

# **TreasureDAO A-1**

Security Audit

August 22, 2022 Version 1.0.0

Presented by OxMacro

## nacro 🧖

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## Introduction

This document includes the results of the security audit for Treasure DAO's smart contract code as found in the section titled 'Source Code'. The security audit was performed by the Macro security team from June 20, 2022 to July 22, 2022.

The purpose of this audit is to review the source code of certain Treasure DAO Solidity contracts, and provide feedback on the design, architecture, and quality of the source code with an emphasis on validating the correctness and security of the software in its entirety.

**Disclaimer:** While Macro's review is comprehensive and has surfaced some changes that should be made to the source code, this audit should not solely be relied upon for security, as no single audit is guaranteed to catch all possible bugs.



## **Overall Assessment**

The following is an aggregation of issues found by the Macro Audit team:

Severity	Count	Fixed	Acknowledged	Won't Do
High	4	4	_	_
Medium	5	5	_	_
Low	7	7	_	_
Code Quality	18	11	1	6
Gas Optimization	5	-	1	4

Treasure DAO was quick to respond to these issues.

## Specification

Our understanding of the specification was based on the following sources:



## Source Code

The following source code was reviewed during the audit:

- **Repository:** treasure-staking
- Commit Hash: 19c1c232b88907ac62440f1c3a6543f22b25f2af

Specifically, we audited the following contracts within this repository:

Contract	SHA256
harvester/Harvester.sol	b3ddb43736bb974750d7b035e70e0b40e0e6f9d84 ced208079c38a4df15d7641
harvester/HarvesterFactory.sol	fbf50539c1c29a2d1cc8094f5227edcc9d6348e0a 5d13109a3ae9858d8c1a141
harvester/Middleman.sol	d1b25e883fe3158c3732d3fbff804188c751811bf f3416b0cb37978c354ebde1
harvester/NftHandler.sol	81e4f35458a9f9ad1029593b01e79319b7d069877 c5dbdc3f47e6e737630ae52
harvester/interfaces/IExtractorStakingRu les.sol	bcc4c924d1711f69159e6682069da2c294dc0ab9c 5d169061497b9296c69b6eb
harvester/interfaces/IHarvester.sol	6733514f4fe96d9acc37bd794137a1a0cafa196f5 d68414c3973ba8c85d4fade

### 🔊 macro

harvester/interfaces/IHarvesterFactory.s ol	61bebb2f33efee7b2bc6ce247c7d22045301f1b87 338bbd0b59c0d8b0eee4023
harvester/interfaces/IMiddleman.sol	e1cbd6356e18232d3f35b9565af51e9f1a3b907a9 52eb7748fda001573b85bc6
harvester/interfaces/INftHandler.sol	b4e4a89043bc4159881e5fb18e9149fb41b0d7bd8 4fa5866cfb17fe300c252c2
harvester/interfaces/IPartsStakingRules.s ol	c0d978c53b2ce0df967a3e9ad1747babe9a9339c9 4e12ef538208e6b5e67bb9f
harvester/interfaces/IStakingRules.sol	ebe01b23135912ee2a632314c495542b4c8dbfcae 13697fe8c40e921a27adb36
harvester/lib/Constant.sol	43bd37cc3a1d3a3f6278152e56ad69d11cca53f8b 372641535cff4ecf565a392
harvester/rules/ExtractorStakingRules.so	616597784a5cc4ec27f9d9b3b365b8cd7439dc545 815689c77a1767e32b98a7c
harvester/rules/LegionStakingRules.sol	7ca128960f6d00ec1a3dbda9f8dc00ea8d6ac4bf7 20f820524439647fe35989e
harvester/rules/PartsStakingRules.sol	e1b15b309f316beabef88ef9b8074564256159ac9 e5ff551dd2d461aa0388ea7
harvester/rules/StakingRulesBase.sol	881d6246ba488038b16a689955125bac7cd627d5d 4808915aaeec253809b6437
harvester/rules/TreasureStakingRules.sol	697f1233ece7c9bbf4ef2d8d53aab1f78fe8d0048 fda42a402840cecefa07fb8

**Note:** This document contains an audit solely of the Solidity contracts listed above. Specifically, the audit pertains only to the contracts themselves, and does not pertain to any other programs or scripts, including



## **Issue Descriptions and Recommendations**

Click on an issue to jump to it, or scroll down to see them all.

- H- Rewards distribution not working due to incorrect utilization boost factor
- H-2 Boost factors are incorrectly combined
- Harvesters with TreasureStakingRules configured cannot receive rewards
- Unfair reward distribution between harvesters due to missed checkpoints in the case of
   NFTs
- Rewards distribution incorrect in presence of disabled harvesters
- **H-2** Unclaimed rewards for disabled harvester stuck in Middleman
- W-3 Use of setExtractorAddress can break Extractor staking
- H4 LegionStakingRules parameter changes result in accounting discrepancies
- Disabling the existing NftConfig leads to stuck NFTs
- Unnecessary updateRewards executions and LogUpdateRewards event emissions
- unstakeNft uses transferFrom instead of safeTransferFrom
- Particular order of operations leads to deposit positions that cannot be properly cleaned up
- Harvester#getDepositTotalBoost calculation is incorrect
- NftHandler should inherit from ERC721HolderUpgradeable
- Reward distribution between harvesters is not checkpointed in the case of privileged actions.
- → Depending on maxStakable, methods of ExtractorStakingRules can go out of gas
- ← Call to parent initializers should be executed with the highest priority

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- Q-4 Move event declarations from contract implementations to interfaces
- Q-5 Implement corresponding interfaces for all StakingRules
- Remove unnecessary code
- Q-7 Avoid using modifiers when they are applied only once
- •• In NftHandler modifiers canStake and canUnstake should revert
- •• Rename canStake and canUnstake in IStakingRules
- **Remove unused event declaration in the Harvester**
- **Unused \_user argument in the NftHandler modifiers**
- **Q** Use the checks-effects-interactions pattern in stakeNft and unstakeNft
- Q-13 Split ERC721 and ERC1155 handling into separate internal functions
- **Q** Use established conventions for error reporting
- Q-15 Avoid using function naming conventions for variables
- **4-16** Use common base for all constants in LegionStakingRules
- **Q-17** Improve code documentation
- **Add** user info to event parameters emitted by NftHandler
- <sup>G-1</sup> Replace unnecessary calls to getNftBoost within NftHandler
- G-2 totalRewardsEarned is tracked unnecessarily in updateRewards
- <sup>G-3</sup> In calculateVestedPrincipal, consider removing unnecessary condition
- G-4 External calls can be avoided by storing details in the contract itself
- **G-5** Consider not using the Counters library for extractorCount variable

## **Security Level Reference**

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Level	Description
High	The issue poses existential risk to the project, and the issue identified could lead to massive financial or reputational repercussions.
High	We highly recommend fixing the reported issue. If you have already deployed, you should upgrade or redeploy your contracts.
Medium	The potential risk is large, but there is some ambiguity surrounding whether or not the issue would practically manifest.
	We recommend considering a fix for the reported issue.
	The risk is small, unlikely, or not relevant to the project in a meaningful way.
Low	Whether or not the project wants to develop a fix is up to the goals and needs of the project.
Code Quality	The issue identified does not pose any obvious risk, but fixing it would improve overall code quality, conform to recommended best practices, and perhaps lead to fewer development issues in the future.
Informational	Warnings and things to keep in mind when operating the protocol. No immediate action required.
Gas Optimizations	The presented optimization suggestion would save an amount of gas significant enough, in our opinion, to be worth the development cost of implementing it.



## **Issue Details**

#### H-1 Rewards distribution not working due to incorrect utilization boost factor

TOPIC	STATUS	IMPACT	LIKELIHOOD
Spec	Fixed 🖸	High	High

Rewards for registered Harvesters are calculated in proportion to their shares. Harvester share is

determined by three factors: harvesterTotalBoost , corruptionNegativeBoost and utilBoost .

```
function getHarvesterEmissionsShare(address _harvester) public view returns (uin
    uint256 harvesterTotalBoost = IHarvester(_harvester).nftHandler().getHarvest
    uint256 utilBoost = getUtilizationBoost(_harvester);
    uint256 corruptionNegativeBoost = getCorruptionNegativeBoost(_harvester);
    return harvesterTotalBoost * utilBoost / Constant.ONE * corruptionNegativeBo
}
```

Rewards distribution requires that all three factors are correct. In section 2.3.4 of the specification,

utilization is defined as "the ratio between the amount of deposited MAGIC in a particular harvester over the total deposit capacity for that harvester." Reaching specified levels by this ratio determines utilization boost factor.

However, current implementation calculates utilization in the following way:

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```
uint250 magicrotatbeposits = inarvester(_narvester).magicrotatbeposits();
uint256 len = excludedAddresses.length();
for (uint256 i = 0; i < len; i++) {
    circulatingSupply -= magic.balanceOf(excludedAddresses.at(i));
}
uint256 rewardsAmount = magic.balanceOf(_harvester) - magicTotalDeposits;
circulatingSupply -= rewardsAmount;
if (circulatingSupply != 0) {
    util = magicTotalDeposits * Constant.ONE / circulatingSupply;
}
```

This implementation is incorrect because it is based on circulatingSupply, which represents total MAGIC token supply minus some of the token balances of well-known system contracts (e.g., the Treasury and Ecosystem Fund). Considering the fact that total MAGIC token supply is much larger than total deposit capacity for individual harvesters, utilization boost factor for all harvesters will always be o. As a result, harvesters will not be able to claim their reward, while emitted rewards will be stuck in the Middleman contract.

Consider updating the getUtilization function to properly follow the specification for calculating utilization boost factor, which is dependent only on the amount of deposited magic and total deposit capacity for the particular harvester.

#### H-2 Boost factors are incorrectly combined

STATUS	IMPACT	LIKELIHOOD
Fixed 🗹	High	High

TOPIC Spec



UserBoostedDepositA = MagicDeposit \* (1 + TimelockBoost + LegionsBoost + Treasur

Moreover, the specification says the following:

Deposit Boosts for NFTs are **additive**, not multiplicative. For example, a user with 100 MAGIC staked for 2 weeks, plus 2x Genesis All Class and 3x Honeycombs, would have: Base Deposit Boost of 1x Additive modifiers of (10%) + (2 x 200%) + (3 x 15.78%) Total Deposit Boost of 1 \* (1 + 0.1 + 4 + 0.4734) = 5.573

However, the Harvester.sol implementation does not follow the specification, and boost factors are combined in an entirely different way. In Harvester.sol, within the deposit function, lock boost is applied in a multiplicative way:

uint256 lockLpAmount = \_amount + \_amount \* lockBoost / ONE;

This lockLpAmount is then provided as an arg to the \_recalculateGlobalLp function:

\_recalculateGlobalLp(msg.sender, \_amount.toInt256(), lockLpAmount.toInt256());

In \_recalculateGlobalLp , userNftBoost is also applied in a multiplicative way that, when simplified, looks
like lockLpAmount = lockLpAmount + lockLpAmount \* userNftBoost . See line 5 below:

function \_recalculateGlobalLp(address \_user, int256 \_amount, int256 \_lockLpAmoun GlobalUserDeposit storage userGlobalDeposit = getUserGlobalDeposit[\_user]; uint256 nftBoost = nftHandler.getUserBoost(\_user);

uint256 new/GloballockInΔmount = (userGlobalDenosit aloballockInΔmount toTnt2 https://0xmacro.com/library/audits/treasuredao-1 }



```
userGlobalDeposit.globalDepositAmount = (userGlobalDeposit.globalDepositAmou
userGlobalDeposit.globalLockLpAmount = newGlobalLockLpAmount;
userGlobalDeposit.globalLpAmount = newGlobalLpAmount;
userGlobalDeposit.globalRewardDebt += globalLpDiff * accMagicPerShare.toInt2
totalLpToken = (totalLpToken.toInt256() + globalLpDiff).toUint256();
int256 accumulatedMagic = (newGlobalLpAmount * accMagicPerShare / ONE).toInt
pendingRewards = (accumulatedMagic - userGlobalDeposit.globalRewardDebt).toU
```

Overall, boost factors are combined in Harvester.sol according to the following formula, which - as you may notice - is different from the one defined in the specification:

UserBoostedDepositA = MagicDeposit \* (1 + LockBoost) \* (1 + NftBoost)

As a result, the system exhibits incorrect behavior.

Consider updating the Harvester implementation to properly follow the specification. Boost factors must be summed up before they are applied to the deposited amount. Changes are required in at least the deposit and \_recalculateGlobalLp functions.

**RESPONSE BY TREASURE DAO:** 

The specification was updated to match the implementation behavior.

#### H-3 Harvesters with TreasureStakingRules configured cannot receive rewards



TreasureStakingRules support only user boost; they do not support harvester boost. Therefore, when TreasureStakingRules are present on a particular harvester (alone or combined with other staking rules), the harvester boost factor, originating from TreasureStakingRules, should not affect total harvester boost. The boost should be 1, or any other outcome resulting from multiplying harvester boost factors that originate from other staking rules.

However, the following TreasureStakingRules implementation of the getHarvesterBoost function is incorrect:

```
function getHarvesterBoost() external pure returns (uint256) {
    // Treasure staking only boosts userBoost, not harvesterBoost
    return 0;
}
```

A harvester boost factor of o, originating from TreasureStakingRules, affects total harvester boost calculation in the NftHandler function getHarvesterTotalBoost . The result: a total harvester boost of o whenever TreasureStakingRules is present. Consequently, this prevents a distribution of rewards given to the particular harvester.

```
function getHarvesterTotalBoost() public view returns (uint256 boost) {
   boost = Constant.ONE;
   for (uint256 i = 0; i < allAllowedNfts.length(); i++) {
      address _nft = allAllowedNfts.at(i);
      IStakingRules stakingRules = allowedNfts[_nft].stakingRules;
      if (address(stakingRules) != address(0)) {
           boost = boost * stakingRules.getHarvesterBoost() / Constant.ONE;
      }
</pre>
```



Consider updating the getHarvesterBoost function within TreasureStakingRules to the following implementation:

```
function getHarvesterBoost() external pure returns (uint256) {
    // Treasure staking only boosts userBoost, not harvesterBoost
    return Constant.ONE;
}
```

## H-4 Unfair reward distribution between harvesters due to missed checkpoints in the case of NFTs

ΤΟΡΙΟ	STATUS	IMPACT	LIKELIHOOD
Protocol Design	Fixed 🗹	High	High

Rewards are collected as a payment stream from MasterOfCoin to MiddleMan and then distributed between Harvesters and AtlastMine, based on emission share. Whenever an action is made (deposit, withdraw, harvestAll), a call is made to Middleman; which calls MasterOfCoin and requests rewards until that time. These rewards are then distributed across harvesters on basis of their emission shares.

This emission share is calculated as:

```
Harvester Mining Power = Parts * Legions * Extractors * Utilisation * Corruption
```

Harvester Emission Share = Harvester Mining Power / Sum (Harvester Mining Power (i)) + Atlas Mining Power

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Extractors and Corruption.

However, if an NFT is staked or unstaked, it is not being checkpointed. stakeNFT triggers updateNFTBoost (of harvester), which calls \_recalculateGlobalLp, which checkpoints for user rewards inside harvester; but, as updateReward is not called, the reward is not checkpointed for harvesters. This results in unfair reward distribution.

Consider adding updateReward modifier to updateNftBoost, of the harvester, as it's done for deposits and withdrawals.

#### M-1 Rewards distribution incorrect in presence of disabled harvesters

TOPIC	STATUS	IMPACT	LIKELIHOOD
Protocol Design	Fixed 🖸	Medium	Low

In Middleman.sol, rewards for harvesters are calculated proportionally to the individual harvester share of the total share.

To calculate each harvester's share, in getHarvesterShares, the system iterates through all of the harvesters registered in HarvesterFactory.

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```
harvesterShare[i] = getHarvesterEmissionsShare(allHarvesters[i]);
totalShare += harvesterShare[i];
if (allHarvesters[i] == _targetHarvester) {
    targetIndex = i;
    }
}
if (atlasMine != address(0) && atlasMineBoost != 0) {
    totalShare += atlasMineBoost;
}
```

In addition to providing details about all harvesters, HarvesterFactory offers capability to enable/disable an individual harvester.

```
function enableHarvester(IHarvester _harvester) external onlyRole(HF_DEPLOYER) {
    _harvester.enable();
}
function disableHarvester(IHarvester _harvester) external onlyRole(HF_DEPLOYER)
    _harvester.disable();
}
```

It does this using corresponding functions in Harvester.sol.

```
function enable() external onlyFactory {
    disabled = false;
    emit Enable();
}
function disable() external onlyFactory {
    disabled = true;
    emit Disable();
}
```

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We are looking to allow Guilds to fight over a Harvester in a game, and then have the outcome of the game disable the yield to the old harvester if the defending team loses, while we deploy a new Harvester for the winning guild.

However, Middleman.sol's rewards calculation includes enabled and disabled harvesters. As a result, the rewards of enabled harvesters will be smaller than expected in the presence of disabled harvesters — the extent of how much smaller depends on the proportional amount of harvester shares associated with the disabled harvesters that should have been excluded from consideration.

Consider filtering out disabled harvesters in the process of rewards calculation at Middleman.sol or HarvesterFactory.

#### M-2 Unclaimed rewards for disabled harvester stuck in Middleman

TOPIC Protocol Design STATUS IMPACT LIKELIHOOD Fixed ☑ Medium Low

In Middleman.sol, rewards calculation is triggered by an external call to the distributeRewards function. As part of this process, rewards accrue for each registered harvester within Middleman. Rewards are transferred, or pulled, to the individual harvester on request (more precisely, by the individual harvester calling Middleman#requestRewards ). If this call is not triggered for a long period of time, one can expect a potentially significant amount of accrued rewards — meant for particular harvester — to become stored in Middleman. As part of the regular system operation, anyone can trigger deposit , harvestAll , or withdrawPosition to pull rewards from Middleman to Harvester.

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updateRewards modifier. As a result, users/depositors of the particular harvester will be negatively affected because their share of earned rewards will be stuck in the Middleman contract.

```
modifier updateRewards() {
    uint256 lpSupply = totalLpToken;
    if (lpSupply > 0 && !disabled) {
        uint256 distributedRewards = factory.middleman().requestRewards();
        totalRewardsEarned += distributedRewards;
        accMagicPerShare += distributedRewards * ONE / lpSupply;
        emit LogUpdateRewards(distributedRewards, lpSupply, accMagicPerShare);
    }
    _;
}
```

Consider updating updateRewards and pendingRewardsAll to remove the !disabled condition guard so that users can pull previously earned rewards from Middleman, even if their harvester is disabled.

#### M-3 Use of setExtractorAddress can break Extractor staking

ΤΟΡΙΟ	STATUS	IMPACT	LIKELIHOOD
Use Cases	Fixed 🗹	Medium	Low

In ExtractorStakingRules, setExtractorAddress is a privileged function that enables admin to change the address of the ERC1155 contract, which manages tokens that are eligible to be used as Extractor tokens.

ExtractorStakingRules implementation has maxStakeable spots per NftConfig enabled within particular harvester. When these spots are filled and individual extractor tokens — which are staked — expire, the



The replaceExtractor function, as part of its implementation, contains the following code, which performs core processing:

```
(
   address user,
   uint256 replacedTokenId,
   uint256 replacedAmount
) = stakingRules.canReplace(msg.sender, _nft, _tokenId, _amount, _replacedSpotId
```

```
IERC1155(_nft).safeTransferFrom(msg.sender, address(this), _tokenId, _amount, by
ERC1155Burnable(_nft).burn(address(this), replacedTokenId, replacedAmount);
```

```
stakedNfts[user][_nft][replacedTokenId] -= replacedAmount;
stakedNfts[msg.sender][_nft][_tokenId] += _amount;
```

In normal circumstances, the system operates properly. However, when setExtractorAddress is invoked, it changes the ERC1155 contract address for acceptable tokens. And, when replaceExtractor is called with a new \_nft contract address, the following results occur:

- canReplace executes successfully.
- IERC1155(\_nft).safeTransferFrom executes successfully.
- ERC1155Burnable(\_nft).burn, referencing the incorrect \_nft contract, fails or even worse destroys the incorrect token from the new NFT contract address.
- Additionally, if the previous line executes without any errors, the following line may also cause revert, since the left side will evaluate to o, resulting in an underflow error: stakedNfts[user][\_nft][replacedTokenId] -= replacedAmount;



Consider:

- removing the privileged method, such as setExtractorAddress , or
- updating the replaceExtractor function to handle this edge case properly.

#### M-4 LegionStakingRules parameter changes result in accounting discrepancies

TOPIC Use Cases STATUSIMPACTLIKELIHOODFixed ☑MediumMedium

In LegionStakingRules, legionBoostMatrix, legionRankMatrix and legionWeightMatrix are runtime configurable variables. These matrixes of parameters affect user boost factor, harvester boost factor (total rank) and per user level constraint (weightStaked).

```
function getUserBoost(address, address, uint256 _tokenId, uint256) external view
    ILegionMetadataStore.LegionMetadata memory metadata = legionMetadataStore.me
    return getLegionBoost(uint256(metadata.legionGeneration), uint256(metadata.l
}
```

```
function getLegionBoost(uint256 _legionGeneration, uint256 _legionRarity) public
    if (_legionGeneration < legionBoostMatrix.length && _legionRarity < legionBo
        return legionBoostMatrix[_legionGeneration][_legionRarity];
    }
    return 0;</pre>
```

}



In NftHandler, getNftBoost wraps call to getUserBoost on associated LegionStakingRules instance.

```
function getNftBoost(address _user, address _nft, uint256 _tokenId, uint256 _amo
IStakingRules stakingRules = allowedNfts[_nft].stakingRules;

if (address(stakingRules) != address(0)) {
    boost = stakingRules.getUserBoost(_user, _nft, _tokenId, _amount);
    }
}
```

In NftHandler, when user stakes an NFT token associated with LegionStakingRules, within canStake function system increments getUserBoost accumulator.

getUserBoost[msg.sender] += getNftBoost(msg.sender, \_nft, \_tokenId, \_amount); harvester.updateNftBoost(msg.sender);

Also, in the canUnstake function, the system correspondingly decrements the getUserBoost accumulator:

getUserBoost[msg.sender] -= getNftBoost(msg.sender, \_nft, \_tokenId, \_amount); harvester.updateNftBoost(msg.sender);

Notice that when getNftBoost has deterministic result for particular token, stakeNft followed by unstakeNft will result getUserBoost[msg.sender] having initial value of o. And that is what the implementation implicitly assumes.

However, as previously described LegionStakingRules parameters are changeable. Therefore following two cases are also possible:

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In unstakeNft boost is N-1 getUserBoost[msg.sender] is 1, while user doesn't have staked NFTs

- 2. User cannot unstake previously staked Legion
  - In stakeNft boost is N

LegionStakingRules are updated so boost for particular token is increased

In unstakeNft boost is N+1

Following line reverts with underflow

getUserBoost[msg.sender] -= getNftBoost(msg.sender, \_nft, \_tokenId, \_amount);

Similar edge cases and associated issues are also possible in LegionStakingRules \_canStake and \_canUnstake functions with regards to totalRank and weightStaked.

```
function _canStake(address _user, address, uint256 _tokenId, uint256) internal o
    staked++;
    totalRank += getRank(_tokenId);
    weightStaked[_user] += getWeight(_tokenId);
    if (weightStaked[_user] > maxLegionWeight) revert("MaxWeight()");
}
function _canUnstake(address _user, address, uint256 _tokenId, uint256) internal
    staked--;
    totalRank -= getRank(_tokenId);
    weightStaked[_user] -= getWeight(_tokenId);
}
```

Consider removing capability for changing LegionStakingRules parameters.

#### **M-5** Disabling the existing NftConfig leads to stuck NFTs



In NftHandler, setNftConfig is a privileged action that allows admin to disable particular NftConfig:

```
function _setNftConfig(address _nft, NftConfig memory _nftConfig) internal {
    if (address(_nftConfig.stakingRules) != address(0)) {
        // it means we are adding _nft or updating its config
        // ignore return value in case we are just updating config
        allAllowedNfts.add(_nft);
    } else {
        if (!allAllowedNfts.remove(_nft)) revert("AlreadyDisallowed()");
        _nftConfig.supportedInterface = Interfaces.Unsupported;
    }
    allowedNfts[_nft] = _nftConfig;
    emit NftConfigSet(_nft, _nftConfig);
}
```

However, when that happens, users with staked NFTs will be left with no ability to unstake them. When users attempt to unstake their NFTs, unstake method execution will result in a revert, with the message NftNotAllowed().

Consider updating the unstakeNft functionality to allow unstaking, even if a particular NFT contract is not currently allowed — or remove the capability to disable NFT configs.

## L-1 Unnecessary updateRewards executions and LogUpdateRewards event emissions

TOPIC	STATUS	IMPACT	LIKELIHOOD
Use Cases	Fixed 🗹	Low	Medium

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middleman().requestRewards().Currently, however, on each invocation, LogUpdateRewards event will be emitted and additional calculations will be performed which is unnecessary.

```
modifier updateRewards() {
    uint256 lpSupply = totalLpToken;
    if (lpSupply > 0 && !disabled) {
        uint256 distributedRewards = factory.middleman().requestRewards();
        totalRewardsEarned += distributedRewards;
        accMagicPerShare += distributedRewards * ONE / lpSupply;
        emit LogUpdateRewards(distributedRewards, lpSupply, accMagicPerShare);
    }
    _;
}
```

Consider adding a guard and performing corresponding actions only if distributed Rewards  $\neq$  o.

#### L-2 unstakeNft uses transferFrom instead of safeTransferFrom

ΤΟΡΙΟ	STATUS	IMPACT	LIKELIHOOD
Coding Standards	Fixed 🗹	Low	Low

In NftHandler.sol, within the unstakeNft function, token is transferred to msg.sender in the following way (which does not perform a check if the receiver can handle the ERC721 token, in case it is a contract, not an EOA):

```
IERC721(_nft).transferFrom(address(this), msg.sender, _tokenId);
```



## L-3 Particular order of operations leads to deposit positions that cannot be properly cleaned up

TOPIC	STATUS	IMPACT	LIKELIHOOD
Use Cases	Fixed 🗹	Low	Low

In Harvester.sol, the withdrawPosition function calls another function to remove deposit position entry. Call is guarded by a condition that requires associated deposit and pending rewards to be withdrawn already (i.e., o).

```
if (user.depositAmount == 0 && user.lockLpAmount == 0 && pendingRewards == 0) {
    _removeDeposit(msg.sender, _depositId);
}
```

However, if withdrawPosition/withdrawAll is called first, with pendingRewards still present for the particular user, \_removeDeposit will not be executed because this guard condition will evaluate to be false.

In addition, on each followup attempt to call withdrawPosition , this code would not be reachable. The only case when the \_removeDeposit function is executed is when harvestAll is called before withdrawPosition , since the harvestAll execution would result in pendingRewards being o.

This may result in a continuous increase of the number of records in the *allUserDepositIds* variable. Consequently, functions that iterate through *allUserDepositIds*, such as withdrawAll and



Consider:

- implement cleanup functionality also in harvestAll, or
- prevent direct calls to withdrawPosition/withdrawAll so that it can be invoked only after harvestAll.

#### **RESPONSE BY TREASURE DAO:**

Pending rewards check was a leftover from the previous implementation.

#### **L-4** Harvester#getDepositTotalBoost calculation is incorrect

ТОРІС	STATUS	IMPACT	LIKELIHOOD
Spec	Fixed 🗹	Low	Low

In Harvester.sol, getDepositTotalBoost is implemented in the following way:

```
function getDepositTotalBoost(address _user, uint256 _depositId) external view r
    (uint256 lockBoost, ) = getLockBoost(userInfo[_user][_depositId].lock);
    uint256 userNftBoost = nftHandler.getUserBoost(_user);
    // see: `_recalculateGlobalLp`.
    // `userNftBoost` multiplies lp amount that already has `lockBoost` added
    // that's why we have to add `lockBoost * userNftBoost / ONE` for correct re
    return lockBoost + userNftBoost + lockBoost * userNftBoost / ONE;
}
```

However, the boosted deposit amount calculation, as defined in section 2.3 of the specification, is:



Therefore, consider updating the final expression in getDepositTotalBoost to the following:

return 1 + lockBoost + userNftBoost

#### **L**-5 NftHandler should inherit from ERC721HolderUpgradeable

TOPIC	STATUS	IMPACT	LIKELIHOOD
Coding Standards	Fixed 🖸	Low	Low

NftHandler manages both ERC721 and ERC1155 tokens. Also, NftHandler properly advertises ERC1155 support by inheriting the ERC1155HolderUpgradeable contract. However, it does not do the same for ERC721. Thus, third party smart contracts, such as smart wallets, may be unable to transfer ERC721 tokens to the NftHandler contract because of built-in checks, which require NftHandler to properly advertise ERC721 token support.

Consider updating NftHandler to also inherit from ERC721HolderUpgradeable . Corresponding changes are also necessary in both NftHandler#init and NftHandler#supportsInterface functions.

#### L−6 Reward distribution between harvesters is not checkpointed in the case of privileged actions.

TOPIC
Protocol Desian
https://0xmacro.com/library/audits/treasuredao-1

STATUSIMPACTLIKELIHOODFixed 12LowMedium

## nacro 🧖

Rewards between harvesters are decided based on emission shares, which is calculated from various boosts.

```
Harvester Mining Power = Parts * Legions * Extractors * Utilisation * Corruption
```

```
Harvester Emission Share = Harvester Mining Power /
Sum (Harvester Mining Power (i)) + Atlas Mining Power
```

Following boost factors are updatable for an admin.

- Drip corruption tokens to the particular harvester.
- Update ExtractorStakingRules parameters (such as a lifetime and token boost factor) through setExtractorLifetime and setExtractorBoost.
- Update LegionStakingRules parameters through setLegionBoostMatrix, setLegionWeightMatrix, setLegionRankMatrix, setBoostFactor.
- Update PartsStakingRules parameters (such as a boost factor) through setBoostFactor.

The preceding updates change emission shares for harvesters. However, if distributeRewards is not called before these admin actions, the middle checkpoint is missed. As a result system exhibits **an unfair reward distribution** behavior.

Consider making the call to distributeRewards mandatory before doing these admin actions.

### L-7 Depending on maxStakable, methods of ExtractorStakingRules can go out of gas



The following loop is executed for each extractor whenever an extractor is staked:

```
_canStake(address _user, address _nft, uint256 _tokenId, uint256 _amount) =>
  for (uint256 i = 0; i < _amount; i++) {
    uint256 spotId = extractorCount.current();
    stakedExtractor[spotId] = ExtractorData(_user, _tokenId, block.timestamp
    extractorCount.increment();
  }</pre>
```

More importantly, whenever totalBoost is calculated for each harvester in

Middleman#distributeRewards, the following loop is executed for each extractor within each harvester:

```
function getExtractorsTotalBoost() public view returns (uint256 totalBoost) {
   for (uint256 i = 0; i < extractorCount.current(); i++) {
      if (isExtractorActive(i)) {
        totalBoost += extractorBoost[stakedExtractor[i].tokenId];
      }
   }
}</pre>
```

This loop is redundant and may go above the gas limit, depending on the maxStakable value. Middleman#distributeRewards is a core system function that must be executed at least once per block; this function iterates through all staked extractor spots as part of an underlying execution. If the number of staked extractor spots becomes large enough, the system may not operate properly because executing Middleman#distributeRewards will be expensive to run or may halt due to an out-of-gas error.

Consider the following options to resolve this:

1. Define acceptable input range for the \_maxStakeable parameter and add corresponding guards.



#### Q-1 Call to parent initializers should be executed with the highest priority

TOPIC	
Code	Quality

STATUS IMPACT Fixed 🗹 Low

In NftHandler.sol's init (and similarly in Harvester.sol's), the method calls to parent initializers

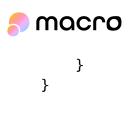
\_\_\_AccessControlEnumerable\_init() and \_\_ERC1155Holder\_init(), which are placed at the end of the method after role operations have already been performed. This may have resulted in an invalid setup.

For this particular case, it is not a cause of concern because parent initializers are calls with no changes. However, to avoid issues in similar situations — ones with initializers that do perform their own setup — it is recommended to follow best practices and put initializers at the top of the init function.

Consider updating the function to the following:

```
function init(
    address _admin,
    address _harvester,
    address[] memory _nfts,
    INftHandler.NftConfig[] memory _nftConfigs
) external initializer {
    __AccessControlEnumerable_init();
    __ERC1155Holder_init();
    _setRoleAdmin(NH_ADMIN, NH_ADMIN);
    _grantRole(NH_ADMIN, _admin);
    harvester = IHarvester(_harvester);
```

```
if (_nfts.length != _nftConfigs.length) revert("InvalidData()");
```



#### Q-2 Unnecessary code duplication

ΤΟΡΙΟ	STATUS	IMPACT
Code Quality	Fixed 🗹	Low

In Harvester.sol, the withdrawAndHarvestAll function has redundant code which is already implemented

in the withdrawAll function.

```
function withdrawAndHarvestAll() public {
    harvestAll();
    // replace following with call to withdrawAll()
    uint256[] memory depositIds = allUserDepositIds[msg.sender].values();
    for (uint256 i = 0; i < depositIds.length; i++) {
        withdrawPosition(depositIds[i], type(uint256).max);
    }
}</pre>
```

#### Q-3 Important Harvester methods not defined in IHarvester interface

TOPIC	STATUS	IMPACT
Code Quality	Wont Do	Low

Following is the list of the methods missing in IHarvester interface



- withdrawAll
- harvestAll
- withdrawAndHarvestPosition
- withdrawAndHarvestAll
- getTimelockOptionIds
- getUserBoost
- getDepositTotalBoost
- getNftBoost
- getAllUserDepositIds, getAllUserDepositIdsLength
- getUserDepositCap
- getLockBoost, getVestingTime
- pendingRewardsAll
- calcualteVestedPrincipal
- setNftHandler, setDepositCapPerWallet, setTotalDepositCap
- addTimelockOption, enableTimelockOption, disableTimelockOption
- setUnlockAll

Consider declaring all external and public functions (including public variables) in the corresponding interface with proper Natspec comments. Check other interfaces and make sure they declare all public/external methods for corresponding contracts.

#### Q-4 Move event declarations from contract implementations to interfaces



Events are part of contract interface rather than implementation. Consider moving all event declarations to corresponding interfaces. Document all declarations with corresponding Natspec comments. This applies to:

- Harvester
- NftHandler
- PartsStakingRules
- ExtractorStakingRules
- LegionStakingRules
- TreasureStakingRules

#### Q-5 Implement corresponding interfaces for all StakingRules

TOPIC Code Quality STATUS IMPACT Wont Do Low

ExtractorStakingRules has the IExtractorStakingRules interface, which defines custom functionality. PartsStakingRules, LegionStakingRules, and TreasureStakingRules also contain custom functionality, but do not have their own corresponding interfaces.

Consider implementing interfaces for all contracts that inherit StakingRulesBase and define all public and external functions/variables.



TOPIC Code Quality STATUS IMPACT Fixed 🗹 Low

user.vestingLastUpdate is not used at all.

Consider removing it along with other related, redundant code, such as \_vestedPrincipal function.

#### Q-7 Avoid using modifiers when they are applied only once

TOPIC Code Quality STATUS IMPACT Wont Do Low

Modifiers are helpful when they are used to ensure a particular check is enforced at various entry points. However, when there is only a single-entry-point modifier, usage does not add value; on the contrary, it only negatively affects code readability.

The following modifiers are used only once:

- Middleman#runIfNeeded
- NftHandler#canStake
- NftHandler#canUnstake

Consider inlining them into corresponding functions to improve code readability.

\_\_\_\_\_

### nacro 🌎

TOPIC Code Quality STATUS IMPACT Fixed 🗹 Low

The modifiers NftHandler#canStake and NftHandle#canUnstake do not revert if the address of stakingRules is o. Execution continues within corresponding calling functions (stakeNft and unstakeNft), despite having no purpose for doing that.

\_\_\_\_\_

This implementation behavior, at the moment, does not lead to a particular security issue due to other checks. However, consider updating the corresponding modifiers/functions to revert/return early, if corresponding conditions are not satisfied, to avoid security issues in the future.

#### **RESPONSE BY TREASURE DAO:**

- canStake reverts when stakingRules are not set making it impossible to stake tokens without proper configuration.
- canUnstake does not revert so it's possible to unstake tokens when the configuration is missing.

#### **Q-9** Rename canStake and canUnstake in IStakingRules

TOPIC	
Code Quality	

STATUS IMPACT Fixed 🖸 Low

In IStakingRules, canStake and canUnstake external methods are declared. All child contracts with various strategies for staking rules implement these two methods using strategy specific behavior for the staking and unstaking of NFT assets.



to incorrectly conclude that these two functions perform a set of checks, but do not update the state.

However, both of these methods update the contract-specific state.

Therefore, consider renaming these two methods to more properly represent their underlying behavior (e.g., stake/unstake , doStake/doUnstake , processStake/processUnstake ).

#### Q-10 Remove unused event declaration in the Harvester

TOPIC Code Quality STATUS IMPACT Fixed 🖸 Low

In the Harvester, the UndistributedRewardsWithdraw event is declared but never used:

event UndistributedRewardsWithdraw(address indexed to, uint256 amount);

Consider removing this event declaration.

#### Q-11 Unused \_user argument in the NftHandler modifiers

TOPIC Code Quality STATUS IMPACT Fixed 🗹 Low



Instead, msg.sender is used within these modifiers.

Consider updating the modifiers' implementation by removing the \_user argument or replacing the reference to msg.sender with \_user .

## Q-12 Use the checks-effects-interactions pattern in stakeNft and unstakeNft

TOPIC Code Quality STATUS IMPACT Fixed ☑ Low

In the NftHandler, the stakeNft and unstakeNft function implementations do not follow the checkseffects-interactions pattern, nor do they feature re-entrancy guards. Currently, this does not result in identified security issues.

However, the NftHandler is meant to be upgradable. Therefore, to avoid security issues being introduced in the future, consider:

- updating the implementation of these methods, to follow the checks-effects-interactions pattern, or
- add re-entrancy protection mechanism, such as OZ's ReentrancyGuardUpgradeable.

# Q-13 Split ERC721 and ERC1155 handling into separate internal functions

In the NftHandler, stakeNft and unstakeNft handle both ERC721 and ERC1155 assets within the same function. Code duplication is minimized in this approach at the cost of a less readable code.

Consider updating these functions to split the handling and processing of ERC721 and ERC1155 assets into different helper functions.

## Q-14 Use established conventions for error reporting

TOPIC Code Quality STATUS IMPACT Fixed I Low

Error reporting within this project uses an unconventional approach — it reverts with a string message, formatted in a way that resembles custom error.

// In ExtractorStakingRules.sol there is following which
// looks like custom errors but it is not
function \_canUnstake(address, address, uint256, uint256) internal pure override
 revert("CannotUnstake()");
}

This is not the proper approach to generate custom errors. A previous code with the proper application of Custom Errors, feature introduced in Solidity 0.8.4, would look like following:

```
error CannotUnstake();
```

function \_canUnstake(address, address, uint256, uint256) internal pure override
 revert CannotUnstake();



Moreover, within codebase, different conventions for checks and error reporting are used. For example, in the NftHandler#validateInput modifier, checks and error reporting are done in following way:

```
modifier validateInput(address _nft, uint256 _amount) {
    if (_nft == address(0)) revert("InvalidNftAddress()");
    if (_amount == 0) revert("NothingToStake()");
    _;
}
```

However, in the ExtractorStakingRules#validateInput modifier, checks and error reporting is implemented differently:

```
modifier validateInput(address _nft, uint256 _amount) {
    require(_nft == extractorAddress, "InvalidAddress()");
    require(_amount > 0, "ZeroAmount()");
    _;
}
```

Consider choosing a single approach — we recommend one relying on custom errors — and applying it consistently within the whole project.

## Q-15 Avoid using function naming conventions for variables

торіс Code Quality STATUS IMPACT Wont Do Low

# oncom 🥐

- Harvester#getUserGlobalDeposit
- NftHandler#getUserBoost
- PartsStakingRules#getAmountStaked
- TreasureStakingRules#getAmountTreasuresStaked

Consider making these variables internal and implementing custom getters if particular function names are desired.

## **Q-16** Use common base for all constants in LegionStakingRules

TOPIC	STATUS	IMPACT
Code Quality	Fixed 🖸	Low

In LegionStakingRules — within constructor legionWeightMatrix — values are defined with different bases.

Some values use e18 as a base, whereas others use e17.

```
legionWeightMatrix = [
    // GENESIS
    // LEGENDARY,RARE,SPECIAL,UNCOMMON,COMMON,RECRUIT
    [uint256(120e18), uint256(40e18), uint256(15e18), uint256(20e18), uint256(10
    // AUXILIARY
    // LEGENDARY,RARE,SPECIAL,UNCOMMON,COMMON,RECRUIT
    [illegalWeight, uint256(55e17), illegalWeight, uint256(4e18), uint256(25e17)
    // RECRUIT
    // LEGENDARY,RARE,SPECIAL,UNCOMMON,COMMON,RECRUIT
    [illegalWeight, illegalWeight, illegalWeight, illegalWeight, illegalWeight,
];
```



In addition, consider using a constant value for a base to avoid typos. Instead of:

[uint256(600e16), uint256(200e16), uint256(75e16), uint256(100e16), uint256(50e1

You may use the following approach:

// add constant
uint256 BASE\_WEIGHT = 1e18;

[uint256(6 \* BASE\_WEIGHT), uint256(2 \* BASE\_WEIGHT), uint256(0.75 \* BASE\_WEIGHT)

## Q-17 Improve code documentation

TOPIC Code Quality STATUS IMPACT Acknowledged Low

While some parts of the audited project are documented using Natspec comments, the majority of the project is missing them. Additionally, a better approach for handling documents through inheritance is only applied within one part of the code; see IStakingRules.sol and StakingRulesBase.sol.

Consider updating the project code to include Natspec comments for all public-facing functions and variables. Follow the same approach as the one already implemented in IStakingRules.sol and StakingRulesBase.sol.

# oncom 🧖

• IStakingRules

Natspec comment for IStakingRules#getUserBoost and StakingRules#getHarvesterBoost should provide details related to the number precision of return values.

ExtractorStakingRules

Incorrect natspec for ExtractorStakingRules.extractorBoost, as it should be maps token Id ⇒ boost value .

/// @dev maps address => token Id => boost value

mapping(uint256 => uint256) public extractorBoost;

Incorrect natspec for ExtractorStakingRules.extractorCount, as it should be similar to the following:

current number of extractor spots taken / next extractor spot

```
/// @dev lastest spot Id
```

Counters.Counter public extractorCount;

```
Missing natspec for the _user and _nft params for the IExtractorStakingRules.canReplace method.
```

Missing natspec in ExtractorStakingRules for the following:

- setMaxStakeable
- setExtractorBoost
- $set {\sf Extractor} {\sf Address}$

setExtractorLifetime

isExtractorActive

getExtractorCount

getExtractors - partially

getExtractorsTotalBoost - partially

- LegionStakingRules all public variables all events all public methods
- ILegionILegionMetadataStore all functions
- PartsStakingRules all public variables

- HarvesterFactory all public variables all events all public/external functions
- Middleman all public variables all events all public/external functions
- IHarvester all
- Harvester

   all public variables
   all events
   all public/external functions
- TreasureStakingRules

   all public variables
   maxStakeablePerUser
   getAmountTreasuresStaked
   all events
   MaxStakeablePerUser
   all public/external functions
   setMaxStakeablePerUser
   getTreasureBoost

# **Q-18** Add user info to event parameters emitted by NftHandler



The NftHandler emits the following events, as part of execution in stakeNft, unstakeNft, and replaceNft functions:

```
event Staked(address indexed nft, uint256 tokenId, uint256 amount);
event Unstaked(address indexed nft, uint256 tokenId, uint256 amount);
event Replaced(address indexed nft, uint256 tokenId, uint256 amount, uint256 rep
```

However, in each case, information about the user in relation to a particular action is missing.

Consider adding the new parameter address indexed user for the above events to facilitate off-chain event indexing and monitoring.

## G-1 Replace unnecessary calls to getNftBoost within NftHandler

TOPIC Gas optimization STATUS IMPACT Wont Do Low

The following line is in stakeNft:

getUserBoost[msg.sender] += getNftBoost(msg.sender, \_nft, \_tokenId, \_amount);

Correspondingly, the following line is in unstakeNft:



In NftHandler, getNftBoost is implemented:

```
function getNftBoost(address _user, address _nft, uint256 _tokenId, uint256 _amo
IStakingRules stakingRules = allowedNfts[_nft].stakingRules;

if (address(stakingRules) != address(0)) {
    boost = stakingRules.getUserBoost(_user, _nft, _tokenId, _amount);
  }
}
```

The only added value of the getNftBoost function is a guard check, in case stakingRules is not set.

However, at places where getNftBoost is called within stakeNft and unstakeNft, stakingRules cannot be o. Therefore, call getUserBoost on stakingRules directly, instead of through getNftBoost, to avoid unnecessary checks.

For example:

// at the beginning of stakeNft or unstakeNft
IStakingRules stakingRules = allowedNfts[\_nft].stakingRules;

## // later

getUserBoost[msg.sender] += stakingRules.getUserBoost(msg.sender, \_nft, \_tokenId

## G-2 totalRewardsEarned is tracked unnecessarily in updateRewards

ТОРІС	STATUS	IMPACT
https://0xmacro.com/library/audits/treasuredao-1		45/48

updateRewards is present in most call paths, so each save that is done in updateRewards matters. If the purpose is for usability, one can derive totalRewardsEarned from the event LogUpdateRewards.

This optimizations saves 1 SSTORE per execution.

#### G-3 In calculateVestedPrincipal, consider removing unnecessary condition

TOPIC Gas optimization STATUS IMPACT Wont Do Low

Following condition is always positive, therefore it may be removed.

```
if (amountWithdrawn < amountVested) {
    amount = amountVested - amountWithdrawn;
}</pre>
```

# G-4 External calls can be avoided by storing details in the contract itself

TOPIC	STATUS	IMPACT
Gas optimization	Acknowledged	Low

For example, in the case of the Harvesters factory.middleman() and factory.magic(), consider defining them in the original contract only if they are not going to be changed regularly.



## G-5 Consider not using the Counters library for extractorCount variable

TOPIC Gas optimization

STATUS IMPACT Wont Do Low

Consider implementing uint256 counter without external library. This is not a very significant optimization, but it is redundant.

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