

What is the process of Cryptocurrency mining?



Characteristics:

1 Transaction

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

2 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**.

3.1 Mining PoW

Proof of Work

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

The first miner to solve the cryptographic problem for each block gets a cryptocurrency reward.

Get your reward!

3.2 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

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

4 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.

Sources: ip.bitcointalk.org, economia3.com, spectrum.ieee.org/