D-Hash

DHM, The First BTC Perpetual Hashrate Token

Abstract

Bitcoin is produced through mining based on a proof-of-work consensus algorithm. This minting mechanism is designed for an inclusive and decentralized monetary system where everyone can validate and mine. However, since the emergence of the Asic machines, Bitcoin mining has seen an increasing institutional monopoly, where solo miners have found it hard to survive this consolidation phase. In solving this problem, we work on tokenizing the hashrate generated by the major miners for everyone to participate in mining. Perpetual Decentralized Hash Mining (DHM) breaks down hashrate into fungible tokens and makes it easy for all to get exposure in Bitcoin mining and get a chance to overperform Bitcoin.

Since 2020, DeFi algorithm technology has matured and the industry has seen a DeFi summer. The current DeFi model is mainly staking for rewards. Due to the imperfection of the algorithm, unexpected losses often occur. DHM migrates the base-level Bitcoin mining on-chain, and tokenizes the mining industry, the most traditional and sound sector in the crypto industry; safeguards each user's rewards with a strong consensus.

Introduction

Decentralized Hash Mining (DHM) is a decentralized perpetual hashrate mining tool designed specifically for Bitcoin mining. It is now launched on Heco. Dhash has incorporated hashrate token staking and providing-liquidity mining into DHM, which releases the hashrate tokens' liquidity; Dhash's governing token DHT provides the users with liquidity mining, rewards and many more ways to earn income. DHM's first hashrate management supplier is MINERSFUND.

Each DHM is initially pegged to 0.1 TH/S. Users stake one DHM to obtain the BTC reward per the hashrate pegged to the token. In other words, each DHM amounts to a mining machine with 0.1TH/S mining Bitcoin for the DHM token staker. The pricing of the initially issued DHM will be determined by the hashrate management providers until the hashrate is sold out . In the secondary market, each DHM can be traded as a tokenized mining machine, as a strategy to leverage the rewards caused by Bitcoin price increase. Mining machines are now a liquid asset.

The cloud mining industry suffers from the same problems as the real-economy mining industry: insufficient liquidity, unregulated and chaotic market, obscure operations in a black box, high barrier to entry -- all have prevented investors from getting exposure to the mining industry. We propose to issue DHM backed by the physical hashrate as a solution. This is a mining machine token that can standardize hashrate and can be freely combined and traded, while meeting the demands of mining and trading.

Advantages

Hashrate Security Certification

We have introduced the well-acclaimed MINERSFUND as the first hashrate management provider. MINERSFUND is a large investment management fund composed of a number of mining institutions and individuals. Its members are all domestic and international large-scale mining managers with years of mining investment management experience and great influence in the industry. The MINERSFUND focuses on crypto investments. It currently manages multiple equity assets such as mining farms and mining machines. Its asset under management exceeds 500 million RMB.

Rapid Liquidity

Dhash has completed the tokenization and issuance of the first tranche of hashrate on HECO. The hashrate tokens can dissect the hashrate with high precision, calculate and issue the corresponding hashrate mining income with accuracy through the smart contracts built on virtual machines on-chain. The HECO chain allows token holders to send and receive freely, and complete the transfer and transaction of hashrate tokens efficiently.

Surplus Income

When users stake DHM for mining or liquidity-providing mining, they will receive extra rewards in three main aspects: redistributed mark-time rewards coming from the non-stakers, surplus hashrate rewards, and the governance token rewards. We will elaborate on the surplus rewards later in the article.

2. Hashrate Tokenomics

The hashrate token pegs to a perpetual BTC hashrate, and the community can determine the iteration of the mining machine specifications by DAO.

Stake the hashrate token to produced HBTC, in which 70% will be distributed to the stakers, 10% will be used in mining machine operations, another 10% will be used on a platform

reserve, 5% for governance token buyback and burn (happens weekly and the announcements will be published on the website., and 5% for governance token rewards (boardroom staking pool; system snapshot rewards.)

The mining machine operation and maintenance fee coming from the HBTC takes a 10% annual raise until it hits 40%. This is because the cost of mining machine maintenance increases over time: first year, 10% of HBTC mined goes to the operation fees, the next year 20%, the third year 30%, from the fourth year onward, 40%.

3. Governance Tokenomics (DHT)

DHT Output Distribution

Dhash keeps 15% (token issuance starts when the staking is launched. It releases at an uniform velocity and ends in 18 months.)

DAO autonomy 8%

Pool A: 5% available via staking DHM
Pool B: 32% available via DHM Liquidity Providing mining
Pool C: 5%-10% available via staking single token (HT, HBTC, USDT, HUSD, HETH, etc.)
Pool D: 30-35% available via DHT LP
Vote with the single tokens in Pool C to adjust the percentage Pool C owns; the reduced amount goes to Pool D.

Total supply: 10 million

Initially, we will launch Pool A, Pool B, Pool C, or Pool C and D simultaneously.

According to Heco's block height, the DHT output will be reduced by 10% in the first week and 10% in one month. After that, the output will be reduced by 10% every quarter for 8 quarters. The output reduction will cease in 750 days, and all the blocks will be mined in five years.

DHM Model

- **Basic Parameters**

  Total Hashrate Supply: 1000,000 TH/S

  The initial total supply of DHM is 1,000,000, pegged to 100,000 TH/S.

  Each DHM initially is pegged to 0.1 TH/S.

  The performance per watt is at 48 W/TH.

  Estimated Electricity Cost: 0.057 USD/kwh

  Estimated Power Loss:3%

- Rewards Distribution

Stake DHM and obtain HBTC daily. 10% of the HBTC rewards are used for mining machine operation and maintenance, 5% go to the reserve of the platform, 5% is used for DHT back-back and burning, 5% is used for DHT rewards, and the remaining HBTC rewards will be distributed to DHM stakers (including DHM Liquidity Providing Mining).

- Mining Machine Operation and Maintenance Fee

The mining machine operation and maintenance fee takes 10% of the HBTC mined. The fee takes a 10% annual raise until it hits 40%. This is because the cost of mining machine maintenance increases over time: first year, 10% of HBTC mined goes to the fees, the next year 20%, the third year 30%, from the fourth year onward, 40%.

- Boardroom

5% of the HBTC mined by DHM daily goes into the governance reward pool. Users stake DHT to receive rewards from the pool.

How does it work

Token holder activates the token via Dapp to mine Bitcoin. The hashrate and its profits gained from the current date will be calculated on the second day (T+1). When the token deactivates, profits will not be released on that day.

Mining Machine Reiteration

DHM provides perpetual BTC hashrate. The reiteration of the mining machine specifications can be decided by voting on DAO.

DHM Surplus Income Analysis

Mark-time Reward Redistribution

The mark-time (T+1) rewards of unstaked DHM is divided by the entire network of DHM stakers according to their staking amounts, that is, the stakers share the income generated by the non-stakers.

Extra Rewards by Stages

Provide extra hashrate supply with 5P as a threshold for a new stage: at the end of every 5P hashrate tokenization, a new batch of mining machines will be put into operation.

For example, when the sale of DHM is between 0P and 5P, the actual hashrate put into production is 5P; when the sale of DHM is between 5P-10P, the actual hashrate put into production is 10P.dity in Pool D

Initially, we will launch Pool A, Pool B, Pool C, or Pool C and D simultaneously.

Notes: the first adjustment to the mining output ratio occurs on the 30th day starting from the product launch. The output of single token stake pool (C pool) drops to 8%, and the output of DHT liquidity LP mining (D pool) rises to 32%;
The second adjustment to the mining output ratio occurs on the 60th day starting from the product launch. The output of single token stake pool (C pool) drops to 5%, and the output of DHT liquidity LP mining (D pool) rises to 35%.

- Mining Pools Launch Schedule

The first ones come online is the DHM staking pool (A Pool) & DHM liquidity LP mining pool (B Pool)

The second ones come online is the popular single token staking pool (C Pool) & DHT liquidity LP staking pool (D Pool)

- Block Production Reduction

According to Heco's block height, the DHT output will be reduced by 10% in the first week and 10% in one month. After that, the output will be reduced by 10% every quarter for 8 quarters. The output reduction will cease in 750 days, and all the blocks will be mined in five years.

- Governing DHT Boardroom

  5% of the HBTC mined by DHM daily goes into the DHT boardroom. Users stake DHT to receive rewards from the pool.

- Governance Token DHT Buyback

  Dhash spends 5% of the HBTC mined daily by DHM on the weekly DHT buy-back. We will announce the buy-back address.

The Governance Token（DHT）Model

- Total Supply

  10,000,000 DHT

- Output Distribution

Dhash keeps 15% of the supply (token issuance starts when the mining is launched. It releases at an uniform velocity and ends in 18 months.)

8% of the supply is allocated for DAO autonomy (1% for voting incentives, 2% for incentivizing brands and community partners)

5% of the DHT supply can be earned through staking DHM in Pool A
32% of the DHT supply can be earned by DHM Liquidity Providing mining
10%-5% of the DHT supply can be earned by staking single token (HT, HBTC, USDT, HUSD, HETH, etc.)
30%-35% of the DHT supply can be earned by providing DHT liqui
Apart from the hashrate verification and moving the mining rewards on-chain, all hashrate sales and distribution, etc. are operated through the smart contract of the Huobi ECO Chain, so as to achieve a decentralized consensus plan.

Smart Contracts

- DHT Rewards

Users obtain DHT staking rewards and DHT Liquidity-Providing mining rewards, and etc.

- Hashrate Purchase Contract

According to the user input quantity, the smart contract will replace the input USDT quantity according to the algorithm price and issue the corresponding DHM.

- DHM Mining Contract

The staked DHM or DHM liquidity LP will enter the smart contract and update the amount of DHM mining rewards according to the FPPS algorithm of the entire network of BITCOIN mining on the day and to the amount of sold DHM in the entire network.

- DHT Rewards Contract

The outputs of HBTC in the Boardroom are distributed to the users according to the amount of DHT they staked in the boardroom.