



Lava Financial

W H I T E P A P E R

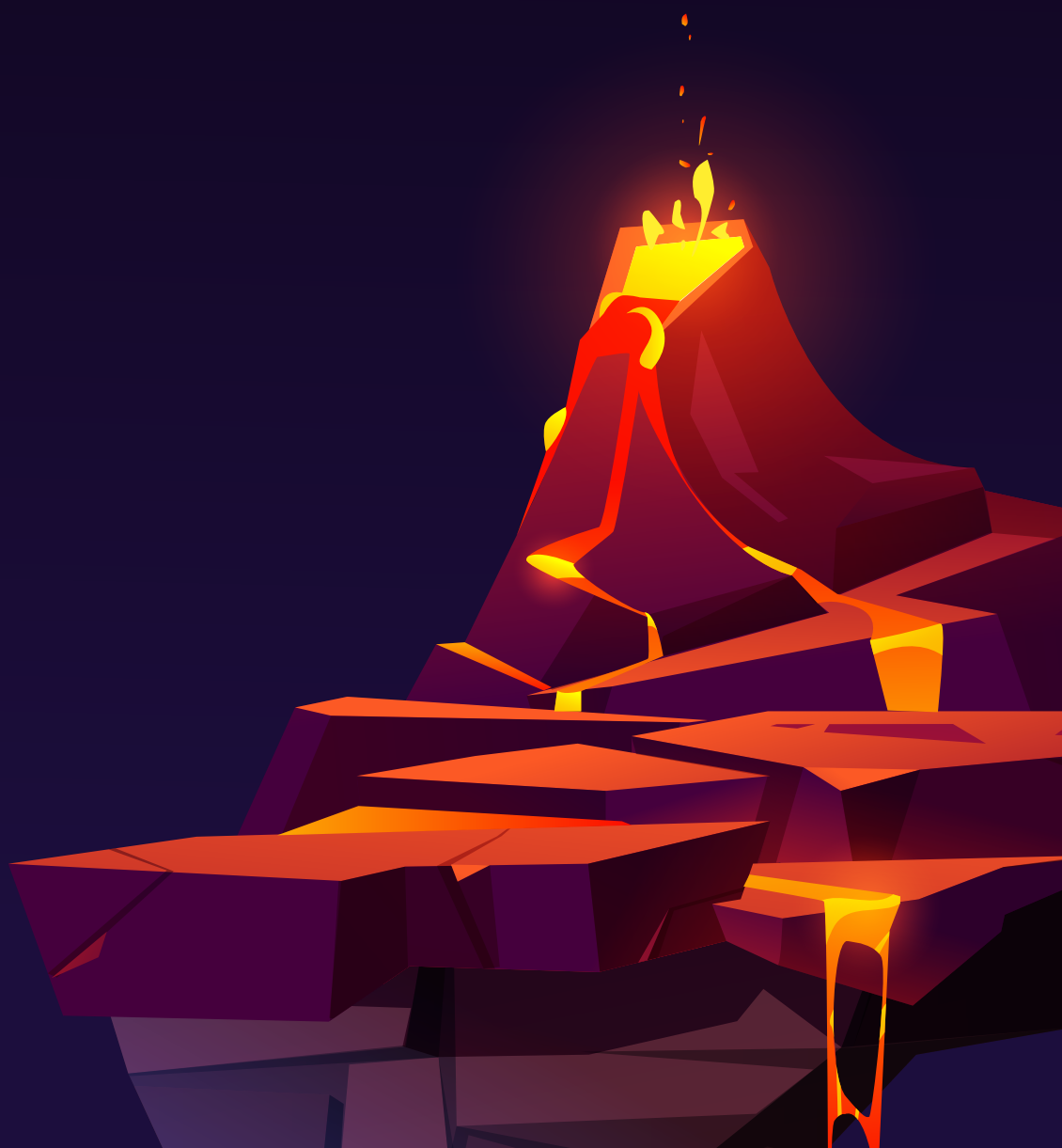


Table of Contents

I.	Introduction	3
II.	Three Phases to Self Sustainability	4
	<u>Phase 1</u> Treasury Growth via \$LAVA Token	4
	<u>Phase 2</u> Revenue Share Model with \$nLAVA	4
	<u>Phase 3</u> Complete Self Sustainability	4
III.	Node Creation	5
IV.	Flexible Nodes	6
V.	Node Fusion	6
VI.	Treasury Distribution	7
VII.	Revenue Streams	7
VIII.	In-House Sister Projects	7
IX.	Taxes	8
X.	Tokenomics	8
XI.	Supply Distribution	9
XII.	OTC System	9
XIII.	Angel Investments	9
XIV.	Protocol Flowchart	10 & 11
XV.	Whitelist Presale	12
XVI.	Wallet Booster NFTs	12
XVII.	Governance	13
XVII.	Credits & Socials	13

Welcome to the most explosive place in defi.

Over the last few months we've seen countless node and DAO/rebase protocols fail. We've seen high yield, fly by night projects that shoot to the moon and then flatline. We've seen enormous treasuries that fail to invest to their full potential and die a slow death due to inflation and an unsustainable model.

After the failures that have been observed in this space, teams are rushing to find the balance between high yield and long term sustainability. At Lava Financial, we want to have a place where you can park your capital and be confident that you will have steady, sustainable income for years to come.

We've analyzed the failures of previous models and are now proud to introduce the first **self sustaining, long term** passive income protocol.

Disclaimer

The information explained in this whitepaper does not constitute investment advice, financial advice, trading advice, or any other sort of advice and you should not treat any of this whitepapers' details as such. Lava Financial can not guarantee any returns or price action, which can be subject to the overall market movements.

This material does not take into account your particular investment objectives, financial situation or needs and is not intended as recommendations appropriate for you. Do conduct your own due diligence and invest wisely.



Three Phases to Self Sustainability

PHASE 1 Treasury Growth via \$LAVA Token

- \$LAVA is a pseudo crowd-funded VC token that allows Lava Financial to grow its treasury. The funds generated will be put to work generating yield for the treasury and the investors. In the time leading up to the transition to Phase 2, the team will be utilizing numerous investment strategies and methods of revenue generation. During this time, the team may elect to distribute USDC.e to node holders as an initial means of revenue share.
- \$LAVA will be a natively deflationary token with a **capped supply of 10 million tokens**. Upon minting a node using \$LAVA, 10% will be burned.

PHASE 2 Revenue Share Model with \$nLAVA

- Once the treasury has been built to a substantial amount, our innovative \$nLAVA contract will be implemented. This will allow users to claim a percentage of their rewards in \$nLAVA tokens, which are redeemable for a portion of the treasury's return on investments. Node payouts in \$nLAVA will start small, but as the treasury grows so will the percentage of \$nLAVA paid out. This \$LAVA/\$nLAVA ratio will fluctuate throughout Phase 2, with the goal being 100% \$nLAVA rewards.

PHASE 3 Complete Self Sustainability

- The protocol will now be able to support ~100% nLAVA payouts and will be fully self-sustainable with income generated via sister projects, treasury farming, healthy taxes, angel investments and royalties.
- The LAVA token would only be used for node purchases and supplemental node rewards during times of contraction.

Node Creation

Fuji	Krakatoa	Novarupta	
100 \$LAVA	200 \$LAVA	500 \$LAVA	Cost
0.8	2.0	6.0	Tokens/day
0.8%	1.0%	1.2%	% Return/day
15 USDC.e	20 USDC.e	35 USDC.e	Protocol Fee/month
125	100	83	ROI in Days*

* assuming price doesn't change

Node Creation Options:

1. Market Buy

Buy \$LAVA directly from the market and create one of our three tiers of nodes.

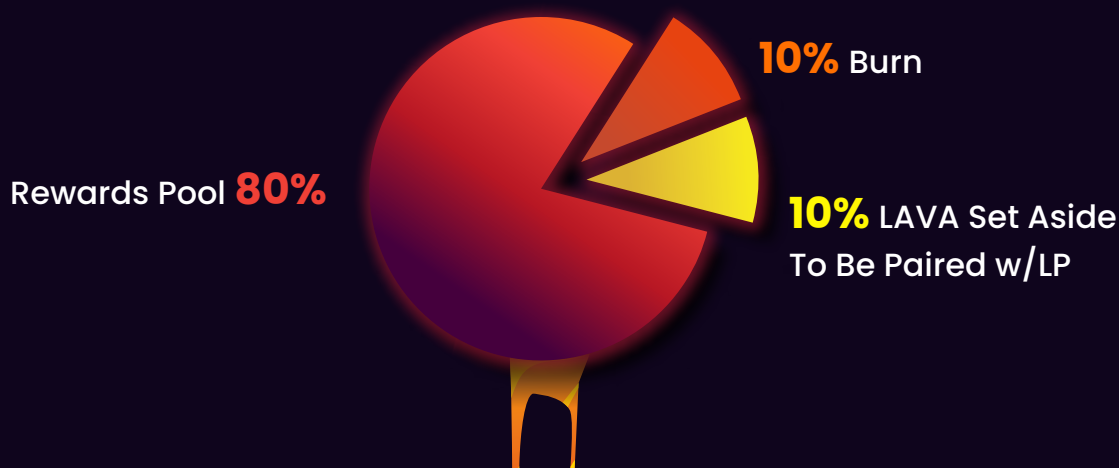
2. Node Minting

Users can mint a node using \$USDC.e or \$LAVA-\$USDC.e LP tokens, with additional options being added over time such as \$WAVAX, \$wETH, \$wBTC etc. There will be a greater incentive to bond using LP tokens immediately after launch. These rates will be fully adjustable as we see fit, to best sustain the protocol.

3. Compounding

- a) Compound existing \$LAVA rewards into a new node, tax free.
- b) Compound rewards from a Flexible Node into a permanent node.
- c) Node Fusion

Node Creation Distribution using \$LAVA



Flexible Nodes

For users who aren't able to purchase an entire node, Lava will offer flexible nodes which will have a minimum deposit of 1 \$LAVA and will earn rewards at a rate of 0.5% daily. One of the unique elements of Lava's Flexible Nodes is that users can continue to deposit and work their way up and compound into a full node. This means that smaller wallets will be able to participate for a minimal upfront cost and compound their way to a larger wallet.

Users with full nodes will be able to deposit rewards into their Flexible Node and earn compounding rewards on their existing rewards.

Node Fusion

One element of other node projects we weren't happy with was how a user is stuck with whatever node they purchase, with no upgrade path. At Lava, users will be able to compound their way up to the highest node tier by a process we call node fusion. For example, combine two Fuji nodes into one Krakatoa, netting you a higher daily percentage yield permanently, for only a small Fusion Fee. This gives users with any wallet size something to work toward, providing more flexibility to the protocol as a whole.

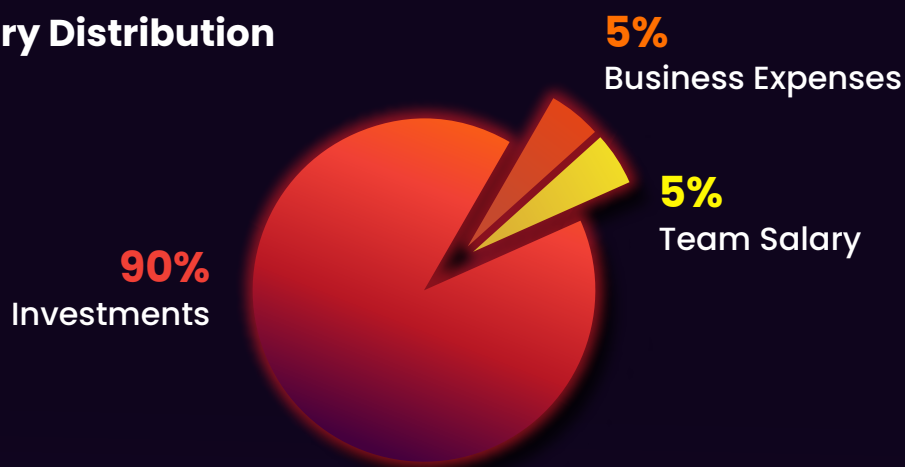
Node Fusion won't be available at all times and will be turned on at our discretion, for the health of the protocol.

Flexible Node

Cost	% return	Monthly Fee
1 \$LAVA min.	0.5/day	None



Treasury Distribution



Revenue Streams

Lava Financial will be using numerous methods to grow its treasury and maximize yield for its investors.

1. Yield Farming
 - a. Leveraged stablecoin looping
 - b. Liquidity pools with minimal chance for impermanent loss
 - c. Single asset lending and farming
2. Staked holdings of Blue Chip Tokens such as AVAX, MATIC, SOL, etc.
3. Angel Investments
4. In House Sister Projects
5. Taxes + Protocol Fees
6. NFT Royalties
7. Other DeFi Strategies TBA
8. Validator Nodes

In-House Sister Projects

We're eager to roll out a suite of products under the Lava Financial umbrella, providing additional streams of revenue for the treasury. These products will have independent development teams funded via the Lava Treasury. There are currently 3 projects in the planning stages that cover a wide range of crypto sectors, creating a real \$LAVA token use case. This will benefit core investors by increasing the value of their Lava holdings as well as providing early access opportunities to our suite of products.

Project Moneta

Project Athena

Project Flora

Further details will be announced shortly after launch.

Taxes

Taxes are just another method of maintaining long term sustainability by committing 100% of funds to the Treasury. Taxes will break down as follows:

\$LAVA Transfer Tax - 50%

Used to prevent whales from bypassing the \$LAVA limit.

Sell Tax - 15%

100% of this will go to the treasury as USDC.e

Claim Tax - 0%

We want users to have a frictionless experience when moving tokens from their rewards to their flexible node.

Tokenomics

Max Supply

10,000,000
\$LAVA

Launch Price

0.60
USDC.e

Max per Wallet

20,000
\$LAVA

Burn Rate

10 %*

Transfer Tax

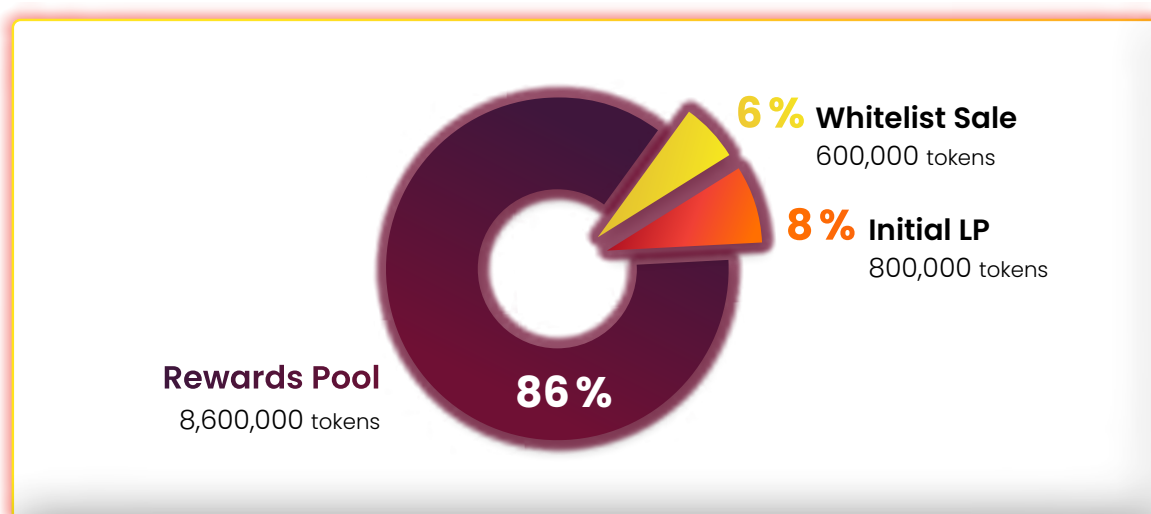
50 %

* per node created with \$LAVA



Supply Distribution

The Lava Financial team will not be allocating any tokens for team pay and instead have opted to take a small percentage of treasury returns. The team doesn't want to have a situation where we're forced to cause sell pressure to pay ourselves. Instead, we believe that paying ourselves from the success of the protocol aligns with our goal of long term sustainability.



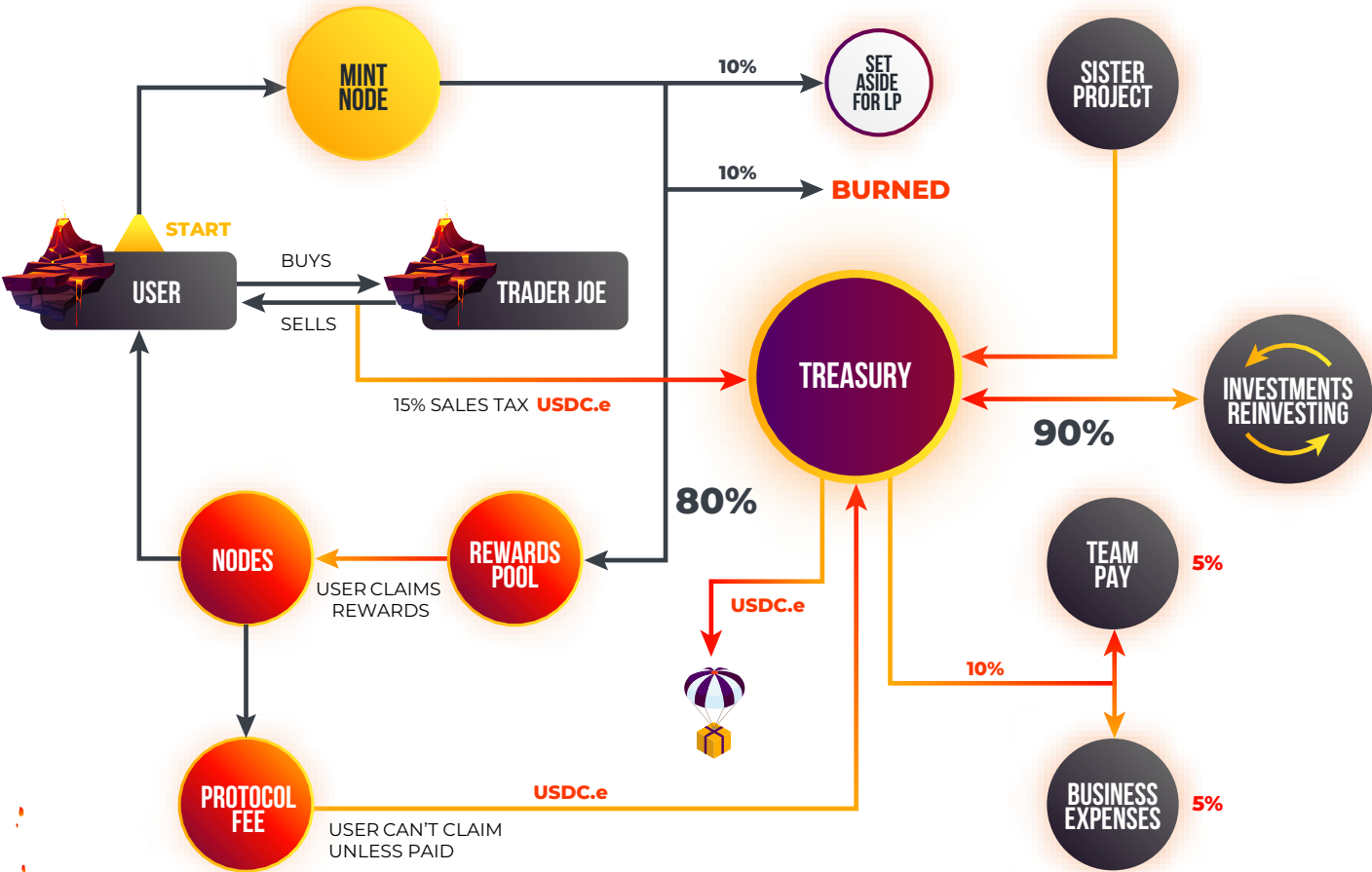
OTC System

In the days following launch we will have an OTC Ticket system that functions via a Discord bot developed solely for our server. Members will be able to initiate trades through this system and sell directly to other buyers. We encourage our ethical whales to use this system and avoid dumping on the live market, as it benefits them as well as the protocol itself. This benefits whales by avoiding price impact. As well as benefiting buyers who receive a small percent discount. This is just one of the many methods that Lava has to avoid sell pressure.

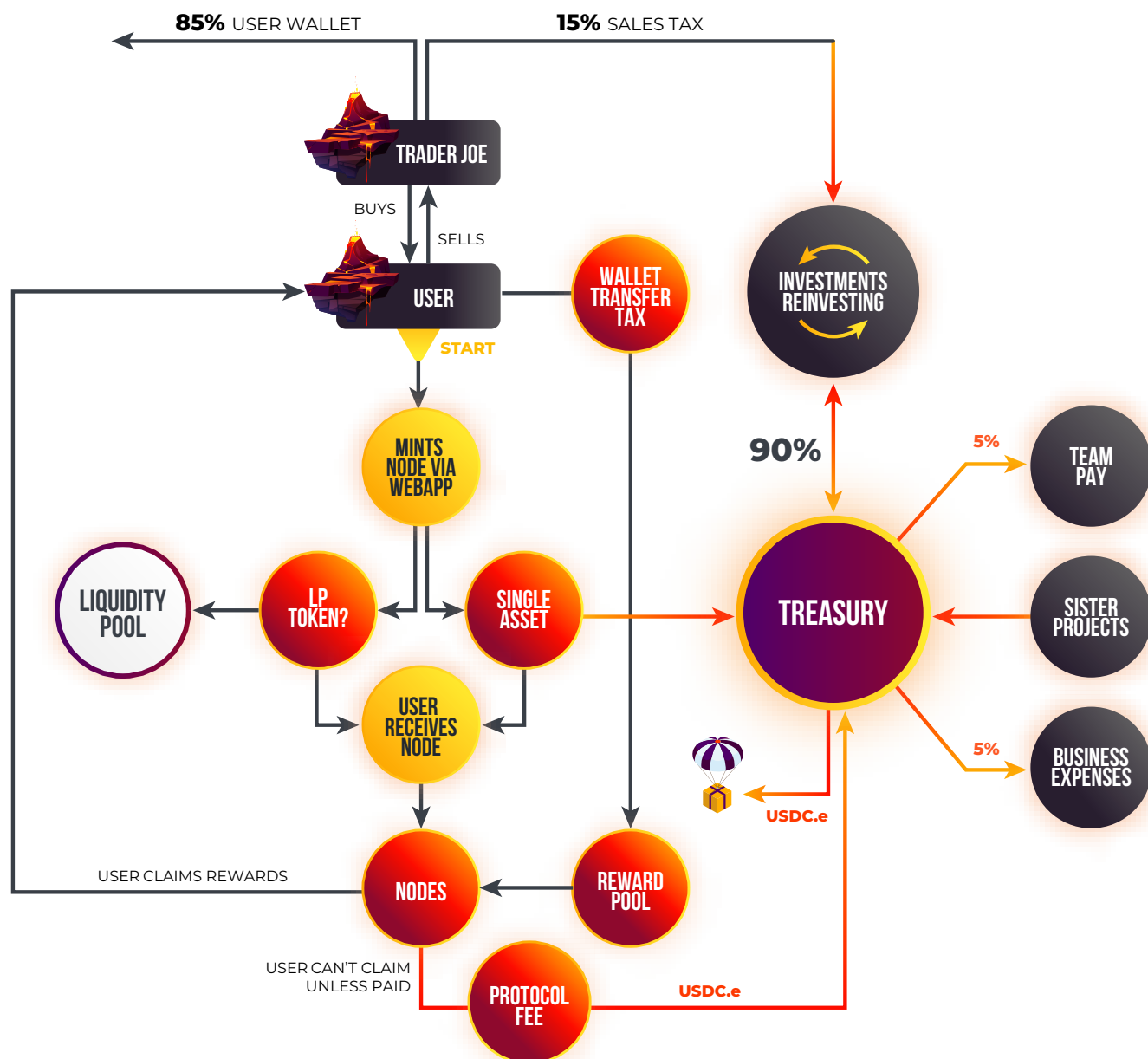
Angel Investments Program

Lava Financial is proud to introduce a brand new angel investment program that will be built natively within the protocol. Lava will secure seed level investment opportunities that will end up being directly passed through to node holders, creating an additional use case for the \$nLAVA token. This method of investment is a revolutionary concept that allows any investor to participate in early seed investment without needing to hold any launchpad tokens. We expect the rollout to occur during Phase 2.

Mint a Node using \$LAVA



Mint a Node using USDC.e or LP token



USER INTERACTIONS



CONTRACT INTERACTIONS



LIQUIDITY POOL



AIRDROPS AT OUR DISCRETION

Whitelist Presale

We will be conducting our whitelist presale in the following manner. Those who are whitelisted will be able to purchase pLAVA at a price of 0.50 USDC.e each, with a min/max allocation of 500/1000 USDC.e. Users will have the ability to choose to receive anywhere from 50% to 100% pLAVA, a token that is only redeemable for nodes. Those who elect to receive 100% pLAVA and spend 1000 USDC.e will be rewarded with a 250 USDC.e Airdrop 48 hours after launch.

For those who choose to take \$LAVA tokens with their whitelist allotment the price will be 1.00 USDC.e per LAVA. So in essence, if you purchased 1000 USDC.e worth and took 50% pLAVA and 50% LAVA you would end up with 1500 total tokens. Otherwise if you took 100% pLAVA you would receive 2000 total tokens. A 100% pLAVA purchase would earn you 4 Novaruptas, while 50% \$LAVA and 50% pLAVA would only result in 3.

This is being done in the best interest of the protocol, as the less \$LAVA available on launch from white listed users the more stable the launch should be.

NFT Wallet Boosters

Lava Financial will be offering an NFT Pre-Sale with the ability to boost the rewards of all nodes in the holder's wallet. Only one NFT Booster can be active per wallet at any time.

NFT Level	Quantity Sold	Boost %	Node Included	Starting Price
1	100	5	1 x Fuji	8 AVAX
2	50	10	1 x Krakatoa	20 AVAX
3	20	15	1 x Novarupta	40 AVAX

These will be auctioned off prior to launch on nfttrade.com and will also come with one node each. Users will receive this node via an airdrop of pLAVA. If you choose you can resell the NFT on nfttrade.com. This airdrop is only applicable to the initial purchase of the booster.

These NFTs will provide another source of revenue for the treasury via royalties, as well as a future utility that has yet to be announced.

Governance

Lava Financial will run itself in a DAO structure, with the node holders having the final say in decisions made by, and for, the protocol. Only full node holders will be able to participate in governance votes via a \$gLAVA token that is airdropped at each node creation.

FUJI	1 x weight	100 \$gLAVA*
KRAKATOA	2 x weight	200 \$gLAVA*
NOVARUPTA	5 x weight	500 \$gLAVA*

*gLAVA is not awarded during Node Fusion



@lavanodes

/lavafinancial

lava.financial

Credit To Devs

Solidity Developer
Yonatan Martsiano

Solidity Developer
Phoenix4512

Discord Bot Developer
@bitcoin_bart

Credit To Team

Written by
Appljuze, Calvin and
Meeseeks

Design
cryptoBelieva#9816

Project Founder
Ari