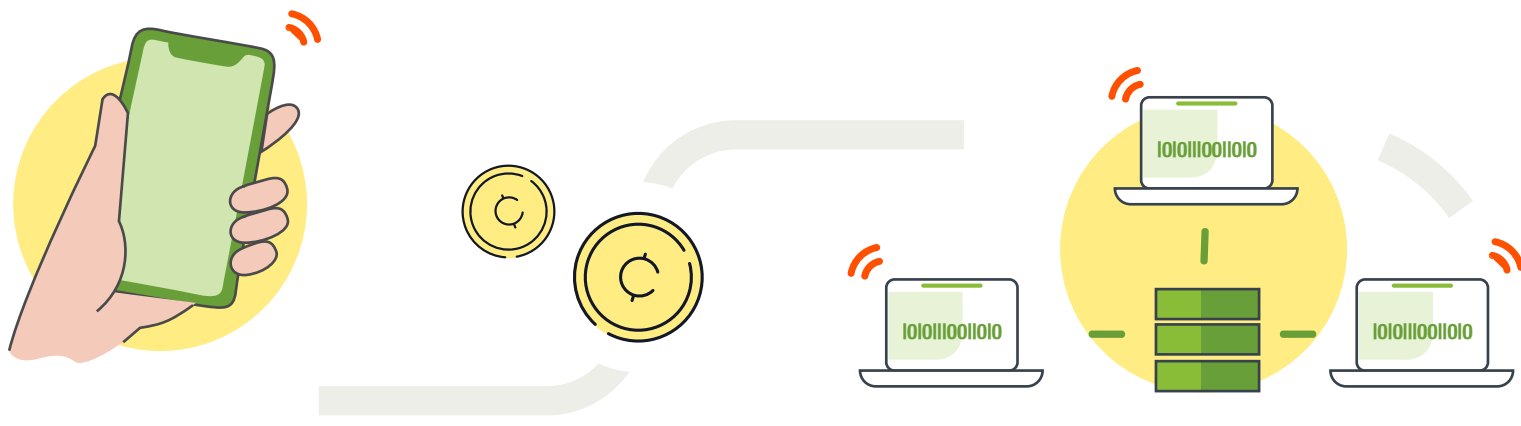# IBERDROLA

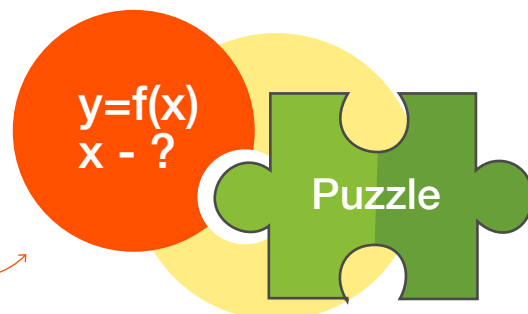# What is the process of Cryptocurrency mining?

Characteristics:

Transaction

A user generates a **request to transfer** a cryptocurrency value using a mobile device or computer.

Validation

The request is circulated on the network and processed in the form of a complicated cryptographic proof or mathematical puzzle.
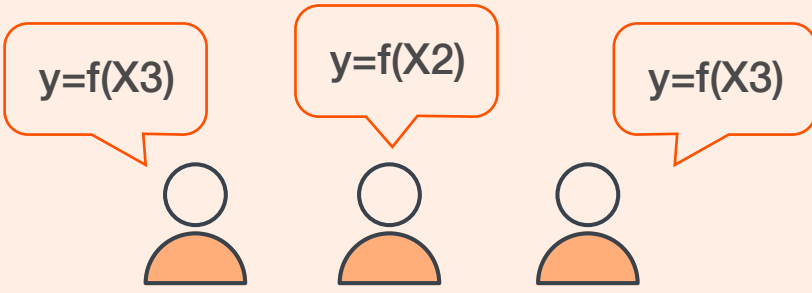
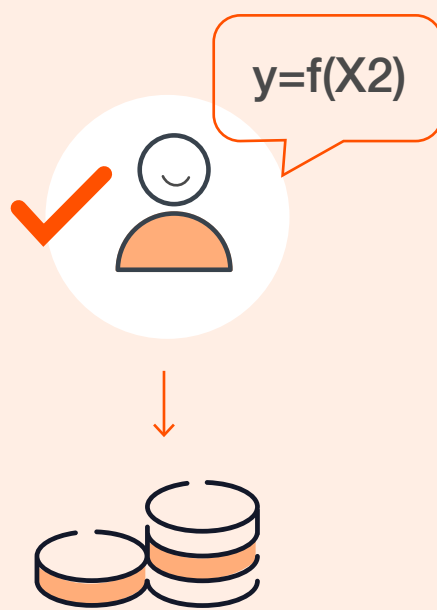**The answer to this mathematical puzzle or equation is called HASH.**

$y=f(x)$
$x - ?$

Puzzle

Mining PoW
Proof of Work

Users called "miners" collect these puzzles to obtain the hash of a single block using a mathematical problem.

$y=f(X3)$ $y=f(X2)$ $y=f(X3)$

The first miner to solve the cryptographic problem for each block gets a cryptocurrency reward.
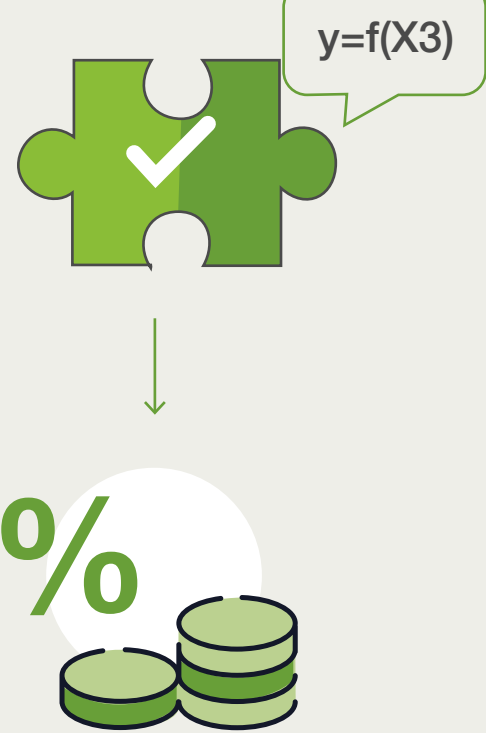
$y=f(X2)$

Get your reward!

Mining PoS
Proof of Stake

A committee of randomly selected miners wager a certain amount of their cryptocurrencies.

In return, the validators have to create and validate the hash of the following block

$y=f(X3)$

%

Validators are not rewarded, but receive a small fee from each transaction.

X1   X1   X2   X2   X3   X3

Inclusion

The hash value is added to the header of the next block, creating a blockchain that serves as a public ledger of all transactions. Once a transaction is added to this chain, it is impossible to reverse or modify.