GVNR



Diamond HANDS

THE GVNR WHITEPAPER

DIAMOND HANDS - BORROW

GVNR.XYZ

HELLO@GVNR.XYZ

CONTENT

[03] Abstract

[04] 1. The Opportunity

[05] 2. DeFi vs CeFi vs GVNR

[06] 3. The GVNR DAO Framework

[07] 4. Diamond Hands — Borrow

[11] 5. UCD — The Liquidity Unit

[12] 6. Illustrative Fee Model — BTC TVL to Furnace Buy Pressure

[13] 7. Security

[14] 8. The Future

[16] 9. Risks, Disclaimers, and Conclusion

ABSTRACT

GVNR Diamond Hands — Borrow is a permissionless Collateralised Debt Position (CDP) that allows Bitcoin holders to unlock USD-pegged stablecoin liquidity from their Bitcoin. Users can mint overcollateralised UCD (Ultimate Collateral Dollar), an Ethereum Mainnet stablecoin, against the value of their Bitcoin, which remains securely held in isolated on-chain vaults. Assets stay fully segregated at all times, with no wrapping, no bridging, and no rehypothecation. True to Bitcoin's core principle, Diamond Hands embodies the ethos of "not your keys, not your coins."

Borrowers retain full BTC price exposure while accessing UCD liquidity — free to offramp to fiat, swap to other stables, or **buy GVNR** on DEX where the primary pair is **GVNR/UCD**. Of the **3% fee, 25% flows to the Furnace** (programmatic buy-and-burn), protocol activity drives a consistent bid in GVNR, which creates deflationary pressure on the fixed-supply of the **$GVNR** token. Fees are capitalised into the loan debt, not deducted from the transfer, meaning if you choose to, you never have to sell your Bitcoin.

TLDR — Borrow against native BTC, keep your sats, spend UCD however you choose, and let protocol activity burn GVNR from real fee revenue.

PRODUCT SCOPE

This document covers **Diamond Hands — Borrow** in full — the CDP is the foundation of the GVNR Ecosystem, automated delta neutral yield bearing solutions will be launched in phase 2 as **Diamond Hands — Carry.**

1. THE OPPORTUNITY

We have seen an explosion of decentralised stablecoin issuance — with some Ethereum-based lending solutions (**Maker DAO/Sky**) having reached approximately **$10–12 billion** in stablecoin circulation, against a collateral class orders of magnitude smaller than Bitcoin. Bitcoin's market dominance is still **55-60%** of crypto's total market cap, yet productive on-chain use of native BTC remains a fraction of a percent of supply — overwhelmingly routed through centralised custodial paths introducing counterparty risk, rehypothecation risk, and settlement delay — not to mention high borrow costs in the **8–14%** range. These high borrow costs indirectly force borrowers further on the risk curve to mitigate loan fees, as Bitcoin's historical **30% CAGR** is set to smooth out as the market matures. Keeping things native on chain, unlocks BTCFi and enables Bitcoin to participate in the new world of DeFi, based not on centralised platforms, but code and permissionless architecture.

The structural opportunity is straightforward: apply proven over-collateralised minting mechanics to **native UTXO Bitcoin** at trillion-dollar scale. Settlement aligns with **Bitcoin-block finality** — collateral can be released fast once the UTXO is settled to the vault, rather than multi-day centralised withdrawal calendars. As institutions and everyday investors continue to embrace Bitcoin, and real-world assets move on-chain, collateralised minting against native Bitcoin and future RWAs represents a massive opportunity. It is the natural next step to unlock vast amounts of permissionless USD liquidity — creating enormous value in a world where intelligent agents can do more for you.

DIMENSION	PRIOR DECENTRALISED STABLECOIN ERA	GVNR UCD OPPORTUNITY
Dominant collateral	Ethereum based	**Native BTC (~$2T+)**
Stablecoin scale achieved	~$10B+ (USDS is 3rd largest stable in the world)	UCD borrows similar mechanics, with a **5X larger TAM**
BTC in productive DeFi	Only via wrapping / bridging	**Native UTXO, no wrap**
Settlement	Variable	**Bitcoin-block finality**

2. DEFI VS CEFI VS GVNR

Most Bitcoin credit today falls into two inadequate categories, GVNR introduces native BTCFi.

CEFI - Centralized lending requires users to surrender custody to an institution, exposing them to rehypothecation and policy risks, while often imposing multi-day withdrawal delays.

DEFI - Generic on-chain lending, bridged and pooled collateral in shared smart contracts and — for Bitcoin — typically relies on creating a wrapped ERC-20 tokens or Layer 2 version. This introduces bridge and issuer risk to the world's most conservative asset and can often result in a tax event.

GVNR BTCFi: The GVNR framework and vault structure are purpose-built for the native Bitcoin Layer 1. This enables users to post native Bitcoin directly as collateral , creating a fully segregated vault and never bridging or pooling your bitcoin, a critical differentiator.

	CENTRALISED LENDING	GENERIC ON-CHAIN DEFI	GVNR FRAMEWORK
KYC REQUIREMENTS	Required	Sometimes	**Never**
CUSTODY	Institution holds keys	Smart contract pool	**Per-loan native BTC vault**
REHYPOTHECATION	Policy / counterparty risk	Pool commingling	**None; GVNR Vault is both segregated and isolated**
BTC FORM	Custodial ledger	Often wrapped ERC-20	**Native UTXO on Bitcoin L1**
BRIDGE RISK	N/A (off-chain book)	Common for BTC	**No Bridges**
FEE PAYMENT	Often explicit transfers	Gas + fees from wallet	**Fees capitalised into minted debt**
WITHDRAWAL	1–7 business days	Contract-dependent	**T+0 BTC path after repay**
COMPOSABILITY	Low	High (wrapped)	**High (UCD ERC-20) + native BTC**

3. THE GVNR DAO FRAMEWORK

GVNR DAO LLC

GVNR DAO LLC is a non profit decentralised autonomous organisation incorporated in the Marshall Islands under a purpose-built MiDAO regulatory structure. The **$GVNR** token is the Governance and Ownership Coin[1] of the DAO, serving as the primary value-capture instrument of the ecosystem.

[1] Ownership Coin is a governance token that grants holders participation in protocol governance while aligning them with the economic value generated by the ecosystem. (https:// www.galaxy.com/insights/research/ownership-coins-futarchy-metadao-dao-governance-proph3t)

MAX SUPPLY

20 million tokens — materially scarcer than most protocol tokens. GVNR will have **100%** vested and in circulating supply by **December 25th, 2026.** Deflationary mechanics from the programmatic fee engine activation kick in once fees pass OpEx.

THE FURNACE

The Furnace is a deflationary buy and burn mechanism, inspired by Ethereum's EIP-1559 fee-burn model. It automatically routes a share of protocol fee revenue to open-market purchases of GVNR on DEXes, with every token acquired permanently removed from circulation.

Under Diamond Hands — Borrow, 25% of the 3% mint fee on every UCD issuance (0.75% of the minted amount) is allocated directly to the Furnace. In Year 1, this results in 25% of total protocol fee revenue being burned. As adoption scales and the DAO's operating costs are sustainably covered, governance can gradually increase the burn allocation up to 90–95%. All fees flow into UCD reserves held in the treasury before being deployed by the Furnace.

GVNR is the **economic and governance layer** beneath Diamond Hands. Product activity — mint and renewal fees paid in UCD — is the engine; **$GVNR** is the exhaust that gets burned.

4. DIAMOND HANDS — BORROW

Diamond Hands **Borrow** - The flagship Dapp of GVNR enables Bitcoin holders to unlock dollar liquidity **without selling, wrapping, or bridging** their collateral.

DESIGN IMPERATIVES



NATIVE BTC

Each loan is released against a dedicated Bitcoin vault (UTXO) on L1, no pooling or bridging your BTC to create a wrapped ERC-20 token such as WBTC or cbBTC. **This is a critical USP.**



NO BRIDGING

Ethereum smart contracts coordinate with Bitcoin via secrets on a chain secured trusted execution envirionment - we utilise both Lit and Chainlink for our price feeds; collateral never uses a cross-chain asset bridge.



NO REHYPOTHECATION

Per-loan isolated wallets; the protocol cannot lend your Bitcoin to third parties. It is your Bitcoin. You maintain control of your UTXOs at all times. Liquidation risk is yours to manage. Low interest and the ability to roll loans enable options to HODL through bear markets.



DEFI-NATIVE COMPOSABILITY

Minted UCD is a standard ERC-20 token, usable and composable easily across the entire DeFi ecosystem of Ethereum. Removing centralised control and external custodians.

USER FLOW — BORROW LANE

1. Open a loan — a dedicated vault and Programmable Key Pair are provisioned.
2. Deposit native BTC to the vault address.
3. Vault is monitored, once BTC value deposit is confirmed, UCD can be minted.
4. Mint UCD — validator-signed EIP-712 authorisation, on-chain verification, token transfer.
5. Deploy UCD — offramp to fiat, swap to other stables, or **BUY GVNR** via the **GVNR/UCD** primary DEX pair on Carbon DeFi.
6. Repay UCD debt when ready.
7. Withdraw BTC.

Your **BTC collateral remains untouched** throughout. You retain full price exposure to Bitcoin while accessing dollar liquidity.

BORROW FLOW DIAGRAM



Revenue: 3% mint fee → 25% of fees sent → Furnace GVNR buy-burn.

ZERO OUT-OF-POCKET FEES

A zero friction model: **the user never pays protocol fees from their own Bitcoin balance.** When a borrower requests $10,000 UCD, the protocol mints $10,000 to their wallet. A **loan mint fee (3%)** is added to recorded debt, not deducted from the transfer:

LINE ITEM	AMOUNT
UCD received by user	$10,000
Loan mint fee (3%)	$300
Total debt recorded	**$10,300**

The user never sends $300 from their wallet. The fee is **capitalised into the loan** and serviced on repayment or renewal.

In this example, of the $300 fee, **$75 (0.75%)** is routed to the Furnace for open-market GVNR purchase and permanent burn — **25% of the 3% mint fee**, or **0.75% of principal minted**.

LOAN PARAMETERS

PARAMETER	DETAILS
Maximum LTV	**~66%**
Liquidation threshold	~110% collateral ratio
Origination fee	**~3%** (capitalised)
Time-based interest	**None** — debt stable until mint or extension
Term	12 months; extendable and renewable at term
Renewal Fee	**~3%** (capitalised)

TECHNICAL FOUNDATION

Business logic executes in **Lit Actions** (IPFS-pinned, TEE-executed); Ethereum contracts provide state persistence and **re-verify** all signed inputs before state changes. Modular UUPS-upgradeable contracts, Certora formal verification, and MEV-protected commit-reveal liquidation.

5. UCD — THE LIQUIDITY UNIT



UCD is the ecosystem stablecoin: **Ultimate Collateral Dollar** minted against Bitcoin collateral and burned on repayment or liquidation.

PERMISSIONLESS

Any vault meeting collateral requirements can mint UCD.
Validator authorisations are programmatic.
Peg stability routes through external AMM liquidity (primary) and an on-chain Peg Stability Module (emergency 1:1 with reserve fees).

UCD'S PLACE IN THE STABLECOIN LANDSCAPE

Stablecoin growth continues - regulation has forced Genius and MiCA coins with other jurisdictions coming. UCD like Sky's USDS operates outside these regulations as an "algorithmic" stablecoin. As such, UCD will face near term challenges operating within regulated exchanges, similar to both USDS and USDT within the EU CEX landscape. Therefore, GVNR will utilise DEX and DeFi toolings for UCD to expedite liquidity. The GVNR roadmap sets out building deeper partnerships across the DeFi landscape, with regulated stablecoin's and liquidity providers, in order to ease utility and value flow for UCD.

6. ILLUSTRATIVE FEE MODEL — BTC TVL TO FURNACE BUY PRESSURE

The illustrations below show the mathematical relationship between Bitcoin collateral TVL, UCD minted at utilisation, mint fee revenue, and Furnace buy-and-burn pressure on **$GVNR**.

Assumptions:

- **LTV utilisation:** 50% of collateral value minted as UCD.
- **Mint fee:** 3% of UCD minted, capitalised at origination (Borrow).
- **Furnace allocation:** 0.75% of UCD minted → open-market GVNR buy-and-burn (25% of the 3% fee).
- **BTC price:** held constant across scenarios for simplicity; real outcomes depend on spot, utilisation, and renewal cadence.

BTC COLLATERAL TVL	UCD MINTED (50% LTV)	TOTAL MINT FEES (3%)	FURNACE BUY-BURN (0.75%)
$10M	$5M	$150,000	**$37,500**
$100M	$50M	$1,500,000	**$375,000**
$1B	$500M	$15,000,000	**$3,750,000**

GVNR buy pressure at illustrative token prices (Furnace burns only; Year 1 policy burns 25% of total fee revenue, with governance path up to 90–95% of fees):

FURNACE USD (0.75% OF MINTED)	@ $1 GVNR	@ $5 GVNR	@ $10 GVNR
$37,500	37,500 GVNR	7,500 GVNR	3,750 GVNR
$375,000	375,000 GVNR	75,000 GVNR	37,500 GVNR
$3,750,000	3.75M GVNR	750,000 GVNR	375,000 GVNR

As TVL scales, every dollar of UCD minted generates **0.75 cents** of programmatic GVNR buy pressure before governance increases the Furnace burn share. Against a **20 million** fixed supply cap, sustained adoption creates structural scarcity tied to real economic activity — not token emissions.

7. SECURITY

LIT PROTOCOL TEE

Collateral keys operate via a Chain secured mode of LIT inside TEE (AMD SEV-SNP confidential hardware). More than two-thirds of nodes would need to collude and compromise secure enclaves to corrupt key material. Neither GVNR nor LIT have control on your key structure.

AUTHORISATION

EIP-712 structured data signed by dedicated validator wallets; on-chain `OperationAuthorizationRegistry` binding; contracts re-compute and verify all inputs before state mutation.

FORMAL METHODS

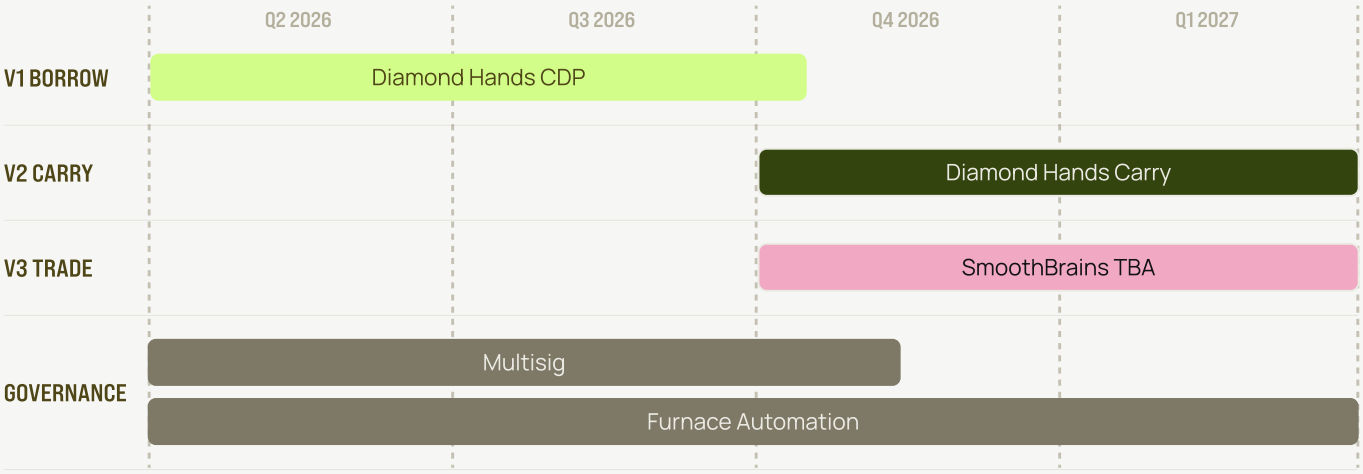
Certora Prover specifications on critical contract properties.

OPERATIONAL

Bug bounty programme and accredited audit partners (in progress). Governance transitions from single-admin to multisig + timelock before mainnet at scale.

8. THE FUTURE

PHASE	WINDOW	DELIVERABLE
V1 Borrow	Now → mainnet	**Diamond Hands CDP: native BTC → UCD; SDK; PSM/ Curve peg; Furnace on mint**
V2 Carry	Q4 2026 – Q1 2027	**Diamond Hands Carry** — two paths: 1. **Borrow + Carry** (tiered mint + Butler) 2. **Carry-only** (7% accrual cap, **1:1 USDC recommended**, agentic Butler ladder)
V3 Trade	Q4 2026 – Q1 2027	**SmoothBrainsAi:** Autonomous Execution Risk Engine Low leverage, high sharpe ratio trading strategies
Governance	Parallel	**Multisig; Furnace automation**



WHAT COMES NEXT: DIAMOND HANDS — CARRY

Our first earn product “Carry” is the cleanest delta neutral Bitcoin yield product on the market. Where V1 Borrow unlocks liquidity; V2 Carry completes the loop.

The same native BTC you never sold, wrapped, or rehypothecated stays in your Diamond Hands Vault — a user will have the ability to not only borrow against their collateral, but run a delta neutral strategy, which turns UCD from a passive stablecoin into a Bitcoin yield bearing asset.

Our Ai Agent, the Butler executes an autonomous looping strategy: you stay long Bitcoin, and the Butler puts your loan to work. First, your collateral is atomically hedged, via a x1 levered short perpetuals exposure earning delta neutral OI funding revenue. This carry yield is programmatically harvested, swapped into Native Bitcoin and deposited back into your vault as additional collateral, enabling Butler to autonously run a looping strategy of progressive monthly UCD mints; all the while building a larger delta neutral position, whilst your loan stays atomically hedged through our agentic collateral guardian - the yield projection is circa net 11% APY post fees (against loaned value).

Scheduled launch: H1 2027.

9. RISKS, DISCLAIMERS, AND CONCLUSION

CONCLUSION

Diamond Hands — Borrow brings native Bitcoin into permissionless finance at the scale the asset class demands. Mint UCD against Native BTC with zero out-of-pocket fees and no wrap, bridge, or rehypothecation. Deploy liquidity freely — offramp, swap, or buy GVNR — while your collateral stays in your vault. The Furnace ties every mint to thinner **$GVNR** supply through real fee revenue.

RISKS:

Smart contract and upgrade risk; TEE operational dependency; Bitcoin price volatility; regulatory uncertainty; illustrative projections are not guaranteed returns.

DISCLAIMERS:

This document is informational and educational only and does not constitute investment, tax, or legal advice. Historical BTC performance does not predict future results. Confirm on-chain parameters before committing capital.