

Pricing methodology and validation framework

A transparent approach to asking prices, observed market prices, forward scenarios and funded liquidity.

Purpose. Make the calculations reproducible and the assumptions visible. A formula can explain a price path; it cannot by itself validate a starting valuation or establish that future appreciation will occur.

1. Forward scenario: what the mathematics shows

The worked example uses a US\$10 launch asking price, an illustrative 20x annual price multiple, a 14% customer sell discount and a network-work factor with elasticity 0.5. These are selected assumptions, not values derived from verified market demand.

$$A_q = 10 \times (1 + g)^q \times (H_q / H_0)^\beta$$
$$g = M^{1/4} - 1 \mid B_q = (1 - d) \times A_q$$

Definitions: A is the customer buy-price target; B is the illustrative customer sell quote; q is completed quarters; g is the quarterly increase; M is the annual price multiple; d is the sell discount; H_q is sustained network mining work at review q (trailing 30-day average chain difficulty); H_0 is the same measure at the launch review; β is the work elasticity, proposed at 0.5.

With $M = 20$, $g = 111.4743\%$ per quarter. With $d = 14\%$, the sell illustration is 86% of the buy target. A 20x annual multiple means a 1,900% annual increase, and 400x the starting price after two years before the work factor. With $\beta = 0.5$, a doubling of network work lifts the asking price by about 41% and a quadrupling doubles it; falling work lowers it by the same rule. The table below holds work flat.

Review point	Buy-price target	Sell illustration
Launch	US\$10.00	US\$8.60
12 months	US\$200.00	US\$172.00
24 months	US\$4,000.00	US\$3,440.00

Network-work factor. The factor $(H_q / H_0)^\beta$ is a quoting rule for the asking price, published in advance so the calculation is reproducible. Work is measured as the trailing 30-day average of chain difficulty, public on the explorer; H_0 is recorded and published at the launch review. The factor is not evidence that buyers will pay more when mining work rises, and it does not make production cost a floor under the market price (section 4).

Plain English: This shows what prices would look like if the selected growth assumption occurred. It does not establish why buyers would accept those prices.

This is an indicative scenario for future spot quotes, not a binding forward contract, guaranteed return or funded buyback offer. Figures are in USD; any USDC settlement would need a disclosed conversion basis and fees.

FORWARD QUOTE SCENARIOS

QTC forward quote scenarios

All curves start at US\$10 per QTC, follow the 20x annual path (111.4743% per quarter), apply a 14% sell discount and use $\beta = 0.5$. They differ only in network work: flat, doubling each year, or quadrupling each year.



Quarterly quote schedule. All values are illustrative USD per QTC, rounded to two decimals; calculations use unrounded inputs.

Month	Work flat Buy target	Work flat Sell illustr.	Work x2 / yr Buy target	Work x2 / yr Sell illustr.	Work x4 / yr Buy target	Work x4 / yr Sell illustr.
Launch	\$10.00	\$8.60	\$10.00	\$8.60	\$10.00	\$8.60
3	\$21.15	\$18.19	\$23.06	\$19.83	\$25.15	\$21.63
6	\$44.72	\$38.46	\$53.18	\$45.74	\$63.25	\$54.39
9	\$94.57	\$81.33	\$122.65	\$105.48	\$159.05	\$136.79
12	\$200.00	\$172.00	\$282.84	\$243.24	\$400.00	\$344.00
15	\$422.95	\$363.74	\$652.28	\$560.96	\$1,005.95	\$865.11
18	\$894.43	\$769.21	\$1,504.24	\$1,293.65	\$2,529.82	\$2,175.65
21	\$1,891.48	\$1,626.68	\$3,469.00	\$2,983.34	\$6,362.17	\$5,471.46
24	\$4,000.00	\$3,440.00	\$8,000.00	\$6,880.00	\$16,000.00	\$13,760.00

Step changes occur only at quarterly review points. These are assumption-driven scenarios, not observed market prices, probabilities or forecasts of network work. Actual quotes require available inventory, committed buying funds, stated quantities and expiry.

OBSERVED PRICES AND SUPPLY

Evidence of a market

2. Completed trades establish an observed price

$$P_{VWAP} = \sum(p_i \times Q_i) / \sum Q_i$$

For eligible trade i , p is its executed price and Q is the quantity of QTC traded. The result is a volume-weighted average price over a defined observation window.

Plain English: Calculate the average price people actually paid, weighted by how much they traded.

Use completed, independently funded transactions. Exclude self-trading, artificial related-party activity, cancelled orders, duplicate records and transactions that fail settlement. Record the quote currency and any conversion into USD.

Publish the calculation window, eligible volume, number of independent participants, trading concentration, excluded records and timestamp. Define minimum data requirements and exclusion rules before applying them.

For a more robust benchmark, volume-weighted medians within time intervals can reduce the influence of extreme prices. CME CF reference rates use this approach with executed trades. QTC would need an observation window appropriate to its own eligible trading activity. [1]

3. Supply puts the proposed price in context

$$V_t = P_t \times S_t$$

$$V_{\text{future}} / V_{\text{current}} = (P_{\text{future}} / P_{\text{current}}) \times (S_{\text{future}} / S_{\text{current}})$$

V is implied circulating market value, P is price per QTC and S is verified circulating supply. Apply a consistent supply definition at both dates; disclose any separate fully diluted calculation.

Worked check: A 20x price increase with circulating supply doubling implies a 40x increase in circulating market value.

Plain English: Assess price alongside the coins already circulating and those expected to enter circulation. Publish issuance, treasury holdings, ownership concentration and any unlock schedule.

Market value is an accounting calculation. It is not money held in reserve, required net cash inflow, or the amount all holders could collectively realise by selling.

PRODUCTION ECONOMICS AND EXECUTION

Costs, quotes and buying capacity

4. Mining economics provide a comparison point

$$C_{\text{QTC}} = \text{Efficient mining cost over period} / \text{QTC produced over period}$$

Estimate costs using measured hardware performance, electricity and relevant operating expenses. Include either appropriate hardware depreciation and capital costs or rental charges, without counting the same expense twice.

Disclose hardware models, measurement dates, utilisation, energy tariffs, reward assumptions and the period observed. Use efficient, reproducible benchmarks rather than assuming all spending reflects necessary production cost. **Plain English:** estimate the resources required to produce a coin under stated operating assumptions; benchmarks and invoices can test those assumptions.

Limit of the calculation: Production cost does not by itself establish a minimum market price. Higher expenditure alone does not demonstrate stronger demand or require buyers to pay more. The asking-price rule in section 1 references network work explicitly, as a published quoting rule, not as a claim about what buyers will pay.

5. A sell quote needs committed buying funds

$$B = (1 - d) \times A = 0.86 \times A$$

$$Q_{\text{max}} \leq R / B$$

A is the customer buy quote, B is the customer sell quote, d is the selected 14% discount, and R is unencumbered funds committed to purchases. Q_{max} is the maximum purchasable quantity before fees and other costs.

The 14% discount is a proposed quoting rule. It is not evidence that a buyer exists at that price, and it is not the desk's net profit margin.

Illustrative offer	Quantity	Funds required
Purchase at US\$8.60/QTC	10,000 QTC	US\$86,000
Purchase at US\$172.00/QTC	10,000 QTC	US\$1,720,000
Purchase at US\$3,440.00/QTC	10,000 QTC	US\$34,400,000

Plain English: A sell price is meaningful only when someone has committed the money to buy the stated quantity.

Disclose price, available quantity, expiry, fees and settlement terms for each executable quote. Reconcile buying capital to custody and other obligations. Customer balances owed back to customers are not the market maker's available capital.

VALIDATION AND GOVERNANCE

Measure the evidence before the claim

A defensible methodology measures the underlying activity separately from the desired price path. The following indicators can support assessment; none mechanically proves a particular price increase.

Factor	Evidence to publish	What it establishes
Adoption	Repeat economic users and genuine transactions; exclude self-transfers.	Whether people actually use QTC.
Demand	Independent completed purchases and executable bids.	Willingness to buy at observable prices and sizes.
Security	Sustained mining work, independent operator concentration and technical reviews.	Evidence relevant to network resilience.
Supply	Verified issuance, holdings, concentration and unlocks.	Potential dilution and selling pressure.
Liquidity	Committed buying funds, order depth and execution at different sizes.	Whether holders can sell meaningful quantities.

A proposed validation process

- 1. Define the model in advance.** Publish its purpose, formulas, input sources, sample windows, exclusion rules and treatment of missing or stale data.
- 2. Separate observation from judgement.** Identify measured facts, estimated inputs, discretionary weights and scenario assumptions. Proposed factor weights are not established valuation coefficients.
- 3. Test predictive claims on later data.** Fit any predictive model using earlier observations, then assess it on data not used in fitting. Report errors, sensitivity and unsuccessful predictions.
- 4. Publish balanced scenarios.** Include flat and declining conditions as well as growth. Revise assumptions when evidence weakens; do not force the model to preserve an upward path.
- 5. Obtain independent review.** Check data integrity, supply definitions, calculations, liquidity funding and conflicts of interest. Keep dated review results and a methodology change log.

Published methodology, data quality, oversight and accountability are central themes in the IOSCO benchmark principles. This proposed framework has not been assessed for conformity with those principles. [2]

Present status: The price curve is a scenario calculator. It does not yet derive prices from verified trading, network activity or reserves. An audit can verify calculations and evidence; it cannot certify future appreciation.

PUBLIC COMMUNICATION AND REFERENCES

Plain-English explanation

Suggested wording for public use

QTC's proposed launch asking price is US\$10 per coin. This is a commercial starting price; actual trading prices will depend on willing buyers, sellers and available liquidity.

Our proposed pricing framework would report asking prices, completed trading prices and forward scenarios separately. It would disclose circulating supply, mining-cost assumptions, genuine network usage and the quantity available at each executable buy or sell quote.

Forward curves illustrate selected growth assumptions. They do not establish that those assumptions will occur. A 20x annual scenario is a hypothetical outcome, not a promised return.

The asking-price rule includes a network-work factor: when sustained mining work on the QTC network rises, the asking price rises by a published elasticity, and when work falls the asking price falls. This is a quoting rule we have chosen and disclosed. It is not evidence of demand and does not set a floor under the market price.

As evidence becomes available, independent trading activity, network performance and funded liquidity would inform pricing reviews. Prices may rise, remain unchanged or fall. Any purchase offer from the desk would specify its price, available quantity, expiry and fees.

References

[1] CME Group. FAQ: CME CF Single-Asset Cryptocurrency Benchmarks, questions 3, 4 and 16. Reference-rate calculations use executed trade flow; the methodology and oversight are described by the benchmark provider. [Read the CME methodology and oversight FAQ](#)

[2] Financial Stability Board / IOSCO. Principles for Financial Benchmarks, July 2013. Reference framework for benchmark governance, quality, methodology and accountability. [Read the benchmark-principles summary](#)

References reviewed 6 October 2026. They inform methodological design and do not endorse QTC, its launch price or any growth scenario.

Scope and status

Prepared as a proposed methodology and communication framework. The worked example uses the explicitly selected 20x annual scenario, 14% sell discount and work elasticity 0.5; the graph varies network work (flat, doubling or quadrupling each year) as exploratory comparisons. No scenario is adopted as evidence of market value.

Revision 2 (6 October 2026): the launch asking price in the worked example is US\$10 per QTC; the first issue used US\$5. Revision 3 (6 October 2026): a network-work factor $(H_q/H_0)^\beta$ with proposed $\beta = 0.5$ is added to the asking-price rule, measured as trailing 30-day average chain difficulty; the 31.24x comparison is withdrawn; section 4 and the public wording are updated accordingly. Revision 3 note (6 October 2026): the "insufficient evidence" callout in section 2 is removed; the method, exclusion rules and publication requirements are unchanged.

No independent QTC valuation, reserves audit or predictive-model validation has been completed for this document. It does not establish market prices, activate trading, commit buying funds or change settings on qtc.events.