

Polaris (XPR)
Dividend Paying Mining Farm on the Blockchain

Abstract:

The Polaris Token (XPR) is a representation of a share in the Polaris mining farm. Powerhouse Network, the parent company, has already been doing cryptocurrency mining as a cloud mining service, and decided to launch the Polaris project in order to create a way on the blockchain for everyday people to tap into the faucet of cryptocurrency mining and get paid dividends from the net profit of the Polaris mining farm by simply holding the Polaris token. Cryptocurrency mining is a market that is characterized by its free competitive nature. For this reason, having a competitive advantage is crucial for a successful mining operation. The parent company of the Polaris project has enough skin in the game & several advantages which have been creating consistent profits in its existing mining farm, and are going to be used in the Polaris project in order to optimize the profits, thus optimizing the dividends given to holders. The Polaris mining farm business model allows for four income streams: Aside from cryptocurrency mining itself, the farm will be engaging in wholesale & retail sales, along with using 20% of its net revenue to purchase & hold Polaris tokens which will be used to increase the profits of the farm through dividends and keep buying equipment to consistently increase the revenue. 85% of the net profit will be sent as dividends to all the holders of the Polaris token on a percentage basis. There will only be 23 million Polaris tokens ever in existence. These tokens can be exchanged by people and the dividends will be paid to whoever holds the token. Polaris is an ERC20 token built on the Ethereum blockchain.

Brief description of the token sale:

The Polaris token is an ERC20 token. It is built on the Ethereum blockchain & follows the ERC20 standards. Each token represents a percentage of ownership in the Polaris mining farm. There will be zero inflation of the token supply once the whole 23 million tokens are in circulation; this means that holding the token represents a fixed percentage of the farm owned by the Polaris token holder. As an equivalent to a shareholder in traditional business, each token holder will be entitled to receive dividends from the net revenue of the Polaris farm after deducting the retained earnings. All details are explained in the section Business Model.

Pre-sale: The initial token sale, which will start on November 10, 2017, will be exclusively open to the customers of the Powerhouse Network and its services. The price of 1 Polaris Token during the pre-sale period is \$0.2 USD.

The main token sale: Will follow the pre-sale, and will increase the price of the tokens offered for sale by \$0.05 every 6 weeks, until it reaches \$0.5 which will be the highest price the token will be sold for in the main token sale.

Number of tokens offered for sale	20 million Polaris tokens (XPR)
Number of tokens given as affiliate bonus during the token sale	2 million Polaris Tokens (XPR)
Number of Tokens to ever exist	23 million Polaris Tokens (XPR)
Token distribution	20 million will be sold throughout the token sale through the Polaris project website. Each sale will give 10% affiliate commission to the referrer. If the token buyer is not referred by anybody, the 10% commission will go to the Polaris mining farm reserve, and will add up to the reserves that will be used to buy more equipment, hence increasing the dividends sent to holders.
The price of 1 Polaris (XPR) during the token sale	From \$0.2 USD to \$0.5 USD
Accepted currencies during token sale	Bitcoin (XBT), Bitcoin Cash (XBC), and Ethereum (ETH)

Pre-sale

Price of Polaris Token on Pre-sale	\$0.2 USD for 1 Polaris Token (XPR)
Number of tokens offered on Pre-sale	5 million XPR
Number of token given to affiliates	500,000 XPR

Main token sale

Price of Polaris Token on main token sale	\$0.25 USD with an increase in price of \$0.05 every 6 weeks until \$0.5 USD
Number of Tokens offered on main token sale	15 million XPR
Number of tokens given to affiliates	1.5 million XPR

Project Overview:

The Polaris project is a business built on the blockchain that offers a serious passive income opportunity to anybody anywhere in the world who holds the XPR token. Based on a proven business model that has already been used by the parent company, the Polaris token is a portal for everyday people to tap into the lucrative industry of cryptocurrency mining. The Polaris farm is a mining operation that is owned by the Polaris token holders, and the holders will receive the net revenue of the Polaris mining farm as dividends, after deducting the retained earnings. See Business Model section for details.

The Polaris Project is carried out by Powerhouse Network, a UK based company (details in the official website). The existing mining farm operated by the company exists in the UK. The initial Polaris farm will be located in the UK, but the road map of the project leaves the possibility open for opening additional branches of the mining farm which are not going to be necessarily on the UK soil.

The existing mining farm of the parent company will become the initial Polaris mining farm. The company's cloud mining contracts will be purchased from the Polaris mining farm at a break-even price. Which means the Polaris mining farm will earn the full difference between the price of the cloud mining contracts and the cost of the mining operation of these contracts. This represents one of the four streams of income of the mining farm that are paying dividends to the XPR holders. See Business Model section for details.

The parent company has been operating a mining farm for its cloud mining services, and this has given the company enough skin in the game to optimize the profits made from mining. The Polaris mining farm has an advantage when it comes to buying mining equipment through wholesale trades which allows it to buy them at the lowest possible prices on the market. It has also been obvious throughout the course of the mining operation of the parent company that the more equipment the mining farm bought the better connections and deals it was

able to find. It is foreseeable that the bigger the mining farm will get, the more optimized the equipment costs, and all other costs for that matter, will be.

Since the Polaris mining farm is able to buy equipment at the lowest possible prices on the market, the farm will be engaging in wholesale trades and will make profits from the difference between the buying and selling prices. These profits are part of the revenue of the mining farm; therefore, they will translate as more dividends for the XPR token holders.

The Polaris mining farm's road map will aim to optimize the mining profits further by gradually switching to different ways of electricity production. The parent company has existing business deals with solar panel providers and the deals cover both buying solar equipment and using them under lease contracts and agreements. The Polaris mining farm will also open up to all possible ways in which it can own a hydroelectric plant, or plants, to generate electricity. Wind power will also be studied to become part of the different sources of electricity that the Polaris mining farm uses. Wind, solar, and hydroelectricity, being the biggest three emerging renewable sources of energy in today's world, are naturally the centers of the Polaris project's road map to always stay in competition and optimize the mining profits. The other side of the plan is to have the farm and its branches in fairly cold locations in order to minimize the need for active cooling of the mining equipment. The farm also uses different techniques of thermodynamics' to allow the air flow inside the mining farm to keep a cooler temperature than what it already is, further optimizing the performance of the mining equipment.

The current mining operation of the company is already well optimized; but since the mining industry is characterized by its free competitive nature, the Polaris mining farm will consistently keep doing whatever is necessary to stay in competition and be one of the top mining farms in the world. And XPR holders will be the beneficiaries of such business approach.

The Polaris mining farm will be mining different cryptocurrencies according to a thorough study that will be done on a regular basis. This study takes into account the two factors that affect the profitability of mining a particular coin: Its price, and the difficulty of its mining network. The Polaris mining farm will be mining the most profitable cryptocurrencies in order to optimize the revenue from the mining operation, and it will be switching from one coin to another whenever necessary. As the farm has both ASIC equipment and GPU equipment, almost every possible option is available; therefore, it will be allocating the hashing power in the most lucrative way according to the extensive study of which cryptocurrencies are best to mine at each point in time.

The mining equipment is operational on a 24/7 basis. Under such a heavy load, failures and breakdowns are very common. Whenever that happens, the equipment might need to be sent for repair to the service centers of the manufacturers. The Polaris project will have employees, depending on the need, who will service the farm in a 24/7/365 format, which will prevent large downtime or interruptions in the work of the miners, thus optimizing the overall operation.

One of the most common concepts in the mining industry is the importance of maintaining a certain level of privacy and secrecy when it comes to disclosing the exact location of the mining farms. This makes perfect sense because when one particular location contains equipment that is worth millions of dollars, that particular location is more likely to be targeted by thieves and bad people than the rest of places. Yet, we want to be open and transparent as much as it is safely possible. This is why the Polaris project plans to implement the option of visiting the mining farm for holders as soon as possible. That way, any XPR holder, who can prove the ownership of the tokens by sharing the public address, will be able book a visit to the Polaris farm through the Polaris website and visit it at a specific time and date of his/her choosing. The Polaris project will also have an online 24/7 broadcast from inside the mining farm in its official website.

Market Overview:

Cryptocurrency mining is a lucrative industry. This concept first started with Bitcoin. The idea behind it is simple: Gold is mined and there is only a fixed amount of Gold that will ever exist, and this is what made Gold the standard of sound money for thousands of years. There is in fact a work made by Gold miners in order to extract the gold and bring it into existence; therefore, Gold represents the effort done by the miners to bring it into existence, and this is why it is able to store value through time and to function as a great form of money. Bitcoin's goal is to have a decentralized asset that can be traded and used as money, and has the characteristics of sound and honest money like Gold. This is why the idea of proof of work came into existence; but instead of doing physical work as gold miners have always been doing, mining Bitcoin needs computational work, which is a process in which a machine does a lot of calculations to solve a mathematical problem, and whenever the machine solves one of these mathematical puzzles, it is rewarded with Bitcoins.

Today, it is possible to mine many different cryptocurrencies other than Bitcoin. But with the industry getting bigger and with the huge capital that has been flowing into the crypto ecosystem throughout the last two to three years, mining has become way more difficult and significantly less lucrative for everyday people. Although it may seem unfair at first sight, this happened mainly because of the free competition that is characterizing this whole ecosystem, which is not in any way a bad thing. Naturally, big capital can create stronger and better mining farms than small capital; also, farms that have access to cheaper electricity have a competitive advantage compared to the ones that pay a lot for it. Moreover, a lot of cryptocurrencies switched in their

mining from using easy to find equipment like CPUs and GPUs, to exclusive high performing ships and ASIC equipment (application-specific integrated circuits).

For these reasons, the profit margins of mining cryptocurrency from home have decreased dramatically throughout the recent years, and they are expected to keep decreasing through the foreseeable future. On the other hand, professional mining farms that are full-sized businesses have the power to get bigger and stronger with time, especially with the shifts explained earlier. This explains why throughout 2017 for example, a big number of individual miners have been turning off their home based mining operations, and investing in cloud mining services.

The Polaris mining farm is an example of such mining businesses that have a competitive advantage on the market. But what makes the Polaris project unique compared to any other mining project, is the fact that every token represents a fixed share of the mining farm and pays the net revenue of the operation, minus the retained earnings that are used to make the farm stronger, to the token holders. This project empowers the individuals who want to tap into the faucet of cryptocurrency mining, and have been deterred by the current situation.

The Polaris mining farm is a project that aims to decentralize the profits of mining by running a farm that has the potential to be amongst the biggest in the world, and paying the net profits as dividends to the token holders, who are the owners of the Polaris mining farm. This project belongs to the token holders, with a development and management team from the parent company that makes sure the mining farm is running smoothly and exponentially increasing its revenue. The parent company has enough expertise in the mining industry as explained earlier, and this will allow the Polaris mining farm to be the best it can be.

Basic Terminology:

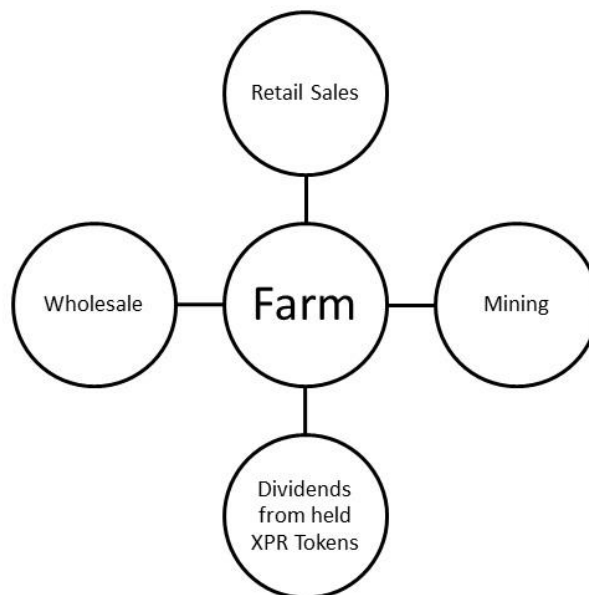
Gross revenue	This is the total amount of money brought in via the four streams of income of the Polaris mining farm before any deductions.
Maintenance fees	This is the money spent to acquire the revenue. In the Polaris mining farm, this translates to electricity, all technical maintenance expenses, employees, lease expenses...etc
Net revenue	This is simply the difference between gross revenue and the maintenance fees. $\text{Net revenue} = \text{Gross Revenue} - \text{Maintenance fees}$. It represents the net revenue generated by the Polaris mining farm after deducting maintenance fees.
Retained Earnings	This is the money that is earmarked to grow the Polaris mining farm further. The retained earnings will be used to take the project up, which will have a net positive impact on the token holders who will see the dividends they receive exponentially increase through time.
Net Profit	This is the final profit of the mining farm after deducting the retained earnings.
Dividends	This is the ultimate cash flow to the XPR token holders.

Business Model:

The existing mining farm of the parent company has already been able to generate profits from three sources. Aside from the cryptocurrency mining operation itself, the farm has been engaging in both retail and wholesale trades, which add a significant amount of money to the profit margin of the farm.

The Polaris mining farm has the following four streams of income

The Income Streams of the mining farm



Retail sales: The main retail customer of the Polaris mining farm is the parent company Powerhouse Network. The parent company runs a cloud mining service and had been relying on its mining farm to sell the cloud mining contracts to its customers. Once the Polaris project is launched, the mining contracts for this cloud mining service will be provided by the Polaris mining farm. The parent company will simply connect between the retail customers and the Polaris mining farm and will not profit from the transactions. This means that any profit that used to be made through selling retail mining contracts to cloud mining customers by the parent company will now become a profit made by the Polaris mining farm, and therefore it will be paid to the token holders through dividends.

Wholesale trades: The parent company has already been engaging in wholesale trades because it has been able to buy the equipment at the lowest prices on the market and it has been easy to sell the mining equipment at a higher price due to the high demand on them. Once the Polaris project launches, the Polaris mining farm will engage in wholesale trades which will eventually increase the dividends paid to the token holders in a significant way.

Buying and holding XPR: The XPR token will be paying dividends to the holders on a monthly basis. In order to insure that the Polaris mining farm will keep getting consistently bigger through time, the Polaris farm will be using 20% of the net revenue of each month to buy and hold XPR token. The goal behind this is to allow the mining farm to consistently buy more mining equipment to exponentially increase the dividends paid out to the token holders. But since mining equipment is not always available for sale, sometimes the suppliers are out of stock and sometimes it is simply not the best time to buy mining equipment, buying and holding the XPR token is the best way for the Polaris farm to store value, get paid dividends from the held XPR tokens which will be part of the gross revenue of the mining farm, and sell them whenever the farm needs to buy equipment.

Another reason why buying and holding XPR will be a great move for the ecosystem is to keep up with any potential increase in the price of XPR. Let's use an example to illustrate the point: If a holder buys XPR at \$0.25, then in that particular month the dividend paid to him/her is around 8% of the value of his/her held tokens. If the price jumps to \$1 per XPR, and a new holder buys the token at \$1, then the new holder will only get 2% instead of 8% if the mining farm doesn't do something to scale up and keep up with the x4 increase in price. But with the 20% monthly purchasing of the XPR token, the Polaris farm will always have reserves held in the XPR token which will affect the farm positively in the case of an increase in the price of XPR. Therefore, the mining farm will be able to keep up with the increase in price and keep paying a decent amount of dividends every month to the token holders no matter what the price of XPR is. This has some similarities with the concept of P/E ratio in traditional business.

Note that the 8% figure given in the example is for illustration purposes only. The Polaris mining farm cannot give an accurate approximation of how much the dividends will be due to the very changing and dynamic nature of the mining industry, and all the factors that affect the profitability of the mining farm.

Cryptocurrency mining: This is the basis of the business, and it simply translates to all the coins mined by the farm using the ASIC hardware and the GPUs inside the mining facility.

All the money that comes in from the four streams of income of the Polaris mining farm is the Gross Revenue. All the money spent to acquire this gross revenue, like expenses of electricity, maintenance, employees, lease...etc are the Maintenance Fees.

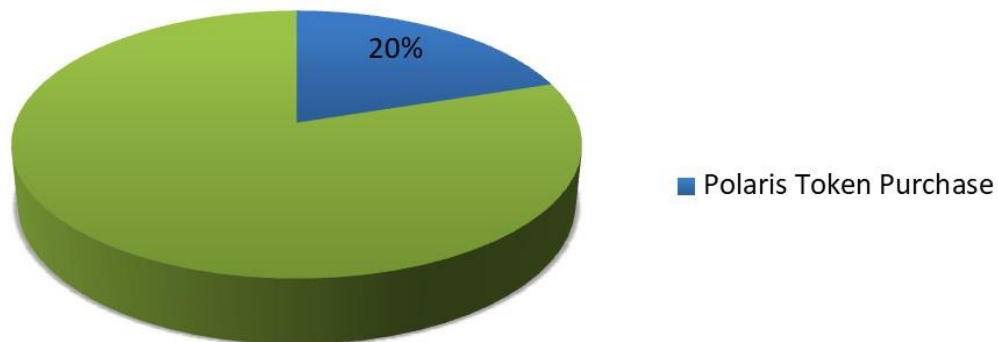
The net revenue of the Polaris mining farm is the difference between the gross revenue and the maintenance fees.



Retained Earnings, which are the earnings that are used to keep the farm going forwards and getting better and stronger through time:

20% of net revenue goes to buying Polaris tokens; this allows the farm to earn dividends & to sell the Polaris tokens at a later time. The goal is to keep buying equipment to consistently increase the revenue.

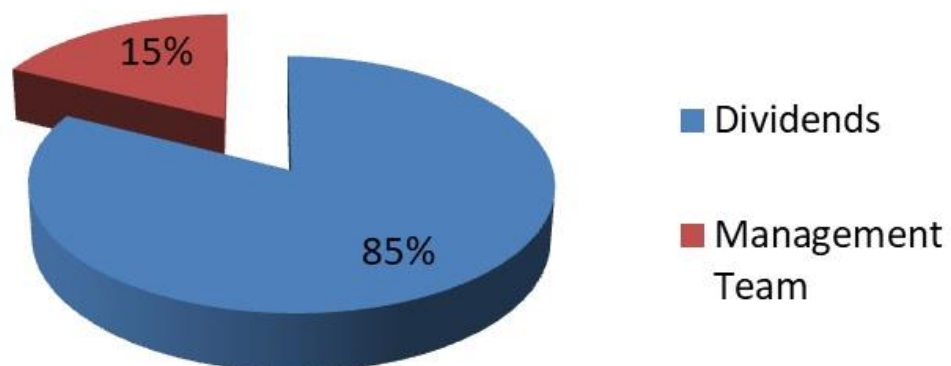
Retained Earnings



15% of net profit goes to the development and management team which insures that the Polaris mining farm and the whole system is working with no issues.

The remaining 85% of the net profit is paid as dividends to all holders on a percentage basis every single month, in the form of XPR tokens sent to all addresses that have some XPR in them.

Distribution of The Remaining Net Profit



Example: If you own 230,000 Token, you have 1% of the total supply 23 Million tokens. Your dividends will be 0.85% (85% of 1%) of total net profits realized by the mining firm, through that particular month.

Economics of XPR

The first thing that must be mentioned about the economics of the XPR token is the fact that it doesn't need to increase in price for it to be a source of profits to holders. The Polaris token is a representation of a share in the Polaris mining farm. And this allows the token holders to receive 85% of the monthly net profits of the farm as monthly dividends. The supply of the XPR token is limited, with only 23 million XPR that will ever be in circulation and a 0% inflation rate once the 23 million XPR are fully deployed by the end of the token sale. This means that no matter how big the Polaris mining farm gets, if you own 230,000 XPR, for instance, it will mean that you actually own 1% of the Polaris mining farm; therefore, you are entitled to 1% of the dividends paid out in that month.

Holders are incentivized to keep holding the token, since it is paying them monthly dividends. The demand is expected to increase due to the unique possibility of receiving mining profits that the XPR token offers. As this is happening, if the majority of holders are not willing to sell their tokens, then the price will keep going up. And as long as the Polaris mining farm is paying out dividends making the holders satisfied, and expanding the mining farm by buying more equipment as explained in the business model, then there is a big possibility that the price of XPR will have a strong bullish momentum, making it a great store of value as well as a great dividend paying cryptocurrency.

Every month, dividends will be paid out in XPR, Which means that the net profits in different cryptocurrencies that are mined through the month will be used to buy XPR. Furthermore, 20% of the net revenue of the farm will also be used to buy XPR, as explained in the Business Model section. This might have the potential of further increasing the demand & pushing the price higher.

Both the Polaris mining farm & the XPR holders do not need the price of the token to increase in order to make profits. The profits come from a proven business model based on cryptocurrency mining which has already been used by the parent company. The Polaris farm has enough competitive advantage on the market which will allow it to always be in profit.

The XPR token has enough strong fundamentals which give it the potential to be a great store of value, while in the same time paying the holder dividends on a monthly basis.

Polaris Smart Contract

Polaris is an Ethereum Token. It complies with the ERC20 Standard which refers to the most widely used and trusted application programming interface for tokens and smart contracts today.

The Polaris Smart Contract features:

Transparency:

All information about the quantity of tokens and the addresses that hold them is public.

All information about transfers is public and can be tracked in real time.

There will be only 23 million XPR in existence. Nobody can increase that number, not even the creators of the smart contract.

Ownership:

Each token belongs to only one user/owner. There is no joint ownership of the tokens.

Security of ownership: Tokens can be transferred from a user to another only when the sender decides to do so.

Each token exists in a private key that can be known by the holder of the token only. Nobody will be able to access and trade held XPR tokens except the owner of the private key.

Privacy:

Anybody can own XPR with no need for KYC or any disclosure of any personal information.

Important notes:

XPR can be held in all wallets that support ERC20 tokens. By the time of writing, MyEtherWallet & MetaMask are two of the most popular wallets that allow users to privately and securely hold their ERC20 tokens. Tutorials on how to use these wallets to store XPR are available on the Polaris website.

Being a smart contract built on the Ethereum blockchain, XPR can be traded in decentralized exchanges such as EtherDelta right away. The management team behind the Polaris project will add the smart contract to EtherDelta once all the programming work is finished, and XPR will have the full possibility to be traded on EtherDelta from the very first day. With that said, it is expected that more and more decentralized exchanges will come into existence and adding a smart contract to a decentralized exchange can be done by anybody, anywhere, anytime. As for the traditional fiat currency exchanges, XPR is expected to hit them once there is enough demand for it, which will incentivize these exchanges to list it.

Roadmap

The Polaris project will be fully functional right after the end of the pre-sale. This means that all the token holders after the pre-sale will start receiving dividends to their XPR wallets. The business model used by the Polaris project is a proven model that has been previously used successfully by the parent company. And using the ERC20 standard will insure a smooth running of the smart contract and a solid foundation for the dividend paying system that the Polaris token represents.