



# Lunr Utility Token

White Paper



Lunr, a utility token that fuels the LunarCrush community and supports the entire ecosystem.

# Abstract

Crypto assets have revolutionized the way we think about money, finance, and social cohesion, offering an alternative to traditional systems that is decentralized, secure, and transparent.

As with any tokenized asset, the economics of the asset play a crucial role in its success or failure.

At LunarCrush, we are constantly refining this system in an attempt to shepherd alignment towards the intended mission of creating transparency for investors. In this summary of changes to a Lunr's economics and distribution, we explore the latest updates and developments that are taking place in this exciting and dynamic ecosystem.

Our goal with the updates are to:

- 1 Reward loyal community members focused on the longevity of the protocol**
- 2 Create a streamlined, transparent mechanism for on-chain signaling and loyalty rewards for power users**

Our mission, again, remains the same - distill insights, build community, and foster an industry which sparks innovation and moves us all forward.

## Changes to the Reward System.

Previously, we had a more complex system to track user activity and holdings and reward them based on a myriad of factors and conditions [“see whitepaper v2” - <https://lunarcrush.com/lunrv2.pdf>]. We’ve simplified this to its most basic essence.

### → Our rewards system will be as follows:

Lunr rewards will be made available only to Pro users [ <https://lunarcrush.com/upgrade> ] i.e. users who hold at least 2,000 Lunr tokens on-chain and outside of LunrFi staking

Eligible users will be rewarded 5% APR on the amount of Lunr token they hold

$$\text{Daily Earnings} = \frac{\text{Total on-chain holdings} \times 0.05}{365}$$

Further incentives will be provided for using LunarCrush trade outside of the 5% APR, based on evolving promotions and individual trading metrics

## → Other notable changes:

We are no longer supporting LunarCrush provisioned wallets. This means that users will no longer be able to create, claim from, or send to LunarCrush provisioned wallets.

As part of the migration, users of the LunarCrush provisioned wallets will immediately be able to enter their wallet passphrase to view their private keys to import into Zilpay. This is part of the shift towards non-custodial wallets.

By importing the private keys into Zilpay, users will have full functionality with the balances that were previously held on the LunarCrush-provisioned wallets and be eligible for claiming any unclaimed Lunr rewards earned prior to the migration date.

All unclaimed Lunr will be available to claim into your own non-custodial wallet until Mar 24, 2023

## → TLDR:

LunarCrush users holding over 2,000 Lunr will be rewarded the equivalent of 5% APR in Lunr ( $\text{holdings} \times 0.05$ )/365 each day.

$$5\% \text{ APR} = \frac{\text{Holdings} \times 0.05}{365}$$

## How this impacts the token supply/ tokenomics

The amount of Lunr available for rewards will not change from V2, only the method for satisfying the requirements of reward eligibility. Community rewards allocation remains 51% of the total supply or 127,500,000 Lunr.

In V2, we designed the system to emit daily rewards and weekly rewards along a continuously reducing curve with the goal of full distribution of community rewards by November 2026. In the new system, the distribution of the 127.5m Lunr will depend on the amount of eligible users. Assuming all circulating supply on Feb 24, 2023 is eligible for the 5% APY (in reality some of the supply will be ineligible due to not meeting the 2000 Lunr requirement), it will take approximately 4.3 years or 51.5 months to distribute the remaining community rewards via daily rewards. In practice, this will likely settle to around the 5 years that was estimated in V2.

Ultimately, the real shift here is moving all users to non-custodial wallets and creating a simple, game-resistant system with no real change to the total supply rewarded over the lifetime of the Lunr protocol.

## Conclusion

In conclusion, the changes to this cryptocurrency's economics have significant implications for investors, users, and other stakeholders. These changes reflect the ever-evolving nature of the crypto asset market, where innovation and adaptation are key to success. With an ever-evolving strategy and approach to optimizing community rewards and protocol design, these changes present exciting new opportunities for growth and compounding loyalty for our most involved and valuable users.

