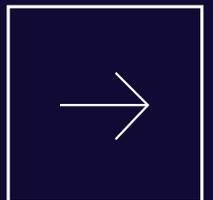# Lunr Utility Token

White Paper

Your Lunr tokens fuel the LunarCrush platform.

Abstract

v2.0 of lunr.pdf comes two main components:

1 Introduction of LunrFi. Denoting the adjustment from an entirely rewards based system to a combination of rewards system and staking.

2 Linearly declining distribution versus a step-down halving distribution.

As you will see in the proceeding sections, we introduce a cap on daily rewards and gradually slow weekly rewards each month – as opposed to the larger emissions with sudden bi-yearly halvings outlined in the initial version of our white paper.

Not only does this soften the impact of a sudden change in rewards for our users, it also creates a more deflationary ecosystem for our holders – helping to support the token's value and better incentivize early participation (tantamount to better rewards for our early users). The reduction in daily emissions will be offset by a new, additional channel for token emissions – LunrFi, which will serve as a smarter distribution mechanism for our community and a means to help to optimize our supply dynamics.

In contrast to the automatic and repetitive nature of daily and weekly rewards, the emission for LunrFi will be deliberate and purposefully strategic to give the community and our project team more levers for governance and incentive alignment. In the future our governance structure will include communal input into how certain portions of the LunrFi allocation are to be distributed. But our mission remains the same – we are here to distill insight, build community, and send our users to the moon.

Read on to find out how.

v2.0 Token Emission / Release Schedule

→ **v2.0 Changes**

No more sudden bi-yearly halvings for daily and weekly rewards.

Daily and weekly rewards are reduced to combat token inflation and excessive supply pressure.

Launch of LunrFi, a suite of DeFi products that serve as an additional mechanism for community rewards distribution.
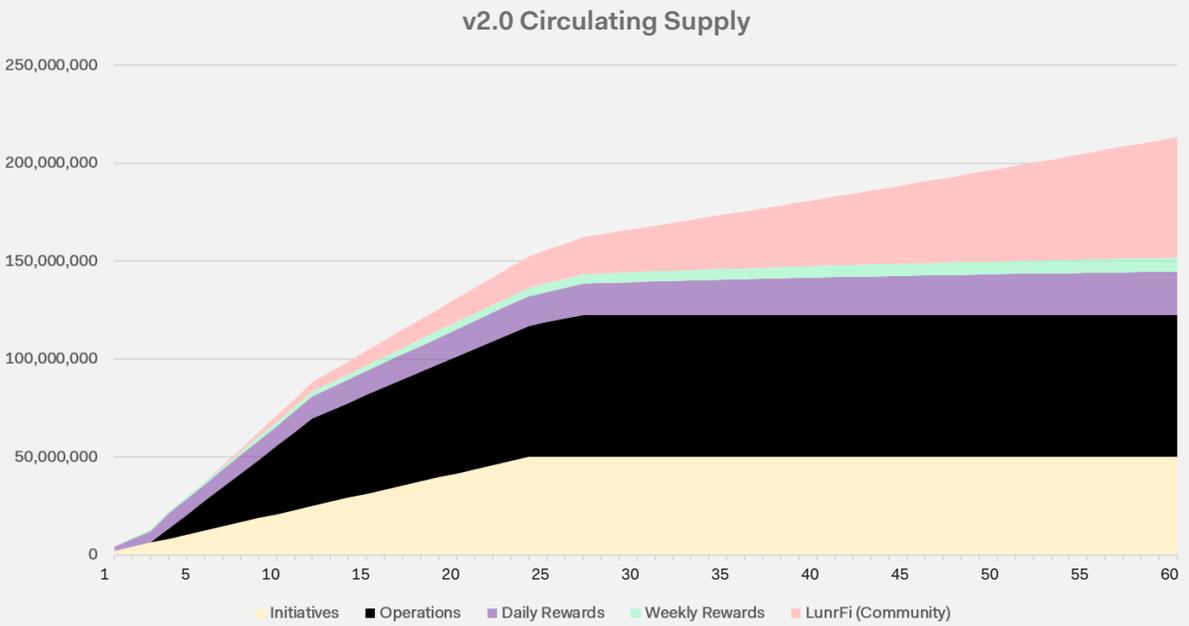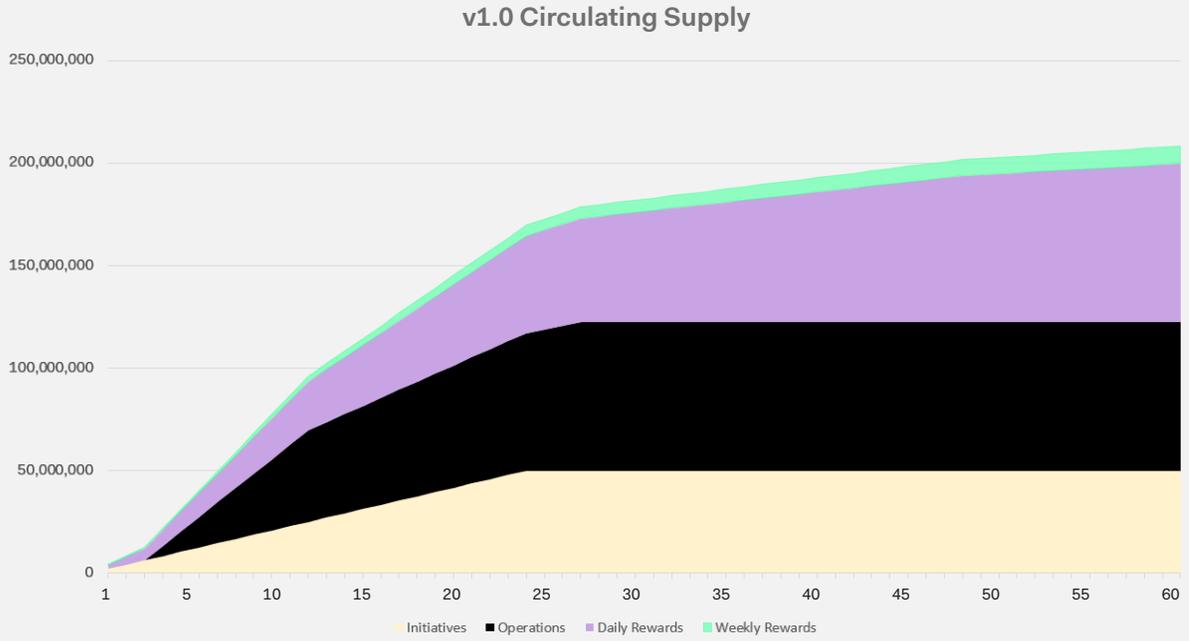
Community Allocation

The Lunr token supply will be allocated as follows, with **no change from v1.0.**

The Community allocation (51%) is earned by community members through interaction and engagement with the platform and will have three main avenues of distribution:

50,000,000
Lunr

127,500,000
Lunr

20%

51%

29%

72,500,000
Lunr

— Community — Operations — Initiatives

Circulating Supply v1.0 vs v2.0

v1.0 Circulating Supply

Initiatives   Operations   Daily Rewards   Weekly Rewards

v2.0 Circulating Supply

Initiatives   Operations   Daily Rewards   Weekly Rewards   LunrFi (Community)

LunrFi

With our newest addition to our tokenomics v2.0, we will be approaching token distribution in more creative, incentive-aligned ways.
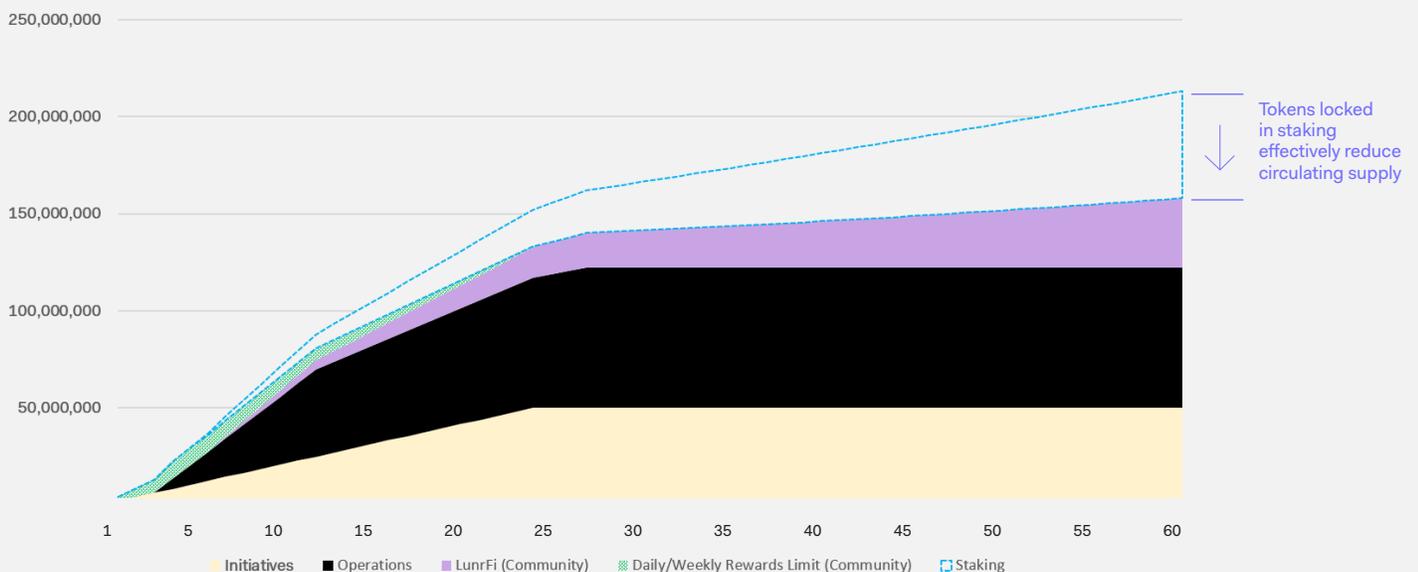
Each day we will be setting aside an allotment of Lunr to dynamically and thoughtfully circulate into the ecosystem.

The makeup of this circulation will include yields on staking, governance allocations, liquidity rewards, and working capital for future LunrFi projects - as well as the introduction of rewards for community challenges, all of which will be drawn from this growing LunrFi budget. By aligning incentives for all players participating in the protocol we can increase the value of the tokens that land in the hands of our users.

The LunrFi daily allocation will start at 25,000 Lunr/day and increase exponentially each month until the amount is 50,000 Lunr/day at Month 60 (September 2026). Each of the product releases under LunrFi will have its own emission metrics and distribution structure, while fitting within the growing LunrFi budget allotment.

Our first release in the new LunrFi budget/distribution mechanism will be LunrFi Staking. Staking LUNR will be functionally equivalent to decreasing overall supply as tokens are locked up by users and kept out of circulation. Rewards from staking will make up a portion of the LunrFi allocation (staking rewards are just part of the total budget) and will include its own maximum daily rewards. More details on staking and max Daily rewards can be found on the LunarCrush app.

Circulating Supply w/ LunrFi Staking (Forecasted)

Tokens locked in staking effectively reduce circulating supply

Legend: Initiatives | Operations | LunrFi (Community) | Daily/Weekly Rewards Limit (Community) | Staking

ver 2.0

Daily Rewards

In tokenomics v2.0 we introduce a slight departure from the daily rewards emissions outlined in the first version of our white paper. Due to the extraordinary growth of the LunarCrush ecosystem and the Lunr Token, an emerging point of concern has been inflation, especially when accounting for further layers of utility and valuation of the token.

The new tokenomics aim to limit this inflation by constraining supply. In lieu of a set amount for distribution there is a hard cap on daily rewards only allowing reward capacity to be filled by honest, active participants. The learnings we have benefitted from over the previous 180 days has enabled us to ensure with a much higher degree of accuracy the rewarding of core users vs. dishonest participants.

By effectively reducing the amount of Lunr entering circulation and introducing short, medium, and long-term staking, we are creating a deflationary environment. This results in an increase in buying power to support increased velocity and usage for the token as products and yield opportunities continue to be added to the platform.

Beginning on April 19 2022, we will be implementing a daily rewards cap of 15,000 Lunr and reducing it by 2.5% each month. This reduction will also be offset by LunrFi distributions. In plain speak, up to 15,000 (or less) will be distributed through daily rewards - this is no longer a set distribution. This will reduce inflation significantly while still ensuring that core participants are adequately compensated (less inflation, higher value).

Daily Reward Pools (Months 1-60)
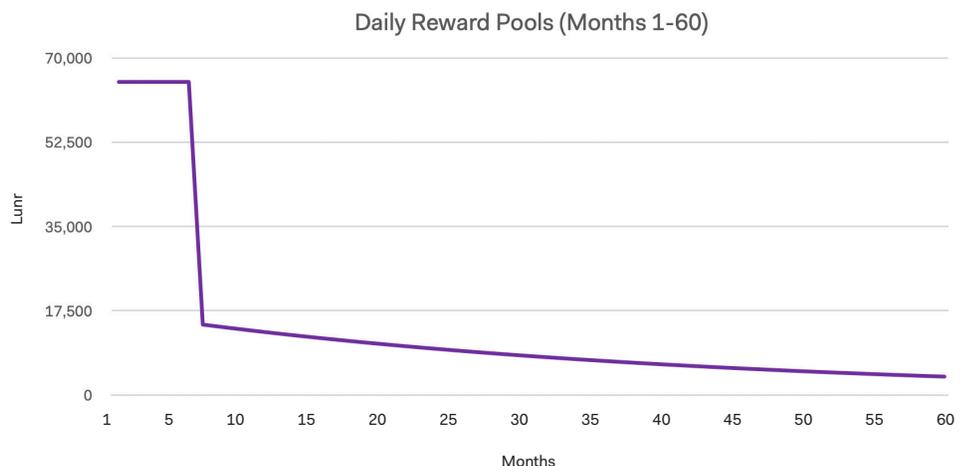
Weekly Rewards

An additional reward bonus is split amongst the community based on their user level. This weekly amount will start at 50,000 Lunr / week and decrease exponentially each month until it reaches 10,000 Lunr / week at Month 60. Much like the new daily rewards, this will mitigate supply pressure and value dilution on our community member's tokens.

Weekly bonus pools are rewarded as follows:

Level 2, 3, and 4 users will receive 20% of the weekly reward pool (spread equally across all Level 2, 3 & 4 users) every Saturday at 4pm GMT.

Additionally, Level 3 and 4 users will receive 35% of the weekly reward pool (spread equally across all Level 3 & 4 users) every Saturday at 4pm GMT.

Lastly, Level 4+ will receive 45% of the weekly reward pool (spread equally across all Level 4 users) every Saturday at 4pm GMT. Higher levels earn larger shares of the weekly in a cumulative fashion that ensures that the higher your level, the more weekly rewards you get relative to lower levels. As higher levels are added to LunarCrush, weekly rewards will be shifted away from the long tail of lower level participants to higher level participants. Level up and capture a larger share of the weekly rewards!

Weekly Reward Pools (Months 1-60)
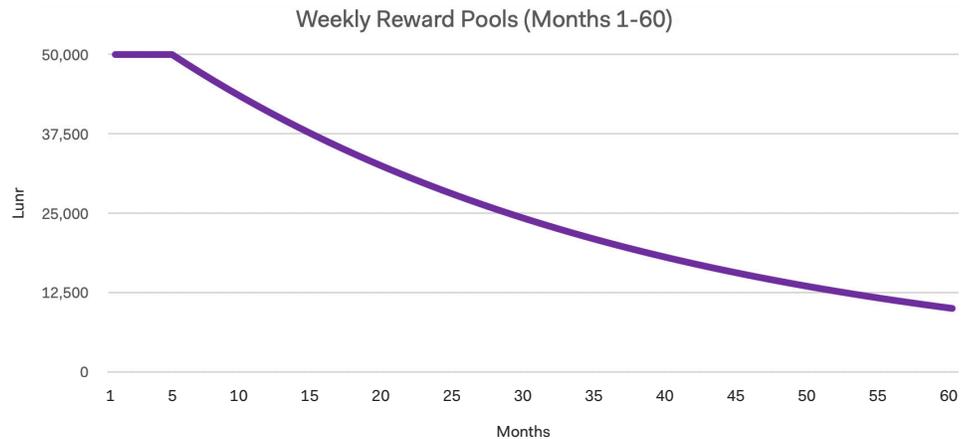
Earning Lunr

The Rewards System.
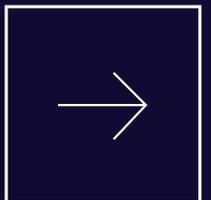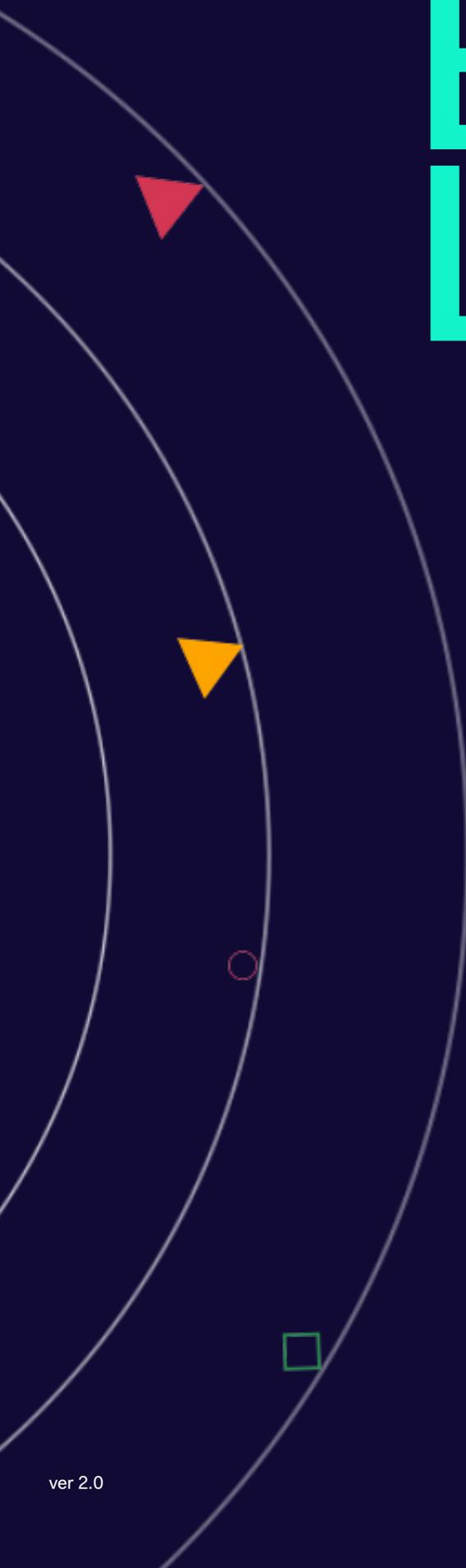
We believe users should be rewarded based on the quality and the quantity of contribution to the community. At LunarCrush, this is manifested through a meritocratic point system that translates into your relative capture of the daily or weekly reward pool.

However, we can't explain the points system without first talking about User Levels and Profile Strength.

User Level & Profile Strength

Upon joining the platform, you will automatically be designated both a User Level and a Profile Strength as an alternative means of verification and credibility weighting as well as your ticket to access higher-tier products, data, and earning potential.

User Levels are determined by the amounts of Lunr earned/held, and your Profile Strength is determined by a myriad of factors, including but not limited to: Twitter/social media presence, previous transactions on your connected wallets, account durations, Lunr Hodl ratio.

Your Profile Strength and your User Level combine to determine the number of points received for certain actions, the maximum number of rewardable actions per day, and the max number of points you can earn per day.

Points System:

A user earns points based on their activity throughout the day. At the end of each day, each user's points are tallied up along with all points earned on the platform (across all users). Each user will earn a percentage of the daily rewards pool, equal to the proportion of the points they earned with respect to the total points earned by all users across the platform.

Example:

On Day 1 the Daily Reward pool is 5,000 Lunr and there are three participants who are earning points.

Bob earns 100 points. Alice earns 150 points. Carol earns 250 points. Across the platform, 500 total points are earned (100 + 150 + 250).

At the end of Day 1, the Lunr Rewards will be as follows:

Bob earns 1,000 Lunr (100 points / 500 points = 20%. 20% of 5,000 Lunr = 1,000 Lunr)

Alice earns 1,500 Lunr (150 points / 500 points = 30%. 30% of 5,000 Lunr = 1,500 Lunr)

Carol earns 2,500 Lunr (250 points / 500 points = 50%. 50% of 5,000 Lunr = 2,500 Lunr)

There is a daily maximum amount of Lunr a user can earn from the Daily Rewards pool (weekly rewards and LunrFi distributions are less bounded). This daily reward pool max will be set dynamically by the platform, meaning that a user will earn the lesser of max daily limit or the points-calculated amount. So in actuality, Daily Lunr rewards are calculated as such:

$$\text{Lunr earned by User X today} = \frac{\text{Points earned by User X today}}{\text{Sum of all points earned by all users today}} \times \text{Daily Reward Pool}$$

(Or)

Max Daily Reward Limit

Point Multipliers (Earn Points Faster)

You can reach your maximum daily points much faster with daily point multipliers. Your daily point multiplier is a coefficient applied to each rewarded point in your daily tally. For example, if your point multiplier is 1.5x, you would earn 1.5 points instead of 1 for every minute of total time spent on the site. This allows you to reach you daily maximum in less time that you would have without the multiplier.

Unissued Tokens

Of the three distribution pools/mechanisms (daily rewards, weekly rewards, LunrFi), only the weekly rewards are a set amount.

Any unissued tokens (i.e. LunrFi budget surplus or portion of any daily rewards pool not distributed) will be held in secure community treasury wallets for later distribution, to be decided through community governance by the end of Month 60 (October 2026). This

gives the ecosystem additional runway by withholding any excess Lunr from circulation in the short and medium terms while creating a more sustainable distribution in the long term. By not inundating the ecosystem with these excess tokens we are adhering to basic, time-tested principles of supply and demand with respect to token value.

As LunarCrush grows and matures, we place the decision of what to do with any unissued tokens in the hands of the community.

Governance Roadmap

In the spirit of drawing wisdom from the crowds, a governance system will be architected into the LunarCrush and the Lunr Token protocol. We believe that leveraging community members is not only in our collective best interest, but also vital for the long-term success of LunarCrush.

You and the Lunr you hold will be given a voice through communal proposal submission and quadratic voting rights. This will likely be administered through NFTs that are activated through fulfilling certain requirements - including but not limited to hodling, User Level, profile strength, predictions, and staking participation. Users will be given a say in the direction of the network and the project – matters regarding feature development, treasury management, and reward schemas are all being envisioned as part of the governance discussion.

Governance actions will be able to be taken through a LunarCrush portal where you will use your Lunr to submit and vote on various community proposals.

Closing Statement
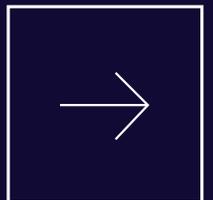
In The Wisdom of Crowds, James Surowiecki writes:

"Groups are only smart when there is a balance between the information that everyone in the group shares and the information that each of the members of the group holds privately. It's the combination of all those pieces of independent information, some of them right, some of the wrong, that keeps the group wise."

Our mission is to tame the chaos of a million different voices and opinions on a fast-developing socio economic paradigm. Community members like yourself will use Lunr to engage in worthwhile, relevant data-gathering and community-building. We whole-heartedly and humbly invite you to find your place in the LunarCrush ecosystem and help us reimagine a world where insight is palatable and wisdom is communal, and where the moon is in everyone's reach.