



**RD
AUDITORS**

RUNE'S SMART CONTRACT, CODE REVIEW AND SECURITY ANALYSIS REPORT

Customer: Rune
Prepared on: 6th October 2021
Platform: BSC
Language: Solidity

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THIS DOCUMENT MAY CONTAIN CONFIDENTIAL INFORMATION ABOUT ITS SYSTEMS AND INTELLECTUAL PROPERTY OF THE CUSTOMER AS WELL AS INFORMATION ABOUT POTENTIAL VULNERABILITIES AND METHODS OF THEIR EXPLOITATION.

THE REPORT CONTAINING CONFIDENTIAL INFORMATION CAN BE USED INTERNALLY BY THE CUSTOMER OR IT CAN BE DISCLOSED PUBLICLY AFTER ALL VULNERABILITIES ARE FIXED - UPON THE DECISION OF THE CUSTOMER.

Document

Name	Smart Contract Code Review and Security Analysis Report of Rune
Platform	BSC / Solidity
File 1	RuneShards.sol
MD5 hash	3D68E35FA285336A8F1E4DBEC7C14D29
SHA256 hash	8E62FBAFB6343016CCA626DEEB6AE5BCEEF605A26B26C4CBDC897B0B5DDD6EB3
Date	06/10/2021

Introduction

RD Auditors (Consultant) were contracted by Rune (Customer) to conduct a Smart Contracts Code Review and Security Analysis. This report represents the findings of the security assessment of the customer`s smart contracts and its code review conducted between 30 September - 6 October 2021.

This contract consists of one file.

Project Scope

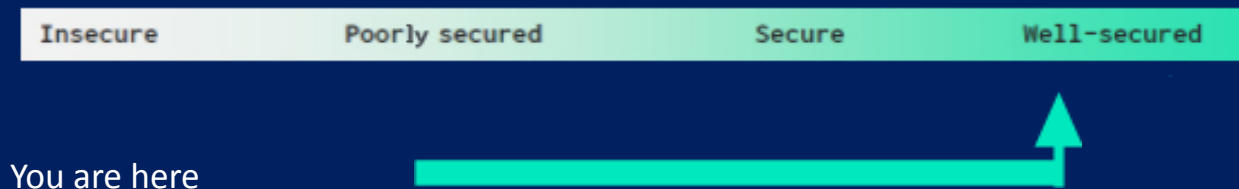
The scope of the project is a smart contract.

We have scanned this smart contract for commonly known and more specific vulnerabilities, below are those considered (the full list includes but is not limited to):

- Reentrancy
- Timestamp Dependence
- Gas Limit and Loops
- DoS with (Unexpected) Throw
- DoS with Block Gas Limit
- Transaction-Ordering Dependence
- Byte array vulnerabilities
- Style guide violation
- Transfer forwards all gas
- ERC20 API violation
- Malicious libraries
- Compiler version not fixed
- Unchecked external call - Unchecked math
- Unsafe type inference
- Implicit visibility level

Executive Summary

According to the assessment, the customer's solidity smart contract is **well-secured**.



Automated checks are with smartDec, Mythril, Slither and remix IDE. All issues were performed by our team, which included the analysis of code functionality, manual audit found during automated analysis were manually reviewed and applicable vulnerabilities are presented in the audit overview section. The general overview is presented in the AS-IS section and all issues found are located in the audit overview section.

We found 0 critical, 0 high, 0 medium, 0 low and 0 very low level issues.

Code Quality

Please note that within this report ERC20, draft-ERC20Permit, ERC20Votes, ReentrancyGuard, AccessControl, EnumerableSet has been utilised from the OpenZeppelin library.

The libraries within this smart contract are part of a logical algorithm. A library is a different type of smart contract that contains reusable code. Once deployed on the blockchain (only once), it is assigned to a specific address and its properties/methods can be reused many times by other contracts.

The Rune team has provided scenario and unit test scripts, which would help to determine the integrity of the code in an automated way.

Overall, the code is almost commented. Commenting can provide rich documentation for functions, return variables and more. Use of Ethereum Natural Language Specification Format (NatSpec) for commenting is recommended.

Documentation

We were given the Rune files as a smart contract

<https://www.bscscan.com/address/0x2098fEf7eEae592038f4f3C4b008515fed0d5886#code>

The hash of that file is mentioned in the table. As mentioned above, It's recommended to write comments in the smart contract code, so anyone can quickly understand the programming flow as well as complex code logic.

Comments are very helpful in understanding the overall architecture of the protocol. It also provides a clear overview of the system components, including helpful details, like the lifetime of the background script.

Use of Dependencies

As per our observation, the libraries are used in this smart contract infrastructure. Those were based on well known industry standard open source projects and even core code blocks that are written well and systematically.

AS-IS Overview

Rune Shards

File And Function Level Report

File: RuneShards.sol

Contract: Rune Shards
Import: ERC20, draft-ERC20Permit, ERC20Votes
ReentrancyGuard, AccessControl, EnumerableSet
Inherit: ERC20, ERC20Permit, ERC20Votes, AccessControl
ReentrancyGuard
Observation: Passed
Test Report: Passed
Score: Passed
Conclusion: Passed

Sl.	Function	Type	Observation	Test Report	Conclusion	Score
1	swap	write	Passed	All Passed	No Issue	Passed
2	botAll	read	Passed	All Passed	No Issue	Passed
3	botAt	read	Passed	All Passed	No Issue	Passed
4	botLength	read	Passed	All Passed	No Issue	Passed
5	excludedAll	read	Passed	All Passed	No Issue	Passed
6	excludedAt	read	Passed	All Passed	No Issue	Passed
7	excludedLength	read	Passed	All Passed	No Issue	Passed
8	isBot	read	Passed	All Passed	No Issue	Passed
9	isExcluded	read	Passed	All Passed	No Issue	Passed
10	addBot	write	Passed	All Passed	No Issue	Passed
11	addExcluded	write	Passed	All Passed	No Issue	Passed
12	changeMaxTransferAmount	write	Passed	All Passed	No Issue	Passed
13	mint	write	Passed	All Passed	No Issue	Passed
14	removeBot	write	Passed	All Passed	No Issue	Passed
15	removeExcluded	write	Passed	All Passed	No Issue	Passed
16	rescueTokens	write	Passed	All Passed	No Issue	Passed
17	setFeeInfo	write	Passed	All Passed	No Issue	Passed

18	setRune	write	Passed	All Passed	No Issue	Passed
19	afterTokenTransfer	write	Passed	All Passed	No Issue	Passed
20	burn	write	Passed	All Passed	No Issue	Passed
21	mint	write	Passed	All Passed	No Issue	Passed
22	transfer	write	Passed	All Passed	No Issue	Passed

Severity Definitions

Risk Level	Description
Critical	Critical vulnerabilities are usually straightforward to exploit and can lead to lost tokens etc.
High	High level vulnerabilities are difficult to exploit; however, they also have a significant impact on smart contract execution, e.g. public access to crucial functions.
Medium	Medium level vulnerabilities are important to fix; however, they cannot lead to lost tokens.
Low	Low level vulnerabilities are most related to outdated, unused etc. These code snippets cannot have a significant impact on execution.
Lowest Code Style/ Best Practice	Lowest level vulnerabilities, code style violations and information statements cannot affect smart contract execution and can be ignored.

Audit Findings

Critical

No critical severity vulnerabilities were found.

High

No high severity vulnerabilities were found.

Medium

No medium severity vulnerabilities were found.

Low

No low severity vulnerabilities were found.

Very Low

No very low severity vulnerabilities were found.

Conclusion

We were given the deployed smart contract link, Github files and associated unit tests based on the given object. The contract is written systematically, so it is ready to go for production.

The security state of the reviewed contract is “well-secured”

Our Methodology

We like to work with a transparent process and make our reviews a collaborative effort. The goals of our security audits are to improve the quality of systems we review and aim for sufficient remediation to help protect users. The following is the methodology we use in our security audit process.

Manual Code Review:

In manually reviewing all of the code, we look for any potential issues with code logic, error handling, protocol and header parsing, cryptographic errors, and random number generators. We also watch for areas where more defensive programming could reduce the risk of future mistakes and speed up future audits. Although our primary focus is on the in-scope code, we examine dependency code and behavior when it is relevant to a particular line of investigation.

Vulnerability Analysis:

Our audit techniques included manual code analysis, user interface interaction, and whitebox penetration testing. We look at the project's web site to get a high level understanding of what functionality the software under review provides. We then meet with the developers to gain an appreciation of their vision of the software. We install and use the relevant software, exploring the user interactions and roles. While we do this, we brainstorm threat models and attack surfaces. We read design documentation, review other audit results, search for similar projects, examine source code dependencies, skim open issue tickets, and generally investigate details other than the implementation.

Documenting Results:

We follow a conservative, transparent process for analyzing potential security vulnerabilities and seeing them through successful remediation. Whenever a potential issue is discovered, we immediately create an Issue entry for it in this document, even though we have not yet verified the feasibility and impact of the issue. This process is conservative because we document our suspicions early even if they are later shown to not represent exploitable vulnerabilities. We generally follow a process of first documenting the suspicion with unresolved questions, then confirming the issue through code analysis, live experimentation, or automated tests. Code analysis is the most tentative, and we strive to provide test code, log captures, or screenshots demonstrating our confirmation. After this we analyse the feasibility of an attack in a live system.

Suggested Solutions:

We search for immediate mitigations that live deployments can take, and finally we suggest the requirements for remediation engineering for future releases. The mitigation and remediation recommendations should be scrutinised by the developers and deployment engineers, and successful mitigation and remediation is an ongoing collaborative process after we deliver our report, and before the details are made public.

Disclaimers

RD Auditors Disclaimer

The smart contracts given for audit have been analysed in accordance with the best industry practices at the date of this report, in relation to: cybersecurity vulnerabilities and issues in smart contract source code, the details of which are disclosed in this report, (Source Code); the Source Code compilation, deployment and functionality (performing the intended functions).

Because the total number of test cases are unlimited, the audit makes no statements or warranties on the security of the code. It also cannot be considered as a sufficient assessment regarding the utility and safety of the code, bugfree status or any other statements of the contract. While we have done our best in conducting the analysis and producing this report, it is important to note that you should not rely on this report only - we recommend proceeding with several independent audits and a public bug bounty program to ensure security of smart contracts.

Technical Disclaimer

Smart contracts are deployed and executed on the blockchain. The platform, its programming language, and other software related to the smart contract can have their own vulnerabilities that can lead to hacks. Thus, the audit can't guarantee explicit security of the audited smart contracts.



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