# ValoraBTC Protocol

Bitcoin liquidity infrastructure

For modern DeFi

[WHITEPAPER] – Ver. 1.2

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Bitcoin liquidity infrastructure for modern DeFi

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# WHITEPAPER

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## APPENDIX A: Tokenomics & Economic Model

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## APPENDIX B: Comparison vs Wrapped BTC and Bitcoin L2 Models

*Unlocking Bitcoin for DeFi in a secure and transparent way*

## Unlock Bitcoin. Unleash DeFi - - - - x

Bitcoin is the largest asset in crypto, but it can't participate in modern DeFi. Holds over $800 billion in value, yet most of it sits idle outside DeFi.

ValoraBTC Protocol unlocks this trapped liquidity by bringing Bitcoin into the BNB Chain as VLBTC. A fast, programmable, yield-ready version of BTC.

“

ValoraBTC Protocol bridges the gap between Bitcoin and modern crypto by Unlocking Bitcoin’s True Power inside DeFi.

# Contents

# 1. Introduction

Bitcoin is the largest and most trusted asset in the crypto world. It leads the market, sets the narrative, and has proven itself as a long term store of value. But Bitcoin cannot interact with DeFi directly. It cannot stake, borrow, lend, or enter automated financial systems without going through wrapped forms.

ValoraBTC Protocol solves this in a clean and transparent way.

ValoraBTC allows users to lock real BTC and mint **VLCOR**, a one to one backed representation of Bitcoin. VLCOR can be used in staking pools, liquidity markets, and partner DeFi applications. It acts like Bitcoin but lives inside active DeFi environments.

The protocol uses a dual token model:

- **ValoraBTC (VLBTC)** - the main ecosystem token used for presale, marketing, staking and incentives

- **Valora Core (VLCOR)** - the technical engine token that powers validators, protocol logic and internal fees

The mission is simple: expand what Bitcoin can do, while keeping the trust and simplicity that made Bitcoin strong in the first place.

# 2. The Problem With Bitcoin in DeFi

Bitcoin has clear limitations when used in DeFi:

1. It cannot run smart contracts.

2. It cannot be used directly in DeFi applications.

3. Existing wrapped Bitcoin solutions often depend on centralized custodians or unclear reserve structures.

Because of this:

- Bitcoin holders struggle to earn yield without selling or taking high risk.

- Developers lack a clean and trusted BTC primitive for their protocols.

- Large amounts of BTC stay idle in cold storage instead of supporting useful liquidity.

ValoraBTC protocol is designed to unlock this inactive liquidity and give Bitcoin a secure and straightforward path into DeFi.

# 3. What Is ValoraBTC Protocol

ValoraBTC is a BTC vaulting and tokenization protocol. Users deposit BTC into a controlled vault structure and receive **VLCOR** in return. VLCOR is a synthetic but fully backed representation of Bitcoin.

Inside the ValoraBTC ecosystem:

- **VLBTC** is the main ecosystem and presale token that drives growth and adoption.
- **VLCOR** supports the technical side such as validators, fee routing and security parameters. It is used as the main BTC asset in DeFi.

As more BTC is locked, VLCOR supply grows in sync. As more users and protocols adopt VLCOR and VLBTC, ecosystem value grows.

# 4. Valora Core - The Wrapped Bitcoin Layer

VLCOR is the wrapped representation of Bitcoin inside ValoraBTC.

## Main properties

- Backed one to one by BTC held in protocol reserves
- Minted when BTC is deposited into vaults
- Burned when BTC is redeemed
- No inflation

- Transparent, auditable reserves
- Usable in staking pools and liquidity pairs
- Integrations planned with partner protocols

VLCOR gives users the ability to keep their Bitcoin exposure while using it in DeFi.

# 5. ValoraBTC (VLBTC) - Main Ecosystem and Presale Token

VLBTC is the primary token of the ValoraBTC ecosystem. It is the token that most users will see in marketing, presale campaigns and long term staking programs.

## VLBTC is used for

- Public presale and early distribution
- Staking rewards for supporters
- Liquidity mining and incentive programs
- Ecosystem rewards such as referral or partner campaigns
- Access to certain boosted yield products or special features
- Governance signals in later stages of the protocol

VLBTC is not a wrapped Bitcoin. It is a separate token that captures network growth and user participation.

# 6. Valora Core (VLCOR) - Technical Engine Token

VLCOR powers the technical core of the protocol.

### VLCOR is designed for

- Validator staking and slashing
- Paying or routing internal protocol fees
- Security and reliability incentives
- Long term technical governance
- Rewarding contributors who maintain and upgrade the protocol
- Backing safety modules and risk buffers in more advanced stages

Where VLBTC focuses on user side growth and adoption, VLCOR keeps the internal mechanics aligned and secure.

## 7. How the Mint and Redeem System Works

### Minting VLCOR

1. The user sends BTC to an official ValoraBTC vault address.
2. The protocol verifies the transaction on the Bitcoin network.
3. An equivalent amount of VLCOR is minted on the supported chain.
4. The user can now use VLCOR freely inside DeFi.

### Redeeming BTC

1. The user returns VLCOR to the protocol.
2. VLCOR is burned.
3. The user receives real BTC back from the vault.

This keeps the system fully collateralized at all times. VLCOR supply can never exceed the BTC held in reserves.

### Security Measures

- Multi signature vault control where applicable
- Public transparency of vault addresses
- Internal monitoring backed by VLCOR-staked validators
- Conservative operational policies with clear limits and processes

## 8. BTC Yield Pools

ValoraBTC plans to offer yield opportunities for VLCOR holders.

### Possible use cases

- Staking VLCOR in protocol controlled pools
- Providing VLCOR in liquidity pairs on partner DEXs
- Using VLCOR in lending and borrowing protocols that list it
- Participating in structured yield strategies defined by the protocol or partners
- Earning VLBTC as extra incentives on top of BTC yield exposure

Yield sources may include protocol fees, ecosystem funds, partner rewards and VLCOR-backed incentive pools.

## 9. Validators and the Security Framework

Validators support the operational and security backbone of the ValoraBTC ecosystem.

### Validator responsibilities

- Monitor mint and redeem events

- Help validate cross system signals where required
- Maintain healthy uptime and performance
- Follow protocol rules including safety and reporting

### Validator incentives

- Share of protocol fees routed through VLCOR
- VLCOR rewards from dedicated validator pools
- Higher influence in governance processes over time

To participate as a validator, a participant must stake VLCOR. Bad behavior or repeated failure can result in penalties.

## 10. Fee Structure

ValoraBTC uses a clear and simple fee model.

### Potential fee types

- Minting fee for VLCOR
- Redemption fee when going back to BTC
- Staking or performance fee on certain yield products
- Integration fee for some partner strategies
- Internal routing fees for large operations

These fees are split between:

- Validators and technical contributors
- VLBTC and VLCOR staking pools where defined
- Ecosystem expansion and grants

- Security and reserve funds
- Development and maintenance budget

Exact rates will be announced before launch and may be adjusted through governance later.

# 11. Ecosystem Growth and Integrations

ValoraBTC is built with expansion in mind.

## Growth directions

- Integrate VLCOR with major DeFi protocols, starting from one main chain and expanding to others
- Extend support across L1 and L2 ecosystems
- Create SDKs and documentation for builders who want to add VLCOR and VLBTC to their products
- Form partnerships with lending platforms, DEXs, yield aggregators and other infrastructure
- Use VLBTC based incentive programs to grow liquidity and volume
- Position VLCOR as a trusted wrapped Bitcoin primitive across DeFi

# 12. Presale and Token Sale Structure (VLBTC)

The VLBTC token will be introduced through a structured sale process. The goal is to reward early believers, fund development and bootstrap ecosystem liquidity in a healthy way.

The exact numbers and prices will be published in a separate presale specification, but the structure is as follows.

## 12.1 Rounds Overview

1. **Seed Round (Private)**
    - Small allocation for strategic partners and early backers
    - Longer vesting and strict lock rules
    - Goal is to bring aligned supporters who can add value beyond capital
2. **Private Round**
    - Closed round for whitelisted community members and early ecosystem supporters
    - Moderate discount compared to later public pricing
    - Linear vesting after TGE to protect price stability
3. **Public Presale**
    - Main public sale of VLBTC
    - Split into multiple stages with gradually increasing price per stage
    - First stages reward the earliest supporters
    - Payment in major assets such as ETH, BNB, stablecoins or other supported currencies
    - Simple user flow: connect wallet, buy VLBTC, track allocation
4. **Post Presale Liquidity and Listing**
    - Part of raised funds used for initial liquidity on DEXs and possibly CEX listings
    - Liquidity tokens locked for a defined period to increase trust

## 12.2 Presale Goals

- Distribute VLBTC to a wide range of early believers
- Build a strong and active holder base
- Fund development, audits, operations and marketing

- Prepare liquidity for TGE and listings
- Avoid over concentration of supply in a few hands

### 12.3 Vesting Principles

While exact vesting schedules will be published separately, the general idea is:

- Seed and private rounds: longer vesting, clear cliffs
- Public presale: lighter or no vesting, depending on stage
- Team and advisor allocations: locked and vested over a longer period
- Ecosystem and reserve allocations: released over time as needed

This structure aims to protect long term price stability and align incentives with the growth of the protocol.

## 13. Tokenomics Overview

Final numbers and charts will be shared in detail in APPENDIX I, but the high level design is:

### 13.1 VLCOR

- Elastic supply
- Minted when BTC is locked
- Burned when BTC is redeemed
- No team allocation
- No speculative inflation

### 13.2 VLBTC

- Fixed maximum supply

- Allocated between:
    - Seed and private rounds
    - Public presale
    - Liquidity and market making
    - Ecosystem incentives and rewards
    - Community and growth fund
    - Team and advisors with long vesting

VLBTC is the main token used in presale and public markets.

### 13.3 VLCOR

- Fixed maximum supply
- Allocated between:
    - Validator rewards and technical incentives
    - Security and risk modules
    - Development and maintenance fund
    - Team and core contributors
    - Long term reserve for protocol upgrades

VLCOR is not meant to be a wide marketing token. It is focused on technical participants and long term protocol health.

## 14. Roadmap

The roadmap is split into clear phases that now include the presale and launch steps.

## Phase 1 - Design and Foundation

- Finalize protocol architecture and token model
- Define vault and reserve strategy for BTC
- Draft and refine whitepaper and litepaper
- Internal security reviews and design of validator logic
- Start building core contracts for VLBTC and VLCOR

## Phase 2 - Testnet and Presale Preparation

- Deploy core contracts on testnet
- Build internal dashboards and monitoring tools
- Run test mint and redeem cycles for VLCOR
- Prepare presale infrastructure and KYC process where needed
- Announce presale structure, stages and basic tokenomics
- Launch marketing and community education around ValoraBTC

## Phase 3 - VLBTC Presale and TGE

- Open whitelisting for private and public presale
- Run VLBTC presale in defined stages
- Close presale and finalize allocations
- Token Generation Event (TGE) for VLBTC
- Initial liquidity provision and first exchange listing
- Basic staking pools for VLBTC go live

## Phase 4 - Mainnet VLCOR Launch

- Activate mainnet mint and redeem for VLCOR

- Enable deposits of BTC into vaults
- Release first VLCOR staking or liquidity products
- Onboard initial validators by staking VLCOR
- Publish public reserve dashboards

### Phase 5 - Ecosystem Expansion

- Integrate VLCOR into external DeFi protocols
- Launch more advanced yield products and strategies
- Expand to additional chains where appropriate
- Grow liquidity and volume using VLBTC incentive programs
- Form strategic partnerships with wallets, exchanges and DeFi platforms

### Phase 6 - Long Term Maturity

- Improve governance structures and voting frameworks
- Optimize validator incentives and risk modules
- Explore BTC index or structured products built on VLCOR
- Expand education, documentation and builder grants
- Maintain stable and sustainable operation with periodic audits

## 15. Risk Disclosure

As with any blockchain protocol, ValoraBTC involves risk. These may include:

- Smart contract bugs or implementation errors
- BTC vault management risk

- Market volatility and liquidity swings
- Integrations that may fail or underperform
- Validator misbehavior or failure
- Legal and regulatory changes across jurisdictions

The team will seek external audits, apply security best practices, and keep transparency as a core value. However, no system can remove risk completely. Users should always do their own research and never invest more than they can afford to lose.

# 16. Conclusion

ValoraBTC is built to extend what Bitcoin can do in a careful and transparent way.

- VLBTC aligns the community, early investors and ecosystem growth.
- VLCOR brings BTC into DeFi while staying backed by real Bitcoin.
- VLCOR keeps the technical engine secure, tuned and fair for validators and contributors.

With a clear presale structure, a dual token model, and a focus on long term stability, ValoraBTC aims to become a trusted bridge between passive Bitcoin holdings and active DeFi usage.

The document you are reading is a living base. Details such as exact allocation numbers, stage pricing and launch dates will be shared through official channels as development moves forward.

**The mission remains simple:**

**Unlock Bitcoin.**

**Protect trust.**

**Grow a healthy DeFi ecosystem around it.**

# APPENDIX A:

## APPENDIX A: Full Tokenomics & Economic Model

**ValoraBTC Protocol**

### Token Overview

ValoraBTC Protocol operates with a **dual-token architecture**, separating market-facing value from core system mechanics.

#### 1. ValoraBTC (VLBTC)

**Role:** Primary economic and value token
**Audience:** Users, investors, DeFi participants

VLBTC is the main token introduced through presale and used across the ecosystem. It represents economic exposure to the protocol's growth and revenue streams.

**Key functions:**

- Access to protocol features and products
- Staking and yield participation
- Governance voting
- Fee discounts and incentives
- Eligibility for ecosystem rewards and future modules

VLBTC is designed to be simple, liquid, and market-facing.

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#### 2. Valora Core (VLCOR)

**Role:** Internal technical and coordination token
**Audience:** Protocol mechanics, validators, routing modules

VLCOR is **not marketed** and is not designed for speculation. It exists to power the internal functioning of the protocol.

**Key functions:**

- Routing and settlement coordination
- Internal accounting between modules
- Validator and infrastructure incentives
- Cross-module execution balancing

By separating VLCOR from VLBTC, the protocol avoids unnecessary complexity for users while preserving technical flexibility and long-term scalability.

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# Total Supply

## ValoraBTC (VLBTC)

**Fixed total supply: 21,000,000 VLBTC**

The supply is intentionally aligned with Bitcoin's monetary symbolism while remaining fully independent in implementation.

No minting beyond the fixed supply.

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# VLBTC Allocation Breakdown

| Allocation | Percentage | Purpose |
|---|---|---|
| Public Presale | 35% | Community distribution and early adoption |
| Liquidity & Market Making | 20% | DEX and CEX liquidity, price stability |
| Ecosystem & Incentives | 15% | Staking rewards, protocol incentives |
| Team & Core Contributors | 12% | Long-term development and operations |
| Treasury & Reserves | 10% | Strategic growth and risk management |
| Advisors & Strategic Partners | 8% | Infrastructure, integrations, and guidance |

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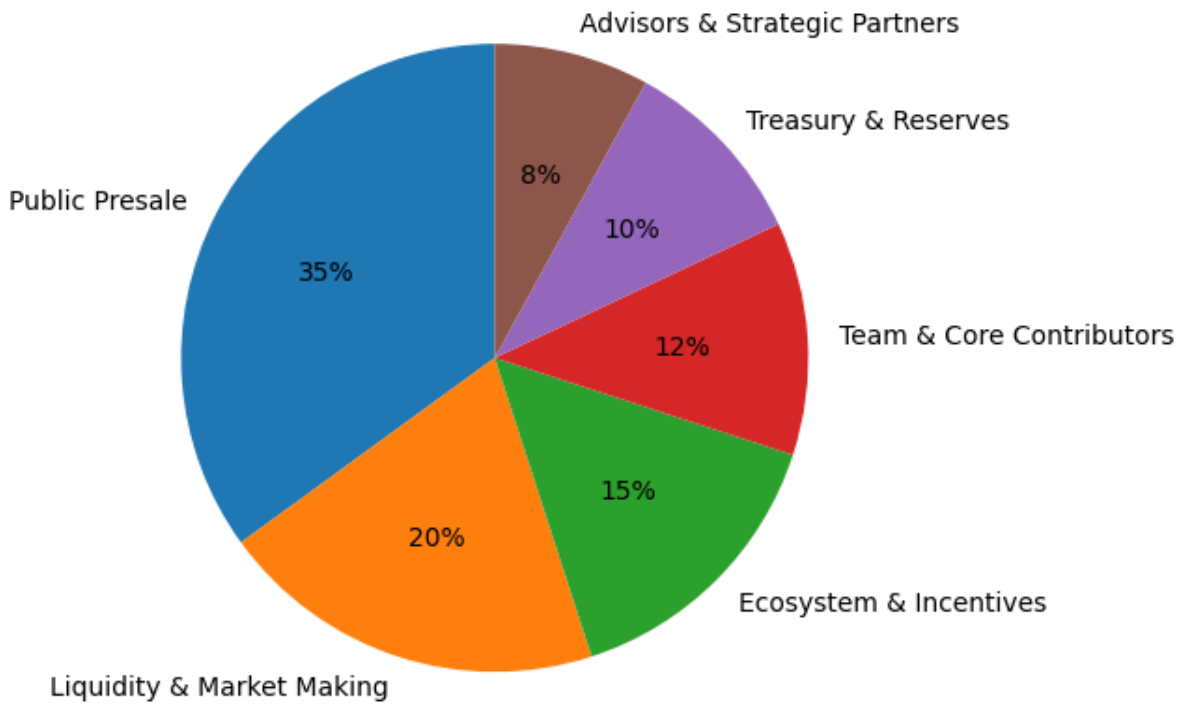


## Presale Structure

The presale is structured in **clearly defined stages**, with progressive pricing and fixed allocations.

**Presale principles:**

- Transparent pricing per stage
- No hidden discounts
- No private minting
- Equal conditions for all participants within each stage
- Presale concludes before public listing.
- Unsold tokens, if any, are **not recycled** into the market.

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## Vesting & Unlock Model

### Team & Core Contributors

- Cliff: 6 months after listing

- Vesting: Linear over 24 months
- Purpose: Prevent short-term sell pressure and align long-term incentives

### Advisors & Strategic Partners

- Cliff: 3 months
- Vesting: Linear over 18 months

### Ecosystem & Incentives

- Released gradually based on usage metrics
- Governed by DAO proposals

### Liquidity Allocation

- Used at listing for initial liquidity
- LP tokens are locked

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## Utility Flow & Value Capture

VLBTC captures value through **usage, not hype**.

Value flows into the token from:

- Protocol fees
- Yield generation from BTC-integrated DeFi activity
- Infrastructure usage
- Governance-driven economic decisions

Fees collected by the protocol are:

- Partially distributed to stakers

- Partially routed to the protocol treasury
- Partially used for liquidity reinforcement

This creates a **closed economic loop** instead of inflation-based rewards.

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## Staking & Incentives

VLBTC staking is designed to reward **long-term participation**, not short-term farming.

**Staking benefits include:**

- Yield from protocol revenues
- Governance voting power
- Access to advanced features
- Priority participation in future modules

Staking emissions are capped and decrease over time.

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## Governance Model

Governance is conducted using **staked VLBTC**.

Holders can vote on:

- Fee parameters
- Treasury deployment
- Incentive adjustments
- Module activation

VLCOR does not participate in governance to avoid protocol manipulation.

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## Economic Sustainability

The economic model avoids:

- High inflation
- Unsustainable APYs
- Artificial buy pressure

Instead, it focuses on:

- Fee-backed rewards
- Gradual ecosystem expansion
- Real usage-driven demand

The goal is **durable value**, not short-term volatility.

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## Summary

ValoraBTC's tokenomics are built around three core ideas:

1. Clear separation between value and mechanics
2. Fixed, transparent supply
3. Usage-based value capture

VLBTC represents ownership in the protocol's economic activity.
VLCOR ensures the protocol can scale without compromising that value.

# APPENDIX B:

## APPENDIX B: Comparison vs Wrapped BTC and Bitcoin L2 Models

### The Current Landscape

Today, Bitcoin liquidity reaches DeFi through three main paths:

1. **Wrapped BTC issued by custodians**
2. **Decentralized BTC pegs and bridges**
3. **Bitcoin Layer-2 ecosystems**

Each solves part of the problem. None solve the full problem.

The market forces users to **choose a single trust model**, a single execution environment, and a single long-term bet on how Bitcoin scaling should evolve.

ValoraBTC Protocol is designed to remove that forced choice.

## Comparison Matrix

| Model | Custody | Redeemability | Decentralization | Censorship Risk | Integration Depth | Finality Model |
|---|---|---|---|---|---|---|
| **WBTC** | Centralized custodian | Strong, but permissioned | Low | High | Very high (DeFi standard) | Ethereum finality |
| **cbBTC** | Centralized issuer | Strong, PoR-backed | Low | High | High | Ethereum finality |
| **tBTC** | Threshold signer set | Onchain, rule-based | Medium | Medium | Moderate | Ethereum finality |
| **sBTC (Stacks)** | Signer-based peg | Protocol governed | Medium (phased) | Medium | Stacks ecosystem | Bitcoin-anchored |
| **Rootstock (RSK)** | Sidechain model | Native to chain | Medium | Medium | EVM-based | Merged mining |
| **Other BTC L2s** | Varies (federated / zk / hybrid) | Chain-dependent | Medium | Medium | Isolated ecosystems | Chain-specific |
| **ValoraBTC Protocol** | No direct custody | Abstracted | Adaptive | Reduced | Cross-ecosystem | Policy-based |

**Key observation:**
Most solutions optimize **one dimension** (liquidity, decentralization, Bitcoin alignment) at the cost of others.

ValoraBTC optimizes **choice, flexibility, and risk distribution**.

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## ValoraBTC's Positioning

ValoraBTC Protocol is **not a wrapped Bitcoin** and **not a Bitcoin Layer-2**.

It is a **BTC liquidity routing and settlement protocol** that sits above existing BTC representations and execution environments.

Instead of asking users to commit to:

- one custodian,
- one signer set,
- or one Layer-2 design,

ValoraBTC allows BTC liquidity to flow **across multiple rails**, while remaining governed, observable, and settlement-aware.

In simple terms:

> ValoraBTC does not replace existing BTC models.
> It makes them usable together.

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## How the System Is Structured

### High-Level Flow

```
BTC Rails
(WBTC, cbBTC, tBTC, sBTC, BTC L2s)
   ↓
ValoraBTC Routing & Settlement Layer
   ↓
DeFi Applications
(Lending, Yield, Structured Products)
```

### What This Means in Practice

- Users bring BTC liquidity in the form they already trust.
- ValoraBTC evaluates, routes, and settles that liquidity based on transparent protocol rules.
- DeFi applications interact with a unified settlement layer instead of fragmented BTC assets.
- Exiting back to BTC remains a core design principle, not an afterthought.

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## Why a Routing and Settlement Layer Matters

Bitcoin's future in DeFi will not be defined by **one perfect bridge** or **one dominant L2**.

It will be defined by:

- multiple representations,
- evolving trust assumptions,
- and different risk profiles depending on use case.

Without an abstraction layer:

- Liquidity fragments.
- Users carry hidden risk.
- DeFi integrations multiply complexity.

ValoraBTC addresses this by becoming the **coordination layer**, not the execution bottleneck.

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## Why a Dual-Token Model (Without the Complexity)

ValoraBTC uses two tokens for one simple reason:
**economic value and system coordination behave differently.**

### ValoraBTC (VLBTC)

- Represents economic participation.
- Used for staking, governance, incentives, and value capture.

- Designed for users and investors.

### Valora Core (VLCOR)

- Powers internal routing, settlement accounting, and protocol coordination.
- Used by validators and system components.
- Not designed for speculation or marketing.

This separation ensures that:

- Users interact with a clean, understandable economic token.
- The protocol can evolve its internal mechanics without impacting market stability.
- Long-term scalability does not come at the cost of token integrity.

In short:

> One token represents **ownership and participation**.
> The other ensures the system **runs correctly**.

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## Strategic Advantage of This Model

ValoraBTC gains leverage as the BTC ecosystem grows more complex.

As new BTC L2s, bridges, or representations emerge:

- ValoraBTC does not compete with them.
- It integrates them.

This creates a long-term positioning where ValoraBTC becomes:

- the settlement layer DeFi protocols prefer,
- the abstraction users trust,
- and the coordination point where BTC liquidity converges.

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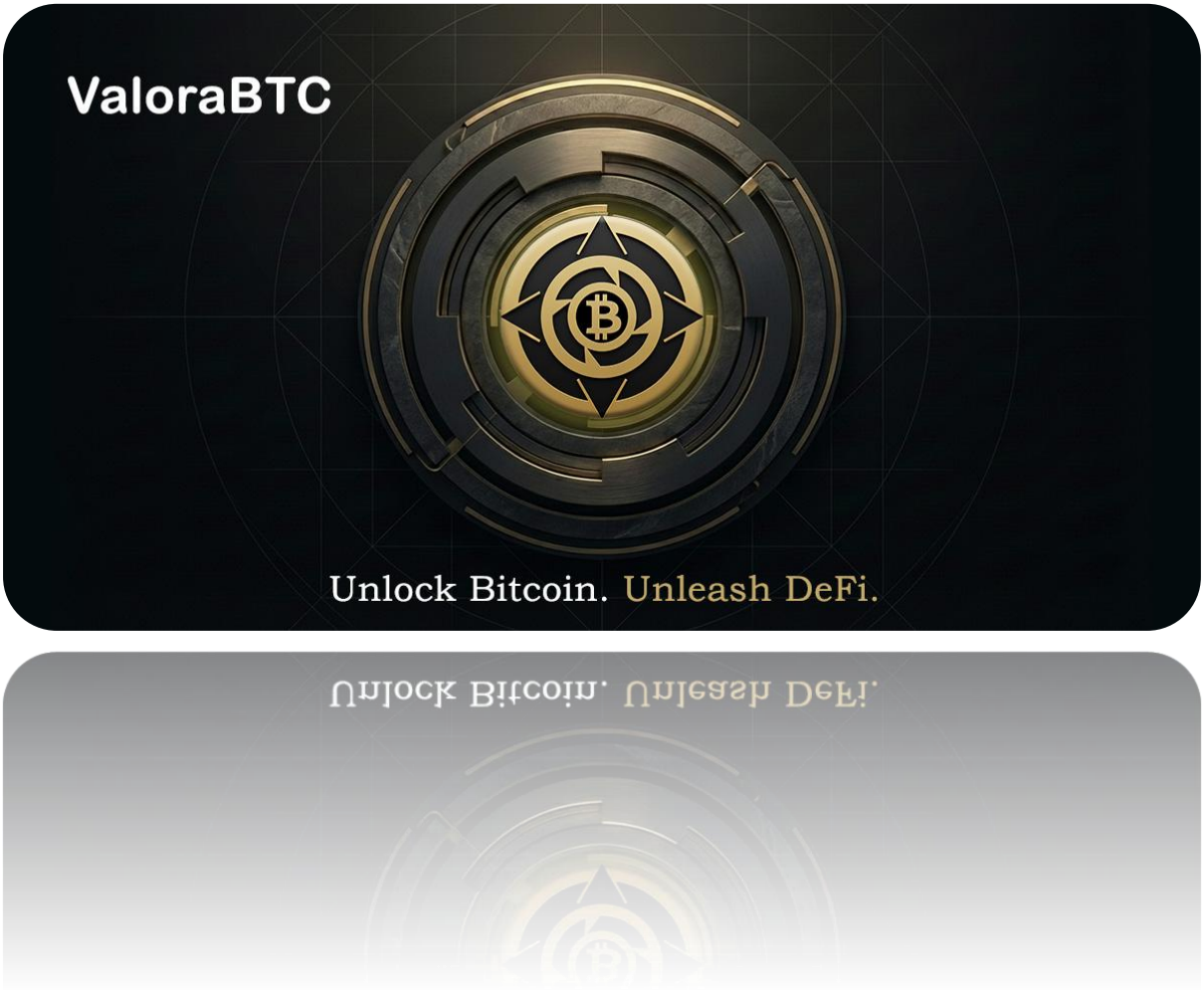
## Summary

Wrapped BTC models focus on **liquidity**.
BTC L2s focus on **execution**.
ValoraBTC focuses on **coordination and settlement**.

By doing so, it avoids single-point dependency, reduces systemic risk, and enables Bitcoin liquidity to participate in DeFi without forcing ideological or technical bets.

This is not a shortcut model.
It is an infrastructure model.




Built for users comparing serious options in the market. ValoraBTC focuses on a clear model and usable utility rather than loud promises.

## A clean bridge between Bitcoin and DeFi