



Liquidity For Virtual Assets

Firepaper v2

2023 - 10 - 22

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Intro

Section 1



Problem

Despite being a \$4 billion+ market cap investment class, NFT markets are plagued by low liquidity, due to their non-fungible (unique) nature, which causes artificially low floors and lack of exit liquidity, deteriorating asset values and damaging project culture.





Purpose

To provide instant automated liquidity in exchange for non-fungible virtual assets (“NVAs”) tokenized as NFTs.

Mission

Provide automated liquidity to users and provide extraordinary utility to L4VA token holders over time.



The Floor is



Vision

An automated protocol capable of exchanging any non-fungible virtual asset (“NVA”) for fair value equivalent in L4VA.

Values



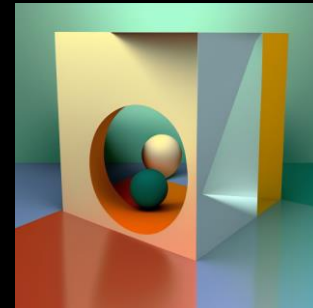
Flexible

The protocol should be capable of quickly and easily adjusting to the market and user demands in the pursuit of the dual mandate.



Intuitive

The mission must be clearly articulated and solved by the product, with simple UX and clean UI, requiring minimal explanation and maximal value.



Simple

While the mission may be bold, we believe that the most elegant and effective solutions are the simplest. The K.I.S.S. system is our true north.



Scalable

The protocol and utility tokens must be designed and built to scale by volume and total asset value, as more IRL assets are tokenized as NFTs over time.

The Tech

Section 2



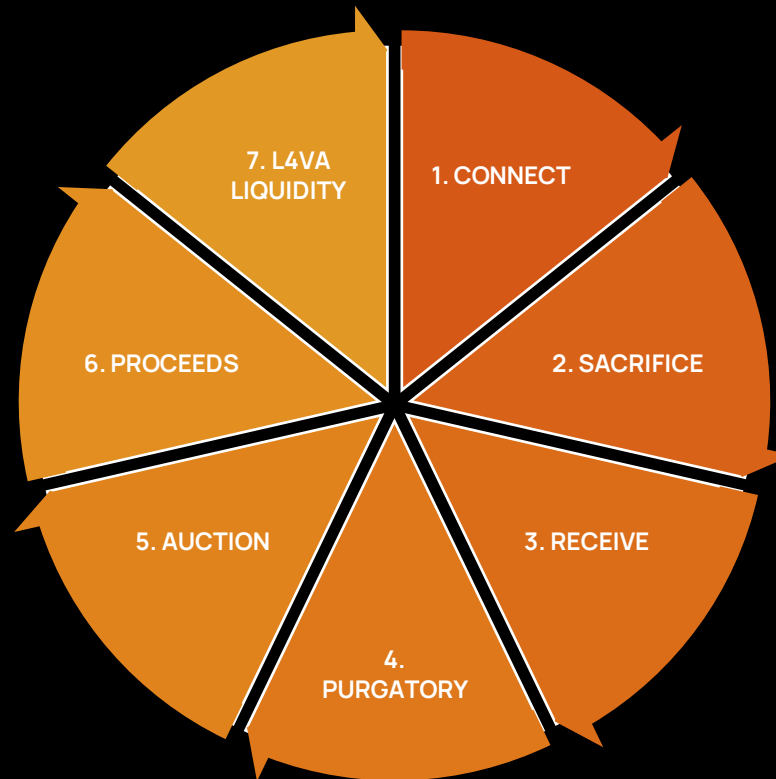
L4VA Cycle

The automated L4VA cycle is designed to ensure there is ample liquidity for sacrificing of NFTs to L4VA, while supporting the value of L4VA over time.

7. L4VA LIQUIDITY: L4VA pairs live for trading on DEXes

6. PROCEEDS: Gains in L4VA come back to L4VA treasury.

5. AUCTION: NFTs are auctioned in L4VA to refill Treasury



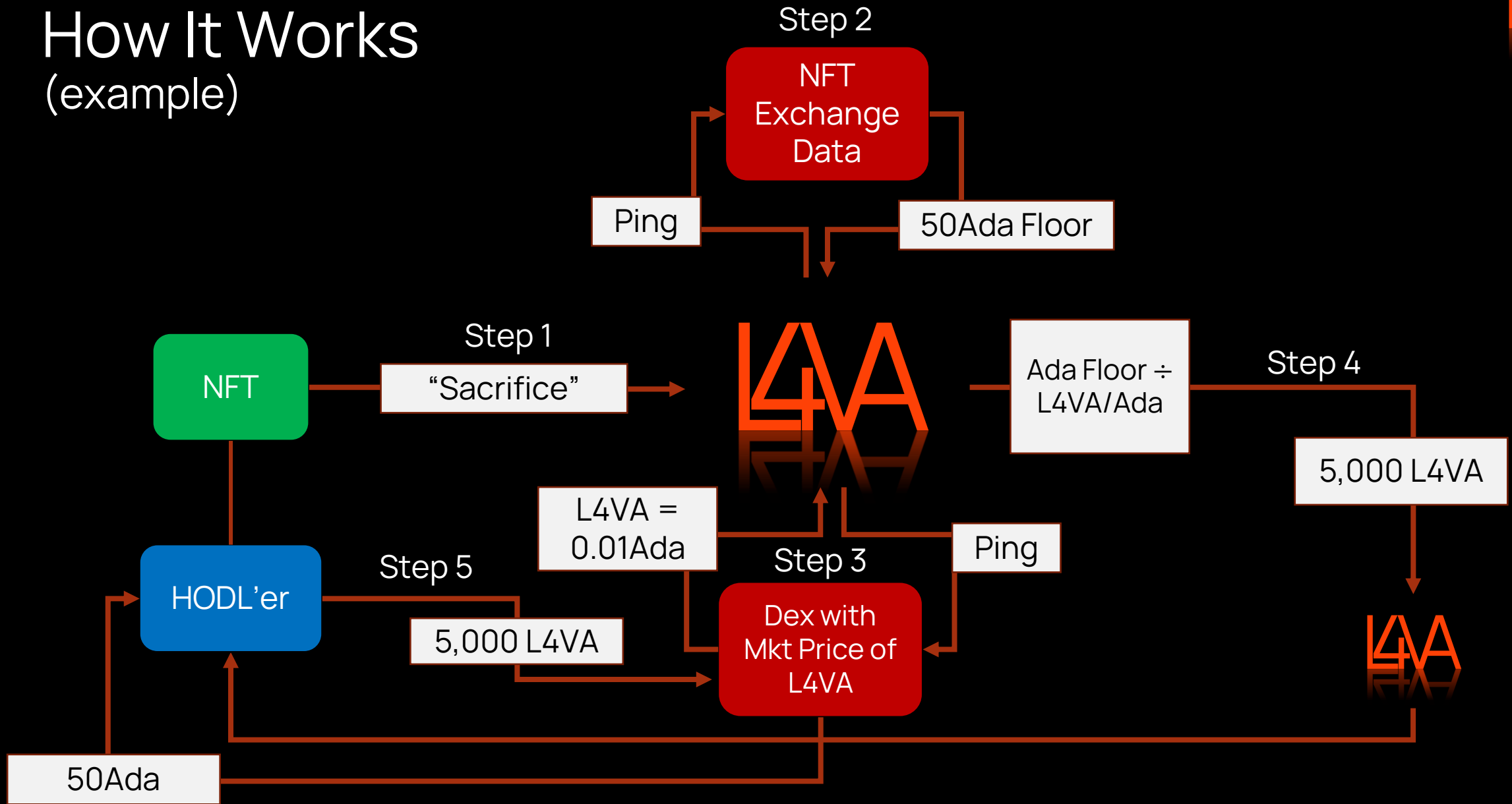
1. CONNECT: Connect wallet to get a quote.

2. SACRIFICE: Holder “sacrifices” (sends) NFT to L4VA from wallet.

3. RECEIVE: Holder receives L4VA equal to floor price in ADA.

4. PURGATORY: NFTs stay in Purgatory between 30 days > infinity

How It Works (example)



What it Does

AUTOMATES LIQUIDITY

- L4VA provides instant liquidity to NFTs at an equivalent L4VA/Ada/Floor ratio.
- L4VA will be tradeable for Ada, stable-coins, and other crypto currencies
- L4VA provides exit liquidity for sellers during low volume periods
- Wallets holding “Relics” NFTs will have priority access to mint L4VA

EQUALIZES SUPPLY

- NFTs which are sent to L4VA Queue are sent to “Purgatory”
- NFTs in Purgatory will remain there for 30+ days
- L4VA Protocol keeps low demand NFTs off-market, while increasing supply when demand increases.
- See Market Impact and Purgatory Function explanation below.

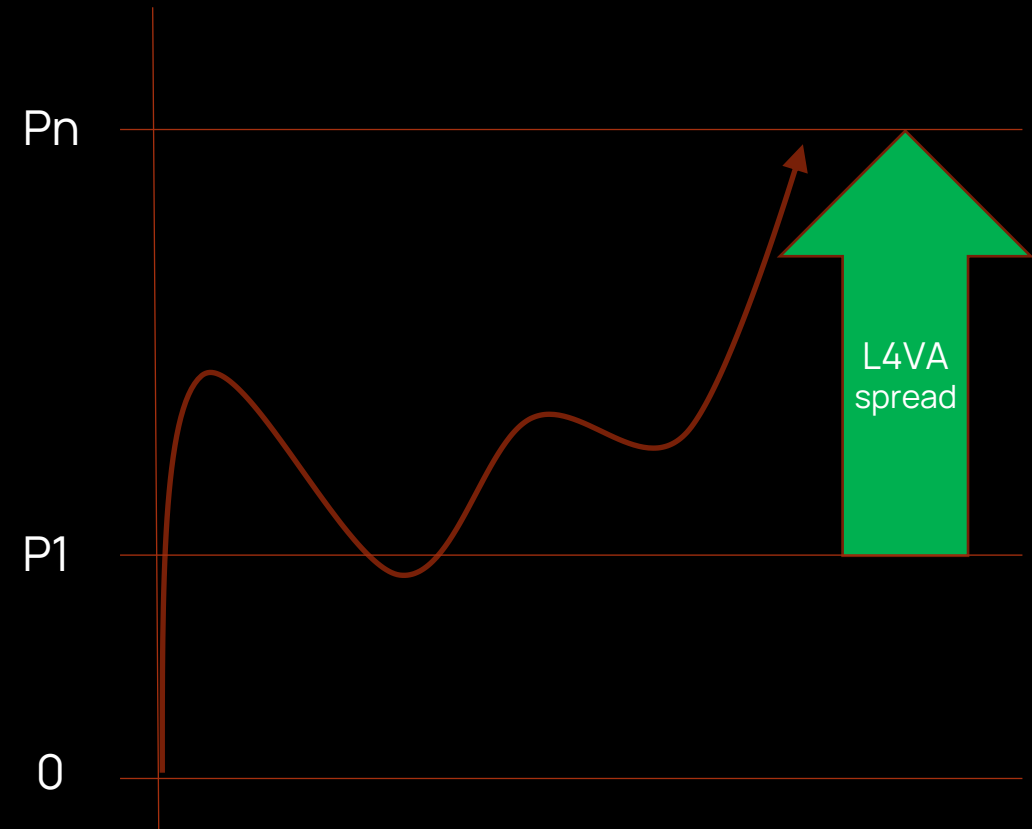
DELIVERS VALUE

- L4VA Protocol increases demand and reduces supply to increase floor prices, then gradually releases supply over time at the higher price.
- Auctions proceeds bring L4VA back to the treasury to be partially utilized for staking rewards to holders.
- The CNFT market is early, with low floors across all projects, creating more opportunity.

Thesis

“DEMAND-SENSITIVE LIQUIDITY AUTOMATION WILL GENERATE VALUE TO THE PROTOCOL OVER TIME”

- **Asset-backed:** The protocol provides liquidity in the form of L4VA, equal to an NFT’s floor price at the time it is “sacrificed” for L4VA; L4VA is asset backed 1:1 by the NFT assets.
- **Value Generation:** The value of some NFTs sacrificed will reduce, but a diversified portfolio of non-”rug pull” NFTs will appreciate over time.
 - Proceeds = $n \cdot (P_n - P_1)$, is greater than loss over time = $n(P_1 - 0)$.
- **Limited Loss-taking:** The protocol will initially not allow for tokens to be auctioned for less than they are purchased in ADA terms. Only when necessary to recapture L4VA liquidity to the protocol would auctions occur at a loss.



Economics

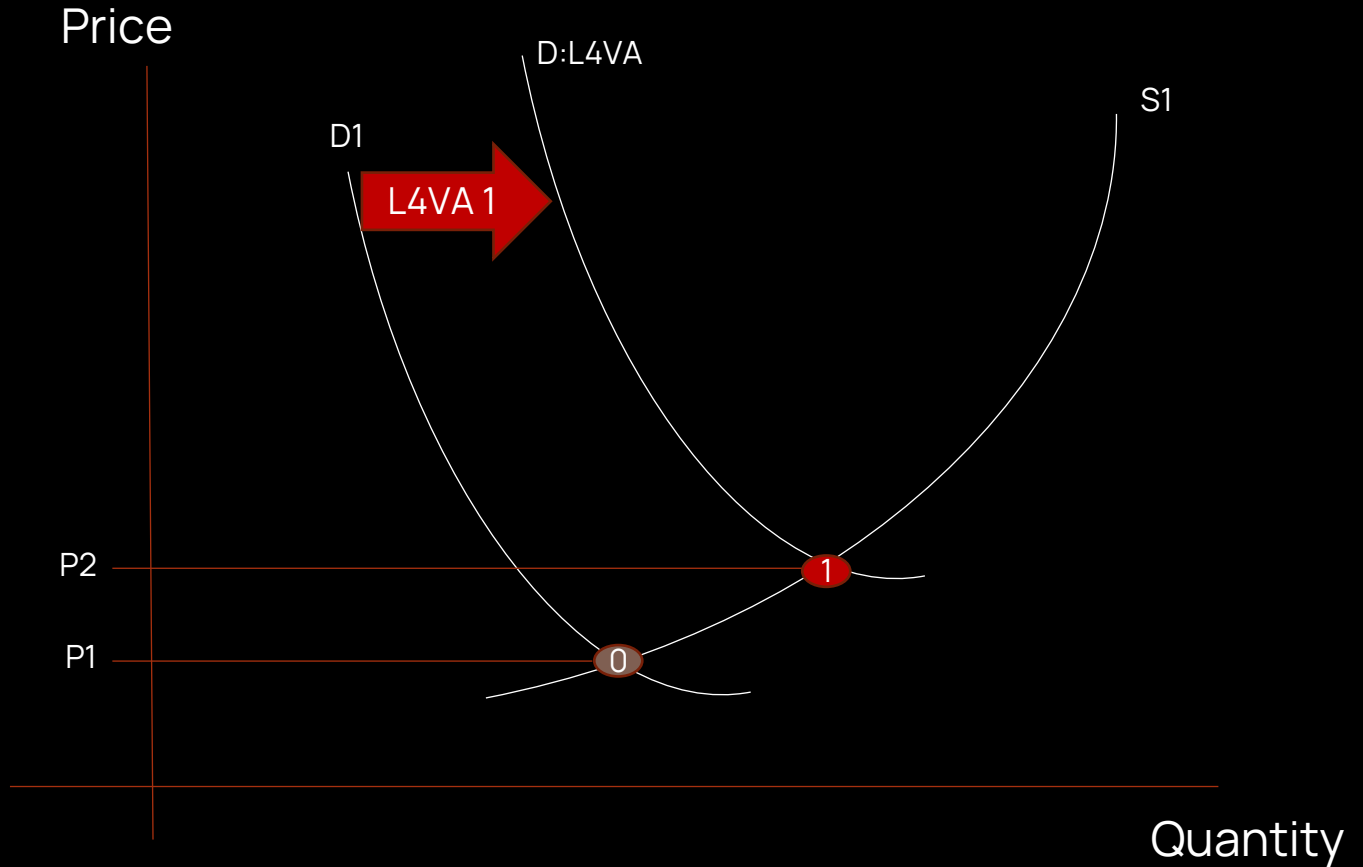
Section 3



L4VA Market Impact

1) AUTOMATED LIQUIDITY

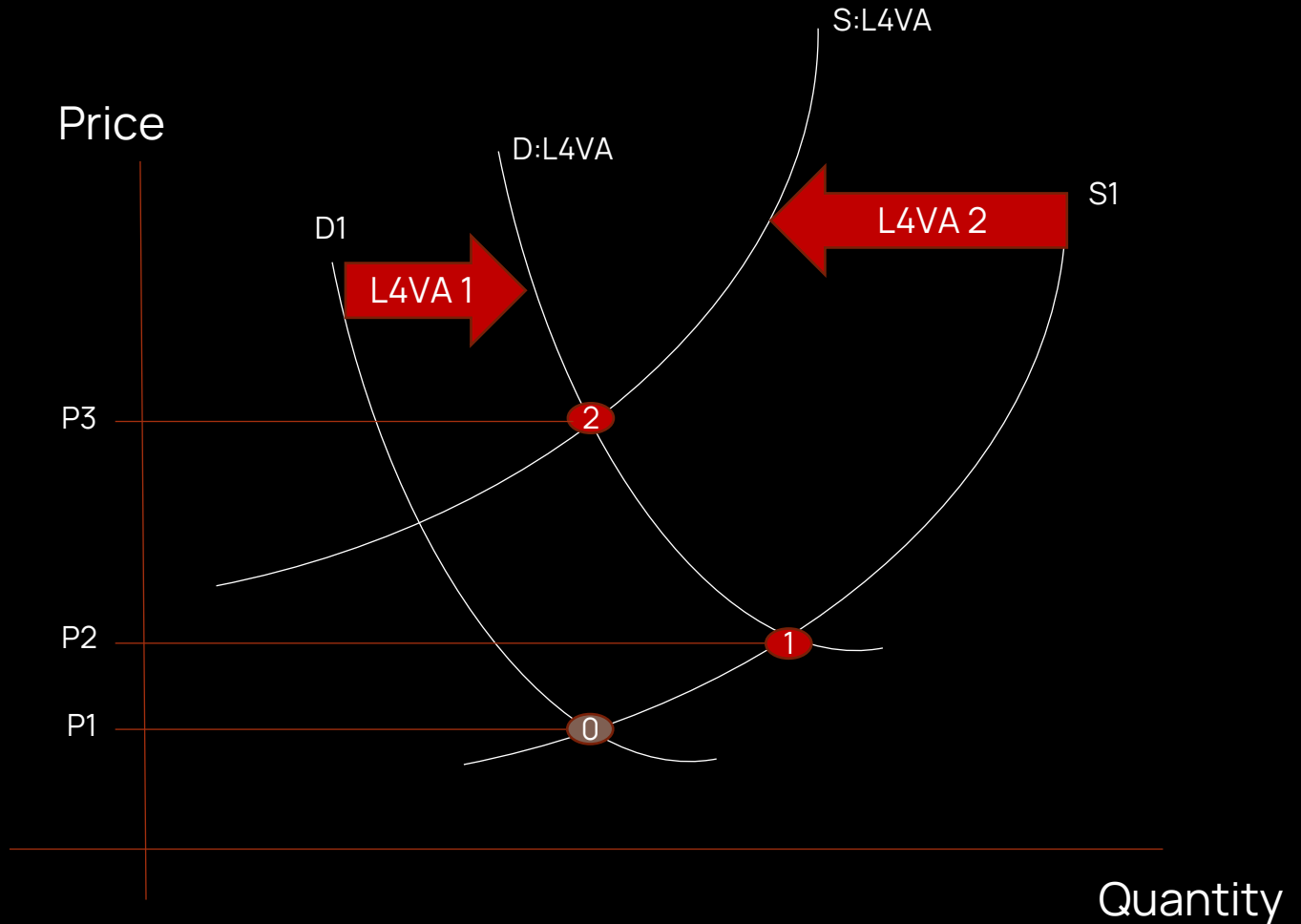
- Starting Point: Supply today = S1, Demand today = D1, Price today = P1
- **Phase 1:** L4VA acts as automatic increase of demand for NFTs at floor prices, shifting demand to D:L4VA, increasing price to P2



L4VA Market Impact

2) SUPPLY EQUALIZER

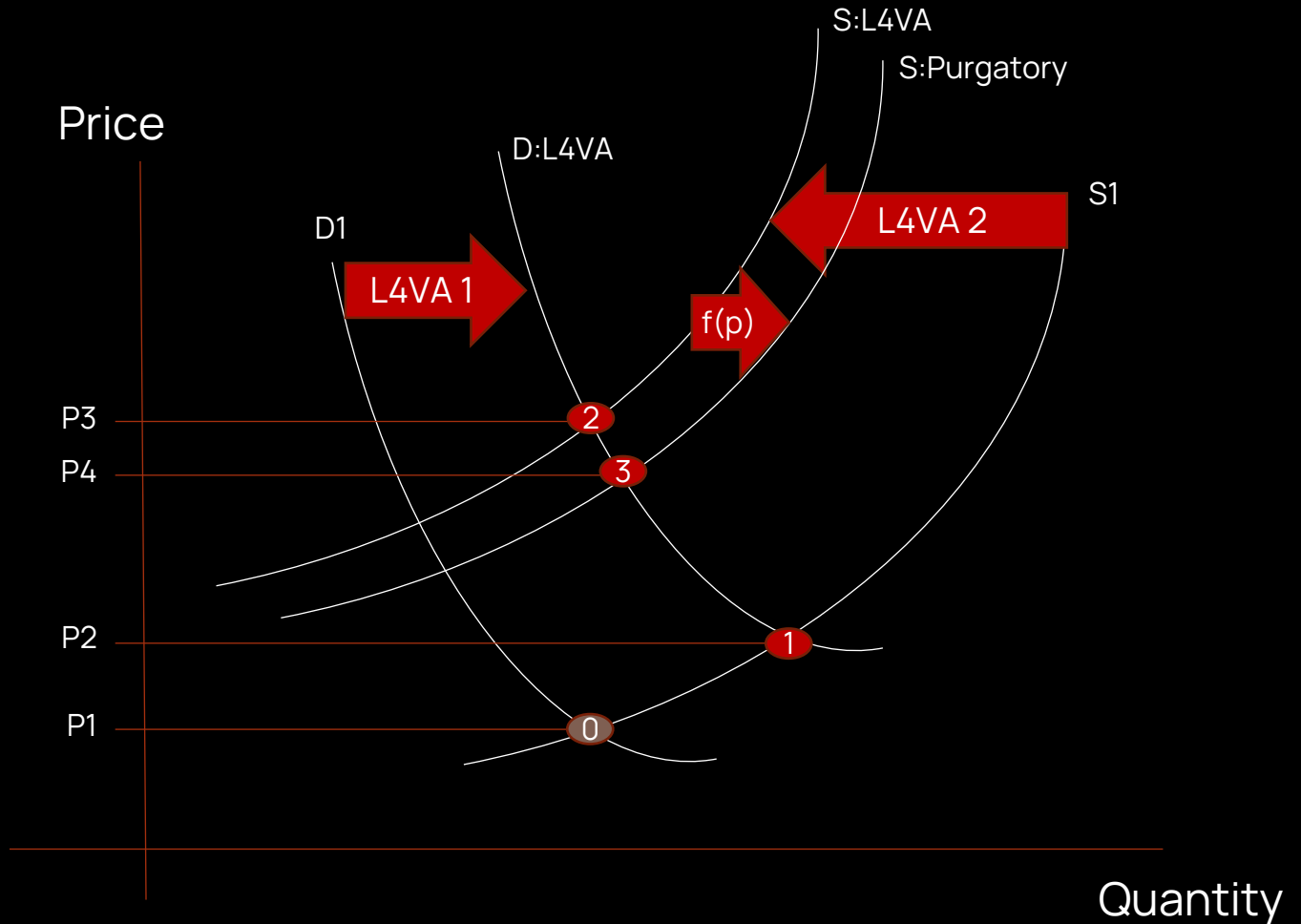
- Starting Point: Supply = S1, Demand = D:L4VA, Price = P2
- **Phase 2:** Minting L4VA for any NFT, removes that NFT from market for period of time; # days = Purgatory (“P”)
- $30 < P < \text{Infinity}$ (see “Purgatory Function”)
- Supply is reduced to S:L4VA, Demand remains D:L4VA, Price increases to P3.



L4VA Market Impact

3) SUPPLY RELEASE

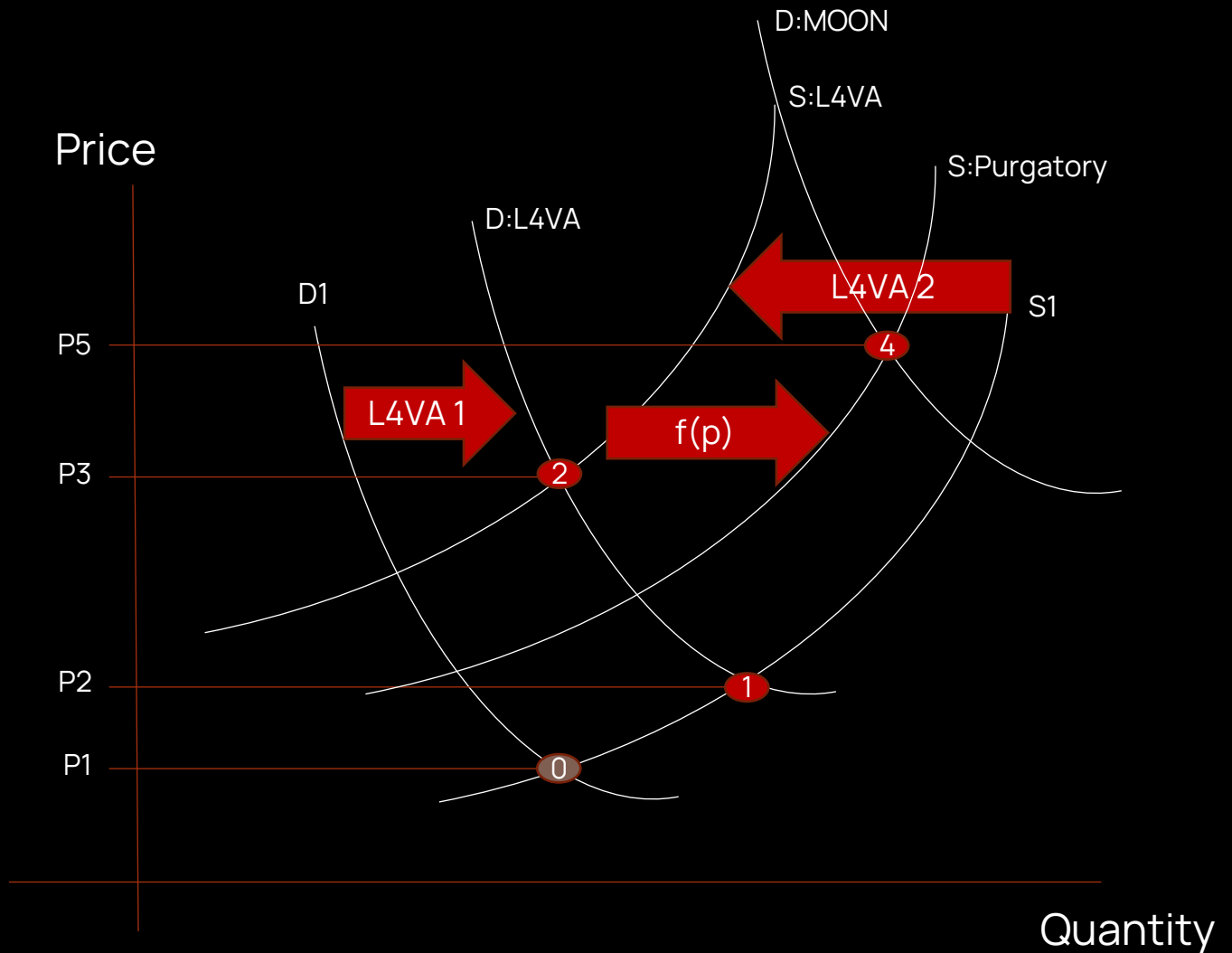
- Starting Point: Supply = S:L4VA, Demand = D:L4VA, Price = P3
- Phase 3:** NFTs may be released from Purgatory, after P days, where $30 < P < \infty$, according to the "Purgatory Function".
- After time = P, Supply will increase gradually to S:Purgatory, and price reduces to P4.
- L4VA has effectively increased the value of L4VA by amount = # of NFTs x (P4 - P1)



L4VA Market Impact

4) ACCELERATED RELEASE

- Starting Point: Supply = S:Purgatory, Demand = D:L4VA, Price = P4
- Phase 4:** Market demand surges (“moons”) for a specific NFT, Demand shifts to D:MOON, Purgatory Function releases excess supply to market, and price increases to $P = P5$.
- With additional demand from the market, L4VA has effectively increased the value of L4VA by amount = # of NFTs $\times (P5 - P1)$



Tokenomics

Section 4



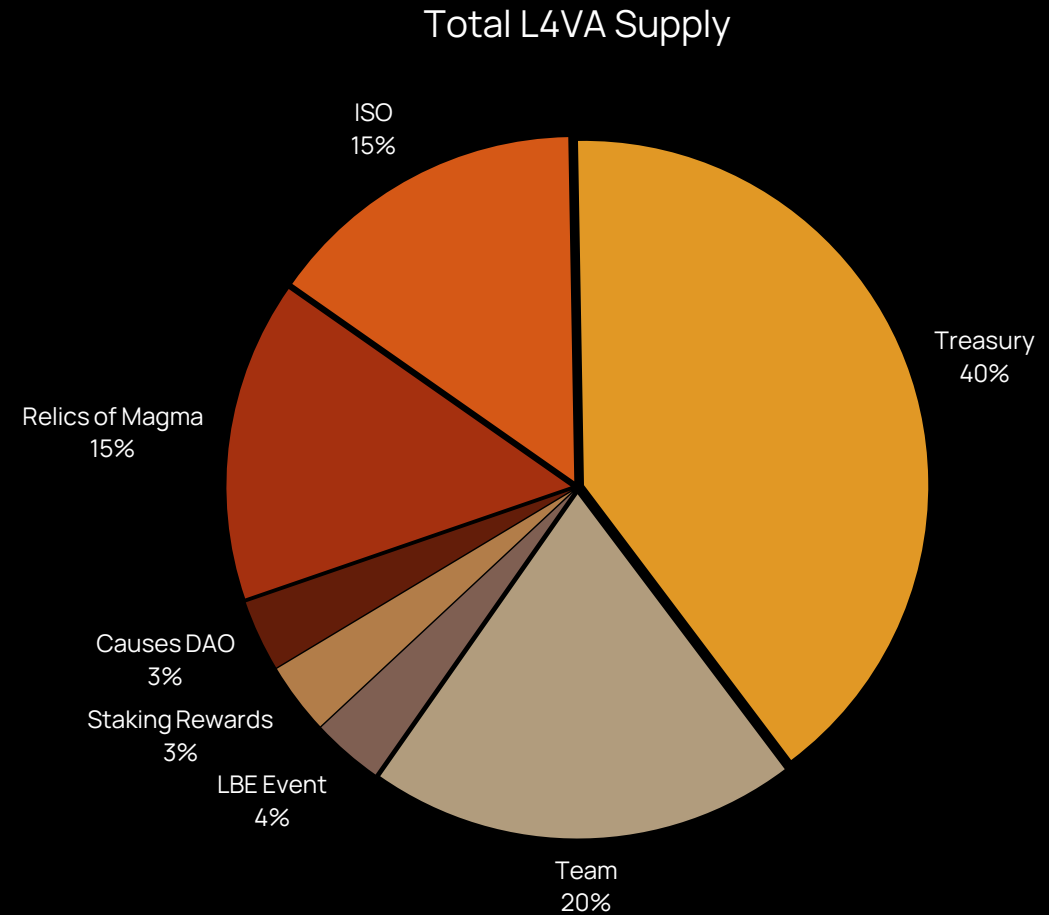


Tokenomics

Maximum Supply of 1.5 billion L4VA (locked policy)

- 15% Reserved for the Relics of Magma Game
- 15% Minted during Initial Sacrificial Offering (ISO)
- 40% reserved for Treasury Liquidity
- 20% reserved for Team (4 yrs vesting, 1 yr cliff)
- 10% reserved for LBE, Staking, and Causes Dao

<u>Total L4VA Supply</u>	<u>1,500,000,000</u>	<u>100.0%</u>
Relics of Magma	225,000,000	15.0%
ISO	225,000,000	15.0%
Treasury	600,000,000	40.0%
Team	300,000,000	20.0%
LBE Event	50,000,000	3.3%
Staking Rewards	50,000,000	3.3%
Causes DAO	50,000,000	3.3%





Maintaining L4VA Liquidity

1. Auctions -

1. All auctions in L4VA, to refill treasury and generate trading velocity to support liquidity of L4VA within the protocol and on public exchanges.
2. Auction reserves can be below current market floor, boosting demand for auctions & L4VA.
3. Auctions are fast (12 hours, just enough for global time zone overlay), to (a) drive active bidding, and (b) allow opportunity for savvy buyers to get deals, driving up market interest in L4VA auctions marketplace. If auctions fail to meet reserve, NFTs go back to purgatory, creating urgency to act.
4. The protocol and Purgatory function are designed to ensure there is always a minimum reserve of L4VA in the treasury, to support the mission and always provide liquidity for virtual assets; this level is initially set at "Smin" = 75 million L4VA (5% of total supply). As L4VA supply approaches Smin, the co-efficient "p" will be adjusted to increase L4VA supply in the treasury.

2. Instant Redemption ("IR")

1. Anyone can purchase any NFT from Purgatory instantly at a price = IR x Sacrificed NFT value
 1. Post-ISO, IR = 10.0x
 2. If users want to buy any NFT from Purgatory wallet you can do at 10x the sacrificed price. All purchases are in L4VA.
2. IR is another method to re-capture L4VA, as it can be reduced or increased to satisfy "Smin".
3. IR may never drop below 1.0x (won't sell at a loss)

3. Auction Gains Recapture L4VA

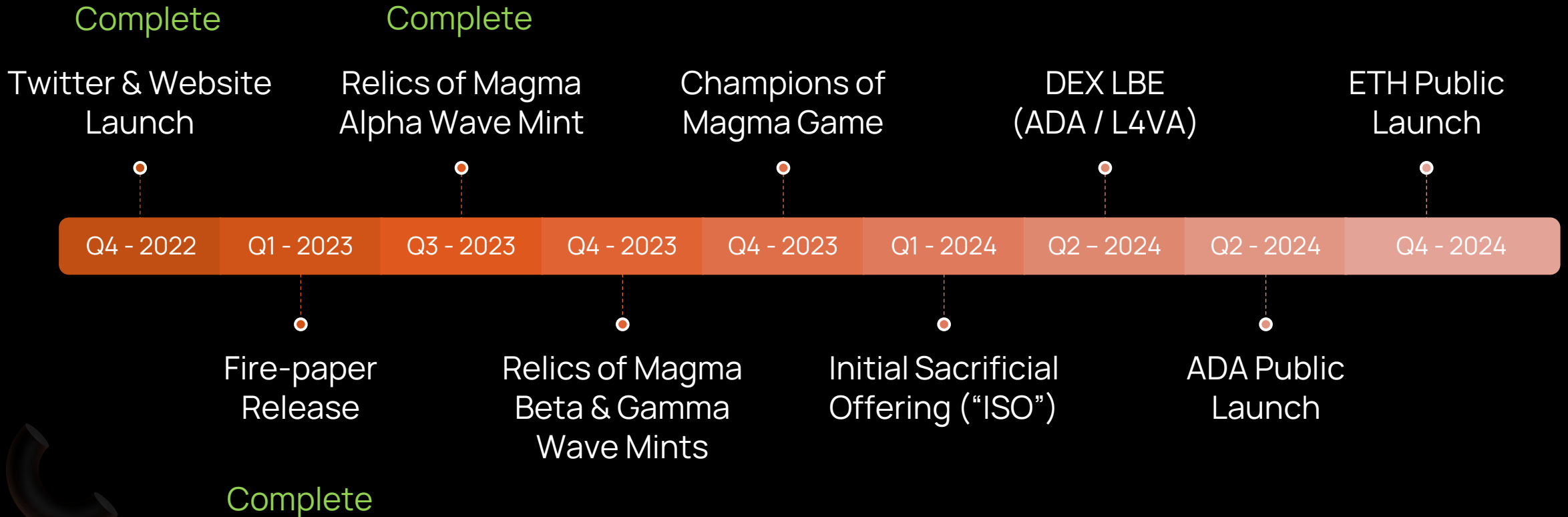
1. 100% of principal returned to treasury
2. Up to 50% of gains returned to treasury

Roadmap

Section 5



The Voyage



Roadmap Milestones

1. The Relics of Magma (“Relics”) Mint: 10,000 collection at 100 ADA each.
 1. Funds to develop & support the protocol
 2. Relics Holders receive OG Status & Opportunity to earn “Valorum” in Champions of Magma game.
2. The Champions of Magma Game
 1. Game of chance and strategy, tied to Relics NFT holdings per wallet.
 2. In Each epoch Valorum (points) are awarded to wallet holders based on the Relics in wallet.
 3. The amount of Valorum accumulated by holders will determine rankings, ISO priority, and L4VA airdrop opportunities.
3. Initial Sacrificial Offering (“ISO”)
 1. Beta release of the protocol
 2. Requires 2 NFTs be sacrificed to the Fount in exchange for an award in L4VA.
 3. 1 Sacrifice WL per Relic
 4. L4VA credits only at this phase
4. DEX LBE: Goal ~2M ADA equivalent liquidity
5. ADA Public Launch
 1. Sacrificing at market rates + live auctions
 2. Public staking opens by status and access levels
6. ETH Public Launch

Team



Rob

Founder & Creator

Tech CFO/COO, Cardano
Supporter, Economics
Expert, NFT Degen

Entrepreneur with deep
experience in finance, tech,
real estate, marketing & ops.



Wills

Product & Design

Expert UX / UI Designer
Prev. Strategic Advisor to
Polygon

Ran one of most successful
ETH NFT drops, Ethereum
ICO Founder



Nick

Engineering Lead

Expert engineer and PM
across web 2.0 and web 3.0
20+ years experience of web
development expertise.

Founder and developer of
crypto algo trading platform,
Black Turtle technology

Team



AF

Advisor

CNFT founder &
Haskell/Plutus Dev

DeadPxlz Founder & CEO
Expert Gaming Developer
UX/UI Designer
Cardano Expert



Magda

Artist

Professional artist and
graphic designer with over 5
years experience

Masters in fine arts

Professional gaming
designer and animation
artist.



Bassthay

Community Manager

Experienced NFT
Community Manager

5 Years in crypto and 2 years
experience managing
discord. Passionate about
finance, music, anime, and
sports.

The “Relics” NFTs

Section 6

The Arrival of the “Relics”

The Relics of Magma are 1:1 encrypted NFT representations of the Vita, Porta, and Terra which will exist approx. 240 years in the future, on a far-away planet known as Magma Prime.

“Relics” are key to unlocking the incredible technology discovered by the Vita on Magma prime.

The Vita of Magma Prime have risked everything to share their wisdom from the future with us, in the hopes that it will bring equity to the world today... and perhaps, save the future of mankind.

“Relics” holders will play a critical role in maintaining the Fount. In exchange, holders of Relics will have the opportunity to receive Valorum and will be the first to access the Fount.

Arriving on Cardano in 2023...

<https://l4va.com/relics>

The Relics of Magma

The “Fount”

The gateway where all non-fungible assets encrypted on Cardano are ingested and L4VA is minted.

Technology inspired by the super-intelligence received by the Vita after “the incident”.

Built and maintained by the Vita

Governed by the Oracle

Powered by L4VA



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The NFTs described in this document as the “Relics of Magma” (“Relics”) should not be purchased with any expectation of financial gain or gain as the result of the work of others. Purchasing Relics tokens with the expectation that they are anything other than digital artworks and useful for the purposes of the Champions of Magma online game is not advised in any way.

The Champions of Magma online game (the “Game”) should be played purely for entertainment purposes. Any tokens or points awarded in the game should not be expected to hold any intrinsic value or be exchangeable for any other crypto currency, good, service, or store of value of any kind.

L4VA Technologies Inc. (“L4VA”) assumes no liability associated with the purchase, resale, or holding of Relics tokens and or any other token transferred to any individual or other entity by L4VA. Any purchaser of a NFT or any other token agrees to hereby indemnify and hold harmless L4VA Technologies for any 3rd party claims levied on such purchasers in association with their involvement with L4VA for any reason.

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Connect.L4VA@gmail.com

L4VA.com

 @_L4VA_

 @MagmaRelics

