have to repay to close your trove.



You can see that you don't have to repay the Liquidation Reserve - the number of NPH you have to repay is lesser than your Total debt. If there is enough NPH in your wallet and you still want to repay your debt - click the "CONFIRM" button and confirm this transaction from your wallet.



That's it. After the confirmation, you can check the main page and see that you don't have an open trove, and the system offers you to open a new one.

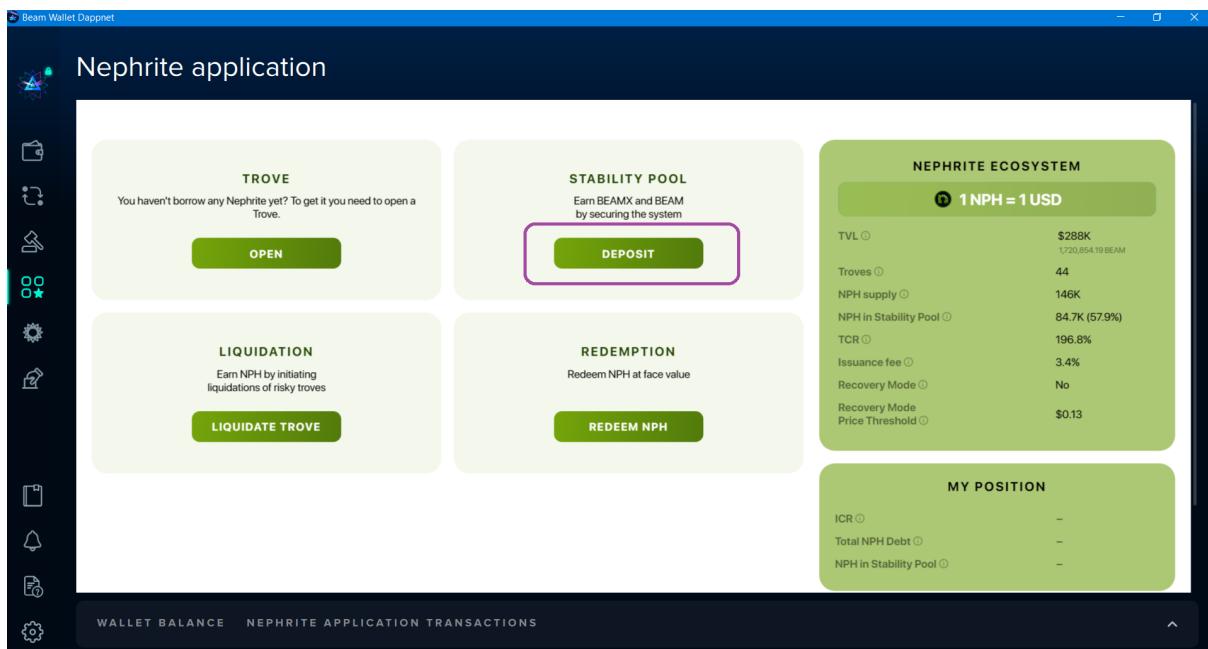
Note: Your trove can be closed without your actions. This could happen when your trove is liquidated or used for redemption. In the case of redemption, some unused collateral can stay in your trove after the redemption. You can claim this collateral without repaying your

debt (it has been repaid by someone else already), and reopen your trove after that if needed.

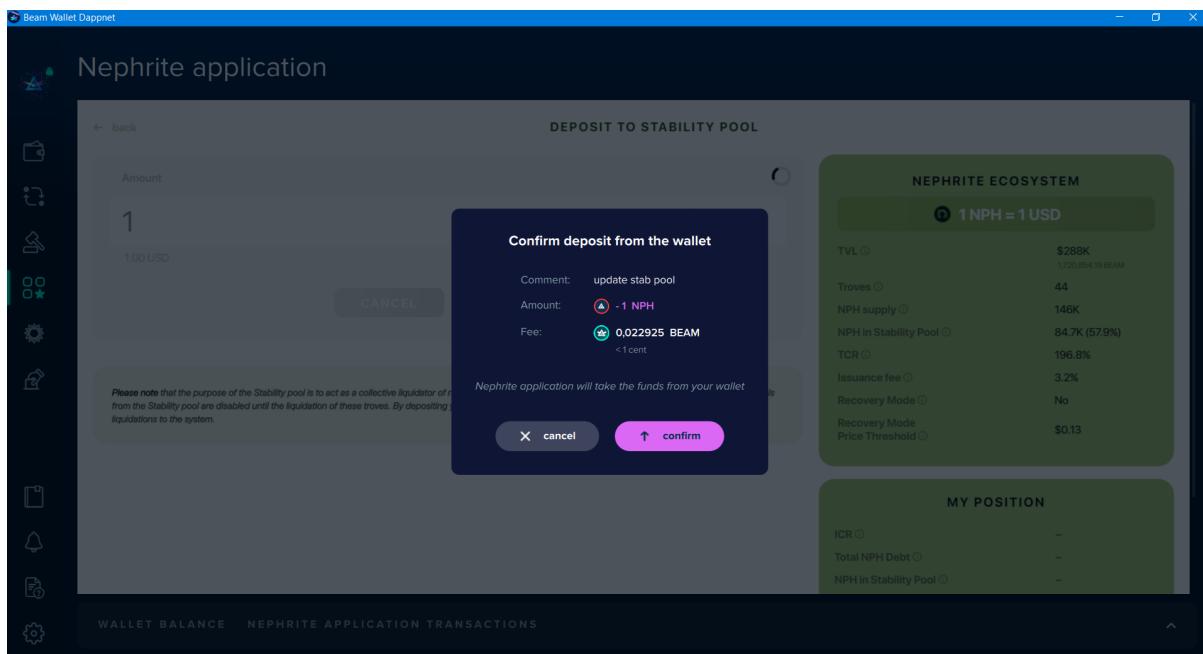
We walked through the whole trove lifecycle. Let's move to the next section - operations with the Stability Pool.

Stability Pool: Deposit

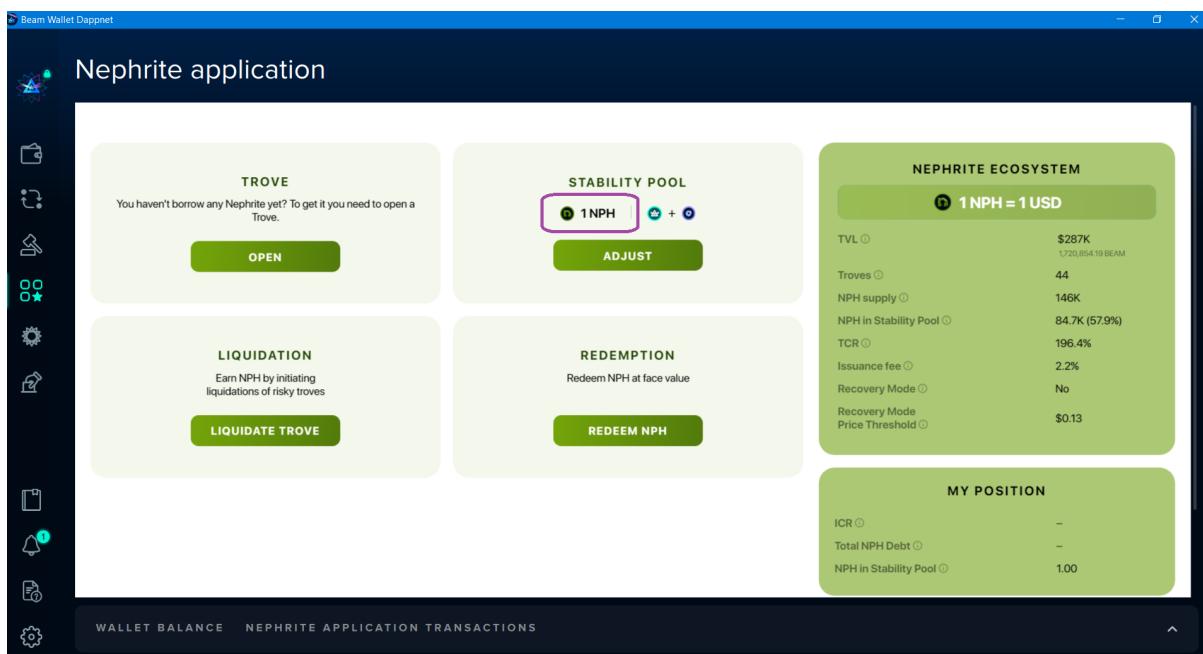
Once you have issued some NPH you can deposit them into the Stability Pool. This allows you to get liquidity mining rewards and liquidation revenue (to use your NPH for buying BEAM from liquidated troves with a discount). Click the “DEPOSIT” button.



Choose the number of NPH you want to deposit, click the “CONFIRM” button, and confirm the depositing transaction in your wallet.



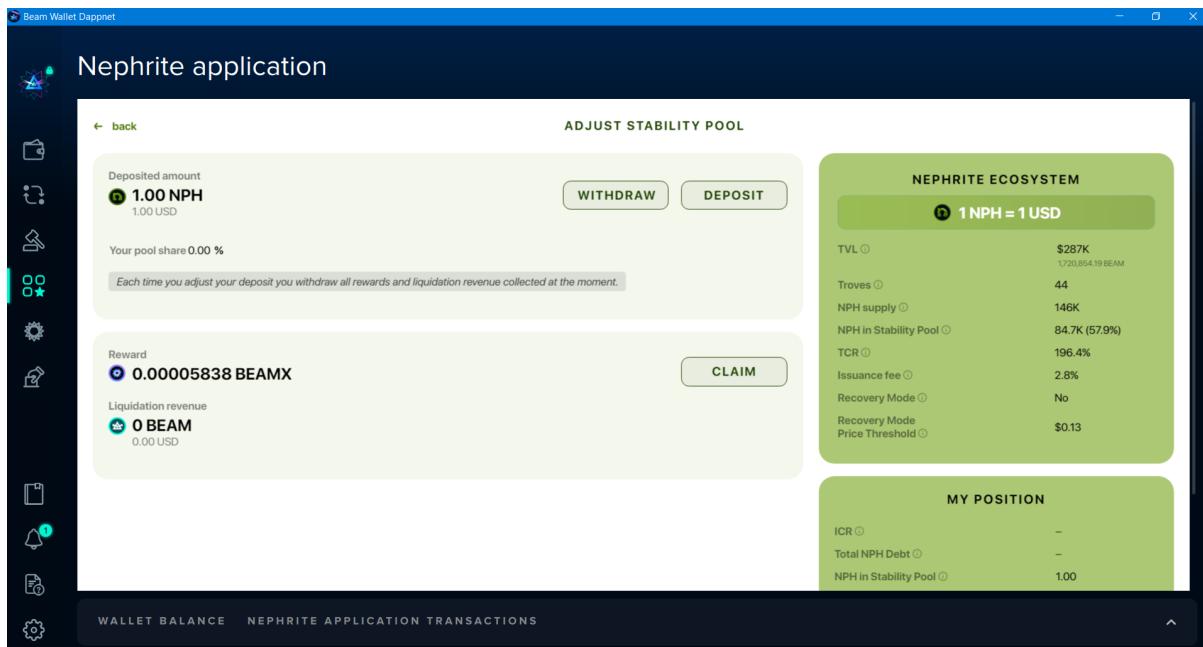
After the confirmation, you can get back to the main page and see that you now have your NPH deposited into the Stability Pool.



Like with opened trove, now you can adjust your position in the pool.

Stability Pool: Adjust

Click “ADJUST” in the STABILITY POOL section. Now you are on the ADJUST STABILITY POOL page.



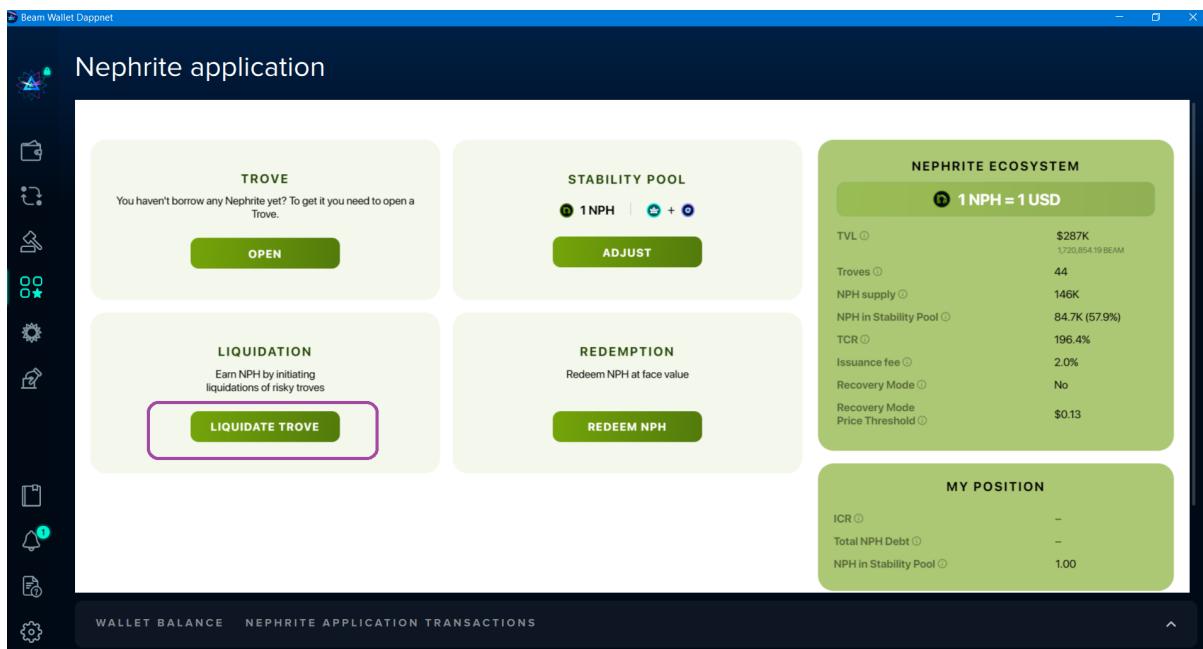
You can withdraw your NPH from the pool (the “WITHDRAW” button) or top-up your deposit (the “DEPOSIT” button). Also, you can claim your rewards and liquidation revenue. Each time you make a deposit or withdrawal, you automatically claim all your current rewards and liquidation revenue (the “CLAIM” button). This feature is implemented for the sake of the system’s simplicity.

Liquidity mining rewards go to you on a per-block basis, but liquidation rewards occur only when the pool is used for liquidations of risky troves. After this kind of liquidation happens, your NPH deposit decreases (your NPH are used for repayment of a risky debt), and your liquidation revenue balance increases (you get BEAM from a risky trove with a discount).

Now you know how to manage your trove and your Stability Pool position. Let’s move to the LIQUIDATION tab.

Liquidations

Click the “LIQUIDATE TROVE” button on the main page.



In the liquidation tab, you can find the complete list of all troves in the system and their current ICR.

The screenshot shows the Nephrite application interface with the "LIQUIDATION" tab selected. The left sidebar has a "back" button. The main area is divided into two main sections:

- RISKY TROVES**:

#	Collateral (BEAM)	Debt (NPH)	Collateral Ratio
1	7,204.44	878.64	136.9%
2	867,520.86	105,731.52	136.9%
3	975.15	118.17	137.7%
4	37,641.72	4,540.00	138.4%
5	1,019.06	120.74	140.9%
6	536.90	62.75	142.8%
7	1,451.51	168.26	144.0%
8	333.95	38.00	146.7%
9	3,000.00	340.00	147.3%
10	9,490.96	1,071.34	147.9%
11	500.00	55.00	151.7%
12	100.00	11.00	151.7%

 A green button labeled "INITIATE LIQUIDATION" is highlighted with a purple border.
- NEPHRITE ECOSYSTEM** and **MY POSITION** sections are identical to the main dashboard.

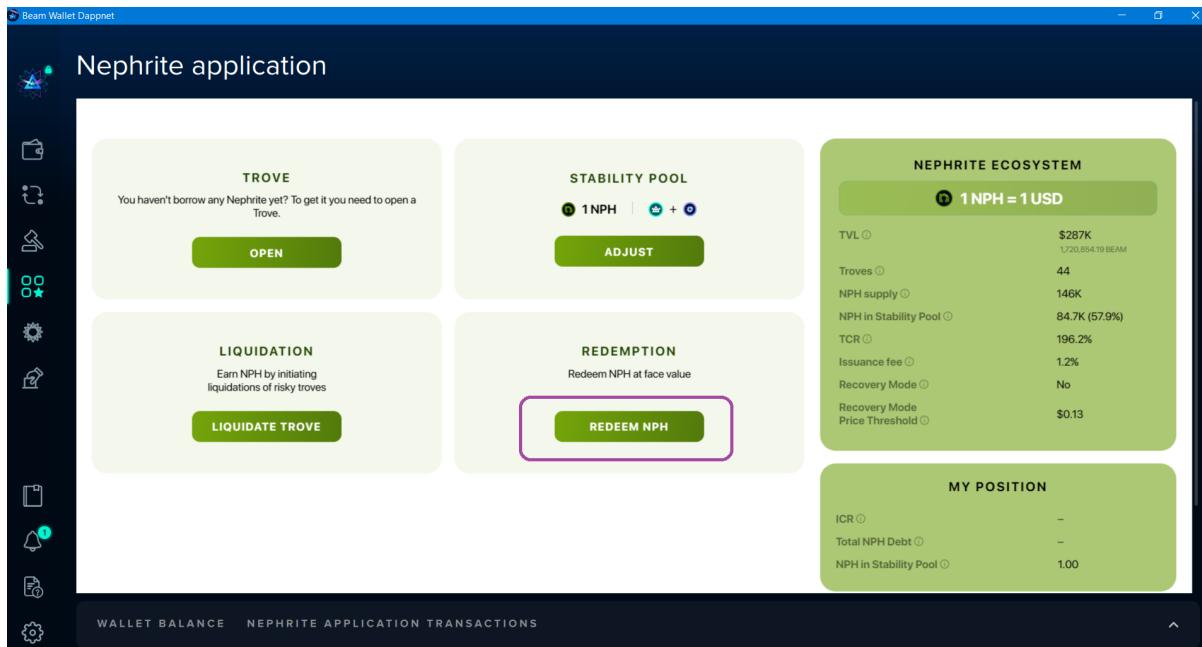
At the bottom, there are tabs for "WALLET BALANCE" and "NEPHRITE APPLICATION TRANSACTIONS".

By pressing the "INITIATE LIQUIDATION" button, you send a transaction to Nephrite's smart contract, which initiates the liquidation of risky troves. You don't have to repay a debt of that troves - you only have to pay a gas fee for the transaction, and the system will liquidate these troves by itself. You will get a Liquidation Reserve from each liquidated trove as a reward, and you can liquidate a maximum of 10 troves at once.

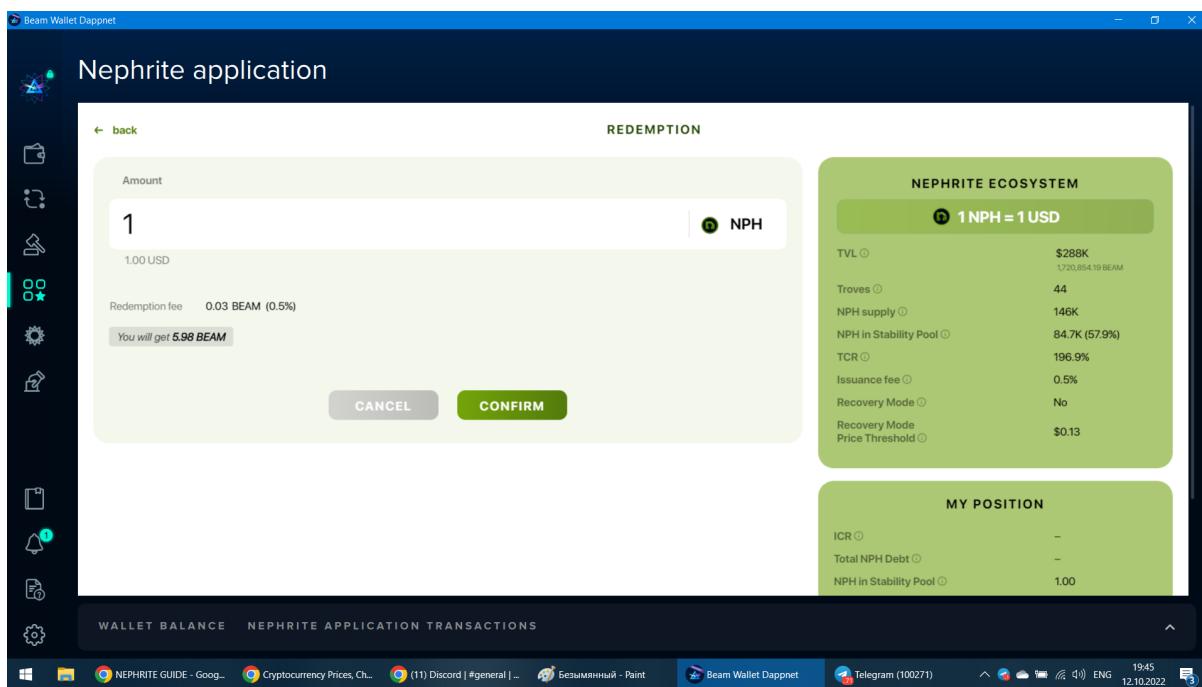
Note: On the screenshot above the "INITIATE LIQUIDATION" button is disabled because there are no troves that can be liquidated at that moment.

Redeem

The last section on the main page is for NPH redemptions. Click the “REDEEM NPH” button.



Here you can choose the number of NPH you want to redeem. The system will calculate the number of BEAM you can receive for your NPH using a current BEAM price provided by its oracle.



If you are satisfied with the system offer (the more NPH you want to redeem at once, the more redemption fee charged in BEAM) you can push the “CONFIRM” button and confirm the transaction in your wallet.

Note: Redemptions are disabled for the first 14 days since the Nephrite launch.

* * *

Some of the screens and links were updated on May 9th, as this guide was originally made for Dappnet version.

Users who want to experience Nephrite on Dappnet are welcome to use this [download link](#) and this publisher key:

d4207c3ae2c2e00374be3f06c4516f188e9258bac3a06bc7bd3cac8bf35c8b4f00

can be verified here: <https://twitter.com/NephriteMoney/status/1571477418057297920>

* * *

That's all! If you find a bug in the Nephrite dApp or have any questions about it - feel free to contact us on [Twitter](#) or on the [Beam Forum](#). If you are not satisfied with this guide - any guides (especially video tutorials on how to use Nephrite) produced by the community are much appreciated. Keep calm and stay private.