DXNPot Protocol

Pooled DXN Staking with VRF-Weighted Distribution & Deflationary Mechanics

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What is DXNPot?

DXNPot is a non-custodial pooled staking protocol that aggregates DXN tokens to stake through dbXen, then distributes ETH fees using Chainlink VRF-weighted randomness. Users maintain full custody of their DXN while participating in a high-variance yield strategy that simultaneously burns DXN supply and mints GOLD - a passive income token.

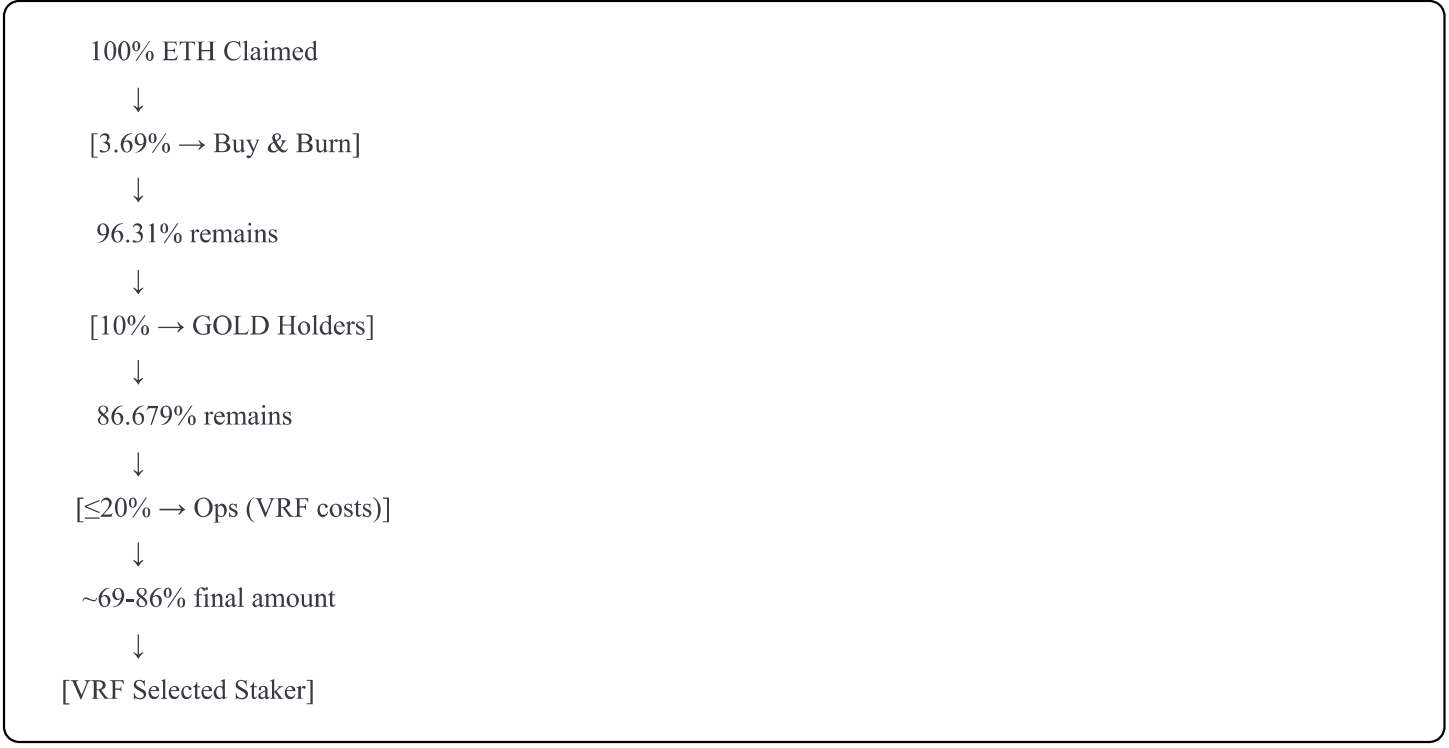
Core Mechanics

1. Pooled Staking

- Users deposit DXN → Protocol stakes all DXN into dbXen
- dbXen generates daily ETH fees based on XEN burn activity
- Users retain ownership and can unstake anytime (subject to dbXen lock rules)

2. Fee Distribution (VRF-Weighted)

- Anyone can call `executeFeeDistribution()` to claim dbXen fees
- **ETH flows through sequential splits:**
    1. **3.69%** → Buy & Burn bucket (accumulates for DXN burns)
    2. **Remainder:** 10% → GOLD token holders (passive income stream)
    3. **Remainder:** ≤20% → Operations funding (VRF gas costs, auto-capped)
    4. **Final remainder** → One randomly selected staker (Chainlink VRF)
- **Selection is weighted by stake -** larger stakes = higher probability
- **VRF ensures provable fairness -** cryptographically verifiable, manipulation-resistant



3. Ticket System

- Calling fee distribution = 1 ticket (GOLD allocation rights)
- Calling buy & burn = 1 ticket
- Stakers collectively earn 1 ticket per fee claim (starting epoch 25)
- Tickets determine GOLD distribution, NOT ETH selection

4. Buy & Burn Cycle

- Anyone can call `executeBuyBurn()` using accumulated 3.69% ETH
- Swaps ETH → DXN on Uniswap → sends DXN to burn address (0xdead)
- Mints GOLD tokens equal to DXN burned
- Distributes GOLD to ticket holders (callers + stakers proportionally)
- **Ends epoch** → tickets reset, new cycle begins

5. GOLD Passive Income

- **GOLD holders receive passive ETH fees proportional to their holdings of total GOLD supply**
- 10% of all fee distributions flow to GOLD holders
- Claimable anytime via `claimGoldHolderEth()`
- GOLD accumulates over time from participation (tickets from calling functions)
- Can be traded on secondary markets - no staking required to earn

6. Big Bonus Day (Epoch 25)

- Stakers who join epochs 1-24 are locked until epoch 26
- Starting epoch 25, early stakers earn bonus ticket allocation:
  - Epoch 1 stakers: **100% bonus** (2x tickets allocation)
  - Epoch 24 stakers: **~4% bonus**
  - Linear decay between epochs
- Rewards long-term commitment and early adoption

Value Propositions

For Active Stakers

- **High upside potential -** small stakes can receive large ETH distributions
- **Guaranteed GOLD accumulation -** passive income layer grows over time
- **Gas efficiency -** pooled claims reduce individual gas costs
- **DXN burn acceleration -** every cycle permanently reduces supply

For GOLD Holders

- **Passive ETH income -** proportional share of 10% of all protocol fees
- **Variable yield -** depends on XEN burn activity and DXN staking participation
- **No staking required -** can buy GOLD on secondary market
- **Extremely low inflation -** GOLD only minted through DXN burns

For DXN Ecosystem

- **Supply reduction -** continuous DXN burns create scarcity
- **New primitive -** GOLD creates additional tradable asset
- **Increased utility -** new reason to hold/stake DXN
- **Fair launch -** no pre-mine, no team allocation, no admin fees

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Risk Considerations

Probability Distribution

- Smaller stakers have proportionally lower selection probability

- Large stakers will be selected more frequently over time
- Expected value converges to proportional share over many epochs
- **GOLD accumulation provides guaranteed yield for all participants**

Smart Contract Risk

- Protocol uses UUPS upgradeable pattern (OpenZeppelin standard)
- Chainlink VRF ensures randomness cannot be manipulated
- Operations funding capped at 20% (immutable constant)
- No admin keys that can withdraw user funds

Market Risk

- ETH fee amounts depend on XEN burn activity (external variable)
- DXN price volatility affects USD value of staked assets
- GOLD secondary market liquidity depends on adoption

Technical Stack

- **Solidity 0.8.24 -** Smart contract language
- **OpenZeppelin Upgradeable -** Security & upgradeability framework
- **Chainlink VRF V2 -** Verifiable randomness
- **Uniswap V3 -** DXN buy & burn execution
- **dbXen Protocol -** Underlying staking mechanism

First Principles Alignment

DXNPot adheres to crypto's first principles:

- ✅ **Self-custody -** users control their DXN at all times
- ✅ **Decentralization -** no admin can manipulate outcomes
- ✅ **Transparency -** all code open-source, all transactions on-chain
- ✅ **Fair launch -** no pre-mine, no private allocation, no dev fees
- ✅ **Immutability -** core parameters locked (20% ops cap permanent)
- ✅ **Verifiability -** Chainlink VRF provides cryptographic proof of fairness

Launch Status

Current Phase: Testnet deployment & auditing **Mainnet Launch:** Q1 2026 (pending security review) **Initial Deployment:** Ethereum mainnet **Future Chains:** BSC, Avalanche, Base, Optimism, Arbitrum (DXN multi-chain expansion)

Resources

- **Website:** dxnpot.com
- **Documentation:** [GitHub repo URL]
- **Contract Code:** [Etherscan verified contract]
- **Community:** [Telegram/Discord]

Disclaimer

DXNPot is experimental DeFi software. Users should understand the protocol mechanics and associated risks before participating. This is not financial advice. Always DYOR (Do Your Own Research).

DXNPot: Non-custodial. Verifiable. Deflationary.