

ETC Cooperative



ETC Cooperative

2023 Q1 Report

June 30, 2023

ETC Cooperative

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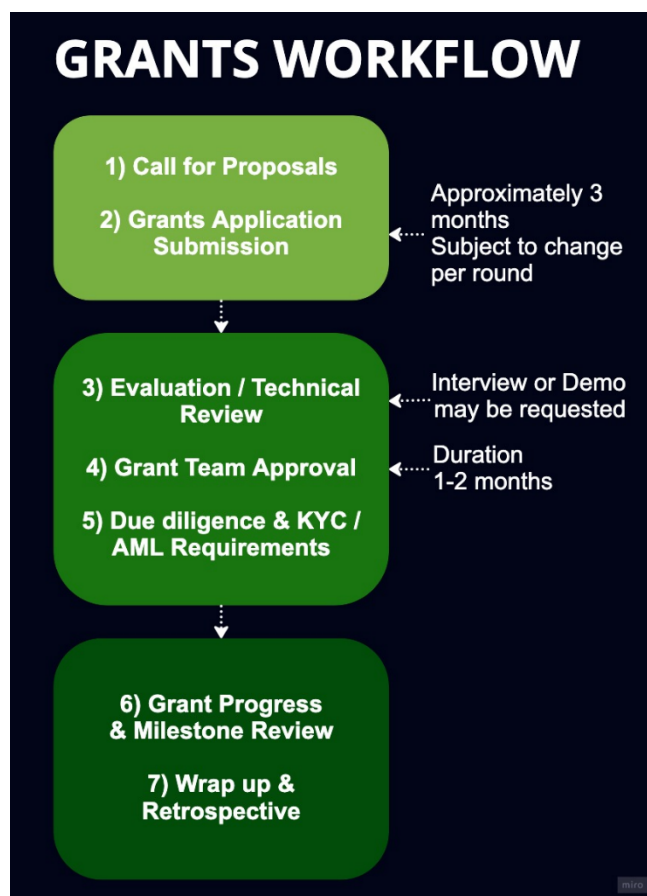
ETC Grants DAO

The very long awaited ETC grants program launched on 31st January 2023, as a collaboration between Bitmain and ETC Cooperative under the **ETC Grants DAO** banner. The first round of the program offers up to \$1M USD worth of ETC to successful applicants.

The program is open for proposals through February, March and April, so there is little to report during this quarter, other than the primary resources - [the website](#) and the [twitter account](#).

Like other communications from the ETC Cooperative, everything is accessible in both English and Chinese. The proposals are all publicly browsable (both [English projects](#) and [Chinese projects](#)).

The reviewing and decision making on round will occur during May and June. The full process for the grants program is [detailed on the website](#).



Development and Infrastructure

Core-Geth

During Q1 we made two new releases for the [Core-Geth client](#). Those releases were [1.12.9](#) (which merges Ethereum Foundation Geth client 1.10.26) and [1.12.10](#).



Flat call tracers has been merged into the Geth upstream

After engaging in initial discussions with the Geth development team, we made the decision to port our work on the Parity-compatible call tracer. This newly developed tracer, known as the "flat call tracer," is now available in Geth.

To accomplish this, we began by creating a [compatibility test suite](#). This suite was instrumental in testing the Parity-compatible tracer that was implemented in core-geth against the Geth implementation. Subsequently, we submitted a pull request to the Geth repository, introducing the [new flat call tracer](#) and it was merged in February.

Hyperledger Besu

Hyperledger Besu is an open-source Ethereum client developed under the Apache 2.0 license and written in Java.



During Q1 2023, the ETC Cooperative was contributing to Besu to assure ETC network compatibility and to its overall quality, tackling, for example, a consensus deviation when using *Bonsai* storage. Also, the Stratum service was completely rewritten to improve HTTP protocol compatibility and to add iPollo miner support.

On the interoperability side, both Core-Geth and Besu were updated to run and pass the cross-client test suite.

It's worth mentioning that although the Cooperative has withdrawn its support to the development of this client, it will make a best effort to keep consensus compatibility for the future.

DAppNode packages

We published official DAppNode packages for the ETC mainnet and testnet.

DAppNode is an open-source platform that simplifies the process of running a node for various blockchain networks, including Ethereum, Bitcoin, and others.

Our goal was to make it easier for developers and users to interact with the ETC chains by providing two new DAppNode packages that enabled them to run ETC nodes effortlessly. Those packages include both chains, [Ethereum Classic](#) and its testnet, [Mordor](#).

Addressing Zurich's Disclosed Vulnerabilities

In February, security researchers Professor Kenny Paterson and Massimiliano Taverna from ETH Zurich contacted us to disclose their research findings regarding a legitimate vulnerability. Additionally, they shared a proof-of-concept (PoC) exploit that demonstrated the presence of this vulnerability.

Over the subsequent months, we dedicated our efforts to setting up four new servers in order to accurately simulate the recommended attack scenario. We ran the simulation multiple times to gather data, thoroughly analyzed the results, and engaged in detailed discussions with the researchers.

Although our many attempts to reproduce their experiment were unsuccessful, the reasons for our differing experimental outcomes were likely attributable to unaccounted for implementation details in the core-geth source and non-transferrable experiment parameters. Our experiments, however, did show, in large part, the theoretical efficacy of their design and implementation, and were readily sufficient in affirming their rationale.

While these results gladly lessen our view of the practical risk to the network, we consider it actionable nonetheless to implement their provided patches.

The first patch, addressing the PRNG vulnerability, was included in the [1.12.11](#) release. Subsequently, we released the second patch, addressing the Ghost-128 security concern, in the [1.12.12](#) release. These patches were developed and released as part of our commitment to ensuring the security and stability of our core-geth software.

We published a [blog post on this topic](#).

Comms and Marketing

The following outlines the key communication activities and achievements of the ETC Cooperative during the first quarter (Q1) of 2023.

Marketing

This period marked an exciting time for the organization as we continued to promote the Ethereum Classic (ETC) ecosystem, engage with the community, and drive awareness about our initiatives. The report provides an overview of our efforts and their impact.

In the first quarter of 2023, the Comms team worked on multiple overlapping projects. They included:

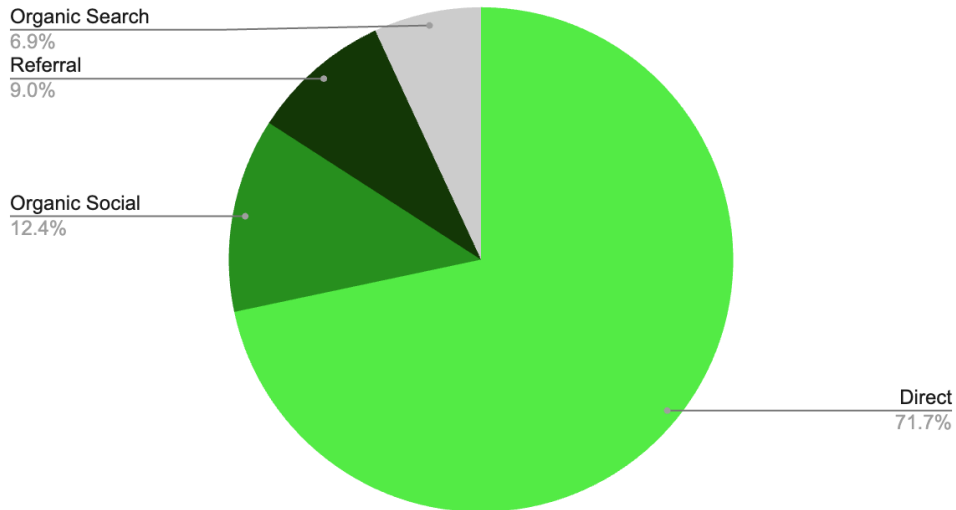
- The Grants DAO Project
- The ETC Cooperative Rebrand
- The 2022 Report

The projects required full web and brand development.

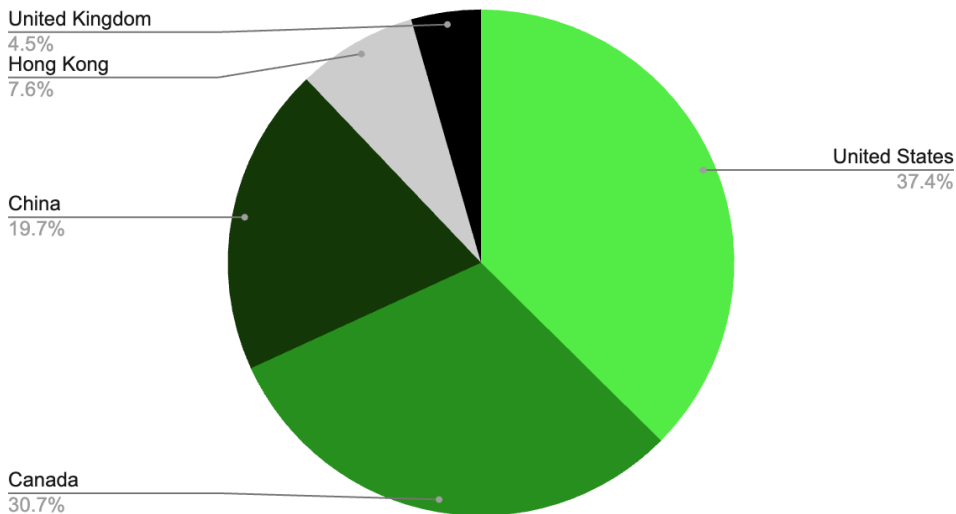
The Grants DAO

The Executive and Comms teams would meet weekly with our partners from Bitmain and Antminer to review project details and coordinate marketing, production, and process. This was a difficult but fruitful endeavor that got the best out of both teams. The project was aided by the addition of Angelah and her translation skills to the Comms team. The project was led by Bob Summerwill who provided a clear vision and process with Andrew providing support for the copy, web development, and marketing materials.

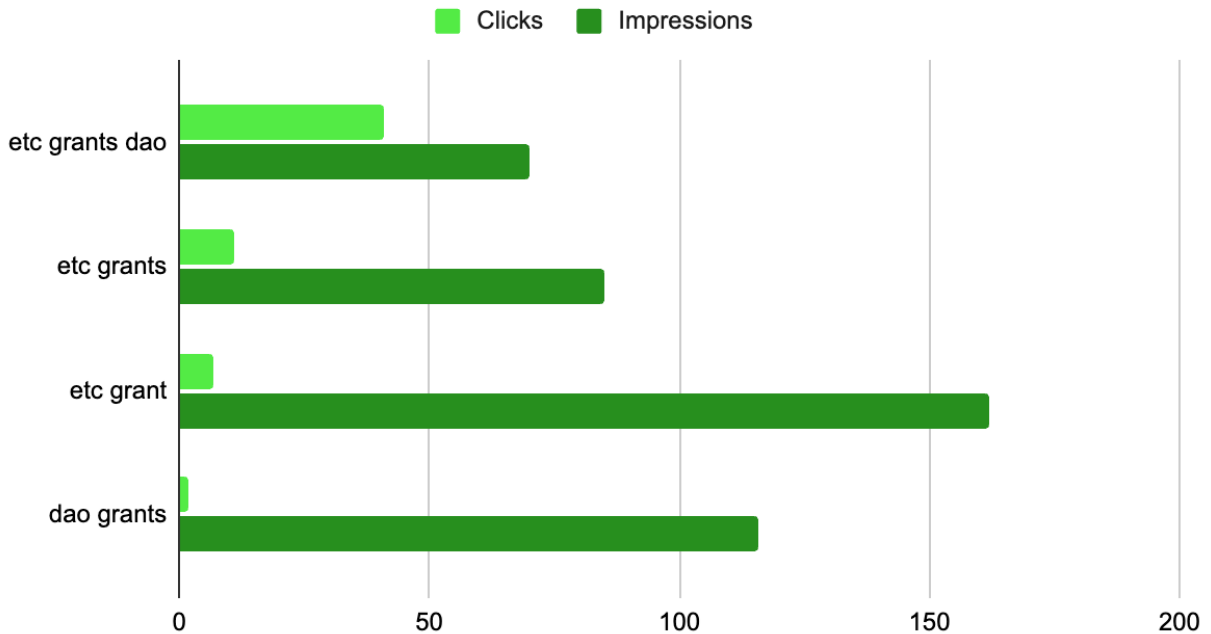
User Acquisition



Demographic Details



Google Search Console - Top queries



The ETC Cooperative Rebrand

The ETC Cooperative rebrand is a long overdue refresh of the ETC logo and style guide. The Comms team worked with outside designers to attain the desired results. With the style guide and logo now complete the new brand is being applied to communications platforms like the website, newsletter, and social media channels.

The rebrand also includes a total rewrite and change of platform from a javascript-based site to one written in Vue.js. The rebrand should be fully complete in the second quarter.

The 2022 Report

The Comms team helped with the creation of the yearly 2022 report and will contribute to the quarterly reports. The team will assist in the design, copywriting, proofreading, and translation of these reports.

Editorial

In the first quarter of 2023, the editorial effort produced 42 articles and 39 videos about Ethereum Classic. 36 videos were posted on the [Ethereum Classic Updates](#) channel that was created to support the ETC community, and 3 in the ETC Cooperative's channel. 37 articles were posted on the [ethereumclassic.org](#) website as a contribution to the community, and 5 articles were posted on the [ETC Cooperative's](#) website to make announcements or explanations of work by the cooperative specifically.

As to community tweets, we proposed a total of 42 tweets and retweets to the [@eth_classic](#) and [@etc-network](#) community Twitter accounts.

We also conduct Twitter Spaces broadcast weekly and we did 13 shows for the 13 weeks of the first quarter 2023.

Below we explain our work for each channel.

Editorial Calendar

Below are images and comments about the editorial work of January, February, and March of 2023.

Editorial Calendar for January 2023

Date	Format	Theme	Title	Channel	Target	Call to Action
12/31/22						
1/1/23						
1/2/23	Video/Text	Infrastructure	Changing ETC Endpoint Ethercluster to Rivet	Coop YouTube/Coop Blog	All	Migrate to Rivet
1/3/23	Video/Text	Tutorials	How to Contribute to ETC: The Community Website	ETC YouTube/ETC Blog	Users	Contribute to the Website
1/4/23	Text	Announcement	Alert: Migrate Your ETC Endpoints From Ethercluster to Rivet by July 1st, 2023	ETC Blog	All	Migrate to Rivet
1/5/23	Video/Text	ETC Course	3. The First Digital Currency Attempts	ETC YouTube/ETC Blog	All	Evangelize
1/6/23	---	---	---	---	---	---
1/7/23						
1/8/23						
1/9/23	---	---	---	---	---	---
1/10/23	Video/Text	Infrastructure	Hyperledger Besu Explained	ETC YouTube/ETC Blog	Users/Miners	Run a Hyperledger Besu node
1/11/23	Video/Text	Infrastructure	Hyperledger Besu Explained With ETC Core Developer Diego López León	Coop YouTube/Coop Blog	Users/Miners	Run a Hyperledger Besu node
1/12/23	Video/Text	ETC Course	4. Satoshi Nakamoto and Bitcoin	ETC YouTube/ETC Blog	All	Evangelize
1/13/23	---	---	---	---	---	---
1/14/23						
1/15/23						
1/16/23	---	---	---	---	---	---
1/17/23	Video/Text	Infrastructure	The EVM Object Format (EOF) and ETC Explained	ETC YouTube/ETC Blog	Users/Developers	Use ETC
1/18/23	Video/Text	Philosophy	The Innovation of Ethereum Classic Is Unstoppable	ETC YouTube/ETC Blog	All	Evangelize
1/19/23	Video/Text	ETC Course	5. Vitalik Buterin and Ethereum	ETC YouTube/ETC Blog	All	Evangelize
1/20/23	---	---	---	---	---	---
1/21/23						
1/22/23						
1/23/23	---	---	---	---	---	---
1/24/23	Video/Text	Infrastructure	Erigon Explained	ETC YouTube/ETC Blog	Users/Miners	Run an Erigon node
1/25/23	Video/Text	Philosophy	Ethereum's Social Consensus vs Ethereum Classic's Code Is Law	ETC YouTube/ETC Blog	All	Evangelize
1/26/23	Video/Text	ETC Course	6. Ethereum Classic Is the Original Chain	ETC YouTube/ETC Blog	All	Evangelize
1/27/23	---	---	---	---	---	---
1/28/23						
1/29/23						
1/30/23	---	---	---	---	---	---
1/31/23	Video/Text	News/Opinion	The ETC Grants Program With Bob Summerwill	Coop YouTube/Coop Blog	Developers	Apply for a grant!

In January we published 13 videos and 14 articles. The majority were posted on the Ethereum Classic community website and were about ETC infrastructure, philosophy, news, tutorials of how to contribute to the community, and the ETC course. 2 posts were for the ETC Cooperative about changing the endpoint from Ethercluster to Rivet, and the Hyperledger Besu node client.

Editorial Calendar for February 2023

Date	Format	Theme	Title	Channel	Target	Call to Action
2/1/23	Text	Announcement	Pledge to the Ethereum Classic Ecosystem With Regard to the @eth_classic Twitter Account	Coop YouTube/Coop Blog	All	Be in the know
2/2/23	Video/Text	ETC Course	7. Ethereum Classic's Philosophy of Code Is Law	ETC YouTube/ETC Blog	All	Evangelize
2/3/23	---	---	---	---	---	---
2/4/23	---	---	---	---	---	---
2/5/23	---	---	---	---	---	---
2/6/23	---	---	---	---	---	---
2/7/23	Video/Text	Tutorials	Using Ethereum Classic With Trust Wallet	ETC YouTube/ETC Blog	Users	Use ETC with Trust Wallet
2/8/23	Video/Text	News/Opinion	The Principle of Backward Compatibility in Ethereum Classic	ETC YouTube/ETC Blog	All	Evangelize
2/9/23	Video/Text	ETC Course	8. Ethereum Classic's Monetary Policy	ETC YouTube/ETC Blog	All	Evangelize
2/10/23	---	---	---	---	---	---
2/11/23	---	---	---	---	---	---
2/12/23	---	---	---	---	---	---
2/13/23	---	---	---	---	---	---
2/14/23	Video/Text	Tutorials	How to Contribute to ETC: Community Tweets	ETC YouTube/ETC Blog	Users	Contribute to ETC Tweets
2/15/23	Video/Text	Philosophy	What Does Security Mean in Ethereum Classic?	ETC YouTube/ETC Blog	All	Evangelize
2/16/23	Video/Text	ETC Course	9. The Units and Denominations of Ethereum Classic	ETC YouTube/ETC Blog	All	Evangelize
2/17/23	---	---	---	---	---	---
2/18/23	---	---	---	---	---	---
2/19/23	---	---	---	---	---	---
2/20/23	---	---	---	---	---	---
2/21/23	Video/Text	Tutorial	Using ETC With Ledger Nano S	ETC YouTube/ETC Blog	Users	Use ETC with Trust Wallet
2/22/23	Video/Text	News/Opinion	Ethereum Classic Is Censorship Resistant, Ethereum Is Not	ETC YouTube/ETC Blog	All	Use ETC
2/23/23	Video/Text	ETC Course	10. Proof of Work Explained	ETC YouTube/ETC Blog	All	Evangelize
2/24/23	---	---	---	---	---	---
2/25/23	---	---	---	---	---	---
2/26/23	---	---	---	---	---	---
2/27/23	---	---	---	---	---	---
2/28/23	Video/Text	News/Opinion	Ethereum Classic Is a Commodity, Ethereum Is a Security	ETC YouTube/ETC Blog	All	Evangelize

In February we published 11 videos and 12 articles. The ones posted on the Ethereum Classic community website were about how to contribute to the ETC community, tutorials of how to use popular wallets with ETC, philosophy, and the ETC course. There was one post for the ETC cooperative which was a pledge to the Ethereum Classic ecosystem with regard to the @eth_classic Twitter account that was maliciously transferred to another project by Charles Hoskinson.

Editorial Calendar for March 2023

Date	Format	Theme	Title	Channel	Target	Call to Action
3/1/23	Video/Text	Tutorials	Using Ethereum Classic With MyCrypto	ETC YouTube/ETC Blog	Users	Use ETC with MyCrypto
3/2/23	Video/Text	ETC Course	11. The Proof of Work Security Model: The Physical vs the Social Layers	ETC YouTube/ETC Blog	All	Evangelize
3/3/23	Text	Announcement	ETC Cooperative's Bob Summerwill's Talk at ETHDenver	Coop Blog	All	Use ETC
3/4/23	---	---	---	---	---	---
3/5/23	---	---	---	---	---	---
3/6/23	---	---	---	---	---	---
3/7/23	Video/Text	Reviews	Ethereum Classic, Centralized, and Decentralized Exchanges	ETC YouTube/ETC Blog	Users/Miners	Trade ETC
3/8/23	Video/Text	Philosophy	Satoshi Nakamoto's Focus on Trust Minimization	ETC YouTube/ETC Blog	All	Focus on Trust Minimization
3/9/23	Video/Text	ETC Course	12. Proof of Stake Explained	ETC YouTube/ETC Blog	All	Evangelize
3/10/23	---	---	---	---	---	---
3/11/23	---	---	---	---	---	---
3/12/23	---	---	---	---	---	---
3/13/23	Video/Text	News	Outline of Bob Summerwill's Speech at ETHDenver 2023	Coop Blog	All	Use ETC
3/14/23	Video/Text	Infrastructure	Mining Ethereum Classic With An iPollo ASIC Through 2Miners Pool	ETC YouTube/ETC Blog	Miners	Mine ETC
3/15/23	Video/Text	Infrastructure	The Difficulty Adjustment Explained	ETC YouTube/ETC Blog	Miners	Mine ETC
3/16/23	Video/Text	ETC Course	13. Proof of Authority Explained	ETC YouTube/ETC Blog	All	Evangelize
3/17/23	---	---	---	---	---	---
3/18/23	---	---	---	---	---	---
3/19/23	---	---	---	---	---	---
3/20/23	---	---	---	---	---	---
3/21/23	Video/Text	Tutorials	How to Contribute to ETC: Community Volunteering	ETC YouTube/ETC Blog	All	Contribute
3/22/23	Video/Text	News	ETC and Bitcoin Have the Fiftenthing and the Halving in 2024	ETC YouTube/ETC Blog	All	Use ETC
3/23/23	Video/Text	ETC Course	14. What Are Smart Contracts?	ETC YouTube/ETC Blog	All	Evangelize
3/24/23	---	---	---	---	---	---
3/25/23	---	---	---	---	---	---
3/26/23	---	---	---	---	---	---
3/27/23	---	---	---	---	---	---
3/28/23	Video/Text	Philosophy	Why Does Ethereum Classic Have Value?	ETC YouTube/ETC Blog	All	Use ETC
3/29/23	Video/Text	Opinion	Ethereum Classic Ossification and Social Scalability	ETC YouTube/ETC Blog	All	Use ETC
3/30/23	Video/Text	ETC Course	15. What Are Dapps?	ETC YouTube/ETC Blog	All	Evangelize
3/31/23	---	---	---	---	---	---

In March we published 15 videos and 16 articles. The ones posted on the Ethereum Classic community website were about how to contribute to ETC, a tutorial of how to use a popular wallet with ETC, a review of centralized and decentralized exchanges on ETC, philosophy, infrastructure, and the ETC course. We published 2 posts for the ETC Cooperative announcing that Bob Summerwill would speak at ETHDenver and then we published the video and slides of his speech.

Twitter Together

The Twitter Together accounts for Ethereum Classic are two community Twitter accounts, [@eth_classic](#) and [@etc-network](#), that are managed by the community through a GitHub app that let's community members propose tweets so they can then be approved by community admins and posted.

Below are images and comments about our contributions to said accounts for January, February, and March of 2023.

Twitter Together Calendar for January 2023

Date	@eth_classic		@etc_network	
	Item	Content	Item	Content
12/31/22				
1/1/23				
1/2/23	---	---	---	---
1/3/23	Link to post	Ethereum Virtual Machine Blockchains and Ethereum Classic	---	---
1/4/23	---	---	Link to video	The Permissionless Paradox in Ethereum Classic
1/5/23	---	---	Link to video	Ethereum Classic Is Bitcoin's Philosophy With Ethereum's Technology
1/6/23	---	---	---	---
1/7/23				
1/8/23				
1/9/23	---	---	---	---
1/10/23	Link to post	The Three Pillars of Ethereum Classic	---	---
1/11/23	---	---	Link to video	What Is Ethereum Classic?
1/12/23	---	---	Link to video	Ethereum Classic Course: Introduction
1/13/23	---	---	---	---
1/14/23				
1/15/23				
1/16/23	---	---	---	---
1/17/23	Link to post	The Permissionless Paradox in Ethereum Classic	---	---
1/18/23	---	---	Link to video	How to Contribute to ETC: The Improvement Proposal Process (EIP)
1/19/23	---	---	Link to video	Using Ethereum Classic With MetaMask
1/20/23	---	---	---	---
1/21/23				
1/22/23				
1/23/23	---	---	---	---
1/24/23	Link to post	Ethereum Classic Is Bitcoin's Philosophy With Ethereum's Technology	---	---
1/25/23	---	---	Link to video	Ethereum Classic Course: 1. Public Key Cryptography
1/26/23	---	---	Link to video	Core Geth Explained
1/27/23	---	---	---	---
1/28/23				
1/29/23				
1/30/23	---	---	---	---
1/31/23	Link to post	What Is Ethereum Classic?	---	---

In January we proposed 5 tweets that were links to ETC articles to the [@eth_classic](#) account that were approved, and 8 tweets to ETC videos to the [@etc-network](#) account that were approved.

Twitter Together Calendar for February 2023

Date	@eth_classic		@etc_network	
	Item	Content	Item	Content
1/28/23				
1/29/23				
1/30/23				
1/31/23	Link to post	What is Ethereum Classic?		
2/1/23			Link to video	Ethereum Classic Course: 2. The Cypherpunks
2/2/23			Link to video	How to Contribute to ETC: The Community Website
2/3/23				
2/4/23				
2/5/23				
2/6/23				
2/7/23	Link to post	Ethereum Classic Course: Introduction		
2/8/23			Link to video	Ethereum Classic Course: 3. The First Digital Currency Attempts
2/9/23			Link to video	Hyperledger Besu Explained
2/10/23				
2/11/23				
2/12/23				
2/13/23				
2/14/23	Link to post	How to Contribute to ETC: The Improvement Proposal Process (EIP)		
2/15/23			Link to video	Hyperledger Besu Explained
2/16/23			Link to video	Ethereum Classic Course: 4. Satoshi Nakamoto and Bitcoin
2/17/23				
2/18/23				
2/19/23				
2/20/23				
2/21/23	Link to post	How to Contribute to ETC: The Improvement Proposal Process (EIP)		
2/22/23			Link to video	The EVM Object Format EOF Upgrade Explained
2/23/23			Link to video	The Innovation of Ethereum Classic Is Unstoppability
2/24/23				
2/25/23				
2/26/23				
2/27/23				
2/28/23	Link to post	Using Ethereum Classic With Metamask		

In February we proposed 5 tweets that were links to ETC articles to the @eth_classic account of which 4 were approved and 1 had a technical problem, so we re-posted it the next week. We also proposed 8 tweets to ETC videos to the @etc_network account that were approved.

Twitter Together Calendar for March 2023

Date	@eth_classic		@etc_network	
	Item	Content	Item	Content
3/1/23			Link to video	The Innovation of Ethereum Classic Is Unstoppability
3/2/23			Link to video	Ethereum Classic Course: 5. Vitalik Buterin and Ethereum
3/3/23				
3/4/23				
3/5/23				
3/6/23				
3/7/23	Link to post	Ethereum Classic Course: 1. Public Key Cryptography		
3/8/23			Link to video	Erigon Explained
3/9/23			Link to video	Ethereum's Social Consensus vs Ethereum Classic's Code Is Law
3/10/23				
3/11/23				
3/12/23				
3/13/23				
3/14/23			Link to post	Mining Ethereum Classic With An IPollo ASIC Through 2Miners Pool
3/15/23	Link to post	Core Geth Explained		
	RT	ETC Grants DAO New Telegram Group	RT	ETC Grants DAO New Telegram Group
3/16/23			Link to video	Ethereum Classic Course: 6. Ethereum Classic Is the Original Chain
3/17/23				
3/18/23				
3/19/23				
3/20/23				
3/21/23	Link to post	Ethereum Classic Course: 2. The Cypherpunks		
3/22/23			Link to video	Ethereum Classic Course: 7. Ethereum Classic's Philosophy of Code Is Law
3/23/23			Link to video	Using Ethereum Classic With Trust Wallet
3/24/23				
3/25/23				
3/26/23				
3/27/23				
3/28/23	Link to post	How to Contribute to ETC: The Community Website		
3/29/23			Link to video	The Principle of Backward Compatibility in Ethereum Classic
3/30/23			Link to video	Ethereum Classic Course: 8. Ethereum Classic's Monetary Policy
3/31/23				

In March we proposed 4 tweets that were links to ETC articles to the @eth_classic account that were approved, and one retweet that was approved of an announcement about the new ETC Grants DAO Telegram group. We also proposed 9 tweets to ETC videos, 1 link to an article, and the 1 retweet to the new ETC Grants DAO Telegram group to the @etc_network account that were approved.

ETC Weekly Review

Every Thursday at 9 AM EST / 14 hours UTC we do a live show on Twitter Spaces called the ETC Weekly Review.

ETC Weekly review with Donald McIntyre January 26, 2023 • 43m	ETC Weekly review with Donald McIntyre February 23, 2023 • 31m	ETC Weekly Update with Donald McIntyre March 30, 2023 • 18m
ETC Weekly review with Donald McIntyre January 19, 2023 • 25m	ETC Weekly review with Donald McIntyre February 16, 2023 • 21m	ETC Weekly Review With Donald McIntyre March 23, 2023 • 21m
ETC Weekly review with Donald January 12, 2023 • 24m	ETC Weekly Review With Donald McIntyre February 9, 2023 • 19m	ETC Weekly Review With Donald McIntyre March 16, 2023 • 27m
The ETC Weekly Review with Donald McIntyre... January 5, 2023 • 32m	ETC Weekly review with Donald McIntyre February 2, 2023 • 24m	ETC Weekly review with Donald McIntyre March 2, 2023 • 49m

In it, we talk about and go over the articles and videos that we published for that week. In January and February of 2023, we broadcast 4 shows in each month and in March we did 5.

Social Media

In continuation of the previous year's social media strategy, the first quarter of 2023 witnessed the ETC Cooperative's successful implementation of its social media strategy. Through the expansion of social media channels, active promotion of diverse content, and engagement with the community, the ETC Cooperative has effectively communicated with the ETC community. The following channels were included during the first quarter of 2023:

In this quarter, we have expanded our social media channels to:

- Twitter: @ETCCooperative
- Newsletter (ETC Cooperative blogs only)
- LinkedIn: <https://www.linkedin.com/company/etc-cooperative/>
- Wechat
 - o ETC Grants DAO 中文社区 (Chinese Community)
 - o ETC Global Comms
 - o 高速公路ETC (Highway ETC)
- Telegram
 - o Ethereum Classic ETC
 - o 以太经典中文社区 – ETC (Chinese Community)
- Discord
 - o ETC-Ethereum Classic
 - o ETC Cooperative – Ethereum Classic
- Reddit: [r/Ethereum Classic](https://www.reddit.com/r/EthereumClassic)
- Instagram: @etccooperative

The ETC Cooperative focused on promoting various content types to keep the ETC community well-informed and educated about ETC and blockchain/crypto-related knowledge. The content shared on social media platforms included ETC Cooperative blogs, ETC community posts, and community announcements. This approach ensured a diverse range of information catering to the interests and needs of the community members.

Compared to the period of November-December of the previous year, the ETC community has experienced significant growth in terms of both numbers and engagement during the first quarter of 2023. The expansion of social media channels, especially reaching out to the Chinese community, played a vital role in this growth. Active engagement with the community members fostered a sense of belonging and encouraged participation in ETC-related discussions and activities.

In the upcoming quarter, the ETC Cooperative aims to further expand its community and engagement by promoting the POW Summit. With the continued efforts to reach out to a wider audience, it is expected that more individuals will join the ETC community. The POW Summit serves as an exciting opportunity to educate and inspire participants about the benefits and significance of Proof-of-Work in the blockchain ecosystem.

Transparency Reports

Throughout 2022 the ETC Cooperative has been publishing reports on our activities quarterly.

- [2021 Retrospective Report](#)
- [Q1 Transparency Report](#)
- [Q2 Transparency Report](#)
- [Q3 Transparency Report](#)

All of these reports and regulatory filings can be found in the [Filings page](#) on the ETC Cooperative website.

Banking

In Q1 2023, the cryptocurrency and blockchain industry was essentially de-banked in the United States. With the fall of Silvergate, Signature, and SVB banks many cryptocurrency companies and those even considered adjacent and/or related companies were sent scrambling to find new banking partners, in a hostile environment. The ETC Cooperative did all its banking with Signature Bank and was not included in the clients taken over by Flagstaff Bank. We reached out to numerous banks and had little success. The Coop was ultimately able to find a new banking partner, however we will continue to look for others, in the United States and outside, to ensure we can continue to be banked in the future.

Due to the uncertainty and timing of finding a new banking partner, all contractors and recurring expenses were paid in advance until Q2 to ensure the least disruption and being able to stay within the terms of our contracts.

Financials

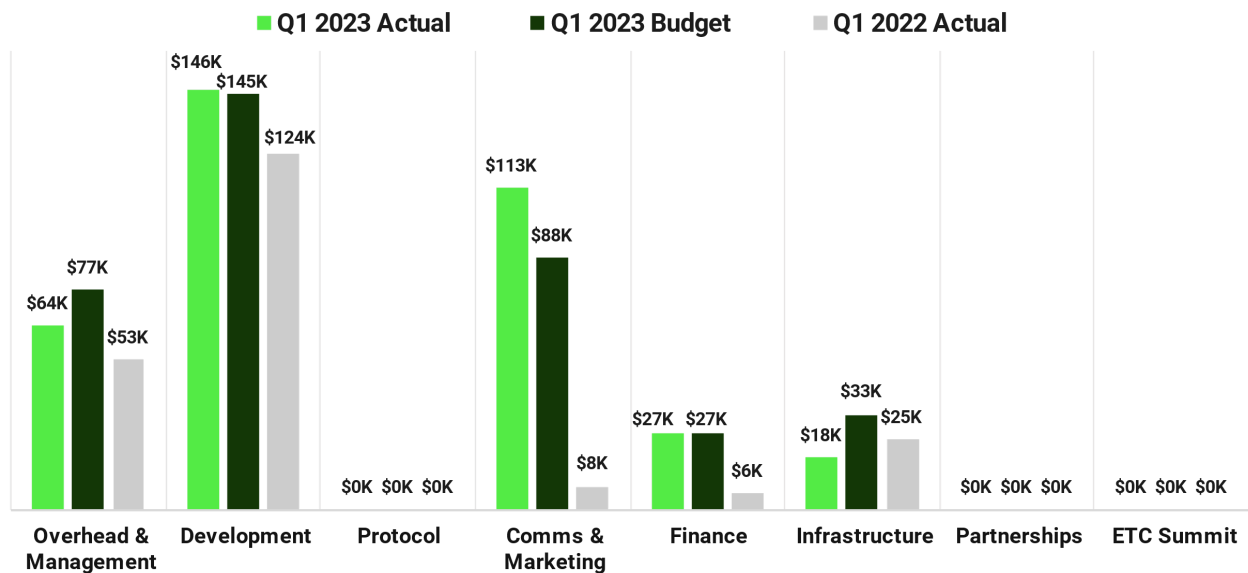
For the quarter ended March 31, 2023 ("Q1 2023")

While following general accounting principles, these figures and charts may not be in strict compliance with IFRS ("*International Financial Reporting Standards*") or FASB ("*Financial Accounting Standards Board*").

Q1 2023 Financial Results

Expenditures in \$US

	Q1 2023 Actual	Q1 2023 Budget	Variance \$ Q1 2023 vs Q1 2023 Budget	Q1 2022 Actual	Variance \$ Q1 2023 vs Q1 2022
Overhead & Management	\$64,380	\$76,900	\$(12,520)	\$52,550	\$11,829
Development	\$146,395	\$144,940	\$1,455	\$123,890	\$22,505
Protocol	\$0	\$0	\$0	\$0	\$0
Comms & Marketing	\$112,533	\$88,221	\$24,313	\$8,438	\$104,095
Finance	\$26,561	\$26,680	\$(119)	\$6,217	\$20,344
Infrastructure	\$18,233	\$33,400	\$(15,167)	\$24,807	\$(6,574)
Partnerships	\$0	\$0	\$0	\$0	\$0
ETC Summit	\$0	\$0	\$0	\$0	\$0
Total Expenditures	\$368,102	\$370,141	\$(2,038)	\$215,903	\$152,199
Non-cash Items	\$0	\$0	\$0	\$0	\$0
Total Operating Expenses	\$368,102	\$370,141	\$(2,038)	\$215,903	\$152,199



Overall, Q1 2023 actual costs were right at budget. The higher communications and marketing costs were offset by lower infrastructure costs. Higher comms costs were due to work on multiple websites done by a contractor.

Q1 2023 costs were significantly higher than Q 2022 due to the hiring of a communications team, in Q4 2022 and is therefore not reflected in Q1 2022 costs.

The following is a breakdown of what is generally allocated to each category:

Overhead & Management

This category includes any compensation and payments for the Executive Director as well as all overhead, office, legal, and related expenses. It also includes any general costs that cannot be allocated to specific departments.

Development

This includes any compensation for the development team and any development-related costs.

Protocol

We did not allocate anything to this section for 2023 as costs are contained within Development or Infrastructure categories.

Communications & Marketing

This includes salaries for the comms team and all advertising, promotional work, marketing, conference sponsorship, website costs, and all travel related expenses for the entire team.

Finance

This includes costs related to tax filings, tax and accounting professional consulting, accounting software, and finance consulting costs.

Infrastructure

This covers costs of hosted services which we provide to the ecosystem.

Partnerships

Covers any grants distributed from the ETC Coop. In 2023, this will be related to the ETC Grants DAO.

Summit

This category covers any conference/summit put on by the ETC Coop. In 2023, this category will contain the costs for the POW Summit.

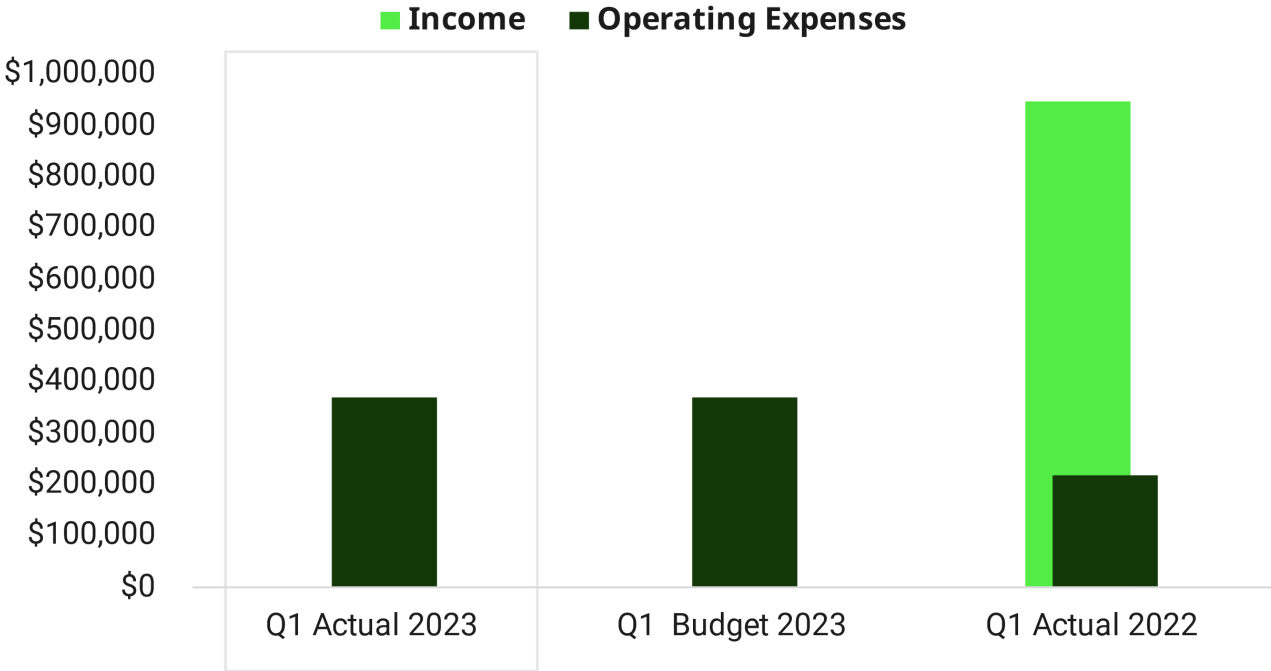
Non-Cash items

This consists of accounting items that are not considered cash-costs, such as gain/loss on foreign exchange, gain/loss on sale of cryptocurrencies, and direct write-off of prior year receivables.

Net Income/(Loss)

Net Income/(Loss) in \$US

	Q1 Actual 2023	Q1 Budget 2023	Q1 Actual 2022
Income	\$0	\$0	\$945,699
Operating Expenses	\$368,102	\$370,141	\$215,903
Net (Loss)/Income	\$(368,102)	\$(370,141)	\$729,796
Non-cash items	\$0	\$0	\$0
Adjusted Net Income	\$(368,102)	\$(370,141)	\$729,796



Note that the net income/(loss) and adjusted net income/(loss) does not include the unrealized gain/loss on the re-evaluation of ETC at market rates. See description of non-cash items above.

Income

Historically, the ETC Cooperative earned income from the arrangement with Grayscale LLC as well as donations and sponsorships. Under the Grayscale arrangement, 1/3 of fees collected by Grayscale, related to their Grayscale Ethereum Classic Trust, were contributed to the Cooperative. Sponsorships related to any conferences held are either included in income, if they are general purpose, or offset to expenses, if they are for a specific event/activity. In 2023, we are budgeting for sponsorship for the POW Summit, however this will only work to offset expenses and it is unlikely that it will generate any substantial revenue for the Coop.

March 2022 was the last month in which the ETC Cooperative earned fees from Grayscale as the 2-year agreement came to an end. The ETC Coop started 2023 with \$4.8M USD and 23,336 ETC Tokens which should provide us with a few years of runway. At the end of F2022 and into early 2023 the ETC Cooperative began to invest some of its cash reserves into ETC, as we consider the prices depressed, in hopes of extending the runway.

As of March 31, 2023, the ETC Coop had 60,800 ETC tokens, with \$250K USD being allocated for the grant program.

Even with several years of cash runway and ETC investment, the ETC Cooperative will not be able to be sustained in the long term without new donors/sponsors.

Unrealized (Loss)/Gain on ETC

These figures represent the difference between the book value of ETC, included in the financial information, and the market value as of a certain date. The book value is the value or exchange rate at which the ETC was purchased and recorded in the financial records, in US dollars. This value will remain in the books until the ETC is sold. However, it over or understates the actual value of the ETC held at a certain point in time and thus the liquidity of the ETC Cooperative. To present a more accurate picture of the unrealized gain or loss is presented, which shows what would have been reported if the ETC held had been sold. This will change each period to reflect the current rate at the end of the reporting period (i.e., September 30, 2022, for Q3 2022).

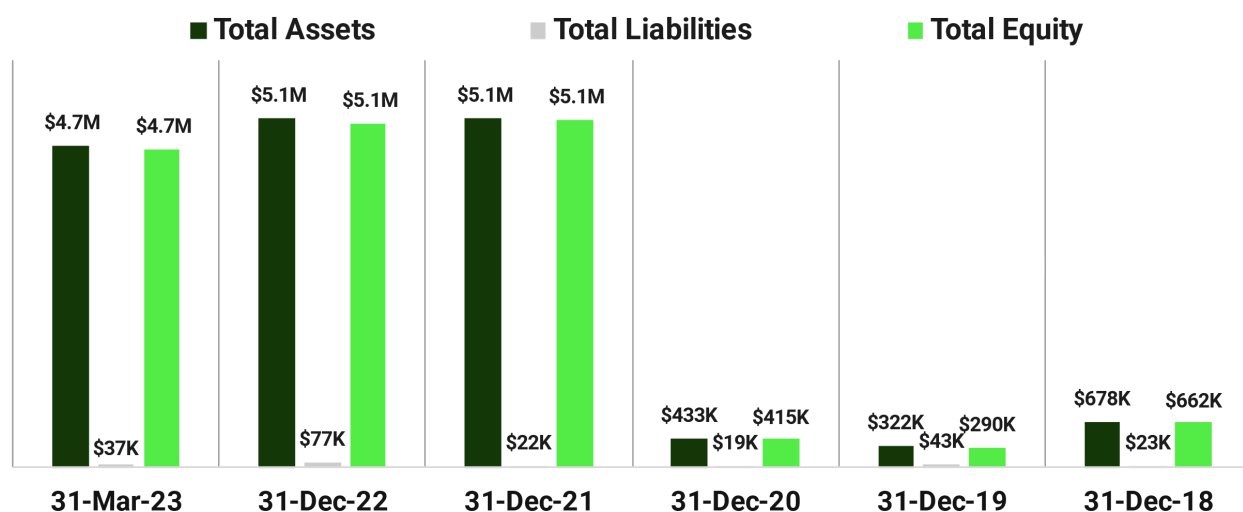
As of March 31, 2023 the Coop held 60,800 ETC with a book value of \$1,076,998 and a market value of \$1,260,992 including the grant allocation. Note that after the quarter-end ETC prices with all of crypto have dropped significantly and the market value in Q2 is lower than the cost basis.

Financial Position

Financial Positions in \$US

	31-Mar-23	31-Dec-22	31-Dec-21	31-Dec-20	31-Dec-19	31-Dec-18
Assets						
Cash & Cash Equivalents	\$3,297,575	\$4,816,320	\$4,689,209	\$303,313	\$146,318	\$530,268
ETC (at book value) ¹	\$1,076,998	\$328,265	\$78,115	\$78,115	\$154,363	\$154,363
Due from Grayscale	\$(0)	\$(0)	\$377,733	\$51,914	\$18,808	\$(6,729)
Prepaid Expenses & Deposits	\$361,845	\$0	\$0	\$0	\$2,250	\$0
Total Assets	\$4,736,418	\$5,144,585	\$5,145,057	\$433,341	\$321,739	\$677,903
Liabilities						
Accounts Payable & Accrued Liabilities	\$37,223	\$77,288	\$22,208	\$18,507	\$44,393	\$20,305
Due to Grayscale	\$0	\$0	\$0	\$0	\$(1,000)	\$3,022
Total Liabilities	\$37,223	\$77,288	\$22,208	\$18,507	\$43,393	\$23,328
Equity						
Retained Earnings	\$5,067,297	\$5,122,541	\$414,834	\$290,403	\$661,632	\$239,640
Net Income/(Loss) for the year	\$(368,102)	\$(55,244)	\$4,708,015	\$124,431	\$(371,229)	\$421,992
Total Equity	\$4,699,195	\$5,067,297	\$5,122,849	\$414,834	\$290,403	\$661,632
Total Liabilities & Equity	\$4,736,418	\$5,144,585	\$5,145,057	\$433,341	\$333,796	\$684,960
ETC at Market Value ¹	\$1,260,992	\$366,155	\$278,521	\$46,284	\$72,540	\$81,430
Liquid assets ²	4,558,567	5,182,475	4,967,730	349,597	218,858	611,698

Assets



In Q1 2023, the ETC Coop purchased an additional 37,543 ETC tokens for approximately \$750K, which includes trading fees.

As of the date of this report, the ETC Cooperative holds 60,880 ETC at an average cost of \$17.68. This includes the \$250K USD in ETC tokens, that will be allocated to the grant program.

The lower bank balance reflects the purchase of the ETC tokens and prepaid contract fees and prepaid expenses.

Liabilities & Equity

Accounts payable and accrued liabilities were predominantly composed of accrued accounting expenses and consulting fees.

In Q1 2023, the net loss was significantly higher than in Q1 2022, as there was no revenues/income received.



